

OKHAHLAMBA LOCAL MUNICIPALITY (KZN 235)

DATE : 13 OCTOBER 2021

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

SECTION A : REPORTS FOR CONSIDERATION

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

PURPOSE

To inform the committees of quarterly and monthly budget statements, expenditure on staff benefits and submissions on section 52,66 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 52, 71, and Section 66 of MFMA, the accounting officer must by no later than ten working days thirty working days after the end of 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 3rd month of 2021/2022 is 22.83% and 24.84% respectively.

- **GRANTS RECEIVED**

Grants and subsidies received during September 2021:

Human Settlement : R 16 407 349.07

EXPENDITURE

- **OPERATIONAL EXPENDITURE**

- **STAFF BENEFITS**

Expenditure on staff benefit for the 3rd month in 2021/2022 financial year is sitting at 23.61% which is below 25% (i.e., 3/12 months).

- **COUNCILLORS ALLOWANCES**

Expenditure on councillors' allowances for the 3rd month in 2021/2022 financial year is sitting at 25% which is equivalent to 25% (i.e., 3/12 months).

- **REPAIRS AND MAINTANANCE**

Expenditure on repairs and maintenance reflects 32.04% spending in the 3rd month of 2021/2022.

- **GENERAL EXPENDITURE**

Expenditure on other general expenses shows a spending of 20.46% in the 3rd month of 2021/2022.

- **CAPITAL EXPENDITURE**

- **MIG EXPENDITURE**

Expenditure on MIG is R 9 425 008.77 equivalent to 31.70% spending in 2021/2022 financial year.

- **ELECTRIFICATION GRANT EXPENDITURE**

Expenditure on Electrification Projects (INEP) is R661 730.76 a spending of 4.94% in 2021/2022 financial year.

Capital Expenditure is 31.70% to date (30 September 2021)

BANK RECONCILIATION

The bank statement shows a closing balance of R 55 043 020.26 with no outstanding payments and no outstanding deposits, the cash book balance is R 55 043 020.26

CASH FLOW STATEMENT

The opening balance of cash and cash equivalent is R 102 816 073.58. The outflow of R 36 408 059.22 and inflow of R 30 312 407.73 for the month of September 2021. Cash balance is R 96 720 422.09 made up of investments and primary bank account. Unspent grants as of 30 September 2021 amount to R 23 057 967.75 and the available cash is R 73662 454.34

Cash Coverage Ratio in September 2021 is 5.29 for the 3rd month (i.e., the Municipality can continue to operate for approximately 5 months without receiving any cash inflows).

VAT refund received in September 2021 is R 854 233.39

CONSUMER DEBTORS

Consumer debtors are sitting at R 80 474 454.74 as of 30 September 2021.

CREDITORS

All valid invoices received were paid within 30 days from date of receipt of such invoices. Creditors as of 30 September 2021 were sitting at R 458 111.84

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.

.....
Mrs N.P NTULI
ACTING CHIEF FINANCIAL OFFICER