

**REPORT TO THE
uMGUNGUNDLOVU
DISTRICT MUNICIPAL**



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Report Number: 01	Designation	: Manager: Budget & Reporting

For consideration

1 st Level – MANCO	:	
2 nd Level – Portfolio Committee	:	16/08/2018
3 rd Level – EXCO	:	23/08/2018
4 th Level – MPAC	:	24/07/2018
5 th Level – Council	:	31/08/2018

SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2018

DATE : 16 AUGUST 2018

The purpose of this report is to comply with section 71 of the Municipal Finance Management Act (MFMA) and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009.

2. STRATEGIC OBJECTIVE

To ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.”

3. BACKGROUND

Section 52 (d) and 71 of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations” necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

“The Mayor of a municipality-

52(d) must, **within 30 days of the end of each quarter**, submit a report to council on the implementation of the budget and the financial state of the municipality;”

“71(1) The accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for the month and for the financial year up to the end of that month: ...”.

“28.The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

For the reporting period ending 31 July 2018 the ten working day reporting limit expired on **15 August 2018**.

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

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

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

The below is the summary of financial performance for the period ended 31 July 2018.

Table 1

Summary of financial performance	
Actual Revenue to Budgeted Revenue	28
Actual OPEX to budgeted OPEX	3
Actual CAPEX to budgeted CAPEX	1.60
Employee related cost exp to total OPEX	72
% Grant Utilisation	6.42
Cash Coverage Ratio	3.51
Debt Service to Revenue Ratio	3.35
% Debt to Revenue Ratio	26.20
Creditors Age Analysis	6% or R 2 12 340 of creditors is outstanding longer than 30 days.
Debt Collection Rate	68

4. RECOMMENDATIONS

- (1) That, in compliance with, Section 52(d) and Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” the **preliminary** financial results regarding the operating and capital budgets for the 7th month of the 2017/18 financial year, and supporting documents as required by National Treasury (Schedule C) be submitted to Full Council Committee.

- (2) In order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009 this report be submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council, in both a Council approved document and in electronic format.
- (3) That the Committee approves the following:
- 3.1 Surplus for the period ending 31 July 2018 is R207.7 million.
 - 3.2 Cash & Cash Equivalent for the period ending 31 July 2018 is R245.5 million.
 - 3.3 Capital Expenditure for the period ending 31 July 2018 is R3.4 million.
 - 3.4 Trade Payables for the period ending 31 July 2018 is R32.9 million.
 - 3.5 Trade Receivables for the period ending 31 July 2018 is R549.6 million.
 - 3.5 Unspent conditional Grants for the period ending 31 July 2018 is R73.4 million.

IN YEAR MONITORING REPORT FOR THE PERIOD ENDED 31 JULY 2018

1. Operating Budget

Summary financial performance report for the period ending 31 July 2018 The SFP shown in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type. The summary report indicates the following:

Table 2

DC22 uMgungundlovu - Table C1 Monthly Budget Statement Summary - M01 July									
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
Financial Performance									
Revenue									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	196 388	306 911	-	25 719	25 719	25 576	143	1%	306 911
Investment revenue	4 000	2 500	-	26	26	208	(182)	-87%	2 500
Transfers and subsidies	465 297	492 260	-	201 652	201 652	41 022	160 630	392%	492 260
Other own revenue	22 850	10 150	-	3 075	3 075	846	2 229	264%	10 150
Total Revenue (excluding capital transfers and contributions)	688 535	811 821	-	230 472	230 472	67 652	162 821	241%	811 821
Expenditure									
Employee costs	221 547	250 246	-	18 019	18 019	20 854	(2 835)	-14%	250 246
Remuneration of Councillors	12 266	12 266	-	958	958	1 022	(65)	-6%	12 266
Depreciation & asset impairment	36 713	51 000	-	-	-	4 250	(4 250)	-100%	51 000
Finance charges	23 419	22 609	-	1 949	1 949	1 884	65	3%	22 609
Materials and bulk purchases	121 234	139 150	-	176	176	11 596	(11 420)	-98%	139 150
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	359 330	333 376	-	5 163	5 163	27 781	(22 619)	-81%	333 376
Total Expenditure	774 511	808 648	-	26 264	26 264	67 387	(41 123)	-61%	808 648
Surplus/(Deficit)	(85 975)	3 173	-	204 209	204 209	264	203 944	77118%	3 173

The revenue raised as at 31 July 2018 was R230 472 million against the original budget of R811 821 million for the year and R67 652 million for the period. This reflects a revenue rate against the original budget of 28% and 341% for the year to date budget.

The operating expenditure as at 31 July 2018 was R 26 254million vs a year to date budget of R67 387 million reflecting YTD expenditure of 39% and 3% against the original budget. The operating deficit for the period was R million.

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

- Service charges up by 1%.
- Interest revenue 87% below target due to investment cancellations.
- Transfers and subsidies are 392% above target.
- Other revenue account is 0%. The other revenue 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 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 3

Funding Source	Budget 2018 /2019	Expenditure as at 31 July 2018	% spent
MIG	99 828 000.00	2 869 249.62	2.87
DBSA LOAN	0.00	0.00	0.00
WSIG	102 700 000.00	559 845.88	0.55
RESERVES	5 000 000.00	0.00	0.00
RRAMS	2 531 000.00	0.00	0.00
DWS	4 000 095.45	0.00	
	214 059 095.45	3 429 095.50	1.60

Table 4

Project Name	Funding Source	Original Budget 2018/2019	Total current year expenditure as at 31.07.2018
Infrastructure assets			
Manyavu water	MIG	11,636,359	2,461,721
Manzamyama Water	MIG	10,855,358	135,336
Nkanyezini Water	MIG	8,742,766	272,192
Maqongqo Water/ Upgrade	MIG	8,093,517	
Phase 2 Nadi - Efaye	MIG	20,350,000	
Hilton Corridor development	MIG		
Phase 3A Mtulwa	MIG	16,804,000	
Phase 3B Ekhamanzi	MIG	14,346,000	
Trust feeds Phase 1	MIG	3,000,000	
Sanitation	MIG	6,000,000	
Umshwathi Regional Bulk	WSIG	102,700,000	559,846
Boreholes - Drought (ex Mkhambat	DWS		
Hilton AC Pipes	DBSA		
Merrivale AV Pipes	DBSA		
Merrivale AV Pipes	MIG		
Rural roads asset management	DOT		
Retentions	Reserves		
Fire Fighting Equipment	Reserves	5,000,000	
Furniture	Reserves		
IT Equipment and Infrastructure	Reserves		
		207,528,000	3,429,096

The total capital original budget for the 2018/ 2019 financial year is R207 528 million and the MIG allocation is R 99 828 million. The year to date, MIG expenditure amounts to R 2.8 million or 7.62%. The municipality anticipates to spend in full the capital allocations. The projects on the pipeline are as follows:

1. **The Nkanyezini water supply scheme** has a total project budget of R 85 million and tender was awarded on 17 October 2016. The project is on going. Initially there were delays in the start of the projects due to contractor challenges and contract termination processes were institution and the contractor given time to correct anomalies in line with the GCCs. Further delays were experienced due to social facilitation issues which arose after the death of the ward councillor. Other delays were due to the negotiations with the landowner and house owner which have both been resolved. An amount of R950 000 was paid for the purchase of the house which is on the site on which a reservoir is to be built. The land price of R115k was paid in November 2017. Expenditure for July is at 3 % of 2018/ 2019 year allocation.
2. **The Manyavu water supply scheme** with a total budget of R17.5 million and a maximum year allocation of R11.6 was awarded 21 April 2017 and a site handover has been completed. The project is expected to be completed in 22 months.
3. **The Manzamnyama water supply scheme** was advertised and closed on 18 January 2018, going through Supply Chain Processes for finalisation.
4. **Maqongqo water supply scheme** project has a budget of R19 million and was awarded in July 2017 and has a R 8.1 million 2018/ 2019 budget allocation. The project is experienced social facilitation issues which have subsequently been attended to through the intervention of the infrastructure portfolio chairperson.
5. **Other MIG projects** expenditure incurred for MIG registered projects to co fund the Phase 2 Nadi and Phase 3 Mtulwa projects.
6. Spending on the **WSIG is 0.45%** of the received allocation including its carry over funding.
7. Total capital expenditure to date is 1.65% 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. As at **31 July 2018, 8%** of the councillor's allowances budget was spent and **7%** spent of the employee costs budget. As at 31 July 2018 the total salary cost including councillor's allowances represented **72%** of total operating expenditure for the period which is above the norm of 25%-40% to total operating expenses as set by National Treasury circular 71.

Table 5

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July										
Summary of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							
		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		12 266	12 266		958	958	1 022	(65)	-6%	12 266
Sub Total - Councillors		12 266	12 266	-	958	958	1 022	(65)	-6%	12 266
% increase	4		0.0%							0.0%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	7 461	5 717				476	(476)	-100%	5 717
Pension and UIF Contributions		9	185				15	(15)	-100%	185
Performance Bonus		1 054	972				81	(81)	-100%	972
Motor Vehicle Allowance		-	878				73	(73)	-100%	878
Cellphone Allowance		108	108				9	(9)	-100%	108
Housing Allowances								-		
Other benefits and allowances		75	75				6	(6)	-100%	75
Sub Total - Senior Managers of Municipality		8 707	7 936	-	-	-	661	(661)	-100%	7 936
% increase	4		-8.9%							-8.9%
Other Municipal Staff										
Basic Salaries and Wages		105 486	131 982		10 865	10 865	10 998	(133)	-1%	131 982
Pension and UIF Contributions		20 679	29 358		2 268	2 268	2 447	(178)	-7%	29 358
Medical Aid Contributions		10 959	11 247		799	799	937	(138)	-15%	11 247
Overtime		14 147	8 902		642	642	742	(100)	-13%	8 902
Performance Bonus		9 216	10 793		44	44	899	(855)	-95%	10 793
Motor Vehicle Allowance		19 157	21 809		1 547	1 547	1 817	(270)	-15%	21 809
Cellphone Allowance		848	1 702		137	137	142	(5)	-4%	1 702
Housing Allowances		1 166	1 037		87	87	86	1	1%	1 037
Other benefits and allowances		17 944	16 182		844	844	1 348	(504)	-37%	16 182
Payments in lieu of leave		-			350	350	-	350	#DIV/0!	
Long service awards		1 239	299		137	137	25	112	450%	299
Post-retirement benefit obligations	2	12 000	9 000		299	299	750	(451)	-60%	9 000
Sub Total - Other Municipal Staff		212 841	242 310	-	18 019	18 019	20 193	(2 174)	-11%	242 310
% increase	4		13.8%							13.8%
Total Parent Municipality		233 814	262 512	-	18 976	18 976	21 876	(2 900)	-13%	262 512
			12.3%							12.3%

4. Conditional Grants

As at the end of July 2018, R48 000 million of conditional grants had been received since 1 July 2018 R5 035 million was spent as at 31 July 2018. The operating grant utilisation is at 20.77% and the capital grant utilisation was 4.88% of allocations received. Overall grant utilisation is at 6.42%

Table6

Description	Opening Balance	Receipts	Total receipts	Expenditure	Balance	% spent to date
Operating Grants						
FMG	0.00	0.00	0.00	0.00	0.00	
PTP	308 817.00	0.00	308 817.00	0.00	308 817.00	0.00
RRAMS	0.00	0.00	0.00	0.00	0.00	
EPWP	0.00	0.00	0.00	0.00	0.00	
Camperdown WWW	4 000 095.00	0.00	4 000 095.00	0.00	4 000 095.00	0.00
SETA Grants	0.00	0.00	0.00	1 580 695.25	-1 580 695.25	
RASET GRANT	3 000 000.00	0.00	3 000 000.00	0.00	3 000 000.00	0.00
DGDS GRANT	300 000.00	0.00	300 000.00	0.00	300 000.00	0.00
Total Operating Grants	7 608 912.00	0.00	7 608 912.00	1 580 695.25	6 028 216.75	20.77
Capital Grants						
WSIG	11 243 255.10	10 000 000.00	21 243 255.10	559 845.88	20 683 409.22	2.64
MIG	0.00	38 000 000.00	38 000 000.00	2 894 418.47	35 105 581.53	7.62
Orio	11 550 860.00	0.00	11 550 860.00	0.00	11 550 860.00	0.00
Total Capital Grants	22 794 115.10	48 000 000.00	70 794 115.10	3 454 264.35	67 339 850.75	4.88
Total Grants	30 403 027.10	48 000 000.00	78 403 027.10	5 034 959.60	73 368 067.50	6.42

5. Cash and cash equivalents

An amount of R26 495 was accrued in investment interest income for the month of July 2018. The cash in bank as at 31 July 2018 amounted to **R241 467 million** and investments amounted to **R4 040 million** with a total cash and cash equivalents of **R245 489 million**. The average interest rate on investment is at 7.8%. The cash coverage ratio as at 31 July 2018 is **3.51 months** based on average of R49 million per month fixed operating expenditure as the employer and organised labour has not finalise the wage increase negotiations. This figure is expected to increase with the finalisation of wage increases. This indicates that the municipality as at 30 June 2018 had sufficient cash to operate for a period of 3.51 months without receiving grants to cover operating costs. The norm as set out in the uniform financial ratios and norms circular 71 is 1 to 3 months. See below extract from SC 5.

Table 7

Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1	Market value at beginning	Change in market value	Market value at end of the
Yrs/Months							
1 year	Long term	07/09/2018	26	7.8%	4 014	26	4 040
			26		4 014	26	4 040

Table 8

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	37 586 844.45	12 176 734.84	49 763 579.29
Salaries Account	50940092196	239 602.15	7 450 859.85	7 690 462.00
Water Services Account	62023616462	182 776.81	28 031 544.19	28 214 321.00
NSTD Call Account	62215748289	3 239 009.93	148 307 918.07	151 546 928.00
Mandela Race Account	62411577193	731 208.29	4 801.71	736 010.00
UMDM MIG (DBSA) Account	62400041985	83 581.18	321.82	83 903.00
Corporate Cheque Account	62597807125	3 414 370.53	17 308.47	3 431 679.00
Public Sector Cheque Account	62243484417	162.82	0.00	0.00
Total Cash Balances		45 477 393.34	195 989 488.95	241 466 882.29

6. Borrowings

As at 31 July 2018 the loans book was sitting at R212 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 3.35% as projected which is below the treasury norm of below 45%. This indicates that the debt books is 26.20% of the internally generated operating income. The debt service ratio to operating expenditure is 3.37% which is below the 6 -8% recommended treasury norm.

Table 9

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) JULY 2018 - JUNE 2019								
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/07/2017	Add: Interest Accrued	Less: Interest paid	Less: Capital Repayments	Closing Balance at 31/05/2018	Repayment Due
13851	uMDM Infrastructure Development Programme	11	507 282.04	5 043.20	0.00	0.00	512 325.24	0.00
12007869	uMgungundlovu Various Water Projects	10.889	210 228 699.62	1 943 655.49	11 626 590.64	3 968 112.69	212 172 355.11	15 594 703.00
			210 735 981.66	1 948 698.69	11 626 590.64	3 968 112.69	212 684 680.35	15 594 703.00

7. Creditors Age Analysis

A total R2 112 340 or 6% of invoices remained outside the compliance period of 30 days as at 31 July 2018. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 July 2018. The balance of trade payables as at 31 July 2018 was **R32 994 million**.

Table 10

DC22 uMgungundlovu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July										
Description	NT Code	Budget Year 2018/19								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	30 882	983	454	210	18	447	-	-	32 994
Total By Customer Type	1000	30 882	983	454	210	18	447	-	-	32 994

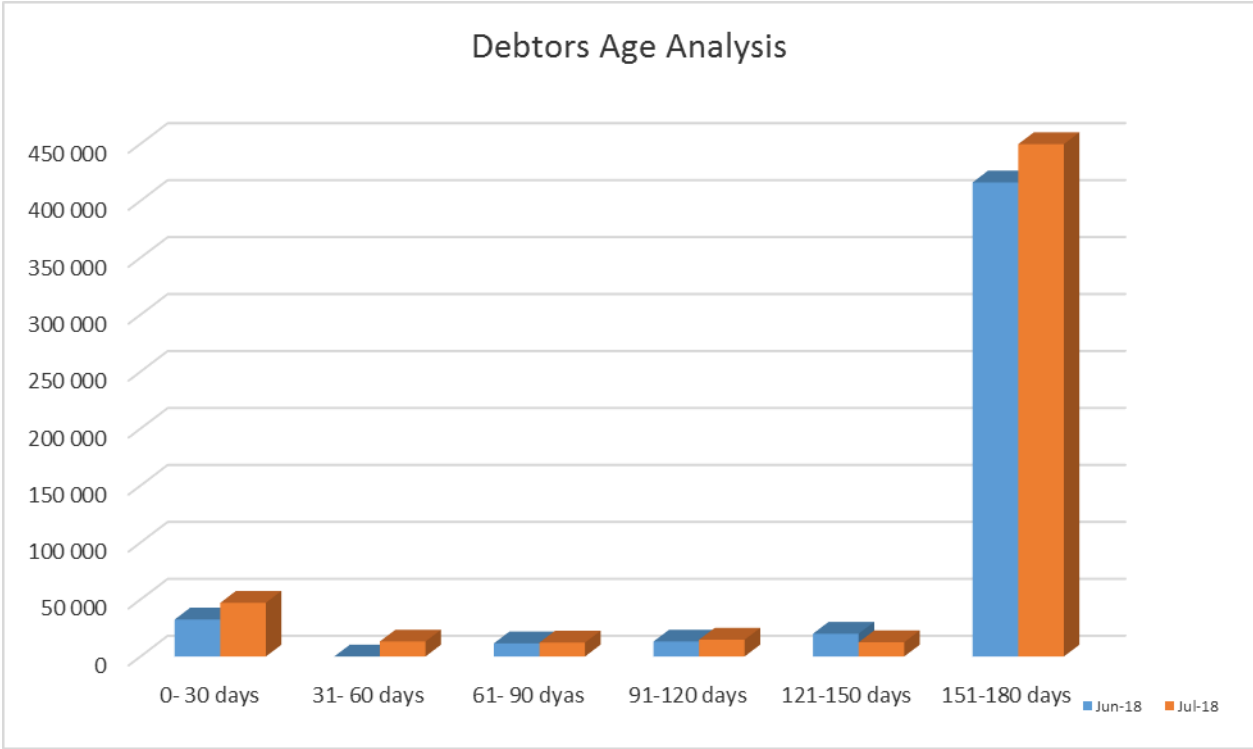
8. Debtors age analysis

The debtor book value as at 31 July 2018 amounted to **R549 601 million**. The collection in the month of July was **68%**. The average collection rate to date is **68%**.

Table 13

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July										
Description	NT Code	Budget Year 2018/19							Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys			
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	47 142	13 165	12 208	14 766	12 527	449 793	549 601	477 086	
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	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	47 142	13 165	12 208	14 766	12 527	449 793	549 601	477 086	
2017/18 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2200	8 002	952	484	290	388	7 798	17 913	8 476	
Commercial	2300	5 004	1 098	1 647	1 898	1 213	18 675	29 534	21 785	
Households	2400	22 926	7 989	7 166	6 194	7 535	292 119	343 929	305 848	
Other	2500	11 211	3 126	2 911	6 384	3 392	131 201	158 225	140 977	
Total By Customer Group	2600	47 142	13 165	12 208	14 766	12 527	449 793	549 601	477 086	

Graph 2

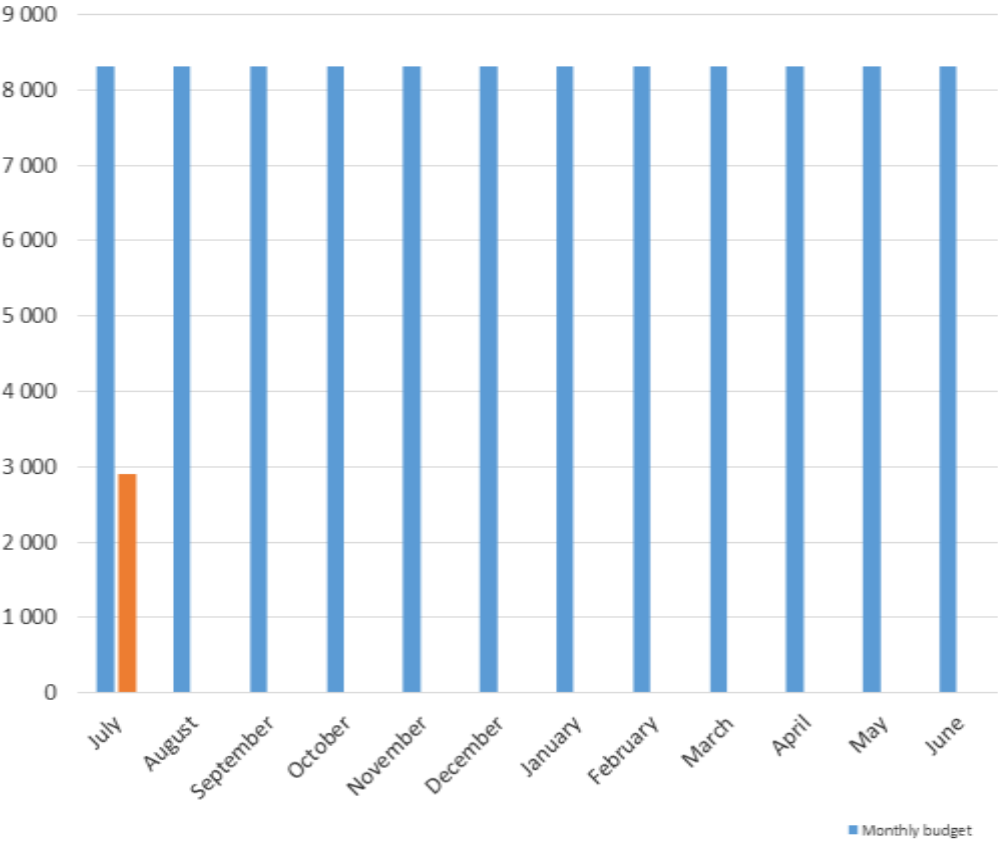


9. IN-YEAR BUDGET STATEMENT CHARTS: JULY 2018 REPORT

MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

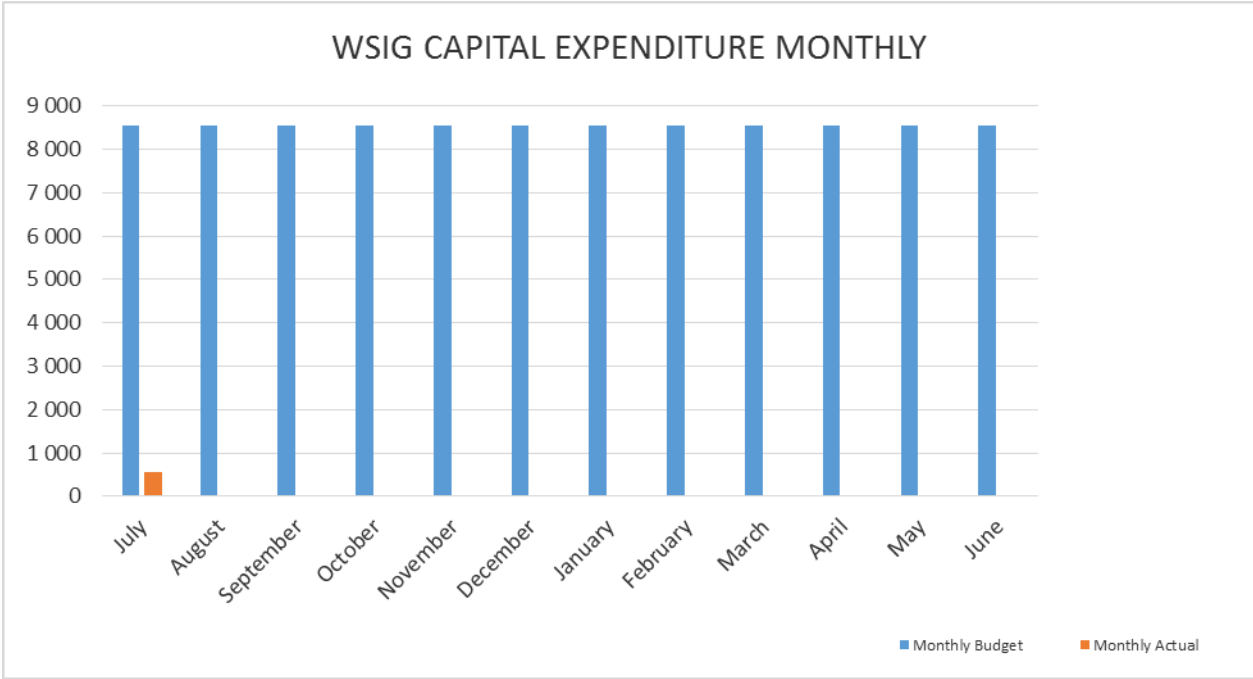
	Monthly budget	Monthly Actual
July	8 319	2 894
August	8 319	0
September	8 319	0
October	8 319	0
November	8 319	0
December	8 319	0
January	8 319	0
February	8 319	0
March	8 319	0
April	8 319	0
May	8 319	0
June	8 319	0
	99 828	

MIG CAPITAL EXPENDITURE



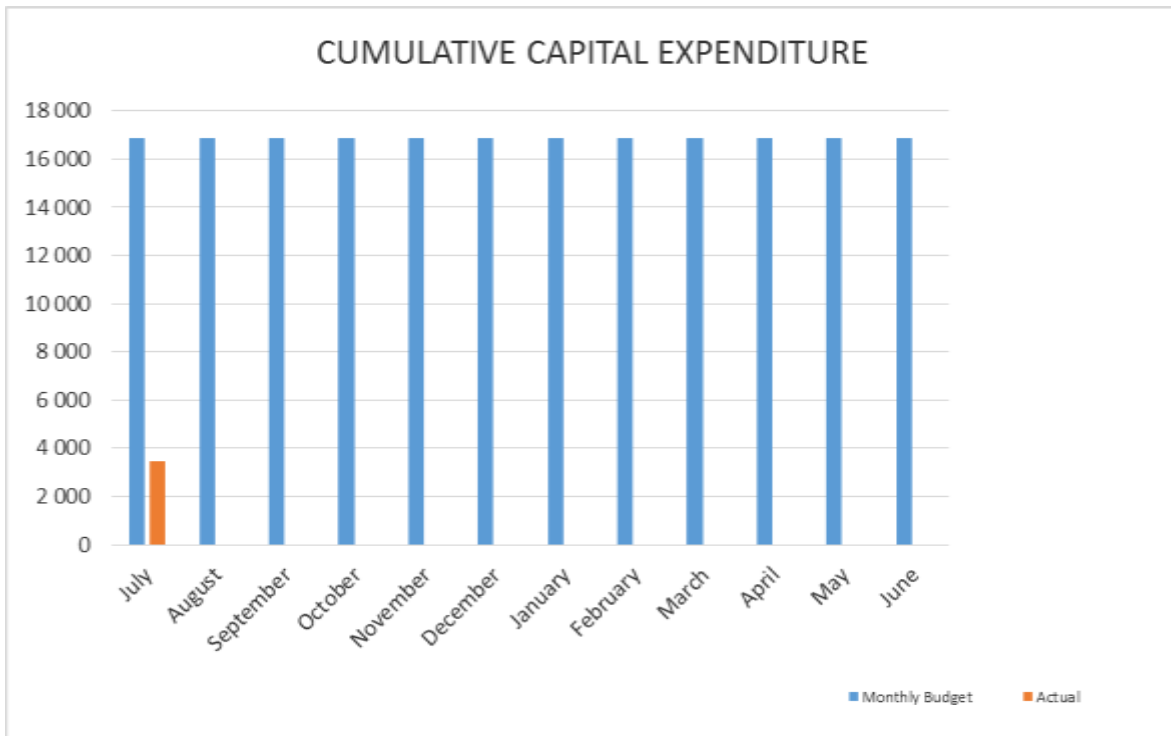
WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	8 558	560
August	8 558	0
September	8 558	0
October	8 558	0
November	8 558	0
December	8 558	0
January	8 558	0
February	8 558	0
March	8 558	0
April	8 558	0
May	8 558	0
June	8 558	0
	102 700	560



CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	16 877	3 454
August	16 877	0
September	16 877	0
October	16 877	0
November	16 877	0
December	16 877	0
January	16 877	0
February	16 877	0
March	16 877	0
April	16 877	0
May	16 877	0
June	16 877	0
	202 528	3 454



10. IN-YEAR BUDGET STATEMENT TABLES: JULY 2018 REPORT

The preliminary financial results for the period ended 31 July 2018 (i.e. 01th month of the 2018/19 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:

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 AND SECOND QUARTER BUDGET STATEMENT) FOR THE PERIOD ENDING 31 July 2018

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

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

Municipal Manager’s quality certification

I, **Raymond Ngcobo**, Municipal Manager of the uMgungundlovu District Municipality, hereby certify that the monthly **preliminary** report on the implementation of the budget and financial state affairs of the municipality for the month of **JULY 2018** 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: _____