

**REPORT OF THE MAYOR ON THE IMPLEMENTATION OF THE
BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE**

JOZINI MUNICIPALITY.

REPORT OF THE MAYOR.

1. PURPOSE.

The purpose is to report on the implementation of the budget and on the financial position of the Municipality as on March 2011

DEVELOPMENT STRATEGY

Sound Financial Management

DEVELOPMENT OBJECTIVE

To ensure the alignment of the municipal budget with the IDP in order to ensure efficient, effective and sustainable service delivery.

GOALS

- > Ensure that financial planning, budgeting and expenditure aligns with the IDP through the Municipal Financial Plan.
- > Increase the municipal revenue base

2. DISCUSSION.

Section 52 of the Municipal Finance Management Act no 56 of 2003 which deals with the general responsibilities of mayors reads as follows:

“The mayor of a municipality –

(d) Must, within 30 days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the municipality; ”

2.1 Implementation of the budget.

The service delivery and budget implementation plan (SDBIP) has been compiled and will be the measuring tool to measure the implementation of the budget. Each department must report on deviations from the targets as set in the plan and what corrective action will be taken to ensure that the budget is implemented. The actual progress for the third quarter of the 2010/2011 financial year as reflected in the SDBIP is attached to this report as an annexure.

2.1.1 Operating budget – revenue per revenue resource

The actual revenue versus the budgeted revenue per resource for the third quarter can be summarised as follows:

Revenue Source	Actual Revenue	Pro-rata Budgeted Revenue as per SDBIP
	R	R
Revenue		
Operational Income	4,457,857	1,630,000
Refuse Removal Income	108,936	1,000,000
Rates	3,509,739	2,500,000
	8,076,532	5,130,000
Grants:		
Equitable Share	16,696,000	48,546,000
Electrification Program		10,000,000
MIG		19,784,000
Finance management grant		1,200,000
Municipal Systems Improvement Grant		750,000
School Crossing Patrol	1,080	
MPRA Transfer	70,263	
Implimantation of Pound	1,000,000	
	17,767,343	80,280,000
Total Revenue	25,843,875	85,410,000

Comments on deviations on the Revenue Budget Control

Finance and Admin

Assessment rates were levied during March 2011, for all ratepayers paying their rates annually.

It is expected that the municipal debtors will decrease by at least 60% due to the effort done by our debt collectors. Payments are expected from , Department of Works, Department of Public Works, Department of Education and other departments that owe council monies for services rendered.

2.1.2 Operating budget – Expenditure

The actual expenditure versus the budgeted expenditure for the first two quarters for the 2010/2011 financial year can be summarized as follows:

Details of Expenditure	Actual Expenditure	Pro-rata Budgeted Expenditure as per SDBIP
	R	R
Executive & Council	1,395,829	7,930,205
Corporate Services	2,073,515	7,027,246
Financial Services	2,645,108	8,740,623
Community Services	3,724,561	12,212,814
Planning & Development	1,556,605	35,739,525
Public Safety	445,352	2,760,783
Waste Management Services	735,101	6,271,873
Municipal Manager	2,026,868	5,024,801
Total Expenditure	14,602,939	85,707,870

The following projects were adjudicated on April to June 2011:

Project Name

- 2 Construction of Ekulingeni Creche
- 3 Construction of Mzondi Creche
- 4 Constuction of Kwalindizwe Creche
- 5 Construction of Machobeni Creche
- 6 Construction of Zamukuthula Sewing Project
- 7 Construction of Njikazana Mini Hall
- 8 Construction of Khongolo Creche
- 9 Construction of Nsongweni Creche
- 10 Construction of Emahlabeni Creche
- 11 Supply and Delivery of embroidery machines
- 12 Trip Survey of Bhanjana Road
- 13 Supply of Water Tank
- 14 Construction of KwaJona Dam
- 15 Repairs of Emthonjeni Community Hall
- 16 Repairs of Emadanishini Community Hall
- 17 Supply of Laptops and Computers
- 18 Supply of Sound of System
- 19 Compiling ,Design And Printing of Annual Report
- 20 Jozini CBD Stormwater/Jozini Town Rehabilitation

3 In accordance with delegated powers the following bad debts were written off:

Nil

4 In accordance with Section 11(4) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) the Accounting officer must within 30 days after the end of each quarter table a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter and submit a copy of the report to the relevant Provincial Treasury and the Auditor General:

‘Withdrawals from municipal bank accounts –

(b) to defray expenditure authorized in terms of Section 26(4);

None

© to defray unforeseeable and unavoidable expenditure authorized in terms of Section 29(1);

Nil

(d) in the case of a bank account opened in terms of subsection (4) of that section;

None

(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state;

Nil

(f) to refund money incorrectly paid into a bank account;

(g) to refund guarantees, sureties and security deposits;

Nil

(h) for cash management and investment purposes in accordance with Section 13.”

None

RECOMMENDATION OF THE MAYOR

1. That cognizance be taken of the report of the mayor in terms of section 52 of the Municipal Finance Management act no 56 of 2003.
2. That it be noted that the implementation of the operating and capital budgets be speeded up in order to ensure service delivery.
3. That cognizance is taken of the financial state of affairs of the municipality as on 31 March 2011