

INCOME REPORT TO THE BUDGET AND TREASURY STANDING COMMITTEE AS AT 31 OCTOBER 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 October 2011.

3. **SCOPE**

✓ **Financial Status Quo:**

Billing:

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

Water charges – consumption:

Town	Commercial	Domestic	Total
Mount Ayliff	48 265.93	40 625.50	88 891.43
Cedarville	27 888.61	13.78	27 902.39
Mount Frere	35 384.60	13 839.71	49 224.31
Itsokolele	1 916.88	17 141.01	19 057.89
Maluti	19 929.08	14 226.53	34 155.61
Matatiele	167 406.55	101 917.24	269 323.79
Mbizana	105 591.20	0	105 591.20
Mountain View	0	0	0
Ntabankulu	34 584.70	0	34 584.70
Harry Gwala Park	0	5 070.78	5 070.78
Total	440 967.55	192 834.55	633 802.10
Total Debtors	1960	3771	5731

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	912.60	136.86	1 049.32
Itsokolele	1 095.12	8 850.28	9 945.40
Matatiele	19 529.64	27 052.66	46 582.30
Harry Gwala	0	5 428.78	5 428.78
Mountain View	0	3 558.36	3 558.36
Ntabankulu	0	91.24	91.24
Total	55 189.88	118 247.04	173 436.92
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	636.86	19 879.13	20 515.99
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	8 233.69	76 423.20	84 656.89
Total Debtors	181	1680	1861

Receipts:

The following are the receipts from **July 2011 to 31 October 2011** per town and direct deposits:

Town	July 2011	August 2011	September 2011	October 2011	Total
Mount Frere	18 247.11	8 989.93	19 791.35	16 310.77	63 339.16
Mount Ayliff	104 155.32	65 308.05	69 962.51	187 395.69	426 821.57
Ntabankulu	1 190.60	14 601.82	28 111.94	22 218.05	66 122.41

Mbizana	4 551.96	13 721.35	33 663.33	17 672.33	69 608.97
Cedarville	12 468.01	19 169.16	17 602.00	15 201.15	64 440.32
Matatiele	70 321.16	146 282.53	165 070.47	155 631.50	537 305.66
Maluti	792.00	3 229.00	4 274.00	6 318.88	14 613.88
Direct deposit	785 078.69	111 982.98	539 064.86	1 665 166.07	3 101 292.60
Total	996 804.85	383 284.82	877 540.46	2 085 914.44	4 343 544.57

The following Grants were received as at 31 October 2011.

Grant Name	July 2011	August 2011	September 2011	October 2011
Equitable Share	110 640 000.00	0	0	0
MIG	126 841 000.00	0	0	0
MSIG	1 250 000.00	0	0	0
DWA	2 887 811.18	0	3 030 896.00	4 522 321.07
VAT	0	19 279 040.98	2 689 463.36	2 573 131.60
EPWP	0	0	0	5 956 000.00

Age Analysis as at 31 October 2011 was as follows:

	Current	30 Days	60 Days	90 Days	120+ Days	Total
Government	101 552.89	44 910.23	101 643.29	33 301.72	1 495 654.90	1 777 063.03
Municipality	11 278.95	12 126.31	14 026.37	6 218.87	474 130.98	517 781.48
Domestic	393 411.13	361 741.64	407 453.84	359 304.60	20 234 093.37	21 756 004.58
School	5 387.36	6 444.46	4 492.73	5 065.67	222 708.76	244 098.98
Business	421 661.05	347 963.95	939 749.41	1 187 394.04	11 249 163.27	14 145 931.72
Church	7 795.53	6 324.07	5 815.91	6 073.29	370 909.30	396 918.10

Total	941 086.91	779 510.66	1 473 181.55	1 597 358.19	34 046 660.58	38 837 797.89

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.

Proposal for the month of December 2011.

In the past, we have been able to identify that December is the month where most or majority of our customers have money to spend and pay for their services. This therefore serves as a proposal that:

- We display emblems written "I pay for municipal services, it is the thing to do" in all of our towns,
- We run three adverts on our community radio (one in the morning, one during mid-day and one in the afternoon),
- We arrange for an hour long interview where the Chairperson of the standing committee will be encouraging people to pay for their services,
- We have an all day long promotion in one of our new towns where we distribute t-shirts, caps and pens to people as part of encouraging them to pay for their services.

Activities for the month of November 2011.

Training of staff members transferred from Oliver Tambo District Municipality: The staff members which were transferred from OR Tambo will be trained on how to use the SAMRAS Financial System. The training will take place in the week of 14th to 18th November 2011.

Installation of System and provision of uniform:

We have been able to install our current financial system (SAMRAS) in Bizana and Ntabankulu for the offices to be able to function properly.

Progress of Data Cleansing:

We have completed the data cleansing in the Bizana town (which includes Highland) and we will be continuing in Ntabankulu in month of November 2011.

Training of Staff in the Credit Control Sub-section:

The staff in the above-mentioned sub-section will be attending training from the 16th to 18th November 2011. This will enable us to perform better in terms of our revenue collection.