

**7.
BUDGET REPORT FOR THE QUARTER ENDED MARCH 2018****5/1/19-2017/2018
BA King
14 April 2018****(028) 313 8154****Corporate Head Office**

1. Executive Summary

Report prepared as part of the financial reporting obligations arising from section 52(d) of the Local Government: Municipal Finance Management Act, 2003 (MFMA).

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate Finance
Financial Services

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, (Act 56 of 2003)
[MFMA]

6. Background/Discussion/Evaluation/Conclusion**Background**

This report has been prepared as part of the financial reporting obligations arising from the MFMA. The MFMA requires the Executive Mayor to report to Council on a quarterly basis on the state of the Municipality's budget.

Discussion

Legislation requires that certain financial and performance information is disclosed in the quarterly monitoring report. The report has been prepared according to the standard reporting formats issued by National Treasury.

The status relating to cost containment measures is attached as Annexure B.

The Executive Mayor's special fund report is attached as Annexure C.

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Quarterly Budget Report for the Quarter Ended March 2018

Annexure B: Cost Containment Measures March 2018

Annexure C: Executive Mayor's special fund March 2018

RECOMMENDATION TO THE COUNCIL:

that the budget report for the quarter ended March 2018, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

RESPONSIBLE OFFICIAL :**BA KING****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

OVERSTRAND MUNICIPALITY



Quarterly Budget Report

March 2018

In-Year Report of the Municipality

Prepared in terms of Section 52(d) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 31 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009.

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

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

GRAP – Generally Recognised Accounting Practice. The 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.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

mSCOA – Municipal Standard Chart of Accounts.

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

NDPG – Neighbourhood Development Partnership Grant.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

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 (SDBIP). A detailed plan comprising annual and quarterly performance information.

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.

Vote – A main appropriation segment of the budget. In Overstrand Municipality this relates to the directorate level for operating expenditure and the GFS classification for capital expenditure.

YTD – Year to date

PART 1 – IN-YEAR REPORT

Mayor's Report

1.1 In-Year Report – Quarterly Budget Report

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the third quarter ended 31 March 2018 will be tabled in a separate comprehensive report to council.

1.1.2 Financial problems or risks facing the municipality

No financial problems or risks relating to budget implementation. All the major sources of revenue have materialised to date and spending on the operational and capital budgets are within the projected expenditure to date.

1.1.3 Other relevant information

The 2017/2018 Budget was compiled according to version 6.1 of the mSCOA classification framework. The below results reflects the third quarter's financial position.

YTD Actual operating revenue at the end of the third quarter for 2017/2018 is at 73.57% of the total budgeted revenue. The expenditure reflects spending of 68.38% against the total budgeted expenditure. Capital expenditure amounts to R49.7m, or 42.62% of the total adjusted budget of R116.6m, at the end of March 2018.

An adjustments budget was tabled during this quarter in respect of budget proposals emanating from the mid-year review and various adjustments identified on the operating and capital budgets, which was approved by Council in terms of legislation.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2017.

The positive cash flow remains stable with no indication of a decline.

Resolutions

IN-YEAR REPORTS 2017/2018

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

That the report for the quarter ended March 2018, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

Executive Summary

As the Auditor General has completed the audit of the 2016/2017 financial statements the 'Audited Outcome' for 2016/2017 has been included in the tables, after the tabling of the Annual Report on 24 January 2018.

Revenue by Source

The Year-to-Date actual revenue is 0.32% above the YTD budget projections at the end of March 2018.

Borrowings

The balance of borrowings amounts to R452m at the end of March 2018.

Operating expenditure by vote & type

Current expenditure is 1.54% below YTD budget projections as at March 2018.

Capital expenditure

YTD Capital expenditure amounts to R49.7m or 42.62% of the adjusted budget of R116.6m. The current capital commitments of orders in progress amounts to R35.3m or 30.27% of the adjusted capital budget of R116.6m.

Cash flows

The municipality started the year with a positive cash balance of R259.8 million. The March closing balance is R530.5 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Grants totaling R54.4m was received during March 2018.

Spending on Grants

Spending on grants amounts to R17.3m for March 2018 which includes FMG, EPWP, Provincial Library Grant, Local Government Graduate Internship Grant, CDW, Main Road Subsidy, Fire Services Capacity Building Grant, Municipal Service Delivery & Capacity Building Grant, Human Settlement Development Grant and MIG.

Material variances

The table below summarises variances for projected revenue and expenditure.

| WC032 Overstrand - Supporting Table SC1 Material variance explanations - M09 March | | | |
|--|----------|---------------------------------|--------------------------------------|
| Description | Variance | Reasons for material deviations | Remedial or corrective steps/remarks |
| Revenue By Source | | | |
| Total | 0.32% | | |
| Expenditure By Type | | | |
| Total | -1.54% | | |
| Capital Expenditure | | | |
| | -9.62% | Capital Commitments = R35.3m | |
| Financial Position | | | |
| In order | | | |
| Cash Flow | | | |
| In order | | | |

Performance in relation to SDBIP targets

See the separate comprehensive report to be tabled in Council.

Remedial or corrective steps

No remedial or corrective steps are required at this time.

In-year budget statement tables / ...

Table C1: s71 Monthly Budget Statement Summary**WC032 Overstrand - Table C1 Monthly Budget Statement Summary - M09 March**

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| | 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 | 197 047 | 212 784 | 214 752 | 17 693 | 161 732 | 161 780 | (48) | -0% | 214 752 |
| Service charges | 624 577 | 577 648 | 586 148 | 48 533 | 445 309 | 444 815 | 494 | 0% | 586 148 |
| Investment revenue | 20 347 | 13 962 | 19 462 | 1 690 | 16 646 | 15 732 | 914 | 6% | 19 462 |
| Transfers and subsidies | 114 411 | 113 688 | 129 217 | 5 112 | 85 559 | 85 559 | - | | 129 217 |
| Other own revenue | 96 741 | 75 134 | 98 062 | 5 897 | 61 487 | 60 388 | 1 099 | 2% | 98 062 |
| Total Revenue (excluding capital transfers and contributions) | 1 053 123 | 993 217 | 1 047 640 | 78 926 | 770 733 | 768 273 | 2 459 | 0% | 1 047 640 |
| Employee costs | 301 919 | 333 225 | 329 165 | 27 130 | 239 865 | 240 565 | (700) | -0% | 329 165 |
| Remuneration of Councillors | 9 265 | 10 053 | 10 253 | 849 | 7 595 | 7 690 | (95) | -1% | 10 253 |
| Depreciation & asset impairment | 132 463 | 130 287 | 130 287 | 10 857 | 97 721 | 97 721 | - | | 130 287 |
| Finance charges | 45 913 | 47 440 | 47 440 | 4 311 | 24 548 | 24 548 | - | | 47 440 |
| Materials and bulk purchases | 237 796 | 261 093 | 273 537 | 20 163 | 182 036 | 183 961 | (1 925) | -1% | 273 537 |
| Transfers and subsidies | 56 136 | 1 778 | 1 778 | 4 | 1 307 | 1 307 | - | | 1 778 |
| Other expenditure | 264 199 | 253 926 | 259 737 | 19 595 | 166 458 | 174 983 | (8 525) | -5% | 259 737 |
| Total Expenditure | 1 047 691 | 1 037 801 | 1 052 197 | 82 908 | 719 530 | 730 775 | (11 245) | -2% | 1 052 197 |
| Surplus/(Deficit) | 5 432 | (44 584) | (4 556) | (3 982) | 51 203 | 37 499 | 13 704 | 37% | (4 556) |
| Transfers and subsidies - capital (monetary) | 33 681 | 47 840 | 73 441 | 12 165 | 37 217 | 37 217 | - | | 73 441 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | | - |
| Surplus/(Deficit) after capital transfers & contributions | 39 113 | 3 256 | 68 885 | 8 184 | 88 420 | 74 716 | 13 704 | 18% | 68 885 |
| Surplus/ (Deficit) for the year | 39 113 | 3 256 | 68 885 | 8 184 | 88 420 | 74 716 | 13 704 | 18% | 68 885 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 91 868 | 97 648 | 116 620 | 14 049 | 49 684 | 54 970 | (5 287) | -10% | 116 620 |
| Capital transfers recognised | 41 774 | 47 840 | 73 436 | 11 709 | 37 353 | 39 904 | (2 552) | -6% | 73 436 |
| Public contributions & donations | 1 440 | - | - | - | - | - | - | | - |
| Borrowing | 35 550 | 30 000 | 23 200 | 558 | 6 548 | 6 767 | (219) | -3% | 23 200 |
| Internally generated funds | 13 104 | 19 808 | 19 983 | 1 782 | 5 784 | 8 299 | (2 516) | -30% | 19 983 |
| Total sources of capital funds | 91 868 | 97 648 | 116 620 | 14 049 | 49 684 | 54 970 | (5 287) | -10% | 116 620 |
| Financial position | | | | | | | | | |
| Total current assets | 410 829 | 352 438 | 519 961 | | 673 928 | | | | 519 961 |
| Total non current assets | 3 701 228 | 3 681 110 | 3 647 086 | | 3 658 174 | | | | 3 647 086 |
| Total current liabilities | 181 973 | 186 466 | 186 466 | | 299 075 | | | | 186 466 |
| Total non current liabilities | 629 633 | 638 205 | 638 205 | | 643 838 | | | | 638 205 |
| Community wealth/Equity | 3 300 451 | 3 208 877 | 3 342 376 | | 3 389 188 | | | | 3 342 376 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 182 651 | 123 839 | 165 237 | 45 200 | 314 532 | 314 009 | (523) | -0% | 165 237 |
| Net cash from (used) investing | (93 891) | (103 656) | (45 810) | (14 377) | (54 655) | (54 655) | - | | (45 810) |
| Net cash from (used) financing | (3 727) | 2 810 | 3 218 | (3 035) | 10 808 | 10 808 | - | | 3 218 |
| Cash/cash equivalents at the month/year end | 259 814 | 214 936 | 382 460 | - | 530 500 | 529 976 | (523) | -0% | 382 460 |
| 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 | 55 815 | 1 592 | 1 056 | 767 | 1 132 | 952 | 3 605 | 20 511 | 85 429 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 2 818 | - | - | - | - | - | - | - | 2 818 |

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

WC032 Overstrand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|------------------|---------------------|------------------|----------------|----------------|----------------|-----------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Revenue - Functional | | | | | | | | | |
| Governance and administration | 315 623 | 262 309 | 293 947 | 20 340 | 205 390 | 202 544 | 2 847 | 1% | 293 947 |
| Executive and council | 74 405 | 21 759 | 21 759 | 35 | 16 174 | 16 174 | - | | 21 759 |
| Finance and administration | 241 206 | 240 502 | 272 074 | 20 305 | 189 182 | 186 284 | 2 898 | 2% | 272 074 |
| Internal audit | 12 | 48 | 114 | - | 35 | 85 | (51) | -59% | 114 |
| Community and public safety | 54 775 | 59 370 | 93 932 | 15 646 | 56 680 | 54 711 | 1 969 | 4% | 93 932 |
| Community and social services | 3 609 | 9 557 | 8 603 | 593 | 6 029 | 6 273 | (244) | -4% | 8 603 |
| Sport and recreation | 10 371 | 10 558 | 10 258 | 894 | 10 348 | 7 864 | 2 484 | 32% | 10 258 |
| Public safety | 461 | 2 928 | 2 928 | 826 | 1 731 | 2 002 | (271) | -14% | 2 928 |
| Housing | 40 333 | 36 327 | 72 143 | 13 333 | 38 572 | 38 572 | - | | 72 143 |
| Economic and environmental services | 65 909 | 56 638 | 61 878 | 4 549 | 42 476 | 43 247 | (771) | -2% | 61 878 |
| Planning and development | 13 713 | 11 967 | 11 967 | 846 | 8 627 | 8 274 | 353 | 4% | 11 967 |
| Road transport | 52 187 | 44 650 | 49 890 | 3 703 | 33 848 | 34 973 | (1 125) | -3% | 49 890 |
| Environmental protection | 9 | 22 | 22 | - | - | - | - | | 22 |
| Trading services | 650 498 | 662 740 | 671 325 | 50 556 | 503 403 | 504 988 | (1 585) | 0% | 671 325 |
| Energy sources | 363 310 | 370 050 | 370 410 | 28 753 | 283 048 | 283 984 | (936) | 0% | 370 410 |
| Water management | 136 174 | 130 926 | 131 026 | 9 676 | 95 464 | 95 963 | (499) | -1% | 131 026 |
| Waste water management | 84 686 | 91 423 | 97 978 | 7 298 | 70 531 | 71 050 | (518) | -1% | 97 978 |
| Waste management | 66 329 | 70 340 | 71 910 | 4 829 | 54 360 | 53 992 | 368 | 1% | 71 910 |
| Other | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 1 086 805 | 1 041 057 | 1 121 081 | 91 092 | 807 950 | 805 490 | 2 459 | 0% | 1 121 081 |
| Expenditure - Functional | | | | | | | | | |
| Governance and administration | 253 631 | 211 792 | 212 955 | 17 040 | 148 070 | 152 855 | (4 786) | -3% | 212 955 |
| Executive and council | 110 304 | 48 861 | 52 173 | 6 056 | 35 708 | 35 892 | (184) | -1% | 52 173 |
| Finance and administration | 141 426 | 160 383 | 158 331 | 10 803 | 110 732 | 115 422 | (4 689) | -4% | 158 331 |
| Internal audit | 1 901 | 2 548 | 2 451 | 181 | 1 629 | 1 542 | 87 | 6% | 2 451 |
| Community and public safety | 102 799 | 113 495 | 123 693 | 11 618 | 78 485 | 79 788 | (1 303) | -2% | 123 693 |
| Community and social services | 31 538 | 14 904 | 14 555 | 1 105 | 9 941 | 10 348 | (407) | -4% | 14 555 |
| Sport and recreation | 15 886 | 42 993 | 43 264 | 3 856 | 30 212 | 30 640 | (428) | -1% | 43 264 |
| Public safety | 34 493 | 30 817 | 32 333 | 2 231 | 21 532 | 22 000 | (468) | -2% | 32 333 |
| Housing | 20 882 | 24 781 | 33 541 | 4 426 | 16 800 | 16 800 | - | | 33 541 |
| Economic and environmental services | 217 152 | 193 013 | 191 471 | 14 763 | 134 588 | 135 953 | (1 365) | -1% | 191 471 |
| Planning and development | 75 344 | 36 431 | 37 001 | 2 559 | 25 289 | 25 915 | (627) | -2% | 37 001 |
| Road transport | 136 405 | 150 568 | 148 536 | 11 853 | 105 585 | 105 908 | (324) | 0% | 148 536 |
| Environmental protection | 5 402 | 6 014 | 5 934 | 351 | 3 715 | 4 129 | (414) | -10% | 5 934 |
| Trading services | 471 097 | 518 289 | 522 902 | 39 415 | 357 697 | 361 371 | (3 674) | -1% | 522 902 |
| Energy sources | 285 447 | 282 999 | 287 123 | 20 765 | 197 670 | 198 354 | (684) | 0% | 287 123 |
| Water management | 65 931 | 104 872 | 105 055 | 8 224 | 69 362 | 70 815 | (1 453) | -2% | 105 055 |
| Waste water management | 63 101 | 73 606 | 72 822 | 5 326 | 50 095 | 51 180 | (1 085) | -2% | 72 822 |
| Waste management | 56 618 | 56 813 | 57 903 | 5 100 | 40 571 | 41 023 | (452) | -1% | 57 903 |
| Other | 3 012 | 1 213 | 1 175 | 71 | 690 | 808 | (118) | -15% | 1 175 |
| Total Expenditure - Functional | 1 047 691 | 1 037 801 | 1 052 197 | 82 908 | 719 530 | 730 775 | (11 245) | -2% | 1 052 197 |
| Surplus/ (Deficit) for the year | 39 113 | 3 256 | 68 885 | 8 184 | 88 420 | 74 716 | 13 704 | 18% | 68 885 |

This table reflects the operating budget (Financial Performance) in the standard classifications which are the GFS Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

The main GFS classifications are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

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

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

WC032 Overstrand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

| Vote Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|------------------|---------------------|------------------|----------------|----------------|----------------|-----------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Revenue by Vote | | | | | | | | | |
| Vote 1 - Council | 73 145 | 21 675 | 21 675 | 1 | 16 052 | 16 052 | - | | 21 675 |
| Vote 2 - Municipal Manager | 12 | 48 | 114 | (0) | 35 | 85 | (51) | -59.4% | 114 |
| Vote 3 - Management Services | 2 031 | 194 | 195 | 29 | 572 | 145 | 427 | 294.2% | 195 |
| Vote 4 - Finance | 231 209 | 239 556 | 247 304 | 20 245 | 188 253 | 185 463 | 2 790 | 1.5% | 247 304 |
| Vote 5 - Community Services | 319 854 | 319 477 | 332 518 | 24 026 | 241 320 | 241 892 | (572) | -0.2% | 332 518 |
| Vote 6 - Local Economic Development | 3 556 | 3 900 | 2 900 | 174 | 2 091 | 2 109 | (17) | -0.8% | 2 900 |
| Vote 7 - Infrastructure & Planning | 414 612 | 414 615 | 474 784 | 42 715 | 328 118 | 328 624 | (505) | -0.2% | 474 784 |
| Vote 8 - Protection Services | 42 387 | 41 592 | 41 592 | 3 901 | 31 507 | 31 119 | 388 | 1.2% | 41 592 |
| Total Revenue by Vote | 1 086 805 | 1 041 057 | 1 121 081 | 91 092 | 807 950 | 805 490 | 2 459 | 0.3% | 1 121 081 |
| Expenditure by Vote | | | | | | | | | |
| Vote 1 - Council | 89 974 | 25 959 | 29 972 | 4 523 | 21 442 | 21 711 | (269) | -1.2% | 29 972 |
| Vote 2 - Municipal Manager | 3 922 | 5 000 | 4 892 | 348 | 3 245 | 3 470 | (224) | -6.5% | 4 892 |
| Vote 3 - Management Services | 40 697 | 50 326 | 48 545 | 2 974 | 33 001 | 34 706 | (1 705) | -4.9% | 48 545 |
| Vote 4 - Finance | 64 984 | 73 025 | 71 248 | 4 388 | 51 175 | 52 861 | (1 686) | -3.2% | 71 248 |
| Vote 5 - Community Services | 345 237 | 384 996 | 384 553 | 29 790 | 265 144 | 267 474 | (2 330) | -0.9% | 384 553 |
| Vote 6 - Local Economic Development | 10 220 | 10 076 | 9 995 | 519 | 6 874 | 7 232 | (358) | -4.9% | 9 995 |
| Vote 7 - Infrastructure & Planning | 411 814 | 407 638 | 421 918 | 34 796 | 282 751 | 286 010 | (3 259) | -1.1% | 421 918 |
| Vote 8 - Protection Services | 80 844 | 80 782 | 81 073 | 5 570 | 55 897 | 57 311 | (1 414) | -2.5% | 81 073 |
| Total Expenditure by Vote | 1 047 691 | 1 037 801 | 1 052 197 | 82 908 | 719 530 | 730 775 | (11 245) | -1.5% | 1 052 197 |
| Surplus/ (Deficit) for the year | 39 113 | 3 256 | 68 885 | 8 184 | 88 420 | 74 716 | 13 704 | 18.3% | 68 885 |

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Council; Municipal Manager; Management Services; Finance; Community Services; Local Economic Development; Infrastructure & Planning and Protection Services.

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote/s were overspent. During the financial year some of the figures are influenced by transactions that occur annually only.

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

WC032 Overstrand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|------------------|---------------------|------------------|----------------|----------------|----------------|-----------------|--------------|--------------------|
| | 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 | 197 047 | 212 784 | 214 752 | 17 693 | 161 732 | 161 780 | (48) | 0% | 214 752 |
| Service charges - electricity revenue | 355 454 | 339 249 | 339 270 | 28 691 | 262 863 | 262 086 | 777 | 0% | 339 270 |
| Service charges - water revenue | 123 064 | 114 494 | 117 120 | 9 191 | 84 812 | 85 302 | (490) | -1% | 117 120 |
| Service charges - sanitation revenue | 79 177 | 67 869 | 72 870 | 5 815 | 54 470 | 54 713 | (243) | 0% | 72 870 |
| Service charges - refuse revenue | 66 215 | 55 388 | 56 888 | 4 836 | 43 164 | 42 714 | 450 | 1% | 56 888 |
| Rental of facilities and equipment | 11 394 | 4 933 | 4 933 | 524 | 4 702 | 4 316 | 386 | 9% | 4 933 |
| Interest earned - external investments | 20 347 | 13 962 | 19 462 | 1 690 | 16 646 | 15 732 | 914 | 6% | 19 462 |
| Interest earned - outstanding debtors | 2 671 | 3 203 | 3 201 | 330 | 2 959 | 2 734 | 224 | 8% | 3 201 |
| Fines, penalties and forfeits | 36 521 | 33 260 | 33 261 | 2 629 | 25 603 | 25 639 | (36) | 0% | 33 261 |
| Licences and permits | 2 525 | 2 374 | 2 374 | 197 | 1 862 | 1 800 | 62 | 3% | 2 374 |
| Agency services | 3 480 | 3 419 | 3 419 | 335 | 2 945 | 2 706 | 239 | 9% | 3 419 |
| Transfers and subsidies | 114 411 | 113 688 | 129 217 | 5 112 | 85 559 | 85 559 | - | | 129 217 |
| Other revenue | 33 908 | 27 946 | 27 052 | 1 883 | 22 091 | 21 867 | 224 | 1% | 27 052 |
| Gains on disposal of PPE | 6 242 | | 23 823 | | 1 325 | 1 325 | - | | 23 823 |
| Total Revenue (excluding capital transfers and contributions) | 1 053 123 | 993 217 | 1 047 640 | 78 926 | 770 733 | 768 273 | 2 459 | 0% | 1 047 640 |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | 301 919 | 333 225 | 329 165 | 27 130 | 239 865 | 240 565 | (700) | 0% | 329 165 |
| Remuneration of councillors | 9 265 | 10 053 | 10 253 | 849 | 7 595 | 7 690 | (95) | -1% | 10 253 |
| Debt impairment | 22 005 | 22 792 | 22 792 | 1 899 | 17 094 | 17 094 | - | | 22 792 |
| Depreciation & asset impairment | 132 463 | 130 287 | 130 287 | 10 857 | 97 721 | 97 721 | - | | 130 287 |
| Finance charges | 45 913 | 47 440 | 47 440 | 4 311 | 24 548 | 24 548 | - | | 47 440 |
| Bulk purchases | 217 523 | 211 447 | 216 447 | 14 881 | 150 499 | 150 611 | (112) | 0% | 216 447 |
| Other materials | 20 273 | 49 647 | 57 090 | 5 281 | 31 537 | 33 350 | (1 813) | -5% | 57 090 |
| Contracted services | 129 647 | 173 424 | 178 460 | 13 913 | 108 891 | 114 512 | (5 621) | -5% | 178 460 |
| Transfers and subsidies | 56 136 | 1 778 | 1 778 | 4 | 1 307 | 1 307 | - | | 1 778 |
| Other expenditure | 104 414 | 57 710 | 58 486 | 3 782 | 40 473 | 43 377 | (2 904) | -7% | 58 486 |
| Loss on disposal of PPE | 8 133 | | - | | | | - | | - |
| Total Expenditure | 1 047 691 | 1 037 801 | 1 052 197 | 82 908 | 719 530 | 730 775 | (11 245) | -2% | 1 052 197 |
| Surplus/(Deficit) | 5 432 | (44 584) | (4 556) | (3 982) | 51 203 | 37 499 | 13 704 | 37% | (4 556) |
| Transfers and subsidies - capital (monetary allocation) | 33 681 | 47 840 | 73 441 | 12 165 | 37 217 | 37 217 | - | | 73 441 |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | - | | |
| Surplus/(Deficit) after capital transfers & taxation | 39 113 | 3 256 | 68 885 | 8 184 | 88 420 | 74 716 | | | 68 885 |
| Surplus/(Deficit) after taxation | 39 113 | 3 256 | 68 885 | 8 184 | 88 420 | 74 716 | | | 68 885 |
| Surplus/(Deficit) attributable to municipality | 39 113 | 3 256 | 68 885 | 8 184 | 88 420 | 74 716 | | | 68 885 |
| Share of surplus/ (deficit) of associate | | | | | | | | | |
| Surplus/ (Deficit) for the year | 39 113 | 3 256 | 68 885 | 8 184 | 88 420 | 74 716 | | | 68 885 |

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 0.32% above the YTD budget.

Current expenditure is 1.54% below YTD budget projections for March 2018.

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

WC032 Overstrand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

| Vote Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Multi-Year expenditure appropriation | | | | | | | | | |
| Vote 1 - Council | - | - | - | - | - | - | - | - | - |
| Vote 2 - Municipal Manager | - | - | - | - | - | - | - | - | - |
| Vote 3 - Management Services | - | - | - | - | - | - | - | - | - |
| Vote 4 - Finance | - | - | - | - | - | - | - | - | - |
| Vote 5 - Community Services | 53 713 | 45 963 | 56 953 | 11 763 | 36 541 | 34 896 | 1 645 | 5% | 56 953 |
| Vote 6 - Local Economic Development | - | - | - | - | - | - | - | - | - |
| Vote 7 - Infrastructure & Planning | 30 496 | 14 000 | 10 710 | 936 | 5 150 | 5 235 | (84) | -2% | 10 710 |
| Vote 8 - Protection Services | - | - | - | - | - | - | - | - | - |
| Total Capital Multi-year expenditure | 84 209 | 59 963 | 67 663 | 12 699 | 41 691 | 40 130 | 1 561 | 4% | 67 663 |
| Total Capital Expenditure | 91 868 | 97 648 | 116 620 | 14 049 | 49 684 | 54 970 | (5 287) | -10% | 116 620 |
| Capital Expenditure - Functional Classification | | | | | | | | | |
| Governance and administration | 957 | 2 705 | 2 355 | 235 | 1 859 | 1 766 | 93 | 5% | 2 355 |
| Executive and council | 72 | - | - | - | - | - | - | - | - |
| Finance and administration | 885 | 2 705 | 2 355 | 235 | 1 859 | 1 766 | 93 | 5% | 2 355 |
| Internal audit | - | - | - | - | - | - | - | - | - |
| Community and public safety | 14 135 | 26 908 | 50 209 | 9 476 | 26 199 | 29 594 | (3 395) | -11% | 50 209 |
| Community and social services | 644 | 3 607 | 2 675 | 3 | 707 | 1 561 | (853) | -55% | 2 675 |
| Sport and recreation | 1 837 | 2 266 | 6 449 | 21 | 370 | 1 720 | (1 350) | -79% | 6 449 |
| Public safety | 996 | 3 848 | 3 195 | 332 | 887 | 1 396 | (509) | -36% | 3 195 |
| Housing | 10 658 | 17 186 | 37 890 | 9 120 | 24 235 | 24 917 | (683) | -3% | 37 890 |
| Health | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | 13 279 | 7 460 | 13 996 | 1 065 | 5 053 | 6 112 | (1 058) | -17% | 13 996 |
| Planning and development | 1 540 | 45 | 45 | - | 34 | 26 | 8 | 29% | 45 |
| Road transport | 11 739 | 7 415 | 13 951 | 1 065 | 5 019 | 6 085 | (1 066) | -18% | 13 951 |
| Environmental protection | - | - | - | - | - | - | - | - | - |
| Trading services | 63 498 | 60 575 | 50 060 | 3 274 | 16 572 | 17 499 | (926) | -5% | 50 060 |
| Energy sources | 30 496 | 19 790 | 16 520 | 1 025 | 5 295 | 5 572 | (277) | -5% | 16 520 |
| Water management | 15 772 | 9 300 | 4 037 | 429 | 1 688 | 1 434 | 253 | 18% | 4 037 |
| Waste water management | 17 217 | 29 875 | 27 923 | 1 813 | 9 496 | 9 308 | 189 | 2% | 27 923 |
| Waste management | 12 | 1 610 | 1 580 | 7 | 94 | 1 185 | (1 091) | -92% | 1 580 |
| Total Capital Expenditure - Functional Classification | 91 868 | 97 648 | 116 620 | 14 049 | 49 684 | 54 970 | (5 286) | -10% | 116 620 |
| Funded by: | | | | | | | | | |
| National Government | 25 530 | 26 330 | 26 330 | 2 202 | 12 123 | 12 363 | (239) | -2% | 26 330 |
| Provincial Government | 7 681 | 21 510 | 47 106 | 9 508 | 25 229 | 27 542 | (2 312) | -8% | 47 106 |
| District Municipality | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | 8 563 | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 41 774 | 47 840 | 73 436 | 11 709 | 37 353 | 39 904 | (2 552) | -6% | 73 436 |
| Public contributions & donations | 1 440 | - | - | - | - | - | - | - | - |
| Borrowing | 35 550 | 30 000 | 23 200 | 558 | 6 548 | 6 767 | (219) | -3% | 23 200 |
| Internally generated funds | 13 104 | 19 808 | 19 983 | 1 782 | 5 784 | 8 299 | (2 516) | -30% | 19 983 |
| Total Capital Funding | 91 868 | 97 648 | 116 620 | 14 049 | 49 684 | 54 970 | (5 287) | -10% | 116 620 |

Capital expenditure is 9.62% below the YTD budget projections for this quarter.

Table C6: Monthly Budget Statement - Financial Position
WC032 Overstrand - Table C6 Monthly Budget Statement - Financial Position - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | |
|--|------------------|---------------------|------------------|------------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | | | | | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | 89 087 | 214 936 | 382 460 | 23 833 | 382 460 |
| Call investment deposits | 170 727 | – | – | 506 667 | – |
| Consumer debtors | 60 453 | 72 588 | 72 588 | 61 457 | 72 588 |
| Other debtors | 46 423 | 49 874 | 49 874 | 37 863 | 49 874 |
| Current portion of long-term receivables | 12 | 10 | 10 | 7 | 10 |
| Inventory | 44 126 | 15 030 | 15 030 | 44 101 | 15 030 |
| Total current assets | 410 829 | 352 438 | 519 961 | 673 928 | 519 961 |
| Non current assets | | | | | |
| Long-term receivables | 27 | 20 | 20 | 31 | 20 |
| Investments | 37 982 | 43 422 | 43 422 | 42 954 | 43 422 |
| Investment property | 155 269 | 152 550 | 101 865 | 155 269 | 101 865 |
| Investments in Associate | | | – | | – |
| Property, plant and equipment | 3 501 664 | 3 479 176 | 3 495 837 | 3 453 633 | 3 495 837 |
| Agricultural | | | – | | – |
| Biological assets | | | – | | – |
| Intangible assets | 6 287 | 5 942 | 5 942 | 6 287 | 5 942 |
| Other non-current assets | | | – | | – |
| Total non current assets | 3 701 228 | 3 681 110 | 3 647 086 | 3 658 174 | 3 647 086 |
| TOTAL ASSETS | 4 112 057 | 4 033 548 | 4 167 047 | 4 332 101 | 4 167 047 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Bank overdraft | | | – | | – |
| Borrowing | 29 580 | 33 047 | 33 047 | 32 184 | 33 047 |
| Consumer deposits | 37 039 | 49 215 | 49 215 | 37 869 | 49 215 |
| Trade and other payables | 87 011 | 73 773 | 73 773 | 199 302 | 73 773 |
| Provisions | 28 343 | 30 432 | 30 432 | 29 719 | 30 432 |
| Total current liabilities | 181 973 | 186 466 | 186 466 | 299 075 | 186 466 |
| Non current liabilities | | | | | |
| Borrowing | 412 495 | 409 052 | 409 052 | 419 868 | 409 052 |
| Provisions | 217 138 | 229 153 | 229 153 | 223 970 | 229 153 |
| Total non current liabilities | 629 633 | 638 205 | 638 205 | 643 838 | 638 205 |
| TOTAL LIABILITIES | 811 606 | 824 671 | 824 671 | 942 913 | 824 671 |
| NET ASSETS | 3 300 451 | 3 208 877 | 3 342 376 | 3 389 188 | 3 342 376 |
| COMMUNITY WEALTH/EQUITY | | | | | |
| Accumulated Surplus/(Deficit) | 3 297 200 | 3 206 436 | 3 339 936 | 3 385 933 | 3 339 936 |
| Reserves | 3 251 | 2 440 | 2 440 | 3 255 | 2 440 |
| TOTAL COMMUNITY WEALTH/EQUITY | 3 300 451 | 3 208 877 | 3 342 376 | 3 389 188 | 3 342 376 |

The statement of financial position is in line with expectations for the financial year.

Table C7: Monthly Budget Statement - Cash Flow**WC032 Overstrand - Table C7 Monthly Budget Statement - Cash Flow - M09 March**

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|-----------------|-----------------|-----------------|--------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | |
| Receipts | | | | | | | | | |
| Property rates | 195 733 | 211 275 | 213 247 | 15 416 | 156 476 | 156 381 | 94 | 0% | 213 247 |
| Service charges | 622 776 | 573 549 | 582 043 | 53 918 | 456 209 | 456 176 | 32 | 0% | 582 043 |
| Other revenue | 80 337 | 67 761 | 65 566 | 5 662 | 61 541 | 61 468 | 72 | 0% | 65 566 |
| Government - operating | 119 508 | 113 688 | 129 218 | 5 112 | 85 559 | 85 559 | - | | 129 218 |
| Government - capital | 33 681 | 47 840 | 73 441 | 12 165 | 37 217 | 37 217 | - | | 73 441 |
| Interest | 23 018 | 17 165 | 22 663 | 2 021 | 19 604 | 19 604 | - | | 22 663 |
| Dividends | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | |
| Suppliers and employees | (790 356) | (858 220) | (871 724) | (44 779) | (476 218) | (476 542) | (324) | 0% | (871 724) |
| Finance charges | (45 910) | (47 440) | (47 440) | (4 311) | (24 548) | (24 548) | - | | (47 440) |
| Transfers and Grants | (56 136) | (1 778) | (1 778) | (4) | (1 307) | (1 307) | - | | (1 778) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 182 651 | 123 839 | 165 237 | 45 200 | 314 532 | 314 009 | (523) | 0% | 165 237 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | |
| Receipts | | | | | | | | | |
| Proceeds on disposal of PPE | 2 943 | - | 76 818 | - | - | - | - | | 76 818 |
| Decrease (Increase) in non-current debtors | - | - | - | - | - | - | - | | - |
| Decrease (increase) other non-current receivables | 15 | 11 | 11 | 0 | 1 | 1 | - | | 11 |
| Decrease (increase) in non-current investments | (4 980) | (6 019) | (6 019) | (328) | (4 973) | (4 973) | - | | (6 019) |
| Payments | | | | | | | | | |
| Capital assets | (91 868) | (97 648) | (116 620) | (14 049) | (49 684) | (49 684) | - | | (116 620) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (93 891) | (103 656) | (45 810) | (14 377) | (54 655) | (54 655) | - | | (45 810) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | |
| Receipts | | | | | | | | | |
| Short term loans | (63) | - | - | - | - | - | - | | - |
| Borrowing long term/refinancing | 30 000 | 30 000 | 30 000 | - | 30 000 | 30 000 | - | | 30 000 |
| Increase (decrease) in consumer deposits | (6 904) | 2 786 | 2 786 | 164 | 830 | 830 | - | | 2 786 |
| Payments | | | | | | | | | |
| Repayment of borrowing | (26 759) | (29 976) | (29 568) | (3 199) | (20 022) | (20 022) | - | | (29 568) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (3 727) | 2 810 | 3 218 | (3 035) | 10 808 | 10 808 | - | | 3 218 |
| NET INCREASE/ (DECREASE) IN CASH HELD | 85 034 | 22 992 | 122 645 | 27 789 | 270 685 | 270 162 | | | 122 645 |
| Cash/cash equivalents at beginning: | 174 780 | 191 944 | 259 814 | | 259 814 | 259 814 | | | 259 814 |
| Cash/cash equivalents at month/year end: | 259 814 | 214 936 | 382 460 | | 530 500 | 529 976 | | | 382 460 |

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R530.5 million.

The municipality started the year with a positive cash balance of R259.8 million. The March closing balance is R530.5 million. Refer to Supporting Table SC9 for more details on the cash position.

Supporting Table SC9: Monthly Budget Statement – Actual & revised targets for cash receipts & cash flows

WC032 Overstrand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M09 March

| Description | Budget Year 2017/18 | | | | | | | | | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|---------------------|---------------|-----------------|---------------|---------------|----------------|---------------|-----------------|---------------|----------|----------|------------------|---|------------------------|------------------------|
| | July | August | Sept | October | Nov | Dec | January | Feb | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousands | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | | | |
| Cash Receipts By Source | | | | | | | | | | | | | | | |
| Property rates | 20 930 | 17 275 | 11 355 | 8 716 | 14 188 | 37 453 | 14 782 | 16 361 | 15 416 | | | 54 799 | 211 275 | 226 489 | 243 365 |
| Service charges - electricity revenue | 31 662 | 29 493 | 26 350 | 24 771 | 25 640 | 23 514 | 27 252 | 27 922 | 30 004 | | | 90 234 | 336 842 | 351 305 | 366 866 |
| Service charges - water revenue | 8 467 | 7 796 | 14 386 | 11 939 | 14 353 | 8 956 | 13 546 | 12 842 | 13 115 | | | 8 284 | 113 682 | 120 005 | 126 758 |
| Service charges - sanitation revenue | 5 670 | 5 462 | 5 536 | 3 042 | 6 513 | 5 563 | 7 012 | 6 792 | 6 099 | | | 15 697 | 67 388 | 71 035 | 74 845 |
| Service charges - refuse | 4 750 | 4 777 | 6 862 | 3 949 | 7 468 | 6 326 | 6 913 | 6 768 | 4 700 | | | 2 483 | 54 995 | 57 833 | 60 679 |
| Service charges - other | 32 | 65 | 48 | 57 | 59 | 46 | 33 | (340) | - | | | 642 | 642 | 680 | 721 |
| Interest earned - external investments | 1 041 | 1 242 | 1 748 | 2 572 | 2 956 | 797 | 1 929 | 2 671 | 1 690 | | | (2 684) | 13 962 | 14 809 | 15 785 |
| Interest earned - outstanding debtors | 244 | 422 | 249 | 290 | 327 | 413 | 336 | 347 | 330 | | | 244 | 3 203 | 3 395 | 3 599 |
| Dividends received | | | - | - | - | - | - | - | - | | | - | - | - | - |
| Licences and permits | 220 | 172 | 170 | 189 | 197 | 220 | 277 | 221 | 197 | | | 512 | 2 374 | 2 517 | 2 668 |
| Agency services | 301 | 336 | 276 | 332 | 352 | 287 | 364 | 363 | 335 | | | 473 | 3 419 | 3 616 | 3 831 |
| Transfer receipts - operating | 35 094 | 891 | 864 | 5 319 | 1 625 | 33 199 | 796 | 2 661 | 5 112 | | | 39 619 | 125 178 | 117 866 | 138 930 |
| Other revenue | 2 344 | 2 618 | 1 415 | 2 423 | 2 931 | 6 701 | 2 196 | 3 608 | 1 920 | | | (2 347) | 23 810 | 21 013 | 26 577 |
| Cash Receipts by Source | 114 425 | 73 694 | 72 738 | 67 159 | 80 120 | 126 913 | 78 665 | 83 545 | 82 129 | - | - | 215 538 | 994 927 | 1 030 990 | 1 107 470 |
| Transfer receipts - capital | | 3 577 | 4 898 | 3 340 | 2 643 | 10 174 | - | 421 | 12 165 | | | 34 773 | 71 990 | 46 362 | 69 953 |
| Contributions & Contributed assets | | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Short term loans | | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Increase in consumer deposits | | (370) | (13 624) | 34 | 210 | 13 845 | 496 | 75 | 164 | | | 1 955 | 2 786 | 984 | 1 004 |
| Receipt of non-current debtors | | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Receipt of non-current receivables | 1 | 0 | 7 | (1) | 0 | (6) | 0 | 0 | 0 | | | 9 | 11 | 10 | 10 |
| Change in non-current investments | (502) | (590) | (442) | (1 318) | (565) | (110) | (684) | (435) | (328) | | | (1 046) | (6 019) | (7 124) | (7 339) |
| Total Cash Receipts by Source | 113 925 | 76 312 | 63 576 | 69 215 | 82 408 | 150 816 | 78 478 | 113 606 | 94 130 | - | - | 251 230 | 1 093 695 | 1 111 223 | 1 211 098 |
| | | | | | | | | | | | | | | | |
| Employee related costs | 22 024 | 23 958 | 22 159 | 28 238 | 38 324 | 24 626 | 27 297 | 26 356 | 24 274 | | | 93 027 | 330 283 | 343 139 | 362 017 |
| Remuneration of councillors | 798 | 798 | 798 | 786 | 769 | 771 | 717 | 1 307 | 849 | | | 2 458 | 10 053 | 10 527 | 11 024 |
| Interest paid | 104 | 614 | 2 272 | 1 973 | 1 095 | 11 131 | 1 300 | 1 747 | 4 311 | | | 22 892 | 47 440 | 48 849 | 49 073 |
| Bulk purchases - Electricity | 4 | 26 113 | 25 965 | 15 395 | 20 558 | 15 384 | 16 907 | 15 291 | 14 881 | | | 60 948 | 211 447 | 224 152 | 237 548 |
| Bulk purchases - Water & Sewer | | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Other materials | 744 | 836 | 1 337 | 5 981 | 4 807 | 6 248 | 2 078 | 4 225 | 5 281 | | | 28 683 | 60 220 | 47 577 | 60 360 |
| Contracted services | 991 | 13 972 | 10 400 | 13 017 | 14 217 | 15 277 | 15 240 | 11 820 | 13 913 | | | 65 427 | 174 274 | 182 919 | 194 712 |
| Grants and subsidies paid - other municipalities | | 4 | - | - | - | - | - | - | - | | | (4) | - | - | - |
| Grants and subsidies paid - other | 144 | - | 424 | 394 | 4 | 4 | 367 | (36) | 4 | | | 475 | 1 778 | 1 868 | 1 964 |
| General expenses | 5 273 | 3 561 | 47 940 | (59 597) | (1 815) | 31 867 | 7 709 | (80 033) | (14 419) | | | 142 949 | 83 434 | 110 162 | 127 291 |
| Cash Payments by Type | 30 081 | 69 856 | 111 296 | 6 187 | 77 957 | 105 308 | 71 615 | (19 322) | 49 094 | - | - | 416 855 | 918 929 | 969 193 | 1 043 989 |
| | | | | | | | | | | | | | | | |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | - | 6 041 | 5 773 | 5 139 | 4 031 | 12 558 | 119 | 1 973 | 14 049 | | | 72 114 | 121 798 | 94 362 | 117 953 |
| Repayment of borrowing | - | 953 | 4 921 | 3 397 | 1 249 | 3 908 | 1 367 | 1 028 | 3 199 | | | 9 954 | 29 976 | 33 599 | 37 631 |
| Other Cash Flows/Payments | 19 462 | 259 | - | - | - | (19 721) | - | - | - | | | - | - | - | - |
| Total Cash Payments by Type | 49 543 | 77 109 | 121 991 | 14 724 | 83 237 | 102 054 | 73 102 | (16 321) | 66 342 | - | - | 498 923 | 1 070 703 | 1 097 154 | 1 199 573 |
| | | | | | | | | | | | | | | | |
| NET INCREASE/(DECREASE) IN CASH HELD | 64 382 | (798) | (58 415) | 54 491 | (829) | 48 762 | 5 376 | 129 927 | 27 789 | - | - | (247 693) | 22 992 | 14 068 | 11 525 |
| Cash/cash equivalents at the month/year begin | 259 814 | 324 196 | 323 398 | 264 984 | 319 475 | 318 646 | 367 407 | 372 784 | 502 711 | 530 500 | 530 500 | 530 500 | 259 814 | 282 806 | 296 875 |
| Cash/cash equivalents at the month/year end: | 324 196 | 323 398 | 264 984 | 319 475 | 318 646 | 367 407 | 372 784 | 502 711 | 530 500 | 530 500 | 530 500 | 282 806 | 282 806 | 296 875 | 308 400 |

This supporting table gives details of information summarised in Table C7.

PART 2 – SUPPORTING DOCUMENTATION

Debtors' analysis

Supporting Table SC3 Debtors' age analysis

WC032 Overstrand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

| Description | NT Code | Budget Year 2017/18 | | | | | | | | | | Actual Bad Debts Written Off against Debtors | Impaired - Bad Debts i.t.o Council Policy |
|---|-------------|---------------------|--------------|--------------|-------------|--------------|-------------|--------------|---------------|---------------|--------------------|--|---|
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | Total over 90 days | | |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 12 470 | 393 | 192 | 120 | 100 | 102 | 468 | 2 934 | 16 779 | 3 724 | | 4 113 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 12 936 | 309 | 179 | 140 | 132 | 127 | 629 | 2 969 | 17 421 | 3 997 | | 5 025 |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 16 958 | 374 | 216 | 164 | 164 | 139 | 715 | 2 418 | 21 149 | 3 601 | | 5 719 |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 6 026 | 165 | 101 | 81 | 66 | 63 | 321 | 1 713 | 8 536 | 2 244 | | 2 491 |
| Receivables from Exchange Transactions - Waste Management | 1600 | 5 069 | 128 | 87 | 69 | 56 | 55 | 275 | 1 284 | 7 022 | 1 738 | | 1 979 |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 290 | 5 | 15 | 6 | 3 | 22 | 15 | 169 | 525 | 215 | | 179 |
| Interest on Arrear Debtor Accounts | 1810 | 105 | 30 | 35 | 31 | 43 | 77 | 315 | 6 113 | 6 750 | 6 579 | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | | | | | | | | | - | - | | |
| Other | 1900 | 1 962 | 187 | 230 | 156 | 569 | 366 | 867 | 2 910 | 7 247 | 4 868 | | 2 222 |
| Total By Income Source | 2000 | 55 815 | 1 592 | 1 056 | 767 | 1 132 | 952 | 3 605 | 20 511 | 85 429 | 26 967 | - | 21 728 |
| 2016/17 - totals only | | 52 936 | 1 463 | 830 | 845 | 666 | 703 | 3 795 | 19 807 | 81 046 | 25 816 | | 20 593 |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 761 | 45 | 27 | 28 | 56 | 27 | 283 | 682 | 1 910 | 1 078 | | 260 |
| Commercial | 2300 | 5 723 | 88 | 57 | 38 | 26 | 44 | 323 | 823 | 7 122 | 1 254 | | 786 |
| Households | 2400 | 49 811 | 1 454 | 967 | 694 | 1 045 | 875 | 2 972 | 18 846 | 76 664 | 24 432 | | 20 680 |
| Other | 2500 | (479) | 6 | 4 | 7 | 5 | 6 | 26 | 159 | (266) | 202 | | 2 |
| Total By Customer Group | 2600 | 55 815 | 1 592 | 1 056 | 767 | 1 132 | 952 | 3 605 | 20 511 | 85 429 | 26 967 | - | 21 728 |

Debtors' levels remain stable notwithstanding the spike in the outstanding debtors' at the end of January 2018. This was due to the high consumption over the festive season resulting in increased billings. The overall increased debtors' results from the year-on-year increase in billings from increased tariffs at the start of the new financial year. This conclusion can be drawn from the increase in the 0-30 days (current) debtors. The outstanding debtors' now appears to be in line with the normal trend for this time of the financial year.

Summary of Indigent Households

| Indigent Household Statistics | | | | | |
|-------------------------------|---------------------|-----------------------|------------------|------------------|--------|
| | Indigent Households | Amount | Other Households | Total Households | |
| 2 017 | | | | | |
| July | 7 421 | NO VOTE for 2017/2018 | 25 890 | 33 311 | 22.28% |
| August | 7 398 | NO VOTE for 2017/2018 | 25 889 | 33 287 | 22.22% |
| September | 7 357 | NO VOTE for 2017/2018 | 26 315 | 33 672 | 21.85% |
| October | 7 357 | NO VOTE for 2017/2018 | 26 312 | 33 669 | 21.85% |
| November | 7 417 | NO VOTE for 2017/2018 | 26 248 | 33 665 | 22.03% |
| December | 7 392 | NO VOTE for 2017/2018 | 26 244 | 33 636 | 21.98% |
| 2 018 | | | | | |
| January | 7 400 | NO VOTE for 2017/2018 | 26 239 | 33 639 | 22.00% |
| February | 7 322 | NO VOTE for 2017/2018 | 26 337 | 33 659 | 21.75% |
| March | 7 340 | NO VOTE for 2017/2018 | 26 335 | 33 675 | 21.80% |
| April | | | | | |
| May | | | | | |
| June | | | | | |

Summary of Debtors Age Analysis

| MONTH | < 30 Days | < 60 Days | < 90 Days | < 120 Days | < 150 Days | <180 Days | <365 Days | >365 Days | Total - | Older than 30 Days | Older than 90 days |
|----------------|------------|-----------|-----------|------------|------------|-----------|-----------|------------|------------|--------------------|--------------------|
| 2017/18 | | | | | | | | | | | |
| June | | | | | | | | | 0 | 0 | 0 |
| May | | | | | | | | | 0 | 0 | 0 |
| April | | | | | | | | | 0 | 0 | 0 |
| March | 55 815 178 | 1 591 728 | 1 055 894 | 766 653 | 1 132 375 | 951 587 | 3 605 235 | 20 510 705 | 85 429 357 | 29 614 178 | 26 966 556 |
| February | 62 426 016 | 1 576 422 | 982 327 | 1 254 385 | 1 050 716 | 795 232 | 3 523 645 | 20 376 671 | 91 985 416 | 29 559 400 | 27 000 650 |
| January | 65 531 892 | 1 696 964 | 1 456 443 | 1 216 172 | 839 497 | 738 234 | 3 387 977 | 21 007 874 | 95 875 052 | 30 343 160 | 27 189 753 |
| December | 59 494 662 | 1 977 221 | 1 369 348 | 918 559 | 789 109 | 789 098 | 3 241 811 | 20 811 503 | 89 391 309 | 29 896 647 | 26 550 079 |
| November | 56 824 069 | 1 827 423 | 1 126 524 | 887 759 | 865 134 | 737 673 | 3 257 471 | 20 763 675 | 86 289 729 | 29 465 660 | 26 511 713 |
| October | 57 275 613 | 1 556 784 | 1 124 343 | 1 051 265 | 811 234 | 746 035 | 3 280 142 | 21 206 503 | 87 051 919 | 29 776 306 | 27 095 179 |
| September | 58 698 682 | 1 721 440 | 1 250 398 | 879 548 | 799 399 | 608 430 | 3 308 540 | 21 086 775 | 88 353 212 | 29 654 531 | 26 682 693 |
| Augustus | 60 067 083 | 1 631 627 | 1 044 883 | 871 567 | 649 170 | 737 781 | 3 410 560 | 20 638 344 | 89 051 016 | 28 983 933 | 26 307 422 |
| July | 61 974 453 | 1 584 147 | 1 015 505 | 707 811 | 784 870 | 623 722 | 3 546 555 | 20 354 794 | 90 591 857 | 28 617 404 | 26 017 752 |

Government Debt

| Overstrand Municipality as at 31/03/2018 | Total Debt | Services | Rates | Other |
|--|------------------|------------------|----------------|---------------|
| Department Responsible for the Debt | | | | |
| NPW 2227 | 1 199 364 | 833 226 | 359 256 | 6 881 |
| WCED 2251 | 239 431 | 239 431 | 0 | 0 |
| OTHER 2210+2255 | 8 382 | 8 382 | 0 | 0 |
| HEALTH 2252 | 225 339 | 196 274 | 27 374 | 1 690 |
| TPW 2256 | 118 470 | 21 667 | 94 405 | 2 398 |
| HOUSING 2253+2215 | 7 830 | 7 466 | 0 | 364 |
| OTHER MUNICIPALITIES 2276 | 111 269 | 111 269 | 0 | 0 |
| TOTAL OUTSTANDING | 1 910 085 | 1 417 716 | 481 036 | 11 333 |

Creditors' analysis

Supporting Table SC4

WC032 Overstrand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

| Description | NT Code | Budget Year 2017/18 | | | | | | | | |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|--------------|
| | | 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 | 2 818 | | | | | | | | 2 818 |
| Auditor General | 0800 | | | | | | | | | - |
| Other | 0900 | - | | | | | | | | - |
| Total By Customer Type | 1000 | 2 818 | - | - | - | - | - | - | - | 2 818 |

Supporting Table SC4 reflects current creditors at the end of March 2018.

The payment of creditors is within requirements of the MFMA.

Investment portfolio analysis

Supporting Table SC5

WC032 Overstrand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

| Investments by maturity Name of institution & investment ID | Period of Investment | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
|--|-------------------------|-----------------------|------------------------------|--------------------------------------|---------------------------------|--|---------------------------|--|
| R thousands | Yrs/Months | | | | | | | |
| Municipality | | | | | | | | |
| LIBERTY 15934476 | 15 YEARS | Policy | 01/09/2025 | 9 | | 14 703 | 125 | 14 838 |
| LIBERTY 21196964 | 14 YEARS | Policy | 01/09/2025 | (17) | | 25 346 | 260 | 25 589 |
| MOMENTUM MP 3853776 | 14 YEARS | Policy | 01/07/2026 | (80) | | 2 578 | 30 | 2 528 |
| ABSA 9284200168 | DEP PLUS | DEP PLUS | | 139 | 7.0% | 24 727 | (727) | 24 139 |
| ABSA 9295906141 | DEP PLUS | DEP PLUS | | 139 | 7.0% | 24 727 | (727) | 24 139 |
| ABSA 9331734880 | DEP PLUS | DEP PLUS | | 44 | 6.8% | 8 385 | (40) | 8 389 |
| 03/7881534451 Nedbank | 182 days | FIXED DEP | 15/06/2018 | | 8.4% | 50 000 | | 50 000 |
| 03/7881534451 Nedbank | 89 days | FIXED DEP | 30/04/2018 | | 7.8% | 50 000 | | 50 000 |
| Standard Bank 288434005-026 | 59 days | FIXED DEP | 16/04/2018 | | 7.6% | 50 000 | | 50 000 |
| 03/7881534451 Nedbank | 89 days | FIXED DEP | 16/05/2018 | | 7.8% | 50 000 | | 50 000 |
| Standard Bank 288434005-026 | 120 days | FIXED DEP | 28/06/2018 | | 8.0% | 100 000 | | 100 000 |
| 03/7881534451 Nedbank | 92 days | FIXED DEP | 15/06/2018 | | 7.8% | | 50 000 | 50 000 |
| Standard Bank 288434005-026 | 92 days | FIXED DEP | 26/06/2018 | | 7.8% | | 50 000 | 50 000 |
| 03/7881534451 Nedbank | 92 days | FIXED DEP | 26/06/2018 | | 7.8% | | 50 000 | 50 000 |
| TOTAL INVESTMENTS AND INTEREST | | | | 234 | | 400 464 | 148 922 | 549 621 |

Surplus cash not immediately required is invested in call and monthly deposits.

Long term investments relate to the sinking fund investments.

Allocation and grant receipts and expenditure

Supporting Table SC6 – Grant receipts

WC032 Overstrand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| RECEIPTS: | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | |
| National Government: | 76 347 | 88 073 | 88 073 | 21 055 | 88 073 | 88 073 | - | | 88 073 |
| Local Government Equitable Share | 72 950 | 84 223 | 84 223 | 21 055 | 84 223 | 84 223 | - | | 84 223 |
| Finance Management | 1 475 | 1 550 | 1 550 | | 1 550 | 1 550 | | | 1 550 |
| EPWP Incentive | 1 922 | 2 300 | 2 300 | | 2 300 | 2 300 | | | 2 300 |
| Provincial Government: | 41 312 | 24 378 | 38 673 | 10 656 | 37 606 | 38 393 | (787) | -2.0% | 35 867 |
| Human Settlements Development Grant | 35 101 | 17 639 | 31 519 | 10 346 | 30 732 | 31 519 | (787) | -2.5% | 28 713 |
| Library Services Grant | 5 889 | 6 306 | 6 306 | | 6 306 | 6 306 | | | 6 306 |
| Financial Management Capacity Building Grant | | 240 | 240 | 240 | 240 | 240 | - | | 240 |
| Community Development Workers Operational Support Grant | 75 | 54 | 54 | | 54 | 54 | - | | 54 |
| Maintenance & Constuction of Transport Infrastructure | 137 | 139 | 139 | | 139 | 139 | - | | 139 |
| Western Cape Financial Management Support Grant | | | 280 | | | | | | 280 |
| Local Government Internship Grant | 60 | | 66 | | 66 | 66 | | | 66 |
| Greenest Municipality Competition | 50 | | 70 | 70 | 70 | 70 | - | | 70 |
| Total Operating Transfers and Grants | 117 659 | 112 451 | 126 746 | 31 711 | 125 679 | 126 466 | (787) | -0.6% | 123 940 |
| Capital Transfers and Grants | | | | | | | | | |
| National Government: | 26 030 | 26 330 | 26 330 | 8 530 | 26 330 | 26 330 | - | | 26 330 |
| Municipal Infrastructure Grant (MIG) | 21 030 | 22 330 | 22 330 | 8 530 | 22 330 | 22 330 | - | | 22 330 |
| Integrated National Electrification Programme | 5 000 | 4 000 | 4 000 | | 4 000 | 4 000 | | | 4 000 |
| Provincial Government: | 10 490 | 19 878 | 44 028 | 14 167 | 43 712 | 44 028 | (316) | -0.7% | 44 028 |
| Human Settlements Development Grant | 8 290 | 17 186 | 36 977 | 10 167 | 36 661 | 36 977 | (316) | -0.9% | 36 977 |
| Library Services Grant | 1 000 | 700 | 700 | | 700 | 700 | | | 700 |
| Development of Sport & Recreation Facilities | | 1 171 | 1 171 | | 1 171 | 1 171 | | | 1 171 |
| Fire Service Capacity Building Grant | 1 200 | 800 | 800 | | 800 | 800 | | | 800 |
| Community Development Workers Operational Support Grant | | 21 | 21 | | 21 | 21 | | | 21 |
| Municipal Service Delivery and Capacity Building Grant | | | 360 | | 360 | 360 | | | 360 |
| Provincial Sustainable Transport Programme | | | 4 000 | 4 000 | 4 000 | 4 000 | | | 4 000 |
| Other grant providers: | - | - | - | - | - | - | - | | - |
| Total Capital Transfers and Grants | 36 520 | 46 208 | 70 358 | 22 697 | 70 042 | 70 358 | (316) | -0.4% | 70 358 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 154 179 | 158 659 | 197 104 | 54 408 | 195 721 | 196 824 | (1 103) | -0.6% | 194 299 |

Grant receipts are monitored according to the payment schedules.

Supporting Table SC7(1) – Grant expenditure

WC032 Overstrand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| EXPENDITURE | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | |
| National Government: | 3 397 | 3 850 | 3 850 | 245 | 2 422 | 2 422 | - | | 3 850 |
| Local Government Equitable Share | | | | | | | - | | |
| Finance Management | 1 475 | 1 550 | 1 550 | 75 | 756 | 756 | - | | 1 550 |
| EPWP Incentive | 1 922 | 2 300 | 2 300 | 170 | 1 666 | 1 666 | - | | 2 300 |
| | | | | | | | - | | |
| Provincial Government: | 38 034 | 25 615 | 41 144 | 4 872 | 19 537 | 19 537 | - | | 37 105 |
| Human Settlements Development Grant | 31 921 | 18 779 | 33 892 | 4 164 | 13 852 | 13 852 | - | | 29 853 |
| Library Services Grant | 5 889 | 6 306 | 6 306 | 559 | 5 415 | 5 415 | - | | 6 306 |
| Financial Management Capacity Building Grant | | 240 | 240 | | | | - | | 240 |
| Community Development Workers Operational Support Grant | 75 | 54 | 54 | 4 | 50 | 50 | - | | 54 |
| Maintenance & Constuction of Transport Infrastructure | 137 | 139 | 139 | 139 | 139 | 139 | | | 139 |
| Greenest Municipality Competition | | 50 | 120 | | 36 | 36 | | | 120 |
| Local Government Internship Graduate Grant | 12 | 48 | 114 | 5 | 44 | 44 | | | 114 |
| Western Cape Financial Management Support Grant | | | 280 | | | | | | 280 |
| | | | | | | | - | | |
| Total operating expenditure of Transfers and Grants: | 41 431 | 29 465 | 44 994 | 5 117 | 21 959 | 21 959 | - | | 40 955 |
| | | | | | | | | | |
| Capital expenditure of Transfers and Grants | | | | | | | | | |
| National Government: | 26 030 | 26 330 | 26 330 | 2 202 | 12 123 | 12 123 | - | | 26 330 |
| Municipal Infrastructure Grant (MIG) | 21 030 | 22 330 | 22 330 | 2 202 | 12 123 | 12 123 | - | | 22 330 |
| Integrated National Electrification Programme | 5 000 | 4 000 | 4 000 | | | | - | | 4 000 |
| | | | | | | | - | | |
| Provincial Government: | 7 681 | 21 510 | 47 111 | 9 964 | 25 227 | 25 227 | - | | 45 660 |
| Human Settlements Development Grant | 7 651 | 17 186 | 37 890 | 9 120 | 24 235 | 24 235 | - | | 36 977 |
| Library Services Grant | 30 | 1 132 | 1 670 | | 133 | 133 | | | 1 132 |
| Development of Sport & Recreation Facilities | | 1 171 | 1 171 | | | | | | 1 171 |
| Fire Service Capacity Building Grant | | 2 000 | 2 000 | 788 | 788 | 788 | | | 2 000 |
| Community Development Workers Operational Support Grant | | 21 | 21 | | 15 | 15 | | | 21 |
| Municipal Service Delivery and Capacity Building Grant | | | 360 | 56 | 56 | 56 | | | 360 |
| | | | | | | | - | | |
| Other grant providers: | - | - | - | - | - | - | - | | - |
| | | | | | | | | | |
| Total capital expenditure of Transfers and Grants | 33 711 | 47 840 | 73 441 | 12 165 | 37 350 | 37 350 | - | | 71 990 |
| | | | | | | | | | |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | 75 143 | 77 305 | 118 435 | 17 282 | 59 309 | 59 309 | - | | 112 945 |

Grant expenditure is monitored against grant receipts.

Supporting Table SC7(2) – Expenditure against approved rollovers

WC032 Overstrand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M09
March

| Description | Budget Year 2017/18 | | | | |
|--|---------------------------|----------------|---------------|--------------|----------------|
| | Approved Rollover 2016/17 | Monthly actual | YearTD actual | YTD variance | YTD variance % |
| R thousands | | | | | % |
| <u>EXPENDITURE</u> | | | | | |
| <u>Operating expenditure of Approved Roll-overs</u> | | | | | |
| National Government: | - | - | - | - | |
| Local Government Equitable Share | | | | - | |
| Finance Management | | | | - | |
| EPWP Incentive | | | | - | |
| Provincial Government: | 3 334 | 865 | 905 | 2 429 | 72.9% |
| Human Settlements Development Grant | 3 286 | 861 | 861 | 2 425 | 73.8% |
| Financial Management Capacity Building Grant | | | | - | |
| Community Development Workers Operational Support Grant | | | | - | |
| Maintenance & Constuction of Transport Infrastructure | | | | - | |
| Local Government Internship Graduate Grant | 48 | 5 | 44 | 3 | 6.8% |
| | | | | - | |
| | | | | - | |
| Total operating expenditure of Approved Roll-overs | 3 334 | 865 | 905 | 2 429 | 72.9% |
| Capital expenditure of Approved Roll-overs | | | | | |
| National Government: | - | - | - | - | |
| Municipal Infrastructure Grant (MIG) | | | | - | |
| | | | | - | |
| | | | | - | |
| Provincial Government: | 2 170 | - | - | 2 170 | 100.0% |
| Community Library Service Grant | 970 | | | 970 | 100.0% |
| Fire Service Capacity Building Grant | 1 200 | | | 1 200 | 100.0% |
| | | | | - | |
| | | | | - | |
| Total capital expenditure of Approved Roll-overs | 2 170 | - | - | 2 170 | 100.0% |
| TOTAL EXPENDITURE OF APPROVED ROLL-OVERS | 5 504 | 865 | 905 | 4 599 | 83.6% |

A Roll over application was submitted to Provincial Treasury during August 2017 for unspent Housing, Provincial Library, Fire Services Capacity Building and Internship Graduate Grants. The roll over outcome letter from Provincial Treasury was received in November 2017. All unspent grants applied for were granted and are reflected above.

Expenditure on councillor allowances and employee benefits

Supporting Table SC8

WC032 Overstrand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

| Summary of Employee and Councillor remuneration | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|----------------|----------------|--------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| <u>Councillors (Political Office Bearers plus Other)</u> | | | | | | | | | |
| Basic Salaries and Wages | 8 608 | 9 393 | 9 166 | 757 | 6 790 | 6 875 | (84) | -1% | 9 166 |
| Pension and UIF Contributions | | | | | | | - | | - |
| Medical Aid Contributions | | | | | | | - | | - |
| Motor Vehicle Allowance | | | | | | | - | | - |
| Cellphone Allowance | 657 | 660 | 1 086 | 93 | 804 | 815 | (11) | -1% | 1 086 |
| Housing Allowances | | | | | | | - | | |
| Other benefits and allowances | | | | | | | - | | |
| Sub Total - Councillors | 9 265 | 10 053 | 10 253 | 849 | 7 594 | 7 690 | (96) | -1% | 10 253 |
| <u>Senior Managers of the Municipality</u> | | | | | | | | | |
| Basic Salaries and Wages | 9 944 | 10 753 | 10 753 | 872 | 7 907 | 8 065 | (158) | -2% | 10 753 |
| Pension and UIF Contributions | | | | | | | - | | |
| Medical Aid Contributions | | | | | | | - | | |
| Overtime | | | | | | | - | | |
| Performance Bonus | | | | | | | - | | |
| Motor Vehicle Allowance | | | | | | | - | | |
| Cellphone Allowance | 158 | 175 | 175 | 15 | 131 | 131 | - | | 175 |
| Housing Allowances | | | | | | | - | | |
| Other benefits and allowances | | | | 38 | 51 | 51 | - | | |
| Payments in lieu of leave | | | | | | | - | | |
| Long service awards | | | | | | | - | | |
| Post-retirement benefit obligations | | | | | | | - | | |
| Sub Total - Senior Managers of Municipality | 10 102 | 10 928 | 10 928 | 925 | 8 089 | 8 247 | (158) | -2% | 10 928 |
| <u>Other Municipal Staff</u> | | | | | | | | | |
| Basic Salaries and Wages | 175 723 | 204 000 | 199 269 | 14 748 | 156 029 | 156 260 | (231) | 0% | 199 269 |
| Pension and UIF Contributions | 30 114 | 35 806 | 35 564 | 2 784 | 24 837 | 24 924 | (87) | 0% | 35 564 |
| Medical Aid Contributions | 10 523 | 12 625 | 12 433 | 974 | 8 304 | 8 331 | (27) | 0% | 12 433 |
| Overtime | 15 613 | 15 622 | 16 076 | 1 172 | 11 499 | 11 601 | (102) | -1% | 16 076 |
| Performance Bonus | | - | - | - | - | - | - | | - |
| Motor Vehicle Allowance | 7 602 | 8 213 | 8 213 | 915 | 8 136 | 8 156 | (20) | 0% | 8 213 |
| Cellphone Allowance | 1 483 | 1 475 | 1 450 | 143 | 1 275 | 1 300 | (25) | -2% | 1 450 |
| Housing Allowances | 5 064 | 5 405 | 5 340 | 206 | 1 835 | 1 850 | (15) | -1% | 5 340 |
| Other benefits and allowances | 26 398 | 29 993 | 27 235 | 2 040 | 10 153 | 10 188 | (35) | 0% | 27 235 |
| Payments in lieu of leave | 1 385 | 765 | 965 | 214 | 724 | 724 | - | | 965 |
| Long service awards | 1 836 | 669 | 1 769 | 881 | 1 530 | 1 530 | - | | 1 769 |
| Post-retirement benefit obligations | 16 076 | 7 724 | 9 924 | 2 129 | 7 453 | 7 453 | - | | 9 924 |
| Sub Total - Other Municipal Staff | 291 817 | 322 297 | 318 237 | 26 205 | 231 776 | 232 318 | (542) | 0% | 318 237 |
| Total Parent Municipality | 311 185 | 343 277 | 339 418 | 27 979 | 247 459 | 248 254 | (795) | 0% | 339 418 |
| TOTAL SALARY, ALLOWANCES & BENEFITS | 311 185 | 343 277 | 339 418 | 27 979 | 247 459 | 248 254 | (795) | 0% | 339 418 |
| TOTAL MANAGERS AND STAFF | 301 919 | 333 225 | 329 165 | 27 130 | 239 865 | 240 565 | (699) | 0% | 329 165 |

SDBIP

The results of the SDBIP for the third quarter ended 31 March 2018 will be included in a separate comprehensive report to be tabled in Council.

Financial Performance

Supporting Table SC2

| WC032 Overstrand - Supporting Table SC2 Monthly Budget Statement - performance indicators - M09 March | | | | | | |
|---|--|-----------------|---------------------|-----------------|------------------|--------------------|
| Description of financial indicator | Basis of calculation | 2016/17 | Budget Year 2017/18 | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| Borrowing Management | | | | | | |
| Capital Charges to Operating Expenditure | Interest & principal paid/Operating Expenditure | 1.8% | 17.1% | 16.9% | 17.0% | 16.9% |
| Borrowed funding of 'own' capital expenditure | Borrowings/Capital expenditure excl. transfers and grants | 38.7% | 30.7% | 19.9% | 13.2% | 19.9% |
| Safety of Capital | | | | | | |
| Debt to Equity | Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves | 16.0% | 16.1% | 15.4% | 19.2% | 15.4% |
| Gearing | Long Term Borrowing/ Funds & Reserves | 12687.3% | 16762.6% | 16762.6% | 12898.6% | 16762.6% |
| Liquidity | | | | | | |
| Current Ratio | Current assets/current liabilities | 225.8% | 189.0% | 278.8% | 225.3% | 278.8% |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 142.8% | 115.3% | 205.1% | 177.4% | 205.1% |
| Revenue Management | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/ Last 12 Mths Billing | | | | | |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 10.2% | 12.3% | 11.7% | 12.9% | 11.7% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Creditors Management | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA s 65(e)) | 99.5% | 98.0% | 98.0% | Annual Indicator | 98.0% |
| Funding of Provisions | | | | | | |
| Percentage Of Provisions Not Funded | Unfunded Provisions/Total Provisions | | | | | |
| Other Indicators | | | | | | |
| Electricity Distribution Losses | % Volume (units purchased and generated less units sold)/units purchased and generated | 7.4% | 6.3 | 6.3 | Annual Indicator | 6.3% |
| Water Distribution Losses | % Volume (units purchased and own source less units sold)/Total units purchased and own source | 21.3% | 20.89% | 20.89% | Annual Indicator | 20.89% |
| Employee costs | Employee costs/Total Revenue - capital revenue | 28.7% | 33.6% | 31.4% | 31.1% | 31.4% |
| Repairs & Maintenance | R&M/Total Revenue - capital revenue | 11.5% | 17.0% | 18.3% | 14.7% | 18.3% |
| Interest & Depreciation | I&D/Total Revenue - capital revenue | 16.9% | 17.9% | 17.0% | 15.9% | 17.0% |
| IDP regulation financial viability indicators | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 20.1% | 17.0 | 17.0 | Annual Indicator | 17.0 |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 9.9% | 15.4% | 15.4% | Annual Indicator | 15.4% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | 0.1 | 3.2 | 3.2 | Annual Indicator | 3.2 |

Capital programme performance

Supporting Table SC12

WC032 Overstrand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M09 March

| Month | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|----------------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | % spend of Original Budget |
| R thousands | | | | | | | | | |
| Monthly expenditure performance trend | | | | | | | | | |
| July | - | - | - | - | - | - | - | - | - |
| August | 571 | 2 040 | 2 040 | 6 041 | 6 041 | 2 040 | (4 001) | -196.1% | 6% |
| September | 5 869 | 3 448 | 3 448 | 5 773 | 11 814 | 5 488 | (6 326) | -115.3% | 12% |
| October | 1 879 | 4 926 | 4 926 | 5 139 | 16 953 | 10 414 | (6 539) | -62.8% | 17% |
| November | 4 070 | 6 259 | 6 259 | 4 031 | 20 984 | 16 673 | (4 311) | -25.9% | 21% |
| December | 7 840 | 6 099 | 6 099 | 12 558 | 33 542 | 22 772 | (10 770) | -47.3% | 34% |
| January | 3 211 | 10 181 | 10 181 | 119 | 33 662 | 32 953 | (709) | -2.2% | 34% |
| February | 5 297 | 14 759 | 10 233 | 1 973 | 35 635 | 43 186 | 7 552 | 17.5% | 36% |
| March | 6 067 | 14 813 | 11 784 | 14 049 | 49 684 | 54 970 | 5 286 | 9.6% | 51% |
| April | 5 463 | 16 669 | 13 233 | | | 68 203 | - | | |
| May | 7 975 | 18 333 | 20 233 | | | 88 437 | - | | |
| June | 43 627 | 120 | 28 183 | | | 116 620 | - | | |
| Total Capital expenditure | 91 868 | 97 648 | 116 620 | 49 684 | | | | | |

Supporting Table SC13a

WC032 Overstrand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | |
| Infrastructure | 43 763 | 28 205 | 28 238 | 795 | 8 906 | 9 872 | 966 | 9.8% | 28 238 |
| Roads Infrastructure | 2 030 | 5 155 | 11 691 | 460 | 3 977 | 4 532 | 555 | 12.2% | 11 691 |
| <i>Roads</i> | 2 030 | 5 155 | 11 691 | 460 | 3 977 | 4 532 | 555 | 12.2% | 11 691 |
| Storm water Infrastructure | 230 | 250 | 280 | 54 | 92 | 210 | 118 | 56.4% | 280 |
| <i>Drainage Collection</i> | 230 | 250 | 280 | 54 | 92 | 210 | 118 | 56.4% | 280 |
| Electrical Infrastructure | 30 496 | 18 790 | 15 520 | 207 | 4 476 | 4 569 | 93 | 2.0% | 15 520 |
| <i>MV Substations</i> | | 3 000 | 3 000 | | 3 000 | 2 679 | (321) | -12.0% | 3 000 |
| <i>LV Networks</i> | 30 496 | 15 790 | 12 520 | 207 | 1 476 | 1 890 | 414 | 21.9% | 12 520 |
| Water Supply Infrastructure | 5 276 | 3 900 | 637 | 68 | 267 | 478 | 211 | 44.2% | 637 |
| <i>Reservoirs</i> | 5 276 | 3 900 | 637 | 68 | 267 | 478 | 211 | 44.2% | 637 |
| Solid Waste Infrastructure | 12 | 110 | 110 | 7 | 94 | 83 | (11) | -13.7% | 110 |
| <i>Waste Drop-off Points</i> | 12 | 110 | 110 | 7 | 94 | 83 | (11) | -13.7% | 110 |
| Community Assets | 2 212 | 6 545 | 9 829 | 356 | 1 782 | 3 241 | 1 459 | 45.0% | 9 829 |
| Community Facilities | 1 640 | 4 579 | 3 380 | 334 | 1 412 | 1 860 | 448 | 24.1% | 3 380 |
| <i>Halls</i> | 644 | 421 | 445 | | 415 | 175 | (240) | -136.9% | 445 |
| <i>Crèches</i> | | 100 | 100 | | 100 | 58 | (42) | -71.2% | 100 |
| <i>Fire/Ambulance Stations</i> | 996 | 3 798 | 2 575 | 332 | 838 | 1 431 | 593 | 41.5% | 2 575 |
| <i>Cemeteries/Crematoria</i> | | 260 | 260 | 3 | 59 | 195 | 136 | 69.5% | 260 |
| Sport and Recreation Facilities | 572 | 1 966 | 6 449 | 21 | 370 | 1 381 | 1 011 | 73.2% | 6 449 |
| <i>Indoor Facilities</i> | | | | | | | - | | |
| <i>Outdoor Facilities</i> | 572 | 1 966 | 6 449 | 21 | 370 | 1 381 | 1 011 | 73.2% | 6 449 |
| Heritage assets | - | - | - | - | - | - | - | | - |
| Investment properties | - | - | - | - | - | - | - | | - |
| Other assets | 10 458 | 17 186 | 37 890 | 9 120 | 24 235 | 25 260 | 1 026 | 4.1% | 37 890 |
| Operational Buildings | 1 540 | - | - | - | - | - | - | | - |
| Housing | 8 918 | 17 186 | 37 890 | 9 120 | 24 235 | 25 260 | 1 026 | 4.1% | 37 890 |
| <i>Social Housing</i> | 8 918 | 17 186 | 37 890 | 9 120 | 24 235 | 25 260 | 1 026 | 4.1% | 37 890 |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | | - |
| Intangible Assets | - | - | - | - | - | - | - | | - |
| Computer Equipment | 885 | 1 620 | 1 620 | - | 1 544 | 1 080 | (464) | -42.9% | 1 620 |
| Computer Equipment | 885 | 1 620 | 1 620 | | 1 544 | 1 080 | (464) | -42.9% | 1 620 |
| Furniture and Office Equipment | 72 | 120 | 120 | 7 | 95 | 90 | (5) | -5.4% | 120 |
| Furniture and Office Equipment | 72 | 120 | 120 | 7 | 95 | 90 | (5) | -5.4% | 120 |
| Machinery and Equipment | - | - | 570 | - | - | - | - | | 570 |
| Transport Assets | - | 950 | 600 | 205 | 205 | 450 | 245 | 54.5% | 600 |
| Transport Assets | | 950 | 600 | 205 | 205 | 450 | 245 | 54.5% | 600 |
| Libraries | - | - | - | - | - | - | - | | - |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | | - |
| Total Capital Expenditure on new assets | 57 389 | 54 626 | 78 867 | 10 482 | 36 765 | 39 993 | 3 228 | 8.1% | 78 867 |

Supporting Table SC13b

WC032 Overstrand - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | |
| Infrastructure | 20 205 | 11 280 | 7 713 | 1 771 | 2 629 | 4 270 | 1 641 | 38.4% | 7 713 |
| Roads Infrastructure | 9 709 | 2 080 | 2 080 | 605 | 901 | 1 560 | 659 | 42.3% | 2 080 |
| <i>Roads</i> | 9 709 | 2 080 | 2 080 | 605 | 901 | 1 560 | 659 | 42.3% | 2 080 |
| Electrical Infrastructure | – | 1 000 | 1 000 | 819 | 819 | 750 | (69) | -9.2% | 1 000 |
| <i>MV Networks</i> | | 1 000 | 1 000 | 819 | 819 | 750 | (69) | -9.2% | 1 000 |
| Water Supply Infrastructure | 10 496 | 900 | 900 | – | 5 | 263 | 258 | 98.2% | 900 |
| <i>Water Treatment Works</i> | 10 496 | 900 | 900 | | 5 | 263 | 258 | 98.2% | 900 |
| Sanitation Infrastructure | – | 5 800 | 2 263 | 348 | 904 | 1 697 | 793 | 46.7% | 2 263 |
| <i>Waste Water Treatment Works</i> | | 5 800 | 2 263 | 348 | 904 | 1 697 | 793 | 46.7% | 2 263 |
| Solid Waste Infrastructure | – | 1 500 | 1 470 | – | – | – | – | | 1 470 |
| <i>Waste Transfer Stations</i> | | 1 500 | 1 470 | | | | | | 1 470 |
| Community Assets | – | – | – | – | – | – | – | | – |
| Heritage assets | – | – | – | – | – | – | – | | – |
| Investment properties | – | – | – | – | – | – | – | | – |
| Other assets | – | – | – | – | – | – | – | | – |
| Biological or Cultivated Assets | – | – | – | – | – | – | – | | – |
| Biological or Cultivated Assets | | | | | | | – | | |
| Intangible Assets | – | – | – | – | – | – | – | | – |
| Computer Equipment | – | – | – | – | – | – | – | | – |
| Computer Equipment | | | | | | | – | | |
| Furniture and Office Equipment | – | – | – | – | – | – | – | | – |
| Furniture and Office Equipment | | | | | | | – | | |
| Machinery and Equipment | – | – | – | – | – | – | – | | – |
| Machinery and Equipment | | | | | | | – | | |
| Transport Assets | – | – | – | – | – | – | – | | – |
| Transport Assets | | | | | | | – | | |
| Libraries | – | – | – | – | – | – | – | | – |
| Libraries | | | | | | | – | | |
| Zoo's, Marine and Non-biological Animals | – | – | – | – | – | – | – | | – |
| Zoo's, Marine and Non-biological Animals | | | | | | | – | | |
| Total Capital Expenditure on renewal of existing assets | 20 205 | 11 280 | 7 713 | 1 771 | 2 629 | 4 270 | 1 641 | 38.4% | 7 713 |

Supporting Table SC13c

WC032 Overstrand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M09
March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|----------------|----------------|---------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | |
| Infrastructure | 110 292 | 132 746 | 139 160 | 8 235 | 85 556 | 104 370 | 18 814 | 18.0% | 139 160 |
| Roads Infrastructure | 55 545 | 64 747 | 64 747 | 3 373 | 38 543 | 48 560 | 10 017 | 20.6% | 64 747 |
| <i>Roads</i> | 55 545 | 64 747 | 64 747 | 3 373 | 38 543 | 48 560 | 10 017 | 20.6% | 64 747 |
| Storm water Infrastructure | 6 392 | 6 168 | 6 168 | 474 | 4 393 | 4 626 | 233 | 5.0% | 6 168 |
| <i>Storm water Conveyance</i> | 6 392 | 6 168 | 6 168 | 474 | 4 393 | 4 626 | 233 | 5.0% | 6 168 |
| Electrical Infrastructure | 17 747 | 18 903 | 18 970 | 1 377 | 12 438 | 14 227 | 1 790 | 12.6% | 18 970 |
| <i>HV Transmission Conductors</i> | 17 747 | 18 903 | 18 970 | 1 377 | 12 438 | 14 227 | 1 790 | 12.6% | 18 970 |
| Water Supply Infrastructure | 16 389 | 17 549 | 17 549 | 909 | 11 767 | 13 162 | 1 395 | 10.6% | 17 549 |
| <i>Water Treatment Works</i> | 16 389 | 17 549 | 17 549 | 909 | 11 767 | 13 162 | 1 395 | 10.6% | 17 549 |
| Sanitation Infrastructure | 11 672 | 16 500 | 16 525 | 1 067 | 10 389 | 12 394 | 2 005 | 16.2% | 16 525 |
| <i>Waste Water Treatment Works</i> | 11 672 | 16 500 | 16 525 | 1 067 | 10 389 | 12 394 | 2 005 | 16.2% | 16 525 |
| Solid Waste Infrastructure | 2 546 | 8 879 | 15 201 | 1 035 | 8 027 | 11 401 | 3 374 | 29.6% | 15 201 |
| <i>Waste Transfer Stations</i> | 2 546 | 8 879 | 15 201 | 1 035 | 8 027 | 11 401 | 3 374 | 29.6% | 15 201 |
| Community Assets | 4 867 | 10 549 | 13 798 | 1 622 | 7 775 | 10 349 | 2 574 | 24.9% | 13 798 |
| Community Facilities | 4 867 | 5 895 | 7 327 | 535 | 3 294 | 5 495 | 2 202 | 40.1% | 7 327 |
| <i>Halls</i> | | 2 523 | 2 718 | 180 | 1 316 | 2 039 | 723 | 35.5% | 2 718 |
| <i>Libraries</i> | | 205 | 205 | 12 | 43 | 153 | 110 | 72.0% | 205 |
| <i>Cemeteries/Crematoria</i> | | 57 | 57 | 12 | 33 | 43 | 10 | 23.1% | 57 |
| <i>Public Open Space</i> | 4 867 | 3 110 | 4 347 | 331 | 1 902 | 3 260 | 1 358 | 41.7% | 4 347 |
| Sport and Recreation Facilities | - | 4 654 | 6 471 | 1 087 | 4 481 | 4 854 | 372 | 7.7% | 6 471 |
| <i>Outdoor Facilities</i> | | 4 654 | 6 471 | 1 087 | 4 481 | 4 854 | 372 | 7.7% | 6 471 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Investment properties | - | - | - | - | - | - | - | - | - |
| Other assets | - | 6 942 | 9 202 | 490 | 4 584 | 6 901 | 2 318 | 33.6% | 9 202 |
| Operational Buildings | - | 6 942 | 9 202 | 490 | 4 584 | 6 901 | 2 318 | 33.6% | 9 202 |
| <i>Municipal Offices</i> | | 6 942 | 9 202 | 490 | 4 584 | 6 901 | 2 318 | 33.6% | 9 202 |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - | - | - | - | - |
| Computer Equipment | 5 536 | 5 384 | 5 787 | 242 | 4 199 | 4 340 | 141 | 3.2% | 5 787 |
| Computer Equipment | 5 536 | 5 384 | 5 787 | 242 | 4 199 | 4 340 | 141 | 3.2% | 5 787 |
| Furniture and Office Equipment | - | 13 663 | 23 288 | 1 385 | 10 921 | 17 466 | 6 545 | 37.5% | 23 288 |
| Furniture and Office Equipment | | 13 663 | 23 288 | 1 385 | 10 921 | 17 466 | 6 545 | 37.5% | 23 288 |
| Machinery and Equipment | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment | | | | | | | | | |
| Transport Assets | - | - | - | - | - | - | - | - | - |
| Transport Assets | | | | | | | | | |
| Libraries | - | - | - | - | - | - | - | - | - |
| Libraries | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | |
| Total Repairs and Maintenance Expenditure | 120 695 | 169 284 | 191 235 | 11 974 | 113 035 | 143 426 | 30 391 | 21.2% | 191 235 |

Supporting Table SC13d

WC032 Overstrand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Depreciation by Asset Class/Sub-class | | | | | | | | | |
| Infrastructure | 108 171 | 112 337 | 112 337 | 9 361 | 84 253 | 84 253 | - | | 112 337 |
| Roads Infrastructure | 31 811 | 36 600 | 36 600 | 3 050 | 27 450 | 27 450 | - | | 36 600 |
| <i>Roads</i> | 31 811 | 36 600 | 36 600 | 3 050 | 27 450 | 27 450 | - | | 36 600 |
| Storm water Infrastructure | 5 741 | 3 465 | 3 465 | 289 | 2 598 | 2 598 | - | | 3 465 |
| <i>Storm water Conveyance</i> | 5 741 | 3 465 | 3 465 | 289 | 2 598 | 2 598 | - | | 3 465 |
| Electrical Infrastructure | 24 103 | 25 118 | 25 118 | 2 093 | 18 839 | 18 839 | - | | 25 118 |
| <i>HV Transmission Conductors</i> | 24 103 | 25 118 | 25 118 | 2 093 | 18 839 | 18 839 | - | | 25 118 |
| Water Supply Infrastructure | 27 000 | 27 354 | 27 354 | 2 279 | 20 515 | 20 515 | - | | 27 354 |
| <i>Water Treatment Works</i> | 27 000 | 11 598 | 11 598 | 967 | 8 699 | 8 699 | - | | 11 598 |
| <i>Distribution</i> | | 15 756 | 15 756 | 1 313 | 11 817 | 11 817 | - | | 15 756 |
| Sanitation Infrastructure | 15 807 | 15 886 | 15 886 | 1 324 | 11 914 | 11 914 | - | | 15 886 |
| <i>Reticulation</i> | 15 807 | 12 467 | 12 467 | 1 039 | 9 351 | 9 351 | - | | 12 467 |
| <i>Waste Water Treatment Works</i> | | 3 419 | 3 419 | 285 | 2 564 | 2 564 | - | | 3 419 |
| Solid Waste Infrastructure | 3 709 | 3 915 | 3 915 | 326 | 2 936 | 2 936 | - | | 3 915 |
| <i>Waste Transfer Stations</i> | 3 709 | 3 915 | 3 915 | 326 | 2 936 | 2 936 | - | | 3 915 |
| Community Assets | 2 452 | 766 | 766 | 64 | 574 | 574 | - | | 766 |
| Sport and Recreation Facilities | 2 452 | 766 | 766 | 64 | 574 | 574 | - | | 766 |
| <i>Outdoor Facilities</i> | 2 452 | 766 | 766 | 64 | 574 | 574 | - | | 766 |
| Heritage assets | - | - | - | - | - | - | - | | - |
| Investment properties | - | - | - | - | - | - | - | | - |
| Other assets | 8 201 | 11 067 | 11 067 | 922 | 8 300 | 8 300 | - | | 11 067 |
| Operational Buildings | 8 201 | 11 067 | 11 067 | 922 | 8 300 | 8 300 | - | | 11 067 |
| <i>Municipal Offices</i> | 8 201 | 11 067 | 11 067 | 922 | 8 300 | 8 300 | - | | 11 067 |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | | - |
| Intangible Assets | 448 | 615 | 615 | 51 | 461 | 461 | - | | 615 |
| Licences and Rights | 448 | 615 | 615 | 51 | 461 | 461 | - | | 615 |
| <i>Computer Software and Applications</i> | 448 | 615 | 615 | 51 | 461 | 461 | - | | 615 |
| Computer Equipment | 1 416 | 788 | 788 | 66 | 591 | 591 | - | | 788 |
| Computer Equipment | 1 416 | 788 | 788 | 66 | 591 | 591 | - | | 788 |
| Furniture and Office Equipment | 1 343 | 4 035 | 4 035 | 336 | 3 026 | 3 026 | - | | 4 035 |
| Furniture and Office Equipment | 1 343 | 4 035 | 4 035 | 336 | 3 026 | 3 026 | - | | 4 035 |
| Machinery and Equipment | - | - | - | - | - | - | - | | - |
| Machinery and Equipment | | | | | | | | | |
| Transport Assets | 2 757 | 678 | 678 | 57 | 509 | 509 | - | | 678 |
| Transport Assets | 2 757 | 678 | 678 | 57 | 509 | 509 | - | | 678 |
| Libraries | - | - | - | - | - | - | - | | - |
| Libraries | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | | - |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | |
| Total Depreciation | 124 787 | 130 287 | 130 287 | 10 857 | 97 715 | 97 715 | - | | 130 287 |

Supporting Table SC13e

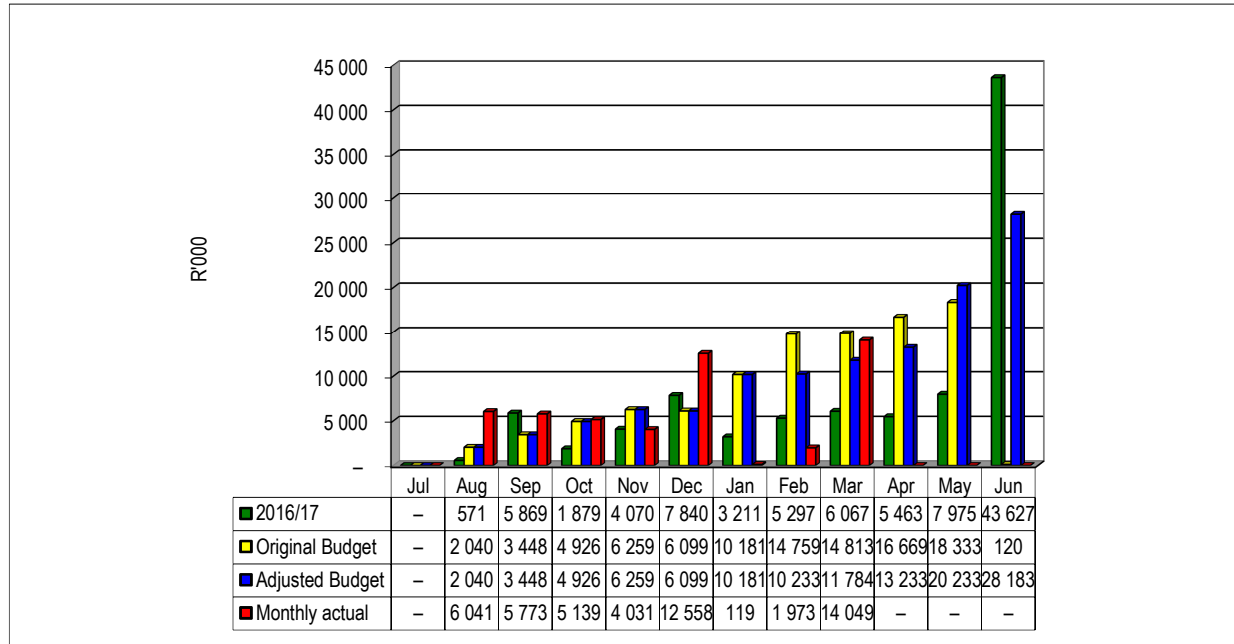
WC032 Overstrand - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M09 March

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Capital expenditure on upgrading of existing assets by Asset Class/Sub-class | | | | | | | | | |
| Infrastructure | 11 269 | 28 505 | 28 060 | 1 773 | 10 057 | 10 450 | 393 | 3.8% | 28 060 |
| Roads Infrastructure | - | 180 | 180 | - | 141 | 120 | (21) | -17.7% | 180 |
| <i>Roads</i> | | 180 | 180 | | 141 | 120 | (21) | -17.7% | 180 |
| Storm water Infrastructure | 2 100 | 6 800 | 8 355 | 1 386 | 6 920 | 6 266 | (653) | -10.4% | 8 355 |
| <i>Drainage Collection</i> | 2 100 | 6 800 | 8 355 | 1 386 | 6 920 | 6 266 | (653) | -10.4% | 8 355 |
| Water Supply Infrastructure | - | 4 500 | 2 500 | 362 | 1 416 | 1 771 | 355 | 20.0% | 2 500 |
| <i>Distribution</i> | | 4 500 | 2 500 | 362 | 1 416 | 1 771 | 355 | 20.0% | 2 500 |
| Sanitation Infrastructure | 9 169 | 17 025 | 17 025 | 26 | 1 581 | 2 293 | 713 | 31.1% | 17 025 |
| <i>Pump Station</i> | | 5 000 | 5 000 | 26 | 893 | 1 458 | 566 | 38.8% | 5 000 |
| <i>Reticulation</i> | | 3 100 | 3 100 | | 188 | 404 | 216 | 53.5% | 3 100 |
| <i>Waste Water Treatment Works</i> | 9 169 | 8 585 | 8 585 | | 500 | 431 | (69) | -16.1% | 8 585 |
| <i>Outfall Sewers</i> | | 340 | 340 | | | | - | | 340 |
| Community Assets | 1 265 | 3 177 | 1 920 | - | 182 | 213 | 30 | 14.2% | 1 920 |
| Community Facilities | - | 2 877 | 1 920 | - | 182 | 213 | 30 | 14.2% | 1 920 |
| <i>Halls</i> | | 1 695 | 200 | | | | - | | 200 |
| <i>Fire/Ambulance Stations</i> | | 50 | 50 | | 49 | 33 | (16) | -47.8% | 50 |
| <i>Libraries</i> | | 1 132 | 1 670 | | 133 | 179 | 46 | 25.7% | 1 670 |
| Sport and Recreation Facilities | 1 265 | 300 | - | - | - | - | - | - | - |
| <i>Outdoor Facilities</i> | 1 265 | 300 | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Investment properties | - | - | - | - | - | - | - | - | - |
| Other assets | 1 740 | 60 | 60 | 23 | 50 | 45 | (5) | -11.4% | 60 |
| Operational Buildings | - | 60 | 60 | 23 | 50 | 45 | (5) | -11.4% | 60 |
| <i>Municipal Offices</i> | | 60 | 60 | 23 | 50 | 45 | (5) | -11.4% | 60 |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - |
| Biological or Cultivated Assets | | | | | | | | | |
| Intangible Assets | - | - | - | - | - | - | - | - | - |
| Computer Equipment | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | | | | | | | | |
| Furniture and Office Equipment | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | | | | | | | | | |
| Machinery and Equipment | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment | | | | | | | | | |
| Transport Assets | - | - | - | - | - | - | - | - | - |
| Transport Assets | | | | | | | | | |
| Libraries | - | - | - | - | - | - | - | - | - |
| Libraries | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | |
| Total Capital Expenditure on upgrading of existing assets | 14 274 | 31 742 | 30 040 | 1 796 | 10 290 | 10 708 | 418 | 3.9% | 30 040 |

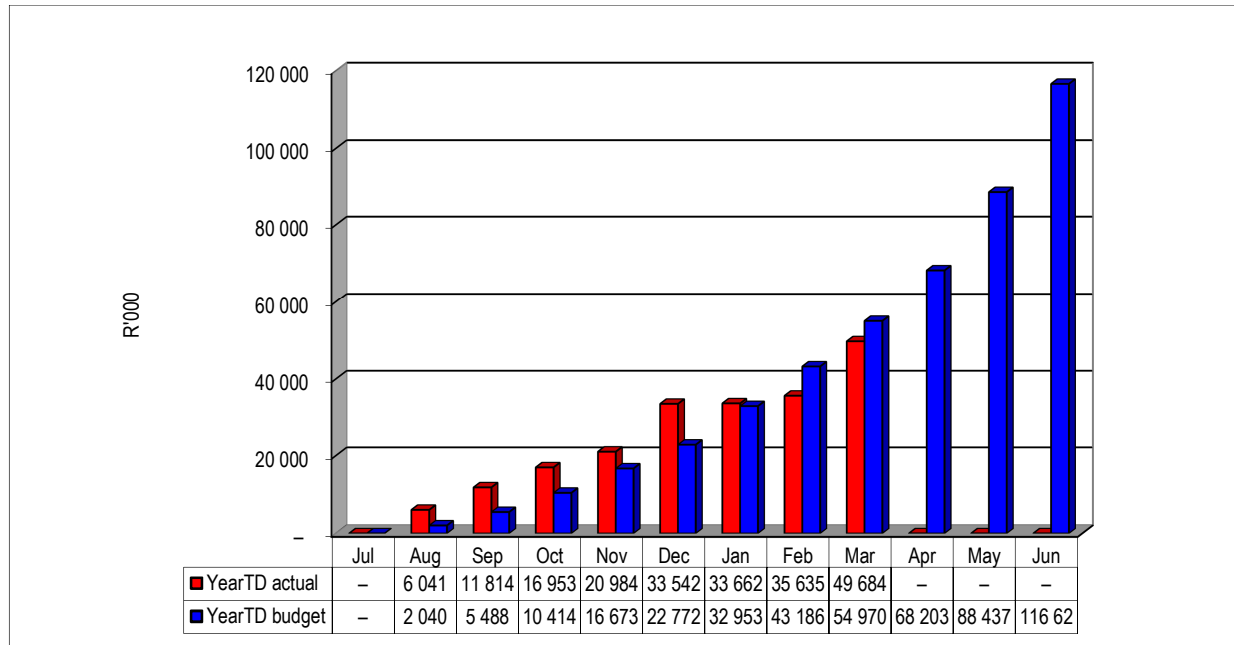
Other supporting documentation

Section 71 charts

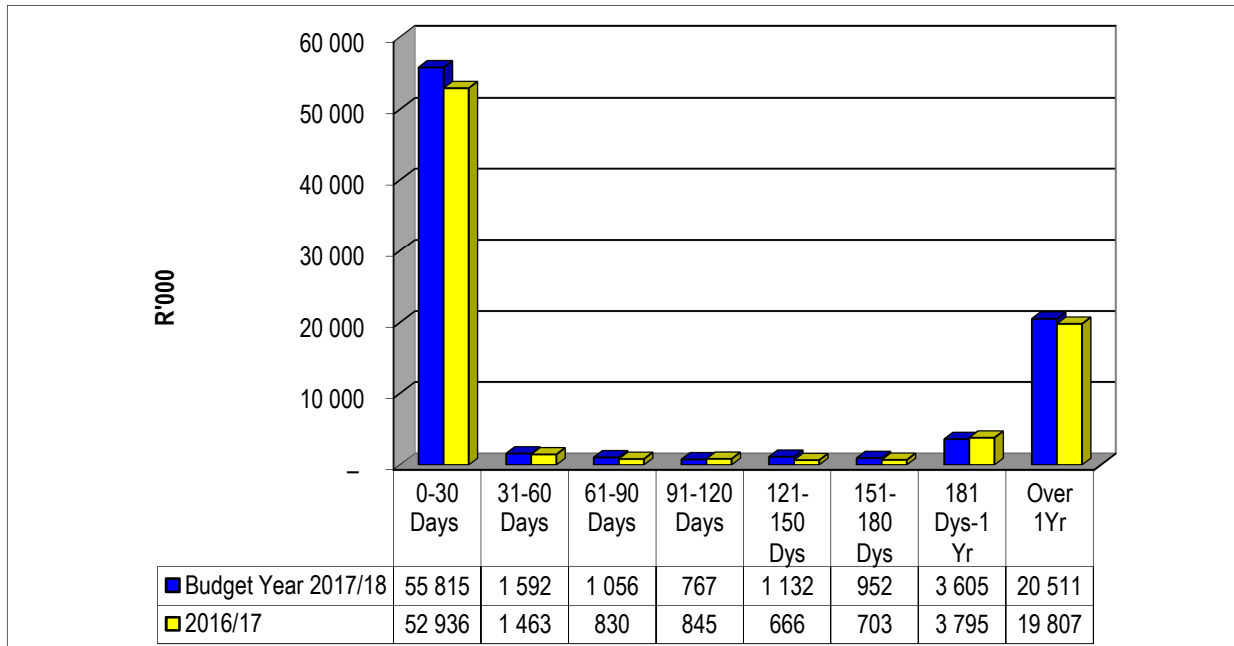
Capital expenditure monthly trend - actual vs target



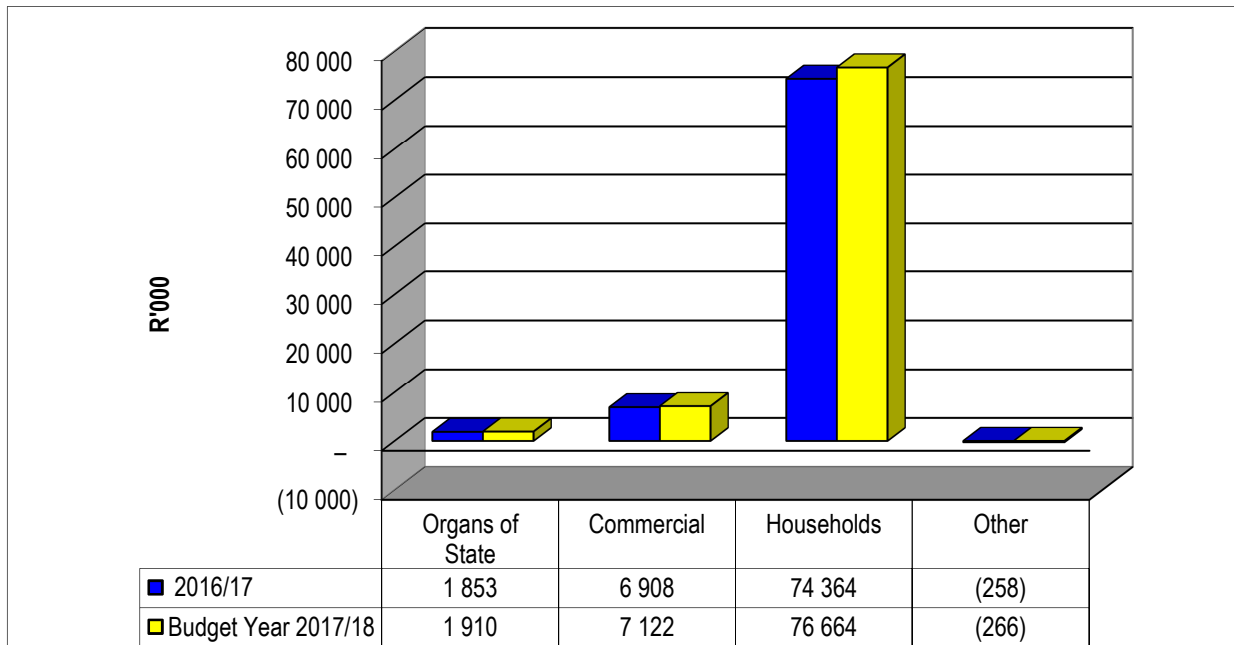
Capital expenditure – YTD actual vs YTD projection



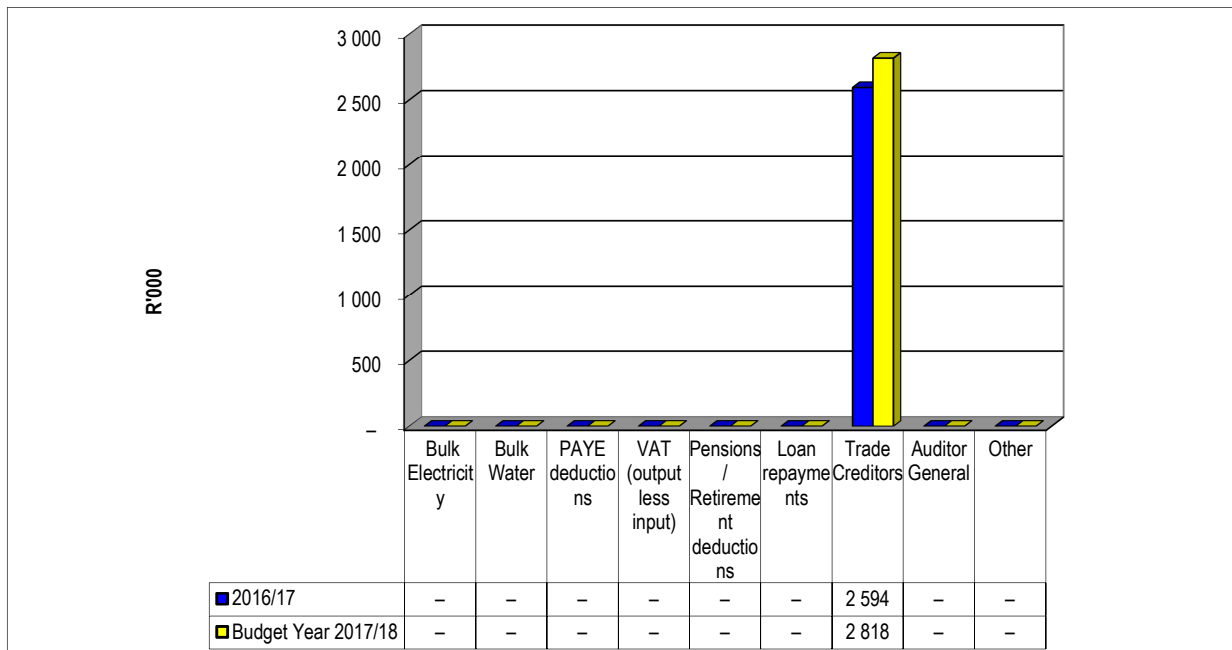
Debtors Age Analysis



Debtors by Type



Creditor Payments



Municipal manager's quality certification

I, CC Groenewald, the Municipal Manager of Overstrand Municipality, hereby certify that the –

□ **Quarterly Budget Report**

for the period ending **March 2018** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **CC Groenewald**

Municipal Manager of **Overstrand Municipality (WC032)**

Signature:

A handwritten signature in black ink, appearing to read 'CC Groenewald', written over a horizontal line.

Date:

13.04.2018

OVERSTRAND MUNICIPALITY – COST CONTAINMENT MEASURES:

**NATIONAL TREASURY MFMA Circular No. 82 Municipal Finance Management Act No. 56 of 2003
Cost Containment Measures (Updated November 2016)**

March 2018

Update: Draft Municipal Cost Containment Regulations

The urgency expressed in the State of the Nation Address and announcements by the Minister of Finance, after consulting SALGA and Minister of Cooperative Government and Traditional Affairs, is articulated in the Draft Municipal Cost Containment Regulations, as published on 16 February 2018, in Part 2 of *Government Gazette* No. 41445 (attached), distributed for attention and submission of comments before 30 March 2018.

The content of the regulations must also inform municipalities when they prepare their 2018/19 MTREF budgets for implementation on 1 July if these measures could not be implemented sooner.

Current Status: MFMA Circular No. 82 Cost Containment Measures

This document presents to council the status regarding cost containment measures in terms of MFMA Circular No. 82 Cost Containment Measures (Updated November 2016).

Purpose

Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of the legal framework, the elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

The purpose of the Circular is to guide municipalities and municipal entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others.

Background

The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure.

In the 2016 State of the Nation Address, cost containment measures were re-emphasised. It was highlighted that excessive and wasteful expenditure has to be reduced, and that increased action be taken to manage unnecessary expenditure. The following measures were among those announced:

- **Curtailement of overseas trips;**

- The submission of strong motivation to MM's, Mayors and, where necessary, oversight mechanisms at local, provincial and national spheres of Government by those requesting **permission to travel either locally or abroad**: i.e. their detailed report including research which argues the necessity of the trip and the benefit the country will achieve in undertaking the journey;
- The institutionalization of **further restrictions on conferences, catering, entertainment and social functions**.

In reinforcing the above, the Minister of Finance also announced further cost containment measures in his budget speech on 24 February 2016, and urged Mayors of municipalities to exercise and oversee the elimination of wasteful expenditure in government. SALGA supported the call for cost containment measures to be implemented in municipalities as per the Budget Forum engagements and commitments.

Municipalities must make clear and quantified commitments in this regard when tabling their upcoming budgets, and to reference these commitments when submitting budget documentation to the National and Provincial Treasuries, as required by the MFMA.

Annexure A of the circular presents cost containment measures that accounting officers and chief finance officers must consider, in order to contain operational costs and eliminate non-essential expenditure. In addition, **municipalities are advised to refer to MFMA Budget Circular No. 70 and other relevant Circulars on the elimination of non-priority spending.** (<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>).

Enforcement of cost containment measures

SALGA recently expressed concern over the lack of enforcement of such measures and municipal councils are herewith reminded of Section 171(1) of the MFMA whereby the accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently contravenes a provision of the Act, or fails to comply with a duty imposed by the Act on the accounting officer of the municipality.

Failure to fulfill the duty outlined in section 62(1) (a) of the MFMA may result in the accounting officer committing an act of financial misconduct and that disciplinary or criminal proceedings are instituted against any official who has allegedly committed an act of financial misconduct or an offence in terms of chapter 15. The accounting officer also has a duty to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented.

| Reference in Circular 82 | Overstrand Mun Response |
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| <p>In addition, section 167 of the MFMA provides that a municipality may only remunerate its office bearers within the parameters set out in that section. In particular, sub-section 167(2) provides that any benefit paid that is outside the parameters set out in subsection (1) is irregular expenditure and must be recovered from the political office-bearer concerned.</p> <p>Details of precisely what a municipality may pay or remunerate its political office bearers are set out in the Notices issued in terms of the Political Office Bearers Act by the Minister of Cooperative Governance and Traditional Affairs.</p> | <p>Comply.</p> <p>The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).</p> |

Municipalities are reminded that the National Treasury will be conducting municipal budget benchmark engagements with non-delegated municipalities during which **all municipal budgets will be assessed against the cost containment measures outlined in this Circular. Provincial Treasuries will be conducting similar engagements and budget assessments with delegated municipalities.**

Consideration has been given to the lack of enforcement measures and therefore it is envisaged that regulations will be issued to align these measures with financial misconduct regulations. Disclosure of cost containment measures applied by the municipality and entity must be included in the Municipal Budget and Annual Report. Measures implemented and regular reports must be submitted to the Municipal Public Accounts Committee for review and recommendations to Council on additional measures to be taken.

The contents of the Circular has been shared with the office of the Auditor-General for their application, scrutiny and assessment.

Conclusion

It is important that the accounting officer ensures that the content of this Circular is brought to the attention of the Municipal Council and all other relevant officials within municipalities and municipal entities. It is recommended that:

| Reference in Circular 82 | Overstrand Mun Comments |
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| <ul style="list-style-type: none"> Municipalities adopt this Circular together with their annual budgets; | <ul style="list-style-type: none"> The Circular was included in the budget documentation to Council end of May 2017 |
| <ul style="list-style-type: none"> Municipalities are advised to review other finance related policies to ensure consistency with this Circular; | <ul style="list-style-type: none"> The Circular was included in the final 2016/2017 Budget documentation which served before Council on 31 May 2017 |
| <ul style="list-style-type: none"> Municipalities implement the circular by creating the appropriate oversight mechanisms to monitor cost containment measures; Implementation of such measures will assist in ensuring that the provisions of sections 62 and 167 of the MFMA are complied with to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the local community. | <ul style="list-style-type: none"> This document to be included in the quarterly budget report to Council. |

Any queries relating to municipalities preparation of municipal budgets in line with the cost containment measures should be directed to the respective National or Provincial Treasury official responsible for monitoring the municipality's budget. The names of these officials can be obtained from MFMA Circular 79 and / or other related MFMA Circulars. This Circular must be tabled before the municipal council for adoption together with the 2016/17 MTREF budget.

Issued on behalf of:

Malijeng Ngqaleni Kenneth Brown Jayce Nair

Intergovernmental Relations Chief Procurement Officer Acting Accountant-General

TV PILLAY

CHIEF DIRECTOR: MFMA IMPLEMENTATION

30 MARCH 2016

Annexure A – Cost Containment Measures (Overstrand Municipality comments noted in the second column):

Cabinet resolved, on 23 October 2013 that cost containment measures must be implemented to eliminate wasteful expenditure, reprioritize spending and ensure savings on the following focus areas among others;

engagement of consultants, travel and subsistence costs, issuing of credit cards, accommodation costs, office furnishing costs, advertising or sponsorship costs, catering and events related costs.

It is prudent that Municipalities consider consultation with its -

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| <ul style="list-style-type: none"> • employees and • through public participation to obtain input and consideration from affected stakeholders such as communities, ratepayers, businesses, and so on which may prove to be beneficial when facilitating the implementation of cost containment policies and actions. | <ul style="list-style-type: none"> • Noted • Circular 82 was included in the Draft Budget for 2017-2018 to Council on 29 March 2017 and was available for public participation and comments; • The Circular was included in the budget documentation to Council end of May 2017. |
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Municipalities are advised to ensure appropriate monitoring and reporting on such cost saving measures is instituted for ease of reporting to

- management and council on progress on a regular basis.
- The internal audit unit of municipalities must be copied with such reports.

1. Engagement of Consultants

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| <ul style="list-style-type: none"> • Accounting Officers must only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required. • Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality. • Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those: <ul style="list-style-type: none"> ○ determined in the “Guidelines on fees for audits done on behalf of the Auditor-General South Africa”, issued by the South African Institute of Chartered Accountants (SAICA); ○ set out in the “Guide on Hourly Fee Rates for Consultants”, by the Department of Public Service and Administration (DPSA); or ○ Prescribed by the body regulating the profession of the consultant. • Ensure an exacting “specification” of the work to be accomplished accompanies the tender and is used as a monitoring tool, are appropriately recorded and monitored. • Ensure that contracts for consultants include retention and penalty clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary. • It is mandatory that accounting officers of municipalities and municipal entities conclude on the best “value for money”, i.e. matching fees against quality and against benchmarked practices. • Accounting officers of municipalities and municipal entities must appoint consultants on a time and cost basis with specific start and end dates. • Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government and the contract price specifies all travel & subsistence costs. • If travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions: <ul style="list-style-type: none"> a) Hotel accommodation may not exceed the amount mentioned in this Circular; b) Only economy class air tickets may be purchased for flights; c) Only group B vehicles or lower may be hired for engagements, as mentioned in this Circular; d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time. • Municipalities are urged to develop consultancy reduction plans. • Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality’s SCM policy. | <p>Contents of the circular are noted;</p> <p>Appointment of consultants in terms of services required and listed.</p> |
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2. Travel and subsistence

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| <p>The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounts for flights as well as discounted accommodation rates. Therefore municipalities and municipal entities are requested to utilize these agreements to assist in their respective cost containment measures, unless they can negotiate lower air travel rates or utilize other service providers that offer lower rates.</p> <p><u>Net and Non-Commissionable Rates</u> All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed & Breakfast establishments.</p> <p><u>Rebates, Overrides, Volume based income</u> In the spirit of transparency, the OCPO is taking a firm position on rebates, overrides or any volume driven target incentives being paid by suppliers to Travel Management Company (TMC). As of 1 April 2016 these payments and the practice of overrides is to discontinue for Government business.</p> | <p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> • South African Revenue Services (SARS) • Municipal Finance Management Act, 2003 (Act No. 56 of 2003) • South African Local Government Association (SALGA) • Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) • Income Tax Act, 1962 (Act No. 58 of 1962). <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.</p> |
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2.1 National Travel Policy

The Treasury will issue a National Travel Policy framework during December 2016.

This will be available on the OCPO's website:

(http://ocpo.treasury.gov.za/Buyers_Area/Legislation/Pages/default.aspx)

2.2 Air Travel


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| <ul style="list-style-type: none"> • The National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways (BA) for upfront discounted air fares for government employees travelling domestically for official purpose. These Domestic Air Travel Fares will be regularly reviewed by the National Treasury (These rates are not applicable for International Air Travel). • For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied. • For BA the discounts range from 10% (O, Q class) up to 25% | <p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> • South African Revenue Services (SARS) • Municipal Finance Management Act, 2003 (Act No. 56 of 2003) • South African Local |
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| <p>(Y Class) for Economy Class tickets; and 20% (J Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.</p> <ul style="list-style-type: none"> • Treasury entered into a short-term Corporate Agreement from 1 April 2016 to 30 September 2016. This has been extended by a further six months. • The premise of Best Fare on the Day will be implemented making full use of the negotiated Government Corporate Agreements with SAA and BA Comair. Quotations are to be obtained from at least SAA and BA Comair before issue. Other Low Cost Carriers may also be requested for quotations. Please note that all discounted rates are subject to class availability. • In order to make full use of the corporate discount with SAA and BA, municipalities and municipal entities must instruct their appointed TMCs or persons making their bookings for domestic airline tickets, to book against the relevant deal codes as detailed in Annexure B. • Corporate agreements with SAA and BA/Comair will be made available to TMCs that are currently contracted to Government. Should the municipal TMC have not been contacted by the full service carrier representative, they are to inform National Treasury with the agents name; physical address, contact name, email address and IATA number. Upon receipt of the information, the representatives of the full service carriers will ensure that the TMC is given access to the deal code. The TMC must have an authenticated IATA number. • Accounting officers of municipalities and municipal entities are advised to include a clause in their respective documents that travel agencies are only permitted to make booking arrangements on behalf of municipalities and municipal entities in line with this Circular. Current arrangements need to be updated and amended to reflect these changes. • Disabled persons can be accommodated in economy class, however, in extremely exceptional and rare cases an Accounting Officer may approve, with evidence, other than economy class air travel. | <p>Government Association (SALGA)</p> <ul style="list-style-type: none"> • Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) • Income Tax Act, 1962 (Act No. 58 of 1962). <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017.</p> |
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2.3 Domestic Hotel Accommodation

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| <ul style="list-style-type: none"> • National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities should find options that are equal to or lower than the rates in Table 1, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle. | <p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> • South African Revenue Services (SARS) |
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Table 1: Rates set for Domestic Hotel Accommodation

| Voucher Includes | BAND 1 | BAND 2 | BAND 3 |
|---|----------------------------------|--|---|
|  | Room Only Tourism Levy VAT | Bed & Breakfast Tourism Levy VAT | Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner |
| Graded Hotel, Boutique Hotel, Lodge or Resort | | | |
| | BAND 1 | BAND 2 | BAND 3 |
| 1 Star | R 580 | R 710 | R 855 |
| 2 Star | R 900 | R 1030 | R 1230 |
| 3 Star | R 1100 | R 1200 | R 1400 |
| 4 Star | R 1250 | R 1350 | R 1550 |
| 5 Star | R 2100 | R 2200 | R 2500 |
| Bed & Breakfast, Country House or Guest house | | | |
| | BAND 1 | BAND 2 | BAND 3 |
| 1 Star | R 300 | R 450 | R 630 |
| 2 Star | R 500 | R 650 | R 830 |
| 3 Star | R 900 | R 1050 | R 1230 |
| 4 Star | R 1000 | R 1150 | R 1330 |
| 5 Star | R 1200 | R 1350 | R 1530 |
| Self-Catering* | | | |
| | BAND 1 | BAND 2 | BAND 3 |
| 1 Star | R 580 | | |
| 2 Star | R 900 | | |
| 3 Star | R 1100 | | |
| 4 Star | R 1250 | | |
| 5 Star | R 1450 | | |
| Meals** | | | |
| | BAND 1 | BAND 2 | BAND 3 |
| Breakfast | R 120 | R - | R - |
| Lunch | R 150 | R 150 | R 150 |
| Dinner | R 150 | R 150 | R - |
| Total | R 420 | R 300 | R 150 |

Accommodation costs are assumed to be inclusive of Parking and Wi-Fi (if available), and exclusive of Laundry expenses.

**Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.*

Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.

***Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.*

- If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated at a four star establishment if the rate at the four star establishment is the same as or lower than a three star establishment.
- Where there is an alternative star grading indicated in **Table 1** (i.e. 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:
 - a. the higher star graded facility is the only available option due to location and availability; or
 - b. the municipality or municipal entity has negotiated lower rates with the higher star graded facility.

- Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- South African Local Government Association (SALGA)
- Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
- Income Tax Act, 1962 (Act No. 58 of 1962). This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017.

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| <ul style="list-style-type: none"> Accounting officers must ensure that overnight accommodation is limited to instances where the distance travelled by road by the employee exceeds 500 kilometres to and from the destination (return journey). | |
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2.4 Vehicle Hire

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| <ul style="list-style-type: none"> Municipalities are encouraged to continue considering their own fleet first, where viable, prior to hiring of vehicles; Notwithstanding the provisions above, all employees must make use of shuttle services if the cost of such a service is below the cost of hiring a vehicle. Accounting officers must also consider making use of shuttle services if the cost of kilometres claimable by the employee and the cost of parking are higher than the shuttle services. Ensure the hiring of vehicles from a category below Group B or an equivalent class. Accounting officers may permit employees to accept up-graded group of hired vehicles if such an up-grade is offered for free or at a lower charge than Group B. Vehicle travel claims by employees of municipalities and municipal entities must be restricted to the actual distance travelled in excess of the normal distance from the employee's residence to his or her place of work or as may be negotiated using a motor vehicle allowance scheme. | <p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> South African Revenue Services (SARS) Municipal Finance Management Act, 2003 (Act No. 56 of 2003) South African Local Government Association (SALGA) Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) Income Tax Act, 1962 (Act No. 58 of 1962). <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017.</p> |
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3 Credit Cards

The use of credit and debit cards was addressed in an earlier MFMA Circular.

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| <p>A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards be it for official purposes:</p> <ul style="list-style-type: none"> contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the sections or as prescribed; contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public Office Bearers Act constitutes irregular expenditure; | <ul style="list-style-type: none"> Overstrand Municipality does not allow the use of credit and debit cards. |
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| <ul style="list-style-type: none"> • contravening section 15 of the MFMA by incurring expenditure not authorised in an approved budget; • non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public; • non-compliance with the supply chain management regulations; and • undermines efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices. | |
| <p>While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips.</p> | <ul style="list-style-type: none"> • Noted |
| <p>Where officials or councillors incur expenses in relation to official municipal activities, they should use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should make arrangements with the service provider that the expenditure be settled directly by the municipality.</p> | <ul style="list-style-type: none"> • Noted |

4 Catering costs

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| <ul style="list-style-type: none"> • Do not incur catering expenses for any meetings where only municipal officials are in attendance. Notwithstanding the above, the accounting officer may incur catering expenses for the following, provided that such lasts for five (5) continuous hours or more: <ol style="list-style-type: none"> a) The hosting of conferences, workshops, courses, forums, recruitment interviews, training courses, hearings; b) Meetings related to commissions or committees of inquiry; or c) Meetings hosted by the board of directors of municipal entities, including governance committee meetings. • Ensure that entertainment allowances of qualifying officials do not exceed two thousand rand (R2 000) per person per financial year. The National Treasury may periodically review this amount. • Do not incur expenses on alcoholic beverages. • Ensure that team building and social functions, including year-end functions, are not financed from the municipal budgets or by any suppliers or sponsors. • Notwithstanding the above, accounting officers may incur no more than the petty cash allocation or limitations on expenditure from their respective budgets to host farewell functions to employees who are either: <ol style="list-style-type: none"> (a) proceeding on retirement due to ill health; or (b) proceeding on retirement after reaching the qualifying age limit of a minimum of ten (10) or more years working for the public service. • Accounting officers and accounting authorities may not host farewell functions for employees who have: <ol style="list-style-type: none"> (a) been dismissed; (b) elected to resign or leave by accepting severance packages; or (c) Approached the end of their contractual term. | <ul style="list-style-type: none"> • Noted. Expenditure in this regard only approved after consideration being given to cost containment measures. |
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5 Events, advertising and sponsorships

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| <ul style="list-style-type: none"> • Eliminate wasteful expenditure on events, advertising in magazines, television, newspapers etc. where the municipality can use other cost effective means such as websites to market the institution or properly publicise the matters or events under consideration. • Memorabilia, gifts and other novelties should be of token value only and should only be offered by municipalities and municipal entities in order to acknowledge support or a visit or attendance by a dignitary in connection with a benefit to the local community; to reciprocate the giving of a similar token gift by another organisation; or similar but in all cases there must be an identifiable benefit to the community. • Limit or stop all unnecessary expenditure on matters such as printing of shirts, hosting of sporting events, festivals and other associated events, cruises, lavish functions, and extraordinary costs associated with visits of dignitaries or induction of new councillors. | <ul style="list-style-type: none"> • Noted. Expenditure in this regard only approved after consideration being given to cost containment measures. |
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6 Conferences, meetings, study tours, etc.

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| <ul style="list-style-type: none"> • Employees of municipalities and municipal entities may attend conferences hosted by professional bodies or non-governmental institutions (external conferences) held within the borders of South Africa provided that expenses related to their attendance do not exceed two thousand five hundred rand (R2 500) per person per day. The number of municipal officials attending such conferences and workshops must be limited, see below. The National Treasury may periodically review this amount. • Employees must make every effort to take advantage of early registration discounts by seeking the required approvals to attend well in advance of the conference as it relates to their area of work. No late registration is acceptable. • Conferences abroad must be limited to its ultimate minimum or none at all. • Utilise municipal and/or provincial office facilities for conferences, meetings, strategic planning sessions etc. where an appropriate venue exists within the municipal jurisdiction. • Limit or stop overseas trips and the delegations going on such trips unless a tangible and clear benefit to the local community and performance of essential service provision can be established beforehand. • The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures. • Similar to the above, the number of employees travelling by air to other centres to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures. | <p>Noted. Expenditure in this regard only approved after consideration being given to cost containment measures</p> |
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7 Office furnishing

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| <ul style="list-style-type: none"> • Municipalities should exercise due precaution in refurbishing offices, purchasing equipment, etc. especially when new persons are elected or appointed. Use of existing facilities and equipment is encouraged. • Office furnishing, when required, should be contained to minimal costs, avoiding elaborate and expensive furniture or equipment. | <ul style="list-style-type: none"> • Noted. Expenditure in this regard only approved after consideration being given to cost containment measures. |
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8 Staff study, perks and suspension costs

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| <ul style="list-style-type: none"> • Training attended by employees and councillors of municipalities and municipal entities may only be attended at pre-approved service providers to ensure sufficient quality of training and obtain value for money. • Expenditure associated with overseas study tours by councillors or officials must be reduced and preferably stopped. • Encourage staff to take time off to make up for overtime worked. • Planned overtime must be submitted to management for consideration on a monthly basis. • Unplanned overtime worked must be motivated and approved by management. • Costs associated with long-standing staff suspensions and legal costs associated with not following due processes when suspending and dismissing staff must be eliminated. • Constant management of staff, improvements in productivity levels and feedback must be provided to all staff. | <ul style="list-style-type: none"> • Noted. Expenditure in this regard only approved after consideration being given to cost containment measures. |
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9 Cost containment on other related expenditure items

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| <ul style="list-style-type: none"> • Accounting officers of municipalities and municipal entities are advised to ensure that all commodities and products that the National Treasury designated as transversal contracts are utilised to benefit from savings where lower prices or rates have been negotiated. • Periodic or quarterly threat assessments against councillors and key officials should be undertaken by the appropriate authority (SAPS) and reported to the Speakers Office. Approval for security measures must be informed by such reports, if paid for from municipal funds. The use of metropolitan traffic officers for such purposes should be avoided. • Municipal funds may not be used to fund election campaign activities, including the provision of supporting material, clothing, food, inducements to vote either as part of, or during election rallies. | <ul style="list-style-type: none"> • Consideration as part of strategic sourcing. • Noted and in compliance, with constant consideration of opportunities to ensure cost containment. |
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| <ul style="list-style-type: none">• Printing of documents should carefully considered be back-to-back and use of colour printing for graphs only, while use of electronic means should be preferred.• Review and introduce limits on municipal staff telephones and limiting private call to a reasonable amount.• Every effort must be made to recover debt from consumers before write-off. Municipalities to avoid the excessive usage of debt collectors and improve its internal capacity for debt collection.• Ensure synergy between municipal divisions or departments to avoid duplication of processes and efforts.• Where possible the warranties on vehicle and computer equipment should be extended instead of procuring new ones.• Labour saving devices should be shared to optimize the capacity utilization of each device.• Purchasing of newspapers and other publications for municipal employees to limited and stopped.• Municipalities should ensure that awareness is raised with municipal staff so that a high degree of energy saving measures can be introduced, e.g. air-conditioning and lights in buildings are switched off at night and when offices are not in use.• All other cost containment measures introduced by council are also encouraged and supported. | |
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EXECUTIVE MAYOR'S SPECIAL FUND**Status report in terms of paragraph 7 of the policy.**

The Executive Mayor must report to Council on a quarterly basis in respect of the status of the Fund including amounts withdrawn, the names of the beneficiaries and any donations received.

Donations received:

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| Quarter 1 | R 0.00 |
| Quarter 2 | R 0.00 |
| Quarter 3 | R 0.00 |

Amounts withdrawn:

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| Quarter 1 | R 0.00 |
| Quarter 2 | R 0.00 |
| Quarter 3 | R 0.00 |