

**11.
BUDGET REPORT FOR THE QUARTER ENDED MARCH 2017**

5/1/18-2016/2017
B A King
12 March 2017

(028) 313 8154

Corporate Head Office

1. Executive Summary

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

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate Finance
Financial Services

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

None

5. Legal Requirements

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

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

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

Discussion

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

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

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 2017

Annexure B: Cost Containment Measures March 2017

RECOMMENDATION TO THE COUNCIL:

that the budget report for the quarter ended March 2017, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

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

OVERSTRAND MUNICIPALITY



Quarterly Budget Report

March 2017

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.

Table of Contents

Glossary	3
PART 1 – IN-YEAR REPORT	5
Mayor’s Report	5
Resolutions	6
Executive Summary	7
In-year budget statement tables	9
PART 2 – SUPPORTING DOCUMENTATION	18
Debtors' analysis	18
Creditors' analysis	19
Investment portfolio analysis	20
Allocation and grant receipts and expenditure	21
Councillor allowances and employee benefits	23
Material variances to the SDBIP.....	25
Municipal financial performance.....	26
Capital programme performance	27
Other supporting documentation	32
Municipal manager’s quality certification	35

Glossary

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

Budget – The financial plan of the Municipality.

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

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

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

FMG – Financial Management Grant.

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

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

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

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

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

MIG – Municipal Infrastructure Grant.

mSCOA – Municipal Standard Chart of Accounts.

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

NDPG – Neighbourhood Development Partnership Grant.

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

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

SDBIP – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information.

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

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

YTD – Year to date

PART 1 – IN-YEAR REPORT

Mayor's Report

1.1 In-Year Report – Quarterly Budget Report

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the third quarter ended March 2017 will be tabled in a separate comprehensive report to council.

1.1.2 Financial problems or risks facing the municipality

None. All the major sources of revenue are currently within acceptable norms.

1.1.3 Other relevant information

The 2016/2017 Budget represents the 2nd year of pilot site implementation and was compiled according to version 5.3 of the mSCOA classification framework. The below results reflects the third quarter's financial position.

YTD Actual operating revenue at the end of the third quarter for 2016/2017 is at 79.09% of the budgeted revenue. The expenditure reflects spending of 68.15% against the budgeted expenditure. Capital expenditure amounts to R34.8m, or 40.53% of the total adjusted budget of R85.8m, at the end of March 2017.

Two adjustments budgets were tabled during this quarter in respect of the appropriation of additional revenues that have become available through the Western Cape Adjusted Estimates and various adjustments identified in the operating and capital budgets.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2016.

The positive cash flow remains stable with an indication of an increase in cash.

Resolutions

IN-YEAR REPORTS 2016/2017

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

RECOMMENDATION:

that the budget report for the quarter ended March 2017, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

Executive Summary

The Auditor General has since completed the audit of the 2015/2016 financial statements and the Annual Report was tabled in Council on 23 January 2017, therefore the 'Audited Outcome' for 2015/2016 is reflected in the quarterly report.

Revenue by Source

The Year-to-Date actual revenue is 0.73% above the YTD budget projections at the end of March 2017.

Borrowings

The balance of borrowings amounts to R450.8m at the end of March 2017.

Operating expenditure by vote & type

Current expenditure is 1.80% below YTD budget projections as at March 2017.

Capital expenditure

YTD Capital expenditure amounts to R34.8m or 40.53% of the total adjusted budget of R85.8m. The current capital commitments of orders in progress amounts to R27.3m or 31.82% of the adjusted capital budget of R85.8m.

Cash flows

The municipality started the year with a positive cash balance of R174.8 million. The March closing balance is R322.9 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Grants totaling R30.2m were received during March 2017.

Spending on Grants

Spending on grants amounts to R4.7m for March 2017 which includes FMG, EPWP, Housing, Provincial Library Grant, MIG & INEP.

Material variances

The table below summarises variances for projected revenue and expenditure.

WC032 Overstrand - Supporting Table SC1 Material variance explanations - M09 March			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue By Source</u>	0.73%	Not material	
<u>Expenditure By Type</u>	-1.80%	Not material	
<u>Capital Expenditure</u>	-8.86%	Capital Commitments =R27.3m	
<u>Financial Position</u>			
In order			
<u>Cash Flow</u>			
In order			

Performance in relation to SDBIP targets

See the comprehensive report tabled in Council.

Remedial or corrective steps

No remedial or corrective steps are required at this time.

In-year budget statement tables / ...

Table C1: s71 Monthly Budget Statement Summary

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

Description	2015/16	Budget Year 2016/17							
	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	165 119	181 439	190 639	16 421	148 730	148 103	627	0%	190 639
Service charges	573 195	607 054	606 116	53 226	469 352	465 979	3 373	1%	606 116
Investment revenue	12 209	10 489	15 489	1 336	15 385	15 102	283	2%	15 489
Transfers recognised - operational	103 629	126 313	133 025	19 843	111 393	111 393	-		133 025
Other own revenue	80 024	67 879	70 335	6 254	58 424	56 848	1 576	3%	70 335
Total Revenue (excluding capital transfers and contributions)	934 177	993 175	1 015 605	97 081	803 284	797 424	5 860	1%	1 015 605
Employee costs	273 115	314 204	310 893	23 990	226 431	227 050	(619)	-0%	310 893
Remuneration of Councillors	8 566	9 110	9 110	776	6 689	6 833	(144)	-2%	9 110
Depreciation & asset impairment	123 514	117 690	127 262	10 577	95 184	95 446	(262)	-0%	127 262
Finance charges	46 207	46 421	46 421	4 628	24 441	24 441	-		46 421
Materials and bulk purchases	214 224	285 811	288 105	17 180	196 992	203 762	(6 770)	-3%	288 105
Transfers and grants	51 090	57 479	57 479	4 510	42 021	43 109	(1 088)	-3%	57 479
Other expenditure	226 415	242 280	245 244	18 237	147 302	151 960	(4 657)	-3%	245 244
Total Expenditure	943 132	1 072 995	1 084 514	79 898	739 060	752 600	(13 540)	-2%	1 084 514
Surplus/(Deficit)	(8 956)	(79 820)	(68 909)	17 182	64 223	44 824	19 400	43%	(68 909)
Transfers recognised - capital	60 651	39 962	31 737	3 154	16 357	16 357	-		31 737
Contributions & Contributed assets	-	4 500	4 500	-	-	-	-		4 500
Surplus/(Deficit) after capital transfers & contributions	51 696	(35 358)	(32 672)	20 336	80 580	61 181	19 400	32%	(32 672)
Surplus/ (Deficit) for the year	51 696	(35 358)	(32 672)	20 336	80 580	61 181	19 400	32%	(32 672)
Capital expenditure & funds sources									
Capital expenditure	95 286	88 356	85 872	6 067	34 804	38 188	(3 384)	-9%	85 872
Capital transfers recognised	60 651	43 462	35 237	3 004	16 089	17 859	(1 769)	-10%	35 237
Public contributions & donations	896	1 462	1 462	-	-	609	(609)	-100%	1 462
Borrowing	27 189	33 824	35 854	2 262	11 465	11 951	(486)	-4%	35 854
Internally generated funds	6 549	9 608	13 319	801	7 250	7 769	(520)	-7%	13 319
Total sources of capital funds	95 286	88 356	85 872	6 067	34 804	38 188	(3 384)	-9%	85 872
Financial position									
Total current assets	311 815	238 962	316 371		459 571				316 371
Total non current assets	3 741 168	3 284 285	3 707 431		3 687 423				3 707 431
Total current liabilities	169 019	183 981	183 981		154 356				183 981
Total non current liabilities	611 666	636 115	636 115		638 138				636 115
Community wealth/Equity	3 272 298	2 703 150	3 203 705		3 354 500				3 203 705
Cash flows									
Net cash from (used) operating	160 636	103 090	105 019	39 701	184 669	184 812	143	0%	105 019
Net cash from (used) investing	(99 338)	(95 217)	(93 522)	(6 551)	(41 438)	(41 438)	-		(93 522)
Net cash from (used) financing	8 496	5 787	5 258	(2 681)	4 869	4 869	-		5 258
Cash/cash equivalents at the month/year end	174 781	114 127	191 536	-	322 881	323 024	143	0%	191 536
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	56 967	1 799	1 308	941	690	640	4 649	19 766	86 758
Creditors Age Analysis									
Total Creditors	2 594	-	-	-	-	-	-	-	2 594

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

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Standard									
<i>Governance and administration</i>	275 007	274 984	289 837	37 004	247 515	245 975	1 540	1%	289 837
Executive and council	64 991	73 269	73 269	18 258	73 157	73 157	-		73 269
Budget and treasury office	189 358	200 953	214 710	18 656	172 602	171 768	835	0%	214 710
Corporate services	20 658	762	1 859	90	1 756	1 051	705	67%	1 859
<i>Community and public safety</i>	99 869	116 537	116 389	5 865	75 559	76 555	(996)	-1%	116 389
Community and social services	3 218	11 676	10 676	797	7 698	7 586	112	1%	10 676
Sport and recreation	9 743	9 875	9 421	644	7 197	7 066	131	2%	9 421
Public safety	30 412	37 988	39 189	3 056	28 706	28 947	(241)	-1%	39 189
Housing	56 496	56 997	57 103	1 368	31 958	32 957	(999)	-3%	57 103
<i>Economic and environmental services</i>	24 902	25 639	22 565	3 561	16 649	14 511	2 138	15%	22 565
Planning and development	12 822	14 810	12 381	1 360	9 657	8 972	684	8%	12 381
Road transport	12 071	10 746	10 100	2 201	6 972	5 476	1 496	27%	10 100
Environmental protection	9	83	83	-	20	62	(42)	-68%	83
<i>Trading services</i>	595 050	620 478	623 051	53 804	479 918	476 739	3 179	1%	623 051
Electricity	334 747	362 878	360 600	30 912	274 705	273 455	1 250	0%	360 600
Water	118 583	114 100	117 699	10 400	94 746	93 669	1 078	1%	117 699
Waste water management	79 988	77 930	79 131	6 952	60 849	60 454	395	1%	79 131
Waste management	61 733	65 570	65 622	5 540	49 618	49 162	456	1%	65 622
<i>Other</i>	-	-	-	-	-	-	-		-
Total Revenue - Standard	994 828	1 037 637	1 051 842	100 235	819 640	813 780	5 860	1%	1 051 842
Expenditure - Standard									
<i>Governance and administration</i>	233 017	262 295	265 975	19 739	185 886	191 350	(5 464)	-3%	265 975
Executive and council	95 210	114 535	115 521	8 854	81 692	81 836	(144)	0%	115 521
Budget and treasury office	63 843	69 180	68 441	4 553	48 527	50 475	(1 948)	-4%	68 441
Corporate services	73 964	78 579	82 013	6 332	55 667	59 039	(3 372)	-6%	82 013
<i>Community and public safety</i>	121 432	179 163	181 298	10 727	121 010	122 594	(1 584)	-1%	181 298
Community and social services	32 027	34 465	34 028	2 762	23 508	23 488	21	0%	34 028
Sport and recreation	12 881	20 239	16 927	1 233	12 432	12 483	(52)	0%	16 927
Public safety	61 347	74 657	75 011	5 616	51 892	53 445	(1 553)	-3%	75 011
Housing	15 176	49 802	55 333	1 116	33 178	33 178	-		55 333
<i>Economic and environmental services</i>	158 554	176 435	179 897	14 856	117 925	120 434	(2 509)	-2%	179 897
Planning and development	67 298	80 325	80 285	6 196	54 816	55 724	(908)	-2%	80 285
Road transport	86 500	90 397	93 959	8 251	59 446	60 682	(1 236)	-2%	93 959
Environmental protection	4 756	5 712	5 653	409	3 663	4 028	(365)	-9%	5 653
<i>Trading services</i>	430 130	455 103	457 343	34 576	314 240	318 222	(3 982)	-1%	457 343
Electricity	261 042	277 742	276 599	20 519	193 069	194 080	(1 011)	-1%	276 599
Water	67 335	59 028	64 430	4 840	39 778	40 913	(1 135)	-3%	64 430
Waste water management	57 092	59 828	58 240	4 735	41 670	42 819	(1 149)	-3%	58 240
Waste management	44 661	58 505	58 075	4 482	39 723	40 410	(687)	-2%	58 075
<i>Other</i>	-	-	-	-	-	-	-		-
Total Expenditure - Standard	943 132	1 072 995	1 084 514	79 898	739 060	752 600	(13 540)	-2%	1 084 514
Surplus/ (Deficit) for the year	51 696	(35 358)	(32 672)	20 336	80 580	61 181	19 400	32%	(32 672)

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

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

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

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

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

Vote Description	2015/16	Budget Year 2016/17							
	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	64 991	73 182	73 182	18 255	73 099	73 099	-		73 182
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Management Services	3 065	1	1 013	30	1 210	1 210	-		1 013
Vote 4 - Finance	189 358	200 953	214 710	18 656	172 602	171 768	835	0.5%	214 710
Vote 5 - Community Services	293 898	291 065	294 111	26 622	227 956	224 335	3 621	1.6%	294 111
Vote 6 - Local Economic Development	3 471	3 352	3 352	294	2 679	2 514	165	6.6%	3 352
Vote 7 - Infrastructure & Planning	409 632	431 096	426 285	33 321	313 388	311 908	1 479	0.5%	426 285
Vote 8 - Protection Services	30 412	37 988	39 189	3 056	28 706	28 946	(240)	-0.8%	39 189
Total Revenue by Vote	994 828	1 037 637	1 051 842	100 235	819 640	813 780	5 860	0.7%	1 051 842
Expenditure by Vote									
Vote 1 - Council	74 562	91 748	92 195	7 292	67 212	67 695	(483)	-0.7%	92 195
Vote 2 - Municipal Manager	4 094	4 722	4 649	303	2 992	3 439	(447)	-13.0%	4 649
Vote 3 - Management Services	38 242	46 490	45 004	3 372	29 748	31 647	(1 899)	-6.0%	45 004
Vote 4 - Finance	63 843	69 180	68 441	4 553	48 527	50 475	(1 948)	-3.9%	68 441
Vote 5 - Community Services	335 658	346 998	351 302	28 110	232 678	236 639	(3 961)	-1.7%	351 302
Vote 6 - Local Economic Development	8 905	10 795	10 673	724	7 479	7 638	(159)	-2.1%	10 673
Vote 7 - Infrastructure & Planning	356 481	428 407	437 239	29 928	298 532	301 622	(3 090)	-1.0%	437 239
Vote 8 - Protection Services	61 347	74 657	75 011	5 616	51 892	53 445	(1 553)	-2.9%	75 011
Total Expenditure by Vote	943 132	1 072 995	1 084 514	79 898	739 060	752 600	(13 540)	-1.8%	1 084 514
Surplus/ (Deficit) for the year	51 696	(35 358)	(32 672)	20 336	80 580	61 181	19 400	31.7%	(32 672)

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

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

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

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

Description	2015/16	Budget Year 2016/17							
	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	164 554	180 591	189 791	16 399	148 507	147 879	627	0%	189 791
Property rates - penalties & collection charges	565	848	848	21	223	223	-		848
Service charges - electricity revenue	324 599	356 959	351 822	30 487	269 383	268 264	1 118	0%	351 822
Service charges - water revenue	114 179	111 544	113 744	10 265	90 540	89 574	967	1%	113 744
Service charges - sanitation revenue	72 728	72 318	74 318	6 855	59 419	58 525	894	2%	74 318
Service charges - refuse revenue	61 689	65 510	65 510	5 532	49 527	49 133	394	1%	65 510
Rental of facilities and equipment	9 950	4 728	4 728	439	3 791	3 546	245	7%	4 728
Interest earned - external investments	12 209	10 489	15 489	1 336	15 385	15 102	283	2%	15 489
Interest earned - outstanding debtors	2 735	2 756	2 756	231	2 041	2 067	(26)	-1%	2 756
Fines	23 893	31 143	31 143	2 538	24 252	23 877	375	2%	31 143
Licences and permits	2 423	2 330	2 330	219	1 889	1 748	141	8%	2 330
Agency services	3 211	3 220	3 220	299	2 555	2 415	140	6%	3 220
Transfers recognised - operational	103 629	126 313	133 025	19 843	111 393	111 393	-		133 025
Other revenue	29 273	23 702	24 204	2 528	23 896	23 195	700	3%	24 204
Gains on disposal of PPE	8 539		1 954				-		1 954
contributions)	934 177	993 175	1 015 605	97 081	803 284	797 424	5 860	1%	1 015 605
Expenditure By Type									
Employee related costs	273 115	314 204	310 893	23 990	226 431	227 050	(619)	0%	310 893
Remuneration of councillors	8 566	9 110	9 110	776	6 689	6 833	(144)	-2%	9 110
Debt impairment	19 128	23 888	23 888	1 991	17 916	17 916	-		23 888
Depreciation & asset impairment	123 514	117 690	127 262	10 577	95 184	95 446	(262)	0%	127 262
Finance charges	46 207	46 421	46 421	4 628	24 441	24 441	-		46 421
Bulk purchases	194 620	210 763	206 563	14 573	145 660	148 381	(2 721)	-2%	206 563
Other materials	19 605	75 048	81 542	2 607	51 331	55 380	(4 049)	-7%	81 542
Contracted services	112 338	158 368	161 233	12 655	90 028	92 709	(2 681)	-3%	161 233
Transfers and grants	51 090	57 479	57 479	4 510	42 021	43 109	(1 088)	-3%	57 479
Other expenditure	94 626	60 024	60 123	3 591	39 359	41 334	(1 976)	-5%	60 123
Loss on disposal of PPE	323						-		
Total Expenditure	943 132	1 072 995	1 084 514	79 898	739 060	752 600	(13 540)	-2%	1 084 514
Surplus/(Deficit)	(8 956)	(79 820)	(68 909)	17 182	64 223	44 824	19 400	43%	(68 909)
Transfers recognised - capital	60 651	39 962	31 737	3 154	16 357	16 357	-		31 737
Contributions recognised - capital		4 500	4 500				-		4 500
Contributed assets							-		
Surplus/(Deficit) after capital transfers & Taxation	51 696	(35 358)	(32 672)	20 336	80 580	61 181	-		(32 672)
Surplus/(Deficit) after taxation	51 696	(35 358)	(32 672)	20 336	80 580	61 181			(32 672)
Surplus/(Deficit) attributable to municipality	51 696	(35 358)	(32 672)	20 336	80 580	61 181			(32 672)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	51 696	(35 358)	(32 672)	20 336	80 580	61 181			(32 672)

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 0.73% above the YTD budget.

Current expenditure is 1.80% below YTD budget projections for March 2017.

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

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

Vote Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	17 900	14 311	13 826	2 057	9 982	10 507	(525)	-5%	13 826
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	8 501	15 000	16 605	548	6 097	6 200	(103)	-2%	16 605
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	26 401	29 311	30 431	2 606	16 079	16 707	(628)	-4%	30 431
Single Year expenditure appropriation									
Vote 1 - Council	-	5	30	-	-	1	(1)	-100%	30
Vote 2 - Municipal Manager	-	41	41	-	32	34	(2)	-7%	41
Vote 3 - Management Services	3 848	320	720	-	113	540	(427)	-79%	720
Vote 4 - Finance	-	30	30	-	-	23	(23)	-100%	30
Vote 5 - Community Services	54 496	51 033	45 554	2 933	14 543	16 267	(1 724)	-11%	45 554
Vote 6 - Local Economic Development	-	15	15	9	9	11	(3)	-24%	15
Vote 7 - Infrastructure & Planning	10 246	6 721	6 971	-	3 228	3 562	(334)	-9%	6 971
Vote 8 - Protection Services	295	880	2 080	520	801	1 044	(243)	-23%	2 080
Total Capital single-year expenditure	68 885	59 046	55 441	3 461	18 725	21 482	(2 757)	-13%	55 441
Total Capital Expenditure	95 286	88 356	85 872	6 067	34 804	38 188	(3 384)	-9%	85 872
Capital Expenditure - Standard Classification									
Governance and administration	4 962	855	975	10	252	731	(480)	-66%	975
Executive and council		46	71		38	53	(16)	-29%	71
Budget and treasury office									
Corporate services	4 962	809	904	10	214	678	(464)	-68%	904
Community and public safety	32 729	19 502	16 533	1 186	4 719	6 218	(1 499)	-24%	16 533
Community and social services	3 169	2 995	2 019		97	841	(744)	-88%	2 019
Sport and recreation	3 311	2 545	1 903	20	592	793	(201)	-25%	1 903
Public safety	264	1 080	2 280	520	810	1 140	(330)	-29%	2 280
Housing	25 985	12 882	10 330	647	3 220	3 443	(224)	-6%	10 330
Health									
Economic and environmental services	13 226	12 933	12 178	2 263	7 909	8 010	(101)	-1%	12 178
Planning and development		183	433	9	92	180	(88)	-49%	433
Road transport	13 226	12 750	11 745	2 254	7 817	7 830	(13)	0%	11 745
Environmental protection									
Trading services	44 369	55 066	56 186	2 608	21 925	23 229	(1 305)	-6%	56 186
Electricity	18 237	21 799	23 404	548	9 242	9 452	(210)	-2%	23 404
Water	14 232	15 021	15 589	1 561	6 828	7 614	(787)	-10%	15 589
Waste water management	11 875	18 231	17 179	496	5 851	6 156	(305)	-5%	17 179
Waste management	25	15	15	3	4	8	(4)	-47%	15
Total Capital Expenditure - Standard Classification	95 286	88 356	85 872	6 067	34 804	38 188	(3 384)	-9%	85 872
Funded by:									
National Government	31 647	26 030	22 280	2 504	15 046	15 482	(436)	-3%	22 280
Provincial Government	29 004	13 932	9 457	500	1 044	1 939	(896)	-46%	9 457
District Municipality									
Other transfers and grants		3 500	3 500			438	(438)	-100%	3 500
Transfers recognised - capital	60 651	43 462	35 237	3 004	16 089	17 859	(1 769)	-10%	35 237
Public contributions & donations	896	1 462	1 462			609	(609)	-100%	1 462
Borrowing	27 189	33 824	35 854	2 262	11 465	11 951	(486)	-4%	35 854
Internally generated funds	6 549	9 608	13 319	801	7 250	7 769	(520)	-7%	13 319
Total Capital Funding	95 286	88 356	85 872	6 067	34 804	38 188	(3 384)	-9%	85 872

Capital expenditure is 8.86% below the Year-to-Date budget projections.

Table C6: Monthly Budget Statement - Financial Position

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

Description	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	73 518	114 127	191 536	74 769	191 536
Call investment deposits	101 263	-	-	248 112	-
Consumer debtors	57 828	66 944	66 944	64 345	66 944
Other debtors	50 451	44 217	44 217	43 316	44 217
Current portion of long-term receivables	14	11	11	12	11
Inventory	28 742	13 663	13 663	29 017	13 663
Total current assets	311 815	238 962	316 371	459 571	316 371
Non current assets					
Long-term receivables	40	30	30	34	30
Investments	29 740	35 328	37 403	36 382	37 403
Investment property	152 550	159 761	152 550	152 550	152 550
Investments in Associate					
Property, plant and equipment	3 552 066	3 084 987	3 510 891	3 492 549	3 510 891
Agricultural					
Biological assets					
Intangible assets	6 772	4 179	6 557	5 909	6 557
Other non-current assets					
Total non current assets	3 741 168	3 284 285	3 707 431	3 687 423	3 707 431
TOTAL ASSETS	4 052 983	3 523 246	4 023 802	4 146 994	4 023 802
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	26 492	29 378	29 378	28 514	29 378
Consumer deposits	43 943	46 429	46 429	36 884	46 429
Trade and other payables	72 139	81 244	81 244	64 150	81 244
Provisions	26 444	26 930	26 930	24 808	26 930
Total current liabilities	169 019	183 981	183 981	154 356	183 981
Non current liabilities					
Borrowing	412 402	412 288	412 288	422 307	412 288
Provisions	199 265	223 827	223 827	215 831	223 827
Total non current liabilities	611 666	636 115	636 115	638 138	636 115
TOTAL LIABILITIES	780 685	820 097	820 097	792 494	820 097
NET ASSETS	3 272 298	2 703 150	3 203 705	3 354 500	3 203 705
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	3 270 121	2 700 931	3 201 487	3 351 250	3 201 487
Reserves	2 177	2 218	2 218	3 250	2 218
TOTAL COMMUNITY WEALTH/EQUITY	3 272 298	2 703 150	3 203 705	3 354 500	3 203 705

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	2015/16	Budget Year 2016/17							
	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, penalties & collection charges	162 962	177 978	188 484	14 533	124 483	124 557	(74)	0%	188 484
Service charges	570 488	595 436	599 207	57 418	492 786	492 848	(61)	0%	599 207
Other revenue	71 108	60 595	87 804	6 203	60 241	60 219	22	0%	87 804
Government - operating	102 933	126 313	132 775	19 843	111 393	111 393	-		132 775
Government - capital	60 651	44 462	36 487	3 154	16 357	16 357	-		36 487
Interest	14 944	13 245	18 245	1 567	17 426	17 426	-		18 245
Dividends	-	-	-	-	-	-	-		-
Payments									
Suppliers and employees	(725 167)	(811 039)	(854 083)	(53 878)	(571 554)	(571 524)	30	0%	(854 083)
Finance charges	(46 193)	(46 421)	(46 421)	(4 628)	(24 441)	(24 441)	-		(46 421)
Transfers and Grants	(51 090)	(57 479)	(57 479)	(4 510)	(42 021)	(42 021)	-		(57 479)
NET CASH FROM/(USED) OPERATING ACTIVITIES	160 636	103 090	105 019	39 701	184 669	184 812	143	0%	105 019
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	914	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	15	13	13	0	8	8	-		13
Decrease (increase) in non-current investments	(4 980)	(6 873)	(7 663)	(484)	(6 642)	(6 642)	-		(7 663)
Payments									
Capital assets	(95 286)	(88 356)	(85 872)	(6 067)	(34 804)	(34 804)	-		(85 872)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(99 338)	(95 217)	(93 522)	(6 551)	(41 438)	(41 438)	-		(93 522)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	(95)	-	(60)	-	(60)	(60)	-		(60)
Borrowing long term/refinancing	30 000	30 000	30 000	-	30 000	30 000	-		30 000
Increase (decrease) in consumer deposits	2 200	2 628	2 486	285	(7 059)	(7 059)	-		2 486
Payments									
Repayment of borrowing	(23 610)	(26 841)	(27 167)	(2 966)	(18 012)	(18 012)	-		(27 167)
NET CASH FROM/(USED) FINANCING ACTIVITIES	8 496	5 787	5 258	(2 681)	4 869	4 869	-		5 258
NET INCREASE/ (DECREASE) IN CASH HELD	69 794	13 660	16 755	30 470	148 100	148 243			16 755
Cash/cash equivalents at beginning:	104 987	100 467	174 781		174 781	174 781			174 781
Cash/cash equivalents at month/year end:	174 781	114 127	191 536		322 881	323 024			191 536

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R322.9 million.

The municipality started the year with a positive cash balance of R174.8 million. The March closing balance is R322.9 million. Refer to Supporting Table SC9 for more details on the cash position.

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

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

Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome				
Cash Receipts By Source																
Property rates	14 723	8 690	25 755	12 031	11 669	11 678	11 420	13 783	14 512			52 870	177 130	190 545	201 979	
Property rates - penalties & collection charges	30	28	25	30	28	18	23	20	21			625	848	899	953	
Service charges - electricity revenue	27 008	28 458	17 659	28 100	26 914	27 819	30 185	27 140	28 903			107 932	350 118	377 363	400 066	
Service charges - water revenue	13 245	16 174	8 458	15 801	14 341	14 005	15 250	14 111	13 693			(15 657)	109 419	116 964	123 983	
Service charges - sanitation revenue	7 566	5 966	3 551	6 733	6 801	6 386	7 208	7 092	7 106			12 525	70 935	76 304	80 883	
Service charges - refuse	8 885	7 424	4 630	8 191	7 804	7 575	6 713	7 778	7 630			(2 376)	64 255	69 121	73 269	
Rental of facilities and equipment	377	344	430	440	454	381	304	467	428			1 013	4 638	3 319	3 518	
Interest earned - external investments	793	2 289	586	2 705	2 442	1 750	1 826	1 658	1 336			(4 896)	10 489	12 795	13 563	
Interest earned - outstanding debtors	236	240	216	229	206	222	227	234	231			715	2 756	2 921	3 097	
Fines	2 541	3 367	2 638	2 583	2 840	2 657	2 529	2 558	2 538			6 892	31 143	31 164	31 187	
Licences and permits	198	214	224	158	184	221	252	220	219			441	2 330	2 470	2 618	
Agency services	267	295	293	268	300	265	301	267	299			665	3 220	3 413	3 618	
Transfer receipts - operating	30 985	10 833	6 708	7 800	3 721	28 522	2 180	802	19 843			14 920	126 313	100 430	113 519	
Other revenue	3 888	2 395	1 753	2 256	5 184	4 590	1 124	4 011	2 717			(8 656)	19 263	16 325	21 370	
Cash Receipts by Source	110 813	86 773	72 981	87 376	82 929	106 122	79 570	80 201	99 564	-	-	167 238	973 567	1 004 796	1 074 389	
Other Cash Flows by Source																
Transfer receipts - capital	-	-	2 540	648	2 176	3 924	2 296	1 618	3 154			27 106	43 462	63 604	67 271	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-			1 000	1 000	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-			-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	30 000	-			-	30 000	30 000	40 000	
Increase in consumer deposits	(197)	(75)	(7 573)	(123)	179	223	(54)	275	285			9 687	2 628	2 321	2 438	
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-			-	-	-	-	
Receipt of non-current receivables	(3)	0	4	0	0	7	0	0	0			5	13	11	10	
Change in non-current investments	(525)	(1 102)	(411)	(1 008)	(555)	(1 410)	(650)	(497)	(484)			(231)	(6 873)	(6 399)	(6 541)	
Total Cash Receipts by Source	110 089	85 587	67 531	86 871	84 728	108 866	81 162	111 598	102 519	-	-	204 864	1 043 797	1 094 334	1 177 547	
Cash Payments by Type																
Employee related costs	19 435	31 209	22 287	21 900	35 677	23 167	24 866	23 079	22 716			-	82 492	306 828	314 204	330 841
Remuneration of councillors	719	710	747	747	747	747	747	747	776			2 421	9 110	9 620	10 161	
Interest paid	114	644	2 427	2 214	1 178	9 961	1 436	1 839	4 628			21 980	46 421	46 952	45 449	
Bulk purchases - Electricity	3 413	24 098	23 326	16 837	15 712	15 089	16 508	16 104	14 573			65 103	210 763	227 329	245 197	
Bulk purchases - Water & Sewer												-	-	-	-	
Other materials	506	12 908	8 530	9 081	5 428	6 712	3 473	2 087	2 607			23 716	75 048	40 659	46 605	
Contracted services	660	8 353	10 963	12 003	10 830	12 528	10 529	11 506	12 655			68 340	158 368	164 936	174 154	
Grants and subsidies paid - other municipalities												-	-	-	-	
Grants and subsidies paid - other	4 661	4 673	4 698	4 633	4 604	4 611	4 992	4 639	4 510			15 458	57 479	60 808	64 336	
General expenses	20 267	(1 635)	3 649	14 068	797	11 583	2 686	1 543	550			(2 587)	50 922	89 431	88 572	
Cash Payments by Type	49 775	80 960	76 628	81 483	74 974	84 398	65 238	61 544	63 015	-	-	276 923	914 939	953 940	1 005 314	
Other Cash Flows/Payments by Type																
Capital assets	-	571	5 869	1 879	4 070	7 837	3 214	5 297	6 067			53 552	88 356	94 230	107 271	
Repayment of borrowing	1 182	864	2 798	3 442	1 146	3 445	1 232	937	2 966			8 829	26 841	29 775	33 384	
Total Cash Payments by Type	50 957	82 396	85 295	86 804	80 190	95 680	69 684	67 778	72 048	-	-	339 305	1 030 137	1 077 945	1 145 969	
NET INCREASE/(DECREASE) IN CASH HELD	59 113	3 191	(17 764)	67	4 538	13 186	11 478	43 821	30 471	-	-	(134 440)	13 660	16 389	31 577	
Cash/cash equivalents at the month/year beg	174 781	233 894	237 085	219 321	219 388	223 926	237 112	248 589	292 410	322 881	322 881	322 881	174 781	188 441	204 830	
Cash/cash equivalents at the month/year end	233 894	237 085	219 321	219 388	223 926	237 112	248 589	292 410	322 881	322 881	322 881	188 441	188 441	204 830	236 407	

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

PART 2 – SUPPORTING DOCUMENTATION

Debtors' analysis

Supporting Table SC3 Debtors' age analysis

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

Description	NT Code	Budget Year 2016/17										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	12 947	459	339	210	115	106	566	2 785	17 528	3 782	-	3 916
Trade and Other Receivables from Exchange Transactions - Electricity	1300	13 477	347	187	166	136	114	577	2 497	17 501	3 489	-	4 428
Receivables from Non-exchange Transactions - Property Rates	1400	16 563	444	288	224	190	159	836	2 562	21 266	3 971	-	4 964
Receivables from Exchange Transactions - Waste Water Management	1500	6 574	245	176	92	78	68	338	1 806	9 377	2 383	-	2 329
Receivables from Exchange Transactions - Waste Management	1600	4 866	135	95	74	64	57	275	1 312	6 878	1 782	-	1 834
Receivables from Exchange Transactions - Property Rental Debtors	1700	563	12	9	8	7	7	36	132	774	190	-	219
Interest on Arrear Debtor Accounts	1810	71	25	30	26	22	26	309	5 737	6 244	6 119	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 908	130	184	140	78	104	1 711	2 935	7 191	4 968	-	2 143
Total By Income Source	2000	56 967	1 799	1 308	941	690	640	4 649	19 766	86 758	26 685	-	19 831
2015/16 - totals only		49 036	1 691	1 105	1 097	792	751	3 711	18 743	76 926	25 094	-	16 995
Debtors Age Analysis By Customer Group													
Organs of State	2200	875	75	21	20	19	18	897	182	2 108	1 136	-	238
Commercial	2300	7 539	225	269	106	30	27	122	676	8 994	960	-	717
Households	2400	48 920	1 477	993	794	621	588	3 575	18 395	75 362	23 972	-	18 874
Other	2500	(367)	21	25	21	20	7	55	513	294	616	-	2
Total By Customer Group	2600	56 967	1 799	1 308	941	690	640	4 649	19 766	86 758	26 685	-	19 831

Debtors' levels remain stable notwithstanding the spike in the outstanding debtors' at the end of January 2017. This was due to the high consumption over the festive season resulting in increased billings. The overall increased debtors results mainly from the year-on-year increase in billings from increased tariffs at the start of the new financial year. This conclusion can be drawn from the increase in the 0-30 days (current) debtors.

Summary of Indigent Households

Indigent Household Statistics					
	Indigent Households	Amount	Other Households	Total Households	
2 016					
July	7 304	4 360 616	25 142	32 446	22.51%
August	7 298	4 355 084	25 131	32 429	22.50%
September	7 503	4 488 280	25 161	32 664	22.97%
October	7 504	4 498 246	25 111	32 615	23.01%
November	7 532	4 536 178	25 083	32 615	23.09%
December	7 665	4 608 644	24 949	32 614	23.50%
2 017					
January	7 677	4 646 973	24 945	32 622	23.53%
February	7 695	4 629 007	24 926	32 621	23.59%
March	7 621	4 600 339	25 040	32 661	23.33%
April					
May					
June					

A19/35

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
2016/17											
June									0	0	0
May									0	0	0
April									0	0	0
March	56 967 068	1 798 539	1 308 190	940 549	689 553	640 017	4 648 739	19 765 806	86 758 461	29 791 394	26 684 664
February	57 780 758	2 076 061	1 216 434	800 017	706 999	807 711	4 694 760	19 461 500	87 544 242	29 763 484	26 470 988
January	62 593 762	1 976 715	982 506	822 430	900 457	784 687	4 641 326	19 540 852	92 242 734	29 648 972	26 689 751
December	55 726 442	1 459 913	1 005 503	976 593	835 735	1 184 877	4 097 985	19 184 797	84 471 844	28 745 402	26 279 986
November	53 540 438	1 532 503	1 197 756	1 014 165	1 284 533	1 354 917	3 400 262	18 959 315	82 283 889	28 743 451	26 013 192
October	50 652 570	1 888 891	1 221 523	1 432 705	1 441 096	777 200	3 459 412	18 909 484	79 782 882	29 130 311	26 019 898
September	50 963 328	1 741 045	1 604 160	1 547 365	882 541	715 623	3 646 312	19 161 990	80 262 363	29 299 035	25 953 831
Augustus	56 126 377	2 282 003	1 806 712	993 626	794 009	872 603	3 749 957	19 052 307	85 677 596	29 551 219	25 462 503
July	57 488 799	2 827 740	1 235 593	926 254	965 306	723 870	3 799 288	19 044 794	87 011 644	29 522 845	25 459 511

Government Debt

Overstrand Municipality as at 31/03/2017	Total Debt	Services	Rates	Other
Department Responsible for the Debt				
NPW 2227	813 860	634 792	178 308	761
WCED 2251	356 370	356 370	0	0
OTHER 2210+2255	660 679	660 679	0	0
HEALTH 2252	82 527	82 527	0	0
TPW 2256	69 371	-1 466	69 712	1 125
HOUSING 2253+2215	5 808	5 448	0	360
OTHER MUNICIPALITIES 2276	119 483	119 483	0	0
TOTAL OUTSTANDING	2 108 097	1 857 833	248 020	2 245

Creditors' analysis**Supporting Table SC4**

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

Description	NT Code	Budget Year 2016/17								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	2 594								2 594
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	2 594	-	-	-	-	-	-	-	2 594

Supporting Table SC4 reflects current creditors at the end of March 2017.

The payment of creditors is within requirements of the MFMA.

Investment portfolio analysis

Supporting Table SC5

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

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands	Yrs/Months							
Municipality								
LIBERTY 15934476	15 YEARS	Policy	01/09/2025	25		12 529	125	12 679
LIBERTY 21196964	14 YEARS	Policy	01/09/2025	16		21 220	260	21 496
MOMENTUM MP 3853776	14 YEARS	Policy	01/07/2026	28		2 149	30	2 207
ABSA 4074809272	DAILY	CALL		3	6.0%	457		459
ABSA 9284200168	DEP PLUS	DEP PLUS		82	6.3%	10 330	13 500	23 912
ABSA 9295906141	DEP PLUS	DEP PLUS		81	6.3%	10 159	13 500	23 741
Nedbank 03/7881534451	91 days	FIXED DEP	24/04/2017		7.9%	50 000		50 000
Standard Bank 288434005/025	62 days	FIXED DEP	24/04/2017		7.7%	50 000		50 000
Nedbank 03/7881534451	92 days	FIXED DEP	01/06/2017		7.9%		50 000	50 000
Standard Bank 288434005/025	60 days	FIXED DEP	17/05/2017		7.7%		50 000	50 000
TOTAL INVESTMENTS AND INTEREST				235		156 844	127 415	284 494

Surplus cash not immediately required is invested in call and 1-3 month 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	2015/16	Budget Year 2016/17							
	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:	68 639	76 347	76 597	19 064	76 597	76 597	-		76 597
Local Government Equitable Share	64 598	72 950	72 950	18 238	72 950	72 950	-		72 950
Finance Management	1 450	1 475	1 475		1 475	1 475			1 475
Municipal Systems Improvement	930								
EPWP Incentive	1 661	1 922	1 922	576	1 922	1 922			1 922
Municipal Infrastructure Grant (MIG)			250	250	250	250			250
Provincial Government:	36 418	49 966	55 857	1 281	38 041	38 041	-		55 857
Housing	29 425	43 795	49 526	1 221	31 830	31 830	-		49 526
Provincial Library Grant	5 307	5 839	5 889		5 889	5 889			5 889
Community Development Worker Grant	72	75	75		75	75	-		75
Main Road Subsidy	114	137	137		137	137	-		137
Financial Management Capacity Building Grant	1 300	120	120				-		120
Thusong Service Centre Maintenance	200								
Greenest Municipality			50		50	50			50
Local Government Graduate Internship Grant			60	60	60	60	-		60
Other grant providers:	-	-	-	-	571	571	-		-
ACIP					571	571	-		
Total Operating Transfers and Grants	105 057	126 313	133 025	20 345	115 209	115 209	-		133 025
Capital Transfers and Grants									
National Government:	29 417	26 030	25 780	7 263	25 780	25 780	-		25 780
Municipal Infrastructure Grant (MIG)	21 417	21 030	20 780	7 263	20 780	20 780	-		20 780
INEP	8 000	5 000	5 000		5 000	5 000	-		5 000
Provincial Government:	29 110	13 932	9 351	2 613	5 813	5 863	(50)	-0.9%	9 351
Housing	26 080	12 882	7 151	2 613	3 613	3 613	-		7 151
Provincial Library Grant	3 031	1 050	1 000		1 000	1 050			1 000
Fire Services Capacity Grant (Capital Grant)			1 200		1 200	1 200			1 200
Other grant providers:	-	3 500	-	-	-	-	-		3 500
DWA ACIP		3 500					-		3 500
Total Capital Transfers and Grants	58 527	43 462	35 131	9 876	31 593	31 643	(50)	-0.2%	35 131
TOTAL RECEIPTS OF TRANSFERS & GRANTS	163 584	169 775	168 156	30 221	146 801	146 851	(50)	0.0%	168 156

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	2015/16	Budget Year 2016/17							
	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:	3 701	3 397	3 647	541	2 227	2 227	-		3 647
Local Government Equitable Share							-		
Finance Management	2 040	1 475	1 475	130	606	606	-		1 475
Municipal Systems Improvement							-		
EPWP Incentive	1 661	1 922	1 922	161	1 371	1 371	-		1 922
Municipal Infrastructure Grant (MIG)			250	250	250	250	-		250
Provincial Government:	36 630	49 966	55 857	1 314	35 895	35 895	-		55 857
Housing	29 425	43 795	49 526	843	30 685	30 685	-		49 526
Community Development Worker Grant	72	75	75		40	40	-		75
Main Road Subsidy	114	137	137		137	137	-		137
Financial Management Capacity Building Grant	1 513	120	120				-		120
Provincial Library Grant	5 307	5 839	5 889	472	5 032	5 032			5 889
Local Government Graduate Internship Grant			60				-		60
Other grant providers:	-	-	-	-	417	417	-		-
ACIP					417	417	-		
Total operating expenditure of Transfers and Grants:	40 331	53 363	59 504	1 855	38 538	38 538	-		59 504
Capital expenditure of Transfers and Grants									
National Government:	30 347	26 030	25 780	2 404	15 107	15 107	-		25 780
Municipal Infrastructure Grant (MIG)	21 417	21 030	20 780	2 072	11 098	11 098	-		20 780
INEP	8 000	5 000	5 000	332	4 009	4 009	-		5 000
Municipal Systems Improvement	930						-		
Provincial Government:	29 004	13 932	9 457	500	1 000	1 000	-		9 457
Housing	25 974	12 882	7 257	500	1 000	1 000	-		7 257
Provincial Library Grant	3 031	1 050	1 000				-		1 000
Fire Services Capacity Grant (Capital Grant)			1 200				-		1 200
Other grant providers:	-	4 500	1 000	-	-	-	-		1 000
National Lotto		1 000	1 000				-		1 000
DWA ACIP		3 500	-				-		-
Total capital expenditure of Transfers and Grants	59 351	44 462	36 237	2 904	16 107	16 107	-		36 237
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	99 683	97 825	95 741	4 759	54 645	54 645	-		95 741

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 2016/17				
	Approved Rollover 2015/16	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands					%
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	
Local Government Equitable Share				-	
Finance Management				-	
Municipal Systems Improvement				-	
EPWP Incentive				-	
Other transfers and grants [insert description]				-	
Provincial Government:	-	-	-	-	
Housing				-	
Community Development Worker Grant				-	
Main Road Subsidy				-	
Financial Management Support Grant				-	
District Municipality:	-	-	-	-	
Other grant providers:	-	-	-	-	
Total operating expenditure of Approved Roll-overs	-	-	-	-	
Capital expenditure of Approved Roll-overs					
National Government:	-	-	-	-	
Municipal Infrastructure Grant (MIG)				-	
INEP				-	
Other capital transfers [insert description]				-	
Provincial Government:	-	-	-	-	
Provincial Library Grant				-	
District Municipality:	-	-	-	-	
Other grant providers:	-	-	-	-	
Total capital expenditure of Approved Roll-overs	-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	-	-	-	-	

No application for roll overs was submitted to NT or PT as no unspent grants were reported at the end of June 2016.

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	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	7 961	8 499	8 499	725	6 229	6 374	(145)	-2%	8 499
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	606	612	612	51	460	459	1	0%	612
Housing Allowances							-		
Other benefits and allowances							-		
Sub Total - Councillors	8 566	9 110	9 110	776	6 689	6 833	(144)	-2%	9 110
Senior Managers of the Municipality									
Basic Salaries and Wages	9 543	10 150	10 150	808	7 492	7 492	-		10 150
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Overtime							-		
Performance Bonus							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	154	154	154	13	116	116	-		154
Housing Allowances							-		
Other benefits and allowances	32			-	39	39	-		
Payments in lieu of leave							-		
Long service awards							-		
Post-retirement benefit obligations							-		
Sub Total - Senior Managers of Municipality	9 729	10 305	10 305	821	7 646	7 646	-		10 305
Other Municipal Staff									
Basic Salaries and Wages	174 409	199 010	195 699	14 785	144 278	144 574	(296)	0%	195 699
Pension and UIF Contributions	29 587	32 625	32 625	2 534	22 915	22 986	(71)	0%	32 625
Medical Aid Contributions	9 829	11 423	11 423	907	7 834	7 888	(53)	-1%	11 423
Overtime	15 724	14 920	14 920	1 146	10 485	10 590	(105)	-1%	14 920
Performance Bonus				-			-		
Motor Vehicle Allowance	7 222	6 990	6 990	865	7 663	7 608	55	1%	6 990
Cellphone Allowance	1 119	1 278	1 278	106	938	958	(21)	-2%	1 278
Housing Allowances	4 608	5 851	5 851	197	1 801	1 888	(87)	-5%	5 851
Other benefits and allowances	10 248	11 375	11 375	921	7 791	7 831	(41)	-1%	11 375
Payments in lieu of leave	1 815	709	709	59	532	532	-		709
Long service awards	2 288	3 139	3 139	268	2 115	2 115	-		3 139
Provision for Bonus	158	496	496	41	372	372	-		496
Post-retirement benefit obligations	6 381	16 081	16 081	1 340	12 061	12 061	-		16 081
Sub Total - Other Municipal Staff	263 387	303 899	300 588	23 169	218 784	219 403	(619)	0%	300 588
Total Parent Municipality	281 681	323 314	320 003	24 765	233 120	233 882	(763)	0%	320 003
TOTAL SALARY, ALLOWANCES & BENEFITS	281 681	323 314	320 003	24 765	233 120	233 882	(763)	0%	320 003
TOTAL MANAGERS AND STAFF	273 115	314 204	310 893	23 990	226 431	227 050	(619)	0%	310 893

SDBIP

The results of the SDBIP for the third quarter ended March 2017 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	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	2.4%	15.3%	16.0%	3.3%	5.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	28.5%	38.3%	41.8%	32.9%	41.8%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	15.6%	19.3%	16.3%	15.4%	16.3%
Gearing	Long Term Borrowing/ Funds & Reserves	18944.5%	18584.8%	18584.8%	12993.2%	18584.8%
Liquidity						
Current Ratio	Current assets/current liabilities	184.5%	129.9%	172.0%	297.7%	172.0%
Liquidity Ratio	Monetary Assets/Current Liabilities	103.4%	62.0%	104.1%	209.2%	104.1%
Revenue Management						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.6%	11.2%	10.9%	Annual Indicator	10.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	98.0%	98.0%	98.0%	Annual Indicator	98.0%
Funding of Provisions						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
Other Indicators						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	6.3%	6.0%	6.0%	Annual Indicator	6.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	20.9%	18.9%	18.9%	Annual Indicator	18.9%
Employee costs	Employee costs/Total Revenue - capital revenue	29.2%	31.6%	30.6%	28.2%	30.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	18.2%	16.5%	17.1%	3.0%	5.5%
IDP regulation financial viability indicators						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	0.1	19.1	19.1	Annual Indicator	19.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	10.4%	14.0%	14.0%	Annual Indicator	14.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.5	1.6	1.6	Annual Indicator	1.6

Capital programme performance

Supporting Table SC12

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

Month	2015/16	Budget Year 2016/17							
	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	227	50	50	-		50	-		
August	9 788	2 978	2 978	571	571	3 028	2 456	81.1%	1%
September	14 612	2 070	2 070	5 869	6 440	5 098	(1 343)	-26.3%	7%
October	3 390	3 885	3 885	1 879	8 319	8 983	663	7.4%	9%
November	6 454	4 195	4 195	4 070	12 390	13 178	788	6.0%	14%
December	12 084	4 188	4 188	7 840	20 230	17 365	(2 864)	-16.5%	23%
January	1 797	2 185	2 185	3 211	23 441	19 550	(3 890)	-19.9%	27%
February	1 460	8 551	8 551	5 297	28 737	28 102	(636)	-2.3%	33%
March	7 039	10 086	10 086	6 067	34 804	38 188	3 384	8.9%	39%
April	3 125	12 051	12 051			50 238	-		
May	7 824	11 331	11 331			61 570	-		
June	27 486	26 787	24 302			85 872	-		
Total Capital expenditure	95 286	88 356	85 872	34 804					

Supporting Table SC13a

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

Description	2015/16	Budget Year 2016/17							
	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	44 603	36 284	35 691	953	17 489	18 129	641	3.5%	35 691
Infrastructure - Road transport	16 352	1 840	1 481	82	1 656	1 319	(337)	-25.5%	1 481
<i>Roads, Pavements & Bridges</i>	13 226	1 610	1 251	82	1 444	1 146	(297)	-25.9%	1 251
<i>Storm water</i>	3 126	230	230		212	173	(40)	-22.9%	230
Infrastructure - Electricity	18 237	21 599	23 204	548	9 242	9 602	360	3.7%	23 204
<i>Generation</i>							-		
<i>Transmission & Reticulation</i>	18 237	21 599	23 204	548	9 242	9 602	360	3.7%	23 204
<i>Street Lighting</i>							-		
Infrastructure - Water	3 772	4 529	4 879	-	2 922	3 397	475	14.0%	4 879
<i>Dams & Reservoirs</i>	3 772	4 529	4 529		2 922	3 397	475	14.0%	4 529
<i>Water purification</i>							-		
<i>Reticulation</i>			350				-		350
Infrastructure - Sanitation	6 217	8 301	6 113	320	3 665	3 800	135	3.6%	6 113
<i>Reticulation</i>		4 801	4 801	320	3 665	3 800	135	3.6%	4 801
<i>Sewerage purification</i>	6 217	3 500	1 312				-		1 312
Infrastructure - Other	25	15	15	3	4	11	7	64.9%	15
<i>Waste Management</i>	25	15	15	3	4	11	7	64.9%	15
Community	29 837	10 366	11 699	1 186	4 221	5 004	783	15.7%	11 699
Parks & gardens							-		
Sportsfields & stadia	418	480	638	20	69	479	410	85.5%	638
Swimming pools							-		
Community halls		945	1 019		40	764	724	94.7%	1 019
Libraries	3 031	1 050	1 000		44	750	706	94.2%	1 000
Recreational facilities							-		
Fire, safety & emergency	264	880	880	520	810	890	80	9.0%	880
Social rental housing	25 985	6 961	8 112	647	3 220	2 084	(1 136)	-54.5%	8 112
Other	139	50	50		38	38	(0)	-1.3%	50
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Other assets	4 962	2 173	3 743	18	322	494	171	34.7%	3 743
General vehicles		1 485	2 685				-		2 685
Plant & equipment							-		
Computers - hardware/equipment							-		
Furniture and other office equipment							-		
Other	4 962	688	1 058	18	322	494	171	34.7%	1 058
Intangibles	-	-	-	-	-	-	-		-
Computers - software & programming							-		
Other							-		
Total Capital Expenditure on new assets	79 402	48 823	51 134	2 157	22 032	23 627	1 596	6.8%	51 134

Supporting Table SC13b

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

Description	2015/16	Budget Year 2016/17							
	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	12 992	30 547	31 255	3 909	12 250	13 589	1 339	9.9%	31 255
Infrastructure - Road transport	-	11 855	11 809	2 172	6 670	7 348	678	9.2%	11 809
<i>Roads, Pavements & Bridges</i>		10 355	9 709	2 172	6 370	6 473	103	1.6%	9 709
<i>Storm water</i>		1 500	2 100		300	875	575	65.7%	2 100
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
<i>Generation</i>									
<i>Transmission & Reticulation</i>									
<i>Street Lighting</i>									
Infrastructure - Water	10 460	10 492	10 710	1 561	3 906	4 462	556	12.5%	10 710
<i>Dams & Reservoirs</i>									
<i>Water purification</i>									
<i>Reticulation</i>	10 460	10 492	10 710	1 561	3 906	4 462	556	12.5%	10 710
Infrastructure - Sanitation	2 531	8 200	8 736	176	1 674	1 779	105	5.9%	8 736
<i>Reticulation</i>									
<i>Sewerage purification</i>	2 531	8 200	8 736	176	1 674	1 779	105	5.9%	8 736
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<i>Waste Management</i>									
Community	2 893	8 986	3 484	-	523	972	450	46.2%	3 484
Parks & gardens									
Sportsfields & stadia	2 893	2 065	1 265		523	633	110	17.4%	1 265
Swimming pools									
Community halls		1 000							
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Cemeteries									
Social rental housing		5 921	2 219			340	340	100.0%	2 219
Other									
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	-	-	-	-	-	-	-	-	-
General vehicles									
Specialised vehicles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of	15 884	39 533	34 738	3 909	12 772	14 561	1 789	12.3%	34 738

Supporting Table SC13c

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

Description	2015/16	Budget Year 2016/17							
	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	99 836	110 372	110 372	9 631	88 395	88 802	408	0.5%	110 372
Infrastructure - Road transport	50 781	61 852	61 852	5 762	48 686	48 989	302	0.6%	61 852
<i>Roads, Pavements & Bridges</i>	45 521	55 545	55 545	5 076	44 255	44 259	3	0.0%	55 545
<i>Storm water</i>	5 260	6 306	6 306	686	4 431	4 730	299	6.3%	6 306
Infrastructure - Electricity	16 972	17 747	17 747	1 368	14 312	14 183	(128)	-0.9%	17 747
<i>Generation</i>							-		
<i>Transmission & Reticulation</i>	16 972	17 747	17 747	1 368	14 312	14 183	(128)	-0.9%	17 747
<i>Street Lighting</i>							-		
Infrastructure - Water	18 056	16 555	16 555	1 215	11 719	12 416	697	5.6%	16 555
<i>Dams & Reservoirs</i>							-		
<i>Water purification</i>							-		
<i>Reticulation</i>	18 056	16 555	16 555	1 215	11 719	12 416	697	5.6%	16 555
Infrastructure - Sanitation	11 512	11 672	11 672	1 056	11 304	11 304	0	0.0%	11 672
<i>Reticulation</i>							-		
<i>Sewerage purification</i>	11 512	11 672	11 672	1 056	11 304	11 304	0	0.0%	11 672
Infrastructure - Other	2 516	2 546	2 546	230	2 374	1 910	(464)	-24.3%	2 546
<i>Waste Management</i>	2 516	2 546	2 546	230	2 374	1 910	(464)	-24.3%	2 546
Community	4 531	4 878	4 878	535	3 033	3 658	626	17.1%	4 878
Parks & gardens		2 214	2 214	263	1 266	1 661	394	23.8%	2 214
Sportsfields & stadia		608	608	15	278	456	178	39.1%	608
Swimming pools		557	557	88	330	417	87	20.9%	557
Community halls		617	617	83	395	463	68	14.7%	617
Libraries		103	103	39	121	77	(44)	-56.7%	103
Recreational facilities							-		
Fire, safety & emergency							-		
Security and policing							-		
Cemeteries		28	28	5	22	21	(2)	-7.8%	28
Social rental housing							-		
Other	4 531	751	751	42	621	564	(57)	-10.1%	751
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development							-		
Other assets	5 010	5 545	5 545	363	2 643	4 159	1 516	36.4%	5 545
General vehicles							-		
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment							-		
Computers - hardware/equipment							-		
Other Buildings		673	673	48	239	505	266	52.7%	673
Other	5 010	4 872	4 872	315	2 405	3 654	1 249	34.2%	4 872
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expendit	109 377	120 795	120 795	10 529	94 070	96 620	2 549	2.6%	120 795

Supporting Table SC13d

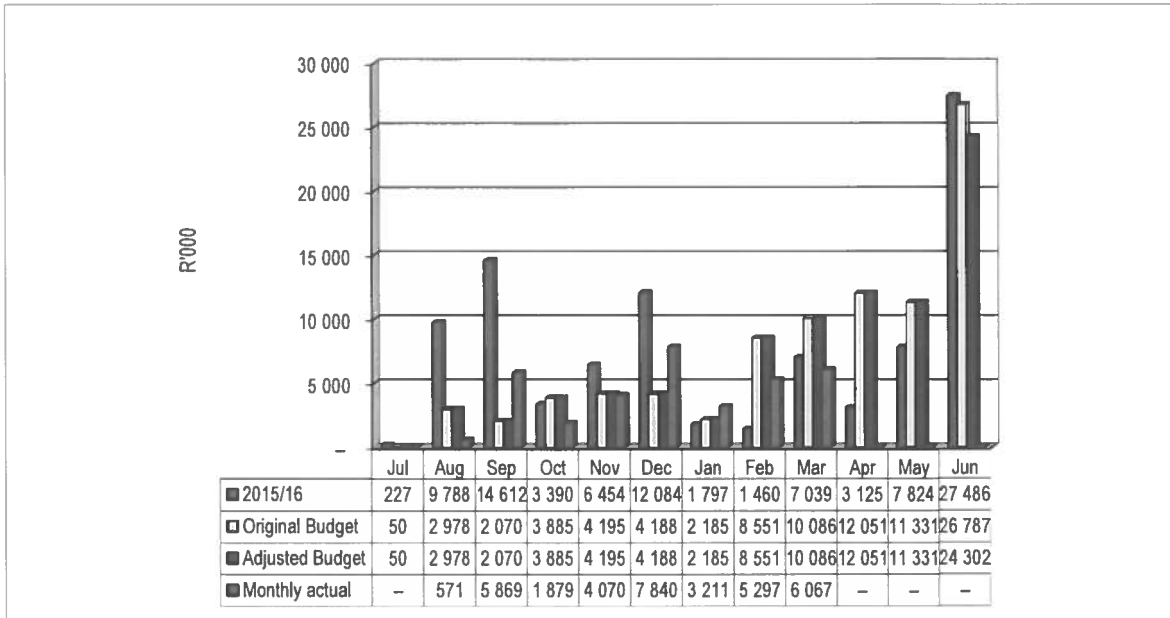
WC032 Overstrand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M09 March

Description	2015/16	Budget Year 2016/17							
	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	107 204	98 643	98 643	8 220	73 982	73 982	-		109 077
Infrastructure - Road transport	39 940	34 067	34 067	2 839	25 550	25 550	-		34 067
Roads, Pavements & Bridges	37 024	31 330	31 330	2 611	23 498	23 498	-		31 330
Storm water	2 916	2 737	2 737	228	2 053	2 053	-		2 737
Infrastructure - Electricity	24 086	21 304	21 304	1 775	15 978	15 978	-		21 304
Generation							-		
Transmission & Reticulation	24 086	21 304	21 304	1 775	15 978	15 978	-		21 304
Street Lighting							-		
Infrastructure - Water	26 570	21 116	21 116	1 760	15 837	15 837	-		21 116
Dams & Reservoirs							-		
Water purification							-		
Reticulation	26 570	21 116	21 116	1 760	15 837	15 837	-		21 116
Infrastructure - Sanitation	12 693	18 002	18 002	1 500	13 502	13 502	-		18 002
Reticulation	12 693	18 002	18 002	1 500	13 502	13 502	-		18 002
Sewerage purification							-		
Infrastructure - Other	3 915	4 153	4 153	346	3 115	3 115	-		14 587
Waste Management	3 915	4 153	4 153	346	3 115	3 115	-		4 153
Other							-		
Community	-	3 806	3 806	317	2 854	2 854	-		3 806
Recreational facilities		3 806	3 806	317	2 854	2 854	-		3 806
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Other assets	15 397	14 052	23 624	1 941	17 456	17 456	-		13 190
General vehicles							-		
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment							-		
Computers - hardware/equipment							-		
Furniture and other office equipment							-		
Civic Land and Buildings	10 598	6 008	6 008	501	4 506	4 506	-		6 008
Other Buildings							-		
Other Land							-		
Surplus Assets - (Investment or Inventory)							-		
Other	4 798	8 044	17 616	1 440	12 950	12 950	-		7 182
Agricultural assets	-	-	-	-	-	-	-		-
Biological assets	-	-	-	-	-	-	-		-
Intangibles	215	1 190	1 190	99	892	892	-		1 190
Computers - software & programming	215						-		
Other		1 190	1 190	99	892	892	-		1 190
Total Depreciation	122 815	117 690	127 262	10 577	95 184	95 184	-		127 262

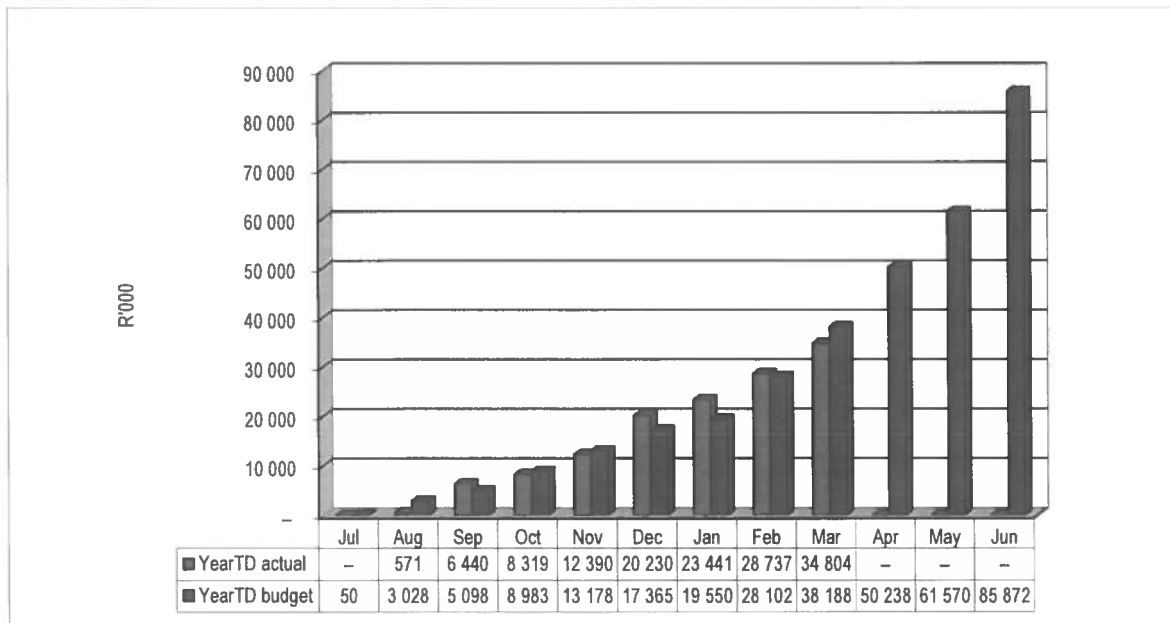
Other supporting documentation

Section 71 charts

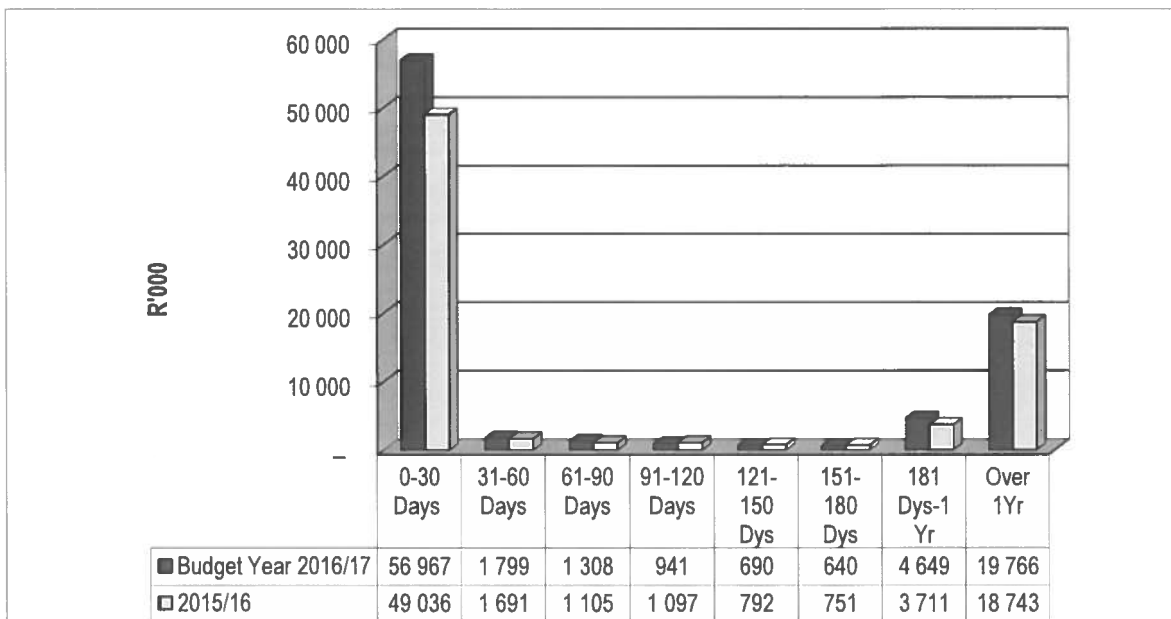
Capital expenditure monthly trend - actual vs target



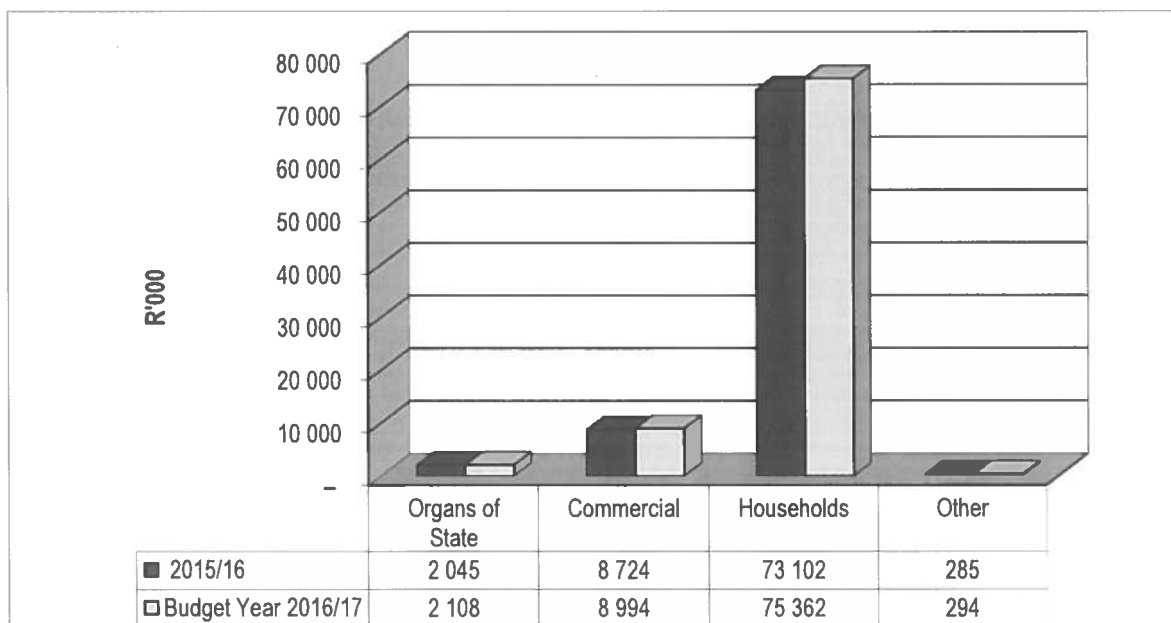
Capital expenditure – YTD actual vs YTD trend



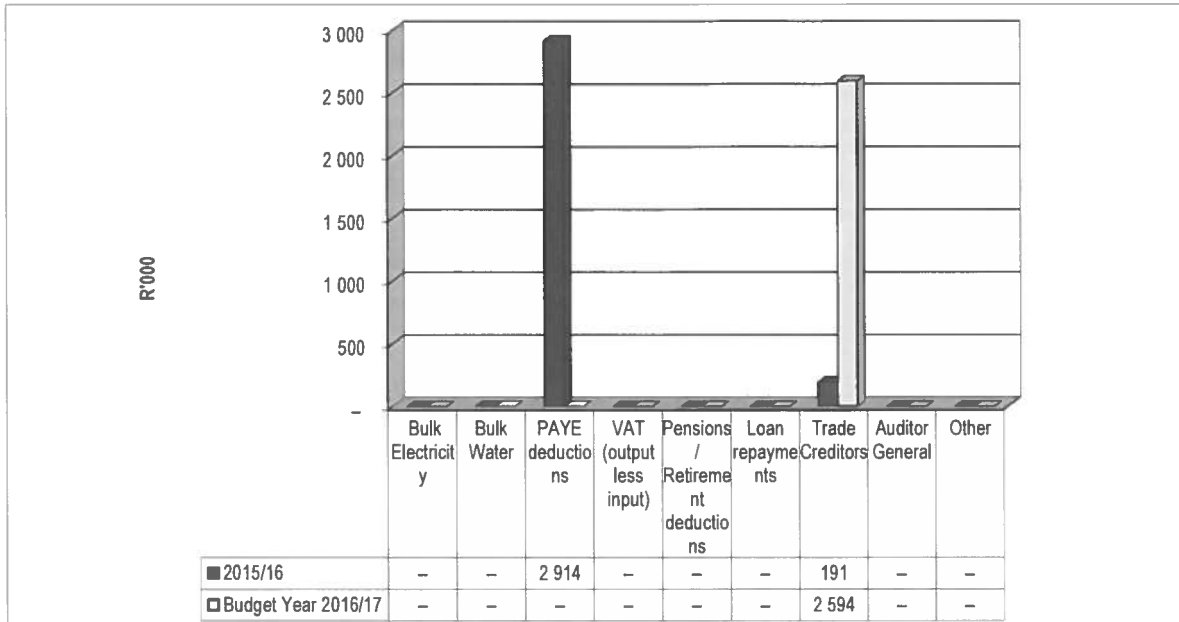
Debtors Age Analysis



Debtors by Type



Creditor Payments



Municipal manager's quality certification

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

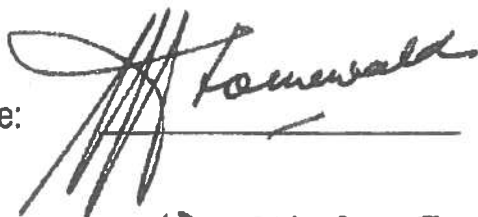
Quarterly Budget Report

for the period ending **March 2017** 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 'Groenewald', written over a horizontal line.

Date:

12.04.2017

OVERSTRAND MUNICIPALITY – COMMENTS:

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

March 2017

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

Purpose

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

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

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

Background

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

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

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

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

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

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

Enforcement of cost containment measures

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

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

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

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

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

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

Conclusion

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

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

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

Issued on behalf of:

Malijeng Ngqaleni Kenneth Brown Jayce Nair

Intergovernmental Relations Chief Procurement Officer Acting Accountant-General

TV PILLAY

CHIEF DIRECTOR: MFMA IMPLEMENTATION

30 MARCH 2016

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

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

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

It is prudent that Municipalities consider consultation with its -

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

Municipalities are advised to ensure appropriate monitoring and reporting on such cost saving measures is instituted for ease of reporting to

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

1. Engagement of Consultants

<ul style="list-style-type: none"> • Accounting Officers must only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required. • Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality. • Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those: <ul style="list-style-type: none"> ○ determined in the "Guidelines on fees for audits done on behalf of the Auditor-General South Africa", issued by the South African Institute of Chartered Accountants (SAICA); ○ set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA); or ○ Prescribed by the body regulating the profession of the 	<p>Contents of the circular are noted; Appointment of consultants in terms of services required and listed.</p>
--	---

<p>consultant.</p> <ul style="list-style-type: none"> • Ensure an exacting "specification" of the work to be accomplished accompanies the tender and is used as a monitoring tool, are appropriately recorded and monitored. • Ensure that contracts for consultants include retention and penalty clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary. • It is mandatory that accounting officers of municipalities and municipal entities conclude on the best "value for money", i.e. matching fees against quality and against benchmarked practices. • Accounting officers of municipalities and municipal entities must appoint consultants on a time and cost basis with specific start and end dates. • Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government and the contract price specifies all travel & subsistence costs. • If travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions: <ul style="list-style-type: none"> a) Hotel accommodation may not exceed the amount mentioned in this Circular; b) Only economy class air tickets may be purchased for flights; c) Only group B vehicles or lower may be hired for engagements, as mentioned in this Circular; d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time. • Municipalities are urged to develop consultancy reduction plans. • Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality's SCM policy. 	
--	--

2. Travel and subsistence

<p>The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounts for flights as well as discounted accommodation rates. Therefore municipalities and municipal entities are requested to utilize these agreements to assist in their respective cost containment measures, unless they can negotiate lower air travel rates or utilize other service providers that offer lower rates.</p> <p><u>Net and Non-Commissionable Rates</u></p> <p>All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed & Breakfast establishments.</p> <p><u>Rebates, Overrides, Volume based income</u></p> <p>In the spirit of transparency, the OCPO is taking a firm position on rebates, overrides or any volume driven</p>	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> • South African Revenue Services (SARS) • Municipal Finance Management Act, 2003 (Act No. 56 of 2003) • South African Local Government Association (SALGA) • Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) • Income Tax Act, 1962 (Act No. 58 of 1962).
--	---

<p>target incentives being paid by suppliers to Travel Management Company (TMC). As of 1 April 2016 these payments and the practice of overrides is to discontinue for Government business.</p>	<p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.</p>
---	---

2.1 National Travel Policy

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

This will be available on the OCPO's website:

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

2.2 Air Travel


<ul style="list-style-type: none"> • The National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways (BA) for upfront discounted air fares for government employees travelling domestically for official purpose. These Domestic Air Travel Fares will be regularly reviewed by the National Treasury (These rates are not applicable for International Air Travel). • For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied. • For BA the discounts range from 10% (O, Q class) up to 25% (Y Class) for Economy Class tickets; and 20% (J Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied. • Treasury entered into a short-term Corporate Agreement from 1 April 2016 to 30 September 2016. This has been extended by a further six months. • The premise of Best Fare on the Day will be implemented making full use of the negotiated Government Corporate Agreements with SAA and BA Comair. Quotations are to be obtained from at least SAA and BA Comair before issue. Other Low Cost Carriers may also be requested for quotations. Please note that all discounted rates are subject to class availability. • In order to make full use of the corporate discount with SAA and BA, municipalities and municipal entities must instruct their appointed TMCs or persons making their bookings for domestic airline tickets, to book against the relevant deal 	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> • South African Revenue Services (SARS) • Municipal Finance Management Act, 2003 (Act No. 56 of 2003) • South African Local Government Association (SALGA) • Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) • Income Tax Act, 1962 (Act No. 58 of 1962). <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a</p>
--	---

<p>codes as detailed in Annexure B.</p> <ul style="list-style-type: none"> • Corporate agreements with SAA and BA/Comair will be made available to TMCs that are currently contracted to Government. Should the municipal TMC have not been contacted by the full service carrier representative, they are to inform National Treasury with the agents name; physical address, contact name, email address and IATA number. Upon receipt of the information, the representatives of the full service carriers will ensure that the TMC is given access to the deal code. The TMC must have an authenticated IATA number. • Accounting officers of municipalities and municipal entities are advised to include a clause in their respective documents that travel agencies are only permitted to make booking arrangements on behalf of municipalities and municipal entities in line with this Circular. Current arrangements need to be updated and amended to reflect these changes. • Disabled persons can be accommodated in economy class, however, in extremely exceptional and rare cases an Accounting Officer may approve, with evidence, other than economy class air travel. 	<p>full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017, to be implemented 1 July 2017.</p>
---	--

2.3 Domestic Hotel Accommodation

<ul style="list-style-type: none"> • National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities should find options that are equal to or lower than the rates in Table 1, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle. 	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> • South African Revenue Services (SARS) • Municipal Finance Management Act, 2003 (Act No. 56 of 2003) • South African Local Government Association (SALGA) • Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) • Income Tax Act, 1962 (Act No. 58 of 1962). <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and</p>
---	--

Table 1: Rates set for Domestic Hotel Accommodation

Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner
Graded Hotel, Boutique Hotel, Lodge or Resort			
	BAND 1	BAND 2	BAND 3
1 Star	R 580	R 710	R 855
2 Star	R 900	R 1 030	R 1 230
3 Star	R 1 100	R 1 200	R 1 400
4 Star	R 1 250	R 1 350	R 1 550
5 Star	R 2 100	R 2 200	R 2 500
Bed & Breakfast, Country House or Guest house			
	BAND 1	BAND 2	BAND 3
1 Star	R 300	R 450	R 630
2 Star	R 500	R 650	R 830
3 Star	R 900	R 1 050	R 1 230
4 Star	R 1 000	R 1 150	R 1 330
5 Star	R 1 200	R 1 350	R 1 530
Self-Catering*			
	BAND 1	BAND 2	BAND 3
1 Star	R 580		
2 Star	R 900		
3 Star	R 1 100		
4 Star	R 1 250		
5 Star	R 1 450		
Meals**			
	BAND 1	BAND 2	BAND 3
Breakfast	R 120	R -	R -
Lunch	R 150	R 150	R 150
Dinner	R 150	R 150	R -
Total	R 420	R 300	R 150

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

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

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

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

standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017, to be implemented 1 July 2017.

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

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

2.4 Vehicle Hire

<ul style="list-style-type: none"> Municipalities are encouraged to continue considering their own fleet first, where viable, prior to hiring of vehicles; Notwithstanding the provisions above, all employees must make use of shuttle services if the cost of such a service is below the cost of hiring a vehicle. Accounting officers must also consider making use of shuttle services if the cost of kilometres claimable by the employee and the cost of parking are higher than the shuttle services. Ensure the hiring of vehicles from a category below Group B or an equivalent class. Accounting officers may permit employees to accept up-graded group of hired vehicles if such an up-grade is offered for free or at a lower charge than Group B. Vehicle travel claims by employees of municipalities and municipal entities must be restricted to the actual distance travelled in excess of the normal distance from the employee's residence to his or her place of work or as may be negotiated using a motor vehicle allowance scheme. 	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> South African Revenue Services (SARS) Municipal Finance Management Act, 2003 (Act No. 56 of 2003) South African Local Government Association (SALGA) Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) Income Tax Act, 1962 (Act No. 58 of 1962). <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017, to be implemented 1 July 2017.</p>
---	---

3 Credit Cards

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

<p>A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards be it for official purposes:</p> <ul style="list-style-type: none"> contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the sections or as prescribed; contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public 	<ul style="list-style-type: none"> Overstrand Municipality does not allow the use of credit and debit cards.
---	---

<p>Office Bearers Act constitutes irregular expenditure;</p> <ul style="list-style-type: none"> • contravening section 15 of the MFMA by incurring expenditure not authorised in an approved budget; • non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public; • non-compliance with the supply chain management regulations; and • undermines efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices. 	
<p>While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips.</p>	<ul style="list-style-type: none"> • Noted
<p>Where officials or councillors incur expenses in relation to official municipal activities, they should use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should make arrangements with the service provider that the expenditure be settled directly by the municipality.</p>	<ul style="list-style-type: none"> • Noted

4 Catering costs

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

5 Events, advertising and sponsorships

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

6 Conferences, meetings, study tours, etc.

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

7 Office furnishing

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

8 Staff study, perks and suspension costs

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

9 Cost containment on other related expenditure items

<ul style="list-style-type: none"> • Accounting officers of municipalities and municipal entities are advised to ensure that all commodities and products that the National Treasury designated as transversal contracts are utilised to benefit from savings where lower prices or rates have been negotiated. 	<ul style="list-style-type: none"> • Consideration as part of strategic sourcing.
--	--

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