

# FULL COUNCIL RESOLUTION



Item: 8 (29/09/2021)	<b>PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2021</b> 5/12/3
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At its meeting held on 29 September 2021, the Full Council

## RESOLVED

1. That the Full Council notes that in compliance with 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 second month of the 2021/2022 financial year, and supporting documents as required by National Treasury (Schedule C) have been submitted to Council.
2. That the Full Council notes that in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, this report must 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 Full Council approves that:
  - 3.1 The surplus for the period ending 31 August 2021 is R 251.4 million.
  - 3.2 Cash and cash equivalent for the period ending 31 August 2021 is R210.9 million excluding the investment of R 3.7 million held as security for the loan.
  - 3.3 Capital expenditure for the period ending 31 August 2021 is R 32.9 million.
  - 3.4 Trade payables for the period ending 31 August 2021 are R 72.9 million.
  - 3.5 Trade receivables for the period ending 31 August 2021 are R 1.104 billion.
  - 3.6 Unspent conditional grants for the period ending 31 August 2021 are R 56.6 million.
4. That the Full Council notes the cash and cash equivalents of R 210.9 million translates to a positive cash coverage of 66.19 days. National Treasury Norm of 1 – 3 months.

CERTIFIED A TRUE EXTRACT OF THE ORIGINAL MINUTES

  
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 DR RBM NGCOBO  
 MUNICIPAL MANAGER

**uMGUNGUNDLOVU DISTRICT MUNICIPALITY****RESOLUTIONS OF THE FULL COUNCIL**

(Meeting held on 29 September 2021 held via Teams Technologies)

8. **PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2021**  
5/12/3

Report of the Executive Committee to the Full Council dated 10 September 2021.

(Page 29)

The Chief Financial Officer detailed the contents of the report.

Thereafter, Councillor MS Bond requested that the position of the Democratic Alliance be noted in that they are of the view that the budgetary processes followed were not correct and that the Municipality is not using "o" based budgeting.

In response thereto, the Municipal Manager indicated that one of the major challenges affecting the budget are the events happening around the country which is creating a lower revenue base. The budget therefore needed to be revisited because the budget assumptions could not be realised. Despite the concerted effort made in respect of the revenue enhancement campaign, the affects of the events in the country have made it difficult for Municipalities.

Thereafter, Councillor KCS Nene enquired about the loan referred to whereupon the Chief Financial Officer clarified that it is a DBSA loan that was acquired by the District Municipality some time back for infrastructure.

Thereafter, it was

**RESOLVED**

1. That the Full Council notes that in compliance with 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 second month of the 2021/2022 financial year, and supporting documents as required by National Treasury (Schedule C) have been submitted to Council.
2. That the Full Council notes that in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, this report must 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 Full Council approves that:

3.1 The surplus for the period ending 31 August 2021 is **R 251.4 million**.

3.2 Cash and cash equivalent for the period ending 31 August 2021 is **R210.9 million** excluding the investment of **R 3.7 million** held as security for the loan.

3.3 Capital expenditure for the period ending 31 August 2021 is **R 32.9 million**.

3.4 Trade payables for the period ending 31 August 2021 are **R 72.9 million**.

3.5 Trade receivables for the period ending 31 August 2021 are **R 1.104 billion**.

3.6 Unspent conditional grants for the period ending 31 August 2021 are **R 56.6 million**.

4. That the Full Council notes the cash and cash equivalents of **R 210.9 million** translates to a positive cash coverage of 66.19 **days**. National Treasury Norm of 1 – 3 months.

**REPORT TO THE uMGUNGUNDLOVU  
DISTRICT MUNICIPALITY COUNCIL**



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File Reference : 5/12/3 Author : Sipho Ndabandaba  
Report Number: 02 Designation : CFO

For consideration

1<sup>st</sup> Level – MANCO :  
2<sup>nd</sup> Level – Portfolio Committee : 15/09/2021  
3<sup>rd</sup> Level – EXCO : 22 /09/2021  
4<sup>th</sup> Level – Council : 29 /09/2021

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**SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE  
PERIOD ENDED 31 AUGUST 2021**  
**DATE : 10 SEPTEMBER 2021**

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**1. PURPOSE**

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 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-  
Section 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 or 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 August 2021** the ten working day reporting limit expires on **14 September 2021**.

#### 4. REPORT

The below is the summary of financial performance for the period ended **31 August 2021**.

**Table 1**

Summary of Financial Performance	
Actual Revenue to Budgeted Revenue	34
Actual OPEX to budgeted OPEX	10
Actual CAPEX to budgeted CAPEX	17
Employee related cost exp to total OPEX	53
% Grant Utilisation	37.43
Cash Coverage Ratio	2.21
Debt Service to Revenue Ratio	0.50
% Debt to Revenue Ratio	18.41
Creditors Age Analysis	29% or R 20.8 million of invoices outside 30days
Debt Collection Rate	49

##### 4.1 Operating Budget

The revenue raised as at 31 August 2021 is **R 332.9 million** against the original budget of **R 992.9 million** for the year and **R165.5 million** for the period. This reflects a revenue rate of **33.5%** against the original budget and **201%** against the year-to-date (YTD) original budget.

The operating expenditure as at 31 August 2021 was **R 81.4 million** against the original budget of **R 849.9 million** and year to date budget of **R141.7 million**. This reflects YTD expenditure of **57.4%** and **9.6%** of the original budget. The operating surplus for the period was **R 251.4 million**.

##### 4.2 Capital Expenditure

The total original capital budget for the 2021/ 2022 financial year is **R 195.5 million**. This includes the allocations from the Municipal Infrastructure Grant (MIG) of **R 107.9 million**, the Water Services Infrastructure Grant (WSIG) of **R 85 million** and the Rural Roads Assets Management Grant (RRAMS) of **R 2.6 million**.

Year to date expenditure for MIG is **R 24.3 million**, WSIG is **R 8.7 million** and RRAMS is nil. This represents **16.87%** of the total original budget.

Total capital expenditure to date is **R 32.9 million** or **16.87%** against the original budget.

##### 4.3 Employee Related Costs and Councilor Allowances

The total salaries budget for councillors amounts to **R 12.9 million** while salaries budget for staff amounts to **R 275.3 million**. This brings the total salaries budget to **R 288.2 million**, which is **34%** of the total operational budget. This is within the norm of 25% - 40% in terms of National Treasury circular 71 of 2014.

As at 31 August 2021, **15.5%** of the councillors' allowances budget was spent and **14.93%** was spent on the employee costs. The total actual salary cost including councilor's allowances represented **53%** 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 71.1

#### 4.4 Conditional Grants

As at the end of August 2021, a total of **R 72.2 million** of conditional grants was received since 1 July 2021 whilst an additional **R 18.5 million** which was received in the previous financial year was available at the beginning of the period. A total of **R 33.9 million** was spent as at 31 August 2021. The operating grant utilisation is at **11.75%** and the capital grant utilisation was **40.09%** of allocations received. Overall grant utilisation is at **37.43%**.

#### 4.5 Cash and Cash Equivalents

An amount of **R 13 154** as accrued in investment interest income for the month of August 2021. The cash in bank as at 31 August 2021 amounted to **R 210.9 million** and investments amounted to **R 3.9 million** bringing a total cash and cash equivalents of **R 214.9 million**. The average interest rate on investment is at **4.1%**. The cash coverage ratio as at 31 August 2021 is **2.21** based on average of R 70 million per month fixed operating expenditure. This indicates that the municipality as at 31 August 2021 has enough cash to run its operation for **66.19 days** based on a 30-day calendar month. The norm as set out in the uniform financial ratios and norms circular 71 is 1 to 3 months.

#### 4.6 Borrowings

As at 31 August 2021, the loan book was at a total balance of **R 182.8 million**. The average interest rate on remaining loan is **10.889%**. The debt to revenue ratio at **18.41%** as projected which is within the treasury norm of below 45%. The debt service to income ratio indicates that the costs associated with the debt were funded by 0.50% of the YTD operating income.

#### 4.7 Outstanding Creditors

The balance of trade payables as at 31 August 2021 was **R 72.9 million**.

Total **R 20.8 million** or **29%** of invoices remained outside the compliance period of 30 days as at 31 August 2021. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 August 2021.

The invoices that are outstanding longer than 150 days, are mostly invoices under dispute. The Heads of Departments have been requested to finalize the disputes with the service providers or the service providers have been requested to submit a credit note to cancel the raised invoices. The municipality has extended rental lease agreements to allow for the supply chain processes to be finalized.

#### 4.8 Billing Revenue and Debtors

Billing revenue for the month of August 2021 was **R 34.1 million**. Actual collections during August 2021 were **R 16.6 million** which represented **49%** of the July 2021 billed revenue. The overall collection rate for the financial year is **51%** which is below the collection rate for the same period in the previous financial year of **65%**.

The percentage of collection for Water Schemes is low as consumers in these areas refuse to pay for water services rendered. Certain rural schemes have constant interruption of water supply and it is therefore difficult to implement the Credit Control Policy in these areas.

The Municipality has partnered with the Development Bank of Southern Africa to embark on a pilot data cleansing and revenue management exercise. The pilot has since been completed with

recommendations that are considered by the municipality to increase and enhance revenue raising and collection strategies.

The debtors book value as at 31 August 2021 amounted to **R 1.104 billion**. Engagements with organized labour through the Local Labor Forum have been finalized and agreed upon to deal with regards to staff balances. Individual letters are being sent to individuals to sign consent for the Municipality to deduct the monies owed above 90 days.

### **COMMENTS OF THE FINANCE PORTFOLIO COMMITTEE**

At a meeting of the Finance Portfolio Committee held on 15 September 2021, the Finance Portfolio Committee supported the recommendations hereunder.

### **RECOMMENDATIONS TO THE EXECUTIVE COMMITTEE**

1. That the Executive Committee notes that in compliance with 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 second month of the 2021/ 2022 financial year and supporting documents as required by National Treasury (Schedule C) have been submitted to Council.
2. That the Executive Committee notes that in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, this report must 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 Executive Committee notes and approves that:
  - 3.1 The surplus for the period ending 31 August 2021 was **R 251.4 million**.
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**REPORT TO THE uMGUNGUNDLOVU  
DISTRICT MUNICIPALITY COUNCIL**



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File Reference : 5/1/1/1 Author : Sipho Ndabandaba  
Report Number: 02 Designation : CFO

For consideration

1<sup>st</sup> Level – MANCO :  
2<sup>nd</sup> Level – Portfolio Committee : /09/2021  
3<sup>rd</sup> Level – EXCO : /09/2021  
4<sup>th</sup> Level – Council : /09/2021

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**SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 31  
AUGUST 2021**

**DATE : 10 SEPTEMBER 2021**

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**1. PURPOSE**

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#### 4.6 Borrowings

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The percentage of collection for Water Schemes is low as consumers in these areas refuse to pay for water services rendered. Certain rural schemes have constant interruption of water supply and it is therefore difficult to implement the Credit Control Policy in these areas.

The municipality has partnered with the Development Bank of Southern Africa to embark on a pilot data cleansing and revenue management exercise. The pilot has since been completed with recommendations that are considered by the municipality to increase and enhance revenue raising and collection strategies.

The debtors book value as at 31 August 2021 amounted to **R 1.104 billion**. Engagements with organized labour through the Local Labor Forum have been finalized and agreed upon to deal with regards to staff balances. Individual letters are being sent to individuals to sign consent for the Municipality to deduct the monies owed above 90 days.

#### RECOMMENDATIONS

- (1) That, in compliance with, 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 second month of the 2021/ 2022 financial year, and supporting documents as required by National Treasury (Schedule C) be submitted to Council.
- (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 Committee notes and approves the following:
  - 3.1 Surplus for the period ending 31 August 2021 is **R 251.4 million**.
  - 3.2 Cash & Cash Equivalent for the period ending 31 August 2021 is **R 210.9 million** excluding the investment of **R 3.7 million** held as security for the loan.
  - 3.3 Capital Expenditure for the period ending 31 August 2021 is **R 32.9 million**.
  - 3.4 Trade Payables for the period ending 31 August 2021 is **R 72.9 million**.
  - 3.5 Trade Receivables for the period ending 31 August 2021 is **R 1.104 billion**.
  - 3.6 Unspent conditional Grants for the period ending 31 August 2021 is **R 56.6 million**.
- (4) The Committee notes the cash and cash equivalents of **R 210.9 million** translates to a positive cash Coverage of **66.19 days**. National Treasury Norm of 1 – 3 months.



IN-YEAR MONITORING REPORT FOR THE PERIOD ENDED 31 AUGUST 2021

1. Operating Budget

Summary financial performance report SF1 for the period ending 31 August 2021 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 1

DC22 Umgungundlovu - Table C1 Monthly Budget Statement Summary - M02 August									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	297,450	366,595	-	30,125	60,011	61,099	(1,088)	-2%	366,595
Investment revenue	2,907	548	-	13	26	91	(65)	-71%	548
Transfers and subsidies	585,531	611,851	-	9,410	262,973	101,975	160,998	158%	611,851
Other own revenue	48,073	13,936	-	5,639	9,857	2,323	7,535	324%	13,936
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>933,962</b>	<b>992,929</b>	<b>-</b>	<b>45,188</b>	<b>332,868</b>	<b>165,488</b>	<b>167,380</b>	<b>101%</b>	<b>992,929</b>
<b>Expenditure</b>									
Employee costs	265,729	275,256	-	20,473	41,107	45,876	(4,769)	-10%	275,256
Remuneration of Councillors	11,691	12,957	-	996	2,009	2,159	(150)	-7%	12,957
Depreciation & asset impairment	51,582	44,590	-	4,015	8,031	7,432	599	8%	44,590
Finance charges	321	20,120	-	7	11	3,353	(3,342)	-100%	20,120
Inventory consumed and bulk purchases	25,940	278,588	-	2	2,495	46,431	(43,937)	-95%	1,161
Transfers and subsidies	6,500	7,958	-	-	606	1,326	(720)	-54%	7,958
Other expenditure	422,071	210,527	-	22,150	27,190	35,088	(7,898)	-23%	210,527
<b>Total Expenditure</b>	<b>783,835</b>	<b>849,995</b>	<b>-</b>	<b>47,643</b>	<b>81,448</b>	<b>141,666</b>	<b>(60,217)</b>	<b>-43%</b>	<b>572,568</b>
<b>Surplus/(Deficit)</b>	<b>150,127</b>	<b>142,934</b>	<b>-</b>	<b>(2,455)</b>	<b>251,420</b>	<b>23,822</b>	<b>227,598</b>	<b>955%</b>	<b>420,361</b>

The revenue raised as at 31 August 2021 is **R 332.9 million** against the original budget of **R 992.9 million** for the year and **R165.5 million** for the period. This reflects a revenue rate of **33.5%** against the original budget and **201%** against the year-to-date (YTD) original budget.

The operating expenditure as at 31 August 2021 was **R 81.4 million** against the original budget of **R 849.9 million** and year to date budget of **R141.7 million**. This reflects YTD expenditure of **57.4%** and **9.6%** of the original budget. The operating surplus for the period was **R 251.4 million**.



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

- Service charges below target by 2%.
- Transfers and subsidies are 158% above target due to the receipt of the Equitable Share and other grants.
- Investment revenue is 71% below target. The municipality does not have excess funds to be invested. The investment that the municipality holds as security for the DBSA loan is due for renewal in September 2021.

## 2. Capital Expenditure

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

Table 2

Funding Source	Original Budget 2021 /2022	Expenditure as at 31 August 2021	% spent
MIG	107,893,000.00	24,309,360.49	22.53
WSIG	85,000,000.00	8,658,977.73	10.19
RRAMS	2,586,000.00	0.00	0.00
	195,479,000.00	32,968,338.22	16.87
<b>LESS NON CAPITALISED PROJECTS</b>			
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>195,479,000.00</b>	<b>32,968,338.22</b>	<b>16.87</b>

The total original capital budget for the 2021/ 2022 financial year is **R 195.5 million**. This includes the allocations from the Municipal Infrastructure Grant (MIG) of **R 107.9 million**, the Water Services Infrastructure Grant (WSIG) of **R 85 million** and the Rural Roads Assets Management Grant (RRAMS) of **R 2.6 million**.

Year to date expenditure for MIG is **R 24.3 million**, WSIG is **R 8.7 million** and RRAMS is nil. This represents **16.87%** of the total original budget.



### 3. Employee costs and councillors' allowances

- 3.1 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.
- 3.2 The total salaries budget for Councillors amounts to **R 12.9 million** while salaries budget for staff amounts to **R 275.3 million**. This brings the total salaries budget to **R 288.2 million**, which represents **34%** of the total operational budget. This is within the norm of 25% - 40% in terms of National Treasury circular 71 of 2014.
- 3.3 In terms of Generally Recognised Accounting Practise (GRAP25), the municipality has to make a provision for employee benefits, which represents a future financial obligation to the Municipality on current and post-employment medical benefits for retired and active employees eligible for early retirement, *ex-gratia* pension liability for a retrenched Technical Director, and a provision for long service awards for all staff members meeting the requirements of clause 7 of the Local Government Bargaining Council collective agreement signed in August 2018.
- 3.4 The actual staff salaries cost incurred, including Senior Managers, as at 31 August 2021 amounts to **R 41.1 million** while the actual salaries cost for Councillors is **R 2 million**. This amounts to a total of **R 43.1 million** which represents **14.96%** of the total salaries budget.
- 3.5 Remuneration of Councillors is spent at **15.5%** of the total remuneration budget for Councillors. Although the budget for Councillors' salaries is based on a reasonable estimate, it is not always easy to have an exact figure for budget purposes. This is due to changes in the municipal grades and remuneration adjustments of the local Municipalities thereby affecting the salaries of the Councillors representing their local Municipalities within the district. Furthermore, the number of meetings held during the financial year generally varies to the number of meetings predicted at the time of the budget process.
- 3.6 The salaries and benefits paid to councillors in the month of July 2021 are still based on the December 2018 promulgation which was effective for payment in the month of July 2018.

# UMGUNGUNDLOVU DISTRICT MUNICIPALITY



**Table 3**

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August										
Summary of Employee and Councillor remuneration	Ref	Budget Year 2021/22								
		2020/21 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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		6,917	8,375	-	590	1,181	1,396	(215)	-15%	8,375
Pension and UIF Contributions		695	696	-	58	116	116	0	0%	696
Medical Aid Contributions		255	221	-	27	53	37	16	44%	221
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		841	864	-	67	136	144	(8)	-5%	864
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2,983	2,800	-	254	522	467	56	12%	2,800
<b>Sub Total - Councillors</b>		<b>11,691</b>	<b>12,957</b>	<b>-</b>	<b>996</b>	<b>2,009</b>	<b>2,159</b>	<b>(150)</b>	<b>-7%</b>	<b>12,957</b>
% increase	4		10.8%							10.8%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4,667	5,609	-	401	803	935	(132)	-14%	5,609
Pension and UIF Contributions		67	9	-	1	2	1	0	19%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		(45)	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		478	400	-	40	80	80	-	-	480
Cellphone Allowance		101	86	-	9	18	14	4	25%	86
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	-	-	0	0	-	0	#DIV/0!	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		6	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>5,273</b>	<b>6,184</b>	<b>-</b>	<b>451</b>	<b>903</b>	<b>1,031</b>	<b>(128)</b>	<b>-12%</b>	<b>6,184</b>
% increase	4		17.3%							17.3%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		144,536	145,899	-	12,130	24,777	24,316	460	2%	145,899
Pension and UIF Contributions		32,228	32,461	-	2,659	5,334	5,410	(77)	-1%	32,461
Medical Aid Contributions		13,061	12,489	-	1,010	2,025	2,082	(56)	-3%	12,489
Overtime		9,080	8,438	-	766	1,572	1,406	166	12%	8,438
Performance Bonus		12,127	12,907	-	40	99	2,151	(2,052)	-95%	12,907
Motor Vehicle Allowance		20,988	21,074	-	1,337	2,679	3,512	(834)	-24%	21,074
Cellphone Allowance		29	1,426	-	5	10	238	(228)	-96%	1,426
Housing Allowances		1,314	1,386	-	115	230	231	(1)	0%	1,386
Other benefits and allowances		22,397	23,972	-	1,529	2,683	3,995	(1,313)	-33%	23,972
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		6,190	9,020	-	430	796	1,503	(707)	-47%	9,020
Post-retirement benefit obligations	2	(1,473)	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>260,456</b>	<b>269,072</b>	<b>-</b>	<b>20,021</b>	<b>40,204</b>	<b>44,845</b>	<b>(4,641)</b>	<b>-10%</b>	<b>269,072</b>
% increase	4		3.3%							3.3%
<b>Total Parent Municipality</b>		<b>277,420</b>	<b>288,213</b>	<b>-</b>	<b>21,469</b>	<b>43,116</b>	<b>48,035</b>	<b>(4,919)</b>	<b>-10%</b>	<b>288,213</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% increase	4									
<b>Total Municipal Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>277,420</b>	<b>288,213</b>	<b>-</b>	<b>21,469</b>	<b>43,116</b>	<b>48,035</b>	<b>(4,919)</b>	<b>-10%</b>	<b>288,213</b>
% increase	4		3.9%							3.9%
<b>TOTAL MANAGERS AND STAFF</b>		<b>265,729</b>	<b>275,256</b>	<b>-</b>	<b>20,473</b>	<b>41,107</b>	<b>45,876</b>	<b>(4,769)</b>	<b>-10%</b>	<b>275,256</b>



#### 4. Conditional Grants

As at the end of August 2021, a total of **R 72.2 million** of conditional grants was received since 1 July 2021 whilst an additional **R 18.5 million** which was received in the previous financial year was available at the beginning of the period. A total of **R 33.9 million** was spent as at 31 August 2021. The operating grant utilisation is at **11.75%** and the capital grant utilisation was **40.09%** of allocations received. Overall grant utilisation is at **37.43%**.

Table 4

Description	Opening Balance	Receipts	Total receipts	Expenditure	Balance	Percentage
<b>Operating Grants</b>						
FMG	0	1 000 000	1 000 000	133 586	866 414	13.36
PTP	308 817		308 817	0	308 817	0.00
EPWP	114 674	575 000	689 674	172 422	517 262	25.00
Camperdown WWW	4 000 095		4 000 095	0	4 000 095	0.00
SETA Grants	0		0	0	0	0.00
RASET GRANT	0		0	0	0	0.00
DGDS GRANT	126 989		126 989	0	126 989	0.00
DPSS GRANT	0		0	0	0	0.00
GEOPanning	856 213		856 213	696 735	159 478	81.37
IDP SPATIAL DEVELOPMENT FRAMEWORK	706 750		706 750	0	614 750	0.00
SPATIAL DEVELOPMENT FRAMEWORK	848 175		848 175	0	703 645	0.00
<b>Total Operating Grants</b>	<b>6 961 713</b>	<b>1 575 000</b>	<b>8 536 713</b>	<b>1 002 743</b>	<b>7 297 449</b>	<b>11.75</b>
<b>Capital Grants</b>						
WSIG	0	30 000 000	30 000 000	8 658 978	21 341 022	28.86
MIG	0	38 889 000	38 889 000	24 309 360	14 559 640	62.54
Orio	11 550 860		11 550 860	0	11 550 860	0.00
RRAMS	0	1 810 000	1 810 000	0	1 810 000	0.00
<b>Total Capital Grants</b>	<b>11 550 860</b>	<b>70 679 000</b>	<b>82 229 860</b>	<b>32 968 338</b>	<b>49 261 522</b>	<b>40.09</b>
<b>Total Grants</b>	<b>18 512 573.05</b>	<b>72 254 000.00</b>	<b>90 766 573.05</b>	<b>33 971 081.06</b>	<b>56 658 971.08</b>	<b>37.43</b>

#### 5. Cash and cash equivalents

An amount of **R 13 154** as accrued in investment interest income for the month of August 2021. The cash in bank as at 31 August 2021 amounted to **R 210.9 million** and investments amounted to **R 3.9 million** bringing a total cash and cash equivalents of **R 214.9 million**. The average interest rate on investment is at **4.1%**. The cash coverage ratio as at 31 August 2021 is **2.21** based on average of R 70 million per month fixed operating expenditure. This indicates that the municipality as at 31 August 2021 has enough cash to run its operation for **66.19 days** based on a 30-day calendar month. The norm as set out in the uniform financial ratios and norms circular 71 is 1 to 3 months.





Table 5

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	9/7/2021	13	4.1%	3,889	13	3,902
			13	0	3,889	13	3,902

Table 6

Bank Accounts	Account Number	Market value at the beginning of the month	Change in market value	Market value at the end of the month
Main Account	50940026773	120 688 908.67	-87 929 705.28	32 759 203.39
Salaries Account	50940092196	150 882 682.65	-22 102 041.18	128 780 641.47
Water Services Account	62023616462	29 117 572.55	8 201 416.18	37 318 988.73
NSTD Call Account	62215748289	572 094.92	1 457.66	573 552.58
Mandela Race Account	62411577193	808 465.31	1 012.42	809 477.73
UMDM MIG (Dbsa) Account	62400041985	-	-	-
Mandela ABSA	62597807125	1 236 601.48	-346.50	1 236 254.98
Corporate Cheque Account	62243484417	98 727.22	9 414 000.32	9 512 727.54
Public Sector Cheque Account		-207.76	-	-
<b>Total Cash Balances</b>		<b>303 404 845.04</b>	<b>-92 414 206.38</b>	<b>210 990 846.42</b>

Table 6 above excludes an investment of R 3.75 million held with FNB as a security for the Long-Term Borrowings (DBSA Loan).

## 6. Borrowings

As at 31 August 2021, the loan book was at a total balance of R 182.8 million. The average interest rate on remaining loan is 10.889%. The debt to revenue ratio at 18.41% as projected which is within the treasury norm of below 45%. The debt service to income ratio indicates that the costs associated with the debt were funded by 0.50% of the YTD operating income.



Table 7

Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/05/2021	Add: Interest Accrued	Less: Interest paid	Less :Capital Repayments	Closing Balance at 31/05/2021
12007869	Umgungundlovu Various Water Projects	10.889	181,131,381.39	1,674,638.16	0.00	0.00	182,806,019.55
			181,131,381.39	1,674,638.16	0.00	0.00	182,806,019.55

## 7. Creditors Age Analysis

The balance of trade payables as at 31 August 2021 was **R 72.9 million**.

Total **R 20.8 million** or **29%** of invoices remained outside the compliance period of 30 days as at 31 August 2021. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 August 2021.

For effective financial management, the Municipality must have a financial management system in place which is used for the operation of its expenditure and accounts payables, amongst other things. The accounts payables must be paid for goods and services rendered to the municipality. A procedure manual was drafted in 2014, which provides the timeframes that each official must comply with when dealing with payments. This includes payments certification by the user department, which must confirm the receipt of goods and services before invoices are processed for payment.

Section 65(2)(e) of the Municipal Finance Management Act, 2003 requires that the municipality must pay within 30 days of receipt of an invoice. While this requirement is crucial, it is also important for a municipality to ensure that all the requirements in terms of the Supply Chain Management Regulations of 2011, are followed when procuring goods and services.

This includes, but not limited to, ensuring that there are valid contracts for all lease payments, payments made to government institutions, where payments are urgent in nature, and where there is an emergency.

Sections 62(1), (2) and 65(1) require the Accounting Officer to ensure a proper management of the finances of a municipality. This requires him to ensure that all processes are followed before payments are realised, as a result, the Internal Audit is requested to verify payments on an ad hoc basis.

In efforts to reduce the amount owed to outstanding creditors, a detailed spreadsheet which indicates the status of each amount due for longer than 30 days was sent to every HOD, for their action, as to resolve issues that may have been raised by the Accounting Officer.

Generally Recognised Accounting Practise (GRAP) Standards require that payments be reflected in the period in which they were made, therefore, accounts payable balances as at 30 June 2021 will not be affected by payments made after this date.



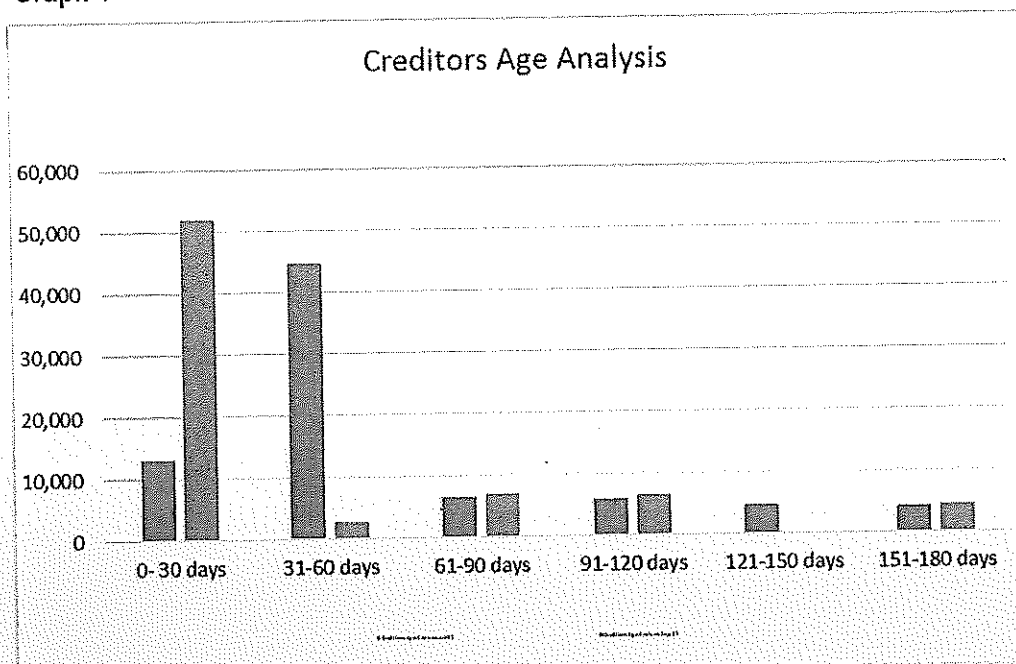
Payments relating to rental of customer care centres have been delayed due to expired contracts. To facilitate payments the Municipality extended the contract of three months, to allow for the finalisation of valid contracts through supply chain processes. This exercise will reduce the irregular expenditure which the Auditors raise in their audit reports.

As most Eskom accounts have payment terms which are much less than 30 days, interest on late payment is unavoidable. In order to alleviate this problem, the Eskom accounts were switched to debit order system and the process to transfer all accounts to a debit order method of payment is under way. The benefit of the use of a debit order system is the prevention of fruitless and wasteful expenditure in the form of interest on late payment as well as reductions in power cut which result in service interruptions.

Table 8

Creditors Age Analysis		
	Jul-21	Aug-21
0- 30 days	13,162	52,053
31-60 days	44,800	2,838
61-90 days	6,525	7,027
91-120 days	5,957	6,504
121-150 days	4,661	52
151-180 days	4,366	4,379
	<b>79,471</b>	<b>72,853</b>

Graph 1





8. Billing Revenue and Debtors

8.1 Billing Summary: July 2021 to August 2021

Table 9

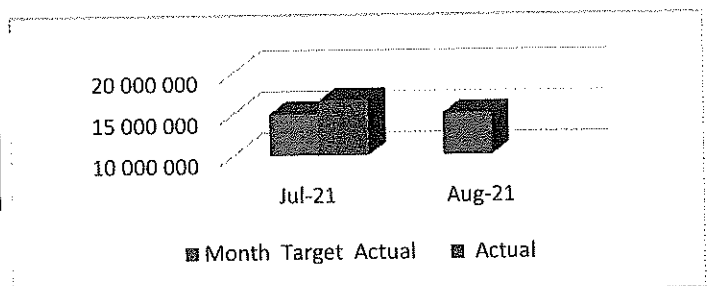
Area	July 2021	August 2021
uMshwathi	2,135,651.23	3,690,293.81
uMngeni	14,468,733.73	13,619,506.83
Mpofana	2,151,187.51	2,401,457.74
iMpendle	410,566.38	409,122.14
Mkhambathini	915,986.96	472,735.56
Richmond	1,592,491.80	1,762,117.51
Water Schemes	4,541,200.08	4,735,023.96
Bulk Customers	7,914,542.24	6,997,878.37
<b>Total</b>	<b>34,130,359.93</b>	<b>34,088,135.92</b>

8.2 Credit Control and Debt Collection: Target vs Actual: July 2021

The table below shows the Monthly Target Collection against the Actual Receipts for July 2021.

Table 10

Month	Target	Actual
Jul-21	15,000,000	16,599,636.65
Aug-21	15,000,000	





8.3 Billing vs Receipts

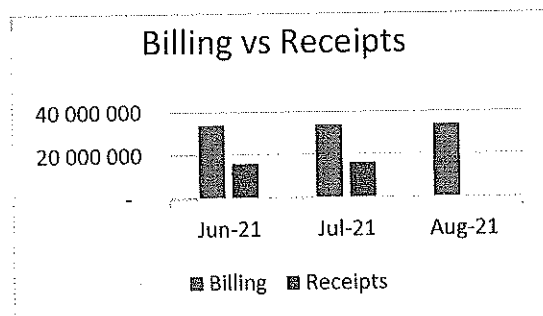
Table 11

The table below details financial year to date **Monthly Billing against the Receipts** for the 2021/2022 financial year.

BILLING VS RECEIPTS				
Month	Billing	Receipts	Collection %	Comment
June 2021	31,098,498.76	16,123,060.04	52%	
July 2021	34,130,359.93	16,599,637.65	49%	
August 2021	34,088,135.92			

Graph 3

Month	Billing	Receipts
Jun-21	34,130,360	16,123,060
Jul-21	34,130,360	16,599,636.65
Aug-21	34,004,436	





**Table 12**

The table below details the **Classification of Receipts** for August 2021.

<b>Basis of Receipts</b>	<b>Jul-21</b>	<b>Aug-21</b>
Direct Deposits	12,797,476.03	12,496,253.36
Easy Pay	2,215,143.69	2,875,523.36
Post Office	54,235.36	75,497.32
Customer Care Centre	563,258.36	595,983.36
Manual Receipts	492,946.60	556,379.25
<b>Total</b>	<b>16,123,060.04</b>	<b>16,599,636.65</b>

**Table 13**

The Table Below Details **Customer Category Receipts** for August 2021.

<b>Customer Classification</b>	<b>Jul-21</b>	<b>Aug-21</b>
Government	2,909,288.59	2,968,369.25
Business	7,838,581.68	7,987,365.36
Households	5,326,899.40	5,593,247.32
Indigent Households	6,200.00	6,700.00
Church	36,726.04	37,698.36
Councillors	5,364.33	6,256.36
<b>Total</b>	<b>16,123,060.04</b>	<b>16,599,636.65</b>

UMGUNGUNDLOVU DISTRICT MUNICIPALITY



Table 14

The table below indicates the comparison of collection rate between 2020/2021 financial year and 2021/2022 financial year.

2020/2021 Financial Year				2021/2022 Financial Year			
Month	Billing	Receipts	Collections %	Month	Billing	Receipts	Collections %
Jul-20	28,257,733	17,284,495	61%	Jul-21	34,130,360	16,599,637	49%
Average Collection Rate for 2020/2021			61%	Average Collection Rate for 2021/2022			49%

The collection rate comparison to the previous year is to measure the impact of the slow economic growth and activity, mainly due to the adverse effects on households and businesses by the Covid-19 pandemic and related restrictions as well as the unrest experienced within the Province in July 2021.

Table 15

The table below details the percentage of collection per customer classification.

	Jun-21				Jul-21		
	SALES RAISED	RECEIPTS	% COLLECTION		SALES RAISED	RECEIPTS	% COLLECTION
Howick	7,931,562	5,714,115	72%	Howick	8,132,366	5,714,115	70%
Tumbleweed	110,257	4,300	4%	Tumbleweed	109,562	4,200	4%
Lidgeton	165,616	1,700	1%	Lidgeton	163,251	1,700	1%
Hilton	2,819,248	2,176,057	77%	Hilton	2,491,348	2,163,057	87%
Mpophomeni	2,702,352	164,435	6%	Mpophomeni	2,601,342	154,435	6%
Bulk	8,726,257	6,048,101	69%	Bulk	9,325,256	6,538,101	70%
Mpofana	1,734,926	278,066	16%	Mpofana	1,634,826	238,066	15%
Mpofana- Brunt	1,661,457	28,134	2%	Mpofana- Brunt	1,551,357	28,134	2%
Richmond	1,586,732	421,248	27%	Richmond	1,486,832	512,148	34%
uMshwathi	2,281,178	771,485	34%	uMshwathi	2,271,168	736,246	32%
uMkhambathini	783,013	258,348	33%	uMkhambathini	775,013	233,363	30%
iMpendle	214,407	136,432	64%	iMpendle	213,207	136,432	64%
Water Schemes	3,381,495	120,638.72	4%	Water Schemes	3,374,832	139,638.72	4%
<b>Total</b>	<b>34,098,499</b>	<b>16,123,060.04</b>	<b>52%</b>	<b>Total</b>	<b>34,130,360</b>	<b>16,599,636.65</b>	<b>49%</b>



Table 16

The table below details a breakdown of July 2021 billing and August 2021 receipts for Water Schemes taken over from Umgeni Water.

Water Schemes	Water Schemes	Sales Raised	Receipts	% Collection	Comment
Hopewell	Hopewell	1,012,577.40	1,600.00	0%	Rural Scheme
Manyavu	Manyavu	235,549.78	20,369.25	9%	Rural Scheme
Intermediate Cross	Intermediate Cross	2,929.65	345.86	12%	Farm Scheme
Swayimana	Swayimana	327,974.13	100.00	0%	Rural Scheme
Table Mountain	Table Mountain	311,679.78	3,189.40	1%	Rural Scheme
Whispers	Whispers	205,407.71	14,221.04	7%	Farm Scheme
Camperdown	Camperdown	216,044.07	70,371.22	33%	Farm Scheme
Birnoum Wood	Birnoum Wood	125,049.98	11,560.08	9%	Farm Scheme
Claridge	Claridge	262,562.31	10,374.09	4%	Farm Scheme
Efaye	Efaye	205,735.61	-	0%	Rural Scheme
Cuphulaka	Cuphulaka	124,678.66	-	0%	Rural Scheme
Mayizekanye	Mayizekanye	133,576.19	5,327.78	4%	Rural Scheme
Mpolweni	Mpolweni	211,066.55	2,180.00	1%	Rural Scheme
<b>Total</b>	<b>Total</b>	<b>3,374,831.82</b>	<b>139,638.72</b>	<b>4%</b>	

#### 8.4 Debtors Age Analysis

The debtor book value as at 31 August 2021 amounted to **R 1.104 billion**. The collection rate in the month of August was **49%** and an average of 51% for the 2021/2022 financial year. The municipality is continuously reviewing its debt collection strategies and has embarked on a Revenue Enhancement Programme which it anticipates will improve the collection rate. Furthermore, debt write-offs of amounts concluded to be irrecoverable have been submitted to Council for consideration and will be implemented in due course.



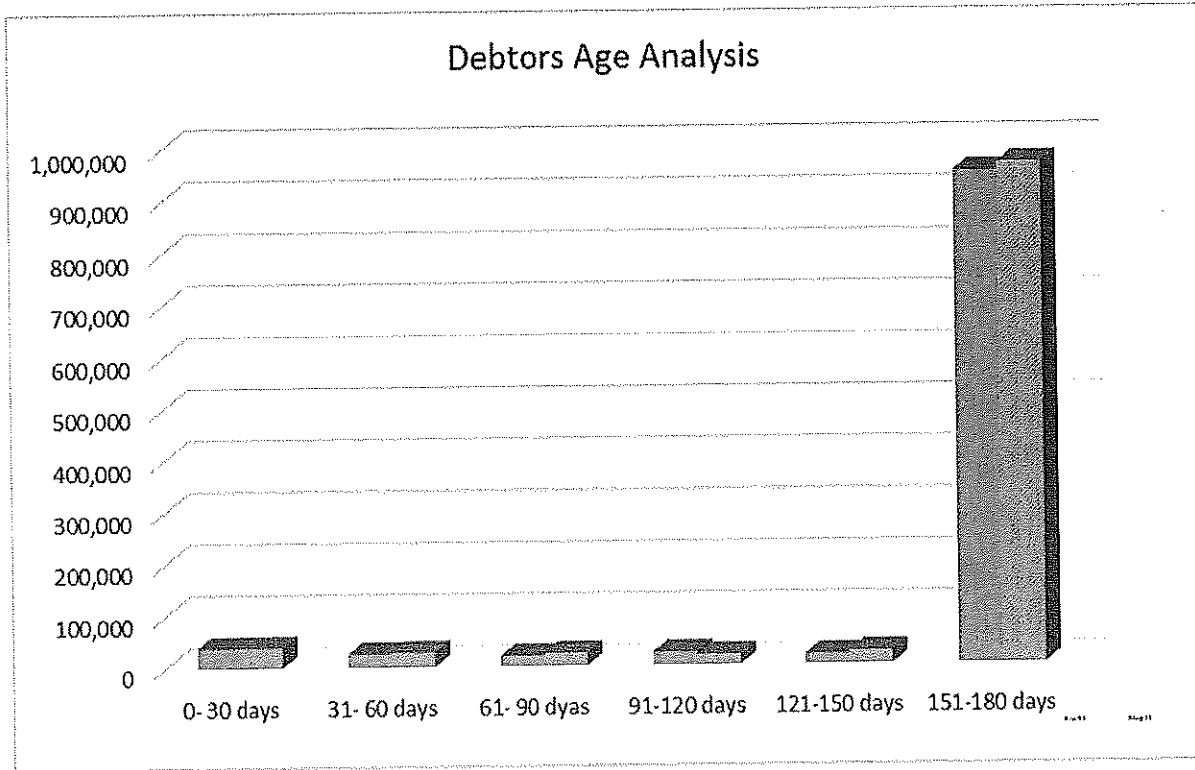


Table 17

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August											
Description	NT Code	Budget Year 2021/22									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
<b>R thousands</b>											
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivables from Exchange Transactions - Water	1200	32,220	22,581	19,745	15,385	20,284	14,411	93,964	541,906	760,496	685,950
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	1,799	1,167	1,330	924	1,023	720	4,991	95,514	107,468	103,173
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	(2)	-	(5)	(69)	(109)	(184)	(184)
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	739	739	739
Interest on Arrear Debtor Accounts	1810	5,271	4,591	4,029	3,951	4,284	4,204	27,118	172,755	226,214	212,323
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1800	(67)	9	(35)	(51)	(37)	5	(27)	9,748	9,545	9,638
<b>Total By Income Source</b>	<b>2000</b>	<b>39,223</b>	<b>28,347</b>	<b>25,069</b>	<b>20,208</b>	<b>25,584</b>	<b>19,335</b>	<b>125,977</b>	<b>820,553</b>	<b>1,104,278</b>	<b>1,011,638</b>
<b>2020/21 - totals only</b>											
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	2200	7,295	2,413	1,333	1,651	1,798	1,337	6,512	20,052	42,391	31,350
Commercial	2300	3,870	2,792	1,746	379	524	540	3,690	12,050	25,591	17,183
Households	2400	25,442	20,802	19,226	15,842	20,327	15,626	103,215	701,026	921,507	856,037
Other	2500	2,616	2,340	2,765	2,336	2,915	1,833	12,560	87,425	114,790	107,069
<b>Total By Customer Group</b>	<b>2600</b>	<b>39,223</b>	<b>28,347</b>	<b>25,069</b>	<b>20,208</b>	<b>25,584</b>	<b>19,335</b>	<b>125,977</b>	<b>820,553</b>	<b>1,104,278</b>	<b>1,011,638</b>



Graph 4



# UMGUNGUNDLOVU DISTRICT MUNICIPALITY



**Table 18**

The table below details the age analysis for customers grouped as UMDM staff members as at 31 August 2021.

Customer	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Balance
5922711808							-1,422.71	-1,422.71
5922411911	271.09	269.82	253.31	250.94	250.94	249.75	9,259.71	10,805.56
5922272107	291.09	3,045.09	270.71	2,817.24	2,817.24	544.79	33,647.13	43,433.29
5922411528	592.89	590.05	553.46	548.18	548.18	762.03	18,424.29	22,019.08
5922721404	405.14	403.33	379.94	376.56	376.56	374.88	18,546.14	20,862.55
5922316386	340.42		-56.71					283.71
5922111502	1,247.98	1,240.94	1,150.30	1,142.61	216.18	1,879.49	1,806.35	8,683.85
5922251794	13.15	1,097.99	1,023.36	161.30				2,295.80
5922227305	1,197.00	920.98	382.69	416.11	4,266.04			7,182.82
5922711631	183.74	1,725.13	518.55	3,226.64	80.56	1,147.68	3,116.30	9,998.60
5922251326	2,026.45	925.92	628.41	1,032.29	1,688.77	1,176.83	1,653.71	9,132.38
5922111593	1,803.33	880.19	555.88	1,035.75	700.65	364.19	4,681.10	10,021.09
5922262141	416.49	414.68	391.29	387.91	387.91	386.23	18,877.24	21,261.75
5922193001	353.94	352.12	328.74	325.36	325.36	323.68	6,233.84	8,243.04
5922411939	386.92	385.11	361.72	360.15	361.90	360.22	13,849.94	16,065.96
5922645000	332.27	330.45	309.80	309.27	314.94	319.04	2,340.17	4,255.94
5922314131	0.31	0.31	0.31	0.31	0.31	0.31	66.85	68.71
5922232755	335.32	333.51	313.03	318.65	318.65	316.97	3,007.54	4,943.67
5922411620	431.46	429.65	406.26	402.88	402.88	401.20	23,178.14	25,652.47
5922711578	427.71	227.89	65.61	210.99	137.38	87.87	3,555.36	4,712.81
5922274100	996.42	714.55	667.81	665.68	693.78	692.93	350.55	4,781.72
5922192292	356.24	354.43	331.04	327.66	327.66	325.98	7,097.47	9,120.48
5922711840	-21.34						-2,548.06	-2,569.40
5922711660	4,058.29	1,071.43	487.90	1,014.49	1,811.16	737.19	84,905.35	94,085.81
5922226809	424.90	423.09	399.70	396.32	396.32	394.64	22,350.59	24,785.56
5922262474	433.87	432.06	408.67	405.29	405.29	403.61	23,309.59	25,798.38
5922192290	383.15	381.34	357.95	354.57	354.57	352.89	13,110.62	15,295.09
5922411734	424.97	423.16	399.77	396.39	396.39	394.71	22,568.34	25,003.73
5922213319	5,366.55	4,187.28	4,204.71	4,458.85	2,920.98	4,728.96	91,527.91	117,395.24
5922113000	720.75	330.88	311.92	280.45	371.53	232.74	14,933.49	17,181.76
5922317749	372.15	371.85	367.91	488.91	439.84	1,151.22	60,979.49	64,171.37
5922213198	660.35	656.60	608.30	604.24	607.13	606.54	53.67	3,796.83
5922741014	4,203.31	4,000.17	3,643.07	3,959.22	3,524.87	1,931.87	52,817.94	74,080.45
5922193002	352.70	350.89	327.50	324.12	324.12	322.18	5,994.92	7,996.43
5922193000	355.34	353.53	330.14	326.77	326.77	325.08	6,508.80	8,526.43
5922251800	681.58	29.27						710.85
5922213962	-249.24							-249.24
<b>Total</b>	<b>30,576.69</b>	<b>27,653.69</b>	<b>20,683.05</b>	<b>27,326.10</b>	<b>26,094.86</b>	<b>21,295.70</b>	<b>21,295.70</b>	<b>718,411.86</b>

# UMGUNGUNDLOVU DISTRICT MUNICIPALITY



**Table 19**

The table below details the age analysis for customers grouped as Councillors as at 31 August 2021.

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922261941			288.94	295.70	293.37	294.43	317.82	1,490.26
5922193491	2,195.25	1,144.49	6,022.82	1,619.94	2,114.70	1,307.99	1,841.68	16,246.87
5922741442				257.11	529.20	532.43	571.99	1,890.73
5922111637	87,231.57	1,899.39	1,698.88	2,971.21	1,676.03	2,403.32	2,708.06	100,588.46
5922275001						635.15	189.96	825.11
5922212236	17,833.26	413.46	412.93	414.82	406.21	405.34	426.99	20,313.01
5922212475	8,896.54	308.09	309.63	311.17	311.17	98.57	334.41	10,569.58
5922111569						0.04	218.91	218.95
5922224497	131,343.02	713.04	1,225.99	2,022.06	779.97	1,274.64	1,127.90	138,486.62
<b>Totals:</b>	<b>278,661.28</b>	<b>5,550.84</b>	<b>11,433.95</b>	<b>9,495.38</b>	<b>7,498.86</b>	<b>8,427.60</b>	<b>10,673.18</b>	<b>331,741.09</b>

Some of the accounts are in dispute due to billing queries and water leaks. The municipality is working with the affected Councillor in resolving these disputes.

**Table 20**

The table below indicates the new accounts created for August 2021.

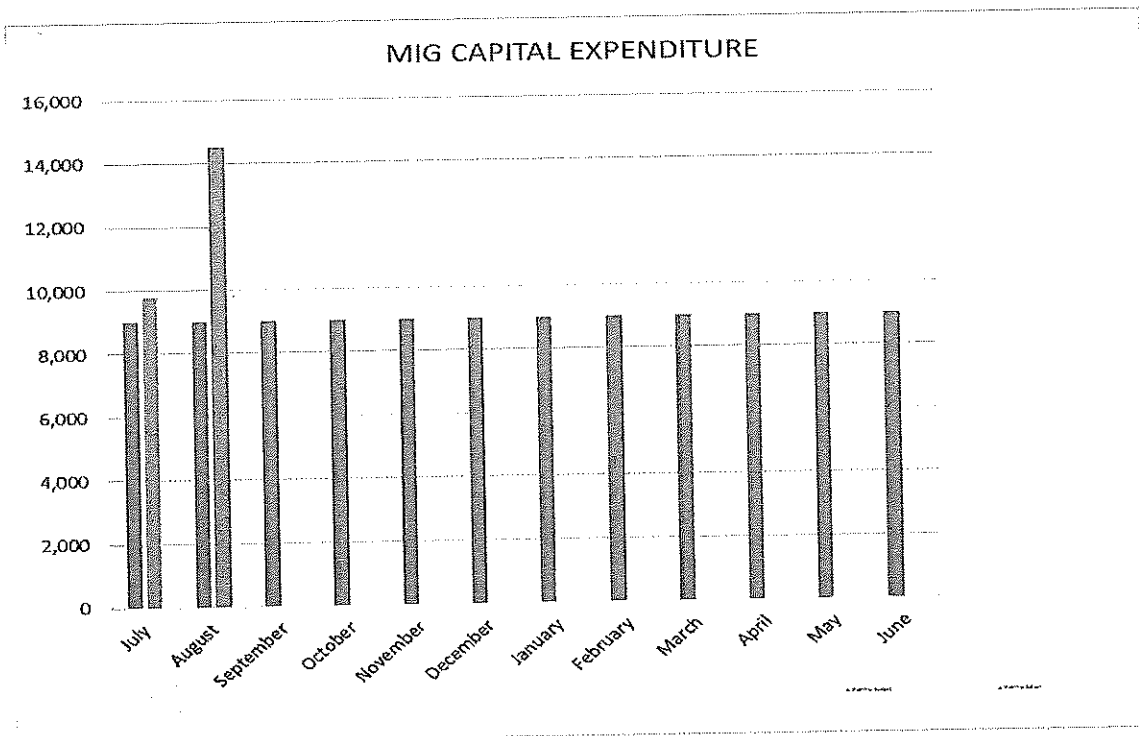
ACCOUNT NO	SURNAME	AREA
5922275013	TAYLOR	HILTON
5922275014	DLIWAYO	HILTON
5922227428	DLADLA	HOWICK
5922330122	DE KLERK	HOWICK
5922330123	MARVLEI PROP	HILTON
5922330124	JAWADU	MOOI RIVER
5922227430	MENTON	MOOI RIVER
5922227429	MOTALA	MOOI RIVER
5922227425	GROBLER	HILTON
5922227431	JOUBERT	HILTON
5922622648	KINGSLEY	HILTON
5922275027	MBAYA	HILTON
5922275028	STRAUSS	MKHAMBATHINI
5922275029	MAHLAOLI	HOWICK
5922227434	NXUMALO	HOWICK



9. In-Year Budget Statement Charts: 31 August 2021 Report

MIG - Capital Expenditure Monthly Trend: Actual vs Budget

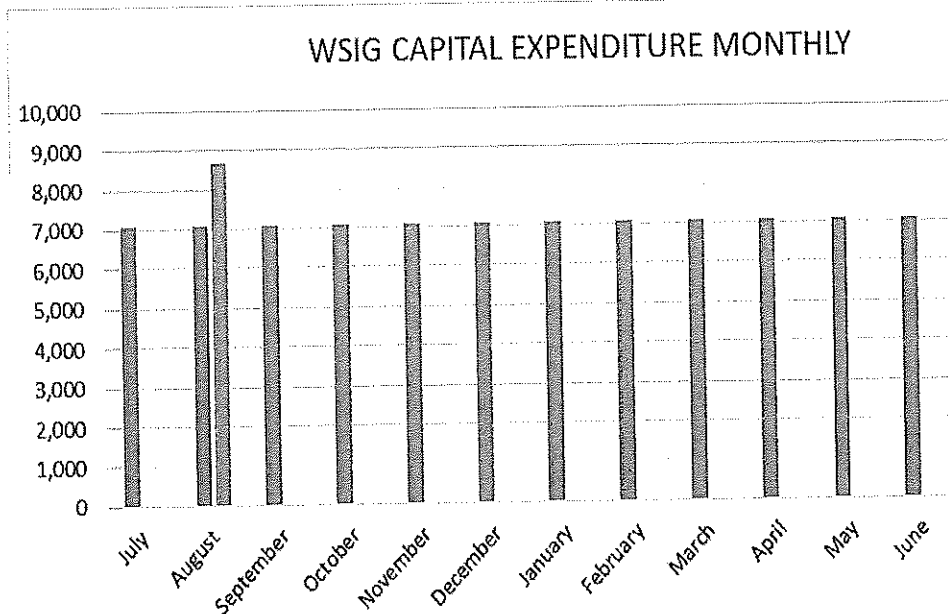
	Monthly budget	Monthly Actual
July	8,991	9,789
August	8,991	14,520
September	8,991	0
October	8,991	0
November	8,991	0
December	8,991	0
January	8,991	0
February	8,991	0
March	8,991	0
April	8,991	0
May	8,991	0
June	8,991	0
	<b>107,893</b>	<b>24,309</b>





**WSIG - Capital Expenditure Monthly Trend: Actual vs Budget**

	Monthly Budget	Monthly Actual
July	7,083	0
August	7,083	8,659
September	7,083	0
October	7,083	0
November	7,083	0
December	7,083	0
January	7,083	0
February	7,083	0
March	7,083	0
April	7,083	0
May	7,083	0
June	7,083	0
	<b>85,000</b>	<b>8,659</b>



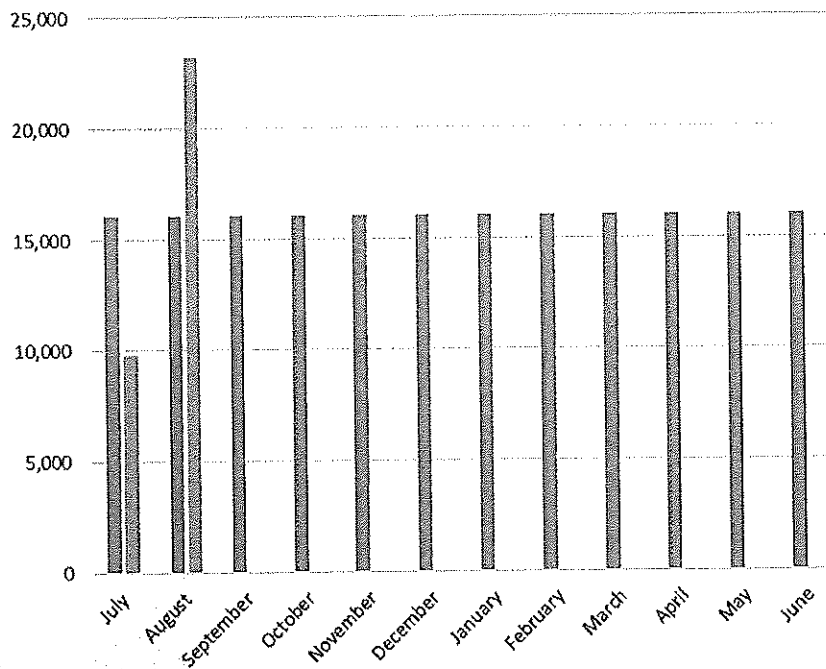
UMGUNGUNDLOVU DISTRICT MUNICIPALITY



Cumulative MIG & WSIG Expenditure: Monthly Actual vs Monthly Budget

	Monthly Budget	Actual
July	16,074	9,789
August	16,074	23,179
September	16,074	0
October	16,074	0
November	16,074	0
December	16,074	0
January	16,074	0
February	16,074	0
March	16,074	0
April	16,074	0
May	16,074	0
June	16,074	0
	<b>192,893</b>	<b>32,968</b>

CUMULATIVE CAPITAL EXPENDITURE





**10. IN-YEAR BUDGET STATEMENT TABLES: AUGUST 2021 REPORT**

The preliminary financial results for the period ended 31 AUGUST 2021 (i.e. 2<sup>ND</sup> month of the 2020/2021 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.



UMGUNGUNDLOVU DISTRICT MUNICIPALITY



ANNEXURES:  
Annexure – Schedule C

FINANCIAL SERVICES DEPARTMENT  
PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING 31 AUGUST 2021  
REPORT CHECKED AND PASSED FOR SUBMISSION TO: FINANCE COMMITTEE

	COMPREHENSIVENESS (FACTS, COMMENTS, RECOMMENDATIONS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
ACTING MANAGER: BUDGET OFFICE MISS L NGUBANE SIGNATURE: <i>L. Ngubane</i> DATE: 10/09/2021	(√)	(√)	(√)
MANAGER: REVENUE MANAGEMENT SIBONGILE KHUMALO SIGNATURE: ..... DATE: .....	(√)	(√)	(√)
MANAGER: ASSET MANAGEMENT NONDUMISO MBATHA SIGNATURE: ..... DATE: .....	(√)	(√)	(√)
MANAGER: EXPENDITURE MANAGER MPUME KHUMALO SIGNATURE: ..... DATE: .....	(√)	(√)	(√)
HEAD OF DEPARTMENT: CHIEF FINANCIAL OFFICER: SIPHO NDABANDABA SIGNATURE: <i>S. Ndabandaba</i> DATE: 10/09/2021	(√)	(√)	(√)
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 **August 2021** 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: 10/09/2021

Print name: Cllr T E Maphumulo

Mayor: uMgungundlovu District Municipality

Signature: \_\_\_\_\_

Date: \_\_\_\_\_