



SECTION 71 REPORT

JANUARY 2020

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Part 1 – Annual Budget

1.1 Mayor's Report

The Monthly section 71 report is a report that gives a clear view on the state or performance of the Municipality for that month as well as the year to date performance. Among the impacts that are challenging the Municipality, is the cash flow challenge currently being experienced by the municipality due to among other things declining collection, historic expenditure patterns, high water losses and high rate of indigents within the municipal boundaries.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the UThukela District Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

1.2 Council Resolutions

1. The Council of UThukela District Municipality, acting in terms of section 71 of the Municipal Finance Management Act, (Act 56 of 2003) to note :
2. Monthly Budget statements and supporting documents for the months of January 2020.

1.3 Executive Summary

As per Municipal Finance Management Act the municipality needs to prepare section 71 report in a prescribed format as per national treasury regulations.

The District Municipality has to embark on implementing revenue collection strategies to optimize the collection of debt owed by consumers.

The municipality is also embarking on assuring that all grants are spent during the 2019/20 financial year.

1.4 In - Year Budget tables

TABLE 1: C4 – Monthly Budget Statements – Financial Performance

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates							–		
Service charges - electricity revenue							–		
Service charges - water revenue	193,791	245,710	244,121	18,065	134,804	143,331	(8,527)	-6%	245,710
Service charges - sanitation revenue	27,359	17,281	16,632	2,224	28,918	10,081	18,837	187%	17,281
Service charges - refuse revenue							–		
Rental of facilities and equipment							–		
Interest earned - external investments	7,090	6,283	5,640	672	3,237	3,665	(429)	-12%	6,283
Interest earned - outstanding debtors	56,210	67,008	63,528	5,678	38,218	39,088	(870)	-2%	67,008
Dividends received							–		
Fines, penalties and forfeits		53				31	(31)	-100%	53
Licences and permits							–		
Agency services							–		
Transfers and subsidies	406,171	449,659	455,613	5,525	330,877	262,301	68,576	26%	449,659
Other revenue	16,447	3,655	27,664	611	3,438	2,132	1,306	61%	3,655
Gains on disposal of PPE							–		
Total Revenue (excluding capital transfers and contributions)	707,068	789,649	813,198	32,775	539,492	460,629	78,864	17%	789,649
Expenditure By Type									
Employee related costs	292,794	291,843	291,843	25,858	172,449	170,242	2,207	1%	291,843
Remuneration of councillors	6,486	7,956	6,342	512	3,773	4,641	(868)	-19%	7,956
Debt impairment	143,464	168,789	168,789	–	–	98,460	(98,460)	-100%	168,789
Depreciation & asset impairment	73,134	58,644	58,644		15,812	34,209	(18,397)	-54%	58,644
Finance charges	4,925	–		–	–	–	–		–
Bulk purchases	21,003	4,208	130,953	34	387	2,455	(2,067)	-84%	4,208
Other materials		8,950	8,950	732	1,713	5,221	(3,508)	-67%	8,950
Contracted services	87,904	57,787	47,926	5,135	26,572	33,709	(7,137)	-21%	57,787
Transfers and subsidies	1,608					–	–		
Other expenditure	151,248	75,279	71,651	18,063	59,579	43,912	15,667	36%	75,279
Loss on disposal of PPE	944						–		
Total Expenditure	783,510	673,456	785,098	50,334	280,286	392,849	(112,564)	-29%	673,456
Surplus/(Deficit)	(76,442)	116,193	28,100	(17,559)	259,207	67,779	191,427	0	116,193
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	342,101	296,937	296,937	29,072	143,349	173,213	(29,864)	(0)	296,937
Transfers and subsidies - capital (in-kind - all)							–		
Surplus/(Deficit) after capital transfers & contributions	265,660	413,130	325,037	11,513	402,556	240,993			413,130
Taxation							–		
Surplus/(Deficit) after taxation	265,660	413,130	325,037	11,513	402,556	240,993			413,130
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	265,660	413,130	325,037	11,513	402,556	240,993			413,130
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	265,660	413,130	325,037	11,513	402,556	240,993			413,130

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.
- Capital grant transfers recognised R 143 million at the end of January 2020.
- Total operating expenditure is at R 280 million at the end of January 2020.
- The Service charged – Water R 134 million has been billed at the end of January 2020.
- The Service charges – Sanitation R28 million has been billed at the end of January 2020.

Table 2: C5 – Monthly Budget Statements – Capital Expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Single Year expenditure appropriation									
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-		-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-		-
300 - BUDGET AND TREASURY	-	-	-	-	-	-	-		-
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	-	-	-	-	-	-	-		-
408 - WSA& HEALTH SERVICES	-	-	-	-	-	-	-		-
500 - WATER, SANITATION AND TECHNICAL SERVICES	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937
Total Capital single-year expenditure	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937
Total Capital Expenditure	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937
Capital Expenditure - Functional Classification									
<i>Trading services</i>	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937
Energy sources							-		
Water management	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937
Waste water management							-		
Waste management							-		
<i>Other</i>							-		
Total Capital Expenditure - Functional Classification	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937
Funded by:									
National Government	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937
Borrowing							-		
Internally generated funds							-		
Total Capital Funding	244,683	296,937	296,937	29,072	143,349	173,213	(29,864)	-17%	296,937

- As depicted above capital expenditure amounting to R143 million recorded at the month of January 2020.

Table 3: SC13 Repairs and maintenance per asset class

DC23 Uthukela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07

Description	2019/20	Budget Year 2020/21							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	16,231	31,784	5,077	99	3,714	18,541	14,827	80.0%	31,784
Water Supply Infrastructure	16,231	31,784	5,077	99	3,714	18,541	14,827	80.0%	31,784
Dams and Weirs							-		
Boreholes							-		
Reservoirs	9,499	11,078	-	-	1,926	6,462	4,536	70.2%	11,078
Pump Stations	6,483	18,720	4,577	99	1,788	10,920	9,132	83.6%	18,720
Water Treatment Works	248	736	500	-	-	430	430	100.0%	736
Bulk Mains		1,249	-	-	-	729	729	100.0%	1,249
Other assets	129	105	105	-	172	61	(111)	-180.3%	105
Operational Buildings	129	105	105	-	172	61	(111)	-180.3%	105
Municipal Offices	129	105	105	-	172	61	(111)	-180.3%	105
Computer Equipment	-	158	158	762	786	92	(694)	-753.9%	158
Computer Equipment		158	158	762	786	92	(694)	-753.9%	158
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	2	660	250	281	2,131	385	(1,746)	-453.8%	660
Machinery and Equipment	2	660	250	281	2,131	385	(1,746)	-453.8%	660
Transport Assets	8,611	12,125	3,360	-	1,272	7,073	5,801	82.0%	12,125
Transport Assets	8,611	12,125	3,360	-	1,272	7,073	5,801	82.0%	12,125
Total Repairs and Maintenance Expenditure	24,972	44,832	8,950	1,142	8,075	26,152	18,077	69.1%	44,832

- Plant and Equipment refers to the purification plants and equipment.

Table 4: C2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		691,916	774,357	774,110	31,884	534,769	451,708	83,061	18%	774,925
Executive and council		66,920	67,286	67,286	-	-	39,250	(39,250)	-100%	67,286
Finance and administration		624,996	707,071	706,824	31,884	534,769	412,458	122,311	30%	707,639
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		53	53	-	-	-	31	(31)	-100%	53
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		53	53	-	-	-	31	(31)	-100%	53
<i>Economic and environmental services</i>		579	550	1,553	38	304	321	(17)	-5%	550
Planning and development		579	550	1,553	38	304	321	(17)	-5%	550
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		14,520	14,690	334,472	853	4,419	4,897	(477)	-10%	14,690
Energy sources		-	-	-	-	-	-	-	-	-
Water management		14,520	14,690	334,472	853	4,419	4,897	(477)	-10%	14,690
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	707,068	789,649	1,110,134	32,775	539,492	456,956	82,536	18%	790,217
Expenditure - Functional										
<i>Governance and administration</i>		414,250	379,609	376,520	15,582	89,062	221,439	(132,377)	-60%	379,609
Executive and council		59,300	56,978	55,039	5,369	32,375	33,237	(862)	-3%	56,978
Finance and administration		354,950	322,631	321,481	10,213	56,687	188,202	(131,515)	-70%	322,631
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		31,720	24,597	24,097	2,607	14,687	14,348	339	2%	24,597
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		31,720	24,597	24,097	2,607	14,687	14,348	339	2%	24,597
<i>Economic and environmental services</i>		29,900	22,995	22,995	2,076	15,035	13,414	1,621	12%	22,995
Planning and development		29,900	22,995	22,995	2,076	15,035	13,414	1,621	12%	22,995
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		307,640	246,056	361,486	30,069	161,502	143,533	17,970	13%	246,056
Energy sources		-	-	-	-	-	-	-	-	-
Water management		307,640	246,056	361,486	30,069	161,502	143,533	17,970	13%	246,056
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	783,510	673,256	785,098	50,334	280,286	392,733	(112,447)	-29%	673,256
Surplus/ (Deficit) for the year		(76,442)	116,393	325,037	(17,559)	259,207	64,224	194,983	304%	116,961

Table 5: C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC23 Uthukela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

Vote Description		Ref	2019/20	Budget Year 2020/21						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
Revenue by Vote	1									
105 - MUNICIPAL MANAGER		66,920	67,286	67,286	-	-	39,250	(39,250)	-100.0%	67,286
200 - CORPORATE SERVICES		550	568	396	-	(2,046)	331	(2,377)	-717.3%	568
300 - BUDGET AND TREASURY		624,446	706,503	706,428	31,884	536,815	412,127	124,688	30.3%	707,071
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		579	550	1,553	38	304	321	(17)	-5.2%	550
408 - WSA& HEALTH SERVICES		53	53	-	-	-	31	(31)	-100.0%	53
500 - WATER, SANITATION AND TECHNICAL SERVICES		14,520	14,690	334,472	853	4,419	8,569	(4,150)	-48.4%	14,690
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	707,068	789,649	1,110,134	32,775	539,492	460,629	78,864	17.1%	790,217
Expenditure by Vote	1									
105 - MUNICIPAL MANAGER		59,300	56,978	55,039	5,369	32,375	33,237	(862)	-2.6%	56,978
200 - CORPORATE SERVICES		44,230	42,873	42,123	5,729	28,321	25,009	3,311	13.2%	42,873
300 - BUDGET AND TREASURY		310,720	279,758	279,358	4,484	28,366	163,192	(134,826)	-82.6%	279,758
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		29,900	22,995	22,995	2,076	15,035	13,414	1,621	12.1%	22,995
408 - WSA& HEALTH SERVICES		31,720	24,597	24,097	2,607	14,687	14,348	339	2.4%	24,597
500 - WATER, SANITATION AND TECHNICAL SERVICES		307,640	246,056	361,486	30,069	161,502	143,533	17,970	12.5%	246,056
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	783,510	673,256	785,098	50,334	280,286	392,733	(112,447)	-28.6%	673,256
Surplus/ (Deficit) for the year	2	(76,442)	116,393	325,037	(17,559)	259,207	67,896	191,311	281.8%	116,961

Part 2 – Supporting Documentation

2.1.1 Table 6: SC3 Debtors Age Analysis

- The Municipality has a total amount of R 1 billion of outstanding debt.

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January									
Description	Budget Year 2020/21								Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	29,026	20,175	22,749	19,214	17,973	18,869	20,862	965,606	1,114,474
Trade and Other Receivables from Exchange Transactions - Electricity									-
Receivables from Non-exchange Transactions - Property Rates									-
Receivables from Exchange Transactions - Waste Water Management									-
Receivables from Exchange Transactions - Waste Management									-
Receivables from Exchange Transactions - Property Rental Debtors									-
Interest on Arrear Debtor Accounts									-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-
Other	38	78	27	(2)	(5)	48	12	1,179	1,374
Total By Income Source	29,064	20,253	22,776	19,212	17,968	18,916	20,874	966,786	1,115,848
2019/20 - totals only									-
Debtors Age Analysis By Customer Group									
Organs of State	3,398	1,278	2,239	1,357	1,141	1,021	937	22,402	33,772
Commercial	3,213	1,687	1,201	1,348	1,197	1,120	1,097	51,864	62,726
Households	22,415	17,210	19,309	16,509	15,635	16,728	18,829	891,341	1,017,976
Other	38	78	27	(2)	(5)	48	12	1,179	1,374
Total By Customer Group	29,064	20,253	22,776	19,212	17,968	18,916	20,874	966,786	1,115,848

➤ collection rate for 31 January 2020

MENTS VS BILLING AS AT 31 DECEMBER 2019				
MONTH	BILLING	MONTHS	RECIEPTS	RECOVERY RATE
June 2019	22,110,925.41	July 2019	10,015,313.04	45%
July 2019	23,159,953.17	August 2019	8,895,211.21	38.41%
August 2019	24,236,017.66	September 2019	7,829,937.71	32.31%
September 2019	24,031,427.68	October 2019	10,180,333.70	42.36%
October 2019	18,254,144.00	November 2019	10,057,597.15	55.10%
November 2019	21,115,756.82	December 2019	12,446,998.60	58.95%
December 2019	32,634,811.53	January 2019	9,111,105.18	27.92%
January 2019	20,289,618.85			0.00%
	185,832,655.12		68,536,496.59	37%
TOTALS				
BILLING - JUNE 2019 - JANUARY		185,832,655.12		
RECIEPTS - JUNE 2019- JANUAR		68,536,496.59		
DIFFERENCE		117,296,158.53		37%

2.2 Table 8: SC4 Aged Creditors

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	Budget Year 2020/21					Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	
R thousands						
Creditors Age Analysis By Customer Type						
Bulk Electricity						--
Bulk Water						--
PAYE deductions						--
VAT (output less input)						--
Pensions / Retirement deductions						--
Loan repayments						--
Trade Creditors	53,115	22,350	6,101	256	93,649	175,471
Auditor General						--
Other						--
Total By Customer Type	53,115	22,350	6,101	256	93,649	175,471

TOP 10 CREDITORS ANALYSIS AS AT 31 JANUARY 2020

SUPPLIER NAME	AMOUNT
UMNGENI WATER	92076585.73
INKOSI LANGALIBALELE	16882595.66
SHULA CONSTRUCTION	8923805.68
R AND D CONTRACTORS	8198462.41
FLOTEK	7024945.45
JAFTA INCORPORATED	6679202.08
SINETHEMBA CONSTRUCTION	4305634.4
ZANAMANZI	3146311.3
EGXENI ENGINEERING	2953077.28
ECA CONSULTING	2815757.93

➤ The list of top ten outstanding creditors.

2.4.1 Table 10: Investments and Bank Balances

DC23 Uthukela - Supporting Table Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands					
Municipality					
FNB	32,616	227	(46,014)	90,181	77,011
NEDBANK	20,040	100	-		20,140
INVESTEC	30,071	184			30,255
ABSA	20,113	83	(40,066)	20,000	130
STANDARD	20,039	77	(20,115)		-
TOTAL INVESTMENTS AND INTEREST	122,879		(106,194)	110,181	127,536

Bank Balances

The following reflects bank balances at 31 January 2020

DESCRIPTION	OCTOBER 2019	NOVEMBER 2019	DECEMBER 2019	JANUARY 2019
FNB MAIN ACCO	6,615,611.83	30,554,185.21	7,162,135.34	11,518,153.77
FNB WATER AC	0	0	0	0
	6,615,611.83	30,554,185.21	7,162,135.34	11,518,153.77
Total cash held	11,518,153.77			

Table 12: SC6 Grant Receipts

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January


Description	2019/20	Budget Year 2020/21							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	405,233	441,473	441,473	4,585	331,255	257,526	111,318	43.2%	441,473
Local Government Equitable Share	397,482	365,123	365,123	4,585	324,306	212,988	111,318	52.3%	365,123
RSC Levy Replacement		67,286	67,286	-	-	39,250			67,286
Finance Management	1,545	2,010	2,010	-	2,010	1,173			2,010
EPWP Incentive	6,206	7,054	7,054	-	4,939	4,115			7,054
Other transfers and grants (insert description)							-		
Provincial Government:	10,384	1,118	1,118	-	792	652	140	21.4%	1,118
Development Planning	511	550	550	-	550	321	229	71.4%	550
Nodal Plant Grant		-	-	-	-	-			-
Raset Program		-	-	-	-	-			-
Massification Fleet Support	9,445	-	-	-	-	-			-
Lg Seta	428	568	568	-	242	331	(89)	-27.0%	568
							-		
Total Operating Transfers and Grants	415,617	442,591	442,591	4,585	332,047	258,178	111,458	43.2%	442,591
Capital Transfers and Grants									
National Government:	332,656	296,937	296,937	76,000	213,845	173,213	35,620	20.6%	296,937
Municipal Infrastructure Grant (MIG)	180,033	178,937	178,937	76,000	140,000	104,380	35,620	34.1%	178,937
Regional Bulk Infrastructure	41,412	10,000	10,000	-	-	5,833			10,000
Rural Road Asset Management	2,718	-	-	-	1,845	-			-
Water Services Infrastructure Grant	108,493	108,000	108,000	-	70,000	63,000			108,000
Disaster Management Building Grant				-	2,000	-			-
							-		
Total Capital Transfers and Grants	332,656	296,937	296,937	76,000	213,845	173,213	35,620	20.6%	296,937
TOTAL RECEIPTS OF TRANSFERS & GRANTS	748,273	739,528	739,528	80,585	545,892	431,391	147,078	34.1%	739,528


Table 13: SC7 Grant Expenditure

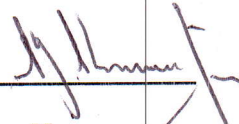
DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	405,233	441,473	441,473	5,487	330,573	257,526	73,047	28.4%	441,473
Local Government Equitable Share	397,482	365,123	365,123	4,585	324,306	212,988	111,318	52.3%	365,123
RSC Levy Replacement		67,286	67,286	-	-	39,250	(39,250)	-100.0%	67,286
Finance Management	1,545	2,010	2,010	49	584	1,173	(589)	-50.2%	2,010
EPWP Incentive	6,206	7,054	7,054	853	5,683	4,115	1,568	38.1%	7,054
Other transfers and grants [insert description]							-		
Provincial Government:	10,384	1,118	1,118	196	2,345	652	1,693	259.5%	1,118
Development Planning	511	550	550	38	266	321	(55)	-17.0%	550
Raset Program		-	-	-	-	-	-		-
Massification Fleet Support	9,445	-	-	100	1,825	-	1,825	#DIV/0!	-
Lg Seta	428	-	-	58	254	-	254	#DIV/0!	-
Other transfers and grants [insert description]		568	568	-	-	331	(331)	-100.0%	568
Total operating expenditure of Transfers and Grants:	415,617	442,591	442,591	5,683	332,918	258,178	74,740	28.9%	442,591
Capital expenditure of Transfers and Grants									
National Government:	332,656	296,937	296,937	29,072	143,349	173,213	(29,864)	-17.2%	296,937
Municipal Infrastructure Grant (MIG)	180,033	178,937	178,937	26,038	91,368	104,380	(13,012)	-12.5%	178,937
Regional Bulk Infrastructure	41,412	10,000	10,000	320	4,694	5,833	(1,139)	-19.5%	10,000
Rural Road Asset Management	2,718	-	-	-	1,185	-	1,185	#DIV/0!	-
Water Services Infrastructure Grant	108,493	108,000	108,000	2,714	46,102	63,000	(16,898)	-26.8%	108,000
Disaster Management Building Grant				-	-	-	-		-
Other capital transfers [insert description]							-		
Total capital expenditure of Transfers and Grants	332,656	296,937	296,937	29,072	143,349	173,213	(29,864)	-17.2%	296,937
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	748,273	739,528	739,528	34,756	476,267	431,391	44,876	10.4%	739,528

- R143 million was spent in capital grants
- R330 million has been spent in operating grants

Prepared by: 
Budget Officer

Reviewed by: 
Accountant Budget

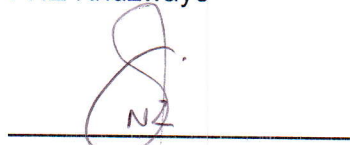
Approved by: 
Senior Finance Manager

2.7. Municipal Manager's quality certificate

I **Nhlanhla Zamokuhle Khuzwayo**, Municipal Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for and January 2020 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name : NZ Khuzwayo

Signature

A handwritten signature in blue ink, consisting of a large loop followed by the letters 'NZ', is written over a horizontal line.

Date : 12 February 2020