



**Western Cape
Government**

Provincial Treasury

Consolidated IYM Executive Report

January 2013

PRESENTATION COVERAGE CONTENT

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SUMMARY REPORT: COMPLIANCE

LEVEL OF COMPLIANCE - MONTHLY REPORT SUBMITTED

Detail	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan -13
5 - Main forms	96.7%	96.7%	96.0%	98.0%	96.0%	100.0%	100%
Quality Certificates	80.0%	73.0%	83.3%	83.3%	96.7%	93.3%	93%
C-Schedule	46.7%	50.0%	60.0%	56.7%	80.0%	86.7%	80%
FMR	33.0%	33.0%	46.7%	56.7%	60.0%	60.0%	60%
Overall	81.7%	81.0%	85.0%	87.0%	90.7%	93.7%	93%

Overall Level of compliance on due date = 93%

Overall Level of submissions after due date = 93%

Ref - p.5 of report

THE OVERALL SUMMARY FOR WC: OPERATING

*Salary increase of from January '13.
* 27 Municipalities applied for 5.5% councillor remuneration increase, 11 concurred, 15 in process and 1 non-concurrence

Description	Budget year 2012/13							YTD %			
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	M07 Jan Actual	YTD Actual	YTD %				
Financial Performance											
Property rates	8 103 354	8 113 662	3 092 138	1 664 392	551 863	5 308 393	65.43		575 424	2 805 268	
Service charges	18 204 879	18 346 229	4 798 030	4 156 524	1 556 075	10 505 551	57.26		(196 416)	7 840 678	
Investment revenue	410 770	412 215	86 935	80 618	42 539	210 190	50.99		459	(30 269)	202 025
Transfers recognised - operational	4 314 107	4 190 963	1 159 248	1 200 734	127 138	2 487 205	59.35		44 729	42 476	1 703 758
Other own revenue	3 808 330	3 850 719	1 042 606	1 067 254	185 565	2 297 165	59.66		246 253	50 912	1 553 554
Total Revenue (excluding capital transfers and contributions)	34 841 439	34 913 788	10 178 956	8 169 523	2 463 180	20 808 504	59.60		20 366 376	442 128	14 105 284
Employee costs	11 149 269	11 043 822	2 311 295	2 828 135	859 021	6 003 180	54.3		6 442 230	(439 049)	5 040 642
Remuneration of councillors	315 902	306 504	69 339	70 855	26 718	166 669	54.38		178 794	(12 125)	139 835
Depreciation & asset impairment	2 480 840	2 637 955	474 715	655 302	187 861	1 317 877	49.96		1 538 807	(220 930)	1 320 078
Finance charges	1 107 426	1 096 938	185 703	271 681	62 078	519 674	47.37		639 881	(120 207)	577 264
Materials and bulk purchases	9 916 237	9 947 244	2 488 375	2 106 871	657 034	5 235 833	52.64		5 802 559	(566 726)	4 711 411
Transfers and grants	243 245	288 150	54 178	68 334	28 274	153 198	53.17		168 088	(14 890)	134 953
Other expenditure	10 429 838	10 371 432	1 909 800	2 499 970	663 799	5 073 672	48.92		6 050 002	(976 330)	5 297 760
Total Expenditure	35 642 758	35 692 046	7 493 406	8 501 147	2 484 784	18 470 104	51.75		20 820 360	(2 350 256)	17 221 942
Surplus/(Deficit)	(801 319)	(778 258)	2 685 550	(331 624)	(21 604)	2 338 400	-300.47		(453 984)	2 792 384	(3 116 658)
Transfers recognised - capital	4 263 044	4 794 927	454 770	886 468	128 354	1 469 592	30.65		2 797 041	(1 327 449)	3 325 336
Contributions recognised - capital & contributed assets	(44 308)	-	-	20	-	20	-		-	20	(20)
Surplus/(Deficit) after capital transfers & contributions	3 417 418	4 016 669	3 140 320	554 863	106 750	3 808 012	94.81		2 343 057	1 464 955	208 657

The Table above indicates that in aggregate municipalities are well on track with the implementation of the operating budgets, although it is noted that some municipalities reported operating deficits year-to-date (Cederberg, Overstrand and Kannaland).

OVERALL SUMMARY FOR WC: CAPITAL

Description	Budget year 2012/13									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	M07 Jan Actual	YTD Actual	YTD %	YTD Budget	YTD Variance	Remaining Budget
Capital expenditure & funds sources										
Capital expenditure	8 063 878	8 580 567	811 664	1 644 133	294 418	2 750 215	32.05	3 575 236	(825 021)	5 830 352
Transfers recognised - capital	4 244 228	4 714 951	493 180	1 019 030	152 767	1 664 976	35.31	1 964 563	(299 587)	3 049 974
Public contributions & donations	112 229	103 126	9 253	10 726	3 387	23 366	22.66	42 969	(19 604)	79 760
Borrowing	2 326 480	2 436 441	217 255	408 582	96 640	722 477	29.65	1 015 184	(292 707)	1 713 964
Internally generated funds	1 380 940	1 326 049	91 978	205 795	41 625	339 398	25.59	552 520	(213 122)	986 651
Total sources of capital funds	8 063 878	8 580 567	811 666	1 644 133	294 418	2 750 217	32.05	3 575 236	(825 019)	5 830 350

- YTD CAPEX remains lower than expected although most muni's indicated it is always the trend.
- Progress reports on Top 10 projects shows many tenders have been awarded but also still many in SCM process & EIAs delays and has not yet commenced.
- Projects funded from own revenues most behind indicating cash constraints.
- Projects funded from borrowings and grants recorded better performance YTD. However Overberg District Municipality, Bitou and Oudtshoorn is awaiting approval of the annual loan

OVERALL SUMMARY – WC: CASH FLOWS

Summary: Table C1 Schedule Quarterly Budget Statement Summary for the month ended 31 January 2013

Description R thousands	Budget year 2012/13									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	M07 Jan Actual	YTD Actual	YTD %	YTD Budget	YTD Variance	Remaining Budget
Cash flows										
Net cash from (used) operating	6 230 054	6 670 753	687 695	1 286 914	390 289	2 364 899	35.45	2 779 480	(414 581)	4 305 854
Net cash from (used) investing	(7 507 095)	(8 064 956)	(1 058 032)	(1 078 677)	(194 980)	(2 331 689)	28.91	(3 360 398)	1 028 709	(5 733 267)
Net cash from (used) financing	2 051 868	2 497 800	(52 690)	(111 341)	54	(163 977)	-6.56	1 040 750	(1 204 727)	2 661 778
Cash/cash equivalents at the year end	6 888 528	9 830 265	7 673 862	7 770 759	7 966 122	7 966 122	81.04	4 095 944	(1 275 382)	1 864 143

- Aggregated Cash flows from Operations is **positive** at **R2.36 bil (biggest from CoCT)** and **better than** the YTD budget.
- Aggregated Cash flows from Investing is **negative** at **R2.33 bil** as capital payments (Capex) exceeded receipts from disposals, debtors, investments (will continue as capex increase).
- Cash from Financing **also negative** (pmnts > receipts) meaning **repayment of borrowings more than new borrowings (ST or LT)** and is below budget or planning.
- One Municipality (Kannaland) reported a negative cash balance.

OVERALL SUMMARY - WC: DEBTORS & CREDITORS

Debtors & creditors analysis	30 Days	%	31-60 Days	%	61-90 Days	%	Over 90 Days	%	Total	%
Debtors Age Analysis										
Water	639 153	15.2	167 224	4.0	109 747	2.6	3 286 503	78.2	4 202 626	49.3
Electricity	778 565	66.7	109 280	9.4	20 836	1.8	258 261	22.1	1 166 942	13.7
Property Rates	455 904	22.2	129 379	6.3	60 073	2.9	1 405 854	68.5	2 051 210	24.1
RSC Levies	1 170	15.7	156	2.1	168	2.3	5 949	79.9	7 444	.1
Other	90 412	8.3	29 813	2.7	8 229	0.8	966 717	88.3	1 095 172	12.8
Total By Revenue Source	1 965 205	23.1	435 851	5.1	199 054	2.3	5 923 284	69.5	8 523 394	100.0
Creditors Age Analysis										
Total Creditors	460 812	80	31 956	6	34 102	-	49 300	9	576 171	100

- Total outstanding debtors remains a concern with the overdue debtors increasing.
- Water & Rates remains the biggest i.t.o the composition of the debtors categories for over 90 days.
- The total outstanding debtors for more than 90 days amounts to R5.9 billion and it equates to 69.5 per cent (71% at the end of December 2012) of the total aggregated outstanding debtors.
- Overdue Creditors are being monitored but mainly consist of disputes and queries.

CONCLUSION AND WAY FORWARD

- Oversight over Budget Implementation making good progress, established framework, work-shopped with staff, MAF, Circulars & Quarterly letters, Detailed Reviews, etc.
- Compliance is improving on monthly basis however Schedule C remains records the lowest compliance rate. (MAF, NCL's, hands-on is paying off).
- Muni's submit progress reports on Capital Projects and also detail on overdue creditors.
- Areas of concern - followed up with muni's & progress tracked on all outstanding matters.
- Hands-on support will be provided to muni's ito in-year reporting where required.
- Cash Flow Monitoring remains key and the main emphasis in the current economic conditions and the Cash Management is currently doing forwards cash assessments on Bitou, Cederberg, Matzikama and Kannaland.

The End