

# UMHLABUYALINGANA LOCAL MUNICIPALITY



## MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR 2020/2021 FINANCIAL YEAR

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## PART 1

### 1.1 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**

## 2.

**Strategic Objectives**

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

### 3. 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 2020/2021 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 65 targets. The overall performance as at 31 December 2020 depicts 66% overall achievement of targets. I am hopeful that as we approach the end of our financial year we will improve 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.

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***Councillor NS Mthethwa***

***Mayor: uMhlabuyalingana Municipality***

## 4. Resolution


**UMHLABUYALINGANA  
MUNICIPALITY**

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Enquiries: Mrs. V.P. Gamede

Reference: UMHC 48 OF 2020/2021

Date: 25/01/2021

**TRUE EXTRACT OF MINUTES**

This is a true extract from the minutes of the Special Council meeting of uMhlalbuyalingana Municipality held on the 25<sup>th</sup> of January 2021 (14h00) Via Microsoft Teams Media Platform whereby the resolution as stated below was taken by uMhlalbuyalingana Council.

**UMHC 48: 2020/2021 MID-YEAR ORGANIZATIONAL PERFORMANCE REPORT**

Councillor T.J. Nxumalo thereafter moved, seconded by Councillor T.N. Magagula the recommendation following, which it were;

**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 Operations and Capital Budget based on the Mid-Year assessed SDB P'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 2020/21 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:

Print Name

Designation:

Date:

25 / 01 / 2021

- MISSION: "Creating an enabling environment and sustainable development which promotes quality of life"
- VISION: To be a people centered premier socio-economic development and environmentally friendly service

## 5. Executive summary

Below is the table with the summary of the budget performance for the past six month of the 2020/2021 financial year.

EXECUTIVE SUMMARY				
Description	Original budget	Adjustment budget	Actual Income & Expenditure	%
<b>Revenue</b>				
Operating Grants	188,146,000.00	223,059,000.00	174,663,000.00	78%
Capital Grants	34,702,000.00	34,702,000.00	22,000,000.00	63%
Own Income	30,823,459.00	30,823,459.00	7,206,790.00	23%
Interest income	8,146,518.00	8,146,518.00	973,284.00	12%
	<b>261,817,977.00</b>	<b>296,730,977.00</b>	<b>204,843,074.00</b>	<b>69%</b>
<b>Expenditure</b>				
Employee related costs	90,663,618.00	92,663,617.00	37,634,415.04	41%
Councillors allowances	13,878,096.00	13,878,096.00	6,486,596.42	47%
Deprecation	26,171,181.00	29,971,181.00	11,121,494.24	37%
Finance charges	606,000.00	106,000.00	8,789.97	8%
Transfers and subsidies	2,384,000.00	9,420,000.00	4,091,852.00	43%
Operating expenditure	76,015,082.00	90,702,537.00	47,825,692.27	53%
	<b>209,717,977.00</b>	<b>236,741,431.00</b>	<b>107,168,839.94</b>	<b>45%</b>
<b>Capital expenditure</b>				
Roads	33,000,000.00	33,000,000.00	17,721,442.00	54%
Community halls	9,500,000.00	9,500,000.00	2,450,792.00	26%
Sportsfields	2,000,000.00	2,000,000.00	-	0%
Electricity	4,000,000.00	7,589,546.00	-	0%
Other assets	3,600,000.00	7,900,000.00	939,459.00	12%
	<b>52,100,000.00</b>	<b>59,989,546.00</b>	<b>21,111,693.00</b>	<b>35%</b>

Total revenue collections including conditional grant for the past six month of the 2020/2021 financial year is R204 843 million or 69% of the total budget. Operating grants includes conditional grants received amounting to R5 310 00 and Equitable Share received of R169 353 000. Total operating expenditure for the past six month of 2020/2021 financial year is R107 169 million or 45% of the total budget. Capital expenditure for the past six month of the 2020/2021 financial year is R21 014 million or 35% of the total budget.

## 6. In-year budget statement tables

### 6.1 Table 1 – C1 monthly budget statement summary

KZN271 Umhlabuyalingana - Table C1 Monthly Budget Statement Summary - M06 December

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	20,903	20,676	20,676	1,906	10,488	10,338	149	1%	20,676
Service charges	583	453	453	52	312	227	86	38%	453
Investment revenue	4,802	7,179	7,179	228	973	3,589	(2,616)	-73%	7,179
Transfers and subsidies	154,883	188,146	223,059	90,571	174,880	111,530	63,350	57%	223,059
Other own revenue	6,082	10,662	10,662	295	2,278	5,331	(3,053)	-57%	10,662
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>187,254</b>	<b>227,116</b>	<b>262,029</b>	<b>93,052</b>	<b>188,931</b>	<b>131,014</b>	<b>57,916</b>	<b>44%</b>	<b>262,029</b>
Employee costs	66,611	90,664	92,664	7,459	37,634	46,332	(8,697)	-19%	92,664
Remuneration of Councillors	12,472	13,878	13,878	1,059	6,487	6,939	(452)	-7%	13,878
Depreciation & asset impairment	26,908	26,171	29,971	1,901	11,121	14,986	(3,864)	-26%	29,971
Finance charges	3	106	106	1	9	53	(44)	-83%	106
Materials and bulk purchases	2,084	1,800	3,800	160	540	1,900	(1,360)	-72%	3,800
Transfers and subsidies	1,907	2,384	9,420	442	4,092	4,710	(618)	-13%	9,420
Other expenditure	98,536	70,815	88,132	8,274	47,286	44,066	3,220	7%	88,132
<b>Total Expenditure</b>	<b>208,522</b>	<b>205,818</b>	<b>237,971</b>	<b>19,296</b>	<b>107,169</b>	<b>118,986</b>	<b>(11,817)</b>	<b>-10%</b>	<b>237,971</b>
<b>Surplus/(Deficit)</b>	<b>(21,268)</b>	<b>21,298</b>	<b>24,058</b>	<b>73,755</b>	<b>81,762</b>	<b>12,029</b>	<b>69,733</b>	<b>580%</b>	<b>24,058</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	40,844	34,702	34,702	9,576	19,633	(17,351)	###	-213%	(34,702)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>19,576</b>	<b>56,000</b>	<b>58,760</b>	<b>83,331</b>	<b>101,394</b>	<b>(5,322)</b>	<b>106,717</b>	<b>-2005%</b>	<b>(10,645)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>19,576</b>	<b>56,000</b>	<b>58,760</b>	<b>83,331</b>	<b>101,394</b>	<b>(5,322)</b>	<b>106,717</b>	<b>-2005%</b>	<b>(10,645)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>318,391</b>	<b>68,100</b>	<b>59,990</b>	<b>9,907</b>	<b>21,112</b>	<b>29,995</b>	<b>(8,883)</b>	<b>-30%</b>	<b>59,990</b>
Capital transfers recognised	65,315	49,500	33,500	9,670	19,149	16,750	2,399	14%	33,500
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	253,076	18,600	26,490	237	1,963	13,245	(11,282)	-85%	26,490
<b>Total sources of capital funds</b>	<b>318,391</b>	<b>68,100</b>	<b>59,990</b>	<b>9,907</b>	<b>21,112</b>	<b>29,995</b>	<b>(8,883)</b>	<b>-30%</b>	<b>59,990</b>
<b>Financial position</b>									
Total current assets	75,257	160,844	109,709		169,062				109,709
Total non current assets	305,905	346,891	337,626		315,895				337,626
Total current liabilities	45,789	19,183	33,913		63,453				33,913
Total non current liabilities	15,301	19,937	19,937		16				19,937
Community wealth/Equity	320,071	468,615	393,485		421,488				393,485
<b>Cash flows</b>									
Net cash from (used) operating	(123,781)	91,979	99,692	84,960	114,661	49,846	(64,815)	-130%	99,692
Net cash from (used) investing	339,874	(68,100)	(71,990)	(9,809)	(28,767)	(35,995)	(7,228)	20%	(71,990)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>216,094</b>	<b>137,156</b>	<b>96,515</b>	<b>-</b>	<b>150,243</b>	<b>82,664</b>	<b>(67,579)</b>	<b>-82%</b>	<b>92,051</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	991	1,466	741	914	1,491	1,481	3,960	43,372	54,416
<b>Creditors Age Analysis</b>									
Total Creditors	2,056	763	107	23	73	491	(310)	(179)	3,025

The above table shows the municipality's summary of financial performance, capital expenditure, financial position, cash flow, debtor's balances and creditor's balances as at 31 December 2020



Financial position of the municipality as at 31 December 2020 is sitting at a surplus of R101 394 million. Where by the total revenue excluding capital transfers is R188 931 million, total operating expenditure is R107 169 million and capital transfers is R19 633 million

Capital expenditure as at 31 December 2020 is R21 112 million, funding sources of this capital expenditure is as follows:

Capital transfers from National Government is R19 149 million or 91% of the total capital expenditure to date , and internally generated funds is R1 963 million or 9% of the total capital expenditure to date.

Financial position as at 31 December 2020 shows that the municipality's current assets are R169 062 million, non-current assets are R315 895 million, current liabilities are R63 453 million, non-current liabilities are R16 thousand rands and accumulated surplus is R421 488 million.

Cash flow balances as at 31 December 2020 are as follows:

Net cash from operating activities is R114 661 million,

Net cash from investing activities is R (28 767) million, and

Cash and cash equivalents at the end of the period is R150 243 million

Debtors balances as at 31 December 2020 is R54 416 million and

Creditors balance as at 31 December 2020 is R3 025

## 6.2 Table 2 – C2 monthly budget statement – Financial Performance (functional classification)

KZN271 Umhlaluyalingana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		179,225	213,140	248,917	91,918	182,032	124,459	57,574	46%	248,917
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		179,225	213,140	248,917	91,918	182,032	124,459	57,574	46%	248,917
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		14,577	3,591	2,727	459	1,829	1,363	465	34%	2,727
Community and social services		14,551	3,559	2,695	459	1,829	1,348	481	36%	2,695
Sport and recreation		17	–	–	–	–	–	–	–	–
Public safety		9	31	31	–	–	16	(16)	-100%	31
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		33,712	44,634	44,634	10,171	24,390	22,317	2,073	9%	44,634
Planning and development		6,663	2,294	2,294	419	2,811	1,147	1,664	145%	2,294
Road transport		27,050	42,340	42,340	9,751	21,579	21,170	409	2%	42,340
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		583	453	453	52	312	227	86	38%	453
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		583	453	453	52	312	227	86	38%	453
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>	<b>2</b>	<b>228,097</b>	<b>261,818</b>	<b>296,731</b>	<b>102,600</b>	<b>208,563</b>	<b>148,365</b>	<b>60,198</b>	<b>41%</b>	<b>296,731</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		122,751	111,238	131,127	9,818	61,709	65,563	(3,854)	-6%	131,127
Executive and council		38,269	34,056	37,056	3,457	20,262	18,528	1,734	9%	37,056
Finance and administration		81,918	75,531	91,820	6,361	40,571	45,910	(5,339)	-12%	91,820
Internal audit		2,565	1,650	2,250	–	876	1,125	(249)	-22%	2,250
<i>Community and public safety</i>		47,555	45,725	53,621	4,375	22,407	26,810	(4,403)	-16%	53,621
Community and social services		46,448	41,236	45,993	4,342	20,946	22,997	(2,051)	-9%	45,994
Sport and recreation		–	–	–	–	16	–	16	#DIV/0!	–
Public safety		1,107	4,488	7,627	34	1,445	3,814	(2,369)	-62%	7,627
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		34,940	40,380	43,148	3,792	16,642	21,574	(4,932)	-23%	43,148
Planning and development		23,453	25,343	27,101	2,725	10,948	13,551	(2,603)	-19%	27,101
Road transport		11,487	15,037	16,047	1,067	5,694	8,023	(2,329)	-29%	16,047
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		3,276	8,476	10,076	1,311	6,410	5,038	1,373	27%	10,076
Energy sources		330	547	547	–	–	274	(274)	-100%	547
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		2,946	7,929	9,529	1,311	6,410	4,764	1,646	35%	9,529
<i>Other</i>		–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>208,522</b>	<b>205,818</b>	<b>237,971</b>	<b>19,296</b>	<b>107,169</b>	<b>118,986</b>	<b>(11,817)</b>	<b>-10%</b>	<b>237,971</b>
<b>Surplus/ (Deficit) for the year</b>		<b>19,576</b>	<b>56,000</b>	<b>58,760</b>	<b>83,303</b>	<b>101,394</b>	<b>29,380</b>	<b>72,015</b>	<b>245%</b>	<b>58,760</b>

The table above shows financial performance per function of the municipality as at 31 December 2020

### 6.3 Table 3 –C3 monthly budget statement – Financial performance by municipal vote

KZN271 Umhlabuyalingana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		179,225	213,140	248,917	91,918	182,032	124,459	57,574	46.3%	248,917
Vote 3 - Community and Social Services		14,551	3,559	2,695	459	1,829	1,348	481	35.7%	2,695
Vote 4 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 5 - Water Management		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		583	453	453	52	312	227	86	37.8%	453
Vote 8 - Energy Sources		–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		6,663	2,294	2,294	419	2,811	1,147	1,664	145.0%	2,294
Vote 10 - Sports and Recreation		17	–	–	–	–	–	–	–	–
Vote 11 - Road Transport		21,823	36,700	36,700	9,606	19,825	18,350	1,475	8.0%	36,700
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 15 - Finance and Administration 2		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	222,861	256,147	291,060	102,454	206,809	145,530	61,279	42.1%	291,060
Expenditure by Vote	1									
Vote 1 - Executive and Council		38,269	34,056	37,056	3,457	20,262	(18,528)	38,790	-209.4%	(37,056)
Vote 2 - Finance and Administration		81,727	75,381	91,670	6,361	40,571	(45,835)	86,406	-188.5%	(91,670)
Vote 3 - Community and Social Services		40,494	39,336	44,293	4,245	20,266	(22,147)	42,412	-191.5%	(44,293)
Vote 4 - Internal Audit		2,565	1,650	2,250	–	876	(1,125)	2,001	-177.9%	(2,250)
Vote 5 - Water Management		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		1,808	6,079	6,079	742	4,759	(3,039)	7,798	-256.6%	(6,079)
Vote 8 - Energy Sources		330	547	547	–	–	(274)	274	-100.0%	(547)
Vote 9 - Planning and Development		23,452	23,852	25,610	2,725	10,948	(12,805)	23,753	-185.5%	(25,610)
Vote 10 - Sports and Recreation		–	–	–	–	16	–	16	#DIV/0!	–
Vote 11 - Road Transport		4,032	3,950	4,950	198	1,069	(2,475)	3,544	-143.2%	(4,950)
Vote 12 - [NAME OF VOTE 12]		4,521	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - Public Safety		1,328	2,000	3,600	568	1,652	(1,800)	3,452	-191.8%	(3,600)
Vote 15 - Finance and Administration 2		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	198,525	186,851	216,056	18,297	100,418	(108,028)	208,446	-193.0%	(216,056)
Surplus/ (Deficit) for the year	2	24,335	69,296	75,004	84,157	106,391	253,558	(147,167)	-58.0%	507,116

The above table shows the financial performance of the municipality as at 31 December 2020 per municipal vote

## 6.4 Table 4 – C4 monthly budget statement – Financial Performance (revenue and expenditure)

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		20,903	20,676	20,676	1,906	10,488	10,338	149	1%	20,676
Service charges - electricity revenue		-	-	-	-	-	-	-		-
Service charges - water revenue		-	-	-	-	-	-	-		-
Service charges - sanitation revenue		-	-	-	-	-	-	-		-
Service charges - refuse revenue		583	453	453	52	312	227	86	38%	453
Rental of facilities and equipment		368	394	394	33	196	197	(1)	-1%	394
Interest earned - external investments		4,802	7,179	7,179	228	973	3,589	(2,616)	-73%	7,179
Interest earned - outstanding debtors		610	968	968	-	(182)	484	(666)	-138%	968
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		1,578	3,224	3,224	88	461	1,612	(1,151)	-71%	3,224
Licences and permits		3,569	5,593	5,593	162	1,656	2,797	(1,141)	-41%	5,593
Agency services		-	-	-	-	-	-	-		-
Transfers and subsidies		154,883	188,146	223,059	90,571	174,880	111,530	63,350	57%	223,059
Other revenue		630	483	483	11	148	241	(94)	-39%	483
Gains		(672)	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		187,254	227,116	262,029	93,052	188,931	131,014	57,916	44%	262,029
Expenditure By Type										
Employee related costs		66,611	90,664	92,664	7,459	37,634	46,332	(8,697)	-19%	92,664
Remuneration of councillors		12,472	13,878	13,878	1,059	6,487	6,939	(452)	-7%	13,878
Debt impairment		6,446	1,230	9,725	-	-	4,862	(4,862)	-100%	9,725
Depreciation & asset impairment		26,908	26,171	29,971	1,901	11,121	14,986	(3,864)	-26%	29,971
Finance charges		3	106	106	1	9	53	(44)	-83%	106
Bulk purchases		-	-	-	-	-	-	-		-
Other materials		2,084	1,800	3,800	160	540	1,900	(1,360)	-72%	3,800
Contracted services		40,853	29,103	33,791	2,854	22,558	16,896	5,662	34%	33,791
Transfers and subsidies		1,907	2,384	9,420	442	4,092	4,710	(618)	-13%	9,420
Other expenditure		51,238	40,482	44,617	5,420	24,728	22,308	2,420	11%	44,617
Losses		-	-	-	-	-	-	-		-
Total Expenditure		208,522	205,818	237,971	19,296	107,169	118,986	(11,817)	-10%	237,971
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		(21,268)	21,298	24,058	73,755	81,762	12,029	69,733	0	24,058
(National / Provincial and District)		40,844	34,702	34,702	9,576	19,633	(17,351)	36,984	(0)	(34,702)
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		19,576	56,000	58,760	83,331	101,394	(5,322)			(10,645)
Taxation								-		
Surplus/(Deficit) after taxation		19,576	56,000	58,760	83,331	101,394	(5,322)			(10,645)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		19,576	56,000	58,760	83,331	101,394	(5,322)			(10,645)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		19,576	56,000	58,760	83,331	101,394	(5,322)			(10,645)

The above table shows us the detailed financial performance of the municipality as at 31 December 2020.

### Revenue

Revenue recognized by the municipality is R188 931 million as at 31 December 2020.

### Property rates income

The municipality has recognized R10 488 from property rates income. Property rates income has contributed 5.6% of the total revenue raised since July to December 2020. This revenue has been raised against business and commercial debtors, residential debtors and government debtors. Looking at the financial performance of this revenue stream we

do not need to adjust it in the adjustment budget because the actual amount raised is within the projected budget for this period.

#### **Refuse removal income**

The municipality has recognized R312 thousand rands from refuse removal income. Refuse removal income contributed less than 1% of the total revenue raised since July to December 2020. Currently the municipality is billing 25 properties which includes Manguzi Hospital, Mseleni Hospital, Manguzi Agricultural Office and 1 School, the other properties are business or commercial debtors. The municipality does not offer this service to residential properties yet because of limited resources it has to provide this service. Looking at the performance of this revenue stream the municipality will have to adjust this revenue stream in the adjustment budget because it looks as if the budget was understated

#### **Rental of facilities and equipment**

The municipality has recognized R196 thousand rands from rental of facilities and equipment income. Rental income has contributed less than 1% of the total revenue raised since July to December 2020. Rental income comes from rental of market stalls and office space rented out by IEC and Department of Public Works. Looking at the performance of this revenue stream the municipality does not need to adjust it in the adjustment budget.

#### **Interest on investments**

The municipality has raised revenue of R973 thousand rands against this revenue stream. It has contributed less than 1% to the total revenue raised since July to December 2020. Performance of this revenue stream is very poor because the municipality has not deposited any funds to short term deposits accounts. The municipality will have to make some deposits or adjust this revenue stream downwards in the adjustment budget.

#### **Interest on outstanding debtors**

Interest on outstanding debtors is -R181 992, the municipality took a resolution to reverse interest charged on outstanding debtors on business and commercial debtors due to financial challenges caused by COVID-19 pandemic. Due to that resolution this revenue stream will be adjusted downwards in the adjustment budget.

#### **Fines, penalties and forfeits**

The municipality has recognized R460 thousand rands against traffic fines issued. This revenue stream performance against the budget is very poor. What contributed to poor performance of this revenue stream is the COVID-19 pandemic outbreak, because the country was under lockdown in the first quarter. There was also a shortage of traffic officers to continue with the operations because others were on quarantine after they were infected by COVID-19 virus. Looking at the performance of this revenue stream the municipality will have to adjust it downwards in the adjustment budget.

#### **Licenses and permits**

The municipality has recognized R1 656 million against this revenue stream. It has contributed less than 1% of the total revenue recognized since July to December 2020. What contributed to poor performance of this revenue stream is the COVID-19 pandemic virus outbreak in the country. In the 1<sup>st</sup> quarter of the financial year the traffic station was not fully operational due to that other officers were on quarantine after they were infected with the corona virus. The number of people that were being serviced was reduced due to limited number of human resources available at that time. This revenue stream will have to be adjusted downwards in the adjustment budget.

#### **Transfers and subsidies**

The municipality has recognized R174 663 against this revenue stream which is 78% of the total revenue raised since July to December 2020. This amount includes R169 353 million from Equitable Share as well as other operational conditional grants amounting to R5 310 million.

**Other revenue**

The municipality has recognized R148 thousand rands from this revenue stream which includes sale of tender documents, commission received and photocopying fees. This revenue stream performance is poor and it will have to be adjusted downwards in the adjustment budget

**Expenditure**

Total operating expenditure as at 31 December 2020 is R107 169 million.

**Employee related costs**

The municipality has recognized expenditure of R37 634 million for employee related costs which is 35% of the total operating expenditure from July to December 2020. Expenditure is less than the projected budget and within the projected budget because there are vacant positions not yet filled and other vacancies were only filled in the month of December 2020, and payment of performance bonuses for senior managers has not been effected yet. This line item will have to be reviewed thoroughly and a decision will be made whether to adjust it downwards or not.

**Councilor's remuneration**

The municipality has recognized expenditure of R6 487 million against this line item. It is less than the projected budget because upper limits for councilors has not been effected yet. The municipality will have to carefully review this line item and take a decision whether to adjust it or not in the adjustment budget.

**Debt impairment**

The municipality has recognized nil in this line item because debt impairment is calculated annually.

**Depreciation and asset impairment**

The municipality has recognized R11 121 million against this line item. It appears as low when compared to the projected budget but the municipality will have to review it thoroughly because there might be other assets to be capitalized with thin the financial year and increase depreciation cost.

**Finance charges**

The municipality has recognized R8 790 rands which is for penalties for late payments of Telkom and Eskom invoices. The budget was allocated to include interest expense for landfill site but the budget might be understated, the municipality will have to revise this budget allocation in the adjustment budget.

**Other materials**

Expenditure on other materials as at 31 December is R540 thousand, this expenditure looks too low at this point in time but it will increase as the year progress because there is another outbreak of COVID-19 therefore more PPE's will be needed. This line item will not be adjusted downwards in the adjustment budget.

**Contracted services**

Contracted services expenditure as at 31 December 2020 is sitting at R22 558 million. This expenditure includes maintenance of assets like roads and transport assets, consultants used by the municipality in the preparation of AFS, maintenance of financial system and provision of security services. Expenditure is above the projected budget for this period but the municipality will monitor it so that it does not exceed the total budget by end of the financial year to avoid incurring unauthorized expenditure.

**Transfers and subsidies**

Transfers and subsidies expenditure as at 31 December 2020 is R4 092 million. This expenditure includes social relief programs, poverty alleviation programs, burial support programs and disaster relief programs, where the municipality will buy and donate food parcels to identified communities as the needy one's and start up kits for families who have lost their household items due to fire disaster's or other natural disasters like storms and floods. Expenditure is within the projected budget for this period therefore this line item will not be adjusted in the adjustment budget

**Other expenditure**

Other expenditure as at 31 December 2020 it was R24 728 million. Expenditure is a little bit above the projected budget for this period, the municipality will have to monitor it so that it does not exceed the budget at the end of the financial year to avoid incurring unauthorized expenditure.

## 6.5 Table 5 – C5 monthly budget statement – Capital expenditure

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

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		164,250	3,400	7,700	237	547	3,850	(3,303)	-86%	7,700
Vote 3 - Community and Social Services		49,188	9,500	9,500	331	2,451	4,750	(2,299)	-48%	9,500
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - Waste Management		10,217	-	-	-	-	-	-	-	-
Vote 8 - Energy Sources		0	20,000	7,590	-	-	3,795	(3,795)	-100%	7,590
Vote 9 - Planning and Development		30,561	-	-	-	197	-	197	#DIV/0!	-
Vote 10 - Sports and Recreation		41,727	2,000	2,000	-	-	1,000	(1,000)	-100%	2,000
Vote 11 - Road Transport		21,578	33,200	33,200	9,338	17,917	16,600	1,317	8%	33,200
Vote 12 - [NAME OF VOTE 12]		869	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Administration 2		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>318,391</b>	<b>68,100</b>	<b>59,990</b>	<b>9,907</b>	<b>21,112</b>	<b>29,995</b>	<b>(8,883)</b>	<b>-30%</b>	<b>59,990</b>
<b>Total Capital Expenditure</b>		<b>318,391</b>	<b>68,100</b>	<b>59,990</b>	<b>9,907</b>	<b>21,112</b>	<b>29,995</b>	<b>(8,883)</b>	<b>-30%</b>	<b>59,990</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>164,250</b>	<b>3,400</b>	<b>7,700</b>	<b>237</b>	<b>547</b>	<b>3,850</b>	<b>(3,303)</b>	<b>-86%</b>	<b>7,700</b>
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		164,250	3,400	7,700	237	547	3,850	(3,303)	-86%	7,700
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>93,090</b>	<b>11,700</b>	<b>11,700</b>	<b>331</b>	<b>2,647</b>	<b>5,850</b>	<b>(3,203)</b>	<b>-55%</b>	<b>11,700</b>
Community and social services		49,188	9,500	9,500	331	2,451	4,750	(2,299)	-48%	9,500
Sport and recreation		41,727	2,000	2,000	-	-	1,000	(1,000)	-100%	2,000
Public safety		1,307	200	200	-	196	100	96	96%	200
Housing		-	-	-	-	-	-	-	-	-
Health		869	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>51,237</b>	<b>33,000</b>	<b>33,000</b>	<b>9,338</b>	<b>17,918</b>	<b>16,500</b>	<b>1,418</b>	<b>9%</b>	<b>33,000</b>
Planning and development		30,561	-	-	-	197	-	197	#DIV/0!	-
Road transport		20,675	33,000	33,000	9,338	17,721	16,500	1,221	7%	33,000
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>10,217</b>	<b>20,000</b>	<b>7,590</b>	<b>-</b>	<b>-</b>	<b>3,795</b>	<b>(3,795)</b>	<b>-100%</b>	<b>7,590</b>
Energy sources		0	20,000	7,590	-	-	3,795	(3,795)	-100%	7,590
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10,217	-	-	-	-	-	-	-	-
<b>Other</b>		<b>21,080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>339,874</b>	<b>68,100</b>	<b>59,990</b>	<b>9,907</b>	<b>21,112</b>	<b>29,995</b>	<b>(8,883)</b>	<b>-30%</b>	<b>59,990</b>
<b>Funded by:</b>										
National Government		57,536	49,500	33,500	9,670	19,149	16,750	2,399	14%	33,500
Provincial Government		7,779	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>65,315</b>	<b>49,500</b>	<b>33,500</b>	<b>9,670</b>	<b>19,149</b>	<b>16,750</b>	<b>2,399</b>	<b>14%</b>	<b>33,500</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>253,076</b>	<b>18,600</b>	<b>26,490</b>	<b>237</b>	<b>1,963</b>	<b>13,245</b>	<b>(11,282)</b>	<b>-85%</b>	<b>26,490</b>
<b>Total Capital Funding</b>		<b>318,391</b>	<b>68,100</b>	<b>59,990</b>	<b>9,907</b>	<b>21,112</b>	<b>29,995</b>	<b>(8,883)</b>	<b>-30%</b>	<b>59,990</b>

Capital expenditure as at 31 December 2020 is RR21 112 or 31% of the total capital budget.

The municipality has managed to spend 70% of the projected budget as at end of December 2020. Corona virus outbreak has caused lot of delays in the implementation of capital projects because SCM processes were delayed because of the lockdown restrictions we had in the beginning of the financial year. Other projects were re-advertised



because of contractors who submitted their bids were non-responsive to those bids and it caused further delays in the implementation of those capital projects.

## 6.6 Table 6 – monthly budget statement – financial position

KZN271 Umhlabuyalingana - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b><u>ASSETS</u></b>						
<b>Current assets</b>						
Cash		50,457	122,686	135,559	135,559	82,045
Call investment deposits		13,891	14,470	14,470	14,167	14,470
Consumer debtors		10,015	21,428	9,386	16,304	9,386
Other debtors		703	460	8	1,524	8
Current portion of long-term receivables		–	–	–	–	–
Inventory		189	1,800	3,800	1,593	3,800
<b>Total current assets</b>		<b>75,257</b>	<b>160,844</b>	<b>163,222</b>	<b>169,146</b>	<b>109,709</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		–	–	–	–	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		304,999	345,921	337,037	315,132	337,037
Biological		–	–	–	–	–
Intangible		905	970	589	763	589
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>305,905</b>	<b>346,891</b>	<b>337,626</b>	<b>315,895</b>	<b>337,626</b>
<b>TOTAL ASSETS</b>		<b>381,161</b>	<b>507,735</b>	<b>500,848</b>	<b>485,040</b>	<b>447,335</b>
<b><u>LIABILITIES</u></b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		–	–	–	–	–
Trade and other payables		45,789	6,963	21,694	63,453	21,694
Provisions		–	12,219	12,219	–	12,219
<b>Total current liabilities</b>		<b>45,789</b>	<b>19,183</b>	<b>33,913</b>	<b>63,453</b>	<b>33,913</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		15,301	19,937	19,937	16	19,937
<b>Total non current liabilities</b>		<b>15,301</b>	<b>19,937</b>	<b>19,937</b>	<b>16</b>	<b>19,937</b>
<b>TOTAL LIABILITIES</b>		<b>61,090</b>	<b>39,120</b>	<b>53,850</b>	<b>63,469</b>	<b>53,850</b>
<b>NET ASSETS</b>	2	<b>320,071</b>	<b>468,615</b>	<b>446,998</b>	<b>421,572</b>	<b>393,485</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>						
Accumulated Surplus/(Deficit)		320,071	468,615	446,998	421,572	393,485
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>320,071</b>	<b>468,615</b>	<b>446,998</b>	<b>421,572</b>	<b>393,485</b>

## 6.7 Table 7 – monthly budget statement – Cash flow

KZN271 Umhlabuyalingana - Table C7 Monthly Budget Statement - Cash Flow - M06 December

KENTECH China Technology Limited - Table of Monthly Budget Statement - Cash Flow - 1st December										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	16,171	15,808	1,881	5,186	7,904	(2,718)	-34%	15,808
Service charges		–	313	159	28	194	79	114	144%	159
Other revenue		48,655	7,885	5,061	148	1,720	2,530	(811)	-32%	5,061
Transfers and Subsidies - Operational		–	188,146	223,059	88,755	174,663	111,530	63,134	57%	223,059
Transfers and Subsidies - Capital		–	50,702	46,702	10,000	29,500	23,351	6,149	26%	46,702
Interest		–	7,179	7,179	228	699	3,589	(2,891)	-81%	7,179
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(172,432)	(175,427)	(188,750)	(15,638)	(93,209)	(94,375)	(1,166)	1%	(188,750)
Finance charges		(3)	(606)	(106)	(1)	(9)	(53)	(44)	83%	(106)
Transfers and Grants		–	(2,384)	(9,420)	(442)	(4,083)	(4,710)	(627)	13%	(9,420)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(123,781)	91,979	99,692	84,960	114,661	49,846	(64,815)	-130%	99,692
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		339,874	(68,100)	(71,990)	(9,809)	(28,767)	(35,995)	(7,228)	20%	(71,990)
NET CASH FROM/(USED) INVESTING ACTIVITIES		339,874	(68,100)	(71,990)	(9,809)	(28,767)	(35,995)	(7,228)	20%	(71,990)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		216,094	23,879	27,703	75,150	85,894	13,851			27,703
Cash/cash equivalents at beginning:			113,277	68,813		64,348	68,813			64,348
Cash/cash equivalents at month/year end:		216,094	137,156	96,515		150,243	82,664			92,051

The above table shows the cash inflows and outflow for the period from July to December 2020. Capital transfers and subsidies includes R7 500 million from INPE and R22 000 million from MIG. Payments for capital assets of R28 767 million includes R7 655 million for electrification projects which is not included in C5 schedule for capital expenditure because of the principal agent relationship we have with DOE. Cash and cash equivalents at 31 December is R150 243 million which equals to our bank balance of R136 075 million and short term investments balance of R14 167 million.

## 6.8 Table SC1 material variance explanations

KZN271 Umhlabuyalingana - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>Revenue By Source</b>			
	Interest on outstanding debts	-138%	Council took a resolution to reverse interest charged as a result of the lockdown	It will be corrected in the adjustment budget
	Fines, penalties and forfeits	-71%	Revenue raised against traffic fines is below the target because of the lockdown	Traffic fines revenue will be adjusted in the adjustment budget
	Licences and permits	-41%	Revenue raised against licensing is below the target because of the lockdown	Licensing income will be adjusted downwards in the adjustment budget
	Other revenue	-39%	Other revenue is less than the projected budget because of the lockdown	Other revenue will be adjusted downwards in the adjustment budget
	Interest on investments	-73%	Interest on investments is less than the projected budget because of the lockdown	Management must deposit those excess funds to short term investments
	Transfers and subsidies	74%	Transfers and subsidies are more than the projected budget because of the funds received for EQS, FMG, EPWP and Lib	It will be corrected in the adjustment budget
	Service charges	38%	Service charges are more than the projected budget because of the lockdown	It will be corrected in the adjustment budget
2	<b>Expenditure By Type</b>			
	Employee related costs	-19%	Employee related costs is less than the projected budget because of the lockdown	Remedial is to fill up the vacant posts
	Debt impairment	-100%	Debt impairment is less than the projected budget because it is not calculated quarterly but it is calculated at the end of the year	It will be corrected in the adjustment budget after it has been calculated
	Depreciation and asset impairment	-26%	Depreciation expenditure is less than the year to date budget because of the lockdown	It will be corrected in the adjustment budget after it has been calculated
	Other materials	-72%	Other materials is less than the projected budget because few inventory items have been procured in this quarter since we are under lockdown	
	Finance charges	-83%	Finance charges is less than the projected budget because we have not incurred many penalties from July to date	
	Transfers and subsidies	-13%	Transfers and subsidies expenditure is less than the projected budget because there are other programmes on social relief that have been implemented	
	Contracted services	34%	Contracted services expenditure is more than the projected budget because other programmes were to be implemented in this quarter but have not been implemented	
	Other expenditure	11%	Other expenditure is more than the projected budget because other programmes were to be implemented in quarter 3 have not been implemented	
3	<b>Capital Expenditure</b>			
	Finance and administration	-86%	Finance and administration expenditure is less than the projected budget because other projects are to be implemented in the next quarter	
	Community and social services	-48%	Community and social services expenditure is less than the projected budget because other projects are to be implemented in the next quarter	
	Sports and recreation	-100%	Sports and recreation expenditure is less than the projected budget because this project has not been implemented yet	
	Public safety	96%	Public safety expenditure is more than the projected budget because expenditure is projected over 12 months but procurement has not been completed	
	Energy sources	-100%	Energy sources expenditure is less than the projected budget because of some delays in the installation of traffic lights because of the lockdown	
4	<b>Financial Position</b>			
	Current assets	154%	Current assets are more than the budget and it is good for the municipality	
	Non current assets	-7%	Non current assets are less than the budget but they will increase when more assets are being capitalised in the next quarter	
	Current liabilities	187%	Current liabilities are more than the budget because of unspent conditional grants	These conditional grants will be spent in the next quarter
	Non current liabilities	-1%	Current liabilities are less than the budget because of the lockdown	
5	<b>Cash Flow</b>			
	Property rates	-34%	Property rates collections is below the target because we are still waiting for Public Works to make payments for their projects	
	Service charges	144%	Service charges collection is more than the projected budget because of payment of long outstanding debts by other debtors	
	Other revenue	-32%	Other revenue collection is less than the projected budget because our debtors are still struggling financially because of CO	
	Transfers and subsidies -operational	57%	Transfers and subsidies -operational collection is more than the projected budget because of grant funds received in July	
	Transfers and subsidies -Capital	-26%	Transfers and subsidies-capital are more than the projected budget because of funds already received by the municipality	
	Interest	-81%	Interest collection is less than the projected budget because excess funds have not yet been deposited to short term deposits	
	Employees and suppliers	-1%	Employees and suppliers expenditure is less than the projected budget because our budget is projected over 12 months and we are under lockdown	
	Finance charges	-83%	Finance charges expenditure is less than the projected budget because we have few penalties incurred in this period because of the lockdown	
	Transfers and grants	-13%	Transfers and grants expenditure is less than the projected budget because our budget is projected over 12 equal months and we are under lockdown	
	Capital expenditure	-20%	Capital expenditure is less than the projected budget because we were under lockdown in the 1st quarter of the financial year	
6	<b>Measureable performance</b>			
7	<b>Municipal Entities</b>			

## 6.9 Table SC2 Monthly budget statement – performance indicators

KZN271 Umhlabuyalingana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	Ref	2019/20	Budget Year 2020/21			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	12.8%	12.6%	0.0%	5.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		14.3%	1.5%	4.9%	15.1%	5.5%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	164.4%	838.5%	481.3%	266.6%	323.5%
Liquidity Ratio	Monetary Assets/Current Liabilities		140.5%	715.0%	442.4%	236.0%	284.6%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		5.7%	9.6%	3.6%	9.4%	3.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		100.0%	100.0%	100.0%	100.0%	100.0%
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	0.0%	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/Total Revenue - capital revenue		35.6%	39.9%	35.4%	19.9%	35.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.2%	2.4%	0.0%	0.1%	2.1%
Interest & Depreciation	I&D/Total Revenue - capital revenue		14.4%	11.6%	11.5%	0.0%	5.3%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure			66.6%		61.0%	66.6%

## 6.10 Table SC3 Monthly budget statement – aged debtors

KZN271 Umhlabuyalingana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2020/21										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	893	1,385	665	853	1,346	1,338	3,158	41,846	51,486	48,542	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	60	44	44	37	37	37	216	589	1,062	915	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	38	37	32	24	24	24	135	222	535	428	–	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	84	82	452	715	1,333	1,333	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	–	–	–	–	–	–
Total By Income Source	2000	991	1,466	741	914	1,491	1,481	3,960	43,372	54,416	51,218	–	–	–
2019/20 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	325	1,011	303	509	1,002	1,002	1,137	24,919	30,210	28,570	–	–	–
Commercial	2300	661	450	434	401	484	474	2,793	18,210	23,909	22,364	–	–	–
Households	2400	3	3	3	3	3	3	20	242	282	272	–	–	–
Other	2500	1	1	1	1	1	1	10	1	16	13	–	–	–
Total By Customer Group	2600	991	1,466	741	914	1,491	1,481	3,960	43,372	54,416	51,218	–	–	–

## 6.11Table SC 4 Monthly budget statement – aged creditors

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

Description		NT Code	Budget Year 2020/21								Prior year	
			0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total	totals for chart
R thousands			30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year		(same period)
Creditors Age Analysis By Customer Type												
	0100	–	–	–	–	–	–	–	–	–	–	
	0200	–	–	–	–	–	–	–	–	–	–	
	0300	–	–	–	–	–	–	–	–	–	–	
	0400	–	–	–	–	–	–	–	–	–	–	
	0500	–	–	–	–	–	–	–	–	–	–	
	0600	–	–	–	–	–	–	–	–	–	–	
	0700	1,237	(189)	48	15	11	–	0	(120)		1,001	
	0800	258	282	241	–	–	–	–	–		781	
	0900	562	669	(182)	8	62	491	(310)	(58)		1,242	
Total By Customer Type		1000	2,056	763	107	23	73	491	(310)	(179)	3,025	–

## 6.12 SC5 Monthly budget statement investment portfolio

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

R212/7/2019Municipality of Grahamstown - Supporting Table 006 Monthly Budget Statement - Investment portfolio - May December														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
FNB - 74275256516		Months	Call account	No	Variable		n/a		30 June 2021	5,138	34	–	–	5,172
NEDBANK - 28702097		Months	Call account	No	Variable		n/a		30 June 2021	37	0	–	–	37
FNB - 74622621601		Months	Call account	No	Variable		n/a		30 June 2021	7,501	73	–	–	7,574
STD Bank - 068824491		Months	Call account	No	Variable		n/a		30 June 2021	21	0	–	–	21
FNB - 62266899825		Months	Call account	No	Variable		n/a		30 June 2021	1,360	2	–	–	1,362
FNB - 62424086785		Months	Call account	No	Variable		n/a		30 June 2021	1	–	–	–	1
FNB - 62055161146		Months	Call account	No	Variable		n/a		30 June 2021	0	–	–	–	0
Municipality sub-total										14,058		–	–	14,167
Entities														
														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2									14,058		–	–	14,167

#### **6.13 SC 6 Monthly budget statement –transfers and grants receipts**

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

Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	184,824	219,737	88,755	171,991	109,869	62,123	56.5%	219,737
Local Government Equitable Share			179,108	214,885	88,755	169,353	107,443	61,911	57.6%	214,885
Finance Management			1,900	1,900	-	1,900	950	950	100.0%	1,900
EPWP Incentive			2,952	2,952	-	738	1,476	(738)	-50.0%	2,952
				-						
	3							-		
								-		
								-		
								-		
Municipal Disaster Relief			864	-	-	-	-	-		-
<b>Provincial Government:</b>		-	3,322	3,322	-	2,672	1,661	1,011	60.9%	3,322
Provincialisation of Libraries			1,809	1,809	-	2,446	905	1,542	170.4%	1,809
Community Library Services Grant			863	863	-	226	432	(206)	-47.6%	863
								-		
								-		
								-		
Ward Base Plan			650	650	-	-	325	(325)	-100.0%	650
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
								-		
								-		
								-		
<b>Total Operating Transfers and Grants</b>	5	-	188,146	223,059	88,755	174,663	111,530	63,134	56.6%	223,059
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	50,702	46,702	10,000	29,500	23,351	6,149	26.3%	46,702
Municipal Infrastructure Grant (MIG)			34,702	34,702	10,000	22,000	17,351	4,649	26.8%	34,702
Integrated National Electrification Programme			16,000	12,000	-	7,500	6,000	1,500	25.0%	12,000
								-		
								-		
								-		
Other capital transfers <i>[insert description]</i>								-		
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
								-		
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
								-		
<b>Total Capital Transfers and Grants</b>	5	-	50,702	46,702	10,000	29,500	23,351	6,149	26.3%	46,702
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	238,848	269,761	98,755	204,163	134,881	69,283	51.4%	269,761



## 6.14 SC Table SC7 (1) Monthly budget statement – transfers and grants expenditure

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		–	184,824	219,737	16,052	88,802	109,869	(21,066)	-19.2%	219,737
Local Government Equitable Share			179,108	214,885	14,695	85,095	107,443	(22,348)	-20.8%	214,885
Finance Management			1,900	1,900	1,048	1,479	950	529	55.7%	1,900
EPWP Incentive			2,952	2,952	309	2,228	1,476	752	51.0%	2,952
								–		
								–		
								–		
Municipal Disaster Relief			864		–	–	–	–		–
<b>Provincial Government:</b>		–	3,322	3,322	459	2,138	1,661	477	28.7%	3,322
Provincialisation of Libraries			1,809	1,809	285	1,490	905	586	64.8%	1,809
Community Library services			863	863	174	648	432	216	50.1%	863
								–		
								–		
Ward Base Plan			650	650	–	–	325	(325)	-100.0%	650
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
<b>Total operating expenditure of Transfers and Grants:</b>		–	188,146	223,059	16,511	90,941	111,530	(20,589)	-18.5%	223,059
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		–	50,702	46,702	9,576	27,288	23,351	3,937	16.9%	46,702
Municipal Infrastructure Grant (MIG)			34,702	34,702	9,576	19,633	17,351	2,282	13.1%	34,702
National Intergrated Electrification Grant			16,000	12,000	–	7,655	6,000	1,655	27.6%	12,000
<b>Total capital expenditure of Transfers and Grants</b>		–	50,702	46,702	9,576	27,288	23,351	3,937	16.9%	46,702
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		–	238,848	269,761	26,087	118,228	134,881	(16,652)	-12.3%	269,761

## 6.15 Table SC7(2) monthly budget statement – expenditure against approved rollovers

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

Description	Ref	Budget Year 2020/21				
		Approved Rollover 2019/20	Monthly actual	YearTD actual	YTD variance	YTD variance %
<b>R thousands</b>						
<b>EXPENDITURE</b>						
<b>Operating expenditure of Approved Roll-overs</b>						
<b>National Government:</b>		-	-	-	-	
Local Government Equitable Share					-	
Finance Management					-	
EPWP Incentive					-	
					-	
					-	
Municipal Disaster Relief					-	
<b>Provincial Government:</b>		4,940	-	-	4,940	100.0%
Provincialisation of Libraries					-	
Sport and Recreation		5	-		5	100.0%
Massification grant		3,590	-		3,590	100.0%
Other Provincial Grants		1,346	-		1,346	100.0%
Ward Base Plan					-	
<b>District Municipality:</b>		-	-	-	-	
					-	
[insert description]					-	
<b>Other grant providers:</b>		-	-	-	-	
					-	
[insert description]					-	
<b>Total operating expenditure of Approved Roll-overs</b>		4,940	-	-	4,940	100.0%
<b>Capital expenditure of Approved Roll-overs</b>						
<b>National Government:</b>		14,100	-	-	14,100	100.0%
Municipal Infrastructure Grant (MIG)		14,100	-		14,100	100.0%
					-	
					-	
					-	
Other capital transfers [insert description]					-	
<b>Provincial Government:</b>		-	-	-	-	
					-	
<b>District Municipality:</b>		-	-	-	-	
					-	
<b>Other grant providers:</b>		-	-	-	-	
					-	
					-	
<b>Total capital expenditure of Approved Roll-overs</b>		14,100	-	-	14,100	100.0%
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		19,040	-	-	19,040	100.0%

The municipality received approval of MIG rollover in November 2020 so there has been no expenditure recorded for MIG rollover yet.

## 6.16 Table SC8 Monthly budget statement – councilors and staff benefits

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

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		8,203	9,197	9,197	700	4,285	4,598	(313)	-7%	9,197
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		1,536	1,598	1,598	126	773	799	(26)	-3%	1,598
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		2,734	3,083	3,083	233	1,428	1,541	(113)	-7%	3,083
<b>Sub Total - Councillors</b>		<b>12,472</b>	<b>13,878</b>	<b>13,878</b>	<b>1,059</b>	<b>6,487</b>	<b>6,939</b>	<b>(452)</b>	<b>-7%</b>	<b>13,878</b>
<b>% increase</b>	4		<b>11.3%</b>	<b>11.3%</b>						<b>11.3%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4,059	5,019	5,019	333	2,009	2,510	(501)	-20%	5,019
Pension and UIF Contributions		125	360	360	13	71	180	(109)	-61%	360
Medical Aid Contributions		38	42	42	3	21	21	(0)	0%	42
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		1,219	449	449	–	–	225	(225)	-100%	449
Motor Vehicle Allowance		666	936	936	56	333	468	(135)	-29%	936
Cellphone Allowance		115	143	143	10	58	71	(14)	-19%	143
Housing Allowances		400	420	420	45	268	210	58	28%	420
Other benefits and allowances		48	149	149	4	25	75	(50)	-66%	149
Payments in lieu of leave		158	1,051	1,051	–	–	525	(525)	-100%	1,051
Long service awards		2	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>6,830</b>	<b>8,569</b>	<b>8,569</b>	<b>464</b>	<b>2,785</b>	<b>4,284</b>	<b>(1,500)</b>	<b>-35%</b>	<b>8,569</b>
<b>% increase</b>	4		<b>25.5%</b>	<b>25.5%</b>						<b>25.5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		44,109	50,373	52,316	4,055	24,605	26,158	(1,553)	-6%	52,316
Pension and UIF Contributions		4,653	7,707	7,707	486	2,855	3,854	(999)	-26%	7,707
Medical Aid Contributions		1,925	5,703	5,706	196	1,203	2,853	(1,650)	-58%	5,706
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		2,591	3,277	3,277	1,558	1,590	1,638	(48)	-3%	3,277
Motor Vehicle Allowance		2,166	3,326	3,380	319	1,882	1,690	191	11%	3,380
Cellphone Allowance		624	1,057	1,057	103	499	529	(29)	-6%	1,057
Housing Allowances		109	162	162	9	54	81	(27)	-33%	162
Other benefits and allowances		2,505	4,070	4,069	270	2,059	2,035	24	1%	4,069
Payments in lieu of leave		659	6,334	6,334	–	30	3,167	(3,137)	-99%	6,334
Long service awards		391	85	85	–	73	43	30	71%	85
Post-retirement benefit obligations		50	–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		<b>59,781</b>	<b>82,095</b>	<b>84,095</b>	<b>6,995</b>	<b>34,850</b>	<b>42,047</b>	<b>(7,198)</b>	<b>-17%</b>	<b>84,095</b>
<b>% increase</b>	4		<b>37.3%</b>	<b>40.7%</b>						<b>40.7%</b>
<b>Total Parent Municipality</b>		<b>79,083</b>	<b>104,542</b>	<b>106,542</b>	<b>8,518</b>	<b>44,121</b>	<b>53,271</b>	<b>(9,150)</b>	<b>-17%</b>	<b>106,542</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										

## 6.19 Table SC9 Monthly budget statement – actual and revised targets for cash receipts

KZN271 Umhlabuyalingana - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>	<b>1</b>															
<b>Cash Receipts By Source</b>																
Property rates		68	206	1,193	1,608	230	1,881	1,831	1,831	1,831	1,831	1,831	1,831	16,171	16,948	17,761
Service charges - electricity revenue																
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse		16	—	47	33	70	28	20	20	20	20	20	20	313	328	328
Rental of facilities and equipment		1	22	14	36	1	25	15	15	15	15	15	15	185	194	203
Interest earned - external investments		73	41	205	149	2	228	1,080	1,080	1,080	1,080	1,080	1,080	7,179	7,523	7,885
Interest earned - outstanding debtors		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends received																
Fines, penalties and forfeits		9	17	8	18	8	14	255	255	255	255	255	252	1,600	1,677	1,758
Licences and permits		325	298	261	327	311	109	679	679	679	679	679	570	5,593	5,862	6,143
Agency services																
Transfers and Subsidies - Operational		80,598	2,638	—	2,672	—	88,755	—	—	13,483	—	—	—	188,146	198,349	211,338
Other revenue		13	16	57	28	22	0						369	506	530	556
<b>Cash Receipts by Source</b>		<b>81,103</b>	<b>3,238</b>	<b>1,784</b>	<b>4,872</b>	<b>643</b>	<b>91,040</b>	<b>3,879</b>	<b>3,879</b>	<b>17,362</b>	<b>3,879</b>	<b>3,879</b>	<b>4,137</b>	<b>219,694</b>	<b>231,411</b>	<b>245,971</b>
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		5,000	1,500	7,000	—	6,000	10,000			21,202				50,702	54,486	54,523
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public)																
Proceeds on Disposal of Fixed and Intangible Assets																
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits																
Decrease (increase) in non-current receivables																
Decrease (increase) in non-current investments																
<b>Total Cash Receipts by Source</b>		<b>86,103</b>	<b>4,738</b>	<b>8,784</b>	<b>4,872</b>	<b>6,643</b>	<b>101,040</b>	<b>3,879</b>	<b>3,879</b>	<b>38,564</b>	<b>3,879</b>	<b>3,879</b>	<b>4,137</b>	<b>270,396</b>	<b>285,897</b>	<b>300,494</b>
<b>Cash Payments by Type</b>																
Employee related costs		5,703	5,960	6,226	6,035	6,252	7,459	9,172	9,172	9,172	9,172	9,172	9,172	92,664	94,743	99,007
Remuneration of councillors		1,085	1,085	1,085	1,085	1,085	1,059	1,232	1,232	1,232	1,232	1,232	1,232	13,878	14,503	15,155
Interest paid		2	1	4	0	0	1	16	16	16	16	16	16	106	611	616
Bulk purchases - Electricity		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bulk purchases - Water & Sewer		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials		—	1	183	20	3	160	572	572	572	572	572	572	3,800	1,881	1,966
Contracted services		4,870	2,705	3,555	4,514	3,714	2,479	1,992	1,992	1,992	1,992	1,992	1,992	33,791	30,413	31,781
Grants and subsidies paid - other municipalities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grants and subsidies paid - other		224	899	472	774	1,271	442	890	890	890	890	890	890	9,420	2,491	2,603
General expenses		3,929	4,579	4,382	2,677	5,050	4,674	3,221	3,221	3,221	3,221	3,221	3,221	44,617	41,787	43,672
<b>Cash Payments by Type</b>		<b>15,813</b>	<b>15,230</b>	<b>15,908</b>	<b>15,107</b>	<b>17,376</b>	<b>16,273</b>	<b>17,095</b>	<b>17,095</b>	<b>17,095</b>	<b>17,095</b>	<b>17,095</b>	<b>17,095</b>	<b>198,275</b>	<b>186,428</b>	<b>194,800</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		621	1,864	4,571	2,617	9,284	9,809	7,220	7,220	7,220	7,220	7,220	7,123	71,990	71,165	74,367
Repayment of borrowing																
Other Cash Flows/Payments		38	399	253	526	595	—	—	—	—	—	—	(1,810)	—	—	—
<b>Total Cash Payments by Type</b>		<b>16,472</b>	<b>17,493</b>	<b>20,732</b>	<b>18,249</b>	<b>27,255</b>	<b>26,083</b>	<b>24,315</b>	<b>24,315</b>	<b>24,315</b>	<b>24,315</b>	<b>24,315</b>	<b>22,407</b>	<b>270,265</b>	<b>257,593</b>	<b>269,167</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>69,630</b>	<b>(12,755)</b>	<b>(11,948)</b>	<b>(13,378)</b>	<b>(20,612)</b>	<b>74,957</b>	<b>(20,436)</b>	<b>(20,436)</b>	<b>14,249</b>	<b>(20,436)</b>	<b>(20,436)</b>	<b>(18,270)</b>	<b>131</b>	<b>28,304</b>	<b>31,327</b>
Cash/cash equivalents at the month/year beginning:		64,348	133,978	121,223	109,275	95,897	75,285	150,243	129,807	109,371	123,621	103,185	82,749	64,348	64,479	92,784
Cash/cash equivalents at the month/year end:		133,978	121,223	109,275	95,897	75,285	150,243	129,807	109,371	123,621	103,185	82,749	64,479	64,479	92,784	124,111

The municipal cash and cash equivalents at the end of the period ending 31 December 2020 was R150 243 million. This cash balance will sustain the municipality for the next 6 months but the municipality will have to ensure that it ring fence all unspent grant amounting to R23 529 million.

## 6.20 Table SC10 Monthly budget statement-municipal entity

KZN271 Umhlaluyalingana - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue By Source</b>										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Rental of facilities and equipment								-		
Interest earned - external investments								-		
Interest earned - outstanding debtors								-		
Dividends received								-		
Fines, penalties and forfeits								-		
Licences and permits								-		
Agency services								-		
Transfers and subsidies								-		
Other revenue								-		
Gains								-		
<b>Total Revenue (excluding capital transfers and contribution)</b>		-	-	-	-	-	-	-		-
<b>Expenditure By Type</b>										
Employee related costs								-		
Remuneration of councillors								-		
Debt impairment								-		
Depreciation & asset impairment								-		
Finance charges								-		
Bulk purchases								-		
Other materials								-		
Contracted services								-		
Transfers and subsidies								-		
Other expenditure								-		
Losses								-		
<b>Total Expenditure</b>		-	-	-	-	-	-	-		-
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)								-		
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	-	-	-	-	-	-		-
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		-	-	-	-	-	-	-		-

The municipality does not have entities that is why this table is not populated.

## 6.21 Table SC11 Monthly budget statement – municipal entities

KZN271 Umhlaluyalingana - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue By Municipal Entity</b>										
<i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
<b>Total Operating Revenue</b>	1	-	-	-	-	-	-	-		-
<b>Expenditure By Municipal Entity</b>										
<i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
<b>Total Operating Expenditure</b>	2	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the yr/period</b>		-	-	-	-	-	-	-		-
<b>Capital Expenditure By Municipal Entity</b>										
<i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
<b>Total Capital Expenditure</b>	3	-	-	-	-	-	-	-		-

The municipality does not have entities that is why this table is not populated.

## 6.22 Table SC12 Monthly budget statement – capital expenditure

KZN271 Umhlabuyalingana - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	28,323	5,675	4,999	0	0	4,999	4,999	100.0%	0%
August	28,323	5,675	4,999	830	830	9,998	9,168	91.7%	1%
September	28,323	5,675	4,999	4,571	5,401	14,997	9,596	64.0%	8%
October	28,323	5,675	4,999	2,617	8,018	19,997	11,978	59.9%	12%
November	28,323	5,675	4,999	3,284	11,302	24,996	13,693	54.8%	17%
December	28,323	5,675	4,999	9,809	21,112	29,995	8,883	29.6%	31%
January	28,323	5,675	4,999	6,480	27,591	34,994	7,403	21.2%	41%
February	28,323	5,675	4,999	6,480	34,071	39,993	5,922	14.8%	50%
March	28,323	5,675	4,999	6,480	40,551	44,992	4,442	9.9%	60%
April	28,323	5,675	4,999	6,480	47,030	49,991	2,961	5.9%	0
May	28,323	5,675	4,999	6,480	53,510	54,990	1,481	2.7%	0
June	28,323	5,675	4,999	6,480	59,990	59,990	0	0.0%	0
<b>Total Capital expenditure</b>	<b>339,874</b>	<b>68,100</b>	<b>59,990</b>	<b>59,990</b>					

## 6.23 Table SC13a Monthly budget statement – capital expenditure on new assets

KZN271 Umhlabuyalingana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		164,626	37,000	40,590	9,338	17,721	20,295	2,573	12.7%	40,590
Roads Infrastructure		159,073	33,000	33,000	9,338	17,721	16,500	(1,221)	-7.4%	33,000
Roads		159,073	33,000	33,000	9,338	17,721	16,500	(1,221)	-7.4%	33,000
Road Structures		0	-	-	-	-	-	-	-	-
Electrical Infrastructure		2,862	4,000	7,590	-	-	3,795	3,795	100.0%	7,590
LV Networks		2,862	4,000	7,590	-	-	3,795	3,795	100.0%	7,590
<b>Community Assets</b>		46,423	11,500	11,500	331	2,451	5,750	3,299	57.4%	11,500
Community Facilities		46,102	9,500	9,500	331	2,451	4,750	2,299	48.4%	9,500
Halls		40,825	9,500	9,500	331	2,451	4,750	2,299	48.4%	9,500
Sport and Recreation Facilities		321	2,000	2,000	-	-	1,000	1,000	100.0%	2,000
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		321	2,000	2,000	-	-	1,000	1,000	100.0%	2,000
<b>Other assets</b>		-	-	400	-	197	200	4	1.8%	400
Operational Buildings		-	-	400	-	197	200	4	1.8%	400
Municipal Offices		-	-	400	-	197	200	4	1.8%	400
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		1,559	500	500	-	-	250	250	100.0%	500
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1,559	500	500	-	-	250	250	100.0%	500
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		1,559	500	500	-	-	250	250	100.0%	500
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		1,632	200	600	-	407	300	(107)	-35.7%	600
Computer Equipment		1,632	200	600	-	407	300	(107)	-35.7%	600
<b>Furniture and Office Equipment</b>		1,007	500	1,500	-	-	750	750	100.0%	1,500
Furniture and Office Equipment		1,007	500	1,500	-	-	750	750	100.0%	1,500
<b>Machinery and Equipment</b>		543	1,900	4,400	140	336	2,200	1,864	84.7%	4,400
Machinery and Equipment		543	1,900	4,400	140	336	2,200	1,864	84.7%	4,400
<b>Transport Assets</b>		898	500	500	-	-	250	250	100.0%	500
Transport Assets		898	500	500	-	-	250	250	100.0%	500
<b>Land</b>		659	-	-	-	-	-	-	-	-
Land		659	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	217,347	52,100	59,990	9,809	21,112	29,995	8,883	29.6%	59,990



## 6.24 Table SC13b Monthly budget statement –renewal of existing assets

KZN271 Umhlabuyalingana - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class -

Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads								-		
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection								-		
Storm water Conveyance								-		
Attenuation								-		
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants								-		
HV Substations								-		
HV Switching Station								-		
HV Transmission Conductors								-		
MV Substations								-		
MV Switching Stations								-		
MV Networks								-		
LV Networks								-		
Capital Spares								-		
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs								-		
Boreholes								-		
Reservoirs								-		
Pump Stations								-		
Water Treatment Works								-		
Bulk Mains								-		
Distribution								-		
Distribution Points								-		
PRV Stations								-		
Capital Spares								-		
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station								-		
Reticulation								-		
Waste Water Treatment Works								-		
Outfall Sewers								-		
Toilet Facilities								-		
Capital Spares								-		
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites								-		
Waste Transfer Stations								-		
Waste Processing Facilities								-		
Waste Drop-off Points								-		
Waste Separation Facilities								-		
Electricity Generation Facilities								-		
Capital Spares								-		
<b>Total Capital Expenditure on renewal of existing ass</b>	1	-	-	-	-	-	-	-	-	-

This table is blank because we do not have renewal assets

## 6.25 Table SC13c monthly budget statement – expenditure on repairs and maintenance

KZN271 Umhlabuyalingana - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		3,543	3,500	4,500	–	937	2,250	1,313	58.4%	4,500
Roads Infrastructure		3,543	3,500	4,500	–	937	2,250	1,313	58.4%	4,500
Roads		3,543	3,500	4,500	–	937	2,250	1,313	58.4%	4,500
Road Structures								–		
Road Furniture								–		
<b>Community Assets</b>		328	150	150	52	239	75	(164)	-218.2%	150
Community Facilities		328	150	150	52	239	75	(164)	-218.2%	150
Halls			150	150	52	239	75	(164)	-218.2%	150
<b>Other assets</b>		–	800	800	198	414	400	(14)	-3.5%	800
Operational Buildings		–	800	800	198	414	400	(14)	-3.5%	800
Municipal Offices		–	600	600	–	121	300	179	59.6%	600
Pay/Enquiry Points								–		
Building Plan Offices								–		
Workshops								–		
Yards			200	200	198	293	100	(193)	-192.9%	200
Stores								–		
Laboratories								–		
Training Centres								–		
Manufacturing Plant								–		
Depots								–		
Capital Spares								–		
Housing		–	–	–	–	–	–	–		–
Staff Housing								–		
Social Housing								–		
Capital Spares								–		
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–		–
Biological or Cultivated Assets								–		
<b>Intangible Assets</b>		–	–	–	–	–	–	–		–
Servitudes								–		
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights								–		
Effluent Licenses								–		
Solid Waste Licenses								–		
Computer Software and Applications								–		
Load Settlement Software Applications								–		
Unspecified								–		
<b>Computer Equipment</b>		48	95	95	–	7	48	40	85.2%	95
Computer Equipment		48	95	95	–	7	48	40	85.2%	95
<b>Furniture and Office Equipment</b>		–	–	–	–	–	–	–		–
Furniture and Office Equipment								–		
<b>Machinery and Equipment</b>		175	200	200	55	55	100	45	45.0%	200
Machinery and Equipment		175	200	200	55	55	100	45	45.0%	200
<b>Transport Assets</b>		–	650	650	462	2,603	217	(2,387)	-1101.5%	650
Transport Assets			650	650	462	2,603	217	(2,387)	-1101.5%	650
<b>Land</b>		–	–	–	–	–	–	–		–
Land								–		
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
<b>Total Repairs and Maintenance Expenditure</b>	1	4,094	5,395	6,395	767	4,254	3,089	(1,165)	-37.7%	6,395

## 6.26 Table Monthly budget statement – depreciation by asset class

KZN271 Umhlabuyalingana - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b><u>Depreciation by Asset Class/Sub-class</u></b>										
<b><u>Infrastructure</u></b>		13,209	14,735	16,735	1,229	7,365	8,368	1,003	12.0%	16,735
Roads Infrastructure		12,885	13,965	15,965	1,188	7,119	7,983	864	10.8%	15,965
Roads		6,909	13,500	15,500	1,174	7,038	7,750	712	9.2%	15,500
Road Structures		5,976	175	175	13	81	88	7	7.9%	175
Road Furniture			290	290	–	–	145	145	100.0%	290
Capital Spares								–		
Solid Waste Infrastructure		44	770	770	41	246	385	139	36.0%	770
Landfill Sites			320	320	38	227	160	(67)	-41.6%	320
Waste Transfer Stations								–		
Waste Processing Facilities		44	450	450	3	20	225	205	91.2%	450
<b><u>Community Assets</u></b>		4,193	6,834	7,834	332	1,994	3,917	1,923	49.1%	7,834
Community Facilities		2,538	5,334	6,334	225	1,349	3,167	1,818	57.4%	6,334
Halls								–		
Centres		1,763	3,500	4,500	161	967	2,250	1,283	57.0%	4,500
Crèches		23	30	30	2	11	15	4	23.8%	30
Clinics/Care Centres		27	31	31	2	14	16	1	7.8%	31
Libraries		725	77	77	–	–	39	39	100.0%	77
Cemeteries/Crematoria								–		
Stalls			1,696	1,696	59	357	848	491	57.9%	1,696
Abattoirs								–		
Airports								–		
Taxi Ranks/Bus Terminals								–		
Capital Spares								–		
Sport and Recreation Facilities		1,655	1,500	1,500	107	645	750	105	14.0%	1,500
Indoor Facilities								–		
Outdoor Facilities		1,655	1,500	1,500	107	645	750	105	14.0%	1,500
Capital Spares								–		
<b><u>Other assets</u></b>		1,715	1,367	1,367	106	636	684	48	7.0%	1,367
Operational Buildings		1,715	1,367	1,367	106	636	684	48	7.0%	1,367
Municipal Offices		1,715	1,367	1,367	106	636	684	48	7.0%	1,367
<b><u>Intangible Assets</u></b>		441	490	490	47	142	245	103	41.9%	490
Servitudes								–		
Licences and Rights		441	490	490	47	142	245	103	41.9%	490
Water Rights								–		
Effluent Licences								–		
Solid Waste Licences								–		
Computer Software and Applications		441	490	490	47	142	245	103	41.9%	490
Load Settlement Software Applications								–		
Unspecified								–		
<b><u>Computer Equipment</u></b>		320	450	450	45	131	225	94	42.0%	450
Computer Equipment		320	450	450	45	131	225	94	42.0%	450
<b><u>Furniture and Office Equipment</u></b>		393	300	300	39	232	150	(82)	-54.4%	300
Furniture and Office Equipment		393	300	300	39	232	150	(82)	-54.4%	300
<b><u>Machinery and Equipment</u></b>		1,602	580	580	35	209	290	81	27.9%	580
Machinery and Equipment		1,602	580	580	35	209	290	81	27.9%	580
<b><u>Transport Assets</u></b>		878	1,415	2,215	69	413	1,108	694	62.7%	1,415
Transport Assets		878	1,415	2,215	69	413	1,108	694	62.7%	1,415

**Table 6.27 Monthly budget statement – capital expenditure on upgrading of existing assets****KZN271 Umhlabuyalingana - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset**

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing</b>	<b>1</b>	-	-	-	-	-	-	-	-	-

This table is not populated because the municipality does not have any assets upgraded.

## PART 2

## Supporting documents

## 2.1 Debtor's analysis

Current year mid-year debtors balance is sitting at 54, 4 million when compared to last year balance which was 52, 3 million.

This balance is made up of the following breakdown:

- Property rates debtors owes R51 486 million
- Refuse removal debtors owes R1 062 million
- Rental debtors owes R535 thousand
- Interest on outstanding debts amounts to R1 333 million

Government debtors balance at mid-year is R30 210 million, Business and commercial debtors balance is R23 909 million residential debtors balance is R242 thousand which is 1% and R16 thousand is other debtors.

KZN271 Umhlabuyalingana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	893	1,385	665	853	1,346	1,338	3,158	41,846	51,486	48,542	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	60	44	44	37	37	37	216	589	1,062	915	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	38	37	32	24	24	24	135	222	535	428	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	84	82	452	715	1,333	1,333	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>991</b>	<b>1,466</b>	<b>741</b>	<b>914</b>	<b>1,491</b>	<b>1,481</b>	<b>3,960</b>	<b>43,372</b>	<b>54,416</b>	<b>51,218</b>	<b>-</b>	<b>-</b>
<b>2019/20 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	325	1,011	303	509	1,002	1,002	1,137	24,919	30,210	28,570	-	-
Commercial	2300	661	450	434	401	484	474	2,793	18,210	23,909	22,364	-	-
Households	2400	3	3	3	3	3	3	20	242	282	272	-	-
Other	2500	1	1	1	1	1	1	10	1	16	13	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>991</b>	<b>1,466</b>	<b>741</b>	<b>914</b>	<b>1,491</b>	<b>1,481</b>	<b>3,960</b>	<b>43,372</b>	<b>54,416</b>	<b>51,218</b>	<b>-</b>	<b>-</b>

## 2.2 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	NT Code	Budget Year 2020/21									Prior year totals for chart (same period)
		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	
<b>R thousands</b>											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1,237	(189)	48	15	11	-	0	(120)	1,001	-
Auditor General	0800	258	282	241	-	-	-	-	-	781	-
Other	0900	562	669	(182)	8	62	491	(310)	(58)	1,242	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>2,056</b>	<b>763</b>	<b>107</b>	<b>23</b>	<b>73</b>	<b>491</b>	<b>(310)</b>	<b>(179)</b>	<b>3,025</b>	<b>-</b>

### 2.3 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 R14 167 million and the balance for prior year was R13, 8 million.

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

KZN271 Umhlabyalingana - 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	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<b>Municipality</b>														
FNB - 74275256516		Months	Call account	No	Variable		n/a		30 June 2021	5,138	34	-	-	5,172
NEDBANK - 28702097		Months	Call account	No	Variable		n/a		30 June 2021	37	0	-	-	37
FNB - 74622621601		Months	Call account	No	Variable		n/a		30 June 2021	7,501	73	-	-	7,574
STD Bank - 068824491		Months	Call account	No	Variable		n/a		30 June 2021	21	0	-	-	21
FNB - 62266899825		Months	Call account	No	Variable		n/a		30 June 2021	1,360	2	-	-	1,362
FNB - 62424086785		Months	Call account	No	Variable		n/a		30 June 2021	1	-	-	-	1
FNB - 62055161146		Months	Call account	No	Variable		n/a		30 June 2021	0	-	-	-	0
<b>Municipality sub-total</b>										<b>14,058</b>				<b>14,167</b>
<b>Entities</b>														
<b>Entities sub-total</b>														
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>									<b>14,058</b>				<b>14,167</b>

### 2.4 Allocation of grant received and expenditure on grants.

- The budget of the municipality is funded by grants of which they fund 86% of the budget and the remaining 14% is funded by own revenue.
  - Capital grants funding for capital expenditure is 87% of the total capital budget
- Conditional grants funding operating expenditure is 4% when excluding Equitable Share

The municipality has received R174 663 million for operating grants which includes R169 353 million for equitable share, R1 900 million for FMG, R738 thousand rands for EPWP and R2 672 million for Library grants. The municipality has also received R29 500 million for capital grants which includes R22 000 million for MIG and R7 500 million for INEP

Total grants received from July to December for both operational and capital is R204 163 million. Grant expenditure is as follows: the municipality has spent R85 095 million on equitable share, R1 479 million on FMG, R2 228 million on EPWP. Although the municipality has only received only R738 thousands on EPWP grant it has spent 75% of the total allocation for EPWP. This allocation for EPWP is allocated to the payment of salaries of temporally workers hence we could not stop the payment of salaries of these temporally workers because the department of Public Works has not transferred the funds to the municipality yet when people have done the worked they were appointed to do. Once the department has transferred the remaining balance of the grant it will be offset against the reported expenditure. The municipality has spent R2 138 million against library grants. R19 633 million has been spent against MIG and R7 655 million has been spent against INEP grant

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	184,824	219,737	88,755	171,991	109,869	62,123	56.5%	219,737
Local Government Equitable Share			179,108	214,885	88,755	169,353	107,443	61,911	57.6%	214,885
Finance Management			1,900	1,900	-	1,900	950	950	100.0%	1,900
EPWP Incentive			2,952	2,952	-	738	1,476	(738)	-50.0%	2,952
				-						
	3							-		
								-		
								-		
								-		
Municipal Disaster Relief			864	-	-	-	-	-		-
<b>Provincial Government:</b>		-	3,322	3,322	-	2,672	1,661	1,011	60.9%	3,322
Provincialisation of Libraries			1,809	1,809	-	2,446	905	1,542	170.4%	1,809
Community Library Services Grant			863	863	-	226	432	(206)	-47.6%	863
								-		
								-		
								-		
Ward Base Plan			650	650	-	-	325	(325)	-100.0%	650
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
								-		
								-		
								-		
<b>Total Operating Transfers and Grants</b>	5	-	188,146	223,059	88,755	174,663	111,530	63,134	56.6%	223,059
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	50,702	46,702	10,000	29,500	23,351	6,149	26.3%	46,702
Municipal Infrastructure Grant (MIG)			34,702	34,702	10,000	22,000	17,351	4,649	26.8%	34,702
Integrated National Electrification Programme			16,000	12,000	-	7,500	6,000	1,500	25.0%	12,000
								-		
								-		
								-		
Other capital transfers <i>[insert description]</i>								-		
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
								-		
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
								-		
								-		
<b>Total Capital Transfers and Grants</b>	5	-	50,702	46,702	10,000	29,500	23,351	6,149	26.3%	46,702
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	238,848	269,761	98,755	204,163	134,881	69,283	51.4%	269,761

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		–	184,824	219,737	16,052	88,802	109,869	(21,066)	-19.2%	219,737
Local Government Equitable Share			179,108	214,885	14,695	85,095	107,443	(22,348)	-20.8%	214,885
Finance Management			1,900	1,900	1,048	1,479	950	529	55.7%	1,900
EPWP Incentive			2,952	2,952	309	2,228	1,476	752	51.0%	2,952
								–		
								–		
Municipal Disaster Relief			864		–	–	–	–		–
Provincial Government:		–	3,322	3,322	459	2,138	1,661	477	28.7%	3,322
Provincialisation of Libraries			1,809	1,809	285	1,490	905	586	64.8%	1,809
Community Library services			863	863	174	648	432	216	50.1%	863
								–		
								–		
Ward Base Plan			650	650	–	–	325	(325)	-100.0%	650
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total operating expenditure of Transfers and Grants:		–	188,146	223,059	16,511	90,941	111,530	(20,589)	-18.5%	223,059
Capital expenditure of Transfers and Grants										
National Government:		–	50,702	46,702	9,576	27,288	23,351	3,937	16.9%	46,702
Municipal Infrastructure Grant (MIG)			34,702	34,702	9,576	19,633	17,351	2,282	13.1%	34,702
National Intergrated Electrification Grant			16,000	12,000	–	7,655	6,000	1,655	27.6%	12,000
								–		
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
								–		
Total capital expenditure of Transfers and Grants		–	50,702	46,702	9,576	27,288	23,351	3,937	16.9%	46,702
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	238,848	269,761	26,087	118,228	134,881	(16,652)	-12.3%	269,761

## 2.5 Councilor allowances and employee benefits

Councilor's remuneration/ allowances expenditure is 41% of the total operating expenditure as at 31 December 2020. Remuneration of councilor's expenditure is 7% below the projected budget at mid-year because upper limits for councilors have not yet been implemented. Upper limits are expected to be implemented in February or March 2021 after the approval of the MEC for local government.



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

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		8,203	9,197	9,197	700	4,285	4,598	(313)	-7%	9,197
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		1,536	1,598	1,598	126	773	799	(26)	-3%	1,598
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2,734	3,083	3,083	233	1,428	1,541	(113)	-7%	3,083
<b>Sub Total - Councillors</b>		<b>12,472</b>	<b>13,878</b>	<b>13,878</b>	<b>1,059</b>	<b>6,487</b>	<b>6,939</b>	<b>(452)</b>	<b>-7%</b>	<b>13,878</b>
<b>% increase</b>	4		<b>11.3%</b>	<b>11.3%</b>						<b>11.3%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4,059	5,019	5,019	333	2,009	2,510	(501)	-20%	5,019
Pension and UIF Contributions		125	360	360	13	71	180	(109)	-61%	360
Medical Aid Contributions		38	42	42	3	21	21	(0)	0%	42
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		1,219	449	449	-	-	225	(225)	-100%	449
Motor Vehicle Allowance		666	936	936	56	333	468	(135)	-29%	936
Cellphone Allowance		115	143	143	10	58	71	(14)	-19%	143
Housing Allowances		400	420	420	45	268	210	58	28%	420
Other benefits and allowances		48	149	149	4	25	75	(50)	-66%	149
Payments in lieu of leave		158	1,051	1,051	-	-	525	(525)	-100%	1,051
Long service awards		2	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6,830</b>	<b>8,569</b>	<b>8,569</b>	<b>464</b>	<b>2,785</b>	<b>4,284</b>	<b>(1,500)</b>	<b>-35%</b>	<b>8,569</b>
<b>% increase</b>	4		<b>25.5%</b>	<b>25.5%</b>						<b>25.5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		44,109	50,373	52,316	4,055	24,605	26,158	(1,553)	-6%	52,316
Pension and UIF Contributions		4,653	7,707	7,707	486	2,855	3,854	(999)	-26%	7,707
Medical Aid Contributions		1,925	5,703	5,706	196	1,203	2,853	(1,650)	-58%	5,706
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		2,591	3,277	3,277	1,558	1,590	1,638	(48)	-3%	3,277
Motor Vehicle Allowance		2,166	3,326	3,380	319	1,882	1,690	191	11%	3,380
Cellphone Allowance		624	1,057	1,057	103	499	529	(29)	-6%	1,057
Housing Allowances		109	162	162	9	54	81	(27)	-33%	162
Other benefits and allowances		2,505	4,070	4,069	270	2,059	2,035	24	1%	4,069
Payments in lieu of leave		659	6,334	6,334	-	30	3,167	(3,137)	-99%	6,334
Long service awards		391	85	85	-	73	43	30	71%	85
Post-retirement benefit obligations	2	50	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>59,781</b>	<b>82,095</b>	<b>84,095</b>	<b>6,995</b>	<b>34,850</b>	<b>42,047</b>	<b>(7,198)</b>	<b>-17%</b>	<b>84,095</b>
<b>% increase</b>	4		<b>37.3%</b>	<b>40.7%</b>						<b>40.7%</b>
<b>Total Parent Municipality</b>		<b>79,083</b>	<b>104,542</b>	<b>106,542</b>	<b>8,518</b>	<b>44,121</b>	<b>53,271</b>	<b>(9,150)</b>	<b>-17%</b>	<b>106,542</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>79,083</b>	<b>104,542</b>	<b>106,542</b>	<b>8,518</b>	<b>44,121</b>	<b>53,271</b>	<b>(9,150)</b>	<b>-17%</b>	<b>106,542</b>
<b>% increase</b>	4		<b>32.2%</b>	<b>34.7%</b>						<b>34.7%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>66,611</b>	<b>90,664</b>	<b>92,664</b>	<b>7,459</b>	<b>37,634</b>	<b>46,332</b>	<b>(8,697)</b>	<b>-19%</b>	<b>92,664</b>

## 2.6 Material variances to the service delivery and budget implementation plan

KZN271 Umhlabuyalingana - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
1	<b>Revenue By Source</b>			
	Interest on outstanding debts	-138%	Council took a resolution to reverse interest charged as a result of the lockdown. It will be corrected in the adjustment budget	
	Fines, penalties and forfeits	-71%	Revenue raised against traffic fines is below the target because of the lockdown. Traffic fines revenue will be adjusted in the adjustment budget	
	Licences and permits	-41%	Revenue raised against licensing is below the target because of the lockdown. Licensing income will be adjusted downwards in the adjustment budget	
	Other revenue	-39%	Other revenue is less than the projected budget because of the lockdown. Other revenue will be adjusted downwards in the adjustment budget	
	Interest on investments	-73%	Interest on investments is less than the projected budget because of the lockdown. Management must deposit those excess funds to short term deposits	
	Transfers and subsidies	74%	Transfers and subsidies are more than the projected budget because of the funds received for EQS, FMG, EPWP and Lib	
	Service charges	38%	Service charges are more than the projected budget because of the lockdown. It will be corrected in the adjustment budget	
2	<b>Expenditure By Type</b>			
	Employee related costs	-19%	Employee related costs is less than the projected budget because of the lockdown. Remedial is to fill up the vacant posts	
	Debt impairment	-100%	Debt impairment is less than the projected budget because it is not calculated quarterly but it is calculated at the end of the year	
	Depreciation and asset impairment	-26%	Depreciation expenditure is less than the year to date budget because of the lockdown. It will be corrected in the adjustment budget after it has been calculated	
	Other materials	-72%	Other materials is less than the projected budget because few inventory items have been procured in this quarter since we are under lockdown	
	Finance charges	-83%	Finance charges is less than the projected budget because we have not incurred many penalties from July to date	
	Transfers and subsidies	-13%	Transfers and subsidies expenditure is less than the projected budget because there are other programmes on social relief that have not been implemented yet	
	Contracted services	34%	contracted services expenditure is more than the projected budget because other programmes were to be implemented in the next quarter but they have not been implemented yet	
	Other expenditure	11%	Other expenditure is more than the projected budget because other programmes were to be implemented in quarter 3 have not been implemented yet	
3	<b>Capital Expenditure</b>			
	Finance and administration	-86%	Finance and administration expenditure is less than the projected budget because other projects are to be implemented in the next quarter	
	Community and social services	-48%	Community and social services expenditure is less than the projected budget because other projects are to be implemented in the next quarter	
	Sports and recreation	-100%	Sports and recreation expenditure is less than the projected budget because this project has not been implemented yet	
	Public safety	96%	Public safety expenditure is more than the projected budget because expenditure is projected over 12 months but procurement has not been completed yet	
	Energy sources	-100%	energy sources expenditure is less than the projected budget because of some delays in the installation of traffic lights because of the lockdown	
4	<b>Financial Position</b>			
	Current assets	154%	Current assets are more than the budget and it is good for the municipality	
	Non current assets	-7%	Non current assets are less than the budget but they will increase when more assets are being capitalised in the next quarter	
	Current liabilities	187%	Current liabilities are more than the budget because of unspent conditional grants. These conditional grants will be spent in the next quarter	
	Non current liabilities	-1%	current liabilities are less than the budget because of the lockdown	
5	<b>Cash Flow</b>			
	Property rates	-34%	Property rates collections is below the target because we are still waiting for Public Works to make payments for their projects	
	Service charges	144%	Service charges collection is more than the projected budget because of payment of long outstanding debts by other debtors	
	Other revenue	-32%	Other revenue collection is less than the projected budget because our debtors are still struggling financially because of CO	
	Transfers and subsidies -operational	57%	Transfers and subsidies -operational collection is more than the projected budget because of grant funds received in July	
	Transfers and subsidies -Capital	-26%	Transfers and subsidies-capital are more than the projected budget because of funds already received by the municipality	
	Interest	-81%	Interest collection is less than the projected budget because excess funds have not yet been deposited to short term deposits	
	Employees and suppliers	-1%	Employees and suppliers expenditure is less than the projected budget because our budget is projected over 12 months and we have not yet started	
	Finance charges	-83%	Finance charges expenditure is less than the projected budget because we have few penalties incurred in this period because of the lockdown	
	Transfers and grants	-13%	Transfers and grants expenditure is less than the projected budget because our budget is projected over 12 equal months and we have not yet started	
	Capital expenditure	-20%	Capital expenditure is less than the projected budget because we were under lockdown in the 1st quarter of the financial year	
6	<b>Measureable performance</b>			
7	<b>Municipal Entities</b>			

The above table show material variance which are more than 10% or less than 10% when compared with the projected budget up until December 2020. Reasons for having each variance has been explained in schedule SC1 with remedial actions to rectify each variance.

## 2.7 Financial performance

The municipality has recognized total operating revenue of R188 961 million as at 31 December 2020, which is made up of revenues from property rates income, rental income, refuse removal income, interest from investments, fines, licensing income, transfers and subsidies received and other revenue. Total operating expenditure of R107 169 million has been recognized as at 31 December 2020. Capital transfers of R19 633 million has been recognized as at 31 December 2020. The municipality has recognized a surplus of R101 424 as at 31 December 2020.

Operating revenue is 44% above the projected budget at mid-year because of equitable share grant that has been received in July and December to the amount of R169 353 million. Other operating grants revenue is only recognized when its conditions have been met. The municipality has performed poorly in the following revenues: traffic fines, licensing income, interest on investments and interest on outstanding debtors. The municipality must consider adjusting these revenues in the adjustment budget because they did not perform well in the past six months.

Operating expenditure is 10% below the projected budget at mid-year because other operational projects were not implemented in the beginning of the financial year because the country was under lockdown due to COVID-19 virus outbreak. The municipality will have to monitor the performance of the budget closely to avoid incurring unauthorized expenditure at year end.

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		20,903	20,676	20,676	1,906	10,488	10,338	149	1%	20,676
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		583	453	453	52	312	227	86	38%	453
Rental of facilities and equipment		368	394	394	33	196	197	(1)	-1%	394
Interest earned - external investments		4,802	7,179	7,179	228	973	3,589	(2,616)	-73%	7,179
Interest earned - outstanding debtors		610	968	968	-	(182)	484	(666)	-138%	968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,578	3,224	3,224	88	461	1,612	(1,151)	-71%	3,224
Licences and permits		3,569	5,593	5,593	162	1,656	2,797	(1,141)	-41%	5,593
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		154,883	188,146	223,059	90,571	174,880	111,530	63,350	57%	223,059
Other revenue		630	483	483	11	148	241	(94)	-39%	483
Gains		(672)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		187,254	227,116	262,029	93,052	188,931	131,014	57,916	44%	262,029
Expenditure By Type										
Employee related costs		66,611	90,664	92,664	7,459	37,634	46,332	(8,697)	-19%	92,664
Remuneration of councillors		12,472	13,878	13,878	1,059	6,487	6,939	(452)	-7%	13,878
Debt impairment		6,446	1,230	9,725	-	-	4,862	(4,862)	-100%	9,725
Depreciation & asset impairment		26,908	26,171	29,971	1,901	11,121	14,986	(3,864)	-26%	29,971
Finance charges		3	106	106	1	9	53	(44)	-83%	106
Bulk purchases		-	-	-	-	-	-	-	-	-
Other materials		2,084	1,800	3,800	160	540	1,900	(1,360)	-72%	3,800
Contracted services		40,853	29,103	33,791	2,854	22,558	16,896	5,662	34%	33,791
Transfers and subsidies		1,907	2,384	9,420	442	4,092	4,710	(618)	-13%	9,420
Other expenditure		51,238	40,482	44,617	5,420	24,728	22,308	2,420	11%	44,617
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		208,522	205,818	237,971	19,296	107,169	118,986	(11,817)	-10%	237,971
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		(21,268)	21,298	24,058	73,755	81,762	12,029	69,733	0	24,058
(National / Provincial and District)		40,844	34,702	34,702	9,576	19,633	(17,351)	36,984	(0)	(34,702)
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		19,576	56,000	58,760	83,331	101,394	(5,322)			(10,645)
Taxation								-		
Surplus/(Deficit) after taxation		19,576	56,000	58,760	83,331	101,394	(5,322)			(10,645)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		19,576	56,000	58,760	83,331	101,394	(5,322)			(10,645)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		19,576	56,000	58,760	83,331	101,394	(5,322)			(10,645)

## 2.8 Capital program performance

Total capital expenditure as at 31 December 2020 is R21 112 million. The municipality has spent R17 721 million on road projects, R2 451 on construction of community halls and R939 thousands on other assets. The municipality have received an approval of MIG roll over in November of R14 million which means capital expenditure will be adjusted upwards in the adjustment budget. The municipality will continue with the implementation of those projects that were not completed in the prior year after it has been given an approval to use prior year funds not used to complete those projects by National Treasury.

## 2.9 Other supporting documents

### 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 2020/2021 financial year our country has been hit hard by COVID 19 pandemic, financial challenges that came with COVID 19 forced the municipality to take drastic measures so that the municipality can continue with its mandate of basic services provision. While dealing with COVID 19 challenges 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 decided to revive revenue management committee that will have to meet on a monthly basis to discuss issues that relate to revenue generation and collection.

The municipality generates its own revenue from property rates, refuse removal, rental of facilities, interest from bank accounts and short term deposits accounts, traffic fines, licensing income as well as other income which includes sale of tender documents and commission fees.

Revenue management committee will also be looking at other possible revenue streams the municipality can implement to increase its revenue base going forward.

### Property Rates

Property rates is one of the main source of own revenue for the municipality. In the adjustment budget in September 2020, it was projected that we will collect 76% of the total budget for property rates. Our 6 months target was to collect 50% as per (B Schedule – SB15). As at 31 December 2020 we have actually collected 66% 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.

### Traffic Income

There is lower collection of traffic fines income based on projected collection. The collection currently is sitting at 9%. It was projected that in 6 months we will collect 50% of the target collection as per (B Schedule –SB15). Low collection is a result of COVID 19 pandemic and the unaffordability of people to pay for their fines issued.

The municipality had a target of collecting 50% of licensing income from traffic section by 31 December 2020, as per (B Schedule – SB15) the target has been achieved because we have collected 109% of the December target.

### Business Licensing

There is a very low collection rate for this category of revenue. Collection is at 13% 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 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 124% 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 R150, 2 million. The available cash reflect that the municipality can operate for the next 6 months considering the current cash position

### **Debtors**

Current mid-year balance is R 54, 4 million when compared to last year balance of R 52, 3 million,

This balance is made up of the following breakdown:

- Property rates debtors owes R51 486 million
- Refuse removal debtors owes R1 062 million
- Rental debtors owes R535 thousand
- Interest on outstanding debts amounts to R1 333 million

Government debtors balance at mid-year is R30 210 million or 55% of the total debts, Business and commercial debtors balance is R23 909 million or 44% of the total debt, residential debtors balance is R282 thousand which is less than 1% and R16 thousand is the balance for other debtors which is also less than 1% of total debt

### **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 14,167 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 13,891 million.

### **Borrowings**

The municipality does not have borrowings.

### **Fruitless and Wasteful Expenditure**

As at 31 December 2020 there is an amount of R7 414, 84 disclosed as fruitless and wasteful in the books of the municipality.

### **Irregular Expenditure**

No irregular expenditure has been reported as incurred as at 31December 2020

**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 65% of the capital budget
- Conditional grants funding operating expenditure is 2% 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 40% of the budget for 2020-2021 financial year. Low expenditure is a result of delays in the implementation of capital projects due to COVID 19 pandemic since the country was placed under lockdowns and the municipality had to comply with the disaster management regulations placed by National Government.

**Supply Chain Management**

An annual procurement plan for the 2020/21 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 R44 079 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.

**Objections**

There were no objections received in all tenders awarded.

**MSCOA Implementation**

The municipality managed to go live by the 1<sup>st</sup> 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. 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
- Functionality of other module (costing, grants and contract management) is not yet implemented properly.



## 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 two (2) landfill sites is in progress.

### Library

There are three (3) library access points across uMhlabuyalingana municipality, which are Manguzi, Skhemelele 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. Special 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**

### **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 2020/21 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 Tourism office that has been recently handed over by UMkhanyakude District Municipality where Tourism services within the area will be marketed.

### **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. The Municipality is currently undergoing a process of identifying Potential but struggling entrepreneurs including cooperatives and informal traders to assist them to become registered and also organize trainings and workshops so as to improve the understanding on how to run successful businesses. The municipality recently revived Business forums in order for businesses to have proper channels of communication between businesses and the municipality.

### **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 12 months duration employment. This programme is implemented both through the Public Works grant and the equitable share. As at essence, Over 100 job opportunities have been created. 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.

### **Singe 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

**SDF.** 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 necessitates an 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 no objections were received. Now the competent department will take a decision advice on the status of the application.

### **Building Control**

Umhlabuyalingana 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 2019 to December 2019, eight (8) building plans have been submitted, nine (9) inspections have been conducted and six (6) 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.

## **OFFICE OF THE MUNICIPAL MANAGER**

### **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 2017, 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 2020/2021 mid-year the Audit Committee has met five 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 2021/2022 IDP process plan in August 2020. 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.

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.

**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 three months of the quarter were challenging as the department was directly affected by the pandemic which led to significant underperformance. This however improved in the second quarter, 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 108 positions as per approved organogram and 4 vacant positions, 2 in Finance Department and 2 under Community Services which will be filled in Quarter 3 and 4 respectively.

**Minimum Treasury Requirements:**

The UMhlabuyalingana Local Municipality has 4 Senior Managers, and all are currently filled. 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 19 Section Managers. Only 5 Section Managers have Minimum Treasury Requirements and there is a current plan for these managers to attend the MFMP.

**Job Evaluation**

Despite number of challenges that were faced by the department especially in the first quarter, the department successfully drove the implementation of Job Evaluation results which were received by the municipality in August 2020. This is considered as a huge milestone taking into account the instability that the municipality endured do to salary discrepancies. The implementation has brought back stability.

**Human Resources Policies**

In the first month of the second quarter, drive for HR Policies workshop was undertaken, where staff and councilors were workshopped on draft policies. This is one of the key activities that the department undertook in the first half of the year.

**Challenges**

One of the functions under Corporate Services is Employee Assistance Programme. The pandemic has brought many situations that the employees have been exposed to, these must be addresses with vigorous Employee Assistance Programmes to introduce employees to new way of doing things, engaging in work, new behaviors because of pandemic. Currently there is limited financial resources to address this and to successfully implement these programmes.

## ORGANISATIONAL SCORECARD-ANNEXURE

KPA	Total Number of KPI's for Q1 and Q 2	Targets achieved	Targets Not achieved	%
Municipal Transformation and Institutional Development	15	10	5	67%
Basic service delivery and infrastructure development	30	25	5	83%
Financial viability and financial management	4	2	2	50%
Good Governance, Public Participation	9	3	6	33%
Cross Cutting Interventions	5	1	4	20%
Social and Economic Development	2	2	0	100%
Total	65	43	22	66%

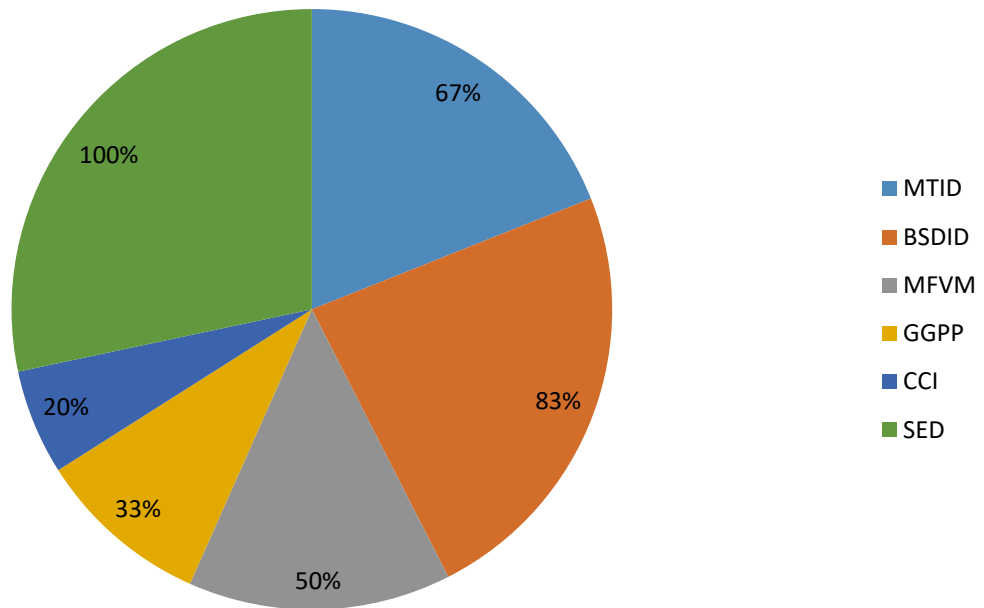
Notwithstanding the challenges of the structure of the SDBIP including reports from the departments, the above table reflects the performance level of 43 targets achieved against the Midyear total targets of 65 which translates to 66%.

## 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 2020/21 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.

**Municipal Manager's quality certificate**

I, NP Gamede the Municipal Manager of uMhlabuyalingana Municipality hereby certify that-

☐

The monthly budget statement

☐

Quarterly report on the implementation of the budget and financial state affairs of the municipality

☒

Mid-year budget and performance assessment

has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

**Print Name: Nonhlanhla P Gamede**

**Municipal Manager of uMhlabuyalingana Municipality KZ271**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_