



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

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 April 2009.

## **Mid Year Budget and Performance Assessment for the Period 01 July 2014 to 31 December 2014**

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## Glossary

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

**Allocations** – Money received from Provincial or National Government or other municipalities.

**Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

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

**Equitable share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

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

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

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

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

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

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Vote** – One of the main segments into which a budget is divided. In Langeberg Municipality this means at directorate level.

## Section 1 - Introduction

### 1.1 Purpose

To inform Council of progress made in the implementation of the budget and the performance outcomes in respect of the first six months of the 2014/2015 financial year, and to recommend whether an adjustments budget is necessary.

### 1.2 Legal requirements

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

- (1) The accounting officer of a municipality must by 25 January of each year –
  - (a) assess the performance of the municipality during the first half of the financial year, taking into account –
    - (i) the monthly statements referred to in section 71 for the first half of the financial year;
    - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
    - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
    - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
  - (b) submit a report on such assessment to –
    - (i) the mayor of the municipality
    - (ii) the National Treasury; and
    - (iii) the relevant Provincial Treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
- (3) The accounting officer must, as part of the review -
  - (a) make recommendations as to whether an adjustments budget is necessary; and
  - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Thereafter, the mayor must, in terms of Section 54(1):

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

- (d) Issue any appropriate instructions to the accounting officer to ensure-
  - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
  - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 31 January of each year.

### **1.3 Contents of this report**

With the concurrence of the Director: Strategy and Social Development, it was agreed that:

- (a) A report on the performance assessment of service delivery against the SDBIP and the Capital Program following the performance reviews is attached as Appendix 3.
- (b) The outcomes from these reports form the basis of this mid-year budget and performance assessment.

## Section 2 - Report of the Executive Mayor

### 2.1 High level assessment of MFMA s71 financial reports for the past 6 months

#### 2.1.1 Against annual budget (original approved and latest adjustments)

##### Revenue by Source

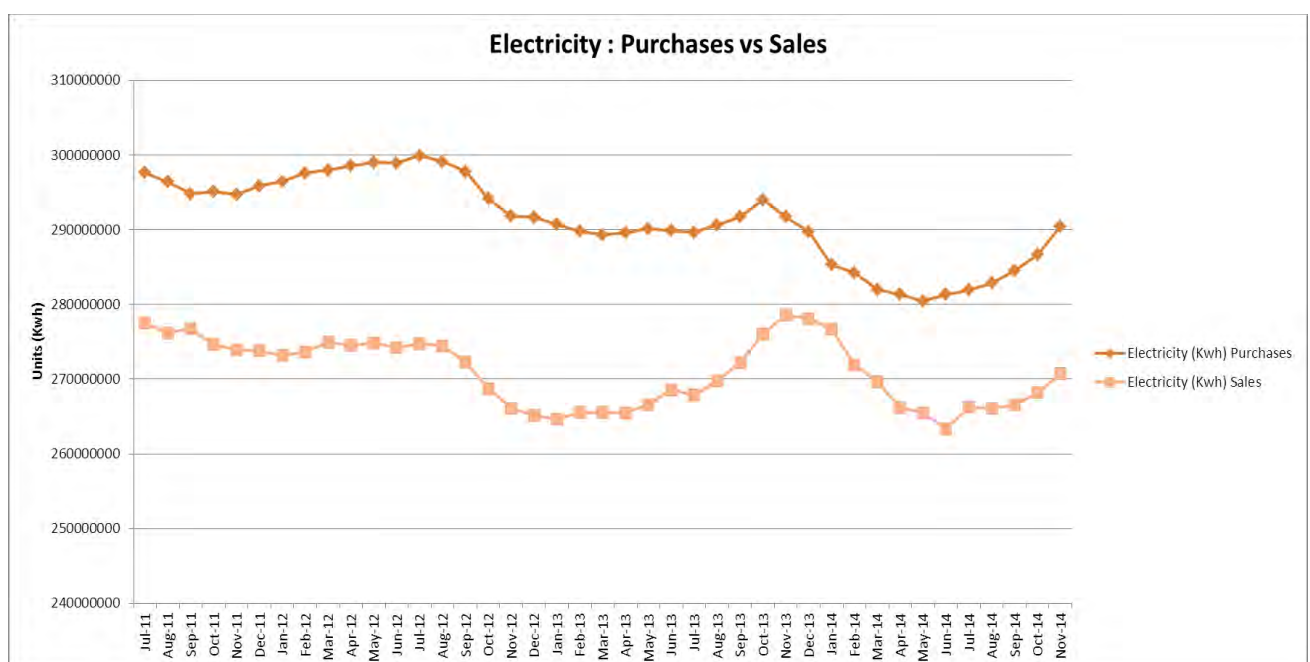
Rates were levied in July 2014 for the 2014/2015 financial year. The amounts for rates and service charges do not represent cash received but levied amounts.

Total revenue to date is R 239, 488 M compared to total revenue budget to date of R 251, 026 M which brings about a negative variance of 5 %. Consumption charges for water and electricity relating to November 2014/December 2014 will be levied in January 2015. Please refer to table C4 on page 12 for Breakdown of Revenue by Source.

When comparing the year to date revenue collected to the year to date budget there is a material under collection in various services, therefore an adjustments budget must be prepared that adjusts the revenue and expenditure estimates downwards due to the material under-collection of revenue projected for the current year, in terms of section 28 (2)(a) of the MFMA.

Service Charges in relation to Electricity Revenue will have to be adjusted downwards impacting directly on the municipality's expenditure and cash flow budget. The effect of the above inflation increases granted by NERSA to ESKOM can be seen on the graph below as it directly impacted on the demand for electricity.

The graph below illustrates the movement in Electricity Purchases and Electricity Sales from July 2011 to November 2014:



Electricity Purchases and Electricity Sales have declined drastically from July 2011 to November 2014 as can be seen from the data in the graph. Due to the high cost of electricity and the possible effects of current and future load shedding industries and consumers became more electricity saving orientated and is using electricity more efficient and effectively. The effect of the above can be seen on the movement of the Total Cash and Cash Equivalents of the municipality.

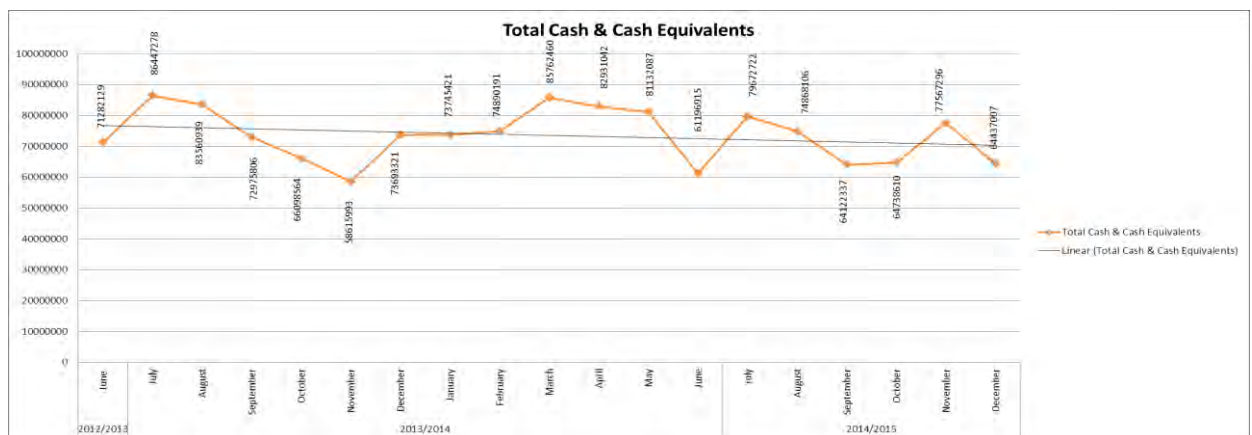
### Operating expenditure by type

Total expenditure to date is R 232, 909 M compared to total expenditure budget to date of R 242, 568 M which brings about a negative variance of 4 %, the variance is mainly attributable to under expenditure on Employee Related Costs and Electricity Bulk Purchases. Please refer to table C4 on page 12 for Breakdown of Expenditure by Type.

### Cash flows

The cash flow is currently positive, however it is likely to be placed under stress towards the financial year end, especially since projected revenues for various revenue sources are below target. Cut backs in expenditure will have to be put in place to prevent the cash flow position from deteriorating.

The graph below illustrates the Total Cash and Cash Equivalents at the end of each month from June 2013 to December 2014.



The movement and decline in the Total Cash and Cash Equivalents of the municipality on a year on year basis is directly attributable to the decline in the demand for electricity. Electricity Sales is the municipality's major revenue source and makes out 57.71% of the total revenue budget for 2014/2015.



## 2.2 Impact of the national and provincial adjustments budget

Both national and provincial adjustment budgets will impact on the municipality's adjustment budget as follow:

<b>National Government</b>	<b>R</b>
Intergrated National Electrification Programme (Municipal Grant)	1 500 000
Neighbourhood Development Partnership Grant	-893 000
Emergency Relief Funds Flood Damage (COGTA)	6 270 000
<b>Provincial Government</b>	
Human Settlements Development Grant (Beneficiaries)	3 153 000
Financial Management Support Grant(Asset Register)	93 000
Municipal Capacity Building Grant(TASK)	500 000
Financial Management Support Grant(Financial Strategy)	350 000
	<b>10 973 000</b>

## 2.3 Impact of the national and provincial conditional grant roll over process

Both national and provincial 2013/2014 unspent roll over process will impact on the municipality's adjustment budget as follow:

<b>National Government</b>	<b>R</b>
Expanded Public Works Programme Intergrated Grant	52 968
<b>Provincial Government</b>	
Library Services: CONDITIONAL GRANT	720 536
Development of Sport and Recreation Facilities	163 953
Financial Management Support Grant	139 400
	<b>1 076 856</b>

## 2.4 Conclusion

The mid-year budget and performance assessment indicates that:

- an adjustments budget for 2014/2015 will be required; and this must be approved by council by no later than 28 February 2015.
- the revised SDBIP, which formed the basis of the mid-year assessment and must include any adjustments as a result of the adjustments budget, must be approved.

.....  


D Gagiano  
Executive Mayor

01 Jan 2015



## Section 3 - Financial Performance

### 3.1 Monthly budget statements

The tables included in Section 3 are from the section 71 December 2014 in-year monthly budget statements.

#### 3.1.1 Table C1: S71 Monthly Budget Statement Summary

WC026 Langeberg - Table C1 Monthly Budget Statement Summary - M06 December

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	32 678	34 592	34 592	34	34 740	34 146	594	2%	34 592
Service charges	294 331	335 990	335 990	26 114	134 478	170 759	(36 281)	-21%	335 990
Investment revenue	2 844	3 513	3 513	162	1 200	1 597	(397)	-25%	6 668
Transfers recognised - operational	72 109	77 797	77 797	6 447	57 848	31 119	26 730	86%	77 797
Other own revenue	31 989	26 971	26 971	1 698	11 222	13 405	(2 183)	-16%	26 971
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>433 951</b>	<b>478 863</b>	<b>478 863</b>	<b>34 455</b>	<b>239 488</b>	<b>251 026</b>	<b>(11 538)</b>	<b>-5%</b>	<b>482 018</b>
Employee costs	129 208	150 244	150 244	9 592	68 199	74 978	(6 779)	-9%	150 244
Remuneration of Councillors	7 714	8 404	8 404	663	3 959	4 202	(243)	-6%	8 404
Depreciation & asset impairment	20 171	20 112	20 112	9 819	9 819	10 056	(237)	-2%	20 112
Finance charges	7 570	8 050	8 050	1 097	3 624	4 025	(401)	-10%	8 050
Materials and bulk purchases	184 970	211 805	211 805	17 135	102 327	103 552	(1 226)	-1%	211 805
Transfers and grants	-	100	100	-	120	100	20		100
Other expenditure	91 369	94 057	94 057	11 287	44 861	45 655	(794)	-2%	94 057
<b>Total Expenditure</b>	<b>441 002</b>	<b>492 772</b>	<b>492 772</b>	<b>49 583</b>	<b>232 909</b>	<b>242 588</b>	<b>(9 680)</b>	<b>-4%</b>	<b>492 772</b>
<b>Surplus/(Deficit)</b>	<b>(7 051)</b>	<b>(13 909)</b>	<b>(13 909)</b>	<b>(15 138)</b>	<b>6 579</b>	<b>8 457</b>	<b>(1 878)</b>	<b>-22%</b>	<b>(10 754)</b>
Transfers recognised - capital	28 417	21 079	21 079	1 556	10 431	8 352	2 079	25%	21 079
Contributions & Contributed assets	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>21 366</b>	<b>7 170</b>	<b>7 170</b>	<b>(13 582)</b>	<b>17 010</b>	<b>16 809</b>	<b>201</b>	<b>1%</b>	<b>10 325</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>21 366</b>	<b>7 170</b>	<b>7 170</b>	<b>(13 582)</b>	<b>17 010</b>	<b>16 809</b>	<b>201</b>	<b>1%</b>	<b>10 325</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>52 538</b>	<b>54 440</b>	<b>54 909</b>	<b>3 831</b>	<b>20 140</b>	<b>21 989</b>	<b>(1 849)</b>	<b>-8%</b>	<b>54 909</b>
Capital transfers recognised	25 281	21 079	21 079	1 556	10 431	8 432	1 999	24%	21 079
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	27 257	33 361	33 830	2 275	9 709	13 558	(3 849)	-28%	33 830
<b>Total sources of capital funds</b>	<b>52 538</b>	<b>54 440</b>	<b>54 909</b>	<b>3 831</b>	<b>20 140</b>	<b>21 989</b>	<b>(1 849)</b>	<b>-8%</b>	<b>54 909</b>
<b>Financial position</b>									
Total current assets	125 056	125 761	125 292		130 551				125 761
Total non current assets	532 110	571 336	571 805		539 692				571 336
Total current liabilities	72 676	78 928	78 928		60 951				78 928
Total non current liabilities	89 234	97 782	97 782		97 029				97 782
<b>Community wealth/Equity</b>	<b>495 256</b>	<b>520 386</b>	<b>520 386</b>		<b>512 263</b>				<b>520 386</b>
<b>Cash flows</b>									
Net cash from (used) operating	45 983	55 732	55 732	(8 843)	21 255	29 814	(8 559)	-29%	55 732
Net cash from (used) investing	(52 681)	(48 947)	(49 416)	(3 570)	(16 905)	(18 291)	1 386	-8%	(49 416)
Net cash from (used) financing	(3 387)	(3 109)	(3 109)	(717)	(1 110)	(1 499)	389	-26%	(3 109)
<b>Cash/cash equivalents at the month/year end</b>	<b>61 197</b>	<b>64 874</b>	<b>64 405</b>	<b>-</b>	<b>64 437</b>	<b>71 221</b>	<b>(6 784)</b>	<b>-10%</b>	<b>64 405</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dye</b>	<b>151-180 Dye</b>	<b>181 Dye-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	23 905	1 968	1 397	1 874	762	495	14 425	2 658	47 485
<b>Creditors Age Analysis</b>									
Total Creditors	21 204	-	-	-	-	-	-	-	21 204

### 3.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

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

The main functions are Governance and Administration; Community and Public Safety; Economic and Environmental Services; and Trading services.

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

WC026 Langeberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Standard</b>										
Governance and administration		73 118	77 146	77 146	821	62 031	51 821	10 210	20%	77 146
Executive and council		418	240	240	6	67	120	(53)	-44%	240
Budget and treasury office		70 539	74 519	74 519	691	61 037	50 601	10 436	21%	74 519
Corporate services		2 160	2 388	2 388	125	927	1 101	(173)	-16%	2 388
Community and public safety		40 127	25 515	25 515	6 556	18 216	11 060	7 155	65%	25 515
Community and social services		7 829	8 474	8 474	577	3 123	3 532	(410)	-12%	8 474
Sport and recreation		525	702	702	66	113	301	(186)	-63%	702
Public safety		14 565	6 079	6 079	479	3 125	2 995	129	4%	6 079
Housing		17 208	10 260	10 260	5 434	11 856	4 232	7 624	180%	10 260
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 831	4 887	4 887	193	1 778	2 100	(323)	-15%	4 887
Planning and development		2 072	4 313	4 313	180	1 642	1 923	(281)	-15%	4 313
Road transport		404	130	130	2	14	55	(41)	-75%	130
Environmental protection		155	244	244	11	122	122	(0)	0%	244
Trading services		346 492	392 584	392 584	28 440	167 895	184 395	(26 501)	-14%	392 584
Electricity		249 716	286 278	286 278	21 679	114 708	145 473	(30 765)	-21%	286 278
Water		48 863	56 900	56 900	4 274	24 997	26 517	(1 519)	-6%	56 900
Waste water management		28 994	29 486	29 486	1 496	16 551	13 239	3 312	25%	29 486
Waste management		18 920	19 930	19 930	991	11 639	9 167	2 472	27%	19 930
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>462 368</b>	<b>499 942</b>	<b>499 942</b>	<b>36 011</b>	<b>249 919</b>	<b>259 377</b>	<b>(9 458)</b>	<b>-4%</b>	<b>499 942</b>
<b>Expenditure - Standard</b>										
Governance and administration		73 026	83 917	83 917	7 886	38 302	41 573	(3 271)	-8%	83 917
Executive and council		27 633	37 359	37 359	2 165	14 598	18 680	(4 081)	-22%	37 359
Budget and treasury office		24 512	24 467	24 467	2 254	12 152	11 848	304	3%	24 467
Corporate services		20 881	22 090	22 090	3 448	11 551	11 045	506	5%	22 090
Community and public safety		59 705	57 802	57 802	9 045	30 973	28 002	2 971	11%	57 802
Community and social services		20 759	22 589	22 589	1 645	8 431	11 295	(2 863)	-25%	22 589
Sport and recreation		3 388	3 830	3 830	342	1 676	1 915	(239)	-12%	3 830
Public safety		21 473	18 236	18 236	1 381	7 627	9 118	(1 492)	-16%	18 236
Housing		14 085	13 146	13 146	5 677	13 239	5 674	7 565	133%	13 146
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		34 780	39 781	39 781	4 938	18 951	19 707	(756)	-4%	39 781
Planning and development		6 422	9 014	9 014	548	3 970	4 274	(303)	-7%	9 014
Road transport		16 096	16 973	16 973	3 152	8 547	8 486	60	1%	16 973
Environmental protection		12 262	13 794	13 794	1 237	6 434	6 947	(513)	-7%	13 794
Trading services		273 491	311 273	311 273	27 744	144 683	153 286	(8 603)	-6%	311 273
Electricity		210 758	238 756	238 756	20 734	116 105	117 295	(1 191)	-1%	238 756
Water		29 406	36 108	36 108	3 413	12 728	17 786	(5 058)	-28%	36 108
Waste water management		12 001	12 783	12 783	1 800	6 293	6 391	(98)	-2%	12 783
Waste management		21 326	23 626	23 626	1 797	9 557	11 813	(2 256)	-19%	23 626
Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>441 002</b>	<b>492 772</b>	<b>492 772</b>	<b>49 593</b>	<b>232 908</b>	<b>242 568</b>	<b>(9 660)</b>	<b>-4%</b>	<b>492 772</b>
<b>Surplus/ (Deficit) for the year</b>		<b>21 366</b>	<b>7 170</b>	<b>7 170</b>	<b>(13 582)</b>	<b>17 010</b>	<b>16 809</b>	<b>201</b>	<b>1%</b>	<b>7 170</b>

### 3.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The operating expenditure budget is approved by Council on the municipal vote level.

The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Finance, Executive and Council, Strategy and Social Development, Corporate Services and Engineering Services.

WC026 Langeberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 1 - FINANCE		70 539	74 519	74 519	691	61 037	50 601	10 436	20.6%	74 519
Vote 2 - EXECUTIVE & COUNCIL		403	240	240	6	67	120	(53)	-44.3%	240
Vote 3 - STRATEGY & SOCIAL DEVELOPMENT		3 082	4 618	4 618	220	1 439	1 932	(493)	-25.5%	4 618
Vote 4 - CORPORATE SERVICES		22 468	15 041	15 041	1 085	6 482	6 772	(289)	-4.3%	15 041
Vote 5 - ENGINEERING SERVICES		365 875	405 525	405 525	34 010	180 894	199 953	(19 058)	-9.5%	405 525
Total Revenue by Vote	2	462 368	499 942	499 942	36 011	249 919	259 377	(9 458)	-3.6%	499 942
Expenditure by Vote	1									
Vote 1 - FINANCE		24 512	24 467	24 467	2 254	12 152	11 848	304	2.6%	24 467
Vote 2 - EXECUTIVE & COUNCIL		22 966	27 384	27 384	1 817	11 923	13 692	(1 769)	-12.9%	27 384
Vote 3 - STRATEGY & SOCIAL DEVELOPMENT		40 870	44 581	44 581	4 218	20 131	22 107	(1 976)	-8.9%	44 581
Vote 4 - CORPORATE SERVICES		42 462	42 550	42 550	4 122	18 525	21 275	(2 750)	-12.9%	42 550
Vote 5 - ENGINEERING SERVICES		310 193	353 790	353 790	37 182	170 177	173 646	(3 470)	-2.0%	353 790
Total Expenditure by Vote	2	441 002	492 772	492 772	49 593	232 909	242 568	(9 660)	-4.0%	492 772
Surplus/ (Deficit) for the year	2	21 366	7 170	7 170	(13 582)	17 010	16 809	201	1.2%	7 170

### 3.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

WC026 Langeberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

W020 Langeberg - Table 04 monthly Budget Statement - Financial Performance (Revenue and expenditure) - 1st December										
Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue By Source</b>										
Property rates		32 284	34 146	34 146	–	34 560	34 146	414	1%	34 146
Property rates - penalties & collection charges		394	446	446	34	180	–	180	#DIV/0!	446
Service charges - electricity revenue		240 873	276 358	276 358	21 403	110 381	140 943	(30 561)	-22%	276 358
Service charges - water revenue		31 002	36 397	36 397	2 680	12 200	18 198	(5 998)	-33%	36 397
Service charges - sanitation revenue		12 466	12 504	12 504	1 133	6 601	6 252	349	6%	12 504
Service charges - refuse revenue		9 991	10 732	10 732	898	5 295	5 366	(71)	-1%	10 732
Service charges - other		–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		2 053	2 672	2 672	201	1 126	1 336	(210)	-16%	2 672
Interest earned - external investments		2 844	3 513	3 513	162	1 200	1 597	(397)	-25%	3 513
Interest earned - outstanding debtors		2 893	3 154	3 154	287	1 857	1 577	280	18%	3 154
Dividends received		–	–	–	–	–	–	–	–	–
Fines		10 846	2 275	2 275	397	2 273	1 092	1 181	108%	2 275
Licences and permits		1 077	1 418	1 418	48	559	709	(150)	-21%	1 418
Agency services		2 490	2 258	2 258	33	271	1 129	(858)	-76%	2 258
Transfers recognised - operational		72 109	77 797	77 797	6 447	57 848	31 119	26 730	86%	77 797
Other revenue		12 630	15 193	15 193	733	5 135	7 561	(2 426)	-32%	15 193
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>433 951</b>	<b>478 863</b>	<b>478 863</b>	<b>34 455</b>	<b>239 488</b>	<b>251 026</b>	<b>(11 538)</b>	<b>-5%</b>	<b>478 863</b>
<b>Expenditure By Type</b>										
Employee related costs		129 208	150 244	150 244	9 592	68 199	74 978	(6 779)	-9%	150 244
Remuneration of councillors		7 714	8 404	8 404	663	3 959	4 202	(243)	-6%	8 404
Debt impairment		14 799	8 241	8 241	687	4 120	4 120	–	–	8 241
Depreciation & asset impairment		20 171	20 112	20 112	9 819	9 819	10 056	(237)	-2%	20 112
Finance charges		7 570	8 050	8 050	1 097	3 624	4 025	(401)	-10%	8 050
Bulk purchases		184 970	211 805	211 805	17 135	102 327	103 552	(1 226)	-1%	211 805
Other materials		–	–	–	–	–	–	–	–	–
Contracted services		1 180	1 900	1 900	137	719	950	(231)	-24%	1 900
Transfers and grants		–	100	100	–	120	100	20	20%	100
Other expenditure		75 155	83 917	83 917	10 463	40 022	40 585	(563)	-1%	83 917
Loss on disposal of PPE		235	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>441 002</b>	<b>492 772</b>	<b>492 772</b>	<b>49 593</b>	<b>232 909</b>	<b>242 568</b>	<b>(9 660)</b>	<b>-4%</b>	<b>492 772</b>
<b>Surplus/(Deficit)</b>		<b>(7 051)</b>	<b>(13 909)</b>	<b>(13 909)</b>	<b>(15 138)</b>	<b>6 579</b>	<b>8 457</b>	<b>(1 878)</b>	<b>(0)</b>	<b>(13 909)</b>
Transfers recognised - capital		28 417	21 079	21 079	1 556	10 431	8 352	2 079	0	21 079
Contributions recognised - capital								–	–	–
Contributed assets								–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>21 366</b>	<b>7 170</b>	<b>7 170</b>	<b>(13 582)</b>	<b>17 010</b>	<b>16 809</b>			<b>7 170</b>
Taxation								–		
<b>Surplus/(Deficit) after taxation</b>		<b>21 366</b>	<b>7 170</b>	<b>7 170</b>	<b>(13 582)</b>	<b>17 010</b>	<b>16 809</b>			<b>7 170</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>21 366</b>	<b>7 170</b>	<b>7 170</b>	<b>(13 582)</b>	<b>17 010</b>	<b>16 809</b>			<b>7 170</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>21 366</b>	<b>7 170</b>	<b>7 170</b>	<b>(13 582)</b>	<b>17 010</b>	<b>16 809</b>			<b>7 170</b>

#### Property rates

Annual property rates and fixed service charges are billed to consumers in July and reflect as accrued revenue in the Statement of Financial Performance.

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

WC026 Langeberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - FINANCE		-	-	-	-	-	-	-	-	-
Vote 2 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 3 - STRATEGY & SOCIAL DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - ENGINEERING SERVICES		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - FINANCE		-	300	300	-	-	120	(120)	-100%	300
Vote 2 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 3 - STRATEGY & SOCIAL DEVELOPMENT		6 262	5 430	5 686	185	731	2 288	(1 557)	-68%	5 686
Vote 4 - CORPORATE SERVICES		3 840	2 100	2 184	118	620	878	(258)	-29%	2 184
Vote 5 - ENGINEERING SERVICES		42 435	46 610	46 739	3 527	18 789	18 703	86	0%	46 739
<b>Total Capital single-year expenditure</b>	4	52 538	54 440	54 909	3 831	20 140	21 989	(1 849)	-8%	54 909
<b>Total Capital Expenditure</b>		52 538	54 440	54 909	3 831	20 140	21 989	(1 849)	-8%	54 909
<b>Capital Expenditure - Standard Classification</b>										
<i>Governance and administration</i>		5 877	4 500	4 554	236	654	1 825	(1 170)	-64%	4 554
Executive and council		699	-	-	-	-	-	-	-	-
Budget and treasury office		-	300	300	-	-	120	(120)	-100%	300
Corporate services		5 178	4 200	4 254	236	654	1 705	(1 050)	-62%	4 254
<i>Community and public safety</i>		11 090	6 530	6 816	285	1 852	2 742	(890)	-32%	6 816
Community and social services		2 303	1 550	1 550	58	638	620	18	2%	1 550
Sport and recreation		594	580	636	9	59	348	(290)	-83%	636
Public safety		112	-	30	-	-	14	(14)	-100%	30
Housing		8 081	4 400	4 400	218	1 161	1 760	(599)	-34%	4 400
Health		(0)	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 045	3 790	3 790	75	171	1 516	(1 345)	-89%	3 790
Planning and development		810	1 200	1 200	-	5	480	(475)	-99%	1 200
Road transport		4 828	2 590	2 590	75	165	1 036	(871)	-84%	2 590
Environmental protection		407	-	-	-	-	-	-	-	-
<i>Trading services</i>		29 526	39 620	39 749	3 234	17 463	15 907	1 556	10%	39 749
Electricity		7 899	12 535	12 664	1 678	7 228	5 072	2 155	42%	12 664
Water		16 366	18 750	18 750	1 556	10 208	7 500	2 708	36%	18 750
Waste water management		3 327	4 895	4 895	-	-	1 958	(1 958)	-100%	4 895
Waste management		1 934	3 440	3 440	-	26	1 376	(1 350)	-98%	3 440
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	52 538	54 440	54 909	3 831	20 140	21 989	(1 849)	-8%	54 909
<b>Funded by:</b>										
National Government		18 158	19 879	19 879	1 504	10 133	7 952	2 182	27%	19 879
Provincial Government		7 123	800	800	-	246	320	(74)	-23%	800
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	400	400	51	51	160	(109)	-68%	400
<b>Transfers recognised - capital</b>		25 281	21 079	21 079	1 556	10 431	8 432	1 999	24%	21 079
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		27 257	33 361	33 830	2 275	9 709	13 558	(3 849)	-28%	33 830
<b>Total Capital Funding</b>		52 538	54 440	54 909	3 831	20 140	21 989	(1 849)	-8%	54 909

### 3.1.6 Table C6: Monthly Budget Statement - Financial Position

WC026 Langeberg - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		11 197	13 552	13 083	9 422	13 552
Call investment deposits		50 000	65 000	65 000	55 015	65 000
Consumer debtors		31 271	28 809	28 809	25 757	28 809
Other debtors		9 061	3 900	3 900	14 774	3 900
Current portion of long-term receivables		648	1 250	1 250	136	1 250
Inventory		22 879	13 250	13 250	25 446	13 250
<b>Total current assets</b>		<b>125 056</b>	<b>125 761</b>	<b>125 292</b>	<b>130 551</b>	<b>125 761</b>
<b>Non current assets</b>						
Long-term receivables		2 291	3 650	3 650	2 294	3 650
Investments		110	105	105	110	105
Investment property		27 340	26 916	26 916	27 315	26 916
Investments in Associate		-	-	-	-	-
Property, plant and equipment		498 433	536 649	537 118	508 739	536 649
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		545	556	556	585	556
Other non-current assets		3 391	3 460	3 460	649	3 460
<b>Total non current assets</b>		<b>532 110</b>	<b>571 336</b>	<b>571 805</b>	<b>539 692</b>	<b>571 336</b>
<b>TOTAL ASSETS</b>		<b>657 166</b>	<b>697 096</b>	<b>697 096</b>	<b>670 243</b>	<b>697 096</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		4 136	3 229	3 229	-	3 229
Consumer deposits		7 177	7 621	7 621	7 361	7 621
Trade and other payables		48 532	64 609	64 609	47 330	64 609
Provisions		12 831	3 469	3 469	6 259	3 469
<b>Total current liabilities</b>		<b>72 676</b>	<b>78 928</b>	<b>78 928</b>	<b>60 951</b>	<b>78 928</b>
<b>Non current liabilities</b>						
Borrowing		28 641	29 004	29 004	30 717	29 004
Provisions		60 593	68 778	68 778	66 312	68 778
<b>Total non current liabilities</b>		<b>89 234</b>	<b>97 782</b>	<b>97 782</b>	<b>97 029</b>	<b>97 782</b>
<b>TOTAL LIABILITIES</b>		<b>161 910</b>	<b>176 710</b>	<b>176 710</b>	<b>157 979</b>	<b>176 710</b>
<b>NET ASSETS</b>	<b>2</b>	<b>495 256</b>	<b>520 386</b>	<b>520 386</b>	<b>512 263</b>	<b>520 386</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		458 117	479 705	479 705	475 124	479 705
Reserves		37 139	40 681	40 681	37 139	40 681
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>495 256</b>	<b>520 386</b>	<b>520 386</b>	<b>512 263</b>	<b>520 386</b>

It should be noted that not all 'cash and investments' reflected in the statement of financial position are available for use.

Statement of Financial Position	R thousands
Cash (includes current bank balance)	9 422 007
Investments Call investment deposits Investments	
	55 015 000
<b>TOTAL</b>	<b>64 437 007</b>



### 3.1.7 Table C7: Monthly Budget Statement - Cash Flow

WC026 Langeberg - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		341 137	351 595	351 595	33 644	203 428	182 155	21 273	12%	351 595
Government - operating		73 622	77 797	77 797	350	49 186	45 439	3 747	8%	77 797
Government - capital		19 008	21 079	21 079	-	25 860	11 770	14 090	120%	21 079
Interest		2 789	3 513	3 513	-	1 232	2 647	(1 414)	-53%	3 513
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(387 245)	(395 249)	(395 249)	(42 156)	(256 793)	(189 476)	67 317	-36%	(395 249)
Finance charges		(3 329)	(2 903)	(2 903)	(680)	(1 538)	(22 621)	(21 082)	93%	(2 903)
Transfers and Grants		-	(100)	(100)	-	(120)	(100)	20	-20%	(100)
<b>NET CASH FROM(USED) OPERATING ACTIVITIES</b>		45 983	55 732	55 732	(8 843)	21 255	29 814	(8 559)	-29%	55 732
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		260	-	-	-	62	-	62	#DIV/0!	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		(608)	1 450	1 450	36	1 038	1 098	(60)	-5%	1 450
Decrease (increase) in non-current investments		-	43	43	(1)	-	-	-		43
<b>Payments</b>										
Capital assets		(52 333)	(50 440)	(50 909)	(3 605)	(18 005)	(19 389)	(1 385)	7%	(50 909)
<b>NET CASH FROM(USED) INVESTING ACTIVITIES</b>		(52 681)	(48 947)	(49 416)	(3 570)	(16 905)	(18 291)	(1 386)	8%	(49 416)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		606	121	121	51	501	116	385	333%	121
<b>Payments</b>										
Repayment of borrowing		(3 993)	(3 229)	(3 229)	(768)	(1 611)	(1 615)	(4)	0%	(3 229)
<b>NET CASH FROM(USED) FINANCING ACTIVITIES</b>		(3 387)	(3 109)	(3 109)	(717)	(1 110)	(1 499)	(389)	26%	(3 109)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(10 085)	3 677	3 208	(13 130)	3 240	10 024			3 208
Cash/cash equivalents at beginning:		71 282	61 197	61 197		61 197	61 197			61 197
Cash/cash equivalents at month/year end:		61 197	64 874	64 405		64 437	71 221			64 405

Table C7 includes the balance of the Cashbook and Current Investment Deposits.



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

This supporting table gives a detailed breakdown of information summarised in Table C7.

WC026 Langeberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December																
Description	Ref	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
<b>Cash Receipts By Source</b>																
Property rates		2 760	5 566	4 055	3 266	2 235	2 201	2 113	2 113	2 113	2 113	2 113	85	30 732	32 545	34 335
Property rates - penalties & collection charges		—	—	—	—	—	—	45	45	45	45	45	178	401	437	477
Service charges - electricity revenue		20 000	21 680	21 432	23 821	21 460	23 560	19 898	19 898	19 898	19 898	19 898	17 281	248 722	267 428	288 894
Service charges - water revenue		2 643	3 085	2 784	3 347	2 851	2 954	2 730	2 730	2 730	2 730	2 730	1 445	32 757	34 687	36 578
Service charges - sanitation revenue		963	1 070	991	1 096	1 077	1 078	938	938	938	938	938	289	11 253	11 907	12 509
Service charges - refuse		794	944	838	936	895	903	805	805	805	805	805	325	9 658	10 497	11 350
Service charges - other		406	382	309	364	413	321	—	—	—	—	—	(2 195)	—	—	—
Rental of facilities and equipment		173	109	161	143	140	185	200	200	200	200	200	492	2 405	2 547	2 687
Interest earned - external investments		350	217	324	—	341	—	319	319	319	319	319	684	3 513	3 513	3 513
Interest earned - outstanding debtors		—	—	—	—	—	—	140	140	140	140	140	979	1 678	1 829	1 994
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines		108	453	464	456	401	396	341	273	159	159	159	(1 095)	2 275	2 410	2 542
Licences and permits		1 627	1 737	1 848	1 775	1 742	1 231	121	121	121	121	121	(9 111)	1 455	1 541	1 625
Agency services		45	45	50	50	48	33	188	188	188	188	188	1 046	2 258	2 391	2 523
Transfer receipts - operating		25 990	1 642	—	2 170	19 034	350	—	—	19 449	—	—	9 162	77 797	81 512	100 820
Other revenue		829	1 433	1 249	1 578	662	782	667	667	667	667	667	(1 855)	8 000	12 000	8 000
<b>Cash Receipts by Source</b>		<b>56 688</b>	<b>38 361</b>	<b>34 504</b>	<b>39 001</b>	<b>51 297</b>	<b>33 994</b>	<b>28 505</b>	<b>28 436</b>	<b>47 772</b>	<b>28 323</b>	<b>28 323</b>	<b>17 702</b>	<b>432 905</b>	<b>465 244</b>	<b>507 847</b>
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital		6 500	2 388	3 600	700	12 672	—	—	—	5 270	—	—	(10 051)	21 079	22 518	19 241
Contributions & Contributed assets		—	0	—	—	—	—	—	—	—	—	—	(0)	—	—	—
Proceeds on disposal of PPE		—	—	—	37	25	—	—	—	—	—	—	(62)	—	—	—
Short term loans		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase in consumer deposits		65	67	129	89	101	51	10	10	10	10	10	(431)	121	600	1 150
Receipt of non-current debtors		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Receipt of non-current receivables		494	216	170	86	36	36	121	121	121	121	121	(192)	1 450	130	345
Change in non-current investments		—	—	—	1	—	(1)	—	—	—	—	—	43	43	15	15
<b>Total Cash Receipts by Source</b>		<b>63 748</b>	<b>41 031</b>	<b>38 402</b>	<b>39 914</b>	<b>64 132</b>	<b>34 080</b>	<b>28 635</b>	<b>28 567</b>	<b>53 172</b>	<b>28 453</b>	<b>28 453</b>	<b>7 009</b>	<b>455 598</b>	<b>488 607</b>	<b>528 599</b>
<b>Cash Payments by Type</b>																
Employee related costs		10 161	10 377	10 671	10 721	16 354	10 650	12 400	12 400	12 400	12 400	12 400	17 869	148 804	150 289	173 229
Remuneration of councillors		—	—	—	—	—	—	700	700	700	700	700	4 902	8 404	8 858	9 338
Interest paid		—	—	858	—	—	680	—	—	726	—	—	639	2 903	2 576	2 230
Bulk purchases - Electricity		21 169	20 449	13 470	14 671	14 948	17 099	16 660	16 660	16 660	16 660	16 660	23 145	208 253	224 914	242 907
Bulk purchases - Water & Sewer		(88)	20	297	127	21	36	296	296	296	296	296	1 660	3 552	3 762	3 969
Other materials		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services		55	135	132	128	121	126	158	158	158	158	158	411	1 900	2 020	2 160
Grants and subsidies paid - other municipalities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grants and subsidies paid - other		—	—	—	—	120	—	—	—	—	—	—	(20)	100	120	130
General expenses		3 292	6 186	4 916	3 450	8 145	10 194	2 028	2 028	2 028	2 028	2 028	(21 987)	24 335	21 504	26 320
<b>Cash Payments by Type</b>		<b>34 589</b>	<b>37 167</b>	<b>30 342</b>	<b>29 097</b>	<b>39 709</b>	<b>38 785</b>	<b>32 243</b>	<b>32 243</b>	<b>32 969</b>	<b>32 243</b>	<b>32 243</b>	<b>26 620</b>	<b>398 252</b>	<b>424 042</b>	<b>460 281</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		786	1 594	3 157	5 068	3 794	3 605	5 044	5 044	5 044	5 044	5 044	7 684	50 909	55 184	50 853
Repayment of borrowing		—	—	843	—	—	768	—	—	807	—	—	811	3 229	3 346	3 516
Other Cash Flows/Payments		9 895	7 075	14 806	5 132	7 800	4 051	—	—	—	—	—	(48 750)	—	—	—
<b>Total Cash Payments by Type</b>		<b>45 272</b>	<b>45 836</b>	<b>49 148</b>	<b>39 298</b>	<b>51 303</b>	<b>47 210</b>	<b>37 287</b>	<b>37 287</b>	<b>38 820</b>	<b>37 287</b>	<b>37 287</b>	<b>(13 646)</b>	<b>452 391</b>	<b>482 572</b>	<b>514 650</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>																
Cash/cash equivalents at the month/year beginning:		51 197	79 673	74 868	64 122	64 739	77 567	64 437	55 785	47 065	61 417	52 583	43 750	61 197	64 405	70 440
Cash/cash equivalents at the month/year end:		79 673	73 947	64 122	64 739	77 567	64 437	55 785	47 065	61 417	52 583	43 750	64 405	64 405	70 440	84 389

### 3.1.9. Supporting Table SC2 Performance Indicators

WC026 Langeberg - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	Ref	2013/14	Budget Year 2014/15			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.8%	5.7%	5.7%	1.6%	3.3%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		16.4%	18.6%	18.6%	15.2%	18.6%
Gearing	Long Term Borrowing/ Funds & Reserves		77.1%	71.3%	71.3%	82.7%	71.3%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	172.1%	159.3%	158.7%	214.2%	159.3%
Liquidity Ratio	Monetary Assets/Current Liabilities		84.2%	99.5%	98.9%	105.7%	99.5%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		10.0%	7.9%	7.9%	17.9%	7.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		29.8%	31.4%	31.4%	28.5%	31.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		6.4%	5.9%	5.9%	1.5%	3.4%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

### 3.1.10. Debtors Information

#### 3.1.10.1 Debtors Age Analysis as at 31 December 2014

WC026 Langeberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Vucuzo Langeberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - w/o December														
Description	NT Code	Budget Year 2014/15										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.O. Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	2 052	518	343	216	151	95	1 559	255	5 189	2 276	-	-	846
Trade and Other Receivables from Exchange Transactions - Electricity	1300	16 854	403	209	101	58	30	604	664	18 924	1 458	-	-	1 263
Receivables from Non-exchange Transactions - Property Rates	1400	1 715	284	158	1 130	130	99	3 213	-	6 728	4 571	-	-	1 319
Receivables from Exchange Transactions - Waste Water Management	1500	1 384	277	204	159	134	92	1 836	207	4 294	2 428	-	-	1 039
Receivables from Exchange Transactions - Waste Management	1600	1 115	212	157	123	106	72	1 406	176	3 367	1 882	-	-	771
Receivables from Exchange Transactions - Property Rental Debtors	1700	(99)	65	40	32	38	14	1 867	144	2 101	2 095	-	-	1 697
Interest on Ameer Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	884	209	286	114	144	93	3 940	1 212	6 882	5 503	-	-	4 172
Total By Income Source	2000	23 905	1 998	1 397	1 874	762	495	14 425	2 858	47 485	20 214	-	-	11 107
2013/14 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	128	67	12	192	5	5	356	1	767	559	-	-	179
Commercial	2300	5 252	205	119	147	48	28	535	513	6 847	1 271	-	-	852
Households	2400	7 948	1 438	1 136	1 112	652	418	12 051	1 736	26 492	15 969	-	-	8 715
Other	2500	10 576	258	130	424	56	44	1 483	408	13 379	2 415	-	-	1 360
Total By Customer Group	2600	23 905	1 998	1 397	1 874	762	495	14 425	2 858	47 485	20 214	-	-	11 107

The value reflected in the Financial Position will not reconcile to the Debtors Age Analysis shown on Supporting Table SC3. The financial position includes the total annual billing to date and some debtor classifications which do not form part of the consumer debtors, whereas the age analysis only includes those consumer amounts which have become due and not the 'future' amounts which will only fall due in coming months for consumers who have chosen to pay property rates and annual charges on an instalment basis.

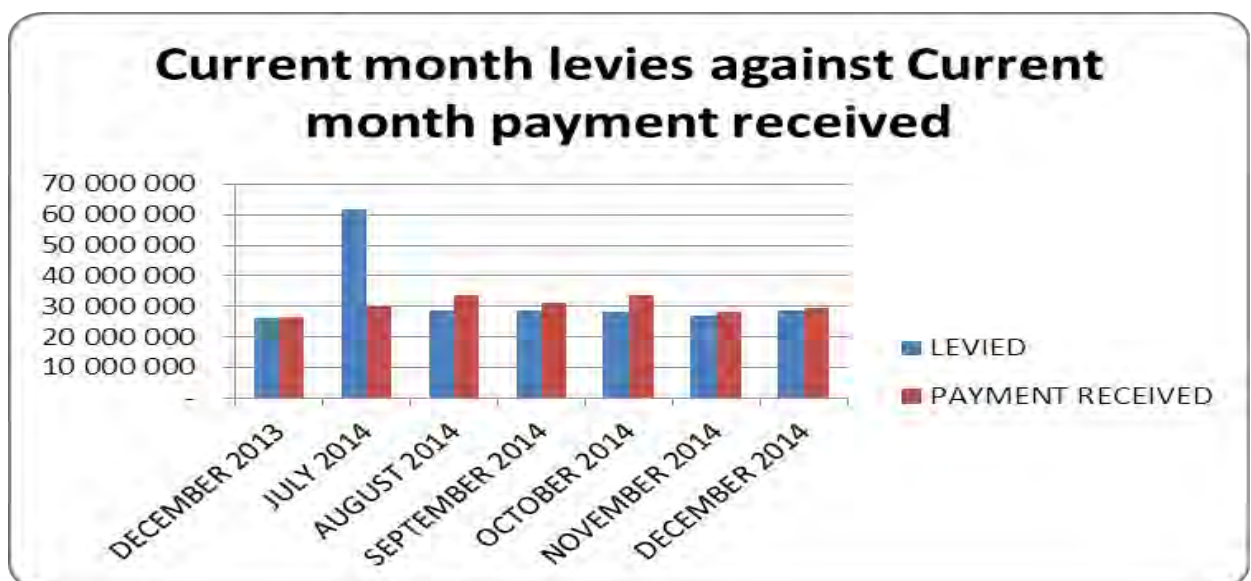
#### 3.1.10.2 Payment Levels

Payment Ratio's			
Payment Ratio			
	LEVIED	PAYMENT RECEIVED	% PAYMENT
DECEMBER 2013	26 154 988	26 433 654	101.07%
JULY 2014	61 949 434	29 791 026	48.09%
AUGUST 2014	28 565 345	33 889 098	118.64%
SEPTEMBER 2014	28 619 728	31 056 190	108.51%
OCTOBER 2014	28 358 145	33 587 226	118.44%
NOVEMBER 2014	26 851 542	28 285 540	105.34%
DECEMBER 2014	28 638 234	29 377 819	102.58%

**3.1.10.3 Summary of billed revenue against actual revenue for the past six months:**

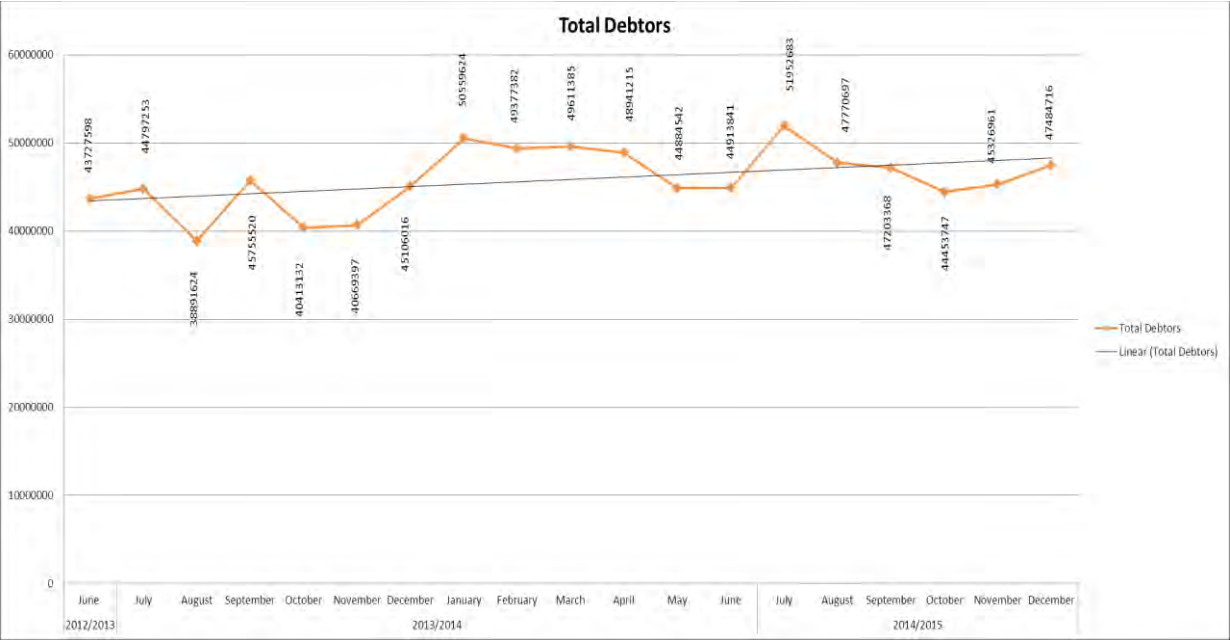
LEVIED						
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
Rates	35 343 995	447 029	294 874	238 104	245 428	108 350
Electricity	19 315 360	19 911 476	20 786 650	20 242 975	20 019 571	21 733 375
Water	3 825 811	4 261 749	4 198 511	4 455 992	3 578 877	3 879 049
Sewerage	1 928 314	2 198 152	1 854 248	1 907 661	1 679 157	1 620 370
Refuse	1 535 954	1 746 940	1 485 445	1 513 412	1 328 509	1 297 091
	<b>61 949 434</b>	<b>28 565 345</b>	<b>28 619 728</b>	<b>28 358 145</b>	<b>26 851 542</b>	<b>28 638 234</b>
RECEIPT						
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
Rates	3 655 082	6 208 818	4 443 224	3 942 943	2 526 297	2 356 823
Electricity	17 715 522	19 445 069	19 823 526	21 940 398	19 247 028	21 036 128
Water	5 158 379	4 359 136	3 732 905	4 353 869	3 552 602	3 401 180
Sewerage	1 834 062	2 145 567	1 703 552	1 855 038	1 656 557	1 427 692
Refuse	1 427 982	1 730 507	1 352 983	1 494 977	1 303 056	1 155 997
	<b>29 791 026</b>	<b>33 889 098</b>	<b>31 056 190</b>	<b>33 587 226</b>	<b>28 285 540</b>	<b>29 377 819</b>

The graph below illustrates the amount levied against consumer accounts and payments received in respect of accounts levied.



When comparing the levied amounts to actual amounts it can be seen that current accounts are settled and that the municipality must put in stricter measures to recover outstanding debt, the comparison as well as payment levels will be closely monitored and credit control measures will remain firm, a reduction in cash revenues will be factored into the adjustments budget that follows the mid-year review.

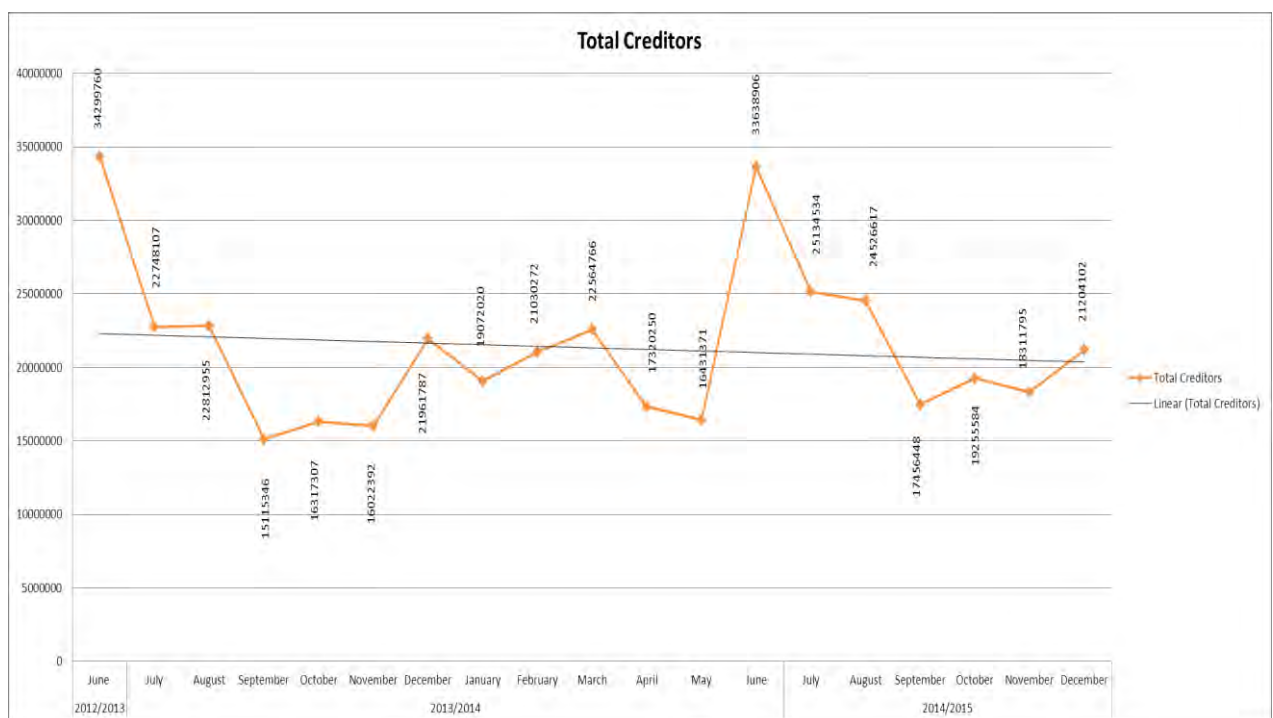
The graph below illustrates the movement in the Total Debtors outstanding at month end from June 2013 to December 2014.



### 3.1.11. Creditors Information

WC026 Langeberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December										
Description	NT Code	Budget Year 2014/15								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	19 491	-	-	-	-	-	-	-	19 491
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 713	-	-	-	-	-	-	-	1 713
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	21 204	-	-	-	-	-	-	-	21 204

The graph below illustrates the movement in the Total Creditors outstanding at month end from June 2013 to December 2014.



### 3.1.12. Cash and Investments

WC026 Langeberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID  R thousands	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
<u>Municipality</u>									
ABSA		75 Days	Fixed Deposit	14/01/2015	162	6.35%	30 000	-	30 000
ABSA - 9299946707			Depositor Plus				-	25 015	25 015
<b>Municipality sub-total</b>					162		30 000	25 015	55 015
<u>Entities</u>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				162		30 000	25 015	55 015



### 3.1.13. Allocation and Grant Receipts and Expenditure

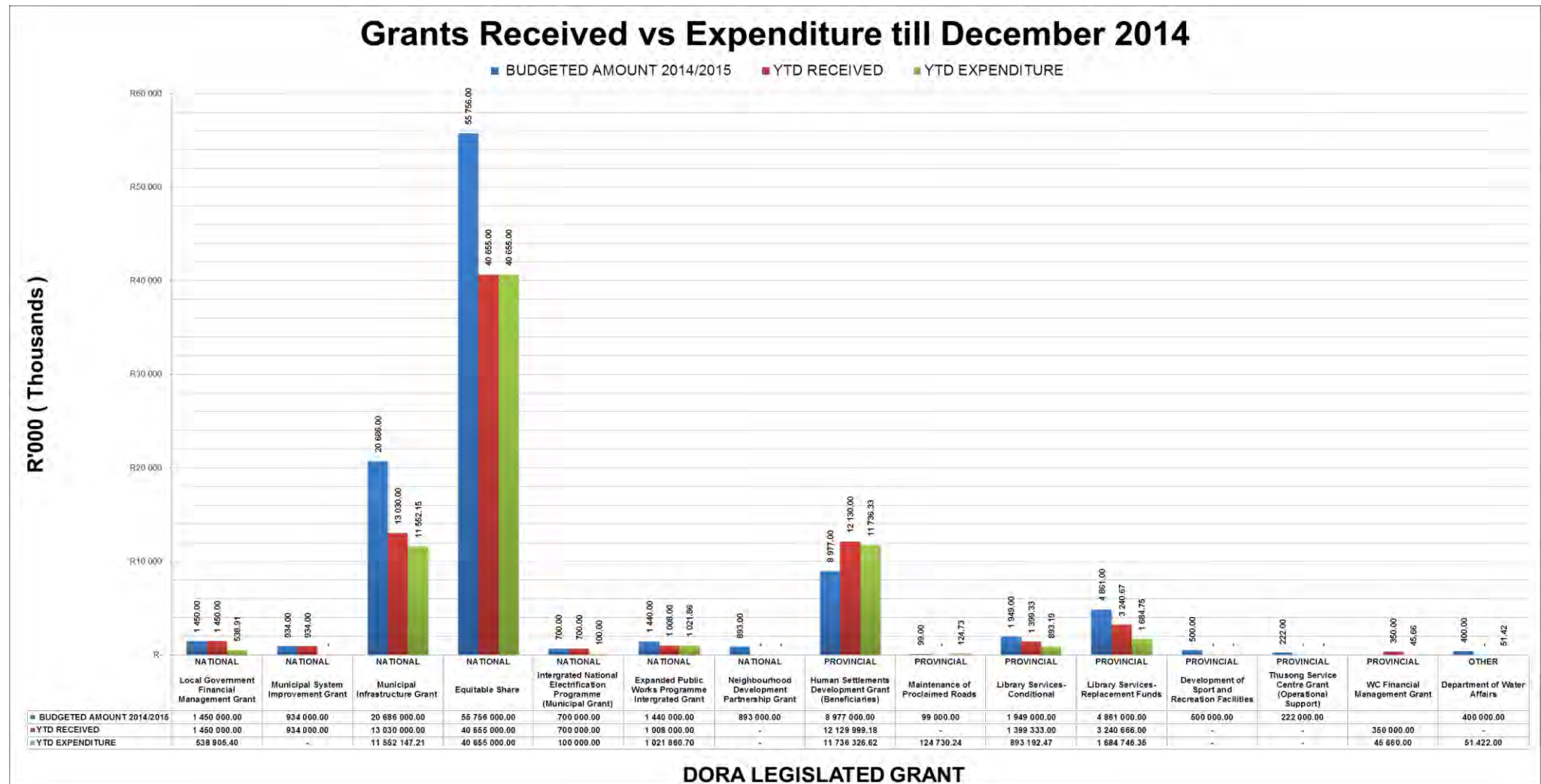
#### 3.1.13.1. Allocation and Grant Receipts

WC026 Langeberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December										
Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants	1,2									
National Government:		57 926	61 980	61 980	-	44 614	30 990	13 624	44.0%	61 980
Local Government Equitable Share		53 091	55 756	55 756	-	40 655	27 878	12 777	45.8%	55 756
Municipal Systems Improvement		109	115	115	-	115	57	57	100.0%	115
Neighbourhood Development Partnership Grant		-	893	893	-	-	447	(447)	-100.0%	893
Emergency Relief - Flood Damage (MIG)		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)		2 365	2 540	2 540	-	1 600	1 270	330	26.0%	2 540
Social Development		-	-	-	-	-	-	-	-	-
Finance Management		1 300	1 150	1 150	-	1 150	575	575	100.0%	1 150
EPWP Incentive		1 000	1 440	1 440	-	1 008	720	288	40.0%	1 440
Integrated National Electrification Programme (Municipal Grant)		49	86	86	-	86	43	43	100.0%	86
Municipal Disaster Recovery Grant		13	-	-	-	-	-	-	-	-
Provincial Government:		15 696	15 808	15 808	350	16 820	7 904	8 916	112.8%	15 808
Library Services		5 125	6 510	6 510	-	4 340	3 255	1 085	33.3%	6 510
Maintenance of Proclaimed Roads		172	99	99	-	-	50	(50)	-100.0%	99
Housing Consumer Education		-	-	-	-	-	-	-	-	-
Housing Emergency Grant		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Training		236	-	-	-	-	-	-	-	-
CDW Operational Support		-	-	-	-	-	-	-	-	-
Public Transport Infrastructure		-	-	-	-	-	-	-	-	-
Thusong Centre Operational Support		218	222	222	-	-	111	(111)	-100.0%	222
Social Development		-	-	-	-	-	-	-	-	-
Human Settlements Development Grant (Beneficiaries)		9 695	8 977	8 977	-	12 130	4 489	7 641	170.2%	8 977
WC Financial Management Grant		250	-	-	350	350	-	350	#DIV/0!	-
District Municipality: (insert description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers: (insert description)		-	-	-	-	-	-	-	-	-
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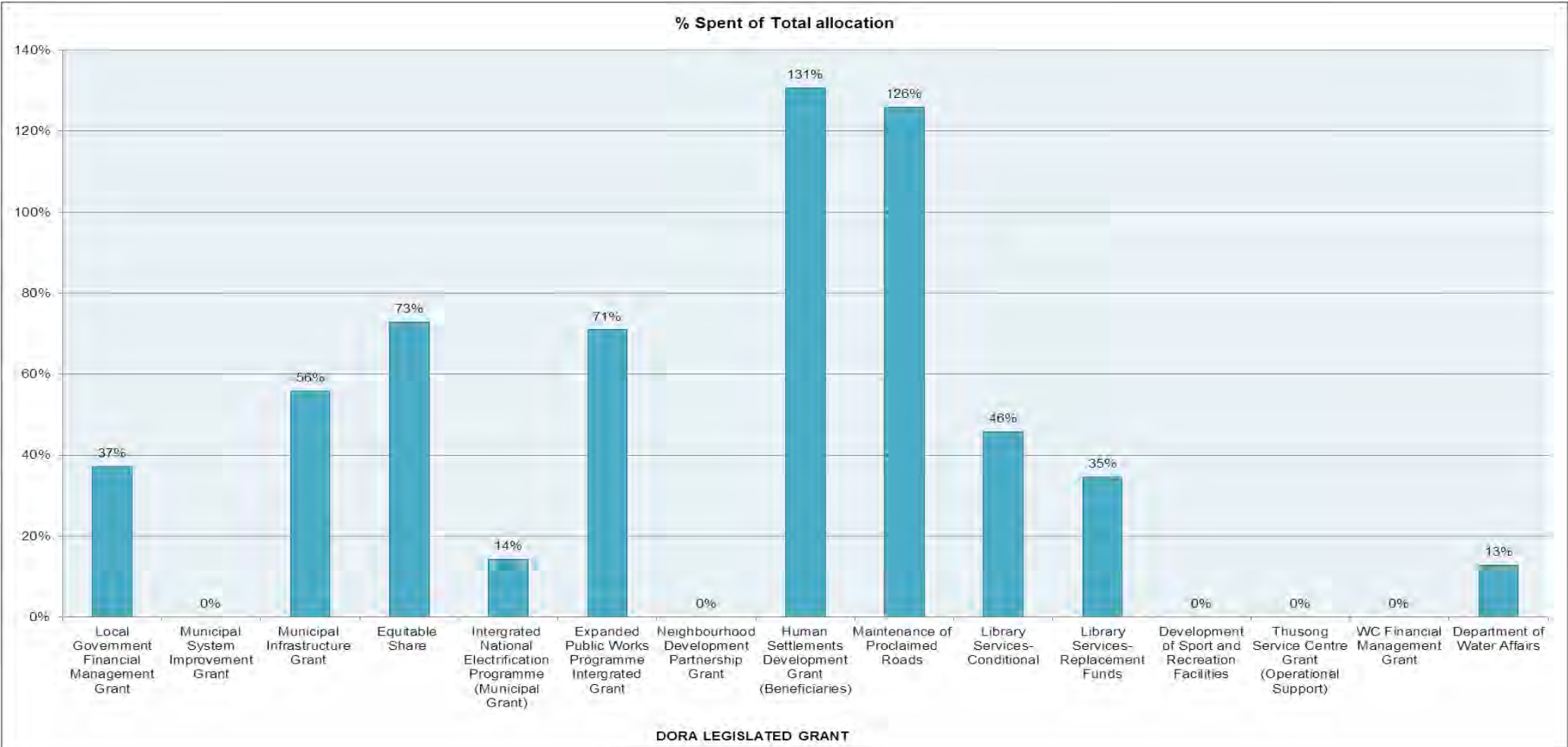
### 3.1.13.2. Allocation and Grant Expenditure

WC026 Langeberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December										
Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		57 977	61 980	61 980	487	43 734	30 990	12 744	41.1%	61 980
Local Government Equitable Share		53 158	55 756	55 756	—	40 655	27 878	12 777	45.9%	55 756
Municipal Systems Improvement		109	115	115	—	—	57	(57)	-100.0%	115
Neighbourhood Development Partnership Grant		—	893	893	—	—	447	(447)	-100.0%	893
Emergency Relief - Flood Damage (MIG)		—	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant (MIG)		2 365	2 540	2 540	211	1 419	1 270	148	11.7%	2 540
Social Development		—	—	—	—	—	—	—	—	—
Finance Management		1 300	1 150	1 150	62	539	575	(36)	-6.3%	1 150
EPWP Incentive		984	1 440	1 440	114	1 022	720	302	—	1 440
Integrated National Electrification Programme (Municipal Grant)		49	86	86	100	100	43	57	—	86
Municipal Disaster Recovery Grant		13	—	—	—	—	—	—	—	—
Provincial Government:		17 170	15 817	15 817	6 086	14 239	7 908	6 330	80.0%	15 817
Library Services		5 131	6 510	6 510	496	2 332	3 255	(923)	-28.4%	6 510
Maintenance of Proclaimed Roads		172	99	99	125	125	50	75	152.0%	99
Housing Consumer Education		—	9	9	—	0	4	(4)	-96.3%	9
Housing Emergency Grant		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Training		310	—	—	—	—	—	—	—	—
CDW Operational Support		—	—	—	—	—	—	—	—	—
Public Transport Infrastructure		—	—	—	—	—	—	—	—	—
Thusong Centre Operational Support		218	222	222	—	—	111	(111)	-100.0%	222
Social Development		—	—	—	—	—	—	—	—	—
Human Settlements Development Grant (Beneficiaries)		11 229	8 977	8 977	5 420	11 735	4 489	7 248	161.5%	8 977
WC Financial Management Grant		111	—	—	46	46	—	46	#DIV/0!	—
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:		75 147	77 797	77 797	6 572	57 973	38 898	19 075	49.0%	77 797
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		18 256	19 879	19 879	1 504	10 133	9 939	501	5.0%	19 879
Municipal Systems Improvement		781	819	819	—	—	410	(410)	-100.0%	819
Finance Management		—	300	300	—	—	150	(150)	-100.0%	300
Neighbourhood Development Partnership		—	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant (MIG)		16 934	18 146	18 146	1 504	10 133	9 073	1 061	11.7%	18 146
Integrated National Electrification Programme (Municipal Grant)		451	614	614	—	—	307	—	—	614
Emergency Relief - Flood Damage (MIG)		—	—	—	—	—	—	—	—	—
Municipal Disaster Recovery Grant		90	—	—	—	—	—	—	—	—
Provincial Government:		7 123	800	800	—	245	400	(154)	-38.5%	800
Library Services		1 075	300	300	—	245	150	96	64.1%	300
Public Works, Roads, Transport		101	—	—	—	—	—	—	—	—
Acceleration of Housing Delivery		4 631	—	—	—	—	—	—	—	—
Housing Consumer Education		—	—	—	—	—	—	—	—	—
Social Development		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Housing Emergency Grant		—	—	—	—	—	—	—	—	—
Development of Sport and Recreation Facilities		336	500	500	—	—	250	—	—	500
Public Transport Infrastructure		—	—	—	—	—	—	—	—	—
Installation of Basic Services		980	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Other grant providers:		—	400	400	51	51	200	(149)	-74.3%	400
Department of Water Affairs		—	400	400	51	51	200	(149)	-74.3%	400
Total capital expenditure of Transfers and Grants		25 379	21 079	21 079	1 556	10 431	10 539	199	1.9%	21 079
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>										
		100 526	98 876	98 876	8 128	68 404	49 438	19 273	39.0%	98 876

The graph below illustrates and compares the Budgeted Amount, Allocation received till 31 December 2014 and Expenditure on the allocation till 31 December 2014.



The graph below illustrates the Total Expenditure on Grant Allocation as a %.



# LANGEBERG MUNICIPALITY

## 3.1.14 Expenditure on councillor allowances and employee benefits

WC026 Langeberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions		46			3	29	-	29	#DIV/0!	-
Motor Vehicle Allowance		677			54	324	-	324	#DIV/0!	-
Cellphone Allowance		456	594	594	40	238	297	(59)	-20%	594
Housing Allowances		-				-	-	-		-
Other benefits and allowances		6 522	7 809	7 809	566	3 367	3 905	(538)	-14%	7 809
<b>Sub Total - Councillors</b>		7 701	8 404	8 404	663	3 958	4 202	(244)	-6%	8 404
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4 485	5 815	5 815	413	2 467	2 907	(441)	-15%	5 815
Pension and UIF Contributions		831	1 100	1 100	77	458	550	(93)	-17%	1 100
Medical Aid Contributions		98	131	131	4	40	66	(26)	-39%	131
Overtime		-			-	-	-	-		-
Performance Bonus		-	346	346	-	-	173	(173)	-100%	346
Motor Vehicle Allowance		461	496	496	31	184	248	(64)	-25%	496
Cellphone Allowance							-	-		-
Housing Allowances		8			-	-	-	-		-
Other benefits and allowances		98			-	46	-	46	#DIV/0!	-
Payments in lieu of leave		-			-	-	-	-		-
Long service awards		-			-	-	-	-		-
Post-retirement benefit obligations	2	-			-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>		5 981	7 888	7 888	525	3 194	3 944	(750)	-19%	7 888
<b>% increase</b>	4		31.9%	31.9%						31.9%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		75 639	88 193	88 193	6 843	41 508	44 673	(3 165)	-7%	88 193
Pension and UIF Contributions		14 133	16 692	16 692	1 241	7 493	8 346	(853)	-10%	16 692
Medical Aid Contributions		3 909	4 808	4 808	326	1 988	2 404	(416)	-17%	4 808
Overtime		5 607	6 230	6 230	457	2 653	3 115	(262)	-8%	6 230
Performance Bonus		6 210	7 295	7 295	545	3 285	3 648	(363)	-10%	7 295
Motor Vehicle Allowance		4 598	5 115	5 115	376	2 224	2 827	(603)	-21%	5 115
Cellphone Allowance							-	-		-
Housing Allowances		435	516	516	39	232	258	(26)	-10%	516
Other benefits and allowances		4 912	6 065	6 065	453	2 687	2 763	(76)	-3%	6 065
Payments in lieu of leave		3 234	2 311	2 311	(1 483)	1 110	1 156	(45)	-4%	2 311
Long service awards		801	986	986	59	353	493	(140)	-28%	986
Post-retirement benefit obligations	2	2 298	2 704	2 704	212	1 271	1 352	(81)	-6%	2 704
<b>Sub Total - Other Municipal Staff</b>		121 776	140 916	140 916	9 067	65 006	71 034	(6 029)	-8%	140 916
<b>% increase</b>	4		15.7%	15.7%						15.7%
<b>Total Parent Municipality</b>		135 458	157 208	157 208	10 255	72 157	79 180	(7 023)	-9%	157 208
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		135 458	157 208	157 208	10 255	72 157	79 180	(7 023)	-9%	157 208



## Section 4 - Service Delivery Performance

### 4.1.1 Introduction

The SDBIP is essentially the municipality's operational plan and is an integral part of the financial planning, implementation and measurement process. The SDBIP functions as the connection between the strategic plan "IDP", budget and management performance agreements, and includes detailed information on how the budget will be implemented, by means of forecast cash flows, service delivery targets and performance indicators. Please refer to Appendix 3: Service Delivery Performance Report

### 4.1.2 Progress on implementation of the operating expenditure and revenue budgets 2014/2015

Financial performance as indicated in the section 71 high level monthly budget statement of 31 December 2014 indicates that actual operating revenue against budgeted revenue with reference to Electricity Service Charges is not in line. In terms therefore, any performance indicators using operating revenue measurement will also not be on target.

#### *Projected revenue and operating expenditure*

Description	2012/2013	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	32 283 527	34 146 310	34 146 310	0	34 560 331	34 146 310	414	1%	34 146 310
Property rates - penalties & collection charges	394 185	445 710	445 710	33 564	179 516	0	180	#DIV/0!	445 710
Service charges - electricity revenue	240 873 124	276 358 260	276 358 260	21 403 129	110 381 355	140 942 712	(30 561)	-22%	264 915 253
Service charges - water revenue	31 001 743	36 396 620	36 396 620	2 679 615	12 200 288	18 198 312	(5 998)	-33%	36 396 620
Service charges - sanitation revenue	12 465 836	12 503 830	12 503 830	1 133 198	6 601 405	6 251 916	349	6%	12 503 830
Service charges - refuse revenue	9 990 670	10 731 560	10 731 560	898 193	5 294 921	5 365 782	(71)	-1%	10 731 560
Service charges - other							-		
Rental of facilities and equipment	2 053 464	2 672 320	2 672 320	200 795	1 126 235	1 336 194	(210)	-16%	2 672 320
Interest earned - external investments	2 843 597	3 513 250	3 513 250	161 795	1 199 995	1 596 930	(397)	-25%	3 513 250
Interest earned - outstanding debtors	2 892 652	3 154 390	3 154 390	286 675	1 857 183	1 577 196	280	18%	3 154 390
Dividends received							-		
Fines	10 845 894	2 275 480	2 275 480	396 829	2 273 187	1 092 228	1 181	106%	2 275 480
Licences and permits	1 077 339	1 418 310	1 418 310	47 703	559 343	709 158	(150)	-21%	1 418 310
Agency services	2 489 816	2 257 920	2 257 920	32 769	270 674	1 128 954	(858)	-76%	2 257 920
Transfers recognised - operational	72 109 355	77 796 620	77 796 620	6 447 401	57 848 368	31 118 648	26 730	86%	88 195 588
Other revenue	12 629 706	15 192 680	15 192 680	733 417	5 135 122	7 561 386	(2 426)	-32%	15 192 680
Gains on disposal of PPE	0	0	0	0	0	0	-		0
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>433 950 909</b>	<b>478 863 260</b>	<b>478 863 260</b>	<b>34 455 082</b>	<b>239 487 925</b>	<b>251 025 726</b>	<b>(11 538)</b>	<b>-5%</b>	<b>477 819 221</b>
<b>Expenditure By Type</b>									
Employee related costs	129 208 326	150 244 480	150 244 480	9 591 696	68 199 246	74 978 424	(6 779)	-9%	150 244 480
Remuneration of councillors	7 714 307	8 403 570	8 403 570	863 303	3 958 514	4 201 788	(243)	-6%	8 403 570
Debt impairment	14 798 877	8 240 670	8 240 670	686 724	4 120 344	4 120 344	-		8 240 670
Depreciation & asset impairment	20 170 964	20 111 840	20 111 840	9 818 893	9 818 893	10 055 934	(237)	-2%	20 111 840
Finance charges	7 569 829	8 049 540	8 049 540	1 097 221	3 624 148	4 024 782	(401)	-10%	8 049 540
Bulk purchases	184 970 315	211 805 400	211 805 400	17 135 224	102 326 730	103 552 238	(1 226)	-1%	204 653 460
Other materials							-		
Contracted services	1 179 569	1 900 000	1 900 000	136 813	718 869	950 004	(231)	-24%	1 900 000
Transfers and grants	0	100 000	100 000	0	120 000	100 000	20	20%	100 000
Other expenditure	75 155 468	83 916 590	83 916 590	10 463 032	40 021 935	40 584 842	(563)	-1%	83 916 590
Loss on disposal of PPE	234 697	0	0	0	0	0	-		0
<b>Total Expenditure</b>	<b>441 002 354</b>	<b>492 772 090</b>	<b>492 772 090</b>	<b>49 592 905</b>	<b>232 908 679</b>	<b>242 568 356</b>	<b>(9 660)</b>	<b>-4%</b>	<b>485 620 150</b>
<b>Surplus/(Deficit)</b>	<b>-7 051 445</b>	<b>-13 908 830</b>	<b>-13 908 830</b>	<b>-15 137 822</b>	<b>6 579 246</b>	<b>8 457 370</b>	<b>(1 878)</b>	<b>(0)</b>	<b>-7 800 929</b>
Transfers recognised - capital	28 417 039	21 078 970	21 078 970	1 555 665	10 431 052	8 351 586	2 079	0	28 372 858
Contributions recognised - capital							-		
Contributed assets							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>21 365 594</b>	<b>7 170 140</b>	<b>7 170 140</b>	<b>-13 582 157</b>	<b>17 010 298</b>	<b>16 808 956</b>			<b>20 571 929</b>
Taxation							-		
<b>Surplus/(Deficit) after taxation</b>	<b>21 365 594</b>	<b>7 170 140</b>	<b>7 170 140</b>	<b>-13 582 157</b>	<b>17 010 298</b>	<b>16 808 956</b>			<b>20 571 929</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>21 365 594</b>	<b>7 170 140</b>	<b>7 170 140</b>	<b>-13 582 157</b>	<b>17 010 298</b>	<b>16 808 956</b>			<b>20 571 929</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>21 365 594</b>	<b>7 170 140</b>	<b>7 170 140</b>	<b>-13 582 157</b>	<b>17 010 298</b>	<b>16 808 956</b>			<b>20 571 929</b>

## LANGEBERG MUNICIPALITY

### 4.1.3 Progress on the implementation of the capital program 2014/15

Total actual capital expenditure as at 31 December 2014 was R 20, 140 M (38.68%) of the total capital budget of R 54, 909 M. Capital commitments as at 31 December 2014 was R 17, 462 M (31.80%) of the total capital budget of R 54, 909 M. Total capital expenditure inclusive of capital commitments as at 31 December 2014 was 68.48% of the total capital budget.

Below is breakdown of Capital Expenditure as at 31 December 2014:

	ACTUAL	ORDERS	EXP/MONTH	BUDGET	BALANCE
HOUSING	1 160 791	297 132	217 642	4 400 000	2 942 078
WATER	10 208 457	8 063 162	1 555 665	18 750 410	478 791
ELECTRICAL SERVICES	7 227 838	2 770 630	1 678 305	12 663 540	2 665 072
SEWERAGE	-	2 645 000	-	4 895 220	2 250 220
ROADS	165 362	560 286	75 403	2 590 000	1 864 353
<b>Sub-Total at Service Level</b>	<b>18 762 448</b>	<b>14 336 209</b>	<b>3 527 016</b>	<b>43 299 170</b>	<b>10 200 513</b>
	ACTUAL	ORDERS	EXP/MONTH	BUDGET	BALANCE
MUNICIPAL MANAGER	-	-	-	-	-
CORPORATE SERVICES	619 916	61 216	118 209	2 154 000	1 472 868
STRATEGY AND SOCIAL DEVELOPMENT	391 754	597 623	57 615	2 200 000	1 210 624
FINANCE	-	-	-	300 000	300 000
COMMUNITY FACILITIES	58 821	78 880	9 497	1 086 000	948 299
TRAFFIC	-	26 189	-	30 000	3 811
ENVIRONMENTAL SERVICES	-	-	-	-	-
INFORMATION & COMMUNICATION TECHNOLOGY	280 517	2 002 817	118 290	2 400 000	116 667
CLEANSING	26 331	359 076	-	3 440 000	3 054 593
<b>Sub-Total at Department Level</b>	<b>1 377 338</b>	<b>3 125 800</b>	<b>303 611</b>	<b>11 610 000</b>	<b>7 106 862</b>
	<b>20 139 786</b>	<b>17 462 010</b>	<b>3 830 627</b>	<b>54 909 170</b>	<b>17 307 375</b>

Below the progress on the capital program as at 31 December 2013:

Total actual capital expenditure as at 31 December 2013 was R 18, 297 M (31.93%) of the total capital budget of 57, 311 M. Capital commitments as at 31 December 2013 was R 16, 529 M (28.84%) of the total capital budget of R 57, 311 M. Total capital expenditure inclusive of capital commitments as at 31 December 2013 was 60.77% of the total capital budget.

Below is breakdown of Capital Expenditure as at 31 December 2013:

	ACTUAL	ORDERS	BUDGET	BALANCE
HOUSING	331 853	1 511 234	7 082 150	5 239 063
WATER	5 743 991	8 899 063	16 435 580	1 792 526
ELECTRICAL SERVICES	2 617 526	2 670 586	8 528 167	3 240 054
SEWERAGE	888 806	1 253 821	3 445 250	1 304 624
ROADS	3 523 058	976 942	4 500 000	-
OTHER INFRASTRUCTURE	-	-	-	-
<b>Sub-Total at Service Level</b>	<b>13 103 235</b>	<b>15 311 645</b>	<b>39 991 147</b>	<b>11 576 267</b>
	ACTUAL	ORDERS	BUDGET	BALANCE
MUNICIPAL MANAGER	327 425	149 102	1 413 000	936 473
CORPORATE SERVICES	731 758	38 796	2 160 000	1 389 445
STRATEGY AND SOCIAL DEVELOPMENT	181 366	199 799	688 775	307 610
FINANCE	-	-	-	-
COMMUNITY FACILITIES	1 021 593	35 687	4 388 450	3 331 170
TRAFFIC	112 261	-	145 000	32 739
ENVIRONMENTAL SERVICES	19 737	-	645 000	625 263
INFORMATION & COMMUNICATION TECHNOLOGY	1 064 922	624 807	2 850 000	1 160 270
CLEANSING	1 734 980	169 296	5 030 000	3 125 724
<b>Sub-Total at Department Level</b>	<b>5 194 043</b>	<b>1 217 488</b>	<b>17 320 225</b>	<b>10 908 694</b>
	<b>18 297 278</b>	<b>16 529 133</b>	<b>57 311 372</b>	<b>22 484 961</b>



## LANGEBERG MUNICIPALITY

### 4.1.4 Capital expenditure trend

WC026 Langeberg - Supporting Table 5C12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2013/14	Budget Year 2014/15							
	Pre-audit outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<i>R thousands</i>									
<b>Monthly expenditure performance trend</b>									
July	2 145	1 083	1 034	1 034	1 034	1 034	-	-	2%
August	2 020	1 083	1 131	1 820	2 854	2 165	(880)	-31.8%	5%
September	3 108	4 331	4 398	3 515	6 369	6 563	194	3.0%	12%
October	4 464	4 331	4 398	5 503	11 872	10 961	(911)	-8.3%	27%
November	3 216	5 414	5 487	4 437	16 309	16 447	138	0.8%	30%
December	3 345	5 414	5 487	3 831	20 140	21 934	1 794	8.2%	37%
January	3 080	5 414	5 487	-	-	27 421	-	-	-
February	3 673	5 414	5 487	-	-	32 907	-	-	-
March	6 069	5 414	5 487	-	-	38 994	-	-	-
April	3 492	5 414	5 487	-	-	43 881	-	-	-
May	8 955	5 414	5 487	-	-	49 367	-	-	-
June	8 972	5 714	5 542	-	-	54 909	-	-	-
<b>Total Capital expenditure</b>	<b>62 938</b>	<b>64 440</b>	<b>64 909</b>	<b>20 140</b>					

Chart C1 2014/15 Capital Expenditure Monthly Trend: actual v target

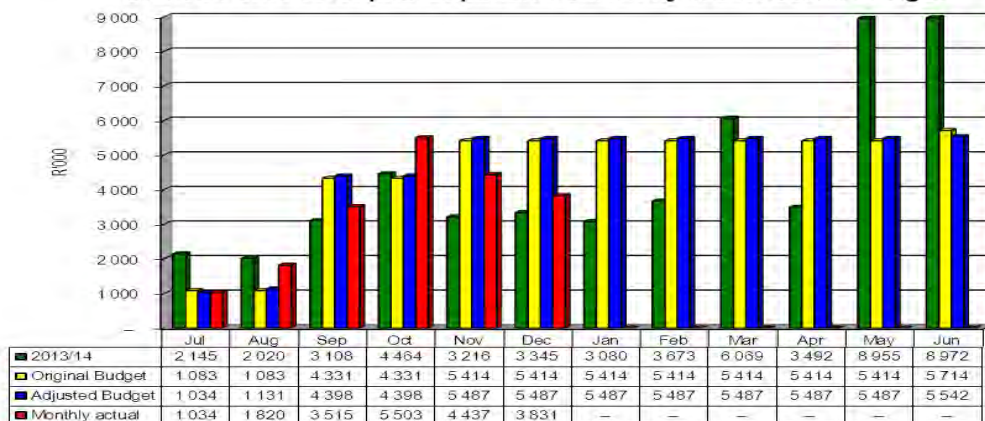
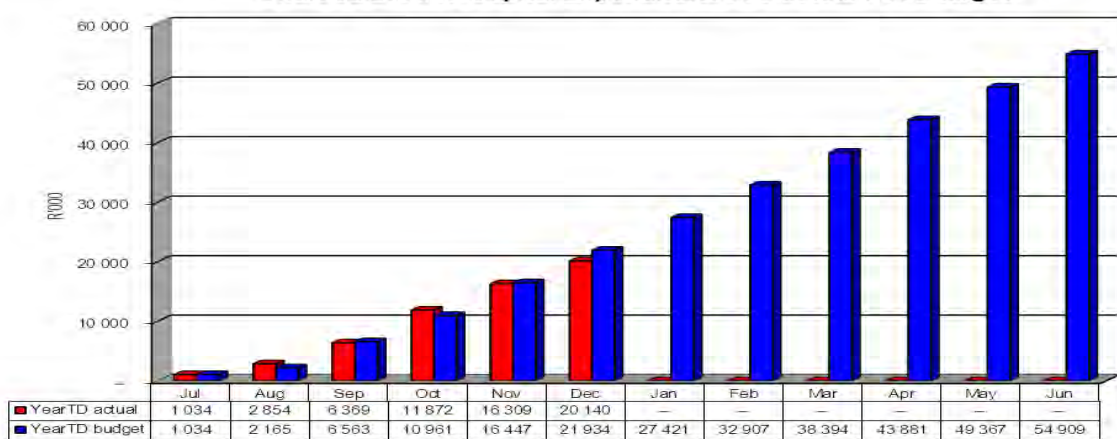


Chart C2 2014/15 Capital Expenditure: YTD actual v YTD target



# LANEGERG MUNICIPALITY

## 4.1.5 Capital expenditure on new assets by asset class

WC026 Langeberg - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		6 108	31 731	31 848	2 811	15 107	12 746	(2 361)	-18.5%	31 848
Infrastructure - Road transport		198	100	100	35	47	40	(7)	-16.7%	100
Roads, Pavements & Bridges		198	100	100	35	47	40	(7)	-16.7%	100
Storm water										
Infrastructure - Electricity		1 408	7 501	7 603	1 003	5 498	3 047	(2 452)	-80.5%	7 603
Generation		941	-	-	-	-	-	-	-	-
Transmission & Reticulation		397	7 501	7 563	1 003	5 442	3 028	(2 414)	-79.7%	7 563
Street Lighting		71	-	40	-	56	18	(38)	-207.7%	40
Infrastructure - Water		73	16 771	16 771	1 556	8 375	6 708	(1 667)	-24.8%	16 771
Dams & Reservoirs			14 171	14 171	1 504	8 300	5 668	(2 632)	-46.4%	14 171
Water purification		73	-	-	-	-	-	-	-	-
Reticulation			2 600	2 600	51	75	1 040	965	92.8%	2 600
Infrastructure - Sanitation		332	2 900	2 900	-	-	1 160	1 160	100.0%	2 900
Reticulation			-	-	-	-	-	-	-	-
Sewerage purification		332	2 900	2 900	-	-	1 160	1 160	100.0%	2 900
Infrastructure - Other		4 096	4 460	4 475	218	1 187	1 791	604	33.7%	4 475
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		4 096	4 460	4 475	218	1 187	1 791	604	33.7%	4 475
<b>Community</b>		2 446	1 830	2 086	9	310	848	538	63.4%	2 086
Parks & gardens			80	80	-	-	32	32	100.0%	80
Sportsfields & stadia		594	-	256	9	59	116	58	49.4%	256
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		871	300	300	-	246	120	(126)	-105.1%	300
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		153	250	250	-	-	100	100	100.0%	250
Social rental housing		-	-	-	-	-	-	-	-	-
Other		828	1 200	1 200	-	5	480	475	98.9%	1 200
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		8 313	6 480	6 576	176	765	2 636	1 870	71.0%	6 576
General vehicles		1 455	1 000	1 000	-	-	400	400	100.0%	1 000
Specialised vehicles		676	3 030	3 030	-	-	1 212	1 212	100.0%	3 030
Plant & equipment		2 604	1 350	1 416	58	440	570	130	22.8%	1 416
Computers - hardware/equipment		2 068	300	300	-	-	120	120	100.0%	300
Furniture and other office equipment		549	300	300	9	142	120	(22)	-18.1%	300
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		261	500	500	109	183	200	17	8.3%	500
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		681	-	30	-	-	14	14	100.0%	30
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	1 200	1 200	-	105	480	375	78.1%	1 200
Computers - software & programming		-	1 200	1 200	-	105	480	375	78.1%	1 200
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	16 866	41 241	41 710	2 997	16 288	16 710	422	2.5%	41 710
<b>Specialised vehicles</b>		676	3 030	3 030	-	-	1 212	1 212	0	3 030
Refuse		676	3 030	3 030	-	-	1 212	1 212	0	3 030
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

# LANEGBERG MUNICIPALITY

## 4.1.6 Capital expenditure on renewal of existing assets by asset class

WC026 Langeberg - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		34 454	11 499	11 499	716	3 676	4 600	923	20.1%	11 499
Infrastructure - Road transport		4 630	2 490	2 490	40	119	996	877	88.1%	2 490
Roads, Pavements & Bridges		4 630	-	-	-	-	-	-	-	-
Storm water		-	2 490	2 490	40	119	996	877	88.1%	2 490
Infrastructure - Electricity		5 905	5 034	5 034	675	1 724	2 014	289	14.4%	5 034
Generation		1 406	-	-	-	-	-	-	-	-
Transmission & Reticulation		4 276	4 874	4 874	672	1 610	1 950	340	17.4%	4 874
Street Lighting		222	160	160	3	114	64	(50)	-78.5%	160
Infrastructure - Water		20 924	1 980	1 980	-	1 834	792	(1 042)	-131.5%	1 980
Dams & Reservoirs		6 507	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		14 417	1 980	1 980	-	1 834	792	(1 042)	-131.5%	1 980
Infrastructure - Sanitation		2 995	1 995	1 995	-	-	798	798	100.0%	1 995
Reticulation		204	-	-	-	-	-	-	-	-
Sewerage purification		2 791	1 995	1 995	-	-	798	798	100.0%	1 995
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		199	500	500	-	-	200	200	100.0%	500
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	500	500	-	-	200	200	100.0%	500
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		199	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		1 019	1 200	1 200	118	176	480	304	63.4%	1 200
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		345	-	-	-	-	-	-	-	-
Computers - hardware/equipment		674	1 200	1 200	118	176	480	304	63.4%	1 200
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	1	35 672	13 499	13 499	834	3 852	5 280	1 428	27.0%	13 499
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

# LANEGBERG MUNICIPALITY

## 4.1.7 Expenditure on repairs and maintenance by asset class

WC026 Langeberg - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		7 152	6 327	6 327	463	3 010	3 164	154	4.9%	6 327
Infrastructure - Road transport		1 927	1 900	1 900	239	1 083	950	(133)	-14.0%	1 900
Roads, Pavements & Bridges		1 927	1 900	1 900	239	1 083	950	(133)	-14.0%	1 900
Storm water										
Infrastructure - Electricity		2 647	2 020	2 020	92	544	1 010	366	36.3%	2 020
Generation										
Transmission & Reticulation		2 238	1 641	1 641	64	476	821	345	42.0%	1 641
Street Lighting		408	379	379	27	168	190	21	11.3%	379
Infrastructure - Water		1 795	1 757	1 757	106	695	879	184	20.9%	1 757
Dams & Reservoirs		60	73	73	0	9	37	28	76.0%	73
Water purification		186	244	244	18	60	122	62	51.1%	244
Reticulation		1 549	1 440	1 440	88	626	720	94	13.0%	1 440
Infrastructure - Sanitation		783	650	650	26	589	325	(264)	-81.3%	650
Reticulation		600	407	407	25	482	204	(278)	-136.8%	407
Sewerage purification		183	243	243	1	107	121	14	11.8%	243
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
<b>Community</b>		586	688	688	29	198	344	146	42.5%	688
Parks & gardens		204	254	254	17	38	127	89	70.4%	254
Sportsfields & stadia										
Swimming pools		1	12	12	-	21	6	(15)	-241.5%	12
Community halls										
Libraries						4		(4)	#DIV/0!	
Recreational facilities										
Fire, safety & emergency		315	312	312	12	121	156	35	22.3%	312
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other		66	110	110	-	14	55	41	74.7%	110
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		6 938	7 542	7 542	493	3 237	3 771	534	14.2%	7 542
General vehicles		4 696	4 942	4 942	335	2 137	2 471	334	13.5%	4 942
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		730	981	981	32	314	490	176	35.9%	981
Computers - hardware/equipment		59	70	70	30	88	35	(53)	-150.1%	70
Furniture and other office equipment		-	1	1	3	4	1	(3)	-558.9%	1
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		1 447	1 511	1 511	94	667	756	89	11.8%	1 511
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		7	36	36	-	27	18	(9)	-49.4%	36
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		82	73	73	25	37	36	(0)	-0.8%	73
Computers - software & programming		82	73	73	25	37	36	(0)	-0.8%	73
Other										
<b>Total Repairs and Maintenance Expenditure</b>		14 758	14 631	14 631	1 010	6 481	7 315	834	11.4%	14 631
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

# LANGE BERG MUNICIPALITY

## 4.1.8 Depreciation by asset class

WC026 Langeberg - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		10 881	11 300	11 300	6 683	6 683	6 660	67	1.2%	11 300
Infrastructure - Road transport		3 521	3 682	3 682	1 742	1 742	1 641	99	6.4%	3 682
Roads, Pavements & Bridges		3 521	3 682	3 682	1 712	1 712	1 631	119	6.6%	3 682
Storm water			20	20	30	30	10	(20)	-200.0%	20
Infrastructure - Electricity		2 838	2 948	2 948	1 370	1 370	1 474	104	7.1%	2 948
Generation										
Transmission & Retention		2 838	2 910	2 910	1 370	1 370	1 455	85	6.8%	2 910
Street Lighting			38	38			19	19	100.0%	38
Infrastructure - Water		2 288	2 603	2 603	1 298	1 298	1 301	3	0.8%	2 603
Dams & Reservoirs			775	775	349	349	387	38	9.8%	775
Water purification		2 288	372	372	160	160	185	25	14.1%	372
Retention			1 456	1 456	789	789	728	(61)	-8.4%	1 456
Infrastructure - Sanitation		1 620	1 225	1 225	850	850	612	(238)	-38.8%	1 225
Retention			544	544	570	570	272	(298)	-109.4%	544
Sewerage purification		1 620	680	680	280	280	340	60	17.7%	680
Infrastructure - Other		664	843	843	323	323	421	98	28.3%	843
Waste Management		572	664	664	285	285	332	47	14.1%	664
Transportation										
Gas										
Other		92	179	179	38	38	89	51	67.8%	179
<b>Community</b>		2 184	2 443	2 443	978	978	1 222	248	26.3%	2 443
Parks & gardens		161	223	223	67	67	112	45	40.3%	223
Sportsfields & stadia		619	866	866	276	276	433	157	36.3%	866
Swimming pools		124	184	184	61	61	92	31	33.5%	184
Community halls		309	250	250	111	111	125	13	10.7%	250
Libraries		301	172	172	136	136	86	(50)	-57.9%	172
Recreational facilities		76	96	96	34	34	48	14	28.3%	96
Fire, safety & emergency		35	43	43	17	17	22	4	20.3%	43
Security and policing										
Buses										
Clinics		45	52	52	23	23	26	3	13.0%	52
Museums & Art Galleries		10	12	12	5	5	6	1	21.7%	12
Cemeteries		131	176	176	55	55	88	33	37.3%	176
Social rental housing										
Other		372	370	370	188	188	165	(23)	-1.7%	370
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		60	36	36	26	26	18	(7)	-42.0%	36
Housing development										
Other		50	35	35	25	25	18	(7)	-42.0%	35
<b>Other assets</b>		9 718	6 086	6 086	3 173	3 173	3 046	(150)	-4.3%	6 086
General vehicles		602	1 309	1 309	488	488	654	166	25.4%	1 309
Specialised vehicles		221	336	336	100	100	168	68	40.4%	336
Plant & equipment		1 205	1 419	1 419	572	572	700	127	19.3%	1 419
Computers - hardware/equipment		1 101	877	877	596	596	439	(158)	-35.0%	877
Furniture and other office equipment		602	905	905	537	537	453	(84)	-18.0%	905
Abattoirs										
Markets										
Civic Land and Buildings			831	831			416	416	100.0%	831
Other Buildings		1 349	77	77	532	532	39	(493)	-1275.7%	77
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		1 059	332	332	347	347	166	(181)	-109.4%	332
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<b>Art assets</b>										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		89	248	248	65	65	124	59	47.5%	248
Computers - software & programming		89	248	248	65	65	124	59	47.5%	248
Other										
<b>Total Depreciation</b>		19 871	20 112	20 112	9 819	9 819	10 066	237	2.4%	20 112
<b>Specialised vehicles</b>		221	336	336	100	100	168	68	0	336
Refuse										
Fire		221	336	336	100	100	168	68	0	336
Coroner's										
Ambulances										

## LANGEBERG MUNICIPALITY

It is noted that there is an improvement in the progress of the capital program for 2014/2015 financial year. The year to date cash flow approved with the SDBIP for 2014/2015 indicated a projection of 39, 95% by 31 December 2014. On assessment the program has achieved 37% meaning it is only behind by 2, 95% at 31 December 2014 in relation to the approved cash flows at the beginning of the financial year.

Some of the reasons identified for delays in capital program are amongst others:-

- (a) Slow progress by contractors
- (b) Poor project management
- (c) The impact that supply chain management processes have on departments if their planning has not been sufficiently carried out

### ***RECOMMENDATION:***

- (a) That options for the implementation of the capital program be reviewed to ensure the effective and timeous implementation of the projects;
- (b) That internal project management processes be improved to ensure effective implementation of the capital program;

## **Section 5 - Progress on resolving problems identified in the 2013/2014 Annual Report**

### **5.1 Introduction**

The draft annual report served before council in December 2014 and is currently available on the municipal website; the closing date for public comment is end of January 2015.

### **5.2 Shortcomings and recommendations to address shortcomings**

The Auditor-General's report on the consolidated financial statements for 2013/2014 is attached as Appendix 1 and included in Chapter 6 of the Draft Annual Report. Attached as Appendix 2 is the Action Plan to address the 2013/2014 audit findings as raised by the Auditor-General.

### **5.3 Conclusion**

Some measures and controls to be investigated for immediate implementation are those that are risk related.



## Section 6 - Recommendations

### 6.1 Motivations

#### 6.1.1 Adjustment Budget

As required by section 72(3) of the MFMA, an adjustments budget is needed to deal with items listed in section 28(2) of the MFMA. The adjustments budget will have to take into account changes in the national and provincial adjustments budgets; adjust the revenue and expenditure estimates downwards due to the material shortfall in projected revenue.

#### 6.1.2 SDBIP Top Layer

Revisions to the SDBIP will have to be made taking into consideration the review of performance indicators and the effects of the adjustments budget. These revisions must be approved following the approval of the adjustments budget as required by section 54(1) of the MFMA.

### ***RECOMMENDATION:***

That:

- (1) An adjustments budget for 2014/2015 be prepared and approved by Council by no later than 28 February 2015;
- (2) Projections for revenue and expenditure be revised downwards as a result of the projected revenue shortfall;
- (3) Following the approval of the adjustments budget the revised SDBIP which forms the basis of the mid-year assessments be approved by Council.

## LANGEBERG MUNICIPALITY

**Section 7 - Municipal manager's quality certification****QUALITY CERTIFICATE**

I, Soyisile A Mokweni, the municipal manager of Langeberg Municipality, hereby certify that -

(mark as appropriate)

☐

the monthly budget statement

☐

quarterly report on the implementation of the budget and financial state of affairs of the municipality

☒

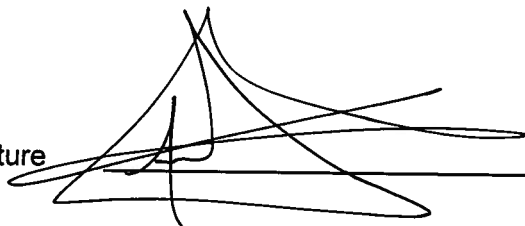
mid-year budget and performance assessment

for the month of December 2014 of 2014/2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name AWS EVERSON

Municipal Manager of Langeberg Municipality (WC026)

Signature



Date

21/01/2015

## **Appendix 1: Auditor's report of the Auditor General on the consolidated financial statements**

# **REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE LANGEBERG MUNICIPALITY**

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Introduction**

1. I have audited the financial statements of the Langeberg Municipality set out on pages 6 to 92, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### **The accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor-general's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Langeberg Municipality as at 30 June 2014, and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

### **Emphasis of matters**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Restatement of corresponding figures**

8. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2013-14 in the financial statements of the Langeberg Municipality at, and for the year ended, 30 June 2013.

### **Material impairments**

9. As disclosed in notes 19, 22 and 23 to the financial statements, the municipality has provided for impairment of long-term receivables, receivables from exchange transactions and receivables from non-exchange transactions of R15 million, R14,7 million and R14,9 million respectively, as management's impairment assessment indicated that these debtors would default on their accounts.

### **Additional matters**

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited disclosure notes**

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

### **Unaudited supplementary schedules**

12. The supplementary information set out on pages 93 to 102 did not form part of the financial statements and was presented as additional information. I have not audited these appendices and, accordingly, I do not express an opinion thereon.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for the selected strategic objectives presented in the annual performance report, compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected strategic objectives presented in the annual performance report of the municipality for the year ended 30 June 2014:
- Strategic objective: Energy efficiency for sustainable future on page 40
  - Strategic objective: Sustainable civil engineering infrastructure services on pages 48 to 50
  - Strategic objective: Sustainable integrated human settlement on pages 50 to 51.
15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned strategic objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives.

**Additional matters**

19. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives, I draw attention to the following matters:

**Achievement of planned targets**

20. Refer to the annual performance report on pages 40 and 48 to 51 for information on the achievement of the planned targets for the year.

**Adjustment of material misstatements**

21. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of strategic objective: Sustainable civil engineering infrastructure services and strategic objective: Sustainable integrated human settlement. As management subsequently corrected the misstatements, I did not raise any material findings on the reliability of the reported performance information.

**Compliance with legislation**

22. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with the specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

**Internal control**

23. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

*Auditor - General*

Cape Town

28 November 2014



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## **Appendix 2: Action Plan to address the 2013/2014 audit findings as raised by the Auditor-General**

**ACTION PLAN ON 2013/2014 EXTERNAL AUDIT FINDINGS**

No.	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date –
1	<p><b>COMAF 1</b> Heritage Assets: During the physical verification of heritage assets, the audit identified the following museum in Robertson that had collapse while undergoing renovations on 26 Aug 2014:</p> <p>The museum was a heritage asset, and therefore of cultural significance to the community. Although not material quantitatively because of the significance to the community it is considered to be qualitatively material in its nature. Per paragraph 27 of GARP 14, if non-adjusting events after reporting date are material, non-disclosure could influence the economic decisions of a user taken on the basis of the financial statement. Events after reporting date in the financial statements are understated by R389 000.00</p>	<p>Management should consider reviewing its procedures for identifying events after reporting date to ensure that all events up to date of submission of the financial statements are considered for disclosure in the financial statements. Furthermore, management should update the financial statement to include the abovementioned disclosure as required by paragraph 27 of GRAP 14</p>	<p>Management agrees with the audit finding as raised. In terms of GRAP .03 is this a non-adjusting event as the event occurred between the reporting date and the date when the financial statements will be authorised for issue and therefore GRAP.27 will be applicable which states the following: Disclosure of non-adjusting events after the reporting date: 27 If non-adjusting events after the reporting date are material, non-disclosure could influence the economic decisions of users taken on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting date: (a) the nature of the event (b) an estimate of its financial effect of a statement that such an estimate cannot be made</p>	<p>Mr CF Hoffmann Mr B Brown</p>	<p>The disclosure in Note 51 in the financial statement will be updated as follows:  On 26 August 2014 the municipality suffers a loss as the Robertson museum which is a Heritage Assets with a historical cost of R389 000.00 was damage while undergoing renovations</p>
No	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date –
2	<p><b>COMAF 2</b> Accounting policy not consistent with treatment : The audit identified that accounting policy 1.16.6, capitalised restoration cost, indicates that depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful life of the assets. During testing performed on</p>	<p>Management should amend the accounting policy for capitalized restoration cost to ensure that it is in line with the accounting treatment thereof</p>	<p>Management agrees with the audit finding as raised. Management is of the view that the asset will only be used for one reporting period based on the use of the landfill sites at the reporting date. This management assumption was applied in the preparation of the financial but not disclosed in the</p>	<p>Mr CF Hoffmann Mr B Brown</p>	<p>The accounting policy in the financial statements will be updated</p>

	<p>depreciation it was noted that capitalised restoration costs are depreciated 100%.</p> <p>The accounting policy was not adequately reviewed to ensure that it is in line with the accounting treatment for capitalised restoration cost.</p> <p>Users of the financial statements may not be able to make informed decisions based on information that is inconsistent within the financial statements</p>		<p>accounting policy</p> <p>The accounting policy in the financial statements will be updated as follows:</p> <p>The accounting policy in the financial statements will be updated as follows:</p> <p>The annual depreciation rates are based on the following estimated useful lives:</p> <p>Landfill sites 1-15</p> <p>1.16.6 Capitalised Restoration Cost</p> <p>The Municipality treats the Capital Restoration Cost on landfill sites in the same manner as Property, Plant and Equipment in accordance with 1.16.1 to 1.16.5 of this Accounting Policy and depreciation is calculated on the depreciable amount, using the straight-line method and depreciated in full in the following reporting period.</p>		
No	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date –
3	<p><b><u>COMAF 3</u></b></p> <p>Non-current assets held for sale –</p> <p>The audit identified the following properties classified as non-current assets held for sale that were not in the name of the municipality per the title deed: Furthermore, the following properties classified as non-current assets held for sale were recorded at an amount greater than the valuation roll which was deemed to be the fair value. The terms of the sales are such that the buyer is billed for the selling cost of the related properties, and therefore the costs to sell from the municipality perspective is zero: Management do not perform regular</p>	<p>Management should reconcile the records of non-current assets held for sale to the sales information as at 30 June 2014, and review the carrying amounts to ensure that it is in line with the requirements of GRAP 100. Once management has assessed the entire population for further errors, management should adjust the financial statements in order to rectify the</p>	<p>Management agrees with the audit finding as raised as far as it relates to GRAP 100.17 and not GRAP 100.20. GRAP 100.17 states the following:</p> <p>Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.</p> <p>After assessing the entire population the following errors were discovered.</p>	<p>Mr B Brown</p> <p>Mr CF Hoffmann</p>	<p>The financial statements will be adjusted and will be provided to AG on 07 November 2014</p>

	reconciliations between the non-current assets held for sale register and the valuation roll and sales documentation to determine whether assets that were sold were removed from the fixed asset register, and that all assets remaining are recorded at the correct amounts.	identified misstatements.	<p>4 properties were sold and needs to be derecognised The value of 2 properties needs to be adjusted to be in line with GRAP 100.17 The financial statements will be adjusted to account for the above and will be provided to the AG on 07 November 2014. Attach is the summary tha the entire population was checked. Correct journal entries were made</p>		
4	<p><b><u>COMAF 4</u></b></p> <p>Excessive overtime: overtime was worked in excess of the permitted hours per the BCEA for employees. This is inadequate communication between the user department and the HR department to ensure that the amount of overtime worked is managed to prescripts. The municipality could suffer financial loss in the form of penalties and fines from the Department of Labour due to non-compliance with the BCEA. Lack of monitoring and supervision could also lead to excessive overtime being paid out. This matter was reported in the prior year (2012/2013) and no steps have been taken to date to implement the recommendations provided</p>	<p>It is recommended that management adheres to the conditions set by the BCEA and the policy framework. Furthermore, officials should be held accountable by the leadership for not adhering to its action plan to address prior year findings</p>	<p>It need to be mentioned that the Municipality is well aware of the stipulations of Section 10 of the BCEA, Act 75 of 1997, and as far possible try to limit the work of overtime to the essential.</p> <p>There are however circumstances which makes the working of overtime a reality.</p> <p>Please also see the approval of the Municipal Manager as per the attached memorandum dated 6 January 2014, dealing with the overtime for the 2013/2014 financial year, thus applicable from 1 July 2013 till 30 June 2014</p>	<p>Mr CF Hoffmann Mr A Everson</p>	<p>No remedial actions needed</p>
5	<p><b><u>COMAF 5-</u></b></p> <p>Awards made to employees in the service of the state</p> <p>Regulation 44 of the Municipal Supply Chain Management Regulations, 2005 (SCM Regulations), states that the supply chain management policy of a municipality or municipal entity must, irrespective of the procurement process followed, state that the municipality or municipal entity may not make award</p>	<p>The suppliers submitted a false declaration and management did not have the means to confirm whether the supplier was in the state of the state.</p> <p>Proper remedial action will be taken as per the Supply Chain management Policy</p>	<p>Management should take action against the supplier for providing a false declaration and consider no longer doing business with the supplier in the future. Furthermore, if management continues to transact with the supplier knowing that the supplier is in service of the state this may lead to material non-compliance in future years.</p>	<p>Mr CF Hoffmann Mr S Ngcongolo</p>	<p>Proper action will be taken as per the Supply Chain Management policy</p>

	<p>to a person – (a) who is in the service of the state (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state.</p> <p>The supplier submitted a false declaration and management did not have the means to confirm whether the supplier was in service of the state.</p> <p>The municipality may not be awarding quotations and tenders to suppliers in a fair and equitable manner.</p>				
No.	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date –
6	<p><b><u>COMAF 6</u></b> Employee interest-</p> <p>Regulation 13(c) of the Municipality Supply Chain Management Regulations, 2005 (SCM Regulations), requires a supply chain management policy to state that the municipality may not consider a written quotation or bid unless the provider who submitted the quotation or bid has indicated: i) Whether he/she is in the service of the state or has been in the service of the state for the previous twelve (12) months</p> <p>ii) If the provider is not a natural person, whether any of its directors, managers, principal shareholders or shareholders is in the service of the state, or has been in the service of the state in the previous twelve (12) months</p> <p>iii) Whether the spouse, child or parent of the provider or a or a director, manager, stakeholder or stakeholder of a provider who is a company or cc, is in the service of the state for the previous twelve (12) months.</p>	<p>Management should investigate employees to determine whether they have any undeclared interests in potential suppliers of the municipality. If the expenditure is found to be irregular, management should disclose it as such in the comparative notes to the financial statements</p>	<p>The Late Graham Beck, in the interest of improving the living conditions of the Citizens of Langeberg, built a Skills Centre to be used by the Citizens of this municipal area. As a facility for the community the Municipality was seen to be a major stakeholder for the skills centre. Consequently, Mr Dave van Schalkwyk was nominated to serve on the Skills Centre Committee.</p> <p>With an attempt to do fundraising they resolved to register a non-profit company, hence Dave was listed as a Director. He did not draw any remuneration from the skills centre except for serving in an ex - officio capacity.</p> <p>When it was realised that his directorship would prevent the municipality from using the centre, he resigned on 3 July 2013. The municipality is using this facility as a training venue and the money paid to the skills centre is for the cost of catering for our staff while they are attending classes there. It is the University of Stellenbosch that has been contracted to conduct the courses.</p>	<p>Mr CF Hoffmann Mr S Ngcongolo</p>	<p>No remedial actions needed</p>

	<p>The municipality accepted a written quotation from the following supplier; Graham and Rhona Beck Skills Centre, during the prior year (2012-2013) even though at the time of the award one of the directors of the suppliers was an employee of the municipality, notwithstanding that payment was only made after the employment resigned from the municipality. It should be noted that no payments were made in the current year.</p> <p>The said employee did not declare that he was a director of a company that does not business with the municipality. Furthermore, the declaration of interest was falsely submitted to indicate that the supplier was not in service of the municipality.</p> <p>The municipality may not be awarding quotations and tenders to suppliers in a fair and equitable manner.</p>		<p>Having regard to the aforementioned, I am of the view that Regulation 44 of the SCM is not applicable in the case of Mr D van Schalkwyk. This regulation is intended to prevent persons who are in the service of the state to do business with the state whilst on the payroll of State. Which is not the case with Dave who served on that board to protect the interest of the municipality.</p>		
No.	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date –
7	<p><b><u>COMAF 7</u></b></p> <p>Actual achievements reported do not agree to the source –</p> <p>During the audit of predetermined objectives the portfolio of evidence for the following indicator listed in table 1 did not agree to the actual achievements reported in the annual performance report</p> <p>In respect of TL88 management reported the percentage budget spent whereas the indicator specifies completion of the project. Since progress certificates were not used to report on the indicator, it was not possible to determine percentage of completion of the project</p>	<p>Management should ensure that all actual achievements reported in the annual performance report are supported with the valid, accurate and complete source information for audit purposes. Furthermore, management should adjust the annual performance report to reflect the actual achievement.</p>	<p>In the 14/15 SDBIP the unit of measurement for the KPI of building of the Bonnievale Reservoir, must change to % of capital budget spent.</p> <p>In the new 14/15 FY controls will be put in place to ensure that on a monthly basis the PMO officer assist Departments with loading and verifying the supporting evidence on the system.</p> <p>The information reported is verified monthly by the Compliance officer to ensure completeness, accuracy and relevance to the KPI.</p> <p>Compliance Officer and Performance Management officer will regularly visit the departments and help them compile the PoE.</p>	Mrs I Datson	<p>Monthly checking if information loaded on system as supporting documentation</p> <p>Monthly verification of correctness of information</p>



	<p>In respect of TL66, management included approved orders as part of the expenditure figures, however, the expenditure was not incurred as at year end, i.e. 30 June 2014.</p> <p>In respect of TL62 the engineering department measured water losses on a month to month basis and did not report the figure on an annual basis.</p>		Internal Audit to quarterly audit the SDBIP reports and comment on the correctness and validity of information provided per KPI.		
No.	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date
8	<p><b>COMAF 8 –</b></p> <p>No performance target set for rehabilitation and construction for new roads –</p> <p>The audit of predetermined objectives revealed that the municipality did not set key performance targets in its Integrated Development Plan (IDP) and Service Delivery Plan (SDBIP) that relate to the construction of new roads and upgrading of roads.</p> <p>The municipality plans in line with its approved Pavement Maintenance Plan and in the plan the construction of new roads and rehabilitation of roads is not a priority as these are based on demand and this demand is not annual demand which makes it impractical to have such an indicator.</p> <p>The municipality's development priorities/targets were note in line with national development priorities and focus areas.</p> <p>This was reported in the prior year (2012-13), however, due to the reasons above management has not set key performance indicators for the construction of new roads and upgrading of roads due to impracticability thereof</p>	<p>It is recommended that the municipality set targets regarding rehabilitation and construction of new roads as to be in line with the national development priorities in order for backlogs in respect of roads infrastructure to be managed effectively on a national level</p>	<p>The municipality does budget for the rehabilitation and the building of new roads. KPI number 91 in APR is evidence of that.</p> <p>The approved Pavement Management System of the Municipality indicate that we should be spending at least R9 million per annum for the next 20 years to get our roads to a good standard, but due to insufficient funds during the 2013/2014 financial year, only Muskadel Road was completed as part of the Pavement Management System.</p> <p>The rehabilitation of existing streets has been identified as one of the priorities in the Pavement Management System.</p> <p>The maintenance/rehabilitation of existing streets (including the cost of the backlog in maintenance/rehabilitation) are clearly identified and managed by means of the Pavement Management System to ensure that limited resources are spend in the most cost-effective way</p> <p>Targets for the construction of new streets cannot be set by the municipality for the reasons as explained above. Targets for the rehabilitation/maintenance of</p>	Mr I van der Westhuizen	<p>Rehabilitation/maintenance of existing streets will be done according to the Pavement Management system</p> <p>New streets will be constructed on demand</p>

			existing streets are set in the PMS but are dependent on the availability of funds.		
No.	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date –
9	<p><b><u>COMAF 9</u></b></p> <p>Financial Instruments (Amounts not disclosed)</p> <p>Paragraph 17 of Generally Recognised Accounting Practice 1 – <i>Presentation of financial statements</i> (GRAP 1) states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements. Management did not adequately review the qualitative notes to the financial statements to ensure that the information disclosed agrees to the detailed notes to the financial statements.</p>	<p>Management should implement manual controls to identify amounts in qualitative notes to the financial statements that need to be reconciled and agreed to the amounts per the detailed notes and this task should be delegated to an official in the finance unit. Furthermore, management should adjust the financial statements to reflect the appropriate amounts as per above.</p>	<p>Management will put measures in place to ensure that all disclosure notes in the Annual Financial Statements are checked for correct linking and casting and that it balances back to all relevant notes.</p> <p>At each future reporting date processes will be put in place to check and verify that disclosure notes balances back to relevant notes and that it is checked and reviewed by a person other than the compiler of the AFS.</p>	<p>Mr CF Hoffmann</p> <p>Mr B Brown</p>	<p>It is disclosed in the AFS</p>
No.	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date -
10	<p><b><u>COMAF 10</u></b></p> <p>Non-compliance with laws and regulations (Unauthorised Expenditure)</p> <p>Section 15(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), states that a municipality may, except where otherwise provided in this Act, incur expenditure only within the limits of the</p>	<p>It is recommended that management consider the potential impact of non-cash items during the adjustment budget process to ensure that unauthorised expenditure is not incurred or minimised.</p>	<p>Management agrees with the audit finding as raised but wish to state the following:</p> <p>It is extremely challenging to budget for certain non-cash items like actuarial losses as the outcome is based on actuarial valuations at financial position date and projections and forecasts is not known at the time the budget is compiled and approved.</p>	<p>Mr CF Hoffmann</p> <p>Mr B Brown</p>	<p>It is disclosed in the AFS</p>

	<p>amounts appropriated for the different votes in an approved budget.</p> <p>As disclosed in note 46.1, <i>Unauthorised expenditure</i>, expenditure to the amount of R10 666 858 was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.</p> <p>Non-cash adjustments arising from the implementation of IGRAP 1 relating to traffic fines and actuarial losses on employee benefits were not budgeted for and as a result an overspending occurred on these votes.</p> <p>The municipality may not be able to manage its finances adequately which could result in incorrect financial decisions taken thereby affecting service delivery. Furthermore, this results in non-compliance with section 62(1)(d) of the MFMA.</p>		<p>The year under review was the first year IGRAP 1 was applicable, the effect of the implementation was not known at the time of the budget compilation and approval.</p> <p>Management will consider the potential impact of non-cash items during the adjustment budget process to ensure that unauthorised expenditure is not incurred or minimised.</p>		
11	<p><b><u>COMAF 11</u></b></p> <p>Non-compliance with laws and regulations (Fruitless and Wasteful Expenditure)</p> <p>Section 62(1)(d) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), states that the accounting officer of a municipality must take all reasonable steps to ensure that fruitless and wasteful expenditure is prevented.</p> <p>As disclosed in note 46.2, <i>Fruitless and wasteful expenditure</i>, expenditure to the amount of R465 952 was incurred, therefore reasonable steps were not taken to prevent fruitless and wasteful expenditure as required by section 62(1)(d) of the MFMA.</p> <p>Two instances arose where an employees was found</p>	<p>It is recommended that management put preventative measures in place to avoid instances where employee negligence results in fruitless and wasteful expenditure.</p>	<p>Management agrees with the audit finding as raised but wish to state the following:</p> <p>Controls are in place to prevent fruitless and waste and wasteful expenditure, but in certain instances it is only detected after it has been incurred and in that instances the necessary applicable controls are in place to look at ways to recover it.</p> <p>Management will consider improved preventative controls to ensure that fruitless and waste expenditure is not incurred or minimised.</p>	<p>Mr CF Hoffmann Mr B Brown</p>	<p>It is disclosed in the AFS</p>

	<p>to have acted negligently in their duties which resulted in the municipality incurring expenditure in vein that could have been avoided had these employees acted with due care. These employees are currently under investigation to determine whether the expenditure can be recovered.</p> <p>The municipality may incur financial loss as a result of expenditure incurred in vein that could have been avoided had reasonable care been exercised.</p>				
<b>12</b>	<p><b>COMAF 12</b></p> <p>Paragraph 17 of Generally Recognised Accounting Practice 1 – Presentation of financial statements (GRAP 1) states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements.</p> <p>The audit identified a commitment that was disclosed in the note 48, Capital Commitments recorded at an incorrect amount. VAT was erroneously taken into account on a contract when the note for commitments was calculated.</p> <p>Commitments are overstated by R1 740 261.</p>	<p>Management should review the notes to the financial statements to ensure that information reflected therein agrees to the supporting schedules. Furthermore, management should amend the financial statements to accurately reflect commitments in respect of capital expenditure.</p>	<p>Management agrees with the audit finding as raised.</p>	<p>Mr CF Hoffmann Mr B Brown</p>	<p>Processes will be put in place to check and verify that the required notes balance to the schedules.</p>
<b>IT</b>	Audit Finding	AG Recommendation	Management Response	Responsible person	Action / Progress to Date -

1.	<p>User access management: User access control is the systematic process of managing the access of users to an application and network. The process includes the creation, approval, disabling, modifying, removal and monitoring of user accounts user accounts and related user privileges with a set of user access management procedures. Suprima is a feeder system into Promun therefore during the 2014 financial year management focused on the design of controls for monitoring system administrator activities and review of user access rights on Suprima. Management finalised the design of these controls during July 2014 and planned to implement the controls during the 2015 financial year.</p> <p>The municipality's user base is small and is well known to the IT manager. As a result, management considered the existing process sufficient to mitigate the risks associated with password resets.</p>	<p>Management should ensure that: System administrator activities on the applications are reviewed for appropriateness on a regular basis and evidence of these reviews should be retained for audit purposes. Management should consider the review of exception reports to identify suspicious system administrator activity on the applications. User access to the applications is reviewed on a regular basis to ensure that users' access is in line with current job responsibilities. Evidence of review should be retained for audit purposes. In addition a formal process for resetting network domain user passwords should be followed to ensure that the authenticity of the password request is confirmed and that the user's identify is sufficiently verified.</p>	<p>Management agrees with the finding and the internal control deficiency. Exception reports for Promun can be generated. The Finance Manager: I &amp; E will review these exception reports on a regular basis to identify any suspicious system administrator activity and also to identify any users that may have inappropriate/excessive access to the system. The recommendation will also be implemented for the Active Directory environment. Since no financial transactions are processed on Suprima, the primary controls for monitoring of user and system administrator access will be implemented on the Promun system. The user management policy will be updated to reflect this.</p> <p>Management agrees with the finding and the internal control deficiency. The process for password resets will be formalised to ensure that requests for password resets are documented. The updated process will be included in the user management policy and will be communicated to all users.</p>	<p>Mr E Prins Mrs C Matthys</p>	<p>An assessment of the corrective actions agreed upon by management will be performed after three months or as per the due date</p>
	<b>Audit Finding</b>	<b>AG Recommendation</b>	<b>Management Response</b>	<b>Responsible person</b>	<b>Action / Progress to Date -</b>
2.	<p><b>Security management -</b> Security management ensures that security controls are implemented to prevent unauthorised access to the network and information systems that generate the information used to prepare the financial statements. An AD migration from Windows 2003 to Windows 2008/2012 took place in February 2014 and not all of the password settings were transferred to the new version during the migration.</p>	<p>Management should review system password settings and amend settings where these are not in line with IT security policy requirements.</p> <p>Management should periodically review the firewall configuration. These reviews should provide an indication of key firewall security risks faced by the organisation and be aligned to the</p>	<p>Management agrees with the finding and the internal control deficiency. The password complexity and lockout duration settings have been updated as per the recommendation.</p> <p>A standard operating procedure for the firewall will be documented and will include procedures for reviewing the firewall configuration. A firewall audit will be performed and recommendations will also be</p>	<p>Mr E Prins Mrs C Matthys</p>	<p>The corrective actions agreed upon by management will be followed-up during the next audit.</p>

	<p>The firewall has been implemented in June 2014 and the municipality is still in the process of formalising management processes around the firewall.</p>	<p>firewall configuration settings that have been implemented. Evidence of these reviews should be maintained for audit purposes.</p> <p>The DRP should be amended to make provision for the firewall environment and should, at a minimum, include the following:</p> <ul style="list-style-type: none"> <li>• Disaster definitions</li> <li>• Definition of responsibilities and contact details of the firewall administrator and/or vendor</li> <li>• Firewall recovery/installation procedures (including the specific firewall version and firewall baseline standards)</li> <li>• Contingency processing alternative exists in the event that the firewall is not restored within the recovery time objectives.</li> </ul> <p>In addition management should restrict the range of internal and external IP addresses that are allowed to log on to the firewall for administrative purposes.</p>	<p>considered for inclusion in the standard operating procedure.</p> <p>The existing disaster recovery plan will be updated to make provision for the firewall. Once the DRP site is completed, disaster recovery tests will be performed and will include testing of the firewall.</p> <p>The range of internal and external IP addresses that are allowed to log on to the firewall will be restricted. A standard operating procedure for the firewall will be documented and will include the restricted range of IP addresses.</p>		
	<b>Audit Finding</b>	<b>AG Recommendation</b>	<b>Management Response</b>	<b>Responsible person</b>	<b>Action / Progress to Date -</b>
3.	<p><u>IT service continuity</u></p> <p>IT service continuity is the process of managing the availability of hardware, system software, application software and data to enable an organisation to recover/re-establish information systems services in the event of a disaster. The process includes IT continuity planning, disaster recovery plans and</p>	<p>Management should ensure that the backup policy is updated to reflect current processes, approved and implemented into daily operations. In addition, where failed backups are re-run to ensure that they are successful, evidence of the successful backups should be maintained for audit</p>	<p>Management is in agreement with the finding and internal control deficiency.</p> <p>The backup software configuration has already been amended to ensure that full backups of virtual servers (snapshots) are performed and that all scheduled backups are successfully run.</p> <p>The backup policy will also be updated to reflect the</p>	<p>Mr E Prins</p> <p>Mrs C Matthys</p>	<p>The corrective actions agreed upon by management will be followed-up during the next audit.</p>



	backups.	<p>purposes.</p> <p>Management should develop a project plan to monitor and track the completion of the disaster recovery site. Once DRP site is completed, the DRP should be formally tested according to predefined key performance criteria. Evidence of testing should be formally approved by appropriate management</p>	<p>new process that is being followed for backups.</p> <p>A Project Manager was appointed in 2014/15 financial year to manage the implementation of the disaster recovery site. A project plan will be put in place to monitor and track the progress of the disaster recovery site implementation according to agreed mile stones and timelines, and will also make provision for testing of the DRP once the site is completed.</p>		
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## **Appendix 3: Service Delivery Performance Report**

**Langeberg Municipality**  
**SDBIP 2014/2015: Mid-Year Report**

Ref	KPI	Unit of Measurement	Baseline	Annual Target	KPI Calculation Type	Sep-14			Dec-14						Overall Performance for Jul 2014 to Dec 2014		
						Target	Actual	R	Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R	
TL1	Conduct two (2) formal evaluations of directors in terms of their signed agreements	No of formal evaluations completed	2	2	Accumulative	1	0	R	0	1	B	Formal Evaluation took place on 12 November 2014		1	1	G	
TL2	Oversee the compilation of he IDP and the submission to Council for approval by end of March 2015	IDP submitted to Council	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL3	Oversee the compilation of the annual budget and the submission to Council for approval by end of May 2015	Budget submitted to council for approval	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL4	Oversee the submission of monthly reports in terms of Sect 71 of the MFMA before the 10th of the following month	No of Sect 71 reports submitted	12	12	Accumulative	3	3	G	3	3	G			6	6	G	
TL5	Oversee the submission of the Mid-Year Performance Report in terms of Sect 72 of the MFMA by end of January	Mid-Year report submitted to Council	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL6	Oversee the submission of the Annual and Oversight Report to Council by March 2015	Annual report and Oversight Report submitted to Council	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL7	Submit the Top Layer SDBIP to the Mayor for approval within 14 days after the annual budget has been approved	Top Layer SDBIP submitted to the Mayor	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL8	Develop and update an Audit Action Plan by end of March 2015	Management Action Plan	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL9	% of Capital Budget Spent on capital projects as identified in the SDBIP	95% of Capital Budget spent excl orders	90%	95%	Carry Over	25%	11.59%	R	50%	36.68%	R	Actual - 36.68% Orders - 31.8% Total - 68.48%	Actual - 36.68% Orders - 31.8% Total - 68.48%	50%	36.68%	R	
TL10	Create job oportunities through Implementing an expanded public works programme	Number of temporary job opportunities created	200	220	Accumulative	60	215	B	50	0	R	No jobs were created during December	New intake in February 2015	110	215	B	
TL11	Rreview and submit the Disaster Management Plan for assessment by the District by end May annually	Plan reviewed	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL12	Implement a Disaster Recovery Site by June 2015	Disaster recovery site fully implemented	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	

Ref	KPI	Unit of Measurement	Baseline	Annual Target	KPI Calculation Type	Sep-14			Dec-14						Overall Performance for Jul 2014 to Dec 2014		
						Target	Actual	R	Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R	
TL13	% of the municipal budget spent on implementing its WSP by June 2014	100 % of the municipal budget spent on implementing its WSP by June 2014	100	1%	Carry Over	0%	0%	N/A	0%	53.90%	B	53.9% of the budgeted amount has been spent		0%	53.90%	B	
TL14	Number of people from the EE target groups employed in the 3 highest levels of management in compliance with the approved EE plan	Number of people from the EE target groups employed in the highest 3 levels of management	1	1	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL15	Report monthly to the Municipal Manager on all property contracts	Monthly reports on the property contracts submitted to the Municipal Manager	12	12	Accumulative	3	3	G	3	3	G			6	6	G	
TL16	Conduct monthly ward committee meetings to ensure a functional ward committee system	Number of monthly ward committee meetings	10	10	Accumulative	3	13	B	2	0	R			5	13	B	
TL17	Report quarterly on compliance with the National Waste Management Strategy	Number of reports submitted	4	4	Accumulative	1	0	R	1	1	G	The quarterly report will be submitted in January 2015	The quarterly report will be submitted in January 2015	2	1	R	
TL18	Increase tonnage of domestic waste recycled	Tonnage	720	780	Accumulative	190	267.25	G2	190	195	G2	Weighbridge data (December 2014)		380	462.25	G2	
TL19	Limit unaccounted electricity to 7.5%	% of electricity unaccounted for	7.5	7.50%	Reverse Stand-Alone	7.50%	5.96%	B	7.50%	5.82%	B			7.50%	5.89%	B	
TL20	Achieve Blue Drop Status	Blue Drop Status achieved	50	50%	Carry Over	0%	0%	N/A	0%	0%	N/A			0%	0%	N/A	
TL21	Microbiological quality of water to comply with SANS standards	% of water quality	90%	90%	Carry Over	90%	96.67%	G2	90%	100%	G2	Lab results		90%	100%	G2	
TL22	Limit unaccounted water to 18%	% of water unaccounted for	18%	18%	Reverse Stand-Alone	18%	12.68%	B	18%	13.02%	B	Water balance		18%	12.85%	B	
TL23	Quality of effluent in terms of SANS standards	% quality	80%	80%	Carry Over	80%	80.67%	G2	80%	87%	G2	Lab results	Upgrade of Montagu WWTW	80%	87%	G2	
TL24	Achieve Green Drop Status	Green Drop Status achieved	50	50%	Carry Over	0%	0%	N/A	0%	0%	N/A			0%	0%	N/A	
TL25	% of budget spent on the installation of services	% of Budget Spent	100	100%	Carry Over	0%	16.04%	B	0%	40.08%	B	Actual - 40.08% Order - 10.26% Total - 50.33%		0%	40.08%	B	
TL26	Construct Bonnievale reservoir and related pipe work	Bonnievale Reservoir and related pipe work constructed by June 2015	New KPI for 2014/2015	100%	Carry Over	0%	54.49%	B	0%	65.83%	B	This is purely taken as of CAPEX report December 2014 for the current financial year.		0%	65.83%	B	
TL27	Comply with implementation and reporting requirements on MIG	100% Compliance with implementation and reporting requirements on MIG		100%	Carry Over	0%	0%	N/A	0%	0%	N/A			0%	0%	N/A	

Ref	KPI	Unit of Measurement	Baseline	Annual Target	KPI Calculation Type	Sep-14			Dec-14						Overall Performance for Jul 2014 to Dec 2014		
						Target	Actual	R	Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R	
TL28	Submit Grant progress reports to the relevant national and provincial department before the 10th working day of every month	Number of reports submitted before the 10th working day of every month	12	12	Accumulative	3	3	G	3	3	G			6	6	G	
TL29	Spend the total amount budgeted for Sewerage Capital Projects	% of Sewerage Capital Budget Spent	New KPI for 2014/2015	100%	Carry Over	25%	0%	R	50%	54%	G2		Jet Vac ordered, Montagu WWTW roll over project	50%	54%	G2	
TL30	Spend the total amount budgeted for the rehabilitation and construction of new roads	% of Budget spent on the rehabilitation and construction of new roads	New KPI for 2014/2015	100%	Carry Over	25%	0%	R	50%	22%	R	Bonnievale Stormwater roll over project, Violtjie Crescent under construction	Bonnievale Stormwater roll over project, Violtjie Crescent under construction	50%	22%	R	
TL31	Spend the total amount budgeted for Water Capital Projects	% of Water Capital Budget Spent	New KPI for 2014/2015	100%	Carry Over	25%	26.26%	G2	50%	54%	G2			50%	54%	G2	
TL32	Spend the total amount budgeted for Solid Waste Capital Projects	% of Cleansing Capital Budget Spent	New KPI for 2014/2015	100%	Carry Over	25%	0%	R	50%	0.77%	R	Actual - 0.77% Orders - 10.44% Total - 11.21%	Actual - 0.77% Orders - 10.44% Total - 11.21%	50%	0.77%	R	
TL33	Spend the total amount budgeted for Electrical Engineering Capital Projects	% of Electrical Engineering Capital Budget spent	New KPI for 2014/2015	100%	Carry Over	25%	5.86%	R	50%	57%	G2			50%	57%	G2	
TL34	Spend the total amount budgeted for Housing Capital Projects	% of Housing Capital Budget Spent	New KPI for 2014/2015	100%	Carry Over	25%	10.57%	R	50%	26%	R	Capex report	Awaiting final approval of McGregor housing project and Robertson TRA	50%	26%	R	
TL35	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	2	2.2	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL36	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations	Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	57	60	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL37	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	12.6	12	Carry Over	0	0	N/A	0	0	N/A			0	0	N/A	
TL38	Achieve a payment percentage of at least 100%	Payment %	97	100%	Carry Over	75%	79.79%	G2	90%	91.73%	G2	Payment percentage as at December 2014		90%	91.73%	G2	
TL39	Maintain the asset register in terms of GRAP	% of asset register maintained	1	100%	Carry Over	100%	0%	R	100%	100%	G	Comply with		100%	100%	G	
TL40	Maintain a clean audit opinion	Audit Opinion	New KPI for 2013/2014	1	Carry Over	0	0	N/A	1	1	G	Audit Report has been received		1	1	G	

Ref	KPI	Unit of Measurement	Baseline	Annual Target	KPI Calculation Type	Sep-14			Dec-14						Overall Performance for Jul 2014 to Dec 2014		
						Target	Actual	R	Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R	
TL41	Resolve all audit issues	% of audit queries for which an action plan was submitted within 10 working days	90%	90%	Carry Over	90%	0%	R	90%	90%	G	All the Comafs as received, has been resolved in the time frame		90%	90%	G	
TL42	Provide 6kl free basic water per indigent household per month in terms of the equitable share requirements	Number of HH receiving free basic water	6000	6,000	Stand-Alone	6,500	6,776.33	G2	6,400	7,162	G2	HH qualified for indigents and received free basic water		6,450	6,969.17	G2	
TL43	Provide free basic sanitation to indigent households in terms of the equitable share requirements	Number of HH receiving free basic sanitation	6000	6,000	Stand-Alone	6,500	6,775.67	G2	6,400	6,893.33	G2	HH qualified for indigents and received free basic sanitation		6,450	6,834.50	G2	
TL44	Provide 50kwh free basic electricity per indigent household per month in terms of the equitable share requirements	Number of HH receiving free basic electricity	6000	6,000	Stand-Alone	6,500	7,214.67	G2	6,400	7,387.67	G2	HH qualified for indigents and received free basic electricity		6,450	7,301.17	G2	
TL45	Provide free basic refuse removal to indigent households in terms of the equitable share requirements	Number of HH receiving free basic refuse removals	6000	6,000	Stand-Alone	6,500	6,785.33	G2	6,400	6,911	G2	HH qualified for indigents and received free basic refuse removal		6,450	6,848.17	G2	
TL46	Number of formal households with access to the basic level of water	Number of formal households with access to water	14637	14,660	Carry Over	14,640	14,595	O	14,645	14,595	O	As per financial system	Figures are the same as in July 2014	14,645	14,595	O	
TL47	Number of formal households with access to the basic level of sanitation	Number of formal households with access to sanitation	14923	14,950	Carry Over	14,930	14,792	O	14,935	14,792	O	As per financial system	Figures are the same as in July 2014	14,935	14,792	O	
TL48	Number of formal households with access to the basic level of electricity	Number of formal households with access to electricity	17022	17,050	Carry Over	17,030	16,833	O	17,035	16,833	O	As per financial system	Figures are the same as in July 2014	17,035	16,833	O	
TL49	Number of informal households with access to the basic level of water	Number of informal households with access to water	41	55	Carry Over	45	62	G2	48	62	G2	As per report in informal settlements	Service to be provided. Figures are the same as in July 2014	48	62	G2	
TL50	Number of informal households with access to the basic level of sanitation	Number of informal households with access to sanitation	62	75	Carry Over	65	62	O	68	62	O	As per report in informal settlements	Service to be provided. Figures are the same as in July 2014	68	62	O	
TL51	Number of informal households with access to the basic level of electricity	Number of informal households with access to electricity	245	265	Carry Over	250	251	G2	255	251	O	As per report in informal settlements	Service to be provided. Figures are the same as in July 2014	255	251	O	



## **MID-YEAR PERFORMANCE ASSESSMENT : JULY TO DECEMBER 2014 (9/2/1/3) (SNR MANAGER: BUDGET OFFICE)**

### **Purpose of report**

To submit to the Executive Mayor an assessment report on the Municipality's performance covering the period 1 July 2014 to 31 December 2014.

### **Background**

#### **1. Executive summary**

In terms of Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the accounting officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year and submit a report on such assessment to the mayor of the municipality, the National Treasury and the relevant provincial treasury. The mayor must, in turn, comply with the provisions of Section 54, which includes submitting the report to council by 31 January of each year.

#### **2 Constitutional and Policy Implications**

The process is currently driven by legislation.

#### **3 Legal Implications**

3.1 Section 72 (1), Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA).

3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Chapter 6 and Sections 16 and 26 of Chapters 4 and 5, respectively), as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003).

#### **4 Background**

4.1 In terms of Section 72 (1) of the MFMA, the accounting officer of a municipality must by 25 January of each year-

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

4.2 Thereafter, the mayor must, in terms of Section 54. (1)-

- (a) consider the report;
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) issue any appropriate instructions to the accounting officer to ensure-
  - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
  - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) submit the report to the council by 31 January of each year.

#### **Comments**

The Section 72(1) report can only be prepared/compiled after the section 71 monthly report for December 2014 was compiled and provided to National and Provincial Treasury on 15 January 2015.

**Attached to this report** is the Mid-Year Budget and Performance Assessment for the period 01 July 2014 to 31 December 2014.

#### **Recommendation**

That the content of the report in terms of section 72(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) be noted.

*Dat kennis geneem word van die verslag in terme van artikel 72(1) van die Plaaslike Regering Munisipale Finansies Bestuurswet, 2003 (Wet 56 van 2003).*

**Hierdie item het voor 'n Statutêre Raadsvergadering gedien op 27 Januarie 2015**  
**This item served before a Statutory Council Meeting on 27 January 2015**  
**Eenparig Besluit / Unanimously Resolved**

That the content of the report in terms of section 72(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) be noted.

*Dat kennis geneem word van die verslag in terme van artikel 72(1) van die Plaaslike Regering Munisipale Finansies Bestuurswet, 2003 (Wet 56 van 2003).*