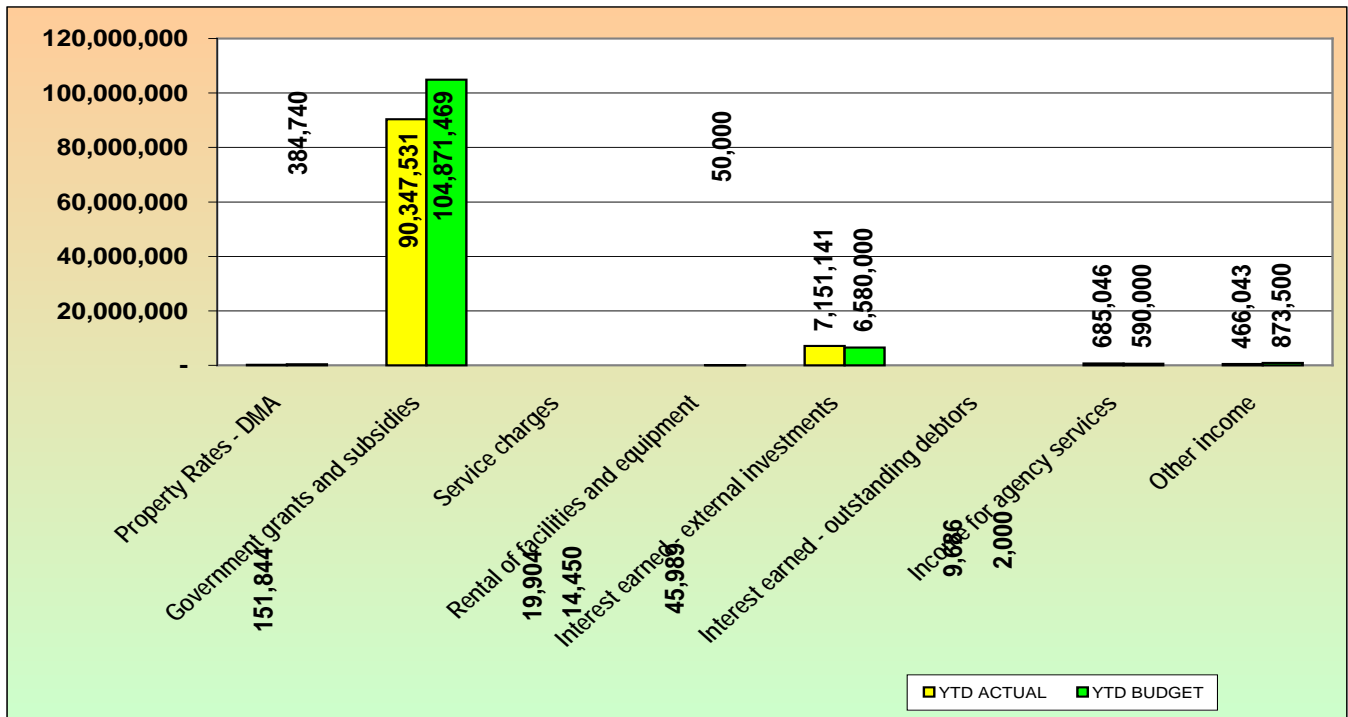


1. FINANCIAL POSITION

<b>FRANCES BAARD DISTRICT MUNICIPALITY</b>			
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>30 June 2011</b>	<b>Jun-10</b>	
	<b>R</b>	<b>R</b>	
<b><u>NET ASSETS AND LIABILITIES</u></b>			
<b>Net Assets</b>	<b>83,762,830</b>	<b>65,661,937</b>	
Capital Replacement Reserve	6,294,318	3,652,491	
Revaluation Reserve	5,799,384	6,013,465	
Accumulated Surplus / (Deficit)	71,669,128	55,995,981	
<b>Non-current Liabilities</b>	<b>31,752,717</b>	<b>33,074,523</b>	
Borrowings	12,814,927	14,136,733	
Non-Current Provisions	18,937,790	18,937,790	
<b>Current Liabilities</b>	<b>13,088,922</b>	<b>18,565,463</b>	
Provisions	5,116,973	4,828,161	
Trade Payables	2,034,880	6,063,088	
Unspent Conditional Grants and Receipts	4,644,298	6,544,350	
Operating Lease Liability	-	-	
Current Portion of Long-term Liabilities	1,292,770	1,129,864	
Cash and Cash Equivalents	-	-	
<b>TOTAL: NET ASSETS AND LIABILITIES</b>	<b>128,604,468</b>	<b>117,301,922.40</b>	
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>	<b>46,094,472</b>	<b>45,516,401</b>	
Property, Plant and Equipment	46,076,718	45,504,865	
Non-Current Assets Held for Sale	-	-	
Investment Property	-	-	
Intangible Assets	-	-	
Investments	17,754	11,536	
Long-term Receivables	-	-	
<b>Current Assets</b>	<b>82,509,996</b>	<b>71,785,521</b>	
Taxes	1,307,882	2,226,349	
Trade Receivables from Exchange Transactions	1,701	491	
Trade Receivables from Non-Exchange Transactions	2,791,475	3,405,873	
Operating Lease Asset	9,383	11,954	
Inventory	370,274	273,545	
Current Portion of Long-term Receivables	-	-	
Cash and Cash Equivalents	78,029,281	65,867,308	
<b>TOTAL: ASSETS</b>	<b>128,604,468</b>	<b>117,301,922.40</b>	

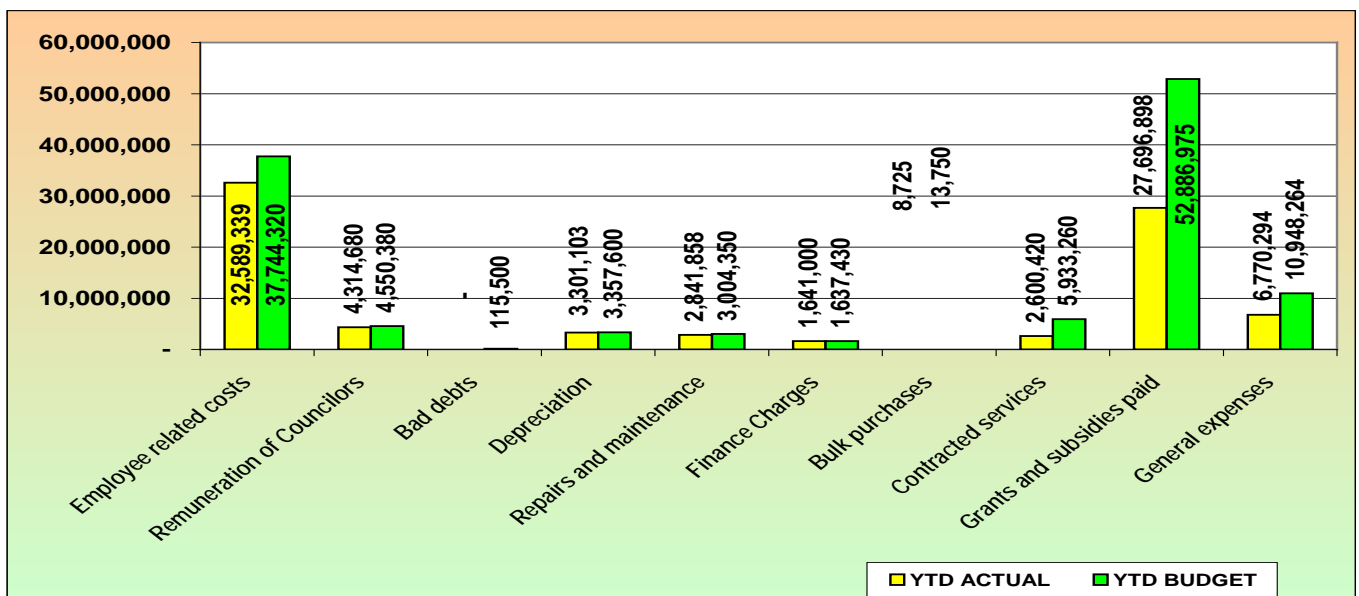
2. FINANCIAL PERFORMANCE

Revenue by Source (YTD):



The negative variance on Grants and Subsidies is mainly due to the EPWP Grant not claimed as a result of not having enough capital projects to claim the grant and part of MIG Grant for the 2010/2011 financial year received in advanced in the previous financial year.

Expenditure per classification (YTD):



For this financial year, expenditure was restricted to necessary activities per approved budget & service delivery plans, operating expenditure limit approved by Council and money that we realistically expected 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 &amp; Allowances</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	<b>36,904,019</b>	<b>42,294,700</b>	<b>5,390,681</b>	<b>13%</b>
Councillors Remuneration	4,314,680	4,550,380	235,700	5%
Post-Service Benefits	1,336,730	1,394,990	58,260	4%
Personnel Remuneration	31,252,610	36,349,330	5,096,720	14%
<i>Employee Related Costs</i>	26,441,396	30,245,960	3,804,564	13%
<i>Social Contributions</i>	4,330,160	5,202,910	872,750	17%
<i>Compulsory Levies</i>	481,053	900,460	419,407	47%

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.

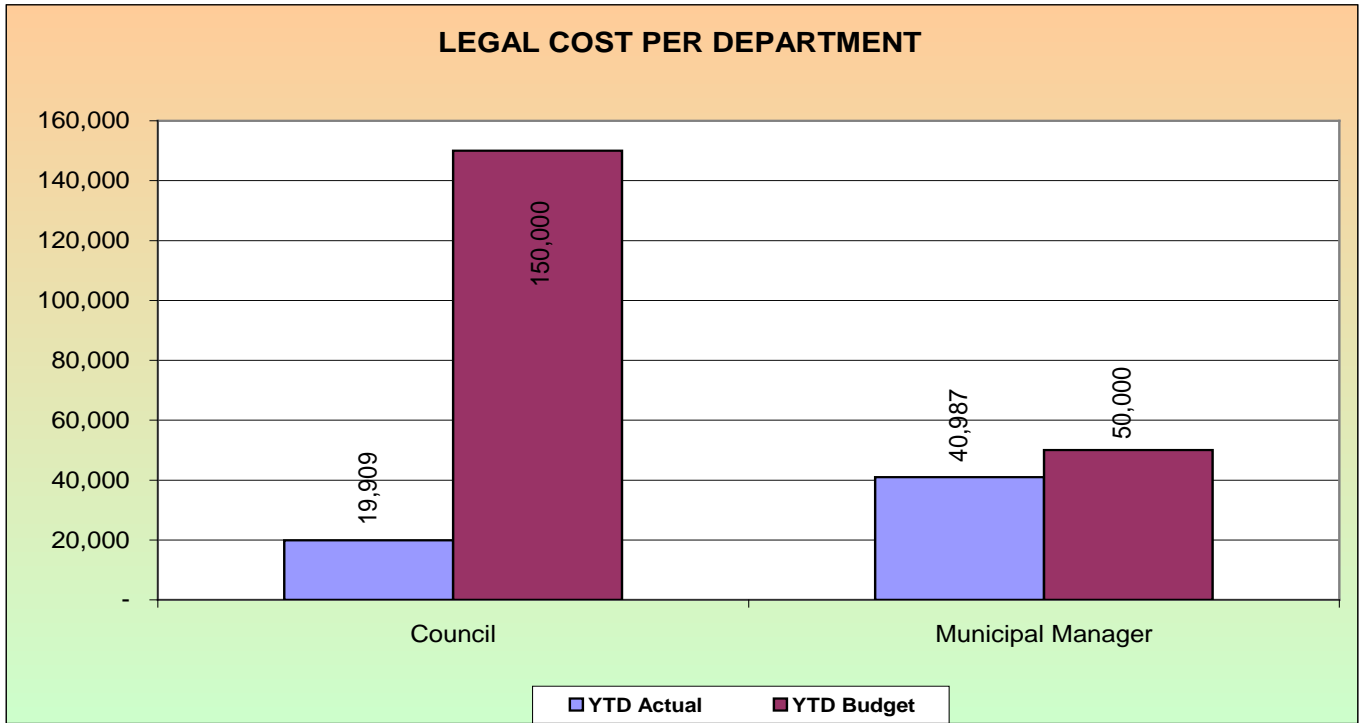
Projects that were not completed during the previous year-end have been rolled over to the new financial year for completion from the accumulated surplus / deficit or applicable unspent grant funding accounts.

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

<i>Grants &amp; Subsidies</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	<b>27,696,898</b>	<b>52,886,975</b>	<b>25,190,076</b>	<b>48%</b>
<i>Internal / Administration</i>	4,846,095	9,953,302	5,107,207	51%
<i>External Beneficiaries</i>	22,850,804	42,933,673	20,082,869	47%
<i>State Funded Grants</i>	17,928,635	33,698,131	15,769,496	47%
<i>Reserve Funded Grants</i>	4,863,060	9,054,110	4,191,050	46%
<i>Revenue Funded Grants</i>	59,109	181,432	122,323	67%

**General Expenses:** Actual expenses have increased as planned activities per service delivery and budget plans gained 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

JUNE 2011

Revenue & Expenditure per classification	YTD Actual 30 June 2011	Estimated Projection:	Approved Budget 2010/11	Projected Variance	Projected Variance
<b><i>REVENUE BY SOURCE:</i></b>					
Service charges	19,904	21,714	14,450	5,454	37.75%
Assessment Rates	151,844	384,740	384,740	(232,896)	-60.53%
Interest Earned - External Investments	7,151,141	7,801,245	6,580,000	571,141	8.68%
Interest Earned - Outstanding Debtors	9,686	10,567	2,000	7,686	384.31%
Other	466,043	508,411	873,500	(407,457)	-46.65%
Rental of Facilities & Equipment	45,989	50,000	50,000	(4,011)	-8.02%
Income for Agency Services	685,046	685,046	590,000	95,046	16.11%
Government Grants & Subsidies	90,347,531	97,681,220	99,505,000	(9,157,469)	-9.20%
Transfers From Reserves	-	-	8,513,220	(8,513,220)	
Gain on disposal of property plant and equipment	292,741	90,000	90,000	-	0.00%
<b>Total Revenue:</b>	<b>99,169,926</b>	<b>107,232,942</b>	<b>116,602,910</b>	<b>(17,635,725)</b>	<b>-17.78%</b>
<b><i>EXPENDITURE PER VOTE:</i></b>					
<b>Executive and Council</b>	<b>14,210,002</b>	<b>14,269,106</b>	<b>17,638,676</b>	<b>(3,428,674)</b>	<b>-24.03%</b>
Council	8,081,602	7,263,897	8,766,336	(684,734)	-7.81%
Office of the Municipal Manager	6,128,400	7,005,210	8,872,340	(2,743,940)	-30.93%
<b>Finance &amp; Administration</b>	<b>24,094,668</b>	<b>27,474,356</b>	<b>29,333,440</b>	<b>(5,238,772)</b>	<b>-19.07%</b>
Budget & Treasury Office	11,686,141	13,392,638	14,548,830	(2,862,689)	-19.68%
Corporate Services	12,408,527	14,081,718	14,784,610	(2,376,083)	-16.07%
<b>Planning &amp; Development</b>	<b>36,767,393</b>	<b>49,358,192</b>	<b>60,946,954</b>	<b>(24,179,561)</b>	<b>-48.99%</b>
Planning & Development	10,542,373	12,668,291	14,935,325	(4,392,952)	-29.41%
Technical Services	26,225,020	36,689,901	46,011,629	(19,786,609)	-43.00%
Health	1,711,059	3,346,533	3,564,870	(1,853,811)	-52.00%
Community & Social Services	100,605	574,502	1,025,820	(925,215)	-90.19%
Public Safety	2,630,163	3,067,677	3,993,976	(1,363,813)	-34.15%
Water Services: Koopmansfontein	25,138	25,138	51,610	(26,472)	-51.29%
Electricity Services: Koopmansfontein	14,159	14,159	17,100	(2,941)	-17.20%
Sanitation Services: Koopmansfontein	1,995	1,995	26,220	(24,225)	-92.39%
Refuse Removal Services: Koopmansfontein	1,735	1,735	13,000	(11,265)	-86.66%
Housing	2,207,400	2,586,276	3,351,240	(1,143,840)	-34.13%
<b>Total Expenditure:</b>	<b>81,764,316</b>	<b>100,719,671</b>	<b>119,962,906</b>	<b>(38,198,590)</b>	<b>-31.84%</b>
Transfer to Capital Replacement Reserve	-	2,987,600	2,987,600	-	
Prior year Revenue & Expenditure	-	-	-	-	
<b>NET OPERATING RESULT:- SURPLUS / (DEFICIT)</b>	<b>17,405,609</b>	<b>3,525,671</b>	<b>(6,347,596)</b>	<b>20,562,865</b>	

***EXPENDITURE PER VOTE:***

Interim results 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 24.03% as compared to the full year budget.
- A total savings on special projects of R322 249 was realised due to less than budgeted spending on projects and projects that will not be realised in this financial year.
- Legal services: An amount of R200 000 was budgeted, however expenditure occurs as required, currently a variance (not spent to date) of R139 103 is reflected.

- Councillor training: A variance of R213 579 is reflected. Training needs have been identified, however due to the work schedule of councillors, training could not take place and a savings has been realised.
- Special projects that have been budgeted for the youth unit amount to R181 500 and was not spent in full, this resulted in a savings of R122 391.
- Consultancy: An amount of R1092 000 was budgeted; only R374 941 has been spent resulting in a savings of R717 059.
- Further savings under operational expenditure to approximately R1054 493 was realised – e.g. conferences and seminars, printing and stationery and telephone costs.

- ***Finance & Administration:***

Expenditure of finance and administration was less than the budget by 19.07% as compared to the full year budget.

- o New and approved vacant posts: Labour Relations Officer and Disaster Management Officers were filled in August 2010, and
- o Chief Archive Clerk and IT Technician were filled in March 2011.
- o Employee Assistance Programme – response rate from officials has been low. The EAP is needs driven.
- o Further savings under operational expenditure to approximately R1 981 932 was realised – e.g. conferences and seminars, printing and stationery and telephone costs.

- ***Planning & Development:***

Expenditure of planning and administration was less than the budget by 48.99% as compared to the full year budget.

- o By-laws R200 000: Rollover to the new financial year.
- o IDP / PMS R36 580 – Review & implementation of 4 IDP's were utilised under advertising general notices budget vote.
- o Further savings under operational expenditure to approximately R94 145 was realised – e.g. conferences and seminars, printing and stationery and telephone costs.

- o **LED & Tourism Projects**

- o The vacant post of Senior LED Officer was filled on 03 January 2011.
- o 62% of the budget on special projects has been spent as compared to the full year projected budget; except for the following deviations:
  - Tourism Marketing Brochure R150 000. The appointed service provider had challenges in completing the work due to lack of experience in tourism brochure production and design.
  - Tourism Flagship Info Centre R150 000; The Project is now only on the initial phase of construction.

The following projects have been rolled over to the 2011 / 12 financial year:

- o LED Vegetable Plant – Phokwane R90 000.
- o Tour SAN Community Cultural Village R90 000.
- o Tourism Guide Training R150 000.

- o **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 roll over to the 2011/12 financial year.
- **Project Management & Advisory Services**
  - 51.71% of projects allocated to Category B municipalities were implemented by end of the financial year. Expenditure is mainly for ongoing projects from the previous year and other State or Provincial initiatives.
  - The purchasing of Land for the development of a cemetery at Koopmansfontein will not materialize during this financial year.
  - 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.
- **Health:**
  - Expenditure of health was less than the budget by 52.00% as compared to the full year budget.
  - Large portion of the health recycle project scheduled for Magareng / Dikgatlong Local Municipalities has been rolled over for completion in the 2011 / 2012 financial year.
- **Community & Social Services:**
  - Expenditure of community & social services was less than the budget by 90.19% as compared to the full year budget.
  - 
  - 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.
- **Public Safety:**
  - Expenditure of public safety was less than the budget by 34.15% as compared to the full year budget.
  - Firefighting & Disaster Management projects and unforeseen / emergency contingency projects – unpredictable as per occurrence.
  - 18% of the budget on special projects has been spent as compared to the full year projected budget.
  - Approval awaited from responsible department in order to roll over unspent grant funding / or to repay it back as per National Treasury Guidelines.
  - Funds were directed to help the homeless with shelter, food and clothing as well as sanitary equipment after recent floods and storms.
- **Housing:**
  - Expenditure of housing was less than the budget by 34.13% as compared to the full year budget.
  - Expenditure of the housing unit is limited to the actual revenue received year-to-date.
- **Water and Electricity Services – Koopmansfontein:**
  - The under-spending for water and electricity is mainly due to general expenses not utilized fully.

- **Sanitation and Refuse Removal – Koopmansfontein**
  - o The under-spending for sanitation and refuse removal is mainly due to general expenses not utilized fully.

**EXPENDITURE ON SPECIAL PROJECTS PER VOTE:**

• **Council & Executive**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Council</u></b>				
District Aids Council	4,914	19,596	25.08%	Needs driven as per meeting schedule
10/11: Opening of new council chambers	113,131	200,000	56.57%	Project Complete
<b>Total</b>	<b>118,045</b>	<b>219,596</b>	<b>53.76%</b>	
<b><u>Committee &amp; Administration services</u></b>				
2011: Spec Proj - Youth Unit	27,677	150,000	18.45%	Projects will not realise as per budget objectives
2011: Special Project - Mun Admin Training	31,432	31,500	99.78%	Project Complete
<b>Total</b>	<b>59,109</b>	<b>181,500</b>	<b>32.57%</b>	
<b><u>Communications</u></b>				
10/11: Signage Maintenance Communication	21,404	25,000	85.62%	Project Complete - Savings
10/11: Turnaround Strategy Communication	-	70,000	0.00%	Project will not materialise as anticipated - Savings Contract paid in full - 2 year contract, difference is treated as advance payment
10/11: GFS System Communication	4,054	10,000	40.54%	Project Complete - Savings
10/11: PAIA Management Communication	10,131	10,460	96.85%	Project Complete - Savings
10/11: Branding Communication	16,563	30,000	55.21%	Branding proceed as planned - Savings
10/11: Corporate clothing Communication	-	5,000	0.00%	Project will not materialise as anticipated due to poor response from service providers
<b>Total</b>	<b>52,152</b>	<b>150,460</b>	<b>34.66%</b>	

• **Finance & Administration**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Finance: Directorate</u></b>				
FMG 10/11: Prog. Operation Clean Audit	171,639	173,300	99.04%	Project Complete
FMG 10/11: Property Rates Datas Search	60,000	60,000	100.00%	Project Complete
10/11: Operation Clean Audit Projects	150,899	266,700	56.58%	Savings
10/11: Financial System Support (3) LM	200,000	600,000	33.33%	Savings
10/11: Disaster Recovery Support Sol Plaatje	307,018	350,000	87.72%	Savings
10/11: Patch MAN & Intrusion Sol Plaatje	210,526	240,000	87.72%	Savings
<b>Total</b>	<b>1,100,082</b>	<b>1,690,000</b>	<b>65.09%</b>	
<b><u>Finance: Budget Office</u></b>				
FMG 10/11 Capacity Building & BTO Operation	313,800	352,750	88.96%	Project Complete - Savings
FMG 10/11: GRAP Assessment / Quality Review	116,919	117,000	99.93%	Project Complete - Savings
<b>Total</b>	<b>430,719</b>	<b>469,750</b>	<b>91.69%</b>	

	YTD Actual	Budget	% Spending	Remarks
<b><u>Human Resource Management</u></b>				
Special Project: Employee Assistance Programme	20,070	100,000	20.07%	Expenditure is needs driven
10/11: Employee Wellness	197,792	200,000	98.90%	Project Complete - Savings
10/11: Municipal Manager Funeral Costs	135,368	160,000	84.61%	Project Complete - Savings
<b>Total</b>	<b>353,231</b>	<b>460,000</b>	<b>76.79%</b>	

- Environmental Health**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Environmental Health</u></b>				
Environmental Health: Recycling Project	153,845	1,700,000	9.05%	Large portion of the health recycle project scheduled for Magareng / Dikgatlong Local Municipalities has been rolled over for completion in the new financial year.
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 - Rollover
09/10: Maintenance of Recycling Projects	-	126,000	0.00%	To be spent after the completion of the centre
09/10: River-Health Programme	63,322	72,000	87.95%	Project Complete
<b>Total</b>	<b>247,849</b>	<b>1,980,000</b>	<b>12.52%</b>	

- Community Service**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Community Service</u></b>				
10/11: Awareness Programmes - HIV/AIDS	4,593	60,000	7.65%	Savings
10/11: Social Development Service Programmes	61,840	70,000	88.34%	Project Complete
10/11: Coordinate Commemorative Days	-	25,000	0.00%	Expenditure will only occur as per invitation and request for funds by the various stakeholders
10/11: Coordinate Human Rights Awareness	-	16,000	0.00%	Expenditure will only occur as per invitation and request for funds by the various stakeholders
10/11: Phelophepa Health Train	-	15,750	0.00%	Train does not come to Northern Cape
10/11: Gel Stove Project	7,013	16,000	43.83%	Project Complete
10/11: Voter Education	-	350,000	0.00%	Project will not materialise due a Circular from National Treasury prohibiting municipalities from under taking voter education
10/11: Investigate Solar Project	-	50,000	0.00%	Department of Mineral & Energy Affairs will fund the project
10/11:Contribution: Cricket Development - GWCB	75,000	75,000	100.00%	Project Complete
<b>Total</b>	<b>148,445</b>	<b>677,750</b>	<b>21.90%</b>	

- Planning & Development**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Planning &amp; Development Directorate</u></b>				
MSIG 10/11: Integrated Transport Plan	470,390	500,000	94.08%	Project Complete - Savings
MSIG 10/11: IT Disaster Recovery / Redundancy	277,700	300,000	92.57%	Project Complete - Savings
MSIG 10/11: Development of By-Laws	-	200,000	0.00%	Roll over to the new financial year
MSIG 10/11: Land Audit	498,671	511,950	97.41%	Project Complete
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
<b>Total</b>	<b>1,379,167</b>	<b>2,336,200</b>	<b>59.03%</b>	
<b><u>IDP / PMS Management</u></b>				
Review and Implementation of 4 IDP'S	-	36,580	0.00%	Savings: Utilised the advertising general notices vote
<b>Total</b>	<b>-</b>	<b>36,580</b>	<b>0.00%</b>	

	YTD Actual	Budget	% Spending	Remarks
<b><u>HOUSING</u></b>				
10/11: Housing War on Poverty	20,861	20,330	102.61%	Project Complete
10/11: Housing Field Workers	32,304	126,530	25.53%	Request for 1771 & 1772 votes to be merged into one including budget amounts
10/11: Housing Field Workers	77,532	21,840	355.00%	Project Complete
10/11: Housing Equipment & Logistics	19,600	20,000	98.00%	Project Complete
10/11: Housing Register Contractors	-	36,780	0.00%	Savings
10/11: Housing Lab Tests	366	1,000	36.60%	Savings
<b>Total</b>	<b>150,662</b>	<b>226,480</b>	<b>66.52%</b>	

DEPARTMENT FINANCE

JUNE 2011

	YTD Actual	Budget	% Spending	Remarks
<b>LED / Tourism</b>				
DTEC 09/10: Tourism Month Celebrations	50,000	50,000	100.00%	Project Complete
09/10: LED Roll over Projects	289,217	300,000	96.41%	Project Complete - Savings
10/11: LED Contribution: NCTA Support	135,000	135,000	100.00%	Project Complete
10/11: LED Craft Project - Koopmansfontein	63,860	100,000	63.86%	Project Complete - Savings
10/11: LED Vegetable Plant - Phokwane	-	90,000	0.00%	In process - to be completed by 2012
10/11: LED Entrepreneurship Programme	584,635	661,200	88.42%	Project Complete - Savings
10/11: LED Bokomoto Project - Dikgatlong	90,000	90,000	100.00%	Project Complete
10/11: LED Kgololosego Project - Phokwane	90,000	90,000	100.00%	Project Complete
10/11: LED SMME Development	126,218	150,000	84.15%	Project Complete - Savings
10/11: Tourism Marketing Brochure	-	150,000	0.00%	No spending - savings
10/11: Tourism Establishment: Toll Free Number	-	-	-	-
10/11: Tour SAN Community. Cultural Village	2,003	90,000	2.23%	Roll over to new year
10/11: Tour Wildebeestkuil Rock Art	85,694	40,000	214.23%	Project Complete
10/11: TOUR SMME Registration & Grading	3,530	60,000	5.88%	Project Complete
10/11: TOUR Tourism Guide Training	-	100,000	0.00%	Roll over to new year
10/11: TOUR Capacity Building Magareng	-	50,000	0.00%	No spending - savings
10/11: TOUR Capacity Building Phokwane	1,750	50,000	3.50%	Savings
10/11: TOUR Capacity Building Dikgatlong	8,650	50,000	17.30%	Savings
10/11: TOUR Tourism Month Act	105,261	150,000	70.17%	Project Complete - Savings
10/11: TOUR Product Owners Meeting	2,568	20,000	12.84%	Savings
10/11: TOUR Indaba Trade Expo	112,462	120,000	93.72%	Project Complete - Savings
10/11: TOUR Know Your Region Campaign	26,152	80,000	32.69%	Savings
10/11: TOUR N12 Treasure Route	20,000	20,000	100.00%	Project Complete
10/11: TOUR NCTA Marketing Meeting	627	15,000	4.18%	Savings
10/11: TOUR Flagship Info Centre	-	150,000	0.00%	The Project is now only on the initial phase of construction
10/11: TOUR Advertising	109,599	260,000	42.15%	Savings
10/11: TOUR National Tourism Day Celebrations	-	10,000	0.00%	Local Event held
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%	Savings
10/11: TOUR N12 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	25,934	100,000	25.93%	Savings
<b>Total</b>	<b>2,097,418</b>	<b>3,381,200</b>	<b>62.03%</b>	

Please refer to next.

DEPARTMENT FINANCE

JUNE 2011

	YTD Actual	Budget	% Spending	Remarks
<b><u>PROJECT &amp; ADVISORY SERVICES</u></b>				
EQS 10/11: Water Subsidies - DMA	-	230,000	0.00%	Savings
EQS 10/11: Sanitation Subsidies - DMA	1,954,827	1,955,000	99.99%	Project Complete
EQS 10/11: Electricity Subsidies - DMA	-	125,000	0.00%	Savings
EQS 10/11: Cemetry Development - DMA	12,511	30,000	41.70%	Savings
EQS 10/11: Unallocated - DMA	-	733,170	0.00%	Will not be utilised
EQS 10/11: Roads Maintenance - Magareng	1,579,547	1,800,000	87.75%	10% Retention held back
EQS 10/11: WTW'S Maintenance: Magareng	467,613	500,000	93.52%	Project Complete
EQS 10/11: WWTW Maintenance: Magareng	100,000	100,000	100.00%	Project Complete
EQS 10/11: Clean Stormwater: Magareng	150,000	150,000	100.00%	Project Complete
EQS 10/11: Electricity Network: Magareng	350,000	350,000	100.00%	Project Complete
EQS 10/11: Repair Valave Jan Kempdorp	119,701	120,000	99.75%	Project Complete
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%	
EQS 10/11: Standby Chlorinator: Jan Kempdorp	68,140	70,000	97.34%	Project Complete
EQS 10/11: Replace Water Meter: Jan Kempdorp	182,300	200,000	91.15%	Project Complete
EQS 10/11: Fencing Reservoir: Ganspan	284,500	300,000	94.83%	Project Complete
EQS 10/11: Replacing Water Meters: Hartswater	182,300	200,000	91.15%	Project Complete
EQS 10/11: Bulk Water Meters: Hartswater	49,950	50,000	99.90%	Project Complete
EQS 10/11: Water Repairs & Houses: Magogong	298,000	300,000	99.33%	Project Complete
EQS 10/11: Fencing Reservoir: Hartswater	272,424	300,000	90.81%	Project Complete
EQS 10/11: Safety Equipment: Hartswater	103,709	150,000	69.14%	Overestimation, Complete, Savings
EQS 10/11: Disludge 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	288,900	350,000	82.54%	Savings, Project changed
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)	500,000	500,000	100.00%	Project Complete
EQS 10/11; Repair JCB Engine Jan Kempdorp	32,754	100,000	32.75%	Savings
EQS 10/11: Replace Drainage System: Jan Kempdorp	64,536	80,000	80.67%	Savings
EQS 10/11: Gravel Roads: Delportshoop	24,037	150,000	16.02%	Project Complete
EQS 10/11: Gravel Roads: Windows	22,125	150,000	14.75%	Project Complete
EQS 10/11: Gravel Roads Barkly West	18,479	200,000	9.24%	Savings
EQS 10/11: Pothole Repairs: Barkly West	149,390	200,000	74.69%	Savings
EQS 10/11: Repair Dosing: Pump: Barkly West	-	50,000	0.00%	Will not materialise
EQS 10/11: Replace Filter: Barkly West	24,000	350,000	6.86%	Savings
EQS 10/11: Water Supply Line: Barkly West	6,089	50,000	12.18%	Savings
EQS 10/11: Replace Booster Pump: Barkly West	-	125,000	0.00%	Savings
MIG 10/11: Unallocated	-	382,310	0.00%	Savings
MIG 10/11: Roads & Stormwater: Dikgatlong	789,474	789,480	100.00%	Project Complete
MIG 10/11: Bulk Water Infrastructure: Dikgatlong	1,282,320	1,282,320	100.00%	Project Complete
MIG 10/11: Waste Water Treatment: Phokwane	4,290,111	4,374,210	98.08%	Project Complete
EPWP 10/11: Unallocated	-	10,207,000	0.00%	Not enough capital funds to claim the incentive grant
10/11: DWAF: Operation & Maintenance: Projects	922,569	1,595,570	57.82%	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: Phile Prim	117,700	150,000	78.47%	Savings
10/11: DWAF; Water Conservation Strategy: Dikgatlong	-	685,890	0.00%	Awaiting claims, roll over for the 2011/12 financial year
10/11: DWAF Water Treatment Plant Valve	180,800	700,000	25.83%	Awaiting claims, roll over for the 2011/12 financial year
10/11: DWAF O & M Hartswater Water Treatment Works	198,700	198,700	100.00%	Project Complete

**DEPARTMENT FINANCE**

**JUNE 2011**

	<b>YTD Actual</b>	<b>Budget</b>	<b>% Spending</b>	<b>Remarks</b>
10/11: DWA Windsorton W/W Rehab Valves	142,406	142,406	100.00%	Project Complete
10/11: DWA Windsorton W/W Rehab Sands	155,063	155,063	100.00%	Project Complete
10/11: Other Provincial Project - EPW: Lerato Park	131,538	316,960	41.50%	Roll over
RESF 09/10 Water Pressure Tower: Ikhutseng	2,154,702	2,400,000	89.78%	Retention, complete
RESF 09/10 Water Storage Assessment: Magareng	92,653	100,000	92.65%	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%	Not Implemented
RESF 09/10 Electricity Selfbuild Scheme: DMA	100,675	1,840,000	5.47%	Awaits Eskom's approval
RESF 09/10 Water Subsidies: DMA	438,831	457,000	96.02%	Project Complete
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%	Project Complete - In retention
RESF 09/10 Erect Fence: Koopmansfontein	216,827	323,650	66.99%	Project Complete, Savings
RESM 10/11 Replace Booster Pump: Barkly West	111,802	125,000	89.44%	Project Complete, Savings
RESM 10/11 Maintain Blowers: Barkly West	-	150,000	0.00%	Savings
RESM 10/11 Filter Wash Basin: Barkly West	-	50,000	0.00%	Savings
RESM 10/11 Bulk Water Meter: Barkly West	10,648	50,000	21.30%	Project Complete, Savings
RESM 10/11 Chorine Room: Barkly West	72,944	150,000	48.63%	Project Complete, Savings
RESM 10/11 WTW Maintenance: Barkly West	96,674	100,000	96.67%	Project Complete, Savings
RESM 10/11 Replace Storage Dams: Windsorton	-	100,000	0.00%	Not Implemented
RESM 10/11 Water Transfer Pumps: Windsorton	51,867	200,000	25.93%	Project Complete, Savings
RESM 10/11 Electricity Distribution Board: Windsorton	37,329	150,000	24.89%	Project Complete, Savings
RESM 10/11 WTW Maintenance: Windsorton	71,243	100,000	71.24%	Project Complete, Savings
RESM 10/11 Maintenance Oxidation Pond: Windsorton	317,965	350,000	90.85%	Project Complete, Savings
RESM 10/11 Maintenance Oxidation Pond: Delpportshoop	240,723	250,000	96.29%	Project Complete, Savings
RESM 10/11 Water Reticulation: Spitskopwe	177,750	250,000	71.10%	Project Complete, Savings
RESM 10/11 Maintenance: Unallocated - AD Hoc	386,897	410,000	94.37%	Project Complete
<b>Total</b>	<b>21,107,268</b>	<b>40,816,189</b>	<b>51.71%</b>	

**FIRE FIGHTING / DISASTER MANAGEMENT**

	<b>YTD Actual</b>	<b>Budget</b>	<b>% Spending</b>	<b>Remarks</b>
<b><u>FIRE FIGHTING / DISASTER MANAGEMENT.</u></b>				
10/11: Fire Fighting / Disaster Management.	1,750	589,206	0.30%	Awaiting approval for the roll over of funds as per National Treasury Guidelines
10/11: Unforeseen Disaster Contingency	96,496	180,000	53.61%	Covers operating expenses of the NEAR control unit
10/11: Disaster Management Volunteers Project	69,319	149,600	46.34%	Unpredictable as per occurrence.
<b>Total</b>	<b>167,565</b>	<b>918,806</b>	<b>18.24%</b>	

**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

JUNE 2011

Capital Expenditure per vote	YTD Actual	Estimated Projection: 2010/11	Approved Budget 2010/11	Projected Variance R	Projected Variance %
<b><i>CAPITAL EXPENDITURE PER VOTE:</i></b>					
<b>Executive and Council</b>	<b>79,108</b>	<b>94,908</b>	<b>95,270</b>	<b>-362</b>	<b>-0.38%</b>
Council	68,293	73,293	73,400	-107	-
Office of the Municipal Manager	10,815	21,615	21,870	-255	-1.17%
<b>Finance &amp; Administration</b>	<b>2,482,542</b>	<b>3,211,148</b>	<b>3,253,150</b>	<b>-42,002</b>	<b>-1.29%</b>
Budget & Treasury Office	397,945	411,686	439,120	-27,434	-6.25%
Corporate Services	2,084,597	2,799,462	2,814,030	-14,568	-0.52%
<b>Planning &amp; Development</b>	<b>817,639</b>	<b>924,186</b>	<b>1,146,770</b>	<b>-222,584</b>	<b>-1</b>
Planning & Development	133,127	143,227	218,900	-75,673	-34.57%
Technical Services	684,513	780,959	927,870	-146,912	-15.83%
Housing	6,279	6,279	6,290	-12	0.00%
Health	-	-	-	-	0.00%
Community & Social Services	-	-	-	-	0.00%
Public Safety	791,750	800,812	813,990	-13,178	-1.62%
Water Services: Koopmansfontein	-	-	-	-	0.00%
<b>Total Capital Expenditure:</b>	<b>4,177,318</b>	<b>5,037,332</b>	<b>5,315,470</b>	<b>-278,138</b>	<b>-5.23%</b>

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

*Please refer to next page.*

<b>Asset Acquisitions</b>		<b>4,177,318</b>
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	177,915.68
Air Conditioners Replacement	Infrastructure Services	21,192.00
Building - Parking Area Upgrade	Infrastructure 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	174,938.69
Laptop	Council & Executive	9,385.96
Printer	Council & Executive	52,627.19
Printer	Finance & Administration	35,773.25
Cabinet Filling	Planning & Development	1,359.65
Computer	Finance & Administration	4271.7
Sewer System Upgrade	Infrastructure Services	600.00
Binding Machine	Planning & Development	1145.9
Security Camera Replacement	Public Safety	2807.02
Building - Paving	Infrastructure Services	269,050.00
Building - Recreational Hall	Infrastructure Services	52,506.80
Tracker System - Vehicles	Finance & Administration	35,409.22
Scanner Asset - "I" CHAIN	Finance & Administration	12,700.00
Tents	Public Safety	236789.47
Sport Equipment - Netball Poles	Finance & Administration	1,513.16
GIS Plotter	Planning & Development	64,400.00
Laptop	Planning & Development	12,586.15
Chair Mid Back	Finance & Administration	8,520.17
Table - Round / Others	Finance & Administration	2,129.82
Telephone System - Moval	Finance & Administration	325,893.00
UPS Radio Network	Finance & Administration	203,975.30
Printer	Finance & Administration	92,070.00
RADIO Network	Finance & Administration	252154.62
Disaster Recovery System	Finance & Administration	964,130.41
UPS - Mecer 1000VA Online	Finance & Administration	7,332.50
Disaster Recovery IT	Finance & Administration	285,000.00
Computer	Planning & Development	10,097.92
Laptop	Planning & Development	16,994.88
Laptop	Planning & Development	9,801.70

Expenditure on capital acquisition is 79% as compared to the full year projected budget at the period of reporting.

**Computer Equipment**

- 75% of computer equipment has been acquired to date as compared to the projected capital budget resulting in an under spending of R819 751.

**Furniture and Fittings**

- 70% 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 R49 915.

**Motor Vehicles**

- All budgeted fleet vehicles have been purchased to date with only the repair of the caravan that is still outstanding. Awaiting a letter of transfer of the caravan from the Department of Transport, Roads & Public Works.

**Plant & Equipment**

- 99% of plant & equipment has been spent to date as compared to the projected capital budget resulting in an under spending of R5 152.

**Buildings & Facilities**

- 79% of buildings & facilities has been spent to date. A savings of R183 560 will realised as the projects of the upgrading of the sewer system of the council house will not materialise, Department of Roads will take over the building. Alteration to the recreational hall will take place in the new 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:

<b>EXTERNAL FUNDING</b>	<b>Balance Fwd</b>	<b>Received</b>	<b>Applied</b>	<b>Balance</b>
Equitable Share	-	76,377,573	76,377,573	-
Financial Management Grant	-	1,000,000	1,000,000	-
Municipal Systems Improvement Grant	511,947	1,000,000	1,511,947	-0
Municipal Infrastructure Grant	99,596	5,746,000	5,926,931	-81,335
DWAF - Sanitation (Mvula Trust)	3,275,455	75,000	1,861,238	1,489,217
Expanded Public Works Program Grant	-	-	-	-
NCPA - Housing Accreditation Grant	-	3,161,188	2,083,235	1,077,953
District Aids Council	19,596	100,000	4,914	114,682
NEAR Control Centre	-	725,000	725,000	-
Firefighting Equipment	239,206	350,000	238,592	350,614
SETA Skills Grant	-	116,877	116,877	-
Vuna Awards	1,500,000	-	1,500,000	-
NC TOURISM	-	50,000	50,000	-
EPW: Lerato Park	316,959	-	131,538	185,421
Environmental Health Recycling Project	581,591	1,000,000	153,845	1,427,746
Koopmansfontein Self Build Scheme	-	80,000	-	80,000
<b>Total</b>	<b>6,544,350</b>	<b>89,781,638</b>	<b>91,681,690</b>	<b>4,644,298</b>

\* The Vuna Awards grant was written off as irrecoverable via a council resolution (Item:FIN 02 04/11).

### 3. CASH AND INVESTMENT

<b>CASH FLOW REPORT</b>	<b>30-Jun-10</b>	<b>Jun-11</b>
<b>OPERATING FLOWS</b>	<b>(87,860,971)</b>	<b>(82,575,159)</b>
- Salaries, wages and allowances	(33,364,052)	(39,731,307)
- Cash and creditor payments	(71,947,006)	(55,129,658)
- Statutory Payments (incl VAT)	(2,608,019)	(2,561,407)
- Other payments	(649,234)	(122,395)
- Revenue receipts	-	(1,607,683)
- Statutory Receipts (incl VAT)	8,656,230	7,376,480
- Capital payments	6,215,892	6,534,246
- Other revenues	5,835,217	2,666,564
<b>INVESTMENT FLOWS</b>	<b>1,800,000</b>	<b>(11,600,000)</b>
- Investments made-OUT	(62,300,000)	(86,500,000)
- Investments redeemed	64,100,000	74,900,000
<b>FINANCING FLOW</b>	<b>86,283,932</b>	<b>96,237,132</b>
- External loans repaid	-	(1,051,524)
- External loans received	-	-
- Utilisation of Overdraft Facility	-	-
- Grants and subsidies	86,283,932	97,288,656
<b>Nett Cash Generated from operating activities</b>	<b>222,961</b>	<b>2,061,973</b>
Increase / (Decrease) in investment activities	(4,800,000)	10,100,000
<b>Nett increase / (Decrease) in cash and cash investments</b>	<b>-4,577,039</b>	<b>12,161,973</b>
 <b>CASH AND CASH EQUIVALENTS</b>		
Balance at the end of the Year	65,867,308	78,029,281
Balance at the beginning of the Year	70,444,347	65,867,308
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>-4,577,039</b>	<b>12,161,973</b>

#### Cash Flow Statement

Cash flow for the period ended 30 June 2011 reflects a positive amount of R12.1m as compared to the previous year.

**Cash Balances:**

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

Bank Statement	+	4,308,250
Plus Unreconciled Cheques		1,682,898
Plus Unreconciled ACB		500.00
Minus: RD Cheque		1,129.00
Minus Direct Deposits Charges		
Project payments		
Salary Payments		
Creditors Payment		
Investments		
<b>Cash Book Balance</b>	<b>+</b>	<b>2,625,981</b>
Adjustment to Bank	-	
<b>Adjusted Cash Book Balance</b>	<b>+</b>	<b>2,625,981</b>
<i>* None &gt; 3 Months</i>		

**SURPLUS CASH INVESTED**

Absa	17,000,000
Standard Bank	27,500,000
First Rand	15,000,000
Nedcor	13,000,000
Absa [Collateral security - Due 30 June 2011]	500,000
Standard Bank[Leave reserve Due 30 June 2011]	2,400,000
<b>Total Cash Investments</b>	<b>75,400,000</b>

Petty Cash float 3,300

<b>Total Cash on Hand</b>	<b>78,029,281</b>
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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 (R265 424.04) 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 15<sup>th</sup> 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 30 June 2011 is Department of Safety & Liaison R5 014.14, SALGA R26 142.12 and H P O Duvenhage R1 783-58 (requested road to be bladed). HPO Duvenhage's account was handed over for collection. Long outstanding debt of SALGA: Suggested to be deducted from the annual membership fees of 2011/2012 financial year.

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 June 2011 is R958.48.

- ***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 June 2011 is R514.95 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.

To date 461 debtors has been traced and summoned by Revco Revenue Consulting (PTY) Ltd. Outstanding debt that is in the 90days + zone amounts to R175 792.62 as at 30 June 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 no orders and invoices that are more than 30 days old and unpaid.

#### **PAYMENTS**

Total value of all payments **R 19,313,047**

Electronic transfers	318
Cheques issued	73

#### **STORES**

Value of Stores issued	54,709
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#### **SALARIES**

Number of salary beneficiaries **198**

Councillors	40
Employees	154
Pensioners	4

**Total remuneration paid 2,683,811**

Councillors	377,570
Employees	2,300,185
Pensioners	6,057

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 May 2011:

***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.***

- Supply Chain Management Training

No training on supply chain management was offered or attended.

- 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 June 2011, no contract (R200 000+) was awarded by the Bid Adjudication Committee.

For the period of June 2011, one written price quotation (R30 000-R200 000) was awarded by the Acting Municipal Manager.

- o Printing of IDP Booklet – Macronym 37: R39 216.00 Incl VAT

The value of orders issued for the period ending 30 June 2011 total R531 643.76. (*See Annexure "A"*)

**Orders per department**

Council and Executive	R70 498.04
Municipal Manager	R0.00
Finance	R37 738.65
Administration	R158 929.98
Planning and Development	R11 137.07
Technical Service	R218 812.68
Road Agency	R34 527.34

- Disposal Management

All redundant computer equipment was donated to NAFCO and all redundant furniture was donated to SMME's identified by the LED unit.

- Deviations

Two deviations were approved by the Acting Municipal Manager

- o E-Venus consulting services for Dikgatlong Local Municipality: Business Connexion – R442 456.08 including travelling costs.
- o Maintenance contract on Lexmark printer (Registry): ITEC Northern Cape –R1.30 per print.

- Issues from Stores

Total orders issued R54 709.31

Issues per department

Council and Executive	R737.46
Municipal Manager	R1 935.72
Finance	R2 051.16
Administration	R11 746.21
Planning and Development	R2 957.47
Technical Service	R10 199.90
Roads Agency	R25 080.79

- 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 annual asset stock take took place during 16 to 24 May 2011.

**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 21 vehicles as part of its routine activities.

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

*Please refer to next page.*

## DEPARTMENT FINANCE

JUNE 2011

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Year End Km Reading	Current Km Reading	YTD Utility
1	Mercedes Benz	Council	2006	FBDM 1 NC	60,000	2011/09/30	36,254	55,526	19,272
2	Citi Golf	Pool	2005	BSM 014 NC	75,000	2012/04/30	62,440	73,975	11,535
3	Volkswagen Microbus	Pool	2001	BMG 088 NC	150,000	2011/09/30	126,676	141,486	14,810
4	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	195,000	2012/04/30	158,143	188,465	30,322
5	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	30,000	2011/11/30	20	17,529	17,509
6	Chevrolet Opel Corsa 1.4 i	Disaster Management	2010	CBY 227 NC	15,000	2011/11/30	19	8,433	8,414
7	Toyota LDV 4x4	Environmental Health	2002	BMT 234 NC	145,000	2012/01/31	136,151	143,706	7,555
8	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	150,000	2012/07/31	117,266	136,339	19,073
9	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	135,000	2012/04/30	105,954	129,226	23,272
10	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	90,000	2012/04/30	64,557	83,245	18,688
11	Toyota Corolla	Pool	2009	BZP 439 NC	45,000	2011/09/30	19,615	44,715	25,100
12	Toyota Corolla	Pool	2009	BZP 440 NC	60,000	2011/09/30	25,228	50,068	24,840
13	Toyota Condor	Tourism Centre	2001	BLR 461 NC	180,000	2012/06/30	150,667	171,370	20,703
14	Isuzu 2.4	Housing	2009	CBD 761 NC	45,000	2012/02/28	5,907	32,138	19,954
15	Toyota Corolla	Pool	2008	BXL 799 NC	105,000	2012/02/28	78,387	97,169	18,782
16	Nissan LDV	Community Development	2006	BVC 831 NC	105 000	2012/07/31	86,004	103,365	17,361
17	Ford Bantam	Finance	2004	BRD 836 NC	90,000	2012/01/31	74,027	76,985	2,958
18	Toyota Hilux	PMU	2004	BRF 837 NC	120,000	2012/02/28	95,234	110,175	14,941
19	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	15,000	2011/09/30	21	2,241	2,220
20	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	15,000	2011/09/30	17	1,703	1,686
21	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	150,000	2012/02/28	121,812	142,110	20,298

YEAR TO DATE UTILITY - FULL FLEET

339,293

**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	-	407,800	(407,800)	-100.00%
Insurance	11,463	45,000	(33,537)	-74.53%
MV Administration Levy	18,111	15,500	2,611	16.85%
Fuel	363,255	280,000	83,255	29.73%
Licence	7,803	12,980	(5,177)	-39.88%
Repairs and Maintenance	64,535	37,120	27,415	73.86%
Tyres	42,876	35,160	7,716	21.95%
<b>TOTAL</b>	<b>508,044</b>	<b>833,560</b>	<b>(325,516)</b>	<b>-39.05%</b>

- Motor Vehicle Damage Report**

A bus bumped into rear side of vehicle registration CBY 227 NC on 13 June 2011 at Mocumi street, Ikhuseng. The incident has been reported to the Asset Management Unit and Council Insurance Brokers.

The right side window of vehicle registration CBY 226 NC was broken at Letona House, Kuruman. The incident has been reported to the Asset Management Unit and Council Insurance Brokers.

The tow bar of vehicle registration BSM 137 NC was bumped and shifted underneath the bakkie. This occurred in Windsorton road. The incident has been reported to the Asset Management Unit and Council Insurance Brokers.

**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 was held for all staff on 03 June 2011 to communicate the processes.

## 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. Preparation of the Annual financial Statements for the period ending 30 June 2011 has started and the progress will be reported on as from July 2011.

## 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" and "C"* to this report.

- *Support to Local Municipalities*

Magareng Municipality was assisted with specifications for Insurance services.

## 9. PERSONNEL

### Personnel Attendances:

Personnel attendance in the workplace for June 2011 averages 89%. The reason for the deviations is mainly due to study, annual, family responsibility and sick leave.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
<b>Number of Members</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>17</b>
Leave	1	11	2	14
Sick Leave	0	5	3	8
Courses / Seminar	0	4	0	5
Meetings	1	1	0	5
Family Responsibility	0	0	0	1
Study	0	1	0	2
Maternity Leave	0	0	0	0
Overtime	0	0	0	0
Absent	0	0	0	0
Special Leave (SAMSRA)	0	0	0	0
<b>No. of Workdays Attended</b>	<b>20</b>	<b>62</b>	<b>58</b>	<b>307</b>
<b>Total Workdays</b>	<b>22</b>	<b>84</b>	<b>63</b>	<b>336</b>
<b>Percentage attendance per Group Average</b>	<b>91%</b>	<b>74%</b>	<b>92%</b>	<b>91%</b>

### **Personnel Development:**

No training was attended during the month of June 2011.

## **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 30 June 2011, Council maintains a healthy financial position with respect to its cash and reserves.

**DIRECTOR: FINANCE**