

**9.  
BUDGET REPORT FOR THE QUARTER ENDED JUNE 2017****5/1/18-2016/2017  
BA King  
19 July 2017****(028) 313 8154****Corporate Head Office**

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**1. Executive Summary**

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

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Directorate Finance  
Financial Services

**3. Compliance with Strategic Priority**

Provision of democratic, accountable and ethical governance

**4. Delegated Authority**

None

**5. Legal Requirements**

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

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

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

**Discussion**

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

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

**7. Financial Implications**

None

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

Annexure A: Quarterly Budget Report for the Quarter Ended June 2017

Annexure B: Cost Containment Measures June 2017

**RECOMMENDATION TO THE COUNCIL:**

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

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

# OVERSTRAND MUNICIPALITY



## Quarterly Budget Report

June 2017

### **In-Year Report of the Municipality**

Prepared in terms of Section 52(d) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 31 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009.

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## Glossary

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

**Budget** – The financial plan of the Municipality.

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

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

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

**FMG** – Financial Management Grant.

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

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

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

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

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

**MIG** – Municipal Infrastructure Grant.

**mSCOA** – Municipal Standard Chart of Accounts.

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

**NDPG** – Neighbourhood Development Partnership Grant.

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

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

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

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

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

**YTD** – Year to date

## **PART 1 – IN-YEAR REPORT**

### **Mayor's Report**

#### **1.1 In-Year Report – Quarterly Budget Report**

##### **1.1.1 Implementation of the budget in accordance with the SDBIP**

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

##### **1.1.2 Financial problems or risks facing the municipality**

None. Revenue from property rates, which is the second largest revenue source reflects R7,3m above the projected budgeted revenue. Revenue from Electricity is in line with the projected budgeted revenue and Water and Sewage services reflects R7,2m and R4,8m respectively, above budgeted revenue.

##### **1.1.3 Other relevant information**

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

YTD Actual operating revenue at the end of the fourth quarter for 2016/2017 is at 102,97% of the budgeted revenue. The expenditure reflects spending of 97,48% against the budgeted expenditure. Capital expenditure amounts to R83,3m, or 96,56% of the total adjusted budget of R86,3m, at the end of June 2017.

A third adjustments budget was tabled during this quarter in respect of the appropriation of reduced revenue through the Western Cape Adjusted Estimates of Provincial Expenditure 2016, the accelerated spending relating to the 2017/2018 HSDG which became available from 1 April 2017, a re-allocation of MIG and associated mSCOA reclassifications. The impact of the reduction in the Housing allocation amounts to R18 million.

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

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

## **Resolutions**

### ***IN-YEAR REPORTS 2016/2017***

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

#### ***RECOMMENDATION:***

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



## **Executive Summary**

It should be noted that all information contained in this report reflects the preliminary outcome for 2016/2017. Certain year end transactions still have to be processed, which could influence the final outcome. The final figures will be available after the completion of the Annual Financial Statements for audit.

### **Revenue by Source**

The Year-to-Date actual operating revenue is 102,97% of the budgeted revenue for 2016/2017. Revenue from property rates which is the second largest revenue source reflects R7,3m above the projected budgeted revenue. Revenue from Electricity is in line with the projected budgeted revenue and Water and Sewage services reflects R7,2m and R4,8m above budgeted revenue.

### **Borrowings**

The balance of borrowings amounts to R442,1m at the end of June 2017.

### **Operating expenditure by vote & type**

The Year-to-date actual Operating expenditure is 97,48% of the budgeted expenditure for 2016/2017. The Bulk electricity purchases are directly informed by the purchase of electricity from Eskom and is R10,96m above budgeted expenditure.

Cost Saving efficiencies has been achieved and it includes preliminary savings on the salary budget reflected at R9,5m and R6,1m on contracted services as well as R7,5m on other expenditure. These savings are the result of practising financial discipline and adhering to cost containment measures. It should be noted that the R9.5m saving reflected on other materials includes a portion of the unspent funds on housing top structures.

### **Capital expenditure**

YTD Capital expenditure amounts to R83,3m or 96,56% of the total adjusted budget of R86,3m.

### **Allocations received (National & Provincial Grants)**

Housing Grant funding of R4,7m in respect the 2017/2018 financial year was received

during June 2017.

### Spending on Grants

Spending on grants amounts to R13,2m for June 2017 which includes FMG, EPWP, Housing, Provincial Library Grant, CDW, Local Government Graduate Internship Grant, INEP & MIG. The last portion of the National Lotto funds was also spent in June 2017.

### Material variances

The table below summarises variances for projected revenue and expenditure.

<b>WC032 Overstrand - Supporting Table SC1 Material variance explanations - M12 June</b>			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Total	2.97%	Not material	
Interest earned - external investments	51.59%	More cash available for investing	
<b>Expenditure By Type</b>			
Total	-2.52%	Not material	
<b>Capital Expenditure</b>			
Total	-3.44%	Capital Spending 96.56%	
<b>Financial Position</b>			
In Order			
<b>Cash Flow</b>			
In Order			

### Performance in relation to SDBIP targets

See the comprehensive report tabled in Council.

### Remedial or corrective steps

No remedial or corrective steps are required.

### In-year budget statement tables / ...

**Table C1: s71 Monthly Budget Statement Summary**

WC032 Overstrand - Table C1 Monthly Budget Statement Summary - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	165 119	181 439	190 639	16 293	197 463	190 639	6 824	4%	190 639
Service charges	573 195	607 064	606 116	42 174	618 670	606 116	12 554	2%	606 116
Investment revenue	12 209	10 489	15 489	3 892	23 480	15 489	7 990	52%	15 489
Transfers recognised - operational	103 629	126 313	121 725	1 297	115 007	121 725	(6 717)	-6%	121 725
Other own revenue	80 024	67 879	70 335	7 145	79 503	70 335	9 169	13%	70 335
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>934 177</b>	<b>993 175</b>	<b>1 004 305</b>	<b>70 801</b>	<b>1 034 125</b>	<b>1 004 305</b>	<b>29 820</b>	<b>3%</b>	<b>1 004 305</b>
Employee costs	273 115	314 204	310 496	27 024	301 264	310 496	(9 232)	-3%	310 496
Remuneration of Councillors	8 566	9 110	9 507	793	9 205	9 507	(302)	-3%	9 507
Depreciation & asset impairment	123 514	117 690	127 347	10 576	129 896	127 347	2 549	2%	127 347
Finance charges	46 207	46 421	46 421	10 782	39 841	46 421	(6 580)	-14%	46 421
Materials and bulk purchases	214 224	285 811	276 555	43 836	278 019	276 555	1 464	1%	276 555
Transfers and grants	51 080	57 479	57 479	4 608	56 103	57 479	(1 376)	-2%	57 479
Other expenditure	226 415	242 280	246 159	41 810	231 566	245 159	(13 593)	-6%	245 159
<b>Total Expenditure</b>	<b>943 132</b>	<b>1 072 985</b>	<b>1 072 964</b>	<b>139 429</b>	<b>1 045 895</b>	<b>1 072 964</b>	<b>(27 069)</b>	<b>-3%</b>	<b>1 072 964</b>
<b>Surplus/(Deficit)</b>	<b>(8 956)</b>	<b>(79 820)</b>	<b>(68 659)</b>	<b>(68 629)</b>	<b>(11 771)</b>	<b>(68 659)</b>	<b>56 888</b>	<b>-83%</b>	<b>(68 659)</b>
Transfers recognised - capital	60 661	39 962	35 381	10 873	33 711	35 381	(1 670)	-5%	35 381
Contributions & Contributed assets	-	4 500	1 000	1 000	1 000	1 000	-	-	1 000
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>51 696</b>	<b>(35 358)</b>	<b>(32 278)</b>	<b>(56 756)</b>	<b>22 941</b>	<b>(32 278)</b>	<b>55 218</b>	<b>-171%</b>	<b>(32 278)</b>
<b>Surplus/ (Deficit) for the year</b>	<b>51 696</b>	<b>(35 358)</b>	<b>(32 278)</b>	<b>(56 756)</b>	<b>22 941</b>	<b>(32 278)</b>	<b>55 218</b>	<b>-171%</b>	<b>(32 278)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>95 286</b>	<b>88 356</b>	<b>88 268</b>	<b>35 055</b>	<b>83 297</b>	<b>86 266</b>	<b>(2 969)</b>	<b>-3%</b>	<b>86 266</b>
Capital transfers recognised	60 651	43 462	35 381	11 800	33 211	35 381	(2 170)	-6%	35 381
Public contributions & donations	896	1 462	1 462	112	1 440	1 462	(22)	-2%	1 462
Borrowing	27 189	33 824	35 854	19 450	35 839	35 854	(15)	-0%	35 854
Internally generated funds	6 548	9 608	13 569	3 893	12 806	13 589	(783)	-6%	13 569
<b>Total sources of capital funds</b>	<b>95 286</b>	<b>88 356</b>	<b>86 266</b>	<b>35 055</b>	<b>83 297</b>	<b>86 266</b>	<b>(2 969)</b>	<b>-3%</b>	<b>86 266</b>
<b>Financial position</b>									
Total current assets	311 815	238 962	316 779		402 156				316 779
Total non current assets	3 741 168	3 284 285	3 707 740		3 702 325				3 707 740
Total current liabilities	169 019	183 981	184 098		172 989				184 098
Total non current liabilities	611 686	636 115	636 322		633 431				636 322
<b>Community wealth/Equity</b>	<b>3 272 298</b>	<b>2 703 150</b>	<b>3 204 099</b>		<b>3 298 060</b>				<b>3 204 099</b>
<b>Cash flows</b>									
Net cash from (used) operating	160 636	103 090	103 460	(32 665)	178 332	178 319	(13)	-0%	103 460
Net cash from (used) investing	(99 338)	(95 217)	(91 963)	(35 423)	(89 575)	(89 575)	-	-	(91 963)
Net cash from (used) financing	8 496	5 787	5 666	(3 846)	(3 723)	(3 723)	-	-	5 666
<b>Cash/cash equivalents at the month/year end</b>	<b>174 781</b>	<b>114 127</b>	<b>191 944</b>	<b>-</b>	<b>259 814</b>	<b>259 801</b>	<b>(13)</b>	<b>-0%</b>	<b>191 944</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	52 936	1 463	830	845	666	703	3 795	19 807	81 046
<b>Creditors Age Analysis</b>									
Total Creditors	34 610	-	-	-	-	-	-	-	34 610

**Table C2: Monthly Budget Statement – Financial Performance (standard classification)**

WC032 Overstrand - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue - Standard</b>									
<b>Governance and administration</b>	275 007	274 984	289 837	21 864	306 906	289 837	17 069	6%	289 837
Executive and council	64 991	73 269	73 369	18	73 205	73 389	(185)	0%	73 389
Budget and treasury office	189 358	200 953	214 710	21 687	230 840	214 710	16 130	8%	214 710
Corporate services	20 658	762	1 739	259	2 861	1 739	1 123	65%	1 739
<b>Community and public safety</b>	99 869	116 537	105 233	12 091	100 593	105 233	(4 640)	-4%	105 233
Community and social services	3 218	11 676	10 676	397	9 593	10 676	(1 083)	-10%	10 676
Sport and recreation	9 743	9 675	9 421	1 355	10 325	9 421	904	10%	9 421
Public safety	30 412	37 988	39 189	3 678	40 357	39 189	1 168	3%	39 189
Housing	56 496	56 997	45 947	6 661	40 317	45 947	(5 630)	-12%	45 947
<b>Economic and environmental services</b>	24 902	25 639	22 565	3 504	24 108	22 565	1 544	7%	22 565
Planning and development	12 622	14 810	12 381	1 523	13 669	12 381	1 288	10%	12 381
Road transport	12 071	10 746	10 100	1 981	10 419	10 100	319	3%	10 100
Environmental protection	9	83	83	-	20	83	(83)	-76%	83
<b>Trading services</b>	595 050	620 478	623 051	45 114	637 228	623 051	14 177	2%	623 051
Electricity	334 747	362 878	360 600	21 340	360 634	360 600	34	0%	360 600
Water	118 583	114 100	117 699	9 633	125 647	117 699	7 948	7%	117 699
Waste water management	79 989	77 930	79 131	8 564	84 619	79 131	5 488	7%	79 131
Waste management	61 733	65 670	65 622	5 576	66 329	65 622	706	1%	65 622
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>994 828</b>	<b>1 037 637</b>	<b>1 040 686</b>	<b>82 673</b>	<b>1 068 836</b>	<b>1 040 686</b>	<b>28 150</b>	<b>3%</b>	<b>1 040 686</b>
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	233 017	262 295	265 975	24 099	251 198	265 975	(14 777)	-6%	265 975
Executive and council	95 210	114 536	115 931	10 046	111 003	115 931	(4 928)	-4%	115 931
Budget and treasury office	63 843	69 180	68 441	5 295	63 426	68 441	(5 015)	-7%	68 441
Corporate services	73 964	78 579	81 603	8 758	76 769	81 603	(4 834)	-6%	81 603
<b>Community and public safety</b>	121 432	179 163	169 748	14 245	156 552	169 748	(13 197)	-8%	169 748
Community and social services	32 027	34 465	34 028	2 863	31 223	34 028	(2 806)	-8%	34 028
Sport and recreation	12 861	20 239	16 927	1 161	16 114	16 927	(813)	-5%	16 927
Public safety	61 347	74 657	75 011	9 043	72 753	75 011	(2 257)	-3%	75 011
Housing	15 176	49 802	43 783	1 178	36 462	43 783	(7 321)	-17%	43 783
<b>Economic and environmental services</b>	158 554	176 435	179 897	27 239	178 000	179 897	(1 897)	-1%	179 897
Planning and development	67 298	80 325	80 285	11 516	80 257	80 285	(27)	0%	80 285
Road transport	86 500	90 397	93 959	15 011	92 647	93 959	(1 312)	-1%	93 959
Environmental protection	4 756	5 712	5 653	712	5 096	5 653	(558)	-10%	5 653
<b>Trading services</b>	430 130	455 103	457 343	73 847	460 145	457 343	2 802	1%	457 343
Electricity	261 042	277 742	276 599	49 704	286 402	276 599	9 804	4%	276 599
Water	67 335	59 028	64 430	9 871	59 773	64 430	(4 656)	-7%	64 430
Waste water management	57 092	59 828	58 240	6 627	56 944	58 240	(1 296)	-2%	58 240
Waste management	44 661	58 505	58 075	7 644	57 025	58 075	(1 049)	-2%	58 075
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>943 132</b>	<b>1 072 995</b>	<b>1 072 964</b>	<b>136 429</b>	<b>1 045 895</b>	<b>1 072 964</b>	<b>(27 069)</b>	<b>-3%</b>	<b>1 072 964</b>
<b>Surplus/ (Deficit) for the year</b>	<b>51 696</b>	<b>(35 358)</b>	<b>(32 278)</b>	<b>(56 756)</b>	<b>22 941</b>	<b>(32 278)</b>	<b>55 218</b>	<b>-171%</b>	<b>(32 278)</b>

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

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

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

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

**WC032 Overstrand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June**

Vote Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 1 - Council	64 991	73 182	73 302	18	73 145	73 302	(158)	-0.2%	73 302
Vote 2 - Municipal Manager	-	-	60	5	12	60	(48)	-79.6%	60
Vote 3 - Management Services	3 085	1	833	184	2 033	833	1 200	144.0%	833
Vote 4 - Finance	189 358	200 953	214 710	21 687	230 840	214 710	16 130	7.5%	214 710
Vote 5 - Community Services	293 898	291 065	294 111	27 602	308 213	294 111	14 102	4.8%	294 111
Vote 6 - Local Economic Development	3 471	3 352	3 352	418	3 546	3 352	194	5.8%	3 352
Vote 7 - Infrastructure & Planning	409 632	431 096	415 129	29 080	410 690	415 129	(4 440)	-1.1%	415 129
Vote 8 - Protection Services	30 412	37 988	39 189	3 678	40 357	39 189	1 168	3.0%	39 189
<b>Total Revenue by Vote</b>	<b>994 828</b>	<b>1 037 637</b>	<b>1 040 686</b>	<b>82 673</b>	<b>1 068 836</b>	<b>1 040 686</b>	<b>28 150</b>	<b>2.7%</b>	<b>1 040 686</b>
<b>Expenditure by Vote</b>									
Vote 1 - Council	74 562	91 748	92 590	7 342	90 737	92 590	(1 853)	-2.0%	92 590
Vote 2 - Municipal Manager	4 094	4 722	4 649	336	3 922	4 649	(727)	-15.6%	4 649
Vote 3 - Management Services	38 242	46 490	44 594	4 793	41 291	44 594	(3 303)	-7.4%	44 594
Vote 4 - Finance	63 843	69 180	69 441	5 295	63 426	68 441	(5 015)	-7.3%	68 441
Vote 5 - Community Services	335 658	346 998	351 298	44 942	334 873	351 298	(16 425)	-4.7%	351 298
Vote 6 - Local Economic Development	8 905	10 795	10 692	1 080	10 209	10 692	(483)	-4.5%	10 692
Vote 7 - Infrastructure & Planning	356 481	428 407	425 689	66 599	428 685	425 689	2 996	0.7%	425 689
Vote 8 - Protection Services	61 347	74 657	75 011	9 043	72 753	75 011	(2 257)	-3.0%	75 011
<b>Total Expenditure by Vote</b>	<b>943 132</b>	<b>1 072 995</b>	<b>1 072 964</b>	<b>139 429</b>	<b>1 045 895</b>	<b>1 072 964</b>	<b>(27 069)</b>	<b>-2.5%</b>	<b>1 072 964</b>
<b>Surplus/ (Deficit) for the year</b>	<b>51 696</b>	<b>(35 358)</b>	<b>(32 278)</b>	<b>(56 756)</b>	<b>22 941</b>	<b>(32 278)</b>	<b>55 218</b>	<b>-171.1%</b>	<b>(32 278)</b>

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

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

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

WG032 Overstrand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	164 554	180 591	189 791	16 229	197 047	189 791	7 256	4%	189 791
Property rates - penalties & collection charges	565	848	848	83	416	848	(432)	-51%	848
Service charges - electricity revenue	324 599	356 959	351 822	20 644	351 779	351 822	(43)	0%	351 822
Service charges - water revenue	114 179	111 544	113 744	9 491	120 900	113 744	7 155	6%	113 744
Service charges - sanitation revenue	72 728	72 318	74 318	6 200	79 110	74 318	4 792	6%	74 318
Service charges - refuse revenue	61 689	65 510	65 510	5 568	66 215	65 510	705	1%	65 510
Rental of facilities and equipment	9 960	4 728	4 728	480	5 065	4 728	337	7%	4 728
Interest earned - external investments	12 209	10 489	15 489	3 892	23 480	15 489	7 990	52%	15 489
Interest earned - outstanding debtors	2 735	2 756	2 756	181	2 671	2 756	(85)	-3%	2 756
Fines	23 893	31 143	31 143	2 944	34 005	31 143	2 862	9%	31 143
Licences and permits	2 423	2 330	2 330	213	2 516	2 330	186	8%	2 330
Agency services	3 211	3 220	3 220	347	3 480	3 220	260	8%	3 220
Transfers recognised - operational	103 629	126 313	121 725	1 297	115 007	121 725	(6 717)	-6%	121 725
Other revenue	29 273	23 702	24 204	2 980	30 283	24 204	6 080	25%	24 204
Gains on disposal of PPE	8 539		1 954		1 482	1 954	(471)	-24%	1 954
<b>contributions)</b>	<b>934 177</b>	<b>993 175</b>	<b>1 004 305</b>	<b>70 801</b>	<b>1 034 125</b>	<b>1 004 305</b>	<b>29 820</b>	<b>3%</b>	<b>1 004 305</b>
<b>Expenditure By Type</b>									
Employee related costs	273 115	314 204	310 496	27 024	301 264	310 496	(9 232)	-3%	310 496
Remuneration of councillors	8 566	9 110	9 507	793	9 205	9 507	(302)	-3%	9 507
Debt impairment	19 128	23 888	23 888	2 082	23 888	23 888	-		23 888
Depreciation & asset impairment	123 514	117 690	127 347	10 576	129 896	127 347	2 549	2%	127 347
Finance charges	46 207	46 421	46 421	10 782	38 841	46 421	(6 580)	-14%	46 421
Bulk purchases	194 620	210 763	206 563	41 008	217 529	206 563	10 966	5%	206 563
Other materials	19 605	75 048	69 992	2 828	60 490	69 992	(9 501)	-14%	69 992
Contracted services	112 338	158 368	161 148	34 700	155 020	161 148	(6 128)	-4%	161 148
Transfers and grants	51 090	57 479	57 479	4 608	56 103	57 479	(1 376)	-2%	57 479
Other expenditure	94 626	60 024	60 123	5 028	52 658	60 123	(7 465)	-12%	60 123
Loss on disposal of PPE	323		-				-		-
<b>Total Expenditure</b>	<b>943 132</b>	<b>1 072 995</b>	<b>1 072 964</b>	<b>139 429</b>	<b>1 045 695</b>	<b>1 072 964</b>	<b>(27 069)</b>	<b>-3%</b>	<b>1 072 964</b>
<b>Surplus/(Deficit)</b>									
Surplus/(Deficit)	(8 956)	(79 820)	(68 659)	(68 629)	(11 771)	(68 659)	56 888	-83%	(68 659)
Transfers recognised - capital	60 651	39 962	35 381	10 873	33 711	35 381	(1 670)	-5%	35 381
Contributions recognised - capital		4 500	1 000	1 000	1 000	1 000	-		1 000
Contributed assets							-		
<b>Surplus/(Deficit) after capital transfers &amp; Taxation</b>	<b>51 696</b>	<b>(35 358)</b>	<b>(32 278)</b>	<b>(56 756)</b>	<b>22 941</b>	<b>(32 278)</b>	<b>-</b>		<b>(32 278)</b>
<b>Surplus/(Deficit) after taxation</b>	<b>51 696</b>	<b>(35 358)</b>	<b>(32 278)</b>	<b>(56 756)</b>	<b>22 941</b>	<b>(32 278)</b>			<b>(32 278)</b>
<b>Surplus/(Deficit) attributable to municipality</b>	<b>51 696</b>	<b>(35 358)</b>	<b>(32 278)</b>	<b>(56 756)</b>	<b>22 941</b>	<b>(32 278)</b>			<b>(32 278)</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>51 696</b>	<b>(35 358)</b>	<b>(32 278)</b>	<b>(56 756)</b>	<b>22 941</b>	<b>(32 278)</b>			<b>(32 278)</b>

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 2,97% above the YTD budget.

Current expenditure is 2,52% below YTD budget projections for June 2017.

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

WC032 Overstrand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M12 June

Vote Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	17 900	14 311	13 826	5 141	13 853	13 826	(473)	-3%	13 826
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	8 501	15 000	16 605	6 478	16 605	16 605	0	0%	16 605
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>26 401</b>	<b>29 311</b>	<b>30 431</b>	<b>11 619</b>	<b>29 959</b>	<b>30 431</b>	<b>(472)</b>	<b>-2%</b>	<b>30 431</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Council	-	5	30	20	20	30	(10)	-33%	30
Vote 2 - Municipal Manager	-	41	41	-	32	41	(9)	-22%	41
Vote 3 - Management Services	3 848	320	720	518	720	720	(0)	0%	720
Vote 4 - Finance	-	30	30	-	30	30	(0)	-2%	30
Vote 5 - Community Services	54 496	51 033	35 223	13 017	34 057	35 223	(1 167)	-3%	35 223
Vote 6 - Local Economic Development	-	15	15	-	9	15	(7)	-43%	15
Vote 7 - Infrastructure & Planning	10 246	6 721	17 696	9 720	17 625	17 696	(171)	-1%	17 696
Vote 8 - Protection Services	295	880	2 080	161	947	2 080	(1 133)	-54%	2 080
<b>Total Capital single-year expenditure</b>	<b>68 885</b>	<b>59 046</b>	<b>55 835</b>	<b>23 436</b>	<b>53 338</b>	<b>55 835</b>	<b>(2 497)</b>	<b>-4%</b>	<b>55 835</b>
<b>Total Capital Expenditure</b>	<b>95 286</b>	<b>88 356</b>	<b>86 266</b>	<b>35 055</b>	<b>83 297</b>	<b>86 266</b>	<b>(2 969)</b>	<b>-3%</b>	<b>86 266</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	<b>4 962</b>	<b>855</b>	<b>975</b>	<b>581</b>	<b>966</b>	<b>975</b>	<b>(9)</b>	<b>-1%</b>	<b>975</b>
Executive and council		46	71		69	71	(2)	-3%	71
Budget and treasury office									
Corporate services	4 962	809	904	581	897	904	(7)	-1%	904
<b>Community and public safety</b>	<b>32 729</b>	<b>19 502</b>	<b>16 927</b>	<b>7 383</b>	<b>14 168</b>	<b>16 927</b>	<b>(2 759)</b>	<b>-16%</b>	<b>16 927</b>
Community and social services	3 169	2 995	2 019	815	701	2 019	(1 318)	-65%	2 019
Sport and recreation	3 311	2 545	1 903	579	1 833	1 903	(70)	-4%	1 903
Public safety	264	1 080	2 280	161	978	2 280	(1 304)	-67%	2 280
Housing	25 985	12 882	10 725	6 128	10 658	10 725	(67)	-1%	10 725
Health									
<b>Economic and environmental services</b>	<b>13 225</b>	<b>12 933</b>	<b>12 178</b>	<b>2 375</b>	<b>12 092</b>	<b>12 178</b>	<b>(86)</b>	<b>-1%</b>	<b>12 178</b>
Planning and development		183	433	207	354	433	(79)	-18%	433
Road transport	13 225	12 750	11 745	2 168	11 738	11 745	(7)	0%	11 745
Environmental protection									
<b>Trading services</b>	<b>44 369</b>	<b>55 066</b>	<b>56 186</b>	<b>24 716</b>	<b>56 070</b>	<b>56 186</b>	<b>(116)</b>	<b>0%</b>	<b>56 186</b>
Electricity	18 237	21 799	23 404	9 863	23 135	23 404	(269)	-1%	23 404
Water	14 232	15 021	15 589	6 119	15 772	15 589	183	1%	15 589
Waste water management	11 875	18 231	17 179	8 735	17 151	17 179	(27)	0%	17 179
Waste management	25	15	15		12	16	(3)	-19%	15
<b>Total Capital Expenditure - Standard Classification</b>	<b>95 286</b>	<b>88 356</b>	<b>86 266</b>	<b>35 055</b>	<b>83 297</b>	<b>86 266</b>	<b>(2 969)</b>	<b>-3%</b>	<b>86 266</b>
<b>Funded by:</b>									
National Government	31 647	26 030	25 630	5 844	25 530	25 530	-		25 530
Provincial Government	29 004	13 932	9 851	5 956	7 681	9 851	(2 170)	-22%	9 851
District Municipality									
Other transfers and grants		3 500							
<b>Transfers recognised - capital</b>	<b>60 651</b>	<b>43 462</b>	<b>35 381</b>	<b>11 800</b>	<b>33 211</b>	<b>35 381</b>	<b>(2 170)</b>	<b>-6%</b>	<b>35 381</b>
Public contributions & donations	896	1 462	1 462	112	1 440	1 462	(22)	-2%	1 462
Borrowing	27 189	33 824	35 854	19 450	35 839	35 854	(15)	0%	35 854
Internally generated funds	6 549	9 608	13 589	3 693	12 806	13 589	(783)	-6%	13 589
<b>Total Capital Funding</b>	<b>95 286</b>	<b>88 356</b>	<b>86 266</b>	<b>35 055</b>	<b>83 297</b>	<b>86 266</b>	<b>(2 969)</b>	<b>-3%</b>	<b>86 266</b>

Capital expenditure is 3,44% below the Year-to-Date budget.



**Table C6: Monthly Budget Statement - Financial Position**

WC032 Overstrand - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	73 518	114 127	191 944	89 087	191 944
Call investment deposits	101 263	-	-	170 727	-
Consumer debtors	57 828	66 944	66 944	61 957	66 944
Other debtors	50 451	44 217	44 217	51 326	44 217
Current portion of long-term receivables	14	11	11	12	11
Inventory	28 742	13 663	13 663	29 046	13 663
<b>Total current assets</b>	<b>311 815</b>	<b>238 962</b>	<b>316 779</b>	<b>402 156</b>	<b>316 779</b>
<b>Non current assets</b>					
Long-term receivables	40	30	30	27	30
Investments	29 740	35 328	37 403	37 982	37 403
Investment property	152 550	159 761	152 550	152 550	152 550
Investments in Associate					
Property, plant and equipment	3 552 066	3 084 987	3 511 200	3 505 858	3 511 200
Agricultural					
Biological assets					
Intangible assets	6 772	4 179	6 557	5 909	6 557
Other non-current assets					
<b>Total non current assets</b>	<b>3 741 168</b>	<b>3 284 285</b>	<b>3 707 740</b>	<b>3 702 325</b>	<b>3 707 740</b>
<b>TOTAL ASSETS</b>	<b>4 052 983</b>	<b>3 523 246</b>	<b>4 024 519</b>	<b>4 104 481</b>	<b>4 024 519</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft					
Borrowing	26 492	29 378	29 580	29 580	29 580
Consumer deposits	43 943	46 429	46 429	37 039	46 429
Trade and other payables	72 139	81 244	81 159	81 563	81 159
Provisions	26 444	26 930	26 930	24 808	26 930
<b>Total current liabilities</b>	<b>169 019</b>	<b>183 981</b>	<b>184 098</b>	<b>172 989</b>	<b>184 098</b>
<b>Non current liabilities</b>					
Borrowing	412 402	412 288	412 495	412 495	412 495
Provisions	199 265	223 827	223 827	220 936	223 827
<b>Total non current liabilities</b>	<b>611 666</b>	<b>636 115</b>	<b>636 322</b>	<b>633 431</b>	<b>636 322</b>
<b>TOTAL LIABILITIES</b>	<b>780 685</b>	<b>820 097</b>	<b>820 419</b>	<b>806 421</b>	<b>820 419</b>
<b>NET ASSETS</b>	<b>3 272 298</b>	<b>2 703 150</b>	<b>3 204 099</b>	<b>3 298 060</b>	<b>3 204 099</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	3 270 124	2 700 931	3 201 881	3 294 792	3 201 881
Reserves	2 177	2 218	2 218	3 267	2 218
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 272 298</b>	<b>2 703 150</b>	<b>3 204 099</b>	<b>3 298 060</b>	<b>3 204 099</b>

The statement of financial position is in line with expectations for the financial year.

**Table C7: Monthly Budget Statement - Cash Flow**

WC032 Overstrand - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	162 962	177 978	188 484	12 092	162 890	162 882	8	0%	188 484
Service charges	570 488	595 436	599 207	44 179	647 353	647 393	(40)	0%	599 207
Other revenue	71 108	60 595	85 851	6 646	78 553	78 696	(143)	0%	85 851
Government - operating	102 933	126 313	121 725	1 297	115 007	115 007	-		121 725
Government - capital	60 651	44 462	36 381	11 873	34 711	34 711	-		36 381
Interest	14 944	13 245	18 245	4 073	26 151	26 151	-		18 245
Dividends	-	-	-	-	-	-	-		-
<b>Payments</b>									
Suppliers and employees	(725 167)	(811 039)	(842 534)	(97 435)	(790 389)	(790 577)	(188)	0%	(842 534)
Finance charges	(46 193)	(46 421)	(46 421)	(10 782)	(39 841)	(39 841)	-		(46 421)
Transfers and Grants	(51 090)	(57 479)	(57 479)	(4 608)	(56 103)	(56 103)	-		(57 479)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>160 636</b>	<b>103 090</b>	<b>103 460</b>	<b>(32 865)</b>	<b>178 332</b>	<b>178 319</b>	<b>(13)</b>	<b>0%</b>	<b>103 460</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	914	-	1 954	-	1 948	1 948	-		1 954
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	15	13	13	7	15	15	-		13
Decrease (increase) in non-current investments	(4 980)	(6 873)	(7 663)	(375)	(8 242)	(8 242)	-		(7 663)
<b>Payments</b>									
Capital assets	(85 286)	(88 356)	(86 286)	(35 055)	(83 297)	(83 297)	-		(86 286)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(89 338)</b>	<b>(95 217)</b>	<b>(91 963)</b>	<b>(36 423)</b>	<b>(89 575)</b>	<b>(89 575)</b>	<b>-</b>		<b>(91 963)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	(95)	-	(60)	-	(60)	(60)	-		(60)
Borrowing long term/refinancing	30 000	30 000	30 000	-	30 000	30 000	-		30 000
Increase (decrease) in consumer deposits	2 200	2 628	2 486	(3)	(6 904)	(6 904)	-		2 486
<b>Payments</b>									
Repayment of borrowing	(23 610)	(26 841)	(26 760)	(3 843)	(26 759)	(26 759)	-		(26 760)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>8 496</b>	<b>5 787</b>	<b>5 666</b>	<b>(3 846)</b>	<b>(3 723)</b>	<b>(3 723)</b>	<b>-</b>		<b>5 666</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>69 794</b>	<b>13 660</b>	<b>17 163</b>	<b>(71 934)</b>	<b>85 034</b>	<b>85 021</b>			<b>17 163</b>
Cash/cash equivalents at beginning:	104 987	100 467	174 781		174 781	174 781			174 781
Cash/cash equivalents at month/year end:	174 781	114 127	191 944		259 814	259 801			191 944

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R259,8 million.

The municipality started the year with a positive cash balance of R174.8 million. The June closing balance is R259.8 million. Refer to Supporting Table SC9 for more details on the cash position.

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

WC032 Overstrand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M12 June

Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome				
<b>Cash Receipts By Source</b>																
Property rates	14 723	8 690	25 755	12 031	11 689	11 678	11 420	13 783	14 512	10 328	15 856	12 029	177 130	190 545	201 979	
Property rates - penalties & collection charges	30	28	25	30	28	18	23	20	21	55	74	63	848	899	953	
Service charges - electricity revenue	27 008	28 458	17 659	28 100	26 914	27 819	30 185	27 140	28 903	27 183	28 770	18 817	350 110	377 363	400 006	
Service charges - water revenue	13 245	16 174	8 458	15 801	14 341	14 005	15 250	14 111	13 693	11 421	15 558	12 541	109 419	116 964	123 983	
Service charges - sanitation revenue	7 566	5 966	3 551	6 733	6 801	6 386	7 208	7 092	7 106	4 947	8 074	5 920	70 935	76 304	80 883	
Service charges - refuse	8 885	7 424	4 630	8 191	7 804	7 575	6 713	7 778	7 630	5 870	8 452	6 930	64 255	69 121	73 269	
Rental of facilities and equipment	377	344	430	440	454	381	304	467	428	354	528	472	4 638	3 319	3 518	
Interest earned - external investments	793	2 289	586	2 705	2 442	1 750	1 826	1 658	1 336	2 368	1 835	3 892	10 489	12 785	13 563	
Interest earned - outstanding debtors	236	240	216	229	206	222	227	234	231	208	241	181	2 756	2 921	3 097	
Fines	2 541	3 367	2 638	2 583	2 840	2 657	2 529	2 558	2 538	2 438	4 372	2 944	31 143	31 164	31 187	
Licences and permits	198	214	224	158	184	221	252	220	219	178	236	213	2 330	2 470	2 618	
Agency services	267	295	293	268	300	265	301	267	299	254	324	347	3 220	3 413	3 618	
Transfer receipts - operating	30 985	10 833	6 708	7 800	3 721	28 522	2 180	802	19 843	1 686	633	1 297	126 313	100 430	113 519	
Other revenue	3 888	2 395	1 753	2 256	5 184	4 590	1 124	4 011	2 717	1 772	1 214	2 670	19 263	16 325	21 370	
<b>Cash Receipts by Source</b>	<b>110 813</b>	<b>86 773</b>	<b>72 941</b>	<b>87 376</b>	<b>82 929</b>	<b>105 122</b>	<b>79 570</b>	<b>80 201</b>	<b>99 564</b>	<b>69 106</b>	<b>86 233</b>	<b>68 286</b>	<b>973 587</b>	<b>1 004 736</b>	<b>1 074 340</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	-	-	2 540	648	2 176	3 924	2 296	1 618	3 154	1 905	4 577	11 973	43 462	63 604	67 271	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	1 000	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	1 948	-	-	-	-	-	
Borrowing long term/financing	-	-	-	-	-	-	-	30 000	-	-	-	-	30 000	30 000	40 800	
Increase in consumer deposits	(197)	(75)	(7 573)	(1 233)	179	223	(54)	276	285	102	56	(3)	2 628	2 321	2 438	
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receipt of non-current receivables	(3)	0	4	0	0	7	0	0	0	0	0	7	13	11	10	
Change in non-current investments	(525)	(1 802)	(411)	(1 008)	(555)	(1 410)	(850)	(497)	(484)	(534)	(691)	(375)	(6 873)	(6 389)	(6 541)	
<b>Total Cash Receipts by Source</b>	<b>110 689</b>	<b>85 587</b>	<b>67 531</b>	<b>86 871</b>	<b>84 728</b>	<b>108 866</b>	<b>81 162</b>	<b>111 598</b>	<b>102 519</b>	<b>70 580</b>	<b>92 423</b>	<b>79 288</b>	<b>1 043 797</b>	<b>1 084 334</b>	<b>1 177 547</b>	
<b>Cash Payments by Type</b>																
Employee related costs	19 436	31 269	22 287	21 900	36 677	23 167	24 866	23 079	22 716	22 500	22 788	25 677	306 828	314 204	330 841	
Remuneration of councillors	719	710	747	747	747	747	747	747	776	925	798	793	9 110	9 620	10 161	
Interest paid	114	644	2 427	2 214	1 178	9 961	1 436	1 839	4 628	3 216	1 402	10 782	46 421	46 952	45 449	
Bulk purchases - Electricity	3 413	24 098	23 326	16 837	15 712	15 089	16 508	16 104	14 573	15 871	14 990	41 096	230 763	227 329	245 197	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials	506	12 908	8 530	9 041	5 428	6 712	3 473	2 087	2 687	2 894	3 437	2 828	75 048	40 659	46 605	
Contracted services	660	8 353	10 963	12 003	10 830	12 528	10 529	11 506	12 656	13 111	17 181	34 700	158 368	164 936	174 154	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other	4 661	4 873	4 698	4 633	4 604	4 611	4 992	4 639	4 510	4 878	4 596	4 608	57 479	60 808	64 336	
General expenses	20 267	(1 635)	3 649	14 068	797	11 583	2 686	1 543	550	(2 677)	9 582	(7 571)	50 922	89 431	88 572	
<b>Cash Payments by Type</b>	<b>49 775</b>	<b>80 960</b>	<b>76 628</b>	<b>81 483</b>	<b>74 974</b>	<b>84 338</b>	<b>85 238</b>	<b>84 544</b>	<b>83 015</b>	<b>80 719</b>	<b>74 774</b>	<b>112 824</b>	<b>914 939</b>	<b>953 948</b>	<b>1 005 314</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	-	571	5 869	1 879	4 070	7 837	3 214	5 297	6 067	5 463	7 975	35 055	88 356	94 230	107 271	
Repayment of borrowing	1 182	864	2 798	3 442	1 146	3 445	1 232	937	2 966	3 686	1 219	3 843	26 841	29 775	33 384	
<b>Total Cash Payments by Type</b>	<b>50 957</b>	<b>82 386</b>	<b>85 236</b>	<b>86 804</b>	<b>80 190</b>	<b>95 680</b>	<b>89 684</b>	<b>87 778</b>	<b>72 048</b>	<b>89 887</b>	<b>83 967</b>	<b>151 722</b>	<b>1 030 137</b>	<b>1 077 946</b>	<b>1 148 698</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>59 113</b>	<b>3 191</b>	<b>(17 704)</b>	<b>67</b>	<b>4 538</b>	<b>13 186</b>	<b>11 478</b>	<b>43 821</b>	<b>30 471</b>	<b>712</b>	<b>8 155</b>	<b>(71 934)</b>	<b>13 660</b>	<b>16 389</b>	<b>31 577</b>	
Cash/cash equivalents at the month/year beg	174 781	233 894	237 085	219 321	219 388	223 926	237 112	248 589	292 419	322 881	323 593	331 749	174 781	188 441	204 630	
Cash/cash equivalents at the month/year end	233 894	237 085	219 321	219 388	223 926	237 112	248 589	282 410	322 881	323 593	331 749	259 814	188 441	204 630	236 407	

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

## PART 2 – SUPPORTING DOCUMENTATION

### Debtors' analysis

#### Supporting Table SC3 Debtors' age analysis

WC032 Overstrand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i/o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dye-1 Yr	Over 1Yr	Total			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	10 920	245	161	113	145	133	589	2 784	15 058	3 743	-	3 992
Trade and Other Receivables from Exchange Transactions - Electrical	1300	13 243	291	160	143	138	127	610	2 575	17 283	3 590	-	4 517
Receivables from Non-exchange Transactions - Property Rates	1400	15 895	331	198	192	167	140	813	2 220	19 946	3 521	20	5 071
Receivables from Exchange Transactions - Waste Water Management	1500	5 884	158	100	85	83	72	333	1 752	8 388	2 326	-	2 373
Receivables from Exchange Transactions - Waste Management	1600	4 750	127	83	71	67	60	280	1 291	6 730	1 770	-	1 862
Receivables from Exchange Transactions - Property Rental Debtors	1700	434	12	9	4	4	3	39	143	649	193	-	251
Interest on Arrear Debtor Accounts	1810	68	29	17	31	30	37	262	5 658	6 132	6 018	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 822	268	113	206	46	130	889	3 365	6 859	4 856	186	2 143
<b>Total By Income Source</b>	<b>2000</b>	<b>52 936</b>	<b>1 463</b>	<b>830</b>	<b>845</b>	<b>666</b>	<b>703</b>	<b>3 795</b>	<b>19 807</b>	<b>81 046</b>	<b>25 816</b>	<b>205</b>	<b>20 210</b>
<b>2016/16 - totals only</b>		<b>49 036</b>	<b>1 691</b>	<b>1 105</b>	<b>1 097</b>	<b>792</b>	<b>751</b>	<b>3 711</b>	<b>18 743</b>	<b>76 926</b>	<b>25 094</b>		<b>16 995</b>
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	671	52	20	20	20	20	269	885	1 957	1 214	-	242
Commercial	2300	5 605	118	55	39	20	28	120	701	6 686	908	8	731
Households	2400	47 344	1 263	748	779	619	646	3 370	17 830	72 719	23 344	190	19 234
Other	2500	(684)	10	7	7	8	8	36	291	(316)	361	-	2
<b>Total By Customer Group</b>	<b>2600</b>	<b>52 936</b>	<b>1 463</b>	<b>830</b>	<b>845</b>	<b>666</b>	<b>703</b>	<b>3 795</b>	<b>19 807</b>	<b>81 046</b>	<b>25 816</b>	<b>205</b>	<b>20 210</b>

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

### Summary of Indigent Households

Indigent Household Statistics					
	Indigent Households	Amount	Other Households	Total Households	
<b>2 016</b>					
July	7 304	4 360 616	25 142	32 446	22.51%
August	7 298	4 365 084	25 131	32 429	22.50%
September	7 503	4 488 280	25 161	32 664	22.97%
October	7 504	4 498 246	25 111	32 615	23.01%
November	7 532	4 536 178	25 083	32 615	23.09%
December	7 665	4 608 644	24 949	32 614	23.50%
<b>2 017</b>					
January	7 677	4 646 973	24 945	32 622	23.53%
February	7 895	4 629 007	24 926	32 621	23.59%
March	7 821	4 600 339	25 040	32 661	23.33%
April	7 442	4 523 524	25 219	32 661	22.79%
May	7 425	4 526 133	25 241	32 666	22.73%
June	7 418	4 509 593	25 870	33 288	22.28%

**Summary of Debtors Age Analysis**

MONTH	< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	<180 Days	<365 Days	>365 Days	Total	Older than 30 Days	Older than 90 days
<b>2016/17</b>											
June	52 936 397	1 463 107	830 256	844 880	666 198	702 667	3 795 314	19 806 804	81 045 622	28 109 225	25 815 862
May	65 084 695	1 578 296	1 045 714	788 742	763 896	685 623	4 553 679	19 131 237	83 831 882	28 547 187	25 923 177
April	57 541 540	1 951 631	1 237 889	1 149 592	829 032	652 140	4 801 056	19 913 910	88 076 792	30 535 251	27 345 731
March	56 987 068	1 798 539	1 308 190	940 549	689 553	640 017	4 648 739	19 765 806	86 758 481	29 791 394	26 684 664
February	57 780 758	2 076 061	1 216 434	800 017	706 998	807 711	4 694 760	19 461 500	87 544 242	29 763 484	26 470 988
January	62 593 762	1 976 715	982 505	822 430	900 457	784 687	4 641 326	19 540 852	92 242 734	29 648 972	26 689 751
December	55 726 442	1 459 913	1 005 503	976 593	835 735	1 184 877	4 097 985	19 184 797	84 471 844	29 745 402	26 279 986
November	53 540 438	1 532 503	1 197 756	1 014 165	1 284 533	1 354 917	3 400 262	18 959 315	82 283 889	28 743 451	26 013 192
October	50 652 570	1 888 891	1 221 523	1 432 705	1 441 096	777 200	3 459 412	18 909 484	79 782 852	29 130 311	26 018 898
September	50 983 328	1 741 045	1 604 160	1 547 365	882 541	715 623	3 646 312	18 161 990	80 262 363	29 299 035	25 953 831
Augustus	56 126 377	2 282 003	1 806 712	993 626	794 009	872 603	3 749 957	19 052 307	85 677 596	29 551 219	25 462 503
July	57 488 799	2 827 740	1 235 593	926 254	965 306	723 870	3 799 288	19 044 794	87 011 644	29 522 845	25 458 511

**Government Debt**

Overstrand Municipality as at 30/06/2017	Total Debt	Services	Rates	Other
Department Responsible for the Debt				
NPW 2227	695 506	510 241	184 114	1 151
WCED 2251	279 109	279 109	0	0
OTHER 2210+2256	665 959	665 959	0	0
HEALTH 2262	94 105	94 105	0	0
TPW 2256	73 184	3 841	67 816	1 527
HOUSING 2253+2215	8 958	8 958	0	0
OTHER MUNICIPALITIES 2276	139 895	139 895	0	0
<b>TOTAL OUTSTANDING</b>	<b>1 956 716</b>	<b>1 702 198</b>	<b>251 931</b>	<b>2 678</b>

**Creditors' analysis****Supporting Table SC4****WC02 Overstrand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June**

Description	NT Code	Budget Year 2016/17								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	28 054								28 054
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	6 557								6 557
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>34 610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34 610</b>

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

The payment of creditors is within the requirements of the MFMA.

## Investment portfolio analysis

### Supporting Table SC5

#### WC032 Overstrand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

Investments by maturity Name of institution & Investment ID R thousands	Period of investment	Type of investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
	Yrs/Months							
<b>Municipality</b>								
LIBERTY 15934476	15 YEARS	Policy	01/09/2025	24		13 060	125	13 209
LIBERTY 21196964	14 YEARS	Policy	01/09/2025	12		22 233	260	22 505
MOMENTUM MP 3853776	14 YEARS	Policy	01/07/2026	(75)		2 313	30	2 268
ABSA 4074809272	DAILY	CALL		3	6.0%	465		467
ABSA 9284200168	DEP PLUS	DEP PLUS		130	6.3%	11 050	(1 050)	10 130
ABSA 9295906141	DEP PLUS	DEP PLUS		129	6.3%	10 877	(876)	10 130
Standard Bank 288434005-026	92 days	FIXED DEP	26/09/2017		7.9%		50 000	50 000
Investec JB9480569	62 days	FIXED DEP	28/08/2017		7.8%		50 000	50 000
03/7881534451 Nedbank	32 days	FIXED DEP	31/07/2017		7.7%		50 000	50 000
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>222</b>		<b>59 998</b>	<b>148 489</b>	<b>208 709</b>

Surplus cash not immediately required is invested in call and 1-3 month deposits.

Long term investments relate to the sinking fund investments.

## Allocation and grant receipts and expenditure

### Supporting Table SC6 – Grant receipts

WC032 Overstrand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
National Government:	68 839	76 347	76 847	-	76 847	76 847	-		76 847
Local Government Equitable Share	64 598	72 950	72 950		72 950	72 950	-		72 950
Finance Management	1 450	1 475	1 475		1 475	1 475			1 475
Municipal Systems Improvement	930								
EPWP incentive	1 661	1 922	1 922		1 922	1 922			1 922
Municipal Infrastructure Grant (MIG)			500		500	500			500
Provincial Government:	36 418	49 968	44 307	744	42 057	42 057	-		44 307
Housing	29 425	43 795	37 976	744	35 846	35 846	-		37 976
Provincial Library Grant	5 307	5 839	5 889		5 889	5 889			5 889
Community Development Worker Grant	72	75	75		75	75	-		75
Main Road Subsidy	114	137	137		137	137	-		137
Financial Management Capacity Building Grant	1 300	120	120				-		120
Thusong Service Centre Maintenance	200								
Greenest Municipality			50		50	50			50
Local Government Graduate Internship Grant			60		60	60	-		60
Other grant providers:	-	-	-	-	571	571	-		-
DWA ACIP					571	571	-		
<b>Total Operating Transfers and Grants</b>	<b>105 057</b>	<b>126 313</b>	<b>121 725</b>	<b>744</b>	<b>119 475</b>	<b>119 475</b>	<b>-</b>		<b>121 725</b>
<b>Capital Transfers and Grants</b>									
National Government:	29 417	26 030	25 530	-	25 530	25 530	-		25 530
Municipal Infrastructure Grant (MIG)	21 417	21 030	20 530		20 530	20 530	-		20 530
INEP	8 000	5 000	5 000		5 000	5 000	-		5 000
Provincial Government:	29 110	13 932	9 746	3 933	9 746	9 746	-		9 746
Housing	26 080	12 882	7 546	3 933	7 546	7 546	-		7 546
Provincial Library Grant	3 031	1 050	1 000		1 000	1 000			1 000
Fire Services Capacity Grant (Capital Grant)			1 200		1 200	1 200			1 200
Other grant providers:	-	3 500	-	-	-	-	-		3 500
DWA ACIP		3 500			-	-	-		3 500
<b>Total Capital Transfers and Grants</b>	<b>58 527</b>	<b>43 462</b>	<b>35 276</b>	<b>3 933</b>	<b>35 276</b>	<b>35 276</b>	<b>-</b>		<b>35 276</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>163 584</b>	<b>169 775</b>	<b>157 000</b>	<b>4 677</b>	<b>154 750</b>	<b>154 750</b>	<b>-</b>		<b>157 000</b>

Grant receipts are monitored according to the payment schedules.

## Supporting Table SC7(1) – Grant expenditure

## WC032 Overstrand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
National Government:	3 701	3 397	3 897	1 065	3 897	3 897	-		3 897
Local Government Equitable Share							-		
Finance Management	2 040	1 475	1 475	647	1 475	1 475	-		1 475
Municipal Systems Improvement							-		
EPWP Incentive	1 661	1 922	1 922	333	1 922	1 922	-		1 922
Municipal Infrastructure Grant (MIG)			500	85	500	500	-		500
Provincial Government:	36 630	49 966	44 307	317	38 090	38 090	-		44 307
Housing	29 425	43 795	37 976	296	31 976	31 976	-		37 976
Community Development Worker Grant	72	75	75	15	75	75	-		75
Main Road Subsidy	114	137	137		137	137	-		137
Financial Management Capacity Building Grant	1 513	120	120				-		120
Provincial Library Grant	5 307	5 839	5 889		5 889	5 889	-		5 889
Local Government Graduate Internship Grant			60	5	12	12	-		60
Other grant providers:	-	-	-	-	417	417	-		-
ACIP					417	417	-		
<b>Total operating expenditure of Transfers and Grants:</b>	<b>40 331</b>	<b>53 363</b>	<b>48 204</b>	<b>1 382</b>	<b>42 403</b>	<b>42 403</b>	<b>-</b>		<b>48 204</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	30 347	26 030	25 530	5 783	25 530	25 530	-		25 530
Municipal Infrastructure Grant (MIG)	21 417	21 030	20 530	5 339	20 530	20 530	-		20 530
INEP	8 000	5 000	5 000	444	5 000	5 000	-		5 000
Municipal Systems Improvement	930						-		
Provincial Government:	29 004	13 932	9 851	5 999	7 681	7 681	-		9 851
Housing	25 974	12 882	7 651	5 999	7 651	7 651	-		7 651
Provincial Library Grant	3 031	1 050	1 000		30	30	-		1 000
Fire Services Capacity Grant (Capital Grant)			1 200				-		1 200
Other grant providers:	-	4 500	1 000	5	1 000	1 000	-		1 000
National Lotto		1 000	1 000	5	1 000	1 000	-		1 000
DWA ACIP		3 500	-				-		-
<b>Total capital expenditure of Transfers and Grants</b>	<b>59 351</b>	<b>44 462</b>	<b>36 381</b>	<b>11 787</b>	<b>34 211</b>	<b>34 211</b>	<b>-</b>		<b>36 381</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>99 683</b>	<b>97 825</b>	<b>84 585</b>	<b>13 169</b>	<b>76 614</b>	<b>76 614</b>	<b>-</b>		<b>84 585</b>

Grant expenditure is monitored against grant receipts.



### Supporting Table SC7(2) – Expenditure against approved rollovers

#### WC032 Overstrand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M12 June

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

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

## Expenditure on councillor allowances and employee benefits

### Supporting Table SC8

#### WC032 Overstrand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	7 961	8 499	8 895	738	8 548	8 895	(347)	-4%	8 895
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	606	612	612	55	667	612	46	7%	612
Housing Allowances							-		
Other benefits and allowances							-		
<b>Sub Total - Councillors</b>	<b>8 566</b>	<b>9 110</b>	<b>9 507</b>	<b>793</b>	<b>9 205</b>	<b>9 507</b>	<b>(302)</b>	<b>-3%</b>	<b>9 507</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	9 543	10 150	10 150	830	9 944	10 150	(206)	-2%	10 150
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Overtime							-		
Performance Bonus							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	154	154	154	16	158	154	3	2%	154
Housing Allowances							-		
Other benefits and allowances	32			-	39		39	#DIV/0!	
Payments in lieu of leave							-		
Long service awards							-		
Post-retirement benefit obligations							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>9 729</b>	<b>10 305</b>	<b>10 305</b>	<b>846</b>	<b>10 141</b>	<b>10 305</b>	<b>(164)</b>	<b>-2%</b>	<b>10 305</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	174 409	199 010	195 302	17 694	191 046	195 302	(4 256)	-2%	195 302
Pension and UIF Contributions	29 587	32 625	32 625	2 547	30 504	32 625	(2 121)	-7%	32 625
Medical Aid Contributions	9 829	11 423	11 423	897	10 523	11 423	(900)	-8%	11 423
Overtime	15 724	14 920	14 920	1 183	14 176	14 920	(744)	-5%	14 920
Performance Bonus				-			-		
Motor Vehicle Allowance	7 222	6 990	6 990	884	10 280	6 990	3 289	47%	6 990
Cellphone Allowance	1 119	1 278	1 278	179	1 325	1 278	48	4%	1 278
Housing Allowances	4 608	5 851	5 851	196	2 386	5 851	(3 465)	-59%	5 851
Other benefits and allowances	10 248	11 375	11 375	883	10 454	11 375	(921)	-8%	11 375
Payments in lieu of leave	1 815	709	709	59	709	709	-		709
Long service awards	2 288	3 139	3 139	248	3 098	3 139	(41)	-1%	3 139
Provision for Bonus	158	496	496	73	545	496	49	10%	496
Post-retirement benefit obligations	6 381	16 081	16 081	1 335	16 076	16 081	(6)	0%	16 081
<b>Sub Total - Other Municipal Staff</b>	<b>283 387</b>	<b>303 899</b>	<b>300 191</b>	<b>26 178</b>	<b>291 124</b>	<b>300 191</b>	<b>(9 068)</b>	<b>-3%</b>	<b>300 191</b>
<b>Total Parent Municipality</b>	<b>281 681</b>	<b>323 314</b>	<b>320 003</b>	<b>27 817</b>	<b>310 470</b>	<b>320 003</b>	<b>(9 533)</b>	<b>-3%</b>	<b>320 003</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>281 681</b>	<b>323 314</b>	<b>320 003</b>	<b>27 817</b>	<b>310 470</b>	<b>320 003</b>	<b>(9 533)</b>	<b>-3%</b>	<b>320 003</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>273 115</b>	<b>314 204</b>	<b>310 496</b>	<b>27 024</b>	<b>301 264</b>	<b>310 496</b>	<b>(9 231)</b>	<b>-3%</b>	<b>310 496</b>

**SDBIP**

The results of the SDBIP for the fourth quarter ended June 2017 will be included in a separate comprehensive report to be tabled in Council.

## Financial Performance

### Supporting Table SC2

WC032 Overstrand - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 June

Description of financial indicator	Basis of calculation	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	2.4%	15.3%	16.2%	3.8%	5.2%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	28.5%	38.3%	41.6%	43.0%	41.6%
<b>Safety of Capital</b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	15.6%	19.3%	16.3%	15.9%	16.3%
Gearing	Long Term Borrowing/ Funds & Reserves	18944.5%	18584.8%	18594.1%	12624.2%	18594.1%
<b>Liquidity</b>						
Current Ratio	Current assets/current liabilities	184.5%	129.9%	172.1%	232.5%	172.1%
Liquidity Ratio	Monetary Assets/Current Liabilities	103.4%	62.0%	104.3%	150.2%	104.3%
<b>Revenue Management</b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	11.6%	11.2%	11.1%	11.0%	11.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.6%	11.2%	11.1%	11.0%	11.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	98.0%	98.0%	98.0%	99.5%	98.0%
<b>Funding of Provisions</b>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<b>Other Indicators</b>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	6.3%	6.0%	6.0%	7.4%	6.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	20.9%	18.9%	18.9%	21.3%	18.9%
Employee costs	Employee costs/Total Revenue - capital revenue	29.2%	31.6%	30.9%	29.1%	30.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	18.2%	16.5%	17.3%	3.9%	5.6%
<b>IDP regulation financial viability indicators</b>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	0.1	19.1	19.1	24.90 : 1	19.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	10.4%	14.0%	14.0%	9.9%	14.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.5	1.6	1.6	10.56 : 1	1.6

## Capital programme performance

### Supporting Table SC12

#### WC032 Overstrand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	227	50	50	-		50	-		
August	9 788	2 978	2 978	571	571	3 028	2 456	81.1%	1%
September	14 612	2 070	2 070	5 869	6 440	5 098	(1 343)	-26.3%	7%
October	3 390	3 885	3 885	1 879	8 319	8 983	663	7.4%	9%
November	6 454	4 195	4 195	4 070	12 390	13 178	788	6.0%	14%
December	12 084	4 188	4 188	7 840	20 230	17 365	(2 864)	-16.5%	23%
January	1 797	2 185	2 185	3 211	23 441	19 550	(3 890)	-19.9%	27%
February	1 460	8 551	8 551	5 297	28 737	28 102	(636)	-2.3%	33%
March	7 039	10 086	10 086	6 067	34 804	38 188	3 384	8.9%	39%
April	3 125	12 051	12 051	5 463	40 267	50 238	9 971	19.8%	46%
May	7 824	11 331	11 331	7 975	48 242	61 570	13 328	21.6%	55%
June	27 486	26 787	24 697	35 055	83 297	86 266	2 969	3.4%	94%
<b>Total Capital expenditure</b>	<b>95 286</b>	<b>88 356</b>	<b>86 266</b>	<b>63 297</b>					

## Supporting Table SC13a

## WC032 Overstrand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>44 603</b>	<b>36 284</b>	<b>35 691</b>	<b>13 600</b>	<b>34 505</b>	<b>35 691</b>	<b>1 186</b>	<b>3.3%</b>	<b>35 691</b>
Infrastructure - Road transport	16 352	1 840	1 481	263	1 481	1 481	(0)	0.0%	1 481
<i>Roads, Pavements &amp; Bridges</i>	13 226	1 610	1 251	245	1 251	1 251	(0)	0.0%	1 251
<i>Storm water</i>	3 126	230	230	18	230	230	0	0.0%	230
Infrastructure - Electricity	18 237	21 599	23 204	9 863	23 135	23 204	69	0.3%	23 204
<i>Generation</i>							-		
<i>Transmission &amp; Reticulation</i>	18 237	21 599	23 204	9 863	23 135	23 204	69	0.3%	23 204
<i>Street Lighting</i>							-		
Infrastructure - Water	3 772	4 529	4 879	1 992	4 907	4 879	(28)	-0.6%	4 879
<i>Dams &amp; Reservoirs</i>	3 772	4 529	4 529	1 642	4 557	4 529	(28)	-0.6%	4 529
<i>Water purification</i>							-		
<i>Reticulation</i>			350	350	350	350	-		350
Infrastructure - Sanitation	6 217	8 301	6 113	1 482	4 971	6 113	1 142	18.7%	6 113
<i>Reticulation</i>		4 801	4 801	741	3 665	4 801	1 135	23.7%	4 801
<i>Sewerage purification</i>	6 217	3 500	1 312	741	1 306	1 312	6	0.5%	1 312
Infrastructure - Other	25	15	15	-	12	15	3	19.0%	15
<i>Waste Management</i>	25	15	15		12	15	3	19.0%	15
<b>Community</b>	<b>29 837</b>	<b>10 366</b>	<b>12 093</b>	<b>5 946</b>	<b>11 219</b>	<b>12 093</b>	<b>874</b>	<b>7.2%</b>	<b>12 093</b>
Parks & gardens							-		
Sportsfields & stadia	418	480	638	229	568	638	70	11.0%	638
Swimming pools							-		
Community halls		945	1 019	516	635	1 019	384	37.7%	1 019
Libraries	3 031	1 050	1 000		74	1 000	926	92.6%	1 000
Recreational facilities							-		
Fire, safety & emergency	264	880	880	161	976	880	(96)	-10.9%	880
Social rental housing	25 985	6 961	8 506	5 041	8 918	8 506	(412)	-4.8%	8 506
Other	139	50	50		48	50	2	3.8%	50
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other assets</b>	<b>4 962</b>	<b>2 173</b>	<b>3 743</b>	<b>794</b>	<b>2 987</b>	<b>3 743</b>	<b>757</b>	<b>20.2%</b>	<b>3 743</b>
General vehicles		1 485	2 685		1 719	2 685	966	36.0%	2 685
Plant & equipment							-		
Computers - hardware/equipment							-		
Furniture and other office equipment							-		
Other	4 962	688	1 058	794	1 268	1 058	(209)	-19.8%	1 058
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming							-		
Other							-		
<b>Total Capital Expenditure on new assets</b>	<b>79 402</b>	<b>48 823</b>	<b>51 528</b>	<b>20 340</b>	<b>48 711</b>	<b>51 528</b>	<b>2 816</b>	<b>5.5%</b>	<b>51 528</b>

## Supporting Table SC13b

WC032 Overstrand - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	12 992	30 547	31 255	13 278	31 207	31 255	48	0.2%	31 255
Infrastructure - Road transport	-	11 855	11 809	3 117	11 808	11 809	3	0.0%	11 809
Roads, Pavements & Bridges	-	10 355	9 709	1 923	9 706	9 709	3	0.0%	9 709
Storm water	-	1 500	2 100	1 194	2 100	2 100	-	-	2 100
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	10 460	10 492	10 710	4 127	10 665	10 710	45	0.4%	10 710
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	10 460	10 492	10 710	4 127	10 665	10 710	45	0.4%	10 710
Infrastructure - Sanitation	2 531	8 200	8 736	6 035	8 736	8 736	0	0.0%	8 736
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	2 531	8 200	8 736	6 035	8 736	8 736	0	0.0%	8 736
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
<b>Community</b>	2 893	8 986	3 484	1 437	3 379	3 484	105	3.0%	3 484
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	2 893	2 085	1 265	349	1 265	1 265	-	-	1 265
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	1 000	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	5 921	2 219	1 087	2 114	2 219	105	4.7%	2 219
Other	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
General vehicles	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of</b>	<b>15 884</b>	<b>39 533</b>	<b>34 738</b>	<b>14 715</b>	<b>34 585</b>	<b>34 738</b>	<b>153</b>	<b>0.4%</b>	<b>34 738</b>

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## Supporting Table SC13c

WC032 Overstrand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	99 836	110 372	110 372	5 532	110 292	110 372	80	0.1%	110 372
Infrastructure - Road transport	50 781	61 852	61 852	2 137	61 937	61 852	(86)	-0.1%	61 852
Roads, Pavements & Bridges	45 521	55 545	55 545	1 925	55 545	55 545	0	0.0%	55 545
Storm water	5 260	6 306	6 306	212	6 392	6 306	(86)	-1.4%	6 306
Infrastructure - Electricity	16 972	17 747	17 747	1 182	17 747	17 747	0	0.0%	17 747
Generation							-		
Transmission & Reticulation	16 972	17 747	17 747	1 182	17 747	17 747	0	0.0%	17 747
Street Lighting							-		
Infrastructure - Water	18 056	16 555	16 555	975	16 389	16 555	165	1.0%	16 555
Dams & Reservoirs							-		
Water purification							-		
Reticulation	18 056	16 555	16 555	975	16 389	16 555	165	1.0%	16 555
Infrastructure - Sanitation	11 612	11 672	11 672	940	11 672	11 672	0	0.0%	11 672
Reticulation							-		
Sewerage purification	11 612	11 672	11 672	940	11 672	11 672	0	0.0%	11 672
Infrastructure - Other	2 516	2 546	2 546	297	2 546	2 546	(0)	0.0%	2 546
Waste Management	2 516	2 546	2 546	297	2 546	2 546	(0)	0.0%	2 546
<b>Community</b>	4 531	4 878	4 878	253	4 867	4 878	10	0.2%	4 878
Parks & gardens		2 214	2 214	156	2 214	2 214	0	0.0%	2 214
Sportsfields & stadia		608	608	25	608	608	0	0.0%	608
Swimming pools		557	557	5	557	557	(0)	-0.1%	557
Community halls		617	617	40	617	617	0	0.0%	617
Libraries		103	103	5	148	103	(46)	-44.4%	103
Recreational facilities							-		
Fire, safety & emergency							-		
Security and policing							-		
Cemeteries		28	28	3	30	28	(2)	-7.4%	28
Social rental housing							-		
Other	4 531	751	751	18	693	751	58	7.7%	751
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development							-		
<b>Other assets</b>	5 010	5 545	5 545	296	5 536	5 545	10	0.2%	5 545
General vehicles							-		
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment							-		
Computers - hardware/equipment							-		
Other Buildings		673	673	146	664	673	9	1.3%	673
Other	5 010	4 872	4 872	149	4 872	4 872	0	0.0%	4 872
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expendit</b>	<b>109 377</b>	<b>120 795</b>	<b>120 795</b>	<b>6 081</b>	<b>120 695</b>	<b>120 795</b>	<b>100</b>	<b>0.1%</b>	<b>120 795</b>



## Supporting Table SC13d

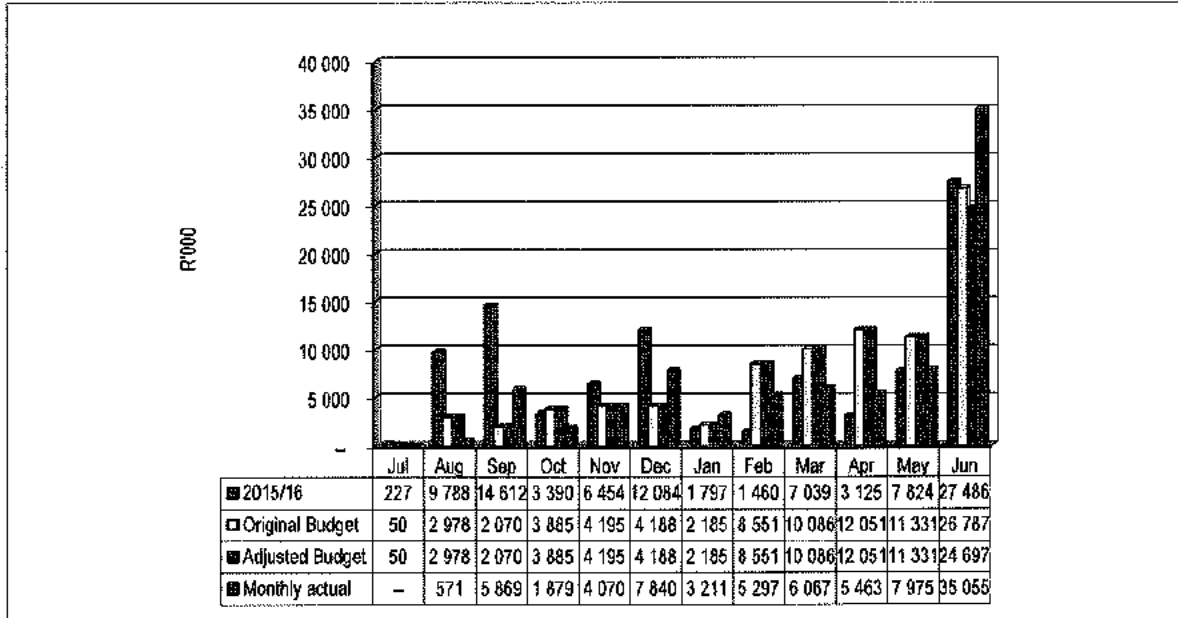
## WC032 Overstrand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	107 204	98 643	98 643	8 220	98 643	98 643	-		98 643
Infrastructure - Road transport	39 940	34 067	34 067	2 839	34 067	34 067	-		34 067
Roads, Pavements & Bridges	37 024	31 330	31 330	2 611	31 330	31 330	-		31 330
Storm water	2 916	2 737	2 737	228	2 737	2 737	-		2 737
Infrastructure - Electricity	24 086	21 304	21 304	1 775	21 304	21 304	-		21 304
Generation							-		
Transmission & Reticulation	24 086	21 304	21 304	1 775	21 304	21 304	-		21 304
Street Lighting							-		
Infrastructure - Water	26 570	21 116	21 116	1 760	21 116	21 116	-		21 116
Dams & Reservoirs							-		
Water purification							-		
Reticulation	26 570	21 116	21 116	1 760	21 116	21 116	-		21 116
Infrastructure - Sanitation	12 693	18 002	18 002	1 500	18 002	18 002	-		18 002
Reticulation	12 693	18 002	18 002	1 500	18 002	18 002	-		18 002
Sewerage purification							-		
Infrastructure - Other	3 915	4 153	4 153	346	4 153	4 153	-		4 153
Waste Management	3 915	4 153	4 153	346	4 153	4 153	-		4 153
Other							-		-
<b>Community</b>	-	3 806	3 806	317	3 806	3 806	-		3 806
Recreational facilities		3 806	3 806	317	3 806	3 806	-		3 806
<b>Heritage assets</b>	-	-	-	-	-	-	-		-
<b>Investment properties</b>	-	-	-	-	-	-	-		-
<b>Other assets</b>	15 397	14 052	23 709	1 940	26 357	23 709	(2 648)	-11.2%	23 709
General vehicles							-		
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment							-		
Computers - hardware/equipment							-		
Furniture and other office equipment							-		
Civic Land and Buildings	10 598	6 008	6 008	501	6 008	6 008	-		6 008
Other Buildings							-		
Other Land							-		
Surplus Assets - (Investment or Inventory)							-		
Other	4 798	8 044	17 701	1 439	20 349	17 701	(2 648)	-15.0%	17 701
<b>Agricultural assets</b>	-	-	-	-	-	-	-		-
<b>Biological assets</b>	-	-	-	-	-	-	-		-
<b>Intangibles</b>	215	1 190	1 190	99	1 090	1 190	99	8.3%	1 190
Computers - software & programming	215						-		
Other		1 190	1 190	99	1 090	1 190	99	8.3%	1 190
<b>Total Depreciation</b>	<b>122 815</b>	<b>117 690</b>	<b>127 347</b>	<b>10 576</b>	<b>129 896</b>	<b>127 347</b>	<b>(2 549)</b>	<b>-2.0%</b>	<b>127 347</b>

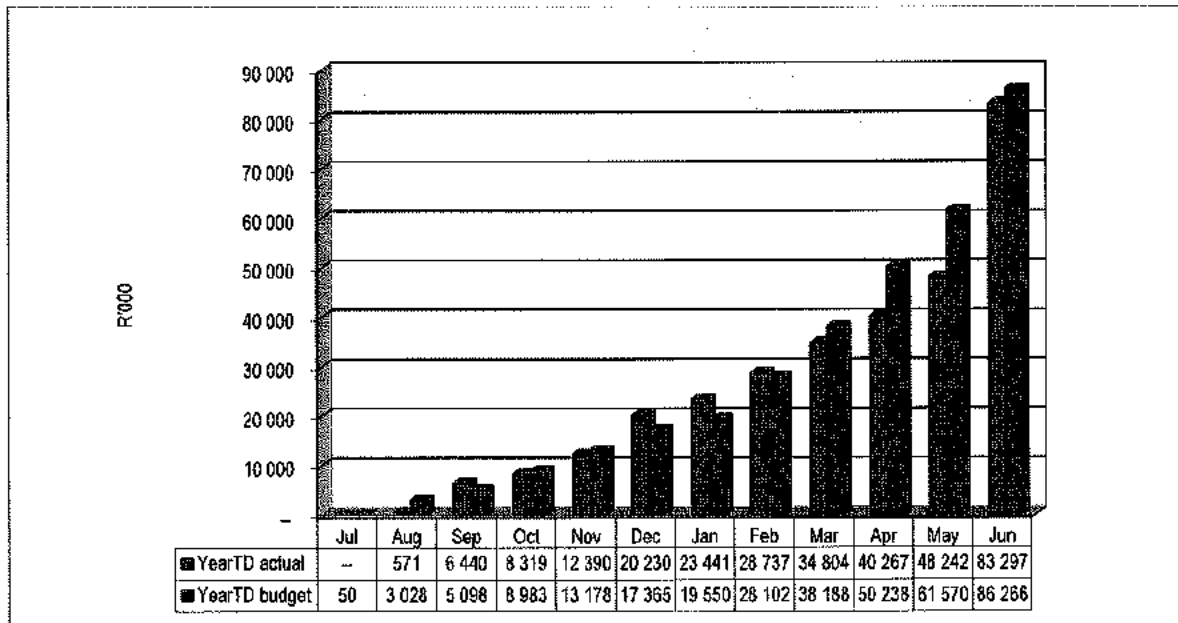
**Other supporting documentation**

**Section 71 charts**

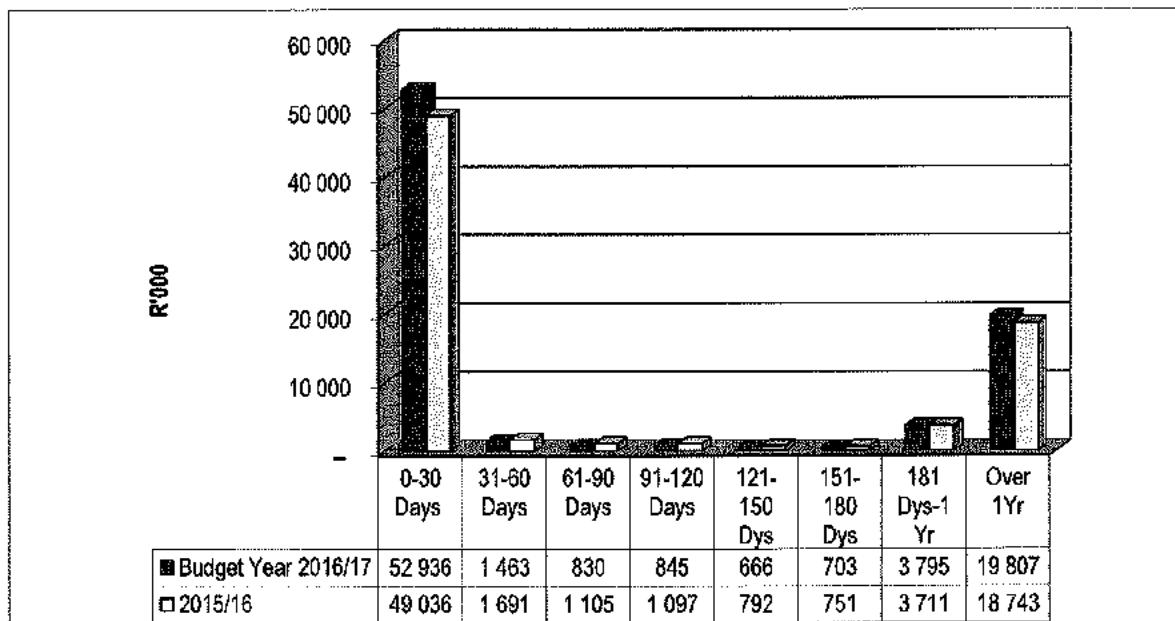
**Capital expenditure monthly trend - actual vs target**



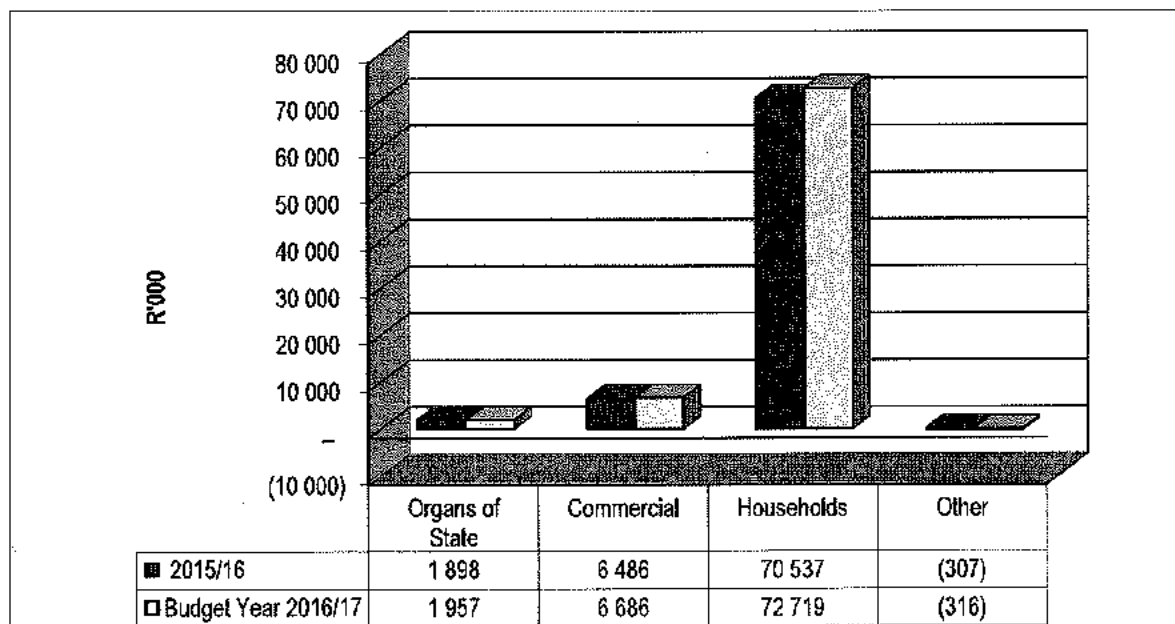
**Capital expenditure – YTD actual vs YTD trend**



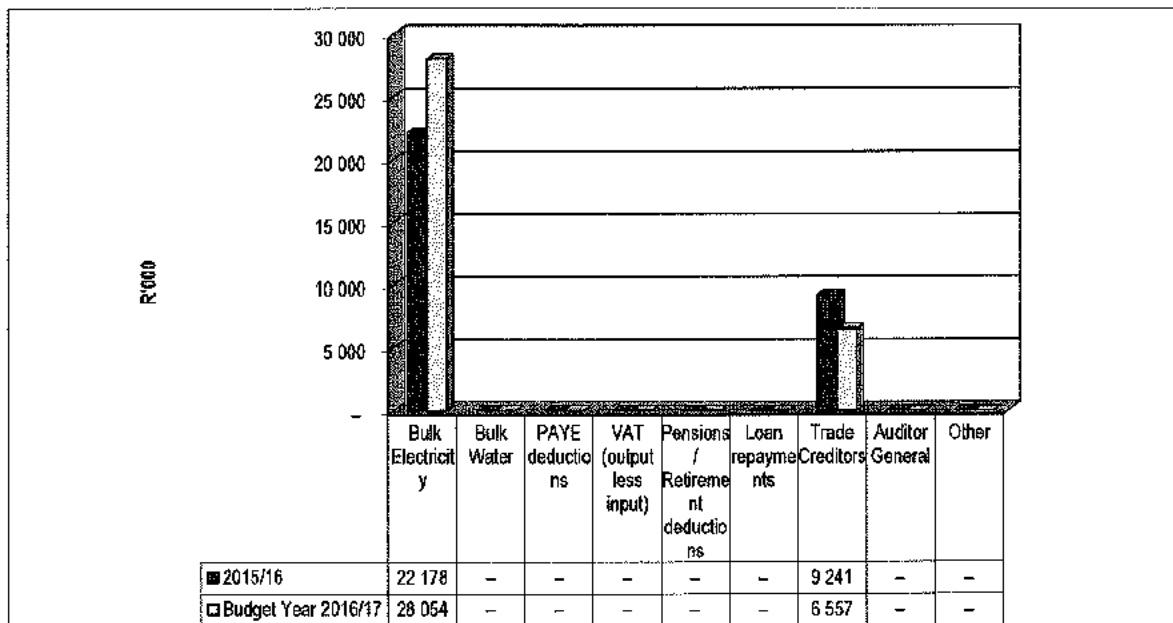
**Debtors Age Analysis**



**Debtors by Type**



**Creditor Payments**



**Municipal manager's quality certification**

I, Roderick Williams, the Acting Municipal Manager of Overstrand Municipality, hereby certify that the –


**Quarterly Budget Report**

for the period ending **June 2017** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **Roderick Williams**

Acting Municipal Manager of Overstrand Municipality (WC032)

Signature:

  
\_\_\_\_\_

Date:

14/07/2017  
\_\_\_\_\_

**OVERSTRAND MUNICIPALITY – COST CONTAINMENT MEASURES:**

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

June 2017

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

**Purpose**

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

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

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

**Background**

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

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

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

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

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

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

#### Enforcement of cost containment measures

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

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

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

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

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

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

### Conclusion

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

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

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

### Issued on behalf of:

Malijeng Ngqaleni Kenneth Brown Jayce Nair

Intergovernmental Relations Chief Procurement Officer Acting Accountant-General

TV PILLAY

CHIEF DIRECTOR: MFMA IMPLEMENTATION

30 MARCH 2016



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

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

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

It is prudent that Municipalities consider consultation with its -

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

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

### **1. Engagement of Consultants**

<ul style="list-style-type: none"> <li>• Accounting Officers must only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required.</li> <li>• Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality.</li> <li>• Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those:             <ul style="list-style-type: none"> <li>○ determined in the "Guidelines on fees for audits done on behalf of the Auditor-General South Africa", issued by the South African Institute of Chartered Accountants (SAICA);</li> <li>○ set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA); or</li> <li>○ Prescribed by the body regulating the profession of the</li> </ul> </li> </ul>	<p>Contents of the circular are noted; Appointment of consultants in terms of services required and listed.</p>
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<p>consultant.</p> <ul style="list-style-type: none"> <li>• Ensure an exacting "specification" of the work to be accomplished accompanies the tender and is used as a monitoring tool, are appropriately recorded and monitored.</li> <li>• Ensure that contracts for consultants include retention and penalty clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary.</li> <li>• It is mandatory that accounting officers of municipalities and municipal entities conclude on the best "value for money", i.e. matching fees against quality and against benchmarked practices.</li> <li>• Accounting officers of municipalities and municipal entities must appoint consultants on a time and cost basis with specific start and end dates.</li> <li>• Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government and the contract price specifies all travel &amp; subsistence costs.</li> <li>• If travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions: <ul style="list-style-type: none"> <li>a) Hotel accommodation may not exceed the amount mentioned in this Circular;</li> <li>b) Only economy class air tickets may be purchased for flights;</li> <li>c) Only group B vehicles or lower may be hired for engagements, as mentioned in this Circular;</li> <li>d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time.</li> </ul> </li> <li>• Municipalities are urged to develop consultancy reduction plans.</li> <li>• Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality's SCM policy.</li> </ul>	
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## 2. Travel and subsistence

<p>The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounts for flights as well as discounted accommodation rates. Therefore municipalities and municipal entities are requested to utilize these agreements to assist in their respective cost containment measures, unless they can negotiate lower air travel rates or utilize other service providers that offer lower rates.</p> <p><u>Net and Non-Commissionable Rates</u> All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed &amp; Breakfast establishments.</p> <p><u>Rebates, Overrides, Volume based income</u> In the spirit of transparency, the OCPO is taking a firm position on rebates, overrides or any volume driven</p>	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> <li>• South African Revenue Services (SARS)</li> <li>• Municipal Finance Management Act, 2003 (Act No. 56 of 2003)</li> <li>• South African Local Government Association (SALGA)</li> <li>• Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)</li> <li>• Income Tax Act, 1962 (Act No. 58 of 1962).</li> </ul>
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<p>target incentives being paid by suppliers to Travel Management Company (TMC). As of 1 April 2016 these payments and the practice of overrides is to discontinue for Government business.</p>	<p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.</p>
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### 2.1 National Travel Policy

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

This will be available on the OCPO's website:

([http://ocpo.treasury.gov.za/Buyers\\_Area/Legislation/Pages/default.aspx](http://ocpo.treasury.gov.za/Buyers_Area/Legislation/Pages/default.aspx))

### 2.2 Air Travel


<ul style="list-style-type: none"> <li>• The National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways (BA) for upfront discounted air fares for government employees travelling domestically for official purpose. These Domestic Air Travel Fares will be regularly reviewed by the National Treasury (These rates are not applicable for International Air Travel).</li> <li>• For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.</li> <li>• For BA the discounts range from 10% (O, Q class) up to 25% (Y Class) for Economy Class tickets; and 20% (J Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.</li> <li>• Treasury entered into a short-term Corporate Agreement from 1 April 2016 to 30 September 2016. This has been extended by a further six months.</li> <li>• The premise of Best Fare on the Day will be implemented making full use of the negotiated Government Corporate Agreements with SAA and BA Comair. Quotations are to be obtained from at least SAA and BA Comair before issue. Other Low Cost Carriers may also be requested for quotations. Please note that all discounted rates are subject to class availability.</li> <li>• In order to make full use of the corporate discount with SAA and BA, municipalities and municipal entities must instruct their appointed TMCs or persons making their bookings for domestic airline tickets, to book against the relevant deal</li> </ul>	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> <li>• South African Revenue Services (SARS)</li> <li>• Municipal Finance Management Act, 2003 (Act No. 56 of 2003)</li> <li>• South African Local Government Association (SALGA)</li> <li>• Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)</li> <li>• Income Tax Act, 1962 (Act No. 58 of 1962).</li> </ul> <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a</p>
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<p>codes as detailed in Annexure B.</p> <ul style="list-style-type: none"> <li>• Corporate agreements with SAA and BA/Comair will be made available to TMCs that are currently contracted to Government. Should the municipal TMC have not been contacted by the full service carrier representative, they are to inform National Treasury with the agents name; physical address, contact name, email address and IATA number. Upon receipt of the information, the representatives of the full service carriers will ensure that the TMC is given access to the deal code. The TMC must have an authenticated IATA number.</li> <li>• Accounting officers of municipalities and municipal entities are advised to include a clause in their respective documents that travel agencies are only permitted to make booking arrangements on behalf of municipalities and municipal entities in line with this Circular. Current arrangements need to be updated and amended to reflect these changes.</li> <li>• Disabled persons can be accommodated in economy class, however, in extremely exceptional and rare cases an Accounting Officer may approve, with evidence, other than economy class air travel.</li> </ul>	<p>full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017.</p>
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### 2.3 Domestic Hotel Accommodation

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

Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner
<b>Graded Hotel, Boutique Hotel, Lodge or Resort</b>			
	BAND 1	BAND 2	BAND 3
1 Star	R 580	R 710	R 855
2 Star	R 900	R 1030	R 1230
3 Star	R 1 100	R 1 200	R 1 400
4 Star	R 1 260	R 1 350	R 1 550
5 Star	R 2 100	R 2 200	R 2 500
<b>Bed &amp; Breakfast, Country House or Guest house</b>			
	BAND 1	BAND 2	BAND 3
1 Star	R 300	R 450	R 630
2 Star	R 600	R 650	R 830
3 Star	R 900	R 1 050	R 1 230
4 Star	R 1 000	R 1 150	R 1 330
5 Star	R 1 200	R 1 350	R 1 530
<b>Self-Catering*</b>			
	BAND 1	BAND 2	BAND 3
1 Star	R 580		
2 Star	R 900		
3 Star	R 1 100		
4 Star	R 1 250		
5 Star	R 1 450		
<b>Meals**</b>			
	BAND 1	BAND 2	BAND 3
Breakfast	R 120	R -	R -
Lunch	R 150	R 150	R 150
Dinner	R 150	R 150	R -
<b>Total</b>	<b>R 420</b>	<b>R 300</b>	<b>R 150</b>

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

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

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

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

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

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

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

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

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

<p>A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards be it for official purposes:</p> <ul style="list-style-type: none"> <li>contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the sections or as prescribed;</li> <li>contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public Office Bearers Act constitutes irregular expenditure;</li> </ul>	<ul style="list-style-type: none"> <li>Overstrand Municipality does not allow the use of credit and debit cards.</li> </ul>
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<ul style="list-style-type: none"> <li>• contravening section 15 of the MFMA by incurring expenditure not authorised in an approved budget;</li> <li>• non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public;</li> <li>• non-compliance with the supply chain management regulations; and</li> <li>• undermines efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices.</li> </ul>	
<p>While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips.</p>	<ul style="list-style-type: none"> <li>• Noted</li> </ul>
<p>Where officials or councillors incur expenses in relation to official municipal activities, they should use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should make arrangements with the service provider that the expenditure be settled directly by the municipality.</p>	<ul style="list-style-type: none"> <li>• Noted</li> </ul>

#### 4 Catering costs

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

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

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

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

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

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