



MONTHLY BUDGET STATEMENT - MARCH 2022

To comply with section 71 of the MFMA and the requirements as promulgated in the MBRR Government Gazette No 32141 of 17 April 2009 by submitting the Monthly Budget Statement to the Executive Mayor, National and Provincial Treasury within 10 working days after the end of each month, containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month.

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Due date: 14 April 2022

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List of Abbreviations and Acronyms used in the MBS

AFS – Annual Financial Statements
AGSA - Auditor-General of 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
DSAC – Department of Sports, Arts and Culture
DWS - Department of Water and Sanitation
ED - Executive Director
EEDG - Energy Efficiency and Demand Side Management Grant
EPWP - Expanded Public Works Programme
FMG – Financial Management Grant
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
IYM – In-year Monitoring
KPA or KPI - Key Performance Area or 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)
MIG - Municipal Infrastructure Grant
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
O/S - Outstanding
PPE - Property, Plant and Equipment
R&M - Repairs and Maintenance
SALGA - South African Local Government Association
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
SPCA - Society For The Prevention Of Cruelty To Animals
SPLM - Sol Plaatje Local Municipality
VAT – Value Added Tax
YTD – Year to date
WRM - Water Resource Management
WRL - Water Research Levy
WSIG – Water Services Infrastructure Grant

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 MARCH 2022

1. Purpose

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

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 Municipal Manager, effective 23 August 2021 is proving to be contributing positively to the stabilization of the municipality and improved accountability.

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 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.

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

“The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

Further, Section 71 of the MFMA requires that, “the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.” For the reporting period ending **31 March 2022**, the ten working day reporting limit expires on **14 April 2022**.

As per MFMA Budget Circular No. 94 “from 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings” which must be submitted before or on **14 April 2022**, (ten working day limit).

3. Executive summary

The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, 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 March 2022	YTD Actual March 2022	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,776,886	1,717,704	(59,182)	96.7%	-3.3%
Total Revenue (including capital transfers and contributions)	1,892,270	1,751,414	(140,856)	92.6%	-7.4%
Total Operational Expenditure	1,789,388	1,474,395	(314,993)	82.4%	-17.6%

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

As indicated in Table 1 above, as at 31 March 2022, the billed revenue excluding capital grants amounted to R1,717,704 billion which resulted in a satisfactory variance of minus 3.3% when compared to the YTD Budget of R1,776,886 billion. The billed revenue including capital grants resulted in an unsatisfactory variance of minus 7.4% when compared to the YTD budget of R1,892,270 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 17.6%.

Summary Statement of Financial Performance: Adjusted Budget					
Description R thousand	Adjusted Budget	YTD Actual February 2022	Variance Favourable (Unfavourable)	% YTD Actual vs Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 66.67%
Total Revenue (excluding capital transfers and contributions)	2,372,218	1,717,704	1,520,019	72.4%	-2.59%
Total Revenue (including capital transfers and contributions)	2,513,884	1,751,414	1,541,924	69.7%	-5.33%
Total Operational Expenditure	2,421,590	1,474,395	1,272,596	60.9%	-14.11%

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

Indicated in Table 2 above is the YTD actual compared to the Adjusted Budget. When calculating the ideal In-Year-Monitoring percentage of 75.00% [calculated as follow: (100/12 months x 8 months of the year)] as at the end of March 2022, the Total operational revenue excluding capital grants versus the Adjusted Budget resulted in a satisfactory variance of minus 2.59%. The Total operational revenue including capital grants versus the Adjusted Budget resulted in a satisfactory variance of minus 5.33%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 14.11%.

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 per line item by 12. The capital projections were also done in the same fashion. Please note that variances within a 5% range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - March 2022										
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 % - 75%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	603,707	45,566	486,145	452,780	107.4%	33,365	7.4%	80.5%	33,365	5.5%
Service charges - electricity revenue	861,157	57,397	554,502	645,867	85.9%	(91,365)	-14.1%	64.4%	(91,365)	-10.6%
Service charges - water revenue	294,012	24,807	221,673	220,509	100.5%	1,164	0.5%	75.4%	1,164	0.4%
Service charges - sanitation revenue	76,648	7,228	64,287	57,486	111.8%	6,801	11.8%	83.9%	6,801	8.9%
Service charges - refuse revenue	59,567	5,441	46,877	44,675	104.9%	2,202	4.9%	78.7%	2,202	3.7%
Rental of facilities and equipment	13,145	2,197	10,430	9,859	105.8%	571	5.8%	79.3%	571	4.3%
Interest earned - external investments	9,000	41	574	6,750	8.5%	(6,176)	-91.5%	6.4%	(6,176)	-68.6%
Interest earned - outstanding debtors	157,200	11,664	93,407	117,900	79.2%	(24,493)	-20.8%	59.4%	(24,493)	-15.6%
Fines, penalties and forfeits	34,725	429	3,882	26,044	14.9%	(22,161)	-85.1%	11.2%	(22,161)	-63.8%
Licences and permits	6,500	623	6,757	4,875	138.6%	1,882	38.6%	104.0%	1,882	29.0%
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	236,873	53,082	215,399	175,473	122.8%	39,926	22.8%	90.9%	37,744	15.9%
Other revenue	19,685	1,471	12,397	14,668	84.5%	(2,271)	-15.5%	63.0%	(2,367)	-12.0%
Gains on disposal of PPE	-	107	1,374	-	-	1,374	-	-	1,374	-
Total Revenue (excluding capital transfers and contributions)	2,372,218	210,054	1,717,704	1,776,886	96.7%	(59,182)	-3.3%	72.4%	(61,459)	-2.6%
Transfers and subsidies - capital	141,666	2,231	33,710	115,384	29.2%	(81,674)	-70.8%	23.8%	(72,539)	-51.2%
Total Revenue (including capital transfers and contributions)	2,513,884	212,284	1,751,414	1,892,270	92.6%	(140,856)	-7.4%	69.7%	(133,999)	-5.3%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 7.4%, as a result of the annual billing on Property rates.
- ❖ Service charges is performing satisfactorily for the month under review, however Electricity revenue is showing a slight under-recovery of minus 14.1%, attributable to the billing being lower than anticipated. Sanitation service charges is showing an over-recovery of 11.8%, as a result of the actuals billed being higher than the YTD budget. The comparison between the actuals versus the Adjusted budget is performing satisfactorily.
- ❖ Interest earned – External investments shows a negative variance of minus 91.5%, 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. 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 hike, 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 20.8%. 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 85.1% as a result of the under-recovery of Law enforcements fines with a 5.59% 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 has 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. Penalties: Disconnection fees achieved an actual of 14.50% against an annual target of R16,500 million. The bulk blocking of prepaid meters, could not materialise as the municipality must remain cognisant of adhering to the Covid-19 regulations.
- ❖ Licences and permits is showing a positive variance of 38.6%, 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. Hopefully this will improve going forward.
- ❖ Capital grants is showing a negative variance of 70.8%, 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 75.00%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is showing an over-recovery, due to the annual billing on Property rates.
- ❖ Service charges is performing satisfactorily. The negative variance on Electricity sales is slightly higher than the acceptable variance of 5%. An investigation into the lower than expected billing should be conducted by the Billing Section.
- ❖ Interest from External Investments shows an unsatisfactory variance of minus 68.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on outstanding debtors is showing a negative variance of 15.6%. Same factors are applicable as described in the paragraph above
- ❖ Fines, penalties and forfeits is showing a negative variance of 63.8%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 29.0%. 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 51.2%, as a result of the lower grant spending.

Also indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 March 2022. The main contributors of the municipality's revenue are Service Charges (51.7%), Property Rates (28.3%) and Transfers and subsidies (12.5%). The weighting per Revenue source is slightly distorted due to the annual billing on Property rates and the receipt of second tranche of the Equitable Share.

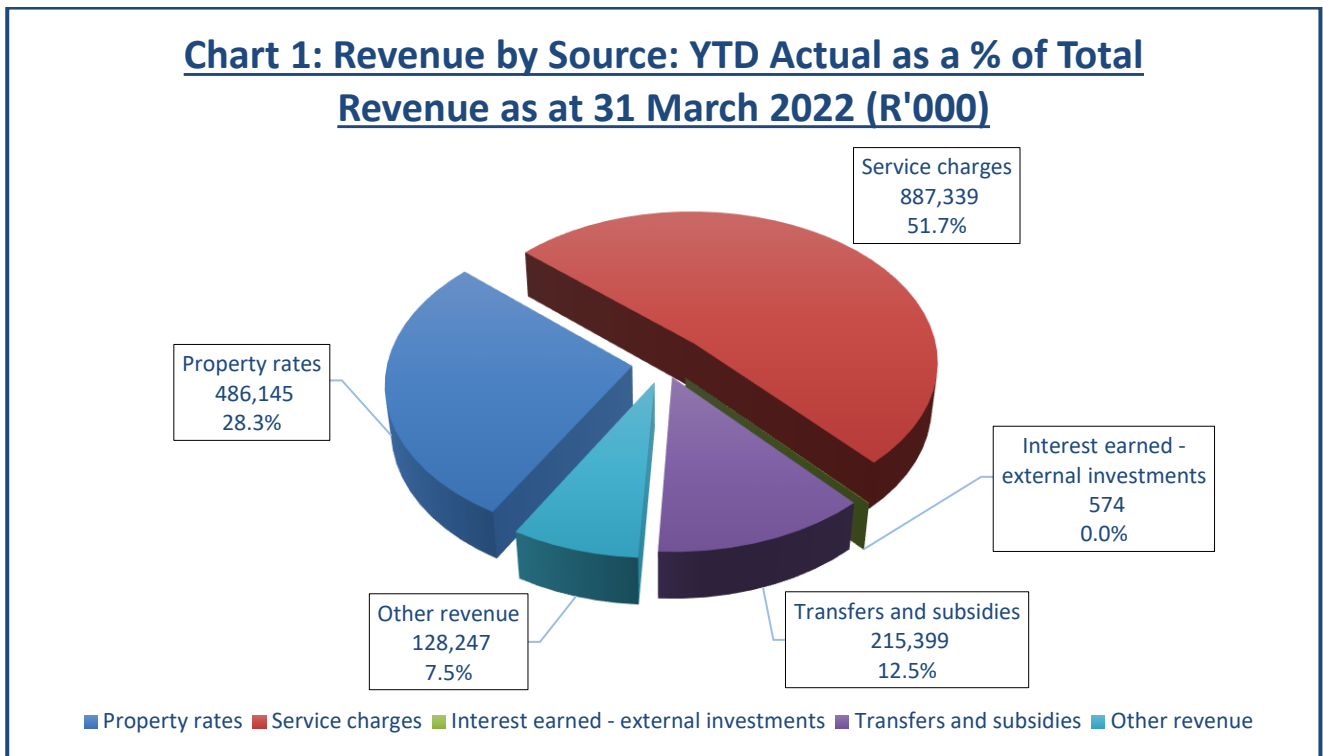


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - March 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 % - 75%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	841,588	61,008	568,646	629,374	90.4%	(60,728)	-9.6%	67.6%	(62,545)	-7.4%
Remuneration of councillors	34,547	2,513	22,159	25,911	85.5%	(3,752)	-14.5%	64.1%	(3,752)	-10.9%
Debt impairment	275,000	525	138,029	206,250	66.9%	(68,221)	-33.1%	50.2%	(68,221)	-24.8%
Depreciation & asset impairment	79,150	-	-	59,363	0.0%	(59,363)	-100.0%	0.0%	(59,363)	-75.0%
Finance charges	63,461	2,010	14,046	33,175	42.3%	(19,129)	-57.7%	22.1%	(33,549)	-52.9%
Bulk purchases - electricity	647,000	2,796	460,957	485,250	95.0%	(24,293)	-5.0%	71.2%	(24,293)	-3.8%
Inventory consumed	231,530	15,497	133,047	190,379	69.9%	(57,332)	-30.1%	57.5%	(40,600)	-17.5%
Contracted services	41,222	4,597	21,540	32,829	65.6%	(11,289)	-34.4%	52.3%	(9,376)	-22.7%
Transfers and subsidies	4,850	-	1,996	3,638	54.9%	(1,641)	-45.1%	41.2%	(1,641)	-33.8%
Other expenditure	132,482	11,795	113,974	94,915	120.1%	19,059	20.1%	86.0%	14,613	11.0%
Loss on disposal of PPE	70,760	-	-	28,304	0.0%	(28,304)	-100.0%	0.0%	(53,070)	-75.0%
Total Expenditure	2,421,590	100,741	1,474,395	1,789,388	82.4%	(314,993)	-17.6%	60.9%	(341,798)	-14.1%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 March 2022 current YTD expenditure shows an unsatisfactory variance of minus 17.6%. The YTD actual amounted to R1,474,395 billion against the YTD Budget of R1,789,388 billion.

- ❖ Employee related costs shows an unsatisfactory variance of minus 9.6%. 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 vacancies for the past few months.
- ❖ Remuneration of councillors is showing an under-expenditure of 14.5%, 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 is normally issued during December of each year.
- ❖ 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 is provided for quarterly. The journal for the third quarter should have been processed before end of March 2022. However, the municipality has been treating debt write-offs erroneously and all write-offs must be done against the expenditure vote and not against the Statement of Financial Position. This will be corrected in the next two months.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 27.13% spent versus a budget of R7,065 million. Prepaid Electricity Vendors is 70.21% spent versus a budget of R25,500 million. The January 2022 account amounting to R2,524 million has been paid. The February 2022 account amounting to R2,383,127.19 is still unpaid and the March 2022 account is due at the end of April 2022.
- ❖ Bulk purchases – Electricity is satisfactory and based on accrual accounting principles, the July 2021 to February 2022 ESKOM invoices were captured on the system, but remains unpaid due to cash flow constraints. The March 2022 invoice is due at the end of April 2022. The full arrears will be included in the new debt agreement that the municipality envisages to conclude with ESKOM for the 2021/22 financial year.
- ❖ Bulk purchases Water must be treated in line with GRAP 12. Corrective journals from the Statement of Financial Position, where the actuals for bulk purchases of R47m is currently reflecting, will be done to split bulk water purchases under Inventory Water and Water losses in the Statement of Financial Performance. The municipality was not billed for July and September 2021 and is awaiting the invoices from the Department. 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 must still correct this error.
- ❖ Transfers and subsidies show a negative variance of 45.1%. There is an outstanding transfer of R550 thousand due to the SPCA. Due to cashflow constraints the municipality opted to settle the R2,200 million in tranches of R550 thousand as and when cash becomes available. Other grants also show minimal movement due to cash flow constraints.
- ❖ Finance charges is showing a negative variance of 57.7%. Finance charges are paid bi-annually and the first instalment was paid at the end of December 2021. 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 30.1%. 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 March 2022 is 75.00%. The total operational expenditure against the Adjusted Budget is 60.9% spent, resulting in a unsatisfactory variance of minus 14.1%.

- ❖ Employee costs and Councillors remuneration is showing a negative variance of minus 7.4% and 10.9%, 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 52.9%. Same factors are applicable as explained above.
- ❖ Debt impairment is provided for quarterly. The journal for the third quarter should have been processed before end of March 2022. However, the municipality has been treating debt write-offs erroneously and all write-offs must be done against the expenditure vote and not against the Statement of Financial Position. This will be corrected in the next two months.
- ❖ 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 33.8%. The same factors are applicable as explained in the paragraph above.
- ❖ Bulk purchases Water, corrective journals must be passed. The actuals is understated because the municipality is awaiting the July and September 2021 invoices from the Department, it was therefore not been captured on the system.

Chart 2: Expenditure by Type : YTD Actual as a % of Total Expenditure as at 31 March 2022 (R'000)

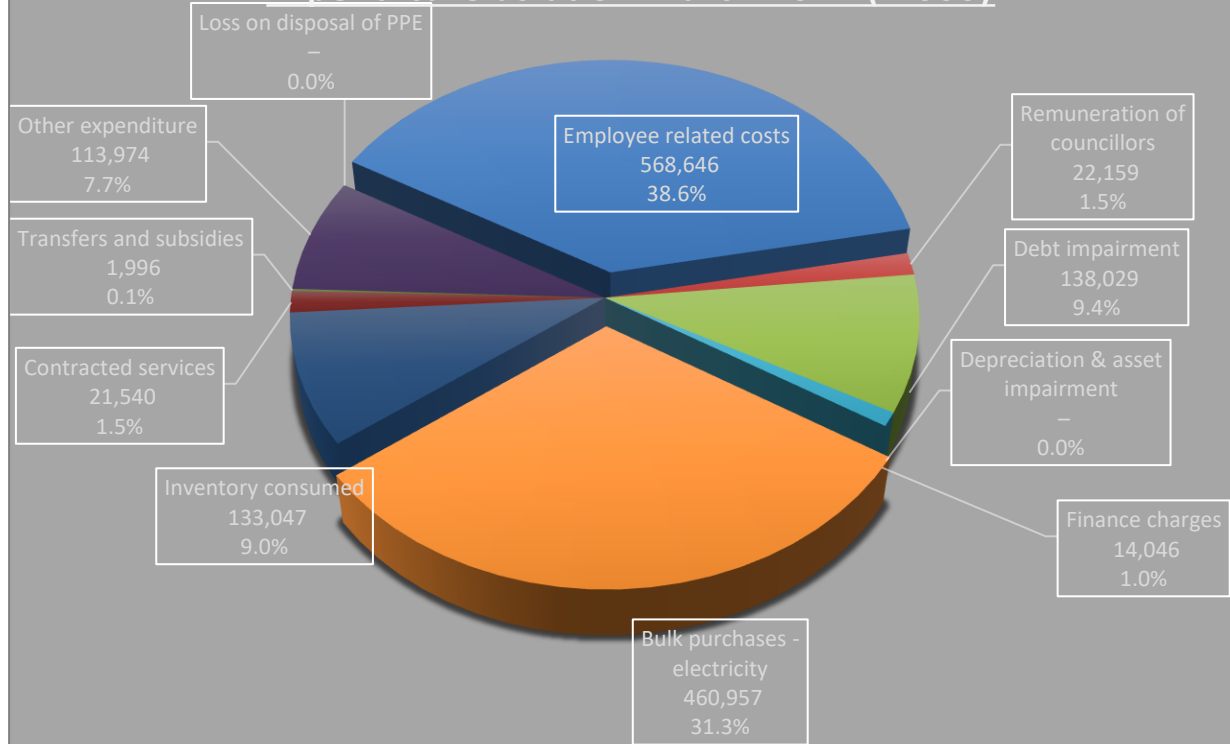


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 March 2022. The main cost drivers of the municipality are Employee Related Costs (38.6%), Debt Impairment (9.4%) and Bulk Purchases – Electricity (31.3%). 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 is provided for quarterly. The journal for the third quarter should have been processed before end of March 2022. However, the municipality has been treating debt write-offs erroneously and all write-offs must be done against the expenditure vote and not against the Statement of Financial Position. This will be corrected in the next two months.
- ❖ Finance charges is paid bi-annually. Interest on overdue account that needs to be corrected.
- ❖ Corrective journals for Bulk water purchases must be passed.

Bulk Purchases: Electricity and Water

- ❖ Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 75.00% as at end of March 2022, Bulk Purchases Electricity is showing a satisfactory variance of 3.75%. However, it should be noted that the balance of R29,903 million of the June 2021 invoice was erroneously paid against the bulk expenditure vote number as it was raised as a sundry creditor in 2020/21 financial year. This must be reversed and journalised to the sundry creditor vote on the Statement of Financial Position.

Description	Original Budget	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75%
BULK PURCHASES: ELECTRICITY	647,000,000	647,000,000	2,795,964	460,956,610	71.25%	-3.75%
Total	647,000,000	647,000,000	2,795,964	460,956,610	71.25%	-3.75%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Bulk purchases: Water which is showing a negative variance of minus 74.9% when compared to the ideal percentage of 75.00%. During the Adjustment budget and advised by NT, bulk purchases was split between Inventory Water and Water losses in the Statement of Financial Performance. Corrective journals will have to done to correct the year-to-date actuals which is currently resorting under bulk purchases in the Statement of Financial Position. 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 not been resolved. The erroneous January 2022 bill was not yet corrected by the Department. The municipality is awaiting feedback in this regard.

Description	Original Budget	Adjusted budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75%
BULK PURCHASES: WATER	114,000,000	-	-	-	0.0%	-75.0%
INVENTORY - WATER	-	45,240,000	170,039	170,039	0.4%	-74.6%
NON-REVENUE WATER LOSSES	-	70,760,000	-	-	0.0%	-75.0%
Total	114,000,000	116,000,000	170,039	170,039	0.1%	-74.9%

Table 5.2: Summary of YTD Bulk Water expenditure

Organ of state	Principle debt	Monthly Instalment	Corrections on arrear debt	Total revised debt amount	Amount paid to date	% of debt settled	Balance on Payment arrangement	Balance of unpaid invoices	Current Account due (Mar 2022)	Total Outstanding Debt	YTD Interest charged 2021/22
ESKOM	112,040,715.83	12,448,968.43	-	112,040,715.83	112,040,715.83	100%	-	470,624,010.17	54,651,968.15	525,275,978.32	26,101,695.09
DWS (Water boards)	61,179,514.18	5,000,000.00	340,383.45	61,519,897.63	61,067,071.06	99%	452,826.57	123,741,620.64	14,930,212.48	139,124,659.69	2,444,946.63
Grand Total	173,220,230.01	17,448,968.43	340,383.45	173,560,613.46	173,107,786.89	100%	452,826.57	594,365,630.81	69,582,180.63	664,400,638.01	28,546,641.72

Table 6: Summary of outstanding Bulk costs debt

Indicated in Table 6 above, is the total outstanding debt owed to ESKOM amounting to R525,275 million. The current account due to ESKOM is R54,651 million. The arrear debt of R470,624 million pertains to the balance of July 2021 account (R85,400m), and unpaid accounts for August 2021 (R93,020m), September 2021 (R54,138m), October 2021 (R51,028m), November 2021 (R50,813m), December 2021 (R51,379m), January 2022 R53,401 million and February 2022 (R51,445m). The municipality did not have sufficient cash to settle the outstanding accounts due to ESKOM. For the month of February 2022, the municipality settled an amount of R19,000 million on the July 2021 invoice. The total year to date interest charged on overdue accounts due to ESKOM amounts to R27,284 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The debt for 2020/21 has been settled in full. The municipality envisages to enter into a new payment agreement with ESKOM for the current financial year.

Also, indicated in Table 6 above, is the total outstanding debt owed to DWS amounts to R139,124 million. The total current account has not been billed by the Department due to system challenges on their side. 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, awaiting feedback from them. 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 year. The mentioned invoices were therefore not received from the Department and is not loaded on the DWS Portal either.

The arrear debt of R116,578 million pertains to the balance of the January 2021 account (R13,084m) and outstanding accounts for February 2021 (R15,329m), March 2021 (R13,224m), August 2021 (R14,685m), October 2021 (R15,275m) and November (R14,523m), December 2021 (R11,190m) and January 2021 (R19,351m). Due to cash flow constraints, the municipality could not settle the outstanding invoices. For the month of March 2022, the municipality settled an amount of R9,437 million on the January 2021 invoice. The total year to date interest charged on overdue accounts to DWS amounts to R6,115 million. No statement for interest charged for January and February 2022 were received from the Department. The debt agreement for 2020/21 has an outstanding balance of R453 thousand. The discrepancy will be taken up with the Department, due to the fact that it shows as resolved on their side whilst according to the municipality's records this was not paid. The municipality envisages to enter into a new payment agreement with DWS for the current financial year, inclusive of all debt.

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - March 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 % - 75%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	166,666	5,823	45,303	129,410	35.0%	(84,107)	-65.0%	27.2%	(79,697)	-47.8%
Funded by										
Capital transfers recognised	123,766	2,231	31,450	108,225	29.1%	(76,775)	-70.9%	25.4%	(61,375)	-49.6%
Internally generated funds	25,000	–	4,313	14,025	30.8%	(9,712)	-69.2%	17.3%	(14,437)	-57.7%
Weighting Capital transfer recognised	74%	38%	69%	84%						
Weighting Internally generated funds	15%	0%	10%	11%						

Table 7: High level summary: Capital Expenditure

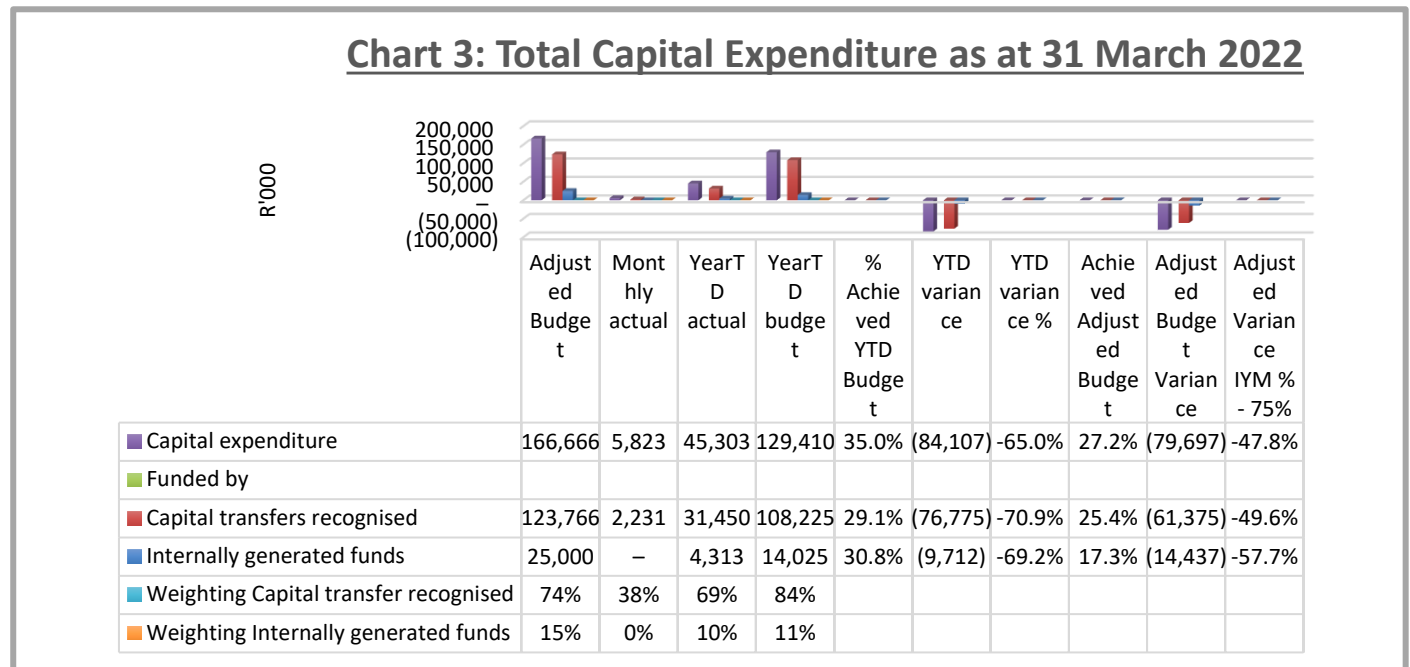


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of March 2022 amounted to R45,303 million and 35.0% spent when compared to the YTD budget of R129,410 million and 27.2% spent when compared to the Adjusted Budget of R166,666 million. The total YTD capex is funded from Capital grants R31,450 million (69%) and Internally generated funds R4,313 million (10%). Capex is extremely low and this must improve going forward. Planning of project managers also needs to improve going forward. 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. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

Sol Plaatje (NC091): Monthly Budget Statement: March 2022

4.4 Cash flows

Chart 4: Current investment deposits and Cash & cash equivalents at year-end

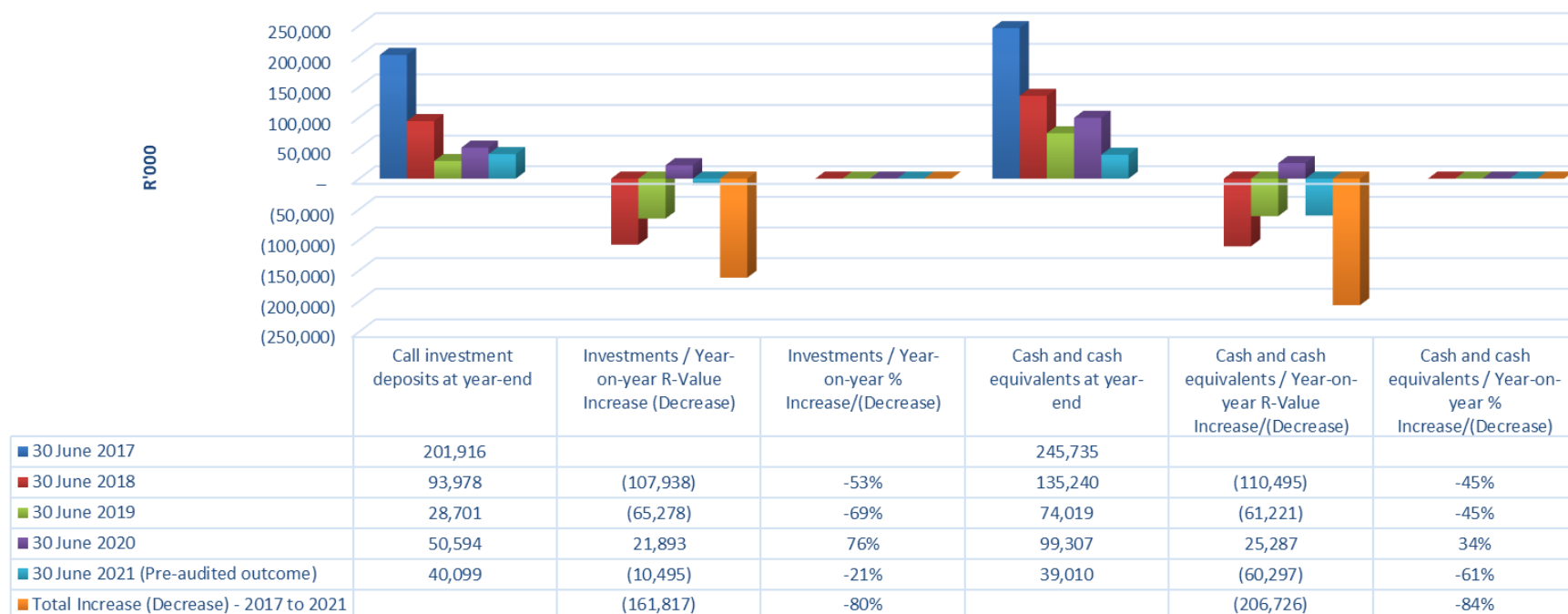


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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.

Chart 5: Call investment deposits incl interest for the period ending 31 March 2022

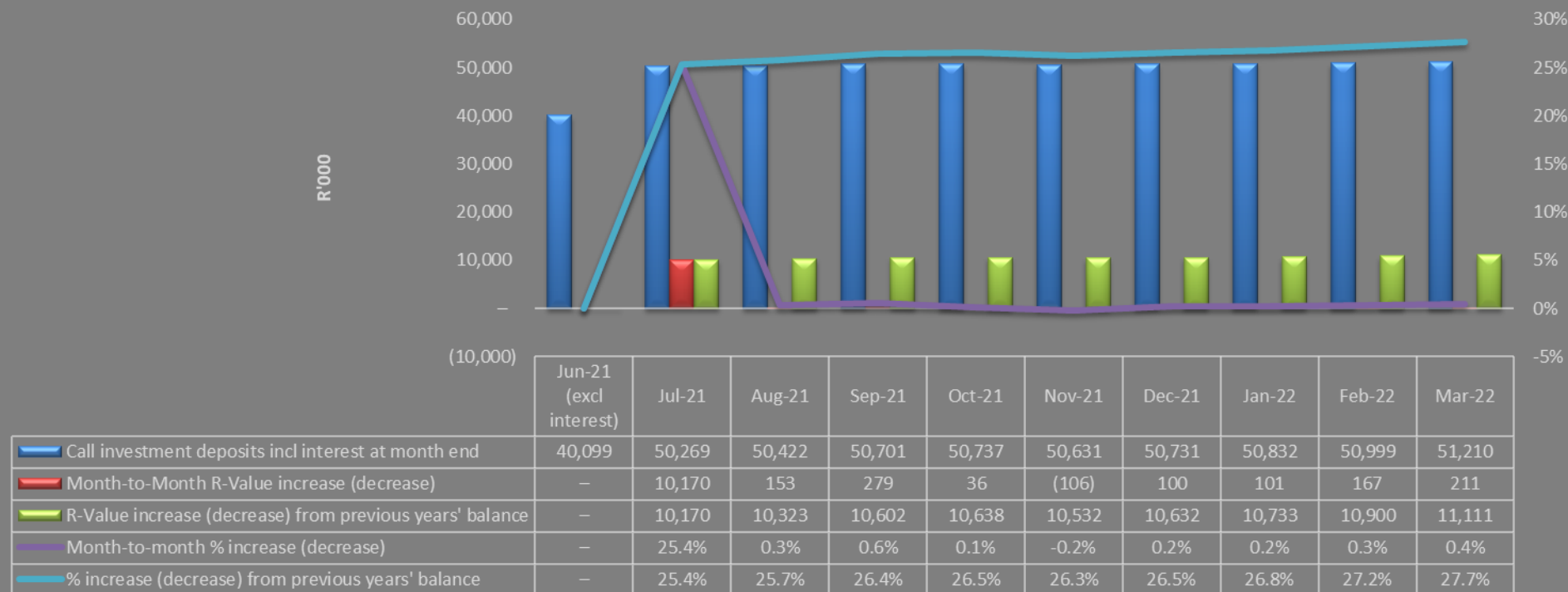


Chart 5: Call investment deposits at month-end

As indicated in the Chart 5 above from January 2022 to March 2022 investments incl interest increased by R211 thousand or 0.4%, in respect of the month-to-month comparison. Investments increased by R11,111 million or 27.7% 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.

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 6.1: 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 6.2: Cost coverage ratio

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. 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. In-year budget statement tables

The financial results for the period under review are attached consisting of the following Tables, in Annexure A

- (a) Table C1: Summary
- (b) Table C2: Financial Performance (Functional Classification)
- (c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Financial Performance (Revenue and Expenditure)
- (e) Table C5: Capital Expenditure by vote, functional classification and funding
- (f) Table C6: Statement of Financial Position
- (g) Table C7: Cash Flow

PART 2: SUPPORTING DOCUMENTATION

5. Debtors' Analysis`

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2021/22												Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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				
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	54,035	20,240	15,752	487,287	-	-	-	-	577,315	487,287	-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	56,291	11,851	9,979	213,915	-	-	-	-	292,036	213,915	-	-		
Receivables from Non-exchange Transactions - Property Rates	1400	50,076	16,680	13,093	716,276	-	-	-	-	796,124	716,276	-	-		
Receivables from Exchange Transactions - Waste Water Management	1500	11,978	4,398	4,209	152,799	-	-	-	-	173,384	152,799	-	-		
Receivables from Exchange Transactions - Waste Management	1600	9,306	3,289	3,122	117,251	-	-	-	-	132,968	117,251	-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,074	502	497	43,128	-	-	-	-	45,201	43,128	-	-		
Interest on Arrear Debtor Accounts	1810	22,668	12,482	10,407	614,358	-	-	-	-	659,915	614,358	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-				
Other	1900									-	-				
Total By Income Source	2000	205,429	69,442	57,059	2,345,014	-	-	-	-	2,676,943	2,345,014	-	-		
2020/21 - totals only															
										-	-				
Debtors Age Analysis By Customer Group															
Organs of State	2200	33,846	11,478	10,497	769,608	-	-	-	-	825,429	769,608	-	-		
Commercial	2300	74,005	21,875	14,131	385,072	-	-	-	-	495,082	385,072	-	-		
Households	2400	102,888	37,392	33,303	1,344,748	-	-	-	-	1,518,331	1,344,748	-	-		
Other	2500	2,554	1,247	1,077	49,621	-	-	-	-	54,499	49,621	-	-		
Total By Customer Group	2600	213,293	71,992	59,008	2,549,048	-	-	-	-	2,893,341	2,549,048	-	-		

Table 8: Supporting Table SC3: Aged Debtors

Indicated in Table 8 above, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R2,893,340 billion as at the end of March 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. Bulk blocking of prepaid meters is hampered due to Covid-19 regulations. On a weekly basis, the municipality also focuses on the Top Ten accounts for all debtor groups. Water and lights (long outstanding queries and Interims), Rates (long outstanding Interims) are also dealt with. The Call Centre also do courtesy calls to the most paying customers, as a means to improve customer satisfaction.

Chart 7 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 R36,037 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R34,456 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.

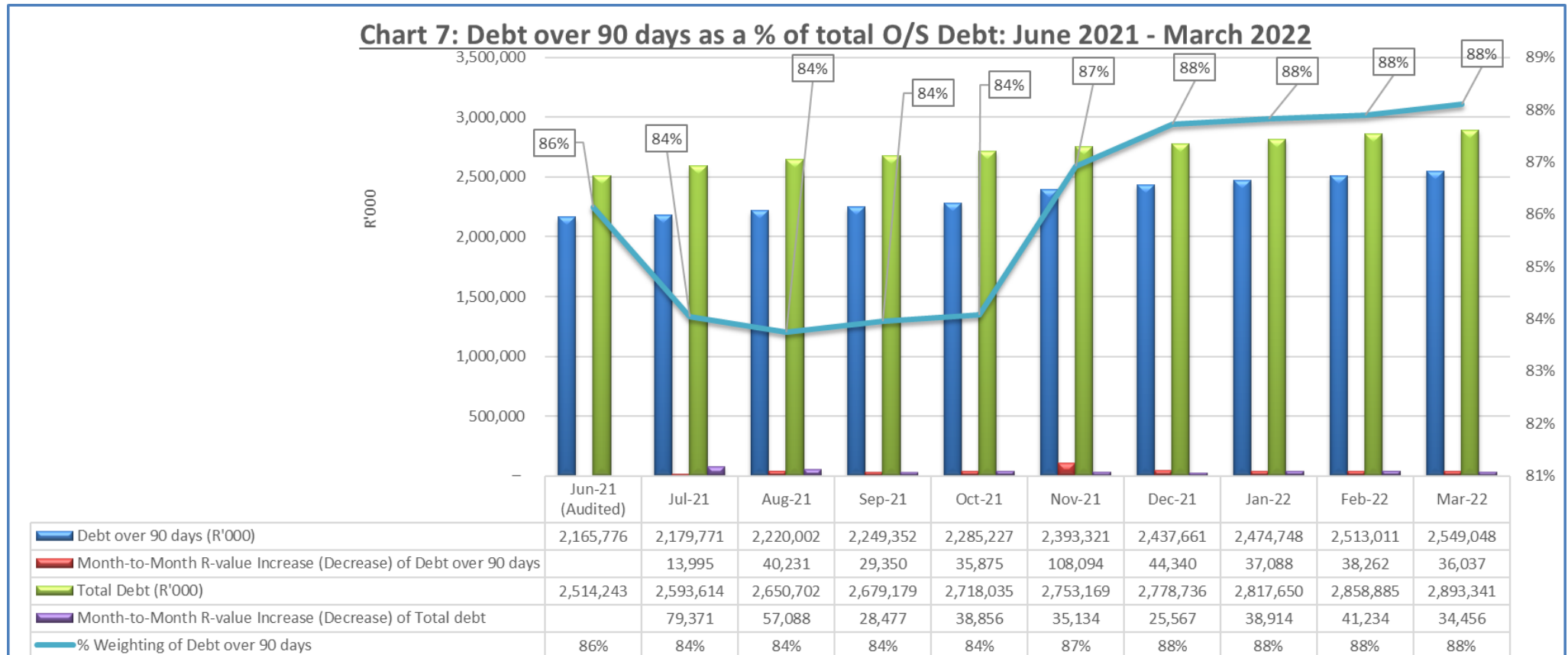


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

Chart 8: Outstanding Debt by Income Source as at 31 March 2022

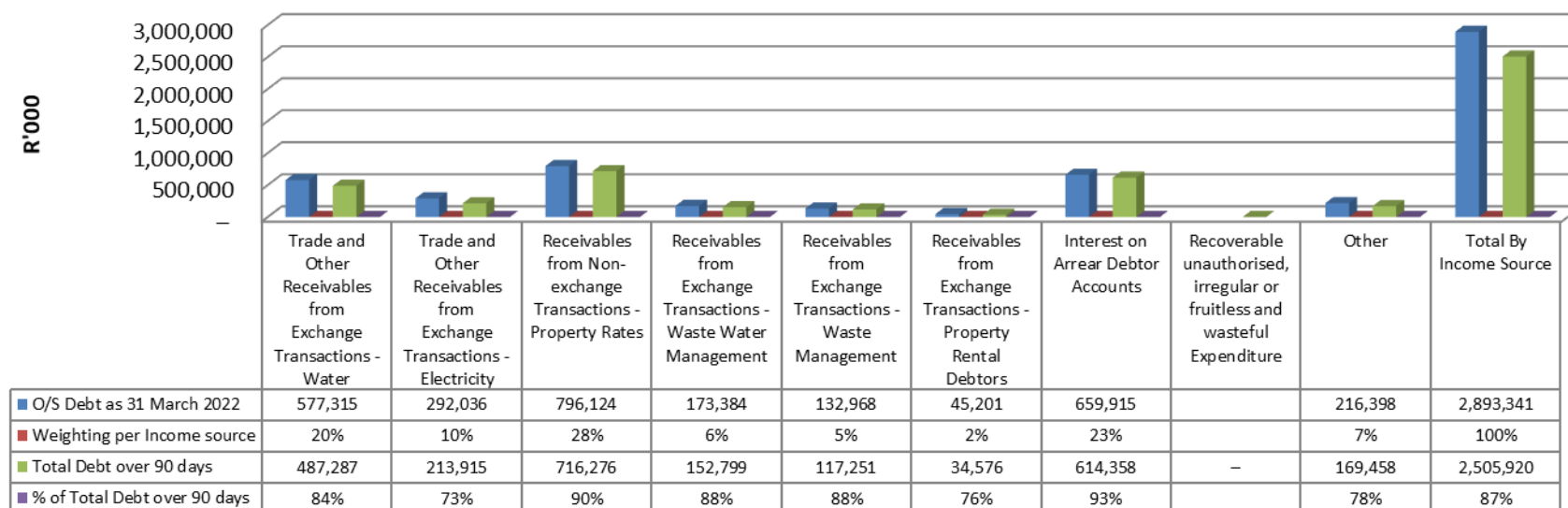


Chart 8: Outstanding Debt by Income Source

Indicated in Chart 8 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 March 2022. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 28%
- ❖ 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 Non-exchange Transactions - Property Rates at 90%
- ❖ Receivables from Exchange Transactions – Waste Water Management and Waste Management at 88%

Debtors Age Analysis By Income Source	O/S Debt as 28 February 2022	O/S Debt as 31 March 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	567,052,795	577,314,829	1.8%	10,262,034	20%
Trade and Other Receivables from Exchange Transactions - Electricity	289,926,340	292,036,001	0.7%	2,109,661	10%
Receivables from Non-exchange Transactions - Property Rates	791,759,125	796,124,025	0.5%	4,364,900	28%
Receivables from Exchange Transactions - Waste Water Management	170,565,591	173,384,109	1.6%	2,818,518	6%
Receivables from Exchange Transactions - Waste Management	130,852,169	132,968,495	1.6%	2,116,326	5%
Receivables from Exchange Transactions - Property Rental Debtors	44,211,172	45,200,759	2.2%	989,587	2%
Interest on Arrear Debtor Accounts	650,340,769	659,914,596	1.5%	9,573,827	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	214,176,774	216,397,941	1.0%	2,221,167	7%
Total By Income Source	2,858,884,735	2,893,340,755	1.2%	34,456,020	100%
Debtors Age Analysis By Customer Group					
Organs of State	820,662,181	825,429,292	0.6%	4,767,111	29%
Commercial	488,984,116	495,081,956	1.2%	6,097,840	17%
Households	1,495,469,018	1,518,330,737	1.5%	22,861,719	52%
Other	53,769,420	54,498,770	1.3%	729,350	2%
Total By Customer Group	2,858,884,735	2,893,340,755	1.2%	34,456,020	100%

Table 9: Month-on-month growth in outstanding debtors

Indicated in Table 9 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group, from January 2022 to March 2022, the municipality's total O/S debt increased by 1.2% or R34,456 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 1.8%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity increased by 0.7%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 0.5%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.6%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.6%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 2.2%.
- ❖ Interest on Arrear Debtor Accounts increased by 1.5%.
- ❖ Other increased by 1.0%.

O/S debt per Customer Group

- ❖ Organs of State increased by 0.6%.
- ❖ Commercial debtors increased by 1.2%.
- ❖ Debt owed by Households increased by 1.5%.
- ❖ Other Debt increased by 1.3%.

Weighting per Customer Group

- ❖ Government debt constitutes 29%, Businesses 17%, Households 52% and Other 2% of the total outstanding debt.

There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2020/21, the corrected charts are indicated below, the problem was communicated to the financial system provider (BCX). Awaiting feedback in this regard.

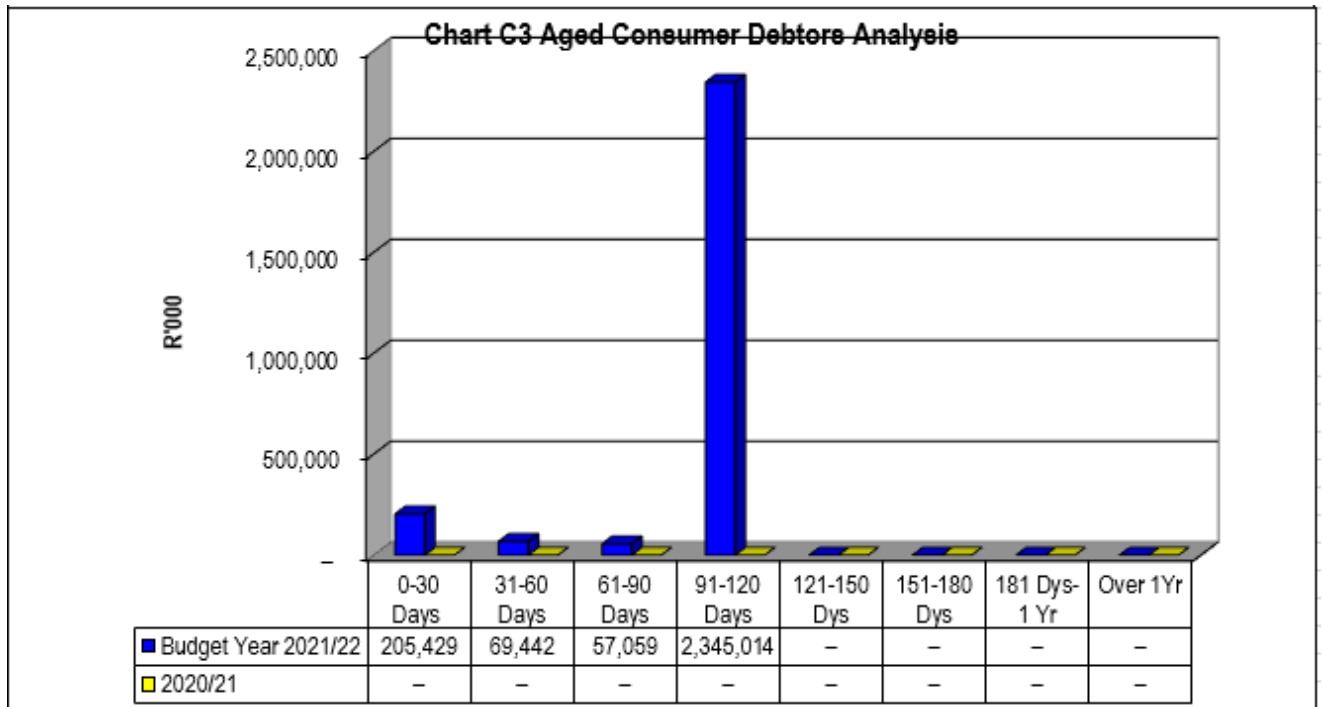


Chart 9: Aged Consumer Debtor Analysis

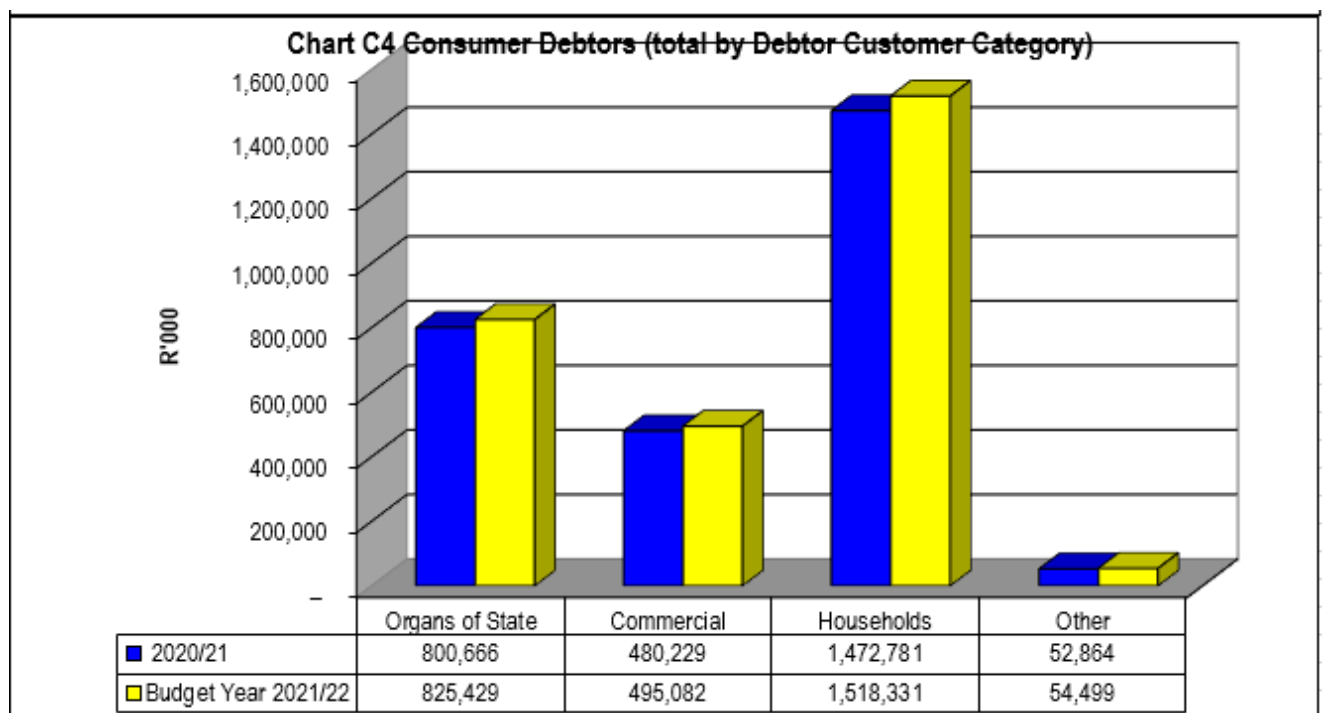


Chart 10: Consumer Debtors (total by Debtor Customer Category)

Chart 11: Debtor's Age Analysis per Customer Group as at 31 March 2022

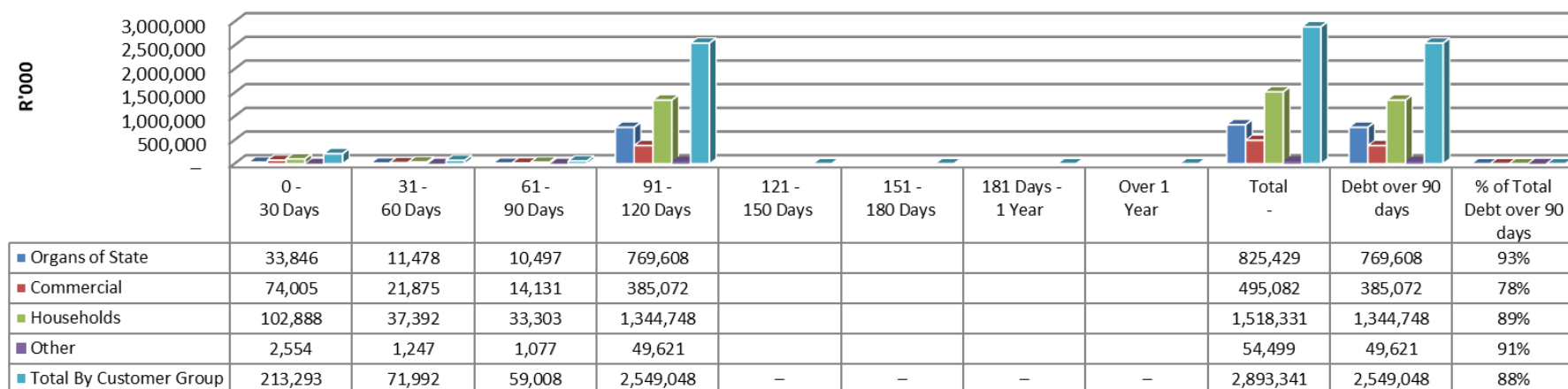


Chart 11: Debtor's Age Analysis per Customer Group

Chart 11 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 8%
- Introduce automated metering for bulk consumers
- Finalise the Electricity Cost of Supply Study
- 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

Revised collection rate

As per Table 10 below, when taking into consideration what was billed in February 2022 and received in March 2022, the monthly collection rate is 65%. 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 the critical issue. Indicated in Table 11 below is the revised average collection of 71.9% for the period under review. The average collection is distorted due to the annual billing of Property rates. The actual Rand-value billed for July 2021, is R78,562 million and the annual billing is effectively deducted from the YTD billing on Property rates, to portray a more realistic picture of the average collection rate which translates into an average collection rate of 75.4%. Based on actuals obtained from the system, only R7,296 million has been received for annually billed rates. This clearly demonstrates the low level of receipts from Property rates that is billed annually with a collection rate of only 9.3%. 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 March to 31 March 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. This is clearly not materializing.

Monthly Collection Rate	Debits (Billed February 2022)	Credits (Received March 2022)	% Collected
PROPERTY RATES	45,437,088	28,234,202	62%
ELECTRICITY	36,101,988	28,891,641	80%
WATER	28,762,256	14,286,778	50%
SEWERAGE	8,515,930	3,643,603	43%
REFUSE	6,434,135	2,952,211	46%
OTHER	12,879,668	11,363,675	88%
Total	138,131,066	89,372,110	65%

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	Average
Property Rates	62%	25%	81%	66%	63%	56%	62%	68%	62%	55%
Electricity excl Prepays	80%	77%	69%	80%	84%	87%	71%	84%	80%	79%
Water	85%	47%	47%	57%	52%	58%	44%	45%	50%	53%
Sewerage	48%	44%	43%	46%	44%	40%	39%	37%	43%	43%
Refuse	48%	47%	44%	49%	46%	43%	42%	41%	46%	45%
Other	108%	50%	108%	129%	103%	86%	126%	83%	88%	98%
Monthly collection rate	74%	41%	69%	72%	67%	66%	64%	66%	65%	63%
Average monthly collection rate for last four months (Sep 2021 to March 2022)										67%

Table 10: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL MARCH 2022	YTD RECEIPTS	Rate
PROPERTY RATES	R 486,145,073	R 268,247,421	55.2%
SERVICE CHARGE ELECTRICITY	R 344,792,929	R 282,475,659	81.9%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 209,709,023	R 209,709,023	100.0%
SERVICE CHARGE WATER	R 221,673,037	R 120,553,791	54.4%
SERVICE CHARGE SANITATION	R 64,286,996	R 32,677,989	50.8%
SERVICE CHARGE REFUSE	R 46,877,148	R 26,007,467	55.5%
OTHER	R 107,387,604	R 105,488,834	98.2%
UNALLOCATED CREDITS		R 19,561,719	
REVISED AVERAGE COLLECTION RATE - MARCH 2022	R 1,480,871,810	R 1,064,721,902	71.9%
REVENUE BY SOURCE	YTD ACTUAL MARCH 2022	YTD RECEIPTS	Rate
REVISED AVERAGE COLLECTION RATE - MARCH 2022 incl ANNUAL BILLING ON PROPERTY RATES	R 1,480,871,810	R 1,064,721,902	71.9%
LESS ANNUAL BILLING ON PROPERTY RATES	R -78,561,553	R -7,295,744	9.3%
REVISED AVERAGE COLLECTION RATE - MARCH 2022 excl ANNUAL BILLING ON PROPERTY RATES	R 1,402,310,258	R 1,057,426,159	75.4%

Table 11: Revised Average collection rate

Indicated in the Tables 12 and 13 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	TOTAL
PROPERTY RATES	VA	-	710.80	-	-	337.67	-	-	-	-	1,048.47
PROPERTY RATES	VA2010	98.54	400.00	73.74	270.53	-	-	-	-	34.10	876.91
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	109,716,625.77
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	5,696,201.08
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	122,391,031.34
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	13,462,313.64
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	947,393.99
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	176,197.87
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	13,633,512.75
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	1,755,767.58
PROPERTY RATES	VAPBO	-	-	772.00	-	2,500.00	2,500.00	-	-	-	5,772.00
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	458,398.85
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	268,247,420.73
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	507,939.64	4,336,667.36
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	278,138,992.12
PREPAID ELECTRICITY		27,317,859.54	25,196,134.81	22,614,270.11	22,498,541.03	21,748,681.17	23,083,580.02	22,803,671.63	21,493,347.43	22,952,937.01	209,709,022.75
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	492,184,682.23
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	390,190.31
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	120,163,600.28
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	120,553,790.59
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	2,085,860.88
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	30,592,127.86
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	32,677,988.74
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	23,761,300.40
ADD REFUSE	RF	252,390.81	273,761.64	193,154.13	276,423.29	250,511.18	247,347.04	274,211.28	223,416.73	254,950.11	2,246,166.21
TOTAL REFUSE		3,067,779.53	2,879,037.61	2,875,601.88	2,827,153.82	2,959,985.87	2,939,088.87	2,650,712.34	2,641,516.42	3,166,590.27	26,007,466.61
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	215,747.15
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	479,978.87
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	674,424.80
INTEREST ON ARREARS	INWA	255,169.16	216,027.29	219,527.70	222,259.47	427,275.83	214,578.43	208,883.24	221,800.21	249,752.70	2,235,319.03
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	317,299.02
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	62,064.48
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	1,833,097.80
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	45,494.48
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	36,748.53
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	22,534.14
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	2,546,517.90
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	8,469,226.20
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	2,062,833.24
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	86,069,281.31
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	6,839,586.88
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	953,299.43
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	551,328.34
MISC 2	SU11	-	-	-	-	-	-	-	-	406,403.11	406,403.11
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	48,306.65
ARREARS MAGIC	SU70	1,598.50	426.23	1,217.59	145.95	192.44	16,787.82	262.31	172.07	171.98	20,974.89
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	10,608.59
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	56,985.63
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	97,019,608.07
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	69,662,624.70
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	905,113,785.12
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	835,451,160.42
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	113,094,653.85	117,007,371.94	1,045,160,183.17

Table 12: BS566 report on receipts per service

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	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	99,795,233.83
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	7,946,029.57
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	233,352,052.84
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	1,012,914.48
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	505,772.12
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	20,104,017.97
DECEASED ESTATE	DE	-	-	-	-	-	-	685.72	-	-	685.72
GOVERNMENT - OTHER	GO	-	-	-	1,565.21	564.96	527.32	521.74	-	1,045.83	4,225.06
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	16,970,986.80
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	6,380,726.12
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	10,561,683.07
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	806,352.03
INDIGENT - LATE ESTATE	IL	1,536.92	614.97	676.07	1,123.97	975.66	624.30	502.59	502.59	989.66	7,546.73
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	2,914,039.69
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	8,367,824.22
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	4,193,756.27
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	98,457.65
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	-	11,020.56
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	3,161,819.33
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	10,729,844.88	9,299,947.45	85,846,860.43
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	3,246,210.01
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	172,643.34
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	3,181,006.41
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	45,483.47
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	2,198,353.61
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	853,240.80
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	49,825.72
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	1,310,491.71
PROV: AGRICULTURE	PA	46,365.72	-	57,465.35	-	77,148.57	-	-	62,556.47	-	243,536.11
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	21,437,899.01
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	12,475,808.76
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	18,488,559.81
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	-	1,791,472.16
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	261,945,064.58
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	45,803.13
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	5,814,281.59
UNKNOWN	UN	230.00	-	540.00	249.61	255.00	250.00	285.19	250.00	240.26	2,300.06
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	107,097.65
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	69,662,624.70
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	905,113,785.12
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	835,451,160.42

Table 13: BS566 report on receipts per debtor type

Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2021 to March 2022

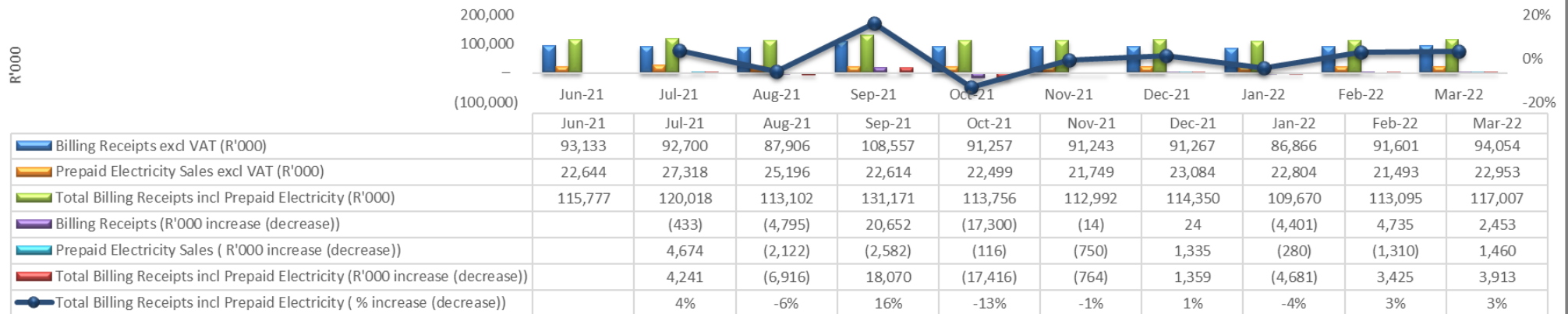


Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 12.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R117,007 million which resulted in an increase of R3,913 million or 3% in respect of the month-to-month comparison. Unallocated billing receipts at month end amounted to R19,562 million. Unallocated receipts are not factored into the actual receipts as per the chart above.

Chart 12.2: Monthly billing receipts per revenue source from Jun 2021 - March 2022

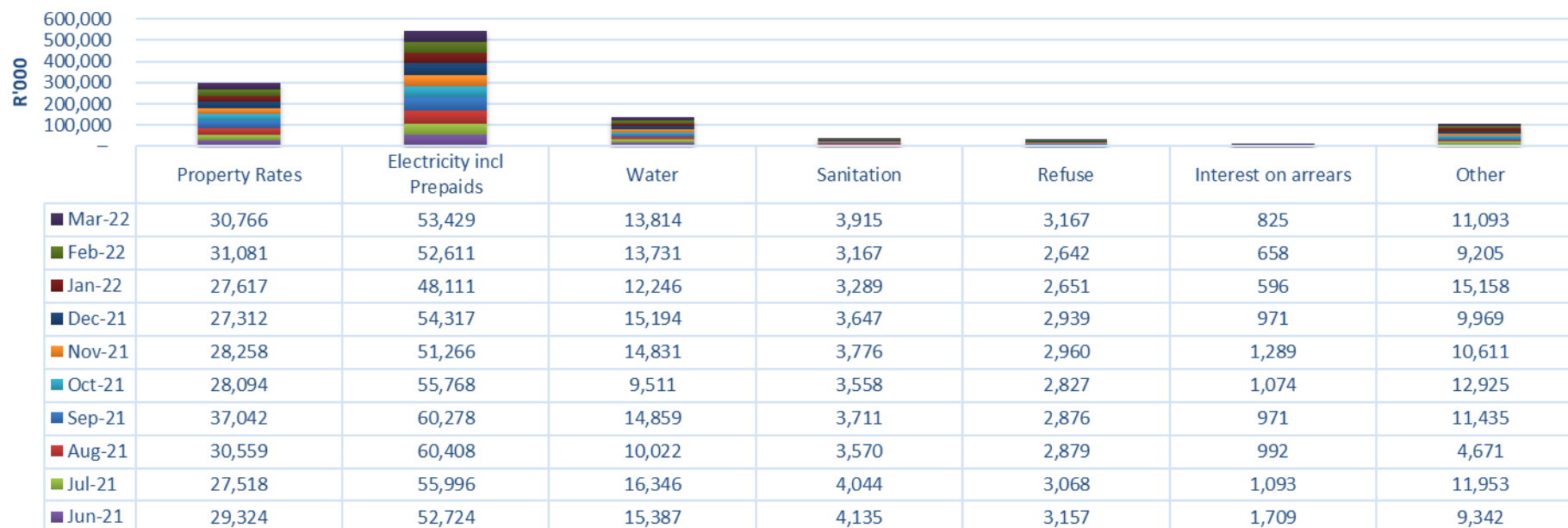


Chart 12.2: Monthly billing receipts per revenue source

Indicated in Chart 12.2 above, 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. There is an increase on Property Rates, Service charges Electricity and Water. Receipts on Service charges for Sanitation and Refuse, Interest on arrears and Other decreased when compared to the previous month.

Chart 12.3: Ranking of billing receipts per revenue source from Jul 2021 to March 2022 (R'000)

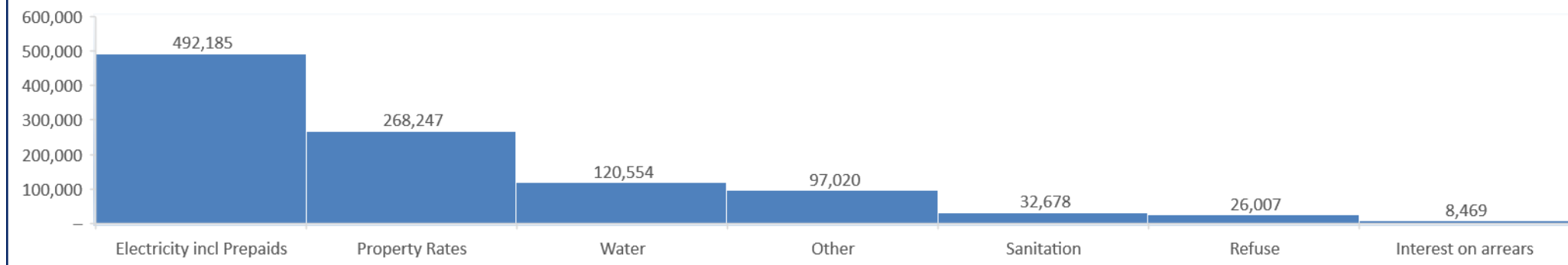


Chart 12.3: Ranking of billing receipts per revenue source

Percentage contribution per Revenue source from Jul 2021 to March 2022

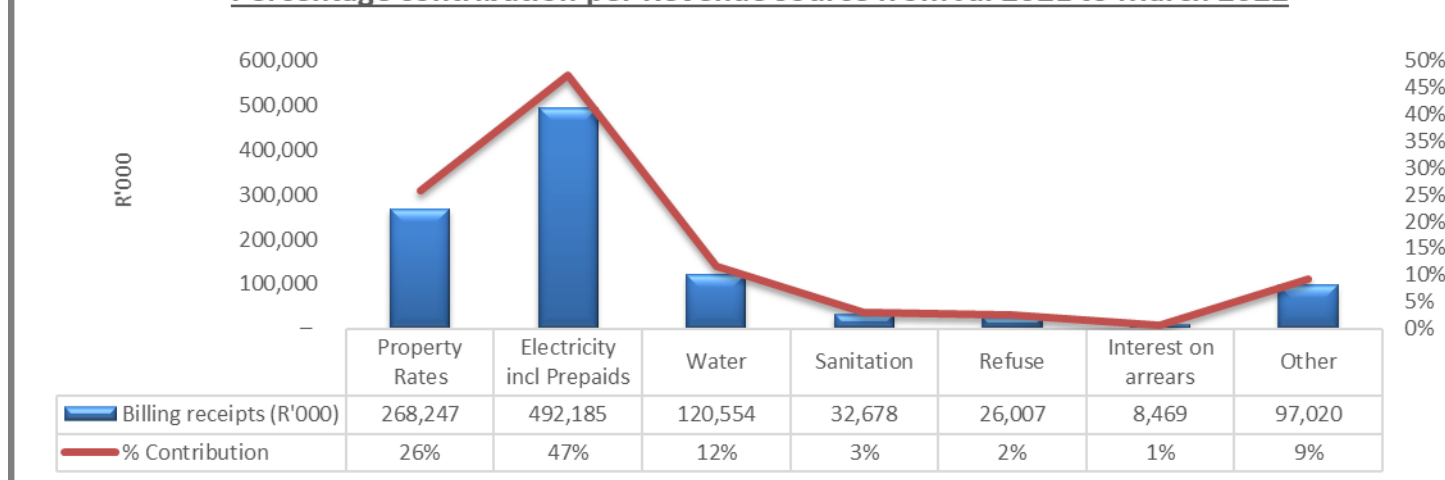


Chart 12.4: Percentage contribution of billing receipts per revenue source

Indicated in Chart 12.3 and 12.4 above, is the ranking and percentage contribution of receipts per revenue source from July 2021 to March 2022. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R492,185 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 R268,247 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 R8,469 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.

6. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description R thousands	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	54,652	51,445	53,401	51,379	50,813	51,028	212,558	-	525,276	
Bulk Water	0200	15,013	16,519	19,351	11,108	14,523	15,275	14,685	32,651	139,125	
PAYE deductions	0300	9,484	-	-	-	-	-	-	-	9,484	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500	7,390	-	-	-	-	-	-	-	7,390	
Loan repayments	0600									-	
Trade Creditors	0700	5,208	622	-	25	-	-	-	-	5,854	
Auditor General	0800	2	-	-	-	-	-	-	-	2	
Other	0900	2,570	116	149	412	-	-	-	-	3,247	
Total By Customer Type	1000	94,320	68,702	72,901	62,924	65,335	66,303	227,243	32,651	690,378	-

Table 14: Supporting Table SC4: Aged Creditors

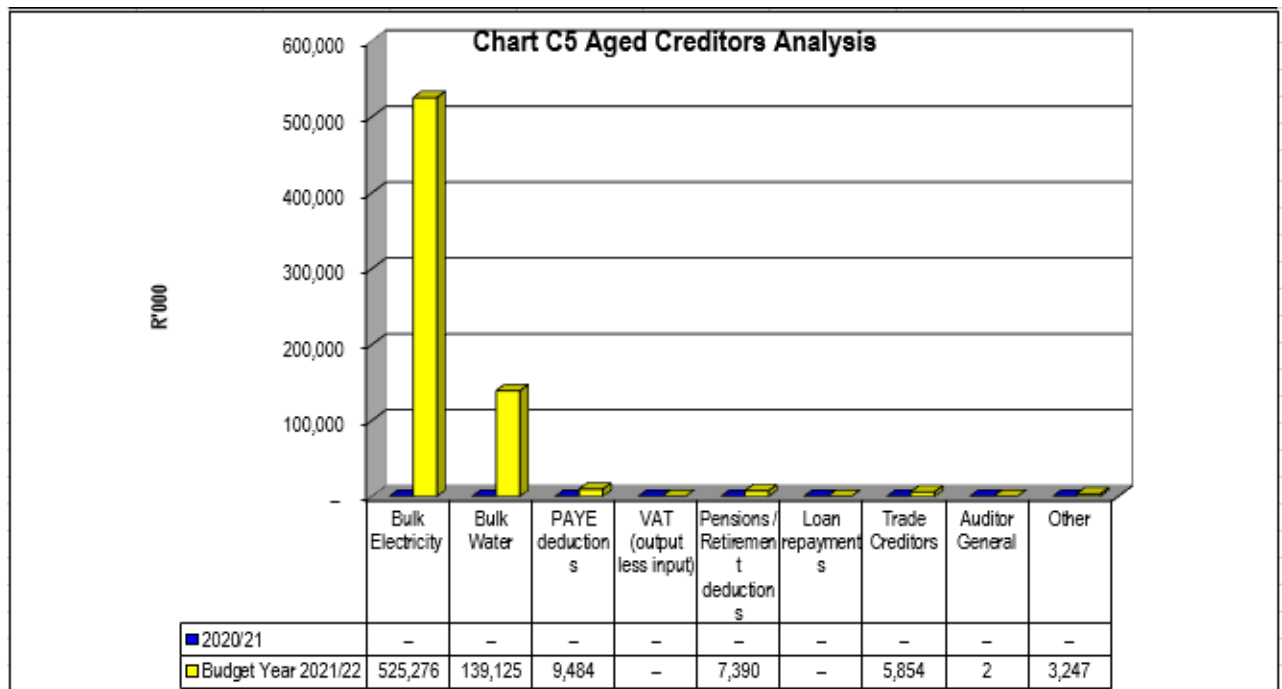


Chart 13: Aged Creditors Analysis

Bulk Electricity – As at the 31 March 2022, the outstanding debt owed to ESKOM amounted to R525,275 million. The municipality will conclude a new payment agreement with ESKOM for the 2021/22 financial year.

Bulk Water – The outstanding debt owed to DWS is R139,124 million. The municipality is still awaiting the June 2021, July 2021 and September 2021 invoices from the Department. The municipality will conclude a new payment agreement with DWS for the 2021/22 financial year.

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

VAT – after the monthly VAT reconciliation, an amount of R3,954 million was paid to 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). Outstanding payables pertain to all services rendered and goods received but not yet paid.

Auditor General – current due at the end of March 2022 is R1 thousand.

Other creditors – includes Sundry creditors which were unpaid as at the reporting date.

There is an error on the C-schedules, supporting schedule SC4 – Aged Creditors for the audited outcome for 2020/21, the corrected chart is indicated above, the problem was communicated to the financial system provider (BCX). Awaiting feedback in this regard

7. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 March 2022, the value of total investments made was R51,210 million including interest. Investments excluding interest amounted to R50,099 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.

There is a error in the population of supporting schedule SC5, this was lodged with the service provider and the municipality is awaiting feedback in this regard. Indicated below, is the manual population of the actuals as at 31 March 2022.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March 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	04.85			28.06.2022	7,617	31			7,649
Absa Bank 20 -8033-1750		03 mths	Notice	YES	Fixed	03.41			28.06.2022		0		25	25
Standard Bank 048466271-080		12 mths	Notice	YES	Fixed	05.850			10.11.2022	21,160	87			21,247
First National Bank			Call a/c	YES	Variable	03.70				5,616	18			5,633
Absa Bank			Call a/c	YES	Variable	02.50				5,580	13			5,593
Investec			Call a/c	YES	Variable	03.85				629	2			631
Nedbank			Call a/c	YES	Variable	03.75				5,269	17			5,285
Standard Bank			Call a/c	YES	Variable	03.95				5,129	17			5,146
Municipality sub-total										50,999		-		51,210
TOTAL INVESTMENTS AND INTEREST	2									50,999		-		51,210

Table 15: Supporting Table SC5: Investment portfolio

8. Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

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	53,082	208,031	167,536	40,495	24.2%	223,855
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Equitable Share		234,642	212,328	212,328	53,082	207,016	159,246	47,770	30.0%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	-	-	2,521	(2,521)	-100.0%	3,362
Infrastructure Skills Development Grant		4,661	5,500	5,500	-	-	4,125	(4,125)	-100.0%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	-	-	1,238	(1,238)	-100.0%	1,650
Municipal Disaster Relief Grant		-	-	1,015	-	1,015	406	609	150.0%	1,015
Municipal Infrastructure Grant		-	-	-	-	-	-	-		-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		15,253	7,800	13,018	-	7,368	7,937	(569)	-7.2%	13,018
Capacity Building		-	-	-	-	-	-	-		-
Capacity Building and Other Grants		8,207	7,800	8,518	-	4,368	6,137	(1,769)	-28.8%	8,518
Expanded Public Works Programme		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Infrastructure Grant		7,046	-	4,500	-	3,000	1,800	1,200	66.7%	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	53,082	215,399	175,473	39,926	22.8%	236,873
Capital Transfers and Grants										
National Government:		109,706	167,766	123,766	2,231	33,710	108,224	(74,514)	-68.9%	123,766
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Infrastructure Skills Development Grant		-	-	-	-	-	-	-		-
Integrated National Electrification Programme Grant		17,206	66,500	36,500	8	2,421	37,875	(35,454)	-93.6%	36,500
Integrated Urban Development Grant		50,328	66,266	66,266	968	18,426	49,699	(31,274)	-62.9%	66,266
Municipal Infrastructure Grant		-	-	-	-	-	-	-		-
Neighbourhood Development Partnership Grant		22,881	10,000	-	-	52	3,500	(3,448)	-98.5%	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-		-
Water Services Infrastructure Grant		19,291	25,000	21,000	1,255	12,811	17,150	(4,339)	-25.3%	21,000
Provincial Government:		-	-	-	-	-	-	-		-
Capacity Building		-	-	-	-	-	-	-		-
Libraries; Archives and Museums		-	-	-	-	-	-	-		-
District Municipality:		-	-	3,500	-	-	1,400	(1,400)	-100.0%	3,500
Specify (Add grant description)		-	-	3,500	-	-	1,400	(1,400)	-100.0%	3,500
Other grant providers:		2,856	-	14,400	-	-	5,760	(5,760)	-100.0%	14,400
[insert description]		-	-	-	-	-	-	-		-
European Union		2,856	-	14,400	-	-	5,760	(5,760)	-100.0%	14,400
Total Capital Transfers and Grants	5	112,562	167,766	141,666	2,231	33,710	115,384	(81,674)	-70.8%	141,666
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	372,988	398,406	378,539	55,313	249,109	290,858	(41,749)	-14.4%	378,539

Table 16: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Equitable share – R53,082 million

Capital grant monies received for the month under review.

IUDG – R21,133 million

INEP – R36,500 million

WSIG – R1 000 million

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. This must also be discussed with our service provider.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

RCOS1 201 Plaaqe - Supporting Table 207(1) Monthly Budget Statement - transfers and grant expenditure - m03 march										
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										
Operating expenditure of Transfers and Grants										
National Government:		111,662	101,646	105,780	3,439	74,326	77,885	(3,559)	-4.6%	105,780
Equitable Share		101,154	91,134	94,303	2,714	66,690	69,615	(2,925)	-4.2%	94,303
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	–	3,362	2,522	840	33.3%	3,362
Infrastructure Skills Development Grant		4,672	5,500	5,500	393	3,597	4,125	(528)	-12.8%	5,500
Local Government Financial Management Grant		1,666	1,650	1,650	332	677	1,238	(561)	-45.3%	1,650
Municipal Disaster Relief Grant		–	–	965	–	–	386	(386)	-100.0%	965
Provincial Government:		8,881	7,800	9,793	170	7,188	7,138	50	0.7%	9,793
Capacity Building and Other Grants		5,019	7,800	8,293	69	6,506	6,047	459	7.6%	8,293
Infrastructure Grant		3,862	–	1,500	102	682	1,091	(409)	-37.5%	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	115,573	3,610	81,514	85,023	(3,509)	-4.1%	115,573
Capital expenditure of Transfers and Grants										
National Government:		101,832	167,766	123,766	2,231	31,450	108,225	(76,775)	-70.9%	123,766
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant		16,469	66,500	36,500	8	74	37,875	(37,801)	-99.8%	36,500
Integrated Urban Development Grant		46,175	66,266	66,266	968	18,564	49,700	(31,135)	-62.6%	66,266
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		19,896	10,000	–	–	–	3,500	(3,500)	-100.0%	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		19,291	25,000	21,000	1,255	12,811	17,150	(4,339)	-25.3%	21,000
Provincial Government:		–	–	–	–	–	–	–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	3,500	3,593	3,593	1,400	2,193	156.6%	3,500
Specify (Add grant description)		–	–	3,500	3,593	3,593	1,400	2,193	156.6%	3,500
Other grant providers:		2,483	–	14,400	–	5,947	5,760	187	3.3%	14,400
European Union		2,483	–	14,400	–	5,947	5,760	187	3.3%	14,400
Total capital expenditure of Transfers and Grants		104,315	167,766	141,666	5,823	40,990	115,385	(74,395)	-64.5%	141,666
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		224,858	277,212	257,239	9,433	122,504	200,408	(77,904)	-38.9%	257,239

Table 17: Supporting Table SC7(1): Transfers and grant expenditure

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 R14,615 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.

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	7,760	74,310	0.1%	0.2%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	66,266,000	968,172	18,564,439	28.0%	28.0%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	-	0.0%	-
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	21,000,000	1,254,798	12,811,243	51.2%	61.0%
EUROPEAN UNION	-	14,400,000	-	5,947,284	-	41.3%
FRANCES BAARD DISTRICT MUNICIPALITY	-	3,500,000	3,592,713	3,592,713	-	102.6%
Grand Total	167,766,000	141,666,000	5,823,443	40,989,989	24.4%	28.9%

Table 18: Summary of expenditure per grant

As indicated in Table 18 above, the YTD grant expenditure amounts to R40,989 million or 28.9% spent against the Adjusted capital grant allocation of R141,666 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. We are already in the fourth quarter and it is 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 **Sol Plaatje (NC091): Monthly Budget Statement: March 2022**

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 on 20 January 2022 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 19: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 19 is not required as the rollover request was not approved.

9. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March										
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	-	-	43	417	-	417	#DIV/0!	-
Medical Aid Contributions		339	-	-	27	170	-	170	#DIV/0!	-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		2,862	3,243	3,243	235	2,111	2,432	(322)	-13%	3,243
Housing Allowances		-	-	-	4	19	-	19	#DIV/0!	-
Other benefits and allowances		26,231	31,305	31,305	2,204	19,442	23,479	(4,036)	-17%	31,305
Sub Total - Councillors		30,260	34,547	34,547	2,513	22,159	25,911	(3,752)	-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	957	6,692	6,450	241	4%	8,600
Pension and UIF Contributions		984	1,108	1,108	89	787	831	(43)	-5%	1,108
Medical Aid Contributions		215	252	252	18	163	189	(26)	-14%	252
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		2,042	1,961	1,961	144	1,348	1,471	(122)	-8%	1,961
Cellphone Allowance		168	202	202	12	121	151	(30)	-20%	202
Housing Allowances		36	39	39	2	20	29	(10)	-33%	39
Other benefits and allowances		15	105	105	2	13	79	(66)	-84%	105
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		56	62	62	6	47	47	1	2%	62
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		12,951	12,329	12,329	1,229	9,191	9,247	(56)	-1%	12,329
% increase	4		-4.8%	-4.8%						-4.8%
Other Municipal Staff										
Basic Salaries and Wages		395,579	450,593	451,861	34,315	315,910	337,801	(21,891)	-6%	451,861
Pension and UIF Contributions		63,864	76,857	76,857	5,310	48,393	57,644	(9,251)	-16%	76,857
Medical Aid Contributions		48,766	58,592	58,592	5,672	43,099	43,945	(846)	-2%	58,592
Overtime		5,493	4,146	4,146	386	3,739	3,109	630	20%	4,146
Performance Bonus		28,489	35,421	35,421	1,464	25,684	26,566	(883)	-3%	35,421
Motor Vehicle Allowance		38,306	51,621	51,621	3,420	31,443	38,716	(7,273)	-19%	51,621
Cellphone Allowance		1,296	1,499	1,499	114	1,066	1,125	(59)	-5%	1,499
Housing Allowances		2,696	3,158	3,158	189	1,980	2,369	(388)	-16%	3,158
Other benefits and allowances		63,958	63,880	67,811	5,479	58,235	50,135	8,100	16%	67,811
Payments in lieu of leave		29,135	14,000	14,000	1,276	10,744	10,500	244	2%	14,000
Long service awards		23,136	22,791	22,791	2,153	18,141	17,094	1,047	6%	22,791
Post-retirement benefit obligations	2	12,550	41,500	41,500	-	1,021	31,125	(30,104)	-97%	41,500
Sub Total - Other Municipal Staff		713,268	824,059	829,259	59,779	559,455	620,127	(60,672)	-10%	829,259
% increase	4		15.5%	16.3%						16.3%
Total Parent Municipality		756,479	870,935	876,135	63,521	590,805	655,285	(64,480)	-10%	876,135
			15.1%	15.8%						15.8%
TOTAL SALARY, ALLOWANCES & BENEFITS		756,479	870,935	876,135	63,521	590,805	655,285	(64,480)	-10%	876,135
% increase	4		15.1%	15.8%						15.8%
TOTAL MANAGERS AND STAFF		726,219	836,388	841,588	61,008	568,646	629,374	(60,728)	-10%	841,588

Table 20: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 20 above, Employee related costs is underspent and showing a variance of minus 10%. 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 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 the annual increase that has not been factored in, as the gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is normally issued in December of each year. Management started to address the issues on Overtime which is higher than the ideal IYM percentage of 75.00%, at 104.3% 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.

There are early indicators that the Overtime controls is no longer as effective and the desired outcome to remain within budget, will not be 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 21 below, is the YTD Overtime expenditure excluding Night-shift allowance per line item and also per Directorate as at end of March 2022.

Description per line item (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget
MS: OVERTIME - NON STRUCTURED	18,783,000	2,704,070	25,133,486	133.8%
MS: OVERTIME - STRUCTURED	12,237,841	329,406	7,220,010	59.0%
Overtime as at 31 February 2022	31,020,841	3,033,476	32,353,496	104.3%
Directorate (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget
20-EXECUTIVE AND COUNCIL	205,000	18,613	100,759	541.3%
21-MUNICIPAL AND GENERAL	-	-	-	-
22-MUNICIPAL MANAGER	-	-	15,708	-
23-CORPORATE SERVICES	1,760,000	163,230	1,192,688	67.8%
24-COMMUNITY SERVICES	11,741,441	1,204,918	15,469,874	131.8%
26-FINANCIAL SERVICES	453,000	68,720	929,140	205.1%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLAN	259,000	76,429	672,778	259.8%
28-INFRASTRUCTURE SERVICES	16,602,400	1,501,566	13,972,550	84.2%
Overtime as at 31 February 2022	31,020,841	3,033,476	32,353,496	104.3%

Table 21: 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 R32,353 million and 104.3% spent, resulting in a negative variance of 29.3%, when compared to the ideal percentage of 75.00% for the period under review.

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

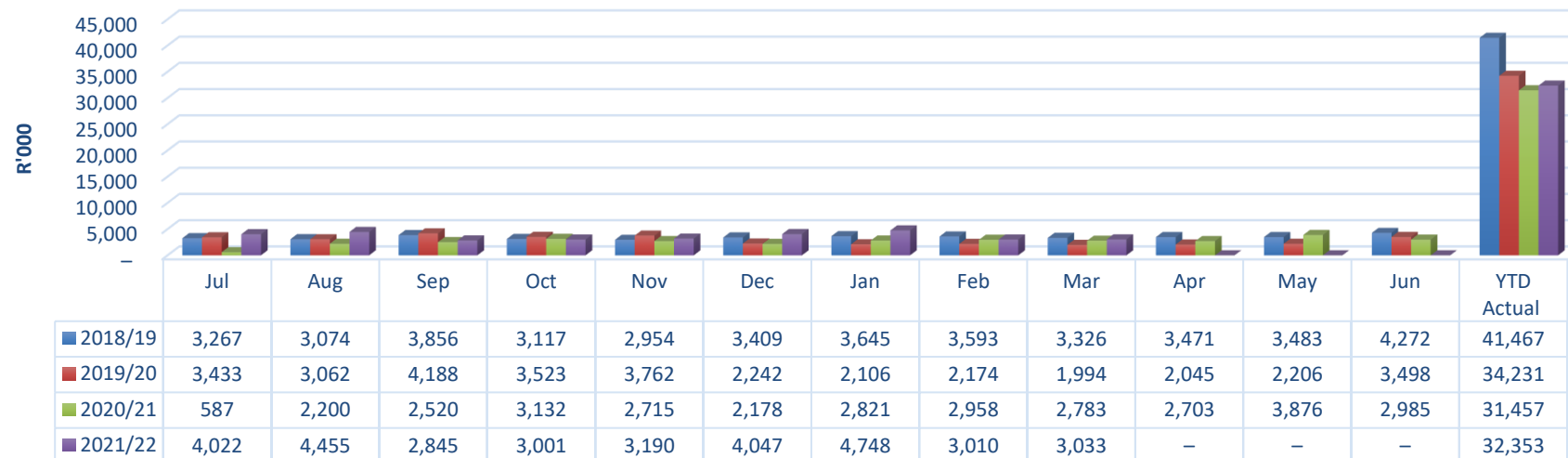


Chart 14: Monthly and Annual Overtime Comparison

Indicated in Chart 14 above, is the monthly and annual Overtime comparison from July 2018 to March 2022. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2019/20. As reiterated, controls to curb Overtime is no longer as effective and the full-year forecast is estimated at R39 million, if serious remedial action is not implemented.

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

10. Material variances to the service delivery and budget implementation plan

Material variances are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 31 March 2022.

11. Capital programme performance

Please refer to notes on Capital Expenditure in the Executive Summary. Section 4.3.

Chart C1 2021/22 Capital Expenditure Monthly Trend: actual v target

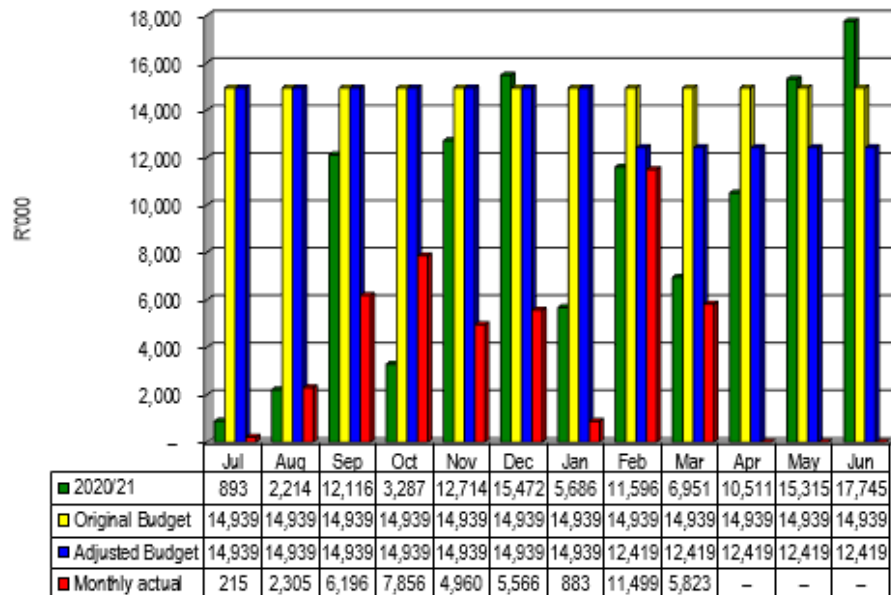


Chart 15: Capital Expenditure Monthly Trend: actual v target

Chart C2 2021/22 Capital Expenditure: YTD actual v YTD target

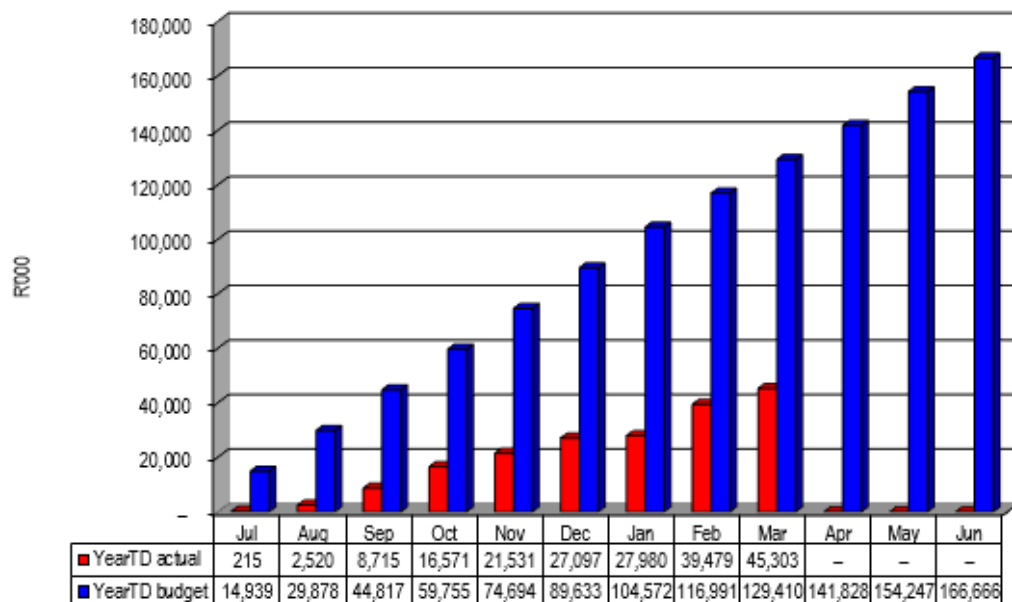


Chart 16: Capital Expenditure: YTD actual vs YTD target

Indicated in Table 22 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 March 2022 amounted to R5,823 million. The total YTD Capex amounts to R45,302 million. Total commitments amount to R5,429 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	-	-	850,000	2,150,000	28.3%	28.3%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	4,000,000	9,500,000	-	3,601,917	-	9,500,000	0.0%	0.0%	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	-	23,321	663,147	2,836,853	18.9%	18.9%	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	-	-	1,897,116	1,102,884	-	63.2%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
EUROPEAN UNION BEAR PROJECT	-	14,400,000	-	-	5,947,284	8,452,716	-	41.3%	EUROPEAN UNION
CRAVEN STREET TRADE CENTRE	8,000,000	8,000,000	-	-	-	8,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RESEALING OF ROADS FB WM	-	3,500,000	3,592,713	122,158	3,592,713	-92,713	-	102.6%	FRANCES BAARD DISTRICT MUNICIPALITY
P-CIER RDS ROADS	-	11,700,000	45,563	2,958	9,733,594	1,966,406	-	83.2%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	-	7,300,000	401,738	138,605	2,500,246	4,799,754	-	34.2%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	-	10,000,000	520,870	1,249,234	2,310,751	7,689,249	-	23.1%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RECONSTRUCTION OLD SINK TOILETS PHASE 1	-	5,000,000	-	-	213,721	4,786,279	-	4.3%	INTERNALLY GENERATED FUNDS
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	22,266,000	22,266,000	-	-	1,272,732	20,993,268	5.7%	5.7%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000,000	21,000,000	1,254,798	-	12,811,243	8,188,757	51.2%	61.0%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	1,000,000	1,000,000	-	1,903	344,987	655,013	34.5%	34.5%	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	-	1,000,000	-	-	-	1,000,000	-	0.0%	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	-	-	2,347,181	652,819	-	78.2%	INTERNALLY GENERATED FUNDS
ELECTRIFICATION GOLF COURSE	-	5,400,000	-	-	27,339	5,372,661	-	0.5%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR MATHIBE	33,000,000	-	-	-	-	-	0.0%	-	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LETABO PARK	20,000,000	23,320,000	-	-	-	23,320,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR SOUL CITY	-	1,280,000	2,285	38,800	2,285	1,277,715	-	0.2%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFIC LERATO PARK LINK SERV NETWORK	12,000,000	5,000,000	5,475	-	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	-	250,753	743,768	256,232	74.4%	74.4%	INTERNALLY GENERATED FUNDS
TOTAL	179,266,000	166,666,000	5,823,443	5,429,647	45,302,793	121,363,207	25.3%	27.2%	

Table 22: 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	7,760	74,310	0.1%	0.2%
INTERNALLY GENERATED FUNDS	11,500,000	25,000,000	-	4,312,804	37.5%	17.3%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	66,266,000	968,172	18,564,439	28.0%	28.0%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	-	0.0%	-
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	21,000,000	1,254,798	12,811,243	51.2%	61.0%
EUROPEAN UNION	-	14,400,000	-	5,947,284	-	41.3%
FRANCES BAARD DISTRICT MUNICIPALITY	-	3,500,000	3,592,713	3,592,713	-	102.6%
Grand Total	179,266,000	166,666,000	5,823,443	45,302,793	25.3%	27.2%

Table 23: 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 (28%), INEP (0.2%) and WSIG (61%). Spending on Internally generated funds is 17.3% spent. Implementation of projects is possibly 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.

12. Other supporting documents

There is no additional information or supporting documentation for March 2022.

13. Conclusion

This report meets the MFMA requirement for the Executive Mayor to receive the Section 71 'Monthly Budget Statement' within 10 working days after the end of the month.

Communication

In compliance to legislative requirements (Section 71 of the MFMA), 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/Aboutus/Pages/Documents.aspx>

14. Annexures

Annexure A – Prescribed Tables in terms of GG 32141 of 17 April 2009

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M09 March

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	486,145	452,780	33,365	7%	603,707
Service charges	1,053,050	1,291,383	1,291,383	94,873	887,339	968,538	(81,198)	-8%	1,291,383
Investment revenue	2,835	9,000	9,000	41	574	6,750	(6,176)	-91%	9,000
Transfers and subsidies	260,426	230,640	236,873	53,082	215,399	175,473	39,926	23%	236,873
Other own revenue	176,950	230,981	231,255	16,491	128,247	173,345	(45,098)	-26%	231,255
Total Revenue (excluding capital transfers and contributions)	2,064,336	2,365,711	2,372,218	210,054	1,717,704	1,776,886	(59,182)	-3%	2,372,218
Employee costs	726,219	836,388	841,588	61,008	568,646	629,374	(60,728)	-10%	841,588
Remuneration of Councillors	30,260	34,547	34,547	2,513	22,159	25,911	(3,752)	-14%	34,547
Depreciation & asset impairment	63,881	79,150	79,150	-	-	59,363	(59,363)	-100%	79,150
Finance charges	36,467	22,261	63,461	2,010	14,046	33,175	(19,129)	-58%	63,461
Inventory consumed and bulk purchases	819,353	926,331	878,530	18,293	594,004	675,629	(81,625)	-12%	878,530
Transfers and subsidies	2,528	4,850	4,850	-	1,996	3,638	(1,641)	-45%	4,850
Other expenditure	487,650	441,457	519,464	16,917	273,544	362,299	(88,755)	-24%	519,464
Total Expenditure	2,166,359	2,344,984	2,421,590	100,741	1,474,395	1,789,388	(314,993)	-18%	2,421,590
Surplus/(Deficit)	(102,023)	20,727	(49,373)	109,313	243,309	(12,503)	255,812	-2046%	(49,373)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,706	167,766	127,266	2,231	33,710	109,624	###	-69%	127,266
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	-	-	5,760	(5,760)	-100%	14,400
Surplus/(Deficit) after capital transfers & contributions	10,539	188,493	92,293	111,544	277,019	102,882	174,137	169%	92,293
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	10,539	188,493	92,293	111,544	277,019	102,882	174,137	169%	92,293
Capital expenditure & funds sources									
Capital expenditure	119,502	179,266	166,666	5,823	45,303	129,410	(84,107)	-65%	166,666
Capital transfers recognised	104,315	167,766	141,666	5,823	40,990	115,385	(74,395)	-64%	141,666
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15,186	11,500	25,000	-	4,313	14,025	(9,712)	-69%	25,000
Total sources of capital funds	119,502	179,266	166,666	5,823	45,303	129,410	(84,107)	-65%	166,666
Financial position									
Total current assets	1,893,024	2,242,830	2,133,730		2,480,914				2,133,730
Total non current assets	2,097,228	2,225,894	2,213,294		2,142,531				2,213,294
Total current liabilities	671,382	725,335	725,335		1,043,127				725,335
Total non current liabilities	436,934	417,829	405,829		422,006				405,829
Community wealth/Equity	2,881,935	3,325,560	3,215,860		3,157,221				3,215,860
Cash flows									
Net cash from (used) operating	47,277	260,265	260,265	43,096	897,606	195,199	(702,408)	-360%	260,265
Net cash from (used) investing	(116,394)	(142,399)	(179,266)	(5,823)	(45,303)	(106,799)	(61,496)	58%	(142,399)
Net cash from (used) financing	(2,980)	(16,583)	(10,734)	(1,139)	(42,285)	(42,267)	17	-0%	(56,357)
Cash/cash equivalents at the month/year end	24,436	195,174	164,156	-	853,026	46,132	(806,894)	-1749%	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	205,429	69,442	57,059	2,345,014	-	-	-	-	2,676,943
Creditors Age Analysis									
Total Creditors	94,320	68,702	72,901	62,924	65,335	66,303	227,243	32,651	690,378

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

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	1,072,098	108,312	783,002	817,196	(34,194)	-4%	1,072,098
Executive and council		419,084	478,759	440,992	61,228	290,447	343,962	(53,516)	-16%	440,992
Finance and administration		601,689	630,833	631,106	47,085	492,556	473,234	19,322	4%	631,106
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		24,102	27,556	31,056	1,791	20,627	22,067	(1,440)	-7%	31,056
Community and social services		10,785	10,980	11,480	341	6,439	8,435	(1,996)	-24%	11,480
Sport and recreation		1,131	3,315	3,315	79	1,361	2,486	(1,126)	-45%	3,315
Public safety		150	760	760	261	646	570	76	13%	760
Housing		11,967	12,401	12,401	1,109	9,158	9,301	(142)	-2%	12,401
Health		69	100	3,100	-	3,023	1,275	1,748	137%	3,100
<i>Economic and environmental services</i>		17,700	23,286	37,686	733	4,737	23,224	(18,487)	-80%	37,686
Planning and development		7,783	5,166	19,566	459	2,836	9,634	(6,798)	-71%	19,566
Road transport		9,917	18,120	18,120	274	1,901	13,590	(11,689)	-86%	18,120
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,106,680	1,363,208	1,363,208	100,801	934,951	1,022,406	(87,456)	-9%	1,363,208
Energy sources		671,706	877,157	877,157	58,637	564,140	657,867	(93,727)	-14%	877,157
Water management		286,254	328,612	328,612	27,838	246,469	246,459	10	0%	328,612
Waste water management		86,142	86,848	86,848	8,164	71,724	65,136	6,588	10%	86,848
Waste management		62,577	70,592	70,592	6,161	52,617	52,944	(327)	-1%	70,592
<i>Other</i>	4	7,644	9,835	9,835	647	8,097	7,376	721	10%	9,835
Total Revenue - Functional	2	2,176,898	2,533,477	2,513,884	212,284	1,751,414	1,892,270	(140,856)	-7%	2,513,884
Expenditure - Functional										
<i>Governance and administration</i>		640,979	683,100	686,574	32,387	405,780	513,717	(107,937)	-21%	686,574
Executive and council		400,365	405,549	408,749	12,457	221,536	305,442	(83,906)	-27%	408,749
Finance and administration		234,323	270,570	270,844	19,430	179,449	203,039	(23,590)	-12%	270,844
Internal audit		6,291	6,982	6,982	500	4,795	5,236	(441)	-8%	6,982
<i>Community and public safety</i>		166,029	183,469	186,969	15,303	133,874	139,004	(5,130)	-4%	186,969
Community and social services		40,133	42,230	42,820	3,558	32,434	31,909	524	2%	42,820
Sport and recreation		47,702	55,822	55,732	4,983	39,313	41,831	(2,519)	-6%	55,732
Public safety		38,887	43,502	43,502	3,343	32,115	32,627	(512)	-2%	43,502
Housing		21,940	23,480	23,480	1,881	15,868	17,610	(1,742)	-10%	23,480
Health		17,367	18,435	21,435	1,537	14,145	15,027	(882)	-6%	21,435
<i>Economic and environmental services</i>		123,036	139,819	141,012	8,660	95,453	105,343	(9,889)	-9%	141,012
Planning and development		39,994	48,172	48,390	2,827	29,207	36,217	(7,010)	-19%	48,390
Road transport		82,378	90,936	91,911	5,777	65,713	68,592	(2,879)	-4%	91,911
Environmental protection		665	711	711	56	533	533	(0)	0%	711
<i>Trading services</i>		1,214,239	1,313,216	1,381,656	42,380	821,918	1,012,289	(190,371)	-19%	1,381,656
Energy sources		749,833	857,928	889,928	14,537	586,238	656,246	(70,009)	-11%	889,928
Water management		314,140	296,663	326,563	16,509	125,360	234,458	(109,098)	-47%	326,563
Waste water management		91,753	88,033	94,573	5,026	56,757	68,641	(11,884)	-17%	94,573
Waste management		58,513	70,592	70,592	6,308	53,563	52,944	619	1%	70,592
<i>Other</i>		22,076	25,380	25,380	2,011	17,369	19,035	(1,666)	-9%	25,380
Total Expenditure - Functional	3	2,166,359	2,344,984	2,421,590	100,741	1,474,395	1,789,388	(314,993)	-18%	2,421,590
Surplus/ (Deficit) for the year		10,539	188,493	92,293	111,544	277,019	102,882	174,137	169%	92,293

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

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	440,992	61,228	290,447	343,962	(53,516)	-15.6%	440,992
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	7,078	5	1,344	5,212	(3,868)	-74.2%	7,078
Vote 05 - Community Services		90,521	110,627	114,127	7,666	72,259	84,370	(12,111)	-14.4%	114,127
Vote 06 - Financial Services		594,906	623,229	623,229	47,065	490,749	467,421	23,327	5.0%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	23,441	481	4,473	12,541	(8,068)	-64.3%	23,441
Vote 08 - Infrastructure And Services		1,056,784	1,305,018	1,305,018	95,840	892,143	978,763	(86,620)	-8.8%	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	2,513,884	212,284	1,751,414	1,892,270	(140,856)	-7.4%	2,513,884
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,215	38,754	43,413	(4,659)	-10.7%	57,883
Vote 02 - Municipal And General		335,678	335,456	338,656	7,191	174,643	252,872	(78,229)	-30.9%	338,656
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,646	15,054	18,769	(3,715)	-19.8%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,485	5,519	49,298	55,019	(5,721)	-10.4%	73,485
Vote 05 - Community Services		259,526	297,403	300,903	24,346	214,709	224,454	(9,745)	-4.3%	300,903
Vote 06 - Financial Services		126,380	152,611	152,611	10,020	96,205	114,460	(18,255)	-15.9%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,592	4,297	41,712	44,619	(2,907)	-6.5%	59,592
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,413,435	43,505	844,020	1,035,783	(191,763)	-18.5%	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	100,741	1,474,395	1,789,388	(314,993)	-17.6%	2,421,590
Surplus/ (Deficit) for the year	2	10,539	188,493	92,293	111,544	277,019	102,882	174,137	169.3%	92,293

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

R0051: GEP Budget - Table 04 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - 1995 March										
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	486,145	452,780	33,365	7%	603,707
Service charges - electricity revenue		659,307	861,157	861,157	57,397	554,502	645,867	(91,365)	-14%	861,157
Service charges - water revenue		259,156	294,012	294,012	24,807	221,673	220,509	1,164	1%	294,012
Service charges - sanitation revenue		78,186	76,648	76,648	7,228	64,287	57,486	6,801	12%	76,648
Service charges - refuse revenue		56,401	59,567	59,567	5,441	46,877	44,675	2,202	5%	59,567
Rental of facilities and equipment		12,018	13,145	13,145	2,197	10,430	9,859	571	6%	13,145
Interest earned - external investments		2,835	9,000	9,000	41	574	6,750	(6,176)	-91%	9,000
Interest earned - outstanding debtors		105,983	157,200	157,200	11,664	93,407	117,900	(24,493)	-21%	157,200
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		29,477	34,725	34,725	429	3,882	26,044	(22,161)	-85%	34,725
Licences and permits		6,383	6,500	6,500	623	6,757	4,875	1,882	39%	6,500
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		260,426	230,640	236,873	53,082	215,399	175,473	39,926	23%	236,873
Other revenue		17,354	19,411	19,685	1,471	12,397	14,668	(2,271)	-15%	19,685
Gains		5,736	-	-	107	1,374	-	1,374	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,064,336	2,365,711	2,372,218	210,054	1,717,704	1,776,886	(59,182)	-3%	2,372,218
Expenditure By Type										
Employee related costs		726,219	836,388	841,588	61,008	568,646	629,374	(60,728)	-10%	841,588
Remuneration of councillors		30,260	34,547	34,547	2,513	22,159	25,911	(3,752)	-14%	34,547
Debt impairment		344,346	275,000	275,000	525	138,029	206,250	(68,221)	-33%	275,000
Depreciation & asset impairment		63,881	79,150	79,150	-	-	59,363	(59,363)	-100%	79,150
Finance charges		36,467	22,261	63,461	2,010	14,046	33,175	(19,129)	-58%	63,461
Bulk purchases - electricity		540,953	647,000	647,000	2,796	460,957	485,250	(24,293)	-5%	647,000
Inventory consumed		278,400	279,331	231,530	15,497	133,047	190,379	(57,332)	-30%	231,530
Contracted services		40,651	46,687	41,222	4,597	21,540	32,829	(11,289)	-34%	41,222
Transfers and subsidies		2,528	4,850	4,850	-	1,996	3,638	(1,641)	-45%	4,850
Other expenditure		102,187	119,770	132,482	11,795	113,974	94,915	19,059	20%	132,482
Losses		467	-	70,760	-	-	28,304	(28,304)	-100%	70,760
Total Expenditure		2,166,359	2,344,984	2,421,590	100,741	1,474,395	1,789,388	(314,993)	-18%	2,421,590
Surplus/(Deficit)		(102,023)	20,727	(49,373)	109,313	243,309	(12,503)	255,812	(0)	(49,373)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,706	167,766	127,266	2,231	33,710	109,624	(75,914)	(0)	127,266
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		2,856	-	14,400	-	-	5,760	(5,760)	(0)	14,400
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		10,539	188,493	92,293	111,544	277,019	102,882			92,293
Taxation								-		
Surplus/(Deficit) after taxation		10,539	188,493	92,293	111,544	277,019	102,882			92,293
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		10,539	188,493	92,293	111,544	277,019	102,882			92,293
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		10,539	188,493	92,293	111,544	277,019	102,882			92,293

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

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	-	1,897	12,423	(10,526)	-85%	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	22,400	-	5,947	11,760	(5,813)	-49%	22,400
Vote 08 - Infrastructure And Services		64,887	81,266	94,286	1,662	20,293	66,158	(45,864)	-69%	94,286
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	119,686	1,662	28,138	90,340	(62,203)	-69%	119,686
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		23,485	22,500	18,000	-	1,513	15,075	(13,562)	-90%	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	28,980	4,161	15,652	23,994	(8,342)	-35%	28,980
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	46,980	4,161	17,165	39,069	(21,904)	-56%	46,980
Total Capital Expenditure		119,502	179,266	166,666	5,823	45,303	129,410	(84,107)	-65%	166,666
Capital Expenditure - Functional Classification										
Governance and administration		50,177	55,500	21,000	-	3,410	27,498	(24,088)	-88%	21,000
Executive and council		50,177	55,500	21,000	-	3,410	27,498	(24,088)	-88%	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	54,900	4,561	24,085	24,760	(675)	-3%	54,900
Planning and development		3,126	8,000	22,400	-	5,947	11,760	(5,813)	-49%	22,400
Road transport		-	-	32,500	4,561	18,137	13,000	5,137	40%	32,500
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		66,199	115,766	90,766	1,263	17,808	77,152	(59,344)	-77%	90,766
Energy sources		16,469	67,500	40,500	8	3,165	39,825	(36,660)	-92%	40,500
Water management		1,312	1,000	2,000	-	345	1,477	(1,132)	-77%	2,000
Waste water management		48,418	47,266	48,266	1,255	14,298	35,850	(21,552)	-60%	48,266
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	119,502	179,266	166,666	5,823	45,303	129,410	(84,107)	-65%	166,666
Funded by:										
National Government		101,832	167,766	123,766	2,231	31,450	108,225	(76,775)	-71%	123,766
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	3,500	3,593	3,593	1,400	2,193	157%	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	-	5,947	5,760	187	3%	14,400
Transfers recognised - capital		104,315	167,766	141,666	5,823	40,990	115,385	(74,395)	-64%	141,666
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		15,186	11,500	25,000	-	4,313	14,025	(9,712)	-69%	25,000
Total Capital Funding		119,502	179,266	166,666	5,823	45,303	129,410	(84,107)	-65%	166,666

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		43,008	172,968	180,670	222,692	180,670
Call investment deposits		—	—	—	—	—
Consumer debtors		1,712,601	1,475,363	1,366,263	2,023,898	1,366,263
Other debtors		98,092	547,474	547,474	135,449	547,474
Current portion of long-term receivables		—	—	—	—	—
Inventory		39,323	47,025	39,323	98,875	39,323
Total current assets		1,893,024	2,242,830	2,133,730	2,480,914	2,133,730
Non current assets						
Long-term receivables		—	36,867	36,867	—	36,867
Investments						
Investment property		209,057	205,486	205,486	209,907	205,486
Investments in Associate						
Property, plant and equipment		1,865,761	1,964,370	1,937,370	1,904,266	1,937,370
Biological						
Intangible		10,339	7,307	21,707	16,287	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	2,213,294	2,142,531	2,213,294
TOTAL ASSETS		3,990,252	4,468,724	4,347,024	4,623,444	4,347,024
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		39,774	45,623	45,623	42,285	45,623
Trade and other payables		631,609	590,399	590,399	1,000,842	590,399
Provisions		—	89,313	89,313	—	89,313
Total current liabilities		671,382	725,335	725,335	1,043,127	725,335
Non current liabilities						
Borrowing		182,267	172,829	172,829	177,258	172,829
Provisions		254,667	245,000	233,000	244,748	233,000
Total non current liabilities		436,934	417,829	405,829	422,006	405,829
TOTAL LIABILITIES		1,108,316	1,143,164	1,131,164	1,465,133	1,131,164
NET ASSETS	2	2,881,936	3,325,560	3,215,860	3,158,311	3,215,860
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,824,731	3,246,167	3,149,967	3,100,016	3,149,967
Reserves		57,205	79,393	65,893	57,205	65,893
TOTAL COMMUNITY WEALTH/EQUITY	2	2,881,935	3,325,560	3,215,860	3,157,221	3,215,860

C6 is not balancing. The cost centre for CRU's is not linked and this will be corrected with the next reporting period April 2022.

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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	40,011	326,807	402,974	(76,167)	-19%	537,299
Service charges		1,857,261	901,622	901,622	86,911	887,182	676,216	210,966	31%	901,622
Other revenue		(872,756)	339,839	339,839	59,434	238,524	254,879	(16,355)	-6%	339,839
Transfers and Subsidies - Operational		23,639	230,640	230,640	-	28,096	172,980	(144,884)	-84%	230,640
Transfers and Subsidies - Capital		33,560	149,809	149,809	57,633	98,266	112,357	(14,091)	-13%	149,809
Interest		3,829	9,000	9,000	-	-	6,750	(6,750)	-100%	9,000
Dividends								-		
Payments										
Suppliers and employees		(1,559,634)	(1,880,833)	(1,880,833)	(200,894)	(681,269)	(1,410,625)	(729,356)	52%	(1,880,833)
Finance charges		-	(22,261)	(22,261)	-	-	(16,695)	(16,695)	100%	(22,261)
Transfers and Grants		-	(4,850)	(4,850)	-	-	(3,638)	(3,638)	100%	(4,850)
NET CASH FROM/(USED) OPERATING ACTIVITIES		47,277	260,265	260,265	43,096	897,606	195,199	(702,408)	-360%	260,265
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	36,867	-	-	-	27,650	(27,650)	-100%	36,867
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(116,394)	(179,266)	(179,266)	(5,823)	(45,303)	(134,449)	(89,147)	66%	(179,266)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(116,394)	(142,399)	(179,266)	(5,823)	(45,303)	(106,799)	(61,496)	58%	(142,399)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		(2,980)	(5,849)	-	(1,139)	(42,285)	(34,217)	(8,068)	24%	(45,623)
Payments										
Repayment of borrowing		-	(10,734)	(10,734)	-	-	(8,051)	(8,051)	100%	(10,734)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,980)	(16,583)	(10,734)	(1,139)	(42,285)	(42,267)	17	0%	(56,357)
NET INCREASE/ (DECREASE) IN CASH HELD		(72,098)	101,283	70,265	36,134	810,019	46,132			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		853,026	46,132			61,509

System error to be resolved so that Adjusted budget, monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also 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.

15. Municipal Manager's quality certification

Quality Certificate

I, N Kesiamang, the acting 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 **March 2022** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Ms. N Kesiamang

Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____

Date: 12/04/2022