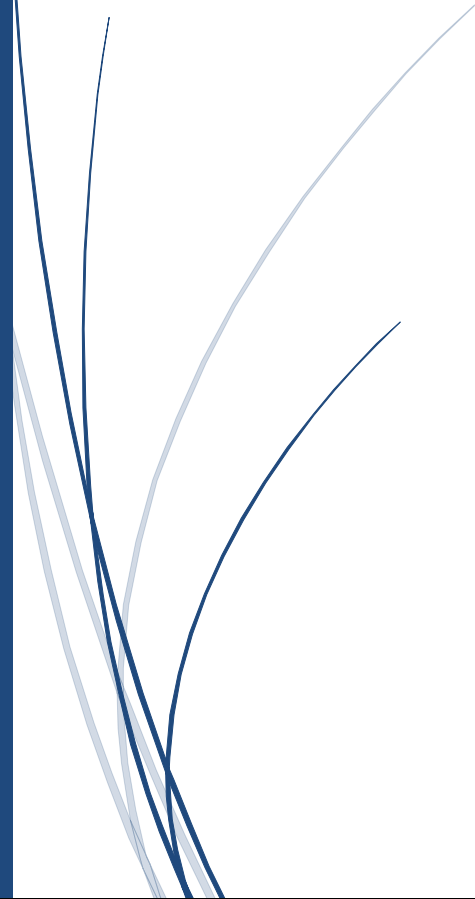


1/23/2020

# SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

OKHAHLAMBA LOCAL MUNICIPALITY (KZN235)



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In terms of Section 72 of the Local Government Municipal [al Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the budget and performance of the Municipality during the first half of the financial year. A report on such assessment must in terms of section 72 (1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

The Mid-Year performance supporting tables were prepared in accordance with MFMA Circular 13, Municipal Budget and Reporting Regulations and Provincial Treasury Circular PT/MF 8 of 2018/19.

## **MAYOR'S REPORT**

### **MAYORAL 2019/20 MID- YEAR BUDGET AND PERFORMANCE ASSESSMENT SPEECH**

Honourable Speaker, Cllr. S. A. Zulu

Deputy Mayor of Okhahlamba Municipality Cllr. T. G. Ngozo

Members of the Council of Okhahlamba

Councillors present

Officials, all protocol observed

Greetings to all

I thank you Mr Speaker, I would like to greet you and all members of the council and officials, and I present this Mid -Year Budget and Performance Assessment for 2019/20 financial year as outlined in the Municipal Finance Management Act. (MFMA, Section72 of MFMA in relation to the tabling of Mid-Year Budget and Performance Assessment Report, I would like to highlight the following items:

Actual Operating Expenditure	: R 91 575 000(48.75% spending of the budget)
Actual Capital expenditure	: R 16 937 000 (50% spending of the budget)
Actual Operating revenue	: R 123 494 000 (68.42% of projected revenue)

Honourable Speaker, this report reflects the wishes and aspirations of the people of Okhahlamba and it is aligned with the priorities set by Treasury (circular 72) and it is in line with the Okhahlamba SDBIP and IDP priorities which according to my administration's point of view should be implemented at a Local Level after considering the needs of the Community. In light of the content of the report there are no indications that the municipality is facing financial risks and/or problems, this is also emphasised by the fact that the municipality received a clean audit opinion from the Auditor General for 2018/2019 financial year, however

after careful analysis of the mid-year revenue and expenditure results of the municipality the accounting officer is recommending the adjustments budget since there are line items that require such adjustments as a result of new grants allocation from provincial government, over collection of revenue and over/ under expenditure identified.

I would like to grant council members a chance to look into the content and more details are contained in the attached reports.

As I conclude I would like council members to have in mind the need to provide quality services to our community when considering Mid –Year Budget and Performance Assessment, I thank you for this wonderful opportunity granted to me to present this report to the Council of Okhahlamba.

I thank you.

## **EXECUTIVE SUMMARY**

### **PURPOSE**

The purpose of this report is for Council to note the mid-year budget and performance assessment for the 2019/20 financial year and service delivery actual performance against the set targets.

The purpose of this report is also to comply with 72 (1) (a) (b), (2) and (3) (a) (b) of the Municipal Finance Management Act (MFMA) and the requirements as promulgated in the Government Gazette no 32141 of 17 April 2009 regarding Municipal Budget and Reporting Regulations which requires that specific financial particulars be reported on and in the formats prescribed.

### **BACKGROUND**

Sec 72 (1) (a) of the Municipal Finance Management Act (MFMA) No.56 of 2003 states:

The accounting officer of the municipality must by 25 January of each year

- (a) Assess the performance of the municipality during the first half of the financial year taking into account– the monthly statements referred to in section 71 for the first half of the year.
- (b) Submit the report on such assessments to - the mayor of the municipality; national treasury and relevant provincial treasury

The accounting officer must as part of the review make recommendation as to whether an adjustment budget is necessary and recommended revised projections for revenue and expenditure to the extent that this may be necessary.

After careful analysis of the mid-year revenue and expenditure results of the municipality the accounting officer is recommending the adjustments budget since there are line items that require such adjustments as a result of new grants allocation from provincial government, over collection of revenue and over/ under expenditure identified.

The mid-year report and supporting tables of Okhahlamba Municipality prepared in accordance with the Municipal Budget and Reporting Regulations are attached as Annexures A, B and C.

**COUNCILLORS, EXECUTIVE COMMITTEE AND OFFICIALS****EXECUTIVE COMMITTEE**

<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
Mayor	Cllr. M. G. Ndlangisa
Deputy Mayor	Cllr. T. G. Ngozo
Executive Committee Member	Cllr. K. I. Hadebe
Executive Committee Member	Cllr. T. A. Sigubudu
Executive Committee Member	Cllr. B. M. Dlamini

**COUNCIL**

<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
Mayor	Cllr. M. G. Ndlangisa
Deputy Mayor	Cllr. T. G. Ngozo
Speaker	Cllr. S. A. Zulu
Councillor	Cllr. E. N. N. Bengu
Councillor	Cllr. M. J. Hadebe
Councillor	Cllr. M. H. Msimanga
Councillor	Cllr. M. H. Hlatshwayo
Councillor	Cllr. S. R. Mlambo
Councillor	Cllr. K. S. Dladla
Councillor	Cllr. K. I. Hadebe
Councillor	Cllr. M. P. Vilakazi
Councillor	Cllr. P. P. Sigubudu
Councillor	Cllr. M. M. S. Vilakazi
Councillor	Cllr. K. Simelane
Councillor	Cllr. P. A. M. Mfuphi
Councillor	Cllr. T. A. Sigubudu

2019 /20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
PR	Cllr. B. M. Dlamini
PR	Cllr. M. I. Dlamini
PR	Cllr. S. Ndimande
PR	Cllr. T. D. J. Van Rensburg
PR	Cllr. I. M. Buthelezi
PR	Cllr. K. Langa
PR	Cllr. S. M. Hlongwane
PR	Cllr. S. M. Buthelezi
PR	Cllr. J. E. Nqubuka
PR	Cllr. N. A. Mdakane
PR	Cllr. F. E. Buthelezi
PR	Cllr. R.K. Hlongwane
PR	Cllr. S. C. Hadebe

**MANAGEMENT COMMITTEE MEMBERS**

<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
Municipal Manager	SN Malinga
Chief Financial Officer	NN Makhubu
Director: Technical Services	Vacant
Director: Social and Community	TP Mazibuko
Director: Corporate	GM Mohlokoana
Manager: Legal Advisor	ZH Motala
Chief Operations Officer : Compliance and Risk Management	Vacant
Manager in the Office of the Mayor	Vacant
Maintenance Manager	MK Hlatshwayo
Thusong Centre Manager	ZA Zikode
Internal Audit Manager	SS Dlamini
IDP/PMS Manager	S Nene
Protection Services Manager	TN Langa

Finance Manager	TE Gambu
<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
IT Manager	ITM Makhubu
Risk Management and Communication Manager	NP Ntuli
LED Manager	HP Ndaba
Senior Accountant	N Nene
Accountant Expenditure	VW Shezi
Accountant Income	SZH Mazibuko
Accountant Assets	SS Mncube
Accountant SCM	BT Maphalala
Housing Officer/ Building Inspector	AP Nkosi
Waste Management Officer	XA Kheswa

### SERVICE DELIVERY PERFORMANCE ANALYSIS

Early indicators are that the performance against the output and goals of the Service Delivery Budget Implementation Plan (SDBIP) are well on track.

### IN - YEAR REPORT BUDGET STATEMENT TABLES

ANNEXURE A Attached

### PART 2 – SUPPORTING DOCUMENTS

ANNEXURE B and ANNEXURE C Attached

### ADJUSTMENT BUDGET

Regulation 23 of the Municipal Budget and Reporting Regulations provides *in te alia* for the following:

“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-Year Budget and performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during financial year”

A report on adjustment to the budget will be submitted for approval by Council before 29 February 2020.