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ITEM:

TO: EXECUTIVE MAYOR

REPORT OF THE CHIEF FINANCIAL OFFICER

QUARTERLY FINANCIAL REPORT FOR MARCH 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."

Section 71 of the Municipal Finance Management Act reads as follows:

"*The accounting officer must no later than 10 working days after the end of each month submit to the mayor of the municipality and the provincial treasury a statement on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month: actual revenue, per source, actual expenditure, per vote, actual capital expenditure, per vote."*

In terms of the Municipal Investment Regulation, that reads as follows:

"*The accounting officer must within 10 working days of the end of each month, as part of the section 71 report required by the Act, submit to the mayor of the Municipality a report describing in accordance with generally recognized accounting practice the investment portfolio of that municipality at the end of the month"*

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 2009/10 SDBIP. Annexure C refers to Council`s approved IDP and the expenditure incurred for the period ending 31 March 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 March 2010 are as follows:

Abattoir

NAME	MARCH 2010	DEC 2009	SEP 2009
Current	10 147	2 137	18 189
30 – 60 days	2 775	12 223	4 956
60 – 90 days	2 775	12 110	4550
Above 90 days	380 156	373 521	362 472
TOTAL	**395 853**	**399 991**	**390 167**

There are two Abattoir account holders, namely JFC Meat and Major Meat, who lodged disputes against their accounts. There is also a cash client, Hanjomar, that registered a dispute for a missing pig. There are 2 accounts that have recently fallen due past 90 days that has also been handed over to Divisional Manager: Legal Services, namely Impala Meat and Prima Butchery. Their cases are currently handled by our Legal Division to recover the outstanding amounts above 90 days. The cases were initially handed over to Sechele Consulting, but their appointment has subsequently been suspended. The cases have now been handed over to Verveen Attorneys.

CREDITORS

The total creditors outstanding are R 377 403. All creditors are current.

STAFF IMPLICATION

None

FINANCIAL IMPLICATION

See Annexures A to F

OTHER PARTIES CONSULTED

Divisional Managers: Budget & Treasury Office

ANNEXURES

Quarterly Financial Report for the month ending 31 March 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 25.52% 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 09/10 SDBIP.

ANNEXURE E: CAPITAL EXPENDITURE ON ROLL OVER

Annexure E refers to the rolled over projects. An amount of R 22 068 758 was unspent as at 30 June 2009. The report indicates that 63.06% of the rolled over funds were spent.

ANNEXURE F: INVESTMENT PORTFOLIO

Council's total investment portfolio amounts to R 129 000 000 as at 31 March 2010.

ANNEXURE G: BANK RECONILCIATION

Annexure G refers to the WDM bank reconciliation performed as at 31 March 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 financial report as at 31 March 2010 as contained in the agenda, be noted.