



## **MONTHLY BUDGET STATEMENT - MAY 2022**

To comply with section 71 of the MFMA and the requirements as promulgated in the MBRR Government Gazette No 32141 of 17 April 2009 by submitting the Monthly Budget Statement to the Executive Julyor, 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 June 2022**

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## **List of Abbreviations and Acronyms used in the MBS**

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

## **PART 1: IN-YEAR REPORT**

**TO: THE EXECUTIVE MAYOR**

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

### **1. Purpose**

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

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

The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on service delivery. The re-instatement of the Chief Financial Officer and the Municipal Manager, effective 23 August 2021 contributed positively to the stabilization of the municipality and improved accountability. The contract of the Municipal Manager ended during March 2022, and an acting Municipal Manager has been appointed. The municipality is facing serious challenges pertaining to the debt owed to Eskom which is escalating. This will be exacerbated with the billing of the high months from June to August 2022. The municipality had an engagement with National Treasury to discuss the Eskom challenges and find meaningful solutions. Currently the total debtors book is standing at R2.9 billion and the municipality is urging government, businesses and households to meet their obligation to the municipality or make arrangements with the municipality.

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

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

***Sol Plaatje (NC091): Monthly Budget Statement: May 2022***

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

## 2. Background

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

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

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

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

## 3. Executive summary

The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand (R'000)	YTD Budget May 2022	YTD Actual May 2022	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,173,773	2,030,487	(143,286)	93.4%	-6.6%
Total Revenue (including capital transfers and contributions)	2,306,679	2,072,570	(234,109)	89.9%	-10.1%
Total Operational Expenditure	2,210,846	1,792,740	(418,106)	81.1%	-18.9%

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

As indicated in Table 1 above, as at 31 May 2022, the billed revenue excluding capital grants amounted to R2,030,487 billion which resulted in a variance of minus 6.6% when compared to the YTD Budget of R2,173,773 billion. The billed revenue including capital grants resulted in an unsatisfactory variance of minus 10.1% when compared to the YTD budget of R2,306,679 billion. Going forward, Capital grants will be recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant has been met. The Total Operational Expenditure resulted in a negative variance of minus 18.9%.

Summary Statement of Financial Performance: Adjusted Budget					
Description R thousand	Adjusted Budget	YTD Actual May 2022	Variance Favourable (Unfavourable)	% YTD Actual vs Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % -91.67%
Total Revenue (excluding capital transfers and contributions)	2,372,218	2,030,487	1,832,802	85.6%	-6.07%
Total Revenue (including capital transfers and contributions)	2,513,884	2,072,570	1,863,080	82.4%	-9.22%
Total Operational Expenditure	2,421,569	1,792,740	1,590,942	74.0%	-17.63%

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

Indicated in Table 2 above is the YTD actual compared to the Adjusted Budget. When calculating the ideal In-Year-Monitoring percentage of 91.67% [calculated as follow: (100/12 months x 11 months of the year)] as at the end of May 2022, the Total operational revenue excluding capital grants versus the Adjusted Budget resulted in a variance of minus 6.07%. The Total operational revenue including capital grants versus the Adjusted Budget resulted in an unsatisfactory variance of minus 9.22%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 17.63%.

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) - May 2022										
Revenue by Source	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 91.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	603,707	45,481	577,082	553,398	104.3%	23,685	4.3%	95.6%	23,685	3.9%
Service charges - electricity revenue	861,157	56,816	668,810	789,393	84.7%	(120,584)	-15.3%	77.7%	(120,584)	-14.0%
Service charges - water revenue	294,012	18,476	265,924	269,511	98.7%	(3,586)	-1.3%	90.4%	(3,586)	-1.2%
Service charges - sanitation revenue	76,648	7,317	78,887	70,261	112.3%	8,626	12.3%	102.9%	8,626	11.3%
Service charges - refuse revenue	59,567	5,464	57,760	54,603	105.8%	3,157	5.8%	97.0%	3,157	5.3%
Rental of facilities and equipment	13,145	2,102	14,637	12,050	121.5%	2,587	21.5%	111.3%	2,587	19.7%
Interest earned - external investments	9,000	157	814	8,250	9.9%	(7,436)	-90.1%	9.0%	(7,436)	-82.6%
Interest earned - outstanding debtors	157,200	12,383	117,987	144,100	81.9%	(26,113)	-18.1%	75.1%	(26,113)	-16.6%
Fines, penalties and forfeits	34,725	279	4,448	31,831	14.0%	(27,384)	-86.0%	12.8%	(27,384)	-78.9%
Licences and permits	6,500	(31)	7,888	5,958	132.4%	1,930	32.4%	121.4%	1,930	29.7%
Agency services	-	-	-	-						
Transfers and subsidies	236,873	4,543	219,941	216,406	101.6%	3,535	1.6%	92.9%	2,808	1.2%
Other revenue	19,685	1,556	14,935	18,012	82.9%	(3,077)	-17.1%	75.9%	(3,109)	-15.8%
Gains on disposal of PPE	-	-	1,374	-		1,374			1,374	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,372,218</b>	<b>154,542</b>	<b>2,030,487</b>	<b>2,173,773</b>	<b>93.4%</b>	<b>(143,286)</b>	<b>-6.6%</b>	<b>85.6%</b>	<b>(144,046)</b>	<b>-6.1%</b>
Transfers and subsidies - capital	141,666	2,497	42,083	132,905	31.7%	(90,822)	-68.3%	29.7%	(87,777)	-62.0%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>2,513,884</b>	<b>157,039</b>	<b>2,072,570</b>	<b>2,306,679</b>	<b>89.9%</b>	<b>(234,109)</b>	<b>-10.1%</b>	<b>82.4%</b>	<b>(231,823)</b>	<b>-9.2%</b>

Table 3: Table C4 Financial Performance (Revenue)

## **Comparison against the YTD Budget**

- ❖ Property Rates is showing a positive YTD variance of 4.3%.
- ❖ Service charges is performing satisfactorily for the month under review, however Electricity revenue is showing a very concerning under-recovery of minus 15.3%, attributable to the billing being lower than anticipated. Sanitation service charges is showing an over-recovery of 12%, as a result of the actuals billed being higher than the YTD budget.
- ❖ Interest earned – External investments shows a negative variance of minus 90.1%, 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 hikes, also had a negative impact on Interest earned. The bulk of the interest earned normally gets recognised at year-end.
- ❖ Interest earned on outstanding debtors is showing a negative variance of minus 18.1%. The Billing section will have to do a thorough investigation into the lower interest generated and ascertain that interest is being duly charged to all outstanding balances that should attract interest and also confirm if interest write-offs are not erroneously done against the income vote.
- ❖ Fines, penalties and forfeits is showing a negative variance of 86% as a result of the under-recovery of Law enforcements fines with a 8.03% 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 17.68% against an annual target of R16,500 million. The bulk blocking of prepaid meters could not materialise but Credit Control is embarking on a campaign for debt collection efforts.
- ❖ Licences and permits is showing a positive variance of 32.4%, however there are possible outstanding payments due to the Department of Transport, Safety and Liaison. There is sometimes a delay in the timing of receipts and eventual transfer, especially towards month-end. The responsible employee for this function, retired and the unit is experiencing some change-over challenges in this regard. It appears there is improvement compared to the prior month.
- ❖ Capital grants is showing a negative variance of 68.3%, as a result of the lower than anticipated capital grant expenditure. Serious intervention will have to be taken by Management to improve on capital grant expenditure and capital expenditure overall.

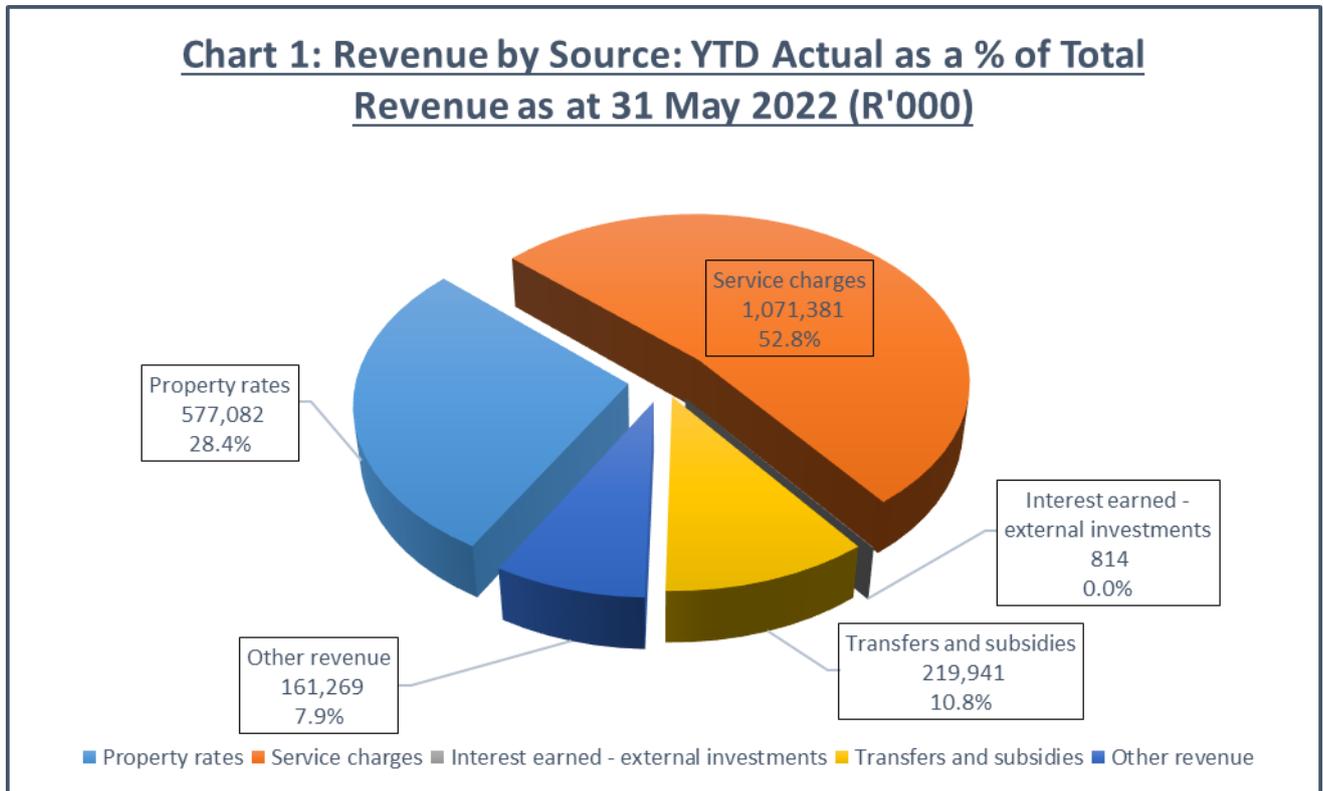
## **Comparison against Adjusted Budget**

Based on the IYM percentage of 91.67%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is performing satisfactorily.
- ❖ Service charges is performing satisfactorily. The negative variance on Electricity sales of 14% is higher than the acceptable variance of 5%. An investigation into the lower than expected billing should be conducted by the Billing Section.
- ❖ Interest from External Investments shows an unsatisfactory variance of minus 82.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on outstanding debtors is showing a negative variance of 16.6%. Same factors are applicable as described in the paragraph above
- ❖ Fines, penalties and forfeits is showing a negative variance of 78.9%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 29.7%. Same factors are applicable as described in the paragraph above.
- ❖ Other Revenue is lower than anticipated.

- ❖ Transfers – recognised capital is showing a negative variance of 62%, 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 May 2022. The main contributors of the municipality's revenue are Service Charges (52.8%), Property Rates (28.4%) and Transfers and subsidies (10.8%).



**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) - May 2022**

Expenditure By Type	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	% - 91.67%
Employee related costs	841,588	60,577	687,405	770,853	89.2%	(83,448)	-10.8%	81.7%	(84,051)	-10.0%
Remuneration of councillors	34,547	2,528	27,204	31,669	85.9%	(4,464)	-14.1%	78.7%	(4,464)	-12.9%
Debt impairment	275,000	0	138,030	252,083	54.8%	(114,054)	-45.2%	50.2%	(114,054)	-41.5%
Depreciation & asset impairment	79,150	-	-	72,554	0.0%	(72,554)	-100.0%	0.0%	(72,554)	-91.7%
Finance charges	63,461	2,188	20,222	53,366	37.9%	(33,144)	-62.1%	31.9%	(37,950)	-59.8%
Bulk purchases - electricity	647,000	(15,477)	515,622	593,083	86.9%	(77,461)	-13.1%	79.7%	(77,461)	-12.0%
Inventory consumed	231,509	39,712	193,542	217,797	88.9%	(24,255)	-11.1%	83.6%	(18,674)	-8.1%
Contracted services	41,222	3,984	26,295	38,425	68.4%	(12,130)	-31.6%	63.8%	(11,492)	-27.9%
Transfers and subsidies	4,850	-	2,546	4,446	57.3%	(1,899)	-42.7%	52.5%	(1,899)	-39.2%
Other expenditure	132,482	10,797	135,995	119,963	113.4%	16,032	13.4%	102.7%	14,553	11.0%
Loss on disposal of PPE	70,760	-	45,878	56,608	81.0%	(10,730)	-19.0%	64.8%	(18,985)	-26.8%
<b>Total Expenditure</b>	<b>2,421,569</b>	<b>104,308</b>	<b>1,792,740</b>	<b>2,210,846</b>	<b>81.1%</b>	<b>(418,106)</b>	<b>-18.9%</b>	<b>74.0%</b>	<b>(427,032)</b>	<b>-17.6%</b>

**Table 4: Table C4 Financial Performance (Expenditure)**

## **Comparison against YTD Budget**

As indicated in the Table 4 above, as at 31 May 2022 current YTD expenditure shows an unsatisfactory variance of minus 18.9%. The YTD actual amounted to R1,792,740 billion against the YTD Budget of R2,210,846 billion.

- ❖ Employee related costs shows an unsatisfactory variance of minus 10.8%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures. There was also a soft lock on the filling of non-critical vacancies for the past few months.
- ❖ Remuneration of councillors is showing an under-expenditure of 14.1%, as a result of the gazette on the Determination of upper limits of salaries, allowances and benefits of different members of municipal councils for 2021/2022 financial year that has not been issued. The gazette was issued recently and approval for implementation must be obtained from Council
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Herewith the response from the Asset Management Unit, why Depreciation cannot be recognised at least quarterly “The Asset Management System currently do not interface with the Financial System and this make it difficult, to post the transactions for depreciation monthly or quarterly. We currently have to pass journals in the financial system to recognise depreciation in the general ledger. This is due to the fact that the systems do not interface. Once journals are passed for depreciation and changes needs to be done for depreciation due to asset processes like disposals or impairment recognition, we will have to pass new journals for the correction of depreciation. The Asset Management System can currently interface with the Financial System but requires authorization from the service provider of the Financial System. Asset Management is one of the core functions that will be dealt with by the re-established mSCOA Steering Committee.”
- ❖ Debt impairment was provided for on a quarterly for the first two quarters. However, the municipality has been treating debt write-offs erroneously and all write-offs must be done directly against the expenditure vote and not against the Statement of Financial Position. This will be corrected as part of year end procedures.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 25.51% spent versus an adjusted budget of R6,984 million. Prepaid Electricity Vendors is 87.51% spent versus a budget of R25,500 million. The May 2022 invoice is due at the end of June 2022.
- ❖ Bulk purchases – Electricity is unsatisfactory and based on accrual accounting principles, the July 2021 to March 2022 ESKOM invoices were captured on the system. The April 2022 invoice was not timeously captured on the system and will be corrected in June 2022. The May 2022 invoice is due on 2 July 2022.
- ❖ Bulk purchases Water is treated in line with GRAP 12. Actuals are understated because the municipality was not billed for July and September 2021 and is awaiting the invoices from the Department. These invoices are therefore not captured on the system, resulting in the substantial understatement of this expenditure line item. The invoice for January 2022 was not captured on the system due to the incorrect volume billed. The Department must still correct this error.
- ❖ Transfers and subsidies show a negative variance of 42.7%. The grant funding of R2,200 due to the SPCA has been paid in full. Other grants also show minimal movement due to cash flow constraints.
- ❖ Finance charges is showing a negative variance of 62.1%. Interest on External borrowing is paid bi-annually and the second instalment for this financial year is due on of before 30 June 2022. Interest on overdue accounts was adjusted upwards in the Adjustment budget. Corrections on the actuals pertaining to Interest paid on overdue accounts will be journalised on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of 11.1%. It has been reiterated monthly that expenditure on Inventory consumed needs to 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:

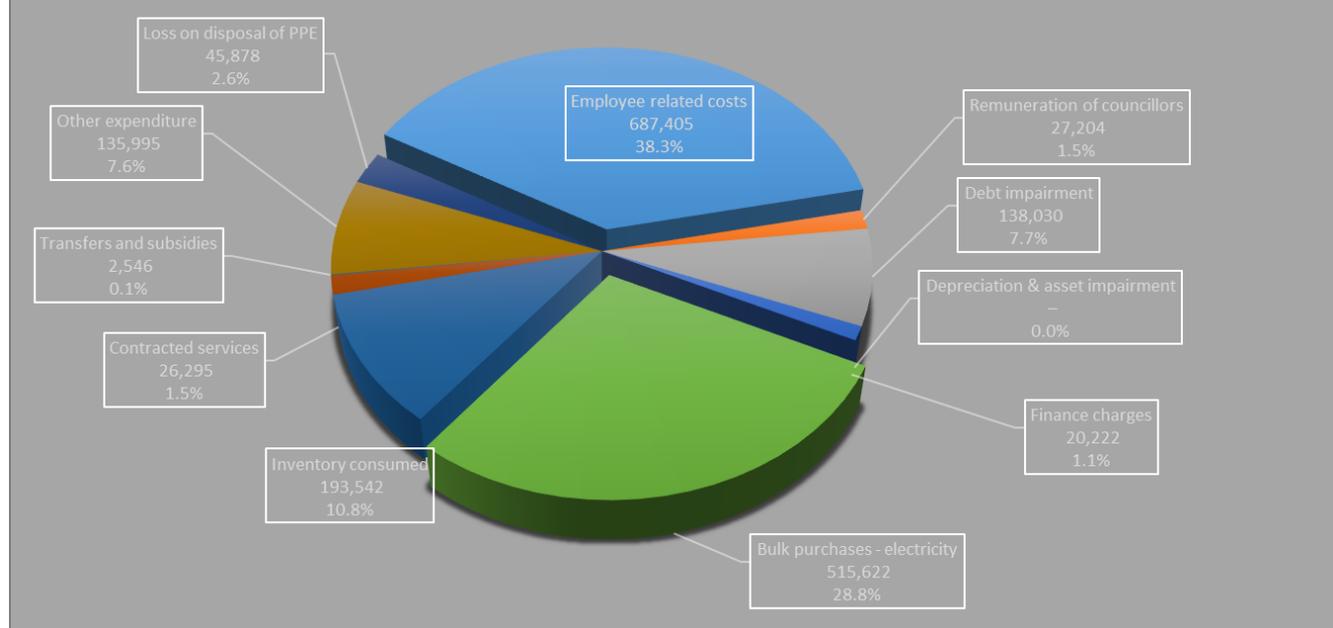
The possible root causes can vary from poor preventative maintenance strategies, poor planning, vehicles being at the Workshop for longer periods which is hampered by the availability of suitable parts, procurement processes exacerbated by a lack of valid tenders being in place for which the user departments are responsible for, clamping down on deviations and major works still outstanding for which proper procurement processes needs to be adhered to, and then prioritisation as a result of the cash flow constraints. It is advised that management finalise maintenance plans and implement these plans within the current financial constraints, ensure that remedial action be taken to improve on preventative maintenance and spend funds cost-effectively and efficiently to address service delivery issues and ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, overall personnel performance and productivity be monitored and improved.

### **Operating Expenditure by Type: Comparison against Adjusted Budget**

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

- ❖ Employee costs and Councillors remuneration is showing a negative variance of minus 10% and 12.9%, respectively. Same factors are applicable as explained above.
- ❖ Depreciation will be provided for at year-end. Same factors are applicable as explained above.
- ❖ Finance charges are paid bi-annually and show an unsatisfactory variance of 59.8%. Same factors are applicable as explained above.
- ❖ Debt impairment was provided for on a quarterly for the first two quarters. However, the municipality has been treating debt write-offs erroneously and all write-offs must be done directly against the expenditure vote and not against the Statement of Financial Position. This will be corrected as part of year end procedures.
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is unsatisfactory with a variance of minus 39.2%. The same factors are applicable as explained in the paragraph above.
- ❖ Water inventory and Loss on disposal of PPE (Water losses), corrective journals was passed but the actuals are understated, due to the issues pertaining to the July to August 2021 invoices and the January 2022.

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



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

Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 May 2022. The main cost drivers of the municipality are Employee Related Costs (38.3%), Debt Impairment (7.7%) and Bulk Purchases – Electricity (28.8%). It should be noted that these percentages are still slightly distorted as a result of the following:

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

## **Bulk Purchases: Electricity, Water inventory and Water losses**

❖ Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 91.67% as at end of May 2022, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 11.97%. The April 2022 invoice was not captured timeously on the system due to delay in the submission of the voucher as the responsible official was critically ill. The May 2022 invoice will also be captured in June 2022.

Description	Original Budget	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 91.67%
BULK PURCHASES: ELECTRICITY	647,000,000	647,000,000	-15,477,443	515,622,464	79.69%	-11.97%
<b>Total</b>	<b>647,000,000</b>	<b>647,000,000</b>	<b>-15,477,443</b>	<b>515,622,464</b>	<b>79.69%</b>	<b>-11.97%</b>

Table 5.1: Summary of YTD Bulk Electricity expenditure

❖ Indicated in Table 5.2 below, is the Water inventory which is showing a negative variance of minus 26.8% when compared to the ideal percentage of 91.67%. During the Adjustment budget and advised by NT, Bulk purchases water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal was done to correct the year-to-date actuals. The municipality is awaiting the July and September 2021 bulk water invoice from DWS and it has therefore not been committed on the system. This matter was taken up with the Department but has not been resolved. The erroneous January 2022 bill was not yet corrected by the Department. The municipality is awaiting feedback in this regard.

Description	Original Budget	Adjusted budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 91.67%
BULK PURCHASES: WATER	114,000,000	-	-	-	0.0%	-91.7%
INVENTORY - WATER	-	45,240,000	23,326,287	29,332,088	64.8%	-26.8%
NON-REVENUE WATER LOSSES	-	70,760,000	45,878,394	45,878,394	64.8%	-26.8%
<b>Total</b>	<b>114,000,000</b>	<b>116,000,000</b>	<b>69,204,681</b>	<b>75,210,482</b>	<b>64.8%</b>	<b>-26.8%</b>

Table 5.2: Summary of YTD Bulk Water expenditure

Organ of state	Principle debt	Monthly Instalment	Balance on Payment arrangement	Balance of unpaid invoices	Current Account due (May 2022)	Total Outstanding Debt	YTD Interest charged 2021/22
ESKOM	112,040,715.83	12,448,968.43	-	497,110,507	57,826,270	554,936,776	34,290,434
DWS (Water boards)	61,179,514.18	5,000,000.00	-	129,929,561	82,471	130,012,032	4,151,352
<b>Grand Total</b>	<b>173,220,230.01</b>	<b>17,448,968.43</b>	<b>-</b>	<b>627,040,068</b>	<b>57,908,741</b>	<b>684,948,809</b>	<b>38,441,786</b>

Table 6.1: Summary of outstanding Bulk costs debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R554,937 million. The debt for 2020/21 has been settled in full. The municipality envisaged to enter into a new payment agreement with ESKOM for the current financial year but due to severe financial constraints this was impossible. At this stage after careful consideration of the cash position, the municipality pays what it can afford for the month in terms of available cash. The total year to date interest charged on overdue accounts due to ESKOM amounts to R34,290 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

Also, indicated in Table 6.1 above, is the total outstanding debt owed to DWS amounts to R130,012 million. The total year to date interest charged on overdue accounts to DWS amounts to R4,151 million, which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. No

statement for interest charged for April to May 2022 were received from the Department. The debt agreement for 2020/21 has been settled in full. To date, the municipality could not enter into a new payment agreement with DWS for the current financial year due to severe financial constraints.

Month	Invoice amount	Paid to date on O/S invoices	Outstanding Balance	Arrear Debt	Current Acc
Aug-21	93,019,940.09	14,600,332.12	78,419,607.97	78,419,607.97	
Sep-21	54,138,006.95	-	54,138,006.95	54,138,006.95	
Oct-21	51,027,860.62	-	51,027,860.62	51,027,860.62	
Nov-21	50,812,779.51	-	50,812,779.51	50,812,779.51	
Dec-21	51,379,198.31	-	51,379,198.31	51,379,198.31	
Jan-22	53,401,058.31	-	53,401,058.31	53,401,058.31	
Feb-22	51,445,498.50	-	51,445,498.50	51,445,498.50	
Mar-22	54,651,968.15	-	54,651,968.15	54,651,968.15	
Apr-22	51,834,528.52	-	51,834,528.52	51,834,528.52	
May-22	57,826,269.53	-	57,826,269.53		57,826,269.53
<b>Total ESKOM</b>	<b>569,537,108.49</b>	<b>14,600,332.12</b>	<b>554,936,776.37</b>	<b>497,110,506.84</b>	<b>57,826,269.53</b>

Table 6.2: Summary of outstanding ESKOM debt

Indicated in Table 6.2 is the detailed breakdown of billed charges, amounts paid on the outstanding invoices and the outstanding balances per invoice. The outstanding balance is then split into the arrear debt (R497,111m) and the current account (R57,826m).

Payment date	Sum of VOTE AMOUNT
20210811	6,000,000.00
20210818	6,000,000.00
20210825	4,000,000.00
20210827	2,165,402.07
20210907	6,000,000.00
20210915	6,000,000.00
20210916	6,000,000.00
20210920	6,000,000.00
20211005	6,000,000.00
20211012	6,000,000.00
20211019	9,954,439.94
20211108	10,000,000.00
20211115	10,000,000.00
20211208	30,000,000.00
20220104	83,198.46
20220118	29,903,304.08
20220225	19,000,000.00
20220316	20,000,000.00
20220413	30,000,000.00
20220512	20,000,000.00
20220531	30,000,000.00
<b>Grand Total</b>	<b>263,106,344.55</b>

Payments per fin period	Amount paid in R
202108	18,165,402
202109	24,000,000
202110	21,954,440
202111	20,000,000
202112	30,000,000
202201	29,986,503
202202	19,000,000
202203	20,000,000
202204	30,000,000
202205	50,000,000
<b>Grand Total</b>	<b>263,106,345</b>

Table 6.3: Summary of ESKOM payments

Indicated in Table 6.3 is the total amount paid to ESKOM per financial period and per payment date for the 2021/22 financial year. For the month of May 2022, the municipality settled an amount of R50,000 million on outstanding invoices. The municipality does not have sufficient cash to settle the monthly current account.

Month (R amount)	Invoice amount	Paid to date on O/S invoices	Outstanding Balance	Arrear Debt	Current Acc
INTEREST CHARGES - JAN TO FEB 2022	950,146	-	950,146	950,146	
INTEREST CHARGES - MAR 2022	756,259	-	756,259	756,259	
FEB 2021 BULK ACCOUNT	15,328,510	3,000,000	12,328,510	12,328,510	
MAR 2021 BULK ACCOUNT	13,223,916	1,700,000	11,523,916	11,523,916	
INV NOT YET RECEIVED (JUN 2021)	-	-	-	-	
INV NOT YET RECEIVED (JUL 2021)	-	-	-	-	
AUG 2021 BULK ACCOUNT	14,685,183	-	14,685,183	14,685,183	
INV NOT YET RECEIVED (SEP 2021)	-	-	-	-	
OCT 2021 BULK ACCOUNT	15,275,087	-	15,275,087	15,275,087	
NOV 2021 BULK ACCOUNT	14,522,530	-	14,522,530	14,522,530	
DEC 2021 BULK ACCOUNT	11,107,773	-	11,107,773	11,107,773	
JAN 2022 BULK ACCOUNT	17,330,695	-	17,330,695	17,330,695	
FEB 2022 BULK ACCOUNT	16,436,777	-	16,436,777	16,436,777	
MAR 2022 BULK ACCOUNT	14,930,212	-	14,930,212	14,930,212	
WRM LEVIES APR 2022	82,471	-	82,471	82,471	
WRM LEVIES MAY 2022	82,471	-	82,471		82,471
<b>Total DWS</b>	<b>134,712,032</b>	<b>4,700,000</b>	<b>130,012,032</b>	<b>129,929,561</b>	<b>82,471</b>

Table 6.4: Summary of outstanding DWS debt

Indicated in Table 6.4 is the detailed breakdown of billed charges, amounts paid on outstanding invoices and the outstanding balances per invoice. The outstanding balance is then split into the the arrear debt (R129,930m) and the current account (R82k). It should be noted that the municipality's servitude (free water) commenced on 1 April 2022, therefore no billed charges is raised. The municipality raised a dispute on the billed volume for January 2022 and included in the arrear debt is the corrected billed amount. This was taken up with the Department, awaiting feedback from them. It should be noted that the total debt due to DWS needs to concurred with the Department. The debt owed to DWS is understated because the Department never billed the municipality for June 2021, relating to 2020/21 financial year and July and September 2021 for the current financial year. The mentioned invoices were therefore not received from the Department and is not loaded on the DWS Portal either. There is also a billing error on the August 2021 account which was taken up with the Department.

Payment date	Sum of VOTE AMOUNT
20210811	4,000,000.00
20210817	2,000,000.00
20210825	1,000,000.00
20210831	589,628.61
20210908	4,000,000.00
20210915	2,000,000.00
20210916	2,082,471.24
20210920	2,000,000.00
20211020	5,726,867.12
20211022	82,471.24
20211108	8,000,000.00
20211116	8,732,805.33
20211202	82,471.24
20211230	82,471.24
20220203	627,775.68
20220225	164,942.48
20220301	4,000,000.00
20220311	1,937,789.26
20220316	7,500,000.00
20220413	6,645,945.63
20220425	164,942.48
20220601	4,173,087.07
<b>Grand Total</b>	<b>65,593,668.62</b>

Payments per fin period	Amount paid in R
202108	7,589,629
202109	10,082,471
202110	5,809,338
202111	16,732,805
202112	164,942
202202	792,718
202203	13,437,789
202204	6,810,888
202205	3,637,789
202206	535,298
<b>Grand Total</b>	<b>65,593,669</b>

Table 6.5: Summary of DWS payments

Indicated in Table 6.5 is the total amount paid to DWS per financial period and per payment date for the 2021/22 financial year. For the month of May 2022 which was settle on 1 June 2022, the municipality settled an amount of R4,173 million on outstanding invoices. The municipality does not have sufficient cash to settle the current account due to DWS but make payments as cash becomes available.

### 4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - May 2022										
<u>Capital expenditure</u>	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 91.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	166,666	7,016	58,843	154,247	38.1%	(95,404)	-61.9%	35.3%	(93,934)	-56.4%
Funded by										
Capital transfers recognised	141,666	6,359	53,873	132,906	40.5%	(79,033)	-59.5%	38.0%	(75,988)	-53.6%
Internally generated funds	25,000	657	4,970	21,342	23.3%	(16,371)	-76.7%	19.9%	(17,946)	-71.8%
Weighting Capital transfer recognised	85%	91%	92%	86%						
Weighting Internally generated funds	15%	9%	8%	14%						

Table 7: High level summary: Capital Expenditure

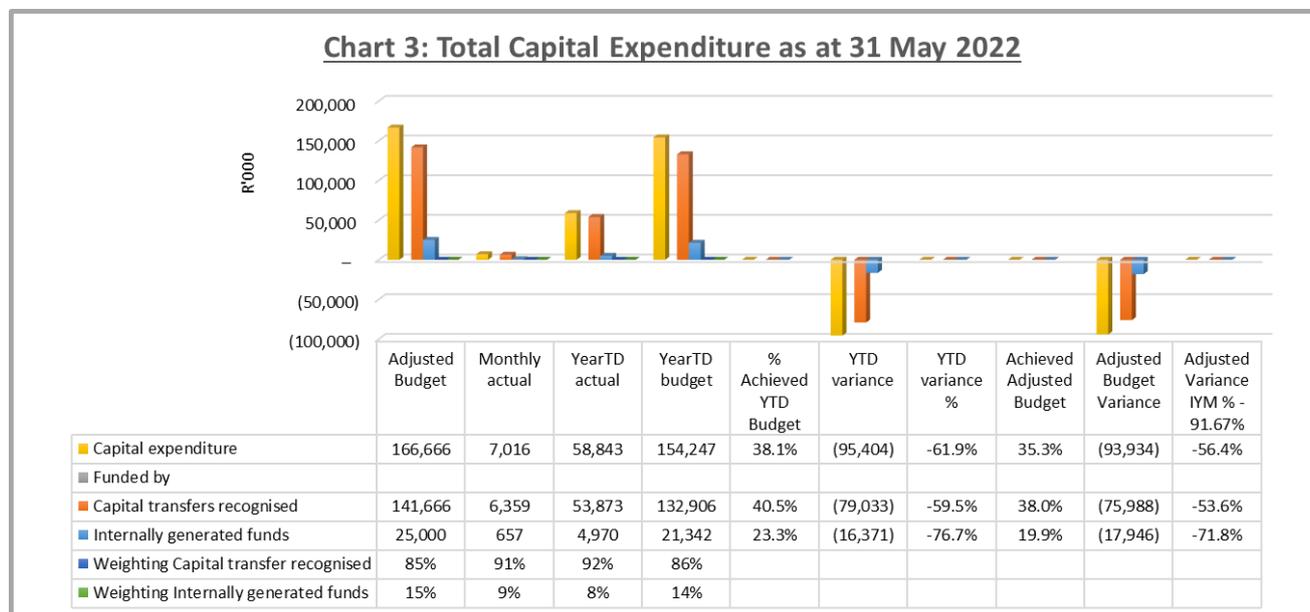


Chart 3: Total Capital expenditure

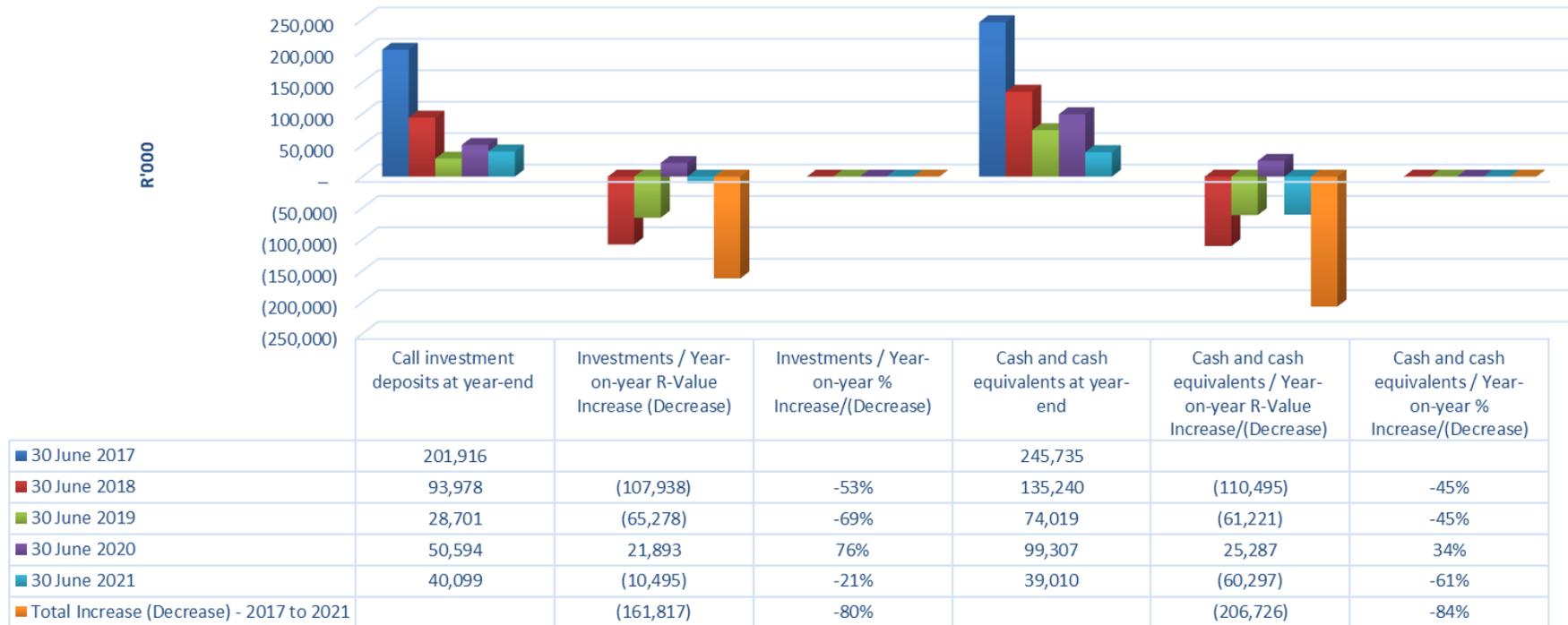
As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of May 2022 amounted to R58,843 million and 38.1% spent when compared to the YTD budget of R154,247 million and 35.3% spent when compared to the Adjusted Budget of R166,666 million. The total YTD capex is funded from Capital grants R53,873 million (92%) and Internally generated funds R4,970 million (8%). Capex is extremely low and major intervention is required for the new financial year. 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 May 2022**



**Chart 5: Call investment deposits at month-end**

As indicated in the Chart 5 above from April to May 2022 investments incl interest increased by R211 thousand or 0.4%, in respect of the month-to-month comparison. Investments increased by R11,524 million or 28.7% when compared to the previous years' audited balance of R40,099 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

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

**Chart 6.1: Cash & cash equivalents at month-end**

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

**Chart 6.2: Cost coverage ratio**

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

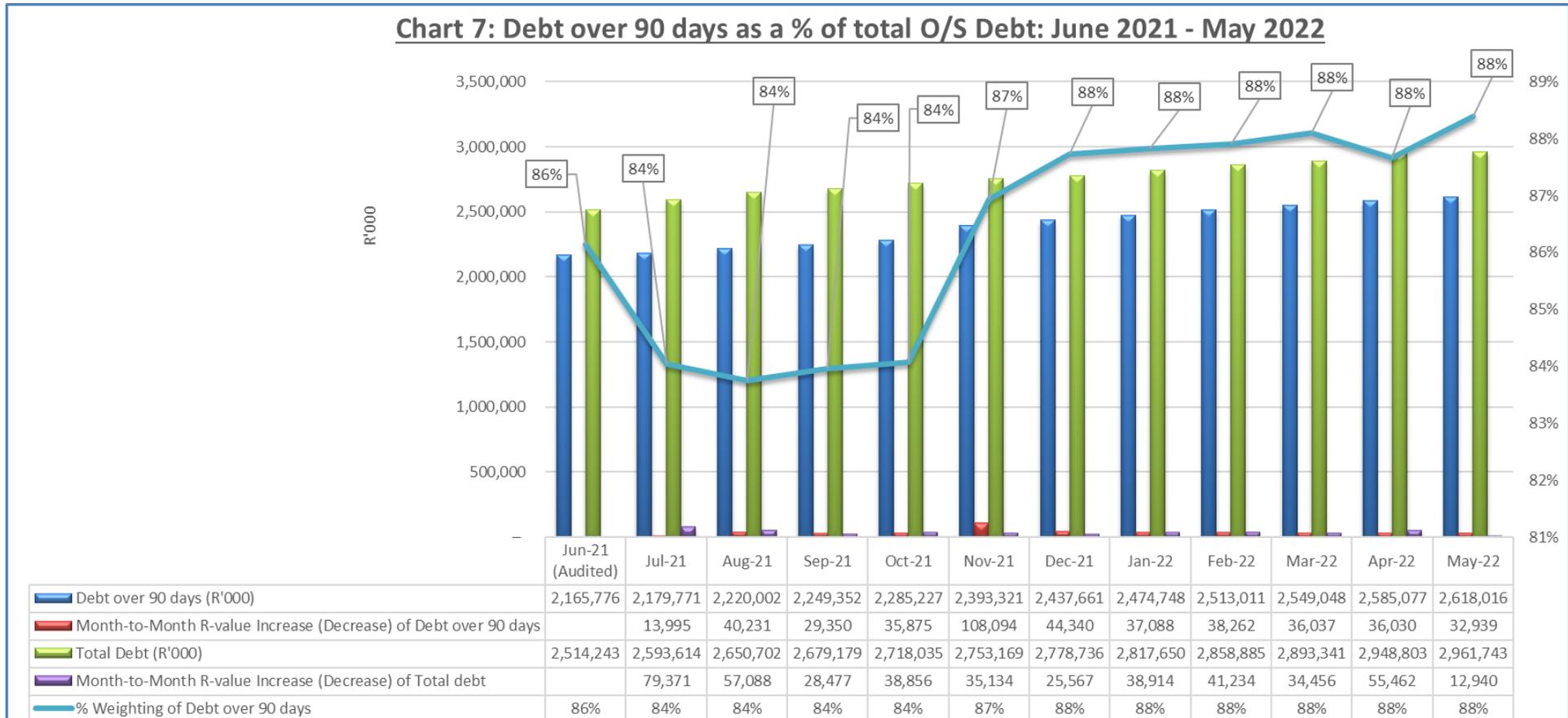
NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

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		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	45,251	18,256	18,555	505,545	-	-	-	-	587,607	505,545	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	56,383	11,857	9,582	218,632	-	-	-	-	296,454	218,632	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	54,078	14,865	13,761	729,928	-	-	-	-	812,632	729,928	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	12,427	4,467	4,223	158,950	-	-	-	-	180,067	158,950	-	-
Receivables from Exchange Transactions - Waste Management	1600	9,707	3,409	3,150	121,877	-	-	-	-	138,142	121,877	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,586	1,071	805	44,018	-	-	-	-	47,480	44,018	-	-
Interest on Arrear Debtor Accounts	1810	24,084	11,332	10,991	633,521	-	-	-	-	679,927	633,521	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	7,863	3,373	2,652	205,546	-	-	-	-	219,433	205,546	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>211,381</b>	<b>68,629</b>	<b>63,717</b>	<b>2,618,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,961,743</b>	<b>2,618,016</b>	<b>-</b>	<b>-</b>
<b>2020/21 - totals only</b>										-	-		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	34,064	11,492	9,535	774,154	-	-	-	-	829,244	774,154	-	-
Commercial	2300	74,666	17,782	14,473	407,720	-	-	-	-	514,641	407,720	-	-
Households	2400	99,915	38,215	38,613	1,384,890	-	-	-	-	1,561,633	1,384,890	-	-
Other	2500	2,736	1,141	1,097	51,253	-	-	-	-	56,226	51,253	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>211,381</b>	<b>68,629</b>	<b>63,717</b>	<b>2,618,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,961,743</b>	<b>2,618,016</b>	<b>-</b>	<b>-</b>

Table 8: Supporting Table SC3: Aged Debtors

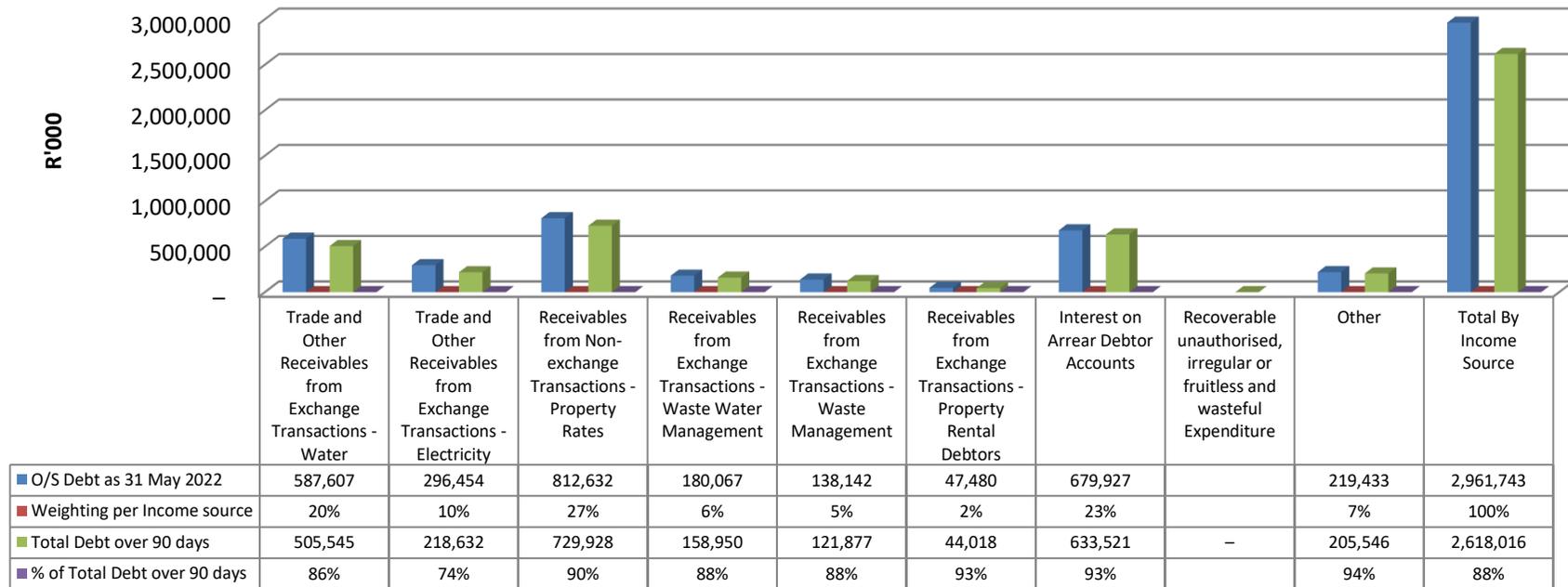
Indicated in Table 8 above, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R2,961,743 billion as at the end of May 2022. The Credit control office implemented the following contingencies. In the light of current cash flow and very low cashier collection at points, disconnection and blocking of institutions, businesses and Government Departments without valid arrangements or not in discussions with the municipality, should be done with immediate effect. 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.

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which remained constant at 88% for the period under review. Debt over 90 days increased by R32,939 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R12,940 million. It is concerning that total debt over 90 days is hovering at an average of 87 percent. During the Adjustment Budget funding assessment for 2019/20, NT advised that the municipality should consider writing off debtors that we know we are not realistically going to collect. To this end, the amounts written off as uncollectable amounted to R403,262 million for the year ended 30 June 2020. For the year ended 30 June 2021, the amounts written off as uncollectable amounted to R330,209 million. The total amounts written off as uncollectable for the two financial years amounts to R733,470 million.



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

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



**Chart 8: Outstanding Debt by Income Source**

Indicated in Chart 8 above, is the total outstanding debt per Income Source, including the weighting and the percentage of Total Debt over 90 days as at the end of May 2022. The highest percentage weighting of debt owed is attributable to:

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

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

- ❖ Interest on Arrear Debtor Accounts at 93%;
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Other at 94% and Property Rates at 90%.

Debtors Age Analysis By Income Source	O/S Debt as 30 April 2022	O/S Debt as 31 May 2022	Percentage month-on-month Increase/ (Decrease) in Debtors	R-Value Increase/(Decrease)	Weighting of Debt per Category as a % of Total O/S
Trade and Other Receivables from Exchange Transactions - Water	589,653,311	587,607,366	-0.3%	-2,045,945	20%
Trade and Other Receivables from Exchange Transactions - Electricity	299,954,988	296,454,038	-1.2%	-3,500,950	10%
Receivables from Non-exchange Transactions - Property Rates	811,887,527	812,631,919	0.1%	744,392	27%
Receivables from Exchange Transactions - Waste Water Management	176,972,306	180,067,393	1.7%	3,095,087	6%
Receivables from Exchange Transactions - Waste Management	135,678,118	138,142,383	1.8%	2,464,265	5%
Receivables from Exchange Transactions - Property Rental Debtors	46,076,650	47,480,243	3.0%	1,403,593	2%
Interest on Arrear Debtor Accounts	670,538,980	679,926,799	1.4%	9,387,819	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	218,041,286	219,433,324	0.6%	1,392,038	7%
<b>Total By Income Source</b>	<b>2,948,803,166</b>	<b>2,961,743,465</b>	<b>0.4%</b>	<b>12,940,299</b>	<b>100%</b>
<b>Debtors Age Analysis By Customer Group</b>					
Organs of State	836,511,607	829,243,942	-0.9%	-7,267,665	28%
Commercial	515,894,264	514,640,690	-0.2%	-1,253,574	17%
Households	1,540,928,419	1,561,632,817	1.3%	20,704,398	53%
Other	55,468,876	56,226,016	1.3%	757,140	2%
<b>Total By Customer Group</b>	<b>2,948,803,166</b>	<b>2,961,743,465</b>	<b>0.4%</b>	<b>12,940,299</b>	<b>100%</b>

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 April 2022 to May 2022, the municipality's total O/S debt increased by 0.4% or R12,940 million.

#### O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water decreased by 0.3%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity decreased by 1.2%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 0.1%.
- ❖ 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 3.0%.
- ❖ Interest on Arrear Debtor Accounts increased by 1.4%.
- ❖ Other increased by 0.6%.

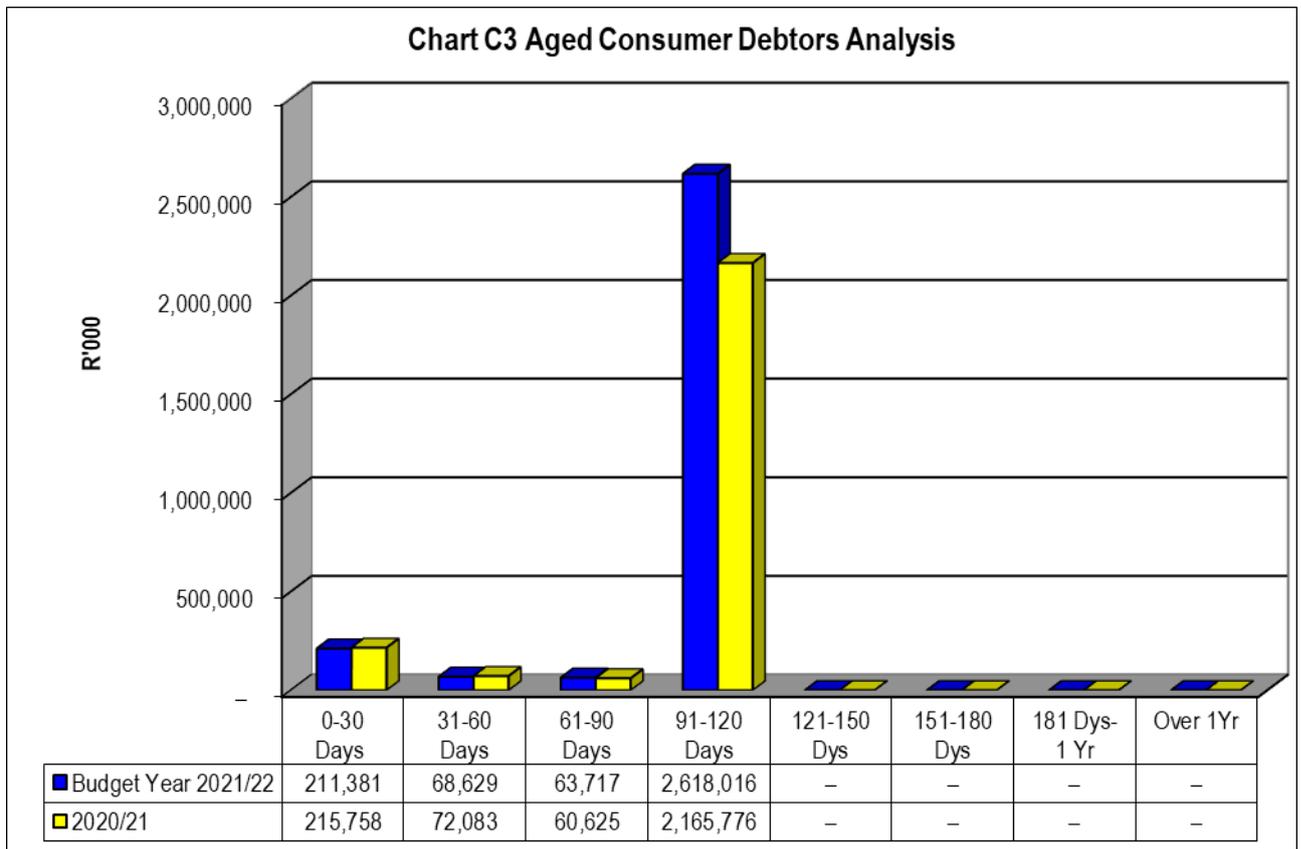
#### O/S debt per Customer Group

- ❖ Organs of State decreased by 0.9%.
- ❖ Commercial debtors decreased by 0.2%.
- ❖ Debt owed by Households increased by 1.3%.
- ❖ Other Debt increased by 1.3%.

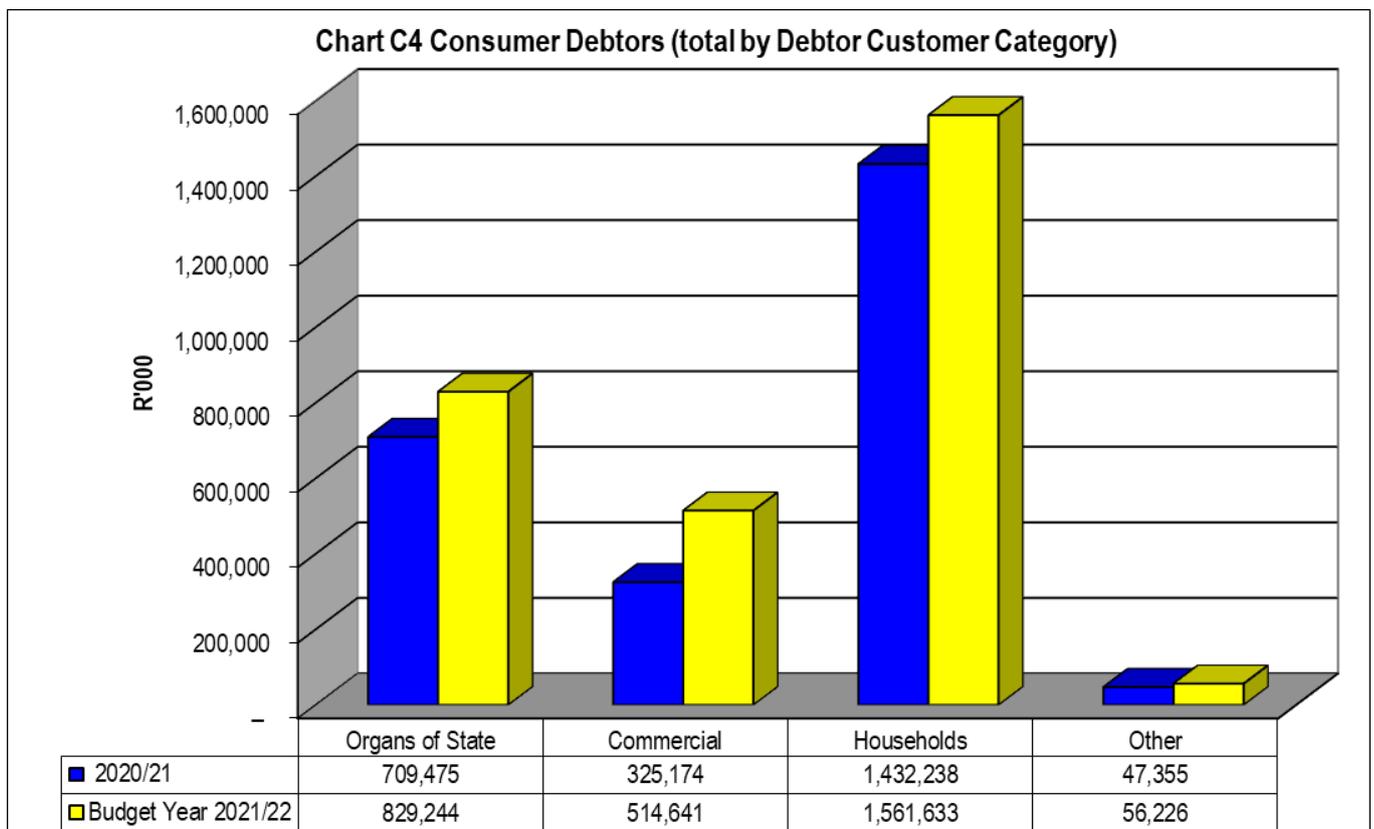
#### Weighting per Customer Group

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

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

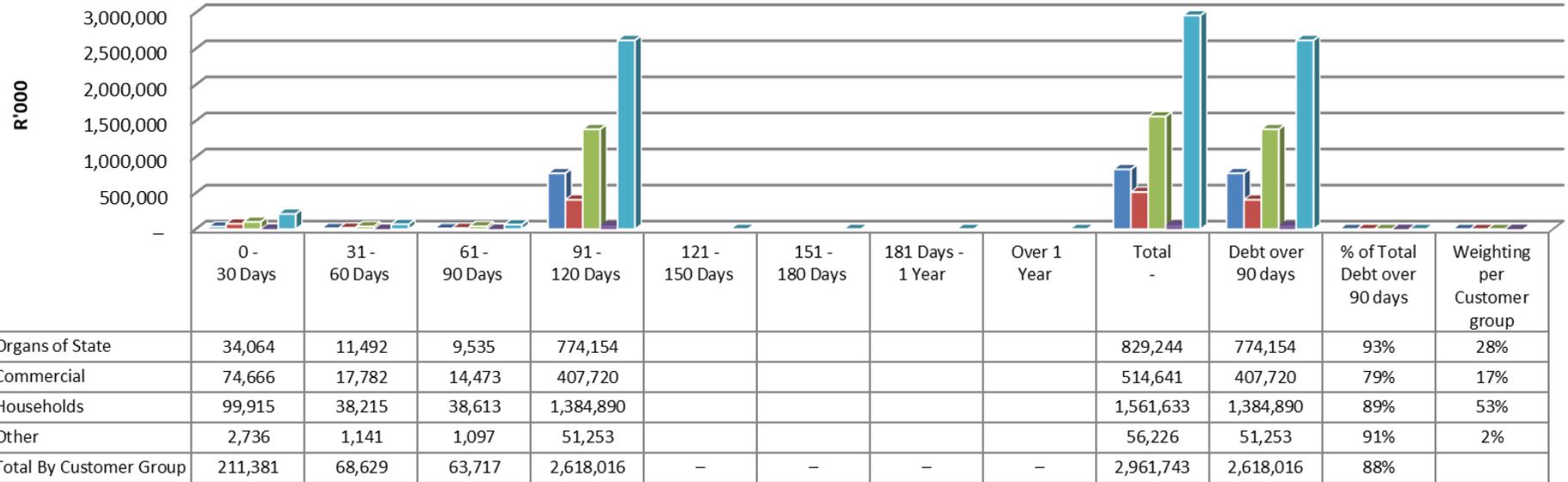


**Chart 9: Aged Consumer Debtor Analysis**



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

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



**Chart 11: Debtor's Age Analysis per Customer Group**

Chart 11 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 88%. An analysis revealed that the catalysts for this condition are the sheer volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. This is compounded by the large number of water leaks that go unreported which causes the accountholder's account to escalate beyond their means to pay. In addition to this, there is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. We have a backlog of processing this debt and submitting this to Council for approval to write off.

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

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

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

## Revised collection rate

As per Table 10 below, when taking into consideration what was billed in April 2022 and received in May 2022, the monthly collection rate is 66%. The average monthly collection rate is 67%. This is not an ideal situation and the lower collection rate is having a dire impact on the cash flow of the municipality. The current status quo cannot continue and drastic action will have to be taken to address the critical issue. Indicated in Table 11 below is the revised average collection of 72.8% for the period under review. When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 May to 31 May 2022. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September/October 2021 to settle their outstanding accounts. However, this is not materializing.

Monthly Collection Rate	Debits (Billed April 2022)	Credits (Received May 2022)	% Collected
PROPERTY RATES	45,481,367	30,339,169	67%
ELECTRICITY	36,018,568	29,926,451	83%
WATER	26,096,052	14,062,605	54%
SEWERAGE	8,652,043	3,495,916	40%
REFUSE	6,606,693	2,759,427	42%
OTHER	14,746,929	10,280,908	70%
<b>Total</b>	<b>137,601,651</b>	<b>90,864,476</b>	<b>66%</b>

Monthly collection rate per service												
Revenue source	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Average
Property Rates	62%	25%	81%	66%	63%	56%	62%	68%	62%	63%	67%	56%
Electricity excl Prepays	80%	77%	69%	80%	84%	87%	71%	84%	80%	86%	83%	80%
Water	85%	47%	47%	57%	52%	58%	44%	45%	50%	60%	54%	54%
Sewerage	48%	44%	43%	46%	44%	40%	39%	37%	43%	45%	40%	43%
Refuse	48%	47%	44%	49%	46%	43%	42%	41%	46%	47%	42%	45%
Other	108%	50%	108%	129%	103%	86%	126%	83%	88%	42%	70%	89%
<b>Monthly collection rate</b>	<b>74%</b>	<b>41%</b>	<b>69%</b>	<b>72%</b>	<b>67%</b>	<b>66%</b>	<b>64%</b>	<b>66%</b>	<b>65%</b>	<b>64%</b>	<b>66%</b>	<b>64%</b>
Average monthly collection rate for last four months (Sep 2021 to May 2022)												67%

Table 10: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL MAY 2022	YTD RECEIPTS	Rate
PROPERTY RATES	R 577,082,221	R 324,327,726	<b>56.2%</b>
SERVICE CHARGE ELECTRICITY	R 413,173,981	R 345,079,065	<b>83.5%</b>
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 255,635,538	R 255,635,538	<b>100.0%</b>
SERVICE CHARGE WATER	R 265,924,217	R 152,543,754	<b>57.4%</b>
SERVICE CHARGE SANITATION	R 78,887,418	R 39,742,604	<b>50.4%</b>
SERVICE CHARGE REFUSE	R 57,759,915	R 31,652,549	<b>54.8%</b>
OTHER	R 136,294,956	R 121,625,672	<b>89.2%</b>
UNALLOCATED CREDITS		R 29,116,109	
<b>REVISED AVERAGE COLLECTION RATE - MAY 2022</b>	<b>R 1,784,758,247</b>	<b>R 1,299,723,018</b>	<b>72.8%</b>

Table 11: Revised Average collection rate

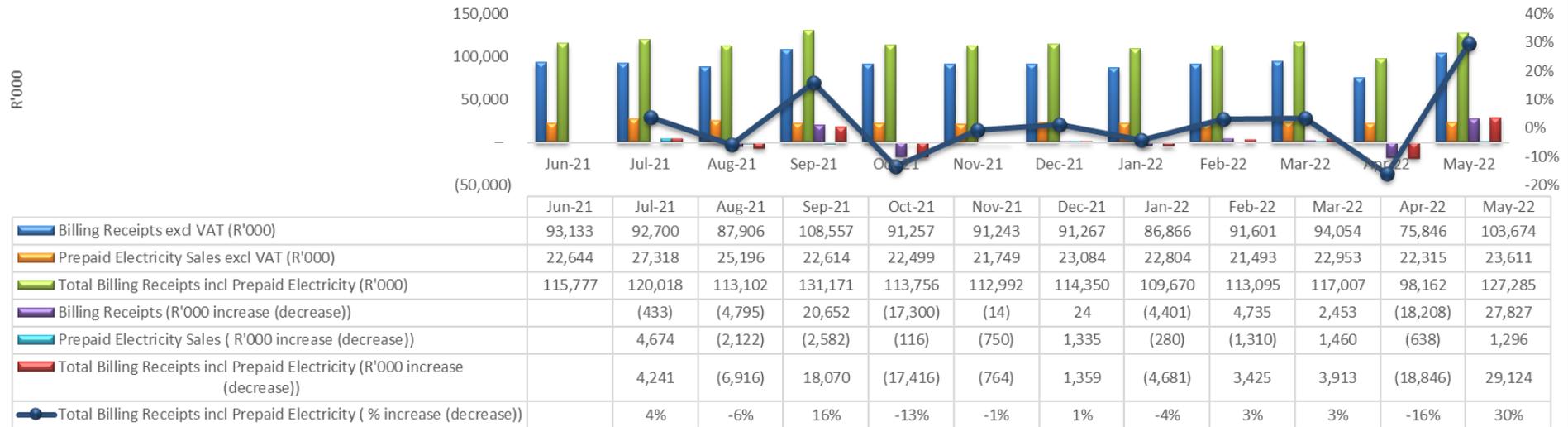
Indicated in the Tables 12 and 13 below, are the receipts per Service and per Debtor type as per the BS566 report

BS566 Payments per Service per Day/Period - Service													
Per Service	Tariff Code	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	TOTAL
PROPERTY RATES	VA	-	710.80	-	-	337.67	-	-	-	-	3,707.22	-	4,755.69
PROPERTY RATES	VA2010	98.54	400.00	73.74	270.53	-	-	-	-	34.10	-	34.93	911.84
PROPERTY RATES	VARESD	12,007,341.97	12,212,368.68	12,163,799.89	11,222,764.30	12,293,562.39	12,363,070.16	12,128,954.62	12,339,698.04	12,985,065.72	10,123,454.08	12,231,314.31	132,071,394.16
PROPERTY RATES	VASRA	679,537.02	722,394.72	699,696.30	604,340.70	747,694.53	440,138.49	528,009.78	489,285.20	785,104.34	51,698.79	590,045.62	6,337,945.49
PROPERTY RATES	VABCOM	12,149,403.43	14,308,811.99	15,446,038.89	13,892,475.88	12,974,181.89	11,752,697.83	12,430,278.68	14,967,037.26	14,470,105.49	10,598,471.63	14,008,828.33	146,998,331.30
PROPERTY RATES	VAIND	1,344,417.62	1,525,434.72	1,314,215.38	1,392,330.34	1,360,965.99	1,613,437.22	1,900,514.55	1,580,989.88	1,430,007.94	1,306,230.34	1,885,782.79	16,654,326.77
PROPERTY RATES	VAFAG	100,199.84	107,193.66	126,646.12	100,059.69	99,002.70	101,589.77	83,275.03	116,989.81	112,437.37	84,997.10	105,557.32	1,137,948.41
PROPERTY RATES	VAFARE	23,064.20	14,172.13	21,678.35	9,219.56	20,891.37	25,252.88	11,440.84	15,653.62	34,824.92	9,645.30	13,154.67	198,997.84
PROPERTY RATES	VAMUN	570.12	-	1,140.24	570.12	-	-	-	-	-	-	-	2,280.48
PROPERTY RATES	VAGOVN	962,992.98	1,446,092.14	7,006,585.48	545,618.29	499,289.09	769,807.21	349,257.59	1,367,140.19	686,729.78	1,397,593.41	3,211,585.71	18,242,691.87
PROPERTY RATES	VARESV	219,155.37	168,997.49	210,933.49	292,794.10	201,372.36	197,124.58	136,125.93	169,181.12	160,083.14	235,225.04	151,956.36	2,142,948.98
PROPERTY RATES	VAFBO	-	-	772.00	-	2,500.00	2,500.00	-	-	-	-	-	7.10
PROPERTY RATES	VAFABC	31,124.00	52,728.24	50,268.00	33,094.16	58,409.06	46,723.33	49,358.56	34,857.71	101,835.79	25,345.40	45,669.62	529,413.87
<b>TOTAL PROPERTY RATES</b>		<b>27,517,905.09</b>	<b>30,559,304.57</b>	<b>37,041,847.88</b>	<b>28,093,537.67</b>	<b>28,258,207.05</b>	<b>27,312,341.47</b>	<b>27,617,215.58</b>	<b>31,080,832.83</b>	<b>30,766,228.59</b>	<b>23,836,368.31</b>	<b>32,243,936.76</b>	<b>324,327,725.80</b>
BASIC ELECTRICITY	BE	467,974.35	474,997.38	528,492.86	492,282.43	496,021.06	455,352.49	464,061.99	449,545.16	507,939.64	436,930.90	499,539.82	5,273,138.08
ELECTRICITY	EL	28,210,519.51	34,737,091.67	37,135,052.34	32,776,764.99	29,021,762.79	30,778,191.55	24,843,424.93	30,668,346.82	29,967,837.52	26,568,567.98	35,098,367.14	339,805,927.24
PREPAID ELECTRICITY		27,317,859.54	25,196,134.81	22,614,270.11	22,498,541.03	21,748,681.17	23,083,580.02	22,803,671.63	21,493,347.43	22,952,937.01	22,315,026.65	23,611,488.97	255,635,538.37
<b>TOTAL ELECTRICITY</b>		<b>55,996,353.40</b>	<b>60,408,223.86</b>	<b>60,277,815.31</b>	<b>55,767,588.45</b>	<b>51,266,465.02</b>	<b>54,317,124.06</b>	<b>48,111,158.55</b>	<b>52,611,239.41</b>	<b>53,428,714.17</b>	<b>49,320,525.53</b>	<b>59,209,395.93</b>	<b>600,714,603.69</b>
BASIC WATER	BW	45,774.06	44,178.85	42,504.92	72,083.06	51,824.65	34,474.56	30,699.68	26,408.70	42,241.83	43,610.96	43,446.02	477,247.29
WATER CONSUMPTION	WA	16,299,907.56	9,977,711.36	14,816,830.56	9,438,590.61	14,778,821.25	15,159,806.92	12,215,625.34	13,704,604.24	13,771,702.44	13,699,678.14	18,203,228.13	152,066,506.55
<b>TOTAL WATER</b>		<b>16,345,681.62</b>	<b>10,021,890.21</b>	<b>14,859,335.48</b>	<b>9,510,673.67</b>	<b>14,830,645.90</b>	<b>15,194,281.48</b>	<b>12,246,325.02</b>	<b>13,731,012.94</b>	<b>13,813,944.27</b>	<b>13,743,289.10</b>	<b>18,246,674.15</b>	<b>152,543,753.84</b>
BASIC SEWERAGE	BS	245,124.26	182,272.32	199,980.15	245,775.14	214,603.14	204,780.42	368,602.87	175,296.35	249,426.23	184,481.34	345,566.49	2,615,908.71
SANITATION	SE	3,799,122.39	3,387,940.08	3,510,835.65	3,312,467.68	3,561,571.37	3,442,467.35	2,920,665.72	2,991,866.96	3,665,190.66	3,089,557.62	3,445,009.96	37,126,695.44
<b>TOTAL SANITATION</b>		<b>4,044,246.65</b>	<b>3,570,212.40</b>	<b>3,710,815.80</b>	<b>3,558,242.82</b>	<b>3,776,174.51</b>	<b>3,647,247.77</b>	<b>3,289,268.59</b>	<b>3,167,163.31</b>	<b>3,914,616.89</b>	<b>3,274,038.96</b>	<b>3,790,576.45</b>	<b>39,742,604.15</b>
REFUSE	BR	2,815,388.72	2,605,275.97	2,682,447.75	2,550,730.53	2,709,474.69	2,691,741.83	2,376,501.06	2,418,099.69	2,911,640.16	2,413,743.78	2,645,827.38	28,820,871.56
ADD REFUSE	RF	252,390.81	273,761.64	193,154.13	276,423.29	250,511.18	247,347.04	274,211.28	223,416.73	254,950.11	230,092.90	355,418.72	2,831,677.83
<b>TOTAL REFUSE</b>		<b>3,067,779.53</b>	<b>2,879,037.61</b>	<b>2,875,601.88</b>	<b>2,827,153.82</b>	<b>2,959,985.87</b>	<b>2,939,088.87</b>	<b>2,650,712.34</b>	<b>2,641,516.42</b>	<b>3,166,590.27</b>	<b>2,643,836.68</b>	<b>3,001,246.10</b>	<b>31,652,549.39</b>
INTEREST ON ARREARS	IN0001	34,721.11	39,204.54	41,963.66	28,142.74	19,396.33	17,368.91	17,354.63	17,590.35	4.88	11.01	11.45	215,769.61
INTEREST ON ARREARS	INBR	65,535.02	60,770.80	61,409.09	52,524.18	65,483.71	61,367.94	37,230.00	47,445.66	59,704.42	49,063.97	49,063.97	588,747.26
INTEREST ON ARREARS	INSE	89,478.44	76,410.67	71,230.70	86,879.14	85,086.47	97,432.68	47,300.38	60,109.07	60,497.25	75,991.36	69,733.35	820,149.51
INTEREST ON ARREARS	INWA	255,169.16	216,027.29	219,572.70	222,259.47	427,275.83	214,578.43	208,883.24	221,800.21	249,752.70	241,091.03	360,542.59	2,836,952.65
INTEREST ON ARREARS	INSU	51,029.35	49,019.46	31,523.87	39,452.06	36,368.04	45,614.78	19,818.59	18,998.19	25,474.68	58,057.75	26,950.58	402,307.35
INTEREST ON ARREARS	INBS	4,948.42	2,260.00	4,757.86	14,216.02	8,066.60	8,420.41	6,075.24	3,828.06	9,491.87	3,987.13	5,825.52	71,877.13
INTEREST ON ARREARS	INEL	326,905.24	219,210.02	222,915.63	220,809.65	286,709.58	200,136.54	64,737.15	112,812.99	178,861.00	185,963.32	267,123.38	2,286,184.50
INTEREST ON ARREARS	INBE	2,731.42	4,468.97	5,980.62	17,835.85	3,744.49	3,824.06	1,566.89	2,687.49	2,654.69	6,815.59	3,294.47	55,604.54
INTEREST ON ARREARS	INBW	4,757.82	1,733.39	1,825.24	15,571.01	5,112.68	1,877.42	1,582.93	2,702.67	1,585.37	2,145.53	2,344.62	41,238.68
INTEREST ON ARREARS	INRF	1,706.64	1,440.81	5,502.72	2,581.91	3,044.61	1,644.68	4,251.61	355.17	2,005.99	1,632.53	1,522.19	25,688.86
INTEREST ON ARREARS	INVA	255,616.54	321,812.05	313,042.98	364,777.88	357,950.83	315,285.62	191,197.44	180,050.79	246,783.77	338,330.83	315,183.22	3,200,031.95
<b>TOTAL INTEREST ON ARREARS</b>		<b>1,092,599.16</b>	<b>992,358.00</b>	<b>970,840.16</b>	<b>1,073,934.82</b>	<b>1,289,239.17</b>	<b>971,096.00</b>	<b>596,436.04</b>	<b>658,164.99</b>	<b>824,557.86</b>	<b>973,730.50</b>	<b>1,101,595.34</b>	<b>10,544,552.04</b>
DEPOSITS	DEWE	204,112.43	202,855.98	254,984.41	182,067.71	374,831.70	138,642.91	142,337.07	235,299.86	327,701.17	213,681.77	175,913.35	2,452,428.36
CREDITS NOT YET ALLOCATED	EX	10,745,412.33	3,566,948.92	10,241,165.37	11,905,763.87	8,948,611.32	8,949,416.33	14,356,279.75	8,241,232.85	9,114,450.57	2,973,021.60	8,647,118.64	97,689,421.55
SUNDRY DEBTORS	SU	818,020.20	718,375.28	714,650.82	635,311.16	1,131,199.14	689,547.75	487,728.51	556,291.02	1,088,463.00	454,701.68	549,150.07	7,843,438.63
HOUSE RENTALS	SU10	129,941.73	123,109.95	124,165.61	114,330.62	91,293.17	95,804.77	95,318.08	98,058.80	81,276.70	76,280.00	90,638.31	1,120,217.74
MISC 1	SU50	42,303.30	44,846.26	86,889.42	71,174.85	48,139.33	68,564.99	59,391.46	63,492.94	66,525.79	72,766.17	133,465.38	757,559.89
MISC 2	SU11	-	-	-	-	-	-	-	-	406,403.11	566,303.85	79,466.99	1,052,173.95
INFORMAL HOUSING	SU60	8,229.35	4,517.35	4,693.13	6,888.68	5,220.99	4,664.27	4,930.17	5,290.86	3,871.85	4,829.57	3,283.76	56,419.98
ARREARS MAGIC	SU70	1,598.50	426.23	1,217.59	145.95	192.44	16,787.82	262.31	172.07	171.98	724.62	907.07	22,606.58
SUNDRY COMMISSION	SUCOMM	1,583.93	961.85	1,422.09	1,308.13	1,132.25	910.87	1,270.93	1,005.30	1,013.24	864.07	1,056.40	12,529.06
COMM ON PNP	SUEASY	2,125.88	8,599.61	5,999.28	7,624.37	10,169.60	4,830.59	10,913.57	3,880.25	2,842.48	6,543.38	10,795.68	74,324.69
<b>OTHER</b>		<b>11,953,327.65</b>	<b>4,670,641.43</b>	<b>11,435,187.72</b>	<b>12,924,615.34</b>	<b>10,610,789.94</b>	<b>9,969,170.30</b>	<b>15,158,431.85</b>	<b>9,204,723.95</b>	<b>11,092,719.89</b>	<b>4,369,716.71</b>	<b>9,691,795.65</b>	<b>111,081,120.43</b>
VAT	VAT	7,861,034.92	7,821,334.01	8,943,726.80	7,413,858.05	7,717,700.85	7,977,565.90	6,556,229.09	7,610,231.57	7,760,943.51	7,012,064.57	9,140,623.61	85,815,312.88
<b>TOTAL RECEIPTS</b>		<b>100,561,068.48</b>	<b>95,726,867.28</b>	<b>117,500,900.92</b>	<b>98,671,063.61</b>	<b>98,960,527.14</b>	<b>99,244,335.83</b>	<b>93,422,105.43</b>	<b>99,211,537.99</b>	<b>101,815,378.44</b>	<b>82,858,543.71</b>	<b>112,814,355.02</b>	<b>1,100,786,683.85</b>
<b>TOTAL RECEIPTS LESS VAT</b>		<b>92,700,033.56</b>	<b>87,905,533.27</b>	<b>108,557,174.12</b>	<b>91,257,205.56</b>	<b>91,242,826.29</b>	<b>91,266,769.93</b>	<b>86,865,876.34</b>	<b>91,601,306.42</b>	<b>94,054,434.93</b>	<b>75,846,479.14</b>	<b>103,673,731.41</b>	<b>1,014,971,370.97</b>
<b>TOTAL RECEIPTS INCL PREPAIDS</b>		<b>120,017,893.10</b>	<b>113,101,668.08</b>	<b>131,171,444.23</b>	<b>113,755,746.59</b>	<b>112,991,507.46</b>	<b>114,350,349.95</b>	<b>109,669,547.97</b>	<b>113,094,653.85</b>	<b>117,007,371.94</b>	<b>98,161,505.79</b>	<	

BS566 Payments per Service per Day/Period - Debtor type													
Debtor Type Description	Debtor Type	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	TOTAL
BUSINESS KVA	BK	9,501,634.66	12,189,536.61	12,271,474.43	12,896,498.67	9,836,022.82	11,203,655.84	11,005,489.20	9,772,877.82	11,118,043.78	9,486,902.40	17,440,715.59	126,722,851.82
BUSINESS RESIDENTIAL	BR	792,204.29	897,256.49	985,137.71	857,766.56	1,017,521.76	892,903.26	886,370.12	748,852.38	868,017.00	779,787.75	705,895.84	9,431,713.16
BUSINESS	BU	28,016,684.19	27,693,890.64	26,624,836.40	26,111,421.16	23,484,405.93	26,238,868.71	26,093,566.13	23,557,750.79	25,530,628.89	22,029,494.58	25,489,787.92	280,871,335.34
CHURCHES	CH	86,323.44	79,220.18	128,513.69	100,431.31	100,733.39	109,731.01	110,883.09	167,175.65	129,902.72	73,927.08	95,010.61	1,181,852.17
COUNCILLOR	CL	31,186.52	40,726.69	82,562.07	32,897.14	35,876.93	36,239.45	95,498.28	65,442.15	85,342.89	47,634.47	75,656.84	629,063.43
COMMERCIAL	CO	2,090,027.46	2,068,011.34	3,275,997.26	2,271,213.96	2,047,682.18	2,046,286.19	2,059,203.74	2,001,790.18	2,243,805.66	1,307,383.91	2,166,782.42	23,578,184.30
DECEASED ESTATE	DE	-	-	-	-	-	-	685.72	-	-	-	-	685.72
GOVERNMENT - OTHER	GO	-	-	-	1,565.21	564.96	527.32	521.74	-	1,045.83	527.24	528.22	5,280.52
SCHOOLS	GS	1,696,524.31	1,681,033.13	1,865,739.52	1,790,450.47	2,190,439.37	1,881,969.19	1,801,302.51	2,114,343.28	1,949,185.02	1,509,088.61	1,999,618.35	20,479,693.76
INDIGENTS CANCELLED	IC	656,541.45	663,808.64	647,822.63	583,480.35	1,110,100.92	703,535.42	559,917.72	697,184.39	758,334.60	552,683.84	716,599.94	7,650,009.90
INDIGENTS	ID	1,314,980.60	1,184,815.32	1,142,862.02	1,074,581.88	1,198,276.32	1,100,506.30	1,184,133.91	1,128,246.76	1,233,279.96	1,116,198.29	1,172,240.07	12,850,121.43
INDIGENTS INFORMAL SETTLEMENT	IF	149,731.75	99,744.81	89,179.46	69,764.40	93,263.93	74,972.36	72,668.82	74,716.60	82,309.90	71,944.65	68,096.44	946,393.12
INDIGENT - LATE ESTATE	IL	1,536.92	614.97	676.07	1,123.97	975.66	624.30	502.59	502.59	989.66	665.26	494.83	8,706.82
INDIGENT PENDING	IP	400,782.73	339,621.13	329,250.14	340,655.07	322,932.12	292,587.30	327,972.71	277,901.93	282,336.56	276,166.84	285,677.36	3,475,883.89
INDUSTRIAL	IN	755,854.35	957,195.81	830,074.30	1,348,021.04	967,066.57	853,162.68	773,148.10	913,432.34	969,869.03	887,628.88	994,737.37	10,250,190.47
MUNICIPAL	MU	314,158.78	472,935.53	433,396.12	261,274.33	290,509.96	579,531.26	905,876.71	354,439.03	581,634.55	253,215.62	528,409.64	4,975,381.53
NAT: POLICE	NS	10,168.40	3,069.53	23,235.79	4,397.07	21,575.33	9,589.52	13,282.30	10,377.14	2,762.57	7,058.31	11,047.73	116,563.69
NAT: DEFENCE AND MILITARY VETERA	ND	1,145.68	-	3,703.05	1,234.35	1,234.35	1,234.39	1,234.39	1,234.35	-	-	1,234.35	12,254.91
NAT: CORRECTIONAL SERVICES	NN	393,926.33	336,758.10	368,797.83	749,918.30	54,055.97	-	310,515.47	633,294.99	314,552.34	312,375.89	311,539.87	3,785,735.09
NAT: PUBLIC WORKS	NP	8,578,764.15	3,825,996.97	19,696,804.47	8,293,431.09	10,482,512.06	7,281,994.39	7,657,564.96	10,729,844.89	9,299,947.45	4,793,597.44	14,772,632.53	105,413,090.40
NON-STAFF ACCOUNTS PAID BY STAFF	NS	392,271.09	345,389.80	354,724.64	372,226.17	387,468.60	357,588.85	334,954.18	372,790.48	328,796.20	278,304.13	379,719.13	3,904,233.27
OPEN SPACE	OP	13,501.16	7,071.83	8,048.47	47,565.03	6,701.93	8,264.45	9,491.03	8,561.68	63,437.76	7,207.97	9,468.04	189,319.35
OTHER	OT	364,200.88	417,037.71	356,532.05	615,018.42	275,817.50	329,013.22	294,062.19	258,758.41	270,566.03	179,062.24	263,906.14	3,623,974.79
PUBLIC: OTHER: PROV PUBLIC ENTIT	PO	5,330.30	2,024.12	5,393.39	5,393.39	5,393.39	5,393.39	8,771.28	2,015.50	5,768.71	5,393.39	5,393.39	56,270.25
PROV: SOCIAL DEVELOPMENT	P1	463,687.08	212,639.30	296,305.02	5,156.35	242,560.62	22,606.75	405,673.33	143,488.21	406,236.95	580,547.18	248,172.38	3,027,073.17
PROV: HOUSING AND LOCAL GOVERNME	P2	176,797.83	59,029.00	774.92	83.86	165,174.42	280,557.04	70,332.89	99,899.45	591.39	137,563.13	138,572.20	1,129,376.13
PROV: OFFICE OF THE PREMIER	P3	8,053.84	4,478.88	5,777.14	5,248.67	5,995.57	9,359.81	428.10	5,227.84	5,255.87	5,213.81	5,405.02	60,444.55
PROV: OTHER DEPARTMENTS	P4	220,239.28	161,874.69	215,156.78	20,587.82	163,814.38	208,088.72	95,910.02	110,200.29	114,619.73	117,773.58	21,622.71	1,449,888.00
PROV: AGRICULTURE	PA	46,365.72	-	57,465.35	-	77,148.57	-	-	62,556.47	-	-	-	243,536.11
PROV: EDUCATION	PE	1,920,364.15	2,451,676.00	2,800,969.94	2,751,698.66	2,075,529.60	546,646.46	381,472.55	5,291,518.90	3,218,022.75	869,652.14	2,873,982.36	25,181,533.51
PROV: HEALTH	PH	1,587,041.92	2,562,813.04	573,550.27	1,998,251.98	1,195,943.57	1,384,009.47	838,531.43	2,102,101.65	233,565.43	806,656.40	742,525.73	14,024,990.89
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,974,807.82	192,505.16	5,466,059.93	380,079.29	2,364,733.94	2,179,104.26	1,639,015.20	2,386,284.89	1,905,969.32	2,416,432.82	3,150,682.91	24,055,675.54
PROV: SPORT, ARTS & CULTURE	PS	48,261.96	266,211.88	2,048.25	2,853.55	123,577.80	904,599.50	393,908.03	50,011.19	-	-	236,679.09	2,028,151.25
RESIDENTIAL	RE	30,000,326.47	27,918,996.59	28,992,251.09	27,624,756.95	30,176,780.69	31,075,516.88	27,885,883.97	26,834,763.68	31,435,788.26	26,419,683.70	28,101,998.39	316,466,746.67
SUNDRY DEBTOR	SD	3,641.12	7,096.24	10,708.64	8,504.09	4,077.91	455.76	542.71	2,781.63	7,995.03	1,079.08	4,130.58	51,012.79
STALE REFUNDS	SR	78.00	-	-	-	-	-	-	-	-	-	-	78.00
STAFF	ST	676,590.57	752,437.47	601,311.45	604,052.59	707,859.52	637,225.46	633,464.30	609,359.61	591,980.62	504,085.33	640,178.74	6,958,545.66
UNKNOWN	UN	230.00	-	540.00	249.61	255.00	250.00	285.19	250.00	240.26	250.00	240.26	2,790.32
EXCEPTIONAL CIRCUMSTANCES	IE	6,068.36	10,015.67	9,493.83	25,352.80	8,242.75	10,171.02	12,811.73	11,329.28	13,612.21	11,293.18	14,348.42	132,739.25
VAT	VAT	7,861,034.92	7,821,334.01	8,943,726.80	7,413,858.05	7,717,700.85	7,977,565.90	6,556,229.09	7,610,231.57	7,760,943.51	7,012,064.57	9,140,623.61	85,815,312.88
<b>TOTAL RECEIPTS</b>		<b>100,561,068.48</b>	<b>95,726,867.28</b>	<b>117,500,900.92</b>	<b>98,671,063.61</b>	<b>98,960,527.14</b>	<b>99,244,335.83</b>	<b>93,422,105.43</b>	<b>99,211,537.99</b>	<b>101,815,378.44</b>	<b>82,858,543.71</b>	<b>112,814,355.02</b>	<b>1,100,786,683.85</b>
<b>TOTAL RECEIPTS LESS VAT</b>		<b>92,700,033.56</b>	<b>87,905,533.27</b>	<b>108,557,174.12</b>	<b>91,257,205.56</b>	<b>91,242,826.29</b>	<b>91,266,769.93</b>	<b>86,865,876.34</b>	<b>91,601,306.42</b>	<b>94,054,434.93</b>	<b>75,846,479.14</b>	<b>103,673,731.41</b>	<b>1,014,971,370.97</b>

Table 13: BS566 report on receipts per debtor type

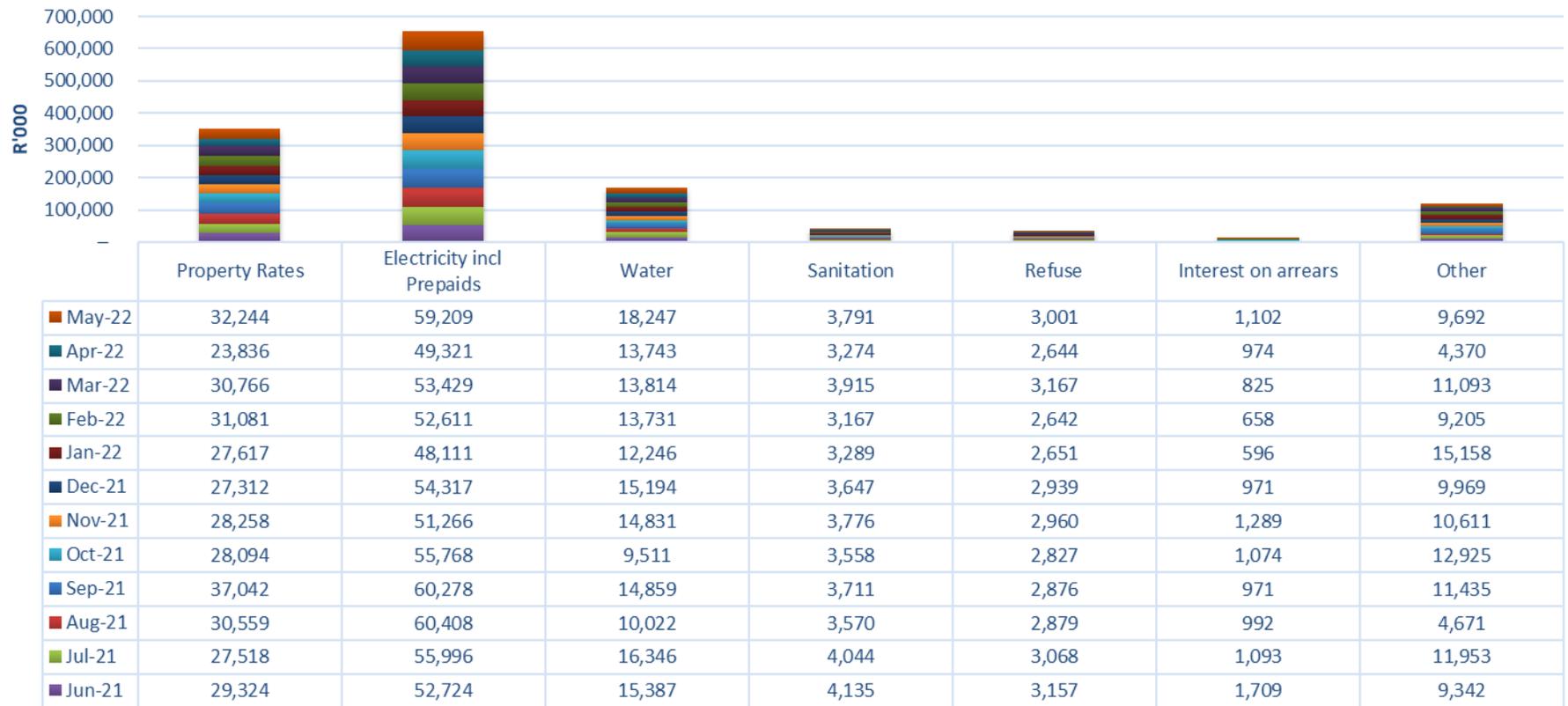
**Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2021 to May 2022**



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

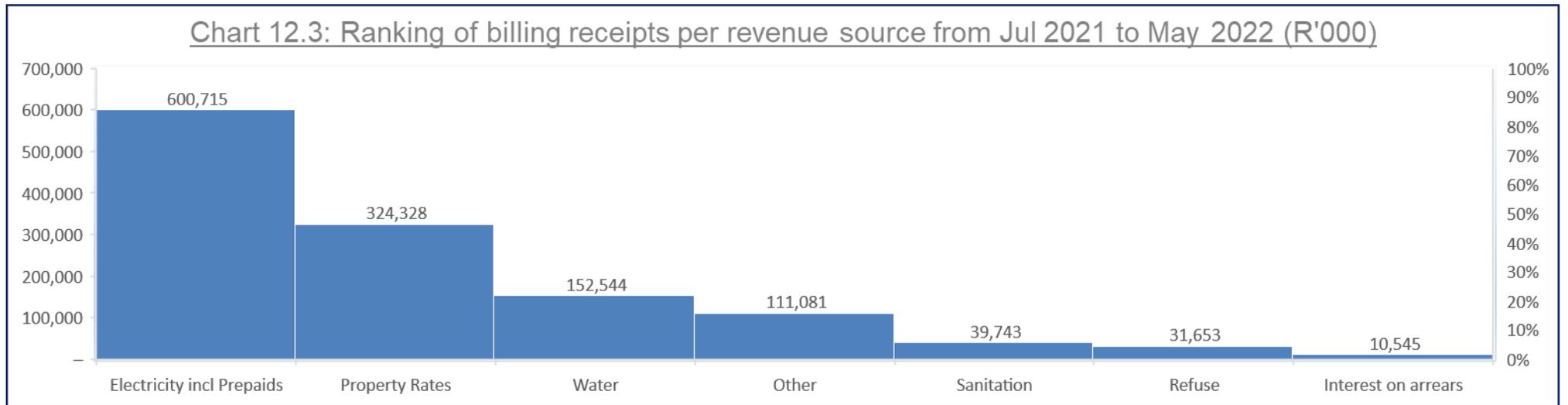
As indicated in Chart 12.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R127,285 million which resulted in an increase of R29,124 million or 30% in respect of the month-to-month comparison. The improvement is commendable and exactly what the municipality must strive for and this positive projectory should be maintained and enhanced. Unallocated billing receipts at month end amounted to R29,116 million. Unallocated receipts are not factored into the actual receipts as per the chart above.

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

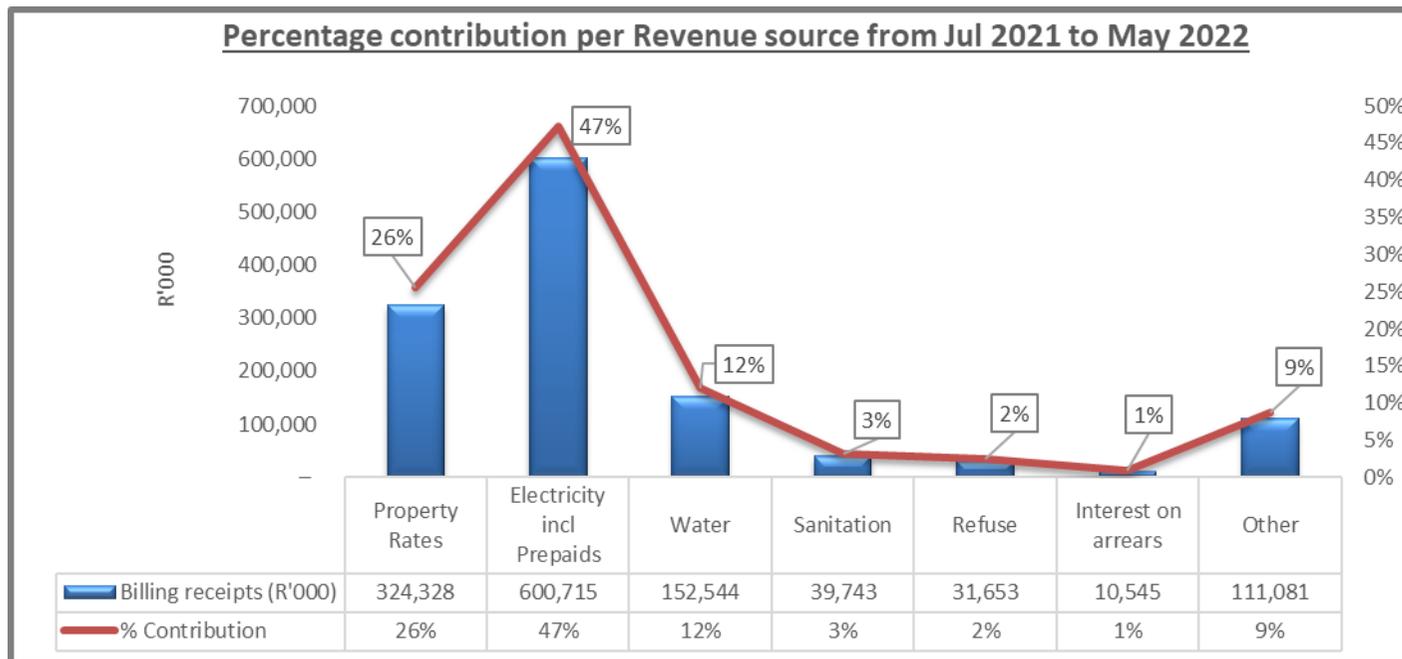


**Chart 12.2: Monthly billing receipts per revenue source**

Indicated in Chart 12.2 above, is the month-to-month receipts per Revenue source. Receipts are relatively constant based on the month-to-month comparison. The downward trend is concerning and indicative of the fact that the municipality is battling to collect its outstanding debt and more needs to be done to improve on its revenue collection. All revenue sources shows improved when compared to the previous month.



**Chart 12.3: Ranking of billing receipts per revenue source**



**Chart 12.4: Percentage contribution of billing receipts per revenue source**

Indicated in Chart 12.3 and 12.4 above, is the ranking and percentage contribution of receipts per revenue source from July 2021 to May 2022. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R600,715 million (47%) being received. This illustrates the sensitivity and vulnerability in respect of Electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. The second highest contributor is Property Rates at R324,328 million (26%), however more measures should be implemented to ensure that receipts from annual billing materialises. Receipts from Water constitutes 12% and Other 9% overall.

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

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

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

## 6. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2021/22									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	57,826	51,835	54,652	51,445	53,401	51,379	234,398	-	554,937	126,395	
Bulk Water	0200	82	82	15,686	17,387	17,331	11,108	44,483	23,852	130,012	100,986	
PAYE deductions	0300	8,962	-	-	-	-	-	-	-	8,962	9,449	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	7,416	-	-	-	-	-	-	-	7,416	7,361	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	962	661	25	27	-	-	-	-	1,675	164	
Auditor General	0800	-	-	-	-	-	-	-	-	-	671	
Other	0900	17,885	-	-	-	116	-	283	-	18,284	5,185	
<b>Total By Customer Type</b>	<b>1000</b>	<b>93,135</b>	<b>52,578</b>	<b>70,363</b>	<b>68,860</b>	<b>70,847</b>	<b>62,487</b>	<b>279,164</b>	<b>23,852</b>	<b>721,286</b>	<b>250,211</b>	

Table 14: Supporting Table SC4: Aged Creditors

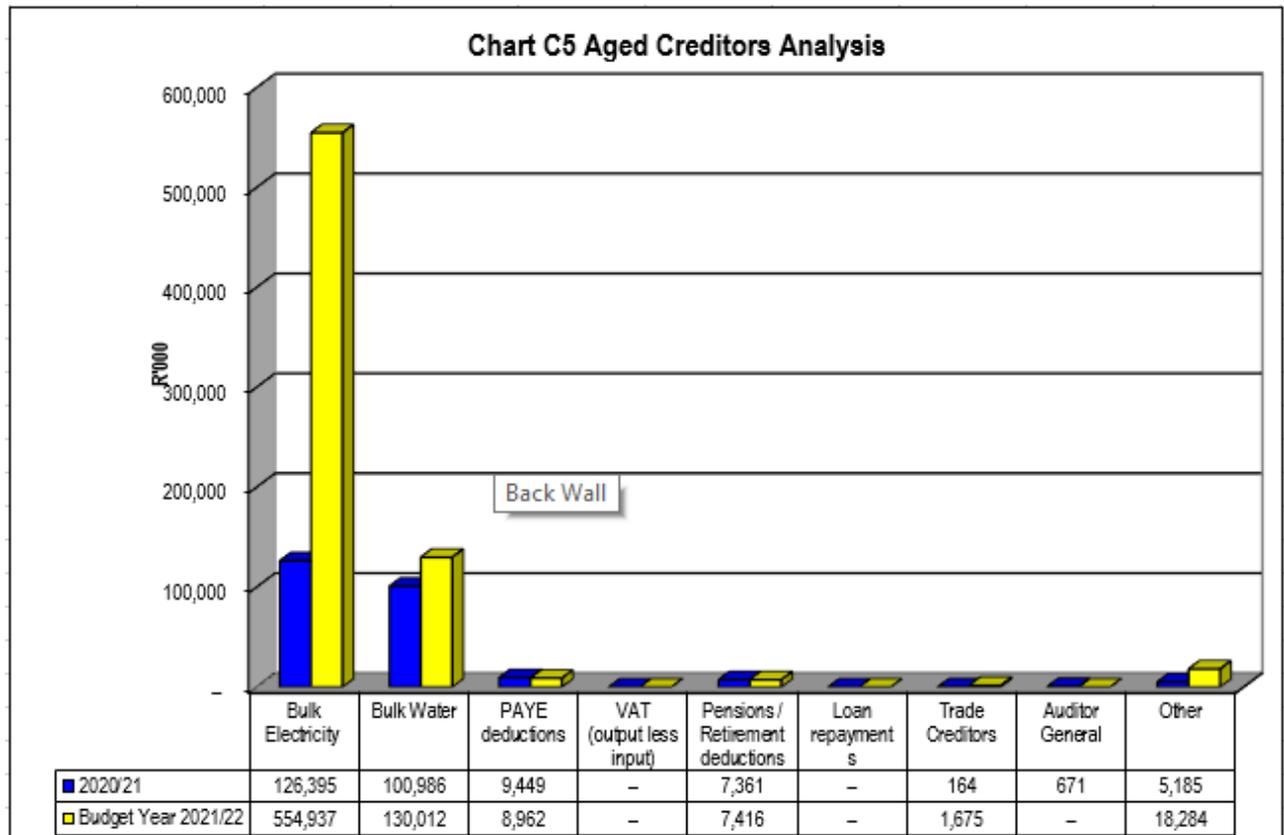


Chart 13: Aged Creditors Analysis

**Bulk Electricity** – As at the 31 May 2022, the outstanding debt owed to Eskom amounted to R554,937 million. The municipality could not conclude a new payment agreement with Eskom for the 2021/22 financial year.

**Bulk Water** – The outstanding debt owed to DWS is R130,012 million. The municipality is still awaiting the June 2021, July 2021 and September 2021 invoices from the Department. The municipality could not 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 R2,668 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** – all invoices are paid up to date.

**Other creditors** – includes Sundry creditors which were unpaid as at 31 May 2022 of which the biggest contributor is third party salary payments amounting to R15,038 million.

## 7. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 May 2022, the value of total investments made was R51,623 million including interest. Investments excluding interest amounted to R50,124 million. Part of investments made during the month where interest accrued which reflected an increase in investment and not as a result of increased revenue collection.

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

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May 2022														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<b>Municipality</b>														
Absa Bank 20 -6295-4443		12 mths	Notice	YES	Fixed	04.85			28.06.2022	7,679	32			7,711
Absa Bank 20 -8033-1750		03 mths	Notice	YES	Fixed	03.41			28.06.2022	25	0			25
Standard Bank 048466271-085		12 mths	Notice	YES	Fixed	05.850			10.11.2022	21,349	106			21,456
First National Bank			Call a/c	YES	Variable	04.10				5,651	20			5,671
Absa Bank			Call a/c	YES	Variable	04.10				5,607	15			5,622
Investec			Call a/c	YES	Variable	04.10				633	2			635
Nedbank			Call a/c	YES	Variable	04.00				5,303	17			5,320
Standard Bank			Call a/c	YES	Variable	04.25				5,164	19			5,183
<b>Municipality sub-total</b>										<b>51,412</b>		-		<b>51,623</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	2									<b>51,412</b>		-		<b>51,623</b>

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 - M11 May

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
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		245,173	222,840	223,855	-	208,031	205,082	2,949	1.4%	223,855
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		234,642	212,328	212,328	-	207,016	194,634	12,382	6.4%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	-	-	3,082	(3,082)	-100.0%	3,362
Infrastructure Skills Development Grant		4,661	5,500	5,500	-	-	5,042	(5,042)	-100.0%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	-	-	1,513	(1,513)	-100.0%	1,650
Municipal Disaster Relief Grant		-	-	1,015	-	1,015	812	203	25.0%	1,015
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		15,253	7,800	13,018	4,543	11,910	11,324	586	5.2%	13,018
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		8,207	7,800	8,518	4,150	8,518	7,724	794	10.3%	8,518
Expanded Public Works Programme		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Infrastructure Grant		7,046	-	4,500	393	3,393	3,600	(207)	-5.8%	4,500
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Finance and Admin		-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	260,426	230,640	236,873	4,543	219,941	216,406	3,535	1.6%	236,873
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		109,706	167,766	123,766	2,497	42,083	118,585	(76,502)	-64.5%	123,766
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		17,206	66,500	36,500	536	3,023	36,958	(33,935)	-91.8%	36,500
Integrated Urban Development Grant		50,328	66,266	66,266	1,756	25,991	60,744	(34,753)	-57.2%	66,266
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		22,881	10,000	-	-	52	1,167	(1,114)	-95.5%	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		19,291	25,000	21,000	205	13,017	19,717	(6,700)	-34.0%	21,000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	3,500	-	-	2,800	(2,800)	-100.0%	3,500
Specify (Add grant description)		-	-	3,500	-	-	2,800	(2,800)	-100.0%	3,500
<b>Other grant providers:</b>		2,856	-	14,400	-	-	11,520	(11,520)	-100.0%	14,400
[insert description]		-	-	-	-	-	-	-	-	-
European Union		2,856	-	14,400	-	-	11,520	(11,520)	-100.0%	14,400
<b>Total Capital Transfers and Grants</b>	5	112,562	167,766	141,666	2,497	42,083	132,905	(90,822)	-68.3%	141,666
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	372,988	398,406	378,539	7,040	262,024	349,312	(87,287)	-25.0%	378,539

Table 16: Supporting Table SC6: Transfers and grant receipts

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

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

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

## Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		111,662	101,646	106,261	8,923	91,747	96,404	(4,657)	-4.8%	106,261
Equitable Share		101,154	91,134	94,734	7,541	82,352	85,971	(3,620)	-4.2%	94,734
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	-	3,362	3,082	280	9.1%	3,362
Infrastructure Skills Development Grant		4,672	5,500	5,500	339	4,283	5,042	(758)	-15.0%	5,500
Local Government Financial Management Grant		1,666	1,650	1,650	783	1,490	1,513	(23)	-1.5%	1,650
Municipal Disaster Relief Grant		-	-	1,015	261	261	797	(536)	-67.3%	1,015
<b>Provincial Government:</b>		8,881	7,800	9,800	810	8,132	8,911	(779)	-8.7%	9,800
Capacity Building and Other Grants		5,019	7,800	8,300	123	6,717	7,547	(831)	-11.0%	8,300
Infrastructure Grant		3,862	-	1,500	687	1,415	1,364	52	3.8%	1,500
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Road Transport		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		120,543	109,446	116,061	9,733	99,879	105,315	(5,436)	-5.2%	116,061
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		101,832	167,766	123,766	2,497	39,823	118,586	(78,763)	-66.4%	123,766
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		16,469	66,500	36,500	536	677	36,958	(36,281)	-98.2%	36,500
Integrated Urban Development Grant		46,175	66,266	66,266	1,756	26,129	60,744	(34,615)	-57.0%	66,266
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		19,896	10,000	-	-	-	1,167	(1,167)	-100.0%	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		19,291	25,000	21,000	205	13,017	19,717	(6,700)	-34.0%	21,000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	3,500	-	3,629	2,800	829	29.6%	3,500
Specify (Add grant description)		-	-	3,500	-	3,629	2,800	829	29.6%	3,500
<b>Other grant providers:</b>		2,483	-	14,400	3,862	10,421	11,520	(1,099)	-9.5%	14,400
European Union		2,483	-	14,400	3,862	10,421	11,520	(1,099)	-9.5%	14,400
<b>Total capital expenditure of Transfers and Grants</b>		104,315	167,766	141,666	6,359	53,873	132,906	(79,033)	-59.5%	141,666
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		224,858	277,212	257,727	16,092	153,752	238,221	(84,469)	-35.5%	257,727

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 R19,083 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted allocation for the EPWP is R3,362 million. In addition to this, the municipality budgeted R6,000 million for this programme. Management has been in a process of reviewing this programme.

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	36,500,000	536,412	676,934	1.0%	1.9%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	66,266,000	1,755,508	26,129,259	39.4%	39.4%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	-	0.0%	-
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	21,000,000	205,341	13,016,584	52.1%	62.0%
EUROPEAN UNION	-	14,400,000	3,861,682	10,421,193	-	72.4%
FRANCES BAARD DISTRICT MUNICIPALITY	-	3,500,000	-	3,628,550	-	103.7%
<b>Grand Total</b>	<b>167,766,000</b>	<b>141,666,000</b>	<b>6,358,943</b>	<b>53,872,520</b>	<b>32.1%</b>	<b>38.0%</b>

Table 18: Summary of expenditure per grant

As indicated in Table 18 above, the YTD grant expenditure amounts to R53,873 million or 38% spent against the Adjusted capital grant allocation of R141,666 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. We are already in the fourth quarter and it is concerning that YTD expenditure is so low.

**Sol Plaatje (NC091): Monthly Budget Statement: May 2022**

It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

### **Rollover Grants: Expenditure**

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

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

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

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

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

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

#### [Table 19: Supporting Table SC7\(2\) - Expenditure against approved rollovers](#)

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

## 9. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	Budget Year 2021/22							
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands		A	B	C					D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		-	-	-	-	-	-	-	-
Pension and UIF Contributions		827	-	-	54	518	-	518	#DIV/0!
Medical Aid Contributions		339	-	-	31	238	-	238	#DIV/0!
Motor Vehicle Allowance		-	-	-	-	-	-	-	-
Cellphone Allowance		2,862	3,243	3,243	237	2,580	2,973	(392)	-13%
Housing Allowances		-	-	-	4	27	-	27	#DIV/0!
Other benefits and allowances		26,231	31,305	31,305	2,203	23,841	28,696	(4,855)	-17%
<b>Sub Total - Councillors</b>		<b>30,260</b>	<b>34,547</b>	<b>34,547</b>	<b>2,528</b>	<b>27,204</b>	<b>31,669</b>	<b>(4,464)</b>	<b>-14%</b>
<b>% increase</b>	4		<b>14.2%</b>	<b>14.2%</b>					<b>14.2%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages		9,434	8,600	8,600	478	7,717	7,884	(167)	-2%
Pension and UIF Contributions		984	1,108	1,108	82	965	1,015	(50)	-5%
Medical Aid Contributions		215	252	252	18	200	231	(32)	-14%
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2,042	1,961	1,961	126	1,631	1,797	(166)	-9%
Cellphone Allowance		168	202	202	11	143	185	(41)	-22%
Housing Allowances		36	39	39	2	24	36	(12)	-34%
Other benefits and allowances		15	105	105	1	16	97	(81)	-84%
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		56	62	62	6	59	57	2	3%
Post-retirement benefit obligations		-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>12,951</b>	<b>12,329</b>	<b>12,329</b>	<b>724</b>	<b>10,754</b>	<b>11,302</b>	<b>(548)</b>	<b>-5%</b>
<b>% increase</b>	4		<b>-4.8%</b>	<b>-4.8%</b>					<b>-4.8%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		395,579	450,593	450,575	33,616	383,193	413,058	(29,866)	-7%
Pension and UIF Contributions		63,864	76,857	76,857	5,331	59,007	70,453	(11,446)	-16%
Medical Aid Contributions		48,766	58,592	58,592	5,303	52,872	53,710	(838)	-2%
Overtime		5,493	4,146	4,096	375	4,522	3,775	747	20%
Performance Bonus		28,489	35,421	35,421	1,266	28,083	32,470	(4,387)	-14%
Motor Vehicle Allowance		38,306	51,621	51,621	3,529	38,508	47,319	(8,811)	-19%
Cellphone Allowance		1,296	1,499	1,499	110	1,283	1,374	(91)	-7%
Housing Allowances		2,696	3,158	3,158	221	2,415	2,895	(481)	-17%
Other benefits and allowances		63,958	63,880	69,147	7,214	71,621	62,728	8,893	14%
Payments in lieu of leave		29,135	14,000	14,000	870	11,917	12,833	(917)	-7%
Long service awards		23,136	22,791	22,791	2,017	22,209	20,892	1,316	6%
Post-retirement benefit obligations		12,550	41,500	41,500	-	1,021	38,042	(37,020)	-97%
<b>Sub Total - Other Municipal Staff</b>		<b>713,268</b>	<b>824,059</b>	<b>829,259</b>	<b>59,853</b>	<b>676,651</b>	<b>759,551</b>	<b>(82,900)</b>	<b>-11%</b>
<b>% increase</b>	4		<b>15.5%</b>	<b>16.3%</b>					<b>16.3%</b>
<b>Total Parent Municipality</b>		<b>756,479</b>	<b>870,935</b>	<b>876,135</b>	<b>63,104</b>	<b>714,609</b>	<b>802,521</b>	<b>(87,912)</b>	<b>-11%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>756,479</b>	<b>870,935</b>	<b>876,135</b>	<b>63,104</b>	<b>714,609</b>	<b>802,521</b>	<b>(87,912)</b>	<b>-11%</b>
<b>% increase</b>	4		<b>15.1%</b>	<b>15.8%</b>					<b>15.8%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>726,219</b>	<b>836,388</b>	<b>841,588</b>	<b>60,577</b>	<b>687,405</b>	<b>770,853</b>	<b>(83,448)</b>	<b>-11%</b>

Table 20: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 20 above, Employee related costs is underspent and showing a variance of minus 11%. This is attributable to Post-retirement benefit obligations that will be finalized as part of the year-end procedures and the soft lock on the filling of non-critical vacancies. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13<sup>th</sup> cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal.

Councillors Remuneration is slightly under-performing at 14%. This is attributable to the annual increase that has not been factored in, as the gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils. The gazette was issued with an increase of 3%, this must still be approved by Council for implementation. Management started to address the issues on Overtime which is higher than the ideal IYM percentage of 91.67%, at 125.8% spent. Backpay was paid to firemen at Emergency Services backdated from December 2019. The total amount paid out during the first quarter of the financial year was R1,923 million.

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

The Overtime controls is no longer as effective and the desired outcome to remain within budget, 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.

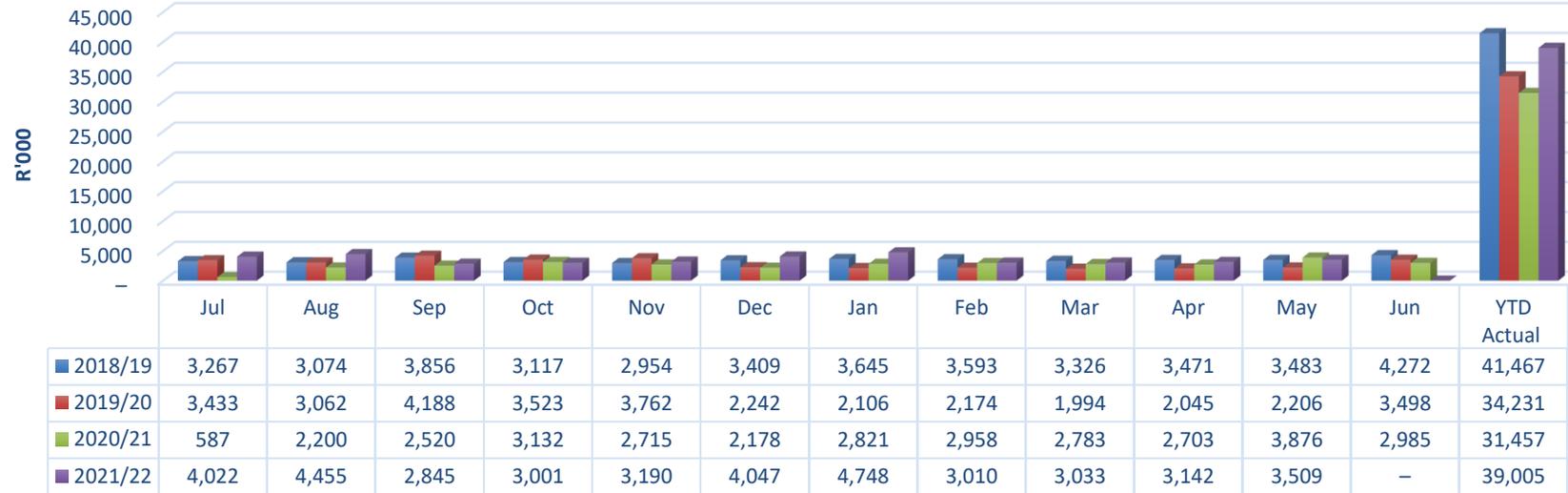
And indicated in Table 21 below, is the YTD Overtime expenditure excluding Night-shift allowance per line item and also per Directorate as at end of May 2022.

Description per line item (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	% Variance vs ideal of 91.67%
MS: OVERTIME - NON STRUCTURED	18,771,000	3,305,876	31,347,666	167.0%	75.3%
MS: OVERTIME - STRUCTURED	12,237,841	203,515	7,657,501	62.6%	-29.1%
<b>Overtime as at 30 May 2022</b>	<b>31,008,841</b>	<b>3,509,390</b>	<b>39,005,166</b>	<b>125.8%</b>	<b>34.1%</b>
Directorate (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	% Variance vs ideal of 91.67%
20-EXECUTIVE AND COUNCIL	205,000	47,041	226,668	481.9%	18.9%
21-MUNICIPAL AND GENERAL	-	-	-	-	
22-MUNICIPAL MANAGER	-	-	15,708	-	
23-CORPORATE SERVICES	1,760,000	225,340	1,590,751	90.4%	-1.3%
24-COMMUNITY SERVICES	11,729,441	1,388,525	18,119,536	154.5%	62.8%
26-FINANCIAL SERVICES	453,000	64,104	1,104,339	243.8%	152.1%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	259,000	81,213	857,726	331.2%	239.5%
28-INFRASTRUCTURE SERVICES	16,602,400	1,703,167	17,090,438	102.9%	11.3%
<b>Overtime as at 30 May 2022</b>	<b>31,008,841</b>	<b>3,509,390</b>	<b>39,005,166</b>	<b>125.8%</b>	<b>34.1%</b>

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 R39,005 million and 125.8% spent, resulting in a negative variance of 34.1%, when compared to the ideal percentage of 91.67% for the period under review.

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



**Chart 14: Monthly and Annual Overtime Comparison**

Indicated in Chart 14 above, is the monthly and annual Overtime comparison from July 2018 to May 2022. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, controls to curb Overtime is no longer as effective and the full-year forecast is estimated at R43 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 30 June 2022.

## 11. Capital programme performance

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

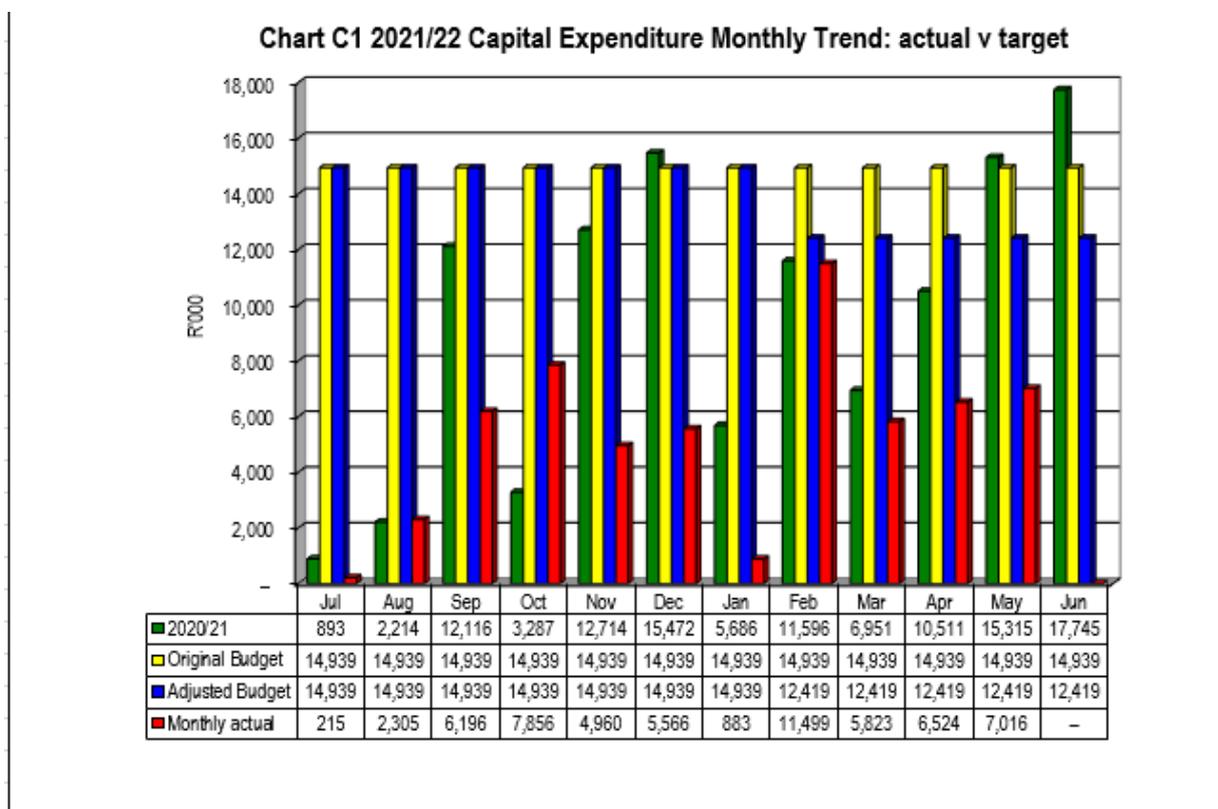


Chart 15: Capital Expenditure Monthly Trend: actual v target

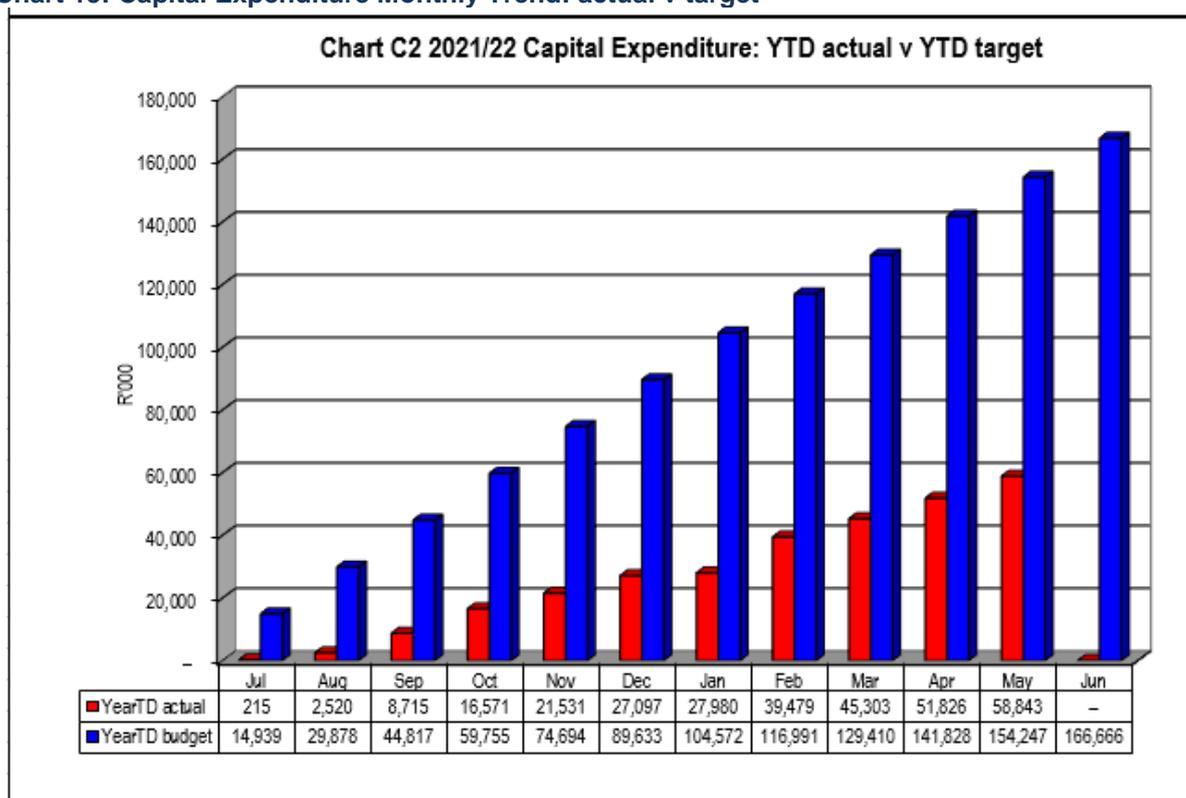


Chart 16: Capital Expenditure: YTD actual vs YTD target

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 May 2022 amounted to R7,016 million. The total YTD Capex amounts to R58,843 million. Total commitments amount to R5,674 million. Please note that commitments are excluded from the YTD movement. Capital expenditure is also exclusive of VAT.

Project Description	Original Budget	Adj Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	% Adj Budget	Funding source
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	425,000	-	2,125,000	875,000	70.8%	70.8%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	4,000,000	9,500,000	-	3,601,917	-	9,500,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	2,000,000	-	-	-	2,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-COMPUTER EQUIPMENT REPLACEMENT	3,500,000	3,500,000	-	53,699	663,147	2,836,853	18.9%	18.9%	INTERNALLY GENERATED FUNDS
RESEALING OF ROADS VARIOUS WARDS	13,000,000	-	-	-	-	-	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	10,000,000	-	-	-	-	-	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	10,000,000	-	-	-	-	-	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	10,000,000	-	-	-	-	-	0.0%	-	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT
P-CNIN COM F FIRE/AMBUL	-	3,000,000	-	-	2,028,090	971,910	-	67.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
EUROPEAN UNION BEAR PROJECT	-	14,400,000	3,861,682	-	10,421,193	3,978,807	-	72.4%	EUROPEAN UNION
CRAVEN STREET TRADE CENTRE	8,000,000	8,000,000	-	-	-	8,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RESEALING OF ROADS FB WM	-	3,500,000	-	82,880	3,628,550	-128,550	-	103.7%	FRANCES BAARD DISTRICT MUNICIPALITY
P-CIER RDS ROADS	-	11,700,000	-	1,775	11,182,290	517,710	-	95.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	-	7,300,000	91,630	36,005	2,628,822	4,671,178	-	36.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	-	10,000,000	945,855	1,877,473	5,851,402	4,148,598	-	58.5%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RECONSTRUCTION OLD SINK TOILETS PHASE 1	-	5,000,000	265,279	-	479,000	4,521,000	-	9.6%	INTERNALLY GENERATED FUNDS
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	22,266,000	22,266,000	293,024	-	2,313,654	19,952,346	10.4%	10.4%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000,000	21,000,000	205,341	-	13,016,584	7,983,416	52.1%	62.0%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	1,000,000	1,000,000	-	1,903	344,987	655,013	34.5%	34.5%	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	-	1,000,000	-	-	-	1,000,000	-	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE HADISON PARK 66/11 KV SUBSTATION	1,500,000	1,500,000	-	-	12,613	1,487,387	0.8%	0.8%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LERATO PARK	-	3,000,000	392,181	-	2,739,361	260,639	-	91.3%	INTERNALLY GENERATED FUNDS
ELECTRIFICATION GOLF COURSE	-	5,400,000	70,964	-	98,303	5,301,697	-	1.8%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR MATHIBE	33,000,000	3,500,000	-	-	-	3,500,000	0.0%	-	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LETABO PARK	20,000,000	19,820,000	-	-	1,894	19,818,106	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR SOUL CITY	-	1,280,000	465,448	-	532,052	747,948	-	41.6%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFIC LERATO PARK LINK SERV NETWORK	12,000,000	5,000,000	-	-	32,073	4,967,927	0.3%	0.6%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	1,000,000	1,000,000	-	18,149	743,768	256,232	74.4%	74.4%	INTERNALLY GENERATED FUNDS
<b>TOTAL</b>	<b>179,266,000</b>	<b>166,666,000</b>	<b>7,016,403</b>	<b>5,673,800</b>	<b>58,842,783</b>	<b>107,823,217</b>	<b>32.8%</b>	<b>35.3%</b>	

Table 22: Detailed capital expenditure report

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	36,500,000	536,412	676,934	1.0%	1.9%
INTERNALLY GENERATED FUNDS	11,500,000	25,000,000	657,460	4,970,263	43.2%	19.9%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	66,266,000	1,755,508	26,129,259	39.4%	39.4%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	-	0.0%	-
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	21,000,000	205,341	13,016,584	52.1%	62.0%
EUROPEAN UNION	-	14,400,000	3,861,682	10,421,193	-	72.4%
FRANCES BAARD DISTRICT MUNICIPALITY	-	3,500,000	-	3,628,550	-	103.7%
<b>Grand Total</b>	<b>179,266,000</b>	<b>166,666,000</b>	<b>7,016,403</b>	<b>58,842,783</b>	<b>32.8%</b>	<b>35.3%</b>

Table 23: Summary of capital expenditure per funding source

Indicated in Table 23 above, is a summary of the capital expenditure per funding source compared to the Adjusted budget. Overall spending on grants is extremely slow. The expenditure on IUDG (39.4%), INEP (1.9%) and WSIG (62%). Spending on Internally generated funds is 19.9% spent. Implementation of projects is possibly delayed by the finalization of procurement processes. Payment certificates are settled once work is completed. The total funding from NDPG amounting to R10 million has been withdrawn, whilst R30 million has been withdrawn from INEP.

## 12. Other supporting documents

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

## 13. Conclusion

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

### Communication

In compliance to legislative requirements (Section 71 of the MFMA), this document is provided to all stakeholders by placing it on the Sol Plaatje municipal website: [www.solplaatje.org.za](http://www.solplaatje.org.za) or can be viewed or downloaded from the following link:

<http://www.solplaatje.org.za/Aboutus/Pages/Documents.aspx>

## 14. Annexures

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M11 May

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	571,075	603,707	603,707	45,481	577,082	553,398	23,685	4%	603,707
Service charges	1,053,050	1,291,383	1,291,383	88,073	1,071,381	1,183,768	(112,387)	-9%	1,291,383
Investment revenue	2,835	9,000	9,000	157	814	8,250	(7,436)	-90%	9,000
Transfers and subsidies	260,426	230,640	236,873	4,543	219,941	216,406	3,535	2%	236,873
Other own revenue	176,950	230,981	231,255	16,288	161,269	211,952	(50,683)	-24%	231,255
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,064,336</b>	<b>2,365,711</b>	<b>2,372,218</b>	<b>154,542</b>	<b>2,030,487</b>	<b>2,173,773</b>	<b>(143,286)</b>	<b>-7%</b>	<b>2,372,218</b>
Employee costs	726,219	836,388	841,588	60,577	687,405	770,853	(83,448)	-11%	841,588
Remuneration of Councillors	30,260	34,547	34,547	2,528	27,204	31,669	(4,464)	-14%	34,547
Depreciation & asset impairment	63,881	79,150	79,150	-	-	72,554	(72,554)	-100%	79,150
Finance charges	36,467	22,261	63,461	2,188	20,222	53,366	(33,144)	-62%	63,461
Inventory consumed and bulk purchases	819,353	926,331	878,509	24,234	709,165	810,881	(101,716)	-13%	878,509
Transfers and subsidies	2,528	4,850	4,850	-	2,546	4,446	(1,899)	-43%	4,850
Other expenditure	487,650	441,457	519,464	60,659	346,198	467,079	(120,881)	-26%	519,464
<b>Total Expenditure</b>	<b>2,166,359</b>	<b>2,344,984</b>	<b>2,421,569</b>	<b>150,186</b>	<b>1,792,740</b>	<b>2,210,846</b>	<b>(418,106)</b>	<b>-19%</b>	<b>2,421,569</b>
<b>Surplus/(Deficit)</b>	<b>(102,023)</b>	<b>20,727</b>	<b>(49,352)</b>	<b>4,356</b>	<b>237,747</b>	<b>(37,073)</b>	<b>274,820</b>	<b>-741%</b>	<b>(49,352)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,706	167,766	127,266	2,497	42,083	121,385	###	-65%	127,266
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	2,856	-	14,400	-	-	11,520	(11,520)	-100%	14,400
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10,539</b>	<b>188,493</b>	<b>92,314</b>	<b>6,853</b>	<b>279,830</b>	<b>95,833</b>	<b>183,997</b>	<b>192%</b>	<b>92,314</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>10,539</b>	<b>188,493</b>	<b>92,314</b>	<b>6,853</b>	<b>279,830</b>	<b>95,833</b>	<b>183,997</b>	<b>192%</b>	<b>92,314</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>119,502</b>	<b>179,266</b>	<b>166,666</b>	<b>7,016</b>	<b>58,843</b>	<b>154,247</b>	<b>(95,404)</b>	<b>-62%</b>	<b>166,666</b>
Capital transfers recognised	104,315	167,766	141,666	6,359	53,873	132,906	(79,033)	-59%	141,666
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15,186	11,500	25,000	657	4,970	21,342	(16,371)	-77%	25,000
<b>Total sources of capital funds</b>	<b>119,502</b>	<b>179,266</b>	<b>166,666</b>	<b>7,016</b>	<b>58,843</b>	<b>154,247</b>	<b>(95,404)</b>	<b>-62%</b>	<b>166,666</b>
<b>Financial position</b>									
Total current assets	1,893,024	2,242,830	2,133,730		2,464,453				2,133,730
Total non current assets	2,097,228	2,225,894	2,213,294		2,156,071				2,213,294
Total current liabilities	671,382	725,335	725,335		1,037,395				725,335
Total non current liabilities	436,934	417,829	405,829		422,006				405,829
Community wealth/Equity	2,881,935	3,325,560	3,215,860		3,161,122				3,215,860
<b>Cash flows</b>									
Net cash from (used) operating	47,277	260,265	260,265	(98,421)	964,819	238,576	(726,243)	-304%	260,265
Net cash from (used) investing	(116,394)	(142,399)	(179,266)	(7,016)	(58,843)	(130,532)	(71,690)	55%	(142,399)
Net cash from (used) financing	(2,980)	(16,583)	(10,734)	(797)	(42,144)	(51,660)	(9,516)	18%	(56,357)
<b>Cash/cash equivalents at the month/year end</b>	<b>24,436</b>	<b>195,174</b>	<b>164,156</b>	<b>-</b>	<b>906,839</b>	<b>56,383</b>	<b>(850,456)</b>	<b>-1508%</b>	<b>61,509</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	211,381	68,629	63,717	2,618,016	-	-	-	-	2,961,743
<b>Creditors Age Analysis</b>									
Total Creditors	93,135	52,578	70,363	68,860	70,847	62,487	279,164	23,852	721,286

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>1,020,773</b>	<b>1,109,592</b>	<b>1,072,098</b>	<b>56,521</b>	<b>898,429</b>	<b>987,130</b>	(88,702)	-9%	<b>1,072,098</b>
Executive and council		419,084	478,759	440,992	9,121	311,535	408,648	(97,114)	-24%	440,992
Finance and administration		601,689	630,833	631,106	47,401	586,894	578,482	8,412	1%	631,106
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>24,102</b>	<b>27,556</b>	<b>31,056</b>	<b>5,559</b>	<b>27,500</b>	<b>28,060</b>	(560)	-2%	<b>31,056</b>
Community and social services		10,785	10,980	11,480	4,392	10,932	10,465	467	4%	11,480
Sport and recreation		1,131	3,315	3,315	149	1,702	3,039	(1,337)	-44%	3,315
Public safety		150	760	760	12	667	697	(30)	-4%	760
Housing		11,967	12,401	12,401	1,006	11,176	11,368	(192)	-2%	12,401
Health		69	100	3,100	-	3,023	2,492	532	21%	3,100
<i><b>Economic and environmental services</b></i>		<b>17,700</b>	<b>23,286</b>	<b>37,686</b>	<b>572</b>	<b>5,844</b>	<b>32,865</b>	(27,022)	-82%	<b>37,686</b>
Planning and development		7,783	5,166	19,566	369	3,475	16,255	(12,780)	-79%	19,566
Road transport		9,917	18,120	18,120	203	2,369	16,610	(14,241)	-86%	18,120
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>1,106,680</b>	<b>1,363,208</b>	<b>1,363,208</b>	<b>94,395</b>	<b>1,131,526</b>	<b>1,249,608</b>	(118,082)	-9%	<b>1,363,208</b>
Energy sources		671,706	877,157	877,157	58,141	681,081	804,060	(122,980)	-15%	877,157
Water management		286,254	328,612	328,612	21,697	297,108	301,227	(4,120)	-1%	328,612
Waste water management		86,142	86,848	86,848	8,321	88,311	79,611	8,700	11%	86,848
Waste management		62,577	70,592	70,592	6,235	65,027	64,709	318	0%	70,592
<i><b>Other</b></i>	4	<b>7,644</b>	<b>9,835</b>	<b>9,835</b>	<b>(8)</b>	<b>9,272</b>	<b>9,015</b>	<b>256</b>	<b>3%</b>	<b>9,835</b>
<b>Total Revenue - Functional</b>	2	<b>2,176,898</b>	<b>2,533,477</b>	<b>2,513,884</b>	<b>157,039</b>	<b>2,072,570</b>	<b>2,306,679</b>	<b>(234,109)</b>	<b>-10%</b>	<b>2,513,884</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>640,979</b>	<b>683,100</b>	<b>686,574</b>	<b>35,108</b>	<b>475,140</b>	<b>628,958</b>	(153,818)	-24%	<b>686,574</b>
Executive and council		400,365	405,549	408,749	14,453	251,076	374,314	(123,238)	-33%	408,749
Finance and administration		234,323	270,570	270,844	20,007	218,094	248,244	(30,150)	-12%	270,844
Internal audit		6,291	6,982	6,982	647	5,970	6,400	(430)	-7%	6,982
<i><b>Community and public safety</b></i>		<b>166,029</b>	<b>183,469</b>	<b>186,985</b>	<b>15,234</b>	<b>164,074</b>	<b>170,990</b>	(6,916)	-4%	<b>186,985</b>
Community and social services		40,133	42,230	42,836	3,554	39,647	39,191	456	1%	42,836
Sport and recreation		47,702	55,822	55,732	4,987	48,944	51,099	(2,155)	-4%	55,732
Public safety		38,887	43,502	43,502	3,583	38,840	39,877	(1,037)	-3%	43,502
Housing		21,940	23,480	23,480	1,528	19,466	21,523	(2,057)	-10%	23,480
Health		17,367	18,435	21,435	1,582	17,177	19,299	(2,122)	-11%	21,435
<i><b>Economic and environmental services</b></i>		<b>123,036</b>	<b>139,819</b>	<b>141,012</b>	<b>9,798</b>	<b>114,404</b>	<b>129,123</b>	(14,719)	-11%	<b>141,012</b>
Planning and development		39,994	48,172	48,390	3,066	35,604	44,333	(8,729)	-20%	48,390
Road transport		82,378	90,936	91,911	6,676	78,155	84,138	(5,984)	-7%	91,911
Environmental protection		665	711	711	56	645	652	(7)	-1%	711
<i><b>Trading services</b></i>		<b>1,214,239</b>	<b>1,313,216</b>	<b>1,381,619</b>	<b>88,014</b>	<b>1,017,799</b>	<b>1,258,510</b>	(240,711)	-19%	<b>1,381,619</b>
Energy sources		749,833	857,928	889,891	(3,309)	663,984	812,010	(148,026)	-18%	889,891
Water management		314,140	296,663	326,563	80,392	222,059	295,862	(73,803)	-25%	326,563
Waste water management		91,753	88,033	94,573	5,295	67,722	85,929	(18,207)	-21%	94,573
Waste management		58,513	70,592	70,592	5,637	64,034	64,709	(675)	-1%	70,592
<i><b>Other</b></i>		<b>22,076</b>	<b>25,380</b>	<b>25,380</b>	<b>2,033</b>	<b>21,323</b>	<b>23,265</b>	<b>(1,942)</b>	<b>-8%</b>	<b>25,380</b>
<b>Total Expenditure - Functional</b>	3	<b>2,166,359</b>	<b>2,344,984</b>	<b>2,421,569</b>	<b>150,186</b>	<b>1,792,740</b>	<b>2,210,846</b>	<b>(418,106)</b>	<b>-19%</b>	<b>2,421,569</b>
<b>Surplus/ (Deficit) for the year</b>		<b>10,539</b>	<b>188,493</b>	<b>92,314</b>	<b>6,853</b>	<b>279,830</b>	<b>95,833</b>	<b>183,997</b>	<b>192%</b>	<b>92,314</b>

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		419,084	478,759	440,992	9,121	311,535	408,648	(97,114)	-23.8%	440,992
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	7,078	492	1,964	6,456	(4,492)	-69.6%	7,078
Vote 05 - Community Services		90,521	110,627	114,127	10,879	90,968	104,208	(13,240)	-12.7%	114,127
Vote 06 - Financial Services		594,906	623,229	623,229	46,860	584,370	571,293	13,078	2.3%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	23,441	426	5,223	19,808	(14,585)	-73.6%	23,441
Vote 08 - Infrastructure And Services		1,056,784	1,305,018	1,305,018	89,262	1,078,511	1,196,266	(117,755)	-9.8%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2,176,898</b>	<b>2,533,477</b>	<b>2,513,884</b>	<b>157,039</b>	<b>2,072,570</b>	<b>2,306,679</b>	<b>(234,109)</b>	<b>-10.1%</b>	<b>2,513,884</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,324	47,387	53,060	(5,673)	-10.7%	57,883
Vote 02 - Municipal And General		335,678	335,456	338,656	9,451	193,997	310,062	(116,065)	-37.4%	338,656
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,384	18,042	22,940	(4,898)	-21.4%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,485	5,814	60,560	67,330	(6,770)	-10.1%	73,485
Vote 05 - Community Services		259,526	297,403	300,919	24,324	261,425	275,430	(14,004)	-5.1%	300,919
Vote 06 - Financial Services		126,380	152,611	152,611	10,358	116,453	139,895	(23,442)	-16.8%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,592	4,436	50,573	54,602	(4,029)	-7.4%	59,592
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,413,398	90,095	1,044,304	1,287,528	(243,224)	-18.9%	1,413,398
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>2,166,359</b>	<b>2,344,984</b>	<b>2,421,569</b>	<b>150,186</b>	<b>1,792,740</b>	<b>2,210,846</b>	<b>(418,106)</b>	<b>-18.9%</b>	<b>2,421,569</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>10,539</b>	<b>188,493</b>	<b>92,314</b>	<b>6,853</b>	<b>279,830</b>	<b>95,833</b>	<b>183,997</b>	<b>192.0%</b>	<b>92,314</b>

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		571,075	603,707	603,707	45,481	577,082	553,398	23,685	4%	603,707
Service charges - electricity revenue		659,307	861,157	861,157	56,816	668,810	789,393	(120,584)	-15%	861,157
Service charges - water revenue		259,156	294,012	294,012	18,476	265,924	269,511	(3,586)	-1%	294,012
Service charges - sanitation revenue		78,186	76,648	76,648	7,317	78,887	70,261	8,626	12%	76,648
Service charges - refuse revenue		56,401	59,567	59,567	5,464	57,760	54,603	3,157	6%	59,567
Rental of facilities and equipment		12,018	13,145	13,145	2,102	14,637	12,050	2,587	21%	13,145
Interest earned - external investments		2,835	9,000	9,000	157	814	8,250	(7,436)	-90%	9,000
Interest earned - outstanding debtors		105,983	157,200	157,200	12,383	117,987	144,100	(26,113)	-18%	157,200
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		29,477	34,725	34,725	279	4,448	31,831	(27,384)	-86%	34,725
Licences and permits		6,383	6,500	6,500	(31)	7,888	5,958	1,930	32%	6,500
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		260,426	230,640	236,873	4,543	219,941	216,406	3,535	2%	236,873
Other revenue		17,354	19,411	19,685	1,556	14,935	18,012	(3,077)	-17%	19,685
Gains		5,736	-	-	-	1,374	-	1,374	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2,064,336</b>	<b>2,365,711</b>	<b>2,372,218</b>	<b>154,542</b>	<b>2,030,487</b>	<b>2,173,773</b>	<b>(143,286)</b>	<b>-7%</b>	<b>2,372,218</b>
<b>Expenditure By Type</b>										
Employee related costs		726,219	836,388	841,588	60,577	687,405	770,853	(83,448)	-11%	841,588
Remuneration of councillors		30,260	34,547	34,547	2,528	27,204	31,669	(4,464)	-14%	34,547
Debt impairment		344,346	275,000	275,000	0	138,030	252,083	(114,054)	-45%	275,000
Depreciation & asset impairment		63,881	79,150	79,150	-	-	72,554	(72,554)	-100%	79,150
Finance charges		36,467	22,261	63,461	2,188	20,222	53,366	(33,144)	-62%	63,461
Bulk purchases - electricity		540,953	647,000	647,000	(15,477)	515,622	593,083	(77,461)	-13%	647,000
Inventory consumed		278,400	279,331	231,509	39,712	193,542	217,797	(24,255)	-11%	231,509
Contracted services		40,651	46,687	41,222	3,984	26,295	38,425	(12,130)	-32%	41,222
Transfers and subsidies		2,528	4,850	4,850	-	2,546	4,446	(1,899)	-43%	4,850
Other expenditure		102,187	119,770	132,482	10,797	135,995	119,963	16,032	13%	132,482
Losses		467	-	70,760	45,878	45,878	56,608	(10,730)	-19%	70,760
<b>Total Expenditure</b>		<b>2,166,359</b>	<b>2,344,984</b>	<b>2,421,569</b>	<b>150,186</b>	<b>1,792,740</b>	<b>2,210,846</b>	<b>(418,106)</b>	<b>-19%</b>	<b>2,421,569</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(102,023)	20,727	(49,352)	4,356	237,747	(37,073)	274,820	(0)	(49,352)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		109,706	167,766	127,266	2,497	42,083	121,385	(79,302)	(0)	127,266
Transfers and subsidies - capital (in-kind - all)		2,856	-	14,400	-	-	11,520	(11,520)	(0)	14,400
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>10,539</b>	<b>188,493</b>	<b>92,314</b>	<b>6,853</b>	<b>279,830</b>	<b>95,833</b>			<b>92,314</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>10,539</b>	<b>188,493</b>	<b>92,314</b>	<b>6,853</b>	<b>279,830</b>	<b>95,833</b>			<b>92,314</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>10,539</b>	<b>188,493</b>	<b>92,314</b>	<b>6,853</b>	<b>279,830</b>	<b>95,833</b>			<b>92,314</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>10,539</b>	<b>188,493</b>	<b>92,314</b>	<b>6,853</b>	<b>279,830</b>	<b>95,833</b>			<b>92,314</b>

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		26,692	33,000	3,000	-	2,028	6,141	(4,113)	-67%	3,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		3,126	8,000	22,400	3,862	10,421	18,853	(8,432)	-45%	22,400
Vote 08 - Infrastructure And Services		64,887	81,266	90,786	1,318	22,398	83,160	(60,761)	-73%	90,786
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>94,705</b>	<b>122,266</b>	<b>116,186</b>	<b>5,180</b>	<b>34,848</b>	<b>108,154</b>	<b>(73,306)</b>	<b>-68%</b>	<b>116,186</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		23,485	22,500	18,000	425	2,788	17,025	(14,237)	-84%	18,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		1,312	34,500	32,480	1,411	21,207	29,068	(7,861)	-27%	32,480
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>24,797</b>	<b>57,000</b>	<b>50,480</b>	<b>1,836</b>	<b>23,995</b>	<b>46,093</b>	<b>(22,098)</b>	<b>-48%</b>	<b>50,480</b>
<b>Total Capital Expenditure</b>		<b>119,502</b>	<b>179,266</b>	<b>166,666</b>	<b>7,016</b>	<b>58,843</b>	<b>154,247</b>	<b>(95,404)</b>	<b>-62%</b>	<b>166,666</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>50,177</b>	<b>55,500</b>	<b>21,000</b>	<b>425</b>	<b>4,816</b>	<b>23,166</b>	<b>(18,350)</b>	<b>-79%</b>	<b>21,000</b>
Executive and council		50,177	55,500	21,000	425	4,816	23,166	(18,350)	-79%	21,000
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>3,126</b>	<b>8,000</b>	<b>54,900</b>	<b>4,899</b>	<b>33,712</b>	<b>44,853</b>	<b>(11,141)</b>	<b>-25%</b>	<b>54,900</b>
Planning and development		3,126	8,000	22,400	3,862	10,421	18,853	(8,432)	-45%	22,400
Road transport		-	-	32,500	1,037	23,291	26,000	(2,709)	-10%	32,500
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>66,199</b>	<b>115,766</b>	<b>90,766</b>	<b>1,692</b>	<b>20,314</b>	<b>86,228</b>	<b>(65,914)</b>	<b>-76%</b>	<b>90,766</b>
Energy sources		16,469	67,500	40,500	929	4,160	40,275	(36,115)	-90%	40,500
Water management		1,312	1,000	2,000	-	345	1,826	(1,481)	-81%	2,000
Waste water management		48,418	47,266	48,266	764	15,809	44,127	(28,318)	-64%	48,266
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>119,502</b>	<b>179,266</b>	<b>166,666</b>	<b>7,016</b>	<b>58,843</b>	<b>154,247</b>	<b>(95,404)</b>	<b>-62%</b>	<b>166,666</b>
<b>Funded by:</b>										
National Government		101,832	167,766	123,766	2,497	39,823	118,586	(78,763)	-66%	123,766
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	3,500	-	3,629	2,800	829	30%	3,500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		2,483	-	14,400	3,862	10,421	11,520	(1,099)	-10%	14,400
Transfers recognised - capital		104,315	167,766	141,666	6,359	53,873	132,906	(79,033)	-59%	141,666
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>15,186</b>	<b>11,500</b>	<b>25,000</b>	<b>657</b>	<b>4,970</b>	<b>21,342</b>	<b>(16,371)</b>	<b>-77%</b>	<b>25,000</b>
<b>Total Capital Funding</b>		<b>119,502</b>	<b>179,266</b>	<b>166,666</b>	<b>7,016</b>	<b>58,843</b>	<b>154,247</b>	<b>(95,404)</b>	<b>-62%</b>	<b>166,666</b>

Sol Plaatje (NC091): Monthly Budget Statement - May 2022

**NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M11 May**

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		43,008	172,968	180,670	182,059	180,670
Call investment deposits		–	–	–	–	–
Consumer debtors		1,712,601	1,475,363	1,366,263	2,099,381	1,366,263
Other debtors		98,092	547,474	547,474	140,078	547,474
Current portion of long-term receivables		–	–	–	–	–
Inventory		39,323	47,025	39,323	42,935	39,323
<b>Total current assets</b>		<b>1,893,024</b>	<b>2,242,830</b>	<b>2,133,730</b>	<b>2,464,453</b>	<b>2,133,730</b>
<b>Non current assets</b>						
Long-term receivables		–	36,867	36,867	–	36,867
Investments						
Investment property		209,057	205,486	205,486	211,182	205,486
Investments in Associate						
Property, plant and equipment		1,865,761	1,964,370	1,937,370	1,912,057	1,937,370
Biological						
Intangible		10,339	7,307	21,707	20,761	21,707
Other non-current assets		12,071	11,864	11,864	12,071	11,864
<b>Total non current assets</b>		<b>2,097,228</b>	<b>2,225,894</b>	<b>2,213,294</b>	<b>2,156,071</b>	<b>2,213,294</b>
<b>TOTAL ASSETS</b>		<b>3,990,252</b>	<b>4,468,724</b>	<b>4,347,024</b>	<b>4,620,523</b>	<b>4,347,024</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		39,774	45,623	45,623	42,144	45,623
Trade and other payables		631,609	590,399	590,399	995,250	590,399
Provisions		–	89,313	89,313	–	89,313
<b>Total current liabilities</b>		<b>671,382</b>	<b>725,335</b>	<b>725,335</b>	<b>1,037,395</b>	<b>725,335</b>
<b>Non current liabilities</b>						
Borrowing		182,267	172,829	172,829	177,258	172,829
Provisions		254,667	245,000	233,000	244,748	233,000
<b>Total non current liabilities</b>		<b>436,934</b>	<b>417,829</b>	<b>405,829</b>	<b>422,006</b>	<b>405,829</b>
<b>TOTAL LIABILITIES</b>		<b>1,108,316</b>	<b>1,143,164</b>	<b>1,131,164</b>	<b>1,459,401</b>	<b>1,131,164</b>
<b>NET ASSETS</b>	2	<b>2,881,936</b>	<b>3,325,560</b>	<b>3,215,860</b>	<b>3,161,122</b>	<b>3,215,860</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		2,824,731	3,246,167	3,149,967	3,103,918	3,149,967
Reserves		57,205	79,393	65,893	57,205	65,893
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2,881,935</b>	<b>3,325,560</b>	<b>3,215,860</b>	<b>3,161,122</b>	<b>3,215,860</b>

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M11 May

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		561,377	537,299	537,299	32,506	388,531	492,524	(103,993)	-21%	537,299
Service charges		1,857,261	901,622	901,622	89,494	1,056,981	826,487	230,495	28%	901,622
Other revenue		(872,756)	339,839	339,839	26,795	267,218	311,519	(44,301)	-14%	339,839
Transfers and Subsidies - Operational		23,639	230,640	230,640	-	28,096	211,420	(183,324)	-87%	230,640
Transfers and Subsidies - Capital		33,560	149,809	149,809	-	99,266	137,325	(38,059)	-28%	149,809
Interest		3,829	9,000	9,000	-	-	8,250	(8,250)	-100%	9,000
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(1,559,634)	(1,880,833)	(1,880,833)	(247,216)	(875,274)	(1,724,097)	(848,823)	49%	(1,880,833)
Finance charges		-	(22,261)	(22,261)	-	-	(20,406)	(20,406)	100%	(22,261)
Transfers and Grants		-	(4,850)	(4,850)	-	-	(4,446)	(4,446)	100%	(4,850)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>47,277</b>	<b>260,265</b>	<b>260,265</b>	<b>(98,421)</b>	<b>964,819</b>	<b>238,576</b>	<b>(726,243)</b>	<b>-304%</b>	<b>260,265</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	36,867	-	-	-	33,795	(33,795)	-100%	36,867
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		(116,394)	(179,266)	(179,266)	(7,016)	(58,843)	(164,327)	(105,484)	64%	(179,266)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(116,394)</b>	<b>(142,399)</b>	<b>(179,266)</b>	<b>(7,016)</b>	<b>(58,843)</b>	<b>(130,532)</b>	<b>(71,690)</b>	<b>55%</b>	<b>(142,399)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		(2,980)	(5,849)	-	(797)	(42,144)	(41,821)	(324)	1%	(45,623)
<b>Payments</b>										
Repayment of borrowing		-	(10,734)	(10,734)	-	-	(9,840)	(9,840)	100%	(10,734)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(2,980)</b>	<b>(16,583)</b>	<b>(10,734)</b>	<b>(797)</b>	<b>(42,144)</b>	<b>(51,660)</b>	<b>(9,516)</b>	<b>18%</b>	<b>(56,357)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at beginning:		96,534	93,891	93,891	-	43,007				61,509
Cash/cash equivalents at month/year end:		24,436	195,174	164,156		906,839	56,383			61,509

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

**15. Municipal Manager's quality certification**

**Quality Certificate**

I, ZL Thekisho, the acting Municipal Manager of Sol Plaatje Local Municipality, hereby certify that  
(mark as appropriate)

the Monthly Budget Statement

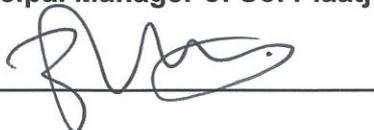
Quarterly Report on the implementation of the budget and financial state affairs  
of the municipality

Mid-year Budget and Performance Assessment

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

**Print name: Ms. ZL Thekisho**

**Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)**

Signature: 

Date: 13 /06/2022