



**Western Cape
Government**

Provincial Treasury

Consolidated IYM Executive Report April 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	Feb-13	Mar-13	Apr-13
5 Main forms	96.7%	96.7%	96.0%	98.0%	96.0%	100.0%	100.0%	98.0%	99.3%	100%
Quality Certificate	80.0%	73.0%	83.3%	83.3%	96.7%	93.3%	93.0%	90.0%	96.7%	96.7%
C-Schedules	46.7%	50.0%	60.0%	56.7%	80.0%	86.7%	80.0%	93.3%	90.0%	90.0%
FMR	33.0%	33.0%	46.7%	56.7%	60.0%	60.0%	60.0%	73.3%	66.7%	83.3%
Overall	81.7%	81.0%	85.0%	87.0%	90.7%	93.7%	93.0%	94.0%	94.7%	96.0%

Overall Level of compliance on due date = 96.0%

The level of compliance improve from 81.7% in July 2012 to 96.0% in April 2013 amounting to 14.3%

THE OVERALL SUMMARY FOR WC: OPERATING

Summary - Table C1 Schedule Quarterly Budget Statement Summary for the month ended 30 April 2013

Description	Budget year 2012/13									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	M10 Apr Actual	YTD Actual	YTD %	YTD Budget	YTD Variance
Financial Performance										
Property rates	8 103 354	8 113 179	3 092 138	1 664 392	1 619 952	555 221	6 931 703	85.44	6 760 983	(1 181 476)
Service charges	18 204 879	18 222 357	4 798 030	4 151 447	4 471 300	1 498 282	14 919 059	81.87	15 185 298	(3 303 299)
Investment revenue	410 770	411 474	86 935	80 802	117 338	49 870	334 944	81.40	342 895	(76 530)
Transfers recognised - operational	4 314 107	4 412 318	1 159 248	1 200 819	662 584	486 917	3 509 568	79.54	3 676 931	(902 750)
Other own revenue	3 808 330	3 795 008	1 042 606	1 068 993	1 099 003	143 771	3 354 372	88.39	3 162 507	(440 636)
Total Revenue (excluding capital transfers and contributions)	34 841 439	34 954 336	10 178 956	8 166 453	7 970 175	2 734 061	29 049 645	83.11	29 128 613	(5 904 691)
Employee costs	11 149 269	11 049 243	2 311 295	2 832 864	2 749 480	863 301	8 756 940	79.25	9 207 702	450 763
Remuneration of councillors	315 902	305 366	69 339	70 612	80 821	27 177	247 949	81.20	254 472	6 523
Depreciation & asset impairment	2 480 840	2 684 569	474 715	655 302	661 623	249 212	2 040 852	76.02	2 237 141	196 289
Finance charges	1 107 426	1 092 921	185 703	271 893	210 467	82 950	751 013	68.72	910 767	159 754
Materials and bulk purchases	9 916 237	9 903 062	2 488 375	2 090 424	2 001 709	662 970	7 243 478	73.14	8 252 552	1 009 074
Transfers and grants	243 245	350 195	54 178	70 746	64 924	40 172	230 020	65.68	291 829	61 809
Other expenditure	10 429 838	10 552 770	1 916 740	2 506 882	2 277 970	890 038	7 591 631	71.94	8 793 975	1 202 344
Total Expenditure	35 642 758	35 938 126	7 500 346	8 498 723	8 046 993	2 815 821	26 861 882	74.74	29 948 438	3 086 556
Surplus/(Deficit)	(801 319)	(983 790)	2 678 610	(332 270)	(76 817)	(81 760)	2 187 762		(819 825)	(8 991 247)

Yard stick for April 2013 is 10/12 months and an acceptable deviation is 5%

The Table above indicates that in aggregate municipalities are well on track with the implementation of their operating budgets. Two municipalities (Kannaland and Central Karoo District municipality) reported cash operating deficits year-to-date.

OVERALL SUMMARY FOR WC: CAPITAL

Summary - Table C1 Schedule Quarterly Budget Statement Summary for the month ended 30 April 2013

Description	Budget year 2012/13									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	M10 Apr Actual	YTD Actual	YTD %	YTD Budget	YTD Variance
Capital expenditure & funds sources								-	-	
Capital expenditure	8 063 878	8 504 416	811 664	1 644 132	1 302 044	614 599	4 372 440	51.41	7 087 013	2 714 574
Transfers recognised - capital	4 244 228	4 743 669	493 180	1 019 029	677 106	329 287	2 518 601	53.09	3 953 057	1 434 456
Public contributions & donations	112 229	88 715	8 886	10 255	13 793	4 859	37 792	42.60	73 929	36 137
Borrowing	2 326 480	2 364 900	217 255	408 582	395 957	179 579	1 201 374	50.80	1 970 750	769 376
Internally generated funds	1 380 940	1 307 132	92 346	206 266	215 189	100 875	614 675	47.02	1 089 277	474 602
Total sources of capital funds	8 063 878	8 504 416	811 666	1 644 132	1 302 044	614 599	4 372 442	51.41	7 087 013	2 714 571

- 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 some municipalities experienced delays with the approval of loan. Overberg District Municipality (declined), Bitou (approved) and Oudtshoorn (subject to the audit outcome which is still outstanding).

OVERALL SUMMARY FOR WC: CAPITAL

Capital Spending of Municipalities below 50%			
No	Municipalities	Adjustment Budget	%
1	Cederberg	83 163	33.02
2	Saldanha Bay	196 544	48.46
3	Cape Winelands	11 194	25.06
4	Stellenbosch	198 352	35.52
5	Langeberg	58 788	45.98
6	Overberg DM	1 794	23.85
7	Overstrand	167 501	49.63
8	Eden DM	935	47.44
9	Kannaland	35 731	36.40
10	Hessequa	48 114	44.70
11	George	153 373	48.69
12	Oudtshoorn	70 577	37.87
13	Bitou	59 375	38.23
14	Central Karoo DM	211	8.55
15	Laingsburg	16 638	10.34
	Total	1 102 290	35.58

- Nine Municipalities have capital spending of above 60%: West Coast District, Matzikama, Bergriver, Swartland, Witzenberg, Cape Agulhas, Mosselbay, Prince Albert and Beaufort West.

OVERALL SUMMARY – WC: CASH FLOWS

Summary - Table C1 Schedule Quarterly Budget Statement Summary for the month ended 30 April 2013

Description	Budget year 2012/13									
	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	M10 Apr Actual	YTD Actual	YTD %	YTD Budget	YTD Variance
Cash flows										
Net cash from (used) operating	6 230 054	6 499 601	717 698	1 307 654	2 799 679	199 798	5 024 828	77.31	5 416 334	(1 474 773)
Net cash from (used) investing	(7 507 095)	(7 964 053)	(1 058 032)	(1 084 191)	(768 600)	(563 726)	(3 474 548)	43.63	(6 636 711)	4 489 505
Net cash from (used) financing	2 051 868	2 474 847	(52 690)	(111 564)	2 375 950	2 313	2 214 009	89.46	2 062 373	(260 838)
Cash/cash equivalents at the year end	6 888 528	9 788 086	7 873 572	7 985 471	12 392 500	12 030 885	12 030 885	122.91	8 156 738	2 242 799

- Aggregated Cash flows from Operations is **positive** at **R5.02 bil** (biggest from CoCT) and below the YTD budget.
- Aggregated Cash flows from Investing is **negative** at **R3.47 bil** as capital payments (Capex) exceeded receipts from disposals, debtors, investments (will continue as capex increase).
- Cash from Financing also **positive** (pmnts < receipts) meaning **repayment of borrowings less than new borrowings (ST or LT)**.
- All municipalities reported positive cash balances except Swellendam however some municipalities that have a positive balance have commitments against it (e.g. grants and creditors outstanding)

OVERALL SUMMARY - WC: DEBTORS & CREDITORS

Debtors & creditors analysis	30 Days	%	31-60 Days	%	61-90 Days	%	Over 90 Days	%	Total	%
Debtors Age Analysis										
Water	666 939	17.5	148 215	3.9	134 934	3.5	2 870 089	75.1	3 820 177	47.3
Electricity	808 070	72.1	59 147	5.3	28 030	2.5	225 918	20.2	1 121 165	13.9
Property Rates	494 307	24.7	86 990	4.3	66 638	3.3	1 355 872	67.7	2 003 807	24.8
RSC Levies	-	-	-	-	-	-	-	-	-	-
Other	101 407	9.0	31 652	2.8	25 555	2.3	974 179	86.0	1 132 793	14.0
Total By Revenue Source	2 070 723	25.6	326 004	4.0	255 158	3.2	5 426 058	67.2	8 077 943	100.0
Creditors Age Analysis										
Total Creditors	559 432	91.9	10 243	1.68	4 983	.8	34 204	5.62	608 862	100.0

- Total outstanding debtors remains a concern however overdue debtors decreased by 0.5 per cent from the previous month. However numerous municipalities did write off irrecoverable debt. City of Cape Town reported amounts of R42.35 million and R489.49 million for April 2013 and March 2013 respectively.
- The total outstanding debtors for more than 90 days amounts to R5.4 billion and it equates to 67.2 per cent (67.7% at the end of March 2013) 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 the FMR constitutes 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 i.t.o in-year reporting where required.
- Cash Flow Monitoring remains key and the main emphasis in the current economic conditions.

The End