

INCOME REPORT TO THE BUDGET AND TREASURY STANDING COMMITTEE FOR THE MONTH OF JULY 2011.

1. BACKGROUND

Alfred Nzo District Municipality under the provision of Sections 3(1) and 21 of Water Services Act Of 1997 (Act 108 of 1997) and Section 27(1)(b), 152(1)(b) and 156 of the constitution of the Republic of South Africa.

In terms of National Water Act No. 36 of 1998, Our National Government is responsible for the equitable allocation and use of the source and even distribution of water resources. The aim is to ensure that water resource management of water resource and the sustainable use of water through the protection of quality water resources for the benefit of all user. Integrated management of all aspects of water resources and management functions to a regional or catchment level that will be appropriate to make everyone participate.

Purpose of the act:

1. Water management strategies
2. Protection of Water Resources
3. Use of Water
4. Financial Provision
5. Powers and Functions
6. Catchment management
7. Safety of Water Resources

In terms of Water Services Act No. 108 of 1997, we provide access to basic water supply for setting the national Standards and Norms for tariffs, provide for water services development plan, regulatory framework for institutions, provide assistance to water services institutions.

The following prescribes the following standards:

1. For everyone to have a reasonable quality of life
2. Need for equitable access to water services
3. Operationally efficiency and economic viability of water services
4. Norms and Standards for applicable tariffs for water services
5. Any other laws on any standards for applicable tariffs for water services
6. Any other laws on any standards set by governmental authorities
7. Any impact which water services might impact on environment

In terms of Section 64 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) the accounting officer must take reasonable steps to ensure that:

- a) The municipality has an effective revenue collection system,
- b) Revenue due to municipality must be collected on a monthly basis,
- c) Accounts for municipal tax and charges for municipal services are prepared and sent to people on a monthly basis,
- d) All money received is promptly deposited to main account,

- e) Municipality has and maintains a management, accounting, and information system which:
 - (1) Recognizes revenue when it is earned,
 - (2) Accounts for its debtors,
 - (3) Accounts for receipts of revenue.
- f) Municipality has and maintains a system of internal control in respect of debtors and revenue,
- g) Municipal charges interest on arrears, except in cases of exemptions,
- h) Revenue reconciliation on at least weekly basis.

2. **PURPOSE**

The purpose of this report is to advise the Budget and Treasury Standing Committee about the Financial Status Quo and Age Analysis as at 31 July 2011.

3. **SCOPE**

✓ **Human resource Status Quo:**

Listed below is the available staff in the section and their employment status per town (current status):

Mount Frere:

Initials and Surname	Function	Employment status
B. Makhetha	Distribution of Statements	Permanent – Placed from DWAF
L. Gwentshu	Distribution of Statements	Permanent – Placed from DWAF
Y. Tiyo	Revenue Officer	Permanent
Z.N. Zihle	Meter Reading	Permanent
N. Ncapayi	Meter Reading	Permanent
V.Z. Makaula	Meter Reading	Permanent

Mount Ayliff:

Initials and Surname	Function	Employment status
N. Nomabhunga	Meter Reader	Permanent – Placed from DWAF
N. Hlwathika	Meter Reader	Permanent – Placed from DWAF
P. Maranjana	Meter Reader	Permanent – Placed from DWAF
N. Nyangula	Data Capture	Permanent
J. Mokoena	Revenue Clerk	Permanent
S. Mthembu	Debt Collector	Permanent
Z. Dlamini	Accountant	Permanent
T. Mabhoza	Accountant	Permanent
T. Ntlabathi	Accountant: Credit Control	Permanent
K. Mehlomakulu	Manager	Contract

Cedarville:

Initials and Surname	Function	Employment status
L. Young	Revenue Officer	Permanent

Matatiele:

Initials and Surname	Function	Employment Status
E. Moeti	Meter Reader	Permanent
D. Xaki	Meter Reader	Permanent
S. Bloem	Debtors Clerk	Permanent
Z. Nyangule	Distribution of Statements	Casual
M. Fanyana	Distribution of Statements	Casual
L. Xaki	Meter Reader	Casual

Maluti:

Initials and Surname	Function	Employment Status
K. Lepheana	Meter Reader / Distribution of Statements	Casual
M. Nthunya	Meter Reader	Permanent
M. Mochochoko	Revenue Officer	Permanent – Placed from DWAF
R. Tatchel	Debtors Clerk	Permanent

Ntabankulu Office:

Initials and Surname	Function	Employment Status
N. Mabhoza	Data Capture	Permanent – to be retained by OR Tambo District
C.B. Hele	Meter Reader	Permanent
B. Hele	Meter Reader	Casual

Mbizana Office:

Initials and Surname	Function	Employment Status
X. Tyolo	Acting Accountant	Permanent
Z. Ndesi	Revenue Officer	Permanent
P. Radebe	Data Capture	Permanent
N. Tshangela	Meter Reader	Permanent

From the above personnel, we need to absorb the casuals after we have monitored their progress. We would need to get a cashier for the Matatiele office as well as an additional meter reader who will also do Cedarville.

For Ntabankulu, we need a Cashier and Data Capture and for Mbizana, we need a meter reader urgently.

Proposed shifting within the section taking into account the new two Local Municipality's (Ntabankulu and Mbizana):

Create a sub-section called Credit Control and Debt Management which will consist of the following personnel:

Initials and Surname	Function	Responsible Town
T. Ntlabathi	Accountant: Credit Control	Over seeing with the Manager
Y. Tiyo	Revenue Officer	Mount Frere
S. Mthembu	Debt Collector	Matatiele, Maluti and Cedarville
J. Mokoena	Revenue Officer	Mount Ayliff and Ntabankulu
X. Tyolo	Acting Accountant	Mbizana

Weekly meetings will be held on progress made in relation to collection of revenue in each town.

A request has been made from Infrastructure Department for them to lend us three (3) plumbers, who will be solely responsible for ensuring that all meters are working in our area.

Implementation of Credit Control Policy

The department is hereby requesting to implement the municipality's Credit Control Policy subsection 24 and MFMA section 64 (b) for all the monies owed by the Government departments as well as Business Institutions.

This will be done by restricting water supply to those two categories (Government departments and Businesses). For businesses, an extended payment period in terms of Credit Control Policy subsection 26 will be applicable (payment arrangements) but for government departments, a full payment must be done before reconnection.

We are therefore requesting to issue a seven (7) days notice on all local newspapers and notice board to our customers notifying them about our actions.

The Accounting Officer in conjunction with the Chief Financial Officer will be in charge of the implementation process with the Manager: Income reporting on a weekly basis on progress made (utilizing the proposed sub-section).

✓ **Financial Status Quo:**

Billing:

The billing for the month of July 2011 is as follows, per town,:

Water charges – consumption:

Town	Commercial	Domestic	Total
Mount Ayliff	49 942.70	57 180.98	107 123.68
Cedarville	1 705.13	91.14	1 796.27
Mount Frere	64 012.43	26 442. 53	90 454.96
Itsokolele	2 852.50	10 045.68	12 898.18
Maluti	10 166.36	17 049.27	27 215.63
Matatiele	139 282.83	84 965.55	224 248.38
Mbizana	960 428.53	0	960 428.53
Mountain View	0	0	0
Ntabankulu	139 979.53	0	139 979.53
Harry Gwala Park	0	3 203.10	3 203.10
Total	1 368 370.01	198 978.25	1 567 348.26
Total Debtors	2131	5833	7964

Sanitation Charges:

Town	Commercial	Domestic	Total
Mount Ayliff	8 099.72	27 691.34	35 791.06
Mount Frere	25 552.80	45 437.52	70 990.32
Cedarville	1 003.86	91.24	1 095.10
Itsokolele	1 095.12	8 850.28	9 945.40
Matatiele	19 347.12	27 098.28	46 445.40
Harry Gwala	0	5 383.16	5 383.16
Mountain View	0	3 558.36	3 558.36
Ntabankulu	0	91.26	91.26
Total	55 098.62	118 201.44	173 300.06
Total Debtors	606	2592	3198

Water Charges – Flat rate:

Town	Commercial	Domestic	Total
Mount Ayliff	181.96	16 831.30	17 013.26
Mount Frere	7 278.40	37 893.17	45 171.57
Maluti	727.84	20 152.07	20 879.91
Harry Gwala	0	181.96	181.96
Matatiele	0	0	0
Mbizana	136.47	409.41	545.88
Ntabankulu	0	1 228.23	1 228.23
Total	8 324.67	76 696.14	85 020.81
Total Debtors	183	1686	1869

Receipts:

The following are the receipts as at **31 July 2011** per town and direct deposits:

Town	July 2011
Mount Frere	18 247.11
Mount Ayliff	104 155.32
Cedarville	12 468.01
Matatiele	70 321.16
Maluti	792.00
Ntabankulu	1 190.60
Mbizana	4 551.96
Direct Deposit	785 078.69
Total	984 336.84

Age Analysis as at 31 July 2011 was as follows:

	Current	30 Days	60 Days	90 Days	120+ Days	Total
Government	1 093 44 9.92	171 829.03	145 196.56	864 537.72	5 762 899.1 9	8 037 912.4 2
Municipality	6 218.87	7 304.10	20 654.28	8 716.57	437 456.03	480 349.85
Domestic	318 678. 87	362 042.26	502 221.42	490 040.52	19 652 350. 58	21 325 333. 65
School	7 767.37	10 109.45	26 424.54	11 840.01	218 506.10	274 647.47
Business	581 812. 33	239 959.92	287 060.41	257 121.78	5 923 166.6 8	7 289 121.1 2

Church	5 476.54	6 748.39	10 814.91	15 284.38	359 407.93	397 732.15
Total	2 013 40 3.90	797 993. 15	992 372. 12	1 647 54 0.98	32 353 78 6.51	37 805 09 6.66

Statements:

The monthly statements are available for distribution by 02nd of each month. The printing thereof is outsourced from a company called LaserCom (Pty) Ltd which is based in Durban. By the 20th of each month, the distribution of statements is complete.