

SOL PLAATJE LOCAL MUNICIPALITY



PRELIMINARY 4th QUARTER REPORT FOR THE PERIOD 1 APRIL TO 30 JUNE 2022

MFMA SECTION 52(d)

31 JULY 2022

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List of Abbreviations and Acronyms used in the MBS

AGSA	- Auditor-General South Africa
BTO	- Budget and Treasury Office
CAPEX	- Capital Expenditure
CFO	- Chief Financial Officer
COGHSTA	- Department of Co-operative Governance, Human Settlement and Traditional Affairs
DBSA	- Development Bank of South Africa
DoRA	- Division of Revenue Act
DPW	- Department of Public Works
DWA	- Department of Water Affairs
ED	- Executive Director
EEDG	- Energy Efficiency and Demand Side Management Grant
EPWP	- Expanded Public Works Programme
FY	- Financial Year
GG	- Government Gazette
GRAP	- Generally Recognised Accounting Practices
GURP	- Galeshewe Urban Renewal Programme
IDP	- Integrated Development Plan
INEP	- Integrated National Electrification Programme
ISDG	- Infrastructure Skills Development Grant
IT	- Information Technology
IUDG	- Integrated Urban Development Grant
KPA	- Key Performance Area
KPI	- Key Performance Indicator
MBRR	- Municipal Budget and Reporting Regulations (GG 32141 of 17 April 2009)
MBS	- Monthly Budget Statement
MFMA	- Municipal Finance Management Act (Act 56 of 2003)
MM	- Municipal Manager
MSA	- Municipal Systems Act
MSIG	- Municipal Systems Improvement Grant
MTREF	- Medium Term Revenue and Expenditure Framework
NDPG	- Neighbourhood Development Partnership Grant
NERSA	- National Energy Regulator of South Africa ("the Regulator")
NT	- National Treasury
OPEX	- Operational Expenditure
PPE	- Property, Plant and Equipment
R&M	- Repairs and Maintenance
SCM	- Supply Chain Management
SCOA	- Standard Chart of Accounts
SDBIP	- Service Delivery and Budget Implementation Plan
SEDP	- Strategic Economic Development and Planning
SLA	- Service Level Agreement
SMME	- Small, Medium and Micro Enterprises
SPLM	- Sol Plaatje Local Municipality
VAT	- Value Added Tax
YTD	- Year-to-date
WRM	- Water Resource Management
WRL	- Water Research Levy

1. SUMMARY

The purpose of this report is to comply with the Municipal Finance Management Act, Act 56 of 2003, Section 52(d).

The Municipal Finance Management Act requires that the Mayor of a municipality must within 30 days after the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of the municipality.

The purpose of this report is to submit the financial and non-financial performance results for the fourth and final quarter of the 2021/22 financial year.

This quarter of the financial year was characterised, as always, by a number of key activities and projects.

As the financial year drew to a close on 30 June, the task of preparing and submitting the Annual Financial Statements and the Annual Performance Report to the Auditor General by 31 August lies ahead. Year-end procedures have already commenced and are progressing in terms of the AFS preparation plan.

It is also worth mentioning that the requirements of mSCOA are becoming increasingly important and complex. The 2022/23 annual budget was successfully prepared on version 6.6 of the chart. The required submission of data strings to National Treasury was also done successfully. Legislative dates for submission of all monthly reports and returns were adhered to, as always.

Also added to this report is the quarterly performance report as per the Service Delivery and Budget Implementation Plan for the fourth quarter of 2021/22 financial year.

We wish to emphasize that our vision is to bring change to the lives of our people, ensure quality of service, monitor the execution of the programmes of the municipality, create platforms for people to interact and create a conducive environment for the workers to perform with excellence, thus creating pride and loyalty.

2. BUDGET IMPLEMENTATION

The Covid-19 pandemic did not bode well for the municipality's finances which was already under severe strain and further exposed the vulnerability of the municipality's cash position. The municipality would like to thank all our clients who still continued to settle their outstanding municipal accounts during this difficult period. The municipality realises once again, the critical importance of having a minimum 3 months cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability.

The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on service delivery. The re-instatement of the Chief Financial Officer and the appointment of the new Municipal Manager, will contribute positively to the stabilisation of the municipality and improve accountability. The municipality is facing serious challenges pertaining to the debt owed to Eskom and Department of Water and Sanitation, which is escalating. The ESKOM debt will be exacerbated with the billing of the high months from June to August 2022. The municipality had an engagement with National Treasury to discuss the Eskom challenges and find meaningful solutions. Currently the total debtors book is standing at R2.9 billion and the municipality is urging

government, businesses and households to meet their obligation to the municipality or make arrangements with the municipality.

In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken, ensure that acts, regulations and policies are adhered to diligently, enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money.

Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed, we have noted an increase in emergency maintenance which seems excessive as no competitive bidding is taking as a result of the impact of asset failure on service delivery. We are striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.

Annual budget of the municipality is allocated to various votes, programmes and projects of the municipality. For capital budget, the Accounting Officer in consultation with Senior Managers appoint Project Managers who carry the responsibility of ensuring that project scope is well defined as well as the project deliverables, as well as the community impact and service delivery objectives that needs to be met.

The Chief Financial Officer carries overall responsibility of ensuring that the budget is spent in accordance with the Service Delivery and Budget Implementation Plan of the municipality and that these are well aligned with the IDP Objectives as per the IDP Review of each year.

Compliance with various legislation is also an area of performance, especially with regards to payment procedures.

Senior Managers have as per the delegation of powers been tasked with financial management duties. Monthly reporting on budget performance is the responsibility of the Financial Services Directorate, and each directorate received operating revenue, operating expenditure and capital budget performance reports which ultimately are consolidated for reporting purposes to the Finance Committee and where necessary to the Municipal Public Accounts Committee. These committees sit on a monthly basis and account to the Executive Mayor and to the Municipal Council, respectively.

2.1 Operating Budget Overview

The Sol Plaatje Municipality generates own revenue from service charges on various services as well as through the levying of property rates in line with the Amended Municipal Property Rates Act and the Municipal By-Laws on Property Rates and Taxes. The revenue sources also included the minor revenue streams such as rental income from various properties and assets of the municipality and interest earned from investments and on outstanding debtors. The municipality provides all services

directly to the customers and each customer receives a monthly bill of services consumed (metered and unmetered services).

This report summarizes the budget performance for the 4th Quarter of 2021/22 financial year. The detailed Statement of Financial Performance shown in Annexure A, Table C4, and is detailing revenue by source and expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand (R'000)	YTD Budget June 2022	YTD Actual June 2022	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,372,218	2,184,415	(187,802)	92.1%	-7.9%
Total Revenue (including capital transfers and contributions)	2,501,884	2,266,612	(235,271)	90.6%	-9.4%
Total Operational Expenditure	2,421,590	1,970,355	(451,235)	81.4%	-18.6%

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget

As indicated in Table 1 above, as at 30 June 2022, the billed revenue excluding capital grants amounted to R2,184,415 billion which resulted in a variance of minus 7.9% when compared to the YTD Budget of R2,372,218 billion. The billed revenue including capital grants resulted in an unsatisfactory variance of minus 9.4% when compared to the YTD budget of R2,501,884 billion. Going forward, Capital grants will be recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant has been met. The Total Operational Expenditure resulted in a negative variance of minus 18.6%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Adjusted Budget	YTD Actual June 2022	Variance Favourable (Unfavourable)	% YTD Actual vs Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % -91.67%
Total Revenue (excluding capital transfers and contributions)	2,372,218	2,184,415	1,986,731	92.1%	-7.9%
Total Revenue (including capital transfers and contributions)	2,501,884	2,266,612	2,058,122	90.6%	-9.4%
Total Operational Expenditure	2,421,590	1,970,355	1,768,556	81.4%	-18.6%

Table 2: Consolidated summary: Statement of Financial Performance: Adjustment Budget

Indicated in Table 2 above is the YTD actual compared to the Adjusted Budget. When calculating the ideal In-Year-Monitoring percentage of 100% [calculated as follow: (100/12 months x 12 months of the year)] as at the end of June 2022, the Total operational revenue excluding capital grants versus the Adjusted Budget resulted in a negative variance of minus 7.9%. The Total operational revenue including capital grants versus the Adjusted Budget resulted in an unsatisfactory variance of minus 9.4%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 18.6%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category by 12. The capital projections were also done in the same fashion. Please note that variances within a 5% range are acceptable and need not necessarily be explained.

2.2 Capital Budget Overview

As indicated in the Table 3 and Chart 1 below, the YTD Actual on capital expenditure as at end of June 2022 amounted to R93,074 million and 60.2% spent when compared to the YTD budget of R154,666 million and 60.2% spent when compared to the Adjusted Budget of R154,666 million. The total YTD capex is funded from Capital grants R83,412 million (90%) and Internally generated funds R9,662 million (10%). Capex is extremely low and major intervention is required for the new financial year. Planning of project managers also needs to improve going forward.

The flagship projects for 2021/22 financial year (the 5th year of the five-year term of the IDP) is the upgrading of the Cartersridge sewer pump station funded through WSIG (Water Services Infrastructure Grant), the Electrification of 1166 households in Lethabo Park funded through INEP (Integrated National Electrification Programme Grant), European Union Bear Project for Local Economic Development funded through the European Union, the Patching and Resealing of Roads funded through IUDG (Integrated Urban Development Grant) and the Installation of Electrical and Mechanical Components in Lerato Park Sewer Pump Station project funded by IUDG.

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - June 2022										
Capital expenditure	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	154,666	34,231	93,074	154,666	60.2%	(61,592)	-39.8%	60.2%	(61,592)	-39.8%
Funded by										
Capital transfers recognised	129,666	29,539	83,412	129,666	64.3%	(46,254)	-35.7%	64.3%	(46,254)	-35.7%
Internally generated funds	25,000	4,692	9,662	25,000	38.6%	(15,338)	-61.4%	38.6%	(15,338)	-61.4%
Weighting Capital transfer recognised	84%	86%	90%	84%						
Weighting Internally generated funds	16%	14%	10%	16%						

Table 3: High level summary: Capital Expenditure

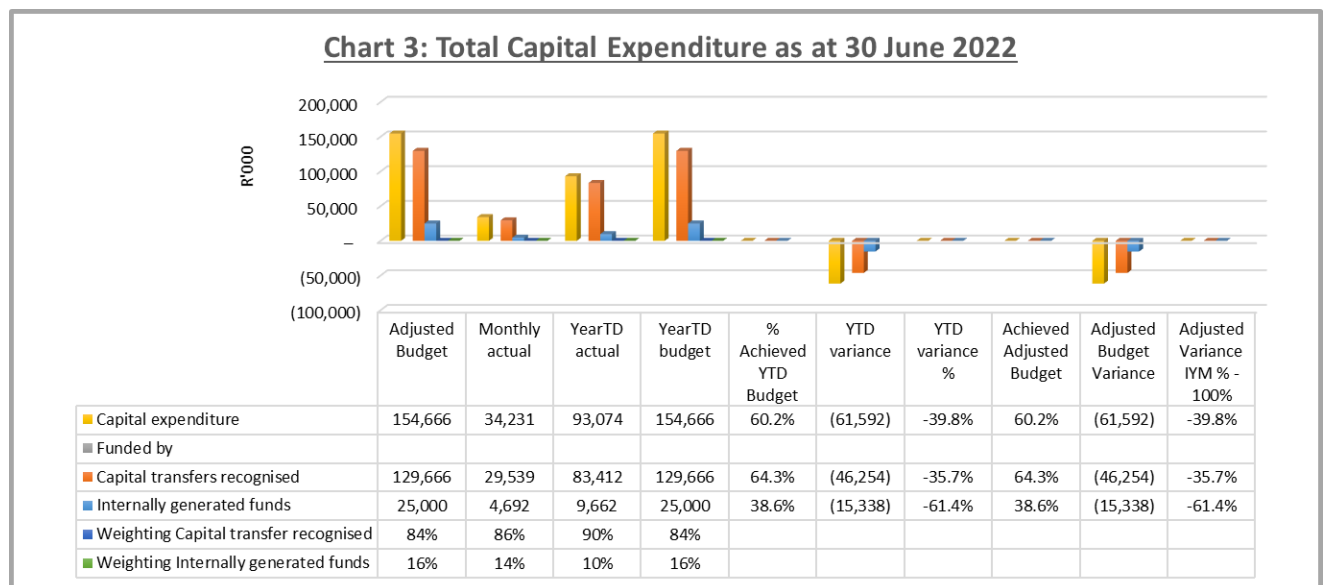


Chart 1: High Level Summary: Capital Expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Total Capital Expenditure - Functional Classification	3	119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666
Funded by:										
National Government		101,832	167,766	111,766	26,069	65,892	111,766	(45,874)	-41%	111,766
Provincial Government		–	–	–	–	–	–	–	–	–
District Municipality		–	–	3,500	–	3,629	3,500	129	4%	3,500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2,483	–	14,400	3,470	13,891	14,400	(509)	-4%	14,400
Transfers recognised - capital		104,315	167,766	129,666	29,539	83,412	129,666	(46,254)	-36%	129,666
Borrowing	6									
Internally generated funds		15,186	11,500	15,000	4,692	9,662	25,000	(15,338)	-61%	25,000
Total Capital Funding		119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666

Table 4: Monthly Budget statement

One of the major challenges that the municipality is experiencing is in respect of tendering processes. The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents.

Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. The Project Management Unit (PMU) is not adequately staffed, resulting in a lack of qualified permanently appointed project managers. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments.

3. REVENUE FRAMEWORK

The municipality budgeted for total revenue of R2 501,884 billion for 2021/22 raised from various revenue sources which include service charges for water, electricity, refuse removal and sanitation, as well as revenue from property rates and taxes, and other revenue sources from exchange and non-exchange transactions.

The municipality reads water and electricity meters monthly and the Billing Section is responsible for all the duties, functions and responsibilities associated with this function. The municipality also encourages own reading by customers especially households where all members are not available during office hours to give access to the reading teams.

Further to this, it is the responsibility of each household to ensure access to the meters at all times, this including cleaning the meter as well as reporting leaks to the municipality for their attention and assistance.

3.1 Operating Revenue by Source

Revenue by Source	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	603,707	45,566	622,648	603,707	103.1%	18,942	3.1%	103.1%	18,942	3.1%
Service charges - electricity revenue	861,157	59,768	728,577	861,157	84.6%	(132,579)	-15.4%	84.6%	(132,579)	-15.4%
Service charges - water revenue	294,012	16,021	281,945	294,012	95.9%	(12,066)	-4.1%	95.9%	(12,066)	-4.1%
Service charges - sanitation revenue	76,648	7,235	86,122	76,648	112.4%	9,474	12.4%	112.4%	9,474	12.4%
Service charges - refuse revenue	59,567	4,874	62,634	59,567	105.1%	3,067	5.1%	105.1%	3,067	5.1%
Rental of facilities and equipment	13,145	2,118	16,755	13,145	127.5%	3,610	27.5%	127.5%	3,610	27.5%
Interest earned - external investments	9,000	1,420	2,234	9,000	24.8%	(6,766)	-75.2%	24.8%	(6,766)	-75.2%
Interest earned - outstanding debtors	157,200	13,173	131,160	157,200	83.4%	(26,040)	-16.6%	83.4%	(26,040)	-16.6%
Fines, penalties and forfeits	34,725	394	4,841	34,725	13.9%	(29,884)	-86.1%	13.9%	(29,884)	-86.1%
Licences and permits	6,500	1,078	8,966	6,500	137.9%	2,466	37.9%	137.9%	2,466	37.9%
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	236,873	-	219,941	236,873	92.9%	(16,931)	-7.1%	92.9%	(16,931)	-7.1%
Other revenue	19,685	2,283	17,218	19,685	87.5%	(2,467)	-12.5%	87.5%	(2,467)	-12.5%
Gains on disposal of PPE	-	-	1,374	-	-	1,374	-	-	1,374	-
Total Revenue (excluding capital transfers and contributions)	2,372,218	153,928	2,184,415	2,372,218	92.1%	(187,802)	-7.9%	92.1%	(187,802)	-7.9%
Transfers and subsidies - capital	129,666	40,114	82,197	129,666	63.4%	(47,469)	-36.6%	63.4%	(47,469)	-36.6%
Total Revenue (including capital transfers and contributions)	2,501,884	194,042	2,266,612	2,501,884	90.6%	(235,271)	-9.4%	90.6%	(235,271)	-9.4%

Table 5: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 3.1%.
- ❖ Service charges is performing satisfactorily for the month under review, however Electricity revenue is showing a very concerning under-recovery of minus 15.4%, attributable to the billing being lower than anticipated. According to the Billing section, this is mainly as a result of the KVA meters that have not been read since January 2020. According to Occupational Health and Safety (OHS) law; employees are not allowed to enter sub-stations without a valid ORHV (Operating Regulations for High Voltage Systems) Regulations Certificate. The meter readers who had the ORHV certificate, their certificates expired. Training was arranged after Covid, but unfortunately did not pass the re-certification. Subsequent training was arranged in May 2022 and there is now a designated team that will do the KVA meter reading from June 2022. The interim readings as a result of this, might have been estimated too low according to the Billing section. Sanitation service charges is showing an over-recovery of 12.4%, as a result of the actuals billed being higher than the YTD budget.
- ❖ Interest earned – External investments shows a negative variance of minus 75.2%, as a result of accrued interest revenue that was recognised for the 2020/21 financial year. It should be noted that investments have been declining year-on-year but have remained relatively constant for the period under review. This however, also served as a major impediment preventing the municipality from actually earning more interest. Due to financial constraints the municipality could not increase its investments which largely contributes to the lower interest earned. The reduced interest rate by the Reserve bank, prior to the latest interest rate hikes, also had a negative impact on Interest earned. The bulk of the interest earned normally gets recognised at year-end.

- ❖ Interest earned on outstanding debtors is showing a negative variance of minus 16.6%. The Billing section will have to do a thorough investigation into the lower interest generated and ascertain that interest is being duly charged to all outstanding balances that should attract interest and also confirm if interest write-offs are not erroneously done against the income vote.
- ❖ Fines, penalties and forfeits is showing a negative variance of 86.1% as a result of the under-recovery of Law enforcements fines with a 8.57% achieved versus a target of R17,900 million. The unit is experiencing various challenges in terms of capacity and the process of the reconciliation of fines with the Department of Justice needs to improve. Added to this, Covid-19 had put a heavy strain on the collection of fines as physical contact is limited in the apprehension of offenders and execution of warrant of arrests. Final fine recognition will be finalised as part of year-end procedures aligned to iGRAP 1. Penalties: Disconnection fees achieved an actual of 19.17% against an annual target of R16,500 million. The bulk blocking of prepaid meters could not materialise but Credit Control is embarking on a campaign for debt collection efforts.
- ❖ Licences and permits is showing a positive variance of 37.9%, however there are possible outstanding payments due to the Department of Transport, Safety and Liaison. There is sometimes a delay in the timing of receipts and eventual transfer, especially towards month-end. The responsible employee for this function, retired and the unit is experiencing some change-over challenges in this regard. It appears there is improvement compared to the prior months.
- ❖ Capital grants is showing a negative variance of 36.6%, as a result of the lower than anticipated capital grant expenditure. Serious intervention will have to be taken by Management to improve on capital grant expenditure and capital expenditure overall.

Comparison against Adjusted Budget

Based on the IYM percentage of 100%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is performing satisfactorily.
- ❖ Service charges is performing satisfactorily. The negative variance on Electricity sales of 15.4% is higher than the acceptable variance of 5%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from External Investments shows an unsatisfactory variance of minus 75.2%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on outstanding debtors is showing a negative variance of 16.6%. Same factors are applicable as described in the paragraph above
- ❖ Fines, penalties and forfeits is showing a negative variance of 86.1%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 37.9%. Same factors are applicable as described in the paragraph above.
- ❖ Other Revenue is lower than anticipated.
- ❖ Transfers – recognised capital is showing a negative variance of 36.6%, as a result of the lower grant spending.

Also indicated in Chart 2 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 June 2022. The main contributors of the municipality's revenue are Service Charges (53.1%), Property Rates (28.5%) and Transfers and subsidies (10.1%).

Chart 1: Revenue by Source: YTD Actual as a % of Total Revenue as at 30 June 2022 (R'000)

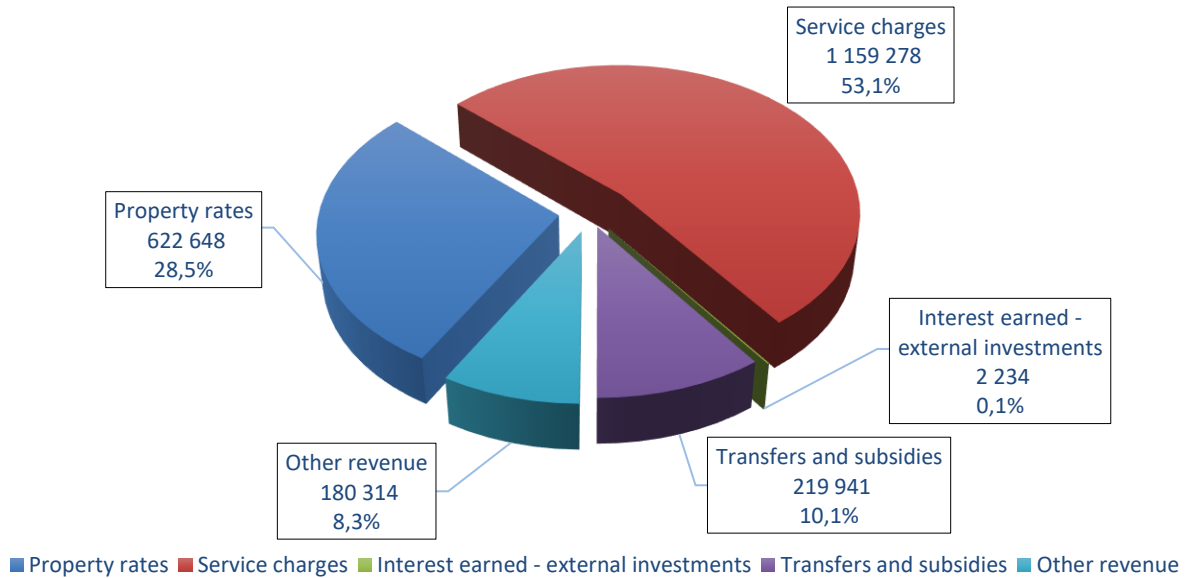


Chart 2: Revenue by Source - YTD Actual as a percentage of Total Revenue

3.2 Revenue By Vote

The responsibility of billing and enhancing revenue is delegated to all directorates as per their budgets and functions. The financial services however, carries the bigger task of ensuring correct billing, to the correct customer and that the bill reaches the customer within 5 days from date of billing.

The municipality generates revenue primarily from service charges and property rates. Infrastructure is therefore the main revenue generating vote. The Municipal and General vote consists mostly of grants received by the municipality. Refuse revenue resorts under Community Services and this vote also generates income from renting out municipal facilities e.g. halls and recreation facilities.

In Table 6 below represents revenue for the quarter generated from various votes as per the functions of assigned to the vote.

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		419,084	478,759	428,992	34,235	345,770	428,992	(83,222)	-19.4%	428,992
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	7,078	5	1,968	7,078	(5,109)	-72.2%	7,078
Vote 05 - Community Services		90,521	110,627	114,127	7,420	98,387	114,127	(15,740)	-13.8%	114,127
Vote 06 - Financial Services		594,906	623,229	623,229	47,158	631,529	623,229	8,300	1.3%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	23,441	15,068	20,290	23,441	(3,151)	-13.4%	23,441
Vote 08 - Infrastructure And Services		1,056,784	1,305,018	1,305,018	90,157	1,168,668	1,305,018	(136,350)	-10.4%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,176,898	2,533,477	2,501,884	194,042	2,266,612	2,501,884	(235,271)	-9.4%	2,501,884
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,824	52,211	57,883	(5,672)	-9.8%	57,883
Vote 02 - Municipal And General		335,678	335,456	338,656	17,377	211,374	338,656	(127,282)	-37.6%	338,656
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,708	19,750	25,025	(5,275)	-21.1%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,485	3,274	63,834	73,485	(9,651)	-13.1%	73,485
Vote 05 - Community Services		259,526	297,403	300,903	21,128	282,553	300,903	(18,349)	-6.1%	300,903
Vote 06 - Financial Services		126,380	152,611	152,611	10,536	126,989	152,611	(25,623)	-16.8%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,592	4,265	54,837	59,592	(4,755)	-8.0%	59,592
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,413,435	114,504	1,158,807	1,413,435	(254,628)	-18.0%	1,413,435
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,166,359	2,344,984	2,421,590	177,615	1,970,355	2,421,590	(451,235)	-18.6%	2,421,590
Surplus/ (Deficit) for the year	2	10,539	188,493	80,293	16,427	296,257	80,293	215,964	269.0%	80,293

Table 6 : Revenue by Vote

3.3 Revenue by Major Service

3.3.1 Housing

The municipality holds rental stock and the letting of this stock is managed by the Housing Section within the Infrastructure and Services Directorate. It is expected that the cost of administering this function including general maintenance of these units should be recovered from the rental service charges as determined by Council in its tariffs.

The table below indicates annual estimated rental income of R12 401 000 and year to date billed rental income is R12 191 990 which shows a satisfactory variance of 1% for the year. The billed revenue is based on the number of flats at 100% occupancy rate at all times. It is noticeable that the expenditure incurred by this unit exceeds the revenue generated by roughly R7 million. The municipality will have to put a strategy in place in order to deal with this situation.

Votenum	Description	Original	Budget	Curr Mth Ex	YTD Movem	Unspend E	Perc
28400000010000000000	HOUSING						
28401000000000000000	REVENUE						
28401389900000000000	SUB TOTAL : OPERATIONAL REVENUE	-1 000.00	-1 000.00	-374.00	-40 835.53	39 835.53	999.99
28401409900000000000	SUB TOTAL : RENTAL FROM FIXED ASSET	-12 400 000.00	-12 400 000.00	-1 016 076.19	-12 151 155.28	-248 844.72	97.99
28401499920000000000	SUB TOTAL : EXCHANGE REVENUE	-12 401 000.00	-12 401 000.00	-1 016 450.19	-12 191 990.81	-209 009.19	98.31
28401999980000000000	TOTAL : INCOME	-12 401 000.00	-12 401 000.00	-1 016 450.19	-12 191 990.81	-209 009.19	98.31
28402000000000000000	EXPENDITURE						
28402119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BE	17 272 255.00	17 272 255.00	1 167 512.60	14 769 345.16	2 502 909.84	85.50
28402139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTION	4 120 317.00	4 120 317.00	268 606.82	3 320 796.93	799 520.07	80.59
28402159920000000000	SUB TOTAL : MUNICIPAL STAFF	21 392 572.00	21 392 572.00	1 436 119.42	18 090 142.09	3 302 429.91	84.56
28402159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	21 392 572.00	21 392 572.00	1 436 119.42	18 090 142.09	3 302 429.91	84.56
28402279900000000000	SUB TOTAL : CONSULTANT AND PROF SE	15 000.00	15 000.00	-	-	15 000.00	-
28402289920000000000	SUB TOTAL : CONTRACTED SERVICES	15 000.00	15 000.00	-	-	15 000.00	-
28402309900000000000	SUB TOTAL : OPERATIONAL COST	574 037.00	574 037.00	-1 248 741.59	219 708.88	354 328.12	38.27
28402329900000000000	SUB TOTAL - INVENTORY	1 498 000.00	1 498 000.00	115 481.78	1 459 323.35	38 676.65	97.41
28402999980000000000	TOTAL : EXPENDITURE	23 479 609.00	23 479 609.00	302 859.61	19 769 174.32	3 710 434.68	84.19
28402999990000000000	TOTAL : SURPLUS/DEFICIT	11 078 609.00	11 078 609.00	-713 590.58	7 577 183.51	3 501 425.49	68.39

3.3.2 Electricity

Revenue from sale of electricity is the major revenue source of the municipality. Sale of electricity is done through a conventional meter or prepaid electricity meter. Most of residential and small businesses are on prepaid electricity whilst large customers are on conventional/ credit meter. Prepaid meter has far reaching benefits compared to the conventional metering system. These benefits include controlling demand and usage of electricity within budget, no surprise accounts at month as in the case with conventional meter, easy to monitor as balances can be checked on the meter device at any given point in time. It was identified that there are prepaid meters that show no activity. The municipality is of the view that this significantly contributes to the revenue losses and electricity losses.

An Active Revenue Enhancement Committee is in place, and is working on strategies to improve collection. Credit Control Section and Call Centre are also actively working on revenue collection initiatives.

Votenum	Description	Original	Budget	Curr Mth Ex	YTD Movem	Unspend Bud	Perc
28800000010000000000	ELECTRICITY						
28801000000000000000	REVENUE						
28801329900000000000	SUB TOTAL : SERVICE CHARGES	-861 156 564.00	-861 156 564.00	-59 767 832.07	-728 577 351.85	-132 579 212.15	84.60
28801349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-16 000 000.00	-16 000 000.00	-1 414 978.49	-13 686 036.27	-2 313 963.73	85.53
28801499920000000000	SUB TOTAL : EXCHANGE REVENUE	-877 156 564.00	-877 156 564.00	-61 182 810.56	-742 263 388.12	-134 893 175.88	84.62
28801999980000000000	TOTAL : INCOME	-877 156 564.00	-877 156 564.00	-61 182 810.56	-742 263 388.12	-134 893 175.88	84.62
28802000000000000000	EXPENDITURE						
28802119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BEN	44 629 302.00	44 629 302.00	3 372 400.45	41 462 809.31	3 166 492.69	92.90
28802139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	9 473 894.00	9 473 894.00	737 946.84	8 703 400.64	770 493.36	91.86
28802159920000000000	SUB TOTAL : MUNICIPAL STAFF	54 103 196.00	54 103 196.00	4 110 347.29	50 166 209.95	3 936 986.05	92.72
28802159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	54 103 196.00	54 103 196.00	4 110 347.29	50 166 209.95	3 936 986.05	92.72
28802269900000000000	SUB TOTAL : OUTSOURCE SERVICES	156 000.00	656 000.00	31 248.47	173 735.03	482 264.97	26.48
28802279900000000000	SUB TOTAL : CONSULTANT AND PROF SE	1 000 000.00	-	-	-	-	-
28802289900000000000	SUB TOTAL : CONTRACTORS	27 600 000.00	25 660 000.00	2 263 724.67	24 637 018.67	1 022 981.33	96.01
28802289920000000000	SUB TOTAL : CONTRACTED SERVICES	28 756 000.00	26 316 000.00	2 294 973.14	24 810 753.70	1 505 246.30	94.28
28802309900000000000	SUB TOTAL : OPERATIONAL COST	2 609 660.00	2 989 660.00	144 231.23	1 671 878.88	1 317 781.12	55.92
28802329900000000000	SUB TOTAL - INVENTORY	31 102 000.00	31 125 000.00	1 252 070.04	30 348 512.49	776 487.51	97.50
28802349900000000000	SUB TOTAL : BULK PURCHASES	647 000 000.00	647 000 000.00	61 837 672.08	577 460 136.11	69 539 863.89	89.25
28802369900000000000	SUB TOTAL - INTEREST DIVID & RENT - LA	15 706 927.00	49 706 927.00	15 882 391.05	30 047 855.05	19 659 071.95	60.45
28802409900000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	70 000 000.00	70 000 000.00	-	35 000 000.00	35 000 000.00	50.00
28802729900000000000	SUB TOTAL : DEPRECIATION & AMORTISAT	8 650 000.00	8 650 000.00	-	-	8 650 000.00	-
28802999980000000000	TOTAL : EXPENDITURE	857 927 783.00	889 890 783.00	85 521 684.83	749 505 346.18	140 385 436.82	84.22
28802999990000000000	TOTAL : SURPLUS/DEFICIT	-19 228 781.00	12 734 219.00	24 338 874.27	7 241 958.06	5 492 260.94	56.87

The table above indicates that annual estimated revenue for electricity is R877 million with R742 million billed up to June (15% lower than projected). The total expenditure for the year amounted to R749 million – which is 15.78% below the projected R889 million for the 2021/22 financial year. Depreciation also still needs to be provided for as part of year-end procedures. The factoring in of these two items will have a significant impact on the total operational expenditure.

3.3.3 Water

Water is life. Availability, certainty and safety of water is of paramount importance to the municipality as the Water Services Authority. Infrastructure that is in good quality provides assurance of availability and certainty of water whilst operations and controls become very critical in as far as safety is concerned. All properties within the municipal jurisdiction has access to water, from free basic water to water used for industrial purposes.

Water is billed on a step tariff, with free basic water and first tariff being provided at the same price tag. However, free basic water revenue is recouped from Equitable share allocated against grants and subsidies made by the municipality.

Votenummer	Description	Original	Budget	Curr Mth Ex	YTD Moveme	Unspend Bu	Perc
2860000001000000000	WATER						
2860100000000000000	REVENUE						
2860132990000000000	SUB TOTAL : SERVICE CHARGES	-294 011 652.00	-294 011 652.00	-16 021 050.45	-281 945 267.15	-12 066 384.85	95.89
2860134990000000000	SUB TOTAL : INTEREST DIV RENT ON LAN	-34 000 000.00	-34 000 000.00	-3 456 534.35	-33 905 970.81	-94 029.19	99.72
2860142990000000000	SUB TOTAL : SALES & RENDERING OF SE	-600 000.00	-600 000.00	-37 107.83	-771 163.03	171 163.03	128.52
2860149992000000000	SUB TOTAL : EXCHANGE REVENUE	-328 611 652.00	-328 611 652.00	-19 514 692.63	-316 622 400.99	-11 989 251.01	96.35
2860199998000000000	TOTAL : INCOME	-328 611 652.00	-328 611 652.00	-19 514 692.63	-316 622 400.99	-11 989 251.01	96.35
2860200000000000000	EXPENDITURE						
2860211990000000000	SUB TOTAL : MS - SAL ALLOW & SERV BE	39 325 596.00	44 325 596.00	3 382 894.09	44 514 782.36	-189 186.36	100.42
2860213990000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTION	9 268 162.00	9 268 162.00	614 708.41	7 335 123.62	1 933 038.38	79.14
2860215992000000000	SUB TOTAL : MUNICIPAL STAFF	48 593 758.00	53 593 758.00	3 997 602.50	51 849 905.98	1 743 852.02	96.74
2860215994000000000	SUB TOTAL : EMPLOYEE RELATED COST	48 593 758.00	53 593 758.00	3 997 602.50	51 849 905.98	1 743 852.02	96.74
2860228990000000000	SUB TOTAL : CONTRACTORS	3 020 000.00	20 000.00	773.91	5 167.82	14 832.18	25.83
2860228992000000000	SUB TOTAL : CONTRACTED SERVICES	3 020 000.00	20 000.00	773.91	5 167.82	14 832.18	25.83
2860230990000000000	SUB TOTAL : OPERATIONAL COST	32 863 589.00	41 563 589.00	1 699 204.19	35 428 388.64	6 135 200.36	85.23
2860232990000000000	SUB TOTAL - INVENTORY	36 002 000.00	91 442 000.00	6 893 631.55	71 764 493.84	19 677 506.16	78.48
2860234990000000000	SUB TOTAL : BULK PURCHASES	114 000 000.00	-	-	-	-	-
2860236990000000000	SUB TOTAL - INTEREST DIVID & RENT - L	4 084 048.00	11 084 048.00	3 588 190.73	8 311 893.29	2 772 154.71	74.98
2860240990000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	50 000 000.00	50 000 000.00	-	25 000 000.00	25 000 000.00	50.00
2860272990000000000	SUB TOTAL : DEPRECIATION & AMORTISA	8 100 000.00	8 100 000.00	-	-	8 100 000.00	-
2860299998000000000	TOTAL : EXPENDITURE	296 663 395.00	255 803 395.00	16 179 402.88	192 359 849.57	63 443 545.43	75.19
2860299999000000000	TOTAL : SURPLUS/DEFICIT	-31 948 257.00	-72 808 257.00	-3 335 289.75	-124 262 551.42	51 454 294.42	170.67

Total water revenue for the 2021/22 financial year amounted to R328 million. The actual amounted to R316 million which shows a satisfactory variance of minus 3.6%. The actual expenditure incurred in this service as at end of June 2022 amounted R192 million which is 24.81% less than the projected figure of R256 million.

3.3.4 Sewerage

Sewer and sanitation tariffs recovers the costs of managing, operating and maintenance of treatment plants and the reticulation network. Other costs recovered from the tariffs are costs associated with any long term borrowing that would have financed infrastructure investments.

Sewer and sanitation fees are billed on a monthly flat rate for all customers. As such, the table below indicates the amount billed as at end of quarter four against the year to date budget as estimated during the budget assumptions.

Votenummer	Description	Original	Budget	Curr Mth E	YTD Movem	Unspend B	Perc
28500000010000000000	SEWERAGE						
28501000000000000000	REVENUE						
28501329900000000000	SUB TOTAL : SERVICE CHARGES	-76 648 456.00	-76 648 456.00	-7 234 700.92	-86 122 119.31	9 473 663.31	112.35
28501349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-10 200 000.00	-10 200 000.00	-1 080 305.32	-10 503 546.64	303 546.64	102.97
28501499920000000000	SUB TOTAL : EXCHANGE REVENUE	-86 848 456.00	-86 848 456.00	-8 315 006.24	-96 625 665.95	9 777 209.95	111.25
28501999980000000000	TOTAL : INCOME	-86 848 456.00	-86 848 456.00	-8 315 006.24	-96 625 665.95	9 777 209.95	111.25
28502000000000000000	EXPENDITURE						
28502119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	36 397 689.00	36 397 689.00	3 458 058.70	38 242 394.55	-1 844 705.55	105.06
28502139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	7 654 712.00	7 654 712.00	561 594.95	6 810 281.00	844 431.00	88.96
28502159920000000000	SUB TOTAL : MUNICIPAL STAFF	44 052 401.00	44 052 401.00	4 019 653.65	45 052 675.55	-1 000 274.55	102.27
28502159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	44 052 401.00	44 052 401.00	4 019 653.65	45 052 675.55	-1 000 274.55	102.27
28502289900000000000	SUB TOTAL : CONTRACTORS	40 000.00	40 000.00	-	3 869.56	36 130.44	9.67
28502289920000000000	SUB TOTAL : CONTRACTED SERVICES	40 000.00	40 000.00	-	3 869.56	36 130.44	9.67
28502309900000000000	SUB TOTAL : OPERATIONAL COST	1 902 091.00	1 902 091.00	-463 695.46	1 696 796.77	205 294.23	89.20
28502329900000000000	SUB TOTAL - INVENTORY	16 799 000.00	23 339 000.00	1 675 262.29	19 505 316.76	3 833 683.24	83.57
28502369900000000000	SUB TOTAL - INTEREST DIVID & RENT - LAND	2 260 479.00	2 260 479.00	1 092 403.11	2 260 479.00	-	100.00
28502409900000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	7 000 000.00	7 000 000.00	-	3 500 000.00	3 500 000.00	50.00
28502729900000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	13 700 000.00	13 700 000.00	-	-	13 700 000.00	-
28502999980000000000	TOTAL : EXPENDITURE	85 753 971.00	92 293 971.00	6 323 623.59	72 019 137.64	20 274 833.36	78.03
28502999990000000000	TOTAL : SURPLUS/DEFICIT	-1 094 485.00	5 445 515.00	-1 991 382.65	-24 606 528.31	30 052 043.31	-451.86

The total revenue for the year is R96 625 million against a projected revenue of R86 848 million, an extremely satisfactory variance of 11.25%. Actual expenditure incurred in this service amounted to R72 million – which is 21.97% less than the projected R92 million.

3.3.5 Refuse Removal

As with sewer and sanitation, tariff charges for refuse collecting are billed on flat rate monthly as per the tariff book. All residential customers receive a door-to-door collection service at least once a week. The service is rendered by the municipality using its own fleet and staff.

Votenummer	Description	Original	Budget	Curr Mth E	YTD Movem	Unspend B	Perc
24800000010000000000	REFUSE						
24801000000000000000	REVENUE						
24801329900000000000	SUB TOTAL : SERVICE CHARGES	-59 566 822.00	-59 566 822.00	-4 873 729.71	-62 633 644.62	3 066 822.62	105.14
24801349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-11 000 000.00	-11 000 000.00	-830 655.69	-8 097 824.50	-2 902 175.50	73.61
24801429900000000000	SUB TOTAL : SALES & RENDERING OF SER	-25 000.00	-25 000.00	-	-	-25 000.00	-
24801499920000000000	SUB TOTAL : EXCHANGE REVENUE	-70 591 822.00	-70 591 822.00	-5 704 385.40	-70 731 469.12	139 647.12	100.19
24801999980000000000	TOTAL : INCOME	-70 591 822.00	-70 591 822.00	-5 704 385.40	-70 731 469.12	139 647.12	100.19
24802000000000000000	EXPENDITURE						
24802119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	35 648 214.00	35 648 214.00	2 769 454.87	40 932 634.40	-5 284 420.40	114.82
24802139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	8 198 903.00	8 198 903.00	577 860.20	7 064 091.30	1 134 811.70	86.15
24802159920000000000	SUB TOTAL : MUNICIPAL STAFF	43 847 117.00	43 847 117.00	3 347 315.07	47 996 725.70	-4 149 608.70	109.46
24802159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	43 847 117.00	43 847 117.00	3 347 315.07	47 996 725.70	-4 149 608.70	109.46
24802309900000000000	SUB TOTAL : OPERATIONAL COST	1 759 705.00	2 019 705.00	62 059.61	1 897 477.62	122 227.38	93.94
24802329900000000000	SUB TOTAL - INVENTORY	21 085 000.00	20 825 000.00	1 997 521.07	18 046 965.90	2 778 034.10	86.66
24802409900000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	3 000 000.00	3 000 000.00	-	1 500 000.00	1 500 000.00	50.00
24802720000000000000	DEPRECIATION & AMORTISATION						
24802723300000000000	DEPRECIATION LANDFILL SITES	900 000.00	900 000.00	-	-	900 000.00	-
24802729900000000000	SUB TOTAL : DEPRECIATION & AMORTISAT	900 000.00	900 000.00	-	-	900 000.00	-
24802999980000000000	TOTAL : EXPENDITURE	70 591 822.00	70 591 822.00	5 406 895.75	69 441 169.22	1 150 652.78	98.36
24802999990000000000	TOTAL : SURPLUS/DEFICIT	-	-	-297 489.65	-1 290 299.90	1 290 299.90	-

The total revenue including service charges of refuse collection is R70 731 million with a satisfactory variance of 0.19% when compared to budget of R70 591 million.. The expenditure incurred of R69 441 million which is 1.64% less than the budgeted amount of R70 591 million.

3.4 Debtors Management

Indicated in Table 7 below, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R2,975,782 billion as at the end of June 2022. The Credit control office implemented the following contingencies. In the light of current cash flow and very low cashier collection at points, disconnection and blocking of institutions, businesses and Government Departments without valid arrangements or not in discussions with the municipality, should be done with immediate effect. The municipality will be embarking on Credit Control And Indigent Assistance Awareness Campaign.

Through this campaign we seek to educate Consumers on the importance of the payment of accounts and the detrimental effect non-payment has on service delivery. We aim to have our Customers (from all our Customer Groups) that are in arrears and are able to pay their accounts, to make payment or make a payment arrangement on their account. The campaign will also inform and create an awareness to Customers as to the assistance provided by the Municipality in relation to the payment of accounts (our social package, discounts and incentives).

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2021/22											
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	42,451	17,358	17,456	518,238	–	–	–	–	595,502	518,238	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	69,758	11,657	9,388	218,508	–	–	–	–	309,310	218,508	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	52,102	14,402	13,252	713,244	–	–	–	–	793,000	713,244	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	12,437	4,452	4,261	161,593	–	–	–	–	182,743	161,593	–	–
Receivables from Exchange Transactions - Waste Management	1600	9,671	3,361	3,244	123,922	–	–	–	–	140,198	123,922	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	558	502	488	39,215	–	–	–	–	40,763	39,215	–	–
Interest on Arrear Debtor Accounts	1810	25,107	11,745	11,181	639,273	–	–	–	–	687,306	639,273	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	12,533	3,034	2,633	208,760	–	–	–	–	226,960	208,760	–	–
Total By Income Source	2000	224,616	66,509	61,904	2,622,753	–	–	–	–	2,975,782	2,622,753	–	–
2020/21 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	44,669	10,885	10,718	753,503	–	–	–	–	819,775	753,503	–	–
Commercial	2300	77,589	17,009	13,702	406,724	–	–	–	–	515,026	406,724	–	–
Households	2400	99,685	37,368	36,355	1,410,785	–	–	–	–	1,584,194	1,410,785	–	–
Other	2500	2,672	1,247	1,128	51,740	–	–	–	–	56,787	51,740	–	–
Total By Customer Group	2600	224,616	66,509	61,904	2,622,753	–	–	–	–	2,975,782	2,622,753	–	–

Table 7: Supporting Table SC3: Aged Debtors

Chart 3 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which remained constant at 88% for the period under review. Debt over 90 days increased by R4,737 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R14,039 million. It is concerning that total debt over 90 days is hovering at an average of 87 percent. During the Adjustment Budget funding assessment for 2019/20, NT advised that the municipality should consider writing off debtors that we know we are not realistically going to collect. To this end, the amounts written off as uncollectable amounted to R403,262 million for the year ended 30 June 2020. For the year ended 30 June 2021, the amounts written off as uncollectable amounted to R330,209 million. The total amounts written off as uncollectable for the two financial years amounts to R733,470 million.

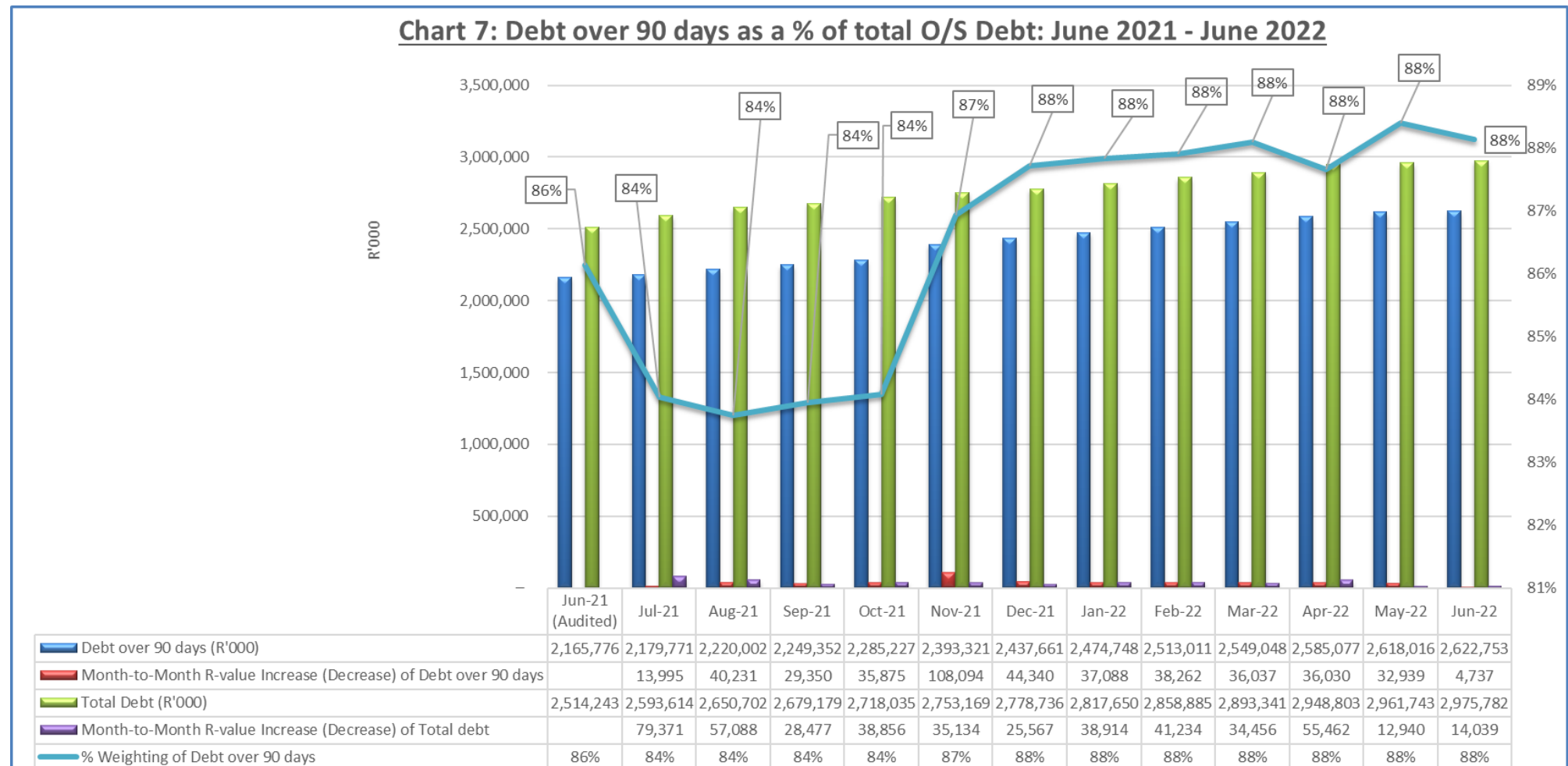


Chart 3: Debt over 90 days as a percentage of Total O/S Debt

Chart 4: Outstanding Debt by Income Source as at 30 June 2022

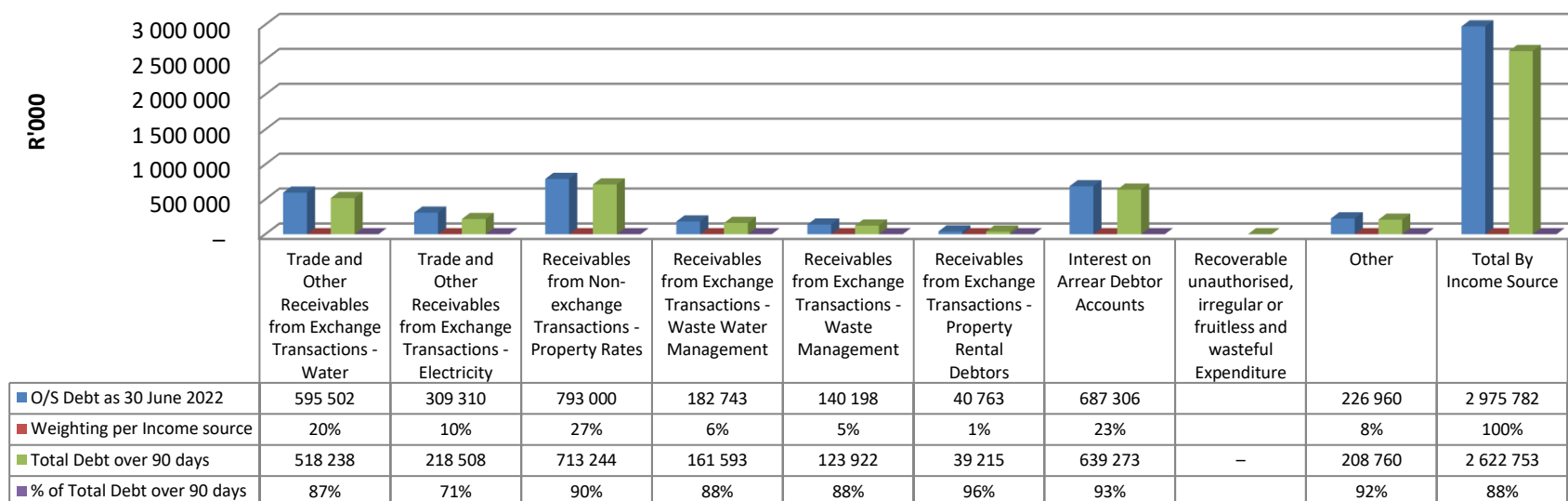


Chart 4: Outstanding Debt by Income Source

Indicated in Chart 4 above, is the total outstanding debt per Income Source, including the weighting and the percentage of Total Debt over 90 days as at the end of June 2022. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 27%
- ❖ Interest on Arrear Debtor Accounts 23%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 20%

The highest percentage weighting of debt owed in excess of 90 days is attributable to:

- ❖ Interest on Arrear Debtor Accounts at 93%;
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 96%
- ❖ Other at 92% and Property Rates at 90%.

Debtors Age Analysis By Income Source	O/S Debt as 31 May 2022	O/S Debt as 30 June 2022	Percentage month-on-month Increase/(Decrease) in Debtors	R-Value Increase/(Decrease)	Weighting of Debt per Category as a % of Total O/S
Trade and Other Receivables from Exchange Transactions - Water	587,607,366	595,502,425	1.3%	7,895,059	20%
Trade and Other Receivables from Exchange Transactions - Electricity	296,454,038	309,310,287	4.2%	12,856,249	10%
Receivables from Non-exchange Transactions - Property Rates	812,631,919	793,000,117	-2.5%	-19,631,802	27%
Receivables from Exchange Transactions - Waste Water Management	180,067,393	182,742,552	1.5%	2,675,159	6%
Receivables from Exchange Transactions - Waste Management	138,142,383	140,197,875	1.5%	2,055,492	5%
Receivables from Exchange Transactions - Property Rental Debtors	47,480,243	40,762,907	-16.5%	-6,717,336	1%
Interest on Arrear Debtor Accounts	679,926,799	687,305,736	1.1%	7,378,937	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	219,433,324	226,960,104	3.3%	7,526,780	8%
Total By Income Source	2,961,743,465	2,975,782,003	0.5%	14,038,538	100%
Debtors Age Analysis By Customer Group					
Organs of State	829,243,942	819,775,187	-1.2%	-9,468,755	28%
Commercial	514,640,690	515,025,786	0.1%	385,096	17%
Households	1,561,632,817	1,584,193,696	1.4%	22,560,879	53%
Other	56,226,016	56,787,334	1.0%	561,318	2%
Total By Customer Group	2,961,743,465	2,975,782,003	0.5%	14,038,538	100%

Table 8: Month-on-month growth in outstanding debtors

Indicated in Table 8 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group, from May 2022 to June 2022, the municipality's total O/S debt increased by 0.5% or R14,039 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 1.3%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity increased by 4.2%.
- ❖ Receivables from Non-exchange Transactions - Property Rates decreased by 2.5%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.5%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.5%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors decreased by 16.5%.
- ❖ Interest on Arrear Debtor Accounts increased by 1.1%.
- ❖ Other increased by 3.3%.

O/S debt per Customer Group

- ❖ Organs of State decreased by 1.2%.
- ❖ Commercial debtors increased by 0.1%.
- ❖ Debt owed by Households increased by 1.4%.
- ❖ Other Debt increased by 1.0%.

Weighting per Customer Group

- ❖ Government debt constitutes 28%, Businesses 17%, Households 53% and Other 2% of the total outstanding debt.

Chart C3 Aged Consumer Debtors Analysis

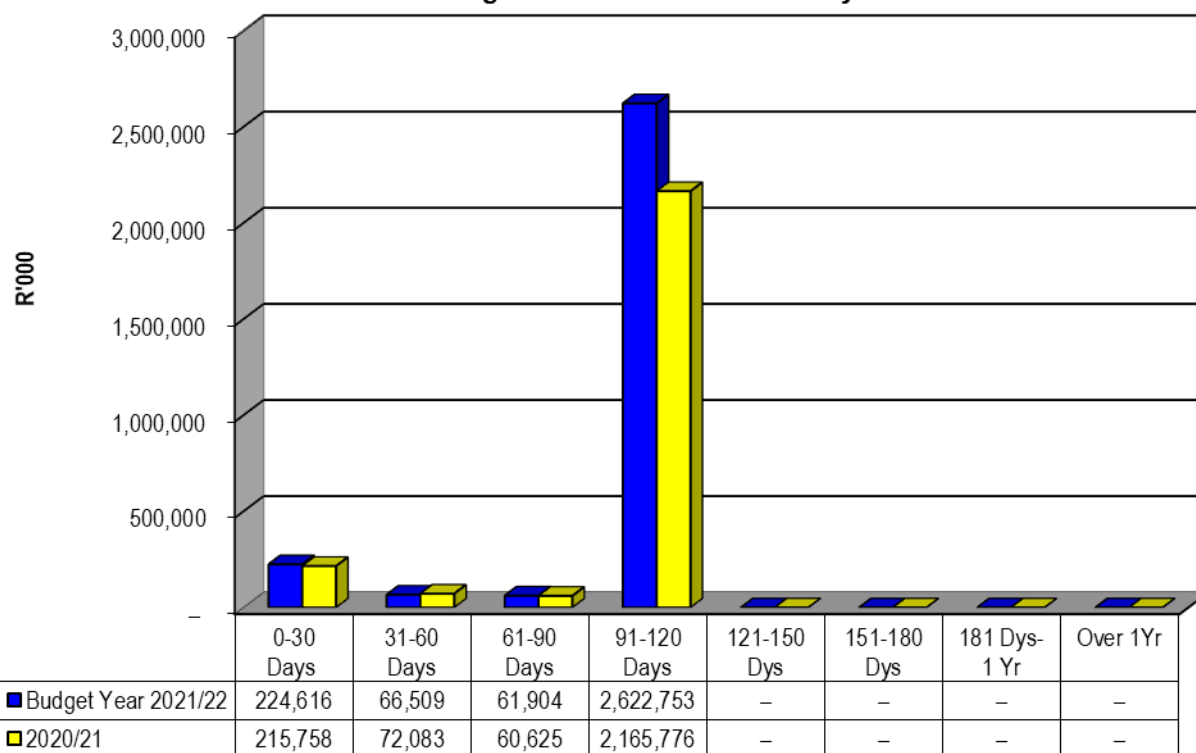


Chart 5: Aged Consumer Debtors Analysis

Chart C4 Consumer Debtors (total by Debtor Customer Category)

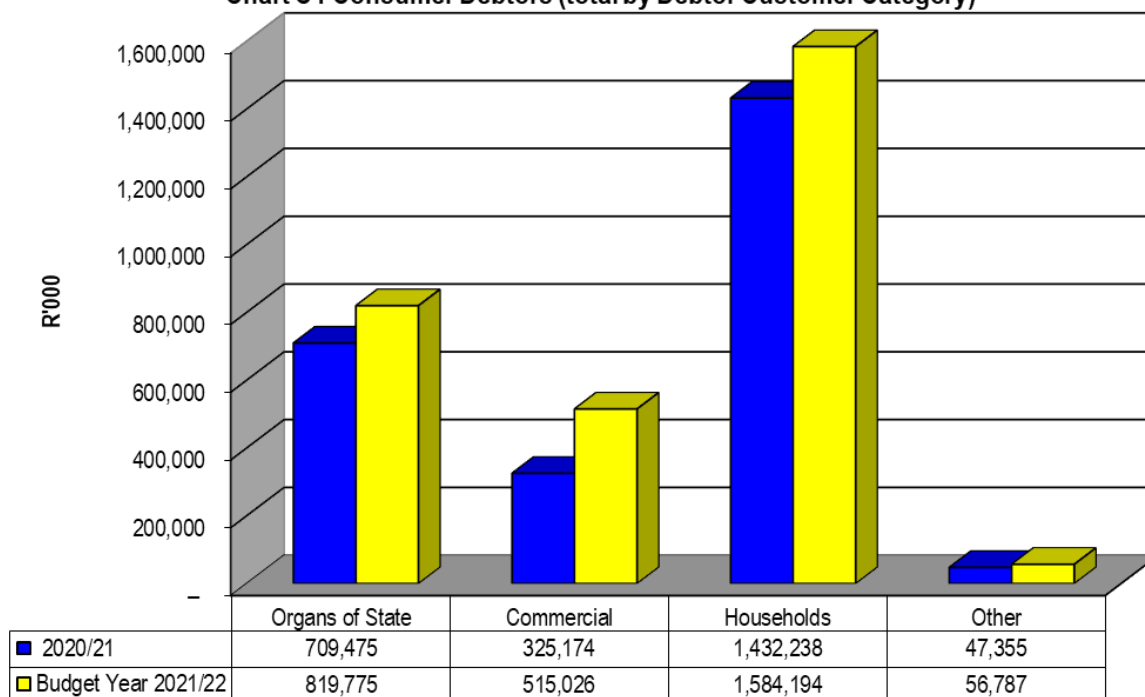


Chart 6: Consumer Debtors (total by Debtor Customer Category)

Chart 11: Debtor's Age Analysis per Customer Group as at 30 June 2022

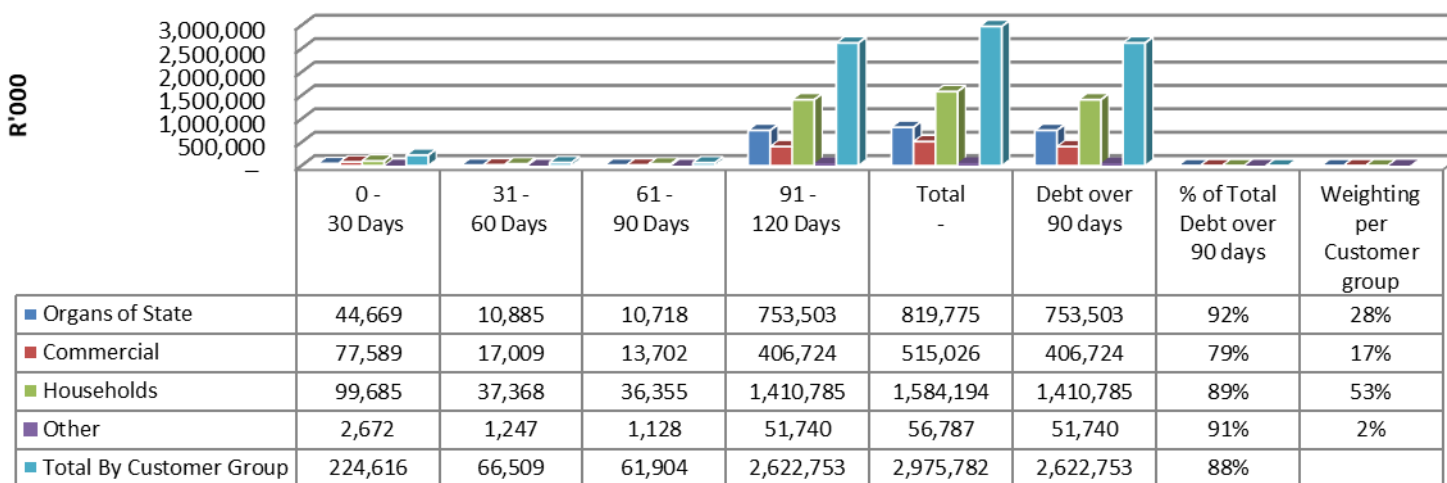


Chart 7: Debtor's Age Analysis per Customer Group

Chart 7 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 88%. An analysis revealed that the catalysts for this condition are the sheer volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. This is compounded by the large number of water leaks that go unreported which causes the accountholder's account to escalate beyond their means to pay. In addition to this, there is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. We have a backlog of processing this debt and submitting this to Council for approval to write off.

We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts. We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality. The Covid-19 pandemic also adversely affected consumer's ability to pay, this is evident by the average monthly collection rate of 69%. The municipality has been providing additional incentives to assist consumers to settle their arrear accounts.

During the Mid-year Budget Assessment for 2021/22 financial year and indicated below are the Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses

- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt
- Data cleansing of the entire debtor's book
- Data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (sms) and e-mail
- Improve in the accuracy of monthly billing
- Ensure meters are read consistently and timeously
- Significantly reduce interim readings and ultimately eliminate interim readings
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries
- Introduce electronic complaints management system/register for account queries
- Ensure faulty and bypassed electricity meters are replaced
- Ensure that stuck, leaking, faulty or damaged water meters are replaced
- Do regular follow-ups on meter replacements
- Accurately update the system with latest information
- Reduce the turnaround time for installation of replacement or new meters
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing
- Interrogate billing and prepaid electricity reports on a monthly basis and take immediate remedial action to address anomalies or discrepancies
- Ensure that all billable properties are billed for Property rates and services
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system
- Reduce Electricity and Water losses
- Finalise the Riverton reclamation dam to reduce water losses at the Plant by at least 6%
- Introduce automated metering for bulk consumers
- Electricity Cost of Supply Study was finalised
- Ensure qualifying indigents are registered on the system, immediately upon verification
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed immediately for all approved indigents
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures
- Prioritisation of spending
- Improve on routine maintenance on particularly revenue generating assets
- Spend funds effectively with good value for money

3.5 Revised Collection Rate

As per Table 9 below, when taking into consideration what was billed in May 2022 and received in June 2022, the monthly collection rate is 68%. The average monthly collection rate is 67%. This is not an ideal situation and the lower collection rate is having a dire impact on the cash flow of the municipality. The current status quo cannot continue and drastic action will have to be taken to address this critical issue. Indicated in Table 10 below is the revised average collection of 73% for the period under review. When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 June to 30 June 2022. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September/October 2021 to settle their outstanding accounts. However, this is not materializing.

Monthly Collection Rate	Debits (Billed May 2022)	Credits (Received June 2022)	% Collected
PROPERTY RATES	45,483,586	30,887,737	68%
ELECTRICITY	35,560,751	30,906,869	87%
WATER	23,323,396	13,447,797	58%
SEWERAGE	8,704,878	3,839,576	44%
REFUSE	6,698,132	3,041,212	45%
OTHER	14,948,275	10,152,169	68%
Total	134,719,018	92,275,360	68%

Monthly collection rate per service													
Revenue source	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Average
Property Rates	62%	25%	81%	66%	63%	56%	62%	68%	62%	63%	67%	68%	57%
Electricity excl Prepays	80%	77%	69%	80%	84%	87%	71%	84%	80%	86%	83%	87%	80%
Water	85%	47%	47%	57%	52%	58%	44%	45%	50%	60%	54%	58%	54%
Sewerage	48%	44%	43%	46%	44%	40%	39%	37%	43%	45%	40%	44%	43%
Refuse	48%	47%	44%	49%	46%	43%	42%	41%	46%	47%	42%	45%	45%
Other	108%	50%	108%	129%	103%	86%	126%	83%	88%	42%	70%	68%	87%
Monthly collection rate	74%	41%	69%	72%	67%	66%	64%	66%	65%	64%	66%	68%	64%
Average monthly collection rate for last four months (Sep 2021 to Jun 2022)													67%

Table 9: Monthly Collection Rate

REVENUE BY SOURCE	YTD ACTUAL JUNE 2022		YTD RECEIPTS	Rate
PROPERTY RATES	R	622,648,089	R 371,951,029	59.7%
SERVICE CHARGE ELECTRICITY	R	447,006,712	R 372,393,838	83.3%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R	281,570,640	R 281,570,640	100.0%
SERVICE CHARGE WATER	R	281,945,267	R 163,581,892	58.0%
SERVICE CHARGE SANITATION	R	86,122,119	R 43,592,131	50.6%
SERVICE CHARGE REFUSE	R	62,633,645	R 34,636,518	55.3%
OTHER	R	151,243,231	R 136,181,100	90.0%
UNALLOCATED CREDITS			R 7,945,778	
REVISED AVERAGE COLLECTION RATE - JUNE 2022	R	1,933,169,702	R 1,411,852,925	73.0%

Table 10: Revised Average collection rate

Indicated in the Tables 11 and 12 below, are the receipts per Service and per Debtor type as per the BS566 report.

BS566 Payments per Service per Day/Period - Service														
Per Service	Tariff Code	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	TOTAL
PROPERTY RATES	VA	-	710.80	-	-	337.67	-	-	-	-	3,707.22	-	-	4,755.69
PROPERTY RATES	VA2010	98.54	400.00	73.74	270.53	-	-	-	-	34.10	-	34.93	-	911.84
PROPERTY RATES	VARESD	12,007,341.97	12,212,368.68	12,163,799.89	11,222,764.30	12,293,562.39	12,363,070.16	12,128,954.62	12,339,698.04	12,985,065.72	10,123,454.08	12,231,314.31	12,222,536.92	144,293,931.08
PROPERTY RATES	VASRA	679,537.02	722,394.72	699,696.30	604,340.70	747,694.53	440,138.49	528,009.78	489,285.20	785,104.34	51,698.79	590,045.62	723,091.43	7,061,036.92
PROPERTY RATES	VABCOM	12,149,403.43	14,308,811.99	15,446,038.89	13,892,475.88	12,974,181.89	11,752,697.83	12,430,278.68	14,967,037.26	14,470,105.49	10,598,471.63	14,008,828.33	15,514,951.59	162,513,282.89
PROPERTY RATES	VAIND	1,344,417.62	1,525,434.72	1,314,215.38	1,392,330.34	1,360,965.99	1,613,437.22	1,900,514.55	1,580,989.88	1,430,007.94	1,306,230.34	1,885,782.79	1,719,986.73	18,374,313.50
PROPERTY RATES	VAFAG	100,199.84	107,193.66	126,646.12	100,059.69	99,002.70	101,589.77	83,275.03	116,989.81	112,437.37	84,997.10	105,557.32	83,140.04	1,212,088.45
PROPERTY RATES	VAFARE	23,064.20	14,172.13	21,678.35	9,219.56	20,891.37	25,252.88	11,440.84	15,653.62	34,824.92	9,645.30	13,154.67	22,343.63	221,341.47
PROPERTY RATES	VAMUN	570.12	-	1,140.24	570.12	-	-	-	-	-	-	-	-	2,280.48
PROPERTY RATES	VAGOVN	962,992.98	1,446,092.14	7,006,585.48	545,618.29	499,289.09	769,807.21	349,257.59	1,367,140.19	686,729.78	1,397,593.41	3,211,585.71	17,010,789.71	35,253,481.58
PROPERTY RATES	VARESV	219,155.37	168,997.49	210,933.49	292,794.10	201,372.36	197,124.58	136,125.93	169,181.12	160,083.14	235,225.04	151,956.36	273,149.73	2,416,098.71
PROPERTY RATES	VAPBO	-	-	772.00	-	2,500.00	2,500.00	-	-	-	-	7.10	-	5,779.10
PROPERTY RATES	VAFABC	31,124.00	52,728.24	50,268.00	33,094.16	58,409.06	46,723.33	49,358.56	34,857.71	101,835.79	25,345.40	45,669.62	53,313.44	582,727.31
TOTAL PROPERTY RATES		27,517,905.09	30,559,304.57	37,041,847.88	28,093,537.67	28,258,207.05	27,312,341.47	27,617,215.58	31,080,832.83	30,766,228.59	23,836,368.31	32,243,936.76	47,623,303.22	371,951,029.02
BASIC ELECTRICITY	BE	467,974.35	474,997.38	528,492.86	492,282.43	496,021.06	455,352.49	464,061.99	449,545.16	499,539.64	436,930.90	499,539.64	525,623.60	5,798,761.68
ELECTRICITY	EL	28,210,519.51	34,737,091.67	37,135,052.34	32,776,764.99	29,021,762.79	30,778,191.55	24,843,424.93	30,668,346.82	29,967,837.52	26,568,567.98	35,098,367.14	26,789,148.96	366,595,076.20
PREPAID ELECTRICITY		27,317,859.54	25,196,134.81	22,614,270.11	22,814,541.03	21,748,681.17	23,083,580.02	22,803,671.63	21,493,347.43	22,952,937.01	22,315,026.65	23,611,488.97	25,935,101.50	281,570,638.87
TOTAL ELECTRICITY		55,996,353.40	60,408,223.86	60,277,815.31	55,767,588.45	51,266,465.02	54,317,124.06	48,111,158.55	52,611,239.41	53,428,714.17	49,320,525.53	59,209,395.93	53,249,874.06	653,964,477.75
BASIC WATER	BW	45,774.06	44,178.85	42,504.92	72,083.06	51,824.65	34,474.56	30,699.68	26,408.70	42,241.83	43,610.96	43,446.02	45,697.97	522,945.26
WATER CONSUMPTION	WA	16,299,907.56	9,977,711.36	14,816,830.56	9,438,590.61	14,778,821.25	15,159,806.92	12,215,625.34	13,704,604.24	13,771,702.44	13,699,678.14	18,203,228.13	10,992,439.69	163,058,946.24
TOTAL WATER		16,345,681.62	10,021,890.21	14,859,335.48	9,510,673.67	14,830,645.90	15,194,281.48	12,246,325.02	13,731,012.94	13,813,944.27	13,743,289.10	18,246,674.15	11,038,137.66	163,581,891.50
BASIC SEWERAGE	BS	245,124.26	182,272.32	199,980.15	245,775.14	214,603.14	204,780.42	368,602.87	175,296.35	249,426.23	184,481.34	345,566.49	314,265.43	2,930,174.14
SANITATION	SE	3,799,122.39	3,387,940.08	3,510,835.65	3,312,467.68	3,561,571.37	3,442,467.35	2,920,665.72	2,991,866.96	3,665,190.66	3,089,557.62	3,445,009.96	3,535,261.54	40,661,956.98
TOTAL SANITATION		4,044,246.65	3,570,212.40	3,710,815.80	3,558,242.82	3,776,174.51	3,647,247.77	3,289,268.59	3,167,163.31	3,914,616.89	3,274,038.96	3,790,576.45	3,849,526.97	43,592,131.12
REFUSE	BR	2,815,388.72	2,605,275.97	2,682,447.75	2,550,730.53	2,709,474.69	2,691,741.83	2,376,501.06	2,418,099.69	2,911,640.16	2,413,743.78	2,645,827.38	2,725,276.35	31,546,147.91
ADD REFUSE	RF	252,390.81	273,761.64	276,423.29	276,423.29	250,511.18	247,347.04	274,211.28	223,416.73	254,950.11	230,092.90	355,418.72	258,692.60	3,090,370.43
TOTAL REFUSE		3,067,779.53	2,879,037.61	2,958,871.04	2,827,153.82	2,959,985.87	2,939,088.87	2,650,712.34	2,641,516.42	3,166,590.27	2,643,836.68	3,001,246.10	2,983,968.95	34,636,518.34
INTEREST ON ARREARS	IN0001	34,721.11	39,204.54	41,963.66	28,142.74	19,396.33	17,368.91	17,354.63	17,590.35	4.88	11.01	11.45	2,411.04	218,180.65
INTEREST ON ARREARS	INBR	65,535.02	60,770.80	52,524.18	61,409.09	56,483.71	64,912.47	33,667.94	37,230.00	47,445.66	59,704.42	49,063.97	57,307.02	646,054.28
INTEREST ON ARREARS	INSE	89,478.44	76,410.67	71,230.70	86,879.14	85,086.47	97,432.68	47,300.38	60,109.07	60,497.25	75,991.36	69,733.35	80,550.87	900,700.38
INTEREST ON ARREARS	INWA	255,169.16	216,027.29	219,572.70	222,259.47	427,275.83	214,578.43	208,883.24	221,800.21	249,752.70	241,091.03	360,542.59	392,963.22	3,229,915.87
INTEREST ON ARREARS	INSU	51,029.35	49,019.46	31,523.87	39,452.06	36,368.04	45,614.78	19,818.59	18,998.19	25,474.68	58,057.75	26,950.58	39,239.50	441,546.85
INTEREST ON ARREARS	INBS	4,948.42	2,260.00	4,757.86	14,216.02	8,066.60	8,420.41	6,075.24	3,828.06	9,491.87	3,987.13	5,825.52	11,393.10	83,270.23
INTEREST ON ARREARS	INEL	326,905.24	219,210.02	222,915.63	220,809.65	286,709.58	200,136.54	64,737.15	112,812.99	178,861.00	185,963.32	267,123.38	534,694.96	2,820,879.46
INTEREST ON ARREARS	INBE	2,731.42	4,468.97	5,980.62	17,835.85	3,744.49	3,824.06	1,566.89	2,687.49	2,654.69	6,815.59	3,294.47	5,920.03	61,524.57
INTEREST ON ARREARS	INBW	4,757.82	1,733.39	1,825.24	15,571.01	5,112.68	1,877.42	1,582.93	2,702.67	1,585.37	2,145.53	2,344.62	3,914.53	45,153.21
INTEREST ON ARREARS	INRF	1,706.64	1,440.81	5,502.72	2,581.91	3,044.61	1,644.68	4,251.61	355.17	2,005.99	1,632.53	1,522.19	4,720.72	30,409.58
INTEREST ON ARREARS	INVA	255,616.54	321,812.05	313,042.98	364,777.88	357,950.83	315,285.62	191,197.44	180,050.79	246,783.77	338,330.83	315,183.22	647,346.65	3,847,378.60
TOTAL INTEREST ON ARREARS		1,092,599.16	992,358.00	970,840.16	1,073,934.82	1,289,239.17	971,096.00	596,436.04	658,164.99	824,557.86	973,730.50	1,101,595.34	1,780,461.64	12,325,013.68
DEPOSITS	DEWE	204,112.43	202,855.98	254,984.41	182,067.71	374,831.70	138,642.91	142,337.07	235,299.86	327,701.17	213,681.77	175,913.35	616,969.20	3,069,397.56
CREDITS NOT YET ALLOCATED	EX	10,745,412.33	3,566,948.92	10,241,165.37	11,905,763.87	8,948,611.32	8,949,416.33	14,356,279.75	8,241,232.85	9,114,450.57	2,973,021.60	8,647,118.64	7,652,814.29	105,342,235.84
SUNDRY DEBTORS	SU	818,020.20	718,375.28	714,650.82	635,311.16	1,131,199.14	689,547.75	487,728.51	556,291.02	1,088,463.00	454,701.68	549,150.07	4,222,562.59	12,066,001.22
HOUSE RENTALS	SU10	129,941.73	123,109.95	124,165.61	114,330.62	91,293.17	95,804.77	95,318.08	98,058.80	81,276.70	76,280.00	90,638.31	83,470.33	1,203,688.07
MISC 1	SU50	42,303.30	44,846.26	86,889.42	71,174.85	48,139.33	68,564.99	59,391.46	63,492.94	66,525.79	72,766.17	133,465.38	83,112.24	840,672.13
MISC 2	SU11	-	-	-	-	-	-	-	-	406,403.11	566,303.85	79,466.99	104,577.97	1,156,751.92
INFORMAL HOUSING	SU60	8,229.35	4,517.35	4,693.13	6,888.68	5,220.99	4,664.27	4,930.17	5,290.86	3,871.85	4,829.57	3,283.76	6,209.55	62,629.53
ARREARS MAGIC	SU70	1,598.50	426.23	1,217.59	145.95	192.44	16,787.82	262.31	172.07	171.98	724.62	907.07	591.41	23,197.99
SUNDRY COMMISSION	SUCOMM	1,583.93	961.85	1,422.09	1,308.13	1,132.25	910.87	1,270.93	1,005.30	1,013.24	864.07	1,056.40	1,121.48	13,650.54
COMM ON PNP	SUEASY	2,125.88	8,599.61	5,999.28	7,624.37	10,169.60	4,830.59	10,913.57	3,880.25	2,842.48	6,543.38	10,795.68	3,536.79	77,861.48
OTHER		11,953,327.65	4,670,641.43	11,435,187.72	12,924,615.34	10,610,789.94	9,969,170.30	15,158,431.85	9,204,723.95	11,092,719.89	4,369,716.71	9,691,795.65	12,774,965.65	123,856,086.28
VAT	VAT	7,861,034.92	7,821,334.01	8,943,726.80	7,413,858.05	7,717,700.85	7,977,565.90	6,556,229.09	7,610,231.57	7,760,943.51	7,012,064.57	9,140,623.61	6,803,979.42	92,619,292.30
TOTAL RECEIPTS		100,561,068.48	95,726,867.28	117,500,900.92	98,671,063.61	98,960,527.14	99,244,335.83	93,422,105.43	99,211,537.99	101,815,378.44	82,858,543.71	112,814,355.02	114,169,116.27	1,214,955,800.12
TOTAL RECEIPTS LESS VAT		92,700,033.56	87,905,533.27	108,557,174.12	91,257,205.56	91,242,826.29	91,266,769.93	86,865,876.34	91,601,306.42	94,054,434.93	75,846,479.14	103,673,731.41	107,365,136.85	1,122,336,507.82
TOTAL RECEIPTS INCL PREPAIDS		120,017,893.10	113,101,668.08	131,171,444.23	113,755,746.59	112,991,507.46	114,350,349.95	109,669,547.97	11					

BS566 Payments per Service per Day/Period - Debtor type														
Debtor Type Description	Debtor Type	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	TOTAL
BUSINESS KVA	BK	9,501,634.66	12,189,536.61	12,271,474.43	12,896,498.67	9,836,022.82	11,203,655.84	11,005,489.20	9,772,877.82	11,118,043.78	9,486,902.40	17,440,715.59	9,496,170.83	136,219,022.65
BUSINESS RESIDENTIAL	BR	792,204.29	897,256.49	985,137.71	857,766.56	1,017,521.76	892,903.26	886,370.12	748,852.38	868,017.00	779,787.75	705,895.84	743,656.65	10,175,369.81
BUSINESS	BU	28,016,684.19	27,693,890.64	26,624,836.40	26,111,421.16	23,484,405.93	26,238,868.71	26,093,566.13	23,557,750.79	25,530,628.89	22,029,494.58	25,489,787.92	26,020,044.40	306,891,379.74
CHURCHES	CH	86,323.44	79,220.18	128,513.69	100,431.31	100,733.39	109,731.01	110,883.09	167,175.65	129,902.72	73,927.08	95,010.61	101,843.74	1,283,695.91
COUNCILLOR	CL	31,186.52	40,726.69	82,562.07	32,897.14	35,876.93	36,239.45	95,498.28	65,442.15	85,342.89	47,634.47	75,656.84	130,542.95	759,606.38
COMMERCIAL	CO	2,090,027.46	2,068,011.34	3,275,997.26	2,271,213.96	2,047,682.18	2,046,286.19	2,059,203.74	2,001,790.18	2,243,805.66	1,307,383.91	2,166,782.42	2,309,646.03	25,887,830.33
DECEASED ESTATE	DE	-	-	-	-	-	-	685.72	-	-	-	-	-	685.72
GOVERNMENT - OTHER	GO	-	-	-	1,565.21	564.96	527.32	521.74	-	1,045.83	527.24	528.22	526.24	5,806.76
SCHOOLS	GS	1,696,524.31	1,681,033.13	1,865,739.52	1,790,450.47	2,190,439.37	1,881,969.19	1,801,302.51	2,114,343.28	1,949,185.02	1,509,088.61	1,999,618.35	1,786,403.65	22,266,097.41
INDIGENTS CANCELLED	IC	656,541.45	663,808.64	647,822.63	583,480.35	1,110,100.92	703,535.42	559,917.72	697,184.39	758,334.60	552,683.84	716,599.94	691,125.86	8,341,135.76
INDIGENTS	ID	1,314,980.60	1,184,815.32	1,142,862.02	1,074,581.88	1,198,276.32	1,100,506.30	1,184,133.91	1,128,246.76	1,233,279.96	1,116,198.29	1,172,240.07	1,007,996.44	13,858,117.87
INDIGENTS INFORMAL SETTLEMENT	IF	149,731.75	99,744.81	89,179.46	69,764.40	93,263.93	74,972.36	72,668.82	74,716.60	82,309.90	71,944.65	68,096.44	61,208.72	1,007,601.84
INDIGENT - LATE ESTATE	IL	1,536.92	614.97	676.07	1,123.97	975.66	624.30	502.59	502.59	989.66	665.26	494.83	1,953.13	10,659.95
INDIGENT PENDING	IP	400,782.73	339,621.13	329,250.14	340,655.07	322,932.12	292,587.30	327,972.71	277,901.93	282,336.56	276,166.84	285,677.36	249,912.26	3,725,796.15
INDUSTRIAL	IN	755,854.35	957,195.81	830,074.30	1,348,021.04	967,066.57	853,162.68	773,148.10	913,432.34	969,869.03	887,628.88	994,737.37	744,674.59	10,994,865.06
MUNICIPAL	MU	314,158.78	472,935.53	433,396.12	261,274.33	290,509.96	579,531.26	905,876.71	354,439.03	581,634.55	253,215.62	528,409.64	337,594.55	5,312,976.08
NAT. POLICE	N3	10,168.40	3,069.53	23,235.79	4,397.07	21,575.33	9,589.52	13,282.30	10,377.14	2,762.57	7,058.31	11,047.73	11,556.71	128,120.40
NAT: DEFENCE AND MILITARY VETERA	ND	1,145.68	-	3,703.05	1,234.35	1,234.35	1,234.39	1,234.39	1,234.35	-	-	1,234.35	2,468.70	14,723.61
NAT: CORRECTIONAL SERVICES	NN	393,926.33	336,758.10	368,797.83	749,918.30	54,055.97	-	310,515.47	633,294.99	314,552.34	312,375.89	311,539.87	319,889.08	4,105,624.17
NAT: PUBLIC WORKS	NP	8,578,764.15	3,825,996.97	19,696,804.47	8,293,431.09	10,482,512.06	7,281,994.39	7,657,564.96	10,729,844.89	9,299,947.45	4,793,597.44	14,772,632.53	7,714,027.54	113,127,117.94
NON-STAFF ACCOUNTS PAID BY STAFF	NS	392,271.09	345,389.80	354,724.64	372,226.17	387,468.60	357,588.85	334,954.18	372,790.48	328,796.20	278,304.13	379,719.13	422,385.19	4,326,618.46
OPEN SPACE	OP	13,501.16	7,071.83	8,048.47	47,565.03	6,701.93	8,264.45	9,491.03	8,561.68	63,437.76	7,207.97	9,468.04	7,779.11	197,098.46
OTHER	OT	364,200.88	417,037.71	356,532.05	615,018.42	275,817.50	329,013.22	294,062.19	258,758.41	270,566.03	179,062.24	263,906.14	441,296.64	4,065,271.43
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,330.30	2,024.12	5,393.39	5,393.39	5,393.39	5,393.39	8,771.28	2,015.50	5,768.71	5,393.39	5,393.39	5,393.39	61,663.64
PROV: SOCIAL DEVELOPMENT	P1	463,687.08	212,639.30	296,305.02	5,156.35	242,560.62	22,606.75	405,673.33	143,488.21	406,236.95	580,547.18	248,172.38	159,354.41	3,186,427.58
PROV: HOUSING AND LOCAL GOVERNME	P2	176,797.83	59,029.00	774.92	83.86	165,174.42	280,557.04	70,332.89	99,899.45	591.39	137,563.13	138,572.20	615.25	1,129,991.38
PROV: OFFICE OF THE PREMIER	P3	8,053.84	4,478.88	5,777.14	5,248.67	5,995.57	9,359.81	428.10	5,227.84	5,255.87	5,213.81	5,405.02	74,325.10	134,769.65
PROV: OTHER DEPARTMENTS	P4	220,239.28	161,874.69	215,156.78	20,587.82	163,814.38	208,088.72	95,910.02	110,200.29	114,619.73	117,773.58	21,622.71	210,215.41	1,660,103.41
PROV: AGRICULTURE	PA	46,365.72	-	57,465.35	-	77,148.57	-	-	62,556.47	-	-	-	82,745.97	326,282.08
PROV: EDUCATION	PE	1,920,364.15	2,451,676.00	2,800,969.94	2,751,698.66	2,075,529.60	546,646.46	381,472.55	5,291,518.90	3,218,022.75	869,652.14	2,873,982.36	2,132,052.38	27,313,585.89
PROV: HEALTH	PH	1,587,041.92	2,562,813.04	573,550.27	1,998,251.98	1,195,943.57	1,384,009.47	838,531.43	2,102,101.65	233,565.43	806,656.40	742,525.73	526,389.00	14,551,379.89
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,974,807.82	192,505.16	5,466,059.93	380,079.29	2,364,733.94	2,179,104.26	1,639,015.20	2,386,284.89	1,905,969.32	2,416,432.82	3,150,682.91	21,726,387.23	45,782,062.77
PROV: SPORT, ARTS & CULTURE	PS	48,261.96	266,211.88	2,048.25	2,853.55	123,577.80	904,599.50	393,908.03	50,011.19	-	-	236,679.09	466,781.13	2,494,932.38
RESIDENTIAL	RE	30,000,326.47	27,918,996.59	28,992,251.09	27,624,756.95	30,176,780.69	31,075,516.88	27,885,883.97	26,834,763.68	31,435,788.26	26,419,683.70	28,101,998.39	28,751,328.32	345,218,074.99
SUNDRY DEBTOR	SD	3,641.12	7,096.24	10,708.64	8,504.09	4,077.91	455.76	542.71	2,781.63	7,995.03	1,079.08	4,130.58	188.51	51,201.30
STALE REFUNDS	SR	78.00	-	-	-	-	-	-	-	-	-	-	-	78.00
STAFF	ST	676,590.57	752,437.47	601,311.45	604,052.59	707,859.52	637,225.46	633,464.30	609,359.61	591,980.62	504,085.33	640,178.74	615,147.33	7,573,692.99
UNKNOWN	UN	230.00	-	540.00	249.61	255.00	250.00	285.19	250.00	240.26	250.00	240.26	272.68	3,063.00
EXCEPTIONAL CIRCUMSTANCES	IE	6,068.36	10,015.67	9,493.83	25,352.80	8,242.75	10,171.02	12,811.73	11,329.28	13,612.21	11,293.18	14,348.42	11,237.73	143,976.98
VAT	VAT	7,861,034.92	7,821,334.01	8,943,726.80	7,413,858.05	7,717,700.85	7,977,565.90	6,556,229.09	7,610,231.57	7,760,943.51	7,012,064.57	9,140,623.61	6,803,979.42	92,619,292.30
TOTAL RECEIPTS		100,561,068.48	95,726,867.28	117,500,900.92	98,671,063.61	98,960,527.14	99,244,335.83	93,422,105.43	99,211,537.99	101,815,378.44	82,858,543.71	112,814,355.02	114,169,116.27	1,214,955,800.12
TOTAL RECEIPTS LESS VAT		92,700,033.56	87,905,533.27	108,557,174.12	91,257,205.56	91,242,826.29	91,266,769.93	86,865,876.34	91,601,306.42	94,054,434.93	75,846,479.14	103,673,731.41	107,365,136.85	1,122,336,507.82

Table 12: BS566 report on receipts per debtor type

3.6 Prepaid Electricity

As indicated in Chart 8 below, the Total Billing Receipts including Prepaid Electricity amounted to R133,300 million which resulted in an increase of R6,015 million or 5% in respect of the month-to-month comparison. Unallocated billing receipts at month end amounted to R7,946 million. Unallocated receipts are not factored into the actual receipts as per the chart below.

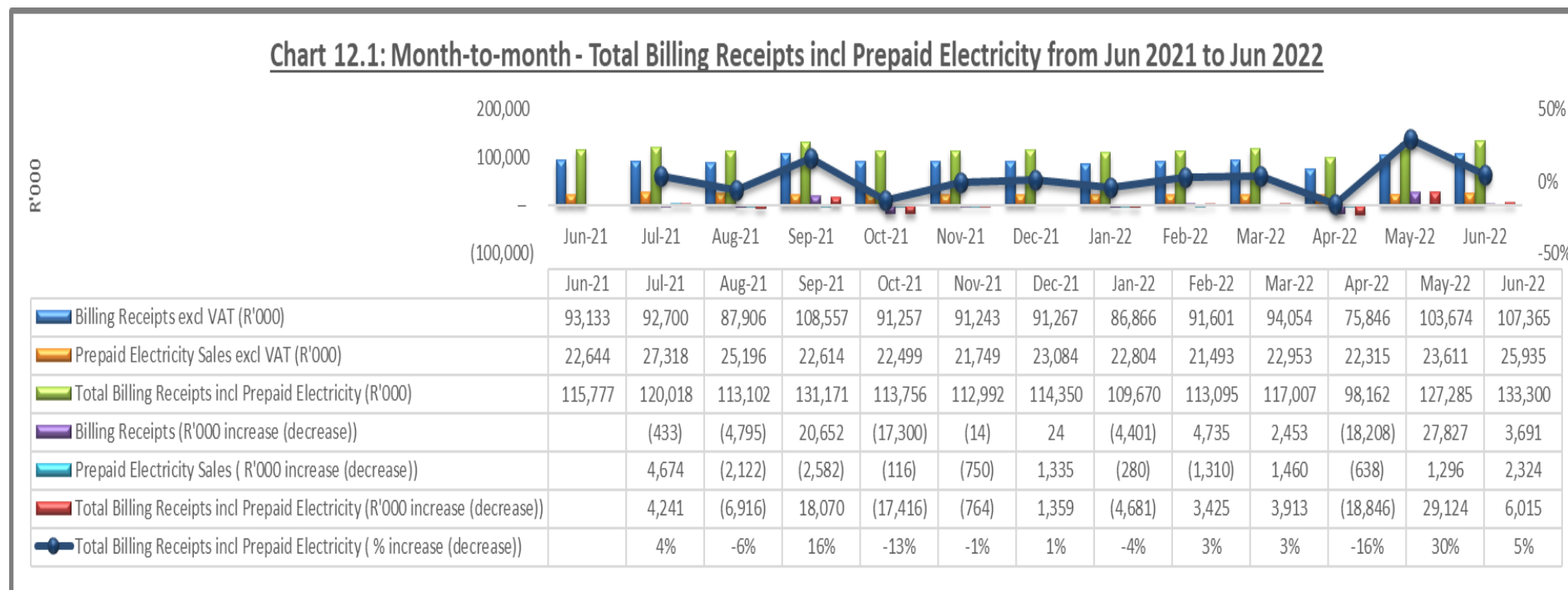


Chart 8.1: Total billing receipts incl Prepaid Electricity

Indicated in Chart 8.2 below, is the month-to-month receipts per Revenue source. Receipts are relatively constant based on the month-to-month comparison. The downward trend is concerning and indicative of the fact that the municipality is battling to collect its outstanding debt and more needs to be done to improve on its revenue collection. Revenue sources shows improvement when compared to the previous month is Property rates, Sanitation, Interest on arrears and Other.

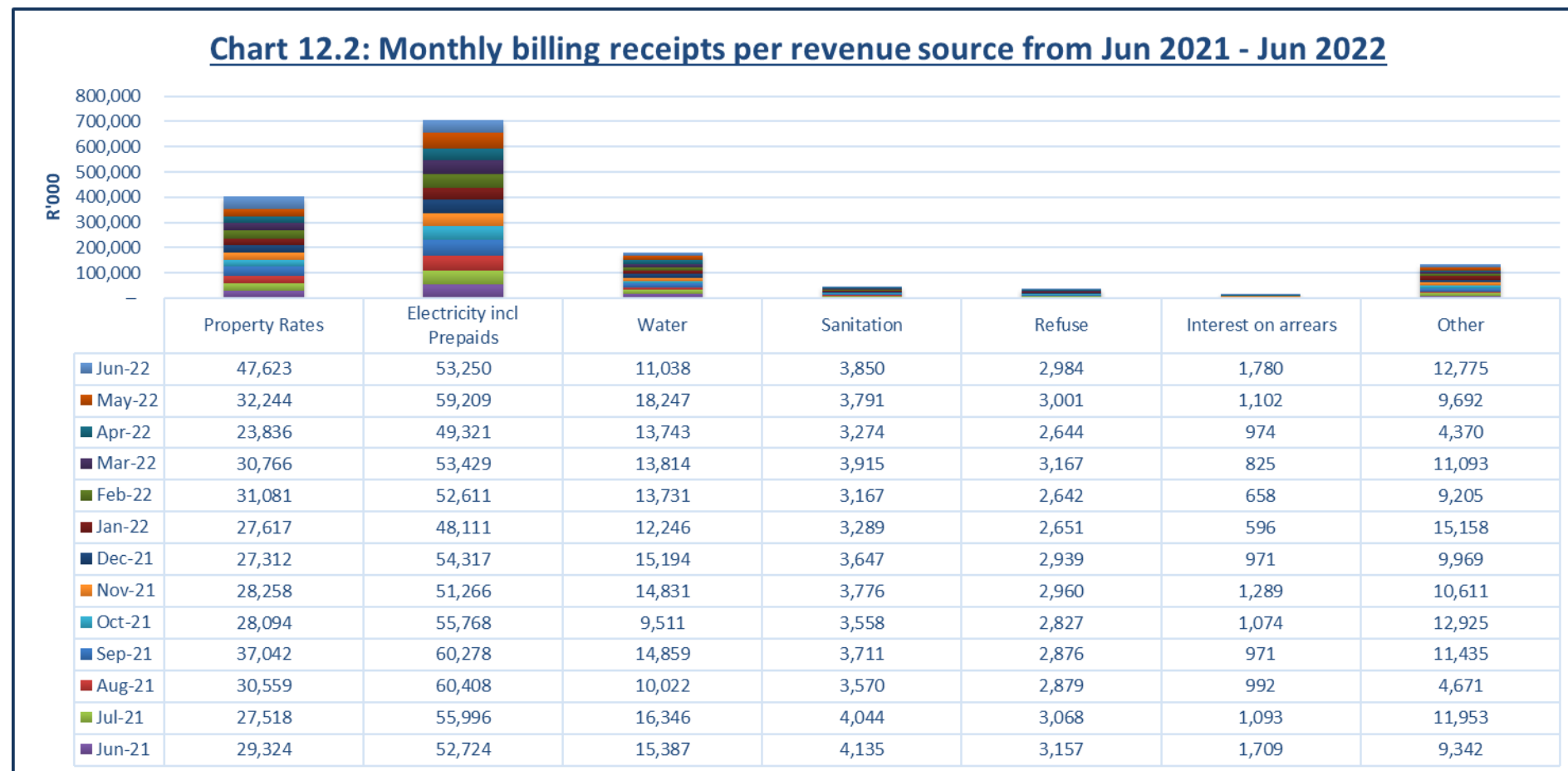


Chart 8.2: Monthly billing receipts per revenue source

Indicated in Chart 8.3 and 8.4 below, is the ranking and percentage contribution of receipts per revenue source from July 2021 to June 2022. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R653,964 million (47%) being received. This illustrates the sensitivity and vulnerability in respect of Electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. The second highest contributor is Property Rates at R371,951 million (26%), however more measures should be implemented to ensure that receipts from annual billing materialises. Receipts from Water constitutes 12% and Other 9% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 54% from these revenue sources. The lowest contributor in respect of actual receipts, is Interest on arrears at R10,545 million. This demonstrates the fact that the municipality is facing challenges in collecting long outstanding debt. It should be noted that in terms of the approved Customer Care, Credit Control and Debt Collection Policy, it outlines that "the municipality shall implement an incentive for settlement of arrears accounts as illustrated below:

- a) 100 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account may be written off if such account is settled in full prior to the next billing run of such account.
- b) 85 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account may be written off if such account is settled in full over a period of two consecutive months.
- c) 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account will be written off if such account is settled in full over a period of three consecutive months."

The above incentives then negatively influence the collectability of this revenue source, but positively influences the collection of other services.

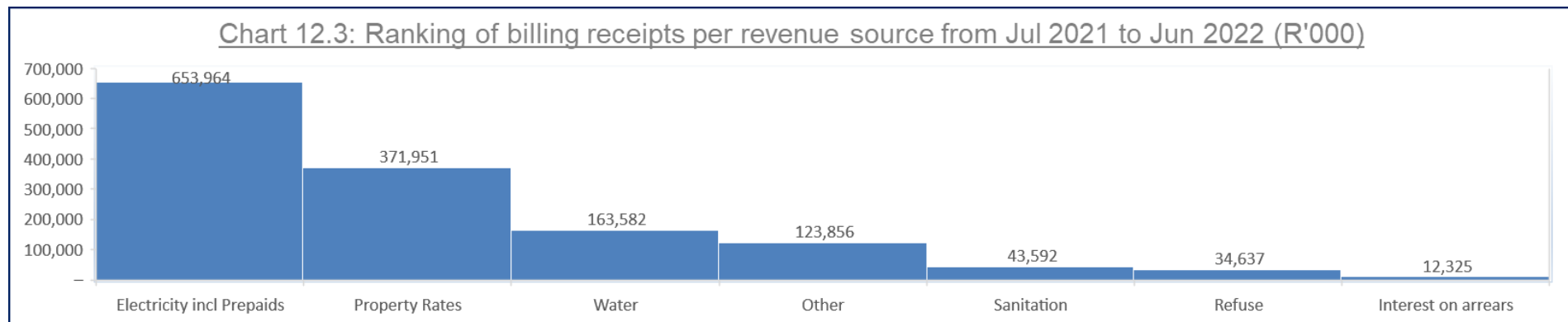


Chart 8.3: Monthly billing receipts per revenue source

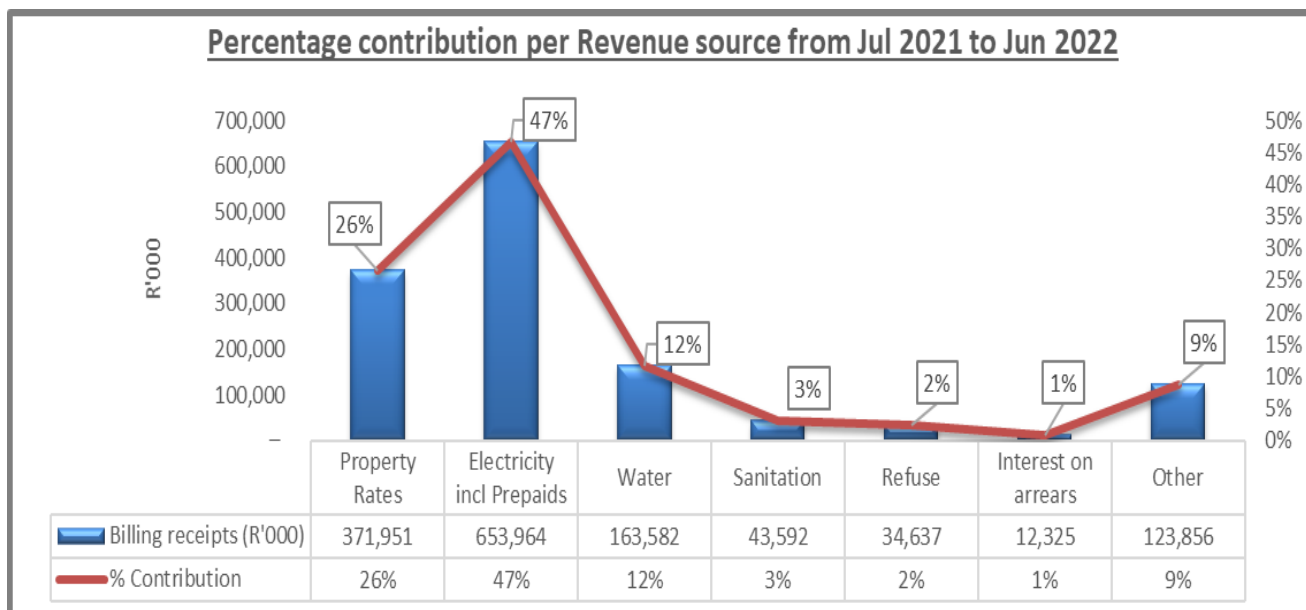


Chart 8.4: Percentage contribution of billing receipts per revenue source

3.7 Unconditional grants

No Operational grant monies were received for the month under review.

No Capital grant monies were received for the month under review.

There are some mapping errors pertaining to operational and capital grants. This will be investigated by our financial system vendor, to find a solution. Capital grants specifically is allocated to the Statement of Financial Position as receipts and is not mapped to the C-schedule. However on a monthly basis journals are processed to recognize capital grant receipts once conditions have been met. Some of issues emphasized must also be discussed with our service provider.

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		245,173	222,840	223,855	-	208,031	223,855	(15,824)	-7.1%	223,855
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		234,642	212,328	212,328	-	207,016	212,328	(5,312)	-2.5%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	-	-	3,362	(3,362)	-100.0%	3,362
Infrastructure Skills Development Grant		4,661	5,500	5,500	-	-	5,500	(5,500)	-100.0%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	-	-	1,650	(1,650)	-100.0%	1,650
Municipal Disaster Relief Grant		-	-	1,015	-	1,015	1,015	-	0.0%	1,015
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		15,253	7,800	13,018	-	11,910	13,018	(1,107)	-8.5%	13,018
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		8,207	7,800	8,518	-	8,518	8,518	(0)	0.0%	8,518
Expanded Public Works Programme		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Infrastructure Grant		7,046	-	4,500	-	3,393	4,500	(1,107)	-24.6%	4,500
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Finance and Admin		-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	260,426	230,640	236,873	-	219,941	236,873	(16,931)	-7.1%	236,873
Capital Transfers and Grants										
National Government:		109,706	167,766	111,766	25,714	67,797	111,766	(43,969)	-39.3%	111,766
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		17,206	66,500	36,500	8,298	11,321	36,500	(25,179)	-69.0%	36,500
Integrated Urban Development Grant		50,328	66,266	54,266	16,630	42,621	54,266	(11,645)	-21.5%	54,266
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		22,881	10,000	-	-	52	-	52	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		19,291	25,000	21,000	786	13,803	21,000	(7,197)	-34.3%	21,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	3,500	-	-	3,500	(3,500)	-100.0%	3,500
Specify (Add grant description)		-	-	3,500	-	-	3,500	(3,500)	-100.0%	3,500
Other grant providers:		2,856	-	14,400	14,400	14,400	14,400	0	0.0%	14,400
[insert description]		-	-	-	-	-	-	-	-	-
European Union		2,856	-	14,400	14,400	14,400	14,400	0	0.0%	14,400
Total Capital Transfers and Grants	5	112,562	167,766	129,666	40,114	82,197	129,666	(47,469)	-36.6%	129,666
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	372,988	398,406	366,539	40,114	302,138	366,539	(64,401)	-17.6%	366,539

Table 13: Transfers and Grants receipts

3.8 Cash and Cash Equivalents

Chart 9: Current investment deposits and Cash & cash equivalents at year-end

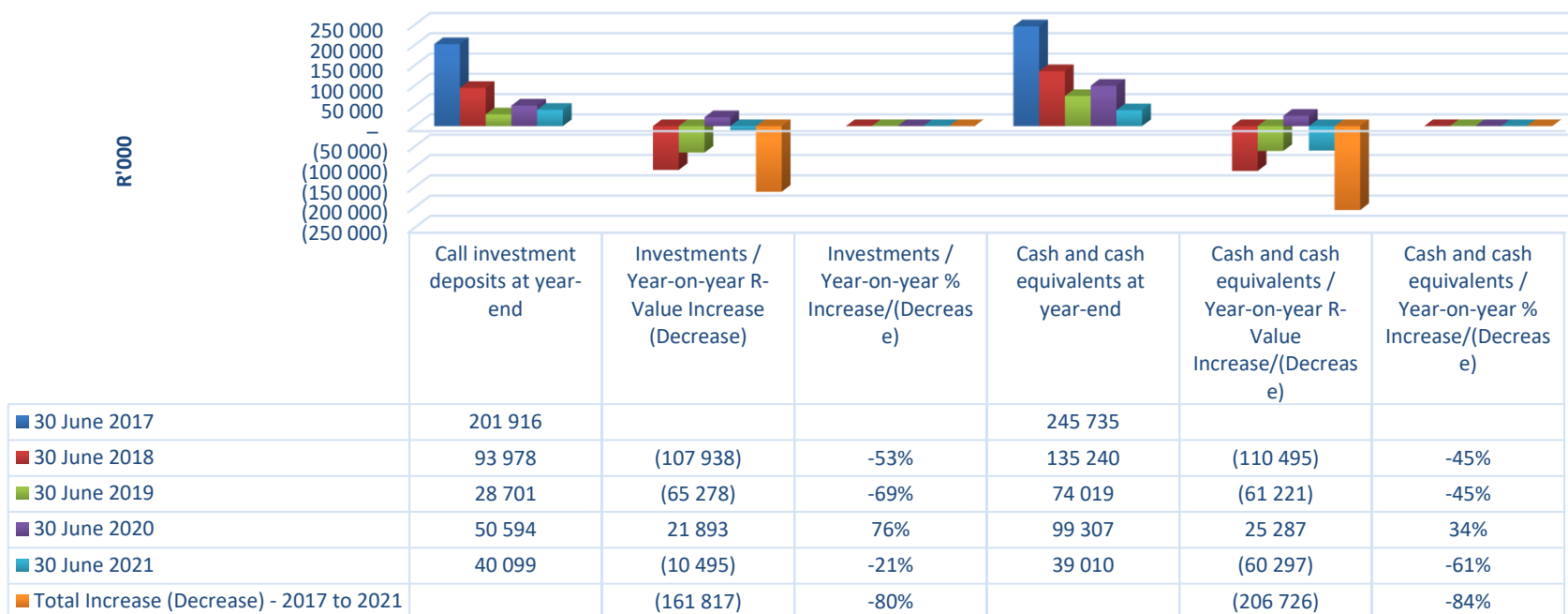


Chart 9: Call investment deposits and Cash & cash equivalents at year-end

Investments decreased by R107,938 million or 53% from 2017 to 2018. Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. From 2017 to 2021, the total investments decreased by R161,817 million. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

This chart could not be populated due to errors on the system pertaining to C6 (Statement of Financial Position) and C7 (Cash flow) that could not be resolved timeously.

Chart 9.1: Cash & cash equivalents at month-end

This chart could not be populated due to errors on the system pertaining to C6 (Statement of Financial Position) and C7 (Cash flow) that could not be resolved timeously.

Chart 9.2: Cost coverage ratio

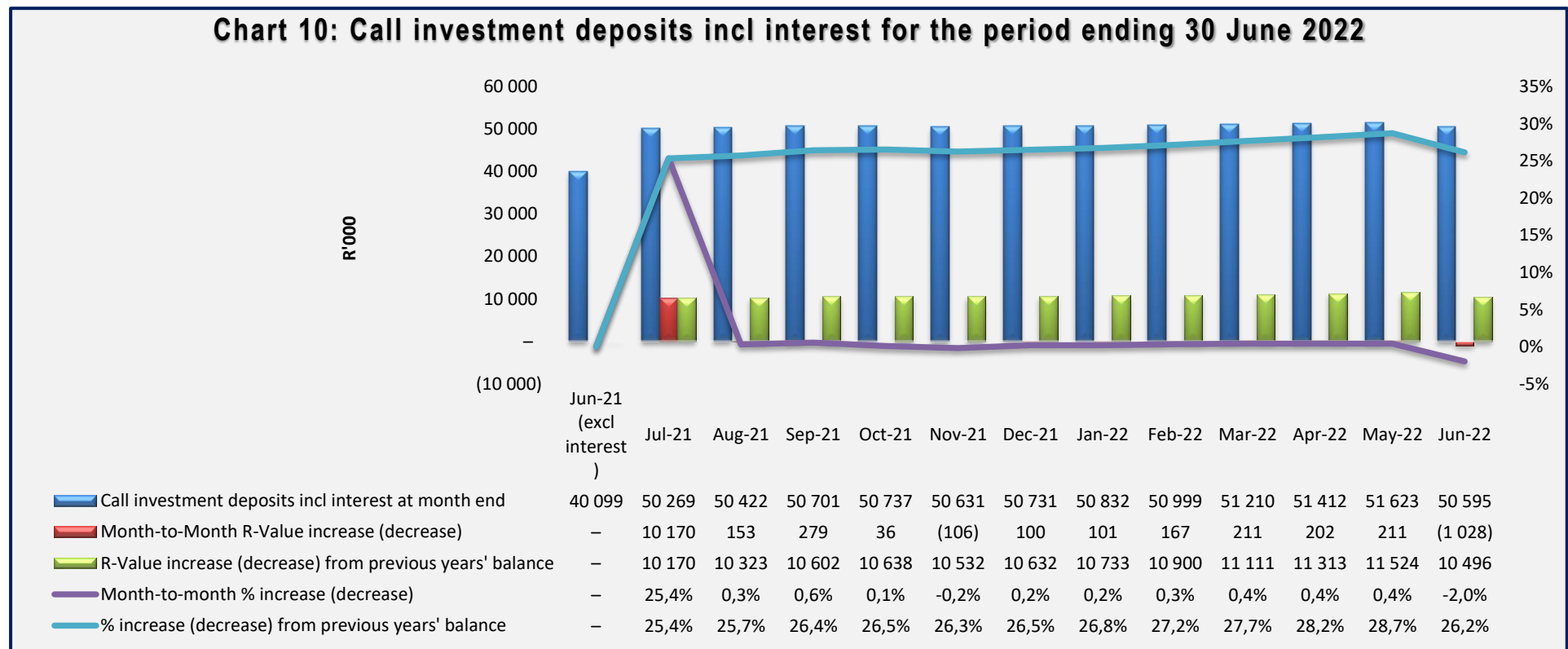


Chart 10: Call investment deposits incl Interest

As indicated in Chart 10 above from May to June 2022 investments incl interest decreased by R1,028 million or 2%, in respect of the month-to-month comparison. This was as result of accrued interest recognized in the Statement of Financial position. Investments increased by R10,496 million or 26.2% when compared to the previous years' audited balance of R40,099 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

The estimated average Cost coverage ratio is currently less than one week. Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

4. EXPENDITURE FRAMEWORK

The expenditure covers all the assumptions made to estimate operational and capital expenditure as per the approved budget of the municipality. It was assumed that spending as at fourth quarter will be 90% average on operational expenditure and 85% for capital expenditure.

Expenditure framework deals with all payments made to staff and creditors of the municipality as well as non-cash flow items such as depreciation and the provision for bad debts. The municipality categorises its expenditure by type and by vote and both reports will be dealt with hereunder. On the capital budget, expenditure is reported per vote and by project. This allows Council to be able to identify slow spending projects and how these affect performance of the directorates and assist with early warning signs and informs intervention that must be put in place. Expenditure means provision of service. Expenditure must be incurred only when necessary and not because budget has been allocated.

4.1 Operating Expenditure by Type

In terms of the Budget Schedules, expenditure is categorised by nature and type. This allows management to analyse budget allocation and spending accordingly with the view to ensure that critical expenses for service delivery are adequately funded. These include budgeting for employee costs as without people, service delivery is impossible, the follows budget for operation and maintenance of infrastructure critical service delivery and revenue generation, this is then followed by budget for bulk costs of water and electricity and other expenditure follows accordingly.

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - June 2022										
Expenditure By Type	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	841,588	60,376	747,781	841,588	88.9%	(93,807)	-11.1%	88.9%	(93,807)	-11.1%
Remuneration of councillors	34,547	2,499	29,703	34,547	86.0%	(4,844)	-14.0%	86.0%	(4,844)	-14.0%
Debt impairment	275,000	-	138,030	275,000	50.2%	(136,970)	-49.8%	50.2%	(136,970)	-49.8%
Depreciation & asset impairment	79,150	-	-	79,150	0.0%	(79,150)	-100.0%	0.0%	(79,150)	-100.0%
Finance charges	63,461	20,697	40,918	63,461	64.5%	(22,542)	-35.5%	64.5%	(22,542)	-35.5%
Bulk purchases - electricity	647,000	61,838	577,460	647,000	89.3%	(69,540)	-10.7%	89.3%	(69,540)	-10.7%
Inventory consumed	231,530	20,575	214,118	231,530	92.5%	(17,412)	-7.5%	92.5%	(17,412)	-7.5%
Contracted services	41,222	6,106	32,401	41,222	78.6%	(8,821)	-21.4%	78.6%	(8,821)	-21.4%
Transfers and subsidies	4,850	2	2,548	4,850	52.5%	(2,302)	-47.5%	52.5%	(2,302)	-47.5%
Other expenditure	132,482	5,383	141,378	132,482	106.7%	8,895	6.7%	106.7%	8,895	6.7%
Loss on disposal of PPE	70,760	-	46,018	70,760	65.0%	(24,742)	-35.0%	65.0%	(24,742)	-35.0%
Total Expenditure	2,421,590	177,475	1,970,355	2,421,590	81.4%	(451,235)	-18.6%	81.4%	(451,235)	-18.6%

Table 14: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 14 above, as at 30 June 2022 current YTD expenditure shows an unsatisfactory variance of minus 18.6%. The YTD actual amounted to R1,970,355 billion against the YTD Budget of R2,421,590 billion.

- ❖ Employee related costs shows an unsatisfactory variance of minus 11.1%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures. There was also a soft lock on the filling of non-critical vacancies for the past few months.
- ❖ Remuneration of councillors is showing an under-expenditure of 14.0%, as a result of the gazette on the Determination of upper limits of salaries, allowances and benefits of different members of municipal councils for 2021/2022 financial year that has not been issued. The gazette was issued in June 2022 and approval for implementation was obtained from Council. Final approval is awaited from the MEC for COGHSTA.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Herewith the response from the Asset Management Unit, why Depreciation cannot be recognised at least quarterly "The Asset Management System currently do not interface with the Financial System and this make it difficult, to post the transactions for depreciation monthly or quarterly. We currently have to pass journals in the financial system to recognise depreciation in the general ledger. This is due to the fact that the systems do not interface. Once journals are passed for depreciation and changes needs to be done for depreciation due to asset processes like disposals or impairment recognition, we will have to pass new journals for the correction of depreciation. The Asset Management System can currently interface with the Financial System but requires authorization from the service provider of the Financial System. Asset Management is one of the core functions that will be dealt with by the re-established mSCOA Steering Committee."
- ❖ Debt impairment was provided for on a quarterly for the first two quarters. However, the municipality has been treating debt write-offs erroneously and all write-offs must be done directly against the expenditure vote and not against the Statement of Financial Position. This will be corrected as part of year end procedures.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 44.39% spent versus an adjusted budget of R4,147 million. Prepaid Electricity Vendors is 96.4% spent versus a budget of R25,500 million. The June 2022 invoice is due at the end of July 2022.
- ❖ Bulk purchases – Electricity is unsatisfactory and based on accrual accounting principles, the July 2021 to May 2022 ESKOM invoices were captured on the system. The June 2022 invoice is not yet reflected on the system but will be captured during July 2022.

- ❖ Journals must be passed to correct interest on overdue accounts that was captured against bulk purchases prior to the Adjustment budget being approved.
- ❖ Bulk purchases Water is treated in line with GRAP 12. Actuals are understated because the municipality was not billed for July and September 2021 and received the outstanding invoices from the Department on 8 July 2022. These invoices are therefore not captured on the system, resulting in the substantial understatement of this expenditure line item. The invoice for January 2022 was not captured on the system due to the incorrect volume billed. The Department corrected this error and also corrected a billing error for August 2021. The capturing and corrections will be finalised during July 2022 as part of year-end procedures.
- ❖ Transfers and subsidies show a negative variance of 47.5%. The grant funding of R2,200 due to the SPCA has been paid in full. Other grants also show minimal movement due to cash flow constraints.
- ❖ Finance charges is showing a negative variance of 35.5%. Interest on External borrowing is paid bi-annually and the second instalment for this financial year was paid during 30 June 2022. Interest on overdue accounts was adjusted upwards in the Adjustment budget. Corrections on the actuals pertaining to Interest paid on overdue accounts will be journalised on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of 7.5%. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and also that funds will be fully spent at year-end.
- ❖ During the 2019/20 Mid-year Budget Assessment the following factors were identified by the municipality that negatively affects the expenditure on Inventory consumed:
The possible root causes can vary from poor preventative maintenance strategies, poor planning, vehicles being at the Workshop for longer periods which is hampered by the availability of suitable parts, procurement processes exacerbated by a lack of valid tenders being in place for which the user departments are responsible for, clamping down on deviations and major works still outstanding for which proper procurement processes need to be adhered to, and then prioritisation as a result of the cash flow constraints. It is advised that management finalise maintenance plans and implement these plans within the current financial constraints, ensure that remedial action be taken to improve on preventative maintenance and spend funds cost-effectively and efficiently to address service delivery issues and ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, overall personnel performance and productivity be monitored and improved.

Operating Expenditure by Type: Comparison against Adjusted Budget

Indicated in Table 4 above, is the YTD actual compared to the Adjusted Budget. The ideal In-Year-Monitoring percentage as at the end of June 2022 is 91.67%. The total operational expenditure against the Adjusted Budget is 67.8% spent, resulting in a unsatisfactory variance of minus 15.5%.

- ❖ Employee costs and Councillors remuneration is showing a negative variance of minus 11% and 14%, respectively. Same factors are applicable as explained above.
- ❖ Depreciation will be provided for at year-end. Same factors are applicable as explained above.
- ❖ Finance charges are paid bi-annually and show an unsatisfactory variance of 35.5%. Same factors are applicable as explained above.

- ❖ Debt impairment was provided for on a quarterly for the first two quarters. However, the municipality has been treating debt write-offs erroneously and all write-offs must be done directly against the expenditure vote and not against the Statement of Financial Position. This will be corrected as part of year end procedures.
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is unsatisfactory with a variance of minus 47.5%. The same factors are applicable as explained in the paragraph above.
- ❖ Water inventory under Inventory consumed and Loss on disposal of PPE (Water losses), corrective journals was passed but the actuals are understated, due to the issues pertaining to the July to September 2021 invoices and the January 2022 invoice.

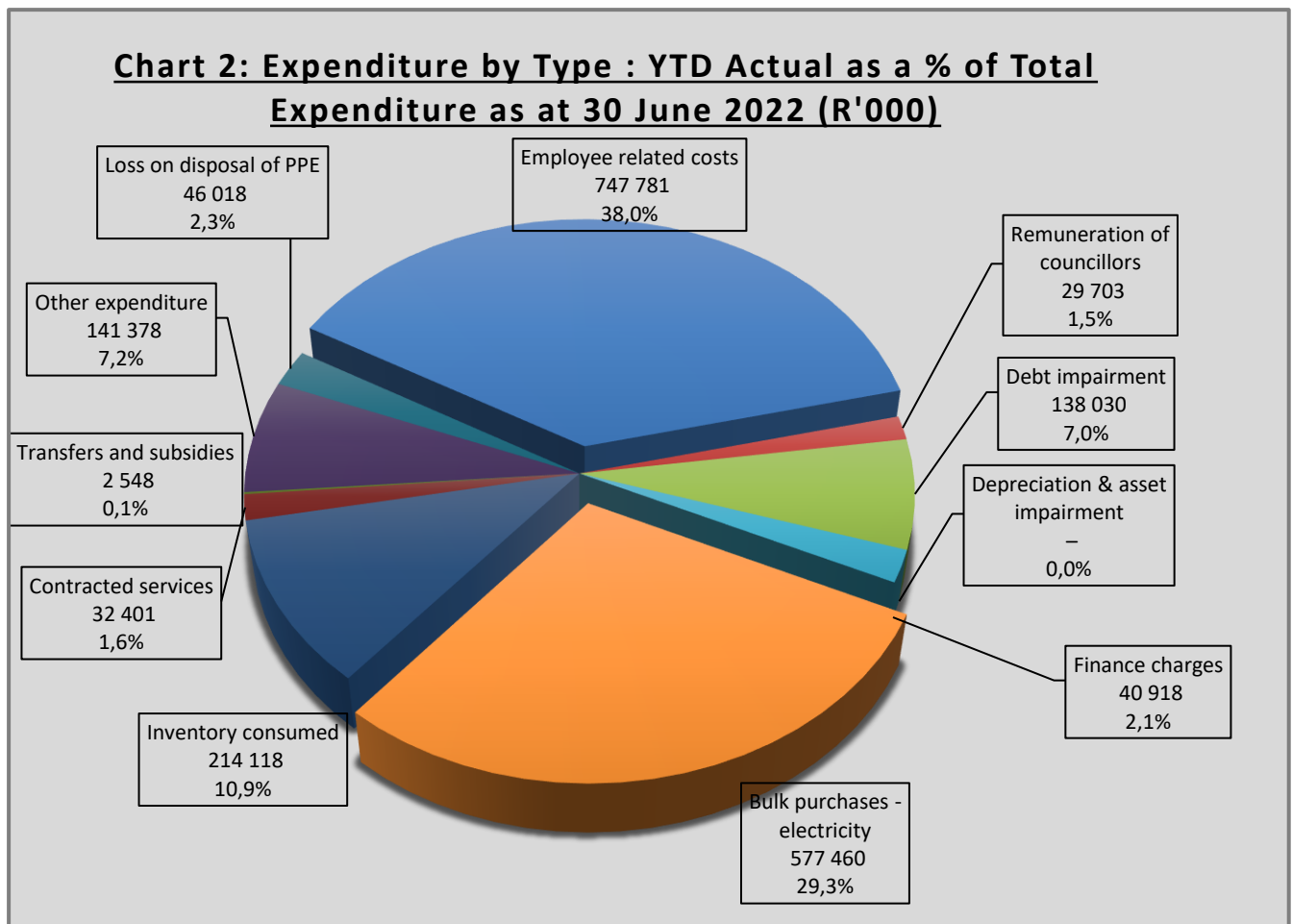


Chart 11: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 11 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 June 2022. The main cost drivers of the municipality are Employee Related Costs (38.0%), Debt Impairment (7.0%) and Bulk Purchases – Electricity (29.3%). It should be noted that these percentages are still slightly distorted as a result of the following:

- ❖ The Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures. The soft lock on filling of vacancies also plays a role.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ Debt impairment that will be corrected as part of year end procedures.
- ❖ Finance charges is paid bi-annually. Interest on overdue account needs to be corrected.
- ❖ Corrective journals for Water inventory and Loss on disposal of PPE (Water losses) was processed, still understated due to the issues raised above.

4.2 Expenditure by Vote

The vote structure of the municipality is represented by various directorates. Expenditure for the quarter ended 30 June 2021 is represented as per Table 15 below:

The largest vote is Infrastructure and services directorate taking over 48.2% of the total expenditure budget. This vote is responsible for planning, operations and maintenance of infrastructure, service delivery on the ground and project implementation. Community services directorate is also service delivery driven with municipal parks and recreation facilities, public facilities and amenities, environmental health and refuse collection, policing and emergency services as well as primary health services. Most employees of the municipality work in this vote as the scope of work is labour intensive and requires unskilled to semi-skilled labour force to perform duties.

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

RC051 - 2021/22 Monthly Budget Statement - Financial Performance (functional classification) - W12 June										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		1,020,773	1,109,592	1,060,098	81,445	979,874	1,060,098	(80,224)	-8%	1,060,098
Executive and council		419,084	478,759	428,992	34,235	345,770	428,992	(83,222)	-19%	428,992
Finance and administration		601,689	630,833	631,106	47,210	634,104	631,106	2,998	0%	631,106
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		24,102	27,556	31,056	1,519	29,019	31,056	(2,038)	-7%	31,056
Community and social services		10,785	10,980	11,480	247	11,180	11,480	(300)	-3%	11,480
Sport and recreation		1,131	3,315	3,315	203	1,904	3,315	(1,411)	-43%	3,315
Public safety		150	760	760	53	720	760	(40)	-5%	760
Housing		11,967	12,401	12,401	1,016	12,192	12,401	(209)	-2%	12,401
Health		69	100	3,100	-	3,023	3,100	(77)	-2%	3,100
Economic and environmental services		17,700	23,286	37,686	15,253	21,097	37,686	(16,589)	-44%	37,686
Planning and development		7,783	5,166	19,566	15,012	18,487	19,566	(1,079)	-6%	19,566
Road transport		9,917	18,120	18,120	241	2,610	18,120	(15,510)	-86%	18,120
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,106,680	1,363,208	1,363,208	94,717	1,226,243	1,363,208	(136,966)	-10%	1,363,208
Energy sources		671,706	877,157	877,157	61,183	742,263	877,157	(134,893)	-15%	877,157
Water management		286,254	328,612	328,612	19,515	316,622	328,612	(11,989)	-4%	328,612
Waste water management		86,142	86,848	86,848	8,315	96,626	86,848	9,777	11%	86,848
Waste management		62,577	70,592	70,592	5,704	70,731	70,592	140	0%	70,592
Other	4	7,644	9,835	9,835	1,108	10,380	9,835	545	6%	9,835
Total Revenue - Functional	2	2,176,898	2,533,477	2,501,884	194,042	2,266,612	2,501,884	(235,271)	-9%	2,501,884
Expenditure - Functional										
Governance and administration		640,979	683,100	686,574	41,825	516,965	686,574	(169,609)	-25%	686,574
Executive and council		400,365	405,549	408,749	22,719	273,795	408,749	(134,953)	-33%	408,749
Finance and administration		234,323	270,570	270,844	18,264	236,358	270,844	(34,485)	-13%	270,844
Internal audit		6,291	6,982	6,982	841	6,811	6,982	(170)	-2%	6,982
Community and public safety		166,029	183,469	186,969	11,142	175,216	186,969	(11,753)	-6%	186,969
Community and social services		40,133	42,230	42,825	3,108	42,755	42,825	(70)	0%	42,825
Sport and recreation		47,702	55,822	55,657	3,089	52,033	55,657	(3,625)	-7%	55,657
Public safety		38,887	43,502	43,572	3,291	42,131	43,572	(1,441)	-3%	43,572
Housing		21,940	23,480	23,480	303	19,769	23,480	(3,710)	-16%	23,480
Health		17,367	18,435	21,435	1,351	18,528	21,435	(2,907)	-14%	21,435
Economic and environmental services		123,036	139,819	140,997	9,501	123,904	140,997	(17,092)	-12%	140,997
Planning and development		39,994	48,172	48,375	2,981	38,585	48,375	(9,790)	-20%	48,375
Road transport		82,378	90,936	91,911	6,466	84,620	91,911	(7,291)	-8%	91,911
Environmental protection		665	711	711	54	699	711	(12)	-2%	711
Trading services		1,214,239	1,313,216	1,381,656	113,554	1,131,352	1,381,656	(250,303)	-18%	1,381,656
Energy sources		749,833	857,928	889,928	85,522	749,505	889,928	(140,422)	-16%	889,928
Water management		314,140	296,663	326,563	16,179	238,238	326,563	(88,325)	-27%	326,563
Waste water management		91,753	88,033	94,573	6,446	74,168	94,573	(20,405)	-22%	94,573
Waste management		58,513	70,592	70,592	5,407	69,441	70,592	(1,151)	-2%	70,592
Other		22,076	25,380	25,395	1,594	22,917	25,395	(2,478)	-10%	25,395
Total Expenditure - Functional	3	2,166,359	2,344,984	2,421,590	177,615	1,970,355	2,421,590	(451,235)	-19%	2,421,590
Surplus/ (Deficit) for the year		10,539	188,493	80,293	16,427	296,257	80,293	215,964	269%	80,293

Table 15: Table C3 Expenditure by Vote

4.3 Councillor and board member allowances and employee benefits

Municipal Staff is categorised in terms of levels of authority from the Executive Management Team which comprises of the Municipal Manager, the Chief Financial Officer and the Executive Directors appointed, Senior Managers which covers those that report directly to Municipal Manager and staff reporting to the CFO and to other Executive Directors. All other staff below this level form part of other staff.

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

R0051 001 Page - Supporting Table 000 monthly Budget Statement - Councillor and Staff Benefits - M12 June										
Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		—	—	—	—	—	—	—		—
Pension and UIF Contributions		827	—	—	54	572	—	572	#DIV/0!	—
Medical Aid Contributions		339	—	—	34	272	—	272	#DIV/0!	—
Motor Vehicle Allowance		—	—	—	—	—	—	—		—
Cellphone Allowance		2,862	3,243	3,243	234	2,814	3,243	(429)	-13%	3,243
Housing Allowances		—	—	—	4	31	—	31	#DIV/0!	—
Other benefits and allowances		26,231	31,305	31,305	2,174	26,015	31,305	(5,289)	-17%	31,305
Sub Total - Councillors		30,260	34,547	34,547	2,499	29,703	34,547	(4,844)	-14%	34,547
% increase	4		14.2%	14.2%						14.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		9,434	8,600	8,600	652	8,369	8,600	(232)	-3%	8,600
Pension and UIF Contributions		984	1,108	1,108	110	1,075	1,108	(33)	-3%	1,108
Medical Aid Contributions		215	252	252	22	222	252	(31)	-12%	252
Overtime		—	—	—	—	—	—	—		—
Performance Bonus		—	—	—	—	—	—	—		—
Motor Vehicle Allowance		2,042	1,961	1,961	189	1,820	1,961	(141)	-7%	1,961
Cellphone Allowance		168	202	202	15	158	202	(44)	-22%	202
Housing Allowances		36	39	39	2	26	39	(13)	-34%	39
Other benefits and allowances		15	105	105	2	17	105	(88)	-83%	105
Payments in lieu of leave		—	—	—	—	—	—	—		—
Long service awards		56	62	62	8	67	62	5	8%	62
Post-retirement benefit obligations	2	—	—	—	—	—	—	—		—
Sub Total - Senior Managers of Municipality		12,951	12,329	12,329	999	11,753	12,329	(576)	-5%	12,329
% increase	4		-4.8%	-4.8%						-4.8%
Other Municipal Staff										
Basic Salaries and Wages		395,579	450,593	450,208	34,488	417,680	450,208	(32,527)	-7%	450,208
Pension and UIF Contributions		63,864	76,857	76,857	5,287	64,295	76,857	(12,563)	-16%	76,857
Medical Aid Contributions		48,766	58,592	58,592	4,981	57,853	58,592	(739)	-1%	58,592
Overtime		5,493	4,146	4,096	450	4,972	4,096	876	21%	4,096
Performance Bonus		28,489	35,421	35,421	805	28,888	35,421	(6,534)	-18%	35,421
Motor Vehicle Allowance		38,306	51,621	51,360	3,358	41,866	51,360	(9,494)	-18%	51,360
Cellphone Allowance		1,296	1,499	1,499	117	1,401	1,499	(98)	-7%	1,499
Housing Allowances		2,696	3,158	3,158	221	2,636	3,158	(522)	-17%	3,158
Other benefits and allowances		63,958	63,880	69,775	6,810	78,431	69,775	8,656	12%	69,775
Payments in lieu of leave		29,135	14,000	14,000	650	12,567	14,000	(1,433)	-10%	14,000
Long service awards		23,136	22,791	22,791	2,210	24,418	22,791	1,627	7%	22,791
Post-retirement benefit obligations	2	12,550	41,500	41,500	—	1,021	41,500	(40,479)	-98%	41,500
Sub Total - Other Municipal Staff		713,268	824,059	829,259	59,377	736,028	829,259	(93,231)	-11%	829,259
% increase	4		15.5%	16.3%						16.3%
Total Parent Municipality		756,479	870,935	876,135	62,875	777,484	876,135	(98,651)	-11%	876,135

Table 16: Councillor and staff benefits

As depicted in Table 16 above, Employee related costs is underspent and showing a variance of minus 11%. This is attributable to Post-retirement benefit obligations that will be finalized as part of the year-end procedures and the soft lock on the filling of non-critical vacancies. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal.

Councillors Remuneration is slightly under-performing at 14%. This is attributable to gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils was issued in June 2022. The gazette was issued with an increase of 3% and was approved by Council for implementation. However, implementation is held in abeyance pending approval of MEC of COGHSTA. Management started to address the issues on Overtime which is higher than the ideal IYM percentage of 100%, at 138.5% spent. Backpay was paid to firemen at Emergency Services backdated from December 2019. The total amount paid out during the first quarter of the financial year was R1,923 million.

There is possibly a mapping error because as per SC(8) the budgeted Overtime is reflecting an amount of R4,146 million for Night-shift allowance and the two line-items (Overtime Structured and Non-structured) in the ledger amounts to R31,021 million. After a consultation with BCX, our financial system administrator, it was established that is how the mapping was done by NT. The matter was formally lodged with NT and the municipality is awaiting feedback from them in this regard.

The Overtime controls is no longer as effective and the desired outcome to remain within budget, was not achieved at year-end. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours are limited to 30 hours per month within most departments. The Overtime policy was developed and approved by Council.

And indicated in Table 17 below, is the YTD Overtime expenditure excluding Night-shift allowance per line item and also per Directorate as at end of June 2022.

Description per line item (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	% Variance vs ideal of 91.67%
MS: OVERTIME - NON STRUCTURED	18,745,292	3,584,317	34,931,983	186.4%	86.4%
MS: OVERTIME - STRUCTURED	12,237,841	332,863	7,990,364	65.3%	-34.7%
Overtime as at 30 June 2022	30,983,133	3,917,181	42,922,347	138.5%	38.5%
Directorate (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	% Variance vs ideal of 91.67%
20-EXECUTIVE AND COUNCIL	200,292	48,127	274,795	571.0%	37.2%
21-MUNICIPAL AND GENERAL	-	-	-	-	
22-MUNICIPAL MANAGER	-	-	15,708	-	
23-CORPORATE SERVICES	1,760,000	184,095	1,774,846	100.8%	0.8%
24-COMMUNITY SERVICES	11,729,441	1,208,782	19,328,317	164.8%	64.8%
26-FINANCIAL SERVICES	453,000	120,942	1,225,281	270.5%	170.5%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	259,000	108,654	966,380	373.1%	273.1%
28-INFRASTRUCTURE SERVICES	16,581,400	2,246,581	19,337,020	116.6%	16.6%
Overtime as at 30 June 2022	30,983,133	3,917,181	42,922,347	138.5%	38.5%

Table 17: Current YTD Overtime expenditure excl Night-shift allowance

Overtime has been capped at 30 hours across most units within the municipality. The YTD Overtime expenditure is R42,922 million and 138.5% spent, resulting in a negative variance of 38.5%, when compared to the ideal percentage of 100% for the period under review.

Chart 14: Monthly and Annual Overtime Comparison - Jul 2018 to Jun 2022

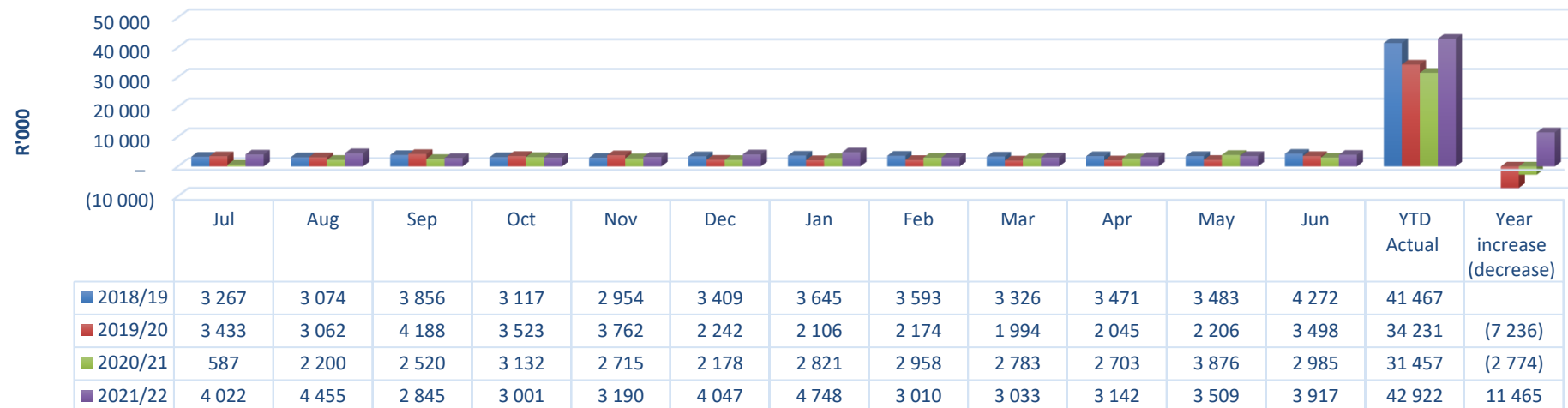


Chart 11: Monthly and Annual Overtime Comparison

Indicated in Chart 11 above, is the monthly and annual Overtime comparison from July 2018 to June 2022. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, controls to curb Overtime is no longer as effective and the YTD actual is R42,922 million. Serious remedial action will have to be implemented to reduce overtime expenditure.

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible.
- Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is actually consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative in order to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies
- Approval of Overtime prior to it being incurred
- Inability to manage overtime proactively
- To remain within the budgeted Overtime
- Curbing / Limiting / Curtailing expenditure on Overtime
- Monitoring expenditure on Overtime
- Utilizing the available workforce optimally
- Unduly compromising or hampering service delivery, which basically means that work that could have been done during normal hours is deliberately delayed so that work can be finalized after hours
- Implementing an alternative method of compensation
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance
- Ensuring and enhancing the lifespan of Property, plant and equipment
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system
- Difficult to track departmental overtime on more than a monthly or even quarterly basis, by then it's too late to take meaningful action to minimize overtime costs

4.4 Bulk Purchases

Bulk Purchases Electricity, Water Inventory and Water Losses

Indicated in Table 18.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 100% as at end of June 2022, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 10.75%. The June 2022 invoice will also be captured in July 2022 as a year-end sundry creditor.

Description	Original Budget	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
BULK PURCHASES: ELECTRICITY	647,000,000	647,000,000	61,837,672	577,460,136	89.25%	-10.75%
Total	647,000,000	647,000,000	61,837,672	577,460,136	89.25%	-10.75%

Table 18.1: Summary of YTD Bulk Electricity Expenditure

Indicated in Table 18.2 below, is the Water inventory which is showing a negative variance of minus 35.1% when compared to the ideal percentage of 91.67%. During the Adjustment budget and advised by NT, Bulk purchases water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal was done to correct the year-to-date actuals. The municipality is awaiting the July and September 2021 bulk water invoice from DWS and it has therefore not been committed on the system. This matter was taken up with the Department but has since been resolved. The erroneous January 2022 bill was corrected by the Department.

Description	Original Budget	Adjusted budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
BULK PURCHASES: WATER	114,000,000	-	-	-	0.0%	-100.0%
INVENTORY - WATER	-	45,240,000	120,954	29,453,042	65.1%	-34.9%
NON-REVENUE WATER LOSSES	-	70,760,000	-	45,878,394	64.8%	-35.2%
Total	114,000,000	116,000,000	120,954	75,331,437	64.9%	-35.1%

Table 18.2: Summary of YTD Bulk Water Expenditure

Organ of state	Principle debt	Balance on Payment arrangement	Balance of unpaid invoices	Current Account due (June 2022)	Total Outstanding Debt	YTD Interest charged 2021/22
ESKOM	112,040,715.83	-	554,936,776	101,431,457	656,368,233	39,809,216
DWS (Water boards)	61,179,514.18	-	160,528,644	6,273,870	166,802,514	10,342,751
Grand Total	173,220,230.01	-	715,465,420	107,705,327	823,170,747	50,151,967

Table 19.1: Summary of outstanding bulk costs debt

Indicated in Table 19.1 above, is the total outstanding debt owed to ESKOM amounting to R656,368 million. The debt for 2020/21 has been settled in full. The municipality envisaged to enter into a new payment agreement with ESKOM for the current financial year but due to severe financial constraints this was impossible. At this stage after careful consideration of the cash position, the municipality pays what it can afford for the month in terms of available cash. The total year to date interest charged on overdue accounts due to ESKOM amounts to R39,809 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

Also, indicated in Table 19.1 above, is the total outstanding debt owed to DWS which amounts to R166,803 million. The total year to date interest charged on overdue accounts to DWS amounts to R10,343 million, which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The statement for interest charges for April to June 2022 were received from the Department.

The debt agreement for 2020/21 has been settled in full. To date, the municipality could not enter into a new payment agreement with DWS for the current financial year due to severe financial constraints.

Month	Invoice amount	Paid to date on O/S invoices	Outstanding Balance	Arrear Debt	Current Acc
Aug-21	93,019,940.09	14,600,332.12	78,419,607.97	78,419,607.97	
Sep-21	54,138,006.95	-	54,138,006.95	54,138,006.95	
Oct-21	51,027,860.62	-	51,027,860.62	51,027,860.62	
Nov-21	50,812,779.51	-	50,812,779.51	50,812,779.51	
Dec-21	51,379,198.31	-	51,379,198.31	51,379,198.31	
Jan-22	53,401,058.31	-	53,401,058.31	53,401,058.31	
Feb-22	51,445,498.50	-	51,445,498.50	51,445,498.50	
Mar-22	54,651,968.15	-	54,651,968.15	54,651,968.15	
Apr-22	51,834,528.52	-	51,834,528.52	51,834,528.52	
May-22	57,826,269.53	-	57,826,269.53	57,826,269.53	
Jun-22	101,431,456.54	-	101,431,456.54		101,431,456.54
Total ESKOM	670,968,565.03	14,600,332.12	656,368,232.91	554,936,776.37	101,431,456.54

Table 19.2: Summary of outstanding ESKOM debt

Indicated in Table 19.2 is the detailed breakdown of billed charges, amounts paid on the outstanding invoices and the outstanding balances per invoice. The outstanding balance is then split into the arrear debt (R554,937m) and the current account (R101,431m).

Payments per fin period	Amount paid in R	Payment date	Sum of VOTE AMOUNT
202108	18,165,402	20210811	6,000,000.00
202109	24,000,000	20210818	6,000,000.00
202110	21,954,440	20210825	4,000,000.00
202111	20,000,000	20210827	2,165,402.07
202112	30,000,000	20210907	6,000,000.00
202201	29,986,503	20210915	6,000,000.00
202202	19,000,000	20210916	6,000,000.00
202203	20,000,000	20210920	6,000,000.00
202204	30,000,000	20211005	6,000,000.00
202205	50,000,000	20211012	6,000,000.00
Grand Total	263,106,345	20211019	9,954,439.94
		20211108	10,000,000.00
		20211115	10,000,000.00
		20211208	30,000,000.00
		20220104	83,198.46
		20220118	29,903,304.08
		20220225	19,000,000.00
		20220316	20,000,000.00
		20220413	30,000,000.00
		20220512	20,000,000.00
		20220531	30,000,000.00
		Grand Total	263,106,344.55

Table 19.3: Summary of ESKOM payments

Indicated in Table 19.3 is the total amount paid to ESKOM per financial period and per payment date for the 2021/22 financial year. For the month of June 2022, the municipality settled zero rand on the outstanding invoices, however the municipality is in the process to settle R52 million on the August 2022 invoice. The municipality does not have sufficient cash to settle the monthly current account

Month	Invoice amount	Paid to date on O/S invoices	Outstanding Balance	Arrrear Debt	Current Acc
INTEREST CHARGES - APR TO JUN 2022	6,191,399.16	-	6,191,399.16		6,191,399.16
FEB 2021 BULK ACCOUNT	15,328,510.40	4,700,000.00	10,628,510.40	10,628,510.40	
MAR 2021 BULK ACCOUNT	13,223,916.36	-	13,223,916.36	13,223,916.36	
JUN 2021 BULK ACCOUNT	1,323,731.90	-	1,323,731.90	1,323,731.90	
JUL 2021 BULK ACCOUNT	14,377,528.13	-	14,377,528.13	14,377,528.13	
AUG 2021 BULK ACCOUNT	15,279,844.45	-	15,279,844.45	15,279,844.45	
SEP 2021 BULK ACCOUNT	16,009,567.06	-	16,009,567.06	16,009,567.06	
OCT 2021 BULK ACCOUNT	15,275,086.61	-	15,275,086.61	15,275,086.61	
NOV 2021 BULK ACCOUNT	14,522,530.48	-	14,522,530.48	14,522,530.48	
DEC 2021 BULK ACCOUNT	11,107,773.22	-	11,107,773.22	11,107,773.22	
JAN 2022 BULK ACCOUNT	17,330,694.94	-	17,330,694.94	17,330,694.94	
FEB 2022 BULK ACCOUNT	16,436,776.66	-	16,436,776.66	16,436,776.66	
MAR 2022 BULK ACCOUNT	14,930,212.48	-	14,930,212.48	14,930,212.48	
WRM LEVIES MAY 2022	82,471.24	-	82,471.24	82,471.24	
WRM LEVIES JUN 2022	82,471.24	-	82,471.24		82,471.24
Total DWS	171,502,514.33	4,700,000.00	166,802,514.33	160,528,643.93	6,273,870.40

Table 19.4: Summary of outstanding DWS debt

Indicated in Table 19.4 is the detailed breakdown of billed charges, amounts paid on outstanding invoices and the outstanding balances per invoice. The outstanding balance is then split into the the arrear debt (R160,529m) and the current account (R82k). It should be noted that the municipality's servitude (free water) commenced on 1 April 2022, therefore no billed charges is raised. The municipality raised a dispute on the billed volume for January 2022 and included in the arrear debt is the corrected billed amount. This was taken up with the Department and the municipality received the corrected invoice on 8 July 2022. It should be noted that the total debt due to DWS needs to concurred with the Department. The debt owed to DWS is understated because the Department never billed the municipality for June 2021, relating to 2020/21 financial year and July and September 2021 for the current financial year. The mentioned invoices were therefore not received from the Department and is not loaded on the DWS Portal either. There is also a billing error on the August 2021 account which was taken up with the Department. All the issues were resolved with the Department and the municipality finally received feedback on 8 July 2022.

Payments per fin period	Sum of VOTE AMOUNT	Payment date	Sum of VOTE AMOUNT
202108	7,589,629	20210811	4,000,000.00
202109	10,082,471	20210817	2,000,000.00
202110	5,809,338	20210825	1,000,000.00
202111	16,732,805	20210831	589,628.61
202112	164,942	20210908	4,000,000.00
202202	792,718	20210915	2,000,000.00
202203	13,437,789	20210916	2,082,471.24
202204	6,810,888	20210920	2,000,000.00
202205	3,637,789	20211020	5,726,867.12
202206	2,324,174	20211022	82,471.24
Grand Total	67,382,545	20211108	8,000,000.00
		20211116	8,732,805.33
		20211202	82,471.24
		20211230	82,471.24
		20220203	627,775.68
		20220225	164,942.48
		20220301	4,000,000.00
		20220311	1,937,789.26
		20220316	7,500,000.00
		20220413	6,645,945.63
		20220425	164,942.48
		20220601	4,173,087.07
		20220614	1,788,876.63
		Grand Total	67,382,545.25

Table 19.5: Summary of DWS payments

Indicated in Table 19.5 is the total amount paid to DWS per financial period and per payment date for the 2021/22 financial year. For the month of June 2022, the municipality settled an amount of R2,324 million on outstanding invoices. The municipality does not have sufficient cash to settle the current account due to DWS but make payments as cash becomes available.

4.5 Aged Creditors

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Budget Year 2021/22												Prior year totals for chart (same period)
Description	NT Code	0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total		
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	101,431	57,826	51,835	54,652	51,445	53,401	285,777	–	656,368	165,312	
Bulk Water	0200	6,274	82	–	14,930	16,437	17,331	86,572	25,176	166,803	98,903	
PAYE deductions	0300	8,999	–	–	–	–	–	–	–	8,999	8,752	
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–	
Pensions / Retirement deductions	0500	7,343	–	–	–	–	–	–	–	7,343	7,355	
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–	
Trade Creditors	0700	–	–	–	–	–	–	–	–	–	27,512	
Auditor General	0800	85	–	–	–	–	–	–	–	85	–	
Other	0900	17,952	3,294	–	2,395	–	–	–	–	23,641	150,244	
Total By Customer Type	1000	142,084	61,203	51,835	71,977	67,882	70,732	372,350	25,176	863,239	458,077	

Table 20: Supporting Table SC4: Aged Creditors

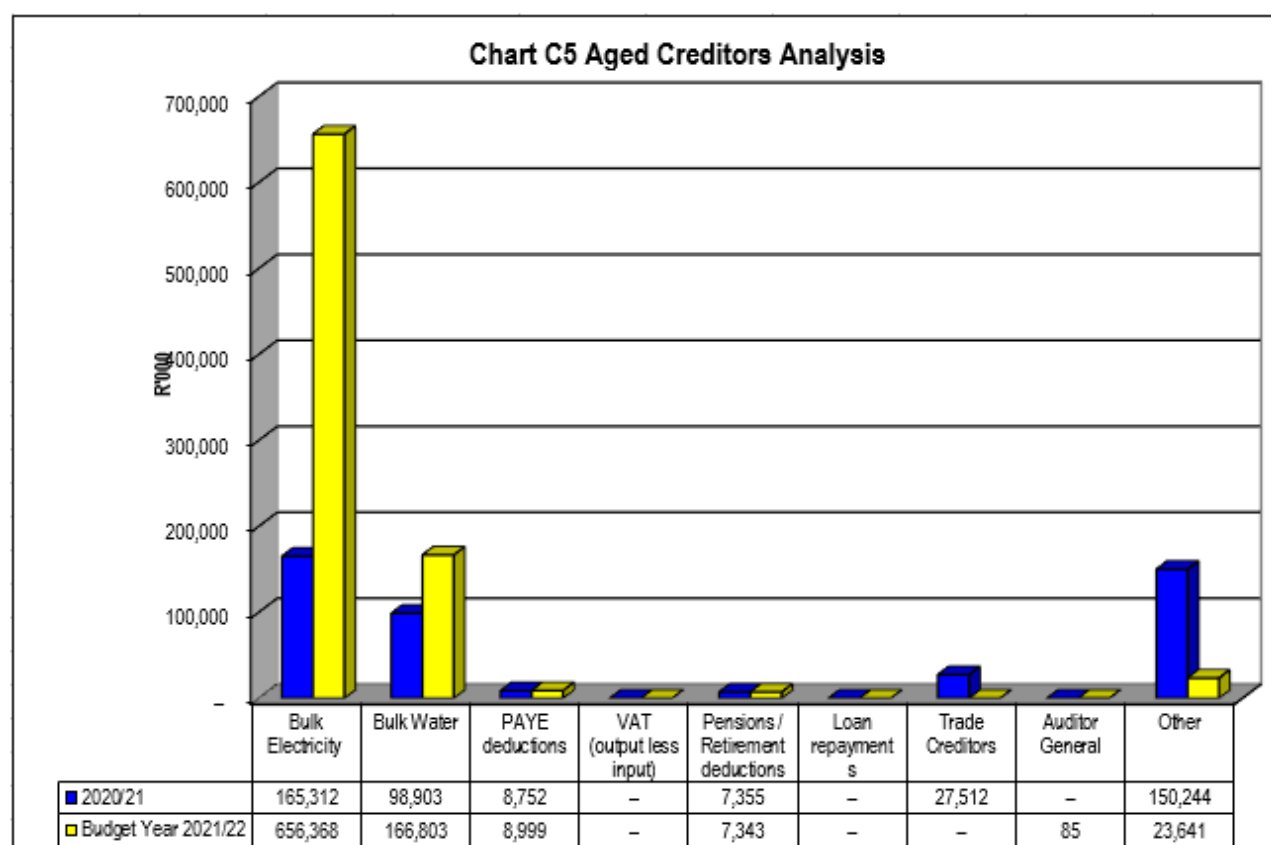


Chart 12: Aged Creditors Analysis

Bulk Electricity – As at the 30 June 2022, the outstanding debt owed to ESKOM amounted to R656,368 million. The municipality could not conclude a new payment agreement with ESKOM for the 2021/22 financial year, due to cash flow constraints.

Bulk Water – As at the 30 June 2022, the outstanding debt owed to DWS is R166,803 million. The municipality could not conclude a new payment agreement with DWS for the 2021/22 financial year, due to cash flow constraints.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions.

VAT – after the monthly VAT reconciliation, an amount of R2,922 million was claimed from SARS.

Trade creditors are all suppliers registered on the municipality's database and it is a prerequisite for these suppliers to be registered on the central supplier database (CSD).

Auditor General – the current account due to the AGSA is R85 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 30 June 2022 of which the biggest contributor is third party salary payments amounting to R15,093 million which was paid by 7 July 2022.

4.6 Repairs and maintenance

Repairs and maintenance enables the municipality to deliver much needed services to the people. Infrastructure requires continues maintenance to perform effectively.

The report below gives further breakdown of maintenance budget as allocated to various votes and the spending to date. Maintenance expenditure varies year on year as it is influenced by various factors such as seasons, temperatures and unforeseen circumstances that happens randomly such as aged network resulting in network failures. The lack of maintenance plans has a negative influence on budgeting and expenditure on R&M.

Department	Sum of Adjustment Budget	Sum of Curr Mth Exp	Sum of YTD Movement	% Spent Adjustment budget
COUNCILLORS AND ADMIN	314 000	40 315	54 711	17%
MUNICIPAL AND GENERAL	20 582 000	3 153 009	29 971 470	146%
MUNICIPAL MANAGER	150 000	1 510	111 891	75%
CORPORATE SERVICES	2 736 530	1 698 644	2 116 723	77%
COMMUNITY SERVICES	37 941 688	3 282 013	29 918 186	79%
FINANCIAL SERVICES	2 323 500	276 311	2 873 388	124%
STRATEGY & ECONOMIC DEVELOPMENT	6 802 607	645 444	5 687 152	84%
INFRASTRUCTURE SERVICES	160 679 550	11 478 170	143 384 085	89%
Grand Total	231 529 875	20 575 417	214 117 604	92%

Table 21 : Budget per vote

Service per department	Sum of Adjustment Budget	Sum of Curr Mth Exp	Sum of YTD Movement	% Spent Adjustment budget
ELECTRICITY	31 162 000	1 252 070	30 348 512	97%
HOUSING	1 498 000	115 482	1 459 323	97%
REFUSE	20 825 000	1 997 521	18 046 966	87%
ROADS	16 698 000	1 035 203	16 973 946	102%
SEWERAGE	23 339 000	1 675 262	19 505 317	84%
WATER	91 442 000	6 893 632	71 764 494	78%
Grand Total	184 964 000	12 969 169	158 098 559	85%

Table 22 : Budget per service

Infrastructure and Services has been allocated just over 69% of the council maintenance budget for obvious reasons that all infrastructure is operated and maintained in this vote. The preliminary variance shows an under-expenditure of 11%, with Infrastructure services showing a variance of minus 8%.

5. CAPITAL EXPENDITURE

As indicated in the Charts 13 and 14 below, the YTD Actual on capital expenditure as at end of June 2022 amounted to R93 074 million which shows an unsatisfactory variance of 39.8% when compared to the YTD budgeted SDBIP target of R154,666 million and 60.2.% spent. When compared to the Adjustment Budget of R154 666 million the target on capital expenditure percentage spent as contained in the SDBIP was set at 85% as at the end of the 4th Quarter. When taking this into consideration, the total expenditure shows a negative variance of 24.8% and 60.2% spent for the period under review.

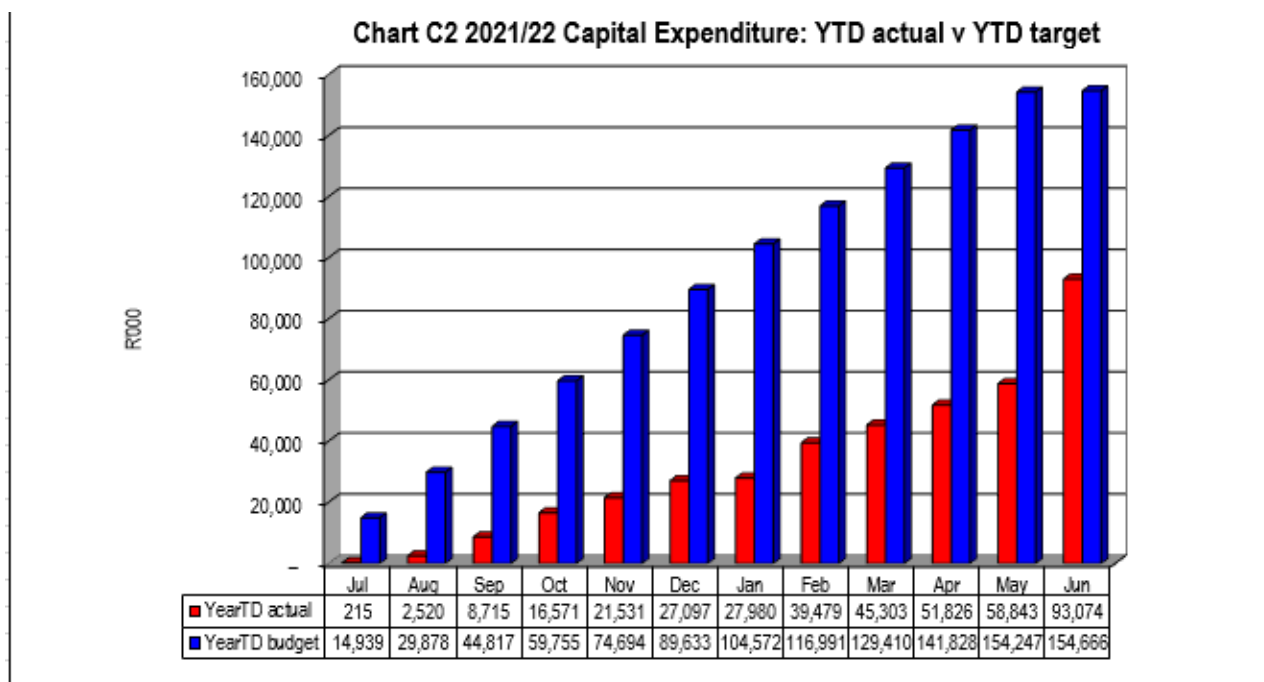


Chart 13: Capital Expenditure: YTD actual vs YTD target

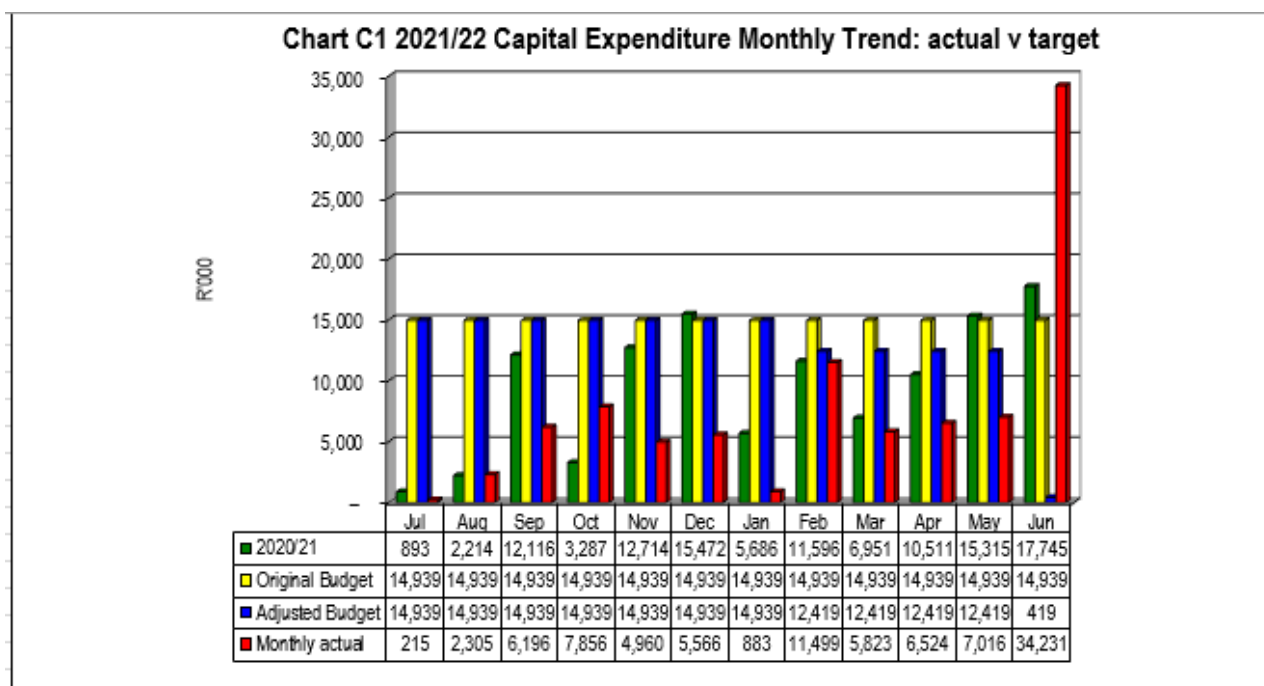


Chart 14: Capital Expenditure Monthly Trend: actual v target

5.1 Capital expenditure by project

Indicated in Table 23 below, is a list of projects with the applicable funding source. The total capex is normally slow during the start of the financial year. However, capital expenditure is extremely poor compared to prior years for the same period. Urgent intervention from management is required to remedy the situation. The actual monthly expenditure for June 2022 amounted to R34,231 million. The preliminary total YTD Capex amounts to R93,074 million. Please note that commitments are excluded from the YTD movement. Capital expenditure is also exclusive of VAT.

Project Description	Original Budget	Adj Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	% Adj Budget	Funding source
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	332,000	-	2,457,000	543,000	81.9%	81.9%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	4,000,000	9,500,000	2,444,526	-	2,444,526	7,055,474	61.1%	25.7%	INTERNALLY GENERATED FUNDS
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	2,000,000	-	-	-	2,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-COMPUTER EQUIPMENT REPLACEMENT	3,500,000	3,500,000	1,057,692	-	1,720,839	1,779,161	49.2%	49.2%	INTERNALLY GENERATED FUNDS
RESEALING OF ROADS VARIOUS WARDS	13,000,000	-	-	-	-	-	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	10,000,000	-	-	-	-	-	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	10,000,000	-	-	-	-	-	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	10,000,000	-	-	-	-	-	0.0%	-	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT
P-CNIN COM F FIRE/AMBUL	-	3,000,000	-	-	2,028,090	971,910	-	67.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
EUROPEAN UNION BEAR PROJECT	-	14,400,000	3,469,810	-	13,891,002	508,998	-	96.5%	EUROPEAN UNION
CRAVEN STREET TRADE CENTRE	8,000,000	5,000,000	4,347,826	-	4,347,826	652,174	54.3%	87.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RESEALING OF ROADS FB WM	-	3,500,000	-	-	3,628,550	-128,550	-	103.7%	FRANCES BAARD DISTRICT MUNICIPALITY
P-CIER RDS ROADS	-	11,700,000	-	-	11,182,290	517,710	-	95.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	-	10,470,000	3,940,138	-	6,568,960	3,901,040	-	62.7%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	-	10,000,000	4,146,671	-	9,998,073	1,927	-	100.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RECONSTRUCTION OLD SINK TOILETS PHASE 1	-	5,000,000	678,322	-	1,157,322	3,842,678	-	23.1%	INTERNALLY GENERATED FUNDS
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	22,266,000	11,096,000	4,155,727	-	6,469,382	4,626,618	29.1%	58.3%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000,000	21,000,000	786,013	-	13,802,597	7,197,403	55.2%	65.7%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	1,000,000	1,000,000	278,712	-	623,699	376,301	62.4%	62.4%	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	-	-	-	-	-	-	-	#DIV/0!	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE HADISON PARK 66/11 KV SUBSTATION	1,500,000	1,500,000	-	-	12,613	1,487,387	0.8%	0.8%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LERATO PARK	-	3,000,000	-	-	2,739,361	260,639	-	91.3%	INTERNALLY GENERATED FUNDS
ELECTRIFICATION GOLF COURSE	-	5,400,000	2,519,728	-	2,618,031	2,781,969	-	48.5%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR MATHIBE	33,000,000	3,500,000	738,917	-	738,917	2,761,083	2.2%	-	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LETABO PARK	20,000,000	19,820,000	5,098,731	-	5,100,625	14,719,375	25.5%	25.5%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR SOUL CITY	-	1,280,000	3,739	-	535,791	744,209	-	41.9%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIC LERATO PARK LINK SERV NETWORK	12,000,000	5,000,000	-	-	32,073	4,967,927	0.3%	0.6%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	1,000,000	1,000,000	232,604	-	976,371	23,629	97.6%	97.6%	INTERNALLY GENERATED FUNDS
TOTAL	179,266,000	154,666,000	34,231,156	-	93,073,939	61,592,061	51.9%	60.2%	

Table 23: Detailed capital expenditure report

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	36,500,000	8,361,115	9,038,049	13.6%	24.8%
INTERNALLY GENERATED FUNDS	11,500,000	25,000,000	4,691,855	9,662,119	84.0%	38.6%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	54,266,000	16,922,363	43,051,621	65.0%	79.3%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	-	0.0%	-
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	21,000,000	786,013	13,802,597	55.2%	65.7%
EUROPEAN UNION	-	14,400,000	3,469,810	13,891,002	-	96.5%
FRANCES BAARD DISTRICT MUNICIPALITY	-	3,500,000	-	3,628,550	-	103.7%
Grand Total	179,266,000	154,666,000	34,231,156	93,073,939	51.9%	60.2%

Table 24: Summary of capital expenditure per funding source

Indicated in Table 23 above, is a summary of the capital expenditure per funding source compared to the Adjusted budget. Overall spending on grants is extremely slow. The expenditure on IUDG (79.3%), INEP (24.8%) and WSIG (65.7%). Spending on Internally generated funds is 38.6% spent. Implementation of projects was delayed by the finalization of procurement processes. Payment certificates are settled once work is completed. The total funding from NDPG amounting to R10 million has been withdrawn, whilst R30 million has been withdrawn from INEP.

5.2 Capital Expenditure by Vote

Capital projects are analyzed by vote to ensure that the performance contracts of the executive management team include these projects. Further to this and as compelled by multi-year planning, projects may span over one year. The table below indicates single year and multi-year projects by vote.

Table 25 : Capital expenditure per vote

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		26,692	33,000	3,000	-	2,028	3,000	(972)	-32%	3,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		3,126	8,000	19,400	7,818	18,239	19,400	(1,161)	-6%	19,400
Vote 08 - Infrastructure And Services		64,887	81,266	82,786	17,690	40,088	82,786	(42,698)	-52%	82,786
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	94,705	122,266	105,186	25,508	60,355	105,186	(44,831)	-43%	105,186
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		23,485	22,500	18,000	3,834	6,622	18,000	(11,378)	-63%	18,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		1,312	34,500	31,480	4,889	26,096	31,480	(5,384)	-17%	31,480
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	24,797	57,000	49,480	8,724	32,719	49,480	(16,761)	-34%	49,480
Total Capital Expenditure		119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666
Capital Expenditure - Functional Classification										
Governance and administration		50,177	55,500	21,000	3,834	8,650	21,000	(12,350)	-59%	21,000
Executive and council		50,177	55,500	21,000	3,834	8,650	21,000	(12,350)	-59%	21,000
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		3,126	8,000	55,070	15,904	49,617	55,070	(5,453)	-10%	55,070
Planning and development		3,126	8,000	19,400	7,818	18,239	19,400	(1,161)	-6%	19,400
Road transport		-	-	35,670	8,087	31,378	35,670	(4,292)	-12%	35,670
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		66,199	115,766	78,596	14,492	34,807	78,596	(43,789)	-56%	78,596
Energy sources		16,469	67,500	40,500	8,594	12,754	40,500	(27,746)	-69%	40,500
Water management		1,312	1,000	1,000	279	624	1,000	(376)	-38%	1,000
Waste water management		48,418	47,266	37,096	5,620	21,429	37,096	(15,667)	-42%	37,096
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666
Funded by:										
National Government		101,832	167,766	111,766	26,069	65,892	111,766	(45,874)	-41%	111,766
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	3,500	-	3,629	3,500	129	4%	3,500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		2,483	-	14,400	3,470	13,891	14,400	(509)	-4%	14,400
Transfers recognised - capital		104,315	167,766	129,666	29,539	83,412	129,666	(46,254)	-36%	129,666
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		15,186	11,500	25,000	4,692	9,662	25,000	(15,338)	-61%	25,000
Total Capital Funding		119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666

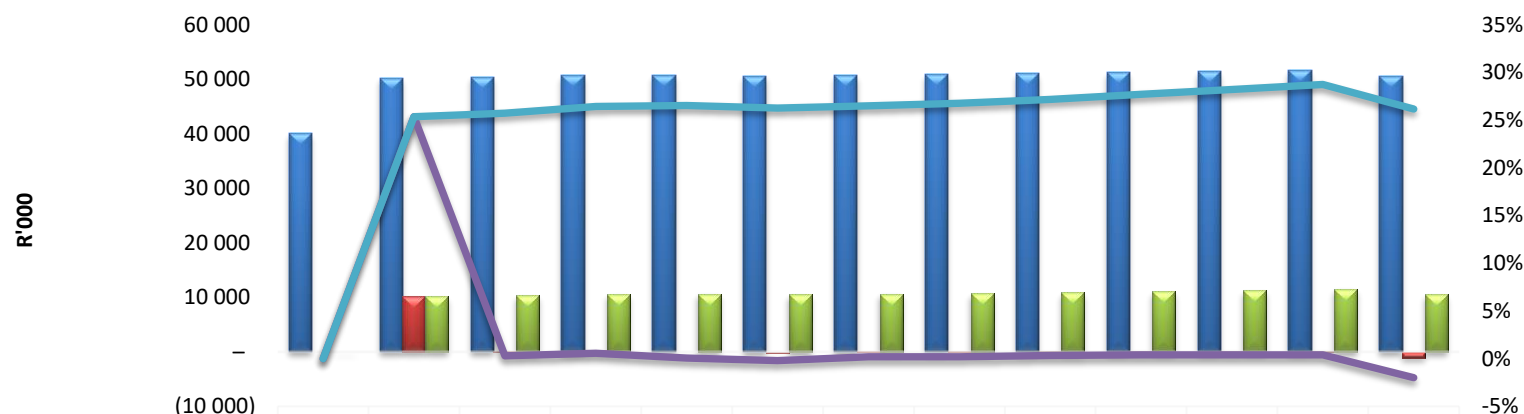
6. INVESTMENT PORTFOLIO ANALYSIS

The market value of the investment portfolio has been utilized and for the period ending 30 June 2022, the value of total investments made was R50,595 million including interest. Investments excluding interest amounted to R50,124 million. Part of investments made during the month where interest accrued which reflected an increase in investment and not as a result of increased revenue collection.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June 2022														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa Bank 20 -6295-4443		12 mths	Notice	YES	Fixed	07.4			28.06.2023	7,711	32	364	25	7,404
Absa Bank 20 -8033-1750		03 mths	Notice	YES	Fixed	03.41				25	0	25		(0)
Standard Bank 048466271-085		12 mths	Notice	YES	Fixed	05.850			10.11.2022	21,456	103			21,559
First National Bank			Call a/c	YES	Variable	04.10				5,671	23	194		5,500
Absa Bank			Call a/c	YES	Variable	04.10				5,622	27	146		5,502
Investec			Call a/c	YES	Variable	04.10				635	2	38		600
Nedbank			Call a/c	YES	Variable	04.00				5,320	17	337		5,001
Standard Bank			Call a/c	YES	Variable	04.25				5,183	20	173		5,030
Municipality sub-total										51,623		1,277		50,595
TOTAL INVESTMENTS AND INTEREST	2									51,623		1,277		50,595

Table 26: Supporting Table SC5: Investment portfolio

Chart 15: Call investment deposits incl interest for the period ending 30 June 2022



	Jun-21 (excl interest)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Call investment deposits incl interest at month end	40 099	50 269	50 422	50 701	50 737	50 631	50 731	50 832	50 999	51 210	51 412	51 623	50 595
Month-to-Month R-Value increase (decrease)	–	10 170	153	279	36	(106)	100	101	167	211	202	211	(1 028)
R-Value increase (decrease) from previous years' balance	–	10 170	10 323	10 602	10 638	10 532	10 632	10 733	10 900	11 111	11 313	11 524	10 496
Month-to-month % increase (decrease)	–	25,4%	0,3%	0,6%	0,1%	-0,2%	0,2%	0,2%	0,3%	0,4%	0,4%	0,4%	-2,0%
% increase (decrease) from previous years' balance	–	25,4%	25,7%	26,4%	26,5%	26,3%	26,5%	26,8%	27,2%	27,7%	28,2%	28,7%	26,2%

Chart 15: Call investment deposits at month-end

As indicated in the Chart 15 above from May to June 2022 investments incl interest decreased by R1,028 million or 2%, in respect of the month-to-month comparison. This was as result of accrued interest recognized in the Statement of Financial position. Investments increased by R10,496 million or 26.2% when compared to the previous years' audited balance of R40,099 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

7. GRANTS AND SUBSIDIES RECEIVED

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M 12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		245,173	222,840	223,855	–	208,031	223,855	(15,824)	-7.1%	223,855
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		234,642	212,328	212,328	–	207,016	212,328	(5,312)	-2.5%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	–	–	3,362	(3,362)	-100.0%	3,362
Infrastructure Skills Development Grant		4,661	5,500	5,500	–	–	5,500	(5,500)	-100.0%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	–	–	1,650	(1,650)	-100.0%	1,650
Municipal Disaster Relief Grant		–	–	1,015	–	1,015	1,015	–	0.0%	1,015
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		15,253	7,800	13,018	–	11,910	13,018	(1,107)	-8.5%	13,018
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other Grants		8,207	7,800	8,518	–	8,518	8,518	(0)	0.0%	8,518
Expanded Public Works Programme		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Infrastructure Grant		7,046	–	4,500	–	3,393	4,500	(1,107)	-24.6%	4,500
Libraries; Archives and Museums		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Finance and Admin		–	–	–	–	–	–	–	–	–
Public Safety		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Higher Education SA (HESA)		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	260,426	230,640	236,873	–	219,941	236,873	(16,931)	-7.1%	236,873
Capital Transfers and Grants										
National Government:		109,706	167,766	111,766	25,714	67,797	111,766	(43,969)	-39.3%	111,766
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Infrastructure Skills Development Grant		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant		17,206	66,500	36,500	8,298	11,321	36,500	(25,179)	-69.0%	36,500
Integrated Urban Development Grant		50,328	66,266	54,266	16,630	42,621	54,266	(11,645)	-21.5%	54,266
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		22,881	10,000	–	–	52	–	52	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		19,291	25,000	21,000	786	13,803	21,000	(7,197)	-34.3%	21,000
Provincial Government:		–	–	–	–	–	–	–	–	–
Capacity Building		–	–	–	–	–	–	–	–	–
Libraries; Archives and Museums		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	3,500	–	–	3,500	(3,500)	-100.0%	3,500
Specify (Add grant description)		–	–	3,500	–	–	3,500	(3,500)	-100.0%	3,500
Other grant providers:		2,856	–	14,400	14,400	14,400	14,400	0	0.0%	14,400
[insert description]		–	–	–	–	–	–	–	–	–
European Union		2,856	–	14,400	14,400	14,400	14,400	0	0.0%	14,400
Total Capital Transfers and Grants	5	112,562	167,766	129,666	40,114	82,197	129,666	(47,469)	-36.6%	129,666
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	372,988	398,406	366,539	40,114	302,138	366,539	(64,401)	-17.6%	366,539

Table 27 :Supporting Table SC6 Transfers and Grants Receipts

8. EXPENDITURE ON GRANTS AND SUBSIDIES RECEIVED

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is standing at R21,147 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted allocation for the EPWP is R3,362 million. In addition to this, the municipality budgeted R6,000 million for this programme. Management has been in a process of reviewing this programme.

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description		Ref	2020/21	Budget Year 2021/22							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
EXPENDITURE											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			111,662	101,646	108,236	12,891	104,639	108,236	(3,597)	-3.3%	108,236
Equitable Share			101,154	91,134	96,709	12,136	94,487	96,709	(2,222)	-2.3%	96,709
Expanded Public Works Programme Integrated Grant			4,170	3,362	3,362	–	3,362	3,362	–	–	3,362
Infrastructure Skills Development Grant			4,672	5,500	5,500	585	4,868	5,500	(632)	-11.5%	5,500
Local Government Financial Management Grant			1,666	1,650	1,650	171	1,661	1,650	11	0.6%	1,650
Municipal Disaster Relief Grant			–	–	1,015	–	261	1,015	(754)	-74.3%	1,015
Provincial Government:			8,881	7,800	9,800	138	8,270	9,800	(1,529)	-15.6%	9,800
Capacity Building and Other Grants			5,019	7,800	8,300	74	6,790	8,300	(1,509)	-18.2%	8,300
Infrastructure Grant			3,862	–	1,500	64	1,480	1,500	(20)	-1.3%	1,500
Libraries; Archives and Museums			–	–	–	–	–	–	–	–	–
District Municipality:			–	–	–	–	–	–	–	–	–
Road Transport			–	–	–	–	–	–	–	–	–
Other grant providers:			–	–	–	–	–	–	–	–	–
European Union			–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:			120,543	109,446	118,036	13,030	112,909	118,036	(5,127)	-4.3%	118,036
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			101,832	167,766	111,766	26,069	65,892	111,766	(45,874)	-41.0%	111,766
Energy Efficiency and Demand Side Management Grant			–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant			16,469	66,500	36,500	8,361	9,038	36,500	(27,462)	-75.2%	36,500
Integrated Urban Development Grant			46,175	66,266	54,266	16,922	43,052	54,266	(11,214)	-20.7%	54,266
Municipal Infrastructure Grant			–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant			19,896	10,000	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant			–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant			19,291	25,000	21,000	786	13,803	21,000	(7,197)	-34.3%	21,000
Provincial Government:			–	–	–	–	–	–	–	–	–
Sports and Recreation			–	–	–	–	–	–	–	–	–
District Municipality:			–	–	3,500	–	3,629	3,500	129	3.7%	3,500
Specify (Add grant description)			–	–	3,500	–	3,629	3,500	129	3.7%	3,500
Other grant providers:			2,483	–	14,400	3,470	13,891	14,400	(509)	-3.5%	14,400
European Union			2,483	–	14,400	3,470	13,891	14,400	(509)	-3.5%	14,400
Total capital expenditure of Transfers and Grants			104,315	167,766	129,666	29,539	83,412	129,666	(46,254)	-35.7%	129,666
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			224,858	277,212	247,702	42,569	196,321	247,702	(51,381)	-20.7%	247,702

Table 28: Supporting Table SC7(1) Transfers and Grants Expenditure

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	36,500,000	8,361,115	9,038,049	13.6%	24.8%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	54,266,000	16,922,363	43,051,621	65.0%	79.3%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	-	0.0%	-
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	21,000,000	786,013	13,802,597	55.2%	65.7%
EUROPEAN UNION	-	14,400,000	3,469,810	13,891,002	-	96.5%
FRANCES BAARD DISTRICT MUNICIPALITY	-	3,500,000	-	3,628,550	-	103.7%
Grand Total	167,766,000	129,666,000	29,539,300	83,411,820	49.7%	64.3%

Table 29: Summary of expenditure per grant

As indicated in Table 29 above, the YTD grant expenditure amounts to R83,412 million or 64.3% spent against the Adjusted capital grant allocation of R129,666 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD expenditure is so low. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

A rollover request was submitted to NT on 30 August 2021 as directed by NT. Final outcome was received and the rollover was rejected. Indicated below is an extract from the approval letter received from NT.

“Your request to roll over the unspent amount of R5 million into the 2021/22 financial year by your municipality is not approved in terms of 22(2) of the 2020 Division of Revenue Second Amendment Act, (Act No. 20 of 2020) (DoRSAA). The rejection is with respect to the Neighbourhood Development Partnership Grant (NDPG).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 108 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

The decision to reject your roll over request is based on the following reason:

The rollover request for NDPG is not recommended by the NDP Unit within the National Treasury. According to the Transferring Officer, the municipality has sufficient allocation in the 2021/22 financial year to continue with the project.”

The municipality lodged an objection to this outcome and it was disapproved.

Table 30 : Supporting Table SC7(2) Expenditure against approved rollovers

Table 30 is not required as the rollover request was declined.

9. FINANCIAL MANAGEMENT AND REPORTING

MFMA Section 52 (d) to require that the Executive Mayor reports on the financial state of affairs of the municipality. As such, financial ratios have been used to analyse the municipality's performance as at 30 June 2022. The municipality has used the financial ratios as published in MFMA Circular 71 that are aimed at replacing those that were promulgated in the Performance Regulations of 2001. The following is a summary of the outcomes of the analysis.

9.1 Assets Management

1. FINANCIAL POSITION					
A. Asset Management/Utilisation					
					2021/22
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	5%
				Total Operating Expenditure	1 970 355
				Taxation Expense	-
				Total Capital Expenditure	93 074
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	0%
				PPE, Investment Property and Intangible Impairment	-
				PPE at carrying value	1 954 557
				Investment property at carrying value	211 514
				Intangible Assets at carrying value	24 230
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	10%
				Total Repairs and Maintenance Expenditure	214 118
				PPE at carrying value	1 954 557
				Investment Property at Carrying value	211 514

9.2 Debtors Management

B. Debtors Management					
					TOTAL DEBTORS
1	Collection Rate	$(\text{Gross Debtors Closing Balance} + \text{Billed Revenue} - \text{Gross Debtors Opening Balance} - \text{Bad Debts Written Off}) / \text{Billed Revenue} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	97%
					Gross Debtors closing balance
					2 893 341
					Gross Debtors opening balance
					2 975 782
					Bad debts written Off
					138 030
					Billed Revenue
					1 781 926
2	Bad Debts Written-off as % of Provision for Bad Debt	$\text{Bad Debts Written-off} / \text{Provision for Bad debts} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	18%
					Consumer Debtors Bad debts written off
					138 030
					Consumer Debtors Current bad debt Provision
					769 901
3	Net Debtors Days	$((\text{Gross Debtors} - \text{Bad debt Provision}) / \text{Actual Billed Revenue}) \times 365$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	392 days
					Gross debtors (90+ days)
					2 684 657
					Bad debts Provision
					769 901
					Billed Revenue
					1 781 926

9.3 Liquidity management

C. Liquidity Management					
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	$((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment}) / \text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	0.92 Month
					Cash and cash equivalents
					186 188
					Unspent Conditional Grants
					46 254
					Overdraft
					-
					Short Term Investments
					Total Annual Operational Expenditure
					1 832 326
2	Current Ratio	$\text{Current Assets} / \text{Current Liabilities}$	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	2.28
					Current Assets
					2 501 860
					Current Liabilities
					1 097 844

9.4 Liability management

D. Liability Management					
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	$\text{Capital Cost(Interest Paid and Redemption)} / \text{Total Operating Expenditure} \times 100$	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%	2.62%
					Interest Paid
					40 918
					Redemption
					10 734
					Total Operating Expenditure
					1 970 355
					Taxation Expense
					-
2	Debt (Total Borrowings) / Revenue	$(\text{Overdraft} + \text{Current Finance Lease Obligation} + \text{Non current Finance Lease Obligation} + \text{Short Term Borrowings} + \text{Long term borrowing}) / (\text{Total Operating Revenue} - \text{Operational Conditional Grants}) \times 100$	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	9%
					Total Debt
					171 517
					Total Operating Revenue
					2 184 415
					Operational Conditional Grants
					219 941

9.5 Sustainability

E. Sustainability					
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	$(\text{Cash and Cash Equivalents} - \text{Bank overdraft} + \text{Short Term Investment} + \text{Long Term Investment} - \text{Unspent grants}) / (\text{Net Assets} - \text{Accumulated Surplus} - \text{Non Controlling Interest Share Premium} - \text{Share Capital} - \text{Fair Value Adjustment} - \text{Revaluation Reserve}) \times 100$	Statement Financial Position, Budget and AR	100%	245%
					Cash and cash Equivalents
					186 188
					Bank Overdraft
					-
					Short Term Investment
					-
					Long Term Investment
					-
					Unspent Grants
					46 254
					Net Assets
					3 178 052
					Share Premium
					-
					Share Capital
					-
					Revaluation Reserve
					57 205
					Fair Value Adjustment Reserve
					-
					Accumulated Surplus
					3 063 643

9.6 Efficiency

2. FINANCIAL PERFORMANCE					
A. Efficiency					
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	<div>10%</div> <div>Total Operating Revenue</div> <div>2 184 415</div> <div>Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)</div> <div>Total Operating Expenditure</div> <div>1 970 355</div> <div>Taxation Expense</div> <div>-</div>
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	<div>-1%</div> <div>Total Electricity Revenue</div> <div>742 263</div> <div>Total Electricity Expenditure</div> <div>749 505</div>
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	<div>25%</div> <div>Total Water Revenue</div> <div>316 622</div> <div>Total Water Expenditure</div> <div>238 238</div>
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	<div>2%</div> <div>Total Refuse Revenue</div> <div>70 731</div> <div>Total Refuse Expenditure</div> <div>69 441</div>
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	<div>23%</div> <div>Total Sanitation and Water Waste Revenue</div> <div>96 626</div> <div>Total Sanitation and Water Waste Expenditure</div> <div>74 168</div>

9.7 Revenue and Distribution losses

B. Distribution Losses					
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	<div>29.69%</div> <div>Number of units purchased and/or generated</div> <div>482 724</div> <div>Number of units sold</div> <div>339 393</div>
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	<div>64.63%</div> <div>Number of kilolitres purchased and/or purified</div> <div>35 220</div> <div>Number of kilolitres sold</div> <div>12 457</div>
C. Revenue Management					
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None	<div>11%</div> <div>Number of Active Debtors Accounts (Previous)</div> <div>71 594</div> <div>Number of Active Debtors Accounts (Current)</div> <div>79 591</div>
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI	<div>4%</div> <div>CPI</div> <div>3%</div> <div>Total Revenue (Previous)</div> <div>2 174 042</div> <div>Total Revenue (Current)</div> <div>2 252 212</div>
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI	<div>6%</div> <div>3%</div> <div>Total Revenue Exl.Capital (Previous)</div> <div>2 064 336</div> <div>Total Revenue Exl.Capital (Current)</div> <div>2 184 415</div>

9.8 Expenditure Management

D. Expenditure Management					
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	298 days
					Trade Creditors 863 239
					Contracted Services 32 401
					Repairs and Maintenance 214 118
					General expenses 141 378
					Bulk Purchases 577 460
					Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment) 93 074
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	0%
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure -
					Total Operating Expenditure 1 970 355
					Taxation Expense -
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	39%
					Employee/personnel related cost 747 781
					Councillors Remuneration 29 703
					Total Operating Expenditure 1 970 355
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	2%
					Contracted Services 32 401
					Total Operating Expenditure 1 970 355
					Taxation Expense -

9.9 Grant Dependency

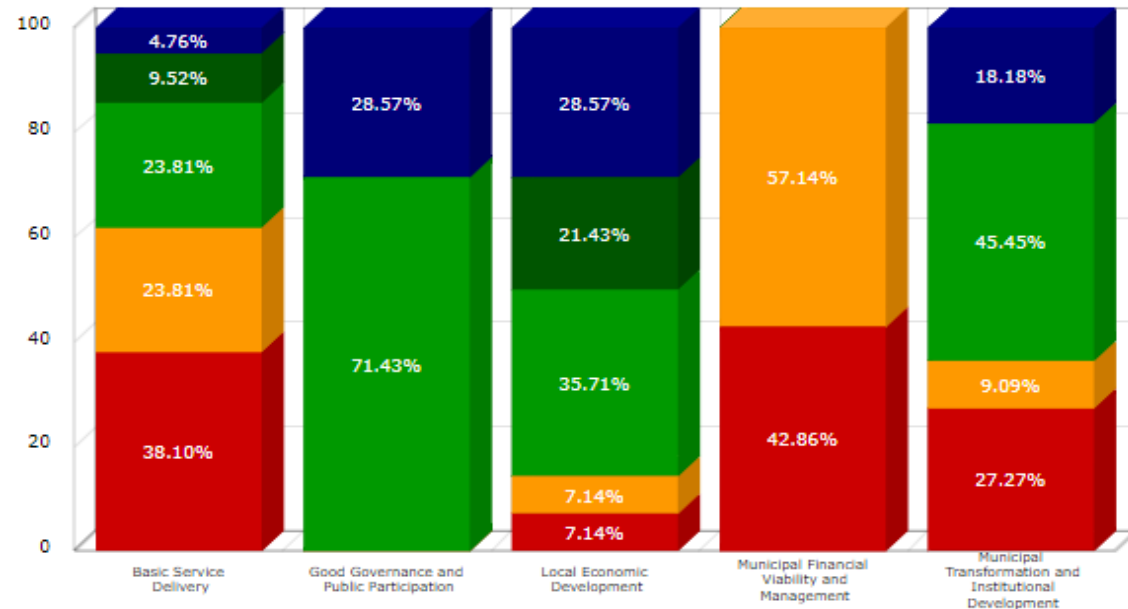
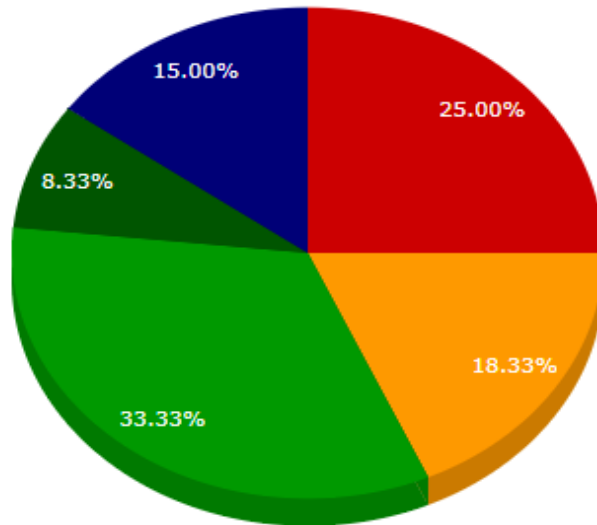
E. Grant Dependency					
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	10%
					Internally generated funds 9 662
					Borrowings -
					Total Capital Expenditure 93 074
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None	10%
					Internally generated funds 9 662
					Total Capital Expenditure 93 074
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None	94%
					Total Revenue 2 184 415
					Government grant and subsidies 219 941
					Public contributions and Donations -
					Capital Grants 83 412

9.10 Budget Implementation

3. BUDGET IMPLEMENTATION					
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	60%
					Actual Capital Expenditure 93 074
					Budget Capital Expenditure 154 666
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	81%
					Actual Operating Expenditure 1 970 355
					Budget Operating Expenditure 2 421 590
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	92%
					Actual Operating Revenue 2 184 415
					Budget Operating Revenue 2 372 218
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	94%
					Actual Service Charges and Property Rates Revenue 1 781 926
					Budget Service Charges and Property Rates Revenue 1 895 090

10. PRELIMINARY SDBIP PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2022

SUMMARY OF PERFORMANCE PER KEY PERFORMANCE AREA



	Sol Plaatje Municipality	National KPA					
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development	[Unspecified]
Not Met	15 (25.00%)	8 (38.10%)	-	1 (7.14%)	3 (42.86%)	3 (27.27%)	-
Almost Met	11 (18.33%)	5 (23.81%)	-	1 (7.14%)	4 (57.14%)	1 (9.09%)	-
Met	20 (33.33%)	5 (23.81%)	5 (71.43%)	5 (35.71%)	-	5 (45.45%)	-
Well Met	5 (8.33%)	2 (9.52%)	-	3 (21.43%)	-	-	-
Extremely Well Met	9 (15.00%)	1 (4.76%)	2 (28.57%)	4 (28.57%)	-	2 (18.18%)	-
Total:	60*	21	7	14	7	11	-
	100%	35.00%	11.67%	23.33%	11.67%	18.33%	-

* Excludes 0 KPIs which had no targets/actuals for the period selected.

10.1 Basic and Sustainable Service Delivery and Infrastructure Development

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL11	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	15 000 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2022	No of indigents per the Indigent Register	3 000	12 141	6 000	0	9 000	12 291	15 000	12 264	15 000	12 264	O	[D164] GM : Revenue: Revenue: No of indigents per the Indigent Register determined. (June 2022)	[D164] GM : Revenue: Debor's Management Section will focus on indigent verification , as well as adjust the income threshold to allow for qualification. (June 2022)
TL31	To ensure sustainable delivery of community services (personal including environmental health, waste management, bio-diversity, motor registration and licensing, library, emergency and traffic services) to all residents of SPM	To achieve at least 70% compliance with the National Disaster Management Tool by 30 June 2022	% Compliance with the National Disaster Management Tool	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	70.00%	59.00%	70.00%	59.00%	O	[D307] Chief Emergency Services: No resources (financial and human) (June 2022)	[D307] Chief Emergency Services: To have the DRM structure (June 2022)
TL36	Develop suitable located and affordable housing (shelter) and decent human settlements	Planning and Surveying of 512 erven in various wards within Sol Plaatje Municipality by 30 June 2022	Layout Plan and Draft SG Diagram	0	0	0	0	0	0	512	512	512	512	G	[D367] Manager: Urban Planning: Layout Plan and Draft SG Diagram completed. (June 2022)	[D367] Manager: Urban Planning: No corrective measure (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL42	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 3 km access roads to a paved surface in Sol Plaatje area by 30 June 2022	Distance of km paved	0.75	0	0.75	0	0.75	0	0.75	3	3	3	G	[D468] City Engineer: Roads and Storm water: Progress report submitted (June 2022)	
TL43	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	Patching and resealing of 86 000 square metres of roads in Sol Plaatje area by 30 June 2022	Square metres of roads	0	0	0	93 000	0	0	86 000	0	86 000	93 000	G 2	[D469] City Engineer: Roads and Storm water: Project has been completed and exceeded the set target of 86 000 square metres. (December 2021)	
TL45	To ensure the availability of critical service delivery tools at all times (fleet management)	Ensure that all identified fleet items to be procured for the year, are delivered by 30 June 2022	Percentage of identified fleet items delivered at year end	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	95.00%	100.00%	95.00%	O	[D471] Manager: Fleet: 1 x 30 cubic metre refuse compactor double delivered, 1 x 1 Ton Long Wheel Base LCV's single cab delivered. An order had been placed for 1 x 8000 lts capacity sewage tanker but will only be delivered in new financial year. (June 2022)	[D471] Manager: Fleet: Building of Sewer tanker is in process but could not be completed before year end. (June 2022)
TL46	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To appoint a professional service provider for the pre-engineering and professional consultancy associated works for Hadison Park	Percentage completion as per project progress report	25.00%	0.00%	50.00%	0.00%	75.00%	0.00%	100.00%	100.00%	100.00%	100.00%	G	[D472] City Engineer: Electricity: Contractor appointed (June 2022)	

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
		Substation by 30 June 2022														
TL47	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	Completion of 35% of the construction work for Lerato Park Link Services by 30 June 2022	Percentage completion as per project progress report	0.00%	0.00%	10.00%	0.00%	20.00%	0.00%	35.00%	0.00%	35.00%	0.00%	R	[D473] City Engineer: Electricity: Target could not be achieved as only long lead materials could be ordered by contractor with the current budget of R5 m. (June 2022)	[D473] City Engineer: Electricity: To ensure that budget allocation is sufficient to complete project (June 2022)
TL48	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 1166 households by 30 June 2022 (Lethabo Park Phase 1)	Number of houses connected to electricity network	0	0	0	0	0	0	1 166	0	1 166	0	R	[D474] City Engineer: Electricity: Project is still under construction. Construction commenced towards the end of the financial year. (June 2022)	[D474] City Engineer: Electricity: There are four contractors which are currently executing the construction works. The works are currently being expedited to reach the prospective completion date of 30 August 2022. (June 2022)
TL50	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease electricity losses to 16% by 30 June 2022	Percentage electricity loss	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.00%	29.69%	16.00%	29.69%	R	[D476] City Engineer: Electricity: Report submitted. (June 2022)	[D476] City Engineer: Electricity: Replace Old Plessey, by-passed and faulty prepaid meters. Eliminate interim electricity meter readings. (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL51	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Complete 100% work for the installation of electrical and mechanical components in Lerato Park Sewer Pump station by 30 June 2022	Percentage completion as per project progress report	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	100.00%	16.00%	100.00%	16.00%	R	[D477] City Engineer: Water and Sanitation: Administrative problems with sub contractor. Progress report attached (June 2022)	[D477] City Engineer: Water and Sanitation: Sorted out all administrative issues such as guarantees, update construction programme and cash flow to monitor work done on site and increase level of supervision on site. (June 2022)
TL52	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 100% procurement phase for the appointment of a service provider which is 10% of the overall weighting for the construction work for the Carters Ridge sewer pump station building with all electrical and mechanical equipment by 30 June 2022	Percentage completion of the process as per tender document, appointment letter and minutes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.00%	89.00%	10.00%	89.00%	B	[D478] City Engineer: Water and Sanitation: The project is currently seven calendar months beyond the original contract period. The reason for this is the excessive underground water which filled the trenches. The natural water table of the area increased dramatically due to the Hillcrest and Carters Glen Sewer Pump Stations overflowing with sewer in the area. This also resulted in the contract value to be increased from R26 097 04,96 to R37 851 949,74. (June 2022)	

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL53	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease water losses to 50% by 30 June 2022	Percentage water loss	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	59.00%	50.00%	59.00%	R	[D479] Compliance Man : Water and Sanitation: Report submitted (June 2022)	[D479] Compliance Man : Water and Sanitation: Enabling programmes to be implemented, including Riverton backwash water reclamation. (June 2022)
TL54	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 98% Blue Drop Status on quality compliance is achieved by 30 June 2022	% Compliance of water quality	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	98.00%	98.80%	98.00%	98.80%	G 2	[D480] Compliance Man : Water and Sanitation: Report submitted. (June 2022)	
TL55	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 60% Green Drop Status on effluent quality compliance is achieved by 30 June 2022	% Compliance of effluent quality	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	60.00%	43.00%	60.00%	43.00%	R	[D481] Compliance Man : Water and Sanitation: The target could not be achieved due to Homevale and Ritchie WWTW not being operational. (June 2022)	[D481] Compliance Man : Water and Sanitation: To ensure that Homevale and Ritchie WWTW are repaired and put back into operation to improve on Green Drop Status. (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL57	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 150 over the 411 households in Lerato Park by 30 June 2022	Number of houses connected to electricity network	0	0	0	0	0	0	150	0	150	0	R	[D492] City Engineer: Electricity: Project is still under construction. Lack of materials and machinery has delayed the construction programme. (June 2022)	[D492] City Engineer: Electricity: The contract of the current service provider has been terminated. Supply Chain Management processes are being implemented to obtain a new service provider to execute the project. The prospective completion date is 30 August 2022. (June 2022)
TL58	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Complete the electrification of 64 households by 30 June 2022 (Soul City - King Sinare)	Number of houses connected to electricity network	0	0	0	0	0	0	64	64	64	64	G	[D493] City Engineer: Electricity: Electrification of 64 houses were completed successfully (June 2022)	
TL59	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 270 households by 30 June 2022 (Golf Course - Riemvasmaak)	Number of houses connected to electricity network	0	0	0	0	0	0	270	0	270	0	R	[D494] City Engineer: Electricity: Project is still under construction. Lack of materials and machinery has delayed the construction programme. (June 2022)	[D494] City Engineer: Electricity: Construction work is still continuing. The option of utilizing a service provider is still being explored to help expediting the programme. Prospective date is 30 August 2022. (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021				Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL60	To ensure sustainable delivery of community services (personal including environmental health, waste management, bio-diversity, motor registration and licensing, library, emergency and traffic services) to all residents of SPM	To complete 100% of the construction of the Homevale Fire Station by 30 June 2022	Percentage completion as per project progress report	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	97.00%	100.00%	97.00%			○	[D495] City Engineer: Water and Sanitation: The project has been delayed due to financial difficulties the contractor has been experiencing. Once the electrical connection is completed the project will be completed and the handover and close out can commence. (June 2022)	[D495] City Engineer: Water and Sanitation: Electrical Department to expedite electrical connection for the Fire Station. (June 2022)
TL61	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete 100% of the reconstruction work of 320 aged sink toilets in Kagisho, Kutlwanong and Phomolong by 30 June 2022	Percentage completion as per project progress report (the toilets will not be constructed individually before the next toilet can be constructed. The construction process will unfold starting with foundations and brickwork for all toilets, etc. So the project will be 50% completed however it would not mean that a toilet has	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	95.00%	100.00%	95.00%			○	[D496] City Engineer: Water and Sanitation: The project is on-going and the expected completion date is 30 July 2022. Kindly take note that the project have been experiencing challenges and those caused delays. The service provider experienced protest, financial challenges, poor workmanship, theft and poor quality work have all led to these delays. Currently the project is delayed by 7	[D496] City Engineer: Water and Sanitation: Project is on-going and expected to be completed by 31 July 2022 (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
			been fully constructed)												months. (June 2022)	
TL62	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the appointment of a service provider for the construction of the foundations for 2 elevated water tanks by 30 June 2022	Percentage completion of the process as per tender document, appointment letter and minutes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	G	[D497] City Engineer: Water and Sanitation: Foundations for 2 elevated water tanks have been completed (June 2022)	

Summary of Results: Basic Service Delivery

R	KPI Not Met	0% <= Actual/Target <= 74.999%	8
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	5
G	KPI Met	Actual meets Target (Actual/Target = 100%)	5
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	2
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
	Total KPIs:		21

10.2 Municipal Financial Viability and Management

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL12	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhancement by ensuring a collection rate of 85% after debt write off by 30 June 2022	% Collection rate	85.00%	73.66%	85.00%	77.20%	85.00%	71.06%	85.00%	74.21%	85.00%	74.03%	O	[D165] GM : Revenue: Collection has slightly improved. (June 2022)	[D165] GM : Revenue: A collection strategy has been implemented. (June 2022)
TL13	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 85% of the Capital Budget (including VAT) on capital projects identified in terms of the IDP by 30 June 2022	Percentage capital spending	20.00%	0.00%	40.00%	15.12%	60.00%	27.18%	85.00%	60.18%	85.00%	60.18%	R	[D166] ED: Financial Services: 60.18% Capital Expenditure (June 2022)	[D166] ED: Financial Services: Update of payment vouchers (June 2022)
TL14	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 90% of the Operational Budget annually (30 June)	Percentage operational spending	20.00%	0.00%	40.00%	45.60%	60.00%	60.89%	90.00%	81.37%	90.00%	81.37%	O	[D167] ED: Financial Services: 81.37 % Operational Expenditure (June 2022)	[D167] ED: Financial Services: Post adjustment budget may change percentage. (June 2022)
TL15	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2022	Debt coverage ratio	2.10	0	2.10	2.48	2.10	2.38	2.10	2.28	2.10	1.79	O	[D168] ED: Financial Services: Debt Coverage Ratio is 2.28 (June 2022)	

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
	fiscal management															
TL16	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Reduce net debtor days to 300 days by 30 June 2022	Net debtor days	300	0	300	518	300	366	300	291	300	293.75	O	[D169] ED: Financial Services: Debtor Days reduced to 291 days (June 2022)	[D169] ED: Financial Services: Credit Control Policy to be implemented. (June 2022)
TL17	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least 1 month (annually)	Cost coverage ratio	1	0	1	-0.06	1	0.08	1	0.08	1	0.03	R	[D170] ED: Financial Services: Cost coverage 0.08 (June 2022)	[D170] ED: Financial Services: Collection strategy implementation (June 2022)
TL18	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure by 30 June 2022	Employee cost as a percentage of total operating cost	0.00%	0.00%	0.00%	36.98%	0.00%	40.07%	33.00%	39.46%	33.00%	39.46%	R	[D171] ED: Financial Services: 39.46 Employee cost/Total Expenditure (June 2022)	[D171] ED: Financial Services: New overtime policy reviewed. (June 2022)

Summary of Results: Municipal Financial Viability and Management

R	KPI Not Met	0% <= Actual/Target <= 74.999%	3
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	4
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		7

10.3 Local Economic Development

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL1	To develop sustainable living through job creation (EPWP and other initiatives)	Create 400 FTE jobs through EPWP initiatives of the SPM by 30 June 2022	Number of jobs created	100	121	100	168	100	0	400	437	400	437	G2	[D57] PMU Manager: Total number of FTE jobs created at end June 2022 (June 2022)	
TL10	To capacitate SMME's and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBBEE and radical economic transformation through local procurement by ensuring at least 20% of the municipality's tenders are awarded to EME's, OSE's and from the businesses in the rural areas within the municipal jurisdiction by 30 June 2022	Percentage of tenders and value thereof awarded to EME, OSE, local and from business in the rural areas within the municipal jurisdiction	20.00%	38.00%	20.00%	38.00%	20.00%	20.00%	20.00%	20.00%	20.00%	29.00%	G2	[D163] Manager : SCM: Performance implemented (June 2022)	
TL32	To ensure effective spatial planning and development in order to establish a competitive	Ensuring a response time of 11 weeks for building plan submissions received in the current financial year for buildings	Average response time in weeks to process building plans	11	1	11	3	11	12	11	11	11	6.75	B	[D363] Manager: Urban Planning: Target met. (June 2022)	[D363] Manager: Urban Planning: None. (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
	economic position	or architectural buildings greater than 500 m ² annually														
TL33	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of 11 weeks for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 m ² annually	Average response time in weeks to process building plans	11	5	11	12	11	17	11	14	11	12	R	[D364] Manager: Urban Planning: Target not met due to outstanding comments from Water & Sanitation. (June 2022)	[D364] Manager: Urban Planning: To ensure that reminder letters are sent to the Department Water & Sanitation for outstanding comments. (June 2022)
TL34	To ensure effective spatial planning and development in order to establish a competitive economic position	To process 80% category 1 land use applications received until 30 April of the current financial year through MPT (Municipal Planning Tribunal) by 30 June 2022 in terms of the SPLUMA by-law (2015)	Percentage of Category 1 land use applications processed	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	80.00%	78.00%	80.00%	78.00%	O	[D365] Manager: Urban Planning: Target Met (June 2022)	[D365] Manager: Urban Planning: To ensure that sister Departments in particular electrical Department submit comments on time. Reminder letters to be sent in June. (June 2022)
TL35	To ensure effective spatial planning and development in order to establish a competitive economic position	To process at least 200 buildings plans that were received before 1 July 2021 by the end of the current financial year (30 June 2022)	Number of building plans processed	0	0	0	0	0	0	200	209	200	209	G2	[D366] Manager: Urban Planning: The target for the processing of backlog building plan applications for financial year 2021/22 has been met. (June 2022)	[D366] Manager: Urban Planning: No corrective measure. (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL37	To capacitate SMME's and local entrepreneurs	Implementation of the Developmental Programme that supports SMME's through business incubation for at least 10 businesses annually	Number of SMME businesses provided with skills	3	304	2	54	2	0	3	223	10	581	B	<p>[D368] Manager: SMME: During the month of March NC mLab conducted survey as part of economic recovery plan. (April 2022)</p> <p>[D368] Manager: SMME: The SMMEs trained during the 2021/22 were in total of 581 from the workshops hosted by NC mLab: Galeshewe SMMEs Village for both incubatees and virtual incubatees. (June 2022)</p>	<p>[D368] Manager: SMME: Thus any interventions to support small businesses should be coordinated with private and public partnerships to increase impact and to collectively contribute meaningfully in growing the local economy. The need to support small businesses cannot be over emphasized in order to create jobs and ultimately grow the economy. This baseline study can be used as a reference when developing planned small business development activities that are practical and promote inclusive economic growth. Small businesses should be encouraged to adopt technology in order to improve business productivity and business processes. Business support services should be easily accessed by these small businesses in order to improve business compliance status, technical and strategic training programmes to be initiated that can channel or link small businesses with big corporates. In conclusion, small businesses require all the necessary support and enabling environment to grow and</p>

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
																create jobs. (April 2022) [D368] Manager: SMME: The KPI we have exceed the 10 SMMEs were supposed to be trained with additional 571 trained. (June 2022)
TL38	To ensure effective spatial planning and development in order to establish a competitive economic position	Review of the Sol Plaatje Land Use Management Scheme by 30 June 2022	Spelum recommendation of the Draft Land Use Management Scheme	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	G	[D369] Manager: Urban Planning: Draft Land Use Scheme,2022 tabled before council on the 21 June 2022. (June 2022)	[D369] Manager: Urban Planning: No corrective measure. (June 2022)
TL39	To capacitate SMME's and local entrepreneurs	Enhancing Sol Plaatje Municipality's economic governance and infrastructure for Business Expansion Attraction and Retention (BEAR) by 30 June 2022	Percentage use components output deliveries	0.00%	30.00%	0.00%	30.00%	25.00%	0.00%	50.00%	100.00%	50.00%	100.00%	B	[D370] Manager: LED: The project it is in its technical implementation phase dealing with components 2 and 3. The LED Maturity Assessment Session was concluded with managers with LED Unit except Tourism Manager who on leave. The assessment with Tourism Manager will be done during the month of May 2022. During May 2022 a further LED Assessment Maturity Session will be done with Acting ED: SEDP and Chairperson of LED Committee, further LED Maturity Workshops will be	[D370] Manager: LED: The Ease of Doing Business with Informal Traders also commenced during the month June 2022 will be completed in following year. (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
															contacted with Council, EMT and LED Committee. (April 2022) [D370] Manager: LED: The LED Maturity Assessment workshops and sessions were conducted including Institutional assessment workshop. The research was conducted with formal businesses relating to ease of doing business and red tape reduction. The budget allocated for 2021/22 by National Treasury amounting to R14 400 000 was all spent during 2021/22 financial year (June 2022)	
TL40	To capacitate SMME's and local entrepreneurs	Establishment of an Automotive Hub at Roodepan by 30 June 2022	Percentage use components output deliveries	25.00%	40.00%	50.00%	40.00%	75.00%	0.00%	100.00%	100.00%	100.00%	100.00%	G	[D371] Manager: LED: During the month March 2022 we were able to submit the business of the Automotive Hub to National Treasury under the Jobs Fund Programme, the application was submitted through Unisa Enterprise. While we are still waiting for MDA and RMI to finalise their processes (April 2022)	[D371] Manager: LED: Corrective measures implemented was to submit application for funding to National Treasury to avoid waiting for MDA and RMI feedback. (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
															[D371] Manager: LED: The business plan for sourcing funds from Jobs Funds at National Treasury was submitted and feedback will be provided in the next financial year that is month of August 2022. On other hand we are still waiting for MDA FEEDBACK. (June 2022)	
TL41	To capacitate SMME's and local entrepreneurs	Establishment of the Northern Cape Innovation at Sol Plaatje University by 30 June 2022	Percentage use components output deliveries	25.00%	100.00%	50.00%	100.00%	75.00%	0.00%	100.00%	100.00%	100.00%	100.00%	G	[D372] Manager: LED: The NCIF was launched in 2021. We have now appointed the Provincial Facilitator and NCIF is fully operational (April 2022) [D372] Manager: LED: The NCIF is 100% operational (June 2022)	[D372] Manager: LED: There is no corrective measure on the KPI since it was met or completed in full (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL56	To capacitate SMME's and local entrepreneurs	Construction of Craven Street Centre using Pre-owned shipping containers for business development by 30 June 2022	Percentage use components output deliveries	0.00%	1.00%	0.00%	1.00%	0.00%	0.00%	10.00%	10.00%	10.00%	10.00%	G	[D349] Manager: LED: We have purchased the containers directly from the supplier after the contractor has signed cession agreement with supplier. We were able to spent the entire R5 million which was allocated for 2021/22. This was done so because the were challenges with handing over of the site because we had to engage with GreenPoint Taxi association and informal trade association. (June 2022)	[D349] Manager: LED: The purchase of containers direct from the supplier was the corrective measure to ensure that allocated funds are secured and there is performance on the project. (June 2022)
TL8	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by June 2022	Average time in weeks to award tender	12	8	12	8	12	12	12	12	12	10	B	[D161] Manager : SCM: implemented (June 2022)	
TL9	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 6 weeks for once off contracts from closing date to date of award by June 2022	Average time in weeks to award tender	6	6	6	6	6	6	6	6	6	6	G	[D162] Manager : SCM: Implemented (June 2022)	

Summary of Results: Local Economic Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	5
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	3
B	KPI Extremely Well Met	150.000% <= Actual/Target	4
	Total KPIs:		14

10.4 Municipal Institutional Development and Transformation

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL2	To provide a basis for sustainable municipal performance improvement	Monitor the implementation of the Integrated Performance Management Policy by conducting at least one review meeting annually	Minutes of meeting conducted. Item on policy review tabled to council	0	0	0	0	0	0	1	0	1	0	R	[D58] IDP Manager: The Policy Manager is currently busy with review of framework to adhere with changes to legislation. Meetings were also held with Cogta. The reviewed framework must still be tabled to council for approval. (June 2022)	[D58] IDP Manager: Regular follow up e-mails have been set to Policy Manager wrt status on progress. (June 2022)
TL21	To enable effective training and skills development through various initiatives and partnering with the private sector	Equip staff to implement efficiency, monitoring and productivity through the following improvement interventions by 30 June 2022 : Leadership, management, vocational and professional development training. Learning/competency and development programme	Number of interventions performed	0	0	1	1	0	0	1	2	2	3	B	[D232] Manager : Training and Organisational Development: Performance Management System and Labour Relations projects are rolling outs May and June 2022. Programmes for minimum competencies and Councillor Development is being requested for web quotes and SALGA for	[D232] Manager : Training and Organisational Development: Following procurement steps. (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
															support. (June 2022)	
TL22	To improve effective human resource development to staff and councillors	Review the organisational structure of the municipality on an annual basis with the aim of optimising efficiency and make recommendations by 30 June 2022	Record of review and recommendations made and review performed	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	G	[D233] Manager : Human Resources: reviewed accordingly (June 2022)	
TL23	To improve effective human resource development to staff and councillors	Monitor the implementation of the Human Resource Management Plan through conducting at least one review meeting annually	Number of review meetings held	0	0	0	0	0	1	1	1	1	1	G	[D234] ED: Corporate Services: monitored accordingly (May 2022) [D234] ED: Corporate Services: Monitored according (June 2022)	
TL24	To improve effective human resource development to staff and councillors	Achieve 72% compliance with the EAP plan of the municipality by ensuring representation of the racial profile of the local authority on municipal level by 30 June 2022	% compliance to the EAP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	72.00%	72.00%	72.00%	72.00%	G	[D235] ED: Corporate Services: in process of achieving (April 2022)	

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL25	To provide a basis for sustainable municipal performance improvement	On a quarterly basis communicate the funded vacant positions in each directorate to the relevant Executive Director	Number of communications provided	1	1	1	1	1	1	1	4	1	4	B	[D236] Manager : Human Resources: Communicate accordingly (May 2022) [D236] Manager : Human Resources: communicated accordingly (June 2022)	
TL26	To provide a basis for sustainable municipal performance improvement	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2022	Number of assessments conducted	1	1	0	0	1	1	0	0	2	2	G	[D237] Manager : Human Resources: co ordinated accordingly (March 2022)	

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL3	To provide a basis for sustainable municipal performance improvement	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2021/22	No of reports submitted	1	1	1	1	1	0	1	2	4	4	G	[D59] IDP Manager: Due to the under capacity of the IDP Unit report could not be submitted within set timeframe but will be submitted during May 2022 (April 2022) [D59] IDP Manager: Mid-year report was approved by council on 31 January 2022. Oversight of IDP Unit to update during February 2022. (May 2022) [D59] IDP Manager: Due to the under capacity in the IDP Unit the 3rd Quarter Report could not be submitted within set time frame but was submitted to Executive Mayor on 16 May 2022. (June 2022)	[D59] IDP Manager: Acting IDP Manager was appointed in April 2022. Post of IDP Manager must be filled as a matter of urgency. (April 2022) [D59] IDP Manager: The report must still be tabled to the Portfolio Committee but the meeting scheduled for 7 June was postponed due to no quorum. (June 2022)
TL4	To provide a basis for sustainable municipal performance improvement	Submit the Final IDP document for adoption to Council by 31 May annually	Tabled IDP for Council adoption	0	0	0	0	0	0	1	0	1	0	R	[D60] IDP Manager: Final IDP for the 5th Year period 2022/23-26/27 was not approved only the draft on 7 June 2022. (June 2022)	[D60] IDP Manager: New MM appointed on 1 July 2022 will ensure that the IDP for 2022-2027 be approved. Prospective date end July 2022. (June 2022)
TL5	To provide a basis for sustainable municipal performance improvement	Submit the Final SDBIP document to the Executive Mayor by 30 June annually	SDBIP approved by Executive Mayor	0	0	0	0	0	0	1	0	1	0	R	[D61] IDP Manager: Only the draft SDBIP was approved during a council meeting held on 7	[D61] IDP Manager: New MM appointed on 1 July 2022 will ensure that SDBIP for FY 2022/2023 be approved after IDP has been approved.

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
															June 2022. (June 2022)	Prospective date end July 2022. (June 2022)
TL7	To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	To ensure that the ICT Strategic Plan aligns to the IDP and as such delivers on the municipality's vision for a "Leading Modern City" through initiatives that includes the employees and the community of Kimberley by 30 June 2022	Percentage of ICT Projects successfully completed	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	87.50%	100.00%	87.50%	O	[D63] Chief Information Officer: In terms of the percentage of items delivered that were procured via procurement plans the value is 87.5%. In terms of budget spent however the amount is only 79% due to project for the erection of a 55m mast at the Kimberley Market having to be abandoned due to time lost as a result of numerous factors. (June 2022)	[D63] Chief Information Officer: Mast project rolled over to the 22/23 financial year. (June 2022)

Summary of Results: Municipal Transformation and Institutional Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	3
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	5
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	2
	Total KPIs:		11

10,5 Good Governance and Public Participation

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
TL19	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2022	Percentage successful appeals	5.00%	0.00%	5.00%	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	2.50%	B	[D172] Manager : SCM: Implemented (June 2022)	
TL20	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General within (30) days after the end of the audit annually	Audit Action Plan submitted	0	0	0	0	1	1	0	1	1	1	G	[D173] ED: Financial Services: Audit Action Plan is submitted to Municipal Manager within 30 days of annual audit. (June 2022)	
TL27	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	Quarterly reports on strategic risk register	1	1	1	1	1	1	1	1	4	4	G	[D238] Chief Risk Officer: No target was set for May (May 2022) [D238] Chief Risk Officer: Submitted to Audit Com (June 2022)	[D238] Chief Risk Officer: None required (June 2022)
TL28	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of	Submit an Annual Report on risk management maturity level of SPM to NT by 30 June each year	Maturity report submitted	0	0	0	0	0	0	1	1	1	1	G	[D239] Chief Risk Officer: Maturity Audit was done (June 2022)	[D239] Chief Risk Officer: See report (June 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
	risk and internal controls															
TL29	Promote community participation and communication	To communicate to the public (established residential areas) by issuing monthly newsletters	Number of newsletters issued	3	3	3	3	3	3	3	3	12	12	G	[D240] Manager : Communications: No target has been set (May 2022) [D240] Manager : Communications: Communications to residents are done via different media tools (whats app, etc.) (June 2022)	
TL30	Promote community participation and communication	To respond to all media enquiries and issue media statement within 24 hours after an occurrence	Reponse times after an event has occurred in hours	24	24	24	24	24	24	24	24	24	24	G	[D241] Manager : Communications: No target has been set for May (May 2022) [D241] Manager : Communications: All responses with regard to media inquiries are done within required time frame as and when requested. (June 2022)	
TL6	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit	Number of internal audit reports completed	3	4	2	15	2	2	3	1	10	22	B	[D62] Chief Audit Executive: investigation on INEP (April 2022)	[D62] Chief Audit Executive: none required (April 2022)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Quarter 1 Jul to Sep 2021		Quarter 2 Oct to Dec 2021		Quarter 3 Jan to Mar 2022		Quarter 4 Apr to Jun 2022		Overall Preliminary Performance for Quarters ending September 2021 to June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	R	KPI Performance Comment	KPI Corrective Measures
		committee during the financial year														

Summary of Results: Good Governance and Public Participation

R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	5
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	2
	Total KPIs:		7

11. OTHER SUPPORTING DOCUMENTS

No additional information for June 2021 is applicable. Please be advised that all figures are preliminary figures as the municipality is still busy with year-end procedures.

12. CONCLUSION

This report meets the Section 52(d) requirement of the MFMA (Act 56 of 2003) that the Executive Mayor must submit a report to council within 30 days of the end of each quarter on the implementation of the budget and the financial state of affairs of the municipality.

Communication

In compliance to legislative requirements Section 52(d) of the MFMA, (Act 56 of 2003) this document is provided to all stakeholders by placing it on the Sol Plaatje municipal website: www.solplaatje.org.za or can be viewed or downloaded from the following link: <http://www.solplaatje.org.za/CityManagement/Reporting/Pages/SDBIP.aspx>

13. QUALITY CERTIFICATE

Quality Certificate

I, BS Matlala, the Municipal Manager of Sol Plaatje Local Municipality, hereby certify that
(mark as appropriate)

☐ the Monthly Budget Statement

☒ Quarterly Report on the implementation of the budget and financial state affairs
of the municipality

☐ Mid-year Budget and Performance Assessment

For the month of **June 2022** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. BS Matlala

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: 

Date: 05/08/2022

ANNEXURE A – SCHEDULE C – TABLES

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M12 June

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	571,075	603,707	603,707	45,566	622,648	603,707	18,942	3%	603,707
Service charges	1,053,050	1,291,383	1,291,383	87,897	1,159,278	1,291,383	(132,105)	-10%	1,291,383
Investment revenue	2,835	9,000	9,000	1,420	2,234	9,000	(6,766)	-75%	9,000
Transfers and subsidies	260,426	230,640	236,873	–	219,941	236,873	(16,931)	-7%	236,873
Other own revenue	176,950	230,981	231,255	19,045	180,314	231,255	(50,941)	-22%	231,255
Total Revenue (excluding capital transfers and contributions)	2,064,336	2,365,711	2,372,218	153,928	2,184,415	2,372,218	(187,802)	-8%	2,372,218
Employee costs	726,219	836,388	841,588	60,376	747,781	841,588	(93,807)	-11%	841,588
Remuneration of Councillors	30,260	34,547	34,547	2,499	29,703	34,547	(4,844)	-14%	34,547
Depreciation & asset impairment	63,881	79,150	79,150	–	–	79,150	(79,150)	-100%	79,150
Finance charges	36,467	22,261	63,461	20,697	40,918	63,461	(22,542)	-36%	63,461
Inventory consumed and bulk purchases	819,353	926,331	878,530	82,413	791,578	878,530	(86,952)	-10%	878,530
Transfers and subsidies	2,528	4,850	4,850	2	2,548	4,850	(2,302)	-47%	4,850
Other expenditure	487,650	441,457	519,464	11,629	357,827	519,464	(161,638)	-31%	519,464
Total Expenditure	2,166,359	2,344,984	2,421,590	177,615	1,970,355	2,421,590	(451,235)	-19%	2,421,590
Surplus/(Deficit)	(102,023)	20,727	(49,373)	(23,687)	214,060	(49,373)	263,433	-534%	(49,373)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,706	167,766	115,266	25,714	67,797	115,266	###	-41%	115,266
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind all)	2,856	–	14,400	14,400	14,400	14,400	0	0%	14,400
Surplus/(Deficit) after capital transfers & contributions	10,539	188,493	80,293	16,427	296,257	80,293	215,964	269%	80,293
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	10,539	188,493	80,293	16,427	296,257	80,293	215,964	269%	80,293
Capital expenditure & funds sources									
Capital expenditure	119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666
Capital transfers recognised	104,315	167,766	129,666	29,539	83,412	129,666	(46,254)	-36%	129,666
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	15,186	11,500	25,000	4,692	9,662	25,000	(15,338)	-61%	25,000
Total sources of capital funds	119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666
Financial position									
Total current assets	1,893,024	2,242,830	2,133,730		2,501,860				2,133,730
Total non current assets	2,097,228	2,225,894	2,201,294		2,190,302				2,201,294
Total current liabilities	671,382	725,335	725,335		1,097,844				725,335
Total non current liabilities	436,934	417,829	405,829		416,266				405,829
Community wealth/Equity	2,881,935	3,325,560	3,203,860		3,178,052				3,203,860
Cash flows									
Net cash from (used) operating	47,277	260,265	260,265	(59,300)	1,034,636	260,265	(774,371)	-298%	260,265
Net cash from (used) investing	(116,394)	(142,399)	(179,266)	(34,231)	(93,074)	(142,399)	(49,325)	35%	(142,399)
Net cash from (used) financing	(2,980)	(16,583)	(10,734)	1,511	(43,187)	(56,357)	(13,170)	23%	(56,357)
Cash/cash equivalents at the month/year end	24,436	195,174	164,156	–	941,383	61,509	(879,874)	-1430%	61,509
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,020,773	1,109,592	1,060,098	81,445	979,874	1,060,098	(80,224)	-8%	1,060,098
Executive and council		419,084	478,759	428,992	34,235	345,770	428,992	(83,222)	-19%	428,992
Finance and administration		601,689	630,833	631,106	47,210	634,104	631,106	2,998	0%	631,106
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		24,102	27,556	31,056	1,519	29,019	31,056	(2,038)	-7%	31,056
Community and social services		10,785	10,980	11,480	247	11,180	11,480	(300)	-3%	11,480
Sport and recreation		1,131	3,315	3,315	203	1,904	3,315	(1,411)	-43%	3,315
Public safety		150	760	760	53	720	760	(40)	-5%	760
Housing		11,967	12,401	12,401	1,016	12,192	12,401	(209)	-2%	12,401
Health		69	100	3,100	-	3,023	3,100	(77)	-2%	3,100
<i>Economic and environmental services</i>		17,700	23,286	37,686	15,253	21,097	37,686	(16,589)	-44%	37,686
Planning and development		7,783	5,166	19,566	15,012	18,487	19,566	(1,079)	-6%	19,566
Road transport		9,917	18,120	18,120	241	2,610	18,120	(15,510)	-86%	18,120
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,106,680	1,363,208	1,363,208	94,717	1,226,243	1,363,208	(136,966)	-10%	1,363,208
Energy sources		671,706	877,157	877,157	61,183	742,263	877,157	(134,893)	-15%	877,157
Water management		286,254	328,612	328,612	19,515	316,622	328,612	(11,989)	-4%	328,612
Waste water management		86,142	86,848	86,848	8,315	96,626	86,848	9,777	11%	86,848
Waste management		62,577	70,592	70,592	5,704	70,731	70,592	140	0%	70,592
<i>Other</i>	4	7,644	9,835	9,835	1,108	10,380	9,835	545	6%	9,835
Total Revenue - Functional	2	2,176,898	2,533,477	2,501,884	194,042	2,266,612	2,501,884	(235,271)	-9%	2,501,884
Expenditure - Functional										
<i>Governance and administration</i>		640,979	683,100	686,574	41,825	516,965	686,574	(169,609)	-25%	686,574
Executive and council		400,365	405,549	408,749	22,719	273,795	408,749	(134,953)	-33%	408,749
Finance and administration		234,323	270,570	270,844	18,264	236,358	270,844	(34,485)	-13%	270,844
Internal audit		6,291	6,982	6,982	841	6,811	6,982	(170)	-2%	6,982
<i>Community and public safety</i>		166,029	183,469	186,969	11,142	175,216	186,969	(11,753)	-6%	186,969
Community and social services		40,133	42,230	42,825	3,108	42,755	42,825	(70)	0%	42,825
Sport and recreation		47,702	55,822	55,657	3,089	52,033	55,657	(3,625)	-7%	55,657
Public safety		38,887	43,502	43,572	3,291	42,131	43,572	(1,441)	-3%	43,572
Housing		21,940	23,480	23,480	303	19,769	23,480	(3,710)	-16%	23,480
Health		17,367	18,435	21,435	1,351	18,528	21,435	(2,907)	-14%	21,435
<i>Economic and environmental services</i>		123,036	139,819	140,997	9,501	123,904	140,997	(17,092)	-12%	140,997
Planning and development		39,994	48,172	48,375	2,981	38,585	48,375	(9,790)	-20%	48,375
Road transport		82,378	90,936	91,911	6,466	84,620	91,911	(7,291)	-8%	91,911
Environmental protection		665	711	711	54	699	711	(12)	-2%	711
<i>Trading services</i>		1,214,239	1,313,216	1,381,656	113,554	1,131,352	1,381,656	(250,303)	-18%	1,381,656
Energy sources		749,833	857,928	889,928	85,522	749,505	889,928	(140,422)	-16%	889,928
Water management		314,140	296,663	326,563	16,179	238,238	326,563	(88,325)	-27%	326,563
Waste water management		91,753	88,033	94,573	6,446	74,168	94,573	(20,405)	-22%	94,573
Waste management		58,513	70,592	70,592	5,407	69,441	70,592	(1,151)	-2%	70,592
<i>Other</i>		22,076	25,380	25,395	1,594	22,917	25,395	(2,478)	-10%	25,395
Total Expenditure - Functional	3	2,166,359	2,344,984	2,421,590	177,615	1,970,355	2,421,590	(451,235)	-19%	2,421,590
Surplus/ (Deficit) for the year		10,539	188,493	80,293	16,427	296,257	80,293	215,964	269%	80,293

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		419,084	478,759	428,992	34,235	345,770	428,992	(83,222)	-19.4%	428,992
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	7,078	5	1,968	7,078	(5,109)	-72.2%	7,078
Vote 05 - Community Services		90,521	110,627	114,127	7,420	98,387	114,127	(15,740)	-13.8%	114,127
Vote 06 - Financial Services		594,906	623,229	623,229	47,158	631,529	623,229	8,300	1.3%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	23,441	15,068	20,290	23,441	(3,151)	-13.4%	23,441
Vote 08 - Infrastructure And Services		1,056,784	1,305,018	1,305,018	90,157	1,168,668	1,305,018	(136,350)	-10.4%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,176,898	2,533,477	2,501,884	194,042	2,266,612	2,501,884	(235,271)	-9.4%	2,501,884
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,824	52,211	57,883	(5,672)	-9.8%	57,883
Vote 02 - Municipal And General		335,678	335,456	338,656	17,377	211,374	338,656	(127,282)	-37.6%	338,656
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,708	19,750	25,025	(5,275)	-21.1%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,485	3,274	63,834	73,485	(9,651)	-13.1%	73,485
Vote 05 - Community Services		259,526	297,403	300,903	21,128	282,553	300,903	(18,349)	-6.1%	300,903
Vote 06 - Financial Services		126,380	152,611	152,611	10,536	126,989	152,611	(25,623)	-16.8%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,592	4,265	54,837	59,592	(4,755)	-8.0%	59,592
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,413,435	114,504	1,158,807	1,413,435	(254,628)	-18.0%	1,413,435
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,166,359	2,344,984	2,421,590	177,615	1,970,355	2,421,590	(451,235)	-18.6%	2,421,590
Surplus/ (Deficit) for the year	2	10,539	188,493	80,293	16,427	296,257	80,293	215,964	269.0%	80,293

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

2020/21 Budget Statement - Financial Performance (Revenue and Expenditure) in 12 years										
Description	Ref	2020/21	Budget Year 2021/22							
		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		571,075	603,707	603,707	45,566	622,648	603,707	18,942	3%	603,707
Service charges - electricity revenue		659,307	861,157	861,157	59,768	728,577	861,157	(132,579)	-15%	861,157
Service charges - water revenue		259,156	294,012	294,012	16,021	281,945	294,012	(12,066)	-4%	294,012
Service charges - sanitation revenue		78,186	76,648	76,648	7,235	86,122	76,648	9,474	12%	76,648
Service charges - refuse revenue		56,401	59,567	59,567	4,874	62,634	59,567	3,067	5%	59,567
Rental of facilities and equipment		12,018	13,145	13,145	2,118	16,755	13,145	3,610	27%	13,145
Interest earned - external investments		2,835	9,000	9,000	1,420	2,234	9,000	(6,766)	-75%	9,000
Interest earned - outstanding debtors		105,983	157,200	157,200	13,173	131,160	157,200	(26,040)	-17%	157,200
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		29,477	34,725	34,725	394	4,841	34,725	(29,884)	-86%	34,725
Licences and permits		6,383	6,500	6,500	1,078	8,966	6,500	2,466	38%	6,500
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		260,426	230,640	236,873	-	219,941	236,873	(16,931)	-7%	236,873
Other revenue		17,354	19,411	19,685	2,283	17,218	19,685	(2,467)	-13%	19,685
Gains		5,736	-	-	-	1,374	-	1,374	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,064,336	2,365,711	2,372,218	153,928	2,184,415	2,372,218	(187,802)	-8%	2,372,218
Expenditure By Type										
Employee related costs		726,219	836,388	841,588	60,376	747,781	841,588	(93,807)	-11%	841,588
Remuneration of councillors		30,260	34,547	34,547	2,499	29,703	34,547	(4,844)	-14%	34,547
Debt impairment		344,346	275,000	275,000	-	138,030	275,000	(136,970)	-50%	275,000
Depreciation & asset impairment		63,881	79,150	79,150	-	-	79,150	(79,150)	-100%	79,150
Finance charges		36,467	22,261	63,461	20,697	40,918	63,461	(22,542)	-36%	63,461
Bulk purchases - electricity		540,953	647,000	647,000	61,838	577,460	647,000	(69,540)	-11%	647,000
Inventory consumed		278,400	279,331	231,530	20,575	214,118	231,530	(17,412)	-8%	231,530
Contracted services		40,651	46,687	41,222	6,106	32,401	41,222	(8,821)	-21%	41,222
Transfers and subsidies		2,528	4,850	4,850	2	2,548	4,850	(2,302)	-47%	4,850
Other expenditure		102,187	119,770	132,482	5,383	141,378	132,482	8,895	7%	132,482
Losses		467	-	70,760	140	46,018	70,760	(24,742)	-35%	70,760
Total Expenditure		2,166,359	2,344,984	2,421,590	177,615	1,970,355	2,421,590	(451,235)	-19%	2,421,590
Surplus/(Deficit)		(102,023)	20,727	(49,373)	(23,687)	214,060	(49,373)	263,433	(0)	(49,373)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,706	167,766	115,266	25,714	67,797	115,266	(47,469)	(0)	115,266
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2,856	-	14,400	14,400	14,400	14,400	0	0	14,400
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		10,539	188,493	80,293	16,427	296,257	80,293			80,293
Taxation								-		
Surplus/(Deficit) after taxation		10,539	188,493	80,293	16,427	296,257	80,293			80,293
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		10,539	188,493	80,293	16,427	296,257	80,293			80,293
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		10,539	188,493	80,293	16,427	296,257	80,293			80,293

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		26,692	33,000	3,000	-	2,028	3,000	(972)	-32%	3,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		3,126	8,000	19,400	7,818	18,239	19,400	(1,161)	-6%	19,400
Vote 08 - Infrastructure And Services		64,887	81,266	82,786	17,690	40,088	82,786	(42,698)	-52%	82,786
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	94,705	122,266	105,186	25,508	60,355	105,186	(44,831)	-43%	105,186
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		23,485	22,500	18,000	3,834	6,622	18,000	(11,378)	-63%	18,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		1,312	34,500	31,480	4,889	26,096	31,480	(5,384)	-17%	31,480
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	24,797	57,000	49,480	8,724	32,719	49,480	(16,761)	-34%	49,480
Total Capital Expenditure		119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666
Capital Expenditure - Functional Classification										
Governance and administration		50,177	55,500	21,000	3,834	8,650	21,000	(12,350)	-59%	21,000
Executive and council		50,177	55,500	21,000	3,834	8,650	21,000	(12,350)	-59%	21,000
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		3,126	8,000	55,070	15,904	49,617	55,070	(5,453)	-10%	55,070
Planning and development		3,126	8,000	19,400	7,818	18,239	19,400	(1,161)	-6%	19,400
Road transport		-	-	35,670	8,087	31,378	35,670	(4,292)	-12%	35,670
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		66,199	115,766	78,596	14,492	34,807	78,596	(43,789)	-56%	78,596
Energy sources		16,469	67,500	40,500	8,594	12,754	40,500	(27,746)	-69%	40,500
Water management		1,312	1,000	1,000	279	624	1,000	(376)	-38%	1,000
Waste water management		48,418	47,266	37,096	5,620	21,429	37,096	(15,667)	-42%	37,096
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666
Funded by:										
National Government		101,832	167,766	111,766	26,069	65,892	111,766	(45,874)	-41%	111,766
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	3,500	-	3,629	3,500	129	4%	3,500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2,483	-	14,400	3,470	13,891	14,400	(509)	-4%	14,400
Transfers recognised - capital		104,315	167,766	129,666	29,539	83,412	129,666	(46,254)	-36%	129,666
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	15,186	11,500	25,000	4,692	9,662	25,000	(15,338)	-61%	25,000
Total Capital Funding		119,502	179,266	154,666	34,231	93,074	154,666	(61,592)	-40%	154,666

Section 52(d) report for Preliminary 4th quarter of 2021/22

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		43,008	172,968	180,670	186,188	180,670
Call investment deposits		–	–	–	–	–
Consumer debtors		1,712,601	1,475,363	1,366,263	2,123,440	1,366,263
Other debtors		98,092	547,474	547,474	142,421	547,474
Current portion of long-term receivables		–	–	–	–	–
Inventory		39,323	47,025	39,323	49,811	39,323
Total current assets		1,893,024	2,242,830	2,133,730	2,501,860	2,133,730
Non current assets						
Long-term receivables		–	36,867	36,867	–	36,867
Investments						
Investment property		209,057	205,486	205,486	211,514	205,486
Investments in Associate						
Property, plant and equipment		1,865,761	1,964,370	1,925,370	1,942,486	1,925,370
Biological						
Intangible		10,339	7,307	21,707	24,230	21,707
Other non-current assets		12,071	11,864	11,864	12,071	11,864
Total non current assets		2,097,228	2,225,894	2,201,294	2,190,302	2,201,294
TOTAL ASSETS		3,990,252	4,468,724	4,335,024	4,692,162	4,335,024
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		39,774	45,623	45,623	43,187	45,623
Trade and other payables		631,609	590,399	590,399	1,054,657	590,399
Provisions		–	89,313	89,313	–	89,313
Total current liabilities		671,382	725,335	725,335	1,097,844	725,335
Non current liabilities						
Borrowing		182,267	172,829	172,829	171,517	172,829
Provisions		254,667	245,000	233,000	244,748	233,000
Total non current liabilities		436,934	417,829	405,829	416,266	405,829
TOTAL LIABILITIES		1,108,316	1,143,164	1,131,164	1,514,110	1,131,164
NET ASSETS	2	2,881,936	3,325,560	3,203,860	3,178,052	3,203,860
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		2,824,731	3,246,167	3,137,967	3,120,848	3,137,967
Reserves		57,205	79,393	65,893	57,205	65,893
TOTAL COMMUNITY WEALTH/EQUITY	2	2,881,935	3,325,560	3,203,860	3,178,052	3,203,860

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		561,377	537,299	537,299	50,591	439,122	537,299	(98,177)	-18%	537,299
Service charges		1,857,261	901,622	901,622	76,895	1,133,877	901,622	232,255	26%	901,622
Other revenue		(872,756)	339,839	339,839	38,897	306,115	339,839	(33,724)	-10%	339,839
Transfers and Subsidies - Operational		23,639	230,640	230,640	252	28,348	230,640	(202,292)	-88%	230,640
Transfers and Subsidies - Capital		33,560	149,809	149,809	—	99,266	149,809	(50,543)	-34%	149,809
Interest		3,829	9,000	9,000	—	—	9,000	(9,000)	-100%	9,000
Dividends								—		
Payments										
Suppliers and employees		(1,559,634)	(1,880,833)	(1,880,833)	(225,935)	(972,092)	(1,880,833)	(908,741)	48%	(1,880,833)
Finance charges		—	(22,261)	(22,261)	—	—	(22,261)	(22,261)	100%	(22,261)
Transfers and Grants		—	(4,850)	(4,850)	—	—	(4,850)	(4,850)	100%	(4,850)
NET CASH FROM/(USED) OPERATING ACTIVITIES		47,277	260,265	260,265	(59,300)	1,034,636	260,265	(774,371)	-298%	260,265
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								—		
Decrease (increase) in non-current receivables		—	36,867	—	—	—	36,867	(36,867)	-100%	36,867
Decrease (increase) in non-current investments								—		
Payments										
Capital assets		(116,394)	(179,266)	(179,266)	(34,231)	(93,074)	(179,266)	(86,192)	48%	(179,266)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(116,394)	(142,399)	(179,266)	(34,231)	(93,074)	(142,399)	(49,325)	35%	(142,399)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								—		
Borrowing long term/refinancing								—		
Increase (decrease) in consumer deposits		(2,980)	(5,849)	—	1,511	(43,187)	(45,623)	2,436	-5%	(45,623)
Payments										
Repayment of borrowing		—	(10,734)	(10,734)	—	—	(10,734)	(10,734)	100%	(10,734)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,980)	(16,583)	(10,734)	1,511	(43,187)	(56,357)	(13,170)	23%	(56,357)
NET INCREASE/ (DECREASE) IN CASH HELD		(72,098)	101,283	70,265	(92,020)	898,375	61,509			61,509
Cash/cash equivalents at beginning:		96,534	93,891	93,891	—	43,007				
Cash/cash equivalents at month/year end:		24,436	195,174	164,156		941,383	61,509			61,509

System error to be resolved so that Adjusted budget, monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also severely overstated. Serious intervention is required to correct these discrepancies and to this end training was provided by NT to provide guidance on how to disclose the cash flow actuals. The BTO will endeavor to address all issues raised by NT in terms of the correct mapping of the cash flow.