



**QUARTERLY BUDGET  
MONITORING REPORT – S52  
30 SEPTEMBER 2017**

# QUARTERLY BUDGET MONITORING REPORT – 30 SEPTEMBER 2017

## LEGISLATIVE FRAMEWORK

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery. This report has been prepared in terms of the following legislative framework:

- ✓ Municipal Finance Management Act – No. 56 of 2003, Section 52 which states that “The mayor of the Municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and financial state of affairs of the municipality, and
- ✓ Municipal Budget and Reporting Regulations

The objective of these regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the act.

## Executive Mayors Report Summary

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

### a) Summary Statement of Financial Performance

The Summary Statement of Financial Performance shown below is prepared on a similar basis of the prescribed budget format, detailing revenue by source type and expenditure per vote.

EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

| Description  | Ref | 2016/17         | Budget Year 2017/18 |                 |                |               |               |              |                |                    |         |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|---------|
|  |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |         |
| <b>R thousands</b>   |     |                 |                     |                 |                |               |               |              |                |                    |         |
| <b>Revenue By Source</b>   |     |                 |                     |                 |                |               |               |              |                |                    |         |
| Property rates   |     |                 | 16,771              |                 | 1,964          | 7,023         | 4,193         | 2,830        | 68%            | 16,771             |         |
| Service charges - electricity revenue                                |     |                 | 41,643              |                 | 4,070          | 7,358         | 10,411        | (3,053)      | -29%           | 41,643             |         |
| Service charges - water revenue                                      |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |         |
| Service charges - sanitation revenue                                 |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |         |
| Service charges - refuse revenue                                     |     |                 | 10,032              |                 | 1,437          | 3,258         | 2,508         | 750          | 30%            | 10,032             |         |
| Service charges - other  |     |                 | 127                 |                 | -              | -             | 32            | (32)         | -100%          | 127                |         |
| Rental of facilities and equipment                                   |     |                 | 1,004               |                 | 19             | 127           | 251           | (124)        | -49%           | 1,004              |         |
| Interest earned - external investments                               |     |                 | 6,800               |                 | 520            | 1,339         | 1,700         | (361)        | -21%           | 6,800              |         |
| Interest earned - outstanding debtors                                |     |                 | 2,640               |                 | 112            | 252           | 660           | (408)        | -62%           | 2,640              |         |
| Dividends received   |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |         |
| Fines, penalties and forfeits  |     |                 | 53                  |                 | 5              | 132           | 13            | 119          | 890%           | 53                 |         |
| Licences and permits   |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |         |
| Agency services  |     |                 | 4,066               |                 | 551            | 701           | 1,016         | (316)        | -31%           | 4,066              |         |
| Transfers and subsidies  |     |                 | 101,164             |                 | -              | 39,770        | 25,291        | 14,479       | 57%            | 101,164            |         |
| Other revenue  |     |                 | 41,320              |                 | 13             | 217           | 10,330        | (10,113)     | -98%           | 41,320             |         |
| Gains on disposal of PPE   |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |         |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     |                 | -                   | 225,621         | -              | 8,690         | 60,177        | 56,405       | 3,772          | 7%                 | 225,621 |

Accounts have been raised for the municipal debtors for property rates as well as service charges (electricity and refuse). Actual receipts are shown in a separate table below. Interest on investments is earned from monies invested for a short period of time which is not needed to pay commitments. The 1<sup>st</sup> quarter report shows an underperformance of 21% which is caused by the decrease in gazetted grants.

**EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September**

| Description                     | Ref | 2016/17         | Budget Year 2017/18 |                 |                |               |               |               |                |                    |                |
|---------------------------------|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|---------------|----------------|--------------------|----------------|
|                                 |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance  | YTD variance % | Full Year Forecast |                |
| <b>R thousands</b>              |     |                 |                     |                 |                |               |               |               |                |                    |                |
| <b>Expenditure By Type</b>      |     |                 |                     |                 |                |               |               |               |                |                    |                |
| Employee related costs          |     |                 | 113,568             |                 | 9,484          | 29,742        | 28,392        | 1,350         | 5%             | 113,568            |                |
| Remuneration of councillors     |     |                 | 13,244              |                 | 941            | 2,825         | 3,311         | (486)         | -15%           | 13,244             |                |
| Debt impairment                 |     |                 | 5,000               |                 | -              | -             | 1,250         | (1,250)       | -100%          | 5,000              |                |
| Depreciation & asset impairment |     |                 | 26,000              |                 | -              | -             | 6,500         | (6,500)       | -100%          | 26,000             |                |
| Finance charges                 |     |                 | 100                 |                 |                | 6             | 25            | (19)          | -77%           | 100                |                |
| Bulk purchases                  |     |                 | 28,000              |                 | 3,448          | 6,840         | 7,000         | (160)         | -2%            | 28,000             |                |
| Other materials                 |     |                 | -                   |                 | -              | -             | -             | -             |                | -                  |                |
| Contracted services             |     |                 | 2,782               |                 | 28             | 323           | 696           | (373)         | -54%           | 2,782              |                |
| Transfers and subsidies         |     |                 | -                   |                 | -              | -             | -             | -             |                | -                  |                |
| Other expenditure               |     |                 | 36,927              |                 | 4,430          | 11,058        | 9,232         | 1,827         | 20%            | 36,927             |                |
| Loss on disposal of PPE         |     |                 | -                   |                 | -              | -             | -             | -             |                | -                  |                |
| <b>Total Expenditure</b>        |     |                 | <b>-</b>            |                 | <b>-</b>       | <b>18,331</b> | <b>50,794</b> | <b>56,405</b> | <b>(5,611)</b> | <b>-10%</b>        | <b>225,621</b> |

Total Expenditure is sitting at 10% when comparing YTD actual against YTD Budget. This is due to debt impairment and depreciation accounted for at year-end. Employee related costs has a variance of R1, 3m, which is mainly due to increase in salary bill as a result of filling of vacancies at unprecedented levels. Other expenditure has a variance of R1.8 m, this variance is due to high rate of travelling, legal fees among other things as well as spending on programmes which were not planned.

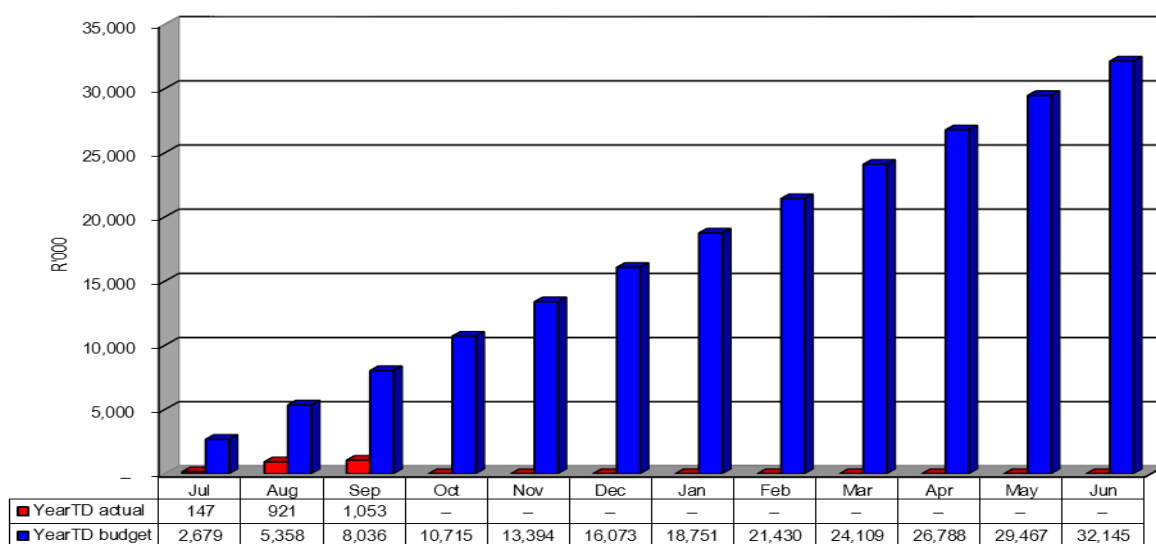
### Capital Expenditure

The following table provides a summary of the expenditure trends based on current year planned capital projects and actual spending.

**EC124 Amahlathi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September**

| Month  | 2016/17         | Budget Year 2017/18 |                 |                |               |               |              |                |                            |  |
|--|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|----------------------------|--|
|  | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | % spend of Original Budget |  |
| <b>R thousands</b>                           |                 |                     |                 |                |               |               |              |                |                            |  |
| <b>Monthly expenditure performance trend</b> |                 |                     |                 |                |               |               |              |                |                            |  |
| July   |                 | 2,679               |                 | 147            | 147           | 2,679         | 2,532        | 94.5%          | 0%                         |  |
| August                                       |                 | 2,679               |                 | 774            | 921           | 5,358         | 4,436        | 82.8%          | 3%                         |  |
| September                                    |                 | 2,679               |                 | 132            | 1,053         | 8,036         | 6,983        | 86.9%          | 3%                         |  |
| October                                      |                 | 2,679               |                 |                |               | 10,715        | -            |                |                            |  |
| November                                     |                 | 2,679               |                 |                |               | 13,394        | -            |                |                            |  |
| December                                     |                 | 2,679               |                 |                |               | 16,073        | -            |                |                            |  |
| January                                      |                 | 2,679               |                 |                |               | 18,751        | -            |                |                            |  |
| February                                     |                 | 2,679               |                 |                |               | 21,430        | -            |                |                            |  |
| March  |                 | 2,679               |                 |                |               | 24,109        | -            |                |                            |  |
| April  |                 | 2,679               |                 |                |               | 26,788        | -            |                |                            |  |
| May  |                 | 2,679               |                 |                |               | 29,467        | -            |                |                            |  |
| June   |                 | 2,679               |                 |                |               | 32,145        | -            |                |                            |  |
| <b>Total Capital expenditure</b>             |                 | <b>-</b>            |                 | <b>1,053</b>   |               |               |              |                |                            |  |

**Chart C2 2017/18 Capital Expenditure: YTD actual v YTD target**



## Cash and Investment management

The Municipality is covering its costs without the assistance of external funding. Call deposits amounts to R 69m as at end September 2017. The table that details the call deposits made is reflected below. Table C7 on the following page reflects the actual cash that is received and spent by the municipality during the period.

**EC124 Amahlathi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September**

| Investments by maturity<br>Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
|--|-----|----------------------|--------------------|---------------------------|--------------------------------|---------------------------|--|------------------------|----------------------------------|
|  |     | Yrs/Months           |                    |                           |                                |                           |  |                        |                                  |
| <b>R thousands</b>   |     |                      |                    |                           |                                |                           |  |                        |                                  |
| <b>Municipality</b>  |     |                      |                    |                           |                                |                           |  |                        |                                  |
| INVESTEC - 456   |     | days                 | Short tem          |                           | 324                            |                           | –                                      | 50,504                 | 50,828                           |
| NEDBANK  |     | days                 | Short tem          |                           | 35                             |                           | –                                      | (35)                   | 0                                |
| ABSA 1602  |     | days                 | Short tem          |                           | 91                             |                           | –                                      | 10,041                 | 10,132                           |
| FNB 3770   |     | days                 | Short tem          |                           | 2                              |                           | 1,565                                  | (1,488)                | 79                               |
| FNB 9619   |     | days                 | Short tem          |                           | 0                              |                           | 616                                    | (596)                  | 20                               |
| FNB 1351   |     | days                 | Short tem          |                           | 1                              |                           | 242                                    | 1                      | 243                              |
| FNB 9858   |     | days                 | Short tem          |                           | 67                             |                           | 7,597                                  | 96                     | 7,760                            |
| <b>Municipality sub-total</b>                                  |     |                      |                    |                           | 520                            |                           | 10,021                                 | 58,523                 | 69,063                           |
| <b>Entities</b>  |     |                      |                    |                           |                                |                           |  |                        |                                  |
|  |     |                      |                    |                           |                                |                           |  |                        |                                  |
| <b>Entities sub-total</b>                                      |     |                      |                    |                           | –                              |                           | –                                      | –                      | –                                |
| <b>TOTAL INVESTMENTS AND INTEREST</b>                          | 2   |                      |                    |                           | 520                            |                           | 10,021                                 | 58,523                 | 69,063                           |

EC124 Amahlathi - Table C7 Monthly Budget Statement - Cash Flow - M03 September

| Description                                       | Ref | 2016/17         | Budget Year 2017/18 |                 |                |               |               |              |                |                    |          |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|----------|
|   |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |          |
| <b>R thousands</b>                                | 1   |                 |                     |                 |                |               |               |              |                |                    |          |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |     |                 |                     |                 |                |               |               |              |                |                    |          |
| <b>Receipts</b>                                   |     |                 |                     |                 |                |               |               |              |                |                    |          |
| Property rates                                    |     |                 | 16,771              |                 | 673            | 3,373         | 4,193         | (820)        | -20%           | 16,771             |          |
| Service charges                                   |     |                 | 51,802              |                 | 2,140          | 5,109         | 12,951        | (7,841)      | -61%           | 51,802             |          |
| Other revenue                                     |     |                 | 46,443              |                 | 75             | 1,140         | 11,611        | (10,471)     | -90%           | 46,443             |          |
| Government - operating                            |     |                 | 101,164             |                 | -              | 39,770        | 25,291        | 14,479       | 57%            | 101,164            |          |
| Government - capital                              |     |                 | 32,145              |                 | -              | -             | 8,036         | (8,036)      | -100%          | 32,145             |          |
| Interest  |     |                 | 9,440               |                 | 531            | 960           | 2,360         | (1,400)      | -59%           | 9,440              |          |
| Dividends   |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| <b>Payments</b>                                   |     |                 |                     |                 |                |               |               |              |                |                    |          |
| Suppliers and employees                           |     |                 | (225,521)           |                 |                | (32,463)      | (56,380)      | (23,917)     | 42%            | (225,521)          |          |
| Finance charges                                   |     |                 | (100)               |                 |                | -             | (25)          | (25)         | 100%           | (100)              |          |
| Transfers and Grants                              |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  |     |                 | -                   | 32,145          | -              | 3,418         | 17,889        | 8,036        | (9,853)        | -123%              | 32,145   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |     |                 |                     |                 |                |               |               |              |                |                    |          |
| <b>Receipts</b>                                   |     |                 |                     |                 |                |               |               |              |                |                    |          |
| Proceeds on disposal of PPE                       |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| Decrease (Increase) in non-current debtors        |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| Decrease (increase) other non-current receivables |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| Decrease (increase) in non-current investments    |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| <b>Payments</b>                                   |     |                 |                     |                 |                |               |               |              |                |                    |          |
| Capital assets                                    |     |                 | (32,145)            |                 | (132)          | (1,053)       | (8,036)       | (6,983)      | 87%            | (32,145)           |          |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  |     |                 | -                   | (32,145)        | -              | (132)         | (1,053)       | (8,036)      | (6,983)        | 87%                | (32,145) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |     |                 |                     |                 |                |               |               |              |                |                    |          |
| <b>Receipts</b>                                   |     |                 |                     |                 |                |               |               |              |                |                    |          |
| Short term loans                                  |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| Borrowing long term/refinancing                   |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| Increase (decrease) in consumer deposits          |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| <b>Payments</b>                                   |     |                 |                     |                 |                |               |               |              |                |                    |          |
| Repayment of borrowing                            |     |                 |                     |                 |                |               |               | -            |                |                    |          |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |          |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      |     |                 | -                   | -               | -              | 3,286         | 16,836        | -            |                | -                  |          |
| Cash/cash equivalents at beginning:               |     |                 | 105,825             |                 |                |               | 105,825       |              |                | -                  |          |
| Cash/cash equivalents at month/year end:          |     |                 | 105,825             |                 |                |               | 16,836        | 105,825      |                | -                  |          |

## Debt Management Outstanding debtors

The below table depicts the total amount owed to the municipality by debtors

EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

| Description   | NT Code     | Budget Year 2017/18 |              |              |             |              |              |               |          |               | 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         |                    |  |   |
| <b>R thousands</b>  |             |                     |              |              |             |              |              |               |          |               |                    |  |   |
| <b>Debtors Age Analysis By Income Source</b>                            |             |                     |              |              |             |              |              |               |          |               |                    |  |   |
| Trade and Other Receivables from Exchange Transactions - Water          | 1200        | -                   | -            | -            | -           | -            | -            | -             | -        | -             | -                  | -  |   |
| Trade and Other Receivables from Exchange Transactions - Electricity    | 1300        | 1,872               | 938          | 722          | 497         | 365          | 263          | 532           |          | 5,188         | 1,657              |  |   |
| Receivables from Non-ex change Transactions - Property Rates            | 1400        | 4,042               | 1,919        | 1,374        | 87          | 666          | 545          | 10,965        |          | 19,599        | 12,264             |  |   |
| Receivables from Ex change Transactions - Waste Water Management        | 1500        | -                   | -            | -            | -           | -            | -            | -             |          | -             | -                  |  |   |
| Receivables from Ex change Transactions - Waste Management              | 1600        | 348                 | 280          | 335          | 363         | 358          | 348          | 11,918        |          | 13,950        | 12,986             |  |   |
| Receivables from Ex change Transactions - Property Rental Debtors       | 1700        | -                   | -            | -            | -           | -            | -            | -             |          | -             | -                  |  |   |
| Interest on Arrear Debtor Accounts                                      | 1810        | -                   | -            | -            | -           | -            | -            | -             |          | -             | -                  |  |   |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820        | -                   | -            | -            | -           | -            | -            | -             |          | -             | -                  |  |   |
| Other   | 1900        | 913                 | 188          | 269          | (105)       | 223          | 222          | 5,426         |          | 7,137         | 5,767              |  |   |
| <b>Total By Income Source</b>   | <b>2000</b> | <b>7,176</b>        | <b>3,325</b> | <b>2,701</b> | <b>843</b>  | <b>1,612</b> | <b>1,377</b> | <b>28,842</b> | <b>-</b> | <b>45,874</b> | <b>32,673</b>      | <b>-</b>                                     | <b>-</b>                                    |
| <b>2016/17 - totals only</b>  |             |                     |              |              |             |              |              |               |          | -             | -                  |  |   |
| <b>Debtors Age Analysis By Customer Group</b>                           |             |                     |              |              |             |              |              |               |          |               |                    |  |   |
| Organs of State   | 2200        | 2,075               | 1,222        | 1,087        | 243         | 470          | 349          | 3,269         |          | 8,713         | 4,331              |  |   |
| Commercial  | 2300        | 3,365               | 1,101        | 694          | 352         | 270          | 203          | 3,952         |          | 9,937         | 4,777              |  |   |
| Households  | 2400        | 1,553               | 943          | 980          | 245         | 857          | 799          | 21,201        |          | 26,579        | 23,101             |  |   |
| Other   | 2500        | 183                 | 59           | (61)         | 3           | 16           | 26           | 419           |          | 645           | 464                |  |   |
| <b>Total By Customer Group</b>  | <b>2600</b> | <b>7,176</b>        | <b>3,325</b> | <b>2,701</b> | <b>843</b>  | <b>1,612</b> | <b>1,377</b> | <b>28,842</b> | <b>-</b> | <b>45,874</b> | <b>32,673</b>      | <b>-</b>                                     | <b>-</b>                                    |

Total outstanding debt for the month ending Sept 2017 is R45m.

**Billed Services Vs Collection rate for the quarter ending 30 September 2017**

| <b>Months</b>      | <b>Services per category</b> | <b>Billed to date</b> | <b>Actual Received to date</b> | <b>YTD Variance</b> | <b>Collection rate %</b> |
|--------------------|------------------------------|-----------------------|--------------------------------|---------------------|--------------------------|
| <b>July - Sept</b> | Rates                        | 4,740,691.78          | 2,145,860.49                   | 2,594,831.29        | 45.26                    |
| <b>July - Sept</b> | Refuse                       | 1,585,543.94          | 834,840.75                     | 750,703.19          | 52.65                    |
| <b>July - Sept</b> | Electricity                  | 10,247,267.56         | 5,214,072.99                   | 5,033,194.57        | 50.88                    |
| <b>July - Sept</b> | Commonage                    | 93,440.28             | 55,285.27                      | 38,155.01           | 59.17                    |

The collection rate as at September stands at 68%. This is arrived by taking actual receipts to date against billed to date.

**Outstanding Creditors**

The municipality strives to pay its creditors within 30 days, however some delay to be paid when the process of procuring is not followed.

## Grants allocations and expenditure – as at 30 September 2017

The conditional grants allocation gazetted for 2017/18 amounted to R133m and to date only R54.5m has been received. YTD receipts amounts to 41% of the allocation. The expenditure on grants is detailed below.

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

| Description   | Ref | 2016/17         | Budget Year 2017/18 |                 |                |               |               |              |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|   |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| <b>R thousands</b>  |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>EXPENDITURE</b>  |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Operating expenditure of Transfers and Grants</b>        |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>National Government:</b>                                 |     | -               | 99,964              | -               | 397            | 40,220        | 24,991        | 15,229       | 60.9%          | 104,964            |
| Local Government Equitable Share                            |     |                 | 95,446              |                 | -              | 39,770        | 23,862        | 15,909       | 66.7%          | 95,446             |
| Finance Management  |     |                 | 1,700               |                 | 20             | 73            | 425           | (352)        | -82.7%         | 1,700              |
| Municipal Systems Improvement                               |     |                 | -                   |                 |                |               | -             | -            |                | -                  |
| EPWP Incentive  |     |                 | 1,389               |                 | 377            | 377           | 347           | 30           | 8.5%           | 1,389              |
| PMU 5%  |     |                 | 1,429               |                 |                |               | 357           | (357)        | -100.0%        | 1,429              |
| Other transfers and grants [insert description]             |     |                 | -                   |                 |                |               | -             | -            |                | 5,000              |
| <b>Provincial Government:</b>                               |     | -               | 1,200               | -               | -              | -             | 300           | (300)        | -100.0%        | 1,200              |
| Sport and Recreation  |     |                 | 1,200               |                 |                |               | 300           | (300)        | -100.0%        | 1,200              |
| Waste Collection Grant                                      |     |                 |                     |                 |                |               |               |              |                |                    |
| Waste Management Grant                                      |     |                 |                     |                 |                |               |               |              |                |                    |
| Other transfers and grants [insert description]             |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>District Municipality:</b>                               |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| [insert description]  |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Other grant providers:</b>                               |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| [insert description]  |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Total operating expenditure of Transfers and Grants:</b> |     | -               | 101,164             | -               | 397            | 40,220        | 25,291        | 14,929       | 59.0%          | 106,164            |
| <b>Capital expenditure of Transfers and Grants</b>          |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>National Government:</b>                                 |     | -               | 32,145              | -               | 132            | 1,053         | 8,036         | (6,983)      | -86.9%         | 27,145             |
| Municipal Infrastructure Grant (MIG)                        |     |                 | 27,145              |                 | 132            | 1,040         | 6,786         | (5,747)      | -84.7%         | 27,145             |
|   |     |                 | 5,000               |                 |                | 14            | 1,250         | (1,236)      | -98.9%         |                    |
| Other capital transfers [insert description]                |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Provincial Government:</b>                               |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
|   |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>District Municipality:</b>                               |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
|   |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Other grant providers:</b>                               |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
|   |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Total capital expenditure of Transfers and Grants</b>    |     | -               | 32,145              | -               | 132            | 1,053         | 8,036         | (6,983)      | -86.9%         | 27,145             |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>            |     | -               | 133,309             | -               | 529            | 41,274        | 33,327        | 7,946        | 23.8%          | 133,309            |



## Expenditure on councillor allowances and employee benefits

Employee related costs has a variance of R1.3m, which is mainly due to increase in salary bill as a result of filling of vacancies at unprecedented levels.

| EC124 Amahlathi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September |     |                 |                     |                 |                |               |               |               |                |                    |                |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|---------------|----------------|--------------------|----------------|
| Summary of Employee and Councillor remuneration   | Ref | 2016/17         | Budget Year 2017/18 |                 |                |               |               |               |                |                    |                |
|   |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance  | YTD variance % | Full Year Forecast |                |
| R thousands   |     |                 |                     |                 |                |               |               |               |                |                    |                |
|   | 1   | A               | B                   | C               |                |               |               |               |                | D                  |                |
| <b>Councillors (Political Office Bearers plus Other)</b>  |     |                 |                     |                 |                |               |               |               |                |                    |                |
| Basic Salaries and Wages  |     |                 | 8,098               |                 | 597            | 1,194         | 2,025         | (831)         | -41%           | 8,098              |                |
| Pension and UIF Contributions   |     |                 | 1,064               |                 | -              | -             | 266           | (266)         | -100%          | 1,064              |                |
| Medical Aid Contributions   |     |                 | 106                 |                 | -              | -             | 27            | (27)          | -100%          | 106                |                |
| Motor Vehicle Allowance   |     |                 | 2,911               |                 | 201            | 408           | 728           | (320)         | -44%           | 2,911              |                |
| Cellphone Allowance   |     |                 | 1,064               |                 | 60             | 120           | 266           | (146)         | -55%           | 1,064              |                |
| Housing Allowances  |     |                 |                     |                 |                |               |               | -             |                |                    |                |
| Other benefits and allowances   |     |                 |                     |                 | 83             | 163           |               | 163           | #DIV/0!        |                    |                |
| <b>Sub Total - Councillors</b>  |     |                 | <b>-</b>            | <b>13,244</b>   | <b>-</b>       | <b>941</b>    | <b>1,884</b>  | <b>3,311</b>  | <b>(1,427)</b> | <b>-43%</b>        | <b>13,244</b>  |
| <b>% increase</b>   | 4   |                 | #DIV/0!             |                 |                |               |               |               |                | #DIV/0!            |                |
| <b>Other Municipal Staff</b>  |     |                 |                     |                 |                |               |               |               |                |                    |                |
| Basic Salaries and Wages  |     |                 | 81,382              |                 | 6,717          | 20,480        | 20,346        | 134           | 1%             | 81,382             |                |
| Pension and UIF Contributions   |     |                 | 13,414              |                 | 1,096          | 3,389         | 3,354         | 35            | 1%             | 13,414             |                |
| Medical Aid Contributions   |     |                 | 4,369               |                 | 389            | 1,085         | 1,092         | (8)           | -1%            | 4,369              |                |
| Overtime  |     |                 | 2,500               |                 | 165            | 662           | 625           | 37            | 6%             | 2,500              |                |
| Bonus   |     |                 | 1,250               |                 | 55             | 173           | 313           | (140)         | -45%           | 1,250              |                |
| Motor Vehicle Allowance   |     |                 | 4,800               |                 | 387            | 2,041         | 1,200         | 841           | 70%            | 4,800              |                |
| Cellphone Allowance   |     |                 | 1,200               |                 | 91             | 353           | 300           | 53            | 18%            | 1,200              |                |
| Housing Allowances  |     |                 | 3,800               |                 | 252            | 828           | 950           | (122)         | -13%           | 3,800              |                |
| Other benefits and allowances   |     |                 | 440                 |                 | 323            | 689           | 110           | 579           | 527%           | 440                |                |
| Payments in lieu of leave   |     |                 | 413                 |                 | 8              | 43            | 103           | (60)          | -59%           | 413                |                |
| Long service awards   |     |                 |                     |                 |                |               |               | -             |                |                    |                |
| Post-retirement benefit obligations   | 2   |                 |                     |                 |                |               |               | -             |                |                    |                |
| <b>Sub Total - Other Municipal Staff</b>  |     |                 | <b>-</b>            | <b>113,568</b>  | <b>-</b>       | <b>9,484</b>  | <b>29,742</b> | <b>28,392</b> | <b>1,350</b>   | <b>5%</b>          | <b>113,568</b> |
| <b>% increase</b>   | 4   |                 | #DIV/0!             |                 |                |               |               |               |                | #DIV/0!            |                |

## Recommendations

- ✓ That Council notes the contents of this report and supporting documentations for the 1st quarter of 2017/18 financial year.

Cllr P Qaba  
 The Mayor  
 13/10/2017