

ITEM:

REPORT OF THE CHIEF FINANCIAL OFFICER

QUARTERLY / MID YEAR FINANCIAL REPORT DECEMBER 2010

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, E, F. Annexure A and B are based on a baseline as determined on the budget projections in the 2010/11 SDBIP. Annexure C refers to Council's approved IDP and the expenditure incurred for the period ending 31 December 2010. Annexure D refers to progress on revenue, operating expenditure and expenditure per Council's approved IDP in relation to the approved SDBIP. Annexure E refers to projects rolled-over from the previous financial years. Annexure F refers to Council's investment portfolio.

FINANCIAL REPORTING

DEBTORS

The outstanding debtors as at 31 December 2010 are as follows:

Abattoir

NAME	DECEMBER 2010	SEPTEMBER 2010	JUNE 2010	MARCH 2010
Current	12 204	12 267	10 809	10 147
30 – 60 days	6 138	10 136	14 974	2 775
60 – 90 days	2 532	8 493	6 268	2 775
Above 90 days	401 328	390 852	388 482	380 156
TOTAL	422 202	421 747	420 533	395 853

There are Abattoir account holders, namely JFC and Major Meat who lodged disputes against their accounts. Their cases are currently handled by our Legal Section which has subsequently handed them over to Verveen Attorneys to recover the outstanding amounts above 90 days. The process of recovery by Verveen Attorneys is still ongoing. Progress reports on long outstanding debts to be submitted by CSSS department.

CREDITORS

The total creditors outstanding are R101 189. All creditors are current.

STAFF IMPLICATION

None

FINANCIAL IMPLICATION

See Annexures A to F

OTHER PARTIES CONSULTED

Divisional Managers: Budget & Treasury Office

ANNEXURES

Monthly Financial Report for the month ending 31 December 2010.

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: CAPITAL EXPENDITURE PER IDP

Annexure C refers to the IDP for the current financial year. The report indicates that 2.98% of the funds allocated for the IDP are spent.

ANNEXURE D: REVENUE & EXPENDITURE IN RELATION TO SDBIP

Annexure D refer to the actual operating revenue, operating expenditure and IDP capital expenditure in relation to the projected operating revenue, operating expenditure and IDP capital expenditure in the approved 10/11 SDBIP.

ANNEXURE E: CAPITAL EXPENDITURE ON ROLL OVER

Annexure E refers to the rolled over projects. An amount of R12 481 218 was unspent as at 30 June 2010. The report indicates that 39.99% of the rolled over funds were spent.

ANNEXURE F: INVESTMENT PORTFOLIO

Council's total investment portfolio amounts to R 145 000 000 as at 31 December 2010.

ANNEXURE G: BANK RECONCILIATION

The bank reconciliation of the WDM FNB current account as at 31 December 2010.

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 2010 as contained in the agenda, be noted.