



**SECTION 71 REPORT**  
**JANUARY**  
**2016**

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# **Part 1 – Annual Budget**

## **1.1 Mayor's Report**

The Monthly section 71 report is a report that gives a clear view on the state or performance of the Municipality for that month as well as the year to date performance. Among the impacts that are challenging the Municipality, is the cash flow challenge currently being experienced by the municipality due to among other things declining collection, historic expenditure patterns, high water losses and high rate of indigents within the municipal boundaries.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the UThukela District Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

## **1.2 Council Resolutions**

1. The Council of UThukela District Municipality, acting in terms of section 71 of the Municipal Finance Management Act, (Act 56 of 2003) to note :
2. Monthly Budget statements and supporting documents for the month of January 2016.

## **1.3 Executive Summary**

As per Municipal Finance Management Act the municipality needs to prepare section 71 report in a prescribed format as per national treasury regulations.

The District Municipality has to embark on implementing revenue collection strategies to optimize the collection of debt owed by consumers.

The municipality is also embarking on assuring that all grants are spent during the 2015/16 financial year.

- The Service charges – water revenue have a billed amount to consumers of R 16 million in January 2016.
- The Service charges – Sanitation revenue have a billed amount to consumers of R 1.5 million in January 2016.
- Employees related costs spending is R15.5 million for the month of January 2016 of which R1.7 million can be associated with overtime.
- Remuneration of Councillors is R 405 thousand for the month of January 2016.

**Table 2: C5 – Monthly Budget Statements – Capital Expenditure**

The following table provides a breakdown of budgeted capital expenditure by vote:

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Single Year expenditure appropriation</b>									
105 - MUNICIPAL MANAGER	1 648	830	830	-	534	484	50	10%	830
200 - CORPORATE SERVICES	1 276	1 350	1 350	48	382	788	(405)	-51%	1 350
300 - BUDGET AND TREASURY	527	240	240	18	619	140	479	342%	240
405 - SOCIAL SERVICES	11 749	28 150	28 150	-	158	18 421	(16 263)	-99%	28 150
500 - TECHNICAL SERVICES	293 113	288 090	287 888	-	74 890	168 053	(93 163)	-56%	288 090
510 - WATER AND SANITATION SERVICES	-	150	352	-	223	88	135	155%	150
408 - HEALTH & WATER SERVICES AUTHORITY	-	260	260	18	55	152	(97)	-64%	260
<b>Total Capital single-year expenditure</b>	<b>308 513</b>	<b>319 070</b>	<b>319 070</b>	<b>84</b>	<b>76 861</b>	<b>186 124</b>	<b>(109 264)</b>	<b>-59%</b>	<b>319 070</b>
<b>Total Capital Expenditure</b>	<b>308 513</b>	<b>319 070</b>	<b>319 070</b>	<b>84</b>	<b>76 861</b>	<b>186 124</b>	<b>(109 264)</b>	<b>-59%</b>	<b>319 070</b>
<b>Capital Expenditure - Standard Classification</b>									
<i>Governance and administration</i>									
Executive and council	1 848	830	830	-	534	415	119	29%	830
Budget and treasury office	-	240	240	18	619	120	499	416%	240
Corporate services	1 848	1 350	1 350	48	382	675	(293)	-43%	1 350
<i>Community and public safety</i>									
Community and social services	11 749	28 410	28 410	18	212	14 205	(13 993)	-99%	28 410
Health	-	260	260	18	158	14 075	(13 917)	-99%	28 150
<i>Economic and environmental services</i>									
Planning and development	-	2 311	2 311	-	-	1 156	(1 156)	-100%	2 311
Road transport	-	2 311	2 311	-	-	1 156	(1 156)	-100%	2 311
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>									
Electricity	293 113	285 929	285 929	-	75 113	142 965	(67 852)	-47%	285 929
Water	293 113	285 929	285 929	-	75 113	142 965	(67 852)	-47%	285 929
Other	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	<b>308 513</b>	<b>319 070</b>	<b>319 070</b>	<b>84</b>	<b>76 861</b>	<b>159 535</b>	<b>(82 674)</b>	<b>-52%</b>	<b>319 070</b>
<b>Funded by:</b>									
National Government	234 975	237 940	237 940	-	50 960	118 970	(68 010)	-57%	237 940
Transfers recognised - capital	234 975	237 940	237 940	-	50 960	118 970	(68 010)	-57%	237 940
Public contributions & donations	-	-	-	-	-	-	-	-	-
Internally generated funds	73 538	81 130	81 130	84	25 901	40 565	(14 664)	-36%	81 130
<b>Total Capital Funding</b>	<b>308 513</b>	<b>319 070</b>	<b>319 070</b>	<b>84</b>	<b>76 861</b>	<b>159 535</b>	<b>(82 674)</b>	<b>-52%</b>	<b>319 070</b>

➤ As depicted above total capital expenditure recorded for the month of January 2016 is R84 thousand

## 1.4 In - Year Budget tables

**TABLE 1: C4 - Monthly Budget Statements - Financial Performance**

Description	2014/15	Budget Year 2015/16							
	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>									
Service charges - water revenue	110 521	147 050	147 050	16 007	66 735	85 779	12 956	15%	147 050
Service charges - sanitation revenue	15 701	18 057	18 057	1 517	10 361	10 533	(173)	-2%	18 057
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	9 073	8 010	8 010	1 483	6 144	4 673	1 472	31%	8 010
Interest earned - outstanding debtors	19 149	26 568	26 568	1 806	11 324	15 498	(4 174)	-27%	26 568
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	311 978	318 371	318 371	-	281 158	185 716	95 441	51%	318 371
Other revenue	9 561	356	356	48	179	208	(28)	-14%	356
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>475 902</b>	<b>518 412</b>	<b>518 412</b>	<b>20 881</b>	<b>407 801</b>	<b>302 407</b>	<b>105 494</b>	<b>35%</b>	<b>518 412</b>
<b>Expenditure By Type</b>									
Employee related costs	150 427	219 377	219 377	15 503	107 683	127 970	(20 287)	-16%	219 377
Remuneration of councillors	5 796	5 332	5 332	405	3 035	3 110	(75)	-2%	5 332
Debt impairment	90 109	28 222	28 222	4 704	16 463	16 463	0	0%	28 222
Depreciation & asset impairment	45 065	51 431	51 431	8 572	30 001	30 001	(0)	0%	51 431
Finance charges	2 465	60	60	-	12	35	(23)	-67%	60
Bulk purchases	5 304	6 377	6 377	-	604	3 720	(3 115)	-84%	6 377
Other materials	25 362	59 605	59 605	2 260	6 386	34 770	(28 384)	-82%	59 605
Contracted services	27 550	42 261	42 261	1 465	13 616	24 652	(11 036)	-45%	42 261
Transfers and grants	10 716	13 228	13 228	789	835	7 717	(6 882)	-89%	13 228
Other expenditure	194 943	154 660	154 660	10 292	78 956	90 218	(11 262)	-12%	154 660
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>557 738</b>	<b>580 552</b>	<b>580 552</b>	<b>43 989</b>	<b>257 590</b>	<b>338 655</b>	<b>(81 066)</b>	<b>-24%</b>	<b>580 552</b>
<b>Surplus/(Deficit)</b>									
Transfers recognised - capital	(81 756)	(62 140)	(62 140)	(23 128)	150 311	(38 248)	186 559	(0)	(62 140)
Contributions recognised - capital	296 017	237 940	237 940	618	78 887	138 798	(59 912)	(0)	237 940
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>214 261</b>	<b>175 800</b>	<b>175 800</b>	<b>(22 310)</b>	<b>229 196</b>	<b>102 550</b>			<b>175 800</b>

➤ The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.

➤ Recognised is an amount of R818 million under capital grants.

➤ Total operating expenditure is at R43.9 million for the month of January 2016

**Table 3: SC13 Repairs and maintenance per asset class**

Description	2014/15	Budget Year 2015/16							
	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>	21 480	48 467	48 467	1 460	3 309	28 273	24 963	88,3%	48 467
Infrastructure - Road transport	-	1 670	1 670	-	-	974	974	100,0%	1 670
Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-
Storm water	-	1 670	1 670	-	-	974	974	100,0%	1 670
Infrastructure - Water	16 295	21 797	21 797	1 460	3 309	12 715	9 406	74,0%	21 797
Dams & Reservoirs	8 941	9 709	9 709	235	1 245	5 664	4 419	78,0%	9 709
Water purification	3 772	3 552	3 552	-	-	2 072	2 072	100,0%	3 552
Reticulation	3 583	8 537	8 537	1 225	2 065	4 980	2 915	58,5%	8 537
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	5 185	25 000	25 000	-	-	14 583	14 583	100,0%	25 000
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	5 185	25 000	25 000	-	-	14 583	14 583	100,0%	25 000
<b>Other assets</b>	3 882	11 137	11 137	800	3 075	6 497	3 422	52,7%	5 976
General vehicles	3 301	5 161	5 161	573	2 527	3 011	484	16,1%	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	582	582	112	278	340	61	18,0%	582
Computers - hardware/equipment	-	1 200	1 200	-	-	700	700	100,0%	1 200
Furniture and other office equipment	2	61	61	-	-	36	36	100,0%	61
Other Buildings	238	3 073	3 073	114	270	1 792	1 523	84,9%	3 073
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	341	1 060	1 060	-	-	619	619	100,0%	1 060
<b>Total Repairs and Maintenance Expenditure</b>	<b>25 362</b>	<b>59 605</b>	<b>59 605</b>	<b>2 260</b>	<b>6 384</b>	<b>34 769</b>	<b>28 385</b>	<b>81,6%</b>	<b>54 444</b>

- Plant and Equipment refers to the purification plants and equipment.
- The total amount spent in January 2016 towards repairs and maintenance is R2.2 million

**Table 4: C2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Description	2014/15	Budget Year 2015/16							
	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>	298 872	320 930	320 930	1 489	287 189	187 209	99 980	53%	320 930
Executive and council	41 140	48 867	48 867	-	48 867	28 506	20 361	71%	48 867
Budget and treasury office	257 732	272 063	272 063	1 489	238 322	158 703	79 619	50%	272 063
<i>Economic and environmental services</i>	-	250	250	-	250	146	104	71%	250
Planning and development	-	250	250	-	-	-	-	-	-
Road transport	-	-	-	-	250	146	104	71%	250
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	473 127	435 172	435 172	29 190	199 348	253 851	(54 502)	-21%	435 172
Electricity	-	-	-	-	-	-	-	-	-
Water	471 465	417 115	417 115	18 771	189 086	243 317	(54 232)	-22%	417 115
Waste water management	1 662	18 057	18 057	1 419	10 263	10 533	(270)	-3%	18 057
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>771 999</b>	<b>756 352</b>	<b>756 352</b>	<b>21 679</b>	<b>486 787</b>	<b>441 205</b>	<b>45 582</b>	<b>10%</b>	<b>756 352</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	303 313	232 867	232 867	23 089	126 539	135 839	(9 300)	-7%	232 866
Executive and council	32 799	50 911	50 911	4 116	36 142	29 698	6 443	22%	50 911
Budget and treasury office	237 268	123 532	123 532	15 727	63 949	72 060	(8 111)	-11%	123 532
Corporate services	33 246	58 423	58 423	3 165	28 448	34 080	(7 632)	-22%	58 423
<i>Community and public safety</i>	15 625	42 359	42 359	1 451	10 963	24 710	(13 747)	-56%	-
Health	15 625	42 359	42 359	1 451	10 963	24 710	(13 747)	-56%	15 625
<i>Economic and environmental services</i>	18 916	27 348	27 348	860	8 941	15 953	(7 012)	-44%	18 916
Planning and development	18 916	27 348	27 348	860	8 941	15 953	(7 012)	-44%	18 916
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	219 885	277 978	277 978	18 669	111 148	162 154	(51 006)	-31%	219 885
Electricity	-	-	-	-	-	-	-	-	-
Water	217 763	274 731	274 731	18 669	110 893	160 280	(49 367)	-31%	217 763
Waste water management	2 122	3 247	3 247	-	255	1 694	(1 639)	-87%	2 122
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>557 738</b>	<b>580 552</b>	<b>580 552</b>	<b>43 889</b>	<b>257 590</b>	<b>338 655</b>	<b>(81 065)</b>	<b>-24%</b>	<b>232 866</b>
<b>Surplus/ (Deficit) for the year</b>	<b>214 260</b>	<b>175 800</b>	<b>175 800</b>	<b>(22 310)</b>	<b>229 198</b>	<b>102 550</b>	<b>128 648</b>	<b>123%</b>	<b>523 486</b>



**Table 5: C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2014/15	Budget Year 2015/16							
	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>									
105 - MUNICIPAL MANAGER	41 140	48 867	48 867	-	48 867	28 506	20 361	71,4%	48 867
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	257 732	272 063	272 063	1 489	238 322	158 703	79 619	50,2%	272 063
405 - SOCIAL SERVICES	-	250	250	-	250	146	104	71,4%	250
500 - TECHNICAL SERVICES	296 017	240 324	240 324	847	78 916	140 189	(61 273)	-43,7%	240 324
510 - WATER AND SANITATION SERVICES	177 110	194 848	194 848	19 343	120 432	113 662	6 771	6,0%	194 848
408 - HEALTH & WATER SERVICES AUTHORITY	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>771 989</b>	<b>756 352</b>	<b>756 352</b>	<b>21 679</b>	<b>486 787</b>	<b>441 205</b>	<b>45 582</b>	<b>10,3%</b>	<b>756 352</b>
<b>Expenditure by Vote</b>									
105 - MUNICIPAL MANAGER	32 799	50 911	50 911	4 116	36 142	29 698	6 443	21,7%	50 911
200 - CORPORATE SERVICES	33 246	58 423	58 423	3 165	26 448	34 080	(7 632)	-22,4%	58 423
300 - BUDGET AND TREASURY	237 268	123 532	123 532	15 727	63 949	72 060	(8 111)	-11,3%	123 532
405 - SOCIAL SERVICES	18 916	27 348	27 348	860	8 941	15 953	(7 012)	-44,0%	27 348
500 - TECHNICAL SERVICES	7 014	7 089	7 089	397	2 809	4 135	(1 326)	-32,1%	7 089
510 - WATER AND SANITATION SERVICES	212 871	270 889	270 889	18 272	108 339	158 019	(49 679)	-31,4%	270 889
408 - HEALTH & WATER SERVICES AUTHORITY	15 625	42 359	42 359	1 451	10 963	24 710	(13 747)	-55,6%	42 359
<b>Total Expenditure by Vote</b>	<b>557 738</b>	<b>580 552</b>	<b>580 552</b>	<b>43 988</b>	<b>257 590</b>	<b>338 655</b>	<b>(81 065)</b>	<b>-23,9%</b>	<b>580 552</b>
<b>Surplus/ (Deficit) for the year</b>	<b>214 261</b>	<b>175 800</b>	<b>175 800</b>	<b>(22 310)</b>	<b>229 198</b>	<b>102 550</b>	<b>126 648</b>	<b>123,5%</b>	<b>175 800</b>

## Part 2 – Supporting Documentation

### 2.1.1 Table 6: SC3

#### Debtors Age Analysis

R thousands	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	Total	Total over 90 days
<b>Debtors Age Analysis By Income Source</b>							
Trade and Other Receivables from Exchange Transactions - Water	21 811	28 017	15 925	11 036	481 140	557 928	508 101
Other	134	80	99	4	799	1 115	902
<b>Total By Income Source</b>	<b>21 945</b>	<b>28 096</b>	<b>16 024</b>	<b>11 040</b>	<b>481 939</b>	<b>559 044</b>	<b>509 003</b>
<b>Debtors Age Analysis By Customer Group</b>							
Organs of State	19 098	12 529	11 369	10 520	461 781	515 306	483 671
Commercial	1 662	14 783	4 216	222	5 585	26 468	10 003
Households	1 049	705	339	294	13 794	16 181	14 427
Other	134	80	99	4	799	1 115	902
<b>Total By Customer Group</b>	<b>21 945</b>	<b>28 096</b>	<b>16 024</b>	<b>11 040</b>	<b>481 939</b>	<b>559 044</b>	<b>509 003</b>

- The Municipality has a total amount of R 559 million of outstanding debt.

**2.1.2 Table 7: Collection Rate**

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 DECEMBER 2015				
MONTH	BILLING	MONTHS	RECIEPTS	RECOVERY RATE %
June 2015	14 502 485,24	July 2015	8 567 149,37	45,28%
July 2015	14 730 709,76	August 2015	7 286 487,03	49,46%
August 2015	11 887 551,00	September 2015	8 084 873,00	68,01%
September 2015	19 990 002,03	October 2015	6 976 097,17	34,90%
October 2015	10 841 144,08	November 2015	6 832 148,28	63,03%
Novemebr 2015	14 673 919,02	December 2015	6 586 783,29	44,89%
December 2015	11 089 070,00	January 2016	7 253 806,00	65,41%
	<b>97 714 881,13</b>		<b>49 588 344,14</b>	<b>50,75%</b>
<b>TOTALS</b>				
BILLING - JULY 2015- DECEMBER 2015		97 714 881,13	0,00	
RECIEPTS - JULY 2015- JANUARY 2015		49 588 344,14	0,00	
DIFFERENCE		48 126 536,99	50,75%	

**2.2 Table: 8 SC4 Aged Creditors**

Description	Budget Year 2015/16								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	635								-
Auditor General								18 927	18 927
Other									-
<b>Total By Customer Type</b>	<b>635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18 927</b>	<b>19 562</b>

Arrangement has been made with the Department of Water Affairs to pay off the debt for bulk water purchases at an amount of R1 000 000 per month.

**2.3 Table 9: SC8 Salaries and Allowances**

Summary of Employee and Councilor remuneration R thousands	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	4 127	3 832	3 832	289	2 172	2 235	(63)	-3%	3 832
Pension and UIF Contributions									
Medical Aid Contributions									
Motor Vehicle Allowance	1 294	1 056	1 056	95	701	616	85	14%	1 056
Cellphone Allowance	375	444	444	22	161	259	(98)	-38%	444
Housing Allowances									
Other benefits and allowances									
<b>Sub Total - Councillors</b>	<b>5 796</b>	<b>5 332</b>	<b>5 332</b>	<b>405</b>	<b>3 035</b>	<b>3 110</b>	<b>(75)</b>	<b>-2%</b>	<b>5 332</b>
<b>% Increase</b>		<b>-8,0%</b>	<b>-8,0%</b>						<b>-8,0%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	8 958	7 955	7 955	469	3 144	4 641	(1 497)	-32%	7 955
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus		696	696						
Motor Vehicle Allowance						406	(406)	-100%	696
<b>Sub Total - Senior Managers of Municipality</b>	<b>8 958</b>	<b>8 651</b>	<b>8 651</b>	<b>469</b>	<b>3 144</b>	<b>5 046</b>	<b>(1 902)</b>	<b>-38%</b>	<b>8 651</b>
<b>% Increase</b>		<b>-3,4%</b>	<b>-3,4%</b>						<b>-3,4%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	94 309	151 329	151 329	10 158	65 620	88 275	(22 655)	-26%	151 329
Pension and UIF Contributions	813	19 338	19 338	1 802	9 634	11 281	(1 646)	-15%	19 338
Medical Aid Contributions	3 748	4 592	4 592	358	2 413	2 679	(266)	-10%	4 592
Overtime	18 038	11 146	11 146	1 787	10 902	6 502	4 401	68%	11 146
Performance Bonus	6 736	-	-						
Motor Vehicle Allowance	3 887	9 436	9 436	711	4 947	5 504	(557)	-10%	9 436
Cellphone Allowance									
Housing Allowances	746	1 709	1 709	70	501	997	(496)	-50%	1 709
Other benefits and allowances	11 962	11 388	11 388	97	9 567	6 643	2 924	44%	11 388
Payments in lieu of leave	1 229	1 789	1 789	51	754	1 044	(290)	-28%	1 789
Long service awards									
Post-retirement benefit obligations									
<b>Sub Total - Other Municipal Staff</b>	<b>141 468</b>	<b>210 727</b>	<b>210 727</b>	<b>15 034</b>	<b>104 539</b>	<b>122 924</b>	<b>(18 385)</b>	<b>-15%</b>	<b>210 727</b>
<b>% Increase</b>		<b>49,0%</b>	<b>49,0%</b>						<b>48,0%</b>
<b>Total Parent Municipality</b>	<b>158 223</b>	<b>224 710</b>	<b>224 710</b>	<b>15 908</b>	<b>110 718</b>	<b>131 081</b>	<b>(20 363)</b>	<b>-18%</b>	<b>224 710</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>158 223</b>	<b>224 710</b>	<b>224 710</b>	<b>15 908</b>	<b>110 718</b>	<b>131 081</b>	<b>(20 363)</b>	<b>-18%</b>	<b>224 710</b>
<b>% Increase</b>		<b>43,8%</b>	<b>43,8%</b>						<b>43,8%</b>

#### 2.4.1 Table 10: Investments and Bank Balances

<b>Bank Balances</b>			
The following reflects bank balances at 31 January 2015			
<b>DESCRIPTION</b>	<b>NOVEMBER</b>	<b>DECEMBER</b>	<b>JANUARY</b>
FNB MAIN ACCOUNT 62252308280	171 754 977.68	7 018 642.28	33 593 857,00
FNB WATER ACCOUNT 62253072385	0,00	0,00	0,00
	<b>171 754 977.68</b>	<b>7 018 642.28</b>	<b>33 593 857,00</b>
<b>Total cash held</b>			<b>33 593 857,00</b>

At the end of January 2016 cash on hand was R33.5 million

#### 2.4.2 Table 11: SC5 Investments

<b>Investments by maturity Name of Institution &amp; investment ID</b>	<b>Market value at end of the month</b>
<b>R thousands</b>	
<b>Banking Institution</b>	
FNB	61 473
NEDBANK	73 420
INVEST EC	83 244
<b>Municipality sub-total</b>	<b>218 138</b>

Investments held at the end of December 2015 R218 million

- Interest earned on investments for January 2016 R1.4 million
- Interest earned on Primary account for January 2016 R 327 thousand

Investment register at 31 January 2016 has not been finalised. Awaiting bank statements.

**2.5 Table 12: SC6 Grant Receipts**

Description	2014/15	Budget Year 2015/16							
	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>									
National Government:	311 978	318 121	318 121	-	236 046	185 571	30 838	16,6%	318 121
Local Government Equitable Share	245 822	261 605	261 605	-	187 914	152 603	35 311	23,1%	261 605
RSC Levy Replacement	41 140	44 198	44 198	-	44 198	25 762	-	-	44 198
Finance Management	1 250	1 325	1 325	-	1 325	773	-	-	1 325
Municipal Systems Improvement	934	940	940	-	940	548	-	-	940
EPWP Incentive	3 289	2 384	2 384	-	1 669	1 391	-	-	2 384
Water Services Operating Subsidy	9 094	3 000	3 000	-	-	1 750	(1 750)	-100,0%	3 000
DWA	10 439	-	-	-	-	-	-	-	-
SPECIAL SUPPORT FOR COUNCILLORS REMUNERATION AND WARD CG	-	4 669	4 669	-	-	2 724	(2 724)	-100,0%	4 669
Provincial Government:	-	250	250	-	250	146	-	-	250
shared services	-	250	250	-	250	146	-	-	250
shared services	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>311 978</b>	<b>318 371</b>	<b>318 371</b>	<b>-</b>	<b>236 296</b>	<b>185 718</b>	<b>30 838</b>	<b>16,6%</b>	<b>318 371</b>
<b>Capital Transfers and Grants</b>									
National Government:	296 017	237 940	237 940	-	174 193	139 798	32 606	23,5%	237 940
Municipal Infrastructure Grant (MIG)	199 089	181 247	181 247	-	130 000	105 727	24 273	23,0%	181 247
Rural Roads Asset Management	2 315	2 311	2 311	-	2 311	1 348	-	-	2 311
Rural Households Infrastructure	6 689	4 382	4 382	-	4 382	2 565	-	-	4 382
Regional Bulk Infrastructure	83 742	-	-	-	-	-	-	-	-
MWIG	4 182	50 000	50 000	12 500	50 000	29 167	20 833	71,4%	50 000
<b>Total Capital Transfers and Grants</b>	<b>296 017</b>	<b>237 940</b>	<b>237 940</b>	<b>12 500</b>	<b>186 683</b>	<b>138 798</b>	<b>45 106</b>	<b>32,5%</b>	<b>237 940</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>607 995</b>	<b>556 311</b>	<b>556 311</b>	<b>12 500</b>	<b>422 979</b>	<b>324 515</b>	<b>75 943</b>	<b>23,4%</b>	<b>556 311</b>

- R 12.5 million was received was received in the month of January 2016, in respect of the Municipal Water Infrastructure Grant (MWIG)

**2.6 Table 13: SC7 Grant Expenditure**

Description	2014/15	Budget Year 2015/16							
	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>									
National Government:	320 380	318 121	315 121	-	232 631	185 571	47 060	25,4%	318 121
Local Government Equitable Share	261 605	261 605	261 605	-	167 914	152 803	35 311	23,1%	261 605
RSC Levy Replacement	44 198	44 198	44 198	-	44 198	25 782	18 416	71,4%	44 198
Finance Management	1 250	1 325	1 325	-	519	773	(254)	-32,6%	1 325
Municipal Systems Improvement	934	940	940	-	-	548	(548)	-100,0%	940
EPWP Incentive	3 299	2 384	2 384	-	-	1 391	(1 391)	-100,0%	2 384
Water Services Operating Subsidy	9 094	3 000	-	-	-	1 750	(1 750)	-100,0%	3 000
SPECIAL SUPPORT FOR COUNCILLORS REMUNERATION AND		4 669	4 669	-	-	2 724	(2 724)	-100,0%	4 669
Provincial Government:	250	250	250	-	-	146	(146)	-100,0%	250
shared services	250	250	250	-	-	146	(146)	-100,0%	250
<b>Total operating expenditure of Transfers and Grants:</b>	<b>320 380</b>	<b>318 371</b>	<b>315 371</b>	<b>-</b>	<b>232 631</b>	<b>185 716</b>	<b>46 914</b>	<b>25,3%</b>	<b>318 371</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	212 275	237 940	237 940	818	78 887	138 796	(59 912)	-43,2%	237 940
Municipal Infrastructure Grant (MIG)	199 089	181 247	181 247	-	70 607	105 727	(35 120)	-33,2%	181 247
RRAM	2 315	2 311	2 311	-	-	1 348	(1 348)	-100,0%	2 311
MWG	4 182	50 000	50 000	818	6 729	29 167	(22 438)	-76,9%	4 382
ACP	-	-	-	-	-	-	-	-	-
D	-	-	-	-	-	-	-	-	-
RHG	6 689	4 382	4 382	-	1 550	2 556	(1 006)	-39,4%	50 000
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>532 905</b>	<b>556 311</b>	<b>553 311</b>	<b>818</b>	<b>311 517</b>	<b>324 515</b>	<b>(12 998)</b>	<b>-4,0%</b>	<b>556 311</b>

- Grant expenditure for the month of January 2016 is 818 thousand which can be attributed to capital expenditure.

**2.7 Table 14: SC7.2 Grant Expenditure on approved rollovers**

Description	Budget Year 2015/16				
	Approved Rollover 2014/15	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands					
<b>Capital expenditure of Approved Roll-overs</b>					
<b>Capital Transfers and Grants</b>					
National Government	1 435		1 435	0	0,0%
Rural Households Infrastructure Grant	1 435		1 435	0	0,0%
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>	<b>1 435</b>		<b>1 435</b>	<b>0</b>	<b>0,0%</b>

✓ The table above shows full expenditure on the approved roll over of R1.4 – Rural Households Infrastructure Grant

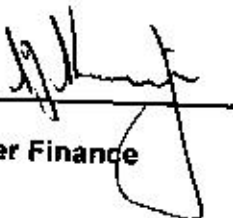


Prepared by



Accountant: Budget

Reviewed by:



Senior Manager Finance

Approved by:



Chief Financial Officer

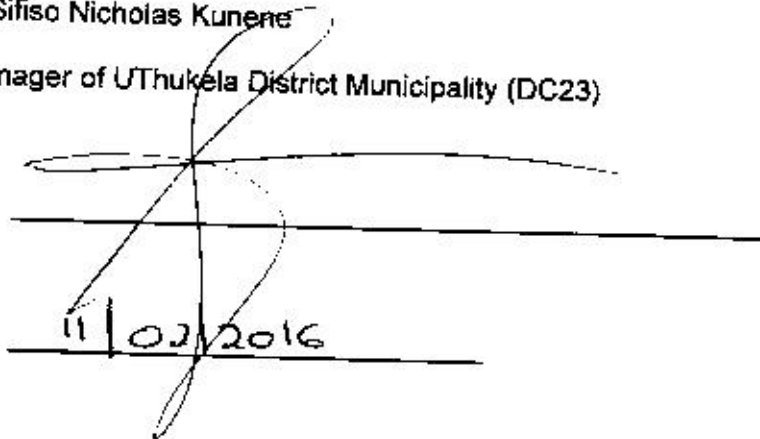
**2.8. Municipal Manager's quality certificate**

I **Sifiso Nicholas Kunene**, Municipal Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for January 2016 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Sifiso Nicholas Kunene

Municipal Manager of UThukela District Municipality (DC23)

Signature

A handwritten signature in black ink, appearing to be 'Sifiso Nicholas Kunene', written over a horizontal line. The signature is stylized and loops back under the line.

Date

11/02/2016