

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

1. Operating Budget

Summary financial performance report **SF1** for the period ending 31 MARCH 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 - M09 March									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	285,087	335,018	341,018	26,904	221,150	251,264	(30,114)	-12%	335,018
Investment revenue	6,091	528	528	13	143	396	(252)	-64%	527
Transfers and subsidies	543,973	300,569	340,883	137,562	616,574	225,427	391,147	174%	300,569
Other own revenue	47,812	300,777	321,406	3,971	32,589	225,582	(192,993)	-86%	300,777
Total Revenue (excluding capital transfers and contributions)	882,963	936,892	1,003,835	168,451	870,456	702,669	167,787	24%	936,892
Expenditure									
Employee costs	256,995	249,673	269,980	20,369	200,299	187,255	13,044	7%	249,673
Remuneration of Councillors	11,606	13,599	13,782	985	8,812	10,199	(1,387)	-14%	13,599
Depreciation & asset impairment	54,113	43,774	43,774	3,923	35,536	32,830	2,706	8%	43,774
Finance charges	29,439	27,550	27,550	1,758	22,651	20,662	1,989	10%	27,550
Materials and bulk purchases	224,527	185,526	267,929	23,381	168,939	139,144	29,795	21%	185,526
Transfers and subsidies	2,736	9,929	6,500	301	7,124	7,447	(322)	-4%	9,929
Other expenditure	426,344	282,115	234,710	6,394	159,511	211,586	(52,076)	-25%	282,115
Total Expenditure	1,005,760	812,166	864,225	57,111	602,874	609,125	(6,251)	-1%	812,166
Surplus/(Deficit)	(122,797)	124,726	139,609	111,340	267,582	93,544	174,038	186%	124,726

The revenue raised as at 31 March 2021 is R 870.5 million against the adjusted budget of R 1003.8 billion for the year and R 702.7 million for the period. This reflects a revenue rate of 86.71% against the adjusted budget.

The operating expenditure as at 31 March 2021 was R602.9 million vs a year to date budget of R 609.1 million reflecting YTD expenditure of 98.97% and 69.76% of the adjusted budget. The operating surplus for the period was **R 128.4 million**.

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

- Service charges below target by 12%.
- Transfers and subsidies are 174% above target due to the receiving the Equitable Share and other grants.
- Investment revenue is 64% below target. The municipality does not have excess funds to be invested. The investment that the municipality holds is due for renewal in September 2021.
- Other revenue account, the 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 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	Adjusted Budget 2020 /2021	Expenditure as at 31 March 2021	% spent
MIG	101 245 000.00	65 803 398.42	32.92
WSIG	80 000 000.00	51 310 077.78	64.14
RRAMS	2 552 000.00	1 409 685.00	55.24
INTERNALLY GENERATED FUND(ES)	41 235 000.00		0.00
	225 032 000.00	118 523 161.20	52.67
LESS NON CAPITALISED PROJECTS			
TOTAL CAPITAL EXPENDITURE	225 032 000.00	118 523 161.20	52.67

The total original capital budget for the 2020/ 2021 financial year is **R 183 million** including the allocation for the Rural Roads Assets Management Grant of R 2.5 million.

The MIG allocation is R 101 million was originally approved, an additional allocation of R 41.2 million from Treasury for Covid 19 Response was allocated through the Equitable Share and the Water Services Infrastructure Grant is R 80 million and the adjusted Capital Expenditure Budget is **R 225 million**. Year to date expenditure for MIG is R 65.8 million and WSIG is R 51.3 million.

The application for the roll over amount of R 6 million for the MIG was unsuccessful , the National Treasury withheld it with the payment of the last tranche of the Equitable Share .

3. Employee costs and councillor's 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 councillor's amounts to R 13.8 million while salaries budget for staff amounts to R 269.9 million. This brings the total salaries budget to R 283.7 million, which is 33% of



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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 costs incurred, including Senior Managers, as at 31 March 2021 amounts to R 200.3 million while the actual salaries cost for Councillors is R 8.8 million. This amounts to a total of R 209.1 million and it represents 73.69% of the total salaries budget.
- 3.5 Remuneration of councillors is spent at 63.94% of the total remuneration budget for Councillors. While 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 in the district. Also, the number of meetings held during the financial year June is not the same as 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 March 2021 are still based on the December 2018 promulgation which was effective for payment in the month of July 2018.

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Table 3

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March										
Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		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)										
Basic Salaries and Wages		6,998	8,606	8,789	590	5,249	6,454	(1,205)	-19%	8,606
Pension and UIF Contributions		700	355	355	58	521	266	254	96%	355
Medical Aid Contributions		191	338	338	27	175	253	(78)	-31%	338
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		827	925	925	70	632	694	(62)	-9%	925
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2,890	3,375	3,375	240	2,235	2,531	(296)	-12%	3,375
Sub Total - Councillors		11,606	13,599	13,782	985	8,812	10,199	(1,387)	-14%	13,599
% increase	4		17.2%	18.8%						17.2%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,198	6,319	6,319	314	3,023	4,739	(1,716)	-36%	6,319
Pension and UIF Contributions		183	9	9	1	63	7	57	846%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		98	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		699	765	765	40	358	574	(216)	-38%	765
Cellphone Allowance		108	93	93	7	65	70	(5)	-7%	93
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	-	-	0	0	-	0	#DIV/0!	-
Payments in lieu of leave		-	-	-	-	283	-	283	#DIV/0!	-
Long service awards		17	-	-	-	6	-	6	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6,303	7,186	7,186	361	3,798	5,389	(1,592)	-30%	7,186
% increase	4		14.0%	14.0%						14.0%
Other Municipal Staff										
Basic Salaries and Wages		137,310	152,403	160,040	12,042	108,834	114,302	(5,468)	-5%	152,403
Pension and UIF Contributions		30,704	33,256	33,794	2,669	24,226	24,942	(716)	-3%	33,256
Medical Aid Contributions		14,215	12,112	14,559	1,042	9,654	9,084	570	6%	12,112
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		11,527	12,119	12,119	4	11,830	9,089	2,741	30%	12,119
Motor Vehicle Allowance		19,964	19,306	22,681	1,746	15,700	14,479	1,221	8%	19,306
Cellphone Allowance		40	834	1,759	3	27	625	(598)	-96%	834
Housing Allowances		1,158	1,271	1,271	115	968	953	15	2%	1,271
Other benefits and allowances		30,741	8,960	8,418	2,111	22,972	6,720	16,252	242%	8,960
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		4,843	2,227	8,153	276	2,290	1,670	620	37%	2,227
Post-retirement benefit obligations	2	192	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		250,692	242,487	262,794	20,008	196,502	181,865	14,636	8%	242,487
% increase	4		-3.3%	4.8%						-3.3%
Total Parent Municipality		268,601	263,272	283,763	21,354	209,112	197,454	11,658	6%	263,272
Unpaid salary, allowances & benefits in arrears:										
% increase	4									
Total Municipal Entities										
TOTAL SALARY, ALLOWANCES & BENEFITS		268,601	263,272	283,763	21,354	209,112	197,454	11,658	6%	263,272
% increase	4		-2.0%	5.6%						-2.0%
TOTAL MANAGERS AND STAFF		256,995	249,673	269,980	20,369	200,299	187,255	13,044	7%	249,673

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4. Conditional Grants

As at the end of March 2021 a total of R 227.9 million of conditional grants was received since 1 July 2020, whilst an additional R 26.5 million was available and was received in the previous financial year. A total of R 122.5 million was spent as at 31 March 2021. An amount R 6 million was withheld by the National Treasury as the application for the rollover was unsuccessful. The operating grant utilisation is at 30.43% and the capital grant utilisation was 50.36% of allocations received. Overall grant utilisation is at 57.46%.

Table 4

Description	Opening Balance	Receipts	Roll Over Repayments	Total receipts	Expenditure	Balance	Percentage
Operating Grants							
FMG	0	1 000 000		1 000 000	961 920	38 080	96.19
PTP	308 817			308 817		308 817	0.00
EPWP	0	3 071 000		3 071 000	1 955 849	1 115 151	63.69
Camperdown WWW	4 000 095			4 000 095		4 000 095	0.00
SETA Grants	0			0		0	0.00
RASET GRANT	0			0		0	0.00
DGDS GRANT	126 989			126 989		126 989	0.00
DPSS GRANT	0			0		0	0.00
GEOPlanning	1 993 574			1 993 574	522 481	1 471 093	26.21
IDP SPATIAL DEVELOPMENT FRAMEWORK	1 000 000			1 000 000		1 000 000	0.00
SPATIAL DEVELOPMENT FRAMEWORK	1 000 000			1 000 000		1 000 000	0.00
Disaster Management Grant - COVID 19	521 963			521 963	521 963	0	100.00
Total Operating Grants	8 951 438	4 071 000	0	13 022 438	3 962 213	9 060 225	30.43
Capital Grants							
WSIG	0	80 000 000		80 000 000	51 310 078	28 689 922	64.14
Drought Relief Initiatives	0			0		0	0.00
MIG	6 040 433	100 003 000	-6 040 433	100 003 000	65 803 398	34 199 602	65.80
Equitable Share - Covid Response		41 235 000		41 235 000			
Orio	11 550 860			11 550 860		11 550 860	0.00
RRAMS	0	2 552 000		2 552 000	1 409 685	1 142 315	55.24
Total Capital Grants	17 591 293	223 790 000	-6 040 433	235 340 860	118 523 162	75 582 699	50.36
Total Grants	26 542 730.94	227 861 000.00	-6 040 433.00	248 363 297.72	122 485 374.47	84 642 923.25	49.32

5. Cash and cash equivalents

An amount of R 13 154 was accrued in investment interest income for the month of March 2021. The cash in bank as at 31 March 2021 amounted to **R 232.3 million** and investments amounted to **R 3.8 million** bringing a total cash and cash equivalents of **R 236.1 million**. The average interest rate on investment is at 4.1%. The cash coverage ratio as at 31 March 2021 is **1.97 based** on average of R 75 million per month fixed operating expenditure. This indicates that the municipality as at 31 March 2021 have enough cash to run its operation for **59 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.

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Table 5

Period of Investment Yrs/Months	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
1 year	Long term	9/7/2021	13	4.1%	3,824	13	3,837
			13	0	3,824	13	3,837

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
		R 0.00	R 0.00	R 0.00
Main Account	50940026773	9 558 460.67	67 370 521.37	76 928 982.04
Salaries Account	50940092196	56 426 225.44	15 269 125.49	71 695 350.93
Water Services Account	62023616462	81 064 914.76	988 947.63	82 053 862.39
NSTD Call Account	62215748289	565 093.59	1 300.49	566 394.08
Mandela Race Account	62411577193	804 536.77	648.69	805 185.46
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	224 270.91	765.16	225 036.07
Public Sector Cheque Account	62243484417	-214.73	214.73	0.00
Total Cash Balances		148 643 287.41	83 631 523.56	232 274 810.97

Table 6 above excludes an investment of R3.7 million held with FNB as a security for the Long-Term Borrowings (DBSA Loan).

6. Borrowings

As at 31 March 2021 the loans book was sitting at R 189.9 million. The average interest rate on remaining loans is 10.8 %. The debt to revenue ratio at 21.82% as projected which is below the treasury norm of below 45%. This indicates that the debt book is funded by 0.20% of the internally generated operating income.

Table 7

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) MARCH 2021							
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/03/2021	Add: Interest Accrued	Less: Interest paid	Less :Capital Repayments	Closing Balance at 31/03/2021
12007869	uMgungundlovu Various Water Projects	10.889	188,194,452.02	1,757,644.89	0.00	0.00	189,952,096.91
			188,194,452.02	1,757,644.89	0.00	0.00	189,952,096.91



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7. Creditors Age Analysis

The balance of trade payables as at 31 March 2021 was R 63.5 million.

Total R 16.4 million or 26% of invoices remained outside the compliance period of 30 days as at 31 March 2021. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 March 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 adhoc 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, in order to resolve issues that may have been raised by the Accounting Officer.

Generally Accepted Accounting Practise (GRAP) requires that payments must be reflected in the period in which they were made, so accounts payables balance as at 30 June 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.

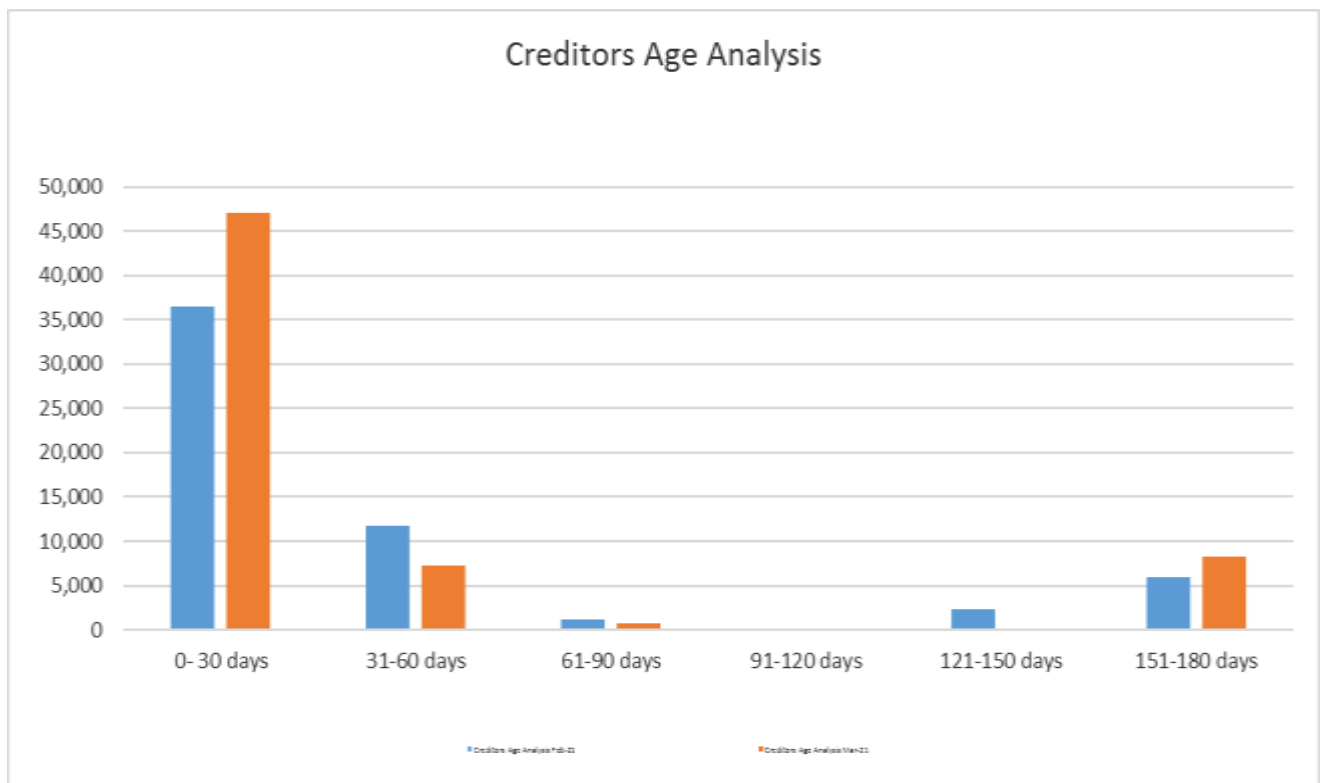
As most ESKOM accounts have payment terms which are much less than 30 days, interest on late payment is unavoidable. In order to alleviate this problem, more than 90% of ESKOM accounts were switched to debit order system and the process to transfer all accounts to a debit order method of payment is under way. The benefit of the use of a debit order system is that there is no fruitless expenditure which is in the form of interest on late payment, and there is no power cut which leads to service interrupts which arise from unavailability of water.

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Table 8

Creditors Age Analysis		
	Feb-21	Mar-21
0- 30 days	36,557	47,051
31-60 days	11,793	7,209
61-90 days	1,172	776
91-120 days	75	150
121-150 days	2,379	37
151-180 days	5,954	8,245
	57,930	63,468

Graph 1



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8. Billing Revenue and Debtors

8.1 Billing Summary: DECEMBER 2020 TO MARCH 2021

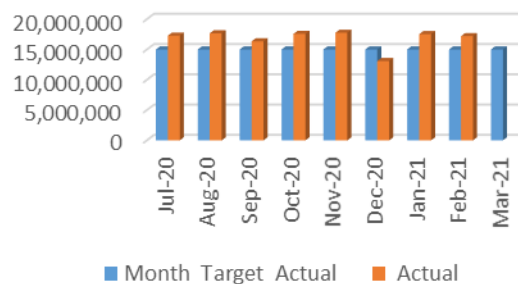
Table 9

Area	December 2020	January 2021	February 2021	March 2021
uMshwathi	1,841,580.32	2,138,612.60	2,06,424.37	1,236,595.17
uMngeni	10,494,730.77	11,736,700.72	10,622,131.17	11,468,320.47
Mpofana	2,432,834.03	2,806,535.44	1,858,549.90	2,245,836.91
iMpendle	270,451.25	264,369.66	329,940.06	329,466.25
Mkhambathini	630,486.67	791,804.26	630,938.36	660,374.41
Richmond	1,156,467.89	1,616,688.31	1,280,595.53	1,308,288.70
Water Schemes	4,509,850.30	3,647,613.64	4,059,199.09	4,270,119.68
Bulk Customers	7,222,918.79	8,633,238.64	6,231,277.43	9,226,734.49
Total	28,559,320.02	31,635,563.27	27,075,042.91	30,745,736.08

8.2 Credit Control And Debt Collection Target Vs Collection: FEBRUARY 2021

TABLE 10

Month	Target	Actual
Jul-20	15,000,000	17,284,495
Aug-20	15,000,000	17,666,674
Sep-20	15,000,000	16,346,202
Oct-20	15,000,000	17,572,851
Nov-20	15,000,000	17,763,415
Dec-20	15,000,000	13,091,885
Jan-21	15,000,000	17,531,805
Feb-21	15,000,000	17,206,325
Mar-21	15,000,000	



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The table below details financial year to date monthly billing and receipts for the 2020/2021 financial year.

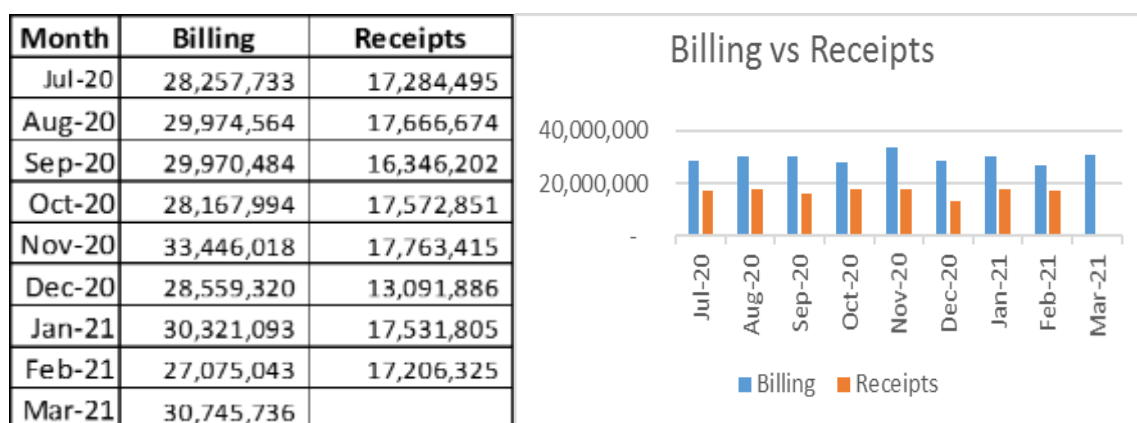
Table 11

BILLING VS RECEIPTS

BILLING VS RECEIPTS				
Month	Billing	Receipts	Collection %	Comment
July 2020	28,257,732.50	17,284,494.66	61%	
August 2020	29,974,564.28	17,666,674.00	59%	
September 2020	29,970,484.33	16,346,202.10	55%	
October 2020	28,167,993.63	17,572,851.74	62%	
November 2020	33,446,017.74	17,763,414.76	53%	
December 2020	28,559,320.02	13,091,885.61	46%	
January 2021	30,321,093.00	17,531,805.00	58%	
February 2021	27,075,043.00	17,206,325.21	64%	
March 2021	30,745,736.08			
Total	<u>267,046,984.60</u>	<u>134,463,653.00</u>	<u>56%</u>	

Billing Vs Receipts

Graph 3



The Table Below Details The Classification Of Receipts – December 2020 to March 2021

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Table 12

<u>Basis of Receipts</u>	<u>December 2020</u>	<u>January 2021</u>	<u>February 2021</u>	<u>March 2021</u>
Direct Deposits	16,565,918.10	12,223,845.23	16,468,339.47	15,913,427.36
Easy Pay	759,602.74	339,396.41	625 403.73	860,897.88
Post Office	67,358.12	82,727.29	72 312.18	77,084.57
Customer Care Centre	335,271.33	424,258.36	283 418.98	334,122.66
Manual Receipts	35,264.47	21,658.32	82 330.64	20,792.74
Total	<u>17,763,414.76</u>	<u>13,091,885.61</u>	<u>17,531,808.01</u>	<u>17,206,325.21</u>

The Table Below Details Customer Category Receipts- December 2020 to March 2021

TABLE 13

<u>Customer Classification</u>	<u>December 2020</u>	<u>January 2021</u>	<u>February 2021</u>	<u>March 2021</u>
Government	1,865,511.28	2,179,805.49	2,300,578.02	3,460,942.81
Business	9,891,245.23	6,245,863.25	9,212,257.22	10,784,560.00
Households	5,987,457.25	4,653,925.25	5,940,068.00	7,825,312.26
Indigent Households	9,080.00	6,478.36	74,171.86	32,610.22
Church	3,421.00	3,8453.21	3,930.33	5,875,112.36
Councillors	6,700.00	1,968.00	800.00	1,563.00
Total	<u>17,763,414.76</u>	<u>R13,091,885.61</u>	<u>R17,531,808</u>	<u>17,206,325.21</u>

The Table Below Indicates the Comparison Of Collection Rate Between 2019/20 Financial Year And 2020/21 Financial Year

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TABLE 14

2019/2020 Financial Year				2020/2021 Financial Year			
Month	Billing	Receipts	Collections %	Month	Billing	Receipts	Collections %
Jul-19	27,705,888	19,766,487	71%	Jul-20	28,257,733	17,284,495	61%
Aug-19	28,637,963	20,172,485	70%	Aug-20	29,974,564	17,666,674	59%
Sep-19	29,839,422	16,183,942	65%	Sep-20	28,167,993.63	16,346,202	58%
Oct-19	31,132,730	15,875,196	51%	Oct-20	28,167,993.63	17,572,852	62%
Nov-19	26,992,464	17,306,074	64%	Nov-20	33,446,018	17,763,415	53%
Dec-19	28,331,307	16,615,682	59%	Dec-20	28,559,320	13,091,886	46%
Jan-20	30,812,584	15,819,523	51%	Jan-21	30,321,093	17,531,805	58%
Feb-20	30,812,584	15,819,523	51%	Feb-21	27,075,043	17,206,325	64%
Average Collection Rate for 2019/2020			60%	Average Collection Rate for 2020/2021			56%

The collection rate comparison to the previous year is to measure the impact of the slow economic growth and activity.

TABLE 15

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

Dec-20				Jan-21				Feb-21			
AREA	SALES RAISED	RECEIPTS	% COLLECTION	AREA	SALES RAISED	RECEIPTS	% COLLECTION	AREA	SALES RAISED	RECEIPTS	% COLLECTION
Howick	6,456,235.25	4,310,268	67%	Howick	7,369,396	6,390,322	87%	Howick	6,115,965	5,982,125	98%
Tumbleweed	179,365.25	1,100	1%	Tumbleweed	107,257	2,193	2%	Tumbleweed	108,245	2,689	2%
Lidgeton	120,325.36	2,520	2%	Lidgeton	167,004	1,650	1%	Lidgeton	168,113	1,900	1%
Hilton	2,704,369.33	1,667,953	62%	Hilton	3,106,580	2,873,256	92%	Hilton	3,160,172	2,988,457	95%
Mpophomeni	1,298,365.25	11,365	1%	Mpophomeni	1,900,698	55,851	3%	Mpophomeni	2,013,450	78,378	4%
Bulk	7,125,369.25	6,078,968	85%	Bulk	6,377,738	6,128,569	96%	Bulk	5,115,965	4,970,631	97%
Mpofana	1,424,372.57	211,368	15%	Mpofana	1,565,870	378,952	24%	Mpofana	1,258,054	766,539	61%
Mpofana-Brunt	1,215,894.36	52,369	4%	Mpofana-Brunt	1,246,686	2,833	0%	Mpofana-Brunt	1,180,594	2,223	0%
Richmond	1,335,423.36	420,073	31%	Richmond	1,622,951	736,157	45%	Richmond	1,180,594	940,396	80%
uMshwathi	2,120,548.36	115,908	5%	uMshwathi	2,157,437	565,254	26%	uMshwathi	2,062,487	893,371	43%
uMkhambathini	612,353.22	200,454	33%	uMkhambathini	714,122	328,521	46%	uMkhambathini	527,617	373,766	71%
iMpindle	325,369.15	17,365	5%	iMpindle	264,370	29,799	11%	iMpindle	252,902	195,720	77%
Water Schemes	3,641,329.32	2,174	0%	Water Schemes	3,720,984	38,448	1%	Water Schemes	3,930,887	10,130.00	0%
Total	28,559,320.03	13,091,885.61	46%	Total	30,321,092.9	17,531,805.00	58%	Total	27,075,043.0	17,206,325.21	64%

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

The table below details a breakdown of February 2021 billing and March 2021 receipts for Water Schemes taken over from Umgeni water.

TABLE 16

Water Schemes	Water Schemes	Sales Raised	Receipts	% Collection	Comment
Hopewell	Hopewell	150,777.40	-	0%	Rural Scheme
Manyavu	Manyavu	446,053.97	-	0%	Rural Scheme
Intermediate Cross	Intermediate Cross	227,880.96	-	0%	Farm Scheme
Swayimana	Swayimana	1,065,453.00	1,000.00	0%	Rural Scheme
Table Mountain	Table Mountain	541,679.77	-	0%	Rural Scheme
Whispers	Whispers	214,513.52	5,400.00	3%	Farm Scheme
Camperdown	Camperdown	146,399.86	1,550.00	1%	Farm Scheme
Birnoum Wood	Birnoum Wood	148,310.25	-	0%	Farm Scheme
Claridge	Claridge	77,062.97	1,000.00	1%	Farm Scheme
Efaye	Efaye	225,143.54	-	0%	Rural Scheme
Cuphulaka	Cuphulaka	212,986.06	-	0%	Rural Scheme
Mayizekanye	Mayizekanye	98,444.62	-	0%	Rural Scheme
Mpolweni	Mpolweni	376,180.73	1,180.00	0%	Rural Scheme
Total	Total	3,930,886.65	10,130.00	0%	

The table below details a breakdown of February 2021 billing and March 2021 receipts for Rural Water Schemes.

Table 17

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Gomane	76,980.70	0.00	0%	Rural Scheme
Emakholweni	16,735.93	0.00	0%	Rural Scheme
Inzinga	30,965.80	7,181.69	23%	Rural Scheme
Swapo	142,674.20	0.00	0%	Rural Scheme
Total	R267,356.63	R7,181.69	3%	

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.

UMGUNGUNDLOVU DISTRICT MUNICIPALITY



Customers in rural areas are appealing to the Municipality to write off their debts. Customers advised that they will commence with payment once the interruption of water supply is resolved and the write-off is approved

8.3 Debtors Age Analysis

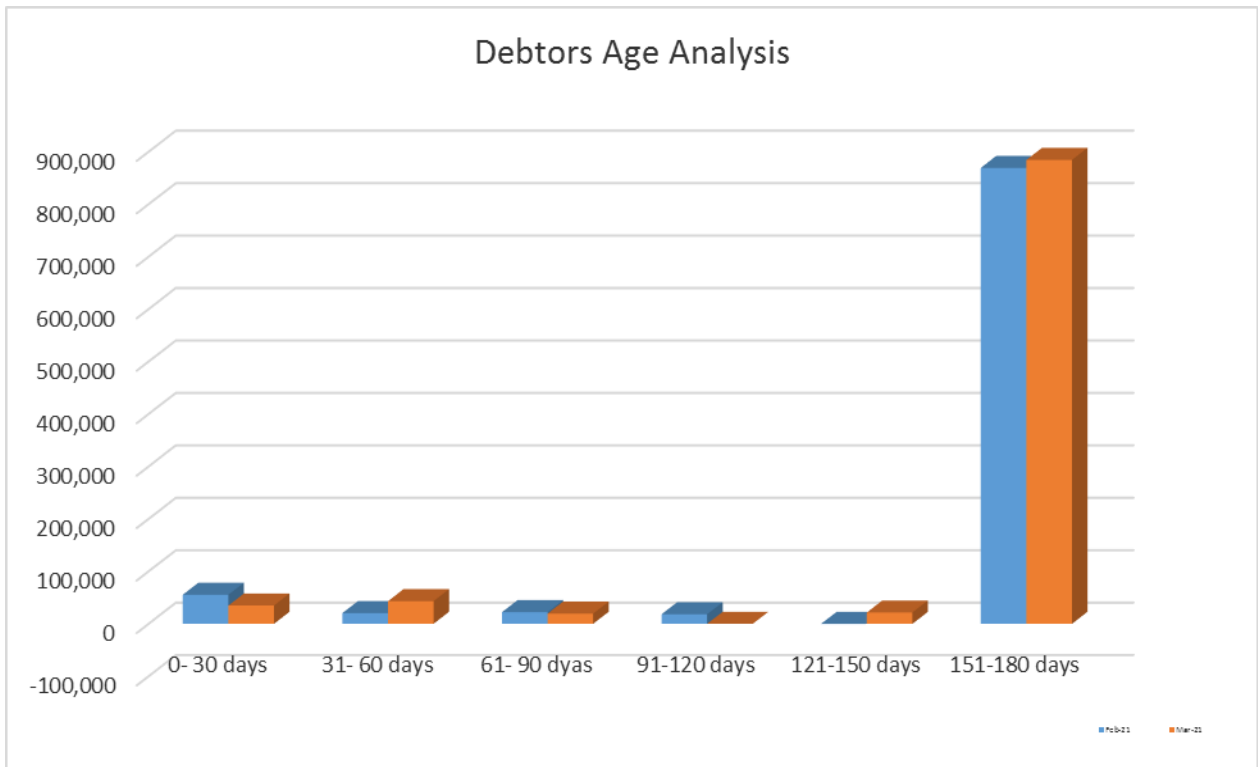
The debtor book value as at 31 March 2021 amounted to **R 1003.6 billion**. The collection rate in the month of March was 64%. The average collection rate to date is 56%. The municipality is reviewing its debt collection strategies. Strategic partnerships with stakeholders like uMgeni Water and Development Bank of Southern Africa are under consideration. The DBSA has sponsored a pilot data cleansing exercise that will table recommendations on revenue collection systems and processes. The non-revenue water reduction exercise is proposed for consideration and will be fully funded by uMgeni Water.

Table 18

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March											
Description	NT Code	Budget Year 2020/21									
		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
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	29,518	32,846	14,733	16	16,821	13,407	86,061	491,906	685,307	608,210
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	1,334	2,058	700	-	829	683	7,331	90,183	103,118	99,026
Receivables from Exchange Transactions - Waste Management	1600	4	(42)	(5)	-	-	(19)	(138)	(33)	(233)	(190)
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	739	739	739
Interest on Arrear Debtor Accounts	1810	4,247	8,329	4,010	-	3,923	3,722	22,896	158,168	205,295	188,709
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(163)	(62)	(43)	(38)	(43)	(25)	(3)	9,747	9,372	9,640
Total By Income Source	2000	34,940	43,128	19,395	(21)	21,530	17,769	116,148	750,710	1,003,598	906,134
2019/20 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	5,127	2,469	1,406	9	2,220	749	4,987	17,849	34,817	25,815
Commercial	2300	6,655	1,743	741	-	568	295	4,667	9,553	24,222	15,083
Households	2400	21,030	34,650	15,389	(30)	16,471	14,727	95,656	641,298	839,190	768,122
Other	2500	2,129	4,266	1,860	(1)	2,271	1,998	10,837	82,010	105,368	97,114
Total By Customer Group	2600	34,940	43,128	19,395	(21)	21,530	17,769	116,148	750,710	1,003,598	906,134

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Graph 4



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

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

Table 19

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922411911	8 180.10	244.72	245.91	247.09	93.32	248.57	249.75	9 509.46
5922272107	14 793.58	9 040.62	3 185.61	202.18	3 203.68	3 221.46	544.79	34 191.92
5922411528	16 639.10	348.31	380.21	503.37	138.30	415.00	762.03	19 186.32
5922721404	16 697.06	366.44	368.13	369.82	371.50	373.19	374.88	18 921.02
5922111502		536.84	99.81	51.29	1 011.75	57.47	9.13	1 766.29
5922251794			534.69	1 028.95	1 029.11	1 034.99	1 029.43	4 657.17
5922711631		537.58	1 723.94	733.17	1 061.11	1 060.50	1 147.68	6 263.98
5922251326	3 489.57	662.50	1 611.47	1 114.43	709.56	428.61	1 176.83	9 192.97
5922111593	7 848.09	471.98	471.87	289.63	1 114.54	435.80	57.42	10 689.33
5922262141	16 971.41	377.79	379.48	381.17	382.85	384.54	386.23	19 263.47
5922193001	4 640.77	315.24	316.93	318.61	320.30	321.99	323.68	6 557.52
5922411939	12 684.16	351.78	353.47	355.16	356.84	358.53	360.22	14 820.16
5922645000	3 770.26	310.61	312.29	313.98	315.67	317.36	319.04	5 659.21
5922314131	65.30	0.31	0.31	0.31	0.31	0.31	0.31	67.16
5922232755	3 797.76	324.52	322.71	324.40	319.87	318.28	316.97	5 724.51
5922411620	21 197.46	392.76	394.45	396.14	397.82	399.51	401.20	23 579.34
5922711578	2 890.77	59.83	392.09	86.87	62.76	63.04	87.87	3 643.23
5922192292	5 492.89	317.54	319.23	320.92	322.60	324.29	325.98	7 423.45
5922711660	81 049.11	560.63	1 114.35	681.72	1 006.69	1 292.85	737.19	86 442.54
5922226809	20 402.71	386.20	387.89	389.58	391.26	392.95	394.64	22 745.23
5922262474	21 316.86	395.17	396.86	398.55	400.23	401.92	403.61	23 713.20
5922192290	11 371.49	344.45	346.14	347.83	349.51	351.20	352.89	13 463.51
5922411734	20 620.11	386.27	387.96	389.65	391.33	393.02	394.71	22 963.05
5922213319	75 434.21	1 648.68	3 495.53	3 513.59	5 128.30	4 707.60	4 728.96	98 656.87
5922113000	15 094.55	130.60	191.39	176.32	173.97	567.47	77.77	16 412.07
5922317749	58 826.74	357.82	382.64	690.51	360.75	361.03	1 151.22	62 130.71
5922213198				345.30	602.44	605.93	606.54	2 160.21
5922741014	44 499.31	2 596.12	2 887.54	1 555.00	2 689.22	2 840.75	1 931.87	58 999.81
5922193002	4 365.16	313.74	315.43	317.11	318.80	320.49	322.18	6 272.91
5922193000	4 908.71	316.64	318.33	320.02	321.71	323.39	325.08	6 833.88
Totals:	497 047.24	22 095.69	21 636.66	16 162.67	23 346.10	22 322.04	19 300.10	621 910.50

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

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

Table 20

Account	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922711459	8 242.44	1 000.52	486.33	1 148.51	813.79	1 705.05	707.58	14 104.22
5922261941					211.97	290.64	292.32	794.93
5922193491					1 057.37	1 137.88	1 144.49	3 339.74
5922741442					209.19	456.49	456.24	1 121.92
5922111637	73 501.11	3 267.75	4 442.04	1 708.20	1 260.15	5 003.13	1 899.39	91 081.77
5922275001				325.68	175.12	267.22	238.40	1 006.42
5922212236	19 743.07	422.47	418.11	416.22	418.12	415.27	413.46	22 246.72
5922212475	7 379.21	300.38	301.93	303.46	305.01	306.55	308.09	9 204.63
5922111569						564.39	199.15	763.54
5922712351	19 203.28	366.68	150.54	148.71	227.19	149.10	364.79	20 610.29
5922224497	120 641.86	2 398.93	2 692.02	2 372.69	2 431.39	712.75	713.04	131 962.68
Total	248 710.97	7 756.73	8 490.97	6 423.47	7 109.30	11 008.47	6 736.95	296 236.86

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 21

New account created for the month of March 2021

The table below indicates the new accounts created for March 2021



UMGUNGUNDOLOVU DISTRICT MUNICIPALITY

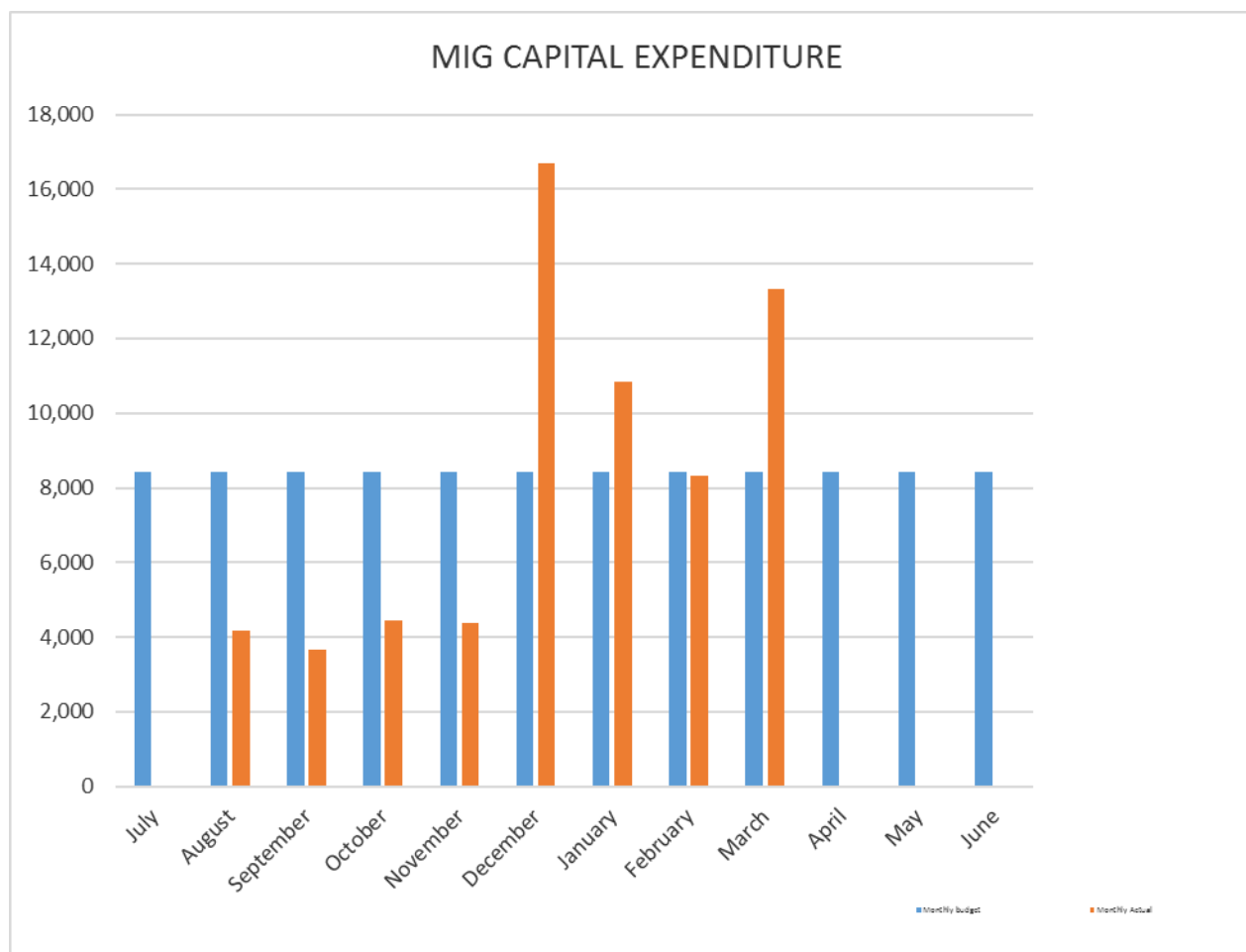
Account	Name	Area
5922193585	MAZHAR E YUNNUS WAQF	Umshwathi
5922227211	GOULD	Umngeni
5922227212	ROGERS	Umngeni
5922227213	ZUMA	Umngeni
5922227214	ROOS GROUP (PTY) LTD	Umngeni
5922227215	HARTLEY	Umngeni
5922227216	FINDLAY	Umngeni
5922227217	MADLALA	Umngeni
5922227218	FRYER	Umngeni
5922227219	MOSTERT	Umngeni
5922227220	LANGA	Umngeni
5922227221	TOM	Umngeni
5922227226	ZONDI	Umngeni
5922265163	DE JAGER	Umkhambathini
5922265171	BURROWS	Umkhambathini
5922265172	GUMEDE	Umkhambathini
5922330111	ZUMA	Mpofana
5922715442	SITHOLE	Richmond
5922715443	DA JEFFS	Richmond
5922800452	MEYER	Bulk

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

9. IN-YEAR BUDGET STATEMENT CHARTS: 31 MARCH 2021 REPORT

MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

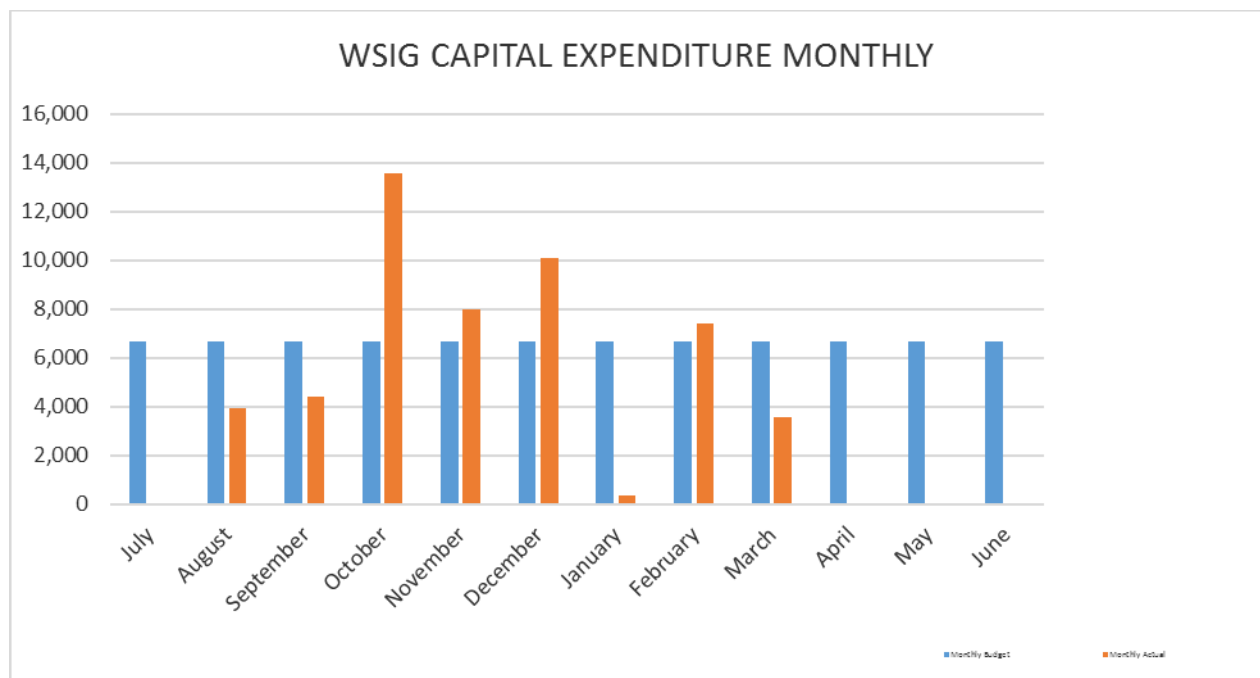
	Monthly budget	Monthly Actual
July	8,437	0
August	8,437	4,167
September	8,437	3,646
October	8,437	4,455
November	8,437	4,379
December	8,437	16,680
January	8,437	10,830
February	8,437	8,323
March	8,437	13,323
April	8,437	
May	8,437	
June	8,438	
	101,245	65,803





WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

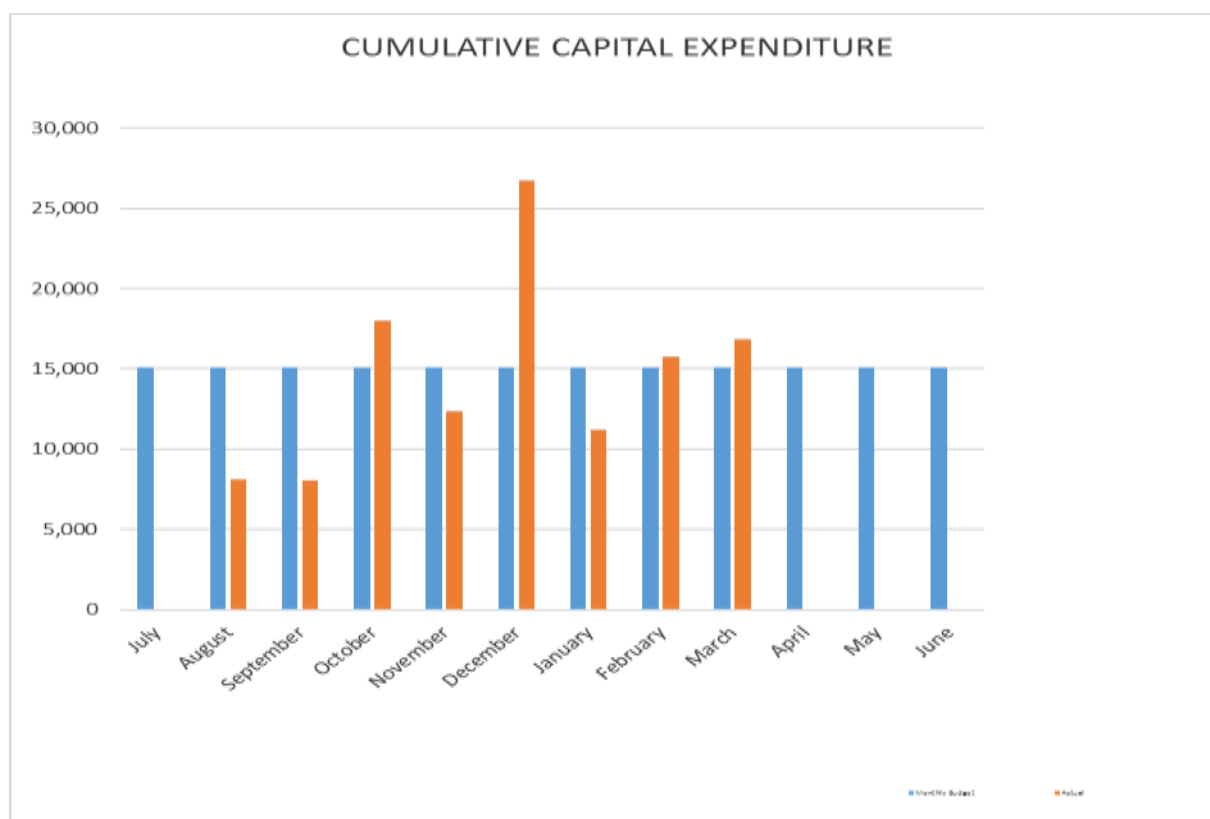
	Monthly Budget	Monthly Actual
July	6,667	0
August	6,667	3,935
September	6,667	4,391
October	6,667	13,555
November	6,667	7,998
December	6,667	10,083
January	6,667	383
February	6,667	7,421
March	6,667	3,544
April	6,667	
May	6,667	
June	6,667	
	80,000	51,310



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	15,104	0
August	15,104	8,102
September	15,104	8,037
October	15,104	18,010
November	15,104	12,377
December	15,104	26,763
January	15,104	11,213
February	15,104	15,744
March	15,104	16,867
April	15,104	0
May	15,104	0
June	15,105	0
	181,245	117,113



10. IN-YEAR BUDGET STATEMENT TABLES: FEBRUARY 2021 REPORT

The preliminary financial results for the period ended 31 March 2021 (i.e. 9th 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

REPORT – FLOW COMPLIANCE CHECK

FILE: 5/1/1/1

INITIATOR: Nondumiso Mbatha

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING 31 MARCH 2021

REPORT CHECKED AND PASSED FOR SUBMISSION TO: **FINANCE COMMITTEE**

	COMPREHENSIVENESS (FACTS, COMMENTS, RECOMMENDATIONS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
MANAGER: BUDGET OFFICE Vacant SIGNATURE:..... DATE:	(√)	(√)	(√)
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: DATE:	(√)	(√)	(√)
MANAGER: INTERNAL AUDIT ADELE DORASAMY SIGNATURE: DATE:	(√)	(√)	(√)



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

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 **MARCH 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: _____

Print name: Cllr T E Maphumulo

Mayor: uMgungundlovu District Municipality

Signature: _____

Date: _____