

COUNCIL

30 OCTOBER 2020

**1. REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / VERSLAG: ARTIKEL 52  
VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER / INGXELO: U MHLATHI 52 - UXANDUVA  
LUKA SODOLOPHU (1121692)**

(6/18/7)

16 October 2020

**REPORT FROM THE EXECUTIVE MAYOR (M BOOYSEN)**

**2. PURPOSE OF THE REPORT**

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

**3. DELEGATED AUTHORITY**

Council

**5. RECOMMENDATION**

- 5.1.1 That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 September 2020.

**AANBEVELING**

- 5.2.1 *Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal geëindig 30 September 2020.*

## **ISINDULULO**

5.3.1 Sesokuba iBhunga lithathele ingqalelo ingxelo ngokumiselwa kolwabiwo-mali kunye nemicimbi yezemali zomasipala zonyaka uzakuthi ga ngoku kunye nexesha eliphela ngomhla 30 keyoMsintsi 2020.

## **6. DISCUSSION / CONTENTS**

### **6.1 BACKGROUND**

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

#### **Section 52 (d)**

**The mayor of a municipality –**

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

## **6. DISCUSSION / CONTENTS**

### **6.1 BACKGROUND**

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

#### **Section 52 (d)**

**The mayor of a municipality –**

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

### **6.3 FINANCIAL IMPLICATIONS**

As contained in the attached report.

### **6.4 LEGAL IMPLICATIONS**

None. The following legislation applies:

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

**6.5 STAFF IMPLICATION**

None

**6.6 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS:**

There are no previous or relevant Council resolutions related to this matter.

**6.7 RISK IMPLICATIONS**

There are no foreseen risks

**6.8 COMMENTS FROM EXECUTIVE MANAGEMENT:**

**6.8.1 EXECUTIVE MANAGER: ROADS AND TRANSPORT PLANNING SERVICES**

None

**6.8.2 EXECUTIVE MANAGER: PLANNING AND ECONOMIC DEVELOPMENT**

None

**6.8.3 EXECUTIVE MANAGER: COMMUNITY SERVICES**

None

**6.8.4 EXECUTIVE MANAGER: CORPORATE SERVICES**

None

**6.8.5 EXECUTIVE MANAGER: FINANCIAL SERVICES**

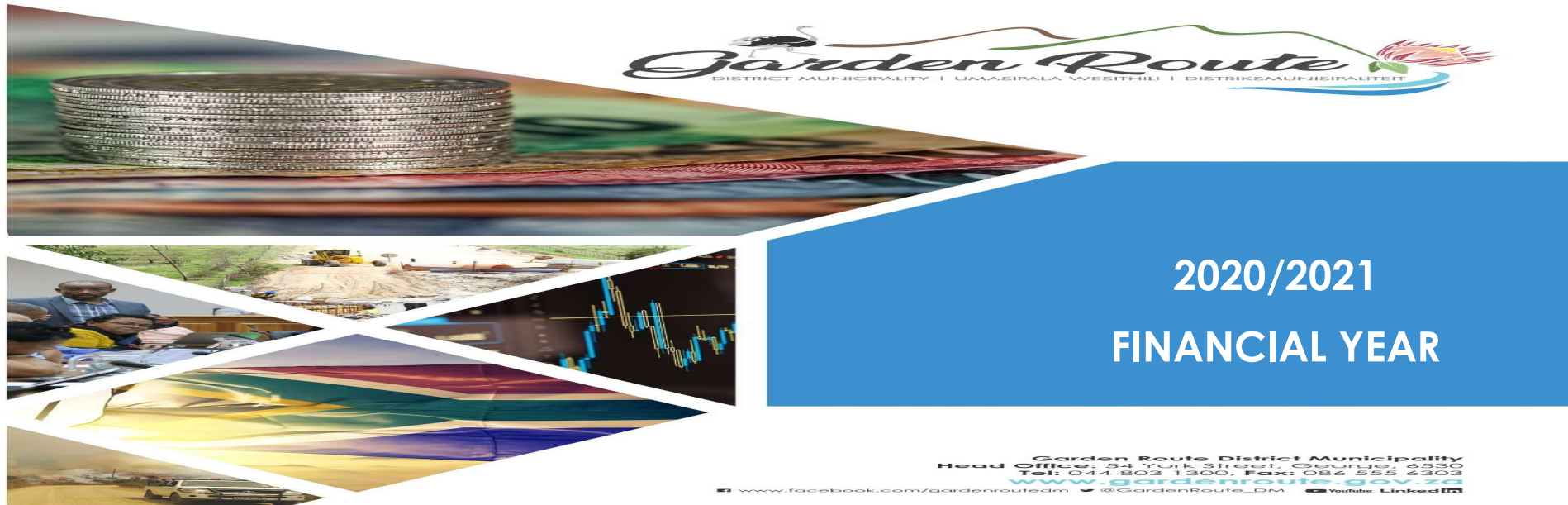
None

**6.8.6 MANAGER: LEGAL SERVICES**

None

**ANNEXURE**

Section 52 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 revised its annual budget during the year.

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

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

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

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

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

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

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

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

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

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

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

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

**MSCOA** – Municipal Standard Chart of Accounts

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

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

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

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

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

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

**Virement** – A transfer of funds.

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

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

## **Legislative Framework**

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

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

- Section 52: Quarterly budget statements

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

## **PART 1 – IN-YEAR REPORT**

### **SECTION 1 – MAYORAL FOREWORD**

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

District Council on both sides of the house, the Municipal Manager and his Executive Management Team, members of the media, interest groups and the citizens of the Garden Route District. I would like to express a hearty warm welcome to you all.

These figures are presented in terms of Section 52 of the MFMA. The information is presented for the 1<sup>st</sup> Quarter ending 30 September 2020.

But before we go to the figures, herewith an overview of the 1<sup>st</sup> Quarter's events which has been mostly overshadowed by the current COVID-19 pandemic:

Our thoughts and deepest condolences go out to all the families in the District and country that has been affected by COVID-19.

Since March 2020, all Environmental Health Practitioners (EHPs) of Garden Route District Municipality (GRDM) have worked at grassroots level to raise awareness about COVID-19 to formal and informal business sectors. Awareness shared not only included the signs and symptoms of the Coronavirus disease, but more importantly, ways in which to minimize and prevent the spread of it. More frequent inspections were conducted at premises to ensure that the public stayed protected. Basic principles such as hand hygiene, cough etiquette, cleaning of frequently touched surfaces and social distancing were taught. In addition, important factors such as adequate ventilation, the use of personal protective equipment, cleaning and disinfection of transport vehicles and pest control, were also shared and monitored.

*Herewith an executive summary of the performance of the Council for the 1<sup>st</sup> Quarter ending 30 September 2020. The actual and budgeted figures reported, includes the Roads Operational Budget.*

#### **Revenue by source**

The total revenue received by source for the 1<sup>st</sup> quarter amounts to **R105,322,222**, against an adjusted budget of **R400,711,513 (including Roads Agency)**. This represents **26.2%** recording of revenue for the first quarter, this is in line with the expected performance of 25% per quarter because the municipality received the first instalment amount of Equitable Share and the Roads Agency Services revenue were also accounted for on a monthly basis, which accounts for over 50% of the revenue budget.



### Operating Expenditure by source

For the first quarter of the financial year the municipality recorded expenditure performance of **R80,467,136** against an adjusted budget of **R409,771,815 (including Roads Agency)**, representing **19.6%** of expenditure for the first quarter, this is a little below the expected performance of 25% for the quarter, the deviation of 5.4% is as a result of the national lockdown due to the COVID-19 pandemic e.g travel are limited to a minimum and other means of communication for example zoom meetings are used to conduct meetings, etc., and due to non-cash items (e.g. debt impairment and post-retirement benefits) that is only accounted for at year-end.

The salary related expenditure for the first quarter was **R58,300,099** to an adjusted budget of **R241,014,902** (which includes contributions to post retirement benefits), representing **24%** spending of the budget for the first quarter.

The councillor remuneration expenditure for the first quarter amounted to **R2,419,883** to an adjusted budget of **R13,360,009**, representing **18%** of the budget.

Spending on contracted services was **R4,092,367** in the first quarter representing **11%** spending of an adjusted budget of **R38,254,266** for the quarter. The variance of -14% of performance of actual expenditure against the budgeted performance is as a result of the national lockdown due to the COVID-19 pandemic and conducting business via various other electronic means, thus saving on the cost of travelling, accommodations, etc.

Spending on other expenditure was **R10,041,005** in the first quarter representing **17%** spending of an adjusted budget of **R58,944,000** (including Roads Budget) for the quarter.

The expenditure in respect of the roads agency function is integrated in the financial system and is reported as a department of the GRDM financial system from the 1<sup>st</sup> of July 2020.

### Capital Expenditure

The adjusted capital budget for the financial year amounts to **R8,135,000**. For the first quarter, capital expenditure was **R4,192,809**, representing **52%** of the budget, which is in line with expectations.

Refer to detailed capital expenditure performance on page **31**.

## SECTION 2 – RESOLUTIONS

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

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

#### **RECOMMENDATION:**

That Council takes note of the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 September 2020.

## SECTION 3 – EXECUTIVE SUMMARY

### **3.1 Introduction**

These figures are presented in terms of section 52(d) of the MFMA. The information is presented for the 1<sup>st</sup> quarter ending 30 September 2020.

### **3.2 Consolidated performance**

#### **3.2.1 Against annual budget (adjusted)**

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

#### **Revenue by source**

For the first quarter the municipality records revenue performance of **R105,322,222** against an adjusted budget of **R400,711,513** representing **26.2%** recording of revenue for the first quarter, this is in line with the expected performance of 25% per quarter because the municipality received the first instalment amount of Equitable Share and the Roads Agency Services revenue were also accounted for on a monthly basis, which accounts for over 50% of the revenue budget.

#### **Operating Expenditure by type**

For the first quarter of the financial year the municipality records expenditure performance of **R80,467,136** against an adjusted budget of **R409,771,815**, representing **19.6%** of expenditure

including the Roads Agency Function, this is a little below the expected performance of 25% for the quarter, the deviation of 5.4% is as a result of the national lockdown due to the COVID-19 pandemic and alternative business measures being utilized e.g. electronic meetings as an alternative for travelling and accommodation and due to non-cash items (e.g. debt impairment and post-retirement benefits) that is only accounted for at year-end.

### **Capital Expenditure**

The adjusted capital budget for the financial year amounts to **R8,135,000**. For the first quarter, capital expenditure was **R4,192,809**, representing **52%** of the budget, which is in line with expectations.

### **3.3 Material variances from SDBIP**

Attached to this report as Annexure is the SDBIP report for the 1<sup>st</sup> quarter ending 30 September 2020.

Management of the SDBIP and achievement of actuals against KPI target are done via the Performance Management Unit situated in the Office of the Municipal Manager.

### **3.4 Conclusion**

Detailed analysis of the municipal performance for the 1<sup>st</sup> quarter ending 30 September 2020 will be presented under the different sections of the report. More information regarding the municipal performance and explanations will be provided below.

## SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

### 4.1 Monthly budget statements

#### 4.1.1 Table C1: s71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	12 945	14 091	14 091	243	526	3 523	(2 997)	-85%	14 091
Transfers and subsidies	73 348	174 269	34 019	1 712	3 230	8 505	(5 275)	-62%	34 019
Other own revenue	273 290	203 812	352 601	15 837	101 566	88 150	13 416	15%	352 601
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>359 583</b>	<b>392 172</b>	<b>400 712</b>	<b>17 792</b>	<b>105 322</b>	<b>100 178</b>	<b>5 144</b>	<b>5%</b>	<b>400 712</b>
Employee costs	149 735	239 508	241 015	19 413	58 300	60 254	(1 954)	-3%	241 015
Remuneration of Councillors	10 097	13 360	13 360	793	2 420	3 340	(920)	-28%	13 360
Depreciation & asset impairment	4 543	3 930	3 930	392	1 171	983	188	19%	3 930
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	3 387	51 197	51 605	2 134	4 262	12 901	(8 640)	-67%	51 605
Transfers and subsidies	1 161	1 230	1 230	15	182	308	(126)	-41%	1 230
Other expenditure	183 972	92 007	98 631	5 420	14 133	24 658	(10 524)	-43%	98 631
<b>Total Expenditure</b>	<b>352 894</b>	<b>401 232</b>	<b>409 771</b>	<b>28 167</b>	<b>80 467</b>	<b>102 443</b>	<b>(21 976)</b>	<b>-21%</b>	<b>409 771</b>
<b>Surplus/(Deficit)</b>	<b>6 690</b>	<b>(9 060)</b>	<b>(9 060)</b>	<b>(10 375)</b>	<b>24 855</b>	<b>(2 265)</b>	<b>27 120</b>	<b>-1197%</b>	<b>(9 060)</b>
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	424	–	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>7 114</b>	<b>(9 060)</b>	<b>(9 060)</b>	<b>(10 375)</b>	<b>24 855</b>	<b>(2 265)</b>	<b>27 120</b>	<b>-1197%</b>	<b>(9 060)</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>7 114</b>	<b>(9 060)</b>	<b>(9 060)</b>	<b>(10 375)</b>	<b>24 855</b>	<b>(2 265)</b>	<b>27 120</b>	<b>-1197%</b>	<b>(9 060)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>7 763</b>	<b>8 135</b>	<b>8 135</b>	<b>4 193</b>	<b>4 193</b>	<b>2 034</b>	<b>2 159</b>	<b>106%</b>	<b>8 135</b>
Capital transfers recognised	3 435	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	4 328	8 135	8 135	4 193	4 193	2 034	2 159	106%	8 135
<b>Total sources of capital funds</b>	<b>7 763</b>	<b>8 135</b>	<b>8 135</b>	<b>4 193</b>	<b>4 193</b>	<b>2 034</b>	<b>2 159</b>	<b>106%</b>	<b>8 135</b>
<b>Financial position</b>									
Total current assets	158 711	173 685	173 685		203 317				173 685
Total non current assets	248 198	314 316	314 316		255 134				314 316
Total current liabilities	20 253	74 604	74 604		42 274				74 604
Total non current liabilities	90 666	144 852	144 852		78 839				144 852
Community wealth/Equity	295 989	268 545	268 545		337 337				268 545
<b>Cash flows</b>									
Net cash from (used) operating	(51 371)	(3 288)	(3 288)	(10 375)	24 855	(822)	(25 677)	3123%	(3 288)
Net cash from (used) investing	(7 763)	(8 135)	(8 135)	(36 725)	(36 725)	(2 034)	34 691	-1706%	(8 135)
Net cash from (used) financing	–	–	–	–	–	–	–		–
<b>Cash/cash equivalents at the month/year end</b>	<b>110 634</b>	<b>143 131</b>	<b>143 131</b>	<b>–</b>	<b>185 449</b>	<b>151 699</b>	<b>(33 750)</b>	<b>-22%</b>	<b>185 895</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	(13)	1 207	2 019	918	530	336	5 997	24 547	35 541
<b>Creditors Age Analysis</b>									
Total Creditors	138	81	218	595	3	1	8	24	1 069

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

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>208 430</b>	<b>217 258</b>	<b>225 797</b>	<b>3 839</b>	<b>83 484</b>	<b>56 449</b>	<b>27 034</b>	<b>48%</b>	<b>225 797</b>
Executive and council		207 582	217 030	225 569	3 839	83 484	56 392	27 091	48%	225 569
Finance and administration		848	228	228	–	–	57	(57)	-100%	228
Internal audit		–	–	–	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		<b>6 415</b>	<b>9 330</b>	<b>9 330</b>	<b>162</b>	<b>207</b>	<b>2 333</b>	<b>(2 126)</b>	<b>-91%</b>	<b>9 330</b>
Community and social services		–	–	–	–	–	–	–	–	–
Sport and recreation		6 021	8 656	8 656	135	138	2 164	(2 026)	-94%	8 656
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		393	674	674	26	69	168	(100)	-59%	674
<i><b>Economic and environmental services</b></i>		<b>144 927</b>	<b>165 584</b>	<b>165 584</b>	<b>13 792</b>	<b>21 632</b>	<b>41 396</b>	<b>(19 764)</b>	<b>-48%</b>	<b>165 584</b>
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		144 851	165 473	165 473	13 792	21 627	41 368	(19 741)	-48%	165 473
Environmental protection		76	111	111	–	4	28	(23)	-84%	111
<i><b>Trading services</b></i>		<b>236</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		236	–	–	–	–	–	–	–	–
<i><b>Other</b></i>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>360 008</b>	<b>392 172</b>	<b>400 712</b>	<b>17 792</b>	<b>105 322</b>	<b>100 178</b>	<b>5 144</b>	<b>5%</b>	<b>400 712</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>113 858</b>	<b>129 355</b>	<b>130 527</b>	<b>9 045</b>	<b>30 776</b>	<b>32 632</b>	<b>(1 856)</b>	<b>-6%</b>	<b>130 527</b>
Executive and council		37 979	49 165	49 987	2 162	10 692	12 497	(1 805)	-14%	49 987
Finance and administration		73 727	77 489	77 789	6 681	19 485	19 447	38	0%	77 789
Internal audit		2 152	2 702	2 751	203	599	688	(89)	-13%	2 751
<i><b>Community and public safety</b></i>		<b>77 975</b>	<b>85 264</b>	<b>86 071</b>	<b>6 917</b>	<b>15 684</b>	<b>21 518</b>	<b>(5 834)</b>	<b>-27%</b>	<b>86 071</b>
Community and social services		11 334	12 914	12 994	1 017	2 188	3 249	(1 061)	-33%	12 994
Sport and recreation		11 470	13 494	13 494	729	1 844	3 374	(1 530)	-45%	13 494
Public safety		24 475	26 063	26 063	2 153	4 569	6 516	(1 947)	-30%	26 063
Housing		–	–	–	–	–	–	–	–	–
Health		30 696	32 793	33 520	3 018	7 084	8 380	(1 296)	-15%	33 520
<i><b>Economic and environmental services</b></i>		<b>155 392</b>	<b>179 235</b>	<b>183 364</b>	<b>11 846</b>	<b>31 726</b>	<b>45 841</b>	<b>(14 115)</b>	<b>-31%</b>	<b>183 364</b>
Planning and development		7 393	7 087	7 157	585	1 427	1 789	(362)	-20%	7 157
Road transport		144 851	168 818	172 877	11 037	29 782	43 219	(13 437)	-31%	172 877
Environmental protection		3 149	3 330	3 330	224	517	833	(315)	-38%	3 330
<i><b>Trading services</b></i>		<b>3 565</b>	<b>4 606</b>	<b>7 106</b>	<b>235</b>	<b>1 925</b>	<b>1 776</b>	<b>149</b>	<b>8%</b>	<b>7 106</b>
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		3 565	4 606	7 106	235	1 925	1 776	149	8%	7 106
<i><b>Other</b></i>		<b>2 104</b>	<b>2 773</b>	<b>2 703</b>	<b>124</b>	<b>356</b>	<b>676</b>	<b>(320)</b>	<b>-47%</b>	<b>2 703</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>352 894</b>	<b>401 233</b>	<b>409 771</b>	<b>28 167</b>	<b>80 467</b>	<b>102 443</b>	<b>(21 976)</b>	<b>-21%</b>	<b>409 771</b>
<b>Surplus/ (Deficit) for the year</b>		<b>7 114</b>	<b>(9 060)</b>	<b>(9 060)</b>	<b>(10 375)</b>	<b>24 855</b>	<b>(2 265)</b>	<b>27 120</b>	<b>-1197%</b>	<b>(9 060)</b>

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 and the roads transport for the roads function performed on behalf of province. This is because the municipality budgets most of its income under the Governance and administration function of the Government Financial Statistics (GFS) classification.

Operational performance for the revenue budget totals **R105,322,222** for the first quarter ending 30 September 2020. Based on the adjusted budget of **R400,711,513**, this represents **26.2%** recording of revenue for the first quarter, this is in line with the expected performance of 25% per quarter because the municipality received the first instalment amount of Equitable Share and the Roads Agency Services revenue were also accounted for on a monthly basis, which accounts for over 50% of the revenue budget.

### **Operating Expenditure**

Operational performance for the expenditure budget totals **R80,467,136** for the first quarter ending 30 September 2020. Based on the adjusted budget of **R409,771,815**, this represents **19.6%** of budgeted expenditure. The year to date expenditure amounts includes the Roads Agency Function.

More details regarding the operational expenditures are included in the report below under expenditure by type.

In Table C3, Financial Performance is reported by municipal vote:

#### 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) - Q1 First Quarter

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		207 582	217 030	225 569	3 839	83 484	56 392	27 091	48,0%	225 569
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		848	228	228	-	-	57	(57)	-100,0%	228
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		393	674	674	26	69	168	(100)	-59,1%	674
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		6 021	8 656	8 656	135	138	2 164	(2 026)	-93,6%	8 656
Vote 9 - Waste Management		236	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		76	111	111	-	4	28	(23)	-84,4%	111
Vote 14 - Roads Agency Function		144 851	165 473	165 473	13 792	21 627	41 368	(19 741)	-47,7%	165 473
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>360 008</b>	<b>392 172</b>	<b>400 712</b>	<b>17 792</b>	<b>105 322</b>	<b>100 178</b>	<b>5 144</b>	<b>5,1%</b>	<b>400 712</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and Council		40 928	52 598	53 420	2 845	11 899	13 355	(1 456)	-10,9%	53 420
Vote 2 - Budget and Treasury Office		21 844	24 275	24 275	2 012	5 735	6 069	(334)	-5,5%	24 275
Vote 3 - Corporate Services		40 538	42 386	42 736	3 294	10 811	10 684	128	1,2%	42 736
Vote 4 - Planning and Development		22 663	23 512	23 512	1 824	4 507	5 878	(1 370)	-23,3%	23 512
Vote 5 - Public Safety		30 670	33 222	33 302	2 761	5 802	8 326	(2 524)	-30,3%	33 302
Vote 6 - Health		33 216	34 993	35 720	3 206	7 644	8 930	(1 286)	-14,4%	35 720
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		11 470	13 494	13 494	729	1 844	3 374	(1 530)	-45,3%	13 494
Vote 9 - Waste Management		3 565	4 606	7 106	235	1 925	1 776	149	8,4%	7 106
Vote 10 - Roads Transport		-	3 345	7 404	-	-	1 851	(1 851)	-100,0%	7 404
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 149	3 330	3 330	224	517	833	(315)	-37,9%	3 330
Vote 14 - Roads Agency Function		144 851	165 473	165 473	11 037	29 782	41 368	(11 586)	-28,0%	165 473
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>352 894</b>	<b>401 233</b>	<b>409 771</b>	<b>28 167</b>	<b>80 467</b>	<b>102 443</b>	<b>(21 976)</b>	<b>-21,5%</b>	<b>409 771</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>7 114</b>	<b>(9 060)</b>	<b>(9 060)</b>	<b>(10 375)</b>	<b>24 855</b>	<b>(2 265)</b>	<b>27 120</b>	<b>-1197,4%</b>	<b>(9 060)</b>

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 function and roads agency function. 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) - Q1 First Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		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		1 142	1 614	1 614	82	245	404	(159)	-39%	1 614
Interest earned - external investments		12 945	14 091	14 091	243	526	3 523	(2 997)	-85%	14 091
Interest earned - outstanding debtors		3 234	3 710	3 710	232	1 355	928	428	46%	3 710
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-
Licences and permits		76	111	111	-	4	28	(23)	-84%	111
Agency services		163 461	184 673	184 673	14 961	25 274	46 168	(20 894)	-45%	184 673
Transfers and subsidies		73 348	174 269	34 019	1 712	3 230	8 505	(5 275)	-62%	34 019
Other revenue		105 378	13 704	162 493	562	74 688	40 623	34 065	84%	162 493
Gains on disposal of PPE								-		-
Total Revenue (excluding capital transfers and contributions)		359 583	392 172	400 712	17 792	105 322	100 178	5 144	5%	400 712
Expenditure By Type										
Employee related costs		149 735	239 508	241 015	19 413	58 300	60 254	(1 954)	-3%	241 015
Remuneration of councillors		10 097	13 360	13 360	793	2 420	3 340	(920)	-28%	13 360
Debt impairment		1 198	1 841	1 841		-	460	(460)	-100%	1 841
Depreciation & asset impairment		4 543	3 930	3 930	392	1 171	983	188	19%	3 930
Finance charges		-	-	-		-	-	-	-	-
Bulk purchases		-	-	-		-	-	-	-	-
Other materials		3 387	51 197	51 605	2 134	4 262	12 901	(8 640)	-67%	51 605
Contracted services		13 201	32 272	38 396	1 534	4 092	9 599	(5 507)	-57%	38 396
Transfers and subsidies		1 161	1 230	1 230	15	182	308	(126)	-41%	1 230
Other expenditure		169 573	57 894	58 393	3 885	10 041	14 598	(4 557)	-31%	58 393
Loss on disposal of PPE								-		
Total Expenditure		352 894	401 232	409 771	28 167	80 467	102 443	(21 976)	-21%	409 771
Surplus/(Deficit)		6 690	(9 060)	(9 060)	(10 375)	24 855	(2 265)	27 120	(0)	(9 060)
Transfers and subsidies - capital (municipal only contributions)								-		
(National / Provincial and District)										
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		424						-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		7 114	(9 060)	(9 060)	(10 375)	24 855	(2 265)			(9 060)
Taxation								-		
Surplus/(Deficit) after taxation		7 114	(9 060)	(9 060)	(10 375)	24 855	(2 265)			(9 060)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		7 114	(9 060)	(9 060)	(10 375)	24 855	(2 265)			(9 060)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		7 114	(9 060)	(9 060)	(10 375)	24 855	(2 265)			(9 060)



### **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 quarter ending 30 September 2020 amounted to R244,628. The resorts were closed after the outbreak of the COVID 19 in South Africa and the declaration of a national disaster and are result of the performance variance of the actual income versus the budgeted expected year to date. The actual performance is -39% off the year-to-date budget, with the movement to level one and the opening of the economy sector, the expectancy is that the income will rise within next three months.

#### **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 quarter ending 30 September 2020 amounted to R526,238, the investment balance of the municipality amounted to R171m for the month ended 30 September 2020 and was invested for a period longer than 30 days to optimize interest received on investments. The actual performance is -85% off the year-to-date budget as a result of bulk of investments that have not matured yet, it is invested for more than 30 days, and the interest will only be realised on the date of maturity hence the reason for the under performance against budgeted amount versus actual year-to-date.

#### **Interest raised – Outstanding debtors**

Interest on outstanding debtors for the first quarter ending 30 September 2020 amounted to R1,355,069. Majority of the debtors are firefighting debtors.

#### **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 6% on any additional allocations. An amount of R3,865,217 was recorded for the first quarter ending 30 September 2020.

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 R73,116,000 for the Equitable Share was received during July 2020. The Local Government Finance Management grant of R1,000,000 and the first instalment of R518,000 for Expanded Public Works Programme was received during August 2020. The municipality received its first instalment of R1,712,000 for the Rural Roads Assets Management Grant during September 2020. The fuel levy share budgeted amount were moved to other revenue, the municipality received instalments as per agreement and the performance for the year to date is in line with the budgeted expected amounts.

Other revenue / Sundry income

Other revenue reflects an amount of R74,688,170 for the first quarter ending 30 September 2020. Other revenue consists of the following: Other revenue mostly consists of the following: Fire Services and Health Services.

**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 quarter ending 30 September 2020 amounted to R60,719,982 of an adjusted budgeted amount of R254,374,911 that represents 24% of the budgeted amount.

Debt Impairment / Depreciation and asset impairment

Depreciation recorded for the quarter ending 30 September 2020 amounted to R1,170,515.

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 an 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.

#### 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.

#### Other materials

Other materials consists of all inventory consumed purchases for materials and supplies and amounts to R4,261,7717 for the first quarter ended 30 September 2020 against an adjusted budgeted amount of R51,197,233. The municipality were closed since lockdown and gradually returned to work as the lockdown levels were eased. The actual performance is -67% off the year-to-date budget, since the country moved to level 1 and most employees coming back to work 31 August 2020, the procurement of goods and services are expected to increase over the next 2 months.

#### Contracted services

Contracted services amounted to R4,092,367 for the first quarter ending 30 September 2020. The municipality were closed since lockdown and gradually returned to work as the lockdown levels were eased. The actual performance is -57% off the year-to-date budget, since the country moved to level 1 and most employees coming back to work on 31 August 2020, the procurement of goods and services are expected to increase over the next 2 months.

#### Transfers and subsidies

The transfers and subsidies expenditure for the first quarter ended 30 September 2020 amounts to R181,500.00 against an adjusted budgeted amount of R1,230 000. The municipality were closed since lockdown and gradually returned to work as the lockdown level were eased. The actual performance is -41% off the year-to-date budget, since the country moved to level 1 and most employees coming back to work 31 August 2020, the procurement of goods and services are expected to increase over the next 2 months.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R10,041,005 for the first quarter ended 30 September 2020. The municipality were closed since lockdown and gradually returned to work as the lockdown levels were eased. The actual performance is -31% off the year-to-date budget, since the country moved to level 1 and most employees returning to work 31 August 2020, the procurement of goods and services are expected to increase over the next 2 months.

The other expenditure consists of the following:

- Operating costs
- Operating Projects (own funds)

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

Variances explained in Supporting Table C5

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		–	5 000	5 000	3 965	3 965	1 250	2 715	217%	5 000
Vote 2 - Budget and Treasury Office		19	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		1 231	–	–	–	–	–	–	–	–
Vote 4 - Planning and Development		–	–	–	–	–	–	–	–	–
Vote 5 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 6 - Health		–	–	–	–	–	–	–	–	–
Vote 7 - Community and Social Services		–	–	–	–	–	–	–	–	–
Vote 8 - Sport and Recreation		–	1 500	1 500	–	–	375	(375)	-100%	1 500
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		–	–	–	–	–	–	–	–	–
<b>Total Capital Multi-year expenditure</b>	4,7	1 251	6 500	6 500	3 965	3 965	1 625	2 340	144%	6 500
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		70	30	30	–	–	8	(8)	-100%	30
Vote 2 - Budget and Treasury Office		1	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		97	1 575	1 575	226	226	394	(168)	-43%	1 575
Vote 4 - Planning and Development		14	30	30	2	2	8	(5)	-73%	30
Vote 5 - Public Safety		3 775	–	–	–	–	–	–	–	–
Vote 6 - Health		2 255	–	–	–	–	–	–	–	–
Vote 7 - Community and Social Services		–	–	–	–	–	–	–	–	–
Vote 8 - Sport and Recreation		245	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		27	–	–	–	–	–	–	–	–
Vote 10 - Roads Transport		–	–	–	–	–	–	–	–	–
Vote 11 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 12 - Water		–	–	–	–	–	–	–	–	–
Vote 13 - Environment Protection		28	–	–	–	–	–	–	–	–
Vote 14 - Roads Agency Function		–	–	–	–	–	–	–	–	–
Vote 15 - Electricity		–	–	–	–	–	–	–	–	–
<b>Total Capital single-year expenditure</b>	4	6 512	1 635	1 635	228	228	409	(181)	-44%	1 635
<b>Total Capital Expenditure</b>		7 763	8 135	8 135	4 193	4 193	2 034	2 159	106%	8 135

The adjusted capital budget for the financial year amounts to **R8,135,000**. For the first quarter, capital expenditure was **R4,192,809**, representing **52%** of the budget, which is in line with expectations.

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

#### 4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		144 849	143 131	143 131	24 812	143 131
Call investment deposits		–	–	–	171 000	–
Consumer debtors		10 863	–	–	4 252	–
Other debtors		269	23 956	23 956	(14)	23 956
Current portion of long-term receivables			3 867	3 867		3 867
Inventory		2 731	2 731	2 731	3 267	2 731
<b>Total current assets</b>		<b>158 711</b>	<b>173 685</b>	<b>173 685</b>	<b>203 317</b>	<b>173 685</b>
<b>Non current assets</b>						
Long-term receivables			59 705	59 705		59 705
Investments		27	27	27	27	27
Investment property		86 108	86 108	86 108	85 970	86 108
Investments in Associate						
Property, plant and equipment		159 923	166 336	166 336	167 494	166 336
Biological						
Intangible		2 139	2 139	2 139	1 642	2 139
Other non-current assets						
<b>Total non current assets</b>		<b>248 198</b>	<b>314 316</b>	<b>314 316</b>	<b>255 134</b>	<b>314 316</b>
<b>TOTAL ASSETS</b>		<b>406 909</b>	<b>488 001</b>	<b>488 001</b>	<b>458 451</b>	<b>488 001</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing		698			217	–
Consumer deposits		1 052			829	–
Trade and other payables		1 199	37 449	37 449	25 551	37 449
Provisions		17 304	37 155	37 155	15 677	37 155
<b>Total current liabilities</b>		<b>20 253</b>	<b>74 604</b>	<b>74 604</b>	<b>42 274</b>	<b>74 604</b>
<b>Non current liabilities</b>						
Borrowing		28	28	28	451	28
Provisions		90 638	144 823	144 823	78 388	144 823
<b>Total non current liabilities</b>		<b>90 666</b>	<b>144 852</b>	<b>144 852</b>	<b>78 839</b>	<b>144 852</b>
<b>TOTAL LIABILITIES</b>		<b>110 920</b>	<b>219 456</b>	<b>219 456</b>	<b>121 113</b>	<b>219 456</b>
<b>NET ASSETS</b>	2	<b>295 989</b>	<b>268 545</b>	<b>268 545</b>	<b>337 337</b>	<b>268 545</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		264 663	249 572	249 572	305 995	249 572
Reserves		31 326	18 973	18 973	31 342	18 973
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>295 989</b>	<b>268 545</b>	<b>268 545</b>	<b>337 337</b>	<b>268 545</b>

The financial position of Council is recorded at the end of the first quarter ending 30 September 2020.

#### 4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates								-		
Service charges								-		
Other revenue		172 185	200 102	203 329	15 605	100 211	50 832	49 379	97%	203 329
Government - operating		170 090	174 269	179 581	1 712	3 230	44 895	(41 665)	-93%	179 581
Government - capital							-	-		-
Interest		16 264	17 801	17 801	475	1 881	4 450	(2 569)	-58%	17 801
Dividends							-	-		
<b>Payments</b>										
Suppliers and employees		(405 126)	(394 231)	(402 770)	(28 152)	(80 286)	(100 692)	(20 407)	20%	(402 770)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		(4 784)	(1 230)	(1 230)	(15)	(182)	(308)	(126)	41%	(1 230)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(51 371)</b>	<b>(3 288)</b>	<b>(3 288)</b>	<b>(10 375)</b>	<b>24 855</b>	<b>(822)</b>	<b>(25 677)</b>	<b>3123%</b>	<b>(3 288)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		-
Decrease (increase) in non-current debtors		-						-		-
Decrease (increase) other non-current receivables			-				-	-		
Decrease (increase) in non-current investments		-	-		(32 532)	(32 532)		(32 532)	#DIV/0!	
<b>Payments</b>										
Capital assets		(7 763)	(8 135)	(8 135)	(4 193)	(4 193)	(2 034)	2 159	-106%	(8 135)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(7 763)</b>	<b>(8 135)</b>	<b>(8 135)</b>	<b>(36 725)</b>	<b>(36 725)</b>	<b>(2 034)</b>	<b>34 691</b>	<b>-1706%</b>	<b>(8 135)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(59 134)</b>	<b>(11 423)</b>	<b>(11 423)</b>	<b>(47 100)</b>	<b>(11 870)</b>	<b>(2 856)</b>			<b>(11 423)</b>
Cash/cash equivalents at beginning:		169 768	154 555	154 555		197 318	154 555			197 318
Cash/cash equivalents at month/year end:		110 634	143 131	143 131		185 449	151 699			185 895

The municipal bank balance at 30 September 2020 totals R14 472 689.09 and the short term deposits balance was R171 000 000.00, therefore the total cash and cash equivalents amounts to R185 472 689.09.

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

<b>REPORTING MONTH: 30 SEPTEMBER 2020</b>		
<b>Commitments against Cash &amp; Cash Equivalents</b>		
<b>ITEM</b>	<b>Previous Month R'000</b>	<b>Current Month R'000</b>
Bank balance as at 30 September 2020	12 318 272,90	14 472 689,09
Other Cash & Cash Equivalents: Short term deposits	185 000 000,00	171 000 000,00
<b>Total Cash &amp; Cash Equivalents:</b>	<b>197 318 272,90</b>	<b>185 472 689,09</b>
<b>LESS:</b>	<b>119 097 098,53</b>	<b>105 099 008,96</b>
Unspent Conditional Grants	5 312 075,69	5 207 021,15
Provision for staff leave	13 904 229,27	13 904 229,27
Provision for bonus	5 055 265,03	5 055 265,03
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	-	-
Grant received in advance	36 558 000,00	18 279 000,00
Trade Payables	3 452 081,04	3 189 869,61
Unspent Capital budget	1 355 833,33	-
Unspent Operational budget	15 995 698,17	21 999 707,90
<b>Sub total</b>	<b>78 221 174,37</b>	<b>80 373 680,13</b>
<b>PLUS:</b>	<b>874 427,16</b>	<b>874 427,16</b>
VAT Receivable	250 000,00	250 000,00
Receivable Exchange	624 427,16	624 427,16
	<b>79 095 601,53</b>	<b>81 248 107,29</b>
<b>LESS OTHER MATTERS:</b>		
Capital Replacement Reserve	31 704 864,67	31 704 864,67
<b>Sub Total</b>	<b>47 390 736,86</b>	<b>49 543 242,62</b>
<b>LESS: CONTINGENT LIABILITIES</b>	<b>10 757 434,15</b>	<b>10 757 434,15</b>
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, Hooggekraal	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
<b>Recalculated available cash balance</b>	<b>36 633 302,71</b>	<b>38 785 808,47</b>



## PART 2 – SUPPORTING DOCUMENTATION

### SECTION 5 – DEBTORS' ANALYSIS

#### Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter

2024 Garden Route - Supporting Table 003 monthly Budget Statement - aged debtors - Q1 First Quarter														
Description	NT Code	Budget Year 2020/21										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-		
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	0	0	60	-	-	-	-	(48)	12	(48)			
Interest on Arrear Debtor Accounts	1810	232	225	235	296	246	234	1 763	1 553	4 783	4 091			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	(245)	981	1 724	622	285	102	4 235	23 043	30 746	28 286			
Total By Income Source	2000	(13)	1 207	2 019	918	530	336	5 997	24 547	35 541	32 329	-	-	
2019/20 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	(28)	79	252	17	216	18	452	1 136	2 141	1 838			
Commercial	2300	-	-	-	-	-	-	-	-	-	-			
Households	2400	0	0	0	-	-	-	-	-	0	-			
Other	2500	15	1 128	1 767	901	315	318	5 546	23 412	33 400	30 491			
Total By Customer Group	2600	(13)	1 207	2 019	918	530	336	5 997	24 547	35 541	32 329	-	-	

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 fire section have implemented an electronic system which will assist in the future with disputes.

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 - Q1 First Quarter

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter											
Description	NT Code	Budget Year 2020/21									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	138	81	218	595	3	1	8	24	1 069	
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	138	81	218	595	3	1	8	24	1 069	-

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

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.

Departments provide cash flow projections on spending to the finance department, which enables the finance department to accurately perform cash flow projections.

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

		Movements for the month					
	Balance as at 01 September 2020	Investments matured	Investments made	Interest capitalised	Balance as at 30 September 2020	Interest earned	Interest earned
						Month	Year to date
<i>Garden Route District Municipality</i>							
<i>Interest Received YTD</i>	-				-		
<i>Standard Bank</i>	64 000 000,00	-7 000 000,00			57 000 000,00	59 106,85	91 449,31
<i>Investec Bank</i>	-				-		19 808,22
<i>ABSA</i>	64 000 000,00	-7 000 000,00			57 000 000,00	53 838,63	53 838,63
<i>Nedbank</i>	57 000 000,00	-7 000 000,00	-7 000 000,00		57 000 000,00	23 775,06	23 775,06
<i>FNB</i>	-				-		7 811,50
<i>Standard Bank - Bank Guarantee investment investment</i>	-				-	-	-
<b>BANK DEPOSITS</b>	<b>185 000 000,00</b>	<b>-21 000 000,00</b>	<b>-7 000 000,00</b>	<b>-</b>	<b>171 000 000,00</b>	<b>136 720,54</b>	<b>196 682,72</b>

## 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 - Q1 First Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		157 166	168 297	174 093	1 712	76 346	43 523	31 689	72,8%	174 093
Local Government Equitable Share		151 237	162 480	165 707		73 116	41 427	31 689	76,5%	165 707
Finance Management		1 000	1 000	1 000	–	1 000	250			1 000
Municipal Systems Improvement		–	300	300			75			300
EPWP Incentive		1 021	2 072	2 072	–	518	518			2 072
NT - Rural Roads Asset Management Systems		2 425	2 445	5 014	1 712	1 712	1 254			5 014
Fire Service Capacity Building Grant	3	1 483						–		–
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
<b>Provincial Government:</b>		14 810	3 400	6 143	–	–	1 536	(1 348)	-87,8%	6 143
PT - Integrated Transport Plan		1 800	900	2 390			598	(598)	-100,0%	2 390
PT - WC Support Grant		1 450	400	750			188			750
PT - Disaster Management Grant		10 000		80			20	(20)	-100,0%	80
PT - WC Support Grant		360		–			–	–		–
PT - Safety Plan Implementation (WOSA)		1 200	2 100	2 923			731	(731)	-100,0%	2 923
Other transfers and grants [insert description]	4							–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
								–		
								–		
<b>Total Operating Transfers and Grants</b>	5	171 976	171 697	180 236	1 712	76 346	45 059	30 341	67,3%	180 236

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

## 8.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter

2014 Garden Route - Supporting Table 001 (7) monthly Budget Statement - transfers and grant expenditure - Q1 first quarter										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		161 684	168 297	174 093	405	1 273	43 523	(42 250)	-97,1%	174 093
Local Government Equitable Share		157 370	162 480	165 707			41 427	(41 427)	-100,0%	165 707
Finance Management		1 000	1 000	1 000	59	191	250	(59)	-23,7%	1 000
Municipal Systems Improvement		–	300	300	7	259	75	184	245,0%	300
EPWP Incentive		1 629	2 072	2 072	339	824	518	306	59,1%	2 072
NT - Rural Roads Asset Management Systems			2 445	5 014	–		1 254	(1 254)	-100,0%	5 014
Fire Service Capacity Building Grant		1 685						–		–
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	3 400	6 143	–	–	250	(250)	-100,0%	6 143
PT - Integrated Transport Plan		1 800	900	2 390	–		75	(75)	-100,0%	2 390
PT - Disaster Management Grant		10 000		80	–		–	–		80
PT - WC Support Grant		1 450	400	750	–			–		750
PT - Safety Plan Implementation (WOSA)		1 200	2 100	2 923	–		175	(175)	-100,0%	2 923
Other transfers and grants [insert description]		360						–		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		176 494	171 697	180 236	405	1 273	43 773	(42 500)	-97,1%	180 236

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

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

### Supporting Table C8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		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
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		9 340	11 298	11 298	718	2 204	2 825	(620)	-22%	11 298
Pension and UIF Contributions		54	242	242	8	18	60	(42)	-70%	242
Medical Aid Contributions		49	78	78	8	16	19	(4)	-18%	78
Motor Vehicle Allowance		86	776	776	9	26	194	(168)	-87%	776
Cellphone Allowance		568	515	515	51	156	129	28	21%	515
Housing Allowances		–	451	451	–	–	113	(113)	-100%	451
Other benefits and allowances		–	–	–	–	–	–	–	–	–
<b>Sub Total - Councillors</b>	4	10 097	13 360	13 360	793	2 420	3 340	(920)	-28%	13 360
<b>% increase</b>	3		32,3%	32,3%						32,3%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4 442	4 390	4 390	473	1 325	1 097	227	21%	4 390
Pension and UIF Contributions		161	161	1 420	14	14	355	(341)	-96%	1 420
Medical Aid Contributions		124	105	105	4	12	26	(14)	-54%	105
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		838	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		805	804	804	41	154	201	(46)	-23%	804
Cellphone Allowance		111	142	142	9	27	35	(8)	-24%	142
Housing Allowances		194	–	–	–	–	–	–	–	–
Other benefits and allowances		(211)	770	770	0	0	192	(192)	-100%	770
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>	4	6 464	6 371	7 630	542	1 533	1 907	(374)	-20%	7 630
<b>% increase</b>	4		-1,4%	18,0%						18,0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		86 899	147 256	147 924	12 477	40 323	36 981	3 342	9%	147 924
Pension and UIF Contributions		13 210	24 724	23 502	2 188	4 720	5 876	(1 156)	-20%	23 502
Medical Aid Contributions		10 314	19 854	19 854	1 380	3 413	4 963	(1 551)	-31%	19 854
Overtime		3 045	4 080	4 819	256	638	1 205	(567)	-47%	4 819
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		6 906	9 079	9 079	853	3 289	2 270	1 019	45%	9 079
Cellphone Allowance		198	122	122	9	21	31	(10)	-32%	122
Housing Allowances		1 311	2 351	2 351	184	462	588	(125)	-21%	2 351
Other benefits and allowances		2 641	17 379	17 442	855	1 852	4 361	(2 509)	-58%	17 442
Payments in lieu of leave		6 064	–	–	136	430	–	430	#DIV/0!	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	2 866	8 292	8 292	533	1 620	2 073	(453)	-22%	8 292
<b>Sub Total - Other Municipal Staff</b>	4	133 454	233 137	233 385	18 872	56 767	58 346	(1 579)	-3%	233 385
<b>% increase</b>	4		74,7%	74,9%						74,9%
<b>Total Parent Municipality</b>		150 014	252 868	254 375	20 207	60 720	63 594	(2 874)	-5%	254 375

Remuneration related expenditure for the 1<sup>st</sup> quarter ended 30 September 2020 amounted to **R60,719,982** of an adjusted budgeted amount of **R254,374,911** that represents **24%** of the budgeted amount.

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

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

**SECTION 11 – CAPITAL PROGRAMME PERFORMANCE**

The table below provides information on capital budget spending:

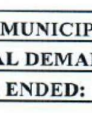
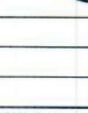
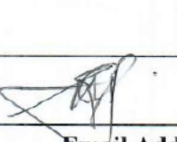
SCOA config	Nr	Project description	Cost centre	Adjusted budget R	YTD Expenditure R	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
71018103001	1	Land	1018	4 920 000,00	9 964 879,32	1 230 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71110240001	2	Office Chair	1018	30 000,00		7 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71307102403	3	Upgrade outdated Disaster Recovery Hardware	1307	317 300,00		79 325,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71307102418	4	Replace Access Control and Time and Attendance devices to ha	1307	282 163,00	19 130,40	70 540,75	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71307102422	5	Additional Laptops (15)	1307	199 837,00	199 836,00	48 959,25	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71307104107	6	Replace outdated Access Points	1307	10 300,00		2 575,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71307104118	7	Printers	1307	29 700,00		7 425,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71308102201	8	Pool Vehicle	1308	300 000,00		75 000,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71314410001	9	Big Scanner Machine and Projector	1314	30 000,00		7 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71316102401	10	Ergonomic Chairs for employees with special needs	1316	50 000,00		12 500,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71316103101	11	Fire Alarm System (Mission street): OHS	1316	250 000,00		62 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71316240001	12	Evacuation Chairs	1316	20 000,00	6 903,04	5 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71402240001	13	Furniture: LED/Tourism	1402	30 000,00	2 060,00	7 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
72205160001	14	Callitdore Spa Roofs	2205	1 500 000,00		375 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71307104119	15	24 prt Gigabyte POE injectors	1307	11 970,00		2 992,50	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71307104120	16	QNAP 8-Bay NAS	1307	43 730,00		10 932,50	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71307104121	17	Insurance / Uneconomical to repair	1307	30 000,00		7 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the ETO 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.
71018104102	18	Upgrading of Multimedia Council Chambers	1018	80 000,00		20 000,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the ETO 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				8 135 000,00	4 132 808,76	2 033 750,00				
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 September 2020										
71307104119	15	24 prt Gigabyte POE injectors	1307		11 969,32					
71018104102	18	Upgrading of Multimedia Council Chambers	1018		45 840,00					
71307104107	6	Replace outdated Access Points	1307		10 260,87					
71308102201	8	Pool Vehicle	1308		212 377,62					
71316102401	10	Ergonomic Chairs for employees with special needs	1316		10 429,00					
71402240001	13	Furniture: LED/Tourism	1402		9 014,86					
		Total Commitments			304 987,57					



## SECTION 12 – OPERATIONAL PROJECTS PERFORMANCE

Refer to table below for the actual expenditure against the budgeted amounts for the largest 31 operational projects budgeted for in the 2020/21 financial year:

Project code & name	Total Adjusted Budget 2020/21	Year to date actual at the end of the 1st Quarter 2020/21	% Spent
COM01 Blue Flag Beach application and operational costs	26 000,00	-	0,00%
COM02 Incentives and awareness	71 052,00	-	0,00%
COM04 Social assistance	110 000,00	-	0,00%
COM06 Annual Garden Route Environmental forum	22 500,00	-	0,00%
COM07 GREF database maintenance and development	100 000,00	-	0,00%
COM32 Awareness Campaign: Home Composting Pilot Project	30 000,00	-	0,00%
COM33 Integrated Waste Management Plan Review	78 000,00	-	0,00%
COM34 Waste minimization strategy	1 816 550,00	16 075,00	0,88%
COR11 External Bursaries	205 000,00	181 550,00	88,56%
COR13 Training	1 050 000,00	376 874,52	35,89%
COR33 Medical Examination	140 000,00	-	0,00%
COR41 Unemployed Training (EPWP)	200 000,00	179 342,76	89,67%
MM005 Barnowl Risk System	49 200,00	-	0,00%
MM007 Organisational Performance Management	516 000,00	312 000,00	60,47%
MM020 Christmas Hampers	150 000,00	-	0,00%
MM023 Women in Business	80 000,00	-	0,00%
MM024 Grant in Aid	100 000,00	-	0,00%
MM025 Donations and Sponsor of Sport Equipment	200 000,00	-	0,00%
MM038 Youth Development	140 000,00	-	0,00%
PED01 SCEP	100 000,00	-	0,00%
PED02 Growth & Development Strategy	75 000,00	-	0,00%
PED03 Film Office	150 000,00	-	0,00%
PED05 SME Support Programme	500 000,00	-	0,00%
PED11 Getaway	100 000,00	-	0,00%
PED12 Namibia Tourism Expo	110 000,00	-	0,00%
PED17 Cater Care Project	400 000,00	-	0,00%
PED22 Fresh produce market	500 000,00	-	0,00%
PED29 IDP Rep Forum	87 500,00	1 500,00	1,71%
PED30 Public Participation	5 000,00	-	0,00%
PED62 EPWP Grant	2 072 000,00	823 994,47	39,77%
PED63 EPWP Manager section (running costs)	3 357 511,00	128 296,20	3,82%
<b>Totals:</b>	<b>12 541 313,00</b>	<b>2 019 632,95</b>	<b>16,10%</b>

 <div style="text-align: center;"> <b>PROVINCIAL TREASURY</b>  <b>Withdrawals from Municipal Bank Accounts</b>  <b>In accordance with Section 11, Sub-section 1 (b) to (j)</b> </div> 			
<b>NAME OF MUNICIPALITY:</b>		GARDEN ROUTE DISTRICT MUNICIPALITY	
<b>MUNICIPAL DEMARCATION CODE:</b>		DC4	
<b>QUARTER ENDED:</b>		30 SEPTEMBER 2020	
<b>MFMA section 11. (1)</b> Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only -		<b>Amount</b>	<b>Reason for withdrawal</b>
(b) to defray expenditure authorised in terms of section 26(4);		none	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);		none	
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;		none	
(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -		none	
(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or		none	
(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;		none	
(f) to refund money incorrectly paid into a bank account;		none	
(g) to refund guarantees, sureties and <i>security</i> deposits;		none	
(h) for cash management and <i>investment</i> purposes in accordance with section 13;		R 240 000 000,00	Investments made for the 1st Quarter
(i) to defray increased expenditure in terms of section 31; or			
(j) for such other purposes as may be <i>prescribed</i> .		R 80 443 135,85	Quarter 1 expenditure
<b>(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -</b> <b>(a)</b> table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and <b>(b)</b> submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .		<b>Name and Surname:</b>	M Stratu
		<b>Rank/Position:</b>	Municipal Manager
		<b>Signature:</b>	
<b>Tel number</b>	<b>Fax number</b>	<b>Email Address</b>	
044 803 1340		geraldine@gardenroute.gov.za	
<b>The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: <a href="mailto:enkuna@pgwc.gov.za">enkuna@pgwc.gov.za</a> on or before the 15th of the month following the end of each quarter.</b>			

## SECTION 14 – MUNICIPAL MANAGER’S QUALITY CERTIFICATE



54 York Street,  
George  
Western Cape  
6529

PO Box 12,  
George,  
Western Cape  
6530

Tel: 044 803 1300  
Fax: 086 555 6303  
E-mail: [info@gardenroute.gov.za](mailto:info@gardenroute.gov.za)  
[www.gardenroute.gov.za](http://www.gardenroute.gov.za)

## OFFICE OF THE MUNICIPAL MANAGER

Enquiries:	Jan-Willem De Jager
Reference:	6/1/1 – 20/21
Date:	13 October 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 quarter ended **30 September 2020**, 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 52 Reporting is subject to changes due to the fact that the Municipality are experiencing challenges with the reporting of M03 September 2020 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 September 2020 figures to the actual year-to-date figures as reflected on the ledger in order to align with the data strings.

Print Name MONDE STRAU

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

Signature 

Date 13/10/2020



**PERFORMANCE MANAGEMENT**

**Quarter 1**

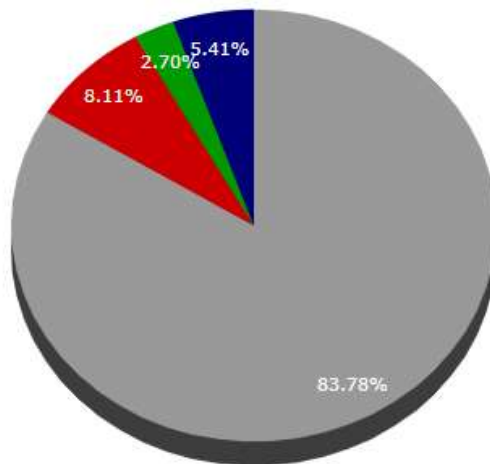
**July – September 2020**

## Top Layer KPI Report

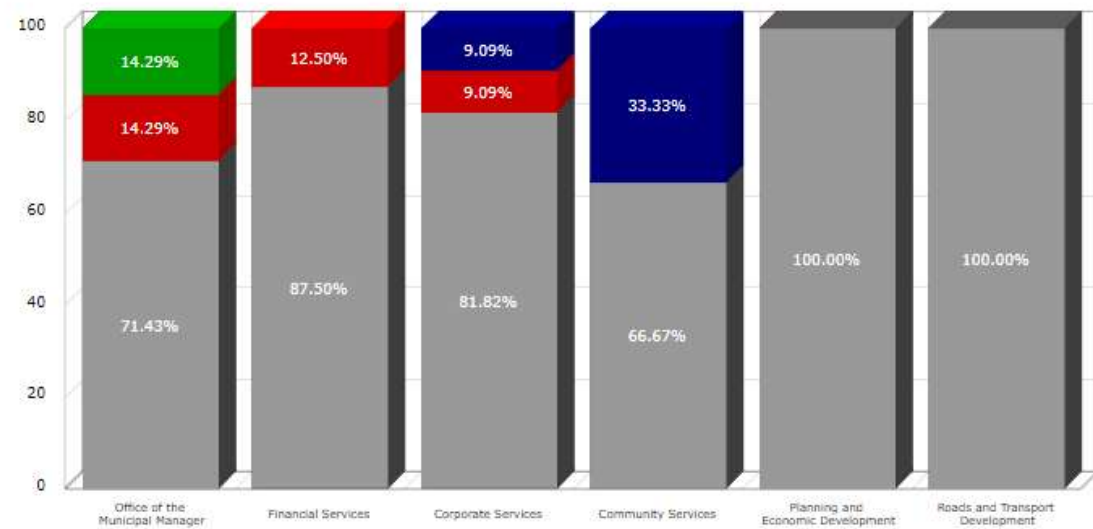
Report drawn on 23 October 2020 at 08:41

for the months of Quarter ending September 2020 to Quarter ending September 2020.

**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 Development
■ Not Yet Applicable	31 (83.78%)	5 (71.43%)	7 (87.50%)	9 (81.82%)	2 (66.67%)	4 (100.00%)	4 (100.00%)
■ Not Met	3 (8.11%)	1 (14.29%)	1 (12.50%)	1 (9.09%)	-	-	-
■ Almost Met	-	-	-	-	-	-	-
■ Met	1 (2.70%)	1 (14.29%)	-	-	-	-	-
■ Well Met	-	-	-	-	-	-	-
■ Extremely Well Met	2 (5.41%)	-	-	1 (9.09%)	1 (33.33%)	-	-
Total:	37	7	8	11	3	4	4
	100%	18.92%	21.62%	29.73%	8.11%	10.81%	10.81%

OFFICE OF THE MUNICIPAL MANAGER								
Ref No	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline	Annual Target	Target	Quarterly Actual	Corrective Measures
						July - September	Q1(2020/2021)	
SDBIP TL1	<b>Good Governance</b>	Submit an OPCAR progress report to the MANCOM on a quarterly basis	Number of progress reports submitted to MANCOM quarterly	4	4	1	1	
SDBIP TL2	<b>Good Governance</b>	Submit the Top layer SDBIP for 2020/21 for approval by the Mayor within 14 days after the budget has been approved	Top Layer SDBIP for 2020/21 submitted to the Mayor within 14 days after the budget has been approved	1	1	0	0	-
SDBIP TL3	<b>Good Governance</b>	Draft the annual performance report for 2019/20 and submit to the Auditor General by 31 August 2020	Annual performance report for 2019/20 drafted and submitted to the Auditor General by 31 August 2020	1	1	1	0	Submitted within the Organization, but not the AG. Extension for submission has been granted as per the Lockdown Regulations: MFMA Exemption. The target for this KPI will be changed to October during the adjustment period
SDBIP TL4	<b>Good Governance</b>	Develop Individual Performance Management Score cards for the three levels of the Employment Equity Categories by June 2021	Number of Individual Performance Management Scorecards developed by June 2021	New KPI	247	0	0	-
SDBIP TL5	<b>Good Governance</b>	Review the organizational strategic risk register(top 10) and submit to Council by 31 May 2021	Reviewed organizational strategic risk register submitted to Council by 31 May 2021	1	1	0	0	-
SDBIP TL6	<b>Good Governance</b>	Review the Risk based audit plan (RBAP) for 2021/22 and submit to the Audit Committee for consideration by 30 June 2021	RBAP for 2021/22 reviewed and submitted to the Audit Committee by 30 June 2021	1	1	0	0	-
SDBIP TL7	<b>Financial Viability</b>	The percentage of the municipal capital budget spent on capital projects by 30 June 2021 (Actual amount spent on capital projects /Total amount budgeted for capital projects)	% of capital budget spent by 30 June 2021	95%	95%	0%	0%	-



FINANCIAL SERVICES								
Ref No	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline	Annual Target	Target	Quarterly Actual	Corrective Measure
						July - September	Q1(2020/2021)	
SDBIP TL30	Financial Viability	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding	Number of months that available cash is sufficient to cover the monthly operating expenditure(Audit AFS)	5.20	3	0	0	-
SDBIP TL31	Financial Viability	Submit the review of the Long Term Financial Plan to Council to address the financial sustainability of Garden Route District Municipality by December 2020	Long Term Financial Plan submitted to Council by December 2020	New KPI	1	0	0	-
SDBIP TL32	Financial Viability	Achieve a current ratio of 1 (Current assets : Current liabilities)	Number of times the municipality can pay back its short term-liabilities with its short-term assets	1	1	0	0	-
SDBIP TL33	Good Governance	Develop a Strategic Plan to address the minimization of the use of Consultants within the Department and submit to MANCOM by December 2020	Strategic Plan submitted to MANCOM by December 2020	New KPI	1	0	0	-
SDBIP TL34	Financial Viability	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2021((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Op	% of debt coverage	30%	30%	0	0	-

SDBIP TL35	<b>Financial Viability</b>	Compilation of mid-term(first six months of the financial year)Financial Statements(AFS) for the 2020/2021 financial year and submit to Mancom by 28 February 2021	Compilation and submission of the AFS by 28 February 2021	1	1	0	0	-

FINANCIAL SERVICES								
Ref No	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline	Annual Target	Target	Quarterly Actual	Corrective Measure
						July - September	Q1(2020/2021)	
SDBIP TL36	Financial Viability	Compilation of the Annual Financial Statements(AFS) for the 2019/2020 financial year and submit to the Auditor General(AG) by 31 August 2020	Compilation and submission of the AFS to the AG by 31 August 2020	1	1	1	0	Extension for submission has been granted as per the Lockdown Regulations: MFMA Exemption. The target for this KPI will be changed to October during the adjustment period
SDBIP TL37	Financial Viability	Annual review of the SCM policy to consider appropriate amendments to support the EPWP mandate(report submitted to Council in May)	Annual review of the SCM policy and report submitted to Council by May 2021	New KPI	1	0	0	-

CORPORATE SERVICES								
Ref No	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline	Annual Target	Target	Quarterly Actual	Corrective Measure
						July - September	Q1(2020/2021)	
SDBIP TL8	<b>Good Governance</b>	Report quarterly to Council on the revision of the Human Resource Policies of the Organization	Number of reports submitted to Council	4	4	1	2	-
SDBIP TL9	<b>A Skilled workforce and Community</b>	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2020/21 financial year in compliance with the municipality's approved employment equity plan(senior officials & managers	Number of people that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan(senior officials & managers,professionals,technicians and associate professionals)	1	1	0	0	-
SDBIP TL10	<b>A Skilled workforce and Community</b>	Spent 0.5% of personnel budget on training by 30 June 2021 (Actual total training expenditure divided by total personnel budget)	% of the personnel budget spent on training by June 2021	0.5%	0.5%	0	0	-
SDBIP TL11	<b>A Skilled workforce and Community</b>	Limit vacancy rate to 10% of budgeted post by 30 June 2021 (Number of funded posts vacant divided by number of budgeted funded posts)	% vacancy rate	10%	10%	0	0	-
SDBIP TL12	<b>A Skilled workforce and Community</b>	Review the organizational structure and submit to Council by 30 June 2021	Organizational structure reviewed and submitted to Council by 30 June 2021	1	1	0	0	-
SDBIP TL13	<b>Good Governance</b>	Compile a Fleet Management Policy for the Organization and submit to Council for approval by March 2021	Fleet Management Policy developed and submitted to Council by March 2021	1	1	0	0	-

CORPORATE SERVICES								
Ref No	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline	Annual Target	Target	Quarterly Actual	Corrective Measure
						July - September	Q1(2020/2021)	
SDBIP TL14	<b>A Skilled workforce and Community</b>	Award 16 external bursaries to qualifying candidates by 31 March 2021	Number of external bursaries awarded by March 2021	16	16	0	0	-
SDBIP TL15	<b>A Skilled workforce and Community</b>	Create training opportunities for EPWP employees(hard labour) by June 2021	Number of training opportunities created for EPWP appointees by June 2021	50	50	0	0	-
SDBIP TL16	<b>Good Governance</b>	Develop a security policy for the municipality and submit to Council for adoption by 30 March 2021	Developed security policy submitted to Council by 30 March 2021	1	1	0	0	-
SDBIP TL17	<b>Good Governance</b>	Report to Council on the execution of Council resolutions quarterly	Number of reports submitted to Council on a quarterly basis	4	4	1	0	Report for Jul-Sept will be submitted to Council in October. Next report will be submitted in November 2020
SDBIP TL18	<b>A Skilled workforce and Community</b>	Develop a implementation plan for the Skills Mecca concept and submit to Mancom by 30 June 2021	Implementation Plan Developed and submitted to Mancom by 30 June 2021	1	1	0	0	-

PLANNING AND ECONOMIC DEVELOPMENT								
Ref No	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline	Annual Target	Target	Quarterly Actual	Corrective Measure
						July - September	Q1(2020/2021)	
SDBIP TL19	<b>Local Economic Development</b>	Development of a Growth and Development Strategy and submit to Council by December 2020	Growth and Development Strategy developed and submitted to Council by December 2020	0	1	0	0	-
SDBIP TL20	<b>Grow an Inclusive District Economy</b>	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organization (GRDM) by 30 June 2021	Number of Job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2021	Achievement of 2019/2020	291	0	0	-
SDBIP TL21	<b>Grow an Inclusive District Economy</b>	Development of an Investment Prospectus and submit to Council by December 2020	An Investment Prospectus developed and submitted to Council by December 2020	New KPI	1	0	0	-
SDBIP TL22	<b>Good Governance</b>	Compile and submit the final annual report and oversight report for 2019/2020 to Council by 31 December 2020	Final annual report and oversight report for 2019/2020 submitted to Council by 31 December 2020	1	1	0	0	-

COMMUNITY SERVICES								
Ref No	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline	Annual Target	Target	Quarterly Actual	Corrective Measure
						July - September	Q1(2020/2021)	
SDBIP TL23	<b>A Skilled workforce and Community</b>	Job creation through the construction and operation of the Regional Landfill facility	Number of Jobs created by 30 June 2021	New KPI	100	0	0	-
SDBIP TL24	<b>Promote sustainable environmental management and public safety</b>	Compile a strategy to address the inadequate emergency equipment and submit to MANCOM by 31 March 2021	Strategy submitted to MANCOM by March 2021	New KPI	1	0	0	-
SDBIP TL25	<b>Healthy and Socially Stable Communities</b>	Raise Public Health Covid 19 awareness through 8 sessions with the communities by 30 June 2021	Number of sessions held by 30 June 2021	8	8	2	4	-

ROADS AND TRANSPORT SERVICES								
Ref No	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline	Annual Target	Target	Quarterly Actual	Corrective Measure
						July - September	Q1(2020/2021)	
SDBIP TL26	<b>A Skilled workforce and Community</b>	Job creation through the Roads Services by June 2021	Number of Jobs created by 30 June 2021	New KPI	60%	0	0	-
SDBIP TL27	<b>Financial Viability</b>	Spent 95% of the roads budget allocation by 30 June 2021(Actual expenditure divided by approved allocation received)	% of the roads spent by 30 June 2021	82%	95%	0	0	-
SDBIP TL28	<b>Bulk Infrastructure and Co-ordination</b>	Reseal 31.24 km of roads by 30 June 2021	Number of km's of roads resealed	26.31	31.24	0	0	-
SDBIP TL29	<b>Bulk Infrastructure and Co-ordination</b>	Regravel 32.73 km of roads by 30 June 2021	Number of km's of roads regavelled by 30 June 2021	33.06	32.73	0	0	