

ITEM:

REPORT OF THE CHIEF FINANCIAL OFFICER

QUARTERLY FINANCIAL REPORT JUNE 2013

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 30 June 2013. Annexure E refers to Council’s investment portfolio.

FINANCIAL REPORTING

DEBTORS

The outstanding debtors as at 30 June 2013 are as follows:

Abattoir

NAME	JUNE 2013	MARCH 2013	DECEMBER 2012	SEPTEMBER 2012
Current	4 032	7 120	8 248	10 650
30 – 60 days	701	7 071	2 685	3 565
60 – 90 days	0	1 490	2 264	2 879
Above 90 days	0	341 015	456 590	450 292
TOTAL	4 733	356 696	469 787	467 386

DEBTORS

Legal Section presented an item to Council to write off long outstanding debts of JFC Vleis, Waterberg Vleismark H/A Major Meat and Bundu Steak Ocean H/A Major Meat because the amounts were irrecoverable. Council took a resolution to write off those debts (Resolution A103/2013) hence the low balance above 90 days. Verveen Attorneys will present a final report regarding these debts. The negative “current” balance relates to debts written off reflected under “above 90 days”.

CREDITORS

The total creditors outstanding are R12 867 All creditors are current. This creditor balance will still change as we are awaiting June 2013 invoices from departments to be submitted before end of July 2013 for inclusion in the 12/13 annual financial statements.

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 30 June 2013:

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.

ANNEXURES

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 58.74% of the funds allocated for the IDP are spent.

ANNEXURE E: INVESTMENT PORTFOLIO

Council's total investment portfolio amounts to R 98 000 000 as at 30 June 2013.

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 financial report as at 30 June 2013 as contained in the agenda, be noted.