

ACCOUNTING OFFICER'S MIDYEAR ASSESSMENT (MFMA SECTION 72) FOR THE PERIOD ENDED 31st DECEMBER 2016

Mid-year assessment in terms of section 72 of the MFMA

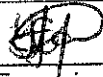


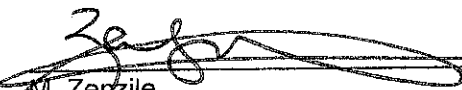
Prepared By:	 Y Funani Principal Accountant Budget Planning
Checked by :	 P. Mphahlela Manager: Budget
Checked By:	 E F Jiholo Chief Financial Officer
Recommended By:	 M. Zenzile Municipal Manager

TABLE OF CONTENT

1. INTRODUCTION

2. PURPOSE OF THIS REPORT

3. BACKGROUND

4. SUMMARY / SNAPSHOT

5. OPERATING REVENUE

6. DISCUSSION OF REVENUE BY SOURCE SIGNIFICANT VARIANCES

7. OPERATING EXPENDITURE

8. DISCUSSION OF EXPENDITURE BY VOTE

9. DISCUSSION OF INCOME STATEMENT

10. CAPITAL EXPENDITURE

11. ROLL OVERS

12. RECOMMENDATIONS

13. ANNEXURES

1. INTRODUCTION

Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that -

- (1) The accounting officer of a municipality must by 25 January of each year—
 - (a) assess the performance of the municipality during the first half of the financial year, taking into account—
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
 - (b) submit a report on such assessment to—
 - (i) the mayor of the municipality;
 - (ii) the National Treasury; and
 - (iii) the relevant provincial treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.
- (3) The accounting officer must, as part of the review—
 - (a) make recommendations as to whether an adjustments budget is necessary; and
 - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Section 54 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that -

- (1) On receipt of a statement or report submitted by the accounting officer of the Municipality in terms of section 71 or 72, the mayor must—
 - (a) consider the statement or report;
 - (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
 - (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
 - (d) issue any appropriate instructions to the accounting officer to ensure—
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
 - (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
 - (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must—
 - (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include-

- (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) the tabling of an adjustments budget; or
 - (iii) steps in terms of Chapter 13; and
- (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Section 28 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

- (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget-
 - (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.

Section 23 of the Municipal budget and reporting regulations 393 of 2009 stipulates as follows:-

23. (1) An adjustments budget referred to in section 28 (2) (b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

2. PURPOSE OF THIS REPORT

The purpose of this report is to submit the outcome of the assessment carried out in terms of section 72 of the MFMA to the Executive Mayor of the KSD Local Municipality with a view to:-

- a. make recommendations as to whether an adjustments budget is necessary; and
- b. recommend revised projections for revenue and expenditure to the extent that this may be necessary

3. BACKGROUND

A high level assessment of the actual results for the period 1st July 2016 to 31st December 2016 was conducted. The purpose of this review was to enable the Accounting Officer to make recommendations as to whether an adjustments budget for the 2016/17 financial year is necessary.

To ensure successful outcome only a high level review of the Total Council Summary was undertaken. It should therefore be noted that this report does not provide for an assessment of

each individual line item / vote number contained in the approved budget of the KSD Municipality for the 2016/2017 financial year.

This report merely highlights the status quo of key revenue and expenditure vote numbers that may require the revision of the approved annual budget through an adjustments budget in terms of section 28 of the MFMA. In addition, this report does not necessarily provide the detail on how revised projections for revenue and expenditure will be achieved. Such exercise by the management team of the municipality will be a natural outflow of this report being dealt with by the Executive Mayor in terms of section 54 (2) of the MFMA.

MIDYEAR OUTCOMES

4. SUMMARY / SNAPSHOT

TABLE 1 BUDGET SUMMARY

KSD MUNICIPALITY
S 72 COUNCIL REPORTS
ACTUAL RESULTS VERSUS BUDGET AS AT 31 DECEMBER 2016

	Prior Year 2015-16			Current year results 2016-17						
	Annual Budget	Actual	Variances	Annual Budget	YTD Budget	Ytd Actual	YTD Variance	YTD % Variance	Annual Variance	Annual % Variance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	%
REVENUE	1,152,209	1,040,868	111,341	1,167,577	766,132	733,133	32,999	4%	434,444	37%
EXPENDITURE	1,133,826	1,007,528	126,298	1,146,792	582,587	465,850	116,737	20%	680,942	59%
SURPLUS / (DEFICIT)	18,383	33,340	(14,957)	20,785	183,545	267,283	(83,738)	-46%	(246,498)	-
CAPITAL EXPENDITURE	304,847	148,876	155,971	261,340	125,665	102,620	23,045	18%	148,720	59%
TOTAL EXPENDITURE	1,438,673	1,156,404	282,269	1,398,132	708,252	568,470	139,782	20%	829,662	59%

COMMENTS ON OVERALL BUDGET OF THE MUNICIPALITY FOR THE MIDYEAR TERM

In current budget

Revenue

Variances on midyear revenue is sitting at 4% of year to date budget and 37% of annual budget so attempts should be made to increase our revenue collection .

Expenditure

Variances on midyear expenditure is sitting at 20% of year to date budget and 59% of annual budget but attempts should be made to reduce our spending especially on non service delivery items.

Capital expenditure

Variances on midyear expenditure is sitting at 18% of year to date budget and 59% of the annual budget , attempts should be made to improve spending on grants to avoid having to pay back the remaining grants to National Treasury.

5. TABLE 2 OPERATING REVENUE

KING SABATA DALINDYEBO MUNICIPALITY												
MID YEAR ASSESSMENT 2016/17												
Budget Report Current Financial Year 2016/17												
Description	Prior Year 2015/16			Comparison Year on Year			Year To Date			Variance		
	Full Year Forecast	Audited Outcomes	Variance	Annual	Actual	Variances	Budget	Actual	Variance	Actual	Variance	Variance %
R thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Revenue By Source												
Property rates	169,603	180,579	(10,976)	202,177	191,896	10,281	202,177	191,896	10,281	191,896	10,281	5%
Service charges - electricity revenue	291,449	281,198	10,252	310,447	164,134	146,313	155,224	164,134	(8,910)	164,134	(8,910)	-6%
Service charges - refuse revenue	33,451	34,934	(1,483)	38,789	34,240	4,549	36,540	34,240	2,300	34,240	2,300	6%
Other Service Charges	2,602	1,649	953	2,905	1,249	1,656	1,452	1,249	203	1,249	203	14%
Fire Brigade Fees	3,373	5,143	(1,771)	3,595	3,578	18	3,595	3,578	18	3,578	18	0%
Rental of facilities and equipment	14,991	15,193	(203)	28,157	7,275	20,882	14,078	7,275	6,803	7,275	6,803	48%
Interest earned - external investments	4,444	3,341	1,103	4,738	945	3,793	2,369	945	1,424	945	1,424	60%
Interest earned - outstanding debtors	28,397	32,000	(3,603)	30,271	18,518	11,753	15,136	18,518	(3,382)	18,518	(3,382)	-22%
Fines	965	1,026	(60)	2,529	893	1,636	1,264	893	372	893	372	29%
Licences and permits	14,943	13,980	963	16,136	7,858	8,278	8,068	7,858	210	7,858	210	3%
Transfers recognised - operational	280,123	264,689	15,434	279,125	194,145	84,980	201,874	194,145	7,729	194,145	7,729	4%
Transfers recognised - capital	304,847	204,073	100,774	241,339	106,200	135,140	120,670	106,200	14,470	106,200	14,470	12%
Other revenue	1,767	7,120	(5,352)	6,033	2,202	3,831	3,016	2,202	814	2,202	814	27%
Gains on disposal of PPE	1,254	(4,056)	5,310	1,336	0,00	1,336	668	-	668	-	668	100%
Total Revenue (excluding capital transfers and contributions)	1,152,209	1,040,868	111,341	1,167,577	733,133	434,445	766,132	733,133	32,999	733,133	32,999	4%

5.1 Material Variances on Revenue as at 31 December 2016

Overall shortfall on revenue is R32m comprised by the following items:

	R' m
1. Property Rates - Shortfall	10.3
The anticipated supplementary valuation rolls could not be implemented in the first six months. This will be implemented in the second half of the year. Adjustment down is recommended.	
2. Electricity Sales – Surplus	8.9
There was a high demand for electricity during the winter months and this resulted in high electricity sales, demand is expected to decline during warmer months as a result no adjustments is recommended.	
3. Service removal – Shortfall	2.3
The anticipated supplementary valuation could not be implemented in the first six months of the year resulting in a shortfall of R1.5 million on refuse removal charges. These is also under collection on skips and trolley bins amounting to 0,8. Efforts need to be made to improve the revenue collection on skips and trolley bins adjustment is not recommended.	
4. Rental of facilities and equipment – shortfall	6.8
There has been under- collection as a result of no funds received for the Rotary Stadium grant amounting to R10 million, R5 million under collection from both MPCC and R800 under collection on Munitata Rentals. An adjustment is recommended unless there is a plan to recover revenue from the MPCC	
5. Interest on External Investment – Shortfall	1.4
This is due to cash flow challenges as the municipality's investments have declined over a number of years as a result of litigations and offsetting on VAT liability amounting to about R85 million. Adjustment is recommended	
6. Interest on Outstanding Debtors - Surplus	3.3
This is an indication of non-payment of debtors / slow recovery. An adjustment up is recommended.	
7. Grants and subsidies operational – underspending	7.8
There is underspending on the following grants, Urban Renewal, Seta (No receipts) and Electricity Demand Side	
8. Capital Grants and Subsidies - underspending	14.4
Underspending observed on the following grants Human Settlement Grants, DOT and NER	

NB: Billed income surpluses not included as collection rate is still below 100% refer to receipts versus billing report per tables 3 to 6

5.2 RECEIPTS VERSUS BILLING FOR THE SIX MONTHS PERIOD

TABLE 3 RECEIPTS REPORT FOR PROPERTY RATES

	Property Rates History and Fire Brigade Fees											
	201415 Financial Year			201516 Financial Year			201617 Financial Year					
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	166 441 813	7 115 135	7 115 135	174 215 927	7 063 600	7 063 600	189 803 683	5 329 305	5 329 305	5 329 305	5 329 305	5 329 305
August	12 765	12 724 032	19 839 167	(27 583)	5 238 246	12 301 846	(434 428)	8 520 470	13 849 775	49 771 231	63 621 006	13 849 775
September	49 302 470	18 086 050	37 925 217	18 123	47 598 795	59 900 641	(1 595 346)	49 771 231	63 621 006	49 771 231	63 621 006	63 621 006
October	(53 412 223)	13 271 785	51 197 002	58 125	19 759 536	79 660 177	8 462 059	10 701 326	74 322 332	10 701 326	74 322 332	74 322 332
November	416 964	44 546 287	95 743 289	3 728	14 488 298	94 148 475	(699 261)	26 593 846	100 916 178	26 593 846	100 916 178	100 916 178
December	241 462	8 560 092	104 303 381	(126 844)	8 023 845	102 172 320	(1 641 742)	9 523 761	110 439 939	9 523 761	110 439 939	110 439 939
January	2 933	9 638 276	113 941 657	(765 613)	7 021 061	109 193 381						
February	(485 957)	7 356 498	121 298 155	(24 855)	9 331 088	118 524 469						
March	124 463	9 693 830	130 991 985	(98 884)	7 739 969	126 264 438						
April	128 335	7 166 379	138 158 364	8 473 844	5 981 991	132 246 429						
May	783 855	5 625 862	143 784 226	425 824	7 747 534	139 993 963						
June	296 186	6 445 420	150 229 646	77 647	12 023 951	152 017 914						
	163 853 066	150 229 646	-	182 229 440	152 017 914	152 017 914	193 894 965	110 439 939	110 439 939	110 439 939	-	-
YTD comparison			92%			83%						57%

The overall collection rate is sitting at 57% of the property rates billed in July 2016.

TABLE 4 RECEIPTS REPORT FOR REFUSE REMOVAL CHARGES

Refuse Removal History									
201415 Financial Year			201516 Financial Year			201617 Financial Year			
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	22 296 449	2 467 689	2 467 689	13 304 467	1 267 321	1 267 321	32 040 305	3 250 488	3 250 488
August	285 809	2 848 017	5 315 705	3 771 873	1 425 877	2 693 198	-755 172	2 110 624	5 361 112
September	304 263	2 350 728	7 666 433	3 701 207	3 390 550	6 083 748	502 917	3 651 666	9 012 778
October	83 548	2 302 350	9 968 783	4 116 153	2 002 571	8 086 318	2 077 215	1 913 481	10 926 259
November	79 325	1 964 262	11 933 045	3 708 336	2 339 822	10 426 141	299 941	2 379 973	13 306 232
December	250 913	1 383 302	13 316 347	3 673 421	2 093 246	12 519 386	(784 128)	1 571 295	14 877 527
January	261 576	2 022 729	15 339 076	273 828	1 775 152	14 294 538			
February	169 491	1 760 733	17 099 809	444 109	2 223 570	16 518 108			
March	833 850	2 348 104	19 447 913	(647 710)	1 846 029	18 364 138			
April	363 387	1 629 559	21 077 472	270 453	1 623 273	19 987 410			
May	1 778 405	1 450 555	22 528 027	87 040	3 439 744	23 427 154			
June	372 191	1 994 007	24 522 034	787 369	1 558 495	24 985 649			
YTD comparison	27 079 207	24 522 034	-	33 490 545	24 985 649	-	33 381 078	14 877 527	-
			91%			75%			45%

Collection rate is sitting at 45%. Efforts should be made to increase collection levels.

TABLE 5 RECEIPTS REPORT FOR ELECTRICITY SALES

	Electricity Sales History											
	201415 Financial Year				201516 Financial Year				201617 Financial Year			
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	15 411 486	12 747 188	12 747 188	11 864 318	11 130 131	11 130 131	15 924 783	12 269 182	12 269 182	12 269 182	12 269 182	
August	13 226 826	15 330 053	28 077 242	11 710 805	19 072 992	30 203 124	16 952 335	17 054 566	29 323 748	17 054 566	29 323 748	
September	11 803 599	12 351 061	40 428 303	15 214 326	17 374 287	47 577 411	20 832 595	17 672 644	46 996 392	17 672 644	46 996 392	
October	13 544 961	16 707 104	57 135 407	12 904 774	13 308 695	60 886 106	14 530 269	13 889 599	60 885 991	13 889 599	60 885 991	
November	13 053 783	8 087 651	65 223 058	13 305 113	12 475 903	73 362 008	17 681 964	23 745 338	84 631 329	23 745 338	84 631 329	
December	11 454 231	8 362 172	73 585 229	11 854 388	16 724 663	90 086 671	18 947 386	19 552 887	104 184 216	18 947 386	104 184 216	
January	11 896 749	17 680 349	91 265 578	10 675 035	19 436 073	109 522 744						
February	10 267 558	14 110 731	105 376 309	15 433 021	13 227 562	122 750 306						
March	15 693 336	11 506 444	116 882 753	11 811 932	12 791 142	135 541 448						
April	12 846 985	10 818 575	127 701 328	14 427 456	18 884 616	154 426 064						
May	12 575 296	10 803 789	138 505 117	17 520 741	8 106 330	162 532 394						
June	13 203 971	12 750 356	151 255 473	15 616 371	12 650 560	175 182 954						
	154 978 779	151 255 473		162 338 282	175 182 954		104 869 332	104 184 216				

YTD comparison

98%

108%

99%

Collection rate is sitting at 99% based on monthly billing. This collection rate excludes electricity prepaid sales.

TABLE 6 RECEIPTS REPORT FOR RENTAL OF FACILITIES AND PROPERTIES

Rental Income History												
201415 Financial Year				201516 Financial Year				201617 Financial Year				
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	829 977	497 463	497 463,23	1 430 376	401 822	401 822	1 294 778	428 868	428 868	1 294 778	428 868	428 868
August	1 182 172	392 982	890 445,26	1 261 171	539 379	941 200,98	1 195 188	483 726	912 594	1 195 188	483 726	912 594
September	1 162 852	548 770	1 439 215,36	1 264 111	397 356	1 338 566,98	1 348 513	640 827	1 553 421	1 348 513	640 827	1 553 421
October	1 061 371	489 152	1 928 367,20	1 258 027	497 447	1 836 003,67	1 019 232	699 905	2 253 326	1 019 232	699 905	2 253 326
November	1 144 751	509 702	2 438 068,70	1 250 393	518 434	2 354 437,70	1 135 508	409 702	2 663 028	1 135 508	409 702	2 663 028
December	1 183 144	418 820	2 856 888,50	1 030 886	585 076	2 939 513,40	1 203 347	436 782	3 099 810	1 203 347	436 782	3 099 810
January	1 157 650	430 650	3 287 538,15	1 324 367	475 425	3 414 938,40						
February	1 182 959	418 310	3 705 848,34	1 306 256	341 106	3 756 044,03						
March	1 644 693	576 630	4 282 478,66	1 337 836	477 688	4 233 731,73						
April	1 043 145	359 507	4 641 985,88	1 165 991	582 882	4 816 613,92						
May	1 154 859	505 139	5 147 124,86	1 331 036	655 749	5 472 362,74						
June	1 210 367	401 430	5 548 564,48	1 135 048	759 383	6 231 745,74						
	13 957 939	5 548 554	-	15 095 498	6 231 746	-	7 196 566	3 099 810		7 196 566	3 099 810	

YTD comparison 40%

41%

43%

Collection rate is sitting at 43% based on monthly billings. Lease agreements need to be reviewed to ensure that they are market related.

6. OPERATING EXPENDITURE

TABLE 7 OPERATING EXPENDITURE REPORT

KING SABATA DALINDYEBO MUNICIPALITY												
MID YEAR ASSESSMENT 2016/17												
Description	Prior Year 2015/16				Comparison Year on Year				Budget Report Current Financial Year 2016/17			
	2015/16				Year To Date				Year To Date			
	Full Year Forecast	Audited Outcomes	Variance	Annual	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<u>Revenue By Source</u>												
<u>Expenditure By Type</u>												
Employee related costs	342,891	328,907	13,983	382,481	172,471	210,010	191,241	172,471	18,770	172,471	18,770	10%
Remuneration of councillors	23,132	22,687	445	24,890	11,175	13,715	12,445	11,175	1,270	11,175	1,270	10%
Debt impairment	65,050	62,068	2,982	28,053	560	27,493	14,027	560	13,467	560	13,467	96%
Depreciation & asset impairment	237,989	166,108	71,881	241,339	27,549	213,790	120,670	27,549	93,120	27,549	93,120	77%
Finance charges	23,117	14,182	8,935	17,400	1,653	15,747	8,700	1,653	7,047	1,653	7,047	81%
Bulk purchases	224,883	227,139	(2,256)	246,022	132,867	113,155	123,011	132,867	(9,856)	132,867	(9,856)	-8%
Repairs and Maintenance	34,022	29,574	4,448	33,389	23,017	10,372	16,694	23,017	(6,322)	23,017	(6,322)	-38%
Contracted services	8,552	8,642	(90)	7,935	4,252	3,683	3,967	4,252	(285)	4,252	(285)	-7%
Transfers and grants	50,890	37,943	12,947	47,591	15,607	31,983	23,795	15,607	8,188	15,607	8,188	34%
Other expenditure	123,300	110,277	13,023	121,412	72,957	48,455	60,706	72,957	(12,251)	72,957	(12,251)	-20%
Total Expenditure	1,133,826	1,007,528	126,298	1,165,175	465,850	699,325	582,587	465,850	116,738	465,850	116,738	20%
Surplus/(Deficit)	18,383	33,340	(14,957)	2,403	267,283	(14,957)	200	267,283	(267,083)	267,283	(267,083)	

6.1 DISCUSSION OF EXPENDITURE BY TYPE

The following material variances were noted.

	R Million
6.1 Bulk purchases: Electricity. - Overspent	9.8
Bulk purchases overspending on the year to date budget due to high demand in winter as well penalties imposed by ESKOM. This might change during the warmer months and an adjustment is not recommended.	
6.2 Other General Expenses - overspent	12.2
The overspending is mainly from the following items:-	
<ul style="list-style-type: none">▪ Consultants and Professional Fees▪ Fuel and Oil▪ Interest on Overdue accounts as a result of cash flow challenges and delays in payment of creditors.▪ Legal Fees due to litigations overspent by R11.4million.▪ Municipal Service Charges▪ Post and Telecommunications▪ Printing and Stationery▪ Leave Pay by R6million due to settlement of leave pay dispute that was not budgeted for.	
An adjustment is recommended on certain line items within general expenses.	
6.3 General Expenses Grants and Subsidies - Underspent	5.7
This is due to underspending on grants as reflected below:	
<ul style="list-style-type: none">▪ Urban Renewal,▪ Seta (No receipts) and▪ Electricity Demand Side	
Adjustments will only be made on roll-overs.	
6.4 Repairs and maintenance Vote 22 – Overspent	6.3
This is due to overspending on traffic lights and electricity mains and cables. An adjustment is recommended.	
6.5 Depreciation and impairment – Underspent	93.1
Depreciation and impairment assessment will be finalized at year end and no adjustment is recommended	
6.6 Interest on external borrowing underspent	7.1
Interest on capitalization of operating rent and leave pay will only be accounted for at year end. No adjustment is recommended.	
6.7 Contributions from operating to capital outlay Vote 32 underspent	3.6
There are commitments relating to the purchase of plant and equipment adjustment is not recommended.	
8.8. Bad Debts provision	
This line item is utilized at the end of the financial year. No adjustment is recommended.	

6.9.. EMPLOYEE RELATED COSTS REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

TABLE 8 EMPLOYEE RELATED COSTS REPORT

DESCRIPTION	ANNUAL BUDGET				YEAR TO DATE			
	BUDGET	AMOUNT	VARIANCE	VAR %	BUDGET	AMOUNT	VARIANCE	VAR %
Employee Related Costs								
Allowance - Acting / Extra Dut	10,145,000	2,658,361	7,486,639	74%	5,072,304	2,658,361	2,413,943	48%
Allowance - Cell Phones	982,394	364,394	618,000	63%	491,190	364,394	126,796	26%
Allowance- Housing Rental Subs	61,633		61,633	100%	30,816		30,816	100%
Allowance - Housing Bond Subs	658,414	172,428	485,986	74%	329,190	172,428	156,762	48%
Allowance - Housing	19,025,832	9,302,500	9,723,332	51%	9,512,532	9,302,500	210,032	2%
Allowance - Nightshift	5,739,236	2,640,307	3,098,929	54%	2,869,488	2,640,307	229,181	8%
Allowance - Perform Incentives	180,995		180,995	100%	90,492		90,492	100%
Allowance - Qualification	28,000	27,831	169	1%	13,998	27,831	-13,833	-99%
Allowance - Tool & Accessories	43,113	9,000	34,113	79%	21,552	9,000	12,552	58%
Allowance Travel	10,716,080	3,964,181	6,751,899	63%	5,357,826	3,964,181	1,393,645	26%
Bonuses - Annual Leave	14,633,728	6,097,343	8,536,385	58%	7,316,574	6,097,343	1,219,231	17%
Bonuses - Long Service	5,950,343	2,638,440	3,311,903	56%	2,975,076	2,638,440	336,636	11%
Casual Labour	5,787,479	2,230,165	3,557,314	61%	2,893,626	2,230,165	663,461	23%
Contributions - Medical Aid Fd	24,352,210	9,922,164	14,430,046	59%	12,175,596	9,922,164	2,253,432	19%
Contri.- Medical Aid for pensi	386,835		386,835	100%	193,410		193,410	100%
Contributions - Pension Fund	20,509,878	9,834,752	10,675,126	52%	10,254,522	9,834,752	419,770	4%
Contributions - Provident Fund	10,219,697	4,525,634	5,694,063	56%	5,109,630	4,525,634	583,996	11%
Insurance - Group Life	6,124,716	2,791,881	3,332,835	54%	3,062,238	2,791,881	270,357	9%
Insurance - Group Funeral	421,545	137,138	284,408	67%	210,762	137,138	73,624	35%
Insurance - UIF	2,145,970	984,408	1,161,562	54%	1,072,950	984,408	88,542	8%
Insurance - Accident Liability	1,719		1,719	100%	858		858	100%
Overtime Pay	14,212,687	7,775,936	6,436,751	45%	7,106,058	7,775,936	-669,878	-9%
Salaries	225,897,543	104,088,149	121,809,394	54%	112,944,252	104,088,149	8,856,103	8%
Standby & Callout's	921,087	334,158	586,929	64%	460,542	334,158	126,384	27%
Levy - Skills Development (SETA)	3,335,114	1,971,666	1,363,448	41%	1,667,490	1,971,666	-304,176	-18%
VOTE TOTAL	382,481,248	172,470,838	210,010,410	55%	191,232,972	172,470,838	18,762,134	10%
Remuneration Of Councillors								
Allowance - Cell Phones	1,816,673	858,499	958,174	53%	908,298	858,499	49,799	5%
Allowance- Housing Rental Subs	103,309		103,309	100%	51,654		51,654	100%
Allowance - Travel	5,430,361	2,558,228	2,872,133	53%	2,715,072	2,558,228	156,844	6%
Allowance - Personal Equip Use	9		9	100%	6		6	100%
Contributions - Medical Aid Fd	82,891	26,222	56,669	68%	41,442	26,222	15,220	37%
Insurance - UIF		75	-75	100%		75	-75	100%
Salaries	17,341,438	7,671,885	9,669,553	56%	8,670,372	7,671,885	998,487	12%
Subsistence & Travelling	115,786	60,486	55,300	48%	57,888	60,486	-2,598	-4%
VOTE TOTAL	24,890,467	11,175,395	13,715,072	55%	12,444,732	11,175,395	1,269,337	10%

Comments on Employee Related Costs Report in terms of Section 66 of the MFMA

Budget has been exceeded by some departments such as Public Safety.

Adjustments have to be considered in some divisions with the municipality as some divisions have exceeded their annual budget.

7. DEPARTMENTAL EXPENDITURE REPORTS

TABLE 9 EXECUTIVE AND COUNCIL EXPENDITURE AND REVENUE REPORT

AREA: 11 - Executive & Council

DESCRIPTION	COMMITTED ON ORDER	YTD ACTUAL	YTD BUDGET	ANNUAL BUDGET	DIFFERENCE	DIFF %
Revenue						
Rent of Facilities and Equipment	-	7,185	565	1,351	(5,834)	-432%
Fines	-	7,600	50,655	121,578	113,978	94%
Licenses and Permits	-	403,069	375,960	902,340	499,271	55%
Grants & Subsidies Received - Operating	-	-	541,645	1,300,000	1,300,000	100%
Other Revenue	-	253,053	134,950	323,889	70,836	22%
Total	-	469,417	662,265	2,649,158	1,978,251	75%
Expenditure						
Employee Related Costs	-	15,702,189	19,393,575	46,546,361	30,844,172	66%
Remuneration Of Councillors	-	9,312,243	10,370,610	24,890,467	15,578,224	63%
General Expenses - Other	591,043	7,479,148	8,386,180	20,127,541	12,057,350	60%
General Expenses: Grants & Subs - Operat	51,000	-	541,645	1,300,000	1,249,000	96%
Repairs & Maintenance - Municipal Assets	-	283	50,495	121,200	120,917	100%
Total	574,824	18,599,436	23,245,497	92,985,569	59,849,663	64%
NET SURPLUS/(DEFICIT)	(574,824)	(18,130,019)	(22,583,232)	(90,336,411)	(57,871,412)	64%

TABLE 10 CORPORATE SERVICES EXPENDITURE AND REVENUE REPORT

AREA: 12 - Corporate Services

DESCRIPTION	COMMITTED ON ORDER	YTD AMOUNT	YTD BUDGET	ANNUAL BUDGET	DIFFERENCE	DIFF %
Revenue						
Rent of Facilities and Equipment	-	117,180	114,429	457,744	340,564	74%
Licenses and Permits	0	-35	0	0	35	-100%
Grants & Subsidies Received - Operating	-	131,528	488,862	1,955,524	1,823,996	93%
Other Revenue	-	216	564	2,260	2,044	90%
Total	-	248,889	603,855	2,415,528	2,166,639	90%
Expenditure						
Employee Related Costs	-	8,069,986	10,684,895	25,644,818	17,574,832	69%
General Expenses - Other	594,327	21,354,650	5,166,615	12,400,348	(9,548,629)	-77%
General Expenses: Grants & Subs - Operat	220,731	-	-	-	(220,731)	-100%
Repairs & Maintenance - Municipal Assets	63,580	635	61,005	146,401	82,186	56%
Total	878,638	29,425,271	15,912,515	38,191,567	7,887,658	21%
NET SURPLUS/(DEFICIT)	(878,638)	(29,176,382)	(15,308,660)	(35,776,039)	(5,721,019)	16%

TABLE 11 BUDGET AND TREASURY EXPENDITURE AND REVENUE REPORT

AREA: 13 - Finance & Asset Management

DESCRIPTION	COMMITTED ON ORDER	YTD AMOUNT	YTD BUDGET	ANNUAL BUDGET	DIFFERENCE	DIFF %
Revenue						
Property Rates	-	191,963,242	191,963,242	202,177,486	10,214,244	5%
Rent of Facilities and Equipment	-	5,200,595	6,316,670	15,160,613	9,960,018	66%
Interest Earned - External Investments	-	717,789	1,974,040	4,737,891	4,020,102	85%
Interest Earned - Outstanding Debtors	-	14,963,374	12,612,620	30,271,493	15,308,119	51%
Grants & Subsidies Received - Operating	-	104,965,329	201,874,362	251,278,000	146,312,671	58%
Grants & Subsidies Received - Capital	-	5,241,373	-	-	(5,241,373)	-100%
Other Revenue	-	621,272	916,230	2,199,031	1,577,759	72%
Gains on Disposal Of Property, Plant & E	-	-	556,850	1,336,493	1,336,493	100%
Total	-	323,672,974	416,214,014	507,161,007	183,488,033	36%
Expenditure						
Employee Related Costs	-	18,705,810	19,691,620	47,261,790	28,555,980	60%
General Expenses - Contracted Services	77,734	3,767,308	2,959,050	7,102,000	3,256,958	46%
General Expenses - Grants & Subsidies Pa	648,311	9,303,184	9,999,600	24,000,000	14,048,505	59%
General Expenses - Other	2,775,296	25,065,556	29,998,390	71,998,998	44,158,146	61%
General Expenses: Grants & Subs - Operat	-	73,981	754,140	1,810,000	1,736,019	96%
Repairs & Maintenance - Municipal Assets	201,998	199,966	834,015	2,001,697	1,599,733	80%
Depreciation - Property, Plant & Equip	171,436	27,549,468	100,554,095	241,339,479	213,618,575	89%
Interest Expense - External Borrowings	-	83,746	7,249,710	17,400,000	17,316,254	100%
Contributions From Operating To Capital	724,909	2,764,543	1,309,165	3,142,121	(347,331)	-11%
Contributions To / From Provisions & Res	-	559,694	11,688,280	28,053,000	27,493,306	98%
Total	4,599,684	88,073,256	185,038,065	444,109,085	351,436,145	79%
NET SURPLUS/(DEFICIT)	(4,599,684)	235,599,718	231,175,949	63,051,922	(167,948,112)	-26%

TABLE 12 PSED EXPENDITURE AND REVENUE REPORT

AREA: 14 - Planning, Social & Ec Dev

DESCRIPTION	COMMITTED ON ORDER	YTD AMOUNT	YTD BUDGET	ANNUAL BUDGET	DIFFERENCE	DIFF %
Revenue						
Rent of Facilities and Equipment	-	88	4,217,730	10,122,955	10,122,867	100%
Licenses and Permits	-	93,452	69,645	167,151	73,699	44%
Grants & Subsidies Received - Operating	-	398,935	1,887,355	4,529,830	4,130,895	91%
Grants & Subsidies Received - Capital	-	-	3,216,070	7,718,879	7,718,879	100%
Other Revenue	-	23,509	42,860	102,869	79,360	77%
Total	-	515,984	9,433,660	22,641,684	22,125,700	98%
Expenditure						
Employee Related Costs	0	8036359	8740455	20977933	12,941,574	62%
General Expenses - Other	72651	425941	919245	2206294	1,707,702	77%
General Expenses: Grants & Subs - Operat	1164483	244748	1887370	4529830	3,120,599	69%
Repairs & Maintenance - Municipal Assets	38390	195000	240700	577700	344,310	60%
Contributions From Operating To Capital	133850	0	145825	350000	216,150	62%
Total	1,409,374	8,902,048	11,933,595	28,641,757	18,330,335	64%
NET SURPLUS/(DEFICIT)	(1,409,374)	(8,386,064)	(2,499,935)	(6,000,073)	3,795,365	-63%

TABLE 13 HUMAN SETTLEMENTS EXPENDITURE AND REVENUE REPORT

AREA: 15 - Human Settlement

DESCRIPTION	COMMITTED ON ORDER	YTD AMOUNT	YTD BUDGET	ANNUAL BUDGET	DIFFERENCE	DIFF %
Revenue						
Service Charges	-	110,677	86,110	206,676	95,999	46%
Rent of Facilities and Equipment	-	-	416,650	1,000,000	1,000,000	100%
Grants & Subsidies Received - Operating	-	588,567	-	-	(588,567)	-100%
Grants & Subsidies Received - Capital	-	17,318,516	21,048,430	50,518,250	33,199,734	66%
Other Revenue	-	383,424	560,980	1,346,404	962,980	72%
Total	-	18,401,184	22,112,170	53,071,330	34,670,146	65%
Expenditure						
Employee Related Costs	-	8,259,100	10,643,795	25,546,177	17,287,077	68%
General Expenses - Other	694,118	259,621	876,575	2,103,886	1,150,147	55%
General Expenses: Grants & Subs - Operat	-	588,567	-	-	(588,567)	-100%
Repairs & Maintenance - Municipal Assets	-	-	19,210	46,110	46,110	100%
Contributions From Operating To Capital	-	-	30,030	72,080	72,080	100%
Total	694,118	9,107,288	11,569,610	27,768,253	17,966,847	65%
NET SURPLUS/(DEFICIT)	(694,118)	9,293,896	10,542,560	25,303,077	16,703,299	66%

TABLE 14 COMMUNITY SERVICES EXPENDITURE AND REVENUE REPORT

AREA: 16 - Community Services

DESCRIPTION	COMMITTED ON ORDER	YTD AMOUNT	YTD BUDGET	ANNUAL BUDGET	DIFFERENCE	DIFF %
Revenue						
Service Charges	-	34,091,473	53,313,330	38,790,954	4,699,481	12%
Rent of Facilities and Equipment	-	609,143	589,205	1,414,160	805,017	57%
Grants & Subsidies Received - Operating	-	1,189,000	3,687,145	8,849,500	7,660,500	87%
Total	-	35,889,616	57,589,680	49,054,614	13,164,998	27%
Expenditure						
Employee Related Costs	-	22,208,350	23,453,325	56,290,237	34,081,887	61%
General Expenses - Contracted Services	44,000	66,000	88,330	212,000	102,000	48%
General Expenses - Other	952,045	2,785,172	2,918,675	7,005,058	3,267,841	47%
General Expenses: Grants & Subs - Operat	36,939	750,150	3,687,145	8,849,500	8,062,411	91%
Repairs & Maintenance - Municipal Assets	47,542	-	260,505	625,235	577,693	92%
Contributions From Operating To Capital	747,168	-	833,300	2,000,000	1,252,832	63%
Total	1,827,694	25,809,672	31,241,280	74,982,030	47,344,664	63%
NET SURPLUS/(DEFICIT)	(1,827,694)	10,079,944	26,348,400	(25,927,416)	(34,179,666)	132%

TABLE 15 PUBLIC SAFETY EXPENDITURE AND REVENUE REPORT

AREA: 17 - Public Safety

DESCRIPTION	COMMITTED ON ORDER	YTD AMOUNT	YTD BUDGET	ANNUAL BUDGET	DIFFERENCE	DIFF %
Revenue						
Service Charges	-	3,573,465	5,445,905	3,722,491	149,026	4%
Fines	-	789,154	1,002,960	2,407,201	1,618,047	67%
Licenses and Permits	-	6,124,006	6,277,275	15,066,074	8,942,068	59%
Grants & Subsidies Received - Operating	-	790,569	-	-	(790,569)	-100%
Other Revenue	-	40,652	13,620	32,693	(7,959)	-24%
Total	-	11,317,846	12,739,760	21,228,459	9,910,613	47%
Expenditure						
Employee Related Costs	-	43,327,554	42,130,805	101,117,996	57,790,442	57%
General Expenses - Other	428,849	759,643	747,375	1,793,728	605,236	34%
General Expenses: Grants & Subs - Operat	11,118	389,233	-	-	(400,351)	-100%
Repairs & Maintenance - Municipal Assets	95,869	117,332	535,965	1,286,361	1,073,160	83%
Contributions From Operating To Capital	31,673	24,000	2,184,690	5,243,458	5,187,785	99%
Total	567,509	44,617,762	45,598,835	109,441,543	64,256,272	59%
NET SURPLUS/(DEFICIT)	(567,509)	(33,299,916)	(32,859,075)	(88,213,084)	(54,345,659)	62%

TABLE 16 INFRASTRUCTURE EXPENDITURE AND REVENUE REPORT

AREA: 18 - Infrastructure

DESCRIPTION	COMMITTED ON ORDER	YTD AMOUNT	YTD BUDGET	ANNUAL BUDGET	DIFFERENCE	DIFF %
Revenue						
Service Charges	-	138,132,750	130,418,000	313,015,717	174,882,967	56%
Grants & Subsidies Received - Operating	-	1,333,767	4,671,425	11,211,870	9,878,103	88%
Grants & Subsidies Received - Capital	-	66,851,727	76,289,595	183,102,350	116,250,623	63%
Other Revenue	-	582,490	844,020	2,025,735	1,443,245	71%
Total	-	206,900,734	212,223,040	509,355,672	302,454,938	59%
Expenditure						
Employee Related Costs	-	20,924,904	24,622,335	59,095,936	38,171,032	65%
General Expenses - Bulk Purchases	-	116,849,690	102,505,115	246,022,114	129,172,424	53%
General Expenses - Contracted Services	286,200	286,200	258,540	620,524	48,124	8%
General Expenses - Other	161,612	2,178,839	1,573,290	3,775,995	1,435,544	38%
General Expenses: Grants & Subs - Operat	248,582	2,008,939	2,958,725	7,101,220	4,843,699	68%
Repairs & Maintenance - Municipal Assets	2,457,367	21,591,544	11,909,530	28,584,005	4,535,094	16%
Contributions From Operating To Capital	212,390	2,111,395	1,606,190	3,855,005	1,531,220	40%
Total	3,366,151	165,951,511	145,433,725	349,054,799	179,737,137	51%
NET SURPLUS/(DEFICIT)	(3,366,151)	40,949,223	66,789,315	160,300,873	122,717,801	77%

8. CAPITAL EXPENDITURE

TABLE 17 CAPITAL EXPENDITURE REPORT ROADS

DESCRIPTION	COMMITTED		ANNUAL				YTD				
	ON ORDER	BUDGET	ACTUAL	VARIANCE	VAR %	BUDGET	QTR 1	QTR 2	ACTUAL	VARIANCE	VAR %
Infrastructure Assets : Roads											
DOT - TAXI RANK ETC		7 719		7 719	100%	3 859		-	-	3 859	100%
MIG - Zithenjini - Lubisane Access Road		559	489	70	13%	280	402	86	489	(209)	-75%
MIG - Surfacing of Zimbane Valley Abatto		82		82	100%	41		-	-	41	100%
MIG - Gerald Hawkers - Ncambedlana Surfa		10 230	8 980	1 249	12%	5 115	7 687	1 293	8 980	(3 866)	-76%
MIG - Mahlulgulu Cefane Access Road		493	419	74	15%	247		419	419	(173)	-70%
MIG - Surfacing of Dikweni , Gobodo, Lus		685	594	91	13%	343		594	594	(251)	-73%
MIG - Mpindweni Access Road		235	98	137	58%	118		98	98	20	17%
MIG - Qala / Sdulini Access Road	170	231		61	27%	116		-	-	116	100%
MIG - Ngcinase Access Road		112		112	100%	56		-	-	56	100%
MIG - Surfacing of Bongweni to Eskom		14 249	6 331	7 917	56%	7 124	1 048	5 283	6 331	793	11%
MIG -Ngcenduna to Phepheni Access Road		10 000	6 513	3 487	35%	5 000	3 792	2 721	6 513	(1 513)	-30%
MIG - Mt - Phakard Via Khohlo Access Roa		2 487	2 011	476	19%	1 244	2 011	-	2 011	(767)	-62%
MIG - Manyisane Community Hall		154		154	100%	77		-	-	77	100%
MIG - Surfacing of Waterfall		2 670		2 670	100%	1 335		-	-	1 335	100%
MIG - Bhongweni internal streets		190	166	24	12%	95		166	166	(71)	-75%
MIG - Ntlekiseni , Mabheleni Access Road	540	1 527	1 266	(278)	-18%	764	156	1 109	1 266	(502)	-66%
MIG - High Mast Lights 1,2,3,4,5,6,7		230		230	100%	115		-	-	115	100%
MIG - Madondile - Gotyibeni		235	206	29	12%	118		206	206	(88)	-75%
MIG - Timber - Momelezi road		8 645	2 697	5 948	69%	4 323	712	1 985	2 697	1 625	38%
MIG - Khaialo Community Hall		2 410	2 118	292	12%	1 205	1 409	709	2 118	(913)	-76%
MIG - Tyumbu Access Road	30	453	88	336	74%	227	30	58	88	139	61%
MIG - Chatham Street		653	6 408	(5 755)	-881%	327		6 408	6 408	(6 082)	-100%
MIG - Mithatha - Mqanduli Hawker Stalls	73	1 543	15	1 455	94%	772		15	15	757	98%
MIG - Nyibeni Access Road		590		590	100%	295		-	-	295	100%
MIG - Centuli Access Road		3 200	2 744	456	14%	1 600	836	1 908	2 744	(1 144)	-72%
MIG - New Lindile - Tshemese -Qelana A/R		4 940	1 735	3 205	65%	2 470		1 735	1 735	735	30%
MIG - Bhokisini - Phingillli Access Road		322		322	100%	161		-	-	161	100%
MIG - Elliot Street		433		433	100%	216		-	-	216	100%
MIG - Upper Ngqwara Access Road	150	154		4	3%	77		-	-	77	100%
MIG - Gxididi Community Hall		2 500	186	2 314	93%	1 250	186	-	186	1 064	85%
MIG - 14Sai - Tunxe Access Road		365		365	100%	183		-	-	183	100%
MIG - Ezinkampini - Mayenge Access Ro		2 000		2 000	100%	1 000		-	-	1 000	100%
MIG - Installation of 30m High Mast Ligh		874		874	100%	437		-	-	437	100%
MIG - Fencing of Mbuqe Cemetery		454		454	100%	227		-	-	227	100%
MIG - Fencing of Northcrest cemetery		236		236	100%	118		-	-	118	100%
MIG - Luthuthu Community Hall		354		354	100%	177		-	-	177	100%
MIG - Mdeni Community Hall		1 043		1 043	100%	522		-	-	522	100%
VOTE TOTAL	963	83 258	43 064	39 231	47%	41 629	18 271	24 794	43 064	(1 435)	-2%

TABLE 18 CAPITAL EXPENDITURE REPORT ELECTRICITY

DESCRIPTION	COMMITTED			ANNUAL				YTD				
	ON ORDER	BUDGET		ACTUAL	VARIANCE	VAR %	BUDGET	QTR 1	QTR 2	ACTUAL	VARIANCE	VAR %
Infrastructure Assets : Electricity												
Provincial Treasury Infrastructure Inter		80 000		32 371	47 630	60%	40 000	25 074	7 297	32 371	7 630	19%
INEP - Mqanduli projects		20 000		3 162	16 838	84%	10 000	2 718	444	3 162	6 838	68%
INEP - Urban Electrification		5 000		2 066	2 934	59%	2 500		2 066	2 066	434	17%
VOTE TOTAL		105 000		37 598	67 402	64%	52 500	27 792	9 806	37 598	14 902	28%

TABLE 19 CAPITAL EXPENDITURE REPORT HUMAN SETTLEMENTS

DESCRIPTION	COMMITTED			ANNUAL				YTD				
	ON ORDER	BUDGET		ACTUAL	VARIANCE	VAR %	BUDGET	QTR 1	QTR 2	ACTUAL	VARIANCE	VAR %
Infrastructure Assets : Housing												
Grant & Subsidie : Maydene Farm Extensio		26 500		9 334	17 166	65%	13 250	4 672	4 662	9 334	3 916	30%
Grant Exp. - ISUP Phase2		518			518	100%	259				259	100%
New Brighton Housing		5 500		742	4 758	87%	2 750	742		742	2 008	73%
Grant Expend. - Ngangelizwe roads		18 000		11 882	6 118	34%	9 000	6 670	5 212	11 882	(2 882)	-32%
VOTE TOTAL		50 518		21 957	28 561	57%	25 259	12 083	9 874	21 957	3 302	13%

9. RECOMMENDATIONS

- 12.1 That the Report of the Municipal Manager to the Executive Mayor of the KSD Local Municipality on the assessment carried out in terms of section 72 of the MFMA be noted.
- 12.2 That the Executive Mayor considers the report in terms of section 54 (1) of the MFMA.
- 12.3 That the Executive Mayor in terms of section 54(1)(f) of the MFMA, submits the report to the Council by 31 January 2017.
- 12.4 That the Executive Mayor , in terms of section 54(2)(a)(ii) of the MFMA, tables an adjustments budget before the end of February 2017 the end as contemplated in section 28(a), (b), (d) and (f) of the MFMA.
- 12.5 That the adjustments budget, in terms of section 23 of the Municipal budget and reporting regulations 393 of 2009, be considered and tabled in the municipal council not later than 28 February 2017.