

OKHAHLAMBA LOCAL MUNICIPALITY (KZN 235)

DATE : 13 JANUARY 2022

REGARDING : REPORTS IN TERMS OF SECTION 71/52 OF MFMA
REPORTS IN TERMS OF SECTION 66 OF MFMA

SECTION A : REPORTS FOR CONSIDERATION

ITEM 1: SECTION 71/52 REPORTS
ITEM 2: SECTION 66 REPORTS

PURPOSE

To inform the committees of monthly budget statements, expenditure on staff benefits and submissions on Section 52, section 66 and 71 reports for compliance purposes as per MFMA.

BACKGROUND AND DISCUSSION

It was resolved that the above reports be reported monthly
In terms of Section 71, and Section 66 of MFMA, the accounting officer must by no later than ten working days / Section 52 by no later than 30 days after the end of each quarter, submit to the mayor of the municipality and the relevant Provincial Treasury a statement on the prescribed format on the state of the municipality's budget, expenditure on staff benefits reflecting certain particulars for that month and for that financial year up to the end of that month. Therefore, I submit the attached reports.

REVENUE

- **OWN REVENUE**

Property rates and refuse removal billing in the 6th month of 2021/2022 is 45.22% and 35.19% respectively.

- **GRANTS RECEIVED**

Grants and subsidies received during December 2021:

Equitable Share : R 45 824 000.00

Human Settlement : R 6 903 220.65

MIG : R 7 576 000.00

EXPENDITURE

- **OPERATIONAL EXPENDITURE**

- **STAFF BENEFITS**

Expenditure on staff benefit for the 6th month in 2021/2022 financial year is sitting at 48.64% which is below 50% (i.e., 6/12 months).

- **COUNCILLORS ALLOWANCES**

Expenditure on councillors' allowances for the 6th month in 2021/2022 financial year is sitting at 48.21% which is below to 50% (i.e., 6/12 months).

- **REPAIRS AND MAINTANANCE**

Expenditure on repairs and maintenance reflects 74.72% spending of the budget of in the 6th month of 2021/2022.

- **GENERAL EXPENDITURE**

Expenditure on other general expenses shows a spending of 47.37% in the 6th month of 2021/2022.

- **CAPITAL EXPENDITURE**

- **MIG EXPENDITURE**

Expenditure on MIG is R 16 532 195.95 equivalent to 56% spending in 2021/2022 financial year.

- **ELECTRIFICATION GRANT EXPENDITURE**

Expenditure on Electrification Projects (INEP) is R4 259 831.60 a spending of 31.79% in 2021/2022 financial year.

Capital Expenditure is 59.02% to date (31 December 2021)

BANK RECONCILIATION

The bank statement shows a closing balance of R 66 608 764.27 with no outstanding payments and no outstanding deposits, the cash book balance is R 66 608 764.27.

CASH FLOW STATEMENT

The opening balance of cash and cash equivalent was R 76 412 461.52. The outflow was R 31 295 892.19 whereas cash inflow was R 63 469 911.54 for the month of December 2021. Cash balance is R 108 586 480.87 which consist of investments and primary bank account. Unspent grants as of 31 December 2021 amounts to R 25 490 456.21 and the available cash is R 83 096 024.66.

VAT Refund received in December 2021 is to R 648 195.17.

RATIOS

- Cash Coverage Ratio in December 2021 is 5.65 for the 6th month (i.e., the Municipality can continue to operate for more than 5 months without receiving any cash inflows).
- The Employee Related costs to Total Expenditure Ratio for December 2021 is 48.93%
- Repairs & Maintenance costs to Total Expenditure Ratio December 2021 is 3.59%.

CONSUMER DEBTORS

Consumer debtors are sitting at R 79 550 764.56 as of 31 December 2021 and 94.71% of debtors are above 90days.

CREDITORS

All valid invoices received were paid within 30 days from date of receipt of such invoices. Creditors as of 31 December 2021 were sitting at R 0.00

LEGAL IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

None

CREDEBILITY AND RELIABILITY OF INFORMATION

I hereby confirm that the information on this report is credible and reliable.

RECOMMENDATIONS

It is recommended that:

- The committee consider the attached reports.

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Mrs N.P NTULI
ACTING CHIEF FINANCIAL OFFICER