

MID-YEAR PERFORMANCE ASSESSMENT (6/1/1/1) (CF HOFFMANN)

Purpose of report

To submit to the Executive Mayor an assessment report on the Municipality's performance covering the period 1 July 2016 to 31 December 2016.

Background

1. Executive summary

In terms of Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the accounting officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year and submit a report on such assessment to the mayor of the municipality, the National Treasury and the relevant provincial treasury. The mayor must, in turn, comply with the provisions of Section 54, which includes submitting the report to council by 31 January of each year.

2 Constitutional and Policy Implications

The process is currently driven by legislation.

3 Legal Implications

3.1 Section 72 (1), Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA).

3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Chapter 6 and Sections 16 and 26 of Chapters 4 and 5, respectively), as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003).

4 Background

4.1 In terms of Section 72 (1) of the MFMA, the accounting officer of a municipality must by 25 January of each year-

- (a) assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

- (b) submit a report on such assessment to-
 - (i) the mayor of the municipality
 - (ii) the National Treasury; and
 - (iii) the relevant provincial treasury.

4.2 Thereafter, the mayor must, in terms of Section 54. (1)-

- (a) consider the report;
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance

indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

(d) issue any appropriate instructions to the accounting officer to ensure-

- (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
- (ii) that spending of funds and revenue collection proceed in accordance with the budget;

(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) submit the report to the council by 31 January of each year.

Comments

The Section 72(1) report can only be prepared / compiled after the section 71 monthly report for December 2016 was compiled and provided to National and Provincial Treasury on 16 January 2017. Annexure A is of the Mid-Year Budget and Performance Assessment for the period 01 July 2015 to 31 December 2015 and **it will be e-mailed to all Councilors prior to the Council meeting of 20 January 2016.**

Recommendation

That the contents of the report in terms of section 72(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) be noted.

In-Year Report of the Municipality

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 April 2009.

Mid-Year Budget and Performance Assessment for the Period 01 July 2016 to 31 December 2016

Table of Contents

Glossary	3
Section 1 - Introduction.....	4
Section 2 - Report of the Executive Mayor	6
Section 3 - Financial Performance	7
Section 4 - Service Delivery Performance	21
Section 5 - Progress on resolving problems identified in the 2014/2015 Annual Report.....	23
Section 6 - Recommendations	24
Section 7 - Municipal manager's quality certification	25
Appendix 1: Auditor's report of the Auditor General on the consolidated financial statements	26
Appendix 2: Service Delivery Performance Report	32

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.

Allocations – Money received from Provincial or National Government or other municipalities.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

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

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

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 piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two year's budget allocations. Also includes details of the previous and current years' financial position.

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

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. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Vote – One of the main segments into which a budget is divided.

Section 1 – Introduction

1.1 Purpose

To inform Council of progress made in the implementation of the budget and the performance outcomes in respect of the first six months of the 2015/2016 financial year, and to recommend whether an adjustments budget is necessary.

1.2 Legal requirements

In terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

- (1) The accounting officer of a municipality must by 25 January of each year –
- (a) assess the performance of the municipality during the first half of the financial year, taking into account –
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
 - (b) submit a report on such assessment to –
 - (i) the mayor of the municipality
 - (ii) the National Treasury; and
 - (iii) the relevant Provincial Treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
- (3) The accounting officer must, as part of the review -
- (a) make recommendations as to whether an adjustments budget is necessary; and
 - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Thereafter, the mayor must, in terms of Section 54(1):

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

- (d) Issue any appropriate instructions to the accounting officer to ensure-
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 31 January of each year.

1.3 Contents of this report

- (a) A report on the performance assessment of service delivery against the SDBIP and the Capital Program following the performance reviews is attached.
- (b) The outcomes from these reports form the basis of this mid-year budget and performance assessment.

Section 2 – Report of the Executive Mayor

2.1 High level assessment of MFMA S71 financial reports for the past 6 months

2.1.1 Against annual budget (original approved and latest adjustments)

Revenue by Source

The main revenue source for the municipality is grants like Equitable Share, Financial Management Grant, EPWP and other grants as included in the DORA or gazetted by Province. The grants as budgeted has been received but the donation/subsidy to the amount of R 665 056 as budgeted for the Central Karoo Economic Development Agency has not and will not be received and must be adjusted accordingly in the February 2017 adjustment budget.

Total revenue to date is R 34,786 M compared to total revenue budget to date of R 38, 530 M which brings about a negative variance of 10%. The reason for the negative variance is due to a budgeted amount of R 6 million for LG SETA while only R 1,1 million has been received.

Please refer to table C4 on page 10 for Breakdown of Revenue by Source.

Operating expenditure by type

Total expenditure to date is R 32, 948 M compared to total expenditure budget to date of R 38, 415 M which brings about a negative variance of 14%, the variance is mainly attributable to under expenditure on LG SETA as an amount of R 6 million has been budgeted while an amount of R 1,2 million has been spent.

Please refer to table C4 on page 10 for Breakdown of Expenditure by Type.

Cash flows

The cash flow is currently positive, but it should be managed/monitored closely and if needed should expenditure be cut back.

The reason for the positive cash flow is that grants has been received as budgeted while expenditure occurred within the available budget.

*M. A. ...
19/01/2017*

3.1.2 Table C2: Monthly Budget Statement - Financial

Performance (standard classification)

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

DC5 Central Karoo - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		38 740	34 933	-	11 049	21 421	17 466	3 955	23%	34 933
Executive and council		8 417	11 171	-	168	174	5 585	(5 411)	-97%	11 171
Budget and treasury office		19 579	9 424	-	8 313	16 831	4 712	12 119	257%	9 424
Corporale services		10 744	14 338	-	2 568	4 416	7 169	(2 753)	-38%	14 338
<i>Community and public safety</i>		661	3 168	-	1	7	1 584	(1 577)	-100%	3 168
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		316	1 041	-	-	-	520	(520)	-100%	1 041
Housing		-	-	-	-	-	-	-	-	-
Health		345	2 127	-	1	7	1 063	(1 056)	-99%	2 127
<i>Economic and environmental services</i>		41 119	38 070	-	-	13 358	19 035	(5 677)	-30%	38 070
Planning and development		969	960	-	-	-	480	(480)	-100%	960
Road transport		40 150	37 110	-	-	13 358	18 555	(5 197)	-28%	37 110
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	300	889	-	-	-	445	(445)	-100%	889
Total Revenue - Standard	2	80 820	77 060	-	11 050	34 786	38 530	(3 744)	-10%	77 060
Expenditure - Standard										
<i>Governance and administration</i>		34 722	33 947	-	2 829	12 794	16 973	(4 179)	-25%	33 947
Executive and council		11 061	11 825	-	759	3 955	5 913	(1 958)	-33%	11 825
Budget and treasury office		12 348	7 541	-	1 330	4 076	3 771	305	8%	7 541
Corporale services		11 312	14 580	-	741	4 764	7 290	(2 527)	-35%	14 580
<i>Community and public safety</i>		3 048	3 864	-	407	1 589	1 932	(343)	-18%	3 864
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		948	1 013	-	105	427	506	(80)	-16%	1 013
Housing		-	-	-	-	-	-	-	-	-
Health		2 100	2 851	-	302	1 162	1 426	(264)	-18%	2 851
<i>Economic and environmental services</i>		40 418	38 064	-	3 902	17 935	19 032	(1 097)	-6%	38 064
Planning and development		269	954	-	288	594	477	117	25%	954
Road transport		40 150	37 110	-	3 614	17 341	18 555	(1 214)	-7%	37 110
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		914	955	-	100	631	478	153	32%	955
Total Expenditure - Standard	3	79 102	76 830	-	7 238	32 948	38 415	(5 467)	-14%	76 830
Surplus/ (Deficit) for the year		1 718	231	-	3 812	1 838	115	1 723	1493%	231

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

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality.

DC5 Central Karoo - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -

Vote Description	Ref	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	1									
Vote 1 - EXECUTIVE AND COUNCIL		9 387	12 131	-	168	174	6 065	(5 892)	-97.1%	12 131
Vote 2 - BUDGET AND TREASURY		19 614	9 454	-	8 313	16 831	4 727	12 104	256.1%	9 454
Vote 3 - CORPORATE SERVICES		11 671	18 365	-	2 569	4 423	9 183	(4 759)	-51.8%	18 365
Vote 4 - TECHNICAL SERVICES		40 150	37 110	-	-	13 358	18 555	(5 197)	-28.0%	37 110
Total Revenue by Vote	2	80 820	77 060	-	11 050	34 786	38 530	(3 744)	-9.7%	77 060
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		11 376	12 800	-	1 051	4 571	6 400	(1 829)	-28.6%	12 800
Vote 2 - BUDGET AND TREASURY		12 333	7 541	-	1 330	4 076	3 771	305	8.1%	7 541
Vote 3 - CORPORATE SERVICES		15 243	19 379	-	1 245	6 961	9 689	(2 729)	-28.2%	19 379
Vote 4 - TECHNICAL SERVICES		40 150	37 110	-	3 614	17 341	18 555	(1 214)	-6.5%	37 110
Total Expenditure by Vote	2	79 102	76 830	-	7 238	32 948	38 415	(5 467)	-14.2%	76 830
Surplus/ (Deficit) for the year	2	1 718	231	-	3 812	1 838	115	1 723	1493.2%	231

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

DC5 Central Karoo - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2016/17								
		2015/16 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		-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		70	50	-	6	36	25	11	42%	50
Interest earned - external investments		693	500	-	-	200	250	(50)	-20%	500
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		3 053	3 711	-	271	1 660	1 856	(196)	-11%	3 711
Transfers recognised - operating		32 311	33 021	-	10 587	18 677	16 510	2 167	13%	33 021
Other revenue		44 693	39 779	-	186	14 213	19 889	(5 676)	-29%	39 779
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		80 820	77 060	-	11 050	34 786	38 530	(3 744)	-10%	77 060
Expenditure By Type										
Employee related costs		32 800	16 760	-	4 172	17 885	8 380	9 504	113%	16 760
Remuneration of councillors		3 110	3 668	-	270	1 580	1 834	(254)	-14%	3 668
Debt impairment		18	-	-	-	-	-	-	-	-
Depreciation & asset impairment		262	255	-	-	-	127	(127)	-100%	255
Finance charges		14	-	-	-	-	-	-	-	-
Bulk purchases		-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		42 843	56 147	-	2 795	13 483	28 073	(14 590)	-52%	56 147
Loss on disposal of PPE		56	-	-	1	1	-	1	#DIV/0!	-
Total Expenditure		79 102	76 830	-	7 238	32 948	38 415	(5 467)	-14%	76 830
Surplus/(Deficit)										
		1 718	231	-	3 812	1 838	115	1 723	0	231
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	230	-	-	1	115	(114)	(0)	230
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		1 718	461	-	3 812	1 839	230			461
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		1 718	461	-	3 812	1 839	230			461
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		1 718	461	-	3 812	1 839	230			461
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		1 718	461	-	3 812	1 839	230			461

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

DC5 Central Karoo - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M06 December

Vote Description	Ref	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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-		-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-		-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-		-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-		-
Vote 3 - CORPORATE SERVICES		-	230	-	-	1	115	(114)	-99%	230
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	-	230	-	-	1	115	(114)	-99%	230
Total Capital Expenditure		-	230	-	-	1	115	(114)	-99%	230
Capital Expenditure - Standard Classification										
Governance and administration		-	230	-	-	1	115	(114)	-99%	230
Executive and council		-	-	-	-	-	-	-		-
Budget and treasury office		-	-	-	-	-	-	-		-
Corporate services		-	230	-	-	1	115	(114)	-99%	230
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		-	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		-	-	-	-	-	-	-		-
Electricity		-	-	-	-	-	-	-		-
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Standard Classification	3	-	230	-	-	1	115	(114)	-99%	230
Funded by:										
National Government		-	-	-	-	-	-	-		-
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
Transfers recognised - capital		-	-	-	-	-	-	-		-
Public contributions & donations	5	-	-	-	-	-	-	-		-
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		-	230	-	-	1	115	(114)	-99%	230
Total Capital Funding		-	230	-	-	1	115	(114)	-99%	230

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC5 Central Karoo - Table C6 Consolidated Monthly Budget Statement - Financial Position - M06

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		6 099	4 368	-	5 517	4 368
Call investment deposits		-	4 000	-	-	4 000
Consumer debtors		-	441	-	-	441
Other debtors		645	1 108	-	1 158	1 108
Current portion of long-term receivables		-	845	-	-	845
Inventory		813	1 000	-	1 039	1 000
Total current assets		7 556	11 762	-	7 714	11 762
Non current assets						
Long-term receivables		10 679	9 870	-	10 679	9 870
Investments		-	-	-	-	-
Investment property		-	-	-	-	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		6 368	3 727	-	6 368	3 727
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		57	12	-	57	12
Other non-current assets		-	-	-	-	-
Total non current assets		17 105	13 609	-	17 105	13 609
TOTAL ASSETS		24 661	25 371	-	24 820	25 371
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		183	13	-	183	13
Consumer deposits		-	-	-	-	-
Trade and other payables		4 078	8 422	-	2 399	8 422
Provisions		-	-	-	-	-
Total current liabilities		4 261	8 435	-	2 582	8 435
Non current liabilities						
Borrowing		-	1	-	-	1
Provisions		20 936	22 068	-	20 936	22 068
Total non current liabilities		20 936	22 069	-	20 936	22 069
TOTAL LIABILITIES		25 197	30 504	-	23 518	30 504
NET ASSETS	2	(536)	(5 133)	-	1 302	(5 133)
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(536)	(5 133)	-	1 302	(5 133)
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(536)	(5 133)	-	1 302	(5 133)

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

Table C7 includes the balance of the Cashbook and Current Investment Deposits.

DC5 Central Karoo - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Other revenue		46 246	43 952	-	141	15 395	3 663	11 732	320%	43 952
Government - operating		30 302	33 021	-	10 587	18 677	2 752	15 926	579%	33 021
Government - capital		-	-	-	-	-	-	-	-	-
Interest		693	500	-	-	200	42	159	381%	500
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(76 687)	(80 655)	-	(12 016)	(34 854)	(6 721)	28 132	-419%	(80 655)
Finance charges		(14)	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		541	(3 182)	-	(1 287)	(581)	(265)	316	-119%	(3 182)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(880)	(694)	-	-	-	(58)	58	-100%	(694)
Payments										
Capital assets		(724)	(230)	-	1	-	(19)	(19)	100%	(230)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 604)	(924)	-	1	-	(77)	(77)	100%	(924)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		129	106	-	-	-	9	9	100%	106
NET CASH FROM/(USED) FINANCING ACTIVITIES		129	106	-	-	-	9	9	100%	106
NET INCREASE/ (DECREASE) IN CASH HELD		(934)	(4 000)	-	(1 286)	(581)	(333)			(4 000)
Cash/cash equivalents at beginning:		7 033	8 368	-		6 099	8 368			6 099
Cash/cash equivalents at month/year end:		6 099	4 368	-		5 517	8 035			2 099

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

DC5 Central Karoo - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	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	1	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		6	6	6	6	6	6						14	50	50	5
Interest earned - external investments		40	30	30	71	29	-						300	500	500	50
Interest earned - outstanding debtors		-	-	-	-	-	-						-	-	-	-
Dividends received		-	-	-	-	-	-						-	-	-	-
Fines		-	-	-	-	-	-						-	-	-	-
Licences and permits		-	-	-	-	-	-						-	-	-	-
Agency services		-	532	266	266	325	271						2 051	3 711	3 711	3 71
Transfers recognised - operating		8 090	-	-	-	-	10 587						14 343	33 021	33 021	33 02
Other revenue		3 397	2 556	155	5 002	2 918	186						25 977	40 151	40 153	40 19
Cash Receipts by Source		11 532	3 124	458	5 344	3 278	11 060	-	-	-	-	-	42 686	77 472	77 435	77 47
Other Cash Flows by Source																
Transfer receipts - capital		-	-	-	-	-	-						-	-	-	-
Contributions & Contributed assets		-	-	-	-	-	-						-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-						-	-	-	-
Short term loans		-	-	-	-	-	-						-	-	-	-
Borrowing long term financing		-	-	-	-	-	-						-	-	-	-
Increase in consumer deposits		-	-	-	-	-	-						-	-	-	-
Receipt of non-current debtors		-	-	-	-	-	-						-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-						(604)	(604)	(742)	(79)
Change in non-current investments		-	-	-	-	-	-						-	-	-	-
Total Cash Receipts by Source		11 532	3 124	458	5 344	3 278	11 060	-	-	-	-	-	41 993	76 779	76 693	76 68
Cash Payments by Type																
Employee related costs		2 702	2 795	3 104	2 619	2 627	4 172						1 069	19 079	13 108	14 59
Remuneration of councillors		240	241	266	272	270	270						2 068	3 668	4 664	5 51
Interest paid		-	-	-	-	-	-						-	-	-	-
Bulk purchases - Electricity		-	-	-	-	-	-						-	-	-	-
Bulk purchases - Water & Sewer		-	-	-	-	-	-						-	-	-	-
Other materials		-	-	-	-	-	-						-	-	-	-
Contracted services		-	-	-	-	-	-						-	-	-	-
Grants and subsidies paid - other municipalities		-	-	-	-	-	-						-	-	-	-
Grants and subsidies paid - other		-	-	-	-	-	-						-	-	-	-
General expenses		3 326	169	2 081	2 338	2 774	2 795						44 424	57 908	58 010	55 01
Cash Payments by Type		6 269	3 205	5 471	5 229	5 672	7 238	-	-	-	-	-	47 572	80 655	75 782	75 11
Other Cash Flows/Payments by Type																
Capital assets		-	-	-	-	(1)	-						231	230	230	23
Repayment of borrowing		-	-	-	-	-	-						66	66	13	-
Other Cash Flows/Payments		630	(61)	(1 713)	-	(1 647)	5 098						(2 286)	-	-	-
Total Cash Payments by Type		6 899	3 124	3 757	5 229	4 024	12 336	-	-	-	-	-	45 583	80 951	76 025	75 34
NET INCREASE/(DECREASE) IN CASH HELD		4 634	-	(3 300)	115	(746)	(1 285)	-	-	-	-	-	(3 590)	(4 172)	688	1 34
Cash/cash equivalents at the monthly year beginning:		6 099	10 732	10 732	7 433	7 543	6 802	5 517	5 517	5 517	5 517	5 517	5 517	6 099	1 927	2 59
Cash/cash equivalents at the monthly year end:		10 732	10 732	7 433	7 543	6 802	5 517	5 517	5 517	5 517	5 517	1 927	1 927	2 595	3 93	

3.1.10. Debtors Information

3.1.10.1 Debtors Age Analysis as at 31 December 2016

DC5 Central Karoo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2016/17										Actual Bad Debts Written Off against Debtors	Impairment - E Debts I.L.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														
Trade and Other Receivables from Exchange Transactions - Electricity	1300														
Receivables from Non-exchange Transactions - Property Rates	1400														
Receivables from Exchange Transactions - Waste Water Management	1500														
Receivables from Exchange Transactions - Waste Management	1600														
Receivables from Exchange Transactions - Property Rental Debtors	1700														
Interest on Arrear Debtor Accounts	1810														
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820														
Other	1900	86	104	113	9	16	458			785	482				
Total By Income Source	2000	86	104	113	9	16	458	-	-	785	482	-			
2015/16 - Totals only															
Debtors Age Analysis By Customer Group															
Organs of State	2200														
Commercial	2300														
Households	2400														
Other	2500	86	104	113	9	16	458			785	482				
Total By Customer Group	2600	86	104	113	9	16	458	-	-	785	482	-			

3.1.11. Creditors Information

The graph below illustrates the movement in the Total Creditors outstanding at month end from June 2015 to December 2016.

DC5 Central Karoo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description R thousands	NT Code	Budget Year 2016/17								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
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									-
Auditor General	0800									-
Other	0900	641								64'
Total By Customer Type	1000	641	-	-	-	-	-	-	-	64'

3.1.12. Cash and Investments

DC5 Central Karoo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
NEDBANK CALL DEPOSIT			CALL DEPOSIT		18	6.8%	3 160		3 178
NEDBANK CALL DEPOSIT			CALL DEPOSIT		26	7.5%	1 608		1 635
Municipality sub-total					44		4 768	-	4 813
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				44		4 768	-	4 813

3.1.13. Allocation and Grant Receipts and Expenditure

DC5 Central Karoo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		24 336	23 632	-	8 215	16 305	11 816	4 489	38.0%	23 63
Local Government Equitable Share		19 324	19 416	-	6 413	14 503	9 708	4 795	49.4%	19 41
Finance Management		1 250	1 250	-	1 250	1 250	625	625	100.0%	1 25
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
Rural Roads Assets Management Systems Grant		1 794	1 866	-	168	168	933	(765)	-82.0%	1 86
EPWP Incentive		1 038	1 100	-	384	384	550	(166)	-30.3%	1 10
Other transfers and grants [insert description]										
Provincial Government:		1 185	2 000	-	-	-	1 000	(1 000)	-100.0%	2 00
Health subsidy		-	-	-	-	-	-	-	-	-
WP Financial Management Support Grant		1 185	2 000	-	-	-	1 000	(1 000)	-100.0%	2 00
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		4 582	7 489	-	1 913	1 913	3 744	(1 831)	-48.9%	7 48
Tourism		-	-	-	-	-	-	-	-	-
EDA		-	-	-	-	-	-	-	-	-
Nutrition Scheme		-	-	-	-	-	-	-	-	-
LG SETA		3 930	6 000	-	1 108	1 108	3 000	(1 892)	-63.1%	6 00
Doring veld Project		652	1 489	-	805	805	744	61	8.2%	1 48
Total Operating Transfers and Grants	5	30 102	33 121	-	10 128	18 218	16 560	1 658	10.0%	33 12
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	30 102	33 121	-	10 128	18 218	16 560	1 658	10.0%	33 12

3.1.13.2. Allocation and Grant Expenditure

DC5 Central Karoo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	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										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		25 913	23 632	-	2 109	11 710	11 816	(106)	-0.9%	23 63
Local Government Equitable Share		19 324	19 416	-	1 618	9 708	9 708	-		19 41
Finance Management		1 250	1 250	-	370	1 353	625	728	116.5%	1 25
Municipal Systems Improvement		930	-	-	-	-	-	-		-
Rural Roads Assets Management Systems Grant		3 390	1 866	-	-	147	933	(786)	-84.2%	1 86
EPWP Incentive		1 019	1 100	-	121	501	550	(49)	-8.9%	1 10
Provincial Government:		1 994	2 000	-	129	262	1 000	(738)	-73.8%	2 00
Health subsidy		-	-	-	-	-	-	-		-
WP Financial Management Support Grant		1 994	2 000	-	129	262	1 000	(738)	-73.8%	2 00
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		4 404	7 489	-	209	2 123	3 744	(1 622)	-43.3%	7 48
Tourism		-	-	-	-	-	-	-		-
EDA		-	-	-	-	-	-	-		-
Nutrition Scheme		-	-	-	-	-	-	-		-
LG SETA		3 523	6 000	-	30	1 138	3 000	(1 862)	-62.1%	6 00
Doring veld Project		881	1 489	-	179	985	744	240	32.3%	1 48
Total operating expenditure of Transfers and Grants:		32 311	33 121	-	2 447	14 095	16 560	(2 465)	-14.9%	33 12
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	-	-	-	-	-	-		-
Other capital transfers [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-		-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		32 311	33 121	-	2 447	14 095	16 560	(2 465)	-14.9%	33 12

3.1.14 Expenditure on councillor allowances and employee benefits

DC5 Central Karoo - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3 110	3 668	-	270	1 580	1 834	(254)	-14%	3 668
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motbr Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 110	3 668	-	270	1 580	1 834	(254)	-14%	3 668
% increase	4		18.0%							18.0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 235	2 793	-	150	451	1 164	(713)	-61%	150
Pension and UIF Contributions		241	508	-	13	38	212	(174)	-82%	13
Medical Aid Contributions		56	55	-	5	14	23	(9)	-38%	5
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motbr Vehicle Allowance		502	437	-	75	171	182	(11)	-6%	75
Cellphone Allowance		18	10	-	-	-	4	(4)	-100%	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		31	40	-	4	8	17	(9)	-55%	4
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		3 082	3 842	-	246	681	1 601	(920)	-57%	246
% increase	4		24.7%							-92.0%
Other Municipal Staff										
Basic Salaries and Wages		22 614	10 614	-	3 409	13 898	5 540	8 358	151%	13 257
Pension and UIF Contributions		3 098	422	-	299	1 729	254	1 475	582%	918
Medical Aid Contributions		945	239	-	119	671	124	547	441%	289
Overtime		715	5	-	39	236	3	233	8961%	39
Performance Bonus		-	-	-	-	-	-	-	-	-
Motbr Vehicle Allowance		565	253	-	21	229	163	66	41%	61
Cellphone Allowance		(7)	1	-	-	6	1	5	326%	1
Housing Allowances		240	64	-	21	123	32	91	285%	64
Other benefits and allowances		138	7	-	3	30	7	24	350%	4
Payments in lieu of leave		1 110	897	-	14	66	449	(383)	-85%	897
Long service awards		(1)	65	-	-	216	33	184	565%	65
Post-retirement benefit obligations	2	301	350	-	-	-	175	(175)	-100%	350
Sub Total - Other Municipal Staff		29 718	12 918	-	3 926	17 204	6 779	10 425	154%	16 514
% increase	4		-56.5%							-44.4%
Total Parent Municipality		35 910	20 428	-	4 443	19 464	10 214	9 250	91%	20 428

Section 4 – Service Delivery Performance

4.1.1 Introduction

The SDBIP is essentially the municipality's operational plan and is an integral part of the financial planning, implementation and measurement process. The SDBIP functions as the connection between the strategic plan "IDP", budget and management performance agreements, and includes detailed information on how the budget will be implemented by means of service delivery targets and performance indicators. Please refer to Appendix 2: Service Delivery Performance Report

4.1.2 Progress on implementation of the operating expenditure and revenue budgets 2016/2017

Financial performance as indicated in the section 71 high level monthly budget statement of 31 December 2016 indicates a 10% variance between actual operating revenue against budgeted revenue while there is a 14% variance between the actual operating expenditure against budgeted expenditure.

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

4.1.3 Progress on the implementation of the capital program 2016/2017

Total actual capital expenditure as at 31 December 2016 is R 1000 of the total capital budget of R 230 000.

4.1.7 Expenditure on repairs and maintenance by asset class

DC5 Central Karoo - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class

Description	Ref	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	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		2 193	136	-	104	908	68	(840)	-1236.9%	136
General vehicles		32	25	-	-	15	13	(3)	-20.5%	25
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		3	11	-	2	11	5	(6)	-110.3%	11
Abatirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		813	100	-	2	36	50	14	28.4%	100
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		1 345	-	-	101	845	-	(845)	#DIV/0!	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		2 193	136	-	104	908	68	(840)	-1236.9%	136

Section 5 – Progress on resolving problems identified in the 2015/2016 Annual Report

5.1 Introduction

The draft annual report will be tabled in January 2017 and will be placed on the municipal website while public comment will be invited. Comments/input on the draft annual report will be considered where-after the annual report will be submitted to Council for approval.

5.2 Shortcomings and recommendations to address shortcomings

The Auditor-General's report on the consolidated financial statements for 2015/2016 is attached as Appendix 1 and included in Chapter 6 of the Draft Annual Report. An audit action plan has been compiled and meetings with staff were held in November and December 2016 to address the shortcomings.

5.3 Conclusion

Steps has been taken to address the shortcomings.

Section 6 – Recommendations

6.1 Motivations

6.1.1 Adjustment Budget

As required by section 72(3) of the MFMA, an adjustments budget is needed to deal with items listed in section 28(2) of the MFMA. The adjustments budget will have to take into account changes in the provincial adjustments budgets and to adjust the revenue and expenditure as CKEDA has been closed. The detail of amendments to the 2016/17 will be submitted to Council as part of the adjustment budget process.

6.1.2 SDBIP Top Layer

Revisions to the SDBIP will have to be made taking into consideration the review of performance indicators and the effects of the adjustments budget. These revisions must be approved following the approval of the adjustments budget as required by section 54(1) of the MFMA.

RECOMMENDATION:

That:

- (1) An adjustments budget for 2016/2017 be prepared and approved by Council by no later than 28 February 2017;
- (2) Projections for revenue and expenditure be revised as a result of the closure of CKEDA.
- (3) Following the approval of the adjustments budget the revised SDBIP which forms the basis of the mid-year assessments be approved by Council.

Section 6 – Municipal Manager quality certification

QUALITY CERTIFICATE

I, **S Jooste**, the Municipal Manager of Central Karoo District Municipality, hereby certify that

(mark as appropriate)

The monthly budget statement

Quarterly report on the implementation of the budget and financial state affairs of the municipality

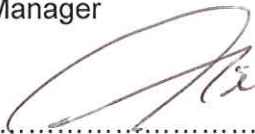
Mid – year budget and performance assessment

For the month of December 2016 (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print Name : S JOOSTE

Municipal Manager

Signature



Date: 18 January 2017

Appendix 1: Auditor's report of the Auditor General on the consolidated financial statements

Report of the Auditor-General to the Western Cape Provincial Parliament and the council on the Central Karoo District Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Central Karoo District Municipality set out on pages 5 to 72, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

5. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Central Karoo District Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during the 2015-16 financial year in the financial statements of the Central Karoo District Municipality at, and for the year ended, 30 June 2015.

Material impairments

8. As disclosed in note 11 to the financial statements, the investment in Central Karoo Economic Development Agency SOC Ltd has been impaired by R2 232 202, which is the entire value of the investment including contributions of R900 542 for the current year (2014-15: contributions of R593 533).

Going concern

9. Note 46 to the financial statements indicates the existence of a material uncertainty that may cast significant doubt on the district municipality's ability to operate as a going concern.

Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters

Unaudited supplementary schedules

11. The supplementary information set out on pages 72 to 80 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2016:
 - Objective 4: to improve and maintain district roads and promote effective and safe public transport on pages 11 to 12
 - Objective 6: to promote safe, healthy and socially stable communities in an environment conducive to sustainable development on pages 12 to 13
15. I evaluated the usefulness of the reported performance information to determine whether it consistent with the objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:

- Objective 4: to improve and maintain district roads and promote effective and safe public transport
- Objective 6: to promote safe, healthy and socially stable communities in an environment conducive to sustainable development

Additional matters

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on page 8 to 14 for information on the achievement of the planned targets for the year.

Unaudited supplementary information

20. The supplementary information set out on pages 15 to 46 does not form part of the annual performance report and is presented as additional information. We have not audited this information and, accordingly, we do not express a conclusion on them.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I identified the following instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Annual financial statements

22. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were subsequently corrected.

Expenditure management

23. Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.
24. An adequate management, accounting and information system was not in place which accounted for creditors as required by section 65(2)(b) of the MFMA.
25. Reasonable steps were not taken to prevent irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Liability management

26. An adequate management, accounting and information system which accounts for liabilities was not in place, as required by section 63(2)(a) of the MFMA.
27. An effective system of internal control for liabilities (including a liability register) was not in place, as required by section 63(2)(c) of the MFMA.

Procurement and contract management

28. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c).
29. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
30. Contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.
31. The preference point system was not applied in all procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act and SCM regulation 28(1) (a).
32. Contracts were awarded to bidders based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
33. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
34. Contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

Municipal entity

35. The annual performance objectives and indicators for the municipal entity were not established by agreement with the municipal entity and included in the municipal entity's multi-year business plan in accordance with section 93B(a) of the Municipal Systems Act.

Internal control

36. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Leadership

37. The accounting officer did not exercise adequate oversight responsibility over reporting to ensure that the annual financial statements are complete, accurate and compliant. The accounting officer did not exercise adequate oversight over non-compliance with laws and regulations. In addition an action plan was developed to address inadequacies identified in the previous audit but this was not constantly monitored to prevent recurrence of findings.

Financial and performance management

38. Management did not adequately review the development and implementation of internal controls regarding financial reporting, since misstatements were identified in the financial statements. Management did not adequately monitor and review compliance with applicable laws and regulations. This could have been achieved by implementing an action plan to address inadequacies identified in the previous audit, as well as areas that the municipality themselves consider to be high risk areas. Such action plan should be constantly monitored to prevent recurrence of findings.

Cape Town

30 November 2016



AUDITOR - GENERAL
SOUTH AFRICA

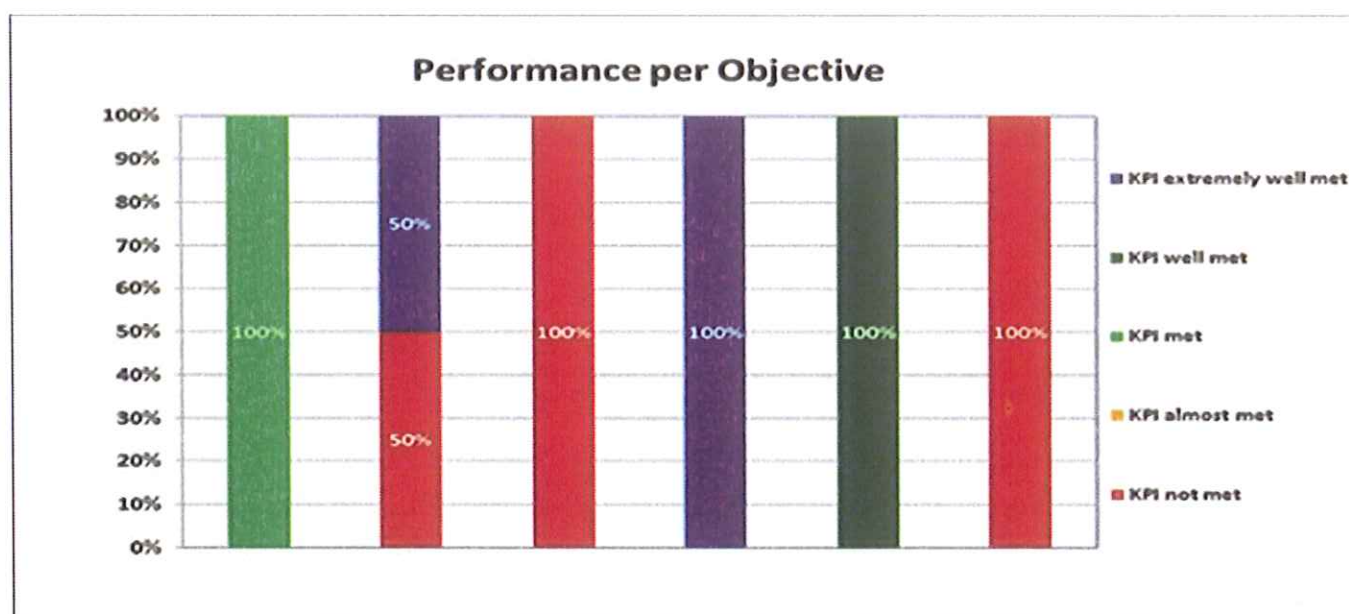
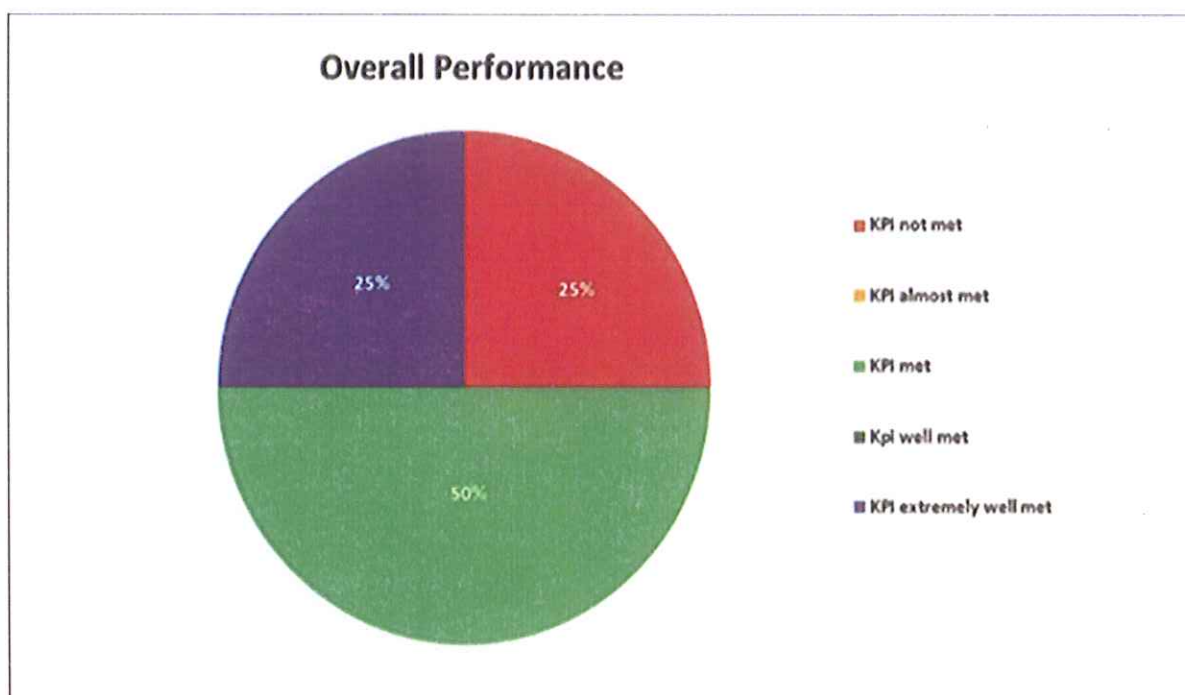
Auditing to build public confidence

Appendix 2: Service Delivery Performance Report

MID-YEAR PERFORMANCE AGAINST THE PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDBIP FOR 2016/17

OVERALL ACTUAL PERFORMANCE OF INDICATORS DUE FOR THE MID-YEAR ENDING 31 DECEMBER 2016

(Please note that only the 12 KPI's due for the period (12 of 28 in total on the Top Layer) are indicated below)



	Total	To build a well capacitated workforce and skilled employable youth and communities	To deliver sound administrative and financial services, to ensure viability	To facilitate good governance principles and effective stakeholder participation	To plan to minimize the impact of social ills, disasters and improve public safety in the region	To promote safe, healthy and socially stable communities in an environment conducive to integrated and sustainable development	To pursue economic growth opportunities that will create descent work
KPI Not Met	3	0	1	1	0	0	1
KPI Almost Met	0	0	0	0	0	0	0
KPI Met	1	1	0	0	0	0	0
KPI Well Met	5	0	0	0	0	5	0
KPI Extremely Well Met	3	0	1	0	2	0	0
Total	12	1	2	1	2	5	1

Category	Colour	Explanation
KPI's Not Met	R	0% >= Actual/Target < 75%
KPI's Almost Met	O	75% >= Actual/Target < 100%
KPI's Met	G	Actual/Target = 100%
KPI's Well Met	G2	100% > Actual/Target < 150%
KPI's Extremely Well Met	B	Actual/Target >= 150%

To build a well capacitated workforce and skilled employable youth and communities

Ref	KPI	Unit of Measurement	Overall performance for the mid-year ending 31 December 2016					Corrective Measures
			Q1	Q2	Target	Actual	R	
TL18	Review the Employment Equity plan and submit to Council by 31 December 2016	Plan reviewed and submitted to Council	0	1	1	1	G	n/a

To deliver sound administrative and financial services, to ensure viability

Ref	KPI	Unit of Measurement	Overall performance for the mid-year ending 31 December 2016					Corrective Measures
			Q1	Q2	Target	Actual	R	
TL17	Submit the financial statements by 31 August 2016 to the Auditor General	Financial Statements submitted	1	0	1	0	R	Corrective actions were not provided on the system
TL19	Revise the Appointment Policy to be in accordance with legislative requirements and submit to council 30 June 2017	Revised Appointment Policy submitted to council	0	0	0	1	B	n/a

To facilitate good governance principles and effective stakeholder participation

Ref	KPI	Unit of Measurement	Overall performance for the mid-year ending 31 December 2016					Corrective Measures
			Q1	Q2	Target	Actual	R	
TL7	Facilitate the meeting of the District Intergovernmental Forum (Technical)	Number of meetings held	1	1	2	0	R	Corrective actions were not provided on the system

To plan to minimize the impact of social ills, disasters and improve public safety in the region

Ref	KPI	Unit of Measurement	Overall performance for the mid-year ending 31 December 2016					
			Q1	Q2	Target	Actual	R	Corrective Measures
TL27	Conduct training sessions for emergency personnel and volunteers by 30 June 2017	Number of training sessions conducted	0	0	0	5	B	n/a
TL28	Inspect industrial premises for fire safety and issue safety certificates	Number of industrial premises inspected for fire safety and safety certificates issued	0	0	0	9	B	n/a

To promote safe, healthy and socially stable communities in an environment conducive to integrated and sustainable development

Ref	KPI	Unit of Measurement	Overall performance for the mid-year ending 31 December 2016					
			Q1	Q2	Target	Actual	R	Corrective Measures
TL21	Submit an Environmental Health Project Proposal to the Provincial Departments of Health and/or other role-players by 31 December 2016	Number of Project Proposals submitted	0	1	1	1	G	n/a
TL22	Raise Health and Hygiene awareness through articles published in the local newspaper "The Courier" on a quarterly basis	Number of articles published on a quarterly basis	1	1	2	2	G	n/a
TL24	Compile and submit bi-annual Landfill Evaluation Reports to Category B-Municipalities within the Central Karoo District by 31 December 2016 and 30 June 2017	Number of Landfill Evaluation Reports submitted on a bi-annual basis	0	3	3	3	G	n/a
TL25	Compile and submit bi-annual Informal Settlement Evaluation Reports to Category B-Municipalities within the Central Karoo District by 31 December 2016 and 30 June 2017	Number of Informal Settlement Evaluation Reports submitted on a bi-annual basis	0	2	2	2	G	n/a
TL26	Compile and submit bi-annual Water Quality Evaluation Reports to Category B-Municipalities within the Central Karoo District by 31 December 2016 and 30 June 2017	Number of Water Quality Evaluation Reports submitted on a bi-annual basis	0	3	3	3	G	n/a

To pursue economic growth opportunities that will create descent work

Ref	KPI	Unit of Measurement	Overall performance for the mid-year ending 31 December 2016					Corrective Measures
			Q1	Q2	Target	Actual	R	
TL9	Facilitate the meeting of the Board of the Economic Development Agency (EDA)	Number of meetings held	0	1	1	0	R	Corrective actions were not provided on the system