In-Year Report

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

Monthly Budget Statement

August 2015

"An improved quality of life for all residents"

JOE GQABI DISTRICT MUNICIPALITY

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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.

Budget – The financial plan of the Joe Gqabi District Municipality.

Budget related policy – Policy of the municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as a non-current asset on the Municipalityôs balance sheet.

Cash flow statement – A statement including only actual receipts and expenditure by the Municipality. Cash payments and receipts do not always coincide with budgeted 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. The same principle applies with the cash receipts. The Municipality recognise the revenue on date of billing whilst payment may not appear in the same period; the receipt is recognised at date of receipt.

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.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between Municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting; this Municipality will need to fully comply by the end of June 2012.

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

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

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle 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 yearsô financial position.

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

Rates – Local Government tax levied in terms of the Local Government: Municipal Property Rates Act; Act 6 of 2004. The tax is based on the assessed market 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.

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

Unauthorised expenditure – Generally, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

MIG ï Municipal Infrastructure Grant

MWIG – Municipal Water Infrastructure Grant

WSOS – Water Services Operating Subsidy

Vote – One of the main segments into which a budget. In Joe Gqabi District Municipality this means at directorate level. The votes for Joe Gqabi therefore are:

- Management Services;
- Financial Services;
- Corporate Services;
- Technical Services; and
- Community Services.

PART 1 – IN-YEAR REPORT

Section 1 – Mayor's Report

1.1 PURPOSE

The purpose of this report is to comply with the section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009.

1.2 BACKGROUND

In terms of section 71(1) of the Municipal Finance Management Act (MFMA) the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

(a) Actual revenue, per revenue source;

(b) Actual borrowings;

(c) Actual expenditure, per vote;

(d) Actual capital expenditure, per vote;

(e) The amount of any allocations received;

(f) Actual expenditure on those allocations, excluding expenditure on–

- (i) its share of the local government equitable share; and

- (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) When necessary, an explanation of–

(i) Any material variances from the municipality have projected revenue by source, and from the municipality's expenditure projections per vote;

(ii) Any material variances from the service delivery and budget implementation plan; and

(iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

2.1 In-Year Report - Monthly Budget Statement

2.1.1The progress in implementation of budget in terms of SDBIP can be seen from the tables below.

Table 1: Operating Revenue per category

	July Actual	Aug Actual	YTD Actual	YTD Budget
Revenue by Source				
Government grants and subsidies	(87,388,404)	(5,449,690)	(92,838,094)	(137,301,000)
Public Contributions and Donations	0	0	0	-
Government Services	0	0	0	-
Interest earned - external investments	(242,444)	0	(242,444)	(564,308)
Other income	(23,384)	(19,647)	(43,031)	(261,000)
Service Charges:Water & Sanitation	(1,367,383)	(895,180)	(2,262,564)	(15,167,000)
TOTAL	(89,021,615)	(6,364,518)	(95,386,132)	(153,293,308)

The municipality has managed to raise 62% of its total operating revenue against the year to date budget of R153.293 million as at 31 August 2015, off which R2.2 million is the Actual revenue collected, against a year to date budget of R15.167 million, variance is due to low collections on the service charges of water and sanitation service.

The Government grants and subsidies is the major contributor in the municipalityÕs revenue as it constitutes 97 % of the total revenue.

Table 2: Operating Expenditure per category

	July Actual	Aug Actual	YTD Actual	YTD Budget
Expenditure by Nature (GFS Function)				
Employee related costs	11,503,789	11,839,002	23,342,792	23,083,457
Remuneration of Councillors	423,426	419,350	842,776	962,578
Debt Impairment	0	0	0	9,014,747
Depreciation and Amortisation	0	0	0	36,130,448
Finance charges	0	0	0	89,664
Contracted services	0	0	0	-
Grants and Subsidies paid	0	0	0	2,192,982
General expenses	6,386,874	3,860,831	10,247,705	23,184,737
TOTAL	18,314,089	16,119,184	34,433,273	94,658,613

The municipality has actual spent 36% of its operating expenditure when compared to year to date budget of R94.958 million. R16.119 million being the Actual expenditure for the month.

Detailed analysis follows:

Operating Expenditure by Nature

The figures in this section should represent the accrued amounts; in other words when the goods has been ordered; received or the invoice has been completed (reconciled with goods received and prices quoted) it should be captured as an expense. Currently the setup of the financial system does not cater for it in this manner. Shadow figures are reflected on the financial system once an order is issued. This action serves as a budgetary control mechanism and no actual financial entries are past. These figures cannot be used for reporting purposes. The amounts included as expenditure is currently only those for which a payment run has been completed.

- Depreciation has not yet been recognised and expensed in this current financial year and this will be corrected in next monthôs report and provision for July and August will be made to ensure that the monthly figures reported on are more reliable.

- **Employee related costs**

  In this line item the municipality has spent R23.343 million which constitutes 101 % when compared to year to date budget of R23.083million.

- **Remuneration of Councillors**

  The year-to-date budget for remuneration of councilors is R963 000 off which R423 426 is the year to date actual expenditure. As of this date the municipality has spent 88 % of its year-to-date budget.

  More detail with regard to the breakdown of the employee related cost and Remuneration of councillors is provided in table SC8 in Page 28.

  The ratio of 65% for the remuneration as % of total operating expenditure is above the norm of 25% - 40% as the municipality needs to be within.

- **General Expenses**

  In this line item, the municipality has reported an expenditure of R8.3 million as at 31 August 2015 which constitutes 101% of the year-to-date budget which is R10.2million. The R8.3 million for General expenses includes repairs and maintenance of R462 000 for the month.

Table 3: Capital Expenditure by Municipal Vote

Capital Expenditure

The detail of this section can be found in Section 4 of this report Table C5 and also in Supporting table SC12; SC13a and SC13b.

	July Actual	Aug Actual	YTD Actual	YTD Budget
Capital Expenditure by GFS				
Executive & Council	-	-	-	-
Budget & Treasury	-	-	-	33,332.00
Corporate Services	-	23,000	23,000	1,245,866.00
Planning & Development	-	-	-	-
Health	-	-	-	-
Community & Social Services	-	-	-	-
Public Safety	-	-	-	5,000,000.00
Environmental Protection	-	-	-	-
Road Transport	-	-	-	-
Other	-	-	-	-
Waste Management	645,830	1,187,351	1,833,181	17,788,006.00
Water	2,265,897	266,786	2,532,683	65,944,791.00
TOTAL	2,911,728	1,477,136	4,388,864	90,011,995

Capital Expenditure by Vote

The capital expenditure recognised for the month of August is R1.4 million being the actual money spent on provision of service delivery in water and sanitation.

The monthly ratio of capital expenditure to total expenditure is acceptable at 14 %, since it is within the norm of 10% - 20%, This range reflects that the municipality is prioritising its expenditure towards current operations versus future capacity in terms of Municipal services and also reflects a better spending in infrastructure and acceleration in service delivery.

MIG grant is the main contributor of JGDMÕs capital budget.

2.1.2 Other information

Additional clarity on the content of this report or answers to any questions posed will be given at the committee meetings by the Chief Financial Officer.

Section 2 - Resolutions

Recommended resolution to Council with regard to August 2015 in-year report is:

RESOLVED

(a) That the Council take note of contents in the in-year monthly report for August 2015 as set out in the schedules contained in Section 4:

a. Table C1 ï Monthly Budget Statement Summary;

b. Table C2 ï Monthly Budget Statement ï Financial Performance (Standard classification);

c. Table C3 ï Monthly Budget Statement ï Financial Performance Standard classification (Revenue and expenditure by Municipal Vote)

d. Table C4 ï Monthly Budget Statement ï Financial Performance (Revenue by Source and Expenditure by Type)

e. Table C5 ï Monthly Budget Statement ï Capital Expenditure;

f. Table C6 ï Monthly Budget statement ï Financial Position; and

g. Table C7 ï Monthly Budget statement ï Cash Flows.

(b) That the Council take note that the report was submitted to the Executive Mayor on 14 September 2015.

(c) Any other resolutions required by the Council.

Section 3 – Executive Summary

3.1 Introduction

This Budget statement report for August 2015 of Joe Gqabi District Municipality was prepared via the SAMRAS financial system to comply with the Budget and Reporting Regulations and guidelines as issued by NT.

3.2 Financial Performance; Position and Cash flow

Section 4 of this report includes the tables with the detail figures.

3.2.1 Financial Performance

The detail of this section can be found in Section 4 of this report Table C2 (Summary per GFS); Table C3 (Summary per Municipal Vote) and Table C4 (Summary by Revenue Source and Expenditure Type). The latter is used to provide the executive summary.

3.2.1.1 Revenue by Source

It must be pointed out that in this section the figures represent the accrued amount and not actual cash receipts; in other words the amounts billed. The transfers recognised represents only that portion of the grants and subsidies of which the conditions has been met; in otherwise only reflect the expenditure and not the receipts.

The other sources of revenue that have material variances in rand value are:

- **Interest Earned – External investments**

  The actual amount for Interest on Investments is R242 000 and this amount constitutes 43% of the year to date amount which is R564 000.

- **Other revenue**

  Other Revenue is made up of contribution from LG Seta and Photostats.

3.2.2 Financial Position

The detail of this section can be found in Section 4 of this report Table C6 (Financial Position) below:

The financial position indicates what position Joe Gqabi District Municipality is in considering things like the assets, liabilities and the equity at the end of August 2015.

The current accumulated surplus of the municipality as at 31 August 2015 is R1. 266 billion.

3.2.2.1 Current Assets

- **Cash**

The amount of R16 300 also includes cash floats in the form of petty cash and cashier floats. The rest is the ñcashbook balanceò of the primary bank account.

- **Call Investment Deposits**

Call investment deposits consist of investments made with various institutions when there is surplus cash available in the main bank account. These monies are then transferred to the general bank account and as when needed. The investment policy is used to determine what bank to invest money into.

A monthly investment register is submitted to management.

- **Other debtors**

The other debtors represent the movement which is due to monthly deductions from the staff memberôs salaries and ex staff members.

- **Inventory**

-The year to date value of inventory as at 31 August 2015 is R3.3 million.

The current ratio of the month is 0.9 of which is below the norm of 1.5 ï 2.1

3.2.2.2 Non-Current Assets

The year to date non-current assets is R1.3 billion which constitutes 93% of the adjustment budget of R 1.4 billion and this reflects that the municipality is still in line with its budget for this line item.

3.2.2.3 Current Liabilities

It is a common practice with Municipalities that the short-term portion of the long-term liabilities is not kept in a separate general ledger account. Nor is the balance of this account kept up-to-date on a monthly basis; although it would be a good practice. The BTO has taken a decision to split this in the records of JGDM in the next financial years.

- **Trade and other payables**

  The detail of this section can be found in Section 6 of this report Table C6 (Statement of Financial Position and SC4 (Aged Creditors).

  The amount of the trade and other payables as at 31 August 2015 is R221.310 million and this amount includes creditors, provisions, and unspent conditional grants.

  The actual total amount of creditors as at August 2015 is R9.6 million

  It must be noted that the age analysis is based on invoice date not invoice received. So in terms of the MFMA requirements the DM is complying.

3.2.2 Cash Flow

The detail of this section can be found in Section 4 of this report Table C7 (Cash Flow)

The cash flow statement of the month indicates that the municipality has ended the month with a positive cash balance of R2.6 million.

3.3 Remedial or corrective steps

The remedial or corrective steps are listed in order of importance below:

3.3.1 Bank reconciliation

The daily automated bank reconciliation is functioning but we have faced challenges with it which led to us reverting back to the manual bank reconciliation. However, the information is derived from the system and the necessary journals are identified early and processed as and when they occur.

3.3.2 Monthly Procedures

To get the in-year figures more accurate the monthly actions with regard to the following have been instituted:

- Contributions of medical aid for pensioners;
- Creditors and Debtors reconciliations
- VAT reconciliation;
- Depreciation;
- Short term portion of long-term liabilities; and
- Recognition of interest earned both for call deposits and non-current investments
- Identifying incorrect allocations and wrong vote classifications

3.3.3 Recognition of Trade payables

There is a monthly integrity report that is throwing exceptions on the creditorôs module. This matter has been reported to the relevant manager and is being addressed.

3.5 Conclusion

JGDM had many challenges during the last financial year due to the effects of taking over the water and sanitation services from the local municipalities. SCM issues like getting suppliers and making new arrangements have had challenges. These are expected to normalise.

The daily cash flow analysis is an issue that together with the daily bank reconciliations is assisting the Finance Department to continue with its determined goal of turning the cash flow crisis around. However, an aim for the finance department is to have the daily cash flow generated directly from the system and not to be done manually.

The fact that the asset module and the payroll module of SAMRAS are not being used results in the SAMRAS system not being utilized to its full potential. Management is in the process of investigating this matter. The use of these two modules has many benefits and will eliminate any integration errors. A project plan is in place to implement these.

The efforts of the institution have paid off with an unqualified audit opinion being the outcome of the 2013/2014 audit. There are already measures in place to clear the few items still raised and to set the standards higher and higher for JGDM.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: Monthly Budget Statement Summary (This table provide a summary of the most important information by pulling its information from the other tables to follow.)

DC14 Joe Gqabi - Table C1 Monthly Budget Statement Summary - M02 August

Description	2014/15								
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual					
Financial Performance									
Property rates	–	–	–						
Service charges	42,865	62,281	62,281	8					
Investment revenue	3,901	3,368	3,368						
Transfers recognised - operational	235,192	351,410	351,410	1					
Other own revenue	7,404	4,756	4,756						
Total Revenue (excluding capital transfers and contributions)	**289,362**	**421,815**	**421,815**	**1,0**					
Employee costs	153,749	179,963	179,963	11,8					
Remuneration of Councillors	5,263	6,031	6,031	4					
Depreciation & asset impairment	44,240	47,867	47,867						
Finance charges	4,462	2,294	2,294						
Materials and bulk purchases	3,004	10,480	10,480						
Transfers and grants	–	26,316	26,316						
Other expenditure	275,813	194,704	194,704	3,8					

4.1.2 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 the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.)

DC14 Joe Gqabi - Table C2 Monthly Budget Statement - Financial Performance (st

Description	Ref	2014/15								
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands	1									
Revenue - Standard										
Governance and administration		202,935	226,453	226,453						
Executive and council		5,490	6,800	6,800						
Budget and treasury office		196,187	219,153	219,153						
Corporate services		1,258	500	500						
Community and public safety		–	–	–						
Community and social services		–	–	–						
Sport and recreation		–	–	–						
Public safety		–	–	–						
Housing		–	–	–						
Health		–	–	–						
Economic and environmental services		204,229	222,695	222,695						

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

(The budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality. As part of Table C3; a table with the sub-votes is also prepared.)

DC14 Joe Gqabi - Table C3 Monthly Budget Statement - Financial Performance (re

Vote Description	Ref	2014/15								
R thousands		Audited Outcome	Original Budget	Adjusted Budget						
Revenue by Vote	1									
Vote 1 - MANAGEMENT SERVICES		5,490	6,800	6,8C						
Vote 2 - FINANCIAL SERVICES		280,182	281,434	281,43						
Vote 3 - CORPORATE SERVICES		1,258	500	5C						
Vote 4 - TECHNICAL SERVICES		248,555	360,929	360,92						
Vote 5 - COMMUNITY SERVICES		4,249	10,966	10,9€						
Vote 6 - [NAME OF VOTE 6]		–	–	–						
Vote 7 - [NAME OF VOTE 7]		–	–	–						
Vote 8 - [NAME OF VOTE 8]		–	–	–						
Vote 9 - [NAME OF VOTE 9]		–	–	–						

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

(This table reflects the operating budget and actual figures of the financial performance. The revenue is specifically set out by source due to the fact that Council approves the revenue budget by source and the expenditure budget by vote.)

DC14 Joe Gqabi - Table C4 Monthly Budget Statement - Financial Performance (rever

Description	Ref	2014/15								
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands										
Revenue By Source										
Property rates		–	–	–						
Property rates - penalties & collection charges		–	–	–						
Service charges - electricity revenue		–	–	–						
Service charges - water revenue		24,734	50,271	50,27						
Service charges - sanitation revenue		18,131	12,010	12,01						
Service charges - refuse revenue		–	–	–						
Service charges - other		–	–	–						
Rental of facilities and equipment		–	–	–						
Interest earned - external investments		3,901	3,368	3,36						
Interest earned - outstanding debtors		5,808	2,704	2,70						
Dividends received		–	–	–						
Fines		–	–	–						
Licences and permits		–	–	–						

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

DC14 Joe Gqabi - Table C5 Monthly Budget Statement - Capital Expenditure (mun

Vote Description	Ref	2014/15 Audited Outcome	Original Budget	Adjust Budge					
R thousands	1								
Multi-Year expenditure appropriation	2								
Vote 1 - MANAGEMENT SERVICES		–	–						
Vote 2 - FINANCIAL SERVICES		–	–						
Vote 3 - CORPORATE SERVICES		–	–						
Vote 4 - TECHNICAL SERVICES		–	–						
Vote 5 - COMMUNITY SERVICES		–	–						
Vote 6 - [NAME OF VOTE 6]		–	–						
Vote 7 - [NAME OF VOTE 7]		–	–						
Vote 8 - [NAME OF VOTE 8]		–	–						
Vote 9 - [NAME OF VOTE 9]		–	–						
Vote 10 - [NAME OF VOTE 10]		–	–						
Vote 11 - [NAME OF VOTE 11]		–	–						
Vote 12 - [NAME OF VOTE 12]		–	–						
Vote 13 - [NAME OF VOTE 13]		–	–						
Vote 14 - [NAME OF VOTE 14]		–	–						

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC14 Joe Gqabi - Table C6 Monthly Budget Statement - Financial

Description	Ref	2014/15 Audited Outcome				
R thousands	1					
ASSETS						
Current assets						
Cash		35,936				
Call investment deposits		35,920				
Consumer debtors		71,533				
Other debtors		(150,480)				
Current portion of long-term receivables		–				
Inventory		3,891				
Total current assets		**(3,199)**				
Non current assets						

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

Description	Ref	2014/15								
R thousands	1	Audited Outcome	Original Budget	Adju Bu						
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		47,817	81,939							
Government - operating		311,264	254,204							
Government - capital		96,876	209,478							
Interest		4,535	2,394							
Dividends		–	–							
Payments										
Suppliers and employees		(345,992)	(348,588)							
Finance charges		(764)	(4,121)							

PART 2 – IN-YEAR REPORT

Section 5 – Debtors' analysis

5.1 Supporting Table SC3

The table below shows debtorsô listing from Local Municipalities and billing information is journalised monthly. The debtors are very high as no bad debts have been written off.

Debtors are not being managed by means of the SAMRAS system. The figures on the table below are not accurate as the debtorsô list is also not being balanced to the General Ledger. The municipality is in the process of resolving this issue.

DC14 Joe Gqabi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description R thousands	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days								
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6,477	8,940	5,442	6,897								
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–								
Receivables from Non-exchange Transactions - Property Rates	1400	–	–	–	–								
Receivables from Exchange Transactions - Waste Water Management	1500	2,026	1,847	1,630	1,621								
Receivables from Exchange Transactions - Waste Management	1600	–	–	–	–								
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–								
Interest on Arrear Debtor Accounts	1810	–	–	–	–								
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–								
Other	1900	8,404	–	–	16,923								
Total By Income Source	2000	16,907	10,787	7,072	25,441								

Section 6 – Creditors' analysis

6.1 Supporting Table SC4

The table below is the reflection of the creditorôs age analysis as at 31 July 2015 with the total creditors of R9.6 million.

DC14 Joe Gqabi - Supporting Table SC4 Monthly Budget Statement - aged credit

Description R thousands	NT Code	0 - 30 Days	31 - 60 Days	61 - 90 Days	9 120					
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	4	–	–						
Bulk Water	0200	–	–	–						
PAYE deductions	0300	–	–	–						
VAT (output less input)	0400	–	–	–						
Pensions / Retirement deductions	0500	–	–	–						
Loan repayments	0600	–	–	–						
Trade Creditors	0700	1,142	8,489	–						
Auditor General	0800	–	–	–						
Other	0900	14	4	–						
Total By Customer Type	1000	1,161	8,493							

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

The investments of Joe Gqabi are represented by the investment in the entity Jogeda and a zero coupon investment at DBSA. The current investment register will be changed to make provision for call investment deposits (Deposits shorter than 90 days); Short term investments (Deposits longer than 90 days but shorter than 12 months) and non-current investments.

Table SC5 correctly represent only the non current investments to the value of R 3.297 million.

DC14 Joe Gqabi - Supporting Table SC5 Monthly Budget Statement - investment portf

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment					
Municipality									
JOGEDA		NA	Entity	NA					
DBSA			Zero coupon						
Municipality sub-total									
Entities									

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grants

This table below shows the status of grants transfer and expenditure to date

Grants	ALLOCATIONS	RECEIVED TO DATE	SPENT TO DATE	% SPENT TO DATE
	R	R	R	
Equitable Share	R209,607,000	R87,336,000	(87,336,000)	100%
Finance Management Grant	R1,250,000	R1,250,000	(R82,265,91)	7%
EPWP Incentive	R1,379,000	R552,000	(R10,117,50)	2%
Municipal Water Infrastructure grant	R25,011,000	R6 253 000	-	#DIV/0!
Municipal Infrastructure grant	154,270,000	R77,500,000	(R7 837 369)	10.%
Municipal Systems Improvement	R940,000	R940 000	(R118,743,04)	13%
Rural Roads and Asset Management	R2,080,000	R2 080 00	-	#DIV/0!
Water Services Operating Subsidy	R5,000,000	R1 250 000	-	#DIV/0!
TOTAL	R399 537 700	R176 609 000	(R95 225 773)	

Section 9 – Expenditure on councillor and board members allowances and employee benefits

9.1 Supporting Table C8

Table SC8 seeks to comply with the reporting requirements of Sect 66 of the MFMA regarding disclosure of expenditure on staff benefits.

DC14 Joe Gqabi - Supporting Table SC8 Monthly Budget Statement - councillor and staff ben

Summary of Employee and Councillor remuneration R thousands	Ref	2015/16 Audited Outcome	Original Budget	Adjusted Budget	I					
	1	A	B	C						
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,572	2,972	2,972						
Pension and UIF Contributions		441	453	453						
Medical Aid Contributions		108	111	111						
Motor Vehicle Allowance		864	1,341	1,341						
Cellphone Allowance		218	580	580						
Housing Allowances		12	518	518						
Other benefits and allowances		43	57	57						
Sub Total - Councillors		**5,259**	**6,031**	**6,031**						
% increase	4		**14.7%**	**14.7%**						
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,702	6,307	6,307						
Pension and UIF Contributions		199	213	213						
Medical Aid Contributions		107	121	121						
Overtime		–	–	–						

Section 10 – Capital programme performance

10. Supporting Table C13

Supporting Tables SC13 include the following:

- SC13a: Capital expenditure on new assets by asset class
- SC13b: Capital expenditure on renewal of existing assets by asset class

These two tables total to Table C5.

DC14 Joe Gqabi - Supporting Table SC13a Monthly Budget Statement - capital expenditu

Description	Ref	2015/16 Audited Outcome	Original Budget	Adjusted Budget	Mor ac				
R thousands	1								
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure		–	124,871	124,871					
Infrastructure - Road transport		–	–	–					
Roads, Pavements & Bridges		–	–	–					
Storm water		–	–	–					
Infrastructure - Electricity		–	–	–					
Generation		–	–	–					
Transmission & Reticulation		–	–	–					
Street Lighting		–	–	–					
Infrastructure - Water		–	79,897	79,897					
Dams & Reservoirs		–	4,386	4,386					
Water purification		–	–	–					
Reticulation		–	75,511	75,511					
Infrastructure - Sanitation		–	44,974	44,974					
Reticulation		–	44,974	44,944					

- SC13c: Expenditure on repairs and maintenance by asset class

The capital budget projects or items should be split between new and replacement. The original approved budget did not provide the detail in order to do this. At present all capital projects/items is captured as if it is new assets.

DC14 Joe Gqabi - Supporting Table SC13c Monthly Budget Statement - expenditure on re

Description	Ref	2015/16 Audited Outcome	Original Budget	Adjusted Budget	Mor ac				
R thousands	1								
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure		**10,838**	**9,582**	**10,582**					
Infrastructure - Road transport		3,852	1,283	2,283					
Roads, Pavements & Bridges		3,852	1,283	2,283					
Storm water		–	–	–					
Infrastructure - Electricity		–	–	–					
Generation		–	–	–					
Transmission & Reticulation		–	–	–					
Street Lighting		–	–	–					
Infrastructure - Water		6,987	8,299	8,299					
Dams & Reservoirs		–	–	–					
Water purification		–	–	–					
Reticulation		6,987	8,299	8,299					
Infrastructure - Sanitation		–	–	–					
Reticulation		–	–	–					

Section 11 – Material variances to the SDBIP

11.1 Overview

No comments apart from those already mentioned in the executive summary.

Section 12 – Other supporting documentation

12.1 Other information

None

Section 13 – Municipal Manager's quality certification

QUALITY CERTIFICATE

I, ZA Williams, the Municipal Manager of Joe Gqabi District Municipality, hereby certifies that:

[x] the monthly budget statement;

[ ] quarterly report on the implementation of the budget;

[ ] mid-year budget and performance assessment;

For the month August 2015 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act.

Print Name: _____

Municipal Manager of Joe Gqabi District Municipality (DC14)

Signature: _____

Date: 14.09.2015_____