

**17.
BUDGET REPORT FOR THE QUARTER ENDED MARCH 2020****5/1/1/21-2019/2020****BA King****Senior Manager: Financial Services****17 April 2020****(028) 313 8154**

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 Cost Containment Regulations, 2019 report, attached as Annexure C, represents the status up to the end of March 2020 (Quarter 3).

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

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Quarterly Budget Report for the quarter ended March 2020

Annexure B: Executive Mayor's special fund – March 2020

Annexure C: Status report on the Cost Containment Regulations, 2019 – March 2020

Annexure D: Municipal Regulations on the Standard Chart of Accounts (mSCOA): Post Implementation Status of the mSCOA Project – March 2020

RECOMMENDATION TO THE COUNCIL:

that the budget report for the quarter ended March 2020, 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



QUARTERLY BUDGET REPORT

MARCH 2020

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

y-o-y – year-on-year

PART 1 – IN-YEAR REPORT

Mayor's Report

1.1 In-Year Report – Quarterly Budget Report

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the third quarter ended 31 March 2020 will be tabled in a separate comprehensive report to council.

1.1.2 Financial problems or risks facing the municipality

No financial problems or risks from a budgetary implementation or financial management perspective at this stage. It is however important to note that as a country we are faced with two major phenomena, firstly, the financial impact of the COVID-19 Pandemic on municipalities, and secondly, the impact of the downgrade on South Africa's credit rating. As a result of the crisis, municipalities are under pressure to provide certain services to assist in curbing the spread of this virus.

1.1.3 Other relevant information

The 2019/2020 Budget was compiled according to version 6.3 of the mSCOA classification framework. The below results reflect the first quarter's financial position.

YTD Actual operating revenue at the end of the third quarter for 2019/2020 is at 78.91% of the budgeted revenue of R1.279bn. The expenditure reflects spending of 65.95% against the budgeted expenditure of R1.293bn.

YTD Capital expenditure at the end of March 2020 amounts to R145.8m, or 52.88% of the amended budget of R275.7m. Refer to the table on page 28 for the implementation status of the Top 10 Capital Projects.

A 2nd adjustments budget was tabled during this quarter for proposals emanating from the mid-year review and various adjustments identified on the operating and capital budgets.

Outstanding consumer debtors remain stable and the increase primarily reflects the year-on-year increase from increased tariffs as from 1 July 2019.

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

Resolutions

IN-YEAR REPORTS 2019/2020

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

RECOMMENDATION TO THE COUNCIL:

that the report for the quarter ended March 2020, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003 and additional information, **be noted**.

Executive Summary

COVID-19

The national lockdown announced on 23 March 2020 by the President, became effective from midnight on 26 March 2020. As this was close to the end of the month, no real impact is reflected in the figures reported for March 2020. The financial impact will be closely monitored.

As the Auditor General has completed the audit of the 2018/2019 financial statements the 'Audited Outcome' for 2018/2019 has been included in the tables, after the tabling of the Annual Report on 22 January 2020.

Revenue by Source

The Year-to-Date actual operating revenue is R1.009bn, which is 0.76% above the YTD budget projections of R1.002bn at the end of March 2020.

Borrowings

The balance of borrowings amounts to R436.5m at the end of March 2020.

Operating expenditure by vote & type

Current expenditure amounts to R852.8m which is 1.04% below YTD budget projections of R861.8m at the end of March 2020.

Capital expenditure

YTD Capital expenditure amounts to R145.8m or 52.88% of the amended budget of R275.7m. The current capital commitments of orders in progress amounts to R55m or 19.96% of the amended capital budget of R275.7m.

Cash flows

The municipality started the year with a positive cash balance of R533.2 million. The March closing balance is R774.4 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Grants totaling R42m was received during March 2020. The Housing receipts was transferred to a Control Account due to change in accounting treatment of construction contracts relating to housing.

Spending on Grants

Spending on grants amounts to R5.6m for March 2020 which includes FMG, EPWP, Provincial Library Grant, Thusong Service Centre Grant, Resource funding for the establishment of K9 Unit, INEP & MIG. Housing expenditure was transferred to a Control Account due to change in accounting treatment of construction contracts relating to housing.

Material variances

The table below summarises variances for projected revenue and expenditure.

WC032 Overstrand - Supporting Table SC1 Material variance explanations - M09 March			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Total	0.76%		
Other revenue			
Expenditure By Type			
Total	-1.04%		
Capital Expenditure			
Total	19.03%	Capital Commitments= R55m (20%)	
Financial Position			
In order			
Cash Flow			
In order			

Total Revenue (including capital grants)

R thousand	Amended Budget	YearTD actual	% of Budget Received/Spent
Revenue	1,328,349	1,031,028	77.62%
Expenditure	1,293,006	852,765	65.95%
Surplus / (Deficit)	35,343	178,263	
Capital	275,733	145,818	52.88%

Total Revenue (excluding capital grants)

R thousand	Amended Budget	YearTD actual	% of Budget Received/Spent
Revenue	1,279,516	1,009,688	78.91%
Expenditure	1,293,006	852,765	65.95%
Surplus / (Deficit)	(13,491)	156,922	
Capital	275,733	145,818	52.88%

Performance in relation to SDBIP targets

See the comprehensive quarterly report to be tabled in Council.

Remedial or corrective steps

Refer to the SDBIP report.

In-year budget statement tables / ...

Table C1: s71 Monthly Budget Statement Summary

WC032 Overstrand - Table C1 Monthly Budget Statement Summary - M09 March

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	233,274	242,150	242,950	19,939	181,935	182,010	(75)	-0%	242,950
Service charges	648,200	676,330	682,950	57,535	531,333	529,525	1,808	0%	682,950
Investment revenue	41,767	28,010	35,860	2,710	28,127	26,895	1,232	5%	35,860
Transfers and subsidies	118,976	152,183	125,794	27,938	119,626	119,626	-		125,794
Other own revenue	105,849	74,844	191,962	10,086	148,666	143,972	4,694	3%	191,962
Total Revenue (excluding capital transfers and contributions)	1,148,067	1,173,517	1,279,516	118,207	1,009,688	1,002,028	7,660	1%	1,279,516
Employee costs	367,858	399,804	399,521	30,952	294,995	296,147	(1,151)	-0%	399,521
Remuneration of Councillors	10,573	11,383	11,383	908	8,157	8,537	(380)	-4%	11,383
Depreciation & asset impairment	131,104	131,285	131,285	10,941	98,464	98,464	-		131,285
Finance charges	44,921	51,549	51,549	5,155	25,453	25,453	-		51,549
Materials and bulk purchases	289,705	339,554	323,826	22,188	218,156	219,060	(904)	-0%	323,826
Transfers and subsidies	486	500	500	-	500	500	-		500
Other expenditure	263,925	315,888	374,942	27,942	207,040	213,600	(6,560)	-3%	374,942
Total Expenditure	1,108,572	1,249,963	1,293,006	98,084	852,765	861,761	(8,996)	-1%	1,293,006
Surplus/(Deficit)	39,495	(76,446)	(13,491)	20,123	156,922	140,267	16,656	12%	(13,491)
Transfers and subsidies - capital (monetary a	66,060	70,194	46,216	4,371	21,340	21,340	-		46,216
Contributions & Contributed assets	-	-	2,618	-	-	-	-		2,618
Surplus/(Deficit) after capital transfers & contributions	105,555	(6,252)	35,343	24,494	178,263	161,607	16,656	10%	35,343
Surplus/ (Deficit) for the year	105,555	(6,252)	35,343	24,494	178,263	161,607	16,656	10%	35,343
Capital expenditure & funds sources									
Capital expenditure	175,110	261,677	275,733	21,026	145,818	122,502	23,316	19%	275,733
Capital transfers recognised	93,002	70,194	128,557	14,753	96,212	70,831	25,381	36%	128,557
Borrowing	36,495	90,501	69,925	3,316	37,428	38,617	(1,188)	-3%	69,925
Internally generated funds	45,613	100,981	77,251	2,957	12,178	13,055	(877)	-7%	77,251
Total sources of capital funds	175,110	261,677	275,733	21,026	145,818	122,502	23,316	19%	275,733
Financial position									
Total current assets	710,826	583,535	703,090		929,503				703,090
Total non current assets	3,688,101	3,823,679	3,813,035		3,740,282				3,813,035
Total current liabilities	222,765	234,096	212,344		332,449				212,344
Total non current liabilities	645,090	694,547	694,547		625,120				694,547
Community wealth/Equity	3,531,072	3,478,571	3,609,234		3,712,216				3,609,234
Cash flows									
Net cash from (used) operating	216,756	165,492	276,701	166,066	416,959	416,931	(28)	-0%	276,701
Net cash from (used) investing	(180,645)	(269,006)	(283,062)	(21,441)	(150,641)	(150,641)	-		(283,062)
Net cash from (used) financing	22,109	58,619	58,619	(5,008)	(25,074)	(25,074)	-		58,619
Cash/cash equivalents at the month/year end	533,188	444,120	585,446	-	774,432	774,405	(28)	-0%	585,446
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	69,183	2,361	1,721	1,422	1,378	1,047	6,634	29,064	112,811
Creditors Age Analysis									
Total Creditors	5,426	-	-	-	-	-	-	-	5,426

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
Governance and administration	327,076	317,773	334,875	30,464	251,752	252,187	(435)	0%	334,875
Executive and council	27,347	31,168	30,953	6,734	30,183	28,360	1,823	6%	30,953
Finance and administration	299,642	286,569	303,887	23,731	221,533	223,800	(2,267)	-1%	303,887
Internal audit	86	36	36	-	36	27	9	33%	36
Community and public safety	117,527	132,968	186,499	11,738	141,358	135,253	6,105	5%	186,499
Community and social services	8,471	8,073	8,077	688	7,398	6,058	1,340	22%	8,077
Sport and recreation	29,227	24,825	24,825	1,858	15,600	13,896	1,704	12%	24,825
Public safety	32,372	47,393	49,601	4,330	31,698	35,664	(3,966)	-11%	49,601
Housing	47,457	52,676	103,995	4,862	86,662	79,635	7,027	9%	103,995
Economic and environmental services	16,861	14,270	17,946	2,260	8,350	8,826	(476)	-5%	17,946
Planning and development	10,337	10,019	10,019	626	6,417	6,888	(471)	-7%	10,019
Road transport	6,229	4,206	7,882	1,634	1,904	1,904	-		7,882
Environmental protection	295	45	45	-	30	34	(4)	-13%	45
Trading services	752,662	778,700	789,029	78,115	629,568	627,103	2,465	0%	789,029
Energy sources	419,560	438,026	448,910	41,840	358,769	358,006	763	0%	448,910
Water management	145,980	147,953	149,453	15,039	117,043	116,698	344	0%	149,453
Waste water management	110,345	105,084	103,908	11,109	84,245	83,347	898	1%	103,908
Waste management	76,777	87,637	86,757	10,128	69,511	69,051	460	1%	86,757
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	1,214,127	1,243,711	1,328,349	122,578	1,031,028	1,023,368	7,660	1%	1,328,349
Expenditure - Functional									
Governance and administration	222,170	247,061	248,145	18,382	165,981	168,139	(2,157)	-1%	248,145
Executive and council	56,567	59,731	59,799	4,168	39,048	39,298	(249)	-1%	59,799
Finance and administration	162,935	184,233	185,249	14,027	125,179	126,866	(1,688)	-1%	185,249
Internal audit	2,668	3,097	3,097	186	1,754	1,974	(220)	-11%	3,097
Community and public safety	159,878	197,962	231,788	12,823	135,286	137,442	(2,156)	-2%	231,788
Community and social services	16,972	17,929	17,563	1,176	11,767	12,150	(383)	-3%	17,563
Sport and recreation	43,905	51,814	52,573	3,717	35,920	36,181	(261)	-1%	52,573
Public safety	80,702	94,795	98,604	7,314	66,796	68,309	(1,513)	-2%	98,604
Housing	18,299	33,424	63,048	616	20,802	20,802	-		63,048
Economic and environmental services	146,841	162,841	163,988	18,069	115,361	116,502	(1,141)	-1%	163,988
Planning and development	36,688	44,429	43,435	3,089	28,754	29,646	(892)	-3%	43,435
Road transport	103,331	106,751	108,727	13,901	79,496	79,577	(80)	0%	108,727
Environmental protection	6,821	11,661	11,826	1,079	7,110	7,279	(169)	-2%	11,826
Trading services	576,651	639,154	645,951	48,540	434,011	437,471	(3,459)	-1%	645,951
Energy sources	313,606	363,841	369,941	25,870	249,003	249,988	(985)	0%	369,941
Water management	107,916	116,983	116,866	9,584	72,492	73,811	(1,318)	-2%	116,866
Waste water management	84,120	85,886	86,251	7,124	61,430	62,330	(901)	-1%	86,251
Waste management	71,009	72,444	72,893	5,961	51,086	51,341	(255)	0%	72,893
Other	3,031	2,945	3,135	271	2,125	2,207	(82)	-4%	3,135
Total Expenditure - Functional	1,108,572	1,249,963	1,293,006	98,084	852,765	861,761	(8,996)	-1%	1,293,006
Surplus/ (Deficit) for the year	105,555	(6,252)	35,343	24,494	178,263	161,607	16,656	10%	35,343

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

The main functional areas are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

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

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

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

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Council	27,246	31,083	30,843	6,710	30,065	28,242	1,823	6.5%	30,843
Vote 2 - Municipal Manager & Internal Audit	86	36	36	-	36	27	9	33.3%	36
Vote 3 - Management Services	1,070	844	844	41	892	633	259	40.9%	844
Vote 4 - Finance	292,912	284,914	295,084	23,649	218,356	221,313	(2,957)	-1.3%	295,084
Vote 5 - Community Services	362,289	379,676	381,122	40,550	296,393	294,546	1,847	0.6%	381,122
Vote 6 - Economic and Social Development &	2,030	2,635	2,986	186	1,652	1,759	(107)	-6.1%	2,986
Vote 7 - Infrastructure & Planning	496,225	497,130	567,833	47,116	451,939	442,621	9,318	2.1%	567,833
Vote 8 - Protection Services	32,267	47,393	49,601	4,327	31,695	34,227	(2,533)	-7.4%	49,601
Total Revenue by Vote	1,214,127	1,243,711	1,328,349	122,578	1,031,028	1,023,368	7,660	0.7%	1,328,349
Expenditure by Vote									
Vote 1 - Council	38,174	36,077	35,876	2,250	24,047	24,754	(707)	-2.9%	35,876
Vote 2 - Municipal Manager & Internal Audit	5,050	5,797	6,297	510	3,806	4,201	(395)	-9.4%	6,297
Vote 3 - Management Services	46,736	56,900	55,967	5,518	37,472	38,944	(1,471)	-3.8%	55,967
Vote 4 - Finance	74,716	75,077	75,067	4,707	50,798	51,580	(782)	-1.5%	75,067
Vote 5 - Community Services	402,983	439,679	441,420	38,934	301,358	304,245	(2,886)	-0.9%	441,420
Vote 6 - Economic and Social Development &	10,303	13,291	14,310	913	8,376	9,144	(768)	-8.4%	14,310
Vote 7 - Infrastructure & Planning	449,522	527,994	565,180	38,121	359,580	360,299	(720)	-0.2%	565,180
Vote 8 - Protection Services	81,089	95,150	98,890	7,131	67,327	68,594	(1,266)	-1.8%	98,890
Total Expenditure by Vote	1,108,572	1,249,963	1,293,006	98,084	852,765	861,761	(8,996)	-1.0%	1,293,006
Surplus/ (Deficit) for the year	105,555	(6,252)	35,343	24,494	178,263	161,607	16,656	10.3%	35,343

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

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

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	233,274	242,150	242,950	19,939	181,935	182,010	(75)	0%	242,950
Service charges - electricity revenue	378,668	398,868	403,868	33,889	316,633	316,026	606	0%	403,868
Service charges - water revenue	129,971	127,320	128,820	11,207	101,290	100,802	488	0%	128,820
Service charges - sanitation revenue	77,772	80,020	81,020	6,683	61,455	60,765	690	1%	81,020
Service charges - refuse revenue	61,788	70,122	69,242	5,756	51,955	51,932	23	0%	69,242
Rental of facilities and equipment	6,341	3,562	3,562	289	2,828	2,672	156	6%	3,562
Interest earned - external investments	41,767	28,010	35,860	2,710	28,127	26,895	1,232	5%	35,860
Interest earned - outstanding debtors	4,193	4,151	4,451	368	3,666	3,338	328	10%	4,451
Fines, penalties and forfeits	24,734	32,552	32,552	2,221	24,034	24,414	(380)	-2%	32,552
Licences and permits	2,526	2,462	2,462	187	1,858	1,847	12	1%	2,462
Agency services	4,913	4,700	5,200	405	3,938	3,900	38	1%	5,200
Transfers and subsidies	118,976	152,183	125,794	27,938	119,626	119,626	-		125,794
Other revenue	63,142	27,416	143,735	6,616	112,342	107,801	4,541	4%	143,735
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers and contributions)	1,148,067	1,173,517	1,279,516	118,207	1,009,688	1,002,028	7,660	1%	1,279,516
Expenditure By Type									
Employee related costs	367,858	399,804	399,521	30,952	294,995	296,147	(1,151)	0%	399,521
Remuneration of councillors	10,573	11,383	11,383	908	8,157	8,537	(380)	-4%	11,383
Debt impairment	17,949	24,902	24,902	2,075	18,676	18,676	-		24,902
Depreciation & asset impairment	131,104	131,285	131,285	10,941	98,464	98,464	-		131,285
Finance charges	44,921	51,549	51,549	5,155	25,453	25,453	-		51,549
Bulk purchases	242,614	275,880	280,880	18,854	189,246	190,150	(904)	0%	280,880
Other materials	47,091	63,675	42,946	3,334	28,910	28,910	-		42,946
Contracted services	186,758	207,536	214,349	20,838	120,270	123,429	(3,159)	-3%	214,349
Transfers and subsidies	486	500	500	-	500	500	-		500
Other expenditure	58,609	83,450	103,992	5,028	68,094	71,494	(3,401)	-5%	103,992
Loss on disposal of PPE	610		31,700	-	-		-		31,700
Total Expenditure	1,108,572	1,249,963	1,293,006	98,084	852,765	861,761	(8,996)	-1%	1,293,006
Surplus/(Deficit)	39,495	(76,446)	(13,491)	20,123	156,922	140,267	16,656	12%	(13,491)
Transfers and subsidies - capital (monetary allocation)	66,060	70,194	46,216	4,371	21,340	21,340	-		46,216
Transfers and subsidies - capital (in-kind - all)			2,618				-		2,618
Surplus/(Deficit) after capital transfers & Taxation	105,555	(6,252)	35,343	24,494	178,263	161,607			35,343
Surplus/(Deficit) after taxation	105,555	(6,252)	35,343	24,494	178,263	161,607			35,343
Surplus/(Deficit) attributable to municipality	105,555	(6,252)	35,343	24,494	178,263	161,607			35,343
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	105,555	(6,252)	35,343	24,494	178,263	161,607			35,343

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 0.76% above the YTD budget.

Current expenditure is 1.04% below YTD budget projections for March 2020.

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

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

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 5 - Community Services	66,541	54,583	42,897	4,260	24,098	27,676	(3,578)	-13%	42,897
Vote 6 - Economic and Social Development & Tourism	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	63,169	40,128	92,716	761	10,133	8,396	1,737	21%	92,716
Vote 8 - Protection Services	4,809	5,588	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	134,520	100,298	135,613	5,021	34,231	36,073	(1,841)	-5%	135,613
Single Year expenditure appropriation									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager & Internal Audit	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	295	3,975	3,975	10	1,013	2,650	(1,637)	-62%	3,975
Vote 4 - Finance	-	30	30	-	22	8	15	193%	30
Vote 5 - Community Services	12,100	97,601	73,611	1,416	16,240	14,956	1,283	9%	73,611
Vote 6 - Economic and Social Development & Tourism	-	7,906	2,973	363	375	318	57	18%	2,973
Vote 7 - Infrastructure & Planning	28,195	45,186	43,870	12,042	89,186	62,864	26,322	42%	43,870
Vote 8 - Protection Services	-	6,680	15,659	2,174	4,751	5,634	(883)	-16%	15,659
Total Capital single-year expenditure	40,590	161,378	140,119	16,005	111,587	86,430	25,157	29%	140,119
Total Capital Expenditure	175,110	261,677	275,733	21,026	145,818	122,502	23,316	19%	275,733
Capital Expenditure - Functional Classification									
Governance and administration	8,659	4,105	4,105	10	1,096	1,737	(640)	-37%	4,105
Executive and council	295	10	10	(3)	1	7	(6)	-89%	10
Finance and administration	8,364	4,095	4,095	13	1,096	1,730	(634)	-37%	4,095
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	68,172	64,760	127,111	14,699	86,875	58,304	28,571	49%	127,111
Community and social services	5,164	3,280	2,960	33	378	1,973	(1,595)	-81%	2,960
Sport and recreation	23,923	18,770	19,055	1,104	5,725	5,940	(214)	-4%	19,055
Public safety	4,809	16,271	20,723	3,180	5,900	5,981	(81)	-1%	20,723
Housing	34,276	26,439	84,373	10,383	74,872	44,411	30,461	69%	84,373
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	13,407	30,410	21,757	2,090	3,982	7,016	(3,035)	-43%	21,757
Planning and development	1,346	8,899	3,896	363	678	2,575	(1,897)	-74%	3,896
Road transport	12,061	21,510	17,860	1,727	3,304	4,442	(1,138)	-26%	17,860
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	84,872	162,402	122,760	4,227	53,865	55,445	(1,580)	-3%	122,760
Energy sources	28,893	34,124	29,226	256	17,415	17,613	(197)	-1%	29,226
Water management	12,270	48,504	39,982	1,644	16,783	17,659	(876)	-5%	39,982
Waste water management	42,210	62,843	43,241	2,254	16,636	16,017	620	4%	43,241
Waste management	1,499	16,931	10,311	73	3,030	4,156	(1,126)	-27%	10,311
Total Capital Expenditure - Functional Classification	175,110	261,677	275,733	21,026	145,818	122,502	23,316	19%	275,733
Funded by:									
National Government	30,445	39,010	39,010	3,365	20,191	19,582	609	3%	39,010
Provincial Government	35,615	31,184	88,287	11,389	76,021	51,249	24,772	48%	88,287
Other transfers and grants	26,942	-	1,259	-	-	-	-	-	1,259
Transfers recognised - capital	93,002	70,194	128,557	14,753	96,212	70,831	25,381	36%	128,557
Borrowing	36,495	90,501	69,925	3,316	37,428	38,617	(1,188)	-3%	69,925
Internally generated funds	45,613	100,981	77,251	2,957	12,178	13,055	(877)	-7%	77,251
Total Capital Funding	175,110	261,677	275,733	21,026	145,818	122,502	23,316	19%	275,733

Capital expenditure is 19.03% above the Year-to-Date budget projections. Refer to the table on page 28 for the implementation status of the Top 10 Capital Projects.

Table C6: Monthly Budget Statement - Financial Position

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

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	123,988	124,120	265,426	164,217	265,426
Call investment deposits	409,200	320,000	320,000	610,215	320,000
Consumer debtors	73,481	73,134	73,134	80,614	73,134
Other debtors	65,059	35,523	35,523	36,963	35,523
Current portion of long-term receivables	11	7	7	7	7
Inventory	39,086	30,752	9,000	37,486	9,000
Total current assets	710,826	583,535	703,090	929,503	703,090
Non current assets					
Long-term receivables	9	4	4	8	4
Investments	50,524	57,885	57,885	55,351	57,885
Investment property	119,698	114,846	121,846	119,698	121,846
Investments in Associate					
Property, plant and equipment	3,509,274	3,645,621	3,627,977	3,556,628	3,627,977
Biological					
Intangible	8,597	5,323	5,323	8,597	5,323
Other non-current assets					
Total non current assets	3,688,101	3,823,679	3,813,035	3,740,282	3,813,035
TOTAL ASSETS	4,398,927	4,407,214	4,516,125	4,669,785	4,516,125
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	39,725	42,244	42,244	41,467	42,244
Consumer deposits	40,020	63,074	63,074	41,092	63,074
Trade and other payables	110,010	95,207	73,455	216,320	73,455
Provisions	33,010	33,570	33,570	33,570	33,570
Total current liabilities	222,765	234,096	212,344	332,449	212,344
Non current liabilities					
Borrowing	422,933	455,453	455,453	395,045	455,453
Provisions	222,157	239,095	239,095	230,075	239,095
Total non current liabilities	645,090	694,547	694,547	625,120	694,547
TOTAL LIABILITIES	867,854	928,643	906,891	957,569	906,891
NET ASSETS	3,531,072	3,478,571	3,609,234	3,712,216	3,609,234
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	3,527,808	3,475,231	3,605,894	3,708,951	3,605,894
Reserves	3,264	3,340	3,340	3,265	3,340
TOTAL COMMUNITY WEALTH/EQUITY	3,531,072	3,478,571	3,609,234	3,712,216	3,609,234

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

Table C7: Monthly Budget Statement - Cash Flow

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	231,322	241,063	241,862	20,640	169,097	169,102	(5)	0%	241,862
Service charges	642,062	673,293	679,913	58,413	562,709	562,707	1	0%	679,913
Other revenue	82,274	66,179	178,616	10,265	148,060	148,043	17	0%	178,616
Government - operating	118,820	152,183	125,794	27,938	119,626	119,626	-		125,794
Government - capital	57,030	70,194	46,216	4,371	21,340	21,340	-		46,216
Interest	45,960	32,161	40,311	3,078	31,793	31,793	-		40,311
Dividends							-		-
Payments									
Suppliers and employees	(915,305)	(1,017,533)	(983,962)	46,517	(609,714)	(609,728)	(14)	0%	(983,962)
Finance charges	(44,921)	(51,549)	(51,549)	(5,155)	(25,453)	(25,453)	-		(51,549)
Transfers and Grants	(486)	(500)	(500)	-	(500)	(500)	-		(500)
NET CASH FROM/(USED) OPERATING ACTIVITIES	216,756	165,492	276,701	166,066	416,959	416,931	(28)	0%	276,701
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(566)	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	10	10	10	0	5	5	-		10
Decrease (increase) in non-current investments	(4,980)	(7,339)	(7,339)	(415)	(4,828)	(4,828)	-		(7,339)
Payments									
Capital assets	(175,110)	(261,677)	(275,733)	(21,026)	(145,818)	(145,818)	-		(275,733)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(180,645)	(269,006)	(283,062)	(21,441)	(150,641)	(150,641)	-		(283,062)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	54,000	74,300	74,300	-	-	-	-		74,300
Increase (decrease) in consumer deposits	1,558	23,028	23,028	122	1,072	1,072	-		23,028
Payments									
Repayment of borrowing	(33,448)	(38,709)	(38,709)	(5,130)	(26,145)	(26,145)	-		(38,709)
NET CASH FROM/(USED) FINANCING ACTIVITIES	22,109	58,619	58,619	(5,008)	(25,074)	(25,074)	-		58,619
NET INCREASE/ (DECREASE) IN CASH HELD	58,220	(44,895)	52,259	139,617	241,245	241,217			52,259
Cash/cash equivalents at beginning:	474,967	489,014	533,188		533,188	533,188			533,188
Cash/cash equivalents at month/year end:	533,188	444,120	585,446		774,432	774,405			585,446

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R 774.4million.

The municipality started the year with a positive cash balance of R533.2 million. The March closing balance is R774.4 million. Refer to Supporting Table SC9 for more details on the cash position.

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

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

Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome				
Cash Receipts By Source																
Property rates	21,376	10,407	33,969	18,110	13,847	13,582	17,433	19,734	20,640			71,966	241,063	255,558	272,340	
Service charges - electricity revenue	15,051	43,242	45,156	33,840	34,033	37,618	34,099	36,257	28,817			88,964	397,077	455,317	523,459	
Service charges - water revenue	10,820	14,069	19,997	17,636	15,675	13,973	18,139	14,270	15,261			(13,092)	126,748	133,404	141,435	
Service charges - sanitation revenue	6,806	4,126	7,596	8,071	6,137	5,500	8,893	7,233	8,025			17,274	79,661	82,132	87,076	
Service charges - refuse	5,550	3,589	6,782	7,287	5,165	4,582	7,053	6,051	6,310			17,438	69,807	79,071	89,573	
Rental of facilities and equipment	618	594	368	441	377	339	42	330	325			110	3,546	3,727	3,932	
Interest earned - external investments	-	1,012	2,373	6,753	5,424	3,186	5,118	1,551	2,710			(117)	28,010	29,690	31,471	
Interest earned - outstanding debtors	408	421	373	397	416	423	409	451	368			485	4,151	4,400	4,664	
Dividends received	-	-	-	-	-	-	-	-	-			-	-	-	-	
Fines, penalties and forfeits	3,078	2,765	2,687	2,855	2,742	2,572	2,621	2,493	2,221			(15,640)	8,393	8,908	9,424	
Licences and permits	223	215	188	193	187	171	297	199	187			604	2,462	2,580	2,627	
Agency services	469	431	366	472	441	406	515	407	405			789	4,700	4,982	5,281	
Transfer receipts - operating	48,554	1,025	6,230	4,761	4,496	40,776	970	(15,124)	27,938			32,557	152,183	157,143	168,217	
Other revenue	5,435	(583)	7,522	7,186	2,801	232	2,383	82,719	7,127			(67,744)	47,078	31,707	31,846	
Cash Receipts by Source	118,386	81,312	133,607	108,003	91,742	123,360	97,971	156,571	120,333	-	-	133,594	1,164,879	1,248,620	1,371,345	
Other Cash Flows by Source																
Transfer receipts - capital	236	732	20,343	6,681	6,217	42,727	672	(60,637)	4,371			48,854	70,194	42,164	68,993	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-			-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-			-	-	-	-	
Short term loans	-	-	-	-	-	-	-	-	-			-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-			74,300	74,300	54,000	50,000	
Increase in consumer deposits	(67)	403	20	183	128	100	34	149	122			21,956	23,028	4,654	4,682	
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-			-	-	-	-	
Receipt of non-current receivables	-	0	0	0	0	4	0	0	0			4	10	7	3	
Change in non-current investments	(538)	(297)	(720)	(575)	(450)	(628)	(706)	(498)	(415)			(2,511)	(7,339)	(7,575)	(7,730)	
Total Cash Receipts by Source	118,017	82,149	153,251	114,292	97,638	165,562	97,971	95,585	124,411	-	-	276,197	1,325,073	1,341,870	1,487,292	
Cash Payments by Type																
Employee related costs	26,546	29,076	30,101	30,793	46,402	30,770	34,549	31,067	30,337			98,581	388,224	414,152	438,547	
Remuneration of councillors	894	908	908	908	908	908	908	908	908			3,226	11,383	11,878	12,397	
Interest paid	82	(0)	1,479	2,422	910	14,417	988	-	5,155			26,096	51,549	54,249	56,058	
Bulk purchases - Electricity	3	34,950	33,325	20,098	20,436	19,926	20,827	20,827	18,854			86,634	275,880	319,000	368,859	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-			-	-	-	-	
Other materials	1,015	2,775	8,841	8,843	5,278	7,659	4,448	(13,314)	3,334			34,794	63,675	71,299	71,581	
Contracted services	1,510	10,255	11,161	15,305	14,732	19,717	13,136	13,615	20,838			87,267	207,536	229,784	237,280	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-			-	-	-	-	
Grants and subsidies paid - other	8	8	8	215	150	79	30	-	-			0	500	525	551	
General expenses	1,476	(52,219)	72,428	12,511	13,618	20,084	486	25,925	(120,788)			97,316	70,836	74,960	105,513	
Cash Payments by Type	31,534	25,754	158,252	91,095	102,435	113,560	75,372	79,027	(41,362)	-	-	433,914	1,069,582	1,175,846	1,290,787	
Other Cash Flows/Payments by Type																
Capital assets	608	6,109	29,546	13,218	11,015	50,173	4,140	9,982	21,026			115,859	261,677	148,464	154,324	
Repayment of borrowing	1,613	-	2,195	7,336	1,482	6,710	1,680	-	5,130			12,563	38,709	42,244	47,007	
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-			-	-	-	-	
Total Cash Payments by Type	33,755	31,863	189,993	111,649	114,932	170,443	81,192	89,009	(15,206)	-	-	562,336	1,369,967	1,366,554	1,492,118	
NET INCREASE/(DECREASE) IN CASH HELD	84,262	50,287	(36,743)	2,643	(17,295)	(4,881)	16,778	6,576	139,617	-	-	(286,139)	(44,895)	(24,684)	(4,825)	
Cash/cash equivalents at the month/year begin	533,188	617,449	667,736	630,993	633,636	616,342	611,461	628,239	634,815	774,432	774,432	774,432	533,188	488,293	463,609	
Cash/cash equivalents at the month/year end:	617,449	667,736	630,993	633,636	616,342	611,461	628,239	634,815	774,432	774,432	774,432	488,293	488,293	463,609	458,784	

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

PART 2 – SUPPORTING DOCUMENTATION

Debtors' analysis

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

Description	NT Code	Budget Year 2019/20										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	12,961	497	362	268	240	205	1,020	3,707	19,259	5,440		5,038
Trade and Other Receivables from Exchange Transactions - Electricity	1300	27,333	437	338	245	189	172	765	4,083	33,562	5,454		5,848
Receivables from Non-exchange Transactions - Property Rates	1400	15,806	515	392	382	442	248	1,342	3,289	22,416	5,703		6,894
Receivables from Exchange Transactions - Waste Water Management	1500	6,115	270	206	179	158	147	791	2,240	10,106	3,515		2,976
Receivables from Exchange Transactions - Waste Management	1600	5,162	173	136	114	102	94	410	1,577	7,768	2,297		2,458
Receivables from Exchange Transactions - Property Rental Debtors	1700	299	17	10	10	5	4	45	201	592	265		261
Interest on Arrear Debtor Accounts	1810	127	44	48	53	68	62	551	8,980	9,933	9,714		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	1,381	408	229	172	175	114	1,711	4,986	9,174	7,157		2,818
Total By Income Source	2000	69,183	2,361	1,721	1,422	1,378	1,047	6,634	29,064	112,811	39,545	-	26,294
2018/19 - totals only		63,695	2,171	1,806	1,255	1,099	935	4,132	24,496	99,589	31,917		
Debtors Age Analysis By Customer Group													
Organs of State	2200	869	62	41	70	32	29	102	1,785	2,990	2,017		315
Commercial	2300	18,815	225	140	42	39	30	186	1,314	20,792	1,612		951
Households	2400	49,060	2,068	1,532	1,307	1,305	987	6,343	25,869	88,471	35,812		25,025
Other	2500	440	7	8	4	2	0	3	96	558	104		3
Total By Customer Group	2600	69,183	2,361	1,721	1,422	1,378	1,047	6,634	29,064	112,811	39,545	-	26,294

The overall increased debtors' mainly results from the y-o-y increase in billings from increased tariffs at the start of the new financial year. This can be seen from the increase in the 0-30 days (current) debtors.

Summary of Indigent Households

	Indigent Households	Other Households	Total Households	
2,019				
July	8,018	26,884	34,902	22.97%
August	8,041	26,858	34,899	23.04%
September	7,654	27,137	34,791	22.00%
October	7,679	27,648	35,327	21.74%
November	7,689	27,639	35,328	21.76%
December	7,749	29,784	37,533	20.65%
2,020				
January	7,770	29,763	37,533	20.70%
February	7,576	29,955	37,531	20.19%
March	7,682	29,802	37,484	20.49%
April				
May				
June				

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)
7682			6KL	7682	0	7682	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)
124	7558		50kWh	7682	0	7682	Total monthly levy

Summary of Debtors Age Analysis

MONTH	< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	<180 Days	<365 Days	>365 Days	Total	Older than 30 Days	Older than 90 days
2019/2020											
June									0	0	0
May									0	0	0
April									0	0	0
March	69,183,473	2,361,072	1,721,366	1,422,187	1,378,241	1,046,728	6,633,940	29,063,889	112,810,896	43,627,423	39,544,985
February	69,465,901	2,429,524	1,789,867	1,573,380	1,150,988	1,247,773	6,468,690	28,351,217	112,477,340	43,011,439	38,792,049
January	74,311,255	2,501,584	1,893,618	1,282,263	1,331,943	1,126,834	6,289,920	27,604,914	116,342,331	42,031,077	37,635,875
December	68,946,894	2,979,071	1,847,137	1,748,882	1,378,903	1,024,067	6,119,592	26,913,061	110,957,606	42,010,712	37,184,505
November	67,756,356	2,311,468	2,045,472	1,573,004	1,120,808	1,992,338	4,942,620	26,351,354	108,093,420	40,337,064	35,980,124
October	65,578,111	2,918,237	1,992,929	1,294,702	2,118,877	981,011	4,973,394	26,067,995	105,925,256	40,347,145	35,435,979
September	70,078,633	2,847,660	1,616,076	2,225,775	1,093,345	1,137,727	4,851,696	25,603,880	109,454,791	39,376,158	34,912,422
Augustus	72,343,845	2,204,467	2,467,897	1,215,310	1,203,190	1,019,048	4,821,906	25,279,680	110,555,341	38,211,497	33,539,133
July	63,876,893	2,954,201	1,496,394	1,318,657	1,102,605	1,033,738	4,397,937	24,923,281	101,103,706	37,226,812	32,776,217

Government Debt

Overstrand Municipality as at 08/04/2020	Total Debt	Services	Rates	Other
Department Responsible for the Debt				
NPW 2227	2,161,999	1,184,779	953,849	23,371
WCED 2251	346,359	346,359	0	0
OTHER 2255	21,262	21,262	0	0
HEALTH 2252	262,175	249,502	11,747	927
TPW 2256	140,598	9,059	131,066	473
HUMAN SETTLE 2215	25,941	25,941	0	0
HOUSING 2253	4,037	4,037	0	0
OTHER MUNICIPALITIES 2276	27,458	27,458	0	0
TOTAL OUTSTANDING	2,989,829	1,868,397	1,096,662	24,770

Creditors' analysis

Supporting Table SC4

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

Description	NT Code	Budget Year 2019/20									Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100										-
Bulk Water	0200										-
PAYE deductions	0300	3,953									3,953
VAT (output less input)	0400										-
Pensions / Retirement deductions	0500										-
Loan repayments	0600										-
Trade Creditors	0700	1,472									1,472
Auditor General	0800										-
Other	0900										-
Total By Customer Type	1000	5,426	-	-	-	-	-	-	-	-	5,426

Supporting Table SC4 reflects current creditors at the end of March 2020.

The payment of creditors is within requirements of the MFMA.

Investment portfolio analysis

Supporting Table SC5

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

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guaran tee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commis sion Paid (Rands)	Expiry date of investment	Opening balance	Interest to be realised	Partial/ Premature Withdrawal (4)	Investment Top Up	Closing Balance
								Opening balance	Interest to be realised	Partial/ Premature	Investment Top Up	Closing Balance
R thousands												
Municipality												
LIBERTY 15934476	15 YEARS	Policy	YES	VARIABLE		NO	01/09/2025	18,719			125	18,844
LIBERTY 21196964	14 YEARS	Policy	YES	VARIABLE		NO	01/09/2025	32,952			260	33,212
MOMENTUM MP 3853776	14 YEARS	Policy	YES	VARIABLE		NO	01/07/2026	3,266			30	3,296
ABSA 9331734880	DEP PLUS	DEP PLUS	YES	VARIABLE	6.25	NO		10,262		(47)		10,215
Nedbank 03/7881534451 ref. 250	183 days	FIXED DEP	YES	FIXED	7.9	NO	28/04/2020	100,000				100,000
Standard Bank 288434005-028	154 days	FIXED DEP	YES	FIXED	7.925	NO	30/03/2020	100,000				100,000
Nedbank 03/7881534451 ref. 251	182 days	FIXED DEP	YES	FIXED	7.97	NO	27/05/2020	100,000				100,000
ABSA 9355729324	61 days	FIXED DEP	YES	FIXED	7.5	NO	16/03/2020	100,000	1,258	(101,258)		-
ABSA 9356561757	32 days	FIXED DEP	YES	FIXED	7.5	NO	13/03/2020	100,000	659	(100,659)		-
288434005-029	93 days	FIXED DEP	YES	FIXED	7.025	NO	17/06/2020				100,000	100,000
TOTAL INVESTMENTS AND INTEREST								565,198	1,917	(201,964)	300,415	665,566

Surplus cash not immediately required is invested in call and monthly deposits.
Long term investments relate to the sinking fund investments.

Allocation and grant receipts and expenditure

Supporting Table SC6 – Grant receipts

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	99,544	110,882	110,882	26,674	110,882	110,882	-		110,882
Local Government Equitable Share	96,068	106,697	106,697	26,674	106,697	106,697	-		106,697
Finance Management	1,550	1,550	1,550		1,550	1,550			1,550
EPWP Incentive	1,926	2,635	2,635		2,635	2,635			2,635
Provincial Government:	23,028	38,392	13,478	528	13,072	13,072	-		13,478
Human Settlements Development Grant	11,132	25,061	-		-	-	-		-
Library Services Grant	6,747	7,287	7,287		7,287	7,287	-		7,287
Financial Management Capacity Building Grant	360	380	380	380	380	380	-		380
Maintenance & Constuction of Transport Infrastructure	137	126	126				-		126
Western Cape Financial Management Support Grant	280	280	280				-		280
Community Development Workers Operational Support Grant			148	148	148	148	-		148
Municipal Service Delivery & Capacity Building Grant	200						-		
Thusong Service Centre	100	100	100		100	100	-		100
Resourcing Funding for Establishment & Support of a K9 Unit	4,000	2,000	2,000		2,000	2,000	-		2,000
Disaster Management Grant		3,157	3,157		3,157	3,157	-		3,157
Local Government Internship Grant	72						-		
Thusong Service Centre Grant			200		200	200			200
Total Operating Transfers and Grants	122,572	149,274	124,360	27,202	123,954	123,954	-		124,360
Capital Transfers and Grants									
National Government:	25,901	39,010	39,010	13,310	26,960	26,960	-		39,010
Municipal Infrastructure Grant (MIG)	21,639	32,010	32,010	13,310	19,960	19,960	-		32,010
Integrated National Electrification Programme	4,262	7,000	7,000		7,000	7,000			7,000
Provincial Government:	25,463	28,281	10,324	1,500	3,343	3,343	-		10,324
Human Settlements Development Grant	25,463	26,439	6,981		-	-	-		6,981
Disaster Management Grant		1,843	1,843		1,843	1,843			1,843
Public Transport Non-Motorised Infrastructure Grant			1,500	1,500	1,500	1,500			1,500
Other grant providers:	-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	51,364	67,291	49,334	14,810	30,303	30,303	-		49,334
TOTAL RECEIPTS OF TRANSFERS & GRANTS	173,936	216,565	173,694	42,012	154,257	154,257	-		173,694

Grant receipts are monitored according to the payment schedules.

Supporting Table SC7(1) – Grant expenditure

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	3,476	4,185	4,185	365	2,245	2,245	-		4,185
Local Government Equitable Share							-		
Finance Management	1,550	1,550	1,550	187	789	789	-		1,550
EPWP Incentive	1,926	2,635	2,635	179	1,456	1,456	-		2,635
Provincial Government:	19,432	37,968	10,137	650	7,160	7,160	-		10,137
Human Settlements Development Grant	12,688	25,837	776		-	-	-		776
Library Services Grant	6,160	7,287	7,287	647	6,781	6,781			7,287
Financial Management Capacity Building Grant		980	380						380
Maintenance & Constuction of Transport Infrastructure	137	126	126		126	126			126
Western Cape Financial Management Support Grant		560	280						280
Local Government Internship Grant	86	36	-						-
Municipal Service Delivery & Capacity Building Grant	62	144	-						-
Thusong Service Centre	100	100	100	4	54	54	-		100
Resourcing Funding for Est & Support of a K9 Unit	200	2,897	1,040		199	199			1,040
Community Dev Workers Operational Support Grant			148				-		148
Other grant providers:	-	176	186	-	0	0	-		186
Spaces For Sport		176	176		0	0	-		176
Hermanus Cemetery			10						10
Total operating expenditure of Transfers and Grants:	22,908	42,329	14,508	1,016	9,405	9,405	-		14,508
Capital expenditure of Transfers and Grants									
National Government:	30,445	39,010	39,010	3,365	20,191	20,191	-		39,010
Municipal Infrastructure Grant (MIG)	26,183	32,010	32,010	3,274	13,958	13,958	-		32,010
Integrated National Electrification Programme	4,262	7,000	7,000	91	6,233	6,233	-		7,000
Provincial Government:	35,615	31,184	4,303	-	-	-	-		4,303
Human Settlements Development Grant	34,108	26,439	-		-	-	-		-
Resourcing Funding for Estab & Support of a K9 Unit		2,903	960						960
Disaster Management Grant		1,843	1,843						1,843
Public Transport Non-Motorised Infrastructure Grant	1,117								
Other grant providers:	-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	66,060	70,194	43,313	3,365	20,191	20,191	-		43,313
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	88,968	112,523	57,821	4,380	29,597	29,597	-		57,821

Grant expenditure is monitored against grant receipts.

Supporting Table SC7(2) – Expenditure against approved rollovers

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

Description	Budget Year 2019/20				
	Approved Rollover 2018/19	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands					
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	
Local Government Equitable Share				-	
Finance Management				-	
EPWP Incentive				-	
Other transfers and grants [insert description]				-	
Provincial Government:	534	-	118	416	77.9%
Human Settlements Development Grant				-	
Financial Management Capacity Building Grant	360			360	100.0%
Local Government Internship Grant	36		36	-	
Municipal Service Delivery & Capacity Building Grant	138		82	56	40.7%
Local Government Internship Grant					
Total operating expenditure of Approved Roll-overs	534	-	118	416	77.9%
Capital expenditure of Approved Roll-overs					
National Government:					
Municipal Infrastructure Grant (MIG)					
Other capital transfers [insert description]					
Provincial Government:	3,800	1,254	1,398	2,402	63.2%
Resourcing Funding for Establishment & Support of a K9 Unit	3,800	1,254	1,398	2,402	63.2%
Total capital expenditure of Approved Roll-overs	3,800	1,254	1,398	2,402	63.2%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	4,334	1,254	1,516	2,819	65.0%

A Roll over application was submitted to Provincial Treasury during July and August 2019 for the unspent Title Deeds- Housing Funds, LG Internship Graduate Grant, Financial Management Capacity Building Grant, Financial Management Support Grant, Municipal Service Delivery & Capacity Building Grant and Resourcing Funding for Establishment and support of a K9 Unit.

All unspent grants relating to the 2018/2019 financial year were granted and reflected above. The request to roll over unspent Financial Management Capacity Building Grant and Financial Management Support Grant funds relating to the 2017/2018 financial year were declined and returned to Provincial Treasury during the second quarter.

Expenditure on councillor allowances and employee benefits

Supporting Table SC8

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

Summary of Employee and Councillor remuneration	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	9,467	10,317	10,317	815	7,326	7,738	(412)	-5%	10,317
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	1,106	1,066	1,066	93	830	799	31	4%	1,066
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	10,573	11,383	11,383	908	8,157	8,537	(380)	-4%	11,383
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	11,036	11,292	11,292	1,042	8,662	8,469	193	2%	11,292
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	187	109	109	-	-	-	-	-	109
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	187	187	187	16	140	140	-	-	187
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	7	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	11,416	11,588	11,588	1,058	8,802	8,609	193	2%	11,588
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	214,176	245,260	244,146	19,409	173,987	174,650	(663)	0%	244,146
Pension and UIF Contributions	36,580	41,471	41,366	3,310	29,777	29,911	(134)	0%	41,366
Medical Aid Contributions	12,035	14,459	14,588	1,132	9,771	9,875	(104)	-1%	14,588
Overtime	34,501	29,320	29,325	2,812	26,528	26,628	(100)	0%	29,325
Performance Bonus	-	-	34	-	-	-	-	-	34
Motor Vehicle Allowance	7,897	7,947	8,077	656	5,867	5,902	(35)	-1%	8,077
Cellphone Allowance	1,887	2,067	2,067	162	1,455	1,479	(24)	-2%	2,067
Housing Allowances	2,350	2,567	2,630	210	1,887	1,922	(35)	-2%	2,630
Other benefits and allowances	26,930	30,363	30,939	975	25,817	26,067	(250)	-1%	30,939
Payments in lieu of leave	2,532	1,125	1,125	94	844	844	-	-	1,125
Long service awards	2,598	2,062	2,062	172	1,547	1,547	-	-	2,062
Post-retirement benefit obligations	14,955	11,571	11,571	964	8,713	8,713	-	-	11,571
Sub Total - Other Municipal Staff	356,441	388,216	387,933	29,894	286,193	287,538	(1,345)	0%	387,933
TOTAL SALARY, ALLOWANCES & BENEFITS	378,431	411,187	410,904	31,859	303,152	304,684	(1,532)	-1%	410,904
TOTAL MANAGERS AND STAFF	367,858	399,804	399,521	30,952	294,995	296,147	(1,151)	0%	399,521

SDBIP

The results of the SDBIP for the third quarter ended 31 March 2020 will be included in a separate comprehensive report to be tabled in Council.

Financial Performance

Supporting Table SC2

WC032 Overstrand - Supporting Table SC2 Monthly Budget Statement - performance indicators - M09 March

Description of financial indicator	Basis of calculation	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.0%	14.6%	14.1%	3.0%	4.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	20.8%	34.6%	25.4%	25.7%	25.4%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	16.2%	17.0%	15.8%	17.6%	15.8%
Gearing	Long Term Borrowing/ Funds & Reserves	12959.0%	13636.3%	13636.3%	12100.9%	13636.3%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	319.1%	249.3%	331.1%	279.6%	331.1%
Liquidity Ratio	Monetary Assets/Current Liabilities	239.4%	189.7%	275.7%	232.9%	275.7%
<u>Revenue Management</u>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.1%	9.3%	8.5%	11.6%	8.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	99.5%	100.0%	Annual Indicator	Annual Indicator	100.0%
<u>Funding of Provisions</u>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<u>Other Indicators</u>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	6.5%	5.5%	Annual Indicator	Annual Indicator	5.5%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	24.3%	18.3%	Annual Indicator	Annual Indicator	18.3%
Employee costs	Employee costs/Total Revenue - capital revenue	32.0%	34.1%	31.2%	29.2%	31.2%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	17.0%	0.0%	9.3%	15.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue	15.3%	15.6%	14.3%	2.5%	4.9%
<u>IDP regulation financial viability indicators</u>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	22.32	13.4	Annual Indicator	Annual Indicator	13.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11.3%	11.8%	Annual Indicator	Annual Indicator	11.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	9.15	4.9	Annual Indicator	Annual Indicator	4.9

Capital programme performance

Supporting Table SC12

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

Month	2018/19	Budget Year 2019/20							
	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	4,945	304	608	608	304	(304)	-100.0%	0%
August	3,058	6,475	3,054	6,109	6,717	3,358	(3,359)	-100.0%	3%
September	15,792	7,934	14,773	29,546	36,264	18,131	(18,132)	-100.0%	14%
October	10,698	10,520	6,609	13,218	49,482	24,740	(24,742)	-100.0%	19%
November	16,810	17,031	5,508	11,015	60,497	30,248	(30,249)	-100.0%	23%
December	14,086	12,706	25,086	50,173	110,670	55,334	(55,336)	-100.0%	42%
January	4,586	16,129	21,671	4,140	114,810	77,005	(37,805)	-49.1%	44%
February	12,226	20,223	21,420	9,982	124,792	98,425	(26,367)	-26.8%	48%
March	24,960	21,360	24,077	21,026	145,818	122,502	(23,316)	-19.0%	56%
April	19,866	26,186	29,606			152,108	-		
May	28,978	19,313	20,351			172,459	-		
June	24,046	98,856	103,273			275,733	-		
Total Capital expenditure	175,110	261,677	275,733	145,818					

See comments under variances.

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	Overstrand	Overstrand	LOW COST HOUSING SERVICE: CONSTRUCTION CONTRACTS & LAND	26,438,832	79,723,363	73,678,962	Construction stage.	Stanford IRDP - 75% progress, Masakhane IRDP - 95% progress	N/A	N/A
2	Hawston	Ward 08	UPGRADE HAWSTON SPORT COMPLEX	15,577,530	15,577,530	5,578,906	Under construction 12%	Under construction.	N/A	N/A
3	Hermanus	Ward 04	UPGRADE HERMANUS WELL FIELDS PHASE 1	4,000,000	12,306,300	4,201,852	Deviation application SCD 3175/2020 approved.	Construction stage.	Electricity supply constraints had to be addressed.	Various electricity supply upgrade options were identified and discussed by the project team, and the best option was agreed upon.
4	Overstrand	Overstrand	WATER MASTER PLAN IMPLEMENTATION	16,286,360	7,983,360	7,330,726	Terminated.	Contract SC1919/2018 was terminated on 17 February 2020 due to the contractor's non performance.	Due to the termination of the contract, there is a need to commence with a complete new tender process.	Tender process will be expedited as far as practically possible between the user department, consulting engineers and SCM.
5	Masakhane	Ward 01	NEW 4ML RESERVOIR	7,098,256	7,098,256	1,701,600	Under construction 3%	Under construction	N/A	N/A
6	Gansbaai	Ward 02	GANSBAAI CBD SEWER NETWORK EXTENSION	6,574,574	6,574,574	6,123,815	Construction.	Construction stage, 85% completed (Contract SC1916/2018).	None at this stage.	Not applicable.
7	Blompark	Ward 02	BLOMPARK HOUSING PROJECT BULK STORMWATER	7,485,744	6,285,744	5,057,766	Completed	Completed	N/A	N/A
8	Overstrand	Overstrand	VEHICLES-WASTE MANAGEM	5,931,122	6,011,122	1,712,496	Order stage.	Order stage.	No delays.	N/A
9	Pringle Bay	Ward 10	NEW RESERVOIR FOR PRINGLE BAY	9,175,105	5,550,105	81,238	Tender SC 2018/2019 was awarded on 12/12/ 2019.	Construction.	None at this stage.	Not applicable.
10	Hawston	Ward 08	HAWSTON: UPGRADE INTERSECTION R43/GEORGE VILJOEN STREET	0	4,650,000	0	Finalization of Contract with Implementing Agent.	Finalization of Contract with Implementing Agent.		
Totals				98,567,523	151,760,354	105,467,361				

Low costing housing services:
Construction Contracts & Land

Note: Due to change in accounting treatment of construction contracts relating to housing.
The housing projects is consolidated for this template.

Supporting Table SC13a

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	96,933	143,762	105,545	5,918	45,797	38,671	(7,126)	-18.4%	105,545
Roads Infrastructure	12,061	19,683	16,033	1,727	3,296	6,680	3,385	50.7%	16,033
<i>Roads</i>	12,061	19,683	16,033	1,727	3,296	6,680	3,385	50.7%	16,033
Storm water Infrastructure	7,247	23,841	18,641	101	5,872	7,559	1,687	22.3%	18,641
<i>Drainage Collection</i>			500				-		500
Electrical Infrastructure	28,893	23,801	18,999	256	9,544	5,308	(4,236)	-79.8%	18,999
<i>MV Substations</i>		6,956	6,260	165	2,414		(2,414)	#DIV/0!	6,260
<i>MV Networks</i>	28,893	16,845	12,739	91	7,130	5,308	(1,822)	-34.3%	12,739
Water Supply Infrastructure	12,270	42,344	35,423	1,644	15,312	8,432	(6,880)	-81.6%	35,423
<i>Boreholes</i>		2,000	6,153	72	4,202		(4,202)	#DIV/0!	6,153
<i>Reservoirs</i>	12,270	16,273	12,648	411	1,783	8,432	6,649	78.9%	12,648
<i>Water Treatment Works</i>		2,150	6,153	-	-		-		6,153
<i>Distribution</i>		21,921	10,469	1,161	9,327		(9,327)	#DIV/0!	10,469
Sanitation Infrastructure	34,963	24,093	11,949	2,117	10,456	7,692	(2,764)	-35.9%	11,949
<i>Pump Station</i>		300	600	169	169		(169)	#DIV/0!	600
<i>Reticulation</i>	34,963	14,358	7,438	1,507	7,055	5,384	(1,671)	-31.0%	7,438
<i>Waste Water Treatment Works</i>		9,435	3,911	441	3,232	2,308	(924)	-40.1%	3,911
<i>Capital Spares</i>							-		
Solid Waste Infrastructure	1,499	10,000	4,500	73	1,317	3,000	1,683	56.1%	4,500
<i>Landfill Sites</i>	1,499	10,000	4,500	73	1,317	3,000	1,683	56.1%	4,500
Community Assets	30,804	12,800	8,009	(175)	153	3,968	3,815	96.1%	8,009
Community Facilities	30,804	12,420	7,959	(175)	153	3,873	3,720	96.1%	7,959
<i>Halls</i>		-	-	-	-		-		-
<i>Crèches</i>	559	793	718	-	108	479	371	77.5%	718
<i>Fire/Ambulance Stations</i>		-	-	-	-		-		-
<i>Testing Stations</i>	4,809	1,100	1,100	-	-	733	733	100.0%	1,100
<i>Cemeteries/Crematoria</i>	381	1,500	980	-	-		-		980
<i>Police</i>		-	-	-	-		-		-
<i>Purfs</i>		526	526	(175)	26		(26)	#DIV/0!	526
<i>Public Open Space</i>	23,923	5,321	4,636	-	-	2,661	2,661	100.0%	4,636
<i>Nature Reserves</i>		2,300	-	-	-		-		-
<i>Public Ablution Facilities</i>		880	-	-	19		(19)	#DIV/0!	-
Sport and Recreation Facilities	-	380	50	-	-	95	95	100.0%	50
<i>Outdoor Facilities</i>		380	50	-	-	95	95	100.0%	50
Other assets	37,368	35,472	94,402	11,826	77,077	45,498	(31,579)	-69.4%	94,402
Operational Buildings	3,092	9,034	10,029	1,443	2,205	6,686	4,480	67.0%	10,029
Housing	34,276	26,439	84,373	10,383	74,872	38,812	(36,060)	-92.9%	84,373
<i>Social Housing</i>	34,276	26,439	84,373	10,383	74,872	38,812	(36,060)	-92.9%	84,373
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	1,346	4,200	4,220	-	1,000	2,110	1,110	52.6%	4,220
Computer Equipment	1,346	4,200	4,220	-	1,000	2,110	1,110	52.6%	4,220
Furniture and Office Equipment	295	280	280	10	243	243	-	-	280
Furniture and Office Equipment	295	280	280	10	243	243	-	-	280
Machinery and Equipment	1,428	900	1,400	30	476	933	457	49.0%	1,400
Machinery and Equipment	1,428	900	1,400	30	476	933	457	49.0%	1,400
Transport Assets	6,936	17,493	20,385	2,103	5,653	5,946	292	4.9%	20,385
Transport Assets	6,936	17,493	20,385	2,103	5,653	5,946	292	4.9%	20,385
Total Capital Expenditure on new assets	175,110	214,907	234,242	19,711	130,399	97,368	(33,031)	-33.9%	234,242

Supporting Table SC13b

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	6,570	6,558	19	271	2,832	2,561	90.4%	6,558
Roads Infrastructure	-	10	10	-	8	6	(2)	-33.1%	10
<i>Roads</i>	-	10	10	-	8	6	(2)	-33.1%	10
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
<i>MV Networks</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	2,560	2,548	-	-	1,493	1,493	100.0%	2,548
<i>Water Treatment Works</i>	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	4,000	4,000	19	264	1,333	1,070	80.2%	4,000
<i>Waste Water Treatment Works</i>	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
<i>Waste Transfer Stations</i>	-	-	-	-	-	-	-	-	-
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 Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	-	6,570	6,558	19	271	2,832	2,561	90.4%	6,558

Supporting Table SC13c

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	145,959	139,955	141,193	5,343	63,343	100,242	36,898	36.8%	141,193
Roads Infrastructure	61,860	65,331	66,157	2,206	28,289	48,469	20,180	41.6%	66,157
<i>Roads</i>	61,860	62,398	62,598	2,206	25,915	46,084	20,169	43.8%	62,598
<i>Road Structures</i>		2,933	3,558	-	2,375	2,385	11	0.4%	3,558
Storm water Infrastructure	5,765	6,600	6,375	181	2,295	3,968	1,673	42.2%	6,375
<i>Drainage Collection</i>	5,765	3,339	3,214	181	1,919	2,329	410	17.6%	3,214
<i>Storm water Conveyance</i>		3,262	3,162	-	376	1,639	1,263	77.1%	3,162
Electrical Infrastructure	23,082	37,099	37,630	1,551	17,010	25,227	8,217	32.6%	37,630
<i>HV Transmission Conductors</i>		-	-				-		-
Water Supply Infrastructure	17,367	16,935	17,568	869	9,899	12,747	2,848	22.3%	17,568
Sanitation Infrastructure	14,967	11,541	11,007	536	5,495	8,142	2,647	32.5%	11,007
<i>Waste Water Treatment Works</i>	14,967	10,671	10,137	536	5,140	7,527	2,388	31.7%	10,137
Solid Waste Infrastructure	22,918	2,220	2,269	-	302	1,556	1,254	80.6%	2,269
<i>Landfill Sites</i>		55	41	-	10	29	19	65.2%	41
<i>Waste Transfer Stations</i>	22,918	427	436	-	0	325	324	99.9%	436
<i>Waste Processing Facilities</i>		74	129	-	29	76	47	62.2%	129
<i>Waste Drop-off Points</i>		1,433	1,433	-	260	954	694	72.8%	1,433
<i>Waste Separation Facilities</i>		230	230	-	3	173	169	98.1%	230
Coastal Infrastructure	-	189	147	-	53	103	50	48.5%	147
Information and Communication Infrastructure	-	40	40	-	-	30	30	100.0%	40
Community Assets	39,801	40,198	39,293	2,467	23,970	27,167	3,197	11.8%	39,293
Community Facilities	27,117	34,241	33,129	2,270	21,788	23,251	1,463	6.3%	33,129
<i>Halls</i>	4,287	3,875	4,079	259	2,505	2,162	(344)	-15.9%	4,079
<i>Fire/Ambulance Stations</i>		912	912	-	51	476	425	89.3%	912
<i>Testing Stations</i>		13	113	-		85	85	100.0%	113
<i>Libraries</i>	28	164	170	-	46	108	62	57.4%	170
<i>Cemeteries/Crematoria</i>	1,059	978	938	56	489	616	126	20.5%	938
<i>Public Open Space</i>	21,743	4,219	2,964	375	3,324	2,026	(1,298)	-64.1%	2,964
Sport and Recreation Facilities	12,685	5,957	6,164	197	2,182	3,916	1,735	44.3%	6,164
<i>Outdoor Facilities</i>	12,685	5,957	6,164	197	2,182	3,916	1,735	44.3%	6,164
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	8,009	2,217	3,281	-	472	1,265	792	62.7%	3,281
Operational Buildings	8,009	2,217	3,281	-	472	1,265	792	62.7%	3,281
<i>Municipal Offices</i>	8,009	2,074	3,145	-	472	1,246	773	62.1%	3,145
<i>Building Plan Offices</i>		105	99	-	-	-	-		99
<i>Stores</i>		38	38	-	-	19	19	100.0%	38
Intangible Assets	-	5,653	6,353	-	1,611	3,340	1,729	51.8%	6,353
Computer Equipment	4,890	1,193	1,068	-	376	686	309	45.1%	1,068
Computer Equipment	4,890	1,193	1,068	-	376	686	309	45.1%	1,068
Furniture and Office Equipment	16,364	431	440	-	81	318	237	74.6%	440
Furniture and Office Equipment	16,364	431	440	-	81	318	237	74.6%	440
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	9,542	12,335	109	4,533	7,285	2,752	37.8%	12,335
Transport Assets		9,542	12,335	109	4,533	7,285	2,752	37.8%	12,335
Total Repairs and Maintenance Expenditure	215,024	199,189	203,963	7,919	94,386	140,301	45,916	32.7%	203,963

Supporting Table SC13d

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Depreciation by Asset Class/Sub-class									
Infrastructure	112,502	104,946	104,946	8,746	78,710	78,710	0	0.0%	104,946
Roads Infrastructure	33,523	34,090	34,090	2,841	25,568	25,568	0	0.0%	34,090
<i>Roads</i>	32,825	34,090	34,090	2,841	25,568	25,568	0	0.0%	34,090
Storm water Infrastructure	5,827	6,044	6,044	504	4,533	4,533	0	0.0%	6,044
<i>Storm water Conveyance</i>	5,827						-		
Electrical Infrastructure	24,965	25,166	25,166	2,097	18,875	18,875	(0)	0.0%	25,166
<i>HV Transmission Conductors</i>	-						-		
Water Supply Infrastructure	27,676	27,501	27,501	2,292	20,626	20,626	0	0.0%	27,501
<i>Water Treatment Works</i>	-						-		
<i>Distribution</i>	27,444	27,501	27,501	2,292	20,626	20,626	0	0.0%	27,501
Sanitation Infrastructure	16,668	9,897	9,897	825	7,423	7,423	0	0.0%	9,897
<i>Reticulation</i>	16,390						-		
<i>Waste Water Treatment Works</i>	-	9,897	9,897	825	7,423	7,423	0	0.0%	9,897
Solid Waste Infrastructure	3,843	2,248	2,248	187	1,686	1,686	0	0.0%	2,248
<i>Waste Transfer Stations</i>	-						-		
Community Assets	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>	-						-		
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	11,971	12,662	12,662	1,055	9,497	9,497	0	0.0%	12,662
Operational Buildings	11,971	12,662	12,662	1,055	9,497	9,497	0	0.0%	12,662
<i>Municipal Offices</i>	11,971	12,662	12,662	1,055	9,497	9,497	0	0.0%	12,662
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	525	723	723	60	542	542	(0)	0.0%	723
Licences and Rights	525	723	723	60	542	542	(0)	0.0%	723
<i>Computer Software and Applications</i>	525	723	723	60	542	542	(0)	0.0%	723
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	1,826	8,137	8,137	678	6,103	6,103	(0)	0.0%	8,137
Furniture and Office Equipment	1,826	8,137	8,137	678	6,103	6,103	(0)	0.0%	8,137
Machinery and Equipment	764	736	736	61	552	552	(0)	0.0%	736
Machinery and Equipment	764	736	736	61	552	552	(0)	0.0%	736
Transport Assets	3,516	4,081	4,081	340	3,061	3,061	(0)	0.0%	4,081
Transport Assets	3,516	4,081	4,081	340	3,061	3,061	(0)	0.0%	4,081
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Depreciation	131,104	131,285	131,285	10,941	98,464	98,464	(0)	0.0%	131,285

Supporting Table SC13e

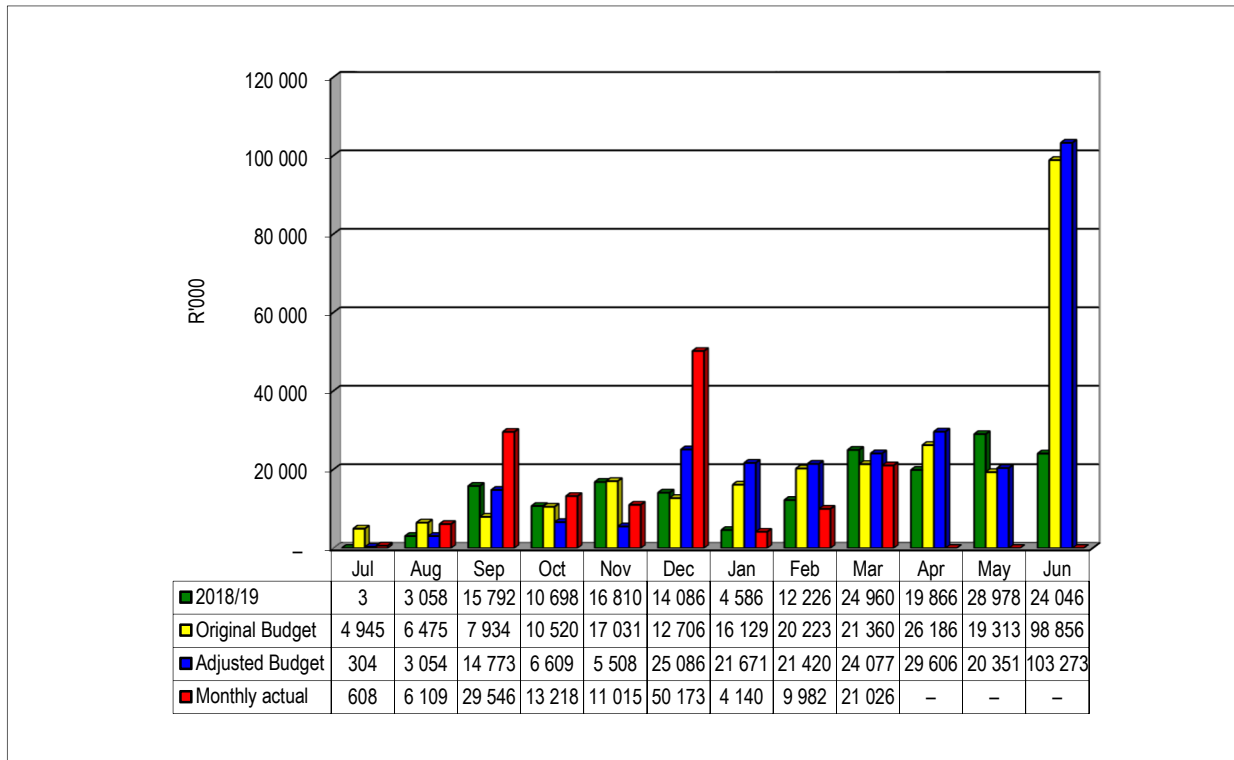
WC032 Overstrand - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M09 March

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	-	23,172	16,905	17	9,387	17,300	7,912	45.7%	16,905
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Roads</i>									
Storm water Infrastructure	-	3,160	3,160	17	45	100	55	55.1%	3,160
<i>Drainage Collection</i>									
<i>Storm water Conveyance Attenuation</i>		3,160	3,160	17	45	100	55	55.1%	3,160
Electrical Infrastructure	-	9,750	9,750	-	7,871	14,000	6,129	43.8%	9,750
<i>MV Networks</i>		9,750	9,750	-	7,871	14,000	6,129	43.8%	9,750
Water Supply Infrastructure	-	3,600	2,011	-	1,471	1,967	496	25.2%	2,011
<i>Distribution</i>		3,600	2,011	-	1,471	1,967	496	25.2%	2,011
Sanitation Infrastructure	-	5,662	984	-	-	1,233	1,233	100.0%	984
<i>Reticulation</i>		5,662	984	-	-	1,233	1,233	100.0%	984
Solid Waste Infrastructure	-	1,000	1,000	-	-	-	-	-	1,000
<i>Landfill Sites</i>									
<i>Waste Transfer Stations</i>		1,000	1,000						1,000
Community Assets	-	16,928	17,928	1,278	5,699	4,952	(748)	-15.1%	17,928
Sport and Recreation Facilities	-	16,928	17,928	1,278	5,699	4,952	(748)	-15.1%	17,928
<i>Outdoor Facilities</i>		16,928	17,928	1,278	5,699	4,952	(748)	-15.1%	17,928
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	100	100	-	61	50	(11)	-21.7%	100
Operational Buildings	-	100	100	-	61	50	(11)	-21.7%	100
<i>Municipal Offices</i>									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Land	-	-	-	-	-	-	-	-	-
Land									
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Total Capital Expenditure on upgrading of existing assets	-	40,200	34,933	1,296	15,148	22,302	7,154	32.1%	34,933

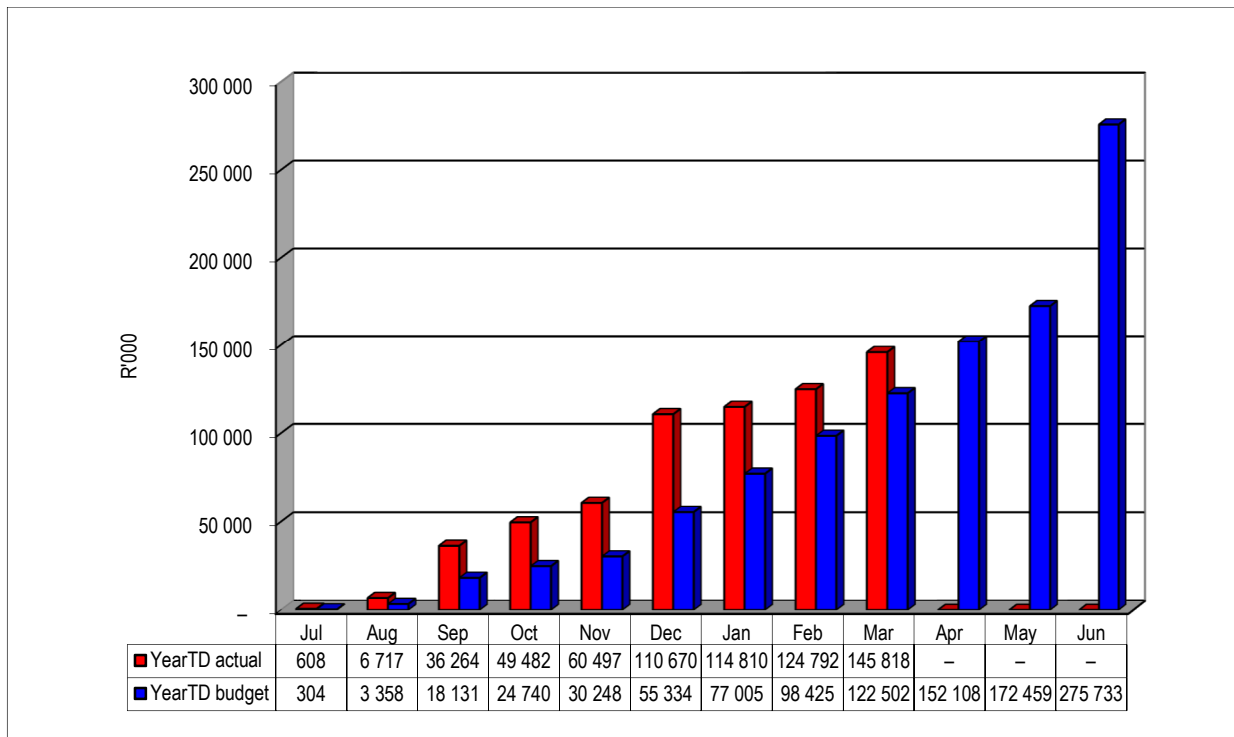
Other supporting documentation

Section 71 charts

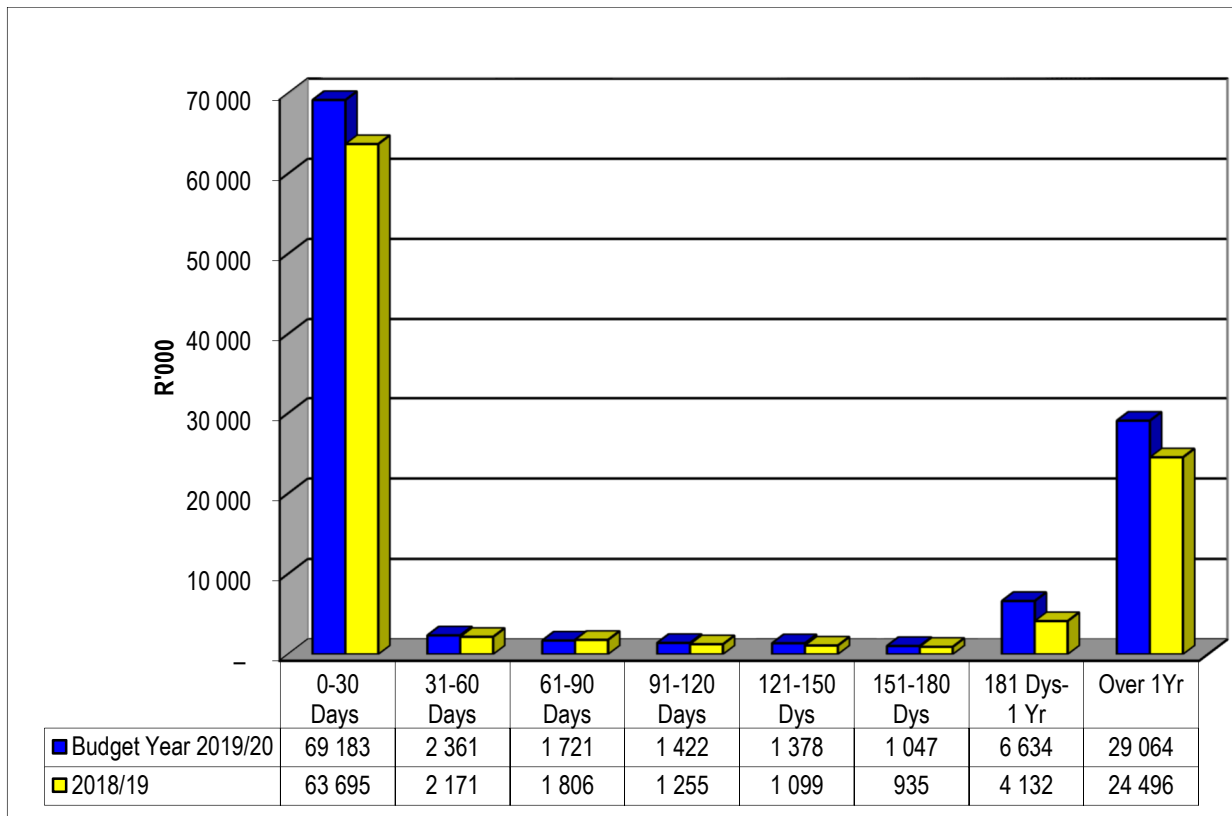
Capital expenditure monthly trend - actual vs target



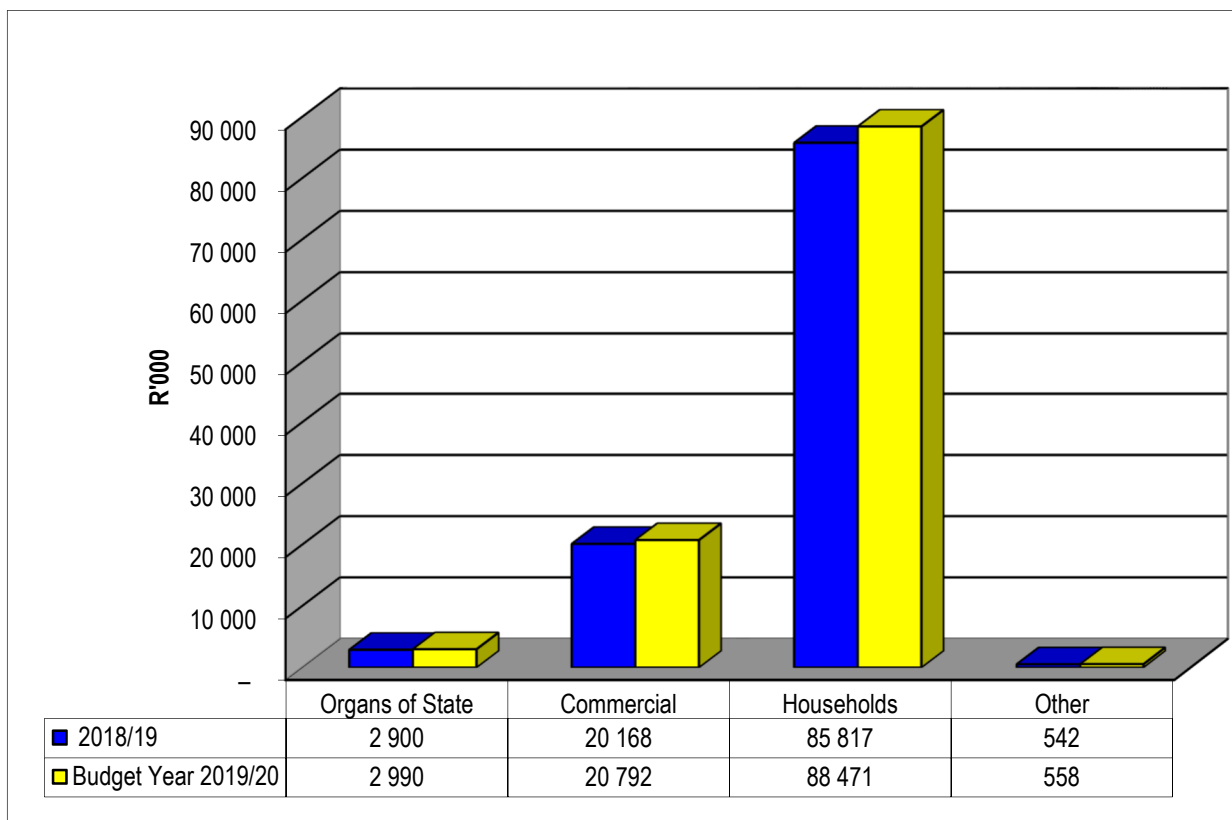
Capital expenditure – YTD actual vs YTD trend



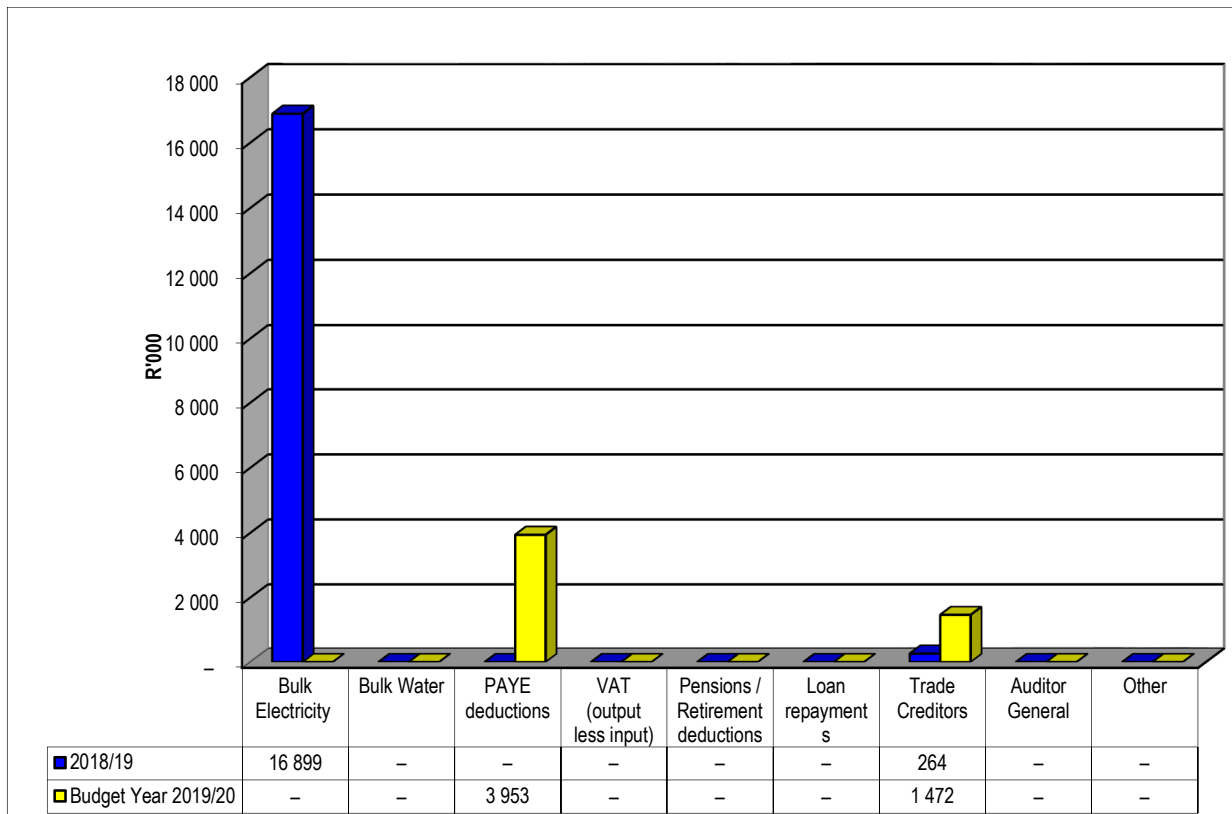
Debtors Age Analysis



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 **March 2020** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **CC Groenewald**

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

Signature:

A handwritten signature in black ink, appearing to read 'CC Groenewald', is written over a horizontal line. The signature is stylized and includes a large, sweeping initial 'G'.

Date: **30 April 2020**

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.

Opening Balance 01/07/2019 **R25 712.89**

Add: Overstrand Budget Allocation 2019/2020 **R100 000.00**

Donations received:

Quarter 1	Donations received	300.00
Quarter 2	Donations received	450.00
Quarter 3	Donations received	350.00
		R 1 100.00

Amount withdrawn:

Quarter 1	Donations granted	-21 500.00
Quarter 2	Donations granted	-57 792.00
Quarter 3 11/03/2020	GLORIA DAVINA MANE DONATION TOWARDS GROCERIES	-3 000.00
11/03/2020	LOVE JOY HOPE AND FAITH DONATION FOR SOUP KITCHEN	-5 000.00
		-R87 292.00

Closing Balance 31 March 2020

R39 520.89

OVERSTRAND MUNICIPALITY - REPORTING ON THE MUNICIPAL COST CONTAINMENT REGULATIONS, 2019**March 2020****Council is herewith informed of the status regarding implementation of the Cost Containment Regulations**

The Municipal Cost Containment Regulations were published on 07 June 2019, with effective date 01 July 2019.

The previous report to Council (June 2019) addressed the administrative process in anticipation of the regulations. These considerations were based on MFMA Circular No. 82 Cost Containment Measures (Updated November 2016).

Subsequent to the regulations being gazetted, National Treasury issued MFMA Circular No 97 - Cost Containment Measures on 31 July 2019. This circular advises regarding proposed formats for reporting on budgets, expenditure and savings as addressed in the regulations.

Save for revised input pertaining to the consideration of Public Transport in Regulation 7(6)(b), included in changes as approved by council to the Overstrand Travel & Subsistence Policy in consideration of Public Transport, the bulk of the cost containment measures have been captured in various of our Council Policies. The before-mentioned will be considered with the annual revision of policies.

Of importance to note is that the Budget Steering Committee gave effect to stringent cost containment restrictions over the past three years, in terms of the budget policy guidance, to advise Council in this regard.

Templates have furthermore been implemented to guide decision making regarding use of consultants and feasibility considerations.

The administration is in the process to give further effect in implementing the regulations and this is being attended to on a continuous basis.

Cost Containment In-Year Report

Measures	Budget	Q1	Q2	Q3	Q4	Savings
	R'000	R'000	R'000	R'000	R'000	R'000
Use of Consultants	31 115 776	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented		
Vehicles used for political office-bearers	0	No Vehicles purchased or planned to purchase vehicles for this purpose in current financial period.	No Vehicles purchased or planned to purchase vehicles for this purpose in current financial period.	No Vehicles purchased or planned to purchase vehicles for this purpose in current financial period.		
Travel & subsistence	639 919	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented		
Domestic accomodation	503 493	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented		
Sponsorships,events and catering	1 404 575	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented		
Communication	6 545 858	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented		
Other related expenditure items	0	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented	1. Overstrand Municipality does not budget to create savings. 2. Cost containment considerations implemented multiple budget periods ago. 3.Guiding Templates implemented		
Total	40 209 621					

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MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA):

POST IMPLEMENTATION STATUS OF THE mSCOA PROJECT - MARCH 2020

1. Executive Summary

The purpose of this submission to Council is to:

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

A comprehensive supplementary report in this regard, providing the necessary detail with regard to background and historic information over the past number of years for this National Treasury project, was also included up to 31 December 2019, as part of the reporting to Council.

2. mSCOA: Scope and Overview

Business Rationale

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

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

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

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

Key Objectives of mSCOA

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

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

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

mSCOA Classification Framework

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

3. mSCOA Project Governance and Management

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

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

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

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

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

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

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

4. mSCOA Project Implementation Frameworks

mSCOA Compliance Frameworks

To maximize the integrity and transparency of the mSCOA assessment process the mSCOA compliance frameworks as prescribed by National Treasury during the various project implementation phases, were used by the Overstrand municipality.

RT25 -2016: ICT due Diligence Functional Assessment Framework

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

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

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

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

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

- During the initial assessment process in 2017 it was found that:
 - i. Some of the sub-processes/modules nominated by National Treasury in the RT25 Tender, do not require any legislative and/or mSCOA regulatory functional requirements; and,
 - ii. Some sub-process/modules do not form part of the Samras systems portfolio currently used by the Overstrand municipality and therefore have been excluded from the functional compliance assessment process.

5. Financial Management and Internal Control Requirements

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

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

mSCOA Budgetary Compliance Requirements

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

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

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

Business Process Requirements and Associated System

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

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

- General Ledger/Billing/Supply chain management/Assets management/Inventory and stores/Budgeting and planning/Human Resources and payroll.

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

- Corporate Governance/Municipal Budgeting/Financial Accounting/Costing & Reporting/Project Accounting/Cash Management/Procurement Cycle/Grant Management/Assets Life Cycle Management/Real Estate & Resource Management/HR & Payroll/Customer Care, Credit Control/Valuation Roll Management/Land Use Management/Revenue Cycle

6. Vendor Technical Systems Design and Development Strategies

ICT Industry Migration to Knowledge Based Systems Architectures:

- Since Y2K the demand for large databases systems and broad band data communications networks has brought about a total new paradigm how databases and Management Information Systems must be designed and developed.
- This requirement for *"knowledge based systems and best industry practice systems architectures"*, providing access to *"data on demand" at "anytime from anywhere"*, eventually also found its inroads into all three spheres of government in the Republic of South Africa with various ICT initiatives being deployed by various governmental institutions: The mSCOA initiative introduced by National Treasury in 2011, being one of them. Reference: MFMA Circular 57: Financial Systems and Processes, dated 20 October 2011 –

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

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

In 2014 the Overstrand municipality opted to be one of a few municipalities selected by National Treasury to engage with our current Service Provider on a pilot mSCOA Implementation project, taking full advantage of early lessons learned and a focused support from National Treasury.

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

- Development of the remainder of the mSCOA functional requirements for implementation was envisaged by not later than 31 September 2017, to coincide with the commencement of Budget planning cycle for the next financial year: 2018/2019, which, at the time made good business sense, given the scope of the transversal tender, RT25-2016 functional requirements as well.
- It was thus also the intent of the vendor to decommission its legacy system and database architectures and to migrate all the municipal financial data to a new Web-enabled systems and database architecture, to also coincide with the commencement of the budget planning cycle for 2018/2019.

The Vendor informed the municipality during the User Acceptance Testing phase prior to 1 July 2017 that they will not be able to implement in accordance to the time frames as indicated for the intended migration strategy to the new Web-enabled architecture.

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The service provider was also notified at that stage by the Western Cape Provincial Treasury, together with municipalities, that they are working towards 31 March 2018 to ensure that all modules are fully functional and that all 3rd Party Integrations are complete and operational.

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

- 1) Submission of TABB (Tabled Budget) data strings for 2018/19: Deadline was 5 April 2018 (as per budget circular);
- 2) Submission of PATA (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.

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 had to commence within the next month and the results were scheduled to be published and shared in a media release. It was indicated that these results will also inform the new transversal tender for the procurement of municipal financial systems when RT25-2016 comes to an end in March 2019;

The feedback regarding the anticipated outcome of the before-mentioned audit process of mSCOA system vendors by National Treasury has been communicated since then to municipalities, in confirming that NT has now scheduled this process for the second part of 2019.

Update on the submission of data strings by the municipality:

- All the monthly data strings M01 - M12 (July 2018 to June 2019) have been successfully submitted and verified by the NT database.
- All the monthly Debtors and Creditors data strings for the period July 2018 to June 2019 have been successfully submitted and verified by the NT database.
- All the quarterly IM (Investments) and BM (Borrowing) data strings for the periods September & December 2018 and March & June 2019 have been successfully submitted and verified by the NT database.
- The tabled & original budget and IDP data strings for the 2019/2020 budget been
- Successfully submitted and verified by the NT database.
- Some challenges still exist with the submission of older data strings such as the
- 2017/2018 PAUD & AUDA (Pre- and audited information) and the tabled, original and
- Adjustments budgets, IDP data strings for the 2018/2019 budget. This can partly be ascribed to system challenges with the various versions of the mSCOA charts for the past three years.

Notwithstanding successful submissions of the above mentioned data strings, it should be noted that manual intervention still occurs in correcting some data strings due to modules not yet available in the Web portal and system data verification procedures. These aspects are constantly being communicated with the system vendor.

7. Bytes Systems and Engagements

Samras Financial System

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The transactional and operational processing in the SamrasClassic environment was also at an acceptable level of functionality at the time (2014). Flat file structures with some relational database capabilities was primarily the state of the art for Information databases and Systems Architectures, but then also primarily for a localized environment i.e. the Overstrand municipality.

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

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

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

Summarized Overview and Assessment of the Bytes Service Offerings and Service

Delivery Performance:

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2013 to	mSCOA: Initial Bytes Implementation Project
Date	Refer Diagram 1 below –
	Operational processing still occurs in the SamrasClassic Domain. Data ceding between the two platforms remain a work in progress and an operational challenge as earlier indicated.
	2015/2019 Samras Modernisation, subsequently referenced /Web Enablement (Web Interface Business Process)
2015/2019	Refer Diagram 2 & 3 below –
	2015 Planning - Deliver a complete Web based solution, with self-service focus for rate payers: Aligned with all financial business processes and transparency to all stakeholders.
	2016 Planning - Samras User Group Complete full delivery of scheduled for 6 to 7 March all core processes on the 2019 provided some high Web by April 2017; level indications without sufficient detailed implementation plan made available thus development test and far.
	2019 Expectation - is to deliver a fully Web based Solution and phase out SamrasClassic by not later than December 2019.
	February 2019: Still await updated detailed Project Implementation Plan and Modernization Scope and Specifications from Bytes. Still no clear feedback regarding phasing out of the SamrasClassic.
	June 2019 Usergroup meeting: The status will be considered after the Samras Usergroup meeting scheduled for 16/17 October 2019. No positive developments in terms of implementation of the Web based at any of the municipalities in the group were observed at the usergroup.
	October 2019 Usergroup meeting: The Municipality has yet to receive an updated project plan for the rollout of the complete suite of the Samras web based modules from Bytes Systems Integration - Bytes however started a proses to implement a web modules at one of the district municipalities in the usergroup, but several challenges have been experienced during the second part of 2019, impacting on progress made.
	March 2020 Usergroup meeting: The service provider has also started a process to test some modules at municipalities; however the web development is according to our observation, is not 100 percent ready for Overstrand municipality to implement the next module of the web based system as envisaged. The municipality is however in the process to follow instructions

 Samras Monthly Performance Ratings (Since 2018/2019):

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

> KPI Description: Deliver financial system services within agreed time, cost and quality:

> KPI Rating: Monthly performance ratings since July 2018 = 1

 Current Measures:

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- Senior Finance Management staff attend all Usergroup meetings.
- Bi-Weekly mSCOA meetings held, telecom with supplier during these meetings as far as possible.

✚ Above rating must be considered in view of the following -

Impact of 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 NT since July 2015, it is fair and reasonable to accept that the sum total and impact of scope changes introduced by NT to the initial scope of mSCOA implementation project plan, and in a fragmented fashion, impacted on service providers to some extent and still impose potential risks to successful implementation of mSCOA in totality.

A number of events occurred that directly impact on the existing contractual relationship and service delivery expectations the Overstrand municipality have with its current service provider, being Bytes Technology Group:

- The legislative and regulatory compliance requirements for mSCOA implementation have been amended three times previously by National Treasury from mSCOA V6.1 to mSCOA V 6.2, to V6.3 effective from 01 July 2019 and more recently, V6.4, introduced in December 2019, for full compliance by not later than 31 March 2020, to coincide with the Budget Planning Cycle for 2020/2021;
- The National Treasury Transversal Contract: RT25...2016, effective from 01 June 2016, for the appointment of Service Providers for the implementation of a fully Integrated Financial Management System for Local Government, will be discontinued by National Treasury, effective from 31 May 2019, thus;

A municipality that considers the services of an alternative system vendor, will need to embark on its own procurement process consistent with Chapter 10 of the MFMA read together with the Municipal Supply Chain Management (SCM) Regulations and the written council approved Municipal Supply Chain Management policy."

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

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

8. The Way Forward with mSCOA

To date, the functional and operational status of the Samras system still does not justify an unqualified report to Council and National Treasury that the Samras system is fully mSCOA compliant, primarily due to the following issues and constraints:

- The current hybrid Systems Architectures (SamrasClassic and the Web-portal) maintained by the vendor in an attempt to deliver a fully functional Samras system, poses a severe risk due to the lack of proper validation rules between the two data architectures and data being ceded between the two Samras System Architectures.
- Before-mentioned continues to impact on the day to day operations of the Finance Directorate mostly, and places severe pressure on the Financial Services Department

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(Budget/Reporting/Annual Financial Statements). This impacts on an on-going basis in maintaining performance in adherence/compliance to deadlines related to legislation (Sub- systems/modules might reconcile or function properly on one day and then will be dysfunctional again the very next day (refer NT budget schedules, formulae and reports, with particular incidents reported to the vendor remaining unresolved relating to any permanent solutions, progress, and/or implementation.)

- Overstrand Municipality has already complied to a large extent with these requirements and has focused on the submissions that reflect an error validation status.
- To date the core financial system of the municipality is functional and operational, for day- to-day transacting, primarily due to the collective efforts and competence of the Overstrand municipal officials involved with the implementation of mSCOA.
- Accurate data string extracts from the web-based financial system remained a challenge to date, also in view of the fact that some vital modules are not deployed in the web yet). These and other system operational challenges are continually being logged with the service provider for solutions.
- The Overstrand Municipality currently has its own existing and mutually accepted Main Agreement with the Bytes Technology Group, effective till 30 June 2022.
- The National Treasury has provided the latest status and guidance to municipalities in the MFMA Budget Circular No. 98, issued on 6 December 2019, as follows:

“By now, all municipalities should:

- Have acquired, upgraded and maintain the hardware, software and licences required to be and remain *mSCOA* compliant;
- Budget, transact and report on all six (6) legislated *mSCOA* segments and directly on the core financial system and submit the required data strings directly from this system to the Local Government Portal;
- Lock down the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the local government portal;
- Closed the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the local government portal; and
- Generate regulated Schedules (A, B, C) directly from the core municipal financial systems.
- If your municipality has not achieved the above level of implementation as yet, then the implementation of *mSCOA* in your municipality should be accelerated. Towards this end:
 - A road map must be provided to the National and respective provincial treasury to indicate how the municipality will be become *mSCOA* compliant;
 - The municipality’s *mSCOA* Project Steering Committee (chaired by the Accounting Officer) must meet at least monthly (if not more often) to track the progress against the road map and take corrective action where required;
 - The National Treasury (in the case of non-delegated municipalities) and respective provincial treasury (in the case of delegated municipalities) should be invited to the *mSCOA* Project Steering Committee meeting; and
 - Progress against the road map should be presented at the Mid-Year Budget and Performance and Budget Benchmark engagements. “

It was furthermore indicated that:

“The National Treasury will conduct independent audits on all municipal core financial systems in 2020 to determine to what extent these systems comply with the functionality requirements and 15 business processes required in terms of *mSCOA*. These results will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2021. Until these audits have been

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concluded and the results have been released, municipalities should exercise caution when changing their financial system to avoid purchasing a system that do not comply with the necessary *mSCOA* functionality requirements.”

The municipality has yet to receive an updated project plan for the rollout of the complete suite of the Samras web based modules from Bytes Systems Integration.

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

Diagram 1- mSCOA Service Offering - 2015/2016

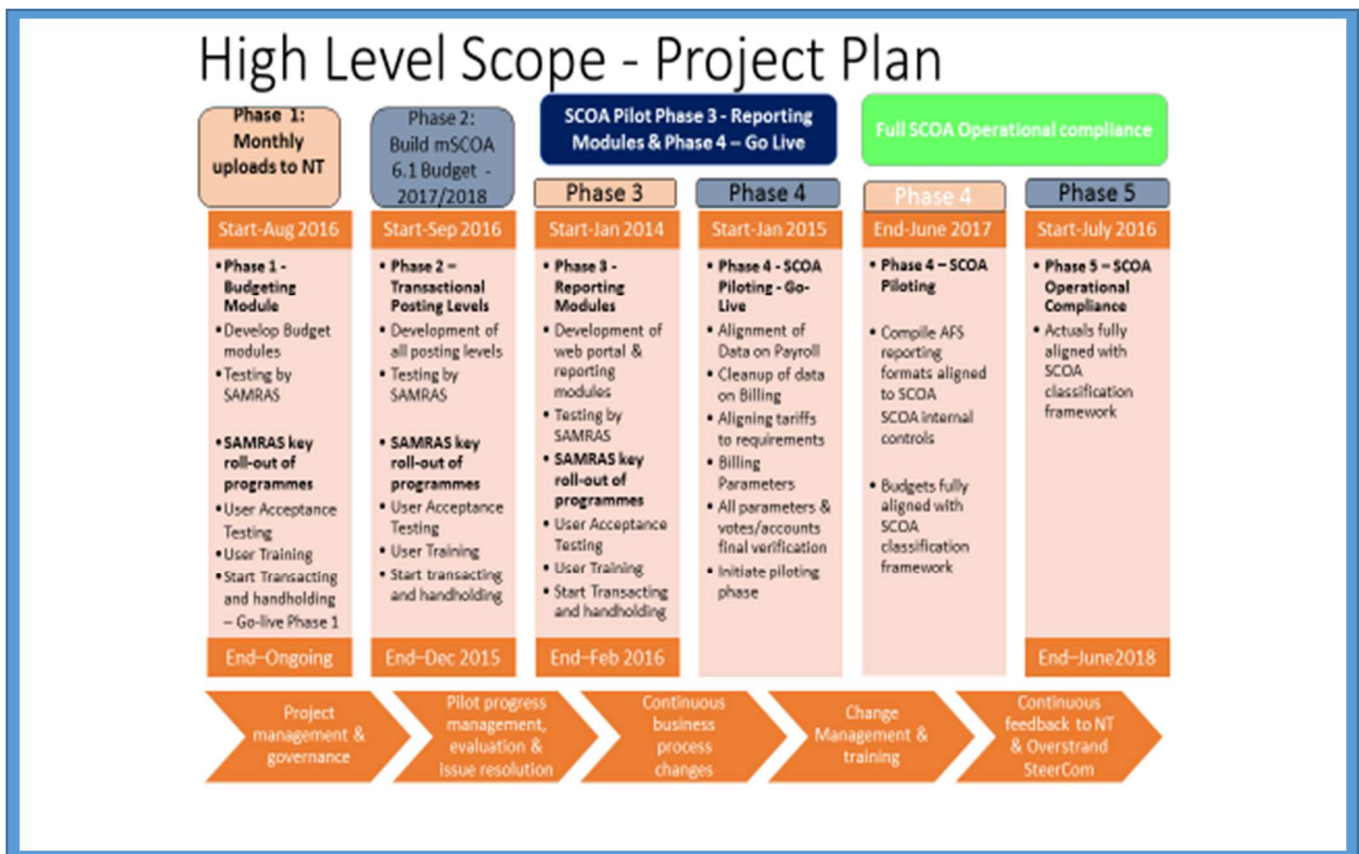


Diagram 2 - mSCOA Samras Modernisation 2015/2016

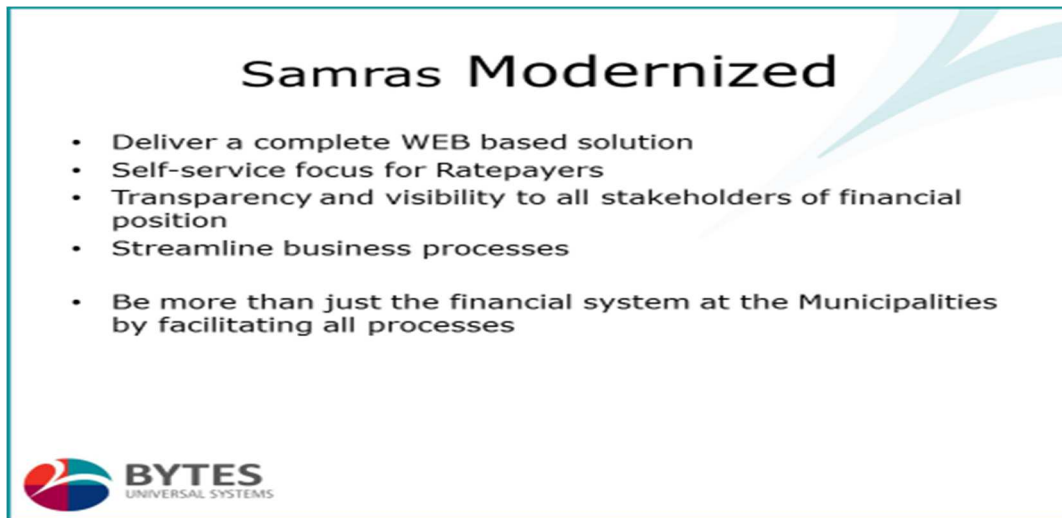


Diagram 3 - Web Interface mSCOA Business Process – 2016/2017

