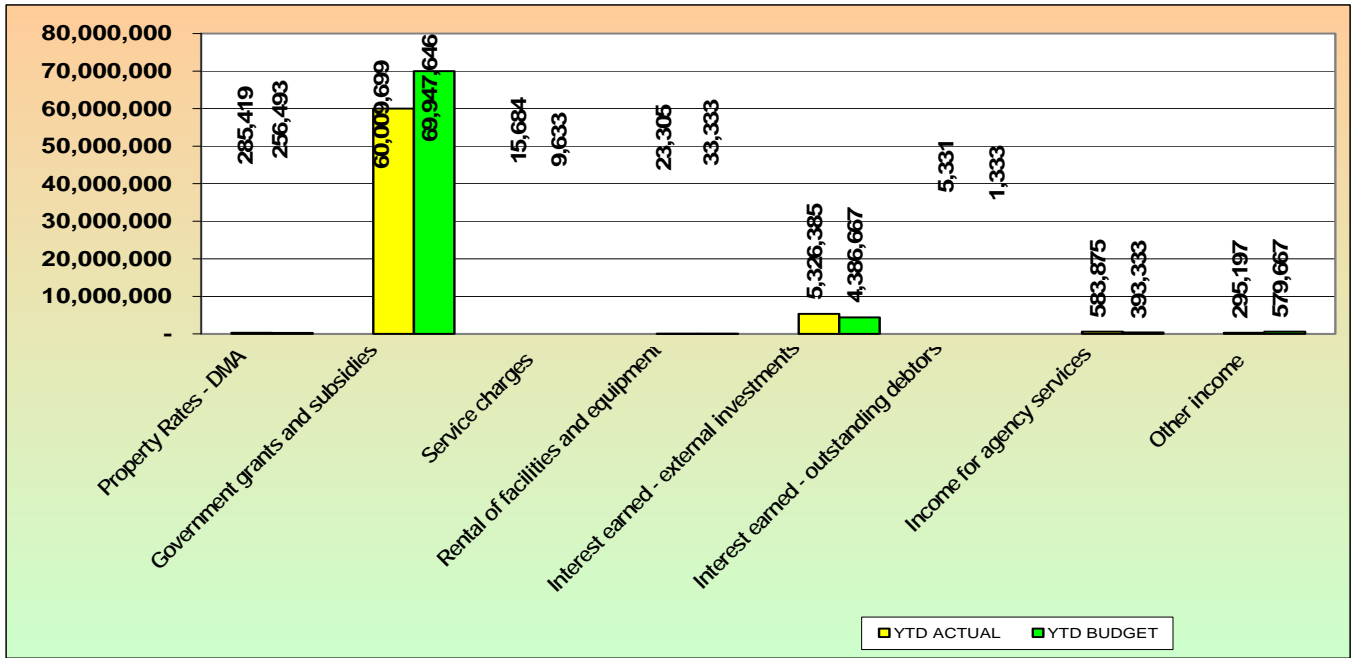


1. FINANCIAL POSITION

FRANCES BAARD DISTRICT MUNICIPALITY			
STATEMENT OF FINANCIAL POSITION	28 February 2011 R	Jun-10 R	
<u>NET ASSETS AND LIABILITIES</u>			
Net Assets	85,784,081	65,661,937	
Capital Replacement Reserve	2,081,721	3,652,491	
Revaluation Reserve	5,857,770	6,013,465	
Accumulated Surplus / (Deficit)	77,844,590	55,995,981	
Non-current Liabilities	33,699,002	33,074,523	
Borrowings	14,761,212	14,136,733	
Non-Current Provisions	18,937,790	18,937,790	
Current Liabilities	24,787,547	18,565,463	
Provisions	2,992,649	4,828,161	
Trade Payables	3,862,027	6,063,088	
Unspent Conditional Grants and Receipts	16,497,243	6,544,350	
Operating Lease Liability	-	-	
Current Portion of Long-term Liabilities	1,435,628	1,129,864	
Cash and Cash Equivalents	-	-	
TOTAL: NET ASSETS AND LIABILITIES	144,270,631	117,301,922.40	
<u>ASSETS</u>			
Non-current Assets	44,697,795	45,516,401	
Property, Plant and Equipment	44,680,041	45,504,865	
Non-Current Assets Held for Sale	-	-	
Investment Property	-	-	
Intangible Assets	-	-	
Investments	17,754	11,536	
Long-term Receivables	-	-	
Current Assets	99,572,836	71,785,521	
Taxes	1,612,086	2,226,349	
Trade Receivables from Exchange Transactions	1,566	491	
Trade Receivables from Non-Exchange Transactions	6,480,705	3,405,873	
Operating Lease Asset	11,954	11,954	
Inventory	371,752	273,545	
Current Portion of Long-term Receivables	-	-	
Cash and Cash Equivalents	91,094,772	65,867,308	
TOTAL: ASSETS	144,270,631	117,301,922.40	

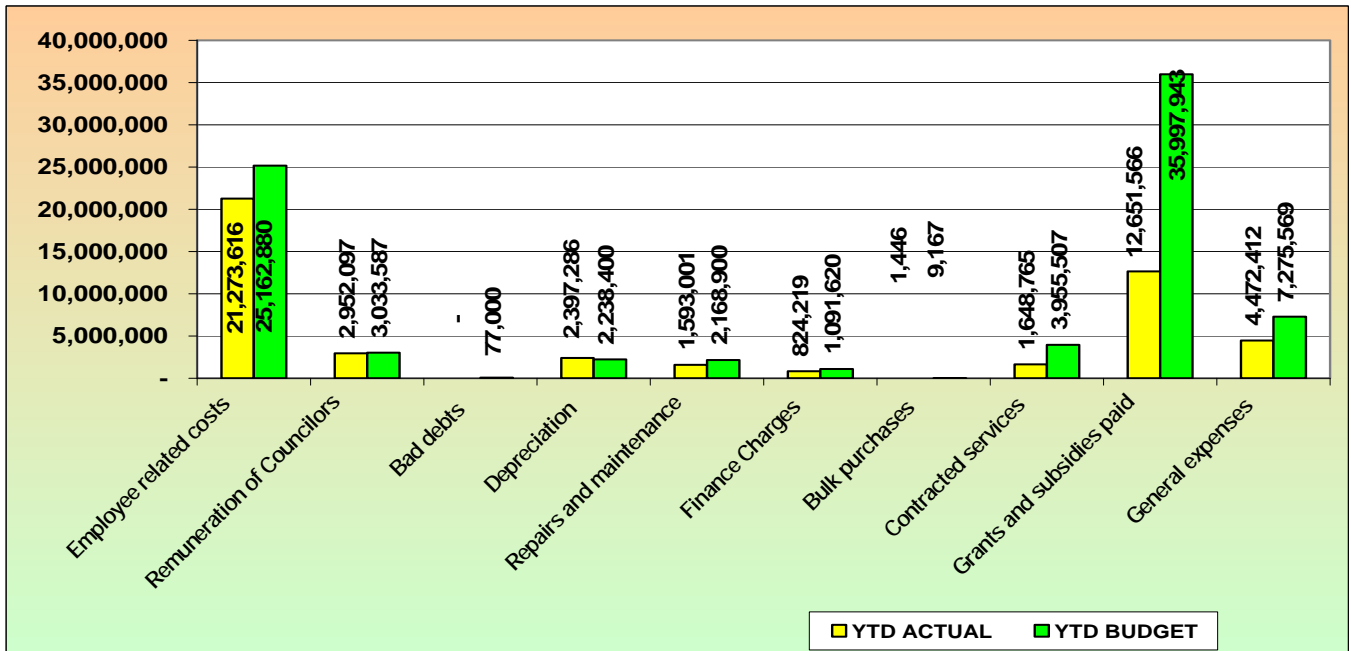
2. FINANCIAL PERFORMANCE

Revenue by Source (YTD):



The positive variance on Grants and Subsidies is mainly due to the receipt of the equitable share allocation in respect of the first four months of the financial year.

Expenditure per classification (YTD):



For this financial year, expenditure is restricted to necessary activities per approved budget & service delivery plans, operating expenditure limit approved by Council and money that we realistically expect to collect. Adequate controls are in place to ensure that overspending does not occur.

Salaries: A summary of the actual salaries paid versus the approved budget allocation is as follows:

<i>Salaries & Allowances</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	24,225,713	28,196,467	-3,970,754	-7%
Councillors Remuneration	2,952,097	3,033,587	-81,489	-3%
Post-Service Benefits	888,535	929,993	-41,458	-4%
Personnel Remuneration	20,385,081	24,232,887	-3,847,806	-16%
<i>Employee Related Costs</i>	17,278,908	20,163,973	-2,885,066	-14%
<i>Social Contributions</i>	2,811,699	3,468,607	-656,907	-19%
<i>Compulsory Levies</i>	294,474	600,307	-305,833	-51%

The positive variance on budgeted remuneration is due mainly to the budgeted number of vacancies on the staff structure not filled accordingly.

Depreciation: The actual depreciation reflected for the financial year is based on true transaction and acquisition date of asset. Assets are depreciated in accordance with GRAP / GAMAP guidelines per asset type and calculated on cost, using the straight line method over the estimated useful life of assets. Asset acquisitions are included in the capital budget and are depreciated as the year progresses.

Repairs and Maintenance: Apart from standard service contracts, planned or expected maintenance costs have been incurred during this financial year mainly in the area of computer software licenses renewal.

Grants and Subsidies: All project payments, whether capital infrastructure or community development in nature, whether funded internally or externally, are included.

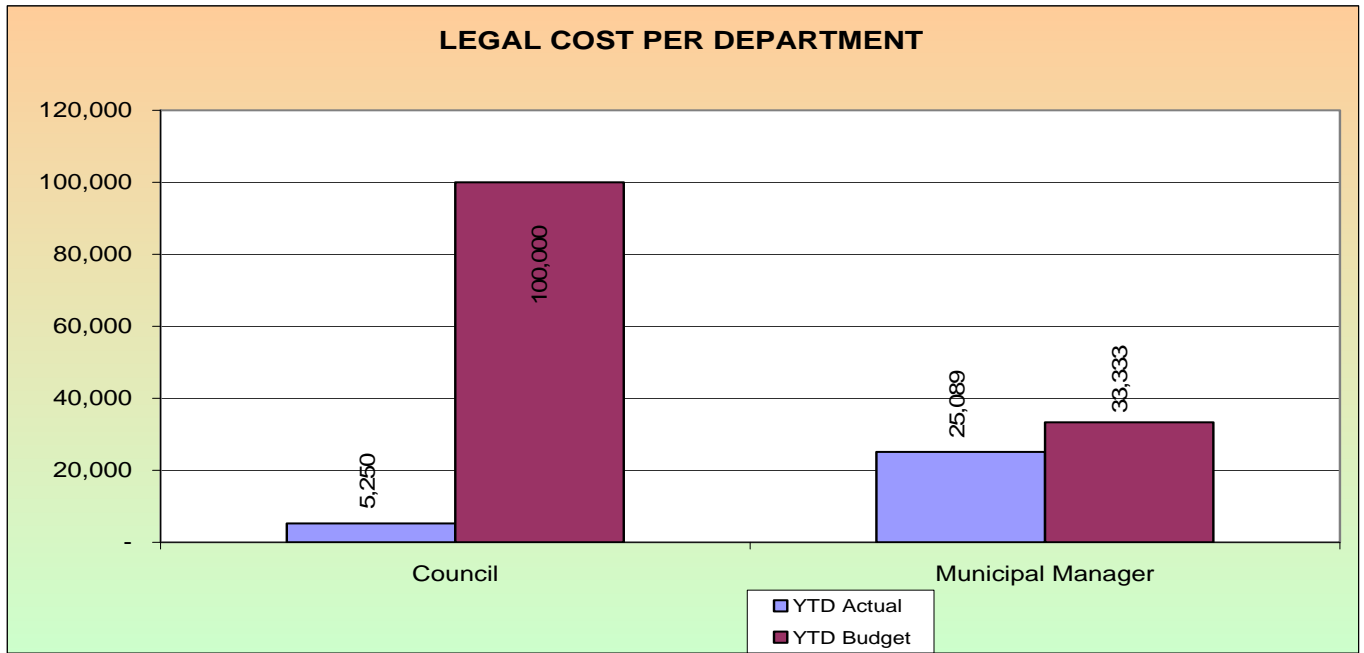
Projects that were not completed during the previous year-end have been rolled over to the new financial year for completion from the accumulated surplus / deficit or applicable unspent grant funding accounts.

Progress on actual expenditure on infrastructure and development projects, in comparison with the budget, is:

<i>Grants & Subsidies</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	12,651,566	35,997,943	-23,346,376	-65%
<i>Internal / Administration</i>	2,700,968	6,470,963	-3,769,994	-58%
<i>External Beneficiaries</i>	9,950,598	29,526,980	-19,576,382	-66%
<i>State Funded Grants</i>	8,761,537	23,251,591	-14,490,054	-62%
<i>Reserve Funded Grants</i>	1,157,629	6,143,957	-4,986,328	-81%
<i>Revenue Funded Grants</i>	31,432	131,432	-100,000	-76%

General Expenses: Actual expenses are expected to increase as planned activities per service delivery and budget plans gain momentum.

Legal Costs per Department: A summary of the actual legal costs paid versus the approved budget is as follows:



The actual spending on legal costs reflects mainly for spending needs identification. The total budget allocation for the 2010/11 financial year is R 200 000.

Projected Operating Results:

Explanation regarding any significant projected positive or negative variances more than 10% versus the approved budget:

Please refer to next page

DEPARTMENT FINANCE

FEBRUARY 2011

Revenue & Expenditure per classification	YTD Actual 28 February 2011	Estimated Projection:	Approved Budget 2010/11	Projected Variance	Projected Variance
REVENUE BY SOURCE:					
Service charges	15,684	14,450	14,450	-	0.00%
Assessment Rates	285,419	384,740	384,740	-	0.00%
Interest Earned - External Investments	5,326,385	5,500,000	6,580,000	(1,080,000)	-16.41%
Interest Earned - Outstanding Debtors	5,331	9,140	2,000	7,140	356.98%
Other	295,197	506,052	869,500	(363,448)	-41.80%
Rental of Facilities & Equipment	23,305	39,951	50,000	(10,049)	-20.10%
Income for Agency Services	583,875	583,875	590,000	(6,125)	-1.04%
Government Grants & Subsidies	60,009,699	97,681,220	99,505,000	(1,823,780)	-1.83%
Transfers From Reserves	-	-	8,513,220	(8,513,220)	
Gain on disposal of property plant and equipment	55,000	90,000	90,000	-	0.00%
Total Revenue:	66,599,894	104,809,427	116,598,910	(11,789,483)	-17.70%
EXPENDITURE PER VOTE:					
Executive and Council	10,279,521	15,217,899	17,603,676	(2,385,777)	-15.68%
Council	5,662,530	7,411,361	8,766,336	(1,354,975)	-15.46%
Office of the Municipal Manager	4,616,991	7,806,538	8,837,340	(1,030,802)	-11.66%
Finance & Administration	14,907,134	27,201,225	29,243,560	(2,042,335)	-7.51%
Budget & Treasury Office	7,163,464	13,395,193	14,565,950	(1,170,757)	-8.04%
Corporate Services	7,743,670	13,806,031	14,677,610	(871,579)	-5.94%
Planning & Development	18,127,415	47,525,804	60,147,235	(12,621,431)	-26.56%
Planning & Development	5,353,329	11,934,291	14,433,075	(2,498,784)	-17.31%
Technical Services	12,774,085	35,591,513	45,714,160	(10,122,647)	-22.14%
Health	988,843	3,219,359	3,564,870	(345,511)	-9.69%
Community & Social Services	133,172	663,298	1,025,820	(362,522)	-35.34%
Public Safety	1,719,421	2,677,725	3,935,006	(1,257,281)	-31.95%
Water Services: Koopmansfontein	19,201	28,802	51,610	(22,808)	-44.19%
Electricity Services: Koopmansfontein	9,177	13,766	17,100	(3,334)	-19.50%
Sanitation Services: Koopmansfontein	1,995	2,993	26,220	(23,228)	-88.59%
Refuse Removal Services: Koopmansfontein	720	1,080	13,000	(11,920)	-91.69%
Housing	1,627,810	2,853,754	3,336,240	(482,486)	-14.46%
Total Expenditure:	47,814,409	99,405,704	118,964,337	(19,558,633)	-16.44%
Transfer to Capital Replacement Reserve	-	2,987,600	2,987,600	-	
Prior year Revenue & Expenditure	-	-	-	-	
NET OPERATING RESULT:- SURPLUS / (DEFICIT)	18,785,485	2,416,123	(5,353,027)	7,769,150	

EXPENDITURE PER VOTE:

Anticipated expenditure projected per approved business plans and budget for the financial year under review:

- **Executive and Council:**

- Expenditure of Council and Executive was less than the budget by 15.68% primarily in the areas of:
 - Consultancy, legal services - expenditure is needs driven
 - Councillor training, special projects, incentive bonus and special projects of the youth unit.
- The annual increase for Councilors' was decided in December 2010 and implemented in terms of the remuneration of Public Office Bearers Act, 1998 in respect of the 2010/2011 financial year which has been budgeted for the full year.

Remedy: Savings realized have been corrected with the adjustment budget.

- **Finance & Administration:**

New and approved vacant posts;

- Labour Relations Officer and Disaster Management Officers were filled in August 2010, and
- Chief Archive Clerk and IT Technician (both posts to be filled during March 2011) were advertised in September 2010

Remedy: Savings realized have been corrected with the adjustment budget.

- **Planning & Development:**

- The integrated transport plan - Awaits adjudication.
- By-laws – TOR were submitted to three service providers, awaiting the cost estimations from two service providers.
- IT Disaster Recovery / Redundancy – Awaits Evaluation
- IDP / PMS – Review & implementation of 4 IDP's will only take place in the 4th quarter of the financial year.

Remedy: Savings realized have been corrected with the adjustment budget.

- **LED & Tourism Projects**

Reasons for variation YTD results that leads to the under spending are:

- The vacant post of Senior LED Officer was filled on 03 January 2011.
- 35% of the budget on special projects has been spent as compared to the full year projected budget. Most of the LED and Tourism projects are in the implementation process.
- Due to Council resolution the funds for the Kgolosego project in Phokwane has been redirected to the purchase of a tractor - R90 000.
- The budgeted amount of R90 000 for LED vegetable plant in Phokwane and R100 000 for the tourism guide training will be rolled over for 2011/12 financial year.

Remedy: Savings realized have been corrected with the adjustment budget.

- **Spatial Planning**

Reasons for variation YTD results that leads to the under spending are:

- The budgeted amount of R450 000 for the establishment of a township will not materialise in the current financial year due to technical problems. The project will be moved to the 2010/11 financial year.

Remedy: Savings realized will be rolled over to the 2011 / 12 Financial Year.

- **Project Management & Advisory Services**

- Projects allocated to Category B municipalities are well in progress and will be fully implemented by end of the financial year. Expenditure is mainly for ongoing projects from the previous year and other State or Provincial initiatives.
- Awaiting the purchasing of Land for the development of cemetery at Koopmansfontein, rezoning is in progress.

- o EPWP incentive grant is not an upfront grant, but rather a grant as reward for employment generated. It therefore can only be claimed once employment has been created. The grant rewards entities R50 per person per day employed once the entity has reached its first FTE (Full Time Equivalent). FTE is equal to 220 days employment created. Thereafter the calculation for the incentive is made.

Remedy: Most projects will be completed by the end of the financial year.

- **Health:**

- o Expenditure of Health Services is less than the budget by 9.69% primarily in the areas of general expenses and special projects.

Remedy: Savings realized have been corrected with the adjustment budget.

- **Community & Social Services:**

- o Expenditure of Community & Social Services is less than the budget by 35.34% primarily in the areas of salaries and allowances and special projects. Planned activities have been hampered by the public servants strike. The salary and allowances of the community development officer is paid from the budget of the Housing unit.

Remedy: Savings realized have been corrected with the adjustment budget.

- **Public Safety:**

- o Firefighting & Disaster Management projects and unforeseen / emergency contingency projects – unpredictable as per occurrence.

Remedy: Funds will be directed to help the homeless with shelter, food and clothing as well as sanitary equipment due to recent floods.

- **Housing:**

Anticipated expenditure projected per approved business plans and budget for the financial year under review, except for the following explanation which mainly contributed to the under expenditure as reflected:

- o Expenditure of the housing unit is limited to the actual revenue received year-to-date.

Remedy: The expenditure projections for Housing Unit are likely to change and be based on more realistic projections as the financial year progresses.

- **Water and Electricity Services – Koopmansfontein:**

- o The under-spending for water and electricity is mainly due to general expenses not utilized fully and likely to result in a savings.

- **Sanitation and Refuse Removal – Koopmansfontein**

- o The under-spending for sanitation and refuse removal is mainly due to general expenses not utilized fully and is likely to result in a savings.

EXPENDITURE ON SPECIAL PROJECTS PER VOTE:• **Council & Executive**

	YTD Actual	Budget	% Spending	Remarks
<u>Council</u>				
District Aids Council	4,914	19,596	25.08%	
10/11: Opening of new council chambers	113,131	200,000	56.57%	Project Complete
Total	118,045	219,596	53.76%	
<u>Committee & Administration services</u>				
2011: Spec Proj - Youth Unit	-	150,000	0.00%	
2011: Special Project - Mun Admin Training	31,432	31,500	99.78%	Project Complete
Total	31,432	181,500	17.32%	
<u>Communications</u>				
10/11: Signage Maintenance Communication	10,036	25,000	40.14%	Maintenance of signage in progress
10/11: Turnaround Strategy Communication	-	70,000	0.00%	Project will not materialise as anticipated
10/11: GFS System Communication	8,854	10,000	88.54%	Contract paid in full - 2 year contract
10/11: PAIA Management Communication	-	10,460	0.00%	Project in progress. Awareness posters in production
10/11: Branding Communication	13,861	30,000	46.20%	Branding material in process
10/11: Corporate clothing Communication	-	5,000	0.00%	Project has started
Total	32,751	150,460	21.77%	

• **Finance & Administration**

	YTD Actual	Budget	% Spending	Remarks
<u>Finance: Directorate</u>				
FMG 10/11: Prog. Operation Clean Audit	-	173,300	0.00%	Will be utilised by end of financial year
10/11: Operation Clean Audit Projects	-	266,700	0.00%	Will be utilised by end of financial year
10/11: Financial System Support (3) LM	-	600,000	0.00%	Will be utilised by end of financial year
10/11: Disaster Recovery Support Sol Plaatje	-	350,000	0.00%	Will be utilised by end of financial year
10/11: Patch MAN & Intrusion Sol Plaatje	158,593	240,000	66.08%	Will be utilised by end of financial year
Total	158,593	1,630,000	9.73%	
<u>Finance: Budget Office</u>				
FMG 10:11 Capacity Building & BTO Operation	302,099	352,750	85.64%	Will be utilised by end of financial year
FMG 10/11: GRAP Assessment / Quality Review	116,919	117,000	99.93%	Project Complete
Total	419,018	469,750	89.20%	

	YTD Actual	Budget	% Spending	Remarks
<u>Human Resource Management</u>				
Special Project: Employee Assistance Programme	345,902	100,000	345.90%	Overspent because of the SAMSKA games and expenses relating to the funeral of the Municipal Manager.
Total	345,902	100,000	345.90%	

- **Environmental Health**

	YTD Actual	Budget	% Spending	Remarks
<u>Environmental Health</u>				
Environmental Health: Recycling Project	5,672	1,700,000	0.33%	Project in progress
09/10: Awareness Programmes - HIV/AIDS	15,147	16,000	94.67%	Project Complete
09/10: Awareness Programmes - Sanitation	15,535	16,000	97.09%	Project Complete
09/10: Purchase of Refuse Bins	-	50,000	0.00%	Project will not materialise due to time constraints
09/10: Maintenance of Recycling Projects	-	126,000	0.00%	Will be utilised as soon as the recycling project is complete
09/10: River-Health Programme	22,939	72,000	31.86%	Will be utilised before the end of the financial year
Total	59,293	1,980,000	2.99%	

- **Community Service**

	YTD Actual	Budget	% Spending	Remarks
<u>Community Service</u>				
10/11: Awareness Programmes - HIV/AIDS	-	60,000	0.00%	Programs to be implemented in March
10/11: Social Development Service Programmes	20,794	70,000	29.71%	Programs projected for March
10/11: Coordinate Commemorative Days	-	25,000	0.00%	
10/11: Coordinate Human Rights Awareness	-	16,000	0.00%	March - Human Rights Month
10/11: Phelophepa Health Train	-	15,750	0.00%	
10/11: Gel Stove Project	7,013	16,000	43.83%	April 2011
10/11: Voter Education	-	350,000	0.00%	SCM is busy with tender specification
10/11: Investigate Solar Project	-	50,000	0.00%	Consultation with stakeholders in progress
10/11: Contribution: Cricket Development - GWCB	75,000	75,000	100.00%	Project Complete
Total	102,807	677,750	15.17%	

- **Planning & Development**

	YTD Actual	Budget	% Spending	Remarks
<u>Planning & Development Directorate</u>				
MSIG 10/11: Integrated Transport Plan	-	500,000	0.00%	Awaits adjudication
MSIG 10/11: IT Disaster Recovery / Redundancy	-	300,000	0.00%	Awaits evaluation
MSIG 10/11: Development of By-Laws	-	200,000	0.00%	TOR were submitted to three service providers, awaiting the cost estimations from two service providers
MSIG 09/10: Integrated Waste Management Plan	31,294	406,500	7.70%	Project Complete. Some expenses have been incurred in the previous financial year
MSIG 09/10: Integrated Environmental Management Plan	76,034	391,890	19.40%	Project Complete. Some expenses have been incurred in the previous financial year
09/10: Air Quality Management Plan	25,078	25,860	96.98%	Project Complete
Total	132,406	1,824,250	7.26%	

	YTD Actual	Budget	% Spending	Remarks
<u>HOUSING</u>				
10/11: Housing War on Poverty	20,861	20,330	102.61%	Project Complete
10/11: Housing Field Workers	28,597	126,530	22.60%	Request for 1771 & 1772 votes to be merged into one including budget amounts
10/11: Housing Field Workers	61,074	21,840	279.64%	
10/11: Housing Equipment & Logistics	19,600	20,000	98.00%	Project Complete
10/11: Housing Register Contractors	-	36,780	0.00%	Once off payment of R19 000.00 to go off in March 2011
10/11: Housing Lab Tests	366	1,000	36.60%	Amended to R1000 in December 2010 adjustments
Total	130,498	226,480	57.62%	

DEPARTMENT FINANCE

FEBRUARY 2011

	YTD Actual	Budget	% Spending	Remarks
<i>LED/Tourism</i>				
DIEC 09/10: Tourism Month Celebrations	50,000	50,000	100.00%	Project Complete
09/10: LED Roll over Projects	160,717	300,000	53.57%	70% complete
10/11: LED Contribution: NCTA Support	135,000	135,000	100.00%	Project Complete
10/11: LED Graft Project - Koopmansfontein	-	100,000	0.00%	Project in process. R50,000 savings
10/11: LED Vegetable Plant - Phokwane	-	90,000	0.00%	Roll over
10/11: LED Entrepreneurship Programme	269,766	661,200	40.80%	In process
10/11: LED Bokanotso Project - Dikgatlong	90,000	90,000	100.00%	Transfer completed in FEB 2011
10/11: LED Kgolosego Project - Phokwane	-	90,000	0.00%	Funding redirected to purchase tractor
10/11: LED SMME Development	-	150,000	0.00%	In process
10/11: Tourism Marketing Brochure	-	150,000	0.00%	In process
10/11: Tourism Establishment: Toll Free Number	-	-	-	
10/11: Tour SAN Community, Cultural Village	2,003	90,000	2.23%	In process
10/11: Tour Wildebeestkuil Rock Art	85,694	40,000	214.23%	Project Complete
10/11: TOUR SMME Registration & Grading	430	60,000	0.72%	In process
10/11: TOUR Tourism Guide Training	-	100,000	0.00%	Roll over to new year
10/11: TOUR Capacity Building Mgareng	-	50,000	0.00%	No spending - savings
10/11: TOUR Capacity Building Phokwane	1,750	50,000	3.50%	No spending - savings
10/11: TOUR Capacity Building Dikgatlong	8,650	50,000	17.30%	In process
10/11: TOUR Tourism Month Act	82,909	150,000	55.27%	95% complete - Finalizing workshops
10/11: TOUR Product Owners Meeting	518	20,000	2.59%	In process
10/11: TOUR Indaba Trade Expo	46,200	120,000	38.50%	In process
10/11: TOUR Know Your Region Campaign	-	80,000	0.00%	In process - Project to be completed on 10.03.2011
10/11: TOUR NI2 Treasure Route	-	20,000	0.00%	No funding will be spent
10/11: TOUR NCTA Marketing Meeting	627	15,000	4.18%	In process
10/11: TOUR Flagship Info Centre	-	150,000	0.00%	In process
10/11: TOUR Advertising	51,810	260,000	19.93%	In process
10/11: TOUR National Tourism Day Celebrations	-	10,000	0.00%	Did not receive any invitation to attend the event - Savings
10/11: TOUR Provincial Tourism Month Celebration	-	10,000	0.00%	The invitation came too late to make reservations - Savings
10/11: TOUR Gariep Festival	19,260	45,000	42.80%	Project Complete
10/11: TOUR NI2 Promotion	45,000	45,000	100.00%	Project Complete
10/11: TOUR Contribution Gariep Festival	100,000	100,000	100.00%	Project Complete
10/11: TOUR SMME Expo	37,723	100,000	37.72%	Project Complete
Total	1,188,056	3,381,200	35.14%	

Please refer to next.

DEPARTMENT FINANCE

FEBRUARY 2011

	YTD Actual	Budget	% Spending	Remarks
<u>PROJECT & ADVISORY SERVICES</u>				
EQS 10/11: Water Subsidies - DMA	8,000	230,000	3.48%	To be spent by end of June 2011
EQS 10/11: Sanitation Subsidies - DMA	1,170,804	1,955,000	59.89%	To be spent by end of June 2011
EQS 10/11: Electricity Subsidies - DMA	-	125,000	0.00%	To be spent by end of June 2011
EQS 10/11: Cemetery Development - DMA	1,920	30,000	6.40%	Await acquisition of land
EQS 10/11: Unallocated - DMA	-	733,170	0.00%	Will not be utilised
EQS 10/11: Roads Maintenance - Magareng	65,771	1,800,000	3.65%	Implementation - To be spent by end of June 2011
EQS 10/11: WTWS Maintenance: Magareng	174,928	500,000	34.99%	Implementation - To be spent by end of June 2011
EQS 10/11: WWTW Maintenance: Magareng	23,577	100,000	23.58%	Implementation - To be spent by end of June 2011
EQS 10/11: Clean Stomwater: Magareng	5,949	150,000	3.97%	Implementation - To be spent by end of June 2011
EQS 10/11: Electricity Network: Magareng	-	350,000	0.00%	Procurement - To be completed in May
EQS 10/11: Repair Valve Jan Kempdorp	-	120,000	0.00%	Procurement - To be completed in May
EQS 10/11: Clean Reservoir: Jan Kempdorp	119,928	120,000	99.94%	Project Complete
EQS 10/11: Clean Water Pump: Jan Kempdorp	-	80,000	0.00%	Procurement - To be completed in June 2011
EQS 10/11: Standby Chlorinator: Jan Kempdorp	-	70,000	0.00%	Procurement - To be completed in June 2011
EQS 10/11: Replace Water Meter: Jan Kempdorp	182,300	200,000	91.15%	Procurement - To be completed in June 2011
EQS 10/11: Fencing Reservoir: Ganspan	-	300,000	0.00%	Procurement - To be completed in June 2011
EQS 10/11: Replacing Water Meters: Hartswater	182,300	200,000	91.15%	Project Complete
EQS 10/11: Bulk Water Meters: Hartswater	-	50,000	0.00%	Awaiting appointment of contractors
EQS 10/11: Water Repairs & Houses: Magogong	-	300,000	0.00%	Awaiting appointment of contractors
EQS 10/11: Fencing Reservoir: Hartswater	-	300,000	0.00%	Awaiting appointment of contractors
EQS 10/11: Safety Equipment: Hartswater	-	150,000	0.00%	Claim submitted - Complete
EQS 10/11: Dislodge Valve Replacement: Hartswater	118,600	120,000	98.83%	Project Complete
EQS 10/11: Repair Valves: Hartswater	99,050	100,000	99.05%	Project Complete
EQS 10/11: Reseal Dam: Hartswater	-	350,000	0.00%	Procurement - To be completed in May 2011
EQS 10/11: Chlorine Booster Pump: Hartswater	48,800	50,000	97.60%	Project Complete
EQS 10/11: Gravel Roads Maintenance: Phokwane	197,320	200,000	98.66%	Project Complete
EQS 10/11: Sewer Platfontein (Sol Plaatje)	289,092	500,000	57.82%	Implementation - To be spent by June 2011
EQS 10/11: Repair JCB Engine Jan Kempdorp	-	100,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Replace Drainage System: Jan Kempdorp	-	80,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Gravel Roads: Delportshoop	-	150,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Gravel Roads: Windows	-	150,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Gravel Roads Barkly West	-	200,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Pothole Repairs: Barkly West	-	200,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Repair Dosing: Pump: Barkly West	-	50,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Replace Filter: Barkly West	-	350,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Water Supply Line: Barkly West	-	50,000	0.00%	Procurement - To be spent by June 2011
EQS 10/11: Replace Booster Pump: Barkly West	-	125,000	0.00%	Procurement - To be spent by June 2011
MIG 10/11: Unallocated	-	1,358,800	0.00%	Procurement - To be spent by June 2011
MIG 10/11: Roads & Stormwater: Dikgatlong	789,474	789,480	100.00%	Project Complete
MIG 10/11: Bulk Water Infrastructure: Dikgatlong	900,000	1,282,320	70.19%	Project Complete
MIG 10/11: Waste Water Treatment: Phokwane	3,388,127	3,397,720	99.72%	To be spent in April 2011
EPWP 10/11: Unallocated	-	10,207,000	0.00%	Not enough capital funds to claim the incentive grant
10/11: DWAF: Operation & Maintenance: Projects	-	1,595,570	0.00%	Will be rolled over
10/11: DWAF: School Water & Sanitation Program	144,000	144,000	100.00%	Project Complete
10/11: DWAF: School Water & Sanitation: Nile Prim	117,700	150,000	78.47%	Awaiting DWA approval to do extra work
10/11: DWAF: Water Conservation Strategy: Dikgatlong	-	685,890	0.00%	Implementation phase
10/11: DWA WAT TREATMENT PLANT VALVE	180,800	700,000	25.83%	Adjudication - to be appointed by end of March
10/11: DWA O & M Hartswater Water Treatment Works	198,700	198,700	100.00%	Project Complete
10/11: Other Provincial Project - EPW: Lerato Park	-	316,960	0.00%	Implementation - To be spent by end of June 2011

DEPARTMENT FINANCE

FEBRUARY 2011

	YTD Actual	Budget	% Spending	Remarks
RESF 09/10 Water Pressure Tower: Ikhutseng	-	2,400,000	0.00%	Implementation - To be spent by end of June 2011
RESF 09/10 Water Storage Assessment: Magareng	-	100,000	0.00%	Project Complete
RESF 09/10 Procure Refuse Truck: Magareng	-	900,000	0.00%	Fund added to water pressure tank
RESF 09/10 Water Purification: Romance	-	200,000	0.00%	Procurement
RESF 09/10 Electricity Selfbuild Scheme: DMA	100,675	1,840,000	5.47%	Awaits Eskom's approval - Tender in March 2011
RESF 09/10 Water Subsidies: DMA	327,131	457,000	71.58%	Procurement of additional services
RESF 09/10 Cemetery Development - DMA	-	100,000	0.00%	Will not be utilised - Waited for land to be purchased
RESF 09/10 Construct Roads: Koopmansfontein	283,529	298,460	95.00%	In retention
RESF 09/10 Erect Fence: Koopmansfontein	199,346	323,650	61.59%	Project Complete
RESM 10/11 Replace Booster Pump: Barkly West	79,900	125,000	63.92%	Procurement - To be spent by June 2011
RESM 10/11 Maintain Blowers: Barkly West	-	150,000	0.00%	Procurement - To be spent by June 2011
RESM 10/11 Filter Wash Basin: Barkly West	-	50,000	0.00%	Procurement - To be spent by June 2011
RESM 10/11 Bulk Water Meter: Barkly West	-	50,000	0.00%	Procurement - To be spent by June 2011
RESM 10/11 Chorine Room: Barkly West	-	150,000	0.00%	Procurement - To be spent by June 2011
RESM 10/11 WTW Maintenance: Barkly West	-	100,000	0.00%	Implementation - To be spent by June 2011
RESM 10/11 Replace Storage Dams: Windsorton	-	100,000	0.00%	Procurement - To be spent by June 2011
RESM 10/11 Water Transfer Pumps: Windsorton	-	200,000	0.00%	Procurement - To be spent by June 2011
RESM 10/11 Electricity Distribution Board: Windsorton	-	150,000	0.00%	Procurement - To be spent by June 2011
RESM 10/11 WTW Maintenance: Windsorton	-	100,000	0.00%	Implementation - To be spent by June 2011
RESM 10/11 Maintenance Oxidation Pond: Windsorton	-	350,000	0.00%	Implementation - To be spent by May 2011
RESM 10/11 Maintenance Oxidation Pond: Delportshoop	-	250,000	0.00%	Implementation - To be spent by May 2011
RESM 10/11 Water Reticulation: Spitskopwe	-	250,000	0.00%	Implementation - awaits claims
RESM 10/11 Maintenance: Unallocated - AD Hoc	167,048	410,000	40.74%	To be spent end of June 2011
Total	9,564,768	40,518,720	23.61%	

FIRE FIGHTING / DISASTER MANAGEMENT

	YTD Actual	Budget	% Spending	Remarks
<u>FIRE FIGHTING / DISASTER MANAGEMENT.</u>				
10/11: Fire Fighting / Disaster Management.	238,592	589,206	40.49%	Unpredictable as per occurrence.
10/11: NEAR Control Project	54,947	180,000	30.53%	Covers operating expenses of the NEAR control unit
10/11: Unforeseen Disaster Contingency	55,945	149,600	37.40%	Unpredictable as per occurrence.
Total	349,484	918,806	38.04%	

Projected Capital Expenditure Results:

A detailed projection of capital expenditure per vote as well as variances reflected in rand value and / or percentage follows:

Please refer to next page.

DEPARTMENT FINANCE

FEBRUARY 2011

Capital Expenditure per vote	YTD Actual	Estimated Projection: 2010/11	Approved Budget 2010/11	Projected Variance R	Projected Variance %
CAPITAL EXPENDITURE PER VOTE:					
Executive and Council	79,108	102,522	117,600	-15,078	-12.82%
Council	68,293	80,907	90,000	-9,093	-
Office of the Municipal Manager	10,815	21,615	27,600	-5,985	-21.68%
Finance & Administration	332,458	1,324,758	1,392,500	-67,742	-4.86%
Budget & Treasury Office	287,861	312,161	342,000	-29,839	-8.72%
Corporate Services	44,598	1,012,598	1,050,500	-37,902	-3.61%
Planning & Development	663,213	953,514	949,500	4,014	-0
Planning & Development	29,048	38,548	50,500	-11,952	-23.67%
Technical Services	634,165	914,966	899,000	15,966	1.78%
Housing	6,279	6,279	12,000	-5,722	0.00%
Health	-	-	-	-	0.00%
Community & Social Services	-	-	-	-	0.00%
Public Safety	491,405	506,022	519,200	-13,178	-2.54%
Water Services: Koopmansfontein	-	-	-	-	0.00%
Total Capital Expenditure:	1,572,462	2,893,095	2,990,800	-97,705	-3.27%

The following capital items have been procured for the year to date:

Asset Acquisitions		1,572,462
Computer	Council & Executive	6,168.00
Security Door	Council & Executive	789.46
Step Ladder	Council & Executive	789.46
Printer	Planning & Development	7,390.50
Upgrade Building - Alterations	Infrastructure Services	176,915.68
Air Conditioners Replacement	Infrastructure Services	21,192.00
Building - Parking Area Upgrade	Project Management Services	153,446.32
Computer	Housing	4,116.50
Digital Camera	Housing	2,162.00
Chair High Back	Council & Executive	1,576.95
Laptop	Finance & Administration	17,116.30
Printer Portable	Finance & Administration	4,552.64
Printer Portable	Planning & Development	17,060.00
Cabinet Filling	Planning & Development	872.81
4 x High back chair	Council & Executive	6,280.00
Printer	Council & Executive	1,491.18
Light delivery vehicles	Finance & Administration	229,999.98
Computer	Planning & Development	8,609.65
3 x Motor Vehicles	Public Safety	369,824.55
Fire Suppression System	Public Safety	111,382.57
Laptop	Council & Executive	9,385.96
Printer	Council & Executive	52,627.19
Printer	Finance & Admin	35,773.25
Cabinet Filling	Planning & Development	1,359.65
Computer	Finance & Admin	4271.7
Sewer System Upgrade	Planning & Development	600.00
Binding Machine	Planning & Development	1145.9
Security Camera Replacement	Planning & Development	2807.02
Building - Paving	Planning & Development	269,050.00
Building - Recreational Hall	Planning & Development	12,960.50
Tracker System - Vehicles	Finance & Administration	28,044.22
Scanner Asset - "I" CHAIN	Finance & Administration	12,700.00

Expenditure on capital acquisition is 49% as compared to the full year projected budget, with 0.33% being committed at the period of reporting.

Computer Equipment

- 18% of computer equipment has been acquired to date as compared to the projected capital budget resulting in an under spending of R805 027. Projects such as acquisition of servers, UPS Radio Network and computer replacements are likely to be implemented during the third quarter of the financial year – tender process to start in March 2011.

Furniture and Fittings

- 15% of the furniture and fittings have been acquired to date as compared to the projected capital budget resulting in an under spending to the value of R64 065. Most furniture and fittings will be procured during the third quarter of the financial year.

Motor Vehicles

- All budgeted fleet vehicles have been purchased to date with only the repair of the caravan that is still outstanding.

Plant & Equipment

- 18% of plant & equipment have been purchased to date as compared to the projected capital budget resulting in an under spending of R509 821. The budget of moving of the telephone system has increased during the adjustment budget and has gone out on tender and a service provider is likely to be appointed in March 2011.

Buildings & Facilities

- 74% of buildings & facilities have been purchased to date resulting in an under spending of R224 106. Projects such as upgrading of the sewer system and alteration to the recreational hall will take place during the financial year.

Grant Funding:

External funding account balances reflect transfers to revenue adequate to cover the relevant operating or capital expenditure for which the funds have been received.

Grant funding is reflected as unspent grants where relevant, with revenue transferred to the income statement as expenditure is incurred.

A summary of grant fund movements is set out below:

Please refer to next page.

EXTERNAL FUNDING	Balance Fwd	Received	Applied	Balance
Equitable Share	-	57,283,108	51,156,800	6,126,308
Financial Management Grant	-	1,000,000	710,681	289,319
Municipal Systems Improvement Grant	511,947	1,000,000	-	1,511,947
Municipal Infrastructure Grant	99,596	5,746,000	5,077,601	767,995
DWAF - Sanitation (Mvula Trust)	3,275,455	-	641,200	2,634,255
NCPA - Housing Accreditation Grant	-	2,772,608	1,577,924	1,194,684
District Aids Council	19,596	-	4,914	14,682
NEAR Control Centre	-	725,000	546,313	178,687
Firefighting Equipment	239,206	111,408	-	350,614
SETA Skills Grant	-	19,875	-	19,875
Vuna Awards	1,500,000	-	-	1,500,000
NC TOURISM	-	50,000	50,000	-
EPW: Lerato Park	316,959	-	-	316,959
Environmental Health Recycling Project	581,591	1,000,000	5,672	1,575,919
Koopmansfontein Self Build Scheme	-	16,000	-	16,000
Total	6,544,350	69,723,999	59,771,106	16,497,243

3. CASH AND INVESTMENT

CASH FLOW REPORT	30-Jun-10	Feb-11
OPERATING FLOWS	(87,860,971)	(47,966,663)
- Salaries, wages and allowances	(33,364,052)	(26,473,099)
- Cash and creditor payments	(71,947,006)	(30,032,011)
- Statutory Payments (incl VAT)	(2,608,019)	(2,561,407)
- Other payments	(649,234)	(4,341)
- Revenue receipts	-	-
- Statutory Receipts (incl VAT)	8,656,230	4,935,269
- Capital payments	6,215,892	3,802,358
- Other revenues	5,835,217	2,366,569
INVESTMENT FLOWS	1,800,000	(25,501,173)
- Investments made-OUT	(62,300,000)	(58,001,173)
- Investments redeemed	64,100,000	32,500,000
FINANCING FLOW	86,283,932	74,695,300
- External loans repaid	-	(1,329,604)
- External loans received	-	-
- Utilisation of Overdraft Facility	-	-
- Grants and subsidies	86,283,932	76,024,903
Nett Cash Generated from operating activities	222,961	1,227,464
Increase / (Decrease) in investment activities	(4,800,000)	24,000,000
Nett increase / (Decrease) in cash and cash investments	-4,577,039	25,227,464
 CASH AND CASH EQUIVALENTS		
Balance at the end of the Year	65,867,308	91,094,772
Balance at the beginning of the Year	70,444,347	65,867,308
Net increase / (Decrease) in cash and cash equivalents	-4,577,039	25,227,464

Cash Flow Statement

Cash flow for the period ended 28 February 2011 reflects a positive amount of R25.2m as the Equitable Share Grant was received in advance for the quarter ending 31 March 2011.

Cash Balances:

The following bank and investment balances were held at the reporting date:

Bank Statement	+	1,810,411
Transactions not in GL - Charges		7,422
Plus Unreconciled Cheques	-	12,727.03
Minus Outstanding Deposits		
Minus Unreconciled Deposits	-	1,209.67
Project payments		
Salary Payments		
Creditors Payment		
Investments		
Cash Book Balance	+	1,791,472
Adjustment to Bank	-	
Adjusted Cash Book Balance	+	1,791,472

** None > 3 Months*

SURPLUS CASH INVESTED

Absa	33,500,000
Standard Bank	3,000,000
First Rand	24,000,000
Nedcor	26,000,000
Absa [Collateral security - Due 30 June 2011]	500,000
Standard Bank [Leave reserve Due 30 June 2011]	2,300,000
Total Cash Investments	89,300,000

Petty Cash float 3,300

Total Cash on Hand **91,094,772**

Surplus cash is invested at approved banking institutions in accordance with current cash and investment policy.

4. REVENUE AND DEBT COLLECTION MANAGEMENT

- **Sundry Debtors:**

Council's debtors consist of five main groups, namely:

- Provincial or Local government bodies for services rendered to or on behalf of these bodies,
- Ex-employees entitled to post-service benefits,
- Other entities by way of service delivery for which costs are to be recovered,
- Consumer debtors at Koopmansfontein for the rendering of water, sanitation and refuse services.

- Assessment Rates Debtors.

Matters reported below are in respect of debts outstanding in excess of 90 days on the effective reporting date.

- ***Provincial and Local Government - Department of Roads***

The roads agency account is behind with their subsidy payment (R648 750) in terms of the prescripts of the service level agreement which will be followed up after the submission of monthly report to them on or before 15th of each month.

- ***Post-Service Benefits***

Debtors are being managed in terms of the approved credit control policy. No significant difficulties are evident at present. Management of these debtors has improved with the aggressive application of the credit control policy.

- ***Sundry Debtors***

No difficulties are experienced due to the fact that strict credit control procedures are applied in terms of Council's Credit Control Policy. The only outstanding debts reflected for more than 90 days as at 28 February 2011 is Business Connexion R1 913.40, Department of Safety & Liaison R1 186.19, SALGA R47 029.61 and H P O Duvenhage R1 783-58 (requested road to be bladed). HPO Duvenhage's account will be handed over for collection.

Debts are continuously monitored and reviewed and adequate controls are in place according to approved policies.

- ***Water Service Debtors – Koopmansfontein***

The supply of water services at Koopmansfontein started in December 2004 and the first account to consumers was submitted in February 2005. About 90% of the people have been registered as indigent and therefore receive the 6kl free basic water services as per Council's indigent policy.

Most of the residents' water consumption is well managed within the 6kl free basic water allocation. The outstanding debtors for more than 90 days will be dealt with in terms of the approved Debt Collection Policy of Council whereby the water consumption will be restricted to 6kl of water only until such time that the full outstanding debt has been settled. The outstanding debt that is in the 90days + zone for the month of February 2011 is R162.98

- ***Sanitation and Refuse Debtors – Koopmansfontein***

The sanitation and refuse removal services started on 01 July 2010. Most of the sanitation and refuse services are well managed. The outstanding debtors for more than 90 days will be dealt with in terms of the approved Debt Collection. The outstanding debt that is in the 90days + zone for the month of February 2011 is R195.75 including VAT.

- ***Property Rates***

Council has adopted a Property Rates Policy which has also been implemented as from 01 July 2009. The challenge being experienced due to the many subdivisions of property is that we have difficulty in obtaining addresses to which statements need to be posted. The issue is being addressed. Revco Revenue Consulting (PTY) Ltd has been appointed on 01 November 2010 to assist with data search and verification of all debtor information and collection of outstanding debt as from 01 July 2009.

As progress is made, information will be reported on as received from Revco Revenue Consulting (PTY) Ltd. To date Revco Revenue Consulting is busy updating the data and will forward to FBDM in due course. Outstanding debt that is in the 90days + zone amounts to R158 468.61 as at 28 February 2011.

5. EXPENDITURE MANAGEMENT

The expenditure section continued to administer, manage, assess and improve creditors, salaries and sundry payments subject to internal prescriptions.

Salary Payment:

Salary payments are under adequate control and take place according to approved policies and agreement in terms of the Bargaining Council.

Salary increases for staff have been implemented at the end of July 2010.

Trade Creditors:

Council purchases and payments to creditors are under adequate control. There are currently no orders and invoices that are more than 30 days old and unpaid.

PAYMENTS

Total value of all payments	R 8,038,582
Electronic transfers	162
Cheques issued	37

STORES

Value of Stores issued	34,037
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SALARIES

Number of salary beneficiaries	209
Councillors	25
Employees	180
Pensioners	4

Total remuneration paid	2,681,532
Councillors	345,415
Employees	2,330,179
Pensioners	5,938

Expenditure controls are continuously being re-evaluated and tightened up to allow closer monitoring of daily purchases, order transactions and the extension of budgetary control over departmental activities.

Supply Chain Management:

Although council adopted a new procurement policy effective from 1 January 2008 a number of issues still impact negatively on the effective implementation of the mentioned policy. The following are some of the issues that still need attention in order to ensure full compliance as stipulated in the policy:

- The development and implementation of a new centralized procurement procedure has started and is in line with the SCM policy. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.
- Amendment and procedures with regard to the tender committee system (Specification, Evaluation and Adjudication Committees) still needs attention. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.
- Putting systems in place to monitor and report on supply chain management as required per approved policy has started as from 1 April 2008. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.

As Council reserves its right to maintain oversight over the implementation of the Supply Chain Management Policy and is empowered to make Supply Chain policy within the ambit of the applicable legislation, the following is hereby reported as stipulated in the SCM policy for the period August 2010:

Implementation of the Approved Supply Chain Management Policy:

The approved Supply Chain Management Policy of 30 November 2005 as amended on 27 November 2007 is implemented and is maintained by all relevant role players as from 01 April 2008.

Implementation of the Supply Chain Management Process.

- *Training of Supply Chain Management Officials*

Three personnel from the supply chain management unit attended training on supply chain management during the month of February 2011. Training was provided by National Treasury for the period 28 February to 04 March 2011. The training encompassed Municipal SCM procedures including amongst others, demand management, acquisition management, PPP's.

- *Demand Management*

Bids and quotations were invited in accordance with the Supply Chain Management Policy. Bid documents used were customised, standard bid documents prescribed by National Treasury. All preconditions were enforced during the opening of bids including the verification on Tax Clearance Certificates issued by SARS.

- *Acquisition Management*

For the period of February 2011, no contract (R200 000+) was awarded by the Bid Adjudication Committee.

For the period of February 2011, two written price quotation (R30 000-R200 000) were awarded by the Acting Municipal Manager.

- Printing of Annual Report: Macronym 37 CC – R 47 880.00 including VAT.
- GIS Colour Plotter: Lezmin Computers – R 73 416 including VAT.

The value of orders issued for the period ending 28 February 2011 total R832 380.07.

(See Annexure “A”)

Orders per department

Council and Executive	R41 770.42
Municipal Manager	R88 361.25
Finance	R25 807.14
Administration	R214 041.28
Planning and Development	R403 481.18
Technical Service	R15 299.43
Road Agency	R43 619.37

- Disposal Management

No disposal took place during the month of February 2011.

- Deviations

One deviation was approved by the Acting Municipal Manager.

- o Emergency tents: Bargain Tents – R270 000 Including VAT.

- Issues from Stores

Total orders issued R34 036.80

Issues per department

Council and Executive	R0.00
Municipal Manager	R3 318.29
Finance	R2 637.14
Administration	R9 482.65
Planning and Development	R2 757.25
Technical Service	R2 502.93
Roads Agency	R13 338.54

- List of accredited service providers

The supplier's database is updated daily.

Internal Provisions:

Council has internal liabilities related to personnel bonuses, performance bonuses, leave, post employment health care, pension and long service awards provisions. These liabilities are adequately provided for and are included under Provisions in the Statement of Financial Position and these provisions are properly backed by cash reserves where applicable.

ASSET AND RISK MANAGEMENT**Insurance:**

All Council assets are adequately insured with Alexander Forbes over a 3 year period. The insurance portfolio / costing was reviewed and implemented in July 2010.

Asset Inventory:

TAT I-Chain Asset Management System has been implemented. There are still challenges regarding the printing of inventory lists that needs attention. The asset stock take took place from 08 to 12 November 2010.

Information Backup:

All shared data on the internet system (*O & P drives only*) is backed up on the server with a further daily tape backup kept on the premises. System users are responsible for ensuring that data backup and maintenance is carried out with regard to their specific usage. General ledger and associated financial system data is backed up on the network server tape system.

The implementation and use of the new "e-Venus" financial system has started on 1 July 2009 with minor hiccups, but the problems identified are being attended to. A daily backup is done as well as a day end procedure to integrate the day's transactions.

A monthly calendar (on the last working day of each month) and financial (a few days after month end to accommodate financial transactions pertaining to the month closed) backup and integration including closing of votes and opening thereof in the new month is done.

The Blueprint System has been fully implemented. The system is an aid to managing projects. Monitoring is enhanced and implementation of projects is accelerated. Because each project has been allocated with different vote numbers, each manager will be responsible for monitoring and reporting on the progress of projects within the ambit of his/her department. This is a total deviation as to the management of projects in the past.

Motor Vehicles - Utilization Statistics:

Council operates a pool of 20 vehicles as part of its routine activities.

Statistical information regarding the year-to-date utility for February 2011 is as follows:

Please refer to next page.

DEPARTMENT FINANCE

FEBRUARY 2011

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Year End Km Reading	Current Km Reading	YTD Utility
1	Nissan LDV	Community Development	2006	BVC 831 NC	105 000	7/31/2011	86,004	95,324	9,320
2	Toyota Hilux	PMU	2004	BRF 837 NC	110,000	2/28/2011	95,234	102,112	6,878
3	Toyota LDV 4x4	Environmental Health	2002	BMT 234 NC	145,000	1/31/2011	136,151	141,010	4,859
4	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	135,000	4/30/2011	105,954	121,148	15,194
5	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	135,000	7/31/2011	117,266	127,020	9,754
7	Ford Bantam	Finance	2004	BRD 836 NC	90,000	1/31/2011	74,027	75,630	1,603
8	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	135,000	2/28/2011	121,812	134,072	12,260
9	Toyota Condor	Tourism Centre	2001	BLR 461 NC	170,000	6/30/2011	150,667	165,003	14,336
10	Toyota Corolla	Pool	2009	BZP 439 NC	45,000	9/30/2011	19,615	36,462	16,847
11	Toyota Corolla	Pool	2009	BZP 440 NC	45,000	9/30/2011	25,228	41,732	16,504
12	Isuzu 2.4	Housing	2009	CBD 761 NC	30,000	2/28/2011	5,907	23,073	19,954
13	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	15,000	11/30/2011	20	7,303	7,283
14	Chevrolet Opel Corsa 1.	Disaster Management	2010	CBY 227 NC	15,000	11/30/2010	19	704	685
15	Toyota Corolla	Pool	2008	BXL 799 NC	105,000	2/28/2011	78,387	91,201	12,814
16	Volkswagen Microbus	Pool	2001	BMG 088 NC	150,000	9/30/2011	126,676	136,662	9,986
17	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	180,000	4/30/2011	158,143	173,694	15,551
18	Citi Golf	Pool	2005	BSM 014 NC	75,000	4/30/2011	62,440	68,690	6,250
19	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	75,000	4/30/2011	64,557	76,204	11,647
20	Mercedes Benz	Council	2006	FBDM 1 NC	45000	40816	36,254	42,792	6,538
YEAR TO DATE UTILITY - FULL FLEET									198,263

Motor Vehicle: Operating Cost

The actual operating costs of Council motor vehicles incurred for the year to date as required in terms of the newly adopted motor vehicle fleet policy are set out below:

VEHICLE OPERATING COST	ACTUAL	BUDGET	VARIANCE	VAR %
Depreciation: Motor Vehicles	-	271,867	(271,867)	-100.00%
Insurance	11,463	30,000	(18,537)	-61.79%
MV Administration Levy	8,375	10,333	(1,958)	-18.95%
Fuel	160,662	186,667	(26,005)	-13.93%
Licence	4,218	8,653	(4,435)	-51.26%
Repairs and Maintenance	30,443	24,747	5,696	23.02%
Tyres	27,763	23,440	4,323	18.44%
TOTAL	242,924	555,707	(312,783)	-56.29%

• **Motor Vehicle Damage Report**

Vehicle registration number CBD 761 NC was involved in an accident on 04 February 2011 with a silver Toyota Fortuner registration number CY 72128. The silver Fortuner drove into the back of the right hand tyre and slightly on the fender. There was no physical damage to the municipal vehicle and minor damage on the Fortuner left front fender. The driver of the Fortuner left the scene before the police and workshop manager arrived. The incident was reported to the asset management unit.

Motor Vehicle Tracker System

A new vehicle tracker system was installed on 22 December 2010 in all council's pool vehicles by Altech Netstar. A presentation of the system by Altech was done during the joint management meeting held on 18 February 2011. An information session for all staff will be held to communicate the processes in March 2011.

7. FINANCIAL REPORTING AND BUDGETING**Budget Process:**

The budget process plan in respect of the 2010/11 financial year has been submitted to the Executive Mayor for approval on 26 July 2010.

Monthly Reporting

Monthly financial reporting as per DoRA and MFMA requirements to Council, National & Provincial Departments and other stakeholders have been adequately adhered to for the month under review.

Financial Statements for the Year-ended 30 June 2010

The Annual Financial Statements for the year ended 30 June 2010 was submitted to the Audit Committee on 30 August and to the Auditor General on 31 August 2010 for Auditing. Auditing by the Auditor General is completed and the Frances Baard District Municipality obtained an **Unqualified Audit Report with no matters of emphasis** from the Office of the Auditor General.

8. MFMA IMPLEMENTATION OVERSIGHT

Council's progress on the implementation of the MFMA proceeds according to set targets and due dates determined for a medium capacity municipality.

A comprehensive oversight report on the progress of implementation and compliance per MFMA requirements is attached as *Annexure "B"* to this report.

- *Support to Local Municipalities*

The Supply Chain Management office assisted in observing Phokwane Municipality bid evaluation meeting.

9. PERSONNEL**Personnel Attendances:**

Personnel attendance in the workplace for February 2011 averages 93%. The reason for the deviations is mainly due to, conference and courses, annual and sick leave.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
Number of Members	1	4	3	17
Leave	0	3	1	4
Sick Leave	0	1	7	8
Courses / Seminar	1	3	0	4
Meetings	0	1	0	0
Family Responsibility	0	0	0	3
Study	0	0	0	0
Maternity Leave	0	0	0	0
Overtime	0	0	0	0
Absent	0	0	0	0
Special Leave (SAMSRA)	0	0	0	0
No. of Workdays Attended	19	72	52	339
Total Workdays	20	80	60	360
Percentage attendance per Group	95%	90%	87%	94%
Average	93%			

Personnel Development:

The following personnel attended training during the month of February 2011.

<u>Supply Chain Management</u>			
	From	To	
Erci Tlhageng	28/02/2011	04/03/2011	Supply Chain Management
Gerald Sekamegeng	28/02/2011	04/03/2011	Supply Chain Management
Lungile Ndlazi	28/02/2011	04/03/2011	Supply Chain Management
<u>Revenue & Expenditure</u>			
Mariette Pienaar	28/02/2011	04/03/2011	Supply Chain Management

11. INTERNSHIP PROGRAMME

As per National Treasury regulations, five Finance Interns were appointed (four on 15 February 2010 and one on 01 March 2010). The aim of the programme is to capacitate Finance graduates to eventually be able to fill CFO and other financial posts in municipalities. Their appointment is for a period of 24 to 36 months depending on completion of the programme.

They are being assisted in completing a personal development plan (PDP) and a Portfolio of Evidence (POE) as per NT guidelines. Meetings are held regularly with Interns to discuss their progress and problems they may experience.

A training schedule has been drawn up. It is envisaged that they be exposed to all functions within a municipality.

All Interns have assisted with the year end process for the 2009/2010 financial year. They have assisted with the scheduled asset stock take.

Various financial reconciliations have to be done on an ongoing basis and the Interns have been given this task with various personnel responsible for these reconciliations, as their mentors.

All Interns are attending the Municipal Finance Management Programme and they have completed the MFMA DVD learning programme.

CONCLUSION

According to the results presented above for the period ending 28 February 2011, Council maintains a healthy financial position with respect to its cash and reserves.

DIRECTOR: FINANCE