

**9.
BUDGET REPORT FOR THE QUARTER ENDED DECEMBER 2018**

5/1/1/20-2018/2019
BA King
16 January 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 December 2018
- Annexure B: Executive Mayor's special fund – 31 December 2018
- Annexure C: Cost Containment Measures December 2018
- Annexure D: Municipal Regulations on a Standard Chart of Accounts (mSCOA): Post Implementation Status of the mSCOA Project – December 2018

RECOMMENDATION TO THE COUNCIL:

that the budget report for the quarter ended December 2018, 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

December 2018

In-Year Report of the Municipality

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

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Glossary

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

Budget – The financial plan of the Municipality.

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

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

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

FMG – Financial Management Grant.

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

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

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

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

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

MIG – Municipal Infrastructure Grant.

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 second quarter ended 31 December 2018 will be tabled in a separate comprehensive report to council.

1.1.2 Financial problems or risks facing the municipality

No financial problems or risks from a budget implementation perspective. All the major sources of revenue are within acceptable norms.

It is important to note that the municipality has had to contend with several devastating fires in the Overstrand area during the festive season, resulting in substantial damage to private properties and municipal infrastructure. An investigation and assessment is currently underway to determine the total impact and cost implication to the municipality.

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 second quarter's financial position.

YTD Actual operating revenue at the end of the second quarter for 2018/2019 is at 53.29% of the budgeted revenue. The expenditure reflects spending of 45.62% against the budgeted expenditure.

Capital expenditure amounts to R34.8m, or 16.67% of the total adjusted budget of R209.1m, at the end of December 2018. Refer to the table on page 28 for the implementation status of the Top 10 Capital Projects.

The second adjustments budget for unforeseen and unavoidable expenditure, grant funding roll-overs and Western Cape Adjusted estimates 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 December 2018, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

Executive Summary

The 2017/2018 audited outcome figures will be available after the tabling of the Annual Report in Council.

Revenue by Source

The Year-to-Date actual revenue amounts to R566.9m, which is 0.99% above the YTD budget projections of R561.3m at the end of December 2018.

Borrowings

The balance of borrowings amounts to R425.8m at the end of December 2018.

Operating expenditure by vote & type

Current expenditure amounts to R510m, which is 1.38% below the YTD budget projections of R517.1m at the end of December 2018.

Capital expenditure

YTD Capital expenditure amounts to R34.9m or 16.67% of the adjusted budget of R209.1m. The current capital commitments of orders in progress amounts to R50.3m, or 24% of the adjusted capital budget of R209.1m. 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 December closing balance is R496.4 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Grants totaling R38.3m were received during December 2018.

Spending on Grants

Spending on grants amounts to R10.2m for December 2018, 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 - M06 December			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Total	1.00%		
Interest earned - external investm	24.33%	Investment Revenue higher than expected	
Expenditure By Type			
Total	-1.38%		
Capital Expenditure			
Total	-42.31%	Capital Commitments= R50.3m (24%)	Active management of capital spending
Financial Position			
In order			
Cash Flow			
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 - M06 December

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	--	234 998	234 998	19 169	117 753	117 499	254	0%	234 998
Service charges	--	613 718	613 718	54 073	316 700	313 392	3 308	1%	613 718
Investment revenue	--	21 001	21 001	790	15 231	12 251	2 980	24%	21 001
Transfers and subsidies	--	130 566	114 217	34 473	79 397	79 397	--	--	114 217
Other own revenue	--	79 944	79 944	7 092	37 871	38 824	(953)	-2%	79 944
Total Revenue (excluding capital transfers and contributions)	--	1 080 228	1 063 879	115 596	586 952	561 363	5 589	1%	1 063 879
Employee costs	--	367 024	367 095	29 550	180 901	183 548	(2 646)	-1%	367 095
Remuneration of Councillors	--	10 972	10 972	848	5 086	5 486	(400)	-7%	10 972
Depreciation & asset impairment	--	130 362	130 362	10 864	65 182	65 182	--	--	130 362
Finance charges	--	47 834	47 834	12 355	17 855	17 855	--	--	47 834
Materials and bulk purchases	--	296 190	278 438	21 910	128 773	129 274	(501)	-0%	278 438
Transfers and subsidies	--	500	500	23	358	358	--	--	500
Other expenditure	--	281 361	282 694	25 233	111 857	115 465	(3 607)	-3%	282 694
Total Expenditure	--	1 134 245	1 117 898	100 782	510 612	517 167	(7 154)	-1%	1 117 896
Surplus/(Deficit)	--	(54 017)	(54 017)	14 815	56 940	44 196	12 743	29%	(54 017)
Transfers and subsidies - capital (monetary aid)	--	61 968	73 841	7 830	12 528	12 528	--	--	73 841
Contributions & Contributed assets	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital transfers & contributions	--	7 951	19 824	22 645	69 468	56 724	12 743	22%	19 824
Surplus/ (Deficit) for the year	--	7 951	19 824	22 645	69 468	56 724	12 743	22%	19 824
Capital expenditure & funds sources									
Capital expenditure	--	194 237	209 110	13 353	34 871	60 447	(25 576)	-42%	209 110
Capital transfers recognised	--	62 068	73 941	7 830	12 528	22 806	(10 278)	-45%	73 941
Public contributions & donations	--	--	--	--	--	--	--	--	--
Borrowing	--	68 650	68 650	568	6 988	21 011	(14 023)	-67%	68 650
Internally generated funds	--	63 519	66 519	4 954	15 355	16 630	(1 274)	-8%	66 519
Total sources of capital funds	--	194 237	209 110	13 353	34 871	60 447	(25 576)	-42%	209 110
Financial position									
Total current assets	--	523 717	615 442		669 227				615 442
Total non current assets	--	3 718 075	3 732 948		3 608 040				3 732 948
Total current liabilities	--	215 151	215 151		160 668				215 151
Total non current liabilities	--	673 454	673 454		600 530				673 454
Community wealth/Equity	--	3 353 187	3 459 785		3 516 070				3 459 785
Cash flows									
Net cash from (used) operating	--	175 190	187 063	7 947	74 679	74 250	(429)	-1%	187 063
Net cash from (used) investing	--	(201 351)	(216 224)	(14 192)	(37 710)	(37 710)	--	--	(216 224)
Net cash from (used) financing	--	23 944	23 944	9 996	(15 540)	(15 540)	--	--	23 944
Cash/cash equivalents at the month/year end	--	380 242	471 987	--	496 397	496 185	1 788	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	65 948	2 647	1 389	1 211	666	705	3 255	22 289	98 110
Creditors Age Analysis									
Total Creditors	3 844	--	--	--	--	--	--	--	3 844

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

WC032 Overstrand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	-	296 029	296 025	29 166	158 214	155 528	2 686	2%	296 025
Executive and council	-	25 110	25 110	8 104	18 286	17 867	420	2%	25 110
Finance and administration	-	270 868	270 794	21 055	139 883	137 600	2 283	2%	270 794
Internal audit	-	51	122	7	45	61	(16)	-27%	122
<i>Community and public safety</i>	-	81 447	71 841	6 863	15 667	14 684	983	7%	71 841
Community and social services	-	7 413	7 942	664	4 456	4 403	53	1%	7 942
Sport and recreation	-	13 000	13 000	2 445	6 986	5 892	1 094	19%	13 000
Public safety	-	1 272	5 272	24	203	367	(164)	-45%	5 272
Housing	-	59 762	45 626	3 730	4 022	4 022	-		45 626
<i>Economic and environmental services</i>	-	58 097	59 861	5 890	26 454	27 845	(1 390)	-5%	59 861
Planning and development	-	11 449	11 449	681	5 211	5 531	(320)	-6%	11 449
Road transport	-	46 648	48 412	5 210	21 224	22 294	(1 070)	-5%	48 412
Environmental protection	-	0	0	-	19	19	-		0
<i>Trading services</i>	-	706 624	709 993	81 507	379 144	375 834	3 310	1%	709 993
Energy sources	-	395 354	395 554	40 769	209 969	208 957	1 011	0%	395 554
Water management	-	133 327	134 082	15 397	69 873	68 718	1 155	2%	134 082
Waste water management	-	101 333	103 746	14 993	56 494	55 857	637	1%	103 746
Waste management	-	76 610	76 610	10 348	42 808	42 302	506	1%	76 610
Other	-	-	-	-	-	-	-		-
Total Revenue - Functional	-	1 142 196	1 137 720	123 426	579 480	573 891	5 589	1%	1 137 720
Expenditure - Functional									
<i>Governance and administration</i>	-	221 763	221 760	15 642	102 318	104 134	(1 816)	-2%	221 760
Executive and council	-	55 867	55 867	3 559	26 147	26 451	(304)	-1%	55 867
Finance and administration	-	162 952	162 878	11 884	74 785	76 214	(1 429)	-2%	162 878
Internal audit	-	2 944	3 015	199	1 387	1 470	(83)	-6%	3 015
<i>Community and public safety</i>	-	144 344	127 999	12 792	58 532	59 266	(734)	-1%	127 999
Community and social services	-	16 752	16 752	1 254	9 414	9 575	(162)	-2%	16 752
Sport and recreation	-	58 238	58 238	5 583	24 789	25 160	(371)	-1%	58 238
Public safety	-	38 381	38 381	3 722	20 185	20 386	(201)	-1%	38 381
Housing	-	30 974	14 629	2 232	4 145	4 145	-		14 629
<i>Economic and environmental services</i>	-	196 571	196 571	18 773	88 418	89 755	(1 338)	-1%	196 571
Planning and development	-	40 059	40 059	2 740	18 178	18 812	(634)	-3%	40 059
Road transport	-	147 972	147 972	15 455	67 044	67 572	(527)	-1%	147 972
Environmental protection	-	8 540	8 540	577	3 195	3 372	(176)	-5%	8 540
<i>Trading services</i>	-	568 159	568 159	53 429	259 287	262 307	(3 020)	-1%	568 159
Energy sources	-	311 806	311 806	25 544	143 776	145 009	(1 233)	-1%	311 806
Water management	-	110 285	110 285	11 702	47 282	47 887	(604)	-1%	110 285
Waste water management	-	78 918	78 918	10 359	37 925	38 612	(687)	-2%	78 918
Waste management	-	67 150	67 150	5 825	30 304	30 800	(496)	-2%	67 150
Other	-	3 408	3 408	145	1 457	1 704	(247)	-14%	3 408
Total Expenditure - Functional	-	1 134 245	1 117 896	100 782	510 012	517 167	(7 154)	-1%	1 117 896
Surplus/ (Deficit) for the year	-	7 951	19 824	22 645	69 468	56 724	12 743	22%	19 824

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.

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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) - M06 December

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	-	24 988	24 988	8 087	18 246	17 806	440	2.5%	24 988
Vote 2 - Municipal Manager	-	51	122	7	45	61	(16)	-26.9%	122
Vote 3 - Management Services	-	584	584	30	509	479	30	6.3%	584
Vote 4 - Finance	-	269 683	269 683	20 978	139 070	136 407	2 663	2.0%	269 683
Vote 5 - Community Services	-	338 690	344 080	46 255	183 774	181 954	1 819	1.0%	344 080
Vote 6 - Economic and Social Development &	-	2 226	2 226	133	847	852	(5)	-0.6%	2 226
Vote 7 - Infrastructure & Planning	-	464 077	454 142	45 007	218 171	216 777	1 393	0.6%	454 142
Vote 8 - Protection Services	-	41 896	41 896	2 929	18 819	19 555	(735)	-3.8%	41 896
Total Revenue by Vote	-	1 142 196	1 137 720	123 426	579 480	573 891	5 590	1.0%	1 137 720
Expenditure by Vote									
Vote 1 - Council	-	33 049	33 049	2 091	16 787	17 594	(807)	-4.6%	33 049
Vote 2 - Municipal Manager	-	5 467	5 538	381	2 461	2 566	(105)	-4.1%	5 538
Vote 3 - Management Services	-	52 776	52 776	3 119	21 984	22 714	(730)	-3.2%	52 776
Vote 4 - Finance	-	78 645	78 645	6 234	38 668	39 833	(1 164)	-2.9%	78 645
Vote 5 - Community Services	-	409 514	409 440	43 964	188 174	190 215	(2 041)	-1.1%	409 440
Vote 6 - Economic and Social Development &	-	11 752	11 752	688	4 825	5 194	(370)	-7.1%	11 752
Vote 7 - Infrastructure & Planning	-	456 531	440 185	36 771	194 018	195 589	(1 571)	-0.8%	440 185
Vote 8 - Protection Services	-	86 511	86 511	7 535	43 096	43 463	(367)	-0.8%	86 511
Total Expenditure by Vote	-	1 134 245	1 117 896	100 782	510 012	517 107	(7 154)	-1.4%	1 117 896
Surplus/ (Deficit) for the year	-	7 951	19 824	22 645	69 468	56 724	12 744	22.5%	19 824

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) - M06 December

Description	2017/18 Audited Outcome	Budget Year 2018/19							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									
Revenue By Source									
Property rates		234 998	234 998	19 169	117 753	117 499	254	0%	234 998
Service charges - electricity revenue		362 784	362 784	31 052	188 449	187 438	1 011	1%	362 784
Service charges - water revenue		116 781	116 781	11 280	60 031	58 877	1 154	2%	116 781
Service charges - sanitation revenue		73 164	73 164	6 592	37 219	36 582	637	2%	73 164
Service charges - refuse revenue		60 990	60 990	5 149	31 001	30 495	506	2%	60 990
Rental of facilities and equipment		3 679	3 679	289	2 143	1 993	150	8%	3 679
Interest earned - external investments		21 001	21 001	790	15 231	12 251	2 980	24%	21 001
Interest earned - outstanding debtors		3 700	3 700	349	1 953	1 850	103	6%	3 700
Fines, penalties and forfeits		34 965	34 965	2 425	15 247	16 026	(778)	-5%	34 965
Licences and permits		2 447	2 447	193	1 244	1 223	20	2%	2 447
Agency services		3 726	3 726	349	2 412	2 018	394	20%	3 726
Transfers and subsidies		130 566	114 217	34 473	79 397	79 397	-		114 217
Other revenue		31 427	31 427	3 487	14 872	15 714	(842)	-5%	31 427
Gains on disposal of PPE		-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	1 080 228	1 063 879	115 595	566 952	561 363	5 589	1%	1 063 879
Expenditure By Type									
Employee related costs		367 024	367 095	29 550	180 901	183 548	(2 646)	-1%	367 095
Remuneration of councillors		10 972	10 972	848	5 086	5 486	(400)	-7%	10 972
Debt impairment		23 492	23 492	1 958	11 746	11 746	-		23 492
Depreciation & asset impairment		130 362	130 362	10 864	65 182	65 182	-		130 362
Finance charges		47 834	47 834	12 355	17 855	17 855	-		47 834
Bulk purchases		238 588	238 588	17 346	111 233	111 341	(109)	0%	238 588
Other materials		57 602	39 850	4 564	17 540	17 932	(392)	-2%	39 850
Contracted services		193 637	195 010	19 010	69 047	71 504	(2 457)	-3%	195 010
Transfers and subsidies		500	500	23	358	358	-		500
Other expenditure		64 232	64 192	4 285	30 945	32 095	(1 151)	-4%	64 192
Loss on disposal of PPE		-	-	-	119	119	-		-
Total Expenditure	-	1 134 245	1 117 896	100 782	510 012	517 167	(7 154)	-1%	1 117 896
Surplus/(Deficit)	-	(54 017)	(54 017)	14 815	56 940	44 196	12 743	29%	(54 017)
Transfers and subsidies - capital (monetary allocations) (National)		61 968	73 841	7 830	12 528	12 528	-		73 841
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & Taxation	-	7 951	19 824	22 645	69 468	56 724	-		19 824
Surplus/(Deficit) after taxation	-	7 951	19 824	22 645	69 468	56 724	-		19 824
Surplus/(Deficit) attributable to municipality	-	7 951	19 824	22 645	69 468	56 724	-		19 824
Share of surplus/ (deficit) of associate		-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	-	7 951	19 824	22 645	69 468	56 724	-		19 824

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 0.99% above the YTD budget.

Current expenditure is 1.38% below YTD budget projections for December 2018.

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

WC032 Overstrand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

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	70 260	6 643	16 618	26 184	(9 566)	-37%	70 260
Vote 6 - Economic and Social Development & Tourism	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	58 239	61 949	4 099	8 538	18 899	(10 361)	-55%	61 949
Vote 8 - Protection Services	-	500	500	-	-	-	-	-	500
Total Capital Multi-year expenditure	-	123 536	132 709	10 741	25 156	45 084	(19 927)	-44%	132 709
Single Year expenditure appropriation									
Vote 1 - Council	-	20	20	-	4	8	(5)	-55%	20
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	4 086	4 086	147	2 977	2 043	934	46%	4 086
Vote 4 - Finance	-	30	30	11	28	15	13	84%	30
Vote 5 - Community Services	-	52 403	55 403	2 431	6 352	11 631	(5 279)	-45%	55 403
Vote 6 - Economic and Social Development & Tourism	-	5 625	5 625	-	-	-	-	-	5 625
Vote 7 - Infrastructure & Planning	-	1 100	3 800	20	353	1 508	(1 156)	-77%	3 800
Vote 8 - Protection Services	-	7 436	7 436	2	2	158	(156)	-99%	7 436
Total Capital single-year expenditure	-	70 701	76 401	2 611	9 715	15 363	(5 648)	-37%	76 401
Total Capital Expenditure	-	194 237	209 110	13 353	34 871	60 447	(25 576)	-42%	209 110
Capital Expenditure - Functional Classification									
Governance and administration	-	6 331	6 331	158	3 432	3 164	268	8%	6 331
Executive and council	-	20	20	-	4	8	(5)	-55%	20
Finance and administration	-	6 311	6 311	158	3 428	3 156	272	9%	6 311
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	57 710	64 549	3 987	8 146	16 576	(8 430)	-51%	64 549
Community and social services	-	4 999	5 529	896	2 164	2 764	(600)	-22%	5 529
Sport and recreation	-	8 057	8 057	1 058	3 948	4 029	(80)	-2%	8 057
Public safety	-	9 186	13 286	2	2	6 643	(6 641)	-100%	13 286
Housing	-	35 467	37 677	2 032	2 032	3 140	(1 109)	-35%	37 677
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	-	18 821	20 566	2 802	4 540	8 435	(3 895)	-46%	20 566
Planning and development	-	5 725	5 725	20	353	2 863	(2 510)	-88%	5 725
Road transport	-	13 096	14 861	2 782	4 188	5 573	(1 385)	-25%	14 861
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	-	111 375	117 644	6 405	18 753	32 272	(13 518)	-42%	117 644
Energy sources	-	24 772	24 972	607	5 047	9 365	(4 318)	-46%	24 972
Water management	-	30 077	31 372	-	1 183	9 150	(7 967)	-87%	31 372
Waste water management	-	54 987	59 760	4 338	11 064	12 987	(1 923)	-15%	59 760
Waste management	-	1 540	1 540	1 460	1 460	770	690	90%	1 540
Total Capital Expenditure - Functional Classification	-	194 237	209 110	13 353	34 871	60 447	(25 576)	-42%	209 110
Funded by:									
National Government	-	25 901	30 445	5 798	10 498	10 149	347	3%	30 445
Provincial Government	-	36 067	43 396	2 032	2 032	12 657	(10 625)	-84%	43 396
Other transfers and grants	-	100	100	-	-	-	-	-	100
Transfers recognised - capital	-	62 068	73 941	7 830	12 528	22 806	(10 278)	-45%	73 941
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	68 650	68 650	568	6 988	21 011	(14 023)	-67%	68 650
Internally generated funds	-	63 519	66 519	4 954	15 355	16 630	(1 274)	-8%	66 519
Total Capital Funding	-	194 237	209 110	13 353	34 871	60 447	(25 576)	-42%	209 110

Capital expenditure is 42.31% 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 - M06 December

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash		380 242	471 967	76 661	471 967
Call investment deposits		-	-	419 736	-
Consumer debtors		78 188	78 188	75 237	78 188
Other debtors		49 845	49 845	43 913	49 845
Current portion of long-term receivables		10	10	7	10
Inventory		15 432	15 432	53 674	15 432
Total current assets	-	523 717	615 442	669 227	615 442
Non current assets					
Long-term receivables		10	10	18	10
Investments		50 546	50 546	47 709	50 546
Investment property		101 865	101 865	114 846	101 865
Investments in Associate					
Property, plant and equipment		3 559 712	3 574 585	3 438 768	3 574 585
Agricultural					
Biological					
Intangible		5 942	5 942	6 699	5 942
Other non-current assets					
Total non current assets	-	3 718 075	3 732 948	3 608 040	3 732 948
TOTAL ASSETS	-	4 241 792	4 348 390	4 277 267	4 348 390
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing		38 428	38 428	36 282	38 428
Consumer deposits		53 152	53 152	39 175	53 152
Trade and other payables		87 052	87 052	55 491	87 052
Provisions		36 518	36 518	29 719	36 518
Total current liabilities	-	215 151	215 151	160 668	215 151
Non current liabilities					
Borrowing		423 677	423 677	389 572	423 677
Provisions		249 777	249 777	210 958	249 777
Total non current liabilities	-	673 454	673 454	600 530	673 454
TOTAL LIABILITIES	-	888 605	888 605	761 197	888 605
NET ASSETS	-	3 353 187	3 459 785	3 516 070	3 459 785
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)		3 349 887	3 456 485	3 512 808	3 456 485
Reserves		3 300	3 300	3 261	3 300
TOTAL COMMUNITY WEALTH/EQUITY	-	3 353 187	3 459 785	3 516 070	3 459 785

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 - M06 December

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		233 454	233 454	37 043	116 780	116 727	53	0%	233 454
Service charges		609 686	609 686	36 167	314 653	314 496	157	0%	609 686
Other revenue		56 317	56 317	10 224	38 708	38 765	(57)	0%	56 317
Government - operating		130 566	114 217	34 473	79 397	79 397	-		114 217
Government - capital		61 968	73 841	7 830	12 528	12 528	-		73 841
Interest		24 701	24 701	1 139	17 184	17 184	-		24 701
Dividends							-		
Payments									
Suppliers and employees		(893 168)	(876 820)	(106 551)	(486 358)	(486 635)	(277)	0%	(876 820)
Finance charges		(47 834)	(47 834)	(12 355)	(17 855)	(17 855)	-		(47 834)
Transfers and Grants		(500)	(500)	(23)	(358)	(358)	-		(500)
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	175 190	187 063	7 947	74 679	74 250	(429)	-1%	187 063
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	(282)	(119)	(119)	-		
Decrease (Increase) in non-current debtors		-	-	-	-	-	-		
Decrease (increase) other non-current receivables		10	10	3	6	6	-		10
Decrease (increase) in non-current investments		(7 124)	(7 124)	(949)	(3 114)	(3 114)	-		(7 124)
Payments									
Capital assets		(194 237)	(209 110)	(12 963)	(34 482)	(34 482)	-		(209 110)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(201 351)	(216 224)	(14 192)	(37 710)	(37 710)	-		(216 224)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-	-	-	-	-	-		
Borrowing long term/refinancing		54 000	54 000	-	-	-	-		54 000
Increase (decrease) in consumer deposits		3 937	3 937	14 805	713	713	-		3 937
Payments									
Repayment of borrowing		(33 993)	(33 993)	(4 808)	(16 252)	(16 252)	-		(33 993)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	23 944	23 944	9 996	(15 540)	(15 540)	-		23 944
NET INCREASE/ (DECREASE) IN CASH HELD	-	(2 217)	(5 217)	3 752	21 430	21 001			(5 217)
Cash/cash equivalents at beginning:		382 460	477 185		474 967	477 185			474 967
Cash/cash equivalents at month/year end:	-	380 242	471 967		496 397	498 185			469 750

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R 496.4million.

The municipality started the year with a positive cash balance of R474.9 million. The December closing balance is R496.4 million. Refer to Supporting Table SC9 for more details on the cash position.

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

WC632 Overstrand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

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	22 481	9 589	19 120	14 773	13 794	37 043						116 875	233 454	247 086	263 832
Service charges - electricity revenue	30 879	32 038	32 720	32 740	30 683	19 555						181 787	360 401	381 400	407 218
Service charges - water revenue	8 734	16 635	9 877	15 410	14 245	9 573						41 539	116 013	122 754	131 042
Service charges - sanitation revenue	5 645	5 155	6 115	6 640	5 836	4 070						90 322	72 683	76 927	82 141
Service charges - refuse	5 190	4 633	5 186	5 463	4 775	2 968						32 385	60 589	64 127	68 473
Service charges - other		-	-	-	-	-						-	-	-	-
Rental of facilities and equipment	367	386	633	334	284	277						1 375	3 655	3 885	4 124
Interest earned - external investments	488	1 599	2 722	6 912	2 721	790						5 770	21 001	21 001	21 001
Interest earned - outstanding debtors	321	302	321	325	334	348						1 747	3 700	3 922	4 157
Dividends received		-	-	-	-	-						-	-	-	-
Fines, penalties and forfeits	2 277	2 621	2 676	2 614	2 733	2 425						(3 074)	12 173	14 268	16 480
Licences and permits	199	214	220	281	217	193						1 203	2 447	2 593	2 749
Agency services	359	432	376	432	462	349						1 314	3 726	3 970	4 107
Transfer receipts - operating	40 678	864	073	1 165	1 354	34 473						51 189	130 666	167 658	162 007
Other revenue	2 090	824	2 211	2 019	2 600	8 980						16 792	34 316	28 596	26 173
Cash Receipts by Source	119 887	75 193	83 051	89 707	80 438	119 045						488 002	1 054 725	1 137 568	1 193 674
Other Cash Flows by Source															
Transfer receipts - capital		101	2 942	637	1 018	7 830						49 441	81 068	58 530	63 249
Contributions & Contributed assets			-	-	-	-						-	-	-	-
Proceeds on disposal of PPE		150	133	(87)	(32)	(282)						119	-	-	-
Short term loans			-	-	-	-						-	-	-	-
Borrowing long term/refinancing			-	-	-	-						54 000	54 000	54 000	54 000
Increase in consumer deposits	692	(15 312)	190	330	8	14 806						3 224	3 937	4 262	3 444
Receipt of non-current debtors	-	-	-	-	-	-						-	-	-	-
Receipt of non-current receivables	2	0	0	0	0	3						5	10	10	7
Change in non-current investments	(682)	(565)	(133)	(407)	(379)	(949)						(4 010)	(7 124)	(7 339)	(7 575)
Total Cash Receipts by Source	119 700	59 567	86 163	90 180	80 654	140 451						580 781	1 167 516	1 247 021	1 308 799
Cash Payments by Type															
Employee related costs	22 778	51 762	27 475	27 481	43 246	28 777						153 215	354 654	375 944	407 956
Remuneration of councillors	848	848	848	848	848	848						5 886	10 972	11 518	12 691
Interest paid	94	582	969	2 846	1 009	12 355						29 980	47 834	50 433	52 064
Bulk purchases - Electricity	4	28 766	29 687	17 445	17 985	17 346						127 356	238 588	255 810	273 856
Bulk purchases - Water & Sewer												-	-	-	-
Other materials	706	2 157	2 856	3 160	4 095	4 564						40 062	57 602	89 068	74 195
Contracted services	1 392	6 572	13 177	11 756	15 140	19 010						124 590	193 637	213 319	214 980
Grants and subsidies paid - other municipalities												-	-	-	-
Grants and subsidies paid - other	3	8	271	45	8	23						142	590	278	292
General expenses	5 057	3 754	5 417	42 052	13 593	12 140						(44 298)	37 715	67 582	94 543
Cash Payments by Type	30 892	86 448	80 782	105 553	95 924	95 053						438 932	941 583	1 083 553	1 129 977
Other Cash Flows/Payments by Type															
Capital assets	531	1 818	5 557	4 200	9 412	12 963						159 755	194 237	134 030	137 249
Repayment of borrowing	1 459	1 060	948	6 626	1 360	4 808						17 741	33 993	38 428	41 636
Other Cash Flows/Payments	(3 902)	5	(19 988)			23 865						0			
Total Cash Payments by Type	28 970	99 321	67 248	118 379	106 696	136 700						614 427	1 169 733	1 236 012	1 308 862
NET INCREASE/(DECREASE) IN CASH HELD	90 730	(39 754)	18 944	(26 199)	(26 043)	3 752						(23 647)	(2 217)	11 969	(2 063)
Cash/cash equivalents at the monthly year begin	474 967	585 698	525 944	544 887	518 608	492 645	496 397	496 397	496 397	496 397	496 397	496 397	474 967	472 750	483 759
Cash/cash equivalents at the monthly year end:	565 698	525 944	544 887	518 688	492 645	496 397	496 397	496 397	496 397	496 397	496 397	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 - M06 December

Description	NT Code	Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	14 750	602	333	195	98	102	403	2 940	19 424	3 739		3 921
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 820	405	216	146	116	120	579	3 225	19 628	4 187		5 176
Receivables from Non-exchange Transactions - Property Rates	1400	19 849	837	296	461	164	135	559	2 351	24 661	3 679		5 847
Receivables from Exchange Transactions - Waste Water Management	1500	7 379	248	193	89	77	66	305	1 692	10 049	2 229		2 432
Receivables from Exchange Transactions - Waste Management	1600	5 776	161	110	75	72	59	261	1 267	7 781	1 734		2 028
Receivables from Exchange Transactions - Property Rental Debtors	1700	241	6	4	6	5	4	57	187	512	260		164
Interest on Arrear Debtor Accounts	1810	105	52	41	43	32	40	278	6 775	7 368	7 169		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820												
Other	1900	3 028	335	195	194	102	178	813	3 841	8 687	5 129		2 211
Total By Income Source	2000	65 948	2 647	1 389	1 211	666	705	3 255	22 289	98 110	28 126	-	21 779
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	1 207	329	108	312	13	19	153	1 068	3 210	1 565		261
Commercial	2300	7 777	161	36	28	22	17	189	998	9 230	1 255		788
Households	2400	57 346	2 155	1 243	868	630	667	2 906	20 121	85 937	25 192		20 728
Other	2500	(383)	1	1	2	1	1	7	101	(267)	113		2
Total By Customer Group	2600	65 948	2 647	1 389	1 211	666	705	3 255	22 289	98 110	28 126	-	21 779

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		NO VOTE for 2018/2019			
February		NO VOTE for 2018/2019			
March		NO VOTE for 2018/2019			
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)	No. of indigent (poor) beneficiaries	No. of other beneficiaries (non indigent)	Total beneficiaries	level of Service (e.g. VIP toilets)
7725			6KL	7725	0	7725	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	7612		50kWh	7725	0	7725	Total monthly levy

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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											
February											
January											
December	65 947 801	2 647 087	1 388 890	1 210 859	666 499	704 533	3 256 426	22 288 563	98 109 656	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	21 866 708	95 637 507	30 620 749	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	66 261 931	1 470 065	1 080 941	918 647	710 510	624 175	4 035 909	20 910 349	96 010 527	29 748 698	27 197 590
Augustus	62 587 778	1 547 218	1 072 992	809 153	710 179	711 933	4 054 385	20 534 672	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	20 383 698	92 932 023	29 696 637	26 933 924

Government Debt

Overstrand Municipality as at 31/12/2018	Total Debt	Services	Rates	Other
Department Responsible for the Debt				
NPW 2227	1 715 738	1 135 939	561 107	18 693
WCED 2251	918 887	918 887	0	0
OTHER 2210+2255	23 133	23 133	0	0
HEALTH 2252	110 397	97 673	11 797	927
TPW 2256	205 894	18 690	183 814	3 390
HOUSING 2253+2215	15 039	15 039	0	0
OTHER MUNICIPALITIES 2276	220 827	220 827	0	0
TOTAL OUTSTANDING	3 209 916	2 430 189	756 718	23 009

Creditors' analysis**Supporting Table SC4****WC032 Overstrand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December**

Description	NT Code	Budget Year 2018/19								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-								-
Bulk Water	0200	-								-
PAYE deductions	0300	3 664								3 664
VAT (output less input)	0400	-								-
Pensions / Retirement deductions	0500	-								-
Loan repayments	0600	-								-
Trade Creditors	0700	180								180
Auditor General	0800	-								-
Other	0900	-								-
Total By Customer Type	1000	3 844	-	-	-	-	-	-	-	3 844

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

The payment of creditors is within requirements of the MFMA.

Investment portfolio analysis

Supporting Table SC5

WC032 Overstrand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & Investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the months	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands	Yrs/Months							
Municipality								
LIBERTY 15934476	15 YEARS	Policy	01/09/2025	59		16 250	125	16 433
LIBERTY 21196964	14 YEARS	Policy	01/09/2025	86		28 262	260	28 607
MOMENTUM MP 3853776	14 YEARS	Policy	01/07/2026	(25)		2 663	30	2 668
ABSA 9284200168	DEP PLUS	DEP PLUS		60	6.5%	14 673	(10 000)	4 733
ABSA 9295906141	DEP PLUS	DEP PLUS		60	6.5%	14 673	(10 000)	4 733
ABSA 9331734880	DEP PLUS	DEP PLUS		54	6.0%	10 256	(51)	10 269
Nedbank 03/7881534451 ref: 7874587	122 days	FIXED DEP	17/01/2019		8.0%	50 000		50 000
Standard Bank 288434005-028	123 days	FIXED DEP	26/02/2019		8.0%	100 000		100 000
Nedbank 03/7881534451 ref: 7962882	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
Standard Bank 288434005-027	61 days	FIXED DEP	29/01/2019		7.8%	50 000		50 000
TOTAL INVESTMENTS AND INTEREST				293		486 787	(19 636)	467 445

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 - M06 December

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:	-	99 544	99 544	32 023	74 950	74 950	-		99 544
Local Government Equitable Share		96 068	96 068	32 023	72 051	72 051	-		96 068
Finance Management		1 550	1 550		1 550	1 550			1 550
EPWP Incentive		1 926	1 926		1 349	1 349			1 926
Provincial Government:	-	30 731	12 229	1 571	6 269	6 269	-		12 229
Human Settlements Development Grant		23 633	5 133	1 211	1 211	1 211	-		5 133
Library Services Grant		6 147	6 147		4 698	4 698			6 147
Financial Management Capacity Building Grant		360	360	360	360	360	-		360
Community Dev Workers Operational Support Grant		74	-				-		-
Maintenance & Constuction of Transport Infrastructure		137	137				-		137
Western Cape Financial Management Support Grant		280	280						280
Local Government Internship Grant			72						72
Greenest Municipality Competition									
Thusong Service Centre		100	100				-		100
Total Operating Transfers and Grants	-	130 275	111 773	33 594	81 219	81 219	-		111 773
Capital Transfers and Grants									
National Government:	-	25 901	25 901	4 719	14 222	14 222	-		25 901
Municipal Infrastructure Grant (MIG)		21 639	21 639	3 719	9 960	9 960	-		21 639
Integrated National Electrification Programme		4 262	4 262	1 000	4 262	4 262			4 262
Provincial Government:	-	36 067	38 767	-	-	-	-		38 767
Human Settlements Development Grant		35 467	33 967				-		33 967
Public Transport Non-Motorised Infrastructure Grant									
Library Services Grant		600	600						600
Resourcing Funding for Establishment & Sup of a K9 Unit			4 000						4 000
Municipal Service Delivery & Capacity Building Grant			200						200
<i>District Municipality:</i>	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	-	61 968	64 668	4 719	14 222	14 222	-		64 668
TOTAL RECEIPTS OF TRANSFERS & GRANTS	-	192 243	176 441	38 313	95 441	95 441	-		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 - M06
December

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:	-	3 476	3 476	190	1 172	1 172	-		3 476
Local Government Equitable Share							-		
Finance Management		1 550	1 550	56	372	372	-		1 550
EPWP Incentive		1 926	1 926	133	799	799	-		1 926
Provincial Government:	-	31 022	14 673	2 260	5 851	5 851	-		14 673
Human Settlements Development Grant		23 633	7 287	1 640	1 640	1 640	-		7 287
Library Services Grant		6 147	6 147	614	4 161	4 161	-		6 147
Financial Management Capacity Building Grant		600	600				-		600
CDW		74	-		3	3	-		-
Maintenance & Constuction of Transport Infrastructure		137	137				-		137
Western Cape Finl Management Support Grant		280	280				-		280
Local Government Internship Grant		51	122	7	45	45	-		122
Greenest Municipality Competition							-		
Thusong Service Centre		100	100		2	2	-		100
Other grant providers:	-	-	-	-	23	23	-		-
Spaces for Sports					23	23	-		
Total operating expenditure of Transfers and Grants	-	34 498	18 149	2 450	7 045	7 045	-		18 149
Capital expenditure of Transfers and Grants									
National Government:	-	25 901	30 445	5 798	10 496	10 496	-		30 445
Municipal Infrastructure Grant (MIG)		21 639	26 183	5 243	9 545	9 545	-		26 183
Integrated National Electrification Programme		4 262	4 262	555	951	951	-		4 262
Provincial Government:	-	36 067	40 696	-	-	-	-		40 696
Human Settlements Development Grant		35 467	39 177				-		39 177
Public Transp Non-Motorised Infrastructure Grant			390				-		390
Resourcing Funding for Est & Support of a K9 Unit		600	1 129				-		1 129
Municipal Service Del & Capacity Build Grant							-		
Library Services Grant							-		
Other grant providers:	-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	-	61 968	73 841	7 830	12 528	12 528	-		73 841
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	-	96 466	91 990	10 280	19 573	19 573	-		91 990

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 - M06 December

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					
Municipal Systems Improvement					
EPWP Incentive					
Other transfers and grants (insert description)					
Provincial Government:	2 445	1 053	1 053	1 392	56.9%
Human Settlements Development Grant	2 154	1 008	1 008	1 146	53.2%
Library Services Grant					
Financial Management Capacity Building Grant	240			240	100.0%
Community Development Workers Operational Support Grant					
Maintenance & Construction of Transport Infrastructure					
Western Cape Financial Management Support Grant					
Local Government Internship Grant	50	45	45	6	11.1%
District Municipality:	-	-	-	-	
Other grant providers:	-	-	-	-	
Total operating expenditure of Approved Roll-overs	2 445	1 053	1 053	1 392	56.9%
Capital expenditure of Approved Roll-overs					
National Government:	4 544	587	587	3 957	87.1%
Municipal Infrastructure Grant (MIG)	4 544	587	587	3 957	87.1%
INEP					
Other capital transfers (insert description)					
Provincial Government:	4 629	765	765	3 474	75.1%
Human Settlements Development Grant	3 710	765	765	2 945	79.4%
Public Transport Non-Motorised Infrastructure Grant	390				
Library Services Grant	529			529	100.0%
District Municipality:	-	-	-	-	
Other grant providers:	-	-	-	-	
Total capital expenditure of Approved Roll-overs	9 173	1 351	1 351	7 432	81.0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	11 617	2 404	2 404	8 823	75.9%

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.

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Expenditure on councillor allowances and employee benefits

Supporting Table SC8

WC032 Overstrand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

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		9 862	9 862	755	4 531	4 931	(400)	-8%	9 862
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Motor Vehicle Allowance							-		
Cellphone Allowance		1 110	1 110	93	555	555	(0)	0%	1 110
Housing Allowances							-		
Other benefits and allowances							-		
Sub Total - Councillors	-	10 972	10 972	848	5 086	5 486	(400)	-7%	10 972
Senior Managers of the Municipality									
Basic Salaries and Wages		10 954	10 954	919	5 497	5 477	20	0%	10 954
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Overtime							-		
Performance Bonus		210	210				-		210
Motor Vehicle Allowance							-		
Cellphone Allowance		194	194	16	93	97	(4)	-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	-	11 358	11 358	934	5 598	5 581	17	0%	11 358
Other Municipal Staff									
Basic Salaries and Wages		225 106	225 106	18 887	120 824	122 905	(2 081)	-2%	225 106
Pension and UIF Contributions		39 574	39 574	3 044	18 159	18 204	(46)	0%	39 574
Medical Aid Contributions		13 679	13 679	970	5 862	5 945	(83)	-1%	13 679
Overtime		23 606	23 606	1 978	9 046	9 097	(51)	-1%	23 606
Performance Bonus							-		
Motor Vehicle Allowance		8 203	8 203	956	5 704	5 789	(85)	-1%	8 203
Cellphone Allowance		2 049	2 049	157	938	943	(4)	0%	2 049
Housing Allowances		2 542	2 542	196	1 176	1 263	(88)	-7%	2 542
Other benefits and allowances		26 983	26 983	1 302	6 840	6 859	(18)	0%	26 983
Payments in lieu of leave		1 062	1 062	88	531	531	0	0%	1 062
Long service awards		1 946	1 946	162	973	973	-		1 946
Post-retirement benefit obligations		10 916	10 916	875	5 251	5 458	(208)	-4%	10 916
Sub Total - Other Municipal Staff	-	355 667	355 667	28 616	175 304	177 967	(2 663)	-1%	355 667
TOTAL SALARY, ALLOWANCES & BENEFITS	-	377 997	377 997	30 398	185 988	189 034	(3 047)	-2%	377 997
TOTAL MANAGERS AND STAFF	-	367 024	367 024	29 550	180 901	183 548	(2 647)	-1%	367 024

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SDBIP

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

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Financial Performance

Supporting Table SC2

WC032 Overstrand - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	0.0%	15.7%	15.9%	3.5%	5.3%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	0.0%	35.3%	32.8%	20.0%	32.8%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	0.0%	16.4%	15.9%	13.7%	15.9%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	12838.7%	12838.7%	11945.5%	12838.7%
Liquidity						
Current Ratio	Current assets/current liabilities	0.0%	243.4%	286.1%	416.5%	286.1%
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0%	176.7%	219.4%	309.0%	219.4%
Revenue Management						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	11.9%	12.0%	21.0%	12.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		99.0%	99.0%	Annual Indicator	99.0%
Funding of Provisions						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
Other Indicators						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated		7.5%	7.5%	Annual Indicator	7.5%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source		19.69%	19.69%	Annual Indicator	19.69%
Employee costs	Employee costs/Total Revenue - capital revenue	0.0%	34.0%	34.5%	31.9%	34.5%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	20.8%	21.2%	19.9%	21.2%
Interest & Depreciation	I&D/Total Revenue - capital revenue	0.0%	16.5%	16.7%	3.1%	5.5%
IDP regulation financial viability indicators						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		15.0	15.0	Annual Indicator	15.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		15.0%	15.0%	Annual Indicator	15.0%
iii. Cost coverage	(Available cash + investments)/monthly fixed operational expenditure		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 - M06 December

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									
Monthly expenditure performance trend									
July		3	3	531	531	531	-		0%
August		3 058	3 058	1 818	2 350	3 061	711	23.2%	1%
September		15 792	15 792	5 557	7 907	18 853	10 946	58.1%	4%
October		10 698	10 698	4 200	12 107	29 551	17 444	59.0%	6%
November		16 810	16 810	9 412	21 519	46 361	24 842	53.6%	11%
December		14 086	14 086	13 353	34 871	60 447	25 576	42.3%	18%
January		4 586	4 586			65 034	-		
February		12 226	12 226			77 260	-		
March		24 960	24 960			102 219	-		
April		19 866	19 866			122 086	-		
May		25 978	25 978			148 064	-		
June		46 173	55 346			203 410	-		
Total Capital expenditure	-	194 237	203 410	34 871					

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Top 10 Capital Projects

Rank	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	Blompark	Ward 02	BLOMPARK PROJECT	16 313 481	17 077 973	2 031 779	Contractor established on site on 17 September 2018.	Progress is estimated at 40%	None	Not applicable
2	Stanford	Ward 11	WWTW UPGRADE - STANFORD	16 177 216	16 177 216	6 345 248	Both civils and mechanical/electrical contracts have been awarded. Contractors on site.	Construction stage	None	Not applicable
3	Hermanus	Ward 03	HERMANUS: MV & LV UPGRADE/REPLACEMENT	10 150 000	10 150 000	2 660 362		BID Specification meeting held on 12 July 2018. Tender was advertised on 27 July 2018. Tender advertising closed on 31 Aug 2018. Evaluation of tender is in progress.	None	Not applicable
4	Overstrand	Overstrand	WATER MASTER PLAN IMPLEMENTATION	10 000 000	10 000 000	1 056 821	Tenders closed on 16/11/2018.	Tender evaluation stage	None	Not applicable
5	Masakhane	Ward 01	MASAKHANE	8 449 062	8 449 062		Funding application for services submitted to DOHS at end of May 2018 - Awaiting funding approval	Funding approval received for IRDP portion of development on 2 November 2018 - contract to be finalised with DOHS	None	Not applicable
6	Hermanus	Ward 04	UPGRADE HERMANUS WELL FIELDS PHASE 1	7 000 000	7 000 000		Agreed to use transversal contract of Province.	Tender evaluation stage with SCM.	Province took longer than expected with tender evaluation; DEADP withdrew the shortened EIA process for drought relief projects	Close liaison with SCM on approval process; Close liaison with DEADP on phasing of project i.e., environmental requirements.
7	Pringle Bay	Ward 10	NEW RESERVOIR FOR PRINGLE BAY	5 862 505	5 862 505		Busy with basic environmental assessment process and tender documentation.	Planning (EIA, design and tender documentation) stage.	Environmental process is taking longer than anticipated.	Close liaison with EAP and DEADP to enhance the environmental process; Tender process in parallel with final stages of EIA.
8	Stanford	Ward 11	STANFORD IRDP	5 517 519	5 517 519		Funding application for services submitted to DOHS at end of May 2018 - Currently awaiting approval.			
9	Overstrand	Overstrand	VEHICLES - SEWERAGE	5 050 000	5 050 000		Transversal tender with NT (RT 57) has been approved by Accounting Officer on 27 August 2018.	Procurement in progress.	None	Not applicable
10	Hawston	Ward 08	HAWSTON INDUSTRIAL (BUSINESS) HUB	5 000 000	5 000 000		Concept development and public participation.	Concept Development	None	Tender process will be carried out on finalisation of community participation.
Totals				89 519 765	90 284 277	12 094 205				

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Supporting Table SC13a

WC032 Overstrand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06

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	-	112 050	120 084	7 720	21 481	36 337	14 856	40.9%	120 084
Roads Infrastructure	-	12 506	14 271	2 782	4 188	6 134	1 947	31.7%	14 271
Roads	-	12 506	14 271	2 782	4 188	6 134	1 947	31.7%	14 271
Storm water Infrastructure	-	11 723	14 136	211	1 292	2 389	1 097	45.9%	14 136
Drainage Collection	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	22 772	22 972	607	5 047	9 317	4 270	45.8%	22 972
MV Substations	-	5 622	5 622	555	2 045	2 811	766	27.3%	5 622
MV Networks	-	17 150	17 350	53	3 002	6 506	3 504	53.9%	17 350
Water Supply Infrastructure	-	30 077	31 372	-	1 183	2 975	1 792	60.2%	31 372
Reservoirs	-	16 363	17 118	-	-	-	-	-	17 118
Water Treatment Works	-	10 200	10 200	-	1 183	2 975	1 792	60.2%	10 200
Distribution	-	3 514	4 054	-	-	-	-	-	4 054
Sanitation Infrastructure	-	34 973	37 333	4 127	9 771	15 521	5 750	37.0%	37 333
Pump Station	-	1 925	1 925	61	877	963	86	8.9%	1 925
Reticulation	-	435	435	-	-	-	-	-	435
Waste Water Treatment Works	-	21 062	23 422	2 741	6 786	8 763	1 997	22.7%	23 422
Outfall Sewers	-	11 550	11 550	1 325	2 109	5 775	3 666	63.5%	11 550
Community Assets	-	24 037	28 666	1 980	5 781	7 128	1 347	18.9%	28 666
Community Facilities	-	16 380	21 009	922	2 103	3 300	1 197	36.3%	21 009
Halls	-	3 664	3 664	-	-	-	-	-	3 664
Crèches	-	245	245	-	45	102	57	56.2%	245
Fire/Ambulance Stations	-	5 576	5 576	-	-	-	-	-	5 576
Libraries	-	600	1 129	-	-	-	-	-	1 129
Cemeteries/Crematoria	-	570	570	135	202	285	83	29.1%	570
Police	-	-	4 000	-	-	-	-	-	4 000
Public Open Space	-	5 725	5 825	787	1 856	2 913	1 057	36.3%	5 825
Sport and Recreation Facilities	-	7 657	7 657	1 058	3 678	3 829	150	3.9%	7 657
Outdoor Facilities	-	7 657	7 657	1 058	3 678	3 829	150	3.9%	7 657
Other assets	-	36 888	39 097	2 032	2 132	8 323	6 191	74.4%	39 097
Operational Buildings	-	1 421	1 421	-	100	474	374	78.9%	1 421
Housing	-	35 467	37 677	2 032	2 032	7 849	5 818	74.1%	37 677
Social Housing	-	35 467	37 677	2 032	2 032	7 849	5 818	74.1%	37 677
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	4 136	4 136	144	2 940	2 068	(872)	-42.2%	4 136
Computer Equipment	-	4 136	4 136	144	2 940	2 068	(872)	-42.2%	4 136
Furniture and Office Equipment	-	215	215	-	8	54	46	86.0%	215
Furniture and Office Equipment	-	215	215	-	8	54	46	86.0%	215
Machinery and Equipment	-	1 566	1 566	10	154	783	629	80.4%	1 566
Machinery and Equipment	-	1 566	1 566	10	154	783	629	80.4%	1 566
Transport Assets	-	15 345	15 345	1 460	2 376	5 754	3 379	58.7%	15 345
Transport Assets	-	15 345	15 345	1 460	2 376	5 754	3 379	58.7%	15 345
Total Capital Expenditure on new assets	-	194 237	208 110	13 353	34 871	60 447	28 576	42.3%	208 110

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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 - M06 December

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	-	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological An	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal	-	-	-	-	-	-	-	-	-

A31/37

Supporting Table SC13c

WC032 Overstrand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06
December

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	-	149 696	149 696	16 640	62 355	74 845	12 490	16.7%	149 690
Roads Infrastructure	-	63 374	63 374	7 413	23 037	31 687	8 650	27.3%	63 374
Roads	-	63 374	63 374	7 413	23 037	31 687	8 650	27.3%	63 374
Storm water Infrastructure	-	6 786	6 786	435	2 294	3 393	1 099	32.4%	6 786
Storm water Conveyance	-	6 786	6 786	435	2 294	3 393	1 099	32.4%	6 786
Electrical Infrastructure	-	23 747	23 747	1 693	11 043	11 874	831	7.0%	23 747
HV Transmission Conductors	-	23 747	23 747	1 693	11 043	11 874	831	7.0%	23 747
Water Supply Infrastructure	-	19 104	19 104	3 553	10 194	9 552	(642)	-6.7%	19 104
Water Treatment Works	-	19 104	19 104	3 553	10 194	9 552	(642)	-6.7%	19 104
Sanitation Infrastructure	-	13 642	13 642	1 800	7 578	6 821	(755)	-11.1%	13 642
Waste Water Treatment Works	-	13 642	13 642	1 800	7 578	6 821	(755)	-11.1%	13 642
Solid Waste Infrastructure	-	23 038	23 038	1 946	8 212	11 519	3 307	28.7%	23 038
Waste Transfer Stations	-	23 038	23 038	1 946	8 212	11 519	3 307	28.7%	23 038
Community Assets	-	41 017	41 017	3 301	18 101	20 508	2 407	11.7%	41 017
Community Facilities	-	27 714	27 714	2 013	13 168	13 857	689	5.0%	27 714
Halls	-	3 712	3 712	279	1 774	1 856	82	4.4%	3 712
Libraries	-	24	24	2	9	12	3	23.2%	24
Cemeteries/Crematoria	-	842	842	41	274	421	148	35.0%	842
Public Open Space	-	23 136	23 136	1 691	11 112	11 568	456	3.9%	23 136
Sport and Recreation Facilities	-	13 304	13 304	1 288	4 933	6 652	1 718	25.8%	13 304
Outdoor Facilities	-	13 304	13 304	1 288	4 933	6 652	1 718	25.8%	13 304
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	12 497	12 497	993	3 789	6 248	2 460	39.4%	12 497
Operational Buildings	-	12 497	12 497	993	3 789	6 248	2 460	39.4%	12 497
Municipal Offices	-	12 497	12 497	993	3 789	6 248	2 460	39.4%	12 497
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	5 387	5 387	34	1 336	2 693	1 357	50.4%	5 387
Computer Equipment	-	5 387	5 387	34	1 336	2 693	1 357	50.4%	5 387
Furniture and Office Equipment	-	16 622	16 622	1 020	6 012	8 311	2 299	27.7%	16 622
Furniture and Office Equipment	-	16 622	16 622	1 020	6 012	8 311	2 299	27.7%	16 622
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 Repairs and Maintenance Expenditure	-	225 212	225 212	22 188	91 594	112 606	21 012	18.7%	225 212

Supporting Table SC13d

WC032 Overstrand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

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	-	112 443	112 443	9 370	56 221	56 221	-		112 443
Roads Infrastructure	-	32 858	32 858	2 738	16 429	16 429	-		32 858
Roads		32 858	32 858	2 738	16 429	16 429	-		32 858
Storm water Infrastructure	-	5 912	5 912	493	2 956	2 956	-		5 912
Storm water Conveyance		5 912	5 912	493	2 956	2 956	-		5 912
Electrical Infrastructure	-	25 149	25 149	2 096	12 575	12 575	-		25 149
HV Transmission Conductors		25 149	25 149	2 096	12 575	12 575	-		25 149
Water Supply Infrastructure	-	27 462	27 462	2 288	13 731	13 731	-		27 462
Water Treatment Works		27 462	27 462	2 288	13 731	13 731	-		27 462
Distribution							-		
Sanitation Infrastructure	-	16 299	16 299	1 358	8 150	8 150	-		16 299
Reticulation		16 299	16 299	1 358	8 150	8 150	-		16 299
Waste Water Treatment Works							-		
Solid Waste Infrastructure	-	4 763	4 763	397	2 381	2 381	-		4 763
Waste Transfer Stations		4 763	4 763	397	2 381	2 381	-		4 763
Community Assets	-	3 029	3 029	252	1 515	1 515	-		3 029
Sport and Recreation Facilities	-	3 029	3 029	252	1 515	1 515	-		3 029
Outdoor Facilities		3 029	3 029	252	1 515	1 515	-		3 029
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Other assets	-	8 818	8 818	735	4 409	4 409	-		8 818
Operational Buildings	-	8 818	8 818	735	4 409	4 409	-		8 818
Municipal Offices		8 818	8 818	735	4 409	4 409	-		8 818
Biological or Cultivated Assets	-	-	-	-	-	-	-		-
Intangible Assets	-	653	653	54	326	326	-		653
Licences and Rights	-	653	653	54	326	326	-		653
Computer Software and Applications		653	653	54	326	326	-		653
Computer Equipment	-	1 347	1 347	112	673	673	-		1 347
Computer Equipment		1 347	1 347	112	673	673	-		1 347
Furniture and Office Equipment	-	609	609	51	305	305	-		609
Furniture and Office Equipment		609	609	51	305	305	-		609
Machinery and Equipment	-	687	687	57	343	343	-		687
Machinery and Equipment		687	687	57	343	343	-		687
Transport Assets	-	2 777	2 777	231	1 388	1 388	-		2 777
Transport Assets		2 777	2 777	231	1 388	1 388	-		2 777
Land	-	-	-	-	-	-	-		-
Land							-		
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals							-		
Total Depreciation	-	130 362	130 362	10 864	65 181	65 181	-		130 362

Supporting Table SC13e

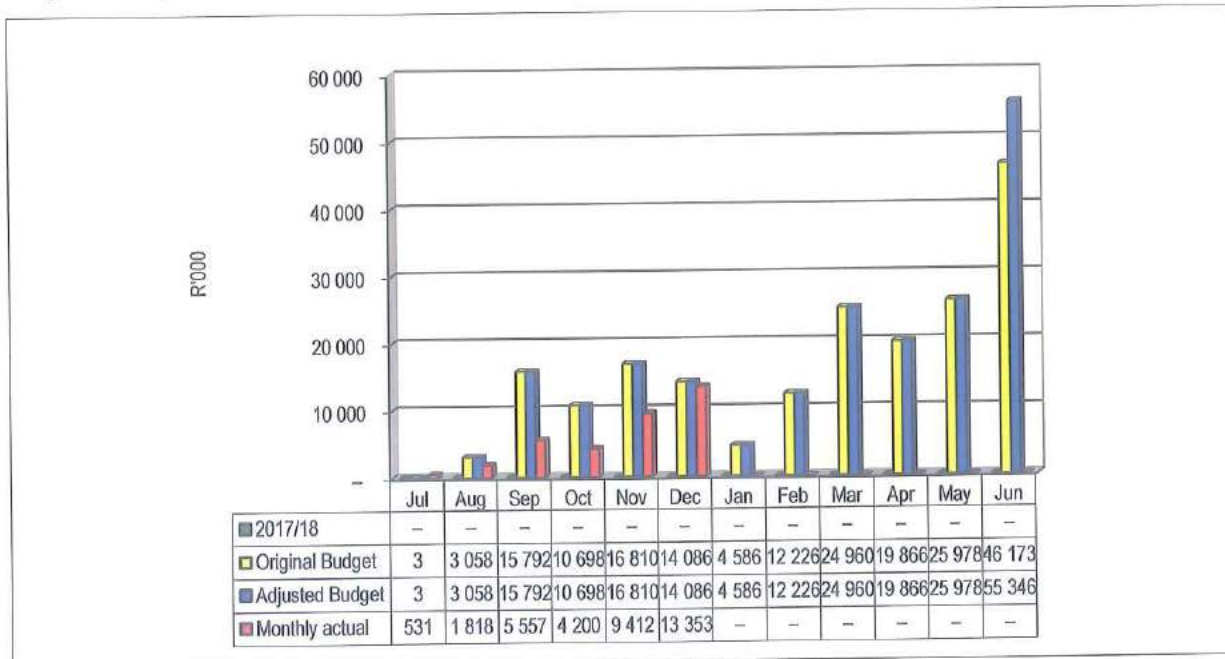
WC032 Overstrand - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M06 December

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	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-

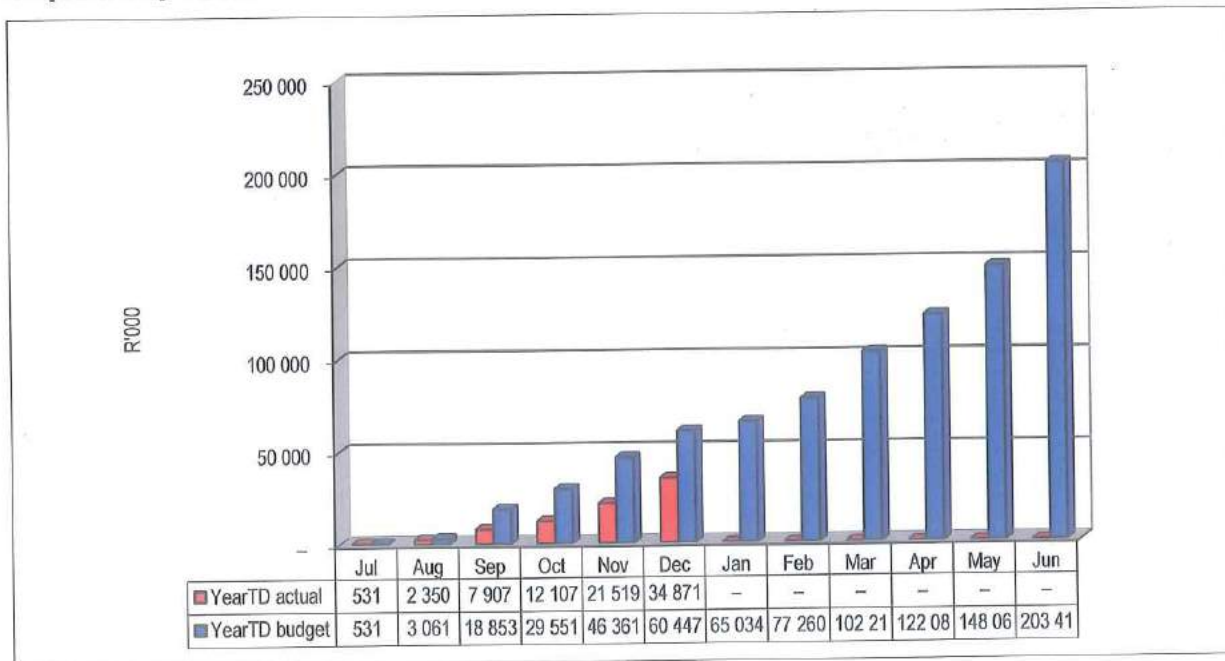
Other supporting documentation

Section 71 charts

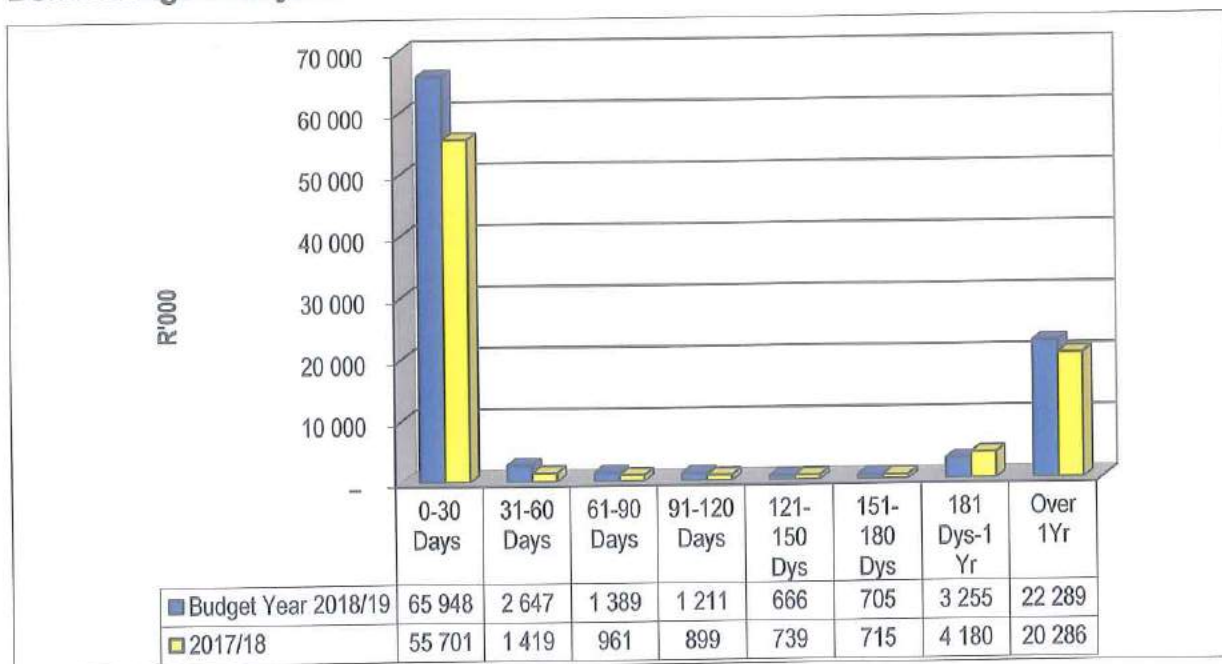
Capital expenditure monthly trend - actual vs target



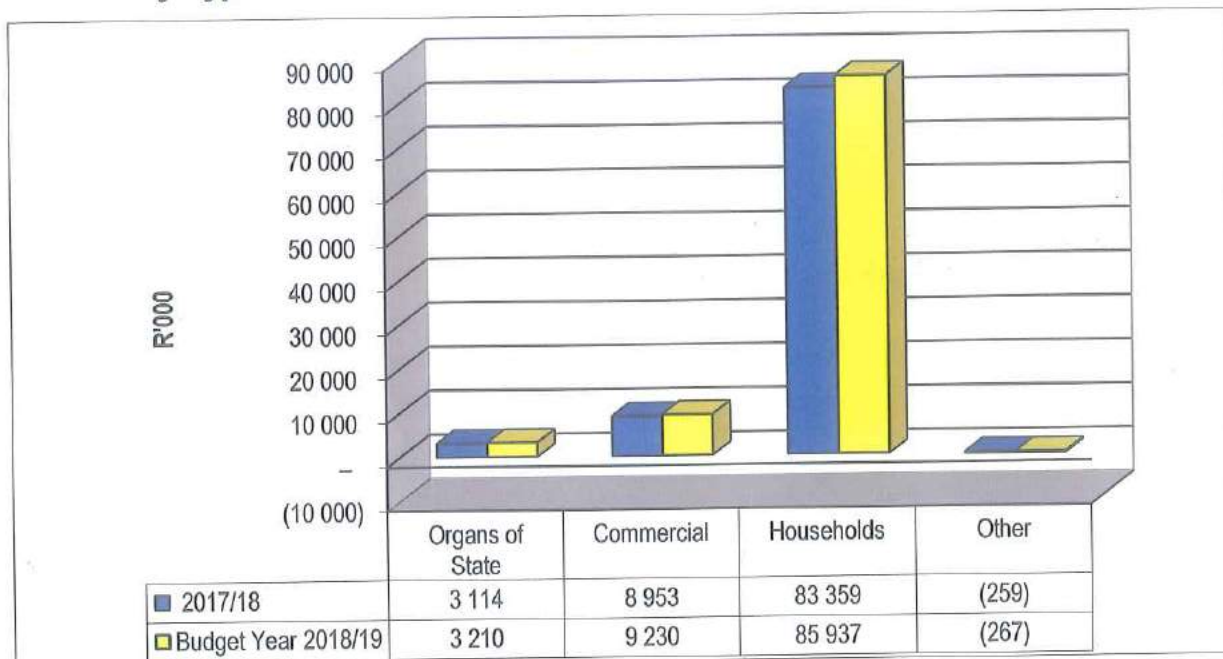
Capital expenditure – YTD actual vs YTD trend



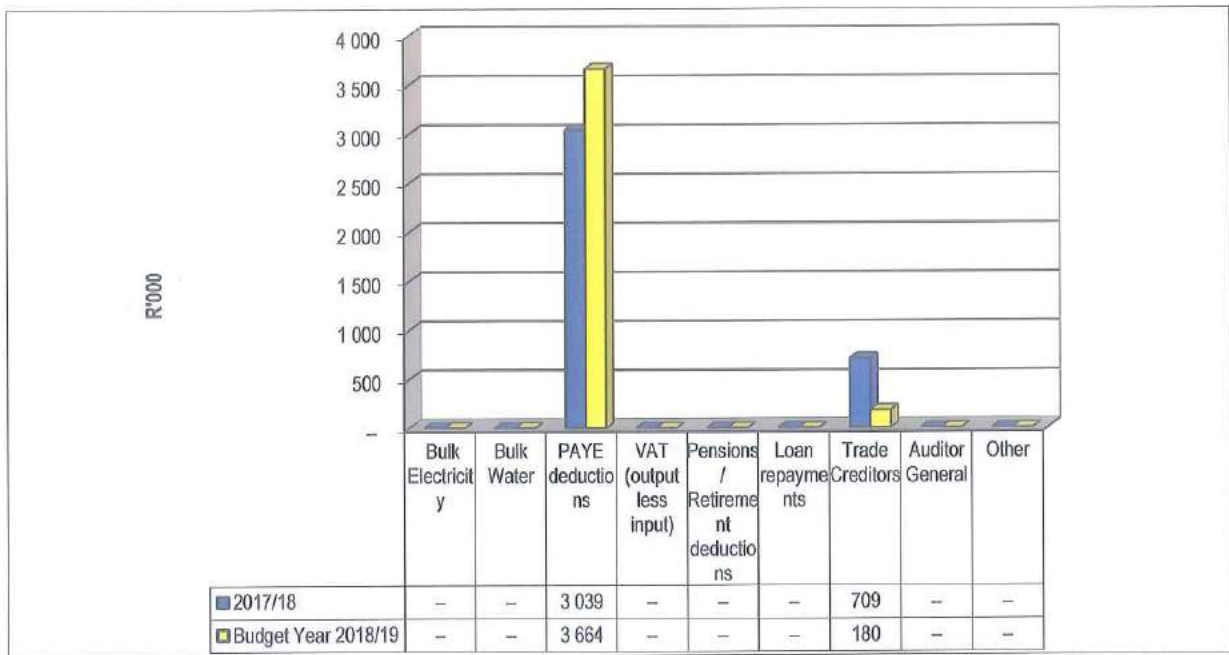
Debtors Age Analysis



Debtors by Type



Creditor Payments



Municipal manager's quality certification

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

Quarterly Budget Report

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

Print name: **CC Groenewald**

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

Signature:



Date:

15.01.2019

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 Allocated R 132 000.00

Opening Balance 01/07/2018 R 10 085.22

Donations received:

Quarter 1	R 0.00
Quarter 2	R 0.00
	<u>R 0.00</u>

Amounts withdrawn:

Quarter 1 02/08/2018 PASTOR R ARENDSE: TEHIAH KINGDOM CHURCH - TRAVEL	-500.00
Quarter 2	<u>R 0.00</u>
	<u>-R 500.00</u>

R 9 585.22

Add: Budget allocation 2018/2019

R 132 000.00

Closing Balance 31/12/2018

R 141 085.22

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)

December 2018

Update: Draft Municipal Cost Containment Regulations

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

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

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

Municipalities are reminded that the National Treasury will be conducting municipal budget benchmark engagements with non-delegated municipalities during which all municipal budgets will be assessed

against the cost containment measures outlined in this Circular. Provincial Treasuries will be conducting similar engagements and budget assessments with delegated municipalities.

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

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

Conclusion

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

Reference in Circular 82	Overstrand Mun Comments
<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> All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed & Breakfast establishments.</p> <p><u>Rebates, Overrides, Volume based income</u> In the spirit of transparency, the OCPO is taking a firm position on rebates, overrides or any volume driven target incentives being paid by suppliers to Travel Management Company (TMC). As of 1 April 2016 these payments and the practice of overrides is to discontinue for Government business.</p>	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> • South African Revenue Services (SARS) • Municipal Finance Management Act, 2003 (Act No. 56 of 2003) • South African Local Government Association (SALGA) • Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) • Income Tax Act, 1962 (Act No. 58 of 1962). <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.</p>
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2.1 National Travel Policy

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

This will be available on the OCPO's website:

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

2.2 Air Travel

- 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.

C7/12

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 530	R 710	R 955
2 Star	R 600	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 900	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 500		
2 Star	R 800		
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.*

- 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

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.

<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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C10/12

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

C11/12

<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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C12/12

<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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ANNEXURE D1/5

**MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA):
POST IMPLEMENTATION STATUS OF THE mSCOA PROJECT – DECEMBER 2018**

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.

Updated status of the mSCOA Project since the previous reporting to Council in August 2018:

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.

D2/S

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* Regulations 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

D3/S

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.

D4/S

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.

DS/S

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 over the past six months (July 2018 to December 2018). These and other system operational challenges are continually being logged with the service provider for solutions.

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