ZULULAND DISTRICT MUNICIPALITY

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

2010/11 FINANCIAL YEAR

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DATE 25/01/2011

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1. BACKGROUND TO THE MID-YEAR ASSESSMENT

In terms of Section *72(1) of the* Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), *t*he Accounting Officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year and submit a report on such assessment to the Mayor of the municipality, the National Treasury and the relevant Provincial Treasury. The Mayor must, in turn, comply with the provisions of Section 54, which includes submitting the report to council by 31 January of each year.

In performing this assessment, the Accounting Officer must take into account the following:

1. The monthly budget statements required in terms S71 for the first half of the year;
2. The municipality's SDBIP ; and
3. The past year's Annual Report.

2. ASSESSMENT OF MID-YEAR PERFORMANCE

OPERATING EXPENDITURE

The municipality has spent 36% of the approved Budget including operating commitments during the first half of the 2010/11 financial year.

Analysis of the different expenditure categories:

CATEGORY	REASON FOR VARIANCE
Remuneration of Councillors	The Upper Limits for the 2010/11 are only implemented after approval from the MEC. This approval has been received in January 2011 the new limits are to be implemented retrospectively, thus expenditure will increase after January 2011
Bad Debts	This is a year-end entry.
Repairs & Maintenance	Unpaid orders for Repairs and Maintenance amount to R 3 423 150.34. This variance is due to delays experienced with deliveries and some of the work has not yet been completed.
Bulk Purchases	Variance is due to the fact that the contracted service provider, WSSA, bills the municipality in arrears.
Grants & Subsidies paid	Amount of R 649 694.00 outstanding to the Abaqulusi municipality for the provision of water and sanitation services. This amount will be paid before the end of January 2011

The municipality has total Commitments amounting to R 7 744 861. Greater care should be taken to monitor the performance of service providers on contracts awarded and to ensure that the factors contributing to under-expenditure are identified immediately and the necessary interventions are put in place.

CAPITAL PROGRAMME EXPENDITURE

The progress of Capital Expenditure is indicated below:

CAPITAL PROGRAMME	REASON FOR THE VARIANCE
Own Capital	The contracts have been awarded and contractors have now been appointed. Expenditure will increase during the second half of this year. Tenders actually received far exceeded the amount budgeted. As a result, the shortfall will be included in the adjustment budget.
MIG	R45 167 000 to be received in March 2011
DWAF	DWAF will transfer R17 577 900 once they receive the projections from PMU
MSIG	Activity plan show that expenditure will significantly accelerate during the first three months of the second half of the financial year.
FMG	
P700 STRATEGIC CORRIDOR	All tender procedures have been complied with, and most of the appointments have been affected. Expenditure will increase significantly during the second half of the year.
Indonsa	Funds will be spent on Umbele Wethu during June 2011 The recharges for the first half of the year will be effected.

3. MONTHLY BUDGET STATEMENTS

S72(a) of the Municipal Finance Management Act require the Accounting Officer to include also the Budget Statements for the first half of the financial year.

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2009/10	Budget Year 2010/11							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates			–					–		
Property rates - penalties & collection charges								–		
Service charges - electricity revenue			–					–		
Service charges - water revenue		12,209	15,105	15,105	6,520	8,942	15,105	(6,164)	-41%	15,105
Service charges - sanitation revenue		5,755	4,763	4,763	657	1,693	4,763	(3,071)	-64%	4,763
Service charges - refuse revenue			–	–			–	–		–
Service charges - other				–			–	–		–
Rental of facilities and equipment				–			–	–		–
Interest earned - external investments		9,351	9,270	9,270	38	3,197	9,270	(6,073)	-66%	9,270
Interest earned - outstanding debtors				–			–	–		–
Dividends received				–			–	–		–
Fines				–			–	–		–
Licences and permits				–			–	–		–
Agency services				–			–	–		–
Transfers recognised - operational		193,317	216,558	216,558	2,530	87,059	216,558	(129,499)	-60%	216,558
Other revenue		1,725	221,130	221,130	90	528	221,130	(220,602)	-100%	221,130
Gains on disposal of PPE							–	–		–
Total Revenue (excluding capital transfers and contributions)		**222,357**	**466,827**	466,827	9,834	**101,417**	**466,827**	**(365,410)**	-78%	**466,827**
Expenditure By Type										
Employee related costs		74,960	74,004	74,004	6,648	20,132	74,004	(53,872)	-73%	74,004
Remuneration of councillors		5,039	5,619	5,619	406	1,156	5,619	(4,463)	-79%	5,619
Debt impairment			2,915	2,915			2,915	(2,915)	-100%	2,915
Depreciation & asset impairment		29,761	40,000	40,000			40,000	(40,000)	-100%	40,000
Finance charges		697	484	484	82	126	484	(358)	-74%	484
Bulk purchases		35,612	41,913	41,913	4,387	5,387	41,913	(36,525)	-87%	41,913
Other materials				–			–	–		–
Contracted services			3,407	3,407	291	959	3,407	(2,449)	-72%	3,407
Transfers and grants		845	950	950			950	(950)	-100%	950
Other expenditure		129,582	137,532	137,532	9,176	19,335	137,532	(118,197)	-86%	137,532
Loss on disposal of PPE							–	–		
Total Expenditure		**276,496**	**306,824**	**306,824**	**20,990**	**47,096**	**306,824**	**(259,729)**	**-85%**	**306,824**
Surplus/(Deficit)		**(54,139)**	**160,003**	**160,003**	(11,155)	**54,322**	**160,003**	**(625,138)**	**(0)**	**160,003**
Transfers recognised - capital		216,688	66,036	66,036		60,425	66,036			66,036
Contributions recognised - capital			–	–			–			–
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		**162,549**	**226,038**	**226,038**	(11,155)	**114,747**	**226,038**			**226,038**
Taxation								–		
Surplus/(Deficit) after taxation		**162,549**	**226,038**	**226,038**	(11,155)	**114,747**	**226,038**			**226,038**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**162,549**	**226,038**	**226,038**	**(11,155)**	**114,747**	226,038			**226,038**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**162,549**	**226,038**	**226,038**	**(11,155)**	**114,747**	**226,038**			**226,038**

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including ca	**439,045**	**532,863**	**532,863**	**9,834**	**161,843**	**532,863**	**532,863**

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	2009/10	Budget Year 2010/11							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates			–					–		
Property rates - penalties & collection charges								–		
Service charges - electricity revenue			–					–		
Service charges - water revenue		12,209	15,105	15,105	1,667	10,608	15,105	(4,497)	-30%	15,105
Service charges - sanitation revenue		5,755	4,763	4,763	447	2,140	4,763	(2,624)	-55%	4,763
Service charges - refuse revenue			–	–			–	–		–
Service charges - other				–			–	–		–
Rental of facilities and equipment				–	7	37	–	37	#DIV/0!	–
Interest earned - external investments		9,351	9,270	9,270	976	4,172	9,270	(5,098)	-55%	9,270
Interest earned - outstanding debtors				–			–	–		–
Dividends received				–			–	–		–
Fines				–			–	–		–
Licences and permits				–			–	–		–
Agency services				–			–	–		–
Transfers recognised - operational		193,317	216,558	216,558	2,123	89,182	216,558	(127,376)	-59%	216,558
Other revenue		1,726	221,130	221,130	27	525	221,130	(220,605)	-100%	221,130
Gains on disposal of PPE							–	–		–
Total Revenue (excluding capital transfers and contributions)		222,357	466,827	466,827	5,248	106,685	466,827	(360,162)	-77%	466,827
Expenditure By Type										
Employee related costs		74,960	74,004	74,004	11,522	31,655	74,004	(42,350)	-57%	74,004
Remuneration of councillors		5,039	5,619	5,619	407	1,563	5,619	(4,056)	-72%	5,619
Debt impairment			2,915	2,915			2,915	(2,915)	-100%	2,915
Depreciation & asset impairment		29,761	40,000	40,000			40,000	(40,000)	-100%	40,000
Finance charges		697	484	484	40	166	484	(318)	-66%	484
Bulk purchases		35,612	41,913	41,913	4,839	10,227	41,913	(31,686)	-76%	41,913
Other materials				–			–	–		–
Contracted services			3,407	3,407	296	1,254	3,407	(2,153)	-63%	3,407
Transfers and grants		845	950	950			950	(950)	-100%	950
Other expenditure		129,582	137,532	137,532	6,254	25,462	137,532	(112,070)	-81%	137,532
Loss on disposal of PPE							–	–		
Total Expenditure		276,496	306,824	306,824	23,358	70,327	306,824	(236,497)	-77%	306,824
Surplus/(Deficit)		(54,139)	160,003	160,003	(18,110)	36,338	160,003	(596,659)	(0)	160,003
Transfers recognised - capital		216,688	66,036	66,036		60,425	66,036			66,036
Contributions recognised - capital			–	–			–			–
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		162,549	226,038	226,038	(18,110)	96,763	226,038			226,038
Taxation								–		
Surplus/(Deficit) after taxation		162,549	226,038	226,038	(18,110)	96,763	226,038			226,038
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		162,549	226,038	226,038	(18,110)	96,763	226,038			226,038
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		162,549	226,038	226,038	(18,110)	96,763	226,038			226,038

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including ca	439,045	532,863	532,863	5,248	167,091	532,863			532,863

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

Description	Ref	2009/10	Budget Year 2010/11							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates			–					–		
Property rates - penalties & collection charges								–		
Service charges - electricity revenue			–					–		
Service charges - water revenue		12,209	15,105	15,105	–	10,608	15,105	(4,497)	-30%	15,105
Service charges - sanitation revenue		5,755	4,763	4,763	187	2,327	4,763	(2,437)	-51%	4,763
Service charges - refuse revenue			–	–			–	–		–
Service charges - other				–			–	–		–
Rental of facilities and equipment				–	7	45	–	45	#DIV/0!	–
Interest earned - external investments		9,351	9,270	9,270	941	5,114	9,270	(4,156)	-45%	9,270
Interest earned - outstanding debtors				–			–	–		–
Dividends received				–			–	–		–
Fines				–			–	–		–
Licences and permits				–			–	–		–
Agency services				–			–	–		–
Transfers recognised - operational		193,317	216,558	216,558	66,831	156,014	216,558	(60,544)	-28%	216,558
Other revenue		1,725	221,130	221,130	135	660	221,130	(220,470)	-100%	221,130
Gains on disposal of PPE							–	–		–
Total Revenue (excluding capital transfers and contributions)		222,357	466,827	466,827	68,102	174,767	466,827	(292,060)	-63%	466,827
Expenditure By Type										
Employee related costs		74,960	74,004	74,004	7,198	38,852	74,004	(35,152)	-48%	74,004
Remuneration of councillors		5,039	5,619	5,619	413	1,976	5,619	(3,643)	-65%	5,619
Debt impairment			2,915	2,915			2,915	(2,915)	-100%	2,915
Depreciation & asset impairment		29,761	40,000	40,000			40,000	(40,000)	-100%	40,000
Finance charges		697	484	484	38	204	484	(280)	-58%	484
Bulk purchases		35,612	41,913	41,913	3,134	13,361	41,913	(28,552)	-68%	41,913
Other materials				–			–	–		–
Contracted services			3,407	3,407	304	1,559	3,407	(1,848)	-54%	3,407
Transfers and grants		845	950	950	250	250	950	(700)	-74%	950
Other expenditure		129,582	137,532	137,532	6,575	28,470	137,532	(109,062)	-79%	137,532
Loss on disposal of PPE							–	–		
Total Expenditure		276,496	306,824	306,824	17,912	84,672	306,824	(222,153)	-72%	306,824
Surplus/(Deficit)		(54,139)	160,003	160,003	50,191	90,096	160,003	(514,212)	(0)	160,003
Transfers recognised - capital		216,688	66,036	66,036	63,592	124,017	66,036			66,036
Contributions recognised - capital			–	–			–			–
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		162,549	226,038	226,038	113,783	214,113	226,038			226,038
Taxation								–		
Surplus/(Deficit) after taxation		162,549	226,038	226,038	113,783	214,113	226,038			226,038
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		162,549	226,038	226,038	113,783	214,113	226,038			226,038
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		162,549	226,038	226,038	113,783	214,113	226,038			226,038

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including ca	439,045	532,863	532,863	131,694	298,785	532,863		532,863

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2009/10	Budget Year 2010/11							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates			–					–		
Property rates - penalties & collection charges								–		
Service charges - electricity revenue			–					–		
Service charges - water revenue		12,209	15,105	15,105	10,529	18,143	15,105	3,038	20%	15,105
Service charges - sanitation revenue		5,755	4,763	4,763	456	2,782	4,763	(1,981)	-42%	4,763
Service charges - refuse revenue			–	–			–	–		–
Service charges - other				–			–	–		–
Rental of facilities and equipment				–	7	52	–	52	#DIV/0!	–
Interest earned - external investments		9,351	9,270	9,270	701	5,815	9,270	(3,455)	-37%	9,270
Interest earned - outstanding debtors				–			–	–		–
Dividends received				–			–	–		–
Fines				–			–	–		–
Licences and permits				–			–	–		–
Agency services				–			–	–		–
Transfers recognised - operational		193,317	216,558	216,558	3,128	159,142	216,558	(57,416)	-27%	216,558
Other revenue		1,725	221,130	221,130	60	720	221,130	(220,411)	-100%	221,130
Gains on disposal of PPE							–	–		–
Total Revenue (excluding capital transfers and contributions)		**222,357**	**466,827**	**466,827**	**14,881**	**186,654**	**466,827**	**(280,173)**	**-60%**	**466,827**
Expenditure By Type										
Employee related costs		74,960	74,004	74,004		38,852	74,004	(35,152)	-48%	74,004
Remuneration of councillors		5,039	5,619	5,619		1,976	5,619	(3,643)	-65%	5,619
Debt impairment			2,915	2,915			2,915	(2,915)	-100%	2,915
Depreciation & asset impairment		29,761	40,000	40,000			40,000	(40,000)	-100%	40,000
Finance charges		607	484	484	38	242	484	(242)	-50%	484
Bulk purchases		35,612	41,913	41,913	1,589	14,950	41,913	(26,963)	-64%	41,913
Other materials				–			–	–		–
Contracted services			3,407	3,407	333	1,892	3,407	(1,515)	-44%	3,407
Transfers and grants		845	950	950		250	950	(700)	-74%	950
Other expenditure		129,582	137,532	137,532	8,219	36,689	137,532	(100,843)	-73%	137,532
Loss on disposal of PPE							–	–		
Total Expenditure		**276,496**	**306,824**	**306,824**	**10,179**	**94,851**	**306,824**	**(211,974)**	**-69%**	**306,824**
Surplus/(Deficit)		**(54,139)**	**160,003**	**160,003**	**4,702**	**91,803**	**160,003**	**(492,147)**	**(0)**	**160,003**
Transfers recognised - capital		216,688	66,036	66,036		124,017	66,036			66,036
Contributions recognised - capital			–	–			–			–
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		**162,549**	**226,038**	**226,038**	**4,702**	**215,821**	**226,038**			**226,038**
Taxation								–		
Surplus/(Deficit) after taxation		**162,549**	**226,038**	**226,038**	**4,702**	**215,821**	**226,038**			**226,038**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**162,549**	**226,038**	**226,038**	**4,702**	**215,821**	**226,038**			**226,038**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**162,549**	**226,038**	**226,038**	**4,702**	**215,821**	**226,038**			**226,038**

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including ca		439,045	532,863	532,863	14,881	310,671	532,863			532,863

4. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Service Delivery and Budget Implementation Plan for the first six months has been reviewed as said in S54 (1) (c) and S72 (1) (a).

CONTENTS

1. Introduction

1.1. Background to the SDBIP

In terms of Section 69 (3) (a) of the Municipal Finance Management Act, the Municipal Manager must submit the SDBIP to the Mayor within 14 after the approval of the Budget. The Mayor must subsequently approve the SDBIP within 28 days after the approval of the Budget in terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act. The Annual Budget for the 2010/11 financial year was approved by Council on 27 May 2010. The SDBIP for the Zululand District Municipality was approved by the Mayor within 28 days after approval of budget as stated in S53 (1) (c) (ii) and it will be monitored and revised quarterly. The SDBIP for the quarter ended 31 December has been reviewed to determine the performance of the municipality.

1.2. Purpose of the SDBIP

The purpose of the SDBIP can be summarized as follows:

1. It is a vital link between the Mayor and the administration of the municipality;
2. It facilitates the process for holding management accountable for its performance;
3. It is a tool for implementation, management and monitoring; and
4. It further serves as the basis for the performance measurement in service delivery against the year-end targets and the implementation of the budget.

1.3. Importance of the SDBIP

A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, and it:

- Enables the Mayor to monitor the performance of the Municipal Manager,

- Municipal Manager to monitor the performance of the senior managers; and

- The community to monitor the performance of the municipality.

It is the excellent mechanism that produces quarterly targets that are reported to ensure implementation of the IDP. The SDBIP will also empower all councilors specifically facilitating engagement at ward level and allow them to undertake the appropriate oversight and monitoring of programs. The SDBIP will also measure in-year progress in the implementation of the budget; under spending of budget will be dealt with at early stages because it is reviewed quarterly.

1.4. The Role of Council with regards to the SDBIP

It is vitally important for Council to note that the components of the SDBIP are primary indicators of the municipality's performance on the annual Budget. In this regard, Councilors are encouraged to scrutinize the various components of the SDBIP and to pose questions where it is deemed necessary. This form of in-year reporting should uncover major problems and is aimed at ensuring that the Mayor and the Municipal Manager take the corrective steps when any unanticipated problems arise.

1.5. Role of the Accounting Officer in respect of the SDBIP

The Accounting Officer must:

1. Implement the Budget;
2. Ensure that spending is in accordance with the Budget and ensure that the expenditure is reduced when revenue is anticipated to be less than projected in the Budget or the SDBIP
3. Ensure that revenue and expenditure is properly monitored;
4. Prepare an adjustments Budget when necessary; and
5. Submit the draft SDBIP and draft annual performance agreements for the Municipal Manager and all senior managers.

1.6. The key components of the 2010/11SDBIP

In terms of Circular No. 13 of the MFMA No. 56 of 2003, the SDBIP must contain:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure by source (not required in terms of this Act);
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators of each vote;
- Detailed capital works plan broken down by ward over three years
  (Capital Plan – MIG)

These components of the SDBIP are discussed below.

2. MONTHLY PROJECTIONS OF REVENUE PER SOURCE

In terms of Section 15 of the MFMA, a municipality may, except where otherwise provided in this Act,

- incur expenditure only in terms of the approved Budget; and
- within the limits of the amounts appropriated for the different votes in the approved Budget.

One of the most important and basic priorities of a municipality is to collect all it's revenue as budgeted for, failure to collect the revenue will undermine the municipality's ability to deliver services. The SDBIP contains the monthly projections of revenue to be collected per source for the 2nd quarter. The reason for the inclusion of this component of the SDBIP is to ensure that the municipality monitors revenue collected during the quarter as all expenditure to be incurred in terms of the approved Budget must be financed from realistically anticipated revenues to be collected.

The Accounting Officer must monitor the actual revenues received against those projected in the SDBIP and submit explanations of any remedial action to be taken to ensure that projected revenue and expenditure remain within the municipality's approved Budget. This type of information requires the municipality to take urgent remedial steps to ensure it improves on its revenue-collection capacity if it wants to maintain its levels of service delivery and expenditure.

The revenue for the quarter ended 31 December 2010 is indicated below as follows:

<u>Monthly projections of total Revenue per Source</u>

The municipality must ensure that it has instituted measures to achieve monthly revenue targets for each revenue source. In order to ensure realistic revenue projections and ultimately balanced budgets, the Zululand District Municipality has to have comprehensive, coherent revenue policies that take into account appropriate service delivery levels, standards, ability to pay and collection efforts.

Monthly projections of Revenue by Source of Zululand District Municipality for the Quarter ended 30 September 2010

Monthly Projections of Revenue by Source

Revenue by Source	July		August		September		Totals for Q1		
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Viarance
Service Charges: Sale of Water	1,258,781	823,682	1,258,781	1,598,138	1,258,781	6,519,689	3,776,343	8,941,509	-5,165,166
Service Charges: Sewerage Fees	396,949	512,018	396,949	523,268	396,949	657,243	1,190,847	1,692,527	-501,680
Service Charges: Other	-		-		-		-	-	-
Rental of facilities and equipment	-		-		-	29,969	-	29,969	-29,969
Interest on Investments	772,500	848,995	772,500	5,653,622	772,500	3,306,071	2,317,500	9,808,688	-7,491,188
Government Grants and Subsidies	107,595,500	83,779,364	-	61,175,400	-	2,529,553	107,595,500	147,484,317	-39,888,817
Other Income	-	244,037	-	194,039	-	59,866	-	497,942	-497,942
Accumulated Surplus	6,111,827	6,111,827	6,111,827	6,111,827	6,111,827	6,111,827	18,335,481	18,335,481	-
TOTALS	116,135,557	92,319,921	8,540,057	75,256,294	8,540,057	19,214,218	133,215,671	186,790,433	-53,574,762

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Chart Revenue by Source - Q1

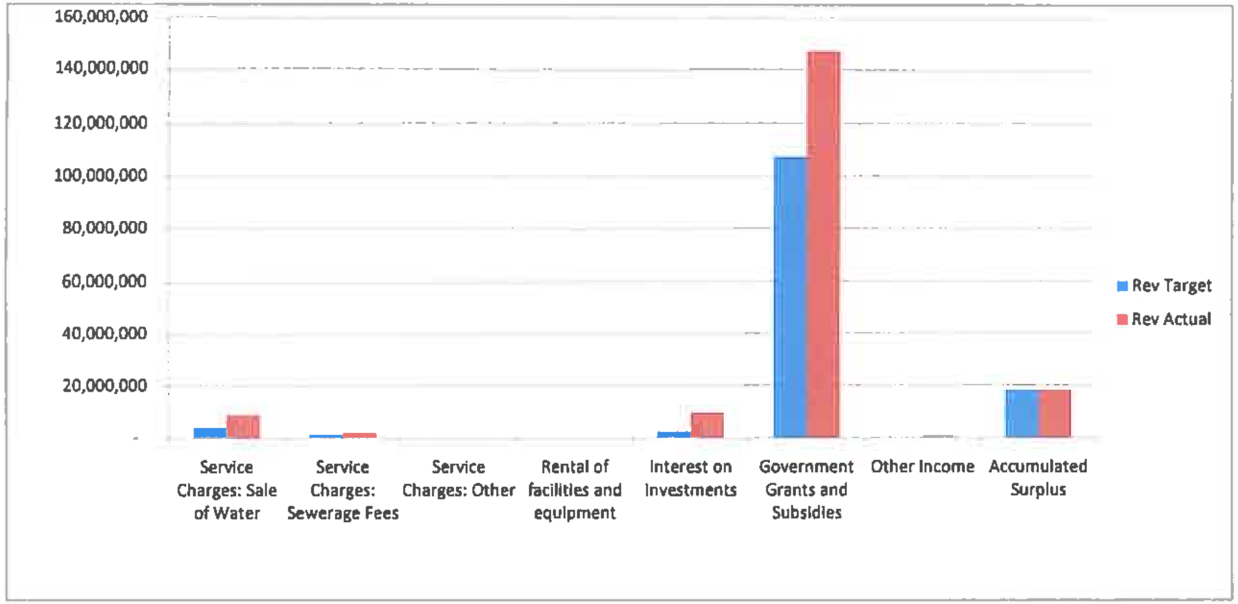
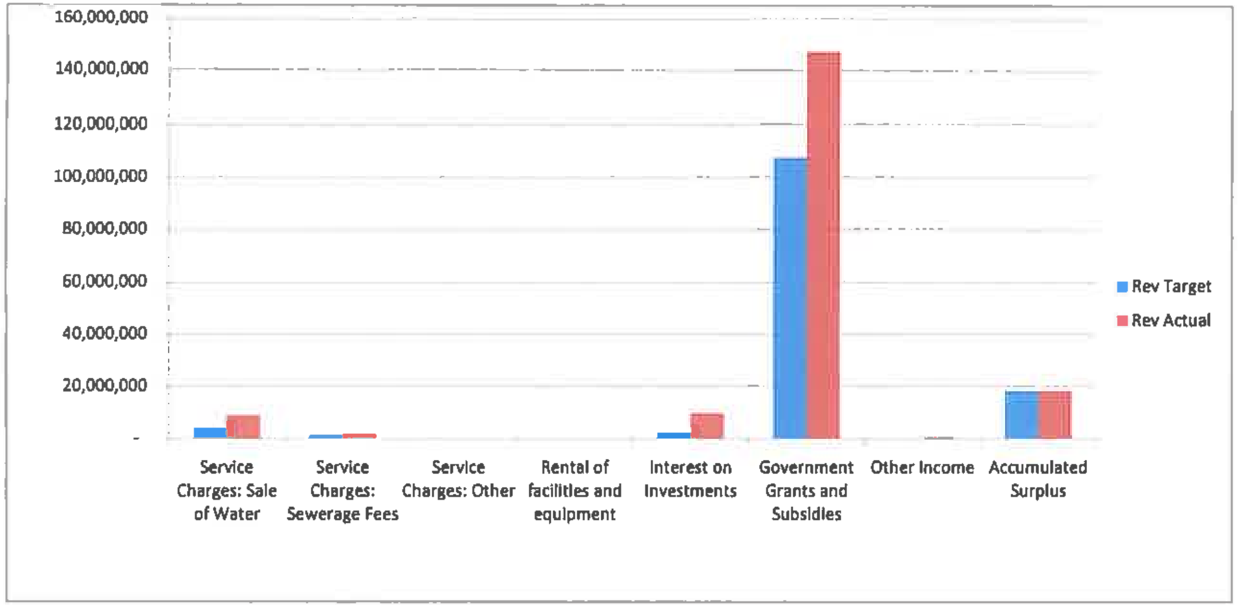


Chart Revenue by Source - Q1



Monthly projections **of Revenue** by **Source of**
Zululand **District** Municipality for the **Quarter**
ended 31 December 2010

Monthly Projections of Revenue by Source

Revenue by Source	October		November		December		Totals for Q2		
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Variance
Service Charges. Sale of Water	1,256,781	1,666,838	1,256,781	2,994,587	1,256,781	10,529,337	3,770,343	15,190,762	-11,414,419
Service Charges. Sewerage Fees	396,949	446,976	396,949	187,106	396,949	455,553	1,190,847	1,089,635	101,212
Service Charges. Other	-		-		-		-	-	-
Rental of facilities and equipment	-	7,492	-	7,492	-	7,492	-	22,476	-22,476
Interest on Investments	772,500	975,753	772,500	941,392	772,500	701,165	2,317,500	2,618,310	-300,810
Government Grants and Subsidies	107,595,500	2,123,241	-	130,423,491	-	3,128,000	107,595,500	135,674,732	-28,079,232
Other Income	-	27,427	-	134,743	-	59,648	-	221,818	-221,818
Accumulated Surplus	6,111,827	6,111,827	6,111,827	611,827	6,111,827	611,827	18,335,481	7,335,481	11,000,000
TOTALS	116,135,557	11,359,555	8,540,057	136,300,636	8,540,057	15,483,021	133,216,671	162,153,216	-28,937,644

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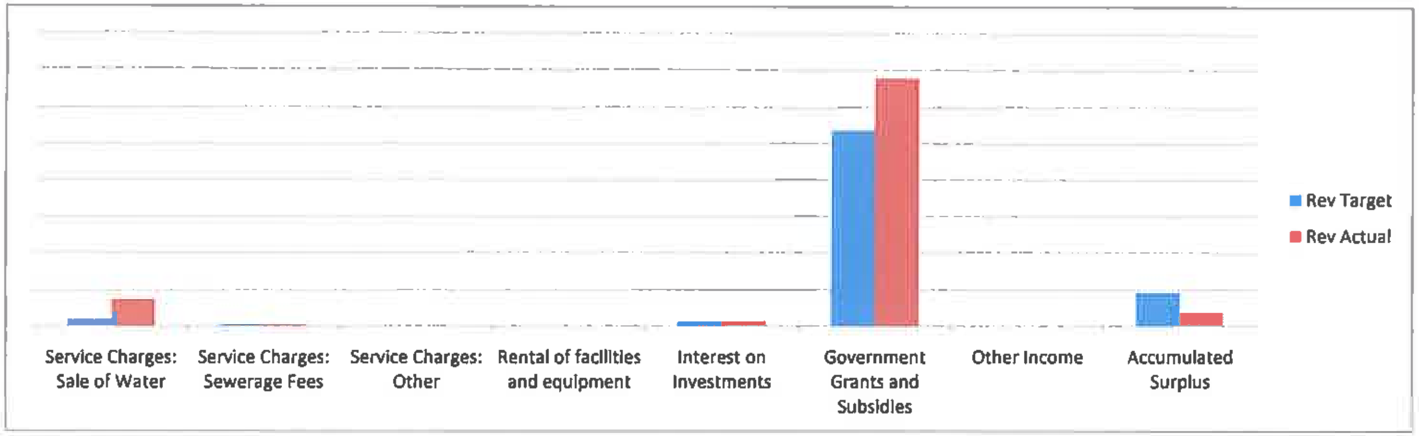
Q2 Chart - Monthly Projections of Revenue by Source



3. MONTHLY PROJECTIONS OF EXPENDITURE PER SOURCE

The monthly projections of expenditure per source is not included in terms of circular No 13 of the MFMA, but we as Zululand District Municipality have decided to add this component in order to see the movement of expenditure per source on monthly basis to be able to respond promptly and to initiate any remedial steps when necessary.

Monthly Projections of Expenditure by Source of
Zululand District Municipality for the Quarter ended 30 September 2010

Monthly Projections of Expenditure by Source

Expenditure by Source	July		August		September		Totals for Q1		
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Viarance
Operating Expenditure									
Employee related costs wages and salaries	5,158,288	5,791,299	5,158,288	5,769,262	5,158,288	5,625,336	15,474,864	17,185,897	-1,711,033
Employee related costs social contribution	1,008,746	969,328	1,008,746	954,117	1,008,746	1,023,148	3,026,238	2,946,593	79,645
Remuneration of Councillors	468,285	379,803	468,285	370,778	468,285	405,836	1,404,855	1,156,417	248,438
Working capital reserve									
Bad debts	242,937		242,937		242,937		728,811	-	728,811
Collection costs	19,272		19,272		19,272		57,816	-	57,816
Depreciation	3,333,333		3,333,333		3,333,333		9,999,999	-	9,999,999
Repairs and maintenance	2,658,086	192,352	2,658,086	686,847	2,658,086	1,454,026	7,974,258	2,333,224	5,641,034
Interest on external borrowings	40,334		40,334		40,334	82,477	121,002	82,477	38,525
Redemption	-		-		-		-	-	-
Bulk purchases	3,492,730	1,000,639	3,492,730	-	3,492,730	4,386,855	10,478,190	5,387,495	5,090,695
Grants & Subsidies paid	79,141		79,141		79,141		237,423	-	237,423
Inter-Departmental	-	6,406	-		-		-	6,406	-6,406
Contracted services	-	365,517	-	302,410	-	290,654	-	958,581	-958,581
General expenses - other (including abnormal expenses)	9,067,548	265,549	9,067,548	8,964,451	9,067,548	7,639,018	27,202,644	16,869,018	10,333,626
Loss on disposal of property, plant and equipment	-		-		-		-	-	
Total Operating Expenditure	**25,568,700**	**8,970,894**	**25,568,700**	**17,047,865**	**25,568,700**	**20,907,351**	**76,706,100**	**46,926,110**	**29,779,990**
Capital Expenditure									
Total asset from own funds	851,189	80,932	851,189	109,737	851,189	310,277	2,553,567	500,946	2,052,621
Total asset from grants & subsidies	17,985,333	1,345,694	17,985,333	5,417,357	17,985,333	16,790,916	53,955,999	23,553,966	30,402,033
Total Operating Expenditure	**18,836,522**	**1,426,626**	**18,836,522**	**5,527,094**	**18,836,522**	**17,101,193**	**56,509,566**	**24,054,912**	**32,454,654**
TOTAL EXPENDITURE	**44,405,222**	**10,397,520**	**44,405,222**	**22,574,959**	**44,405,222**	**38,008,544**	**133,215,666**	**70,981,023**	**62,234,643**

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Monthly Projections of Expenditure by Source of
Zululand District Municipality for the Quarter ended 31 December 2010

Monthly Projections of Expenditure by Source

Expenditure by Source	October		November		December		Totals for Q2		
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Viarance
Operating Expenditure									
Employee related costs wages and salaries	5,158,288	9,839,140	5,158,288	6,157,760	5,158,288		15,474,864	15,996,900	-522,036
Employee related costs social contribution	1,008,746	1,683,041	1,008,746	1,039,821	1,008,746		3,026,238	2,722,862	303,376
Remuneration of Councillors	468,285	406,687	468,285	413,001	468,285		1,404,855	819,688	585,167
Bad debts	242,937		242,937		242,937		728,811	-	728,811
Collection costs	19,272		19,272		19,272		57,816	-	57,816
Depreciation	3,333,333		3,333,333		3,333,333		9,999,999	-	9,999,999
Repairs and maintenance	2,658,086	1,233,982	2,658,086	1,325,259	2,658,086	3,887,400	7,974,258	6,446,640	1,527,618
Interest on external borrowings	40,334	40,206	40,334	37,901	40,334		121,002	78,107	42,895
Redemption	-		-		-		-	-	-
Bulk purchases	3,492,730	4,839,233	3,492,730	3,133,842	3,492,730	1,588,952	10,478,190	9,562,027	916,163
Grants & Subsidies paid	79,141		79,141	250,000	79,141		237,423	250,000	-12,577
Inter-Departmental	-	67,103	-	3,147	-		-	70,250	-70,250
Contracted services	-	295,893	-	304,211	-	333,204	-	933,308	-933,308
General expenses - other (including abnormal expenses)	9,067,548	4,952,465	9,067,548	6,571,933	9,067,548	8,218,975	27,202,644	19,743,373	7,459,271
Loss on disposal of property, plant and equipment	-		-		-		-	-	
Total Operating Expenditure	**25,568,700**	**23,357,750**	**25,568,700**	**19,236,875**	**25,568,700**	**14,028,531**	**76,706,100**	**56,623,155**	**20,082,945**
Capital Expenditure									
Total asset from own funds	851,189	86,038	851,189	115,663	851,189	119,724	2,553,567	321,425	2,232,142
Total asset from grants & subsidies	17,985,333	9,408,296	17,985,333	9,197,642	17,985,333	21,290,697	53,955,999	39,896,635	14,059,364
Total Operating Expenditure	**18,836,522**	**9,494,334**	**18,836,522**	**9,313,305**	**18,836,522**	**21,410,421**	**56,509,566**	**40,218,060**	**16,291,506**
TOTAL EXPENDITURE	**44,405,222**	**32,852,084**	**44,405,222**	**28,550,180**	**44,405,222**	**35,438,951**	**133,215,666**	**96,841,215**	**36,374,451**

4. MONTHLY PROJECTIONS OF REVENUE & EXPENDITURE PER VOTE

It is important to view expenditure in relation the revenue used to finance it. In this context, it is easy to see when expenditure exceeds Revenue and the necessary remedial steps can then be taken to correct this situation. Failure to monitor expenditure in relation to Revenue will seriously hamper the municipality's ability to achieve its strategic goals for the year.

Monthly Projections of Expenditure and Revenue per Vote

Compares the planned revenue and expenditure for the quarter ended 31December 2010. It is clear that Zululand District Municipality has spend a lot in the provision of water to the community that it serves.

Monthly Projections of Expenditure & Revenue by Vote for Zululand District Municipality for the Quarter ended 30 September 2010

Monthly Projections for expenditure and revenue by vote	July					
Department	**Operating Exp**	**Actual Opex**	**Capital Exp**	**Actual**	**Revenue**	**Actual**
Executive and Council	6,190,662	1,904,038	-	-	-	-
Finance	1,222,896	954,121	170,833	60,500	23,523,494	84,679,667
Corporate Services	1,760,004	1,590,023	70,189	20,432	-	186,235
Community Development	3,478,535	989,087	14,667	-	-	-
Planning &WSA	1,822,377	804,526	269,250	-	3,056,000	-
Water	10,434,626	4,600,338	18,311,583	1,345,694	1,619,580	830,176
Waste Water Management	659,602	150,503	-	-	36,149	512,016
Total	**25,568,702**	**10,992,635**	**18,836,522**	**1,426,626**	**28,235,223**	**86,208,094**

Monthly Projections of Expenditure & Revenue by Vote for Zululand District Municipality for the Quarter ended 30 September 2010

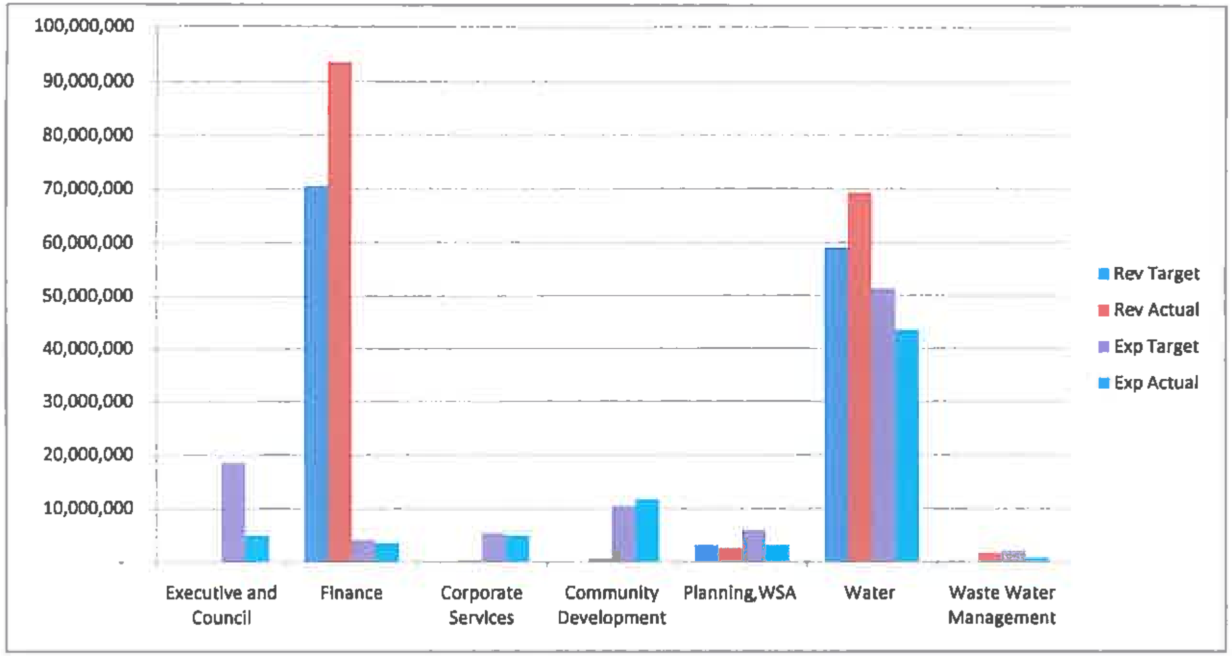
Monthly Projections for expenditure and revenue by vote	August					
Department	**Operating Exp**	**Actual**	**Capital Exp**	**Actual**	**Revenue**	**Actual**
Executive and Council	6,190,662	1,450,103	-	-	-	-
Finance	1,222,896	1,146,505	170,833	89,305	23,523,494	5,739,224
Corporate Services	1,760,004	1,509,976	70,189	20,432	-	95,518
Community Development	3,478,535	6,667,138	14,667	-	-	750,449
Planning &WSA	1,822,377	801,623	269,250		-	-
Water	10,434,626	5,165,539	18,311,583	5,417,357	1,619,580	62,035,408
Waste Water Management	659,602	306,982	-	-	36,149	523,868
Total	**25,568,702**	**17,047,865**	**18,836,522**	**5,527,094**	**25,179,223**	**69,144,467**

Monthly Projections for expenditure and revenue by vote	September					
Department	**Operating Exp**	**Actual**	**Capital Exp**	**Actual**	**Revenue**	**Actual**
Executive and Council	6,190,662	1,688,320	-		-	
Finance	1,222,896	1,272,815	170,833	12,125	23,523,494	3,224,643
Corporate Services	1,760,004	1,844,777	70,189	20,432	-	
Community Development	3,478,535	4,145,196	14,667		-	
Planning &WSA	1,822,377	1,322,932	269,250	277,720	-	2,529,553
Water	10,434,626	10,223,370	18,311,583	16,790,916	55,904,330	6,527,795
Waste Water Management	659,602	409,940	-		36,149	657,543
Total	**25,568,702**	**20,907,351**	**18,836,522**	**17,101,193**	**79,463,973**	**12,939,534**

Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter
ended 30 September 2010

Monthly Projections for expenditure and revenue by vote	Totals for Q1								
Department	Operating Exp	Actual	Viarance	Capital Exp	Actual	Viarance	Revenue	Actual	Viarance
Executive and Council	18,571,986	5,042,461	13,529,525	-	-	-	-	-	-
Finance	3,668,688	3,373,440	295,248	430,971	161,930	269,041	70,570,482	93,643,534	-23,073,052
Corporate Services	5,280,012	4,944,776	335,236	160,810	61,296	99,514	-	281,753	-281,753
Community Development	10,435,605	11,801,421	-1,365,816	29,334	-	29,334	-	750,449	-750,449
Planning &WSA	5,467,131	2,929,081	2,538,050	538,500	277,720	260,780	3,056,000	2,529,553	526,447
Water	31,303,878	19,989,247	11,314,631	42,040,523	23,553,966	18,486,557	59,143,490	69,393,379	-10,249,889
Waste Water Management	1,978,806	867,425	1,111,381	-	-	-	108,447	1,693,427	-1,584,980
Total	76,706,106	48,947,851	27,758,255	43,200,138	24,054,912	19,145,226	132,878,419	168,292,095	-35,413,676

Chart Expenditure by Vote vs Revenue by Vote - Q1



Monthly Projections of Expenditure & Revenue by Vote for Zululand District Municipality for the Quarter ended 31 December 2010

Monthly Projections for expenditure and revenue by vote	Totals for Q2								
Department	Operating Exp	Actual	Viarance	Capital Exp	Actual	Viarance	Revenue	Actual	Viarance
Executive and Council	18,571,986	4,604,653	13,967,333	-	-	-	-	-	-
Finance	3,668,688	3,984,744	-316,056	426,140	159,714	266,426	70,570,482	69,006,636	1,563,846
Corporate Services	5,280,012	4,970,454	309,558	163,763	144,813	18,950	-	51,433	-51,433
Community Development	10,435,605	8,191,834	2,243,771	29,334	3,991	25,343	-	1,709,800	-1,709,800
Planning &WSA	5,467,131	5,333,649	133,482	546,305	7,805	538,500	3,056,000	2,123,241	932,759
Water	31,303,878	28,649,038	2,654,840	45,820,808	30,493,441	15,327,367	59,143,490	73,942,108	-14,798,618
Waste Water Management	1,978,806	926,684	1,052,122		-	-	108,447	643,343	-534,896
Total	76,706,106	56,661,056	20,045,050	46,986,349	30,809,764	16,176,588	132,878,419	147,476,561	-14,598,142

Monthly Projections of Expenditure & Revenue by Vote for Zululand District Municipality for the Quarter ended 31 December 2010

Monthly Projections for expenditure and revenue by vote	December					
Department	**Operating Exp**	**Actual**	**Capital Exp**	**Actual**	**Revenue**	**Actual**
Executive and Council	6,190,662	948,831	-		-	
Finance	1,222,896	615,270	170,833	67,904	23,523,494	760,000
Corporate Services	1,760,004	411,973	70,189	51,820	-	
Community Development	3,478,535	3,490,044	14,667		-	1,101,800
Planning &WSA	1,822,377	1,523,711	269,250		-	
Water	10,434,626	6,935,947	18,311,583	21,290,697	55,904,330	11,211,542
Waste Water Management	659,602	140,656	-		36,149	455,853
Total	**25,568,702**	**14,066,432**	**18,836,522**	**21,410,421**	**79,463,973**	**13,529,195**

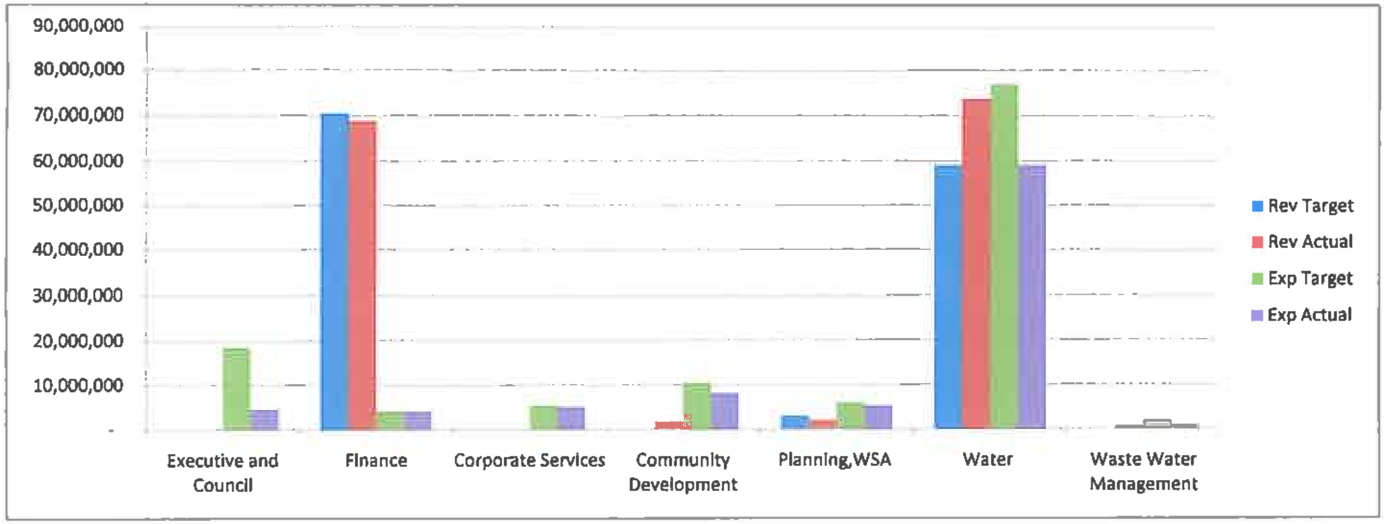
**Monthly Projections of Expenditure & Revenue by Vote
for Zululand District Municipality for the Quarter
ended 31 December 2010**

Monthly Projections for expenditure and revenue by vote	November					
Department	**Operating Exp**	**Actual**	**Capital Exp**	**Actual**	**Revenue**	**Actual**
Executive and Council	6,190,662	1,682,607	-		-	
Finance	1,222,896	1,380,678	170,833	84,474	23,523,494	67,243,298
Corporate Services	1,760,004	1,736,090	70,189	23,385	-	51,433
Community Development	3,478,535	2,509,735	14,667		-	608,000
Planning &WSA	1,822,377	1,565,258	269,250	7,805	-	
Water	10,434,626	9,576,479	18,311,583	9,197,642	1,619,580	60,609,418
Waste Water Management	659,602	786,028	-		36,149	187,490
Total	**25,568,702**	**19,236,874**	**18,836,522**	**9,313,305**	**25,179,223**	**128,699,638**

Monthly Projections of Expenditure & Revenue by Vote for Zululand District Municipality for the Quarter ended 31 December 2010

Monthly Projections for expenditure and revenue by vote	October					
Department	Operating Exp	Actual Opex	Capital Exp	Actual	Revenue	Actual
Executive and Council	6,190,662	1,973,216	-	-	-	-
Finance	1,222,896	1,988,797	170,833	7,336	23,523,494	1,003,339
Corporate Services	1,760,004	2,822,391	70,189	69,608	-	-
Community Development	3,478,535	2,192,055	14,667	3,991	-	-
Planning &WSA	1,822,377	2,244,680	269,250	-	3,056,000	2,123,241
Water	10,434,626	12,136,611	18,311,583	5,103	1,619,580	2,121,148
Waste Water Management	659,602				36,149	
Total	**25,568,702**	**23,357,750**	**18,836,522**	**86,038**	**28,235,223**	**5,247,728**

Q2 Chart - Monthly Projections of Revenue and Expenditure by Vote



5. QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS OF EACH VOTE

In terms of the SDBIP, Zululand District Municipality is required to provide non-financial measurable performance objectives in the form of service delivery targets and other performance indicators. Service delivery targets relate to the level and standards of service being provided to the community, and include targets for the reductions in backlogs of basic services.

The goals and objectives set by Council as quantifiable outcomes that should be implemented by the administration over the next financial year are indicated on the sheet below.

Quarterly Projections of Service Delivery Targets and Performance Indicators for the year 2010/11

Focus Area or CSF	Objective	Indicator	Indicator Type	KPI No	Indicator/KPI measurement Frequency	National KPI	Responsibility	MM	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.1 Water & Sanitation	To provide free basic water	Sec 43 (Reg 10 (a)) : Percentage of households with access to basic level of water	output	1	Annually	y	HOD:TS		53.5%	54.0%	-	55.0%
	To improve access to free water	Sec 43(Reg 10 (b)): Percentage of households earning less than R1100 pm with access to free water (Note: Rudimentary LOS included)	output	2	Quarterly	Y	HOD:TS		53.5%	54.0%	-	56.0%
	To improve on the quality of water delivered	Percentage of samples that pass laboratory tests	output	3	Quarterly		HOD:TS		92%	92%	92%	92%
	To improve water supply reliability	Cumulative water supply interruption time per plant less than specified target	output	4	Quarterly		HOD:TS		3	7	11	15
	To review and facilitate the District WSDP	Draft WSDP submitted for consideration by council by target date	Process	5	Quarterly		HOD:P		-	-	-	WSDP plan submitted to Council by 30 June
	To provide free basic sanitation services	Sec 43(Reg 10 (a)): Percentage of households with access to basic level of sanitation	output	6	Quarterly	y	HOD:TS		43%	43%	43%	43%
	To improve access to free sanitation	Sec 43(Reg 10 (b)): Percentage of households earning less than R1100 pm with access to free sanitation	output	6.2	Quarterly	y	HOD:TS		43%	43%	43%	43%
	To ensure that legislated water policies are reviewed and updated	Draft 2011/2012 Water policies and bylaws revisions submitted for consideration by council by target date	process	7	annually		MM	MM	-	-	-	31/06/2011

	To effectively monitor WSP's	Number of reports considered by WSA	output	8	quarterly		HOD:P		2 reports	4 reports	6 reports	8 reports
	To implement effective Customer Care	Average time of notification to community prior to planned interuptions	output	9	Quarterly		HOD:TS		24 Hrs	24 Hrs	24 Hrs	24 Hrs
	To effectively utilise MIG allocation	MIG grant funds spent on approved projects by the prescribed date	Input	10	Quarterly		HOD:TS		-	-	By 15 Mar 2011	-
	To maximise the implementation of IDP identified projects	Sec 43 (Reg 10 (c)): Percentage of capital budget actually spent on projects identified in IDP	Input	11	Quarterly		HOD:TS	MM	100%	100%	100%	100%
1.2 Disaster Management	To create awareness of hazards and disasters	Number of planned awareness campaigns held	output	12	Quarterly		HOD:CS		2	4	8	12
	To review and facilitate the district Disater Management plan	Updated plan that complies with sections 52, 53 of the Disaster management act 57 of 2002, submitted to council by a specified date	Process	12.1	Annually		HOD:CS		Advertise for Service provider 30 Aug	Appoint SP ,TOR, timeframes with workshop 30 Nov	1st Draft plan to MM by 28 Feb	Submit final disaster plan by 30/6/2011
1.3 Municipal Airport	To implement identified activities in airport implementation plan as aligned to budget	Percentage progress of airport implementation plan	output	12.2	Annually		HOD:CS		25%	50%	75%	100%
2.1 Sound Financial Management	To improve revenue collection	Sec 43 (Reg 10 (g(ii))): Outstanding Service Debtors to Revenue	output	13	Quarterly		CFO		0.25	0.25	0.25	0.25
	To produce accurate statements	Number of adjustments effected in relation to the number of accounts issued	output	14	Quarterly		CFO		50%	50%	50%	50%
	To process payments in time	Average processing time for invoices of approved work/services	output	15	Quarterly		CFO		30 days	30 days	30 days	30 days

	To complete and submit accurate annual financial statements within the specified time period	Date Financial Statements submitted to office of AG	Process	16	Annually		CFO	MM	-	-	-	Statements signed off by 31 August
	To complete and submit accurate annual financial statements within the specified time period	Nature of Audit Opinion	outcome	16.1	Annually		CFO		Unqualified	Unqualified	Unqualified	Unqualified
	To complete and submit accurate annual financial statements within the specified time period	Number of matters of concern reported	output	16.2	Annually		CFO		Less than 8 matters of concern	Less than 8 matters of concern	Less than 8 matters of concern	Less than 8 matters of concern
	To complete a budget within the specified time period	Date of approval of Tabled Budget	Process	17	annually		CFO		-	-	15-Mar	-
	To complete a budget within the specified time period	Date of approval of Final Budget	Process	17.1			CFO		-	-	-	30 June
	To have an effective Auditing Function	Percentage of Planned Audit Meetings held	output	18	Quarterly		CFO		1	2	3	4
	To have an effective Auditing Function	Percentage of Audit queries cleared within the next financial year	output	18.1	Annually		CFO		40%	50%	60%	75%
	To develop a Financial Plan (i.e. Budget Process and Time Table)	Date for approval of Financial Plan	process	19	Annually		CFO		-	-	-	30 June
	To increase the cost coverage ratio	Sec 43 (Reg 10 (g(iii))): Cost Coverage	outcome	20	Quarterly		CFO		6	6	6	6
	To increase the dept coverage ration	Sec 43 (Reg 10 (g(i))): Debt Coverage Ratio	outcome	20.1	Quarterly	y	CFO		4	4	4	4
	To provide sufficient cash resources	DTLGA: % operating budget funded from cash	input	21	Quarterly	Y	CFO	MM	96%	96%	96%	96%
	To keep a minimum cash balance to cover average monthly expenditure	Number of days with excessive funds in current account in relation to the strategy	output	22	Quarterly		CFO		60	60	60	60

	To report timely and accurately	Date of approval of Annual Report	Process	23	Annually		CFO	MM	-	-	31-Mar	-
	To report timely and accurately	Date of receipt of SDBIP by Mayor	Process	23.1	quarterly		CFO		2010/07/14	-	-	-
	To report timely and accurately	Number of SDBIP reports considered	output	23.2	quarterly		CFO		1	2	3	4
	To report timely and accurately	To submit SDBIP reports to CFO	Process	24	Quarterly		HOD's		1 report 2 weeks after quarter end	2 reports 2 weeks after quarter end	3 reports 2 weeks after quarter end	4 reports 2 weeks after quarter end
	To align Capital Programme and IDP	% of capital projects budgeted for in accordance with the IDP	Input	25	Annually		CFO	MM	100%	100%	100%	100%
3.1 District Tourism	To create promotional material	Number of tourism packages created for prioritised areas by specified date	ouput	26	Quarterly		HOD:CD		Approved stakeholder list with set appointments 30 Sept	Information gathering with report tabled 30 Dec	1	3
	To create an effective electronic interface that promotes tourism	Compilation of Tourism statistics by specified date	Process	27	Quarterly		HOD:CD		progress report 30 Sept	progress report 30 Dec	progress report 30 March	approved statistical report as tabled at PFC 30 June
	To provide support and capacity building to local tour offices	% of planned tourism liason meetings held	output	27.1	Quarterly		HOD:CD		4	6	8	10
3.2 Local Economic Development	To effect participation in LED	Sec 43 (Reg 10 (d)): Number of jobs created through LED & Capital programme	outcome	28	Quarterly	y	HOD:CD		progress report and minutes 30 Sept	progress report and minutes 30 Dec	200	400
	To create LED awareness in the District	Number of LED awareness events held	output	29	Quarterly		HOD:CD		Planning process, setting schedule for stakeholders 30 Sept	Compile approved plan, invitations, programme ready for delivery by 30 Dec	4	8
	To apply for funding for LED	Number of LED business plans that are submitted by specified date	output	30	Quarterly		HOD.CD		Identify sponsers and projects 30 Sept	Completed action plan by 30 Dec	4	10

	To effectively contribute to LED in the District	LED Plan reviewed and approved (Including Tourism, Business & Agricultural Plans) by target date	output	31	Quarterly		HOD:CD		Identify areas of possible changes	Draft action plan with workshop with PC	Reviewed and approved plan 30 March	-
	To effectively co-ordinate LED in the District	Number of LED Forums/Sub-Forums meetings held	output	31.1	Quarterly		HOD:CD		1	2	3	9
4.1 HIV/AIDS	To create HIV/AIDS awareness and	Number of planned awareness campaigns held	output	32	quarterly		HOD:CD		1	3	6	10
	To plan and implement institutional measures that would reduce the impact of HIV/AIDs	HIV/AIDS Strategy reviewed and submitted to MM by planned date	output	33	quarterly		HOD:CD		Identify areas of possible changes	Draft action plan	Info briefing on HIV/Aids signed by HOD 30 March	Submitted HIV/Aids strategy 30/06/2010
4.2 Youth & Gender	To provide access to and awareness of Council's Youth & Gender programmes	Number of approved programmes held	output	34	quarterly		HOD:CD		2	3	Planning and approval of action plan	5
	To access sufficient resources	Number of Youth & Gender related Business Plans submitted for funding	output	35	quarterly		HOD:CD		1	Identify potential sponsors and action plan	Identify potential sponsors and action plan	2
	To strategically plan development and empowerment initiatives for youth and gender	Youth & Gender Strategy reviewed and submitted to MM by specified date	output	36	quarterly		HOD:CD		Identify areas of possible changes	Draft action plan	Info briefing on Youth and Gender signed by HOD	Submitted Youth and Gender strategy 30/06/2010
	To create a platform for input and comments	Number of District Youth & Gender Councils Meetings held	ouput	37	quarterly		HOD:CD		Planning of setting dates and meetings and venues	1	3	4
4.3 Community Development	To reduce poverty by implementing Community Development Projects	Number of people participating in ZDM Capacity Building Programmes	output	38	quarterly		HOD:CD		100	300	400	500
	To increase available resources for poverty reduction programmes	Number of Capacity Building related Business Plans submitted	output	39	quarterly		HOD:CD		Planning of all business plans	2	4	6

5.1 Compliance, Clean and Sound Administration	Policies & bylaws	Revision of Policies & Bylaws by specified date	process	40	annually		HOD:CS	MM	Identify areas of review	Submit workshoped proposal to MM (including union involvement)	Submit recommendations for draft renewal to MM	Reviewed policies (HR, vehicle, communication, standing orders) and bylaws by 30 June 2011
	Policies & bylaws	Date of submission for Bylaws for Promulgation	process	40.1	annually		HOD:CS		60	60	60	60
	Policies & bylaws	Date of submission of reviewed Employee Assistance Programme	process	40.2	quarterly		HOD:CS		EAP coordinator to identify areas that neesd assessment (survey results)	Workshop with HOD	Draft programme with incorpporated Staff comments	Submit reviewed programme 30 June
	To communicate in a structured manner	Communication Strategy reviewed by specified date	output	41	quarterly		HOD:CS		Identify areas of review	Submit workshoped proposal to MM	Submit recommendations for draft renewal to MM	Reviewed policies (HR, vehicle, communication, standing orders) and bylaws by 30 June 2011
	To spend grant funding	Percentage of department allocated grant funds received (prior to approval of adjustment budget) spent	input	42	Quarterly		HOD's excluding technical services		25%	50%	75%	100%
	To build capacity	Sec 43 (Reg 10 (f)): % of Municipal Budget actually spent on Skills Development Plan	input	43	quarterly	y	HOD:CS		Advertise for Service provider	10%	75%	90%
5.2 Integrated & Co-ordinated Development	To encourage participation in IDP process, ensure alignment with Local Municipalities	Number of Alignment meetings held	ouput	44	Quarterly		HOD:P		3	6	9	12
	To ensure timely completion of IDP Process plan	Date of adoption of 2011/2012 Process Plan	ouput	45	Quarterly		HOD:P		Adopt Business Plan by 30 Sept	-	-	-
	To ensure timely completion of Framework plan	Date of adoption of 2011/2012 Framework Plan	output	45.1	Quarterly		HOD:P		Adopt Framwork plan by 30 Sept	-	-	-

6. DETAILED CAPITAL WORKS PLAN

DC26 **ZULULAND District Municipality**

MIG CAPITAL WORKS PLAN 2011
QUARTER 2

#N/A	#N/A	#N/A
188,823,831.86	227,099,383.68	276,132,000.00
216,092,800.81	188,645,626.02	0.00
27,268,968.95	40,453,737.66	276,132,000.00

Table 1: MIG Registered Projects

Agent	Provincial Reference Number	Project Title (as per MIG 1 form)	Project Status	Approved MIG Funding [=NOR + AFAs]	Actual Project Cost (Tender sum + fees)	Potential Savings	Total Previous MIG Expenditure	Jul (Certified)	Aug (Certified)	Sep (Certified)	Oct (Certified)	Nov (Certified)	Dec (Certified)
DC26	DC26 PMU	DC26 PMU		3,115,593.23	3,115,593.23		0.00						
DC26	2004MIGFDC260002	Nkonjeni Regional Water Supply Scheme Phase I	Construction	36,803,681.00	36,803,681.00	0.00	36,391,982.71						
DC26	2005MIGFDC260003	ZDM Clinic Sanitation Project	Construction	6,017,716.00	6,017,716.00	0.00	4,654,805.09						
DC26	2005MIGFDC260005	Rudimentary Water Supply Programme PH 2	Construction	65,753,900.00	65,753,900.00	0.00	58,595,619.12	613,215.92	237,979.39	339,239.03	1,376,098.00	506,877.00	123,575.00
DC26	2005SMIFDC260001	Mandlekazi Regional Water Scheme Phase 2B	Completed	6,772,309.00	6,772,309.00	0.00	5,268,533.08						
DC26	2006MIGFDC26102044	Nkonjeni Regional Water Supply Scheme Ph 2	Construction	75,296,406.93	75,296,406.93	0.00	40,927,984.61	1,209,508.41	479,456.36	815,998.57	352,481.00	234,510.00	234,159.00
DC26	2006MIGFDC26112022	Hlobane Sports Field	Construction	16,370,000.00	16,370,000.00	0.00	3,119,285.58		253,822.27		432,000.00	345,777.00	350,000.00
DC26	2005MIGFDC26113955	Ulundi Sports Phase 3	Completed	5,200,000.00	5,200,000.00	0.00	5,057,552.30						
DC26	2005MIGFDC26163062	Ulundi Unit M Water and Sanitation Phase 3	Completed	1,085,602.39	1,035,602.39	0.00	605,586.70						
DC26	2006MIGFDC265319	Usuthu RWSS Phase 4	Construction	25,059,986.00	25,059,986.00	0.00	22,607,973.39	126,312.99	231,858.22	672,571.78		1,273,596.09	
DC26	2005MIGFDC265325	Usuthu RWSS Phase 3	Construction	89,093,540.00	89,093,540.00	0.00	2,421,360.00						
DC26	2005MIGFDC265326	Usuthu RWSS Phase 2	Construction	32,483,514.00	32,483,514.00	0.00	3,033,419.59						
DC26	2006MIGFDC265329	Usuthu RWSS Phase 1	Construction	96,259,053.00	96,259,053.00	0.00	32,331,004.57	937,829.35	874,212.80	2,122,965.29	3,435,716.00	3,574,843.00	3,210,089.00
DC26	2005MIGFDC265331	Mandlakazi RWSS Phase 2C	Completed	22,120,203.00	22,120,203.00	0.00	17,817,072.93						
DC26	2006MIGFDC265332	Simdlangentsha Central RWSS Ph 2	Construction	30,366,875.54	30,366,875.54	0.00	26,787,628.81	654,868.87	424,750.15	1,002,559.83	798,670.00	789,000.00	350,000.00
DC26	2006MIGFDC265333	Khambi RWSS Water Supply	Construction	28,294,623.05	28,294,623.05	0.00	24,592,786.23		77,729.50		560,000.00	0.00	1,500,000.00
DC26	2006MIGFDC265334	Hlahlindlela/ Mondlo Regional Water Supply	Construction	1,768,115.92	167,579,680.00	-165,811,564.08	37,738,858.34		1,788,739.18		1,010,000.00	1,324,558.00	987,967.00
DC26	2006MIGFDC265336	Simdlangetsha East RWSS Phase 1	Construction	0.00	25,683,733.70	-25,683,733.70	9,143,671.53	770,576.11			671,226.00	0.00	0.00
DC26	2006MIGFDC265339	Simdlangetsha West RWSS Phase 2 1	Construction	59,477,291.00	59,477,291.00	0.00	39,336,326.78	1,439,989.08	1,768,115.92	1,225,598.08	1,058,789.00	987,678.00	274,414.00
DC26	2006MIGFDC265341	Mona Sports Field	Construction	19,500,000.00	19,500,000.00	0.00	6,976,538.24	41,769.60			454,345.00	234,000.00	1,479,023.03
DC26	2006MIGFDC265351	Coronation RWSS Enyati (AFA) MIS 155365	Construction	34,927,055.48	34,927,055.48	0.00	24,103,805.64			420,311.52	543,521.00	562,010.00	352,610.00
DC26	2008MIGFDC26123070	Emergency Alteration to the Zondela Sewer Outfall	Construction	1,298,564.00	1,298,564.00	0.00	977,846.27		161,534.91				
DC26	2008MIGFDC26156876	ZDM Rural Sanitation Phase 01	Construction	195,891,411.00	195,891,411.00	0.00	42,974,716.88	1,255,104.75	1,265,292.88	1,401,213.87	3,109,280.00	3,459,876.00	4,210,000.00
DC26	2008MIGFDC26162234	Mandlakazi Regional Water Supply Scheme (Ph 4)	Construction	125,793,218.00	125,793,218.00	0.00	22,662,437.15				2,287,500.00	1,378,900.00	3,567,990.00
DC26	2008MIGFDC26188006	Ekwahu sports field	Construction	13,299,314.00	13,299,314.00	0.00	6,340,840.52			166,099.15	1,262,271.56	675,890.00	126,906.30
DC26	2008MIGFDC26180925	Nkonjeni RWSS MIG Phase 3 (Central)	Construction	27,716,450.00	27,716,450.00	0.00	22,988,849.45	279,567.77		224,793.34	0.00	0.00	0.00
DC26	2008MIGFDC26188801	Gumbi Emergency Water Supply	Construction	26,484,362.00	26,484,362.00	0.00	7,518,143.50	395,825.56	1,141,737.60		987,692.00	897,814.00	587,451.00
DC26	2009MIGFDC26171058	Usuthu Regional Water Supply Scheme Phase 08	Design & Tender	665,847,909.96	665,847,909.96	0.00	4,713,349.71						
DC26	2009MIGFDC26171067	Nkonjeni Regional Water Supply Scheme Phase 04	Construction	310,103,565.51	310,103,565.51	0.00	6,765,675.37	1,464,600.17	993,000.17	344,217.96	1,298,372.90	1,238,907.72	1,238,907.72
						0.00							
Insert new rows here ONLY						0.00							
Sub Total - Projects				2,022,170,350.81	2,213,574,657.79	-191,495,297.78	517,760,992.13	9,050,105.57	8,828,229.81	8,725,597.10	20,306,001.89	17,464,124.81	18,572,188.11
							MONTHLY DORA TRANSFER PAYMENT (DRAWDOWN) SCHEDULE:		85,353,000.00		0.00	63,892,398.30	0.00
							PROVINCIAL ACCUMULATIVE EXPENDITURE TARGET (%):	27%	33%		47%	53%	60%
							MUNICIPAL ACCUMULATIVE CERTIFIED EXPENDITURE (%):	14%	19%		40%	52%	62%

7. **APPROVAL OF THE ZULULAND DISTRICT MUNICIPALITY'S SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN FOR THE QUARTER ENDED 31 DECEMBER 2010.**

The Zululand District Municipality's SDBIP for the 2nd quarter ended 31 December 2010 has been reviewed and approved by the Honorable Mayor: Cllr. M.B.Gwala, as said in S54 (1)(b) of the Municipal Finance Management Act.

Date received: 25/01/2011

Date Approved: 25/01/2011

Signature:

4. APPROVAL BY THE HONORABLE MAYOR

I, the Mayor of the Zululand District Municipality, have reviewed the Mid-Year assessment.

I have ascertained that:

(a) The budget of the municipality is being implemented in terms of the municipality's SDBIP;
(b) Monthly Budget Statement (S71) has been reviewed.
(c) The municipality is not facing any financial problems.

I further request the Accounting Officer, in terms of S 54(d) of the MFMA, to ensure that the following is done:

(a) The Adjustments Budget for the 2010/11 financial year is tabled for approval before the end of January 2011;
(b) Ensure that the necessary reports are submitted to the Provincial and National Treasuries;
(c) Ensure that the 2010/11 SDBIP is revised in order to take the Budget Adjustments into account;
(d) Take all necessary steps to ensure that the variances revealed by the Mid-Year assessment are addressed and that overall performance is improved during the second half of the financial year.

Signature: **Date:** 25/01/2011

HON. MAYOR: MR M B GWALA

5. ANNEXURE A

OPERATING EXPENDITURE & REVENUE

CAPITAL PROGRAMME & RECEIPTS

ULANDI [illegible] MUNICIPALITY

MID-YEAR REPORT AS PER S71 & 72 OF THE MFMA FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

Description	BUDGET	1 July		2 August		3 September		4 October		5 November		6 December			Y-T-D BUDGET	EXPENDITURE	VARIANCE	
OPERATING EXPENDITURE																		
EMP RELATED COSTS/WAGES AND SAL	61 671 379	5 130 948	3 781 298	5 130 948	5 788 262	5 130 948	5 823 338	5 130 948	5 838 140	5 130 948	5 157 760	5 130 948	-		30 785 687	33 132 787	2 397 100.34	The adjustment of the 5 budget [illegible]
EMP RELATED COSTS/SOCIAL CONTR	12 104 982	1 008 748	968 229	1 008 748	954 117	1 008 748	1 022 148	1 008 748	1 883 041	1 008 748	1 008 821	1 008 748	-		6 052 470	[illegible]	[illegible]	[illegible] not done
REMUNERATION OF COUNCILLORS	5 819 417	466 265	375 803	466 265	370 778	466 265	405 839	466 265	405 887	466 285	413 201	466 285			2 800 719	1 976 165	[illegible]	The upper limits for councillors will be effected by January 2011
WORKING CAPITAL RESERVE	2 915 244	242 937		242 937		242 937		242 937		242 937		242 937			1 457 622	-	1 457 622.00	
COLLECTION COSTS	231 264	19 272		19 272		19 272		19 272		19 272		19 272			115 632	-	-115 632.00	
DEPRECIATION	40 000 000	3 333 333		3 333 333		3 333 333		3 333 333		3 333 333		3 333 333			19 999 998	-	-19 999 998.00	Year end entry
REPAIRS AND MAINT MUN ASSETS	31 997 092	2 666 788	192 362	2 666 788	686 847	2 666 088	1 484 023	2 666 088	1 233 962	2 666 088	1 225 259	2 666 088	5 887 400	5 887 400	15 998 618	8 778 288	-7 169 [illegible]	Unused order's line is due to delays experienced with deliveries and some of the work not yet completed
INTER EXPENSE EXT BORROWINGS	484 013	40 334	43 967	40 334		40 334	82 477	40 334	40 206	40 334	37 901	40 334	37 901		242 004	[illegible]	[illegible]	
RED PMNTS EXT BORROWINGS		-															-	
BULK PURCHASES	41 913 796	3 492 730	1 000 838	3 492 730		3 492 730	4 888 868	3 492 730	4 838 233	3 492 730	8 183 643	3 492 730	1 389 952	1 389 952	20 956 878	14 949 [illegible]	[illegible]	WSSA billing in arrear. Ondula arrears
CONTRACTED SERVICES	3 367 171	283 930	393 517	283 930	203 410	283 930	290 854	283 930	288 883	283 930	394 211	283 930	833 204		1 703 580	[illegible]	[illegible]	[illegible]
GRANTS AND SUBSIDIES PAID	949 694	79 141		79 141		79 141		79 141		79 141	280 000	79 141			474 847	[illegible]	[illegible]	WSP Allocation Grant not yet paid [illegible]
INTER-DEPARTMENTAL	937 341	78 112	8 406	78 112		78 112		78 112	87 103	78 112	5 147	78 112			468 672	[illegible]	[illegible]	LM's does not submit invoices monthly
GENERAL EXPENSES OTHER	103 037 769	8 586 480	263 548	8 586 480	9 984 481	8 586 480	7 638 018	8 586 480	4 882 465	8 586 480	8 671 933	8 586 480	8 219 876	8 219 876	51 518 880	[illegible]	-14 [illegible]	Unused order's line is due to delays experienced with deliveries and some of the work not yet completed
DEFICIT ON SALE OF ASSETS	-																-	
DIRECT OPERATING EXPENDITURE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
INTERNAL TRANSFERS																		
INTEREST INTERNAL BORROWINGS																-	-	
REDEMPTION INT BORROWINGS																-	-	
INTERNAL CHARGES																-	-	
INDIRECT OPERATING EXPENDITURE																		
TOTAL OPERATING EXPENDITURE	[illegible]	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	
OPERATING INCOME																		
PROPERTY RATES																	-	
PLUS PENALTIES IMPOSED																	-	
USER CHARGES FOR SERVICES	19 [illegible] 756	1 [illegible] 730	1 [illegible]	1 [illegible] 730	3 131 406	1 [illegible] 730	7 176 932	1 [illegible] 730	3 118 814	1 [illegible] 730	2 887 480	1 [illegible] 730		10 [illegible]	[illegible] 118	[illegible] 230	1 [illegible]	
REGIONAL SERVICE LEVY																-	-	
REGIONAL SERVICE LEVIES/REMUNERATION																-	-	
RENT OF FACILITIES AND EQUIP							29 [illegible]		7 492		7 492			7 492	[illegible]	[illegible]	7 492.00	
INT EARNED/EXT INVESTMENTS	9 270 000	772 500	[illegible]	772 500	5 853 822	772 500	3 [illegible] 071	772 500	879 733	772 500	841 392	772 500		781 150	[illegible]	12 [illegible]	-5 [illegible]	
INT EARNED/OUTST DEBTORS																-	-	
DIV RECEIVED EXT ENTITIES																-	-	
FINES																-	-	
LICENSES AND PERMITS																-	-	
INCOME FOR AGENCY SERVICES																-	-	
OPERATING GRANTS AND SUBSIDIES	480 [illegible]	9 [illegible] 617	[illegible]	1 [illegible] 617	[illegible] 103 000	[illegible] 617	2 [illegible]	1 [illegible] 617	3 123 241	3 [illegible] 617	180 425 491	[illegible] 617		8 126 000	[illegible]	[illegible]	[illegible] 102.00	
OTHER INCOME			244 037		184 [illegible]		[illegible]		37 427		184 743			[illegible]	[illegible]	719 [illegible]	[illegible]	
DIRECT OPERATING INCOME	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	
INT RECEIVED/INTERNAL LOANS																-	-	
REDEMP RECEIVED INT LOANS																-	-	
INTERNAL RECOVERIES																-	-	
DIVIDENDS RECEIVED INTERNAL																-	-	
TOTAL OPERATING INCOME	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	
INCOME STATEMENT																		
OPERATING SURPLUS/DEFICIT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	
TAX PAID																-	-	
TOTAL DIVIDENDS AND CROSS SUBSIDIES																-	-	
CONTR FROM OPER TO CAP OUTLAY	71 [illegible] 540	5 [illegible] 120		[illegible] 120		[illegible] 120		[illegible] 120		[illegible] 120		[illegible] 120			[illegible] 742 [illegible]	-	-[illegible] 742 [illegible]	
TRANSFERS TO OTHER RESERVES																-	-	
TRANSFERS FROM OTHER RESERVES																-	-	
INTEREST IN ENTERP NOT OWNED																-	-	
SURPLUS/DEFICIT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	
CAPITAL PROJECT																		
EX REVENUE CONTRIBUTIONS	10 214 272	[illegible] 100		[illegible] 100		[illegible] 100		[illegible] 100	[illegible]	[illegible] 100	119 [illegible]	119 724			[illegible]	201 701	-4 17[illegible]	
EX MIG	1[illegible] 824 000	[illegible] 100	[illegible] 000 100	[illegible] 223	9 [illegible] 223	7 723 007	7 723 007	11 [illegible] 042	11 [illegible] 042	7 [illegible]	7 [illegible]	1[illegible] 728 031	1[illegible] 728 031		[illegible]	48 71[illegible]	-1[illegible] 728 031.00	[illegible] months expenditure not into this report
EX DWAF	27 000 000			[illegible] 780 000	-				-	6 780 000	21 715	6 132 421	1 1[illegible] 448		1[illegible] 432 421	[illegible] 715	-1[illegible] 700.00	Contractors have been appointed expenditure will increase in the next quarter
TOTAL CAPITAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]	[illegible]	
CAPITAL SOURCE OF FUNDING																		
REVENUE CONTRIBUTIONS	10 214 271	[illegible] 100		[illegible] 100		[illegible] 100		[illegible] 100	[illegible]	[illegible] 100	119 [illegible]	119 724			[illegible]	201 701	-4 17[illegible]	
MIG	1[illegible] 824 000			[illegible] 000	[illegible] 000				-	63 [illegible] 000	63 [illegible] 000	-			11[illegible]	11[illegible]	-	R45 167 000 to be received in March 2011
DWAF CAPITAL GRANT	27 000 000			6 780 000					-	6 780 000	-	6 132 421			1[illegible] 432 421	-	-1[illegible] 421.00	DWAF will transfer R17 577 [illegible] once they receive the projections from PMU
TOTAL CAPITAL SOURCE OF FUNDING	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		-	[illegible]	11[illegible]	[illegible]	