

**REPORT TO THE uMGUNGUNDLOVU
DISTRICT MUNICIPALITY COUNCIL**



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Report Number	:	Designation	: CFO

For consideration

1 st Level – MANCO	:	/11/2022
2 nd Level – Portfolio Committee	:	17/11/2022
3 rd Level – EXCO	:	/11/2022
4 th Level – Council	:	/11/2022

**SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 30
OCTOBER 2022**

DATE : 11 NOVEMBER 2022

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 October 2022** the ten working day reporting limit expires on **14 November 2022**.

4. REPORT

The below is the summary of financial performance for the period ended **31 October 2022**.

Table 1

Summary of Financial Performance	
Actual Revenue to Budgeted Revenue	32
Actual OPEX to budgeted OPEX	21
Actual CAPEX to budgeted CAPEX	41
Employee related cost exp to total OPEX	44
% Grant Utilisation	62
Cash Coverage Ratio	3.30
Debt Service to Revenue Ratio	1.48
% Debt to Revenue Ratio	12.99
Creditors Age Analysis	R 41 million or 51% of invoices outside 30 days
Debt Collection Rate	54

4.1 Operating Budget

The operating revenue raised as at 31 October 2022 is **R 423.2 million** against the original budget of **R 1.34 billion** for the year and **R 446.8 million** for the period. This reflects a revenue rate of **32%** against the original budget. and **95%** against the year-to-date (YTD) budget.

As at 31 October 2022, the operating expenditure was **R 199.9 million** against the original budget of **R 943.8 million** and year to date budget of **R 314.7 million**. This reflects expenditure of **21%** against the original budget and **64%** of the year-to-date budget.

The resulting operating surplus for the period was **R 223.3 million** and the surplus after capital transfers and contributions is **R 308.4 million**.

4.2 Capital Expenditure

The total original capital budget for the 2022/2023 financial year is **R 206.9 million**. This includes the allocations from the Municipal Infrastructure Grant (MIG) of **R 116.9 million**, the Water Services Infrastructure Grant (WSIG) of **R 85.6 million**, the Rural Roads Assets Management Grant (RRAMS) of **R 2.7 million**, and the Internally Generated Funded Assets of **R 1.8 million** for the commencement of the construction process for the Disaster Management Centre.

Year to date expenditure for MIG is **R 67.6 million** which represents **58%** of the original budget estimate.

WSIG expenditure to date is **R 17.1 million** which represents **20%** of the original budget estimate.

RRAMS expenditure to date remains at **R 448 064** which represents **17%** of the original budget estimate.

Year to date capital expenditure from internal funding is **R nil** represents **0%** of the total original budget.

Total capital expenditure to date is **R 85.2 million** or **41%** against the original budget.

4.3 Employee Related Costs and Councilor Allowances

The total salaries budget for Councillors amounts to **R 12.1 million** while salaries budget for staff amounts to **R 258.7 million** resulting in a total salaries budget to **R 270.8 million**. This represents **29%** of the total operational budget which is within the norm of 25% - 40% in terms of National Treasury circular 71 of 2014.

As at 31 October 2022, **38%** of the Councillors' allowances budget was spent at a total of **R 4.7 million** and **32%** was spent on the employee costs at a total of **R 83 million**. The total actual salary cost including Councillor's allowances represented **44%** of total operating expenditure for the period which is above the norm of 25-40% to as set by National Treasury circular 71.1. This is due to the pattern of the incurrence of employee costs being at constant rate when compared to other categories of expenditure. This ratio will continue to flatten in the coming months as and when the municipality incurs other categories of operational expenditure.

4.4 Conditional Grants

As at the 31 October 2022, a total of **R 122 million** of conditional grant allocations were received since 01 July 2022 whilst an additional **R 16.8 million**, which was received in the previous financial years, was available at the beginning of the period. The operating and capital grant utilisation of allocations received to date was at **13%** and **64%**, respectively. The overall conditional grant utilisation is at **62%** of available funds.

4.5 Cash and Cash Equivalents

The cash in bank as at 31 October 2022 amounted to **R 219.5 million**.

The municipality had an investment of **R 70 million** with Standard Bank for a period of 3 months which matured on 27 October 2022 at an interest rate of **6.6%**. An amount of **R 329 096** was accrued in investment/interest income for the month of October 2022 for the Standard Bank investment. Investment amounted to **R 71.2 million** resulting in a total cash and cash equivalents balance of **R 290.7 million**.

The cash coverage ratio as at 31 October 2022 is **3.30** based on average of R 72 million per month fixed operating expenditure. This indicates that the municipality as at 31 October 2022 has enough cash to run its operation for **98.94 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 October 2022, the loan book was at a total balance of **R 174.1 million**. The interest rate on the loan is **10.889%**. The debt to revenue ratio is **12.99%** against the projected operating revenue which is within the National Treasury norm of below 45%. The debt service to income ratio for the year indicates that the costs associated with the debt were funded by **1.48%** of the YTD operating income.

4.7 Outstanding Creditors

The balance of trade payables as at 31 October 2022 was **R 81 million**.

A total of **R 41 million** or **51%** of invoices remained outside the compliance period of 30 days as at 31 October 2022.

Following the conclusion of the negotiations with Umngeni Water for sewerage services, the municipality continues to await the receipt of revised invoices and statement.

4.8 Billing Revenue and Debtors

Billing revenue for the month of October 2022 was **R 47.3 million**. Actual collections during October 2022 were **R 28.2 million** which represented 54% of the September 2022 billed revenue of **R 52.4 million**. The average collection rate for the current year is consistent with the average of **51%** for the same period in the prior financial year. The continuous resolving of customer queries and strict enforcement of the credit control and debt collection policy is anticipated to improve collection in the current financial year.

The percentage of collection for Water Schemes increased to **7%** in the current month when compared to the **5%** in the previous month. Strategies are continuously explored to improve the collection from these areas, the indigent drive being at the forefront in these areas.

The debtors book value as at 31 October 2022 amounted to **R 847 million**. A total of **R 736 million** or **87%** relates to amounts owing for more than 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 fourth month of the 2022/2023 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 The operating surplus is **R 223.3 million** and the surplus after capital transfers and contributions is **R 308.4 million**.
 - 3.2 Cash & Cash Equivalents for the period ending 31 October 2022 is **R 219.5 million** excluding the investment of **R 71.2 million**.
 - 3.3 Capital Expenditure for the period ending 31 October 2022 is **R 85.2 million**.
 - 3.4 Trade Payables for the period ending 31 October 2022 is **R 81 million**.
 - 3.5 Trade Receivables for the period ending 31 October 2022 is **R 847 million**.
 - 3.6 Outstanding borrowings as at 31 October 2022 is **R 174.1 million**.
 - 3.7 Unspent Conditional Grants for the period ending 31 October 2022 is **R 53 million**.
4. The Committee notes the total cash and cash equivalents of **R 290.7 million** translates to a positive cash coverage of **98.94 days** in line with the National Treasury norm of 30 – 90 days.

IN-YEAR MONITORING REPORT FOR THE PERIOD ENDED 31 OCTOBER 2022

1. Operating Budget

Summary financial performance report **SF1** for the period ending 31 October 2022 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 - M04 October									
Description	2021/22			Budget Year 2022/23					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	315 729	624 472	-	39 048	156 395	208 157	(51 762)	-25%	-
Investment revenue	3 479	2 859	-	864	3 051	963	2 098	220%	-
Transfers and subsidies	623 124	346 101	-	239	262 193	115 367	146 826	127%	-
Other own revenue	33 791	367 033	-	382	1 569	122 344	(120 775)	-96%	-
Total Revenue (excluding capital transfers and contributions)	976 123	1 340 465	-	40 533	423 208	446 822	(23 614)	-5%	-
Employee costs	278 348	258 671	-	21 178	83 043	86 224	(3 181)	-4%	-
Remuneration of Councillors	11 531	12 114	-	1 241	4 657	4 038	619	15%	-
Depreciation & asset impairment	51 888	53 555	-	4 204	16 815	17 852	(1 037)	-6%	-
Finance charges	20 071	18 771	-	1 569	6 273	6 257	16	0%	-
Inventory consumed and bulk purchases	130 933	227 286	-	(2 221)	16 140	75 762	(59 622)	-79%	-
Transfers and subsidies	9 158	7 500	-	3 750	3 750	2 500	1 250	50%	-
Other expenditure	479 876	365 914	-	23 180	69 263	122 061	(52 799)	-43%	-
Total Expenditure	981 805	943 811	-	52 902	199 941	314 694	(114 753)	-36%	-
Surplus/(Deficit)	(5 682)	396 654	-	(12 369)	223 268	132 128	91 140	69%	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	278 479	205 174	-	32 524	85 162	68 391	16 770	25%	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	500	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	273 297	601 828	-	20 155	308 429	200 519	107 910	54%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	273 297	601 828	-	20 155	308 429	200 519	107 910	54%	-

The operating revenue raised as at 31 October 2022 is **R 423.2 million** against the original budget of **R 1.34 billion** for the year and **R 446.8 million** for the period. This reflects a revenue rate of **32%** against the original budget, and **95%** against the year-to-date (YTD) budget.

As at 31 October 2022, the operating expenditure was **R 199.9 million** against the original budget of **R 943.8 million** and year to date budget of **R 314.7 million**. This reflects expenditure of **21%** against the original budget and **64%** of the year-to-date budget.

The resulting operating surplus for the period was **R 223.3 million** and the surplus after capital transfers and contributions is **R 308.4 million**.



UMGUNGUNDOVU DISTRICT MUNICIPALITY

Given that it is month three of the financial year we would anticipate an average of around **33%** revenue generation and expenditure incurrence. The operating revenue and expenditure analysis against budget estimates is detailed below:

- *Service charges*
 - i. Service charges relating to water are below target at **26%** against the budget estimate.
 - ii. Service charges relating to sanitation are below target at **17%**.
 - iii. Interest on outstanding debtors is well below target at **5%** of the budget estimate

The average consumption continues to be monitored closely following the elimination of the flat rate charge as no historic patterns of consumption were available for budget purposes.

- *Investment revenue*

This income is raised at **107%** of the budget estimate which is an over-performance. This is due to higher than anticipated interest on bank accounts further boosted by the short-term investment with Standard Bank which was not budgeted for.
- *Transfers and Subsidies*

Transfers and subsidies are **39%** when compared to allocations for the financial year. This is due to the receipt of the first tranche of the Equitable Share, the Local Government Financial Management Grant, and Expanded Public Works Programme Grant.
- *Employee Related Costs and Remuneration of Councillors*

The employee related costs are in line with the budget estimate at **32%** whereas remuneration of Councillors slightly above the target with the monthly target at **38%** due to the change in status of a number Councillors from part-time to full-time. The budget estimated for Councillors remuneration is, therefore, a candidate for revision at adjustment budget stage.
- *Depreciation and Impairment*

The depreciation costs are in line with the budget estimate at **31%**.
- *Finance Costs*

The finance costs are in line with the budget estimate at **33%**.
- *Inventory Consumed*

This cost is below target at **7%** of the budget estimate.
- *Contracted Services*

This is in line with the budget estimate at **33%**.
- *Other Expenditure*

These costs which include operating leases and other municipal running costs are below target at **23%**.

Due to the pattern of spending varying based on municipal activities, the expenditure incurrence will be in line with such activities.

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

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

	MIG	WSIG	RRAMS	Internal Funding	Total
July	31 463 868.82	10 525 464.73		-	41 989 333.55
August	4 552 109.69	-		-	4 552 109.69
September	4 515 151.88	6 559 890.25		-	11 075 042.13
October	27 105 950.92	-	448 064.37	-	27 554 015.29
YTD Expenditure	67 637 081.31	17 085 354.98	448 064.37	-	85 170 500.66
Budget	116 867 000.00	85 600 000.00	2 707 000.00	1 800 000.00	206 974 000.00
% Spend	58%	20%	17%	0%	41%

The total original capital budget for the 2022/2023 financial year is **R 206.9 million**. This includes the allocations from the Municipal Infrastructure Grant (MIG) of **R 116.9 million**, the Water Services Infrastructure Grant (WSIG) of **R 85.6 million**, the Rural Roads Assets Management Grant (RRAMS) of **R 2.7 million**, and the Internally Generated Funded Assets of **R 1.8 million** for the commencement of the construction process for the Disaster Management Centre.

Year to date expenditure for MIG is **R 67.6 million** which represents **58%** of the original budget estimate.

WSIG expenditure to date is **R 17.1 million** which represents **20%** of the original budget estimate.

RRAMS expenditure to date remains at **R 448 064** which represents **17%** of the original budget estimate.

Year to date capital expenditure from internal funding is **R nil** represents **0%** of the total original budget.

Total capital expenditure to date is **R 85.2 million** or **41%** against the original budget.

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.

The total salaries budget for Councillors amounts to **R 12.1 million** while salaries budget for staff amounts to **R 258.7 million** resulting in a total salaries budget to **R 270.8 million**. This represents **29%** of the total operational budget which is within the norm of 25% - 40% in terms of National Treasury circular 71 of 2014.

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.

The actual staff salaries cost incurred, including Senior Managers, as at 31 October 2022 is spent at **32%** which amounts to **R 83 million** while the actual salaries cost for Councillors is spent at **38%** which amounts to **R 4.7 million**. Therefore, the total salaries cost to date is **R 87.7 million** which represents **32%** of the total salaries budget and **44%** of the total operating expenditure which is above the norm of 25% - 40% in terms of National Treasury circular 71 of 2014. This ratio will continue to flatten with each month as and when the municipality incurs other categories of operational expenditure.

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.

The salaries and benefits paid to councillors in the month of September 2022 are based on the June 2022 promulgation which was effective for payment in the month of July 2021.

Table 3

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		6,887	8,055	-	932	3,288	2,685	602	22%	-
Pension and UIF Contributions		477	243	-	29	130	81	49	60%	-
Medical Aid Contributions		266	95	-	18	93	32	61	192%	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		858	964	-	76	297	321	(24)	-7%	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		3,043	2,756	-	186	849	919	(69)	-8%	-
Sub Total - Councillors		11,531	12,114	-	1,241	4,657	4,038	619	15%	-
% increase	4		5.1%							
Senior Managers of the Municipality										
Basic Salaries and Wages	3	3,562	6,788	-	302	999	2,263	(1,264)	-56%	-
Pension and UIF Contributions		8	11	-	1	2	4	(1)	-36%	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		(87)	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		439	900	-	51	152	300	(148)	-49%	-
Cellphone Allowance		81	768	-	5	22	256	(234)	-92%	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		0	1	-	0	0	0	(0)	-78%	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,004	8,468	-	360	1,174	2,823	(1,648)	-58%	-
% increase	4		111.5%							
Other Municipal Staff										
Basic Salaries and Wages		155,903	154,629	-	13,334	53,342	51,543	1,799	3%	-
Pension and UIF Contributions		32,485	28,451	-	2,790	11,132	9,484	1,648	17%	-
Medical Aid Contributions		13,221	10,249	-	1,137	4,420	3,416	1,004	29%	-
Overtime		7,496	1,089	-	402	1,273	363	910	251%	-
Performance Bonus		12,423	13,099	-	66	98	4,366	(4,269)	-98%	-
Motor Vehicle Allowance		13,889	12,361	-	1,069	4,278	4,120	157	4%	-
Cellphone Allowance		58	697	-	5	19	232	(213)	-92%	-
Housing Allowances		1,366	1,423	-	120	478	474	4	1%	-
Other benefits and allowances		22,021	19,641	-	1,718	5,733	6,547	(814)	-12%	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		6,381	1,664	-	179	1,096	555	541	98%	-
Post-retirement benefit obligations	2	9,101	6,900	-	-	-	2,300	(2,300)	-100%	-
Sub Total - Other Municipal Staff		274,344	250,204	-	20,818	81,869	83,401	(1,533)	-2%	-
% increase	4		-8.8%							
Total Parent Municipality		289,879	270,785	-	22,419	87,700	90,262	(2,562)	-3%	-
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		289,879	270,785	-	22,419	87,700	90,262	(2,562)	-3%	-
% increase	4		-6.6%							
TOTAL MANAGERS AND STAFF		278,348	258,671	-	21,178	83,043	86,224	(3,181)	-4%	-

4. Conditional Grants

As at the 31 October 2022, a total of **R 122 million** of conditional grant allocations were received since 01 July 2022 whilst an additional **R 16.8 million**, which was received in the previous financial years, was available at the beginning of the period. The operating and capital grant utilisation of allocations received to date was at **13%** and **64%**, respectively. The overall conditional grant utilisation is at **62%** of available funds.

Table 4

Description	Opening Balance	Receipts	Total Available	Expenditure	Balance	Percentage
Operating Grants			0			
Finance Management Grant	0	1 200 000	1 200 000	188 547	1 011 453	15.71
Camperdown WWW	4 000 095	0	4 000 095	0	4 000 095	0.00
Public Transport Plan Grant	308 817		308 817	0	308 817	0.00
Expanded Public Works Programme Grant	0	572 000	572 000	571 537	463	99.92
Rasset & DGDS Grant	126 989	0	126 989	0	126 989	0.00
Geospatial Grant	35	0	35	0	35	0.00
IDP Spatial Development Grant	622 775	0	622 775	189 750	433 025	30.47
Spatial Development Framework Grant	212 825	0	212 825	0	212 825	0.00
Total Operating Grants	5 271 536	1 772 000	7 043 536	949 834	6 093 701	13.49
Capital Grants						
Water Services Infrastructure Grant	0	51 360 000	51 360 000	17 085 355	34 274 645	33.27
Municipal Infrastructure Grant	0	67 000 000	67 000 000	67 637 081	-637 081	100.95
ORIO Grant	11 550 860	0	11 550 860	0	11 550 860	0.00
Rural Roads Asset Management Grant	29	1 894 000	1 894 029	448 064	1 445 965	23.66
Accelerated Water Intervention Grant	3	0	3	0	3	0.00
Total Capital Grants	11 550 889	120 254 000	131 804 891	85 170 501	46 634 391	64.62
Total Grants	16 822 424	122 026 000	138 848 427	86 120 335	52 728 092	62.02

5. Cash and cash equivalents

The cash in bank as at 31 October 2022 amounted to **R 219.5 million**.

The municipality had an investment of **R 70 million** with Standard Bank for a period of 3 months which matured on 27 October 2022 at an interest rate of **6.6%**. An amount of **R 329 096** was accrued in investment/interest income for the month of October 2022. The investment balance amounted to **R 71.2 million** resulting in a total cash and cash equivalents balance of **R 290.7 million**.

The cash coverage ratio as at 31 October 2022 is **3.30** based on average of R 72 million per month fixed operating expenditure. This indicates that the municipality as at 31 October 2022 has enough cash to run its operation for **98.94 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	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
3 months	Fixed deposit	2022/10/27	6.60%	70 835 398	329 096	71 164 493

Table 6

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	148 256 454.43	38 584 603.33	186 841 057.76
Salaries Account	50940092196	47 030 899.89	-22 313 104.51	24 717 795.38
Water Services Account	62023616462	36 232 531.95	-34 280 384.81	1 952 147.14
NSTD Call Account	62215748289	597 296.77	2 728.74	600 025.51
Mandela Race Account	62411577193	827 070.88	2 043.39	829 114.27
UMDM MIG (Dbsa) Account	62400041985	0.00	0.00	
Mandela ABSA	62597807125	1 231 814.40	-433.88	1 231 380.52
Corporate Cheque Account	62243484417	3 309 746.27	11 326.44	3 321 072.71
Total Cash Balances		237 485 817.69	-17 993 221.30	219 492 593.29

Table 6 above excludes the investment the Fixed Deposit held with Standard Bank of R 71.2 million.

6. Borrowings

As at 31 October 2022, the loan book was at a total balance of R 174.1 million. The interest rate on the loan is 10.889%. The debt to revenue ratio is 12.99% against the projected operating revenue which is within the National Treasury norm of below 45%. The debt service to income ratio for the year indicates that the costs associated with the debt were funded by 1.48% of the YTD operating income.

Table 7

Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/10/2022	Add: Interest Accrued	Closing Balance at 31/10/2022
12007869	uMgungundlovu Various Water Projects	10.889	172 546 074.54	1 566 301.01	174 112 375.55

7. Creditors Age Analysis

The balance of trade payables as at 31 October 2022 was **R 81 million**.

A total of **R 41 million** or **51%** of invoices remained outside the compliance period of 30 days as at 31 October 2022.

Following the conclusion of the negotiations with Umngeni Water for sewerage services, the municipality continues to await the receipt of revised invoices and statement.

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 and must, therefore, ensure that all processes are followed before payments are processed. As a result, the Internal Audit is requested to verify payments on an ad hoc basis.

In the effort to reduce the amount owed to creditors, a detailed spreadsheet which indicates the status of each amount due for longer than 30 days is sent to every HOD, for their action, as to attend to issues that may have been identified.

Table 8

Creditors Age Analysis		
	Sep-22	Oct-22
0- 30 days	51 440	39 932
31-60 days	2 747	29 634
61-90 days	11 702	3 501
91-120 days	110	7 714
121-150 days	4	0
151-180 days	126	233
Total	66 129	81 014

Graph 1

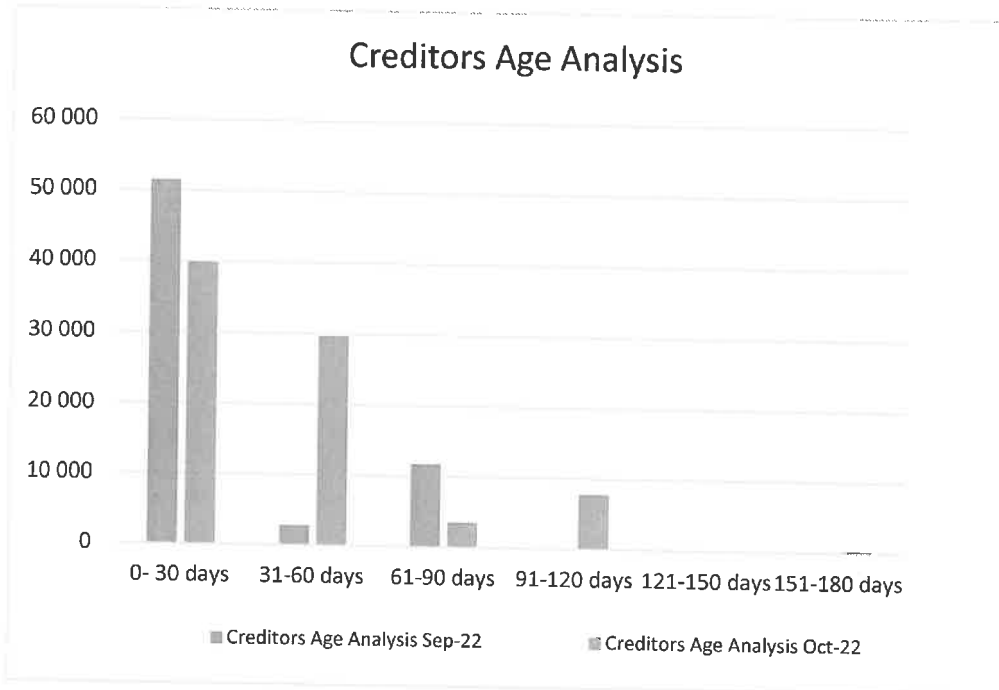


Table 9

The table below details the reasons for creditors owed more than 30 days.

Supplier	Balance	Comments
ACC0005 (ACCESS TECHNOLOGY CONSULTANTS)	11 500.00	The invoice was paid after the month end
AQT01 (AQUA TRANSPORT AND PLANT HIRE)	585 570.27	The invoices were returned to the supplier because they were incorrectly billed, and the time sheets were also incorrectly recorded.
ATH0003 (ATHENE PHYLLIS VERONIQUE GOVINDASAMY)	1 921.96	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The account was duplicated. The revenue section has since corrected the duplication
BEL0003 (BELLE TRAVEL AGENCY)	16 704.00	The invoice was paid after the month end
BHE0019 (BHEKUYISE ANDRIAS NGUBANE)	10 320.91	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing tis customer
BRI0014 (BRIAN ALLAN CHEEKEY)	837.48	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing tis customer
COM008 (COMPUTER SOLUTIONS INTERNATIONAL CC)	834.90	The invoice was paid after the month end

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CRA0005 (CRAIG CHARLES HOWSON)	4 581.71	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing tis customer
DAV0009 (DAVID HILTON ALLISON)	1 890.54	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing tis customer
NAS01 (EARLYWORKS 266)	109 601.64	The invoice was disputed by the user department because supplier issued the invoice whilst the contract expired. The intention to cancel the contract was emailed to the Service Provider on 1 April 2022 effective 30 April 2022. The supplier acknowledged the letter on 6th April 2022. The matter is being handled by legal Department
ESK01 (ESKOM HOLDINGS)	437 468.25	The invoice was paid after the month end
IMP002 (Impendle - KZ Local Municipality)	16 818.43	The invoices were investigated, we further requested a reconciliation from the Local Municipality regarding the outstanding invoices, since then we have not yet received any response.
IMV0010 (IMVELWENI TRADING AND PROJECTS)	4 000.00	The invoice was paid after the month end
ISI012 (ISIBUKO DEVELOPMENT PLANNERS)	148 177.50	The user department applied the incorrect vote, and the invoice was turned to the user department to correct the vote.
JAD001 (JADE STAR TRADING)	103 458.60	The supplier was paid ET29964
LEW0002 (LEWIS NEIL ROBERT)	900.00	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing tis customer
LYT0002 (LYTHWOOD INVESTMENTS)	30 000.00	The invoice was paid after the month end
MAK01 (MAKHUBU CIVIL)	893 744.99	The invoice was paid after the month end
MAR0042 (MARK ANDREW SHAW)	3 608.87	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing tis customer
MAR0043 (MARLENE ELIZABETH MARTIN)	700.00	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing the customer
PCB01 (PIETERMARITZBURG AND MIDLANDS CHAMBER OF BUSINESS)	58 604.00	The invoice is still investigated, and it was disputed by the user Department
POT0004 (POTGIETER KUNENE XABA)	196 541.70	The invoice at an amount of R179 096.70 was duplicated but that has been corrected.
ROY0005 (ROY NAICKER)	656.70	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing the customer

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STU0006 (STUART NORMAN WINCKWORTH)	2 815.92	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing the customer
THO016 (THOLALWAZI TRADING ENTERPRISE)	4 350.00	The invoice was paid after the month end
UMW (Umgani Water)	16 160 062.79	After the settlement of negotiations between uMngeni and Municipality, we have requested the schedule of the invoices were off set against the bulk purchases debt to update our financial records.
UMG0035 (UMGENI WATER ACC (6001665/10152740))	8 769 619.19	After the settlement of negotiations between uMngeni and Municipality, we have requested the schedule of the invoices were off set against the bulk purchases debt to update our financial records.
UMG0036 (UMGENI WATER ACC (6001665/10279710))	608 849.57	After the settlement of negotiations between uMngeni and Municipality, we have requested the schedule of the invoices were off set against the bulk purchases debt to update our financial records.
UMG0037 (UMGENI WATER ACC (6001665/10279740))	1 618 527.02	After the settlement of negotiations between uMngeni and Municipality, we have requested the schedule of the invoices were off set against the bulk purchases debt to update our financial records.
UMG0034 (UMGENI WATER ACC (6001665/10279750))	2 268 947.53	After the settlement of negotiations between uMngeni and Municipality, we have requested the schedule of the invoices were off set against the bulk purchases debt to update our financial records.
UMG0038 (UMGENI WATER ACC (6001665/10279760))	5 366 793.19	After the settlement of negotiations between uMngeni and Municipality, we have requested the schedule of the invoices were off set against the bulk purchases debt to update our financial records.
UMG0033 (UMGENI WATER ACC (6001665/10279770))	3 360 034.13	After the settlement of negotiations between uMngeni and Municipality, we have requested the schedule of the invoices were off set against the bulk purchases debt to update our financial records.
VIE0001 (VIERAH N ZONDI)	94.82	All the customer refund account are first investigated and reconciled by the revenue section before the refund is released to avoid paying the refund to an active customer. The customer account was erroneously raised twice but it has been corrected. The Municipality is not owing the customer
XAB002 (XABA ATTORNEYS)	3 574.20	The user department is still working on the invoice
XOL001 (XOLISISIZWE TRADING AND PROJECTS)	9 660.00	The user department is still working on the invoice
TOTAL	41 083 426.59	

8. Billing Revenue and Debtors

Billing revenue for the month of October 2022 was **R 47.3 million**. Actual collections during October 2022 were **R 28.2 million** which represented **54%** of the September 2022 billed revenue of **R 52.4 million**. The average collection rate for the current year is consistent with the average of **51%** for the same period in the prior financial year. The continuous resolving of customer queries and strict enforcement of the credit control and debt collection policy is anticipated to improve collection in the current financial year.

The percentage of collection for Water Schemes increased to **7%** in the current month when compared to the **5%** in the previous month. Strategies are continuously explored to improve the collection from these areas, the indigent drive being at the forefront in these areas.

8.1 Billing Summary: September 2022 to October 2022

Table 9

The table below details the Monthly **Billing per Area** for the 2022/2023 financial year.

Area	August 2022	September 2022	October 2022
uMshwathi	3,557,974.79	4,084,364.22	3,543,050.54
uMngeni	18,528,939.72	20,293,194.31	20,201,607.53
Mpofana	3,832,814.40	3,334,429.20	3,812,676.17
iMpendle	718,064.57	717,184.01	701,298.32
Mkhambathini	1,002,499.48	961,163.57	1,106,261.35
Richmond	2,072,037.75	2,374,462.41	2,494,610.09
Water Schemes	5,871,017.32	6,098,539.40	5,705,669.91
Bulk Customers	10,963,440.29	14,540,405.45	9,760,245.85
Total	46,546,788.32	52,403,742.57	47,325,419.76

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8.2 Credit Control and Debt Collection: Billing vs Receipts

Table 10

The table below details financial year to date **Monthly Billing against the Receipts** for the 2022/2023 financial year.

Month	Billing	Receipts	Collection %
July 2022	44,905,041.29	24,807,007.87	55%
August 2022	46,546,788.32	20,442,933.00	44%
September 2022	52,403,742.57	28,262,863.85	54%
October 2022	47,325,419.76		

Month	Billing	Receipts
Jul-22	44,905,041	24,807,008
Aug-22	46,546,788	20,442,933
Sep-22	52,403,743	28,262,863

Graph 2

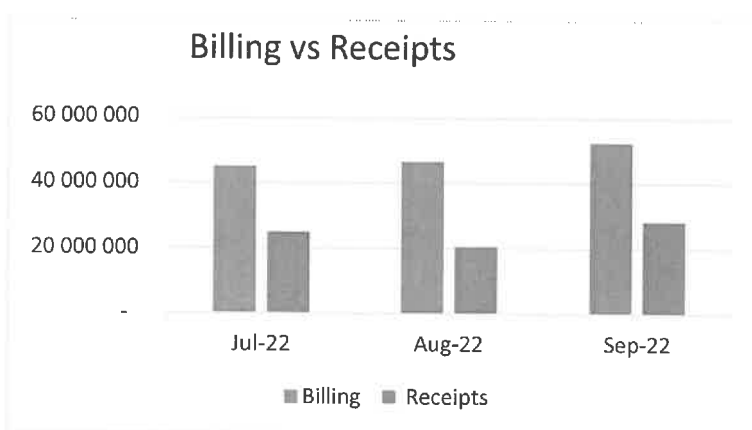


Table 11

The table below details the **Classification of Receipts** for October 2022

Basis of Receipts	Oct-22
Direct Deposits	19,314,569.58
Easy Pay	5,731,739.61
Post Office	768,785.14
Customer Care	1,877,895.26
Manual Receipts	569,874.26
Total	28,262,863.85

Table 12

The table below details **Customer Category Receipts** for October 2022.

Customer Classification	Oct-22
Government	7,892,145.36
Business	9,958,364.25
Households	10,173,518.75
Indigent Households	12,478.59
Church	210,658.65
Councillors	15,698.25
Total	28,262,863.85

Table 13

The table below indicates the comparison of collection rate between 2021/2022 financial year and 2022/2023 financial year

2021/2022 Financial Year				2022/2023 Financial Year			
Month	Billing	Receipts	Collections %	Month	Billing	Receipts	Collections %
Jul-21	24,130,360	16,599,637	49%	Jul-21	44,905,170	24,807,008	55%
Aug-21	34,088,135	15,821,733	47%	Aug-22	46,546,788	20,442,933	44%
Sep-21	33,133,597	19,373,530	58%	Sep-21	52,403,743	28,262,864	54%
Average Collection Rate for 2021/2022			51%	Average Collection Rate for 2022/2023			51%

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Table 14

The table below details the percentage of collection per customer classification

Oct-22			
	SALES RAISED	RECEIPTS	% COLLECTION
Howick	16,281,698.47	14,497,369.26	89%
Tumbleweed	120,658.36	5,236.25	4%
Lidgeton	191,658.36	13,847.16	7%
Hilton	6,986,325.15	5,145,368.26	74%
Mpophomeni	1,956,368.59	142,365.59	7%
Bulk	10,633,387.33	5,793,157.46	54%
Mpofana	2,871,969.58	569,157.26	20%
Mpofana- Brunt	1,569,254.29	62,548.69	4%
Richmond	2,796,365.26	556,958.34	20%
uMshwathi	3,598,365.89	915,932.26	25%
uMkhambathini	1,616,698.12	210,568.59	13%
iMpendle	211,668.11	92,458.47	44%
Water Schemes	3,569,325.06	257,896.26	7%
Total	52,403,742.57	28,262,863.85	54%

Table 15

The table below details a breakdown of September 2022 billing and October 2022 receipts for Water Schemes taken over from Umgeni Water.

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Hopewell	238,569.58	2,569.58	1%	Rural Scheme
Manyavu	322,568.14	22,458.69	10%	Rural Scheme
Intermediate Cross	30,458.36	1,587.25	22%	Farm Scheme
Swayimana	322,158.45	256.36	0%	Rural Scheme
Table Mountain	260,458.69	25,789.36	3%	Rural Scheme
Whispers	142,158.59	19,789.25	11%	Farm Scheme
Camperdown	329,650.38	78,265.36	40%	Farm Scheme
Birnoum Wood	254,698.48	12,487.36	7%	Farm Scheme
Claridge	810,265.59	24,778.86	1%	Farm Scheme
Efaye	213,568.59	12,659.58	0%	Rural Scheme
Cuphulaka	146,487.26	-	0%	Rural Scheme
Mayizekanye	254,126.26	9,698.36	5%	Rural Scheme
Mpolweni	244,156.69	47,556.25	1%	Rural Scheme
Total	3,569,325.06	257,896.26	7%	

UMGUNGUNDOLOVU DISTRICT MUNICIPALITY

8.3 Debtors Age Analysis

The debtors book value as at 31 October 2022 amounted to **R 847 million**. A total of **R 736 million** or **87%** relates to amounts owing for more than 90 days.

Table 16

Debtors Age Analysis By Customer Group			
Category	Total	Total > 90 days	% > 90 days
Organs of State	51 278 022.00	39 901 199.00	78%
Commercial	37 011 344.00	24 977 325.00	67%
Households	670 356 841.00	592 462 286.00	88%
Other	88 507 097.00	78 794 204.00	89%
Total	847 153 304.00	736 135 014.00	87%

Table17

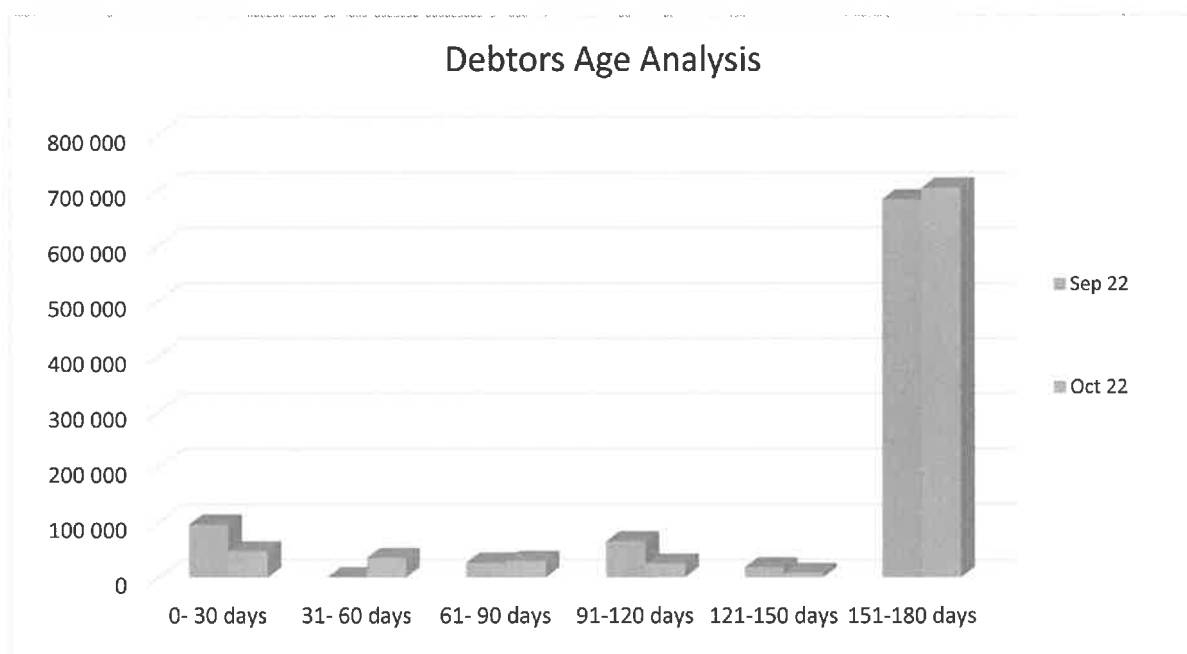
DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2022/23									Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	42,332	31,756	25,688	21,854	6,784	13,074	89,481	384,248	615,218	515,442
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	4,197	2,793	2,387	2,019	1,096	931	6,101	56,346	75,870	66,492
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	2,485	2,485	2,485
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	(645)	-	(589)	656	(578)	(578)
Interest on Arrear Debtor Accounts	1810	421	621	601	525	335	529	17,419	130,785	151,237	149,594
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(144)	(97)	463	(73)	(6)	216	(3)	2,566	2,922	2,700
Total By Income Source	2000	46,806	35,074	29,139	24,326	7,564	14,750	112,408	577,087	847,153	736,135
2021/22 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	7,068	2,448	1,860	2,020	1,279	1,410	7,785	27,408	51,278	39,901
Commercial	2300	5,848	4,995	1,191	626	673	425	6,765	16,489	37,011	24,977
Households	2400	30,664	24,571	22,659	19,382	4,629	10,898	84,634	472,918	670,357	592,462
Other	2500	3,225	3,059	3,428	2,298	984	2,017	13,224	60,272	88,507	78,794
Total By Customer Group	2600	46,806	35,074	29,139	24,326	7,564	14,750	112,408	577,087	847,153	736,135

Table 18

Debtors Age Analysis		
	Sep 22	Oct 22
0- 30 days	95 128	46 806
31- 60 days	71	35 074
61- 90 days	26 249	29 139
91-120 days	64 776	24 326
121-150 days	17 853	7 564
151-180 days	683 113	704 244
TOTAL	887 190	847 153

Graph 3



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Table 19

The table below details the age analysis for customers grouped as UMDM staff members as at 31 October 2022.

Customer	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Balance
5922711808							-1,422.71	-1,422.71
5922411911	385.39	384.89	335.72	335.51	59.34	225.84	12,362.81	14,089.50
5922411528	746.26	745.28	978.69	978.98	501.37	462.07	24,636.78	29,049.43
5922721404	480.88	480.26	479.95	479.64	323.88	323.67	23,899.91	26,468.19
5922316386	1,030.62							1,030.62
5922111502	4,809.80	4,803.44	3,292.49	3,290.32	1,934.40	1,935.82	16,566.01	36,632.28
5922251794	1,834.01	611.11						2,445.12
592227305	1,080.67	1,080.67	905.13	475.26	945.77	525.38	8,725.89	13,738.77
5922711631	216.51	261.33	216.84	216.70	217.49	1,029.61	5,763.92	7,922.40
5922251326	1,199.51	847.47	683.83					2,730.81
5922111593	9,386.31	1,739.92	1,039.17	1,038.49	1,092.24	60.06	8,536.29	22,892.48
5922262141	482.17	481.55	481.24	480.93	325.17	324.96	24,361.34	26,937.36
5922193001	466.65	466.65	466.65	466.65	311.10	311.10	10,980.53	13,469.33
5922411939	478.80	478.18	477.87	477.56	321.80	321.59	19,005.23	21,561.03
5922645000	466.65	466.65	466.65	466.65	311.10	311.10	4,800.67	7,289.47
5922314131	0.03	0.03	0.03	0.03	0.03	0.03	70.40	70.58
5922232755	472.48	471.86	471.55	471.24	315.49	315.28	6,823.80	9,341.70
5922411620	483.88	483.26	482.95	482.64	326.88	326.67	28,836.08	31,422.36
5922711578	132.25	132.07	87.66	131.95	61.41	566.92	14,481.69	15,593.95
5922274100	726.56							726.56
5922192292	475.31	474.69	474.38	474.07	318.31	318.10	11,889.57	14,424.43
5922711840							-1,991.88	-1,991.88
5922711660	1,000.87	1,170.85	1,681.76	1,169.03	363.39	462.68	101,142.81	106,991.39
5922226809	483.13	482.51	482.20	481.89	326.13	325.92	27,931.32	30,513.10
5922262474	484.16	483.54	483.23	482.92	327.16	326.95	28,993.35	31,581.31
5922192290	478.38	477.76	477.45	477.14	321.38	321.17	18,211.81	20,765.09
5922411734	483.14	482.52	482.21	481.90	326.14	325.93	28,151.72	30,733.56
5922213319	211.28	211.11	166.69	5,183.75	2,480.60	2,480.34	141,057.89	151,791.66
5922113000	2,468.30	337.73	631.05	630.63	60.74	423.25	13,110.23	17,661.93
5922317749	2,085.26	1,366.27	818.26	123.71	1,557.33	3,683.50	74,135.30	83,769.63
5922213198	-1,000.00	26,222.80						-27,222.80
5922741014	6,357.02	2,444.97	2,671.17	1,519.56	30,889.71	3,095.49	41,523.56	88,501.48
5922193002	466.65	466.65	466.65	466.65	311.10	311.10	10,727.54	13,216.34
5922193000	466.65	466.65	466.65	466.65	311.10	311.10	11,271.13	13,759.93
5922251800						-220.19		-220.19
5922213962	1,024.38	1,023.41	1,022.74	265.07				3,335.60
Total	40,363.96	-2,399.52	21,190.86	22,015.52	44,640.56	19,205.44	19,205.44	859,599.81

Table 20

The table below details the age analysis for customers grouped as Councillors as at 31 October 2022.

Customer	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Balance
5922711459	2,201.54	2,769.01	1,596.61	1,759.31	962.35	815.19	19,437.03	29,541.04
5922261941	468.55	468.44	468.13	468.22	312.93	312.72	381.46	2,880.45
5922193491	622.13	78.41	573.17	78.41	382.09	382.09	18,973.91	21,090.21
5922741442	847.75	847.29	16.24					1,711.28
5922275001	524.22							524.22
5922212236	536.11	535.41	583.98	583.60	359.64	359.41	21,480.24	24,438.39
5922212475	436.10	435.53	435.25	1,446.97	291.98	291.79	13,434.62	16,772.24
5922111569	344.99	325.75						670.74
5922712351	536.09	487.22	191.63	486.79	615.80	693.63	19,107.07	22,118.23
5922224497	1,506.62	1,491.91	1,341.09	163.24	3,057.86	686.52	149,262.45	157,509.69
Total	8,024.10	7,438.97	5,206.10	4,986.54	5,982.65	3,541.35	3,541.35	277,256.49

Letters of demand have been sent to all staff and councillors with outstanding amounts where some individuals have acknowledged such debt and made payment arrangements. Those who have not come forward are in the process of being disconnected and monies owed will be deducted from their salaries. This must include current account and a portion of arrears not longer than 36 months.

Table 21

The table below details Government Debt as at October 2022

Name of Department	Oct-22
Provincial: Health	1,708,329.50
Provincial Public Works, Roads	192,821.84
National: Water Affairs	9,677.05
Provincial: Education	20,301,409.40
National: Health	31,130.63
Provincial: Other Departments	20,041.35
Other Government	0.00
National: Social Development	0.00
National: Public Works	2,538,906.68
National: Transport	1,631.18
Other Municipalities	38,942,331.80
Provincial Dept of Social Development	4,020.06
Total	63,750,299.50



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

9. IN-YEAR BUDGET STATEMENT TABLES: OCTOBER 2022 REPORT

The preliminary financial results for the period ended 31 October 2022 (i.e., 4th month of the 2022/2023 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

10. 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 OCTOBER
2022
REPORT CHECKED AND PASSED FOR SUBMISSION TO: FINANCE COMMITTEE**

	COMPREHENSIVE NESS (FACTS, COMMENTS, RECOMMENDATI ONS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
MANAGER: BUDGET AND REPORTING MISS L NGUBANE SIGNATURE: <i>[Signature]</i> DATE: <i>14/11/2022</i>	(√)	(√)	(√)
ACTING MANAGER: REVENUE AND DEBTORS MR J CELE SIGNATURE: <i>[Signature]</i> DATE: <i>14/11/2022</i>	(√)	(√)	(√)
ACTING MANAGER: EXPENDITURE AND PAYROLL MS. N GIXANE SIGNATURE: <i>[Signature]</i> DATE: <i>14/11/2022</i>	(√)	(√)	(√)
HEAD OF DEPARTMENT: CHIEF FINANCIAL OFFICER: SIPHO NDABANDABA SIGNATURE: <i>[Signature]</i> DATE: <i>14/11/2022</i>	(√)	(√)	(√)



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Municipal Manager's quality certification

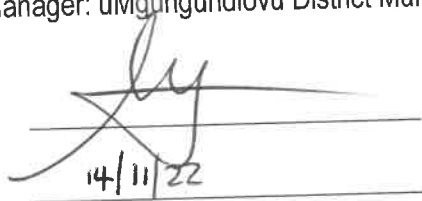
I, **Nosipho Mkhize**, Municipal Manager of the uMgungundlovu District Municipality, hereby certify that the monthly **preliminary** report on the implementation of the budget and financial state affairs of the municipality for the month of **October 2022** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Ms. ND Mkhize

Municipal Manager: uMgungundlovu District Municipality

Signature: _____

Date: _____


14/11/22

Print name: Cllr M. Zuma

Mayor: uMgungundlovu District Municipality

Signature: _____

Date: _____