

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2018.04.26**

**A-F (24-2018)**

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**CITY OF EKURHULENI UNAUDITED QUARTERLY SDBIP REPORT: QUARTER THREE  
OF THE 2017/2018 FINANCIAL YEAR**

To report to Council, the City of Ekurhuleni's (CoE) Unaudited Financial and Performance Results for the **Third Quarter** of the 2017/2018 financial year as required in terms of Section 52(d) and Section 71 (sec 87 for entities) of the Municipal Finance Management Act and more detailed in the Municipal Budget and Reporting Regulations.

**STRATEGIC OBJECTIVE**

To promote good governance and report on the financial sustainability of the Metro.

**BACKGROUND**

Section 52 (d) and 71 of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations" necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

*"The mayor of a municipality-*

*52(d) must, within 30 days of the end of each quarter, submit a report to **Council** on the implementation of the budget and the financial state of the municipality;"*

In compliance with section 52(d) relating to the quarterly reporting period ended 31 March 2018 the 30 days' limit expires on **30 April 2018**.

Further, Section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:

*"31.(1) The mayor's quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be –*

- (a) in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and*
- (b) consistent with the monthly budget statement for September, December, March and June as applicable; and*
- (c) Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council."*

**The following Annexures are provided:**

**Annexure A:** Departmental Operating Budget Reports for 3<sup>rd</sup> Quarter of 2017/18 Financial Year

**Annexure B:** Detailed Capital Expenditure Report – for 3<sup>rd</sup> Quarter of 2017/18 Financial Year

**Annexure C:** Detailed Performance Report (Pre-Determined Measurable Performance Targets)

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**EXECUTIVE SUMMARY**

The **Operating Budget Results** can be summarised as follows:

Details	Annual Budget	Results for Quarter 3		Results for Year-to-Date	
		Budget	Actuals	Budget	Actuals
	R	R	R	R	R
Income	(33,919,042,910)	(8,247,459,407)	(7,366,218,750)	(26,518,490,827)	(25,288,297,153)
Expenditure	31,651,790,497	7,649,026,582	7,371,040,785	23,695,819,829	22,586,163,977
<b>(Surplus)/Deficit before Gains and Losses</b>	<b>(2,267,252,413)</b>	<b>(598,432,826)</b>	<b>4,822,035</b>	<b>(2,822,670,999)</b>	<b>(2,702,133,177)</b>
Gains and Losses	15,000,000	3,750,000	110,710	11,250,000	914,595
<b>(SURPLUS) /DEFICIT AFTER GAINS AND LOSSES</b>	<b>(2,252,252,413)</b>	<b>(594,682,826)</b>	<b>4,932,746</b>	<b>(2,811,420,999)</b>	<b>(2,701,218,582)</b>
Total charges / recoveries	-	85,680,159	(55,312,276)	(85,680,034)	8,094
<b>SURPLUS AFTER CHARGES &amp; RECOVERIES</b>	<b>(2,252,252,413)</b>	<b>(509,002,667)</b>	<b>(50,379,530)</b>	<b>(2,897,101,033)</b>	<b>(2,701,210,488)</b>
Less Grant Income recognised to fund Capital Expenditure	<b>2,252,123,911</b>	<b>582,271,857</b>	<b>356,127,201</b>	<b>1,440,250,846</b>	<b>908,599,080</b>
<b>(SURPLUS) /DEFICIT AFTER CAPITAL GRANTS</b>	<b>(128,502)</b>	<b>73,269,191</b>	<b>305,747,671</b>	<b>(1,456,850,187)</b>	<b>(1,792,611,408)</b>

The **Operating Income** budgeted for the 3<sup>rd</sup> Quarter ended 31<sup>st</sup> March 2018 is R8.2 billion. The actual income is R881 million (or 10.7%) less than budgeted. The deviations of the income are discussed in detail later in the report.

The Total Income budgeted for the Year-to-Date (YTD) ending 31<sup>st</sup> March 2018 is R26.518 billion. The actual income is R25.288 billion. The Actual Income for the YTD is R1.230 billion (4.6%) less than budgeted.

The budgeted **Operating Expenditure** for the 3<sup>rd</sup> Quarter ended 31<sup>st</sup> March 2018 is R7.6 billion. The actual expenditure is R7.4 billion which is R278 million less than budgeted. The deviations of the expenditure are discussed in detail later in the report.

The Total Expenditure budgeted for the YTD is R23.695 billion. The actual expenditure is R22.586 billion which is R1.109 billion (4.7%) less than budgeted.

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In terms of mSCOA requirements the expenditure for Gains and Losses must be separated from the Operating Expenditure and an amount of R15 million was budgeted. The major portion of actual expenditure for gains and losses will only be reported and reflected at the end of the 2017/18 financial year.

The mSCOA Framework requires that interdepartmental recoveries and charges be classified separately. These secondary/indirect non-cash items include charges/recoveries of electricity, waste management, water & sanitation. It also includes the support services charged by Finance, Information Communication and Technology and Human Resources Management to the services departments. The purpose of these classification is to ensure the cost completeness of the services departments with particular focus on tariff determination. The nett amount of the charges and recoveries should be NIL effect from the City's perspective as these are within the departments. The misalignments from the previous two quarters were corrected in the third quarter, with the result that the year to date actual is reflecting a difference of R8 094, which is being investigated.

### **Capital Expenditure**

The actual Capital Expenditure at the end of the 3rd quarter of the 2017/18 financial year is R2.55 billion which represents a spending of 40.43% of the total capital budget of R6.3 billion. It is important to note that the outstanding commitments at the end of March 2018 amounted to R334 million. The actual expenditure plus commitments for the 3rd quarter amounts to R2.8 billion, which represents 45.47% of the capital budget.

The comparative results with the previous years as well as the capital spending per department are discussed later in the report.

The following table reflects the comparative spending for the 3<sup>rd</sup> Quarter:

<b>FY</b>	<b>Budget as at 31 March</b>	<b>Actual Expenditure</b>	<b>% of Budget</b>
12/13	2,557,738,725	889,564,756	34.78%
13/14	2,987,419,379	1,338,324,951	44.80%
14/15	3,810,949,622	1,375,569,854	36.10%
15/16	4,654,436,676	1,809,219,028	38.87%
16/17	5,103,439,700	1,908,637,275	37.40%
<b>17/18</b>	<b>6,307,378,326</b>	<b>2,550,340,453</b>	<b>40.43%</b>

### **Collection Rate**

The Collection Rate for the **3<sup>rd</sup> quarter** ended 31<sup>st</sup> March 2018 is **91.28%** which is lower than the target of 94.0% for the third quarter.

The Actual Collection Rate over the past 3 quarters has been as follows:

Quarter 1 – 90.85%

Quarter 2 – 93.34%

Quarter 3 – 91.28%

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### **Cash and Investment Position**

With regard to the **Cash and Investment Position** a cash target of 55 days has been set in the SDBIP for the 2017/18FY. The number of days' cash on hand for the month of March 2018 was 33 days. However, the average total number of cash for Quarter three is 48 days.

### **Grant Expenditure**

The **unspent grants** at the beginning of the 2017/18FY amounted to **R113m**. The unspent grants at the beginning of the 2016/17 financial year (previous year) was R433m, which is an indication that there was an improvement of spending grants during 2016/17 financial year. It implies that Council spent R320m more of grant funding than what was received.

In the 2<sup>nd</sup> Quarter Report it was reported that from the total unspent grants of R113m, an amount of R100m was not approved for roll over. It was further reported that as at 31 December 2017 an amount of R69m was surrendered to National Treasury as an offset against the equitable share and R205, 904 surrendered to Provincial Treasury. It was further reported that R 31m is still to be surrendered on receipt of the banking details from Provincial Treasury. This amount (R31m) was paid to Provincial Treasury on the 31 January 2018.

The receipts for the Year-to-Date period at the end of the 3<sup>rd</sup> quarter amounted to R7.823 billion (including fuel levy). The expenditure as at the end of the 3<sup>rd</sup> quarter was R6.086 billion which represents 78% spending. The total unspent funds (including 2016/17 unspent grants) at the end of March 2018 is R1.750 billion.

Full details are supplied later in the report.

## **DISCUSSION**

### **Financial Performance of Operating Budget**

#### **Background information**

The revenue performance for the 3<sup>rd</sup> Quarter is reflected in the table below. The following information is provided:

- Total Budget (Income and Expenditure) for the year;
- Budget and Actual Results for the 3<sup>rd</sup> Quarter ended 31 March 2018;
- Percentage variance between budget and actuals for the 3<sup>rd</sup> Quarter;
- Budget and Actual Results for the Year to date (YTD) ended 31 March 2018; and
- Percentage variance between budget and actuals for the YTD.

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DESCRIPTION	TOTAL BUDGET 2017/18	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 3			Budget	Actual	% of B
		Budget	Actual	% of B			
R	R	R	%	R	R	%	
<b>CoE TOTAL</b>							
<b>INCOME</b>							
<b>NON - EXCHANGE REVENUE</b>							
Property Rates	(5,210,904,621)	(1,338,886,272)	(1,216,612,455)	90.9%	(3,872,018,347)	(3,889,392,750)	100.4%
Fines, Penalties and Forfeits	(139,256,800)	(28,584,329)	(28,507,598)	99.7%	(110,711,017)	(97,523,136)	88.1%
Licenses and Permits	(319,873,318)	(79,968,475)	(72,728,490)	90.9%	(239,904,653)	(218,523,043)	91.1%
<b>Transfers and Subsidies</b>	<b>(7,753,697,119)</b>	<b>(2,151,032,031)</b>	<b>(1,813,484,433)</b>	<b>84.3%</b>	<b>(6,734,433,736)</b>	<b>(6,070,078,176)</b>	<b>90.1%</b>
- Operational: Monetary	(5,501,573,208)	(1,568,760,173)	(1,457,357,232)	92.9%	(5,294,182,890)	(5,161,479,096)	97.5%
- Capital: Monetary	(2,252,123,911)	(582,271,857)	(356,127,201)	61.2%	(1,440,250,846)	(908,599,080)	63.1%
<b>SUB TOTAL: NON - EXCHANGE REVENUE</b>	<b>(13,423,731,858)</b>	<b>(3,598,471,106)</b>	<b>(3,131,332,976)</b>	<b>87.0%</b>	<b>(10,957,067,753)</b>	<b>(10,275,517,106)</b>	<b>93.8%</b>
<b>EXCHANGE REVENUE</b>							
Service Charges	(19,207,374,844)	(4,346,742,866)	(3,886,650,064)	89.4%	(14,598,438,229)	(14,228,978,140)	97.5%
Interest, Dividends and Rent on Land	(918,529,470)	(215,347,725)	(277,608,369)	128.9%	(702,900,202)	(553,273,870)	78.7%
Operational Revenue	(22,875,070)	(5,718,768)	(5,974,962)	104.5%	(17,156,304)	(17,569,641)	102.4%
Rental from Fixed Assets	(80,108,131)	(20,291,983)	(21,470,316)	105.8%	(60,275,511)	(54,569,306)	90.5%
Sales of Goods and Rendering of Services	(266,423,537)	(60,886,960)	(43,182,063)	70.9%	(182,652,828)	(158,389,091)	86.7%
<b>SUB TOTAL: EXCHANGE REVENUE</b>	<b>(20,495,311,052)</b>	<b>(4,648,988,301)</b>	<b>(4,234,885,773)</b>	<b>91.1%</b>	<b>(15,561,423,074)</b>	<b>(15,012,780,048)</b>	<b>96.5%</b>
<b>TOTAL INCOME</b>	<b>(33,919,042,910)</b>	<b>(8,247,459,407)</b>	<b>(7,366,218,750)</b>	<b>89.3%</b>	<b>(26,518,490,827)</b>	<b>(25,288,297,153)</b>	<b>95.4%</b>

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DESCRIPTION	TOTAL BUDGET 2017/18	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 3			Budget	Actual	% of B
		Budget	Actual	% of B			
R	R	R	%	R	R	%	
<b>EXPENDITURE</b>							
Employee Related Costs	7,617,240,049	1,919,569,342	1,913,572,084	99.7%	5,877,642,009	5,664,983,741	96.4%
Remuneration of Councilors	133,815,880	34,328,983	38,781,266	113.0%	99,486,949	99,739,240	100.3%
Contracted Services	4,024,380,930	1,049,232,870	920,079,016	87.7%	2,989,886,451	2,573,369,711	86.1%
Operational Cost	1,032,635,403	263,052,470	196,591,734	74.7%	773,689,625	554,799,787	71.7%
Inventory	1,808,771,942	464,187,718	377,320,796	81.3%	1,326,788,948	1,039,368,342	78.3%
Bulk Purchases	12,321,455,353	2,689,811,572	2,668,933,007	99.2%	9,047,848,139	9,042,560,501	99.9%
Interest Dividends and Rent on Land	602,266,921	114,465,348	213,133,110	186.2%	482,826,693	446,673,798	92.5%
Operating Leases	36,614,446	8,796,570	7,842,464	89.2%	28,713,127	24,526,828	85.4%
Contribution for Bad Debt	1,323,638,198	276,581,778	312,800,295	113.1%	1,047,056,419	1,083,274,941	103.5%
Transfers and Subsidies	749,172,214	328,550,136	218,935,444	66.6%	520,532,087	547,699,715	105.2%
Depreciation and Amortisation	2,001,799,161	500,449,794	503,051,568	100.5%	1,501,349,381	1,509,167,372	100.5%
<b>TOTAL EXPENDITURE</b>	<b>31,651,790,497</b>	<b>7,649,026,582</b>	<b>7,371,040,785</b>	<b>96.4%</b>	<b>23,695,819,829</b>	<b>22,586,163,977</b>	<b>95.3%</b>
<b>DEFICIT / (SURPLUS)</b>	<b>(2,267,252,413)</b>	<b>(598,432,826)</b>	<b>4,822,035</b>	<b>-0.8%</b>	<b>(2,822,670,999)</b>	<b>(2,702,133,177)</b>	<b>95.7%</b>
<b>TOTAL GAINS AND LOSSES</b>	<b>15,000,000</b>	<b>3,750,000</b>	<b>110,710</b>	<b>3.0%</b>	<b>11,250,000</b>	<b>914,595</b>	<b>8.1%</b>
<b>DEFICIT / (SURPLUS) AFTER GAINS AND</b>	<b>(2,252,252,413)</b>	<b>(594,682,826)</b>	<b>4,932,746</b>	<b>-0.8%</b>	<b>(2,811,420,999)</b>	<b>(2,701,218,582)</b>	<b>96.1%</b>
<b>TOTAL CHARGES / RECOVERIES</b>	<b>-</b>	<b>85,680,159</b>	<b>(55,312,276)</b>	<b>-64.6%</b>	<b>(85,680,034)</b>	<b>8,094</b>	<b>0.0%</b>
<b>DEFICIT / (SURPLUS) AFTER RECOV &amp;</b>	<b>(2,252,252,413)</b>	<b>(509,002,667)</b>	<b>(50,379,530)</b>	<b>9.9%</b>	<b>(2,897,101,033)</b>	<b>(2,701,210,488)</b>	<b>93.2%</b>
Less Grant Income recognised to fund Capital	2,252,123,911	582,271,857	356,127,201	61.2%	1,440,250,846	908,599,080	63.1%
<b>(SURPLUS) / DEFICIT AFTER CAPITAL</b>	<b>(128,502)</b>	<b>73,269,191</b>	<b>305,747,671</b>	<b>417.3%</b>	<b>(1,456,850,187)</b>	<b>(1,792,611,408)</b>	<b>123.0%</b>

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**Analysis of Performance**

**INCOME**

The **Operating Income** budgeted for the 3<sup>rd</sup> Quarter ended 31<sup>st</sup> March 2018 is R8.2 billion. The actual income is R881 million (or 10.7%) less than budgeted. The deviations of the income are discussed in detail later in the report.

The Total Income budgeted for the Year-to-Date (YTD) ending 31<sup>st</sup> March 2018 is R26.518 billion. The actual income is R25.288 billion. The Actual Income for the YTD is R1.230 billion (4.6%) less than budgeted.

The discussions of the significant deviations (more than 5%) on the various revenue sources are as follows:

**NON - EXCHANGE REVENUE**

The total Non-Exchange Revenue for the 3<sup>rd</sup> Quarter is budgeted at R3.598 billion and the actual revenue amounted to R3.131 billion – a deviation of 13% less than the budget.

The total Non-Exchange Revenue for the YTD is budgeted at R10.957 billion and the actual revenue amounted to R10.275 billion – a deviation of 6.2% less than the budget.

- a. The actual revenue from **assessment rates** for the YTD is R3.889 billion, which is aligned to the budgeted income of R3.872 billion. The positive deviation is as a result of the current implementation of the new general valuation roll.
- b. The budget of **Fines, Penalties and Forfeits** for the 3<sup>rd</sup> Quarter is R28.6m. The actual revenue amounted to R28.5m, which is 0.3% less than the budgeted income. The actual revenue from Fines, Penalties and Forfeits for the YTD is 12% less than the budgeted income of R110m. This category includes Traffic Fines, which is budgeted at R103.2 million for YTD and the actual fines collected amounted to R91.5 million. Traffic fines collected is 11.2% less than budgeted.
- c. **Licenses and Permits** reflects income from the Licensing Offices. The biggest income derives from motor vehicle license fees. The budgeted income Licenses and Permits for the 3<sup>rd</sup> Quarter is R79.9m but the actual income was only R72.7m.
- d. The **Transfers and Subsidies** represents the income received from National and Provincial government on grant funding (both operational and capital).

The **Transfer and Subsidies: Capital Monetary** represents the grant income for the funding of the Capital Budget. This income reflected a negative deviation of 38.8% (R226 million) at the end of the 3<sup>rd</sup> Quarter.

Capital grant can only be recorded as income once the actual capital grant expenditure has been realised as per the conditions of the grant. It therefore relates directly to the capital expenditure funded by grants. The low spending on the capital budget resulted in the low capital grant recognised.

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**EXCHANGE REVENUE**

Exchange Revenue relates to all income received in exchange for goods and services rendered. It mostly relates to the **Services Charges** generated from trading services. The requirement of mSCOA is that the cost of rendering free basic services be netted off against the services charges of the respective departments. Therefore, the services charges are the nett amount after taking into account the cost of free basic services, as reflected in the tables below:

Department	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 3			Budget	Actual	% of B
		Budget	Actual	% of B			
Finance	388,536,711	154,434,906	(46,567,419)	-30.2%	241,038,705	39,441,914	16.4%
Energy Department	(12,938,771,083)	(2,848,936,602)	(2,375,163,130)	83.4%	(9,893,652,470)	(9,710,614,631)	98.1%
Waste Management	(1,278,109,484)	(307,483,423)	(275,585,439)	89.6%	(911,551,224)	(887,845,862)	97.4%
Water & Sanitation	(5,379,030,988)	(1,344,757,747)	(1,189,334,076)	88.4%	(4,034,273,240)	(3,669,959,562)	91.0%
<b>TOTAL</b>	<b>(19,207,374,844)</b>	<b>(4,346,742,866)</b>	<b>(3,886,650,064)</b>	<b>89.4%</b>	<b>(14,598,438,229)</b>	<b>(14,228,978,140)</b>	<b>97.5%</b>

It should be noted that the implementation of the mSCOA Framework did not affect the billing system of Council and residents still do receive the grants and concessions as per Council policies.

**Finance Income**

This service charges relates to the income from the issuing of warning notices and the electricity disconnection.

The income from warning notices for the YTD ending 31<sup>st</sup> March 2018 was budgeted at R73.1 million. The actual income was R97.9 million, which is R24.7 million more than budgeted.

The income budgeted for disconnection fees for the YTD ending 31<sup>st</sup> March 2018 was R25.5 million whilst the actual income was R16.7 million. The reduction in disconnection income might have an indirect impact on the collection rate on outstanding debtors.

**Electricity Income**

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 3			Budget	Actual	% of B
		Budget	Actual	% of B			
<b>TOTAL SERVICES CHARGES</b>	<b>(13,297,470,326)</b>	<b>(2,946,382,329)</b>	<b>(2,444,796,473)</b>	<b>83%</b>	<b>(10,154,905,986)</b>	<b>(9,949,638,658)</b>	<b>98%</b>
<b>COST OF FREE BASIC SERVICES</b>	<b>358,699,243</b>	<b>97,445,727</b>	<b>69,633,343</b>	<b>71%</b>	<b>261,253,516</b>	<b>239,024,027</b>	<b>91%</b>
ELEC SALES: DOM HIGH HOME POWER 3 (CST)	222,212,244	55,553,061	60,709,122	109%	166,659,183	183,515,961	110%
ESKOM SUPPLIED AREAS	136,486,999	41,892,666	8,924,220	21%	94,594,333	55,508,066	59%
<b>NET SERVICES CHARGES</b>	<b>(12,938,771,083)</b>	<b>(2,848,936,602)</b>	<b>(2,375,163,130)</b>	<b>83%</b>	<b>(9,893,652,470)</b>	<b>(9,710,614,631)</b>	<b>98%</b>

The Income for electricity services is reflecting a negative deviation of R183 million less than the budgeted income for the YTD results. This deviation is as a result of reclassification of the interdepartmental recoveries as they are reported separately below the surplus/deficit after gains and losses, in order to comply with the mSCOA Framework.



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The month of March 2018 had two public holidays that occurred on working days, namely the 21st March (Human Rights Day) and 30rd March (Good Friday). In addition, the Easter Weekend, starting from the 30th March 2018, would have seen large businesses and industry close or scale down for the entire weekend. The effect of losing two working days, out of twenty two, is that only 91% of the twenty two were economically productive.

Although electricity income cannot be linked linearly to the 91% economically active days, the 2 industrial production days lost, show negatively in the reduced electricity sales.

**Waste Management**

The actual income from Waste Management is R23.7 million less than the budget of R911 million for the YTD results, which represent a deviation of 2.6%. The deviation of the detailed income is as follows:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 3			Budget	Actual	% of B
		Budget	Actual	% of B			
REFUSE REMOVAL: DISPOSAL SITES	(61,343,931)	(16,760,093)	(5,723,321)	34.1%	(45,170,830)	(16,833,559)	37.3%
REFUSE REMOVAL: REHABILITATION LEVY	(15,978,032)	(5,875,150)	(6,073,428)	103.4%	(11,602,061)	(15,076,993)	130.0%
REFUSE REMOVAL: RESIDENTIAL	(937,463,356)	(219,032,506)	(224,762,485)	102.6%	(657,097,518)	(683,410,793)	104.0%
WASTE MANGEMENT: REFUSE REMOVAL (REB)	(127,369,120)	(14,603,460)	(45,918,119)	314.4%	(112,792,319)	(101,514,080)	90.0%
REFUSE REMOVAL: CONTAINERS	(61,750,452)	(15,248,642)	(10,356,786)	67.9%	(46,481,431)	(35,998,167)	77.4%
REFUSE REMOVAL: SPECIAL	(305,851)	(80,834)	(45,880)	56.8%	(243,572)	(159,327)	65.4%
REFUSE REMOVAL: ENVIRONMENTAL LEVY	(23,370,245)	(5,890,805)	(347,167)	5.9%	(17,453,890)	(7,197,315)	41.2%
REFUSE REMOVAL: LITTER PICKING	(35,195,186)	(12,691,498)	(7,103,874)	56.0%	(22,503,688)	(22,499,946)	100.0%
REFUSE REMOVAL: INDUSTR/BUSINESS/MINING	(157,702,431)	(56,685,058)	(32,230,257)	56.9%	(101,017,373)	(106,668,941)	105.6%
<b>TOTAL SERVICES CHARGES</b>	<b>(1,420,478,604)</b>	<b>(346,868,046)</b>	<b>(332,561,317)</b>	<b>95.9%</b>	<b>(1,014,362,682)</b>	<b>(989,359,120)</b>	<b>97.5%</b>
<b>COST OF FREE BASIC SERVICES</b>	<b>142,369,120</b>	<b>39,384,623</b>	<b>56,975,878</b>	<b>144.7%</b>	<b>102,811,458</b>	<b>101,513,259</b>	<b>98.7%</b>
WASTE MANGEMENT: REFUSE REMOVAL INFORMAL SETTLEMENTS	15,000,000	4,500,000	-	0.0%	10,500,000	-	0.0%
WASTE MANGEMENT: REFUSE REMOVAL (CST)	127,369,120	34,884,623	56,975,878	163.3%	92,311,458	101,513,259	110.0%
<b>NET SERVICES CHARGES</b>	<b>(1,278,109,484)</b>	<b>(307,483,423)</b>	<b>(275,585,439)</b>	<b>89.6%</b>	<b>(911,551,224)</b>	<b>(887,845,862)</b>	<b>97.4%</b>

The following factors contributed to the negative deviation;

- Customers are seeking alternatives to utilising sites of CoE's competitors due to service upgrades and timeous sample testing required at Rietfontein to accept hazardous waste;
- Some categories of tariffs charged by CoE compared to other private waste landfill sites are high, resulting in customers using the sites of competitors;
- The waste stream categories of the customers changed to more hazardous waste while this not allowed at CoE landfills;
- The CoE does not have cameras that are able to store images for the purpose of categorizing & charging waste. This presents an opportunity to cheat the system;
- There is lack of capacity to strengthen internal controls within Waste Department;

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- Lesedi Municipality is a slow payer and measures should be put in place to address practice;
- Privately-owned landfill sites such as Genesis, Chloorkop and Holfontein have sales consultants who would meet with customers and negotiate tariff and charges, based on the frequency of visits to the landfill site, tonnages and type of waste, which are expected from the customer; and
- Some customers' businesses are in financial distress and this affects the waste business of the City.

**Water and Sanitation**

The actual income from Water and Sanitation is R364 million less than the budget of R4.034 billion for the YTD results, which represent a deviation of 9%. The deviation of the detailed income is as follows:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 3			Budget	Actual	% of B
		Budget	Actual	% of B			
<b>SANITATION INCOME</b>							
SANITATION: INDUSTRIAL EFFLUENT	(161,935,848)	(40,483,962)	(44,907,276)	110.9%	(121,451,886)	(129,772,692)	106.9%
SANITATION:							
INDUSTRIAL/BUSINESS/MINING	(743,763,572)	(185,940,894)	(177,619,702)	95.5%	(557,822,682)	(532,839,458)	95.5%
SANITATION 6 KL ((REB)	(399,331,998)	(95,681,256)	(100,372,704)	104.9%	(303,650,745)	(299,505,810)	98.6%
SANITATION: GREASE TRAPS	(5,800,650)	(2,091,796)	(437,010)	20.9%	(3,708,854)	(2,588,662)	69.8%
SANITATION: BASIC CHARGES	(963,375)	(240,843)	(307,170)	127.5%	(722,529)	(713,479)	98.7%
SANITATION: CONNECTIONS	(561,901)	(140,475)	(115,752)	82.4%	(421,425)	(375,625)	89.1%
SANITATION: SUNDRY CHARGES	(416,124)	(104,031)	(476,131)	457.7%	(312,093)	(1,003,431)	321.5%
SANITATION: VACUUM TANK	(99,688)	(35,102)	-	0.0%	(64,586)	(208,147)	322.3%
SANITATION:							
INDUSTRIAL/BUSINESS/MINING	(331,659,594)	(82,914,900)	(45,198,581)	54.5%	(248,744,700)	(186,929,607)	75.1%
SANITATION 3 KL (REB)	(36,259,991)	(13,206,562)	(8,987,705)	68.1%	(23,053,429)	(26,811,916)	116.3%
WASTE WATER MANG: AVAILABILITY CHARGES	(98,399,031)	(24,599,757)	1,469,655	-6.0%	(73,799,271)	(32,071,737)	43.5%
<b>TOTAL SERVICES CHARGES</b>	<b>(1,779,191,772)</b>	<b>(445,439,578)</b>	<b>(376,952,374)</b>	<b>84.6%</b>	<b>(1,333,752,200)</b>	<b>(1,212,820,564)</b>	<b>90.9%</b>
<b>COST OF FREE BASIC SERVICES</b>	<b>435,591,989</b>	<b>109,539,629</b>	<b>108,502,421</b>	<b>99.1%</b>	<b>326,052,354</b>	<b>324,965,542</b>	<b>99.7%</b>
SANITATION 6 KL (CST)	399,331,998	98,572,864	99,514,716	101.0%	300,759,128	298,153,625	99.1%
SANITATION 3 KL (CST)	36,259,991	10,966,765	8,987,705	82.0%	25,293,226	26,811,916	106.0%
<b>NET SANITATION INCOME</b>	<b>(1,343,599,783)</b>	<b>(335,899,949)</b>	<b>(268,449,953)</b>	<b>79.9%</b>	<b>(1,007,699,846)</b>	<b>(887,855,022)</b>	<b>88.1%</b>
<b>WATER INCOME</b>							
WATER: CONNECTIONS	(19,856,428.00)	(4,964,106)	(6,389,994)	128.7%	(14,892,318)	(14,749,715)	99.0%
WATER: SUNDRY CHARGES	(324,749.00)	(81,186)	(86,925)	107.1%	(243,558)	(319,790)	131.3%
WATER: RESIDENTIAL	(2,420,497,860.00)	(605,124,465.00)	(605,149,349.37)	100.0%	(1,815,373,395.00)	(1,764,514,226.02)	97.2%
WATER:							
INDUSTRIAL/BUSINESS/MINING	(1,465,474,001.00)	(366,368,499)	(285,863,057)	78.0%	(1,099,105,497)	(937,930,091)	85.3%
WATER: AVAILABILITY CHARGES	(150,150,609.00)	(37,537,653)	(27,963,391)	74.5%	(112,612,959)	(76,350,271)	67.8%
WATER: RESIDENTIAL 6 KL (REB)	(537,248,362.00)	(128,581,034)	(137,128,440)	106.6%	(408,667,326)	(411,971,788)	100.8%
WATER: RESIDENTIAL 3 KL (REB)	(50,166,328.00)	(18,272,638)	(12,422,012)	68.0%	(31,893,690)	(38,911,881)	122.0%
<b>TOTAL SERVICES CHARGES</b>	<b>(4,643,718,337)</b>	<b>(1,160,929,581)</b>	<b>(1,075,003,168)</b>	<b>92.6%</b>	<b>(3,482,788,743)</b>	<b>(3,244,747,763)</b>	<b>93.2%</b>
<b>COST OF FREE BASIC SERVICES</b>	<b>608,287,132</b>	<b>152,071,783</b>	<b>154,119,045</b>	<b>101.3%</b>	<b>456,215,349</b>	<b>462,643,224</b>	<b>101.4%</b>
WATER: RESIDENTIAL 3 KL (CST)	50,166,328	15,171,581	12,422,012	81.9%	34,994,747	38,911,881	111.2%
WATER: RESIDENTIAL 6 KL (CST)	537,248,362	130,493,342	137,796,872	105.6%	406,755,020	412,640,221	101.4%
WATER TANKERS	10,436,221	3,275,456	3,106,372	94.8%	7,160,765	9,636,292	134.6%
WATER TANKERS	10,436,221	3,131,404	793,790	25.3%	7,304,817	1,454,831	19.9%
<b>NET WATER INCOME</b>	<b>(4,035,431,205)</b>	<b>(1,008,857,798)</b>	<b>(920,884,123)</b>	<b>91.3%</b>	<b>(3,026,573,394)</b>	<b>(2,782,104,539)</b>	<b>91.9%</b>
<b>TOTAL WATER AND SANITATION</b>	<b>(5,379,030,988)</b>	<b>(1,344,757,747)</b>	<b>(1,189,334,076)</b>	<b>88.4%</b>	<b>(4,034,273,240)</b>	<b>(3,669,959,561)</b>	<b>91.0%</b>

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Though the deviation is less than 10% it should be closely monitored by the department.

**Other Exchange Revenue Income**

This category of income contains mainly the interest charged on debtor accounts and the interest earned on the bank account. The Interest, Dividends and Rent on Land income for the YTD ending 31<sup>st</sup> March 2018 is 21.3% less than budgeted.

The details of the various income sources are as follows:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 3			Budget	Actual	% of B
		Budget	Actual	% of B			
INTEREST EARNED: ASSESSMENT RATES AND OTHER DEBTORS	(84,654,499)	(9,490,473)	(20,652,145)	217.6%	(75,164,026)	(50,687,212)	67.4%
INTEREST EARNED: ELECTRICITY ARREARS	(80,000,000)	(20,000,001)	(8,413,408)	42.1%	(60,000,003)	(28,619,449)	47.7%
INTEREST EARNED: REFUSE REMOVAL ARREARS	(65,804,800)	(13,839,708)	(11,094,920)	80.2%	(51,683,545)	(30,356,521)	58.7%
INTEREST EARNED: SANITATION ARREARS	(65,142,000)	(16,285,500)	(9,685,592)	59.5%	(48,856,500)	(27,085,133)	55.4%
INTEREST EARNED: WATER ARREARS	(228,726,000)	(57,181,500)	(32,433,682)	56.7%	(171,544,500)	(89,884,725)	52.4%
INTEREST EARNED: CURRENT ACCOUNT	(394,202,171)	(98,550,543)	(195,328,621)	198.2%	(295,651,628)	(326,640,830)	110.5%
<b>TOTAL</b>	<b>(918,529,470)</b>	<b>(215,347,725)</b>	<b>(277,608,369)</b>	<b>128.9%</b>	<b>(702,900,202)</b>	<b>(553,273,870)</b>	<b>78.7%</b>

The interest earned on debtor accounts has a direct impact on outstanding debtor balances and subsequent potential bad debt.

The only interest earned in real cash is the interest on the current.

**EXPENDITURE**

The budgeted **Operating Expenditure** for the 3<sup>rd</sup> Quarter ended 31 March 2018 is R7.6 billion. The actual expenditure is R7.4 billion which is R278 million less than budgeted.

The Total Expenditure budgeted for the YTD is R23.695 billion. The actual expenditure is R22.586 billion which is R1.109 billion (4.7%) less than budgeted.

**REPAIR AND MAINTENANCE PER DEPARTMENT**

The mSCOA Framework does not accommodate the Repair and Maintenance as a type of expenditure and category. These expenditure is embedded in the various categories of new SCOA and form part of the outsourced services, contracted services and inventory categories.

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Due to the relative importance to monitor expenditure in this regard, repairs and maintenance extracted from the various categories is reflected in the following table as follows:

DEPARTMENT	AMENDED BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 3			Budget	Actual	% of B
		Budget	Actual	% of B			
ENERGY	1,014,799,538	248,102,613	181,015,639	73%	725,481,062	552,271,728	76.1%
ROADS AND STORMWATER	839,818,831	206,251,862	131,244,451	64%	638,049,103	623,484,554	97.7%
WATER AND SANITATION	603,292,611	145,580,695	167,397,409	115%	457,808,297	441,835,093	96.5%
REAL ESTATE	160,848,429	35,818,248	29,790,838	83%	127,454,742	68,611,432	53.8%
INFORMATION COMMUNICATION TECHNOLOGY	141,710,507	35,257,627	64,297,798	182%	106,512,882	100,339,170	94.2%
WASTE MANAGEMENT	113,975,650	28,898,829	24,752,867	86%	81,405,918	67,522,612	82.9%
ENVIRONMENTAL RESOURCE MANAGEMENT	99,268,292	25,028,781	(178,928,934)	-715%	74,332,759	67,052,901	90.2%
SPORTS, RECREATION, ARTS AND CULTURE	37,733,189	8,916,879	7,795,486	87%	30,933,264	26,025,380	84.1%
TRANSPORT	40,394,979	9,467,761	6,755,435	71%	31,703,982	20,122,474	63.5%
HUMAN SETTLEMENTS	201,962,615	51,200,686	48,251,050	94%	149,484,770	98,719,762	66.0%
DISASTER AND EMERGENCY MANAGEMENT SERVICES	41,089,550	10,310,648	9,388,993	91%	30,544,535	17,825,062	58.4%
CITY PLANNING	34,360,895	8,594,382	9,722,650	113%	27,255,509	25,278,319	92.7%
EKURHULENI METRO POLICE DEPARTMENT	35,471,133	9,374,073	7,744,661	83%	24,658,430	22,468,460	91.1%
FINANCE	21,893,235	5,559,029	2,202,445	40%	16,225,878	4,979,743	30.7%
CUSTOMER RELATIONS MANAGEMENT	8,546,201	2,152,595	977,214	45%	6,371,500	3,242,604	50.9%
HEALTH AND SOCIAL DEVELOPMENT	14,162,922	4,904,584	2,468,774	50%	10,810,583	7,574,405	70.1%
ECONOMIC DEVELOPMENT	4,720,424	1,148,855	1,090,629	95%	3,571,565	2,588,558	72.5%
FLEET MANAGEMENT	4,566,244	1,146,242	875,829	76%	3,424,999	2,154,736	62.9%
HUMAN RESOURCES	2,210,806	554,591	443,143	80%	1,353,692	1,558,308	115.1%
INTERNAL AUDIT	350,251	87,561	27,977	32%	262,684	44,650	17.0%
COMMUNICATION & BRANDING	112,131	28,032	5,146	18%	84,097	34,141	40.6%
STRATEGY & CORPORATE PLANNING	972,381	344,820	254,444	74%	627,561	559,944	89.2%
EXECUTIVE OFFICE	449,787	123,160	37,608	31%	226,624	116,218	51.3%
CITY MANAGER	541,999	104,251	124,495	119%	512,753	178,399	34.8%
LEGISLATURE	90,950	22,738	2,950	13%	68,213	17,747	26.0%
CORPORATE LEGAL	39,053	9,763	-	0%	29,290	-	0.0%
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATOR	208,865	62,655	30,111	48%	159,770	147,585	92.4%
COUNCIL GENERAL	22,003,638	5,500,910	16,375	0%	16,502,729	77,307	0.5%
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<b>3,445,595,106</b>	<b>844,552,871</b>	<b>517,785,484</b>	<b>61.31%</b>	<b>2,565,857,190</b>	<b>2,154,831,291</b>	<b>83.98%</b>

The Repairs and Maintenance budgeted for the 3<sup>rd</sup> Quarter amounts to **R844 million**. The actual expenditure amounted to **R517 million**, resulting in an underspending of R326 million (i.e. 61.31% of the budget was spent).

The Repairs and Maintenance budgeted for the YTD is R2.565 billion. The actual expenditure is R2.154 billion which is R411 million (16.02%) less than budgeted.

**Employee Related Costs**

The amount budgeted for the salaries and contributions towards senior management and other municipal staff amounted to R7.6 billion.

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The actual expenditure for Employee Related Costs is R6 million less than the budgeted expenditure for the 3<sup>rd</sup> Quarter. The actual spending on Employee Related Costs appear to be perfectly aligned to the budget in the third quarter. However, there is anticipated overspending on the position that were filled in the first and second quarters of the financial year as the provision for vacancies was 50% of the annual cost.

The amount spent on Overtime is a major concern. The following table reflects the Overtime per department:

<b>Department</b>	<b>2016/17 Quarter 3 Actuals</b>	<b>2017/18 Quarter 3 Actuals</b>	<b>Increase/ (decrease) in Actual</b>
DISASTER & EMERGENCY MANAGEMENT SERVICES	18,604,019	22,640,712	4,036,693.02
ROADS & STORMWATER	1,508,037	3,529,735	2,021,698.37
ENERGY	19,975,584	21,238,625	1,263,041.39
EKURHULENI METRO POLICE DEPARTMENT	69,329,698	70,211,855	882,156.95
TRANSPORT	3,842,757	4,608,985	766,227.88
HEALTH & SOCIAL DEVELOPMENT	1,038,609	1,259,134	220,524.83
HUMAN SETTLEMENTS	197,489	273,649	76,160.25
HUMAN RESOURCES	103,576	177,934	74,357.80
EXECUTIVE	36,326	71,682	35,355.70
FINANCE	2,238,458	2,265,413	26,955.27
SPORTS, RECREATION, ARTS & CULTURE	6,666,282	6,685,045	18,762.50
CITY MANAGER	92,186	90,849	(1,337.14)
CORPORATE LEGAL	35,890	18,475	(17,415.04)
COMMUNICATION & BRANDING	89,224	62,523	(26,700.87)
CITY PLANNING	49,456	11,378	(38,077.99)
ECONOMIC DEVELOPMENT	523,533	480,359	(43,174.21)
STRATEGY & CORPORATE PLANNING	45,573	2,007	(43,565.80)
CUSTOMER RELATION MANAGEMENT	897,637	807,210	(90,426.72)
INFORMATION COMMUNICATION TECHNOLOGY	378,190	199,508	(178,682.18)
FLEET MANAGEMENT	2,059,915	1,749,623	(310,291.65)
LEGISLATURE	791,848	375,274	(416,573.99)
REAL ESTATE	830,853	282,066	(548,787.18)
WATER & SANITATION	15,107,081	14,517,185	(589,896.22)
ENVIRONMENTAL RESOURCES MANAGEMENT	13,140,320	8,046,933	(5,093,387.41)
WASTE MANAGEMENT	27,074,904	18,756,810	(8,318,094.00)
<b>TOTAL OVERTIME</b>	<b>184,657,445</b>	<b>178,362,969</b>	<b>(6,294,476)</b>

The overall spending on overtime has reduced by R6.2 million when compared to the 3<sup>rd</sup> Quarter of 2016/17. The table above depicts departments with increased spending on overtime at the top, which is a major concern.

**Remuneration of Councillors**

An amount of R133.8m was budgeted for Councillor's remuneration in the 2017/18 financial year. The quarterly budget was R34.3m whilst the actual expenditure amounts to R38.7m or 13% more than budgeted.

Provision was made for an increase of 6% in the 2017/18 financial year, which have been effected in the 3<sup>rd</sup> Quarter, resulting in the over expenditure as reflected. However, the year to date results as at the end of March 2018 is aligned to the year to date budget.

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**Contracted Services**

Contracted Services relates to all expenditure incurred by Council which could/should have been rendered by Council itself. It therefore includes:

- Outsourced services;
- Consultants; and
- Other Contracts.

The budget for Contracted on Outsourced Services for the YTD is budgeted at R2.989 billion whilst the actual expenditure amounted to R2.573 billion (or 86%).

Cognisance must be taken that expenditure in this nature is not accrued and therefore it could reflect to a large extent only expenditure for 2 months (i.e. March 2017 invoices will only get paid in April 2017).

The following table reflects the detail expenditure per department:

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			QUARTER 3			Budget	Actual	% of B
			Budget	Actual	% of B			
<b>CoE TOTAL</b>	<b>Contracted Services</b>	<b>4,024,380,930</b>	<b>1,049,232,870</b>	<b>920,079,016</b>	<b>87.7%</b>	<b>2,989,886,451</b>	<b>2,573,369,711</b>	<b>86.1%</b>
CoE TOTAL	- Outsource Services	2,056,489,756	533,771,273	512,775,474	96.1%	1,540,602,044	1,416,326,320	91.9%
CoE TOTAL	- Consultants and Professional Services	477,937,856	121,257,989	95,088,319	78.4%	347,843,749	244,063,119	70.2%
CoE TOTAL	- Contractors	1,489,953,318	394,203,608	312,215,224	79.2%	1,101,440,658	912,980,272	82.9%
<b>Executive Office</b>	<b>Contracted Services</b>	<b>1,034,307</b>	<b>260,750</b>	<b>181,751</b>	<b>69.7%</b>	<b>633,557</b>	<b>539,077</b>	<b>85.1%</b>
Executive Office	- Outsource Services	686,403	173,774	162,595	93.6%	472,629	463,438	98.1%
Executive Office	- Contractors	347,904	86,976	19,156	22.0%	160,928	75,639	47.0%
<b>Legislature</b>	<b>Contracted Services</b>	<b>8,992,486</b>	<b>2,234,298</b>	<b>846,771</b>	<b>37.9%</b>	<b>6,809,439</b>	<b>4,064,055</b>	<b>59.7%</b>
Legislature	- Outsource Services	5,184,115	1,279,528	678,602	53.0%	3,926,584	3,644,402	92.8%
Legislature	- Consultants and Professional Services	3,700,263	927,743	165,219	17.8%	2,801,776	398,760	14.2%
Legislature	- Contractors	108,108	27,026	2,950	10.9%	81,079	20,893	25.8%
<b>City Manager</b>	<b>Contracted Services</b>	<b>21,592,177</b>	<b>5,366,340</b>	<b>2,956,561</b>	<b>55.1%</b>	<b>16,300,837</b>	<b>13,681,625</b>	<b>83.9%</b>
City Manager	- Outsource Services	404,257	101,064	65,318	64.6%	303,193	170,256	56.2%
City Manager	- Consultants and Professional Services	20,856,898	5,213,770	2,795,881	53.6%	15,643,128	13,387,648	85.6%
City Manager	- Contractors	331,022	51,505	95,361	185.1%	354,516	123,722	34.9%
<b>Strategy &amp; Corporate Planning</b>	<b>Contracted Services</b>	<b>5,123,049</b>	<b>1,068,889</b>	<b>93,037</b>	<b>8.7%</b>	<b>4,122,546</b>	<b>471,363</b>	<b>11.4%</b>
Strategy & Corporate Planning	- Outsource Services	3,653,637	738,182	40,437	5.5%	2,922,456	127,429	4.4%
Strategy & Corporate Planning	- Consultants and Professional Services	1,468,536	330,487	52,600	15.9%	1,199,433	343,934	28.7%
Strategy & Corporate Planning	- Contractors	876	219	-	0.0%	657	-	0.0%
<b>Risk Management</b>	<b>Contracted Services</b>	<b>1,264,006</b>	<b>460,719</b>	<b>216,332</b>	<b>47.0%</b>	<b>1,060,980</b>	<b>503,291</b>	<b>47.4%</b>
Risk Management	- Outsource Services	90,675	18,000	19,426	107.9%	72,675	83,742	115.2%
Risk Management	- Consultants and Professional Services	1,169,362	442,719	196,906	44.5%	984,336	415,629	42.2%
<b>Chief Operating Officer</b>	<b>Contracted Services</b>	<b>1,203,746</b>	<b>334,979</b>	<b>199,237</b>	<b>59.5%</b>	<b>1,324,985</b>	<b>447,022</b>	<b>33.7%</b>
Chief Operating Officer	- Outsource Services	272,046	115,000	80,037	69.6%	241,500	177,732	73.6%
Chief Operating Officer	- Consultants and Professional Services	926,859	219,979	119,200	54.2%	1,078,644	268,640	24.9%
Chief Operating Officer	- Contractors	4,841	-	-	0.0%	4,841	650	13.4%
<b>EPMO</b>	<b>Contracted Services</b>	<b>13,195,129</b>	<b>3,345,675</b>	<b>1,785,051</b>	<b>53.4%</b>	<b>9,884,584</b>	<b>3,837,860</b>	<b>38.8%</b>
EPMO	- Outsource Services	400,408	145,675	97,076	66.6%	283,708	337,562	119.0%
EPMO	- Consultants and Professional Services	12,793,845	3,200,000	1,687,975	52.7%	9,600,000	3,499,449	36.5%
EPMO	- Contractors	876	-	-	0.0%	876	850	97.0%
<b>Council General</b>	<b>Contracted Services</b>	<b>18,734,112</b>	<b>4,644,534</b>	<b>-</b>	<b>0.0%</b>	<b>14,089,579</b>	<b>126,595</b>	<b>0.9%</b>
Council General	- Outsource Services	50,264	12,566	-	0.0%	37,698	-	0.0%
Council General	- Consultants and Professional Services	49,288	(26,672)	-	0.0%	75,961	49,288	64.9%
Council General	- Contractors	18,634,560	4,658,640	-	0.0%	13,975,920	77,307	0.6%
<b>Customer Relations Management</b>	<b>Contracted Services</b>	<b>13,240,974</b>	<b>3,125,784</b>	<b>1,844,650</b>	<b>59.0%</b>	<b>7,533,856</b>	<b>7,652,621</b>	<b>101.6%</b>
Customer Relations Management	- Outsource Services	3,668,618	912,184	626,013	68.6%	2,754,052	2,433,235	88.4%
Customer Relations Management	- Consultants and Professional Services	8,889,984	2,043,746	1,182,932	57.9%	4,266,242	4,648,114	109.0%
Customer Relations Management	- Contractors	682,372	169,854	35,706	21.0%	513,562	571,273	111.2%
<b>Roads &amp; Stormwater</b>	<b>Contracted Services</b>	<b>620,300,292</b>	<b>155,163,736</b>	<b>88,097,469</b>	<b>56.8%</b>	<b>465,080,551</b>	<b>485,036,712</b>	<b>104.3%</b>
Roads & Stormwater	- Outsource Services	754,744	188,686	120,223	63.7%	566,058	193,179	34.1%
Roads & Stormwater	- Consultants and Professional Services	7,184,297	1,796,074	488,381	27.2%	5,388,223	2,208,477	41.0%
Roads & Stormwater	- Contractors	612,361,251	153,178,976	87,488,866	57.1%	459,126,271	482,635,056	105.1%
<b>Transport</b>	<b>Contracted Services</b>	<b>223,035,505</b>	<b>77,218,914</b>	<b>23,263,787</b>	<b>30.1%</b>	<b>146,209,198</b>	<b>74,102,297</b>	<b>50.7%</b>
Transport	- Outsource Services	24,588,735	6,296,358	3,865,246	61.4%	18,989,868	12,231,283	64.4%
Transport	- Consultants and Professional Services	6,821,061	2,053,604	-	0.0%	5,064,126	-	0.0%
Transport	- Contractors	191,625,709	68,868,951	19,398,541	28.2%	122,155,205	61,871,013	50.6%
<b>Fleet Management</b>	<b>Contracted Services</b>	<b>2,118,287</b>	<b>525,821</b>	<b>365,592</b>	<b>69.5%</b>	<b>1,597,464</b>	<b>1,288,496</b>	<b>80.7%</b>
Fleet Management	- Outsource Services	832,866	208,217	113,887	54.7%	624,650	518,502	83.0%
Fleet Management	- Contractors	1,285,421	317,605	251,705	79.3%	972,815	769,994	79.2%
<b>Real Estate</b>	<b>Contracted Services</b>	<b>47,843,248</b>	<b>14,784,138</b>	<b>14,506,093</b>	<b>98.1%</b>	<b>33,465,423</b>	<b>39,159,443</b>	<b>117.0%</b>
Real Estate	- Outsource Services	703,260	202,495	77,190	38.1%	776,702	175,161	22.6%
Real Estate	- Consultants and Professional Services	43,517,774	13,421,898	14,199,182	105.8%	29,453,224	38,393,229	130.4%
Real Estate	- Contractors	3,622,214	1,159,745	229,720	19.8%	3,235,497	591,053	18.3%

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2018.04.26**

**ITEM A-F (24-2018)**

DEPARTMENT	DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
			QUARTER 3			Budget	Actual	% of B
			Budget	Actual	% of B			
<b>Health &amp; Social Development</b>	<b>Contracted Services</b>	<b>14,079,078</b>	<b>5,417,956</b>	<b>1,693,953</b>	<b>31.3%</b>	<b>10,476,568</b>	<b>6,427,933</b>	<b>61.4%</b>
Health & Social Development	- Outsource Services	6,673,205	1,975,180	700,772	35.5%	4,118,061	2,894,891	70.3%
Health & Social Development	- Consultants and Professional Services	545,632	630,604	29,574	4.7%	746,457	62,316	8.3%
Health & Social Development	- Contractors	6,860,241	2,812,172	963,607	34.3%	5,612,050	3,470,727	61.8%
<b>Disaster &amp; Emergency Management Services</b>	<b>Contracted Services</b>	<b>66,462,351</b>	<b>16,405,606</b>	<b>13,265,779</b>	<b>80.9%</b>	<b>49,853,587</b>	<b>31,706,720</b>	<b>63.6%</b>
Disaster & Emergency Management Services	- Outsource Services	37,407,379	9,351,031	6,824,545	73.0%	27,934,093	21,714,627	77.7%
Disaster & Emergency Management Services	- Consultants and Professional Services	3,419,796	854,949	196,103	22.9%	2,564,847	630,317	24.6%
Disaster & Emergency Management Services	- Contractors	25,635,176	6,199,626	6,245,131	100.7%	19,354,647	9,361,776	48.4%
<b>Ekurhuleni Metro Police Department (EMPD)</b>	<b>Contracted Services</b>	<b>336,082,063</b>	<b>99,627,823</b>	<b>107,624,852</b>	<b>108.0%</b>	<b>236,199,362</b>	<b>238,110,327</b>	<b>100.8%</b>
Ekurhuleni Metro Police Department (EMPD)	- Outsource Services	298,589,753	90,865,996	99,839,580	109.9%	207,628,890	215,633,924	103.9%
Ekurhuleni Metro Police Department (EMPD)	- Consultants and Professional Services	33,278,712	7,632,181	7,081,620	92.8%	25,646,530	21,087,078	82.2%
Ekurhuleni Metro Police Department (EMPD)	- Contractors	4,213,598	1,129,646	703,651	62.3%	2,923,942	1,389,324	47.5%
<b>Sports, Recreation, Arts &amp; Culture (SRAC)</b>	<b>Contracted Services</b>	<b>21,807,591</b>	<b>4,826,299</b>	<b>3,425,436</b>	<b>71.0%</b>	<b>17,635,097</b>	<b>13,800,604</b>	<b>78.3%</b>
Sports, Recreation, Arts & Culture (SRAC)	- Outsource Services	965,700	243,732	126,334	51.8%	729,691	492,264	67.5%
Sports, Recreation, Arts & Culture (SRAC)	- Consultants and Professional Services	5,189,376	1,017,233	191,290	18.8%	3,097,367	3,041,792	98.2%
Sports, Recreation, Arts & Culture (SRAC)	- Contractors	15,652,515	3,565,334	3,107,812	87.2%	13,808,039	10,266,548	74.4%
<b>Human Settlements</b>	<b>Contracted Services</b>	<b>280,618,018</b>	<b>65,915,595</b>	<b>59,520,145</b>	<b>90.3%</b>	<b>207,228,147</b>	<b>107,728,860</b>	<b>52.0%</b>
Human Settlements	- Outsource Services	75,321	18,830	11,870	63.0%	56,490	40,084	71.0%
Human Settlements	- Consultants and Professional Services	68,935,672	14,374,457	7,340,112	51.1%	46,818,942	15,285,351	32.6%
Human Settlements	- Contractors	211,607,025	51,522,307	52,168,163	101.3%	160,352,714	92,403,425	57.6%
<b>Finance</b>	<b>Contracted Services</b>	<b>209,793,866</b>	<b>51,010,486</b>	<b>59,284,436</b>	<b>116.2%</b>	<b>158,924,470</b>	<b>122,450,846</b>	<b>77.0%</b>
Finance	- Outsource Services	112,363,349	27,472,527	25,177,464	91.6%	84,905,814	68,900,166	81.1%
Finance	- Consultants and Professional Services	64,578,334	15,520,226	28,250,961	182.0%	49,141,707	36,393,452	74.1%
Finance	- Contractors	32,852,183	8,017,733	5,856,011	73.0%	24,876,948	17,157,228	69.0%
<b>Human Resources</b>	<b>Contracted Services</b>	<b>8,845,508</b>	<b>2,191,913</b>	<b>957,857</b>	<b>43.7%</b>	<b>5,403,595</b>	<b>2,959,368</b>	<b>54.8%</b>
Human Resources	- Outsource Services	2,964,129	721,568	458,633	63.6%	2,542,561	1,318,757	51.9%
Human Resources	- Consultants and Professional Services	4,087,690	1,021,923	69,457	6.8%	1,815,768	184,314	10.2%
Human Resources	- Contractors	1,793,689	448,422	429,767	95.8%	1,045,267	1,456,297	139.3%
<b>ICT</b>	<b>Contracted Services</b>	<b>141,619,699</b>	<b>35,234,925</b>	<b>64,264,969</b>	<b>182.4%</b>	<b>106,444,774</b>	<b>100,319,376</b>	<b>94.2%</b>
ICT	- Outsource Services	74,856	18,714	3,731	19.9%	56,142	20,116	35.8%
ICT	- Contractors	141,544,843	35,216,211	64,261,237	182.5%	106,388,632	100,299,259	94.3%
<b>Corporate Legal</b>	<b>Contracted Services</b>	<b>49,266,949</b>	<b>12,316,737</b>	<b>9,771,766</b>	<b>79.3%</b>	<b>36,950,211</b>	<b>12,843,544</b>	<b>34.8%</b>
Corporate Legal	- Outsource Services	208,406	52,101	28,296	54.3%	156,304	129,908	83.1%
Corporate Legal	- Consultants and Professional Services	49,025,082	12,256,271	9,743,469	79.5%	36,768,812	12,713,636	34.6%
Corporate Legal	- Contractors	33,461	8,365	-	0.0%	25,096	-	0.0%
<b>Economic Development</b>	<b>Contracted Services</b>	<b>28,212,457</b>	<b>7,122,841</b>	<b>8,848,809</b>	<b>124.2%</b>	<b>21,209,615</b>	<b>16,047,783</b>	<b>75.7%</b>
Economic Development	- Outsource Services	10,419,181	2,837,022	3,581,433	126.2%	7,582,158	7,798,106	102.8%
Economic Development	- Consultants and Professional Services	15,326,897	3,792,974	4,447,003	117.2%	11,533,923	7,015,944	60.8%
Economic Development	- Contractors	2,466,379	492,845	820,373	166.5%	2,093,534	1,233,734	58.9%



**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2018.04.26**

**ITEM A-F (24-2018)**

DEPARTMENT	DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
			QUARTER 3			Budget	Actual	% of B
			Budget	Actual	% of B			
<b>City Planning</b>	<b>Contracted Services</b>	<b>100,079,475</b>	<b>26,714,868</b>	<b>17,587,814</b>	<b>65.8%</b>	<b>73,399,605</b>	<b>87,883,446</b>	<b>119.7%</b>
<b>City Planning</b>	- Outsource Services	346,242	67,145	9,196	13.7%	279,095	183,242	65.7%
<b>City Planning</b>	- Consultants and Professional Services	65,936,318	18,396,955	7,873,094	42.8%	46,074,363	62,521,365	135.7%
<b>City Planning</b>	- Contractors	33,796,915	8,250,768	9,705,524	117.6%	27,046,147	25,178,839	93.1%
<b>Environmental Resource Management</b>	<b>Contracted Services</b>	<b>128,024,884</b>	<b>32,351,428</b>	<b>43,256,440</b>	<b>133.7%</b>	<b>95,872,701</b>	<b>86,931,667</b>	<b>90.7%</b>
<b>Environmental Resource Management</b>	- Outsource Services	81,170,308	20,385,303	31,311,239	153.6%	60,928,248	57,393,990	94.2%
<b>Environmental Resource Management</b>	- Consultants and Professional Services	6,324,121	1,784,053	235,898	13.2%	4,614,995	869,785	18.8%
<b>Environmental Resource Management</b>	- Contractors	40,530,455	10,182,072	11,709,303	115.0%	30,329,458	28,667,892	94.5%
<b>Communication and Brand Management</b>	<b>Contracted Services</b>	<b>514,458</b>	<b>156,114</b>	<b>61,954</b>	<b>39.7%</b>	<b>358,343</b>	<b>265,062</b>	<b>74.0%</b>
<b>Communication and Brand Management</b>	- Outsource Services	484,222	148,555	61,954	41.7%	335,666	265,062	79.0%
<b>Communication and Brand Management</b>	- Contractors	30,236	7,559	-	0.0%	22,677	-	0.0%
<b>Internal Audit</b>	<b>Contracted Services</b>	<b>9,607,419</b>	<b>2,424,313</b>	<b>2,868,893</b>	<b>118.3%</b>	<b>6,569,030</b>	<b>6,872,489</b>	<b>104.6%</b>
<b>Internal Audit</b>	- Outsource Services	4,327,890	1,098,639	880,113	80.1%	3,229,251	2,378,077	73.6%
<b>Internal Audit</b>	- Consultants and Professional Services	5,197,374	1,299,343	1,969,364	151.6%	3,283,955	4,465,999	136.0%
<b>Internal Audit</b>	- Contractors	82,155	26,330	19,417	73.7%	55,824	28,413	50.9%
<b>Energy Department</b>	<b>Contracted Services</b>	<b>426,105,126</b>	<b>107,952,269</b>	<b>75,289,378</b>	<b>69.7%</b>	<b>318,397,152</b>	<b>254,344,113</b>	<b>79.9%</b>
<b>Energy Department</b>	- Outsource Services	334,592,416	82,653,550	64,752,093	78.3%	252,166,207	224,442,585	89.0%
<b>Energy Department</b>	- Consultants and Professional Services	12,786,991	4,030,083	1,505,686	37.4%	8,756,917	1,834,496	20.9%
<b>Energy Department</b>	- Contractors	78,725,719	21,268,635	9,031,599	42.5%	57,474,028	28,067,032	48.8%
<b>Waste Management</b>	<b>Contracted Services</b>	<b>421,017,491</b>	<b>109,824,877</b>	<b>98,340,522</b>	<b>89.5%</b>	<b>333,489,852</b>	<b>267,351,188</b>	<b>80.2%</b>
<b>Waste Management</b>	- Outsource Services	403,125,664	105,117,551	93,940,685	89.4%	314,921,973	260,781,680	82.8%
<b>Waste Management</b>	- Consultants and Professional Services	14,360,698	3,631,642	3,311,298	91.2%	15,248,835	4,541,585	29.8%
<b>Waste Management</b>	- Contractors	3,531,129	1,075,684	1,088,539	101.2%	3,319,045	2,027,923	61.1%
<b>Water &amp; Sanitation</b>	<b>Contracted Services</b>	<b>804,567,179</b>	<b>201,204,245</b>	<b>219,659,684</b>	<b>109.2%</b>	<b>603,361,340</b>	<b>586,415,927</b>	<b>97.2%</b>
<b>Water &amp; Sanitation</b>	- Outsource Services	721,411,707	180,352,098	179,121,484	99.3%	541,059,626	531,382,919	98.2%
<b>Water &amp; Sanitation</b>	- Consultants and Professional Services	21,566,996	5,391,747	1,955,114	36.3%	16,175,241	9,802,523	60.6%
<b>Water &amp; Sanitation</b>	- Contractors	61,588,476	15,460,400	38,583,086	249.6%	46,126,473	45,230,484	98.1%

**Operational Costs**

Operational Costs refer to various types of expenditure which form part of the General Expenditure category in the previous reports. The following is merely a list of the detailed expenditure grouped in the category of Operational Costs.

It is necessary to analyse the Operational Costs of each department as reflected in the Departmental Operating Budget Reports.

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2018.04.26**

**ITEM A-F (24-2018)**

Description	QUARTERLY RESULTS			YEAR TO DATE RESULTS		
	Budget Quarter 3	Actual Quarter 3	% of B	Year to Date Budget	Year to Date Actuals	% of B
OC: ADV/PUB/MARK - AUCTIONS	8,731,932	9,307,108	106.6%	27,932,490	15,391,260	55.1%
OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	1,913,008	1,025,968	53.6%	5,697,640	3,308,473	58.1%
PUBLICATIONS	917,831	982,051	107.0%	2,027,961	2,194,831	108.2%
OC: ADV/PUB/MARK - CUSTOMER/CLIENT INFO	15,000	28,268	188.5%	335,000	343,972	102.7%
OC: ADV/PUB/MARK - GIFTS & PROMO ITEMS	144,566	174,319	120.6%		465,983	0.0%
CORPORATE IMAGE AND MARKETING	1,389,228	523,685	37.7%	4,167,685	643,955	15.5%
OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	3,413	-	0.0%	10,240	11,977	117.0%
OC: ADV/PUB/MARK - STAFF RECRUITMENT	794	-	0.0%	2,381	-	0.0%
OC: ASSETS LESS THAN CAPITAL THRESHOLD	227,441	22,650	10.0%	696,935	107,350	15.4%
OC: AUDIT COST: EXTERNAL	4,792,838	4,419,899	92.2%	14,378,515	18,849,765	131.1%
OC: BC/FAC/C FEES - BANK ACCOUNTS	297,692	-	0.0%	893,075	-	0.0%
ABSA: CASH DEPOSIT FEES	1,094,657	1,296,047	118.4%	3,283,970	3,287,994	100.1%
ABSA: CASH DEPOSIT I.D.	207,985	120,804	58.1%	623,954	397,051	63.6%
BANK SERVICE CHARGES	41,597	2,466,950	5930.6%	124,791	7,661,477	6139.4%
COUNTERFEIT NOTES	1,886	470	24.9%	5,657	470	8.3%
ABSA: TRANSACTIONAL FEES	218,931	349,157	159.5%	656,794	709,411	108.0%
ABSA: CASH IN TRANSIT	919,511	-	0.0%	2,758,534	-	0.0%
ABSA: DEPOSIT MACHINES	1,007,084	-	0.0%	3,021,252	136,374	4.5%
ABSA: DR & CR CARDS	2,189,313	2,653,682	121.2%	6,567,939	9,992,022	152.1%
ABSA: E-BANKING SYSTEM	1,423,053	579,724	40.7%	4,269,160	1,598,233	37.4%
ABSA: PAYMENT CHANNEL	3,596,819	1,080,743	30.0%	10,164,758	1,112,110	10.9%
POST OFFICE: PAYMENT CHANNEL	2,751,282	376,960	13.7%	4,418,357	1,170,717	26.5%
EASYPAY: PAYMENT CHANNEL	7,443,664	14,904,553	200.2%	22,330,993	35,488,801	158.9%
OC: BURSARIES (EMPLOYEES)	3,327,756	9,771,528	293.6%	9,983,267	10,560,254	105.8%
GRANTS: EDUCATION (EXTERNAL)	25,962,748	27,905,272	107.5%	69,749,008	51,427,097	73.7%
OC: CLEAN SERV - LAUNDRY SERVICES	126,219	135,506	107.4%	296,399	334,041	112.7%
OC: COMMISSION - THIRD PARTY VENDORS	-	345,906	0.0%	-	800,278	0.0%
OC: COMM - CELL CONTRACT (SUBS & CALLS)	621,339	369,536	59.5%	2,412,384	777,717	32.2%
TELEPHONE: GENERAL COMMUNICATION & FAX	9,490,367	-	0.0%	28,471,101	24,053,872	84.5%
TELEPHONE: CELLULAR PHONES	34,857	9,079	26.0%	98,972	54,068	54.6%
OC: COMM - LICENCES (RADIO & TELEVISION)	28,750	26,763	93.1%	86,250	26,763	31.0%
LICENSES: RADIO AND TELEVISION	-	-	0.0%	373,107	318,807	85.4%
OC: COMM - POSTAGE/STAMPS/FRANKING MACH	5,482,978	7,885,056	143.8%	15,491,100	20,703,114	133.6%
OC: COMM - RENT PRIVATE BAG & POSTAL BOX	197	-	0.0%	591	-	0.0%
OC: COMM - SATELLITE SIGNALS	38,659	72,652	187.9%	101,887	80,823	79.3%
OC: ENTERTAINMENT - SENIOR MANAGEMENT	84,211	54,434	64.6%	266,648	143,019	53.6%
OC: EXT COM SERV PROV - INFORMATION SERV	4,343,585	90,067	2.1%	14,664,088	206,742	1.4%
OC: EXT COM SERV PROV - S/WARE LICENCES	31,841,442	5,275,956	16.6%	98,775,890	24,114,487	24.4%
OC: EXT COM SERV PROV - SYS DEVELOPMENT	3,559,949	17,711	0.5%	10,921,768	33,769	0.3%
OC: INSUR UNDER - INSURANCE AGGREGATION	5,594,327	4,965,916	88.8%	16,782,980	18,208,430	108.5%
OC: INSUR UNDER - CLAIM PAID 3RD PARTIES	3,000,753	2,228,840	74.3%	9,109,400	5,246,511	57.6%
OC: INSUR UNDER - INSURANCE CLAIMS	2,204,638	837,363	38.0%	6,613,915	2,054,812	31.1%
OC: INSUR UNDER - EXCESS PAYMENTS	2,189,313	1,876,064	85.7%	6,567,939	3,700,312	56.3%
OC: INSUR UNDER - PREMIUMS	8,897,997	-	0.0%	26,622,561	35,419,618	133.0%
OC: LEARNERSHIPS & INTERNSHIPS	167,849	-	0.0%	503,547	-	0.0%
OC: LIC - VEHICLE LIC & REGISTRATIONS	4,309,285	4,014,522	93.2%	12,790,780	14,060,924	109.9%
OC: MUNICIPAL SERVICES	-	-	0.0%	-	-	0.0%
OC: PRINTING & PUBLICATIONS	449,013	500,690	111.5%	1,395,216	1,156,287	82.9%
OC: PROFESSIONAL BODIES M/SHIP & SUBS	3,043,389	119,928	3.9%	9,085,116	300,656	3.3%
OC: PARKING FEES	1,086	12	1.1%	2,877	18	0.6%

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**ITEM A-F (24-2018)**

Description	QUARTERLY RESULTS			YEAR TO DATE RESULTS		
	Budget Quarter 3	Actual Quarter 3	% of B	Year to Date Budget	Year to Date Actuals	% of B
OC: REG FEESPROF & REGULATORY BODIES	2,205	-	0.0%	23,367	-	0.0%
OC: RESETTLEMENT COST	4,719,519	287,800	6.1%	19,015,700	979,552	5.2%
OC: SYSTEM ACCESS & INFORMATION FEES	2,381	-	0.0%	7,144	-	0.0%
OC: SKILLS DEVELOPMENT FUND LEVY	17,573,760	15,342,301	87.3%	52,945,160	45,572,527	86.1%
OC: SEARCH FEES	281,863	271,696	96.4%	724,736	573,790	79.2%
OC: SERVITUDES & LAND SURVEYS	26,484	-	0.0%	78,325	1,983	2.5%
OC: STORAGE OF FILES (ARCHIVING)	135,174	-	0.0%	505,522	-	0.0%
OC: TRANSPORT - EVENTS	50,000	102,229	204.5%	150,000	199,729	133.2%
OC: TRANSPORT - FUNERALS	218,931	35,000	16.0%	656,794	110,969	16.9%
OC: T&S DOM - ACCOMMODATION	2,377,214	100,923	4.2%	6,646,120	1,021,559	15.4%
OC: T&S FOREIGN - ACCOMMODATION	7,190,755	865,298	12.0%	20,757,791	3,581,307	17.3%
OC: TRANSPORT - MUNICIPAL ACTIVITIES	7,169	-	0.0%	21,496	-	0.0%
OC: UNIFORM & PROTECTIVE CLOTHING	14,956,827	9,274,286	62.0%	45,780,466	21,112,853	46.1%
OC: VEHICLE TRACKING	3,973,685	4,903,903	123.4%	10,184,415	10,993,528	107.9%
VEHICLE COST: ONBOARD COMPUTERS	302,273	122,948	40.7%	1,818,066	324,743	17.9%
OC: WET FUEL	1,753,146	1,507,622	86.0%	4,343,380	3,878,434	89.3%
VEHICLE COST: FUEL & LUBRICANTS	39,074,137	45,457,467	116.3%	111,441,386	115,405,962	103.6%
OC: WORKMEN'S COMPENSATION FUND	11,548,509	11,548,074	100.0%	34,656,551	34,660,418	100.0%
<b>SUB TOTAL : OPERATIONAL COST</b>	<b>263,052,470</b>	<b>196,591,734</b>	<b>74.7%</b>	<b>773,689,625</b>	<b>554,799,787</b>	<b>71.7%</b>

### Inventory

In accordance with the terminology list supplied by National Treasury, this category is defined as follows:

*Inventories are assets: (a) in the form of materials or supplies to be consumed in the production process; (b) in the form of materials or supplies to be consumed or distributed in the rendering of services; (c) held for sale or distribution in the ordinary course of operations; or (d) in the process of production for sale or distribution.*

*Plant materials and operating supplies: This account should record the cost of materials purchased primarily for use in the Utility business for construction, operation and maintenance purposes. This account should include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance or accumulated depreciation provision, respectively. Materials and supplies issued should be credited to this account and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of weighted average and first-in-first-out, or such other method of inventory accounting as conforms to accepted accounting standards consistently applied.*

*Merchandise: This account should record the book cost of materials and supplies and appliances and equipment held primarily for retail sales. The principles prescribed in accounting for Utility materials and supplies shall be observed in respect to items carried in this account.*

*Other materials and supplies: This account should record the original cost of materials and supplies held primarily for non-utility purposes. The principles prescribed in accounting for Utility materials and supplies shall be observed in respect to items carried in this account.*

Based on above the inventory include as items such as printing and stationery expenditure, materials and supplies mainly for the purpose of repairs and maintenance and other general expenditure as summarised below.

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
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2018.04.26

**ITEM A-F (24-2018)**

Description	QUARTERLY RESULTS			YEAR TO DATE RESULTS		
	Budget Quarter 3	Actual Quarter 3	% of B	Year to Date Budget	Year to Date Actuals	% of B
INVENTORY						
INV - CONSUMABLE STORES - STANDARD	12,158,344	8,400,153	69.1%	28,640,867	28,523,671	99.6%
MATERIALS: HEATING MATERIALS	378,040	234,146	61.9%	1,062,713	842,958	79.3%
INVENTORY - MATERIALS & SUPPLIES	437,239,830	356,301,213	81.5%	1,261,258,122	973,494,441	77.2%
MATERIALS: CHEMICALS	922,762	880,499	95.4%	2,788,721	2,785,670	99.9%
<b>SUB TOTAL : INVENTORY</b>	<b>464,187,718</b>	<b>377,320,796</b>	<b>81.3%</b>	<b>1,326,788,948</b>	<b>1,039,368,342</b>	<b>78.3%</b>

### Conclusion

The above does not give any details of the expenditure per department and should be analysed from the various individual reports of each department.

The analysis of mainly expenditure categories is an indication that details of expenditure should be analysed in a different format in future reports. Analysis cannot be made on the mere categories of expenditure, but should be analysed in the various segments of mSCOA, namely the funding, the project, the item and costing segments.

### Capital programme performance

The actual Capital Expenditure at the end of the 3rd quarter of the 2017/18 financial year is R2.55 billion which represents a spending of 40.43% of the total capital budget of R6.3 billion. It is important to note that the outstanding commitments at the end of March 2018 amounted to R334 million. The actual expenditure plus commitments for the 3rd quarter amounts to R2.8 billion, which represents 45.47% of the capital budget.

The following table reflects the comparative spending in previous years for the YTD period after the 3<sup>rd</sup> Quarter:

FY	Budget as at 31 March	Actual Expenditure	% of Budget
12/13	2,557,738,725	889,564,756	34.78%
13/14	2,987,419,379	1,338,324,951	44.80%
14/15	3,810,949,622	1,375,569,854	36.10%
15/16	4,654,436,676	1,809,219,028	38.87%
16/17	5,103,439,700	1,908,637,275	37.40%
<b>17/18</b>	<b>6,307,378,326</b>	<b>2,550,340,453</b>	<b>40.43%</b>

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The actual spending per department is indicated in the following table.

	ADJUSTED BUDGET	DEPT. PROJECTION	ACTUAL	VAR	ACTUAL	% Spent of
	R	Quarter 3	Quarter 3	Quarter 3	EXPENDITURE	Total Budget
	R	R	R	%	Year to Date	%
					R	
<b>CAPITAL BUDGET</b>						
Chief Operating Officer	112,200,000	84,105,000.00	2,279,034.00	↓ -97.29%	2,333,534	2.08%
City Manager	180,000	60,000	40,200	↓ -33.00%	73,400	40.78%
City Planning	35,227,992	760,000	10,225,563	↑ 1245.47%	10,263,844	29.14%
Communication and Brand Management	750,000	540,000	-	↓ -100.00%	47,960	6.39%
Corporate Legal Services	2,650,000	60,000	65,372	↑ 8.95%	238,332	8.99%
Corporate Planning & Strategy	560,000	250,000	53,884	↓ -78.45%	60,883	10.87%
Council General	513,727,773	-	17,223,503	↑ 0.00%	114,081,032	22.21%
Customer Relations Management	32,000,000	5,337,478	3,815,698	↓ -28.51%	10,689,790	33.41%
Disaster & Emergency Management Services	194,470,000	9,743,252	26,657,781	↑ 173.60%	102,668,171	52.79%
Economic Development	145,100,000	41,025,001	14,066,588	↓ -65.71%	48,261,392	33.26%
EMPD	162,300,000	25,675,390	28,365,964	↑ 10.48%	84,586,905	52.12%
Energy	717,700,000	86,017,404	136,606,769	↑ 58.81%	464,886,517	64.77%
Environmental Resources Management	180,200,000	57,597,053	28,588,325	↓ -50.36%	106,339,779	59.01%
EPMO	530,000	365,000	5,236	↓ -98.57%	462,341	87.23%
Executive Office	7,550,000	-	10,850	↑ 0.00%	25,700	0.34%
Finance	2,087,400	-	133,907	↑ 0.00%	260,679	12.49%
Fleet Management	13,428,013	3,658,623	1,611,629	↓ -55.95%	4,741,646	35.31%
Health & Social Development	91,989,735	15,738,000	13,819,549	↓ -12.19%	56,875,448	61.83%
Human Resources Management & Development	1,500,000	612,265	273,985	↓ -55.25%	414,623	27.64%
Human Settlements	974,220,259	320,756,709	169,326,358	↓ -47.21%	320,444,844	32.89%
ICT	609,548,848	189,400,000	154,807,297	↓ -18.26%	235,456,363	38.63%
Internal Audit	440,000	350,000	17,000	↓ -95.14%	17,000	3.86%
Legislature	6,444,500	-	292,147	↑ 0.00%	925,662	14.36%
Real Estate	208,005,862	75,880,668	56,024,176	↓ -26.17%	81,376,214	39.12%
Risk Management	310,000	77,500	29,700	↓ -61.68%	163,100	52.61%
Roads and Stormwater	683,800,004	226,434,833	135,161,730	↓ -40.31%	336,899,308	49.27%
SRAC	128,989,940	32,660,074	6,994,974	↓ -78.58%	41,248,589	31.98%
Transport	715,918,000	153,588,415	81,516,406	↓ -46.93%	254,144,066	35.50%
Waste Management	166,250,000	72,130,000	13,571,050	↓ -81.19%	36,127,090	21.73%
Water & Sanitation	599,300,000	217,172,082	118,259,627	↓ -45.55%	236,226,242	39.42%
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>6,307,378,326</b>	<b>1,619,994,746</b>	<b>1,019,844,303</b>	<b>↓ -37.05%</b>	<b>2,550,340,453</b>	<b>40.43%</b>

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The actual Capital Expenditure of R2, 5 billion as indicated above, is funded as follows:

<b>SOURCE OF FINANCE</b>	<b>BUDGET 2017/18 Adjusted R</b>	<b>TOTAL YEAR TO DATE R</b>	<b>% of Original Budget</b>
<b>SOURCE OF FINANCE</b>			
Energy Efficiency Demand Management Side (EEDMS)	12,000,000	7,859,441	65.50%
External Loans	3,170,216,164	1,243,470,942	39.22%
Integrated City Development Grant (ICDG)	48,646,000	20,904,286	42.97%
Integrated National Electrification Programme (INEP)	40,000,000	36,549,935	91.37%
Neighbourhood Development Partnership Grants (NDPG)	82,000,000	28,859,052	35.19%
Provincial Grant	9,089,940	524,473	5.77%
Public transport Network Grants (PTNG)	580,718,000	215,130,440	37.05%
Revenue	905,612,248	393,776,786	43.48%
Urban Settlement Development Grants (USDG)	1,458,894,896	603,265,099	41.35%
Wi-Fi Connectivity-National Grant	201,078	-	0.00%
<b>Grand Total</b>	<b>6,307,378,326</b>	<b>2,550,340,453</b>	<b>40.43%</b>
Funded from Internal Sources	905,612,248.00	393,776,785.66	43.48%
Funded from External Loans	3,170,216,164.00	1,243,470,942.39	39.22%
Funded from External Grants	2,231,549,914.00	913,092,724.45	40.92%
<b>Total</b>	<b>6,307,378,326.00</b>	<b>2,550,340,452.50</b>	<b>40.43%</b>

The amount spent on **grant funded** projects amounts to R913m which represents 40.92% of the budgeted amount of R2.2 billion on grants.

### **Debtors Analysis**

The Collection Rate for the **3<sup>rd</sup> quarter** ended 31<sup>st</sup> March 2018 is **91.28%** which is lower than the target of 94.0% for the third quarter.

The Actual Collection Rate over the past 3 quarters has been as follows:

Quarter 1 – 90.85%

Quarter 2 – 93.34%

Quarter 3 – 91.28%

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The debtors' age analysis at the end of the 3<sup>rd</sup> quarter of the 2016/17FY was as follows:

<b>SUMMARY</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	28,915	10,190	3,817	2,838	3,274	2,636	13,927	38,741	104,337
Municipal	3,414	660	445	75	27	28	122	719	5,490
Commercial	1,012,656	189,619	97,514	74,188	70,285	71,771	285,317	1,526,127	3,327,478
Households	723,202	391,201	284,196	366,564	253,741	251,009	1,477,417	7,422,737	11,170,067
Other	7,243	4,594	3,047	4,674	2,956	3,100	20,452	148,283	194,347
<b>Total By Customer Group</b>	<b>1,775,429</b>	<b>596,264</b>	<b>389,019</b>	<b>448,339</b>	<b>330,283</b>	<b>328,543</b>	<b>1,797,234</b>	<b>9,136,608</b>	<b>14,801,719</b>

The table above shows that out of the R14.8 billion outstanding debtors, R9.136 billion (61.7%) has been outstanding for more than period of a year. The likelihood of recovering this debt is diminishing. The debt payable between 0-30 days is regarded as current debt which amounts to R1.775 billion. The City will continue to put more efforts in collecting the outstanding debt and enforce credit control.

One of the biggest challenges that Council is facing is the limited credit control measures in areas where Eskom is supplying electricity. Council cannot disconnect the electricity of defaulters and the following table reflects the impact on Council's collection rate. The table below shows comparison of collection rate between the Eskom supplied areas and the city.

	<b>Eskom Supply</b>	<b>CoESupply</b>	<b>Total</b>
July 2017	18.47%	92.75%	88.60%
August 2017	24.89%	96.74%	94.10%
September 2017	20.42%	92.63%	89.45%
October 2017	29.82%	96.64%	93.83%
November 2017	19.30%	100.63%	95.11%
December 2017	27.16%	94.59%	90.97%
January 2018	23.90%	94.84%	90.00%
February 2018	22.94%	95.09%	89.45%
March 2018	35.19%	97.79%	94.34%

It is evident from the table above that collection levels are low in areas that rely predominantly on Eskom for supply of electricity.

**Collection Rate per CCA for the 3<sup>rd</sup> Quarter (January – March 2018)**

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The collection rate per CCA for the 3<sup>rd</sup> quarter was as follows:

Customer Care Area	Results for 3rd Quarter				%
	Levied	Adjustments	Received		
Alberton	1,776,495,894.71	(11,806,472.59)	1,732,291,669.94	✔	98.16%
Benoni	1,606,408,030.09	(71,076,745.81)	1,432,571,971.38	✔	93.31%
Boksburg	2,008,700,639.67	(6,725,173.89)	1,949,284,081.72	✔	97.37%
Brakpan	932,270,118.59	(58,631,492.65)	830,683,976.91	✔	95.08%
Daveyton	313,063,040.11	(80,278,750.73)	109,495,503.03	✘	47.04%
Duduza	106,704,776.92	(112,979,875.98)	15,189,483.87	✘	-242.06%
Edenvale	1,812,993,538.36	(194,508,268.00)	1,598,655,023.54	✔	98.77%
Etwatwa	230,709,833.33	(85,863,454.17)	17,767,144.48	✘	12.27%
Germiston	3,031,243,174.69	(189,186,431.18)	2,757,706,925.22	✔	97.03%
Katlehong 1	517,812,525.86	(89,834,243.99)	220,964,441.15	✘	51.63%
Katlehong 2	385,636,079.96	(242,077,186.99)	37,112,402.02	✘	25.85%
Kempton Park	3,353,531,457.77	(13,679,658.98)	3,293,063,126.07	✔	98.60%
Kwa-Thema	121,768,219.99	(30,053,397.79)	51,896,744.72	✘	56.58%
Nigel	560,129,428.10	(86,632,250.84)	438,858,581.35	⚠	92.68%
Springs	1,162,711,639.36	(88,745,176.05)	1,054,685,577.82	✔	98.20%
Sundries and Other	48,107,735.67	(77,094,279.45)	27,713,296.97	✘	-95.61%
Tembisa 1	211,767,443.03	(56,921,116.91)	150,723,499.94	✔	97.34%
Tembisa 2	1,061,081,149.86	(59,271,979.79)	910,312,063.63	⚠	90.87%
Tokoza	270,929,657.00	(94,303,462.58)	56,888,131.55	✘	32.21%
Tsakane	362,943,294.31	(142,294,520.06)	76,182,264.22	✘	34.53%
Vosloorus	688,847,014.87	(117,763,054.06)	367,774,586.14	✘	64.40%
<b>Grand Total</b>	<b>20,563,854,692.25</b>	<b>(1,909,726,992.49)</b>	<b>17,129,820,495.67</b>	⚠	<b>91.83%</b>
<b>Stats for the quarter:</b>					
Best collection level (%)			Edenvale		98.77%
Worst collection level			Duduza		-242.06%
Highest levied amount			Kempton Park		3,353,531,458
Highest amount received			Kempton Park		3,293,063,126
Highest amount not collected			Katlehong 1		207,013,841

The table above shows that collection levels during the 3<sup>rd</sup> quarter are high (above 95%) in Alberton, Brakpan, Boksburg, Edenvale, Germiston, Kempton Park, Springs and Tembisa 1, but very low (below 50%) in Daveyton, Duduza, Etwatwa, Katlehong 2, Thokoza and Tsakane. The CCAs with the lowest collection levels are also areas where the high unemployment levels are concentrated. The City should focus its indigent support programmes to these areas of low collection levels.



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### **Creditors Analysis**

The creditors' age analysis for creditors at the end of **March 2018** was as follows:

<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>Total</b>
Bulk Electricity	706,102,658	-	-	<b>706,102,658</b>
Bulk Water	258,193,063	-	-	<b>258,193,063</b>
PAYE deductions	-	-	-	-
VAT (output less input)	-	-	-	-
Pensions / Retirement deductions	-	-	-	-
Loan repayments	14,300,377	-	-	<b>14,300,377</b>
Trade Creditors	2,212,943,254	42,886,285	13,271,183	<b>2,269,100,722</b>
Auditor General	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>3,191,539,352</b>	<b>42,886,285</b>	<b>13,271,183</b>	<b>3,247,696,820</b>

The outstanding creditors as at quarter ending March 2018 amounts to R3.2 billion and R3.1 billion is current. Invoices amounting to R55 million are still in dispute and will be paid once the dispute has been resolved.

### **Investment Portfolio Analysis**

With regard to the **Cash and Investment Position** a cash target of 55 days has been set in the SDBIP for the 2017/18FY. The actual performance for the quarter ended 31<sup>st</sup> March 2018 is **48 days** as compared to the average of 54 and 40 days in 1<sup>st</sup> and 2<sup>nd</sup> quarter respectively.

The Operating Cash on Hand is calculated as follows:

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<b>DESCRIPTION</b>	<b>ACTUAL 2017/18 Jan-18 R</b>	<b>ACTUAL 2017/18 Feb-18 R</b>	<b>ACTUAL 2017/18 Mar-18 R</b>
Unencumbered Investment	586,914,100	688,033,499	688,033,499
Encumbered Investment	1,409,567,991	1,441,630,143	1,430,892,295
Bank Balances	5,116,973,288	5,263,627,201	5,978,929,922
Petty Cash	300,000,000	300,000,000	300,000,000
<b>TOTAL CASH AND INVESTMENTS</b>	<b>7,413,455,379</b>	<b>7,693,290,843</b>	<b>8,397,855,716</b>
<b>Less Encumbered Cash:</b>			
1. Encumbered Investments and Investments in ME's (Sinking Fund)	1,409,567,991	1,441,630,143	1,430,892,295
2. <u>Dedicated bank accounts (grants and capex and Capital Replacement Reserve))</u>	1,925,546,193	2,278,677,485	3,782,506,562
a. External Funding	150,689,531	151,495,685	152,227,844
b. Capital Replacement Reserve	337,972,250	341,761,769	344,399,763
c. Primary Account	945,295,138	1,402,806,450	2,193,182,241
d. Housing Account	63,662,343	32,675,563	32,570,328
e. USDG Account	425,995,426	347,559,357	1,058,103,585
f. Capital Projects	1,178,282	1,184,536	1,310,157
g. Springs Market Account	753,223	1,194,125	712,644
<b>TOTAL UNENCUMBERED CASH</b>	<b>4,078,341,195</b>	<b>3,972,983,215</b>	<b>3,184,456,859</b>
<b>TOTAL CASH PAYMENTS</b>	<b>1,865,748,032</b>	<b>2,717,010,338</b>	<b>2,867,824,944</b>
<b>Number of day's total cash held (un-encumbered cash)</b>	<b>66</b>	<b>44</b>	<b>33</b>

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Actual cash in each of the bank accounts are as follows:

DESCRIPTION	ACTUAL 2017/18	ACTUAL 2017/18	ACTUAL 2017/18
	Jan-18	Feb-18	Mar-18
	R	R	R
EMM Boksburg Direct Banking 1	141,108,214	9,713,210.00	103,455,160.49
EMM Brakpan	45,434,651	3,670,739.28	46,830,553.26
EMM Germiston Direct Banking	240,808,158	13,413,829.33	205,840,239.69
EMM Kempton Park Direct Bankin	209,672,474	23,041,679.29	202,752,726.12
EMM Nigel			
EMM Springs Direct Banking	<b>92,390,837</b>	<b>11,267,878.95</b>	<b>77,977,634.12</b>
Primary Bank Account	334,214,805	92,817,753.05	137,236,027.27
EMM Benoni Income	376,796	126,536.30	583,176.54
EMM Benoni Direct Banking	96,561,094	14,402,442.66	90,722,157.27
EMM Edenvale Income			
EMM Edenvale Direct Banking	49,355,987	3,281,914.74	41,106,887.57
Metro Expenditure/Stores Accou	(46,241)	-139,837.75	-159,980.95
Metro Treasury Account	194,454,451	67,845,744.99	218,243,082.30
EMM E-Siyakhokha Mask Account	53,468,302	5,599,860.30	51,385,367.91
Standard Bank Mask Account	284,758,438	299,428,647.63	310,206,027.48
FNB Mask account	211,968,825	225,807,444.14	229,492,521.22
EMM IRPTN TRANSPORT- FUNDING	1,168,956	Aug-17	1,180,888.69
EMM IRPTN TRANSPORT- COLLECTI	9,327	Jul-25	129,267.81
EMM SALARY ACCOUNT	256,821,760	277,202,063.27	167,457,305.25
EMM EXPENDITURE ACCOUNT	46,220,648	-14,001,430.38	144,471,564.98
EMM TREASURY ACCOUNT	1,232,708,105	1,993,478,134.03	246,352,330.38
EMM-USDG ACCOUNT	425,995,426	347,559,356.65	1,058,103,584.56
EMM HOUSING ACCOUNT	63,662,343	32,675,562.78	32,570,327.68
EMM DEPRECIATION RESERVE ACCOUNT	337,972,250	341,761,769.38	344,399,763.31
EMM EXTERNAL FUNDING FUND	150,689,531	151,495,684.53	152,227,843.95
EMM PRIMARY BANK ACCOUNT	611,080,333	1,309,988,697.13	2,055,946,214.07
EMM SPRINGS MARKET	753,223	1,194,125.21	712,643.85
EMM NEDBANK MASK	35,364,596	50,810,859.91	59,706,607.54
<b>Total</b>	<b>5,116,973,287.68</b>	<b>5,263,627,201.38</b>	<b>5,978,929,922.36</b>

Cognisance must be taken of the fact that the cash target is based on the **operating cash** available (and not the total cash in the bank). The operating cash available is based on the actual cash less/plus cash flow movement in operating activities, investing activities and financing activities.

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Investments balances as at the end of the period were as indicated below:

CAPITAL								
COMMEN-CING DATE	MATURITY DATE	TYPE OF INVESTMENT	OPENING BALANCE 1.07.2017	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTE-REST RATE	BALANCE 31.03.2018	ENCUMBERED
<b>INVESTEC BANK</b>								
13-Nov-98		ENCUMBERED DEP.	45,129,818.67			6.85%	45,129,819	
<b>INVESTEC BANK STRUCTURED DEPOSITS SINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL</b>								
29-Feb-12	1-Mar-21	OPENING BALANCE	415,883,743.08			9.2278%	415,883,743	415,883,743
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01		9.2278%	11,631,606	11,631,606
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01		9.2278%	11,631,606	11,631,606
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01	42,880,000.00	9.2278%	-31,248,394	-31,248,394
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01		9.2278%	11,631,606	11,631,606
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01		9.2278%	11,631,606	11,631,606
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01		9.2278%	11,631,606	11,631,606
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01		9.2278%	11,631,606	11,631,606
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01		9.2278%	11,631,606	11,631,606
29-Feb-12	1-Mar-21	STRUCTURED DEPOSIT		11,631,606.01	42,800,000.00	9.2278%	-31,168,394	-31,168,394
			<b>415,883,743.08</b>	<b>104,684,454.09</b>	<b>85,680,000.00</b>		<b>434,888,197</b>	<b>434,888,197</b>
<b>STANLIB</b>								
10-Apr-00	ON CALL	MONEY MARKET FUND	4,716,567.39		0.00	Variable	4,716,567	
<b>SANLAM</b>								
2-Jun-03	ON CALL	FUND MANAGING (CLF)	140,915.41			Variable	140,915	
<b>RAND MERCHANT BANK</b>								
2-Aug-00		GUARANTEED TRUST	5,124,719.07			13.25%	5,124,719	
1-Oct-98	Unit Trusts	MONEY MARKET FUND	35,590,812.28			6.07%	35,590,812	
30-Oct-98	28-Oct-16	GUARANTEED TRUST	26,354,728.67			14.76%	26,354,729	
			<b>67,070,260.02</b>	<b>0.00</b>			<b>67,070,260</b>	<b>0</b>
<b>RAND MERCHANT BANK STRUCTURED DEPOSIT SINKING FUND R815M TO REPAY LOAN AND BOND CAPITAL</b>								
1-Jul-16		OPENING BALANCE	513,883,863.00			9.23%	513,883,863	513,883,863
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00	42,877,642.00	9.23%	-31,369,911	-31,369,911
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00		9.23%	11,507,731	11,507,731
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00		9.23%	11,507,731	11,507,731
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00		9.23%	11,507,731	11,507,731
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00		9.23%	11,507,731	11,507,731
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00		9.23%	11,507,731	11,507,731
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00	42,877,642.00	9.23%	-31,369,911	-31,369,911
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00		9.23%	11,507,731	11,507,731
28-Feb-11	28-Feb-20	STRUCTURED DEPOSIT		11,507,731.00		9.23%	11,507,731	11,507,731
			<b>513,883,863.00</b>	<b>103,569,579.00</b>	<b>85,755,284.00</b>		<b>531,698,158</b>	<b>531,698,158</b>
<b>NEDBANK STRUCTURED DEPOSIT SINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL EMM03</b>								
1-Jul-16		OPENING BALANCE	419,243,486.26			8.24%	419,243,486	419,243,486
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		9,914,238.78		8.24%	9,914,239	9,914,239
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		9,914,238.78		8.24%	9,914,239	9,914,239
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		9,914,238.78		8.24%	9,914,239	9,914,239
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		9,914,238.78		8.24%	9,914,239	9,914,239
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		9,914,238.78	40,200,000.00	8.24%	-30,285,761	-30,285,761
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		9,914,238.78	991,423.88	8.24%	8,922,815	8,922,815
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		8,922,814.90			8,922,815	8,922,815
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		8,922,814.90			8,922,815	8,922,815
18-Dec-12	1-May-24	STRUCTURED DEPOSIT		8,922,814.90			8,922,815	8,922,815
			<b>419,243,486</b>	<b>86,253,877.38</b>	<b>41,191,424</b>		<b>464,305,940</b>	<b>464,305,940</b>
<b>NEDBANK SHORT TERM</b>								
18-Aug-16	CALL	CALL	1,025,120,843.95		800,000,000	7.85%	326,210,242	
<b>LAND BANK</b>								
26-Jul-17	26-Jul-18	Fixed (12 Months)	40,735,389			7.00%	40,735,389	
<b>RAND AIRPORT</b>								
		SHAREHOLDING	4,000,000.00				4,000,000	
<b>MUNICIPAL ENTITIES</b>								
10-Mar-99		G.G. INNER CITY HSNB	306.00				306	
		<b>TOTAL INVESTMENTS</b>	<b>2,535,925,192.77</b>	<b>294,507,910.47</b>	<b>1,012,626,708</b>		<b>1,918,895,794</b>	<b>1,430,892,295</b>

The table above shows that, amongst others, the total value of investments as at 31<sup>st</sup> March 2018 amounted to R1.9 billion. Investments amounting to approximately R1.4 billion are encumbered in the form of obligations/ liabilities.

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## **Allocation and grant receipts and expenditure**

The status of grants as at the end of the period is reflected in the table below. The following comments are given:

- The term “unspent” used in the Annual Financial Statements should be interpreted as being grants received from National and Provincial government, but not yet spent (as at reporting date). It is not necessary for all grants to be spent in the same period, nor is it possible. In terms of accounting rules, grants are shown as a creditor (“unspent conditional grants”) from when received until when the conditions of the grant have been met, i.e. the grant has been spent on the purposes it was provided for.
- Grants that were unspent at the beginning of the financial year and remain unspent at the end of the year will in all probability have to be either surrendered to National Treasury (as per the Division of Revenue Act) or will have to be evaluated if the grant is not subject to surrender.
- There are exceptional cases where grants will remain unspent for long periods of time due to the nature of the project or litigation involved in the project

A risk rating has been attached to all unspent grants and is indicated as follows:

- No risk – indicated with a “1” and GREEN upward arrows – these grants have been received recently and have no risk of being surrendered as it is expected that the grant will be spent in full as per the conditions of the grant.
- Tolerable risk – indicated with a “2” and an AMBER sideways arrow – the unspent portion of the grant is less than the total of the outstanding amount at the beginning of the year plus the amount received during the year. There is a risk of surrender insofar as the unspent portion of the previous year is concerned. An intervention is required to ensure the grant is spent as per the conditions of the grant.
- Significant risk – indicated with a “3” and a RED downward arrow – the outstanding portion is more than the total of the outstanding amount at the beginning of the year plus the amount received during the year, in other words, the outstanding grant is getting bigger and new allocations are not spent (in addition to old unspent allocations). There is a great risk of the grant being surrendered and urgent attention is required.

The status of grants as at the end of the period is reflected in the table below.

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Name of Grant	EMM Responsible Department	Unspent Funds - 16/17 Opening Balances 17/18	Accumulated Receipts for the Financial year	Accumulated Expenditure for the Financial year	Balance Available	% Spent	Risk
FMG	Finance	-	1,050,000.00	(395,198.70)	654,801.30	37.64%	↓ 3
<b>TOTAL</b>		-	<b>1,050,000.00</b>	<b>(395,198.70)</b>	<b>654,801.30</b>	<b>37.64%</b>	
Equitable Share - Electricity	Energy	-	462,441,647.00	(462,441,647.00)	-	100.00%	↑ 1
Equitable Share - Solid Waste	Waste Management	-	460,696,584.00	(460,696,584.00)	-	100.00%	↑ 1
Equitable Share -Water and Waste	Water & Sanitation	-	1,258,190,291.00	(1,258,190,291.00)	-	100.00%	↑ 1
Equitable Share - Finance	Finance	-	538,532,478.00	(538,532,478.00)	-	100.00%	↑ 1
Fuel Levy - Finance	Finance	-	1,694,256,000.00	(1,694,256,000.00)	-	100.00%	↑ 1
<b>TOTAL</b>		-	<b>4,414,117,000.00</b>	<b>(4,414,117,000.00)</b>	-	<b>100.00%</b>	
USDG	Human Settlements	21,713,359.03	2,085,010,000.00	(983,406,957.37)	1,113,700,790.99	46.89%	↓ 3
INEP	Energy	-	40,000,000.00	(36,549,934.80)	3,450,065.20	91.37%	↑ 1
PTNG	Public Transport	29,884,180.82	700,718,000.00	(239,297,362.93)	461,420,637.07	34.15%	↓ 3
NDPG	Human Settlements & City	29,145,705.45	102,574,000.00	(28,859,051.73)	73,714,948.27	28.13%	↓ 3
Electricity Demand Side Management	Energy	107.24	12,000,000.00	(7,859,440.68)	4,140,666.56	65.49%	→ 2
Expanded Public Works Program	Economic Development	2,075.90	44,718,000.00	(33,654,601.26)	11,063,398.74	75.26%	→ 2
Intergrated City Development	Human Settlements	572,426.86	48,646,000.00	(20,904,285.37)	27,741,714.63	42.97%	↓ 3
Wifi Connectivity roll out	ICT	201,078.31	-	-	201,078.31	0.00%	↓ 3
<b>TOTAL</b>		<b>81,518,933.61</b>	<b>3,033,666,000.00</b>	<b>(1,350,531,634.14)</b>	<b>1,695,433,299.77</b>	<b>44.34%</b>	
SETA	Human Resources	-	7,695,243.81	(7,695,243.81)	0.00	100.00%	↑ 1
BKB	Environmental Resources	16,206.67	-	(16,025.98)	180.69	98.89%	↑ 1
HIV/AIDS	Health & Social Development	-	13,236,906.15	(10,893,946.31)	2,342,959.84	82.30%	→ 2
Township Initiatives	SRAC - Libraries	888,620.26	13,594,000.00	(4,035,486.55)	10,447,133.71	27.86%	↓ 3
HSDG Accreditation	Human Settlements	30,976,363.56	51,203,160.00	(9,459,769.31)	41,743,390.69	18.47%	↓ 3
Disaster Grant	Human Settlements	8,772.71	-	-	-	0.00%	↓ 3
<b>TOTAL</b>		<b>31,889,963.20</b>	<b>85,729,309.96</b>	<b>(32,100,471.96)</b>	<b>54,533,664.93</b>	<b>37.05%</b>	
Health Subsidies	Health & Social Development	-	130,340,000.00	(130,340,000.00)	-	100.00%	↑ 1
Emergency Subsidies	DEMS	-	158,155,000.00	(158,155,000.00)	-	100.00%	↑ 1
<b>TOTAL</b>		-	-	-	-	-	
<b>Total National / DORA Grants + Subsidies</b>		<b>81,518,933.61</b>	<b>7,448,833,000.00</b>	<b>(5,765,043,832.84)</b>	<b>1,696,088,101.07</b>	<b>77.27%</b>	
<b>Total Provincial Grants + Subsidies</b>		<b>31,889,963.20</b>	<b>374,224,309.96</b>	<b>(320,595,471.96)</b>	<b>54,533,664.93</b>	<b>85.46%</b>	
<b>Total Public Contributons + Foreign Grants</b>		-	-	-	-	-	
<b>GRAND TOTAL</b>		<b>113,408,896.81</b>	<b>7,823,057,309.96</b>	<b>(6,085,639,304.80)</b>	<b>1,750,621,766.00</b>	<b>77.66%</b>	

The **unspent grants** at the beginning of the 2017/18FY amounted to R113m. The unspent grants at the beginning of the 2016/17 financial year (previous year) was R433m, which is an indication that there was an improvement of spending grants during 2016/17 financial year. It implies that Council spent R320m more of grant funding than what was received.

In the 2<sup>nd</sup> Quarter Report it was reported that from the total unspent grants of R113m, an amount of R100m was not approved for roll over. It was further reported that as at 31 December 2017 an amount of R69m was surrendered to National Treasury as an offset against the equitable share and R205, 904 surrendered to Provincial Treasury. It was further reported that R 31m is still to be surrendered on receipt of the banking details from Provincial Treasury. This amount (R31m) was paid to Provincial Treasury on the 31 January 2018.

The receipts for the Year-to-Date period at the end of the 3<sup>rd</sup> quarter amounted to R7.823 billion (including fuel levy). The expenditure as at the end of the 3<sup>rd</sup> quarter was R6.086 billion which represents 78% spending. The total unspent funds (including 2016/17 unspent grants) at the end of March 2018 is R1.750 billion.

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**In-year budget statement tables**

The tables as required in terms of the Municipal Budget and Reporting Regulations are included in the report as follows:

EKU Ekurhuleni Metro - Table C1 Monthly Budget Statement Summary - M09 March									
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
<b>Financial Performance</b>									
Property rates	4,053,558	5,066,264	5,210,905	416,284	3,889,393	3,872,018	17,374	0%	5,210,905
Service charges	18,746,400	19,331,647	19,214,336	1,272,605	14,233,101	14,603,659	(370,558)	-3%	19,214,336
Investment revenue	536,303	399,176	399,176	23,636	330,961	299,382	31,579	11%	399,176
Transfers and subsidies	5,047,640	5,486,348	5,581,866	1,322,247	5,224,369	5,354,403	(130,034)	-2%	5,581,866
Other own revenue	1,207,861	2,352,180	2,280,488	194,524	1,494,788	1,713,667	(218,878)	-13%	2,280,488
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>29,591,762</b>	<b>32,635,615</b>	<b>32,686,771</b>	<b>3,229,295</b>	<b>25,172,612</b>	<b>25,843,129</b>	<b>(670,517)</b>	<b>-3%</b>	<b>32,686,771</b>
Employee costs	6,051,006	8,053,523	7,960,659	667,212	5,913,683	6,135,206	(221,523)	-4%	7,960,659
Remuneration of Councillors	119,944	130,316	133,816	11,126	99,739	99,487	252	0%	133,816
Depreciation & asset impairment	2,013,797	2,076,706	2,076,706	173,556	1,564,190	1,557,530	6,661	0%	2,076,706
Finance charges	901,847	801,404	665,462	55,926	491,097	530,223	(39,126)	-7%	665,462
Materials and bulk purchases	14,408,224	14,269,430	14,306,406	1,045,802	10,179,477	10,508,889	(329,413)	-3%	14,306,406
Transfers and subsidies	1,206,630	484,724	749,932	72,871	547,824	521,102	26,722	5%	749,932
Other expenditure	5,426,801	6,768,725	6,743,002	536,624	4,437,092	5,081,518	(644,427)	-13%	6,743,002
<b>Total Expenditure</b>	<b>30,128,249</b>	<b>32,584,827</b>	<b>32,635,983</b>	<b>2,563,117</b>	<b>23,233,102</b>	<b>24,433,956</b>	<b>(1,200,853)</b>	<b>-5%</b>	<b>32,635,983</b>
<b>Surplus/(Deficit)</b>	<b>(536,487)</b>	<b>50,788</b>	<b>50,788</b>	<b>666,179</b>	<b>1,939,509</b>	<b>1,409,173</b>	<b>530,336</b>	<b>38%</b>	<b>50,788</b>
Transfers and subsidies - capital (monetary allocations)	1,788,457	2,303,664	2,252,124	179,337	908,599	1,440,251	(531,652)	-37%	2,252,124
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1,251,969</b>	<b>2,354,830</b>	<b>2,303,289</b>	<b>845,516</b>	<b>2,849,736</b>	<b>2,849,707</b>	<b>29</b>	<b>0%</b>	<b>2,303,289</b>
<b>Surplus/ (Deficit) for the year</b>	<b>1,251,969</b>	<b>2,354,830</b>	<b>2,303,289</b>	<b>845,516</b>	<b>2,849,736</b>	<b>2,849,707</b>	<b>29</b>	<b>0%</b>	<b>2,303,289</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>-</b>	<b>6,715,956</b>	<b>6,620,082</b>	<b>497,231</b>	<b>2,628,804</b>	<b>4,990,892</b>	<b>(2,362,088)</b>	<b>-47%</b>	<b>6,622,401</b>
Capital transfers recognised	1,847,686	2,359,664	2,287,550	183,831	913,093	1,703,478	(790,385)	-46%	2,253,124
Borrowing	1,765,376	3,434,508	3,359,297	229,913	1,245,102	2,395,777	(1,150,675)	-48%	3,170,216
Internally generated funds	<b>1,616,684</b>	<b>921,783</b>	<b>973,235</b>	<b>83,488</b>	<b>470,610</b>	<b>891,637</b>	<b>(421,027)</b>	<b>-47%</b>	<b>1,199,061</b>
<b>Total sources of capital funds</b>	<b>5,229,747</b>	<b>6,715,956</b>	<b>6,620,082</b>	<b>497,231</b>	<b>2,628,804</b>	<b>4,990,892</b>	<b>(2,362,088)</b>	<b>-47%</b>	<b>6,622,401</b>
<b>Financial position</b>									
Total current assets	14,956,537	14,495,108	13,531,111		17,661,366				12,151,601
Total non current assets	50,238,728	53,527,897	49,821,666		54,139,738				53,415,988
Total current liabilities	8,766,077	6,659,418	8,307,447		10,470,236				8,519,283
Total non current liabilities	9,111,658	10,062,165	8,800,593		9,313,148				9,236,974
<b>Community wealth/Equity</b>	<b>47,317,530</b>	<b>51,301,422</b>	<b>46,244,736</b>		<b>52,017,721</b>				<b>47,811,332</b>
Net cash from (used) operating	4,895,926	4,831,933	4,639,302	1,650,948	2,727,846	3,479,477	751,630	22%	5,909,484
Net cash from (used) investing	(4,300,270)	(4,861,521)	(4,488,932)	(335,350)	(1,626,061)	(3,366,699)	(1,740,638)	52%	(6,958,253)
Net cash from (used) financing	(306,781)	1,397,978	1,437,098	(1,088,630)	5,411	1,077,824	1,072,412	99%	2,867,728
<b>Cash/cash equivalents at the month/year end</b>	<b>8,009,279</b>	<b>9,069,766</b>	<b>8,288,845</b>	<b>-</b>	<b>7,836,972</b>	<b>7,891,978</b>	<b>55,006</b>	<b>1%</b>	<b>8,548,735</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Total By Income Source	1,896,494	634,100	410,419	450,634	331,456	347,434	1,918,748	9,136,627	15,125,911
<b>Creditors Age Analysis</b>									
Total Creditors	3,279,404	43,776	13,986	446	2,585	827	35,008	<b>6,264</b>	3,382,297

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EKU Ekurhuleni Metro - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M09 March										
Description	Ref	Budget Year 2017/18								
		2016/17 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>7,184,466</b>	<b>8,111,733</b>	<b>8,209,882</b>	<b>1,154,420</b>	<b>6,571,172</b>	<b>6,523,771</b>	<b>47,401</b>	<b>1%</b>	<b>8,209,882</b>
Executive and council		1,344	-	-	-	-	-	-	-	-
Finance and administration		7,182,294	8,111,733	8,209,882	1,154,420	6,571,172	6,523,771	47,401	1%	8,209,882
Internal audit		828	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1,074,631</b>	<b>1,630,966</b>	<b>1,610,365</b>	<b>194,564</b>	<b>784,855</b>	<b>1,233,314</b>	<b>(448,459)</b>	<b>-36%</b>	<b>1,610,365</b>
Community and social services		36,791	205,910	206,503	50,002	185,281	195,370	(10,088)	-5%	206,503
Sport and recreation		22,490	15,904	15,994	641	4,870	13,051	(8,182)	-63%	15,994
Public safety		1,700	8,130	8,130	10	2,644	6,097	(3,453)	-57%	8,130
Housing		812,838	1,246,344	1,224,652	141,456	442,743	869,771	(427,028)	-49%	1,224,652
Health		200,810	154,679	155,086	2,454	149,316	149,024	292	0%	155,086
<b>Economic and environmental services</b>		<b>894,535</b>	<b>1,217,361</b>	<b>1,239,925</b>	<b>64,944</b>	<b>531,575</b>	<b>877,340</b>	<b>(345,765)</b>	<b>-39%</b>	<b>1,239,925</b>
Planning and development		53,975	86,842	129,130	8,605	68,705	91,500	(22,795)	-25%	129,130
Road transport		840,530	1,130,388	1,110,648	56,339	462,847	785,730	(322,884)	-41%	1,110,648
Environmental protection		30	131	147	-	23	110	(87)	-79%	147
<b>Trading services</b>		<b>21,970,566</b>	<b>23,636,298</b>	<b>23,535,803</b>	<b>1,970,005</b>	<b>17,960,529</b>	<b>18,391,765</b>	<b>(431,236)</b>	<b>-2%</b>	<b>23,535,803</b>
Energy sources		13,814,230	13,987,106	13,962,931	948,558	10,619,179	10,778,112	(158,933)	-1%	13,962,931
Water management		5,204,690	5,530,881	5,454,560	605,800	4,286,130	4,450,898	(164,769)	-4%	5,454,560
Waste water management		1,112,771	2,259,452	2,259,452	199,786	1,629,386	1,694,589	(65,203)	-4%	2,259,452
Waste management		1,838,876	1,858,860	1,858,860	215,861	1,425,834	1,468,165	(42,331)	-3%	1,858,860
<b>Other</b>	4	<b>256,021</b>	<b>343,298</b>	<b>343,298</b>	<b>24,700</b>	<b>234,707</b>	<b>257,473</b>	<b>(22,766)</b>	<b>-9%</b>	<b>343,298</b>
<b>Total Revenue - Functional</b>	2	<b>31,380,219</b>	<b>34,939,657</b>	<b>34,939,272</b>	<b>3,408,632</b>	<b>26,082,838</b>	<b>27,283,663</b>	<b>(1,200,825)</b>	<b>-4%</b>	<b>34,939,272</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>2,160,069</b>	<b>4,395,476</b>	<b>4,506,473</b>	<b>269,274</b>	<b>2,623,027</b>	<b>3,488,055</b>	<b>(865,028)</b>	<b>-25%</b>	<b>4,506,473</b>
Executive and council		683,447	540,428	551,898	36,741	313,844	411,837	(97,993)	-24%	551,898
Finance and administration		1,114,165	3,792,117	3,891,656	227,932	2,266,501	3,028,995	(762,494)	-25%	3,891,656
Internal audit		362,457	62,931	62,919	4,601	42,682	47,223	(4,541)	-10%	62,919
<b>Community and public safety</b>		<b>3,367,974</b>	<b>3,945,334</b>	<b>3,849,033</b>	<b>327,423</b>	<b>2,673,517</b>	<b>2,915,386</b>	<b>(241,870)</b>	<b>-8%</b>	<b>3,849,033</b>
Community and social services		410,040	702,428	667,876	55,757	488,261	509,473	(21,212)	-4%	667,876
Sport and recreation		904,770	1,010,399	995,994	84,446	727,758	757,499	(29,741)	-4%	995,994
Public safety		223,814	40,238	36,913	3,194	27,347	27,905	(557)	-2%	36,913
Housing		556,533	762,620	783,122	69,144	402,469	593,462	(190,993)	-32%	783,122
Health		1,272,818	1,429,649	1,365,128	114,882	1,027,682	1,027,048	634	0%	1,365,128
<b>Economic and environmental services</b>		<b>3,592,028</b>	<b>4,309,549</b>	<b>4,332,401</b>	<b>376,021</b>	<b>3,299,674</b>	<b>3,250,069</b>	<b>49,605</b>	<b>2%</b>	<b>4,332,401</b>
Planning and development		545,430	614,953	677,969	65,686	459,176	504,618	(45,441)	-9%	677,969
Road transport		2,949,545	3,612,127	3,572,313	303,471	2,775,563	2,682,775	92,788	3%	3,572,313
Environmental protection		97,053	82,470	82,118	6,864	64,935	62,676	2,259	4%	82,118
<b>Trading services</b>		<b>20,804,114</b>	<b>19,672,888</b>	<b>19,703,485</b>	<b>1,570,311</b>	<b>14,453,729</b>	<b>14,597,047</b>	<b>(143,317)</b>	<b>-1%</b>	<b>19,703,485</b>
Energy sources		14,348,856	12,151,702	12,106,541	890,787	8,832,277	8,901,370	(69,093)	-1%	12,106,541
Water management		4,663,467	5,328,622	5,507,156	491,209	4,153,006	4,093,414	59,592	1%	5,507,156
Waste water management		595,423	920,395	919,048	74,701	611,832	689,216	(77,385)	-11%	919,048
Waste management		1,196,367	1,272,169	1,170,740	113,613	856,614	913,046	(56,432)	-6%	1,170,740
<b>Other</b>		<b>204,065</b>	<b>261,580</b>	<b>244,591</b>	<b>20,088</b>	<b>183,155</b>	<b>183,399</b>	<b>(243)</b>	<b>0%</b>	<b>244,591</b>
<b>Total Expenditure - Functional</b>	3	<b>30,128,249</b>	<b>32,584,827</b>	<b>32,635,983</b>	<b>2,563,117</b>	<b>23,233,102</b>	<b>24,433,956</b>	<b>(1,200,853)</b>	<b>-5%</b>	<b>32,635,983</b>
<b>Surplus/ (Deficit) for the year</b>		<b>1,251,969</b>	<b>2,354,830</b>	<b>2,303,289</b>	<b>845,516</b>	<b>2,849,736</b>	<b>2,849,707</b>	<b>29</b>	<b>0%</b>	<b>2,303,289</b>

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<b>EKU Ekurhuleni Metro - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March</b>									
<b>Vote Description</b>	<b>budget year 2017/18</b>								
	<b>2016/17 Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Monthly actual</b>	<b>YearTD actual</b>	<b>YearTD budget</b>	<b>YTD variance</b>	<b>YTD variance %</b>	<b>Full Year Forecast</b>
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Executive & Council	-	6,215,877	6,314,232	500,494	4,631,982	4,633,607	(1,626)	0.0%	6,314,232
Vote 02 - Finance And Corporate Services	7,467,422	2,529,775	2,529,976	725,739	2,471,757	2,455,513	16,244	0.7%	2,529,976
Vote 03 - Energy	13,715,715	13,987,106	13,962,931	948,558	10,619,179	10,778,112	(158,933)	-1.5%	13,962,931
Vote 04 - Water And Sanitation	6,477,290	7,790,333	7,714,012	805,587	5,915,516	6,145,487	(229,972)	-3.7%	7,714,012
Vote 05 - Waste Management	1,694,152	1,859,476	1,859,476	215,934	1,426,428	1,468,628	(42,200)	-2.9%	1,859,476
Vote 06 - Human Settlements	716,872	1,291,540	1,269,849	146,318	466,185	886,485	(420,300)	-47.4%	1,269,849
Vote 07 - City Planning	31,754	30	42,318	558	9,563	20,175	(10,612)	-52.6%	42,318
Vote 08 - Economic Development	36,339	67,991	67,991	6,360	49,822	57,209	(7,386)	-12.9%	67,991
Vote 09 - Disaster And Emergency Management Services	73,748	15,549	15,549	464	6,132	11,662	(5,530)	-47.4%	15,549
Vote 10 - Sports, Recreation, Arts & Culture (Srac)	(36,046)	17,593	18,276	544	6,418	15,542	(9,124)	-58.7%	18,276
Vote 11 - Health And Social Development	165,026	2,090	2,090	72	678	1,570	(892)	-56.8%	2,090
Vote 12 - Environmental Resource Management	(22,318)	31,851	31,867	1,668	16,332	23,900	(7,568)	-31.7%	31,867
Vote 13 - Ekurhuleni Metropolitan Police Department (E)	145,715	156,337	131,337	9,158	93,658	104,752	(11,095)	-10.6%	131,337
Vote 14 - Transport Planning & Provisioning	746,346	809,243	809,243	31,212	268,088	546,675	(278,587)	-51.0%	809,243
Vote 15 - Other	168,204	164,867	170,127	15,969	101,101	134,346	(33,246)	-24.7%	170,127
<b>Total Revenue by Vote</b>	<b>31,380,219</b>	<b>34,939,657</b>	<b>34,939,272</b>	<b>3,408,632</b>	<b>26,082,838</b>	<b>27,283,663</b>	<b>(1,200,825)</b>	<b>-4.4%</b>	<b>34,939,272</b>
<b>Expenditure by Vote</b>									
Vote 01 - Executive & Council	349,497	5,305,986	5,312,944	379,876	3,403,787	4,106,989	(703,202)	-17.1%	5,312,944
Vote 02 - Finance And Corporate Services	1,829,254	1,100,335	1,134,846	75,506	663,930	853,234	(189,304)	-22.2%	1,134,846
Vote 03 - Energy	14,316,223	12,151,702	12,106,541	890,787	8,832,277	8,901,370	(69,093)	-0.8%	12,106,541
Vote 04 - Water And Sanitation	5,242,947	6,231,211	6,408,449	564,809	4,757,858	4,769,314	(11,456)	-0.2%	6,408,449
Vote 05 - Waste Management	1,196,367	1,272,307	1,170,878	113,613	856,661	913,150	(56,488)	-6.2%	1,170,878
Vote 06 - Human Settlements	556,540	1,166,211	1,191,305	99,253	659,357	900,828	(241,471)	-26.8%	1,191,305
Vote 07 - City Planning	254,360	148,162	154,662	10,887	116,536	114,304	2,232	2.0%	154,662
Vote 08 - Economic Development	295,838	123,673	174,664	10,897	116,326	123,146	(6,820)	-5.5%	174,664
Vote 09 - Disaster And Emergency Management Services	649,056	462,502	412,040	38,853	346,095	308,607	37,489	12.1%	412,040
Vote 10 - Sports, Recreation, Arts & Culture (Srac)	728,461	579,896	569,839	42,638	407,369	438,598	(31,230)	-7.1%	569,839
Vote 11 - Health And Social Development	879,978	241,595	242,866	18,151	163,193	181,995	(18,802)	-10.3%	242,866
Vote 12 - Environmental Resource Management	683,010	171,199	166,766	13,273	127,170	126,243	927	0.7%	166,766
Vote 13 - Ekurhuleni Metropolitan Police Department (E)	1,396,498	1,468,350	1,368,993	154,373	1,229,009	1,014,237	214,772	21.2%	1,368,993
Vote 14 - Transport Planning & Provisioning	397,210	382,177	452,499	18,558	205,071	326,896	(121,825)	-37.3%	452,499
Vote 15 - Other	1,353,011	1,779,521	1,768,692	131,641	1,348,463	1,355,044	(6,582)	-0.5%	1,768,692
<b>Total Expenditure by Vote</b>	<b>30,128,249</b>	<b>32,584,827</b>	<b>32,635,983</b>	<b>2,563,117</b>	<b>23,233,102</b>	<b>24,433,956</b>	<b>(1,200,853)</b>	<b>-4.9%</b>	<b>32,635,983</b>
<b>Surplus/ (Deficit) for the year</b>	<b>1,251,969</b>	<b>2,354,830</b>	<b>2,303,289</b>	<b>845,516</b>	<b>2,849,736</b>	<b>2,849,707</b>	<b>29</b>	<b>0.0%</b>	<b>2,303,289</b>

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2018.04.26**

**A-F (24-2018)**

EKU Ekurhuleni Metro - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February										
Description	Ref	2016/17	Budget year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		4,053,558	5,066,264	5,210,905	416,284	3,889,393	3,872,018	17,374	0%	5,210,905
Service charges - electricity revenue		12,906,311	13,112,247	13,075,760	821,455	9,851,715	10,000,201	(148,486)	-1%	13,075,760
Service charges - water revenue		3,395,581	3,594,817	3,513,993	257,884	2,603,525	2,682,052	(78,526)	-3%	3,513,993
Service charges - sanitation revenue		1,109,672	1,344,228	1,344,228	96,509	888,773	1,008,171	(119,398)	-12%	1,344,228
Service charges - refuse revenue		1,273,529	1,280,355	1,280,355	96,757	889,088	913,236	(24,148)	-3%	1,280,355
Service charges - other		61,307						-		
Rental of facilities and equipment		67,521	118,429	118,429	11,252	80,656	89,016	(8,360)	-9%	118,429
Interest earned - external investments		536,303	399,176	399,176	23,636	330,961	299,382	31,579	11%	399,176
Interest earned - outstanding debtors		304,694	571,664	524,971	27,540	227,359	407,732	(180,373)	-44%	524,971
Dividends received		-	90	90	-	-	68	(68)	-100%	90
Fines, penalties and forfeits		346,153	164,257	139,257	9,471	97,523	110,711	(13,188)	-12%	139,257
Licences and permits		50,249	319,873	319,873	22,991	218,523	239,905	(21,382)	-9%	319,873
Agency services		282,219						-		
Transfers and subsidies		5,047,640	5,486,348	5,581,866	1,322,247	5,224,369	5,354,403	(130,034)	-2%	5,581,866
Other revenue		157,024	1,177,867	1,177,867	123,270	869,043	866,236	2,808	0%	1,177,867
Gains on disposal of PPE		-	-	-	-	1,684	-	1,684	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>29,591,762</b>	<b>32,635,615</b>	<b>32,686,771</b>	<b>3,229,295</b>	<b>25,172,612</b>	<b>25,843,129</b>	<b>(670,517)</b>	<b>-3%</b>	<b>32,686,771</b>
<b>Expenditure By Type</b>										
Employee related costs		6,051,006	8,053,523	7,960,659	667,212	5,913,683	6,135,206	(221,523)	-4%	7,960,659
Remuneration of councillors		119,944	130,316	133,816	11,126	99,739	99,487	252	0%	133,816
Debt impairment		2,609,579	1,549,864	1,332,553	92,360	1,084,375	1,053,743	30,632	3%	1,332,553
Depreciation & asset impairment		2,013,797	2,076,706	2,076,706	173,556	1,564,190	1,557,530	6,661	0%	2,076,706
Finance charges		901,847	801,404	665,462	55,926	491,097	530,223	(39,126)	-7%	665,462
Bulk purchases		12,402,511	12,221,456	12,321,455	885,310	9,042,561	9,047,848	(5,288)	0%	12,321,455
Other materials		2,005,713	2,047,974	1,984,950	160,492	1,136,916	1,461,041	(324,125)	-22%	1,984,950
Contracted services		1,061,354	3,904,725	4,077,467	347,718	2,616,888	3,030,509	(413,621)	-14%	4,077,467
Transfers and subsidies		1,206,630	484,724	749,932	72,871	547,824	521,102	26,722	5%	749,932
Other expenditure		1,763,820	1,299,135	1,317,982	96,546	735,824	986,017	(250,192)	-25%	1,317,982
Loss on disposal of PPE		(7,951)	15,000	15,000	-	5	11,250	(11,245)	-100%	15,000
<b>Total Expenditure</b>		<b>30,128,249</b>	<b>32,584,827</b>	<b>32,635,983</b>	<b>2,563,117</b>	<b>23,233,102</b>	<b>24,433,956</b>	<b>(1,200,853)</b>	<b>-5%</b>	<b>32,635,983</b>
<b>Surplus/(Deficit)</b>		<b>(536,487)</b>	<b>50,788</b>	<b>50,788</b>	<b>666,179</b>	<b>1,939,509</b>	<b>1,409,173</b>	<b>530,336</b>	<b>0</b>	<b>50,788</b>
Transfers and subsidies - capital (monetary)		1,788,457	2,303,664	2,252,124	179,337	908,599	1,440,251	(531,652)	(0)	2,252,124
Transfers and subsidies - capital (monetary)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - a)		-	378	378	-	1,627	283	1,344	0	378
<b>Surplus/(Deficit) after capital transfers &amp; Taxation</b>		<b>1,251,969</b>	<b>2,354,830</b>	<b>2,303,289</b>	<b>845,516</b>	<b>2,849,736</b>	<b>2,849,707</b>			<b>2,303,289</b>
<b>Surplus/(Deficit) after taxation</b>		<b>1,251,969</b>	<b>2,354,830</b>	<b>2,303,289</b>	<b>845,516</b>	<b>2,849,736</b>	<b>2,849,707</b>			<b>2,303,289</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>1,251,969</b>	<b>2,354,830</b>	<b>2,303,289</b>	<b>845,516</b>	<b>2,849,736</b>	<b>2,849,707</b>			<b>2,303,289</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>1,251,969</b>	<b>2,354,830</b>	<b>2,303,289</b>	<b>845,516</b>	<b>2,849,736</b>	<b>2,849,707</b>			<b>2,303,289</b>

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2018.04.26**

**A-F (24-2018)**

EKU Ekurhuleni Metro - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M09 March										
Vote Description	Ref	2016/17	Budget year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	932,477	938,872	41,989	248,488	707,075	(458,588)	-65%	938,872
Vote 02 - Finance And Corporate Services		-	612,935	613,136	20,034	236,132	460,477	(224,345)	-49%	613,136
Vote 03 - Energy		-	717,700	717,700	46,897	464,887	538,275	(73,388)	-14%	717,700
Vote 04 - Water And Sanitation		-	914,909	890,440	87,148	312,996	669,194	(356,198)	-53%	892,759
Vote 05 - Waste Management		-	166,450	166,250	2,020	36,127	124,975	(88,848)	-71%	166,250
Vote 06 - Human Settlements		-	1,169,226	1,193,875	151,747	403,515	887,744	(484,229)	-55%	1,193,875
Vote 07 - City Planning		-	-	-	-	-	-	-		-
Vote 08 - Economic Development		-	154,100	152,100	11,383	51,152	116,587	(65,435)	-56%	152,100
Vote 09 - Disaster And Emergency Management Services		-	-	-	-	-	-	-		-
Vote 10 - Sports, Recreation, Arts & Culture (Srac)		-	132,900	128,990	4,615	41,249	97,720	(56,471)	-58%	128,990
Vote 11 - Health And Social Development		-	91,150	91,990	6,453	56,875	68,782	(11,907)	-17%	91,990
Vote 12 - Environmental Resource Management		-	167,000	171,021	14,045	104,644	128,105	(23,461)	-18%	171,021
Vote 13 - Ekurhuleni Metropolitan Police Department (Empd)		-	140,000	155,300	10,581	81,696	111,650	(29,954)	-27%	155,300
Vote 14 - Transport Planning & Provisioning		-	831,018	715,918	34,683	254,144	565,713	(311,569)	-55%	715,918
Vote 15 - Other		-	683,800	683,800	65,636	336,899	513,600	(176,701)	-34%	683,800
<b>Total Capital Multi-year expenditure</b>	4,7	-	<b>6,713,666</b>	<b>6,619,392</b>	<b>497,231</b>	<b>2,628,804</b>	<b>4,989,900</b>	<b>(2,361,095)</b>	<b>-47%</b>	<b>6,621,711</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	2,290	690	-	-	992	(992)	-100%	690
<b>Total Capital single-year expenditure</b>	4	-	<b>2,290</b>	<b>690</b>	<b>-</b>	<b>-</b>	<b>992</b>	<b>(992)</b>	<b>-100%</b>	<b>690</b>
<b>Total Capital Expenditure</b>		-	<b>6,715,956</b>	<b>6,620,082</b>	<b>497,231</b>	<b>2,628,804</b>	<b>4,990,892</b>	<b>(2,362,088)</b>	<b>-47%</b>	<b>6,622,401</b>

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
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**2018.04.26**

**A-F (24-2018)**

EKU Ekurhuleni Metro - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M09 March										
Vote Description	Ref	2016/17	Budget year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital Expenditure - Functional Classification</b>										
Governance and administration		1,030,234	1,499,742	1,511,912	77,663	450,845	1,130,072	(679,227)	-60%	1,510,822
Executive and council		423,907	679,595	641,352	2,476	3,358	96,283	(92,925)	-97%	126,375
Finance and administration		606,328	819,708	870,120	75,187	447,470	1,033,458	(585,989)	-57%	1,384,008
Internal audit		-	440	440	-	17	330	(313)	-95%	440
Community and public safety		1,374,094	1,742,146	1,716,785	159,648	627,132	1,184,044	(556,912)	-47%	1,570,619
Community and social services		179,236	207,700	212,550	31,701	207,335	291,491	(84,156)	-29%	381,191
Sport and recreation		63,435	81,000	80,350	3,949	40,782	80,206	(39,424)	-49%	111,569
Public safety		291,034	360,770	356,770	-	-	-	-	-	-
Housing		761,907	1,001,526	975,125	117,545	322,139	743,564	(421,425)	-57%	985,870
Health		78,483	91,150	91,990	6,453	56,875	68,782	(11,907)	-17%	91,990
Economic and environmental services		1,446,490	1,638,018	1,555,536	123,855	736,818	1,344,332	(607,514)	-45%	1,764,251
Planning and development		139,245	112,000	144,328	12,672	61,939	144,194	(82,255)	-57%	198,333
Road transport		1,295,892	1,514,818	1,400,008	110,900	672,740	1,190,963	(518,224)	-44%	1,555,018
Environmental protection		11,353	11,200	11,200	283	2,139	9,175	(7,036)	-77%	10,900
Trading services		1,348,528	1,792,709	1,792,509	136,065	814,010	1,332,444	(518,435)	-39%	1,776,709
Energy sources		616,388	717,700	717,700	46,897	464,887	538,275	(73,388)	-14%	717,700
Water management		205,348	356,400	386,600	73,366	236,226	449,100	(212,874)	-47%	599,300
Waste water management		406,893	552,159	521,959	13,781	76,770	220,094	(143,325)	-65%	293,459
Waste management		119,900	166,450	166,250	2,020	36,127	124,975	(88,848)	-71%	166,250
Other		30,400	43,340	43,340				-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>5,229,747</b>	<b>6,715,956</b>	<b>6,620,082</b>	<b>497,231</b>	<b>2,628,804</b>	<b>4,990,892</b>	<b>(2,362,088)</b>	<b>-47%</b>	<b>6,622,401</b>
<b>Funded by:</b>										
National Government		1,816,827	2,294,664	2,222,460	172,929	847,159	1,593,396	(746,237)	-47%	2,100,460
Provincial Government		30,859	15,000	15,090	131	524	8,295	(7,770)	-94%	10,090
District Municipality								-		
Other transfers and grants			50,000	50,000	10,771	65,409	101,787	(36,378)	-36%	142,574
<b>Transfers recognised - capital</b>		<b>1,847,686</b>	<b>2,359,664</b>	<b>2,287,550</b>	<b>183,831</b>	<b>913,093</b>	<b>1,703,478</b>	<b>(790,385)</b>	<b>-46%</b>	<b>2,253,124</b>
Borrowing	6	1,765,376	3,434,508	3,359,297	229,913	1,245,102	2,395,777	(1,150,675)	-48%	3,170,216
Internally generated funds		1,616,684	921,783	973,235	83,488	470,610	891,637	(421,027)	-47%	1,199,061
<b>Total Capital Funding</b>		<b>5,229,747</b>	<b>6,715,956</b>	<b>6,620,082</b>	<b>497,231</b>	<b>2,628,804</b>	<b>4,990,892</b>	<b>(2,362,088)</b>	<b>-47%</b>	<b>6,622,401</b>

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

2018.04.26

A-F (24-2018)

EKU Ekurhuleni Metro - Table C6 Monthly Budget Statement - Financial Position - M09 March						
Description	Ref	2016/17	Budget year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		8,151,451	8,991,716	8,288,845	7,836,972	6,778,772
Call investment deposits		155,645	198,735	143,070	143,130	170,903
Consumer debtors		5,271,488	4,464,611	4,455,686	6,789,477	4,460,148
Other debtors		1,022,500	682,886	486,351	2,132,573	584,618
Inventory		355,033	157,160	157,160	758,794	157,160
<b>Total current assets</b>		<b>14,956,537</b>	<b>14,495,108</b>	<b>13,531,111</b>	<b>17,661,366</b>	<b>12,151,601</b>
<b>Non current assets</b>						
Long-term receivables		9,714	64,126	4,974	6,297	37,038
Investments		1,095,831	1,079,586	1,069,033	735,982	2,418,499
Investment property		743,914	277,985	174,321	654,883	226,153
Property, plant and equipment		48,039,286	51,903,747	48,406,884	52,319,142	50,552,374
Intangible assets		290,530	145,730	130,260	360,917	130,260
Other non-current assets		59,454	41,169	36,194	62,517	36,194
<b>Total non current assets</b>		<b>50,238,728</b>	<b>53,527,897</b>	<b>49,821,666</b>	<b>54,139,738</b>	<b>53,415,988</b>
<b>TOTAL ASSETS</b>		<b>65,195,264</b>	<b>68,023,005</b>	<b>63,352,777</b>	<b>71,801,104</b>	<b>65,567,589</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Borrowing		441,162	483,737	381,507	455,262	454,148
Consumer deposits		755,106	670,470	661,051	850,418	665,761
Trade and other payables		7,114,855	5,015,259	6,853,108	8,515,427	6,944,574
Provisions		454,954	489,951	411,781	649,129	454,800
<b>Total current liabilities</b>		<b>8,766,077</b>	<b>6,659,418</b>	<b>8,307,447</b>	<b>10,470,236</b>	<b>8,519,283</b>
<b>Non current liabilities</b>						
Borrowing		5,595,624	6,939,304	5,770,257	6,252,716	6,159,663
Provisions		3,516,033	3,122,861	3,030,336	3,060,432	3,077,312
<b>Total non current liabilities</b>		<b>9,111,658</b>	<b>10,062,165</b>	<b>8,800,593</b>	<b>9,313,148</b>	<b>9,236,974</b>
<b>TOTAL LIABILITIES</b>		<b>17,877,735</b>	<b>16,721,583</b>	<b>17,108,040</b>	<b>19,783,384</b>	<b>17,756,257</b>
<b>NET ASSETS</b>	2	<b>47,317,530</b>	<b>51,301,422</b>	<b>46,244,736</b>	<b>52,017,721</b>	<b>47,811,332</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		47,317,530	51,301,422	46,244,736	52,017,721	47,811,332
Reserves		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>47,317,530</b>	<b>51,301,422</b>	<b>46,244,736</b>	<b>52,017,721</b>	<b>47,811,332</b>

**CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2018.04.26**

**A-F (24-2018)**

EKU Ekurhuleni Metro - Table C7 Monthly Budget Statement - Cash Flow - M09 March										
Description	Ref	2016/17	Budget year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		3,920,336	4,459,590	4,459,590	351,507	3,061,490	3,344,692	(283,202)	-8%	4,833,913
Service charges		15,102,231	20,455,587	19,529,590	1,013,006	10,722,060	14,647,193	(3,925,133)	-27%	16,993,125
Other revenue		663,119	2,520,566	2,410,504	26,364	604,076	1,807,878	(1,203,802)	-67%	3,968,520
Government - operating		4,372,142	3,510,418	3,513,278	770,056	4,603,492	2,634,959	1,968,534	75%	5,406,054
Interest		970,107	670,383	666,643	160,217	509,823	499,983	9,840	2%	868,670
Dividends			-	-	-	-	-	-		90
<b>Payments</b>										
Suppliers and employees		(20,581,385)	(26,044,576)	(24,948,921)	(674,169)	(17,392,453)	(18,711,691)	(1,319,238)	7%	(26,546,041)
Finance charges		(600,935)	(725,472)	(663,333)	(55,926)	(1,084,375)	(497,500)	586,875	-118%	(801,361)
Transfers and Grants		(1,096,477)	(1,941,318)	(2,125,735)	(46,499)	17,293	(1,594,301)	(1,611,594)	101%	(1,117,152)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>4,895,926</b>	<b>4,831,933</b>	<b>4,639,302</b>	<b>1,650,948</b>	<b>2,727,846</b>	<b>3,479,477</b>	<b>751,630</b>	<b>22%</b>	<b>5,909,484</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE			-	-	(100)	2,609	-	2,609	#DIV/0!	-
Decrease (Increase) in non-current debtors		(1,914)	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		3,797	129	-	66	515	-	515	#DIV/0!	-
Decrease (increase) in non-current investments		(245,277)	287,437	287,437	(133,152)	606,292	215,578	390,714	181%	(242,297)
<b>Payments</b>										
Capital assets		(4,056,876)	(5,149,087)	(4,776,369)	(202,164)	(2,235,477)	(3,582,277)	(1,346,800)	38%	(6,715,956)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4,300,270)</b>	<b>(4,861,521)</b>	<b>(4,488,932)</b>	<b>(335,350)</b>	<b>(1,626,061)</b>	<b>(3,366,699)</b>	<b>(1,740,638)</b>	<b>52%</b>	<b>(6,958,253)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans			-	-	-	-	-	-		-
Borrowing long term/refinancing			1,761,373	1,800,763	(6,379)	(28,039)	1,350,572	(1,378,612)	-102%	3,245,427
Increase (decrease) in consumer deposits		37,966	18,146	17,842	4,844	33,450	13,382	20,069	150%	50,304
<b>Payments</b>										
Repayment of borrowing		(344,746)	(381,542)	(381,507)	(1,087,095)	-	(286,131)	(286,131)	100%	(428,003)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(306,781)</b>	<b>1,397,978</b>	<b>1,437,098</b>	<b>(1,088,630)</b>	<b>5,411</b>	<b>1,077,824</b>	<b>1,072,412</b>	<b>99%</b>	<b>2,867,728</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>288,876</b>	<b>1,368,390</b>	<b>1,587,469</b>	<b>226,969</b>	<b>1,107,196</b>	<b>1,190,602</b>			<b>1,818,959</b>
Cash/cash equivalents at beginning:		7,720,403	7,701,376	6,701,376		6,729,775	6,701,376			6,729,775
Cash/cash equivalents at month/year end:		8,009,279	9,069,766	8,288,845		7,836,972	7,891,978			8,548,735

### Other supporting documents

In terms of Council's Unauthorised, Fruitless, Wasteful and Irregular Expenditure policy, all known instances of Fruitless, Wasteful and Irregular Expenditure are reported to Council on a quarterly basis as part of the SDBIP report.

The following cases have been reported by Internal Audit Department for the 3<sup>rd</sup> Quarter ended 31<sup>st</sup> March 2018.



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**2018.04.26**

**A-F (24-2018)**

<b>REGISTER AS AT 30 MARCH 2018 OF FRUITLESS &amp; WASTEFUL, IRREGULAR AND UNAUTHORISED EXPENDITURE AS IDENTIFIED</b>									
<b>BY INTERNAL AUDIT DEPARTMENT</b>									
<b>No</b>	<b>DESCRIPTION</b>	<b>DETAILS OF FINDINGS</b>	<b>DEPT</b>	<b>TYPE</b>	<b>REFERENCE</b>	<b>AMOUNT</b>	<b>CONDONED</b>	<b>AFFECTED FINANCIAL YEAR</b>	<b>FINANCIAL YEAR IDENTIFIED</b>
1	Allegations that a senior official of the Real Estate department disclosed information related to a new tender and assisted the successful service provider to be awarded the tender in question	Meddling by official at Real Estate department resulted to an award of contract no. PS-RE-39-2016 to a service provider who did not meet the requirement.	Real Estate	Irregular	046FOR16/17	R31 445 324.34	No	2014-2015	2016-2017
2	Allegations of falsified signatures on requisitions and invoices.	The signatures of the DH: CRM and HOD: Waste Management were forged resulting to payment of services not rendered.	CRM and Waste Management	Fruitless & Wasteful	004FOR16/17	R585,790.00	No	2015-2016	2016-2017
3	Allegations of CoE not receiving value for money paid on Project A-WMS01-2016	1.Poor project Management on utilisation of Cooperatives led to CoE paying for services not rendered. 2 Payment for plastic liners not delivered	Waste Management	Fruitless & Wasteful	038FOR16/17	R564,442.00	No	2016-2017	2016-2017
4	Irregular expenditure relates to the Aerotropolis Industrial Custer Development and Investment Conference.	Economic development failed to procure services of a programme director for the conference. Economic development requested a contract from City Planning department to procure the services of the programme director and other marketing related services, however the items procured were not in line with	Economic Development	Irregular	036FOR15/16	R546,351.84	Yes	2015-2016	2016-2017

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		the City Planning department's contract. As a result, the service provider was not paid.							
5	Alleged procurement irregularities. Variation of a contract amount without following correct procedures	The official extended the contract with more than 100% without obtaining authority from BAC. The original contract amount was R246,379.54 additional resources were deployed due to time pressure at the cost of R212,443.56. The entire amount of R458,872 is regarded as irregular. The R212,468.72 is regarded as fruitless and wasteful expenditure	Internal Audit	Irregular / Fruitless and wasteful	01SUP1718	R458 847.72	No	2017/18	2017/18

### **Key Financial Ratio's**

As part of the requirements of the Municipal Budget and Reporting Regulations, Council must complete schedule SC2 (Monthly Budget Statement Performance Indicators) and submit to National Treasury.

The data strings to be submitted for M07 to M12 must reconcile with the input forms submitted to LG Database and C schedules. Municipalities must undertake monthly verification.

The National Treasury tables will be completed by the time the report is tabled in Council. At that time there will be perfect alignment between the systems generated Monthly Budget Schedules and the Data Strings.

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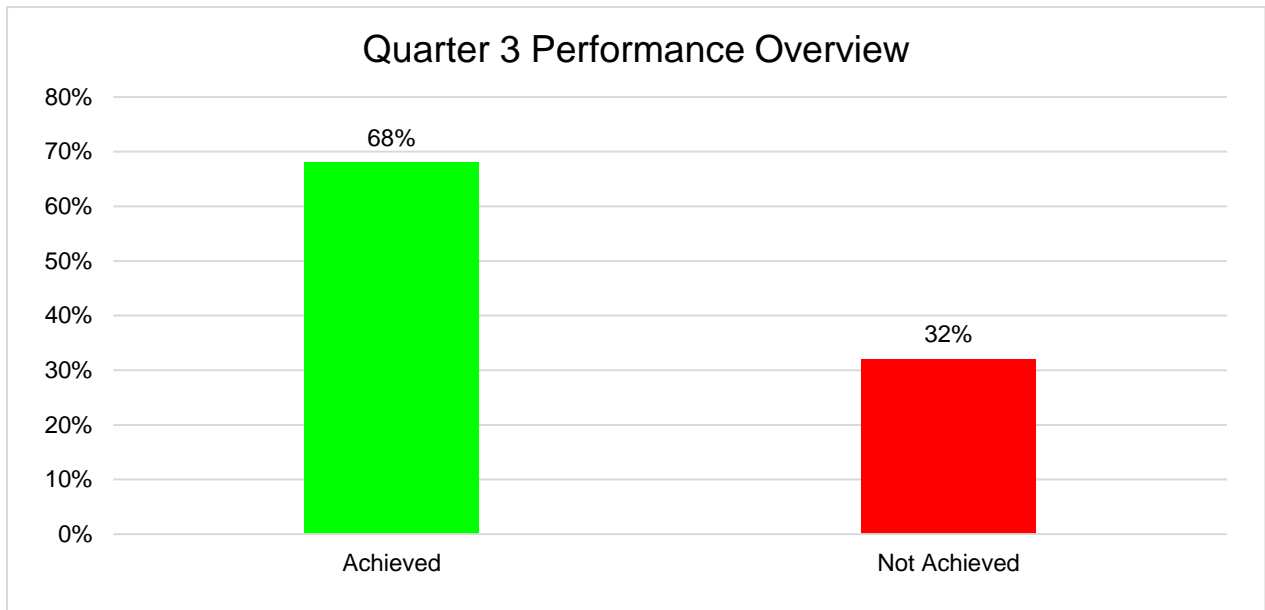
**2018.04.26**

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**SUMMARY OF THE UNAUDITED QUARTERLY SDBIP REPORT (CITY WIDE NON-FINANCIAL PERFORMANCE INFORMATION): QUARTER THREE OF THE 2017/2018 FINANCIAL YEAR**

**FIGURE 1: CITY-WIDE 2017/2018 QUARTER 3 PERFORMANCE**



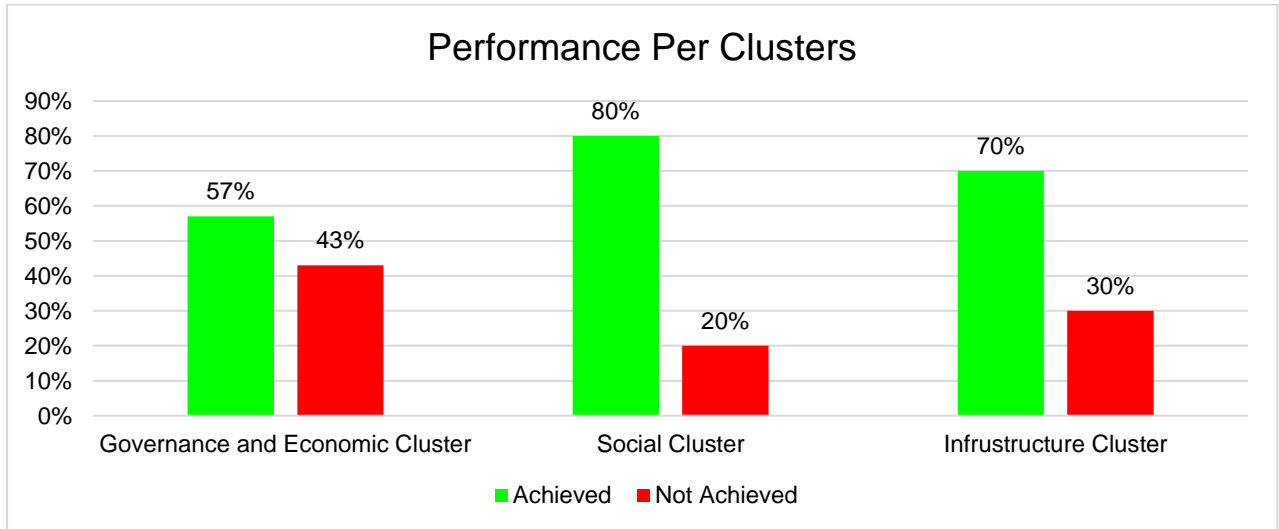
The City committed to a total of 63 targets in the third quarter of the 2017/18 financial year. Against these commitments, 43 (68%) targets were achieved and 20 (32%) were not achieved. Of the 20 targets recorded as not achieved, 14 recorded partial achievement and 6 recorded no performance at all. The departments that recorded non-performance on some of their targets included ICT (number of new Wi-Fi hotspots/nodes provided with Wi-Fi and kilometers of (fibre) broadband installed), Energy (number of high mast lights installed), Transport (number of new public transport facilities constructed) as well as Human Settlement (number of serviced stands completed and number of informal settlements provided with interim basic services).

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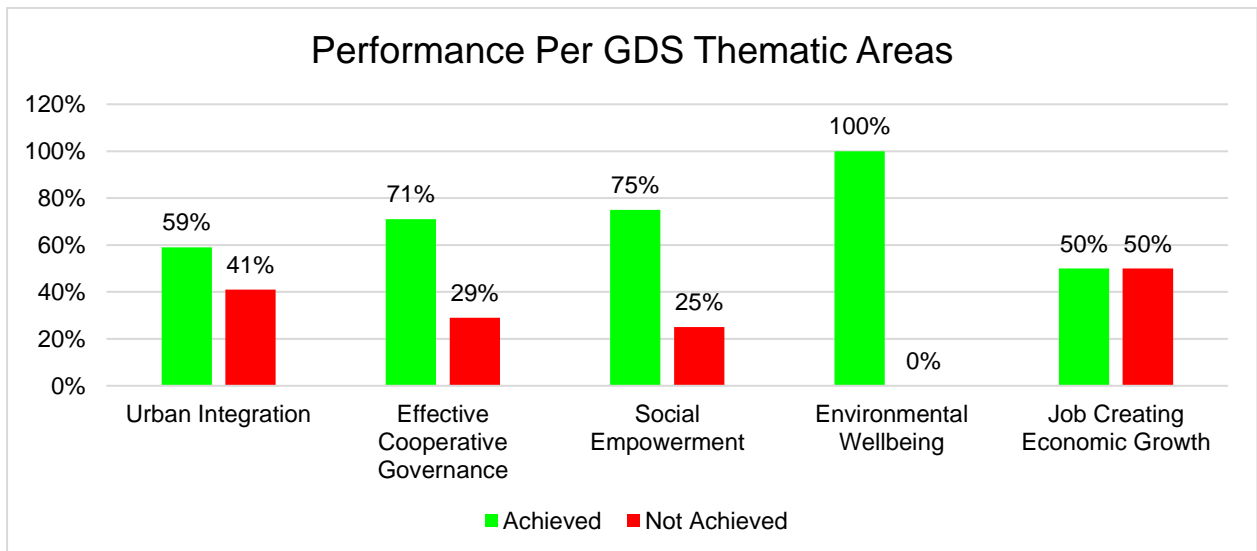
**A-F (24-2018)**

**FIGURE 2: CITY-WIDE 2017/18 QUARTER 3 PERFORMANCE PER CLUSTER**



As indicated in Figure 1, the overall target achievement against the targets set for the third quarter of the 2017/18 financial year is 68%. The Social Cluster recorded the highest performance of 80% target achievement followed by the Infrastructure Cluster which recorded 70% target achievement. The Governance and Economic Cluster recorded the lowest performance of 57% target achievement.

**FIGURE 3: CITY-WIDE QUARTER 3 PERFORMANCE BY GDS THEMATIC AREAS**



Performance against the Thematic Areas of the Growth and Development Strategy (GDS) is summarised as follows:

- Aligned to the Sustainable Urban Integration GDS Thematic Area, a total of 29 targets were planned. Of the 29 targets, 17 (59%) were achieved and 12 (41%) were not achieved.

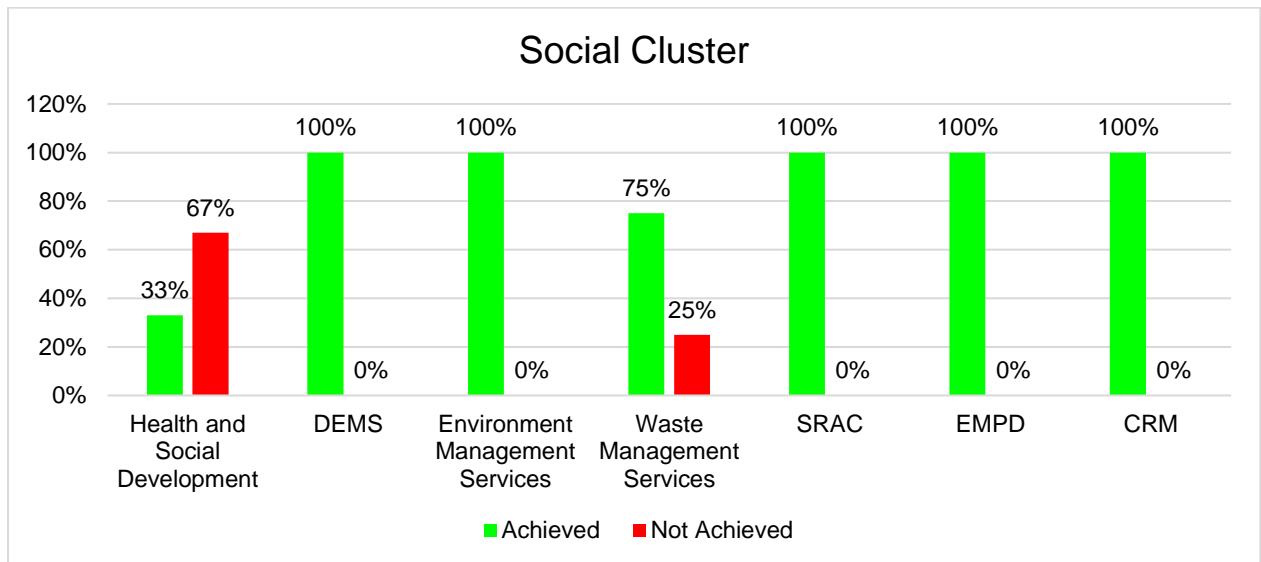
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- Two targets were planned to be delivered over the period under review in the Job Creation Economic Growth GDS Thematic Area and 1 (50%) target was achieved.
- Seven targets were planned to be delivered on the Environmental Wellbeing GDS Thematic Area and all the targets were achieved.
- A total of eight targets were planned for the Social Empowerment GDS Thematic Area, of which 6 (75%) were achieved and 2 (25%) were not achieved.
- A total of seventeen targets were planned for the Effective Cooperative Governance GDS Thematic Area. Of these 17 targets, 12 (71%) were achieved and 5 (29%) were not achieved.

**FIGURE 4: CITY-WIDE QUARTER 3 PERFORMANCE ACROSS SOCIAL CLUSTER**



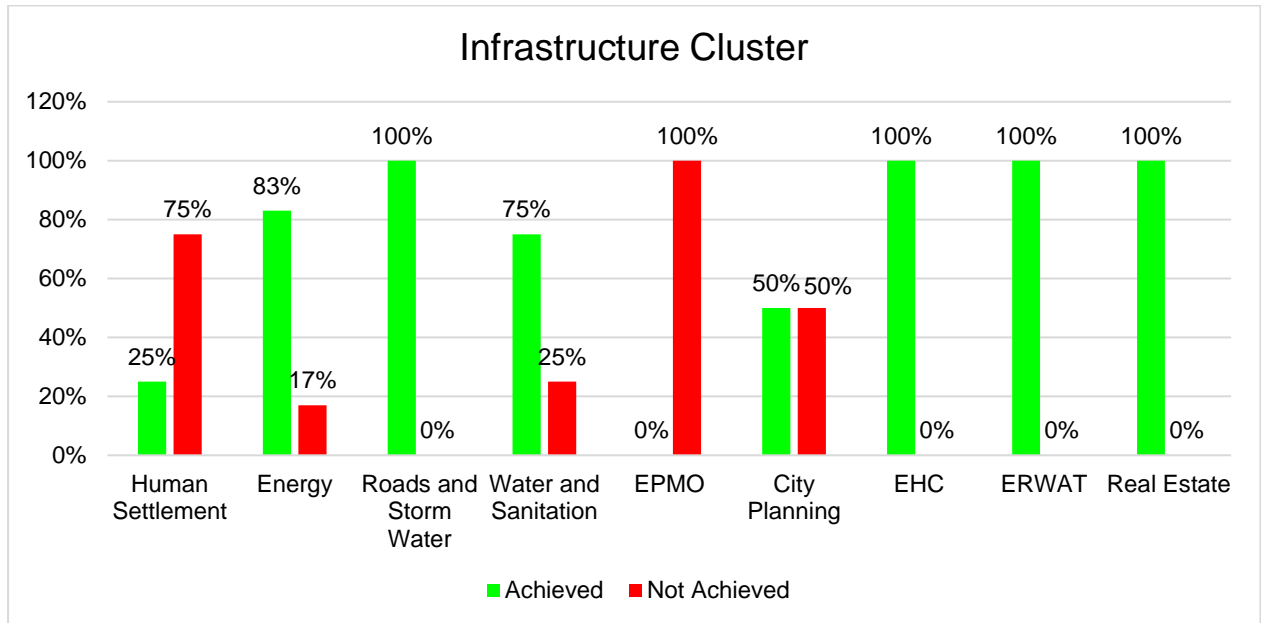
**Social Cluster** – the cluster committed to a total of fifteen targets and of the 15 targets, 12 (80%) targets were achieved and 3 (20%) targets were not achieved. A total of five departments (DEMS, Environmental Management Services, SRAC, EMPD, and CRM) in this cluster achieved 100% of their planned targets for the period under review, followed by the Department of Waste Management Services which achieved 75% and Health and Social Development which achieved 33% of its planned targets.

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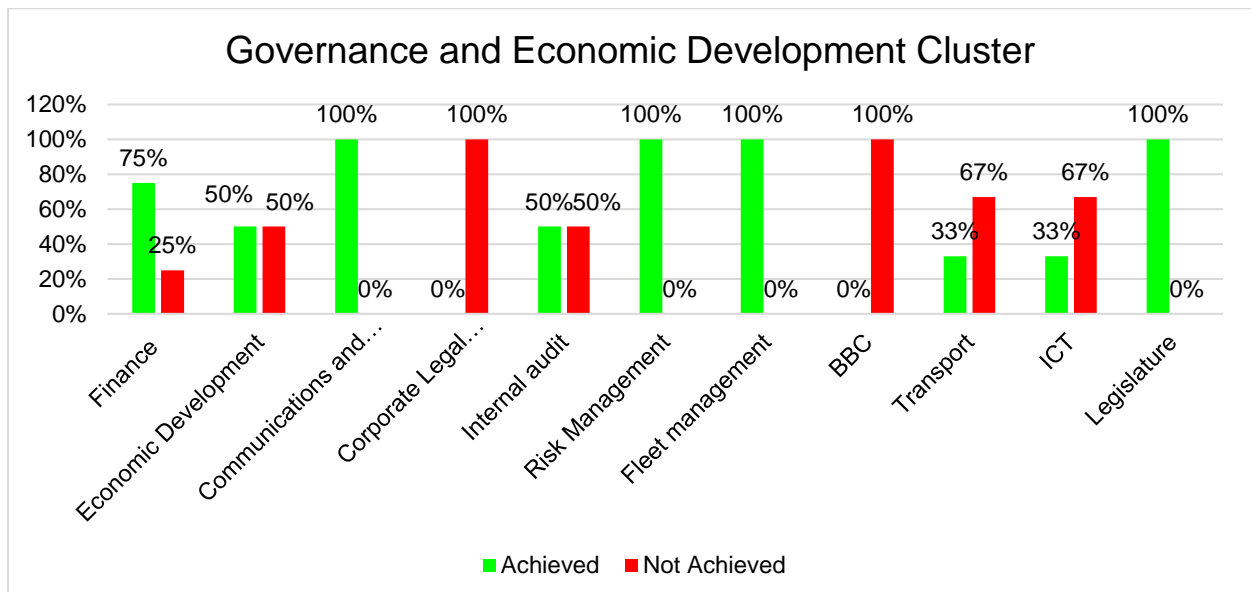
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**FIGURE 5: CITY-WIDE QUARTER 3 PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER**



**Infrastructure Cluster** – the cluster committed to a total of twenty seven targets and of the 27 targets committed to, 19 (70%) were achieved and 8 (30%) were not achieved. A total of four departments/entities (Roads and Stormwater, EHC, ERWAT and Real Estate) achieved 100% of their planned targets. This is followed Energy at 83%, Water and Sanitation at 75%, City Planning at 50%, Human Settlements at 25%, while EPMO did not achieve its set target.

**FIGURE 6: CITY-WIDE QUARTER 3 PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER**



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**Governance and Economic Development Cluster** – In the period under review, the cluster's performance was measured against twenty one targets planned for delivery. A total of 12 (57%) targets were achieved and 9 (43%) were not achieved. A total of four departments (Communications and Brand Management, Risk Management, Fleet Management and Legislature) achieved 100% of their set targets. This is followed by Finance Department at 75%, while 2 departments (Economic Development and Internal Audit) achieved 50% of their targets, while ICT and Transport Departments achieved 33% of their planned targets. It is also important to note that a total of 2 Departments (Corporate Legal Services and BBC) did not achieve their set targets.

### **HIGHLIGHTS FOR QUARTER 3**

The City continued to express its commitment to the pro-poor agenda by broadening its reach through its service delivery to all informal settlements. The focus was on the improvement of quality, predictability and constancy of services. The provision of water, sanitation, waste collection and PV solar lighting units in the informal settlements and maintenance of service levels in the affluent areas as well as increase in approval of indigent households are some of the key service delivery highlights that the City prides itself for.

#### **1. SUSTAINABLE URBAN INTEGRATION**

In its efforts to re-urbanise the City, the City of Ekurhuleni (CoE) focused on improving service delivery across all areas of service delivery. The results of these efforts included:

- Significant strides in the connection of households to water and sewer services. In this regard, a total of 1 262 additional households were provided with water and sewer connections against a planned target of 600.
- The City continued to maintain the Blue Drop status above 95% for the period under review. This is indicative of City's positive efforts in promoting the quality of drinking water within the region.
- The City focused on the maintenance of road and stormwater infrastructure network. In this regard, a total of 856.2732 km of the road network and 2 823 stormwater systems were maintained.
- Furthermore, the City focused on reducing the risk of flooding and damage to infrastructure. In this regard a total of 31 stormwater systems were added to the existing stormwater network.
- In its effort to improve spatial justice and sustainable development, CoE finalised 100% development planning applications in accordance with the Approved Municipal Spatial Development Framework, the City also finalised 69.73% of the building plans within prescribed period.
- In its effort to increase the provision of public lighting, the City continued to install a total of 636 streets lights within the region against the planned target of 200.
- The City also focused on increasing access to electricity, in this regard a total of 2 328 subsidised households were electrified against the quarterly target of 2000.

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## **2. SOCIAL EMPOWERMENT**

This thematic area aims at building a socially cohesive, healthy, active and engaged citizenry capable of working in partnership. The City embarked on a number of initiatives that yielded some commendable results. These included:

- SRAC implemented 12 school programmes (basketball development tournament, ladies football, art development, art as healing, basic computer skill, reading circle, movies programme, craft, chess, learn to swim, visual arts and craft programme) engaging children on leading active and positive lives for their own development.
- Commendable strides were made in the provision of health care services. Notable achievements include Reduction of HIV transmission from Mother-To-Child to a level below 0.7%.
- In contributing towards the attainment of the national outcome of a long and healthy life for all South Africans, the Department of Health and Social Development continues its vector control programme aimed at the eradication of rodents.

Safety and security across the City continues to be a high priority. The City focused on reducing accidents, fatalities and injuries, restore confidence, and respect for road traffic management. This was done through intensified awareness of road traffic safety issues and by-law enforcement operations thereby inculcating good road user behaviour and voluntary compliance to by-laws and traffic laws.

## **3. ENVIRONMENTAL WELLBEING**

In this thematic area, the City focused on promoting a clean and healthy environment for the residents of the City. In this regard, the following were achieved:

- In its effort to keep a clean, green, healthy and safe environment throughout Ekurhuleni, the City implemented a total of 20 multidisciplinary campaigns which include the Siyaqhuba Mayoral Outreach Programme.
- The City recorded level 2 achievement on the cleanliness of Ekurhuleni Metro Central Business District (CBD) areas as determined by GDARD Waste Standards.

The City continued to increase access to recreation facilities and management of cemeteries, in this regard a total of two parks were developed and two cemeteries were upgraded.

## **4. EFFECTIVE CORPORATE GOVERNANCE**

The CoE through its Risk Management Department continued to conduct insurance audits to improve effectiveness of risk financing and transfer. In its efforts to improve performance and accountability, the City continued to ensure the functionality of Section 79 Committee system. In its effort to improve corporative governance, the City achieved 100% completion of its approved Internal Audit Plan.



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**ORGANISATIONAL AND HUMAN RESOURCE IMPLICATIONS**

None

**FINANCIAL IMPLICATIONS**

The detailed financial implications have been addressed in the report.

**LEGAL IMPLICATIONS**

The report is compiled in accordance with the requirements of the MFMA and Municipal Budget and Reporting Regulations.

**COMMUNICATION IMPLICATION**

The contents of the report must be communicated to National and Provincial Treasury as well as the Auditor General. This will be done by the Finance Department.

The Marketing and Brand Management Department will ensure that the report is placed on the official website of Council.

**OTHER DEPARTMENTS/ BODIES CONSULTED**

- The Finance Management Team was consulted and the recommendations are supported.
- The Strategy and Corporate Planning Department was responsible for the compilation of the Performance Report.
- The Municipal Entities compiled their own Performance Reports.

**RECOMMENDATION**

1. **That** the report on the Unaudited Financial and Performance Results for the Third Quarter of the 2017/2018 financial year as required in terms of Section 52(d) and Sec 87 (Entities) of the Municipal Finance Management Act, **BE NOTED**.
2. **That**, in compliance with Section 52(d) and Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations", the financial results regarding the operating and capital budgets for the 3<sup>rd</sup> quarter of the 2017/18 financial year, and supporting documents as required by National Treasury (Schedule C) as at 31 March 2018, **IS SUBMITTED**.
3. **That** in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, this report **BE SUBMITTED** to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the Council, in both a Council approved document and in electronic format.