



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
SEPTEMBER 2016

MONTHLY BUDGET STATEMENT FOR SEPTEMBER 2016

Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.

1. PURPOSE

The purpose of this report is to submit the monthly budget statement of the municipal council, to the honourable mayor, as contemplated in section 71 of the Municipal Finance Management Act, Act 56 of 2003, for the month of September 2016

2. BACKGROUND

The Local Government Municipal Finance Management Act, Act 56 of 2003 requires the accounting officer of a municipality to submit, to the mayor and provincial treasury, by no later than 10 working days after the end of each month, on the state of the municipality's budget reflecting *inter alia* the following particulars:

- Actual revenue, per revenue source;
- Actual borrowings;
- Actual expenditure per vote;
- Actual capital expenditure;
- The amount of any allocations received;

3. DELIBERATIONS

An explanation is required of any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections by vote. Any material variances from the SDBIP, and any remedial or corrective steps taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

4. RECOMMENDATION

It is recommended that the mayor acknowledges receipt of the report and deal with it in accordance with the relevant prescripts of the legislation.

Yours faithfully,

MUNICIPAL MANAGER

Acknowledgement of receipt

Cllr

MAYOR

Date

In-Year Report of Municipalities

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 April 2009 and Schedule C.

Monthly Budget Statement September 2016

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Glossary

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

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, 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.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

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, is 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 of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. . In Ngqushwa Municipality this means votes such as Executive & Council, Financial Services, Corporate Services, Public Safety etc.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act – No. 56 of 2003

Section 71: Monthly budget statements

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

Highlighted in the text box below are the relevant sections from the MBRR:

Format of monthly budget statements

28. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

Tabling of monthly budget statements

29. The mayor may table in the municipal council a monthly budget statement submitted to the mayor in terms of section 71 (1) of the Act. If the mayor does so, the monthly budget statement must be accompanied by a mayor's report in a format set out in Schedule C.

Publication of monthly budget statements

30. (1) The monthly budget statement of a municipality must be placed on the municipality's website.

(2) The municipal manager must publish on the municipality's website any other information that the municipal council considers appropriate to facilitate public awareness of the monthly budget statement, including -

(a) summaries of monthly budget statements in alternate languages predominant in the community; and

(b) information relevant to each ward in the municipality.

Note: In the remainder of this report, the applicable sections from the MBRR, Schedule C will always be reflected in a text box as per above.

PART 1 – IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 In-Year Report - Monthly Budget Statement

Mayor’s report

3. The mayor’s report accompanying an in-year monthly budget statement must provide-

(a) a summary of whether the municipality’s budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;

(b) a summary of any financial problems or risks facing the municipality or any such entity; and

(c) any other information considered relevant by the mayor.

1.1.1 Implementation of budget in terms of SDBIP

There are no deviations from the Service Delivery and Budget Implementation Plan and the budget is implemented according to the plan. The municipality is not facing any financial risk at the present moment.

1.1.2 Other information

The monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations.

Additional clarity on the content of this report or answers to any questions posed will be given at the next Finance Standing Committee meeting.

Section 2 - Resolutions

Resolutions

5. If an in-year report is tabled in the municipal council, resolutions dealing with at least the following matters must be prepared and presented as part of the documentation, as may be relevant -

- (a) noting the monthly budget statement and any supporting documents;*
- (b) noting the quarterly report on the implementation of the budget and the financial affairs for the municipality referred to in section 52(d) of the Act;*
- (c) noting the mid-year budget and performance assessment referred to in section 72 of the Act;*
- (d) noting the in-year reports of any municipal entities; and*
- (e) any other resolutions that may be required.*

IN-YEAR REPORTS 2016/2017

RECOMMENDATION:

That Municipal Manager/Mayor notes the monthly budget statement and supporting documentation.

Section 3 – Executive Summary

Executive summary

6. The executive summary of a monthly budget statement must cover at least the following -

(a) the municipality's consolidated performance, in relation to both the approved annual budget and the latest approved adjustments budget, with specific reference to the financial and non-financial impact of the performance of municipal entities on the consolidated performance making reference to the in-year report tables, charts and explanations;

(b) any material variances from the service delivery and budget implementation plan; and

(c) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's budget.

and note

12. If a municipality has municipal entities, the information in items 6 and 7 must be consolidated covering the parent municipality's monthly budget statement and municipal entities monthly budget statements.

3.1 Introduction

As was said in the Mayor's report, the monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations,

3.2 Consolidated performance

3.2.1 Against annual budget

Revenue by Source

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates			17 236		121	14 157	4 309	9 848	229%	
Property rates - penalties & collection charges					-	-	-	-		
Service charges - electricity revenue			-		-	-	-	-		
Service charges - water revenue			-		-	-	-	-		
Service charges - sanitation revenue			-		-	-	-	-		
Service charges - refuse revenue			674		51	148	169	(21)	-12%	
Service charges - other			-		-	-	-	-		
Rental of facilities and equipment			122		9	48	31	17	57%	
Interest earned - external investments			4 411		185	364	1 103	(738)	-67%	
Interest earned - outstanding debtors			126		302	868	32	836	2655%	
Dividends received			-		-	-	-	-		
Fines			285		28	69	71	(2)	-3%	
Licences and permits			2 526		166	471	632	(161)	-25%	
Agency services			254		46	121	64	58	91%	
Transfers recognised - operational			87 231		-	32 011	21 808	10 203	47%	
Other revenue			29 441		896	3 702	7 360	(3 658)	-50%	
Gains on disposal of PPE			350		-	-	88	(88)	-100%	
Total Revenue (excluding capital transfers and contributions)			-		-	1 803	51 959	35 664	16 295	46%
										-

Service charges levied as at 30 September 2016 are as follows;

Property rates

Monthly property rates and service charges were billed to consumers in September and reflect as accrued income in the Statement of Financial Performance. Property rates is R 14 155 895 with 229 % over collection when compared to the year to date budget. This is because of the customers that are billed annually.

Service charges

Service charges on refuse service charges are 12% less than the year to date budget.

And Rental of facilities are 57 % over than the year to date budget

Expenditure by type

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcom	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Expenditure By Type										
Employee related costs			57 868		4 297	12 720	14 467	(1 747)	-12%	
Remuneration of councillors			8 416		615	1 846	2 104	(258)	-12%	
Debt impairment			1 789		–	–	447	(447)	-100%	
Depreciation & asset impairment			21 269		–	–	5 317	(5 317)	-100%	
Finance charges					169	339	–	339	#DIV/0!	
Bulk purchases			–		–	–	–	–		
Other materials			10 310		292	1 110	2 578	(1 468)	-57%	
Contracted services					–	–	–	–		
Transfers and grants			1 600		–	–	400	(400)	-100%	
Other expenditure			57 708		3 413	13 930	14 427	(497)	-3%	
Loss on disposal of PPE					–	–	–	–		
Total Expenditure		–	158 959	–	8 788	29 944	39 740	(9 795)	-25%	

The actuals expenditure with regards to debt impairment and Depreciation are done on an annual basis in June. Other expenditure shows an under expenditure of 3% or R 497 000 compared to year to date budget for the month. Employee costs show an under expenditure this is because of the vacant posts budgeted but not yet filled.

Capital expenditure

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Standard Classification										
Governance and administration		-	2 483	-	76	174	621	(447)	-72%	
Executive and council			-			-	-	-		
Budget and treasury office			37				9	(9)	-100%	
Corporate services			2 446		76	174	611	(437)	-72%	
Community and public safety		-	301	-	-	-	75	(75)	-100%	-
Community and social services			301				75	(75)	-100%	
Sport and recreation			-				-	-		
Economic and environmental services		-	24 734	-	1 052	3 641	6 183	(2 543)	-41%	-
Planning and development			852				213	(213)	-100%	
Road transport			23 881		1 052	3 641	5 970	(2 330)	-39%	
Environmental protection			-				-	-		
Trading services		-	4 000	-	-	-	1 000	(1 000)	-100%	-
Electricity			4 000				1 000	(1 000)	-100%	
Total Capital Expenditure - Standard Classification	3	-	31 517	-	1 128	3 815	7 879	(4 065)	-52%	-
Funded by:										
National Government			24 761		1 052	3 641	6 190	(2 550)	-41%	
Provincial Government								-		
Transfers recognised - capital		-	24 761	-	1 052	3 641	6 190	(2 550)	-41%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			6 756		76	174	1 689	(1 515)	-90%	
Total Capital Funding		-	31 517	-	1 128	3 815	7 879	(4 065)	-52%	-

The actual expenditure for the month of September 2016 was R 1 127 680.70 which is 12 % of the total annual budget amount. It comprises:

- the construction of Tuku C Internal Roads R 184 937.34
- the construction of Rhode Community Hall R 73 732.46
- the construction of Ntsinekana Community Hall R 105 280.82
- the construction of Tuku A Internal Road R 4 717.50
- the construction of Tyhata Internal Streets R 48 362.85
- the construction of Hamburg Sport field R 19 908.96
- the construction of Ngxakaxha Access Road R 163 409.02
- the construction of Bell Community Hall R 216 600.00
- the construction of Mabaleni Access Road R 49 799.41
- the construction of Prudhoe Internal Road R 184 937.34
- And other fixed assets (office equipment, tools etc.) R 75 995.00
- From the above R1 052 000 was funded by Municipal Infrastructure grant (MIG) and R 75 995 from internal revenue

3.4 Conclusion

The expenditure limits were on target there will be no unspent at the end of the financial year.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

In-year budget statement tables

9. If a municipality does not have any municipal entities, the in-year budget statement tables must consist of the tables in the First Attachment to this Schedule, namely -

(a) Table C1 s71 Monthly Budget Statement Summary

(b) Table C2 Monthly Budget Statement - Financial Performance (standard classification)

(c) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

(d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)

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

(f) Table C6 Monthly Budget Statement - Financial Position

(g) Table C7 Monthly Budget Statement - Cash Flow

and note

11. Supporting information, charts and explanations of trends and anomalies must be presented for each table where such presentation will assist with understanding the information contained in the tables.

The tables included in section 4 to the end of this report are from the 'C Schedule Monthly Budget Statement' legislated as part of the MBRR.

EC126 Ngqushwa - Table C1 Monthly Budget Statement Summary - M03 September

Description	2015/16	Budget Year 2016/17							
	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	-	17 236	-	121	14 157	4 309	9 848	229%	-
Service charges	-	674	-	51	148	169	(21)	-12%	-
Investment revenue	-	4 411	-	185	364	1 103	(738)	-67%	-
Transfers recognised - operational	-	87 231	-	-	32 011	21 808	10 203	47%	-
Other own revenue	-	33 106	-	1 447	5 279	8 276	(2 997)	-36%	-
Total Revenue (excluding capital transfers and contributions)	-	142 658	-	1 803	51 959	35 664	16 295	46%	-
Employee costs	-	57 868	-	4 297	12 720	14 467	(1 747)	-12%	-
Remuneration of Councillors	-	8 416	-	615	1 846	2 104	(258)	-12%	-
Depreciation & asset impairment	-	21 269	-	-	-	5 317	(5 317)	-100%	-
Finance charges	-	-	-	169	339	-	339	#DIV/0!	-
Materials and bulk purchases	-	10 310	-	292	1 110	2 578	(1 468)	-57%	-
Transfers and grants	-	1 600	-	-	-	400	(400)	-100%	783
Other expenditure	-	59 497	-	3 413	13 930	14 874	(944)	-6%	-
Total Expenditure	-	158 959	-	8 788	29 944	39 740	(9 795)	-25%	783
Surplus/(Deficit)	-	(16 302)	-	(6 984)	22 015	(4 075)	26 090	-640%	(783)
Transfers recognised - capital	-	24 761	-	-	-	6 190	(6 190)	-100%	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	8 460	-	(6 984)	22 015	2 115	19 900	941%	(783)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	8 460	-	(6 984)	22 015	2 115	19 900	941%	(783)
Capital expenditure & funds sources									
Capital expenditure	-	31 517	-	1 128	3 815	7 879	(4 065)	-52%	-
Capital transfers recognised	-	24 761	-	1 052	3 641	6 190	(2 550)	-41%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	6 756	-	76	174	1 689	(1 515)	-90%	-
Total sources of capital funds	-	31 517	-	1 128	3 815	7 879	(4 065)	-52%	-
Financial position									
Total current assets	-	30 024	-	-	65 246				-
Total non current assets	-	189 788	-	-	203 942				-
Total current liabilities	-	29 213	-	-	43 856				-
Total non current liabilities	-	-	-	-	8 544				-
Community wealth/Equity	-	190 599	-	-	216 789				-
Cash flows									
Net cash from (used) operating	-	31 167	-	(5 002)	17 392	7 792	(9 600)	-123%	-
Net cash from (used) investing	-	(31 167)	-	(2 880)	(3 885)	(7 792)	(3 907)	50%	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	755	-	-	14 708	755	(13 952)	-1847%	1 200
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	353	628	8 873	1 282	307	511	4 842	25 573	42 368
Creditors Age Analysis									
Total Creditors	1 908	0	0	-	-	6	-	-	1 914

4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

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

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

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

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		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>		-	136 233	-	1 503	51 141	34 058	17 083	50%	-
Executive and council		-	6 300	-	882	3 509	1 575	1 934	123%	-
Budget and treasury office		-	129 496	-	621	47 589	32 374	15 215	47%	-
Corporate services		-	437	-	1	42	109	(67)	-61%	-
<i>Community and public safety</i>		-	3 627	-	240	662	907	(245)	-27%	-
Community and social services		-	59	-	240	241	15	226	1539%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 568	-	-	421	892	(471)	-53%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	22 884	-	9	9	5 721	(5 712)	-100%	-
Planning and development		-	30	-	9	9	8	2	21%	-
Road transport		-	22 854	-	-	-	5 714	(5 714)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	4 674	-	51	148	1 169	(1 021)	-87%	-
Electricity		-	4 000	-	-	-	1 000	(1 000)	-100%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	674	-	51	148	169	(21)	-12%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	167 419	-	1 803	51 959	41 855	10 105	24%	-
Expenditure - Standard										
<i>Governance and administration</i>		-	108 111	-	6 206	21 322	27 028	(5 706)	-21%	-
Executive and council		-	32 809	-	3 752	13 264	8 202	5 062	62%	-
Budget and treasury office		-	55 912	-	914	4 019	13 978	(9 959)	-71%	-
Corporate services		-	19 389	-	1 540	4 039	4 847	(808)	-17%	-
<i>Community and public safety</i>		-	12 525	-	1 159	3 000	3 131	(131)	-4%	-
Community and social services		-	7 254	-	946	2 059	1 814	246	14%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	5 271	-	213	941	1 318	(377)	-29%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	26 301	-	630	3 084	6 575	(3 492)	-53%	-
Planning and development		-	2 936	-	116	722	734	(12)	-2%	-
Road transport		-	23 365	-	514	2 362	5 841	(3 479)	-60%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	10 438	-	688	2 327	2 609	(282)	-11%	-
Electricity		-	3 796	-	109	545	949	(404)	-43%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	6 641	-	579	1 782	1 660	122	7%	-
<i>Other</i>		-	1 584	-	105	211	396	(185)	-47%	-
Total Expenditure - Standard	3	-	158 959	-	8 788	29 944	39 740	(9 795)	-25%	-
Surplus/ (Deficit) for the year		-	8 460	-	(6 984)	22 015	2 115	19 900	941%	-

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

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Executive & Council; Corporate Services; Financial Services; Community and Planning Services; Technical Services.

EC126 Ngqushwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description		Ref	2015/16	Budget Year 2016/17						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
Revenue by Vote		1								
Vote 1 - Council			-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager			-	6 300	-	882	3 509	1 575	1 934	122.8%
Vote 3 - Budget and treasury			-	129 496	-	621	47 589	32 374	15 215	47.0%
Vote 4 - Corporate Services			-	437	-	1	42	109	(67)	-61.2%
Vote 5 - Community Services			-	4 301	-	291	809	1 075	(266)	-24.7%
Vote 6 - Technical Services			-	26 884	-	9	9	6 721	(6 712)	-99.9%
Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-
Total Revenue by Vote		2	-	167 419	-	1 803	51 959	41 855	10 105	24.1%
Expenditure by Vote		1								
Vote 1 - Council			-	12 159	-	1 083	3 649	3 040	609	20.0%
Vote 2 - Municipal Manager			-	20 650	-	2 669	9 616	5 162	4 453	86.3%
Vote 3 - Budget and treasury			-	55 912	-	914	3 978	13 978	(10 000)	-71.5%
Vote 4 - Corporate Services			-	19 389	-	1 540	4 080	4 847	(767)	-15.8%
Vote 5 - Community Services			-	23 687	-	1 843	5 014	5 922	(908)	-15.3%
Vote 6 - Technical Services			-	27 162	-	739	3 608	6 790	(3 182)	-46.9%
Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	-	158 959	-	8 788	29 944	39 740	(9 795)	-24.6%
Surplus/ (Deficit) for the year		2	-	8 460	-	(6 984)	22 015	2 115	19 900	940.9%

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description		Ref	2015/16 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				17 236		121	14 157	4 309	9 848	229%	
Property rates - penalties & collection charges						-	-	-	-		
Service charges - electricity revenue				-		-	-	-	-		
Service charges - water revenue				-		-	-	-	-		
Service charges - sanitation revenue				-		-	-	-	-		
Service charges - refuse revenue				674		51	148	169	(21)	-12%	
Service charges - other				-		-	-	-	-		
Rental of facilities and equipment				122		9	48	31	17	57%	
Interest earned - external investments				4 411		185	364	1 103	(738)	-67%	
Interest earned - outstanding debtors				126		302	868	32	836	2655%	
Dividends received				-		-	-	-	-		
Fines				285		28	69	71	(2)	-3%	
Licences and permits				2 526		166	471	632	(161)	-25%	
Agency services				254		46	121	64	58	91%	
Transfers recognised - operational				87 231		-	32 011	21 808	10 203	47%	
Other revenue				29 441		896	3 702	7 360	(3 658)	-50%	
Gains on disposal of PPE				350		-	-	88	(88)	-100%	
Total Revenue (excluding capital transfers and contributions)			-	142 658	-	1 803	51 959	35 664	16 295	46%	-
Expenditure By Type											
Employee related costs				57 868		4 297	12 720	14 467	(1 747)	-12%	
Remuneration of councillors				8 416		615	1 846	2 104	(258)	-12%	
Debt impairment				1 789		-	-	447	(447)	-100%	
Depreciation & asset impairment				21 269		-	-	5 317	(5 317)	-100%	
Finance charges				-		169	339	-	339	#DIV/0!	
Bulk purchases				-		-	-	-	-		
Other materials				10 310		292	1 110	2 578	(1 468)	-57%	
Contracted services				-		-	-	-	-		
Transfers and grants				1 600		-	-	400	(400)	-100%	783
Other expenditure				57 708		3 413	13 930	14 427	(497)	-3%	
Loss on disposal of PPE				-		-	-	-	-		
Total Expenditure			-	158 959	-	8 788	29 944	39 740	(9 795)	-25%	783
Surplus/(Deficit)			-	(16 302)	-	(6 984)	22 015	(4 075)	26 090	(0)	(783)
Transfers recognised - capital				24 761		-	-	6 190	(6 190)	(0)	
Contributions recognised - capital				-		-	-	-	-		
Contributed assets				-		-	-	-	-		
Surplus/(Deficit) after capital transfers & contributions			-	8 460	-	(6 984)	22 015	2 115			(783)
Taxation				-		-	-	-	-		
Surplus/(Deficit) after taxation			-	8 460	-	(6 984)	22 015	2 115			(783)
Attributable to minorities				-		-	-	-	-		
Surplus/(Deficit) attributable to municipality			-	8 460	-	(6 984)	22 015	2 115			(783)
Share of surplus/ (deficit) of associate				-		-	-	-	-		
Surplus/ (Deficit) for the year			-	8 460	-	(6 984)	22 015	2 115			(783)

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

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03 September

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Standard Classification										
Governance and administration		-	2 483	-	76	174	621	(447)	-72%	-
Executive and council			-			-	-	-		
Budget and treasury office			37				9	(9)	-100%	
Corporate services			2 446		76	174	611	(437)	-72%	
Community and public safety		-	301	-	-	-	75	(75)	-100%	-
Community and social services			301				75	(75)	-100%	
Sport and recreation			-				-	-		
Public safety			-				-	-		
Housing			-				-	-		
Health			-				-	-		
Economic and environmental services		-	24 734	-	1 052	3 641	6 183	(2 543)	-41%	-
Planning and development			852				213	(213)	-100%	
Road transport			23 881		1 052	3 641	5 970	(2 330)	-39%	
Environmental protection			-				-	-		
Trading services		-	4 000	-	-	-	1 000	(1 000)	-100%	-
Electricity			4 000				1 000	(1 000)	-100%	
Water			-				-	-		
Waste water management			-				-	-		
Waste management			-				-	-		
Other			-				-	-		
Total Capital Expenditure - Standard Classification	3	-	31 517	-	1 128	3 815	7 879	(4 065)	-52%	-
Funded by:										
National Government			24 761		1 052	3 641	6 190	(2 550)	-41%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		-	24 761	-	1 052	3 641	6 190	(2 550)	-41%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			6 756		76	174	1 689	(1 515)	-90%	
Total Capital Funding		-	31 517	-	1 128	3 815	7 879	(4 065)	-52%	-

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash			755		18 716	
Call investment deposits			–		16	
Consumer debtors			–			
Other debtors			29 000		46 246	–
Current portion of long-term receivables						
Inventory			269		269	
Total current assets		–	30 024	–	65 246	–
Non current assets						
Long-term receivables						
Investments			4 411			
Investment property			37 977		37 952	
Investments in Associate						
Property, plant and equipment			146 434		165 345	
Agricultural						
Biological assets						
Intangible assets			966		645	
Other non-current assets				–	0	
Total non current assets		–	189 788	–	203 942	–
TOTAL ASSETS		–	219 812	–	269 189	–
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft						
Borrowing			2 500		4 812	
Consumer deposits					–	
Trade and other payables			23 713		39 044	
Provisions			3 000		–	
Total current liabilities		–	29 213	–	43 856	–
Non current liabilities						
Borrowing					6 263	
Provisions					2 281	
Total non current liabilities		–	–	–	8 544	–
TOTAL LIABILITIES		–	29 213	–	52 400	–
NET ASSETS	2	–	190 599	–	216 789	–
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)			190 599		216 789	
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	190 599	–	216 789	–

MONTHLY BUDGET STATEMENT FOR SEPTEMBER 2016

Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

EC126 Ngqushwa - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2015/16	Budget Year 2016/17								
		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											
Property rates, penalties & collection charges			17 236		5 788	7 406	4 309	3 097	72%		
Service charges			674		125	1 741	169	1 573	933%		
Other revenue			32 630		896	1 056	8 157	(7 101)	-87%		
Government - operating			87 231		—	35 349	21 808	13 541	62%		
Government - capital			24 761		1 000	5 955	6 190	(235)	-4%		
Interest			4 537		185	364	1 134	(770)	-68%		
Dividends			—		—	—	—	—			
Payments											
Suppliers and employees			(134 302)		(12 996)	(34 480)	(33 575)	905	-3%		
Finance charges					—	—	—	—			
Transfers and Grants			(1 600)		—	—	(400)	(400)	100%		
NET CASH FROM/(USED) OPERATING ACTIVITIES			—	31 167	—	(5 002)	17 392	7 792	(9 600)	-123%	—
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				350			88	(88)	-100%		
Decrease (Increase) in non-current debtors				—			—	—			
Decrease (increase) other non-current receivables				—		—	—	—			
Decrease (increase) in non-current investments				—		—	—	—			
Payments											
Capital assets				(31 517)		(2 880)	(7 879)	(3 995)	51%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			—	(31 167)	—	(2 880)	(3 885)	(7 792)	(3 907)	50%	—
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans				—				—			
Borrowing long term/refinancing				—			14 708	(14 708)	-100%		
Increase (decrease) in consumer deposits				—				—			
Payments											
Repayment of borrowing				—				—			
NET CASH FROM/(USED) FINANCING ACTIVITIES			—	—	—	—	14 708	14 708	100%	—	
NET INCREASE/ (DECREASE) IN CASH HELD											
			—	0	—	(7 883)	13 508	14 708		—	
Cash/cash equivalents at beginning:				755			1 200	755		1 200	
Cash/cash equivalents at month/year end:			—	755	—		14 708	15 463		1 200	

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Debtors' analysis

13. The debtors' analysis must contain -

(a) an aged analysis reconciled with the financial position grouped by -

(i) revenue source; and

(ii) customer group; and

(b) any bad debts written off by customer group.

5.1 Supporting Table SC3

Table SC3 is the only debtors report required by the MBRR. The tables that follow are included in addition to SC3.

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

EC12o ngqunguwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - mus september											
Description		Budget Year 2016/17									
	NT Code	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	1200									-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-								-	-
Receivables from Non-ex change Transactions - Property Rates	1400	70	232	7 842	473	(41)	162	2 797	15 418	26 953	18 809
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	34	35	33	35	23	28	145	1 118	1 451	1 348
Receivables from Exchange Transactions - Property Rental Debtors	1700	1	1	1	1	(0)	1	1	-	6	3
Interest on Arrear Debtor Accounts	1810	276	279	275	285	266	259	1 519	4 303	7 460	6 631
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(28)	81	721	488	59	61	380	4 735	6 496	5 723
Total By Income Source	2000	353	628	8 873	1 282	307	511	4 842	25 573	42 368	32 514
2015/16 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	86	207	7 871	970	9	470	3 142	13 113	25 868	17 705
Commercial	2300	106	118	97	50	72	(242)	490	2 517	3 208	2 888
Households	2400	190	222	183	(226)	167	221	829	5 208	6 795	6 199
Other	2500	(28)	81	721	488	59	61	380	4 735	6 496	5 723
Total By Customer Group	2600	353	628	8 873	1 282	307	511	4 842	25 573	42 368	32 514

Debtors' age analysis

The age analysis for debtors only includes those amounts which are current or past due. The debtors' age analysis includes pro-rata billing up to the current month.

Section 6 – Creditors' analysis

Creditors' analysis

14. The creditors analysis must contain an aged analysis by customer type reconciled with the financial position.

6.1 Supporting Table SC4

Table SC4 reflects the trade creditors and other creditors.

EC126 Ngqushwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description		NT Code	Budget Year 2016/17								Total
R thousands			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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 908	0	0	-	-	6	-	-	-	1 914
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 908	0	0	-	-	6	-	-	-	1 914

Section 7 – Investment portfolio analysis

Investment portfolio analysis

15. The investment portfolio analysis must include information consistent with the requirements of the Municipal Investment Regulations, 2005 issued by the National Treasury.

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Ecofys Ngqweni Supporting table 600 Monthly Budget Statement - Investment portfolio - 1st September									
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
R thousands		Yrs/Months							
<u>Municipality</u>									
FNB74623818257		Months	Short terms	09-2016	128	7.6%	8 500	(8 628)	–
FNB 62270667531		Months	Short terms		0		12	–	12
FNB74623816491		Months	Short terms	09-2016	–	7.6%	9 000	(9 000)	–
FNB74623820541		Months	Short terms	09-2016	84	7.6%	6 500	–	6 584
FNB62606330463		Months	Short terms		0		16	(10)	7
FNB62414349763		Months	Short terms		7	4.7%	505	222	733
FNB62035920596		Months	Short terms		0	1125.0%	4	–	4
Municipality sub-total					219		24 538	(17 416)	7 341
<u>Entities</u>									
Entities sub-total					–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2				219		24 538	(17 416)	7 341

7.2 Additional information

The statement of financial position includes the following:

Item	R thousands
Cash	7 366 736.00
Investments	
Call investment deposits	7 340 944.00
Investments	
TOTAL	14 707 681.00

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	4 207 178.93
Unpaid creditors	1 193 581.00
TOTAL	5 400 759.93

Section 8 – Allocation and grant receipts and expenditure

Allocation and grant receipts and expenditure

16. The disclosure on allocation and grant receipts and expenditure must reflect particulars of -

(a) allocation and grant receipts and expenditure against each allocation or grant; and

(b) any change in allocations as a result of -

(i) an adjustments budget of the national or provincial government or district or local municipality; and

(ii) changes in grants from other providers.

8.1 Supporting Table SC6 – Grant receipts

EC126 Nggushwa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	87 231	-	881	35 770	21 808	14 464	66.3%	-
Local Government Equitable Share plus MIG Operations			77 921		-	32 011	19 480	12 531	64.3%	
Finance Management			2 010				503			
Municipal Systems Improvement			-				-			
EPWP Incentive			1 000		-	250	250			
	3						-			
							-	-		
							-	-		
							-	-		
							-	-		
Project Cela			6 300		881	3 509	1 575	1 934	122.8%	
Provincial Government:		-	-	-	-	-	-	-		-
	4		-					-		
								-		
LG Seta			-					-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Operating Transfers and Grants	5	-	87 231	-	881	35 770	21 808	14 464	66.3%	-
Capital Transfers and Grants										
National Government:		-	24 761	-	1 000	5 955	6 190	(235)	-3.8%	-
Municipal Infrastructure Grant (MIG)			20 761		-	4 955	5 190	(235)	-4.5%	
							-			
							-			
							-			
							-			
							-			
Energy			4 000		1 000	1 000	1 000	-		
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Capital Transfers and Grants	5	-	24 761	-	1 000	5 955	6 190	(235)	-3.8%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	111 992	-	1 881	41 725	27 998	14 229	50.8%	

8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	87 231	-	12 929	35 327	21 808	13 519	62.0%	-
Local Government Equitable Share plus MIG Operations			77 921		12 644	32 965	19 480	13 484	69.2%	
Finance Management			2 010		48	124	503	(379)	-75.4%	
Municipal Systems Improvement			-				-	-		
EPWP Incentive			1 000		82	82	250	(168)	-67.1%	
							-	-		
							-	-		
Project Ceta			6 300		155	2 156	1 575	581	36.9%	
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
								-		
LG Seta								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	87 231	-	12 929	35 327	21 808	13 519	62.0%	-
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	24 761	-	1 118	3 901	6 190	(2 289)	-37.0%	-
Municipal Infrastructure Grant (MIG)			20 761	-	1 118	3 901	5 190	(1 289)	-24.8%	
							-	-		
							-	-		
							-	-		
Energy			4 000				1 000	(1 000)	-100.0%	
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		-	24 761	-	1 118	3 901	6 190	(2 289)	-37.0%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	111 992	-	14 047	39 229	27 998	11 231	40.1%	

Supporting Table SC7 (2) – Expenditure against approved rollovers

Not yet applicable

8.3 Comments

These tables do not reflect the opening unspent balances or unpaid balances on the individual grants.

For this reason a grant may show a receipt and no expenditure where the unpaid balance has subsequently been settled.

Alternatively a grant may show expenditure and no receipt where an unspent balance has been authorised for expenditure in the subsequent year.

The unspent grant balances as at 30 September 2016 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	1 153 092.43
Financial Management Grant (FMG)	1 886 236.50
Integrated Electrification Municipal Programme	1000 000.00
Extended Public Works Programme Grant (EPWP)	167 850.00
Unspent grant balances	4 207 178.93

Section 9 – Expenditure on councillor and board members Allowances and employee benefits

Expenditure on councillor and board members allowances and employee benefits

17. The disclosure on councillor and board members allowances and employee benefits must include a comparison of actual expenditure and budgeted expenditure on -

- (a) councillor allowances;
- (b) board member allowances; and
- (c) employee benefits and note

21. Where (17), (18) and (19) indicate a material variance between the actual year-to-date performance compared with the monthly or quarterly targets from the service delivery and budget implementation plan, provide explanations for such variances and indicate the likely impact on annual performance agreements of the municipal manager and senior managers.

9.1 Supporting Table SC8

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year 2016/17							
		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)	1									
Basic Salaries and Wages			3 843		505	1 277	961	317	33%	
Pension and UIF Contributions			868		15	135	217	(82)	-38%	
Medical Aid Contributions			715		3	30	179	(149)	-83%	
Motor Vehicle Allowance			2 211		47	271	553	(282)	-51%	
Cellphone Allowance			646		38	119	162	(43)	-27%	
Housing Allowances					7	—	—	—	—	
Other benefits and allowances			133		—	20	33	(13)	-38%	
Sub Total - Councillors	4	—	8 416	—	615	1 852	2 104	(252)	-12%	—
% increase			#DIV/0!							
Senior Managers of the Municipality	3									
Basic Salaries and Wages			4 963		366	1 047	1 241	(194)	-16%	
Pension and UIF Contributions								—	—	
Medical Aid Contributions								—	—	
Overtime								—	—	
Performance Bonus								—	—	
Motor Vehicle Allowance								—	—	
Cellphone Allowance								—	—	
Housing Allowances								—	—	
Other benefits and allowances								—	—	
Payments in lieu of leave								—	—	
Long service awards								—	—	
Post-retirement benefit obligations	2							—	—	
Sub Total - Senior Managers of Municipality	4	—	4 963	—	366	1 047	1 241	(194)	-16%	—
% increase			#DIV/0!							
Other Municipal Staff										
Basic Salaries and Wages			36 919		2 857	8 600	9 230	(630)	-7%	
Pension and UIF Contributions			5 999		485	1 373	1 500	(126)	-8%	
Medical Aid Contributions			2 116		182	539	529	10	2%	
Overtime			100		29	75	25	50	199%	
Performance Bonus			—		—	—	—	—	—	
Motor Vehicle Allowance			1 798		192	545	450	96	21%	
Cellphone Allowance			426		27	80	107	(27)	-25%	
Housing Allowances			296		18	156	74	82	111%	
Other benefits and allowances			3 766		142	620	941	(321)	-34%	
Payments in lieu of leave			1 160		—	68	290	(222)	-76%	
Long service awards			324		—	10	81	(71)	-87%	
Post-retirement benefit obligations	2		—		—	—	—	—	—	
Sub Total - Other Municipal Staff	4	—	52 905	—	3 931	12 067	13 226	(1 160)	-9%	—
% increase			#DIV/0!							
Total Parent Municipality		—	66 284	—	4 913	14 965	16 571	(1 605)	-10%	—
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages								—	—	
Pension and UIF Contributions								—	—	
Medical Aid Contributions								—	—	
Overtime								—	—	
Performance Bonus								—	—	
Motor Vehicle Allowance								—	—	
Cellphone Allowance								—	—	
Housing Allowances								—	—	
Other benefits and allowances								—	—	
Board Fees								—	—	
Payments in lieu of leave								—	—	
Long service awards								—	—	
Post-retirement benefit obligations								—	—	
Sub Total - Board Members of Entities	2	—	—	—	—	—	—	—	—	—
% increase	4	—	—	—	—	—	—	—	—	—
Senior Managers of Entities										
Basic Salaries and Wages								—	—	
Pension and UIF Contributions								—	—	
Medical Aid Contributions								—	—	
Overtime								—	—	
Performance Bonus								—	—	
Motor Vehicle Allowance								—	—	
Cellphone Allowance								—	—	
Housing Allowances								—	—	
Other benefits and allowances								—	—	
Payments in lieu of leave								—	—	
Long service awards								—	—	
Post-retirement benefit obligations	2							—	—	
Sub Total - Senior Managers of Entities	4	—	—	—	—	—	—	—	—	—
% increase			—	—	—	—	—	—	—	—
Other Staff of Entities										
Basic Salaries and Wages								—	—	
Pension and UIF Contributions								—	—	
Medical Aid Contributions								—	—	
Overtime								—	—	
Performance Bonus								—	—	
Motor Vehicle Allowance								—	—	
Cellphone Allowance								—	—	
Housing Allowances								—	—	
Other benefits and allowances								—	—	
Payments in lieu of leave								—	—	
Long service awards								—	—	
Post-retirement benefit obligations								—	—	
Sub Total - Other Staff of Entities	4	—	—	—	—	—	—	—	—	—
% increase			—	—	—	—	—	—	—	—
Total Municipal Entities		—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS		—	66 284	—	4 913	14 965	16 571	(1 605)	-10%	—
% increase	4		#DIV/0!							
TOTAL MANAGERS AND STAFF		—	57 868	—	4 297	13 114	14 467	(1 353)	-9%	—

Section 10 – Material variances to the SDBIP

Material variances to the service delivery and budget implementation plan

18. In the monthly financial statements provide a disclosure on monthly targets for revenue, expenditure and cash flow that includes a consolidated projection of cash flow for the budget year setting out receipts by source and payments by type, per month for the budget year with actual for past months and revised forecasts for future months, and shown in total for the two years following the budget year.

and note

21. Where (17), (18) and (19) indicate a material variance between the actual year-to-date performance compared with the monthly or quarterly targets from the service delivery and budget implementation plan, provide explanations for such variances and indicate the likely impact on annual performance agreements of the municipal manager and senior managers.

10.1 Over view

The SDBIP is essentially the municipality's business plan and is an integral part of the financial planning, implementation and measurement process. The SDBIP functions as the connection between the strategic plan "IDP", budget and management performance agreements, and includes detailed information on how the budget will be implemented, by means of forecast cash flows, service delivery targets and performance indicators.

Section 11 – Parent municipality financial performance

Parent municipality financial performance

22. If the municipality has municipal entities, provide the monthly statement of financial performance for the parent municipality only.

11.1 Supporting Table SC10

Not applicable to Ngqushwa Municipality.

Section 12 – Municipal entity summary

Municipal entity summary

23. If the municipality has municipal entities, provide a summary for all entities of revenue, operating expenditure and capital expenditure.

12.1 Supporting Table SC11

Not applicable to Ngqushwa Municipality

Section 13 – Capital programme performance

Capital programme performance

24. The disclosure on capital programme performance must include at least -

(a) capital expenditure by month; and

(b) a summary of capital expenditure by asset class and sub-class.

13.1 Supporting Table SC12

EC126 Ngqushwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

Month	2015/16	Budget Year 2016/17							
	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		2 626		336	336	2 626	2 290	87.2%	1%
August		2 626		2 351	2 687	5 253	2 566	48.8%	9%
September		2 626		1 128	3 815	7 879	4 065	51.6%	12%
October		2 626				10 506	–		
November		2 626				13 132	–		
December		2 626				15 759	–		
January		2 626				18 385	–		
February		2 626				21 012	–		
March		2 626				23 638	–		
April		2 626				26 264	–		
May		2 626				28 891	–		
June		2 626				31 517	–		
Total Capital expenditure	–	31 517	–	3 815					

The Municipality has spent 12 % of the capital budget as at 30 September 2016.

13.2 Supporting Table SC13

Supporting Tables SC13 include the following:

- SC13a: Capital expenditure on new assets by asset class
- SC13b: Capital expenditure on renewal of existing assets by asset class

Table SC13a totals to Table C5

SC13c: Expenditure on repairs and maintenance by asset class

MONTHLY BUDGET STATEMENT FOR SEPTEMBER 2016

Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.

13.2.1 Supporting Table SC13a

EC126 Ngqushwa - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		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		-	19 471	-	636	904	4 868	3 963	81.4%	-
Infrastructure - Road transport		-	14 785	-	636	904	3 696	2 792	75.5%	-
Roads, Pavements & Bridges			14 785		636	904	3 696	2 792	75.5%	
Storm water								-		
Infrastructure - Electricity		-	4 000	-	-	-	1 000	1 000	100.0%	-
Generation							-	-		
Transmission & Reticulation							-	-		
Street Lighting			4 000				1 000	1 000	100.0%	
Infrastructure - Water		-	-	-	-	-	-	-		-
Dams & Reservoirs								-		
Water purification								-		
Reticulation								-		
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation								-		
Sewerage purification								-		
Infrastructure - Other		-	686	-	-	-	171	171	100.0%	-
Waste Management			135				34	34	100.0%	
Transportation							-	-		
Gas							-	-		
Other			551				138	138	100.0%	
Community		-	6 106	-	416	2 736	1 527	(1 210)	-79.3%	-
Parks & gardens							-	-		
Sportsfields & stadia			1 815		20	697	454	(243)	-53.6%	
Swimming pools							-	-		
Community halls			4 161		396	2 039	1 040	(999)	-96.0%	
Libraries							-	-		
Recreational facilities							-	-		
Fire, safety & emergency							-	-		
Security and policing							-	-		
Buses							-	-		
Clinics							-	-		
Museums & Art Galleries							-	-		
Cemeteries			130				33	33	100.0%	
Social rental housing							-	-		
Other							-	-		
Heritage assets		-	-	-	-	-	-	-		-
Buildings								-		
Other								-		
Investment properties		-	-	-	-	-	-	-		-
Housing development								-		
Other								-		
Other assets		-	5 350	-	76	174	1 338	1 164	87.0%	-
General vehicles			1 720				430	430	100.0%	
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			1 400				350	350	100.0%	
Computers - hardware/equipment			225		-	98	56	(42)	-74.0%	
Furniture and other office equipment			1 125				281	281	100.0%	
Abattoirs							-	-		
Markets							-	-		
Civic Land and Buildings							-	-		
Other Buildings							-	-		
Other Land							-	-		
Surplus Assets - (Investment or Inventory)							-	-		
Other			880		76	76	220	144	65.5%	
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class								-		
Biological assets		-	-	-	-	-	-	-		-
List sub-class								-		
Intangibles		-	590	-	-	-	148	148	100.0%	-
Computers - software & programming			590				148	148	100.0%	
Other							-	-		
Total Capital Expenditure on new assets	1	-	31 517	-	1 128	3 815	7 879	4 065	51.6%	-

13.2.2 Supporting Table SC13c

EC126 Ngqushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	5 700	-	-	513	1 425	912	64.0%	-
Infrastructure - Road transport		-	4 000	-	-	260	1 000	740	74.0%	-
Roads, Pavements & Bridges			4 000		-	260	1 000	740	74.0%	
Storm water										
Infrastructure - Electricity		-	1 700	-	-	253	425	172	40.5%	-
Generation						-	-	-		
Transmission & Reticulation						-	-	-		
Street Lighting			1 700		-	253	425	172	40.5%	
Infrastructure - Water		-	-	-	-	-	-	-		-
Dams & Reservoirs								-		
Water purification								-		
Reticulation								-		
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation								-		
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		-	4 610	-	292	596	1 153	556	48.3%	-
General vehicles			1 000		80	285	250	(35)	-14.0%	
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			810				203	203	100.0%	
Computers - hardware/equipment			387		41	41	97	55	57.2%	
Furniture and other office equipment								-		
Abattoirs								-		
Markets								-		
Civic Land and Buildings								-		
Other Buildings			1 700		124	126	425	299	70.4%	
Other Land								-		
Surplus Assets - (Investment or Inventory)								-		
Other			713		47	144	178	34	19.1%	
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class								-		
Biological assets		-	-	-	-	-	-	-		-
List sub-class								-		
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming								-		
Other								-		
Total Repairs and Maintenance Expenditure		-	10 310	-	292	1 110	2 578	1 468	57.0%	-

Section 14 – Other supporting documentation

Other supporting documents

25. A municipality must add to its in-year report any supporting documents not covered in this Schedule if such documents are necessary to fully explain the review of actual service delivery and financial performance compared to the approved annual budget and the latest approved adjustments budget.

14.1 Other information

None

Section 15 – In-year reports of municipal entities attached to the municipality's in-year report

In-year reports of municipal entities attached to the in-year report

26. Give a list of the municipal entity in-year reports attached to the in-year report.

Not Applicable to Ngqushwa Local Municipality

15.1 Listing of in-year reports for municipal entities attached to this report

Not applicable to Ngqushwa Municipality.

Section 16 – Municipal manager's quality certification***Municipal manager's quality certification***

27. An in-year report must be covered by a quality certificate in the format described below:

QUALITY CERTIFICATE

I, **Thandekile Mnyimba**, the municipal manager of **Ngqushwa Municipality**, hereby certify that -

(mark as appropriate)

- ☒ the monthly budget statement
- ☐ quarterly 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 September 2016 of 2016/2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Mr. T.T. Mnyimba

Municipal Manager of Ngqushwa Municipality (EC126)

Signature _____

Date _____

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