

**7.
BUDGET REPORT FOR THE QUARTER ENDED MARCH 2019**

**5/1/1/20-2018/2019
BA King
11 April 2019**

(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 following additional information is also included:

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

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

The quarterly post implementation status of the mSCOA Project is attached as Annexure D.

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 2019

Annexure B: Executive Mayor's special fund – March 2019

Annexure C: Cost Containment Measures - March 2019

Annexure D: Municipal Regulations on a Standard Chart of Accounts (mSCOA): Post Implementation Status of the mSCOA Project – March 2019

RECOMMENDATION TO THE COUNCIL:

that the budget report for the quarter ended March 2019, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003 and additional information, **be noted**.

RESPONSIBLE OFFICIAL :

BA KING

TARGET DATE FOR IMPLEMENTATION :

TO BE NOTED

OVERSTRAND MUNICIPALITY



Quarterly Budget Report

March 2019

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.

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 2019 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 from a budgetary implementation perspective. All the major sources of revenue are within acceptable norms.

The Western Cape Provincial Government has published a contribution in terms of a Disaster Grant amounting to R5 million for the Overstrand Municipality during the 2019-2020 financial year for damages to infrastructure following the devastating fires in the previous quarter.

1.1.3 Other relevant information

The 2018/2019 Budget was compiled according to version 6.2 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 2018/2019 is at 79.08% of the budgeted revenue of R1.083bn. The expenditure reflects spending of 66.74% against the budgeted expenditure of R1.154bn.

Capital expenditure amounts to R58.1m, or 33.25% of the total adjusted budget of R174.7m, at the end of March 2019. Refer to the table on page 28 for the implementation status of the Top 10 Capital Projects.

The third adjustments budget for proposals emanating from the mid-year review and various adjustments identified on the operating and capital budgets and unforeseen and unavoidable expenditure was tabled in this quarter.

Outstanding consumer debtors remain stable and primarily only reflects the year-on-year increase from increased tariffs as from 1 July 2018.

The positive cash flow remains stable and is in line with budgeted performance.

Resolutions

IN-YEAR REPORTS 2018/2019

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 2019, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, and additional information, **be noted**.

Executive Summary

As the Auditor General has completed the audit of the 2017/2018 financial statements the 'Audited Outcome' for 2017/2018 has been included in the tables, after the tabling of the Annual Report on 22 January 2019.

Revenue by Source

The Year-to-Date actual revenue amounts to R856.7m, which is 0.22% above the YTD budget projections of R854.8m at the end of March 2019.

Borrowings

The balance of borrowings amounts to R422.2m at the end of March 2019.

Operating expenditure by vote & type

Current expenditure amounts to R770.5m, which is 2.39% below the YTD budget projections of R789.4m at the end of March 2019.

Capital expenditure

YTD Capital expenditure amounts to R58.1m or 33.25% of the adjusted budget of R174.7m. The current capital commitments of orders in progress amounts to R62.1m, or 35.55% of the adjusted capital budget of R174.7m. Refer to the table on page 28 for the implementation status of the Top 10 Capital Projects.

Cash flows

The municipality started the year with a positive cash balance of R474.9 million. The March closing balance is R582.9 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Grants totaling R34.4m were received during March 2019.

Spending on Grants

Spending on grants amounts to R7.5m for March 2019, which includes FMG, EPWP, Provincial Library Grant, LG Internship Graduate Grant, Housing, INEP 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
<u>Revenue By Source</u>			
Total	0.22%		
<u>Expenditure By Type</u>			
Total	-2.39%		
<u>Capital Expenditure</u>			
Total	-43.15%	Capital Commitments= R62.1m (35.6%)	
<u>Financial Position</u>			
In order			
<u>Cash Flow</u>			
In order			

Performance in relation to SDBIP targets

See the comprehensive report tabled in Council.

Remedial or corrective steps

Refer to the SDBIP report.

In-year budget statement tables / ...

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	214 845	234 998	234 998	19 839	175 837	175 563	273	0%	234 998
Service charges	590 194	613 718	624 718	53 197	487 355	486 060	1 295	0%	624 718
Investment revenue	30 285	21 001	29 201	1 336	22 851	22 631	221	1%	29 201
Transfers and subsidies	116 421	130 566	118 186	29 782	113 728	113 728	-		118 186
Other own revenue	121 494	79 944	76 194	6 426	56 923	56 850	73	0%	76 194
Total Revenue (excluding capital transfers and contributions)	1 073 241	1 080 228	1 083 298	110 580	856 693	854 832	1 861	0%	1 083 298
Employee costs	296 536	367 024	374 114	28 212	273 714	274 254	(540)	-0%	374 114
Remuneration of Councillors	10 138	10 972	10 972	852	7 876	8 229	(354)	-4%	10 972
Depreciation & asset impairment	134 400	130 362	130 362	10 866	97 772	97 772	-		130 362
Finance charges	46 129	47 834	47 834	1 867	22 521	22 521	-		47 834
Materials and bulk purchases	263 898	296 190	290 619	18 630	189 306	194 074	(4 768)	-2%	290 619
Transfers and subsidies	1 800	500	500	6	331	331	-		500
Other expenditure	240 552	281 361	300 074	25 494	178 992	192 229	(13 238)	-7%	300 074
Total Expenditure	993 453	1 134 245	1 154 476	85 927	770 511	789 412	(18 900)	-2%	1 154 476
Surplus/(Deficit)	79 788	(54 017)	(71 179)	24 652	86 182	65 421	20 761	32%	(71 179)
Transfers and subsidies - capital (monetary a	64 248	61 968	66 072	1 726	14 941	14 941	-		66 072
Contributions & Contributed assets	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	144 036	7 951	(5 106)	26 378	101 123	80 362	20 761	26%	(5 106)
Surplus/ (Deficit) for the year	144 036	7 951	(5 106)	26 378	101 123	80 362	20 761	26%	(5 106)
Capital expenditure & funds sources									
Capital expenditure	105 207	194 237	174 748	11 543	58 113	102 219	(44 106)	-43%	174 748
Capital transfers recognised	64 267	62 068	66 072	7 272	21 815	42 884	(21 068)	-49%	66 072
Public contributions & donations	4 372	-	100	-	-	-	-		100
Borrowing	19 199	68 650	53 624	1 329	9 713	27 116	(17 403)	-64%	53 624
Internally generated funds	17 369	63 519	54 952	2 943	26 585	32 220	(5 635)	-17%	54 952
Total sources of capital funds	105 207	194 237	174 748	11 543	58 113	102 219	(44 106)	-43%	174 748
Financial position									
Total current assets	641 418	523 717	656 395		754 116				656 395
Total non current assets	3 635 627	3 718 075	3 685 955		3 600 343				3 685 955
Total current liabilities	220 580	215 151	214 102		203 451				214 102
Total non current liabilities	613 708	673 454	644 964		605 018				644 964
Community wealth/Equity	3 442 758	3 353 187	3 483 283		3 545 991				3 483 283
Cash flows									
Net cash from (used) operating	242 445	175 190	173 153	70 052	189 043	189 053	11	0%	187 063
Net cash from (used) investing	(28 747)	(201 351)	(180 889)	(12 054)	(62 484)	(62 484)	0	-0%	(216 224)
Net cash from (used) financing	1 455	23 944	21 583	(806)	(18 654)	(18 654)	-		23 944
Cash/cash equivalents at the month/year end	474 967	380 242	489 014	-	582 871	582 882	11	0%	469 750
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	68 730	2 252	1 379	1 136	1 181	757	3 572	23 411	102 417
Creditors Age Analysis									
Total Creditors	17 163	-	-	-	-	-	-	-	17 163

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	330 663	296 029	393 124	30 992	236 224	237 877	(1 653)	-1%	393 124
Executive and council	21 599	25 110	40 532	8 301	26 636	26 636	-		40 532
Finance and administration	258 247	270 868	352 470	22 685	209 525	211 150	(1 625)	-1%	352 470
Internal audit	50 817	51	122	6	64	92	(28)	-30%	122
<i>Community and public safety</i>	109 158	81 447	69 312	6 513	28 869	28 405	2 464	9%	69 312
Community and social services	4 149	7 413	8 142	683	6 484	6 429	55	1%	8 142
Sport and recreation	8 218	13 000	12 200	808	10 112	8 580	1 531	18%	12 200
Public safety	40 605	1 272	3 344	52	360	351	9	3%	3 344
Housing	56 186	59 762	45 626	4 969	11 913	11 044	869	8%	45 626
<i>Economic and environmental services</i>	23 251	58 097	58 447	4 407	39 295	39 386	(90)	0%	58 447
Planning and development	14 259	11 449	15 145	814	7 400	7 648	(248)	-3%	15 145
Road transport	8 970	46 648	43 301	3 593	31 876	31 719	157	0%	43 301
Environmental protection	22	0	0	-	19	19	-		0
<i>Trading services</i>	674 417	706 624	720 477	70 394	567 246	566 106	1 140	0%	720 477
Energy sources	381 333	395 354	394 982	36 009	311 604	312 128	(524)	0%	394 982
Water management	125 375	133 327	140 647	14 553	110 983	110 642	341	0%	140 647
Waste water management	95 070	101 333	108 884	11 404	83 017	82 549	468	1%	108 884
Waste management	72 639	76 610	75 963	8 428	61 642	60 787	855	1%	75 963
<i>Other</i>	-	-	-	-	-	-	-		-
Total Revenue - Functional	1 137 488	1 142 196	1 241 360	112 306	871 634	869 773	1 861	0%	1 241 360
Expenditure - Functional									
<i>Governance and administration</i>	183 059	221 763	221 637	15 948	151 951	154 656	(2 705)	-2%	221 637
Executive and council	24 780	55 867	57 792	4 037	40 552	40 834	(282)	-1%	57 792
Finance and administration	68 161	162 952	180 834	11 694	109 375	111 601	(2 226)	-2%	180 834
Internal audit	90 118	2 944	3 011	218	2 024	2 220	(196)	-9%	3 011
<i>Community and public safety</i>	138 037	144 344	153 451	11 389	92 189	94 700	(2 511)	-3%	153 451
Community and social services	33 856	16 752	17 668	1 316	13 418	13 640	(222)	-2%	17 668
Sport and recreation	18 307	58 238	59 193	4 344	39 608	41 202	(1 594)	-4%	59 193
Public safety	73 286	38 381	48 775	5 293	32 621	33 315	(694)	-2%	48 775
Housing	12 589	30 974	27 815	437	6 542	6 542	-		27 815
<i>Economic and environmental services</i>	182 017	196 571	199 282	16 865	134 812	137 465	(2 652)	-2%	199 282
Planning and development	85 115	40 059	39 854	2 705	26 633	28 430	(1 796)	-8%	39 854
Road transport	91 197	147 972	151 082	13 614	103 425	103 833	(408)	0%	151 082
Environmental protection	5 705	8 540	8 346	545	4 754	5 202	(448)	-9%	8 346
<i>Trading services</i>	490 339	568 159	668 712	41 241	389 199	400 294	(11 095)	-3%	668 712
Energy sources	295 386	311 806	362 764	21 056	210 629	213 246	(2 617)	-1%	362 764
Water management	66 052	110 285	126 404	7 886	70 978	74 249	(3 271)	-4%	126 404
Waste water management	64 937	78 918	97 078	6 499	57 788	62 171	(4 384)	-7%	97 078
Waste management	63 964	67 150	82 466	5 800	49 805	50 628	(823)	-2%	82 466
<i>Other</i>	-	3 408	3 383	485	2 359	2 297	62	3%	3 383
Total Expenditure - Functional	993 453	1 134 245	1 246 466	85 927	770 511	789 412	(18 900)	-2%	1 246 466
Surplus/ (Deficit) for the year	144 036	7 951	(5 106)	26 378	101 123	80 362	20 761	26%	(5 106)

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

The main functional areas 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 functional 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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Council	21 399	24 988	27 215	8 293	26 563	26 563	-		27 215
Vote 2 - Municipal Manager	64	51	122	6	64	92	(28)	-30.1%	122
Vote 3 - Management Services	821	584	584	34	713	438	275	62.7%	584
Vote 4 - Finance	258 911	269 683	277 883	22 617	208 355	208 112	243	0.1%	277 883
Vote 5 - Community Services	323 102	338 690	354 790	36 389	276 551	274 062	2 488	0.9%	354 790
Vote 6 - Economic and Social Development & Tourism	2 788	2 226	2 226	113	1 266	1 396	(131)	-9.4%	2 226
Vote 7 - Infrastructure & Planning	489 799	464 077	448 453	41 639	329 436	330 310	(874)	-0.3%	448 453
Vote 8 - Protection Services	40 605	41 896	38 096	3 215	28 689	28 801	(112)	-0.4%	38 096
Total Revenue by Vote	1 137 488	1 142 196	1 149 370	112 306	871 635	869 773	1 862	0.2%	1 149 370
Expenditure by Vote									
Vote 1 - Council	4 303	33 049	37 662	2 635	26 799	27 105	(306)	-1.1%	37 662
Vote 2 - Municipal Manager	4 542	5 467	5 534	399	3 625	3 811	(186)	-4.9%	5 534
Vote 3 - Management Services	43 809	52 776	52 695	3 549	33 265	36 219	(2 954)	-8.2%	52 695
Vote 4 - Finance	68 187	78 545	77 345	5 222	54 664	55 815	(1 151)	-2.1%	77 345
Vote 5 - Community Services	374 350	409 514	410 785	33 135	281 655	288 309	(6 654)	-2.3%	410 785
Vote 6 - Economic and Social Development & Tourism	10 558	11 752	11 533	999	7 381	8 650	(1 269)	-14.7%	11 533
Vote 7 - Infrastructure & Planning	414 432	456 531	460 506	31 148	295 877	300 797	(4 920)	-1.6%	460 506
Vote 8 - Protection Services	73 272	86 511	98 417	8 840	67 246	68 706	(1 460)	-2.1%	98 417
Total Expenditure by Vote	993 453	1 134 245	1 154 476	85 927	770 512	789 412	(18 900)	-2.4%	1 154 476
Surplus/ (Deficit) for the year	144 036	7 951	(5 106)	28 378	101 123	80 362	20 761	25.8%	(5 106)

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; Economic and Social Development & Tourism; 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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	214 845	234 998	234 998	19 839	175 837	175 563	273	0%	234 998
Service charges - electricity revenue	349 380	362 784	362 784	29 877	283 914	284 181	(267)	0%	362 784
Service charges - water revenue	111 010	116 781	124 781	11 486	98 037	97 745	292	0%	124 781
Service charges - sanitation revenue	72 064	73 164	76 164	6 660	58 831	58 392	439	1%	76 164
Service charges - refuse revenue	57 741	60 990	60 990	5 174	46 573	45 742	831	2%	60 990
Rental of facilities and equipment	12 324	3 679	3 679	278	2 999	2 913	86	3%	3 679
Interest earned - external investments	30 285	21 001	29 201	1 336	22 851	22 631	221	1%	29 201
Interest earned - outstanding debtors	3 022	3 700	3 705	376	3 096	2 934	163	6%	3 705
Fines, penalties and forfeits	32 500	34 965	30 165	2 613	23 145	22 624	521	2%	30 165
Licences and permits	2 527	2 447	2 447	205	1 939	1 835	104	6%	2 447
Agency services	4 149	3 726	4 526	402	3 658	3 583	75	2%	4 526
Transfers and subsidies	116 421	130 566	118 186	29 782	113 728	113 728	-		118 186
Other revenue	38 895	31 427	31 672	2 553	22 086	22 962	(876)	-4%	31 672
Gains on disposal of PPE	28 077						-		
Total Revenue (excluding capital transfers and contributions)	1 073 241	1 080 228	1 083 298	110 580	856 693	854 832	1 861	0%	1 083 298
Expenditure By Type									
Employee related costs	296 536	367 024	374 114	28 212	273 714	274 254	(540)	0%	374 114
Remuneration of councillors	10 138	10 972	10 972	852	7 876	8 229	(354)	-4%	10 972
Debt impairment	18 013	23 492	23 492	1 958	17 619	17 619	-		23 492
Depreciation & asset impairment	134 400	130 362	130 362	10 866	97 772	97 772	-		130 362
Finance charges	46 129	47 834	47 834	1 867	22 521	22 521	-		47 834
Bulk purchases	225 844	238 588	238 588	15 897	162 821	165 024	(2 202)	-1%	238 588
Other materials	38 054	57 602	52 031	2 733	26 484	29 051	(2 566)	-9%	52 031
Contracted services	167 065	193 637	207 243	19 596	116 864	126 073	(9 209)	-7%	207 243
Transfers and subsidies	1 800	500	500	6	331	331	-		500
Other expenditure	55 475	64 232	69 339	3 941	44 509	48 538	(4 029)	-8%	69 339
Loss on disposal of PPE							-		
Total Expenditure	993 453	1 134 245	1 154 476	85 927	770 511	789 412	(18 900)	-2%	1 154 476
Surplus/(Deficit)	79 788	(54 017)	(71 179)	24 652	86 182	65 421	20 761	32%	(71 179)
Transfers and subsidies - capital (monetary allocation)	64 248	61 968	66 072	1 726	14 941	14 941	-		66 072
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & taxation	144 036	7 951	(5 106)	26 378	101 123	80 362			(5 106)
Surplus/(Deficit) after taxation	144 036	7 951	(5 106)	26 378	101 123	80 362			(5 106)
Surplus/(Deficit) attributable to municipality	144 036	7 951	(5 106)	26 378	101 123	80 362			(5 106)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	144 036	7 951	(5 106)	26 378	101 123	80 362			(5 106)

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 0.22% above the YTD budget.

Current expenditure is 2.39% below YTD budget projections for March 2019.

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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 5 - Community Services	-	64 797	55 774	2 156	25 371	37 007	(11 636)	-31%	55 774
Vote 6 - Economic and Social Development & Tourism	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	58 239	54 027	6 689	17 751	26 824	(9 073)	-34%	54 027
Vote 8 - Protection Services	-	500	500	-	-	-	-	-	500
Total Capital Multi-year expenditure	-	123 536	110 301	8 845	43 122	63 831	(20 709)	-32%	110 301
Single Year expenditure appropriation									
Vote 1 - Council	-	20	572	-	4	8	(5)	-55%	572
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	6 346	4 086	4 086	-	3 264	2 721	543	20%	4 086
Vote 4 - Finance	-	30	619	-	30	18	12	70%	619
Vote 5 - Community Services	80 077	52 403	53 044	2 493	10 772	31 783	(21 011)	-66%	53 044
Vote 6 - Economic and Social Development & Tourism	-	5 625	1 620	-	351	1 080	(729)	-68%	1 620
Vote 7 - Infrastructure & Planning	16 268	1 100	3 800	169	528	2 542	(2 014)	-79%	3 800
Vote 8 - Protection Services	2 517	7 436	706	35	43	237	(194)	-82%	706
Total Capital single-year expenditure	105 207	70 701	64 447	2 698	14 991	38 388	(23 397)	-61%	64 447
Total Capital Expenditure	105 207	194 237	174 748	11 543	58 113	102 219	(44 106)	-43%	174 748
Capital Expenditure - Functional Classification									
Governance and administration	6 346	6 331	7 472	212	4 746	5 183	(437)	-8%	7 472
Executive and council	-	20	572	-	4	8	(5)	-55%	572
Finance and administration	-	6 311	6 900	212	4 743	5 175	(433)	-8%	6 900
Internal audit	6 346	-	-	-	-	-	-	-	-
Community and public safety	44 053	57 710	54 084	5 682	17 049	34 851	(17 802)	-51%	54 084
Community and social services	1 929	4 899	5 249	729	3 115	3 937	(822)	-21%	5 249
Sport and recreation	5 427	8 057	8 007	43	4 994	6 005	(1 011)	-17%	8 007
Public safety	2 517	9 186	6 556	35	43	4 917	(4 874)	-99%	6 556
Housing	34 180	35 467	34 271	4 875	8 897	19 992	(11 095)	-55%	34 271
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	12 023	18 821	14 551	919	6 772	10 770	(3 998)	-37%	14 551
Planning and development	-	5 725	1 720	-	709	1 147	(438)	-38%	1 720
Road transport	12 023	13 096	12 831	919	6 063	9 623	(3 560)	-37%	12 831
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	42 786	111 375	98 642	4 731	29 546	51 415	(21 870)	-43%	98 642
Energy sources	18 268	24 772	20 456	1 984	7 564	15 342	(7 777)	-51%	20 456
Water management	3 257	30 077	21 945	434	1 641	14 459	(12 818)	-89%	21 945
Waste water management	21 523	54 987	54 744	2 280	18 849	20 492	(1 644)	-8%	54 744
Waste management	1 739	1 540	1 497	32	1 492	1 123	369	33%	1 497
Total Capital Expenditure - Functional Classification	105 207	194 237	174 748	11 543	58 113	102 219	(44 106)	-43%	174 748
Funded by:									
National Government	21 788	25 901	30 445	2 397	12 853	20 297	(7 443)	-37%	30 445
Provincial Government	42 481	36 067	35 628	4 875	8 962	22 587	(13 625)	-60%	35 628
Other transfers and grants	-	100	-	-	-	-	-	-	-
Transfers recognised - capital	64 267	62 068	66 072	7 272	21 815	42 884	(21 068)	-49%	66 072
Public contributions & donations	4 372	-	100	-	-	-	-	-	100
Borrowing	19 199	68 650	53 624	1 329	9 713	27 116	(17 403)	-64%	53 624
Internally generated funds	17 369	63 519	54 952	2 943	26 585	32 220	(5 635)	-17%	54 952
Total Capital Funding	105 207	194 237	174 748	11 543	58 113	102 219	(44 106)	-43%	174 748

Capital expenditure is 43.15% below the Year-to-Date budget for this quarter. Refer to the table on page 28 for the implementation status of the Top 10 Capital Projects.

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

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	94 453	380 242	489 014	154 484	489 014
Call investment deposits	380 514	-	-	428 387	-
Consumer debtors	63 126	78 188	68 994	75 948	68 994
Other debtors	53 220	49 845	53 645	43 898	53 645
Current portion of long-term receivables	10	10	10	7	10
Inventory	50 095	15 432	44 732	51 392	44 732
Total current assets	641 418	523 717	656 395	754 116	656 395
Non current assets					
Long-term receivables	20	10	10	17	10
Investments	44 595	50 546	50 546	48 972	50 546
Investment property	114 846	101 865	114 846	114 846	114 846
Investments in Associate					
Property, plant and equipment	3 469 468	3 559 712	3 514 506	3 429 809	3 514 506
Agricultural					
Biological					
Intangible	6 699	5 942	6 046	6 699	6 046
Other non-current assets					
Total non current assets	3 635 627	3 718 075	3 685 955	3 600 343	3 685 955
TOTAL ASSETS	4 277 045	4 241 792	4 342 350	4 354 459	4 342 350
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	33 448	38 428	38 428	36 282	38 428
Consumer deposits	38 462	53 152	40 046	39 715	40 046
Trade and other payables	118 879	87 052	103 958	97 734	103 958
Provisions	29 790	36 518	31 670	29 719	31 670
Total current liabilities	220 580	215 151	214 102	203 451	214 102
Non current liabilities					
Borrowing	408 658	423 677	423 677	385 917	423 677
Provisions	205 051	249 777	221 287	219 101	221 287
Total non current liabilities	613 708	673 454	644 964	605 018	644 964
TOTAL LIABILITIES	834 288	888 605	859 066	808 469	859 066
NET ASSETS	3 442 758	3 353 187	3 483 283	3 545 991	3 483 283
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	3 439 499	3 349 887	3 479 983	3 542 728	3 479 983
Reserves	3 259	3 300	3 300	3 262	3 300
TOTAL COMMUNITY WEALTH/EQUITY	3 442 758	3 353 187	3 483 283	3 545 991	3 483 283

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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	213 851	233 454	233 401	17 036	171 381	171 355	26	0%	233 454
Service charges	589 413	609 686	620 473	57 153	488 056	488 054	3	0%	609 686
Other revenue	75 919	56 317	51 287	6 662	56 694	56 694	(0)	0%	56 317
Government - operating	126 343	130 566	118 186	29 762	113 728	113 728	-		114 217
Government - capital	69 724	61 968	66 072	1 726	14 941	14 941	-		73 841
Interest	33 308	24 701	32 906	1 712	25 948	25 948	-		24 701
Dividends							-		
Payments									
Suppliers and employees	(818 184)	(893 168)	(900 839)	(42 146)	(658 852)	(658 814)	38	0%	(876 820)
Finance charges	(46 129)	(47 834)	(47 834)	(1 867)	(22 521)	(22 521)	-		(47 834)
Transfers and Grants	(1 800)	(500)	(500)	(6)	(331)	(331)	-		(500)
NET CASH FROM/(USED) OPERATING ACTIVITIES	242 445	175 190	173 153	70 052	189 043	189 053	11	0%	187 063
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	81 432	-	-	-	(0)	-	(0)	#DIV/0!	
Decrease (increase) in non-current debtors							-		
Decrease (increase) other non-current receivables	8	10	10	0	6	6	-		10
Decrease (increase) in non-current investments	(4 980)	(7 124)	(5 952)	(511)	(4 377)	(4 377)	-		(7 124)
Payments									
Capital assets	(105 207)	(194 237)	(174 748)	(11 543)	(58 113)	(58 113)	-		(209 110)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(28 747)	(201 351)	(180 689)	(12 054)	(62 484)	(62 484)	0	0%	(216 224)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing	30 000	54 000	54 000	-	-	-	-		54 000
Increase (decrease) in consumer deposits	1 423	3 937	1 584	205	1 253	1 253	-		3 937
Payments									
Repayment of borrowing	(29 969)	(33 993)	(34 001)	(1 011)	(19 907)	(19 907)	-		(33 993)
NET CASH FROM/(USED) FINANCING ACTIVITIES	1 455	23 944	21 583	(806)	(18 654)	(18 654)	-		23 944
NET INCREASE/ (DECREASE) IN CASH HELD	215 153	(2 217)	14 047	57 193	107 904	107 915			(5 217)
Cash/cash equivalents at beginning:	259 815	382 460	474 967		474 967	474 967			474 967
Cash/cash equivalents at month/year end:	474 967	380 242	489 014		582 871	582 882			469 750

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R 582.9million.

The municipality started the year with a positive cash balance of R474.9 million. The March closing balance is R582.9 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 2018/19												2018/19 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Receipts By Source															
Property rates	22 461	9 589	19 120	14 773	13 794	37 043	20 261	17 304	17 036			62 074	233 454	247 086	263 832
Service charges - electricity revenue	30 879	32 038	32 720	32 740	30 683	19 555	28 439	36 175	29 341			88 832	360 401	381 400	407 218
Service charges - water revenue	8 734	16 635	9 877	15 410	14 245	9 573	15 606	13 388	15 189			(2 644)	116 013	122 754	131 042
Service charges - sanitation revenue	5 645	5 165	6 115	6 540	5 836	4 070	7 080	6 700	7 126			18 415	72 683	76 927	82 141
Service charges - refuse	5 190	4 633	5 186	5 453	4 775	2 968	5 008	4 855	5 496			17 027	60 589	64 127	68 473
Service charges - other	-	-	-	-	-	-	-	-	-			-	-	-	-
Rental of facilities and equipment	367	365	633	334	284	277	303	262	394			506	3 665	3 865	4 124
Interest earned - external investments	480	1 569	2 722	6 912	2 721	790	2 741	3 544	1 336			(1 850)	21 001	21 001	21 001
Interest earned - outstanding debtors	321	302	321	325	334	349	374	393	376			604	3 700	3 922	4 157
Dividends received	-	-	-	-	-	-	-	-	-			-	-	-	-
Fines, penalties and forfeits	2 277	2 521	2 676	2 614	2 733	2 425	2 535	2 750	2 613			(10 872)	12 173	14 268	16 489
Licences and permits	199	214	220	201	217	193	282	208	285			508	2 447	2 693	2 749
Agency services	359	432	376	432	462	349	471	374	402			68	3 728	3 970	4 187
Transfer receipts - operating	40 678	864	873	1 155	1 354	34 473	1 653	2 895	29 782			16 838	130 566	167 058	162 087
Other revenue	2 090	824	2 211	2 819	2 600	6 980	1 626	2 512	3 139			9 514	34 316	28 596	26 173
Cash Receipts by Source	119 687	75 193	83 051	89 707	80 038	119 046	86 378	90 361	112 346	-	-	198 918	1 054 725	1 137 588	1 198 874
Other Cash Flows by Source															
Transfer receipts - capital	-	101	2 942	637	1 018	7 630	406	281	1 726			47 027	61 968	58 530	63 249
Contributors & Contributed assets	-	-	-	-	-	-	-	-	-			-	-	-	-
Proceeds on disposal of PPE	-	150	133	(87)	(32)	(282)	-	119	-			0	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-			-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-			54 090	54 000	54 000	54 000
Increase in consumer deposits	692	(15 312)	190	330	8	14 805	211	124	205			2 684	3 937	4 252	3 444
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-			-	-	-	-
Receipt of non-current receivables	2	0	0	0	0	3	0	0	0			4	10	10	7
Change in non-current investments	(862)	(565)	(133)	(407)	(379)	(949)	(195)	(555)	(511)			(2 748)	(7 124)	(7 339)	(7 575)
Total Cash Receipts by Source	119 700	59 557	86 183	90 180	80 654	140 451	86 800	90 328	113 766	-	-	299 886	1 167 516	1 247 021	1 306 789
Cash Payments by Type															
Employee related costs	22 778	51 762	27 475	27 401	43 246	28 777	31 776	29 008	27 252	-	-	65 178	354 654	375 944	407 956
Remuneration of councillors	848	848	848	848	848	848	1 050	878	852			3 097	10 972	11 518	12 091
Interest paid	94	582	969	2 846	1 069	12 355	1 152	1 647	1 867			25 313	47 834	50 433	52 064
Bulk purchases - Electricity	4	28 786	29 687	17 445	17 965	17 346	17 931	17 761	15 897			75 767	238 588	255 610	273 856
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-			-	-	-	-
Other materials	706	2 157	2 850	3 160	4 095	4 564	3 652	2 559	2 733			31 117	57 602	69 068	74 195
Contracted services	1 392	8 572	13 177	11 756	15 140	19 010	14 220	14 002	19 596			76 773	193 637	213 119	214 960
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-			-	-	-	-
Grants and subsidies paid - other	3	8	271	45	8	23	(36)	3	6			169	500	278	292
General expenses	5 057	3 754	5 417	42 052	13 593	12 140	(40)	(2 458)	(24 184)			(17 616)	37 715	67 582	94 543
Cash Payments by Type	30 882	98 448	80 702	105 553	95 924	95 063	69 714	63 490	44 019	-	-	259 798	941 503	1 063 553	1 129 877
Other Cash Flows/Payments by Type															
Capital assets	531	1 818	5 557	4 200	9 412	12 963	5 144	6 944	11 543			136 124	194 237	134 030	137 249
Repayment of borrowing	1 459	1 050	949	6 626	1 360	4 808	1 515	1 129	1 011			14 085	33 993	38 428	41 636
Other Cash Flows/Payments	(3 902)	5	(19 966)	-	-	23 865	-	-	-			0	-	-	-
Total Cash Payments by Type	28 870	99 321	67 240	116 379	106 696	136 700	76 374	71 473	58 573	-	-	410 003	1 160 733	1 236 012	1 308 862
NET INCREASE/(DECREASE) IN CASH HELD	90 730	(39 754)	18 944	(26 198)	(26 043)	3 752	10 426	18 856	57 193	-	-	(110 121)	(2 217)	11 099	(2 083)
Cash/cash equivalents at the month/year begin	474 967	565 696	525 944	544 887	518 688	492 645	496 397	506 823	525 679	582 871	582 871	582 871	474 967	472 750	483 759
Cash/cash equivalents at the month/year end	565 696	525 944	544 887	518 688	492 645	496 397	506 823	525 679	582 871	582 871	582 871	472 750	472 750	483 759	481 696

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 2018/19									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	15 574	548	313	230	243	104	442	3 007	20 461	4 026		3 956
Trade and Other Receivables from Exchange Transactions - Electrical	1300	15 558	423	221	179	155	137	548	3 434	20 655	4 453		5 211
Receivables from Non-exchange Transactions - Property Rates	1400	20 677	438	306	231	385	173	839	2 417	25 466	4 046		5 882
Receivables from Exchange Transactions - Waste Water Management	1500	7 831	292	185	167	88	73	322	1 756	10 715	2 407		2 467
Receivables from Exchange Transactions - Waste Management	1600	5 693	158	112	95	76	69	285	1 323	7 811	1 848		2 063
Receivables from Exchange Transactions - Property Rental Debtors	1700	233	11	6	4	4	3	49	201	511	261		164
Interest on Arrear Debtor Accounts	1810	168	43	42	44	54	42	299	7 173	7 866	7 613		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820												
Other	1900	2 996	338	193	185	176	155	789	4 099	8 931	5 404		2 211
Total By Income Source	2000	68 730	2 252	1 379	1 136	1 181	757	3 572	23 411	102 417	30 057	-	21 954
2017/18 - totals only		55 701	1 419	961	899	739	715	4 180	20 286	84 900	26 819		21 435
Debtors Age Analysis By Customer Group													
Organs of State	2200	976	103	69	53	94	26	371	1 213	2 904	1 756		263
Commercial	2300	8 093	192	44	37	43	31	163	1 091	9 694	1 365		794
Households	2400	59 996	1 953	1 265	1 045	1 043	699	3 030	21 017	90 049	26 834		20 895
Other	2500	(336)	3	1	1	1	1	8	90	(230)	102		2
Total By Customer Group	2600	68 730	2 252	1 379	1 136	1 181	757	3 572	23 411	102 417	30 057	-	21 954

Debtors' levels remain stable. The overall increased debtors' mainly 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.

Summary of Indigent Households

Indigent Household Statistics					
	Indigent Households	Amount	Other Households	Total Households	
2 018					
July	7 396	NO VOTE for 2018/2019	26 324	33 720	21.93%
August	7 390	NO VOTE for 2018/2019	26 337	33 727	21.91%
September	7 270	NO VOTE for 2018/2019	26 903	34 173	21.27%
October	7 367	NO VOTE for 2018/2019	26 798	34 165	21.56%
November	7 320	NO VOTE for 2018/2019	26 627	33 947	21.56%
December	7 725	NO VOTE for 2018/2019	26 400	34 125	22.64%
2 019					
January	7 541	NO VOTE for 2018/2019	26 624	34 165	22.07%
February	7 555	NO VOTE for 2018/2019	26 610	34 165	22.11%
March	7 555	NO VOTE for 2018/2019	26 671	34 226	22.07%
April		NO VOTE for 2018/2019			
May		NO VOTE for 2018/2019			
June		NO VOTE for 2018/2019			

Monthly FBS (Free Basic Services)

Free Basic Water				Free Basic Sanitation			
No. of Indigent (poor) beneficiaries	No. of other beneficiaries (non indigent)	Total beneficiaries	level of Service (e.g. 6 kilolitres per household) GKL	No. of Indigent (poor) beneficiaries	No. of other beneficiaries (non indigent)	Total beneficiaries	level of Service (e.g. VIP toilets)
7555				7555	0	7555	waterborne
Free Basic Electricity				Free Basic Refuse Removal			
Beneficiaries provided by Eskom	Beneficiaries provided by Municipality	Non-grid energy Beneficiaries	level of Service (e.g. 50 Kwh per household)	No. of Indigent (poor) beneficiaries	No. of other beneficiaries (non indigent)	Total beneficiaries	level of Service (type of subsidy)
113	7442		50kWh	7555	0	7555	Total monthly levy

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
2018/19											
June											
May											
April											
March	68 729 609	2 251 640	1 378 819	1 135 900	1 180 832	756 888	3 572 160	23 411 080	102 416 839	33 687 230	30 056 870
February	67 389 026	2 115 855	1 358 511	1 546 844	891 791	961 678	3 277 066	23 113 993	100 664 764	33 265 738	29 791 372
January	69 326 161	3 051 746	1 958 473	1 018 963	1 048 459	592 968	3 259 727	22 746 531	103 003 029	33 676 869	28 666 649
December	65 947 801	2 647 087	1 388 890	1 210 859	666 499	704 533	3 255 426	22 288 563	98 109 658	32 161 856	28 125 880
November	65 016 758	1 908 982	1 507 825	769 920	761 773	683 908	3 121 635	21 866 706	96 637 607	30 820 749	27 203 942
October	61 645 942	2 007 988	926 316	871 518	793 515	637 562	3 618 246	21 361 217	91 862 304	30 216 362	27 282 058
September	66 281 931	1 470 065	1 080 941	916 847	710 510	624 175	4 036 909	20 910 349	96 010 527	29 748 596	27 197 690
Augustus	62 587 778	1 547 218	1 072 992	809 153	710 179	711 933	4 054 385	20 534 872	92 028 311	29 440 533	26 820 323
July	63 235 385	1 729 878	1 032 836	840 827	818 462	686 886	4 204 051	20 383 898	92 932 023	29 696 637	26 933 924

Government Debt

Overstrand Municipality as at 31/03/2019	Total Debt	Services	Rates	Other
Department Responsible for the Debt				
NPW 2227	1 708 181	1 109 240	578 333	20 608
WCED 2251	784 275	784 275	0	0
OTHER 2210+2255	41 124	41 124	0	0
HEALTH 2252	106 686	93 962	11 797	927
TPW 2256	108 061	-64 855	167 117	5 800
HOUSING 2253+2215	17 633	17 633	0	0
OTHER MUNICIPALITIES 2276	138 030	138 030	0	0
TOTAL OUTSTANDING	2 903 990	2 119 408	757 247	27 335

Creditors' analysis**Supporting Table SC4****WC032 Overstrand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March**

Description	NT Code	Budget Year 2018/19								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	16 899								16 899
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	264								264
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	17 163	-	-	-	-	-	-	-	17 163

Supporting Table SC4 reflects current creditors at the end of March 2019.

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 R thousands	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
	Yrs/Months							
Municipality								
LIBERTY 15934476	15 YEARS	Policy	01/09/2025	36		16 601	125	16 762
LIBERTY 21196964	14 YEARS	Policy	01/09/2025	46		28 974	260	29 281
MOMENTUM MP 3853776	14 YEARS	Policy	01/07/2026	14		2 885	30	2 929
ABSA 9284200168	DEP PLUS	DEP PLUS		137	6.5%	23 922		24 059
ABSA 9295908141	DEP PLUS	DEP PLUS		137	6.5%	23 922		24 059
ABSA 9331734880	DEP PLUS	DEP PLUS		54	6.0%	10 264	(49)	10 269
Nedbank 03/7881534451 ref: 7962862	182 days	FIXED DEP	29/04/2019		8.5%	100 000		100 000
Nedbank 03/7881534451 ref: 8037338	181 days	FIXED DEP	29/05/2019		8.6%	100 000		100 000
Nedbank 03/7881534451 ref: 8172527	59 days	FIXED DEP	29/03/2019	638	7.9%	50 000	(50 638)	-
Nedbank 03/7881534451 ref: 8172528	150 days	FIXED DEP	28/06/2019		8.4%	50 000		50 000
Standard Bank 288434005-028	120 days	FIXED DEP	26/06/2019		8.1%	60 000		60 000
Nedbank 03/7881534451 ref: 8257835	120 days	FIXED DEP	26/02/2019		8.2%	60 000		60 000
TOTAL INVESTMENTS AND INTEREST				1 063		526 568	(50 273)	477 359

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	2017/18	Budget Year 2018/19							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	88 073	99 544	99 544	24 017	99 544	99 544	-		99 544
Local Government Equitable Share	84 223	96 068	96 068	24 017	96 068	96 068	-		96 068
Finance Management	1 550	1 550	1 550		1 550	1 550			1 550
EPWP Incentive	2 300	1 926	1 926		1 926	1 926			1 926
Provincial Government:	38 766	30 731	12 429	2 142	10 694	10 694	-		12 429
Human Settlements Development Grant	31 171	23 633	5 133	2 142	3 398	3 398	-		5 133
Library Services Grant	7 006	6 147	6 147		6 147	6 147			6 147
Financial Management Capacity Building Grant	240	360	360		360	360	-		360
Community Development Workers Oper Support Grant	74	74	-				-		-
Maintenance & Construction of Transport Infrastructure	139	137	137		137	137	-		137
Western Cape Financial Management Support Grant		280	280		280	280			280
Local Government Internship Grant	66		72		72	72			72
Greenest Municipality Competition	70								
Municipal Service Delivery & Capacity Building Grant			200		200	200			200
Thusong Service Centre		100	100		100	100	-		100
Total Operating Transfers and Grants	126 839	130 275	111 973	26 159	110 238	110 238	-		111 973
Capital Transfers and Grants									
National Government:	26 330	25 901	25 901	3 210	17 432	17 432	-		25 901
Municipal Infrastructure Grant (MIG)	22 330	21 639	21 639	3 210	13 170	13 170	-		21 639
Integrated National Electrification Programme	4 000	4 262	4 262		4 262	4 262			4 262
Provincial Government:	42 992	36 067	38 567	5 033	9 608	9 608	-		38 567
Human Settlements Development Grant	36 661	35 487	33 967	5 033	9 008	9 008	-		33 967
Public Transport Non-Motorised Infrastructure Grant	4 000				600	600			600
Library Services Grant		600	600		600	600			600
Resourcing Funding for Est.&Support of a K9 Unit			4 000						4 000
Municipal Service Delivery & Capacity Building Grant	360								
Development of Sport and Recreation Facilities	1 171								
Fire Services Capacity Grant	800								
Other grant providers:	-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	69 322	61 968	64 468	8 243	27 040	27 040	-		64 468
TOTAL RECEIPTS OF TRANSFERS & GRANTS	196 161	192 243	176 441	34 402	137 278	137 278	-		176 441

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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	3 850	3 476	3 476	221	1 768	1 768	-		3 476
Local Government Equitable Share							-		
Finance Management	1 550	1 550	1 550	110	607	607	-		1 550
EPWP Incentive	2 300	1 926	1 926	110	1 161	1 161	-		1 926
Provincial Government:	28 348	31 022	18 642	668	8 599	8 599	-		18 642
Human Settlements Development Grant	21 645	23 633	10 856	45	2 507	2 507	-		10 856
Library Services Grant	6 306	6 147	6 147	617	6 025	6 025	-		6 147
Financial Management Capacity Building Grant		600	600				-		600
Community Dev Workers Oper Support Grant Maintenance & Construction of Transport	74	74	-		-	-	-		-
Infrastructure	139	137	137				-		137
WC Financial Management Support Grant		280	280				-		280
Local Government Internship Grant	64	51	122	6	64	64	-		122
Greenest Municipality Competition	120						-		
Municipal Service Del & Capacity Building Grant			200				-		200
Resourcing Funding for Est & Support of a K9 Unit			200				-		200
Thusong Service Centre		100	100		2	2	-		100
Other grant providers:	-	-	-	2	25	25	-		-
Spaces for Sports				2	25	25	-		
Total operating expenditure of Transfers and Grants:	32 198	34 498	22 118	890	10 391	10 391	-		22 118
Capital expenditure of Transfers and Grants									
National Government:	21 786	25 901	30 445	1 726	12 853	12 853	-		30 445
Municipal Infrastructure Grant (MIG)	17 786	21 639	26 183	2 003	12 064	12 064	-		26 183
Integrated National Electrification Programme	4 000	4 262	4 262	(277)	790	790	-		4 262
Provincial Government:	42 462	36 067	35 628	4 875	8 962	8 962	-		35 628
Human Settlements Development Grant	34 180	35 467	34 108	4 875	8 897	8 897	-		34 108
Public Transport Non-Motorised Infra Grant	3 610		390		56	56	-		390
Resourcing Funding for Est & Support of a K9 Unit							-		-
Municipal Service Del & Capacity Building Grant	360						-		-
Development of Sport and Recreation Facilities	1 171						-		
Fire Services Capacity Grant	2 000						-		
Library Services Grant	1 141	600	1 129		9	9	-		1 129
Other grant providers:	-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	64 248	61 968	66 072	6 601	21 815	21 815	-		66 072
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	96 446	96 466	88 190	7 491	32 207	32 207	-		88 190

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 2018/19				
	Approved Rollover 2017/18	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands					
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	
Local Government Equitable Share				-	
Finance Management				-	
EPWP Incentive				-	
Other transfers and grants (insert description)				-	
Provincial Government:	2 445	-	1 059	1 386	56.7%
Human Settlements Development Grant	2 154		1 008	1 146	53.2%
Library Services Grant					
Financial Management Capacity Building Grant	240			240	100.0%
Local Government Internship Grant	50		50	-	
Total operating expenditure of Approved Roll-overs	2 445	-	1 059	1 386	56.7%
Capital expenditure of Approved Roll-overs					
National Government:	4 544	1 108	1 694	2 849	62.7%
Municipal Infrastructure Grant (MIG)	4 544	1 108	1 694	2 849	62.7%
				-	
				-	
Other capital transfers (insert description)				-	
Provincial Government:	4 629	1 226	2 212	2 417	52.2%
Human Settlements Development Grant	3 710	1 226	2 156	1 554	41.9%
Public Transport Non-Motorised Infrastructure Grant	390		56	334	
Library Services Grant	529			529	100.0%
	-	-	-	-	
Total capital expenditure of Approved Roll-overs	9 173	2 333	3 906	5 266	57.4%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	11 617	2 333	4 965	6 653	57.3%

A Roll over application was submitted to Provincial & National Treasury during August 2018 for the unspent Housing, Provincial Library Grant, LG Internship Graduate Grant funds, Public Transport Non-Motorized Infrastructure Grant, Financial Management Capacity Building Grant & MIG.

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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	9 056	9 862	9 862	764	7 047	7 396	(350)	-5%	9 862
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	1 081	1 110	1 110	89	829	833	(4)	0%	1 110
Housing Allowances							-		
Other benefits and allowances							-		
Sub Total - Councillors	10 136	10 972	10 972	852	7 876	8 229	(354)	-4%	10 972
Senior Managers of the Municipality									
Basic Salaries and Wages	10 489	10 954	10 954	912	8 240	8 216	24	0%	10 954
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Overtime							-		
Performance Bonus	103	210	210				-		210
Motor Vehicle Allowance							-		
Cellphone Allowance	187	194	194	16	140	145	(5)	-4%	194
Housing Allowances							-		
Other benefits and allowances					7	7	-		
Payments in lieu of leave							-		
Long service awards							-		
Post-retirement benefit obligations							-		
Sub Total - Senior Managers of Municipality	10 779	11 358	11 358	927	8 386	8 368	19	0%	11 358
Other Municipal Staff									
Basic Salaries and Wages	206 677	225 106	222 354	17 631	175 441	175 753	(312)	0%	222 354
Pension and UIF Contributions	33 240	39 574	36 976	3 065	27 352	27 419	(67)	0%	36 976
Medical Aid Contributions	11 195	13 679	12 091	1 022	8 949	8 966	(17)	0%	12 091
Overtime	18 388	23 606	30 672	1 625	17 067	17 211	(144)	-1%	30 672
Performance Bonus							-		
Motor Vehicle Allowance	7 860	8 203	8 203	963	8 616	8 621	(5)	0%	8 203
Cellphone Allowance	2 013	2 049	2 049	167	1 412	1 419	(6)	0%	2 049
Housing Allowances	5 482	2 542	2 542	197	1 766	1 770	(3)	0%	2 542
Other benefits and allowances	14 069	26 983	29 329	1 139	11 258	11 262	(4)	0%	29 329
Payments in lieu of leave	772	1 062	1 162	97	871	871	-		1 162
Long service awards	6 064	1 946	2 612	218	1 959	1 959	0	0%	2 612
Post-retirement benefit obligations	(19 984)	10 916	14 766	1 182	10 636	10 636	-		14 766
Sub Total - Other Municipal Staff	285 757	355 667	362 756	27 285	265 327	265 886	(559)	0%	362 756
TOTAL SALARY, ALLOWANCES & BENEFITS	306 674	377 997	365 086	29 065	281 589	282 483	(894)	0%	365 086
TOTAL MANAGERS AND STAFF	296 536	367 024	374 114	28 212	273 714	274 254	(540)	0%	374 114

SDBIP

The results of the SDBIP for the third quarter ended 31 March 2019 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	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.6%	15.7%	15.4%	2.9%	5.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	18.2%	35.3%	30.7%	16.7%	30.7%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	16.3%	16.4%	16.3%	14.7%	16.3%
Gearing	Long Term Borrowing/ Funds & Reserves	12540.1%	12838.7%	12838.7%	11829.1%	12838.7%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	290.8%	243.4%	306.6%	370.7%	306.6%
Liquidity Ratio	Monetary Assets/Current Liabilities	215.3%	176.7%	228.4%	286.5%	228.4%
<u>Revenue Management</u>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.8%	11.9%	11.3%	14.0%	11.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	100.0%	99.0%	99.0%	Annual Indicator	99.0%
<u>Funding of Provisions</u>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<u>Other indicators</u>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	5.1%	7.5%	7.5%	Annual Indicator	7.5%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	18.8%	19.69%	19.69%	Annual Indicator	19.69%
Employee costs	Employee costs/Total Revenue - capital revenue	27.6%	34.0%	34.5%	32.0%	34.5%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	14.9%	20.8%	21.4%	17.7%	20.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue	16.8%	16.5%	16.4%	2.6%	5.4%
<u>IDP regulation financial viability indicators</u>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	0.2	15.0	15.0	Annual indicator	15.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	10.6%	15.0%	15.0%	Annual Indicator	15.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	4.7	4.7	Annual Indicator	4.7

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Capital programme performance

Supporting Table SC12

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

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R (thousands)									
<u>Monthly expenditure performance trend</u>									
July	-	3	3	531	531	531	-		0%
August	6 041	3 058	3 058	1 818	2 350	3 061	711	23.2%	1%
September	5 773	15 792	15 792	5 557	7 907	18 853	10 946	58.1%	4%
October	5 139	10 698	10 698	4 200	12 107	29 551	17 444	59.0%	6%
November	4 031	16 810	16 810	9 412	21 519	46 361	24 842	53.6%	11%
December	12 558	14 086	14 086	13 353	34 871	60 447	25 576	42.3%	18%
January	119	4 586	4 586	4 755	39 626	65 034	25 407	39.1%	20%
February	1 973	12 226	12 226	6 844	46 570	77 260	30 690	39.7%	24%
March	14 049	24 960	24 960	11 543	58 113	102 219	44 106	43.1%	30%
April	2 780	19 866	19 866			122 086	-		
May	4 580	25 978	25 978			151 064	-		
June	48 163	46 173	23 684			174 748	-		
Total Capital expenditure	105 207	194 237	174 748	58 113					

Top 10 Capital Projects

umb	Local Area	Ward	Project description	Original Budget R'000	Adjusted budget R'000	YTD Expenditure R'000	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
1	Stanford	Ward 11	WWTW UPGRADE - STAN	16 177 218	16 177 218	8 251 445	Both civils and mechanical / electrical contracts have been awarded. Contractors on site.	Construction stage. Amendment of contracts currently in progress to include additional work for further improvement of the treatment process.	None	Not applicable
2	Blompark	Ward 02	BLOMPARK PROJECT	16 313 461	13 496 040	7 505 085	Contractor established on site on 17 September 2018.	Progress is estimated at 82%	None	Not applicable
3	Masakhane	Ward 01	MASAKHANE	8 449 062	8 449 062	0	Contractor established on site during February 2019	Construction stage	None	Not applicable
4	Hermanus	Ward 04	UPGRADE HERMANUS WELL FIELDS PHASE 1	7 000 000	7 000 000	0	Agreed to use transversal contract of Province.	BAC and MM approved transversal contract award on 26/03/2019.	Province and SCM took longer than anticipated with tender evaluation; DEADP withdrew the shortened EIA process for drought relief projects. Currently busy with evaluation of quotes for Overstrand work for final award to a single contractor.	Close liaison with DEADP on phasing of project i.t.o. environmental requirements. Close liaison with SCM on final quotation approval process.
5	Hermanus	Ward 03	HERMANUS: MV & LV UPG	10 150 000	6 278 500	2 914 279	Site handover took place on 26 February 2019. Contractor on site. Project program on track.	Tender awarded on 25 January 2019. Site handover was done on 26 February 2019 after appeal period.	Due to the late award of tender, the project will be completed in the next financial year.	Request and approval for roll over of funds was given in order for contractor to complete project in timeframe as tendered.
6	Stanford	Ward 11	STANFORD IRDP	5 517 519	5 517 519	0	Funding application for services submitted to DOHS at end of May 2018 - Currently awaiting approval.			
7	Hermanus	Ward 03	HERMANUS SPORTS COMPLEX PROJECT	5 017 184	5 017 184	4 559 827	Contractor busy with final construction.	Nearing completion.	Limited funding entailed that project had to be amended.	Private funding are busy being sourced.
8	Overstrand	Overstrand	WATER MASTER PLAN IM	10 000 000	5 000 000	721 438	Contract awarded on 15/02/2019. An appeal was received and attended to by the Appeals Committee. SCM in process with response letter to appellant.	Contract initiation meeting to be held on 9 April 2019.	Reduction in scope had to be negotiated with preferred bidder, leading to 2 rounds of BEC and BAC, and resulting delays. An appeal was received by one of the unsuccessful bidders.	Challenges were resolved. Close liaison with the contractor will be done in an attempt to recover from time losses.
9	Overstrand	Overstrand	VEHICLES-PUBLIC SAFET	3 200 000	4 320 602	0	Chassis is delivered at body builders, to be build as per the specifications	construction	There were a delay in the delivery with the chassis	
10	Hermanus/Zwellihle	Ward 04,05,06	ELECTRIFICATION OF LOW COST HOUSING AREAS (INEP)	4 262 000	4 262 000	789 699	Site handover took place on 26 February 2019. Contractor on site. Project program on track.	Tender awarded on 26 January 2019. Site handover was done on 26 February 2019 after appeal period.	Due to the civil contractor program, the project will be completed in the next financial year.	Funding for the 2018/19 financial year will be spend by end June 2019.
Totals				86 086 444	75 518 125	24 741 774				

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Supporting Table SC13a

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	26 438	112 050	99 051	5 226	31 037	59 670	28 634	48.0%	99 051
Roads Infrastructure	10 003	12 506	12 241	919	6 063	9 180	3 117	34.0%	12 241
Roads	10 003	12 506	12 241	919	6 063	9 180	3 117	34.0%	12 241
Storm water Infrastructure	255	11 723	14 136	691	2 359	3 246	887	27.3%	14 136
Drainage Collection							-		
Electrical Infrastructure	15 449	22 772	18 456	1 772	7 149	13 842	6 692	48.4%	18 456
MV Substations		5 622	5 622	714	2 875	4 217	1 342	31.8%	5 622
MV Networks	15 449	17 150	12 834	1 058	4 274	9 625	5 351	55.6%	12 834
Water Supply Infrastructure	627	30 077	21 946	434	1 641	9 394	7 752	82.5%	21 946
Reservoirs		16 363	7 891		24	3 378	3 355	99.3%	7 891
Water Treatment Works	627	10 200	10 200		1 183	2 975	1 792	60.2%	10 200
Distribution		3 514	4 054	434	434	3 041	2 606	85.7%	4 054
Sanitation Infrastructure	-	34 973	30 777	1 377	13 792	22 886	9 094	39.7%	30 777
Pump Station		1 925	1 925		1 166	1 284	118	9.2%	1 925
Reticalation		435	435		48	290	242	83.4%	435
Waste Water Treatment Works		21 082	18 406	678	9 710	13 805	4 094	29.7%	18 406
Outfall Sewers		11 550	10 010	699	2 868	7 508	4 640	61.8%	10 010
Community Assets	8 656	24 037	17 602	655	7 597	10 632	3 036	28.6%	17 602
Community Facilities	3 229	16 380	9 995	613	2 872	4 927	2 055	41.7%	9 995
Halls	437	3 884	3 385	600	600	2 539	1 939	76.4%	3 385
Crèches	100	245	245	13	89	184	95	51.5%	245
Fire/Ambulance Stations	2 440	5 576	2 846				-		2 846
Libraries		600	1 129		9	659	650	98.6%	1 129
Cemeteries/Crematoria	251	570	570		203	333	130	39.0%	570
Police							-		
Public Open Space		5 725	1 820		1 971	1 213	(758)	-62.5%	1 820
Sport and Recreation Facilities	5 427	7 657	7 607	43	4 724	5 705	981	17.2%	7 607
Outdoor Facilities	5 427	7 657	7 607	43	4 724	5 705	981	17.2%	7 607
Other assets	36 552	36 888	36 281	4 875	8 997	16 008	7 011	43.8%	36 281
Operational Buildings	4 372	1 421	2 009	-	100	474	374	78.9%	2 009
Housing	34 180	35 467	34 271	4 875	8 897	15 535	6 638	42.7%	34 271
Social Housing	34 180	35 467	34 271	4 875	8 897	15 535	6 638	42.7%	34 271
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	1 593	4 136	4 136	-	3 227	2 757	(470)	-17.0%	4 136
Computer Equipment	1 593	4 136	4 136	-	3 227	2 757	(470)	-17.0%	4 136
Furniture and Office Equipment	205	215	215	-	8	54	46	86.0%	215
Furniture and Office Equipment	205	215	215	-	8	54	46	86.0%	215
Machinery and Equipment	119	1 566	1 566	152	462	1 175	712	60.6%	1 566
Machinery and Equipment	119	1 566	1 566	152	462	1 175	712	60.6%	1 566
Transport Assets	-	15 345	15 897	635	6 786	11 923	5 137	43.1%	15 897
Transport Assets	-	15 345	15 897	635	6 786	11 923	5 137	43.1%	15 897
Total Capital Expenditure on new assets	75 563	194 237	174 748	11 543	58 113	102 219	44 106	43.1%	174 748

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Supporting Table SC13b

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	28 370	-	-	-	-	-	-	-	-
Roads Infrastructure	2 020	-	-	-	-	-	-	-	-
Roads	2 020	-	-	-	-	-	-	-	-
Electrical Infrastructure	819	-	-	-	-	-	-	-	-
MV Networks	819	-	-	-	-	-	-	-	-
Water Supply Infrastructure	2 629	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-
Sanitation Infrastructure	10 591	-	-	-	-	-	-	-	-
Waste Water Treatment Works	10 591	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	1 634	-	-	-	-	-	-	-	-
Waste Transfer Stations	1 634	-	-	-	-	-	-	-	-
Community Assets	1 217	-	-	-	-	-	-	-	-
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	57	-	-	-	-	-	-	-	-
Machinery and Equipment	57	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of	29 644	-	-	-	-	-	-	-	-

Supporting Table SC13c

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	117 901	149 890	153 082	14 280	89 129	114 812	15 683	13.7%	153 082
Roads Infrastructure	53 229	63 374	63 890	7 066	39 006	47 918	8 911	18.6%	63 890
Roads	53 229	63 374	63 890	7 066	39 006	47 918	8 911	18.6%	63 890
Storm water Infrastructure	6 017	6 786	6 786	524	3 836	5 090	1 254	24.6%	6 786
Storm water Conveyance	6 017	6 786	6 786	524	3 836	5 090	1 254	24.6%	6 786
Electrical Infrastructure	17 645	23 747	23 747	2 109	16 588	17 810	1 222	6.9%	23 747
HV Transmission Conductors	17 645	23 747	23 747	2 109	16 588	17 810	1 222	6.9%	23 747
Water Supply Infrastructure	15 014	19 104	19 104	1 166	13 018	14 328	1 310	9.1%	19 104
Water Treatment Works	15 014	19 104	19 104	1 166	13 018	14 328	1 310	9.1%	19 104
Sanitation Infrastructure	13 051	13 642	15 442	1 116	11 157	11 582	425	3.7%	15 442
Waste Water Treatment Works	13 051	13 642	15 442	1 116	11 157	11 582	425	3.7%	15 442
Solid Waste Infrastructure	12 946	23 038	24 113	2 300	15 524	18 085	2 561	14.2%	24 113
Waste Transfer Stations	12 946	23 038	24 113	2 300	15 524	18 085	2 561	14.2%	24 113
Community Assets	12 289	41 017	41 387	3 237	29 021	31 040	2 019	6.5%	41 387
Community Facilities	12 289	27 714	28 033	2 480	19 772	21 025	1 253	6.0%	28 033
Halls		3 712	4 031	528	2 850	3 023	173	5.7%	4 031
Libraries		24	24	.1	21	18	(4)	-20.9%	24
Cemeteries/Crematoria		842	842	40	584	632	47	7.5%	842
Public Open Space	12 289	23 136	23 136	1 910	16 316	17 352	1 036	6.0%	23 136
Sport and Recreation Facilities	-	13 304	13 354	757	9 249	10 015	766	7.8%	13 354
Outdoor Facilities		13 304	13 354	757	9 249	10 015	766	7.8%	13 354
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	12 497	12 597	540	8 244	9 448	1 204	12.7%	12 597
Operational Buildings	-	12 497	12 597	540	8 244	9 448	1 204	12.7%	12 597
Municipal Offices		12 497	12 597	540	8 244	9 448	1 204	12.7%	12 597
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	5 207	5 387	5 387	333	2 150	4 040	1 890	46.8%	5 387
Computer Equipment	5 207	5 387	5 387	333	2 150	4 040	1 890	46.8%	5 387
Furniture and Office Equipment	17 919	16 622	19 507	3 302	13 511	14 630	1 119	7.7%	19 507
Furniture and Office Equipment	17 919	16 622	19 507	3 302	13 511	14 630	1 119	7.7%	19 507
Machinery and Equipment	6 719	-	-	-	-	-	-	-	-
Machinery and Equipment	6 719	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	160 036	225 212	231 959	21 692	152 054	173 969	21 915	12.6%	231 959

Supporting Table SC13d

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Depreciation by Asset Class/Sub-class									
Infrastructure	111 962	112 443	112 443	9 370	84 332	84 332	-		112 443
Roads Infrastructure	32 761	32 858	32 858	2 738	24 644	24 644	-		32 858
Roads	32 761	32 858	32 858	2 738	24 644	24 644	-		32 858
Storm water Infrastructure	5 822	5 912	5 912	493	4 434	4 434	-		5 912
Storm water Conveyance	5 822	5 912	5 912	493	4 434	4 434	-		5 912
Electrical Infrastructure	24 862	25 149	25 149	2 096	18 862	18 862	-		25 149
HV Transmission Conductors	24 862	25 149	25 149	2 096	18 862	18 862	-		25 149
Water Supply Infrastructure	27 417	27 462	27 462	2 288	20 596	20 596	-		27 462
Water Treatment Works	27 417	27 462	27 462	2 288	20 596	20 596	-		27 462
Distribution							-		
Sanitation Infrastructure	16 353	16 299	16 299	1 358	12 224	12 224	-		16 299
Reticulation	16 353	16 299	16 299	1 358	12 224	12 224	-		16 299
Waste Water Treatment Works							-		
Solid Waste Infrastructure	4 747	4 763	4 763	397	3 572	3 572	-		4 763
Waste Transfer Stations	4 747	4 763	4 763	397	3 572	3 572	-		4 763
Community Assets	-	3 029	3 029	252	2 272	2 272	-		3 029
Sport and Recreation Facilities	-	3 029	3 029	252	2 272	2 272	-		3 029
Outdoor Facilities		3 029	3 029	252	2 272	2 272	-		3 029
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Other assets	11 861	8 818	8 818	735	6 613	6 613	-		8 818
Operational Buildings	11 861	8 818	8 818	735	6 613	6 613	-		8 818
Municipal Offices	11 861	8 818	8 818	735	6 613	6 613	-		8 818
Biological or Cultivated Assets	-	-	-	-	-	-	-		-
Intangible Assets	659	653	653	54	490	490	-		653
Licences and Rights	659	653	653	54	490	490	-		653
Computer Software and Applications	659	653	653	54	490	490	-		653
Computer Equipment	-	1 347	1 347	112	1 010	1 010	-		1 347
Computer Equipment		1 347	1 347	112	1 010	1 010	-		1 347
Furniture and Office Equipment	2 006	609	609	51	457	457	-		609
Furniture and Office Equipment	2 006	609	609	51	457	457	-		609
Machinery and Equipment	724	687	687	57	515	515	-		687
Machinery and Equipment	724	687	687	57	515	515	-		687
Transport Assets	2 823	2 777	2 777	231	2 083	2 083	-		2 777
Transport Assets	2 823	2 777	2 777	231	2 083	2 083	-		2 777
Land	-	-	-	-	-	-	-		-
Land							-		
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals							-		
Total Depreciation	130 034	130 362	130 362	10 864	97 772	97 772	-		130 362

Supporting Table SC13e

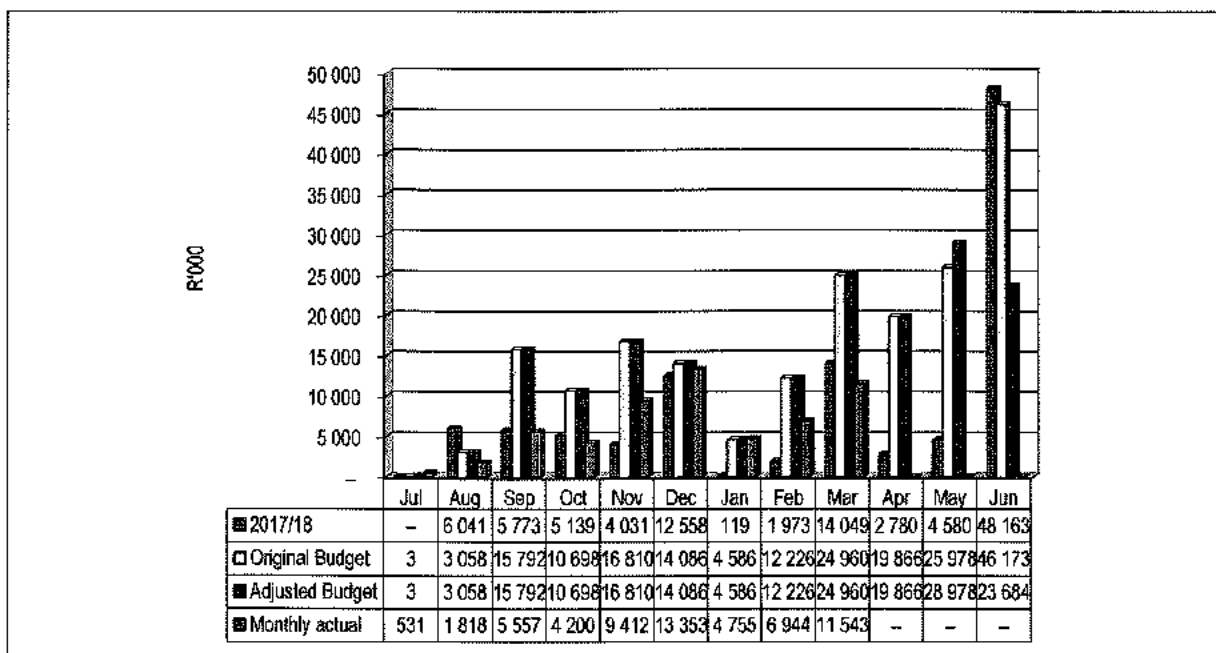
WC032 Overstrand - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M09 March

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Roads</i>	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
<i>Distribution</i>	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
<i>Pump Station</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	-	-	-	-	-	-	-	-	-
<i>Outfall Sewers</i>	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Halls</i>	-	-	-	-	-	-	-	-	-
<i>Fire/Ambulance Stations</i>	-	-	-	-	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	-	-	-	-	-	-	-	-	-

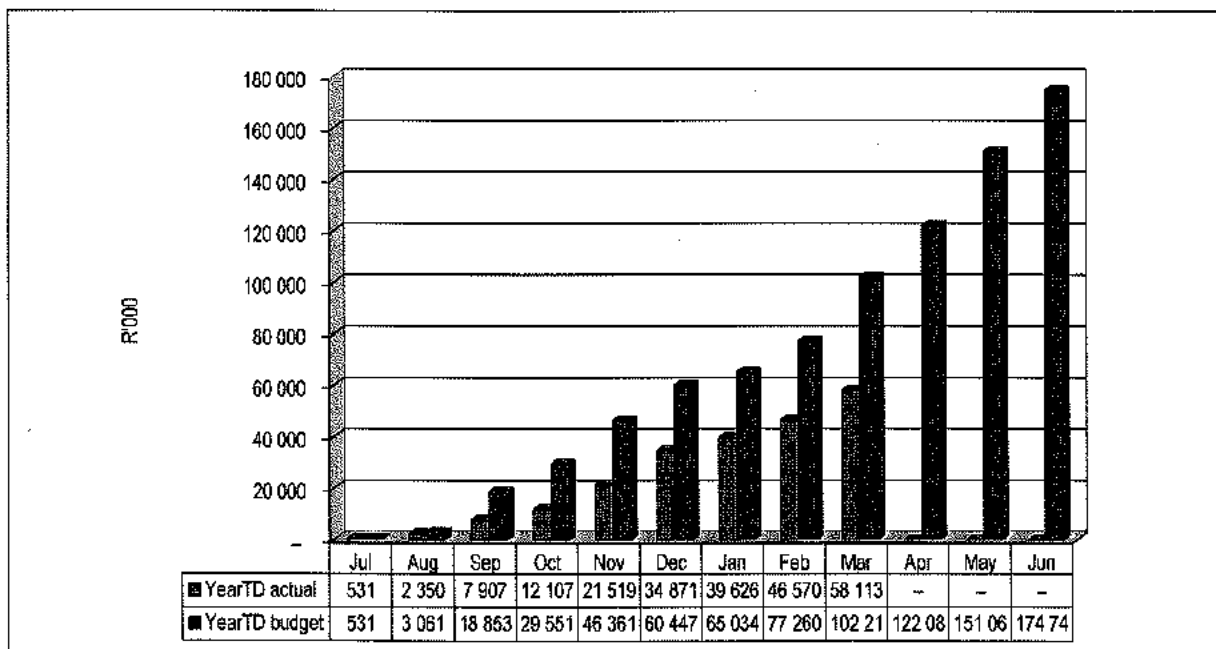
Other supporting documentation

Section 71 charts

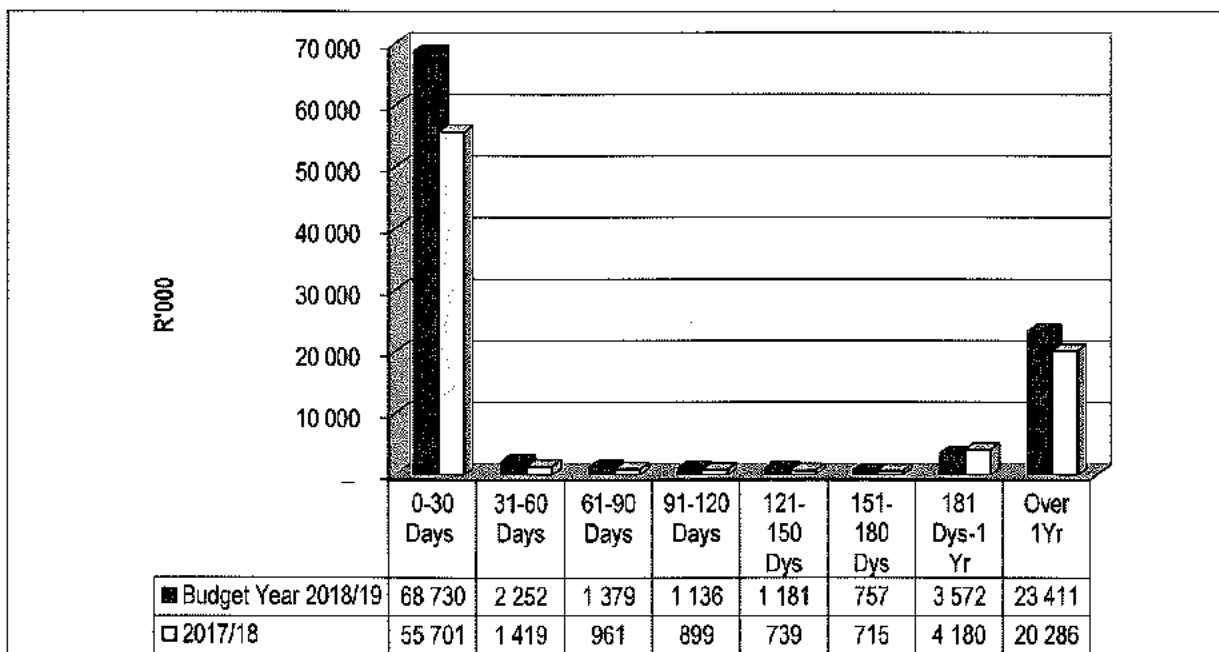
Capital expenditure monthly trend - actual vs target



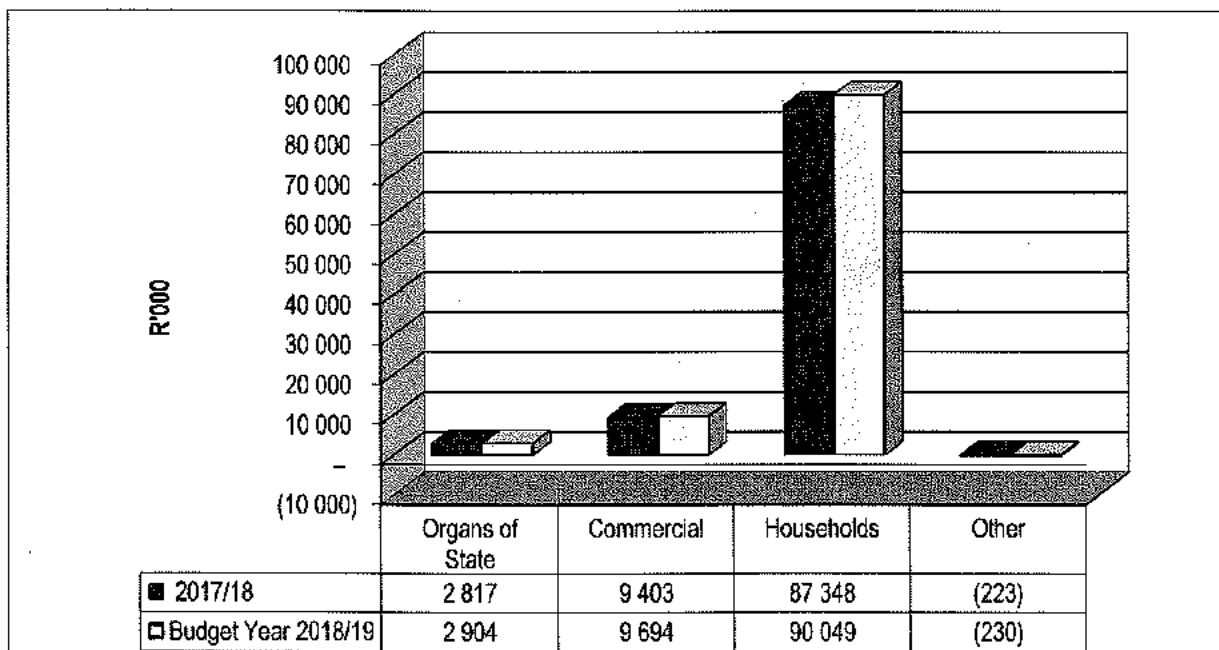
Capital expenditure – YTD actual vs YTD trend



Debtors Age Analysis

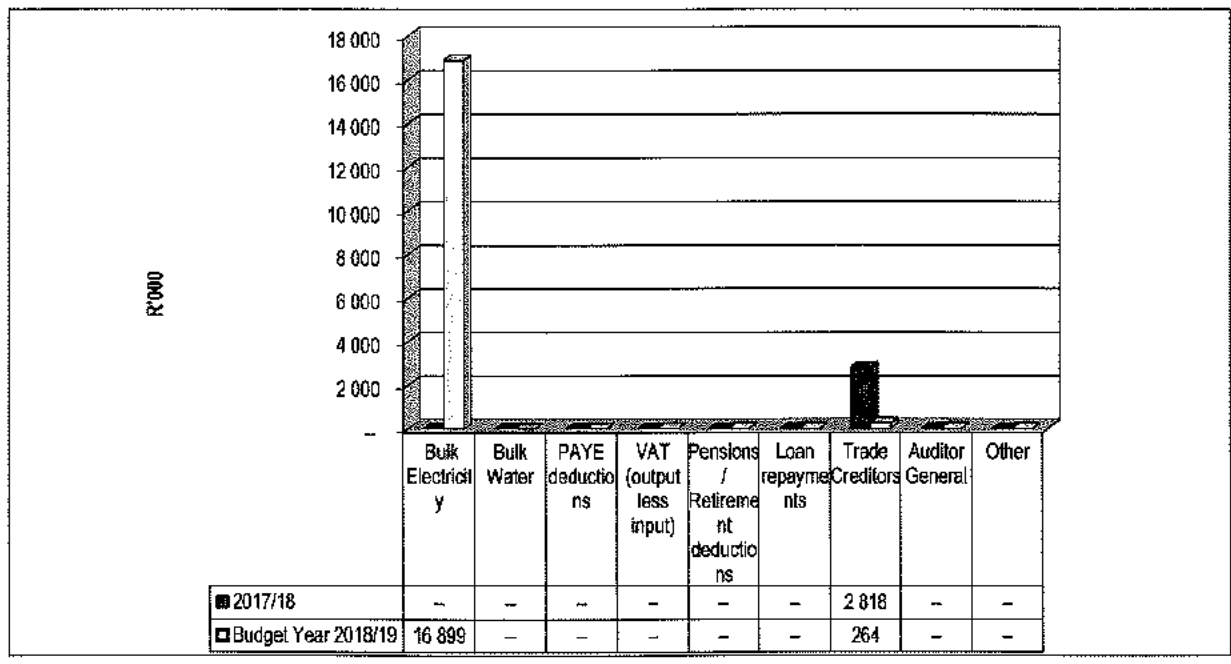


Debtors by Type



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Creditor Payments



Municipal manager's quality certification

I, SC Madikane, the Acting Municipal Manager of Overstrand Municipality, hereby certify that the –

Quarterly Budget Report

for the period ending **March 2019** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **SC Madikane**

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

Signature:

 P.

Date:

11 / 04 / 2019

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.

Overstrand Budget 2018/2019: Budget Allocation: R132 000**Opening Balance 01/07/2018****R 10 085.22****Donations received:**

Quarter 1	R 0.00
Quarter 2	R 0.00
Quarter 3	<u>R 125 450.00</u>
	R 125 450.00

Amounts withdrawn:

Quarter 1	02/08/2018	Tehilla Kingdom Church	-500.00
	28/08/2018	Gertze KJ- Travl Exp to NZ	-5 000.00
Quarter 2	02/10/2018	Denoven Windvogel- Boland Rugby Team	-1 500.00
	02/10/2018	Solomon C - Guitar Artist Performing at Mayoral Awards	-1 000.00
	02/10/2018	Kleinmond Marimbas Performing at Mayoral Awards	-2 000.00
	02/10/2018	Lukhayno Sining Group Performing at Mayoral Awards	-2 000.00
	22/10/2018	Age in Action: Western Cape	-2 000.00
	09/11/2018	Security Gate at Sonstraaitjie Chreche	-3 000.00
	09/11/2018	Contribution- Travelling to Worcester	-1 000.00
	09/11/2018	Mackenzie T i.r.o T Hoffman _SA Junior Chess Championships	-1 200.00
	11/12/2018	Charles E- Wheelchair for Tyrrique Charles	-10 000.00
	11/12/2018	Calvary Chapel Grabouw- Kids Camp Forest Adventure	-5 000.00
	11/12/2018	Donation RDP Summer Programme	-5 000.00
Quarter 3	22/01/2019	Hawston Cadette Group	-6 000.00
	5/02/2019	Donation Toward Purchasing of Greenwheeled	-5 000.00
	22/02/2019	Koetze JEM	-7 000.00
	22/02/2019	Stark-Steenkamp A	-20 000.00
			-R 33 700.00

22/02/2019	Carse EW	-7 000.00	
22/02/2019	Benjamin BR	-7 000.00	
22/02/2019	Ortlepp RG	-20 000.00	
19/03/2019	Donation toward Transport Exp for Wheelchair users: Training Sessior	-800.00	
22/03/2019	Birkenhead Motors- S Ferreira	-5 000.00	-R 77 800.00
			<u>R 18 535.22</u>
	Add: Budget allocation 2018/2019		R 132 000.00
	Closing Balance 31/03/2019		<u>R 150 535.22</u>

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 2019

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.

The status with regard to the Cost Containment Measures is unchanged up to date of this report.

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
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.	Comply. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
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.	

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
<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 -

<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

<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 	<p>Contents of the circular are noted; Appointment of consultants in terms of services required and listed.</p>
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<p>clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary.</p> <ul style="list-style-type: none"> • 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: <ol 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. 	
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2. Travel and subsistence

<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></p> <p>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></p> <p>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

- 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% (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.
- 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.

The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:


- 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).

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 May 2018.

2.3 Domestic Hotel Accommodation

- 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.

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 590	R 710	R 856
2 Star	R 900	R 1 030	R 1 230
3 Star	R 1 100	R 1 200	R 1 400
4 Star	R 1 250	R 1 350	R 1 550
5 Star	R 2 100	R 2 200	R 2 500
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 800	R 1 050	R 1 230
4 Star	R 1 000	R 1 150	R 1 330
5 Star	R 1 200	R 1 350	R 1 530
Self-Catering*			
	BAND 1	BAND 2	BAND 3
1 Star	R 580		
2 Star	R 900		
3 Star	R 1 100		
4 Star	R 1 250		
5 Star	R 1 450		
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.*

The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:

- 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). 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 May 2018.

- 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**

<p>(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:</p> <ul style="list-style-type: none"> 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. <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

<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 May 2018.</p>
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3 Credit Cards

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

<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 	<ul style="list-style-type: none"> • Overstrand Municipality does not allow the use of credit and debit cards.
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<p>sections or as prescribed;</p> <ul style="list-style-type: none"> • 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; • 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

<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

<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.

<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. 	<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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7 Office furnishing

<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

<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

<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. • 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. 	<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">• 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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**MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA):
POST IMPLEMENTATION STATUS OF THE mSCOA PROJECT – MARCH 2019**

Executive Summary

The purpose of this submission to Council is to:

- 1) Inform Council on specific initiatives to date by National Treasury to enable a full and complete understanding of the scope and extent of the SCOA implementation as applicable to all municipalities and municipal entities;
- 2) Report to Council on progress made to date with the implementation of mSCOA at the Overstrand Municipality since the previous report to Council.
- 3) Maintain an on-going awareness of specific mSCOA initiatives in the Overstrand Municipality; and
- 4) Considerations on the way forward with the core financial system, being SamrasClassic, currently in use by the Overstrand Municipality.

A comprehensive supplementary report in this regard, providing the necessary detail with regard to background and historic information over the past number of years for this National Treasury project, is also included at the end of the *updated status* section of this report, referenced as Annexure (to the mSCOA post implementation status of the mSCOA project).

Updated status of the mSCOA Project since the previous reporting to Council in January 2019:

The challenges experienced with the day-to-day operational requirements were also reported to Council recently with regard to the submission of the Annual Financial Statements, a shortened version of the background to this stated that since the inception of mSCOA, there have been 5 versions to date that Overstrand has had to contend with as a Pilot Site, all of them bringing new challenges with regards to chart of accounts changes. As a pilot site and having implemented mSCOA since July 2015 (started on version 5.3) has experienced more challenges over a prolonged period with the structures already created and operationally in use, especially since non-pilot municipalities started to implement with only the relevant and latest version of the mSCOA Chart, on a clean slate.

Before-mentioned historic implementation in the instance of Overstrand lead to new challenges as from 1 July 2017 and which could not be foreseen by the municipality as the municipality had no insight into the subsequent development of these particular areas to accommodate the non-pilot municipalities.

Since 01 July 2015, the municipality has officially logged 669 system queries (CIMS) with the vendor all of which relates to the implementation of mSCOA. (Annexure E) For the period 01 June 2017 to date a total of 201 system queries with varying degrees of severity were logged all of which contributed to the inability to produce quarterly financial statements.

From the period 01 July 2017 to 31 August 2018 the vendor has released 78 system changes, many of them consisting of multiple program changes. We have experienced numerous instances where one issue is resolved only to discover that another has occurred. Of the 78 system changes a total of 14 system changes with multiple program changes were implemented during period 01 July 2018 to 29 August 2018. This effectively equated to 1 suite of multiple program changes every three working days over this period.

National Treasury recently communicated the following update regarding the status of mSCOA implementation on a national level, to municipalities:

“Despite our position that was communicated that the *mSCOA* (ORGB) (data strings) must be corrected by 12 October 2018 if it does not reconcile to the Adopted Budget approved by Council, we once again have received a number of requests from municipalities for extension to correct their ORGB.

After further investigation into the reasons for such non-compliance, it is our conclusion that:

In some cases the ORGBs data strings are correct but the information on the adopted A1 schedules are incorrect (once again the A1 Schedules that were submitted to Council were not prepared in and drawn from the system). These data strings will not reconcile to the budgets unless the municipality takes the A1 Schedule back to Council for ratification. Apart from the MFMA not allowing for this until the Adjustments budget process, municipalities have already started transacting against the ORGBs. Allowing municipalities to reverse any actual transactions on posting level after month closure is not only a contravention of the *mSCOA* Regulation's but will also affect the already reconciled bank accounts, stores, billing, etc. for the three months already passed;

Some municipalities have already approved and captured roll-over budgets which they are transacting against and therefore have already implemented an adjusted budget;

Most municipalities do not use and combine the correct segments to populate an accurate cash flow statement;

Municipalities do not know how to do balance sheet budgeting and as a result they are not populating tables A2, A6 and A7 in the A1 budget schedules correctly; and

Municipalities are not using the segments correctly when they budget. E.g. Municipalities are not using the project segment as the departure point for all transactions and are not populating the funding segment correctly.

Our investigation also revealed that the reason why some municipalities are not using the budget preparation modules to generate A1 Schedules directly from the financial system, is because these modules are not functioning properly, are impractical and are not user friendly. This is unacceptable and means that some system vendors are equally guilty where municipalities could not conclude the data string verifications for these reasons. It also seems as if municipalities are not allowing sufficient time for the preparation of the tabled and adopted budget at the posting level (as required in terms of *mSCOA*).

Careful consideration was given to the above challenges and after lengthy deliberations, the National Treasury resolved that it is willing to compromise in the following manner:

1. We will also request all vendors to present their budget module (specifically on the statement of financial performance (Table A4), statement of financial position (table A6) and cash flow statement (table A7) and how these feed and reconcile into the A1 Schedules to the National and Provincial Treasuries in November 2018 in order to provide guidance to vendors where required. In an attempt to ensure that, going forward, all municipalities budget directly in the financial system manage their statements of financial position and cash flow in the correct manner. Invitations for these engagements will be distributed to all system vendors and Provincial Treasuries in due course;

2. In an attempt to ensure that, going forward, all municipalities budget directly in the financial system and manage their statements of financial position and cash flow in the correct manner, the National Treasury will offer training to the municipal officials preparing the budgets on the population of the A1 budget schedules and mSCOA data strings. Details on the training will be communicated in due course;

3. The National Treasury has also secured funding to conduct independent audits on all municipal core financial systems to determine to what extent these systems comply with the functionality requirements and 15 business processes required in terms of mSCOA. These audits will commence within the next month and the results will be published and shared in a media release. These results will also inform the new transversal tender for the procurement of municipal financial systems when RT25-2016 comes to an end in March 2019; and

4. National Treasury will still submit to Parliament and the Auditor-General and publish on our website the names of all municipalities whose data strings did not reconcile to their adopted budgets.

Background/Discussion

(Information now following in this report attempts to provide the background to requirement for this report to Council, and has already previously been reported to Council)

As required by National Treasury, the mSCOA Project went live on 01 July 2017 based on the mSCOA Release Version 6.1. Although the core financial system is currently fully operational and functional, there still remain some material issues and constraints to achieve full mSCOA compliance.

National Treasury Directives and Technical Specifications

Due to the continuous changes in directives and amendments to the initial mSCOA implementation frameworks and technical system design specifications as issued by National Treasury since July 2015, it is fair and reasonable to accept that the sum total and impact of all the scope changes introduced by National Treasury to the initial scope of mSCOA implementation project plan, and in such a fragmented fashion, will still impose certain potential risks to the successful implementation of mSCOA in totality.

Vendor Technical Systems Design and Development Strategies

During the piloting process, based on circumstances, the vendor decided to retain its current legacy system and database architectures for all transactional processing, and to develop a separate Web-portal architecture as required by National Treasury for Budgeting and Reporting purposes for the mSCOA implementation phase up to 1 July 2017.

Development of the remainder of the mSCOA functional requirements for implementation was envisaged by not later than 31 September 2017, to coincide with the commencement of Budget planning cycle for the next financial year: 2018/2019, which, at the time made good business sense, given the scope of the transversal tender, RT25-2016 functional requirements as well.

It was thus also the intent of the vendor to decommission its legacy system and database architectures and to migrate all the municipal financial data to a new Web-enabled systems and database architecture, to also coincide with the commencement of the budget planning cycle for 2018/2019.

The Vendor informed the municipality during the User Acceptance Testing phase prior to 1 July 2017, that they will not be able to implement in accordance to the time frames as indicated for the intended migration strategy to the new Web-enabled architecture. At a user group meeting held in October the vendor informed the meeting that the migration to a Web-enable architecture will not take place before 01 July 2018. The Overstrand Municipality as with various other municipalities on a national basis, are currently functional with hybrid systems and database architecture framework.

As previously reported to Council, the mSCOA Project went live on 01 July 2017 based on the mSCOA Release Version 6.1 and although the core financial system is currently fully operational and functional, there still remain some material issues and constraints to achieve full mSCOA compliance.

A meeting with the service provider took place in Cape Town on 16 November 2017, where a number of municipalities discussed the most critical challenges with Bytes to ensure that these matters receive the necessary attention. It is crucial that the financial system provides for technical requirements timeously to enable the administration to comply with relevant legislation.

A subsequent meeting, as arranged by the Western Cape Provincial mSCOA Project Manager with the service provider and the municipalities involved, took place on 11 January 2018. The purpose of this meeting was to obtain feedback from Bytes regarding the status update per municipality that details the outstanding activities and planned delivery dates. The service provider was also notified at the same time that the Western Cape Provincial Treasury, together with municipalities, are working towards 31 March 2018 to ensure that all modules are fully functional and that all 3rd Party Integrations are complete and operational.

It is not foreseen that before-mentioned time-line will be achievable, taking into account the outstanding issues regarding most critical modules which still have to be addressed up to the end of March 2018.

The national and provincial treasuries have communicated on various occasions with municipalities around the successful submissions of data strings and the alignment of the C-Schedules, as the next stage of the mSCOA implementation. National Treasury intensified efforts to encourage municipalities to meet the following priorities:

- 1) Submission of TABB (Tabled Budget) data strings for 2018/19: Deadline was 5 April 2018 (as per budget circular);
- 2) Submission of PRTA (Project Detail Tabled Budget) data strings for 2018/19;
- 3) Submission of M01 to M12 (Monthly, cumulative) for 2017/18: Deadline is 10 working days after the end of the month.

Overstrand Municipality has already complied to a large extent with these requirements and have focused on the submissions that reflect an error validation status.

The implementation of mSCOA Regulations from 01 July 2017 revealed some of the challenges with version 6.1 of the chart that had to be addressed. As a result of this, the chart was updated and version 6.2 was released with the 2018/19 MFMA Budget Circular no. 89. Version 6.2 of the chart is effective from the 2018/19 budget year and was used to compile the 2018/19 MTREF.

The Way Forward with mSCOA

To date the core financial system of the municipality is functional and operational, for day-to-day transacting, primarily due to the collective efforts and competence of the Overstrand municipal officials involved with the implementation of mSCOA.

Accurate data string extracts from the web-based financial system remained a challenge to date, also in view of the fact that some vital modules are not deployed in the web yet). These and other system operational challenges are continually being logged with the service provider for solutions.

The Overstrand Municipality currently has its own existing and mutually accepted Main Agreement with the Bytes Technology Group, effective till 30 June 2019. In view of the following confirmation by National Treasury as discussed above, The municipality is currently following a proposed amendment of contract process for the financial system in terms of the enabling provisions of Section 116(3) of the Local Government: Municipal Finance Management Act 2003, Act 56 of 2003 (MFMA), in order to ensure business continuity –

The National Treasury has also secured funding to conduct independent audits on all municipal core financial systems to determine to what extent these systems comply with the functionality requirements and 15 business processes required in terms of mSCOA. These audits will commence within the next month and the results will be published and shared in a media release. These results will also inform the new transversal tender for the procurement of municipal financial systems when RT25-2016 comes to an end in March 2019;

The municipality will keep the Council and National Treasury informed of any changes to the current status.

ANNEXURE (TO THE mSCOA POST IMPLEMENTATION STATUS OF THE mSCOA PROJECT)

1. Executive Background

The Minister of Finance has, in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003), and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs gazetted the Municipal Regulations on Standard Chart of Accounts (mSCOA) into effect on 22 April 2014

The Regulation initially provided for a three year preparation and readiness window for all municipalities and municipal entities till 01 July 2017 to be compliant to the mSCOA classification framework. Since then this date for compliance has now been extended to 31 March 2019, but this Regulation:

“Shall remain in effect until the satisfactory implementation of mSCOA within the municipality and will only terminate by agreement of the Municipal Manager and the Municipal Council.”

Since the previous report submitted to management in August 2017, at least two events occurred that directly impact on the existing contractual relationship and service delivery expectations the Overstrand municipality have with its current Service Provider, being **Bytes Technology Group**:

- 1) The legislative and regulatory compliance requirements for mSCOA implementation have been amended twice by National Treasury from mSCOA V6.1 to mSCOA V 6.2 effective from 01 July 2018 and more recently, mSCOA V6.3 has been introduced in December 2018 for full compliance by not later than 31 March 2019, to co-incide with the Budget Planning Cycle for 2019/2020;
- 2) The **National Treasury Transversal Contract: RT25-2016**, effective from 01 June 2016, for the appointment of Service Providers for the implementation of a fully Integrated Financial Management System for Local Government, will be discontinued by National Treasury, effective from 31 May 2019, thus;
 - *“Any municipality that considers the services of an alternative system vendor will need to embark on its own procurement process consistent with Chapter 10 of the MFMA, read together with the Municipal Supply Chain Management (SCM) Regulations and the written council approved Municipal Supply Chain Management policy.”*

2. Legislative and Regulatory Frameworks

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognized accounting practice (GRAP), uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe by regulation such measures in terms of section 168 thereof.

3. mSCOA: Scope and Overview

3.1. Business Rationale

mSCOA stands for "***municipal Standard Chart of Accounts***" and provides a uniform and standardised financial transaction classification framework. mSCOA is a "proudly South African" project researched by National Treasury based on municipal practices, reporting outcomes, policy implementation and reviews.

Prior to mSCOA, each municipality managed and reported on its financial affairs in accordance with its own organizational structure and unique chart of accounts. The result is a disjuncture amongst municipalities and municipal entities and between municipalities and the other spheres of government as to how they classify revenue and expenditure and consequently report thereon. This compromises transparency, reliability and accuracy throughout the planning and reporting process and impedes the ability of national government to integrate information and to formulate coherent policies in response to the objectives of local government.

This is done at transactional level and ensures that a municipality and its entities must have minimum business processes in place.

- **In essence it means that mSCOA is primarily a business reform rather than a mere financial reform and requires multi-dimensional recording and reporting of every transaction across 7 pre-defined segments.**

3.2. Key Objectives of mSCOA

Key Objective 1 – The mSCOA Regulations to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transaction level by prescribing a standard chart of accounts for municipalities and municipal entities which-

- Are aligned to the budget formats and accounting standards prescribed for municipalities and municipal entities and with the standard charts of accounts for national and provincial government; and
- Enable uniform information sets recorded in terms of national norms and standards across the whole of government for the purposes of national policy coordination and reporting, benchmarking and performance measurement in the local government sphere.

Key Objective 2 - The Regulations to enable the alignment of budget information with information captured in the course of the implementation of the budget.

3.3. mSCOA Classification Framework

As per the directive from National Treasury, from 01 July 2017, all municipalities had to capture all their financial transactions against a predefined classification framework, which will result in uniformity of line items in terms of revenue, expenditure, assets and liabilities.

4. mSCOA Project Governance and Management

During the Life Cycle of the mSCOA Project Implementation, National Treasury has provided various Project Implementation Frameworks to assist municipalities to achieve full compliance with all the mSCOA Legislative, Regulatory functional systems requirements. These frameworks has been applied as a reference guide by the Overstrand municipality to ensure that:

- 1) A fully informed and transparent assessment of all legislative and regulatory mSCOA functional compliance requirements are done;
- 2) All non-compliance matters are identified and assessed in terms of its relevance and,
- 3) Corrective measures to be instituted timeously to achieve full compliance status by National Treasury and the Auditor General of South Africa.

Every municipality and local government entity is ultimately responsible to ensure full compliance to all the mSCOA legislative and regulatory requirements.

Chapter 6 of the MFMA tasks the Municipal Manager of the municipality with managing the financial administration of the municipality. The Municipal Manager also has the overall responsibility to manage the successful implementation of the mSCOA project within the municipality.

The Municipal Manager, in terms of the MFMA has delegated some of these mSCOA Implementation responsibilities. The Municipal Manager has tasked an mSCOA Steering Committee and mSCOA Project Implementation Team to drive and oversee the successful implementation of the Municipal Regulations on Standard Chart of Accounts in the municipality and to advise the Municipal Manager and to report progress go to council at least on a quarterly basis.

Best practice Project Governance and Management structures and forums were established to monitor progress with the mSCOA Implementation Project and to assess the quality of service delivery by the appointed Service Provider and to report at least quarterly to council on progress being made with the mSCOA project Implementation and all other relevant matters.

5. mSCOA Project Implementation Frameworks

5.1. mSCOA Compliance Frameworks

To maximise the integrity and transparency of the mSCOA assessment process the mSCOA compliance frameworks as prescribed by National Treasury during

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the various project implementation phases, were used by the Overstrand municipality.

5.1.1. RT25 –2016: ICT Due Diligence Functional Assessment Framework

The RT25 National Treasury Transversal Tender, published in the MFMA 80, dated 8 March 2016, states that:

"The technical systems specifications was designed to address not only the mSCOA requirements but also to list all the components needed to fully automate and accommodate the accountability cycle of municipalities (considering the current local government legal environment). Best Practices and Optional requirements were discerned in this tender in order to clearly identify only the essential systems functionality. Optional systems features and functions have been identified as non-regulated options / add-ons. The RT25-2016 also allowed for 3rd party integration as well as future developments. Through this approach the National Treasury allowed for a municipality to follow an evolutionary systems approach if such is preferred."

The RT25-2016 National Treasury Transversal contract also aimed to achieve the following additional key objectives

- (a) improved data quality and credibility;
 - (b) the achievement of a greater level of standardization;
 - (c) the development of uniform data sets critical for 'whole-of-government' reporting;
 - (d) the standardization and alignment of the 'local government accountability cycle' by the regulation of not only the budget and in-year reporting formats but also the annual report and annual financial statement formats;
 - (e) the creation of the opportunity to standardize key business processes with the consequential introduction of further consistency in the management of municipal finances;
 - (f) improved transparency, accountability and governance through uniform recording of transactions at posting account level detail;
 - (g) enabling deeper data analysis and sector comparisons to improve financial performance; and
 - (h) the standardization of the account classification to facilitate mobility in financial skills within local government and between local government and other spheres as well as the private sector and to enhance the ability of local government to attract and retain skilled personnel.
- In line with the directives as stated above, the Overstrand municipality decided to follow an evolutionary process and therefor **only the**

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Legislative and mSCOA regulatory functional requirements were assessed for compliance and only the core financial system, being the Samras system, was assessed.

- During the initial assessment process in 2017 it was found that:
 - 1) Some of the sub-processes/modules nominated by National Treasury in the RT25 Tender, do not require any legislative and/or mSCOA regulatory functional requirements; and,
 - 2) Some sub-process/modules do not form part of the Samras systems portfolio currently used by the Overstrand municipality and,

therefor have been excluded from the functional compliance assessment process.

5.1.2. Financial Management and Internal Control Requirements

As per MFMA Circular 80, paragraph 4, (Dated 8 March 2016) states as follows:

*"Municipalities must ensure when examining the functionality of their current systems of financial management and internal control that it meets the minimum business processes and system requirements as stated in the mSCOA Regulation. In this regard it refers to a system of financial management and internal controls capable of providing for the uniform recording and classification of both municipal and financial information at a transactional level in the prescribed municipal standard chart of accounts. As a consequence, systems of financial management and internal control **must**, as a minimum, comply with these explicit business process requirements."*

5.1.3. mSCOA Budgetary Compliance Requirements

(Reference: Addendum to MFMA Circular 80, paragraph 3, dated 18 October 2016)

Whether employing the RT25-2016 panel or not, municipalities are required to:

- 1) Have a systems-integrated IDP (integrated development plan) Module.
- 2) Have a systems-integrated Budget Module.
- 3) Enable a municipality, with effect 1 July 2017, to transact across the seven segments of mSCOA with subsystems seamlessly integrating to the core financial system.
- 4) It should specifically be noted that the due date for all these deliverables was set by the Service provider to be 31 March 2017.

5.1.4. Business Process Requirements and Associated System

(Reference: Addendum to Circular 80, Paragraph 5, dated 18 October 2016)

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Any system of financial management and internal control, as a minimum, must comply with the seven main business and process components. The seven components must integrate seamlessly with the mSCOA general ledger and comply at a posting level to the mSCOA Regulations and GRAP. The seven main components are defined as follows

- 1) General Ledger;
- 2) Billing;
- 3) Supply chain management;
- 4) Assets management;
- 5) Inventory and stores;
- 6) Budgeting and planning; and
- 7) Human Resources and payroll.

Directly aligned to the defined components as listed above, fifteen major business processes have been defined within Local Government.

- These 15 business processes have been reviewed and submitted to council for approval at the council meeting held on 25 May 2017 and is reviewed annually.

6. mSCOA Training and Status of Operations – February 2019

To date, training has been provided to all applicable officials in the Overstrand municipality to:

- 1) Plan and develop Departmental budgets, but;
 - regressed from capturing budgets on the Web portal to capturing information on Excel spreadsheets by Budget Holders due to the functionality not being available on time with regard to the requirements related to the annual Budget Cycle, also with reference to the latest mSCOA version of the Chart (V6.3), published by National Treasury only on 7 December 2019.
 - Before-mentioned resulted in the release of relevant system functionality only weeks later, impacting severely on the adherence to the time-lines for tabling of the draft budget in Council during March 2019;
- 2) Process all financial data at a transactional level across all seven mSCOA segments, but;
 - Only still in SamrasClassic
- 3) Extract and compile all required financial and management reports across the Annual Financial Accountability Reporting Life Cycle, but:
 - This aspect still requires much manual intervention.

7. Bytes Systems and Engagements

7.1 In 2014 the Overstrand municipality opted to be one of a few municipalities selected by National Treasury to engage with our current Service Provider on a pilot mSCOA Implementation project, taking full advantage of early lessons learned and a focussed support from National Treasury. However still to date, the functional and operational status of the Samras system still does not justify an unqualified report to Council and National Treasury that the Samras system is fully mSCOA compliant, primarily due to the following issues and constraints:

- i. The current hybrid Systems Architectures (SamrasClassic and the Web-portal) maintained by the vendor in an attempt to deliver a fully functional Samras system, poses a severe risk due to the lack of proper validation rules between the two data architectures and data being ceded between the two Samras System Architectures.
- ii. Before-mentioned continues to impact on the day to day operations of the Finance Directorate mostly, and places severe pressure on the Financial Services Department (Budget/Reporting/Annual Financial Statements). This impacts on an ongoing basis in maintaining performance in adherence/compliance to deadlines related to legislation (Sub-systems/modules might reconcile or function properly on one day and then will be dysfunctional again the very next day (refer NT budget schedules, formulae and reports, with particular incidents reported to the vendor remaining unresolved relating to any permanent solutions, progress, and/or implementation.)

7.2 Bytes Systems and Engagements

As reference point again, extract from MFMA Circular 57

“Service delivery is a by-product of effective, efficient and economical processes that are informed by strategic direction, resource planning and implementation. Furthermore, a municipality with poorly designed business processes will not resolve the problem by implementing a new (financial) system.

Firstly, processes must be redesigned with the necessary data validation rules if the municipality is to improve its data integrity. This foundation is integral to ensuring that software applications generate credible information and can be used effectively by municipalities.”

ICT Industry Migration to Knowledge Based Systems Architectures

Since Y2K the demand for large databases systems and broad band data communications networks has brought about a total new paradigm how databases and Management Information Systems must be designed and developed. .

This requirement for *“knowledge based systems and best industry practice systems architectures”*, providing access to *“data on demand”* at *“anytime from anywhere”*, eventually also found its inroads into all three spheres of government in the Republic of South Africa with various ICT initiatives being deployed by various governmental institutions:

- The mSCOA initiative introduced by National Treasury in 2011, being one of them. (Reference: MFMA Circular 57: Financial Systems and Processes, dated 20 October 2011)

7.3 SAMRAS Financial System

The transactional and operational processing in the SamrasClassic environment were also at an acceptable level of functionality at the time. Flat file structures with some relational database capabilities was primarily the state of the art for Information databases and Systems Architectures, but then also primarily for a localised environment i.e. the Overstrand municipality.

However, given the emergence of *“Knowledge based systems and Database Architectures”* Bytes, our current Service Provider, at the time realised that the SamrasClassic systems and database architectures cannot be the ICT enabling platform to provide all the required functionalities going forward into the 21st Century: mSCOA and the Smart Cities concepts being some of the strategic initiatives for local government institutions.

Since 2009 Bytes made service offerings to its local government clients with the intent to also introduce best practice ICT enabling platforms as part of its internal growth strategies moving into the 21st Century.

With the advent of MSCOA, now being in its final phase of completion, it is now also the most appropriate time to assess the outcomes of the various Samras service offerings by Bytes since 2009 to determine to what extent these service offerings were able to align with the expectations of local government, enabling good governance and improved service delivery to all our communities and residents.

Summarised Overview and Assessment of the Bytes Service Offerings and Service Delivery Performance

Time frames	Bytes Service Offerings	Objective/Intent	Assessment
2013 to Date	mSCOA: Initial Bytes Implementation Project Refer Diagram 1 below	Introduced by NT to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transaction level by prescribing a standard chart of accounts for municipalities and municipal entities	The Overstrand municipality was one of the selected pilot sites to implement mSCOA in a two year time frame: 2013 to 2015. To date the Samras System still operates on two architecture platforms: The Web Portal only for budget reporting to NT in production environment at Overstrand and all operational processing still occurs in the SamrasClassic Domain. Data ceding between the two platforms remain a work in progress and an operational challenge as earlier indicated.

2015/2019	<p>Samras Modernisation, subsequently referenced /WebEnablement (Web Interface Business Process)</p> <p>Refer Diagram 2 & 3 below</p>	<p>2015 Planning - Deliver a complete Web based solution, with self-service focus for rate payers: Aligned with all financial business processes and transparency to all stakeholders.</p> <p>2016 Planning - Complete full delivery of all core processes on the Web by April 2017; sufficient time for completion of development test and handover; Construction of Computer based training.</p> <p>2019 Expectation - is to deliver a fully Web based Solution and phase out SamrasClassic by not later than December 2019.</p>	<p>Still no clear feedback regarding phasing out of the SamrasClassic.</p> <p>February 2019: Still await updated detailed Project Implementation Plan and Modernisation Scope and Specifications from Bytes. Samras User Group scheduled for 6 to 7 March 2019 provided some high level indications without detailed implementation plan made available thus far.</p>
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2018/2019 Samras Monthly Performance Ratings:

Ratings Range: 5 =Exceptionally Good Services, to 1 =Exceptionally Poor Services

- KPI Description: Deliver financial system services within agreed time, cost and quality:
- KPI Rating: Monthly performance ratings since July 2018 = 1

July 2018: The ceding of the budget were not ready in time for the year end. We could not process any transactions for almost a week at the start of the financial year due to problems with the ceding seeding of the budget.

Monthly Reviews: Not all issues on production system have been solved in time. Bi-weekly meetings held with supplier, alternatively telecon meetings as far as possible.

Before-mentioned rating also to be considered in view of the following – Due to the continuous changes in directives and amendments to the initial mSCOA implementation frameworks and technical system design specifications as issued by NT since July 2015, it is fair and reasonable to accept that the sum total and impact of scope changes introduced by NT to the initial scope of mSCOA implementation project plan, and in a fragmented fashion, impacted on service providers to some extent and still impose potential risks to successful implementation of mSCOA in totality.

Diagram 1- mSCOA Service Offering – 2015/2016

High Level Scope - Project Plan



Diagram 2 - mSCOA Samras Modernisation 2015/2016

Samras Modernized

- Deliver a complete WEB based solution
- Self-service focus for Ratepayers
- Transparency and visibility to all stakeholders of financial position
- Streamline business processes
- Be more than just the financial system at the Municipalities by facilitating all processes




Diagram 3 - Web Interface mSCOA Business Process – 2016/2017

DELIVERY OF WEB INTERFACE mSCOA BUSINESS PROCESSES



Phases are indicated by number with the final delivery date indicated for that Web Interface after the phase number

Dates indicate the date training material is complete and services is ready to start customer implementations

Separate rollout plans per customer for Web Interface still need to be defined

