

**ITEM: 3**

**REPORT OF THE CHIEF FINANCIAL OFFICER**

**QUARTERLY FINANCIAL REPORT JUNE 2011**

**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 30 June 2011. 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 30 June 2011 are as follows:

Abattoir

<b>NAME</b>	<b>JUNE 2011</b>	<b>MARCH 2011</b>	<b>DECEMBER 2010</b>	<b>SEPTEMBER 2010</b>
Current	14 120	3 590	12 204	12 267
30 – 60 days	2 230	5 872	6 138	10 136
60 – 90 days	2 727	3 301	2 532	8 493
Above 90 days	416 690	408 498	401 328	390 852
<b>TOTAL</b>	<b>435 767</b>	<b>421 261</b>	<b>422 202</b>	<b>421 747</b>

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.

## **CREDITORS**

The total creditors outstanding are R321 123. 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 30 June 2011.

### ***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 48.10% 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 R11 943 672.00 was unspent as at 30 June 2011. The report indicates that 67.48% of the rolled over funds were spent.

## **ANNEXURE F: INVESTMENT PORTFOLIO**

- Council's total investment portfolio amounts to R121 000 000.00 as at 30 June 2011.

## **AUTHORITY**

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

## **RECOMMENDATION :**

### **That :**

1. The report by the Chief Financial Officer regarding the quarterly financial report as at 30 June 2011 as contained in the agenda, be noted.