



iLEMBE DISTRICT MUNICIPALITY

COUNCIL CIRCULAR NUMBER 4 OF 2012

TO ALL MEMBERS OF THE COUNCIL

MID TERM BUDGET AND PERFORMANCE ASSESSMENT 2011/2012

In terms of the provisions of section 72 of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003) the Accounting Officer of a Municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year and submit a report on such assessment to the Mayor of the Municipality, the National Treasury and the relevant Provincial Treasury.

Furthermore, in terms of section 54(1)(f) of that Act the Mayor must submit the performance assessment report to the Council by 31 January of each year.

A copy of the 2011/2012 mid term budget assessment report and the 2011/2012 half year performance report is attached to this circular and will be submitted to the meeting of the Council to be held on 25 January 2011.

Members are requested to bring their copy of this Circular to that meeting.

C M HARRIS
MANAGER : SUPPORT SERVICES
26 January 2012



ITEM NO.	SUBJECT	REF
	MID TERM BUDGET AND PERFORMANCE ASSESSMENT 2011/2012	

REPORT TO: THE COUNCIL OF IDM

DATE: 24 JANUARY 2012

DIRECTORATE: FINANCE

AUTHOR: MANAGER – BUDGETS & COMPLIANCE

1. PURPOSE

To present the 2011/2012 mid-term budget and performance assessment for the period covering 1 July 2011 to 31 December 2011 in terms of section 72 and 88 of the Municipal Finance Management Act (MFMA).

2. DELIBERATION(S)

2.1 Background

Section 72 of the MFMA states that the accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year, of which the report must then be submitted to the Mayor of the municipality, the National Treasury and the relevant Provincial Treasury. Section 88 of the Municipal Finance Management Act also requires the accounting officer of a municipal entity to assess the performance of the entity during the first half of the financial year and submit a report on such an assessment to the Board of Directors of the entity and the parent municipality of the entity.

Section 54(f) of the MFMA requires the Mayor to then table this report to Council by 31 January each year.

These assessments are to provide a high level report regarding the state and implementation of the budget. In addition, monthly reports are tabled in terms of section 71 of the MFMA. The mid-term budget and performance assessment is now being

tabled to apprise council of the financial status as well as the status of operations within the municipality as well as its entity.

Provincial Treasury has issued circulars pertaining to the reporting method used when the mid- term budget assessment report is tabled at Council. The circulars also request the municipality to submit consolidated information with that of its entity. The information contained in this item covers both the district as well as the entity.

2.2 Discussion

The report will be split in two parts, namely Ilembe District Review and Ilembe Enterprise Review.

2.2.1 ILEMBE DISTRICT REVIEW

The report will be discussed under the following broad headings:

- 2.2.1.1 FINANCIAL MANAGEMENT REVIEW**
- 2.2.1.2 MID TERM PERFORMANCE REVIEW**
- 2.2.1.3 ANNUAL REPORT**

Please note that for the purposes of the discussions that follow, all amounts have been rounded off to the nearest hundred thousand rand. Exact amounts can be obtained from the budget extract that has been appended to this item.

2.2.1.1 FINANCIAL MANAGEMENT REVIEW

This section has been split in 2 parts in terms of the reporting method as required by Treasury as follows:

Part 1- In Year Report

- Mayor's Report
- Executive Summary
- Resolutions
- In year budget statement tables

Part 2 – Supporting Documentation

- Material variance explanation
- Performance indicators
- Debtors' Analysis
- Creditors' Analysis
- Investment portfolio analysis

- Allocation and grant receipts and expenditure
- Allocation and grant expenditure
- Council and employee benefits
- Capital Expenditure Trend
- Municipal Manager's quality certification

PART 1

Mayor's Report

A. Summary of past year's annual report, and progress on resolving problems identified in the annual and audit reports

In January 2009, the District adopted a District Wide Turnaround Strategy to improve service delivery on the following key elements. This strategy included:

- Financial viability and sustainability,
- Infrastructure and service delivery,
- Institutional transformation and change management,
- Public participation and good governance,
- Socio economic development.

From that period until current, water and sanitation backlogs have been reduced by 34% and 35% respectively. This was achieved in the face of a small size budget allocation and the ageing infrastructure. This achievement reflects the commitment of the District which has placed a premium value on its diverse customer base and populace. While these projects were undertaken, local Co-operatives were involved in supplying materials, provisioning of transport in support of contractors that were in charge of the actual construction.

While these achievements are noteworthy, the shortage of bulk water sources especially in Ndwedwe and Maphumulo areas are a concern. The shortage of power supply also results in delays in commissioning some of the water schemes as ESKOM is unable to provide power supply to some of the pump stations. The other challenge is the lack of local experienced contractors with high CIDB grading and this is often viewed as an absence of commitment from the District Municipality to award big bids to local contractors.

We received an unqualified audit report in 2009/2010 financial year with lot of matters of emphasis by Auditor General. These matters have been addressed in 2010/2011 financial year.

Statutory reporting to National and Provincial Treasury by deadline of the 14th of every month is done timely and in compliance with the legislation. Revenue enhancement continues to be a concern for the District, current and new innovative ways to deal with these require a much more effort this financial year. The level of outstanding debt requires vigorous commitment and is of great concern.

Supply Chain Management Unit had problems meeting their main indicators on the turnaround time of processing bids. This has implications on service delivery of water and sanitation projects as most incomplete projects are due to the delays on SCM processes. This being said, in 2010/2011 financial year, the District received an unqualified audit report from the Auditor General with matters of emphasis albeit not so alarming compared to the previous year.

Majority of critical positions were filled during the year. The District's organogram was not approved in the 2010/11 financial year due to outstanding issues identified in the organogram and this will be addressed in the 2011/12 financial year. Council meetings and other Portfolio Committees showed success in terms of accurate minute taking and the support they received from the staff of the District.

Above average success was recorded for the District's IDP Review in 2010/2011. The District was rated among the best in the province for its credible IDP, rated second after eThekweni Metro. Indicators dealing with public participation, inter-government relations and internal audit returned satisfactory results, a massive improvement from the previous years.

The 2010/11 financial year marked the end of term for the previous Audit Committee members. The speedy appointment of the new Audit Committee members has also been commended, especially with the incorporation of the committee to serve both the District and its entity resulting in financial savings. Performance Management Unit has developed the next year's performance measurement tools much earlier as compared to prior years. The District adopted the 2010/2011 SDBIP in May 2011. The Annual Report for 2010/2011 has been completed and went to Internal Auditors and Audit Committee before the due date of submission to Auditor General.

The District has continued with the active Environmental Health Unit that resolved 100% Of all complaints on issues such as water quality, waste management, vector control and food handling premises. The District also hosted public viewing outreach events for the 2010/2011 Soccer World Cup, all of

which went well without disasters, as risk management plans were done and implemented for every event to prevent any disaster.

Ilembe Enterprise secured project funding and began implementation of a number of economic development initiatives. The entity was also active in Project Management Unit implementing District's capital works program on behalf of the District. It has since developed economic indicators that will monitor the impact of these projects and this will form part of the scorecard in the 2011/12 financial year.

While there are still challenges, these achievements are commendable. We remain resolute that a solid foundation has been laid and it requires consolidation going forward. We would like to commend the management and staff for their efforts in the 2010/11 financial year and look forward to a more productive 2011/12 financial year and the fulfilment of our vision, that of being a world class African destination, with quality services to the people.

B. Implementation of the budget

The budget is currently being implemented as per the approved budget in May 2011 for the 2011/12 financial year. There are currently concerns with the implementation of the budget of which two are deemed critical.

B.1 Revenue collection

This continues to be a thorn in the municipality as the revenue collection rate is currently sitting at 68% against the budget of 85%.

This impacts negatively on the implementation of the budget greatly as expenditure relies so much on what is collected at the end of the month. This also contributes to the huge increase in debtors annually, which is detrimental to the municipality.

Revenue enhancement strategies are currently being implemented in order to increase our revenue levels. The current strategies are as follows:

B.1.1 Implementation of the credit control policy

The credit control is being enforced in the following manner:

- Businesses are being disconnected when payment is not received,
- Restrictions are also being done for residential consumers

- Outstanding debt is also being handed over,
- For government debt, the list has been sent to National Treasury to assist with collection, the revenue section is also liaising with Provincial Treasury in terms of amounts outstanding.

B.1.2 Data Cleansing

- A service provider has been engaged, who is currently doing a desk top analysis of data from various sources, e.g. the deeds office, valuation roll, etc in order to check if the information the district has is the same all round,
- Where there discrepancies, a physical verification will be done,
- Water and sewer accounts have been consolidated, which allows the district to disconnect or restrict when payment is not received, as well as allocation of payments to both sewer and water accounts.
- The cleansing of data will assist in accurate billing because of accurate information.
-

B.1.3 Indigent Support

- The service provider has been engaged to also do the economic profiling of households,
- Once that has been done, that list will be analysed in order to pick people who are possibly indigent and those targeted households will be visited in order to ascertain whether those people are really indigent (they will be requested to fill the application forms and submit all relevant documentation and will be assessed according to the criteria of being indigent),
- The current situation is that people are asked to come forward and register if they are indigent, and that is currently not happening, so the profiling will assist with the process of registering indigent households.

B.2 Cash Flow

Another grave concern is the issue of inadequate cash inflows due to low collection rate of revenue.

The current cash available is not enough to cover the commitments that the municipality has on a monthly basis. Of the R105m cash available as at the end of December 2011, R60m is for funding capital projects. The R45m that should be used to fund the operations is for both operations as well as the internally funded capital expenditure. This amount will not be

sufficient to cover the costs for the next six months of the financial year.

There is an anticipated shortfall in cash of R60m if the current situation persists. This takes into consideration the expenditure for the next six months which is in the region of about R197m, against an anticipated cash of R137m.

An expenditure management committee has been established to deal with the issue of cash and to ensure that procurement is in terms of priorities. The issue will also be addressed via the adjustments budget process for the 2011/12 financial year.

Executive Summary

This will be discussed under these broad headings:

- a) Councillor and staff benefits
- b) Investments
- c) Cash Flow
- d) Revenue collection
- e) Capital Expenditure

a) Councillor and staff benefits

The budget for councillor and staff benefits for the 2011/12 financial year is R104m. The year to date expenditure amounted to R50m against a year to date budget of R53m. The variance of R3m is attributable to the following:

- Positions budgeted for but not yet filled
- Councillor increase in salaries not yet effected.

The variance is not of great concern as some of these positions will be filled during the next half of the financial year. The increment for Councillors was effected in January, so this should be appearing on the next report that will be submitted.

Details of these benefits are attached hereto under supporting documentation as Table SC8.

b) Investments

The list of investments is attached as supporting document Table SC5. The total investment value as at December 2011 is R107m, which includes the following:

- R17m which has been ceded as security against the long term loan from ABSA,

- The balance of R90m includes conditional grant funding as well as the equitable share amount.

c) Cash Flow

The details of the cash flow are part of the documentation attached as Table C7. The year to date balance of R105m represents the amount currently sitting at the bank and is a split between the amounts of R60m relating to grant funding and R45 that will fund operations.

The impact of this has been summarised in the Mayor's report above.

d) Revenue collection

This has also been highlighted in the Mayor's report above.

e) Capital Expenditure

The total capital budget for the 2011/12 financial year amounted to R255m, split between the grant funding of R189m and internal funding of R66m.

The year to date expenditure amounted to R80m against the year to date budget of R127m, which equates to the under expenditure of 37% overall.

The grant expenditure is under by 33%, which is mostly attributable to delays in SCM processes, especially the appeals that are received when tenders are awarded. The expenditure on grants should pick up in the next six months of the financial year, which should be on par with the amounts allocated for different projects.

The internally funded expenditure is under by 49%, which is largely due to the low revenue collection rate. The budget for internally funded capital projects will be reviewed during the adjustments budget process to reprioritise projects.

2.2.2 ILEMBE ENTERPRISE REVIEW

This review is covered under the following broad headings;

- a) Summary and overview
- b) Finance and Budget review
- c) Governance
- d) Human Resources

- e) Project and Project Management
- f) Trade & Investment promotions and Marketing
- g) Recommendations

a. Summary and overview.

Enterprise iLembe (EI) as the Economic Development Agency is mandated to drive economic development in the district as well as to promote trade and investment and as such the Vision of the Agency is "To make iLembe District the Investment Destination of Choice".

In order to deliver on this mandate it is imperative that Enterprise iLembe firstly creates awareness of the Agency and its mandate as well as promote the region on both a national and international level to various stakeholders including trade and investors.

The report provides feedback on the Municipal entities performance on the delegated mandate from the shareholders and the Board

b. Finance and Budget review

Enterprise iLembe budget in the financial year was approximately R43m for projects and R13m for Operational expenses. Full funding has been received from iLembe District with IDC funding of R2, 7m having been committed to the agency.

Mid Year expenditure against budget is considerably low at 32%. Although the percentage is a concern this can be attributed to EI receiving unbudgeted funding of approximately R2, 1m within the financial year and slow expenditure on 2 LED projects, namely the iLembe Moringa/Biodiesel project and the role out of the Ilembe Winery. The acting CFO and the CEO, together with the EI team have presented plans to ramp up expenditure on projects and ensure that project expenditure is managed proactively through monthly procurement and cash flow plans for each project.

A further IDC audit took place in the latter part of 2011, with EI receiving further funding of R2, 7m from the IDC and a further R200k from the RIDS fund for the Research & Development in iLembe.

EI is currently managing funding from the Corridor Development Fund for economic development projects in the 2010/2011 financial year to the value of approx. R27m year

to date expenditure at midyear 2011/2012 financial year is reflected as follows;

Description	Budget 2011/2012	Expenditure to date	Percentage
Total Budget	R42million	R14million	33%

Breakdown of Key Performance areas;

LED Projects	R32million	R10million	31%
Operational Expenses	R 5million	R 2million	40%
Salaries	R 4million	R 2million	50%
Board Expenses	R650K	R256K	39%

EI implemented an in-house financial accounting system flowing from a Board resolution to in source financial services and development of competency within EI.

A transactional advisor was appointed within the latter part of the financial year to assist and facilitate the finalisation of the EI Business model.

The business continues to maintain a healthy financial balance.

c. Governance

- EI policies and procedures are firmly in place with minor recommended changes to the SCM and HR policies.
- EI and IDM consolidated the functions of the audit committee and the audit committee is now a shared function with 4 members.
- The Audit Committee continues to function optimally and guide the management team.
- EI received an unqualified audit report from the office of the Office of the Auditor General (AG), and recommendations are that EI strengthen internal SCM and resources within the finance department. To this end all EI staff will undergo training on the new SCM policy on 15 February 2012.
- A second draft of the Annual report has been presented to the AG's office.

- KPMG have been appointed as internal auditors for the business for a period of 2 years.

d. Human Resources

As the business has continued to grow, additional resources have been brought on Board with the appointment of the following posts;

- Chief Financial Officer
- LED Agric Sector Manager
- Finance controller
- Trade and Investment Promotions (TIP) Assistant

EI is in the process of finalising an organisational review process and the outcomes of which are the following;

- Mapping of the organisations future requirements including the current organogram
- Job profiles and clear job descriptions
- Signed employments contracts for all staff
- Review of salary packages
- Implementation of a Performance management system and tool

Two employees resigned from the organisation within this financial year; namely the Tourism Sector Manager from the LED unit and the Chief Financial Officer. Both resignations were accepted by management and exit interviews conducted for HR purposes. These positions were subsequently advertised in addition to the vacancy of Head of Economic Development.

e. Project Management

The EI Project budget currently sits at R32m for the balance of the year with actual expenditure on projects recorded as approx. R10m(36%) for the first six months of the year.

EI has two projects that are of concern due to lack of proper feasibility studies not being conducted by the previously appointed service providers. Delays primarily relate to EIA requirements on the Biodiesel/Moringa project and challenges in the appointment of a Technical operating partner for the iLembe Vineyard projects. The EIA issue has been escalated to IDM and the CEO is in consultation with Provincial department of Agriculture.

f. Trade & Investment promotions and Marketing

f. Trade & Investment promotions and Marketing

- Marketing, Brand and communications continues within the agency with delegations hosted from Thailand and Palestine. EI also completed the first role out of the Business retention programme, various business breakfasts and presentations. EI continues to conduct business research to the benefit of international and local market, quarterly economic intelligence reports are developed with iLembe being the first district to conduct this research at a local level.
- We participated together with the Office of the Premier at the Climate Change Response Expo at the recently held COP17. A Solar Geyser project was also launched for iLembe District at COP 17.
- EI participated at 2 domestic tourism exhibitions in Gauteng with TKZN viz. Getaway Show and Soweto Festival.
- EI in partnership launched the 2nd North Coast Big 5 Competition for the iLembe District with the aim to increase service levels in the tourism industry.
- A Teaming and Co-Operation Agreement was signed between EI and Proudly South African on 26 November 2011.
- EI also successfully hosted the World Golfers championships in iLembe with great feedback.

We are currently in the final stages of implementing an interactive web based information platform for EI and our stakeholders that will be accessed through our website.

The draft Annual report has been completed and awaiting AG and council approval for print.

EI will continue to facilitate proactive marketing for the District and offer Tourism marketing support to the Local Municipalities.

3. RESOLUTIONS/RECOMMENDATIONS

It is recommended:

- a) That council notes the consolidated mid-year budget and performance assessment for in terms of section 72 and 88 of the MFMA,
- b) That an adjustment budget in terms of section 28 of the MFMA, be done

In-year budget statement tables

The in year budget statement tables are attached to the item as follows:

- C1 – Consolidates monthly budget statement summary
- C2 – Consolidated monthly budget statement: Financial Performance (standard classification)
- C3 – Consolidated monthly budget statement: Financial Performance (revenue and expenditure by municipal vote)
- C4 – Consolidated monthly budget statement: Financial Performance (revenue and expenditure)
- C5 – Consolidated monthly budget statement – Capital Expenditure (municipal vote, standard classification and funding)
- C6 – Consolidated monthly budget statement: Financial Position
- C7 – Consolidated monthly budget statement: Cash Flow

Part 2

The supporting documentation has been submitted for information as follows:

- SC1 – Material variance explanation
- SC2 – Performance indicators
- SC3 - Debtors' Analysis
- SC4 - Creditors' Analysis
- SC5 - Investment portfolio analysis
- SC6 - Allocation and grant receipts and expenditure
- SC7 – Allocation and grant expenditure
- SC8 – Expenditure on council and employee benefits
- SC9 – Actual & Revised targets for cash receipts
- SC10 – Parent municipality financial performance
- SC11 – Summary of municipal entities
- SC12 – Capital Expenditure trend
- SC13a – IDM Monthly budget statement – capital expenditure on new assets
- SC13b – EI monthly budget statement – capital expenditure on renewal of existing assets
- SC13c – Consolidated monthly budget statement – expenditure on repairs and maintenance
- Municipal Manager's quality certification

2.2.2 MID-TERM PERFORMANCE ASSESSMENT

This is attached to this report.

2.2.3 ANNUAL REPORT

This report is a separate item that will be dealt with in this agenda.

2.3 Strategic and Legal Implications

It is important for Council to have up to date information on the status of its operating and capital budget and expenditure in order to enable Council to take necessary decisions and ensure that an effective oversight function is in operation. The quarterly budget assessment is intended to facilitate such a function.

It should further be noted that, section 28 of the Municipal Finance Management Act allows a municipality to revise its budget in a form of an adjustments budget, but this is only done to accelerate spending programmes already budgeted for. Therefore, for any anticipated over/under collection as well as over/under expenditure the budget will be adjusted accordingly, by taking an item to Council indicating that. In terms of the MFMA, the accounting officer may recommend the adjustments budget stemming from the mid-term budget and performance assessment.

2.4 Financial Implications

NIL



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SIGNATURE OF AUTHOR

**SUPPORTED / NOT SUPPORTED at KwaDukuza on the 25 of
JANUARY... 2012.**



.....
CHIEF FINANCIAL OFFICER'S SIGNATURE



.....
MUNICIPAL MANAGER'S SIGNATURE

DC29 iLembe - Table C1 Consolidated Monthly Budget Statement Summary - M06 December

Description	2010/11	Budget Year 2011/12							
	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	97,375	116,655	-	6,691	49,560	58,327	(8,768)	-15%	-
Investment revenue	25,362	1,026,069	-	1,960	13,620	13,535	85	1%	-
Transfers recognised - operational	217,811	252,603	-	20,393	122,565	126,302	(3,737)	-3%	-
Other own revenue	7,881	8,250	-	468	1,465	4,125	(2,660)	-64%	-
Total Revenue (excluding capital transfers and contributions)	348,429	1,403,577	-	29,512	187,210	202,289	(15,079)	-7%	-
Employee costs	82,947	102,382	-	8,330	49,749	51,225	(1,476)	-3%	-
Remuneration of Councillors	5,765	7,431	-	513	2,860	3,874	(1,014)	-26%	-
Depreciation & asset impairment	19,626	18,000	-	1,500	9,000	9,000	-	-	-
Finance charges	12,363	11,320	-	823	4,719	5,660	(942)	-17%	-
Materials and bulk purchases	59,330	81,009	-	5,519	30,322	40,505	(10,182)	-25%	-
Transfers and grants	31,883	35,000	-	2,600	18,000	20,000	(2,000)	-	-
Other expenditure	135,322	148,487	-	12,131	74,912	74,243	669	1%	-
Total Expenditure	347,237	403,629	-	31,416	189,563	204,507	(14,944)	-7%	-
Surplus/(Deficit)	1,192	999,948	-	(1,904)	(2,353)	(2,218)	(135)	6%	-
Transfers recognised - capital	126,078	188,657	-	20,594	64,760	970	63,790	6578%	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	127,270	1,188,605	-	18,690	62,407	(1,249)	63,656	-5098%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	127,270	1,188,605	-	18,690	62,407	(1,249)	63,656	-5098%	-
Capital expenditure & funds sources									
Capital expenditure	140,191	287,461	-	22,311	87,273	134,378	(47,106)	-35%	-
Capital transfers recognised	128,088	221,293	-	18,596	71,726	103,944	(32,218)	-31%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	12,104	66,168	-	3,714	15,546	30,434	(14,888)	-49%	-
Total sources of capital funds	140,192	287,461	-	22,311	87,273	134,378	(47,106)	-35%	-
Financial position									
Total current assets	146,413	375,626	-	-	187,177	-	-	-	-
Total non current assets	752,901	701,578	-	-	795,634	-	-	-	-
Total current liabilities	146,460	585,109	-	-	195,215	-	-	-	-
Total non current liabilities	108,825	107,134	-	-	111,239	-	-	-	-
Community wealth/Equity	644,029	384,961	-	-	676,357	-	-	-	-
Cash flows									
Net cash from (used) operating	139,253	-	-	27,534	182,846	-	182,846	#DIV/0!	-
Net cash from (used) investing	(142,058)	-	-	(23,963)	(120,601)	-	(120,601)	#DIV/0!	-
Net cash from (used) financing	(1,079)	-	-	(1,187)	(1,187)	-	(1,187)	#DIV/0!	-
Cash/cash equivalents at the month/year end	88,307	-	-	-	149,245	-	149,245	#DIV/0!	88,187
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 Revenue Source	9,197	7,161	7,784	6,288	4,423	226,403	-	-	261,257
Creditors Age Analysis									
Total Creditors	9,614	306	324	27	292	-	-	-	10,562

DC29 iLembe - Contact Information

A. GENERAL INFORMATION

Municipality	DC29 iLembe
Grade	4
Province	KZ KWAZULU-NATAL
Web Address	www.ilembe.gov.za
e-mail Address	

B. CONTACT INFORMATION

Postal address:	
P.O. Box	P.O Box 1788
City / Town	KwaDukuza
Postal Code	4450
Street address	
Building	Ilembe House
Street No. & Name	59/61 Mahatma Gandhi Street
City / Town	KwaDukuza
Postal Code	4450
General Contacts	
Telephone number	032 437 9300
Fax number	032 437 9584

C. POLITICAL LEADERSHIP

Speaker:		Secretary/PA to the Speaker:	
Name	MUZI SITHOLE	Name	SANDAKAHLE LUTHULI
Telephone number	032 437 9402	Telephone number	032 437 9338
Cell number	082 791 2603	Cell number	079 669 0703
Fax number	032 437 9585	Fax number	032 437 9585
E-mail address	muzi.sithole@ilembe.gov.za	E-mail address	sandakahle.luthuli@ilembe.gov.za

Mayor/Executive Mayor:

Name	WELCOME VUKANI MDABE
Telephone number	032 437 9409
Cell number	083 760 8868
Fax number	032 437 9587
E-mail address	philly@ilembe.gov.za

Secretary/PA to the Mayor/Executive Mayor:

Name	PHILLY GCABASHE
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Cell number	083 766 3722
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Deputy Mayor/Executive Mayor:

Name	DOLLY SHANDU
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Fax number	032 437 9585
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Secretary/PA to the Deputy Mayor/Executive Mayor:

Name	SANDAKAHLE LUTHULI
Telephone number	032 437 9338
Cell number	079 669 0703
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E-mail address	sandakahle.luthuli@ilembe.gov.za

D. MANAGEMENT LEADERSHIP

Municipal Manager:	
Name	MIKE DAVID NEWTON
Telephone number	032 437 9500
Cell number	083 301 5278
Fax number	032 437 9588
E-mail address	mike.newton@ilembe.gov.za

Secretary/PA to the Municipal Manager:

Name	SALORA PILLAY
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Fax number	032 437 9587
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Chief Financial Officer

Name	NOSIPHO MBA
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Cell number	074 115 1005
Fax number	086 572 9848
E-mail address	nosipho.mba@ilembe.gov.za

Secretary/PA to the Chief Financial Officer

Name	THANDA MAYISE
Telephone number	032 437 9337
Cell number	078 307 9003
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Official responsible for submitting financial information

Name	SINEGUGU MTHEMBU
Telephone number	032 437 9356
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DC29 iLembe - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2010/11	Budget Year 2011/12								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
Revenue - Standard											
<i>Governance and administration</i>		213,035	240,038	-	19,838	118,446	120,019	(1,573)	-1%	-	
Executive and council		4,078	570	-	395	456	285	171	60%	-	
Budget and treasury office		208,388	238,475	-	19,421	117,879	119,237	(1,358)	-1%	-	
Corporate services		568	993	-	23	111	497	(386)	-78%	-	
<i>Community and public safety</i>		2,952	-	-	-	-	-	-	-	-	
Community and social services		2,952	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		37,835	6,837	-	318	318	3,419	(3,100)	-91%	-	
Planning and development		37,835	6,837	-	318	318	3,419	(3,100)	-91%	-	
Road transport		-	-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		226,155	117,482	-	6,676	49,970	58,741	(8,771)	-15%	-	
Electricity		-	-	-	-	-	-	-	-	-	
Water		192,232	101,196	-	5,629	42,240	50,598	(8,358)	-17%	-	
Waste water management		33,923	16,286	-	1,048	7,730	8,143	(413)	-5%	-	
Waste management		-	-	-	-	-	-	-	-	-	
<i>Other</i>	4	-	-	-	-	-	-	-	-	-	
Total Revenue - Standard	2	479,978	364,357	-	26,833	168,734	182,179	(13,445)	-7%	-	
Expenditure - Standard											
<i>Governance and administration</i>		80,399	125,010	-	10,421	49,218	62,505	(13,287)	-21%	-	
Executive and council		29,871	40,356	-	6,111	17,434	20,178	(2,744)	-14%	-	
Budget and treasury office		21,117	33,463	-	1,655	12,533	16,731	(4,198)	-25%	-	
Corporate services		29,412	51,191	-	2,655	19,251	25,596	(6,345)	-25%	-	
<i>Community and public safety</i>		9,196	6,820	-	827	2,022	3,410	(1,388)	-41%	-	
Community and social services		9,196	6,820	-	827	2,022	3,410	(1,388)	-41%	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		50,127	8,940	-	822	12,941	4,470	8,471	190%	-	
Planning and development		49,856	8,457	-	805	12,798	4,228	8,570	203%	-	
Road transport		-	-	-	-	-	-	-	-	-	
Environmental protection		270	483	-	17	143	242	(98)	-41%	-	
<i>Trading services</i>		231,200	222,760	-	16,382	103,556	111,380	(7,824)	-7%	-	
Electricity		-	-	-	-	-	-	-	-	-	
Water		201,606	196,567	-	15,170	92,719	98,284	(5,565)	-6%	-	
Waste water management		29,595	26,192	-	1,212	10,837	13,096	(2,259)	-17%	-	
Waste management		-	-	-	-	-	-	-	-	-	
<i>Other</i>		800	500	-	-	900	250	650	260%	-	
Total Expenditure - Standard	3	371,722	364,029	-	28,452	168,637	182,015	(13,377)	-7%	-	
Surplus/ (Deficit) for the year		108,256	328	-	(1,619)	97	164	(67)	-41%	-	

DC29 iLembe - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description [Insert departmental structure etc 3.]	Ref	Budget Year 2011/12								
		2010/11 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 1 - BUDGET & TREASURY OFFICE	1	208,388	238,475	-	19,421	117,879	119,237	(1,358)	-1.1%	-
Vote 2 - CORPORATE SERVICES		568	993	-	23	111	497	(386)	-77.6%	-
Vote 3 - CORPORATE GOVERNANCE		7,030	570	-	395	456	285	171	60.0%	-
Vote 4 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - PLANNING & DEVELOPMENT		37,835	6,837	-	318	318	3,419	(3,100)	-90.7%	-
Vote 6 - TECHNICAL SERVICES		226,155	117,482	-	6,676	49,970	58,741	(8,771)	-14.9%	-
Vote 7 - Example 7		31,170	40,220	-	2,680	18,478	20,110	(1,632)	-8.1%	-
Vote 8 - Example 8		-	-	-	-	-	-	-	-	-
Vote 9 - Example 9		-	-	-	-	-	-	-	-	-
Vote 10 - Example 10		-	-	-	-	-	-	-	-	-
Vote 11 - Example 11		-	-	-	-	-	-	-	-	-
Vote 12 - Example 12		-	-	-	-	-	-	-	-	-
Vote 13 - Example 13		-	-	-	-	-	-	-	-	-
Vote 14 - Example 14		-	-	-	-	-	-	-	-	-
Vote 15 - Example 15		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	511,148	404,577	-	29,513	187,212	202,289	(15,077)	-7.5%	-
Expenditure by Vote										
Vote 1 - BUDGET & TREASURY OFFICE	1	21,117	33,463	-	1,655	12,533	16,731	(4,198)	-25.1%	-
Vote 2 - CORPORATE SERVICES		29,683	51,674	-	2,672	19,394	25,837	(6,443)	-24.9%	-
Vote 3 - CORPORATE GOVERNANCE		34,072	37,665	-	6,296	16,832	18,833	(2,000)	-10.6%	-
Vote 4 - OFFICE OF THE MUNICIPAL MANAGER		4,995	9,511	-	643	2,624	4,755	(2,131)	-44.8%	-
Vote 5 - PLANNING & DEVELOPMENT		50,655	8,957	-	805	13,698	4,478	9,220	205.9%	-
Vote 6 - TECHNICAL SERVICES		231,200	222,760	-	16,382	103,556	111,380	(7,824)	-7.0%	-
Vote 7 - Example 7		12,156	39,600	-	2,965	20,927	22,492	(1,565)	-7.0%	-
Vote 8 - Example 8		-	-	-	-	-	-	-	-	-
Vote 9 - Example 9		-	-	-	-	-	-	-	-	-
Vote 10 - Example 10		-	-	-	-	-	-	-	-	-
Vote 11 - Example 11		-	-	-	-	-	-	-	-	-
Vote 12 - Example 12		-	-	-	-	-	-	-	-	-
Vote 13 - Example 13		-	-	-	-	-	-	-	-	-
Vote 14 - Example 14		-	-	-	-	-	-	-	-	-
Vote 15 - Example 15		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	383,877	403,629	-	31,417	189,565	204,507	(14,942)	-7.3%	-
Surplus/ (Deficit) for the year	2	127,270	948	-	(1,904)	(2,353)	(2,218)	(135)	6.1%	-

DC29 iLembe - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2010/11	Budget Year 2011/12							
		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		-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		81,347	87,234	-	5,298	40,327	43,617	(3,289)	-8%	-
Service charges - sanitation revenue		16,029	16,125	-	1,043	7,677	8,063	(385)	-5%	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	13,296	-	360	1,555	6,648	(5,093)	-77%	-
Rental of facilities and equipment		78	320	-	4	45	160	(115)	-72%	-
Interest earned - external investments		6,876	1,006,119	-	440	3,422	3,560	(137)	-4%	-
Interest earned - outstanding debtors		18,486	19,950	-	1,519	10,197	9,975	222	2%	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		1,180	1,200	-	-	609	600	9	2%	-
Transfers recognised - operational		217,811	252,603	-	20,393	122,565	126,302	(3,737)	-3%	-
Other revenue		6,623	6,731	-	464	812	3,365	(2,554)	-76%	-
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		348,429	1,403,577	-	29,512	187,210	202,289	(15,079)	-7%	-
Expenditure By Type										
Employee related costs		82,947	102,382	-	8,330	49,749	51,225	(1,476)	-3%	-
Remuneration of councillors		5,765	7,431	-	513	2,860	3,874	(1,014)	-26%	-
Debt impairment		47,377	24,324	-	2,027	12,162	12,162	-	-	-
Depreciation & asset impairment		19,626	18,000	-	1,500	9,000	9,000	-	-	-
Finance charges		12,363	11,320	-	823	4,719	5,660	(942)	-17%	-
Bulk purchases		44,871	52,019	-	4,416	24,544	26,010	(1,465)	-6%	-
Other materials		14,459	28,990	-	1,104	5,778	14,495	(8,717)	-60%	-
Contracted services		8,147	8,352	-	(373)	4,825	4,176	649	16%	-
Transfers and grants		31,883	35,000	-	2,600	18,000	20,000	(2,000)	-10%	-
Other expenditure		79,798	115,811	-	10,477	57,925	57,905	20	0%	-
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		347,237	403,629	-	31,416	189,563	204,507	(14,944)	-7%	-
Surplus/(Deficit)		1,192	999,948	-	(1,904)	(2,353)	(2,218)	(135)	0	-
Transfers recognised - capital		126,078	188,657	-	20,594	64,760	970	63,790	0	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		127,270	1,188,605	-	18,690	62,407	(1,249)			-
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		127,270	1,188,605	-	18,690	62,407	(1,249)			-
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		127,270	1,188,605	-	18,690	62,407	(1,249)			-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		127,270	1,188,605	-	18,690	62,407	(1,249)			-

DC29 iLembe - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M06 December)

Vote Description	Ref	Budget Year 2011/12								
		2010/11 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - BUDGET & TREASURY OFFICE		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE GOVERNANCE		-	-	-	-	-	-	-	-	-
Vote 4 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - Example 7		-	-	-	-	-	-	-	-	-
Vote 8 - Example 8		-	-	-	-	-	-	-	-	-
Vote 9 - Example 9		-	-	-	-	-	-	-	-	-
Vote 10 - Example 10		-	-	-	-	-	-	-	-	-
Vote 11 - Example 11		-	-	-	-	-	-	-	-	-
Vote 12 - Example 12		-	-	-	-	-	-	-	-	-
Vote 13 - Example 13		-	-	-	-	-	-	-	-	-
Vote 14 - Example 14		-	-	-	-	-	-	-	-	-
Vote 15 - Example 15		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - BUDGET & TREASURY OFFICE		501	990	-	-	10	495	(485)	-98%	-
Vote 2 - CORPORATE SERVICES		216	857	-	37	642	429	213	50%	-
Vote 3 - CORPORATE GOVERNANCE		46	16,175	-	485	487	8,088	(7,600)	-94%	-
Vote 4 - OFFICE OF THE MUNICIPAL MANAGER		20	100	-	8	23	50	(27)	-54%	-
Vote 5 - PLANNING & DEVELOPMENT		-	170	-	-	74	85	(11)	-13%	-
Vote 6 - TECHNICAL SERVICES		119,458	236,533	-	21,781	79,071	118,267	(39,196)	-33%	-
Vote 7 - Example 7		19,950	32,636	-	-	6,966	6,966	-	-	-
Vote 8 - Example 8		-	-	-	-	-	-	-	-	-
Vote 9 - Example 9		-	-	-	-	-	-	-	-	-
Vote 10 - Example 10		-	-	-	-	-	-	-	-	-
Vote 11 - Example 11		-	-	-	-	-	-	-	-	-
Vote 12 - Example 12		-	-	-	-	-	-	-	-	-
Vote 13 - Example 13		-	-	-	-	-	-	-	-	-
Vote 14 - Example 14		-	-	-	-	-	-	-	-	-
Vote 15 - Example 15		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	140,191	287,461	-	22,311	87,273	134,378	(47,106)	-35%	-
Total Capital Expenditure		140,191	287,461	-	22,311	87,273	134,378	(47,106)	-35%	-
Capital Expenditure - Standard Classification										
Governance and administration		738	1,947	-	44	675	974	(299)	-31%	-
Executive and council		20	100	-	8	23	50	(27)	-54%	-
Budget and treasury office		501	990	-	-	10	495	(485)	-98%	-
Corporate services		216	857	-	37	642	429	213	50%	-
Community and public safety		46	16,175	-	485	487	8,088	(7,600)	-94%	-
Community and social services		46	16,175	-	485	487	8,088	(7,600)	-94%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	170	-	-	74	85	(11)	-13%	-
Planning and development		-	170	-	-	74	85	(11)	-13%	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		119,458	234,845	-	19,287	76,577	117,423	(40,846)	-35%	-
Electricity		-	-	-	-	-	-	-	-	-
Water		101,014	175,758	-	11,679	54,625	87,879	(33,254)	-38%	-
Waste water management		18,443	58,087	-	7,608	21,952	29,544	(7,591)	-26%	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,688	-	2,494	2,494	844	1,650	195%	-
Total Capital Expenditure - Standard Classification	3	120,241	254,825	-	22,310	80,307	127,413	(47,106)	-37%	-
Funded by:										
National Government		94,872	179,357	-	15,487	61,450	89,679	(28,228)	-31%	-
Provincial Government		33,215	34,409	-	132	1,571	7,239	(5,667)	-78%	-
District Municipality		-	5,727	-	-	5,727	5,727	-	-	-
Other transfers and grants		-	1,800	-	2,978	2,978	1,300	1,678	129%	-
Transfers recognised - capital		128,088	221,293	-	18,586	71,726	103,944	(32,218)	-31%	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		12,104	66,168	-	3,714	15,546	30,434	(14,888)	-49%	-
Total Capital Funding		140,192	287,461	-	22,311	87,273	134,378	(47,106)	-35%	-

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment
- Capital expenditure by standard classification must reconcile to the total of multi-year and single year appropriations
- Include expenditure on investment property, intangible and biological assets
- Must reconcile to Monthly Budget Statement Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

DC29 iLembe - Table C6 Consolidated Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2010/11	Budget Year 2011/12			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		12,448	5,743	-	17,759	-
Call investment deposits		75,859	88,498	-	109,702	-
Consumer debtors		43,332	3,024	-	49,175	-
Other debtors		8,634	271,447	-	5,530	-
Current portion of long-term receivables		-	-	-	-	-
Inventory		6,141	6,914	-	5,013	-
Total current assets		146,413	375,626	-	187,177	-
Non current assets						
Long-term receivables		287	360,891	-	287	-
Investments		17,245	69,617	-	17,968	-
Investment property		-	-	-	-	-
Investments in Associate		0	0	-	0	-
Property, plant and equipment		734,779	236,825	-	776,990	-
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		590	-	-	390	-
Other non-current assets		-	34,245	-	-	-
Total non current assets		752,901	701,578	-	795,634	-
TOTAL ASSETS		899,314	1,077,204	-	982,811	-
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		6,225	3,250	-	5,800	-
Consumer deposits		2,785	50,059	-	2,874	-
Trade and other payables		137,451	334,383	-	36,869	-
Provisions		0	197,417	-	149,671	-
Total current liabilities		146,460	585,109	-	195,215	-
Non current liabilities						
Borrowing		105,624	99,259	-	101,688	-
Provisions		3,201	7,875	-	9,551	-
Total non current liabilities		108,825	107,134	-	111,239	-
TOTAL LIABILITIES		255,285	692,243	-	306,454	-
NET ASSETS	2	644,029	384,961	-	676,357	-
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		644,029	384,961	-	676,357	-
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	644,029	384,961	-	676,357	-

DC29 iLembe - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		421,542	-		13,995	66,499		66,499	#DIV/0!	
Government - operating		-	-	-	1,100	172,394	-	172,394	#DIV/0!	
Government - capital		-	-	-	46,230	123,885	-	123,885	#DIV/0!	
Interest		6,876	-	-	80	478	-	478	#DIV/0!	
Dividends		-						-		
Payments										
Suppliers and employees		(276,802)	-	-	(33,049)	(162,732)	-	162,732	#DIV/0!	
Finance charges		(12,363)	-	-	(823)	(4,999)		4,999	#DIV/0!	
Transfers and Grants						(12,679)		12,679	#DIV/0!	
NET CASH FROM/(USED) OPERATING ACTIVITIES		139,253	-	-	27,534	182,846	-	182,846	#DIV/0!	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-						-		
Decrease (Increase) in non-current debtors		10						-		
Decrease (increase) other non-current receivables		-						-		
Decrease (increase) in non-current investments		(1,433)						-		
Payments										
Capital assets		(140,634)	-	-	(23,963)	(120,601)	-	120,601	#DIV/0!	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(142,058)	-	-	(23,963)	(120,601)	-	120,601	#DIV/0!	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-						-		
Borrowing long term/refinancing		2,839						-		
Increase (decrease) in consumer deposits		282						-		
Payments										
Repayment of borrowing		(4,199)			(1,187)	(1,187)		1,187	#DIV/0!	
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,079)	-	-	(1,187)	(1,187)	-	1,187	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(3,884)	-	-	2,383	61,058	-			-
Cash/cash equivalents at beginning:		92,190				88,187				88,187
Cash/cash equivalents at month/year end:		88,307				149,245				88,187

DC29 iLembe - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<u>Revenue By Source</u>			
	Water Service Charges	-8%	Variance in terms of billed revenue that was not billed in certain areas due to challenges	
	Service Charges - Other	-77%	Dependant on when new connections, disconnections, reconnections are made and how often.	
	Rental of facilities	-10%	Rental is dependant on when the facilities are actually hired out	
	Other Revenue	-76%	The budget was done based on the expectation of the previous year trends	Budget will be adjusted during the adjustments budget process
2	<u>Expenditure By Type</u>			
	Remuneration of Councillors	-23%	Increment of councillors not yet effected	Increment effected in January
	Finance Charges	-17%	Did not receive invoice from the relevant financial institution on time.	Payment was made in January
	Other Materials	-60%	Invested in the rehabilitation of infrastructure, therefore low maintenance costs	Budget will be adjusted during the adjustments budget process
	Contracted Services	16%	Heavy rains in the North Coast Region of the District due to climate change, hence a lot of breakage in water pipe lines that had to be fixed by the contractor in question.	Budget will be adjusted during the adjustments budget process
3	<u>Capital Expenditure</u>			
	Grant funding	33%	Delays in SCM processes due to appelas that are received when awards are made	
	Internal Funding	49%	Anticipated funding not forthcoming , e.g. revenue collection	
4	<u>Financial Position</u>			
5	<u>Cash Flow</u>			
6	<u>Measureable performance</u>			
7	<u>Municipal Entities</u>			

DC29 iLembe - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	Ref	2010/11	Budget Year 2011/12			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Percentage							
Borrowing Management							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		12.1%	9.2%	0.0%	10.3%	0.0%
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		8.3%	7.3%	0.0%	2.5%	0.0%
Borrowed funding of capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		34.8%	113.5%	0.0%	21.3%	0.0%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio 1	Current assets/current liabilities	1	121.7%	64.2%	0.0%	95.9%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		87.2%	28.0%	0.0%	74.5%	0.0%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		13.8%	45.3%	0.0%	29.4%	0.0%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		91.0%	95.0%	0.0%	88.0%	0.0%
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/Total Revenue - capital revenue		21.6%	7.3%	0.0%	26.6%	0.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.7%	2.1%	0.0%	3.1%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.3%	2.1%	0.0%	2.5%	0.0%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		9 times	9 times	0.0%	9 times	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		67.0%	85.0%	0.0%	66.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		2 times	4 times	0.0%	2 times	0.0%

DC29 iLembe - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2011/12									Total	Bad Debts
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Revenue Source												
Rates	1200	-	-	-	-	-	-	-	-	-	-	-
Electricity	1300	-	-	-	-	-	-	-	-	-	-	-
Water	1400	5,440	4,468	4,241	3,702	2,162	127,860	-	-	-	147,873	-
Sewerage / Sanitation	1500	1,042	564	426	360	319	12,217	-	-	-	14,928	-
Refuse Removal	1600	-	-	-	-	-	-	-	-	-	-	-
Housing (Rental Revenue)	1700	-	-	-	-	-	-	-	-	-	-	-
Other	1900	2,715	2,129	3,117	2,226	1,942	86,327	-	-	-	98,455	-
Total By Revenue Source	2000	9,197	7,161	7,784	6,288	4,423	226,403	-	-	-	261,257	-
2010/11 - totals only		8,737	6,803	7,395	5,974	4,202	215,083	-	-	-	248,194	-
Debtors Age Analysis By Customer Category												
Government	2200	-	-	-	-	-	-	-	-	-	-	-
Business	2300	-	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-
Other	2500	9,197	7,161	7,784	6,288	4,423	226,403	-	-	-	261,256	-
Total By Customer Category	2600	9,197	7,161	7,784	6,288	4,423	226,403	-	-	-	261,256	-

DC29 iLembe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2011/12								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	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	5,531	-	-	-	-	-	-	-	5,531
PAYE deductions	0300	1,309	-	-	-	-	-	-	-	1,309
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	1,501	-	-	-	-	-	-	-	1,501
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1,273	306	324	27	292	-	-	-	2,221
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	2600	9,614	306	324	27	292	-	-	-	10,562

DC29 iLembe - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of investment	Type of investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
ABSA		Everyday	Call	N/A	21	5.3%	1,628	3,935	5,563
ABSA		60 days	Fixed	20.02.2012	41	5.4%	3,570	10,018	13,588
ABSA		15 years	Fixed	22.05.2020	122	16.9%	17,846	122	17,968
FIRST NATIONAL BANK		Everyday	Call	N/A	21	4.9%	4,920	(4,329)	591
FIRST NATIONAL BANK		30 days	Fixed	20.01.2012	12	5.4%	2,143	13,927	16,070
INVESTEC PRIVATE BANK		Everyday	Call	N/A	6	5.0%	706	1,506	2,212
INVESTEC PRIVATE BANK		90 days	Fixed	20.03.2012	115	5.6%	6,201	42,944	49,145
STANDARD BANK		Everyday	Call	N/A	7	4.9%	1,802	7	1,809
RAND MERCHANT BANK		Everyday	Call	N/A	18	5.0%	4,425	(4,382)	43
Municipality sub-total					362		43,242	63,748	106,990
Entities									
INVESTEC PRIVATE BANK		Everyday	Call	N/A	80	0.4%	20,000	80	20,080
Entities sub-total					80		20,000	80	20,080
TOTAL INVESTMENTS AND INTEREST	2				442		63,242	63,828	127,070

DC29 iLembe - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	Budget Year 2011/12								
		2010/11 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:	1,2	180,329	209,069	-	17,475	104,381	104,535	(179)	-0.2%	-
Equitable share		178,694	206,729	-	17,199	103,336	103,365	(29)	0.0%	-
Finance Management grant		565	1,250	-	276	911	625			
Municipal Systems Improvement		794	790	-	-	134	395			
	3							-		
LG Seta		276	300	-	-	-	150	(150)	-100.0%	-
Provincial Government:		-	-	-	-	-	-	-		-
	4							-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		44,271	4,534	-	318	318	2,267	(1,949)	-86.0%	-
Provincial COGTA		44,271	4,534	-	318	318	2,267	(1,949)	-86.0%	-
Total Operating Transfers and Grants	5	224,600	213,603	-	17,793	104,699	106,802	(2,128)	-2.0%	-
Capital Transfers and Grants										
National Government:		102,390	167,152	-	14,705	58,670	83,576	(23,221)	-27.8%	-
Municipal Infrastructure Grant (MIG)		80,798	147,801	-	12,774	50,680	73,901	(23,221)	-31.4%	-
Public Transport		-	1,688	-	-	-	844			
Water Affairs		21,592	17,663	-	1,931	7,990	8,832			
Other capital transfers [insert description]								-		
Provincial Government:		16,359	19,705	-	2,911	3,112	12,103	(8,991)	-74.3%	-
Massification		167	12,205	-	2,779	2,779	6,103	(3,323)	-54.5%	-
COGTA		11,685	7,500	-	132	333	6,000			
Rehabilitation of infrastructure		2,793								
Maphumulo Waterworks		96								
Refurbishment of Waste Water Works		98								
Water Conservation Management		1,444								
Provincial Township Establishment		76								
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		7,329	1,800	-	2,978	2,978	1,300	1,678	129.1%	-
DBSA		-	1,800	-	484	484	1,300	(816)	-62.8%	-
Ndwedwe Municipality		-	-	-	2,494	2,494	-			
VAT Refunds		7,329								
Total Capital Transfers and Grants	5	126,078	188,657	-	20,594	64,760	96,979	(30,533)	-31.5%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	350,678	402,260	-	38,387	169,459	203,780	(32,661)	-16.0%	-

DC29 iLembe - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	Budget Year 2011/12								
		2010/11 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:		180,329	209,069	-	17,475	104,381	104,535	(153)	-0.1%	-
Equitable share		178,694	206,729	-	17,199	103,336	103,365	(29)	0.0%	-
Finance Management grant		565	1,250	-	276	911	625	286	45.8%	-
Municipal Systems Improvement		794	790	-	-	134	395	(261)	-66.0%	-
0										
0										
0										
LG Seta		276	300	-	-	-	150	(150)	-100.0%	-
Provincial Government:		-	-	-	-	-	-	-		-
0										
0										
0										
0										
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		44,271	4,534	-	318	318	2,267	(1,949)	-86.0%	-
Provincial COGTA		44,271	4,534	-	318	318	2,267	(1,949)	-86.0%	-
Total operating expenditure of Transfers and Grants:		224,600	213,603	-	17,793	104,699	106,802	(2,102)	-2.0%	-
Capital expenditure of Transfers and Grants										
National Government:		102,390	167,152	-	14,705	58,670	83,576	(24,906)	-29.8%	-
Municipal Infrastructure Grant (MIG)		80,798	147,801	-	12,774	50,680	73,901	(23,221)	-31.4%	-
Public Transport		-	1,688	-	-	-	844	(844)	-100.0%	-
Water Affairs		21,592	17,663	-	1,931	7,990	8,832	(841)	-9.5%	-
0										
0										
Other capital transfers [insert description]										
Provincial Government:		16,359	19,705	-	2,911	3,112	12,103	(8,991)	-74.3%	-
Massification		167	12,205	-	2,779	2,779	6,103	(3,323)	-54.5%	-
COGTA		11,685	7,500	-	132	333	6,000			-
Rehabilitation of infrastructure		2,793								
Maphumulo Waterworks		96								
Refurbishment of Waste Water Works		98								
Water Conservation Management		1,444								
Provincial Township Establishment		76								
0										
District Municipality:		-	-	-	-	-	-	-		-
0										
Other grant providers:		7,329	1,800	-	2,978	2,978	1,300	1,678	129.1%	-
DBSA		-	1,800	-	484	484	1,300	(816)	-62.8%	-
Ndwedwe Municipality		-	-	-	2,494	2,494	-			-
VAT Refunds		7,329								
Total capital expenditure of Transfers and Grants		126,078	188,657	-	20,594	64,760	96,979	(32,219)	-33.2%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		350,678	402,260	-	38,387	169,459	203,780	(34,321)	-16.8%	-

DC29 iLembe - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Salary		3,675	4,049	-	262	1,574	2,025	(451)	-22%	
Pension Contributions		214	302	-	14	82	151	(69)	-46%	
Medical Aid Contributions		20	52	-	-	-	28	(26)	-100%	
Motor vehicle allowance		745	845	-	74	445	423	22	5%	
Cell phone and other allowances		202	895	-	24	142	448			
Housing allowance		491	638	-	60	351	319	42	13%	
Sub Total - Councillors		5,346	6,782	-	434	2,604	3,391	(786)	-23%	-
% Increase	4		26.8%							
Senior Managers of the Municipality										
Salary		3,642	3,944	-	297	1,782	1,972	(189)	-10%	
Pension Contributions		84	712	-	-	-	356	(356)	-100%	
Medical Aid Contributions		-	-	-	-	-	-	-		
Motor vehicle and cell phone		692	442	-	49	295	221	74	34%	
Housing allowance		-	-	-	-	-	-	-		
Performance Bonus		-	-	-	-	-	-	-		
Other benefits or allowances		150	1,393	-	37	222	697	(475)	-68%	
In-kind benefits	2	-	-	-	-	-	-	-		
Sub Total - Senior Managers of Municipality		4,568	6,491	-	383	2,300	3,245	(946)	-29%	-
% Increase	4		42.1%							
Other Municipal Staff										
Basic Salaries and Wages		59,221	69,443	-	5,190	31,138	34,722	(3,584)	-10%	
Pension Contributions		5,835	5,350	-	586	3,515	2,675	840	31%	
Medical Aid Contributions		2,984	2,818	-	304	1,826	1,409	417	30%	
Motor vehicle and cell phone		2,227	943	-	242	1,453	472	982	208%	
Housing allowance		417	25	-	39	232	12	219	1779%	
Overtime		3,600	652	-	313	1,876	326	1,550	476%	
Performance Bonus		-	5,778	-	-	-	2,889	(2,889)	-100%	
Other benefits or allowances		871	-	-	880	5,280	-	5,280	#DIV/0!	
In-kind benefits	2	-	5,522	-	-	-	2,761	(2,761)	-100%	
Sub Total - Other Municipal Staff		75,155	90,530	-	7,553	45,320	45,265	55	0%	-
% Increase	4		20.5%							
Total Parent Municipality		85,069	103,803	-	8,371	50,224	51,901	(1,677)	-3%	-
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Salary		-	-	-	-	-	-	-		
Pension Contributions		-	-	-	-	-	-	-		
Medical Aid Contributions		-	-	-	-	-	-	-		
Cell phone and other allowances		-	-	-	-	-	-	-		
Cell phone and other allowances		-	-	-	-	-	-	-		
Housing allowance		-	-	-	-	-	-	-		
Board Fees		493	650	-	43	256	324	(68)	-21%	
In-kind benefits		-	-	-	-	-	-	-		
Sub Total - Board Members of Entities		493	650	-	43	256	324	(68)	-21%	-
% Increase	4		31.7%							
Senior Managers of Entities										
Salary		1,400	1,735	-	144	1,152	875	277	32%	
Pension Contributions		-	-	-	-	-	-	-		
Medical Aid Contributions		-	-	-	-	-	-	-		
Motor vehicle and cell phone		143	300	-	22	156	144	12	8%	
Housing allowance		-	-	-	-	-	-	-		
Performance Bonus		-	-	-	-	-	-	-		
Other benefits or allowances		-	-	-	-	-	-	-		
In-kind benefits	2	-	-	-	-	-	-	-		
Sub Total - Senior Managers of Entities		1,543	2,035	-	166	1,308	1,019	289	28%	-
% Increase	4		31.9%							
Other Staff of Entities										
Basic Salaries and Wages		1,637	1,915	-	111	1,363	-	1,363	#DIV/0!	
Pension Contributions		-	-	-	-	-	-	-		
Medical Aid Contributions		-	-	-	-	-	-	-		
Motor vehicle and cell phone		-	-	-	-	-	-	-		
Housing allowance		-	-	-	-	-	-	-		
Overtime		-	-	-	-	-	-	-		
Performance Bonus		-	-	-	-	-	-	-		
Other benefits or allowances		-	-	-	-	-	-	-		
In-kind benefits	2	-	-	-	-	-	-	-		
Sub Total - Other Staff of Entities		1,637	1,915	-	111	1,363	-	1,363	#DIV/0!	-
% Increase	4		17.0%							
Total Municipal Entities		3,673	4,600	-	320	2,928	1,343	1,585	118%	-
TOTAL SALARY, ALLOWANCES & BENEFITS		88,742	108,403	-	8,691	53,152	53,244	(93)	0%	-
% Increase	4		22.2%							
TOTAL MANAGERS AND STAFF		82,902	100,971	-	8,214	50,291	49,530			-

DC29 iLembe - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2011/12								
		2010/11 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue By Source										
Property rates		-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		81,347	87,234	-	5,298	40,327	43,617	(3,289)	-8%	-
Service charges - sanitation revenue		16,029	16,125	-	1,043	7,677	8,063	(385)	-5%	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	13,296	-	350	1,555	6,648	(5,093)	-77%	-
Rental of facilities and equipment		78	100	-	4	45	50	(5)	-10%	-
Interest earned - external investments		5,599	6,119	-	360	2,945	3,060	(115)	-4%	-
Interest earned - outstanding debtors		18,486	19,950	-	1,519	10,197	9,975	222	2%	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		1,180	1,200	-	-	609	600	9	2%	-
Transfers recognised - operational		224,600	213,603	-	17,793	104,565	106,802	(2,237)	-2%	-
Other revenue		6,583	6,731	-	464	812	3,365	(2,554)	-76%	-
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		353,900	364,357	-	26,832	168,732	182,179	(13,447)	-7%	-
Expenditure By Type										
Employee related costs		80,373	98,432	-	8,008	47,078	49,216	(2,138)	-4%	-
Remuneration of councillors		5,347	6,781	-	470	2,604	3,391	(786)	-23%	-
Debt impairment		47,377	24,324	-	2,027	12,162	12,162	-	-	-
Depreciation & asset impairment		19,544	18,000	-	1,500	9,000	9,000	-	-	-
Finance charges		12,363	11,320	-	823	4,719	5,660	(942)	-17%	-
Bulk purchases		44,871	52,019	-	4,416	24,544	26,010	(1,465)	-6%	-
Other materials		14,357	28,990	-	1,104	5,778	14,495	(8,717)	-60%	-
Contracted services		8,147	8,352	-	(373)	4,825	4,176	649	16%	-
Transfers and grants		58,153	-	-	-	-	-	-	-	-
Other expenditure		81,191	115,811	-	10,477	57,925	57,905	20	0%	-
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		371,722	364,029	-	28,451	168,635	182,015	(13,379)	-7%	-
Surplus/(Deficit)		(17,822)	328	-	(1,619)	97	164	(67)	-41%	-
Transfers recognised - capital		126,078	188,657	-	20,594	64,760	970	63,790	6578%	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		108,256	188,985	-	18,975	64,857	1,134	63,723	5620%	-
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		108,256	188,985	-	18,975	64,857	1,134	63,723	5620%	-

DC29 iLembe - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M06 December

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity										
<i>ILEMBE ENTERPRISE</i>		31,170	40,220	-	2,680	18,478	20,110	(1,632)	-8%	
								-		
								-		
								-		
								-		
								-		
Total Operating Revenue	1	31,170	40,220	-	2,680	18,478	20,110	(1,632)	-8%	-
Expenditure By Municipal Entity										
<i>ILEMBE ENTERPRISE</i>		12,374	39,600	-	2,965	20,927	22,492	(1,565)	-7%	
								-		
								-		
								-		
								-		
								-		
Total Operating Expenditure	2	12,374	39,600	-	2,965	20,927	22,492	(1,565)	-7%	-
Surplus/ (Deficit) for the yr/period		18,796	620	-	(285)	(2,450)	(2,382)	(67)	3%	-
Capital Expenditure By Municipal Entity										
<i>ILEMBE ENTERPRISE</i>		19,950	32,636	-	-	6,966	6,966	-		
								-		
								-		
								-		
								-		
								-		
Total Capital Expenditure	3	19,950	32,636	-	-	6,966	6,966	-		-

DC29 iLembe - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M06 December

Month	2010/11	Budget Year 2011/12							
	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	14,975	21,235	-	4,756	4,756	21,235	16,479	77.6%	2%
August	693	21,235	-	5,307	10,064	42,470	32,406	76.3%	4%
September	2,835	21,235	-	18,380	28,444	63,705	35,261	55.4%	11%
October	6,141	21,235	-	16,508	44,952	84,940	39,988	47.1%	18%
November	10,605	21,235	-	13,044	57,996	106,175	48,179	45.4%	23%
December	13,224	21,235	-	22,311	80,306	127,410	47,104	37.0%	32%
January	1,297	21,235	-	-	-	148,645	-	-	-
February	12,921	21,235	-	-	-	169,880	-	-	-
March	9,367	21,235	-	-	-	191,115	-	-	-
April	6,108	21,235	-	-	-	212,350	-	-	-
May	4,970	21,235	-	-	-	233,585	-	-	-
June	37,106	21,235	-	-	-	254,820	-	-	-
Total Capital expenditure	120,241	254,820	-	80,306					

DC29 iLembe - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	Ref	Budget Year 2011/12								
		2010/11 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		119,629	234,845	-	19,287	76,577	117,423	40,846	34.8%	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		101,014	175,758	-	11,679	54,625	87,879	33,254	37.8%	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		101,014	175,758	-	11,679	54,625	87,879	33,254	37.8%	-
Infrastructure - Sanitation		18,614	59,087	-	7,608	21,952	29,544	7,591	25.7%	-
Reticulation		18,614	59,087	-	7,608	21,952	29,544	7,591	25.7%	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	1,688	-	2,494	2,494	844	(1,650)	-195.5%	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	1,688	-	2,494	2,494	844	(1,650)	-195.5%	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		613	18,292	-	529	1,236	9,146	7,910	86.5%	-
General vehicles		29	20	-	-	-	10	10	100.0%	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	558	-	-	478	279	(199)	-71.2%	-
Computers - hardware/equipment		192	272	-	-	129	136	7	5.3%	-
Furniture and other office equipment		196	2,042	-	44	142	1,021	879	86.1%	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	10,400	-	485	487	5,200	4,713	90.6%	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		196	5,000	-	-	-	2,500	2,500	100.0%	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	120,241	254,825	-	22,311	80,307	127,413	47,106	37.0%	-

DC29 iLembe - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		19,712	32,136	-	-	6,966	6,966	-		-
Infrastructure - Road transport		-	-	-	-	-	-	-		-
Roads, Pavements & Bridges		-	-	-	-	-	-	-		-
Storm water		-	-	-	-	-	-	-		-
Infrastructure - Electricity		-	-	-	-	-	-	-		-
Generation		-	-	-	-	-	-	-		-
Transmission & Reticulation		-	-	-	-	-	-	-		-
Street Lighting		-	-	-	-	-	-	-		-
Infrastructure - Water		-	-	-	-	-	-	-		-
Dams & Reservoirs		-	-	-	-	-	-	-		-
Water purification		-	-	-	-	-	-	-		-
Reticulation		-	-	-	-	-	-	-		-
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation		-	-	-	-	-	-	-		-
Sewerage purification		-	-	-	-	-	-	-		-
Infrastructure - Other		19,712	32,136	-	-	6,966	6,966	-		-
Waste Management		-	-	-	-	-	-	-		-
Transportation		-	-	-	-	-	-	-		-
Gas		-	-	-	-	-	-	-		-
Other		19,712	32,136	-	-	6,966	6,966	-		-
Community		-	-	-	-	-	-	-		-
Parks & gardens		-	-	-	-	-	-	-		-
Sportsfields & stadia		-	-	-	-	-	-	-		-
Swimming pools		-	-	-	-	-	-	-		-
Community halls		-	-	-	-	-	-	-		-
Libraries		-	-	-	-	-	-	-		-
Recreational facilities		-	-	-	-	-	-	-		-
Fire, safety & emergency		-	-	-	-	-	-	-		-
Security and policing		-	-	-	-	-	-	-		-
Buses		-	-	-	-	-	-	-		-
Clinics		-	-	-	-	-	-	-		-
Museums & Art Galleries		-	-	-	-	-	-	-		-
Cemeteries		-	-	-	-	-	-	-		-
Social rental housing		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Heritage assets		-	-	-	-	-	-	-		-
Buildings		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Investment properties		-	-	-	-	-	-	-		-
Housing development		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Other assets		238	500	-	-	-	-	-		-
General vehicles		-	-	-	-	-	-	-		-
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment		-	-	-	-	-	-	-		-
Computers - hardware/equipment		43	-	-	-	-	-	-		-
Furniture and other office equipment		177	-	-	-	-	-	-		-
Abattoirs		-	-	-	-	-	-	-		-
Markets		-	-	-	-	-	-	-		-
Civic Land and Buildings		-	-	-	-	-	-	-		-
Other Buildings		-	500	-	-	-	-	-		-
Other Land		19	-	-	-	-	-	-		-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class		-	-	-	-	-	-	-		-
Biological assets		-	-	-	-	-	-	-		-
List sub-class		-	-	-	-	-	-	-		-
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure on renewal of existing assets	1	19,950	32,636	-	-	6,966	6,966	-		-
Specialised vehicles		-	-	-	-	-	-	-		-
Refuse		-	-	-	-	-	-	-		-
Fire		-	-	-	-	-	-	-		-
Conservancy		-	-	-	-	-	-	-		-
Ambulances		-	-	-	-	-	-	-		-

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) must reconcile to total capital expenditure in Table C5

DC29 iLembe - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	Ref	Budget Year 2011/12								
		2010/11 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure	1	11,474	24,420	-	1,057	4,584	12,210	7,626	62.5%	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		10,758	21,320	-	1,018	4,400	10,660	6,260	58.7%	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		10,758	21,320	-	1,018	4,400	10,660	6,260	58.7%	-
Infrastructure - Sanitation		715	3,100	-	39	184	1,550	1,366	88.1%	-
Reticulation		715	3,100	-	39	184	1,550	1,366	88.1%	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		2,883	4,820	-	67	1,245	2,336	1,091	46.7%	-
General vehicles		1,078	1,000	-	1	190	500	310	62.0%	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	700	-	-	-	350	350	100.0%	-
Computers - hardware/equipment		1,280	1,850	-	12	747	925	178	19.3%	-
Furniture and other office equipment		4	120	-	8	26	33	7	22.0%	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		520	1,000	-	34	254	500	246	49.1%	-
Other Buildings		0	150	-	13	28	28	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		14,357	29,240	-	1,125	5,829	14,546	8,717	59.9%	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

References

Municipal manager's quality certificate

I, **M D NEWTON**, the municipal manager of **ILEMBE DISTRICT MUNICIPALITY**, hereby certify that-

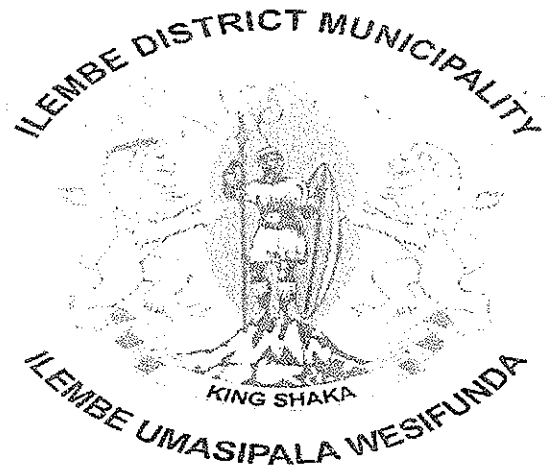
- the monthly budget statement
- The monthly report on the implementation of the budget and financial state of affairs of the municipality
- Mid- year budget and performance assessment
- For the month of **DECEMBER** of **2011/12**has been prepared in accordance with the Municipal Finance Management Act and regulation made under that Act.

Print name..... **MIKE NEWTON**

Municipal manager of.....**ILEMBE DISTRICT MUNICIPALITY (DC 29)**

Signature

Date..... **24 January 2012**



2011/2012 HALF YEAR PERFORMANCE REPORT

FOR

ILEMBE DISTRICT MUNICIPALITY

18 JANUARY 2012

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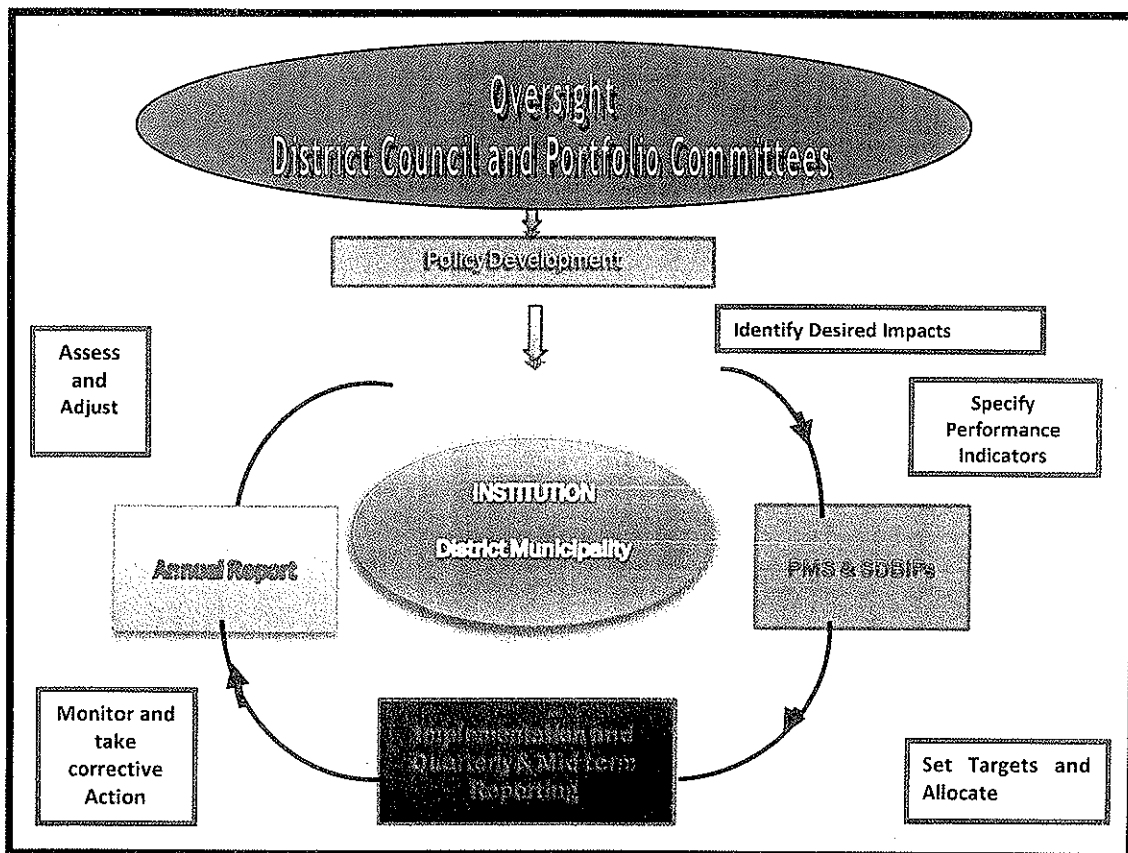
1. INTRODUCTION

Section 72 of the Municipal Finance Management Act requires that the accounting officer of a municipality by 25th January each year must:-

- (a) Assess the performance of a municipality during the first half of the financial year, taking into account
 - (i) the monthly statements
 - (ii) the municipality service delivery performance during the first half of the financial year and the indicators and targets as per the service delivery and budget implementation plan
- (b) Submit a report on such assessment to
 - (i) the Mayor of the municipality
 - (ii) the National Treasury
 - (iii) the relevant Provincial Treasury

1.1 PERFORMANCE MANAGEMENT IMPLEMENTATION IN ILEMBE DISTRICT MUNICIPALITY

The Model used by the Ilembe District municipality in terms of PMS Implementation is as depicted in the following diagram: -



It must be noted that the first half of the financial year, was an audit period where the Auditor General conducted audits on both finance and performance information. The 2010/11 FY was the first year of auditing the performance information.

The municipality once again received an unqualified audit opinion with improvements on the matters of emphasis compared to the previous financial year. The AGs report on Performance Management was also a positive one, considering this was the first year an audit on performance information was conducted. A detailed report on the AGs findings is attached as part of the Annual Report for 2010/11 financial year.

The second quarter of 2011/12 is a midterm assessment period for both budget and performance information as per the section 72 of the MFMA. The Budget and PMS unit went of departmental road shows to ensure alignment and credibility of information submitted through to both these business units.

2. ORGANISATIONAL SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (SDBIP) AND MUNICIPAL MANAGER'S SCORECARD

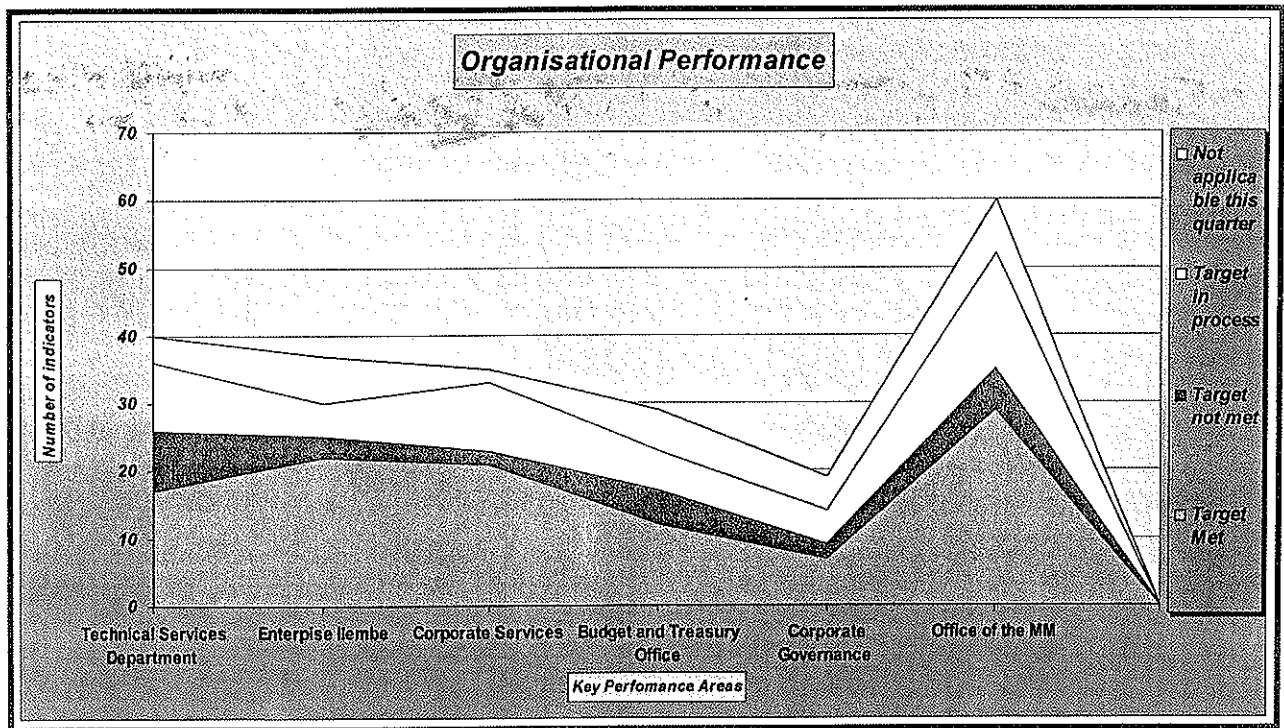
Ilembe's Organisational Scorecard continues to be organised according to the five prescribed national Key Performance Areas (KPA's). These are:

- ❖ Infrastructure & Service Delivery
- ❖ Socio-Economic Development
- ❖ Institutional Transformation.
- ❖ Financial Viability
- ❖ Good Governance & Public Participation and

2.1 OVERALL SUCCESS RATE

The Ilembe District municipality's overall performance was relatively good. The diagram below depicts the performance of the district in relation to the various business units. A more detailed look into each department is outlined in paragraph 2.

Figure 1: Summary of performance as per business Units



3. DEPARTMENTAL RESULTS

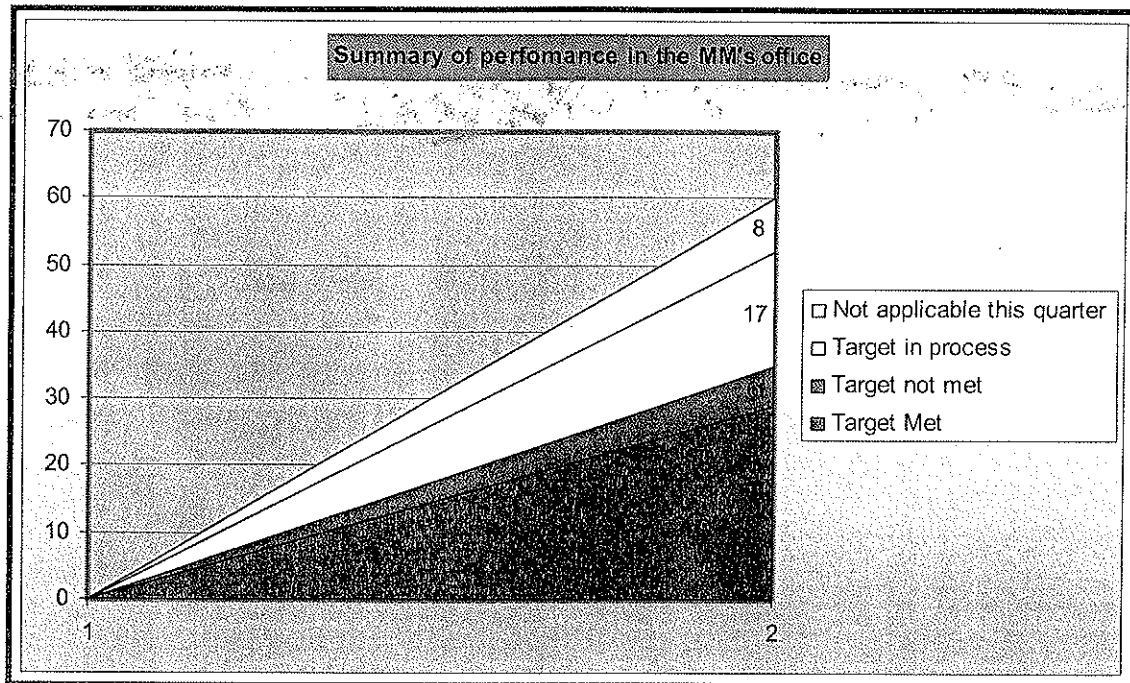
3.1. OFFICE OF THE MUNICIPAL MANAGER

The IDP Unit started with the process of formulation the IDP for 2012 – 2017. The IDP Framework and Process Plan were adopted by 13 September 2011. The public consultations were conducted and have been reported under Corporate Governance department. The municipality also undertook the strategic planning which was held in the first week of September 2011, and produced a 5 year strategic document for the Ilembe district which has been adopted in December 2011.

The PMS Unit concluded the Annual Performance Report and it was submitted to the Performance Audit committee, Manco and EXCO for approval. It was also submitted to the Auditor General on the 30 August 2011 for auditing purposes

Although the risk assessment has delayed the internal auditors in finalising the audit plan for this 2011/12 financial year, the unit reported the total number of nine Audit assignment engaged in the first two quarters of the financial year. The Municipal Manager is also submitting the required monthly reports to the Executive Committee

Figure 2: Summary of Performance in the MM office



3.2 TECHNICAL SERVICES

The total number of household that was connected to water during the first six months is at 0, as there was no planned connection in the first two quarters. However the projects have commenced and are on the ground. The budget indicators have shown that capital project funded with internal budget need reviewing as the municipality is experiencing problems collecting the revenue as projected.

The progress on the sanitation projects is moving better than the projections with an actual of **1071 household** against 0 hh projections.

There has been a general standard performance in the operations under this department. Out of 14 refurbishment projects, 8 of the projects are in progress. The % on the services that are **re-instated within 48hrs and 24 hrs respectively are averaging 100%**.

It must also be noted that there are gaps in the system that is currently being used to log the complaints and response timeframe may not be reliable. The challenge most experienced in the reinstatement of services is still with the Water Tankers.

Telemetry system, which was going to assist in this regard, had been in line for this financial year, however, funds are still being sourced to implement that project. The Alternative is to link Technical Services to the **Disaster Call Centre** to ensure calls are logged for easy monitoring of the reinstatement of services.

The Information Technology Manager is briefing the service providers to link the systems for easy tracking of customer complaints.

Siza Water contract was finally approved, but the municipality is still waiting for Siza Water to sign the Service level Agreement. Manager Legal has been tasked to prepare a letter to Siza Water to fast track the signing of the SLA.

3.2.1 EXPENDITURE

The overall expenditure looks at all our capital projects, from external funders as well as the internal funded projects. Below is the summary of expenditure for the six months of 2011/12 financial year:

The following is the allocation and expenditure on the MIG projects:

Allocation	Expenditure as of Dec 2011	Target for Dec 2011
R147,8m	R50,6m	R73,9m

DWA funded projects: -

Allocation	Expenditure as of Dec 2011	Target for Dec 2011
R17,6m	R7,9m	R8,8m

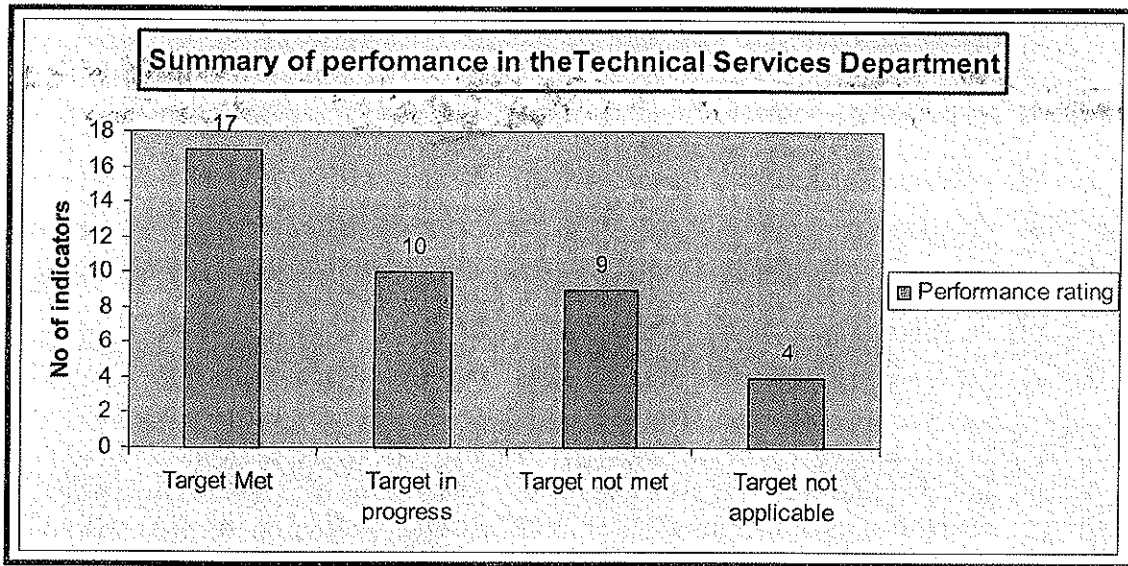
COGTA funded projects:-

Allocation	Expenditure as of Dec 2011	Target for Dec 2011
R7,7m	R333,000	R6m

Internal funded projects:-

Allocation	Expenditure as of Dec 2011	Target for Dec 2011
R66,1m	R15,5m	R30m

Figure 3: Summary of Technical Services Department performance



3.3 FINANCE DEPARTMENT

The Unit saw the appointment of a Chief Finance Officer in the last month of the quarter; however most of the measures are on target therefore we could safely say there has been a progressive improvement in this second quarter.

The Budget Unit has met all its targets starting from the statutory report to province being submitted by deadline dates, as well as the Budget programme submitted to council. It must also be noted that the municipality is in the process of doing their mid term adjustment budget.

The Expenditure unit is on target for most of their indicators. Problems are still being experienced in Creditors payment as the percentages are showing that 88% of our creditor receives their payment within the specified timeframes, which is 30 days. The fixed Asset Register is at 90% complaint with GRAP standards.

The municipality reported 30 days cash on hand in the first quarter of the financial year, however, the recommendation to review the cash flow management to range **between 30 and 90 days (with 60 days being the ideal target)** was implemented. The municipality reported **54 days cash at hand for the second quarter.**

Revenue collection is **at 67%** in this quarter, however it must be noted that the customers are being handed over for collection in line with the policy. During the first quarter it was reported that **48% of the debtors** were handed over for collection.

The internal funded capital budget had to be revised due to the revenue collection payment rate.