



MONTHLY BUDGET STATEMENT DECEMBER 2021

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.

SOL PLAATJE LOCAL MUNICIPALITY

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Due date: 14 January 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
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 DECEMBER 2021

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, 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.

Our vision remains “Moving towards a leading and a modern city and our Motto is “WE SERVE”

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 December 2021**, the ten working day reporting limit expires on **14 January 2021**.

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 January 2021**, (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 December 2021	YTD Actual December 2021	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,182,856	1,176,014	(6,842)	99.4%	-0.6%
Total Revenue (including capital transfers and contributions)	1,266,738	1,196,105	(70,634)	94.4%	-5.6%
Total Operational Expenditure	1,172,497	1,069,209	(103,288)	91.2%	-8.8%

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

As indicated in Table 1 above, as at 31 December 2021, the billed revenue excluding capital grants amounted to R1,176,014 billion which resulted in a satisfactory variance of minus 0.6% when compared to the YTD budget of R1,182,856 billion. The billed revenue including capital grants resulted in a satisfactory variance of minus 5.6% when compared to the YTD budget of R1,266,738 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 8.8%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual December 2021	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
Total Revenue (excluding capital transfers and contributions)	2,365,711	1,176,014	978,871	49.7%	-0.29%
Total Revenue (including capital transfers and contributions)	2,533,477	1,196,105	984,982	47.2%	-2.79%
Total Operational Expenditure	2,344,984	1,069,209	873,794	45.6%	-4.40%

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

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 50% [calculated as follow: (100/12 months x 6 months of the year)] as at the end of December 2021, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of minus 0.29%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of minus 2.79%. The Total Operational Expenditure resulted in a satisfactory variance of minus 4.40%.

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) - December 2021										
Revenue by Source	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	603,707	45,372	350,029	301,853	116.0%	48,176	16.0%	58.0%	48,176	8.0%
Service charges - electricity revenue	861,157	30,988	359,689	430,578	83.5%	(70,890)	-16.5%	41.8%	(70,890)	-8.2%
Service charges - water revenue	294,012	22,712	146,810	147,006	99.9%	(196)	-0.1%	49.9%	(196)	-0.1%
Service charges - sanitation revenue	76,648	7,295	42,757	38,324	111.6%	4,432	11.6%	55.8%	4,432	5.8%
Service charges - refuse revenue	59,567	4,790	30,979	29,783	104.0%	1,196	4.0%	52.0%	1,196	2.0%
Rental of facilities and equipment	13,145	1,033	6,121	6,572	93.1%	(451)	-6.9%	46.6%	(451)	-3.4%
Interest earned - external investments	9,000	19	454	4,500	10.1%	(4,046)	-89.9%	5.0%	(4,046)	-45.0%
Interest earned - outstanding debtors	157,200	10,774	63,650	78,600	81.0%	(14,950)	-19.0%	40.5%	(14,950)	-9.5%
Fines, penalties and forfeits	34,725	188	2,802	17,362	16.1%	(14,561)	-83.9%	8.1%	(14,561)	-41.9%
Licences and permits	6,500	1,518	5,347	3,250	164.5%	2,097	64.5%	82.3%	2,097	32.3%
Agency services	-	-	-	-						
Transfers and subsidies	230,640	65,464	159,099	115,320	138.0%	43,779	38.0%	69.0%	43,779	19.0%
Other revenue	19,411	646	7,303	9,706	75.3%	(2,402)	-24.7%	37.6%	(2,402)	-12.4%
Gains on disposal of PPE	-	-	974	-		974			974	
Total Revenue (excluding capital transfers and contributions)	2,365,711	190,800	1,176,014	1,182,856	99.4%	(6,842)	-0.6%	49.7%	(6,842)	-0.3%
Transfers and subsidies - capital	167,766	-	20,091	83,883	24.0%	(63,792)	-76.0%	12.0%	(63,792)	-38.0%
Total Revenue (including capital transfers and contributions)	2,533,477	190,800	1,196,105	1,266,738	94.4%	(70,634)	-5.6%	47.2%	(70,634)	-2.8%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 16%, 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 16.5%, due to non-allocation of Prepaid Electricity sales of R23 million as a result of shortage of staff during festive season. Sanitation service charges is showing an over-recovery of 11.6%, as a result of the actuals being higher than the YTD budget. The comparison between the actuals versus the Original budget is performing satisfactorily.
- ❖ Interest earned – External investments shows a negative variance of minus 89.9%, 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 normally gets recognised at year-end.
- ❖ Interest earned on outstanding debtors is showing a negative variance of minus 19.0%. 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.
- ❖ Fines, penalties and forfeits is showing a negative variance of 83.3% as a result of the under-recovery of Law enforcements fines with a 3.65% 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 12.75% 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 64.5%, 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 76.0%, 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 Original Budget

Based on the IYM percentage of 50%, 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. Electricity is understated due to reason stated above.
- ❖ Interest from External Investments shows an unsatisfactory variance of minus 45%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on outstanding debtors is showing a negative variance of 9.5%. Same factors are applicable as described in the paragraph above
- ❖ Fines, penalties and forfeits is showing a negative variance of 41.9%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 32.3%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies – operational is showing a positive variance of 19%, due to the receipt of second tranche of the Equitable Share during December 2021.

- ❖ Other Revenue is lower than anticipated.
- ❖ Transfers – recognised capital is showing a negative variance of 38%, 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 December 2021. The main contributors of the municipality's revenue are Service Charges (49.3%), Property Rates (29.8%) and Transfers and subsidies (13.5%). 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.

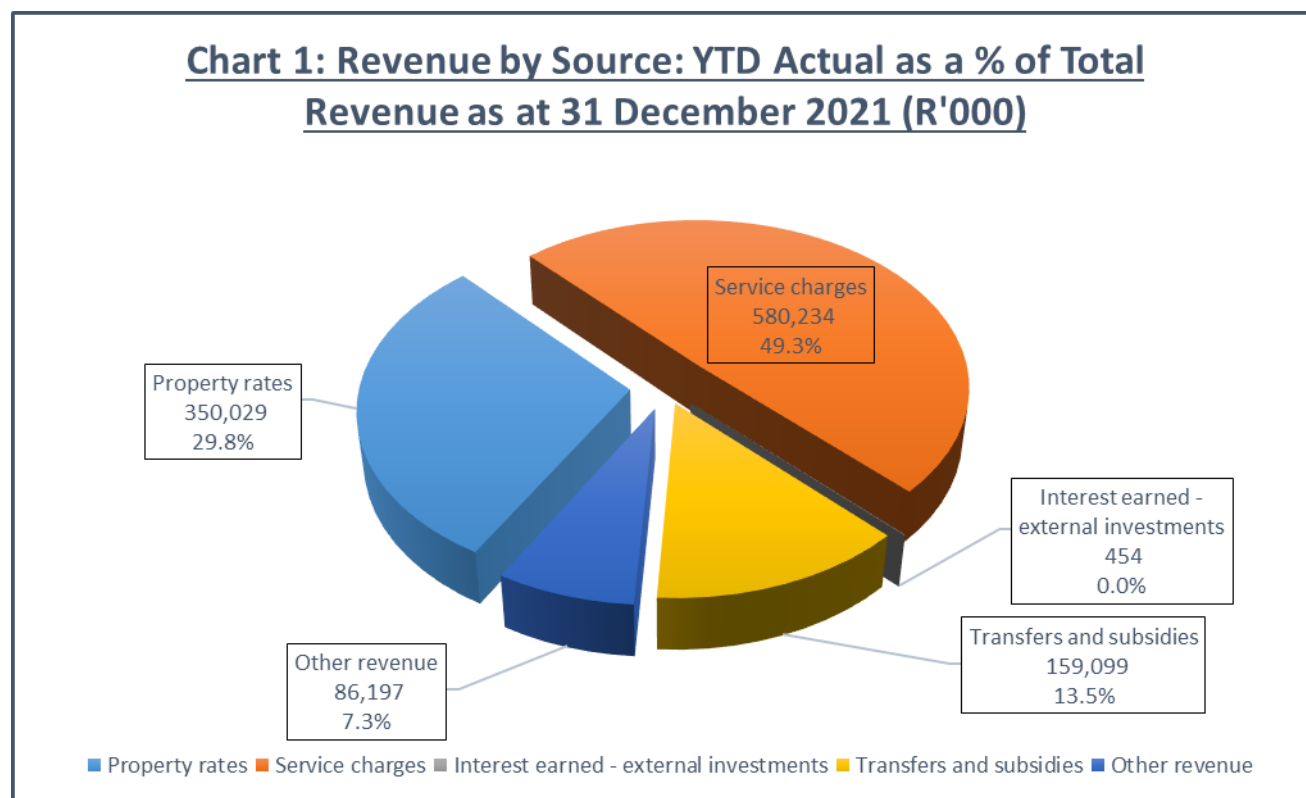


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - December 2021										
Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	836,388	79,375	380,982	418,196	91.1%	(37,214)	-8.9%	45.6%	(37,212)	-4.4%
Remuneration of councillors	34,547	3,779	14,459	17,274	83.7%	(2,815)	-16.3%	41.9%	(2,815)	-8.1%
Debt impairment	275,000	68,750	137,504	137,500	100.0%	4	0.0%	50.0%	4	0.0%
Depreciation & asset impairment	79,150	-	-	39,575	0.0%	(39,575)	-100.0%	0.0%	(39,575)	-50.0%
Finance charges	22,261	11,529	11,529	11,130	103.6%	399	3.6%	51.8%	399	1.8%
Bulk purchases - electricity	647,000	44,636	323,386	323,500	100.0%	(114)	0.0%	50.0%	(114)	0.0%
Inventory consumed	279,331	31,908	108,803	139,666	77.9%	(30,863)	-22.1%	39.0%	(30,862)	-11.0%
Contracted services	46,687	2,559	13,884	23,344	59.5%	(9,460)	-40.5%	29.7%	(9,460)	-20.3%
Transfers and subsidies	4,850	20	894	2,425	36.9%	(1,531)	-63.1%	18.4%	(1,531)	-31.6%
Other expenditure	119,770	9,038	77,768	59,887	129.9%	17,881	29.9%	64.9%	17,883	14.9%
Total Expenditure	2,344,984	251,593	1,069,209	1,172,497	91.2%	(103,288)	-8.8%	45.6%	(103,283)	-4.4%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 December 2021 current YTD expenditure shows an unsatisfactory variance of minus 8.8%. The YTD actual amounted to R1,069,209 billion against the YTD budgeted SDBIP target of R1,172,497 billion.

- ❖ Employee related costs shows an unsatisfactory variance of minus 8.9%. 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. The majority of employees received their 13th cheques (bonus) at the end of December 2021.
- ❖ Remuneration of councillors is showing an under-expenditure of 16.3%, as a result of the local elections. It should be noted that the gazette on the Determination of upper limits of salaries, allowances and benefits of different members of municipal councils for 2021/2022 financial year 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 second quarter was processed during December 2021.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 16.2% spent versus a budget of R7,065 million. Contr: Maintenance of Unspecified Assets is 1.25% spent versus a budget of R5,000 million. There are no specific maintenance contracts in place. This line item was previously budgeted for the security contract, which has since expired. Security personnel were appointed and funds from Contracted Services will transferred to Employee costs during the Adjustment budget. Prepaid Electricity Vendors is 44.81% spent versus a budget of R25,500 million. The December 2021 account for Ontec (Prepaid Electricity Vendor) amounting to R2.5 million is due at the end of January 2022.
- ❖ Bulk purchases – Electricity is satisfactory. Based on the accrual accounting principle the July to November 2021 ESKOM invoices were captured on the system, but remains unpaid due to cash flow constraints. 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 is mapped to Inventory as per GRAP 12. 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 December 2021 bulk invoice amounts to R14,523 million which is overstated because the Department billed the volume for November 2021. This was taken up with the Department. The corrected billed amount is R11 million.
- ❖ Transfers and subsidies show a negative variance of 63.1%. A transfer of R550 thousand was made to the SPCA. Due to cashflow constraints the municipality opted to settle the R2,200 million in tranches as and when cash becomes available. Other grants also show minimal movement due to cash flow constraints.
- ❖ Finance charges is showing a satisfactory variance of 3.6%, Interest paid was slightly higher than projected. Finance charges are paid bi-annually and the first instalment was paid during December 2021. Interest on overdue accounts will be addressed 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 22.1%. 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 Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of December 2021 is 50%. The total operational expenditure against the Original Budget is 45.6% spent, resulting in a satisfactory variance of minus 4.4%.

- ❖ Employee costs and Councillors remuneration is showing a satisfactory variance of 4.4% and 8.1%, 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 1.8%. Same factors are applicable as explained above.
- ❖ Debt impairment is provided for on a quarterly basis. The journal for the second quarter was processed during December 2021.
- ❖ 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 20.3%. The same factors are applicable as explained in the paragraph above.
- ❖ Bulk purchases Water under Inventory consumed, is understated as the municipality is awaiting the July and September invoices from the Department, therefore it has not been captured on the system.

Chart 2: Expenditure by Type : YTD Actual as a % of Total Expenditure as at 31 December 2021

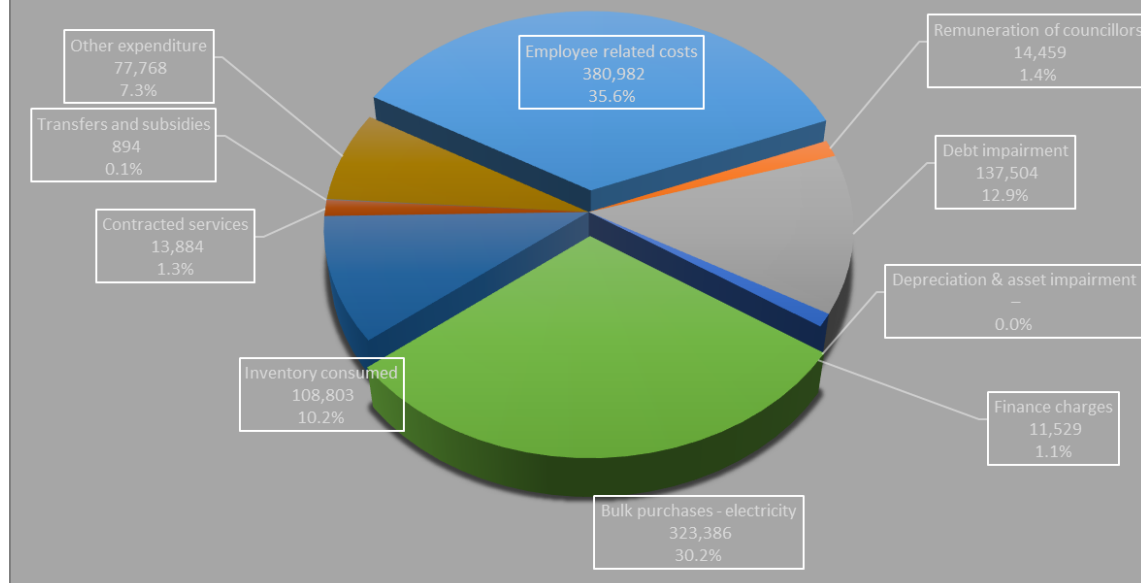


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 December 2021. The main cost drivers of the municipality are Employee Related Costs (35.6%), Debt Impairment (12.9%) and Bulk Purchases – Electricity (30.2%). 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 second quarter was processed during December 2021.
- ❖ Interest on external borrowing is paid bi-annually.
- ❖ The municipality is still awaiting the July and September 2021 invoices from DWS and this has not been captured on the system. The December 2021 account is due at the end of January 2022.

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 50% as at end of December 2021, Bulk Purchases Electricity is showing a satisfactory variance of minus 0.02%.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
Bulk Purchases: Electricity	647,000,000	44,636,389	323,386,359	49.98%	-0.02%
Total	647,000,000	44,636,389	323,386,359	49.98%	-0.02%

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 27% when compared to the ideal percentage of 50%. The municipality is awaiting the July and September 2021 bulk water invoice from DWS and have therefore not been committed on the system.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
Bulk Purchases: Water	114,000,000	13,104,401	26,209,884	23.0%	-27.0%
Total	114,000,000	13,104,401	26,209,884	23.0%	-27.0%

Table 5.2: Summary of YTD Bulk Water expenditure

Organ of state	Principle debt	Monthly Instalment	Total revised debt amount	Amount paid to date	% of debt settled	Balance on Payment arrangement	Balance of unpaid invoices	Current Account due (Dec 2021)	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%	-	383,384,757.59	51,379,198.31	434,763,955.90	15,829,480.15
DWS (Water boards)	61,179,514.18	5,000,000.00	61,519,523.43	60,439,295.38	98%	1,080,228.05	90,118,962.10	11,190,244.46	102,389,434.61	507,157.37
Grand Total	173,220,230.01	17,448,968.43	173,560,239.26	172,480,011.21	99%	1,080,228.05	473,503,719.69	62,569,442.77	537,153,390.51	16,336,637.52

Table 6: Summary of outstanding Bulk costs debt

Indicated in Table 6 above, is the total outstanding debt owed to ESKOM amounting to R434,764 million. The current account due to ESKOM is R51.379 million. The arrear debt of R383,385 million pertains to the unpaid accounts for June 2021 (R29,903m), July 2021 (R104,400m), August 2021 (R93,020m), September 2021 (R54,138m), October 2021 (R51,028m) and November 2021 (R50,813m). The municipality did not have sufficient cash to settle the outstanding accounts due to ESKOM. For the month of December 2021, the municipality settled R30,000 million on the June 2021 invoice. The total year to date interest charged on overdue accounts due to ESKOM amounts to R15,829 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 R102,389 million. The total current account due is R11,190 million. This is the corrected billed amount as the municipality was billed for December 2021 based on the November 2021 reading. This was taken up with the Department. 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 R75,596 million pertains to the outstanding accounts for January 2021 (R17,084m), February 2021 (R15,329m), March 2021 (R13,224m), August 2021 (R14,685m), October 2021 (R15,275m) and November (R14,523m). Due to cash flow constraints, the municipality could not settle the outstanding invoices. For the month of December 2021, the municipality made no payment on the arrear debt owed to DWS. The total year to date interest charged on overdue accounts to DWS amounted to R507 thousand. The interest charged is possibly understated, due to the fact that no statements were received from DWS for August to December 2021. The debt agreement for 2020/21 has an outstanding balance of R1,080 million which will be resolved during January 2022. 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 - December 2021										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	179,266	5,566	27,097	89,633	30.2%	(62,536)	-69.8%	15.1%	(62,536)	-34.9%
Funded by										
Capital transfers recognised	167,766	5,507	25,599	83,883	30.5%	(58,284)	-69.5%	15.3%	(58,284)	-34.7%
Internally generated funds	11,500	59	1,498	5,750	26.1%	(4,252)	-73.9%	13.0%	(4,252)	-37.0%
Weighting Capital transfer recognised	94%	99%	94%	94%						
Weighting Internally generated funds	6%	1%	6%	6%						

Table 7: High level summary: Capital Expenditure

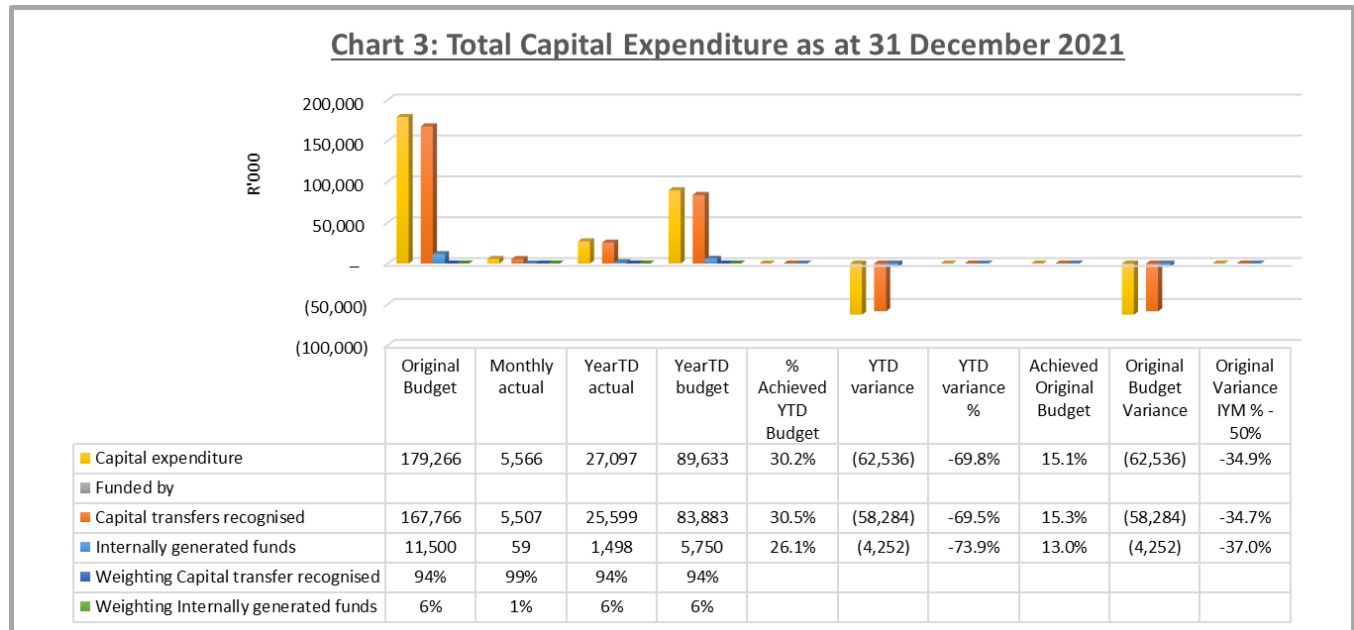


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of December 2021 amounted to R27,097 million and 30.2% spent when compared to the YTD budget of R89,633 million and 15.1% spent when compared to the Original Budget of R179,266 million. The total YTD capex is funded from Capital grants R25,599 million (94%) and Internally generated funds R1,498 million (6%). 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.

4.4 Cash flows

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

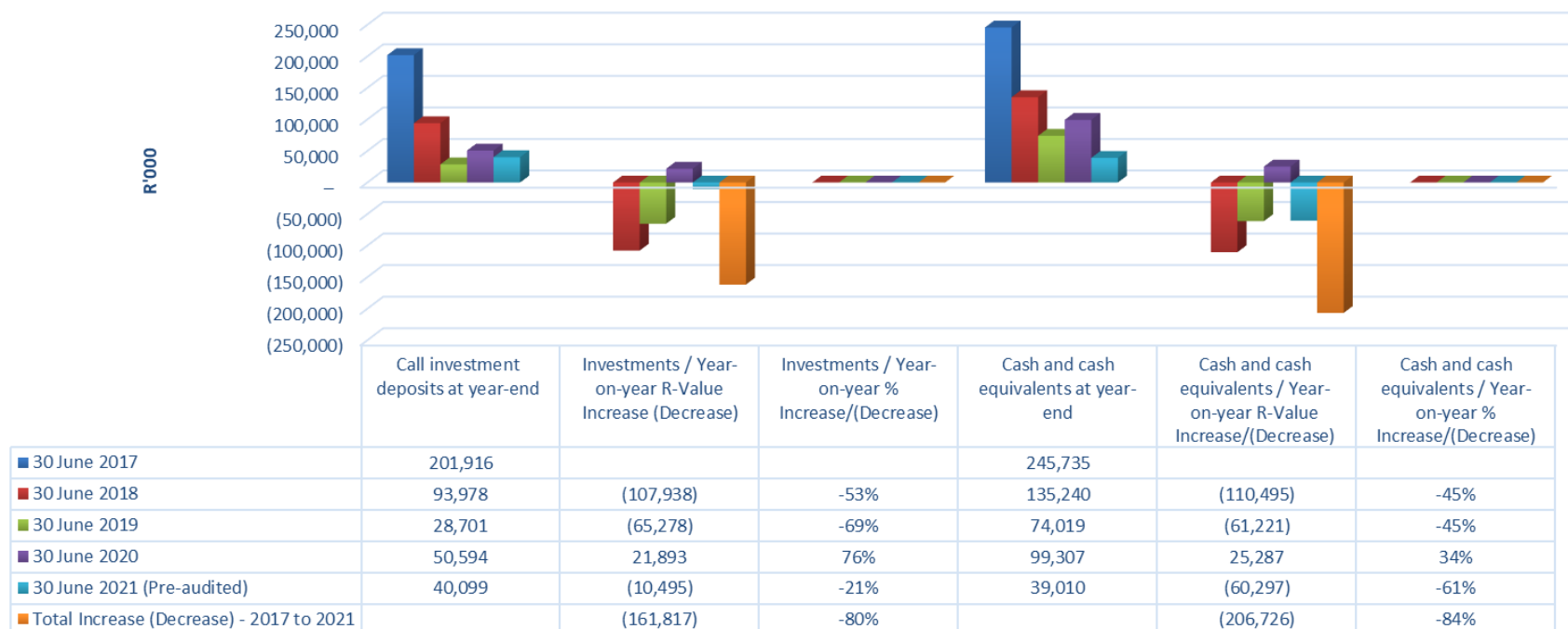


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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 December 2021

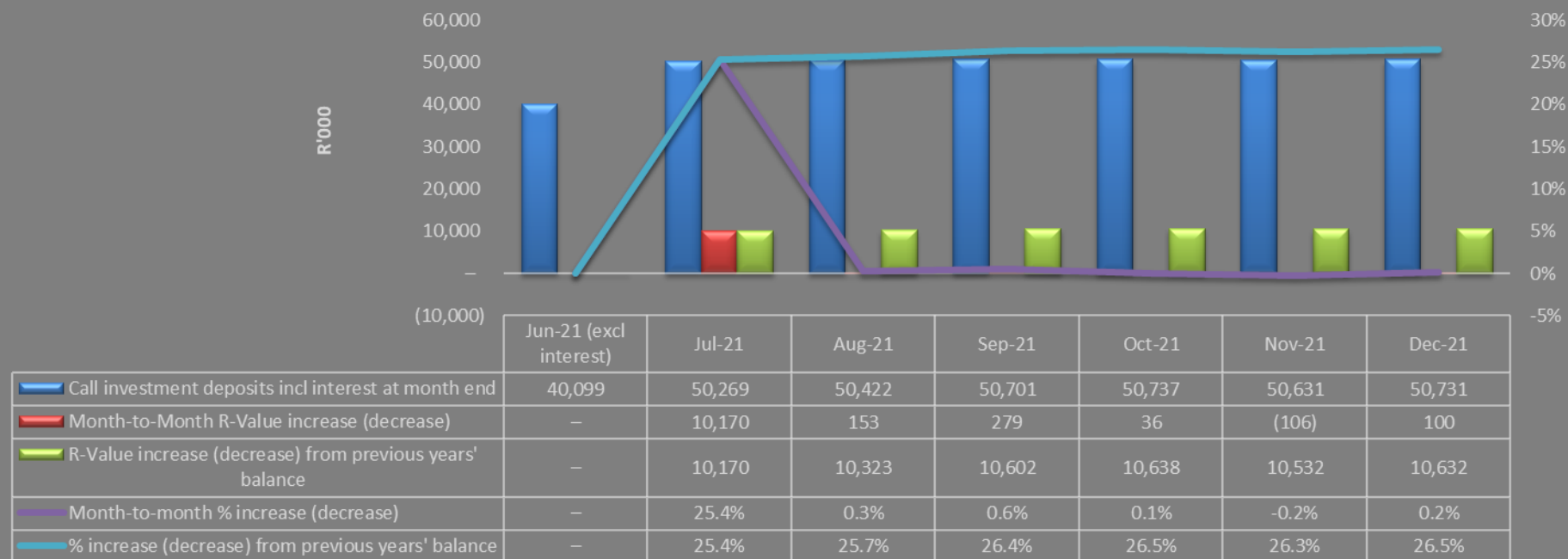


Chart 5: Call investment deposits at month-end

As indicated in the Chart 5 above from November to December 2021 investments incl interest increased by R100 thousand or minus 0.2%, in respect of the month-to-month comparison. Investments increased by R10,632 million or 26.5% 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 - M06 December

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	49,314	19,363	17,501	459,032	–	–	–	–	545,211	459,032	–	–	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	56,276	11,985	14,313	197,147	–	–	–	–	279,720	197,147	–	–	
Receivables from Non-exchange Transactions - Property Rates	1400	53,409	15,245	12,947	692,961	–	–	–	–	774,562	692,961	–	–	
Receivables from Exchange Transactions - Waste Water Management	1500	11,593	4,395	4,179	143,871	–	–	–	–	164,037	143,871	–	–	
Receivables from Exchange Transactions - Waste Management	1600	9,071	3,255	3,093	110,456	–	–	–	–	125,876	110,456	–	–	
Receivables from Exchange Transactions - Property Rental Debtors	1700	535	504	499	41,808	–	–	–	–	43,345	41,808	–	–	
Interest on Arrear Debtor Accounts	1810	20,530	9,783	9,862	595,021	–	–	–	–	635,196	595,021	–	–	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–			
Other	1900	6,039	3,260	4,125	197,366	–	–	–	–	210,790	197,366	–	–	
Total By Income Source	2000	206,768	67,789	66,518	2,437,661	–	–	–	–	2,778,736	2,437,661	–	–	
2020/21 - totals only		215,758	72,083	60,625	2,165,776					2,514,243	2,165,776			
Debtors Age Analysis By Customer Group														
Organs of State	2200	37,172	12,423	14,614	752,531	–	–	–	–	816,740	752,531	–	–	
Commercial	2300	70,682	16,795	15,544	360,989	–	–	–	–	464,009	360,989	–	–	
Households	2400	96,154	37,335	35,166	1,276,696	–	–	–	–	1,445,352	1,276,696	–	–	
Other	2500	2,760	1,236	1,194	47,446	–	–	–	–	52,635	47,446	–	–	
Total By Customer Group	2600	206,768	67,789	66,518	2,437,661	–	–	–	–	2,778,736	2,437,661	–	–	

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 R2,778,736 billion as at the end of December 2021. 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, will be done effective immediately. 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.

Specific action – Covid-19

30% Discount for full settlement of arrear debt; 10% monthly early payment incentive (excluding Electricity sales); Radio interviews – customer education and awareness, invite indigent for registration; Blocking of non-residential dwellings: 30 % prepaid partial (non-indigent customers); 10 % prepaid partial (indigents customers) and 100% Commercial, Businesses, Gov, Staff, Cllrs, NGO, etc)

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

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which increased from 87% to 88% for the period under review. Debt over 90 days increased by R40,340 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R25,567 million. It is concerning that total debt over 90 days is hovering at an average of 85%. 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 % of total O/S Debt: Jun 2021 - December 2021

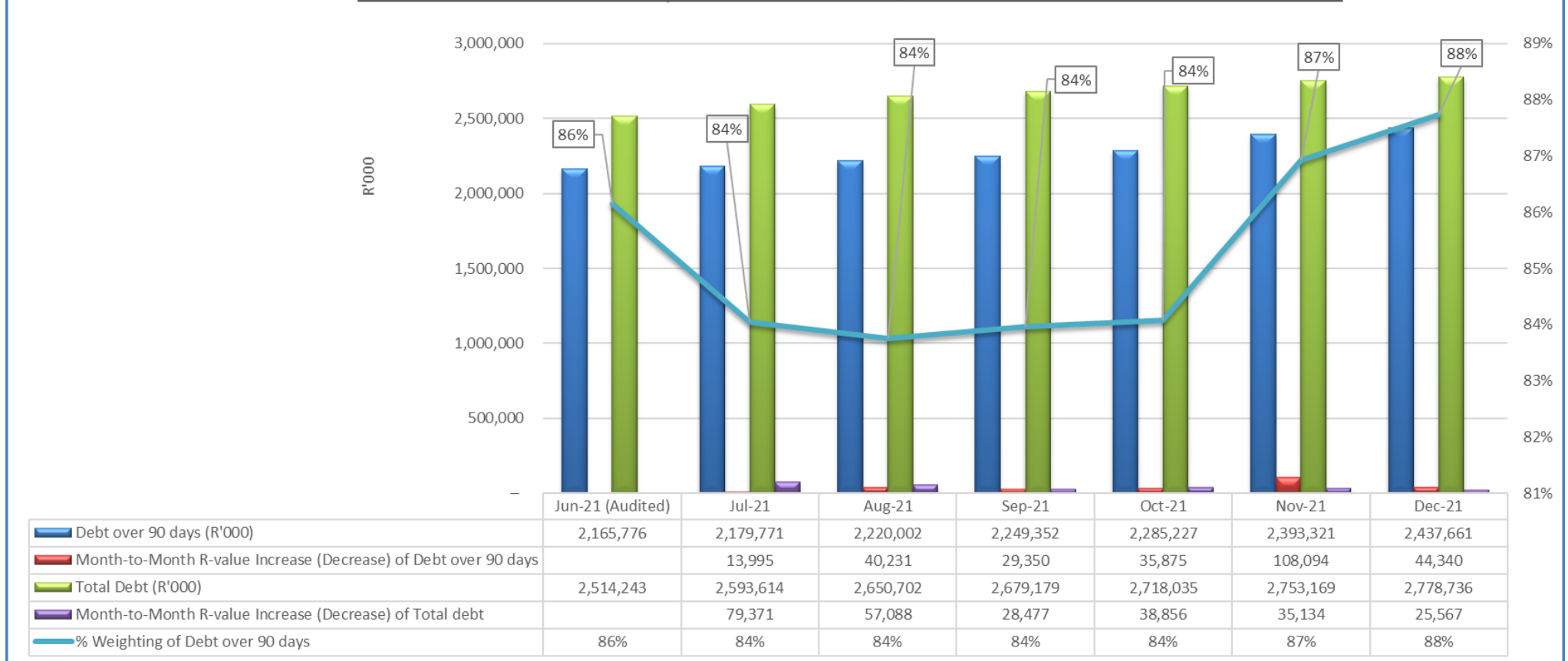


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

Chart 8: Outstanding Debt by Income Source as at 31 December 2021

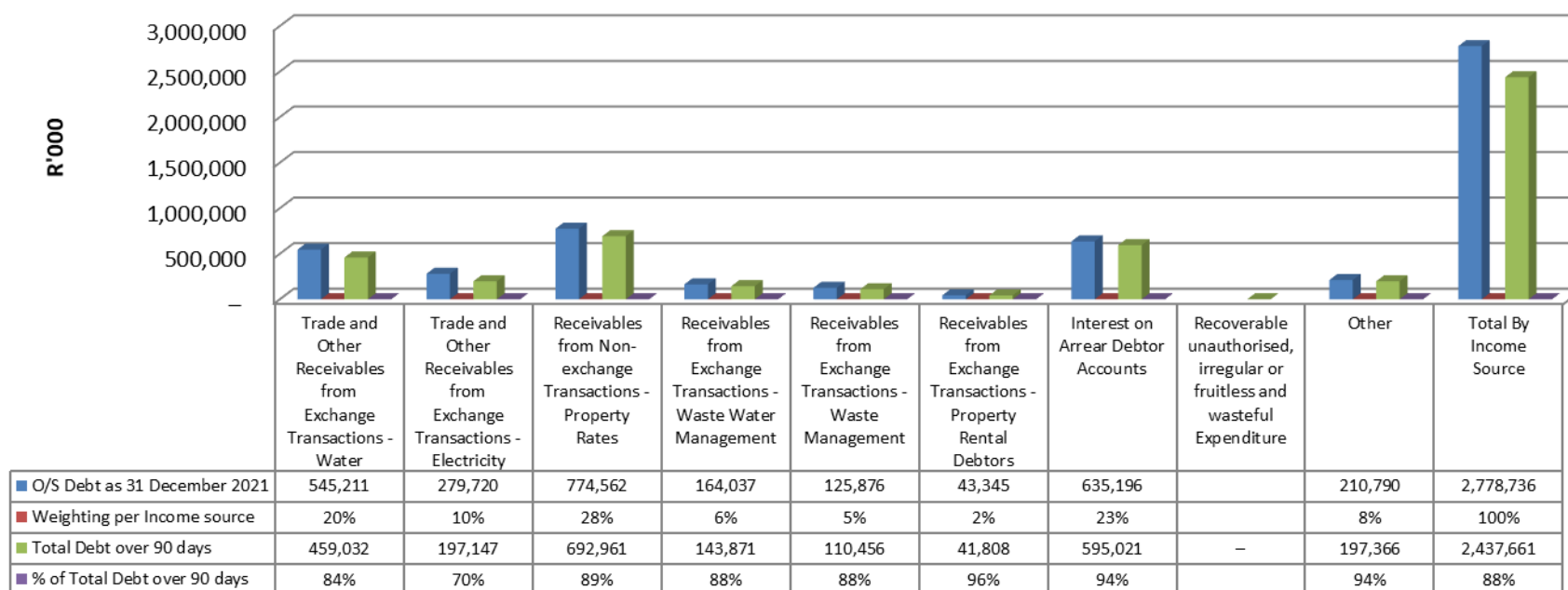


Chart 8: Outstanding Debt by Income Source

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 December 2021. 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:

- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 96%
- ❖ Interest on Arrear Debtor Accounts at 94%;
- ❖ Other 94%

Debtors Age Analysis By Income Source	O/S Debt as 30 November 2021	O/S Debt as 31 December 2021	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	543,275,491	545,210,515	0.4%	1,935,024	20%
Trade and Other Receivables from Exchange Transactions - Electricity	281,301,000	279,719,789	-0.6%	-1,581,211	10%
Receivables from Non-exchange Transactions - Property Rates	764,927,952	774,562,139	1.2%	9,634,187	28%
Receivables from Exchange Transactions - Waste Water Management	161,313,225	164,037,108	1.7%	2,723,883	6%
Receivables from Exchange Transactions - Waste Management	123,751,761	125,875,512	1.7%	2,123,751	5%
Receivables from Exchange Transactions - Property Rental Debtors	42,904,580	43,345,402	1.0%	440,822	2%
Interest on Arrear Debtor Accounts	625,950,699	635,195,577	1.5%	9,244,878	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	209,744,578	210,789,940	0.5%	1,045,362	8%
Total By Income Source	2,753,169,286	2,778,735,982	0.9%	25,566,696	100%
Debtors Age Analysis By Customer Group					
Organs of State	807,611,768	816,739,727	1.1%	9,127,959	29%
Commercial	467,940,055	464,009,251	-0.8%	-3,930,804	17%
Households	1,425,893,345	1,445,351,759	1.3%	19,458,414	52%
Other	51,724,118	52,635,245	1.7%	911,127	2%
Total By Customer Group	2,753,169,286	2,778,735,982	0.9%	25,566,696	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 November to December 2021, the municipality's total O/S debt increased by 0.9% or R25,567 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 0.4%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity decreased by 0.6%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 1.2%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.7%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.8%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 1.0%.
- ❖ Interest on Arrear Debtor Accounts increased by 1.5%.
- ❖ Other increased by 0.5%.

O/S debt per Customer Group

- ❖ Organs of State increased by 1.1%.
- ❖ Commercial debtors decreased by 0.8%.
- ❖ Debt owed by Households increased by 1.3%.
- ❖ Other Debt increased by 1.7%.

Weighting per Customer Group

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

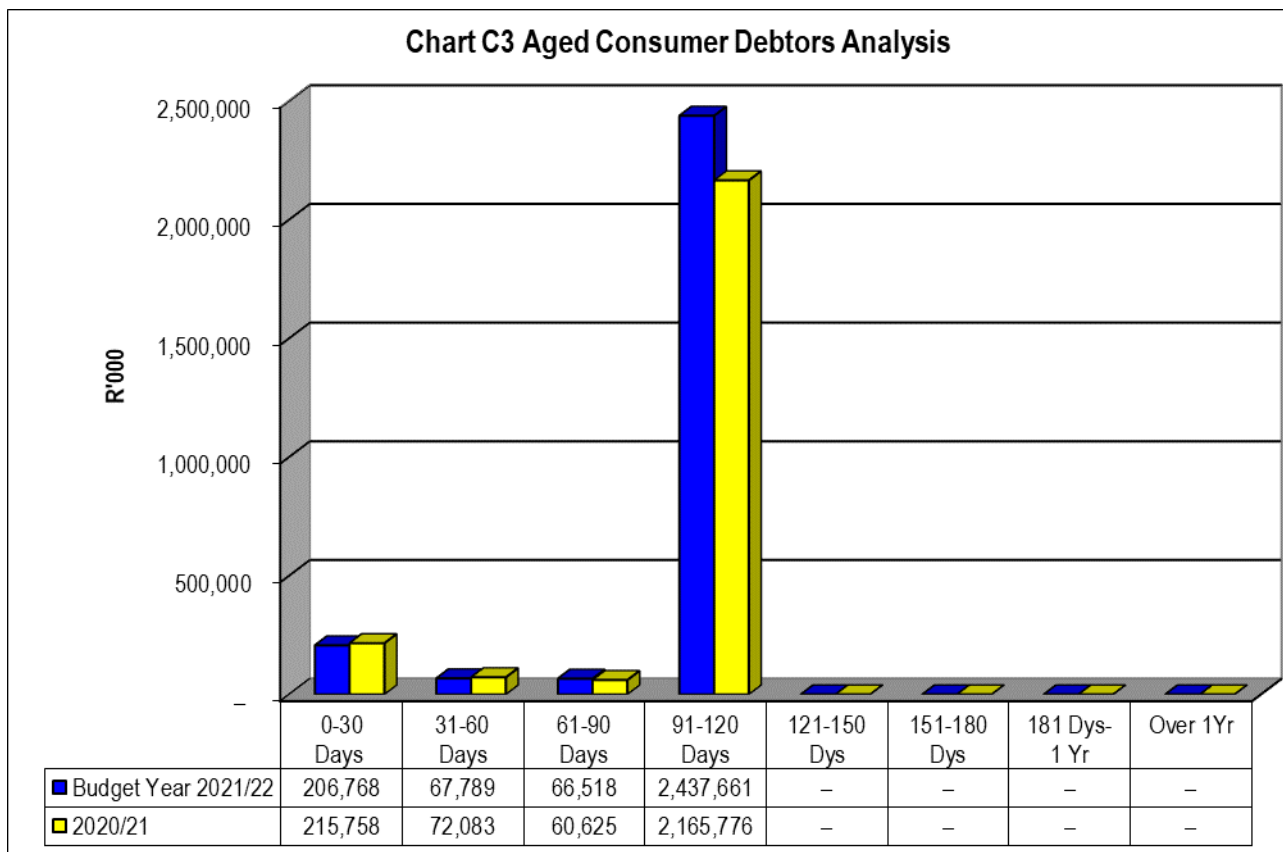


Chart 9: Aged Consumer Debtor Analysis

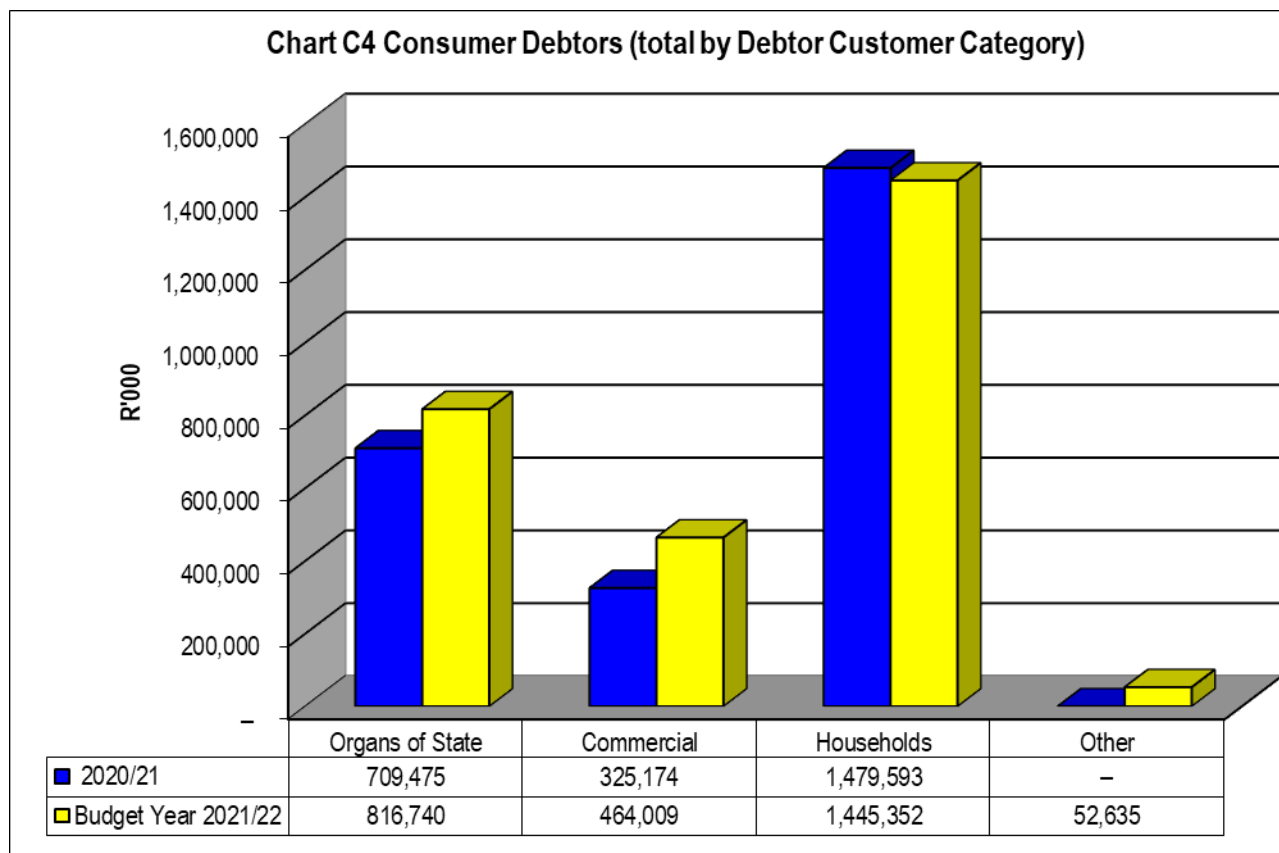


Chart 10: Consumer Debtors (total by Debtor Customer Category)

Chart 11: Debtor's Age Analysis per Customer Group as at 31 December 2021

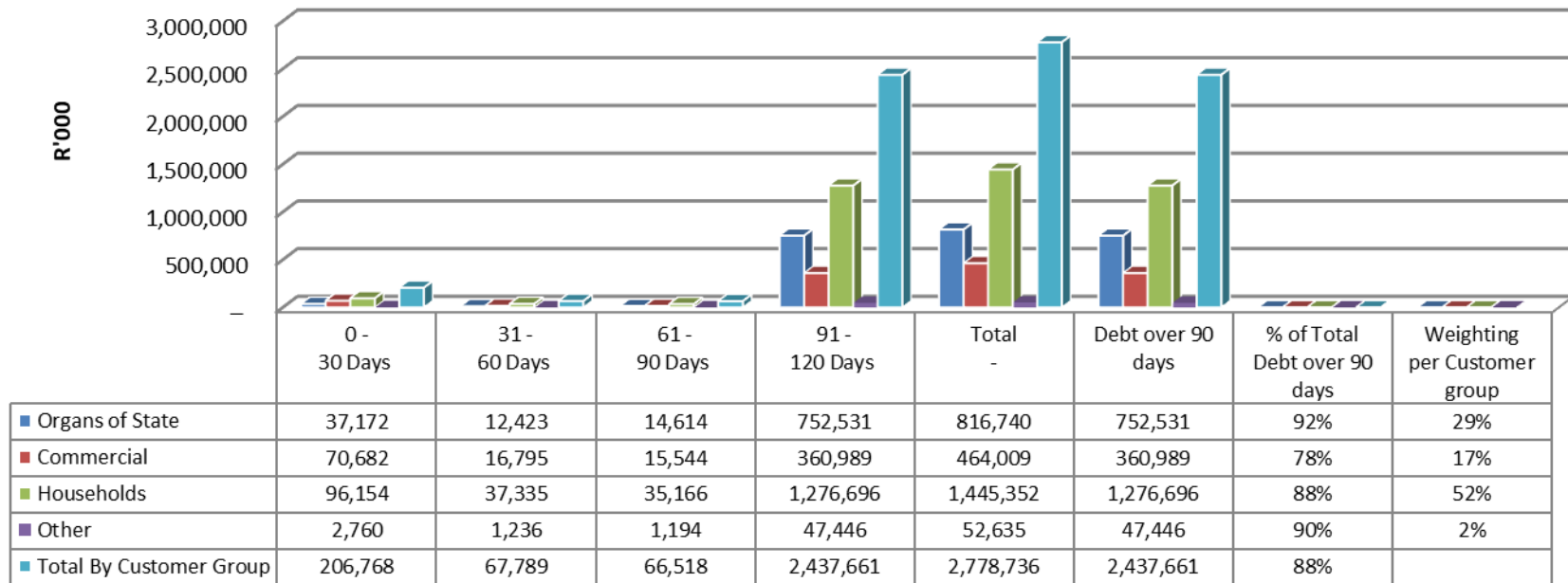


Chart 11: Debtor's Age Analysis per Customer Group

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.

Revised collection rate

As per Table 10 below, when taking into consideration what was billed in November 2021 and received in December 2021, the monthly collection rate is 66%. Indicated in Table 11 below is the revised average collection of 71.8% 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 R78m 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 77.2%. Based on actuals obtained from the system, only R6,762 million has been received for annually billed rates. 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 December to 31 December 2021. 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.

Monthly Collection Rate	Debits (Billed November 2021)	Credits (Received December 2021)	% Collected
PROPERTY RATES	45,379,395	25,291,611	56%
ELECTRICITY	34,918,949	30,461,103	87%
WATER	25,973,523	14,988,828	58%
SEWERAGE	8,507,312	3,430,807	40%
REFUSE	6,428,039	2,747,893	43%
OTHER	12,298,589	10,628,281	86%
Total	133,505,807	87,548,522	66%

Monthly collection rate per service							
Revenue source	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Average
Property Rates	62%	25%	81%	66%	63%	56%	51%
Electricity excl Prepays	80%	77%	69%	80%	84%	87%	79%
Water	85%	47%	47%	57%	52%	58%	57%
Sewerage	48%	44%	43%	46%	44%	40%	44%
Refuse	48%	47%	44%	49%	46%	43%	46%
Other	108%	50%	108%	129%	103%	86%	97%
Monthly collection rate	74%	41%	69%	72%	67%	66%	63%

Table 10: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL DECEMBER 2021	YTD RECEIPTS	Rate
PROPERTY RATES	R 350,029,077	R 178,783,144	51.1%
SERVICE CHARGE ELECTRICITY	R 217,229,464	R 195,574,503	90.0%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 142,459,067	R 142,459,067	100.0%
SERVICE CHARGE WATER	R 146,810,001	R 80,762,508	55.0%
SERVICE CHARGE SANITATION	R 42,756,511	R 22,306,940	52.2%
SERVICE CHARGE REFUSE	R 30,979,177	R 17,548,648	56.6%
OTHER	R 69,973,550	R 67,953,800	97.1%
UNALLOCATED CREDITS		R 12,936,433	
REVISED AVERAGE COLLECTION RATE - DECEMBER 2021	R 1,000,236,846	R 718,325,042	71.8%

REVENUE BY SOURCE	YTD ACTUAL DECEMBER 2021	YTD RECEIPTS	Rate
2021 incl ANNUAL BILLING ON PROPERTY RATES	R 1,000,236,846	R 718,325,042	71.8%
LESS ANNUAL BILLING ON PROPERTY RATES	R -78,561,553	R -6,762,203	8.6%
REVISED AVERAGE COLLECTION RATE - DECEMBER 2021 excl ANNUAL BILLING ON PROPERTY RATES	R 921,675,294	R 711,562,839	77.2%

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	TOTAL
PROPERTY RATES	VA	-	710.80	-	-	337.67	-	1,048.47
PROPERTY RATES	VA2010	98.54	400.00	73.74	270.53	-	-	842.81
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	72,262,907.39
PROPERTY RATES	VASRA	679,537.02	722,394.72	699,696.30	604,340.70	747,694.53	440,138.49	3,893,801.76
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	80,523,609.91
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	8,550,801.27
PROPERTY RATES	VAFAG	100,199.84	107,193.66	126,646.12	100,059.69	99,002.70	101,589.77	634,691.78
PROPERTY RATES	VAFARE	23,064.20	14,172.13	21,678.35	9,219.56	20,891.37	25,252.88	114,278.49
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	11,230,385.19
PROPERTY RATES	VARESV	219,155.37	168,997.49	210,933.49	292,794.10	201,372.36	197,124.58	1,290,377.39
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	272,346.79
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	178,783,143.73
BASIC ELECTRICITY	BE	467,974.35	474,997.38	528,492.86	492,282.43	496,021.06	455,352.49	2,915,120.57
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	192,659,382.85
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	142,459,066.68
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	338,033,570.10
BASIC WATER	BW	45,774.06	44,178.85	42,504.92	72,083.06	51,824.65	34,474.56	290,840.10
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	80,471,668.26
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	80,762,508.36
BASIC SEWERAGE	BS	245,124.26	182,272.32	199,980.15	245,775.14	214,603.14	204,780.42	1,292,535.43
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	21,014,404.52
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	22,306,939.95
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	16,055,059.49
ADD REFUSE	RF	252,390.81	273,761.64	193,154.13	276,423.29	250,511.18	247,347.04	1,493,588.09
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	17,548,647.58
INTEREST ON ARREARS	IN0001	34,721.11	39,204.54	41,963.66	28,142.74	19,396.33	17,368.91	180,797.29
INTEREST ON ARREARS	INBR	65,535.02	60,770.80	52,524.18	61,409.09	56,483.71	64,912.47	361,635.27
INTEREST ON ARREARS	INSE	89,478.44	76,410.67	71,230.70	86,879.14	85,086.47	97,432.68	506,518.10
INTEREST ON ARREARS	INWA	255,169.16	216,027.29	219,572.70	222,259.47	427,275.83	214,578.43	1,554,882.88
INTEREST ON ARREARS	INSU	51,029.35	49,019.46	31,523.87	39,452.06	36,368.04	45,614.78	253,007.56
INTEREST ON ARREARS	INBS	4,948.42	2,260.00	4,757.86	14,216.02	8,066.60	8,420.41	42,669.31
INTEREST ON ARREARS	INEL	326,905.24	219,210.02	222,915.63	220,809.65	286,709.58	200,136.54	1,476,686.66
INTEREST ON ARREARS	INBE	2,731.42	4,468.97	5,980.62	17,835.85	3,744.49	3,824.06	38,585.41
INTEREST ON ARREARS	INBW	4,757.82	1,733.39	1,825.24	15,571.01	5,112.68	1,877.42	30,877.56
INTEREST ON ARREARS	INRF	1,706.64	1,440.81	5,502.72	2,581.91	3,044.61	1,644.68	15,921.37
INTEREST ON ARREARS	INVA	255,616.54	321,812.05	313,042.98	364,777.88	357,950.83	315,285.62	1,928,485.90
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	6,390,067.31
DEPOSITS	DEWE	204,112.43	202,855.98	254,984.41	182,067.71	374,831.70	138,642.91	1,357,495.14
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	54,357,318.14
SUNDRY DEBTORS	SU	818,020.20	718,375.28	714,650.82	635,311.16	1,131,199.14	689,547.75	4,707,104.35
HOUSE RENTALS	SU10	129,941.73	123,109.95	124,165.61	114,330.62	91,293.17	95,804.77	678,645.85
MISC 1	SU50	42,303.30	44,846.26	86,889.42	71,174.85	48,139.33	68,564.99	361,918.15
MISC 2	SU51	-	-	-	-	-	-	-
INFORMAL HOUSING	SU60	8,229.35	4,517.35	4,693.13	6,888.68	5,220.99	4,664.27	34,213.77
ARREARS MAGIC	SU70	1,598.50	426.23	1,217.59	145.95	192.44	16,787.82	20,368.53
SUNDRY COMMISSION	SUCOMM	1,583.93	961.85	1,422.09	1,308.13	1,132.25	910.87	7,319.12
COMM ON PNP	SUEASY	2,125.88	8,599.61	5,999.28	7,624.37	10,169.60	4,830.59	39,349.33
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	61,563,732.38
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	47,735,220.53
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	610,664,763.26
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	562,929,542.73
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	705,388,609.41

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	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	67,898,823.03
BUSINESS RESIDENTIAL	BR	792,204.29	897,256.49	985,137.71	857,766.56	1,017,521.76	892,903.26	5,442,790.07
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	158,170,107.03
CHURCHES	CH	86,323.44	79,220.18	128,513.69	100,431.31	100,733.39	109,731.01	604,953.02
COUNCILLOR	CL	31,186.52	40,726.69	82,562.07	32,897.14	35,876.93	36,239.45	259,488.80
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	13,799,218.39
GOVERNMENT - OTHER	GO	-	-	-	1,565.21	564.96	527.32	2,657.49
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	11,106,155.99
INDIGENTS CANCELLED	IC	656,541.45	663,808.64	647,822.63	583,480.35	1,110,100.92	703,535.42	4,365,289.41
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	7,016,022.44
INDIGENTS INFORMAL SETTLEMENT	IF	149,731.75	99,744.81	89,179.46	69,764.40	93,263.93	74,972.36	576,656.71
INDIGENT - LATE ESTATE	IL	1,536.92	614.97	676.07	1,123.97	975.66	624.30	5,551.89
INDIGENT PENDING	IP	400,782.73	339,621.13	329,250.14	340,655.07	322,932.12	292,587.30	2,025,828.49
INDUSTRIAL	IN	755,854.35	957,195.81	830,074.30	1,348,021.04	967,066.57	853,162.68	5,711,374.75
MUNICIPAL	MU	314,158.78	472,935.53	433,396.12	261,274.33	290,509.96	579,531.26	2,351,805.98
NAT: POLICE	N3	10,168.40	3,069.53	23,235.79	4,397.07	21,575.33	9,589.52	72,035.64
NAT: DEFENCE AND MILITARY VETERA	ND	1,145.68	-	3,703.05	1,234.35	1,234.35	1,234.39	8,551.82
NAT: CORRECTIONAL SERVICES	NN	393,926.33	336,758.10	368,797.83	749,918.30	54,055.97	-	1,903,456.53
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	58,159,503.13
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	2,209,669.15
OPEN SPACE	OP	13,501.16	7,071.83	8,048.47	47,565.03	6,701.93	8,264.45	91,152.87
OTHER	OT	364,200.88	417,037.71	356,532.05	615,018.42	275,817.50	329,013.22	2,357,619.78
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,330.30	2,024.12	5,393.39	5,393.39	5,393.39	5,393.39	28,927.98
PROV: SOCIAL DEVELOPMENT	P1	463,687.08	212,639.30	296,305.02	5,156.35	242,560.62	22,606.75	1,242,955.12
PROV: HOUSING AND LOCAL GOVERNME	P2	176,797.83	59,029.00	774.92	83.86	165,174.42	280,557.04	682,417.07
PROV: OFFICE OF THE PREMIER	P3	8,053.84	4,478.88	5,777.14	5,248.67	5,995.57	9,359.81	38,913.91
PROV: OTHER DEPARTMENTS	P4	220,239.28	161,874.69	215,156.78	20,587.82	163,814.38	208,088.72	989,761.67
PROV: AGRICULTURE	PA	46,365.72	-	57,465.35	-	77,148.57	-	180,979.64
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	12,546,884.81
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	9,301,610.25
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	12,557,290.40
PROV: SPORT, ARTS & CULTURE	PS	48,261.96	266,211.88	2,048.25	2,853.55	123,577.80	904,599.50	1,347,552.94
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	175,788,628.67
SUNDRY DEBTOR	SD	3,641.12	7,096.24	10,708.64	8,504.09	4,077.91	455.76	34,483.76
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	3,979,477.06
UNKNOWN	UN	230.00	-	540.00	249.61	255.00	250.00	1,524.61
EXCEPTIONAL CIRCUMSTANCES	IE	6,068.36	10,015.67	9,493.83	25,352.80	8,242.75	10,171.02	69,344.43
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	47,735,220.53
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	610,664,763.26
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	562,929,542.73

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 Dec 2021

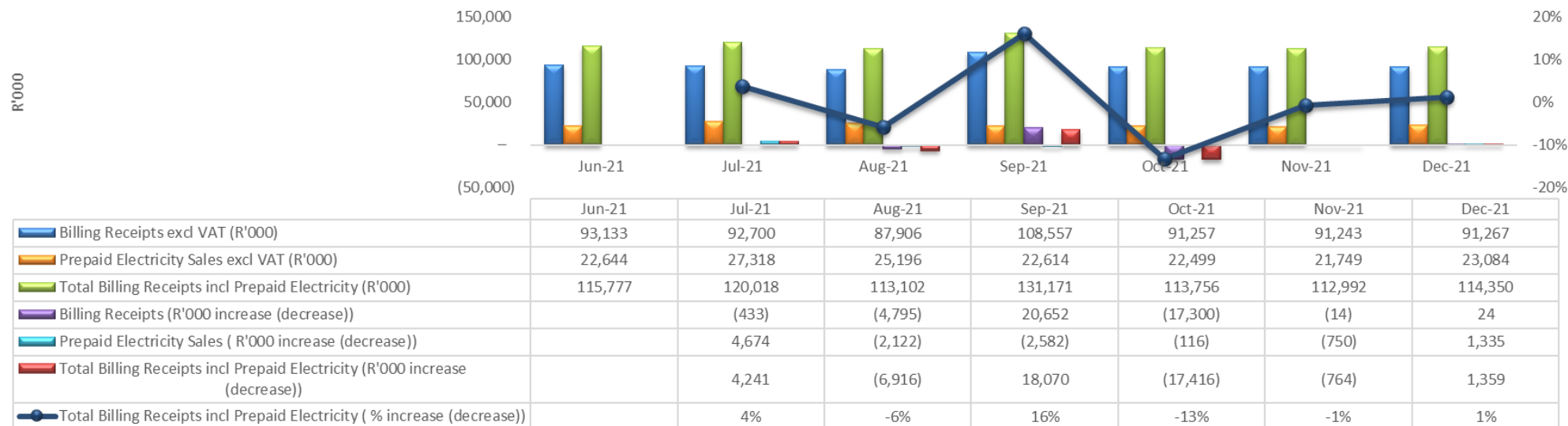


Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 12.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R114,350 million which resulted in an increase of R1,359 million or 1% in respect of the month-to-month comparison. Unallocated billing receipts at month end amounted to R12,936 million.

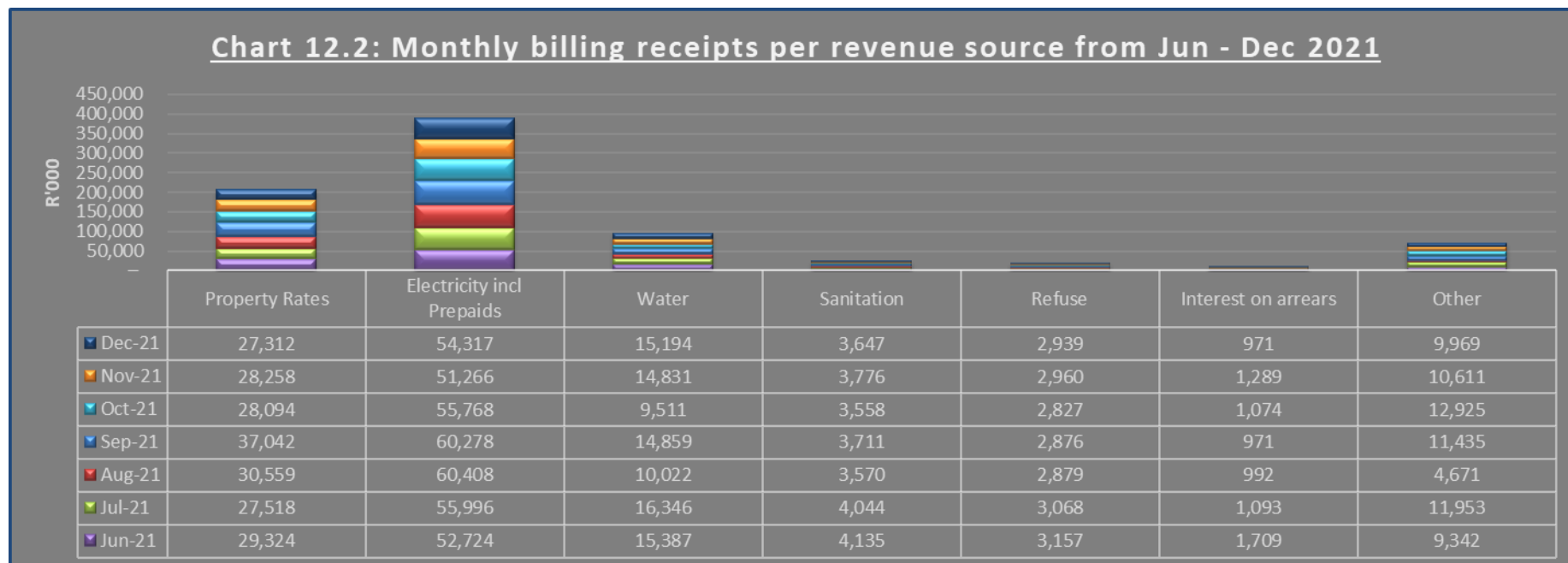


Chart 12.2: Monthly billing receipts per revenue source

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

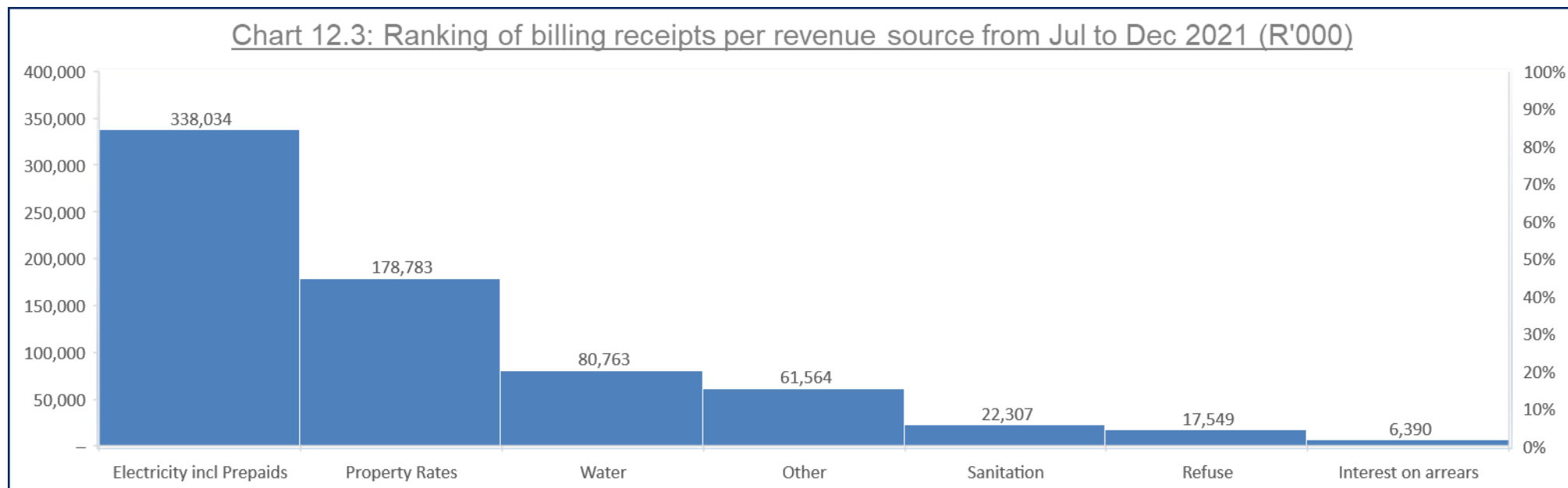


Chart 12.3: Ranking of billing receipts per revenue source

Indicated in Chart 12.3, is the ranking of receipts per revenue source from July to December 2021. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R338,034 million 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 R178,783 million, however more measures should be implemented to ensure that receipts from annual billing materializes.

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 R6,390 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, is 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 - M06 December

Description	NT Code	Budget Year 2021/22									Prior year
		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	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	51,379	50,896	51,028	54,138	93,020	104,400	29,903	–	434,764	165,312
Bulk Water	0200	11,190	14,523	15,275	–	14,685	–	45,636	1,080	102,389	98,903
PAYE deductions	0300	11,815	–	–	–	–	–	–	–	11,815	8,752
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	7,426	–	–	–	–	–	–	–	7,426	7,355
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	9,409	9	–	–	–	–	–	–	9,419	27,512
Auditor General	0800	777	–	–	–	–	–	–	–	777	–
Other	0900	2,541	–	–	258	–	–	–	–	2,799	150,244
Total By Customer Type	1000	94,537	65,428	66,303	54,396	107,705	104,400	75,539	1,080	569,389	458,077

Table 14: Supporting Table SC4: Aged Creditors

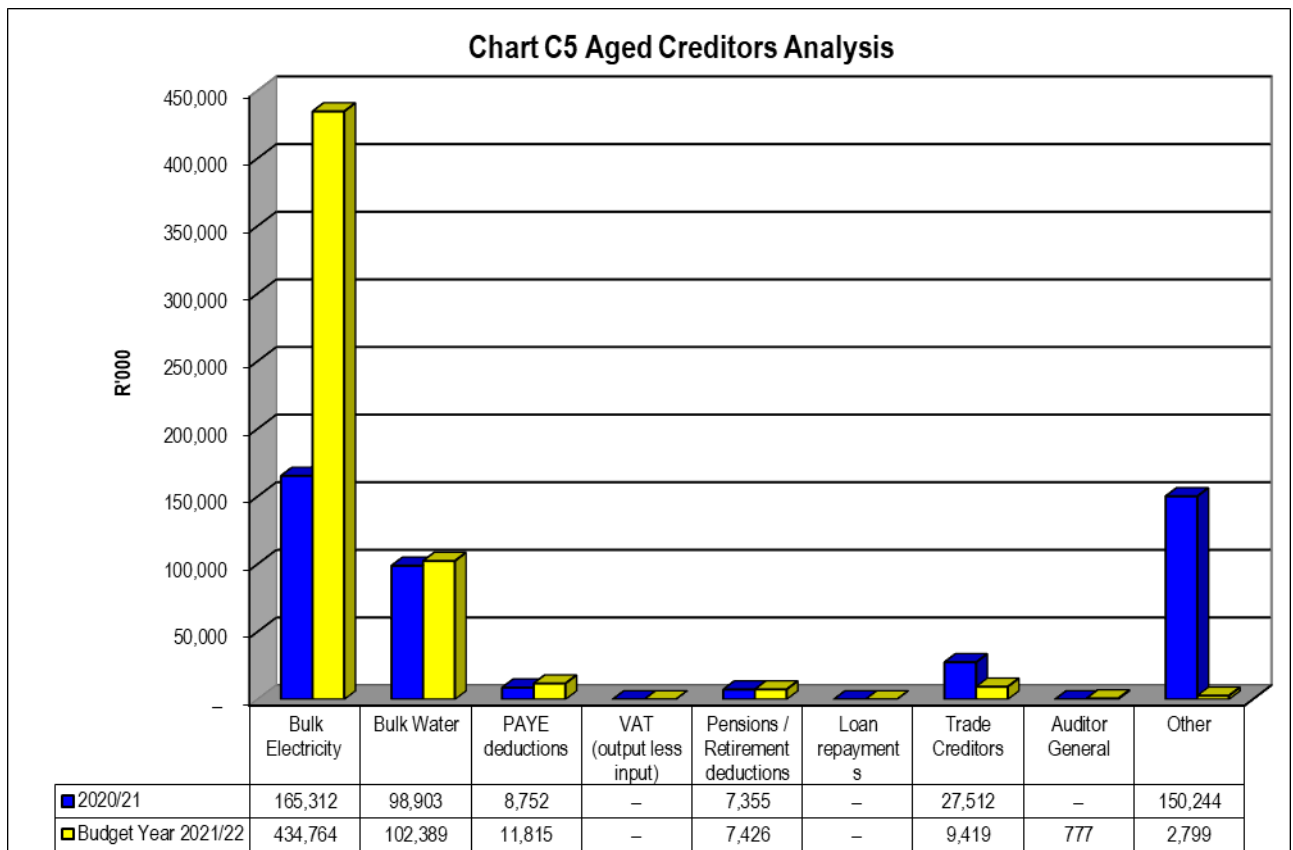


Chart 13: Aged Creditors Analysis

Bulk Electricity – As at the 31 December 2021, the outstanding debt owed to ESKOM amounted to R434,764 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 R102,389 million. The municipality is still awaiting the June, July 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 R5,925 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 January 2022 is R777 thousand.

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

7. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 December 2021, the value of total investments made was R50,731 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.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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 %	Commissio n Paid (Rands)	Commissio n 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	7,527	31	-	-	7,558
Standard Bank 048466271-080		12 mths	Notice	YES	Fixed	05.850			10.11.2022	21,064	9	-	-	21,073
First National Bank			Call a/c	YES	Variable	03.30				5,568	16	-	-	5,584
Absa Bank			Call a/c	YES	Variable	02.30				5,544	12	-	-	5,556
Investec			Call a/c	YES	Variable	03.60				623	2	-	-	625
Nedbank			Call a/c	YES	Variable	03.50				5,222	16	-	-	5,238
Standard Bank			Call a/c	YES	Variable	03.50				5,082	15	-	-	5,098
Municipality sub-total										50,631		-	-	50,731
TOTAL INVESTMENTS AND INTEREST	2									50,631		-	-	50,731

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 - M06 December

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	222,840	65,464	154,949	111,420	43,529	39.1%	222,840
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		234,642	212,328	212,328	65,464	153,934	106,164	47,770	45.0%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	-	-	1,681	(1,681)	-100.0%	3,362
Infrastructure Skills Development Grant		4,661	5,500	5,500	-	-	2,750	(2,750)	-100.0%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	-	-	825	(825)	-100.0%	1,650
Municipal Disaster Relief Grant		-	-	-	-	1,015	-	1,015	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		15,253	7,800	7,800	-	4,150	3,900	250	6.4%	7,800
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		8,207	7,800	7,800	-	4,150	3,900	250	6.4%	7,800
Expanded Public Works Programme		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Infrastructure Grant		7,046	-	-	-	-	-	-	-	-
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	230,640	65,464	159,099	115,320	43,779	38.0%	230,640
Capital Transfers and Grants										
National Government:		109,706	167,766	167,766	-	20,091	83,883	(63,792)	-76.0%	167,766
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		17,206	66,500	66,500	-	317	33,250	(32,933)	-99.0%	66,500
Integrated Urban Development Grant		50,328	66,266	66,266	-	13,656	33,133	(19,477)	-58.8%	66,266
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		22,881	10,000	10,000	-	52	5,000	(4,948)	-99.0%	10,000
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		19,291	25,000	25,000	-	6,066	12,500	(6,434)	-51.5%	25,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		2,856	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		2,856	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	112,562	167,766	167,766	-	20,091	83,883	(63,792)	-76.0%	167,766
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	372,988	398,406	398,406	65,464	179,190	199,203	(20,013)	-10.0%	398,406

Table 16: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Equitable Share: R65,464 million

EPWP: R1,512 million

Capital grant monies received for the month under review.

IUDG: R19,880 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 balance sheet 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 - M06 December

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										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		111,662	101,646	101,621	11,741	54,252	50,820	3,432	6.8%	101,621
Equitable Share		101,154	91,134	91,109	11,146	51,647	45,564	6,083	13.4%	91,109
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	–	–	1,681	(1,681)	-100.0%	3,362
Infrastructure Skills Development Grant		4,672	5,500	5,500	542	2,337	2,750	(413)	-15.0%	5,500
Local Government Financial Management Grant		1,666	1,650	1,650	53	268	825	(557)	-67.5%	1,650
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		8,881	7,800	9,300	96	583	4,582	(3,999)	-87.3%	9,300
Capacity Building and Other Grants		5,019	7,800	7,800	18	157	3,900	(3,744)	-96.0%	7,800
Infrastructure Grant		3,862	–	1,500	78	426	682	(255)	-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	110,921	11,837	54,835	55,402	(567)	-1.0%	110,921
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		101,832	167,766	167,766	5,507	25,599	83,883	(58,284)	-69.5%	167,766
Integrated National Electrification Programme Grant		16,469	66,500	66,500	1,977	2,294	33,250	(30,956)	-93.1%	66,500
Integrated Urban Development Grant		46,175	66,266	66,266	2,096	15,804	33,133	(17,329)	-52.3%	66,266
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		19,896	10,000	10,000	–	–	5,000	(5,000)	-100.0%	10,000
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		19,291	25,000	25,000	1,434	7,501	12,500	(4,999)	-40.0%	25,000
Provincial Government:		–	–	–	–	–	–	–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	–	–	–	–	–	–
Other grant providers:		2,483	–	–	–	–	–	–	–	–
European Union		2,483	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		104,315	167,766	167,766	5,507	25,599	83,883	(58,284)	-69.5%	167,766
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		224,858	277,212	278,687	17,344	80,434	139,285	(58,851)	-42.3%	278,687

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 R10,854 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	66,500,000	1,976,509	2,294,077	3.4%	3.4%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	66,266,000	2,095,942	15,804,074	23.8%	23.8%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	10,000,000	—	—	0.0%	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	25,000,000	1,434,401	7,500,607	0.0%	30.0%
Grand Total	167,766,000	167,766,000	5,506,852	25,598,758	15.3%	15.3%

Table 18: Summary of expenditure per grant

As indicated in Table 18 above, the YTD expenditure amounts to R25,599 million or 15.3% spent against the Original capital grant allocation of R167,766 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. The second quarter just ended and this 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 to Section 4.3 *Sol Plaatje (NC091): Monthly Budget Statement: January 2022*

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 November 2021 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 - M06 December

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	-	-	22	291	-	291	#DIV/0!	-
Medical Aid Contributions		339	-	-	2	103	-	103	#DIV/0!	-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		2,862	3,243	3,243	393	1,384	1,621	(237)	-15%	3,243
Housing Allowances		-	-	-	-	16	-	16	#DIV/0!	-
Other benefits and allowances		26,231	31,305	31,305	3,362	12,665	15,652	(2,987)	-19%	31,305
Sub Total - Councillors		30,260	34,547	34,547	3,779	14,459	17,274	(2,815)	-16%	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	789	4,467	4,300	166	4%	8,600
Pension and UIF Contributions		984	1,108	1,108	96	541	554	(13)	-2%	1,108
Medical Aid Contributions		215	252	252	19	110	126	(17)	-13%	252
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		2,042	1,961	1,961	170	943	980	(37)	-4%	1,961
Cellphone Allowance		168	202	202	15	85	101	(16)	-16%	202
Housing Allowances		36	39	39	2	13	20	(6)	-32%	39
Other benefits and allowances		15	105	105	2	8	53	(44)	-84%	105
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		56	62	62	8	31	31	0	1%	62
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		12,951	12,329	12,329	1,099	6,198	6,165	33	1%	12,329
% increase	4		-4.8%	-4.8%						-4.8%
Other Municipal Staff										
Basic Salaries and Wages		395,579	450,593	448,315	38,774	207,713	224,507	(16,794)	-7%	448,315
Pension and UIF Contributions		63,864	76,857	76,857	5,350	32,416	38,429	(6,013)	-16%	76,857
Medical Aid Contributions		48,766	58,592	58,592	4,852	27,613	29,296	(1,683)	-6%	58,592
Overtime		5,493	4,146	4,146	366	2,577	2,073	504	24%	4,146
Performance Bonus		28,489	35,421	35,421	14,983	21,617	17,711	3,906	22%	35,421
Motor Vehicle Allowance		38,306	51,621	51,621	3,578	21,061	25,810	(4,750)	-18%	51,621
Cellphone Allowance		1,296	1,499	1,499	130	727	750	(23)	-3%	1,499
Housing Allowances		2,696	3,158	3,158	218	1,327	1,579	(252)	-16%	3,158
Other benefits and allowances		63,958	63,880	66,157	6,941	38,972	32,730	6,242	19%	66,157
Payments in lieu of leave		29,135	14,000	14,000	759	7,761	7,000	761	11%	14,000
Long service awards		23,136	22,791	22,791	2,324	11,977	11,396	582	5%	22,791
Post-retirement benefit obligations	2	12,550	41,500	41,500	-	1,021	20,750	(19,729)	-95%	41,500
Sub Total - Other Municipal Staff		713,268	824,059	824,059	78,276	374,784	412,031	(37,247)	-9%	824,059
% increase	4		15.5%	15.5%						15.5%
Total Parent Municipality		756,479	870,935	870,935	83,154	395,441	435,470	(40,029)	-9%	870,935
TOTAL SALARY, ALLOWANCES & BENEFITS		756,479	870,935	870,935	83,154	395,441	435,470	(40,029)	-9%	870,935
% increase	4		15.1%	15.1%						15.1%
TOTAL MANAGERS AND STAFF		726,219	836,388	836,388	79,375	380,982	418,196	(37,214)	-9%	836,388

Table 20: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 19 above, Employee related costs is underspent and showing a variance of minus 9%. 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 minus 16%. This is attributable to the local elections. The annual increase 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 50%, at 69.5% spent. Backpay was paid to firemen at Emergency Services backdated from December 2019. The total amount paid out during the first quarter of the financial year was R1,923 million.

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

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 December 2021.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of YTD Movement	% Spent Original Budget
MS: OVERTIME - NON STRUCTURED	18,783,000	16,976,657	90.4%
MS: OVERTIME - STRUCTURED	12,237,841	4,584,802	37.5%
Overtime as at 31 December 2021	31,020,841	21,561,459	69.5%
Directorate (Amount in Rand)	Sum of Original Budget	Sum of YTD Movement	% Spent Original Budget
20-EXECUTIVE AND COUNCIL	205,000	57,433	28.0%
21-MUNICIPAL AND GENERAL	-	-	
22-MUNICIPAL MANAGER	-	14,086	
23-CORPORATE SERVICES	1,760,000	812,549	46.2%
24-COMMUNITY SERVICES	11,741,441	9,788,995	83.4%
26-FINANCIAL SERVICES	453,000	701,087	154.8%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	259,000	505,438	195.1%
28-INFRASTRUCTURE SERVICES	16,602,400	9,681,870	58.3%
Overtime as at 31 December 2021	31,020,841	21,561,459	69.5%

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 R21,561 million and 69.5% spent, resulting in a negative variance of 19.5%.

Chart 14: Monthly and Annual Overtime Comparison - 2018/19 to YTD 2021/22

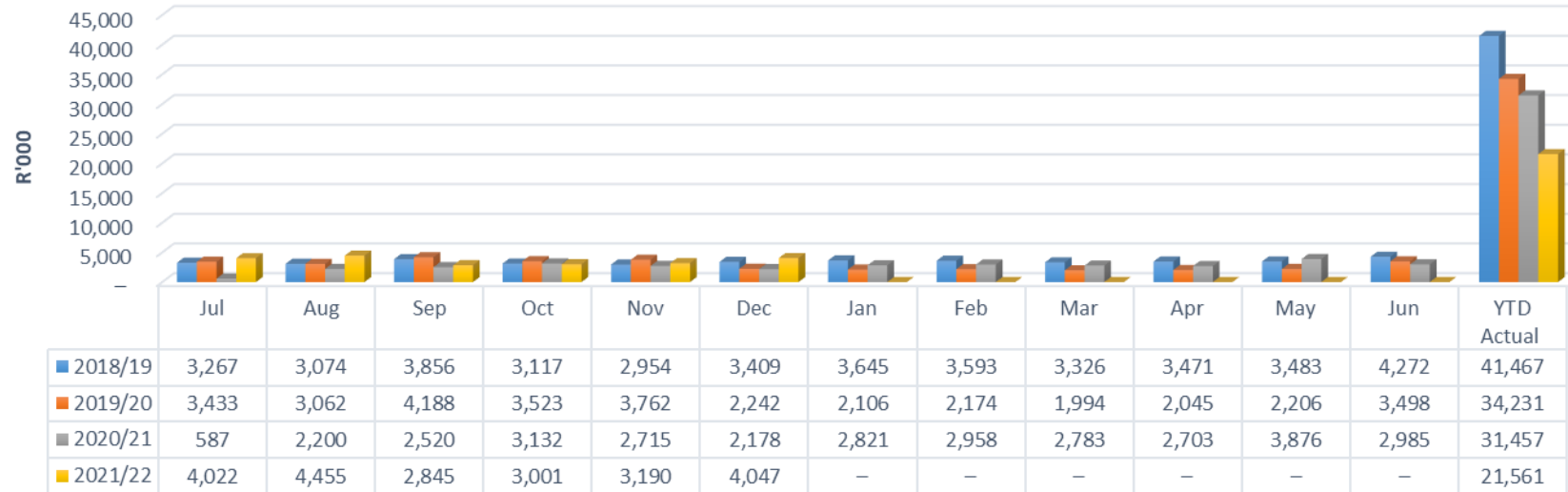


Chart 14: Monthly and Annual Overtime Comparison

Indicated in Chart 14 above, is the monthly and annual Overtime comparison from July 2018 to date. 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 December 2021.

11. Capital programme performance

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

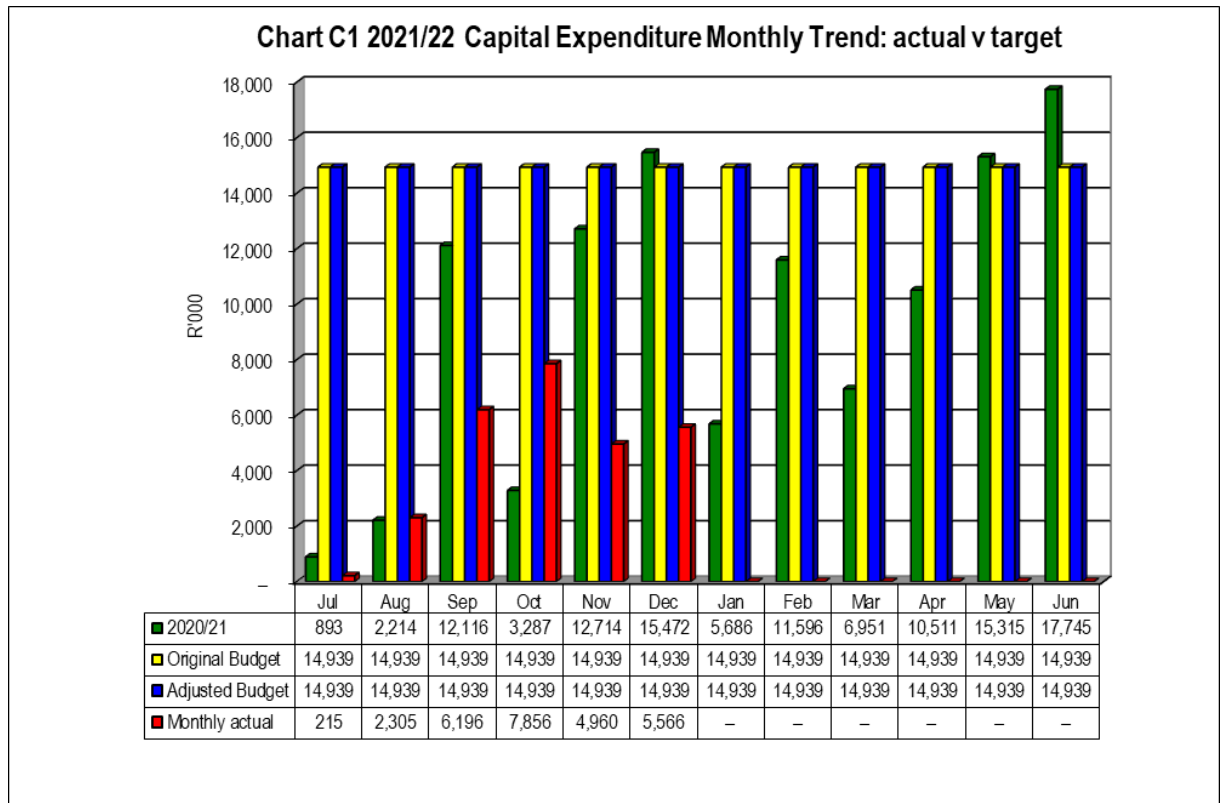


Chart 15: Capital Expenditure Monthly Trend: actual v target

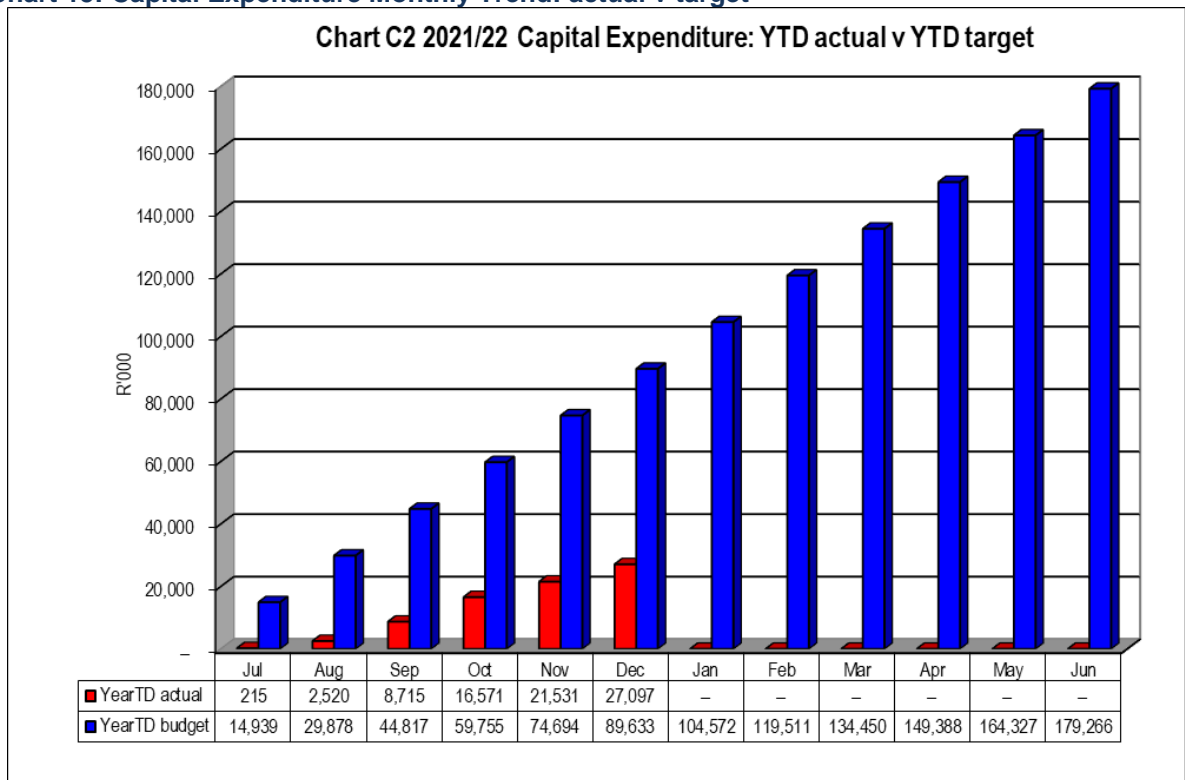


Chart 16: Capital Expenditure: YTD actual vs YTD target

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 December 2021 amounted to R5,566 million. The total YTD Capex amounts to R27,097 million. Total commitments amount to R2,872 million. Construction of the sink toilets is a rollover from internal funds and will be addressed during the Adjustment budget. Please note that commitments are excluded from the YTD movement. Capital expenditure is also exclusive of VAT.

Description	Original Budget	Prelim Adj Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	% Adj Budget	Funding source
UPGRADE HADISON PARK 66/11 KV SUBSTATION	1,500,000	1,500,000	-	-	-	1,500,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR MATHIBE	33,000,000	33,000,000	1,950,744	-	2,241,959	30,758,041	6.8%	6.8%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LETABO PARK	20,000,000	20,000,000	25,765	1,574	25,765	19,974,235	0.1%	0.1%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFIC LERATO PARK LINK SERV NETWORK	12,000,000	12,000,000	-	-	26,353	11,973,647	0.2%	0.2%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ACQ-FLEET REPLACEMENT	4,000,000	4,000,000	-	-	-	4,000,000	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	15,696	432,540	230,607	3,269,393	6.6%	6.6%	INTERNALLY GENERATED FUNDS
RECONSTRUCTION OLD SINK TOILETS PHASE 1	-	-	-	-	213,721	-213,721			INTERNALLY GENERATED FUNDS
DSITRBUTION-ACQ-WAT METER REPLACEME	1,000,000	1,000,000	43,197	24,825	319,122	680,878	31.9%	31.9%	INTERNALLY GENERATED FUNDS
CAPITAL SPARES-ACQ-PREPAID METERS	1,000,000	1,000,000	-	-	734,974	265,026	73.5%	73.5%	INTERNALLY GENERATED FUNDS
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	-	-	850,000	2,150,000	28.3%	28.3%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RESEALING OF ROADS VARIOUS WARDS	13,000,000	10,000,000	-	435,067	9,135,739	864,261	70.3%	91.4%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	10,000,000	9,000,000	1,592,033	447,406	2,006,920	6,993,080	20.1%	22.3%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	10,000,000	9,000,000	343,598	1,530,496	1,675,750	7,324,250	16.8%	18.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
P-CNIN COM F FIRE/AMBUL	-	4,000,000	160,311	-	1,897,116	2,102,884	-	47.4%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
CRAVEN STREET TRADE CENTRE	8,000,000	8,000,000	-	-	-	8,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	22,266,000	22,266,000	-	-	238,549	22,027,451	1.1%	1.1%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ELEVATED WATER TANKS DISTRIBUTION	-	1,000,000	-	-	-	1,000,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	10,000,000	10,000,000	-	-	-	10,000,000	0.0%	0.0%	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000,000	25,000,000	1,434,401	-	7,500,607	17,499,393	30.0%	30.0%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
TOTAL	179,266,000	179,266,000	5,565,746	2,871,907	27,097,182	152,168,818	15.1%	15.1%	

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	66,500,000	1,976,509	2,294,077	3.4%	3.4%
INTERNALLY GENERATED FUNDS	11,500,000	11,500,000	58,893	1,498,424	13.0%	13.0%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	66,266,000	2,095,942	15,804,074	23.8%	23.8%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	10,000,000	-	-	0.0%	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	25,000,000	1,434,401	7,500,607	30.0%	30.0%
Grand Total	179,266,000	179,266,000	5,565,746	27,097,182	15.1%	15.1%

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 Original and preliminary Adjustment budget. Overall spending on grants is extremely slow. The expenditure on IUDG (23.8%), NDPG (0%), INEP (3.4%) and WSIG (30%). Spending on Internally generated funds is 13% spent. Implementation of projects is possibly delayed by the finalization of procurement processes. Payment certificates are settled once work is completed.

12. Other supporting documents

There is no additional information or supporting documentation for December 2021.

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 July 2009

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M06 December

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									
<u>Financial Performance</u>									
Property rates	571,075	603,707	603,707	45,372	350,029	301,853	48,176	16%	603,707
Service charges	1,053,050	1,291,383	1,291,383	65,785	580,234	645,692	(65,457)	-10%	1,291,383
Investment revenue	2,835	9,000	9,000	19	454	4,500	(4,046)	-90%	9,000
Transfers and subsidies	260,426	230,640	230,640	65,464	159,099	115,320	43,779	38%	230,640
Other own revenue	176,950	230,981	230,981	14,160	86,197	115,491	(29,293)	-25%	230,981
Total Revenue (excluding capital transfers and contributions)	2,064,336	2,365,711	2,365,711	190,800	1,176,014	1,182,856	(6,842)	-1%	2,365,711
Employee costs	726,219	836,388	836,388	79,375	380,982	418,196	(37,214)	-9%	836,388
Remuneration of Councillors	30,260	34,547	34,547	3,779	14,459	17,274	(2,815)	-16%	34,547
Depreciation & asset impairment	63,881	79,150	79,150	–	–	39,575	(39,575)	-100%	79,150
Finance charges	36,467	22,261	22,261	11,529	11,529	11,130	399	4%	22,261
Inventory consumed and bulk purchases	819,353	926,331	926,331	76,544	432,189	463,166	(30,977)	-7%	926,331
Transfers and subsidies	2,528	4,850	4,850	20	894	2,425	(1,531)	-63%	4,850
Other expenditure	487,650	441,457	441,457	80,346	229,156	220,731	8,425	4%	441,457
Total Expenditure	2,166,359	2,344,984	2,344,984	251,593	1,069,209	1,172,497	(103,288)	-9%	2,344,984
Surplus/(Deficit)	(102,023)	20,727	20,727	(60,793)	106,804	10,359	96,446	931%	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,706	167,766	167,766	–	20,091	83,883	###	-76%	167,766
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	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	10,539	188,493	188,493	(60,793)	126,896	94,242	32,654	35%	188,493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	10,539	188,493	188,493	(60,793)	126,896	94,242	32,654	35%	188,493
<u>Capital expenditure & funds sources</u>									
Capital expenditure	119,502	179,266	179,266	5,566	27,097	89,633	(62,536)	-70%	179,266
Capital transfers recognised	104,315	167,766	167,766	5,507	25,599	83,883	(58,284)	-69%	167,766
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	15,186	11,500	11,500	59	1,498	5,750	(4,252)	-74%	11,500
Total sources of capital funds	119,502	179,266	179,266	5,566	27,097	89,633	(62,536)	-70%	179,266
<u>Financial position</u>									
Total current assets	2,622,936	2,242,830	2,242,830		2,185,881				2,242,830
Total non current assets	2,097,228	2,225,894	2,225,894		2,124,325				2,225,894
Total current liabilities	1,037,922	725,335	725,335		880,915				725,335
Total non current liabilities	436,934	417,829	417,829		422,006				417,829
Community wealth/Equity	2,881,935	3,325,560	3,325,560		3,008,817				3,325,560
<u>Cash flows</u>									
Net cash from (used) operating	53,113	265,277	265,277	–	475,803	132,638	(343,165)	-259%	265,277
Net cash from (used) investing	(116,394)	(142,399)	(179,266)	–	(21,531)	(71,199)	(49,668)	70%	(142,399)
Net cash from (used) financing	(2,980)	(16,583)	(10,734)	183	(40,228)	(28,178)	12,050	-43%	(56,357)
Cash/cash equivalents at the month/year end	30,272	200,186	169,168	–	457,051	33,261	(423,790)	-1274%	66,521
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
<u>Debtors Age Analysis</u>									
Total By Income Source	206,768	67,789	66,518	2,437,661	–	–	–	–	2,778,736
<u>Creditors Age Analysis</u>									
Total Creditors	93,761	65,428	66,303	54,396	107,705	104,400	75,539	1,080	568,612

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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	1,109,592	116,393	562,261	554,796	7,465	1%	1,109,592
Executive and council		419,084	478,759	478,759	70,882	208,308	239,379	(31,071)	-13%	478,759
Finance and administration		601,689	630,833	630,833	45,512	353,952	315,416	38,536	12%	630,833
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		24,102	27,556	27,556	1,244	12,720	13,778	(1,058)	-8%	27,556
Community and social services		10,785	10,980	10,980	134	5,664	5,490	174	3%	10,980
Sport and recreation		1,131	3,315	3,315	86	612	1,658	(1,046)	-63%	3,315
Public safety		150	760	760	3	368	380	(12)	-3%	760
Housing		11,967	12,401	12,401	1,021	6,054	6,200	(147)	-2%	12,401
Health		69	100	100	-	23	50	(27)	-55%	100
<i>Economic and environmental services</i>		17,700	23,286	23,286	423	2,963	11,643	(8,680)	-75%	23,286
Planning and development		7,783	5,166	5,166	187	1,857	2,583	(726)	-28%	5,166
Road transport		9,917	18,120	18,120	236	1,106	9,060	(7,954)	-88%	18,120
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,106,680	1,363,208	1,363,208	71,186	612,658	681,604	(68,946)	-10%	1,363,208
Energy sources		671,706	877,157	877,157	32,112	366,189	438,578	(72,390)	-17%	877,157
Water management		286,254	328,612	328,612	25,484	163,815	164,306	(491)	0%	328,612
Waste water management		86,142	86,848	86,848	8,144	47,788	43,424	4,364	10%	86,848
Waste management		62,577	70,592	70,592	5,446	34,867	35,296	(429)	-1%	70,592
<i>Other</i>	4	7,644	9,835	9,835	1,554	5,503	4,917	585	12%	9,835
Total Revenue - Functional	2	2,176,898	2,533,477	2,533,477	190,800	1,196,105	1,266,738	(70,634)	-6%	2,533,477
Expenditure - Functional										
<i>Governance and administration</i>		640,979	683,100	683,100	78,878	300,692	341,552	(40,860)	-12%	683,100
Executive and council		400,365	405,549	405,549	54,723	176,647	202,775	(26,128)	-13%	405,549
Finance and administration		234,323	270,570	270,570	23,483	120,774	135,287	(14,513)	-11%	270,570
Internal audit		6,291	6,982	6,982	672	3,272	3,491	(219)	-6%	6,982
<i>Community and public safety</i>		166,029	183,469	183,469	15,128	84,406	91,736	(7,329)	-8%	183,469
Community and social services		40,133	42,230	42,230	4,200	21,566	21,115	451	2%	42,230
Sport and recreation		47,702	55,822	55,822	4,276	24,359	27,912	(3,553)	-13%	55,822
Public safety		38,887	43,502	43,502	3,804	21,947	21,751	196	1%	43,502
Housing		21,940	23,480	23,480	1,181	10,225	11,740	(1,515)	-13%	23,480
Health		17,367	18,435	18,435	1,668	6,310	9,218	(2,908)	-32%	18,435
<i>Economic and environmental services</i>		123,036	139,819	139,819	15,185	65,700	69,910	(4,211)	-6%	139,819
Planning and development		39,994	48,172	48,172	3,748	19,670	24,087	(4,416)	-18%	48,172
Road transport		82,378	90,936	90,936	11,346	45,667	45,468	199	0%	90,936
Environmental protection		665	711	711	92	362	355	7	2%	711
<i>Trading services</i>		1,214,239	1,313,216	1,313,216	140,149	606,934	656,609	(49,674)	-8%	1,313,216
Energy sources		749,833	857,928	857,928	79,530	419,988	428,964	(8,976)	-2%	857,928
Water management		314,140	296,663	296,663	40,172	112,630	148,332	(35,701)	-24%	296,663
Waste water management		91,753	88,033	88,033	12,067	41,358	44,017	(2,658)	-6%	88,033
Waste management		58,513	70,592	70,592	8,379	32,958	35,296	(2,338)	-7%	70,592
<i>Other</i>		22,076	25,380	25,380	2,253	11,477	12,690	(1,214)	-10%	25,380
Total Expenditure - Functional	3	2,166,359	2,344,984	2,344,984	251,593	1,069,209	1,172,497	(103,288)	-9%	2,344,984
Surplus/ (Deficit) for the year		10,539	188,493	188,493	(60,793)	126,896	94,242	32,654	35%	188,493

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

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	478,759	70,882	208,308	239,379	(31,071)	-13.0%	478,759
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	6,804	5	1,120	3,402	(2,282)	-67.1%	6,804
Vote 05 - Community Services		90,521	110,627	110,627	7,387	47,692	55,313	(7,621)	-13.8%	110,627
Vote 06 - Financial Services		594,906	623,229	623,229	45,457	352,563	311,614	40,948	13.1%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	9,041	248	2,174	4,520	(2,346)	-51.9%	9,041
Vote 08 - Infrastructure And Services		1,056,784	1,305,018	1,305,018	66,822	584,248	652,509	(68,261)	-10.5%	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	2,533,477	190,800	1,196,105	1,266,738	(70,634)	-5.6%	2,533,477
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	5,708	25,856	28,942	(3,085)	-10.7%	57,883
Vote 02 - Municipal And General		335,678	335,456	335,456	47,938	145,654	167,728	(22,074)	-13.2%	335,456
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,917	10,100	12,513	(2,413)	-19.3%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,211	6,098	32,851	36,606	(3,755)	-10.3%	73,211
Vote 05 - Community Services		259,526	297,403	297,403	28,519	136,187	148,703	(12,515)	-8.4%	297,403
Vote 06 - Financial Services		126,380	152,611	152,611	12,600	65,686	76,306	(10,620)	-13.9%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,374	5,417	27,775	29,688	(1,913)	-6.4%	59,374
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,344,020	143,396	625,099	672,011	(46,912)	-7.0%	1,344,020
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	2,344,984	251,593	1,069,209	1,172,497	(103,288)	-8.8%	2,344,984
Surplus/ (Deficit) for the year	2	10,539	188,493	188,493	(60,793)	126,896	94,242	32,654	34.6%	188,493

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

R2021/22 Page - Table 04 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - 100 December										
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	45,372	350,029	301,853	48,176	16%	603,707
Service charges - electricity revenue		659,307	861,157	861,157	30,988	359,689	430,578	(70,890)	-16%	861,157
Service charges - water revenue		259,156	294,012	294,012	22,712	146,810	147,006	(196)	0%	294,012
Service charges - sanitation revenue		78,186	76,648	76,648	7,295	42,757	38,324	4,432	12%	76,648
Service charges - refuse revenue		56,401	59,567	59,567	4,790	30,979	29,783	1,196	4%	59,567
Rental of facilities and equipment		12,018	13,145	13,145	1,033	6,121	6,572	(451)	-7%	13,145
Interest earned - external investments		2,835	9,000	9,000	19	454	4,500	(4,046)	-90%	9,000
Interest earned - outstanding debtors		105,983	157,200	157,200	10,774	63,650	78,600	(14,950)	-19%	157,200
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		29,477	34,725	34,725	188	2,802	17,362	(14,561)	-84%	34,725
Licences and permits		6,383	6,500	6,500	1,518	5,347	3,250	2,097	65%	6,500
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		260,426	230,640	230,640	65,464	159,099	115,320	43,779	38%	230,640
Other revenue		17,354	19,411	19,411	646	7,303	9,706	(2,402)	-25%	19,411
Gains		5,736	-	-	-	974	-	974	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,064,336	2,365,711	2,365,711	190,800	1,176,014	1,182,856	(6,842)	-1%	2,365,711
Expenditure By Type										
Employee related costs		726,219	836,388	836,388	79,375	380,982	418,196	(37,214)	-9%	836,388
Remuneration of councillors		30,260	34,547	34,547	3,779	14,459	17,274	(2,815)	-16%	34,547
Debt impairment		344,346	275,000	275,000	68,750	137,504	137,500	4	0%	275,000
Depreciation & asset impairment		63,881	79,150	79,150	-	-	39,575	(39,575)	-100%	79,150
Finance charges		36,467	22,261	22,261	11,529	11,529	11,130	399	4%	22,261
Bulk purchases - electricity		540,953	647,000	647,000	44,636	323,386	323,500	(114)	0%	647,000
Inventory consumed		278,400	279,331	279,331	31,908	108,803	139,666	(30,863)	-22%	279,331
Contracted services		40,651	46,687	46,687	2,559	13,884	23,344	(9,460)	-41%	46,687
Transfers and subsidies		2,528	4,850	4,850	20	894	2,425	(1,531)	-63%	4,850
Other expenditure		102,187	119,770	119,770	9,038	77,768	59,887	17,881	30%	119,770
Losses		467	-	-	-	-	-	-	-	-
Total Expenditure		2,166,359	2,344,984	2,344,984	251,593	1,069,209	1,172,497	(103,288)	-9%	2,344,984
Surplus/(Deficit)		(102,023)	20,727	20,727	(60,793)	106,804	10,359	96,446	0	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,706	167,766	167,766	-	20,091	83,883	(63,792)	(0)	167,766
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2,856	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		10,539	188,493	188,493	(60,793)	126,896	94,242			188,493
Taxation								-		
Surplus/(Deficit) after taxation		10,539	188,493	188,493	(60,793)	126,896	94,242			188,493
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		10,539	188,493	188,493	(60,793)	126,896	94,242			188,493
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		10,539	188,493	188,493	(60,793)	126,896	94,242			188,493

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

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	32,000	2,096	14,716	16,045	(1,330)	-8%	32,000
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	8,000	-	-	4,000	(4,000)	-100%	8,000
Vote 08 - Infrastructure And Services		64,887	81,266	81,266	1,503	9,059	40,633	(31,574)	-78%	81,266
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	121,266	3,599	23,775	60,678	(36,904)	-61%	121,266
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		23,485	22,500	22,500	16	1,081	11,250	(10,169)	-90%	22,500
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	35,500	1,951	2,242	17,705	(15,463)	-87%	35,500
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	58,000	1,966	3,323	28,955	(25,632)	-89%	58,000
Total Capital Expenditure		119,502	179,266	179,266	5,566	27,097	89,633	(62,536)	-70%	179,266
Capital Expenditure - Functional Classification										
Governance and administration		50,177	55,500	54,500	2,112	15,796	27,295	(11,499)	-42%	54,500
Executive and council		50,177	55,500	54,500	2,112	15,796	27,295	(11,499)	-42%	54,500
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	8,000	-	-	4,000	(4,000)	-100%	8,000
Planning and development		3,126	8,000	8,000	-	-	4,000	(4,000)	-100%	8,000
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		66,199	115,766	116,766	3,454	11,301	58,338	(47,037)	-81%	116,766
Energy sources		16,469	67,500	67,500	1,977	3,029	33,750	(30,721)	-91%	67,500
Water management		1,312	1,000	2,000	43	319	955	(635)	-67%	2,000
Waste water management		48,418	47,266	47,266	1,434	7,953	23,633	(15,680)	-66%	47,266
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	119,502	179,266	179,266	5,566	27,097	89,633	(62,536)	-70%	179,266
Funded by:										
National Government		101,832	167,766	167,766	5,507	25,599	83,883	(58,284)	-69%	167,766
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		2,483	-	-	-	-	-	-	-	-
Transfers recognised - capital		104,315	167,766	167,766	5,507	25,599	83,883	(58,284)	-69%	167,766
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		15,186	11,500	11,500	59	1,498	5,750	(4,252)	-74%	11,500
Total Capital Funding		119,502	179,266	179,266	5,566	27,097	89,633	(62,536)	-70%	179,266

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M06 December

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		772,920	172,968	172,968	99,785	172,968
Call investment deposits		–	–	–	–	–
Consumer debtors		1,712,601	1,475,363	1,475,363	1,901,789	1,475,363
Other debtors		98,092	547,474	547,474	122,901	547,474
Current portion of long-term receivables		–	–	–	–	–
Inventory		39,323	47,025	47,025	61,407	47,025
Total current assets		2,622,936	2,242,830	2,242,830	2,185,881	2,242,830
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	1,964,370	1,892,008	1,964,370
Biological						
Intangible		10,339	7,307	7,307	10,339	7,307
Other non-current assets		12,071	11,864	11,864	12,071	11,864
Total non current assets		2,097,228	2,225,894	2,225,894	2,124,325	2,225,894
TOTAL ASSETS		4,720,164	4,468,724	4,468,724	4,310,206	4,468,724
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		39,774	45,623	45,623	40,228	45,623
Trade and other payables		998,149	590,399	590,399	840,687	590,399
Provisions		–	89,313	89,313	–	89,313
Total current liabilities		1,037,922	725,335	725,335	880,915	725,335
Non current liabilities						
Borrowing		182,267	172,829	172,829	177,258	172,829
Provisions		254,667	245,000	245,000	244,748	245,000
Total non current liabilities		436,934	417,829	417,829	422,006	417,829
TOTAL LIABILITIES		1,474,856	1,143,164	1,143,164	1,302,922	1,143,164
NET ASSETS	2	3,245,308	3,325,560	3,325,560	3,007,284	3,325,560
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,824,731	3,246,167	3,246,167	2,951,613	3,246,167
Reserves		57,205	79,393	79,393	57,205	79,393
TOTAL COMMUNITY WEALTH/EQUITY	2	2,881,935	3,325,560	3,325,560	3,008,817	3,325,560

C6 is not balancing. Total community wealth/equity is either under or overstated by R1,533 million. This was taken with BCX and they will investigate the matter.

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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	–	174,560	268,649	(94,089)	-35%	537,299
Service charges			1,857,261	901,622	901,622	–	511,178	450,811	60,367	13%	901,622
Other revenue			(872,756)	339,839	339,839	–	140,088	169,919	(29,831)	-18%	339,839
Transfers and Subsidies - Operational			23,639	230,640	230,640	–	7,189	115,320	(108,131)	-94%	230,640
Transfers and Subsidies - Capital			33,560	149,809	149,809	–	20,753	74,904	(54,151)	-72%	149,809
Interest			3,829	9,000	9,000	–	–	4,500	(4,500)	-100%	9,000
Dividends								–			
Payments											
Suppliers and employees			(1,553,798)	(1,875,821)	(1,875,821)	–	(377,965)	(937,911)	(559,945)	60%	(1,875,821)
Finance charges			–	(22,261)	(22,261)	–	–	(11,130)	(11,130)	100%	(22,261)
Transfers and Grants			–	(4,850)	(4,850)	–	–	(2,425)	(2,425)	100%	(4,850)
NET CASH FROM/(USED) OPERATING ACTIVITIES			53,113	265,277	265,277	–	475,803	132,638	(343,165)	-259%	265,277
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–		
Decrease (increase) in non-current receivables			–	36,867	–	–	–	18,434	(18,434)	-100%	36,867
Decrease (increase) in non-current investments									–		
Payments											
Capital assets			(116,394)	(179,266)	(179,266)	–	(21,531)	(89,633)	(68,102)	76%	(179,266)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(116,394)	(142,399)	(179,266)	–	(21,531)	(71,199)	(49,668)	70%	(142,399)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–		
Borrowing long term/refinancing									–		
Increase (decrease) in consumer deposits			(2,980)	(5,849)	–	183	(40,228)	(22,811)	(17,417)	76%	(45,623)
Payments											
Repayment of borrowing			–	(10,734)	(10,734)	–	–	(5,367)	(5,367)	100%	(10,734)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(2,980)	(16,583)	(10,734)	183	(40,228)	(28,178)	12,050	-43%	(56,357)
NET INCREASE/ (DECREASE) IN CASH HELD			(66,262)	106,295	75,277	183	414,044	33,261			66,521
Cash/cash equivalents at beginning:			96,534	93,891	93,891	–	43,007				
Cash/cash equivalents at month/year end:			30,272	200,186	169,168		457,051	33,261			66,521

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.

15. Municipal Manager's quality certification

Quality Certificate

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

☒

the Monthly Budget Statement

☐

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

☐

Mid-year Budget and Performance Assessment

For the month of **December 2021** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. G Akharwaray

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____

Date: 14 /01/2022