

QUARTERLY REPORT: DECEMBER 2011

PURPOSE

To table report to the Mayoral Committee for information.

BACKGROUND

Section 52. The mayor of a municipality—

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality;

1. Expenditure

The following table reflects expenditure in the GFS (General Finance Statistics) format. For inclusiveness the figures reflects the picture for six months.

“Other” refers to Tourism projects that occurred during December 2011 and are once off projects. Vacant Section 56 positions in Community and Social and project still to be implemented in Planning and Development have an impact on variances.

GFS classification	Original Budget	Revised Budget	Actual to Date	Variance
Executive & Council	46,074,301	54,402,285	26,091,057	48%
Finance & Administration	27,331,804	29,031,443	11,711,426	40%
Planning & Development	9,556,404	12,106,397	3,455,827	29%
Health	10,878,724	10,301,078	4,333,733	42%
Community & Social	4,914,422	4,926,781	1,367,172	28%
Other	1,160,000	4,400,000	4,101,725	93%
Total	99,915,655	115,167,984	51,060,940	44%

2. Capital expenditure

The disaster management project under Community and Social is progressing slower than expected and actions to improve the outcome are needed.

GFS classification	Original Budget	Revised Budget	Actual to Date	Variance %
Executive & Council	340,000	437,920	218,408	50%
Finance & Administration	1,705,000	2,165,000	1,019,575	47%
Planning & Development	60000.00	60000.00	13798.00	23%
Health	50,000	50,000	8,499	17%
Community & Social	6,020,000	7,939,000	2,281,381	29%

Other				#DIV/0!
Total	8,175,000	10,651,920	3,541,661	33%

3. Income

The following table reflects income in the GFS (General Finance Statistics) format.

Although the LED and Planning category reflects a 23% variance the money has been received- the receipting part is done per expenses incurred.

GSF Classification	Original Budget	Revised Budget	Actual to Date	Variance
Council General	93,735,000	93,950,000	70,488,211	75%
Finance Services	4,065,000	4,536,701	1,834,547	40%
LED & Planning	790,000	790,000	185,000	23%
Total	98,590,000	99,276,701	72,507,758	73%

4. WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS: SECTION 11(4)

In terms of paragraph 11 (4) the accounting officer must within 30 days after each quarter table a consolidated report on all withdrawals made in terms of subsection (1)(b) to (j) during that quarter and submit a copy of the report to the Provincial Treasury and Auditor General.

The consolidated report follows:

MFMA : Section 11(4)			
	(b)	to defray expenditure authorised in terms of section 26(4);	None
	(c)	to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1):	None
	(d)	in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section:	None
	(e)	to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including-	None
		(i) money collected by the municipality on behalf of that person or organ of by agreement: or	None
		(ii) any insurance or other payments received by the municipality for that person or organ of state;	None
	(f)	to refund money incorrectly paid into a bank account;	None
	(g)	to refund guarantees, sureties and security deposits;	None

	(h)	for cash management and investment purposes in accordance with section 13;	R 45 000 000
	(i)	to defray increased expenditure in terms of section 31; or	None
	(j)	for such other purposes as may be prescribed.	None

5. EXPENDITURE ON STAFF BENEFITS: SECTION 66 OF MFMA

In terms of paragraph 66 of the MFMA, the accounting officer, must in a format and periods that may be prescribed, report to Council on all expenditure incurred by the municipality on staff salaries.

The following schedule indicates the actual expenditure against the budgeted amounts.

SECTION	ITEM	BUDGET	REVISED BUDGET	ACTUAL TO DATE
66 (a)	Salaries	29,760,541	29,499,400	12,476,167
66 (b)	Contributions: pension & medical	6,214,147	6,264,040	2,972,457
66 (c)	Travel, motor car etc.	5,078,141	4,823,785	2,574,013
66 (d)	Housing benefits	391,154	373,182	111,484
66 (e)	Overtime	0	338,810	244,464
66 (g)	Other, bonuses, long service and standby	2,372,610	2,466,743	720,060
TOTAL FOR 6 MONTHS		43,816,593	43,765,960	19,098,644

6. SUPPLY CHAIN REPORT

SCM Reg. 6(3) states that:

“The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Mayor of the municipality”

The supply chain management section was established and a Head was appointed to execute the duties of the unit. Bid committees were also appointed and are functional. Monthly reporting to National Treasury is done.

Tenders awarded

The following tenders have been awarded at the sitting of the Bid adjudication committee on 8 December 2011:

- C- Squared Group 80's music festival R 750 000 (30% of tender amount)
- Diamond Hill Trading Beach on the track R 1 128 818 (30% of tender amount)
- Contigrow Trading Reconciliation day event R 277 800 (30% of tender amount)
- DFN maintenance Repairs & maintenance As and when required

Deviations

- In terms of paragraph 5.6 of the Supply Chain Management Policy the Municipal Manager may dispense with the prescribed processes and authorize the acquisition of goods or services through any convenient process.
- Reasons for any exemption granted must be recorded and submitted to the Council.

NAME OF COMP.	DEPARTMENT	DATE	AMOUNT	REASON
AYIGIRL TRADING	SOCIAL SERVICES	12/10/2011	R188 150.00	TO EXPEDITE AND FASTRACK THE PROJECT COMPLETION
NYAKALLONG ART & DRAMA	EXECUTIVE MAYOR	07/10/2011	R15000.00	PREFERRED SERVICE PROVIDER
BUTTA VAN WYK	EXECUTIVE MAYOR	13/10/2011	R7500.00	PREFERRED SERVICE PROVIDER
JACKIEM TRADING	EXECUTIVE MAYOR	19/10/2011	R58000.00	PREFERRED SERVICE PROVIDER
MAYOR SALES CORPORATION	EXECUTIVE MAYOR	26/10/2011	R89500.00	TIME FRAMES
THULOANA MOLETSANE	EXECUTIVE MAYOR	18/11/2011	20000.00	PREFERRED BY EXECUTIVE MAYOR
LOCAL ST. JOHN APOSTOLIC MISSION	EXECUTIVE MAYOR	21/11/2011	R3000.00	TIME FRAMES
LAND BREEZE TRADING	EXECUTIVE MAYOR	21/11/2011	R15000.00	TIME FRAMES
MATSAPA TRADING	EXECUTIVE MAYOR	21/11/2011	R16000.00	TIME FRAMES

Challenges

- Challenges are:
 - (a) Lack of planning from departments which result in numbers of deviations from the policy and
 - (b) Further training on the responsibilities of the bid specification and evaluation committees is necessary.

LEGAL IMPLICATION

Adherence to MFMA.

FINANCIAL IMPLICATION

None

RECOMMENDATION

That the report be noted.