



2011/12 MID-YEAR BUDGET AND 1/PERFORMANCE

2011/2012 2011 BUDGET AND FINANCIAL PERFORMANCE AND ADJUSTMENT BUDGET

25 JANUARY 2012

To be a well governed municipality providing equitable services, sustainable development and job opportunities in a secure environment before 2030.

1. 2011/2012 Financial Year Overview

The Budget and Performance review was carried out for KSM.

1. The 2011/2012 mid-term adjustments budget was prepared in accordance with guidelines and assumptions outlined on Circular 51 and its annexure, taking into consideration the following aspects;

- National budget assumptions, guidelines and projections;
- Alignment with national and provincial priorities;
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions with regard to grants allocation in terms of DoRA.

2. Municipal budget underlying assumptions, guidelines and projections;

- Anticipated own revenue from rates and services charge, sundry charges and other revenues and affordability of ratepayers and consumers of services;
- The ability of municipality to collect revenue (payment level);
- Operating expenditure cost drivers and growth thereof;
- Capital budget funding model;
- Protecting the poor by ensuring access to basic services

The municipal strategic objectives and priorities were translated into programmes and projects which gave the basis of configuration of the mid-term adjustments budget.

Capital and Operational Budget were revised for the financial year.

1. 2011/2011 Financial Year Overview (Cont...)

1.7 Due to cash flow constraints, the following strategies were implemented during the period under review;

1.7.1 Revenue enhancement strategy;

- (a) collection of municipal current accounts
- (b) collection of municipal debts
- (c) Update of customer information

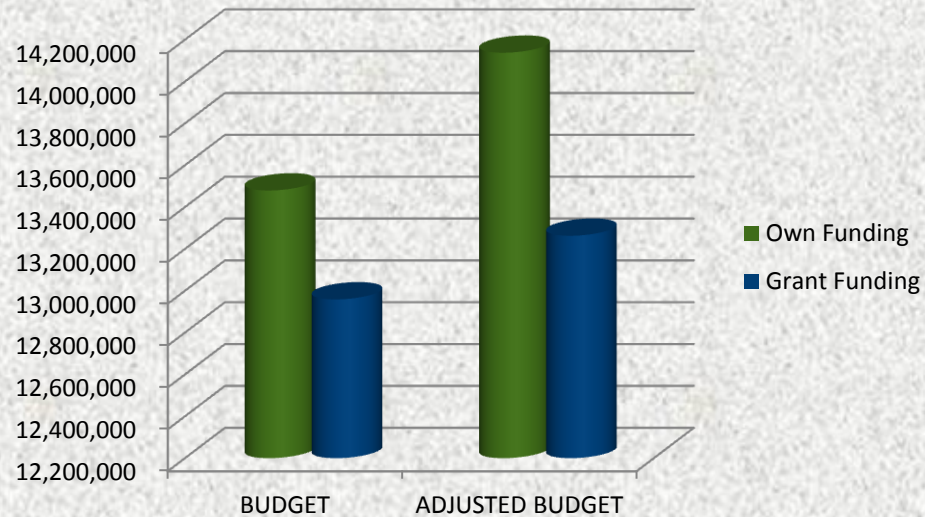
1.7.2 Cost curtailment strategy;

- (a) Reduce general and contracted services expenditure .
- (b) Review contracts and service level agreements

1.7.3 Implementation of certain capital projects

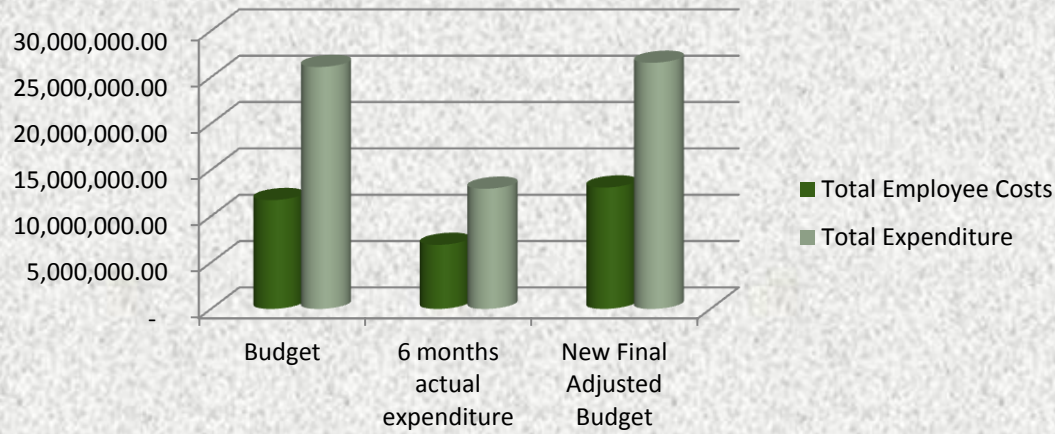
1. 2011/2012 Revenue Analysis

REVENUE - OWN FUNDING VS GRANT FUNDING



2011/2012 – EXPENDITURE ANALYSIS

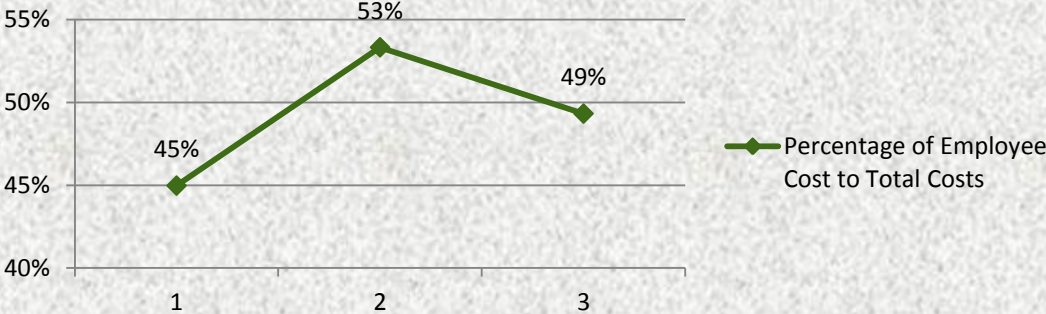
EMPLOYEE COSTS TO TOTAL COSTS



Expense Type	Budget	6 months actual expenditure	New Final Adjusted Budget
Total Employee Costs	11 739 430.00	6 912 851.40	13 097 321.00
Total Expenditure	26 102 531	12 964 945	26 555 620
Percentage of Employee Cost to Total Costs	45%	53%	49%

2011/2012 – EXPENDITURE ANALYSIS

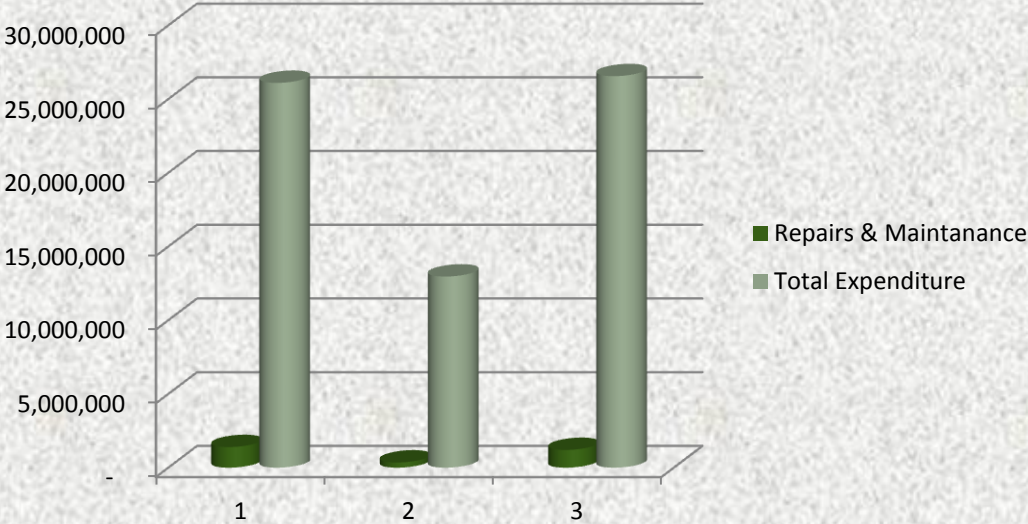
Percentage of Employee Cost to Total Costs



	Budget	6 months actual expenditure	New Final Adjusted Budget
Repairs & Maintenance	1 398 094	352 856	1 202 836
Total Expenditure	26 102 531	12 964 944	26 555 620
Percentage	5%	3%	5%

2011/2012 – EXPENDITURE ANALYSIS

REPAIRS & MAINTENANCE TO TOTAL COSTS



2011/2012 – EXPENDITURE ANALYSIS

Expense Type	Budget	6 months actual expenditure	New Final Adjusted Budget
Total Employee Costs	11 739 430.00	6 912 851.40	13 097 321.00
Total Expenditure	26 102 531	12 964 945	26 555 620
Percentage of Employee Cost to Total Costs	45%	53%	49%

Outline of the Mid-Year Budget and Financial Performance (Cont...)

Remarks:

- (a) The capital budget was amended by an additional R10 317 000 million.
- (b) The operating budget increased with a surplus of R149 000 in the original budget to an R508 000 in the adjustments budget.

THANK YOU

