



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
OCTOBER 2016

MONTHLY BUDGET STATEMENT FOR OCTOBER 2016

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

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 October 2016

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;

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

Section 3 – Executive Summary

3 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		1 621	15 778	5 745	10 033	175%	
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue			-			-	-	-		
Service charges - water revenue			-			-	-	-		
Service charges - sanitation revenue			-			-	-	-		
Service charges - refuse revenue			674		51	198	225	(27)	-12%	
Service charges - other			-			-	-	-		
Rental of facilities and equipment			122		11	59	41	18	45%	
Interest earned - external investments			4 411		99	463	1 470	(1 007)	-68%	
Interest earned - outstanding debtors			126		347	1 215	42	1 173	2792%	
Dividends received			-			-	-	-		
Fines			285		38	107	95	12	13%	
Licences and permits			2 526		170	640	842	(202)	-24%	
Agency services			254		35	156	85	71	84%	
Transfers recognised - operational			87 231			32 011	29 077	2 934	10%	
Other revenue			29 441		424	4 126	9 814	(5 688)	-58%	
Gains on disposal of PPE			350			-	117	(117)	-100%	
Total Revenue (excluding capital transfers and contributions)		-	142 658	-	2 794	54 754	47 553	7 201	15%	-

Service charges levied as at 31 October 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 15 778 286 with 175 % 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 45 % over than the year to date budget

Expenditure by Type

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									%	
Expenditure By Type										
Employee related costs			57 868		4 465	17 185	19 289	(2 105)	-11%	
Remuneration of councillors			8 416		593	2 440	2 805	(366)	-13%	
Debt impairment			1 789			–	596	(596)	-100%	
Depreciation & asset impairment			21 269				7 090	(7 090)	-100%	
Finance charges					169	508	–	508	#DIV/0!	
Bulk purchases			–			–	–	–		
Other materials			10 310		624	1 733	3 437	(1 704)	-50%	
Contracted services							–	–		
Transfers and grants			1 600		179	179	533	(355)	-66%	
Other expenditure			57 708		4 867	18 797	19 236	(439)	-2%	
Loss on disposal of PPE					–	–	–	–		
Total Expenditure		–	158 959	–	10 897	40 841	52 986	(12 145)	-23%	

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 2% or R 439 000 compared to year to date budget for the month. Employee costs show an under expenditure of R 2 105 000 this is because of the vacant posts budgeted but not yet filled.

Capital Expenditure

Vote Description	Ref	2015/16	Budget Year 2016/17						
		Audited Outcom	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
Capital Expenditure - Standard Classification									
Governance and administration		-	2 483	-	118	292	828	(536)	-65%
Executive and council			-			-	-	-	
Budget and treasury office			37			12	(12)	(12)	-100%
Corporate services			2 446	-	118	292	815	(523)	-64%
Community and public safety		-	301	-	-	-	100	(100)	-100%
Community and social services			301				100	(100)	-100%
Sport and recreation			-				-	-	
Health			-				-	-	
Economic and environmental services		-	24 734	-	705	4 345	8 245	(3 899)	-47%
Planning and development			852				284	(284)	-100%
Road transport			23 881		705	4 345	7 960	(3 615)	-45%
Environmental protection			-				-	-	
Trading services		-	4 000	-	735	735	1 333	(598)	-45%
Electricity			4 000		735	735	1 333	(598)	-45%
Water			-				-	-	
Other			-				-	-	
Total Capital Expenditure - Standard Classification	3	-	31 517	-	1 558	5 372	10 506	(5 133)	-49%
Funded by:									
National Government			24 761		1 272	4 913	8 254	(3 341)	-40%
Provincial Government								-	
Transfers recognised - capital		-	24 761	-	1 272	4 913	8 254	(3 341)	-40%
Public contributions & donations	5							-	
Borrowing	6							-	
Internally generated funds			6 756		286	460	2 252	(1 792)	-80%
Total Capital Funding		-	31 517	-	1 558	5 372	10 506	(5 133)	-49%

The actual to date is at R 5, 3 m, expenditure for the month of October 2016 was R 1, 558 which is 12 % of the total annual budget amount. It comprises:

- the construction of Tuku C Internal Roads R 63590.00
- the construction of Ntsinekana Community Hall R 299 624.25
- the construction of Ngxakaxha Access Road R 46840
- the construction of Bell Community Hall R 294642.79
- And other fixed assets (office equipment, tools etc.) R 285 798.00
- From the above R1 272 000 m was funded by Municipal Infrastructure grant (MIG) and R 285 798 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.

4.1 Monthly budget tables

EC126 Ngqushwa - Table C1 Monthly Budget Statement Summary - M04 October

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									
<u>Financial Performance</u>									
Property rates	–	17 236	–	1 621	15 778	5 745	10 033	175%	–
Service charges	–	674	–	51	198	225	(27)	-12%	–
Investment revenue	–	4 411	–	99	463	1 470	(1 007)	-68%	–
Transfers recognised - operational	–	87 231	–	–	32 011	29 077	2 934	10%	–
Other own revenue	–	33 106	–	1 024	6 303	11 035	(4 732)	-43%	–
Total Revenue (excluding capital transfers and contributions)	–	142 658	–	2 794	54 754	47 553	7 201	15%	–
Employee costs	–	57 868	–	4 465	17 185	19 289	(2 105)	-11%	–
Remuneration of Councillors	–	8 416	–	593	2 440	2 805	(366)	-13%	–
Depreciation & asset impairment	–	21 269	–	–	–	7 090	(7 090)	-100%	–
Finance charges	–	–	–	169	508	–	508	#DIV/0!	–
Materials and bulk purchases	–	10 310	–	624	1 733	3 437	(1 704)	-50%	–
Transfers and grants	–	1 600	–	179	179	533	(355)	-66%	–
Other expenditure	–	59 497	–	4 867	18 797	19 832	(1 035)	-5%	–
Total Expenditure	–	158 959	–	10 897	40 841	52 986	(12 145)	-23%	–
Surplus/(Deficit)	–	(16 302)	–	(8 102)	13 913	(5 434)	19 347	-356%	–
Transfers recognised - capital	–	24 761	–	–	–	8 254	(8 254)	-100%	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	8 460	–	(8 102)	13 913	2 820	11 093	393%	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	8 460	–	(8 102)	13 913	2 820	11 093	393%	–
<u>Capital expenditure & funds sources</u>									
Capital expenditure	–	31 517	–	1 558	5 372	7 879	(2 507)	-32%	–
Capital transfers recognised	–	24 761	–	1 272	4 913	8 254	(3 341)	-40%	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	6 756	–	286	460	2 252	(1 792)	-80%	–
Total sources of capital funds	–	31 517	–	1 558	5 372	10 506	(5 133)	-49%	–
<u>Financial position</u>									
Total current assets	–	30 024	–	–	52 382				–
Total non current assets	–	189 788	–	–	206 664				–
Total current liabilities	–	29 213	–	–	44 834				–
Total non current liabilities	–	–	–	–	9 111				–
Community wealth/Equity	–	190 599	–	–	205 100				–
<u>Cash flows</u>									
Net cash from (used) operating	–	31 167	–	(21)	17 371	10 389	(6 982)	-67%	–
Net cash from (used) investing	–	(31 167)	–	(710)	(4 595)	(10 389)	(5 794)	56%	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	–	755	–	–	13 977	755	(13 221)	-1750%	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
<u>Debtors Age Analysis</u>									
Total By Income Source	1 206	811	801	7 579	3 433	431	4 533	22 859	41 653
<u>Creditors Age Analysis</u>									
Total Creditors	5 707	32	–	–	–	6	–	–	5 744

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.

4.1.2 Table C2: Monthly Budget Statement - Financial

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October

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	-	2 502	53 643	37 157	16 485	44%	-
Executive and council		-	6 300	-	404	3 913	2 100	1 813	86%	-
Budget and treasury office		-	129 496	-	2 082	49 672	34 912	14 760	42%	-
Corporate services		-	437	-	15	58	146	(88)	-60%	-
<i>Community and public safety</i>		-	3 627	-	242	904	1 209	(305)	-25%	-
Community and social services		-	59	-	242	483	20	463	2367%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 568	-	-	421	1 189	(768)	-65%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	22 884	-	-	9	7 628	(7 619)	-100%	-
Planning and development		-	30	-	-	9	10	(1)	-9%	-
Road transport		-	22 854	-	-	-	7 618	(7 618)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	4 674	-	51	198	1 558	(1 360)	-87%	-
Electricity		-	4 000	-	-	-	1 333	(1 333)	-100%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	674	-	51	198	225	(27)	-12%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	167 419	-	2 794	54 754	47 553	7 201	15%	-
Expenditure - Standard										
<i>Governance and administration</i>		-	108 111	-	7 108	28 430	36 037	(7 607)	-21%	-
Executive and council		-	32 809	-	4 148	17 412	10 936	6 476	59%	-
Budget and treasury office		-	55 912	-	1 976	5 995	18 637	(12 643)	-68%	-
Corporate services		-	19 389	-	984	5 023	6 463	(1 440)	-22%	-
<i>Community and public safety</i>		-	12 525	-	1 263	4 264	4 175	89	2%	-
Community and social services		-	7 254	-	1 263	3 322	2 418	904	37%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	5 271	-	-	941	1 757	(816)	-46%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	26 301	-	1 735	4 818	8 767	(3 949)	-45%	-
Planning and development		-	2 936	-	450	1 172	979	193	20%	-
Road transport		-	23 365	-	1 284	3 646	7 788	(4 142)	-53%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	10 438	-	686	3 013	3 479	(466)	-13%	-
Electricity		-	3 796	-	100	645	1 265	(620)	-49%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	6 641	-	585	2 367	2 214	154	7%	-
<i>Other</i>		-	1 584	-	106	317	528	(211)	-40%	-
Total Expenditure - Standard	3	-	158 959	-	10 897	40 841	52 986	(12 145)	-23%	-
Surplus/ (Deficit) for the year		-	8 460	-	(8 102)	13 913	(5 434)	19 347	-356%	-

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

EC126 Ngqushwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

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	-	404	3 509	2 100	1 409	67.1%
Vote 3 - Budget and treasury			-	129 496	-	2 082	47 589	34 912	12 678	36.3%
Vote 4 - Corporate Services			-	437	-	15	42	146	(103)	-70.9%
Vote 5 - Community Services			-	4 301	-	293	811	1 434	(622)	-43.4%
Vote 6 - Technical Services			-	26 884	-	-	9	8 961	(8 952)	-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	-	2 794	51 961	47 553	4 409	9.3%
Expenditure by Vote		1								
Vote 1 - Council			-	12 159	-	1 591	5 239	4 053	1 186	29.3%
Vote 2 - Municipal Manager			-	20 650	-	2 557	12 173	6 883	5 290	76.8%
Vote 3 - Budget and treasury			-	55 912	-	1 976	5 953	18 637	(12 684)	-68.1%
Vote 4 - Corporate Services			-	19 389	-	984	5 064	6 463	(1 399)	-21.6%
Vote 5 - Community Services			-	23 687	-	1 954	6 968	7 896	(928)	-11.7%
Vote 6 - Technical Services			-	27 162	-	1 835	5 443	9 054	(3 610)	-39.9%
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	-	10 897	40 841	52 986	(12 145)	-22.9%
Surplus/ (Deficit) for the year		2	-	8 460	-	(8 102)	11 120	(5 434)	16 554	-304.7%

4.1.4 Table C4: Monthly Budget Statement

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

CU120 Inguwisa - Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - Mo4 October

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										
Revenue By Source										
Property rates			17 236		1 621	15 778	5 745	10 033	175%	
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue			-			-	-	-		
Service charges - water revenue			-			-	-	-		
Service charges - sanitation revenue			-			-	-	-		
Service charges - refuse revenue			674		51	198	225	(27)	-12%	
Service charges - other			-			-	-	-		
Rental of facilities and equipment			122		11	59	41	18	45%	
Interest earned - external investments			4 411		99	463	1 470	(1 007)	-68%	
Interest earned - outstanding debtors			126		347	1 215	42	1 173	2792%	
Dividends received			-			-	-	-		
Fines			285		38	107	95	12	13%	
Licences and permits			2 526		170	640	842	(202)	-24%	
Agency services			254		35	156	85	71	84%	
Transfers recognised - operational			87 231			32 011	29 077	2 934	10%	
Other revenue			29 441		424	4 126	9 814	(5 688)	-58%	
Gains on disposal of PPE			350			-	117	(117)	-100%	
Total Revenue (excluding capital transfers and contributions)		-	142 658	-	2 794	54 754	47 553	7 201	15%	-
Expenditure By Type										
Employee related costs			57 868		4 465	17 185	19 289	(2 105)	-11%	
Remuneration of councillors			8 416		593	2 440	2 805	(366)	-13%	
Debt impairment			1 789			-	596	(596)	-100%	
Depreciation & asset impairment			21 269			-	7 090	(7 090)	-100%	
Finance charges					169	508	-	508	#DIV/0!	
Bulk purchases			-			-	-	-		
Other materials			10 310		624	1 733	3 437	(1 704)	-50%	
Contracted services						-	-	-		
Transfers and grants			1 600		179	179	533	(355)	-66%	
Other expenditure			57 708		4 867	18 797	19 236	(439)	-2%	
Loss on disposal of PPE						-	-	-		
Total Expenditure		-	158 959	-	10 897	40 841	52 986	(12 145)	-23%	-
Surplus/(Deficit)		-	(16 302)	-	(8 102)	13 913	(5 434)	19 347	(0)	-
Transfers recognised - capital			24 761			-	8 254	(8 254)	(0)	
Contributions recognised - capital			-			-	-	-		
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		-	8 460	-	(8 102)	13 913	2 820			-
Taxation								-		
Surplus/(Deficit) after taxation		-	8 460	-	(8 102)	13 913	2 820			-
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	8 460	-	(8 102)	13 913	2 820			-
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	8 460	-	(8 102)	13 913	2 820			-

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) - M04 October

CG120 ngqusiwa - Table 03 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - mo4 October

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	-	118	292	828	(536)	-65%	
Executive and council			-			-	-	-		
Budget and treasury office			37				12	(12)	-100%	
Corporate services			2 446	-	118	292	815	(523)	-64%	
Community and public safety		-	301	-	-	-	100	(100)	-100%	-
Community and social services			301				100	(100)	-100%	
Sport and recreation			-				-	-		
Public safety			-				-	-		
Housing			-				-	-		
Health			-				-	-		
Economic and environmental services		-	24 734	-	705	4 345	8 245	(3 899)	-47%	-
Planning and development			852				284	(284)	-100%	
Road transport			23 881		705	4 345	7 960	(3 615)	-45%	
Environmental protection			-				-	-		
Trading services		-	4 000	-	735	735	1 333	(598)	-45%	-
Electricity			4 000		735	735	1 333	(598)	-45%	
Water			-				-	-		
Waste water management			-				-	-		
Waste management			-				-	-		
Other			-				-	-		
Total Capital Expenditure - Standard Classification	3	-	31 517	-	1 558	5 372	10 506	(5 133)	-49%	-
Funded by:										
National Government			24 761		1 272	4 913	8 254	(3 341)	-40%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		-	24 761	-	1 272	4 913	8 254	(3 341)	-40%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			6 756		286	460	2 252	(1 792)	-80%	
Total Capital Funding		-	31 517	-	1 558	5 372	10 506	(5 133)	-49%	-

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M04 October

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		14 010	
Call investment deposits			–		143	
Consumer debtors			–			
Other debtors			29 000		37 961	–
Current portion of long-term receivables						
Inventory			269		269	
Total current assets		–	30 024	–	52 382	–
Non current assets						
Long-term receivables						
Investments			4 411			
Investment property			37 977		37 952	
Investments in Associate						
Property, plant and equipment			146 434		168 146	
Agricultural						
Biological assets						
Intangible assets			966		566	
Other non-current assets				–	0	
Total non current assets		–	189 788	–	206 664	–
TOTAL ASSETS		–	219 812	–	259 046	–
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft						
Borrowing			2 500		4 762	
Consumer deposits					–	
Trade and other payables			23 713		29 858	
Provisions			3 000		10 215	
Total current liabilities		–	29 213	–	44 834	–
Non current liabilities						
Borrowing					6 263	
Provisions					2 848	
Total non current liabilities		–	–	–	9 111	–
TOTAL LIABILITIES		–	29 213	–	53 945	–
NET ASSETS	2	–	190 599	–	205 100	–
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)			190 599		205 100	
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	190 599	–	205 100	–

MONTHLY BUDGET STATEMENT FOR OCTOBER 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 - M04 October

2016/17 Budget - Table 5: Monthly Budget Statement - Cash Flow - May October											
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		2 946	10 352	5 745	4 607	80%		
Service charges			674		52	1 794	225	1 569	698%		
Other revenue			32 630		3 856	4 912	10 877	(5 964)	-55%		
Government - operating			87 231		-	35 349	29 077	6 272	22%		
Government - capital			24 761		2 000	7 955	8 254	(299)	-4%		
Interest			4 537		76	441	1 512	(1 072)	-71%		
Dividends			-		-	-	-	-			
Payments											
Suppliers and employees			(134 302)		(8 951)	(43 431)	(44 767)	(1 336)	3%		
Finance charges					-	-	-	-			
Transfers and Grants			(1 600)		-	-	(533)	(533)	100%		
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	31 167	-	(21)	17 371	10 389	(6 982)	-67%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			350			-	117	(117)	-100%		
Decrease (increase) in non-current debtors			-			-	-	-			
Decrease (increase) other non-current receivables			-			-	-	-			
Decrease (increase) in non-current investments			-			-	-	-			
Payments											
Capital assets			(31 517)		(710)	(4 595)	(10 506)	(5 911)	56%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(31 167)	-	(710)	(4 595)	(10 389)	(5 794)	56%	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-					-			
Borrowing long term/refinancing			-					-			
Increase (decrease) in consumer deposits			-					-			
Payments											
Repayment of borrowing			-					-			
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-		-	
NET INCREASE/ (DECREASE) IN CASH HELD			-	0	-	(731)	12 777	0		-	
Cash/cash equivalents at beginning:			755			1 200	755			1 200	
Cash/cash equivalents at month/year end:			-	755	-		13 977	755		1 200	

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total			
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-exchange Transactions - Property Rates	1400	764	140	143	6 292	1 129	96	2 651	14 082	25 296	24 249		
Receivables from Exchange Transactions - Waste Water Management	1500												
Receivables from Exchange Transactions - Waste Management	1600	55	29	29	25	23	20	96	862	1 139	1 026		
Receivables from Exchange Transactions - Property Rental Debtors	1700	1	1	0						2			
Interest on Arrear Debtor Accounts	1810												
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	308	521	509	505	278	257	1 430	3 890	7 698	6 360		
Other	1900	79	120	120	757	2 002	59	356	4 025	7 518	7 200		
Total By Income Source	2000	1 206	811	801	7 579	3 433	431	4 533	22 859	41 653	38 835		
2015/16 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	350	353	367	6 516	1 192	173	3 095	12 558	24 602	23 533		
Commercial	2300	550	98	110	106	78	67	421	2 337	3 766	3 008		
Households	2400	217	241	204	200	1 306	132	661	3 950	6 911	6 249		
Other	2500	91	120	120	757	857	59	356	4 015	6 375	6 044		
Total By Customer Group	2600	1 206	811	801	7 579	3 433	431	4 533	22 859	41 653	38 835		

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

6.1 Supporting Table SC4

Table SC4 reflects the trade creditors and other creditors.

EC126 Ngqushwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2016/17									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
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	5 707	32				6			5 744	
Auditor General	0800										
Other	0900										
Total By Customer Type	1000	5 707	32				6			5 744	

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

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							
Municipality									
FNB74623818257		Months	Short terms	09-2016	0	7.6%	2	–	2
FNB 62270667531		Months	Short terms		0		1	–	1
FNB74623816491		Months	Short terms	–	–	0.0%	6 000	–	6 000
FNB74623820541		Months	Short terms	09-2016	0	0.0%	1	–	1
FNB62606330463		Months	Short terms		0		16	(10)	7
FNB62414349763		Months	Short terms		10	4.7%	1 390	(501)	900
FNB62035920596		Months	Short terms		0	1125.0%	14	0	14
Municipality sub-total					11		7 424	(510)	6 924
TOTAL INVESTMENTS AND INTEREST	2				11		7 424	(510)	6 924

7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	7 053 447.65
Investments	
Call investment deposits	
Investments	6 923 296.83
TOTAL	13 976 744.48

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	4 772 624.70
Unpaid creditors	5 774 219.00
TOTAL	10 546 843.70

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grant receipts

EC126 Ngqushwa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

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											
RECEIPTS:		1,2									
Operating Transfers and Grants											
National Government:			-	87 231	-	404	36 173	29 077	7 850	27.0%	-
Local Government Equitable Share plus MIG Operations				77 921		-	32 011	25 974	6 037	23.2%	
Finance Management				2 010				670			
Municipal Systems Improvement				-				-			
EPWP Incentive				1 000		-	250	333			
								-			
								-			
								-			
								-			
								-			
Project Ceta				6 300		404	3 912	2 100	1 812	86.3%	
Provincial Government:			-	-	-	-	-	-	-		-
				-					-		
									-		
				-					-		
LG Seta				-					-		
District Municipality:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
Other grant providers:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
									-		
Total Operating Transfers and Grants		5	-	87 231	-	404	36 173	29 077	7 850	27.0%	-
Capital Transfers and Grants											
National Government:			-	24 761	-	2 000	7 955	8 254	(299)	-3.6%	-
Municipal Infrastructure Grant (MIG)				20 761		-	4 955	6 920	(1 965)	-28.4%	
								-			
								-			
								-			
								-			
								-			
								-			
Energy				4 000		2 000	3 000	1 333	1 667	125.0%	
Provincial Government:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
District Municipality:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
Other grant providers:			-	-	-	-	-	-	-		-
[insert description]									-		
									-		
Total Capital Transfers and Grants		5	-	24 761	-	2 000	7 955	8 254	(299)	-3.6%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		5	-	111 992	-	2 404	44 128	37 331	7 551	20.2%	

8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

Description		Ref	2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2016/17 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	–	9 068	44 395	29 077	15 318	52.7%	–
Local Government Equitable Share plus MIG Operations				77 921		8 951	41 916	25 974	15 942	61.4%	
Finance Management				2 010		54	177	670	(493)	-73.5%	
Municipal Systems Improvement				–		–		–	–		
EPWP Incentive				1 000		63	145	333	(188)	-56.4%	
								–	–		
								–	–		
Project Ceta				6 300		–	2 156	2 100	56	2.7%	
Provincial Government:			–	–	–	–	–	–	–	–	–
									–		
									–		
									–		
LG Seta									–		
District Municipality:			–	–	–	–	–	–	–	–	–
[insert description]									–		
Other grant providers:			–	–	–	–	–	–	–	–	–
[insert description]									–		
Total operating expenditure of Transfers and Grants:			–	87 231	–	9 068	44 395	29 077	15 318	52.7%	–
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			–	24 761	–	1 318	5 219	8 254	(3 034)	-36.8%	–
Municipal Infrastructure Grant (MIG)				20 761	–	751	4 652	6 920	(2 268)	-32.8%	
								–	–		
								–	–		
								–	–		
Energy				4 000		567	567	1 333	(766)	-57.5%	
Provincial Government:			–	–	–	–	–	–	–	–	–
									–		
District Municipality:			–	–	–	–	–	–	–	–	–
									–		
Other grant providers:			–	–	–	–	–	–	–	–	–
									–		
Total capital expenditure of Transfers and Grants			–	24 761	–	1 318	5 219	8 254	(3 034)	-36.8%	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			–	111 992	–	10 385	49 614	37 331	12 283	32.9%	–

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 31 October 2016 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	402 414.94
Financial Management Grant (FMG)	1 832 629.36
Integrated Electrification Municipal Programme	2 432 790.40
Extended Public Works Programme Grant (EPWP)	104 790.00
Unspent grant balances	4 772 624.70

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

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

9.1 Supporting Table SC8

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

LC120 ngqusiwa - Supporting table 500 Monthly Budget Statement - Councillor and staff benefits - Mo4 October										
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										
	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages			3 843		505	1 783	1 281	502	39%	
Pension and UIF Contributions			868		15	150	289	(139)	-48%	
Medical Aid Contributions			715		3	33	238	(206)	-86%	
Motor Vehicle Allowance			2 211		25	296	737	(441)	-60%	
Cellphone Allowance			646		38	157	215	(58)	-27%	
Housing Allowances					–	–	–	–		
Other benefits and allowances			133		7	27	44	(17)	-39%	
Sub Total - Councillors		–	8 416	–	593	2 445	2 805	(360)	-13%	–
% increase	4		#DIV/0!							
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages			4 963		336	1 383	1 654	(271)	-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								–		
Sub Total - Senior Managers of Municipality	2	–	4 963	–	336	1 383	1 654	(271)	-16%	–
% increase	4		#DIV/0!							
<u>Other Municipal Staff</u>										
Basic Salaries and Wages			36 919		2 894	11 494	12 306	(813)	-7%	
Pension and UIF Contributions			5 999		475	1 849	2 000	(151)	-8%	
Medical Aid Contributions			2 116		184	723	705	18	3%	
Overtime			100		24	99	33	65	196%	
Performance Bonus			–		–	–	–	–		
Motor Vehicle Allowance			1 798		209	755	599	155	26%	
Cellphone Allowance			426		26	106	142	(36)	-26%	
Housing Allowances			296		72	228	99	129	130%	
Other benefits and allowances			3 766		240	860	1 255	(395)	-31%	
Payments in lieu of leave			1 160		5	73	387	(314)	-81%	
Long service awards			324		–	10	108	(98)	-90%	
Post-retirement benefit obligations			–		–	–	–	–		
Sub Total - Other Municipal Staff	2	–	52 905	–	4 128	16 195	17 635	(1 440)	-8%	–
% increase	4		#DIV/0!							
Total Parent Municipality		–	66 284	–	5 058	20 023	22 095	(2 071)	-9%	–
Unpaid salary, allowances & benefits in arrears:										

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 - M04 October

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									
<u>Monthly expenditure performance trend</u>									
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		1 558	5 372	10 506	5 133	48.9%	17%
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	-	5 372					

The Municipality has spent 17 percent of the capital budget as at 31 October 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 OCTOBER 2016

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

13.2.2 Supporting Table SC13c

EC126 Ngqushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M04 October

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	-	293	806	1 900	1 094	57.6%	-
Infrastructure - Road transport		-	4 000	-	293	553	1 333	780	58.5%	-
Roads, Pavements & Bridges			4 000		293	553	1 333	780	58.5%	
Storm water										
Infrastructure - Electricity		-	1 700	-	-	253	567	314	55.4%	-
Generation						-	-	-		
Transmission & Reticulation						-	-	-		
Street Lighting			1 700		-	253	567	314	55.4%	
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	-	331	927	1 537	609	39.7%	-
General vehicles			1 000		153	438	333	(104)	-31.3%	
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			810		1	1	270	269	99.7%	
Computers - hardware/equipment			387		-	41	129	88	67.9%	
Furniture and other office equipment								-		
Abattoirs								-		
Markets								-		
Civic Land and Buildings								-		
Other Buildings			1 700		0	150	567	417	73.6%	
Other Land								-		
Surplus Assets - (Investment or Inventory)								-		
Other			713		177	298	238	(60)	-25.2%	
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class								-		
Biological assets		-	-	-	-	-	-	-		-
List sub-class								-		
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming								-		
Other								-		
Total Repairs and Maintenance Expenditure		-	10 310	-	624	1 733	3 437	1 704	49.6%	-

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.

MONTHLY BUDGET STATEMENT FOR OCTOBER 2016

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

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