

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPALITY COUNCIL



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Report Number: 07 Designation : CFO

For consideration

1st Level – MANCO :
2nd Level – Portfolio Committee : 07/02/2019
3rd Level – EXCO : 14/02/2019
4th Level – MPAC : 15/02/2019
5th Level – Council : 22/02/2019

**SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 31
JANUARY 2019**

DATE :

The purpose of this report is to comply with section 71 of the Municipal Finance Management Act (MFMA) and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009.

2. STRATEGIC OBJECTIVE

To ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.”

3. 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 56 of 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;”

“71(1) The accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for the month and for the financial year up to the end of that month: ...”.

The monthly budget statement of a municipality must be 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.”

For the reporting period ending 31 January 2019 the ten working day reporting limit expired on **14 February 2019**.

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
- (b) information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and
- (c) consistent with the monthly budget statement for September, December, March and June as applicable; and
- (d) **Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council.**”

The below is the summary of financial performance for the period ended 31 December 2018.

Table 1

Summary of financial performance	
Actual Revenue to Budgeted Revenue	67
Actual OPEX to budgeted OPEX	58
Actual CAPEX to budgeted CAPEX	44
Employee related cost exp to total OPEX	31
% Grant Utilisation	52.91
Cash Coverage Ratio	1.53
Debt Service to Revenue Ratio	2.16
% Debt to Revenue Ratio	25.64
Creditors Age Analysis	55% or R20 713 072 of creditors is outstanding longer than 30 days.
Debt Collection Rate	59

4. RECOMMENDATIONS

- (1) 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 **preliminary** financial results regarding the operating and capital budgets for the 6th month of the 2018/19 financial year, and supporting documents as required by National Treasury (Schedule C) be submitted to Full Council Committee.

(2) 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.

(3) That the Committee approves the following:

- 3.1 Surplus for the period ending 31 January 2019 is R 167.6 million.
- 3.2 Cash & Cash Equivalent for the period ending 31 January 2019 is R 161 million.
- 3.3 Capital Expenditure for the period ending 31 January 2019 is R 91.1 million.
- 3.4 Trade Payables for the period ending 31 January 2019 is R 37.5 million.
- 3.5 Trade Receivables for the period ending 31 January 2019 is R 692.8 million.
- 3.5 Unspent conditional Grants for the period ending 31 January 2019 is R 86 million.

(4) **That the Committee notes the following for the uMgungundlovu Development Agency:**

- 4.1 Surplus for the period ending 31 January 2019 of R 3.5 million.
- 4.2 Cash & Cash Equivalent for the period ending 31 January 2019 is R 3.8 million.
- 4.3 Capital Expenditure for the period ending 31 January 2019 is Nil
- 4.4 Trade Payables for the period ending 31 January 2019 is R 60 720.

IN YEAR MONITORING REPORT FOR THE PERIOD ENDED 31 JANUARY 2019

1. Operating Budget

Summary financial performance report for the period ending 31 January 2019 The SFP shown in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type. The summary report indicates the following:

Table 2

DC22 uMgungundlovu - Table C1 Monthly Budget Statement Summary - M07 January									
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
Revenue									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	177 003	306 911	-	21 587	153 919	179 031	(25 112)	-14%	256 223
Investment revenue	3 802	2 500	-	25	372	1 458	(1 087)	-75%	833
Transfers and subsidies	433 487	492 260	-	-	369 927	405 293	(35 366)	-9%	492 260
Other own revenue	36 266	10 150	-	2 506	19 981	5 921	14 060	237%	23 364
Total Revenue (excluding capital transfers and contributions)	650 558	811 821	-	24 119	544 198	591 704	(47 505)	-8%	772 680
Expenditure									
Employee costs	208 700	250 246	-	17 728	136 868	145 977	(9 108)	-6%	220 284
Remuneration of Councillors	10 958	12 479	-	917	6 534	7 279	(746)	-10%	10 693
Depreciation & asset impairment	40 172	51 000	-	-	19 942	29 750	(9 808)	-33%	36 942
Finance charges	35 321	22 609	-	23	15 974	13 189	2 786	21%	23 511
Materials and bulk purchases	132 358	140 650	-	13 779	80 162	82 046	(1 884)	-2%	127 045
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	390 261	325 640	-	28 264	208 224	189 957	18 268	10%	259 890
Total Expenditure	817 770	802 624	-	60 710	467 704	468 197	(493)	-0%	678 364
Surplus/(Deficit)	(167 212)	9 197	-	(36 591)	76 495	123 506	(47 012)	-38%	94 316

The revenue raised as at 31 January 2019 is R 544.2 million against the original budget of R 811.8 million for the year and R 591.7 million for the period. This reflects a revenue rate of 67% against the original budget and 92% for the year to date budget.

The operating expenditure as at 31 January 2019 was R 467.7 million vs a year to date budget of R 468.2 million reflecting YTD expenditure of 100% and 58% against the original budget. The operating surplus for the period was R 76.5 million.

The major operating revenue variances against year to date budget are:

- Service charges below by 14%.
- Interest revenue 75% below target due to investment cancellations.
- Transfers and subsidies are 9% below target.
- Other revenue account is above target by 237%. The other revenue amount is made up of: Tender sales, Rental of facilities and SANBI

The reasons for variances per source group are also cited in Annexure A, Table SC1 of this report.

2. Capital Expenditure

The Capital expenditure report shown in Annexure A, Table C5 has been prepared on the basis of the format required to be lodged electronically with National Treasury, and is categorised by municipal vote. The summary report indicates the following:

Table 3

Funding Source	Budget 2018 /2019	Expenditure as at 31 January 2019	% spent
MIG	99 828 000.00	75 268 811.73	75.40
DBSA LOAN	0.00	0.00	0.00
WSIG	102 700 000.00	15 807 632.81	15.39
RESERVES	5 000 000.00	0.00	0.00
RRAMS	2 531 000.00	1 589 208.57	62.79
DWS	4 000 095.45	0.00	
	214 059 095.45	92 665 653.11	43.29
LESS NON CAPITALISED PROJECTS	6 531 095.45	1 589 208.57	
TOTAL CAPITAL EXPENDITURE	207 528 000.00	91 076 444.54	43.89

Table 4

Project Name	Funding Source	Original Budget 2018/2019	Total current year expenditure as at 31.01.2019	% Percentage
Infrastructure assets				
Manyavu water	MIG	11 636 359	32 764 895	281.57
Manzamyama Water	MIG	10 855 358	17 713 106	163.17
Nkanyezini Water	MIG	8 742 766	14 074 745	160.99
Maqongqo Water/ Upgrade	MIG	8 093 517	9 457 441	116.85
Phase 2 Nadi - Efaye	MIG	20 350 000		
Hilton Corridor development	MIG			
Phase 3A Mtulwa	MIG	16 804 000		
Phase 3B Ekhamanzi	MIG	14 346 000		
uMshwathi slum water	MIG		1 258 624	
Trust feeds Phase 1	MIG	3 000 000		
Sanitation	MIG	6 000 000		
Hilton AC Pipes	MIG		330 574	
Umshwathi Regional Bulk	WSIG	102 700 000	15 807 633	15.39
Boreholes - Drought (ex Mkhambati	DWS	4 000 095		
Merrivale AV Pipes	DBSA			
Merrivale AV Pipes	MIG			
Rural roads asset management	DOT	2 531 000	1 589 209	1.83
Retentions	Reserves			
Fire Fighting Equipment	Reserves	5 000 000		
Furniture	Reserves			
IT Equipment and Infrastructure	Reserves			
		214 059 095	92 996 227	

The total capital original budget for the 2018/ 2019 financial year is R207 528 million and the MIG allocation is R 99 828 million. The year to date, MIG expenditure amounts to R 75 269 million or 75.40%. The municipality anticipates to spend in full the capital allocations. The projects on the pipeline are as follows:

1. **The Nkanyezini water supply scheme** has a total project budget of R 85 million and tender was awarded on 17 October 2016. The project is ongoing. Initially there were delays in the start of the projects due to contractor challenges and contract termination processes were institution and the contractor given time to correct anomalies in line with the GCCs. Further delays were experienced due to social facilitation issues which arose after the death of the ward councillor. Other delays were due to the negotiations with the landowner and house owner which have both been resolved. An amount of R950 000 was paid for the purchase of the house which is on the site on which a reservoir is to be built. The land price of R115k was paid in November 2017. Expenditure for September is at 3 % of 2018/ 2019 year allocation.
2. **The Manyavu water supply scheme** with a total budget of R17.5 million and a maximum year allocation of R11.6 was awarded 21 April 2017 and a site handover has been completed. The project is expected to be completed in 22 months.
3. **The Manzamnyama water supply scheme** was advertised and closed on 18 January 2018, Contractor appointed and now on onsite.
4. **Maqongqo water supply scheme** project has a budget of R19 million and was awarded in July 2017 and has R 8.1 million 2018/ 2019 budget allocation. The project is experienced social facilitation issues which have subsequently been attended to through the intervention of the infrastructure portfolio chairperson.
5. Spending on the **WSIG is 16.66%** of the received allocation.
6. Total capital expenditure to date is **43.89%** against the original budget.

3. Employee costs and councillor's allowances

Section 66 of the MFMA requires that the accounting officer of a municipality must report to Council in a prescribed format all expenditure incurred by the municipality on staff salaries, wages and benefits in a manner that discloses expenditure per type such as salaries, contributions for pensions etc. As at 31 January 2019, **52%** of the councillor's allowances budget was spent and **55%** spent of the employee costs budget. As at 31 January 2019 the total salary cost including councillor's allowances represented **31%** of total operating expenditure for the period which is above the norm of 25%-40% to total operating expenses as set by National Treasury circular 71.

Table 5

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	Ref	Budget Year 2018/19									
		2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
	1	A	B	C						D	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		6 455	7 259	-	566	3 929	4 234	(305)	-7%	6 349	
Pension and UIF Contributions		713	555	-	55	383	324	59	18%	568	
Medical Aid Contributions		252	266	-	14	109	155	(46)	-30%	198	
Motor Vehicle Allowance		2 472	2 441	-	212	1 474	1 424	50	3%	2 288	
Cellphone Allowance		1 067	1 958	-	69	638	1 142	(504)	-44%	1 291	
Sub Total - Councillors		10 958	12 479	-	917	6 534	7 279	(746)	-10%	10 693	
% increase	4		13.9%							-2.4%	
Senior Managers of the Municipality											
Basic Salaries and Wages	3	-	5 717	-	143	1 136	2 859	(1 722)	-60%	-	
Pension and UIF Contributions		-	185	-	15	106	93	14	15%	-	
Performance Bonus		-	-	-	-	-	486	(486)	-100%	-	
Motor Vehicle Allowance		-	878	-	23	276	439	(163)	-37%	-	
Cellphone Allowance		-	108	-	2	20	54	(34)	-63%	-	
Housing Allowances		-	-	-	-	-	-	-	-	-	
Other benefits and allowances		-	75	-	28	118	37	81	216%	-	
Sub Total - Senior Managers of Municipality		-	6 964	-	210	1 656	3 968	(2 312)	-58%	-	
% increase	4		#DIV/0!								
Other Municipal Staff											
Basic Salaries and Wages		157 487	174 175	-	14 327	102 335	104 937	(2 602)	-2%	163 436	
Pension and UIF Contributions		777	589	-	59	417	452	(35)	-8%	781	
Medical Aid Contributions		12 009	10 986	-	835	5 932	6 409	(477)	-7%	9 594	
Overtime		7 832	15 649	-	459	3 714	9 129	(5 415)	-59%	8 930	
Performance Bonus		9 985	10 601	-	-	10 493	6 184	4 309	70%	14 027	
Motor Vehicle Allowance		17 202	19 837	-	1 618	10 852	12 084	(1 232)	-10%	18 033	
Cellphone Allowance		565	-	-	-	-	-	-	-	-	
Housing Allowances		1 023	1 211	-	92	646	707	(61)	-9%	1 050	
Long service awards		3 094	1 788	-	159	961	1 043	(81)	-8%	1 557	
Post-retirement benefit obligations	2	(1 273)	8 628	-	-	-	5 033	(5 033)	-100%	2 876	
Sub Total - Other Municipal Staff		208 700	243 465	-	17 548	135 350	145 977	(10 627)	-7%	220 284	
% increase	4		16.7%							5.6%	
Total Parent Municipality		219 659	262 907	-	18 675	143 540	157 224	(13 684)	-9%	230 977	
			19.7%							5.2%	
Unpaid salary, allowances & benefits in arrears:											
Board Members of Entities											
Basic Salaries and Wages		-	845	-	78	522	845	(324)	-38%	-	
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	
Sub Total - Board Members of Entities	2	-	845	-	78	522	845	(324)	-38%	-	
% increase	4		#DIV/0!								
Senior Managers of Entities											
Housing Allowances		-	-	-	-	-	-	-	-	-	
Other benefits and allowances		-	1 226	-	91	700	1 226	(526)	-43%	-	
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-	
Sub Total - Senior Managers of Entities		-	1 226	-	91	700	1 226	(526)	-43%	-	
% increase	4		#DIV/0!								
Other Staff of Entities											
Housing Allowances		-	-	-	-	-	-	-	-	-	
Other benefits and allowances		-	109	-	31	129	109	20	19%	-	
Sub Total - Other Staff of Entities		-	109	-	31	129	109	20	19%	-	
% increase	4		#DIV/0!								
Total Municipal Entities		-	2 180	-	200	1 351	2 180	(830)	-38%	-	
TOTAL SALARY, ALLOWANCES & BENEFITS		219 659	265 088	-	18 874	144 890	159 404	(14 514)	-9%	230 977	
% increase	4		20.7%							5.2%	
TOTAL MANAGERS AND STAFF		208 700	251 763	7	-	17 880	137 835	151 279	(13 444)	-9%	220 284

4. Conditional Grants

As at the end of January 2019, R121.8 million of conditional grants was received since 1 July 2018, whilst an additional R 60.9 million was available which was received in the previous financial year. R96.7 million was spent as at 31 January 2019. The operating grant utilisation is at 37.78% and the capital grant utilisation was 54.26% of allocations received. Overall grant utilisation is at 52.91%

Table 6

Description	Opening Balance	Receipts	Total receipts	Expenditure	Balance	% spent to date
Operating Grants						
FMG	0.00	1 000 000.00	1 000 000.00	472 462.00	527 538.00	47.25
PTP	308 817.00	0.00	308 817.00	0.00	308 817.00	0.00
RRAMS	0.00	1 772 000.00	1 772 000.00	1 589 208.57	182 791.43	89.68
EPWP	0.00	2 986 000.00	2 986 000.00	377 072.00	2 608 928.00	12.63
Camperdown WWW	4 000 095.00	0.00	4 000 095.00	0.00	4 000 095.00	0.00
SETA Grants	219 304.75	0.00	219 304.75	0.00	219 304.75	0.00
RASET GRANT	3 000 000.00	0.00	3 000 000.00	3 000 000.00	0.00	100.00
DGDS GRANT	300 000.00	0.00	300 000.00	186 011.00	113 989.00	62.00
DPSS GRANT	0.00	500 000.00	500 000.00	0.00	500 000.00	0.00
GEOPlanning	0.00	800 000.00	800 000.00	0.00	800 000.00	0.00
Total Operating Grants	7 828 216.75	7 058 000.00	14 886 216.75	5 624 753.57	9 261 463.18	37.78
Capital Grants						
WSIG	18 130 635.92	76 750 000.00	94 880 635.92	15 807 632.81	79 073 003.11	16.66
MIG	23 430 775.00	38 000 000.00	61 430 775.00	75 268 812.00	-13 838 037.00	122.53
Orio	11 550 860.00	0.00	11 550 860.00	0.00	11 550 860.00	0.00
Total Capital Grants	53 112 270.92	114 750 000.00	167 862 270.92	91 076 444.81	76 785 826.11	54.26
Total Grants	60 940 487.67	121 808 000.00	182 748 487.67	96 701 198.38	86 047 289.29	52.91

5. Cash and cash equivalents

An amount of R25 479 was accrued in investment interest income for the month of January 2019. The cash in bank as at 31 January 2019 amounted to **R 157 143 million** and investments amounted to **R3 871 million** with a total cash and cash equivalents of **R 161 014 million**. The average interest rate on investment is at 8%. The cash coverage ratio as at 31 January 2019 is **1.53 months** based on average of R49 million per month fixed operating expenditure. This indicates that the municipality as at 31 January 2019 had sufficient cash to operate for a period of **1.53 months** or 48 days without receiving grants to cover operating costs. The norm as set out in the uniform financial ratios and norms circular 71 is 1 to 3 months. See below extract from SC 5.

Table 7

Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
Yrs/Months							
1 year	Long term	2019 Sept Seven	25	8.0%	3 845	25	3 871
			25		3 845	25	3 871

Table 8

Bank Accounts	Account Number	Market value at the beginning of the month	Change in market value	Market value at the end of the month
		R 0.00	R 0.00	R 0.00
Main Account	50940026773	16 265 663.12	93 244 717.91	109 510 381.03
Salaries Account	50940092196	14 741.57	8 713 027.52	8 727 769.09
Water Services Account	62023616462	11 928 245.88	-9 823 253.45	2 104 992.43
NSTD Call Account	62215748289	60 761 383.97	-29 667 060.91	31 094 323.06
Mandela Race Account	62411577193	749 544.64	2 936.86	752 481.50
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	4 930 916.71	22 348.65	4 953 265.36
Public Sector Cheque Account	62243484417	0.00	0.00	
Total Cash Balances		94 650 495.89	62 492 716.58	157 143 212.47

6. Borrowings

As at 31 January 2019 the loans book was sitting at R206.2 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 2.16% as projected which is below the treasury norm of below 45%. This indicates that the debt books is 25.64% of the internally generated operating income. The debt service ratio to operating expenditure is 2.17% which is below the 6-8% recommended treasury norm.

Table 9

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) January 2019								
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/01/2019	Add: Interest Accrued	Less: Interest paid	Less :Capital Repayments	Closing Balance at 31/01/2019	Repayment Due before year end
12007869	uMgungundlovu Various Water Projects	10.889	206 170 531.41	1 943 655.48	0.00	0.00	208 114 186.89	15 600 210.18
			206 170 531.41	1 943 655.48	0.00	0.00	208 114 186.89	15 600 210.18

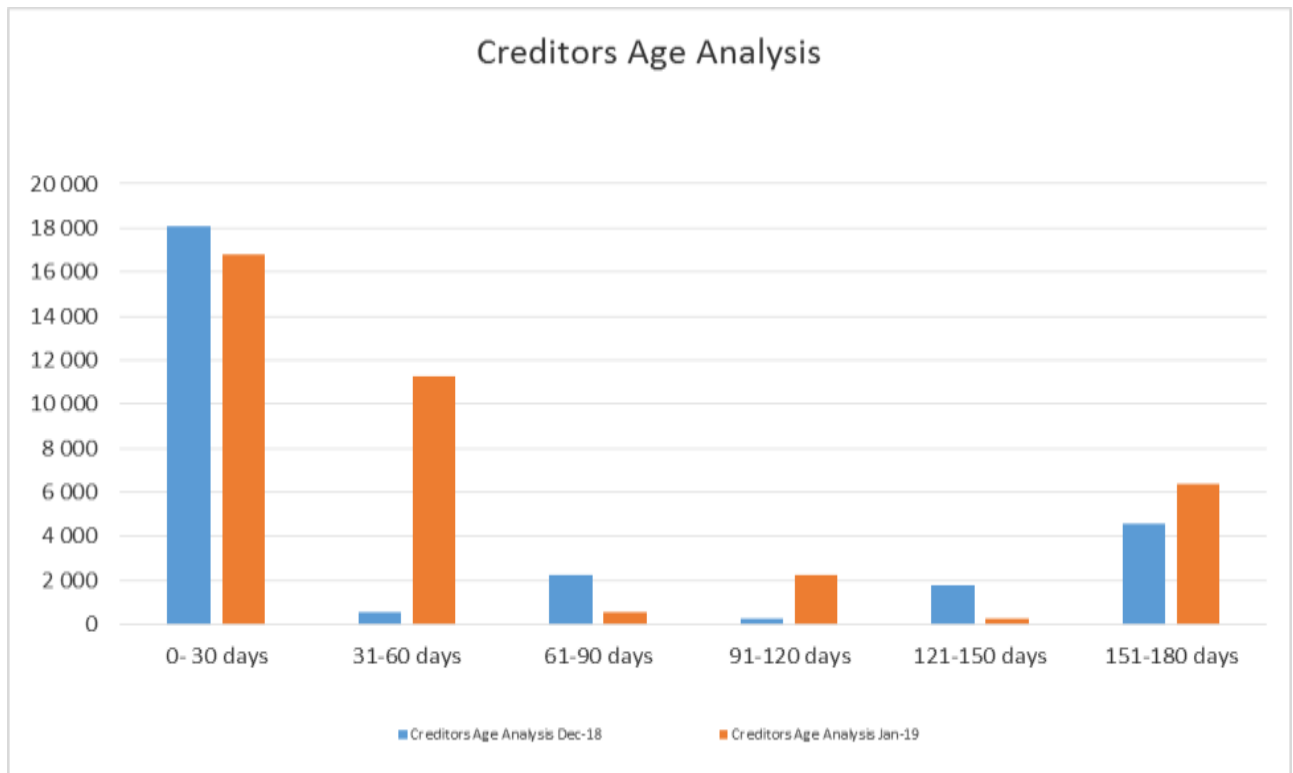
7. Creditors Age Analysis

A total R20 704 or 55% of invoices remained outside the compliance period of 30 days as at 31 January 2019. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 January 2019. The balance of trade payables as at 31 January 2019 was **R37 532 million**.

Table 10

Description	NT Code	Budget Year 2018/19								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	0	0
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	10 314	11 233	515	156	268	1 256	4 149	371	28 263
Auditor General	0800	4	-	-	-	-	-	8	-	12
Other	0900	6 501	14	60	2 095	0	517	69	-	9 256
Total By Customer Type	1000	16 819	11 247	575	2 252	269	1 773	4 227	371	37 532

Graph 1



8. Debtors age analysis

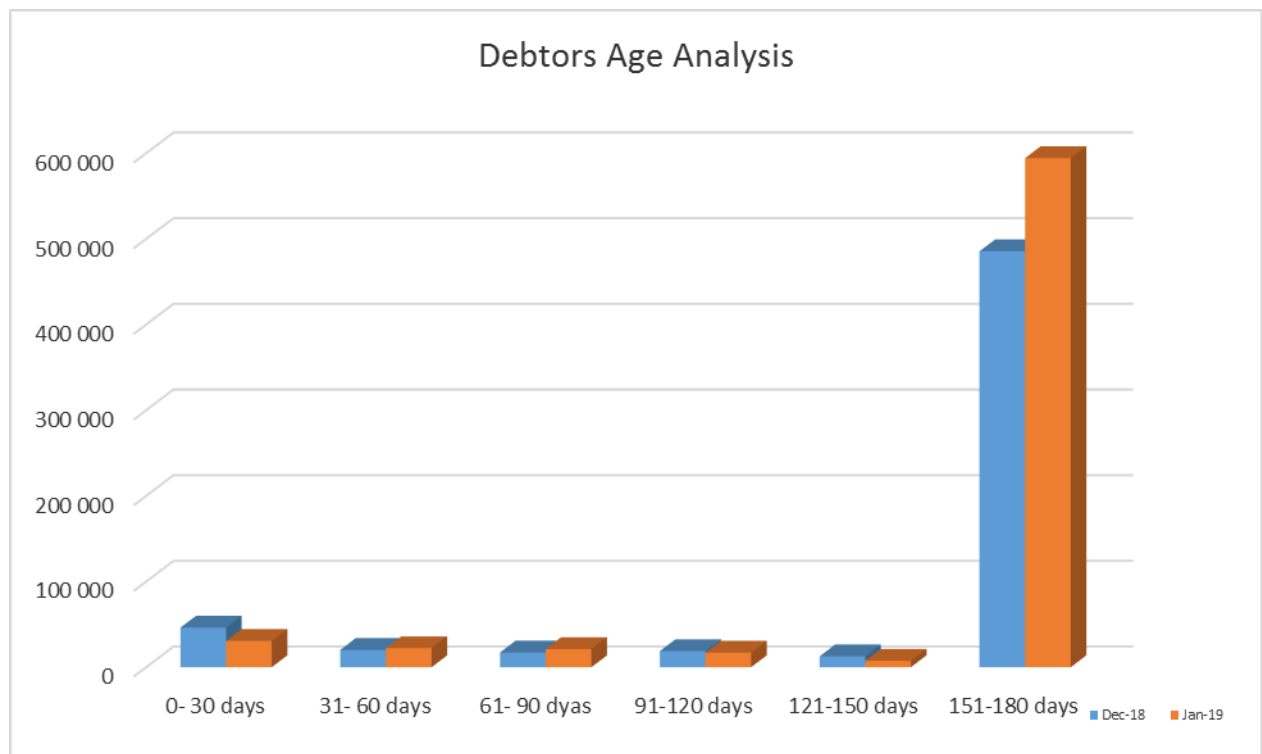
The debtor book value as at 31 January 2019 amounted to **R 692 829 million**. The collection rate in the month of January was **59%**. The average collection rate to date is **64%**.

Table 12

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2018/19									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	25 046	14 347	15 729	12 095	848	11 267	70 220	325 781	475 333	420 210	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	2 929	1 644	2 091	1 913	305	1 875	15 157	61 176	87 090	80 426	
Receivables from Exchange Transactions - Waste Management	1600	-	-	(9)	(2)	(37)	(3)	(29)	(18)	(98)	(90)	
Receivables from Exchange Transactions - Property Rental Debtors	1700	6	5	2	2	2	2	8	705	732	719	
Interest on Arrear Debtor Accounts	1810	2 782	2 910	3 401	3 100	2 823	3 201	21 659	74 455	114 331	105 238	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(102)	3 272	(22)	(10)	3 549	979	2 876	4 899	15 442	12 294	
Total By Income Source	2000	30 661	22 178	21 193	17 098	7 490	17 320	109 890	466 999	692 830	618 798	
2017/18 - totals only										-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	1 737	694	955	384	71	335	3 087	4 875	12 137	8 752	
Commercial	2300	265	0	(3)	-	-	-	-	0	262	0	
Households	2400	2 070	1 336	1 646	1 368	3	1 312	9 546	34 973	52 255	47 202	
Other	2500	10 606	4 870	2 140	1 329	1 924	(10 980)			9 889	(7 726)	
Total By Customer Group	2600	14 678	6 900	4 738	3 081	1 998	(9 333)	12 633	39 848	74 543	48 227	

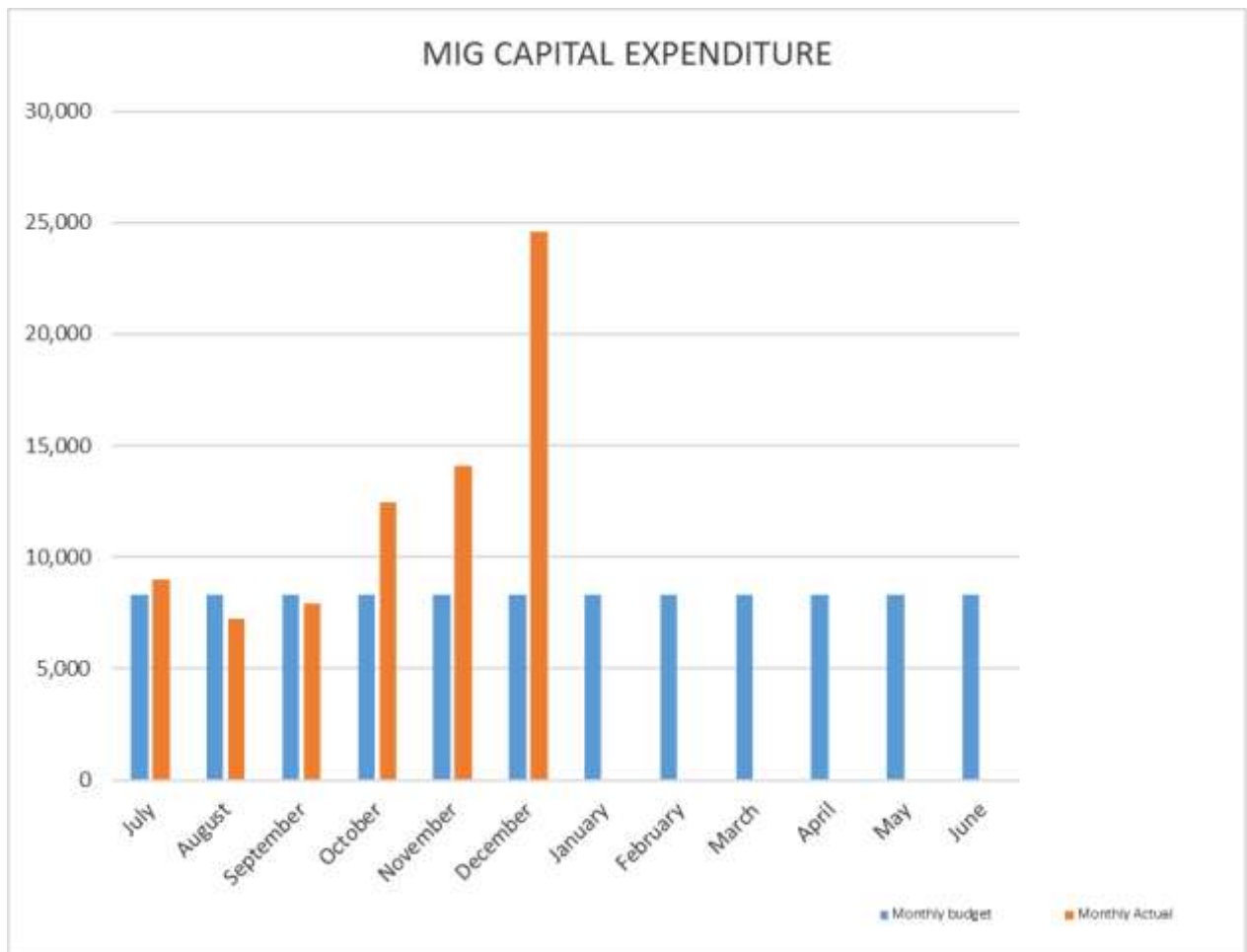
Graph 2



9. IN-YEAR BUDGET STATEMENT CHARTS: JANUARY 2019 REPORT

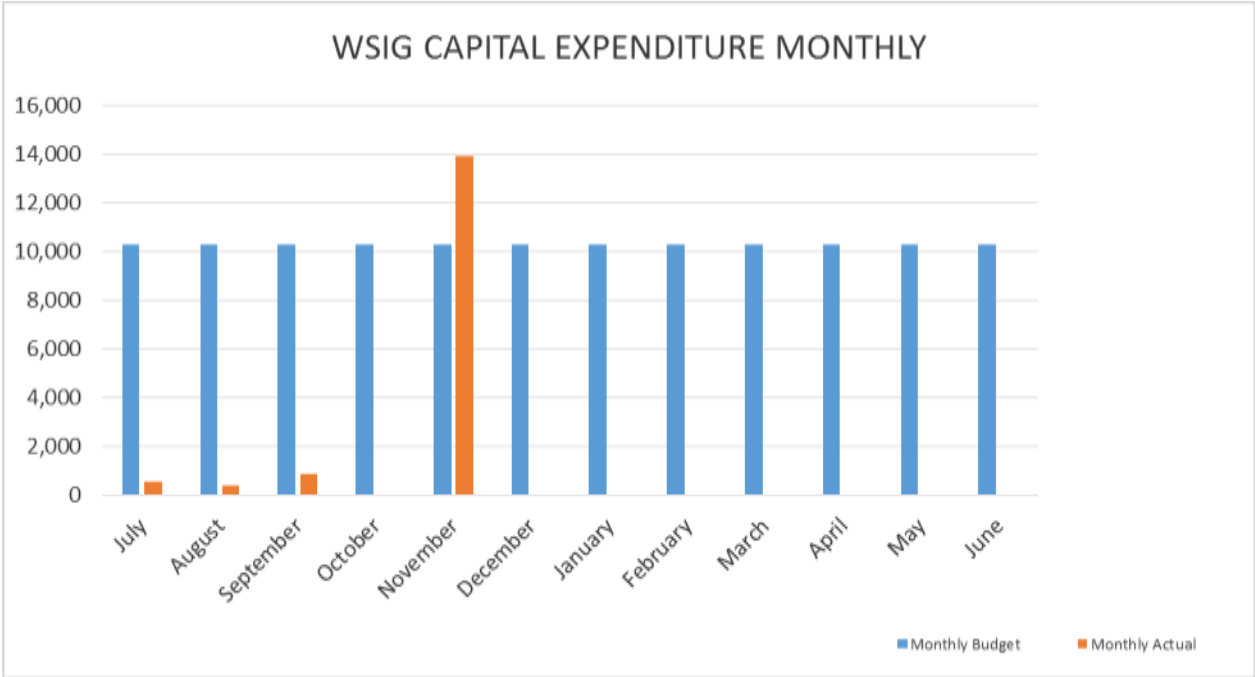
MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly budget	Monthly Actual
July	8,319	9,017
August	8,319	7,256
September	8,319	7,915
October	8,319	12,424
November	8,319	14,072
December	8,319	24,585
January	8,319	0
February	8,319	0
March	8,319	0
April	8,319	0
May	8,319	0
June	8,319	0
	99,828	75,269



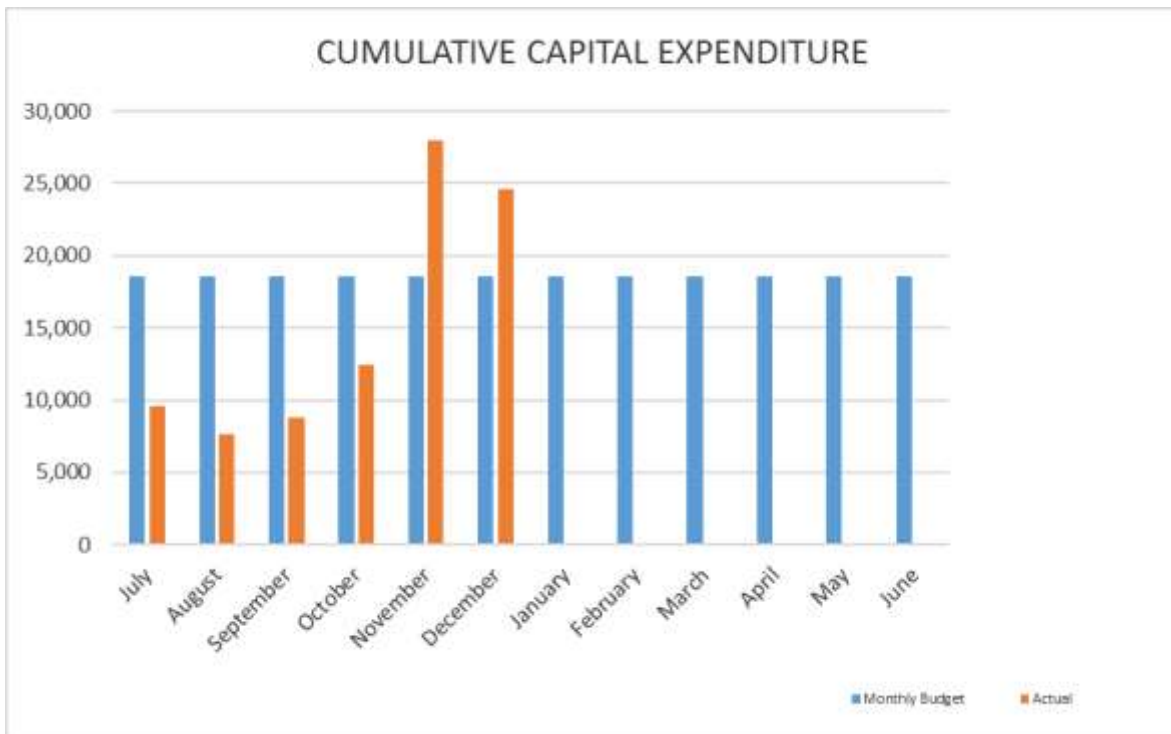
WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	10,282	560
August	10,282	433
September	10,282	881
October	10,282	
November	10,282	13,932
December	10,282	0
January	10,282	0
February	10,282	0
March	10,282	0
April	10,282	0
May	10,282	0
June	10,282	0
	123,383	15,806



CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	18,601	9,577
August	18,601	7,689
September	18,601	8,796
October	18,601	12,424
November	18,601	28,004
December	18,601	24,585
January	18,601	0
February	18,601	0
March	18,601	0
April	18,601	0
May	18,601	0
June	18,601	0
	223,211	91,075



10. IN-YEAR BUDGET STATEMENT TABLES: JANUARY 2019 REPORT

The preliminary financial results for the period ended 30 November 2018 (i.e. 07th month of the 2018/19 financial year) are attached consisting of the following tables, in Annexure A:

Part 1

- (a) Table C1: Consolidated Monthly Budget Statement – Summary
- (b) Table C2: Consolidated Monthly Budget Statement – Financial Performance (standard Classification)
- (c) Table C3: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure)
- (e) Table C5: Consolidated Monthly Budget Statement – Capital Expenditure by vote, standard classification and funding
- (f) Table C6: Consolidated Monthly Budget Statement – Financial Position
- (g) Table C7: Consolidated Monthly Budget Statement – Cash Flow

Part 2

- (a) Table SC1: Material variance explanations
- (b) Table SC2: Monthly Budget Statement – Performance Indicators
- (c) Table SC3: Monthly Budget Statement – Aged Debtors
- (d) Table SC4: Monthly Budget Statement – Aged Creditors
- (e) Table SC5: Monthly Budget Statement – Investment Portfolio
- (f) Table SC6: Monthly Budget Statement – Transfers and grant receipts
- (g) Table SC7: Monthly Budget Statement – Transfers and grant expenditures
- (gb) Table SC7 (1): Monthly Budget Statement-Approved Roll overs

- (h) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
- (i) Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
- (j) Table SC10: Monthly Budget Statement – Parent Municipality Financial Performance (Revenue and Expenditure)
- (k) Table SC11: Monthly Budget Statement – Summary of Municipal Entities
- (l) Table SC12: Monthly Budget Statement – Capital Expenditure Trend
- (m) Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class
- (n) Table SC13b: Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
- (m) Table SC13c: Monthly Budget Statement – Capital expenditure on repairs and maintenance by asset class
- (p) Municipal manager's quality certification

11. CONCLUSION

This report meets with the requirements of the MFMA, Sections 52(d) and 71 by submitting the 'In-year report' to Finance Committee on the implementation of the budget and the financial status of the municipality.

ANNEXURES:

Annexure – Schedule C

REPORT – FLOW COMPLIANCE CHECK

FILE: 5/1/1/1

INITIATOR: Anil Singh

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY AND SECOND

QUARTER BUDGET STATEMENT) FOR THE PERIOD ENDING 31 January 2019

REPORT CHECKED AND PASSED FOR SUBMISSION TO: **Finance Committee**

	COMPREHENSIVENESS (FACTS, COMMENTS, RECOMMENDATIONS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
MANAGER: BUDGET OFFICE NONDUMISO MBATHA SIGNATURE:..... DATE:	(√)	(√)	(√)
MANAGER: REVENUE MANAGEMENT SIBONGILE KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
MANAGER: EXPENDITURE MANAGEMENT: NOMPUMELELO KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
HEAD OF DEPARTMENT: ACTING CHIEF FINANCIAL OFFICER : ANIL Y SINGH SIGNATURE: DATE:	(√)	(√)	(√)
MANAGER: INTERNAL AUDIT ADELE DORASAMY SIGNATURE: DATE:	(√)	(√)	(√)

Municipal Manager's quality certification

I, **Raymond Ngcobo**, Municipal Manager of the uMgungundlovu District Municipality, hereby certify that the monthly **preliminary** report on the implementation of the budget and financial state affairs of the municipality for the month of **JANUARY 2019** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Dr. MRB Ngcobo

Municipal Manager: uMgungundlovu District Municipality

Signature: _____

Date: _____

Print name: Cllr T E Maphumulo

Mayor: uMgungundlovu District Municipality

Signature: _____

Date: _____