

INCOME REPORT TO THE BUDGET AND TREASURY STANDING COMMITTEE FOR THE MONTH OF SEPTEMBER 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 30 September 2011.

3. **SCOPE**

✓ **Financial Status Quo:**

Billing:

The billing for the month of September 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 as at **30 September 2011** per town and direct deposits:

Town	September 2011
Mount Frere	19 791.35
Mount Ayliff	69 962.51
Cedarville	17 602.00
Matatiele	165 070.47
Maluti	4 274.00
Ntabankulu	28 111.94

Mbizana	33 663.33
Direct Deposit	539 064.86
Total	

The following Grants were received during the month September 2011.

Grant name	Amount
L.G. Seta	135 215.17
DWA	3 030 896.00
Total	R 3 166 111.17

Age Analysis as at 30 September 2011 was as follows:

	Current	30 Days	60 Days	90 Days	120+ Days	Total
Government	33 914.2 3	115 749.09	48 212.33	58 204.41	3 179 579.2 1	3 435 656.2 7
Municipality	12 126.3 1	14 026.37	6 218.87	7 304.10	466 826.88	506 502.53
Domestic	316 375. 98	423 265.85	365 189.16	351 337.24	20 173 612. 05	21 629 780. 28
School	8 427.26	7 480.41	6 054.15	6 366.34	218 451.30	246 779.46
Business	714 278. 45	1 125 735. 73	1 211 561. 04	320 723.62	9 479 321.6 5	12 851 620. 49
Church	3 810.67	5 825.10	6 314.13	4 749.65	367 159.66	387 859.21
Total	1 088 93 2.90	1 692 07 9.55	1 643 54 9.68	748 685. 36	33 884 95 0.75	39 058 19 8.24

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.

Implementation of Credit Control Policy

The department has started with the implementation of the Municipal Credit Control Policy for businesses and government institutions. So far we have done the following towns:

Week of 05 to 09 September 2011	Mount Frere
Week of 26 to 30 September 2011	Matatiele
Week of 03 to 07 October 2011	Mount Ayliff
Week of 12 to 13 October 2011	Mbizana

We will review the Age Analysis to identify which towns need drastic focus.

We also have, in the month of September 2011, completed the data cleansing for the Bizana Town. We will do Tabankulu this month (October 2011).

This will allow us to identify which households have problems with their meters, incorrect billing, correct names on the statements.

We also want to make use of our bulk sms system where we will connect their contact details with our financial system. This means that once the month-end is done, a consumer will get his/her bill as form of an sms before getting the actual statement that is delivered.

The department, in conjunction with the Human Resource Development, is continuously training our staff members with regards to credit control and its implementation.