



**UBUHLEBEZWE MUNICIPALITY**  
**MID-YEAR BUDGET AND PERFORMANCE**  
**ASSESSMENT REPORT**  
**SECTION 72 OF THE MFMA**

**25 JANUARY 2022**

## **TABLE OF CONTENTS**

### **PART 1 – IN YEAR REPORT**

1. Mayors report
2. Council Resolution
3. Signed Resolution
4. Executive Summary
5. In year budget statement tables (Attached as an annexure)
6. 2021/2022 budget guidelines and assumptions
7. 2021/2022 financial year overview

### **PART 2 – SUPPORTING DOCUMENTATION**

1. Debtors Analysis
2. Creditors Analysis
3. Investment portfolio analysis
4. Allocation and grant receipts and expenditure
5. Councillor allowances and employee benefits
6. Material variances to the SDBIP
7. Capital programme performance
8. Mid-year performance assessment
9. Municipal managers quality certificate

## **REPORT BY THE MAYOR OF UBUHLEBEZWE MUNICIPALITY**

Honourable speaker, Cllr SNM Chiya, Deputy Mayor Cllr ZL Miya, all members of Executive Council, Whip of Council, Cllr MC Nkontwana, Honourable Councillors, Amakhosi Asendlunkulu, The Ubuhlebezwe administration led by the Municipal Manager Mr GM Sineke, I greet you all.

We are gathered here three months after the 2021 LGE. The new council took the baton on the way and ran since they started on an ongoing budget and IDP implementation.

Despite the Festive season, Councillors were on the ground making sure that our sports facilities are in good and ready state for all sports activities that always occurred during the festive. The grass was cut, and roads were bladed. The fulfilling part, honourable members was when some of our wards were brightened by the High-mast lights that were installed in ward 01, 06, 07 & 11. Indeed, the mission was accomplished, there was a significant decrease in crime rate reported during this season. It is with that reason that this council agreed on the continuation implementation of the High mast in all part of our wards. Honourable members, it is that time of the municipal calendar, where we must go back to the drawing board and check if there is a need for Budget adjustment.

There are some projects which are on the pipeline as per budget, such as the construction of Commercial road in ward 02 (Ixopo town), construction of Mariathal community hall in ward 04, Chibini community hall in ward 08, St Nicholas Hall in ward 06, construction of Mleyi Sportsfield in ward 14, and other projects that are still to be advertised like Hlongwa road in ward 03, Mdabu and Pholani access roads in ward 12, Mahlabathini High mast in ward 09, Kwa-Thathani Highmast in ward 10 and Ndwebu Highmast in ward 14. We will have to relook at these projects, assess the progress and see if there is a need for review and adjustments.

We have not forgotten that we are still faced with COID-19 Pandemic as a country, we continue to urge our communities to carry on observing and adhering to all COVID-19 regulations for the safety of everyone.

**Nginyabonga**

## **RESOLUTION**

### **MID TERM BUDGET REVIEW RESOLUTIONS**

Section 72(1) of the Municipal Finance management Act no 56 of 2003 (MFMA) requires that the Accounting Officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year. The Municipal Budget and Reporting Regulations states that a mid – year budget and performance assessment must be in a format specified in Schedule C and include all required schedules.

The following resolutions were tabled by the Accounting Officer before the Mayor and Council for adoption and approval on the 25 January 2022.

a. That:-

The Mid – year budget and performance assessment for the period 01 July 2021 to 31 December 2021 be approved as set out in the tables:

- Table C1 – Monthly Budget Statement Summary
  - Table C2 – Monthly Budget Statement- Financial Performance (Revenue and Expenditure by standard classification)
  - Table C3 – Monthly Budget Statement - Financial Performance (Revenue and Expenditure by municipal vote)
  - Table C4 –Monthly Budget Statement - Financial Performance (Revenue by Source and Expenditure by type)
  - Table C5 – Multi-year and single year capital appropriations (Capital expenditure by vote, standard classification and funding source)
  - Table C6 – Budgeted Financial Position
  - Table C7 – Budgeted Cash flow
  - Supporting Documents
- SC (1-13)**

b. Budget resolution attached

### **EXECUTIVE SUMMARY**

As instructed by the Local Government: Municipal Finance Management Act No.56 of 2003, Chapter 8 on roles of municipal officials, section 72, the Accounting Officer must assess the half yearly performance of the municipality and this is required to be done by 25<sup>th</sup> January every year to be submitted to the Mayor, National and Provincial Treasury.

The following were considered as instruments to define the actual performance of Ubuhlebezwe Municipality for the period of July 2021 to December 2022,

- Approved Budget for 2021/2022,
- Service Delivery Budget and Implementation Plan
- Council approved Procurement Plan
- Budget versus actual on approved 2021/2022 budget
- Investments and Cash and Cash equivalents
- Analysis of billed revenue versus collected revenue
- Analysis of budgeted expenditure versus actual expenditure for six months ending December 2021
- Monthly MFMA Section 71 reports

- Mid – term performance report, considering targets versus actuals for both the first and the second quarter
- Audited Annual Financial Statements for the previous year
- Auditor General’s audit report for the previous year
- Risk Register

During this process it became noticeable that the municipality must adjust its current budget (2021/2022) accordingly. The Accounting Officer will therefore ensure that the adjusted budget document is approved by Council on the 25 February 2022 as prescribed by the MFMA regulations.

**The report below details the final mid-year budget and performance assessment.**

## **2021/2022 BUDGET GUIDELINES AND ASSUMPTIONS**

The 2021/2022 mid-term budget has been prepared in accordance with guidelines and assumptions as outlined in Circular 58, taking into consideration the following aspects:

- National budget assumptions, guidelines and projections.
- Alignment with national and provincial priorities.
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions with regard to grants allocation in terms of DORA.

### **Municipal budget underlying assumptions, guidelines and projections;**

- Anticipated own revenue from rates and services charges, sundry charges and other revenues and affordability of ratepayers and consumers services.
- The ability of municipality to collect revenue (payment level).
- Operating expenditure cost drivers and growth thereof;
- Capital budget funding model;
- Protecting the poor by ensuring access to basic services.

## **2021/2022 FINANCIAL YEAR OVERVIEW**

- 1.1 The 2021/2022 annual budget, Integrated Development Plan and service delivery and budget implementation plan was adopted on the 1<sup>st</sup> of May 2021.
- 1.2 The municipality submitted its annual financial statements for 2020/2021 financial year on the 31 August 2021 to AG.
- 1.3 Ubuhlebezwe municipality received an unqualified with matters of emphasis audit opinion from the AG.
- 1.4 The budget has been monitored through section 71 reports monthly.
- 1.5 Capital expenditure is at 53% against an approved budget which is more than a set target of 50% articulated at the beginning of the financial year, MIG spending is at 56%, and internally funded projects sitting at 49%. The municipality anticipates capital expenditure to be 100% at the end of June 2022. The municipality has a history of spending 100% of capital grant funding; being MIG and Electrification Projects.
- 1.6 Operating expenditure is sitting at 46% as at 31 December 2021.

- 1.7 Cash and Cash equivalents amounted to R198,730,568.45 million as at 31 December 2022. Unspent conditional grants amounted to R 15,811,798.73 million (Difference between grant funding received and actual expenditure on those grants).

## REVENUE FROM RATES

Revenue billed from rates was 56% of the budget as at the end of December 2021, however total received compared to the billed rates was 58.61%. The Collection is less than rates that have been billed for first six months, there will be no adjustments needed on property rate since the municipality is confident that amount forecasted will be achieved by year end.

### 2021-2022 Billed Property Rates

Description	2020/21	Budget Year 2021/22				
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	Billed rates YTD
R thousands						
<u>Financial Performance</u>						
Property rates	21,321	22,999	1,946	12,792	11,499	56%

### 2021-2022 Collection Rate

2021-2022 Collection Rate							
Description	M T D						Y T D
	July	August	September	October	November	December	Total
Receipts	717,370.76	697,551.89	710,838.03	1,636,129.57	866,710.93	2,217,808.61	6,846,409.79
Rates	1,949,331.62	1,947,648.75	1,947,648.75	1,945,137.45	1,945,137.45	1,946,284.20	11,681,188.22
<b>Collection Rate</b>	<b>36.80%</b>	<b>35.82%</b>	<b>36.50%</b>	<b>84.11%</b>	<b>44.56%</b>	<b>113.95%</b>	<b>58.61%</b>

## REVENUE FROM SERVICE CHARGES – REFUSE

The budget for waste management is R3 390 927. However, the total amount billed for the six months ending 31 December 2021 reflected an amount of R1 542 000. Therefore, no adjustments will be done since the municipality is confident that the forecasted amount will be achieved

### 2021-2022 Billed Service Charges

Description	2020/21	Budget Year 2021/22				
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	Billed rates YTD
R thousands						
<u>Financial Performance</u>						
Service Charges	2,955	3,391	252	1,542	1,695	45%

## 2021-2022 Collection Rate

2021-2022 Collection Rate							
Description	M T D						Y T D
	July	August	September	October	November	December	Total
Receipts	101,275.86	98,477.91	100,353.60	230,982.99	122,359.18	313,102.38	966,551.92
Refuse	296,123.71	296,131.55	296,139.39	295,255.39	295,095.94	295,430.52	1,774,176.50
Collection Rate	34.20%	33.25%	33.89%	78.23%	41.46%	105.98%	54.48%

The collection rate based on billing is at 54.48%, there is a huge improvement in comparison with the previous year where we were sitting at 42.24%. This is because of introducing other collections strategies which seemed to be working and expect an upward trend during the other half of the year.

## REVENUE

### Remarks

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) Mid Year Assessment								
Description	Ref	2020/21	Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% of generated Revenue against budget
R thousands								
Revenue By Source								
Property rates		21,321	22,989	-	1,946	12,792	11,499	56%
Service charges - refuse revenue		2,955	3,391	-	252	1,542	1,695	45%
Rental of facilities and equipment		896	856	-	70	521	428	61%
Interest earned - external investments		7,569	9,000	-	424	3,564	4,500	40%
Fines, penalties and forfeits		446	721	-	150	157	360	22%
Licences and permits		4,567	3,964	-	156	1,732	1,982	44%
Agency services		-	30	-	-	-	15	0%
Other revenue		1,880	435	-	15	177	217	41%
Total Revenue (excluding capital transfers and contributions)		39,780	41,395	-	3,013	20,485	20,698	49%



The overall total revenue generated is sitting at 49% of the approved budget. Agency fees expenditure is mapped under licenses and permits sitting at 44% collectively, there is also no need for adjustment as the municipality anticipates more candidates in the second and fourth quarter.

**Property Rates-** Property rates are sitting at 56% against a projected allocation. The variances of 6% relates to adjustments emanating from previous years and corrected in the current year which then directly affected control accounts . As a result, no adjustment will be required, current year billing is indeed correct.

**Interest Earned** – Interest Earned is 40% of the budget this is an improvement from the previous year of 36%. Better interest rates are expected in the second half of the year as the South African Reserve Bank continues to increase repo rate as the country recovers from Covid pandemic. As a result, there is no need to adjust as the target will be achieved by June 2022.

**Rental income** – Rental of municipal facilities and equipment is at 61% of the budget. This as a result of increased usage of facilities in comparison with the previous year, there is a need for an upward adjustment for this revenue item as the variance ranging above 10% of the halfway mark that is 50%

**Law enforcement-** Traffic fines are at 22% of the budget. The municipality will have to adjust downwards as the result of this low collection and an indication that drivers are adhering to the laws and regulations

**Other revenue** –Other revenue is at 41% of the budget. More revenue is anticipated in the up-and-coming quarters as government continue to relax lockdown restrictions and the country recovers from the pandemic, however there will an upward adjustment as the municipality received an additional funding amounting to R1 000 000.00 from EDTEA as a top up to the existing projects, this is as result of a proper planning, able to identify projects that will make a difference in the community and spending of all allocated funds on identified projects within a set timeline that is six months.

## EXPENDITURE

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) Mid Year Assessment								
Description	Ref	2020/21	Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% of Expenditure incurred against budget
Employee related costs		84,094	87,985	-	7,398	43,272	43,992	49%
Remuneration of councillors		10,436	11,097	-	889	5,277	5,549	48%
Debt impairment		11,355	2,172	-	-	23	1,086	1%
Depreciation & asset impairment		35,922	32,000	-	2,955	17,365	16,000	54%
Inventory consumed		814	1,319	-	29	398	659	30%
Contracted services		14,881	20,173	-	1,233	7,761	10,080	38%
Transfers and subsidies		5,179	4,444	-	907	907	2,222	20%
Other expenditure		23,556	27,369	-	2,028	10,523	13,694	38%
<b>Total Expenditure</b>		<b>187,818</b>	<b>186,558</b>	<b>-</b>	<b>15,441</b>	<b>85,525</b>	<b>93,282</b>	<b>46%</b>



The operating annual budget approved by the Council is R186,558 million and the year-to-date actual expenditure for the period ending 31 December 2021 is sitting at R85,579 million demonstrating a 46% expenditure against an approved budget at the reporting date. This is still within the range and the set target will be achieved, other items sitting below 50% relates to the programmes that will be implemented in quarter 3 and 4 as per the Procurement Plan.

### **Remuneration of councillors**

Remuneration of councillors is at 48% of the budget, which is reasonable and within range and there is no need for adjustment.

### **Other materials**

The expenditure of other material is sitting 13% of the allocated budget. Majority of this budget is associated with items needed for programmes that will be implemented in the 3<sup>rd</sup> and 4<sup>th</sup> quarter (programmes under executive and council, community and social)

### **Contracted Services**

In this category of expenditure, the municipality have spent 31%, No adjustment is needed since more expenditure is expected to come in the 3<sup>rd</sup> and 4<sup>th</sup> quarter

### **Other Expenditure**

The spending in these items is reasonable and adjustment is not required. We have spent 38% and this is similar to the contracted services where programmes under this line item predominantly falls within the last two quarters.

## Capital Expenditure

Capital Expenditure by Asset Class/Sub-class	SOURCE OF FUNDING	Final Budget 2021/2022	MTD ACTUAL	RETENTION 2020-21 VAT EXCL	Year To Date 2020-21 VAT EXCL	Year To Date 2020-21 VAT INCL	Percentage Spent VAT EXCL	Percentage Spent VAT INCL
<b>Infrastructure INT</b>		<b>350,000.00</b>	<b>49,277.39</b>	<b>-</b>	<b>72,357.39</b>	<b>83,211.00</b>	<b>21%</b>	<b>24%</b>
<b>Infrastructure MIG</b>		<b>9,451,107.69</b>	<b>1,557,279.08</b>	<b>468,019.61</b>	<b>5,386,554.93</b>	<b>5,656,315.62</b>	<b>57%</b>	<b>60%</b>
Stuarts Drive Phase Two	MIG	2,000,000.00	-	87,261.50	1,002,839.75	1,052,914.99	50%	53%
Commercial Road Phase 1	MIG	4,251,107.69	1,434,379.50	356,193.93	4,107,991.16	4,314,566.81	97%	101%
Moliva Road (ward 1)	Int	50,000.00	23,477.39	-	23,477.39	26,999.00	47%	54%
Madinda road (ward 3)	Int	50,000.00	-	-	-	-	0%	0%
Bhekisisa Road (ward 6)	Int	50,000.00	-	-	-	-	0%	0%
Ntakama Access Road	MIG	-	-	24,564.18	152,824.44	147,499.30	#DIV/0!	#DIV/0!
KwaMiya Road (ward 7)	Int	50,000.00	-	-	23,080.00	26,542.00	46%	53%
KwaDladla to Nkoneni Road (ward 11)	Int	50,000.00	-	-	-	-	0%	0%
Nokwena Road (ward 13)	Int	50,000.00	-	-	-	-	0%	0%
Iholo Road (ward 13)	Int	50,000.00	25,800.00	-	25,800.00	29,670.00	52%	59%
Hlongwa Roads (ward 3)	MIG	1,500,000.00	-	-	-	-	0%	0%
Mdabu access (ward 12)	MIG	1,700,000.00	122,899.58	-	122,899.58	141,334.52	7%	8%
<b>Community Assets INT</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Community Assets MIG</b>		<b>2,326,812.25</b>	<b>-</b>	<b>-</b>	<b>111,254.23</b>	<b>127,942.36</b>	<b>5%</b>	<b>5%</b>
Mleyi	MIG	539,820.94	-	-	111,254.23	127,942.36	21%	24%
Nonkwenkane Sportfield (Ward 3)	MIG	1,786,991.31	-	-	-	-	0%	0%
<b>Community Halls INT</b>		<b>50,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Community Halls MIG</b>		<b>13,421,080.06</b>	<b>2,098,070.91</b>	<b>1,938,609.82</b>	<b>10,568,459.30</b>	<b>9,924,326.90</b>	<b>79%</b>	<b>74%</b>
Mariathal Hall/Mandilini Hall	MIG	4,734,564.99	526,860.00	595,881.00	3,319,595.32	3,132,271.47	70%	66%
St Nicholas Hall	MIG	4,690,724.93	886,431.66	708,340.27	3,803,062.34	3,558,930.38	81%	76%
Chibini Hall	MIG	3,995,790.14	684,779.25	634,388.55	3,445,801.64	3,233,125.05	86%	81%
Public Toilets	Int	50,000.00	-	-	-	-	0%	0%
<b>Buildings</b>		<b>11,500,000.00</b>	<b>-</b>	<b>619,884.45</b>	<b>5,672,670.01</b>	<b>7,236,437.63</b>	<b>49%</b>	<b>63%</b>
Revamping of Municipal Building	Int	10,000,000.00	-	(619,884.45)	4,368,321.93	5,736,437.34	44%	57%
Disaster Management Centre	Int	1,500,000.00	-	-	1,304,348.08	1,500,000.29	87%	100%
<b>Vehicles</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Equipment</b>		<b>880,000.00</b>	<b>49,916.70</b>	<b>-</b>	<b>199,916.70</b>	<b>229,904.21</b>	<b>23%</b>	<b>26%</b>
Fire suppression	Int	5,000.00	-	-	-	-	0%	0%
6X Brush cutters	Int	50,000.00	49,916.70	-	49,916.70	57,404.21	100%	115%
3x Turnstyle Gates	Int	5,000.00	-	-	-	-	0%	0%
Security Gates	Int	5,000.00	-	-	-	-	0%	0%
Fencing, fairview and Old Gym	Int	400,000.00	-	-	-	-	0%	0%
configured /refrigerated 12m traffic corridor	Int	5,000.00	-	-	-	-	0%	0%
Skip bins	Int	210,000.00	-	-	150,000.00	172,500.00	71%	82%
Emergency Items	Int	50,000.00	-	-	-	-	0%	0%
Wheelie bins	Int	150,000.00	-	-	-	-	0%	0%
<b>Computer and IT Equipment INT</b>		<b>220,000.00</b>	<b>-</b>	<b>-</b>	<b>180,690.00</b>	<b>188,535.00</b>	<b>82%</b>	<b>86%</b>
<b>Computer and IT Equipment MIG</b>		<b>3,600,000.00</b>	<b>186,124.11</b>	<b>-</b>	<b>186,124.11</b>	<b>214,042.73</b>	<b>5%</b>	<b>6%</b>
Laptops	Int	120,000.00	-	-	128,390.00	128,390.00	107%	107%
Cameras *3	Int	30,000.00	-	-	-	-	0%	0%
Video Machine With Tripod	Int	50,000.00	-	-	52,300.00	60,145.00	105%	120%
Biometric Scan	Int	20,000.00	-	-	-	-	0%	0%
High Mast Lighting	MIG	3,600,000.00	186,124.11	-	186,124.11	214,042.73	5%	6%
<b>Office Furniture</b>		<b>1,990,000.00</b>	<b>-</b>	<b>-</b>	<b>126,018.26</b>	<b>139,221.00</b>	<b>6%</b>	<b>7%</b>
Plastic Chairs-Halls(Amazabeko)*400	Int	100,000.00	-	-	38,000.00	38,000.00	38%	38%
4x Microwave Ovens	Int	20,000.00	-	-	4,346.09	4,998.00	22%	25%
4x Fridges	Int	60,000.00	-	-	12,172.17	13,998.00	20%	23%
Aircondition unit(X12 Units)	Int	150,000.00	-	-	71,500.00	82,225.00	48%	55%
Municipal Building Furniture	Int	1,550,000.00	-	-	-	-	0%	0%
Machinery and equipment - fire equipment	Int	110,000.00	-	-	-	-	0%	0%
<b>Intangible</b>	<b>Int</b>	<b>711,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
Financial Management System (MSCOA)	Int	100,000.00	-	-	-	-	0%	0%
GIS software	Int	210,000.00	-	-	-	-	0%	0%
eLearning Solution	Int	1,000.00	-	-	-	-	0%	0%
Software licenses	Int	400,000.00	-	-	-	-	0%	0%
<b>Land</b>	<b>Int</b>	<b>492,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
Land Acquisition(Mariathal)	Int	250,000.00	-	-	-	-	0%	0%
Transfer station	Int	242,000.00	-	-	-	-	0%	0%
<b>Total Expenditure</b>		<b>44,992,000.00</b>	<b>3,940,668.19</b>	<b>1,786,744.98</b>	<b>22,504,044.93</b>	<b>23,799,936.44</b>	<b>50%</b>	<b>53%</b>
<b>MIG Expenditure</b>		<b>28,262,000.00</b>	<b>3,841,474.10</b>	<b>2,406,629.43</b>	<b>16,252,392.57</b>	<b>15,922,627.61</b>	<b>58%</b>	<b>55%</b>
<b>Internal Expenditure</b>		<b>16,193,000.00</b>	<b>99,194.09</b>	<b>(619,884.45)</b>	<b>6,251,652.36</b>	<b>7,877,308.83</b>	<b>39%</b>	<b>49%</b>
<b>Total Expenditure</b>		<b>44,992,000.00</b>	<b>3,940,668.19</b>	<b>1,786,744.98</b>	<b>22,504,044.93</b>	<b>23,799,936.44</b>	<b>50%</b>	<b>53%</b>

The expenditure on MIG is sitting at 56% against the budget against allocations received as at 31 December 2021 which is a huge improvement in comparison with the prior year where it was sitting at 41%. All projects are anticipated to be completed by end of June 2022. MIG expenditure is expected to be at 100% at 30 June 2022.

## Capital Expenditure

The overall capital expenditure is 53% against the budget as at 31 December 2021 which is within range and there is no need for adjustment

## PART – 2

### DEBTORS AGE ANALYSIS

#### Indigent Register

The Council approved an indigent register which is currently being implemented. Indigents are paid for by the municipality though equitable share.

#### Outstanding Debtors

KZN434 Ubuhlebezwe - Supporting Table 9C3 Monthly Budget Statement - aged debtors - M06 December													
Description	IT Code	Budget Year 2021/22									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-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	1,449	1,382	1,476	2,068	1,899	1,328	6,048	25,538	41,187	36,881	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	262	205	189	231	187	178	992	3,504	5,752	5,083	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	19	19	145	3	10	9	61	602	868	685	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	6	4	4	9	4	4	21	20,177	20,228	20,214	-	
Total By Income Source	2000	1,736	1,614	1,613	2,311	2,100	1,518	7,122	48,821	68,036	62,872	-	
2020/21 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	211	495	482	509	477	465	1,852	12,549	17,082	15,853	-	
Commercial	2300	329	232	215	216	208	185	1,011	10,279	12,674	11,898	-	
Households	2400	751	657	661	643	633	627	3,431	18,882	26,286	24,217	-	
Other	2500	395	230	455	943	782	241	828	8,110	11,984	10,904	-	
Total By Customer Group	2600	1,736	1,614	1,613	2,311	2,100	1,518	7,122	48,821	68,036	62,872	-	

The total debtor's amount as at 31 December 2021 equalled to R68 036 000 categorised as follows:

Government	R 17 092 000
Business	R 12 674 000
Households	R 26 286 000
Other	R 11 984 000
<b>Total</b>	<b><u>R 68 036 000</u></b>

## Debt Collection Strategy

Revenue enhancement strategy has been implemented, and a new debt collector has been appointed there will be increase in revenue collection. We will also do door-to-door strategy to boost our revenue collected

## CREDITORS AGE ANALYSIS

KZN434 Ubuhlebezwe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description R thousands	NT Code	Budget Year 2021/22									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	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	(155)	55	0	88	93	(1)	893	1,431	2,405	2,405
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	690	579	795	544	127	(298)	1,733	1,048	5,218	5,218
<b>Total By Customer Type</b>	<b>1000</b>	<b>535</b>	<b>634</b>	<b>795</b>	<b>632</b>	<b>220</b>	<b>(298)</b>	<b>2,626</b>	<b>2,479</b>	<b>7,623</b>	<b>7,623</b>

The creditor's age analysis reflected an amount of R 7 623 000 as outstanding, please note this amount only reflects retention raised against capital and electrification projects.

The municipality pays its creditors twice in a month (Within 30 days) in order to comply with the MFMA, and to ensure that SMME's are catered for.

1



The municipality does not have long term investments. The municipality invests available funds not needed in short term investments. Funds are invested using the municipality's investment policy.

## ALLOCATIONS AND GRANT RECEIPTS AND EXPENDITURE

All grant liabilities are cash backed. All grant funds are spent in accordance with the stipulated conditions as articulated in the Division of Revenue Act and their respective business plans in conjunctions with Memorandum of Agreements. The following table reflects the allocations received as well as expenditure on such allocations.

S 71(1) (f) ALLOCATION RECEIVED AND ACTUAL EXPENDITURE ON THOSE ALLOCATIONS						
Allocations	Original Budget 2021/2022	Actual Received YTD	Actual Expenditure - December 2021	Expenditure YTD- 2022	Unspent Y T D	% Expenditure Against allocation
Financial Management Grant	1,920,000.00	1,920,000.00	316,278.84	1,185,609.36	734,390.64	62%
Electrification - DOE	10,000,000.00	4,500,000.00	2,067,835.96	2,865,525.08	1,634,474.92	29%
Library Grant and Library Grant - Cyber	242,000.00	242,000.00	36,438.11	196,872.29	45,127.71	81%
Community Library Services Grant	935,000.00	935,000.00	91,547.31	621,655.38	313,344.62	66%
MIG	28,262,000.00	28,262,000.00	4,417,695.22	15,922,627.64	12,339,372.36	56%
EPWP	2,131,000.00	1,491,000.00	191,415.76	845,911.52	645,088.48	40%
Title Deeds Restoration Programme		100,000.00	-	-	100,000.00	0%
				-		
<b>TOTAL</b>	<b>43,490,000.00</b>	<b>37,450,000.00</b>	<b>7,121,211.20</b>	<b>21,638,201.27</b>	<b>15,811,798.73</b>	<b>50%</b>

The above spread sheet shows actual grants received as at end of 31 December 2021 as per DORA allocation.

The municipality have a record of spending 100% of it grants received from various spheres of government.

#### **MATERIAL VARIANCES ON THE SDBIP**

Ubuhlebezwe Municipality's Service Delivery & Budget Implementation Plan (SDBIP), as legislated, is aligned to the municipality's Integrated Development Plan (IDP) as well as the Annual Budget. All adjustments made to the budget during the Mid-Year assessments, are effected to the IDP & SDBIP.



## **MID YEAR PERFORMANCE REVIEW**

In terms of Section 72(1) (a) of the Municipal Finance Management Act, 2003 (No. 56 of 2003), that the accounting officer of a municipality must by the 25th of January each year, assess the performance of the municipality during the first half of the financial year.

Based on explanations mentioned above, in terms of Municipal Finance Management Act section 72(3) a, it is recommended that the municipality undertake Adjustment Budget for 2021/2022 Approved Budget.

The 2021/2022 Mid-Year budget and Performance Assessment report has been finalised and will therefore be tabled at a council meeting of the 25 January 2022.

**ATTACHED IS THE ANNEXURE DEPICTING THE FIRST QUARTER AND SECOND QUARTER PERFORMANCE**

**29 Margaret Street**

**Ixopo**

**3276**

**Tel: 039 8347 7700**



**P.O. Box 132**

**Ixopo**

**3276**

**UBUHLEBEZWE MUNICIPALITY**

**From the Office of the Municipal Manager**

**MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I, G.M. Sineke, Municipal Manager of Ubuhlebezwe Municipality, hereby certify that 2021/22 Mid-Year Budget and Performance Assessment and supporting documents has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Performance Assessment has been done properly to ensure a true reflection of what has taken place with effect from 01 July 2021 to 31 December 2021 and is consistent with Integrated Development Plan of the Municipality.

This report has been submitted to the Mayor on the 25/01/2022 as required by the Municipal Finance Management Act, and acknowledges receipt as signed below.

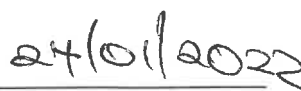
Print Name: G.M. Sineke

  
\_\_\_\_\_  
**Municipal manager**  
**Ubuhlebezwe Municipality (KZN 434)**

  
\_\_\_\_\_  
**Date**

**Mayor's Acknowledgement of Submission**

  
\_\_\_\_\_  
**E.B. Ngubo**  
**Mayor of Ubuhlebezwe Municipality (KZN434)**

  
\_\_\_\_\_  
**Date**

