



LAINGSBURG MUNICIPALITY

NOTICE 86/2016

NOTICE TO ALL STAKEHOLDERS

ERRATA TO LAINGSBURG MUNICIPALITY'S 2014/15 ANNUAL REPORT

Laingsburg Municipality's annual report (2014/15) was tabled and approved by Council on the 17 March 2016 and regrettably included irregularities. These were identified after the printing of the report and this notice serves to inform you of it.

The following is to be corrected as follows:

CHAPTER 1

SECTION	PAGE	PREVIOUSLY REPORTED	AUDITED RESULTS
Component B: Executive Summary 1.1 Municipal Manager's Overview	17	The Municipality spent R21 356 106 of its Capital expenditure during 2014/2015 which is 108.6% more compared with the previous financial years.	The Municipality spent R22 032 327 of its Capital expenditure during 2014/2015 which is 115.2% more compared with the previous financial years.
Component B: Executive Summary 1.5 Financial Health Overview	26	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year) 2013/14 – 8,15 2014/15 – 0	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year) 2013/14 – 27,2 2014/15 – 45,9
Component B: Executive Summary 1.5 Financial Health Overview	26	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services) 2013/14 – 26,88 2014/15 – 29,89	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services) 2013/14 – 27,4% 2014/15 – 45,8%
Component B: Executive Summary 1.5 Financial Health Overview	26	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure 2013/14 – 3,79 2014/15 – 6,88	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure 2013/14 – 2,4 2014/15 – 3,4

Component B: Executive Summary

1.5.2 Financial Overview (Page 26)

Details	Original budget	Adjustment budget	Actual
	R '000		
Income			
Grants	27 599	29 374	37 880
Taxes, levies and tariffs	19 456	18 585	18 582
Other	5 770	5 965	32 776
Sub total	52 825	53 924	89 238
Less expenditure	50 953	52 599	72 017
Net surplus / (deficit)	1 872	1 325	17 221

Component B: Executive Summary

1.5.3 Total capital expenditure (Page 27)

Detail	2013/14	2014/15
	R '000	
Original budget	12 484	11 979
Adjustment budget	15 305	45 271
Actual	10 238	22 032
% spent	67%	49%

CHAPTER 2

Component A: Political and administrative governance

2.1 National key performance indicators – good governance and public participation (Page 29)

KPA & indicators	Municipal achievement	Municipal achievement
	2013/14	2014/15
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (After roll over projects)	67%	49%

CHAPTER 3

Component A: Basic services

3.3.1 Water services

F) Capital expenditure: water services (Page 63)

Capital expenditure: water services					
R '000					
Capital expenditure	2014/15				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total	897	422	620	277	620

3.3.2 Waste water (sanitation) provision

F) Capital expenditure: waste water (sanitation) provision (Page 65)

Capital expenditure: waste water services					
R '000					
Capital expenditure	2014/15				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total	481	634	1 006	525	1 006

3.3.3 Electricity services

E) Capital expenditure: electricity services (Page 67)

Capital expenditure: electricity services					
R '000					
Capital expenditure	2014/15				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total	5 034	5 034	2 047	(2 987)	2047

3.3.4 Waste management

F) Capital expenditure: waste management (Page 69)

Capital expenditure: waste management					
R '000					
Capital expenditure	2014/15				
	Budget	Adjustment budget	Actual expenditure*	Variance from original budget	Total project value
Total	-	-	1 187	1 187	1 187

**The amount above reflects the change in the landfill site provision.*

CHAPTER 4

4.5.1 Personnel expenditure (Page 99)

Financial year	Total expenditure salaries and allowances	Total operating expenditure	Percentage
	R '000	R '000	
2013/14	12 442	56 642	22%
2014/15	15 273	70 892	22%

CHAPTER 5
Component A

5.1 Financial summary

5.1.1 Overall financial summary (Page 102)

Financial summary						
R '000						
Description	2013/14	2014/15			2014/15 %Variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustment budget
Financial performance						
Property rates	2 787	2 938	2 995	3 040	3.5%	1.5%
Service charges	13 234	16 437	15 590	15 542	(5.5%)	(0.3%)
Investment revenue	557	493	622	856	73.6%	37.6%
Transfers recognised – operational	16 628	15 656	16 968	18 180	16.1%	7.1%
Other own revenue	20 022	5 408	5 343	31 920	490.2%	497.4%
Total revenue (excluding capital transfers and contributions)	53 228	40 932	41 518	69 538	69.9%	67.5%
Employee cost	10 182	13 790	13 788	12 930	(6.2%)	(6.2%)
Remuneration of councillors	2 201	2 336	2 336	2 297	(1.7%)	(1.7%)
Depreciation and asset impairment	7 799	12 160	8 923	7 743	(36.3%)	(13.2%)
Finance charges	473	-	-	231	100%	100%
Material and bulk purchases	6 648	6 523	7 286	6 573	0.8%	(9.8%)
Transfers and grants	1 324	4 214	4 218	2 617	(37.9%)	(38.0%)
Other expenditure	28 947	11 930	16 048	39 626	232.2%	146.9%
Total expenditure	57 574	50 953	52 599	72 017	41.3%	36.9%
Surplus / (Deficit)	(4 346)	(10 021)	(11 081)	(2 479)	(75.3%)	(77.6%)
Transfers recognised – capital	12 414	11 893	12 406	19 701	65.7%	58.8%
Contributions recognised – capital & contributed assets	-	-	-	-	0.0%	0.0%
Surplus / (Deficit) for the year	8 068	1 872	1 325	17 222	820.0%	1 199.8%
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	10 142	11 306	44 480	21 818	93.0%	(50.9%)
Internally generated funds	96	673	790	215	(68.1%)	(72.8%)
Financial position						
Total current assets	18 711	12 564	12 564	29 168	132.2%	132.2%
Total non-current assets	152 413	148 151	148 151	166 661	12.5%	12.5%
Total current liabilities	7 003	10 302	10 302	13 225	28.4%	28.4%
Total non-current liabilities	6 872	7 913	7 913	8 132	2.8%	2.8%
Community wealth/Equity	157 249	142 500	142 500	174 471	22.4%	22.4%

Financial summary						
R '000						
Description	2013/14	2014/15		2014/15 %Variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustment budget
Cash flows						
Net cash from (used) operating	10 699	12 490	12 490	27 369	119.1%	119.1%
Net cash from (used) investing	(10 342)	(12 484)	(12 484)	(20 928)	67.6%	67.6%
Net cash from (used) financing	-	-	-	-	0.0%	0.0%
Cash/cash equivalents at the year end	8 317	8 323	8 323	14 758	77.3%	77.3%
Asset management						
Asset register summary	152 403	148 151	148 151	166 658	12.5%	12.5%
Depreciation and impairment	7 944	10 060	8 923	7 773	22.7%	12.9%
Repairs and maintenance	1 487	1 884	1 884	1 639	(13.0%)	(13.0%)

The report of the Auditor-general to the Western Cape Provincial Parliament and the council on Laingsburg Municipality attached in the annual report as ANNEXURE B: AUDITOR GENERAL'S REPORT 2014-15 also has corrections that need to be made with reference to certain page numbers.

The following is to be corrected under the following sub headings:

Unaudited supplementary schedules

11. The supplementary information set out on pages 87 to 91 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Correction: Pages 87 to 91 are not included in the financial statements attached as annexure A of the annual report.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2015:

- Objective D: Improve the standard of living of all people in Laingsburg on pages 16 to 17
- Objective E: Provision of infrastructure to deliver improved services to all residents and business on pages 17 to 20
- Objective G: To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values on pages 20 to 21

Correction: Objective D in the annual report is on pages 54 to 55

Objective E in the annual report is on pages 55 to 57

Objective G in the annual report is on pages 58 to 59

Achievement of planned targets

20. Refer to the annual performance report on pages 16 to 17 and 18 to 21 for information on the achievement of planned targets for the year.

Correction: The annual performance report pages referred to by Auditor General are actually pages 54 to 55 and 55 to 59

Unaudited supplementary information

21. The supplementary information set out on pages 22 to 65 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not express a conclusion thereon.

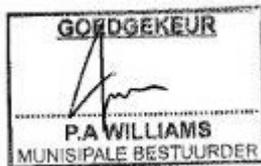
Correction: The supplementary information referred to is set out on pages 60 to 129

We apologise for any inconvenience caused

PA Williams

Municipal Manager

6 October 2016



Municipal Offices

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LAINGSBURG

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