

LAINGSBURGMUNICIPALITY

SECTION 52 REPORT

QUARTERLY PERFORMANCE

2017/18 ASSESSMENT REPORT- Q 3

01 January 2018 – 31 March 2018

A municipality that works



Table of Contents

SECTION 1 - INTRODUCTION	6
SECTION 2 – EXECUTIVE MAYOR'S REPORT.....	7
SECTION 3 – RESOLUTIONS	7
SECTION 4 – EXECUTIVE SUMMARY	7
4.1 Financial problems or risks facing the Municipality.....	8
4.3 Operating Revenue	8
4.4 Operating Expenditure	8
4.5 Capital Expenditure	8
4.6 Cash Flow.....	8
4.7 Debtors.....	8
4.8 Creditors.....	9
SECTION 5 - FINANCIAL KEY PERFORMANCE INDICATORS	10
5.1 Key Financial Indicators	11
5.2 Borrowing, funding and reserves policy	12
5.2.1 Purpose/ Use of the Ratio and Norm.....	12
5.2.2 Interpretation of Results	12
5.2.4 Interpretation of Results	13
5.2.5 Purpose/ Use of the Ratio and Norm.....	13
5.2.6 Interpretation of Results	13
5.2.7 Purpose/ Use of the Ratio and Norm.....	13
5.2.8 Interpretation of Results	14
5.3 Liquidity policy.....	14
5.3.1 Purpose/ Use of the Ratio and Norm.....	14
5.3.2 Interpretation of Results	15
5.3.3 Purpose/ Use of the Ratio and Norm.....	15
5.3.4 Interpretation of Results	16
5.3.5 Interpretation of Results	18
5.4 Other ratios of importance.....	18
5.4.1 Purpose/ Use of the Ratio and Norm.....	18
5.4.2 Interpretation of Results	18
5.4.3 Purpose/ Use of the Ratio and Norm.....	19
5.4.4 Interpretation of Results	19
5.4.5 Purpose/ Use of the Ratio and Norm.....	19
5.4.6 Interpretation of Results	20
5.4.7 Purpose/ Use of the Ratio and Norm.....	20

5.4.8 Interpretation of Results	20
4.5.9 Purpose/ Use of the Ratio and Norm.....	21
4.5.10 Interpretation of Results	21
SECTION 6 - NON - FINANCIAL PERFORMANCE REPORT	22
6.1 Background.....	22
6.1.1 Legislative Requirements	22
6.1.2 Definition of Performance Management.....	22
6.1.3 Institutionalising Performance Management.....	22
6.1.4 Strategic Performance	23
6.1.5 Definition of Service Delivery Budget Implementation Plan	23
6.1.6 The IDP and the Budget.....	23
6.1.7 Municipal Scorecard.....	24
6.1.8 Background to the format of SDBIP	24
6.1.9 Monitoring and Evaluation	25
6.2 Actual Performance for the 3rd Quarter.....	26
6.2.1 Overall Performance of the Municipality	26
SECTION 7 – IN-YEAR BUDGET STATEMENT TABLES.....	35
Table C1: Monthly Budget Statement Summary	35
Table C2: Financial Performance (Standard Classification)	36
Table C3: Financial Performance (Revenue and Expenditure by Municipal Vote)....	37
Table C4: Financial Performance (Revenue and Expenditure)	38
Table C5: Capital Expenditure (Municipal Vote, Standard Classification and Funding)	39
Table C6: Financial Position.....	40
Table C7: Cash Flow	42
Table SC1 Material variance explanations	43
SECTION 8 – DEBTOR ANALYSIS	44
Table SC3 Debtors Analysis.....	44
SECTION 9 – CREDITOR ANALYSIS (TRADE AND OTHER PAYABLES)	46
Table SC4 Creditors Analysis.....	46
SECTION 10 – INVESTMENT PORTFOLIO	47
Table SC5 Investment Portfolio.....	47
SECTION 11 - COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS	48
Table SC 8 Councilor and staff benefits	48
SECTION 12 - RECEIPT AND EXPENDITURE ON GRANT PROGRAMMES	49
SC6 Transfers and Grant Receipts	49
SECTION 13 – MATERIAL VARIANCES TO THE SDBIP	50

SECTION 14 – CAPITAL PROGRAMME PERFORMANCE	51
Table SC12 – Capital expenditure trend	51
SECTION 15 – OTHER SUPPORTING DOCUMENTATION	52
Table SC9 – Cash flow per month by source of revenue and type of expenditure ..	52
Table SC13 a – Capital expenditure on new assets by asset class.....	53
Table SC13 c – Expenditure on Repairs and Maintenance by asset class	54
Table SC13 d – Depreciation charges by asset class	55
Schedule C – National Treasury Formats graphs	56
Capital Expenditure monthly trend: Actual VS Target	56
Capital Expenditure: YTD Actual VS YTD Target	56
Aged Consumer Debtors analysis	57
Aged Creditors analysis	57
SECTION 16 - WARD COMMITTEES	58
SECTION 17 - RECOMMENDATIONS	58
SECTION 18 - CONCLUSION	58

QUALITY CERTIFICATE

I, Alida Groenewald the acting municipal manager of Laingsburg Local Municipality, here certify that quarterly report on the implementation of the budget and financial state affairs

For the period of 1 January 2018 until 31 March 2018 has been prepared in accordance of the Municipal Finance Management Act and regulations made under the Act.



.....
AS GROENEWALD
ACTING MUNICIPAL MANAGER
20 April 2018

SECTION 1 - INTRODUCTION

The purpose of this report is firstly to comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report to the Council on the implementation of the budget.

The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Council on the non-financial indicators which is part of the service delivery and budget implementation plan.

The reports strategic objective is to ensure good governance, provide a monitor tool for financial viability as well as to provide Council with the necessary information to make informed decisions.

Section 52 (d) of the MFMA requires that:

“the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.”

Section 75 (1) (k) of the MFMA requires that one should place the following documents of the municipality on the website:

“all quarterly reports tabled in the council in terms of section 52 (d).”

Council must therefore take note that this report will be published on the official website of the Municipality.

The report provides a quarterly overview of the municipal financial and non-financial performance to give council a monitoring tool to review performance as part of the Service Delivery and Budget Implementation plan (SDBIP) regarding the progress made with the implementation of Key Performance Indicators (KPI's) in the realisation of the developmental priorities and strategic objectives as determined in the Municipality's Integrated Development Plan (IDP) as well as in the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the first quarter (01 January 2018 – 31 March 2018) of the 2017/2018 financial year.

SECTION 2 – EXECUTIVE MAYOR'S REPORT

Schedule C (In-Year Reports of Municipalities) of the Local Government: Municipal Finance Management Act Municipal Budget and Reporting Regulations, relating to the Mayor's report states that:

"3. Mayor's report. - The mayor's report accompanying an in-year must provide-

- a) **A summary of whether the municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;"**

Refer to Section 3 – Executive summary for the measurement of financial (Section 3.1) and non-financial (Section 3.2) key performance indicators.

- b) **"A summary of any financial problems or risks facing the municipality or any such entity; and"**

I am not aware of any financial problems or risks facing the municipality.

- c) ***"Any other information considered relevant by the mayor."***

There are no other information considered to be relevant.

SECTION 3 – RESOLUTIONS

The draft resolution tabled to Council by the Executive Mayor for consideration regarding the Section 52 report is:

- That Council takes cognisance of the Finance Management Report (MFMA Section 52 report) for the quarter ending 31 March 2018 on the implementation of the budget and the financial state of affairs of the municipality.

SECTION 4 – EXECUTIVE SUMMARY

The quarterly report, the so called MFMA Section 52 report, is a monitoring tool for the approved service delivery and budget implementation plan, which can be divided into two parts namely the financial and non-financial key

performance indicators.

4.1 Financial problems or risks facing the Municipality

The Municipality is currently experiencing financial difficulties in its cash flow. The operating revenue and expenditure to date are however within the budget limits. This is due to the equitable share grant that was received during the Third quarter. Payment for debtors for the Third quarter was only 30% of the total amount billed for services and rates for this period. Annual rates are levied during July for the financial year.

4.2 Other relevant information

Year-to-date revenue raised is 96.51% of the projected year-to-date budget for the Third quarter. Operating expenditure incurred amounts to 83.24% of year-to-date budget. The depreciation and annual journals will be processed at the end of the fourth quarter when yearend transactions are processed.

4.3 Operating Revenue

The Municipality have generated 72.38% or R57, 533 million of the Budgeted Revenue to date which is lower than the budgeted amounts. During the financial year operating grants totaling R13, 790 million were received. The largest part of the grants received forms part of the equitable share allocation for the financial year.

4.4 Operating Expenditure

For the quarter ending March 2018, the Municipality managed to spend within the budgeted norms. An amount of R 54, 634 million or 62, 43% have been spent to date. As mentioned above the depreciation and annual journals will be processed at the end of the financial year.

4.5 Capital Expenditure

The Municipality has incurred R4, 792 million or 31.23% of the external funded Capital Budget to date. The MIG spending for the Third quarter totals to R4, 792 million to date.

4.6 Cash Flow

The Municipality started off with a cash flow balance of R5, 875 million at the beginning of the year and increased it with R15, 600 million. The closing balance for this quarter is R21, 476 million. The increase in cash flow is due to the receipt of the operational grants. The Municipal Cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2017/2018 financial year.

4.7 Debtors

The Outstanding Debtors of the Municipality amounts to R8, 492 million for the quarter ending March 2018. The outstanding debt for more than 90 days amounts to 60.85%. The payment rate for 2016/2017 financial year was 65.96%.

For the financial year to date the payment rate is 68% on services and rates. The Municipality is fully implementing the Debt Collection and Credit Control Policy. It should be noted that the Municipal debt collection and credit control policy was revised during August 2013. Outstanding amounts in the areas where the Municipality is not the supplier of electricity are increasing rapidly.

4.8 Creditors

Total outstanding creditors amount to R290 580 for the quarter ending March 2018. All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. Cases occur where suppliers issue their invoices more than 30 days after the date of the invoice, for payment, but in most cases the payments are made at presentation of the invoices.

SECTION 5 - FINANCIAL KEY PERFORMANCE INDICATORS

The financial performance indicators as prescribed by National Treasury is provided in Table SC 2.

Table SC2 – Financial Performance indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q3 Third Quarter

Description of financial indicator	Basis of calculation	Ref	2016/17	Budget Year 2017/18			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	11.7%	11.4%	0.0%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		8.0%	3.2%	3.2%	13.1%	3.2%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	106.4%	68.3%	68.3%	94.6%	68.3%
Liquidity Ratio	Monetary Assets/Current Liabilities		42.8%	46.9%	46.9%	73.1%	46.9%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		11.1%	1.7%	1.6%	8.4%	1.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		90.0%	90.0%	90.0%	92.0%	90.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	9.1%	9.0%	9.0%	10.2%	9.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	29.8%	25.0%	25.0%	32.7%	25.0%
Employee costs	Employee costs/Total Revenue - capital revenue		28.9%	30.1%	28.5%	25.7%	30.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.0%	2.6%	2.4%	0.7%	1.1%
Interest & Depreciation	I&D/Total Revenue - capital revenue		14.9%	13.3%	12.6%	0.0%	3.4%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		14.1%	13.0%	13.1%	-1.2%	13.1%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		28.3%	36.5%	37.4%	-98.2%	9.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	0.2%	0.2%	1.6%	0.2%

The other financial performance indicators are discussed below:

Table 5.1 provides a high level summary of the municipality's performance on the capital and operational revenue and expenditure measured against the budget as at 31 March 2018.

5.1 Key Financial Indicators

Table 5.1 High Level Summary

Description	Operating Revenue	Operating Expenditure	Capital Expenditure
	R'000	R'000	R'000
Year-to-date budget 2017/18	54 053 400	59 250 200	4 849 493
Actuals as at 31 March 2018	57 532 513	54 634 247	525 150
Variance between YTD Budget and YTD Actuals	-3 479 113	4 615 953	4 324 343
Variance %	-6.44	7.79	100.00

Table 5. 2 Actual Budget Spending

Description	Operating Revenue	Operating Expenditure	Capital Expenditure
	R'000	R'000	R'000
Annual Budget	79 481 738	87 514 238	16 117 505
Actuals as at 31 March 2018	57 532 513	54 634 247	525 150
Actual as % of total Budget	72.38	62.43	3.26

Table 5.3 provide the key financial indicators, comparing the 2016/17 financial performance of the municipality to the 2017/18 year to date figures as at 31 March 2018.

Table 5.3 Ration Description

RATION DESCRIPTION	2017/18	2016/17
Revenue Management		
Level of reliance on Government grants	26.61	23.42
Actual income vs Budgeted Income	106.44	86.88
Expenditure Management		
Personnel Costs to total Expenditure	27.05	23.71
Actual expenditure vs Budgeted Expenditure	92.21	81.99
Interest Paid as a percentage of total expenditure	-	-
Repairs and maintenance / PPE (carry amount)	0.52	1.08
Repairs and maintenance / total expenditure	1.51	2.21
Asset Management		
Actual versus Budgeted Capital Expenditure	53.20	82.53
Stockholding period(Days)		
Debt Management		

QUARTERLY PERFORMANCE ASSESMENT REPORT Q 3 of 2017/2018

Creditors payment period (Days)	30	30
Arrear debtors collection period (Days)	104	84
Liquidity		
Current ratio	94.64	68.31
Acid Test ratio	89.86	54.49
Turnover of accounts receivable	2.64	8.68
Cash to interest	0	0
Debt to cash	4.67	0.04
CASH TO income	1.19	-0.04
Total Liabilities / Total Assets	16.76	8.20

5.2 Borrowing, funding and reserves policy

The borrowing, funding and reserves policy makes the measurement of the following ratios compulsory:

- a) Interest paid to total expenditure

5.2.1 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the interest paid to total expenditure may not exceed 5%.

5.2.2 Interpretation of Results

Interest paid to total expenditure is well within the norm of 5% Interest payments are currently made bi-annually.

- b) Total long term debt to total operating revenue

5.2.3 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the total long term debt to total operating revenue (excluding conditional grants and transfers) must not exceed 45%. Table 5.4 provide the year to date measurement against the results of 2016/17.

Table 5.4 Long Term Revenue

DESCRIPTION	2017/18	2016/17
Total long term debt to total operating revenue (excluding conditional grants and transfers)	0	0
Total Long-term Debt		
Total Operating Revue (Excluding conditional grants and transfers)	43 742 037	49 938 202

5.2.4 Interpretation of Results

This percentage of long-term debt to operating revenue is well within the approved policy of Council of 45%.

c) Cash generation from operating activities

5.2.5 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the cash generation from operating activities must at least cover the annual loan repayments 1 time. Table 5.5 provide the year to date measurement against the results of 2016/17.

Table 5.5 Loan Repayments Vs Cash

Description	2017/18	2016/17
Coverage of Annual Loan Repayments by cash generated from operating	0	0
Cash generated from operating activities	20 003 294	-1 142 603
Annual Loan Repayments	0	0

5.2.6 Interpretation of Results

Laingsburg Municipality does not have a high reliance on loans. Thus the ratio will always be favorable. The coverage of cash generated from operating activities to the annual loan repayment is well above the norm of 1 time.

d) Percentage of annual loan repayment to total operating expenditure

5.2.7 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the percentage of total annual loan repayment (Capital and Interest) to total operating expenditure must not be more than 10%. Table 5.6 provide the year to date measurement

against the results of 2016/17.

Table 5.6 Loan Repayments

Description	2017/18	2016/17
Percentage of annual loan repayments to total operating expenditure	0	0
Annual loan repayments (interest & Capital)	0	0
Total Operating Expenditure	54 634 247	78 376 981.77

5.2.8 Interpretation of Results

Laingsburg Municipality does not have a high reliance on loans and thus the amount relating to repayment of loans are low. Thus the ratio will always be favorable. The percentage of annual loan repayment to total operating expenditure is well within the norm of 10%.

5.3 Liquidity policy

The liquidity policy makes the measurement of the following ratios compulsory:

- a) Cash/Cost Coverage Ratio

5.3.1 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants) must be calculated as ((Cash and Cash Equivalents – Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets) and that a coverage of 1-3 times is acceptable.

Table 5.7 provide the measurement based on the last month of the quarter measured against the last month of 2016/17.

Table 5.7 Cash and Cash Equivalents

DESCRIPTION	2017/18	2016/17
Cash/Cost Coverage Ratio (Times)		
Cash and Cash equivalents	21 075 866	-759 700
Monthly Fixed Operational Expenditure	3 028 341.67	2 938 008.33
Cash and Cash Equivalents:		
Petty Cash and bank Balances	16 053 383	452 984
Less:		
Unspent Conditional Grants	23 078 486	6 073 921
Overdraft	0	0
Plus:		
Short-term investments	5 021 983	5 421 983
Monthly Fixed Operational Expenditure		
Total average monthly expenditure for the year	7 168 725	6 531 415
Less:		
Depreciation & Amortisation	840 967	547 813
Provision for bad debt	2 196 567	1 931 030
Impairment and loss on Disposal of Assets	0	0
Fair Value Adjustments	0	0

5.3.2 Interpretation of Results

The cash/cost coverage ratio is less than the norm of 1-3 times as per liquidity policy and improved from 2016/17 to 2017/18 mainly because of the increase in "Short-term investments".

b) Current ratio

5.3.3 Purpose/ Use of the Ratio and Norm

The purpose of this ratio is to measure the Municipality's ability to meet its short-term commitments.

The higher the current Ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality would be unable to pay all its current or short-term obligations if they fall due at any specific point.

If current liabilities exceed current assets, it highlights serious financial challenges and likely liquidity problems i.e. insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

The approved policy by Council determines that the current ratio must be between 1.5:1 and 2:1. Table 5.8 provides the calculated current year ratio.

Table 5.8 Current Assets and Liabilities

Description	2017/18	2016/17
Current Ratio	94.64	68.31
Current Assets	27 269 134	9 802 850
Current Liabilities	28 813 633	14 349 675

5.3.4 Interpretation of Results

The municipality operates above the norm set by Council. The ratio improved since the end of the previous year.

The liquidity policy goes a step further and prescribes the calculation formula to determine a minimum liquidity requirement, it differs from the normal generally recognised calculation method as used above. Table 5.9 provides the measurement method as prescribed in the policy, it measures the year to date results against the results of 2016/17.

Table 5.9 Liquidity Requirement Calculation

Liquidity Requirement Calculation	2017/18 R	2016/17 R
All earmarked and/or conditional grants received but not yet utilised	0	0
Value of the provisions held in cash for the clearing of alien vegetation and the rehabilitation of landfill sites to the extent that these funds are required within the following 5 years	0	0
Value of legally entrenched short term rights and benefits of employees related to Medical benefits & Retirement benefits	3 509 000	3 509 000.0
Unspent Loan Funds	0	0

QUARTERLY PERFORMANCE ASSESSMENT REPORT Q 3 of 2017/2018

Funds held for agency services not yet performed	0	0
Reserve funds reflected in Statement of Financial Position that are assumed to be held in cash	1 260 637	1 260 637
Capital redemption and interest payments on external loans not reflected as part of normal operational expenditure	0	0
1 months operational expenditure excluding non-cash items	3 028 342	2 938 008
Consumer Deposits	476 261	484 975
Other Deposits and Other Advance Payments:		
- Retentions	0	0
- Payments Received in Advance	0	0
- Other Deposits	0	0
Non-current Deposit: Pavilion	0	0
Commitments resulting from contracts concluded as part of Capex Programme, not reflected in operational budget	6 162 844	8 794 844

Table 5.10 Actual Liquidity

Actual available liquidity held [reference paragraph 4.2.]	2017/18 R	2016/17 R
Bank Balance at e.g.:		
- ABSA, FNB, Standard Bank, Nedbank, Investec, Money Market		
Bank balance sub total	16 051 833	451 434
95% of all other term investments with Banks	4 770 884	5 150 884
90% of Market value of all Bonds on the JSE that are held	0	0
Consumer debtors (current – 60 days)	2 662 124	1 067 826
Other reserves held in cash not reflected in bank balances mentioned above for e.g.:	0	0
- Unspent conditional grants	0	0
- Payments received for agency functions not yet performed	0	0
- The cash value of reserves held	0	0
- Cash deposits held as part of loan covenants or ceded	0	0
- Undrawn bank overdraft facility or committed liquidity lines available	0	0
TOTAL LIQUIDITY AVAILABLE	23 484 841	6 670 143
LIQUIDITY SURPLUS (SHORT FALL)		

**SURPLUS THAT COULD BE APPROPRIATED TO
CAPITAL REPLACEMENT RESERVE**

5.3.5 Interpretation of Results

It is clear from above that the Municipality does meet the minimum level set by the approved policy. The liquidity surplus improved measured against the result of the last financial year.

5.4 Other ratios of importance

The following ratios is important within this quarterly report.

a) Debtors collection period in days

5.4.1 Purpose/ Use of the Ratio and Norm

This ratio reflects the collection period. The debtor days refers to the average number of days required for the Municipality to receive payment from its consumers for bills/invoices issued to them for services.

The ratio is also a good indication of the effectiveness of credit control procedures within the Municipality. If the ratio is above the norm, it indicates that the Municipality is exposed to significant cash flow risk.

This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition, this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

Table 5.11 Debt Collection

Description	2017/18	2016/17
Debtors collection period (days)		
Consumer debtors*365	104	84
Rates revenue + Services revenue + Debtors income		

5.4.2 Interpretation of Results

The municipality does not operate within the norm. The ration has weakened measured against the result of the last financial year. The reason for the increase in the collection period is due to raising of annual rates in the first quarter of the financial year for the financial period as a whole.

b) Level of reliance on government grants

5.4.3 Purpose/ Use of the Ratio and Norm

The Ratio measures the extent to which the municipality's Expenditure is funded through

Government grants and subsidies.

No norm is proposed at this time by National Treasury. It must be mentioned that National Treasury does promote a healthy balance of funding sources.

Table 5.12 Grant Reliance

Description	2017/18	2016/17
Level of reliance on government grants	26.61	23.42
Government Grants and subsidies	13 790 475.68	18 429 300.00
Total Revenue	57 532 513.13	68 367 501.58

5.4.4 Interpretation of Results

The results indicates that the municipality is dependent on grant funding to run its normal operations.

b) Implementation of the Capital program

5.4.5 Purpose/ Use of the Ratio and Norm

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation.

The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget. Any variance above 5% indicates discrepancies in planning and budgeting which should be investigated and corrective measures implemented. Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects.

Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programs and/or projects. Overspending may also indicate inaccurate budgeting or poor financial management control.

The norm range between 0% and 5% variance

Table 5.13 Actual Budget Spending

Description				2017/18	2016/17
Actual	versus	Budgeted	Capital		
Expenditure				4 849 493	9 675 679
Actual Capital Expenditure – Budgeted Capital Expenditure				0.30	0.83
Budgeted Capital Expenditure				16 117 505	11 723 941

5.4.6 Interpretation of Results

The Municipality is functioning within the norm and is on track as per the YTD Budget allocation.

c) Implementation: Operational Revenue

5.4.7 Purpose/ Use of the Ratio and Norm

This ratio measures the extent of actual operating revenue (Excl. Capital Grant Revenue) received in relation to budgeted operating revenue during the financial year, under review.

A ratio outside the norm indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

The norm range between 0% and 5% variance.

Table 5.14 Actual Budget Spending

Description				2017/18	2016/17
Actual	versus	Budgeted	Capital		
Expenditure				4 849 493	9 675 679
Actual Capital Expenditure – Budgeted Capital Expenditure				0.30	0.83
Budgeted Capital Expenditure				16 117 505	11 723 941

5.4.8 Interpretation of Results

With the conversion from old vote numbers used in the old chart of accounts to the new mSCOA short codes and especially the new mSCOA item segment it was difficult to budget monthly projections for the 2016/17 budget with no available history on this new chart of accounts. The budget was therefor only divided equally amongst the 12 months on the financial system. The municipality will only have a more reliable budget per month with the next

budget period. It can be mentioned that the actual income collection is in line with previous year actuals and projected collection rates.

d) Implementation: Operational Expenditure

4.5.9 Purpose/ Use of the Ratio and Norm

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget. Any variance outside the norm either indicate a challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible cash flow difficulties or capacity challenges to undertake budgeted/ planned service delivery, and/ or does not prepare accurate and credible budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programs and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

The norm range between 0% and 5% variance.

Table 5.15 Budget Expenditure

Description	2017/18	2016/17
Actual operating expenditure VS Budgeted operating expenditure	57 532 513	68 367 502
Actual Expenditure – Budgeted Expenditure	1.06	0.86
Budgeted Expenditure	54 053 400	79 256 624

4.5.10 Interpretation of Results

The Municipality is functioning outside the norm. With the conversion from old vote numbers used in the old chart of accounts to the new mSCOA short codes and especially the new mSCOA item segment it was difficult to budget monthly projections for the 2017/18 budget with no available history on this new chart of accounts. The budget was therefore only divided equally amongst the 12 months on the financial system. The municipality will only have a more reliable budget per month with the next budget period.

SECTION 6 - NON - FINANCIAL PERFORMANCE REPORT

6.1 Background

6.1.1 Legislative Requirements

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 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, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

6.1.2 Definition of Performance Management

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

6.1.3 Institutionalising Performance Management

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether the strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- to facilitate a culture of public service and accountability amongst staff.

6.1.4 Strategic Performance

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the IDP Strategic objectives, performance on the National Key Performance Indicators prescribed in terms of Regulation 796. Details regarding specific basic service delivery targets, achievements and challenges will be included in the Annual Report of the municipality.

6.1.5 Definition of Service Delivery Budget Implementation Plan

The SDBIP is defined in terms of Section 1 of the Municipal Finance Management Act (MFMA), no. 56 of 2003, and the format of the SDBIP is prescribed by MFMA Circular 13.

Section 41(1) (e) of the Municipal Systems Act (MSA), no 32 of 2000, prescribes that a process must be established of regular reporting to Council.

The Report is a requirement in terms of section 52 of the Local Government: Municipal Financial Management Act, no. 56 of 2003 which provide for:

- a) The Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality;
- b) The Accounting Officer, while conducting the above, must take into account:
 - Section 71 Reports;
 - Performance in line with the Service Delivery & Budget Implementation Plans.

6.1.6 The IDP and the Budget

The draft IDP, the draft budget and the draft SDBIP for 2017/2022 were approved by Council on 29 March 2017. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

6.1.7 Municipal Scorecard

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- One-year detailed plan, but should include a three-year capital plan
- The 5 necessary components includes:
- Monthly projections of revenue to be collected for each source
- Expected revenue to be collected NOT billed
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Section 71 format (Monthly budget statements)
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators
- Output not input / internal management objectives
- Level and standard of service being provided to the community
- Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

6.1.8 Background to the format of SDBIP

The Municipality's SDBIP consists of a Top Layer (TL) as well as a Departmental Plan for each individual Department. For purposes of reporting, the TL SDBIP is used to report to Council and the Community on the organisational performance of the Municipality. The TL SDBIP measure the achievement of performance indicators with regards to the provision of basic services as prescribed in Section 10 of the Local Government: Municipal Planning and Performance Regulations of 2001, National Key Performance Areas and Strategic Objectives as detailed in the Integrated Development Plan (IDP) of the Laingsburg Local Municipality (LLM).

The Top Layer SDBIP was approved by the Mayor on the 19th of June 2017. The Departmental SDBIP's measure the achievement of performance indicators that have been determined with regard to operational service delivery within each department and have been aligned with the Top Layer SDBIP. The Departmental Plans have been approved by the Municipal Manager. This Quarterly Performance Assessment Report are based on the seven (7) Strategic Objectives

of the municipality.

The overall assessment of actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Colour	Category	Explanation
	KPI Not Yet Measured	KPI's with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target more than 150% achieved

Table 3. 1: SDBIP Measurement Categories

The Performance Management System is an internet based system and it uses the Service Delivery Budget Implementation Plan (SDBIP) which is approved as its basis. The SDBIP is a layered plan comprising Top Layer SDBIP and Departmental SDBIPs. The performance reporting on the top layer SDBIP is done to Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis. Annual amendments to the Top Layer SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report as well as the approved adjustment budget.

This non-financial part of the report is based on the Top Layer SDBIP and comprises the following;

- Summary of the quarterly performance of the Municipality in terms of the seven
(7) Municipal Strategic Objective; and
- A detailed performance review per Municipal directorate.

6.1.9 Monitoring and Evaluation

The performance is monitored and evaluated via the SDBIP system. 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 targets every month for the previous month's performance.

The system close every month between the 10th to the 18th day for updates of the previous month's actual performance as a control measure to ensure that performance is

updated and monitored on a monthly basis. No access is available to a month's performance indicators after closure of the system. This is to ensure that the level of performance is consistent for a particular period in the various levels at which reporting take place. Departments must motivate to the Municipal Manager should they require the system to be re-opened once the system is closed.

The system provides management information in tables and graphs, indicating actual performance against targets. The graphs provide a good indication of performance progress and where corrective action is required.

The system requires key performance indicator owners to update performance comment for each actual captured, which provides a clear indication of how the actual was calculated/ reached and serves as part of the portfolio of evidence for audit purposes.

In terms of Section 46(1) (a) (iii) of the Municipal Systems Act the Municipality must reflect annually in the Annual Performance Report on measures taken to improve performance, in other words targets not achieved. The system utilised requires corrective actions to be captured for targets not achieved.

6.2 Actual Performance for the 3rd Quarter

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

The Top Layer SDBIP contains performance indicators per Municipal Key Performance Area and comments with corrective measures with regard to indicators not achieved. A detailed analysis of actual performance for the 3rd quarter of the financial year 2017/2018 is provided for in section 6 of this report.

Overall performance (dashboard) per National and Municipal Key Performance Area will be provided for in this report.

6.2.1 Overall Performance of the Municipality

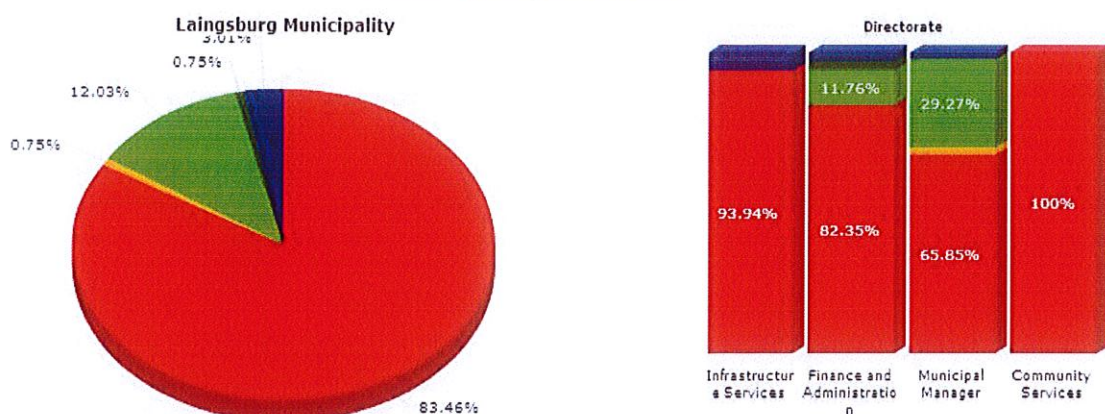
The following graphs illustrate the overall performance of the LLM measured in terms of the Top Layer (strategic) SDBIP 2017/2018(3rd quarter).

The performance is also measured and reported on; per National and Municipal Key Performance Area.

Laingsburg Municipality

Departmental SDBIP Report

Report drawn on 08 May 2018 at 08:16
for the months of January 2018 to March 2018



	Laingsburg Municipality	Directorate			
		Infrastructure Services	Finance and Administration	Municipal Manager	Community Services
KPI Not Met	111 (83.5%)	31 (93.9%)	28 (82.4%)	27 (65.9%)	25 (100%)
KPI Almost Met	1 (0.8%)	-	-	1 (2.4%)	-
KPI Met	16 (12%)	-	4 (11.8%)	12 (29.3%)	-
KPI Well Met	1 (0.8%)	-	1 (2.9%)	-	-
KPI Extremely Well Met	4 (3%)	2 (6.1%)	1 (2.9%)	1 (2.4%)	-
Total:	133	33	34	41	25

Diagram 6.1 Departmental KPI's Performance

The above graphs and tables give an overview on Top Level performance per Pre-Determined Objective(PDO's) for the term under review (01 January 2018 to 31 March 2018).

The following table shows the top level key performance indicators (KPIs), what the target was for each KPI and what the actual performance was for the quarter.

Table 6.1 Top layer SDBIP 2017/18 Financial Year

Laingsburg Municipality

SDBIP 2017/2018: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Municipal KPA	KPI	Unit of Measurement	Annual Target	Mar-18	
							Target	Actual
TL1	Finance and Administration	Provision of infrastructure to deliver improved services to all residents and business	Infrastructure Development	Number of formal residential properties which receives piped water (Laingsburg credit and pre-paid water meters) and is connected to the municipal water infrastructure network as at 30 June 2018	Number of residential accounts which are billed/purchased water as at 30 June 2018	1,206	1,270	0
TL2	Finance and Administration	Provision of infrastructure to deliver improved services to all residents and business	Infrastructure Development	Number of formal residential properties connected to the municipal electrical infrastructure network (Laingsburg credit and pre-paid electrical meters)(Excluding Eskom areas) as at 30 June 2018	Number of residential accounts which are billed/purchased electricity (Excluding Eskom areas) as at 30 June 2017 as at 30 June 2018	766	928	0
TL3	Finance and Administration	Provision of infrastructure to deliver improved services to all residents and business	Infrastructure Development	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2018	Number of residential accounts which are billed for sewerage as at 30 June 2018	1,206	1,256	0

TL4	Finance and Administration	Provision of infrastructure to deliver improved services to all residents and business	Infrastructure Development	Number of formal residential properties for which refuse is removed once per week as at 30 June 2018	Number of residential accounts which are billed for refuse removal as at 30 June 2018	1,206	1,256	0	R
TL5	Finance and Administration	Improve the standards of living of all people in Laingsburg	Social Development	Provide 6kl free basic water to registered indigent accountholders in terms of the equitable share requirements as at 30 June 2018	Number of registered indigent accounts receiving free basic water as at 30 June 2018	699	0	0	N/A
TL6	Finance and Administration	Improve the standards of living of all people in Laingsburg	Social Development	Provide 50kwh free basic electricity to registered indigent accountholders in terms of the equitable share requirements (excluding ESKOM area) as at 30 June 2018	Number of registered indigent accounts receiving free basic electricity as at 30 June 2018	367	0	0	N/A
TL7	Finance and Administration	Improve the standards of living of all people in Laingsburg	Social Development	Provide free basic sanitation to registered indigent accountholders in terms of the equitable share requirements as at 30 June 2018	Number of registered indigent accounts receiving free basic sanitation as at 30 June 2018	699	0	0	N/A
TL8	Finance and Administration	Improve the standards of living of all people in Laingsburg	Social Development	Provide free basic refuse removal to registered indigent accountholders in terms of the equitable share requirements as at 30 June 2018	Number of registered indigent accounts receiving free basic refuse removal as at 30 June 2018	699	0	0	N/A

TL9	Finance and Administration	Provision of infrastructure to deliver improved services to all residents and business	Infrastructure Development	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2017 (Actual amount spent on capital projects / Total amount budgeted for capital projects) X100 by 30 June 2018	{Actual amount spent on capital projects / Total amount budgeted for capital projects} X100 by 30 June 2018	80%	60%	0%	R
TL10	Infrastructure Services	Create an environment conducive for economic development	Local Economic Development	Create job opportunities through EPWP projects by 30 June 2018	Number of job opportunities created by 30 June 2018	114	0	0	N/A
TL11	Municipal Manager	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	People employed from employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	8	0	0	N/A
TL12	Finance and Administration	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Percentage of municipality's personnel budget actually spent on training by 30 June 2018 ((Total Actual Training Expenditure / Total personnel Budget) x 100))	(Total expenditure on training / total personnel budget) / 100	1%	0%	0%	N/A

TL13	Finance and Administration	To achieve financial viability in order to render affordable services to residents	Financial Development	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations at 30 June 2018 {Debt to Revenue (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant}	Debt coverage ratio as at 30 June 2018	200%	0%	0%	N/A
TL14	Finance and Administration	To achieve financial viability in order to render affordable services to residents	Financial Development	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2017 {Net Service debtors to revenue (Total outstanding service debtors minus provision for bad debt)/(revenue received for services) x100}	% outstanding service debtors at 30 June 2017	10%	0%	0%	N/A
TL15	Finance and Administration	To achieve financial viability in order to render affordable services to residents	Financial Development	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2017 {Cost coverage ((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))}	Cost coverage ratio as at 30 June 2017	3%	0%	0%	N/A

TL16	Finance and Administration	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Limit vacancy rate to less than 5% of budgeted posts by 30 June 2018 [(Number of funded posts vacant / total number of funded posts)x100]	% vacancy rate of budgeted posts by 30 June 2018 (Number of funded posts vacant / total number of funded posts)x100	5%	0%	0%	N/A
TL17	Municipal Manager	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June 2018	RBAP submitted to the audit committee by 30 June 2018	1	0	0	N/A
TL19	Municipal Manager	Developing a safe, clean, healthy and sustainable environment for communities	Environmental & Spatial Development	Implement IDP-approved greening and cleaning initiatives by 30 June 2018	Number of Initiatives implemented by 30 June 2018	5	1	1	G
TL20	Municipal Manager	Create an environment conducive for economic development	Local Economic Development	Host events as identified in the IDP in support of promotion of LED within the Municipal area by 30 June 2018	Number of events hosted by 30 June 2018	3	0	0	N/A
TL22	Finance and Administration	To achieve financial viability in order to render affordable services to residents	Financial Development	Collect percentage of the 2016/17 financial years billed revenue by 30 June 2018 {Debtors payments received during period/Billed Revenue for period x 100}	% of Billed Revenue collected by 30 June 2018 {Debtors payments received during period/Billed Revenue for period x 100}	60%	60%	0%	R
TL23	Community Services	Developing a safe, clean, healthy and sustainable environment for	Social Development	Participate in the provincial traffic department public safety initiatives as approved in the IDP by 30 June 2018	Number of provincial traffic department public safety initiatives participated	4	1	0	R

		communities			in by 30 June 2018				
TL24	Infrastructure Services	Effective Maintenance and manage of municipal assets and natural resources	Infrastructure Development	Percentage of the total approved repair and maintenance budget spent by 30 June 2018 [(Actual amount spent on repair and maintenance of assets/ Total amount budgeted for asset repair and maintenance)x100]	% of the total approved repair and maintenance budget spent by 30 June 2018 (Actual amount spent on repair and maintenance of assets/ Total amount budgeted for asset repair and maintenance)x100	80%	60%	0%	R
TL25	Infrastructure Services	Effective Maintenance and manage of municipal assets and natural resources	Infrastructure Development	Limit the % electricity unaccounted for to less than 15% by 30 June 2018 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) ÷½ 100]	% electricity unaccounted for by 30 June 2018 (Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) ÷½ 100	15%	15%	0%	B
TL26	Infrastructure Services	Effective Maintenance and manage of municipal assets and natural resources	Infrastructure Development	Obtained compliance of waste water discharge quality in terms of Green Drop Requirements for Effluent Quality Compliance by 30 June 2018	% compliance of waste water discharge Lab results with Green Drop requirements by 30 June 2018	91%	91%	0%	R

TL27	Infrastructure Services	Effective Maintenance and manage of municipal assets and natural resources	Infrastructure Development	Limit the % water unaccounted for to less than 50% by 30 June 2018 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) * 100]	% water unaccounted for by 30 June 2018 (Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) * 100	50%	50%	0%	B
TL28	Infrastructure Services	Effective Maintenance and manage of municipal assets and natural resources	Infrastructure Development	Obtain compliance of water quality in terms of SANS 241 - Water Quality criteria by 30 June 2018	% compliance of water quality lab results with SANS 241 - Water Quality criteria by 30 June 2018	87%	90%	0%	R

Summary of Results

KPI Not Yet Measured	KPIs with no targets or actuals in the selected period.	13
KPI Not Met	0% <= Actual/Target <= 74.999%	10
KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
KPI Met	Actual meets Target (Actual/Target = 100%)	1
KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
KPI Extremely Well Met	150.000% <= Actual/Target	2
Total KPIs		26

This report will be submitted to the Internal Auditor for auditing purpose.

The internal audit division will thereafter submit a report to the Audit Committee who will use the opportunity to highlight problems for Council to address.

SECTION 7 – IN-YEAR BUDGET STATEMENT TABLES

The tables included in section 4 of this report are from the C Schedule Monthly Budget Statements legislated as part of the Municipal Budget and Reporting Regulations (MBRR) and reflects the figures of last month of the quarter. All material variances, in other words variances of more than 10%, regarding the financial performance as per table C4; Capital expenditure table as per C5; Financial Position as per table C6 and/or Cash flow as per table C7 are listed with reasons and remedial/corrective measures in table SC1 following table C7.

Table C1: Monthly Budget Statement Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	3 571	4 151	4 005	46	3 843	2 955	888	30%	4 151
Service charges	16 908	18 608	17 652	2 340	12 976	11 649	1 327	11%	18 608
Investment revenue	818	818	797	226	567	613	(46)	-7%	818
Transfers and subsidies	17 034	17 823	21 153	3 505	13 790	13 387	404	3%	17 823
Other own revenue	27 943	34 699	35 874	8 773	26 356	25 449	907	4%	34 699
Total Revenue (excluding capital transfers and contributions)	66 273	76 100	79 482	14 890	57 533	54 053	3 479	6%	76 100
Employee costs	19 124	22 885	22 633	4 980	14 778	16 902	(2 124)	-13%	22 885
Remuneration of Councillors	2 507	2 606	2 618	674	1 855	1 936	(80)	-4%	2 606
Depreciation & asset impairment	9 901	10 092	10 001	0	388	1 483	(1 095)	-74%	10 092
Finance charges	—	—	—	—	—	—	—	—	—
Materials and bulk purchases	7 460	6 854	7 650	1 763	6 206	5 245	961	18%	6 854
Transfers and subsidies	3 941	2 485	2 119	(2 003)	675	2 485	(1 810)	-73%	2 485
Other expenditure	38 606	41 103	42 494	11 227	30 731	31 200	(468)	-2%	41 103
Total Expenditure	81 539	86 025	87 514	16 641	54 634	59 250	(4 616)	-8%	86 025
Surplus/(Deficit)	(15 266)	(9 925)	(8 033)	(1 751)	2 898	(5 197)	8 095	-156%	(9 925)
Transfers and subsidies - capital (monetary allocation)	9 213	8 654	16 117	56	4 380	6 989	(2 608)	-37%	8 654
Contributions & Contributed assets	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(6 053)	(1 271)	8 084	(1 695)	7 279	1 792	5 487	306%	(1 271)
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	(6 053)	(1 271)	8 084	(1 695)	7 279	1 792	5 487	306%	(1 271)
Capital expenditure & funds sources									
Capital expenditure	11 413	9 115	16 118	525	4 849	—	4 849	#DIV/0!	9 115
Capital transfers recognised	10 977	8 321	15 342	468	4 792	—	4 792	#DIV/0!	8 321
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	436	794	775	57	58	—	58	#DIV/0!	794
Total sources of capital funds	11 413	9 115	16 118	525	4 849	—	4 849	#DIV/0!	9 115
Financial position									
Total current assets	14 599	8 561	8 561		27 269				8 561
Total non current assets	163 379	163 393	163 393		168 240				163 393
Total current liabilities	13 718	12 534	12 534		28 814				12 534
Total non current liabilities	8 795	3 953	3 953		3 953				3 953
Community wealth/Equity	155 467	155 467	155 467		162 743				155 467
Cash flows									
Net cash from (used) operating	2 820	6 843	6 843	8 434	20 003	2 198	(17 805)	-810%	6 843
Net cash from (used) investing	(6 909)	(9 115)	(9 115)	(525)	(4 449)	(8 885)	(4 436)	50%	3 062
Net cash from (used) financing	—	24	24	10	47	18	(29)	-159%	24
Cash/cash equivalents at the month/year end	5 875	3 627	3 627	—	21 476	(793)	(22 269)	2808%	15 804
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	1 487	1 176	229	686	206	942	165	3 602	8 492
Creditors Age Analysis									
Total Creditors	291	—	—	—	—	—	—	—	291

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q3 Third Quarter

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		30 561	27 303	38 141	1 041	20 683	20 811	(129)	-1%	27 303
Executive and council		20 986	3 636	3 502	(5)	7 797	3 227	4 570	142%	3 636
Finance and administration		9 575	23 667	34 639	1 045	12 886	17 585	(4 698)	-27%	23 667
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		24 343	34 720	34 792	8 266	24 960	25 466	(505)	-2%	34 720
Community and social services		995	1 077	1 070	2	5	807	(802)	-99%	1 077
Sport and recreation		16	24	2	0	2	18	(16)	-92%	24
Public safety		23 323	33 606	33 708	8 259	24 945	24 632	313	1%	33 606
Housing		10	11	12	3	9	8	1	10%	11
Health		0	0	0	1	0	-	0	#DIV/0!	0
<i>Economic and environmental services</i>		1 066	1 097	1 097	46	54	824	(769)	-93%	1 097
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 066	1 097	1 097	46	54	824	(769)	-93%	1 097
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		19 515	21 634	21 568	5 594	16 215	13 942	2 273	16%	21 634
Energy sources		12 190	13 678	13 944	3 490	10 382	8 122	2 260	28%	13 678
Water management		2 691	3 389	2 910	914	2 225	2 961	(736)	-25%	3 389
Waste water management		2 538	2 502	2 488	632	1 938	1 566	372	24%	2 502
Waste management		2 097	2 066	2 225	558	1 669	1 292	377	29%	2 066
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	75 486	84 754	95 598	14 946	61 913	61 042	871	1%	84 754
Expenditure - Functional										
<i>Governance and administration</i>		32 538	25 703	28 026	3 318	15 552	18 336	(2 785)	-15%	25 703
Executive and council		9 369	8 704	8 411	(348)	4 976	5 944	(968)	-16%	8 704
Finance and administration		23 169	17 000	19 615	3 666	10 576	12 393	(1 817)	-15%	17 000
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		23 370	34 634	33 469	8 488	24 366	25 938	(1 572)	-6%	34 634
Community and social services		2 178	1 738	2 030	271	852	802	50	6%	1 738
Sport and recreation		30	26	26	13	29	20	9	46%	26
Public safety		20 988	32 683	31 225	8 204	23 474	25 098	(1 624)	-6%	32 683
Housing		171	183	184	1	2	15	(13)	-85%	183
Health		3	4	4	0	9	3	6	230%	4
<i>Economic and environmental services</i>		2 968	3 368	3 211	639	1 868	2 342	(474)	-20%	3 368
Planning and development		1 077	1 241	1 227	232	666	941	(276)	-29%	1 241
Road transport		1 891	2 127	1 984	407	1 202	1 401	(199)	-14%	2 127
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		22 644	22 312	22 801	4 195	12 844	12 629	215	2%	22 312
Energy sources		8 446	7 503	8 269	1 844	5 076	5 582	(507)	-9%	7 503
Water management		2 128	2 628	2 842	608	1 315	1 518	(203)	-13%	2 628
Waste water management		10 399	10 828	10 210	1 457	5 716	4 645	1 071	23%	10 828
Waste management		1 671	1 354	1 481	285	737	884	(147)	-17%	1 354
<i>Other</i>		19	8	8	1	6	5	0	4%	8
Total Expenditure - Functional	3	81 539	86 025	87 514	16 641	54 634	59 250	(4 616)	-8%	86 025
Surplus/ (Deficit) for the year		(6 053)	(1 271)	8 084	(1 695)	7 279	1 792	5 487	306%	(75 942)

Table C3: Financial Performance (Revenue and Expenditure by Municipal Vote)

WC051 Laingsburg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter

Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MAYORAL & COUNCIL		20 986	3 636	3 502	(5)	7 797	3 227	4 570	141.6%	3 636
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		3 090	1 741	2 620	602	1 870	1 302	568	43.6%	1 741
Vote 4 - BUDGET & TREASURY		6 472	21 925	32 019	443	11 016	16 282	(5 266)	-32.3%	21 925
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		995	1 078	1 071	3	5	807	(802)	-99.3%	1 078
Vote 7 - SPORTS AND RECREATION		16	24	2	0	2	18	(16)	-91.6%	24
Vote 8 - HOUSING		10	11	12	3	9	8	1	9.9%	11
Vote 9 - PUBLIC SAFETY		23 323	33 606	33 708	8 259	24 945	24 632	313	1.3%	33 606
Vote 10 - ROAD TRANSPORT		1 113	1 115	1 115	46	58	836	(778)	-93.0%	1 115
Vote 11 - WASTE MANAGEMENT		1 903	2 066	2 225	558	1 669	1 292	377	29.2%	2 066
Vote 12 - WASTE WATER MANAGEMENT		2 490	2 485	2 471	632	1 935	1 553	381	24.5%	2 485
Vote 13 - WATER		2 691	3 389	2 910	914	2 225	2 961	(736)	-24.8%	3 389
Vote 14 - ELECTRICITY		12 190	13 678	13 944	3 490	10 382	8 122	2 260	27.8%	13 678
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	75 278	84 754	95 598	14 946	61 913	61 042	871	1.4%	84 754
Expenditure by Vote	1									
Vote 1 - MAYORAL & COUNCIL		6 382	5 127	4 912	(1 013)	3 166	3 627	(460)	-12.7%	5 127
Vote 2 - MUNICIPAL MANAGER		2 987	3 577	3 499	665	1 810	2 317	(507)	-21.9%	3 577
Vote 3 - CORPORATE SERVICES		5 983	6 099	6 473	1 462	4 378	4 329	48	1.1%	6 099
Vote 4 - BUDGET & TREASURY		17 172	10 900	13 142	2 203	6 198	8 064	(1 865)	-23.1%	10 900
Vote 5 - PLANNING AND DEVELOPMENT		1 077	1 241	1 227	232	666	941	(276)	-29.3%	1 241
Vote 6 - COMMUNITY AND SOCIAL SERV		1 286	1 247	1 247	216	619	693	(74)	-10.6%	1 247
Vote 7 - SPORTS AND RECREATION		944	529	820	68	276	137	139	101.1%	529
Vote 8 - HOUSING		171	183	184	1	2	15	(13)	-85.4%	183
Vote 9 - PUBLIC SAFETY		20 988	32 683	31 225	8 204	23 474	25 098	(1 624)	-6.5%	32 683
Vote 10 - ROAD TRANSPORT		10 284	10 724	9 944	1 609	4 427	4 997	(570)	-11.4%	10 724
Vote 11 - WASTE MANAGEMENT		1 476	1 354	1 481	285	737	884	(147)	-16.6%	1 354
Vote 12 - WASTE WATER MANAGEMENT		2 006	2 231	2 250	255	2 491	1 050	1 442	137.4%	2 231
Vote 13 - WATER		2 128	2 628	2 842	608	1 315	1 518	(203)	-13.4%	2 628
Vote 14 - ELECTRICITY		8 446	7 503	8 269	1 844	5 076	5 582	(507)	-9.1%	7 503
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	81 331	86 025	87 514	16 641	54 634	59 250	(4 616)	-7.8%	86 025
Surplus/ (Deficit) for the year	2	(6 053)	(1 271)	8 084	(1 695)	7 279	1 792	5 487	306.2%	(1 271)

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		3 571	4 151	4 005	46	3 843	2 955	888	30%	4 151
Service charges - electricity revenue		11 852	13 369	13 548	2 583	9 475	7 891	1 584	20%	13 369
Service charges - water revenue		1 866	1 327	261	(798)	514	1 415	(901)	-64%	1 327
Service charges - sanitation revenue		1 660	2 485	2 471	632	1 935	1 553	381	25%	2 485
Service charges - refuse revenue		1 441	1 313	1 269	(87)	1 024	706	318	45%	1 313
Service charges - other		89	114	103	10	29	85	(56)	-66%	114
Rental of facilities and equipment		1 271	718	1 378	278	958	537	421	78%	718
Interest earned - external investments		818	818	797	226	567	613	(46)	-7%	818
Interest earned - outstanding debtors		48	40	260	75	198	30	169	568%	40
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		22 198	32 532	32 532	7 952	23 853	23 828	25	0%	32 532
Licences and permits		1 134	1 082	1 181	312	932	811	121	15%	1 082
Agency services		127	123	118	37	95	92	3	4%	123
Transfers and subsidies		17 034	17 823	21 153	3 505	13 790	13 387	404	3%	17 823
Other revenue		3 164	204	405	118	320	152	168	110%	204
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		66 273	76 100	79 482	14 890	57 533	54 053	3 479	6%	76 100
Expenditure By Type										
Employee related costs		19 124	22 885	22 633	4 980	14 778	16 902	(2 124)	-13%	22 885
Remuneration of councillors		2 507	2 606	2 618	674	1 855	1 936	(80)	-4%	2 606
Debt impairment		21 335	26 359	26 359	6 433	19 718	19 290	428	2%	26 359
Depreciation & asset impairment		9 901	10 092	10 001	0	388	1 483	(1 095)	-74%	10 092
Finance charges		—	—	—	—	—	—	—	—	—
Bulk purchases		7 460	6 854	7 650	1 763	6 206	5 245	961	18%	6 854
Other materials		—	—	—	—	—	—	—	—	—
Contracted services		3 084	3 064	1 960	879	1 490	2 858	(1 368)	-48%	3 064
Transfers and subsidies		3 941	2 485	2 119	(2 003)	675	2 485	(1 810)	-73%	2 485
Other expenditure		14 188	11 680	14 176	3 916	9 523	9 052	471	5%	11 680
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—
Total Expenditure		81 539	86 025	87 514	16 641	54 634	59 250	(4 616)	-8%	86 025
Surplus/(Deficit)										
Transfers and subsidies - capital (municipal, provincial, national)		(15 266)	(9 925)	(8 033)	(1 751)	2 898	(5 197)	8 095	(0)	(9 925)
(National / Provincial and District)		9 213	8 654	16 117	56	4 380	6 989	(2 608)	(0)	8 654
(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		(6 053)	(1 271)	8 084	(1 695)	7 279	1 792			(1 271)
Taxation								—		
Surplus/(Deficit) after taxation		(6 053)	(1 271)	8 084	(1 695)	7 279	1 792			(1 271)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(6 053)	(1 271)	8 084	(1 695)	7 279	1 792			(1 271)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(6 053)	(1 271)	8 084	(1 695)	7 279	1 792			(1 271)

The Municipality have generated 75.60% or R57, 533 million of the Budgeted Revenue to date which is lower than the budgeted amounts. During the financial year operating grants totaling R10, 285 million were received. The largest part of the grants received forms part of the Equitable Share Allocation for the financial year.

Table C5: Capital Expenditure (Municipal Vote, Standard Classification and Funding)

WC051 Laingsburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q3 Third Quarter

Vote Description	Ref	2016/17	Budget Year 2017/18							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		11	74	1	57	57	-	57	#DIV/0!	74
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		-	30	-	-	-	-	-		30
Internal audit		11	44	1	57	57	-	57	#DIV/0!	44
<i>Community and public safety</i>		1 593	470	948	-	-	-	-		470
Community and social services		1 276	-	174	-	-	-	-		-
Sport and recreation		318	140	774	-	-	-	-		140
Public safety		-	50	-	-	-	-	-		50
Housing		-	-	-	-	-	-	-		-
Health		-	280	-	-	-	-	-		280
<i>Economic and environmental services</i>		39	770	-	245	777	-	777	#DIV/0!	770
Planning and development		-	-	-	-	-	-	-		-
Road transport		39	770	-	245	777	-	777	#DIV/0!	770
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		9 770	7 801	15 169	223	4 015	-	4 015	#DIV/0!	7 801
Energy sources		7 094	2 000	1 995	82	2 214	-	2 214	#DIV/0!	2 000
Water management		1 853	5 641	13 174	141	1 802	-	1 802	#DIV/0!	5 641
Waste water management		823	160	-	-	-	-	-		160
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	11 413	9 115	16 118	525	4 849	-	4 849	#DIV/0!	9 115
Funded by:										
National Government		10 977	8 321	2 169	468	4 792	-	4 792	#DIV/0!	8 321
Provincial Government		-	-	13 174	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
Transfers recognised - capital		10 977	8 321	15 342	468	4 792	-	4 792	#DIV/0!	8 321
Public contributions & donations	5	-	-	-	-	-	-	-		-
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		436	794	775	57	58	-	58	#DIV/0!	794
Total Capital Funding		11 413	9 115	16 118	525	4 849	-	4 849	#DIV/0!	9 115

The Municipality has incurred R4, 849 000 or 53.20% of the external funded Capital Budget to date. The MIG spending for the second quarter totals to R4849 000 to date.

Table C6: Financial Position

WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter

Description	Ref	2016/17	Budget Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		5 875	5 875	5 875	21 076	5 875
Call investment deposits		-	-	-	-	-
Consumer debtors		3 499	20 291	20 291	4 509	20 291
Other debtors		3 846	(18 984)	(18 984)	306	(18 984)
Current portion of long-term receivables		1	-	-	-	-
Inventory		1 378	1 378	1 378	1 378	1 378
Total current assets		14 599	8 561	8 561	27 269	8 561
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		4 273	4 273	4 273	4 273	4 273
Investments in Associate		-	-	-	-	-
Property, plant and equipment		158 542	158 585	158 585	163 435	158 585
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		522	522	522	522	522
Other non-current assets		43	13	13	12	13
Total non current assets		163 379	163 393	163 393	168 240	163 393
TOTAL ASSETS		177 979	171 953	171 953	195 510	171 953
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		485	485	485	494	485
Trade and other payables		12 487	4 911	4 911	21 288	4 911
Provisions		745	7 138	7 138	7 032	7 138
Total current liabilities		13 718	12 534	12 534	28 814	12 534
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		8 795	3 953	3 953	3 953	3 953
Total non current liabilities		8 795	3 953	3 953	3 953	3 953
TOTAL LIABILITIES		22 512	16 487	16 487	32 766	16 487
NET ASSETS	2	155 467	155 467	155 467	162 743	155 467
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		155 467	119 021	119 021	126 298	119 021
Reserves		-	36 445	36 445	36 445	36 445
TOTAL COMMUNITY WEALTH/EQUITY	2	155 467	155 467	155 467	162 743	155 467

Explanatory notes to Table C6 – Financial Position

Current Assets

It must be noted that the classification requirements (As per the tables in Section 4) as prescribe by National Treasury in terms of the MBRR, does not

fully comply with GRAP. The current assets amounted to R 27 269 as at 31 March 2018 (R 19 537 as at 31 December 2017), the classification below complies with the GRAP disclosure format.

Non-Current Assets

The classification requirements are almost aligned to the GRAP requirements. The depreciation and amortisation run on all applicable capital assets still needs to be performed.

Current Liabilities

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations. Current Liabilities amounted to R 28, 814 mil as at 31 March 2018 (R 18, 860 mil as at 31 December 2017).

Non-Current Liabilities

The non-current provisions are created in order to enable the municipality to be in a position to fulfill its known legal obligations when they become due and payable. Non -current provisions (R 3 953 000), National Treasury's budget formats do not provide for a line item where non-current deposits can be accounted for and thus was included in non-current provisions.

Community wealth/Equity

The reserves amount is represented by the Capital Replacement Reserve as at 31 March 2018 amounted to R 36 445 (R 36 445 as at 31 December 2017).

The Capital Replacement Reserve is a cash-backed reserve established to enable the municipality to finance future capital expenditure. Cash contributions, depending on the availability thereof, are made annually to the reserve. The municipality is not able to finance its annual infrastructure capital program by means of this reserve.

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		3 571	4 151	4 151	853	2 484	2 955	(471)	-16%	4 151
Service charges		21 991	18 481	18 481	3 743	10 977	11 517	(540)	-5%	18 481
Other revenue		4 517	43 290	43 290	12 924	32 758	32 952	(194)	-1%	43 290
Government - operating		14 650	17 973	17 973	3 506	11 689	13 477	(1 788)	-13%	17 973
Government - capital		8 315	-	-	-	-	-	-		-
Interest		866	860	860	201	467	644	(178)	-28%	860
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(51 088)	(77 464)	(77 464)	(15 821)	(40 443)	(58 906)	(18 463)	31%	(77 464)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		-	(447)	(447)	3 027	2 072	(441)	(2 513)	570%	(447)
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 820	6 843	6 843	8 434	20 003	2 198	(17 805)	-810%	6 843
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(37)	-	-	-	-	-	-		3 044
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		3 044
Decrease (Increase) other non-current receivables		-	-	-	-	-	-	-		3 044
Decrease (Increase) in non-current investments		-	-	-	-	400	-	400	#DIV/0!	3 044
Payments										
Capital assets		(6 872)	(9 115)	(9 115)	(525)	(4 849)	(8 885)	(4 036)	45%	(9 115)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6 909)	(9 115)	(9 115)	(525)	(4 449)	(8 885)	(4 436)	50%	3 062
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	24	24	10	47	18	29	159%	24
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	24	24	10	47	18	(29)	-159%	24
NET INCREASE/ (DECREASE) IN CASH HELD		(4 089)	(2 248)	(2 248)	7 919	15 600	(6 669)			9 929
Cash/cash equivalents at beginning:		9 964	5 875	5 875		5 875	5 875			5 875
Cash/cash equivalents at month/year end:		5 875	3 627	3 627		21 476	(793)			15 804

The Municipality started off with a cash flow balance of R5 875 million at the beginning of the year and increased it with R7 682 million. The closing balance for this quarter is R13, 557 million. The increase in cash flow is due to the receipt of the operational grants. The Municipal Cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2017/2018 financial year.

Table SC1 Material variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - Q3 Third Quarter

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Property rates	888	Property rates are levied during July for the financial year	0
	Service charges - electricity revenue	1 584	The curve of consumption during the colder period was large	0
	Service charges - water revenue	(901)	Consumption of water is still higher than what was planned	0
	0	-	0	0
2	Expenditure By Type			
	Employee related costs	(2 124)	Bonusses are paid during November but accounted for at 1/	0
	Depreciation & asset impairment	(1 095)	Depreciation charges will be accounted for at the end of the f	0
	0	-	0	0
	0	-	0	0
3	Capital Expenditure			
	All	4 849	Capital projects have started but will accelerate during Febru	0
	0	-	0	0
	0	-	0	0
	0	-	0	0
4	Financial Position			
5	Cash Flow			
6	Measureable performance			
7	Municipal Entities			

SECTION 8 – DEBTOR ANALYSIS

Table SC3 provides an age analysis of consumer debtors as at 31 March 2018.

Table SC3 Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

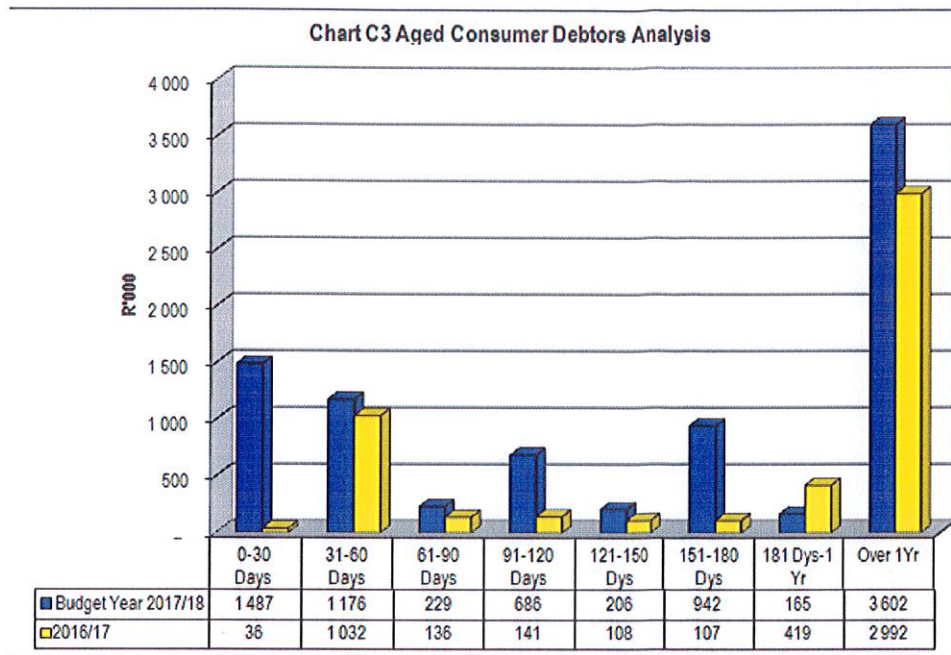
Description	NT Code	Budget Year 2017/18										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t. Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total					
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	179	64	52	22	19	32	28	358	754	459	-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	979	142	132	589	120	94	50	339	2 447	1 193	-	-		
Receivables from Non-exchange Transactions - Property Rates	1400	141	27	52	17	15	766	14	1 568	2 598	2 379	-	-		
Receivables from Exchange Transactions - Waste Water Management	1500	(21)	27	52	24	22	21	24	454	603	545	-	-		
Receivables from Exchange Transactions - Waste Management	1600	117	22	30	16	12	12	13	168	391	221	-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	87	41	73	14	17	16	13	319	579	378	-	-		
Interest on Arrear Debtor Accounts	1810	-	1 064	-	-	-	-	-	1 064	-	-	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-		
Other	1900	4	(212)	(163)	5	1	2	23	397	56	428	-	-		
Total By Income Source	2000	1 487	1 176	229	688	206	942	165	3 602	8 492	5 602	-	-		
2016/17 - totals only		35 981	1 031 845	135 650	141 388	107 720	107 420	418 783	2 991 957	4 971	3 767				
Debtors Age Analysis By Customer Group															
Organs of State	2200	9	53	21	25	12	283	44	933	1 380	1 297	-	-		
Commercial	2300	551	41	48	43	60	65	29	123	961	321	-	-		
Households	2400	545	838	86	75	71	549	84	2 324	4 572	3 103	-	-		
Other	2500	381	243	74	543	63	45	7	223	1 580	881	-	-		
Total By Customer Group	2600	1 487	1 176	229	688	206	942	165	3 602	8 492	5 602	-	-		

Table C6 (Statement of Financial Position) as at 31 March 2018 shows the total outstanding debtors is R 8, 492 mil.

The Outstanding Debtors of the Municipality amounts to R8, 492 million for the quarter ending March 2018. The outstanding debt for more than 90 days amounts to 66%. The payment rate for 2016/2017 financial year was 63.47%. This calculation includes cash collections and excludes the accounts written off during the financial year. For the financial year to date the payment rate is 68.69% on services and rates.

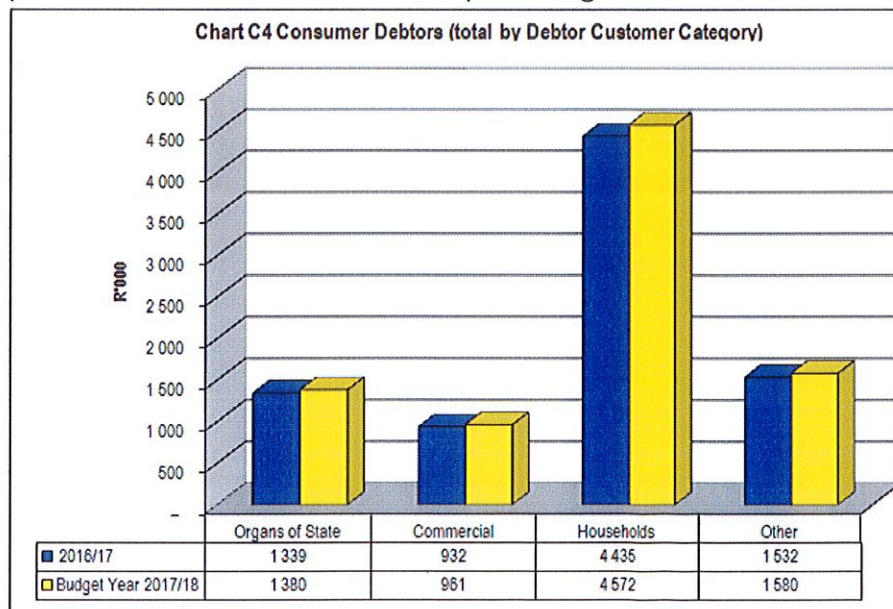
The Municipality is fully implementing the Debt Collection and Credit Control Policy. It should be noted that the Municipal debt collection and credit control policy was revised during August 2013. Outstanding amounts in the areas where the Municipality is not the supplier of electricity are increasing rapidly.

The above tables explain the movement of the debtors in arrear as at 31 March 2018 as per the days outstanding. The graph below illustrate the aged consumer debt analysis at 31 March 2018 date.



The graph indicates that the outstanding debt are increasing on a monthly basis but it is slightly higher than 2016/17 financial year, indicating the municipality must put measures in place to prevent it from escalating as the municipality is experiencing cash flow problems.

The graph below illustrates the consumer category debtor arrears. The category is the households followed by the organs of state.



The above tables explains that the debtor arrears has increased from July 2017 up to the end of March 2018. Household arrears are the highest but all other categories shows an increase in outstanding debtors.

SECTION 9 – CREDITOR ANALYSIS (TRADE AND OTHER PAYABLES)

Table SC4 provide an age analysis of the creditors (Trade payables) as at 31 March 2018.

Table SC4 Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

Description R thousands	NT Code	Budget Year 2017/18									Prior year
		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	totals for chart (same period)
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	291	-	-	-	-	-	-	-	291	64
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	291	-	-	-	-	-	-	-	291	64

Total outstanding creditors amount to R291, 000 for the quarter ending March 2018.

SECTION 10 – INVESTMENT PORTFOLIO

Table SC5 provides the investment portfolio in the prescribed format of National Treasury. It includes all investments except call deposits. It does not reconcile with the values as per Table C6, the reason being that values in table SC5 is measured at market value. The Municipality normally invest money with interest at maturity. This interest, with the exception of those on a call deposits, is only recognised on date of maturity or the accrued interest as on 30 June of each year. Even with this recognition of accrued interest, the accrual is classified in terms of GRAP as other receivables and not as part of the investments or call deposits.

In order to be classified as an Investment in terms of GRAP the investment must be made for a period longer than 12 months, otherwise it is classified as cash and cash equivalents. Laingsburg Municipality does have monetary investments at present. For the purpose of this section, investments held for a period until maturity are also viewed as investments.

Table SC5 Investment Portfolio

WC051 Laingsburg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q3 Third Quarter

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
R thousands		Yrs/Months							
Municipality									
Laingsburg		0	Call	–	7	0.0%	1 575	–	1 582
Municipality sub-total					7		1 575	–	1 582
Entities									
Entities sub-total					–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2				7		1 575	–	1 582

Table SC5 above shows the investment portfolio per month of March 2018. The total investment portfolio at 31 March 2018 of R 1 582 000 is R7 000 more at the 31 December 2017.

SECTION 11 - COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Table SC 8 provides the councilor and staff benefits per employee related cost type.

Table SC 8 Councilor and staff benefits

WC051 Laingsburg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter

Summary of Employee and Councillor remuneration		Ref	2016/17 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
		1	A	B	C						D
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages			1 949	2 606	2 606	679	1 654	1 954	(300)	-15%	2 606
Pension and UIF Contributions			2	-	-	-	-	-	-	-	-
Medical Aid Contributions			13	-	-	1	1	-	1	#DIV/0!	-
Motor Vehicle Allowance			533	-	-	73	279	-	279	#DIV/0!	-
Cellphone Allowance			-	185	185	-	-	139	(139)	-100%	185
Housing Allowances			-	-	-	-	-	-	-	-	-
Other benefits and allowances			-	-	-	-	-	-	-	-	-
Sub Total - Councillors			2 497	2 790	2 790	753	1 935	2 093	(158)	-8%	2 790
% increase		4		11.7%	11.7%						11.7%
Senior Managers of the Municipality											
Basic Salaries and Wages			2 287	2 858	2 858	333	1 027	2 143	(1 117)	-52%	2 858
Pension and UIF Contributions			194	262	262	53	159	197	(38)	-19%	262
Medical Aid Contributions			126	109	109	29	86	82	4	5%	109
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance			290	290	290	88	265	217	47	22%	290
Cellphone Allowance			-	-	-	-	-	-	-	-	-
Housing Allowances			19	-	-	2	7	-	7	#DIV/0!	-
Other benefits and allowances			260	-	-	102	262	-	262	#DIV/0!	-
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		2	66	-	-	20	56	-	56	#DIV/0!	-
Sub Total - Senior Managers of Municipality			3 242	3 519	3 519	627	1 861	2 639	(778)	-29%	3 519
% increase		4		8.6%	8.6%						8.6%
Other Municipal Staff											
Basic Salaries and Wages			12 270	13 950	13 950	2 970	10 043	10 462	(419)	-4%	13 950
Pension and UIF Contributions			1 691	1 915	1 915	440	1 348	1 436	(88)	-6%	1 915
Medical Aid Contributions			461	1 219	1 219	120	355	914	(559)	-61%	1 219
Overtime			446	682	682	139	321	512	(191)	-37%	682
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance			638	638	638	176	607	479	128	27%	638
Cellphone Allowance			20	-	-	12	25	-	25	#DIV/0!	-
Housing Allowances			125	153	153	30	90	115	(25)	-22%	153
Other benefits and allowances			420	134	134	116	312	101	211	209%	134
Payments in lieu of leave			-	19	19	-	-	14	(14)	-100%	19
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		2	4	-	-	2	5	-	5	#DIV/0!	-
Sub Total - Other Municipal Staff			16 074	18 710	18 710	4 004	13 105	14 033	(927)	-7%	18 710
% increase		4		16.4%	16.4%						16.4%
Total Parent Municipality			21 813	25 020	25 020	5 385	16 902	18 765	(1 863)	-10%	25 020
TOTAL SALARY, ALLOWANCES & BENEFITS			21 813	25 020	25 020	5 385	16 902	18 765	(1 863)	-10%	25 020
% increase			4		14.7%	14.7%					14.7%
TOTAL MANAGERS AND STAFF			19 316	22 229	22 229	4 632	14 967	16 672	(1 705)	-10%	22 229

SECTION 12 - RECEIPT AND EXPENDITURE ON GRANT PROGRAMMES

The measurement of actual versus planned receipting of transfers and grants are provided in Table SC 6.

SC6 Transfers and Grant Receipts

WC051 Laingsburg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

WC031 Langsburg - Supporting Table SCO Monthly Budget Statement - transfers and grant receipts - Q3 third quarter										
Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		15 241	16 377	17 263	-	13 632	12 303	3 395	27.6%	17 263
Local Government Equitable Share		12 526	13 546	14 432	-	13 576	10 181	3 395	33.3%	14 432
Finance Management		1 723	1 800	1 800	-	56	1 349			1 800
Municipal Systems Improvement		(7)	-	-	-	-	-			-
EPWP Incentive		1 000	1 031	1 031	-	-	773			1 031
Integrated National Electrification Programme		-	-	-	-	-	-			-
GRANT - WORKFORCE	3	-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		1 738	1 446	3 890	-	135	1 084	(973)	-89.8%	3 890
Sport and Recreation		981	1 063	1 063	-	-	797	(797)	-100.0%	1 063
CDW		75	93	93	-	93	69			93
GRANT - WCFMSG		621	240	2 684	-	-	180	(180)	-100.0%	2 684
MAIN ROAD SUBSIDY	4	49	50	50	-	42	38	4	9.9%	50
GRANT - CASEWARE		-	-	-	-	-	-	-		-
GRANT - LOCAL GRADUATE INTERNSHIP		11	-	-	-	-	-	-		-
GRANT - SUPPORT		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Operating Transfers and Grants	5	16 979	17 823	21 153	-	13 766	13 387	2 422	18.1%	21 153
Capital Transfers and Grants										
National Government:		8 498	8 654	16 117	-	4 380	6 989	(2 608)	-37.3%	16 117
Municipal Infrastructure Grant (MIG)		4 513	6 654	14 121	-	2 249	4 989	(2 740)	-54.9%	14 121
GRANT - EEDSM		1 747	-	-	-	-	-			-
GRANT - MIG UNSPEND ROLLOVER		-	-	-	-	-	-			-
GRANT - MASIBAMBANE		240	-	-	-	-	-			-
SEWER MASTER PLAN		-	-	-	-	-	-			-
FLOOD DAMAGES		-	-	-	-	-	-	-		-
SPATIAL DEV INVESTIGATION		-	-	-	-	-	-	-		-
GRANT - DEPT OF WATER AFFAIRS		-	-	-	-	-	-	-		-
GRANT - INEP ELEC		1 999	2 000	1 995	-	2 132	2 000	132	6.6%	1 995
Other capital transfers [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		714	-	-	-	-	-	-		-
Housing		714	-	-	-	-	-	-		-
0		-	-	-	-	-	-			-
Road and Transport		-	-	-	-	-	-			-
Library		-	-	-	-	-	-			-
0		-	-	-	-	-	-			-
USIP		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Capital Transfers and Grants	5	9 213	8 654	16 117	-	4 380	6 989	(2 608)	-37.3%	16 117
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	26 192	26 477	37 270	-	18 146	20 376	(186)	-0.9%	37 270

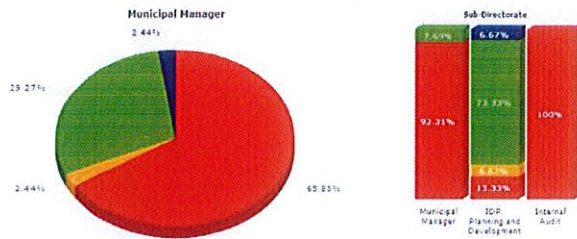
SECTION 13 – MATERIAL VARIANCES TO THE SDBIP

The following graphs provides the Top Level key performance indicators of the municipality per directorate and whether these KPI's were met for the quarter ending March 2018.

Laingsburg Municipality

Departmental SDBIP Report

Report drawn on 08 May 2018 at 08:32
for the month of January 2018 to March 2018

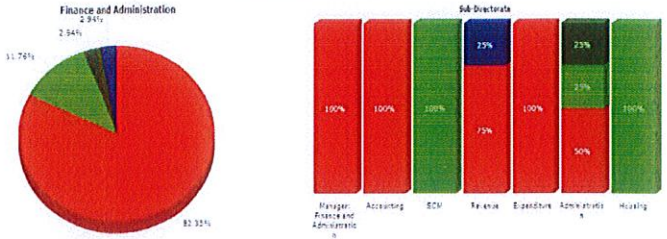


	Municipal Manager	Sub-Directorate
	Municipal Manager	IDP, Planning and Development Internal Audit
KPI Not Met	27.68.5%	12.192.3%
KPI Almost Met	1.12.4%	1.6.7%
KPI Met	12.129.3%	1.17.3%
KPI Well Met	-	-
KPI Extremely Well Met	1.12.4%	1.6.7%
Total:	41	13 15 13

Laingsburg Municipality

Departmental SDBIP Report

Report drawn on 08 May 2018 at 08:32
for the month of January 2018 to March 2018

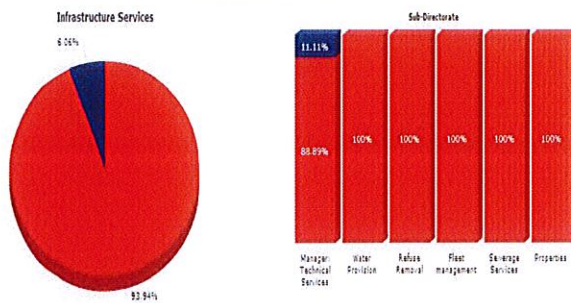


	Finance and Administration	Sub-Directorate
	Manager: Finance and Administration	Accounting SCM Revenue Expenditure Administration Housing
KPI Not Met	28.38.4%	8.100%
KPI Almost Met	-	-
KPI Met	4.11.8%	2.100%
KPI Well Met	1.2.3%	1.2.3%
KPI Extremely Well Met	1.2.3%	1.2.3%
Total:	36	9 9 2 4 3 4 1

Laingsburg Municipality

Departmental SDBIP Report

Report drawn on 08 May 2018 at 08:32
for the month of January 2018 to March 2018

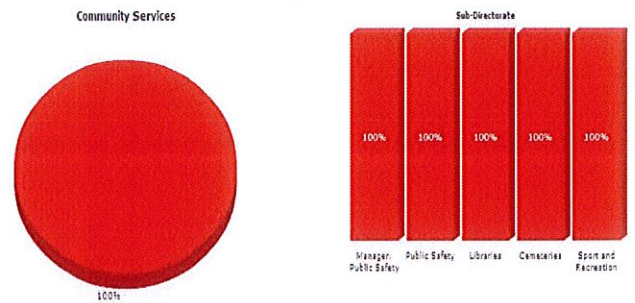


	Infrastructure Services	Sub-Directorate
	Manager: Technical Services	Water Provision Refuse Removal Fleet management Sewerage Services Properties
KPI Not Met	21.38.9%	14.18.4%
KPI Almost Met	-	-
KPI Met	-	-
KPI Well Met	-	-
KPI Extremely Well Met	2.16.1%	2.11.1%
Total:	33	18 3 3 2 3 4

Laingsburg Municipality

Departmental SDBIP Report

Report drawn on 08 May 2018 at 08:32
for the month of January 2018 to March 2018



	Community Services	Sub-Directorate
	Manager: Public Safety	Public Safety Libraries Cemeteries Sport and Recreation
KPI Not Met	24.100%	18.100%
KPI Almost Met	-	-
KPI Met	-	-
KPI Well Met	-	-
KPI Extremely Well Met	-	-
Total:	25	15 6 2 1 1

Material variances have occurred. For explanations and corrective measures of all immaterial variances to the financial and non-financial indicators please refer to Sections 6.

SECTION 14 – CAPITAL PROGRAMME PERFORMANCE

The measurement of actual versus planned capital expenditure are provided Table SC 12. The year to date values and percentage variances are also indicated.

Table SC12 – Capital expenditure trend

The following graph indicates the year-to-date capital expenditure per month, comparing the year-to-date budget with the expenditure as at 31 March 2018.

WC051 Laingsburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q3 Third Quarter

Month	2016/17	Budget Year 2017/18							
	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	24	154	154	0	0	154	154	100.0%	0%
August	27	772	772	0	0	926	926	100.0%	0%
September	1 862	1 389	1 389	672	672	2 315	1 643	71.0%	7%
October	2 003	1 081	1 081	2 447	3 120	3 396	276	8.1%	34%
November	3 868	1 544	1 544	334	3 454	4 940	1 486	30.1%	38%
December	4 889	2 007	2 007	870	4 324	6 946	2 622	37.7%	47%
January	4 902	309	309	143	4 468	7 255	2 787	38.4%	49%
February	4 995	545	1	1	4 469	7 256	2 787	38.4%	49%
March	5 308	1 091	2 918	381	4 849	10 174	5 324	52.3%	53%
April	5 595	160	2 044	–		12 218	–		
May	6 124	64	1 950	–		14 168	–		
June	9 676	–	1 950	–		16 118	–		
Total Capital expenditure	49 274	9 115	16 118	4 849					

SECTION 15 – OTHER SUPPORTING DOCUMENTATION

Other National Treasury prescribed supporting documentation not used elsewhere in this document is listed below.

Table SC9 – Cash flow per month by source of revenue and type of expenditure

WC051 Laingsburg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q3 Third Quarter

Description		Ref	Budget Year 2017/18												2017/18 Medium Term Revenue & Expenditure Framework		
			July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousands		1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	2017/18	+1 2018/19	+2 2019/20
Cash Receipts By Source																	
Property rates			174	(110)	-	8	1 558	(0)	289	120	444	182	298	1 187	4 151	4 566	4 931
Service charges - electricity revenue			744	787	890	1 017	778	830	800	912	921	960	975	3 754	13 369	14 706	15 883
Service charges - water revenue			103	120	168	168	121	120	165	147	129	139	139	786	2 303	2 534	2 736
Service charges - sanitation revenue			89	123	115	125	105	98	107	103	100	92	92	363	1 511	1 662	1 795
Service charges - refuse			95	101	120	122	101	103	107	110	111	80	80	168	1 297	1 427	1 541
Service charges - other			15	3	17	14	29	14	12	9	10	-	(123)	-	-	-	-
Rental of facilities and equipment			60	52	92	94	69	73	50	34	64	61	61	24	733	806	870
Interest earned - external investments			-	34	-	83	25	-	57	38	31	68	68	415	820	902	974
Interest earned - outstanding debtors			9	14	27	26	21	27	28	29	18	3	3	(165)	40	44	47
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			-	-	1	1	8	1	6	1	0	2 710	2 710	27 094	32 532	35 785	38 648
Licences and permits			113	96	138	103	90	80	73	119	116	90	90	(30)	1 077	1 184	1 279
Agency services			-	-	-	-	-	-	-	-	-	10	10	102	123	135	146
Transfer receipts - operating			5 219	2 852	10	0	8	93	6	66	3 435	752	2 988	2 543	17 973	19 770	21 352
Other revenue			1 532	591	1 857	1 067	(533)	10 257	1 428	1 400	9 633	14	14	(27 089)	172	189	204
Cash Receipts by Source			8 152	4 664	3 434	2 827	2 381	11 696	3 127	3 087	15 013	5 160	7 529	9 030	76 100	83 710	90 406
Other Cash Flows by Source																	
Transfer receipts - capital			3 141	852	-	-	-	-	-	-	-	554	554	3 552	8 654	9 519	10 281
Contributions & Contributed assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits			1	16	5	3	11	1	6	3	1	2	2	(27)	24	26	29
Receipt of non-current debtors			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments			-	400	-	-	-	-	-	-	-	-	-	(400)	-	-	-
Total Cash Receipts by Source			11 294	5 933	3 439	2 829	2 391	11 697	3 134	3 090	15 014	5 716	8 085	12 155	84 778	93 255	100 716
Cash Payments by Type																	
Employee related costs			1 449	(35)	1 336	5 284	1 748	1 594	1 685	1 363	1 338	1 889	1 889	4 287	23 819	26 200	28 296
Remuneration of councillors			204	3	207	414	207	148	260	195	218	239	239	458	2 790	3 069	3 315
Interest paid			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity			819	58	1 020	826	557	1 164	-	626	1 136	472	458	(281)	6 854	7 540	8 143
Bulk purchases - Water & Sewer			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials			6	(4)	111	10	30	82	9	10	61	79	79	478	951	1 047	1 130
Contracted services			52	(24)	-	6	3	527	-	814	65	369	369	3 422	5 603	6 163	6 656
Grants and subsidies paid - other municipalities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other			108	338	71	173	125	140	30	(2 736)	(321)	2	2	2 515	447	492	531
General expenses			997	5 892	2 013	(5 079)	1 708	1 292	1 045	4 562	2 451	3 065	3 065	16 447	37 446	41 191	44 486
Cash Payments by Type			3 634	6 227	4 759	1 634	4 377	4 946	3 030	4 814	4 949	6 114	6 101	27 325	77 911	85 702	92 558
Other Cash Flows/Payments by Type																	
Capital assets			24	(24)	672	2 447	334	870	143	1	381	160	70	4 036	9 115	10 027	10 829
Repayment of borrowing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type			3 659	6 202	5 431	4 081	4 712	5 816	3 173	4 815	5 330	6 274	6 171	31 360	87 026	95 728	103 387
NET INCREASE/(DECREASE) IN CASH HELD																	
Cash/cash equivalents at the month/year beginning			5 875	13 511	13 241	11 249	9 997	7 676	13 557	13 517	11 792	21 476	20 918	22 832	5 875	3 627	1 155
Cash/cash equivalents at the month/year end			13 511	13 241	11 249	9 997	7 676	13 557	13 517	11 792	21 476	20 918	22 832	3 627	3 627	1 155	(1 516)

Table SC13 a – Capital expenditure on new assets by asset class

WC051 Laingsburg - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q3 Third Quarter

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		9 491	-	-	31	34	-	(34)	#DIV/0!	-
Roads Infrastructure		472	-	-	-	3	-	(3)	#DIV/0!	-
Roads		472	-	-	-	3	-	(3)	#DIV/0!	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		(522)	-	-	-	-	-	-	-	-
Drainage Collection		(522)	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		7 183	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		7 183	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		2 325	-	-	31	31	-	(31)	#DIV/0!	-
Dams and Weirs		1 169	-	-	31	31	-	(31)	#DIV/0!	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		1 156	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		33	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		33	-	-	-	-	-	-	-	-
Community Assets		1 535	-	174	-	-	-	-	-	-
Community Facilities		1 217	-	174	-	-	-	-	-	-
Libraries		24	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		1 193	-	174	-	-	-	-	-	-
Sport and Recreation Facilities		318	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		318	-	-	-	-	-	-	-	-
Other assets		69	-	-	-	-	-	-	-	-
Operational Buildings		69	-	-	-	-	-	-	-	-
Municipal Offices		69	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	9 115	15 944	494	4 816	-	(4 816)	#DIV/0!	9 115
Furniture and Office Equipment		-	9 115	15 944	494	4 816	-	(4 816)	#DIV/0!	9 115
Machinery and Equipment		318	-	-	-	-	-	-	-	-
Machinery and Equipment		318	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	11 413	9 115	16 118	525	4 849	-	(4 849)	#DIV/0!	9 115

Table SC13 c – Expenditure on Repairs and Maintenance by asset class

WC051 Laingsburg - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q3 Third

Description		Ref	2016/17	Budget Year 2017/18							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		1									
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			678	757	690	73	(8)	517	526	101.6%	757
Roads Infrastructure			10	12	12	-	0	9	8	96.6%	12
Roads			10	12	12	-	0	9	8	96.6%	12
Road Structures			-	-	-	-	-	-	-	-	-
Road Furniture			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Drainage Collection			-	-	-	-	-	-	-	-	-
Storm water Conveyance			-	-	-	-	-	-	-	-	-
Attenuation			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			454	348	301	55	151	226	74	32.9%	348
Power Plants			-	-	-	-	-	-	-	-	-
HV Substations			-	-	-	-	-	-	-	-	-
HV Switching Station			-	-	-	-	-	-	-	-	-
HV Transmission Conductors			-	-	-	-	-	-	-	-	-
MV Substations			381	287	240	44	123	180	57	31.5%	287
MV Switching Stations			-	-	-	-	-	-	-	-	-
MV Networks			-	-	-	-	-	-	-	-	-
LV Networks			73	61	61	11	28	46	17	38.3%	61
Capital Spares			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			72	76	76	14	16	57	41	71.9%	76
Dams and Weirs			10	10	10	-	-	8	8	100.0%	10
Boreholes			-	-	-	-	-	-	-	-	-
Reservoirs			-	-	-	-	-	-	-	-	-
Pump Stations			-	-	-	-	-	-	-	-	-
Water Treatment Works			-	-	-	-	-	-	-	-	-
Bulk Mains			-	-	-	-	-	-	-	-	-
Distribution			62	65	65	14	16	49	33	67.5%	65
Distribution Points			-	-	-	-	-	-	-	-	-
PRV Stations			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			142	322	302	3	7	226	219	96.7%	322
Pump Station			-	-	-	-	-	-	-	-	-
Reticulation			128	300	280	3	7	210	203	96.7%	300
Waste Water Treatment Works			14	22	22	-	1	16	16	96.7%	22
Outfall Sewers			-	-	-	-	-	-	-	-	-
Toilet Facilities			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			0	-	-	-	(184)	-	184	#DIV/0!	-
Landfill Sites			-	-	-	-	-	-	-	-	-
Waste Transfer Stations			0	-	-	-	(184)	-	184	#DIV/0!	-
Community Assets			2	3	3	1	1	2	1	48.2%	3
Community Facilities			2	3	3	1	1	2	1	48.2%	3
Halls			2	3	3	1	1	2	1	48.2%	3
Investment properties			234	272	272	9	112	204	92	45.0%	272
Revenue Generating			234	272	272	9	112	204	92	45.0%	272
Improved Property			-	-	-	-	-	-	-	-	-
Unimproved Property			234	272	272	9	112	204	92	45.0%	272
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Improved Property			-	-	-	-	-	-	-	-	-
Unimproved Property			-	-	-	-	-	-	-	-	-
Other assets			18	23	23	-	(22)	17	39	227.7%	23
Operational Buildings			4	6	6	-	(21)	4	25	578.2%	6
Municipal Offices			4	6	6	-	(21)	4	25	578.2%	6
Housing			14	17	17	-	(1)	13	14	108.9%	17
Staff Housing			-	-	-	-	-	-	-	-	-
Social Housing			14	17	17	-	(1)	13	14	108.9%	17
Furniture and Office Equipment			302	296	307	98	288	230	(57)	-24.8%	296
Furniture and Office Equipment			302	296	307	98	288	230	(57)	-24.8%	296
Machinery and Equipment			100	66	109	66	105	81	(24)	-29.3%	66
Machinery and Equipment			100	66	109	66	105	81	(24)	-29.3%	66
Transport Assets			678	561	481	176	351	361	10	2.7%	561
Transport Assets			678	561	481	176	351	361	10	2.7%	561
Libraries			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		1	2 011	1 978	1 884	423	827	1 413	587	41.5%	1 978

Table SC13 d – Depreciation charges by asset class

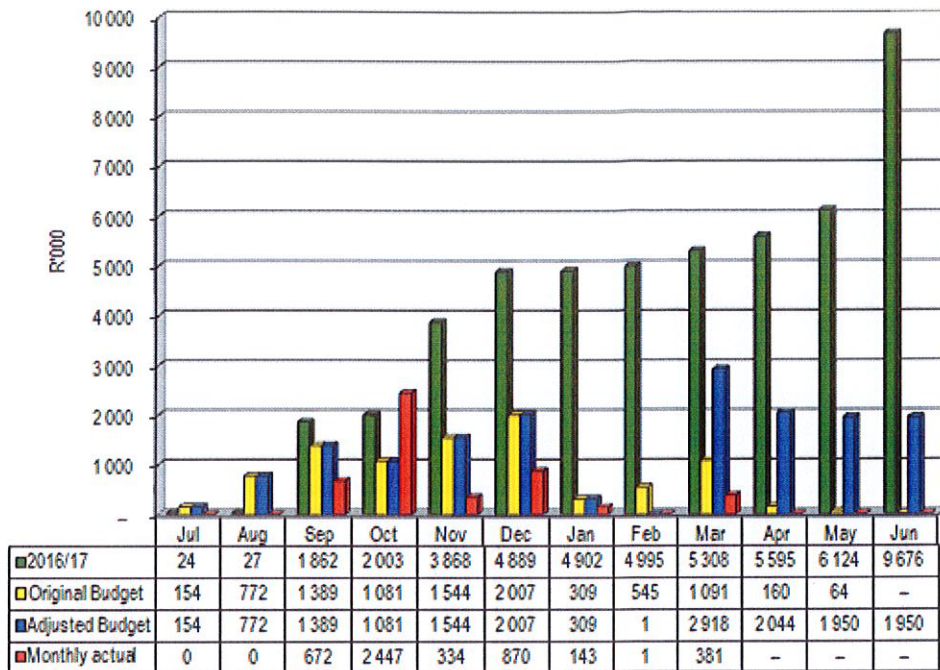
WC051 Laingsburg - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - Q3 Third Quarter

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		5 769	5 721	5 721	-	6	4 291	4 285	99.9%	5 721
Roads Infrastructure		3 928	3 864	3 864	-	6	2 898	2 893	99.8%	3 864
Roads		3 928	3 864	3 864	-	6	2 898	2 893	99.8%	3 864
Electrical Infrastructure		276	199	199	-	-	149	149	100.0%	199
MV Substations		276	199	199	-	-	149	149	100.0%	199
Water Supply Infrastructure		609	627	627	-	-	470	470	100.0%	627
Distribution		609	627	627	-	-	470	470	100.0%	627
Sanitation Infrastructure		786	845	845	-	-	634	634	100.0%	845
Pump Station		786	845	845	-	-	634	634	100.0%	845
Solid Waste Infrastructure		170	187	187	-	-	140	140	100.0%	187
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		170	187	187	-	-	140	140	100.0%	187
Community Assets		692	684	684	-	20	513	493	96.1%	684
Community Facilities		692	684	684	-	20	513	493	96.1%	684
Halls		-	-	-	-	15	-	(15)	#DIV/0!	-
Libraries		25	31	31	-	2	24	21	90.7%	31
Cemeteries/Crematoria		274	303	303	-	(0)	227	227	100.1%	303
Police		-	-	-	-	-	-	-	-	-
Purfs		-	-	-	-	-	-	-	-	-
Public Open Space		394	350	350	-	4	263	259	98.6%	350
Investment properties		119	119	119	-	-	89	89	100.0%	119
Revenue Generating		119	119	119	-	-	89	89	100.0%	119
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		119	119	119	-	-	89	89	100.0%	119
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		148	163	163	-	-	122	122	100.0%	163
Housing		148	163	163	-	-	122	122	100.0%	163
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		148	163	163	-	-	122	122	100.0%	163
Computer Equipment		118	284	284	-	0	213	213	99.8%	284
Computer Equipment		118	284	284	-	0	213	213	99.8%	284
Furniture and Office Equipment		1 042	1 143	1 143	-	362	857	495	57.7%	1 143
Furniture and Office Equipment		1 042	1 143	1 143	-	362	857	495	57.7%	1 143
Total Depreciation	1	7 889	8 114	8 114	-	388	6 086	5 697	93.6%	8 114

Schedule C – National Treasury Formats graphs

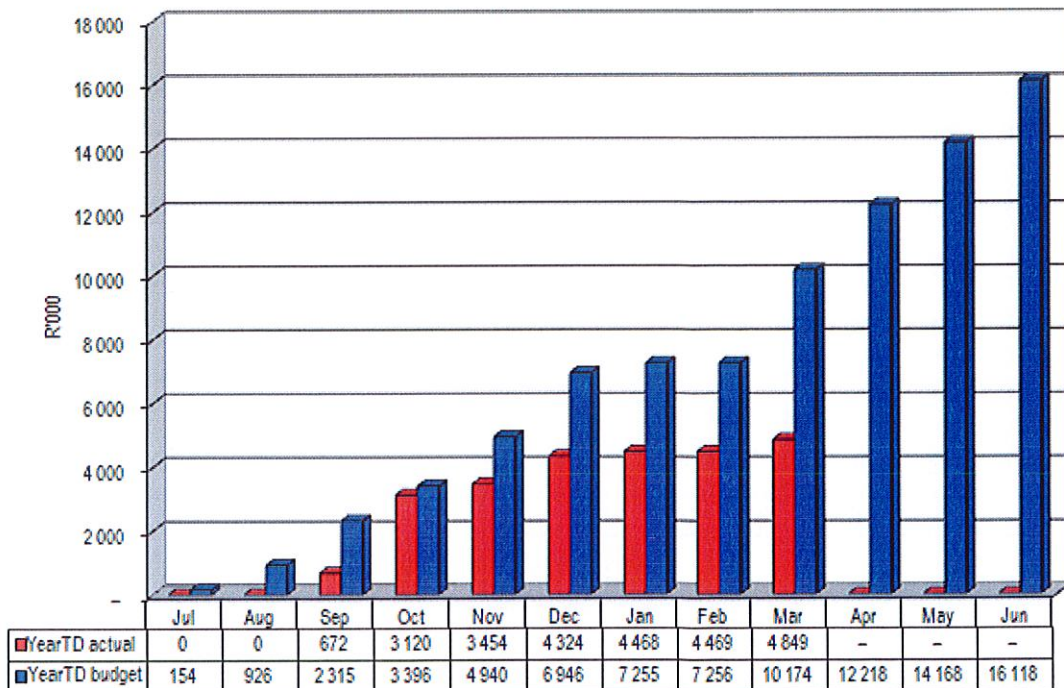
Capital Expenditure monthly trend: Actual VS Target

Chart C1 2017/18 Capital Expenditure Monthly Trend: actual v target



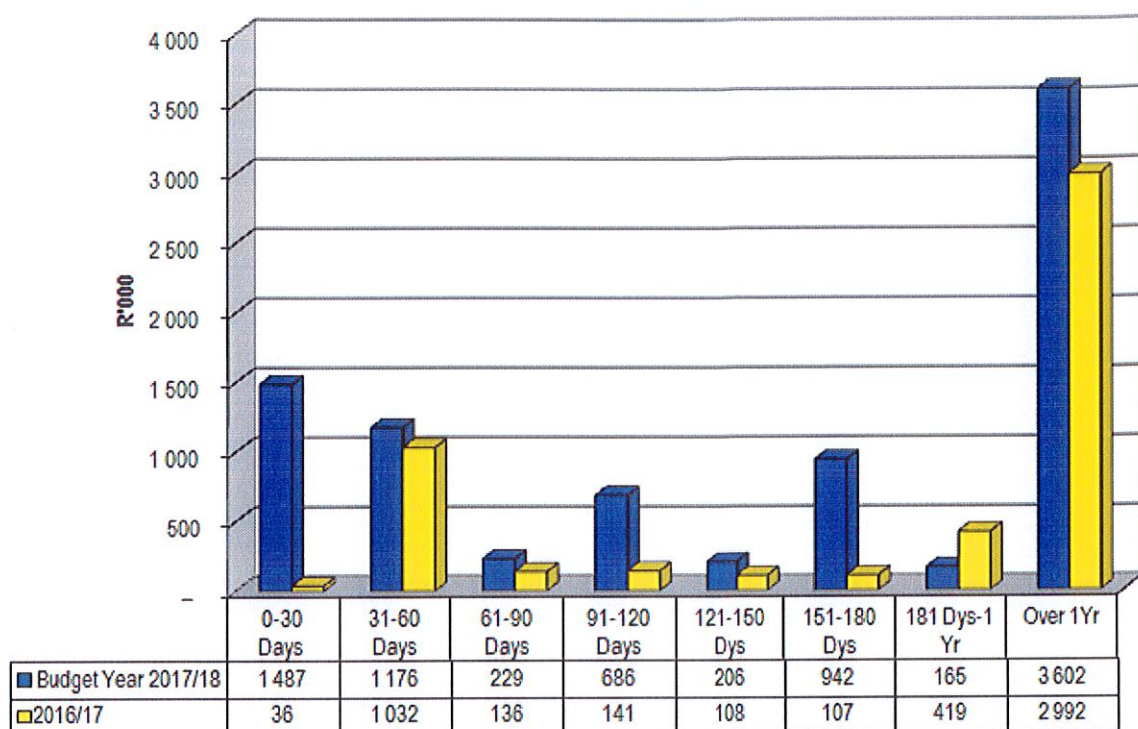
Capital Expenditure: YTD Actual VS YTD Target

Chart C2 2017/18 Capital Expenditure: YTD actual v YTD target



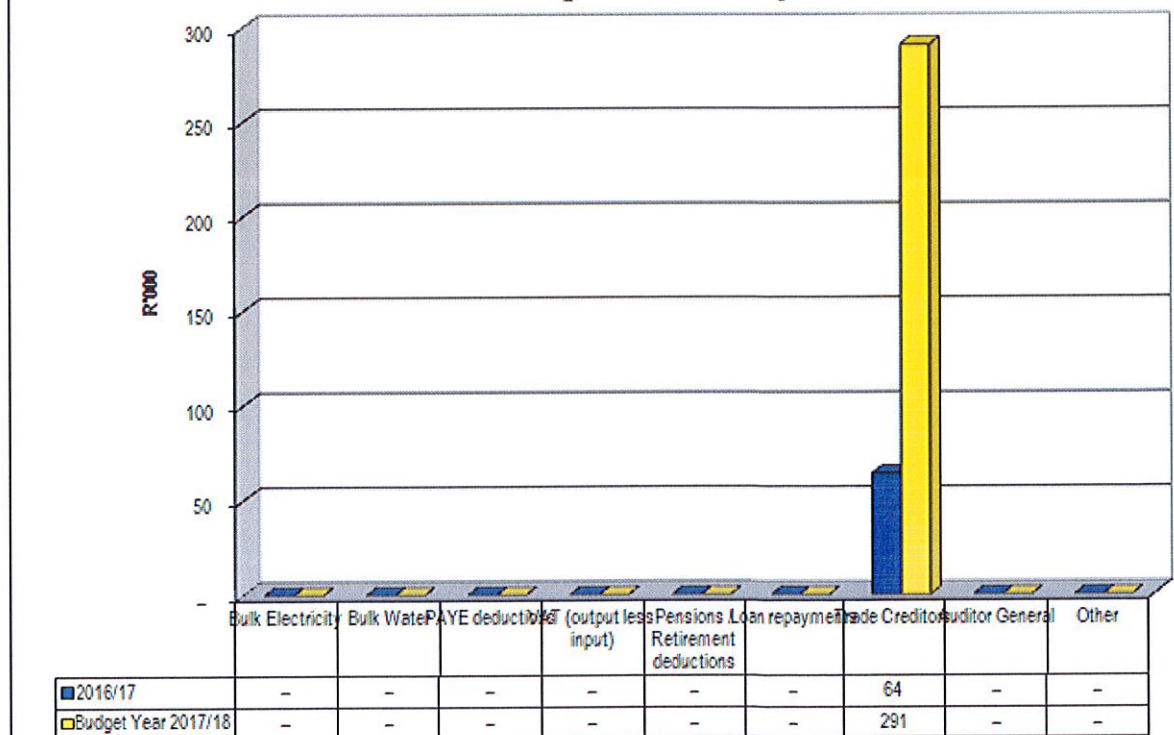
Aged Consumer Debtors analysis

Chart C3 Aged Consumer Debtors Analysis



Aged Creditors analysis

Chart C5 Aged Creditors Analysis



SECTION 16 - WARD COMMITTEES

The municipal public participation policy and ward committee policy is in place. All four (4) ward committees are established and in fully functional. Monthly ward committee meetings take place and ward committee members are working within their wards as per their assigned portfolios. There are currently a few vacancies in ward committees within the municipality.

SECTION 17 - RECOMMENDATIONS

- (a) That Council notes the contents of this report and supporting documentations for the 3rd quarter of 2017/2018 financial year.
- (b) That the Managers ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan projections and spending of funds, and that revenue collection proceeds in accordance with the budget.

SECTION 18 - CONCLUSION

The above-mentioned report outline the performance of the municipality with regards to the overall Performance of the municipality, Financial Performance as well as Non- financial Performance with regards legislative compliance. The overall performance was good, but there are still areas that requires intervention and mitigation measures to prevent it in the following quarters of the year as well as improve the reporting on the system.

The municipal manager will conduct a quarterly review and the outcome of the Performance Review will be recorded to rectify non-performance to ensure that that all targets can be achieved before year-end.