

OVERBERG

DISTRICT MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 31 DECEMBER 2017

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

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1. REPORT OF THE EXECUTIVE MAYOR

1.1 Implementation of the of the Municipality's budget in accordance with the service delivery and budget implementation plan

There are 33 projects on the capital budget for 2017/2018 with a total budget of R 7 064 400. By end of December 2017, R 1 940 617.97 (27.47%) of the R 7064 400 was spent. The breakdown per department follows:

Department	Nr of Projects	Budget 2015/16	Actual spent to date	% spent to date
Committee Services, Records Management and Council Support	1	R 5 000	R 4 124	82%
Corporate Services	3	R 17 500	R 0	0%
Emergency Services	3	R 5 800 000	R 1 814 992	31%
Environmental Management	2	R 28 000	R 0	0%
Expenditure Management	2	R 19 500	R 2 795	14%
Financial Services	5	R 864 100	R 11 315	1%
Human Resources	2	R 1 800	R 0	0%
IDP and Communication	1	R 15 000	0	0%
LED, Tourism, Resorts and EPQP	6	R 205 000	R 98 737	48%
Municipal Health	4	R 83 000	R 8655	10%
Municipal Manager	2	R 15 000	R 0	0%
Supply Chain Management	2	R 10 500	R 0	0%

It is important to note that ODM experienced difficulties with uploading the adjustment budget on the financial system. This may have led to capital expenditure not being allocated correctly and the amounts as seen above may be understated.

By end of December 2017 R 76 185 761 (41%) of the total expenditure budget of R 186 452 583 was spent. 41% is considered good expenditure management. It is important to note that there are areas where expenditure was not yet captured, example depreciation. This is due to certain modules on the financial system still being implemented.

Department	Budget 2017/2018	Actual Spent to	% Spent to date
MM Executive	R 1 916 336.00	R 854 314.40	45%
Executive Support	R 1 512 131.00	R 563 994.16	37%
Internal Audit	R 1 157 208.00	R 580 489.73	50%
Council Expenditure	R 6 539 765.00	R 3 153 975.05	48%
IDP & Communication	R 1 713 311.00	R 532 302.46	31%
Performance & Risk Management	R 1 515 362.00	R 667 783.70	44%
Corporate Executive	R 615 388.00	R 311 081.73	51%
Corporate Support	R 2 692 234.63	R 665 697.49	25%
Human Resources	R 2 141 699.00	R 837 637.92	39%
Committee, Records & Councillor Support	R 3 964 378.50	R 882 293.13	22%
Information Services	R 1 926 473.00	R 875 411.75	45%
Finance Executive	R 615 388.00	R 316 282.84	51%
Financial Support	R 127 336.00	R 41 093.42	32%
Financial Services	R 15 793 051.57	R 5 657 223.40	36%
Revenue	R 1 181 645.00	R 559 302.01	47%
Expenditure	R 2 101 967.00	R 954 047.82	45%
Supply Chain Management	R 1 837 164.00	R 826 896.51	45%
Community Services Executive	R 1 029 147.00	R 1 942.84	0%
Community Services Support	R 6 430.00	R -	0%
Municipal Health	R 13 482 930.00	R 5 992 340.32	44%
Comprehensive Health	R 143 390.00	R 79 512.96	55%
Environmental Management	R 2 366 747.00	R 908 464.36	38%
Solid Waste	R 4 192 113.00	R 35 268.46	1%
Emergency Services	R 23 687 754.50	R 10 181 261.88	43%
LED, Tourism, Resorts & EPWP	R 14 247 484.00	R 6 490 075.77	46%
Roads	R 79 945 750.00	R 34 217 067.18	43%

1.2 Any financial problems or risk facing the Municipality

Risk Item	Risk Description	Risk Background	Cause of risk	Impact	Likelihoods
R 236	Grading of municipalities	Grading of municipality (grade 4) are not aligned with salary structure of its Directors (compensated on grade 2)	Regulations set on salaries by National government caused a direct financial loss to salaries (R3.4m in loss of subsidy)	Critical	Certain (100%)
R 237	Shared Service	Leverage shared services opportunities	Shared services is only on a contract basis and not a permanent institution No Budget to develop Cell	Minor	Probable (80%)
R 239	Unfunded mandates	Unfunded mandates for Agri Parks	Lack of clarity with regard to responsibility for air quality, coastal management and Agri Parks in different	Major	Certain (100%)
R 264	Calculation of Equitable Share	Equitable Share was appropriated lower than expected and affects the overall budget and planning of the municipality	Formula applied on historic base by National Treasury municipality is currently short staffed	Catastrophic	Certain (100%)
R 265	Lack of revenue source	Revenue source	Lack of legal clarity on revenue generation initiatives No replacement of RSC levies Over reliance on the equitable share 85% income based on calculation	Critical	Almost Certain (90%)
R 266	Under-funding for occupational health and safety services	Occupational Health & Safety under-funding	Lack of internal revenue source Method in which equitable share is being calculated Income received from road agency fees 'subsidise' other services Lack of funds - ODM is currently working with a constraint budget	Significant	Possible (60%)
R 270	Cash flow	Cash flow funding	Legacy of poor financial administration and lack of financial resources	Significant	Possible (60%)
R 273	IDP limited by budgetary constraints	IDP vs Budget	Budgetary constraints Allocation of resources Ineffective community participation and consultation	Significant	Expected (70%)
R 274	Loss of Roads Agency function	Should the function of Roads be transferred back to the Provincial Department the municipality will then have a catastrophic financial viability	Non alignment between spheres of government	Catastrophic	Possible (60%)
R 275	Cost of Financial governance.	Duplication of legislative requirements for the submission of information leading to an increased cost of financial governance making it difficult to maintain clean audit status.	Two sets of legislation that amounts to different sets of information. High cost of ensuring compliance and good governance. Fees attached with the audit is very high.	Moderate	Possible (60%)
R 276	Economy	Deteriorating economic conditions	Deteriorating macro-economic conditions globally and nationally Emerging Drought Conditions	Marginal	Potential (50%)

1.3 Annual Report and Audit Report

In terms of sec 72(1)(a)(iii) of the MFMA, the following is submitted regarding progress on resolving problems identified in the annual report. The municipality is encouraged to strengthen its internal monitoring by assessing the fundamentals of internal controls on a frequent basis to maintain a clean audit and administration. An action plan (OPCAR) has been implemented to address and monitor unsolved audit findings.

Most of the service delivery challenges identified in the annual report relates to the equitable share allocated.

Summary of the Auditor-General Report

Auditor-General Report on Financial Performance Year 2016/2017	
Audit Report Status*:	Unqualified without findings (Clean)
Non-Compliance Issues	Remedial Action Taken
The municipality has no material findings on compliance with specific matters in key legislation as set out in the general notice issued in terms of the Public Audit Act	None
Internal Control Deficiencies	Remedial Action Taken
No deficiencies in internal control were identified.	None
Emphasis of matters	Remedial Action Taken
Restatement of corresponding figures: As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2016 have been related as a result of errors discovered during the 2016-2017 financial year in the financial statements of the municipality at, and or the year ended, 30 June 2017	It was rectified during the Audit
Auditor-General report on service delivery performance 2016/17	
Audit Report Status:	Unqualified without findings (Clean)
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the usefulness and reliability of the reported performance information for the selected development priorities. Attention is drawn to the following matter.	
Achievement of planned targets: Refer to the annual performance report on page 75 to 77 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets	

OPCAR

No	DESCRIPTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2014/2015				
12	Cost of rehabilitation of landfill site derecognise as a receivable	Johan Tesselaar	31 December 2017	95%
2016/2017				
1	Consequence Management Non-compliance	Johan Tesselaar	31 March 2018	30%
2	Procurement and Contract Management Non-compliance	Daniele Kapot-Witbooi	1 November 2017	100%
3	Classification of workmen's compensation contribution	Johan Tesselaar	30 April 2018	10%
4	Cash Flow Statement Comparative Information	Wilma Stassen	20 October 2017	100%
		Wilma Stassen	24 October 2017	100%
5	Expenditure Recognised in the incorrect period	Johan Tesselaar	31 December 2017	0%
6	<p>1. Detailed IT findings – General IT Controls:</p> <ul style="list-style-type: none"> • Inadequate Performance Measurement Process (1.1) • Lack of an IT strategic plan (1.2) • No ICT Steering Committee (1.3) <p>2. Detailed IT findings: Patch management processes not implemented</p> <p>3. Detailed IT findings: Lack of evidence reviews of user account activity</p> <p>4. Detailed IT findings: Lack of formal program change management procedures</p> <p>5. Detailed IT findings: Lack of evidence of off-site storage of data</p> <p>Detailed IT findings: Inadequate disaster recovery plan</p>	<p>Joggie Snyman</p> <p>Joggie Snyman</p> <p>Johan Tesselaar</p> <p>Joggie Snyman</p> <p>Joggie Snyman</p> <p>Joggie Snyman</p> <p>Joggie Snyman</p> <p>Joggie Snyman</p>	<p>30 June 2018</p> <p>30 June 2018</p> <p>30 June 2018</p> <p>30 June 2018</p> <p>Not Applicable</p> <p>30 June 2018</p> <p>30 June 2018</p> <p>30 June 2018</p>	<p>10%</p> <p>10%</p> <p>10%</p> <p>0%</p> <p>100%</p> <p>0%</p> <p>0%</p> <p>30%</p>
7	Acting positions in the municipality	Johan Tesselaar Johan Tesselaar	30 June 2018 30 June 2018	50% 60%
8	Additional disclosures required by MFMA (Act no 56 of 2003)	Wilma Stassen	31 October 2017	100%

1.4 National and Provincial adjustments budgets

There were adjustments to certain grants which had an impact on the Municipality's budget. Any changes will be tabled with the Municipality's adjustments budget on 26 February 2018.

1.5 Necessity of an adjustments budget for the Municipality

Section 28 of the MFMA read as follow:

A municipality may revise an approved annual budget through an adjustments budget.

An adjustment budget is necessary as additional funds were allocated to the Municipality, thus additional grant spending anticipated.

Detail of grant adjustments:

- Financial Management Support Grant – R 780 000
- Graduate internship Grant – R 66 000
- Greenest Municipal competition – R 70 000
- Western Cape disaster- R90 000

Other adjustments include:

- Selling of properties
- Additional Capital and Operating Expenditure – Fire Fighting
- Additional Capital and Operating Expenditure – Resorts
- Permanent positions and vacancies
- Accounting for virements and Mid-year adjustments

Accordingly, a report on adjustments to the budget will be submitted for consideration by Council on 26 February 2018

2. RESOLUTIONS

2.1 Mid-year budget and performance assessment

- a) That cognisance be taken of the mid-year budget and performance assessment in respect of the first half of the 2017/2018 financial year;
- b) That the assessment report be submitted to Council on 29 January 2018 in terms of Section 54(1)(f) of the MFMA;
- c) That the proposed amendments to the KPI's and targets be submitted to council in terms of Section 54(1)(c) for approval;
- d) That, following the above [with reference to regulation 23(1)] an adjustments budget on the 2016/2017 budget be tabled for consideration at the council meeting on 26 February 2018.

3. EXECUTIVE SUMMARY

3.1 Introduction

In accordance with Section 72(1) of the Municipal Finance Management Act (MFMA) the Accounting Officer is required to-

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

It should be noted that additional funds were received from National and Provincial Treasury, but Overberg District Municipality does not anticipate the national adjustments budget and the relevant provincial adjustments budget to influence the Municipality's budget towards the end of the financial year.

3.2 Consolidated performance

The following table summarises the overall position on the capital and operating budgets:

	Capital Expenditure	Operating Expenditure	Operating Revenue
Budget	R 7 064 400	R 186 452 583	R 175 052 795
Budget to Date	R 228 505	R 50 599 197	R 49 974 678
Year to Date	R 1 940 618	R 76 185 761	R 99 838 810
Variance to SDBIP	R 1 712 113	R 25 586 564	R 49 864 132
YTD% Variance to SDBIP	749%	50%	99%
% of Annual Budget	27%	41%	57%

4. IN-YEAR BUDGET STATEMENT TABLES

The in-year budget statement tables are presented below. Supporting information and explanations of are given for each table where such information will assist with understanding the information contained in the tables.

4.1 Monthly Budget Statement summary

DC3 Overberg - Table C1 Monthly Budget Statement Summary - M06 December

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	-	-	-	-	-	-	-	-	-
Service charges	-	550	550	-	-	69	(69)	-100%	550
Investment revenue	-	1,400	1,400	97	625	500	125	25%	1,400
Transfers and subsidies	-	142,799	144,468	26,457	89,650	42,182	47,468	113%	144,468
Other own revenue	-	27,835	27,835	1,167	8,764	6,424	2,340	36%	27,835
Total Revenue (excluding capital transfers and contributions)	-	172,584	174,253	27,720	99,039	49,175	49,864	101%	174,253
Employee costs	-	97,324	97,324	6,893	44,778	29,323	15,455	53%	97,324
Remuneration of Councilors	-	5,461	5,461	478	2,844	1,921	923	48%	5,461
Depreciation & asset impairment	-	3,101	3,101	2	52	421	(370)	-88%	3,101
Finance charges	-	5,335	5,335	3	16	678	(662)	-98%	5,335
Materials and bulk purchases	-	43,793	43,823	2,218	15,578	10,754	4,823	45%	43,823
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	25,199	31,409	3,074	12,919	7,502	5,417	72%	31,409
Total Expenditure	-	180,212	186,453	12,668	76,186	50,599	25,587	51%	186,453
Surplus/(Deficit)	-	(7,628)	(12,200)	15,052	22,853	(1,425)	24,278	-1704%	(12,200)
Transfers and subsidies - capital (monetary alloc	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	800	800	-	800	800	-	-	800
Surplus/(Deficit) after capital transfers & contributions	-	(6,828)	(11,400)	15,052	23,653	(625)	24,278	-3887%	(11,400)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	(6,828)	(11,400)	15,052	23,653	(625)	24,278	-3887%	(11,400)
Capital expenditure & funds sources									
Capital expenditure	-	1,221	7,064	99	1,941	229	1,712	749%	7,064
Capital transfers recognised	-	800	800	-	558	-	558	#DIV/0!	800
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	421	6,264	99	1,382	229	1,154	505%	6,264
Total sources of capital funds	-	1,221	7,064	99	1,941	229	1,712	749%	7,064
Financial position									
Total current assets	38,391	21,044	26,538	-	60,698	-	-	-	26,084
Total non current assets	81,397	83,307	85,360	-	83,338	-	-	-	85,360
Total current liabilities	22,050	13,323	20,971	-	22,645	-	-	-	20,971
Total non current liabilities	82,561	93,492	86,696	-	82,561	-	-	-	86,696
Community wealth/Equity	15,177	(2,464)	4,231	-	38,830	-	-	-	3,778
Cash flows									
Net cash from (used) operating	-	3,110	(4,366)	16,719	24,402	21,510	(2,892)	-13%	(4,366)
Net cash from (used) investing	-	(1,221)	(7,064)	(99)	(1,941)	(229)	1,712	-749%	(7,064)
Net cash from (used) financing	-	(907)	(423)	(0)	19	(437)	(456)	104%	(423)
Cash/cash equivalents at the month/year end	-	18,012	20,423	-	54,757	53,120	(1,637)	-3%	20,423
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	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

4.2 Monthly Budget Statement – Financial Performance (Standard classification)

DC3 Overberg - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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>		--	73,815	75,484	19,720	46,696	28,267	18,429	65%	75,484
Executive and council		--	8,533	8,533	--	--	1,038	(1,038)	-100%	8,533
Finance and administration		--	65,282	66,951	19,720	46,696	27,229	19,468	71%	66,951
Internal audit		--	--	--	--	--	--	--	--	--
<i>Community and public safety</i>		--	18,973	18,973	1,160	9,223	5,882	3,341	57%	18,973
Community and social services		--	--	--	--	--	--	--	--	--
Sport and recreation		--	14,555	14,555	1,075	8,109	4,495	3,614	80%	14,555
Public safety		--	4,147	4,147	7	839	1,231	(391)	-32%	4,147
Housing		--	--	--	--	--	--	--	--	--
Health		--	271	271	78	275	157	118	75%	271
<i>Economic and environmental services</i>		--	80,046	80,046	6,841	43,912	15,749	28,163	179%	80,046
Planning and development		--	--	--	--	--	--	--	--	--
Road transport		--	79,946	79,946	6,841	43,905	16,731	28,174	179%	79,946
Environmental protection		--	100	100	--	7	18	(11)	-64%	100
<i>Trading services</i>		--	550	550	--	8	76	(69)	-90%	550
Energy sources		--	--	--	--	--	--	--	--	--
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		--	550	550	--	8	76	(69)	-90%	550
<i>Other</i>	4	--	--	--	--	--	--	--	--	--
Total Revenue - Functional	2	--	173,384	175,053	27,720	99,839	49,975	49,864	100%	175,053
Expenditure - Functional										
<i>Governance and administration</i>		--	42,732	46,673	2,951	17,749	12,353	5,396	44%	46,673
Executive and council		--	9,968	9,968	787	4,572	3,049	1,523	50%	9,968
Finance and administration		--	31,607	35,548	2,078	12,597	8,938	3,659	41%	35,548
Internal audit		--	1,157	1,157	86	580	366	214	58%	1,157
<i>Community and public safety</i>		--	50,282	51,562	4,011	22,743	14,866	7,877	53%	51,562
Community and social services		--	--	--	--	--	--	--	--	--
Sport and recreation		--	12,947	14,247	1,417	6,490	4,207	2,283	54%	14,247
Public safety		--	23,688	23,688	1,658	10,181	6,672	3,509	53%	23,688
Housing		--	--	--	--	--	--	--	--	--
Health		--	13,626	13,626	937	6,072	3,987	2,084	52%	13,626
<i>Economic and environmental services</i>		--	84,026	84,026	5,702	35,658	22,838	12,820	58%	84,026
Planning and development		--	1,713	1,713	81	532	408	124	30%	1,713
Road transport		--	79,946	79,946	5,472	34,217	21,792	12,425	57%	79,946
Environmental protection		--	2,367	2,367	149	908	639	270	42%	2,367
<i>Trading services</i>		--	3,192	4,192	5	35	541	(506)	-93%	4,192
Energy sources		--	--	--	--	--	--	--	--	--
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		--	3,192	4,192	5	35	541	(506)	-93%	4,192
<i>Other</i>		--	--	--	--	--	--	--	--	--
Total Expenditure - Functional	3	--	180,212	186,453	12,668	76,186	50,599	25,567	51%	186,453
Surplus/ (Deficit) for the year		--	(6,828)	(11,400)	15,052	23,653	(625)	24,278	-3887%	(11,400)

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

The main functions are Governance and administration; Community and public safety; Economic and environmental services; and trading services.

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

4.3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

DC3 Overberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

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										
Vote 1 - Municipal Manager	1	-	9,622	9,622	-	251	1,278	(1,027)	-80.4%	9,622
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	24	24	-	-	-	-	-	24
Vote 4 - Finance		-	64,970	66,639	19,720	47,246	27,790	19,456	70.0%	66,639
Vote 5 - Community Services		-	98,769	98,769	8,001	52,342	20,907	31,435	150.4%	98,769
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	173,384	175,053	27,720	99,839	49,975	49,864	99.8%	175,053
Expenditure by Vote										
Vote 1 - Municipal Manager	1	-	14,354	14,354	1,054	6,353	4,269	2,084	48.8%	14,354
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	9,654	11,340	525	3,572	2,997	575	19.2%	11,340
Vote 4 - Finance		-	19,402	21,657	1,452	8,355	5,365	2,990	55.7%	21,657
Vote 5 - Community Services		-	136,802	139,102	9,637	57,905	37,968	19,938	52.5%	139,102
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	180,212	186,453	12,668	76,186	50,599	25,587	80.6%	186,453
Surplus/ (Deficit) for the year	2	-	(6,828)	(11,400)	15,052	23,653	(625)	24,278	-3887.4%	(11,400)

The operating expenditure budget is approved at a municipal vote level.

The municipal votes reflect the organisational structure of the municipality which is made up of: Municipal Manager, Corporate Services, Finance and Community Services.

4.4 Monthly Budget Statement – Financial Performance (revenue and expenditure)

DC3 Overberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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											
Properly rates			-	-	-	-	-	-	-	-	
Service charges - electricity revenue			-	-	-	-	-	-	-	-	
Service charges - water revenue			-	-	-	-	-	-	-	-	
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	
Service charges - refuse revenue			550	550	-	-	69	(69)	-100%	550	
Service charges - other			-	-	-	-	-	-	-	-	
Rental of facilities and equipment			10,744	10,744	4	806	1,784	(978)	-55%	10,744	
Interest earned - external investments			1,400	1,400	97	625	500	125	25%	1,400	
Interest earned - outstanding debtors			0	0	810	4,157	917	3,240	353%	0	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			-	-	-	-	-	-	-	-	
Licences and permits			128	128	57	195	122	73	60%	128	
Agency services			8,401	8,401	-	-	1,038	(1,038)	-100%	8,401	
Transfers and subsidies			142,799	144,468	26,457	89,650	42,182	47,468	113%	144,468	
Other revenue			8,562	8,562	296	3,606	2,563	1,042	41%	8,562	
Gains on disposal of PPE			-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)			-	172,584	174,253	27,720	99,039	49,175	49,864	101%	174,253
Expenditure By Type											
Employee related costs			97,324	97,324	6,893	44,778	29,323	15,455	53%	97,324	
Remuneration of councillors			5,461	5,461	478	2,844	1,921	923	48%	5,461	
Debt impairment			-	-	-	-	-	-	-	-	
Depreciation & asset impairment			3,101	3,101	2	52	421	(370)	-88%	3,101	
Finance charges			5,335	5,335	3	16	678	(662)	-98%	5,335	
Bulk purchases			-	-	-	-	-	-	-	-	
Other materials			43,793	43,823	2,218	15,578	10,754	4,823	45%	43,823	
Contracted services			12,019	17,457	694	4,312	4,132	180	4%	17,457	
Transfers and subsidies			-	-	-	-	-	-	-	-	
Other expenditure			13,180	13,952	2,379	8,607	3,370	5,237	155%	13,952	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
Total Expenditure			-	180,212	186,453	12,668	76,186	50,599	25,587	51%	186,453
Surplus/(Deficit)			-	(7,628)	(12,200)	15,052	22,853	(1,425)	24,278	(0)	(12,200)
(National / Provincial and District)			-	-	-	-	-	-	-	-	-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			800	800	-	800	800	-	-	-	800
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			-	(6,828)	(11,400)	15,052	23,653	(625)			(11,400)
Taxation			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			-	(6,828)	(11,400)	15,052	23,653	(625)			(11,400)
Attributable to minorities			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			-	(6,828)	(11,400)	15,052	23,653	(625)			(11,400)
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year			-	(6,828)	(11,400)	15,052	23,653	(625)			(11,400)

Reasons for variances: Revenue

- A total year to date variance of 101% is significant. This is mainly due to grants received before anticipated.

Expenditure

Expenditure to date amount to 40.86%. This is considered good expenditure management as the Municipality is halfway through the financial year. It should be noted that some expenditure items such as depreciation is not yet recorded due to the module on the financial system still being implemented.

Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)

DC3 Overberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M06 December

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
Capital expenditure - Municipal Vote										
Expenditure of multi-year capital appropriation	1									
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-
1.1 - Executive		-	-	-	-	-	-	-	-	-
1.2 - Executive Support		-	-	-	-	-	-	-	-	-
1.3 - Internal Audit		-	-	-	-	-	-	-	-	-
1.4 - Council Expenditure		-	-	-	-	-	-	-	-	-
1.5 - IDP & Communication		-	-	-	-	-	-	-	-	-
1.6 - Performance & Risk Management		-	-	-	-	-	-	-	-	-
1.7 - Donations		-	-	-	-	-	-	-	-	-
1.8 - Management Support		-	-	-	-	-	-	-	-	-
1.9 - Shared Services		-	-	-	-	-	-	-	-	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
2.1 - Record Management		-	-	-	-	-	-	-	-	-
2.2 - Human Resources		-	-	-	-	-	-	-	-	-
2.3 - Supply Chain Management		-	-	-	-	-	-	-	-	-
2.4 - Finance Inc, Exp & IT		-	-	-	-	-	-	-	-	-
2.5 - Performance Management		-	-	-	-	-	-	-	-	-
2.6 - Administration		-	-	-	-	-	-	-	-	-
2.7 - Property Services		-	-	-	-	-	-	-	-	-
2.8 - Financial Administration		-	-	-	-	-	-	-	-	-
2.9 - IDP/LED		-	-	-	-	-	-	-	-	-
2.10 - Grants - National Government		-	-	-	-	-	-	-	-	-
2.11 - Grants - Provincial Government		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
3.1 - Executive		-	-	-	-	-	-	-	-	-
3.2 - Corporate Support		-	-	-	-	-	-	-	-	-
3.3 - Human Resources		-	-	-	-	-	-	-	-	-
3.4 - Committee, Records & Councillor Support		-	-	-	-	-	-	-	-	-
3.5 - Information Services		-	-	-	-	-	-	-	-	-
Vote 4 - Finance		-	-	-	-	-	-	-	-	-
4.1 - Executive		-	-	-	-	-	-	-	-	-
4.2 - Financial Support		-	-	-	-	-	-	-	-	-
4.3 - Financial Services		-	-	-	-	-	-	-	-	-
4.4 - Revenue		-	-	-	-	-	-	-	-	-
4.5 - Expenditure		-	-	-	-	-	-	-	-	-
4.6 - Supply Chain Management		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
5.1 - Executive		-	-	-	-	-	-	-	-	-
5.2 - Community Services Support		-	-	-	-	-	-	-	-	-
5.3 - Municipal Health		-	-	-	-	-	-	-	-	-
5.4 - Comprehensive Health		-	-	-	-	-	-	-	-	-
5.5 - Environmental Management		-	-	-	-	-	-	-	-	-
5.6 - Solid Waste		-	-	-	-	-	-	-	-	-
5.7 - Emergency Services		-	-	-	-	-	-	-	-	-
5.8 - LED, Tourism, Resorts & EPWP		-	-	-	-	-	-	-	-	-
5.9 - Roads		-	-	-	-	-	-	-	-	-
5.10 - Resorts		-	-	-	-	-	-	-	-	-
Total multi-year capital expenditure		-	-	-	-	-	-	-	-	-

Capital expenditure - Municipal Vote									
Expenditure of single-year capital appropriation									
1									
Vote 1 - Municipal Manager		30	30	-	-	10	(10)	-100%	30
1.1 - Executive		15	15	-	-	10	(10)	-100%	15
1.2 - Executive Support		-	-	-	-	-	-		-
1.3 - Internal Audit		-	-	-	-	-	-		-
1.4 - Council Expenditure		-	-	-	-	-	-		-
1.5 - IDP & Communication		15	15	-	-	-	-		15
1.6 - Performance & Risk Management		-	-	-	-	-	-		-
1.7 - Donations		-	-	-	-	-	-		-
1.8 - Management Support		-	-	-	-	-	-		-
1.9 - Shared Services		-	-	-	-	-	-		-
Vote 2 - Management Services		-	-	-	-	-	-		-
2.1 - Record Management		-	-	-	-	-	-		-
2.2 - Human Resources		-	-	-	-	-	-		-
2.3 - Supply Chain Management		-	-	-	-	-	-		-
2.4 - Finance Inc, Exp & IT		-	-	-	-	-	-		-
2.5 - Performance Management		-	-	-	-	-	-		-
2.6 - Administration		-	-	-	-	-	-		-
2.7 - Property Services		-	-	-	-	-	-		-
2.8 - Financial Administration		-	-	-	-	-	-		-
2.9 - IDP/LED		-	-	-	-	-	-		-
2.10 - Grants - National Government		-	-	-	-	-	-		-
2.11 - Grants - Provincial Government		-	-	-	-	-	-		-
Vote 3 - Corporate Services		24	24	29	31	18	14	78%	24
3.1 - Executive		-	-	-	-	-	-		-
3.2 - Corporate Support		18	18	29	31	18	14	78%	18
3.3 - Human Resources		2	2	-	-	-	-		2
3.4 - Committee, Records & Councillor Support		5	5	-	-	-	-		5
3.5 - Information Services		-	-	-	-	-	-		-
Vote 4 - Finance		51	894	0	14	30	(16)	-53%	894
4.1 - Executive		-	-	-	-	-	-		-
4.2 - Financial Support		-	-	-	-	-	-		-
4.3 - Financial Services		21	864	0	11	10	1	13%	864
4.4 - Revenue		-	-	-	-	-	-		-
4.5 - Expenditure		20	20	-	3	10	(7)	-71%	20
4.6 - Supply Chain Management		11	11	-	-	11	(11)	-100%	11
Vote 5 - Community Services		1,116	6,116	70	1,895	171	1,724	1008%	6,116
5.1 - Executive		-	-	-	-	-	-		-
5.2 - Community Services Support		-	-	-	-	-	-		-
5.3 - Municipal Health		83	83	(0)	9	11	(2)	-21%	83
5.4 - Comprehensive Health		-	-	-	-	-	-		-
5.5 - Environmental Management		28	28	-	-	-	-		28
5.6 - Solid Waste		-	-	-	-	-	-		-
5.7 - Emergency Services		800	5,800	70	1,815	-	1,815	#DIV/0!	5,800
5.8 - LED, Tourism, Resorts & EPWP		205	205	0	72	160	(88)	-55%	205
5.9 - Roads		-	-	-	-	-	-		-
5.10 - Resorts		-	-	-	-	-	-		-
Total single-year capital expenditure		-	1,221	7,064	99	1,941	229	1,712	0
Total Capital Expenditure		-	1,221	7,064	99	1,941	229	1,712	0

Capital spending is higher than the budget to date. This is mainly due to fire vehicles that was received before anticipated.

4.5 Monthly Budget Statement – Financial Position

DC3 Overberg - Table C6 Monthly Budget Statement - Financial Position - M06 December

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		32,276	18,012	20,423	54,757	19,970
Call investment deposits		-	-	-	-	-
Consumer debtors		1,111	1,440	1,111	1,181	1,111
Other debtors		4,015	842	4,015	4,022	4,015
Current portion of long-term receivables		-	-	-	-	-
Inventory		989	750	989	738	989
Total current assets		38,391	21,044	26,538	60,698	26,084
Non current assets						
Long-term receivables		28,433	28,433	28,433	28,433	28,433
Investments		-	-	-	-	-
Investment property		-	-	-	-	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		43,696	45,185	47,741	45,637	47,741
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		450	167	369	450	369
Other non-current assets		8,818	9,523	8,818	8,818	8,818
Total non current assets		81,397	83,307	85,360	83,338	85,360
TOTAL ASSETS		119,788	104,351	111,898	144,036	111,444
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		1,206	680	1,206	1,206	1,206
Consumer deposits		12	12	12	31	12
Trade and other payables		11,005	2,637	9,336	11,580	9,336
Provisions		9,827	9,994	10,417	9,827	10,417
Total current liabilities		22,050	13,323	20,971	22,645	20,971
Non current liabilities						
Borrowing		2,815	4,017	1,938	2,815	1,938
Provisions		79,746	89,475	84,758	79,746	84,758
Total non current liabilities		82,561	93,492	86,696	82,561	86,696
TOTAL LIABILITIES		104,611	106,815	107,667	105,205	107,667
NET ASSETS	2	15,177	(2,464)	4,231	38,830	3,778
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		15,177	(2,464)	4,231	38,830	3,778
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	15,177	(2,464)	4,231	38,830	3,778

Although the cash balance improved, strong financial management and discipline will still have to be enforced. It must also be noted that most of the grants have already been received. This means that the cash flow position situation will deteriorate towards the end of the financial year.

Monthly Budget Statement – Cash Flow

DC3 Overberg - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2017/18									
		2016/17 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates			-	-	-	-	-	-	-	-	
Service charges			550	550	-	8	145	(138)	-95%	550	
Other revenue			27,835	27,835	390	4,605	9,339	(4,734)	-51%	27,835	
Government - operating			142,799	142,799	26,457	90,900	89,583	1,317	1%	142,799	
Government - capital			800	800	-	800	800	-	-	800	
Interest			1,400	1,400	907	3,168	1,638	1,530	93%	1,400	
Dividends			-	-	-	-	-	-	-	-	
Payments											
Suppliers and employees			(169,950)	(177,427)	(11,032)	(75,062)	(79,901)	(4,840)	6%	(177,427)	
Finance charges			(323)	(323)	(3)	(16)	(93)	(77)	83%	(323)	
Transfers and Grants			-	-	-	-	-	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	3,110	(4,366)	16,719	24,402	21,510	(2,892)	-13%	(4,366)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			-	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors			-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables			-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	
Payments											
Capital assets			(1,221)	(7,064)	(99)	(1,941)	(229)	1,712	-749%	(7,064)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(1,221)	(7,064)	(99)	(1,941)	(229)	1,712	-749%	(7,064)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-	-	-	-	-	-	-	-	
Borrowing long term/refinancing			-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits			-	-	(0)	19	17	3	16%	-	
Payments											
Repayment of borrowing			(907)	(423)	-	-	(454)	(454)	100%	(423)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	(907)	(423)	(0)	19	(437)	(456)	104%	(423)
NET INCREASE/ (DECREASE) IN CASH HELD			-	982	(11,853)	16,619	22,481	20,844			(11,853)
Cash/cash equivalents at beginning:			17,029	32,276		32,276	32,276				32,276
Cash/cash equivalents at month/year end:			18,012	20,423		54,757	53,120				20,423

PART 2: SUPPORTING DOCUMENTATION

1. Debtor's Analysis (Table SC3)

DC3 Overberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2017/18									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.O Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	1	0	-	-	-	-	-	-	1	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	32	3	1	1	1	0	2	4	45	8	-	
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	(2)	4	4	4	4	1	-	20	36	30	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	440	76	32	25	24	12	46	88	741	194	-	
Total By Income Source	2000	471	83	37	30	29	13	48	113	923	232	-	
2016/17 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(77)	-	-	-	-	-	-	0	(77)	0	-	
Commercial	2300	(35)	7	7	7	10	2	-	-	(4)	19	-	
Households	2400	566	77	30	23	18	11	47	85	857	185	-	
Other	2500	17	-	-	-	-	-	1	28	45	28	-	
Total By Customer Group	2600	471	83	37	30	29	13	48	113	923	232	-	

2. Creditor's Analysis (Table SC4)

3.

DC3 Overberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2017/18								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	76	674	221	3	0	-	-	-	975
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	76	674	221	3	0	-	-	-	975

4. Investment portfolio analysis (Table SC5)

Dec-17	Account number	INSTITUTION	Actual date	Balance as at 30 November 2017	Movements for the month					Balance as at 31 December 2017	Interest earned	
					Investments matured	Investments made	Interest capitalised	Costs & Fees	Actual date		Month	Yield
Overberg District Municipality												
ABSA Deposito Plus	9287551045	ABSA BANK		R 11 772 565.31	R -		67 490.67			R 11 840 056.98	R 64 953.19	5.76%
ABSA Deposito Plus	9287550641	ABSA BANK		R 16 010 501.40		R -	91 766.23			R 16 102 267.63	R 88 339.15	5.50%
NEDBANK	1766000029	NEDBANK		R -	R -					R -	R -	6.95%
STANDARD BANK 32 Dae Deposito	28 8802 861	STANDARD BANK		R -						R -	R -	5.13%
NEDBANK 32 Days	1766000029	NEDBANK		R -				R -		R -	R -	5.25%
Total for Investments				R 27 783 066.71	R -	R -	R 169 256.90	R -		R 27 942 343.61	R 153 292.34	5.72%
Primary Bank Account	178-000-006-2	Absa Bank		R 11 857 674.92	R -13 607 727.87	R -				R 25 465 402.79	R -	0.00%
				R -		R -				R -	R -	0.00%
Total for Bank Acc				R 11 857 674.92	R -13 607 727.87	R -	R -	R -	R -	R 25 465 402.79	R -	0.00%
TOTAL				R 39 640 741.63	R -13 607 727.87	R -	R 159 276.90	R -	R -	R 53 407 746.40	R 153 292.34	0.00%

5. Allocation and grant receipts and expenditure (Tables SC6 and SC7)

DC3 Overberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

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:										
Operating Transfers and Grants										
National Government:		-	62,453	62,453	19,609	46,865	65,960	(19,095)	-28.9%	62,453
Local Government Equitable Share			57,286	57,286	19,095	42,965	62,060	(19,095)	-30.8%	57,286
Finance Management			1,250	1,250		1,250	1,250	-		1,250
EPWP Incentive			1,142	1,142	514	800	800	-		1,142
Rural Roads Asset Management Grant			2,775	2,775	-	1,850	1,850	-		2,775
	3									
Other transfers and grants [insert description]										
Provincial Government:		-	80,346	80,346	6,848	44,035	50,073	(6,015)	-12.0%	80,346
PT - PAWK			79,806	79,806	6,820	43,823	49,838	(6,015)	-12.1%	79,806
Seta			100	100	-	77	100	-		100
Health Subsidy			143	143	21	80	80	-		143
CDW Operational Support Grant			56	56	7	56	56	-		56
Human Capacity Building Grant			240	240				-		240
Financial Management Support Grant	4									
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	-	142,799	142,799	26,457	90,900	116,033	(25,110)	-21.6%	142,799
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-		-
Other capital transfers [insert description]										
Provincial Government:		-	800	800	-	800	800	-		800
Fire Service Capacity Building Grant			800	800		800	800	-		800
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Capital Transfers and Grants	5	-	800	800	-	800	800	-		800
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	143,599	143,599	26,457	91,700	116,833	(25,110)	-21.5%	143,599

DC3 Overberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		–	62,453	62,453	19,609	45,615	26,006	19,609	75.4%	62,453
Local Government Equitable Share			57,286	57,286	19,095	42,965	23,870	19,095	80.0%	57,286
Finance Management			1,250	1,250	–	–	–	–	–	1,250
EPWP Incentive			1,142	1,142	514	800	286	514	179.7%	1,142
Rural Roads Asset Management Grant			2,775	2,775	–	1,850	1,850	–	–	2,775
Other transfers and grants [insert description]										
Provincial Government:		–	80,346	82,015	6,848	44,035	16,176	28,259	174.7%	82,015
PT - PAWK			79,806	79,806	6,820	43,823	15,691	28,132	179.3%	79,806
Seta			100	100	–	77	51	26	51.5%	100
Health Subsidy			143	143	21	80	35	45	128.0%	143
CDW Operational Support Grant			56	87	7	56	–	56	#DIV/0!	87
Financial Management Support Grant				1,200	–	–	400	–	–	1,200
Human Capacity Building Grant			240	678	–	–	–	–	–	678
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		–	142,799	144,468	26,457	89,650	42,182	47,868	113.5%	144,468
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	–	–	–
Other capital transfers [insert description]										
Provincial Government:		–	800	800	–	800	800	–	–	800
Fire Service Capacity Building Grant			800	800	–	800	800	–	–	800
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		–	800	800	–	800	800	–	–	800
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	143,599	145,268	26,457	90,450	42,982	47,868	111.4%	145,268

6. Councillor allowances and employee benefits (Table SC8)

DC3 Overberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			3,575	3,575	307	1,834	1,251	583	47%	3,575
Pension and UIF Contributions			131	131	16	95	58	37	64%	131
Medical Aid Contributions			-	-	-	-	-	-	-	-
Motor Vehicle Allowance			1,500	1,500	134	787	524	263	50%	1,500
Cellphone Allowance			256	256	21	128	88	40	45%	256
Housing Allowances			-	-	-	-	-	-	-	-
Other benefits and allowances			-	-	-	-	-	-	-	-
Sub Total - Councillors			5,461	5,461	478	2,844	1,921	923	48%	5,461
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of the Municipality										
Basic Salaries and Wages			3,347	3,347	189	1,163	953	209	22%	3,347
Pension and UIF Contributions			6	6	0	2	1	0	20%	6
Medical Aid Contributions			-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-
Motor Vehicle Allowance			426	426	33	172	125	47	37%	426
Cellphone Allowance			18	18	1	6	5	1	23%	18
Housing Allowances			5	5	0	2	1	1	42%	5
Other benefits and allowances			26	26	2	13	9	4	45%	26
Payments in lieu of leave			-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-
Post-retirement benefit obligations			-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality			3,828	3,828	226	1,357	1,095	262	24%	3,828
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages			66,055	66,055	4,469	31,061	19,578	11,484	59%	66,055
Pension and UIF Contributions			9,545	9,545	867	4,859	3,306	1,553	47%	9,545
Medical Aid Contributions			4,378	4,378	319	1,840	1,269	572	45%	4,378
Overtime			1,615	1,615	204	989	578	411	71%	1,615
Performance Bonus			-	-	-	-	-	-	-	-
Motor Vehicle Allowance			4,938	4,938	397	2,265	1,575	690	44%	4,938
Cellphone Allowance			318	318	28	160	111	49	44%	318
Housing Allowances			673	673	52	311	221	90	41%	673
Other benefits and allowances			2,665	2,665	281	1,688	1,064	624	59%	2,665
Payments in lieu of leave			505	505	24	67	92	(25)	-27%	505
Long service awards			401	401	25	181	135	45	34%	401
Post-retirement benefit obligations			2,404	2,404	-	-	301	(301)	-100%	2,404
Sub Total - Other Municipal Staff			93,496	93,496	6,667	43,421	28,228	15,193	54%	93,496
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Total Parent Municipality			102,784	102,784	7,371	47,622	31,244	16,378	52%	102,784
Unpaid salary, allowances & benefits in arrears:										

Board Members of Entities											
	Basic Salaries and Wages							-			
	Pension and UIF Contributions							-			
	Medical Aid Contributions							-			
	Overtime							-			
	Performance Bonus							-			
	Motor Vehicle Allowance							-			
	Cellphone Allowance							-			
	Housing Allowances							-			
	Other benefits and allowances							-			
	Board Fees							-			
	Payments in lieu of leave							-			
	Long service awards							-			
	Post-retirement benefit obligations							-			
	Sub Total - Board Members of Entities	2	-	-	-	-	-	-		-	
	% increase	4									
Senior Managers of Entities											
	Basic Salaries and Wages							-			
	Pension and UIF Contributions							-			
	Medical Aid Contributions							-			
	Overtime							-			
	Performance Bonus							-			
	Motor Vehicle Allowance							-			
	Cellphone Allowance							-			
	Housing Allowances							-			
	Other benefits and allowances							-			
	Payments in lieu of leave							-			
	Long service awards							-			
	Post-retirement benefit obligations							-			
	Sub Total - Senior Managers of Entities	2	-	-	-	-	-	-		-	
	% increase	4									
Other Staff of Entities											
	Basic Salaries and Wages							-			
	Pension and UIF Contributions							-			
	Medical Aid Contributions							-			
	Overtime							-			
	Performance Bonus							-			
	Motor Vehicle Allowance							-			
	Cellphone Allowance							-			
	Housing Allowances							-			
	Other benefits and allowances							-			
	Payments in lieu of leave							-			
	Long service awards							-			
	Post-retirement benefit obligations							-			
	Sub Total - Other Staff of Entities	4	-	-	-	-	-	-		-	
	% increase	4									
Total Municipal Entities			-	-	-	-	-	-		-	
TOTAL SALARY, ALLOWANCES & BENEFITS			-	102,784	102,784	7,371	47,622	31,244	16,378	52%	102,784
	% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
TOTAL MANAGERS AND STAFF			-	97,324	97,324	6,893	44,778	29,323	15,455	53%	97,324

7. Material variances to the service delivery and budget implementation plan

SUMMARY INCOME & EXPENDITURE 2017/2018 EXCLUDING ROADS AGENCY

Revenue by Source	Budget	Month Actual	YTD Actual	YTD Budget
SERVICES CHARGES	R -550,000.00	R -	R -	R -68,750.00
RENT OF FACILITIES&EQUIPMENT	R -10,734,494.00	R -4,214.94	R -805,903.47	R -1,783,687.05
INTEREST EARNED-EXTERNAL INVES	R -1,400,000.00	R -96,562.11	R -624,935.05	R -499,521.03
INTEREST EARNED-OUTST DEBTORS	R -100.00	R -810,331.50	R -4,157,206.66	R -917,047.31
LICENSES & PERMITS	R -127,680.00	R -56,785.11	R -195,126.50	R -121,837.97
INCOME FOR AGENCY SERVICES	R -8,400,658.00	R -	R -	R -1,038,334.00
GRANT&SUBSIDIES (OPERATING)	R -64,661,542.74	R -19,637,266.65	R -45,827,090.75	R -26,491,418.57
GRANT&SUBSIDIES (CAPITAL)	R -800,000.00	R -	R -800,000.00	R -800,000.00
OTHER REVENUE	R -8,432,570.00	R -274,456.33	R -3,523,077.76	R -2,522,969.90
PROFIT ON SALE	R -	R -	R -	R -
	R -95,107,044.74	R -20,879,616.64	R -55,933,340.19	R -34,243,565.82

Expenditure by Type	Budget	Month Actual	YTD Actual	YTD Budget
EMPLOYEE COSTS-WAGES&SALARIES	R 61,585,616.00	R 4,469,120.11	R 27,815,707.24	R 18,285,804.61
REMUNERATION OF COUNCILLORS	R 5,460,519.00	R 478,315.56	R 2,843,845.11	R 1,920,968.69
BAD DEBTS	R -	R -	R -	R -
DEPRECIATION	R 3,101,295.13	R 1,714.34	R 51,557.90	R 421,290.19
OTHER MATERIAL	R 2,097,098.33	R 246,352.85	R 743,392.78	R 590,808.02
INTEREST EXPENSE - EXTERNAL	R 5,334,144.00	R -	R 12,702.00	R 677,882.25
REDEMPTION PAYMENTS - EXTERNAL	R -	R -	R -	R -
CONTRACTED SERVICES	R 17,136,896.74	R 693,601.30	R 4,204,919.51	R 4,030,990.87
GRANTS & SUBSIDIES PAID	R -	R -	R -	R -
GENERAL EXPENSES - OTHER	R 11,791,264.00	R 1,306,798.76	R 6,296,569.57	R 2,879,832.15
LOSS ON DISPOSAL OF ASSETS	R -	R -	R -	R -
	R 106,506,833.20	R 7,195,902.92	R 41,968,694.11	R 28,807,576.77
Total	R 11,399,788.46	R -13,683,713.72	R -13,964,646.08	R -5,435,989.05

Revenue by source

Reasons for variance:

-Total income to date is higher than anticipated with a variance of 63%.
This is mainly due to grants and subsidies received earlier

Expenditure by type:

Reasons for variance:

-Total expenditure is 46% higher than anticipated.
This is mainly due to salaries being higher than anticipated with the bonuses paid out in November

SUMMARY INCOME & EXPENDITURE 2017/2018 ROADS AGENCY

Revenue by Source	Budget	Month Actual	YTD Actual	YTD Budget
SERVICES CHARGES	R -	R -	R -	R -
RENT OF FACILITIES&EQUIPMENT	R -10,000.00	R -	R -	R -
INTEREST EARNED-EXTERNAL INVES	R -	R -	R -	R -
INTEREST EARNED-OUTST DEBTORS	R -	R -	R -	R -
DIVIDENDS RECEIVED	R -	R -	R -	R -
LICENSES & PERMITS	R -	R -	R -	R -
INCOME FOR AGENCY SERVICES	R -	R -	R -	R -
GRANT&SUBSIDIES (OPERATING)	R -79,806,250.00	R -6,819,549.04	R -43,822,886.55	R -15,690,885.58
GRANT&SUBSIDIES (CAPITAL)	R -	R -	R -	R -
OTHER REVENUE	R -129,500.00	R -21,290.00	R -82,582.98	R -40,226.85
	R -79,945,750.00	R -6,840,839.04	R -43,905,469.53	R -15,731,111.93

Expenditure by Type	Budget	Month Actual	YTD Actual	YTD Budget
EMPLOYEE COSTS-WAGES&SALARIES	R 35,738,057.00	R 2,423,876.89	R 16,962,218.20	R 11,037,409.26
EMPLOYEE COSTS-SOCIAL CONTRIBU	R -	R -	R -	R -
LESS EMP COSTS TO OTHER OPERAT	R -	R -	R -	R -
REMUNERATION OF COUNCILLORS	R -	R -	R -	R -
BAD DEBTS	R -	R -	R -	R -
DEPRECIATION	R -	R -	R -	R -
OTHER MATERIAL	R 41,726,393.00	R 1,971,904.82	R 14,834,122.51	R 10,163,341.51
INTEREST EXPENSE - EXTERNAL	R 800.00	R 3,395.61	R 3,395.61	R 100.00
REDEMPTION PAYMENTS - EXTERNAL	R -	R -	R -	R -
CONTRACTED SERVICES	R 320,000.00	R 841.98	R 106,989.36	R 100,711.95
GRANTS & SUBSIDIES PAID	R -	R -	R -	R -
GENERAL EXPENSES - OTHER	R 2,160,500.00	R 1,072,467.40	R 2,310,341.50	R 490,057.86
	R 79,945,750.00	R 5,472,486.70	R 34,217,067.18	R 21,791,620.57
Total	R -	R -1,368,352.34	R -9,688,402.35	R 6,060,508.64

Revenue by source

Reasons for variances:

-Total revenue actual is 179% higher than anticipated
Amount to be received from Provincial Roads

Expenditure by type

Reasons for variances:

-Total expenditure actual versus budgeted varies significantly with 57%
This is mainly due to salaries being higher than anticipated with the bonuses paid out in November

8. Capital programme performance

Department	Programme	Project/Description	Budget	YTD	Balance	%Spent
Committee Services, Records Management and Council Support	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 5 000.00	R 4 124.00	R 876.00	82.48%
Emergency Services	DC3_Fire Vehicle	Purchase Fire Vehicle	R 2 300 000.00	R 1 188 935.41	R 1 111 064.59	51.69%
Emergency Services	DC3_Plant and Equipment	Purchase rescue equipment	R 500 000.00	R 626 057.00	R -126 057.00	125.21%
Emergency Services	DC3_Fire Building	Purchase/Build Fire Station	R 3 000 000.00	R -	R 3 000 000.00	0.00%
Environmental Management	DC3_GIS Computer	Purchase GIS Computer	R 15 000.00	R -	R 15 000.00	0.00%
Environmental Management	DC3_Computer Equipment	Purchase computer hardware and software	R 19 000.00	R -	R 19 000.00	0.00%
Municipal Manager	DC3_Computer Equipment	Purchase computer hardware and software	R 10 000.00	R -	R 10 000.00	0.00%
Municipal Manager	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 5 000.00	R -	R 5 000.00	0.00%
Expenditure Management	DC3_Computer Equipment	Purchase computer hardware and software	R 12 000.00	R 2 794.62	R 9 205.38	23.29%
Expenditure Management	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 7 500.00	R -	R 7 500.00	0.00%
Financial Services	DC3_Computer Equipment	Purchase computer hardware and software	R 10 000.00	R 11 314.79	R -1 314.79	113.15%
Financial Services	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 7 500.00	R -	R 7 500.00	0.00%
Financial Services	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 1 000.00	R -	R 1 000.00	0.00%
Financial Services	DC3_Computer Equipment	Purchase computer hardware and software	R 2 000.00	R -	R 2 000.00	0.00%
Financial Services	DC3_Vehicles	Purchase Transport Assets	R 843 600.00	R -	R 843 600.00	0.00%
Human Resources	DC3_Projector Screen	Purchase Projector screen	R 1 000.00	R -	R 1 000.00	0.00%
Human Resources	DC3_Whiteboard	Purchase Whiteboard	R 800.00	R -	R 800.00	0.00%
IDP & Communication	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 15 000.00	R -	R 15 000.00	0.00%
Municipal Health Services	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 11 000.00	R 8 654.95	R 2 345.05	78.68%
Municipal Health Services	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 6 000.00	R -	R 6 000.00	0.00%
Municipal Health Services	DC3_Computer Equipment	Purchase computer hardware and software	R 36 000.00	R -	R 36 000.00	0.00%
Municipal Health Services	DC3_Computer Equipment	Purchase computer hardware and software	R 30 000.00	R -	R 30 000.00	0.00%
Led, Tourism, Resorts & EPWP	DC3_Plant and Equipment	Purchase floater (Die Dam) and grass cutting equipment (Uitenkralsmond)	R 45 000.00	R 23 048.25	R 21 951.75	51.22%
Led, Tourism, Resorts & EPWP	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 50 000.00	R 23 670.18	R 26 329.82	47.34%
Led, Tourism, Resorts & EPWP	DC3_Upgrade ablution facilities	Upgrade ablution facilities (Die Dam)	R 45 000.00	R 26 950.00	R 18 050.00	59.89%
Led, Tourism, Resorts & EPWP	DC3_Mobile Toilets	Purchase mobile toilets (Die Dam)	R 15 000.00	R -	R 15 000.00	0.00%
Led, Tourism, Resorts & EPWP	DC3_Upgrade Buildings	Upgrade buildings - Replace windows with aluminium	R 30 000.00	R 25 068.77	R 4 931.23	83.56%
Led, Tourism, Resorts & EPWP	DC3_Computer Equipment	Purchase computer hardware and software	R 20 000.00	R -	R 20 000.00	0.00%
Supply Chain Management	DC3_Computer Equipment	Purchase computer hardware and software	R 9 000.00	R -	R 9 000.00	0.00%
Supply Chain Management	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 1 500.00	R -	R 1 500.00	0.00%
Directorate Corporate Services	DC3_Computer Equipment	Purchase computer hardware and software	R 10 000.00	R -	R 10 000.00	0.00%
Directorate Corporate Services	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 5 000.00	R -	R 5 000.00	0.00%
Directorate Corporate Services	DC3_Furniture and Office Equipment	Purchase Furniture and Office Equipment	R 2 500.00	R -	R 2 500.00	0.00%
			R 7 064 400.00	R 1 940 617.97	R 5 123 782.03	27.47%

9. Capital budget expenditure (SC12)

DC3 Overberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	Budget Year 2017/18									
	2016/17	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands										
Monthly expenditure performance trend										
July		-	-	-	-	-	-	-	-	-
August		15	4	4	#VALUE!	4	#VALUE!	#VALUE!	#VALUE!	#VALUE!
September		10	87	87	#VALUE!	92	#VALUE!	#VALUE!	#VALUE!	#VALUE!
October		52	28	29	#VALUE!	120	#VALUE!	#VALUE!	#VALUE!	#VALUE!
November		28	28	1,721	#VALUE!	147	#VALUE!	#VALUE!	#VALUE!	#VALUE!
December		34	81	99	#VALUE!	229	#VALUE!	#VALUE!	#VALUE!	#VALUE!
January		125	884			1,112	-	-	-	
February		93	1,093			2,205	-	-	-	
March		12	2,267			4,472	-	-	-	
April		853	2,592			7,064	-	-	-	
May		-	-			7,064	-	-	-	
June		-	-			7,064	-	-	-	
Total Capital expenditure		-	1,221	7,064	1,941					

9. Non-financial performance

The assessment on the performance of the Top Layer SDBIP for the first six months of the financial year (01 July 2017 - 31 December 2017) includes a detailed review of: -

- The actual and year-to-date performance on the Top Layer SDBIP against the Service Delivery Targets contained in the approved 2017/2018 Top Layer SDBIP (Annexure A). The report include performance comments and corrective measures on KPIs performed.

The graphs below indicate the actual performance of the Top Layer SDBIP as at 31 December 2017.

Only 29 of the 52 KPI's (55.77%) were measured during the first six months of the financial year, which includes 3 KPIs with target dates June 2018 (TL 7, TL 20 TL 38). These KPIs are currently being addressed to ensure that the annual targets are met at June 2018. The report and graphs reflects these KPIs as extremely well met during this period.

The report indicates that only 24 KPI's of the 26 KPI's (92.31%) were met. The 2 KPIs (TL 29 and TL 52) were not met due to delays in the process to execute the KPIs. During the semester corrective measures were put in place where targets were not informed as planned.

KPIs not met during the period:

- TL29 – Align Long-term financial plan with IDP
- TL51 – Coordinate the revision of the LED/Tourism strategy

KPIs that were well met during the period:

- TL33 -Drinking water samples;
- TL34 - Food samples;
- TL35 – Inspect waste management sites
- TL36 – Sewerage water samples
- TL37 – Inspect food premises to monitor hazardous substances
- TL48 –Roads Gravelled
- TL49- Road blades

KPI's that were extremely well met during the period:-

- TL 6 – Execution of Audit Projects

KPI's currently being addressed:-

- TL 7 – IDP awareness campaigns
- TL 20 – Health and safety drills
- TL38 – Air quality awareness campaigns

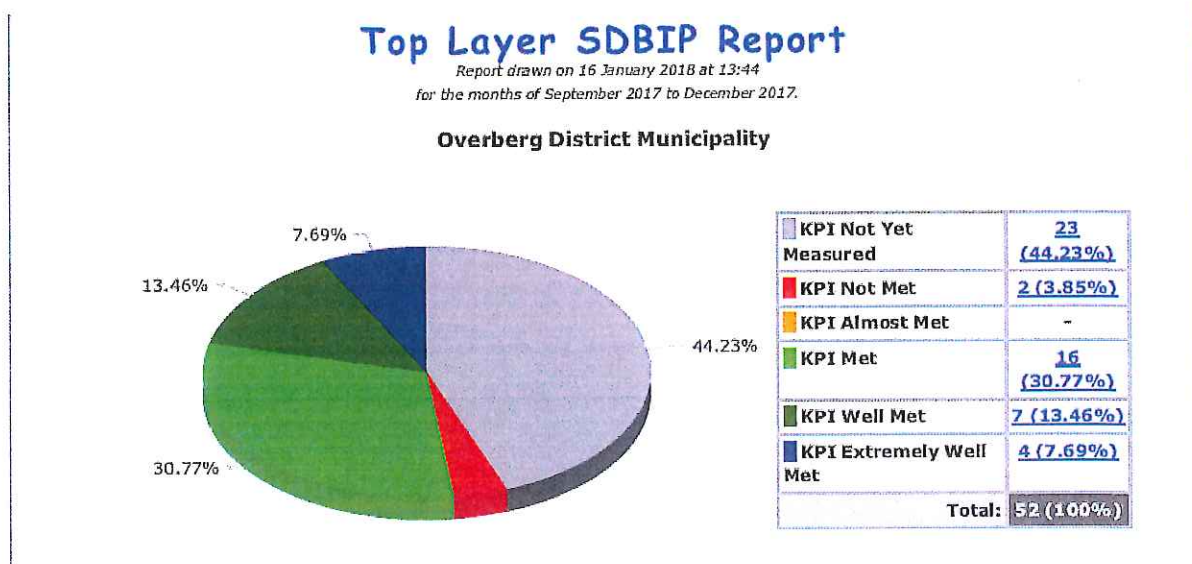
The report (Annexure A) indicates which KPI's need to be amended and the reason for the amendments.

It is also necessary to adjust the capital projects and time periods after the re-evaluation of the Capital Budget needs.

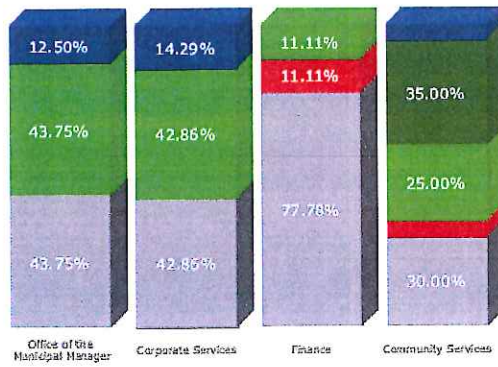
Conclusion:

It is recommended that the 2017/2018 SDBIP be reviewed after the approval of the adjustments budget

Graph: Top Layer SDBIP for the first six month of the financial year – ending December 2016



Directorate



	Office of the Municipal Manager	Corporate Services	Finance	Community Services
KPI Not Yet Measured	<u>7 (43.75%)</u>	<u>3 (42.86%)</u>	<u>7 (77.78%)</u>	<u>6 (30.00%)</u>
KPI Not Met	-	-	<u>1 (11.11%)</u>	<u>1 (5.00%)</u>
KPI Almost Met	-	-	-	-
KPI Met	<u>2 (12.50%)</u>	<u>1 (11.11%)</u>	<u>1 (11.11%)</u>	<u>5 (25.00%)</u>
KPI Well Met	-	-	-	<u>2 (35.00%)</u>
KPI Extremely Well Met	<u>0</u>	<u>1 (14.29%)</u>	-	<u>1 (5.00%)</u>
Total:	16 (30.77%)	7 (13.46%)	9 (17.31%)	20 (38.46%)

DRAFT

**OVERBERG DISTRICT MUNICIPALITY
HALF-YEARLY REPORT BY THE PERFORMANCE AUDIT COMMITTEE: 1 JULY TO 31 DECEMBER 2017**

1. Introduction

The Audit Committee of the Overberg District Municipality, appointed in terms of section 166 of the Municipal Finance Act, no 56 of 2003 was also appointed by the Council to serve as the Performance Audit Committee in accordance with Regulation 14(2) (a) published in Government Notice R796 of 24 August in terms of the Local Government: Municipal Systems Act, no 32 of 2000. In accordance with regulation 14(4) (a) (iii) of the same Regulations a performance audit committee must at least twice during the financial year submit an audit report to the municipal council concerned. This report is submitted in compliance with that requirement and covers the period 1 July to 31 December 2017.

2. Membership

The Performance Audit Committee consists of four members, namely Messrs. A Pienaar (Chairman), H V Liebenberg, D M Farenhem and H J Jansen van Rensburg. The Chairman, Mr. A Pienaar and another member, Mr. HV Liebenberg's term in office expired on 28 November 2017, and through a recruitment process, was replaced by two new members, Mr. P A L Strauss (Chairman) and Mr. CCC Pieterse.

3. Meetings

Meetings were held on 29 August and 28 November 2016.

4. Quarterly reports

Section 45 of the *Municipal Systems Act, 32 of 2000* provides that the results of performance measurements must be audited as part of the Council's internal auditing processes. In terms of regulation 14(1)(b) of the *Municipal Planning and Performance Management Regulations* the auditing must include assessments of the following:

- (i) The functionality of the municipality's performance management system;
- (ii) Whether the performance management system complies with the Act; and
- (iii) The extent to which the performance measurements are reliable in measuring performance.

In compliance with the abovementioned requirements the Council's Internal Audit Services performed an audit on the municipality's measurements, also referred to as Predetermined Objectives for the third and fourth quarters of the 2016/2017 financial year and the first quarter of 2017/2018, including the Top Level SDBIP reports. The Performance Audit Committee considered the Internal Audit reports and any comments and recommendations were recorded and submitted to the Council.

5. Annual Internal Audit Report on Performance Management 2016/2017

The Committee considered the Internal Audit report on the audit of the municipality's performance assessments, also referred to as Predetermined Objectives and Annual Report 2016/2017. The objectives of the Internal Audit review were to ensure that the performance information was adequate, complete, correct and reliable, that the relevant laws and regulations were complied with in the overall performance management system, processes and procedures and that the performance measurements were reliable in measuring the performance of the municipality.

Based on the review it was concluded that the system complied with MFMA Circular no 63 and MSA

S45 (a) and that, based on the samples selected, performance information was adequate and reliable.

6. Annual performance evaluation section 56/57 employees

The annual performance appraisal of the Municipal Manager as well as the Director: Management Services/ Chief Financial Officer, took place on 22 November 2017. The Chairman, Mr. A Pienaar represented the Performance Audit Committee. The appraisal sessions were conducted in a professional manner, ably chaired by the Mayor and the Municipal Manager respectively. The officials were allowed ample opportunity to motivate their self- assessments and were present when the point allocations were done.

7. Conclusion

We thank the Executive Mayor and management for their cooperation and trust that the Committee will continue to assist the Council in providing the best services to the public of the Overberg.



PAL Strauss

Chairman

15 January 2018

On behalf of Audit Committee -

10. Municipal Manager's quality certification

QUALITY CERTIFICATE

I, **DP Beretti**, the Municipal Manager of **Overberg District Municipality**, hereby certify that-

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state affairs of the municipality
- mid-year budget and performance assessment

For the month of December 2017 has been prepared in accordance with the Municipal Finance Management Act and regulation made under that Act.

Print Name D. BERETTI
Municipal Manager of Overberg District Municipality –DC3
Signature *[Handwritten Signature]*
Date 23.1.2018

Overberg District Municipality
SDBIP 2017/2018: Top Layer SDBIP Report (Mid-year)

Ref	Municipal KPA	KPI	Unit of Measurement	Annual Target	Sep-17				Dec-17				Overall Performance for Sep 2017 to Dec 2017			Corrective measures on Mid-year Performance		
					Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures	Target		Actual	R
TL1	Good Governance and Community Participation	Facilitate quarterly DCF Tech meetings to enhance IGR in the Overberg	Number of DCF Tech meetings facilitated per annum	4	1	1	Meeting held on 15/09/2017		1	1	Meeting held on 10/11/2017		2	2	G			
TL2	Local Economic Development	Create temporary job opportunities through the municipality's EPWP programme as per FTE target, by 30 June 2018 (Reg)	Number of Full-Time Equivalents (FTE's) created during the financial year	8	0	0	N/A		0	0	N/A		0	0	N/A			
TL3	Municipal Transformation & Institutional Development	People from employment equity target groups employed in the three highest levels of management per annum compliance with the approved Employment Equity Plan, by 30 June 2018 (Reg)	Number of people employed in the three highest levels of management per annum	1	0	0	N/A		0	0	N/A		0	0	N/A			
TL4	Good Governance and Community Participation	Coordinate quarterly Audit and Performance Audit Committee meetings	Number of quarterly Audit & Performance Audit Committee meetings coordinated per annum	4	1	1	Quarterly meeting held on 29/08/2017 and a Special Meeting was held on 22/08/2017 to discuss the Annual Financial Statements.		1	1	Quarterly meeting held on 28/11/2017		2	2	G			
TL5	Good Governance and Community Participation	Develop a Risk-based Audit Plan (RBAP) for 2018/19 financial year by June 2018	Annual RBAP developed	1	0	0	N/A		0	0	N/A		0	0	N/A			

TL6	Good Governance and Community Participation	Execute audit projects in terms of the Risk Base Audit Plan (RBAP) excluding the quarterly performance reviews	Number of audit projects executed per annum	10	2	4	Year end Stocktaking - July 2017 MSCOA review - August 2017 SCM - Segregation of duties September 2017 Compliance - September 2017			3	4	5	8		Recommendation: To review the Proof of Evidence to ensure that all audit done be covered
TL7	Good Governance and Community Participation	Facilitate awareness campaigns on the IDP by June 2018	Number of awareness campaigns facilitated per annum	2	0	0				0	1	0	1	B	
TL8	Good Governance and Community Participation	Publishing of External Newsletters bi-annually to Stakeholders	Number of external newsletters published per annum	2	0	0				1	1	1	1	G	
TL9	Good Governance and Community Participation	Table to Council by May 2018 the 1st Review of the 4th Generation IDP	Final IDP tabled to Council	1	0	0				0	0	0	0	N/A	
TL10	Good Governance and Community Participation	Prepare Top Layer SDBIP for approval by Mayor within 28 days after the adoption of 2018/19 budget	Top Layer SDBIP submitted to Mayor for approval	1	0	0				0	0	0	0	N/A	
TL11	Good Governance and Community Participation	Review annually the Top Layer SDBIP to inform Council should a revised Top Layer SDBIP be necessary	SDBIP reviewed by January 2018	1	0	0				0	0	0	0	N/A	
TL12	Good Governance and Community Participation	Compilation and submission of Annual Financial Statements (AFS) and Draft Annual Report to the Auditor-General by 31-August 2017	Draft AFS and Draft Annual Report submitted	1	1	1	Submitted Annual Financial Statements and Draft Annual Report to the Auditor-General on 31/08/2017			0	0	1	1	G	
TL13	Good Governance and Community Participation	Coordinate quarterly Risk Management Committee meetings	Number of quarterly Risk Management Committee meetings coordinated per annum	4	1	1	Meeting held on 21/09/2017			1	1	2	2	G	

TL14	Good Governance and Community Participation	Submit quarterly risk reports to each municipality in the district on the critical risks and its impact	Number of reports submitted per annum	20	5	4	Submitted reports to: ODM - 21/09/2017, Item R99 TWK - 14/09/2017, Item R52 Swellendam - 18/09/2017, Item RM32 CAM - 29/09/2017, Item R53 Overstrand - Risk Committee meeting scheduled for 28/09/2017, was postponed	Overstrand Risk Committee meeting took place 2/10/2017, item R75	5	6	The first quarterly report of Overstrand Municipality was tabled to the Risk Management Committee meeting, held on 2/10/2017, item R-75 ODM - 21/11/2017, Item R-107 TWK - 21/11/2017, Item RM43/2017 & RM44/2017 CAM - 22/11/2017, item R61 & R62 Swellendam - 27/11/2017, RM42/2017 & RM43/2017 Overstrand - 15/12/2017, item R-85 & R-86	10	10	G	Recommendation: To ad the following words in the KPI - "Operational and Project"
TL15	Good Governance and Community Participation	Review Risk Management policies of all the municipalities in the District by 31 March 2018	Number of Risk Management Policies reviewed per annum	5	0	0			0	0		0	0	N/A	
TL16	Good Governance and Community Participation	Report quarterly to the DCF Tech on the Shared Services Risk management function	Number of reports submitted per annum	4	1	1	Report submitted 15/09/2017, item 5.3.1		1	1	Meeting held on 10/11/2017, item 5.1.1	2	2	G	
TL17	Municipal Transformation & Institutional Development	Coordinate Local Labour Forum (LLF) meetings in accordance with the Main Collective Agreement	Number of LLF meetings coordinated per annum	10	3	3	Meetings held on: 25/07/2017 21/08/2017 18/09/2017		2	2	Meetings held on: 09/10/2017 20/11/2017	5	5	G	
TL18	Municipal Transformation & Institutional Development	Percentage of identified Staff to be trained as per Workplace Skills Plan by 30 June 2018	% of identified staff trained per annum (Staff received training / Number of staff identified)	80%	0%	0%			0%	0%		0%	0%	N/A	Recommendation: To amend the target date to 30 April 2018 to align with the reporting period of the Workplace Skills Plan

TL19	Municipal Transformation & Institutional Development	Compile and submit Workplace Skills Plan to LG Seta by 30 April 2018	Workplace Skills Plan compiled and submitted to LG Seta	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A		
TL20	Municipal Transformation & Institutional Development	Coordinate health & safety evacuation drills at ODM workstations by 30 June 2018	Number of drills coordinated per annum	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	B	
TL21	Municipal Transformation & Institutional Development	Percentage of Municipal budget actually spent on the implementation of the Workplace Skills Plan by 30 June 2018 (Reg)	% of budget spent on the WSP per annum (Actual spent on Training/Total Budget)	0.15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A	
TL22	Good Governance and Community Participation	Coordinate quarterly Ordinary Council meetings	Number of Council meetings coordinated per annum	4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	G	
TL23	Good Governance and Community Participation	Review Records Management Policy and table to Council by 31 December 2017	Reviewed Records Management policy table to Council	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	G
TL24	Municipal Financial Viability and Management	Measured financial viability in terms of the municipality's ability to meet its service debt obligations by 30 June 2018 (Debt coverage) (Reg)	% the municipality was able to meet its Debt obligation ((Total operating revenue received - operating grants)/debt service payments))	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
TL25	Municipal Financial Viability and Management	Measured financial viability in terms of the available cash to cover fixed operating expenditure by 30 June 2018 (Cost coverage) (Reg)	Number of days Cash were available to cover fixed operating expenditure ((All available cash at a particular time + investments)/monthly fixed operating expenditure)	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A

TL26	Municipal Financial Viability and Management	Measured financial viability in terms of percentage outstanding service debtors by 30 June 2018 (Service Debtors) (Reg)	% Outstanding service debtors per annum (Total outstanding service debtors/annual revenue received for services)	3%	0%	N/A	0%	N/A	0%	0%	0%	0%	N/A	Recommendation: To amend target from 3% to 10%. ODM will be unable to achieve the set target due to the inability to collect outstanding debt by means of contract transfers at Uitenkraismond holiday resort.
TL27	Municipal Financial Viability and Management	Report on Percentage Capital budget actually spent on capital projects by 30 June 2018 (Reg)	% of capital budget actually spent on capital projects for the annum (Actual spent on capital projects/Total capital budget)	95%	0%	N/A	0%	N/A	0%	0%	0%	0%	N/A	
TL28	Municipal Financial Viability and Management	Submit reviewed financial Policies to Council by 31 May 2018	% of reviewed financial policies submitted to Council (Number of policies reviewed/Total existing financial policies at the beginning of financial year)	100%	0%	N/A	0%	N/A	0%	0%	0%	0%	N/A	
TL29	Municipal Financial Viability and Management	Align long-term Financial Plan with Final 2017/2021 IDP and table to the Finance Portfolio Committee by 31 December 2017	Long-term Financial Plan aligned with IDP and table to Finance Portfolio Committee	1	0	N/A	1	0	0	1	0	1	0	Recommendation: Target date to be amended to June 2018 due to the delay in the process to appoint a service provider.

TL30	Municipal Financial Viability and Management	Submit bi-annually a report to Council on the performance of service providers for quotations and tenders for services rendered above R30000	Number of reports submitted to Council per annum	2	0	0	N / A				1	1	1	G
TL31	Local Economic Development	Coordinate and facilitate two SCM/LED Open days by 30 June 2018	Number of SCM/LED open days coordinated and facilitated per annum	2	0	0	N / A				0	0	0	N/A
TL32	Local Economic Development	Invite service providers to register on the suppliers database by 30 March 2018	Invitation placed on ODM website	1	0	0	N / A				0	0	0	N/A
TL33	Basic Services and Infrastructure	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	460	115	161	July - 27 G August - 70 2 September - 64				117	230	278	G2
TL34	Basic Services and Infrastructure	Take food samples to monitor the quality of Food to the FCD Act and legislative requirements	Number of samples taken per annum	380	95	107	July - 10 G August - 47 2 September - 50				103	190	210	G2
TL35	Basic Services and Infrastructure	Inspect waste management sites wrt generators and couriers of medical waste according to Municipal Health By-Law of Council	Number of sites inspected per annum	120	0	0	N / A				78	60	78	G2
TL36	Basic Services and Infrastructure	Take water sample at Sewerage Final Outflow to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	140	35	36	July - 2 G August - 12 2 September - 22				41	70	77	G2
TL37	Basic Services and Infrastructure	Inspect Food Premises to monitor hazardous substances according to National Health Act	Number of food Premises inspected per annum	1,600	400	408	July - 112 G August - 145 2 September - 150				421	800	829	G2

TL38	Basic Services and Infrastructure	Coordinate one Air Quality awareness campaigns in each local municipal areas of the Overberg by June 2018	Number of Air Quality Awareness campaigns per annum	4	0	0	0	0	0	0	0	0	0	2	B
TL39	Basic Services and Infrastructure	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee	Number of reports submitted per annum	4	1	1	1	1	1	1	1	1	1	2	G
TL40	Basic Services and Infrastructure	Report quarterly to the Community Portfolio Committee on the outcomes of Karwyderskraal Landfill Committee and adherence to the lease agreement	Number of reports submitted per annum	4	1	1	1	1	1	1	1	1	1	2	G
TL41	Basic Services and Infrastructure	Report quarterly to the Community Portfolio Committee on the activities of the Regional Waste Forum	Number of reports submitted per annum	4	1	1	1	1	1	1	1	1	1	2	G
TL42	Local Economic Development	Create temporary job opportunities through the alien vegetation clearing initiatives by 30 June 2018	Number of job opportunities created per annum	10	0	0	0	0	0	0	0	0	0	0	N/A
TL43	Basic Services and Infrastructure	Table the revised Disaster Risk Management Plan to Council by 30 June 2018	Revised Disaster Management Plan tabled to Council	1	0	0	0	0	0	0	0	0	0	0	N/A
TL44	Basic Services and Infrastructure	Table to Council the revised Disaster Management Framework by 30 June 2018	Revised Disaster Management Framework tabled to Council	1	0	0	0	0	0	0	0	0	0	0	N/A

TL45	Basic Services and Infrastructure	Revised Safer Communities Project Plan and tabled to Portfolio Committee by 30 September 2017	Revised Safer Community Project Plan tabled	1	1	0	R	Due to Stakeholders processes, that influence the Safer Community Project plan, the plan could not be finalised on due time. E.g the tenders for lifeguards by the Local Municipalities and the Provincial Strategic Fire Workshop which only took place on 3 & 4 October 2017.	Will be presented to the next scheduled Community Portfolio Committee meeting together with the summer/seasonal preparedness plan.	0	1	B	Plan was tabled to the Community Portfolio meeting held on 05/12/2017, item 9.2	1	1	G	Comment: However the target was not met at the target date the KPI was met in December 2017
TL46	Basic Services and Infrastructure	Present Revised Festive and Fire Season Readiness Plan by 1 December 2017 to DCFtech	Revised Festive and Season Readiness plan presented	1	0	0	N/A			1	1	G	Plan was presented to DCF Tech meeting held on 10/11/2017, item 5.3	1	1	G	
TL47	Basic Services and Infrastructure	Upgrading of road DR 1320 to tar road	Number of kilometers road upgraded per annum	3.32	0	0	N/A			0	0	N/A		0	0	N/A	Recommendation: To add the words "by 30 June 2018" to the KPI
TL48	Basic Services and Infrastructure	Kilometers of gravel roads to be regravelled	Number of kilometers road regravelled per annum	46.08	12	11.45	C	Jul - 5.65 km Aug - 3.30 km Sept - 2.50 km Target not reached. One team progressed to a new project and preparation work took up time.	Backlog of 0.55 km to be addressed in the next quarter.	10.08	14.03	G	October - 7.5 km November - 4.50 km December - 2.03 km The Backlog of the previous quarter was also addressed in the quarter.	22.08	25.48	G2	
TL49	Basic Services and Infrastructure	Kilometers of gravel roads to be bladed	Number of kilometers roads bladed per annum	6,000	1,700	1,820.27	G	July - 740.83 km Aug - 472.23 km Sept - 602.21 km		1,400	1,699.66	G	Oct - 720.89 km Nov - 688.95 km Dec - 289.82 km	3,100	3,519.93	G2	
TL50	Basic Services and Infrastructure	Submit annually business plan for provincial roads budget allocation to Dept of Transport and Public Works by 31 March 2018	Annual business plan submitted	1	0	0	N/A			0	0	N/A		0	0	N/A	
TL51	Local Economic Development	Review Municipal Policy on EPWP and table to Council by 30 June 2018	Revised Municipal EPWP Policy tabled to Council	1	0	0	N/A			0	0	N/A		0	0	N/A	

TL52	Local Economic Development	Coordinate the revision of the District LED/Tourism strategy with stakeholders by 31 December 2017	Revision of District LED/Tourism Strategy coordinated	1	0	Discussed the revision of the District LED/Tourism Strategy with stakeholders at a District LED/Tourism Forum held on 3 August 2017		1	Target date not achieved as SALGA was approached to assist with the development of a RED/Tourism Strategy. The first meeting with SALGA was held on 01/12/2017 to discuss the way forward. A presentation in this regard was made at the District LED/Tourism Forum on 08/12/2017. SALGA to develop a plan of action with timeframes	Target date to be amended to the end of June 2018 to allow SALGA to present to the DCF/DCF Tech in March 2018 to obtain buy-in on the revision process.	1	0	Recommendation: To amend the target date to 30 June 2018 to give SALGA sufficient time to assist with the process. That the LED abbreviation be change to RED (Regional Economic Development)
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