

UMHLABUYALINGANA LOCAL MUNICIPALITY



MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR 2021/2022 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"> • To attract and retain qualified and experienced staff across the staff establishment • To attract and retain qualified and experienced staff across the staff establishment • To provide the optimal institutional structure to render effective and efficient services 	KPA 1. Municipal Transformation and Institutional Development
<ul style="list-style-type: none"> • To facilitate bulk infrastructure development in support of economic development initiative • To develop long term infrastructure development plans • To facilitate an improvement in access to community/public facilities to minimum standards • To provide access and facilitate vehicular movement in Umhlabuyalingana • To facilitate delivery of basic service to RDP Standard • To comply fully with all municipal legislations • Improved Access to Basic Services 	KPA 2. Basic service delivery and infrastructure development
<ul style="list-style-type: none"> • To create an environment conducive for investment and economic growth • To promote and support ecotourism as a means to increase market share • To create safe, healthy and sustainable living environment 	KPA 3. Social and Economic Development
<ul style="list-style-type: none"> • To develop and maintain systems and procedures for effective and sound management of municipal finances • To improve revenue generation by 5% per annum over the next 5 years • To be 100% compliant with SCM Regulations 	KPA 4. Financial viability and financial management
<ul style="list-style-type: none"> • To run the municipality in an open, transparent and accountable manner • To develop and maintain systems and procedures and sound management of municipal finances • To communicate with stakeholders using print and electronic media • To provide for an effective involvement of the public in municipal affairs • To comply fully with all municipal legislation 	KPA 5. Good Governance, Public Participation
<ul style="list-style-type: none"> • To promote productive, harmonious and sustainable land use • To run the municipality in an open, transparent and accountable manner • To create functional structure for effective development and delivery of services 	KPA 6. Cross Cutting Interventions

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 2021/2022 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.

Councillor TS Khumalo

Mayor: uMhlabuyalingana Municipality

4. Resolution

5. Executive summary

Below is the table with the summary of the budget performance for the past six month of the 2021/2022 financial year.

EXECUTIVE SUMMARY			
Description	Original budget	Actual Income & Expenditure	%
Revenue			
Operating Grants	196,149,053	148,789,053	76%
Capital Grants	35,297,947	34,000,000	96%
Own income	28,930,523	14,574,231	50%
Interest income	3,113,626	1,091,911	35%
	263,491,149	198,455,195	75%
Expenditure			
Employee related costs	92,974,672	39,678,627	43%
Remuneration of councillors	16,522,612	6,693,653	41%
Debt impairment	3,944,747	-	0%
Depreciation	23,026,560	18,871,327	82%
Finance charges	995,472	1,980	0%
Inventory consumed	1,417,250	159,543	11%
Contracted services	32,771,477	23,301,988	71%
Transfers and subsidies	9,010,000	8,330,647	92%
Other expenditure	35,620,343	37,326,953	105%
	216,283,133	134,364,718	62%
Capital expenditure			
Roads	30,169,520	18,502,164	61%
Community halls	10,500,000	2,711,503	26%
Other assets	6,538,495	2,909,958	45%
	47,208,015	24,123,625	51%

Total revenue collections including conditional grant for the past six month of the 2021/2022 financial year is R198,5 million or 75% of the total budget. Operating grants includes conditional grants received amounting to R7,6 million and Equitable Share received of R141,2 million. Capital grants includes R31 million from MIG and R3 million from EDTEA. Total operating expenditure for the past six month of 2021/2022 financial year is R134,3 million or 62% of the total budget. Capital expenditure for the past six months of the 2021/20212 financial year is R24,1 million or 51% 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 - Mid-Year Assessment

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	22,943	18,241	–	1,919	11,542	9,120	2,422	27%	18,241
Service charges	624	209	–	52	312	104	208	199%	209
Investment revenue	1,996	2,146	–	273	1,092	1,073	19	2%	2,146
Transfers and subsidies	224,415	196,149	–	63,118	145,822	98,075	47,747	49%	196,149
Other own revenue	3,168	11,449	–	233	2,499	5,725	(3,225)	-56%	11,449
Total Revenue (excluding capital transfers and contributions)	253,146	228,193	–	65,595	161,267	114,097	47,171	41%	228,193
Employee costs	76,666	92,975	–	9,050	39,679	46,487	(6,809)	-15%	92,975
Remuneration of Councillors	12,988	16,523	–	1,526	6,694	8,261	(1,568)	-19%	16,523
Depreciation & asset impairment	24,730	24,016	–	1,907	18,871	12,008	6,863	57%	24,016
Finance charges	17	995	–	0	2	498	(496)	-100%	995
Inventory consumed and bulk purchases	3,297	1,417	–	0	160	709	(549)	-77%	1,417
Transfers and subsidies	13,624	9,010	–	441	8,331	4,505	3,826	85%	9,010
Other expenditure	107,909	71,347	–	8,101	60,629	35,674	24,955	70%	71,347
Total Expenditure	239,231	216,283	–	21,025	134,365	108,142	26,223	24%	216,283
Surplus/(Deficit)	13,915	11,910	–	44,570	26,902	5,955	20,948	352%	11,910
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	47,759	35,298	–	3,869	21,445	17,649	3,796	22%	35,298
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind all)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	61,674	47,208	–	48,439	48,348	23,604	24,744	105%	47,208
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	61,674	47,208	–	48,439	48,348	23,604	24,744	105%	47,208
Capital expenditure & funds sources									
Capital expenditure	(234,630)	47,208	–	3,379	24,124	23,604	520	2%	47,208
Capital transfers recognised	(24,334)	35,298	–	3,222	18,734	17,649	1,085	6%	35,298
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	(272,385)	11,910	–	157	5,390	5,955	(565)	-9%	11,910
Total sources of capital funds	(296,719)	47,208	–	3,379	24,124	23,604	520	2%	47,208
Financial position									
Total current assets	94,490	99,621	–	–	168,078	–	–	–	99,621
Total non current assets	288,128	350,101	–	–	340,235	–	–	–	350,101
Total current liabilities	47,522	36,563	–	–	80,518	–	–	–	36,563
Total non current liabilities	–	26,916	–	–	16	–	–	–	26,916
Community wealth/Equity	335,095	386,243	–	–	427,779	–	–	–	386,243
Cash flows									
Net cash from (used) operating	397,696	110,601	–	61,433	104,078	55,300	(48,777)	-88%	110,601
Net cash from (used) investing	69,854	(47,208)	–	(3,379)	(29,601)	23,604	53,205	225%	47,208
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	467,550	132,515	–	–	158,634	148,026	(10,607)	-7%	241,966
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	1,944	(839)	(1,783)	899	899	865	4,514	48,146	54,645
Creditors Age Analysis									
Total Creditors	4,168	90	(1,947)	4,200	(222)	218	121	(127)	6,500

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 2021

Financial position of the municipality as at 31 December 2021 is sitting at a surplus of R49,2 million. Where by the total revenue excluding capital transfers is R161,2 million, total operating expenditure is R134,3 million and capital transfers is R21,4 million

Capital expenditure as at 31 December 2021 is R24,1 million, funding sources of this capital expenditure is as follows: Capital transfers from National Government is R18,7 million, and internally generated funds is R5,3 million.

Financial position as at 31 December 2021 shows that the municipality's current assets are R168,0 million, non-current assets are R340,2 million, current liabilities are R80,5 million, non-current liabilities are R16 thousand rand and accumulated surplus is R427,7 million.

Cash flow balances as at 31 December 2021 are as follows:

Net cash from operating activities is R104,0 million,

Net cash from investing activities is (R29,6) million, and

Cash and cash equivalents at the end of the period is R158,6 million

Debtors balances as at 31 December 2020 is R54,6 million and

Creditors balance as at 31 December 2020 is R6,5 million

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

KZN271 Umhlabuyalingana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		238,921	214,234	-	64,969	154,663	107,117	47,546	44%	214,234
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		238,921	214,234	-	64,969	154,663	107,117	47,546	44%	214,234
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2,712	10,882	-	292	2,091	5,441	(3,350)	-62%	10,882
Community and social services		2,708	10,850	-	292	2,091	5,425	(3,334)	-61%	10,850
Sport and recreation		5	-	-	-	-	-	-	-	-
Public safety		-	32	-	-	-	16	(16)	-100%	32
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		57,808	38,167	-	4,151	25,646	19,083	6,563	34%	38,167
Planning and development		5,615	1,225	-	84	2,384	612	1,771	289%	1,225
Road transport		52,193	36,942	-	4,067	23,262	18,471	4,791	26%	36,942
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		624	209	-	52	312	104	208	199%	209
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		624	209	-	52	312	104	208	199%	209
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	300,065	263,491	-	69,464	182,712	131,746	50,967	39%	263,491
Expenditure - Functional										
<i>Governance and administration</i>		138,982	125,772	-	12,725	81,123	62,886	18,237	29%	125,772
Executive and council		41,707	39,901	-	4,466	27,510	19,950	7,560	38%	39,901
Finance and administration		94,358	83,199	-	8,242	52,950	41,600	11,350	27%	83,199
Internal audit		2,918	2,672	-	18	663	1,336	(673)	-50%	2,672
<i>Community and public safety</i>		50,826	39,987	-	4,225	26,985	19,993	6,992	35%	39,987
Community and social services		47,139	37,988	-	4,190	25,929	18,994	6,935	37%	37,988
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3,687	1,999	-	35	1,056	999	57	6%	1,999
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		37,059	47,890	-	3,266	19,129	23,945	(4,816)	-20%	47,890
Planning and development		23,210	33,163	-	2,017	9,883	16,582	(6,699)	-40%	33,163
Road transport		13,850	14,726	-	1,249	9,246	7,363	1,883	26%	14,726
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12,319	2,547	-	809	7,127	1,274	5,854	460%	2,547
Energy sources		285	572	-	30	159	286	(127)	-44%	572
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		12,034	1,976	-	779	6,968	988	5,980	605%	1,976
<i>Other</i>		-	88	-	-	-	44	(44)	-100%	88
Total Expenditure - Functional	3	239,186	216,283	-	21,025	134,365	108,142	26,223	24%	216,283
Surplus/ (Deficit) for the year		60,879	47,208	-	48,439	48,348	23,604	24,744	105%	47,208

The table above shows financial performance per function of the municipality as at 31 December 2021

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

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

REVENUE

EXPENDITURE

Table 66 Monthly Budget Statement - Financial Performance (Revenue and Expenditure by Municipal Vote) - Ind

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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 - Finance and Admin		238,921	214,234	-	64,958	154,601	107,117	47,484	44.3%	214,234
Vote 2 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		2,708	10,850	-	292	2,091	5,425	(3,334)	-61.5%	10,850
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 5 - Waste Management		624	209	-	52	312	104	208	199.5%	209
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		5,615	1,225	-	84	2,384	612	1,771	289.2%	1,225
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 9 - Roads		48,806	30,601	-	3,869	21,720	15,300	6,420	42.0%	30,601
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	296,674	257,118	-	69,255	181,108	128,559	52,550	40.9%	257,118
Expenditure by Vote	1									
Vote 1 - Finance and Admin		94,358	83,042	-	3,245	45,805	41,521	4,283	10.3%	83,042
Vote 2 - Executive and Council		41,707	39,901	-	4,271	23,479	19,950	3,528	17.7%	39,901
Vote 3 - Community and Social Services		45,042	36,770	-	2,765	21,257	18,385	2,872	15.6%	36,770
Vote 4 - Internal Audit		2,918	2,672	-	18	663	1,336	(673)	-50.4%	2,672
Vote 5 - Waste Management		12,034	1,976	-	779	6,629	988	5,641	571.0%	1,976
Vote 6 - Energy Sources		285	572	-	30	159	286	(127)	-44.4%	572
Vote 7 - Planning and Development		22,642	30,675	-	1,830	8,839	15,337	(6,498)	-42.4%	30,675
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 9 - Roads		4,838	3,708	-	-	4,153	1,854	2,299	124.0%	3,708
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	223,824	199,315	-	12,937	110,983	99,658	11,326	11.4%	199,315
Surplus/ (Deficit) for the year	2	72,850	57,803	-	56,318	70,125	28,901	41,224	142.6%	57,803

The above table shows the financial performance of the municipality as at 31 December 2021 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) - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		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		22,943	18,241		1,919	11,542	9,120	2,422	27%	18,241
Service charges - electricity revenue		-	-				-	-		-
Service charges - water revenue		-	-				-	-		-
Service charges - sanitation revenue		-	-				-	-		-
Service charges - refuse revenue		624	209		52	312	104	208	199%	209
Rental of facilities and equipment		395	395		34	203	197	6	3%	395
Interest earned - external investments		1,996	2,146		273	1,092	1,073	19	2%	2,146
Interest earned - outstanding debtors		(1,171)	968		-	-	484	(484)	-100%	968
Dividends received		-	-				-	-		-
Fines, penalties and forfeits		1,052	3,327		-	542	1,663	(1,121)	-67%	3,327
Licences and permits		3,238	6,294		181	1,446	3,147	(1,701)	-54%	6,294
Agency services		-	-				-	-		-
Transfers and subsidies		224,415	196,149		63,118	145,822	98,075	47,747	49%	196,149
Other revenue		499	467		18	308	233	75	32%	467
Gains		(845)	-				-	-		-
Total Revenue (excluding capital transfers and contributions)		253,146	228,193	-	65,595	161,267	114,097	47,171	41%	228,193
Expenditure By Type										
Employee related costs		76,666	92,975		9,050	39,679	46,487	(6,809)	-15%	92,975
Remuneration of councillors		12,988	16,523		1,526	6,694	8,261	(1,568)	-19%	16,523
Debt impairment		9,066	3,945		-	-	1,972	(1,972)	-100%	3,945
Depreciation & asset impairment		24,730	24,016		1,907	18,871	12,008	6,863	57%	24,016
Finance charges		17	995		0	2	498	(496)	-100%	995
Bulk purchases - electricity		-	-		-	-	-	-		-
Inventory consumed		3,297	1,417		0	160	709	(549)	-77%	1,417
Contracted services		50,072	32,771		2,503	23,302	16,386	6,916	42%	32,771
Transfers and subsidies		13,624	9,010		441	8,331	4,505	3,826	85%	9,010
Other expenditure		48,771	34,631		5,598	37,327	17,316	20,011	116%	34,631
Losses		0	-		-	-	-	-		-
Total Expenditure		239,231	216,283	-	21,025	134,365	108,142	26,223	24%	216,283
Surplus/(Deficit)		13,915	11,910	-	44,570	26,902	5,955	20,948	0	11,910
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		47,759	35,298		3,869	21,445	17,649	3,796	0	35,298
Transfers and subsidies - capital (monetary allocations) (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		61,674	47,208	-	48,439	48,348	23,604			47,208
Taxation								-		
Surplus/(Deficit) after taxation		61,674	47,208	-	48,439	48,348	23,604			47,208
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		61,674	47,208	-	48,439	48,348	23,604			47,208
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		61,674	47,208	-	48,439	48,348	23,604			47,208

The above table shows us the detailed financial performance of the municipality as at 31 December 2021

Revenue

Revenue recognized by the municipality is R182,7 million as at 31 December 2021 including capital transfers

Property rates income

The municipality has recognized R11,5 million from property rates income. Property rates income has contributed 7% of the total operating revenue raised since July to December 2021. 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 need to adjust it in the adjustment budget because the actual amount raised is more than the projected budget for this period. Property rates revenue budget was understated in the budget because there has been no changes in the valuation roll in terms of market values.

Refuse removal income

The municipality has recognized R312 thousand rand from refuse removal income. Refuse removal income contributed less than 1% of the total operating revenue raised since July to December 2021. Currently the municipality is billing few properties which includes Manguzi Hospital, Mseleni Hospital, Manguzi Agricultural Office, 1 School, and other properties which 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 R203 thousand rand from rental of facilities and equipment income. Rental income has contributed less than 1% of the total revenue raised since July to December 2021. 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 R1,09 million against this revenue stream. It has contributed less than 1% to the total revenue raised since July to December 2021. 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 nil, 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.

Fines, penalties and forfeits

The municipality has recognized R542 thousand rand against traffic fines issued. This revenue stream performance against the budget is very poor. There has been a decline on the graph for revenue generated from traffic fines for the past 2-3 years despite the COVID-19 pandemic. The municipality needs to investigate the root cause of this decline and come up with the plan on how to increase it again.

Licenses and permits

The municipality has recognized R1,4 million against this revenue stream. It has contributed less than 1% of the total revenue recognized since July to December 2021. Again There has been a decline on the graph for revenue generated from licenses and permits for the past 2-3 years despite the COVID-19 pandemic. The municipality needs to investigate the root cause of this decline and come up with the plan on how to increase it again.

Transfers and subsidies

The municipality has recognized R145,8 million against this revenue stream since July to December 2021. This amount includes R141,2 million from Equitable Share as well as other operational conditional grants amounting to R7,3 million.

Other revenue

The municipality has recognized R308 thousand rand from this revenue stream which includes sale of tender documents, commission received, photocopying fees and LGSETA refunds.

Expenditure

Total operating expenditure as at 31 December 2021 is R134,3 million.

Employee related costs

The municipality has recognized expenditure of R39,6 million for employee related costs from July to December 2021. 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 November 2021, 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 R6,6 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 R18,8 million against this line item. It is more than the projected budget but the municipality will have to review it thoroughly because it shows that the budget was understated.

Other materials

Expenditure on other materials as at 31 December 2021 is R160 thousand, this expenditure looks too low at this point in time, it will be investigated because there might be misallocations relating to this line item.

Contracted services

Contracted services expenditure as at 31 December 2021 is sitting at R23,3 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 2021 is R8,3 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 2021 it was R37,3 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 Umhlaluyalingana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Finance and Admin		(174,400)	4,588	-	157	2,910	2,294	616	27%	4,588
Vote 2 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		(10,847)	11,500	-	-	2,712	5,750	(3,038)	-53%	11,500
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 5 - Waste Management		(9,786)	950	-	-	-	475	(475)	-100%	950
Vote 6 - Energy Sources		(0)	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		(26,323)	-	-	-	-	-	-	-	-
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 9 - Roads		(13,273)	30,170	-	3,222	18,502	15,085	3,417	23%	30,170
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	(234,630)	47,208	-	3,379	24,124	23,604	520	2%	47,208
Total Capital Expenditure		(234,630)	47,208	-	3,379	24,124	23,604	520	2%	47,208
Capital Expenditure - Functional Classification										
Governance and administration		(174,400)	4,588	-	157	2,910	2,294	616	27%	4,588
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		(174,400)	4,588	-	157	2,910	2,294	616	27%	4,588
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(49,277)	11,500	-	-	2,712	5,750	(3,038)	-53%	11,500
Community and social services		(10,674)	11,500	-	-	2,712	5,750	(3,038)	-53%	11,500
Sport and recreation		(37,331)	-	-	-	-	-	-	-	-
Public safety		(404)	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		(869)	-	-	-	-	-	-	-	-
Economic and environmental services		(39,596)	30,170	-	3,222	18,502	15,085	3,417	23%	30,170
Planning and development		(26,323)	-	-	-	-	-	-	-	-
Road transport		(13,273)	30,170	-	3,222	18,502	15,085	3,417	23%	30,170
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		(9,786)	950	-	-	-	475	(475)	-100%	950
Energy sources		(0)	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		(9,786)	950	-	-	-	475	(475)	-100%	950
Other		(23,659)	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(296,719)	47,208	-	3,379	24,124	23,604	520	2%	47,208
Funded by:										
National Government		(22,516)	35,298	-	3,222	18,734	17,649	1,085	6%	35,298
Provincial Government		(1,818)	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		(24,334)	35,298	-	3,222	18,734	17,649	1,085	6%	35,298
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		(272,385)	11,910	-	157	5,390	5,955	(565)	-9%	11,910
Total Capital Funding		(296,719)	47,208	-	3,379	24,124	23,604	520	2%	47,208

Capital expenditure as at 31 December 2021 is R24,1 million

The municipality has managed to spend 51% of the projected budget as at end of December 2021. There are some delays in SCM process in terms of appointment of contractors because other bids or tenders had to be re-advertised because all bids received and evaluated were non-responsive. This might delay or even cause other projects to be not completed and the municipality will not be able to spend all conditional grants funding those projects that would be delayed.

6.6 Table 6 – monthly budget statement – financial position

KZN271 Umhlabuyalingana - Table C6 Monthly Budget Statement - Financial Position - Mid-Year

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		65,718	73,765	–	140,056	73,765
Call investment deposits		18,440	14,206	–	18,578	14,206
Consumer debtors		8,800	18,027	–	10,611	18,027
Other debtors		1,235	(6,628)	–	(2,398)	(6,628)
Current portion of long-term receivables		15	–	–	–	–
Inventory		282	250	–	1,231	250
Total current assets		94,490	99,621	–	168,078	99,621
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		–	–	–	–	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		287,561	348,640	–	339,905	348,640
Biological		–	–	–	–	–
Intangible		566	1,461	–	330	1,461
Other non-current assets		–	–	–	–	–
Total non current assets		288,128	350,101	–	340,235	350,101
TOTAL ASSETS		382,617	449,722	–	508,313	449,722
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		–	–	–	–	–
Trade and other payables		47,522	36,563	–	80,518	36,563
Provisions		–	–	–	–	–
Total current liabilities		47,522	36,563	–	80,518	36,563
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		–	26,916	–	16	26,916
Total non current liabilities		–	26,916	–	16	26,916
TOTAL LIABILITIES		47,522	63,480	–	80,534	63,480
NET ASSETS	2	335,095	386,243	–	427,779	386,243
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		335,095	386,243	–	427,779	386,243
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	335,095	386,243	–	427,779	386,243

6.7 Table 7 – monthly budget statement – Cash flow

KZN271 Umhlaluyalingana - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		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		–	11,856	–	372	12,492	5,928	6,564	111%	11,856
Service charges		–	94	–	34	251	47	205	436%	94
Other revenue		387,909	8,837	–	4,108	12,346	4,419	7,927	179%	8,837
Transfers and Subsidies - Operational		–	196,149	–	62,763	148,789	98,075	50,715	52%	196,149
Transfers and Subsidies - Capital		–	47,798	–	13,000	44,600	23,899	20,701	87%	47,798
Interest		8	–	–	273	1,092	–	1,092	#DIV/0!	–
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		4,381	(144,128)	–	(18,677)	(107,161)	(72,064)	35,097	-49%	(144,128)
Finance charges		–	(995)	–	(0)	(2)	(498)	(496)	100%	(995)
Transfers and Grants		5,399	(9,010)	–	(441)	(8,331)	(4,505)	3,826	-85%	(9,010)
NET CASH FROM/(USED) OPERATING ACTIVITIES		397,696	110,601	–	61,433	104,078	55,300	(48,777)	-88%	110,601
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		69,854	(47,208)	–	(3,379)	(29,601)	23,604	53,205	225%	47,208
NET CASH FROM/(USED) INVESTING ACTIVITIES		69,854	(47,208)	–	(3,379)	(29,601)	23,604	53,205	225%	47,208
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		467,550	63,393	–	58,054	74,476	78,904			157,809
Cash/cash equivalents at beginning:		–	69,122	–		84,158	69,122			84,158
Cash/cash equivalents at month/year end:		467,550	132,515	–		158,634	148,026			241,966

On property rates we have collected R11,1 million from government debtors and R1,3 million from business and commercial debtors which includes collection from long outstanding debts.

We have collected R251 thousand from refuse removal which also includes collection from long outstanding debts.

Other revenue collection of R12,3 million includes revenue from rental of facilities of R179 thousand rand, R97 thousand rand from fines and penalties, R1,4 million from licenses and permits and the balance is for vat refunds and other income

Transfers and subsidies operational includes grants received from Equitable Share of R141,2 million, FMG of R1,8 million, EPWP of R1,2 million, MIG (PMU) of R1,4 million, Library grants of R2,7 million and funds received from Home affairs amounting to R240 thousand rand.

Transfers and subsidies capital includes grants received from INEP of R10,6 million, R3 million received from EDTEA for the refurbishment of Manguzi Market stalls and R31 million from MIG.

We have received R1,09 million from Interest on Investments and other bank accounts.

6.8 Table SC1 material variance explanations

KZN271 Umhlabuyalingana - Supporting Table SC1 Material variance explanations - Mid-Year Assessment

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Property rates	27%	Property rates revenue raised is more than the projected budget for	It will be corrected in the adjustment budget
	Service charges-Refuse removal	199%	Refuse removal revenue raised is more than the projected budget for	It will be corrected in the adjustment budget
	Interest on outstanding debtors	-100%	Revenue raised from interest on outstanding debtors is not charged because there is a resolution taken by council not to charge interest as	
	Fines, penalties and forfeits	-67%	Revenue raised from Fines is less than the projected budget for this period because there is a backlog in the capturing of traffic fines from tr	
	Licences and permits	-54%	Revenue raised from licences and permits is less than the projected b	It will be corrected in the adjustment budget
	Transfers and subsidies	49%	Revenue raised from grants is more than the projected budget for this period because of the EQS grant received in July and December	
	Other revenue	32%	Other revenue is more than the projected budget because of tender	It will be corrected in the adjustment budget
2	Expenditure By Type			
	Employee related costs	-15%	Employee related costs is less than the projected budget for this period because there are vacancies not filled	
	Councillors remuneration	-19%	Councillors remuneration expenditure is less than the projected budget expenditure for this period because upper limits have not been imp	
	Debt impairment	-100%	Debt impairment has not been calculated yet	
	Depreciation and asset impairment	57%	Depreciation is 57% more than the projected budget for this period b	it will be corrected in the adjustment budget
	Finance charges	-100%	Finance charges is 100% below the projected budget because finance costs relating to landfill sites has not been calculated yet	
	Inventory consumed	-77%	Inventory consumed is 77% less than the projected budget for this period because there is a backlog in the processing of inventory issued	
	Contracted services	42%	Contracted services is 42% more than the projected budget for this p	It will be investigated and monitored so that there will be no overspen
	Transfers and subsidies	85%	Transfers and subsidies is 85% more than the projected budget for t	It will be investigated and monitored so that there will be no overspen
	Other expenditure	116%	Other expenditure is 116% more than the projected budget for this p	It will be investigated and monitored so that there will be no overspen
3	Capital Expenditure			
	Governance and administration	27%	Governance and admin is 27% more than the projected budget because our budget projections are done over 12 months equally but pro	
	Community and public safety	-53%	Community is 53% less than the projected budget for this period because other projects (community halls) have not been implemented yet	
	Economic and environmental services	23%	Economic and environmental services is more than the projected budget because other roads projects have been fast tracked and constru	
4	Financial Position			
5	Cash Flow			
6	Measureable performance			
7	Municipal Entities			

6.9 Table SC2 Monthly budget statement – performance indicators

KZN271 Umhlabuyalingana - Supporting Table SC2 Monthly Budget Statement - performance indicators - Mid-Year Assessment

Description of financial indicator	Basis of calculation	Ref	2020/21	Budget Year 2021/22			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	11.6%	0.0%	0.0%	8.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		14.2%	9.5%	0.0%	18.8%	9.5%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	198.8%	272.5%	0.0%	208.7%	272.5%
Liquidity Ratio	Monetary Assets/Current Liabilities		177.1%	240.6%	0.0%	197.0%	240.6%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		4.0%	5.0%	0.0%	5.1%	5.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		30.3%	40.7%	0.0%	24.6%	40.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		9.8%	11.0%	0.0%	0.0%	7.7%
<u>IDP regulation financial viability indicators</u>							
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						

6.10 Table SC3 Monthly budget statement – aged debtors

KZN271 Umhlabuyalingana - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2021/22										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	1,849	(915)	(1,822)	838	838	804	3,667	46,121	51,380	52,268	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1600	56	37	37	37	37	37	224	946	1,410	1,280	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	39	39	2	24	24	24	165	433	750	670	–	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	458	647	1,105	1,105	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	–	–	–	–	–	–
Total By Income Source	2000	1,944	(839)	(1,783)	899	899	865	4,514	48,146	54,645	55,323	–	–	–
2020/21 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	1,283	(1,336)	(2,227)	435	435	435	1,157	25,360	25,543	27,823	–	–	–
Commercial	2300	657	493	462	460	459	426	3,328	22,500	28,784	27,173	–	–	–
Households	2400	3	3	3	3	3	3	23	278	322	312	–	–	–
Other	2500	1	1	(22)	1	1	1	6	8	(4)	16	–	–	–
Total By Customer Group	2600	1,944	(839)	(1,783)	899	899	865	4,514	48,146	54,645	55,323	–	–	–

Notes

Current year mid-year debtors balance is sitting at 54, 6 million when compared to last year balance which was 54, 4 million.

This balance is made up of the following breakdown:

- Property rates debtors owes R51,3 million
- Refuse removal debtors owes R1,4 million
- Rental debtors owes R750 thousand
- Interest on outstanding debts amounts to R1,1 million

Government debtors balance at mid-year is R25,5 million, Business and commercial debtors balance is R28,7 million residential debtors balance is R322 thousand

In the current financial year interest has not been charged because of the decision taken by council not to charge interest to rates debtors as a form of relief during this period of COVID-19 as most businesses have been affected by it and they have not recovered properly. The balance reflected in the table above for interest on areas account relates to interest raised in the prior years.

6.11Table SC 4 Monthly budget statement – aged creditors

KZN271 Umhlabuyalingana - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Budget Year 2021/22												Prior year totals for chart (same period)
Description	NT Code	0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total		
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-		
Bulk Water	0200	-	-	-	-	-	-	-	-	-		
PAYE deductions	0300	-	-	-	-	-	-	-	-	-		
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-		
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-		
Loan repayments	0600	-	-	-	-	-	-	-	-	-		
Trade Creditors	0700	4,570	(233)	(459)	1,530	37	(222)	62	(162)	5,121	(3,689)	
Auditor General	0800	477	-	-	-	-	-	-	-	477	-	
Other	0900	(879)	323	(1,489)	2,670	(259)	440	59	35	902	(7,576)	
Total By Customer Type	1000	4,168	90	(1,947)	4,200	(222)	218	121	(127)	6,500	(11,265)	

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

6.12 SC5 Monthly budget statement investment portfolio

KZN271 Umhlabyalingana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

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 *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FNB - 74275256516		Months	Call account	No	Variable		n/a		30 June 2022	5,277	106			5,383
NEDBANK - 28702097		Months	Call account	No	Variable		n/a		30 June 2022	38	0			38
FNB - 74622621601		Months	Call account	No	Variable		n/a		30 June 2022	7,726	155			7,881
STD Bank - 068824491		Months	Call account	No	Variable		n/a		30 June 2022	21	0			21
FNB - 62266899825		Months	Call account	No	Variable		n/a		30 June 2022	1,375	13			1,388
FNB - 62424086785		Months	Call account	No	Variable		n/a		30 June 2022	2,007	31			2,039
FNB - 62055161146		Months	Call account	No	Variable		n/a		30 June 2022	2,004	19	(1,291)	1,096	1,828
Municipality sub-total										18,448		(1,291)	1,096	18,578
Entities														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									18,448		(1,291)	1,096	18,578

The above table shows the balance on our short term deposits accounts because the municipality does not have long term investments but only short term deposits accounts that can be recalled or accessed immediately or by placing a 32 days notice.

6.13 SC 6 Monthly budget statement –transfers and grants receipts

KZN271 Umhlabuyalingana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		100	193,354	-	62,763	145,754	96,677	49,077	50.8%	193,354
EPWP Incentive		-	1,759	-	-	1,231	880	352	40.0%	1,759
Finance Management		100	1,850	-	-	1,850	925	925	100.0%	1,850
Municipal Infrastructure Grant		-	1,456	-	-	1,456	728	728	100.0%	1,456
Local Government Equitable Share			188,289	-	62,763	141,217	94,145	47,073	50.0%	188,289
	3							-		
								-		
								-		
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		162	2,795	-	-	2,795	1,398	1,398	100.0%	2,795
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts			1,871	-	-	1,871	936	936	100.0%	1,871
KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts			924	-	-	924	462	462	100.0%	924
	4	-	-	-	-	-	-	-		-
		162	-	-	-	-	-	-		-
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Operating Transfers and Grants	5	262	196,149	-	62,763	148,549	98,075	50,475	51.5%	196,149
Capital Transfers and Grants										
National Government:		706	47,798	-	13,000	40,144	23,899	-		47,798
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant (MIG)		-	35,298	-	13,000	29,544	17,649			35,298
Integrated National Electrification Programme Grant		706	12,500	-	-	10,600	6,250			12,500
								-		
								-		
								-		
Other capital transfers [insert description]								-		
Provincial Government:		907	-	-	-	3,000	-	3,000	#DIV/0!	-
KwaZulu-Natal_Capacity Building and Other_Capacity Building and Other_Rd		907	-	-	-	3,000	-	3,000	#DIV/0!	-
								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Capital Transfers and Grants	5	1,613	47,798	-	13,000	43,144	23,899	3,000	12.6%	47,798
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1,876	243,947	-	75,763	191,693	121,974	53,475	43.8%	243,947

KZN271 Umhlabuyalingana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description		Ref	2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2021/22			
						YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:			–	193,354	–	15,835	100,472	95,375	5,098	193,354
EPWP Incentive				1,759		–	1,759	440	1,319	1,759
Finance Management				1,850		34	751	427	324	1,850
Municipal Infrastructure Grant				1,456		29	293	364	(71)	1,456
Local Government Equitable Share				188,289	–	15,772	97,670	94,145	3,525	188,289
								–		
Other transfers and grants [insert description]								–		
Provincial Government:			–	2,795	–	292	1,802	1,398	404	2,795
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts				1,871		160	1,093	936	157	1,871
KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts				924		132	709	462	247	924
								–		
Other transfers and grants [insert description]								–		
District Municipality:			–	–	–	–	–	–	–	–
[insert description]								–		
Other grant providers:			–	–	–	–	–	–	–	–
[insert description]								–		
Total operating expenditure of Transfers and Grants:			–	196,149	–	16,128	102,274	96,772	5,502	196,149
Capital expenditure of Transfers and Grants										
National Government:			–	–	–	–	–	–	–	–
								–		
								–		
								–		
Other capital transfers [insert description]								–		
Provincial Government:			–	–	–	–	–	–	–	–
								–		
District Municipality:			–	–	–	–	–	–	–	–
								–		
Other grant providers:			–	–	–	–	–	–	–	–
								–		
Total capital expenditure of Transfers and Grants			–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			–	196,149	–	16,128	102,274	96,772	5,502	196,149

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

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

Description	Ref	Budget Year 2021/22				
		Approved Rollover 2020/21	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						%
<u>EXPENDITURE</u>						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
EPWP Incentive					-	
Finance Management					-	
Municipal Infrastructure Grant					-	
Local Government Equitable Share					-	
Other transfers and grants [insert description]					-	
Provincial Government:		-	-	-	-	
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts					-	
Other transfers and grants [insert description]					-	
District Municipality:		-	-	-	-	
[insert description]					-	
Other grant providers:		-	-	-	-	
[insert description]					-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
<u>Capital expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
Other capital transfers [insert description]					-	
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

6.16 Table SC8 Monthly budget statement – councilors and staff benefits

KZN271 Umhlabuyalingana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8,580	10,873	-	828	4,415	5,437	(1,022)	-19%	10,873
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	2,493	-	-	-	1,247	(1,247)	-100%	2,493
Cellphone Allowance		1,549	2,025	-	256	811	1,012	(201)	-20%	2,025
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2,860	1,131	-	443	1,468	566	902	160%	1,131
Sub Total - Councillors		12,988	16,523	-	1,526	6,694	8,261	(1,568)	-19%	16,523
% increase	4		27.2%							27.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,214	5,319	-	333	2,131	2,659	(529)	-20%	5,319
Pension and UIF Contributions		113	397	-	8	11	199	(187)	-94%	397
Medical Aid Contributions		32	132	-	-	-	66	(66)	-100%	132
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		443	460	-	-	-	230	(230)	-100%	460
Motor Vehicle Allowance		707	828	-	56	333	414	(81)	-20%	828
Cellphone Allowance		122	143	-	10	58	71	(14)	-19%	143
Housing Allowances		513	538	-	36	219	269	(50)	-19%	538
Other benefits and allowances		52	71	-	4	24	35	(12)	-34%	71
Payments in lieu of leave		161	562	-	-	-	281	(281)	-100%	562
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6,356	8,449	-	446	2,775	4,225	(1,450)	-34%	8,449
% increase	4		32.9%							32.9%
Other Municipal Staff										
Basic Salaries and Wages		48,111	52,605	-	4,007	24,733	26,303	(1,569)	-6%	52,605
Pension and UIF Contributions		5,729	8,973	-	499	2,933	4,487	(1,553)	-35%	8,973
Medical Aid Contributions		2,483	4,173	-	209	1,273	2,086	(813)	-39%	4,173
Overtime		2,445	3,891	-	184	1,136	1,946	(810)	-42%	3,891
Performance Bonus		3,128	4,157	-	3,129	3,129	2,079	1,051	51%	4,157
Motor Vehicle Allowance		3,672	3,360	-	308	1,797	1,680	117	7%	3,360
Cellphone Allowance		980	991	-	78	475	496	(21)	-4%	991
Housing Allowances		109	259	-	9	54	130	(75)	-58%	259
Other benefits and allowances		1,562	1,256	-	132	1,129	628	501	80%	1,256
Payments in lieu of leave		1,092	4,451	-	50	79	2,225	(2,146)	-96%	4,451
Long service awards		587	408	-	-	164	204	(40)	-19%	408
Post-retirement benefit obligations		413	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		70,310	84,525	-	8,604	36,904	42,263	(5,359)	-13%	84,525
% increase	4		20.2%							20.2%
Total Parent Municipality		89,654	109,497	-	10,576	46,372	54,749	(8,376)	-15%	109,497
TOTAL SALARY, ALLOWANCES & BENEFITS		89,654	109,497	-	10,576	46,372	54,749	(8,376)	-15%	109,497
% increase	4		22.1%							22.1%
TOTAL MANAGERS AND STAFF		76,666	92,975	-	9,050	39,679	46,487	(6,809)	-15%	92,975

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 - Mid-Year Assessment

Description	Ref	Budget Year 2021/22											2021/22 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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands	1															
Cash Receipts By Source																
Property rates		234	250	1,283	5,489	4,865	372	–	–	–	–	–	(636)	11,856	12,378	12,935
Service charges - electricity revenue													–	–	–	–
Service charges - water revenue													–	–	–	–
Service charges - sanitation revenue													–	–	–	–
Service charges - refuse		11	102	76	16	12	34	–	–	–	–	–	(158)	94	98	102
Rent of facilities and equipment		8	10	11	108	13	29	10	10	10	10	10	10	237	247	258
Interest earned - external investments		13	193	225	161	11	273	212	212	212	212	212	212	2,146	2,240	2,341
Interest earned - outstanding debtors													–	–	–	–
Dividends received													–	–	–	–
Fines, penalties and forfeits		13	18	11	19	17	19	287	287	287	287	287	287	1,817	1,897	1,982
Licences and permits		241	304	240	203	277	181	808	808	808	808	808	808	6,294	6,571	6,866
Agency services													–	–	–	–
Transfers and Subsidies - Operational		78,454	2,530	–	1,456	3,586	62,763	–	–	47,360	–	–	–	196,149	204,456	201,783
Other revenue		1,085	24	1,051	1,374	3,197	3,234	30	30	30	30	30	(9,627)	490	512	535
Cash Receipts by Source		80,059	3,432	2,896	8,825	11,979	66,906	1,346	1,346	48,706	1,346	1,346	(9,105)	219,082	228,398	226,803
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		13,600	–	13,000	–	5,000	13,000	–	–	3,198	–	–	–	47,798	50,523	52,722
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													–	–	–	–
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													–	–	–	–
Total Cash Receipts by Source		93,659	3,432	15,896	8,825	16,979	79,906	1,346	1,346	51,904	1,346	1,346	(9,105)	266,880	278,921	279,525
Cash Payments by Type																
Employee related costs		7,084	7,057	6,938	7,970	6,748	10,576	10,521	10,521	10,521	10,521	10,521	10,521	109,497	114,663	115,364
Remuneration of councillors		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest paid		1	0	1	1	0	0	166	166	166	166	166	166	995	507	507
Bulk purchases - Electricity													–	–	–	–
Acquisitions - water & other inventory		–	26	–	33	100	0	210	210	210	210	210	210	1,417	1,541	1,585
Contracted services		2,571	5,785	3,777	6,447	2,220	2,503	1,766	1,766	1,766	1,766	1,766	638	32,771	37,744	39,467
Grants and subsidies paid - other municipalities								–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other		506	1,546	2,029	2,817	993	441	189	189	189	189	189	(267)	9,010	7,050	7,136
General expenses		5,095	6,608	3,452	10,658	5,243	5,411	476	476	476	476	476	(4,219)	34,631	36,049	37,657
Cash Payments by Type		15,256	21,022	16,197	27,925	15,303	18,930	13,328	13,328	13,328	13,328	13,328	7,047	188,323	197,553	201,716
Other Cash Flows/Payments by Type																
Capital assets		2,797	4,591	7,003	4,119	6,713	4,379	5,018	5,018	5,018	5,018	5,018	5,018	59,708	55,378	57,795
Repayment of borrowing													–	–	–	–
Other Cash Flows/Payments													–	–	–	–
Total Cash Payments by Type		18,053	25,614	23,200	32,044	22,016	23,309	18,346	18,346	18,346	18,346	18,346	12,065	248,031	252,931	259,512
NET INCREASE/(DECREASE) IN CASH HELD																
		75,605	(22,182)	(7,303)	(23,219)	(5,037)	56,597	(17,000)	(17,000)	33,558	(17,000)	(17,000)	(21,170)	18,850	25,990	20,013
Cash/cash equivalents at the month/year beginning:		84,158	159,763	137,581	130,278	107,059	102,022	158,619	141,619	124,619	158,177	141,177	124,177	84,158	103,007	128,998
Cash/cash equivalents at the month/year end:		159,763	137,581	130,278	107,059	102,022	158,619	141,619	124,619	158,177	141,177	124,177	103,007	103,007	128,998	149,011

6.20 Table SC10 Monthly budget statement-municipal entity

KZN271 Umhlabyalingana - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue By Source										
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								-		
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-		-
Expenditure By Type										
Employee related costs								-		
Remuneration of councillors								-		
Debt impairment								-		
Depreciation & asset impairment								-		
Finance charges								-		
Bulk purchases - electricity								-		
Inventory consumed								-		
Contracted services								-		
Transfers and subsidies								-		
Other expenditure								-		
Losses								-		
Total Expenditure		-	-	-	-	-	-	-		-
Surplus/(Deficit)		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)								-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-		-
Taxation								-		
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-		-

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

6.21 Table SC11 Monthly budget statement – municipal entities

KZN271 Umhlabuyalingana - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity										
<i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
Total Operating Revenue	1	-	-	-	-	-	-	-		-
Expenditure By Municipal Entity										
<i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
Total Operating Expenditure	2	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the yr/period		-	-	-	-	-	-	-		-
Capital Expenditure By Municipal Entity										
<i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
Total Capital Expenditure	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 - Mid-Year Assessment

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	5,821	3,934		2,797	2,797	3,934	1,137	28.9%	6%
August	5,821	3,934		2,201	2,201	7,868	5,667	72.0%	5%
September	5,821	3,934		7,003	7,003	11,802	4,799	40.7%	15%
October	5,821	3,934		4,119	4,119	15,736	11,617	73.8%	9%
November	5,821	3,934		4,625	4,625	19,670	15,045	76.5%	10%
December	5,821	3,934		3,379	3,379	23,604	20,225	85.7%	7%
January	5,821	3,934		–		27,538	–		
February	5,821	3,934		–		31,472	–		
March	5,821	3,934		–		35,406	–		
April	5,821	3,934		–		39,340	–		
May	5,821	3,934		–		43,274	–		
June	5,821	3,934		–		47,208	–		
Total Capital expenditure	69,854	47,208	–	24,124					

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 - Mid-Year

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		17,483	30,170	–	3,222	18,502	15,085	(3,417)	-22.7%	30,170
Roads Infrastructure		17,483	30,170	–	3,222	18,502	15,085	(3,417)	-22.7%	30,170
Roads		17,483	30,170	–	3,222	18,502	15,085	(3,417)	-22.7%	30,170
Road Structures								–		
Road Furniture								–		
Capital Spares								–		
Community Assets		35,472	10,500	–	–	2,943	5,250	2,307	43.9%	10,500
Community Facilities		35,472	10,500	–	–	2,943	5,250	2,307	43.9%	10,500
Halls		33,541	6,500	–	–	2,712	3,250	538	16.6%	6,500
Centres		–	4,000	–	–	232	2,000	1,768	88.4%	4,000
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		–	–	–	–	–	–	–		–
Galleries		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Libraries		–	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		888	–	–	–	–	–	–		–
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		–	–	–	–	–	–	–		–
Markets		1,043	–	–	–	–	–	–		–
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Other assets		–	1,808	–	–	–	904	904	100.0%	1,808
Operational Buildings		–	1,808	–	–	–	904	904	100.0%	1,808
Municipal Offices			1,808				904	904	100.0%	1,808
Pay/Enquiry Points								–		
Building Plan Offices								–		
Workshops								–		
Yards								–		
Stores								–		
Laboratories								–		
Training Centres								–		
Manufacturing Plant								–		
Depots								–		
Capital Spares								–		

<u>Intangible Assets</u>		-	1,068	-	-	-	534	534	100.0%	1,068
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	1,068	-	-	-	534	534	100.0%	1,068
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	1,068	-	-	-	534	534	100.0%	1,068
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		-	300	-	-	18	150	132	88.1%	300
Computer Equipment		-	300	-	-	18	150	132	88.1%	300
<u>Furniture and Office Equipment</u>		-	523	-	157	157	261	104	39.9%	523
Furniture and Office Equipment		-	523	-	157	157	261	104	39.9%	523
<u>Machinery and Equipment</u>		-	2,318	-	-	1,994	1,159	(835)	-72.1%	2,318
Machinery and Equipment		-	2,318	-	-	1,994	1,159	(835)	-72.1%	2,318
<u>Transport Assets</u>		-	523	-	-	509	261	(248)	-94.9%	523
Transport Assets		-	523	-	-	509	261	(248)	-94.9%	523
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	52,956	47,208	-	3,379	24,124	23,604	(520)	-2.2%	47,208

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

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-		-
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								-		
Rail Infrastructure		-	-	-	-	-	-	-		-
Rail Lines								-		
Rail Structures								-		
Rail Furniture								-		
Drainage Collection								-		
Storm water Conveyance								-		
Attenuation								-		
MV Substations								-		
LV Networks								-		
Capital Spares								-		
Coastal Infrastructure		-	-	-	-	-	-	-		-
Sand Pumps								-		
Piers								-		
Revetments								-		
Promenades								-		
Capital Spares								-		
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
Data Centres								-		
Core Layers								-		
Distribution Layers								-		
Capital Spares								-		
Community Assets		-	-	-	-	-	-	-		-

Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	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 - Mid-

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		4,826	3,658	-	-	4,914	1,829	(3,085)	-168.7%	3,658
Roads Infrastructure		4,826	3,658	-	-	4,914	1,829	(3,085)	-168.7%	3,658
Roads		-	3,658	-	-	4,914	1,829	(3,085)	-168.7%	3,658
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		4,826	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Other assets		-	784	-	167	1,046	392	(654)	-166.9%	784
Operational Buildings		-	784	-	167	1,046	392	(654)	-166.9%	784
Municipal Offices		-	784	-	167	1,046	392	(654)	-166.9%	784
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		52	99	-	-	1	50	48	97.2%	99
Computer Equipment		52	99	-	-	1	50	48	97.2%	99
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		287	460	-	-	162	230	68	29.4%	460
Machinery and Equipment		287	460	-	-	162	230	68	29.4%	460
Transport Assets		-	679	-	-	-	340	340	100.0%	679
Transport Assets		-	679	-	-	-	340	340	100.0%	679
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	5,165	5,680	-	167	6,123	2,840	(3,283)	-115.6%	5,680

6.26 Table Monthly budget statement – depreciation by asset class

KZN271 Umhlabuyalingana - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		15,957	14,767	-	1,259	12,576	7,384	(5,192)	-70.3%	14,767
Roads Infrastructure		15,381	10,173	-	1,213	12,116	5,087	(7,029)	-138.2%	10,173
Roads		15,381	9,990	-	1,213	12,116	4,995	(7,120)	-142.5%	9,990
Road Structures		-	183	-	-	-	91	91	100.0%	183
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	303	-	-	-	152	152	100.0%	303
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	303	-	-	-	152	152	100.0%	303
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		575	4,291	-	46	460	2,146	1,685	78.5%	4,291
Landfill Sites		516	3,921	-	41	412	1,961	1,549	79.0%	3,921
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		59	370	-	5	49	185	136	73.7%	370
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		4,662	4,020	-	328	3,285	2,010	(1,275)	-63.4%	4,020
Community Facilities		3,358	2,744	-	232	2,319	1,372	(947)	-69.0%	2,744
Halls		-	-	-	-	-	-	-	-	-
Centres		2,072	1,850	-	173	1,731	925	(806)	-87.1%	1,850
Crèches		23	31	-	2	19	16	(3)	-21.5%	31
Clinics/Care Centres		29	32	-	2	24	16	(8)	-47.0%	32
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	80	-	-	-	40	40	100.0%	80
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Puris		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		1,234	750	-	55	545	375	(170)	-45.4%	750
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		1,304	1,276	-	97	966	638	(328)	-51.4%	1,276
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		1,304	1,276	-	97	966	638	(328)	-51.4%	1,276
Capital Spares		-	-	-	-	-	-	-	-	-

Other assets		1,297	1,172	-	107	1,066	586	(480)	-81.9%	1,172
Operational Buildings		1,297	1,172	-	107	1,066	586	(480)	-81.9%	1,172
Municipal Offices		1,297	1,172	-	107	1,066	586	(480)	-81.9%	1,172
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Intangible Assets		337	512	-	26	263	256	(7)	-2.8%	512
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		337	512	-	26	263	256	(7)	-2.8%	512
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		337	512	-	26	263	256	(7)	-2.8%	512
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		387	470	-	24	235	235	0	0.0%	470
Computer Equipment		387	470	-	24	235	235	0	0.0%	470
Furniture and Office Equipment		147	400	-	11	100	200	100	50.1%	400
Furniture and Office Equipment		147	400	-	11	100	200	100	50.1%	400
Machinery and Equipment		1,076	406	-	84	653	203	(450)	-221.4%	406
Machinery and Equipment		1,076	406	-	84	653	203	(450)	-221.4%	406
Transport Assets		839	1,279	-	68	694	640	(55)	-8.6%	1,279
Transport Assets		839	1,279	-	68	694	640	(55)	-8.6%	1,279
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Depreciation	1	24,701	23,027	-	1,907	18,871	11,513	(7,358)	-63.9%	23,027

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	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing	1	-	-	-	-	-	-	-	-	-

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, 6 million when compared to last year balance which was 54, 4 million.

This balance is made up of the following breakdown:

- Property rates debtors owes R51,3 million
- Refuse removal debtors owes R1,4 million
- Rental debtors owes R750 thousand
- Interest on outstanding debts amounts to R1,1 million

Government debtors balance at mid-year is R25,5 million, Business and commercial debtors balance is R28,7 million residential debtors balance is R322 thousand

KZN271 Umhlabuyalingana - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.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		
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	1,849	(915)	(1,822)	838	838	804	3,667	46,121	51,380	52,268	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	56	37	37	37	37	37	224	946	1,410	1,280	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	39	39	2	24	24	24	165	433	750	670	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	458	647	1,105	1,105	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	1,944	(839)	(1,783)	899	899	865	4,514	48,146	54,645	55,323	-	-
2020/21 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1,283	(1,336)	(2,227)	435	435	435	1,157	25,360	25,543	27,823	-	-
Commercial	2300	657	493	462	460	459	426	3,328	22,500	28,784	27,173	-	-
Households	2400	3	3	3	3	3	3	23	278	322	312	-	-
Other	2500	1	1	(22)	1	1	1	6	8	(4)	16	-	-
Total By Customer Group	2600	1,944	(839)	(1,783)	899	899	865	4,514	48,146	54,645	55,323	-	-

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 - Mid-Year Assessment

Description	NT Code	Budget Year 2021/22									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	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	4,570	(233)	(459)	1,530	37	(222)	62	(162)	5,121	(3,689)
Auditor General	0800	477	-	-	-	-	-	-	-	477	-
Other	0900	(879)	323	(1,489)	2,670	(259)	440	59	35	902	(7,576)
Total By Customer Type	1000	4,168	90	(1,947)	4,200	(222)	218	121	(127)	6,500	(11,265)

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 R18,5 million and the balance for prior year was R14, 1 million.

Although there is an increase in our short term deposits accounts but the municipality can still invest other unused funds and increase its revenue by getting more money from interest on investments accounts.

KZN271 Umhlabuyalingana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

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 *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FNB - 74275256516		Months	Call account	No	Variable		n/a		30 June 2022	5,277	106			5,383
NEDBANK - 28702097		Months	Call account	No	Variable		n/a		30 June 2022	38	0			38
FNB - 74622621601		Months	Call account	No	Variable		n/a		30 June 2022	7,726	155			7,881
STD Bank - 068824491		Months	Call account	No	Variable		n/a		30 June 2022	21	0			21
FNB - 62266899825		Months	Call account	No	Variable		n/a		30 June 2022	1,375	13			1,388
FNB - 62424086785		Months	Call account	No	Variable		n/a		30 June 2022	2,007	31			2,039
FNB - 62055161146		Months	Call account	No	Variable		n/a		30 June 2022	2,004	19	(1,291)	1,096	1,828
Municipality sub-total										18,448		(1,291)	1,096	18,578
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									18,448		(1,291)	1,096	18,578

2.4 Allocation of grant received and expenditure on grants.

- The budget of the municipality is funded by grants including equitable share of which they fund 88% of the budget and the remaining 12% is funded by own revenue.
- Capital grants funding for capital expenditure is 80% of the total capital budget
- Operation revenue funding capital expenditure is 20% of the total capital budget.

- This is an indication that our municipality is grant dependent and it needs to improve in getting other revenue streams to fund its budget for operations and capital projects going forward.

KZN271 Umhlabuyalingana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		100	193,354	-	62,763	145,754	96,677	49,077	50.8%	193,354
EPWP Incentive		-	1,759	-	-	1,231	880	352	40.0%	1,759
Finance Management		100	1,850	-	-	1,850	925	925	100.0%	1,850
Municipal Infrastructure Grant		-	1,456	-	-	1,456	728	728	100.0%	1,456
Local Government Equitable Share			188,289	-	62,763	141,217	94,145	47,073	50.0%	188,289
	3							-		
								-		
								-		
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		162	2,795	-	-	2,795	1,398	1,398	100.0%	2,795
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts			1,871	-	-	1,871	936	936	100.0%	1,871
KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts			924	-	-	924	462	462	100.0%	924
	4	-	-	-	-	-	-	-		-
		162	-	-	-	-	-	-		-
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Operating Transfers and Grants	5	262	196,149	-	62,763	148,549	98,075	50,475	51.5%	196,149
Capital Transfers and Grants										
National Government:		706	47,798	-	13,000	40,144	23,899	-		47,798
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant (MIG)		-	35,298	-	13,000	29,544	17,649			35,298
Integrated National Electrification Programme Grant		706	12,500	-	-	10,600	6,250			12,500
								-		
								-		
								-		
Other capital transfers [insert description]								-		
Provincial Government:		907	-	-	-	3,000	-	3,000	#DIV/0!	-
KwaZulu-Natal_Capacity Building and Other_Capacity Building and Other_Rd		907	-	-	-	3,000	-	3,000	#DIV/0!	-
								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Capital Transfers and Grants	5	1,613	47,798	-	13,000	43,144	23,899	3,000	12.6%	47,798
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1,876	243,947	-	75,763	191,693	121,974	53,475	43.8%	243,947

KZN271 Umhlabuyalingana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		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:		-	193,354	-	15,835	100,472	95,375	5,098	5.3%	193,354
EPWP Incentive			1,759		-	1,759	440	1,319	300.0%	1,759
Finance Management			1,850		34	751	427	324	76.0%	1,850
Municipal Infrastructure Grant			1,456		29	293	364	(71)	-19.5%	1,456
Local Government Equitable Share			188,289	-	15,772	97,670	94,145	3,525	3.7%	188,289
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	2,795	-	292	1,802	1,398	404	28.9%	2,795
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts			1,871		160	1,093	936	157	16.8%	1,871
KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts			924		132	709	462	247	53.5%	924
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	196,149	-	16,128	102,274	96,772	5,502	5.7%	196,149
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-		-
								-		
								-		
								-		
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-		-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	196,149	-	16,128	102,274	96,772	5,502	5.7%	196,149

2.5 Councilor allowances and employee benefits

Councilor's remuneration/ allowances and employee related expenditure is 35% of the total operating expenditure as at 31 December 2021. Remuneration of councilor's expenditure is 19% 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 2022 after the approval of the MEC for local government.

Employee related costs expenditure is 15% below the year to date expenditure for mid-year because there were vacancies that were filled in November and other are still vacant till today which then contributes to the reduction of expenditure incurred by mid-year.

KZN271 Umhlabuyalingana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration R thousands	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8,580	10,873	–	828	4,415	5,437	(1,022)	-19%	10,873
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	2,493	–	–	–	1,247	(1,247)	-100%	2,493
Cellphone Allowance		1,549	2,025	–	256	811	1,012	(201)	-20%	2,025
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		2,860	1,131	–	443	1,468	566	902	160%	1,131
Sub Total - Councillors		12,988	16,523	–	1,526	6,694	8,261	(1,568)	-19%	16,523
% increase	4		27.2%							27.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,214	5,319	–	333	2,131	2,659	(529)	-20%	5,319
Pension and UIF Contributions		113	397	–	8	11	199	(187)	-94%	397
Medical Aid Contributions		32	132	–	–	–	66	(66)	-100%	132
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		443	460	–	–	–	230	(230)	-100%	460
Motor Vehicle Allowance		707	828	–	56	333	414	(81)	-20%	828
Cellphone Allowance		122	143	–	10	58	71	(14)	-19%	143
Housing Allowances		513	538	–	36	219	269	(50)	-19%	538
Other benefits and allowances		52	71	–	4	24	35	(12)	-34%	71
Payments in lieu of leave		161	562	–	–	–	281	(281)	-100%	562
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		6,356	8,449	–	446	2,775	4,225	(1,450)	-34%	8,449
% increase	4		32.9%							32.9%
Other Municipal Staff										
Basic Salaries and Wages		48,111	52,605	–	4,007	24,733	26,303	(1,569)	-6%	52,605
Pension and UIF Contributions		5,729	8,973	–	499	2,933	4,487	(1,553)	-35%	8,973
Medical Aid Contributions		2,483	4,173	–	209	1,273	2,086	(813)	-39%	4,173
Overtime		2,445	3,891	–	184	1,136	1,946	(810)	-42%	3,891
Performance Bonus		3,128	4,157	–	3,129	3,129	2,079	1,051	51%	4,157
Motor Vehicle Allowance		3,672	3,360	–	308	1,797	1,680	117	7%	3,360
Cellphone Allowance		980	991	–	78	475	496	(21)	-4%	991
Housing Allowances		109	259	–	9	54	130	(75)	-58%	259
Other benefits and allowances		1,562	1,256	–	132	1,129	628	501	80%	1,256
Payments in lieu of leave		1,092	4,451	–	50	79	2,225	(2,146)	-96%	4,451
Long service awards		587	408	–	–	164	204	(40)	-19%	408
Post-retirement benefit obligations	2	413	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		70,310	84,525	–	8,604	36,904	42,263	(5,359)	-13%	84,525
% increase	4		20.2%							20.2%
Total Parent Municipality		89,654	109,497	–	10,576	46,372	54,749	(8,376)	-15%	109,497
TOTAL SALARY, ALLOWANCES & BENEFITS		89,654	109,497	–	10,576	46,372	54,749	(8,376)	-15%	109,497
% increase	4		22.1%							22.1%
TOTAL MANAGERS AND STAFF		76,666	92,975	–	9,050	39,679	46,487	(6,809)	-15%	92,975

2.6 Material variances to the service delivery and budget implementation plan

KZN271 Umhlabuyalingana - Supporting Table SC1 Material variance explanations - Mid-Year Assessment

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
	Property rates	27%	Property rates revenue raised is more than the projected budget for	It will be corrected in the adjustment budget
	Service charges-Refuse removal	199%	Refuse removal revenue raised is more than the projected budget for	It will be corrected in the adjustment budget
	Interest on outstanding debtors	-100%	Revenue raised from interest on outstanding debtors is not charged because there is a resolution taken by council not to charge interest as	
	Fines, penalties and forfeits	-67%	Revenue raised from Fines is less than the projected budget for this period because there is a backlog in the capturing of traffic fines from tr	
	Licences and permits	-54%	Revenue raised from licences and permits is less than the projected budget	It will be corrected in the adjustment budget
	Transfers and subsidies	49%	Revenue raised from grants is more than the projected budget for this period because of the EQS grant received in July and December	
	Other revenue	32%	Other revenue is more than the projected budget because of tender	It will be corrected in the adjustment budget
2	Expenditure By Type			
	Employee related costs	-15%	Employee related costs is less than the projected budget for this period because there are vacancies not filled	
	Councillors remuneration	-19%	Councillors remuneration expenditure is less than the projected budget expenditure for this period because upper limits have not been imp	
	Debt impairment	-100%	Debt impairment has not been calculated yet	
	Depreciation and asset impairment	57%	Depreciation is 57% more than the projected budget for this period but it will be corrected in the adjustment budget	
	Finance charges	-100%	Finance charges is 100% below the projected budget because finance costs relating to landfill sites has not been calculated yet	
	Inventory consumed	-77%	Inventory consumed is 77% less than the projected budget for this period because there is a backlog in the processing of inventory issued	
	Contracted services	42%	Contracted services is 42% more than the projected budget for this period	It will be investigated and monitored so that there will be no overspen
	Transfers and subsidies	85%	Transfers and subsidies is 85% more than the projected budget for this period	It will be investigated and monitored so that there will be no overspen
	Other expenditure	116%	Other expenditure is 116% more than the projected budget for this period	It will be investigated and monitored so that there will be no overspen
3	Capital Expenditure			
	Governance and administration	27%	Governance and admin is 27% more than the projected budget because our budget projections are done over 12 months equally but pro	
	Community and public safety	-53%	Community is 53% less than the projected budget for this period because other projects (community halls) have not been implemented yet	
	Economic and environmental services	23%	Economic and environmental services is more than the projected budget because other roads projects have been fast tracked and constru	
4	Financial Position			
5	Cash Flow			
6	Measureable performance			
7	Municipal Entities			

2.7 Financial performance

The municipality has recognized total operating revenue of R161,2 million as at 31 December 2021, 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 R134,3 million has been recognized as at 31 December 2021. Capital transfers of R21,4 million has been recognized as at 31 December 2021. The municipality has recognized a surplus of R48,3 as at 31 December 2021.

Operating revenue is 41% above the projected budget at mid-year because of equitable share grant that has been received in July and December to the amount of R141,2 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 24% above the projected budget at mid-year because most operational projects were implemented in the beginning of the financial or in quarter 1 and 2 of the financial year . 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) - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		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		22,943	18,241		1,919	11,542	9,120	2,422	27%	18,241
Service charges - electricity revenue		-	-				-	-		-
Service charges - water revenue		-	-				-	-		-
Service charges - sanitation revenue		-	-				-	-		-
Service charges - refuse revenue		624	209		52	312	104	208	199%	209
Rental of facilities and equipment		395	395		34	203	197	6	3%	395
Interest earned - external investments		1,996	2,146		273	1,092	1,073	19	2%	2,146
Interest earned - outstanding debtors		(1,171)	968		-	-	484	(484)	-100%	968
Dividends received		-	-				-	-		-
Fines, penalties and forfeits		1,052	3,327		-	542	1,663	(1,121)	-67%	3,327
Licences and permits		3,238	6,294		181	1,446	3,147	(1,701)	-54%	6,294
Agency services		-	-				-	-		-
Transfers and subsidies		224,415	196,149		63,118	145,822	98,075	47,747	49%	196,149
Other revenue		499	467		18	308	233	75	32%	467
Gains		(845)	-				-	-		-
Total Revenue (excluding capital transfers and contributions)		253,146	228,193	-	65,595	161,267	114,097	47,171	41%	228,193
Expenditure By Type										
Employee related costs		76,666	92,975		9,050	39,679	46,487	(6,809)	-15%	92,975
Remuneration of councillors		12,988	16,523		1,526	6,694	8,261	(1,568)	-19%	16,523
Debt impairment		9,066	3,945		-	-	1,972	(1,972)	-100%	3,945
Depreciation & asset impairment		24,730	24,016		1,907	18,871	12,008	6,863	57%	24,016
Finance charges		17	995		0	2	498	(496)	-100%	995
Bulk purchases - electricity		-	-		-	-	-	-		-
Inventory consumed		3,297	1,417		0	160	709	(549)	-77%	1,417
Contracted services		50,072	32,771		2,503	23,302	16,386	6,916	42%	32,771
Transfers and subsidies		13,624	9,010		441	8,331	4,505	3,826	85%	9,010
Other expenditure		48,771	34,631		5,598	37,327	17,316	20,011	116%	34,631
Losses		0	-		-	-	-	-		-
Total Expenditure		239,231	216,283	-	21,025	134,365	108,142	26,223	24%	216,283
Surplus/(Deficit)		13,915	11,910	-	44,570	26,902	5,955	20,948	0	11,910
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		47,759	35,298		3,869	21,445	17,649	3,796	0	35,298
Transfers and subsidies - capital (monetary allocations) (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		61,674	47,208	-	48,439	48,348	23,604			47,208
Taxation								-		
Surplus/(Deficit) after taxation		61,674	47,208	-	48,439	48,348	23,604			47,208
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		61,674	47,208	-	48,439	48,348	23,604			47,208
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		61,674	47,208	-	48,439	48,348	23,604			47,208

2.8 Capital program performance

Total capital expenditure as at 31 December 2021 is R24,1 million. The municipality has spent R18,5 million on road projects, R2,7 million on construction of community halls and R2,9million on other assets.

KZN271 Umhlabuyalingana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Finance and Admin		-	-	-	-	-	-	-		-
Vote 2 - Executive and Council		-	-	-	-	-	-	-		-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 4 - Internal Audit		-	-	-	-	-	-	-		-
Vote 5 - Waste Management		-	-	-	-	-	-	-		-
Vote 6 - Energy Sources		-	-	-	-	-	-	-		-
Vote 7 - Planning and Development		-	-	-	-	-	-	-		-
Vote 8 - Public Safety		-	-	-	-	-	-	-		-
Vote 9 - Roads		-	-	-	-	-	-	-		-
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 1 - Finance and Admin		(174,400)	4,588	-	157	2,910	2,294	616	27%	4,588
Vote 2 - Executive and Council		-	-	-	-	-	-	-		-
Vote 3 - Community and Social Services		(10,847)	11,500	-	-	2,712	5,750	(3,038)	-53%	11,500
Vote 4 - Internal Audit		-	-	-	-	-	-	-		-
Vote 5 - Waste Management		(9,786)	950	-	-	-	475	(475)	-100%	950
Vote 6 - Energy Sources		(0)	-	-	-	-	-	-		-
Vote 7 - Planning and Development		(26,323)	-	-	-	-	-	-		-
Vote 8 - Public Safety		-	-	-	-	-	-	-		-
Vote 9 - Roads		(13,273)	30,170	-	3,222	18,502	15,085	3,417	23%	30,170
Vote 10 - Sports and Recreation		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	(234,630)	47,208	-	3,379	24,124	23,604	520	2%	47,208
Total Capital Expenditure		(234,630)	47,208	-	3,379	24,124	23,604	520	2%	47,208
Capital Expenditure - Functional Classification										
Governance and administration		(174,400)	4,588	-	157	2,910	2,294	616	27%	4,588
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		(174,400)	4,588	-	157	2,910	2,294	616	27%	4,588
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		(49,277)	11,500	-	-	2,712	5,750	(3,038)	-53%	11,500
Community and social services		(10,674)	11,500	-	-	2,712	5,750	(3,038)	-53%	11,500
Sport and recreation		(37,331)	-	-	-	-	-	-		-
Public safety		(404)	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		(869)	-	-	-	-	-	-		-
Economic and environmental services		(39,596)	30,170	-	3,222	18,502	15,085	3,417	23%	30,170
Planning and development		(26,323)	-	-	-	-	-	-		-
Road transport		(13,273)	30,170	-	3,222	18,502	15,085	3,417	23%	30,170
Environmental protection		-	-	-	-	-	-	-		-
Trading services		(9,786)	950	-	-	-	475	(475)	-100%	950
Energy sources		(0)	-	-	-	-	-	-		-
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		(9,786)	950	-	-	-	475	(475)	-100%	950
Other		(23,659)	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	(296,719)	47,208	-	3,379	24,124	23,604	520	2%	47,208
Funded by:										
National Government		(22,516)	35,298	-	3,222	18,734	17,649	1,085	6%	35,298
Provincial Government		(1,818)	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Enterprises and other Educational Institutions)		-	-	-	-	-	-	47		-
Transfers recognised - capital		(24,334)	35,298	-	3,222	18,734	17,649	1,085	6%	35,298
Borrowing		-	-	-	-	-	-	-		-
Internally generated funds		(272,385)	11,910	-	157	5,390	5,955	(565)	-9%	11,910
Total Capital Funding		(296,719)	47,208	-	3,379	24,124	23,604	520	2%	47,208

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 was 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. As we continue dealing with COVID 19 challenges even in the current financial year of 2021/2022 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 by ensuring that we implement our system and procedure effectively.

Revenue Management

The revenue base of the municipality is mainly carried by Grants and 12% of own revenue to implement service delivery services and projects within the area of uMhlabyalingana 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 issue 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. We had projected that we will collect 65% of the total budget for property rates. As at 31 December 2021 we have actually collected 68% of the property rates budget. 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 3%. It was projected that in 6 months we will collect 50% of the target collection as per (B Schedule –SB15). Management must investigate why there is a low collection for the past 2-3 years in this revenue stream and come up with other plans to improve revenue generation and collection going forward.

Business Licensing

There is a very low collection rate for this category of revenue. Collection is at 23% of the budget estimate. The basis of the expected income through business licensing is dependent on both the Supplementary Valuation Roll (SVR); including both the new and existing businesses that do not currently appear on the Supplementary Valuation Roll (SVR). Non-compliance with the business licensing requirements as set on the Business Act is the main challenge of not maximizing the collection of revenue in business licensing from a few number of applications being received and that gets approved as most of them they fail to meet critical requirements. Interventions are being initiated since the development of the business licensing by-laws, of which, public participations have been conducted to all three key economic nodes as part of the gazette process which was finalized in the in 2016-17 financial year. Above that, notices

have been served to businesses and to operators advising them to apply for business licenses with the requirements checklist attached for ease of reference.

Market Stalls (Manguzi Town)

This is one of the municipal revenue enhancement structures whereby rental is specifically used as a revenue collection to the municipality. Target was that we will collect 50% on market stalls by end of 6 months, but the actual collection is 45% of the target of which we have not achieved our target.

Cash Flow Projections

Cash flow projections reflects a positive cash position of the municipality, the cash balance at mid-year is R158, 6 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, 6 million when compared to last year balance of R 53, 4 million, This balance is made up of the following breakdown:

- Property rates debtors owes R51,3 million
- Refuse removal debtors owes R1,4 million
- Rental debtors owes R750 thousand
- Interest on outstanding debts amounts to R1,1 million

Government debtors balance at mid-year is R25,5 million, Business and commercial debtors balance is R28,7 million residential debtors balance is R322 thousand

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 18,5 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 14,1 million.

Borrowings

The municipality does not have borrowings.

Fruitless and Wasteful Expenditure

As at 31 December 2021 there is an amount of R1 980 disclosed as fruitless and wasteful in the books of the municipality which relates to late payment of Eskom and Telkom accounts.

Irregular Expenditure

Irregular expenditure reported as at 31 December 2021 is R7 349009.66 relating to the appointment of security services and internal audit services.

Allocation of grant received and expenditure on grants

- The budget of the municipality is funded by grants of which they fund 88% of the budget and the remaining 12% is funded by own revenue.

- Capital grants funding capital expenditure is 80% of the capital budget

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 51% of the budget for 2021-2022 financial year.

Supply Chain Management

An annual procurement plan for the 2021/2022 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 R60 492 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 and radio slots to the community radio station.

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 1st of July 2017 meeting the compliance date for the implementation of MSCOA. IDP, BUDGET and SDBIP all of them are MSCOA compliant.

We are transacting on the Sage Evolution system which is mSCOA compliant supported by CCG Systems. 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.

Mbazwana Landfill Sites has been illegal closed by the surrounding community members due to alleged poor management of the site that result from inadequate funding of our landfill site. The municipality held a number of meetings trying to resolve the matter with no success. The municipality is considering the legal route to open the above mentioned site.

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. No enforcement officers appointed to enforce by-laws.

Waste Disposal

The disposal of solid waste is only taking place in Manguzi Landfill Sites.

Library Services

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 the 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 Mseleni library has a limited space. As a result of that we provide limited services. We have lodged the application to KZN Department of Arts and Culture (KZNDAC) for a Modular Library.

Our target is that all schools that are within 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. We have applied for two additional libraries from KZNDAC.

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

Traffic Law Enforcement 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. The unit recently received the R2, 5 MILLION state of art

equipment to improve its enforcement and community safety. There is an increase in the traffic within our roads however the limited number of traffic officers. The challenges in the traffic revenue collection.

Disaster Risk Management (incorporating Fire and Rescue 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. During the Covid 19 pandemic, our unit provided the fumigation services to community to curb the spread. The Umhlabuyalingana Municipality vast area. According to relevant ISO standards, the municipality need about 5 fire stations, each station to operate and cover the area within a radius 25km from the said fire station. No proper fire station has been built by municipality. Although the municipality recently bought a well -equipped state of the art, the shortage of equipment and personnel are still a main challenge.

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. The term of ward committees ended in October 2021 following the municipal election held on the 01 November 2021. The municipality in the process to establish ward committees in 20 ward following municipal election.

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 second quarter during the Festive (December) holidays. The municipality was in the process of rehabilitating the Tourism Information office in Mbazwana that was handed over by UMkhanyakude District Municipality where Tourism services within the area will be marketed, but unfortunately during

the June/July Unrests, it was burnt down. The municipality has written to the department of EDTEA to assist in rebuilding the Centre and is awaiting a positive response.

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.

The Municipality has in the current financial year assisted in the registration of Cooperatives and further assisted in allocating each registered co-orp with startup material worth R100 000 . SMMEs dealing with tourism have also received a one-week training by SEDA where they were given achievement certificates. A Three Days Business summit was also conducted by the municipality and supported by SALGA to all Umhlabuyalingana SMMEs where the content of the training programme was mainly:

- New venture opportunities and compliance
- Managing operation
- Managing finances

Business licensing and informal trading by-laws enforcement

The Business licensing and informal trading by-laws were approved by the municipal council and were gazetted in 2017. An integrated compliance regulatory forum which was formulated by EDTEA and includes various sector departments is currently conducting 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 four 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 in 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

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.

Single land use scheme (Wall to Wall scheme)

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

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. The scheme was adopted by in 2018

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 (+5 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 is now fully operational in line with SPLUMA guidelines. 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, shopping centre in Maguzi, 3 petrol filling stations within the Municipality jurisdiction and 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.

Building Control

Umhlabyalingana municipality follows the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977) when inspecting erected structures within their jurisdiction and accessing building plans. The Act states that

Local authorities are responsible for the administration of the National Building Regulations, and control the on-site activities on construction projects.

As from July 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 uMhlabyalingana 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 to disseminate the information.

Internal Audit

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 2021/2022 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 2022/2023 IDP process plan in August 2021. 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 uMhlabyalingana municipality remains within the medium range. The process is at its medium stage in terms of maturity and efforts still to be strengthened to improve the culture of risk management within the municipality. The municipality is currently sitting at 3.9 maturity level.

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 twice as at mid-year term (06/10/2021, 29/11/2021).

CORPORATE SERVICES DEPARTMENT

The Department has given full supporting 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 review 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.

In the second quarter, the Department embarked on focusing on grey areas identified in Quarter 1 (Cascading of Individual Performance Management System). There was workshop that was successfully organized on 05 October 2021, attended by the management where there was IPMS Specialist, Mr Jantjies Executive Director: Corporate Services from Mossel Bay Municipality who took the management on 21 key steps for successful implementation of IPMS. This led to draft IPMS Policy, implementation plan and proposal to have a committee nominated to oversee the implementation.

Second quarter focused on giving support to new Council, after the elections were declared and there was new Council in November 2021 with the first sitting of Council on 22 November 2021 and second on 24 November 2021. The Council committees were established and approved by Council on its sitting on 03rd December 2021. Subsequent to this the Council had an induction session held on 07-10 December 2021 which was the first step in ensuring that the Council is capacitated to play its oversight role.

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.

Staff Complement and filling of vacancies in the first two quarters (Mid- Year) :

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 122 positions as per approved organogram and 6 vacant positions. The following positions were filled during the second quarter: 1. Manager (Finance), 2. Manager (Budget and Reporting), 3. Manager: Social Services 4. Senior Technician and 5. Budget Officer.

Minimum Treasury Requirements:

The UMhlabuyalingana Local Municipality has 4 Senior Managers, out of which 3 are filled and Director Planning, LED and Infrastructure Development is vacant and the recruitment process is currently underway. The following positions are filled namely, Municipal Manager (Head of Administration), Director Corporate Services, Chief Financial Officer and Director Community Services. 3 Senior Managers have undergone Minimum Treasury Requirements. There are currently 4 Deputy Directors and 3 are attending Municipal Finance Management Programme (MFMP) 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 2021 as there was an outstanding Library Section which was unaudited. This has been implemented. 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.

Filling of critical vacancy of Director Planning, LED and Infrastructure Development which there is significant slow progress.

Appointment of service provider to assist in Cascading of IPMS, the specialist upon giving analyses emphasized that for the proper implementation there must be system and service provider to assist in implementation and cascading.

ORGANISATIONAL SCORECARD-ANNEXURE

KPA	Total Number of KPI's for Q1 and Q 2	Targets achieved	Targets Not achieved	%
Municipal Transformation and Institutional Development	6	2	4	33%
Basic service delivery and infrastructure development	20	15	5	75%
Financial viability and financial management	3	2	1	67%
Good Governance, Public Participation	3	1	2	33%
Cross Cutting Interventions	0	0	0	0%
Social and Economic Development	2	2	0	100%
Total	34	22	12	65%

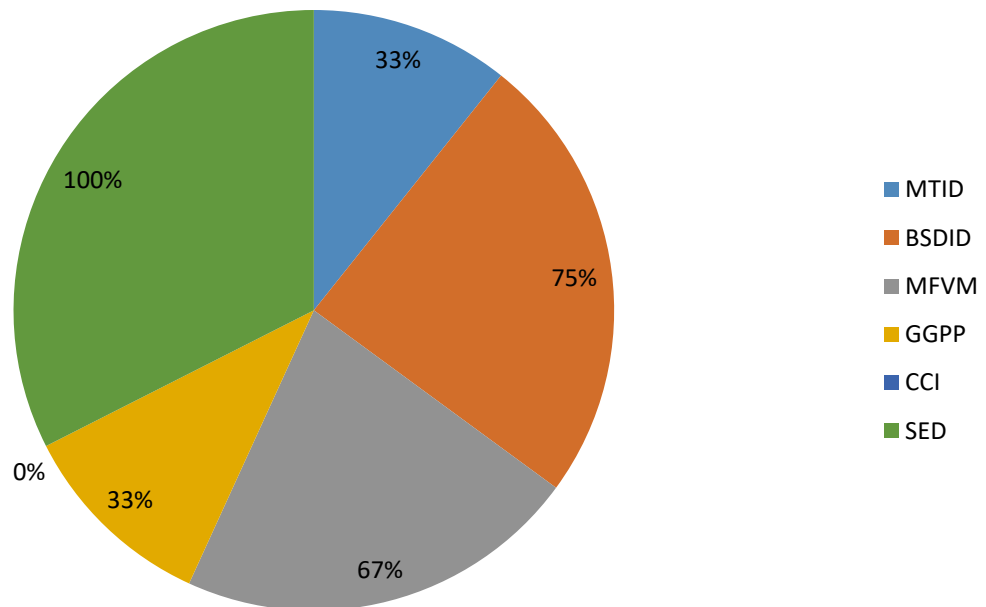
Notwithstanding the challenges of the structure of the SDBIP including reports from the departments, the above table reflects the performance level of 34 targets achieved against the Midyear total targets of 22 which translates to 65%.

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 2021/2022 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.

COST CONTAINMENT MEASURES

Cost Containment In-Year Report Measures							
Measures	Budget	Q1	Q2	Q3	Q4	Total	Savings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Use of consultants	7,017,991	2,016,495	1,175,487			3,191,982	3,826,009
Vehicle used for political office-bearers	261,250	-	-	-	-	-	261,250
Travel and Subsistence	1,382,750	337,209	474,984	-	-	812,193	570,557
Domestic Accommodation	1,566,177	467,260	10,678	-	-	477,938	1,088,239
Communication	156,750	-	-	-	-	-	156,750
Security services	11,051,461	3,009,044	2,442,957				
Maintenance	5,888,525	3,515,974	621,102			4,137,076	1,751,449
Total	27,324,904	9,345,982	4,725,208	-	-	8,619,189	7,654,254

The above table shows cost containment measures implemented by the municipality in the second quarter of 2021/2022

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: _____