

MONTHLY BUDGET STATEMENTS: 30 NOVEMBER 2011

PURPOSE

The purpose of this report is to inform the Accounting Officer on the state of the municipality's budget for 2011/2012

BACKGROUND

Section 71 of the MFMA requires the Accounting Officer to submit a monthly report to the Mayor and the relevant Provincial Treasury. This statement must be in a prescribed format and reflect the state of the Municipality's budget.

DISCUSSION

The report covers the period from 1 July 2011 to 30 November 2011. The spending and revenue at this stage should be in the region of 41.67. The actual income and expenditure appears in "Annexure A" reflects detail that relates to the budget actual spending, and actual revenue, per month and year to date. Overall, the total income in relation to the budget is 31.51% the expenditure is 27.95%

1. REVENUE SOURCES

Revenue by source	Original Budget 11/12	Actual for 31 October 2011	Actual for 30 November 2011	Year to date As at 30 November 2011	Pro-rata Budget 11/12	%
Tariff Charges Levied	1,040,996,762	68,910,671	79,777,470	383,000,526	433,748,651	36.79
Tariff Charges/ other	132,409,384	12,532,127	11,527,059	49,511,066	55,170,577	37.39
Grants & Subsidies	307,000,000	0	33,699,952	33,699,952	127,916,667	10.98
Fines	11,054,318	118,785	594,249	2,846,566	4,605,966	25.75
Interests	66,541,290	3,061,059	3,157,390	14,707,860	27,725,538	22.10
Rent & Facilities	6,766,100	1,262,468	580,287	3,114,228	2,819,208	46.03
License & Permits	7,076,734	640,682	561,274	3,152,143	2,948,639	44.54
Sale Assets	400,000	0	0	0	166,667	0.00
Other Income	100,217,987	5,888,592	5,416,603	35,748,314	41,757,495	35.67
Departmental	18,713,743	1,360,592	1,245,835	7,065,635	7,797,391	37.76
TOTAL	1,691,176,318	93,774,976	136,560,119	532,846,290	704,656,799	31.51

Votes per line item for Other Income, See Annexure F

Revenue per department

Revenue per department	Original Budget	Actual 31 October 2011	Actual 30 November 2011	YTD as at 30 November 2011	Pro-rata 11/12	%
Public Safety	88,563,804	6,187,781	5,608,412	32,606,101	36,901,585	36.82
Health services	347,986	0	17,431	20,021	144,994	5.75
Community services	119,166,370	10,643,356	12,638,804	50,985,230	49,652,654	42.78
Sports	1,460,193	179,789	668,197	932,222	608,414	63.84
Housing	2,832,351	240	85,952	88,694	1,180,146	3.13
Council's General	9,613,454	331,641	300,427	7,666,354	4,005,606	79.75
Civil Engineering	337,131,266	30,328,423	34,775,865	137,254,581	140,471,361	40.71
Electrical Engineering	573,241,145	34,654,646	34,477,069	184,038,851	238,850,477	32.10
Corporate Services	224,471	22,471	470,527	534,217	93,530	237.99
Finance	544,685,907	9,820,370	45,963,101	112,045,753	226,952,461	20.57
Market	13,909,371	1,606,259	1,554,334	6,674,266	5,795,571	47.98
TOTAL	1,691,176,318	93,774,976	136,560,119	532,846,290	704,656,799	31.51

*Council general is at 76.62% due to the money deposited into our bank account from Isago Developers for the N12 mall

UNDER COLLECTED INCOME

Public Safety

- Other service charges: fees convoy – Attending to abnormal loads only as and when requested.
- Other income: Payment province license – Drivers license are renewed every five years and as when required by member of public.

Health

- Other income: Cleaning of stands – Health department requested to move out this vote because is not health services function.
- Paupers – Expenditure must be claimed back from District Council.

Housing

- Rental facilities and equipment: Orkney, Stilfontein and Randlespark – The collection for this hostel votes went to Council General vote.
- Jouberton hostel the lease agreement for this CRU's has been submitted to finance for opening new accounts.

Electrical engineering

- Other service charges: Pre- paid and Power cards – The under collection can be caused by possibility of electrical theft and tampering of pre-paid boxes.

Finance

- Other income: Sales of tender – Tender its stopped due to cash flow constraints, capital projects are delayed.
- Interest on investment – Interest rates is on the lowest levels in years.

BASIC SERVICES

Nov 2011	BILLING	RECEIPTS	%
- Assessment rates	11,603,462	10,722,373	92.41
- Sales of electricity	30,126,839	25,953,017	86.15
- Sales of water	13,702,570	10,385,785	75.79
- Refuse removal	3,378,951	2,390,322	70.74
- Sewerage	4,245,720	3,640,866	85.75
	63,057,542	53,092,364	84.20

2. OPERATIONAL EXPENDITURE

Operating Expenses	Original Budget	Actual 31 October 2011	Actual 30 November 2011	Year To Date As at 30 November 2011	Pro – rata 2011/2012	% Spent
Employee cost	392,482,934	31,471,112	31,244,347	157,590,807	163,534,556	40.15
General Expenditure	483,077,029	36,134,627	35,567,985	153,533,315	201,282,097	31.78
Departmental Charges	14,951,847	2,595,912	1,245,004	7,010,097	6,229,936	46.88
Bulk Purchase:						
Water	140,546,869	3,508,772	10,458,625	24,969,346	58,561,195	17.77
Electricity	355,733,648	35,740,835	4,773,617	89,107,244	148,222,353	25.05
Repair & Maintenance	66,816,194	2,232,102	3,419,274	13,615,451	27,840,081	20.38
		0	0			
Depreciation	180,361,966			0	75,150,819	0.00
Contributions	137,644,704	11,470,392	11,470,392	57,351,960	57,351,960	41.67
Recharges	-37,902,671	-3,753,398	-3,718,279	-18,653,439	-15,792,780	49.21
Total	1,733,712,520	119,400,354	94,460,965	484,524,781	722,380,217	27.95

Votes per line item for General Expenditure. See Annexure E

Operational expenditure per department

Expenditure by vote	Original Budget	Actual 31 October 2011	Actual 30 November 2011	Year to date as at 30 November 2011	Pro-rata 11/12	%
Public Safety	152,252,738	15,156,555	7,229,748	43,992,978	63,438,641	28.89
Health services	10,338,240	494,566	536,839	2,626,222	4,307,600	25.40
Community services	148,834,768	10,394,359	13,897,693	52,666,332	62,014,487	35.39
Sports	39,229,442	2,874,900	2,515,714	12,936,130	16,345,601	32.98
Housing	9,839,744	624,859	560,547	2,721,018	4,099,893	27.65
Council's General	112,984,483	4,739,594	5,597,548	30,402,610	47,076,868	26.91
Civil Engineering	476,205,756	18,551,190	28,377,805	99,005,912	198,419,065	20.79
Electrical Engineering	474,313,455	42,855,578	12,157,743	120,867,640	197,630,606	25.48
Corporate Services	31,441,114	2,389,032	2,293,484	11,584,606	13,100,464	36.85
Finance	255,777,490	19,811,840	19,912,184	100,300,034	106,573,954	39.21
Market	17,892,268	1,088,362	906,309	5,455,112	7,455,112	28.47
LED	4,603,022	419,519	475,351	2,326,650	1,917,926	50.55
TOTAL	1,733,712,520	119,400,354	94,460,965	484,524,781	722,380,217	27.95

OVER-SPENDING EXPENDITURE

LED

- Vehicle maintenance – The overspending on this vote is due the repairs on vehicles which was pending at garage since previous financial year.

*Overtime budget for all Departments are at 42.83% which is over the pro- rata by 4%

The following departments are overspent on overtime:

Departments	%
Housing	137.86
Sports	68.57
Civil Engineering	55.71
Electrical Engineering	46.52
Finance	48.56
Corporate Service	87.46

- Housing overtime was sorted out but still there is wrong allocation, department should monitor their votes.

Repairs and Maintenance per Department

Expenditure by vote	Original Budget	Actual 31 October 2011	Actual 30 November 2011	Year to date as at 30 November 2011	Pro-rata Budget 11/12	%
Public Safety	3,628,113	172,247	219,327	1,245,433	1,511,714	34.33
Health services	14,205	0	0	253	5,919	1.78
Community services	8,603,590	143,378	431,957	1,078,090	3,584,829	12.53
Sports Arts & Culture	3,910,999	93,043	139,434	655,105	1,629,583	16.75
Housing	60,236	0	4,016	34,924	25,098	57.98
Council's General	400,385	7,101	18,025	59,439	166,827	14.85
Civil Engineering	24,870,696	462,129	1,176,281	5,092,214	10,362,790	20.47
Electrical Engineering	19,994,256	916,103	985,493	3,967,336	8,330,940	19.84
Corporate Services	695,005	8,806	17,589	104,987	289,585	15.11
Finance	3,302,356	306,058	398,526	1,029,011	1,375,982	31.16
Market	1,247,956	120,006	26,812	342,632	519,982	27.46
LED	88,397	3,230	1,814	6,026	36,832	6.82
TOTAL	66,816,194	2,232,101	3,419,274	13,615,450	27,840,081	20.38

Repairs and maintenance per line item is attached. See Annexure D

TRANSFERS FROM OTHER RESERVES

	Original Budget	Actual 31 October 2011	Actual 30 November 2011	YTD 30 November 2011	Pro-rata Budget 11/12	%
Offset Depreciation	42,463,062	0		0	17,692,943	0
Leave Provision	100,283			0	40,785	0
Transfer from CRR	97,831,400	8,152,617	23,726,729	56,337,196	40,763,083	57.59
TOTAL	140,394,745	8,152,617	23,726,729	56,337,196	58,497,810	40.13

TRANSFERS TO OTHER RESERVES

	Original Budget	Actual 31 October 2011	Actual November 2011	YTD 30 November 2011	Pro-rata Budget 11/12	%
Contribution to Capital Reserves	97,831,400	2,690,036	287,042	3,273,200	40,763,083	3.35
TOTAL	97,831,400	2,690,036	287,042	3,273,200	40,763,083	3.35

ACTUAL CAPITAL EXPENDITURE PER VOTE

Capital expenditure by vote	Original Budget	Actual 31 October 2011	Actual 30 November 2011	Year to date as at 30 November 2011	Pro-rata Budget 2011/2012	%
Public Safety	4,040,687	1,100	50,344	77,014	1683,620	1.91
Community Services	10,297,440	908,642	-1,008,458	758,866	3,575,728	8.84
Health	161,200	0	0	0	67,167	0
Sports	11,525,000	0	1,019,525	1,016,525	5,516,955	7.70
Housing	70,000	0	0	14,486	29,167	20.69
Council General Expenditure	19,602,500	2,142	0	2,920,022	8,167,708	14.90
City Civil Engineer	98,847,011	2,355,158	3,287,294	11,026,871	41,186,255	11.16
Municipal Infrastructure Grant(MIG)	99,609,000	29,371	1,894,829	1,924,200	41,503,750	1.93
City Electrical Engineer	60,573,390	1,557,923	19,662	33,592,632	25,238,913	55.46
NER	8,719,000	0	258,078	258,078	3,632,917	2.96
Corporate Services	5,431,600	2,447	1,992	4,439	2,263,167	0.08
Finance	3,129,120	0	0	43,597	1,303,800	1.39
Market	4,558,000	0	0	29,700	1,899,167	0.65
Economic Affairs	1,908,500	0	0	0	795,208	0
TOTAL	328,472,448	4,856,783	5,523,266	51,669,430	136,863,520	15.73

*Community Services – The amount of R-1,008,458 show negative figure due to journal made.

MIG Revenue and Expenditure

Description	Budget	Actual 31 October 2011	Actual 30 November 2011	Year to Date as at 30 November 2011	%
MIG (Income)	99,609,000	0	0	26,894,000	27.00
MIG (Expenditure)	99,609,000	3,645,430	5,119,391	20,693,503	20.77
MIG (Roll over 10-11)	4,000,000	0	0	-714,502	-17.86
DME (Income)	8,719,000	1,246,000	0	4,981,000	57.12

GRANTS & SUBSIDIES
Operational allocations/grants received

Description	Original Budget	Received 31 October 2011	Received 30 November 2011	Year To Date as at 30 Nov 2011	%
Intergovernmental Grant	303,560,000	0	0	126,041,111	41.52
Municipal System Improvement Grant	790,000	0	0	790,000	100
Finance Management Grant(FMG)	1,250,000	0	0	1,250,000	100
Improvement of Library Services	400,000	470	0	0	0

GRANTS- EXPENSE

Description	Original Budget	Actual 31 October 2011	Actual 30 November 2011	YTD as at 30 November 2011	% Spent
IGG (Free Basic Services)	99,262,000	8,242,576	14,513,154	38,038,052	38.32
Finance Management Grant(FMG)	1,250,000	104,459	97,490	487,745	39.02
Municipal System Improvement Grant	790,000	270,854	0	405 697	51.35
Improvement of Library Services	400,000	18,310	5,060	64,240	16.06
PMU Expenditure	1,000,000	67,385	49,089	270,722	27.07

4. ACTUAL BORROWINGS

The total amount outstanding on external loans at the end of November 2011 is R160, 041,603.81 Attached is annexure B for more detailed information on borrowings.

5. INVESTMENTS

The investments as at 30 November 2011 are as follows:

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA	18,187,200	4,979,589			23,166,789
RMB					-
FNB			81,517		81,517
Investec					-
Nedcor				13,010,715	13,010,715
Sanlam(Policy)		5,824,673			5,824,673
	18,187,200	10,804,262	81,517	13,010,715	42,083,694

Withdraw R1, 7 million from ABSA Call – 07 November 2011- paid for third parties (Pension & Medical aid)

Withdraw R1, 7 million from ABSA Call – 07 November 2011- (Pension & Medical aid)

Withdraw R6 million from RMB Call - 23 November 2011- paid for Isago Eskom

*This ABSA fixed investment cannot be withdrawn due to the fact that it is kept as security for a loan

NB: Council to take cognizance that the investments reflected are not as a result of excess funds but grants received for the year invested on short term to gain interest, while processes on meeting conditions of the grants are unfolding, and to avoid charges once are kept on current account.

These investments can only be withdrawn when funds are needed for the particular reason they were invested for.

Attached is annexure C for more detailed information on Investments.

RECOMMENDATION

1. That the Accounting Officer takes cognizance of the budget and financial performance for the month of November 2011.
2. That the Accounting Officer takes cognizance of actual borrowings and actual allocations received for the month November of 2011.

SUBMITTED FOR CONSIDERATION