

ITEM:

REPORT OF THE CHIEF FINANCIAL OFFICER

QUARTERLY FINANCIAL REPORT JUNE 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 projected operating revenue, operating expenditure and IDP capital expenditure in the approved 11/12 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 2012. Annexure E refers to Council's investment portfolio.

FINANCIAL REPORTING

DEBTORS

The outstanding debtors as at 30 June 2012 are as follows:

Abattoir

NAME	JUNE 2012	MARCH 2012	DECEMBER 2011	SEPTEMBER 2011
Current	11 426	11 836	13 216	10 371
30 – 60 days	3 238	7 188	9 350	2 226
60 – 90 days	2 844	2 967	2 226	2 226
Above 90 days	443 374	436 609	429 876	423 197
TOTAL	460 882	458 600	454 668	438 020

There are 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 above 90 days. A progress report from Verveen Attorneys was presented in the first quarter. During the third quarter new statements upon the attorney's request for all Major Meat accounts were issued. Attached is the recent progress report from the attorneys regarding the status of the handed over accounts.

CREDITORS

The total creditors outstanding are R375 572. 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 30 June 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 11/12 SDBIP.

ANNEXURE D: CAPITAL 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 57% of the funds allocated for the IDP are spent.

ANNEXURE E: INVESTMENT PORTFOLIO

Council's total investment portfolio amounts to R111 000 000 as at 30 June 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 financial report as at 30 June 2012 as contained in the agenda, be noted.