

UMZUMBE MUNICIPALITY

COUNCIL

**PURPOSE : APPROVAL OF MID YEAR PERFORMANCE ASSESSMENT AND
ADJUSTMENT BUDGET 2013/2014**

FROM THE MUNICIPAL MANAGER

**SUBJECT : MID YEAR PERFORMANCE ASSESSMENT AND ADJUSTMENT
BUDGET 2013/2014**

BACKGROUND

In terms of section 72(1) of the Municipal Finance Management Act, No. 56 of 2003, the accounting officer must by 25 January of each year:

- Assess the performance of the municipality during the first half of the financial year, taking into account the –
 - (a) The monthly statements (i.e. financial reports);
 - (b) Annual report for previous year; and
 - (c) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan (SDBIP)
- Submit a report on such assessment to –
 - (a) The mayor of the municipality;
 - (b) The National Treasury; and
 - (c) The Provincial Treasury.

In terms of section 72 (3) of the MFMA, the accounting officer must as part of the review-

- (a) Make recommendations as to whether the adjustment budget is necessary; and
- (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

STRATEGIC IMPLICATIONS

The report facilitates the monitoring and transparency of overall expenditure in terms of the budget. It further serves to ensure compliance.

STAFF IMPLICATIONS

There are no staff implications.

OTHER PARTIES CONSULTED

There were no other parties consulted.

COMMUNICATION

This report is tabled to Council and submitted to Provincial and National Treasury.

LEGAL IMPLICATIONS

Compliance with MFMA.

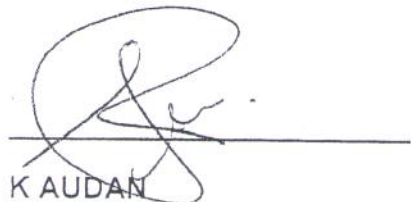
FINANCIAL IMPLICATIONS

There are no financial implications except for the implications of the adjustments on the budget.

RECOMMENDATION

The Council approves the mid-year budget and performance assessment and adjustment budget for the 2013/2014 financial year.

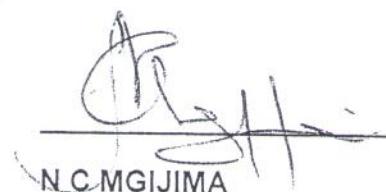
PREPARED BY:



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CHIEF FINANCIAL OFFICER

APPROVED BY:



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MUNICIPAL MANAGER

Mayor's foreword for budget adjustment 2013/2014

Amakhosi

Deputy Mayor Cllr Nompilo Dlamini-Mweshe

Speaker Cllr Sizwe Ngcobo

Exco Councilors

Councillors

Municipal Manager Ms NC Mgijima

Today marks our first sitting as the full council of in this august house of Umzumbé Municipality. Allow me to welcome you all especially Amakhosi amongst us. Councillors just came back from the reses period but for many of us it has been work as usual since we had to form part of the Reses Committee to ensure that the ball continues to roll even during the festive season, the time for relaxing. Fortunately we had no serious incidents that occurred during the festive season.

The ruling party was on a rampage this past few weeks talking about their January 8 statement. That statement is very important because a large part of it informs the State of The Nation Address. It is where the country will get its line of march going forward in 2014. Also, this year is a very important year, it is the election year. We wait with baited breaths for the State President uMsholozí to announce the date of elections. With the little maths I have done the elections have to take place before the 21 July 2014.

The maths that I used to establish the time we will be due for elections is the same maths that has shown me that we are presiding over a very financially solid municipality. My maths must not be doubted because even the Auditor General confirmed it by giving us an unqualified report with matters. This unqualified report speaks to the commitment by the municipality officials sharply led by Ms Mgijima. It is not only the unqualified audit report that we achieved, we got more than that. Our infrastructure and the general outlook of the municipality has improved significantly. You might have seen that we now have two new graders that will best service our communities. These graders were budgeted for and that target was achieved. If you have not noticed, that is how we run this municipality, we set targets and achieve them on time. In the next financial year we anticipate to buy more graders to accelerate our service in road maintenance.

We spend out budget knowing full well that this is tax payers' money. We adhere to the MFMA word for word. We currently have a number of roads that we have built. Others were constructed from scratch, whilst others were improved and made bigger. We even managed to have some savings at the same time. The money we use for roads construction come from Municipal Infrastructure Grant (MIG) and I am glad to report that there is no money that is returned to Treasury unspent. These roads are life changing for

people who are direct beneficiaries. These roads include Vethe Access road, Malukhakhe Access Road and many other roads. I must mention that these roads have big bridges that connect wards and Umzumbe Municipality as a whole. You might think we have enough money. Instead we need even more money to ensure that we fulfil our wish-list of having the Indoor Sport Centres in Nkanini and Mqangqala. In short, I am trying to show you that a lot of work has been done and a whole lot more remains to be done. We are also electrifying areas of ward 16 and ward 9. The good work we are doing speaks to the relationship we have with our ward committees.

Last year Umzumbe Municipality was the host of the World International Day. MEC for Social Development, Honourable Weziwe Thusi came to Ward 6 and spoke about the way we remain affected by this scourge. It is our duty as a municipality to continue ensuring that we put a lot of effort in fighting this scourge. As Umzumbe Municipality we hosted the Umzumbe Aids summit to find ways for addressing this scourge. I am glad that some of our over spending came from our efforts to fight Aids in our municipality. Aids has far reaching consequences and side effects to us all. It produces destitutes and many unwanted human ills. This is one of the reasons Umzumbe Municipality continues to commit itself in spending money in the Dress a Child programme. One of the other programs is the Matric Exam Prayer which we believe went a long way in the increased matric results that we boast about this year. Other schools still need a lot of attention thou. It is disappointing to hear the remarks from the Western Cape thou. We congratulate the Free State Province for getting best matric results in 2013. This year's class of 2014 have to prove the doubting Thomas's of the Western Cape wrong this year.

Our clean audit says that we have the right people for the job. It says our recruitment processes is on point since we are getting good people who are assisting in ensuring that Umzumbe municipality is a financially clean municipality. The training courses we attend as officials and or Councillors continues to sharpen us in ensuring that we discharge our duties correctly. We are in the process of getting the new cohort of Unemployed Graduates. We hope very soon that process will be concluded so that we continue to contribute to the job creation and breeding employment ready individuals. This forms part of the job creation President Zuma spoke about.

Let us go out there and spread the word that our communities must register to vote. They must register here at Umzumbe Municipality. Registering to vote means that government knows that you exist and that the budget allocation must increase.

As we start today with our work, let us be ready to listen to the President as he opens the Parliament this year and delivers the State of the Nation Address. Let us go back to our wards and work station and increase the momentum and double and triple our efforts in serving our people.

Ngiyabonga

CLlr ST Gumede

His Worship the Mayor

Budget adjustment 2013/2014

Our revenue

Our grants amounted to R137 274 000 which included R4 million which is in kind. We removed the R4 million because it does not come to us but it goes straight to the District. We now remain with R133 274 000.

Interest and revenue

We have collected more than what we budgeted for. We were anticipating R1.6 million however we received more than that halfway in the financial year hence the adjustment. We increased our expected amount of interest to R3.1 million.

We applied for a roll-over of R8.2 million for the Disaster and R2 959 727 for the electrification. Our roll over was granted and this money is ready to be used.

Expenditure report

Technical Services budget adjustment report

The department has planned that they will build a sport complex. However due to the delays they took R5 million so that they can use it to complete Mqangqala Access Road. From the budget meant for the new Municipal Offices, they took R1.8 million to complete Mpisane access road. Also, they took R400 000 money that remained after the purchase of two graders to use it to top up roads budget.

From waste we moved R950 000. R600 000 went to maintenance of office building. R100 000 went to uniform and protective clothing. R250 000 went to free basic electricity.

Office of the Mayor

From advertising we took R20 000 to community participation since we remain with a number of activities.

From advertising we took R10 000 to entertainment (council and speaker)

From advertising we took R50 000 to marketing and promotion.

From Youth programs we took R200 000 to community initiative support

From Sports and Recreating we took R100 000 to community initiative and support

From ward committees stipends, capacity building and other expenses we took R65 000 to HIV Aids programmes.

From Senior citizens programmes we took R200 000 to gender programmes since we still have more activities under this programme.

From own funds we took R250 000 Internal Audit Fees.

Finance

Property rates we took R50 000 to Audit fees: Internal

From property rates we took R50 000 to subsistence and travelling

From Interest revenue we took R1.5 million to cater to depreciation.

From own funds we took R1 million to cater for depreciation

Planning

From Subsistence and Travelling we took R90 979 to Development planning

From own funds we took R127 500 to performance management systems and IDP

From Own funds we took R326 700 to development planning

Opex Social and Economic Development

From Subsistence and Travelling we took R70 000 to Disaster Management

From Own Funds we took R1.8 million to free basic electricity

From Community Gardens we took R150 000 to Arts and culture

From own funds we took R250 000 to Co-operative Development and capacity building

From own funds we took R170 000 to SMMEs development

From Own Funds we took R200 000 to Tourism development

From own funds we took R250 000 to Arts and Culture

From arts and craft we took R100 000 to Arts and Culture.

Corporate Services

From Park Home we took R109 000 which remained after buying the park home to top up motor vehicles.

From consultancy fees we took R20 000 to conference and workshops or summits for staff.

From insurance we took R180 000 to electricity upgrade here in the offices.

From water we took R10 000 to Salga subscriptions

From own funds we took R30 000 for EXCO catering.

From insurance we took R55 000 to catering for other meetings

From team building we took R37 000 to Salga subscriptions.

From license fees we took R100 000 to Salga subscription.

From printing and stationery we took R100 000 for Salga subscription

From own funds we took R60 000 to legal charges.

From license fees we took R100 000 to buildings and maintenance.

Again from printing and stationary we took R100 000 to staff training

From own funds we took R100 000 to contracted cellphones

From own funds we took R140 000 to IT upgrade.

Thank you

UMZUMBE MUNICIPALITY

EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD IN THE COUNCIL CHAMBER, UMZUMBE MUNICIPAL OFFICES ON FRIDAY, 24 JANUARY 2014 AT 10H00.

7.2 MID-YEAR PERFORMANCE ASSESSMENT ADJUSTMENT BUDGET FOR 2013/2014 FINANCIAL YEAR [C/7.2/01/2014]

The Council at its meeting held on 24 January 2014 considered the above matter. Following discussion, it was

RESOLVED:

- (i) That the mid-year performance assessment adjustment budget for 2013/2014 financial year be approved.
- (ii) That the following adjustment be made:
 - Community Initiative be adjusted by R400 000 and the money be sourced form saving.
 - Community Participation be adjusted by R400 000 and the money be sourced from savings.
 - Travelling and accommodation for Councillors be adjusted by R500 000 and the money be sourced from savings.
- (iii) That the adjustment that was made from youth development vote not be approved.

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BONGANI NYUSWA
DIRECTOR: CORPORATE SERVICES

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT OF UMZUMBE MUNICIPALITY

PART 1

1 . EXECUTIVE SUMMARY

The performance assessment is based on the implementation of planned projects and programmes during the past six months period ended on 31 December 2013.

For the first six months ending December 2013, revenue to the amount of R85, 331 million was received. The year to date budget is R102, 973 million which indicates a favourable 83% of revenue that has been received. It is anticipated that there is no problems in receiving the remaining 17% over the next six months.

The municipality incurred operating expenditure of R41, 144 million against the year to date budget of R98, 893 million which represents a spending of 42%.The municipality does not foresee and problems in spending the 58% as various projects will materialize over the next six months.

Capital expenditure for the six months amounts to R17, 558 million against a budget of R44, 269 million reflecting 40%.

The municipality remains in a favourable liquidity position as at 31 December 2013.The bank balance was R 110, 318 million as at 31 December 2013 while investments were R9, 573 million. It is planned that these investments will be held by the municipality for the next six months.

The following are highlighted projects for the last six months :

1.1 INFRASTRUCTURE DEVELOPMENT

As it is well known that Umzumbe Municipality is grant dependent. Our infrastructure and other capital projects are funded by grants that we receive from national and provincial government i.e. Municipal Infrastructure Grant, Disaster Management Grant, Equitable Share as well as the Low Cost Housing Grant. The allocation for MIG grant for 2013/2014 of R31,189 million was allocated to the construction of access roads, Ntelzi Nsane Heritage and sports fields. Other infrastructural projects are funded by our equitable share. The housing projects are implemented by the Provincial Department of Human settlements. The progress of our infrastructural and other capital projects are as follows:

Project Name	Total Budget	Expenditure	Progress	Balance
Gospel access road	R3,952,927.62	R3,345,986.04	The project has been completed, second retention has been released.	R606,941.58
Eshivandeni access road	R4,002,540.00	R2,270,278.98	The project has been completed. It is on defects liability stage	R1,732,261.02
Sthabathaba access road	R2,078,490.82	R1,876,785.24	The project is completed, second retention has been released.	R201,705.58
Mkhoba access road	R6,281,700.13	R5,570,120.03	The project is complete. It has reached the end of defects liability period, the contractor still has to rectify minor defects prior to releasing second retention	R711,580.10
Ndilinde Access road	R3,042,902.48	R2,858,049.29	The project is 100% complete. Second retention has been released	R184,853.19
Jiba access road	R4,748,630.75	R3,810,789.98	The project is complete and is on defects liability period.	R937,840.77

Cimeni access road	R 4, 695,089.60	R4,502,246.97	The project has reached practical completion. The contractor need to do some snags prior to issuing of completion certificate	R192,842.63
Mpisane D1099 access road	R3,726,533.11	R3,075,121.02	The project is at 95% to completion. The contract was terminated with Ah Tak Tik. Another contractor will be appointed to complete this project	R651,412.09
Zakhe access road	R5,315,201.33	R2,885,625.59	The contract with Dixie Bay was terminated. The status was 85%. Another contractor will be appointed to complete this project	R2,429,575.74
Malukhakhe access road	R5,474,019.92	R3,627,859.20	The project is complete and is on defects liability period.	R1,846,160.72
Ndunge access road	R6,000,000,00	R3,971,978.45	The project is complete and is on defects liability period.	R2,028,021.55
Mfomfo access road	R2,409,968.30	R2,120,910.26	The project is complete and is on defects liability period	R289,058.04

Vethe access road	R10,687,272.47	R8,725,630.66	The project is complete and is on defects liability period	R1,961,641.81
Mashazini access road	R4,383,636.00	R4,265,258.61	The project is complete and is on defects liability period.	R118,377.61
Ebhanoyini community hall	R3,871,183.05	R3,024,822.53	The project is complete and is on defects liability period.	R846,360.52
Completion of Manonka	R1,882,044.00	R232,998.85	The contractor is on site.	R1,649,045.15
Esihlabeni access road	R2,308,738.15	R1,542,726.22	The contract was terminated with Khazi trading, another contractor will be appointed to complete the project	R766,011.93
Isivivane access road	R4,619,330.08	R2,885,740.07	The project is complete and is on defects liability period.	R1,733,590.01
Completion of Isivivane access road	R4,619,330.08	R1,080,626.68	The project is complete and is on defects liability period.	R652,963.33
Mpelazwe access road ward 18	R3,643,990.44	R1,112,648.72	The project is on planning stage	R2,531,341.72
Thamizulu access road	R3,121,275.29	R1,534,185.58	The project is under construction	R1,587,089.71
Othandweni access road	R3,877,209.24	R1,237,776.84	The project is under construction	R2,639,432.4

Fencing of Ntelezi Msani Heritage Centre	R1,000,000.00	R158,070.77	The project is on tender phase	R841,929.23
Ntelezi Msane Heritage Centre	R5,053,916.00	R0.00	The consultant is finalizing designs.	R5,053,916.00

1.2 OTHER CAPITAL PROJECTS

Project Name	Total Budget	Expenditure	Progress	Balance
Construction of KwaShibase Sport Field	R3,000,000.00	R2,912,841.67	The project is complete.	R87,158.33
Construction of Mantiyaneni Sport Field	R2,500,000.00	R1,994,246.12	The project is complete.	R505,753.88
Purchase of Plant	R4,500,000.00	R2,903,900.00	The equipment was purchased and delivered to the municipality.	R1,596,100.00
Purchase of Plant	R5,000,000.00	R4,600,000.00	The equipment was purchased and delivered to the municipality.	R400,000.00
Maintaining of Community Facilities	R3,830,000.00	R3,604,751.96	The project is complete and is on defects	R225,248.04

			liability period.	
Upgrading of sport fields.	R 2,000,000.00	R654,025.64	The contractor is on site.	R1,345,974.36
Maintenance of Municipal offices	R590,000.00	R477 191.41	The project is complete and on defects liability period	R112 808.59
Maintenance of Municipal offices	R650,000.00	R230,319.76	The project is under construction	R419 680.24
Electrification of Nkehlamandla	R8,500,000.00	R4 904 920.73	The project is under construction	R3,595,079.27
Cluster A Rural Housing Project	R76,258,180.00	R51,150.206.06	Construction Stage: 864 Superstructures Constructed and 782 VIP Constructed.	R25,624,713.94
Cluster B Rural Housing Project	R64,868,080.00	R59,768,071.76	Construction Stage: 976 housing units has been completed and currently the contractor will have to complete the outstanding 24 units to reach 1000 units. The department has recommended phase two planning on the 07 November 2013.	R5,100,008.24
Cluster C Rural Housing	R2,000,000.00	R1,959,900.00	Planning stage: The project was	R 854,790.00

Project			recommended on the 11 October 2013 by HAEC committee, currently waiting for the contract document	
Cluster D Rural Housing Project	R2,819,590.00	R2.623.040.45	Planning Stage: Currently the implementing agent is dealing with the issue of private land with Department of Land Affairs	R196,549.55
Nhlangwini Rural Housing Project	R2,442,350.00	R1,894,080.00	Planning Stage: The project was recommended on the 25 April 2013 by HAEC Committee, currently waiting for the contract document.	R548,270.00

1.3 COMMUNITY ,SOCIAL AND LOCAL ECONOMIC DEVELOPMENT

The municipality has implemented programmes that impact on community, social and local economic development. The performance of some of these programmes is as follows:

<u>PROGRAMME</u>	<u>BUDGET</u>	<u>EXPENDITURE</u>	<u>BALANCE</u>	<u>PROGRESS</u>
Community gardens	1 300 000	727 307	572 693	Target met: grass cutting for 25 sports ground done. 77 gardens planted in ward 06, 08, 10, 14, 16, 17, 18
Co-operative Development	950 000	547 423	402 577	Target met: 20 cooperatives trained through Letsatsi programme
SMME Development	500 000	308 570	191 430	SMME audit conducted
Tourism Development	1 800 000	1 190 150	609 850	Unveiling of monument
Art and Culture	600 000	639 724	39 724	Target Met: Ingoma, Gospel, Kwaito, Hip hop, Dance Maskandi, Comedy and Poetry Competitions were conducted.
Art and Craft	300 000	83 425	216 575	Target met: 20 crafters have been trained in basket weaving, leatherworks and jewelry

				while 6 of them have been supported with inputs.(Zuza konke - Jewelry material, Siyaphambili - Cane for basket weaving and jewelry material, Gqamokuhle - jewelry material, Sizibonele - jewelry material, and RMT Trading Cane for Basket weaving). 3 crafters have exhibited their artworks during the Business Fair in Durban, 2 crafters exhibited during Beach Festival in St Michaels.
Youth programmes	1 300 000	289 232	1010769	Development of young people in different aspects.
HIV/AIDS programmes	450 000	514 836	-64 836	Assisting those who are infected and affected by HIV/AIDS and awareness campaigns
Disability programmes	250 000	111 384	138 616	Activities that will support people with

				disabilities.
Senior Citizens programmes	350 000	27 347	322 657	Programme that is aimed at promoting the wellbeing of our senior citizens
Vulnerable Children programmes/Rights of a Child	660 000	65 072	594 928	Assisting vulnerable children with school uniforms and other needs.
Gender programmes				Development of women and other gender programmes
Disaster Management	1 300 000	555 957	744 043	<p>Target met-Target exceeded: 3 awareness campaigns were conducted this quarter. 2 were conducted in schools (Dubandlela High School and Finqindlela High School). The other campaign was done at Nomakhanzana hall, ward 15 on the 29 August 2013</p> <p>Disaster Risk Identification: Target met: it was conducted in cluster</p>

				<p>Target not met: Meetings were held towards the draft SLA and the document is being worked on.</p> <p>Target Met: Total of 138 cases were reported this quarter. 13 cases of fire and 125 cases of houses that collapsed due to rains mostly in October. There were 7 fatalities, people that drowned in different rivers and streams. The unit distributed 14 tents, 46 blankets, 30 food parcels, 7 rolls of plastic sheeting.</p> <p>Target Met: 2 trainings were conducted this quarter. Volunteers were trained on basic fire fighting (9, 10 and 11 October 2013 at Umdoni Fire and Rescue) and Traditional leaders were</p>
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				<p>trained on Disaster Management (15 and 16 October 2013 at Karridene Hotel)</p> <p>Disaster Risk Mitigation : Target met: Created floor plans, enforced temporal structure compliance, organized marshals and other related safety measures to ensure that all events are safe for both community and municipality</p> <p>Advisory forum: Target Not Met: No advisory forum meeting was held this quarter. The meeting was held on the 7th January 2014.</p>
Poverty alleviation programmes	1 350 000	493 022	856 978	Target met: the service provider has been appointed and currently is developing the strategy
NGO's programmes	450 000	216 655	233 345	Target met: training was

				conducted from the 4th -6th December 2013 in Margate Hotel, on Boards Management
Social awareness	350 000	9901	340 099	Establishment of a Traffic Department

1.4 OTHER PROJECTS :

1.4.1 DISASTER MANAGEMENT SHARED SERVICES

Due to the extreme weather conditions over the last six months, many areas within Umzumbe faced disasters. The municipality had to manage these disaster areas and received a disaster management grant of R8, 200, 00. In addition, the municipality has a shared services agreement with Umdoni municipality for disaster management services.

1.5 FINANCIAL VIABILITY :

1.5.1 ANNUAL FINANCIAL STATEMENTS FOR 2012/2013 FINANCIAL YEAR

The annual financial statements for the financial year 2012/2013 was compiled in accordance with Generally Recognized Accounting Practice (GRAP).The annual financial statements were submitted to the Auditor General within the legislated deadline and compliance was confirmed.

1.5.2 REPORT OF THE AUDITOR GENERAL FOR 2012/2013 FINANCIAL YEAR

The 2012/2013 external audit was completed and the audit report from the Auditor General has been received. The municipality received an unqualified audit opinion. The audit report will be presented to council by the Auditor General. In addition the municipality has implemented corrective measures which seek to address the audit queries raised by the Auditor General.

1.5.3 MUNICIPAL PROPERTY RATES

As of 1 July 2009, the municipality began charging for property rates in terms of the Municipal Property Rates Act. The municipality is now in its second cycle of the general valuation roll. The new valuation roll was compiled and came into effect on the 1 July

2013. The property rates billing system was updated to reflect the new valuation roll and customers were billed. In addition there has been a considerable reduction of government debt.

2. IN YEAR BUDGET STATEMENT TABLES

Annexure A

Table C1 refers to the monthly budget statement summary.

Table C2 measures the financial performance by standard classification.

Tables C3 measures the financial performance ie revenue and expenditure by municipal vote.

Table C4 measures the financial performance ie revenue by source and expenditure by type.

Table C5 measures the capital expenditure by vote.

Table C6 refers to the financial position.

Table C7 refers to the detail of projected cash in and out flow.

PART 2

1. DEBTOR'S AGE ANALYSIS

Supporting Table SC3 provides a breakdown of the consumer debtors. The outstanding debtors at the end of December 2013 amounted to R 6 ,936 million. These debtors relate to amounts owing for property rates. There has been a considerable reduction in government debt which is the municipality's largest debtor for property rates.

2. CREDITOR'S AGE ANALYSIS

Supporting Table SC4 provides detail on aged creditors. The creditors balance as at the end of December 2013 amounted to R6,248 million. The municipality is managing its creditors efficiently.

3. INVESTMENT PORTFOLIO ANALYSIS

Supporting Table SC5 display the Council's Investment Portfolio and indicates that R 9, 573 million is invested at the end of December 2013. The municipality plans to hold these investments for the next six months.

4. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

The municipality has received conditional grants amounting to R 29, 768 million and incurred expenditure of R 10,357 million for the six months ended December 2013. In addition the municipality has received R70, 909 million of equitable share.

The municipality foresees no problems in receiving the additional allocations within the next six months and plans to spend accordingly.

5. EXPENDITURE ON COUNCILOR AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

Supporting Table SC8 provides the detail for councillor and employee benefits paid. The total salaries, allowances and benefits paid for the first six months ending 31 December 2013 amounts to R18 ,441 million, which is 45 % of the budgeted amount.

6. MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Supporting Table C7 provides details of the cash inflow and outflows setting out receipts by source and payments by type per month.

The municipality is in a favourable cash flow position. The year to date net cash from operating activities for the six months was R66, 755 million while the net cash from investing activities was R16, 940 million. The net increase in cash held was R49, 815 million.

The municipality successfully held its quarterly reviews in which actual performance was measured against targets set out in the SDBIP. The result of these interactive sessions indicate that the implementation of the budget against the service delivery targets are on track with no major deviations.

7. CAPITAL PROGRAMME PERFORMANCE

With specific reference to the MIG, the municipality was allocated an amount of R31, 189 million for the 2013-14 financial year. To date an amount of R22, 228 million was received and expenditure incurred of R9 million. The municipality's spending in this regard is on track, representing 40%.

Early indications are that 100% of the capital budget will be spent by 30 June 2014. The implementation of the capital budget according to the SDBIP will be closely monitored.

CONCLUSION AND RECOMMENDATION

The proposed detailed budget adjustments (as attached) are expected to enhance service delivery by ensuring that resources are earmarked for those activities where they are needed the most and to ensure that under spending is minimized.

It is recommended that the Mid-Year Budget and Performance assessment for the first 6 months be approved.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I NEKUTHALA CECILIA MGIJIMA, municipal manager of Umzumbe Municipality, hereby certify that the mid-year budget and performance assessment report for the first half of the year end December 2013 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name N. C. MGIJIMA

Municipal manager of Umzumbe Municipality (KZN213)

Signature 

Date 17/01/2014

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I Nokuthula Cecilia Mqisima....., municipal manager of Umzumbe Municipality, hereby certify that the adjustment budget for the 2013/2014 financial year has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name N. C. Mqisima

Municipal manager of Umzumbe Municipality (KZN213)

Signature 

Date 17/01/2014