

Harry Gwala District Municipality



Monthly Budget Statement 31 January 2022.

In-Year Report of the Municipality

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

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Glossary

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

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

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

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

GRAP – Generally Recognised Accounting Practice. The new 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 April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

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. A detailed plan comprising quarterly performance targets and monthly budget estimates.

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.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget. In Harry Gwala District Municipality means a directorate level.

1.1 PURPOSE

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 of the Municipal Finance Management Act (MFMA)

LEGAL FRAMEWORK

- Local Government: Municipal Finance Management Act, 56 of 2003
- SCM Regulations
- SCM Policy
- Municipal Budget Reporting Regulation
- Division of Revenue Act

1.2 Executive Summary or Background

Legislative Requirements

In terms of the section 71 of the MFMA the accounting officer of a municipality must by 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

DELIBERATION/DISCUSSION

The discussion that follows, in terms of MFMA Section 71 above, intends to inform the Budget & Treasury Committee on the progress made thus far in terms of implementing the 2021/2022 budget for the period ending 31 January 2022

1.3 Resolutions

This report will be tabled to Budget & Treasury committee and Executive Committee therefore the resolution will be available once it tabled to council in terms of Sec 52 (d) of the MFMA.

This report analysis the three main components of the budget against actual results with,

- Revenue
- Operational, and
- Capital Budgets

It further looks at other reportable matters in terms of section 71 of the MFMA.

Budget summary

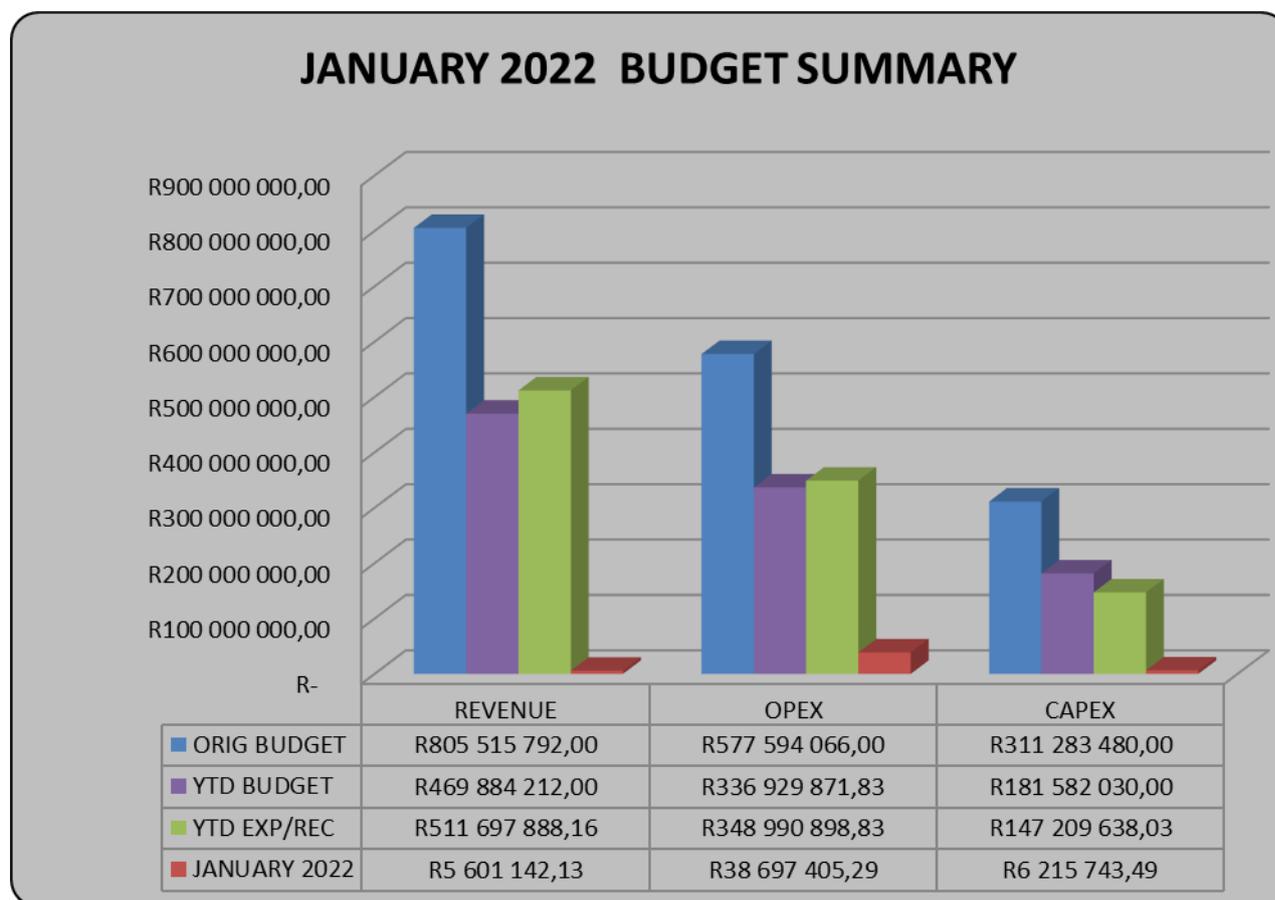
The budget summary is intended to give an overall summary with regards to the implementation of the 2021/2022 budget for the period ending 31 January 2022. Chart 1 presented below gives a summary of the budgeted Revenue, Operating as well as Capital expenditure and the movements for the month of January as well as the Year to Date movements (YTD).

Overall financial position on the capital and operating budget

The following table summarises the overall financial position on the capital and operating budgets:

Description	Operating Revenue	Operating Expenditure	Capital Expenditure
Original Budget	R 801 515 792	R 577 594 066	R296 457 446
Adjusted Budget	R 805 515 792	R 577 594 066	R 307 283 480
Monthly actual	R 5 601 142	R 38 697 405	R 311 283 480
YearTD actual	R 511 697 888	R 348 990 899	R 6 215 743
YearTD budget	R 469 550 790	R 336 931 910	R 147 209 638
YTD variance	R 42 147 098	R 12 058 989	R 181 248 846
YTD variance	9%	4%	-19%

Chart 1: Budget vs. Expenditure Summary



Revenue by Source

The original approved revenue for the 2021/2022 budget amounts to R805, 5m. The year to date actual revenue for the period ended 30 November 2021 amounted to R511, 6m which is 109% of the Year to Date (YTD) budget. The year to date revenue is largely constituted of the Operational & Capital grant receipts with the Water & Sanitation Revenue contributing to the balance.

Operating expenditure by vote & type

The total operating budget for the current year amounts to R577, 5m. The YTD Operating expenditure for the month ended 31 January amounted to R348, 9m against a year to date (YTD) budget of R336, 9m. The actual YTD expenditure represented 104% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R311, 2m. The YTD expenditure on capital amounts to R147, 2million, or 81% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table C1 Consolidated Monthly Budget Statement Summary - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	67 765	69 422	69 422	4 152	35 051	40 496	(5 445)	-13%	69 422
Investment revenue	3 011	5 682	5 682	464	2 571	3 315	(744)	-22%	5 682
Transfers and subsidies	430 342	417 406	417 406	-	304 973	243 487	61 487	25%	417 406
Other own revenue	10 879	10 748	10 748	985	6 541	6 270	271	4%	10 748
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	5 601	349 136	293 567	55 569	19%	503 258
Employee costs	217 969	237 156	237 156	18 891	134 804	138 343	(3 538)	-3%	237 156
Remuneration of Councillors	7 813	8 922	8 922	613	4 081	5 205	(1 124)	-22%	8 922
Depreciation & asset impairment	79 359	87 410	87 410	6 410	44 895	50 989	(6 094)	-12%	87 410
Finance charges	995	1 328	1 328	-	-	774	(774)	-100%	1 328
Inventory consumed and bulk purchases	27 868	31 249	31 249	1 055	23 066	18 228	4 838	27%	31 249
Transfers and subsidies	17 000	17 000	17 000	-	10 600	9 917	683	7%	17 000
Other expenditure	224 777	194 529	194 529	11 727	131 545	113 476	18 069	16%	194 529
Total Expenditure	575 782	577 594	577 594	38 697	348 991	336 932	12 059	4%	577 594
Surplus/(Deficit)	(63 785)	(74 336)	(74 336)	(33 096)	145	(43 365)	43 510	-100%	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	302 258	-	162 562	175 984	(13 422)	-8%	302 258
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	243 766	223 922	227 922	(33 096)	162 707	132 619	30 088	23%	227 922
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	243 766	223 922	227 922	(33 096)	162 707	132 619	30 088	23%	227 922
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	311 283	6 216	147 210	181 249	(34 039)	-19%	311 283
Capital transfers recognised	268 028	298 258	302 258	6 192	140 364	175 984	(35 620)	-20%	302 258
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	9 025	24	6 845	5 265	1 580	30%	9 025
Total sources of capital funds	296 457	307 283	311 283	6 216	147 210	181 249	(34 039)	-19%	311 283
Financial position									
Total current assets	1 178 200	1 07 619	1 07 619	-	281 489	-	-	-	1 07 619
Total non current assets	2 551 972	2 845 908	2 849 908	-	2 654 287	-	-	-	2 849 908
Total current liabilities	235 122	106 785	106 785	-	223 776	-	-	-	106 785
Total non current liabilities	42 646	25 676	25 676	-	27 678	-	-	-	25 676
Community wealth/Equity	3 452 404	2 821 066	2 825 066	-	2 684 323	-	-	-	2 825 066
Cash flows									
Net cash from (used) operating	(99 976)	307 375	311 375	(32 256)	6 920	182 410	175 490	96%	311 375
Net cash from (used) investing	(233 320)	(307 283)	(311 283)	6 216	147 210	(181 582)	(328 792)	181%	(311 283)
Net cash from (used) financing	(3 676)	(3 676)	(3 676)	-	-	(2 145)	(2 145)	100%	(3 676)
Cash/cash equivalents at the month/year end	(288 242)	45 146	45 146	-	205 309	(1 317)	(206 625)	15693%	(3 585)
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	7 650	3 885	3 949	3 127	3 437	3 745	22 411	190 589	238 793
Creditors Age Analysis									
Total Creditors	1 896	-	-	103	-	-	-	-	1 998

Financial Performance

Table C2 provides the statement of financial performance by standard classification.

DC43 Harry Gwala - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
Governance and administration	422 901	404 553	404 553	485	293 542	235 989	57 553	24%	404 553
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	404 553	485	293 542	235 989	57 553	24%	404 553
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	8 568	22 412	22 412	-	10 142	13 074	(2 932)	-22%	22 412
Planning and development	8 568	22 412	22 412	-	10 142	13 074	(2 932)	-22%	22 412
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	388 078	374 551	378 551	5 117	208 014	220 488	(12 474)	-6%	378 551
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	360 199	4 146	197 670	210 116	(12 446)	-6%	360 199
Waste water management	29 226	14 352	18 352	970	10 344	10 372	(28)	0%	18 352
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	805 516	5 601	511 698	469 551	42 147	9%	805 516
Expenditure - Functional									
Governance and administration	233 309	251 534	251 134	18 433	138 042	146 552	(8 510)	-6%	251 134
Executive and council	27 920	24 745	24 745	2 857	19 545	14 435	5 111	35%	24 745
Finance and administration	195 887	217 553	217 153	14 948	113 729	126 729	(13 000)	-10%	217 153
Internal audit	9 503	9 236	9 236	629	4 768	5 388	(620)	-12%	9 236
Community and public safety	17 674	18 501	18 501	1 742	11 612	10 792	819	8%	18 501
Community and social services	17 674	18 501	18 501	1 742	11 612	10 792	819	8%	18 501
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	123 312	154 812	154 812	8 223	72 761	90 308	(17 547)	-19%	154 812
Planning and development	123 312	154 812	154 812	8 223	72 761	90 308	(17 547)	-19%	154 812
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	201 487	152 747	153 147	10 300	126 577	89 281	37 296	42%	153 147
Energy sources	-	-	-	-	-	-	-	-	-
Water management	200 625	151 849	152 249	10 238	125 929	88 757	37 172	42%	152 249
Waste water management	862	898	898	61	648	524	124	24%	898
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	575 782	577 594	577 594	38 697	348 991	336 932	12 059	4%	577 594
Surplus/ (Deficit) for the year	243 766	223 922	227 922	(33 096)	162 707	132 619	30 088	23%	227 922

This table assess the revenue by department and then the expenditure for the period ending 31 January 2022. Revenue receipts in November have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of January is 1%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R13, 1m.

Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	422 192	404 553	404 553	480	293 338	235 989	57 348	24,3%	404 553
Vote 04 - Summary Corporate Services	665	-	-	-	159	-	159	#DIV/0!	-
Vote 05 - Summary Social Services & Development Planning	3 875	22 412	22 412	-	10 142	13 074	(2 932)	-22,4%	22 412
Vote 06 - Summary Infrastructure Services	305 438	311 333	311 333	362	165 841	181 611	(15 770)	-8,7%	311 333
Vote 07 - Summary Water Services	87 377	63 218	67 218	4 759	42 219	38 877	3 342	8,6%	67 218
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	805 516	5 601	511 698	469 551	42 147	9,0%	805 516
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	16 256	1 348	11 559	9 483	2 077	21,9%	16 256
Vote 02 - Summary Municipal Manager	22 466	17 726	17 726	2 137	12 754	10 340	2 413	23,3%	17 726
Vote 03 - Summary Budget And Treasury Office	59 812	85 267	85 267	4 980	35 015	49 740	(14 725)	-29,6%	85 267
Vote 04 - Summary Corporate Services	89 619	89 530	89 530	6 760	47 655	52 226	(4 571)	-8,8%	89 530
Vote 05 - Summary Social Services & Development Planning	48 107	68 717	68 717	3 041	30 725	40 085	(9 361)	-23,4%	68 717
Vote 06 - Summary Infrastructure Services	97 107	109 078	109 078	7 270	59 228	63 629	(4 401)	-6,9%	109 078
Vote 07 - Summary Water Services	243 714	191 021	191 021	13 161	152 056	111 429	40 626	36,5%	191 021
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 782	577 594	577 594	38 697	348 991	336 932	12 059	3,6%	577 594
Surplus/ (Deficit) for the year	243 766	223 922	227 922	(33 096)	162 707	132 619	30 088	22,7%	227 922

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 January 2022.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue									
Service charges - water revenue	54 003	48 866	48 866	3 152	27 779	28 505	(726)	-3%	48 866
Service charges - sanitation revenue	13 762	20 555	20 555	1 000	7 271	11 991	(4 719)	-39%	20 555
Interest earned - external investments	3 011	5 682	5 682	464	2 571	3 315	(744)	-22%	5 682
Interest earned - outstanding debtors	10 100	10 198	10 198	972	6 251	5 949	302	5%	10 198
Transfers and subsidies	430 342	417 406	417 406	-	304 973	243 487	61 487	25%	417 406
Other revenue	778	549	549	13	290	320	(30)	-9%	549
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	5 601	349 136	293 567	55 569	19%	503 258
Expenditure By Type									
Employee related costs	217 969	237 156	237 156	18 891	134 804	138 343	(3 538)	-3%	237 156
Remuneration of councillors	7 813	8 922	8 922	613	4 081	5 205	(1 124)	-22%	8 922
Debt impairment	31 734	27 645	27 645	-	-	16 126	(16 126)	-100%	27 645
Depreciation & asset impairment	79 359	87 410	87 410	6 410	44 895	50 989	(6 094)	-12%	87 410
Finance charges	995	1 328	1 328	-	-	774	(774)	-100%	1 328
Bulk purchases - electricity	22 023	-	-	-	(1)	-	(1)	#DIV/0!	-
Inventory consumed	5 845	31 249	31 249	1 055	23 067	18 228	4 839	27%	31 249
Contracted services	129 640	105 296	106 076	6 584	90 967	61 911	29 055	47%	106 076
Transfers and subsidies	17 000	17 000	17 000	-	10 600	9 917	683	7%	17 000
Other expenditure	56 907	61 589	60 809	5 143	40 578	35 438	5 139	15%	60 809
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	575 782	577 594	577 594	38 697	348 991	336 932	12 059	4%	577 594
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(63 785)	(74 336)	(74 336)	(33 096)	145	(43 365)	43 510	(0)	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)	302 857	298 258	302 258	-	162 562	175 984	(13 422)	(0)	302 258
Transfers and subsidies - capital (in-kind - all)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	243 766	223 922	227 922	(33 096)	162 707	132 619			227 922
Taxation							-		
Surplus/(Deficit) after taxation	243 766	223 922	227 922	(33 096)	162 707	132 619			227 922
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	243 766	223 922	227 922	(33 096)	162 707	132 619			227 922
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	243 766	223 922	227 922	(33 096)	162 707	132 619			227 922

Capital Expenditure

Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M07

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	500	500	-	-	292	(292)	-100%	500
Vote 04 - Summary Corporate Services	7 226	4 031	4 031	24	5 846	2 351	3 495	149%	4 031
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	1 870	-	47	1 091	(1 044)	-96%	1 870
Vote 06 - Summary Infrastructure Services	46 050	16 300	16 300	-	7 839	9 508	(1 669)	-18%	16 300
Vote 07 - Summary Water Services	235 826	284 583	288 583	6 192	133 477	168 007	(34 529)	-21%	288 583
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	311 283	6 216	147 210	181 249	(34 039)	-19%	311 283
Total Capital Expenditure	296 457	307 283	311 283	6 216	147 210	181 249	(34 039)	-19%	311 283
Capital Expenditure - Functional Classification									
Governance and administration	7 226	5 110	5 110	24	5 846	2 981	2 865	96%	5 110
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 226	5 110	5 110	24	5 846	2 981	2 865	96%	5 110
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	7 355	1 021	1 021	-	47	595	(548)	-92%	1 021
Community and social services	7 355	1 021	1 021	-	47	595	(548)	-92%	1 021
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	18 541	1 270	1 270	-	-	741	(741)	-100%	1 270
Planning and development	18 541	1 270	1 270	-	-	741	(741)	-100%	1 270
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	263 335	299 883	303 883	6 192	141 316	176 932	(35 615)	-20%	303 883
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 698	244 033	243 033	6 192	112 789	142 130	(29 341)	-21%	243 033
Waste water management	14 637	55 850	60 850	-	28 527	34 801	(6 275)	-18%	60 850
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	296 457	307 283	311 283	6 216	147 210	181 249	(34 039)	-19%	311 283
Funded by:									
National Government	249 289	298 258	298 258	1 583	135 161	173 984	(38 823)	-22%	298 258
Provincial Government	18 739	-	4 000	4 609	5 156	2 000	3 156	158%	4 000
District Municipality	-	-	-	-	47	-	47	#DIV/0!	-
Transfers recognised - capital	268 028	298 258	302 258	6 192	140 364	175 984	(35 620)	-20%	302 258
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	9 025	24	6 845	5 265	1 580	30%	9 025
Total Capital Funding	296 457	307 283	311 283	6 216	147 210	181 249	(34 039)	-19%	311 283

As alluded to above, the capital expenditure programme for the period ending 31 January 2022 was R 147, 2m which represents 83% of capital expenditure against year to date budget of R181, 5million. The capital expenditure programme has slightly decreased and thus the low expenditures reflected on National grant funding

The chart below presents a high level analysis of YTD capital expenditure budget against the YTD actual expenditure.

Chart 1: 2021/2022 CAPEX

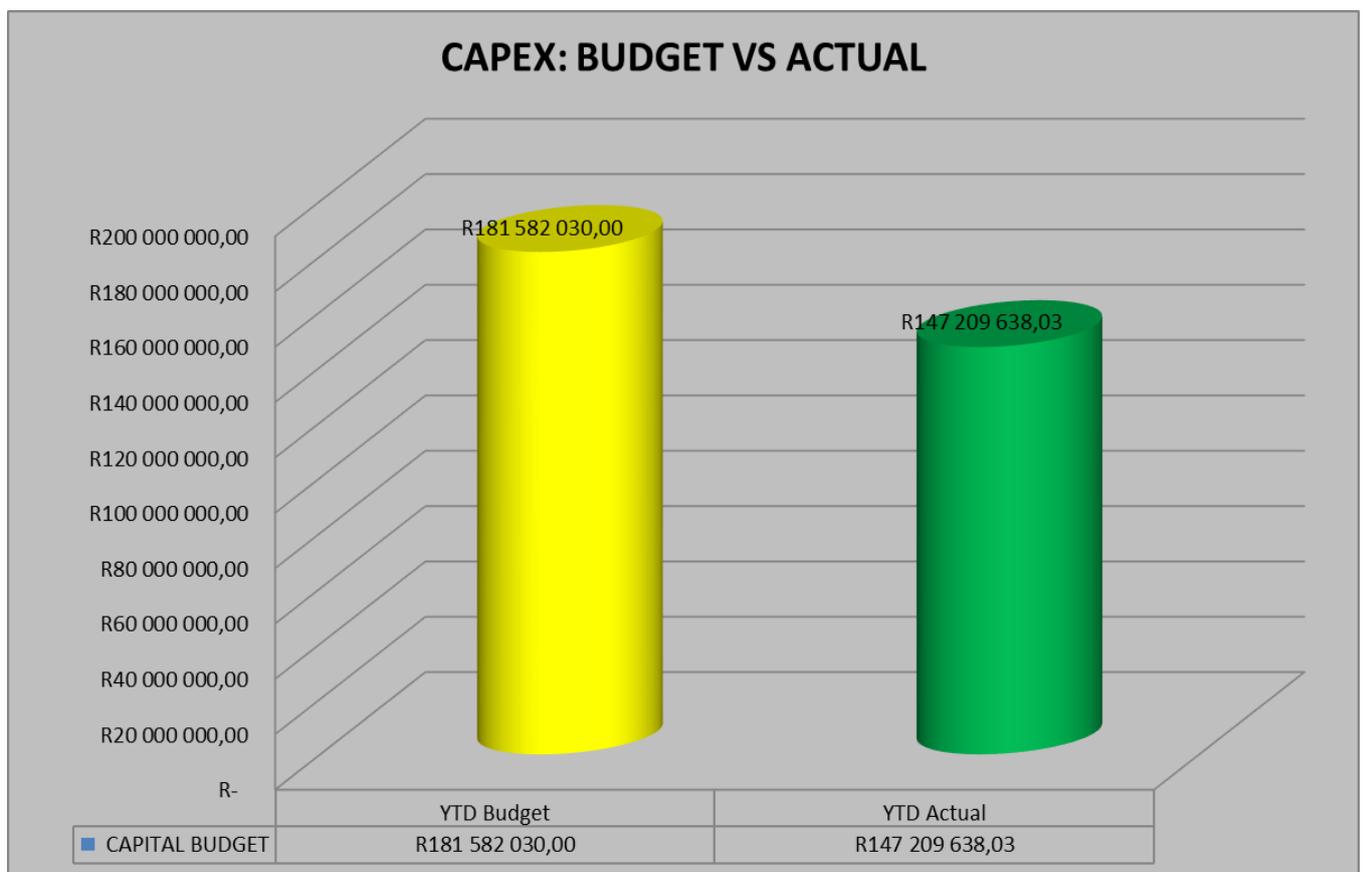


Table C6 displays the financial position of the municipality as at 31 January 2022.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M07

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	338 377	11 058	11 058	2 066	11 058
Call investment deposits	787 515	40 121	40 121	203 243	40 121
Consumer debtors	29 191	30 951	30 951	40 156	30 951
Other debtors	22 709	25 222	25 222	35 617	25 222
Current portion of long-term receivables	-	-	-	-	-
Inventory	408	267	267	408	267
Total current assets	1 178 200	107 619	107 619	281 489	107 619
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Investments in Associate	-	-	-	-	-
Property, plant and equipment	2 551 394	2 843 962	2 847 962	2 653 826	2 847 962
Intangible	578	1 946	1 946	461	1 946
Other non-current assets	0	0	0	0	0
Total non current assets	2 551 972	2 845 908	2 849 908	2 654 287	2 849 908
TOTAL ASSETS	3 730 172	2 953 527	2 957 527	2 935 776	2 957 527
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	-	12 994	-
Consumer deposits	2 034	2 155	2 155	2 129	2 155
Trade and other payables	218 001	91 336	91 336	193 566	91 336
Provisions	15 088	13 294	13 294	15 088	13 294
Total current liabilities	235 122	106 785	106 785	223 776	106 785
Non current liabilities					
Borrowing	18 098	1 878	1 878	3 130	1 878
Provisions	24 548	23 797	23 797	24 548	23 797
Total non current liabilities	42 646	25 676	25 676	27 678	25 676
TOTAL LIABILITIES	277 768	132 461	132 461	251 453	132 461
NET ASSETS	3 452 404	2 821 066	2 825 066	2 684 323	2 825 066
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	3 452 404	2 821 066	2 825 066	2 684 323	2 825 066
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 452 404	2 821 066	2 825 066	2 684 323	2 825 066

Table C7 below display the Cash Flow Statement for the period ending 31 January 2022.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates							-		
Service charges	130 189	53 905	53 905	4 586	36 653	31 445	5 208	17%	53 905
Other revenue	307	549	549	13	290	320	(30)	-9%	549
Transfers and Subsidies - Operational	234 355	389 288	389 288	1 379	297 648	227 085	70 563	31%	389 288
Transfers and Subsidies - Capital	215 028	303 580	307 580	-	292 200	179 422	112 778	63%	307 580
Interest	3 011	5 592	5 592	464	2 571	3 262	(691)	-21%	5 592
Dividends	-	-	-	-	-	-	-		-
Payments									
Suppliers and employees	(682 380)	(444 212)	(444 212)	(38 697)	(622 442)	(259 124)	363 318	-140%	(444 212)
Finance charges	-	(1 328)	(1 328)	-	-	-	-		(1 328)
Transfers and Grants	(486)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 976)	307 375	311 375	(32 256)	6 920	182 410	175 490	96%	311 375
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-		0
Payments									
Capital assets	(233 320)	(307 283)	(311 283)	6 216	147 210	(181 582)	(328 792)	181%	(311 283)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(233 320)	(307 283)	(311 283)	6 216	147 210	(181 582)	(328 792)	181%	(311 283)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits							-		
Payments									
Repayment of borrowing	(3 676)	(3 676)	(3 676)			(2 145)	(2 145)	100%	(3 676)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 676)	(3 676)	(3 676)	-	-	(2 145)	(2 145)	100%	(3 676)
NET INCREASE/ (DECREASE) IN CASH HELD									
	(336 973)	(3 585)	(3 585)	(26 040)	154 129	(1 317)			(3 585)
Cash/cash equivalents at beginning:	48 731	48 731	48 731	-	51 179				
Cash/cash equivalents at month/year end:	(288 242)	45 146	45 146		205 309	(1 317)			(3 585)

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 January 2022.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	Budget Year 2021/22									
	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	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	4 910	2 494	2 535	2 007	2 206	2 404	14 386	122 344	153 287	143 347
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 918	974	990	784	862	939	5 620	47 795	59 883	56 000
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	821	417	424	335	369	402	2 405	20 451	25 623	23 962
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	7 650	3 885	3 949	3 127	3 437	3 745	22 411	190 589	238 793	223 309
2020/21 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	3 550	1 240	1 105	455	300	356	1 183	3 848	12 038	6 142
Commercial	1 160	410	469	302	290	425	2 121	8 983	14 160	12 121
Households	2 940	2 235	2 375	2 370	2 847	2 963	19 107	177 758	212 596	205 046
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	7 650	3 885	3 949	3 127	3 437	3 745	22 411	190 589	238 793	223 309

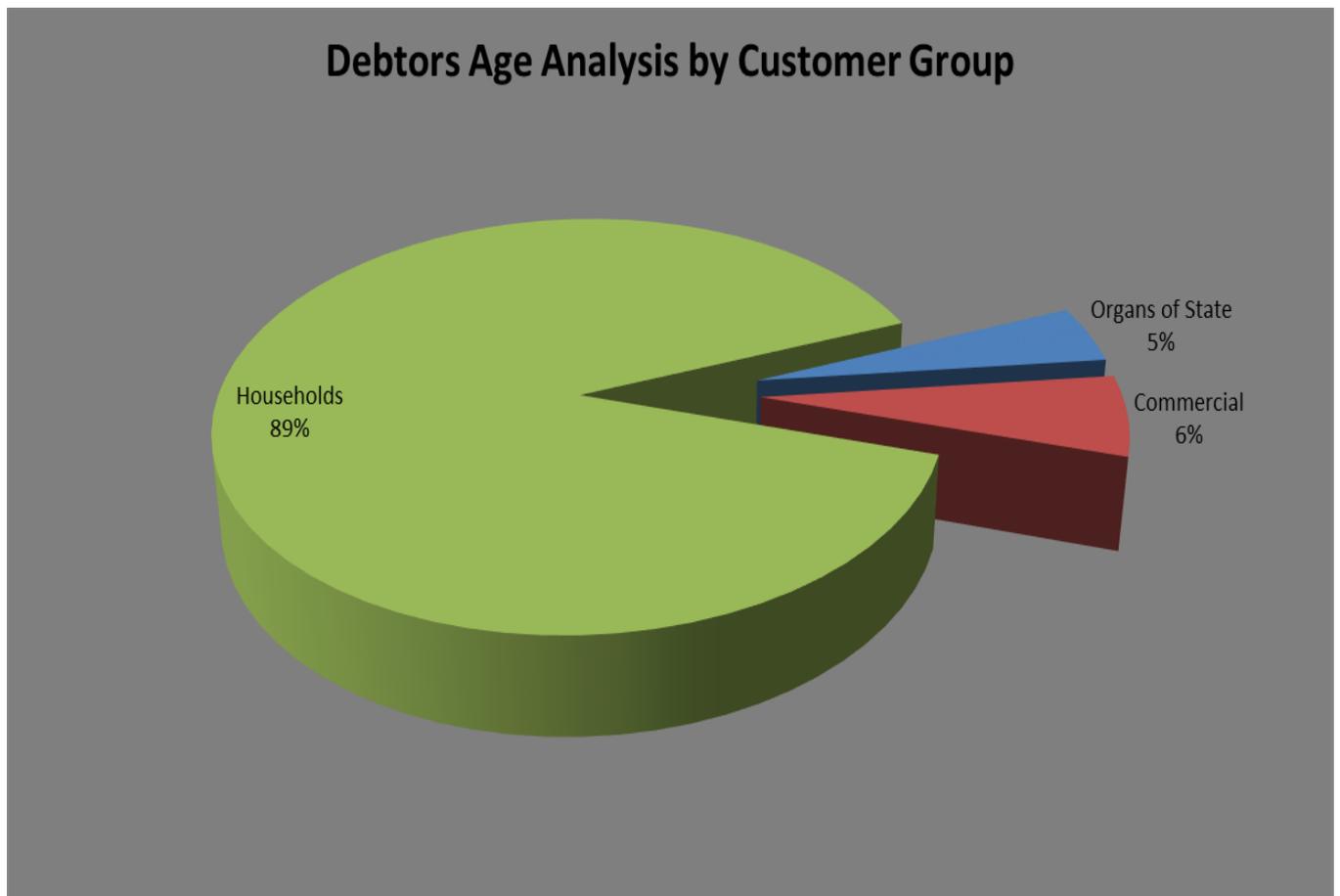
Table 2.1.2: Debtors Age Analysis by Customer Category

Table 2.1.2 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.

Chart 2: Debtors Age Analysis by Customer Group

The information presented in the chart above ranks total debt owed to the municipality from highest to the lowest,

- ✓ Households: 89%
- ✓ Government 5%
- ✓ Business 6%



The chart above shows that for each debtor type the amounts owing to the municipality have increased on a year to year basis.

The table that follows below unpacks the revenue receipts per Local Municipality in the District

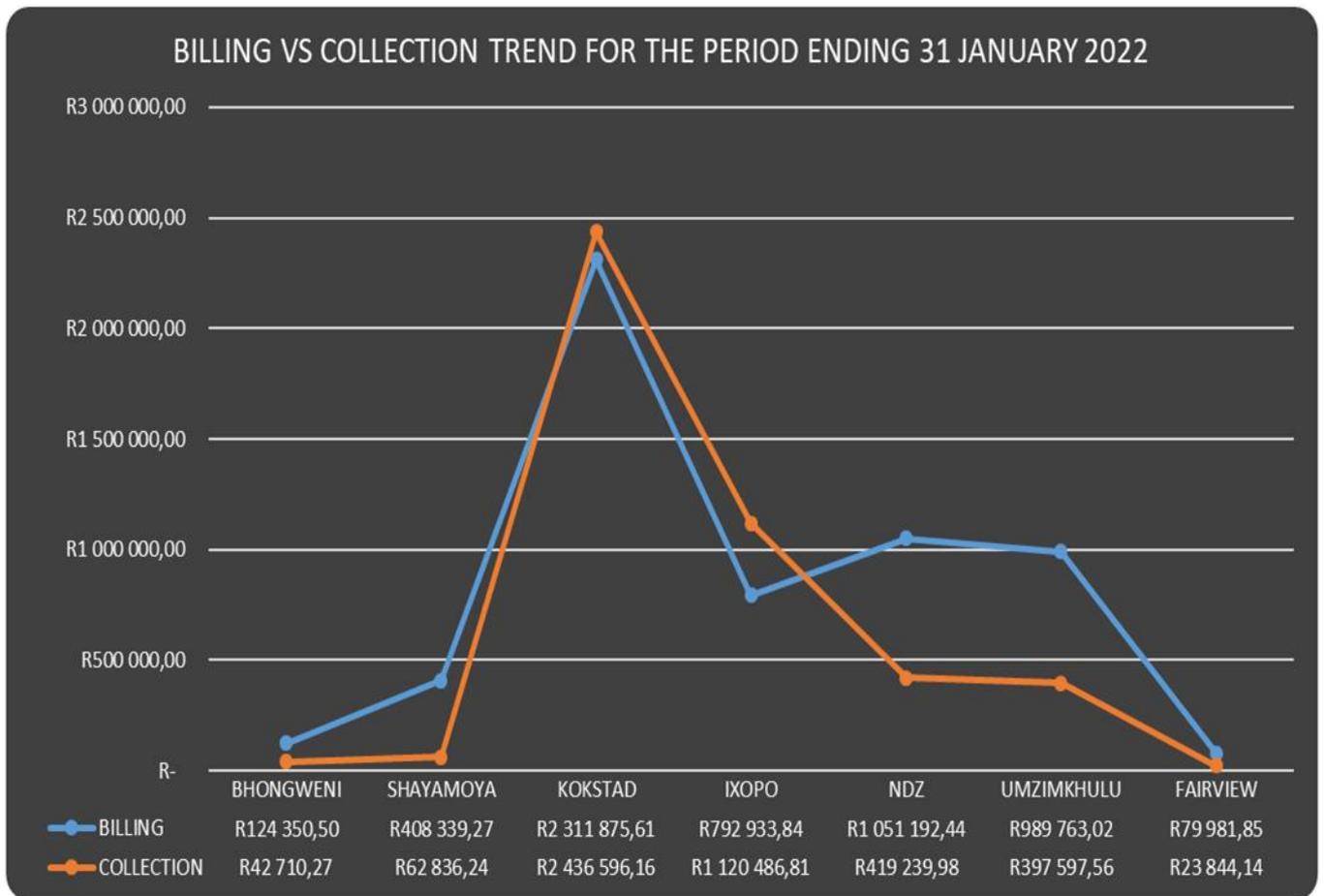
REVENUE RECEIPTS

Revenue receipts per Area

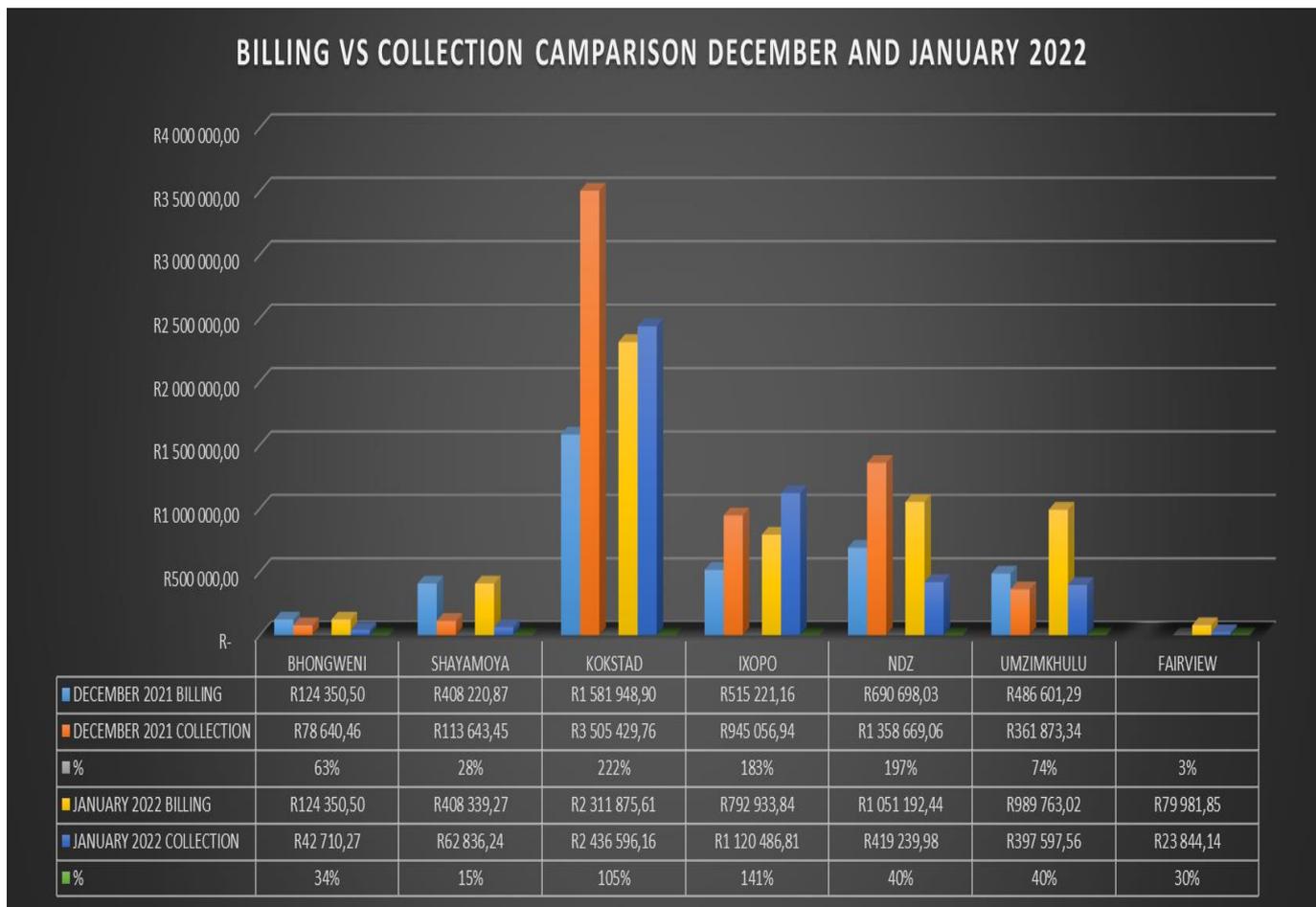
AREA	AMOUNT		
		JANUARY 2021	DECEMBER 2021
Unallocated receipts	R 82 714.43	2%	1%
Bhongweni	R 42 710,27	1%	1%
Shayamoya	R 62 836,24	1%	2%
Kokstad	R 2 436 596,16	53%	55%
Ixopo	R 1 120 486,81	24%	15%
NDZ	R 419 239,98	9%	21%
Umzimkhulu	R 397 597,56	9%	6%
Fairview	R 23 844,14	1%	0%
TOTAL RECEIPTS INCL VAT	R 4 586 025,59	100%	100%

The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for January 2022 is R4, 5million. The total billing for the first quarter is R 38million against collection of R 32million representing 84 per cent.

The chart that follows below shows the comparison between billing and collection trend for the period ending 31 January 2022.



The chart that follows below shows the comparison between billing, collection together with percentage for the period ending 31 January 2022



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 238 798 077 as at 31 January 2022 compared with the R 239 308 888 as at 30 December 2021. Current debt represent 3% of the total outstanding debt compared with the 3% of December 2021; 30 days and older debt 2% compared with the 2% for December 2021; 60 days and older debt 2% compared with the 2% of December 2021; and 90 days 1% compared with the 2% of December 2021; 120 days to History and older 92% compared with the 92% for October 2021.

Current debt decreased with R 1,967,471 to R 220,182,335 compared with the R 222,149,806 as at 31 December 2021; 30 days + debt decreased with R 601,596; 60 days + increased with R 161,363; 90 days + debt Increased with R 563,397 and 120 + days and older debt as at 30 31 December 2021 has decreased with R 1,967,471 to R 220,182,335 compared with the R 222,149,806 as at 31 December 2021.

Debtors age analysis per debtor type

Business debtors owes the municipality R 13,909,309 (6%); Municipal debtors R 1,135,608 (0%); domestic debtors R 198,296,025 (83%); Government accounts R 10,627,887 (4%); Indigent debtors R 9,275,322 (4%) and other debtors R 5,548,926 (2%) of the total outstanding debt of R 238,793,077.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 January 2022

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	Budget Year 2021/22								Total
	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	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	1 896	-	-	103					1 998
Auditor General									-
Other									-
Total By Customer Type	1 896	-	-	103	-	-	-	-	1 998

2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 31 January 2022.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands									
Municipality									
FIRST NATIONAL BANK	CALL ACCOUNT	No	Fixed	9,25	62 207	82	(15 149)	-	47 140
FIRST NATIONAL BANK	CALL ACCOUNT	No	Fixed	9,25	71 005	132	-	-	71 137
FIRST NATIONAL BANK	ADMIN CALL	No	Fixed	9,25	8 552	22	(5 574)	1 523	4 523
INVESTEC	FIXED DEPOSIT	No	Fixed	9,25	1 562	5	-	-	1 567
FIRST NATIONAL BANK	FIXED DEPOSIT	No	Fixed	9,25	27 099	76	(1 026)	-	26 149
FIRST NATIONAL BANK	CALL ACCOUNT	No	Fixed	9,25	2 235	4	-	-	2 239
FIRST NATIONAL BANK	CALL ACCOUNT	No	Fixed	9,25	1 542	33	(2 716)	30 000	28 859
FIRST NATIONAL BANK	CALL ACCOUNT	No	Fixed	9,25	2	-	-	-	2
FIRST NATIONAL BANK	FIXED DEPOSIT	No	Fixed	9,25	213	0	-	-	213
NEDBANK	FIXED DEPOSIT				21 336	79	-	-	21 415
FIRST NATIONAL BANK	ENT ACCOUNT				31 827		(29 761)		2 066
Municipality sub-total					227 579	433	(54 226)	31 523	205 309
TOTAL INVESTMENTS AND INTEREST					227 579		(54 226)	31 523	205 309

2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	429 587	400 406	400 406	-	304 973	233 570	71 403	30,6%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	-	290 259	225 758	64 501	28,6%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	-	3 217	2 681	536	20,0%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	-	356	700	(344)	-49,2%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	-	10 142	3 105	7 037	226,7%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	-	1 000	1 327	(327)	-24,6%	2 275
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	352	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	352	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	17 000	17 000	-	-	9 917	(9 917)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	9 917	(9 917)	-100,0%	17 000
Other grant providers:	404	-	-	-	-	-	-	-	-
Chemical Industry Seta	404	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	430 342	417 406	417 406	-	304 973	243 487	61 487	25,3%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	298 258	-	159 456	173 984	(14 528)	-8,4%	298 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	207 558	-	116 777	121 076	(4 299)	-3,6%	207 558
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	22 381	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	60 000	90 700	90 700	-	42 679	52 908	(10 230)	-19,3%	90 700
Provincial Government:	19 693	-	4 000	-	3 107	2 000	1 107	55,3%	4 000
Infrastructure Grant	19 693	-	4 000	-	3 107	2 000	1 107	55,3%	4 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	302 258	-	162 562	175 984	(13 422)	-7,6%	302 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	719 664	-	467 536	419 471	48 065	11,5%	719 664

It is clear from the chart above that the bulk of the grants received by the municipality are from the National Treasury.

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	487 163	507 017	507 417	35 294	310 527	295 940	14 588	4,9%	507 417
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	478 059	492 327	494 048	34 654	305 260	288 141	17 119	5,9%	494 048
Expanded Public Works Programme Integrated Grant	5 467	5 976	4 655	545	3 858	2 716	1 142	42,1%	4 655
Local Government Financial Management Grant	836	1 117	1 117	96	540	651	(112)	-17,2%	1 117
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	3 105	(3 105)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	2 275	-	870	1 327	(458)	-34,5%	2 275
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	16 510	16 510	-	-	9 631	(9 631)	-100,0%	16 510
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	487 163	507 017	507 417	35 294	310 527	295 940	14 588	4,9%	507 417
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	298 258	1 583	135 161	173 984	(38 823)	-22,3%	298 258
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	207 558	(70)	95 810	121 076	(25 266)	-20,9%	207 558
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	90 700	1 653	39 351	52 908	(13 558)	-25,6%	90 700
Provincial Government:	18 739	-	4 000	4 609	5 156	2 000	3 156	157,8%	4 000
Infrastructure Grant	18 739	-	4 000	4 609	5 156	2 000	3 156	157,8%	4 000
District Municipality:	-	-	-	-	47	-	47	#DIV/0!	-
Specify (Add grant description)	-	-	-	-	47	-	47	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	298 258	302 258	6 192	140 364	175 984	(35 620)	-20,2%	302 258
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	755 191	805 275	809 675	41 486	450 892	471 924	(21 032)	-4,5%	809 675

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 January 2022.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	2020/21	Budget Year 2021/22							
	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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	5 324	6 027	6 027	325	2 666	3 516	(850)	-24%	6 027
Pension and UIF Contributions	498	698	698	42	258	407	(149)	-37%	698
Medical Aid Contributions	57	61	61	-	24	36	(11)	-32%	61
Cellphone Allowance	663	875	875	41	312	510	(198)	-39%	875
Other benefits and allowances	1 271	1 262	1 262	206	820	736	84	11%	1 262
Sub Total - Councillors	7 813	8 922	8 922	613	4 081	5 205	(1 124)	-22%	8 922
% increase		14,2%	14,2%						14,2%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	4 281	4 281	336	2 349	2 498	(148)	-6%	4 281
Pension and UIF Contributions	11	11	11	1	7	7	1	11%	11
Medical Aid Contributions	171	182	182	15	101	106	(5)	-4%	182
Performance Bonus	106	56	56	-	55	33	23	69%	56
Motor Vehicle Allowance	1 052	1 153	1 153	88	614	672	(59)	-9%	1 153
Cellphone Allowance	117	125	125	10	68	73	(5)	-7%	125
Housing Allowances	160	177	177	13	93	103	(10)	-10%	177
Other benefits and allowances	459	492	492	38	268	287	(19)	-7%	492
Sub Total - Senior Managers of Municipality	6 105	6 477	6 477	500	3 557	3 778	(222)	-6%	6 477
% increase		6,1%	6,1%						6,1%
Other Municipal Staff									
Basic Salaries and Wages	126 815	136 771	136 771	11 242	80 332	79 783	549	1%	136 771
Pension and UIF Contributions	18 955	19 567	19 567	1 731	11 969	11 414	555	5%	19 567
Medical Aid Contributions	9 177	9 338	9 338	832	5 745	5 448	297	5%	9 338
Overtime	129	119	119	12	87	70	17	25%	119
Performance Bonus	8 464	7 716	7 716	624	4 969	4 501	468	10%	7 716
Motor Vehicle Allowance	16 182	17 160	17 160	1 665	11 823	10 010	1 813	18%	17 160
Cellphone Allowance	851	858	858	83	568	501	67	13%	858
Housing Allowances	570	586	586	49	341	342	(1)	0%	586
Other benefits and allowances	20 465	20 906	20 906	2 001	13 705	12 196	1 509	12%	20 906
Payments in lieu of leave	3 207	1 204	1 204	32	1 099	702	397	57%	1 204
Long service awards	981	810	810	120	609	472	137	29%	810
Post-retirement benefit obligations	6 069	3 343	3 343	-	-	1 950	(1 950)	-100%	3 343
Sub Total - Other Municipal Staff	211 864	218 378	218 378	18 391	131 248	127 388	3 860	3%	218 378
% increase		3,1%	3,1%						3,1%
Total Parent Municipality	225 782	233 777	233 777	19 505	138 885	136 372	2 514	2%	233 777
		3,5%	3,5%						3,5%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	217	(217)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	217	(217)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 730	1 730	-	-	1 009	(1 009)	-100%	1 730
Sub Total - Senior Managers of Entities	-	1 730	1 730	-	-	1 009	(1 009)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 675	7 675	-	-	4 477	(4 477)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	857	(857)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	280	(280)	-100%	479
Performance Bonus	-	533	533	-	-	311	(311)	-100%	533
Payments in lieu of leave	-	43	43	-	-	25	(25)	-100%	43
Sub Total - Other Staff of Entities	-	10 199	10 199	-	-	5 949	(5 949)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 301	12 301	-	-	7 176	(7 176)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	246 079	246 079	19 505	138 885	143 547	(4 662)	-3%	246 079
% increase		9,0%	9,0%						9,0%
TOTAL MANAGERS AND STAFF	217 969	236 784	236 784	18 891	134 804	138 125	(3 321)	-2%	236 784

2.6 Material Variances to the SDBIP

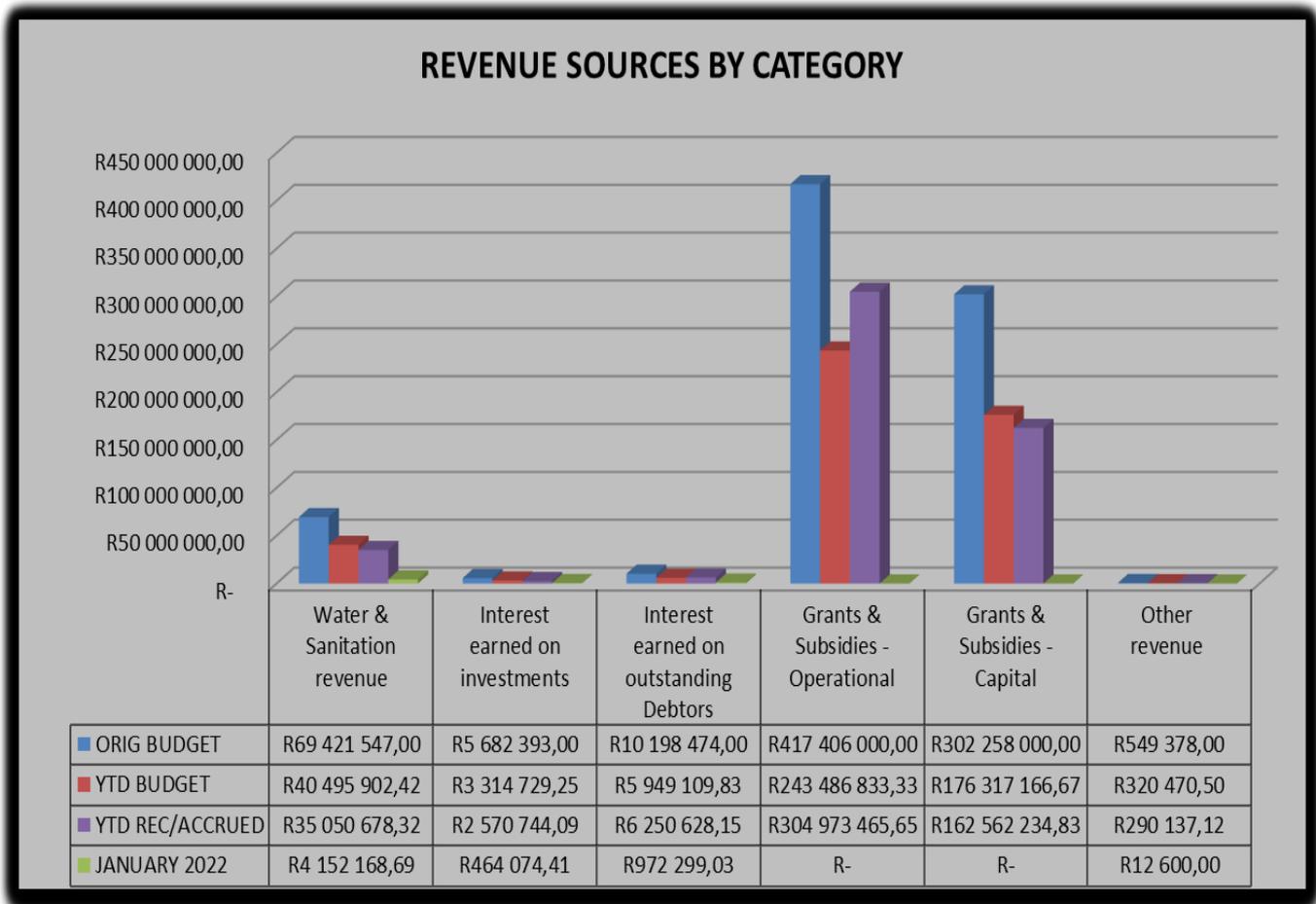
The following section analyses material variances between the actual targets as at 31 January 2022 and the budget for the same period. This report analyses each major component under following headings;

- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

REVENUE

The chart displays a comparison between the 2021/2022 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to “performance” rather than “cash movements” in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 January 2022 was R35million against a year to date **budget** of R40, 4million or 87 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R2, 5m against year to budget of R3, 3m representing 78 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R304, 9million against a year to date budget of R243, 4million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The operational grants revenue of R162, 5million against a year to date budget of R176, 3million is largely attributable to the YTD equitable share received

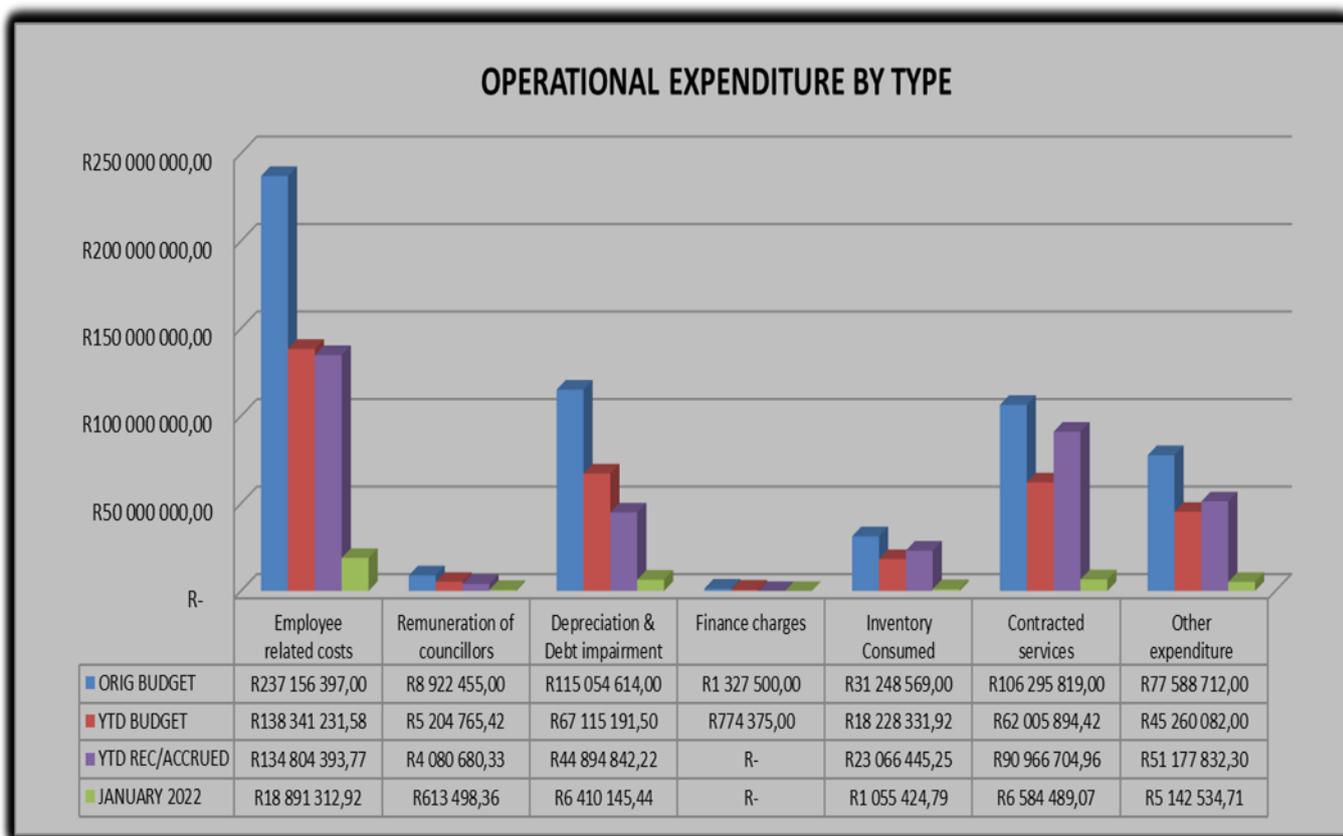
Other Revenue

The YTD performance of other revenue is R290 137 against YTD budget of R320 471 performance.

OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category is discussed below.

Chart 4: 2021/2022 financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R138, 3million against a YTD actual of R134, 8million which is 97% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 4million against a YTD budget of R 5, 2million representing 78% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 31 January 2021.

Inventory/Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R31, 2m. The year to date expenditure on bulk water purchases is R23m against a YTD budget of R18, 2m representing 127% of the year to date budget over performed by 16 per cent.

Contracted Services

The YTD budget for contracted services was at R 62million against a YTD expenditure of R90, 6million and expenditure for the month of January 2022 is R6, 5million. The year to date expenditure exceeded what was projected by 147 per cent.

Other Expenditure

The YTD budget for other expenditure was at R 45, 2million against a YTD expenditure of R 51, 1million and expenditure for the month of January 2022 is R5, 1million over performed by 4 per cent.

Performance assessment

The Performance Assessment Report will be available on the fourth quarter in terms of Sec 52 (d) of the Municipal Finance Management Act.

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M07 January

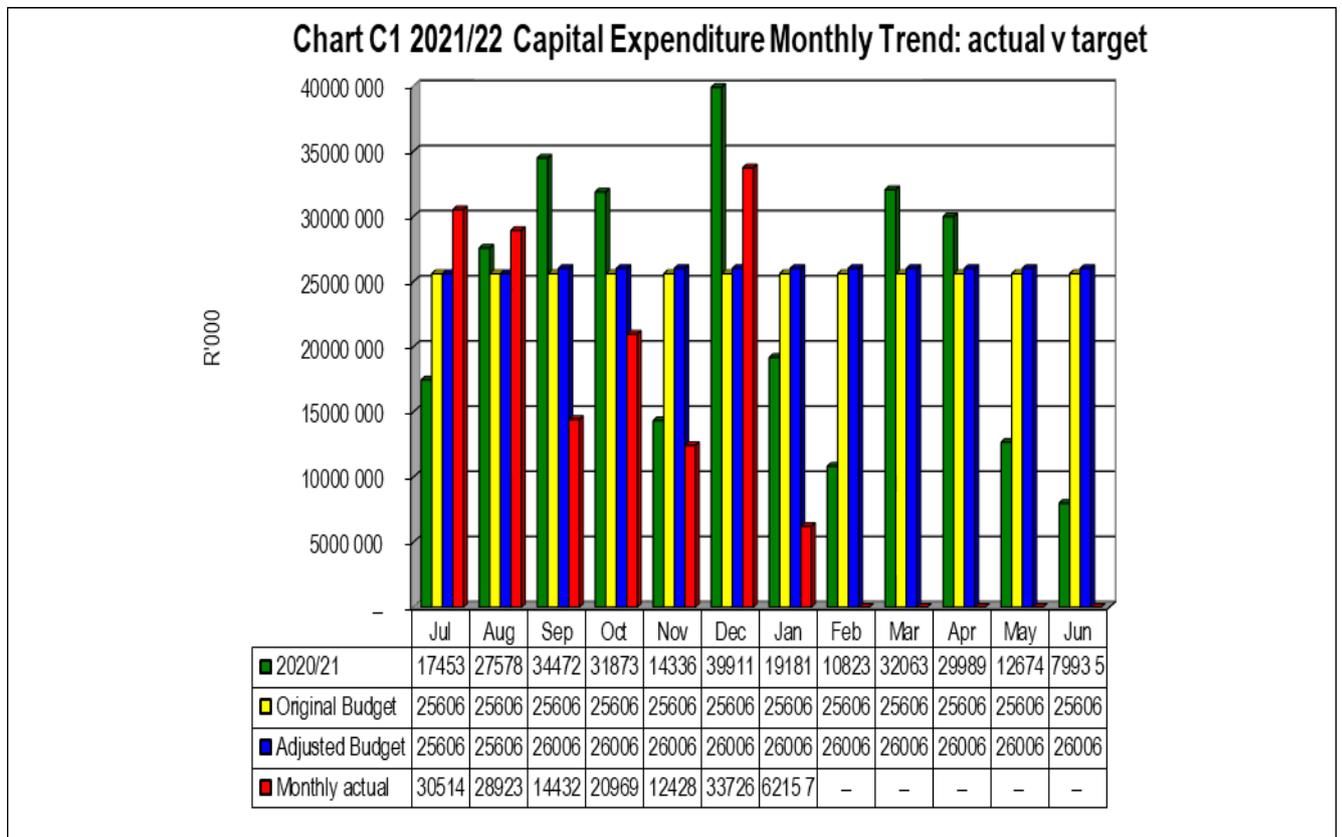
Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands															
Cash Receipts By Source															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	2 919	6 943	3 372	6 405	3 267	6 009	3 210	-	-	-	-	(32 125)	-	41 881	44 214
Service charges - sanitation revenue	557	988	495	1 262	472	1 232	1 376	-	-	-	-	(6 382)	-	15 078	15 983
Interest earned - external investments	121	502	377	391	389	326	464	-	-	-	-	(2 571)	-	5 838	6 101
Transfers and Subsidies - Operational	160 611	2 493	-	19 997	8 914	129 203	1 379	-	-	-	-	(322 597)	-	413 194	416 811
Other revenue	-	0	0	96	12	-	13	-	-	-	-	(121)	-	574	599
Cash Receipts by Source	164 209	10 925	4 245	28 151	13 055	136 769	6 442	-	-	-	-	(363 796)	-	476 565	483 708
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	126 293	-	57 021	(1 593)	-	70 500	-	333	333	333	333	(249 554)	4 000	346 011	361 833
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	122	122	149	143
Total Cash Receipts by Source	290 502	10 925	61 266	26 558	13 055	207 269	6 442	333	333	333	333	(613 228)	4 122	822 725	845 684
Cash Payments by Type															
Employee related costs	-	29 184	20 564	20 623	19 979	26 527	18 891	-	-	-	-	(135 767)	-	262 443	279 953
Remuneration of councillors							613					(613)			
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	1 385	1 447
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	20 250	21 161
Contracted services	-	-	-	-	-	-	7 640	-	-	-	-	(7 640)	-	110 111	114 923
General expenses	54 121	66 381	50 366	53 979	36 436	86 619	5 143	-	-	-	-	(353 045)	-	78 948	82 195
Cash Payments by Type	54 121	95 565	70 930	74 601	56 415	113 146	32 287	-	-	-	-	(497 065)	-	473 136	499 679
Other Cash Flows/Payments by Type															
Capital assets	30 514	28 923	14 433	20 969	12 429	33 726	6 216	333	333	333	333	(144 543)	4 000	347 620	363 499
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	84 635	124 488	85 363	95 571	68 843	146 872	38 503	333	333	333	333	(641 608)	4 000	820 757	863 177
NET INCREASE/(DECREASE) IN CASH HELD	205 867	(113 563)	(24 097)	(69 013)	(55 789)	60 398	(32 061)	-	-	-	-	28 380	122	1 968	(17 493)
Cash/cash equivalents at the month/year beginning:	51 862	257 729	144 166	120 070	51 057	(4 732)	55 665	23 604	23 604	23 604	23 604	23 604	51 862	51 984	53 952
Cash/cash equivalents at the month/year end:	257 729	144 166	120 070	51 057	(4 732)	55 665	23 604	23 604	23 604	23 604	23 604	51 984	51 984	53 952	36 459

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M07 January

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	17 453	25 607	25 607	30 514	30 514	25 607	(4 907)	-19,2%	10%
August	27 579	25 607	25 607	28 923	59 437	51 214	(8 223)	-16,1%	19%
September	34 472	25 607	26 007	14 433	73 870	77 221	3 351	4,3%	24%
October	31 874	25 607	26 007	20 969	94 839	103 228	8 389	8,1%	31%
November	14 337	25 607	26 007	12 429	107 268	129 235	21 967	17,0%	35%
December	39 911	25 607	26 007	33 726	140 994	155 242	14 248	9,2%	46%
January	19 182	25 607	26 007	6 216	147 210	181 249	34 039	18,8%	48%
February	10 824	25 607	26 007	-	-	207 256	-	-	-
March	32 063	25 607	26 007	-	-	233 263	-	-	-
April	29 990	25 607	26 007	-	-	259 270	-	-	-
May	12 674	25 607	26 007	-	-	285 277	-	-	-
June	7 994	25 607	26 007	-	-	311 283	-	-	-
Total Capital expenditure	278 353	307 283	311 283	147 210					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

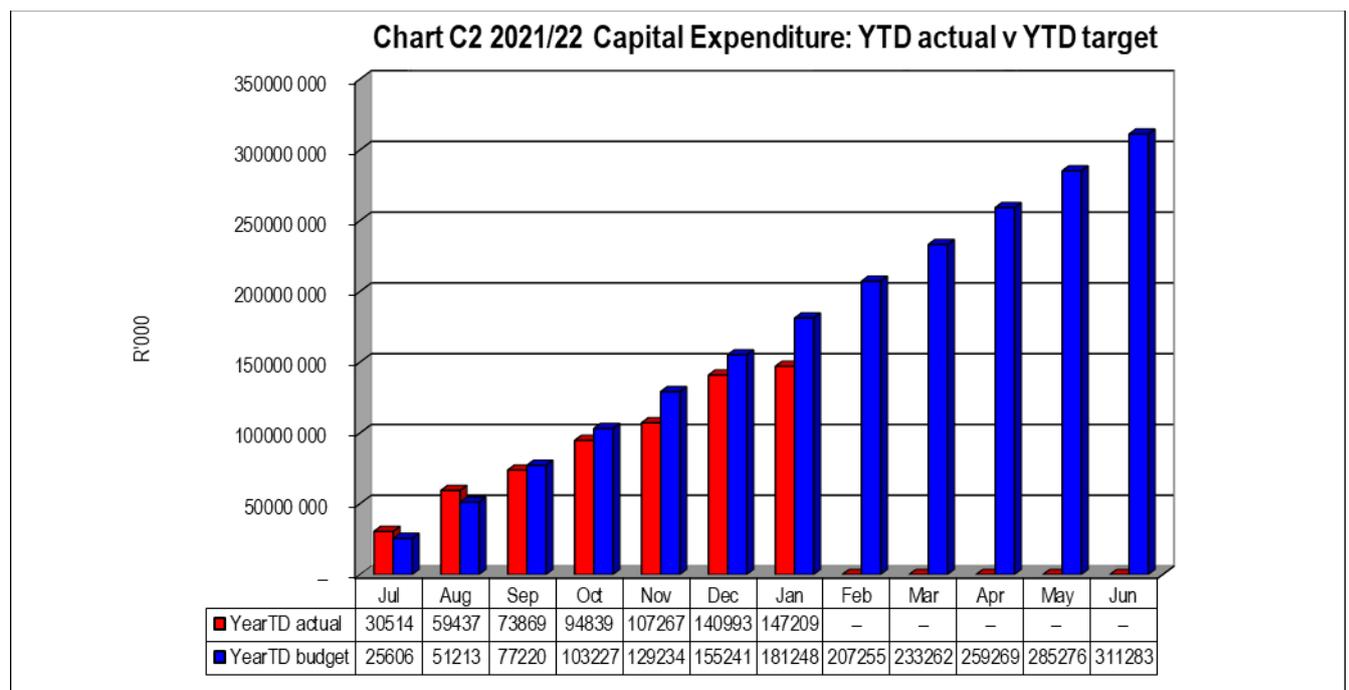
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M07

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	245 738	283 958	283 958	1 583	128 179	165 642	37 463	22,6%	283 958
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	237 781	228 108	223 108	1 583	99 653	130 841	31 188	23,8%	223 108
Dams and Weirs	24 469	25 000	20 000	(375)	3 634	12 361	8 728	70,6%	20 000
Boreholes	23 814	57 275	57 275	1 666	34 588	33 410	(1 178)	-3,5%	57 275
Reservoirs	870	7 000	7 000	-	2 019	4 083	2 064	50,5%	7 000
Pump Stations	30 873	31 000	31 000	129	15 848	18 083	2 236	12,4%	31 000
Water Treatment Works	4 539	7 500	7 500	-	4 898	4 375	(523)	-11,9%	7 500
Bulk Mains	77 052	26 508	26 508	-	4 801	15 463	10 662	69,0%	26 508
Distribution	76 164	73 825	73 825	164	33 865	43 065	9 199	21,4%	73 825
Sanitation Infrastructure	7 958	55 850	60 850	-	28 527	34 801	6 275	18,0%	60 850
Pump Station	1 580	30 000	30 000	-	8 929	17 500	8 571	49,0%	30 000
Reticulation	6 378	20 000	20 000	-	13 486	11 667	(1 819)	-15,6%	20 000
Toilet Facilities	-	5 850	10 850	-	6 112	5 635	(477)	-8,5%	10 850
Other assets	1 610	-	-	-	-	-	-	-	-
Operational Buildings	1 610	-	-	-	-	-	-	-	-
Municipal Offices	1 610	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Intangible Assets	-	1 418	1 418	-	-	827	827	100,0%	1 418
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	1 418	-	-	827	827	100,0%	1 418
Water Rights	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	1 418	1 418	-	-	827	827	100,0%	1 418
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	1 566	2 130	2 130	-	779	1 243	464	37,3%	2 130
Computer Equipment	1 566	2 130	2 130	-	779	1 243	464	37,3%	2 130
Furniture and Office Equipment	1 768	3 057	3 057	24	671	1 784	1 113	62,4%	3 057
Furniture and Office Equipment	1 768	3 057	3 057	24	671	1 784	1 113	62,4%	3 057
Machinery and Equipment	9 099	220	220	-	47	128	81	63,2%	220
Machinery and Equipment	9 099	220	220	-	47	128	81	63,2%	220
Transport Assets	7 355	-	-	-	-	-	-	-	-
Transport Assets	7 355	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	267 136	290 783	290 783	1 607	129 676	169 624	39 948	23,6%	290 783

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M07

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	8 110	15 800	19 800	4 609	12 996	11 217	(1 779)	-15,9%	19 800
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	982	15 800	15 800	-	7 839	9 217	1 377	14,9%	15 800
<i>Bulk Mains</i>	-	500	500	-	-	292	292	100,0%	500
<i>Distribution</i>	982	15 300	15 300	-	7 839	8 925	1 086	12,2%	15 300
Sanitation Infrastructure	7 128	-	4 000	4 609	5 156	2 000	(3 156)	-157,8%	4 000
<i>Pump Station</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	7 128	-	4 000	4 609	5 156	2 000	(3 156)	-157,8%	4 000
Machinery and Equipment	-	200	200	-	-	117	117	100,0%	200
Machinery and Equipment	-	200	200	-	-	117	117	100,0%	200
Transport Assets	7 032	-	-	-	4 396	-	(4 396)	#DIV/0!	-
Transport Assets	7 032	-	-	-	4 396	-	(4 396)	#DIV/0!	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	15 142	16 000	20 000	4 609	17 392	11 333	(6 059)	-53,5%	20 000



2.7 Municipal Manager's Quality's Certificate

Quality Certificate

I, Adelaide Nomnandi Dlamini, the Municipal Manager of Harry Gwala District Municipality, hereby certify that-

- The monthly budget statement

For the month of January 2022 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Adelaide Nomnandi Dlamini

Municipal Manager of: Harry Gwala District Municipality

Signed _____

Date _____