

CENTRAL KAROO DISTRICT MUNICIPALITY



SECTION 72: MID-YEAR PERFORMANCE REPORT

2018/19

"Working together in development and growth"

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CENTRAL KAROO DISTRICT MUNICIPALITY



Mid-year Budget and Performance Assessment Report
(MFMA Section 72, including Section 52 (d))

21 January 2019

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



1. **GLOSSARY**

- 1.1 **Adjustment budget –** Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
- 1.2 **Allocations –** Money received from Provincial or National Government or other municipalities.
- 1.3 **Budget –** The financial plan of the Central Karoo District Municipality.
- 1.4 **Budget Related Policy –** Policy of the municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.
- 1.5 **Capital Expenditure –** Spending on assets such as land, buildings, furniture, computer equipment and machinery. Any capital expenditure must be reflected as a non-current asset on the Municipality's balance sheet.
- 1.6 **Cash Flow Statement –** A statement including only actual receipts and expenditure by the Municipality. Cash payments and receipts do not always coincide with budgeted 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.
- 1.7 **DORA –** Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.
- 1.8 **Equitable Share –** A general grant paid to Municipalities.
- 1.9 **Fruitless and Wasteful Expenditure –** Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
- 1.10 **GFS –** Government Finance Statistics. An internationally recognised classification

system that facilitates like for like comparison between Municipalities.

- 1.11 **GRAP –** Generally Recognised Accounting Practice. The new standard for municipal accounting.
- 1.12 **IDP –** Integrated Development Plan. The main strategic planning document of the Municipality.
- 1.13 **MBRR –** Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations.
- 1.14 **MFMA –** Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Herein referred to as the Act.
- 1.15 **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 years budget allocations. Also includes details of the previous and current years' financial position.
- 1.16 **Operating Expenditure –** Spending on the day to day operations of the Municipality such as salaries and wages and general expenses.
- 1.17 **SDBIP –** Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
- 1.18 **Strategic Objectives –** The main priorities of the Central Karoo District Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
- 1.19 **Unauthorised Expenditure –** Generally, is spending without, or in excess of, an approved budget.

- 1.20 **Virement –** A transfer of budget.
- 1.21 **Virement Policy –** The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustment budget.
- 1.22 **Vote –** One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments of the municipality. In Central Karoo District Municipality this means at directorate level. The votes for Central Karoo District therefore are:
- Executive and Council;
 - Budget and Treasury;
 - Corporate Services; and
 - Technical Services.

2. INTRODUCTION

The vision “Working Together in Development and Growth” remains the guiding principle for the leadership of CKDM.

In support of the vision and mission the following strategic objectives were set by our Municipality and the leadership of the Municipality remains committed to these objectives: -

- Facilitate good governance principles and effective stakeholder participation.
- Build a well capacitated workforce, skilled youth and communities.
- Improve and maintain district roads and promote safe road transport.
- Prevent and minimize the impact of possible disasters and improve public safety in the region.
- Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service.
- Promote regional, economic development, tourism and growth opportunities
- Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region.

The Council wants to serve with excellence and pride by working together in an integrated, participative and collaborative manner with all local, provincial and national spheres of government.

The municipality’s budget is being implemented in line with the current SDBIP.

The evaluation done re the projected revenue and expenditure forecasts indicates that an Adjustment Budget will be required.

Additional funding was made available by the Western Cape Provincial Government amounting to R 16.95 million in both new allocations and roll-over approvals and the expenditure estimates must therefore be adjusted.

In addition, the finalisation of the Regulations on Upper Limits for both Councillors and Senior Managers and the SALGBC agreement on staff increases impacted the employments costs of the Municipality.

The Adjustment Budget to be tabled in January 2019 will result in changes that will have to be made to the current SDBIP to ensure alignment. Details of the current status of the SDBIP are contained in the Report.

CKDM continuous to remain grant dependent and cautious implementation of the budget will have to be maintained to ensure that the cash outflows remain in tandem with the cash inflows.

The Municipality is actively pursuing various projects that will enable it to commence with independent revenue generation.

The Central Karoo Economic Development Agency has been deregistered at CIPC and liquidated before 30 June 2018 and the municipality therefore no longer has an existing entity.

The annual report challenges remain the strive towards a clean audit and financial independence from government grants. The municipality is focusing on addressing the root causes and risks arising from the audit in support of the improvement of audit results. In addition, various projects are being investigated towards the generation of additional revenue streams for the municipality.

The Audit Action Plan addressing the root causes and risks that prevented the Municipality from obtaining a Clean Audit has been compiled and will be submitted to the Auditor-General for input and will also be monitored closely by the Audit Committee.

INTRODUCTION

The recommended Resolution to Council with regard to the December 2018 In-Year Report is:

RESOLVED:

- (a) That the Council take note of contents in the in-year report for December 2018 as set out in the schedules contained in Section 4 and the accompanying mid-year performance report:
 - (i) Table C1 – Monthly Budget Statement Summary;
 - (ii) Table C2 – Monthly Budget Statement: Financial Performance (Standard Classification);
 - (iii) Table C3 – Monthly Budget Statement: Financial Performance Standard Classification (Revenue and Expenditure by Municipal Vote);

- (iv) Table C4 – Monthly Budget Statement: Financial Performance (Revenue by Source and Expenditure by Type);
- (v) Table C5 – Monthly Budget Statement: Capital Expenditure;
- (vi) Table C6 – Monthly Budget Statement: Financial Position; and
- (vii) Table C7 – Monthly Budget Statement – Cash Flows.

LEGISLATION

Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows: -

Mid-year budget and performance assessment

72. (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 adjustment budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Section 54 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows: -

Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must-
- (a) consider the statement or report;
- (2) If the municipality faces any serious financial problems, the mayor must-
- (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include-
 - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) the tabling of an adjustment budget; or
 - (iii) steps in terms of Chapter 13; and
 - (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Section 28 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows: -

Municipal adjustment budgets

28. (1) A municipality may revise an approved annual budget through an adjustment budget.
- (2) An adjustment budget-
- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.

Section 23 of the Municipal Finance Management Act, 2003 (56/2003): Municipal budget and reporting regulations 393 of 2009 stipulates as follows: -

Timeframes for tabling of adjustment budgets

23. (1) An adjustment budget referred to in section 28 (2) (b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

The purpose of this report is to submit the outcome of the assessment carried out in terms of section 72 of the MFMA, for the period 1 July 2018 to 31 December 2018, to the Mayor of the CKDM with a view to: -

- a. make recommendations as to whether an adjustment budget is necessary; and
- b. recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Further, in terms of section 54 of the MFMA the Mayor must take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

A high-level assessment of the actual results for the period 1 July 2018 to 31 December 2018 was conducted. The purpose of this review was to enable the Accounting Officer to make recommendations as to whether an adjustment budget for the 2018/2019 financial year is necessary.

To ensure successful outcome only a high-level review of the Total Council Summary was undertaken. It should therefore be noted that this report does not provide for an assessment of each individual line item/ vote

number contained in the approved budget of CKDM for the 2018/2019 financial year.

This report merely highlights the status quo of key revenue and expenditure items that may require the revision of the approved annual budget through an adjustment budget in terms of section 28 of the MFMA. It must further be noted that the operating expenditure reflects direct expenditure and excludes non-cash transactions e.g. depreciation, provisions and deferred finance charges etc. which expenditure is not accounted for on a monthly basis but rather an annual basis.

In addition, this report does not necessarily provide the detail on how revised projections for revenue and expenditure will be derived at. Such exercise by the management team of the municipality will be a natural outflow of this report being dealt with by the Mayor in terms of section 54 (2) of the MFMA.

All the schedules reflect the following information:

- Original budget;
- Monthly actual figures;
- Year-to-date actual figures;
- Year-to-date budgeted figures.

FINANCIAL PERFORMANCE

Section 4 of this report includes the tables with the detailed figures. The detail of this section can be found in Section 4 of this report Table C2 (Summary per GFS); Table C3 (Summary per Municipal Vote) and Table C4 (Summary by Revenue Source and Expenditure Type). The latter is used to provide the executive summary.

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Costs.

The table reflects spending of the capital budget as percentage spent of 22%. The total operating expenditure and revenue reflects percentage spent of 51% and 55% respectively.

	<u>Capital Expenditure</u>	<u>Operating Expenditure</u>	<u>Operating Revenue</u>
Original Budget	1,015,350.00	80,483,157.45	81,896,918.42
Adjustment Budget	1,035,350.00	86,692,374.00	88,126,130.00
Actual spend / received (YTD)	226,061.70	41,337,144.61	44,657,176.45
Percentage Spend (YTD)	22%	51%	55%

Revenue by Source:

The figures represented in this section are the accrued amounts and not actual cash receipts.

Additional revenue allocations have been made by the WC Government that will have to be reflected in an Adjustment Budget.

The total revenue excluding capital transfers and contributions for the month of December 2018 is R 9.976 million. Refer to figure 1 for more detail.

The comparisons of the major sources of revenue are illustrated in the figure below:

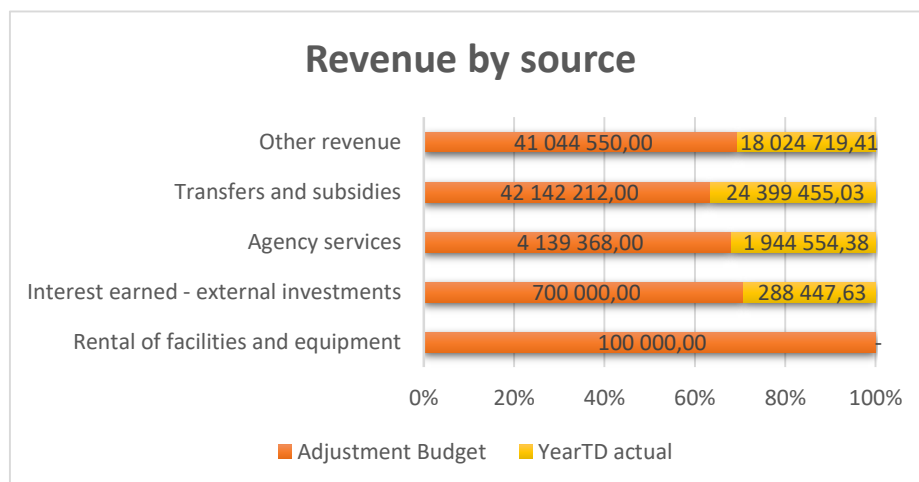


Figure 1 – Revenue by source

- **Other Revenue:**

The amount raised as reflected for the actual year to date represents 44% of the budget amount. The budgeted amount received (Year-to-date) amounts to R 20.522 million.

- **Interest Earned – External Investments:**

The budget amount for Interest earned R 700 000, whilst the year to date actual revenue is R 288 447.63. Thus, reflecting receipt of 41% at the end of the 2nd quarter. This interest projection for the year must be adjusted during an Adjustment Budget.

Operating Expenditure by Type:

The figures in this section represents the accrued amounts; in other words, when the goods have been ordered; received or the invoice has been completed (reconciled with goods received and prices quoted) it should be captured as an expense. Shadow figures are reflected on the financial system once an order is issued. This action serves as a budgetary control mechanism and no actual financial entries are passed. These figures cannot be used for reporting purposes.

The total actual expenditure amounts to R 41.337 million and the year to date budget is R 43.346 million which represents a **variance of 4.6%** for the year to date.

Operating Expenditure by Municipal Vote (Figure 2):

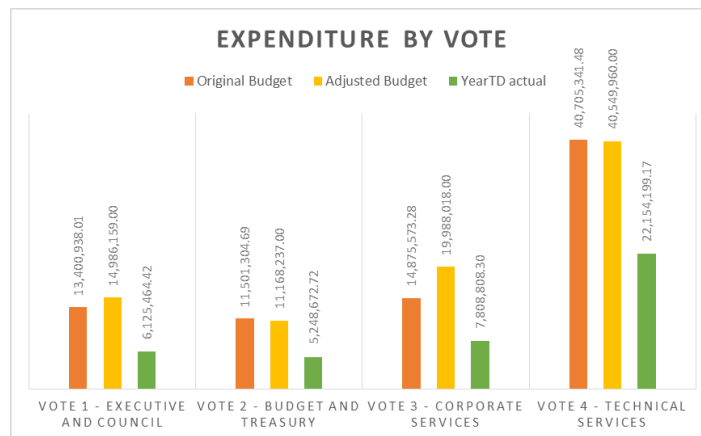


Figure 2 – Breakdown Operating Expenditure by Municipal Vote

Expenditure by Vote	Original Budget	Adjusted Budget	YearTD actual	% Spend
Vote 1 - EXECUTIVE AND COUNCIL	13,400,938.01	14,986,159.00	6,125,464.42	46%
Vote 2 - BUDGET AND TREASURY	11,501,304.69	11,168,237.00	5,248,672.72	46%
Vote 3 - CORPORATE SERVICES	14,875,573.28	19,988,018.00	7,808,808.30	52%
Vote 4 - TECHNICAL SERVICES	40,705,341.48	40,549,960.00	22,154,199.17	54%
Total Expenditure by Vote	80,483,157.45	86,692,374.00	41,337,144.61	51%

The August adjustment budget for Technical Service is R 40.550 million of which R 22.154 million has been expended representing 54% of the budget amount.

The August adjustment budget for Corporate Services is R 19.988 million of which R 7.809 million has been expended representing 52% of the budget amount.

The August adjustment budget for Budget and Treasury is R 11.168 million of which R 5.249 million has been expended representing 46% of the budget amount.

The August adjustment budget for Executive and Council is R 14.986 million of which R 6.125 million has been expended representing 46% of the budget amount.

As a result of the additional revenue allocations, an adjustment budget must be done to account for the associated expenditures.

Capital Expenditure (Figure 3):

The capital spending for the month of December 2018 amounts to R 59 434.78 and for the 4th quarter, R95 198.95. The total capital budget amount is R 1.035 million, thus reflecting total spending of 22% for the year to date.

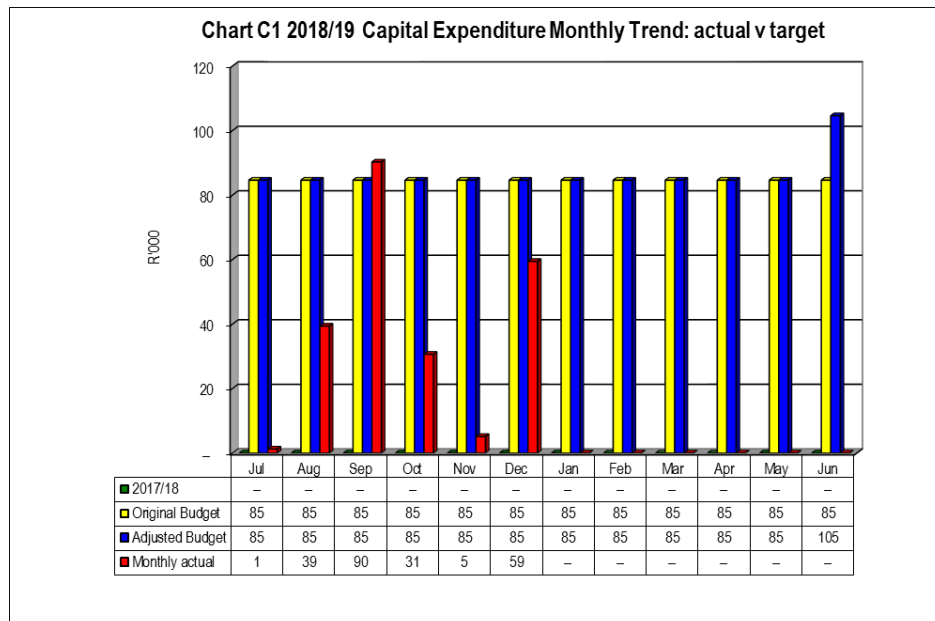


Figure 3 – Breakdown Capital Expenditure by month

9 Cash Flow:

The detail of this section can be found in Section 4 of this report Table C7 (Cash flow statement). The balance at the end of the quarter for the cash flow statement amounts to R 9.401 million.

9 IN-YEAR BUDGET STATEMENT TABLE:

11 Monthly Budget Statements:

Table C1: Monthly Budget Statement Summary:

The table below provides a summary of the most important information by pulling its information from the other tables to follow.

DC5 Central Karoo - Table C1 Monthly Budget Statement Summary - M06 December

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	700	700	24	288	350	(62)	-18%	-
Transfers and subsidies	-	35,883	42,142	9,501	24,399	21,071	3,328	16%	-
Other own revenue	-	45,314	45,284	451	19,969	22,642	(2,673)	-12%	-
Total Revenue (excluding capital transfers and contributions)	-	81,897	88,126	9,976	44,657	44,063	594	1%	-
Employee costs	-	47,419	46,926	5,466	22,717	23,463	(746)	-3%	-
Remuneration of Councillors	-	4,032	3,957	290	1,878	1,979	(101)	-5%	-
Depreciation & asset impairment	-	432	486	-	-	243	(243)	-100%	-
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	66	1,905	2	145	952	(808)	-85%	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	28,535	33,419	2,830	16,598	16,710	(112)	-1%	-
Total Expenditure	-	80,483	86,692	8,588	41,337	43,346	(2,009)	-5%	-
Surplus/(Deficit)	-	1,414	1,434	1,388	3,320	717	2,603	363%	-
Transfers and subsidies - capital (monetary alloc	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	1,414	1,434	1,388	3,320	717	2,603	363%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	1,414	1,434	1,388	3,320	717	2,603	363%	-
Capital expenditure & funds sources									
Capital expenditure	-	1,015	1,035	59	226	518	(292)	-56%	-
Capital transfers recognised	-	915	915	59	226	458	(232)	-51%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	100	120	-	-	60	(60)	-100%	-
Total sources of capital funds	-	1,015	1,035	59	226	518	(292)	-56%	-
Financial position									
Total current assets	11,306	8,131	8,091	-	15,764	-	-	-	8,091
Total non current assets	17,711	19,260	19,280	-	18,769	-	-	-	19,280
Total current liabilities	4,575	5,590	5,590	-	11,042	-	-	-	5,590
Total non current liabilities	17,549	20,387	20,387	-	17,185	-	-	-	20,387
Community wealth/Equity	6,893	1,414	-	-	6,306	-	-	-	1,414
Cash flows									
Net cash from (used) operating	-	1,846	1,826	1,388	6,388	913	(5,475)	-600%	-
Net cash from (used) investing	-	(1,015)	(1,015)	(59)	24	(508)	(531)	105%	-
Net cash from (used) financing	-	106	106	-	-	53	53	100%	-
Cash/cash equivalents at the month/year end	-	3,925	3,905	-	9,401	3,447	(5,954)	-173%	2,989
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	(62)	20	116	56	1,604	390	-	(1)	2,123
Creditors Age Analysis									
Total Creditors	597	1,323	5	-	770	-	-	-	2,695

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 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 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	40,904	46,338	9,975	26,622	23,169	3,453	15%	-
Executive and council		-	35,742	35,934	-	1,628	17,967	(16,339)	-91%	-
Finance and administration		-	5,162	10,404	9,975	24,994	5,202	19,792	380%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	43	838	1	198	419	(221)	-53%	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	795	-	186	398	(212)	-53%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	43	43	1	12	21	(10)	-44%	-
<i>Economic and environmental services</i>		-	40,950	40,950	-	17,838	20,475	(2,637)	-13%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	40,950	40,950	-	17,838	20,475	(2,637)	-13%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	81,897	88,126	9,976	44,657	44,063	594	1%	-
Expenditure - Functional										
<i>Governance and administration</i>		-	28,452	34,447	3,111	14,812	17,224	(2,411)	-14%	-
Executive and council		-	8,283	9,049	652	3,833	4,525	(691)	-15%	-
Finance and administration		-	19,777	24,607	2,424	10,655	12,304	(1,649)	-13%	-
Internal audit		-	392	791	35	324	395	(71)	-18%	-
<i>Community and public safety</i>		-	6,440	7,097	549	2,404	3,548	(1,144)	-32%	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	1,583	2,219	142	694	1,109	(416)	-37%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	4,856	4,878	407	1,710	2,439	(729)	-30%	-
<i>Economic and environmental services</i>		-	45,434	44,991	4,928	24,121	22,496	1,625	7%	-
Planning and development		-	3,226	4,441	282	1,309	2,221	(912)	-41%	-
Road transport		-	42,208	40,550	4,646	22,812	20,275	2,537	13%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	157	157	-	-	79	(79)	-100%	-
Total Expenditure - Functional	3	-	80,483	86,692	8,588	41,337	43,346	(2,009)	-5%	-
Surplus/ (Deficit) for the year		-	1,414	1,434	1,388	3,320	717	2,603	363%	-

Table C3: Monthly Budget Statements – Financial:

The budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality. On the next page, as part of Table C3, a table with the sub-votes is also prepared.

DC5 Central Karoo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	35,742	36,034	-	1,628	18,017	(16,389)	-91.0%	-
Vote 2 - BUDGET AND TREASURY		-	5,100	4,300	9,529	22,242	2,150	20,092	934.5%	-
Vote 3 - CORPORATE SERVICES		-	104	6,842	447	2,949	3,421	(472)	-13.8%	-
Vote 4 - TECHNICAL SERVICES		-	40,950	40,950	-	17,838	20,475	(2,637)	-12.9%	-
Total Revenue by Vote	2	-	81,897	88,126	9,976	44,657	44,063	594	1.3%	-
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	13,401	14,986	969	6,125	7,493	(1,368)	-18.3%	-
Vote 2 - BUDGET AND TREASURY		-	11,501	11,168	1,522	5,249	5,584	(335)	-6.0%	-
Vote 3 - CORPORATE SERVICES		-	14,876	19,988	1,451	7,809	9,994	(2,185)	-21.9%	-
Vote 4 - TECHNICAL SERVICES		-	40,705	40,550	4,646	22,154	20,275	1,879	9.3%	-
Total Expenditure by Vote	2	-	80,483	86,692	8,588	41,337	43,346	(2,009)	-4.6%	-
Surplus/ (Deficit) for the year	2	-	1,414	1,434	1,388	3,320	717	2,603	363.1%	-

DC5 Central Karoo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - A - M06 December

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	35,742	36,034	-	1,628	18,017	(16,389)	-91%	-
1.1 - MUNICIPAL MANAGER			6,227	6,519	-	789	3,260	(2,470)	-76%	-
1.2 - COUNCIL GENERAL EXPENSES			29,515	29,515	-	839	14,758	(13,919)	-94%	-
1.3 - INTERNAL AUDIT			-	-	-	-	-	-	-	-
1.4 - IDP			-	-	-	-	-	-	-	-
1.5 - EDA			-	-	-	-	-	-	-	-
1.6 - LED			-	-	-	-	-	-	-	-
1.7 - STRATEGIC PLANNING			-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	5,100	4,300	9,529	22,242	2,150	20,092	935%	-
2.1 - FINANCIAL SERVICES			4,100	3,300	9,529	21,710	1,650	20,060	1216%	-
2.2 - DISTRICT COUNCIL LEVIES			-	-	-	-	-	-	-	-
2.3 - FINANCE MANAGEMENT GRANT			1,000	1,000	-	532	500	32	6%	-
Vote 3 - CORPORATE SERVICES		-	104	6,842	447	2,949	3,421	(472)	-14%	-
3.1 - CORPORATE SERVICES			62	6,004	446	2,752	3,002	(250)	-8%	-
3.2 - TOURISM			-	-	-	-	-	-	-	-
3.3 - PMU			-	-	-	-	-	-	-	-
3.4 - ENVIRONMENTAL HEALTH			43	43	1	12	21	(10)	-44%	-
3.5 - CIVIL DEFENCE			-	795	-	186	398	(212)	-53%	-
3.6 - GRANTS AND SUBSIDIES			-	-	-	-	-	-	-	-
3.7 - WORK FOR WATER			-	-	-	-	-	-	-	-
3.8 - NUTRITION SCHEME			-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	40,950	40,950	-	17,838	20,475	(2,637)	-13%	-
4.1 - ROADS			40,950	40,950	-	17,838	20,475	(2,637)	-13%	-
4.2 - TRANSPORT FUND			-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	81,897	88,126	9,976	44,657	44,063	594	1%	-
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	13,401	14,986	969	6,125	7,493	(1,368)	-18%	-
1.1 - MUNICIPAL MANAGER			4,720	4,826	291	2,113	2,413	(299)	-12%	-
1.2 - COUNCIL GENERAL EXPENSES			4,731	5,941	336	2,226	2,971	(744)	-25%	-
1.3 - INTERNAL AUDIT			724	791	60	477	395	81	21%	-
1.4 - IDP			-	-	-	-	-	-	-	-
1.5 - EDA			30	-	-	-	-	-	-	-
1.6 - LED			-	-	-	-	-	-	-	-
1.7 - STRATEGIC PLANNING			3,196	3,428	282	1,309	1,714	(405)	-24%	-
Vote 2 - BUDGET AND TREASURY		-	11,501	11,168	1,522	5,249	5,584	(335)	-6%	-
2.1 - FINANCIAL SERVICES			10,730	10,200	1,478	4,966	5,100	(134)	-3%	-
2.2 - DISTRICT COUNCIL LEVIES			-	-	-	-	-	-	-	-
2.3 - FINANCE MANAGEMENT GRANT			771	969	44	283	484	(202)	-42%	-
Vote 3 - CORPORATE SERVICES		-	14,876	19,988	1,451	7,809	9,994	(2,185)	-22%	-
3.1 - CORPORATE SERVICES			8,174	12,734	902	5,404	6,367	(963)	-15%	-
3.2 - TOURISM			157	157	-	-	79	(79)	-100%	-
3.3 - PMU			-	-	-	-	-	-	-	-
3.4 - ENVIRONMENTAL HEALTH			4,861	4,878	407	1,711	2,439	(728)	-30%	-
3.5 - CIVIL DEFENCE			1,583	2,219	142	694	1,109	(416)	-37%	-
3.6 - GRANTS AND SUBSIDIES			-	-	-	-	-	-	-	-
3.7 - WORK FOR WATER			100	-	-	-	-	-	-	-
3.8 - NUTRITION SCHEME			-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	40,705	40,550	4,646	22,154	20,275	1,879	9%	-
4.1 - ROADS			40,705	40,550	4,646	22,154	20,275	1,879	9%	-
4.2 - TRANSPORT FUND			-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	80,483	86,692	8,588	41,337	43,346	(2,009)	(0)	-
Surplus/ (Deficit) for the year	2	-	1,414	1,434	1,388	3,320	717	2,603	0	-

Table C4: Monthly Budget Statement – Financial Performance (Revenue and Expenditure):

This table reflects the operating budget and actual figures of the financial performance. The revenue is specifically set out by source due to the fact that Council approves the revenue budget by source and the expenditure budget by vote.

DC5 Central Karoo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December											
Description	Ref	2017/18	Budget Year 2018/19								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
Revenue By Source											
Property rates											
Service charges - electricity revenue											
Service charges - water revenue											
Service charges - sanitation revenue											
Service charges - refuse revenue											
Service charges - other											
Rental of facilities and equipment			100	100	-	-	50	(50)	-100%		
Interest earned - external investments			700	700	24	288	350	(62)	-18%		
Interest earned - outstanding debtors			-	-	-	-	-	-			
Dividends received			-	-	-	-	-	-			
Fines, penalties and forfeits			-	-	-	-	-	-			
Licences and permits			-	-	-	-	-	-			
Agency services			3,947	4,139	446	1,945	2,070	(125)	-6%		
Transfers and subsidies			35,883	42,142	9,501	24,399	21,071	3,328	16%		
Other revenue			41,267	41,045	5	18,025	20,522	(2,498)	-12%		
Gains on disposal of PPE			-	-	-	-	-	-			
Total Revenue (excluding capital transfers and contributions)			-	81,897	88,126	9,976	44,657	44,063	594	1%	-
Expenditure By Type											
Employee related costs			47,419	46,926	5,466	22,717	23,463	(746)	-3%		
Remuneration of councillors			4,032	3,957	290	1,878	1,979	(101)	-5%		
Debt impairment			-	-	-	-	-	-			
Depreciation & asset impairment			432	486	-	-	243	(243)	-100%		
Finance charges			-	-	-	-	-	-			
Bulk purchases			-	-	-	-	-	-			
Other materials			66	1,905	2	145	952	(808)	-85%		
Contracted services			1,406	5,362	107	1,268	2,681	(1,413)	-53%		
Transfers and subsidies			-	-	-	-	-	-			
Other expenditure			27,128	28,057	2,722	15,330	14,028	1,302	9%		
Loss on disposal of PPE			-	-	-	-	-	-			
Total Expenditure			-	80,483	86,692	8,588	41,337	43,346	(2,009)	-5%	-
Surplus/(Deficit)			-	1,414	1,434	1,388	3,320	717	2,603	0	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)											
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)											
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions			-	1,414	1,434	1,388	3,320	717			-
Taxation											
Surplus/(Deficit) after taxation			-	1,414	1,434	1,388	3,320	717			-
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			-	1,414	1,434	1,388	3,320	717			-
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			-	1,414	1,434	1,388	3,320	717			-

***Table C5: Monthly Budget Statement – Capital Expenditure
(Municipal Vote, Standard Classification and Funding):***

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

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	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		-	79	99	-	33	49	(16)	-33%	-
Vote 2 - BUDGET AND TREASURY		-	140	140	-	54	70	(16)	-23%	-
Vote 3 - CORPORATE SERVICES		-	697	697	59	139	348	(209)	-60%	-
Vote 4 - TECHNICAL SERVICES		-	100	100	-	-	50	(50)	-100%	-
Total Capital single-year expenditure	4	-	1,015	1,035	59	226	518	(292)	-56%	-
Total Capital Expenditure		-	1,015	1,035	59	226	518	(292)	-56%	-
Capital Expenditure - Functional Classification										
Governance and administration		-	719	739	59	184	370	(186)	-50%	-
Executive and council		-	47	67	-	14	33	(19)	-58%	-
Finance and administration		-	673	673	59	170	336	(166)	-49%	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	164	164	-	23	82	(59)	-72%	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	100	100	-	4	50	(46)	-92%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	64	64	-	19	32	(13)	-41%	-
Economic and environmental services		-	132	132	-	19	66	(47)	-71%	-
Planning and development		-	32	32	-	19	16	3	19%	-
Road transport		-	100	100	-	-	50	(50)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	1,015	1,035	59	226	518	(292)	-56%	-
Funded by:										
National Government		-	915	915	59	226	458	(232)	-51%	-
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	915	915	59	226	458	(232)	-51%	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	100	120	-	-	60	(60)	-100%	-
Total Capital Funding		-	1,015	1,035	59	226	518	(292)	-56%	-

Table C6: Monthly Budget Statement – Financial Position:

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

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		8,751	3,925	3,905	9,401	3,905
Call investment deposits		–	–	(20)	–	(20)
Consumer debtors		–	2,100	2,100	–	2,100
Other debtors		1,878	1,248	1,248	5,489	1,248
Current portion of long-term receivables		–	–	–	–	–
Inventory		677	858	858	874	858
Total current assets		11,306	8,131	8,091	15,764	8,091
Non current assets						
Long-term receivables		10,694	10,521	10,521	10,444	10,521
Investments		–	–	–	–	–
Investment property		–	–	–	–	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		6,935	8,656	8,676	8,231	8,676
Agricultural		–	–	–	–	–
Biological		–	–	–	–	–
Intangible		82	82	82	93	82
Other non-current assets		–	–	–	–	–
Total non current assets		17,711	19,260	19,280	18,769	19,280
TOTAL ASSETS		29,017	27,391	27,371	34,533	27,371
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		61	39	39	67	39
Consumer deposits		–	–	–	–	–
Trade and other payables		349	5,551	5,551	6,146	5,551
Provisions		4,166	–	–	4,828	–
Total current liabilities		4,575	5,590	5,590	11,042	5,590
Non current liabilities						
Borrowing		97	101	101	90	101
Provisions		17,452	20,286	20,286	17,095	20,286
Total non current liabilities		17,549	20,387	20,387	17,185	20,387
TOTAL LIABILITIES		22,124	25,977	25,977	28,227	25,977
NET ASSETS	2	6,893	1,414	1,394	6,306	1,394
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		6,893	1,414	1,414	6,306	1,414
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	6,893	1,414	–	6,306	1,414

Table C7: Monthly Budget Statement – Cash Flow:

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

Description	Ref	2017/18		Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates			-	-				-			
Service charges			-	-				-			
Other revenue			45,314	45,314	451	19,969	22,657	(2,688)	-12%		
Government - operating			35,883	35,883	9,501	24,399	17,942	6,458	36%		
Government - capital			-	-	-	-	-	-	-		
Interest			700	700	24	288	350	(62)	-18%		
Dividends			-	-	-	-	-	-	-		
Payments											
Suppliers and employees			(52,922)	(52,942)	(8,588)	(38,269)	(26,471)	11,798	-45%		
Finance charges			-	-	-	-	-	-	-		
Transfers and Grants			(27,128)	(27,128)	-	-	(13,564)	(13,564)	100%		
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	1,846	1,826	1,388	6,388	913	(5,475)	-600%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			-	-			-	-			
Decrease (Increase) in non-current debtors			-	-			-	-			
Decrease (increase) other non-current receivables			-	-		250	-	250	#DIV/0!		
Decrease (increase) in non-current investments			-	-			-	-			
Payments											
Capital assets			(1,015)	(1,015)	(59)	(226)	(508)	(282)	55%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(1,015)	(1,015)	(59)	24	(508)	(531)	105%	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-	-			-	-			
Borrowing long term/refinancing			-	-			-	-			
Increase (decrease) in consumer deposits			106	106			53	(53)	-100%		
Payments											
Repayment of borrowing			-	-			-	-			
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	106	106	-	-	53	53	100%	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at beginning:			2,989	2,989	1,329	2,989	2,989				2,989
Cash/cash equivalents at month/year end:			3,925	3,905		9,401	3,447				2,989

3. SUPPORTING DOCUMENTATION

DEBTORS ANALYSIS:

Supporting Table SC3:

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

Description	NT Code	Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200													
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	(62)	20	116	56	1,604	390	-	(1)	2,123	2,049			
Total By Income Source	2000	(62)	20	116	56	1,604	390	-	(1)	2,123	2,049	-	-	-
2017/18 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200													
Commercial	2300													
Households	2400													
Other	2500	(62)	20	116	56	1,604	390	-	(1)	2,123	2,049			
Total By Customer Group	2600	(62)	20	116	56	1,604	390	-	(1)	2,123	2,049	-	-	-

Table SC3 is the only debtors report required by the MBRR.

Supporting Table SC4:

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

Description	NT Code	Budget Year 2018/19									Prior year totals for chart (same period)	
		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	597	2	5	-	770					1,374	
Auditor General	0800	-	1,321	-	-	-					1,321	
Other	0900											
Total By Customer Type	1000	597	1,323	5	-	770	-	-	-	-	2,695	-

GRANT RECEIPTS:

Supporting Table SC6 – Grant Receipts:

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

Description	Ref	2017/18	Budget Year		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	32,883	33,678	9,781	25,869	16,839	8,187	48.6%	-
Local Government Equitable Share			28,502	28,502	9,501	21,380	14,251	7,129	50.0%	
FMG - Internship Training			1,000	1,000	-	1,000	500			
EPWP Incentive			1,013	1,013	-	710	507			
Rural Asset Management Grant			1,728	1,728	-	1,344	864	480	55.6%	
Disaster Management			-	795	-	795	398	398	100.0%	
WC - FMG CAPACITY			280	280	280	280	140			
WP Financial Management Support Grant			360	360	-	360	180	180	100.0%	
Provincial Government:		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	3,000	3,000	-	2,366	1,500	866	57.7%	-
CHIETA			-	-	-	595	-	595	#DIV/0!	
Audit fee			3,000	3,000	-	1,771	1,500			
Total Operating Transfers and Grants	5	-	35,883	36,678	9,781	28,235	18,339	9,052	49.4%	-
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	-	35,883	36,678	9,781	28,235	18,339	9,052	49.4%	-

Supporting Table SC7(1) – Grant Expenditure:

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

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	32,883	33,678	2,806	14,521	16,839	(2,318)	-13.8%	-
Local Government Equitable Share			28,502	28,502	2,375	11,876	14,251	(2,375)	-16.7%	
FMG - Internship Training			1,000	1,000	44	576	500	76	15.2%	
EPWP Incentive			1,013	1,013	79	917	507	411	81.1%	
Rural Asset Management Grant			1,728	1,728	-	658	864	(206)	-23.9%	
Disaster Management			-	795	29	214	398	(183)	-46.1%	
WC - FMG CAPACITY			280	280	280	280	140	140	100.0%	
WP Financial Management Support Grant			360	360	-	-	180	(180)	-100.0%	
Provincial Government:		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	3,000	3,000	160	2,581	1,500	1,081	72.1%	-
CHIETA			-	-	160	810	-	810	#DNV/0!	
Audit fee			3,000	3,000	-	1,771	1,500	271	18.0%	
Total operating expenditure of Transfers and Grants:		-	35,883	36,678	2,966	17,102	18,339	(1,237)	-6.7%	-
Capital expenditure of Transfers and Grants										
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		-	35,883	36,678	2,966	17,102	18,339	(1,237)	-6.7%	-

CAPITAL PROGRAMME PERFORMANCE:

Supporting Table C12:

Supporting Table C12 reconciled with Table C5.

DC5 Central Karoo - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July		85	85	1	1	85	83	98.5%	0%
August		85	85	39	41	169	129	76.0%	4%
September		85	85	90	131	254	123	48.4%	13%
October		85	85	31	161	338	177	52.3%	16%
November		85	85	5	167	423	256	60.6%	16%
December		85	85	59	226	508	282	55.5%	22%
January		85	85			592	-		
February		85	85			677	-		
March		85	85			762	-		
April		85	85			846	-		
May		85	85			931	-		
June		85	105			1,035	-		
Total Capital expenditure	-	1,015	1,035	226					

NON-FINANCIAL PERFORMANCE REPORTING – MID-YEAR PERFORMANCE ASSESSMENT (July – December 2018)

Disclaimer

This Mid-Year Performance Assessment Report, w.r.t. the non-financial information, is based on reported information only, and is un-audited. This report is subject to change on finalization of the Internal Performance Audit Report for Quarter 1 and 2 of the 2018/2019 financial year.

MID-YEAR PERFORMANCE ASSESSMENT FOR CENTRAL KAROO DISTRICT MUNICIPALITY – NON FINANCIAL INFORMATION

Purpose of report

To submit to the Executive Mayor an assessment report on the Municipality's Performance covering the period 1 July 2018 to 31 December 2018.

1. 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 financial year, assess the performance of the Municipality during the first half of the financial year and submit a report on such an 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 driven by our PMS Framework that was approved in 2013. We are currently in the process of reviewing the Policy.

3. Legal Implications

3.1 Section 72 (1), Local Government: Municipal Finance Management Act, 2003 (Act 55 of 2003), **referred to as the MFMA**

3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 200) (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 the 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 and shared control of the municipality, taking into account report in terms of section 88 from any such entity; 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 the 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 adjustment 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

5. Service delivery performance analysis

(a) Performance Framework

Performance management is prescribed by Chapter 6 of the Municipal Systems Act (MSA), Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that "*A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.*" This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP) and individual and service provider performance.

The Central Karoo District Municipality has an approved Performance Management Framework in place which was reviewed in 2013. We are currently in the process of Reviewing the Framework for adoption by Council.

(b) Implementation of Performance Management

The IDP 2017/2022 was compiled and approved by Council on 25 May 2017. Performance is evaluated by means of a municipal scorecard (Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) at organisational level and through the Departmental SDBIP at Departmental level.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality is implemented. It also allocates responsibilities to Departments to deliver services in terms of the IDP and Budget.

The TL SDBIP was prepared and approved by the Executive Mayor on 04 June 2018.

(c) Monitoring performance

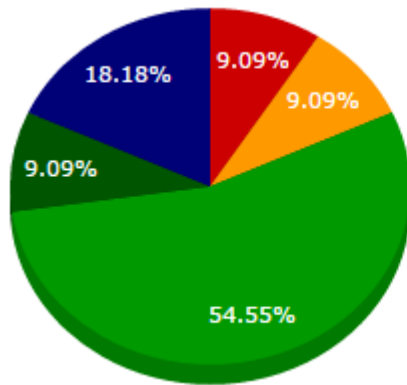
The SDBIP is loaded on an electronic web based system (after approval). The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against Key Performance Indicator (KPI) Targets for the previous month's performance. The actual results against monthly targets set, are discussed in monthly Executive Management Team (EMT) meetings to determine early warning indicators and discuss corrective measures if needed.

Category	Colour	Description
<i>KPI's Not Yet Measured</i>		
<i>KPI's Not Met</i>		0% >= Actual/Target < 75%
<i>KPI's Almost Met</i>		75% >= Actual/Target < 100%
<i>KPI's Met</i>		Actual/Target = 100%
<i>KPI's Well Met</i>		100% > Actual/Target < 150%
<i>KPI's Extremely Well Met</i>		Actual/Target >= 150%

5.1 Overall service delivery performance

(a) Summary of performance against the National KPA's

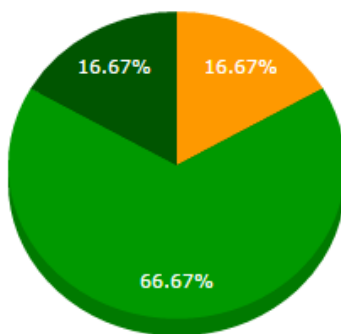
The graph below illustrates the performance of the Central Karoo District Municipality against the National Key Performance Area's (NKPA's).



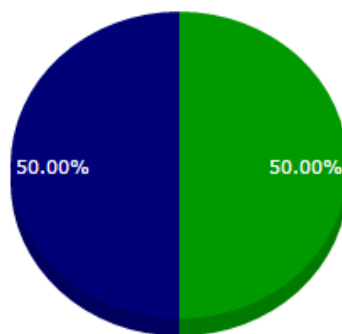
■ KPI Not Met	<u>1 (9.09%)</u>
■ KPI Almost Met	<u>1 (9.09%)</u>
■ KPI Met	<u>6 (54.55%)</u>
■ KPI Well Met	<u>1 (9.09%)</u>
■ KPI Extremely Well Met	<u>2 (18.18%)</u>

National KPA

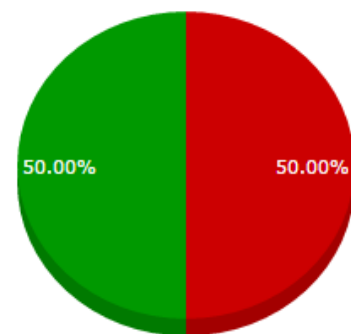
Basic Service Delivery



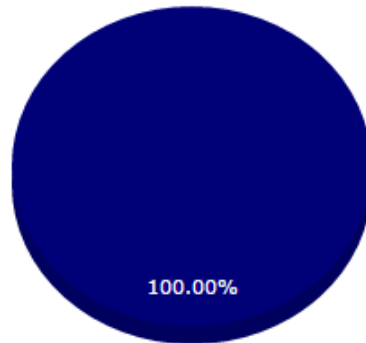
Good Governance and Public Participation



Municipal Financial Viability and Management

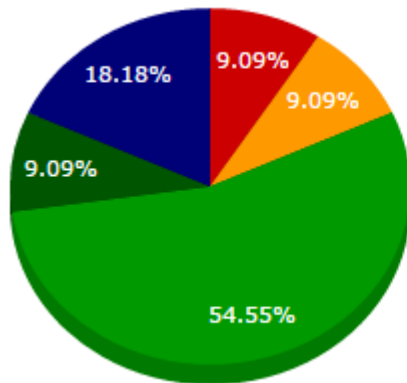


Municipal Transformation and Institutional Development



b) Summary of performance against the Municipal Strategic Objectives

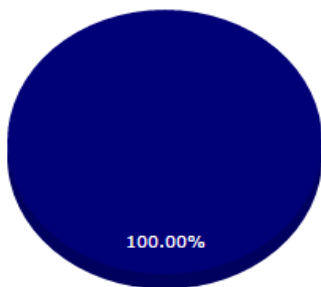
The graph below illustrates the performance of the Central Karoo District Municipality against the Municipality’s Strategic objectives as derived from the Municipality Integrated Development Plan (IDP).



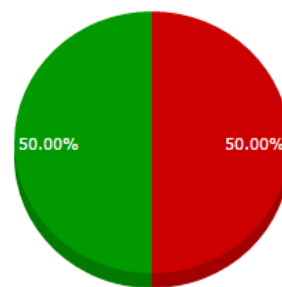
KPI Not Met	<u>1 (9.09%)</u>
KPI Almost Met	<u>1 (9.09%)</u>
KPI Met	<u>6 (54.55%)</u>
KPI Well Met	<u>1 (9.09%)</u>
KPI Extremely Well Met	<u>2 (18.18%)</u>

Build a well capacitated workforce, skilled youth and communities

Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region

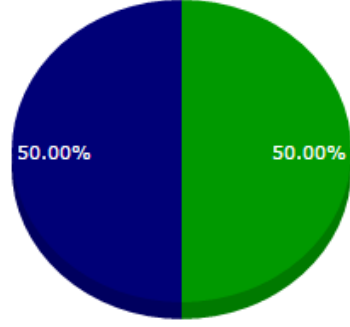


KPI Not Met	-
KPI Almost Met	-
KPI Met	-
KPI Well Met	-
KPI Extremely Well Met	<u>1 (100.00%)</u>



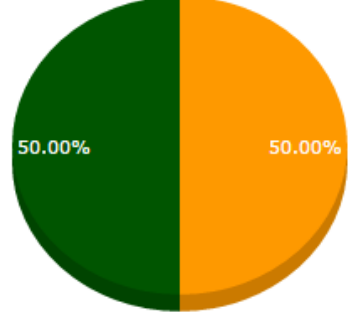
KPI Not Met	<u>1 (50.00%)</u>
KPI Almost Met	-
KPI Met	<u>1 (50.00%)</u>
KPI Well Met	-
KPI Extremely Well Met	-

Facilitate good governance principles and effective stakeholder participation



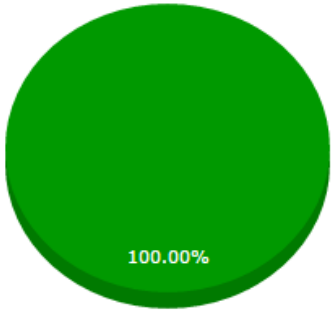
KPI Not Met	-
KPI Almost Met	-
KPI Met	<u>1 (50.00%)</u>
KPI Well Met	-
KPI Extremely Well Met	<u>1 (50.00%)</u>

Improve and maintain district roads and promote safe roads transport



KPI Not Met	-
KPI Almost Met	<u>1 (50.00%)</u>
KPI Met	-
KPI Well Met	<u>1 (50.00%)</u>
KPI Extremely Well Met	-

Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service



KPI Not Met	-
KPI Almost Met	-
KPI Met	<u>4 (100.00%)</u>
KPI Well Met	-
KPI Extremely Well Met	-

6. Adjustment Budget

Regulation 23 of the Municipal Budget and Reporting Regulations provides, *inter alia*, for the following:

"An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year."

A revised Top Layer SDBIP will be submitted with the Adjustment budget to Council by 28 February 2019 with the necessary motivation where key performance indicators require adjustment/ amendment/s as a result of the Adjustment budget.

7. Summary

Appendix A is the unaudited Top Layer SDBIP for the first half of the financial year 2018/19 ending 31 December 2018, which measures the Central Karoo District Municipality's Overall Performance - July - December 2018 per MKPA. The report, furthermore, includes the corrective measures indicated for targets not achieved.

The Central Karoo District Municipality is committed to ensuring that our vision of "Working together in development and growth" becomes a reality through integrated and informed planning and ensuring that we inculcate a culture of performance excellence within our Municipality.

During the first half of the 2018/19 financial year only **1 KPI was not met** (9.09%), **1 KPI almost met** (9.09%) with **6 KPI's** (54.55%) **met** and **2 extremely well met** (18.18%).

To ensure that the Central Karoo District Municipality is able to achieve its strategic objective we will be amending some TL KPI's where required.

Appendix B includes recommendations with regard to the Report.

8. Appendices

Appendix A — Top Layer SDBIP 2018/19 per Municipal Department and assessment of targets achieved per Directorate as well as corrective measures where applicable.

Appendix B — Recommendations

Appendix A – Top Layer SDBIP 2018/19 performance per Municipal Department and assessment of targets achieved

Office of the Municipal Manager

Ref	KPI	Unit of Measurement	Source of Evidence	Annual Target	Overall Performance - July - December 2018		
					Target	Actual	R
TL1	Submit the draft Annual Report in Council by 31 January 2019	Draft Annual Report submitted in Council by 31 January 2019	Proof of submission	1	0	0	N/A
TL2	Spend 90% of the municipal capital budget by 30 June 2019 {(Actual amount spent on projects/Total amount budgeted for capital projects) X100}	% of capital budget spent	Capital expense report generated from the financial system	90%	40%	22%	R
TL3	Review and submit the IDP and Budget Process Plan and District Framework to Council by 31 August 2018	IDP and Budget Process Plan and Framework submitted to Council by 31 August 2018	Proof of submission	1	1	1	G
TL4	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2019	RBAP revised and submitted to the Audit Committee for approval by 30 June 2019	Minutes of the Audit Committee meeting	1	0	0	N/A
TL5	Complete 70% of audits as per the RBAP by 30 June 2019 [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	% audits completed	RBAP, Quarterly progress reports and minutes of the Audit Committee	70%	0%	0%	N/A
TL6	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2019	Number of full time equivalent (FTE's) created by 30 June 2019	Time sheets of FTE's	15	0	0	N/A
TL7	Review and submit the LED Strategy to Council for approval by 31 May 2019	LED Strategy reviewed and submitted to Council for approval by 31 May 2019	Proof of submission	1	0	0	N/A

Ref	KPI	Unit of Measurement	Source of Evidence	Annual Target	Overall Performance - July - December 2018		
					Target	Actual	R
TL8	Develop a Tourism Development Plan and submit to Council for consideration by 30 June 2019	Tourism Development Plan developed and submitted to Council for consideration by 30 June 2019	Proof of submission	1	0	0	N/A
TL9	Develop a Tourism Marketing Plan and submit to Council for consideration by 30 June 2019	Tourism Marketing Plan developed and submitted to Council for consideration by 30 June 2019	Proof of submission	1	0	0	N/A

Corporate Services

Ref	KPI	Unit of Measurement	Source of Evidence	Annual Target	Overall Performance - July - December 2018		
					Target	Actual	R
TL10	Review Corporate and HR policies and submit to Council for approval by 30 June 2019	Number of policies reviewed and submitted to Council for approval by 30 June 2019	Proof of submission	5	0	1	B
TL11	Review the delegation register and submit to Council for approval by 30 June 2019	Delegation registered reviewed and submitted to Council for approval by 30 June 2019	Proof of submission	1	0	0	N/A
TL12	Review the organisational structure and submit to Council for approval by 31 March 2019	Organisational structure reviewed and submitted to Council for approval by 31 March 2019	Proof of submission	1	0	0	N/A
TL13	Spend 0.5% of the municipality's personnel budget on training by 30 June 2019 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	% of the personnel budget spent on training	Report generated from the financial system	0.50%	0%	0%	N/A
TL14	Limit the vacancy rate to 10% of budgeted post as at 30 June 2019	% vacancy rate of budgeted posts as at 30 June 2019	Approved organogram vs Current vacancies report	10%	10%	5%	B

Ref	KPI	Unit of Measurement	Source of Evidence	Annual Target	Overall Performance - July - December 2018		
					Target	Actual	R
TL15	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2019	Workplace skills plan reviewed and submitted to LGSETA by 30 April 2019	Proof of submission	1	0	0	N/A
TL16	The number of people from the employment equity target groups employed (appointed) in the three highest levels of management in compliance with the municipality's approved Equity Plan as at 30 June 2019	Number of people employed as per approved Equity Plan as at 30 June 2019	Signed of Excel spread sheet - File Name: Personnel	1	0	0	N/A
TL17	Compile and submit bi-annual Water Quality Evaluation Reports to Water Service Authorities by 30 June 2019	Number of Water Quality Evaluation Reports submitted to Water Service Authorities by 30 June 2019	Reports & proof of dispatch via email to Water Service Authorities (WSA's)	6	3	3	G
TL18	Compile and submit bi-annual Informal Settlement Evaluation Reports to Local Authorities by 30 June 2019	Number of Informal Settlement Evaluation Reports submitted to Local Authorities by 30 June 2019	Reports & proof of dispatch via email to Local Authorities	8	4	4	G
TL19	Compile and submit bi-annual Landfill Evaluation Reports to Local Authorities by 30 June 2019	Number of Landfill Evaluation Reports submitted to Local Authorities by 30 June 2019	Reports & proof of dispatch via email to Local Authorities	6	3	3	G
TL20	Compile and distribute a Municipal Health Newsletter to Local Authorities by 31 January 2019	Number of Newsletters submitted to Local Authorities by 31 January 2019	Newsletter & proof of dispatch via email to Local Authorities	1	0	0	N/A
TL21	Compile & publish bi-annual MHS related articles in the local newspaper "The Courier" by 30 June 2019	Number of articles published in "The Courier" by 30 June 2019	Copies of articles published in "The Courier"	4	2	2	G
TL22	Compile & submit a Municipal Health Project Proposal to the relevant Provincial or National department and / or other role-players by 30 June 2019	Project Proposals submitted by 30 June 2019	Project Proposal & Acknowledgement of receipt	1	0	0	N/A
TL23	Compile & submit a MoA between Section MHS & relevant Provincial Department to Sr. Committee Clerk by 30 June 2019 - for Council approval	Number of MoA's submitted to Sr. Committee Clerk by 30 June 2019 - for Council Approval	MoA & proof of dispatch via email to Sr. Comm. Clerk	1	0	0	N/A

Ref	KPI	Unit of Measurement	Source of Evidence	Annual Target	Overall Performance - July - December 2018		
					Target	Actual	R
TL24	Compile & submit a Municipal Health By-law to Sr. Committee Clerk by 30 June 2019 - for Council approval	Number of MHS By-law's submitted to Sr. Committee Clerk by 30 June 2019 - for Council approval	MHS By-law & proof of dispatch via email to Sr. Comm. Clerk	1	0	0	N/A

Ref	KPI	Unit of Measurement	Source of Evidence	Annual Target	Overall Performance - July - December 2018		
					Target	Actual	R
TL25	Review 10 budget related policies and submit to Council for approval by 31 May 2019	Number of policies reviewed and submitted to Council for approval by 31 May 2019	Proof of submission to Senior Clerk: Committee Services	10	0	0	N/A
TL26	Review and submit the MFMA delegation register to Council for approval by 31 May 2019	MFMA delegation registered reviewed and submitted to Council for approval by 31 May 2019	Proof of submission to Senior Clerk: Committee Services	1	0	0	N/A
TL27	Compile and submit the financial statements to the Auditor-General by 31 August 2018	Financial statements compiled and submitted to the Auditor-General by 31 August 2018	Proof of submission to the Auditor-General	1	1	1	G
TL28	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	Annual Financial Statements and calculation sheet	10%	0%	0%	N/A
TL29	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	Annual Financial Statements and calculation sheet	25	0	0	N/A

Technical Services

Ref	KPI	Unit of Measurement	Source of Evidence	Annual Target	Overall Performance - July - December 2018		
					Target	Actual	R
TL30	Create temporary job opportunities in terms of identified road projects by 31 March 2019 (Calculations of the number of jobs created will be over the 12 months coincided the financial year of the Provincial Department of Transport)	Number of temporary jobs created	Statistics submitted and temporary worker employment contracts	20	0	0	N/A
TL31	Spend 95% of approved Roads capital budget by 31 March 2019 [(Actual expenditure divided by approved allocation received) x100] (Spending calculated over the financial year of the Department of Transport of the WC Province)	% of Roads special projects budget spent	Summary of Road Maintenance Expenses from ABAKUS (Claimed)	95%	50%	44.31%	O
TL32	Spend 95% of the approved Roads maintenance budget by 31 March 2019 [(Actual expenditure divided by approved allocation received) x100] (Spending calculated over 12 months which coincide with the Financial year of the Provincial Department of Transport)	% of Roads special projects budget spent	Summary of Road Capital Expenses from ABAKUS (Claimed)	95%	50%	73.65%	G2
TL33	Regravel 37 kilometres of road by 31 March 2019	Number of kilometres regavelled	Signed off project file	37	0	0	N/A

Corrective Measures per Department

Office of the Municipal Manager

- TL2 - [D32] Municipal Manager: Spending will occur in quarter 3 to ensure that the target for quarter 3 is reached, as per amended budget. Tenders were already advertised for vehicles. Spending will be closely monitored to ensure amended budgeted figures are spent. (December 2018)

Corporate Services

None

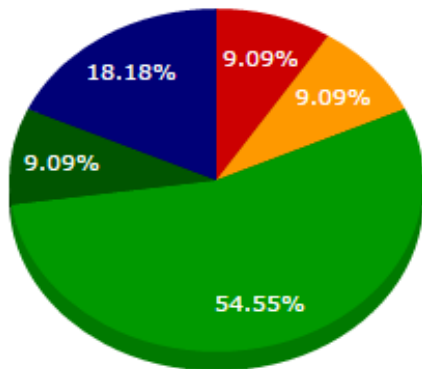
Financial Services

None

Technical Services

- TL31 - [D124] Director Technical Services: Actual performance is now skewed as a result of the increased budget (December 2018)

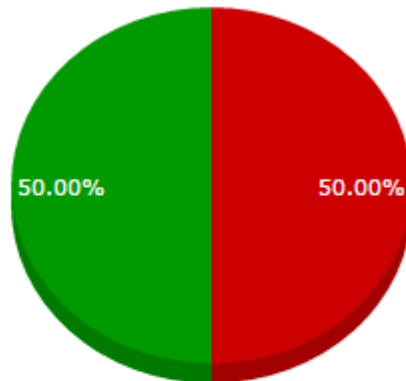
KPI Monitoring and Evaluation graphs – Per Directorate



■ KPI Not Met	1 (9.09%)
■ KPI Almost Met	1 (9.09%)
■ KPI Met	6 (54.55%)
■ KPI Well Met	1 (9.09%)
■ KPI Extremely Well Met	2 (18.18%)

KPI Monitoring: Office of the Municipal Manager

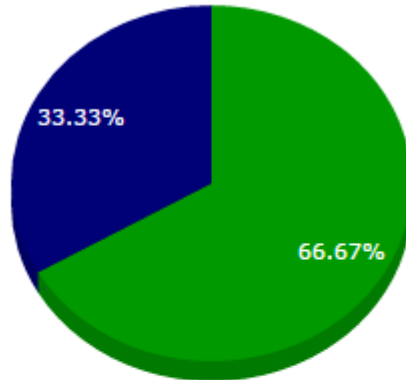
Municipal Manager



■ KPI Not Met	1 (50.00%)
■ KPI Almost Met	-
■ KPI Met	1 (50.00%)
■ KPI Well Met	-
■ KPI Extremely Well Met	-

KPI Monitoring: Corporate Services

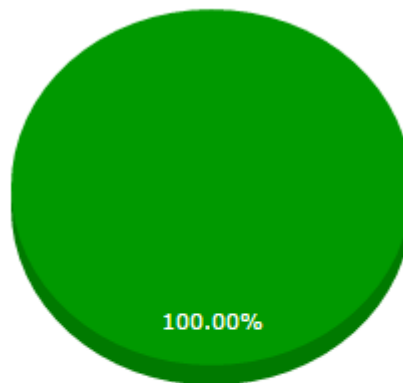
Corporate Services



■ KPI Not Met	-
■ KPI Almost Met	-
■ KPI Met	<u>4 (66.67%)</u>
■ KPI Well Met	-
■ KPI Extremely Well Met	<u>2 (33.33%)</u>

KPI Monitoring: Financial Services

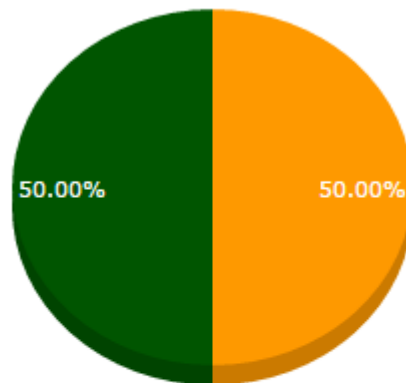
Financial Services



■ KPI Not Met	-
■ KPI Almost Met	-
■ KPI Met	<u>1 (100.00%)</u>
■ KPI Well Met	-
■ KPI Extremely Well Met	-

KPI Monitoring: Technical Services

Technical Services



■ KPI Not Met	-
■ KPI Almost Met	<u>1 (50.00%)</u>
■ KPI Met	-
■ KPI Well Met	<u>1 (50.00%)</u>
■ KPI Extremely Well Met	-

Appendix B - Recommendations

The following recommendations are made with regards to the performance management of Central Karoo District Municipality:

- The Top Level SDBIP be revised where required
- All adjustments to the SDBIP commence after the adjustment budget has been approved and submitted as follows;
 - Top Level SDBIP – The Executive Mayor for approval
 - That the content of this report be approved by the Executive Mayor and forwarded to the relevant Government Department