

(S80) PORTFOLIO: FINANCIAL SERVICES (463)	:	22.11.2022
E C (15910)	:	23.11.2022
U M C (15910)	:	23.11.2022
AUDIT COMMITTEE (841)	:	09.12.2022
		(5/1/1 – 2022/23)

ITEM 841**FINANCIAL REPORT AS AT 31 OCTOBER 2022**

This report served before the Financial Services Portfolio Committee, Executive Committee and Council. The report was noted.

PURPOSE

To submit for noting the financial position of the uMhlathuze Municipality as at 31 October 2022 as required in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003).

IDP STRATEGY AND OBJECTIVES

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT			
GOALS	OBJECTIVES	STRATEGIES	
5.1 Sound Financial and Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliance	
		5.1.1.2 mSCOA compliant	
		5.1.1.3 Review of all financial related policies	
		5.1.1.4 Compliance with all MFMA and related local government financial legislation	
	5.2.1 Sustainable Financial and supply chain Management	5.2.1.1 Provide continuous Internal Communication on Budget and Financial Management matters	5.2.1.2 Asset Accounting Management
			5.2.1.3 Accurate and timeous billing and receipting of revenue
			5.2.1.4 Apply Adequate Internal controls
			5.2.1.5 Demand and acquisition management
			5.2.1.6 Contracts and Logistics management
			5.2.1.7 Apply adequate financial management methodologies

BACKGROUND

Section 71 of the Municipal Finance Management Act (MFMA), (Act 56 of 2003) prescribes certain conditions that need to be complied with, in terms of the mentioned Act.

The Accounting Officer of the Municipality must report by no later than ten (10) working days after the end of each month to the Mayor and the relevant Provincial Treasury, a statement in the **prescribed format** on the state of the Municipality's budget.

Section 66 of the Municipal Finance Management Act further prescribes that all expenditure incurred by the Municipality on staff salaries, allowances and benefits be reported upon in a format and for the prescribed period. It is considered appropriate to report on this section of the Act on a monthly basis to coincide with the reporting requirements of Section 71(1) of the Act.

As mentioned above, the MFMA Section 71 (1) refers to a prescribed format according to which the annual budget is required to be prepared. The National Treasury issued MFMA Circular No 51 (**DMS 633560**) in which this prescribed format was set out.

Furthermore, the National Treasury issued Municipal Budget and Reporting Regulations in terms of Government Gazette Number 32141 dated 17 October 2009. These regulations set out the manner in which Municipalities are required to prepare the 2010/2011 Budget as well as the in-year reporting effective from November 2010.

The objectives of the budget format reforms in terms of these regulations are:

- ❖ To ensure that the Municipal budget and financial reporting formats support the other financial management reforms introduced by the Municipal Finance Management Act (MFMA).
- ❖ To formalise the norms and standards governing Municipal Budget and Financial Reporting formats, so as to improve the credibility, sustainability, transparency, accuracy and reliability of budgets and in-year reports of Municipalities.
- ❖ To improve Council's ability to deliver basic services to all by addressing issues of financial sustainability.
- ❖ To facilitate informed policy choices by Council and medium term planning of service delivery by aligning targets to achieve backlog elimination.

The Minister of Finance has, in terms of Section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs issued the Municipal Regulations on Standard Chart of Accounts as set out in Government Gazette No 37577 (**DMS 974357**) dated 22 October 2014.

These Regulations apply to all Municipalities and Municipal entities and indicate its applicability and relevance to each specific Municipal environment while accommodating organisational uniqueness and structural differences. These regulations took effect from 1 November 2017.

The objective of these regulations is to provide for a national standard, uniform recording and classification of municipal budget and financial information at transactional level by prescribing a standard chart of accounts for municipalities.

Once these regulations are effective, the financial reporting will be aligned (budget reporting and financial statements reporting). The regulations require that the financial system used by Municipalities must be compliant with the Standard Chart of Accounts. This means that the financial systems of Municipalities must be capable to accurately record all financial transactions in terms of the required segments. The current financial system used by the Municipality does not provide for the recording of financial transactions as required by the regulations.

The implementation of these regulations requires that the Municipality must proactively procure a financial system solution that will be compliant with the Standard Chart of Accounts. Of similar importance is the provision for training of responsible officials to ensure that they attend the trainings and workshops to be provided by the National Treasury.

In terms of Council Resolution 8901 dated 26 November 2013, Council was selected as a Pilot Site for the mSCOA implementation.

Section 1 of the MFMA defines the Service Delivery and Budget Implementation Plan (SDBIP) as:

“A detailed plan approved by the Mayor of a municipality in terms of Section 53(l)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate:

- (a) *Projections for each month of-*
 - (i) *Revenue to be collected, by source; and*
 - (ii) *Operational and capital expenditure, by vote.”*

Component 1, comprised of actual revenue collected by source and Component 2, comprised of actual operational and capital expenditure by vote for the month of October 2022 is included under **Annexures AA and AB (DMS 1566064)**.

TABLE OF CONTENTS

PART 1 - IN-YEAR REPORT	
1.	Mayor's report for the month of October 2022
2.	Resolutions
3.	Executive Summary
3.1	Executive Summary - Operating Budget
3.2	Executive Summary - Cash Flow Situation
3.3	Executive Summary - Grants Balances
3.4	Executive Summary - Capital Budget Summary
3.5	Executive Summary - Expenditure per Category
3.6	Executive Summary - Revenue per Category
3.7	Executive Summary - Creditors Age Analysis
3.8	Executive Summary - Debtors Age Analysis
3.9	Executive Summary - Employee Debt and Councillor Debt
4.	In-year budget statement tables
PART 2 - SUPPORTING DOCUMENTATION	
5.	Debtors' Analysis
6.	Creditors' Analysis
7.	Investment portfolio analysis
8.	Allocation and grant receipts and expenditure
9.	Councillor allowances and employee benefits
10.	Capital programme performance
11.	Municipal Manager's quality certification

PART 1 - IN-YEAR REPORTING

1. MAYOR'S REPORT FOR THE MONTH OF OCTOBER 2022

In terms of the Budget Regulations, Part 1 in-year reporting, the Mayor is required to provide a report / comments on:

“(a) **a summary of whether the Municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;**

The Mayor has considered the Section 71 report for the month of October 2022, and the performance of the Municipality against its budget is in line with the adopted budget that was approved by Council in May 2022. A detail of all the points highlighted by the Mayor is included in the report.

Operational Budget

The monthly budget statement summary (Table C1) for the month of October 2022 (year to date actual) shows a surplus of R123,9 million. The performance in this area is **Acceptable**.

Capital Budget

Council is in the second quarter of the financial year and capital expenditure is low at R290,4 million (27,79%). This is based on the Proposed Adjusted Budget of R1,04 billion. The performance in this area is **Not Acceptable**.

Cash Flow

In terms of Council's Adopted Working Capital Policy, the objective is for Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 1,28:1 (408 383/319 006). This is below the norm therefore the performance in this area is **Not acceptable**.

2. **RESOLUTIONS**

Refer to the recommendations contained in this report.

3. **EXECUTIVE SUMMARY**

This section deals with the financial status of the Municipality at an executive level and highlights matters that are of particular importance from the Chief Financial Officer's perspective.

3.1 **Operating Budget**

The following table represents an executive summary for the financial period ended 31 October 2022:

DESCRIPTION	ADOPTED BUDGET 2022/2023	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL OCTOBER 2022 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Revenue	3 998 304 000	1 445 666 133	1 448 227 023	100,18%
Expenditure	4 071 959 500	1 416 669 133	1 324 318 931	93,48%
Operating Surplus/(Deficit)	(73 655 500)	28 997 000	123 908 092	

3.2 **Cash Flow Situation**

Council's Working Capital Policy:

In terms of Council's Adopted Working Capital Policy, the objective is for the Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 1,28:1 (408 383/319 006). Although this cash coverage is also an indication of underspending on both Capital and Operating Budgets.

3.3 Grants Balances

DESCRIPTION OF GRANT	ADOPTED GRANTS BUDGET 2022/23	AMOUNT RECEIVED AS AT 31/10/2022	ACTUAL EXPENDITURE AS AT 31/10/2022	% EXPENDITURE TO TOTAL	COMMENTS
NATIONAL TREASURY					
Equitable Share	471 939 000	184 056 000	157 313 000	33%	In terms of the Constitution, this allocation is to provide for an equitable sharing of National Revenue. It is primarily for the provision of Basic Services.
Intergrated Urban Development Grant-IUDG	147 172 000	58 869 000	61 395 048	42%	IUDG aims to provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for investment in economic infrastructure.
Financial Management Grant	2 500 000	2 500 000	540 884	22%	Spending is in accordance with the support plan submitted to National Treasury for the grant.
Water services infrastructure grant	50 000 000	10 000 000	3 592 130	7%	To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a basic water supply service.
Extended Public Works Pogramme	3 213 000	804 000	451 300	14%	The grant is for the operational expenditure for EPWP. Expenditure shown is the total actual operating costs of the EPWP for the period under review.
Energy Efficiency and Demand Management	5 000 000	2 000 000	3 582 480	72%	To provide subsidies to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.
TOTAL NATIONAL TREASURY GRANTS	679 824 000	258 229 000	226 874 842	33%	

DESCRIPTION OF GRANT	ADOPTED GRANTS BUDGET 2022/23	AMOUNT RECEIVED AS AT 31/10/2022	ACTUAL EXPENDITURE AS AT 31/10/2022	% EXPENDITURE TO TOTAL	COMMENTS
PROVINCIAL TREASURY					
Provincialisation of Libraries	9 593 000	-	10 504 634	110%	Expenditure shown is the total actual operating costs of the Libraries for the period under review.
Community Library Services Grant (Cyber cadets)	2 032 800	-	1 060 946	52%	Expenditure shown is the total actual operating costs of the Cyber cadets for the period under review.
Housing Operating Account	3 177 000	3 394 084	6 414 763	202%	Expenditure shown is the total actual operating cost of the Human Settlements Section excluding Hostel Operating costs for the period under review.
Museum Subsidy	235 000	-	1 213 302	516%	Grant will only be received once an MOA has been signed. This MOA is in the process of being finalised. Expenditure shown is the total actual operating costs of the Museum for the period under review.
Sports and Recreation - Capital	10 944 000	-	-	0%	This grant is for capital to help build sports facilities and develop sports and recreation,
TOTAL PROVINCIAL TREASURY GRANTS	25 981 800	3 394 084	19 193 645	74%	
TOTAL GRANTS AND SUBSIDIES	705 805 800	261 623 084	246 068 487	35%	

3.4 Capital Budget Summary

The table below represents Capital Expenditure incurred as at 31 October 2022:

FUNCTION	ADOPTED BUDGET 2022/2023	PROPOSED ADJUSTED BUDGET 2022/2023	ACTUAL OCTOBER 2022 (YTD)	% OF PROPOSED ADJUSTED BUDGET SPENT
	R	R	R	%
Finance and Administration	51 927 000	74 862 000	43 370 243	57,93%
Community and Social Services	47 503 000	42 462 700	11 490	0,03%
Energy Sources	51 602 000	53 002 000	6 193 074	11,68%
Executive and Council	141 000	106 000	-	0,00%
Environmental Protection	2 500 000	4 500 000	67 268	1,49%
Air Transport - Air port	11 500 000	14 500 000	-	0,00%
Planning and Development	48 603 000	50 420 500	-	0,00%
Public Safety	2 337 000	2 319 900	50 028	2,16%
Road Transport	132 137 000	114 833 200	14 525 597	12,65%
Sport and Recreation	41 805 000	220 142 100	30 835 816	14,01%
Waste Management	11 802 000	11 802 000	233 798	1,98%
Waste Water Management	121 800 000	102 781 100	31 784 333	30,92%
Water	311 419 000	353 428 300	163 337 676	46,22%
	835 076 000	1 045 159 800	290 409 324	27,79%

SOURCE OF FUNDING	ADOPTED BUDGET 2022/2023	PROPOSED ADJUSTED BUDGET 2022/2023	ACTUAL OCTOBER 2022 (YTD)	% OF PROPOSED ADJUSTED BUDGET SPENT
	R	R	R	%
Borrowing	390 000 000	596 387 100	160 550 728	26,92%
Capital Replacement Reserve	240 018 000	243 714 700	71 895 996	29,50%
Integrated Urban Development Grant	139 814 000	139 814 000	49 849 886	35,65%
Government Grants - National	54 300 000	54 300 000	7 104 561	13,08%
Government Grants - Provincial	10 944 000	10 944 000	1 008 153	9,21%
TOTAL	835 076 000	1 045 159 800	290 409 324	27,79%

3.5 Expenditure per Category

The table below represents operating expenditure per category incurred as at 31 October 2022:

EXPENDITURE BY TYPE	ADOPTED BUDGET 2022/2023	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL OCTOBER 2022 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Employee related costs	1 164 608 100	374 026 500	339 137 665	90,67%
Remuneration of Councillors	37 291 100	12 430 400	10 707 372	86,14%
Debt Impairment	172 510 200	57 503 600	43 127 227	75,00%
Depreciation and asset impairment	326 552 300	108 853 200	111 406 197	102,35%
Finance Charges	72 864 600	24 288 800	24 673 050	101,58%
Bulk Purchases - Electricity	1 258 204 000	478 303 400	474 611 409	99,23%
Inventory consumed - Water	401 327 100	125 039 356	99 498 113	79,57%
Inventory consumed - Materials	156 165 000	79 381 144	63 166 305	79,57%
Contracted Services	395 567 400	122 949 300	91 150 628	74,14%
Transfers and grants	14 216 900	4 941 400	2 502 723	50,65%
Other Expenditure	327 827 100	109 275 700	107 439 007	98,32%
Losses - Water Inventory (Note 1)	214 797 800	76 333 700	104 520 647	136,93%
Inventory consumed - Capitalisation (Note 2)	(469 972 100)	(156 657 367)	(147 621 412)	94,23%
TOTAL	4 071 959 500	1 416 669 133	1 324 318 931	93,48%

The above table represents operating expenditure per category as at 31 October 2022.

3.6 Revenue per Category

The source of funding for the above comprises the following revenue categories:

REVENUE BY SOURCE	ADOPTED BUDGET 2022/2023	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL OCTOBER 2022 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Rates	681 140 100	236 517 000	243 216 682	102,83%
Service Charges – Electricity revenue	1 857 292 200	703 541 500	725 842 762	103,17%
Service Charges – Water revenue	511 400 700	170 825 000	196 452 653	115,00%
Service Charges – Sanitation revenue	114 066 300	39 028 000	39 843 079	102,09%
Service Charges – Refuse revenue	114 115 200	38 288 000	35 285 390	92,16%
Rental of facilities and equipment	6 477 100	2 159 033	3 600 373	166,76%
Interest earned – external investments	66 700 000	22 233 333	2 768 871	12,45%
Interest earned – outstanding debtors	128 000	42 667	-	0,00%
Fines, penalties and forfeits	57 681 000	19 227 000	1 774 143	9,23%
Licences and permits	3 525 900	1 217 800	858 694	70,51%
Agency services	6 179 400	2 134 400	1 257 869	58,93%
Operating Transfers and Subsidies	504 462 000	203 841 400	188 608 137	92,53%
Other Revenue	37 224 800	6 611 000	8 718 369	131,88%
Gains - Employee related costs	37 911 300	-	-	0,00%
TOTAL OPERATING REVENUE	3 998 304 000	1 445 666 133	1 448 227 023	100,18%

The above table represents operating revenue per category as at 31 October 2022.

As previously requested, the following table contains a breakdown of the Revenue Source – Fines:

DETAILS	ADOPTED BUDGET 2022/23	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL OCTOBER 2022 (YTD)	% ADOPTED BUDGET SPENT
	R	R	R	
Fines:Illegal Connections	1 397 400	465 800	170 037	37%
Fines:Overdue Books	16 000	5 333	1 085	20%
Fines:Pound Fees	100	33	3 570	10710%
Fines:Traffic:Court Fines	391 500	130 500	-	0%
Fines:Traffic:Municipal	50 317 300	16 772 433	723 261	4%
Forfeits:Deposits	1 161 400	387 133	491 969	127%
Fines:Motor Vehicle Licence	1 100	367	-	0%
Fines, Penalties and Forfeits:Penalties:Property Rates	4 396 200	1 465 400	384 221	26%
TOTAL	57 681 000	19 227 000	1 774 144	9%

3.7 Creditors Age Analysis

Creditors age analysis by customer type:

Creditors Age Analysis By Customer Type	0 - 30 Days	31 - 60 Days	Over 90 Days	Over 1 Year	Total
	R	R	R	R	R
Bulk Electricity	96 839 365	-	-	-	96 839 365
Bulk Water	19 863 849	19 393 615	-	-	39 257 463
PAYE deductions	14 484 129	-	-	-	14 484 129
VAT (output less input)	-	-	-	-	-
Pensions / Retirement deductions	12 808 843	-	-	-	12 808 843
Loan repayments	-	-	-	-	-
Trade Creditors	1 489 967	-	5 012 420	3 900 533	10 402 920
Auditor General	-	-	-	-	-
Other	-	-	-	-	-
Total By Customer Type	145 486 152	19 393 615	5 012 420	3 900 533	173 792 720

The above table represents the ageing of creditors outstanding as at 31 October 2022. As per the National Treasury Circular 71 uniform ratios the formula to calculate the creditors payment period is as follows - *Trade creditors outstanding/credit purchases (operating and capital) x 365*. Based on the formula, the creditors payment period as at end of October 2022 is **27 days**. It must be noted that amounts over 90 days are invoices that were accrued due to year-end cut-off. However, the final signoff and verification still needs to be done by User Departments.

3.8 Debtors Report

FINANCIAL REPORTING ON INCOME / DEBT

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Organs of State	204 800 718	47 425 653	60 532 366	221 435 987	534 194 725
Business	172 607 829	9 726 958	8 147 430	83 174 790	273 657 007
Households	49 308 525	7 549 981	5 818 109	188 443 459	251 120 074
Other	836 842	401 855	357 073	3 411 001	5 006 772
Total	427 553 914	65 104 448	74 854 979	496 465 237	1 063 978 578
%	40,18%	6,12%	7,04%	46,66%	

Section 216 (1)(c) of the Constitution and Section 2 of the Municipal Finance Management Act (MFMA) enable the National Treasury to introduce uniform Treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities. The National Treasury determined the formulas for every financial ratio in terms of Circular 71. These formulas will, therefore be used in the reporting.

Debt Collection Rate

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The following formula and norm is included in the Circular:

<i>Formula (As per circular 71)</i>	<i>Norm</i>
Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	The norm is 95%

PAYMENT RATIO					
RATIO	FORMULA	NORM / RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
1	Collection Rate - Rolling 12 Months	95%		98%	Please refer to page 5 of MFMA Circular No. 71
			Gross Debtors closing balance Oct 2022	1 063 500 459	
			Gross Debtors opening balance Sept 2021	1 034 038 186	
			Bad debts written Off Nov 2021 to Oct 2022	29 739 962	
			Billed Revenue Nov 2021 - Oct 2022	3 237 443 831	

➤ Net Debtors Days

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its consumers for bills/invoices issued to them for services.

The Ratio excludes balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality as well as the extent to which the Municipality has provided for doubtful Debts:

<i>Formula (As per circular 71)</i>	<i>Norm</i>
$(\text{Gross Debtors} - \text{Bad Debt Provision}) / \text{Billed Revenue} \times 365$	The norm is 30 Days

NETT DEBTORS IN DAYS					
RATIO	FORMULA	NORM / RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
2	Net Debtors Days	30 days		103 days	Please refer to page 6 of MFMA Circular No. 71
			Gross Debtors closing balance Oct 2022	1 063 500 459	
			Bad debts Provision 2022 / 2023	146 879 700	
			Billed Revenue Nov 2021 - Oct 2022	3 237 443 831	

➤ **Top 10 Debtors**

TOP TEN DEBTORS FROM ALL CATEGORIES							
Account No	Consumer Type	0-30 days	31-60 Days	61-90 Days	91-120 Days	121 days +	Total
1088329	STATE OWNED ENTITIES	12 213 803	5 096 591	5 006 235	5 688 792	63 166 029	91 171 450
501543	STATE OWNED ENTITIES	4 503 801	5 008 197	4 587 222	11 358 678	34 029 204	59 487 102
501543	STATE OWNED ENTITIES	-	-	-	-	20 203 857	20 203 857
1854904	PRIVATE BUSINESS	-	-	-	-	19 655 044	19 655 044
531788	STATE OWNED ENTITIES	-	-	-	-	10 000 165	10 000 165
568393	STATE OWNED ENTITIES	2 710 165	2 227 088	1 948 717	2 326 548	9 927 603	19 140 121
551583	STATE OWNED ENTITIES	1 088 143	1 297 250	994 502	914 304	8 157 713	12 451 911
1610626	PRIVATE BUSINESS	-	-	-	-	6 090 452	6 090 452
416383	PRIVATE BUSINESS	75 888	75 888	75 888	75 888	4 985 763	5 289 315
2289941	PRIVATE BUSINESS	-	-	-	-	4 854 306	4 854 306
TOTAL		20 591 801	13 705 013	12 612 564	20 364 209	181 070 135	248 343 722

Government Debt

The Top Ten (10) Government debtors are as follows:

Government Departments - Summary of ALL Debt							
Government Departments	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
National	3 976 886	4 459 545	2 606 829	13 096 306	1 087 079	-1 395 144	23 831 500
Provincial	6 967 409	5 423 406	5 392 261	22 669 664	8 695 909	10 174 875	59 323 523
Government accounts in Dispute	0	0	0	290 126	18 996	2 102 802	2 411 923
National Departments	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
National Public Works	3 970 288	4 459 545	2 606 829	12 861 720	652 169	852 850	25 403 401
Dept of Agriculture and Rural Development & land Reform	6 598	0	0	234 585	434 910	425 661	1 101 754
Department of Water Affairs and Sanitation	0	0	0	0	0	-2 673 655	-2 673 655
	3 976 886	4 459 545	2 606 829	13 096 306	1 087 079	-1 395 144	23 831 500
Provincial Departments	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
Public Works	42 346	33 121	37 041	20 657 387	5 695 866	685 396	27 151 156
Education	1 441 194	324 964	572 234	352 053	553 417	4 448 358	7 692 221
Tvet Colleges	2 574 532	443 320	2 720 844	545 597	2 047 393	2 534	8 334 220
Human Settlement	61 725	27 575	8 326	253 672	8 372	334 280	693 951
Department of Transport	190 833	168 626	158 540	215 260	177 946	223 867	1 135 071
Department of Health	2 577 222	4 386 376	1 858 129	645 695	212 916	4 390 562	14 070 901
Department of Social Welfare	79 557	39 424	37 146	0	0	89 878	246 004
	6 967 409	5 423 406	5 392 261	22 669 664	8 695 909	10 174 875	59 323 523
Other Organs of State	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
Transnet	7 605 552	7 725 260	4 149 726	5 104 162	2 624 231	1 544 550	28 753 481
ESKOM	107 578	147 752	39 034	-79 674	39 279	193 084	447 053
Ingonyama Trust Board	0	0	0	592 128	1 524 838	9 274 246	11 391 213
Telkom	637 158	625 616	1 320	777	104	1 550	1 266 525
Foskor	11 194 039	21 005 046	15 727 149	1 959 582	2 340 024	11 593 535	63 819 375
SA Post Office	6 858	6 726	21	0	0	-13 612	-7
Richards Bay IDZ	2 920 467	2 821	-25 895	-5 503	0	0	2 891 890
Mhlathuze Water Board	10 731 583	6 244 861	6 487 636	5 855 860	1 239 546	14 828 554	45 388 039
King Cetshwayo District Municipality	12 850 709	7 489 598	12 539 281	10 563 481	18 622 186	130 947 850	193 013 105
	46 053 944	43 247 681	38 918 273	23 990 814	26 390 206	168 369 757	346 970 674
Grand Total	56 998 238	53 130 631	46 917 363	60 046 909	36 192 190	179 252 289	432 537 621

NOTES:

OFFICIAL FINAL VERSION

RPT 173869
Page 13 of 16

3.9 Employee Debt / Councillor Debt

At the previous Financial Services Portfolio Committee meeting, Councillors requested that Officials' and Councillors' debt be submitted to Council.

Employees' debt amounts to R415 340,73 as per **Annexure AD - DMS 1566064**.

Councillors' debt amounts to R19 654,67 as per **Annexure AC - DMS 1566064**.

4. IN-YEAR BUDGET STATEMENT TABLES

The following monthly budget statement tables (**DMS 1566353**) respectively have been prepared in accordance with the Municipal Budgeting and Reporting Regulations:

TABLE NUMBER	DESCRIPTION	ANNEXURE
Table C1	Monthly Budget Statement Summary	A
Table C2	Monthly Budget Financial Performance (Standard Classification)	B
Table C2C	Monthly Budget Financial Performance (Detail) (Standard Classification)	C
Table C3	Monthly Budget Financial Performance (Revenue and Expenditure by Municipal Vote)	D
Table C3C	Monthly Budget Financial Performance (Detail) (Revenue and Expenditure by Municipal Vote)	E
Table C4	Monthly Budget Financial Performance (Revenue by source and Expenditure by Item)	F
Table C5	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	G
Table C5C	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	H
Table C6	Monthly Budgeted Financial Position	I
Table C7	Monthly Budgeted Cash Flows	J
Table SC1	Material variance explanations	K
Table SC2	Monthly Performance indicators	L
Table SC3	Aged Debtors	M
Table SC4	Aged Creditors	N
Table SC5	Investment Portfolio	O
Table SC6	Transfers and grant receipts	P
Table SC7(1)	Transfers and grant expenditure	Q
Table SC7(2)	Expenditure Against Approved Rollovers	R
Table SC8	Councillor and Staff Benefits	S
Table SC9	Monthly actuals and revised targets for cash receipts (cash flow)	T
Table SC12	Monthly capital expenditure trend	U
Table SC13a	Monthly capital expenditure on new assets by asset class	V
Table SC13b	Monthly capital expenditure on the renewal of existing assets by asset class	W
Table SC13c	Monthly repairs and maintenance expenditure by asset class	X
Table SC13d	Monthly depreciation by asset class	Y
Table SC13e	Monthly capital expenditure on upgrading of existing assets by assets class	Z

PART 2 - SUPPORTING DOCUMENTATION

5. DEBTORS ANALYSIS

Refer to supporting table SC3 - Aged Debtors (**Annexure M**) (**DMS 1566353**) for the month ended 31 October 2022.

6. CREDITORS ANALYSIS

Refer to supporting table SC4 - Aged Creditors (**Annexure N**) (**DMS 1566353**) for the month ended 31 October 2022.

7. INVESTMENT PORTFOLIO ANALYSIS

Refer to supporting table SC5 - Investment Portfolio (**Annexure O**) (**DMS 1566353**) for the month ended 31 October 2022.

8. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Refer to supporting table SC6 - Transfers and grant receipts (**Annexure P**) (**DMS 1566353**) and supporting table SC7 - transfers and grant expenditure (**Annexure Q**) (**DMS 1566353**) for the month ended 31 October 2022.

9. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Refer to supporting table SC8 - Councillor and staff benefits (**Annexure R**) (**DMS 1566353**) for the month ended 31 October 2022.

10. CAPITAL PROGRAMME PERFORMANCE

Refer to the following tables for the month ended 31 October 2022:

- ❑ Table C5 - Monthly Budgeted Capital Expenditure Budget by Vote, standard classification and funding (**Annexure G**) (**DMS 1566353**).
- ❑ Table C5C - Monthly Budgeted Capital Expenditure Budget by Vote, standard classification and funding (**Annexure H**) (**DMS 1566353**).
- ❑ Table SC12 - Monthly capital expenditure trend (**Annexure U**) (**DMS 1566353**).
- ❑ Table SC13a - Monthly capital expenditure on new assets by asset class (**Annexure V**) (**DMS 1566353**).
- ❑ Table SC13b - Monthly capital expenditure on the renewal of existing assets by asset class (**Annexure W**) (**DMS 1566353**).
- ❑ Table SC13c - Monthly repairs and maintenance expenditure by asset class (**Annexure X**) (**DMS 1566353**).
- ❑ Table SC13d - Monthly depreciation by asset class (**Annexure Y**) (**DMS 1566353**).
- ❑ Table SC13e - Monthly capital expenditure on upgrading of existing assets by assets class (**Annexure Z**) (**DMS 1566353**).

11. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Refer to **DMS 1567138** (**Annexure AE**).

ENVIRONMENTAL IMPLICATIONS

None

FINANCIAL IMPLICATIONS

This has been covered in details throughout the report.

LEGAL IMPLICATIONS

The monthly financial report is prepared in terms of Section 71 of the Municipal Finance Management Act, 2003 (MFMA), (Act 56 of 2003).

COMMENTS OF THE CHIEF FINANCIAL OFFICER

Refer to the Executive Summary contained in this report for comments.

COMMENTS OF THE CITY MANAGER

The report is noted by the Office of the City Manager.

RECOMMENDED THAT:

the financial position of the uMhlathuze Municipality as at 31 October 2022, as required in terms of Section 71 and Section 66 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and as set out in the monthly budget statement tables (**DMS 1566353**), be noted.