

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPAL COUNCIL



File Reference: 5/1/1/1 Author : Sinegugu Ncube
Report Number: 10 Designation : Chief Financial Officer

OUT OF COMMITTEE CONSIDERATION

1 st Level – MANCO	: 11 May 2015
2 nd Level – Portfolio Committee	: 13 May 2015
3 rd Level – EXCO	: 21 May 2015
4 th Level – MPAC	: 22 May 2015
5 th Level – Council	: 29 May 2015

**SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR
THE PERIOD ENDED 30 APRIL 2015**

DATE : 08 MAY 2015

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 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: ...”.

“28.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 30 April 2015 the ten working day reporting limit expired on **15 May 2015**.

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

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

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

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 10th month of the 2014/15 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 30 April 2015 is R 34 284 million.
 - 3.2 Cash & Cash Equivalent for the period ending 30 April 2015 is R 211 744 million.
 - 3.3 Capital Expenditure for the period ending 30 April 2015 is R 232 760 million.
 - 3.4 Trade Payables for the period ending 30 April 2015 is R 10 302 million.
 - 3.5 Trade Receivables for the period ending 30 April 2015 R 438 512 million.
 - 3.6 Conditional Grants for the period ending 30 April 2015 is R 59 624 million.

5. EXECUTIVE SUMMARY

5.1. Operating Budget

Summary financial performance report for the period ending 30 April 2015 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:

Description	Budget Year 2014/15						% YTD Actual vs YTD budget
	Original Budget	Adjusted Budget	YTD actual April '15	YTD budget	YTD variance	% Progress YTD Actual vs Budget	
R thousands	R'000	R'000	R'000	R'000	R'000		
Total Revenue (excluding capital transfers and contributions)	548,480	532, 539	493,972	443,783	50,189	93%	111%
Total Expenditure	563,718	566, 781	459,688	472,317	12,629	81%	97%
Operating Surplus/(Deficit)	-15,238	(34, 241)	34,284	-28,534	62,818		
Transfers recognised – capital	139,097	116,097	232,428	96,748	135,681	200%	240%
Surplus/(Deficit) after capital transfers & contributions	123,859	81 856	266,713	68,213	198,499		
Surplus/ (Deficit) for the year	123,859	81 856	266,713	68,213	198,499		

The revenue raised as at 30 April 2015 was R493 972 000 against a budget of R443 783 000 for the period. This reflects a revenue rate against year to date budget of **111%** and **93%** against the annual budget. The operating expenditure as at 30 April 2015 was R459 688 000 vs a year to date budget of R472 317 000 reflecting an expenditure of **97%** against the year to date budget and **81%** against the annual budget. The operating surplus for the period amounted to R34 284 000.

The major operating revenue variances against budget are:

- Service Charges
- Transfers recognised – Grants Received
- Other revenue

The major operating expenditure variances against budget are:

- Employee related costs
- Finance Charges; Depreciation and
- Other expenditure

The reasons for variances per source group are cited in Annexure A, Table C1 of this report.

5.2 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:

Description	Budget Year 2014/15						
	Original Budget	Roll over	Total including roll over funds	YTD budget	YTD Actual	Variance	% YTD spent vs Annual Budget
Funding Source	R'000	R'000		R'000	R'000	R'000	
MIG	97,264	-66,591	97,264	81 053	204 016	-122 963	209%
Massification grant	6,104	15,235	21,339	17 783	24 996	-7 213	117%
Water Infrastructure grant	28,611	4,027	32,638	27 198	3 416	23 782	10%
	131,979	-47,329	151,241	126 034	232 428	-106 394	82%

Spending on MIG has accelerated due projects implementation. The municipality overspent the MIG allocation in the previous financial year by an amount of R 66.6 million. This amount was bridge financed by a DBSA loan of R 70 million as MIG front loading. The municipality has received the total MIG allocation amounting to R97.2 million for the current financial year. Of this allocation R 70 million has been paid back to DBSA as it was for front loading in the 2014 financial year as per loan agreement. The MIG funding is currently overspent by **R 70 464 million**, as an amount of **R 36.783 million** was received as the first tranche of the R130 million front loading DBSA loan was received on 31 March 2015.

The **Massification grant is 117%** spent and **MWIG 10%** spent as at April 2015. The Massification grant will be rectified as an amount of R 4.750 million has been received from Cogta. The low expenditure against the water infrastructure grant is attributed to the delays in appointment of a contractor due to an objection received during the procurement process. The objection has since been resolved and the service provider is already in site from January 2015. Site problems have further caused delays in the project progress with the project which is indicative of the low expenditure within the quarter. The total capital expenditure overall is including all grants received is **140%**.

5.3 Employee costs and councillors 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 30 April 2015, **75%** of the budget for councillor's allowances was spent. The staff salary cost was at **78%** expenditure as at 30 April 2015 whilst it represented **33%** of total operating expenditure for the period which is within the norm of 25%-40% to total operating expenses. The combined expenditure on councillor's allowances and salary costs amounted to **35%** against annual budget. The main reason for the variance is that the salary increments were prudently estimated above the value which was later determined by the bargaining council whilst medical aid contribution are budgeted on the maximum allowable as per the collective agreement. See SC 8

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April

Summary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		9,944	14,878	11,684	1,282	8,761	9,737	(975)	-10%	11,684
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors	4	9,944	14,878	11,684	1,282	8,761	9,737	(975)	-10%	11,684
% increase			49.6%	17.5%						17.5%
Other Municipal Staff										
Basic Salaries and Wages		91,456	109,678	107,929	8,254	88,396	89,941	(1,544)	-2%	107,929
Pension and UIF Contributions		22,634	19,795	51,731	1,832	21,204	43,110	(21,906)	-51%	51,731
Medical Aid Contributions		1,637	13,022	10,598	934	6,589	8,832	(2,242)	-25%	10,598
Overtime		7,284	28,177	183	308	6,182	153	6,030	3946%	183
Performance Bonus		7,702	8,386	10,183	-	12,561	8,486	4,075	48%	10,183
Motor Vehicle Allowance		12,993	12,024	13,415	1,159	11,858	11,180	679	6%	13,415
Cellphone Allowance		22	22	22	8	25	18	7	39%	22
Housing Allowances		592	590	916	588	1,184	763	421	55%	916
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		4,105	2	-	-	563	-	563		-
Long service awards		6,180	1,391	1,374	368	1,637	1,145	492	43%	1,374
Post-retirement benefit obligations	2	2,571	5,753	505	347	2,948	421	2,528	601%	505
Sub Total - Other Municipal Staff	4	157,176	198,840	196,856	13,796	153,149	164,047	(10,898)	-7%	196,856
% increase			26.5%	25.2%						25.2%
Total Parent Municipality		167,120	213,718	208,540	15,078	161,910	173,783	(11,873)	-7%	208,540
			27.9%	24.8%						24.8%
TOTAL SALARY, ALLOWANCES & BENEFITS		167,120	213,718	208,540	15,078	161,910	173,783	(11,873)	-7%	208,540
% increase	4		27.9%	24.8%						24.8%
TOTAL MANAGERS AND STAFF		157,176	198,840	196,856	13,796	153,149	164,047	(10,898)	-7%	196,856

5.4 Conditional Grants

The following were the movements on the conditional grants as at 30 April 2015. To date **R210.9 million** of conditional grants has been received since 1 July 2014 whilst **R258 million** has been spent as at 30 April 2015. Operating grants indicate **57%** utilisation of already received money. Capital grants were **140.0%** utilised as at the end of the period. The overall conditional grants utilisation at the end of April is **122%**.

See SC6 and SC7 (1)

<i>GRANTS -</i>	<i>Balance b/f 14/15</i>	<i>YTD Receipts</i>	<i>TOTAL</i>	<i>EXPENDITURE TO DATE</i>	<i>BALANCE</i>	<i>% Spent</i>
CORRIDOR DEVELOPMENT GRANT	550,000.00	-	550,000.00	-	550,000.00	0.00%
MATERIALS RECOVERY FACILITY - CORRIDOR GRANT	19,553,971.77	-	19,553,971.77	19,553,971.77	-	100%
WATER PURIFICATION GRANT	2,244,800.00	-	2,244,800.00	-	2,244,800.00	0%
SHARED DEPLOYMENT GRANT	800,000.00	-	800,000.00	660,000.00	140,000.00	83%
CAMPERDOWN WASTE WATER WORKS	4,000,095.45	-	4,000,095.45	-	4,000,095.45	0%
NEW WWW & BULK SEWER LINE - CORRIDOR DEVELOPMENT	4,000,000.00	-	4,000,000.00	-	4,000,000.00	0%
IRO MUNICIPAL EXCELLENCE GRANT	262,678.47	-	262,678.47	-	262,678.47	0%
ENERGY SECTOR	150,439.76	-	150,439.76	-	150,439.76	0%
WATER DEMAND MANAGEMENT GRANT	969,333.00	-	969,333.00	-	969,333.00	0%
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	952,180.55	2,303,000.00	3,255,180.55	1,860,975.47	1,394,205.08	57%
EXPANDED PUBLIC WORKS PROGRAMMES GRANT	1,405,870.89	3,321,000.00	4,726,870.89	645,103.26	4,081,767.63	14%
ACCREDITED COUNCILLOR TRAINING PROGRAMME	23,020.08	-	23,020.08	-	23,020.08	0%
MSIG	-	934,000.00	934,000.00	681,432.20	252,567.80	73%
FMG	-	1,250,000.00	1,250,000.00	1,311,071.12	(61,071.12)	105%
KZN SPORT	633,775.88	-	633,775.88	-	633,775.88	0%
PTP GRANT	308,816.64	-	308,816.64	-	308,816.64	0%
DPSS GIS GRANT	1,001,016.98	250,000.00	1,251,016.98	893,188.17	357,828.81	71%
TOTAL OPERATIONAL GRANTS	36,855,999.47	8,058,000.00	44,913,999.47	25,605,741.99	19,308,257.48	57%

MIG	(66,590,950.97)	97,264,000.00	97,264,000.00	204,016,101.56		210%
MUNICIPAL WATER INFRASTRUCTURE GRANT	4,027,337.75	28,611,000.00	32,638,337.75	3,416,182.25	29,222,155.50	10%
MASSIFICATION GRANT	15,235,290.77	6,104,000.00	21,339,290.77	24,996,100.59	(3,656,809.82)	117%
DISASTER MANAGEMENT - Drought Relief	-	4,750,000.00	4,750,000.00	-	4,750,000.00	0%
CREDITOR - DROUGHT RELIEF WSA	-	10,000,000.00	10,000,000.00	-	10,000,000.00	0%
TOTAL CAPITAL GRANTS	(47,328,322.45)	146,729,000.00	165,991,628.52	232,428,384.40	40,315,345.68	140%

TOTAL	(10,472,322.98)	154,787,000.00	210,905,627.99	258,034,126.39	59,623,603.16	122%
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5.5 Cash and cash equivalents

An amount of R533 787 was accrued in investment interest income for the month of April. The cash in bank as at 30 April 2015 amounted to **R 81 383 802** and investments amounted to **R130 360 404** with a total cash and cash equivalents of **R211 744 206**. The average interest rate on investment has remained at **6.6%**. The cash coverage ratio as at 30 April 2015 is **4** months based on average operating expenditure for the period. This indicates that the municipality as at 30 April 2015 had sufficient cash to operate for a period of **4** months 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.

Investments by maturity Name of institution & investment ID R thousands	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							
-								
Absa Bank	4 months	Short term	21/06/2015	159	6.5%	30,207	159	30,366
Nedbank	3 months	Short term	08/05/2015	158	6.4%	30,295	158	30,452
Std Bank	4 months	Short term	04/06/2015	161	6.5%	30,292	161	30,453
Investec Bank	3 months	Short term	29/07/2015	5	6.4%	30,320	5	30,005
FNB	1 year	Long term	05/08/2015	22	7.1%	3,922	22	3,944
Ithala Bank	6 months	Short term	03/06/2015	28	6.9%	5,111	28	5,140
TOTAL INVESTMENTS AND INTEREST				533		130,147	533	130 360

Cash in bank Account Name	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	21,040	(13,105)	7,936
Salaries Account	50940092196	8	23	31
Water Services Account	62023616462	350	4,358	4,709
NSTD Call Account	62215748289	107,517	(39,539)	67,979
Mandela Race Account	62411577193	655	3	658
UMDM MIG (Dbsa) Account	62400041985	71	0	71
Public Sector Cheque Account	62243484417			
TOTAL CASH BALANCES		129,643	(48,259)	81,384

TOTAL CASH AND CASH EQUIVALENTS	259,790	(47 726)	211,744
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5.6 Borrowings

As at 30 April 2015 the borrowings were sitting as **R 42,105 million** with the inclusion of the R36.378 million loan from the DBSA front loading facility which was drawn down in the current financial year and to be fully repaid by the 31 August 2015 which falls in next financial year. The facility relates to the sub loan 2 (R130million) of the front loading loan facility of R200 million. Sub loan 1 of R70 million was drawn down in the 2013/2014 financial year. No repayment was made in the month of April as loans are paid bi-annually.

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) 01 APRIL 2015- 30 APRIL 2015)

Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/04/2015	Add: Interest Accrued	Less: Interest paid	Less :Capital Repayments	Closing Balance at 30/04/2015
10434	Greater PMB Electrification Phase 3	10	631,887.46	7,861.52	0	0	639,748.98
10394	Mooi River - Tendele Bulk Water Scheme	10	11,107.57	138.20	0	0	11,245.77
10180	Greater PMB Electrification Phase 2	10	631,887.46	7,861.52	0	0	639,748.98
10392	Greytown Jabula Road Upgrading	10	34,451.63	571.39	0	0	35,023.02
10158	Edendale Unit S Phase 2 Rudimentary Services	10	1,086,315.29	12,015.92	0	0	1,098,331.21
10395	Greytown / Enhalakahle Bulk Water Phase 2	10	421,638.36	4,373.13	0	0	426,011.49
13851	uMDM Ifrastructure Development Programme	11	2,910,168.82	33,189.05	0	0	2,943,357.87
12007528	uMDM Various Water Projects	8.25	36,378,000.00	251,008.20			36,629,008.20
			42,105,456.59	317,018.93	0	0	42,422,475.52

5.7 Creditors Age Analysis

The total payments for the month of April amounted to **R45 434 727. 26** and the top 20 highest paid creditors amounted to **R39 970 257.45** which is **88 %** of total payments. A total of **R4,545 million** or **44%** of invoices remained outside the compliance period of 30 days as at 30 April 2015. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 30 April 2015. The balance of trade payables as at 30 April 2015 was **R10, 301 million**.

Description	Budget Year 2014/15								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									
Trade Creditors	5,758	0	79	0	1,709	2,757	–	–	10,301
Total By Customer Type	5,758	0	79	0	1,709	2,757	–	–	10,301
	55.9%	0.0%	0.8%	0%	16.6%	26.8%			100%

Top 20 highest paid creditors in the month of April 2015

Payee Name	Amount	Description
Umgeni Water	7,312,660.40	Purchase of bulk water
G FLEET(DEPARTMENT OF PUBLIC TRANSPORT	5,282,909.38	Lease/Hire of motor vehicles
AQUA TRANSPORT AND PLANT HIRE(PTY) LTD	5,014,453.90	Water Tankering Services
Icon construction (Pty) Ltd	3,326,739.67	Ukhalo Water
Hidrotech Infra (PTY) LTD	3,053,923.79	Ephatheni Water Supply/Hilton Corridor Development
MAKHAOTSE, NARASIMULU & ASSOCIATES	2,963,921.39	Hilton Corridor Development/Umshwathi Bulk Water
ROYAL HASKONING DHV(PTY)LTD T/A ROYAL HASKONING D	2,204,454.50	Mpophomeni Sanitation/Ephatheni Water/Rams Project
SALGA	2,002,315.00	Membership Fees
UMGENI WATER (ACC-1015274)	1,524,235.89	Operating & Maintenance costs - Howick Water Works
BOSCH STEMELE	1,455,887.41	Mbhawe & Mpethu Water Supply
Electric & Pump Services	1,384,185.29	Maintenance of Water Plants
AURECON SOUTH AFRICA (PTY)LTD	719,535.13	Ukhalo Water/Kwanovuka Water/
ILANGA SECURITY	635,885.27	Security Services
Makhubu Civil cc	624,947.49	Ukhalo Water
UMGENI WATER(ACC-1011871)	554,389.39	Water Safety Plan/Water Quality Monitoring
Talbot & Talbot (Pty) Ltd	483,497.94	Water Quality Monitoring
Sukuma Consulting Engineers (Pty) Ltd	458,706.27	Enguga/Entshayabantu & Macksam Water
Eskom	352,517.13	Electricity Costs
AMAQHAWA ASSET MANAGEMENT SOLUTIONS CC	308,565.59	Maintenance of Water Plants
SIGMA IT AND ION CONSULTING JV	306,526.62	IT Management & Provision of Internet Services
Sub-Total	39,970,257.45	

5.8 Debtors age analysis

The debtor book value as at 30 April 2015 amounted to **R439 million** of which 91% (R398.3 million) is over 90 days. The collection rate in the month of April was at 68%, and the average collection rate for the period was at 56%.

Description	Budget Year 2014/15							Total	Total over 90 days
	R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days		
Debtors Age Analysis By Customer Group									
Organs of State	1 463 872	661 748	365 600	150 648	199 871	39 408 920	42 250 659	39 759 439	
Commercial	3 208 757	511 120	521 152	404 354	475 791	10 578 981	15 700 155	11 459 126	
Households	12 698 394	5 707 789	6 355 007	5 066 740	4 592 981	293 129 773	327 550 684	302 789 494	
Other	6149 353	1 638 862	910 313	1 053 731	871 371	42 386 390	53 010 020	44 311 492	
Total By Customer Group	23 520 376	8 519 519	8 152 072	6 675 473	6 140 014	385 504 064	438 511 518	398 319 551	
	5%	2%	2%	2%	1%	88%		91%	

SUNDRY DEBTORS

These debtors are not water related.

4000164 uMsunduzi Municipality	31,564,655.91		31,564,655.91	A meeting was held on the 14th April with MM and CFO's of both Municipalities and it was agreed that the CFO's must work on the issues and report to MM's on the progress.	This matter is being investigated in terms of source documentation.
4000657 KZN Department of Works	1,822,628.31		1,822,628.31	This matter is in respect of the water works takeover of the Appelsbosch Water Plant. The original outstanding debt was R2 552 745. KZN Public works agreed to pay R 808 236 and the balance must be claimed from National Treasury as part of the equitable share. Payment of R808 236.06 was paid by KZN Public Works. Payment was requested from Provincial Treasury however they need to investigate the matter since it dates back to 2008. The Provincial Treasury has advised that they are still in process of collecting the data for the various financial years with regards to the allocation of the equitable share before payment can be effected.	This matter is being investigated in terms of source documentation.
4000160 uMzinyathi Municipality	1,360,790.54		1,360,790.54	This matter is in respect of a DBSA loan repayment. A letter has been sent to uMzinyathi on the 31 July 2014 requesting payment. Email sent to uMzinyathi CFO on the 4 th December 2014 Further documentation and reconciliation in terms of payments made is being consolidated in order to recover the outstanding debt.	The account has been reconciled and information has been submitted to the CFO of uMzinyathi Municipality so that payment can be made.
40001762 NL Agency/ORIO	210,701.52		1,302,406.52	Outstanding amount in respect of Orio Grant	Invoice raised for Orio Grant. Enquiries made with regards to payment of account. Awaiting payment.
4000456 Prov. Dept. of Social Develop	918,058.75		918,058.75	The matter is in respect of a Womens Day function hosted by the municipality. The municipality paid for the event and the Department of Social Service was to pay back the expenses incurred. Various attempts have been made for payment. Request for appointment with the CFO Ashnie Singh was made. The Department requested information regarding the contract	A meeting request was sent to the CFO of the department so that this matter can be finalised however the assistant manager advised that once the Memorandum of Understanding is received then only payment will be made. The document cannot be located and further investigation is required to recover the outstanding debt.

				that was signed between the municipality and the Department of Social Development. This information has been requested from the office of the MM so that a meeting can be set up to finalise payment.	
4000166 uMshwathi Municipality	326,792.33		326,792.33	The amount outstanding is interest accumulated for Councillor allowances debt that was repaid.	Requested payment from the CFO uMshwathi Municipality however he requests the interest to be written off as the debt has been repaid.
40001763 First National Bank	135,659.77		135,659.77	Outstanding amount in respect of Mandela Marathon	Enquiries made with regards to payment of account. Awaiting payment.
4000163 Richmond Municipality	124,959.28		124,959.28	Outstanding amount in respect of Agency agreement	Invoice sent to CFO. The municipality is investigating the invoices before payment can be made.
400001213 KZNPA	85,778.59	23,100.00	108,878.59	Outstanding amount in respect of Parking	Invoices and emails sent to KZNPA. Awaiting payment.
40001764 Standard Bank	107,549.33		107,549.33	Outstanding amount in respect of Mandela Marathon	Enquiries made with regards to payment of account. Awaiting payment.

CONSUMER DEBTORS

These debtors are as a result of non-payment for water services rendered.

Debtor	March	Movement	April	Credit Control Progress to date
5922800012 Department of Public Work and Land	563,055.99	676,289.13	1,239,345.12	Payment of R 563,055.99 for March 2015 consumption received on the 15 th May 2015. R 676,289.13 is current consumption.
5922112790 Ndlovu N E	874,236.07	18.81	874,254.88	High take on balance from the local municipality. Letters sent to municipalities requesting supporting documentation.
5922651132 P & G Spars	829,247.12	5,711.28	834,958.40	Meter on the property has been disconnected. Umgeni Water and Technical Services are investigating the matter.
5922112818 Zondi B A	676,678.34	18.81	676,697.15	High take on balance from the local municipality. Letters sent to municipalities requesting supporting documentation

5922123125 M S Ntshangase	610,859.63	56.60	610,916.23	High take on balance from the local municipality. Letters sent to municipalities requesting supporting documentation
5922215208 uMngeni Municipality (UMDM)	519,760.56	3,438.85	523,199.41	The meter has been verified and it was established that the meter belongs to UMDM. Included in report for debt write-off.
5922171316 M Gumede	439,655.85	98.05	439,753.90	High take on balance from the local municipality. Letters sent to municipalities requesting supporting documentation.
5922711490 Richmond Country Club	434,735.46	2,975.25	437,710.71	Account disconnected on the 15 th October 2014. Meter verification was conducted in November and the meter remains disconnected. The file has been sent to the Legal Advisor for legal action.
5922121582 Inanda Shopping Centre	437,416.10	149.96	437,566.06	The meter was verified. The take-on balance from the local municipality is R 350,017.05. Disconnection notice has been sent for the balance. Meter has been disconnected on the 10 th February 2015
5922314401 Mooi River Taxi Association	420,428.03	12,729.51	433,157.54	Account disconnected on the 15 th October 2014. Meter verification was conducted in November and the meter remains disconnected. The file has been sent to the Legal Advisor for legal action

6. IN-YEAR BUDGET STATEMENT TABLES: APRIL 2015 REPORT

The preliminary financial results for the period ended 30 April 2015 (i.e. 10th month of the 2014/15 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

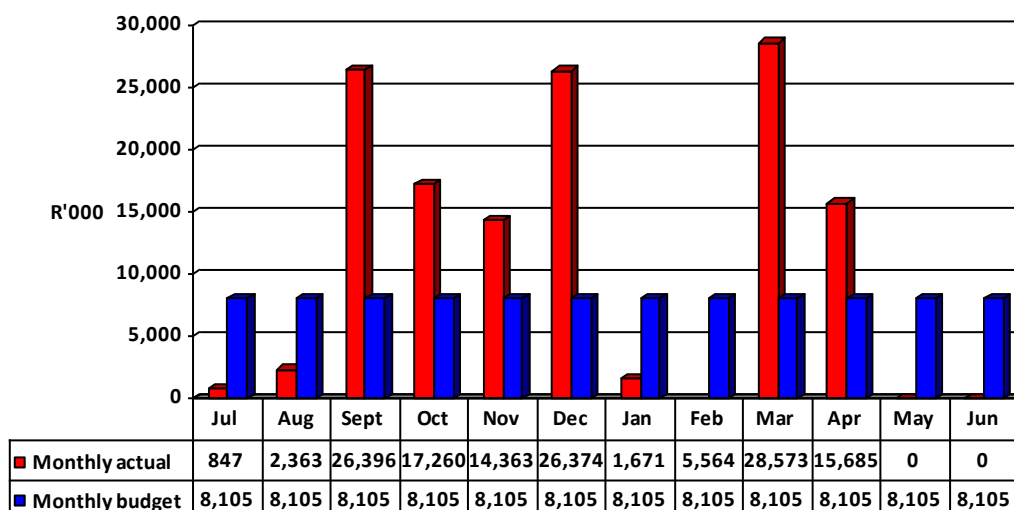
- (a) Table SC1: Material variance explanations
- (b) Table SC2: Monthly Budget Statement – Performance Indicators
- (c) Table SC3: Monthly Budget Statement – Aged Debtors
- (d) Table SC4: Monthly Budget Statement – Aged Creditors

- (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

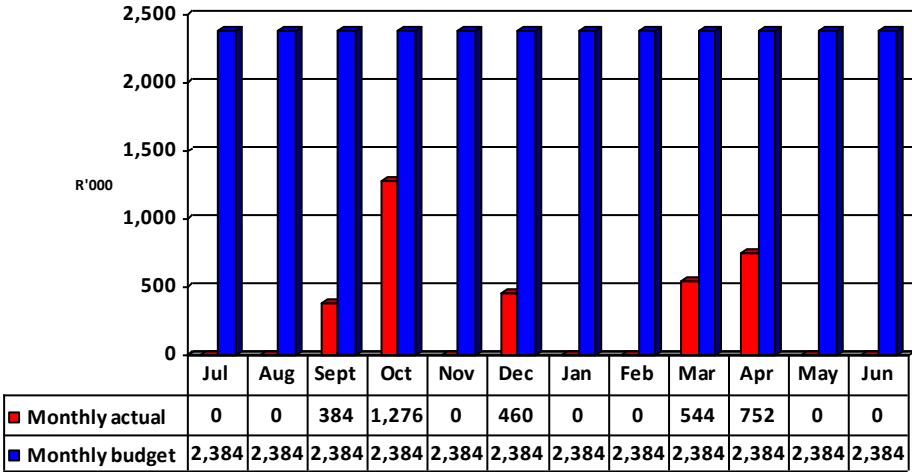
- (h) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
- (i) Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
- (j) Table SC10: Monthly Budget Statement – Parent Municipality Financial Performance (Revenue and Expenditure)
- (k) Table SC11: Monthly 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

7. IN-YEAR BUDGET STATEMENT CHARTS: APRIL 2015 REPORT

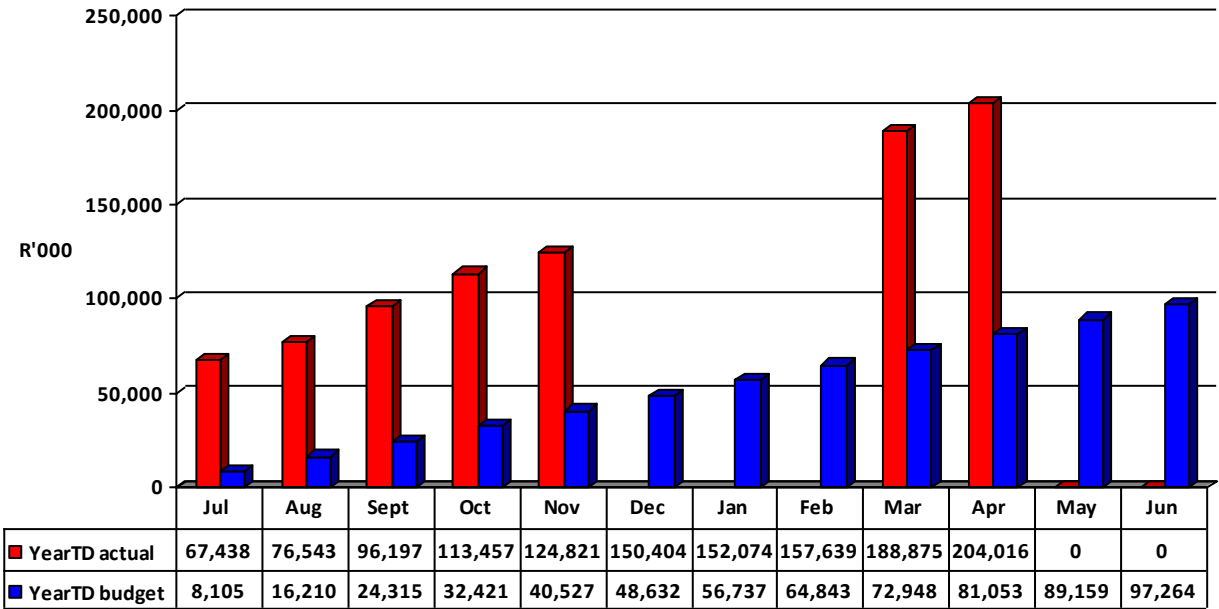
MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET



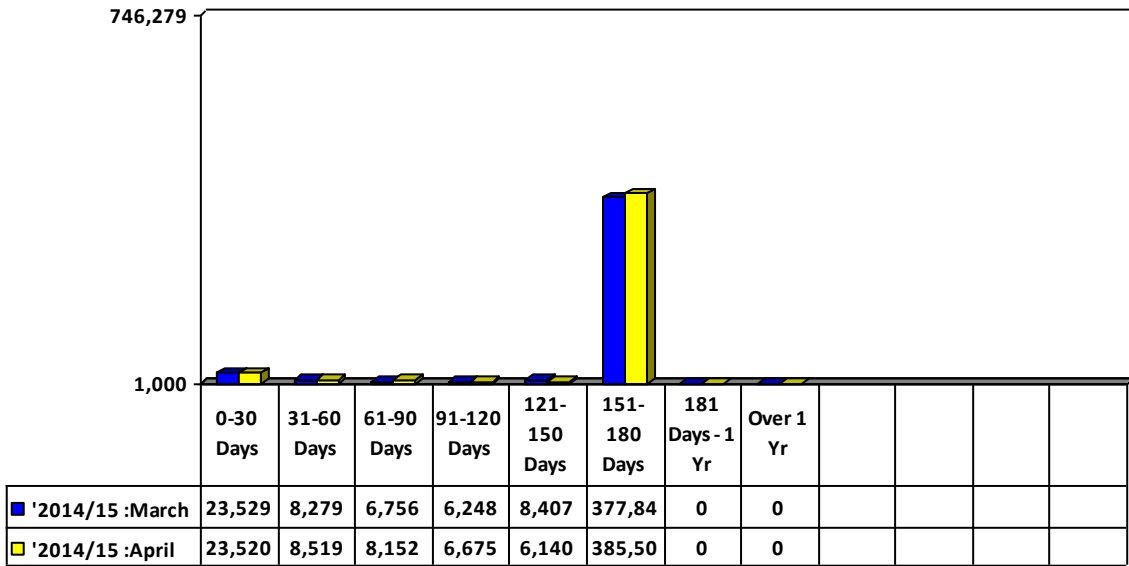
MWIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET



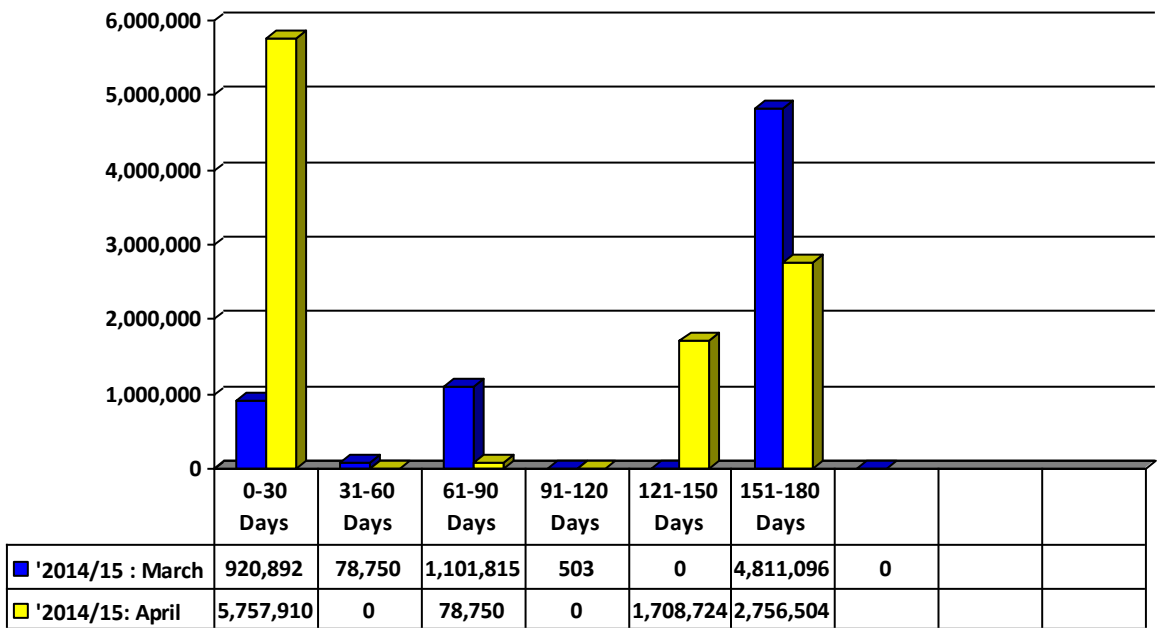
CUMULATIVE CAPITAL EXPENDITURE: YTD ACTUAL VS YTD BUDGET



DEBTORS AGE ANALYSIS



CREDITORS AGE ANALYSIS



8. 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: Sinegugu Ncube

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY AND THIRD

QUARTER BUDGET STATEMENT) FOR THE PERIOD ENDING 30 April 2015

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

	COMPREHENSIVENESS (FACTS, COMMENTS, RECOMMENDATIONS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
EXECUTIVE MANAGER: BUDGET OFFICE NONDUMISO MBATHA SIGNATURE: DATE :	(√)	(√)	(√)
EXECUTIVE MANAGER: REVENUE MANAGEMENT: SIBONGILE KHUMALO SIGNATURE: DATE :	(√)	(√)	(√)
EXECUTIVE MANAGER: EXPENDITURE MANAGEMENT: NOMPUMELELO KHUMALO SIGNATURE: DATE :	(√)	(√)	(√)
HEAD OF DEPARTMENT: CHIEF FINANCIAL OFFICER : SINEGUGU NCUBE SIGNATURE : DATE :	(√)	(√)	(√)
EXECUTIVE MANAGER: INTERNAL AUDIT PORTIA NZIMAKWE SIGNATURE: DATE :	(√)	(√)	(√)

Municipal Manager’s quality certification

I, **Terence L Sibusiso Khuzwayo**, the 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 **April 2015** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. T L S Khuzwayo_____

Municipal Manager: uMgungundlovu District Municipality

Signature: _____

Date: _____

Print name: Mr. Y Bhamjee_____

Mayor: uMgungundlovu District Municipality

Signature: _____

Date: _____