



**SECTION 52 REPORT FOR THE 1ST
QUARTER FOR
DR NKOSAZANA DLAMINI ZUMA
LOCAL MUNICIPALITY
2019/2020 FINANCIAL YEAR**

Table of Content		Page
No.		
	1. PART 1	
1.1	Purpose of the Report.....	3
1.2	Executive Summary.....	3
1.3	Resolutions.....	3
	2. PART 2 – SUPPORTING DOCUMENTS	
2.1	Debtors Age Analysis.....	4
2.2	Creditors Age Analysis.....	4-5
2.3	Investment Portfolio Analysis.....	5
2.4	Allocation for Grant Receipts and Expenditure.....	6
2.5	Revenue collection.....	6-7
2.6	Councilor and Staff Benefits and Operational	7-8
2.7	Capital Programme.....	8-9
2.8	Other Supporting Documents.....	9-10
2.9	Municipal Managers Quality Certificate.....	10

1.1 Purpose

The discussion that follows, in terms of MFMA Section 71 and Section 52(d), intends to inform Council on the progress made thus far in terms of implementing the 2019/2020 budget for the period ending 30 September 2019.

1.2 Executive Summary

• Legislative Requirements

Section 52 of the Municipal Finance Management Act states the following - states that the Mayor of a municipality must: -

- (a) Provide general political guidance over the fiscal and financial affairs of the municipality;
- (b) In providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- (c) Take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
- (d) 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
- (e) Exercise the other power and perform the other duties assigned to the mayor Terms of this Act or delegated by the council to the mayor.

1.3 Resolutions

The following recommendations are linked to the responsibilities of the Mayor as contained in s54 of the MFMA.

It is recommended that the Mayor;

- Notes the quarterly report on the implementation of the budget in terms of section 52 (d) of the MFMA Act, No, 56 of 2003

2. PART 2 – SUPPORTING DOCUMENTS

2.1. Debtors Age Analysis

The debtor's book is sitting at R54 692 705.94 as at the end of September 2019. The process of sending letters of demand to customers with arrears amount and updating of customer's information on the system through sites visits, telephone communication is ongoing. The collection unit is following up on customers who have come forward and made arrangements to pay and making sure that they do not disobey their arrangements, some customers paid their outstanding balance in full. The collection unit is currently doing site visits to agricultural properties and delivering statements and updating their information.

The municipality has appointed attorneys to assist with the debt collection process their appointment begun on the 1st October 2019, in the month of October registered mail of final notices will be sent to customers with highest debt, if no response the customer will be handed over to municipal attorneys.

2.2 Creditors Age Analysis

The municipality's creditors are paid with 30 days from the date of receiving invoice and the table below extracted in monthly budget statement provide information on creditors age analysis as at 30 September 2019

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2019/20								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	4 774	-	-	-	-	-	-	-	4 774
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	4 774	-	-	-	-	-	-	-	4 774

2.3 Investment Portfolio Analysis

The following information presents a summary of the municipal short-term investments balances broken down per investment type as at 30 September 2019.

DR NDZ MUNICIPALITY SECTION 52 REPORT FOR THE 1st QUARTER - 2019/2020 FINANCIAL YEAR

ACCOUNT	AMOUNT
FNB	71 755 035.06
NED BANK	34 872 333.72
INVESTEC	44 085 099.58
STANDARD BANK	84 743.92
PRIMARY ACCOUNT	3 658 345.03
SALARIES ACCOUNT	367 353.72
PRIMARY ACCOUNT	1 187 058.66
Cash and Cash Equivalents	156 009 969.69

The municipality does not have long-term investments, most of these investments are grants that the municipality received to spend in the budget year therefore cannot be invested for longer periods.

2.4 Allocation and Grant Receipts and Expenditure

Table below provides information relating to grant receipts.

Name of Grant	Original Budget 2019/2020	Actual Received in Quarter 1	Actual Received YTD 2019/2020	%Received
Equitable Share	125 869 000.00	52 445 000.00	52 455 000.00	42%
Integrated National Electrification	8 000 000.00	2 000 000.00	2 000 000.00	25%
Municipal Infrastructure Grant	27 149 000.00	6 000 000.00	6 000 000.00	22%
Financial Management Grant	3 000 000.00	3 000 000.00	3 000 000.00	100%
Provincial of Libraries	2 640 000.00			0%
Community Library Services Grant	1 017 000.00			0%
Expanded Public Works	2 381 000.00	596 000.00	596 000.00	25%
Building plans Information Management System	500 000.00			0%
TOTAL	170 556 000.00	64 041 000.00	64 041 000.00	38%

A total of R 64 million has been received by the municipality in the first quarter (30 September 2019).

2.5 Revenue Collection

The table below indicate the status of collection against budgeted revenue. The municipality has actual collected R 82 million year to date against total budget of R 56.6 million year to date and that is 36% of the total budget as at 30 September 2019.

Revenue source	Original Budget 2019/2020	Month Budget September 2019	YTD Budget	Month Actual Received	YTD actual Received
Rates	37 561 096.09	3 130 091	9 390 274	2 915 946	6 783 166
Grants	170 566 000.00	14 213 000	42 639 000		61 041 000
Traffic Fines	597 476.00	49 790	149 369	304	5 304
Other Revenue	17 490 477.93	1 457 540	4 372 619	939 289	10 764 963

2.6 Councillors and Board Members Allowances and Employee Benefits and Operational Expenditure

The table below displays a comparison between operational budget (employee related costs and councillor's remuneration) and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures.

	Original Budget 2019/2020	Quarterly Budget September 2019	YTD Budget	Month Actual Paid	YTD actual paid	YTD % Spent
Employee Related Costs	63 964 945	5 330 412	15 991 236	4 600 645	13 342 585	21%
Remuneration Of Councillors	12 627 427	1 052 286	3 156 857	933 420	2 800 257	22%

Employee Related Costs

The YTD budget for employee related costs is R15 ,9 million against a YTD actual of R13,3 million.

Remuneration of Councillors

The YTD remuneration of councillor's expenditure as at September is R3.1 million against a YTD budget of R 2,8 million.

Operational Expenditure

The table below displays a comparison between operational budget and the performance against budget as depicted in the form of Year to date (YTD) Actual figures.

The YTD operating budget is R47 million against a YTD actual of R35.3 million.

2.7 Capital Programme Performance

Infrastructure projects financed from MIG to be implemented in the 2019/20 and over the 2019/20 MTREF period.

Original Budget 2019/2020	Actual Spent YTD	% Spent
R 27 149 000.00	R 4 671 984	17%

Progress of total capital projects against the annual budget is sitting at an actual of 18% as the end of first quarter (September) 2019.

Original Budget 2019/2020	Actual Spent YTD	% Spent YTD
R 76 644 000	R 13 684 824	18%

Looking at the findings above it is noted that there has been a poor spending by the end of 1st quarter of the 2019/2020 financial year as the target was 25%.

2.8 Other Supporting Documents

2.8.1 Withdrawals report on the Municipality's bank accounts as 30 September 2019

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

national treasury
REPUBLIC OF SOUTH AFRICA

Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01/07/2019 to 30/09/2019



NAME OF MUNICIPALITY: DR NKOSAZANA DLAMINI ZUMA MUNICIPALITY (KZN436)

Date	Payee	Amount in R'000	Description and Purpose	Authorised by (name)
1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 31 December:				
	N/A			
2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1):				
	N/A			
3. Section 11(d) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4):				
	N/A			
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including (i) money collected by the municipality on behalf of that person or organ of state by agreement; or (ii) any insurance or other payments received by the municipality for that person or organ of state:				
	N/A			
5. Section 11(f) - Refund money incorrectly paid into a bank account:				
	N/A			
6. Section 11(g) - Refund guarantees, sureties and security deposits:				
	N/A			
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13:				
05/07/2019		5 000 000.00	Transfers from Money market to Primary Account (FNB)	KMB Mzimela(CFO) and NC Vezi (MM)
15/07/2019		52 455 000.00	Transfers from Primary account to Money market (FNB)	KMB Mzimela(CFO) and NC Vezi (MM)
19/07/2019		2 000 000.00	Transfers from Money market to Primary Account (FNB)	KMB Mzimela(CFO) and NC Vezi (MM)
16/08/2019		6 000 000.00	Transfers from Money market to Primary Account (FNB)	KMB Mzimela(CFO) and NC Vezi (MM)
22/08/2019		3 000 000.00	Transfers from Money market to Primary Account (FNB)	KMB Mzimela(CFO) and NC Vezi (MM)
23/09/2019		3 546 001.78	Transfers from Money market to Primary Account (FNB)	KMB Mzimela(CFO) and NC Vezi (MM)
30/09/2019		3 500 000.00	Transfers from Money market to Primary Account (FNB)	KMB Mzimela(CFO) and NC Vezi (MM)
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31:				
	N/A			
9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.				
	N/A			



Quality Certificate

I, N.C Vezi a Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality hereby certify that the First Quarter budget statement for the financial year 2019/2020 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act.

Print Name: N.C Vezi

Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality, KZN436

Signature: _____

Date: _____

07/10/2019