

UMHLABUYALINGANA

LOCAL MUNICIPALITY



MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR 2018/19 FINANCIAL YEAR

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PART 1

Corporate statement

Vision

To be a people centered premier socio-economic development and environmentally service delivery municipality

Mission

Creating an enabling environment and sustainable development which promotes quality life

Core Values

**Integrity
Quality Service
Good Governance
Benchmarking
Leadership
Honesty
Commitment
Interpersonal Skills
Responsibility
Accountability
Transparency
Learning
Dialogue and Diversity
Partnership
Professionalism
Consultation/Participation**

UMHLABUYALINGANA MUNICIPALITY

2018- 2019 MID-YEAR BUDGET & PERFORMANCE

ASSESSMENT REPORT

Strategic Objectives

<ul style="list-style-type: none"> • To attract and retain qualified and experienced staff across the staff establishment • To attract and retain qualified and experienced staff across the staff establishment • To provide the optimal institutional structure to render effective and efficient services 	KPA 1. Municipal Transformation and Institutional Development
<ul style="list-style-type: none"> • To facilitate bulk infrastructure development in support of economic development initiative • To develop long term infrastructure development plans • To facilitate an improvement in access to community/public facilities to minimum standards • To provide access and facilitate vehicular movement in Umhlabuyalingana • To facilitate delivery of basic service to RDP Standard • To comply fully with all municipal legislations • Improved Access to Basic Services 	KPA 2. Basic service delivery and infrastructure development
<ul style="list-style-type: none"> • To create an environment conducive for investment and economic growth • To promote and support ecotourism as a means to increase market share • To create safe, healthy and sustainable living environment 	KPA 3. Social and Economic Development
<ul style="list-style-type: none"> • To develop and maintain systems and procedures for effective and sound management of municipal finances • To improve revenue generation by 5% per annum over the next 5 years • To be 100% compliant with SCM Regulations 	KPA 4. Financial viability and financial management
<ul style="list-style-type: none"> • To run the municipality in an open, transparent and accountable manner • To develop and maintain systems and procedures and sound management of municipal finances • To communicate with stakeholders using print and electronic media • To provide for an effective involvement of the public in municipal affairs • To comply fully with all municipal legislation 	KPA 5. Good Governance, Public Participation
<ul style="list-style-type: none"> • To promote productive, harmonious and sustainable land use • To run the municipality in an open, transparent and accountable manner • To create functional structure for effective development and delivery of services 	KPA 6. Cross Cutting Interventions

MAYOR'S REPORT

Our duty as political principals of the municipality is to ensure meaningful contribution in the eradication of the three social ills namely: Poverty, unemployment and inequality in our municipal area. This can only be achieved through playing constructive oversight role over administration in their performance in the implementation of council approved service delivery budget and implementation plans.

As the Mayor of the Municipality, I take pride in presenting this mid- year report which reflects on the performance, both service delivery and budget, for the past two quarters of the 2018/2019 financial year. In terms of Local government: municipal performance Regulations 2001 and 2006, it is a legislative requirement that we report on the institutional performance in terms of Regulation 2001. In accordance with the Council approved organizational scorecard mid- year targets, the municipality had set itself 67 targets. The overall performance as at 31 December 2018 depicts a good picture which indicates 75% overall achievement of targets. This could not be achieved without cooperation between the current political leadership and dedicated administration. I am hopeful that as we approach the end of our financial year we will maintain this performance or even improve it for the better for the benefit of the current and future generations of uMhlabuyalingana.

Finally, I would like to take this opportunity to thank the members of the public who are continuously supportive and understanding in all aspects with one intention, to have a better future for all.

Councillor NS Mthethwa

Mayor: uMhlabuyalingana Municipality

UMHLABUYALINGANA MUNICIPALITY

2018- 2019 MID-YEAR BUDGET & PERFORMANCE

ASSESSMENT REPORT

Council Resolution (Annexure A)



UMHLABUYALINGANA MUNICIPALITY

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Reference: UMHC 135 OF 2018/2019

Date: 24/01/2019

TRUE EXTRACT OF MINUTES

This is a true extract from the minutes of the Special Council meeting of uMhlabyalingana Municipality held on the 24th of January 2019 (09h00) at UMkhanyakude Council Chamber whereby the resolution as stated below was taken by uMhlabyalingana Council.

UMHC 135: 2018/2019 MID-YEAR ORGANIZATIONAL PERFORMANCE REPORT

Councillor B.C. Zikhali thereafter moved, seconded by Councillor N.J. Ndabeni the recommendation following, which it was;

RESOLVED

1. The Council resolved to approve that the Mid-Year Performance Assessment Submitted in terms of section 72 of Municipal Finance Management Act (Act 56 of 2003) be noted for onward submission to National and Provincial Treasury;
2. The Council resolved that the Department to re-align the Mid-Year Review to Monthly Projections of expenditure on the Operational and Capital Budget based on the Mid-Year assessed SDBIP's;
3. The Council resolved that the Mid-Year Budget Review (as presented by the Mayor/Manager) and the Mid-Year performance assessment, and the recommendation contained therein be approved for preparation of an Adjustment budget for the 2018/19 and the review of the SDBIP's accordingly;
4. The Council resolved that the revision on the SDBIP's forming part of the Mid-Year Assessments (where applicable) be approved, and Performance Agreements of section 54/56 employees be amended accordingly.

THIS EXTRACT OF THE COUNCIL RESOLUTION IS CERTIFIED AS CORRECT

Signed by:

Ns NP Gamede

Signature:

[Signature]

Print Name

Designation:

Mayor

Date: *24 / 01 / 2019*

Legislative Background

Section 72 of the MFMA requires the accounting officer to prepare and submit a report on the performance of the municipality during the first half of the financial year. The report must be submitted to the Mayor, National Treasury as well as the relevant Provincial Treasury. As with all other reports this is a crucial report for the Council to consider Mid-Year Performance and what adjustments should be made, if necessary.

This report is part of the requisite statutory and governance compliance. Regulation 13 of Municipal Planning and Performance Management Regulations, 2001 read together with Regulations 33 and 34 of Municipal Budget and Reporting Regulations regulate specifically in-year reporting and Mid-Year Review

Report. The report must cover both financial information (budget & expenditure) and core-delivery programmes (service delivery) information; and present such information in an integrated fashion. What was planned at the start of the financial year (July 2018) what has been achieved at the close of December 2018? What can we learn from the experience of the last six months? Any challenges that were not contemplated at the time of the compilation of SDBIP!

Municipal Performance Regulations of 2006 also requires that there must be processes of performance planning, review of the municipality's performance.

Sections 41 and 44 of Municipal Systems ACT, 2000 (MSA) read together with section 72 of Municipal Finance Management Act, 2003 (MFMA) lay the statutory framework for the Municipal Performance Management System (PMS) and performance reporting in general and Mid-Year reporting in particular. This report is part of the requisite statutory and governance compliance. Regulation 13 Of Municipal Planning and Performance Management Regulations, 2001 read together with Regulations 33 and 34 of Municipal Budget and Reporting Regulations regulate specifically in-year reporting and Mid-Year Review Report. The report must cover both financial information (budget & expenditure) and core-delivery programmes (service delivery) information; and present such information in an integrated fashion. What was planned at the start of the financial year (July 2017) what has been achieved at the close of December 2018?

Executive Summary

The Local Government: Municipal Performance Regulations 2006 requires that all Section 54 and 56 Managers performance must be monitored on regular basis. This monitoring process provides early warning signs on issues pertaining to performance for the purposes of establishing adequate and responsive corrective measures. This regulation has however been extended, through the council adopted performance management policy and procedure manual, to managers below section 56 and all other staff to ensure a cohesive and collaborative front in the achievement of the council set targets. It must further be noted that the institutional performance is influenced by three key aspects, namely; Leadership, Service and budget performance and governance, as they appear in the Dash board report.

Taking into cognizance the above I am pleased to report that the municipality through its different departments has performed enormously as at 31 December 2018.

Integrated Development Planning: The municipality has prepared and adopted 2019/2020 IDP Process Plan that is also approved by COGTA while at the same time the municipality is also implementing 2018/2019 IDP. During the month of October 2018, we conducted 4 IDP Public Participation Meetings which involved all wards. The municipality is engaging various stakeholders through IDP Structures such as the IDP Steering Committee and IDP Representative Forum in the preparation of the IDP Review. Furthermore, in December, the municipality conducted a Strategic Planning Session to:

- Review of the Vision, Mission, Core Values and Long Term Development Goals
- Conducted an environmental analysis (SWOT Analysis) and developing initiatives to address environmental challenges

Finance Department

Our first priority as the department of financial services is to ensure that funds are spent within the approved budget; reasonability of value for money is our second priority. We always emphasize the importance of compliance with the applicable legislation to avoid irregular, fruitless & wasteful expenditure in the process of implementing our budget. In 2018-2019 financial year we are working hard as the department of financial services to ensure that we reclaim our status of obtaining clean administration after we have regressed in the prior year.

- **Revenue Management**

The revenue base of the municipality is mainly carried by Grants and 13% of own revenue to implement service delivery services and projects within the area of uMhlabuyalingana municipality. The municipality intends to increase its revenue base by collecting revenue due to the municipality through property rate, refuse removal and other revenues to be able to sustain provision of municipal services. The department commits itself to provide accurate information which will improve financial reporting and proper cash flow projection which will ensure sustainability of the municipality in future. Management has developed the revenue management committee that meets on a monthly basis to discuss issue that relate to revenue generation and collection. Further to that there is another committee that has been established that meets on a regular basis to discuss issues of rates payers regarding the tariffs establishment and other matters relating to payment of services.

The municipality entered into new additional contracts with local businesses for the collection of refuse which increased the revenue projection on refuse removal when compared to the prior year. In terms of collection we projected to collect 80% of the total budget for refuse removal. As per our main budget (A Schedule –SA30) we have projected that on refuse removal we will collect 40% of the total budget by end of December 2018. Actual collection as at 31 December is 19% and it's a huge concern because this will affect our cash flow projections as well as service delivery.

The above should be attended immediately since the expenditure for refuse collection is way above the amount that is budgeted for revenue.

Revenue management committee is looking to this issue as they have regular meetings monthly to discuss revenue collection issues.

- **Property Rates**

Property rates is one of the main source of own revenue for the municipality. It was projected that we will collect 75% of the total budget for property rates. Our 6 months target was to collect 90% as per (A Schedule – SA30). As at 31 December 2018 we have actually collected 64% of our target. The target was based at the anticipated collection from government debtors which is mainly the Department of Public Works (Provincial) that normally pay their accounts in September, October and December.

Council took a decision in November to write off Business and Commercial debts to the amount of R11 381 826. The basis for writing off this debt is that this debts has been outstanding for a long time and there has been engagements with them and the conclusion from those engagements was to write off some of the debt.

- **Traffic income**

There is lower collection of traffic income based on projected collection. The collection currently is sitting at 28%. It was projected that in 6 months we will collect 50% of the target collection as per (A Schedule – SA30). The reason for low collection rate is because the offenders don't pay for their traffic fines and the warrant of arrests issued by the courts. The warrants of arrest are currently served using the manual procedure.

- **Business Licensing**

There is a very low collection rate for this category of revenue. Collection is at 2% of the budget estimate. The basis of the expected income through business licensing is dependent on both the Supplementary Valuation Roll (SVR); including both the new and existing businesses that do not currently appear on the Supplementary Valuation Roll (SVR). Non-compliance with the business licensing requirements as set on the Business Act is the main challenge of not maximizing the collection of revenue in business licensing from a few number of applications being received and that gets approved as most of them they fail to meet critical requirements. Interventions are being initiated since the development of the business licensing by-laws, of which, public participations have been conducted to all three key economic nodes as part of the gazette process which was finalized in the in 2016-17 financial year. Above that, notices have been served to businesses and to operators advising them to apply for business licenses with the requirements checklist attached for ease of reference.

- **Market Stalls (Manguzi Town)**

This is one of the municipal revenue enhancement structures whereby rental is specifically used as a revenue collection to the municipality. Target was that we will collect 50% on market stalls by end of 6 months, but the actual collection is 56% of the target of which we have achieved our target. Although collection is above the target we can collect even more since other tenants are not paying for their stalls which result to the municipality collecting less than what was projected and it also affect service delivery. Notices are served to tenants for them to make payment arrangements with the Department of Finance within a set duration which is being monitored. Failure to cooperate on the proposed initiatives by the tenants would lead to such rental agreements being terminated.

- **Cash Flow Projections**

The below cash flow projections reflects a positive cash position of the municipality, the cash balance at mid-year is R 116, 4 million. The available cash reflect that the municipality can operate for the next 9 months considering the current cash position

- **Debtors**

Current mid-year balance is R 35.1 million when compared to last year balance of R 43.2 million, after the council took a resolution to write off 60% of long outstanding debts which is equal to R11.3 million. It was further resolved that the remaining balance should be settled by end of May 2019. We believe that the implementation of the revenue management committee will assist the municipality in identifying other strategies such as site visit to property owners and have meetings for the purposes of getting reason for non-payment of debt as well as to encourage them to pay for their accounts on time so that they will not attract additional costs as penalties for not paying for their accounts.

- **Creditors**

The municipality is adhering to section 65 of the municipality finance management act, where it is stated that creditors should be paid within 30 day of receipt of the invoice. The municipality have two payment run on the 15th and 30th of the month to settle the liability of submitted invoice. The municipality ensures that payment are made within 30 days since most of our suppliers are within the category of SMME's this is done to assist them to sustain their cash position since they are still small entities.

- **Investment Portfolio**

Investments/ (Short term deposits) made with the various financial institutions are strictly in compliance with municipal Financial Management Act and the investment Regulations

The balance on investment/short term deposits at mid-year was R 12, 6 million. The amount is invested to generate interest on monies not immediately needed to provide basic services and in addition the surplus funds at year-end are also invested. The investment balance reflects slight increase when compared to the prior year balance of R 11.9 million.

- **Borrowings**

The municipality does not have borrowings.

- **Fruitless and Wasteful Expenditure**

As at 31 December 2018 there is an amount of R1 467 disclosed as fruitless and wasteful in the books of the municipality, as a result of late payment of Telkom and ESKOM invoices. Management is exploring the possibility of electronic statements to curb the ongoing situation.

- **Irregular Expenditure**

No irregular expenditure has been reported as incurred as at 31December 2018.

- Allocation of grant received and expenditure on grants.
 - The budget of the municipality is funded by grants of which they fund 87% of the budget and the remaining 13% is funded by own revenue.
 - Capital grants funding capital expenditure is 96% of the capital budget
 - Conditional grants funding operating expenditure is 5% when excluding Equitable Share.
- Asset Management
 - The municipality have asset management policy, asset disposal policy, maintenance policy and asset register to manage the municipal asset. Currently the municipality have spent 54% of the budget for 2018-2019 financial year.

Supply Chain Management

An annual procurement plan for the 2018/19 financial year has been approved to ensure an effective system of acquisition for goods and services supporting the strategic goals and operations of the municipality. The plans has improved timely planning, effective management of processes to ensure that commodities and services required by various user departments are quantified, budgeted for and effectively delivered at the right locations within critical delivery schedules in appropriate quantities.

- Deviations

Deviations to the total rand value of R196 397, 52 were incurred in terms of section 36 of the supply chain management regulation for the period under review. Most deviations are as a result of public notices in newspapers.

- Competitive bidding

Goods and service above the transaction value of R 200,000.00 including vat are only procured through a competitive bidding process as outlined in the municipal supply chain management policy. In an effort to enhance operational efficiency the bid committee system for competitive bidding was established. The committees comprise the bid specification, evaluation and adjudication to effectively manage the competitive bidding process. Competitive bids awarded for the period under review totals to R 19 910 836.62.

- Objections

There were no objections received in all tenders awarded.

- MSCOA Implementation

The municipality managed to go live by the 1st of July 2017 meeting the compliance date for the implementation of MSCOA. IDP, BUDGET and SDBIP all of them are MSCOA compliant.

We are transacting on the Sage Evolution system which is mSCOA compliant supported by CCG Systems. In the last financial year we successfully issued our 1st Annual Financial System using this system. Like any other systems we did experience some challenges during the implementation, below are some of the challenges we encountered.

Challenges:

- Misallocation of accounts during the requisition process by departments
- Network is also a challenge which require attention from management
- Functioning of other modules we implemented for the 1st time (e.g. inventory module, grants module and asset management module) to mention a few modules.

COMMUNITY SERVICES DEPARTMENT

- **Waste Management Section**

In line with Constitution of the Republic of South Africa, 1996 read with National Waste Management Act, (Act 59 of 2008) the municipality has three waste management sites in three towns (Manguzi, Mbazwana and Skhemelele) only two (2) sites has been registered as a landfill sites (Manguzi and Mbazwana) and the remaining one (Skhemelele) site is in the process of rehabilitation or decommissioning.

In our endeavors as the municipality we had initially planned to collect waste from 357 businesses and consumers given their potential capacity to pay and accessibility as well. To date service level agreements have developed as part of the implementation of the Integrated Waste Management plan. 31 business and four (4) have since signed the agreements and the department is the process of achieving 100% target in this area as part of setting the cost incurred during the provision of the service.

- **Waste Management By-Laws**

The Waste Management By-Laws have been promulgated and the fine list has been submitted to both Ubombo and Manguzi Magistrates for approval by respective Chief Magistrates.

- **Waste Disposal**

The disposal of waste in all three landfill sites is in progress.

- **Library**

There are two library access points across uMhlabuyalingana municipality, which are Manguzi and Mseleni, which provides a range of services to the community. The main aim of both libraries is to enhance the lives of individuals and communities through uMhlabuyalingana municipality and promote a range of high quality library services and to provide equal access to information and resources and to support community discussions and lifelong learning.

The services are library promotions (outreach programme), Internet access, free basic computer training, book exchange to have updated books and the circulation of books and audio.

Our target is that all schools that are at uMhlabuyalingana should have access to the library and so far we have managed to have 60% of schools that have access to both libraries. Through the services that we promote the membership has increased in both libraries.

There is also library income which is based on library tariffs i.e. copies, printing, scanning, laminating, bookings and overdue items (fines).

- **Traffic Section**

This section encompasses traffic law enforcement drivers' licenses and Vehicle licensing. Law enforcement section enforces law in terms of NRTA 93 of 1996 and other legislation related to traffic matters. Licensing section offers the services of licensing as stipulated in NRTA 93 of 1996.

• ..Disaster

Management /Fire Services Section

According to the DM Act 57 of 2002 as amended, the local authority has to provide for an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery. Fire services and Occupational Health and Safety fall under this Disaster management.

• Youth Programs and Special Programs

UMhlabuyalingana also provides skills development programs, giving a special attention to young people. Three main programs that are budgeted which also appears in the Municipality SDBIP.

The youth programs falls under the Department of Community services, the unity has a now appointed dedicated person for all youth programs. The following services are rendered: Azibuye Emasweni, reed dance, assisting youth school registrations and working hand in hand with the NYDA to establish NYDA offices at uMhlabuyalingana Local Municipality

Especial Programs render services as follows, HIV&AIDS, Women, Disability, Gender, Arts &Culture and Sport; all these programs are budgeted for.

• Ward Committee

UMhlabuyalingana has 18 wards, and we have so far managed to establish ward committees all 18. We have established 180 ward committee members in 18 wards. Each ward consists of 10 members who form a ward committee. Out of 18 wards, there is one ward that is outstanding. The ward committees are not functional until the dispute in ward 17 has been resolved.

TECHNICAL SERVICES

• Fleet Management

uMhlabuyalingana Local Municipality has a medium diversified fleet of about 14 vehicles, ranging from light vehicles to construction equipment; in operation to provide essential services to the community it serves. Departments within uMhlabuyalingana municipality are very dependent on the maximum availability of vehicles in order to efficiently execute their services. Fleet Management has its own committee that oversees the proper management of vehicles within the municipality and major strategic decisions are recommended by that committee using the existing policy, ranging from curbing of accidents and fuel management among other things in the municipality.

• Repairs and maintenance

The annual target for maintenance of municipal access roads is 57 access roads. As at mid-year we have managed to maintain 25 access roads. We also respond to ad hoc requests from the community.

LOCAL ECONOMIC SECTION

Local Economic Development (LED) section is the main municipal component that is under the Department of Technical Services. This section is responsible for stimulating local economic development of UMhlabuyalingana area through job creation, domestic tourism marketing, and SMME support. These are the main competencies of this section as set by the National Development Plan, Provincial Growth and Development Plan and Strategy, District Growth and Development Plan, and Delivery Agreement for Outcome 9. In line with the mentioned legislative framework, the council has developed responsive programs through its LED Strategy in order to simplify implementation of the LED competencies.

A summary below provides some indication of the unit's achievements in regards to the 2017/18 financial cycle mid-term as follows:

Tourism Development and Promotion: in line with the NDP, PGDS and PSEDs, The municipality is now implementing the tourism marketing campaigns aimed with a purpose of ensuring efficient marketing of its local tourism destinations. This is in response to the national 'Shot' Left tourism and we do tourism campaign. Technically, UMhlabuyalingana Municipality will localize the campaign in the first quarter during the Tourism month (September) and Festive (December) holidays. Furthermore, the municipality is planning towards rehabilitating the Tourism Information office that has been recently handed over by UMkhanyakude District Municipality where Tourism services within the area will be marketed.

- **Banganek community campsites**

The municipality together with the National Department of Tourism are in the process to rehabilitate the two Banganek community campsites. This project is funded by NDT and the municipality is playing a coordinating role, implementation role given to TIKZN to conduct the EIA and construction.

- **Amangwane community lodge**

The department of Environmental affairs has funded a community lodge located under KwaMbila Traditional Council, this project which is implemented by Future works is currently in the first phase; which is the construction of convention centre is in 68% and its total completion is expected by end of March. The second phase which is the construction of 10 chalets is already approved to commence in April 2019.

- **East 3 Route**

The East3Route Legacy Project is the construction of vendor stalls that, will support informal traders and SMMEs operating at the border post and provide for a conducive environment for trade and related activities. This project is funded by Environmental affairs, the service provider responsible for preparation of the layout design was appointed by the Ezemvelo and the plan is already available, was presented to council and has obtained a council resolution. The municipality is conducting an EIA for this project and will be completed by end of March 2019.

- **Kosi Bay Border**

The KwaZulu-Natal (KZN) Department of Economic Development, Tourism and Environmental Affairs (EDTEA) have the mandate of overseeing the transformation in the province, and thus produce the Provincial Spatial Economic Development Strategy (PSEDs) framework. As such; EDTEA has funded a Kosi Bay Integrated development plan which aims to develop an integrated economic development plan for Kosi Bay Border in a view to identify opportunities and to optimize its locational advantage as a gateway to Mozambique. The consultant has been appointed to consolidate the plan. First draft of the plan has been presented; reviewed for inputs by various stakeholders and adopted.

- **SMME Support:**

This programme designed to assist a startup in its development and growth phase. Also to provide opportunities to achieve sustainability and to create an enabling environment within the community. Through this programme the municipality supports its local business structure called UMhlabuyalingana Business chamber. Potential but struggling entrepreneurs including cooperatives and informal traders was identified to undergo incubation. Material was procured and delivered to 42 beneficiaries, these beneficiaries are monitored and are reported on quarterly basis, some of them are doing well although there are some which are struggling yet the municipality continues to support them through refresher

trainings

with assistance from FNB. There are one on one consultations in progress to ensure a continuous support.

- Business licensing and informal trading by-laws enforcement

Municipality is a process to implement these by-laws that were approved by municipal council and were gazetted in 2017. An integrated compliance regulatory forum which was formulated by EDTEA and includes various sector departments is set to conduct inspections on quarterly basis in support of the implementation of the by-laws. This forum which also assist with induction of businesses on the by-laws is held two times a year for induction and two times a year for inspections. Although there are still those businesses that are not convinced to register their businesses due to various reasons, but most of them are willing to cooperate and are with the understanding why the business license is important.

- Community Workers Programme-CWP

Within this programme a total number of 1760 community work job opportunities have been created and are monitored on monthly basis and have been maintained from July to December 2018. This programme is completely funded by the Department of Cooperative Governance and Traditional Affairs.

- Extended Public Works Programme

This is the main job creation platform for Umhlabuyalingana municipality as it provides a 24 months duration employment. This programme is implemented both through the Public Works grant and the equitable share. As at essence, a total number of 208 job opportunities have been created. 32 participants contracts ceased in October 2018 and one participant from the programme passed on. The programme is in good progress regardless of the issues pertaining wage increase.

PLANNING AND DEVELOPMENT SECTION

To date the municipality is focusing on the ongoing process of formalization of towns, to fast track this process the municipality has prepared the Spatial Development Framework (SDF) and Land Use Management System (LUMS) and as part of the formalization of towns Cogta funded the municipality to undertake a single land use scheme for the whole of Umhlabuyalingana.

- Kosi Bay/Farazela Border Integrated Economic Development Plan

An exciting and strategic initiative funded by the KZN: Department of Economic Development, Tourism and Environmental Affairs (EDTEA) to commercialize the border. The Municipality will now serve as the gateway to the other two countries in the multi-national East 3 route initiative namely Mozambique, Swaziland and the third being the Islands of Seychelles as the iconic bridge and road from Farazela Border to Ca-Tembe and Maputo in Mozambique is now completed.

As at end of December 2018, the project was at status quo phase, thereafter development proposals around the border precinct will be developed which will also look at the impact in the Manguzi to border corridor and the SADC region at large.

- Single land use scheme (Wall to Wall scheme)

In terms of section 24 (1) of the Spatial Planning and Land Use Management Act No. 16 of 2013 (hereinafter refer to as the SPLUMA), a municipality, after public consultation, adopt and approve a single land use scheme for its entire area within five years from the commencement of this act. Schemes are understood to be tools used by Municipalities to guide and manage development rights and giving effect to the visions, objectives and broad strategic focus of IDPS and SDFS. The scheme is required to be legally compliant, sustainable, and provide clear and appropriate management guidance for Umhlabuyalingana Municipal area.

The planning scheme focuses on detailed management controls (clauses and maps) for the entire municipality. Noting that areas subject to the Subdivision of Agricultural Land Act 70 of 1970 needs to be managed with the necessary wisdom and will also have management controls which needs the necessary approval from the National Department.

The project was funded by COGTA to assist the uMhlabuyalingana Municipality in developing a wall to wall land use scheme that gives effect to the development principles contained in the section 2(7) for its municipal area of jurisdiction. To date the scheme was taken through the public participation process and the inputs/comments gathered are being incorporated before the final adoption by the Council

- **Spatial Development framework**

The SDF serves as a strategic framework that directs the implementation of the IDP and guides the overall spatial distribution of current and desirable land uses within a Municipality in order to give effect to the vision, goals and objectives of the municipal IDP. The Municipality's SDF represents a long term (+20 years) plan, and is revised in line with the IDP 5 year cycles. It is also a primary spatial response to the development context, needs and development vision of the municipality. It is a key land use management tool of the Municipality as it has an important role to play in guiding and managing municipal decisions relating to the use, development and planning of land. In terms of Section 20 of SPLUMA, the SDF is still recognized as part of the IDP, which in terms of the MSA has a varied set of criteria for what an SDF should entail. The current SDF review is being done in-house in conjunction with the IDP and Budget processes with the assistance of key sector departments.

- **Spatial Planning and Land Use Management Act no. 16 of 2013 (SPLUMA)**

SPLUMA aims to develop a new framework to govern planning permissions and approvals, sets parameters for new developments and provides for different lawful land uses in South Africa. SPLUMA is a framework law, which means that the law provides broad principles for a set of provincial laws that will regulate planning. SPLUMA also provides clarity on how planning law interacts with other laws and policies.

Umhlabuyalingana has Gazetted By-Laws and the uMkhanyakude District family of municipalities agreed on a joint MPT which has since through resolution been established. It now has to be inducted to discharge its duties in line with SPLUMA. With the foregoing, as from March 2018 only development applications done in terms of Spatial Planning and Land Use Management Act no. 16 of 2013 are being acknowledged in Umhlabuyalingana Local Municipality.

To date there are development applications being received by the Municipality in terms of the Spatial Planning and Land Use Management Act no. 16 of 2013 which are but not limited to: Shopping centre in Mbazwana, shopping centre in Skhemelele, cellular phone masts by various network service providers.

- **Environmental Planning**

The municipality is largely an environmental sensitive region and as such observing the National Environmental Management Act No. 107 of 1998 becomes an important aspect in the business of Council.

- **Bhanganek Community Beach Camps**

There are two old existing community camps in Bhanganek wherein the National Department of Tourism has availed funding for the re-development of these camps. This development triggers a number of

environmental impacts as the site is within Isimangaliso Wetland Park, therefore it necessities and EIA process. A competent consulting team is being sourced through Trade and Investment KwaZulu Natal (TIKZN) which is the implementing agent to undertake the project feasibility, designs and project management aspects of the project.

- East 3 Route Legacy Project (Market Stalls)

There is an element of undertaking the Environmental Impact Assessment as part of this project and during this period, the update is that the EIA had been advertised for public participation purposes and not objections were received. Now the competent department will take a decision advice on the status of the application.

- Building Control

Umhlabyalingana municipality follows the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977) when inspecting erected structures within their jurisdiction and accessing building plans. The Act states that Local authorities are responsible for the administration of the National Building Regulations, and control the on-site activities on construction projects.

As from July 2018 to December 2018, five (5) building plans have been submitted, nine (9) inspections have been conducted and three (3) have been approved, with regards to serving notices to the non-complying sites, six (6) contravention notices have been served. Chapter 7 of the Spatial Planning and Land Use Management Act No.16 of 2013 (enforcement By-Law) makes it obligatory for the municipality to enforce should a person use the land without the prior approval from the municipality or any who doesn't comply even after 3 notices have been served, therefore the municipality is in the process of applying the Law Enforcement.

- Challenges encountered

When assessing the building plans the municipality follows the National Building Regulations and Building Standards Act 103 of 1977 and the challenge has been that applicants do not always submit engineering drawings. The common observation is that the local people have limited knowledge about this Act, therefore they do not comply with it, which makes it difficult to even issue them with notices and to even apply Law of enforcement. To respond to this, there are ongoing engagements/campaigns with the locals and with the custodians of the land, the Traditional Councils.

- Joint ExCo between 4 Traditional Councils

The council took a resolution to form an IGR structure in a form of a Joint ExCo to strengthen the strategic relations between the Municipality and the four Traditional Councils. Terms of Reference have also been adopted and the structure has to be institutionalized.

MANAGEMENT

- Communication Strategy

In terms of chapter 4 of the Municipal Systems Act, the Municipalities are encouraged to strive for maximum participation of its citizens to its various programmes. Again the Promotion of Access to Information Act of 2000 further asserts the need for accessibility of the municipal information based on certain conditions as stipulated by the municipality. Furthermore the white paper on local government defines developmental local government as government that is committed in working with its citizens. Undoubtedly the central focus of the abovementioned legislation revolves around the effective

communication between the municipality and its constituencies. In June 2013, the Council of uMhlabuyalingana adopted this communication strategy which is reviewed annually. The purpose of the strategy is to present mechanisms and guidelines for communication between internal and external environment of the municipality. It is further in the interest of the strategy that could be used in formulating the municipal policy on communication. In order to ensure that the community is informed, we use national and local radio station and municipal newsletter to disseminate the information.

- Internal Audit

The municipality has co-sourced the internal audit function with Ntshidi and Associates for a period of three years. The role of the Audit Committee is to provide independent assurance that a municipality's risk management, governance and internal control processes are operating effectively. We have a professional duty to provide an unbiased and objective view. It should further be noted that internal audit performs reviews which are risk based.

- Audit Committee

The role of Audit Committee is to assist the municipality through playing an oversight role in ensuring full compliance with laws and regulations governing local government. They play an oversight role in terms of financial reporting, internal control systems and the risk management of the municipality. The Audit Committee has a Charter that has been approved by Council. As per the approved Audit Committee Charter, the Audit Committee has to meet quarterly, during 2018/2019 mid-year the Audit Committee met three times.

- MPAC

The function of the MPAC is to strengthen the oversight arrangements in the municipality. This is clarified out with a clear distinction between oversight and interference in the administration as defined in Section 5(b) and Section 103 of the Municipal Finance Management Act, No 56 of 2003.

- IDP/Budget Process Plan

The council adopted the 2019/2020 IDP process plan in August 2018. The IDP/Budget process plan sets out the process for the planning formulation, review the IDP and budget. In terms of the process plan we are in phase 3 which includes prioritisation of projects and implementation strategy.

- Risk Management

The municipality has established a risk management unit; through which strategic risk management documents have been developed in order to ensure a systematic process of risk management within the municipality. The risk profile for uMhlabuyalingana municipality remains within the medium range. The process is at its medium stage in terms of maturity and efforts still to be strengthened to improve the culture of risk management within the municipality. The municipality is currently at level three maturity. The target is to reach level four by the end of 2018/019 financial year.

Management has also developed Risk Management Implementation Plan and its implementation is in progress. Management has also established risk mitigation action plans. These plans are monitored on a monthly basis. Progress is being made with all departments by reporting on mitigating risks in portfolio committee, ExCo and council meetings. The Risk Management Committee has since met once as at mid-year term.

- **Ag Action Plan**

Following the receipt of the Final Management letter, findings raised by Auditor General were thoroughly scrutinised. The Auditor General Action plan was then developed based on the 9 findings raised. Annexure H depicts the nature of these findings, Roots causes and proposed time bound remedial actions. It must further be noted that the municipality obtained clean audit opinion.

CORPORATE SERVICES DEPARTMENT

The Department has given full support in ensuring that vacant positions in different departments are filled as planned in the recruitment plan and departmental SDBIP, thus enhancing human capital capacity internally. The shift has also been realized where employment equity targets in terms of gender are starting to be significant in three highest levels of management as it is regulated as a national key performance indicator in the Local Government Municipal Planning and Performance Regulations. The department intends taking a direction where employment equity will be implemented holistically throughout the organization.

The first six months saw Corporate Services implementing capacity building initiatives aimed at improving different performance areas of the municipality, there is however a need to develop Human Resources Strategy which will be in line with the IDP/PMS strategies/ objectives to ensure that what is entailed in the strategy finds its way to tangible capacity building initiatives. There is a huge opportunity of improvement which can be realized in proper implementation of Performance Management System and proper cascading thereof. The period in review reflect enhanced Organizational Performance Management implementation and a need to strengthen Individual Performance Management to achieve better results in aligning service delivery and performance throughout the organization.

In the next six months the department will focus on Staffing Strategies, A staffing Strategy is the technique used by an organization to place the right person in the right position. In their purest form, these strategies are categorized as either internal or external. A modification of an internal strategy is the work force pool.

- **Staff Complement:**

The Umhlabuyalingana Local Municipality has 5 Departments namely Management, Department of Corporate Services, Department of Finance, Department of Community Services and Department of Technical Services. Each Department is headed by the Senior Manager (Director). Each Department has Section Manager/s (Each Section is headed by Section Manager). The Umhlabuyalingana Local Municipality has 150 positions and it has 4 vacant positions, 4 in Department of Technical Services, 1 in Finance Department and 2 in Department of Community Services, 1 in Management Department

which will be filled in Quarter 3 and 4 respectively. The municipality has introduced Deputy Director Positions in all Departments, however only three Deputy Directors have been appointed so far i.e. Deputy Director Corporate Services, Deputy Director Planning and Development and Deputy Director Community of Services Department, however, there is a need for appointment of Deputy Chief Financial Officer before end of 2018/2019 Financial Year. In July 2018, the council resolved to suspend the filling of vacant positions because the municipality has exceeded the municipal threshold.

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- **Minimum Treasury Requirements:**

The Umhlabuyalingana Local Municipality has 4 Senior Managers, The position of the Director Community Services is vacant. The following positions are filled namely, Municipal Manager (Head of Administration), Director Corporate Services, Chief Financial Officer and Director Technical Services. All Senior Managers have Minimum Treasury Requirements. There are 17 Section Managers. Only 3 Section Managers have Minimum Treasury Requirements. The Department of Corporate Services is planning the Training for Section Managers/ will arrange Training for Section Managers which will (address) deal with the issue of Minimum Treasury Requirements.

- **Challenges:**

There is shortage of Funds for Training of which will be addressed during the Budget Adjustment.

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2018- 2019 MID-YEAR BUDGET & PERFORMANCE

ASSESSMENT REPORT

ORGANISATIONAL SCORECARD-ANNEXURE

KPA	Total Number of KPI's for Q1 and Q 2	Targets achieved	Targets Not achieved	%
Municipal Transformation and Institutional Development	11	8	3	73%
Financial viability and financial management	4	1	3	25%
Basic service delivery and infrastructure development	36	31	5	86%
Cross Cutting Interventions	5	3	2	60%
Good Governance, Public Participation	8	6	2	75%
Social and Economic Development	3	1	2	33%
Total	67	50	17	75%

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Annexure B

UMHLABUYALINGANA MUNICIPALITY

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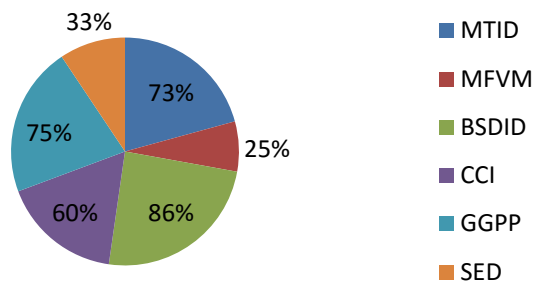
ASSESSMENT REPORT

Notwithstanding the challenges of the structure of the SDBIP including reports from the departments, the above table reflects the performance level of 84 targets achieved against the Mid-year total targets of 121 which translates to 69%.

Acronyms

MTID	Municipal Transformation & Institutional Development
BSDID	Basic Service Delivery and Infrastructure Development
LED	Local Economic Development
GGPP	Good Governance and Public Participation (ward committee system)
FVFM	Financial Viability and Financial Management
CCI	Cross-Cutting Interventions
SED	Social and Economic Development

Targets Achieved



RECOMMENDATIONS BY THE ACCOUNTING OFFICER

1. That the Mid-Year Performance Assessment submitted in terms of section 72 of Municipal Finance Management Act (Act 56 of 2003) be noted for onward submission to National and Provincial Treasury;
2. That Departments to re-align the Mid-Year Review to Monthly Projections of expenditure on the Operational and Capital Budget based on the Mid-Year assessed SDBIP's;
3. That the Mid-Year Budget Review (as presented by the Mayor/Manager) and the Mid-year performance assessment, and the recommendation contained therein be approved for preparation of an Adjustment budget for the 2018/19 and the review of the SDBIP's accordingly;
4. That revision on the SDBIP's forming part of the Mid-Year Assessments (where applicable) be approved, and Performance Agreements of section 54/56 employees be amended accordingly.

In-year budget statement tables (Annexure C)

The statement of financial performance shown on table C1 to C 7 including supporting schedules SC1 to SC13e is prepared on similar basis to the prescribed budget format, detailing revenue by source type and expenditure input as follows (See Annexure C)

PART B**Monthly Budget Statement Analysis****Debtor's analysis**

Current year mid-year debtors balance is sitting at 35.1 million when compared to last year balance which was 43.2.7 million.

This balance is made up of the following breakdown:

- Property rates debtors owes R43,9 million
- Refuse removal debtors owes R372 thousand
- Rental debtors owes R250 thousand
- Interest on outstanding debts amounts to (R9,5 million)

Government debtors balance at mid-year is R7,9 million, Business and commercial debtors balance is R8,5 million, residential debtors balance is R227 thousand and R18,4 million is the balance for other debtors which also include Ingonyama Trust debtor.

The reduction is a result of the council resolution to write off debt to the value of R11.3 million after it has been outstanding for a long time. The debt that was written off was for the business and commercial debtor's category after there has been some engagements with them then the council took a decision to write off 60% of their debts. It was further resolved that they must settle the outstanding balance by end of May 2019. We believe that the implementation of the revenue management committee will assist the municipality in identifying other strategies such as site visit to property owners and have regular meetings for the purposes of getting challenges from them of not paying for their accounts well as to encourage them to pay for their accounts on time so that they will not attract additional costs as penalties for not paying for their accounts.

In these regular meetings rate payers and other customers are also educated about the credit control and debt collection policies of the municipality so that they could understand the implications of not paying for their accounts in time will be as well as what steps the municipality should take to recover its debts from them (rate payers).

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KZN271 Umhlabuyalingana - Supporting Table Statement - aged debtors - M06 December

Description	Budget Year 2018/19								Actual Bad Debts Written Off	Impairment - Bad Debts i.t.o Council
	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys- 1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water							-	-		
Trade and Other Receivables from Exchange Transactions - Electricity							-	-		
Receivables from Non-exchange Transactions - Property Rates	(3 580)	904	904	1 562	40 886		43 980	44 256	11 382	
Receivables from Exchange Transactions - Waste Water Management							-	-		
Receivables from Exchange Transactions - Waste Management	38	38	37	67	82		372	224		
Receivables from Exchange Transactions - Property Rental Debtors	24	20	17	28	94		250	153		
Interest on Arrear Debtor Accounts	133	122	119	107	1 144		(3 501)	1 431		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure							-	-		
Other							-	-		
Total By Income Source	(3 385)	1 084	1 077	1 764	42 205	-	35 100	46 130	11 382	-
2017/18 - totals only							-	-		
Debtors Age Analysis By Customer Group										
Organs of State	(3 390)	500	439	779	8 066		7 950	9 844		
Commercial	479	458	452	751	16 414		8 560	18 075	11 382	
Households	5	5	5	7	193		227	211		
Other	121	121	121	226	17 532		18 362	18 000		
Total By Customer Group	(3 385)	1 084	1 077	1 764	42 205	-	35 100	46 130	11 382	-

UMHLABUYALINGANA MUNICIPALITY

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Creditor's analysis

The municipality is adhering to section 65 of the municipality finance management act, where it is stated that creditors should be paid within 30 day of receipt of the invoice. The municipality have two payment run on the 15th and 30th of the month to settle the liability of submitted invoice. The municipality ensures that payment are made within 30 days since most of our suppliers are within the category of SMME's this is done to assist them sustain their cash position since they are still small entities.

KZN271 Umhlabuyalingana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description R thousands	NT Code	Budget Year 2018/19									Prior year
		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	Total	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500			1						1	4
Loan repayments	0600									-	-
Trade Creditors	0700	690	13 753	9 638	(573)	(1 027)	6	660		23 147	(78)
Auditor General	0800									-	110
Other	0900									-	-
Total By Customer Type	1000	690	13 753	9 639	(573)	(1 027)	6	660	-	23 148	36

UMHLABUYALINGANA MUNICIPALITY

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Investment Portfolio analysis

Investments made with the various financial institutions are strictly in compliance with municipal Financial Management Act and the investment Regulations

The balance of investments/short term deposits at mid-year is R12, 6 million and the balance for prior year was R11, 9 million. Although there is an increase of 6% but the balance is too low.

Management needs to invest excess monies to short deposit accounts in order to get more interest and to ensure that conditional grant funds are not used for any other expenses but only for the planned projects.

KZN271 Umhlaluyalingana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
FNB - 74275256516		Months	Money Marke	30 June 2019	-		4 554	-	4 554
FNB - 74622621601		Months	Fixed Depos	30 June 2019	37		6 666	-	6 703
FNB - 62266899825		Months	Money Marke	30 June 2019	5		1 283	20	1 308
NEDBANK - 28702097		Months	32 Days Noti	30 June 2019	0		34	-	34
STD -068824491		Months	32 Days Noti	30 June 2019	0		19	-	19
Municipality sub-total					43		12 556	20	12 618
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				43		12 556	20	12 618

Allocation of grant received and expenditure on grants.

- The budget of the municipality is funded by grants of which they fund 87% of the budget and the remaining 13% is funded by own revenue.
- Capital grants funding capital expenditure is 96% of the capital budget
- Conditional grants funding operating expenditure is 5% when excluding Equitable Share.

The municipality has received a total of R143, 2 million for operational grants including the equitable share by 31 December 2018. This total include

- R1,9 million for Financial Management Grant,
- R762 thousand for Expanded Public Works Programme Grant,
- R109, 2 million for Equitable Share,
- R1,8 million for Provincialisation of Libraries Grant, as well as
- R29,3 million from KZN Cogta for (Tourism, Human settlement, and corridor development grants)
- Expenditure for FMG is at 39% as a result of the expenditure for the training on Minimum Competency Levels is not yet paid. Expenditure for EPWP is 100% and Library Grant expenditure is 39% by 31 December 2018.

R50 million has been received by 31 December 2018 for Capital grants funded by National Government. The municipality received R32 million for Municipal Infrastructure Grant and R18 million for Integrated National Electrification Programme Grant. Expenditure for MIG is 49% and 73% for INEP as at 31 December 2018.

The municipality also received R29, 3 million from KZN Provincial COGTA in the last quarter for tourism projects, housing projects and corridor development projects in the areas of Skhemelele town and Manguzi town. These grants have not yet been spent, the municipality is still busy with the signing of the MOA's with the department as these grants were not gazette in the original gazette, hence the spending has not commenced. Expenditure on the grant rollover for the Tourism Grant is 30% of the total allocation.

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KZN271 Umhlaluyalingana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description		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											
RECEIPTS:		1,2									
Operating Transfers and Grants											
National Government:			139 913	150 623	-	48 559	111 919	75 311	36 419	48,4%	150 623
Local Government Equitable Share			133 848	145 676		48 559	109 257	72 838	36 419	50,0%	145 676
Finance Management			1 900	1 900		-	1 900	950			1 900
EPWP Incentive			4 165	3 047		-	762	1 523			3 047
		3							-		
									-		
									-		
									-		
Other transfers and grants [insert description]									-		
Provincial Government:			3 907	4 656	-	11 503	31 253	2 328	2 145	92,1%	5 656
Sport and Recreation				58		-	-	29	(29)	-100,0%	58
Tourism Grant			1 250	1 200		-	-	600			1 200
Town Planning Grant			1 000			-	1 000	-	1 000	#DIV/0!	1 000
Housing Grant						11 503	27 380	-			
Development Planning Grant						-	1 000	-	1 000	#DIV/0!	
Provincialisation Libraries			1 657	1 676		-	1 676	838	838	100,0%	1 676
Community Library Services Grant				1 722		-	197	861	(664)	-77,1%	1 722
District Municipality:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
Other grant providers:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
Total Operating Transfers and Grants		5	143 820	155 279	-	60 062	143 172	77 639	38 564	49,7%	156 279
Capital Transfers and Grants											
National Government:			60 481	52 265	-	24 000	50 000	26 132	23 868	91,3%	52 265
Municipal Infrastructure Grant (MIG)			35 481	34 265		20 000	32 000	17 132	14 868	86,8%	34 265
									-		
									-		
									-		
Intergrated National Electrification Programme			25 000	18 000		4 000	18 000	9 000	9 000	100,0%	18 000
Provincial Government:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
District Municipality:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
Other grant providers:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
Total Capital Transfers and Grants		5	60 481	52 265	-	24 000	50 000	26 132	23 868	91,3%	52 265
TOTAL RECEIPTS OF TRANSFERS & GRANTS		5	204 301	207 544	-	84 062	193 172	103 772	62 432	60,2%	208 544

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KZN271 Umhlabuyalingana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description		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											
<u>EXPENDITURE</u>											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			139 913	150 623	–	–	40 775	75 311	(34 537)	-45,9%	150 623
Local Government Equitable Share			133 848	145 676	–	–	38 709	72 838	(34 129)	-46,9%	145 676
Finance Management			1 900	1 900	–	–	748	950	(202)	-21,3%	1 900
EPWP Incentive			4 165	3 047	–	–	1 318	1 523	(205)	-13,5%	3 047
									–		
									–		
									–		
Other transfers and grants [insert description]									–		
Provincial Government:			2 745	4 656	–	–	9 549	2 328	(2 174)	-93,4%	4 656
Sport and Recreation				58	–	–	–	29	(29)	-100,0%	58
Tourism Grant				1 200	–	–	–	600	(600)	-100,0%	1 200
Town Planning Grant			1 000		–	–					
Housing Grant					–	–	9 395	–			
Development Planning Grant			88		–	–	–	–			–
Provincialisation Libraries			1 469	1 676	–	–	138	838	(700)	-83,5%	1 676
Community Library Services Grant			188	1 722	–	–	16	861	(845)	-98,1%	1 722
District Municipality:			–	–	–	–	–	–	–		–
[insert description]									–		
Other grant providers:			–	–	–	–	–	–	–		–
[insert description]									–		
Total operating expenditure of Transfers and Grants:			142 658	155 279	–	–	50 324	77 639	(36 710)	-47,3%	155 279
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			63 397	52 265	–	2 316	28 823	26 132	2 691	10,3%	52 265
Municipal Infrastructure Grant (MIG)			35 481	34 265		2 316	15 600	17 132	(1 532)	-8,9%	34 265
									–		
									–		
									–		
Intergrated National Electrification Programme			27 916	18 000	–	–	13 223	9 000	4 223	46,9%	18 000
Provincial Government:			–	–	–	–	–	–	–		–
									–		
									–		
District Municipality:			–	–	–	–	–	–	–		–
									–		
									–		
Other grant providers:			–	–	–	–	–	–	–		–
									–		
Total capital expenditure of Transfers and Grants			63 397	52 265	–	2 316	28 823	26 132	2 691	10,3%	52 265
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			206 055	207 544	–	2 316	79 147	103 772	(34 019)	-32,8%	207 544

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KZN271 Umhlabuyalingana - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 Decem

Description	Ref	Budget Year 2018/19				
		Approved Rollover 2017/18	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Local Government Equitable Share					-	
Finance Management					-	
EPWP Incentive					-	
Other transfers and grants [insert description]					-	
Provincial Government:		1 250	211	371	-	
Sport and Recreation					-	
Tourism Grant		1 250	211	371	-	
Town Planning Grant					-	
Development Planning Grant					-	
Provincialisation Libraries					-	
Community Library Services Grant					-	
District Municipality:		-	-	-	-	
[insert description]					-	
Other grant providers:		-	-	-	-	
[insert description]					-	
Total operating expenditure of Approved Roll-overs		1 250	211	371	-	
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Municipal Infrastructure Grant (MIG)					-	
Intergrated National Electrification Programme					-	
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		1 250	211	371	-	

UMHLABUYALINGANA MUNICIPALITY

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Councillor allowances and employee benefits

Councillor's remuneration/ allowances expenditure is 40% as at 31 December 2018 because upper limits for councillors have not yet been implemented. Upper limits are expected to be implemented in February or March 2018 after the approval of the MEC for local government.

Expenditure for employee costs is 49% of the total budget, it should be noted that it includes 13th cheque paid to employees in December 2018 but excludes performance bonuses for Senior Manager and the Accounting Officer. Their bonuses will be paid in the 3rd quarter probable in March or in April 2019.

KZN271 Umhlabuyalingana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

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			A	B	C						D
Councillors (Political Office Bearers plus Other)		1									
Basic Salaries and Wages			8 323	10 677		647	3 946	5 339	(1 393)	-26%	10 677
Pension and UIF Contributions									-		
Medical Aid Contributions									-		
Motor Vehicle Allowance			2 652	2 720		216	1 315	1 360	(44)	-3%	2 720
Cellphone Allowance			1 187	1 598		126	770	799	(30)	-4%	1 598
Housing Allowances									-		
Other benefits and allowances			-	84		-	-	42	(42)	-100%	84
Sub Total - Councillors			12 161	15 079	-	989	6 031	7 539	(1 509)	-20%	15 079
% increase		4		24,0%							24,0%
Senior Managers of the Municipality		3									
Basic Salaries and Wages			4 765	5 489		336	2 045	2 745	(700)	-25%	5 489
Pension and UIF Contributions			278	219		10	63	109	(47)	-43%	219
Medical Aid Contributions			-	39		3	18	20	(1)	-7%	39
Overtime			-	-		-	-	-	-		-
Performance Bonus			452	490		-	-	245	(245)	-100%	490
Motor Vehicle Allowance			816	844		56	333	422	(89)	-21%	844
Cellphone Allowance			129	131		10	58	65	(8)	-12%	131
Housing Allowances			-	-		-	-	-	-		-
Other benefits and allowances			766	705		48	271	353	(82)	-23%	705
Payments in lieu of leave			237	1 014		-	-	507	(507)	-100%	1 014
Long service awards									-		
Post-retirement benefit obligations									-		
Sub Total - Senior Managers of Municipality			7 443	8 932	-	462	2 787	4 466	(1 679)	-38%	8 932
% increase		4		20,0%							20,0%
Other Municipal Staff											
Basic Salaries and Wages			37 611	36 794		2 431	19 904	18 397	1 507	8%	36 794
Pension and UIF Contributions			3 441	3 949		400	2 234	1 974	260	13%	3 949
Medical Aid Contributions			1 710	2 112		154	907	1 056	(148)	-14%	2 112
Overtime			1 498	1 227		91	851	614	237	39%	1 227
Performance Bonus			2 433	2 705		2 490	2 490	1 353	1 137	84%	2 705
Motor Vehicle Allowance			1 865	2 568		182	1 074	1 284	(210)	-16%	2 568
Cellphone Allowance			406	460		53	308	230	78	34%	460
Housing Allowances			-	-		-	-	-	-		-
Other benefits and allowances			981	2 136		115	808	1 068	(260)	-24%	2 136
Payments in lieu of leave			434	5 756		-	-	2 878	(2 878)	-100%	5 756
Long service awards			479	55		-	-	27	(27)	-100%	55
Post-retirement benefit obligations									-		
Sub Total - Other Municipal Staff			50 859	57 762	-	5 916	28 576	28 881	(304)	-1%	57 762
% increase		4		13,6%							13,6%
Total Parent Municipality			70 463	81 772	-	7 367	37 394	40 886	(3 492)	-9%	81 772
TOTAL SALARY, ALLOWANCES & BENEFITS			70 463	81 772	-	7 367	37 394	40 886	(3 492)	-9%	81 772
% increase		4		16,0%							16,0%
TOTAL MANAGERS AND STAFF			58 302	66 694	-	6 378	31 364	33 347	(1 983)	-6%	66 694

Municipal financial performance

Municipal financial performance as at 31 December 2018 is good as revenue recognized is at 69% although other revenue items are still a concern where revenue recognized against them is below like interest on investment. Interest recognized from investments is 63% below the projected budget for 6 months because there has been no funds deposited to those investment since the beginning of the financial year. Management is still working on it in order to made deposits of excess funds not yet needed.

Revenue recognized from service charges – refuse removal is 15% below the projected budget for this period. The reason is that there are new customers the municipality is still trying to manage their accounts since they are new and to encourage those who are not paying to frequently pay their accounts on time.

Rental of facilities revenue recognized is 32% below the projected budget for this period, this is because customers are failing to pay for their accounts.

Fines, penalties and forfeits revenue recognized is 51% below the projected budget because there is a backlog of 3 months in the capturing of the traffic fines issued due to the technical challenges that were encountered with the system.

Licenses and permits revenue recognized is 0% because there is a technical challenge with the traffic system to capture licensing fees.

Total operating expenditure is very low as it is 3% below the 6 months budget projections, this indicates that there is under spending in the municipality especially on transfers and subsidies by 81%, other materials by 38% , debt impairment by 100%, depreciation by 57% and remuneration of councilors by 20%. Management will have to consider adjusting some of these items in the adjustment budget.

UMHLABUYALINGANA MUNICIPALITY

2018- 2019 MID-YEAR BUDGET & PERFORMANCE

ASSESSMENT REPORT

KZN271 Umhlabuyalingana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description		Ref	2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue By Source											
Property rates			19 830	19 517		1 664	10 236	9 758	478	5%	19 517
Service charges - electricity revenue				-					-		-
Service charges - water revenue				-					-		-
Service charges - sanitation revenue				-					-		-
Service charges - refuse revenue			283	671		47	285	335	(51)	-15%	671
Service charges - other									-		
Rental of facilities and equipment			303	523		30	178	261	(83)	-32%	523
Interest earned - external investments			3 273	2 290		43	418	1 145	(727)	-63%	2 290
Interest earned - outstanding debtors			1 268	721		-	364	360	4	1%	721
Dividends received									-		
Fines, penalties and forfeits			1 606	1 824		20	443	912	(469)	-51%	1 824
Licences and permits			3 882	2 830		-	1	1 415	(1 415)	-100%	2 830
Agency services									-		
Transfers and subsidies			142 658	155 279		49 223	114 173	77 639	36 533	47%	155 279
Other revenue			870	1 906		381	2 382	953	1 429	150%	1 906
Gains on disposal of PPE			-	-					-		-
Total Revenue (excluding capital transfers and contributions)			173 973	185 561	-	51 408	128 479	92 780	35 699	38%	185 561
Expenditure By Type											
Employee related costs			58 302	66 694		6 378	31 364	33 347	(1 983)	-6%	66 694
Remuneration of councillors			12 161	15 079		989	6 031	7 539	(1 509)	-20%	15 079
Debt impairment			7 339	10 311		-	11 393	5 156	6 237	121%	10 311
Depreciation & asset impairment			21 565	24 929		1 564	12 497	12 464	32	0%	24 929
Finance charges			955						-		-
Bulk purchases									-		-
Other materials			2 246	606		-	188	303	(115)	-38%	606
Contracted services			33 934	28 761		1 596	14 647	14 381	267	2%	28 761
Transfers and subsidies			3 007	6 117		121	622	3 059	(2 437)	-80%	6 117
Other expenditure			36 880	32 000		504	16 580	16 000	580	4%	32 000
Loss on disposal of PPE									-		-
Total Expenditure			176 388	184 497	-	11 153	93 320	92 248	1 072	1%	184 497
Surplus/(Deficit)			(2 416)	1 064	-	40 256	35 159	532	34 627	0	1 064
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			35 481	52 265		2 704	16 136	26 132	(9 997)	(0)	1 064
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Transfers and subsidies - capital (in-kind - all)									-		52 265
									-		
Surplus/(Deficit) after capital transfers & contributions			33 065	53 329	-	42 960	51 295	26 665			54 393
Taxation									-		
Surplus/(Deficit) after taxation			33 065	53 329	-	42 960	51 295	26 665			54 393
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			33 065	53 329	-	42 960	51 295	26 665			54 393
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			33 065	53 329	-	42 960	51 295	26 665			54 393

Capital Programme Performance

Total capital expenditure is 8% above the 6 months budget projections, as disclosed in table C5 below. As per the functional classification finance and administration is 99% below the budget projections because computer equipment that was planned to be purchased in the 2nd quarter have not yet been purchased due to some delays from the IT section to develop the specifications of the new equipment to be purchased. It has been postponed for the 3rd quarter.

Economic and environmental services expenditure is 17% below the projected budget because planning and development has not spent its budget to purchase vehicles and air conditioners and they have spent 14% less on road constructions. Roads projects are funded by conditional grants and it has to be fully spent by end of the financial year which means they need to accelerate the spending on roads projects.

UMHLABUYALINGANA MUNICIPALITY

2018- 2019 MID-YEAR BUDGET & PERFORMANCE

ASSESSMENT REPORT

KZN271 Umhlabuyalingana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06
December

Vote Description	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									
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Management		-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	350	-	-	1	175	(174)	-99%	350
Vote 5 - Technical		-	51 999	-	2 316	28 877	26 000	2 878	11%	51 999
Vote 6 - Local Economic Development		-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		-	-	-	-	-	-	-	-	-
Vote 8 - Library Services		-	480	-	-	-	240	(240)	-100%	480
Vote 9 - Traffic Services		-	200	-	-	-	100	(100)	-100%	200
Vote 10 - Waste Management Services		-	300	-	-	-	150	(150)	-100%	300
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	53 329	-	2 316	28 878	26 665	2 214	8%	53 329
Total Capital Expenditure		-	53 329	-	2 316	28 878	26 665	2 214	8%	53 329
Capital Expenditure - Functional Classification										
Governance and administration		-	350	-	-	1	175	(174)	-99%	350
Executive and council										
Finance and administration			350		-	1	175	(174)	-99%	350
Internal audit										
Community and public safety		-	13 279	-	217	6 722	6 640	82	1%	13 279
Community and social services			13 079		217	6 722	6 540	182	3%	13 079
Sport and recreation			-							
Public safety			200		-	-	100	(100)	-100%	200
Housing										
Health										
Economic and environmental services		-	21 400	-	2 099	8 932	10 700	(1 768)	-17%	21 400
Planning and development			700		-	-	350	(350)	-100%	700
Road transport			20 700		2 099	8 932	10 350	(1 418)	-14%	20 700
Environmental protection										
Trading services		-	18 300	-	-	13 223	9 150	4 073	45%	18 300
Energy sources			18 000		-	13 223	9 000	4 223	47%	18 000
Water management										
Waste water management										
Waste management			300		-	-	150	(150)	-100%	300
Other										
Total Capital Expenditure - Functional Classification	3	-	53 329	-	2 316	28 878	26 665	2 214	8%	53 329
Funded by:										
National Government			52 265		2 316	28 877	26 132	2 745	11%	52 265
Provincial Government			-							
District Municipality										
Other transfers and grants										
Transfers recognised - capital	5	-	52 265	-	2 316	28 877	26 132	2 745	11%	52 265
Public contributions & donations										
Borrowing	6									
Internally generated funds			1 064		-	1	532	(531)	-100%	1 064
Total Capital Funding		-	53 329	-	2 316	28 878	26 665	2 214	8%	53 329

Material Variances on Service Delivery and Budget Implementation Plan**COMMUNITY SERVICES DEPARTMENT**

- Sports and recreation programme

Expenditure is 22% at mid-year but it will increase in the next quarter because there are sporting activities planned for the 3rd quarter as per the SDBIP. Other sports projects have been committed but payments have not yet been made like SALGA games held in December. There will be no adjustment in the adjustment budget for this programme.

- Youth programme

Expenditure is 17% at mid-year. The reason for low expenditure is because youth activities programmes are planned for the 2nd and 3rd quarter such as Matric Awards, Carrier expo, school outreach programme, youth commemoration, youth dialog, etc. Other projects are still under commitments because payments have not been made yet. There will be no adjustment for this programme in the adjustment budget.

- HIV & AIDS Programme

Expenditure is 72% at mid-year, the reason for spending more than 50% is because the main event for HIV & AIDS programme was planned for the 2nd quarter, and it was achieved in December 2018. There will be no adjustment for this programme in the adjustment budget.

- Arts and Culture Programme

Expenditure is 5% at mid-year, arts and culture activities are planned for the 3rd and 4th quarter such as uMthayi Festival and Music Tour that is why there is too little expenditure at this time but it will improve in the next quarter. Other projects like Reed dance have already been committed but payments have not yet been made. There will be no adjustment for this programme.

- Waste Management programme

Expenditure is 7% at mid-year, because fumigation and purchase of protective clothing for the staff working town cleaners is going to be purchase in January 2019. Cleaning material is purchased when it is needed and there is a commitment already made for the purchase of cleaning material in the month of January 2019. There will be no adjustment in the adjustment budget for this programme.

- Disability programme

Expenditure is 0% at mid-year because this programme will be implemented in the 3rd quarter as per the SDBIP. There will be no adjustment for this programme in the adjustment budget.

- Poverty Alleviation programme

Expenditure is 33% at mid-year, community services officials are currently busy with the implementation and collection of data from the beneficiaries that are going to receive assistance from the municipality to implement their project as ward level to alleviate poverty. Other projects have already been committed but not yet paid. This project will be implemented until year end because it's ongoing. There will be no adjustment for this programme in the adjustment budget.

- **Gender programme**
Expenditure is 44% at mid-year. Expenditure will improve in the next quarter because activities for this quarter were planned for quarter 3. There will be no adjustment for this programme in the adjustment budget.
- **Subsistence and Travelling**
Expenditure is 13% at mid-year. The reason for low expenditure is because there are commitments for accommodation that are not yet paid because the travelling agent has not yet submitted. This item will not be adjusted in the adjustment budget.

LED SECTION-BUDGET EXPENDITURE STATUS-QUO

- **SMME Programme**
Expenditure is 8% at mid-year because SMME programmes will be implemented in the 3rd quarter as per the SDBIP. There will be no adjustment for this programme in the adjustment budget.
- **Tourism Programme**
Expenditure is 22% at mid-year. This programme was implemented in December 2018 but payments for services used have not yet paid that is why expenditure is low at this point in time. There will be no expenditure for this programme in the adjustment budget.
- **Subsistence and Travelling**
Expenditure is 11% at mid-year. The reason for low expenditure is because there are commitments for accommodation that are not yet paid because the travelling agent has not yet submitted

MANAGEMENT

- **Audit fees**
Expenditure is 14% at year-end. Expenditure is for both internal audit and external audit (Auditor General)
- **Audit committee fees**
Expenditure is 16% at mid-year. Expenditure is low because there has been two sitting since the beginning of the financial year of the audit committee hence the expenditure is low. There will be no adjustment for this item in the adjustment budget.
- **Risk Management Committee fees**
Expenditure is 23% at mid-year. There has been two sitting of the committee since the beginning of the financial year hence there is low expenditure on this item. There will be no adjustment in the adjustment budget.
- **Marketing and communication programme**
Expenditure is 4% at mid-year. A lot of commitments were done in the month of December 2018 for this programme and it has not yet been paid hence expenditure is this low at this point in time. There will be no adjustment in the adjustment budget.

• IDP

Road shows

Expenditure is 42% at mid-year. Other road shows will be held in, March and April 2019 when the municipality is reviewing the IDP. There will be an adjustment for this programme in the adjustment budget.

COUNCIL

• Burial Support

Expenditure is 34% at mid-year. Expenditure depends on the number of requests submitted by families who need assistance to bury their family members. This item will not be adjusted in the adjustment budget.

• Community wellness programme

Expenditure is 26% at mid-year. Expenditure for this item also depends on the number of requests received from communities. This item will not be adjusted in the adjustment budget.

• Subsistence and Travelling

Expenditure is 92% at mid-year. Expenditure is too high because of the mayoral vehicle hired when the vehicle allocated to him was broken. There are other accommodation commitments done during the period but not yet paid as we have not yet received invoices from the travelling agent. This item will be adjusted in the adjustment budget.

FINANCE DEPARTMENT

• Debt impairment

Expenditure is 0% as at 31 December 2018, Management will also review budget for debt impairment in the adjustment budget because it was overstated.

• Bank charges

Expenditure is 18%, as it is R35 thousand for the main bank account and all short term deposits accounts. This line item will not be adjusted in the adjustment budget.

• Minimum Competency Level trainings

Expenditure is 1%, trainings have started already but payments have not been made yet. This line item will not be adjusted in the adjustment budget.

• Financial System support project

Expenditure is 109%, this over expenditure is a result that there has been so many challenges that needed the system vendors to come and resolve and to assist in during the implementation phase of the system as well as when we were doing annual financial statements. This item will be adjusted in the adjustment budget to avoid unauthorized expenditure at year end.

• Interest expense

Is 0% as a result of not having finance lease contracts yet. This line item will be adjusted in the adjustment budget.

- **Financial support project**
Expenditure is 66% due to many hours worked and claimed by the consultant when supporting finance staff in the implementation of mSCOA and preparation of AFS and handling audit queries. This line item will not be adjusted in the adjustment budget.
- **Depreciation**
Property, Plant and Equipment is 21% as at 31 December 2018. Under expenditure in this line item is a result of technical problem with the asset management module in the calculation of the depreciation for the last 3 months. System vendor has been informed of the problem and they are in the process of fixing it. This line item will not be adjusted in the adjustment budget.
- **Valuation roll implementation project**
Expenditure is 27% at mid-year. Expenditure is low because most of the activities for the valuation roll will be implemented in the 2nd quarter and 3rd quarter. This line item budget will not be adjusted in the adjustment budget.
- **Subsistence and Travelling**
Expenditure is 14% at mid-year. The reason for low expenditure is because there are commitments for accommodation that are not yet paid because the travelling agent has not yet submitted invoices. This item will be monitored closely and if there is need to adjust in the adjustment budget it will be adjusted.

CORPORATE SERVICES

- **HR Policies Review**
Expenditure is 105% at mid-year. Budget was understated for this line item, it will be adjusted in the adjustment budget.
- **Legal Services**
Expenditure is 29% at mid-year. Expenditure is based to a number of legal matters referred to legal services (outsourced) hence expenditure is low at mid-year. This line item will not be adjusted in the adjustment budget.
- **Insurance services**
Expenditure is 281% at mid-year. Budget was understated for this project because it should cover all the municipal asset including movable and immovable assets. This item will be adjusted in the adjustment budget.
- **IT & Website project**
Expenditure is 28% at mid-year. Expenditure will increase in this quarter as there are commitments made in January regarding the IT networking which is in progress, licence renewal has been committed in January but not yet paid and website maintenance and hosting is ongoing until end of the financial year. This item will not be adjusted in the adjustment budget.
- **Subsistence and Travelling**
Expenditure is 17% at mid-year. The reason for low expenditure is because there are commitments for accommodation that are not yet paid because the travelling agent has not yet submitted invoices. This item will be monitored closely and if there is need to adjust in the adjustment budget it will be adjusted.

Quality Certificate

I Nonhlanhla P. Gamede, the Municipal Manager of uMhlabuyalingana Municipality, hereby certify that the Mid-year budget and Performance Assessment report for 2018/2019 financial year and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the supporting documents are consistent with the Acts and Regulations.

Print Name _____
Municipal Manager of Local Municipality (KZ2271)

Signature _____

Date _____