

FS/15/2019

MONTHLY FINANCE REPORT – JULY 2019 (CFO) (6/12/1/1)

PURPOSE

To submit to the Finance Committee the Monthly Finance Report for July 2019 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

BACKGROUND

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- 1) Actual revenue per revenue source
- 2) Actual borrowings
- 3) Actual expenditure per vote
- 4) Actual capital expenditure per vote
- 5) The amount of any allocations received
- 6) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

1. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
 - Billing and Income per month
 - Top Outstanding debtors for the month
 - Income per ward
 - Debtors age analysis per service
2. After month end the ICT Department runs all the month end reports.
3. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
4. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
5. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
6. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

DISCUSSIONS

*** The finance report for August 2019 is **attached on page 1 of the annexures.**

*** Attached year to date expenditure on the **Separate Cover page (1).**

*** Attached the in year report and the tables on **Separate Cover (2).**

FINANCIAL IMPLICATIONS

TABLE 1	Actual For the Month (July 2019)	For Year to date (2019/2020)
All Grants Received	210 174 000	210 174 000
Actual Revenue Received	95 068 966	95 068 966
Actual Expenditure	92 108 728	92 108 728
Salaries	64 831 853	64 831 853
Water	-	-
Electricity	10 070 659	10 070 659
Other Expenditure	17 206 216	17 206 216
Sub-Total	213 134 238	213 134 238
Loan Redemptions	-	-
Net Surplus/(Deficit) before Capital payments	213 134 238	213 134 238
MIG Payments	-	-
INEG Payments	-	-
WSIG Payments	-	-
Capital Assets procured - Equitable Share	-	-
Fleet & Equipment	-	-
Office convention/ Furniture	-	-

Net Surplus/(Deficit) after Capital payments	213 134 238	
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Table 1: The municipality had a surplus of R213 134 238 for the month of July after capital payments, This surplus indicates that the expenditure incurred is less than the revenue received for month. This surplus is due to grants received for the reporting period.

TABLE 2	Actual For the Month (July 2019)	For Year to date (2019/2020)
Total Billings	166 883 422	166 883 422
Less: Indigent Billings	-	-
Actual Billings	166 883 422	166 883 422
Actual Revenue Received	93 954 325	93 954 325
Consumer Revenue	92 703 238	92 703 238
Other	1 251 087	1 251 087
Grants & Subsidies	210 174 000	210 174 000

Pay rate for July 2019 (Total Billings)	56%
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Total income percentage - July 2019	57%
Total income percentage – YTD	57%

The pay rate for July 2019 was 56%

The total income percentage July 2019 was 57%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

LEGAL IMPLICATIONS

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

RECOMMENDATIONS

1. That the Finance Report for July 2019 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for July 2019 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to provincial and National Treasury.

MONTHLY FINANCE REPORT – AUGUST 2019 (CFO) (6/12/1/1)

PURPOSE

To submit to the Executive Management Committee the Monthly Finance Report for August 2019 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

BACKGROUND

Section 71 of the Municipal Finance Management Act no 56 of 2003 states that the Accounting Officer must submit to the Executive Mayor a statement in a prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- 7) Actual revenue per revenue source
- 8) Actual borrowings
- 9) Actual expenditure per vote
- 10) Actual capital expenditure per vote
- 11) The amount of any allocations received
- 12) Actual expenditure on allocations received

The compilation of the Section 71 report is as follows:

7. After the billing cycle the Income Department compile the income reports which consist of the following and submit to the Budget Department:
 - Billing and Income per month
 - Top Outstanding debtors for the month
 - Income per ward
 - Debtors age analysis per service
8. After month end the ICT Department runs all the month end reports.
9. The Budget Department then extracts the required income and expenditure information from Solar. This is done with the GS 560 procedures. This report shows the transactions for the month VAT EXCLUSIVE.
10. The Expenditure Department provides the Budget Department with the creditor's age analysis and the top 20 outstanding creditors.
11. The Costing Section provides the Budget Department with the employee related reports and the overtime per department.
12. The Section 71 report is then compiled with all the information received from other sections and extracted from the Solar System.

DISCUSSIONS

- *** The finance report for August 2019 is **attached on page 2 of the annexures.**
- *** **Attached Monthly report for August 2019 on the Separate Cover page (3)**
- *** **Attached the in year report for August 2019 and the tables on Separate Cover (4)**

FINANCIAL IMPLICATIONS

TABLE 1	Actual For the Month (August 2019)	For Year to date (2019/2020)
All Grants Received	28 486 000	238 660 000
Actual Revenue Received	111 996 124	207 065 086
Actual Expenditure	100 586 969	192 695 697
Salaries	64 112 095	128 943 948
Water	-	-
Electricity	3 074 576	13 145 235
Other Expenditure	33 400 298	50 606 514
Sub-Total	39 895 155	253 029 389
Loan Redemptions	-	-
Net Surplus/(Deficit) before Capital payments	39 895 155	253 029 389
MIG Payments	5 834 157	5 834 157
INEG Payments	-	-
WSIG Payments	3 641 121	3 641 121
Capital Assets procured - Equitable Share	-	-
Fleet & Equipment	-	-
Office convention/ Furniture	-	-

Net Surplus/(Deficit) after Capital payments	30 419 877	
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Table 1: The municipality had a surplus of R30 419 877 for the month of August after capital payments, This surplus indicates that the expenditure incurred is less than the revenue received for month. This surplus is due to grants received for the reporting period.

TABLE 2	Actual For the Month (August 2019)	For Year to date (2019/2020)
Total Billings	185 005 214	351 888 636
Less: Indigent Billings	3 113 103	3 113 103
Actual Billings	181 892 110	348 775 532
Actual Revenue Received	110 667 692	204 622 017
Consumer Revenue	109 769 556	202 472 794
Other	898 136	2 149 223
Grants & Subsidies	28 486 000	238 660 000

Pay rate for August 2019 (Total Billings)	61%
Total income percentage - August 2019	62%
Total income percentage – YTD	59%

The pay rate for August 2019 was 61%

The total income percentage August 2019 was 62%.

In order for the municipality to be financially sustainable the pay rate will have to be increased to 80% monthly on the consumer services.

LEGAL IMPLICATIONS

The Finance Report is submitted in compliance with Section 71 of the MFMA no 56 of 2003.

RECOMMENDATIONS

1. That the Finance Report for August 2019 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be noted.
2. That the Finance Report for August 2019 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, be submitted to Provincial and National Treasury.