

ITEM:

TO: COUNCIL

REPORT OF THE CHIEF FINANCIAL OFFICER

QUARTERLY FINANCIAL REPORT SEPTEMBER 2008

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 and F. Annexure A and B are based on a baseline as determined on the budget projections in the 2008/09 SDBIP. Annexure C refers to Council's approved IDP and the expenditure incurred for the period ending 30 September 2008. 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 September are as follows:

RSC levies

NAME	SEP 2008	JUNE 2008	MARCH 2008
Current	Nil	Nil	Nil
30 – 60 days	Nil	R 4 632	R 4 169
60 – 90 days	Nil	R 4 176	R 4 169
Above 90 days	R 580 559	R 587 004	R 587 004
TOTAL	R 580 559	R 580 559	R 595 342

Since July 2008, interest is no longer raised against outstanding RSC levies as 30 June 2008 was the last date for summonses to be issued. All debtors have been handed over to the lawyers for collection and all summonses were issued before 30 June 2008.

Abattoir

NAME	SEP 2008	JUNE 2008	MARCH 2008
Current	R 105 679	R 100 791	R 96 109
30 – 60 days	R 63 945	R 94 780	Nil
60 – 90 days	R 67 406	R 7 390	R 22 694
Above 90 days	R 57 268	R 56 689	R 61 348
TOTAL	R 294 298	R 259 650	R 180 151

There are three Abattoir account holders, namely, JFC, Vaalwater Butchery and Major Meat who lodged disputes against their accounts. Their cases are currently handled by our Legal Section to recover the outstanding amounts above 90 days.

CREDITORS

The total creditors outstanding are R 57 281.00. 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 September 2008.

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 4.66% 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 08/09 SDBIP.

ANNEXURE E: CAPITAL EXPENDITURE ON ROLL OVER

Annexure E refers to the rolled over projects. An amount of R38 568 094 was unspent as at 30 June 2008. The report indicates that 12.56% of the rolled over funds were spent.

ANNEXURE F: INVESTMENT PORTFOLIO

Council's total investment portfolio amounts to R100 000 000 as at 30 September 2008.

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 September 2008 as contained in the agenda, be noted.