



Nama Khoi Municipality

17 February 2019

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 January 2019 (MONTHLY BUDGET STATEMENT) – 2018/2019 FINANCIAL YEAR**

1. PURPOSE

To comply with section 71 of the MFMA, by providing a monthly statement on the implementation of the budget and financial state of affairs of the municipality to the Council, as legislated.

2. STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.

For the reporting period ending 31 January 2019, ten working days reporting limit expires on 14 February 2019.

3. QUERIES AND SUGGESTIONS

***The financial services division will appreciate if all queries and suggestions can be address to the Chief Financial Officer in writing**

4. REPORT FOR THE PERIOD ENDING 31 JANUARY 2019

This report is based upon financial information, as at 31 January 2019 and available at the time of preparation.

The financial results for the period ended 31 January 2019 are summarised as follows:

Statement of Financial Performance (SFP) (Annexure B – TABLE C4)

The summary report indicates the following

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NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January						
Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source						
Property rates	49 087 458	-949	47 342 077	28 634 347	18 707 730	165.33
Service charges - electricity revenue	82 719 739	13 794 774	50 539 997	48 253 191	2 286 806	104.74
Service charges - water revenue	33 053 220	3 173 853	19 345 202	19 281 045	64 157	100.33
Service charges - sanitation revenue	11 004 875	1 316 382	9 292 666	6 419 511	2 873 155	144.76
Service charges - refuse revenue	13 531 791	1 654 193	11 575 571	7 893 543	3 682 028	146.65
Rental of facilities and equipment	1 267 715	162 314	940 097	739 508	200 589	127.12
Interest earned - external investments	2 183 767	171 665	938 061	1 273 867	-335 806	73.64
Interest earned - outstanding debtors, fines and penalties	7 184 005	852 262	5 726 575	4 190 669	1 535 906	136.65
Licences & permis and agency fees	2 594 327	46 587	854 858	838 950	15 908	101.90
Transfers and subsidies	47 927 000	-	35 853 000	33 288 000	2 565 000	107.71
Other revenue	1 082 696	274 601	1 941 965	1 305 976	635 989	148.70
Gains on disposal of PPE	7 000 000	-	-	4 083 331	-4 083 331	-
Total Revenue (excluding capital transfers and contributions)	258 636 593	21 445 682	184 350 069	156 201 938	28 148 131	118.02
Expenditure By Type						
Employee related costs	87 600 201	6 701 887	47 475 530	51 100 133	-3 624 603	92.91
Remuneration of councillors	5 791 509	482 626	3 603 381	3 378 375	225 006	106.66
Debt impairment	19 066 479	-	-	11 122 111	-11 122 111	-
Depreciation & asset impairment	40 787 397	-	-	23 792 650	-23 792 650	-
Finance charges	7 200 000	-	-	4 200 000	-4 200 000	-
Bulk purchases	105 347 176	9 150 855	53 187 744	61 452 517	-8 264 773	86.55
Other materials	8 584 215	876 935	3 906 226	5 007 436	-1 101 210	78.01
Contracted services and other expenditure	50 582 692	7 360 325	36 412 059	29 506 470	6 905 589	123.40
Total Expenditure	324 959 669	24 572 628	144 584 940	189 559 692	-44 974 752	76.27
Surplus/(Deficit)	-66 323 077	-3 126 946	39 765 129	-33 357 754	73 122 883	

Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source						
Property rates	49 087 458	-949	47 342 077	28 634 347	18 707 730	165.33
Service charges - electricity revenue	82 719 739	13 794 774	50 539 997	48 253 191	2 286 806	104.74
Service charges - water revenue	33 053 220	3 173 853	19 345 202	19 281 045	64 157	100.33
Service charges - sanitation revenue	11 004 875	1 316 382	9 292 666	6 419 511	2 873 155	144.76
Service charges - refuse revenue	13 531 791	1 654 193	11 575 571	7 893 543	3 682 028	146.65
Rental of facilities and equipment	1 267 715	162 314	940 097	739 508	200 589	127.12
Interest earned - external investments	2 183 767	171 665	938 061	1 273 867	-335 806	73.64
Interest earned - outstanding debtors, fines and penalties	7 184 005	852 262	5 726 575	4 190 669	1 535 906	136.65
Licences & permis and agency fees	2 594 327	46 587	854 858	838 950	15 908	101.90
Transfers and subsidies	47 927 000	-	35 853 000	33 288 000	2 565 000	107.71
Other revenue	1 082 696	274 601	1 941 965	1 305 976	635 989	148.70
Gains on disposal of PPE	7 000 000	-	-	4 083 331	-4 083 331	-
Total Revenue (excluding capital transfers and contributions)	258 636 593	21 445 682	184 350 069	156 201 938	28 148 131	118.02

Explanation on YTD variance % - e.g. 118% means that the municipality billed 17% more than what was budget and 73 means the municipality billed 27% less than what was budgeted.

Property Rates- Please note property rates are billed once a year, however the consumer the can make payments monthly, quarterly, once, bi-Annually, etc. The amount billed once creates a lot of confusion as the reader gets the impression that the money was received, the issue was discussed with Provincial Treasury where they took the initiative to engage with the Service Provider of the municipality to get a solution for the problem.

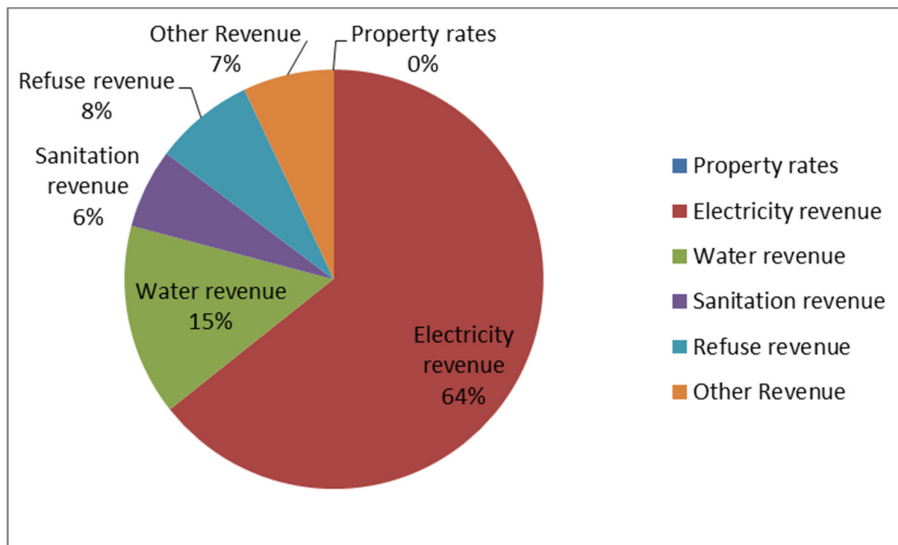
Service Charges Sanitation and Refuse Removal – free basic services are deducted from services charges revenue, however it was captured as expenditure and the necessary corrections must be made on the financial system during the adjustment budget stage.

Rental of facilities – Revenue from this item vary on a monthly basis as it includes rental of halls and other facilities which are used as the community needs it.

Interest earned outstanding debtors and Fines & penalties – interest on outstanding debtors are link to increasing debtors as debtors increase interest on their account will increase, municipality budget to have a decrease in debtors and therefore the actual figures differs from the budgeted figures.

CHART 1

The following chart shows the revenue by source for the month of 31 January 2019 in terms of revenue as a percentage of total revenue.



Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	87 600 201	6 701 887	47 475 530	51 100 133	-3 624 603	92.91
Remuneration of councillors	5 791 509	482 626	3 603 381	3 378 375	225 006	106.66
Debt impairment	19 066 479	-	-	11 122 111	-11 122 111	-
Depreciation & asset impairment	40 787 397	-	-	23 792 650	-23 792 650	-
Finance charges	7 200 000	-	-	4 200 000	-4 200 000	-
Bulk purchases	105 347 176	9 150 855	53 187 744	61 452 517	-8 264 773	86.55
Other materials	8 584 215	876 935	3 906 226	5 007 436	-1 101 210	78.01
Contracted services and other expenditure	50 582 692	7 360 325	36 412 059	29 506 470	6 905 589	123.40
Total Expenditure	324 959 669	24 572 628	144 584 940	189 559 692	-44 974 752	76.27

Notes on variances above/under 10%

Depreciation and debt impairment – Please note depreciation as well as debt impairment are not done on a monthly basis, the municipality are still having problems with the alignment of the Asset Register to the Financial System once alignment is done and the asset register are on the financial system the correct journals can be done on a monthly basis correctly.

Finance Charges – the lease on fleet the municipality want to acquire has not been realised yet.

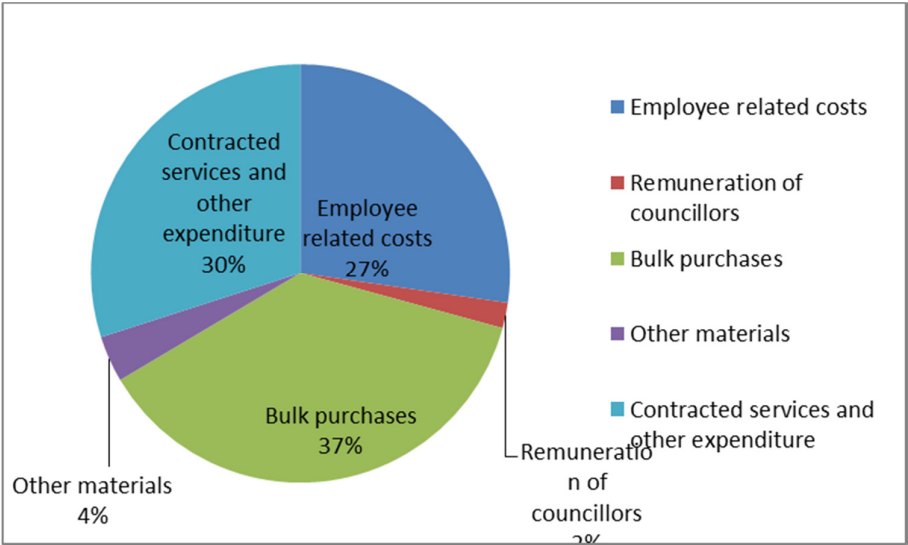
Bulk purchases – Please note the municipality is struggling financially to adhere to accounts of ESKOM and Sedibeng.

Other Materials – Please note the municipality currently are under financial distress and are lacking the actual cash for the necessary repairs to be done.

Contracted Services and other Materials – A list of items was presented to Council during the Mid-Year Assessment these items must be adjusted to ensure the municipality can fulfil its day to day operations.

CHART 2

The following chart shows the expenditure by type in terms of expenditure at a percentage of total expenditure, Chart as per information above



The table below indicates revenue and expenditure by vote

Annexure B – Table C3

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January						
Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote						
Vote 1 - Municipal Manager	1 675 563	23 998	955 803	977 018	-21 215	98
Vote 2 - Financial Services	103 566 698	1 028 874	89 200 960	60 389 735	28 811 225	148
Vote 3 - Corporate Services	7 977 426	158 484	769 350	4 664 961	-3 895 611	16
Vote 4 - Community Services: Community Development	16 103 446	1 755 110	12 516 702	12 980 289	-463 587	96
Vote 5 - Community Services: Public Safety	2 482 378	48 537	759 390	1 447 481	-688 091	52
Vote 6 - Electrical Engineering Services	86 772 987	13 838 103	50 849 168	51 644 607	-795 439	98
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	4 592 577	29 298 695	41 444 249	-12 145 554	71
Total Revenue by Vote	282 020 593	21 445 683	184 350 068	173 548 340	10 801 728	106
Expenditure by Vote						
Vote 1 - Municipal Manager	19 095 365	1 341 590	11 610 413	11 134 515	475 898	104
Vote 2 - Financial Services	51 857 443	4 070 844	18 030 119	30 238 089	-12 207 970	60
Vote 3 - Corporate Services	33 342 669	2 705 438	14 839 356	19 893 244	-5 053 888	75
Vote 4 - Community Services: Community Development	23 351 214	1 775 400	12 506 846	17 451 490	-4 944 644	72
Vote 5 - Community Services: Public Safety	8 644 322	699 587	4 729 466	5 040 490	-311 024	94
Vote 6 - Electrical Engineering Services	98 428 250	5 905 908	40 472 049	58 096 640	-17 624 591	70
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	8 073 861	42 396 690	58 043 685	-15 646 995	73
Total Expenditure by Vote	324 959 669	24 572 628	144 584 939	199 898 153	-55 313 214	
Surplus/(Deficit)	-42 939 077	-3 126 945	39 765 129	-26 349 813		

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote						
Vote 1 - Municipal Manager	1 675 563	23 998	955 803	977 018	-21 215	98
Vote 2 - Financial Services	103 566 698	1 028 874	89 200 960	60 389 735	28 811 225	148
Vote 3 - Corporate Services	7 977 426	158 484	769 350	4 664 961	-3 895 611	16
Vote 4 - Community Services: Community Development	16 103 446	1 755 110	12 516 702	12 980 289	-463 587	96
Vote 5 - Community Services: Public Safety	2 482 378	48 537	759 390	1 447 481	-688 091	52
Vote 6 - Electrical Engineering Services	86 772 987	13 838 103	50 849 168	51 644 607	-795 439	98
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	4 592 577	29 298 695	41 444 249	-12 145 554	71
Total Revenue by Vote	282 020 593	21 445 683	184 350 068	173 548 340	10 801 728	106

Reasons for variances above/under 10%

Financial Services - Please note property rates are billed once a year, however the consumer the can make payments monthly, quarterly, once, bi-Annually, etc. The amount billed once creates a lot of confusion as the reader gets the impression that the money was received, the issue was discussed with Provincial Treasury where they took the initiative to engage with the Service Provider of the municipality to get a solution for the problem. Please note equitable share was budgeted to be received in equal payments however equitable share are actually received in 3 trances.

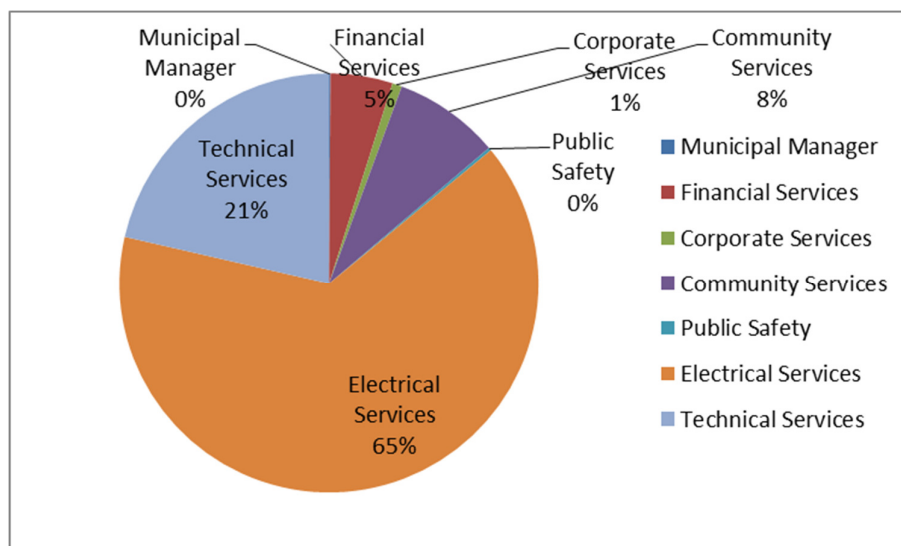
Corporate Services – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

Public Safety - Revenue from License fees moved to the Post office.

Technical Services – Capital expenditure lower than the budgeted amount, therefore revenue recognised from grants lower than the budgeted amount.

CHART 3

The following chart shows the revenue by vote for 31 January 2019



Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 095 365	1 341 590	11 610 413	11 134 515	475 898	104
Vote 2 - Financial Services	51 857 443	4 070 844	18 030 119	30 238 089	-12 207 970	60
Vote 3 - Corporate Services	33 342 669	2 705 438	14 839 356	19 893 244	-5 053 888	75
Vote 4 - Community Services: Community Development	23 351 214	1 775 400	12 506 846	17 451 490	-4 944 644	72
Vote 5 - Community Services: Public Safety	8 644 322	699 587	4 729 466	5 040 490	-311 024	94
Vote 6 - Electrical Engineering Services	98 428 250	5 905 908	40 472 049	58 096 640	-17 624 591	70
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	8 073 861	42 396 690	58 043 685	-15 646 995	73
Total Expenditure by Vote	324 959 669	24 572 628	144 584 939	199 898 153	-55 313 214	72

Reasons for variances above/under 10%

Financial Services- Please note depreciation as well as debt impairment are not done on a monthly basis, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

Corporate Services – As per the Comparison report the municipality had underspending in employee cost as well as in general expenses.

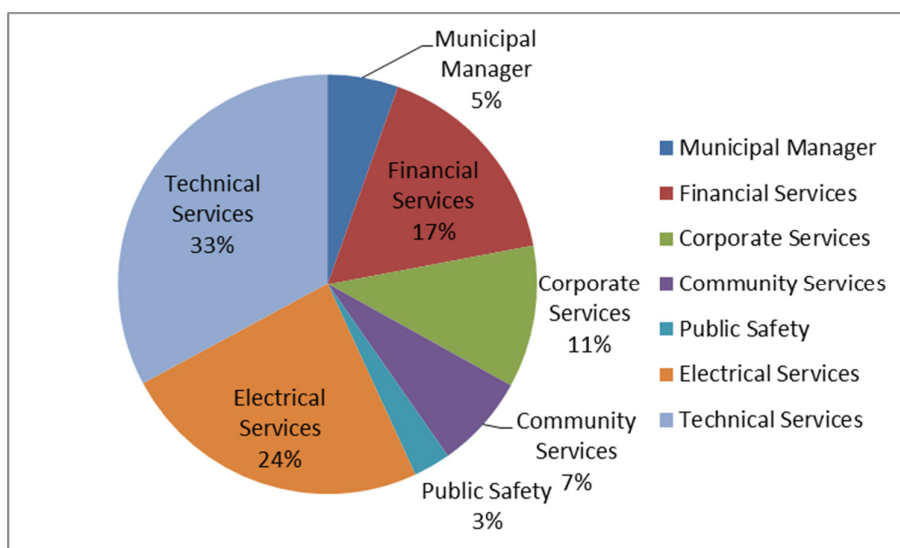
Community Development - The department had underspending in employee cost, repairs & maintenance and library expenses.

Electricity Services – The municipality are struggling to adhere to the payment of bulk electricity as budgeted as result of financial constraints.

Technical Departments – Depreciation are not process on a monthly basis as budgeted.

CHART 4

The following chart shows the expenditure by vote for 31 January 2019



Capital expenditure report (Annexure B – Table C5)

The Capital expenditure report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

Capital Expenditure at 31 January 2019						
Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	variance %
Capital Expenditure - Functional Classification						
Road transport	3 902 000	78 911	899 997	2 275 259	-1 375 262	40
Energy sources	4 000 000	173 016	2 969 636	2 332 400	637 236	127
Water management	7 250 000	345 835	1 979 591	4 227 475	-2 247 884	47
Waste water management	8 232 000	-	1 933 675	4 800 082	-2 866 407	40
Total Capital Expenditure - Functional Classification	23 384 000	597 762	7 782 899	13 635 216	-5 852 317	57
Funded by:						
National Government	23 384 000	597 762	7 782 899	13 635 216	-5 852 317	57
Total Capital Funding	23 384 000	597 762	7 782 899	13 635 216	-5 852 317	57

Notes on the Capital Expenditure

Capital Expenditure are divided into equal monthly budgeted expenditures, however the budgeted expenditures should be link to the payment schedule as well as the procurement plan of the Technical Department. Expenditure should be prioritised in the coming months to avoid National Treasury withholding any funding.

CASH FLOW STATEMENT AT 31 January

To be included once error as communicated to Provincial treasury are corrected.

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury. The following report shows the debtors outstanding at 31 January 2019

Debtors Age Analysis at 31 January 2019						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1 869 886	1 406 354	887 199	595 219	37 588 408	42 347 066
Electricity	3 698 073	856 273	10 141 300	458 168	32 273 109	47 426 923
Property Rates	2 750 548	1 215 985	629 580	566 228	30 288 585	35 450 926
Waste Water Management	897 184	421 205	242 940	201 536	10 102 314	11 865 179
Waste Management	1 241 490	659 569	420 316	360 338	21 932 865	24 614 578
Other	111 823	175 422	130 593	98 658	8 133 868	8 650 364
Total By Income Source	10 569 004	4 734 808	12 451 928	2 280 147	140 319 149	170 355 036

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	592 514	240 833	294 577	72 315	1 061 525	2 261 764
Commercial	3 259 363	1 270 646	10 337 509	716 960	39 801 126	55 385 604
Households	6 717 127	3 223 329	1 819 842	1 490 872	99 456 498	112 707 668
Total By Customer Group	10 569 004	4 734 808	12 451 928	2 280 147	140 319 149	170 355 036

Debtors Age Analysis 31 December 2018

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December						
Description	Budget Year 2018/19					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1 794 755	1 521 279	677 832	600 844	37 155 666	41 750 376
Electricity	3 653 880	1 090 147	573 533	586 563	31 873 218	37 777 341
Property Rates	2 732 602	1 288 755	630 187	926 439	29 570 002	35 147 985
Waste Water Management	903 571	464 616	249 177	212 865	9 948 494	11 778 723
Waste Management	1 263 187	702 680	412 261	374 475	21 595 930	24 348 533
Other	130 704	177 678	111 395	88 985	8 037 145	8 545 907
Total By Income Source	10 478 699	5 245 155	2 654 385	2 790 171	138 180 455	159 348 865
					-	
Debtors Age Analysis By Customer Group						
Organs of State	572 412	425 793	173 683	359 121	1 370 830	2 901 839
Commercial	3 467 691	1 534 360	811 777	785 300	39 069 551	45 668 679
Households	6 438 596	3 285 002	1 668 925	1 645 750	97 740 074	110 778 347
Total By Customer Group	10 478 699	5 245 155	2 654 385	2 790 171	138 180 455	159 348 865

The total debtors outstanding as at 31 December 2018 were R159 348 865; the total debtors outstanding at 31 January were R170 355 036.

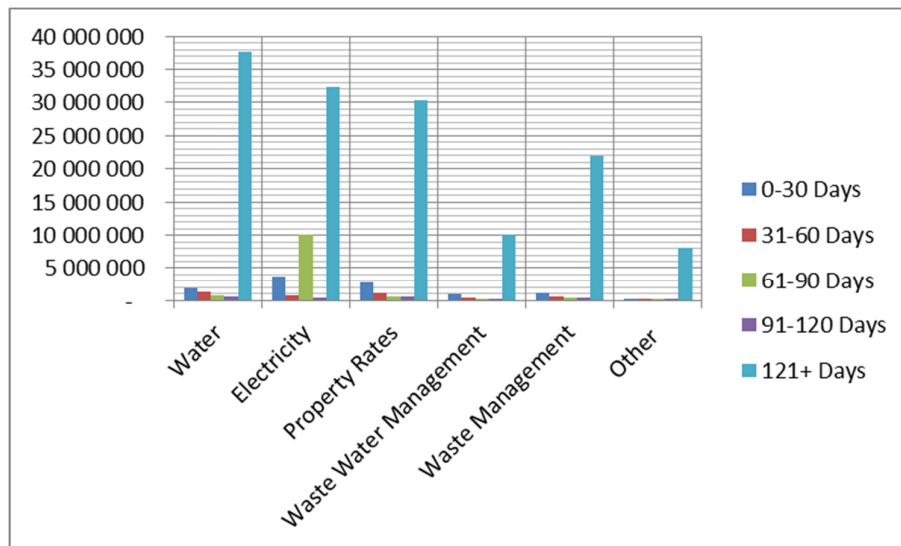
Debtors outstanding for a period more than 121+ days amounts to R140 319 149 compared to 138 180 455 in the previous month.

Businesses owe the municipality R55 385 604 compared to R45 668 679 the previous month.

Chart 8 – Debtors per revenue source

Debtors Age Analysis at 31 January 2019						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1 869 886	1 406 354	887 199	595 219	37 588 408	42 347 066
Electricity	3 698 073	856 273	10 141 300	458 168	32 273 109	47 426 923
Property Rates	2 750 548	1 215 985	629 580	566 228	30 288 585	35 450 926
Waste Water Management	897 184	421 205	242 940	201 536	10 102 314	11 865 179
Waste Management	1 241 490	659 569	420 316	360 338	21 932 865	24 614 578
Other	111 823	175 422	130 593	98 658	8 133 868	8 650 364
Total By Income Source	10 569 004	4 734 808	12 451 928	2 280 147	140 319 149	170 355 036

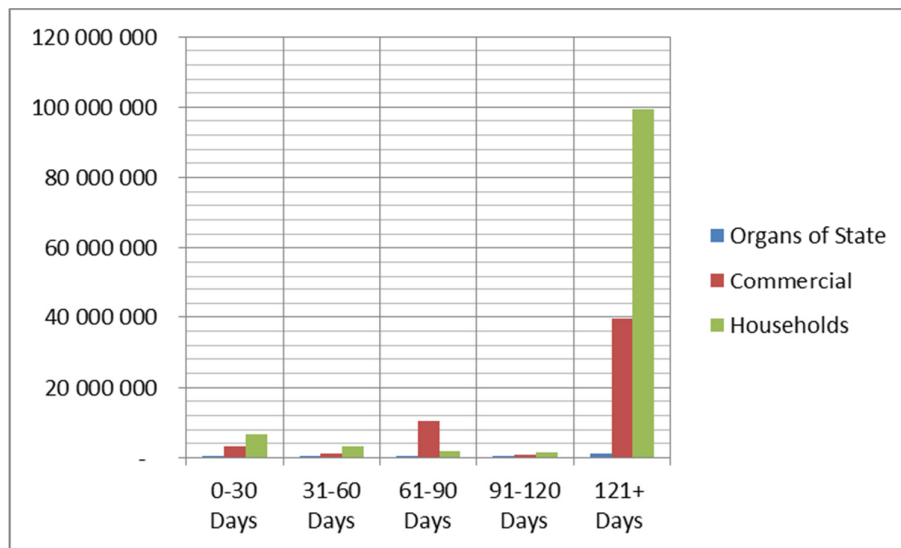
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	592 514	240 833	294 577	72 315	1 061 525	2 261 764
Commercial	3 259 363	1 270 646	10 337 509	716 960	39 801 126	55 385 604
Households	6 717 127	3 223 329	1 819 842	1 490 872	99 456 498	112 707 668
Total By Customer Group	10 569 004	4 734 808	12 451 928	2 280 147	140 319 149	170 355 036

CHART 9

The following chart shows the debtors outstanding per category, Chart as per information above



CREDITORS Age Analysis - Annexure B -Table SC4

The creditor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

The following report shows the creditors outstanding at 31 January 2019

Creditors Age Analysis at 31 January 2019						
Description	Budget Year 2018/19					Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	
Creditors Age Analysis By Customer Type						
Bulk Electricity	9 441 896	-		2 219 693	64 730 538	76 392 126
Bulk Water	4 056 916	2 317 676	1 484 770	1 940 075	122 329 419	132 128 856
Trade Creditors	873 477	132 794	1 378		1 866 157	2 873 805
Auditor General	-	-	945 511	582 734	472 716	2 000 961
Total By Customer Type	14 372 288	2 450 470	2 431 659	4 742 502	189 398 830	213 395 748

Creditors Analysis

The outstanding creditors moved from R204 746 500 to R213 395 748, this is an increase of R8 649 248

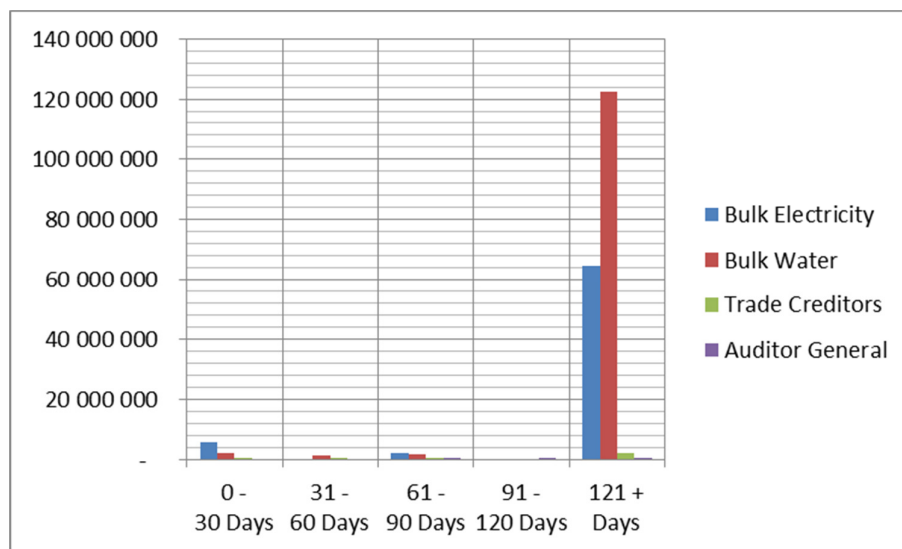


Chart 10

Creditors Age Analysis

The comparison for creditors outstanding between Jan 2019 and Dec 2018 is as follows:

Bulk Electricity –Jan 2019 R76.4 million and Dec 2018 R72.8 million

Bulk Water –Jan 2019, R132 million and Dec 2018 R128 million

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January						
Summary of Employee and Councillor remuneration	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	3 433 829	287 293	2 011 050	2 003 067	7 983	100
Pension and UIF Contributions	373 864	31 326	219 285	218 088	1 198	101
Medical Aid Contributions	20 984	2 914	20 399	12 241	8 159	167
Motor Vehicle Allowance	1 269 231	103 282	722 976	740 385	-17 409	98
Cellphone Allowance	693 600	57 800	404 600	404 600	-	100
Sub Total - Councillors	5 791 509	482 616	3 378 311	3 378 380	-70	100
Senior Managers of the Municipality						
Basic Salaries and Wages	2 880 491	266 148	1 818 043	1 680 287	137 757	108
Pension and UIF Contributions	527 412	33 743	233 472	307 657	-74 185	76
Medical Aid Contributions	52 390	14 791	99 619	30 561	69 058	326
Motor Vehicle Allowance	689 613	48 280	337 961	402 274	-64 314	84
Cellphone Allowance	41 145	4 946	46 381	24 001	22 380	193
Housing Allowances	30 370	2 557	17 900	17 716	184	101
Other benefits and allowances	251 702	25 663	535 981	146 826	389 155	365
Long service awards	36 385	-	-	21 225	-21 225	-
Sub Total - Senior Managers of Municipality	4 509 509	396 128	3 089 357	2 630 547	458 810	117
Other Municipal Staff						
Basic Salaries and Wages	55 637 602	4 153 444	29 464 580	32 455 268	-2 990 688	91
Pension and UIF Contributions	9 863 901	661 869	4 627 976	5 753 942	-1 125 966	80
Medical Aid Contributions	2 418 495	168 266	1 194 524	1 410 789	-216 265	85
Overtime	3 701 850	464 118	2 387 161	2 159 413	227 749	111
Motor Vehicle Allowance	3 370 607	232 737	1 576 962	1 966 187	-389 225	80
Cellphone Allowance	148 221	11 229	63 320	86 462	-23 142	73
Housing Allowances	1 110 200	90 396	590 737	647 617	-56 879	91
Other benefits and allowances	6 606 393	653 016	5 021 168	3 853 729	1 167 439	130
Long service awards	233 425	1	137 005	136 164	841	101
Post-retirement benefit obligations	-	13 259	13 259	-	13 259	
Sub Total - Other Municipal Staff	83 090 692	6 448 336	45 076 693	48 469 570	-3 392 877	93
Total Parent Municipality	93 391 710	7 327 080	51 544 361	54 478 498	-2 934 136	95
Total Employee Cost	87 600 201	6 844 464	48 166 050	51 100 117		
Total Expenditure	324 959 669	24 572 628	144 584 940	189 559 692		
%Employee Cost to Total Expenditure	27	28	33	27		

MFMA 66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

- (a) salaries and wages;
- (b) contributions for pensions and medical aid;
- (c) travel, motor car, accommodation, subsistence and other allowances;
- (d) housing benefits and allowances;
- (e) overtime payments;
- (f) loans and advances; and
- (g) any other type of benefit or allowance related to staff.

Employee related cost to total expenditure % of an organisation should be at 25-40% of total expenditure, the ratio for the month of January 33%.

5. Financial Implications /Recommendations

Revenue by source:

Department must do an Mid-Year Assessment on all revenue sources, after the assessment if necessary the adjustments should be propose to Council whereby an Adjustment Budget can requested.

Expenditure by type:

Circular 82 should be enforced. Expenditure should be as per the monthly planned schedules. Monthly monitoring of expenditure within departments must be done by HOD's. Department should do the necessary assessment on all expenditure items, assessment will give an indication which expenditure should be adjusted upwards or downwards, the assessment can also give rise to a possible adjustment budget.

Capital Expenditure:

Capital expenditure should be aligned to the approved DORA payment schedule. Department should re-assess on projects to determine if they are still in line for 100% expenditure by the end of the Financial Year. All necessary processes should be fast track in line with all the required legislation and with the guidance of the respective department.

Cash Flow Statement:

Expenditure should be link to the cash flow budget, once cash is less than budget corrections must be done to avoid the municipality running into cash flow problems. Municipality should strive to use cash receive wisely and for the intended purpose as planned. Municipality should strive to spend less cash than it has received to avoid going into a negative cash balance.

Debtors Analysis

Simplified revenue plan from Ducharme Consulting was adopted by the Municipality and presented to Council. This plan consists of several activities which includes debt recovery. The process of debt recovery will enable the municipality to verify all debtors, after which collecting of outstanding debt can be prioritised.

Creditors Analysis

The municipality have submitted proposed amended arrangements to ESKOM and Sedibeng. The amended arrangements will enable the municipality to make lesser payments and will ensure that interest is not incurred.

General Note

The municipality should strive to have month end procedures to ensure accurate reporting to the relevant parties.

6. Interdepartmental and cluster impact

This report is prepared to achieve MFMA compliance.

7. Comments of the Head: Legal Services

The above mentioned report as such does not call for legal clarification

8. Conclusion

This report was compiled in accordance compliance of section 71 of the MFMA, by providing a statement to the Council containing certain financial particulars

Prepared By

Heinri Cloete

Acting Chief Financial officer

Budget & Treasury

DATE: 17 February 2019

NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE

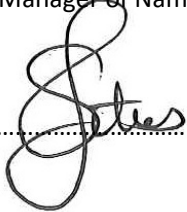
I,, the Municipal Manager of Nama Khoi Municipality, hereby certify that –

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 January 2019 has been prepared in accordance with the Municipal Finance Management Act 71 and regulations made under that Act.

Print name: SAMANTHA TITUS

Municipal Manager of Nama Khoi Municipality

Signature:.....

A handwritten signature in black ink, appearing to read 'S. Titus', is written over the dotted line of the signature field.

Date: 17 February 2019

Annexure A

Reports and reportable matters

Monthly reports statements – Section 71 MFMA

(1) The accounting officer of a municipality must no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source
- (b) Actual borrowings
- (c) Actual expenditure per vote
- (d) Actual capital expenditure per vote
- (e) The amount of any allocations received
- (f) Actual expenditure on those allocations, excluding expenditure on –
 - (i) Its share of the local government equitable share, and
 - (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) When necessary, an explanation of –
 - (i) Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) Any material variances from the service delivery and budget implementation plan; and
 - (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget

(2) The statement must include –

- (a) A projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) The prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10)

(3) The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget

- (4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and municipal entity
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after end of each quarter.

NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT

General information and contact information

Main tables

Consolidated Monthly Statements

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Table C2C	Financial Performance (standard classification)
Table C3-Fin Per V	Financial Performance (revenue and expenditure by municipal vote)
Table C3C	Financial Performance (revenue and expenditure by municipal vote)
Table C4-FinPerRE	Financial Performance (revenue and expenditure)
Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
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Table C6-FinPos	Financial Position
Table C7-Cflow	Cash Flow

Supporting Tables

Table SC1	Material variance explanations
Table SC2	Monthly Budget Statement – Performance Indicators
Table SC3	Monthly Budget Statement – Aged debtors
Table SC4	Monthly Budget Statement – Aged creditors
Table S5	Monthly Budget Statement – Investment portfolio
Table SC6	Monthly Budget Statement – Transfer and grant receipts
Table SC7	Monthly Budget Statement – Transfer and grant expenditure
Table SC8	Monthly Budget Statement – Councillor and staff benefits
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Table SC10	Monthly Budget Statement – Parent Municipality Financial Performance
Table SC11	Monthly Budget Statement – Summary of municipal entities
Table SC 12	Consolidated Monthly Budget Statement – Capital expenditure trend

Table SC13 a	Consolidated Monthly Budget Statement – Capital expenditure on new assets by asset class
Table SC b	Consolidated Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
Table SC c	Consolidated Monthly Budget Statement – Expenditure on repairs and maintenance by asset class
Table SC d	Consolidated Monthly Budget Statement – depreciation by asset class
Table SC71	Charts