

IN-YEAR MONITORING REPORT FOR THE PERIOD ENDED 31 AUGUST 2020

1. Operating Budget

Summary financial performance report SF1 for the period ending 31 AUGUST 2020 shown in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type. The summary report indicates the following

Table 1

DC22 uMgungundlovu - Table C1 Monthly Budget Statement Summary - M02 August									
Description	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	253 282	335 018	-	26 505	49 669	55 836	(6 167)	-11%	(335 018)
Investment revenue	8 090	528	-	25	51	88	(37)	-42%	(528)
Transfers and subsidies	486 777	300 569	-	288	257 778	50 095	207 683	415%	(300 569)
Other own revenue	46 393	300 777	-	3 349	7 096	50 129	(43 034)	-86%	(300 777)
Total Revenue (excluding capital transfers and contributions)	794 541	936 892	-	30 168	314 594	156 149	158 445	101%	(936 892)
Employee costs	241 305	249 673	-	21 078	42 051	41 612	439	1%	249 673
Remuneration of Councillors	11 628	13 599	-	1 013	2 002	2 267	(265)	-12%	13 599
Depreciation & asset impairment	46 642	43 774	-	3 952	7 905	7 296	609	8%	43 774
Finance charges	11 502	27 550	-	(1 761)	(7 010)	4 592	(11 602)	-253%	27 550
Materials and bulk purchases	161 412	185 526	-	19 794	19 799	30 921	(11 122)	-36%	185 526
Transfers and subsidies	13	9 929	-	4	3 254	1 655	1 599	97%	9 929
Other expenditure	467 170	282 115	-	21 020	23 435	47 019	(23 585)	-50%	282 115
Total Expenditure	939 672	812 166	-	65 101	91 435	135 361	(43 926)	-32%	812 166
Surplus/(Deficit)	(145 131)	124 726	-	(34 933)	223 158	20 788	202 371	974%	(1 749 058)

The revenue raised as at 31 August 2020 is R 314 million against the original budget of R 936 million for the year and R156 million for the period. This reflects a revenue rate of 33 % against the original annual budget.

The operating expenditure as at 31 August 2020 was R 91 million vs a year to date budget of R135 million reflecting YTD expenditure of 67% and 11 % of the original annual budget. The operating surplus for the period was R 231 million.

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

- Service charges below target by 11%.
- Transfers and subsidies are 415 % above target due to the receiving the Equitable Share and other grants.
- Investment revenue is 42 % below target, the investment is due for renewal in September.
- 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.



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2. Capital Expenditure

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

Table 2

Funding Source	Original Budget 2020 /2021	Expenditure as at 31 August 2020	% spent
MIG	101 245 000.00	4 166 737.00	4.12
WSIG	80 000 000.00	3 935 379.00	4.92
RRAMS	2 552 000.00	0.00	0.00
	183 797 000.00	8 102 116.00	4.41
LESS NON CAPITALISED PROJECTS			
TOTAL CAPITAL EXPENDITURE	183 797 000.00	8 102 116.00	4.41

The total 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 and the Water Services Infrastructure Grant is R 80 million. Year to date expenditure for MIG R 4.1 million and WSIG R3 .9 million.

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 million while salaries budget for staff amounts to R 249 million. This brings the total salaries budget to R 263 million, which is 32% of the total operational budget. This is within the norm of 25% - 40% in terms of National Treasury circular 71 of 2014.

3.3 In terms of Generally Recognised Accounting Practise (GRAP25), the municipality has to make a provision for employee benefits, which represents a future financial obligation to the Municipality on current and post-employment medical benefits for retired and active employees eligible for early retirement, *ex-gratia* pension liability for a retrenched Technical Director, and a provision for long service awards for all staff members meeting the requirements of clause 7 of the Local Government Bargaining Council collective agreement signed in August 2018.

3.4 The actual staff salaries costs incurred, including Senior Managers, as at 31 August 2020 amounts to R42 million while the actual salaries cost for Councillors is R2 million. This amounts to a total of R 44 million and it represents 17% of the total salaries budget

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- 3.5 Remuneration of councillors is spent at 15% 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 not be 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 August 2020 are still based on the December 2018 promulgation which was effective for payment in the month of July 2018. The municipality is contesting the 2019 /2020 outcome of the adjustment of remuneration.
- 3.7 It must be noted that are – application has submitted to the MEC COGTA for consideration of revision of the 2019 /2020 remuneration adjustment for Councillors, re-categorisation of the district to a grade 6 municipality for the purposes of determining the upper limits of salary packages payable to Senior Managers appointed after the introduction of the Regulations on the recruitment and conditions of service for Senior Managers and Managers directly accountable to the Municipal Manager.

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Table 3

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August										
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										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 054	8 606	-	590	1 179	1 434	(255)	-18%	8 606
Pension and UIF Contributions		679	355	-	58	116	59	57	97%	355
Medical Aid Contributions		190	338	-	16	32	56	(24)	-44%	338
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		822	925	-	76	145	154	(9)	-6%	925
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 882	3 375	-	273	530	563	(33)	-6%	3 375
Sub Total - Councillors		11 628	13 599	-	1 013	2 002	2 267	(265)	-12%	13 599
% increase	4		17.0%							17.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 144	6 319	-	353	706	1 053	(347)	-33%	6 319
Pension and UIF Contributions		181	9	-	15	30	1	29	1931%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		156	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		391	765	-	44	88	127	(39)	-31%	765
Cellphone Allowance		63	93	-	7	14	16	(1)	-7%	93
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		0	-	-	0	0	-	0	#DIV/0!	-
Payments in lieu of leave		478	-	-	-	-	-	-	-	-
Long service awards		17	-	-	1	3	-	3	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 431	7 186	-	421	841	1 198	(356)	-30%	7 186
% increase	4		62.2%							62.2%
Other Municipal Staff										
Basic Salaries and Wages		132 551	152 403	-	12 056	24 118	25 400	(1 282)	-5%	152 403
Pension and UIF Contributions		28 631	33 256	-	2 757	5 423	5 543	(119)	-2%	33 256
Medical Aid Contributions		12 693	12 112	-	1 048	2 112	2 019	94	5%	12 112
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		11 059	12 119	-	11	19	2 020	(2 001)	-99%	12 119
Motor Vehicle Allowance		19 113	19 306	-	1 758	3 468	3 218	250	8%	19 306
Cellphone Allowance		45	834	-	3	6	139	(133)	-96%	834
Housing Allowances		1 106	1 271	-	101	200	212	(11)	-5%	1 271
Other benefits and allowances		24 627	8 960	-	2 629	5 155	1 493	3 662	245%	8 960
Payments in lieu of leave		56	-	-	-	-	-	-	-	-
Long service awards		3 377	2 227	-	295	708	371	337	91%	2 227
Post-retirement benefit obligations	2	3 615	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		236 874	242 487	-	20 658	41 210	40 415	795	2%	242 487
% increase	4		2.4%							2.4%
Total Parent Municipality		252 932	263 272	-	22 091	44 053	43 879	174	0%	263 272
			4.1%							4.1%
TOTAL SALARY, ALLOWANCES & BENEFITS		252 932	263 272	-	22 091	44 053	43 879	174	0%	263 272
% increase	4		4.1%							4.1%
TOTAL MANAGERS AND STAFF		241 305	249 673	-	21 078	42 051	41 612	439	1%	249 673

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4. Conditional Grants

As at the end of August 2020 a total of R35.2 millions 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. R8.3 million was spent during the month of August 2020. The operating grant utilisation is at 2.69% and the capital grant utilisation was 15.87 % of allocations received. Overall grant utilisation is at 13.58%.

Table 4

Description	Opening Balance	Receipts	Roll Over Repayments	Total receipts	Expenditure	Balance	Percentage
Operating Grants							
FMG	0	1 000 000		1 000 000	133 586	866 414	13.36
PTP	308 817			308 817		308 817	0.00
EPWP	0	768 000		768 000	82 249	685 752	10.71
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	4 115	1 989 459	0.21
IDP SPATIAL DEVELOPMENT FRAMEWORK	1 000 000			1 000 000		1 000 000	
SPATIAL DEVELOPMENT FRAMEWORK	1 000 000			1 000 000		1 000 000	
Disaster Management Grant - COVID 19	521 963			521 963	68 303	453 660	
Total Operating Grants	8 951 438	1 768 000	0	10 719 438	288 253	10 431 185	2.69
Capital Grants							
WSIG	0	21 670 000		21 670 000	3 935 379	17 734 621	18.16
Drought Relief Initiatives	0			0		0	0.00
MIG	6 040 433	10 000 000		16 040 433	4 166 737	11 873 696	25.98
Orio	11 550 860			11 550 860		11 550 860	0.00
RRAMS	0	1 786 000		1 786 000		1 786 000	0.00
Total Capital Grants	17 591 293	33 456 000	0	51 047 293	8 102 116	42 945 177	15.87
Total Grants	26 542 730.83	35 224 000.00	-	61 766 730.83	8 390 369.23	53 376 361.60	13.58

5. Cash and cash equivalents

An amount of R 25 479.45 was accrued in investment interest income for the month of August 2020. The cash in bank as at 31 August 2020 amounted to **R 207 million** and investments amounted to **R 4 million** bringing a total cash and cash equivalents of **R 211 million**. The average interest rate on investment is at **8%**. The cash coverage ratio as at 31 August 2020 is 0.98 **based** on average of R 85 million per month fixed operating expenditure. This indicates that the municipality as at 31 August 2020 have sufficient cash to run its operation for 29.45 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. See below extract from SC 5.

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	2020 Sept Seven	25	8.0%	4 020	25	4 046
			25	0	4 020	25	4 046

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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	60 961 984.09	7 306 911.20	68 268 895.29
Salaries Account	50940092196	90 314 378.06	-1 920 208.56	88 394 169.50
Water Services Account	62023616462	42 037 502.38	6 861 879.43	48 899 381.81
NSTD Call Account	62215748289	548 445.33	8 131.45	556 576.78
Mandela Race Account	62411577193	792 975.97	6 763.94	799 739.91
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	6 481 398.88	-5 899 264.89	582 133.99
Public Sector Cheque Account	62243484417	0.00	0.00	0.00
Total Cash Balances		201 136 684.71	6 364 212.57	207 500 897.28

Table 6 above excludes an investment of R4 million held with FNB as a security for the Long Term Borrowings (DBSA Loan).

6. Borrowings

As at 31 August 2020 the loans book was sitting at R193 million. The average interest rate on remaining loans is 10.8 %. The debt to revenue ratio at 61.48 % as projected which is above the treasury norm of below 45%. This indicates that the debt books is funded by 0.56 % of the internally generated operating income.

Table 7

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) August 2020						
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/08/2020	Add: Interest Accrued	Less :Capital Repayments	Closing Balance at 31/08/2020
12007869	uMgungundlovu Various Water Projects	10.889	191 628 650.88	1 772 218.51		193 400 869.39
			191 628 650.88	1 772 218.51	0.00	193 400 869.39

7. Creditors Age Analysis

The balance of trade payables as at 31 August 2020 was R 70.6 million.

Total R 24.4 million or 35% of invoices remained outside the compliance period of 30 days as at 31 August 2020. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 August 2020.

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.

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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 balances 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.

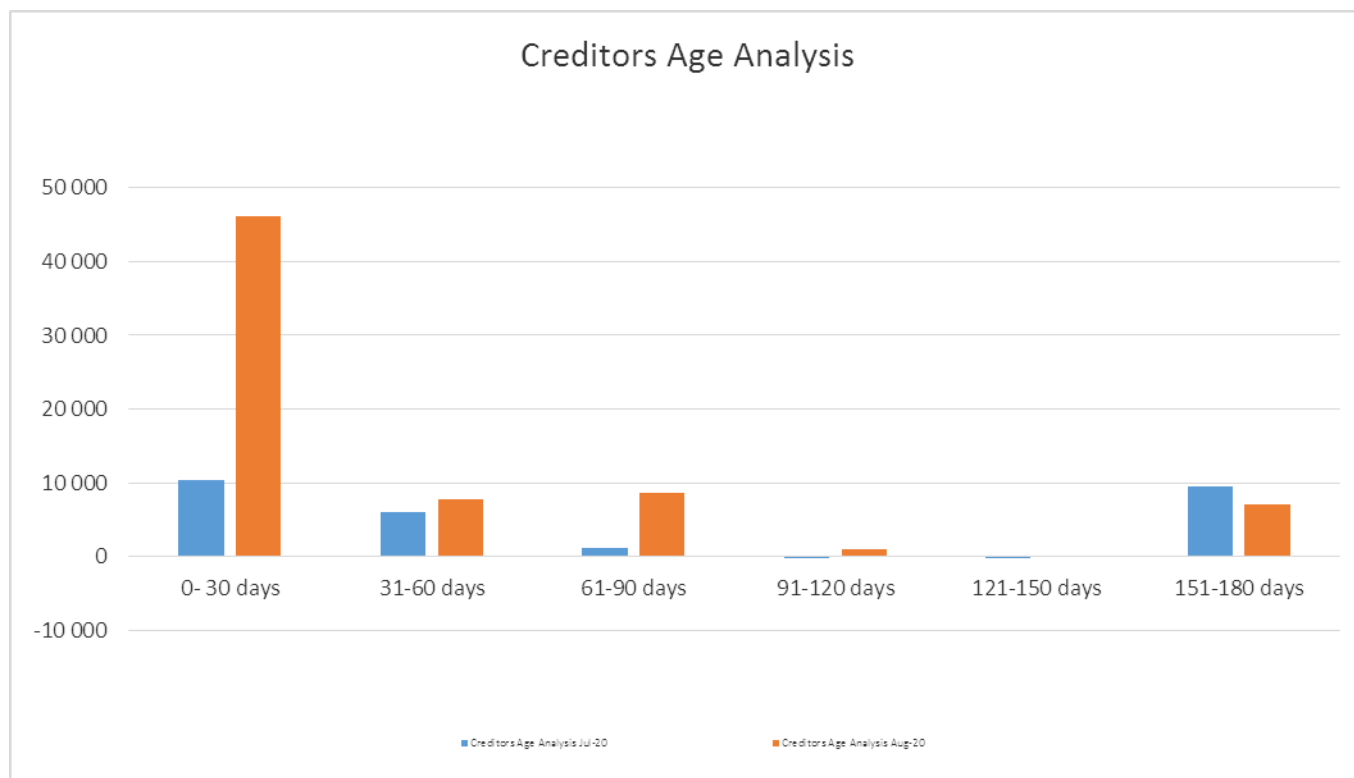
As most ESKOM accounts have payment terms which are much less than 30 days, interest on late payment is unavoidable. In order to alleviate this problem, more than 90% of ESKOM accounts were switched to debit order system and the process to transfer all accounts to a debit order method of payment is under 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.

Table 8

Creditors Age Analysis		
	Jul-20	Aug-20
0- 30 days	10 440	46 213
31-60 days	6 099	7 745
61-90 days	1 073	8 609
91-120 days	-96	1 050
121-150 days	-29	0
151-180 days	9 571	7 056
	27 058	70 673

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Graph 1



8. Billing Revenue and Debtors

8.1 Billing Summary: June 2020 to August 2020

Table 9

Area	June 2020	July 2020	August 2020
uMshwathi	2,060,991.35	1 485 949.64	2,008,873.66
uMngeni	9,779,013.90	11 722 170.60	12,117,495.02
Mpofana	2,260,510.79	2 355 546.45	2,601,242.70
iMpendle	198,606.33	349 493.25	365,255.18
Mkhambathini	436,807.92	765 591.20	682,520.89
Richmond	1,336,173.70	1 585 312.94	1,195,169.51
Water Schemes	4,766,424.25	3 673 411.02	4,086,018.71
Bulk Customers	7,493,362.94	6 320 257.40	6,917,988.61
Total	R28,331,891.28	R28,257,732.50	R29,974,564.28

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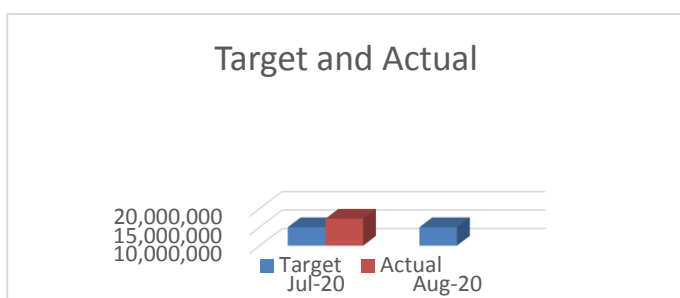
8.2 Credit Control and Debt

Collection target against actual collection for July 2020

Table 10

Month	Target	Actual
Jul-20	15,000,000	17,284,495.00
Aug-20	15,000,000	

Graph 2



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

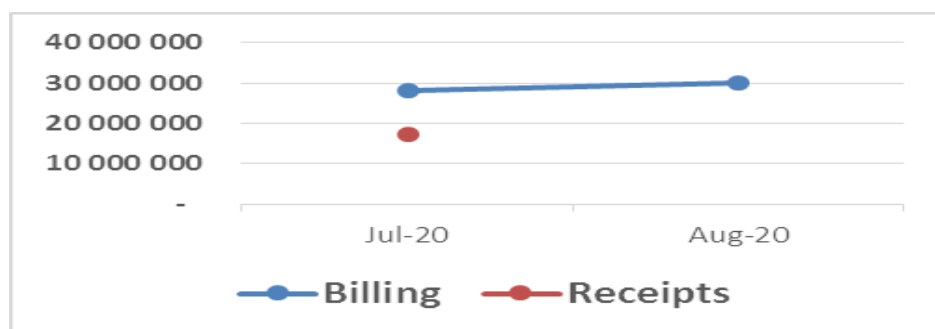
Table 11

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			
Total	<u>58,232,296.78</u>	<u>17,284,494.66</u>	<u>61%</u>	

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Graph 3



The table below details the Classification of Receipts – June 2020 to August 2020

Table 12

Basis of Receipts	June Receipts	July 2020	August 2020
Direct Bank Deposits	13,720,053.75	18,141,224.00	15,571,511.60
Easy Pay	591,020.22	566,331.08	917,169.41
Post Office	156,267.26	177,511.80	120,983.79
Customer Care Centre	113,928.32	195,601.60	452,583.16
Manual Receipts	89,043.35	85,363.61	222,246.70
Total	R14,670,312.90	R19,166,032.09	17,284,494.66

The table below details Customer Category Receipts- June 2020 to August 2020

Table 13

Customer Classification	June 2020	July 2020	August 2020
Government	2,023,037.22	3,941,856.84	2,555,485.52
Business	8,218,959.31	9,604,058.26	9,530,422.15
Households	4,424,416.37	5,587,209.09	5,161,139.33
Indigent Households	16 900.00	13,154.06	16,794.00
Church	17 180.30	17,552.30	17,483.20
Councillors	3900.00	2,201.54	3,170.46
Total	R14,670,312.90	R19,166,032.09	17,284,494.66

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The table below indicates the comparison of collection rate between 2019/20 financial year and 2020/21 financial year

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%

The table below details the percentage of collection per customer classification – August 2020

Table 15

AREA	Jun-20			Jul-20			
	BILLING	RECEIPTS	% COLLECTION	AREA	SALES RAISED	RECEIPTS	% COLLECTION
Howick	7,735,239.64	6,085,720.01	79%	Howick	7,504,941.91	6,700,564	89%
Tumbleweed	178,213.50	3,150.00	2%	Tumbleweed	178,562.00	2,250	1%
Lidgeton	134,908.65	1,696.60	1%	Lidgeton	134,262.10	5,394	4%
Hilton	3,032,080.67	1,634,309.50	54%	Hilton	2,378,895.68	1,721,003	72%
Mpophomeni	1,990,130.03	90,582.96	5%	Mpophomeni	1,691,012.54	165,293	10%
Bulk	7,457,288.13	7,890,292.05	106%	Bulk	5,433,228.58	5,416,936	100%
Mpofana	1,366,675.67	600,149.62	44%	Mpofana	1,355,400.59	1,109,623	82%
Mpofana- Bruntville	1,102,261.57	1,550.25	0%	Mpofana- Bruntville	1,156,214.21	49,783	4%
Richmond	1,309,797.65	546,659.70	42%	Richmond	1,584,155.39	673,290	43%
uMshwathi	2,042,180.35	1,116,083.92	55%	uMshwathi	1,485,949.64	945,252	64%
uMkhambathini	436,271.10	70,265.35	16%	uMkhambathini	730,712.06	255,569	35%
iMpendle	196,487.37	60,953.21	31%	iMpendle	272,454.95	48,926	18%
Water Schemes	1,350,356.95	1,064,618.92	79%	Water Schemes	4,351,943	190,612	4%
Total	28,331,891.28	19,166,032.09	68%	Total	28,257,733	17,284,495	61%

The table below details a breakdown of July 2020 billing and August 2020 receipts for Water Schemes taken over from Umgeni Water.

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Table 16. Water Schemes billing vs Collection

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Hopewell	150,777.40	-	0%	Rural Scheme
Manyavu	439,357.82	-	0%	Rural Scheme
Intermediate Cross	27,477.79	1,187.00	4%	Farm Scheme
Swayimana	1,002,375.29	100.00	0%	Rural Scheme
Table Mountain	518,542.47	1,000.00	0%	Rural Scheme
Whispers	214,637.70	138,304.43	64%	Farm Scheme
Camperdown	73,894.11	36,107.22	49%	Farm Scheme
Birnoum Wood	77,155.46	11,575.80	15%	Farm Scheme
Claridge	67,849.65	2,342.52	3%	Farm Scheme
Efaye	219,751.84	-	0%	Rural Scheme
Cuphulaka	203,594.06	-	0%	Rural Scheme
Mayizekanye	984,444.62	-	0%	Rural Scheme
Mpolweni	372,085.08	-	0%	Rural Scheme
Total	4,351,943.29	190,616.97	4%	

The table below details a breakdown of July 2020 billing and August 2020 receipts for Rural Water Schemes.

Table 17

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Gomane	122,532.40	4,512.35	0%	Rural Scheme
Emakholweni	128,301.44	0.00	0%	Rural Scheme
Inzinga	61,333.80	2,89.40	8%	Rural Scheme
Swapo	142,674.20	0.00	0%	Rural Scheme
Total	R454,841.84	R2,442.74	2%	

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.

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

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

8.3 Debtors Age Analysis

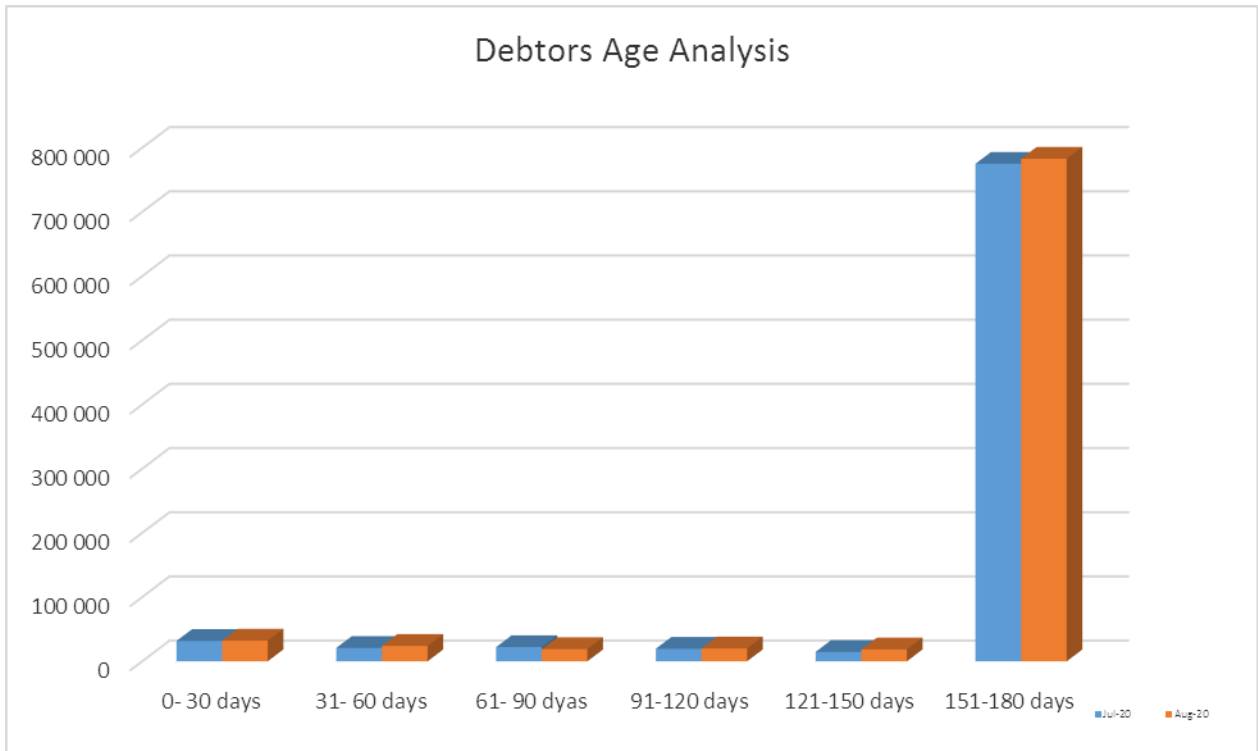
The debtor book value as at 31 August 2020 amounted to **R 896 million**. The collection rate in the month of August was **61 %**. The average collection rate to date is **65 %**. The municipality is reviewing its debt collection strategies. Strategic partnerships with stakeholders like uMgeni Water 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 - M02 August												
Description	NT Code	Budget Year 2020/21									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Wa	1200	25 776	19 024	13 395	14 341	13 241	12 631	65 306	438 216	601 930	543 736	
Trade and Other Receivables from Exchange Transactions - Ele	1300	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Manage	1500	1 470	1 169	1 443	1 860	1 340	1 385	9 044	82 528	100 239	96 157	
Receivables from Exchange Transactions - Waste Management	1600	(1)	(100)	2	(1)	(7)	(1)	(4)	(37)	(147)	(49)	
Receivables from Exchange Transactions - Property Rental Deb	1700	-	-	-	-	-	-	-	739	739	739	
Interest on Arrear Debtor Accounts	1810	3 809	4 143	4 072	3 828	3 861	-	26 408	133 020	179 141	167 117	
Recoverable unauthorised, irregular, fruitless and wasteful exper	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	1 183	(210)	(29)	(27)	(21)	3	1 728	11 894	14 521	13 577	
Total By Income Source	2000	32 237	24 025	18 884	20 002	18 414	14 019	102 482	666 359	896 422	821 276	
2019/20 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	5 107	1 595	1 039	1 131	600	1 040	6 161	15 212	31 885	24 144	
Commercial	2300	3 988	732	1 093	1 407	804	567	2 232	8 203	19 026	13 213	
Households	2400	19 857	19 152	15 304	16 084	15 110	11 072	83 799	566 399	746 778	692 465	
Other	2500	3 285	2 546	1 449	1 379	1 899	1 340	10 290	76 545	98 734	91 454	
Total By Customer Group	2600	32 237	24 025	18 884	20 002	18 414	14 019	102 482	666 359	896 422	821 276	

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Graph 4



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

The table below details the age analysis for customers grouped as UMDM staff members as at 31 August 2020

Table 19

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922711840	-1,556.01					-1,000.00	73.16	-2,482.85
5922314131	63.32		0.34	0.34	0.34	0.34	0.31	64.99
5922316386						144.79	679.90	824.69
5922213962		362.45				597.58	603.17	1,563.20
5922213198					467.18	606.96	603.73	1,677.87
5922251800				1,005.59	509.70	501.56	572.87	2,589.72
5922711808					522.71	679.92	1,414.46	2,617.09
5922711578	1,749.05	44.19	340.06	379.29	54.43	83.68	58.54	2,709.24
5922645000	1,696.18	276.93	289.45	291.24	293.03	307.28	307.23	3,461.34
5922251794				478.97	1,203.20	1,266.06	672.32	3,620.55
5922193002	2,270.92	276.93	292.92	294.71	296.50	310.76	310.37	4,053.11
5922251326	1,644.47	839.62	22.14	591.67	859.08	803.93	-643.56	4,117.35
5922193001	2,536.89	276.93	294.58	296.37	298.16	312.42	311.87	4,327.22
5922193000	2,795.81	276.93	296.14	297.92	299.71	313.97	313.27	4,593.75
5922192292	4,057.80	104.36	127.91	128.58	129.25	314.97	314.17	5,177.04
5922232755	4,943.47	250.64	73.96	280.70	282.31	322.70	321.15	6,474.93
5922111593	4,571.12	450.33	615.77	619.54	674.78	422.29	559.01	7,912.84
5922411911	6,561.47	192.54	230.43	231.67	232.91	245.20	242.35	7,936.57
5922192290	9,763.36	104.36	157.71	158.39	159.06	344.77	341.08	11,028.73
5922411939	10,449.43	250.64	309.28	310.90	312.51	352.90	348.41	12,334.07
5922272107	4,574.96	839.62	873.97	3,870.40	1,560.40	1,155.51	1,204.98	14,079.84
5922411528	14,338.24	250.64	333.71	335.33	336.95	352.24	345.22	16,292.33
5922721404	14,887.92	119.40	196.82	197.60	198.36	369.14	363.07	16,332.31
5922262141	14,128.56	361.94	447.23	449.56	451.90	381.70	374.42	16,595.31
5922113000	13,564.78	465.34	126.23	1,713.49	372.54	921.58	319.05	17,483.01
5922226809	17,505.75	361.94	456.55	458.88	461.23	391.02	382.83	20,018.20
5922411734	18,163.60	250.64	347.48	349.10	350.72	391.09	382.90	20,235.53
5922411620	18,699.20	250.64	354.67	356.29	357.91	398.29	389.39	20,806.39
5922262474	18,362.22	361.94	466.48	468.82	471.16	400.96	391.80	20,923.38
5922711631	15,513.79	229.35	320.75	1,286.54	786.96	11,549.37	1,052.23	30,738.99
5922111502	23,638.56	1,709.03	337.96	1,425.71	1,579.70	839.64	1,337.64	30,868.24
5922741014	32,260.10	1,698.80	10,280.64	809.30	703.86	1,453.06	1,429.08	48,634.84
5922317749	40,539.08	2,685.50	3,030.31	2,955.96	331.99	3,096.93	3,085.30	55,725.07
5922213319	45,247.94	908.72	6,789.26	6,180.78	1,182.24	10,205.63	3,160.34	73,674.91
5922711660	74,935.38	1,854.81	736.65	869.99	872.91	805.47	719.04	80,794.25
Totals:	417,907.36	16,055.16	28,149.40	27,093.63	16,613.69	40,573.15	23,368.28	569,760.67

Staff members have been advised of the payment arrangement approved by Council for the debt recovery during the September salary run.

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

7. The table below details the age analysis for customers grouped as Councillors as at the 31st August 2020

Table 20

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922261941						163.28	-8.91	154.37
5922193491	980.53	708.45	54.76	261.49	852.09	897.71	655.16	4,410.19
5922741442						158.95	489.63	648.58
5922111637	43,275.29	840.45	9,246.85	13,940.41	2,957.38	4,345.84	1,217.99	75,824.21
5922275001					89.70	204.17	54.88	348.75
5922212236	22,115.01	308.74	424.08	420.91	417.73	436.02	420.58	24,543.07
5922212475	5,674.91	250.64	284.45	283.95	285.56	300.86	298.84	7,379.21
5922111569	415.52	361.94	234.31	235.79	281.47	181.01	205.60	1,915.64
5922224497	103,401.65	5,962.86	1,022.54	3,081.35	2,623.70	2,020.65	2,529.11	120,641.86
Totals:	198,876.00	10,083.33	15,102.07	19,366.25	8,578.97	10,149.76	7,318.31	269,474.69

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.

8. New account created for the month of August 2020

The table below indicates the new accounts created for August 2020

Table 21

Account	Name	Area
5922227155	CEBEKHULU	uMngeni
5922227157	MARX	uMngeni
5922227159	ALEXANDER	uMngeni
5922227161	KUMM	uMngeni
5922227162	NTULI	uMngeni
5922227163	GRAHAM	uMngeni
5922296589	DOBREV	uMngeni
5922296590	CEBEKHULU	uMngeni
5922296591	NGWANE	uMngeni
5922296593	CHETTY	uMngeni
5922296595	WILLIAMS	uMngeni
5922296596	PILLAY	uMngeni
5922296597	TOSH	uMngeni
5922296598	LENKENA	uMngeni
5922296599	TAYNTON	uMngeni
5922296600	BOOTH	uMngeni
5922330102	LIEBENBERG	Mpofana

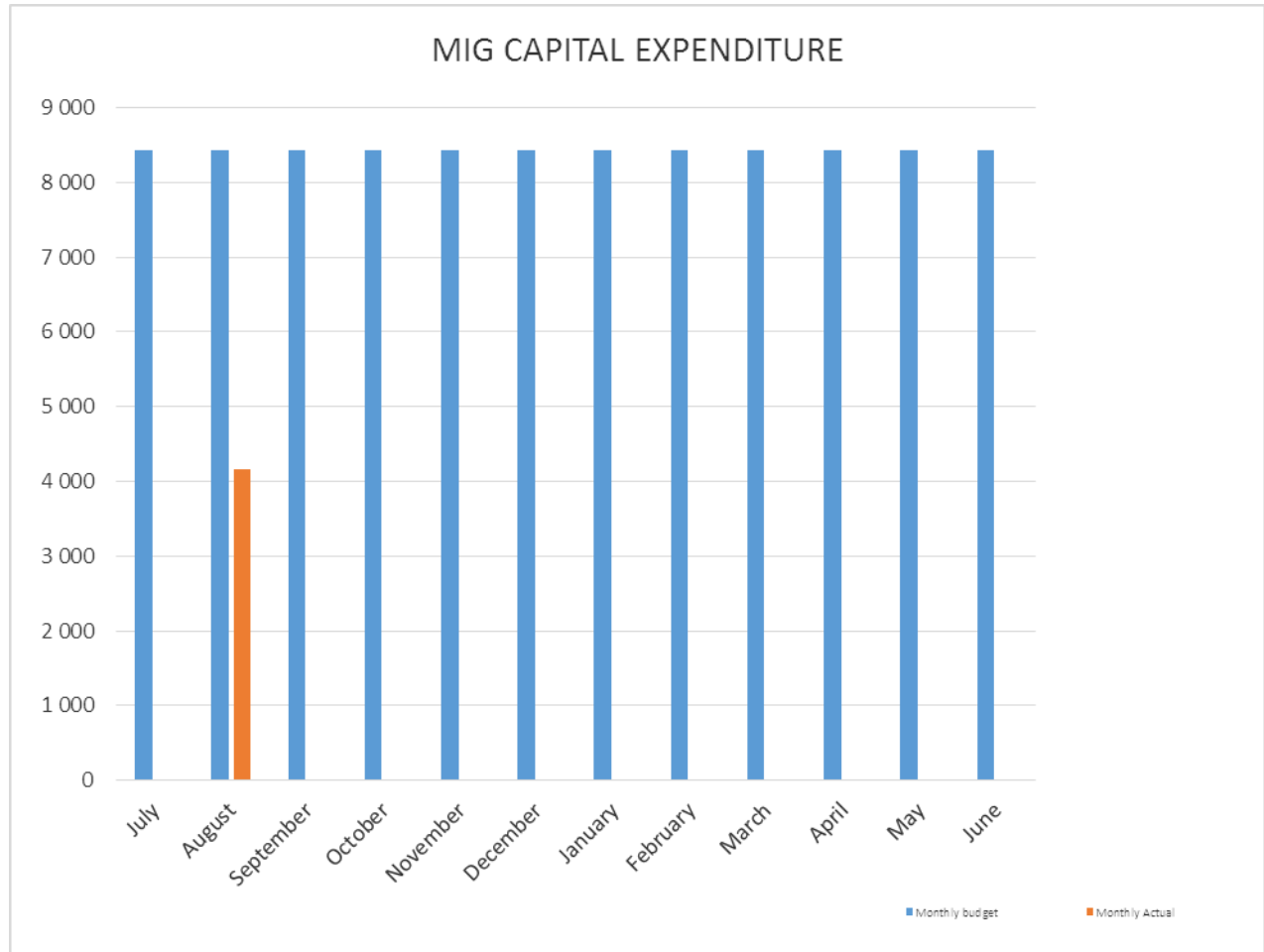


9. IN-YEAR BUDGET STATEMENT CHARTS: 31 AUGUST 2020 REPORT

MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly budget	Monthly Actual
July	8 437	0
August	8 437	4 167
September	8 437	
October	8 437	
November	8 437	
December	8 437	
January	8 437	
February	8 437	
March	8 437	
April	8 437	
May	8 437	
June	8 438	
	101 245	4 167

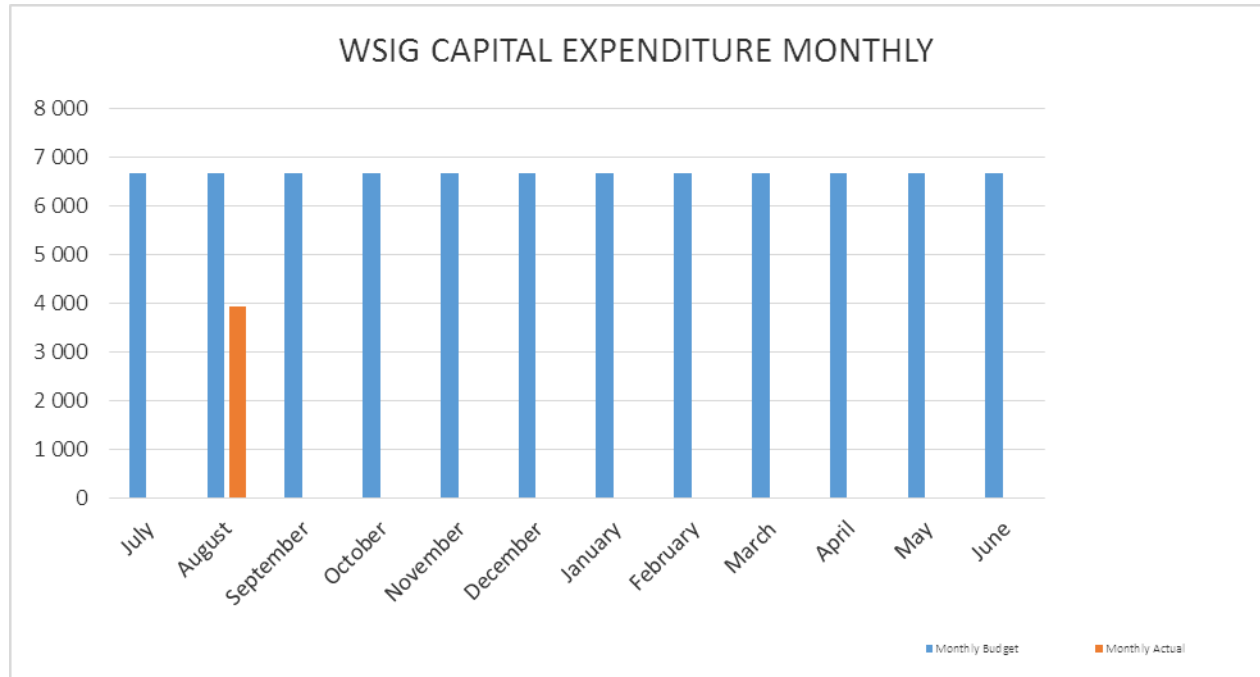
UMGUNGUNDLOVU DISTRICT MUNICIPALITY



WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	6 667	0
August	6 667	3 935
September	6 667	
October	6 667	
November	6 667	
December	6 667	
January	6 667	
February	6 667	
March	6 667	
April	6 667	
May	6 667	
June	6 667	
	80 000	3 935

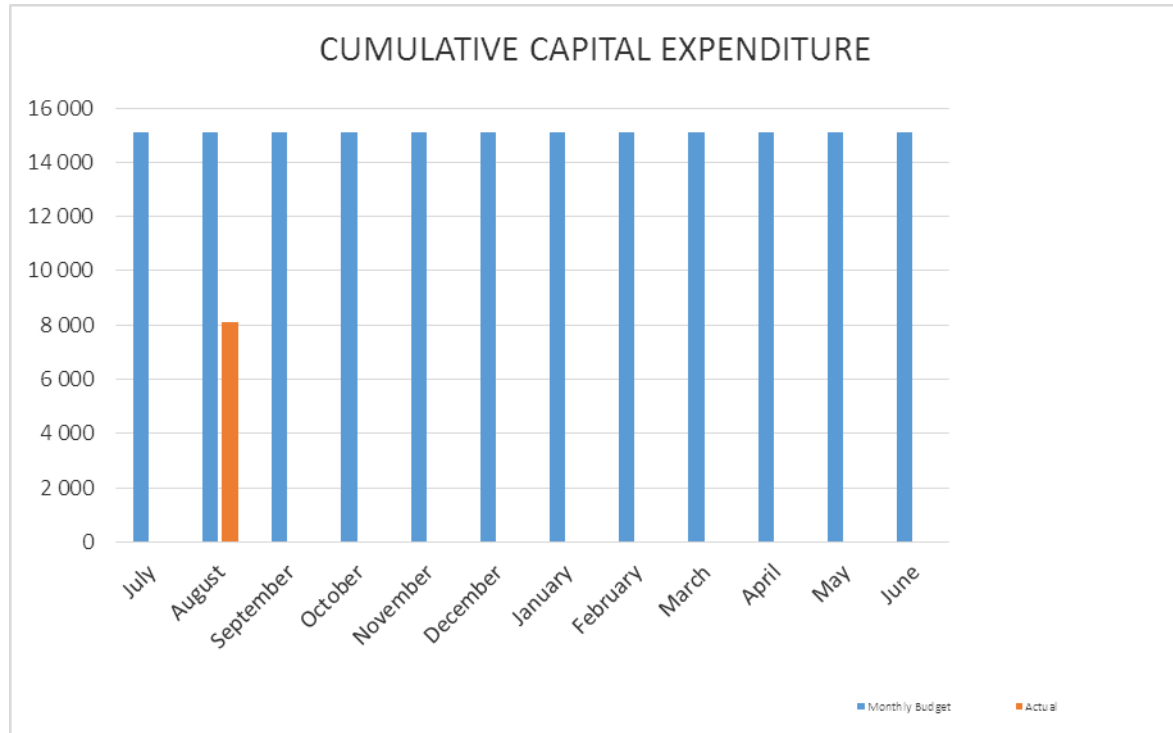
UMGUNGUNDLOVU DISTRICT MUNICIPALITY



CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	15 104	0
August	15 104	8 102
September	15 104	0
October	15 104	0
November	15 104	0
December	15 104	0
January	15 104	0
February	15 104	0
March	15 104	0
April	15 104	0
May	15 104	0
June	15 105	0
	181 245	8 102

UMGUNGUNDLOVU DISTRICT MUNICIPALITY





UMGUNGUNDLOVU DISTRICT MUNICIPALITY

10. IN-YEAR BUDGET STATEMENT TABLES: AUGUST 2020 REPORT

The preliminary financial results for the period ended 31 AUGUST 2020 (i.e. 2ND 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.

ANNEXURES:



UMGUNGUNDLOVU DISTRICT MUNICIPALITY
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 AUGUST 2020

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

	COMPREHENSIVE NESS (FACTS, COMMENTS, RECOMMENDATIO NS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
MANAGER: BUDGET OFFICE Vacant SIGNATURE:..... DATE:	(√)	(√)	(√)
MANAGER: REVENUE MANAGEMENT SIBONGILE KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
MANAGER: EXPENDITURE MANAGEMENT: NOMPUMELELO KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
HEAD OF DEPARTMENT: ACTING CHIEF FINANCIAL OFFICER : NONDUMISO MBATHA 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 **AUGUST 2020** 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: _____