

UMUZIWABANTU MUNICIPALITY



**BUDGET ADJUSTMENT REPORT
2014/2015 FINANCIAL YEAR**

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1. Mayor's Report

Speaker, members of the Executive Committee and all councillors I stand before you today to fulfill the requirement of the Municipal Finance Management Act which prescribes that after the accounting officer has submitted the section 72 report to the Mayor by 25 January of each year, the Mayor must table the same to Council before the end of 31 January.

In preparation for our understanding as EXCO; the Speaker and Senior Management we held a special meeting between 15 and 16 January 2015 to assess the municipal performance based on the review of financial performance and the SDBIP. The document which was tabled on the 27 January 2015 had contained financial performance tables and a detailed service delivery report which was interrogated in our meeting.

1. Resolution

UMUZIWABANTU MUNICIPALITY

EXTRACT FROM THE MINUTES OF THE SPECIAL COUNCIL MEETING
HELD IN THE LIBRARY ACTIVITY ROOM, MURCHISON STREET,
HARDING ON TUESDAY 24 FEBRUARY 2015 AT 10H10.

5. REPORTS: MISCELLENEOUS**5.1 2014/2015 ADJUSTMENT BUDGET**

The Municipal Manager took members through the item relating to the approval of 2014/2015 Adjustment Budget explaining it in detail.

Councillor AD Ngubo joined the meeting at 10h25.

Councillor MP Mteshane joined the meeting at 10h28.

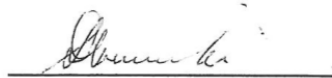
Councillor DS Dlamini joined the meeting at 10h35.

Following discussions and clarifications on questions raised, SW Vethe proposed and was seconded by Councillor CZ Skosana. Following which, it was

RESOLVED

5.1.1 That the 2014/2015 Adjusted Operating and Capital Budget is hereby **APPROVED**.

CERTIFIED AS A TRUE COPY OF THE ORIGINAL



CLLR D NCIKI

ACTING CHAIRPERSON

A. EXECUTIVE SUMMARY

Councillors, in May 2014 Council approved the 2014-2015 budget in line with the MFMA and all budget regulations. An adopted budget and progress can be summarized as follows.

Total Operating Revenue

Description	Approved budget 2014-2015 '000	YTD Actual (December 2014) '000	YTD Exp/Rev
Total Operating Revenue	117,490	71,824	61%
Total Operating Expenditure	117,490	45,353	39%
Total Capital Budget	31,033	7,426	24%

ADJUSTMENTS ON OPEX REVENUE

REVENUE			
Description	Approved Budget	Movements	Adjust Budget
Refuse	R 1 891 941	(-) R 175 000	R 1 716 941
Disaster	R 0. 00	(+) R 278 213	R 278 213
SEA Grant	R 0. 00	(+) R 256 989	R 256 989
MSIG	R934 000	(+)R 223	R 934 223
FMG	R 1 749 000	(+)R 97	R 1 749 097
LUMS	R 0. 00	(+) R 73 000	R 73 000
Electrification Grant	R 5 000 000	(+)R 2 664 933	R 7 664 933
Sports & Rec Grant	R 0. 00	(+) R 55 439	R 55 439
Public Part Grant	R0. 00	(+) R 57 500	R 57 500
Fines	R71 264	(-) R 56 264	R 15 000
Interest Investment	R2 508 252	(+)R 1000 000	R 3 508 252
Other Revenue	105 335 966	(+) R 2 042 828	R 107 378 794
TOTAL	R 117 490 423	(+) R 6 197 956	R 123 688 379

Total Operating Expenditure

Descriptions	Annual Budget	YTD budget	YTD actual
Salaries, Wages and Allowances	45,105,421	22,552,711	18,893,301
Interest expense	127,485	63,742	-
Repairs & maintenance	5,174,972	2,587,486	854,290
Bulk purchases of electricity	26,509,346	13,254,673	11,899,911
Depreciation	5,904,775	2,952,388	-
General expenses	34,668,425	17,334,213	13,705,550
TOTAL EXPENDITURE	117,490,424	58,745,212	45,353,053

Here below is the summary of proposed adjustments on expenditure:

EXPENDITURE			
Description	Approved Budget	Movements	Adjust Budget
General Expenses	R 34 668 425	(+) R 4 630 215	R 39 298 640
Repairs & Maintenance	R 5 174 972	(+) R 600 000	R 5 774 972
Depreciation	R 5 904 775	(+) R 1 095 225	R 7 000 000

Total Capital Budget 2014/2015

FUNDING	APPROVED BUDGET	ADJUSTED BUDGET
Disaster Management Grant	-	173,293.68
Small Town Rehabilitation	-	2,143,304.00
Municipal Infrastructure Grant(MIG)	21,121,200.00	21,121,200.00
Rollover-MIG	-	6,965,859.00
Expanded Public Works Programme(EPWP)	100,000.00	100,000.00
Equitable Share Grant	5,074,300.00	3,724,300.01
Financial Management Grant(FMG)	51,000.00	51,000.00
Internal Funding-Shepstone & Turner	1,000,000.00	1,000,000.00
Internal Funding	3,686,700.00	5,595,396.66
TOTAL FUNDING	31,033,200.00	40,874,353.35

OPERATING REVENUE FRAMEWORK

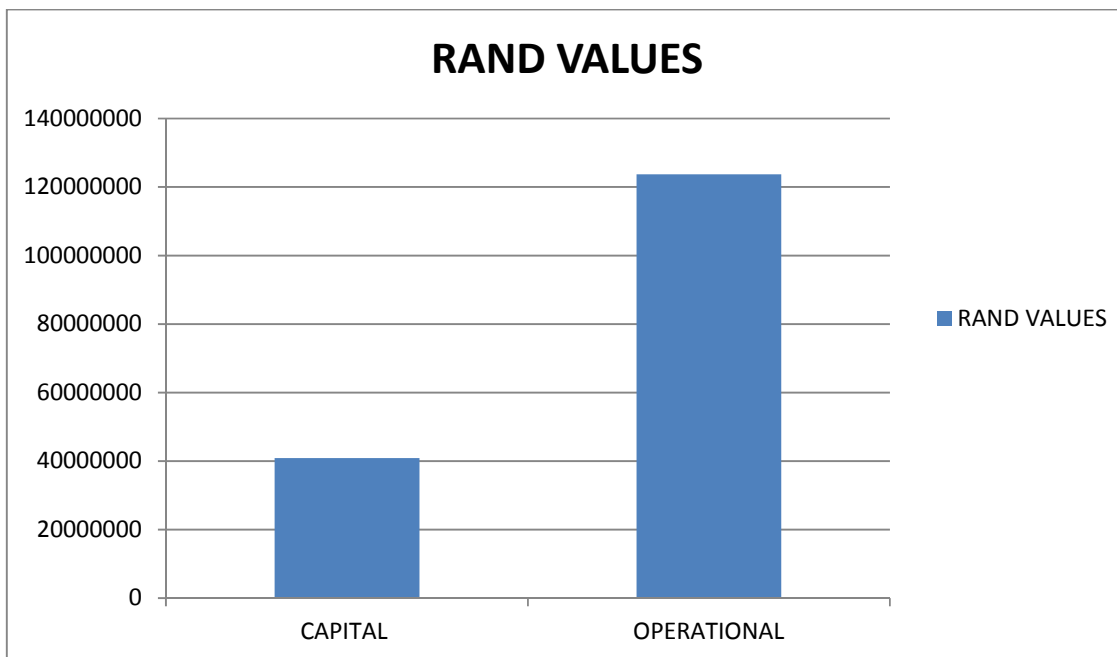
REVENUE

The total adjustment budget amounts to R164, 6 mil this income is derived mainly from government Grants &Subsidies (i.e. MIG & Equitable Share), Interest on Investments and own sources. This has been allocated as follows to the operational and capital budget;

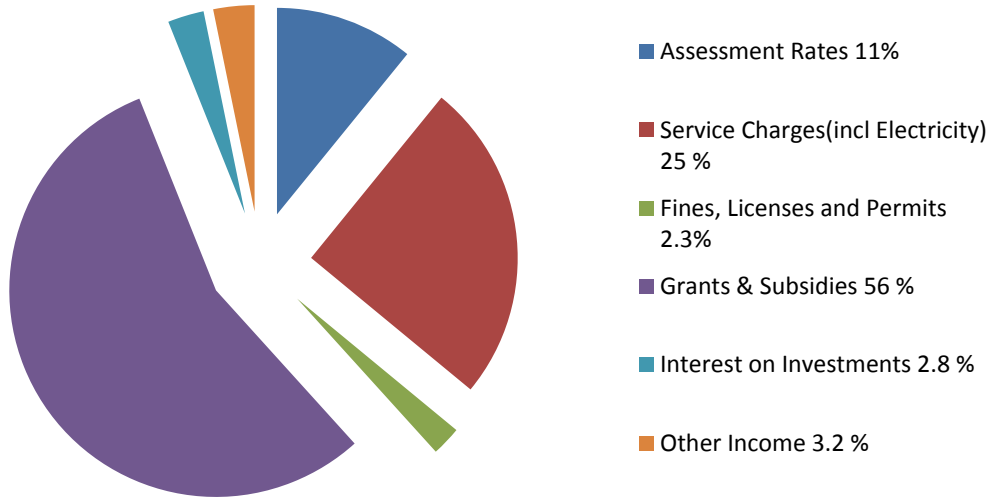
- Operational Budget R 123,7 Mil
- Capital Budget R 40,9 Mil

TABLE 1

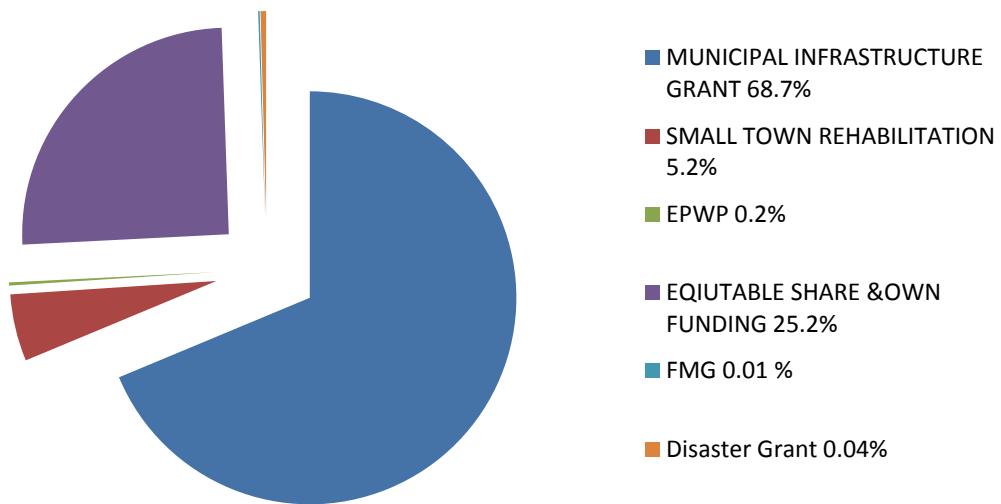
OPERATIONAL VS CAPITAL BUDGET



OPEX REVENUE SOURCES BY CATEGORY



CAPITAL BUDGET BY SOURCE



Capital Budget

2014/2015 CAPEX ADJUSTMENT BY VOTE		
DESCRIPTION	APPROVED BUDGET	TOTAL ADJUSTMENT
INFRASTRUCTURE SERVICES		
<u>ROADS, PAVEMENTS & BRIDGES</u>		
Upgrade of Shepstone & Turner Street	6,000,000.00	6,000,000.00
KwaJali to Mbuthuma Access Road	360,000.00	360,000.00
Upgrade of Shepstone Street	36,370.45	36,370.45
Ngunjini to Mzukulwa Pedestrian Bridge	550,000.00	550,000.00
Upgrading part of Kirk and Musgrave Street	750,000.00	750,000.00
Bhudhlu Access Road	593,505.67	593,505.67
Murshmount to Bashaweni Access Road	650,000.00	650,000.00
Upgrade of KwaMlimi to Emazibukweni	2,618,722.01	2,618,722.01
Ntshangwe to Nyomvela Access Rd-Ward 06	1,855,622.92	1,855,622.92
Upgrade of Livingstone and Hancock Street	2,143,304.00	2,143,304.00
		15,557,525.05
<u>OTHER INFRASTRUCTURE SERVICES</u>		
Waste Management:		
Upgrade of Landfill site	8,405,610.47	8,405,610.47
Fencing:		
Picket fencing for Library		80,000.00
Fencing for Transformers-Electricity		250,000.00
Transformer		400,000.00
Mini-Substation		400,000.00
Car ports & Surfacing of parkings		60,000.00
Network infrastructure upgrade		100,000.00
<u>COMMUNITY SERVICES</u>		
Sportsfield & Stadia:		
Ocingweni Sportsfield	1,100,000.00	1,100,000.00
Santombe Sportfield	3,771,346.84	3,771,346.84
Community Hall:		
Phumza Community Hall	2,825,880.31	2,825,880.31

OPERATIONAL ASSETS		
Furniture & Other Office Equipment:		805,293.68
For Disaster Management		173,293.68
For Council		100,000.00
For Corporate		200,000.00
For Budget & Treasury		100,000.00
For Vehicle Licencing		2,000.00
For Technical Services		100,000.00
Play Detector		130,000.00
Computers-Hardware/Equipment:		300,000.00
For Council		50,000.00
For Corporate Services		250,000.00
General Vehicle:		1,720,000.00
Single Bakkie 4x2	320,000.00	320,000.00
Mayor's Vehicle		880,000.00
Admin Vehicle		200,000.00
PMU		320,000.00
Specialised Vehicles:		1,000,000.00
Tipper Truck(10 cube)	850,000.00	850,000.00
Engine Refuse truck		150,000.00
Plant & Equipment: (MATCH VOTE 8150 & 8151)		4,098,697.00
Brush Cutters		77,172.87
Ride on Mower		32,797.62
Grader		3,000,000.00
Tractor Drawn Slasher		34,426.51
Loud Hauler		10,000.00
Vibrator Roller	200,000.00	200,000.00
Sprinklers		20,000.00
Road Marking Machine	150,000.00	150,000.00
Skip bins x5		50,000.00
Skid bins X10		300,000.00
Fibre Glass Ladder		24,300.00
Generator		200,000.00
TOTAL CAPEX	33,180,362.67	40,874,353.35

KZN214 uMuziwabantu - Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard Description	Ref	Budget Year 2014/15									Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
Revenue - Standard													
<i>Governance and administration</i>		49,483	-	-	-	-	-	3,586	3,586	53,069	51,729	54,859	
Executive and council		19,423	-	-	-	-	-	314	314	19,737	20,588	21,823	
Budget and treasury office		24,302	-	-	-	-	-	3,272	3,272	27,574	25,038	26,566	
Corporate services		5,758	-	-	-	-	-	-	-	5,758	6,103	6,470	
<i>Community and public safety</i>		8,119	-	-	-	-	-	105	105	8,224	8,445	9,167	
Community and social services		3,859	-	-	-	-	-	-	-	3,859	4,089	4,550	
Sport and recreation		2,770	-	-	-	-	-	-	-	2,770	2,778	2,944	
Public safety		516	-	-	-	-	-	105	105	621	547	580	
Housing		973	-	-	-	-	-	-	-	973	1,031	1,093	
Health		-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		13,656	-	-	-	-	-	(56)	(56)	13,600	14,051	14,894	
Planning and development		2,260	-	-	-	-	-	-	-	2,260	2,396	2,539	
Road transport		11,396	-	-	-	-	-	(56)	(56)	11,340	11,656	12,355	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		45,045	-	-	-	-	-	2,490	2,490	47,535	41,918	44,433	
Electricity		39,298	-	-	-	-	-	2,665	2,665	41,963	36,356	38,537	
Water		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		5,747	-	-	-	-	-	(175)	(175)	5,572	5,562	5,896	
<i>Other</i>		1,188	-	-	-	-	-	73	73	1,261	1,259	1,334	
Total Revenue - Standard	2	117,490	-	-	-	-	-	6,198	6,198	123,688	117,403	124,688	
Expenditure - Standard													
<i>Governance and administration</i>		43,170	-	-	-	-	-	7,410	7,410	50,580	45,258	48,007	
Executive and council		17,295	-	-	-	-	-	141	141	17,436	17,858	18,930	
Budget and treasury office		15,518	-	-	-	-	-	7,458	7,458	22,976	16,439	17,459	
Corporate services		10,357	-	-	-	-	-	(189)	(189)	10,168	10,961	11,619	
<i>Community and public safety</i>		9,922	-	-	-	-	-	(718)	(718)	9,205	10,306	10,924	
Community and social services		5,975	-	-	-	-	-	(476)	(476)	5,499	6,121	6,489	
Sport and recreation		2,966	-	-	-	-	-	(192)	(192)	2,774	3,144	3,333	
Public safety		618	-	-	-	-	-	(50)	(50)	568	655	695	
Housing		363	-	-	-	-	-	-	-	363	385	408	
Health		-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		16,923	-	-	-	-	-	(1,261)	(1,261)	15,661	17,705	18,767	
Planning and development		3,865	-	-	-	-	-	440	440	4,305	4,097	4,343	
Road transport		13,058	-	-	-	-	-	(1,701)	(1,701)	11,357	13,608	14,424	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		46,451	-	-	-	-	-	287	287	46,738	43,408	46,012	
Electricity		40,820	-	-	-	-	-	635	635	41,455	37,969	40,247	
Water		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		5,631	-	-	-	-	-	(347)	(347)	5,284	5,439	5,765	
<i>Other</i>		1,025	-	-	-	-	-	479	479	1,505	1,076	1,141	
Total Expenditure - Standard	3	117,490	-	-	-	-	-	6,198	6,198	123,688	117,753	124,851	
Surplus/ (Deficit) for the year		(0)	-	-	-	-	-	(0)	(0)	(0)	(350)	(163)	

KZN214 uMuziwabantu - Table B2 Adjustments Budget Financial Performance (standard classification) - B -

Standard Classification Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousand	1	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2015/16	+2 2016/17
Revenue - Standard												
<i>Municipal governance and administration</i>		49,483	-	-	-	-	-	3,586	3,586	53,069	51,729	54,859
Executive and council		19,423	-	-	-	-	-	314	314	19,737	20,588	21,823
<i>Mayor and Council</i>		11,615	-	-	-	-	-	-	-	11,615	12,312	13,050
<i>Municipal Manager</i>		7,808	-	-	-	-	-	314	314	8,122	8,276	8,773
Budget and treasury office		24,302	-	-	-	-	-	3,272	3,272	27,574	25,038	26,566
Corporate services		5,758	-	-	-	-	-	-	-	5,758	6,103	6,470
<i>Human Resources</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		1,312	-	-	-	-	-	-	-	1,312	1,390	1,474
<i>Property Services</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other Admin</i>		4,446	-	-	-	-	-	-	-	4,446	4,713	4,996
<i>Community and public safety</i>		8,119	-	-	-	-	-	105	105	8,224	8,445	9,167
Community and social services		3,859	-	-	-	-	-	-	-	3,859	4,089	4,550
<i>Libraries and Archives</i>		675	-	-	-	-	-	-	-	675	714	972
<i>Museums & Art Galleries etc</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Community halls and</i>		2,463	-	-	-	-	-	-	-	2,463	2,611	2,768
<i>Cemeteries & Crematoriums</i>		721	-	-	-	-	-	-	-	721	764	810
<i>Child Care</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Aged Care</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other Community</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other Social</i>		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		2,770	-	-	-	-	-	-	-	2,770	2,778	2,944
Public safety		516	-	-	-	-	-	105	105	621	547	580
<i>Police</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Fire</i>		516	-	-	-	-	-	105	105	621	547	580
<i>Civil Defence</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Housing		973	-	-	-	-	-	-	-	973	1,031	1,093
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Clinics</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13,656	-	-	-	-	-	(56)	(56)	13,600	14,051	14,894
Planning and development		2,260	-	-	-	-	-	-	-	2,260	2,396	2,539
<i>Economic</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Town Planning/Building</i>		2,260	-	-	-	-	-	-	-	2,260	2,396	2,539
<i>Licensing & Regulation</i>		-	-	-	-	-	-	-	-	-	-	-
Road transport		11,396	-	-	-	-	-	(56)	(56)	11,340	11,656	12,355
<i>Roads</i>		6,007	-	-	-	-	-	-	-	6,007	5,944	6,300
<i>Public Buses</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		5,239	-	-	-	-	-	(56)	(56)	5,183	5,553	5,886
<i>Other-Workshop</i>		150	-	-	-	-	-	-	-	150	159	168
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Biodiversity & Landscape</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		45,045	-	-	-	-	-	2,490	2,490	47,535	41,918	44,433
Electricity		39,298	-	-	-	-	-	2,665	2,665	41,963	36,356	38,537
<i>Electricity Distribution</i>		39,298	-	-	-	-	-	2,665	2,665	41,963	36,356	38,537
<i>Electricity Generation</i>		-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-
<i>Water Distribution</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Storage</i>		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
<i>Sewerage</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-	-	-
Waste management		5,747	-	-	-	-	-	(175)	(175)	5,572	5,562	5,896
<i>Solid Waste</i>		5,747	-	-	-	-	-	(175)	(175)	5,572	5,562	5,896

KZN214 uMuziwabantu - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2014/15								Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
Revenue by Vote	1											
Vote 1 - EXECUTIVE & COUNCIL		19,423	-	-	-	-	-	314	314	19,737	20,588	21,823
Vote 2 - BUDGET & TREASURY		24,302	-	-	-	-	-	3,272	3,272	27,574	25,038	26,566
Vote 3 - CORPORATE SERVICES		9,617	-	-	-	-	-	-	-	9,617	10,193	11,019
Vote 4 - TECHNICAL SERVICES		62,811	-	-	-	-	-	2,539	2,539	65,349	60,166	63,776
Vote 5 - OTHER		1,338	-	-	-	-	-	73	73	1,411	1,418	1,503
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
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	117,490	-	-	-	-	-	6,198	6,198	123,688	117,403	124,688
Expenditure by Vote	1											
Vote 1 - EXECUTIVE & COUNCIL		17,295	-	-	-	-	-	141	141	17,436	17,858	18,930
Vote 2 - BUDGET & TREASURY		15,518	-	-	-	-	-	7,458	7,458	22,976	16,439	17,459
Vote 3 - CORPORATE SERVICES		16,331	-	-	-	-	-	(665)	(665)	15,667	17,082	18,107
Vote 4 - TECHNICAL SERVICES		67,166	-	-	-	-	-	(1,133)	(1,133)	66,034	65,133	69,041
Vote 5 - OTHER		1,180	-	-	-	-	-	396	396	1,576	1,240	1,314
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
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	117,490	-	-	-	-	-	6,198	6,198	123,688	117,753	124,851
Surplus/ (Deficit) for the year	2	(0)	-	-	-	-	-	(0)	(0)	(0)	(350)	(163)

KZN214 uMuziwabantu - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1	A	3	4	5	6	7	8	9	10	+1 2015/16	+2 2016/17
		A1	B	C	D	E	F	G	H			
Revenue By Source												
Property rates	2	10,582	-	-	-	-	-	-	10,582	11,217	11,890	
Property rates - penalties & collection charges		146					254	254	400	424	449	
Service charges - electricity revenue	2	29,347	-	-	-	-	-	-	29,347	31,108	32,974	
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	2	1,892	-	-	-	-	(175)	(175)	1,717	2,005	2,126	
Service charges - other		-							-	-	-	
Rental of facilities and equipment		48							48	51	54	
Interest earned - external investments		2,508					1,000	1,000	3,508	2,659	2,818	
Interest earned - outstanding debtors		-							-	-	-	
Dividends received		-							-	-	-	
Fines		71					(56)	(56)	15	70	75	
Licences and permits		509							509	540	572	
Agency services		-							-	-	-	
Transfers recognised - operating		59,167					9,507	9,507	68,673	61,514	65,446	
Other revenue	2	13,221	-	-	-	-	(4,332)	(4,332)	8,889	8,085	8,570	
Gains on disposal of PPE		-							-	-	-	
Total Revenue (excluding capital transfers and contributions)		117,490	-	-	-	-	6,197	6,197	123,688	117,672	124,974	
Expenditure By Type												
Employee related costs		38,856	-	-	-	-	12	12	38,867	41,199	43,671	
Remuneration of councillors		6,238							6,238	6,612	7,009	
Debt impairment		-					159	159	159	169	179	
Depreciation & asset impairment		5,905	-	-	-	-	1,095	1,095	7,000	7,420	7,865	
Finance charges		105					56	56	161	170	181	
Bulk purchases		26,509	-	-	-	-			26,509	28,010	29,786	
Other materials		1,050							1,050	1,113	1,179	
Contracted services		702	-	-	-	-	631	631	1,333	744	789	
Transfers and grants		3,264					0	0	3,264	3,450	3,657	
Other expenditure		34,861	-	-	-	-	4,246	4,246	39,107	32,562	34,453	
Loss on disposal of PPE		-							-	-	-	
Total Expenditure		117,491	-	-	-	-	6,198	6,198	123,689	121,449	128,769	
Surplus/(Deficit)		(0)	-	-	-	-	(1)	(1)	(1)	(3,777)	(3,795)	
Transfers recognised - capital		31,033					9,841	9,841	40,874	228,555	23,717	
Contributions		-							-	-	-	
Contributed assets		-							-	-	-	
Surplus/(Deficit) before taxation		31,033	-	-	-	-	9,840	9,840	40,873	224,778	19,922	
Taxation		-							-	-	-	
Surplus/(Deficit) after taxation		31,033	-	-	-	-	9,840	9,840	40,873	224,778	19,922	
Attributable to minorities		-							-	-	-	
Surplus/(Deficit) attributable to municipality		31,033	-	-	-	-	9,840	9,840	40,873	224,778	19,922	
Share of surplus/ (deficit) of associate		-							-	-	-	
Surplus/ (Deficit) for the year		31,033	-	-	-	-	9,840	9,840	40,873	224,778	19,922	

KZN214 uMuziwabantu - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	A	3	4	5	6	7	8	9	10			
R thousands		A1	B	C	D	E	F	G	H			
ASSETS												
Current assets												
Cash		2,120					-	-	2,120	2,247	2,382	
Call investment deposits	1	16,196	-	-	-	-	67,962	67,962	84,158	89,208	94,560	
Consumer debtors	1	11,475	-	-	-	-	2,585	2,585	14,060	9,423	9,989	
Other debtors												
Current portion of long-term receivables												
Inventory		110							110	110	117	
Total current assets		29,901	-	-	-	-	70,547	70,547	100,448	100,988	107,048	
Non current assets												
Long-term receivables		85					(84)	(84)	1	1	1	
Investments		-										
Investment property		1,686	(319)						1,367	1,449	1,536	
Investment in Associate		-										
Property, plant and equipment	1	167,018	168,173	-	-	-	40,874	40,874	209,047	221,590	234,885	
Agricultural												
Biological												
Intangible												
Other non-current assets												
Total non current assets		168,789	167,854	-	-	-	40,790	40,790	210,415	223,039	236,422	
TOTAL ASSETS		198,690	167,854	-	-	-	111,337	111,337	310,863	324,028	343,469	
LIABILITIES												
Current liabilities												
Bank overdraft												
Borrowing												
Consumer deposits		497							497	497	497	
Trade and other payables		15,670					10,249	10,249	25,919	27,474	29,122	
Provisions							3,545	3,545	3,545	3,545	3,545	
Total current liabilities		16,167	-	-	-	-	13,794	13,794	29,961	31,516	33,165	
Non current liabilities												
Borrowing	1	42					(42)	(42)				
Provisions	1	5,825					4,242	4,242	10,067	3,042	3,224	
Total non current liabilities		5,867	-	-	-	-	4,200	4,200	10,067	3,042	3,224	
TOTAL LIABILITIES		22,034	-	-	-	-	17,994	17,994	40,028	34,558	36,389	
NET ASSETS	2	176,657	167,854	-	-	-	93,343	93,343	270,835	289,470	307,081	
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		208,525					(9,023)	(9,023)	199,502	211,472	224,160	
Reserves		241,067					(169,734)	(169,734)	71,333			
TOTAL COMMUNITY WEALTH/EQUITY		449,592	-	-	-	-	(178,757)	(178,757)	270,835	211,472	224,160	

KZN214 uMuziwabantu - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands												
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2015/16	+2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		35,755						14,745	14,745	50,500	53,530	56,742
Government - operating	1	59,194					4,702	4,702	4,702	63,895	67,729	71,793
Government - capital	1	26,296					(4,400)	(4,400)	(4,400)	21,896	23,210	24,602
Interest		2,508					1,000	1,000	1,000	3,508	3,719	3,942
Dividends		-								-		
Payments												
Suppliers and employees		(102,632)						(10,473)	(10,473)	(113,105)	(119,891)	(127,085)
Finance charges		(216)						55	55	(161)	(171)	(181)
Transfers and Grants	1	(235)								(235)	(249)	(264)
NET CASH FROM/(USED) OPERATING ACTIVITIES		20,669	-	-	-	-	-	5,630	5,630	26,298	27,876	29,549
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE												
Decrease (Increase) in current debtors		(5)						5,710	5,710	5,705	6,047	6,410
Decrease (increase) other non-current receivables								1	1	1		
Decrease (increase) in non-current investments												
Payments												
Capital assets		(27,347)						(13,528)	(13,528)	(40,874)	(43,327)	(45,926)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(27,352)	-	-	-	-	-	(7,818)	(7,818)	(35,169)	(37,280)	(39,517)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans												
Borrowing long term/refinancing												
Increase (decrease) in consumer deposits		497						(499)	(499)	(2)	(2)	(2)
Payments												
Repayment of borrowing		(42)						42	42			
NET CASH FROM/(USED) FINANCING ACTIVITIES		455	-	-	-	-	-	(457)	(457)	(2)	(2)	(2)
NET INCREASE/ (DECREASE) IN CASH HELD		(6,228)	-	-	-	-	-	(2,645)	(2,645)	(8,873)	(9,406)	(9,970)
Cash/cash equivalents at the year begin:	2	24,544						70,607	70,607	95,151	18,316	11,729
Cash/cash equivalents at the year end:	2	18,316						67,962	(2,645)	86,278	8,910	1,759

KZN214 uMuziwabantu - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands												
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2015/16	+2 2016/17
Cash and investments available												
Cash/cash equivalents at the year end	1	18,316						67,962	67,962	86,278	8,910	1,759
Other current investments > 90 days		(0)						1	1	1	82,545	95,184
Non current assets - Investments	1											
Cash and investments available:		18,316	-	-	-	-	-	67,962	67,962	86,278	91,455	96,942
Applications of cash and investments												
Unspent conditional transfers		16,576						649	649	17,225	18,259	19,354
Unspent borrowing												
Statutory requirements		231						(231)	(231)		245	259
Other working capital requirements	2	(5,648)						(1,002)	(1,002)	(6,650)	(1,279)	(1,356)
Other provisions								27,639	27,639	27,639		
Long term investments committed												
Reserves to be backed by cash/investments		241,067						(241,067)	(241,067)			
Total Application of cash and investments:		252,226	-	-	-	-	-	(214,011)	(214,011)	38,215	17,224	18,257
Surplus(shortfall)		(233,910)	-	-	-	-	-	281,973	281,973	48,063	74,231	78,685

PART 2 – SUPPORTING DOCUMENTATION

Operating Revenue Expenditure Framework

Operating Revenue

Descriptions	Annual Budget	YTD budget	YTD actual
Rates	13,439,196	6,719,598	9,378,561
Service charges(Electricity)	29,346,807	14,673,404	13,342,523
Refuse removal	1,891,941	945,971	858,403
Rental	47,700	23,850	22,500
Fines	71,264	35,632	7,208
Testing centre income	2,483,465	1,241,732	955,542
Vehicle Licencing	352,265	176,132	214,379
Grants and subsidies	65,516,500	32,758,250	43,945,761
Interest on investment	2,508,252	1,254,126	1,876,398
Other revenue	1,833,033	916,517	1,223,354
TOTAL REVENUE	117,490,423	58,745,212	71,824,627

Operating Expenditure

Descriptions	Annual Budget	YTD budget	YTD actual
Salaries, Wages and Allowances	45,105,421	22,552,711	18,893,301
Interest expense	127,485	63,742	-
Repairs & maintenance	5,174,972	2,587,486	854,290
Bulk purchases of electricity	26,509,346	13,254,673	11,899,911
Depreciation	5,904,775	2,952,388	-
General expenses	34,668,425	17,334,213	13,705,550
TOTAL EXPENDITURE	117,490,424	58,745,212	45,353,053

i) Operating Revenue and expenditure Adjustment Budget

Total Operating Revenue

The operating revenue budget that was approved by Council is R117, 490 million and the actual revenue collected for the period ended 31 December 2014 is R71, 824 million which is 61 per cent of the total revenue budget .This has resulted in over collection being projected for the whole year and an upward adjustment of R 6,197 million has been proposed as it has been reflected on this budget adjustment, that shall make our total revenue for the year under review to be R 123,688 mil.

REVENUE			
Description	Approved Budget	Movements	Adjust Budget
Refuse	R 1 891 941	(-) R 175 000	R 1 716 941
Disaster	R 0. 00	(+) R 278 213	R 278 213
SEA Grant	R 0. 00	(+) R 256 989	R 256 989
MSIG	R934 000	(+)R 223	R 934 223
FMG	R 1 749 000	(+)R 97	R 1 749 097
LUMS	R 0. 00	(+) R 73 000	R 73 000
Electrification Grant	R 5 000 000	(+)R 2 664 933	R 7 664 933
Sports & Rec Grant	R 0. 00	(+) R 55 439	R 55 439
Public Part Grant	R0. 00	(+) R 57 500	R 57 500
Fines	R71 264	(-) R 56 264	R 15 000
Interest Investment	R2 508 252	(+)R 1000 000	R 3 508 252
Other Revenue	105 335 966	(+) R 2 042 828	R 107 378 794
TOTAL	R 117 490 423	(+) R 6 197 956	R 123 688 379

Total Operating Expenditure

The operating expenditure that was approved by Council is R117, 490 million and the actual expenditure for the period ended 31 December 2014 is R45, 353 million which is 39 per cent of the total operating expenditure budget. This is good as the municipality managed to contain operational expenditure within the available budget. However, there is a slight increase proposed on operating expenditure as a result of:

- Electricity Grant R2 664 933
- Disaster management fund of R 278 213
- Refuse (R 278 213)
- MSIG R 223
- FMG R 97
- LUMS R 73000
- Sports and Recreation R55 439
- Public Participation Grant R 57 500
- Fines (R56 264)

- Interest on Investment R 1000 000
- Minor additions to votes that had either been exhausted or showing higher expenditure than anticipated R 2 321 359.

Here below is the summary of adjustments on expenditure:

EXPENDITURE			
Description	Approved Budget	Movements	Adjust Budget
General Expenses	R 34 668 425	(+) R 4 781 261	R 39 449 686
Repairs & Maintenance	R 5 174 972	(+) R 600 000	R 5 774 972
Depreciation	R 5 904 775	(+) R 1 095 225	R 7 000 000

BELOW LISTED ARE THE ADJUSTED LINE ITEMS AS PER THE SUMMARY

2014/2015 OPERATIONAL EXPENDITURE BY VOTE & CATEGORY						
	VOTES	PROJECTED	YTD ACTUAL	YTD BALANCE	MOVEMENT	ADJUSTMENT
		FOR	31-Dec-14	31-Dec-14		FOR
		2014/2015		MOVEMENT		2014/2015
GENERAL EXPENSES						
EXECUTIVE & COUNCIL						
Special Programmes - Arts & Culture	7,012	134,196	150,920	(16,724)	16,724	150,920
Special Programmes - Senior Citizens	7,013	106,000	97,439	8,561	5,000	111,000
Subscriptions (Salga)	6,980	381,827	500,000	(118,173)	118,173	500,000
Caucus	7,018	111,830	45,316	66,514		111,830
Indigent Burials	7,017	-	1,200	(1,200)	1,200	1,200
MUNICIPAL MANAGER						
Conferences & Seminars	7,191	179,388	167,659	11,730	100,000	279,388
IDP GRANT	7,026	-		-	57,500	57,500
BUDGET & TREASURY						
Audit Fees-Auditor General(AG)	7,082	1,400,000	706,684	693,316	500,000	1,900,000
Conferences & Seminars	7,191	122,929	100,879	22,050	30,000	152,929
Printing & Stationery	6,790		-4,700		4,700	4,700
Municipal Systems Improvement Gr	6,522	934,000	31,907	902,093	222	934,222
Finance Management Grant(FMG)	6,260	1,749,000	1,177,829	571,171	96	1,749,096
LIBRARY						
Subscriptions (Newspapers)	6,980	11,202.08	22,103.81	(10,902)	25,000.00	36,202
DISASTER MANAGEMENT & PUBLIC SAFETY						
Disaster Management (UGU)					127,167	127,167
PLANNING & DEVELOPMENT						
Spatial Development Framework(SDF)	6,598	-		-	300,000.00	300,000
Town Planning Scheme	6,664	-		-	130,000.00	130,000
Town planning(CBD & LUMS)	6,664	-		-	49,500.00	49,500
ELECTRICITY DISTRIBUTION						
Upgrade of Electricity	7,027	5,000,000	2,950,207	2,049,793	2,664,933	7,664,933
TECHNICAL SERVICES						
Municipal Infrastructure Grant-PMU	6,992	274,800.00	565,893.23	(291,093)	500,000.00	774,800
					4,630,215.00	
REPAIRS & MAINTENANCE						
VEHICLE LICENSING & TESTING						
Plant & Equipment	7,240	7,487	2,382	5,105	600,000	607,487
SOLID WASTE						
Land fill Site	7,245	190,111		190,111	-150,000	40,111
Transport	7,350	192,361	191,086	1,275	150,000	342,361
					600,000	

ii) Investment Portfolio Analysis
Cash and Investments

Primary Bank Account: As at the end of December 2014 the municipality had R 3 002 988.94 in the primary bank account. This account is held with Nedbank.

Investments: the municipality had total amount of investments as at the end of the December 2014 of R88 055 844.23 . All these investments are held between FNB and Nedbank.

Interest on Investments

Interest Received on Investments has been higher than that anticipated in the budget with a Year to Date percentage receipt of 149 % (R 1 876 398 vs. R 1 254 126). R 1000 000.00 upward projection on the approved figure based on the remaining six months cash flow forecasting and current commitments.

The following information presents the short term investments balances broken down per investment type as at 31 December 2014

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
FNB-61240006266		N/A	CALL ACC	NO MATURITY DATE	1,046.14	2.7%	456,203.87	-	457,250.01
FNB-71460300059		4 MONTHS	FIXED DEPOSIT	11/26/2014	59,177.96	6.2%	12,554,465.37	-	12,613,643.33
NEDBANK-037165015337/01		N/A	DAILY CALL	NO MATURITY DATE	736.69	5.6%	156,286.62	-	157,023.31
NEDBANK-037165014802/01		N/A	DAILY Call	NO MATURITY DATE	670.38	5.6%	142,219.60	-	142,889.98
NEDBANK-037165014802/16		N/A	DAILY CALL	NO MATURITY DATE	29.03	5.6%	6,159.12	-	6,188.15
NEDBANK-037165018956/01		N/A	DAILY CALL	NO MATURITY DATE	29,392.50	5.6%	6,235,549.35	-	6,264,941.85
NEDBANK-037165016856/13		N/A	DAILY CALL	NO MATURITY DATE	104,465.75	6.2%	10,000,000.00	-10,104,465.75	-
NEDBANK-037165016856/11		N/A	DAILY CALL	NO MATURITY DATE	152,959.38	6.3%	7,000,000.00	-7,152,959.38	-
NEDBANK-037165016856/14		4 MONTHS	4 MONTHS DEPOSIT	1/16/2014	7,963.44	6.5%	1,689,425.69	-	1,697,389.13
NEDBANK-037165013008/19		4 MONTHS	4 MONTHS DEPOSIT	1/16/2014	-	6.5%	26,459,093.34	-	26,459,093.34
NEDBANK-037165016856/20		4 MONTHS	4 MONTHS DEPOSIT	4/30/2015	-	6.5%	10,104,465.75	-	10,104,465.75
NEDBANK-037165016856/17		32 DAYS	32 DAY SEPOSIT	1/6/2015	-	6.1%	7,152,959.38	-	7,152,959.38
NEDBANK-037165016856/18		4 MONTHS	4 MONTHS DEPOSIT	4/8/2015	-	6.6%	20,000,000.00	-	20,000,000.00
NEDBANK-037165016856/19		60 DAYS	60 DAYS DEPOSIT	2/5/2015	-	6.4%	3,000,000.00	-	3,000,000.00
Municipality sub-total					356,441.27		104,956,828.09	-17,257,425.13	88,055,844.23

iii) UNFORESEEN, UNAVOIDABLE EXPENDITURE &, IRREGULAR AND UNAUTHORISED EXPENDITURE

It is encouraging to report that no unforeseen, unavoidable, irregular and unauthorized expenditure occurred up to 31 December 2014.

iv) Allocation and Grant Receipts and Expenditure

Operational Grants

GRANT DESCRIPTION	BUDGET	YTD MOVEMENT	BALANCE	% OF YTD	NEW/ROLLED GRANT
EQUITABLE SHARE	R 57 402 589	R37 998 700	R19 403 889	66.20%	NEW
FMG - GRANT	R 1 749 000	R 1 248 000	R 500 634	71%	NEW
LIBRARY – GRANT	R 661 000	R 661 000	R 0	100%	NEW
MIG -PMU	R774 800	R 565 893	R208 907	73%	NEW
EPWP INCENTIVE - GRANT	R 900 000	R 537 870	R 362 130	60%	NEW
DISASTER MANAGEMENT	R278 213	R0	R 278 213	0%	NEW
SEA GRANT	R 256 989	R 0	R 0	0%	ROLLED
LUMS- GRANT	R 73 000	R 0	R 0	0%	ROLLED
MSIG - GRANT	R 934 000	R 46 126	R 887 874	4.9%	NEW
ELECTRIFICATION GRANT	R 5000 000	R 2 950 206	R2 049 793	59%	NEW
ELECTRIFICATION GRANT	R2 664 933	R0	R0	0%	ROLLED
IDP GRANT	R 57 500	R0	R57 500	0%	ROLLED
GOVT EXPERT	R7889	R0	R7889	0%	ROLLED
SPORTS & RECREATION	R55 439	R55 439	R0.00	100%	ROLLED

Capital Grants & Subsidies Receipts

GRANT DESCRIPTION	BUDGET	YTD MOVEMENT	BALANCE	% OF YTD
MUNICIPAL INFRASTRUTURE GRANT (MIG)	R21 121 200	R 8 125 896.77	R 12 995 032	38.47%
MUNICIPAL INFRASTRUTURE GRANT (MIG)	R 6 989 859	R 0	R 6 965 859	0%
ROLL OVER	R 28 111 059		R 22 710 458	19.21%
COGTA – SMALL TOWN REHAB GRANT ROLL OVER	R 2 143 304	R 1 219 490	R 923 814	56%
EPWP- GRANT	R 100 000	R 0	R 100 000	0%
FMG	R 51 000	R 0	R 51 000	0%
EQUITABLE SHARE	R5 074 300	(-R) 1 721 359	R 3 352 941	0%

Grants and Subsidies Received								
Name of Grants	Unspent at beginning of year	July	Oct	Total	July	Oct	Total	Unspent at end of Dec 2014
		to Sept 2014	to Dec 2014	31-Dec-14	to Sept 2014	to Dec 2014	Expenditure For The First Quarter	
		1	2		1	2		
ESKOM	7,664,933			7,664,933	-	2,637,699	2,637,699	5,027,234
MSIG	222	934,000		934,222	46,126		46,126	888,096
Strategic Environment Assessment	256,989			256,989			-	256,989
Small Town Rehabilitation	2,143,304			2,143,304		1,219,490	1,219,490	923,814
Library Grant-ARTS & CULTURE	-	535,000		535,000	151,292	234,839	386,131	148,869
Cyber	-	126,000		126,000	28,718	56,263	84,980	41,020
Finance Management Support	96	1,800,000		1,800,096	689,900	558,466	1,248,366	551,730
Lums	73,000			73,000			-	73,000
IDP	57,500			57,500			-	57,500
M I G	6,965,859	7,000,000	8,175,000	22,140,859	4,537,745	4,154,045	8,691,790	13,449,069
Government Expectations	7,890			7,890			-	7,890
EPWP	-	400,000	300,000	700,000	249,026	288,841	537,867	162,133
Disaster Management	-		278,213	278,213			-	278,213
Sports & Recreation	55,439			55,439	42,788	12,651	55,439	0
	17,225,232	10,795,000	8,753,213	36,773,444	5,745,593	9,162,294	14,907,888	21,865,557

v) Councilors Allowances and Employee Benefits

Salaries Wages and Allowances

Table 4: Salaries Wages and Allowances

DESCRIPTION	BUDGET	YTD Expenditure	BALANCE	%
SALARIES & WAGES	R 38 867 387	R15 966 402	R 22 900 985	41%
COUNCILLOR ALLOWANCES	R 6 238 035	R 2 926 900	R 3 311 135	47%
TOTAL	R45 105 421	R 18 893 301	R26 212 120	42 %

The total annual budget for salaries and allowances (including councillor allowances) is R45m. As at the end of December 2014, R18.8m had been spent. This is 42% of the budgeted amount and it is 8 % below an amount which had been projected.

The expenditure on Salaries Wages and Councillor Allowances has averaged 47% for a period of 6 months. The late commencement date of some vacant posts can be attributed to the lower than anticipated YTD. The Councillor allowances are slightly below the projected figure and the budget balance will be more than sufficient to cater for the increases retrospectively as the draft Gazette is not yet published for the new upper limits.

vi) Capital Programme Performance



FUNDING	APPROVED BUDGET	ADJUSTED BUDGET
Disaster Management Grant	-	173,293.68
Small Town Rehabilitation	-	2,143,304.00
Municipal Infrastructure Grant(MIG)	21,121,200.00	21,121,200.00
Rollover-MIG	-	6,965,859.00
Expanded Public Works Programme(EPWP)	100,000.00	100,000.00
Equitable Share Grant	5,074,300.00	3,724,300.01
Financial Management Grant(FMG)	51,000.00	51,000.00
Internal Funding-Shepstone & Turner	1,000,000.00	1,000,000.00
Internal Funding	3,686,700.00	5,595,396.66
TOTAL FUNDING	31,033,200.00	40,874,353.35

LEGISLATION COMPLIANCE

- The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality – high, medium and low.
- The LG:MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting – which was a common feature of the previous practices – has been replaced by multi-year budgeting at a more strategic level.
- The LG: MFMA aim to modernize budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For example, during the budget preparation process, Section 21 of the LG: MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated.
- Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.
- Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior manager. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.
- Some of the key budget reforms encapsulated within the LG: MFMA, that UMUZIWABANTU has applied, are:
 - Forward looking, multi-year budgets with strategic focus;
 - Clear links between budget allocations and agreed policies;
 - Improved integration of budget and planning processes;
 - Improved in-year reporting according to vote/function;
 - Improved financial management information;
 - Improvements to procurement and Supply Chain Management policies and processes;

The LG: MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of LG: MFMA implementation plans and 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to Mayor and Council, as required by Section 71;

- Publication of information on the municipalities website (www.umuziwabantu.org.za) and
- Mid-year budget and performance assessment as required by Section 72

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was prepared taking cognizance of the contents of the Municipal budget and reporting regulations, Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 51 and the LG:MFMA Budget Formats Guide received from National Treasury.

- The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate.
- lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

vii) Municipal Manager's Quality Certificate

Municipal Manager's quality certificate

I, Mr. SD Mbhele, Municipal Manager of UMUZIWABANTU MUNICIPALITY, hereby certify that the 2014-2015 Budget Adjustment Report and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the

regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : Mr. Sazi Darius Mbhele

Municipal Manager of UMUZIWABANTU MUNICIPALITY (KZN214)

Signature _____

Date : 25th February 2015

