

UMSOBOMVU MUNICIPALITY



Quarterly Budget Statement

June 2015

In-Year Report of the Municipality

Prepared in terms of Section 71 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 28 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 June 2009.

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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.

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

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

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

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

GRAP – Generally Recognised Accounting Practice. The 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 legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

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

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

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 (SDBIP). A detailed plan comprising annual and quarterly performance information.

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.

Vote – A main appropriation segment of the budget. In Umsobomvu Municipality this relates to the directorate level for operating expenditure and the GFS classification for capital expenditure.

YTD – Year to date

PART 1 – IN-YEAR REPORT

Mayor's Report

1.1 In-Year Report – Monthly Budget Report

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the fourth quarter ended 30 June 2015 will be tabled in a separate comprehensive report to council.

1.1.2 Financial problems or risks facing the municipality

None. All the major sources of revenue are currently within acceptable norms.

1.1.3 Other relevant information

Actual operating revenue at the end of June 2015 is at 98.5% of the budgeted revenue. The expenditure reflects spending of 90.55% against the budgeted expenditure. Capital expenditure amounts to R28.502m, or 60.8%, at the end of June 2015.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2014.

The positive cash flow remains stable.

Resolutions

IN-YEAR REPORTS 2014/2015

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

1. That the report for the quarter ended June 2015, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.
2. The minutes of the Audit Committee Meetings held on 21 April 2015 and 29 June 2015 **be approved**.
3. The Municipal Finance Improvement Programme Phase II Support Plan **be adopted** by Council.

Executive Summary

Revenue by Source

The Year-to-Date actual revenue is 1% below the YTD budget projections at the end of June 2015.

Borrowings

The balance of borrowings amounts to R3.2m at the end of June 2015.

Operating expenditure by vote & type

Current expenditure is 9% below YTD budget projections as at June 2015.

Capital expenditure

YTD Capital Expenditure amounts to R28.5m, or 60.8% of a total budget of R46.841m.

Cash flows

The municipality started the year with a positive cashbook balance of R19.95 million. The June 2015 closing balance is R18.448 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Municipal Infrastructure Grant funding of R4.451m was received during the first quarter ended September 2014 and R4.007m in March 2015. The municipality received the allocated R1m Expanded Public Works Programme Integrated Grant for the year.

Spending on Grants

Spending on grants amounts to R23.064m for the year to date ended June 2015 which includes FMG, MSIG, INEP, EPWP and MIG.

Implementation of Supply Chain Management Policy:

Monthly report for the month of June 2015 on deviations within 10 working days in terms of SCM Regulation 36(2):

UMSOBOMVU MUNICIPALITY: COLESBERG: NCP 072					
MONTHLY REPORT: APRIL 2015 DEVIATION CERTIFICATE					
DATE	SUPPLIERS NAME	DESCRIPTION	ORDER	AMOUNT	DEV NO
2015/10/04	Komatsu SA	Repairs BXK149NC (Sole Provider)	14328	30 302.83	1031
2015/10/04	Komatsu SA	Repairs BSF214NC (Sole Provider)	14327	25 749.32	1032
23/4/2015	Non-Stop Tyre Solution	BSF216NC Tyre 2 quotes (Except cases)	16139	12 500.00	1033
22/4/2015	Reflecto Signs BK	Traff Dept:Calibrations & services (Except cases)	14322	12 973.20	1034
21/4/2015	Incleodon A Div DPI Plastics	Tech Services:Material (Except Case)	16172	34 814.46	1035
24/4/2015	CTE Water Tech cc	Water dept:Lab instruments (Except cases)	16174	16 900.00	1036
14/4/2015	Fulcrum Technologies	Traff Dept: Road signs	16029	15 276.00	1038
				148 515.81	

UMSOBOMVU MUNICIPALITY: COLESBERG: NCP 072					
MONTHLY REPORT: MAY 2015 DEVIATION CERTIFICATE					
DATE	SUPPLIERS NAME	DESCRIPTION	ORDER	AMOUNT	DEV NO
04/05/2015	SA Post Office	Stamps with envelopes (Sole)	16040	17 242.50	1037
15/5/2015	Loch Logan	Repair :Fence Hollervier&commonage(Exceptional cases)	16048	11 940.65	1048
15/5/2015	Ubertech	Repairs:Server antivirus(Sole)16049		11 970.00	1040
15/5/2015	Colesberg Apteek	Sanitation dept:Injection for employees(Sole)	16272	21 645.00	1041
15/5/2015	Colesberg Electric	Tech Dept:Material& Installation	16277	176 996.40	1042
2015/01/05	Tracetec	Tech Dept:installation tracker(3quotes pay over 3yrs)1144	6342	114 480.00	1043
26/5/2015	SA Post Office	Pre-paid Envelopes(sole provider)	16460	50 925.00	1044
27/5/2015	Conlog	Pre-paid cards (sole provider)	16461	14 946.31	1045
22/5/2015	TSS Transformers cc	Tech dept:Hire transport fortransporting transformer(Except)	16456	16 473.00	1046
21/5/2015	Ian Dickie	Tech dept: Pipe for saction truck(Exceptional cases)	11266	11 224.44	1047
2015/05/06	Seartec Trading	Noupoort library:Machine(Exceptional cases)	13700	19 038.00	1048
25/5/2015	Universal knowledge Software	Course Librarian	16459	19 899.84	1050
				486 781.14	

UMSOBOMVU MUNICIPALITY: COLESBERG: NCP 072					
MONTHLY REPORT: JUNE 2015 DEVIATION CERTIFICATE					
DATE	SUPPLIERS NAME	DESCRIPTION	ORDER	AMOUNT	DEV NO
01/06/2015	FG Uniforms	Traffic dept:uniform (Sole provider)	14334	14 998.86	1051
04/06/2015	John Williams Motors	Service:Mayor car (Sole Provider)	15505	23 419.75	1052
11/06/2015	The Conference Zone	Training: Tech Services	16291	15 957.70	1053
19/06/2015	CEATUP	Training: Tech Services	16295	13 170.00	1054
17/06/2015	Summit Training institute	MFMP training: new interns (sole provider)		83 790.00	1055
				151 336.31	

Monthly reports on contracts awarded above R100 000 within 15 calendar days of the new month:

UMSOBOMVU MUNICIPALITY: COLESBERG: NCP 072			
MONTHLY REPORT: APRIL 2014 PAYMENTS exceeding R100 000.00.			
DATE	SUPPLIERS NAME	DESCRIPTION	AMOUNT
29/4/2015	Tracetec Pty Ltd	Tracking Device for 12 Vehicle 3yrs	114 480.00

UMSOBOMVU MUNICIPALITY: COLESBERG: NCP 072			
MONTHLY REPORT: MAY 2015 PAYMENTS exceeding R100 000.00.			
DATE	SUPPLIERS NAME	DESCRIPTION	AMOUNT
2015/05/05	Tracetec	Municipality Vehicles Tracker installation	114 480.00
15/5/2015	Colesberg Electric	New Installation&material(Kentucky)	176 996.40
			291 476.40

UMSOBOMVU MUNICIPALITY: COLESBERG: NCP 072			
MONTHLY REPORT: JUNE 2015 PAYMENTS exceeding R100 000.00.			
DATE	SUPPLIERS NAME	DESCRIPTION	AMOUNT
NONE			
			-

Material variances

The table below summarises variances for projected revenue and expenditure.

NC072 Umsobomvu - Supporting Table SC1 Material variance explanations - M12 June

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
Revenue By Source			
Property rates	197		
Property rates - penalties & collection charges	29	More people are paying their account late.	
Service charges - electricity revenue	(4 441)		
Service charges - water revenue	(240)		
Service charges - sanitation revenue	24		
Service charges - refuse revenue	(1)		
Service charges - other	-		
Rental of facilities and equipment	(14)		
Interest earned - external investments	110	We've received more interest than budgeted for.	
Interest earned - outstanding debtors	308	More people are paying their account late.	
Dividends received	-		
Fines	2 675	Our speed traps are working again.	
Licences and permits	(131)		
Agency services	-		
Transfers recognised - operational	3 003		
Transfers recognised - capital	(18 509)		
Other revenue	(112)		
Gains on disposal of PPE	-		
Expenditure By Type			
Employee related costs	(5 644)	There are still funded vacancies.	
Remuneration of councillors	51		
Debt impairment	0		
Depreciation & asset impairment	(0)		
Finance charges	23		
Bulk purchases	(2 400)		
Other materials	-		
Contracted services	-		
Transfers and grants	-		
Other expenditure	(4 369)	We are trying by all means to spend on essential items.	
Loss on disposal of PPE	(1)		
Capital Expenditure			
Vote 1 - Executive & Council	-		
Vote 2 - Budget & Finance	(4 829)		
Vote 3 - Corporate	-		
Vote 4 - Development & Planning	(13 509)		
Vote 5 - Community	-		
Vote 6 - Infrastructure	-		

Performance in relation to SDBIP targets

See the comprehensive report tabled in Council.

Remedial or corrective steps

No remedial or corrective steps are required at this time.

In-year budget statement tables

Table C1: s71 Monthly Budget Statement Summary

Choose name from list - Table C1 Monthly Budget Statement Summary - M12 June

Description	2013/14	Budget Year 2014/15							
	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	4 802	5 199	8 295	595	8 521	5 199	3 322	64%	8 295
Service charges	45 734	50 828	54 011	7 069	49 213	50 828	(1 614)	-3%	54 011
Investment revenue	693	312	422	67	532	312	220	70%	422
Transfers recognised - operational	33 932	36 107	36 107	282	35 708	36 107	(399)	-1%	36 107
Other own revenue	9 932	8 297	9 732	8 506	16 573	8 297	8 276	100%	9 732
Total Revenue (excluding capital transfers and contributions)	95 093	100 743	108 568	16 520	110 547	100 743	9 804	10%	108 568
Employee costs	33 695	39 057	39 084	3 846	34 412	39 057	(4 644)	-12%	39 084
Remuneration of Councillors	2 992	2 945	2 945	83	2 996	2 945	51	2%	2 945
Depreciation & asset impairment	27 923	23 834	23 834	6 774	28 622	23 834	4 788	20%	23 834
Finance charges	466	296	360	38	384	296	88	30%	360
Materials and bulk purchases	18 410	18 670	18 670	3 672	18 731	18 670	61	0%	18 670
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	41 323	41 228	45 660	9 324	44 165	41 228	2 937	7%	45 660
Total Expenditure	124 810	126 029	130 553	23 736	129 310	126 029	3 281	3%	130 553
Surplus/(Deficit)	(29 717)	(25 285)	(21 985)	(7 216)	(18 763)	(25 285)	6 523	-26%	(21 985)
Transfers recognised - capital	52 349	43 648	51 389	38 236	38 236	43 648	(5 412)	-12%	51 389
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	22 632	18 363	29 404	31 020	19 473	18 363	1 111	6%	29 404
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	22 632	18 363	29 404	31 020	19 473	18 363	1 111	6%	29 404
Capital expenditure & funds sources									
Capital expenditure	56 792	40 550	40 550	-	-	40 550	(40 550)	-100%	-
Capital transfers recognised	47 725	39 000	46 741	-	38 938	46 741	(7 803)	-17%	38 938
Public contributions & donations	5 100	-	-	-	50	-	50	#DIV/0!	50
Borrowing	629	-	-	-	-	-	-	-	-
Internally generated funds	3 339	1 550	100	-	707	100	607	607%	707
Total sources of capital funds	56 792	40 550	46 841	-	39 695	46 841	(7 146)	-15%	39 695
Financial position									
Total current assets	57 409	36 291	68 499	-	69 265	-	-	-	69 265
Total non current assets	504 334	549 826	602 823	-	515 047	-	-	-	515 047
Total current liabilities	33 212	-	800	-	36 329	-	-	-	36 329
Total non current liabilities	26 209	4 374	36 893	-	26 188	-	-	-	26 188
Community wealth/Equity	502 322	581 743	633 628	-	521 795	-	-	-	521 795
Cash flows									
Net cash from (used) operating	36 296	52 182	42 204	-	38 833	42 204	3 371	8%	38 833
Net cash from (used) investing	(50 429)	(47 898)	(47 898)	-	(39 289)	(47 898)	(8 609)	18%	(39 289)
Net cash from (used) financing	(330)	(728)	(608)	-	(1 043)	(608)	435	-72%	(286)
Cash/cash equivalents at the month/year end	19 947	19 168	9 310	-	18 448	9 310	(9 137)	-98%	2 144 376
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	2 055	2 192	2 031	1 737	75 249	-	-	-	83 265
Creditors Age Analysis									
Total Creditors	3 891	-	-	-	-	-	-	-	3 891

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

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M12 June

Description	Ref	2013/14	Budget Year 2014/15							
		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>		39 430	44 747	48 044	4 230	47 517	44 747	2 771	6%	48 044
Executive and council		30 684	32 382	32 382	727	32 382	32 382	-		32 382
Budget and treasury office		8 726	12 345	15 643	3 503	15 124	12 345	2 778	23%	15 643
Corporate services		20	19	19	0	12	19	(8)	-40%	19
<i>Community and public safety</i>		2 363	3 697	9 784	6 916	13 637	3 697	9 940	269%	9 784
Community and social services		1 164	1 414	7 073	3 819	5 802	1 414	4 388	310%	7 073
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		1 198	2 283	2 710	2 691	7 429	2 283	5 146	225%	2 710
Housing		-	-	-	406	406	-	406	#DIV/0!	-
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		5 222	1 060	1 701	7 671	7 719	1 060	6 659	628%	1 701
Planning and development		-	-	-	-	-	-	-		-
Road transport		5 222	1 060	1 701	7 671	7 719	1 060	6 659	628%	1 701
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		100 427	94 888	100 428	35 938	79 910	94 888	(14 978)	-16%	100 428
Electricity		29 471	29 831	29 957	6 306	25 025	29 831	(4 806)	-16%	29 957
Water		57 738	51 499	56 283	28 029	39 977	51 499	(11 522)	-22%	56 283
Waste water management		7 472	7 662	8 036	1 079	8 599	7 662	937	12%	8 036
Waste management		5 747	5 896	6 152	524	6 309	5 896	413	7%	6 152
<i>Other</i>	4	-	-	-	-	-	-	-		-
Total Revenue - Standard	2	147 442	144 391	159 957	54 756	148 783	144 391	4 392	3%	159 957
Expenditure - Standard										
<i>Governance and administration</i>		37 979	44 488	45 086	3 831	36 815	44 488	(7 673)	-17%	45 086
Executive and council		19 423	19 628	20 025	1 661	17 470	19 628	(2 158)	-11%	20 025
Budget and treasury office		13 878	19 315	19 336	1 578	13 658	19 315	(5 657)	-29%	19 336
Corporate services		4 679	5 544	5 725	592	5 687	5 544	143	3%	5 725
<i>Community and public safety</i>		10 034	8 864	10 794	4 686	13 963	8 864	5 100	58%	10 794
Community and social services		5 928	4 543	5 168	1 591	5 486	4 543	943	21%	5 168
Sport and recreation		1 130	1 338	1 299	81	925	1 338	(412)	-31%	1 299
Public safety		2 442	2 511	3 844	2 959	7 034	2 511	4 523	180%	3 844
Housing		533	473	482	55	518	473	46	10%	482
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		15 015	11 111	11 452	5 808	16 286	11 111	5 175	47%	11 452
Planning and development		-	-	-	-	-	-	-		-
Road transport		15 015	11 111	11 452	5 808	16 286	11 111	5 175	47%	11 452
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		61 782	61 566	63 221	9 410	62 245	61 566	679	1%	63 221
Electricity		26 589	24 705	25 619	2 466	23 576	24 705	(1 129)	-5%	25 619
Water		26 800	21 289	21 830	4 044	23 604	21 289	2 315	11%	21 830
Waste water management		8 809	9 236	9 460	1 437	8 935	9 236	(301)	-3%	9 460
Waste management		(417)	6 336	6 312	1 463	6 130	6 336	(206)	-3%	6 312
<i>Other</i>		-	-	-	-	-	-	-		-
Total Expenditure - Standard	3	124 810	126 029	130 553	23 736	129 310	126 029	3 281	3%	130 553
Surplus/ (Deficit) for the year		22 632	18 363	29 404	31 020	19 473	18 363	1 111	6%	29 404

This table reflects the operating budget (Financial Performance) in the standard classifications which are the GFS 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.

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

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - EXECUTIVE & COUNCIL	1	30 684	32 382	32 382	727	32 382	32 382	-		32 382
Vote 2 - FINANCE & ADMIN		9 175	12 763	21 719	7 320	19 923	12 763	7 160	56.1%	21 719
Vote 3 - COMMUNITY SERVICES		1 934	3 298	3 726	3 099	8 849	3 298	5 550	168.3%	3 726
Vote 4 - TECHNICAL SERVICES		105 650	95 948	102 129	43 609	87 629	95 948	(8 319)	-8.7%	102 129
Vote 5 - Community		-	-	-	-	-	-	-		-
Vote 6 - Infrastructure		-	-	-	-	-	-	-		-
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	147 442	144 391	159 957	54 756	148 783	144 391	4 392	3.0%	159 957
Expenditure by Vote										
Vote 1 - EXECUTIVE & COUNCIL	1	19 423	19 628	20 025	1 661	17 470	19 628	(2 158)	-11.0%	20 025
Vote 2 - FINANCE & ADMIN		20 672	26 487	27 361	2 859	22 062	26 487	(4 424)	-16.7%	27 361
Vote 3 - COMMUNITY SERVICES		7 918	7 237	8 495	3 997	11 246	7 237	4 009	55.4%	8 495
Vote 4 - TECHNICAL SERVICES		76 797	72 677	74 673	15 218	78 531	72 677	5 854	8.1%	74 673
Vote 5 - Community		-	-	-	-	-	-	-		-
Vote 6 - Infrastructure		-	-	-	-	-	-	-		-
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	124 810	126 029	130 553	23 736	129 310	126 029	3 281	2.6%	130 553
Surplus/ (Deficit) for the year	2	22 632	18 363	29 404	31 020	19 473	18 363	1 111	6.0%	29 404

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: Council; Municipal Manager; Finance & Admin; Community Services; Technical Services.

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote/s were overspent. During the financial year some of the figures are influenced by transactions that occur annually only.

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

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	2013/14	Budget Year 2014/15							
	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	4 632	5 031	8 117	578	8 313	5 031	3 282	65%	8 117
Property rates - penalties & collection charges	170	169	179	17	208	169	39	23%	179
Service charges - electricity revenue	22 240	27 770	27 876	4 866	23 163	27 770	(4 607)	-17%	27 876
Service charges - water revenue	11 030	9 914	12 368	1 036	12 260	9 914	2 346	24%	12 368
Service charges - sanitation revenue	7 017	7 418	7 792	669	7 816	7 418	398	5%	7 792
Service charges - refuse revenue	5 447	5 726	5 975	498	5 974	5 726	248	4%	5 975
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	407	396	1 042	103	1 046	396	650	164%	1 042
Interest earned - external investments	693	312	422	67	532	312	220	70%	422
Interest earned - outstanding debtors	1 634	1 427	1 672	145	1 980	1 427	553	39%	1 672
Dividends received	-	-	-	-	-	-	-	-	-
Fines	684	1 575	2 019	575	4 685	1 575	3 110	197%	2 019
Licences and permits	531	710	714	2 116	2 774	710	2 063	291%	714
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	33 932	36 107	36 107	282	35 708	36 107	(399)	-1%	36 107
Other revenue	6 675	4 190	4 285	5 567	6 089	4 190	1 899	45%	4 285
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	95 093	100 743	108 568	16 520	110 547	100 743	9 804	10%	108 568
Expenditure By Type									
Employee related costs	33 695	39 057	39 084	3 846	34 412	39 057	(4 644)	-12%	39 084
Remuneration of councillors	2 992	2 945	2 945	83	2 996	2 945	51	2%	2 945
Debt impairment	8 606	5 238	5 238	(1 016)	3 786	5 238	(1 452)	-28%	5 238
Depreciation & asset impairment	27 923	23 834	23 834	6 774	28 622	23 834	4 788	20%	23 834
Finance charges	466	296	360	38	384	296	88	30%	360
Bulk purchases	18 410	18 670	18 670	3 672	18 731	18 670	61	0%	18 670
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	32 688	35 988	40 421	10 224	40 263	35 988	4 275	12%	40 421
Loss on disposal of PPE	28	1	1	115	115	1	114	9302%	1
Total Expenditure	124 810	126 029	130 553	23 736	129 310	126 029	3 281	3%	130 553
Surplus/(Deficit)									
Transfers recognised - capital	52 349	43 648	51 389	38 236	38 236	43 648	(5 412)	(0)	51 389
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	22 632	18 363	29 404	31 020	19 473	18 363			29 404
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	22 632	18 363	29 404	31 020	19 473	18 363			29 404
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	22 632	18 363	29 404	31 020	19 473	18 363			29 404
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	22 632	18 363	29 404	31 020	19 473	18 363			29 404

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 1% above the YTD budget and current expenditure is 9% below the YTD budget for 2014/2015.

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

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M12
June

Vote Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES	28 750	31 500	31 500	-	-	31 500	(31 500)	-100%	-
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
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 Capital Multi-year expenditure	28 750	31 500	31 500	-	-	31 500	(31 500)	-100%	-
Single Year expenditure appropriation									
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN	-	1 550	1 550	-	-	1 550	(1 550)	-100%	-
Vote 3 - COMMUNITY SERVICES	153	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES	27 889	7 500	7 500	-	-	7 500	(7 500)	-100%	-
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
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 Capital single-year expenditure	28 042	9 050	9 050	-	-	9 050	(9 050)	-100%	-
Total Capital Expenditure	56 792	40 550	40 550	-	-	40 550	(40 550)	-100%	-
Capital Expenditure - Standard Classification									
Governance and administration	-	1 550	100	-	4 725	100	4 625	4625%	4 725
Executive and council					34		34	#DIV/0!	34
Budget and treasury office		1 550	100		4 691	100	4 591	4591%	4 691
Corporate services									
Community and public safety	153	-	5 000	-	52	5 000	(4 948)	-99%	52
Community and social services	153		5 000		52	5 000	(4 948)	-99%	52
Sport and recreation									
Public safety									
Housing									
Health									
Economic and environmental services	8 729	6 000	6 641	-	4 829	6 641	(1 812)	-27%	4 829
Planning and development									
Road transport	8 729	6 000	6 641		4 829	6 641	(1 812)	-27%	4 829
Environmental protection									
Trading services	47 911	33 000	35 100	-	30 089	35 100	(5 011)	-14%	30 089
Electricity	3 353	1 500	1 500		1 298	1 500	(202)	-13%	1 298
Water	43 058	31 500	33 600		28 791	33 600	(4 809)	-14%	28 791
Waste water management	1 500								
Waste management									
Other									
Total Capital Expenditure - Standard Classification	56 792	40 550	46 841	-	39 695	46 841	(7 146)	-15%	39 695
Funded by:									
National Government	47 725	39 000	46 741		38 938	46 741	(7 803)	-17%	38 938
Provincial Government									
District Municipality									
Other transfers and grants									
Transfers recognised - capital	47 725	39 000	46 741	-	38 938	46 741	(7 803)	-17%	38 938
Public contributions & donations	5 100	-	-		50	-	50	#DIV/0!	50
Borrowing	629	-	-		-	-	-	-	-
Internally generated funds	3 339	1 550	100		707	100	607	607%	707
Total Capital Funding	56 792	40 550	46 841	-	39 695	46 841	(7 146)	-15%	39 695

Capital expenditure is 39% below the YTD budget at June 2015.

Table C6: Monthly Budget Statement - Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	10 440	12 000	39 524	12 505	12 505
Call investment deposits	9 507			5 943	5 943
Consumer debtors	30 201	24 291	28 975	43 345	43 345
Other debtors	6 856			7 075	7 075
Current portion of long-term receivables	7			3	3
Inventory	398	-	-	394	394
Total current assets	57 409	36 291	68 499	69 265	69 265
Non current assets					
Long-term receivables	-			-	-
Investments	-			-	-
Investment property	1 655	1 655	1 655	2 061	2 061
Investments in Associate	-			-	-
Property, plant and equipment	502 606	546 621	599 618	512 927	512 927
Agricultural	-			-	-
Biological assets	-			-	-
Intangible assets	73	1 550	1 550	59	59
Other non-current assets	-	-	-	-	-
Total non current assets	504 334	549 826	602 823	515 047	515 047
TOTAL ASSETS	561 743	586 117	671 322	584 312	584 312
LIABILITIES					
Current liabilities					
Bank overdraft	-			-	-
Borrowing	933		800	911	911
Consumer deposits	697			742	742
Trade and other payables	30 657			33 735	33 735
Provisions	925			941	941
Total current liabilities	33 212	-	800	36 329	36 329
Non current liabilities					
Borrowing	3 300	4 374	3 585	2 279	2 279
Provisions	22 909		33 308	23 909	23 909
Total non current liabilities	26 209	4 374	36 893	26 188	26 188
TOTAL LIABILITIES	59 421	4 374	37 693	62 517	62 517
NET ASSETS	502 322	581 743	633 628	521 795	521 795
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	502 322	581 743	633 628	521 795	521 795
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	502 322	581 743	633 628	521 795	521 795

The statement of financial position is in line with expectations for the financial year.

Table C7: Monthly Budget Statement - Cash Flow

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	4 102	59 480	54 258		6 358	54 258	(47 900)	-88%	6 358
Service charges	35 682	-	-		33 237	-	33 237	#DIV/0!	33 237
Other revenue	15 474	-	-		16 151	-	16 151	#DIV/0!	16 151
Government - operating	34 502	36 664	36 664		34 314	36 664	(2 351)	-6%	34 314
Government - capital	38 942	43 091	46 841		38 942	46 841	(7 899)	-17%	38 942
Interest	693	1 739	5 289		2 512	5 289	(2 777)	-53%	2 512
Dividends	-	-	-	-	-	-	-		-
Payments									
Suppliers and employees	(92 633)	(88 438)	(100 488)		(91 962)	(100 488)	(8 527)	8%	(91 962)
Finance charges	(466)	(354)	(360)		(384)	(360)	24	-7%	(384)
Transfers and Grants	-	-	-		(336)	-	336	#DIV/0!	(336)
NET CASH FROM/(USED) OPERATING ACTIVITIES	36 296	52 182	42 204	-	38 833	42 204	3 371	8%	38 833
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-		-
Payments									
Capital assets	(50 429)	(47 898)	(47 898)		(39 289)	(47 898)	(8 609)	18%	(39 289)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(50 429)	(47 898)	(47 898)	-	(39 289)	(47 898)	(8 609)	18%	(39 289)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	(330)	(728)	(608)		(1 043)	(608)	(435)	72%	(1 043)
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-		-
Payments									
	-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(330)	(728)	(608)	-	(1 043)	(608)	435	-72%	(286)
NET INCREASE/ (DECREASE) IN CASH HELD	(14 463)	3 556	(6 302)	-	(1 499)	(6 302)			2 124 429
Cash/cash equivalents at beginning:	34 410	15 612	15 612	-	19 947	15 612			19 947
Cash/cash equivalents at month/year end:	19 947	19 168	9 310	-	18 448	9 310			2 144 376

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R18.448 million.

The municipality started the year with a positive cashbook balance of R19.9 million. The December closing balance is R18.448 million. Refer to Supporting Table SC9 for more details on the cash position.

Supporting Table SC9: Monthly Budget Statement – Actual & revised targets for cash receipts & cash flows

Choose name from list - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M12 June

Description	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework			
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousands																
Cash Receipts By Source																
Property rates	1 154	1 699	556	561	319	570	568	556	594	(6 576)	7 735	381	8 117	8 880	9 412	
Property rates - penalties & collection charges	14	14	14	18	26	23	23	23	1	(155)	191	(12)	179	195	207	
Service charges - electricity revenue	3 203	626	1 742	1 592	1 529	1 698	1 520	3 084	276	(15 269)	18 297	9 580	27 876	30 478	32 771	
Service charges - water revenue	883	928	1 002	1 064	965	1 127	1 245	953	1 046	(9 214)	11 225	1 144	12 368	13 549	14 362	
Service charges - sanitation revenue	648	650	648	651	650	655	645	638	650	(5 836)	7 147	644	7 792	8 524	9 035	
Service charges - refuse	490	492	521	494	494	496	500	495	497	(4 479)	5 476	499	5 975	6 537	6 929	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	88	84	84	86	86	83	83	85	90	(769)	942	99	1 042	1 103	1 167	
Interest earned - external investments	7	57	117	5	57	5	64	7	6	(325)	464	(42)	422	422	422	
Interest earned - outstanding debtors	126	304	49	184	153	159	173	185	162	(1 494)	1 836	(163)	1 672	1 826	1 787	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	126	135	121	90	124	216	658	787	689	(2 945)	4 109	(2 090)	2 019	2 139	2 245	
Licences and permits	211	(11)	173	8	22	(88)	238	(13)	(96)	(444)	658	57	714	757	795	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operating	14 617	934	496	-	10 067	-	-	496	8 771	(35 380)	35 380	727	36 107	40 074	41 374	
Other revenue	35	50	30	63	18	29	48	37	129	(438)	567	3 718	4 285	4 291	4 695	
Cash Receipts by Source	21 601	5 962	5 551	4 816	14 510	4 973	5 764	7 332	12 814	(83 324)	94 027	14 541	108 568	118 775	125 202	
Other Cash Flows by Source																
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	51 389	51 389	46 550	32 000	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase in consumer deposits	(6)	(2)	(9)	(10)	6	(4)	(1)	1	(8)	730	(730)	730	697	125	129	
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	21 595	5 959	5 542	4 806	14 516	4 969	5 764	7 333	12 806	(82 594)	93 297	66 661	160 655	165 450	157 331	
Cash Payments by Type																
Employee related costs	2 746	2 686	2 668	2 641	2 834	2 777	2 885	3 039	2 820	(25 097)	30 567	8 517	39 084	42 510	46 318	
Remuneration of councillors	249	244	255	267	231	261	231	232	234	(2 204)	2 913	31	2 945	3 092	3 246	
Interest paid	34	34	34	34	31	31	31	31	28	(289)	346	14	360	310	290	
Bulk purchases - Electricity	-	2 542	2 364	1 231	1 234	1 168	1 284	1 280	119	(11 222)	14 611	3 749	18 360	20 086	21 693	
Bulk purchases - Water & Sewer	25	24	27	21	27	20	32	-	48	(225)	448	(138)	310	310	310	
Other materials	-	-	-	-	-	-	-	-	-	398	(398)	398	398	-	-	
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other	(6 857)	(394)	96	(1 540)	(300)	(64)	(4 007)	(761)	(2 229)	27 221	(27 224)	27 224	11 165	-	-	
General expenses	2 287	2 689	3 585	2 844	3 240	3 057	2 098	2 850	3 953	(26 603)	30 039	10 382	40 421	39 831	38 150	
Cash Payments by Type	(1 516)	7 826	9 029	5 498	7 297	7 250	2 555	6 672	4 971	(38 019)	51 302	50 178	113 042	106 139	110 008	
Other Cash Flows/Payments by Type																
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	45 753	32 043	
Repayment of borrowing	73	72	73	73	76	76	76	77	79	3 559	(3 402)	(984)	(152)	4 385	-	
Other Cash Flows/Payments	(12 222)	28 841	1 802	2 701	1 317	2 277	1 004	2 595	(6 862)	(16 606)	25 476	18 940	1 213	-	-	
Total Cash Payments by Type	(13 665)	36 739	10 904	8 272	8 690	9 602	3 635	9 344	(1 811)	(51 067)	73 376	68 134	114 104	156 278	142 050	
NET INCREASE/(DECREASE) IN CASH HELD	35 260	(30 780)	(5 361)	(3 466)	5 826	(4 633)	2 129	(2 011)	14 617	(31 527)	19 922	(1 474)	46 552	9 172	15 280	
Cash/cash equivalents at the monthly year beginning:	19 947	55 206	24 427	19 065	15 599	21 425	16 792	18 921	16 910	31 527	-	19 922	19 947	66 498	75 671	
Cash/cash equivalents at the monthly year end:	55 206	24 427	19 065	15 599	21 425	16 792	18 921	16 910	31 527	-	19 922	18 448	66 498	75 671	90 951	

This supporting table gives details of information summarised in Table C7.

PART 2 – SUPPORTING DOCUMENTATION

Debtors' analysis

Supporting Table SC3 Debtors' age analysis

NC072 Umsobomvu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2014/15									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		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				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	24	750	775	666	27 752					29 968	28 419	-	13 076
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 017	411	320	175	3 050					4 973	3 224	-	2 452
Receivables from Non-exchange Transactions - Property Rates	1400	368	247	201	190	5 453					6 459	5 642	-	2 714
Receivables from Exchange Transactions - Waste Water Management	1500	497	395	359	337	12 893					14 482	13 230	-	7 303
Receivables from Exchange Transactions - Waste Management	1600	161	303	293	286	17 158					18 201	17 444	-	7 418
Receivables from Exchange Transactions - Property Rental Debtors	1700	(61)	30	28	30	1 249					1 276	1 279	-	409
Interest on Arrear Debtor Accounts	1810	-	-	-	-	6 410					6 410	6 410	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-					-	-	-	-
Other	1900	49	55	55	53	1 285					1 497	1 338	-	824
Total By Income Source	2000	2 055	2 192	2 031	1 737	75 249	-	-	-	-	83 265	76 986	-	34 196
2013/14 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	268	360	269	119	985					2 001	1 103	-	-
Commercial	2300	896	220	187	147	2 968					4 418	3 115	-	-
Households	2400	891	1 613	1 575	1 471	71 297					76 847	72 768	-	34 196
Other	2500	-	-	-	-	-					-	-	-	-
Total By Customer Group	2600	2 055	2 192	2 031	1 737	75 249	-	-	-	-	83 265	76 986	-	34 196

The increased debtors results primarily from the year-on-year increase in billings from increased tariffs at the start of the new financial year. Also a contributing factor are the increased of unemployment as 218 more household applied for indigent support during the seven months.

Summary of Indigent Households

		Indigent Households	Amount	Other Households	Total Households	
2014						
July		2 423	3 916 878	59 791 109	63 707 987	6.15%
August		2 423	4 912 253	59 305 125	64 217 378	7.65%
September		2 494	4 718 309	60 855 718	65 574 027	7.20%
October		2 494	3 812 165	62 881 012	66 693 177	5.72%
November		2 612	5 331 940	62 519 227	67 851 167	7.86%
December		2 641	6 079 681	63 411 088	69 490 769	8.75%
2015						
January		2 641	6 302 679	64 609 736	70 912 415	8.89%
February			6 637 074	66 699 491	73 336 565	9.05%
March		2 752	6 850 490	66 214 949	73 065 439	9.38%
April		2 752	6 949 736	67 454 767	74 404 503	9.34%
May		2 752	7 109 873	68 501 438	75 611 311	9.40%
June		2 752	8 340 727	68 505 820	76 846 547	10.85%

Summary of Debtors Age Analysis

MONTH	< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	<180 Days	<365 Days	>365 Days	Total -	Older than 30 Days	Older than 90 days
2014/15											
July	4 271 991	1 798 409	1 474 793	1 384 492	60 033 656				68 963 341	1 798 409	61 418 148
August	3 789 087	2 671 964	1 578 717	1 423 410	61 300 318				70 763 496	2 671 964	62 723 728
September	2 561 129	3 555 394	2 358 062	1 468 689	62 273 027				72 216 301	3 555 394	63 741 716
October	2 187 292	2 390 938	3 254 242	2 229 804	63 413 412				73 475 688	2 390 938	65 643 216
November	1 947 884	2 236 825	2 087 917	3 003 537	65 082 704				74 358 867	2 236 825	68 086 241
December	2 413 644	2 265 442	2 099 944	2 030 044	67 680 429				76 489 503	2 265 442	69 710 473
January	2 864 196	2 244 146	2 027 583	1 932 206	69 244 971				78 313 102	2 244 146	71 177 177
February	3 538 597	2 395 658	1 972 130	1 776 372	70 521 812				80 204 569	2 395 658	72 298 184
March	2 213 181	2 202 016	2 129 374	1 802 441	71 455 572				79 802 584	2 202 016	73 258 013
April	2 518 472	2 143 190	1 972 186	1 945 021	72 523 407				81 102 276	2 143 190	74 468 428
May	2 098 249	2 337 012	1 905 734	1 770 837	74 102 179				82 214 011	2 337 012	75 873 016
June	2 054 991	2 192 061	2 031 407	1 737 163	75 249 297				83 264 919	2 192 061	76 986 460

Creditors' analysis

Supporting Table SC4

NC072 Umsobomvu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2014/15								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	2 996								2 996
Bulk Water	0200	-								-
PAYE deductions	0300	-								-
VAT (output less input)	0400	-								-
Pensions / Retirement deductions	0500	-								-
Loan repayments	0600	-								-
Trade Creditors	0700	-								-
Auditor General	0800	-								-
Other	0900	895								895
Total By Customer Type	1000	3 891	-	-	-	-	-	-	-	3 891

Supporting Table SC4 reflects current creditors at the end of June 2015.

The payment of creditors is within requirements of the MFMA.

Investment portfolio analysis

Supporting Table SC5

NC072 Umsobomvu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

Investments by maturity Name of institution & investment ID	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								
CAPITAL REPLACEMENT 1	3 MONTHS	32 DAY		-	3.8%	84	-	84
HOUSING DEVELOPMENT	3 MONTHS	32 DAY		-	4.9%	151	-	151
HOUSING DEVELOPMENT	3 MONTHS	32 DAY		-	0.0%	24	-	24
CAPITAL REPLACEMENT 4	3 MONTHS	32 DAY		2	5.2%	121	2	122
CAPITAL REPLACEMENT	3 MONTHS	32 DAY		0	4.7%	11	0	11
CAPITAL REPLACEMENT 5	3 MONTHS	32 DAY		3	5.1%	383	3	387
INVESTMENT	3 MONTHS	32 DAY		54	5.9%	5 110	54	5 164
Municipality sub-total				59		5 884	59	5 943
Entities								
Entities sub-total				-		-	-	-
TOTAL INVESTMENTS AND INTEREST				59		5 884	59	5 943

Surplus cash not immediately required is invested in 32 day deposits.

The municipality has no long term investments.

Allocation and grant receipts and expenditure

Supporting Table SC6 – Grant receipts

Choose name from list - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	34 152	35 673	35 673	(727)	34 946	35 673	(727)	-2.0%	35 673
Equitable share	30 684	32 382	32 382	(727)	31 655	32 382	(727)	-2.2%	32 382
FINANCE MANAGEMENT	1 650	1 800	1 800		1 800	1 800	-		1 800
MSIG	890	934	934		934	934			934
MIG ADMIN - PMU	678	557	557		557	557			557
Energy Efficiency and Demand Management	250						-		
SUBSIDY STATE							-		
Other transfers and grants [insert description]							-		
Provincial Government:	708	991	991	-	991	991	-		991
DEPT ART & CULTURE (LIBRARY)	708	991	991		991	991	-		991
YOUTH PROGRAMS	-	-	-				-		-
IMMUNISATION GRANT	-	-	-				-		-
Other transfers and grants [insert description]	-	-	-				-		-
District Municipality:	-	-	-	-	-	-	-		-
DISTRICT MUNICIPALITY	-	-	-				-		-
Other transfers and grants [insert description]	-	-	-				-		-
Other grant providers:	3 600	-	-	-	-	-	-		-
IEC INFRASTRUCTURE	-	-	-				-		-
Other transfers and grants [insert description]	3 600	-	-				-		-
Total Operating Transfers and Grants	38 460	36 664	36 664	(727)	35 937	36 664	(727)	-2.0%	36 664
Capital Transfers and Grants									
National Government:	47 473	43 091	50 832	-	47 981	50 832	(2 851)	-5.6%	43 091
RBIG - DWAF	31 000	30 000	30 000		27 149	30 000	(2 851)	-9.5%	30 000
HOUSING PROJECTS	-	-	-						-
EEDG	-	-	-						-
MIG - CAPITAL	12 873	10 591	17 691		17 691	17 691			10 591
INEP	2 600	1 500	1 500		1 500	1 500			1 500
EPWP	1 000	1 000	1 641		1 641	1 641			1 000
Provincial Government:	5 200	2 410	2 410	-	2 410	2 410	-		-
DISASTER	2 600	-	-				-		-
DEPRT OF SAFETY	-	-	-				-		-
EPWP	2 600	2 410	2 410		2 410	2 410	-		-
District Municipality:	-	-	-	-	-	-	-		-
	-	-	-				-		-
Other grant providers:	-	-	-	-	-	-	-		-
Kgotso Pula Nala	-	-	-				-		-
Total Capital Transfers and Grants	52 673	45 501	53 242	-	50 391	53 242	(2 851)	-5.4%	43 091
TOTAL RECEIPTS OF TRANSFERS & GRANTS	91 132	82 165	89 906	(727)	86 328	89 906	(3 578)	-4.0%	79 755

Grant receipts are monitored according to the payment schedules.

Supporting Table SC7(1) – Grant expenditure

Choose name from list - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	34 152	35 673	35 673	1 149	35 225	35 673	(449)	-1.3%	35 673
Equitable share	30 684	32 382	32 382	599	32 382	32 382	-		32 382
FINANCE MANAGEMENT	1 650	1 800	1 800	550	1 668	1 800	(132)	-7.4%	1 800
MSIG	890	934	934		618	934	(316)	-33.9%	934
MIG ADMIN - PMU	678	557	557		557	557	-		557
Energy Efficiency and Demand Management	250	-	-			-	-		-
SUBSIDY STATE	-	-	-			-	-		-
Other transfers and grants [insert description]	-	-	-			-	-		-
Provincial Government:	-	991	991	29	991	991	-		-
DEPT ART & CULTURE (LIBRARY)	-	991	991	29	991	991	-		-
YOUTH PROGRAMS	-	-	-			-	-		-
IMMUNISATION GRANT	-	-	-			-	-		-
Other transfers and grants [insert description]	-	-	-			-	-		-
District Municipality:	-	-	-	-	-	-	-		-
DISTRICT MUNICIPALITY	-	-	-			-	-		-
Other transfers and grants [insert description]	-	-	-			-	-		-
Other grant providers:	3 600	-	-	-	-	-	-		-
IEC INFRASTRUCTURE	-	-	-			-	-		-
Other transfers and grants [insert description]	3 600	-	-			-	-		-
Total operating expenditure of Transfers and Grants:	37 752	36 664	36 664	1 178	36 216	36 664	(449)	-1.2%	35 673
Capital expenditure of Transfers and Grants									
National Government:	47 473	43 091	43 732	3 647	31 230	43 091	(11 861)	-27.5%	43 091
RBIG - DWAF	31 000	30 000	30 000		25 849	30 000	(4 151)	-13.8%	30 000
HOUSING PROJECTS	-	-	-			-	-		-
EEDG	-	-	-			-	-		-
MIG - CAPITAL	12 873	10 591	10 591	3 453	3 646	10 591	(6 945)		10 591
INEP	2 600	1 500	1 500	185	1 415	1 500	(85)		1 500
EPWP	1 000	1 000	1 641	9	320	1 000	(680)	-68.0%	1 000
Provincial Government:	-	-	-	-	-	2 500	(2 500)	-100.0%	2 500
DISASTER	-	-	-			2 500	(2 500)	-100.0%	2 500
DEPRT OF SAFETY	-	-	-			-	-		-
EPWP	-	-	-			-	-		-
District Municipality:	-	-	-	-	-	-	-		-
	-	-	-			-	-		-
	-	-	-			-	-		-
Other grant providers:	2 600	2 410	2 410	-	3 547	2 410	1 137	47.2%	-
Kgotso Pula Nala	2 600	2 410	2 410		3 547	2 410	1 137	47.2%	
	-	-	-			-	-		-
Total capital expenditure of Transfers and Grants	50 073	45 501	46 142	3 647	34 777	48 001	(13 223)	-27.5%	45 591
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	87 824	82 165	82 806	4 825	70 993	84 665	(13 672)	-16.1%	81 264

Grant expenditure is monitored against grant receipts.

Supporting Table SC7(2) – Expenditure against approved rollovers

Choose name from list - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M12 June

Description	Budget Year 2014/15				
	Approved Rollover 2013/14	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands					
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	-
Equitable share					
FINANCE MANAGEMENT					
Energy Efficiency and Demand Management					
SUBSIDY STATE					
Other transfers and grants [insert description]					
Provincial Government:	-	-	-	-	-
DEPT ART & CULTURE (LIBRARY)					
IMMUNISATION GRANT					
Other transfers and grants [insert description]					
District Municipality:	-	-	-	-	-
<i>DISTRICT MUNICIPALITY</i>					
Other grant providers:	-	-	-	-	-
<i>IEC INFRASTRUCTURE</i>					
Total operating expenditure of Approved Roll-overs	-	-	-	-	-
Capital expenditure of Approved Roll-overs					
National Government:	7 744	472	7 744	-	
MIG - CAPITAL	7 103	472	7 103	-	
EPWP	641	-	641		
Provincial Government:	-	-	-	-	
District Municipality:	-	-	-	-	
Other grant providers:	-	-	-	-	
Total capital expenditure of Approved Roll-overs	7 744	472	7 744	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	7 744	472	7 744	-	

A Roll over application was submitted to Provincial Treasury by the end of August 2014 for the unspent MIG (R7.1 million) and EPWP (R641 thousand). The approval from National Treasury was received in November 2014 and the total roll-over was spent at the end of May 2015.

Expenditure on councillor allowances and employee benefits

Supporting Table SC8

NC072 Umsobomvu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June									
Summary of Employee and Councillor remuneration	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	2 459	2 945	2 945	83	2 996	2 945	51	2%	2 945
Pension and UIF Contributions	-	-	-			-	-		-
Medical Aid Contributions	-	-	-			-	-		-
Motor Vehicle Allowance	324	-	-			-	-		-
Cellphone Allowance	209	-	-			-	-		-
Housing Allowances	-	-	-			-	-		-
Other benefits and allowances	-	-	-			-	-		-
Sub Total - Councillors	2 992	2 945	2 945	83	2 996	2 945	51	2%	2 945
% increase		-1.6%	-1.6%						-1.6%
Senior Managers of the Municipality									
Basic Salaries and Wages		3 084	3 084	257	2 831	3 084	(252)	-8%	3 084
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus		348	348			348	(348)	-100%	348
Motor Vehicle Allowance		401	556	38	462	556	(94)	-17%	556
Cellphone Allowance									
Housing Allowances		11	12	4	44	12	32	272%	12
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Municipality	-	3 844	4 000	300	3 337	4 000	(663)	-17%	4 000
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Municipal Staff									
Basic Salaries and Wages	23 024	22 885	22 868	1 846	21 913	22 868	(955)	-4%	22 868
Pension and UIF Contributions	3 389	4 492	4 088	332	3 895	4 088	(193)	-5%	4 088
Medical Aid Contributions	737	758	828	59	736	828	(92)	-11%	828
Overtime	1 298	1 060	1 217	84	1 307	1 217	90	7%	1 217
Performance Bonus	-	-	-			-	-		-
Motor Vehicle Allowance	454	-	-			-	-		-
Cellphone Allowance	-	-	-			-	-		-
Housing Allowances	45	-	-			-	-		-
Other benefits and allowances	2 393	474	537	45	463	537	(74)	-14%	537
Payments in lieu of leave	-	5 204	5 204	209	1 784	5 204	(3 419)	-66%	5 204
Long service awards	-	-	-			-	-		-
Post-retirement benefit obligations	2 340	341	341			341	(341)	-100%	341
Sub Total - Other Municipal Staff	33 680	35 213	35 084	2 574	30 099	35 084	(4 985)	-14%	35 084
% increase		4.6%	4.2%						4.2%
Total Parent Municipality	36 672	42 001	42 028	2 956	36 432	42 028	(5 597)	-13%	42 028

SDBIP

The results of the SDBIP for the fourth quarter ended 30 June 2015 will be included in a separate comprehensive report to be tabled in Council in August 2015.

Financial Performance

Supporting Table SC2

NC072 Umsobomvu - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 June

Description of financial indicator	Basis of calculation	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	0.0%	19.1%	18.5%	0.3%	2.5%
Borrowed funding of 'own n' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	2.2%	0.0%	0.0%	0.0%	0.0%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	6.7%	0.7%	0.7%	5.6%	0.7%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity						
Current Ratio	Current assets/current liabilities	190.5%	8560.8%	8560.8%	246.0%	8560.8%
Liquidity Ratio	Monetary Assets/Current Liabilities	66.2%	4939.6%	4939.6%	69.3%	4939.6%
Revenue Management						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	34.6%	28.6%	26.6%	42.2%	26.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
Funding of Provisions						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
Other Indicators						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated				1.0%	
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source				51.0%	
Employee costs	Employee costs/Total Revenue - capital revenue	31.5%	38.6%	35.8%	30.3%	35.8%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	26.5%	23.8%	22.2%	0.3%	3.0%
IDP regulation financial viability indicators						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		26.2		49.96	
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services					
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure					
Monetary assets		19 947	39 524	39 524	18 448	39 524
Total Revenue (excluding capital transfers and contributions)		107 040	101 301	109 125	110 531	109 125
Transfers recognised - operational		45 880	36 664	36 664	39 667	36 664
Transfers recognised - capital		40 402	41 591	41 591	23 082	41 591
Debt service payments		898	1 011	4 561	(1 261)	(1 088)
Outstanding debtors (receivables)		37 064	28 975	28 975	46 635	28 975
Annual services revenue		45 734	50 828	54 011	49 354	
Cash + investments	Including LT investments	19 947	39 524	39 524	18 448	39 524
Fixed operational expend. (monthly)						
Longstanding debtors outstanding						
Longstanding debtors recovered						
Attorney collections						

Capital programme performance

Supporting Table SC12

NC072 Umsobomvu - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

Month	2013/14	Budget Year 2014/15							
	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	4 733	3 250	3 250	604	604	3 250	2 646	81.4%	1%
August	4 733	3 167	3 167	876	1 480	6 417	4 937	76.9%	4%
September	4 733	3 167	3 167	1 338	2 818	9 583	6 766	70.6%	7%
October	4 733	3 167	3 167	4 246	7 063	12 750	5 687	44.6%	17%
November	4 733	3 167	3 167	672	7 736	15 917	8 181	51.4%	19%
December	4 733	3 167	3 167	6 258	13 994	19 083	5 089	26.7%	35%
January	4 733	3 167	3 167	23	14 018	22 250	8 232	37.0%	35%
February	4 733	3 667	3 667	541	14 559	25 917	11 358	43.8%	36%
March	4 733	3 667	3 667	5 096	19 655	29 583	9 929	33.6%	48%
April	4 733	3 717	3 717	5 403	25 058	33 300	8 242	24.8%	0
May	4 733	3 167	3 167	7	25 065	36 467	11 402	31.3%	0
June	4 733	4 083	4 083	3 398	28 463	40 550	12 087	29.8%	0
Total Capital expenditure	56 792	40 550	40 550	28 463					

Other supporting documentation

Supporting Table SC13a

NC072 Umsobomvu - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	48 145	39 000	41 741	3 398	28 232	41 741	13 509	32.4%	41 741
Infrastructure - Road transport	5 100	6 000	6 641	25	1 767	6 641	4 874	73.4%	6 641
<i>Roads, Pavements & Bridges</i>	5 100	6 000	6 641	25	1 767	6 641	4 874	73.4%	6 641
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	2 920	1 500	1 500	185	2 368	1 500	(868)	-57.9%	1 500
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	2 600	1 500	1 500	185	2 368	1 500	(868)	-57.9%	1 500
<i>Street Lighting</i>	320	-	-	-	-	-	-	-	-
Infrastructure - Water	38 625	31 500	33 600	3 189	24 096	33 600	9 504	28.3%	33 600
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	38 625	31 500	33 600	3 189	24 096	33 600	9 504	28.3%	33 600
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	1 500	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	1 500	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<i>Waste Management</i>	-	-	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Community	-	-	5 000	-	171	5 000	4 829	96.6%	5 000
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	5 000	-	171	5 000	4 829	96.6%	5 000
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	8 647	-	85	85	85	85	-	-	85
General vehicles	1 647	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	2 000	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	85	85	85	85	-	-	85
Furniture and other office equipment	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	5 000	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	-	1 550	15	15	15	15	-	-	15
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	1 550	15	15	15	15	-	-	15
Total Capital Expenditure on new assets	56 792	40 550	46 841	3 498	28 502	46 841	18 339	39.2%	46 841

Supporting Table SC13b

NC072 Umsobomvu - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class -

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>									
<i>Storm water</i>									
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
<i>Generation</i>									
<i>Transmission & Reticulation</i>									
<i>Street Lighting</i>									
Infrastructure - Water	-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>									
<i>Water purification</i>									
<i>Reticulation</i>									
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>									
<i>Sewerage purification</i>									
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<i>Waste Management</i>									
<i>Transportation</i>									
<i>Gas</i>									
<i>Other</i>									
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	-	-	-	-	-	-	-	-	-
General v vehicles									
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
Agricultural assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Biological assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other									
Total Capital Expenditure on renewal of existing ass	-	-	-	-	-	-	-	-	-

Supporting Table SC13c

NC072 Umsobomvu - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 June

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1 503	1 034	1 613	106	1 844	1 034	(810)	-78.4%	1 613
Infrastructure - Road transport	217	26	300	12	422	26	(396)	-1548.5%	300
Roads, Pavements & Bridges	217	26	300	12	422	26	(396)	-1548.5%	300
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	624	621	726	20	848	621	(227)	-36.5%	726
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	495	421	526	20	713	421	(292)	-69.5%	526
Street Lighting	129	200	200	0	134	200	66	32.8%	200
Infrastructure - Water	599	337	337	75	351	337	(13)	-4.0%	337
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	599	337	337	75	351	337	(13)	-4.0%	337
Infrastructure - Sanitation	63	50	250	-	224	50	(174)	-347.2%	250
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	63	50	250	-	224	50	(174)	-347.2%	250
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	48	5	5	1	9	199	190	95.2%	5
Parks & gardens	29	5	5	1	6	5	(1)	-28.6%	5
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	19	-	-	-	3	194	191	98.4%	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	890	1 236	2 060	138	1 813	1 204	(609)	-50.6%	2 060
General vehicles	501	817	978	47	681	784	103	13.1%	978
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	71	353	270	58	167	353	185	52.6%	270
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	6	59	56	2	9	59	50	85.3%	56
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	753	-	-	-	-	-	753
Other Buildings	310	-	-	31	954	-	(954)	#DIV/0!	-
Other Land	1	8	3	-	1	8	6	84.5%	3
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	2 440	2 275	3 678	246	3 666	2 436	(1 230)	-50.5%	3 678

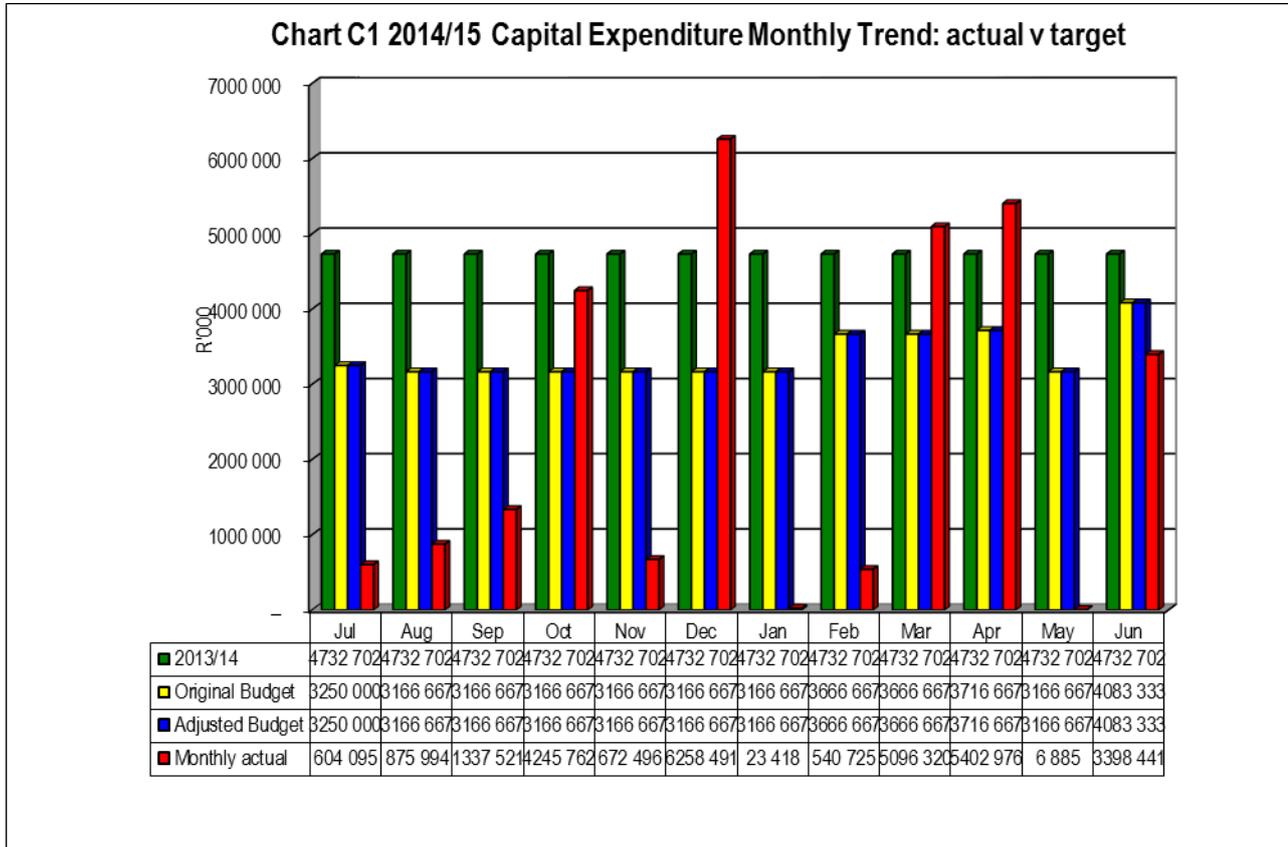
Supporting Table SC13d

NC072 Umsobomvu - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M12 June

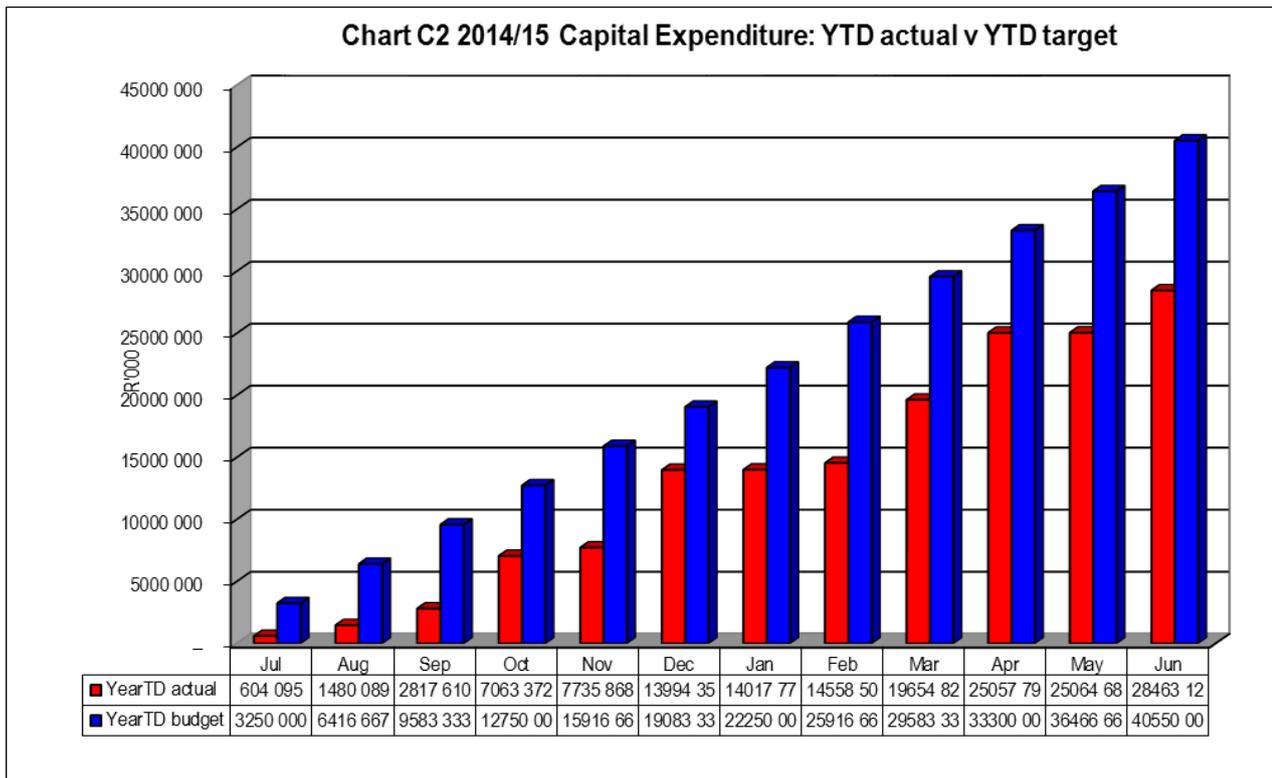
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Depreciation by Asset Class/Sub-class									
Infrastructure	18 591	18 576	18 576	1 548	18 576	18 576	-		18 576
Infrastructure - Road transport	-	-	-	-	-	-	-		-
Roads, Pavements & Bridges	-	-	-	-	-	-	-		-
Storm water	-	-	-	-	-	-	-		-
Infrastructure - Electricity	2 785	2 785	2 785	232	2 785	2 785	-		2 785
Generation	-	-	-	-	-	-	-		-
Transmission & Reticulation	2 785	2 785	2 785	232	2 785	2 785	-		2 785
Street Lighting	-	-	-	-	-	-	-		-
Infrastructure - Water	12 351	12 351	12 351	1 029	12 351	12 351	-		12 351
Dams & Reservoirs	-	-	-	-	-	-	-		-
Water purification	-	-	-	-	-	-	-		-
Reticulation	12 351	12 351	12 351	1 029	12 351	12 351	-		12 351
Infrastructure - Sanitation	2 843	2 828	2 828	236	2 828	2 828	-		2 828
Reticulation	2 843	2 828	2 828	236	2 828	2 828	-		2 828
Sewerage purification	-	-	-	-	-	-	-		-
Infrastructure - Other	612	612	612	51	612	612	-		612
Waste Management	612	612	612	51	612	612	-		612
Transportation	-	-	-	-	-	-	-		-
Gas	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
Community	3 800	2	2	0	2	2	-		2
Parks & gardens	-	-	-	-	-	-	-		-
Sportsfields & stadia	-	-	-	-	-	-	-		-
Swimming pools	-	-	-	-	-	-	-		-
Community halls	-	-	-	-	-	-	-		-
Libraries	-	-	-	-	-	-	-		-
Recreational facilities	-	-	-	-	-	-	-		-
Fire, safety & emergency	-	-	-	-	-	-	-		-
Security and policing	-	-	-	-	-	-	-		-
Buses	-	-	-	-	-	-	-		-
Clinics	-	-	-	-	-	-	-		-
Museums & Art Galleries	-	-	-	-	-	-	-		-
Cemeteries	3 800	2	2	0	2	2	-		2
Social rental housing	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
Heritage assets	-	-	-	-	-	-	-		-
Buildings	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Housing development	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
Other assets	5 179	5 256	5 256	438	5 256	5 256	-		5 256
General vehicles	-	-	-	-	-	-	-		-
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment	-	-	-	-	-	-	-		-
Computers - hardware/equipment	-	-	-	-	-	-	-		-
Furniture and other office equipment	-	-	-	-	-	-	-		-
Abattoirs	-	-	-	-	-	-	-		-
Markets	-	-	-	-	-	-	-		-
Civic Land and Buildings	-	-	-	-	-	-	-		-
Other Buildings	4 302	4 379	4 379	365	4 379	4 379	-		4 379
Other Land	-	-	-	-	-	-	-		-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-		-
Other	877	877	877	73	877	877	-		877
Agricultural assets	-	-	-	-	-	-	-		-
List sub-class	-	-	-	-	-	-	-		-
Biological assets	-	-	-	-	-	-	-		-
List sub-class	-	-	-	-	-	-	-		-
Intangibles	-	-	-	-	-	-	-		-
Computers - software & programming	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
Total Depreciation	27 570	23 834	23 834	1 986	23 834	23 834	-		23 834

Other supporting documentation Section 71 charts

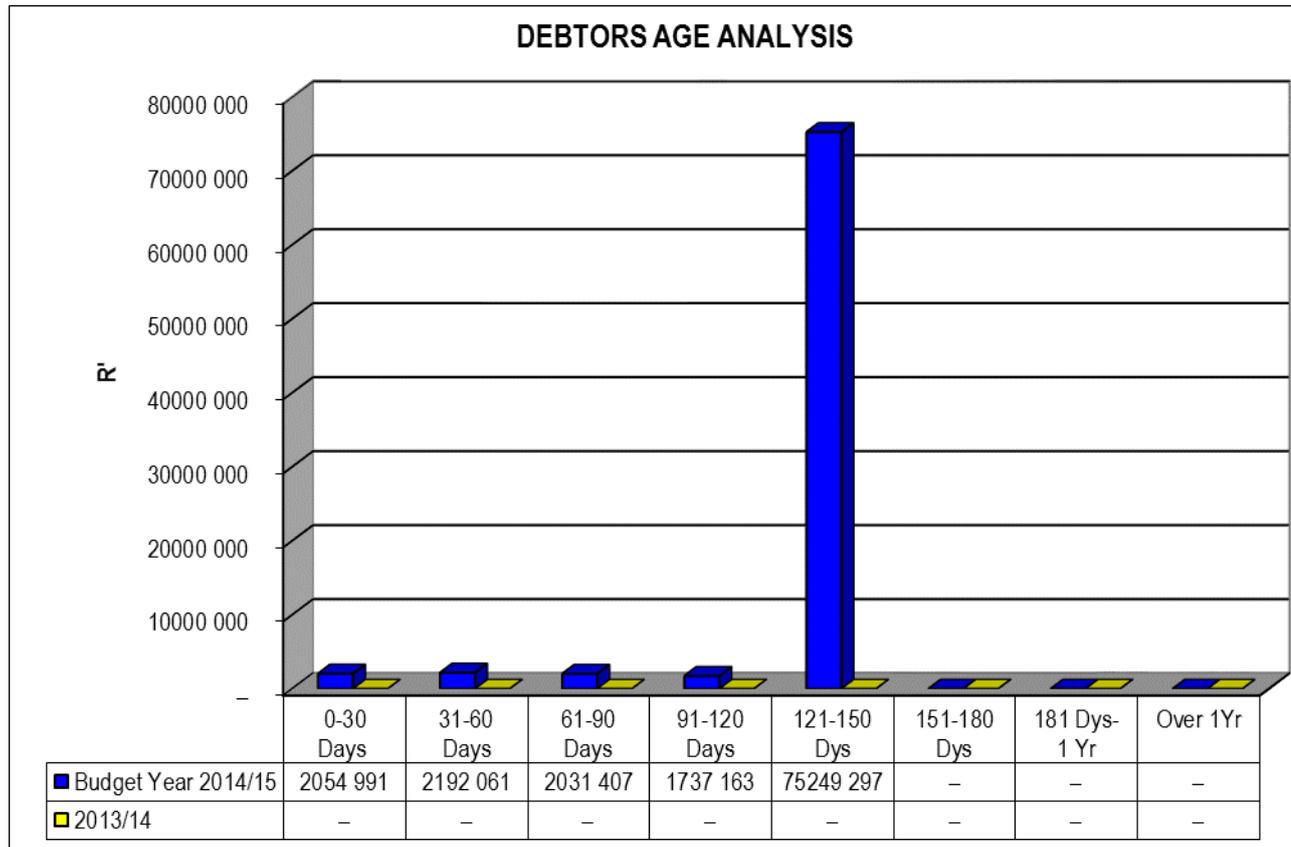
Capital expenditure monthly trend - actual vs target



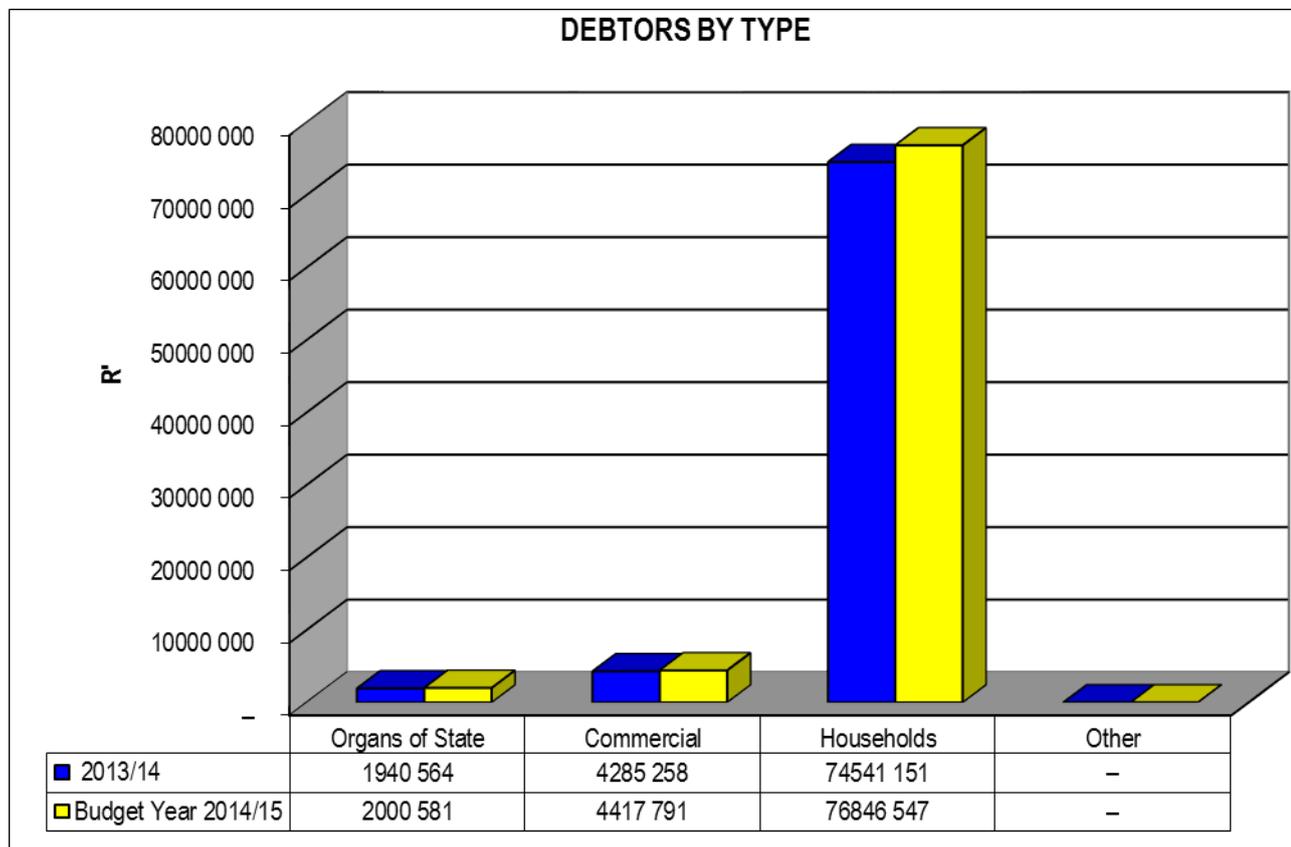
Capital expenditure – YTD actual vs YTD trend



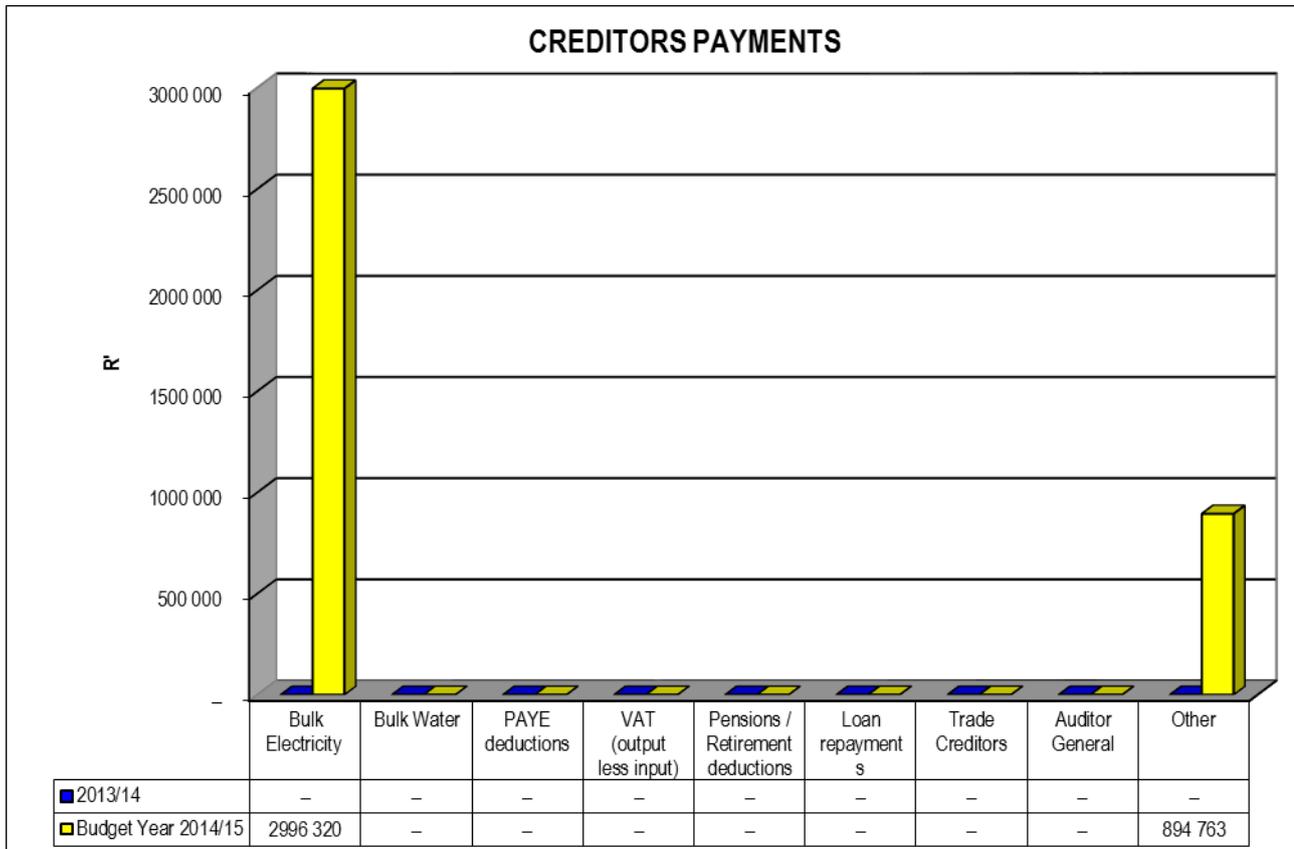
Debtors Age Analysis



Debtors by Type



Creditor Payments



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, **AMOS CHINA MPELA**, the Municipal Manager of Umsobomvu Local Municipality, hereby certify that: -

(Mark as appropriate)

Quarterly report on the implementation of the budget and financial state of affairs of the municipality.

For the quarter ending 30 June 2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print Name: AC MPELA

Municipal Manager of Umsobomvu Local Municipality (NCO72)



Signature: _____

Date: 28 July 2015

Minutes of the Audit Committee Meeting

Date: 21 April 2015

Time: 10:00 am

Venue: Umsobomvu Municipality, Colesberg

Nr.	Item	Responsible Person
1	<p>Opening and welcoming The chairperson welcomed all to the 2nd meeting during the financial year.</p>	Mr J Blair
2	<p>Present Mr. J Blair : Chairperson Mr M Mnyamana: audit Committee Member Mr M Puley: Audit Committee Member Mrs E Humphries: Councillor Mr D .T Visagie: CFO Mr N.L Thiso: Deputy CFO Mr P.T.R Mosompha: Technical Manager Mrs M.C Mostert: Senior Accountant Ms L Sonwabo: Income Accountant Mr J Hanse: Consultant Municipal Support Ms. R. A Sors: Manager: Internal Audit Mr. J.T Oliphant: Senior: Internal Audit Mr M.C Mora: Administrative Support</p>	All
3	<p>Application for leave of absence Mr Kapp - Durban Mr Mpela – SPLUMA meeting in De Aar</p>	All
4	<p>Confirmation of previous minutes Amendments on previous minutes: 1. Mr Puley was present 2. Ms R Sors was on maternity leave 3. EX. 14 Qrt2- Change the amount of R100 000.00 suppose to be R10 000.00 Approval of minutes: Mr M Mnyanana : Recommend Mr J Blair Seconded</p>	All
5	<p>Matters arising from previous minutes None</p>	All

6.	<p>Umsobomvu Municipality – Audit Action Plan 2014/2015 Audit</p> <p>The chairperson requested the CFO to just focus on the key areas</p> <p>The CFO focused on the matters of emphasis and touched in key focus areas such as :</p> <ul style="list-style-type: none"> • Deviations <p>AG did not agree with the Municipality on when to deviate, the CFO admits that they still struggle with it because the Technical department would regard certain things as emergencies but the auditors would differ.</p> <ul style="list-style-type: none"> • Irregular Expenditure <p>Council requested MPAC to investigate, MPAC will investigate the irregular expenditures and will report on it and a report will be submitted to council to condone the expenditure.</p> <p>The chairperson requested management to finalise all the above before the end of June 2015.</p> <p>EX. 2 Predetermined objectives.</p> <p>PMS: they will have a problem again this year; the IDP was done by someone else and not by the people the municipality appointed last year for the performance plan and the SDBIP. The CFO stipulated that the alignment will be much better this year onwards, because it will be directly linked to objectives.</p> <p>Mr J Blair wanted to know whether the municipality would be ready the 2015/2016 year.</p> <p>CFO replied yes to the question, they had a whole week Strategic planning session to address all shortcomings.</p> <p>Mr J Blair wanted to know the time frame on when the performance support will be a 100% with no findings?</p> <p>The CFO responded 2015/2016 year</p> <p>The ideal order for proper alignment - strategic planning ⇒ IDP ⇒ SDBIP ⇒ Performance Contracts</p> <p>The engagement letter of the AG is normally signed end of June beginning of July. The chairperson requested</p>	<p>Mr J Blair</p> <p>Mr D .T Visagie</p> <p>Mr D.T Visagie</p> <p>Mr D .T Visagie</p> <p>Mr J Blair</p>

	management to inform and invite the audit committee to this meeting with the AG	Mr J Blair
6.2	<p>Internal Audit Final Report – 1st Quarter 2014/2015</p> <p><u>Critical Findings</u> None</p> <p><u>Significant findings</u></p> <p><u>EX. 1- Qrt 1: Personnel and Payroll: Deviation regarding overtime</u></p> <ul style="list-style-type: none"> • Management agreed with the finding • Internal Audit noted managements comment and will be followed up during the 3rd Quarter audit, the follow ups was done will only be discussed during the 2nd and 3rd quarter report <p><u>EX. 3 – Qrt 1: Salary Advances : Weakness Identified</u></p> <ul style="list-style-type: none"> • Management agreed with the finding • Internal Auditors noted managements comment and will be followed up during the 3rd quarter. <p>Mr Kapp is busy with the Advance Policy.</p> <p>Timeframe on when the process will be completed will be at the end of June</p> <p>Mr J Blair requested for management to answer the findings in the format given.</p> <p><u>Household findings</u> none</p>	<p>Mr JT Oliphant</p> <p>Mr D .T Visagie</p> <p>Mr J Blair</p>
7.1	<p>Audit Committee members – Declaration of interest 2014/2015</p> <p>To be completed by the Audit committee members.</p>	
7.2	<p>Audit Committee Charter</p> <p>We used the National Treasury guidelines and MFMA circular together with the MFMA section on the audit committee for a basis to complete the audit committee charter. It outlines the roles and responsibility of audit committee, how they are supposed to function. It needs to be approved by the audit committee.</p>	Ms R Sors

	<p>Approval: <i>Recommended by Mr J Blair</i> <i>Seconded by Mr M Puley</i></p>	
7.3	<p>Internal Audit Charter 2014/2015</p> <p>Miss R Sors gave a brief background regarding the Charter, it outlines the roles and responsibilities as internal audit also the duties.</p> <p>Charter only to be noted</p>	Ms R Sors
7.4	<p>Risk assessment</p> <p>Is a document internal audit uses to identify and weigh risks for the new financial year, because the plans are based on the risk assessments. A risk based audit plan has to be compiled.</p> <p>A risk register was not obtained from treasury, the person responsible for the risk registers only promised one for 2015/2016.</p> <p>Internal audit and the municipality will communicate regarding the risk register.</p> <p>Miss R Sors only focused on the medium and high risks</p> <p><i>Mr J Blair Proposed</i> <i>Mr M Mnyamana Seconded</i></p>	<p>Ms R Sors</p> <p>Mr J Oliphant</p> <p>Mr D .T Visagie</p>
7.5	<p>Internal Audit Strategic Plan 2014-2015 2016-2017</p> <p>Ms R Sors went through the plan and explained that the low risk items will be tested once within the three year cycle. She also focused on the high risks that have to be tested each and every year, because of its nature.</p> <p><i>Mr J Blair proposed</i> <i>Mr M Mnyamana Seconded</i></p>	Mr R Sors
7.6	<p>Internal Audit Annual plan 2014/2015</p> <p>Mr J Blair proposed only to look at quarter 2, 3 and 4.</p> <p>Ms R Sors went through the plan</p> <p>Mr J Blair proposed if there are significant findings in the SCM it can be moved to quarter 2.</p>	<p>Mr J Blair</p> <p>Ms R Sors</p> <p>Mr J Blair</p>

	<p>Mr J Blair wanted to know why the IDP and the SDBIP is planned so late.</p> <p>Ms R Sors explained that Internal Audit has tried to make it earlier but then the municipalities will not be ready or it's in a draft format.</p> <p><i>Mr M Mnyamana proposed</i> <i>Mr J Blair seconded</i></p>	<p>Ms R Sors</p> <p>Ms R Sors</p>
8.	<p>Date of next meeting</p> <p>Date of next meeting to be communicated.</p> <p>The Chairperson requested internal audit to report on the progress of all findings raised during the 2014/2015 financial year.</p> <p>Ms R Sors responded that at the next audit committee meeting internal audit will present a follow-up report on all findings raised.</p> <p>Mr J Blair recommended not to do a full report and to do a register where there is just a one line explanation on each finding.</p>	<p>Mr J Blair</p>
	<p>Closure</p> <p>Mr J Blair thanked all attendees.</p>	<p>Mr J Blair</p>

Minutes of the Audit Committee Meeting

Date: 29 June 2015

Time: 11:00 am

Venue: Umsobomvu Municipality, Colesberg

Nr.	Item	Responsible Person
1	<p>Opening and welcoming The chairperson welcomed all attendees to the audit committee meeting</p>	Mr J Blair
2	<p>Present Mr. J Blair : Chairperson Mr D .T Visagie: CFO Mr N.L Thiso: Deputy CFO Mr B Kapp: Manager: Corporate Service Mr P.T.R Mosompha: Technical Manager Mrs M.C Mostert: Senior Accountant Ms L Sonwabo: Income Accountant Mr J Hanse: Consultant Municipal Support Mr M Mnyamana: audit Committee Member Mr M Puley: Audit Committee Member Mr E Titus: Audit Committee Member Mrs E Humphries: Councillor Mr. J.T Oliphant: Senior: Internal Audit Mr M.C Mora: Administrative Support</p>	All
3	<p>Application for leave of absence Mr Mpela – LIGR Ms R Sors: National Intelligence</p>	All
4	<p>Confirmation of previous minutes Amendments on previous minutes: 1. Mr Kapp was at the SPLUMA meeting in De Aar 2. Mr Mpela was in Durban. Proposes Mr J Blair Seconded Mr Puley</p>	All
5	<p>Matters arising from previous minutes</p>	Mr D Visagie

	<p>Irregular Expenditure: meeting was held with MPAC on the 26 May 2015, it was resolved that management and the MPAC members should get together for a working session to prepare a decent report to council. It will not be able to be done by end of June 2015.</p> <p>Mr J Blair wanted to know will it be carried forward and will not be condoned</p> <p>Will be done before the annual financial statements are submitted, must first get a council resolution that it can be added to the financials.</p> <p><u>EX.3 Qrt 1: Salary Advances: Weakness Identified</u> Still busy with finalizing of the Advance Policy will be drafted and submitted to council in the 4th quarter.</p>	<p>Mr J Blair</p> <p>Mr D Visagie</p> <p>Mr Kapp</p>
<p>6.1</p>	<p>Internal Audit Final Report – Quarter 3 2014/2015</p> <p><u>EX. 1: Qrt 3: Basic Services: Weaknesses identified regarding drinking water</u></p> <p>Management agrees with the finding. Drinking water in Norvalspont was resolved, but not complete. For the problem to be completely resolved the infrastructure needs to be upgraded. The plans to upgrade are at an advance stage.</p> <ul style="list-style-type: none"> • Action plan: Depends on the availability of funds • Responsible: Manager Technical Services • Implementation date: start 2015/2016 using Regional Bulk Infrastructure Grant. <p>Auditors noted the comment, however due to the critical nature the finding will still remain until fully resolved</p> <p><u>Meeting resolved in the following:</u></p> <p>Mr. Mosompha explained about the Chlorine processes and the finding of leakages in pipes.</p> <p>Mr J Blair wanted to know is there a problem with the drinking water?</p> <p>Mr Mosompha responded, at the moment no, but sometimes yes it depends on the on how often the chlorine level is monitored and checked. If it's low it has to be increased.</p>	<p>Mr Mosompha</p> <p>Mr J Blair</p> <p>Mr Mosompha</p>

	<p>Mr J Blair asked if he drinks a glass of water will he get sick?</p> <p>Mr Mosompha responded No.</p> <p>Mr Mnyamana wanted to know whether the leakage of pipes has been identified.</p> <p>Mr Mosompha responded that the leakages are underground, said the tanks should be upgraded so that contact times can be met.</p> <p>Mr Mosompha also added that the community is aware and was advised to boil the water and add 5ml of home bleach (Jik) to the water while cooking</p> <p>Mr J Blair asked if council is aware of the issue.</p> <p>Mr Mosompha responded Yes council is aware.</p> <p>Mr J Blair recommend to Council that the community should be made aware of the possible risk.</p>	<p>Mr J Blair</p> <p>Mr Mosompha</p> <p>Mr Mnyamana</p> <p>Mr Mosompha</p> <p>Mr J Blair</p> <p>Mr Mosompha</p> <p>Mr J Blair</p>
	<p>EX.2: Qrt 3: Appointments: Weakness identified</p> <ul style="list-style-type: none"> • Management agrees with the finding. • Auditors agree with the finding, however finding will remain 	
	<p><u>EX. 3: Under spending of grants</u></p> <p>Management agrees with the finding.</p> <p>Auditors noted the comment, however the finding will remain.</p> <p><i><u>Meeting resolved in the following:</u></i></p> <p>Mr J Blair said that the tender process was not adjudicated and evaluated correctly if landed in this situation. Attention needs to be given to the awarded of tenders.</p> <p>Mr Mosompha responded that on the organisational structure of the contractor it stated that he had all the relevant people, but when the contractor came on site he only had one person who did everything. He was called to</p>	<p>Mr J Blair</p> <p>Mr Mosompha</p>

	<p>order by management. Time was given to him he worked for a month and the following month management interfering he lapsed. He was again call to order and recommendation was made for another contractor to help him to the job to do the work faster or he has to cope. That's how it came that the contractor had to be fired.</p> <p>Mr J Blair wanted to know how background checks are done on the contractors.</p> <p>Mr Mosompha responded that they check on similar projects done by the contractor. The consultant verified the other projects. Also cash flow.</p> <p>Is there mechanism to use to verify their previous projects.</p> <p>A technician was send to check on a project that was done by the contractor.</p> <p>Mr J Blair recommended that the process of verifying previous projects of contractors should be done. In order to check if the person completed the project.</p> <p>Mr J Oliphant wanted to know if National treasury was informed about the contractor not completing the project.</p> <p>Mr Mosompha responded no, because the contractor did not abandon the site he was fired by the municipality. It's not to say he would not have completed the project, he would not have completed the project within the given time frame. Mr Mosompha said to his team not to take it to treasury.</p> <p>Mr j Blair said that the municipality has a duty to at least report to the National treasury and CIBD.</p> <p>CIBD grading is link to contract grading</p>	<p>Mr J Blair</p> <p>Mr Mosompha</p> <p>Mr Mnyamana</p> <p>Mr Mosompha</p> <p>Mr J Blair</p> <p>Mr J Oliphant</p> <p>Mr Mosompha</p> <p>Mr J Blair \ Mr Kapp</p>
	<p><u>EX.4 Qrt 3: Inventory listed outdated</u></p> <p>Issue has been resolved</p>	

	<p><u>FOLLOW - UP REPORT QUARTER 1 AND 2</u></p> <p>Mr J Blair requested that it should be looked at the issues that no progress has been made upon.</p> <p>Mr J Oliphant focused only on the processes not completed: <u>Quarter 1: personnel and payroll Deviation regarding overtime</u></p> <p>Mr D Visagie responded that the figures were just turned around. He will submit the proof to Internal Audit.</p> <p><u>Quarter 1: Recruitment and Appointments: Screening not done to the appointment made</u></p>	<p>Mr J Blair</p> <p>Mr J Oliphant</p> <p>Mr D Visagie</p>
	<p><u>UMSOBOMVU MUNICIPALITY – AUDIT ACTION PLAN (PROGRESS)</u></p> <p>Everything is according to date. SCM is busy checking through everything and report of something is missing. E.g tax clearance or a certificate that is not there.</p>	<p>Mr D Visagie</p>
	<p><i>On the 20th August 2015 annual financial statements will be submitted to Internal Audit 25 August 2015 to the Audit committee</i></p>	
	<p>Next date of meeting will be communicated</p>	
	<p>Closure</p> <p>Mr J Blair thanked all the attendees for attending the meeting</p>	