

ITEM:

REPORT OF THE CHIEF FINANCIAL OFFICER

QUARTERLY / MID-YEAR FINANCIAL REPORT AS AT 31 DECEMBER 2012

PURPOSE OF THE REPORT

The purpose is to comply with the financial reporting requirements per the Municipal Finance Management Act.

STATUTORY/LEGAL REQUIREMENT

Section 52(d) of the Municipal Finance Management Act reads as follows:

“The Mayor of the municipality must, within 30 days of the end of each quarter, submit to the council on the implementation of the budget and the financial state of affairs of the municipality.”

BACKGROUND, EXPOSITION, FACTS AND PROPOSALS

The report is discussed per annexures A, B, C, D and E. Annexure A and B are based on a baseline as determined on the budget projections. Annexure C refers to the actual operating revenue, operating expenditure in relation to the projected operating revenue, operating expenditure and IDP capital expenditure in the approved 12/13 SDBIP. Annexure D refers to Council’s approved IDP for current and previous financial years and the expenditure incurred for the period ending 31 December 2012. Annexure E refers to Council’s investment portfolio.

The income and expenditure actual results up to 31 December 2013 and projections for the remainder of the 2012/2013 year are currently being reviewed in preparation for the 12/13 Adjustment Budget to be submitted to Council in February 2013.

BACKGROUND, EXPOSITION, FACTS AND PROPOSALS

FINANCIAL REPORTING

DEBTORS

The outstanding debtors as at 31 December 2012 are as follows:

Abattoir

NAME	DECEMBER 2012	SEPTEMBER 2012	JUNE 2012	MARCH 2012
Current	8 248	10 650	11 426	11 836
30 – 60 days	2 685	3 565	3 238	7 188
60 – 90 days	2 264	2 879	2 844	2 967
Above 90 days	456 590	450 292	443 374	436 609
TOTAL	469 787	467 386	460 882	458 600

The high balance for accounts above 90 days is due to abattoir account holders who lodged disputes against their accounts (JFC and Major Meat). Our Legal Section handed them over to Verveen Attorneys who subsequently issued summons to them to recover the outstanding amounts. During the third quarter of the previous financial year, new statements upon the attorney's request for all Major Meat accounts were issued. In terms of the previous quarterly Attorney's progress report, some account holders opted for out of court settlements. Currently we are awaiting the latest report on the status quo of these debtors.

The following debtors approved for write off in the December 2012 council meeting was removed from the debtors balance in January 2013:

Uitkykveismark	R 31-03
Major Meat (47)	R 51,077-80
Hanjomar	R 1,903-25
Total	R 53,012-08

This reduces the balance of debtors over 90 days at December 2012 to R 416,755.

CREDITORS

The total creditors outstanding are R59 028. All creditors are current.

STAFF IMPLICATION

None

FINANCIAL IMPLICATION

See Annexures A to E

OTHER PARTIES CONSULTED

Divisional Managers: Budget & Treasury Office

ANNEXURES

Monthly Financial Report for the month ending 31 December 2012.

ANNEXURE A

Annexure A refers to Revenue per revenue source and explanations are attached after Annexure A.

ANNEXURE B

Annexure B refers to Expenditure per vote and explanations are attached after Annexure B.

ANNEXURE C

Annexure C refers to the actual operating revenue, operating expenditure in relation to the projected operating revenue, operating expenditure and IDP capital expenditure in the approved 12/13 SDBIP.

ANNEXURE D: ACTUAL PROJECT EXPENDITURE PER CURRENT AND ROLL OVER IDP

Annexure D refers to the IDP for the current year and roll over projects from previous financial years. The report indicates that 24.03% of the funds allocated for the IDP are spent.

ANNEXURES

ANNEXURE E: INVESTMENT PORTFOLIO

Council's total investment portfolio amounts to R 134 000 000 as at 31 December 2012.

AUTHORITY

Municipal Finance Management Act, No 56 of 2003
Municipal Investment Regulation (GNR 308 of 1 April 2005)

RECOMMENDATION

1. That the report by the Chief Financial Officer regarding the quarterly / mid-year financial report as at 31 December 2012 as contained in the agenda, be noted.