

COVER PAGE

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I, Senzo Mngomezulu, declare that the information in this report is adequately researched with the information at my disposal and is correct and credible to the best of my knowledge.

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TITLE: FINANCIAL REPORT AS AT 30 NOVEMBER 2022**PURPOSE**

To submit for noting the financial position of the uMhlathuze Municipality as at 30 November 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 compliant
		5.1.1.2 mSCOA compliant
		5.1.1.3 Review of all related financial policies
		5.1.1.4 Compliance with all MFMA and relevant local government financial legislation
	5.2.1 Sustainable Financial management (Expenditure and Revenue)	5.2.1.1 Provide continuous Internal Communication and support 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 Accurate and timeous payments of creditors
		5.2.1.6 Apply adequate financial management methodologies
	5.3.1 Supply Chain Management	5.3.1.1 Demand and acquisition management
		5.3.1.2 Accurate contracts and logistics management
		5.3.1.3 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 November 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 November 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 November 2022 is included under **Annexures AA and AB (DMS 1572725)**.

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PART 1 - IN-YEAR REPORTING

1. MAYOR'S REPORT FOR THE MONTH OF NOVEMBER 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 November 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 November 2022 (year to date actual) shows a surplus of R1 million. The performance in this area is **Acceptable but not ideal.**

Capital Budget

Council is in the second quarter of the financial year and capital expenditure is low at R356,8 million (34,14%). This is based on the Proposed Adjusted Budget of R1,04 billion. The performance in this area is **Acceptable but not ideal.**

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 0,92:1 (Cash in Bank against average monthly liability's - R295 677/R319 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 30 November 2022:

DESCRIPTION	ADOPTED BUDGET 2022/2023	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL NOVEMBER 2022 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Revenue	3 998 304 000	1 734 025 400	1 661 554 065	95,82%
Expenditure	4 071 959 500	1 733 991 792	1 660 490 037	95,76%
Operating Surplus/(Deficit)	(73 655 500)	33 608	1 064 028	

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 0,92:1 (295 677/319 006). Part of the reason for the low cash coverage is due to the fact that the Municipality has not taken up its capital loan as yet of which R207m has been spent to date.

3.3 Grants Balances

DESCRIPTION OF GRANT	ADOPTED GRANTS BUDGET 2022/23	AMOUNT RECEIVED AS AT 30/11/2022	ACTUAL EXPENDITURE AS AT 30/11/2022	% EXPENDITURE TO TOTAL	COMMENTS
NATIONAL TREASURY					
Intergrated Urban Development Grant-IUDG	147 172 000	58 869 000	73 544 338	50%	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	692 557	28%	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	5 506 239	11%	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	685 084	21%	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	3 974 258	79%	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	241 715 475	36%	

DESCRIPTION OF GRANT	ADOPTED GRANTS BUDGET 2022/23	AMOUNT RECEIVED AS AT 30/11/2022	ACTUAL EXPENDITURE AS AT 30/11/2022	% EXPENDITURE TO TOTAL	COMMENTS
PROVINCIAL TREASURY					
Provincialisation of Libraries	9 593 000	-	13 245 247	138%	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	-	1 274 337	63%	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	7 996 052	252%	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	235 000	1 462 261	622%	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	3 629 084	23 977 897	92%	
TOTAL GRANTS AND SUBSIDIES	705 805 800	261 858 084	265 693 372	38%	

3.4 Capital Budget Summary

The table below represents Capital Expenditure incurred as at 30 November 2022:

FUNCTION	ADOPTED BUDGET 2022/2023	PROPOSED ADJUSTED BUDGET 2022/2023	ACTUAL NOVEMBER 2022 (YTD)	% OF PROPOSED ADJUSTED BUDGET SPENT
	R	R	R	%
Finance and Administration	51 927 000	74 862 000	44 807 453	59,85%
Community and Social Services	47 503 000	42 462 700	713 860	1,68%
Energy Sources	51 602 000	53 002 000	21 178 265	39,96%
Executive and Council	141 000	106 000	28 804	27,17%
Environmental Protection	2 500 000	4 500 000	113 768	2,53%
Air Transport - Air port	11 500 000	14 500 000	1 929 550	13,31%
Planning and Development	48 603 000	50 420 500	273 897	0,54%
Public Safety	2 337 000	2 319 900	299 811	12,92%
Road Transport	132 137 000	114 833 200	14 641 302	12,75%
Sport and Recreation	41 805 000	220 142 100	35 206 522	15,99%
Waste Management	11 802 000	11 802 000	233 798	1,98%
Waste Water Management	121 800 000	102 781 100	40 978 284	39,87%
Water	311 419 000	353 444 800	196 434 077	55,58%
	835 076 000	1 045 176 300	356 839 392	34,14%

SOURCE OF FUNDING	ADOPTED BUDGET 2022/2023	PROPOSED ADJUSTED BUDGET 2022/2023	ACTUAL NOVEMBER 2022 (YTD)	% OF PROPOSED ADJUSTED BUDGET SPENT
	R	R	R	%
Borrowing	390 000 000	599 425 200	206 928 487	34,52%
Capital Replacement Reserve	240 018 000	240 693 100	87 485 868	36,35%
Integrated Urban Development Grant	139 814 000	139 814 000	52 451 221	37,51%
Government Grants - National	54 300 000	54 300 000	8 942 780	16,47%
Government Grants - Provincial	10 944 000	10 944 000	1 031 035	9,42%
TOTAL	835 076 000	1 045 176 300	356 839 392	34,14%

3.5 Expenditure per Category

The table below represents operating expenditure per category incurred as at 30 November 2022:

EXPENDITURE BY TYPE	ADOPTED BUDGET 2022/2023	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL NOVEMBER 2022 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Employee related costs	1 164 608 100	466 474 200	423 873 630	90,87%
Remuneration of Councillors	37 291 100	15 538 000	13 408 822	86,30%
Debt Impairment	172 510 200	71 879 500	72 090 586	100,29%
Depreciation and asset impairment	326 552 300	136 066 500	138 665 954	101,91%
Finance Charges	72 864 600	30 361 000	30 741 725	101,25%
Bulk Purchases - Electricity	1 258 204 000	572 604 400	556 985 865	97,27%
Inventory consumed - Water	401 327 100	178 121 209	123 915 143	69,57%
Inventory consumed - Materials	156 165 000	69 310 791	79 855 022	115,21%
Contracted Services	395 567 400	155 509 400	141 434 585	90,95%
Transfers and grants	14 216 900	5 604 300	2 528 454	45,12%
Other Expenditure	327 827 100	135 561 100	131 257 309	96,83%
Losses - Water Inventory (Note 1)	214 797 800	92 783 100	137 020 096	147,68%
Inventory consumed - Capitalisation (Note 2)	(469 972 100)	(195 821 708)	(191 287 154)	97,68%
TOTAL	4 071 959 500	1 733 991 792	1 660 490 037	95,76%

The above table represents operating expenditure per category as at 30 November 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 NOVEMBER 2022 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Rates	681 140 100	292 766 900	288 735 468	98,62%
Service Charges – Electricity revenue	1 857 292 200	847 780 200	823 760 958	97,17%
Service Charges – Water revenue	511 400 700	216 548 600	227 713 189	105,16%
Service Charges – Sanitation revenue	114 066 300	48 835 600	49 468 829	101,30%
Service Charges – Refuse revenue	114 115 200	47 858 100	44 245 169	92,45%
Rental of facilities and equipment	6 477 100	2 698 800	4 345 811	161,03%
Interest earned – external investments	66 700 000	27 791 700	14 529 014	52,28%
Interest earned – outstanding debtors	128 000	53 000	-	0,00%
Fines, penalties and forfeits	57 681 000	24 033 800	1 921 395	7,99%
Licences and permits	3 525 900	1 469 100	1 283 319	87,35%
Agency services	6 179 400	2 574 800	2 042 836	79,34%
Operating Transfers and Subsidies	504 462 000	206 104 400	190 837 613	92,59%
Other Revenue	37 224 800	15 510 400	12 670 464	81,69%
Gains - Employee related costs	37 911 300	-	-	0,00%
TOTAL OPERATING REVENUE	3 998 304 000	1 734 025 400	1 661 554 065	95,82%

The above table represents operating revenue per category as at 30 November 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 NOVEMBER 2022 (YTD)	% ADOPTED BUDGET SPENT
	R	R	R	
Fines:Illegal Connections	1 397 400	582 250	252 399	43%
Fines:Overdue Books	16 000	6 667	1 253	19%
Fines:Pound Fees	100	42	3 570	8568%
Fines:Traffic:Court Fines	391 500	163 125	-	0%
Fines:Traffic:Municipal	50 317 300	20 965 542	723 261	3%
Forfeits:Deposits	1 161 400	483 917	508 339	105%
Fines:Motor Vehicle Licence	1 100	458	-	0%
Fines, Penalties and Forfeits:Penalties:Property Rates	4 396 200	1 831 750	432 572	24%
TOTAL	57 681 000	24 033 750	1 921 395	8%

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	91 648 995	-	-	-	91 648 995
Bulk Water	20 375 220	19 863 849	-	-	40 239 068
PAYE deductions	14 451 880	-	-	-	14 451 880
Pensions / Retirement deductions	13 042 114	-	-	-	13 042 114
Trade Creditors	8 612 786	19 650	7 813 591	1 099 362	17 545 390
Other	11 758	-	-	-	11 758
Total By Customer Type	148 142 752	19 883 499	7 813 591	1 099 362	176 939 204

The above table represents the ageing of creditors outstanding as at 30 November 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 November 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	174 111 327	24 562 362	30 295 332	236 397 409	465 366 430
Business	168 721 179	7 625 267	8 989 520	86 919 299	272 255 266
Households	47 414 849	4 895 728	7 181 018	191 732 893	251 224 487
Other	904 204	344 317	355 958	3 707 243	5 311 721
Total	391 151 560	37 427 673	46 821 828	518 756 844	994 157 904
%	39,35%	3,76%	4,71%	52,18%	

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%		96,84%	Please refer to page 5 of MFMA Circular No. 71
			Gross Debtors closing balance Dec 2022	828 319 507	
			Gross Debtors opening balance Jan 2022	756 365 452	
			Bad debts written Off Jan 2022 to Dec 2022	29 739 962	
			Billed Revenue Jan 2022 - Dec 2022	3 214 685 391	

➤ **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

➤ **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
000001088329	State Ow ned Entity	11 998 068	6 684 084	5 096 591	5 006 235	65 353 716	94 138 694
000000501543	State Ow ned Entity	6 788 646	-	5 008 197	4 587 222	45 387 882	61 771 948
000001854904	Private Business	-	-	-	-	19 655 044	19 655 044
000000501543	State Ow ned Entity	-	-	-	-	15 666 682	15 666 682
000000531788	State Ow ned Entity	-	-	-	-	10 000 165	10 000 165
000000568393	State Ow ned Entity	4 732 562	-	2 227 088	1 948 717	9 543 986	18 452 353
000000551583	State Ow ned Entity	2 188 165	-	1 297 250	994 502	9 072 017	13 551 932
000001610626	Private Business	-	-	-	-	6 090 452	6 090 452
000000416383	Private Business	151 776	-	75 888	75 888	5 061 651	5 365 203
000002289941	Private Business	-	-	-	-	4 854 306	4 854 306
TOTAL		25 859 217	6 684 084	13 705 013	12 612 564	190 685 900	249 546 778

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	4 014 137	2 445 191	2 752 278	2 432 231	7 786 454	-1 615 741	17 814 550
Provincial	6 727 727	5 324 512	4 110 936	2 806 007	3 250 148	14 034 560	36 253 889
Government accounts in Dispute	-	-	-	-	290 126	2 121 798	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	4 005 633	2 445 191	2 752 278	2 432 231	7 556 923	917 393	20 109 648
Dept of Agriculture and Rural Development & land Reform	8 504	-	-	-	229 531	4 690	242 725
Department of Water Affairs and Sanitation	-	-	-	-	-	-2 537 824	-2 537 824
	4 014 137	2 445 191	2 752 278	2 432 231	7 786 454	-1 615 741	17 814 550
Provincial Departments	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
Public Works	42 447	-172 001	29 895	30 036	1 781 846	2 512 281	4 224 503
Education	1 580 561	678 665	148 797	556 969	359 274	4 828 223	8 152 489
Tvet Colleges	2 627 945	2 441 163	289 161	370 627	217 923	1 817 942	7 764 761
Human Settlement	47 811	41 486	4 644	5 879	203 675	416 583	720 077
Department of Transport	147 827	190 833	168 551	157 206	199 681	259 948	1 124 046
Department of Health	2 197 610	2 144 366	3 469 888	1 685 290	487 749	4 199 584	14 184 487
Department of Social Welfare	83 526	-	-	-	-	-	83 526
	6 727 727	5 324 512	4 110 936	2 806 007	3 250 148	14 034 560	36 253 889
Other Organs of State	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
Transnet	5 710 744	9 158 318	3 551 121	3 549 678	4 419 246	2 757 625	29 146 732
ESKOM	97 925	40 114	50 342	37 543	-61 711	194 109	358 323
Ingonyama Trust Board	-	-	-	-	597 183	10 809 088	11 406 271
Telkom	652 221	4 645	694	802	777	1 654	660 793
Foskor	9 167 820	23 717 961	12 571	2 240 644	1 959 582	11 211 399	48 309 977
SA Post Office	7 765	-	-	-	-	-12 385	-4 620
Richards Bay IDZ	3 075 203	2 091	-	-1 710	-5 503	-	3 070 082
Mhlathuze Water Board	4 005 422	10 731 583	6 244 861	6 487 636	5 855 860	16 068 099	49 393 462
King Cetshwayo District Municipality	10 489 337	12 850 457	7 489 598	12 228 846	10 222 925	140 214 204	193 495 367
	33 206 438	56 505 168	17 349 187	24 543 441	22 988 359	181 243 794	335 836 387
Grand Total	43 948 301	64 274 872	24 212 400	29 781 679	34 315 086	195 784 411	392 316 749

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 R19 654,67 as per **Annexure AD - DMS 1572725**.

Councillors' debt amounts to R396 968,28 as per **Annexure AC - DMS 1572725**.

4. IN-YEAR BUDGET STATEMENT TABLES

The following monthly budget statement tables (**DMS 1573202**) 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 1573202**) for the month ended 30 November 2022.

6. CREDITORS ANALYSIS

Refer to supporting table SC4 - Aged Creditors (**Annexure N**) (**DMS 1573202**) for the month ended 30 November 2022.

7. INVESTMENT PORTFOLIO ANALYSIS

Refer to supporting table SC5 - Investment Portfolio (**Annexure O**) (**DMS 1573202**) for the month ended 30 November 2022.

8. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Refer to supporting table SC6 - Transfers and grant receipts (**Annexure P**) (**DMS 1573202**) and supporting table SC7 - transfers and grant expenditure (**Annexure Q**) (**DMS 1573202**) for the month ended 30 November 2022.

9. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Refer to supporting table SC8 - Councillor and staff benefits (**Annexure R**) (**DMS 1573202**) for the month ended 30 November 2022.

10. CAPITAL PROGRAMME PERFORMANCE

Refer to the following tables for the month ended 30 November 2022:

- ❑ Table C5 - Monthly Budgeted Capital Expenditure Budget by Vote, standard classification and funding (**Annexure G**) (**DMS 1573202**).
- ❑ Table C5C - Monthly Budgeted Capital Expenditure Budget by Vote, standard classification and funding (**Annexure H**) (**DMS 1573202**).
- ❑ Table SC12 - Monthly capital expenditure trend (**Annexure U**) (**DMS 1573202**).
- ❑ Table SC13a - Monthly capital expenditure on new assets by asset class (**Annexure V**) (**DMS 1573202**).
- ❑ Table SC13b - Monthly capital expenditure on the renewal of existing assets by asset class (**Annexure W**) (**DMS 1573202**).
- ❑ Table SC13c - Monthly repairs and maintenance expenditure by asset class (**Annexure X**) (**DMS 1573202**).
- ❑ Table SC13d - Monthly depreciation by asset class (**Annexure Y**) (**DMS 1573202**).
- ❑ Table SC13e - Monthly capital expenditure on upgrading of existing assets by assets class (**Annexure Z**) (**DMS 1573202**).

11. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Refer to **DMS 1573778** (**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:

1. the financial position of the uMhlathuze Municipality as at 30 November 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 1573202)**, be noted.