

# *UMSOBOMVU MUNICIPALITY*



## Monthly Budget Statement

### June 2015

#### **In-Year Report of the Municipality**

Prepared in terms of Section 71 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 28 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 June 2009.

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## Glossary

**Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality June revise its annual budget during the year.

**Budget** – The financial plan of the Municipality.

**Capital expenditure** - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable share** – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

**FMG** – Financial Management Grant.

**GFS** – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality.

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

**MIG** – Municipal Infrastructure Grant.

**MTREF** – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information.

**Strategic objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Vote** – A main appropriation segment of the budget. In Umsobomvu Municipality this relates to the directorate level for operating expenditure and the GFS classification for capital expenditure.

**YTD** – Year to date

## **PART 1 – IN-YEAR REPORT**

### **Mayor's Report**

#### ***1.1 In-Year Report – Monthly Budget Report***

##### **1.1.1 Implementation of the budget in accordance with the SDBIP**

The results of the SDBIP for the second quarter ended 30 June 2015 will be tabled in a separate comprehensive report to council.

##### **1.1.2 Financial problems or risks facing the municipality**

None. All the major sources of revenue are currently within acceptable norms.

##### **1.1.3 Other relevant information**

Actual operating revenue at the end of June 2015 is at 98.5% of the budgeted revenue. The expenditure reflects spending of 90.55% against the budgeted expenditure. Capital expenditure amounts to R28.502m, or 60.8%, at the end of June 2015.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2014.

The positive cash flow remains stable.

## **Resolutions**

### ***IN-YEAR REPORTS 2014/2015***

This is the resolution that will be presented to Council when the In-Year Report is tabled:

#### ***RECOMMENDATION:***

That the report for the quarter ended June 2015, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted.**

## **Executive Summary**

### **Revenue by Source**

The Year-to-Date actual revenue is 1% below the YTD budget projections at the end of June 2015.

### **Borrowings**

The balance of borrowings amounts to R3.2m at the end of June 2015.

### **Operating expenditure by vote & type**

Current expenditure is 9% below YTD budget projections as at June 2015.

### **Capital expenditure**

YTD Capital Expenditure amounts to R28.5m, or 60.8% of a total budget of R46.841m.

### **Cash flows**

The municipality started the year with a positive cashbook balance of R19.95 million. The June 2015 closing balance is R31.7million. Refer to Supporting Table SC9 for more details on the cash position.

### **Allocations received (National & Provincial Grants)**

Municipal Infrastructure Grant funding of R4.451m was received during the first quarter ended September 2014 and R4.007m in March 2015. The municipality received the allocated R1m Expanded Public Works Programme Integrated Grant for the year.

### **Spending on Grants**

Spending on grants amounts to R23.064m for the year to date ended June 2015 which includes FMG, MSIG, INEP, EPWP and MIG.

### **Implementation of Supply Chain Management Policy:**

**Monthly report for the month of June 2015 on deviations within 10 working days in terms of SCM Regulation 36(2):**

UMSOBOMVU MUNICIPALITY: COLESBERG: NCP 072					
MONTHLY REPORT: JUNE 2015 DEVIATION CERTIFICATE					
DATE	SUPPLIERS NAME	DESCRIPTION	ORDER	AMOUNT	DEV NO
01/06/2015	FG Uniforms	Traffic dept:uniform (Sole provider)	14334	14 998.86	1051
04/06/2015	John Williams Motors	Service:Mayor car (Sole Provider)	15505	23 419.75	1052
11/06/2015	The Conference Zone	Training: Tech Services	16291	15 957.70	1053
19/06/2015	CEATUP	Training: Tech Services	16295	13 170.00	1054
17/06/2015	Summit Training institute	MFMP training: new interns (sole provider)		83 790.00	1055
				151 336.31	

**Monthly reports on contracts awarded above R100 000 within 15 calendar days of the new month:**

UMSOBOMVU MUNICIPALITY: COLESBERG: NCP 072			
MONTHLY REPORT: JUNE 2015 PAYMENTS exceeding R100 000.00.			
DATE	SUPPLIERS NAME	DESCRIPTION	AMOUNT
NONE			
			-

### **Material variances**

The table below summarises variances for projected revenue and expenditure.

**NC072 Umsobomvu - Supporting Table SC1 Material variance explanations - M12 June**

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>R thousands</b>			
<b>Revenue By Source</b>			
Property rates	197		
Property rates - penalties & collection charges	29	More people are paying their account late.	
Service charges - electricity revenue	(4 441)		
Service charges - water revenue	(240)		
Service charges - sanitation revenue	24		
Service charges - refuse revenue	(1)		
Service charges - other	-		
Rental of facilities and equipment	(14)		
Interest earned - external investments	110	We've received more interest than budgeted for.	
Interest earned - outstanding debtors	308	More people are paying their account late.	
Dividends received	-		
Fines	2 675	Our speed traps are working again.	
Licences and permits	(131)		
Agency services	-		
Transfers recognised - operational	3 003		
Transfers recognised - capital	(18 509)		
Other revenue	(112)		
Gains on disposal of PPE	-		
<b>Expenditure By Type</b>			
Employee related costs	(5 644)	There are still funded vacancies.	
Remuneration of councillors	51		
Debt impairment	0		
Depreciation & asset impairment	(0)		
Finance charges	23		
Bulk purchases	(2 400)		
Other materials	-		
Contracted services	-		
Transfers and grants	-		
Other expenditure	(4 369)	We are trying by all means to spend on essential items.	
Loss on disposal of PPE	(1)		
<b>Capital Expenditure</b>			
Vote 1 - Executive & Council	-		
Vote 2 - Budget & Finance	(4 829)		
Vote 3 - Corporate	-		
Vote 4 - Development & Planning	(13 509)		
Vote 5 - Community	-		
Vote 6 - Infrastructure	-		

**Performance in relation to SDBIP targets**

See the comprehensive report tabled in Council.

**Remedial or corrective steps**

No remedial or corrective steps are required at this time.

## In-year budget statement tables

### Table C1: s71 Monthly Budget Statement Summary

NC072 Umsobomvu - Table C1 Monthly Budget Statement Summary - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	4 802	5 199	8 295	595	8 521	8 295	226	3%	8 295
Service charges	45 734	50 828	54 011	7 209	49 354	54 011	(4 658)	-9%	54 011
Investment revenue	693	312	422	67	532	422	110	26%	422
Transfers recognised - operational	45 880	38 164	36 664	4 287	36 664	36 664	-	-	36 664
Other own revenue	9 932	8 297	9 732	4 346	12 458	9 732	2 726	28%	9 732
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>107 040</b>	<b>102 801</b>	<b>109 125</b>	<b>16 504</b>	<b>107 529</b>	<b>109 125</b>	<b>(1 597)</b>	<b>-1%</b>	<b>109 125</b>
Employee costs	33 695	39 057	39 084	2 873	33 440	39 084	(5 644)	-14%	39 084
Remuneration of Councillors	2 992	2 945	2 945	83	2 996	2 945	51	2%	2 945
Depreciation & asset impairment	27 893	23 834	23 834	1 986	23 834	23 834	(0)	-0%	23 834
Finance charges	466	296	360	37	383	360	23	7%	360
Materials and bulk purchases	18 410	18 670	18 670	1 211	16 270	18 670	(2 400)	-13%	18 670
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	41 323	41 228	45 660	6 449	41 290	45 660	(4 370)	-10%	45 660
<b>Total Expenditure</b>	<b>124 780</b>	<b>126 029</b>	<b>130 553</b>	<b>12 639</b>	<b>118 213</b>	<b>130 553</b>	<b>(12 340)</b>	<b>-9%</b>	<b>130 553</b>
<b>Surplus/(Deficit)</b>	<b>(17 739)</b>	<b>(23 228)</b>	<b>(21 428)</b>	<b>3 865</b>	<b>(10 685)</b>	<b>(21 428)</b>	<b>10 743</b>	<b>-50%</b>	<b>(21 428)</b>
Transfers recognised - capital	40 402	41 591	41 591	23 082	23 082	41 591	(18 509)	-45%	41 591
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>22 663</b>	<b>18 363</b>	<b>20 163</b>	<b>26 946</b>	<b>12 397</b>	<b>20 163</b>	<b>(7 766)</b>	<b>-39%</b>	<b>20 163</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>22 663</b>	<b>18 363</b>	<b>20 163</b>	<b>26 946</b>	<b>12 397</b>	<b>20 163</b>	<b>(7 766)</b>	<b>-39%</b>	<b>20 163</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>28 042</b>	<b>40 550</b>	<b>46 841</b>	<b>3 398</b>	<b>28 502</b>	<b>46 841</b>	<b>(18 339)</b>	<b>-39%</b>	<b>46 841</b>
Capital transfers recognised	47 725	39 000	46 741	3 398	28 402	46 741	(18 339)	-39%	46 741
Public contributions & donations	5 100	-	-	-	-	-	-	-	-
Borrowing	629	-	-	-	-	-	-	-	-
Internally generated funds	<b>3 339</b>	<b>1 550</b>	<b>100</b>	-	<b>100</b>	<b>100</b>	-	-	<b>100</b>
<b>Total sources of capital funds</b>	<b>56 792</b>	<b>40 550</b>	<b>46 841</b>	<b>3 398</b>	<b>28 502</b>	<b>46 841</b>	<b>(18 339)</b>	<b>-39%</b>	<b>46 841</b>
<b>Financial position</b>									
Total current assets	57 409	68 499	68 499	-	65 481	-	-	-	68 499
Total non current assets	504 023	602 823	602 823	-	505 544	-	-	-	602 823
Total current liabilities	30 141	800	800	-	26 624	-	-	-	800
Total non current liabilities	28 067	36 893	36 893	-	27 024	-	-	-	36 893
<b>Community wealth/Equity</b>	<b>502 011</b>	<b>633 628</b>	<b>633 628</b>	-	<b>517 377</b>	-	-	-	<b>633 628</b>
<b>Cash flows</b>									
Net cash from (used) operating	75 956	52 182	42 204	19 732	40 879	42 204	1 325	3%	42 204
Net cash from (used) investing	(61 793)	(47 898)	(47 898)	(3 398)	(28 402)	(47 898)	(19 496)	41%	(47 898)
Net cash from (used) financing	(452)	(728)	(728)	(60)	(758)	(728)	30	-4%	(728)
<b>Cash/cash equivalents at the month/year end</b>	<b>39 308</b>	<b>19 168</b>	<b>9 190</b>	<b>-</b>	<b>31 709</b>	<b>9 190</b>	<b>(22 518)</b>	<b>-245%</b>	<b>13 569</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	2 055	2 192	2 031	1 737	75 249	-	-	-	83 265
<b>Creditors Age Analysis</b>									
Total Creditors	3 891	-	-	-	-	-	-	-	3 891

## Table C2: Monthly Budget Statement – Financial Performance (standard classification)

NC072 Umsobomvu - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	39 430	44 747	48 044	3 657	46 943	48 044	(1 101)	-2%	48 044
Executive and council	30 684	32 382	32 382	727	32 382	32 382	-		32 382
Budget and treasury office	8 726	12 345	15 643	2 929	14 550	15 643	(1 093)	-7%	15 643
Corporate services	20	19	19	0	11	19	(8)	-41%	19
<i>Community and public safety</i>	2 363	3 697	9 784	3 320	10 040	9 784	257	3%	9 784
Community and social services	1 164	1 414	7 073	2 810	4 793	7 073	(2 280)	-32%	7 073
Sport and recreation	-	-	-	-	-	-	-		-
Public safety	1 198	2 283	2 710	510	5 248	2 710	2 537	94%	2 710
Housing	-	-	-	-	-	-	-		-
Health	-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	5 222	1 060	1 701	3 680	3 728	1 701	2 026	119%	1 701
Planning and development	-	-	-	-	-	-	-		-
Road transport	5 222	1 060	1 701	3 680	3 728	1 701	2 026	119%	1 701
Environmental protection	-	-	-	-	-	-	-		-
<i>Trading services</i>	100 427	94 888	100 428	28 929	72 901	100 428	(27 527)	-27%	100 428
Electricity	29 471	29 831	29 957	6 377	25 096	29 957	(4 861)	-16%	29 957
Water	57 738	51 499	56 283	20 949	32 897	56 283	(23 386)	-42%	56 283
Waste water management	7 472	7 662	8 036	1 079	8 599	8 036	563	7%	8 036
Waste management	5 747	5 896	6 152	524	6 309	6 152	157	3%	6 152
<i>Other</i>	-	-	-	-	-	-	-		-
<b>Total Revenue - Standard</b>	<b>147 442</b>	<b>144 391</b>	<b>159 957</b>	<b>39 585</b>	<b>133 613</b>	<b>159 957</b>	<b>(26 344)</b>	<b>-16%</b>	<b>159 957</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	37 949	44 488	45 086	2 910	35 895	45 086	(9 192)	-20%	45 086
Executive and council	19 423	19 628	20 025	1 205	17 014	20 025	(3 011)	-15%	20 025
Budget and treasury office	13 848	19 315	19 336	1 174	13 254	19 336	(6 082)	-31%	19 336
Corporate services	4 679	5 544	5 725	531	5 626	5 725	(98)	-2%	5 725
<i>Community and public safety</i>	10 034	8 864	10 579	1 467	10 744	10 579	165	2%	10 579
Community and social services	5 928	4 543	5 185	843	4 738	5 185	(447)	-9%	5 185
Sport and recreation	1 130	1 338	1 299	62	907	1 299	(392)	-30%	1 299
Public safety	2 442	2 511	3 613	522	4 596	3 613	984	27%	3 613
Housing	533	473	482	39	503	482	21	4%	482
Health	-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	15 015	11 111	11 457	720	11 198	11 457	(259)	-2%	11 457
Planning and development	-	-	-	-	-	-	-		-
Road transport	15 015	11 111	11 457	720	11 198	11 457	(259)	-2%	11 457
Environmental protection	-	-	-	-	-	-	-		-
<i>Trading services</i>	61 781	61 566	63 431	7 542	60 377	63 431	(3 054)	-5%	63 431
Electricity	26 588	24 705	25 619	1 711	22 820	25 619	(2 799)	-11%	25 619
Water	26 800	21 289	21 950	4 378	23 939	21 950	1 988	9%	21 950
Waste water management	8 809	9 236	9 550	1 038	8 536	9 550	(1 014)	-11%	9 550
Waste management	(417)	6 336	6 312	414	5 082	6 312	(1 230)	-19%	6 312
<i>Other</i>	-	-	-	-	-	-	-		-
<b>Total Expenditure - Standard</b>	<b>124 780</b>	<b>126 029</b>	<b>130 553</b>	<b>12 639</b>	<b>118 213</b>	<b>130 553</b>	<b>(12 340)</b>	<b>-9%</b>	<b>130 553</b>
<b>Surplus/ (Deficit) for the year</b>	<b>22 663</b>	<b>18 363</b>	<b>29 404</b>	<b>26 946</b>	<b>15 399</b>	<b>29 404</b>	<b>(14 004)</b>	<b>-48%</b>	<b>29 404</b>

This table reflects the operating budget (Financial Performance) in the standard classifications which are the GFS Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

**Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)**

NC072 Umsobomvu - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - EXECUTIVE & COUNCIL		30 684	32 382	32 382	727	32 382	32 382	-		32 382
Vote 2 - FINANCE & ADMIN		9 175	12 763	21 719	5 737	18 340	21 719	(3 379)	-15.6%	21 719
Vote 3 - COMMUNITY SERVICES		7 674	9 194	9 878	1 035	12 557	9 878	2 679	27.1%	9 878
Vote 4 - TECHNICAL SERVICES		99 903	90 052	95 978	32 086	70 334	95 978	(25 644)	-26.7%	95 978
Vote 5 - Community		-	-	-	-	-	-	-		-
Vote 6 - Infrastructure		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
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]		-	-	-	-	-	-	-		-
<b>Total Revenue by Vote</b>	2	<b>147 436</b>	<b>144 391</b>	<b>159 957</b>	<b>39 585</b>	<b>133 613</b>	<b>159 957</b>	<b>(26 344)</b>	<b>-16.5%</b>	<b>159 957</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - EXECUTIVE & COUNCIL		19 423	19 628	20 025	1 205	17 014	20 025	(3 011)	-15.0%	20 025
Vote 2 - FINANCE & ADMIN		20 642	26 487	27 361	2 384	21 587	27 361	(5 774)	-21.1%	27 361
Vote 3 - COMMUNITY SERVICES		7 499	13 573	14 591	1 203	13 119	14 591	(1 472)	-10.1%	14 591
Vote 4 - TECHNICAL SERVICES		77 216	66 341	68 576	7 847	66 493	68 576	(2 083)	-3.0%	68 576
Vote 5 - Community		-	-	-	-	-	-	-		-
Vote 6 - Infrastructure		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
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]		-	-	-	-	-	-	-		-
<b>Total Expenditure by Vote</b>	2	<b>124 780</b>	<b>126 029</b>	<b>130 553</b>	<b>12 639</b>	<b>118 213</b>	<b>130 553</b>	<b>(12 340)</b>	<b>-9.5%</b>	<b>130 553</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>22 656</b>	<b>18 363</b>	<b>29 404</b>	<b>26 946</b>	<b>15 399</b>	<b>29 404</b>	<b>(14 004)</b>	<b>-47.6%</b>	<b>29 404</b>

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Council; Municipal Manager; Finance & Admin; Community Services; Technical Services.

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote/s were overspent. During the financial year some of the figures are influenced by transactions that occur annually only.

## Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

NC072 Umsobomvu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	4 632	5 031	8 117	578	8 313	8 117	197	2%	8 117
Property rates - penalties & collection charges	170	169	179	17	208	179	29	16%	179
Service charges - electricity revenue	22 240	27 770	27 860	5 122	23 405	27 860	(4 455)	-16%	27 860
Service charges - water revenue	11 030	9 914	12 385	920	12 159	12 385	(226)	-2%	12 385
Service charges - sanitation revenue	7 017	7 418	7 792	669	7 816	7 792	24	0%	7 792
Service charges - refuse revenue	5 447	5 726	5 975	498	5 974	5 975	(1)	0%	5 975
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	407	396	1 042	85	1 028	1 042	(14)	-1%	1 042
Interest earned - external investments	693	312	422	67	532	422	110	26%	422
Interest earned - outstanding debtors	1 634	1 427	1 672	145	1 980	1 672	308	18%	1 672
Dividends received	-	-	-	-	-	-	-	-	-
Fines	684	1 575	2 019	585	4 694	2 019	2 675	132%	2 019
Licences and permits	531	710	714	(75)	583	714	(131)	-18%	714
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	45 880	38 164	36 664	4 287	36 664	36 664	-	-	36 664
Other revenue	6 675	4 190	4 285	3 605	4 173	4 285	(112)	-3%	4 285
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>107 040</b>	<b>102 801</b>	<b>109 125</b>	<b>16 504</b>	<b>107 529</b>	<b>109 125</b>	<b>(1 597)</b>	<b>-1%</b>	<b>109 125</b>
<b>Expenditure By Type</b>									
Employee related costs	33 695	39 057	39 084	2 873	33 440	39 084	(5 644)	-14%	39 084
Remuneration of councillors	2 992	2 945	2 945	83	2 996	2 945	51	2%	2 945
Debt impairment	8 606	5 238	5 238	435	5 238	5 238	0	0%	5 238
Depreciation & asset impairment	27 893	23 834	23 834	1 986	23 834	23 834	(0)	0%	23 834
Finance charges	466	296	360	37	383	360	23	7%	360
Bulk purchases	18 410	18 670	18 670	1 211	16 270	18 670	(2 400)	-13%	18 670
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	32 688	35 988	40 421	6 014	36 052	40 421	(4 369)	-11%	40 421
Loss on disposal of PPE	28	1	1	-	-	1	(1)	-100%	1
<b>Total Expenditure</b>	<b>124 780</b>	<b>126 029</b>	<b>130 553</b>	<b>12 639</b>	<b>118 213</b>	<b>130 553</b>	<b>(12 340)</b>	<b>-9%</b>	<b>130 553</b>
<b>Surplus/(Deficit)</b>									
Transfers recognised - capital	40 402	41 591	41 591	23 082	23 082	41 591	(18 509)	(0)	41 591
Contributions recognised - capital	-	-	-	-	-	-	-	(0)	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>22 663</b>	<b>18 363</b>	<b>20 163</b>	<b>26 946</b>	<b>12 397</b>	<b>20 163</b>			<b>20 163</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>22 663</b>	<b>18 363</b>	<b>20 163</b>	<b>26 946</b>	<b>12 397</b>	<b>20 163</b>			<b>20 163</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>22 663</b>	<b>18 363</b>	<b>20 163</b>	<b>26 946</b>	<b>12 397</b>	<b>20 163</b>			<b>20 163</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>22 663</b>	<b>18 363</b>	<b>20 163</b>	<b>26 946</b>	<b>12 397</b>	<b>20 163</b>			<b>20 163</b>

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 1% above the YTD budget and current expenditure is 9% below the YTD budget for 2014/2015.

## Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

NC072 Umsobomvu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M12 June

Vote Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN	-	-	5 000	-	171	5 000	(4 829)	-97%	5 000
Vote 3 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES	28 750	31 500	33 600	3 189	24 096	33 600	(9 504)	-28%	33 600
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
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]	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>28 750</b>	<b>31 500</b>	<b>38 600</b>	<b>3 189</b>	<b>24 267</b>	<b>38 600</b>	<b>(14 333)</b>	<b>-37%</b>	<b>38 600</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN	(28 750)	1 550	100	-	100	100	-	-	100
Vote 3 - COMMUNITY SERVICES	153	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES	27 889	7 500	8 141	209	4 136	8 141	(4 005)	-49%	8 141
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
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]	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>(707)</b>	<b>9 050</b>	<b>8 241</b>	<b>209</b>	<b>4 236</b>	<b>8 241</b>	<b>(4 005)</b>	<b>-49%</b>	<b>8 241</b>
<b>Total Capital Expenditure</b>	<b>28 042</b>	<b>40 550</b>	<b>46 841</b>	<b>3 398</b>	<b>28 502</b>	<b>46 841</b>	<b>(18 339)</b>	<b>-39%</b>	<b>46 841</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>									
Executive and council	-	1 550	100	-	100	100	-	-	100
Budget and treasury office	-	1 550	100	-	100	100	-	-	100
Corporate services	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>									
Community and social services	153	-	5 000	-	171	5 000	(4 829)	-97%	5 000
Sport and recreation	153	-	5 000	-	171	5 000	(4 829)	-97%	5 000
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>									
Planning and development	8 729	6 000	6 641	25	1 767	6 641	(4 874)	-73%	6 641
Road transport	8 729	6 000	6 641	25	1 767	6 641	(4 874)	-73%	6 641
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>									
Electricity	47 911	33 000	35 100	3 374	26 464	35 100	(8 636)	-25%	35 100
Water	3 353	1 500	1 500	185	2 368	1 500	868	58%	1 500
Waste water management	43 058	31 500	33 600	3 189	24 096	33 600	(9 504)	-28%	33 600
Waste management	1 500	-	-	-	-	-	-	-	-
<b>Other</b>									
<b>Total Capital Expenditure - Standard Classification</b>	<b>56 792</b>	<b>40 550</b>	<b>46 841</b>	<b>3 398</b>	<b>28 502</b>	<b>46 841</b>	<b>(18 339)</b>	<b>-39%</b>	<b>46 841</b>
<b>Funded by:</b>									
National Government	47 725	39 000	46 741	3 398	28 402	46 741	(18 339)	-39%	46 741
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>47 725</b>	<b>39 000</b>	<b>46 741</b>	<b>3 398</b>	<b>28 402</b>	<b>46 741</b>	<b>(18 339)</b>	<b>-39%</b>	<b>46 741</b>
<b>Public contributions &amp; donations</b>	<b>5 100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>3 339</b>	<b>1 550</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>
<b>Total Capital Funding</b>	<b>56 792</b>	<b>40 550</b>	<b>46 841</b>	<b>3 398</b>	<b>28 502</b>	<b>46 841</b>	<b>(18 339)</b>	<b>-39%</b>	<b>46 841</b>

Capital expenditure is 39% below the YTD budget at June 2015.

## Table C6: Monthly Budget Statement - Financial Position

NC072 Umsobomvu - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	10 440	33 524	33 524	12 505	33 524
Call investment deposits	9 507	6 000	6 000	5 943	6 000
Consumer debtors	30 201	28 975	28 975	46 349	28 975
Other debtors	6 856	-	-	279	-
Current portion of long-term receivables	7	-	-	7	-
Inventory	398	-	-	398	-
<b>Total current assets</b>	<b>57 409</b>	<b>68 499</b>	<b>68 499</b>	<b>65 481</b>	<b>68 499</b>
<b>Non current assets</b>					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	1 655	1 655	1 655	1 655	1 655
Investments in Associate	-	-	-	-	-
Property, plant and equipment	502 295	599 618	599 618	503 792	599 618
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	73	1 550	1 550	97	1 550
Other non-current assets	-	-	-	-	-
<b>Total non current assets</b>	<b>504 023</b>	<b>602 823</b>	<b>602 823</b>	<b>505 544</b>	<b>602 823</b>
<b>TOTAL ASSETS</b>	<b>561 432</b>	<b>671 322</b>	<b>671 322</b>	<b>571 025</b>	<b>671 322</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	-	800	800	-	800
Consumer deposits	697	-	-	742	-
Trade and other payables	29 443	-	-	25 882	-
Provisions	-	-	-	-	-
<b>Total current liabilities</b>	<b>30 141</b>	<b>800</b>	<b>800</b>	<b>26 624</b>	<b>800</b>
<b>Non current liabilities</b>					
Borrowing	4 233	3 585	3 585	3 190	3 585
Provisions	23 834	33 308	33 308	23 834	33 308
<b>Total non current liabilities</b>	<b>28 067</b>	<b>36 893</b>	<b>36 893</b>	<b>27 024</b>	<b>36 893</b>
<b>TOTAL LIABILITIES</b>	<b>58 208</b>	<b>37 693</b>	<b>37 693</b>	<b>53 648</b>	<b>37 693</b>
<b>NET ASSETS</b>	<b>503 224</b>	<b>633 628</b>	<b>633 628</b>	<b>517 377</b>	<b>633 628</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	502 011	633 628	633 628	517 377	633 628
Reserves	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>502 011</b>	<b>633 628</b>	<b>633 628</b>	<b>517 377</b>	<b>633 628</b>

The statement of financial position is in line with expectations for the financial year.

## Table C7: Monthly Budget Statement - Cash Flow

NC072 Umsobomvu - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	51 913	59 480	54 258	4 008	66 424	54 258	12 166	22%	54 258
Government - operating	39 930	36 664	36 664	1 284	36 664	36 664	-		36 664
Government - capital	64 585	43 091	46 841	5 697	43 210	46 841	(3 631)	-8%	46 841
Interest	1 350	1 739	5 289	67	532	5 289	(4 757)	-90%	5 289
Dividends	-	-	-	-	-	-	-		-
<b>Payments</b>									
Suppliers and employees	(81 457)	(88 438)	(100 488)	8 703	(105 577)	(100 488)	5 089	-5%	(100 488)
Finance charges	(364)	(354)	(360)	(28)	(374)	(360)	14	-4%	(360)
Transfers and Grants	-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>75 956</b>	<b>52 182</b>	<b>42 204</b>	<b>19 732</b>	<b>40 879</b>	<b>42 204</b>	<b>1 325</b>	<b>3%</b>	<b>42 204</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	(0)	(0)	(0)	-	-	(0)	0	-100%	(0)
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-		-
<b>Payments</b>									
Capital assets	(61 792)	(47 898)	(47 898)	(3 398)	(28 402)	(47 898)	(19 496)	41%	(47 898)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(61 793)</b>	<b>(47 898)</b>	<b>(47 898)</b>	<b>(3 398)</b>	<b>(28 402)</b>	<b>(47 898)</b>	<b>(19 496)</b>	<b>41%</b>	<b>(47 898)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits	-	-	-	19	128	-	128	#DIV/0!	-
<b>Payments</b>									
Repayment of borrowing	(452)	(728)	(728)	(79)	(887)	(728)	159	-22%	(728)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(452)</b>	<b>(728)</b>	<b>(728)</b>	<b>(60)</b>	<b>(758)</b>	<b>(728)</b>	<b>30</b>	<b>-4%</b>	<b>(728)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>13 712</b>	<b>3 556</b>	<b>(6 422)</b>	<b>16 273</b>	<b>11 718</b>	<b>(6 422)</b>			<b>(6 422)</b>
Cash/cash equivalents at beginning:	25 596	15 612	15 612		19 991	15 612			19 991
Cash/cash equivalents at month/year end:	39 308	19 168	9 190		31 709	9 190			13 569

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R31.709 million.

The municipality started the year with a positive cashbook balance of R19.9 million. The December closing balance is R31.709 million. Refer to Supporting Table SC9 for more details on the cash position.

## Supporting Table SC9: Monthly Budget Statement – Actual & revised targets for cash receipts & cash flows

NC072 Umsobomvu - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M12 June

Description	Budget Year 2014/15												2014/15 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 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Receipts By Source</b>															
Property rates	328	384	532	439	437	524	517	501	913	648	379	2 516	8 117	8 880	9 412
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	169	169	195	207
Service charges - electricity revenue	1 987	1 719	1 923	1 988	1 770	1 344	1 469	2 356	1 581	1 674	1 777	6 880	26 467	30 478	32 771
Service charges - water revenue	373	315	388	335	521	355	461	825	490	466	544	2 606	7 679	13 549	14 362
Service charges - sanitation revenue	326	239	275	273	362	267	291	331	266	270	289	1 877	5 065	8 524	9 035
Service charges - refuse	136	127	136	137	153	115	156	148	156	138	131	1 455	2 987	6 537	6 929
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	7	3	4	6	3	3	3	4	9	6	6	988	1 042	1 103	1 167
Interest earned - external investments	7	57	117	5	57	5	64	7	6	127	12	(42)	422	422	422
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	1 672	1 672	1 826	1 787
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	126	135	121	90	124	216	658	787	689	506	658	(2 090)	2 019	2 139	2 245
Licences and permits	211	(37)	154	8	(32)	-	201	(61)	(96)	147	(1)	221	714	757	795
Agency services	-	-	-	-	-	-	37	49	-	26	42	(154)	-	-	-
Transfer receipts - operating	14 617	934	496	-	10 067	-	-	496	8 771	-	-	1 284	36 664	40 074	41 374
Other revenue	974	1 277	470	828	15 196	474	1 053	908	264	853	326	(18 339)	4 285	4 291	4 695
<b>Cash Receipts by Source</b>	<b>19 092</b>	<b>5 154</b>	<b>4 615</b>	<b>4 107</b>	<b>28 659</b>	<b>3 302</b>	<b>4 908</b>	<b>6 349</b>	<b>13 049</b>	<b>4 861</b>	<b>4 163</b>	<b>(958)</b>	<b>97 301</b>	<b>118 775</b>	<b>125 202</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	8 133	1 413	566	1 760	300	5 713	4 007	798	14 823	-	-	9 328	46 841	46 550	32 000
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	(0)	(0)	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	16	9	15	15	9	6	10	9	11	6	4	11	120	125	129
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>27 241</b>	<b>6 576</b>	<b>5 196</b>	<b>5 882</b>	<b>28 969</b>	<b>9 022</b>	<b>8 925</b>	<b>7 157</b>	<b>27 882</b>	<b>4 866</b>	<b>4 166</b>	<b>8 380</b>	<b>144 262</b>	<b>165 450</b>	<b>157 331</b>
<b>Cash Payments by Type</b>															
Employee related costs	2 746	2 686	2 668	2 641	2 834	2 777	2 885	3 039	2 820	2 728	2 742	8 517	39 084	42 510	46 318
Remuneration of councillors	249	244	255	267	231	261	231	232	234	463	246	31	2 945	3 092	3 246
Interest paid	34	34	34	34	31	31	31	31	28	29	28	14	360	310	290
Bulk purchases - Electricity	-	2 542	2 364	1 231	1 234	1 168	1 284	1 280	1 104	2 173	1 216	2 763	18 360	20 086	21 693
Bulk purchases - Water & Sewer	25	24	27	21	27	20	32	-	48	21	202	(138)	310	310	310
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	312	-	-	-	81	3	40	92	22	(550)	-	-	-
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	4 709	5 112	5 696	2 863	5 662	5 480	4 440	2 847	7 773	886	2 435	(8 114)	39 790	39 831	38 150
<b>Cash Payments by Type</b>	<b>7 764</b>	<b>10 642</b>	<b>11 356</b>	<b>7 057</b>	<b>10 020</b>	<b>9 737</b>	<b>8 985</b>	<b>7 433</b>	<b>12 046</b>	<b>6 394</b>	<b>6 891</b>	<b>2 523</b>	<b>100 848</b>	<b>106 139</b>	<b>110 008</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	604	876	1 338	4 146	672	6 258	23	541	5 096	5 442	7	25 828	50 832	45 753	32 043
Repayment of borrowing	73	72	73	73	61	76	76	77	79	78	70	(808)	-	-	-
Other Cash Flow s/Payments	7 865	(81)	(2 103)	(2 075)	12 193	3 851	(2 232)	(1 118)	-	-	-	(16 301)	-	-	-
<b>Total Cash Payments by Type</b>	<b>16 306</b>	<b>11 510</b>	<b>10 663</b>	<b>9 201</b>	<b>22 946</b>	<b>19 923</b>	<b>6 852</b>	<b>6 932</b>	<b>17 222</b>	<b>11 914</b>	<b>6 968</b>	<b>11 243</b>	<b>151 680</b>	<b>151 892</b>	<b>142 050</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>10 935</b>	<b>(4 934)</b>	<b>(5 467)</b>	<b>(3 319)</b>	<b>6 022</b>	<b>(10 901)</b>	<b>2 073</b>	<b>225</b>	<b>10 660</b>	<b>(7 047)</b>	<b>(2 802)</b>	<b>(2 863)</b>	<b>(7 418)</b>	<b>13 558</b>	<b>15 280</b>
Cash/cash equivalents at the monthly year beginning:	19 947	30 882	25 948	20 480	17 161	23 183	12 283	14 355	14 581	25 241	18 193	15 392	19 947	12 529	26 087
Cash/cash equivalents at the monthly year end:	30 882	25 948	20 480	17 161	23 183	12 283	14 355	14 581	25 241	18 193	15 392	12 529	12 529	26 087	41 367

This supporting table gives details of information summarised in Table C7.

## PART 2 – SUPPORTING DOCUMENTATION

### Debtors' analysis

#### Supporting Table SC3 Debtors' age analysis

NC072 Umsobomvu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2014/15									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				
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	24	750	775	666	27 752					29 968	28 419	-	13 076
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 017	411	320	175	3 050					4 973	3 224	-	2 452
Receivables from Non-exchange Transactions - Property Rates	1400	368	247	201	190	5 453					6 459	5 642	-	2 714
Receivables from Exchange Transactions - Waste Water Management	1500	497	395	359	337	12 893					14 482	13 230	-	7 303
Receivables from Exchange Transactions - Waste Management	1600	161	303	293	286	17 158					18 201	17 444	-	7 418
Receivables from Exchange Transactions - Property Rental Debtors	1700	(61)	30	28	30	1 249					1 276	1 279	-	409
Interest on Arrear Debtor Accounts	1810	-	-	-	-	6 410					6 410	6 410	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-					-	-	-	-
Other	1900	49	55	55	53	1 285					1 497	1 338	-	824
<b>Total By Income Source</b>	<b>2000</b>	<b>2 055</b>	<b>2 192</b>	<b>2 031</b>	<b>1 737</b>	<b>75 249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83 265</b>	<b>76 986</b>	<b>-</b>	<b>34 196</b>
<b>2013/14 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	268	360	269	119	985					2 001	1 103	-	-
Commercial	2300	896	220	187	147	2 968					4 418	3 115	-	-
Households	2400	891	1 613	1 575	1 471	71 297					76 847	72 768	-	34 196
Other	2500	-	-	-	-	-					-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>2 055</b>	<b>2 192</b>	<b>2 031</b>	<b>1 737</b>	<b>75 249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83 265</b>	<b>76 986</b>	<b>-</b>	<b>34 196</b>

The increased debtors results primarily from the year-on-year increase in billings from increased tariffs at the start of the new financial year. Also a contributing factor are the increased of unemployment as 218 more household applied for indigent support during the seven months.

#### Summary of Indigent Households

	Indigent Households	Amount	Other Households	Total Households	
<b>2014</b>					
July	2 423	3 916 878	59 791 109	63 707 987	6.15%
August	2 423	4 912 253	59 305 125	64 217 378	7.65%
September	2 494	4 718 309	60 855 718	65 574 027	7.20%
October	2 494	3 812 165	62 881 012	66 693 177	5.72%
November	2 612	5 331 940	62 519 227	67 851 167	7.86%
December	2 641	6 079 681	63 411 088	69 490 769	8.75%
<b>2015</b>					
January	2 641	6 302 679	64 609 736	70 912 415	8.89%
February		6 637 074	66 699 491	73 336 565	9.05%
March	2 752	6 850 490	66 214 949	73 065 439	9.38%
April	2 752	6 949 736	67 454 767	74 404 503	9.34%
May	2 752	7 109 873	68 501 438	75 611 311	9.40%
June	2 752	8 340 727	68 505 820	76 846 547	10.85%

## Summary of Debtors Age Analysis

MONTH	< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	<180 Days	<365 Days	>365 Days	Total -	Older than 30 Days	Older than 90 days
<b>2014/15</b>											
July	4 271 991	1 798 409	1 474 793	1 384 492	60 033 656				68 963 341	1 798 409	61 418 148
August	3 789 087	2 671 964	1 578 717	1 423 410	61 300 318				70 763 496	2 671 964	62 723 728
September	2 561 129	3 555 394	2 358 062	1 468 689	62 273 027				72 216 301	3 555 394	63 741 716
October	2 187 292	2 390 938	3 254 242	2 229 804	63 413 412				73 475 688	2 390 938	65 643 216
November	1 947 884	2 236 825	2 087 917	3 003 537	65 082 704				74 358 867	2 236 825	68 086 241
December	2 413 644	2 265 442	2 099 944	2 030 044	67 680 429				76 489 503	2 265 442	69 710 473
January	2 864 196	2 244 146	2 027 583	1 932 206	69 244 971				78 313 102	2 244 146	71 177 177
February	3 538 597	2 395 658	1 972 130	1 776 372	70 521 812				80 204 569	2 395 658	72 298 184
March	2 213 181	2 202 016	2 129 374	1 802 441	71 455 572				79 802 584	2 202 016	73 258 013
April	2 518 472	2 143 190	1 972 186	1 945 021	72 523 407				81 102 276	2 143 190	74 468 428
May	2 098 249	2 337 012	1 905 734	1 770 837	74 102 179				82 214 011	2 337 012	75 873 016
June	2 054 991	2 192 061	2 031 407	1 737 163	75 249 297				83 264 919	2 192 061	76 986 460

## Creditors' analysis

### Supporting Table SC4

#### NC072 Umsobomvu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2014/15								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	2 996								2 996
Bulk Water	0200	-								-
PAYE deductions	0300	-								-
VAT (output less input)	0400	-								-
Pensions / Retirement deductions	0500	-								-
Loan repayments	0600	-								-
Trade Creditors	0700	-								-
Auditor General	0800	-								-
Other	0900	895								895
<b>Total By Customer Type</b>	<b>1000</b>	<b>3 891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 891</b>

Supporting Table SC4 reflects current creditors at the end of June 2015.

The payment of creditors is within requirements of the MFMA.

# Investment portfolio analysis

## Supporting Table SC5

NC072 Umsobomvu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands	Yrs/Months							
<b>Municipality</b>								
CAPITAL REPLACEMENT 1	3 MONTHS	32 DAY		-	3.8%	84	-	84
HOUSING DEVELOPMENT	3 MONTHS	32 DAY		-	4.9%	151	-	151
HOUSING DEVELOPMENT	3 MONTHS	32 DAY		-	0.0%	24	-	24
CAPITAL REPLACEMENT 4	3 MONTHS	32 DAY		2	5.2%	121	2	122
CAPITAL REPLACEMENT	3 MONTHS	32 DAY		0	4.7%	11	0	11
CAPITAL REPLACEMENT 5	3 MONTHS	32 DAY		3	5.1%	383	3	387
INVESTMENT	3 MONTHS	32 DAY		54	5.9%	5 110	54	5 164
<b>Municipality sub-total</b>				59		5 884	59	5 943
<b>Entities</b>								
<b>Entities sub-total</b>				-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>				59		5 884	59	5 943

Surplus cash not immediately required is invested in 32 day deposits.

The municipality has no long term investments.

# Allocation and grant receipts and expenditure

## Supporting Table SC6 – Grant receipts

NC072 Umsobomvu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	34 152	35 673	35 673	727	35 673	35 673	-		35 673
Equitable share	30 684	32 382	32 382	727	32 382	32 382	-		32 382
FINANCE MANAGEMENT	1 650	1 800	1 800	-	1 800	1 800	-		1 800
MSIG	890	934	934	-	934	934	-		934
MIG ADMIN - PMU	678	557	557	-	557	557	-		557
Energy Efficiency and Demand Management	250	-	-	-	-	-	-		-
SUBSIDY STATE	-	-	-	-	-	-	-		-
Other transfers and grants [insert description]	-	-	-	-	-	-	-		-
<b>Provincial Government:</b>	708	991	991	-	-	991	(991)	-100.0%	991
DEPT ART & CULTURE (LIBRARY)	708	991	991	-	-	991	(991)	-100.0%	991
YOUTH PROGRAMS	-	-	-	-	-	-	-		-
IMMUNISATION GRANT	-	-	-	-	-	-	-		-
Other transfers and grants [insert description]	-	-	-	-	-	-	-		-
<b>District Municipality:</b>	-	-	-	-	-	-	-		-
<i>DISTRICT MUNICIPALITY</i>	-	-	-	-	-	-	-		-
Other transfers and grants [insert description]	-	-	-	-	-	-	-		-
<b>Other grant providers:</b>	3 600	-	-	-	-	-	-		-
<i>IEC INFRASTRUCTURE</i>	-	-	-	-	-	-	-		-
Other transfers and grants [insert description]	3 600	-	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	<b>38 460</b>	<b>36 664</b>	<b>36 664</b>	<b>727</b>	<b>35 673</b>	<b>36 664</b>	<b>(991)</b>	<b>-2.7%</b>	<b>36 664</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	47 473	43 091	43 732	-	13 091	50 832	(30 641)	-60.3%	50 832
RBIG - DWAF	31 000	30 000	30 000	-	-	30 000	(30 000)	-100.0%	30 000
HOUSING PROJECTS	-	-	-	-	-	-	-		-
EEDG	-	-	-	-	-	-	-		-
MIG - CAPITAL	12 873	10 591	10 591	-	10 591	17 691	-		17 691
INEP	2 600	1 500	1 500	-	1 500	1 500	-		1 500
EPWP	1 000	1 000	1 641	-	1 000	1 641	(641)	-39.1%	1 641
<b>Provincial Government:</b>	2 600	-	-	-	-	-	-		-
DISASTER	2 600	-	-	-	-	-	-		-
DEPRT OF SAFETY	-	-	-	-	-	-	-		-
EPWP	-	-	-	-	-	-	-		-
<b>District Municipality:</b>	-	-	-	-	-	-	-		-
<i>DISTRICT MUNICIPALITY</i>	-	-	-	-	-	-	-		-
<b>Other grant providers:</b>	-	-	-	-	-	-	-		-
<i>Kgotso Pula Nala</i>	-	-	-	-	-	-	-		-
<b>Total Capital Transfers and Grants</b>	<b>50 073</b>	<b>43 091</b>	<b>43 732</b>	<b>-</b>	<b>13 091</b>	<b>50 832</b>	<b>(30 641)</b>	<b>-60.3%</b>	<b>50 832</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>88 532</b>	<b>79 755</b>	<b>80 396</b>	<b>727</b>	<b>48 764</b>	<b>87 496</b>	<b>(31 632)</b>	<b>-36.2%</b>	<b>87 496</b>

Grant receipts are monitored according to the payment schedules.

## Supporting Table SC7(1) – Grant expenditure

NC072 Umsobomvu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	34 152	35 673	35 673	1 149	8 899	35 673	(26 217)	-73.5%	35 673
Equitable share	30 684	32 382	32 382	599	6 742	32 382	(25 640)	-79.2%	32 382
FINANCE MANAGEMENT	1 650	1 800	1 800	550	1 668	1 800	(132)	-7.4%	1 800
MSIG	890	934	934		490	934	(444)	-47.6%	934
MIG ADMIN - PMU	678	557	557			557			557
Energy Efficiency and Demand Management	250	-	-			-			-
SUBSIDY STATE	-	-	-			-			-
Other transfers and grants [insert description]	-	-	-			-			-
<b>Provincial Government:</b>	-	991	991	29	482	991	(509)	-51.4%	991
DEPT ART & CULTURE (LIBRARY)	-	991	991	29	482	991	(509)	-51.4%	991
YOUTH PROGRAMS	-	-	-			-			-
IMMUNISATION GRANT	-	-	-			-			-
Other transfers and grants [insert description]	-	-	-			-			-
<b>District Municipality:</b>	-	-	-	-	-	-	-		-
DISTRICT MUNICIPALITY	-	-	-			-			-
Other transfers and grants [insert description]	-	-	-			-			-
<b>Other grant providers:</b>	3 600	-	-	-	-	-	-		-
IEC INFRASTRUCTURE	-	-	-			-			-
Other transfers and grants [insert description]	3 600	-	-			-			-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>37 752</b>	<b>36 664</b>	<b>36 664</b>	<b>1 178</b>	<b>9 381</b>	<b>36 664</b>	<b>(26 726)</b>	<b>-72.9%</b>	<b>36 664</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	47 473	43 091	50 832	3 647	5 939	50 832	(31 321)	-61.6%	50 832
RBIG - DWAF	31 000	30 000	30 000			30 000	(30 000)	-100.0%	30 000
HOUSING PROJECTS	-	-	-			-			-
EEDG	-	-	-			-			-
MIG - CAPITAL	12 873	10 591	17 691	3 453	4 204	17 691			17 691
INEP	2 600	1 500	1 500	185	1 415	1 500			1 500
EPWP	1 000	1 000	1 641	9	320	1 641	(1 321)	-80.5%	1 641
<b>Provincial Government:</b>	-	-	-	-	-	-	-		-
DISASTER	-	-	-			-			-
DEPRT OF SAFETY	-	-	-			-			-
EPWP	-	-	-			-			-
<b>District Municipality:</b>	-	-	-	-	-	-	-		-
	-	-	-			-			-
	-	-	-			-			-
<b>Other grant providers:</b>	2 600	-	-	-	-	-	-		-
Kgotso Pula Nala	2 600	-	-			-			-
<b>Total capital expenditure of Transfers and Grants</b>	<b>50 073</b>	<b>43 091</b>	<b>50 832</b>	<b>3 647</b>	<b>5 939</b>	<b>50 832</b>	<b>(31 321)</b>	<b>-61.6%</b>	<b>50 832</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>87 824</b>	<b>79 755</b>	<b>87 496</b>	<b>4 825</b>	<b>15 320</b>	<b>87 496</b>	<b>(58 047)</b>	<b>-66.3%</b>	<b>87 496</b>

Grant expenditure is monitored against grant receipts.

## Supporting Table SC7(2) – Expenditure against approved rollovers

NC072 Umsobomvu - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M12 June

Description	Budget Year 2014/15				
	Approved Rollover 2013/14	Monthly actual	YearTD actual	YTD variance	YTD variance %
<b>R thousands</b>					
<b>EXPENDITURE</b>					
<b>Operating expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	-	-	-	-	
Equitable share					
FINANCE MANAGEMENT					
Energy Efficiency and Demand Management					
SUBSIDY STATE					
Other transfers and grants [insert description]					
<b>Provincial Government:</b>	-	-	-	-	
YOUTH PROGRAMS					
IMMUNISATION GRANT					
#REF!					
Other transfers and grants [insert description]					
<b>District Municipality:</b>	-	-	-	-	
<i>DISTRICT MUNICIPALITY</i>					
<b>Other grant providers:</b>	-	-	-	-	
<b>Total operating expenditure of Approved Roll-overs</b>	-	-	-	-	
<b>Capital expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	7 744	472	7 744	-	
MIG - CAPITAL	7 103	472	7 103	-	
EPWP	641	-	641	-	
<b>Provincial Government:</b>	-	-	-	-	
EPWP					
<b>District Municipality:</b>	-	-	-	-	
<b>Other grant providers:</b>	-	-	-	-	
<b>Total capital expenditure of Approved Roll-overs</b>	7 744	472	7 744	-	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>	7 744	472	7 744	-	

A Roll over application was submitted to Provincial Treasury by the end of August 2014 for the unspent MIG (R7.1 million) and EPWP (R641 thousand). The approval from National Treasury was received in November 2014 and the total roll-over was spent at the end of May 2015.

# Expenditure on councillor allowances and employee benefits

## Supporting Table SC8

NC072 Umsobomvu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	2 459	2 945	2 945	83	2 996	2 945	51	2%	2 945
Pension and UIF Contributions	-	-	-			-	-		-
Medical Aid Contributions	-	-	-			-	-		-
Motor Vehicle Allowance	324	-	-			-	-		-
Cellphone Allowance	209	-	-			-	-		-
Housing Allowances	-	-	-			-	-		-
Other benefits and allowances	-	-	-			-	-		-
<b>Sub Total - Councillors</b>	<b>2 992</b>	<b>2 945</b>	<b>2 945</b>	<b>83</b>	<b>2 996</b>	<b>2 945</b>	<b>51</b>	<b>2%</b>	<b>2 945</b>
% increase		-1.6%	-1.6%						-1.6%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages		3 084	3 084	257	2 831	3 084	(252)	-8%	3 084
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus		348	348			348	(348)	-100%	348
Motor Vehicle Allowance		401	556	38	462	556	(94)	-17%	556
Cellphone Allowance									
Housing Allowances		11	12	4	44	12	32	272%	12
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
<b>Sub Total - Senior Managers of Municipality</b>	<b>-</b>	<b>3 844</b>	<b>4 000</b>	<b>300</b>	<b>3 337</b>	<b>4 000</b>	<b>(663)</b>	<b>-17%</b>	<b>4 000</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	23 024	22 885	22 868	1 846	21 913	22 868	(955)	-4%	22 868
Pension and UIF Contributions	3 389	4 492	4 088	332	3 895	4 088	(193)	-5%	4 088
Medical Aid Contributions	737	758	828	59	736	828	(92)	-11%	828
Overtime	1 298	1 060	1 217	84	1 307	1 217	90	7%	1 217
Performance Bonus	-	-	-			-	-		-
Motor Vehicle Allowance	454	-	-			-	-		-
Cellphone Allowance	-	-	-			-	-		-
Housing Allowances	45	-	-			-	-		-
Other benefits and allowances	2 393	474	537	45	463	537	(74)	-14%	537
Payments in lieu of leave	-	5 204	5 204	209	1 784	5 204	(3 419)	-66%	5 204
Long service awards	-	-	-			-	-		-
Post-retirement benefit obligations	2 340	341	341			341	(341)	-100%	341
<b>Sub Total - Other Municipal Staff</b>	<b>33 680</b>	<b>35 213</b>	<b>35 084</b>	<b>2 574</b>	<b>30 099</b>	<b>35 084</b>	<b>(4 985)</b>	<b>-14%</b>	<b>35 084</b>
% increase		4.6%	4.2%						4.2%
<b>Total Parent Municipality</b>	<b>36 672</b>	<b>42 001</b>	<b>42 028</b>	<b>2 956</b>	<b>36 432</b>	<b>42 028</b>	<b>(5 597)</b>	<b>-13%</b>	<b>42 028</b>

## SDBIP

The results of the SDBIP for the fourth quarter ended 30 June 2015 will be included in a separate comprehensive report to be tabled in Council in August 2015.

# Financial Performance

## Supporting Table SC2

NC072 Umsobomvu - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 June

Description of financial indicator	Basis of calculation	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	0.0%	19.1%	18.5%	0.3%	2.5%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	2.2%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	6.7%	0.7%	0.7%	5.6%	0.7%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>						
Current Ratio	Current assets/current liabilities	190.5%	8560.8%	8560.8%	246.0%	8560.8%
Liquidity Ratio	Monetary Assets/Current Liabilities	66.2%	4939.6%	4939.6%	69.3%	4939.6%
<b>Revenue Management</b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	34.6%	28.6%	26.6%	42.2%	26.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
<b>Funding of Provisions</b>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<b>Other Indicators</b>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated				1.0%	
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source				51.0%	
Employee costs	Employee costs/Total Revenue - capital revenue	31.5%	38.6%	35.8%	30.3%	35.8%
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	26.5%	23.8%	22.2%	0.3%	3.0%
<b>IDP regulation financial viability indicators</b>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		26.2		49.96	
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					
Monetary assets		19 947	39 524	39 524	18 448	39 524
Total Revenue (excluding capital transfers and contributions)		107 040	101 301	109 125	110 531	109 125
Transfers recognised - operational		45 880	36 664	36 664	39 667	36 664
Transfers recognised - capital		40 402	41 591	41 591	23 082	41 591
Debt service payments		898	1 011	4 561	(1 261)	(1 088)
Outstanding debtors (receivables)		37 064	28 975	28 975	46 635	28 975
Annual services revenue		45 734	50 828	54 011	49 354	
Cash + investments	Including LT investments	19 947	39 524	39 524	18 448	39 524
Fixed operational expend. (monthly)						
Longstanding debtors outstanding						
Longstanding debtors recovered						
Attorney collections						

# Capital programme performance

## Supporting Table SC12

NC072 Umsobomvu - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	4 733	3 250	3 250	604	604	3 250	2 646	81.4%	1%
August	4 733	3 167	3 167	876	1 480	6 417	4 937	76.9%	4%
September	4 733	3 167	3 167	1 338	2 818	9 583	6 766	70.6%	7%
October	4 733	3 167	3 167	4 246	7 063	12 750	5 687	44.6%	17%
November	4 733	3 167	3 167	672	7 736	15 917	8 181	51.4%	19%
December	4 733	3 167	3 167	6 258	13 994	19 083	5 089	26.7%	35%
January	4 733	3 167	3 167	23	14 018	22 250	8 232	37.0%	35%
February	4 733	3 667	3 667	541	14 559	25 917	11 358	43.8%	36%
March	4 733	3 667	3 667	5 096	19 655	29 583	9 929	33.6%	48%
April	4 733	3 717	3 717	5 403	25 058	33 300	8 242	24.8%	0
May	4 733	3 167	3 167	7	25 065	36 467	11 402	31.3%	0
June	4 733	4 083	4 083	3 398	28 463	40 550	12 087	29.8%	0
<b>Total Capital expenditure</b>	<b>56 792</b>	<b>40 550</b>	<b>40 550</b>	<b>28 463</b>					

## Other supporting documentation

# Supporting Table SC13a

NC072 Umsobomvu - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	48 145	39 000	41 741	3 398	28 232	41 741	13 509	32.4%	41 741
Infrastructure - Road transport	5 100	6 000	6 641	25	1 767	6 641	4 874	73.4%	6 641
<i>Roads, Pavements &amp; Bridges</i>	5 100	6 000	6 641	25	1 767	6 641	4 874	73.4%	6 641
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	2 920	1 500	1 500	185	2 368	1 500	(868)	-57.9%	1 500
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>	2 600	1 500	1 500	185	2 368	1 500	(868)	-57.9%	1 500
<i>Street Lighting</i>	320	-	-	-	-	-	-	-	-
Infrastructure - Water	38 625	31 500	33 600	3 189	24 096	33 600	9 504	28.3%	33 600
<i>Dams &amp; Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	38 625	31 500	33 600	3 189	24 096	33 600	9 504	28.3%	33 600
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	1 500	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	1 500	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<i>Waste Management</i>	-	-	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Community</b>	-	-	5 000	-	171	5 000	4 829	96.6%	5 000
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	5 000	-	171	5 000	4 829	96.6%	5 000
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	8 647	-	85	85	85	85	-	-	85
General vehicles	1 647	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	2 000	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	85	85	85	85	-	-	85
Furniture and other office equipment	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	5 000	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>	-	1 550	15	15	15	15	-	-	15
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	1 550	15	15	15	15	-	-	15
<b>Total Capital Expenditure on new assets</b>	<b>56 792</b>	<b>40 550</b>	<b>46 841</b>	<b>3 498</b>	<b>28 502</b>	<b>46 841</b>	<b>18 339</b>	<b>39.2%</b>	<b>46 841</b>

# Supporting Table SC13b

NC072 Umsobomvu - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class -

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>									
<i>Storm water</i>									
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
<i>Generation</i>									
<i>Transmission &amp; Reticulation</i>									
<i>Street Lighting</i>									
Infrastructure - Water	-	-	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>									
<i>Water purification</i>									
<i>Reticulation</i>									
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>									
<i>Sewerage purification</i>									
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<i>Waste Management</i>									
<i>Transportation</i>									
<i>Gas</i>									
<i>Other</i>									
<b>Community</b>	-	-	-	-	-	-	-	-	-
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings									
Other									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development									
Other									
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
General v vehicles									
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other									
<b>Total Capital Expenditure on renewal of existing ass</b>	-	-	-	-	-	-	-	-	-

# Supporting Table SC13c

NC072 Umsobomvu - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	1 503	1 034	1 613	106	1 844	1 034	(810)	-78.4%	1 613
Infrastructure - Road transport	217	26	300	12	422	26	(396)	-1548.5%	300
Roads, Pavements & Bridges	217	26	300	12	422	26	(396)	-1548.5%	300
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	624	621	726	20	848	621	(227)	-36.5%	726
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	495	421	526	20	713	421	(292)	-69.5%	526
Street Lighting	129	200	200	0	134	200	66	32.8%	200
Infrastructure - Water	599	337	337	75	351	337	(13)	-4.0%	337
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	599	337	337	75	351	337	(13)	-4.0%	337
Infrastructure - Sanitation	63	50	250	-	224	50	(174)	-347.2%	250
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	63	50	250	-	224	50	(174)	-347.2%	250
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Community</b>	48	5	5	1	9	199	190	95.2%	5
Parks & gardens	29	5	5	1	6	5	(1)	-28.6%	5
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	19	-	-	-	3	194	191	98.4%	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	890	1 236	2 060	138	1 813	1 204	(609)	-50.6%	2 060
General vehicles	501	817	978	47	681	784	103	13.1%	978
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	71	353	270	58	167	353	185	52.6%	270
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	6	59	56	2	9	59	50	85.3%	56
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	753	-	-	-	-	-	753
Other Buildings	310	-	-	31	954	-	(954)	#DIV/0!	-
Other Land	1	8	3	-	1	8	6	84.5%	3
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>2 440</b>	<b>2 275</b>	<b>3 678</b>	<b>246</b>	<b>3 666</b>	<b>2 436</b>	<b>(1 230)</b>	<b>-50.5%</b>	<b>3 678</b>

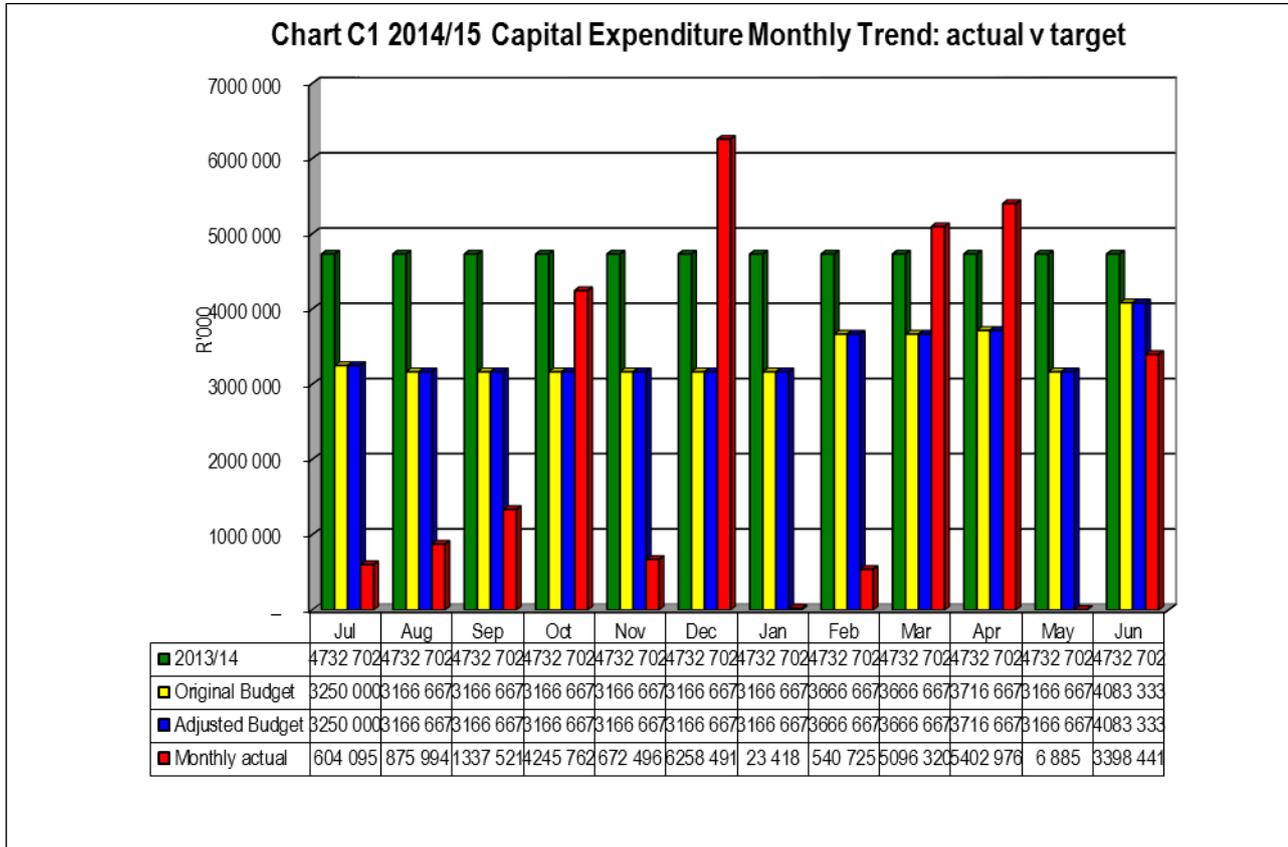
# Supporting Table SC13d

NC072 Umsobomvu - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M12 June

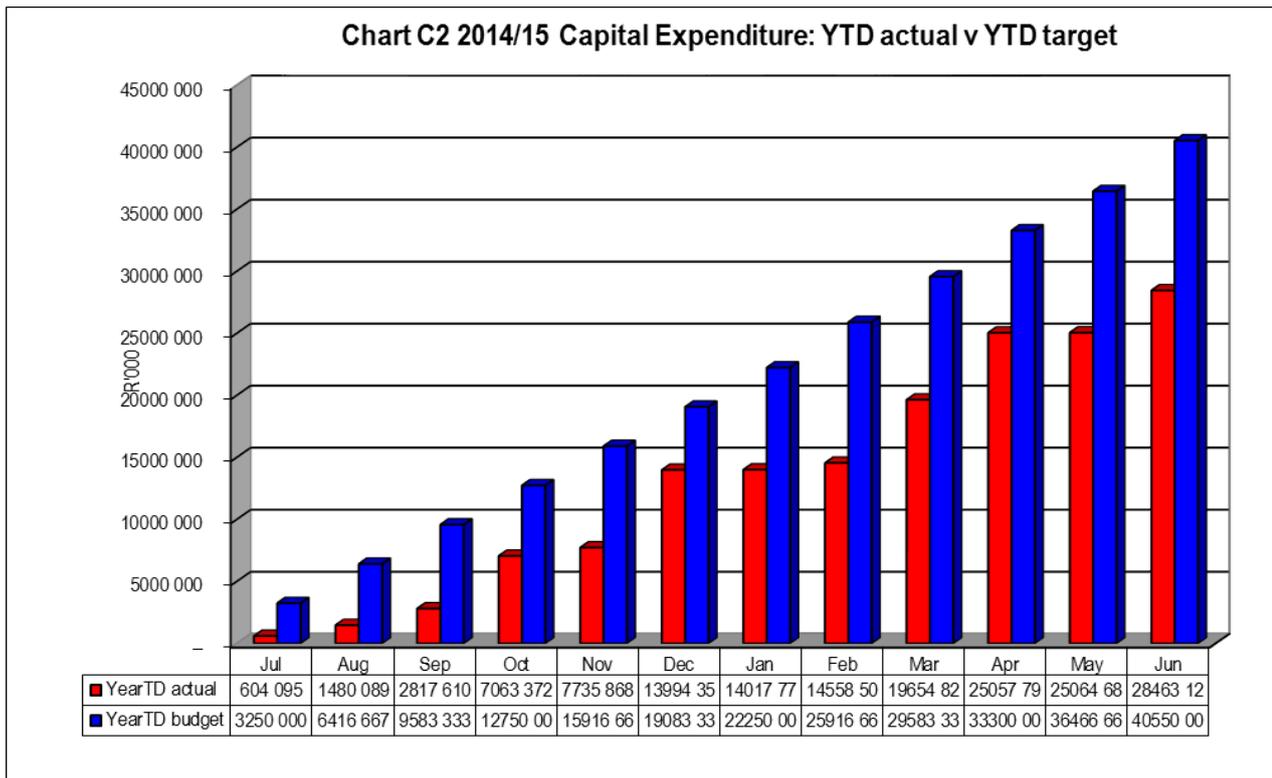
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	18 591	18 576	18 576	1 548	18 576	18 576	-		18 576
Infrastructure - Road transport	-	-	-	-	-	-	-		-
Roads, Pavements & Bridges	-	-	-	-	-	-	-		-
Storm water	-	-	-	-	-	-	-		-
Infrastructure - Electricity	2 785	2 785	2 785	232	2 785	2 785	-		2 785
Generation	-	-	-	-	-	-	-		-
Transmission & Reticulation	2 785	2 785	2 785	232	2 785	2 785	-		2 785
Street Lighting	-	-	-	-	-	-	-		-
Infrastructure - Water	12 351	12 351	12 351	1 029	12 351	12 351	-		12 351
Dams & Reservoirs	-	-	-	-	-	-	-		-
Water purification	-	-	-	-	-	-	-		-
Reticulation	12 351	12 351	12 351	1 029	12 351	12 351	-		12 351
Infrastructure - Sanitation	2 843	2 828	2 828	236	2 828	2 828	-		2 828
Reticulation	2 843	2 828	2 828	236	2 828	2 828	-		2 828
Sewerage purification	-	-	-	-	-	-	-		-
Infrastructure - Other	612	612	612	51	612	612	-		612
Waste Management	612	612	612	51	612	612	-		612
Transportation	-	-	-	-	-	-	-		-
Gas	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Community</b>	3 800	2	2	0	2	2	-		2
Parks & gardens	-	-	-	-	-	-	-		-
Sportsfields & stadia	-	-	-	-	-	-	-		-
Swimming pools	-	-	-	-	-	-	-		-
Community halls	-	-	-	-	-	-	-		-
Libraries	-	-	-	-	-	-	-		-
Recreational facilities	-	-	-	-	-	-	-		-
Fire, safety & emergency	-	-	-	-	-	-	-		-
Security and policing	-	-	-	-	-	-	-		-
Buses	-	-	-	-	-	-	-		-
Clinics	-	-	-	-	-	-	-		-
Museums & Art Galleries	-	-	-	-	-	-	-		-
Cemeteries	3 800	2	2	0	2	2	-		2
Social rental housing	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Heritage assets</b>	-	-	-	-	-	-	-		-
Buildings	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Investment properties</b>	-	-	-	-	-	-	-		-
Housing development	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Other assets</b>	5 179	5 256	5 256	438	5 256	5 256	-		5 256
General vehicles	-	-	-	-	-	-	-		-
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment	-	-	-	-	-	-	-		-
Computers - hardware/equipment	-	-	-	-	-	-	-		-
Furniture and other office equipment	-	-	-	-	-	-	-		-
Abattoirs	-	-	-	-	-	-	-		-
Markets	-	-	-	-	-	-	-		-
Civic Land and Buildings	-	-	-	-	-	-	-		-
Other Buildings	4 302	4 379	4 379	365	4 379	4 379	-		4 379
Other Land	-	-	-	-	-	-	-		-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-		-
Other	877	877	877	73	877	877	-		877
<b>Agricultural assets</b>	-	-	-	-	-	-	-		-
List sub-class	-	-	-	-	-	-	-		-
<b>Biological assets</b>	-	-	-	-	-	-	-		-
List sub-class	-	-	-	-	-	-	-		-
<b>Intangibles</b>	-	-	-	-	-	-	-		-
Computers - software & programming	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Total Depreciation</b>	<b>27 570</b>	<b>23 834</b>	<b>23 834</b>	<b>1 986</b>	<b>23 834</b>	<b>23 834</b>	<b>-</b>		<b>23 834</b>

## Other supporting documentation Section 71 charts

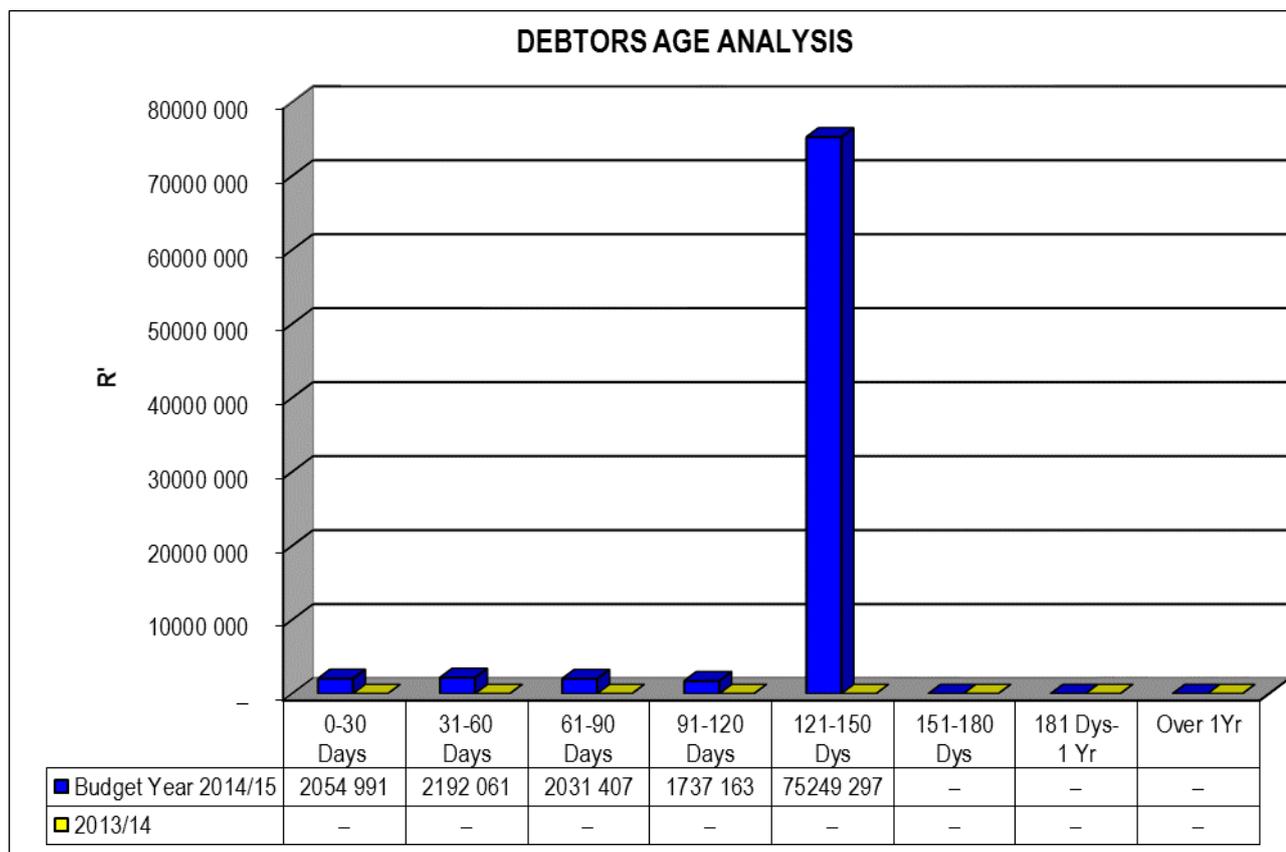
### Capital expenditure monthly trend - actual vs target



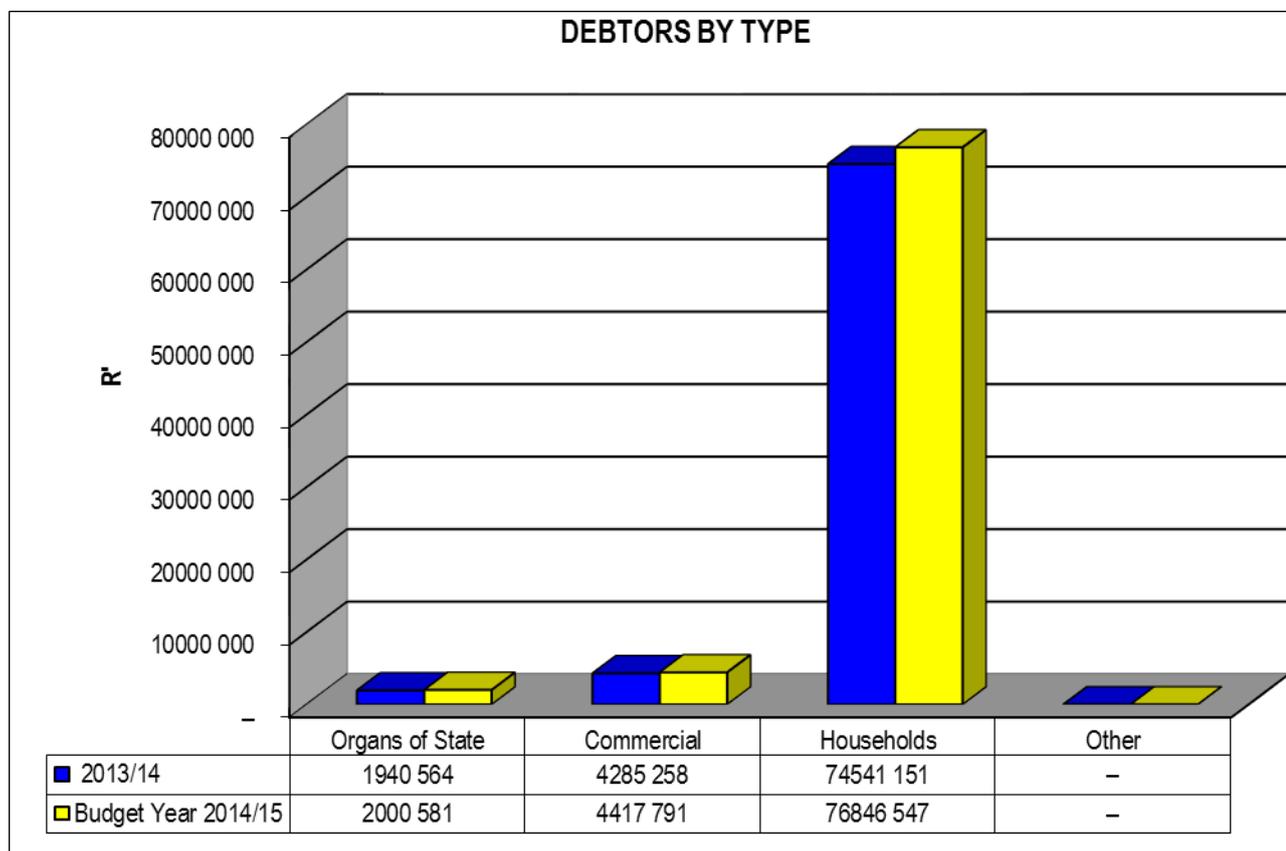
### Capital expenditure – YTD actual vs YTD trend



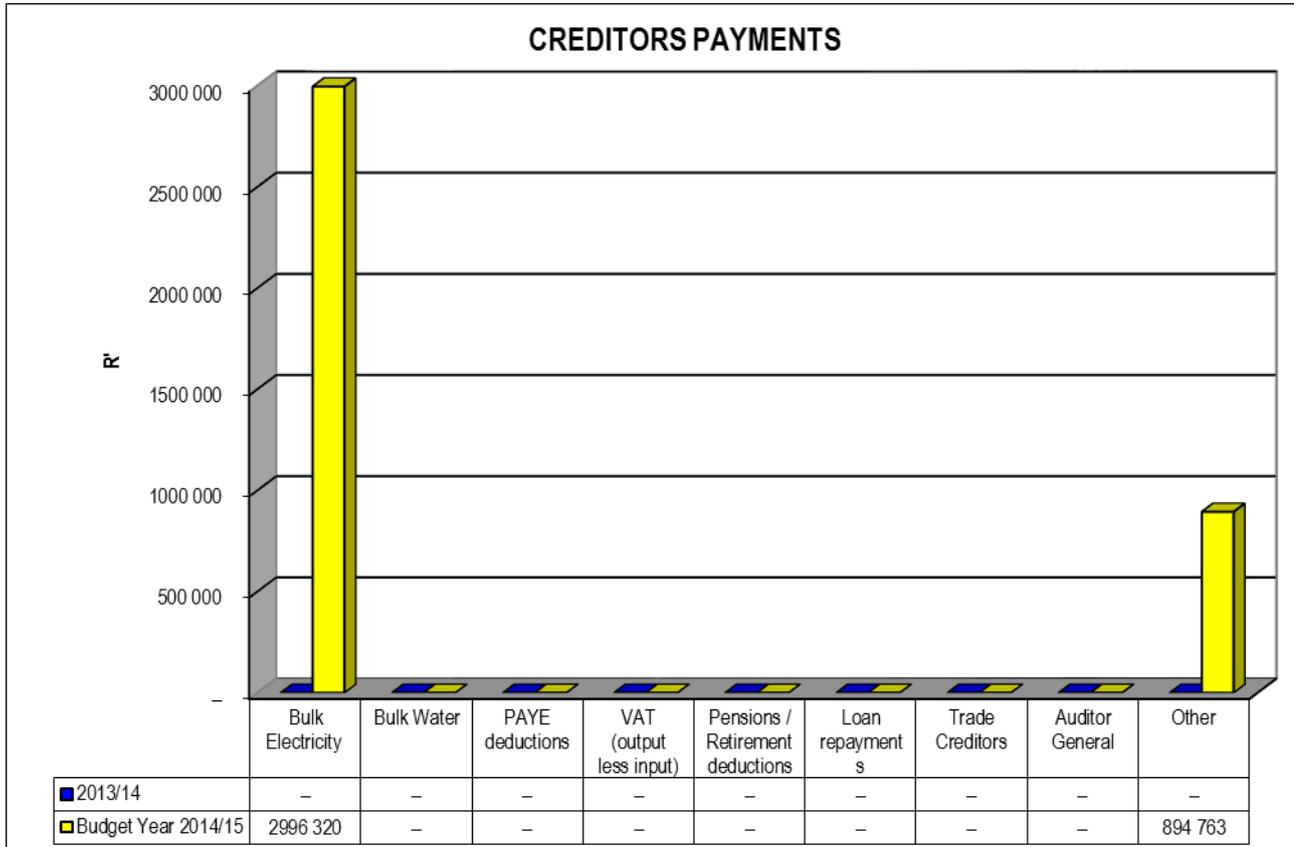
## Debtors Age Analysis



## Debtors by Type



## Creditor Payments



# MUNICIPAL MANAGER'S QUALITY CERTIFICATION

## QUALITY CERTIFICATE

I, **AMOS CHINA MPELA**, the Municipal Manager of Umsobomvu Local Municipality, hereby certify that: -

(Mark as appropriate)

Monthly budget statement

For the month of June 2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print Name: AC MPELA

Municipal Manager of Umsobomvu Local Municipality (NCO72)



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

Date: 14 July 2015

## Minutes of the Audit Committee Meeting

**Date: 21 April 2015**

**Time: 10:00 am**

**Venue: Umsobomvu Municipality, Colesberg**

Nr.	Item	Responsible Person
<b>1</b>	<p><b>Opening and welcoming</b> The chairperson welcomed all to the 2<sup>nd</sup> meeting during the financial year.</p>	<b>Mr J Blair</b>
<b>2</b>	<p><b>Present</b> Mr. J Blair : Chairperson Mr M Mnyamana: audit Committee Member Mr M Puley: Audit Committee Member Mrs E Humphries: Councillor Mr D .T Visagie: CFO Mr N.L Thiso: Deputy CFO Mr P.T.R Mosompha: Technical Manager Mrs M.C Mostert: Senior Accountant Ms L Sonwabo: Income Accountant Mr J Hanse: Consultant Municipal Support Ms. R. A Sors: Manager: Internal Audit Mr. J.T Oliphant: Senior: Internal Audit Mr M.C Mora: Administrative Support</p>	<b>All</b>
<b>3</b>	<p><b>Application for leave of absence</b> Mr Kapp - Durban Mr Mpela – SPLUMA meeting in De Aar</p>	<b>All</b>
<b>4</b>	<p><b>Confirmation of previous minutes</b> Amendments on previous minutes: 1. Mr Puley was present 2. Ms R Sors was on maternity leave 3. EX. 14 Qrt2- Change the amount of R100 000.00 suppose to be R10 000.00 <b>Approval of minutes:</b> Mr M Mnyanana : Recommend Mr J Blair Seconded</p>	<b>All</b>
<b>5</b>	<p><b>Matters arising from previous minutes</b> None</p>	<b>All</b>

<p>6.</p>	<p><b>Umsobomvu Municipality – Audit Action Plan 2014/2015</b></p> <p><b>Audit</b></p> <p>The chairperson requested the CFO to just focus on the key areas</p> <p>The CFO focused on the matters of emphasis and touched in key focus areas such as :</p> <ul style="list-style-type: none"> <li>• Deviations</li> </ul> <p>AG did not agree with the Municipality on when to deviate, the CFO admits that they still struggle with it because the Technical department would regard certain things as emergencies but the auditors would differ.</p> <ul style="list-style-type: none"> <li>• Irregular Expenditure</li> </ul> <p>Council requested MPAC to investigate, MPAC will investigate the irregular expenditures and will report on it and a report will be submitted to council to condone the expenditure.</p> <p>The chairperson requested management to finalise all the above before the end of June 2015.</p> <p><b>EX. 2 Predetermined objectives.</b></p> <p><b>PMS:</b> they will have a problem again this year; the IDP was done by someone else and not by the people the municipality appointed last year for the performance plan and the SDBIP. The CFO stipulated that the alignment will be much better this year onwards, because it will be directly linked to objectives.</p> <p>Mr J Blair wanted to know whether the municipality would be ready the 2015/2016 year.</p> <p>CFO replied yes to the question, they had a whole week Strategic planning session to address all shortcomings.</p> <p>Mr J Blair wanted to know the time frame on when the performance support will be a 100% with no findings?</p> <p>The CFO responded 2015/2016 year</p> <p>The ideal order for proper alignment - strategic planning ⇒ IDP ⇒ SDBIP ⇒ Performance Contracts</p> <p>The engagement letter of the AG is normally signed end of June beginning of July. The chairperson requested</p>	<p><b>Mr J Blair</b></p> <p><b>Mr D .T Visagie</b></p> <p><b>Mr D.T Visagie</b></p> <p><b>Mr D .T Visagie</b></p> <p><b>Mr J Blair</b></p>
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	management to inform and invite the audit committee to this meeting with the AG	<b>Mr J Blair</b>
<b>6.2</b>	<p><b>Internal Audit Final Report – 1<sup>st</sup> Quarter 2014/2015</b></p> <p><b><u>Critical Findings</u></b> None</p> <p><b><u>Significant findings</u></b></p> <p><b><u>EX. 1- Qrt 1: Personnel and Payroll: Deviation regarding overtime</u></b></p> <ul style="list-style-type: none"> <li>• Management agreed with the finding</li> <li>• Internal Audit noted managements comment and will be followed up during the 3<sup>rd</sup> Quarter audit, the follow ups was done will only be discussed during the 2<sup>nd</sup> and 3<sup>rd</sup> quarter report</li> </ul> <p><b><u>EX. 3 – Qrt 1: Salary Advances : Weakness Identified</u></b></p> <ul style="list-style-type: none"> <li>• Management agreed with the finding</li> <li>• Internal Auditors noted managements comment and will be followed up during the 3<sup>rd</sup> quarter.</li> </ul> <p>Mr Kapp is busy with the Advance Policy.</p> <p>Timeframe on when the process will be completed will be at the end of June</p> <p>Mr J Blair requested for management to answer the findings in the format given.</p> <p><b><u>Household findings</u></b> none</p>	<p><b>Mr JT Oliphant</b></p> <p><b>Mr D .T Visagie</b></p> <p><b>Mr J Blair</b></p>
<b>7.1</b>	<p><b>Audit Committee members – Declaration of interest 2014/2015</b></p> <p>To be completed by the Audit committee members.</p>	
<b>7.2</b>	<p><b>Audit Committee Charter</b></p> <p>We used the National Treasury guidelines and MFMA circular together with the MFMA section on the audit committee for a basis to complete the audit committee charter. It outlines the roles and responsibility of audit committee, how they are supposed to function. It needs to be approved by the audit committee.</p>	<b>Ms R Sors</b>

	<p><b>Approval:</b>  <i>Recommended by Mr J Blair</i>  <i>Seconded by Mr M Puley</i></p>	
<b>7.3</b>	<p><b>Internal Audit Charter 2014/2015</b></p> <p>Miss R Sors gave a brief background regarding the Charter, it outlines the roles and responsibilities as internal audit also the duties.</p> <p>Charter only to be noted</p>	<b>Ms R Sors</b>
<b>7.4</b>	<p><b>Risk assessment</b></p> <p>Is a document internal audit uses to identify and weigh risks for the new financial year, because the plans are based on the risk assessments. A risk based audit plan has to be compiled.</p> <p>A risk register was not obtained from treasury, the person responsible for the risk registers only promised one for 2015/2016.</p> <p>Internal audit and the municipality will communicate regarding the risk register.</p> <p>Miss R Sors only focused on the medium and high risks</p> <p><i>Mr J Blair Proposed</i>  <i>Mr M Mnyamana Seconded</i></p>	<p><b>Ms R Sors</b></p> <p><b>Mr J Oliphant</b></p> <p><b>Mr D .T Visagie</b></p>
<b>7.5</b>	<p><b>Internal Audit Strategic Plan 2014-2015 2016-2017</b></p> <p>Ms R Sors went through the plan and explained that the low risk items will be tested once within the three year cycle. She also focused on the high risks that have to be tested each and every year, because of its nature.</p> <p><i>Mr J Blair proposed</i>  <i>Mr M Mnyamana Seconded</i></p>	<b>Mr R Sors</b>
<b>7.6</b>	<p><b>Internal Audit Annual plan 2014/2015</b></p> <p>Mr J Blair proposed only to look at quarter 2, 3 and 4.</p> <p>Ms R Sors went through the plan</p> <p>Mr J Blair proposed if there are significant findings in the SCM it can be moved to quarter 2.</p>	<p><b>Mr J Blair</b></p> <p><b>Ms R Sors</b></p> <p><b>Mr J Blair</b></p>

	<p>Mr J Blair wanted to know why the IDP and the SDBIP is planned so late.</p> <p>Ms R Sors explained that Internal Audit has tried to make it earlier but then the municipalities will not be ready or it's in a draft format.</p> <p><i>Mr M Mnyamana proposed</i> <i>Mr J Blair seconded</i></p>	<p><b>Ms R Sors</b></p> <p><b>Ms R Sors</b></p>
<b>8.</b>	<p><b>Date of next meeting</b></p> <p>Date of next meeting to be communicated.</p> <p>The Chairperson requested internal audit to report on the progress of all findings raised during the 2014/2015 financial year.</p> <p>Ms R Sors responded that at the next audit committee meeting internal audit will present a follow-up report on all findings raised.</p> <p>Mr J Blair recommended not to do a full report and to do a register where there is just a one line explanation on each finding.</p>	<p><b>Mr J Blair</b></p>
	<p><b>Closure</b></p> <p>Mr J Blair thanked all attendees.</p>	<p><b>Mr J Blair</b></p>