



MONTHLY BUDGET STATEMENT OCTOBER 2021

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

SOL PLAATJE LOCAL MUNICIPALITY

Address: Sol Plaatje Drive, Kimberley, 8301

Tel no: (053) 830 6533

Fax no: (086) 681 2135

Due date: 15 November 2021

Table of Contents

PART 1 – IN-YEAR REPORT

1. Purpose.....	2
2. Vision of Sol Plaatje Local Municipality.....	2
3. Background.....	3
4. Executive summary	3
4.1 Operating Revenue by Source	4
4.2 Operating Expenditure by Type	6
4.3 Capital expenditure	12
4.4 Cash flows.....	13
5. In-year budget statement tables	15

PART 2 - SUPPORTING DOCUMENTATION

6. Debtors' Analysis	16
7. Creditors' Analysis.....	28
8. Investment portfolio analysis	29
9. Allocation and grant receipts and expenditure	30
10. Councillor and board member allowances and employee benefits	33
11. Material variances to the service delivery and budget implementation plan	36
12. Capital programme performance	36
13. Other supporting documents	38
14. Conclusion	38
15. Annexures.....	38
16. Municipal Manager's quality certification	46

List of Tables

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget.....	3
Table 2: Consolidated summary: Statement of Financial Performance: Original Budget	4
Table 3: Table C4 Financial Performance (Revenue)	4
Table 4: Table C4 Financial Performance (Expenditure)	6
Table 5.1: Summary of YTD Bulk Electricity expenditure.....	9
Table 5.2: Summary of YTD Bulk Water expenditure	10
Table 6: Summary of outstanding Bulk costs debt.....	11
Table 7: High level summary: Capital Expenditure	12
Table 8: Supporting Table SC3: Aged Debtors.....	16
Table 9: Month-on-month growth in outstanding debtors.....	19
Table 10: Monthly collection rate	22
Table 11: Revised Average collection rate	22
Table 12: BS566 report on receipts per service	23
Table 13: BS566 report on receipts per debtor type	24
Table 14: Supporting Table SC4: Aged Creditors.....	28
Table 15: Supporting Table SC5: Investment portfolio.....	29
Table 16: Supporting Table SC6: Transfers and grant receipts	30
Table 17: Supporting Table SC7(1): Transfers and grant expenditure	31
Table 18: Summary of expenditure per grant.....	32
Table 19: Supporting Table SC7(2) - Expenditure against approved rollovers.....	32
Table 20: Supporting Table SC8: Councillor and staff benefits.....	33
Table 21: Current YTD Overtime expenditure excl Night-shift allowance	34
Table 22: Detailed capital expenditure report	37
Table 23: Summary of capital expenditure per funding source	38

List of Charts

Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue	6
Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure	9
Chart 3: Total Capital expenditure	12
Chart 4: Call investment deposits and Cash & cash equivalents at year-end.....	13
Chart 5: Call investment deposits at month-end	14
Chart 6.1: Cash & cash equivalents at month-end.....	15
Chart 6.2: Cost coverage ratio.....	15
Chart 7: Debt over 90 days as a percentage of Total O/S Debt	17
Chart 8: Outstanding Debt by Income Source	18
Chart 9: Aged Consumer Debtor Analysis	20
Chart 10: Consumer Debtors (total by Debtor Customer Category)	20
Chart 11: Debtor's Age Analysis per Customer Group.....	21
Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity	25
Chart 12.2: Monthly billing receipts per revenue source	26
Chart 12.3: Ranking of billing receipts per revenue source.....	27
Chart 13: Aged Creditors Analysis.....	28
Chart 14: Capital Expenditure Monthly Trend: actual v target.....	36
Chart 15: Capital Expenditure: YTD actual vs YTD target.....	36

List of Abbreviations and Acronyms used in the MBS

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

PART 1 – IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 OCTOBER 2021

1. Purpose

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

The Covid-19 pandemic did not bode well for the municipality's finances which was already under severe strain and further exposed the vulnerability of the municipality's cash position. The municipality would like to thank all our clients who still continued to settle their outstanding municipal accounts during this difficult period. The municipality realises once again, the critical importance of having a minimum 3 months cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on service delivery. The re-instatement of the Chief Financial Officer and the Municipal Manager, effective 23 August 2021 will positively contribute to the stabilization of the municipality and improved accountability.

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

Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges. Ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

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

2. Vision of Sol Plaatje Local Municipality

*"Sol Plaatje Local Municipality, **"Moving towards a leading and a modern city"***

3. 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 October 2021**, the ten working day reporting limit expires on **15 November 2021**.

Retirement of the Budget reform returns. 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 **15 November 2021**, (ten working day limit).

4. 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 October 2021	YTD Actual October 2021	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	788,570	823,441	34,871	104.4%	4.4%
Total Revenue (including capital transfers and contributions)	844,492	838,857	(5,635)	99.3%	-0.7%
Total Operational Expenditure	781,665	629,641	(152,023)	80.6%	-19.4%

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

As indicated in Table 1 above, as at 31 October 2021, the billed revenue excluding capital grants amounted to R823,441 million which resulted in a positive variance of 4.4% when compared to the YTD budget of R788,570 million. The billed revenue including capital grants resulted in a satisfactory variance of minus 0.7% when compared to the YTD budget of R844,492 million. Going forward, Capital grants will be recognised in the Statement of Financial Performance, one 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 19.4%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual October 2021	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
Total Revenue (excluding capital transfers and contributions)	2,365,711	823,441	626,299	34.8%	1.5%
Total Revenue (including capital transfers and contributions)	2,533,477	838,857	627,734	33.1%	-0.2%
Total Operational Expenditure	2,344,984	629,641	434,226	26.9%	-6.5%

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

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 33.33% [calculated as follow: (100/12 months x 4 months of the year)] as at the end of October 2021, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 1.5%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of minus 0.2%. The Total Operational Expenditure resulted in a fairly satisfactory variance of minus 6.5%.

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) - October 2021										
Revenue by Source	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 33.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	603,707	46,501	260,889	201,236	129.6%	59,653	29.6%	43.2%	59,653	9.9%
Service charges - electricity revenue	861,157	52,854	271,416	287,052	94.6%	(15,636)	-5.4%	31.5%	(15,636)	-1.8%
Service charges - water revenue	294,012	26,435	98,649	98,004	100.7%	645	0.7%	33.6%	645	0.2%
Service charges - sanitation revenue	76,648	6,993	28,300	25,549	110.8%	2,750	10.8%	36.9%	2,750	3.6%
Service charges - refuse revenue	59,567	4,960	20,854	19,856	105.0%	998	5.0%	35.0%	998	1.7%
Rental of facilities and equipment	13,145	1,033	4,069	4,382	92.9%	(313)	-7.1%	31.0%	(313)	-2.4%
Interest earned - external investments	9,000	14	(428)	3,000	-14.3%	(3,428)	-114.3%	-4.8%	(3,428)	-38.1%
Interest earned - outstanding debtors	157,200	10,067	39,200	52,400	74.8%	(13,200)	-25.2%	24.9%	(13,200)	-8.4%
Fines, penalties and forfeits	34,725	331	1,796	11,575	15.5%	(9,779)	-84.5%	5.2%	(9,779)	-28.2%
Licences and permits	6,500	944	3,124	2,167	144.2%	958	44.2%	48.1%	958	14.7%
Agency services	-	-	-	-						
Transfers and subsidies	230,640	1,015	89,485	76,880	116.4%	12,605	16.4%	38.8%	12,605	5.5%
Other revenue	19,411	1,254	5,135	6,470	79.4%	(1,336)	-20.6%	26.5%	(1,336)	-6.9%
Gains on disposal of PPE	-	952	952	-		952			952	
Total Revenue (excluding capital transfers and contributions)	2,365,711	153,354	823,441	788,570	104.4%	34,871	4.4%	34.8%	34,871	1.5%
Transfers and subsidies - capital	167,766	15,416	15,416	55,922	27.6%	(40,506)	-72.4%	9.2%	(40,506)	-24.1%
Total Revenue (including capital transfers and contributions)	2,533,477	168,770	838,857	844,492	99.3%	(5,635)	-0.7%	33.1%	(5,635)	-0.2%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 29.6%, as a result of the annual billing on Property rates.
- ❖ Service charges is performing satisfactorily for the month under review, however Electricity revenue is showing a slight under-recovery of minus 5.4%. Sanitation service charges is showing an over-recovery of 10.8%, as a result of the actuals being higher than the YTD budget. The comparison between the actuals versus the Original budget is performing satisfactorily.
- ❖ Interest earned – External investments shows a negative variance of minus 114.3%, 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. 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, also has a negative impact on Interest earned. The bulk of the interest normally gets recognised at year-end.
- ❖ Interest earned on outstanding debtors is showing a negative variance of minus 25.2%. The Billing section will have to do a thorough investigation into the lower interest generated and ascertain that interest is being duly charged to all outstanding balances that should attract interest.
- ❖ Fines, penalties and forfeits is showing a negative variance of 84.5% as a result of the under-recovery of Law enforcements fines with a 2.3% 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. The Traffic department did not respond to the query raised in this regard. Penalties: Disconnection fees achieved an actual of 8.25% against an annual target of R16,500 million. The bulk blocking of prepaid meters, could not materialise as the municipality must remain cognisant of adhering to the Covid-19 regulations.
- ❖ Licences and permits is showing a positive variance of 44.2%, however there are possible outstanding payments due to the Department of Transport, Safety and Liaison. There is sometimes a delay in the timing of receipts and eventual transfer, especially towards month-end. The responsible employee for this function, retired and the unit is experiencing some change-over challenges in this regard. Hopefully this will improve going forward.
- ❖ The first tranche of the Equitable Share was received during July 2021, hence the over-recovery on Transfer and subsidies – operational which is showing a positive variance of 16.4%.
- ❖ Capital grants is showing a negative variance of 74.2%, as a result of the lower than anticipated capital expenditure.

Comparison against Original Budget

Based on the IYM percentage of 33.33%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is showing an over-recovery, due to annual billing on Property rates.
- ❖ Service charges is performing satisfactorily.
- ❖ Interest from External Investments shows an unsatisfactory variance of minus 38.1%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on outstanding debtors is showing a negative variance of 8.4%. Same factors are applicable as described in the paragraph above.
- ❖ Fines, penalties and forfeits is showing a negative variance of 28.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 14.7%. Same factors are applicable as described in the paragraph above.
- ❖ The first tranche of the Equitable Share was received during July 2021, hence the over-recovery on Transfer and subsidies – operational, which is showing a positive variance of 5.5%..
- ❖ Transfers – recognised capital is showing a negative variance of 24.1%, 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 October 2021. The main contributors of the municipality's revenue are Service Charges (50.9%), Property Rates (31.6%) and Transfers and subsidies (10.9%). The weighting per Revenue source is distorted due to the annual billing on Property rates and the receipt of the first tranche of the Equitable Share.

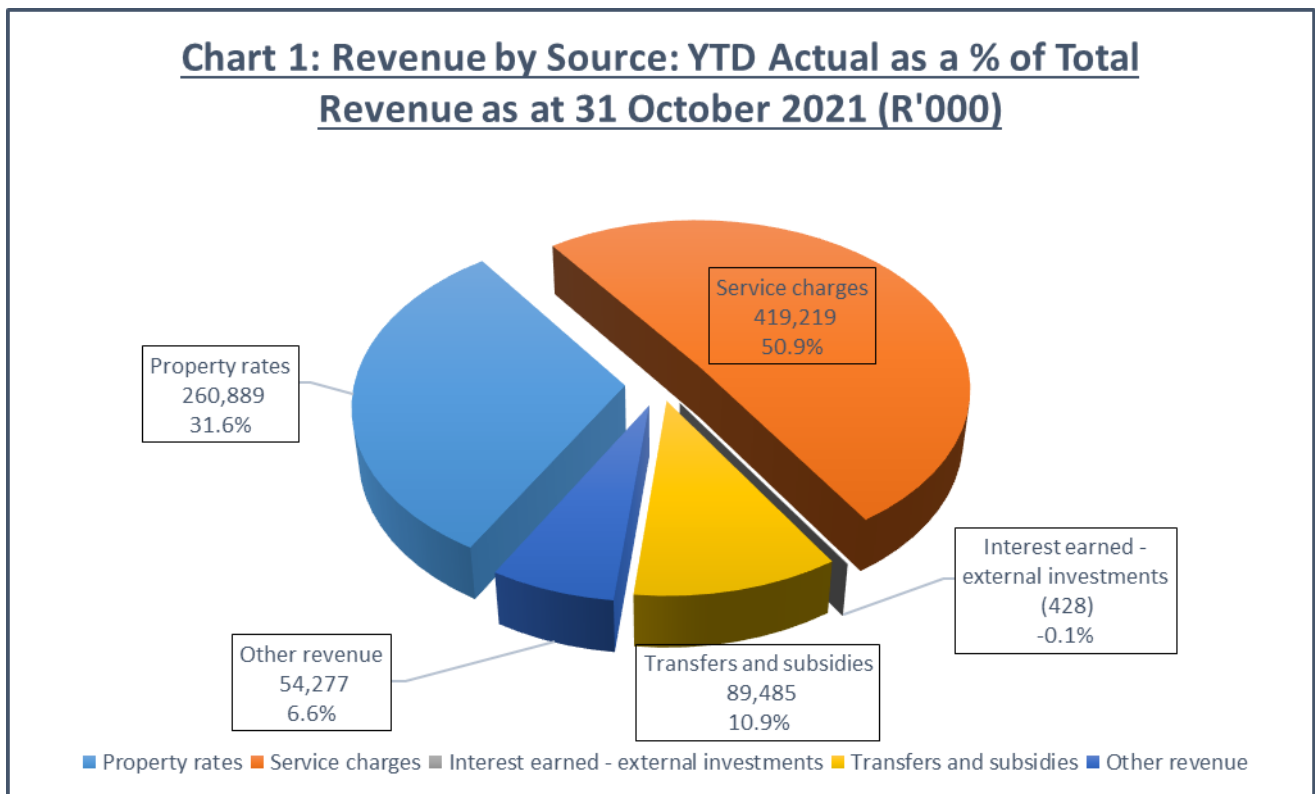


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - October 2021										
Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	% - 33.33%
Employee related costs	836,388	66,085	241,301	278,797	86.6%	(37,496)	-13.4%	28.9%	(37,494)	-4.5%
Remuneration of councillors	34,547	2,507	10,029	11,516	87.1%	(1,487)	-12.9%	29.0%	(1,487)	-4.3%
Debt impairment	275,000	1	68,754	91,667	75.0%	(22,913)	-25.0%	25.0%	(22,913)	-8.3%
Depreciation & asset impairment	79,150	-	-	26,383	0.0%	(26,383)	-100.0%	0.0%	(26,383)	-33.3%
Finance charges	22,261	-	-	7,420	0.0%	(7,420)	-100.0%	0.0%	(7,420)	-33.3%
Bulk purchases - electricity	647,000	207	186,501	215,667	86.5%	(29,165)	-13.5%	28.8%	(29,165)	-4.5%
Inventory consumed	279,331	13,004	61,281	93,111	65.8%	(31,830)	-34.2%	21.9%	(31,830)	-11.4%
Contracted services	46,687	2,629	8,717	15,562	56.0%	(6,846)	-44.0%	18.7%	(6,846)	-14.7%
Transfers and subsidies	4,850	32	853	1,617	52.8%	(763)	-47.2%	17.6%	(763)	-15.7%
Other expenditure	119,770	8,894	52,205	39,925	130.8%	12,281	30.8%	43.6%	12,282	10.3%
Total Expenditure	2,344,984	93,360	629,641	781,665	80.6%	(152,023)	-19.4%	26.9%	(152,020)	-6.5%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 October 2021 current expenditure shows an unsatisfactory variance of minus 19.4%. The YTD actual amounted to R629,641 million against the YTD budgeted SDBIP target of R781,665 million.

- ❖ Employee related costs shows an unsatisfactory variance of minus 13.4%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures. There was also a soft lock on the filling of vacancies for the past few months. The majority of employees receive their 13th cheques (bonus) at the end of December.
- ❖ Remuneration of councillors is showing an under-expenditure of 12.9%. It should be noted that the gazette on the Determination of upper limits of salaries, allowances and benefits of different members of municipal councils for 2021/2022 financial year has not been issued. The gazette is normally issued during December of each year.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Herewith the response from the Asset Management Unit, why Depreciation cannot be recognised at least quarterly “The Asset Management System currently do not interface with the Financial System and this make it difficult, to post the transactions for depreciation monthly or quarterly. We currently have to pass journals in the financial system to recognise depreciation in the general ledger. This is due to the fact that the systems do not interface. Once journals are passed for depreciation and changes needs to be done for depreciation due to asset processes like disposals or impairment recognition, we will have to pass new journals for the correction of depreciation. The Asset Management System can currently interface with the Financial System but requires authorization from the service provider of the Financial System. Asset Management is one of the core functions that will be dealt with by the re-established mSCOA Steering Committee.”
- ❖ Debt impairment is provided for quarterly. The journal for the first quarter was processed during September 2021. The journal for the second quarter will be processed before 31 December 2021.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 11.2% spent versus a budget of R7,065 million. Contr: Maintenance of Unspecified Assets is 1.25 spent versus a budget of R5,000 million. There are no specific maintenance contracts in place. This line item was previously budgeted for the security contract, which has since expired. Prepaid Electricity Vendors is 27.3% spent versus a budget of R25,500 million. The October 2021 amounting to R2,745 million invoice is due at the end of November 2021.
- ❖ Bulk purchases – Electricity is showing a negative variance of 13.5%. Based on the accrual accounting principle the July and August 2021 invoices for ESKOM were captured on the system, but remains unpaid due to cash flow constraints. The September 2021 was also not timeously captured during October 2021 and also remains unpaid due to cash flow constraints. The full arrears will be included in the new debt agreement that the municipality envisages to conclude with ESKOM for the 2021/22 financial year.
- ❖ Bulk purchases Water is mapped to Inventory as per GRAP 12. The municipality is awaiting the July and September 2021 invoices from the Department and have therefore not been captured on the system. The October 2021 invoice is due at the end of November 2021.
- ❖ Transfers and subsidies shows a negative variance of 47.2%. A transfer of R550 thousand was made to the SPCA. Due to cashflow constraints the municipality opted to settle the R2,200 million in tranches as and when cash becomes available. Other grants also shows minimal movement due to cash flow constraints.
- ❖ Finance charges is showing a negative variance of 100%. It should be noted that finance charges are paid bi-annually and the first instalment is due on or before 31 December 2021. Interest on overdue accounts will be addressed in the Adjustment budget. Corrections on the actuals pertaining to Interest paid on overdue accounts will be journalised on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of 34.2%. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and

remedial action be taken to ensure that funds are spent effectively with good value for money and also that funds will be fully spent at year-end.

- ❖ During the 2019/20 Mid-year Budget Assessment the following factors were identified by the municipality that negatively affects the expenditure on Inventory consumed:

The possible root causes can vary from poor preventative maintenance strategies, poor planning, vehicles being at the Workshop for longer periods which is hampered by the availability of suitable parts, procurement processes exacerbated by a lack of valid tenders being in place for which the user departments are responsible for, clamping down on deviations and major works still outstanding for which proper procurement processes 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 Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of October 2021 is 33.33%. The total operational expenditure against the Original Budget is 26.9% spent, resulting in a variance of minus 6.5%.

- ❖ Employee costs and Councillors remuneration is showing a satisfactory variances of 4.5% and 4.3%, 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 minus 33.33%. Same factors are applicable as explained above.
- ❖ Debt impairment is provided for on a quarterly basis. The first quarter journal was processed during September 2021. The journal for the second quarter will be processed before 31 December 2021.
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is unsatisfactory with a variance of minus 15.7%. The same factors are applicable as explained in the paragraph above.
- ❖ Bulk purchases Electricity is understated because the September 2021 invoice was not captured on the system. The October 2021 invoice is due on 2 December 2021.
- ❖ Bulk purchases Water - The municipality is awaiting the July and September 2021 invoices from the Department and have therefore not been captured on the system. The October 2021 invoice is due at the end of November 2021

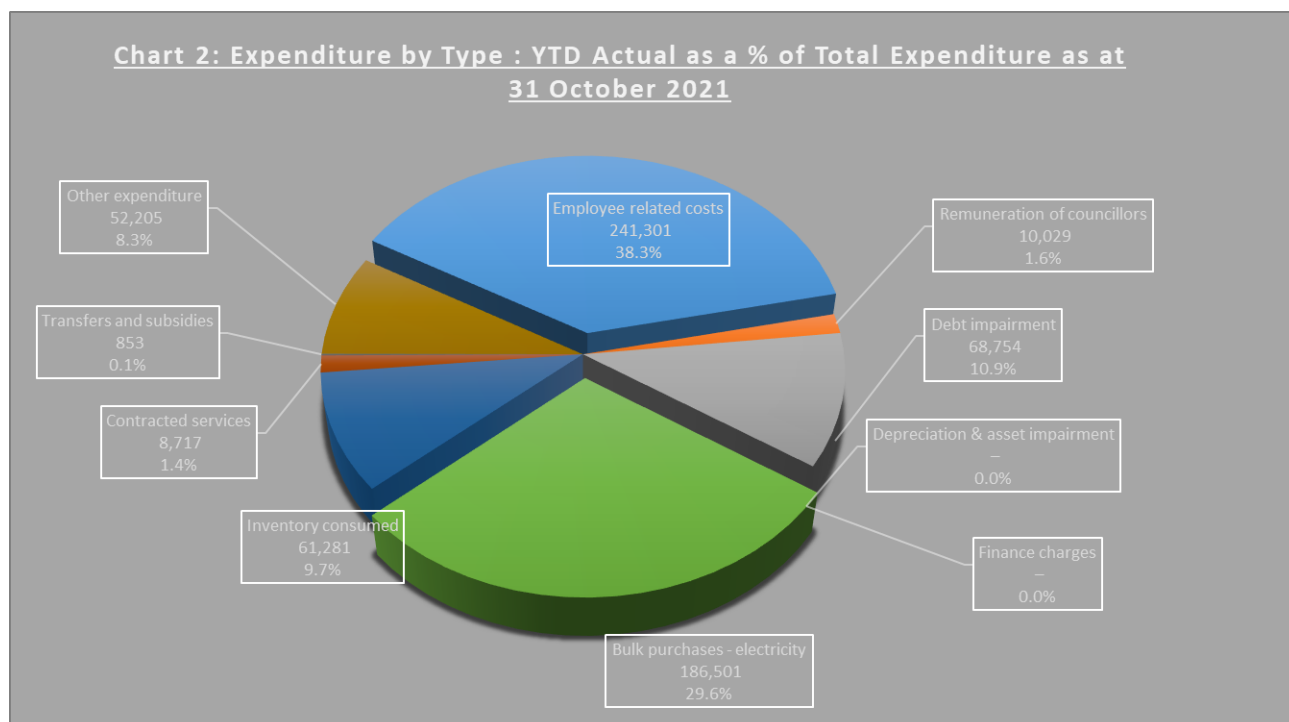


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 October 2021. The main cost drivers of the municipality are Employee Related Costs, Debt Impairment and Bulk Purchases. 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 softlock on filling of vacancies also plays a role.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ Debt impairment is provided for quarterly. The first quarter journal was processed during September 2021. The journal for the second quarter will be processed before 31 December 2021.
- ❖ Interest on external borrowing is paid bi-annually.
- ❖ The non-capturing of the ESKOM invoice for September 2021.
- ❖ The municipality is still awaiting the July and September 2021 invoices from DWS and this has not been captured on the system. The October 2021 account is due at the end of November 2021.

Bulk Purchases and Inventory - Water

- ❖ Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases Electricity. When compared to the IYM percentage of 33.33% as at end of October 2021, Bulk Purchases Electricity is showing a satisfactory variance of minus 4.5%. This is attributable to the non-capturing of the September 2021 invoice. This will be resolved with the payment section.

Description	Original Budget	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
Bulk Purchases: Electricity	647,000,000	647,000,000	207,390	186,501,307	28.8%	-4.5%
Total	647,000,000	647,000,000	207,390	186,501,307	28.8%	-4.5%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Bulk purchases – Water which is showing a negative variance of minus 21.8% when compared to the ideal percentage of 33.33%. The municipality is awaiting the July and October 2021 bulk water invoice from DWS and have therefore not been committed on the system.

Description	Original Budget	-	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
BULK WATER PURCHASES	114,000,000	114,000,000	-	13,105,484	11.5%	-21.8%
Total	114,000,000	114,000,000	-	13,105,484	11.5%	-21.8%

Table 5.2: Summary of YTD Bulk Water expenditure

Organ of state	Principle debt	Monthly Instalment	Corrections on arrear debt	Total revised debt amount	Amount paid to date	% of debt settled	Balance on Payment arrangement	Balance of unpaid invoices	Current Account due (Oct 2021)	Total Outstanding Debt	YTD Interest charged 2021/22
ESKOM	112,040,715.83	12,448,968.43	-	112,040,715.83	112,040,715.83	100%	-	331,460,924.00	51,027,860.62	382,488,784.62	9,358,785.51
DWS (Water boards)	61,179,514.18	5,000,000.00	340,009.25	61,519,523.43	52,439,295.38	85%	9,080,228.05	69,054,150.34	15,357,557.85	93,491,936.24	507,157.37
Grand Total	173,220,230.01	17,448,968.43	340,009.25	173,560,239.26	164,480,011.21	95%	9,080,228.05	400,515,074.34	66,385,418.47	475,980,720.86	9,865,942.88

Table 6: Summary of outstanding Bulk costs debt

Indicated in Table 6 above, is the total outstanding debt owed to ESKOM amounting to R382,489 million. The current account due to ESKOM is R51,028 million. The arrear debt of R331,461 million pertains to the unpaid accounts for June 2021 (R79,903m), July 2021 (R104,400m), August 2021 (R93,020m) and September 2021 (R54,138m). The municipality did not have sufficient cash to settle the outstanding accounts due to ESKOM. For the month of October 2021, the municipality settled in full, the May 2021 account amounting to R21,954 million. The municipality settled a further R10,000 million on 8 November 2021, which will be reflected in the new month. The total year to date interest charged on overdue accounts due to ESKOM amounts to R9,359 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The debt for 2020/21 has been settled in full. The municipality envisages to enter into a new payment agreement with ESKOM for the current financial year.

Also, indicated in Table 6 above, is the total outstanding debt owed to DWS amounting to R93,492 million. The current account due to DWS is R15,358 million. It should be noted that the total debt due to DWS needs to be concurred with the Department. The debt owed to DWS is understated as the municipality is awaiting the invoices from the Department for June 2021, relating to 2020/21 financial year and the July and September 2021 invoices for the current year. The arrear debt of R69,054 million pertains to the outstanding accounts for December 2020 (R8,733m), January 2021 (R17,084m), February 2021 (R15,329m), March 2021 (R13,224m) and August 2021 (R14,685m). Due to cash flow constraints, the municipality could not settle the outstanding invoices. For the month of October 2021, the municipality settled an amount of R5,727 million on the arrear debt owed to DWS. The total year to date interest charged on overdue accounts to DWS amounted to R507 thousand. The interest charged is possibly understated, due to the fact that no statements were received from DWS for July, August, September and October 2021. The debt agreement for 2020/21 has an outstanding balance of R9,080 million. However, it should be noted that R8,000 million was paid on 8 November 2021, which will be reflected in the new month. The municipality envisages to enter into a new payment agreement with DWS for the current financial year, inclusive of all debt.

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - October 2021										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 33.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	179,266	7,856	16,571	59,755	27.7%	(43,184)	-72.3%	9.2%	(43,184)	-24.1%
Funded by										
Capital transfers recognised	167,766	7,723	15,417	55,922	27.6%	(40,505)	-72.4%	9.2%	(40,505)	-24.1%
Internally generated funds	11,500	133	1,155	3,833	30.1%	(2,679)	-69.9%	10.0%	(2,679)	-23.3%
Weighting Capital transfer recognised	94%	98%	93%	94%						
Weighting Internally generated funds	6%	2%	7%	6%						

Table 7: High level summary: Capital Expenditure

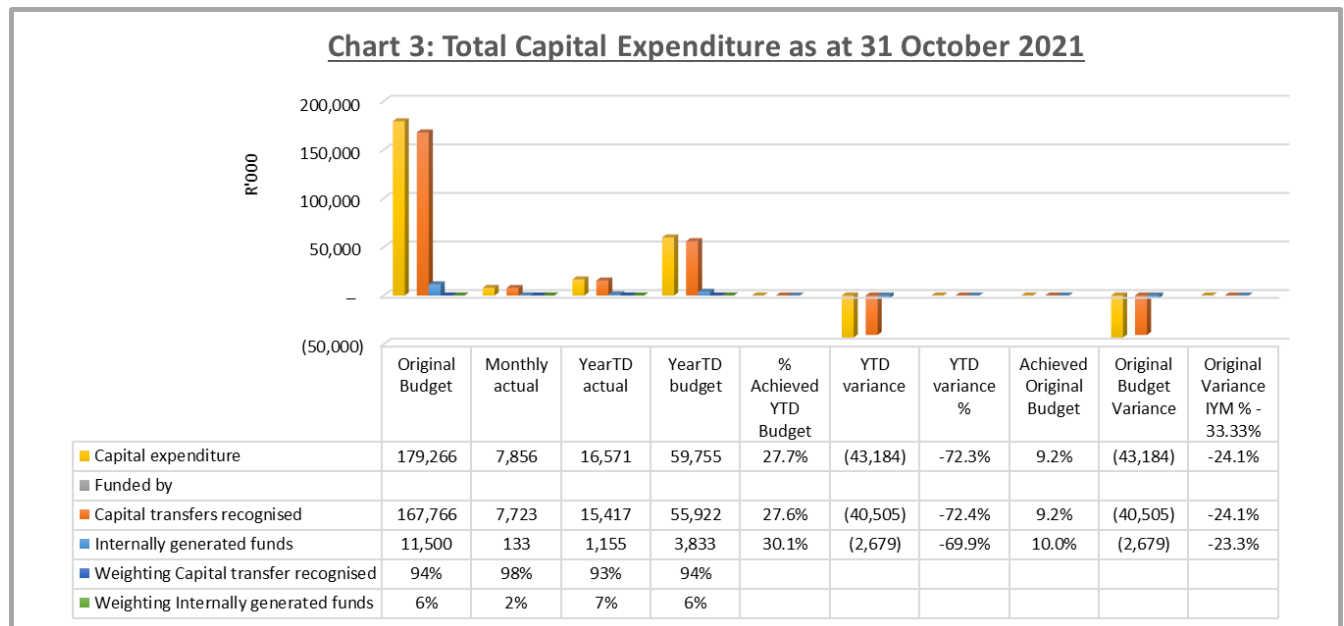


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of October 2021 amounted to R16,571 million and 27.7% spent when compared to the YTD budget of R59,755 million and 9.7% spent when compared to the Original Budget of R179,266 million. The total YTD capex is funded from Capital grants R15,417 million (93%) and Internally generated funds R1,155 million (7%). Capex is extremely low and this must improve going forward. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes. The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. The Project Management Unit (PMU) is not adequately staffed, resulting in a lack of qualified permanently appointed project managers. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

Sol Plaatje (NC091): Monthly Budget Statement: October 2021

4.4 Cash flows

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

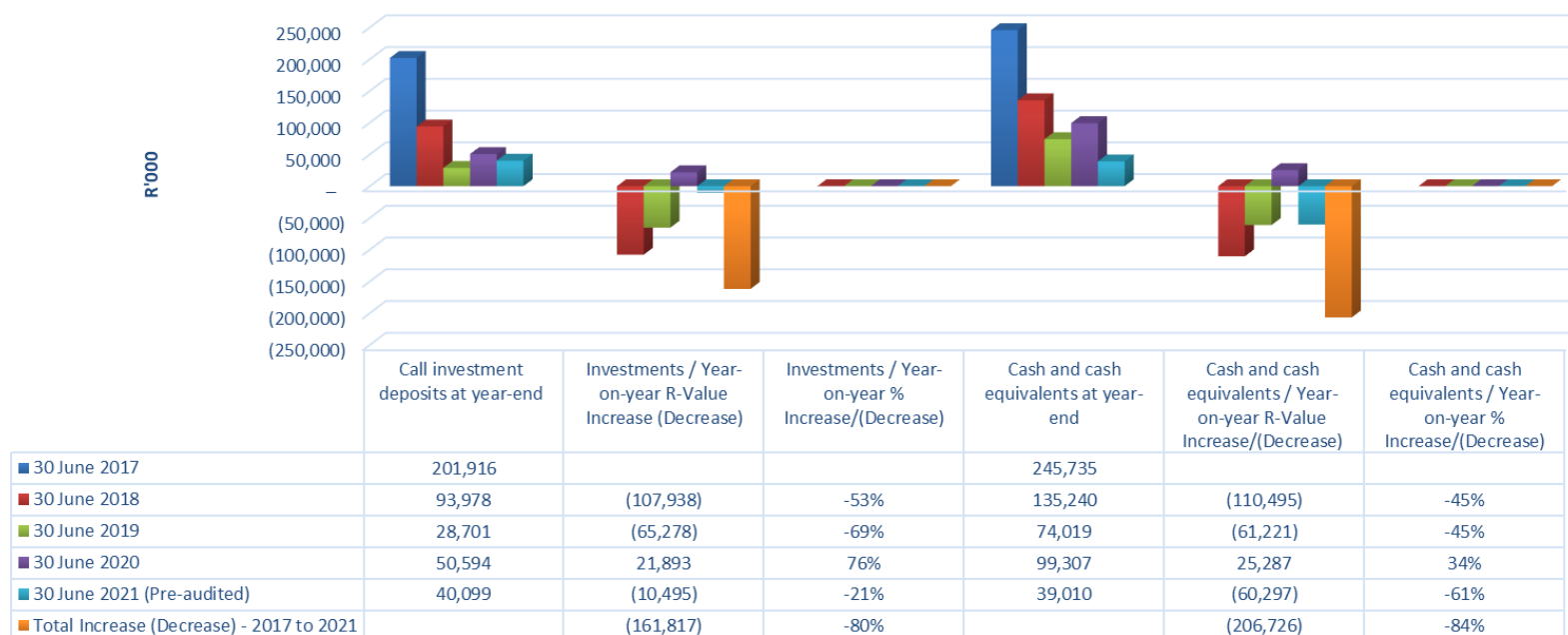


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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 October 2021



Chart 5: Call investment deposits at month-end

As indicated in the Chart 5 above from September to October 2021 investments incl interest increased by R160 thousand or 0.3%, in respect of the month-to-month comparison. Investments increased by R10,762 million or 26.8% when compared to the previous years' pre-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, enforce accountability within all departments and to collect outstanding debt. Collect outstanding debt and improve the collection rate. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

5. 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

6. Debtors' Analysis`

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	54,327	21,173	14,669	442,785	–	–	–	–	532,954	442,785	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	64,396	21,524	13,842	178,673	–	–	–	–	278,434	178,673	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	53,409	14,359	85,192	605,426	–	–	–	–	758,386	605,426	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	12,048	4,332	4,187	137,950	–	–	–	–	158,517	137,950	–	–
Receivables from Exchange Transactions - Waste Management	1600	9,329	3,315	3,080	105,846	–	–	–	–	121,570	105,846	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	540	507	496	40,921	–	–	–	–	42,464	40,921	–	–
Interest on Arrear Debtor Accounts	1810	19,783	9,327	9,073	579,337	–	–	–	–	617,520	579,337	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	8,652	2,243	3,007	194,289	–	–	–	–	208,190	194,289	–	–
Total By Income Source	2000	222,483	76,780	133,546	2,285,227	–	–	–	–	2,718,035	2,285,227	–	–
2020/21 - totals only		282,266	72,083	60,625	2,144,368					2,559,343	2,144,368		
Debtors Age Analysis By Customer Group													
Organs of State	2200	41,320	15,203	79,891	670,402	–	–	–	–	806,816	670,402	–	–
Commercial	2300	76,829	20,722	16,500	344,467	–	–	–	–	458,517	344,467	–	–
Households	2400	101,527	39,685	35,988	1,224,635	–	–	–	–	1,401,835	1,224,635	–	–
Other	2500	2,807	1,171	1,167	45,723	–	–	–	–	50,868	45,723	–	–
Total By Customer Group	2600	222,483	76,780	133,546	2,285,227	–	–	–	–	2,718,035	2,285,227	–	–

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 R2,718,035 billion as at the end of October 2021. The Credit control office implemented the following contingencies. In the light of current cash flow and very low cashier collection at points, we resumed disconnection and blocking of institutions, businesses and Government Departments without valid arrangements or not in discussions with, effective immediately. Bulk blocking of prepaid meters is hampered due to Covid-19 regulations. On a weekly basis, the municipality also focuses on the Top Ten accounts for all debtor groups. Water and lights (long outstanding queries and Interims), Rates (long outstanding Interims) are also dealt with. The Call Centre also do courtesy calls to the most paying customers, as a means to improve customer satisfaction.

Specific action – Covid-19

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

Sol Plaatje (NC091): Monthly Budget Statement: October 2021

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which remained unchanged at 84% for the period under review. Debt over 90 days increased by R35,875 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R38,856 million. It is concerning that total debt over 90 days is hovering at an average of 85%. During the Adjustment Budget funding assessment for 2019/20, NT advised that the municipality should consider writing off debtors that we know we are not realistically going to collect. To this end, the amounts written off as uncollectable amounted to R403,262 million for the year ended 30 June 2020. For the year ended 30 June 2021, the amounts written off as uncollectable amounted to R330,209 million. The total amounts written off as uncollectable for the two financial years amounts to R733,470 million.

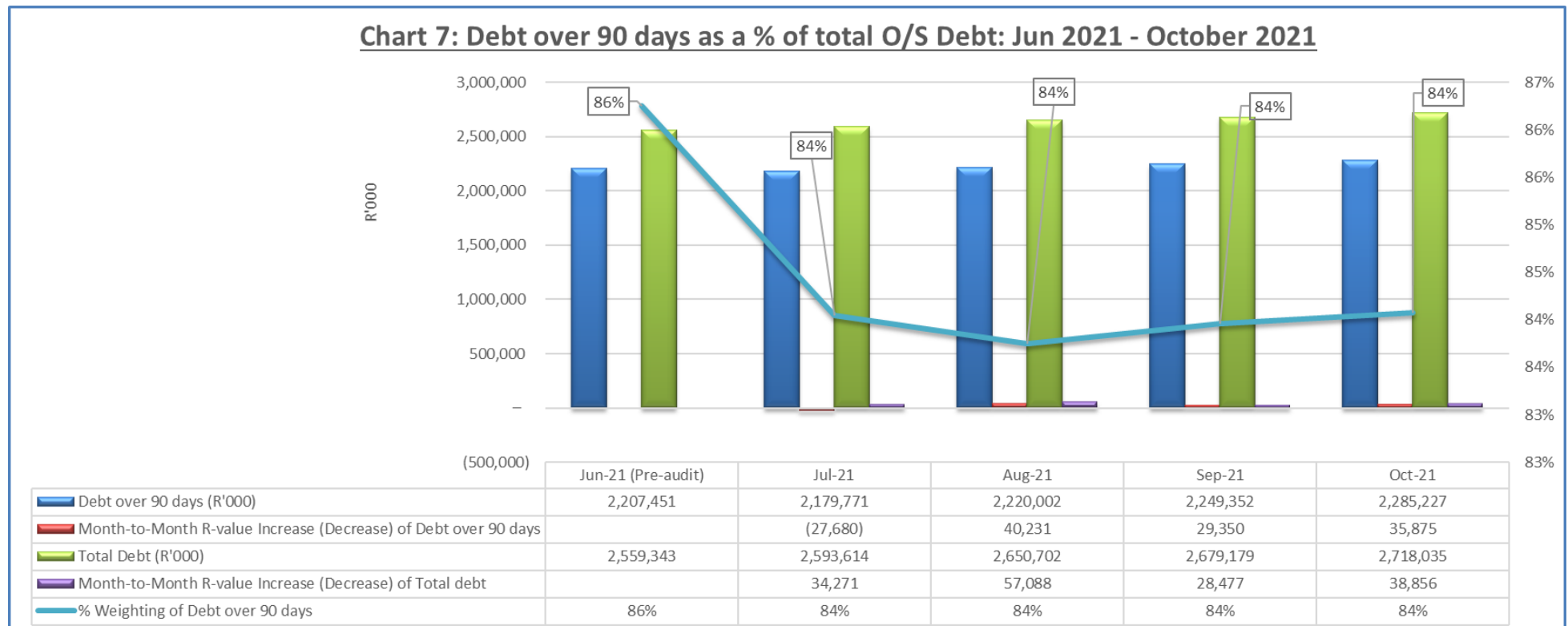


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

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

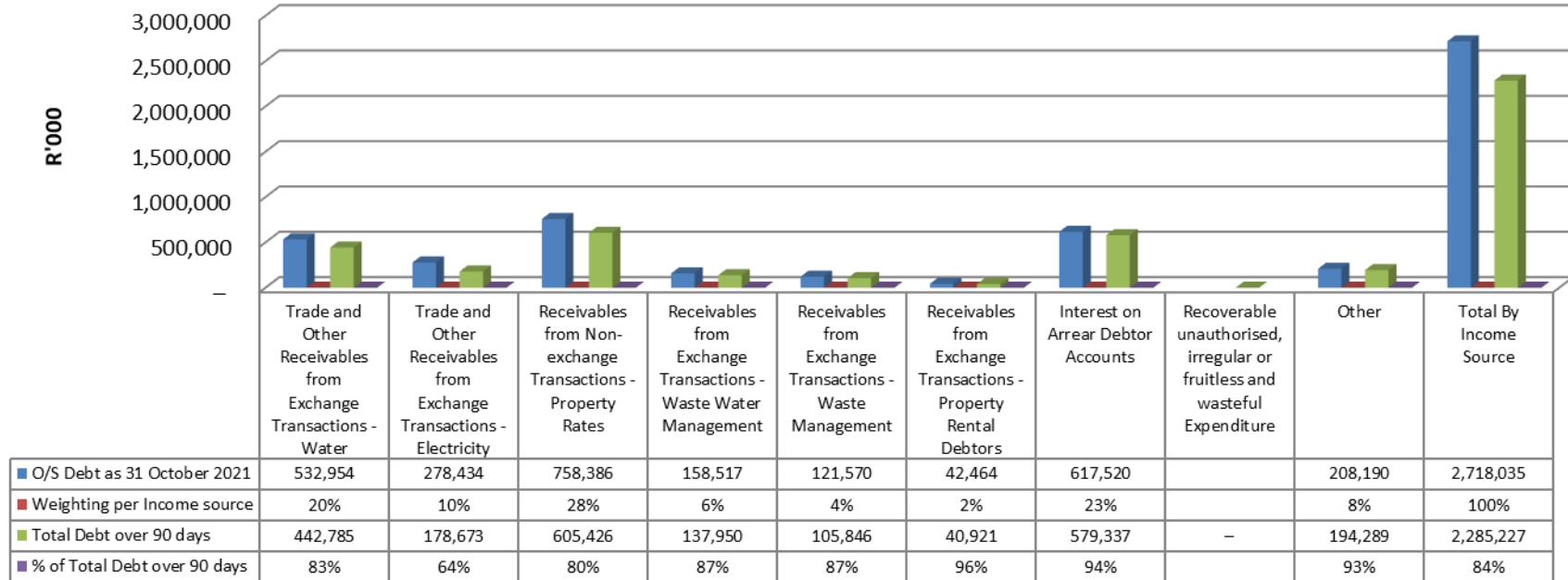


Chart 8: Outstanding Debt by Income Source

Indicated in Chart 8 above, is the total outstanding debt per Income Source, including the weighting and the percentage of Total Debt over 90 days as at the end of October 2021. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 28%
- ❖ Interest on Arrear Debtor Accounts 23%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 20%

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

- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 96%
- ❖ Interest on Arrear Debtor Accounts at 94%;
- ❖ Other 93%

Debtors Age Analysis By Income Source	O/S Debt as 30 September 2021	O/S Debt as 31 October 2021	Percentage month-on-month Increase/ (Decrease) in Debtors	R-Value Increase/(Decrease)	Weighting of Debt per Category as a % of Total O/S
Trade and Other Receivables from Exchange Transactions - Water	R 516,575,752	R 532,953,535	3.1%	R 16,377,783	20%
Trade and Other Receivables from Exchange Transactions - Electricity	R 280,715,932	R 278,434,267	-0.8%	-R 2,281,665	10%
Receivables from Non-exchange Transactions - Property Rates	R 749,357,553	R 758,386,330	1.2%	R 9,028,777	28%
Receivables from Exchange Transactions - Waste Water Management	R 155,624,520	R 158,516,571	1.8%	R 2,892,051	6%
Receivables from Exchange Transactions - Waste Management	R 119,355,362	R 121,570,182	1.8%	R 2,214,820	4%
Receivables from Exchange Transactions - Property Rental Debtors	R 42,039,405	R 42,464,379	1.0%	R 424,974	2%
Interest on Arrear Debtor Accounts	R 609,699,994	R 617,519,859	1.3%	R 7,819,865	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	R -	R -		R -	
Other	R 205,810,341	R 208,190,192	1.1%	R 2,379,851	8%
Total By Income Source	R 2,679,178,859	R2,718,035,315	1.4%	R 38,856,456	100%
Debtors Age Analysis By Customer Group					
Organs of State	R 797,196,016	R 806,815,610	1.2%	R 9,619,594	30%
Commercial	R 455,112,479	R 458,517,306	0.7%	R 3,404,827	17%
Households	R 1,377,034,631	R1,401,834,567	1.8%	R 24,799,936	52%
Other	R 49,835,733	R 50,867,832	2.0%	R 1,032,099	2%
Total By Customer Group	R 2,679,178,859	R2,718,035,315	1.4%	R 38,856,456	100%

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

Indicated in Table 9 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group, from September to October 2021, the municipality's total O/S debt increased by 1.4% or R38,856 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 3.1%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity decreased by 0.8%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 1.2%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.8%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.8%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 1.0%.
- ❖ Interest on Arrear Debtor Accounts increased by 1.3%.
- ❖ Other increased by 1.1%.

O/S debt per Customer Group

- ❖ Organs of State increased by 1.2%.
- ❖ Commercial debtors increased by 0.7%.
- ❖ Debt owed by Households increased by 1.8%.
- ❖ Other Debt increased by 2.0%.

Weighting per Customer Group

- ❖ Government debt constitutes 30%, Businesses 17%, Households 52% and Other 2% of the total outstanding debt.

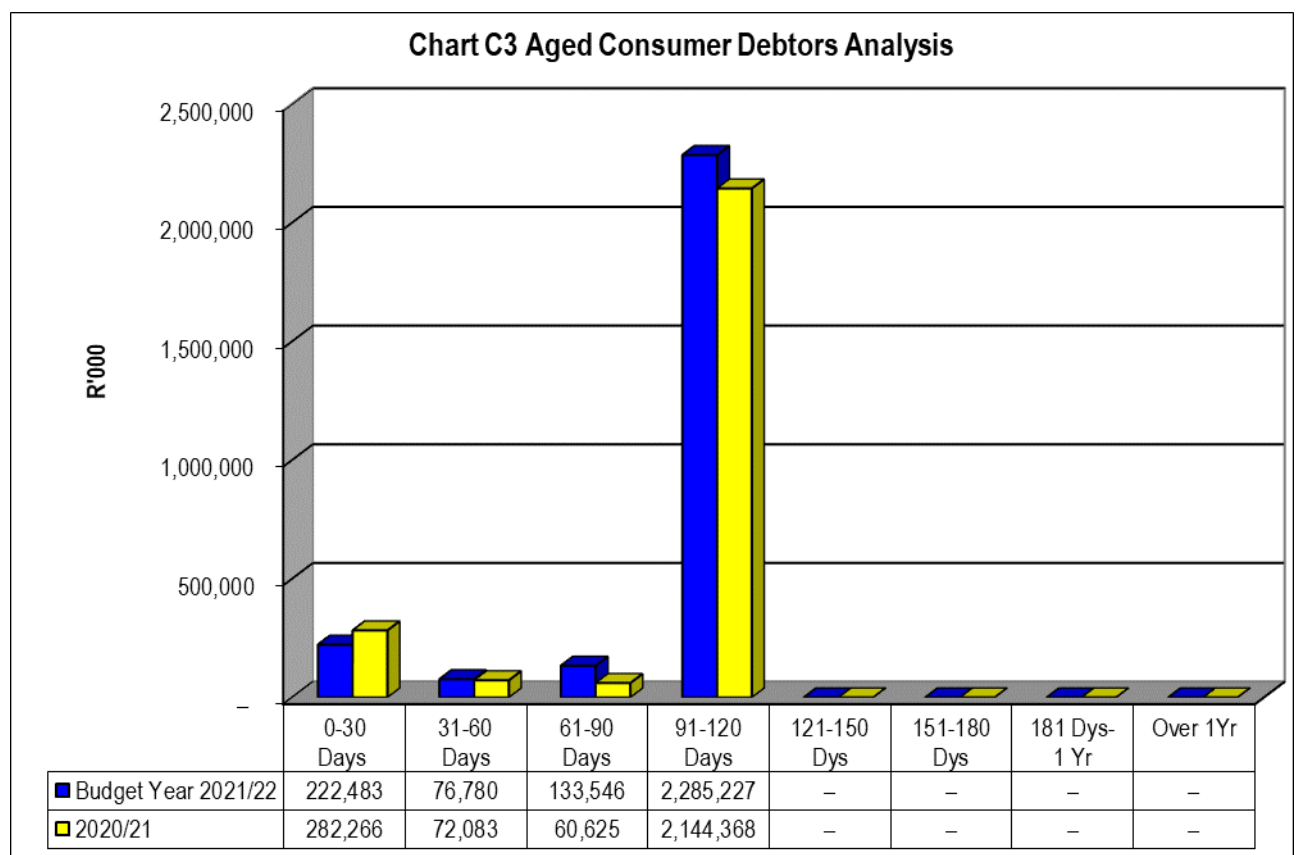


Chart 9: Aged Consumer Debtor Analysis

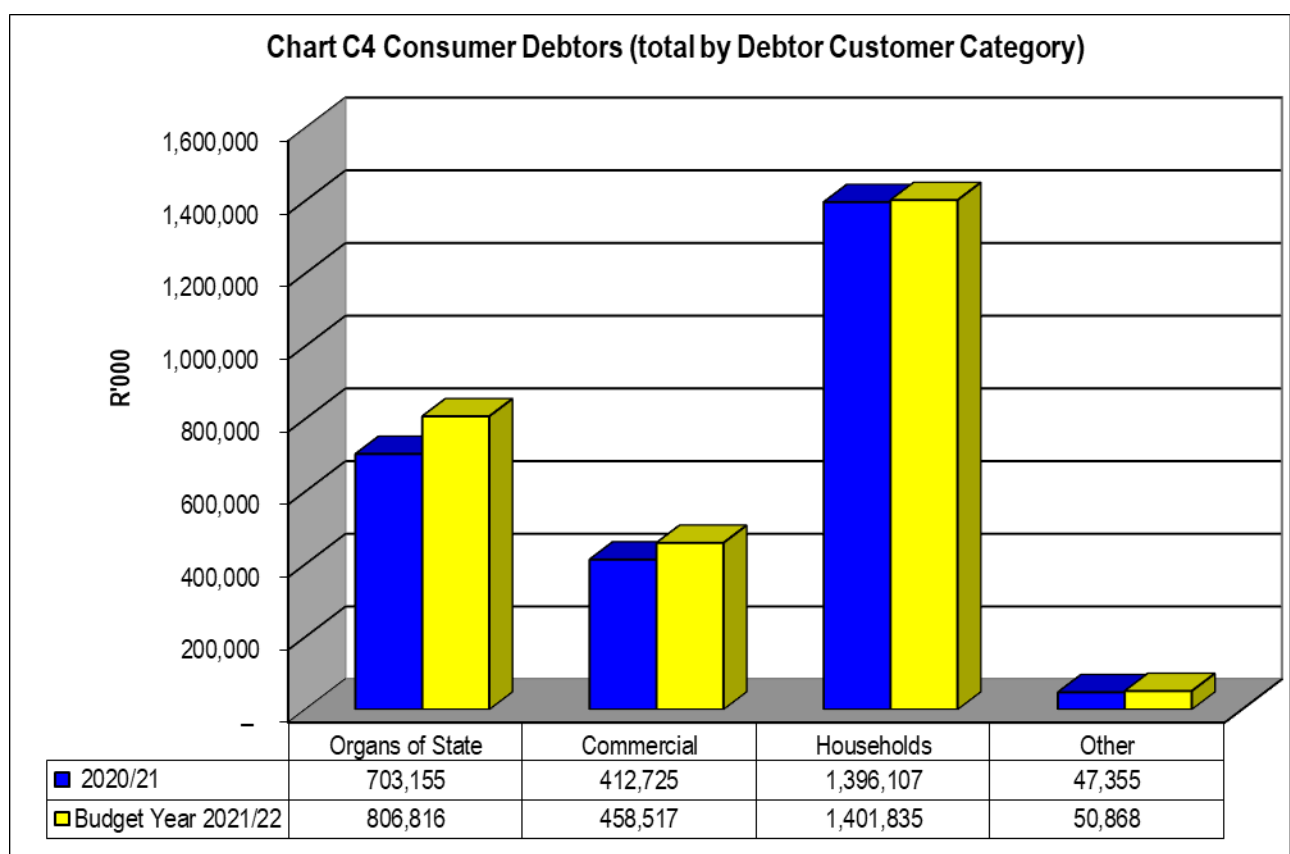


Chart 10: Consumer Debtors (total by Debtor Customer Category)

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

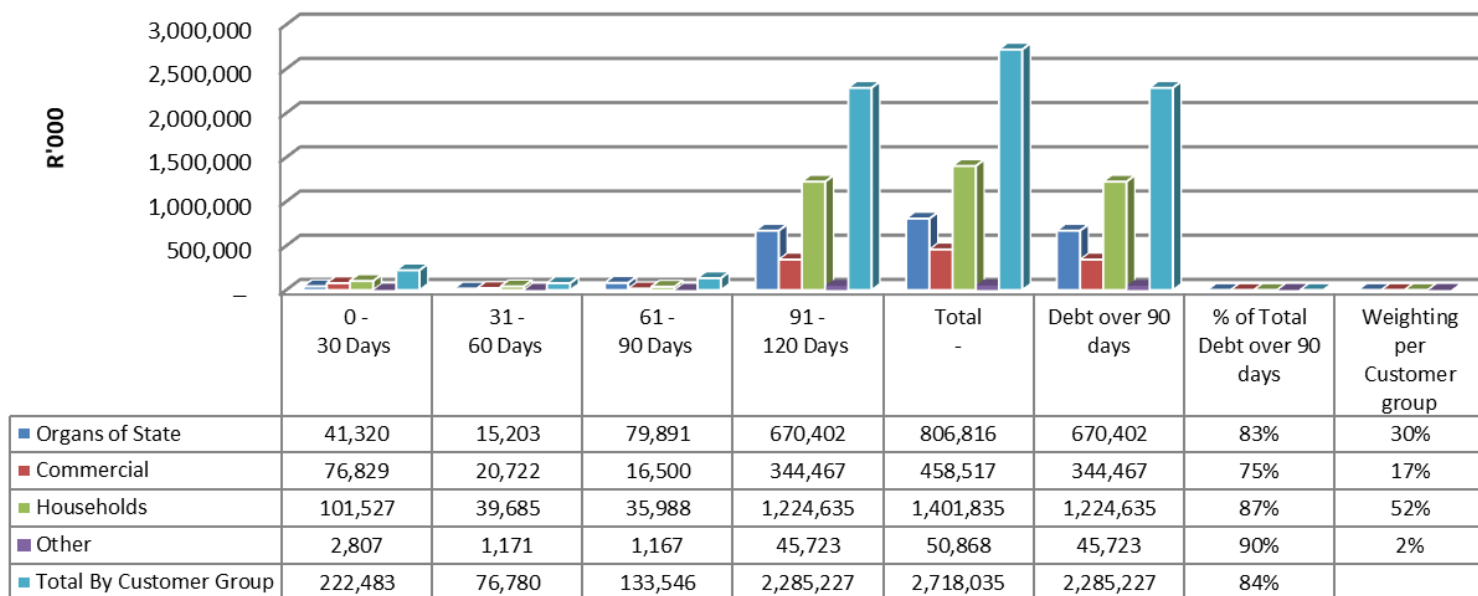


Chart 11: Debtor's Age Analysis per Customer Group

Chart 11 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 84%. An analysis revealed that the catalysts for this condition are the sheer volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. This is compounded by the large number of water leaks that go unreported which causes the accountholder's account to escalate beyond their means to pay. In addition to this, there is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. We have a backlog of processing this debt and submitting this to Council for approval to write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts. We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality. The Covid-19 pandemic also adversely affected consumer's ability to pay, this is evident by the average monthly collection rate of 69%. The municipality has been providing additional incentives to assist consumers to settle their arrear accounts.

Revised collection rate

As per Table 10 below, when taking into consideration what was billed in September 2021 and received in October 2021, the monthly collection rate is 72%. Indicated in Table 11 below is the revised average collection of 67.9% for the period under review. The average collection is distorted due to the annual billing of Property rates. The actual Rand-value billed for July 2021, is R78m and was subsequently deducted from the YTD Actual on Property rates. The annual billing is effectively deducted from the YTD billing on Property rates, to portray a more realistic picture of the average collection rate which translates into an average collection rate of 76.1%. 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 October to 31 October 2021. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September/ October 2021 to settle their outstanding accounts.

Monthly Collection Rate	Debits (Billed September 2021)	Credits (Received October 2021)	% Collected
PROPERTY RATES	45,407,986	30,147,311	66%
ELECTRICITY	48,407,037	38,551,694	80%
WATER	24,581,645	13,904,776	57%
SEWERAGE	8,504,437	3,910,666	46%
REFUSE	6,417,493	3,117,646	49%
OTHER	11,567,955	14,978,115	129%
Total	144,886,554	104,610,208	72%

Monthly collection rate per service					
Monthly Collection	Jul-21	Aug-21	Sep-21	Oct-21	Average
Property Rates	62%	25%	81%	66%	48%
Electricity excl Prepays	80%	77%	69%	80%	76%
Water	85%	47%	47%	57%	59%
Sewerage	48%	44%	43%	46%	45%
Refuse	48%	47%	44%	49%	47%
Other	108%	50%	108%	129%	99%
Monthly collection rate	74%	41%	69%	72%	61%

Table 10: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL OCTOBER 2021		YTD RECEIPTS	Rate
PROPERTY RATES	R	260,889,009	R 123,212,595	47.2%
SERVICE CHARGE ELECTRICITY	R	173,789,407	R 134,823,176	77.6%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R	97,626,805	R 97,626,805	100.0%
SERVICE CHARGE WATER	R	98,649,117	R 50,737,581	51.4%
SERVICE CHARGE SANITATION	R	28,299,604	R 14,883,518	52.6%
SERVICE CHARGE REFUSE	R	20,853,856	R 11,649,573	55.9%
OTHER	R	46,102,121	R 45,113,504	97.9%
UNALLOCATED CREDITS			R 14,760,190	
REVISED AVERAGE COLLECTION RATE - OCTOBER 2021	R	726,209,919	R 492,806,942	67.9%

REVENUE BY SOURCE	YTD ACTUAL OCTOBER 2021		YTD RECEIPTS	Rate
2021 incl ANNUAL BILLING ON PROPERTY RATES	R	726,209,919	R 492,806,942	67.9%
LESS ANNUAL BILLING ON PROPERTY RATES	R	-78,561,553		0.0%
REVISED AVERAGE COLLECTION RATE - OCTOBER 2021 excl ANNUAL BILLING ON PROPERTY RATES	R	647,648,366	R 492,806,942	76.1%

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	TOTAL
PROPERTY RATES	VA	-	710.80	-	-	710.80
PROPERTY RATES	VA2010	98.54	400.00	73.74	270.53	842.81
PROPERTY RATES	VARESD	12,007,341.97	12,212,368.68	12,163,799.89	11,222,764.30	47,606,274.84
PROPERTY RATES	VASRA	679,537.02	722,394.72	699,696.30	604,340.70	2,705,968.74
PROPERTY RATES	VABCOM	12,149,403.43	14,308,811.99	15,446,038.89	13,892,475.88	55,796,730.19
PROPERTY RATES	VAIND	1,344,417.62	1,525,434.72	1,314,215.38	1,392,330.34	5,576,398.06
PROPERTY RATES	VAFAG	100,199.84	107,193.66	126,646.12	100,059.69	434,099.31
PROPERTY RATES	VAFARE	23,064.20	14,172.13	21,678.35	9,219.56	68,134.24
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	9,961,288.89
PROPERTY RATES	VARESV	219,155.37	168,997.49	210,933.49	292,794.10	891,880.45
PROPERTY RATES	VAGOVN	-	-	-	-	-
PROPERTY RATES	VAPBO	-	-	772.00	-	772.00
PROPERTY RATES	VAFABC	31,124.00	52,728.24	50,268.00	33,094.16	167,214.40
TOTAL PROPERTY RATES		27,517,905.09	30,559,304.57	37,041,847.88	28,093,537.67	123,212,595.21
BASIC ELECTRICITY	BE	467,974.35	474,997.38	528,492.86	492,282.43	1,963,747.02
ELECTRICITY	EL	28,210,519.51	34,737,091.67	37,135,052.34	32,776,764.99	132,859,428.51
PREPAID ELECTRICITY		27,317,859.54	25,196,134.81	22,614,270.11	22,498,541.03	97,626,805.49
TOTAL ELECTRICITY		55,996,353.40	60,408,223.86	60,277,815.31	55,767,588.45	232,449,981.02
BASIC WATER	BW	45,774.06	44,178.85	42,504.92	72,083.06	204,540.89
WATER CONSUMPTION	WA	16,299,907.56	9,977,711.36	14,816,830.56	9,438,590.61	50,533,040.09
TOTAL WATER		16,345,681.62	10,021,890.21	14,859,335.48	9,510,673.67	50,737,580.98
BASIC SEWERAGE	BS	245,124.26	182,272.32	199,980.15	245,775.14	873,151.87
SANITATION	SE	3,799,122.39	3,387,940.08	3,510,835.65	3,312,467.68	14,010,365.80
TOTAL SANITATION		4,044,246.65	3,570,212.40	3,710,815.80	3,558,242.82	14,883,517.67
REFUSE	BR	2,815,388.72	2,605,275.97	2,682,447.75	2,550,730.53	10,653,842.97
ADD REFUSE	RF	252,390.81	273,761.64	193,154.13	276,423.29	995,729.87
TOTAL REFUSE		3,067,779.53	2,879,037.61	2,875,601.88	2,827,153.82	11,649,572.84
INTEREST ON ARREARS	IN0001	34,721.11	39,204.54	41,963.66	28,142.74	144,032.05
INTEREST ON ARREARS	INBR	65,535.02	60,770.80	52,524.18	61,409.09	240,239.09
INTEREST ON ARREARS	INSE	89,478.44	76,410.67	71,230.70	86,879.14	323,998.95
INTEREST ON ARREARS	INWA	255,169.16	216,027.29	219,572.70	222,259.47	913,028.62
INTEREST ON ARREARS	INSU	51,029.35	49,019.46	31,523.87	39,452.06	171,024.74
INTEREST ON ARREARS	INBS	4,948.42	2,260.00	4,757.86	14,216.02	26,182.30
INTEREST ON ARREARS	INEL	326,905.24	219,210.02	222,915.63	220,809.65	989,840.54
INTEREST ON ARREARS	INBE	2,731.42	4,468.97	5,980.62	17,835.85	31,016.86
INTEREST ON ARREARS	INBW	4,757.82	1,733.39	1,825.24	15,571.01	23,887.46
INTEREST ON ARREARS	INRF	1,706.64	1,440.81	5,502.72	2,581.91	11,232.08
INTEREST ON ARREARS	INVA	255,616.54	321,812.05	313,042.98	364,777.88	1,255,249.45
TOTAL INTEREST ON ARREARS		1,092,599.16	992,358.00	970,840.16	1,073,934.82	4,129,732.14
DEPOSITS	DEWE	204,112.43	202,855.98	254,984.41	182,067.71	844,020.53
CREDITS NOT YET ALLOCATED	EX	10,745,412.33	3,566,948.92	10,241,165.37	11,905,763.87	36,459,290.49
SUNDRY DEBTORS	SU	818,020.20	718,375.28	714,650.82	635,311.16	2,886,357.46
HOUSE RENTALS	SU10	129,941.73	123,109.95	124,165.61	114,330.62	491,547.91
MISC 1	SU50	42,303.30	44,846.26	86,889.42	71,174.85	245,213.83
MISC 2	SU51	-	-	-	-	-
INFORMAL HOUSING	SU60	8,229.35	4,517.35	4,693.13	6,888.68	24,328.51
ARREARS MAGIC	SU70	1,598.50	426.23	1,217.59	145.95	3,388.27
SUNDRY COMMISSION	SUCOMM	1,583.93	961.85	1,422.09	1,308.13	5,276.00
COMM ON PNP	SUEASY	2,125.88	8,599.61	5,999.28	7,624.37	24,349.14
OTHER		11,953,327.65	4,670,641.43	11,435,187.72	12,924,615.34	40,983,772.14
VAT	VAT	7,861,034.92	7,821,334.01	8,943,726.80	7,413,858.05	32,039,953.78
TOTAL RECEIPTS		100,561,068.48	95,726,867.28	117,500,900.92	98,671,063.61	412,459,900.29
TOTAL RECEIPTS LESS VAT		92,700,033.56	87,905,533.27	108,557,174.12	91,257,205.56	380,419,946.51
TOTAL RECEIPTS INCL PREPAIDS		120,017,893.10	113,101,668.08	131,171,444.23	113,755,746.59	478,046,752.00

Table 12: BS566 report on receipts per service

BS566 Payments per Service per Day/Period - Debtor type						
Debtor Type Description	Debtor Type	Jul-21	Aug-21	Sep-21	Oct-21	TOTAL
BUSINESS KVA	BK	9,501,634.66	12,189,536.61	12,271,474.43	12,896,498.67	46,859,144.37
BUSINESS RESIDENTIAL	BR	792,204.29	897,256.49	985,137.71	857,766.56	3,532,365.05
BUSINESS	BU	28,016,684.19	27,693,890.64	26,624,836.40	26,111,421.16	108,446,832.39
CHURCHES	CH	86,323.44	79,220.18	128,513.69	100,431.31	394,488.62
COUNCILLOR	CL	31,186.52	40,726.69	82,562.07	32,897.14	187,372.42
COMMERCIAL	CO	2,090,027.46	2,068,011.34	3,275,997.26	2,271,213.96	9,705,250.02
GOVERNMENT - OTHER	GO	-	-	-	1,565.21	1,565.21
SCHOOLS	GS	1,696,524.31	1,681,033.13	1,865,739.52	1,790,450.47	7,033,747.43
INDIGENTS CANCELLED	IC	656,541.45	663,808.64	647,822.63	583,480.35	2,551,653.07
INDIGENTS	ID	1,314,980.60	1,184,815.32	1,142,862.02	1,074,581.88	4,717,239.82
INDIGENTS INFORMAL SETTLEMENT	IF	149,731.75	99,744.81	89,179.46	69,764.40	408,420.42
INDIGENT - LATE ESTATE	IL	1,536.92	614.97	676.07	1,123.97	3,951.93
INDIGENT PENDING	IP	400,782.73	339,621.13	329,250.14	340,655.07	1,410,309.07
INDUSTRIAL	IN	755,854.35	957,195.81	830,074.30	1,348,021.04	3,891,145.50
MUNICIPAL	MU	314,158.78	472,935.53	433,396.12	261,274.33	1,481,764.76
NAT: POLICE	N3	10,168.40	3,069.53	23,235.79	4,397.07	40,870.79
NAT: DEFENCE AND MILITARY VETERA	ND	1,145.68	-	3,703.05	1,234.35	6,083.08
NAT: CORRECTIONAL SERVICES	NN	393,926.33	336,758.10	368,797.83	749,918.30	1,849,400.56
NAT: PUBLIC WORKS	NP	8,578,764.15	3,825,996.97	19,696,804.47	8,293,431.09	40,394,996.68
NON-STAFF ACCOUNTS PAID BY STAFF	NS	392,271.09	345,389.80	354,724.64	372,226.17	1,464,611.70
OPEN SPACE	OP	13,501.16	7,071.83	8,048.47	47,565.03	76,186.49
OTHER	OT	364,200.88	417,037.71	356,532.05	615,018.42	1,752,789.06
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,330.30	2,024.12	5,393.39	5,393.39	18,141.20
PROV: SOCIAL DEVELOPMENT	P1	463,687.08	212,639.30	296,305.02	5,156.35	977,787.75
PROV: HOUSING AND LOCAL GOVERNME	P2	176,797.83	59,029.00	774.92	83.86	236,685.61
PROV: OFFICE OF THE PREMIER	P3	8,053.84	4,478.88	5,777.14	5,248.67	23,558.53
PROV: OTHER DEPARTMENTS	P4	220,239.28	161,874.69	215,156.78	20,587.82	617,858.57
PROV: AGRICULTURE	PA	46,365.72	-	57,465.35	-	103,831.07
PROV: EDUCATION	PE	1,920,364.15	2,451,676.00	2,800,969.94	2,751,698.66	9,924,708.75
PROV: HEALTH	PH	1,587,041.92	2,562,813.04	573,550.27	1,998,251.98	6,721,657.21
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,974,807.82	192,505.16	5,466,059.93	380,079.29	8,013,452.20
PROV: SPORT, ARTS & CULTURE	PS	48,261.96	266,211.88	2,048.25	2,853.55	319,375.64
RESIDENTIAL	RE	30,000,326.47	27,918,996.59	28,992,251.09	27,624,756.95	114,536,331.10
SUNDRY DEBTOR	SD	3,641.12	7,096.24	10,708.64	8,504.09	29,950.09
STALE REFUNDS	SR	78.00	-	-	-	78.00
STAFF	ST	676,590.57	752,437.47	601,311.45	604,052.59	2,634,392.08
UNKNOWN	UN	230.00	-	540.00	249.61	1,019.61
EXCEPTIONAL CIRCUMSTANCES	IE	6,068.36	10,015.67	9,493.83	25,352.80	50,930.66
VAT	VAT	7,861,034.92	7,821,334.01	8,943,726.80	7,413,858.05	32,039,953.78
TOTAL RECEIPTS		100,561,068.48	95,726,867.28	117,500,900.92	98,671,063.61	412,459,900.29
TOTAL RECEIPTS LESS VAT		92,700,033.56	87,905,533.27	108,557,174.12	91,257,205.56	380,419,946.51

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 Oct 2021

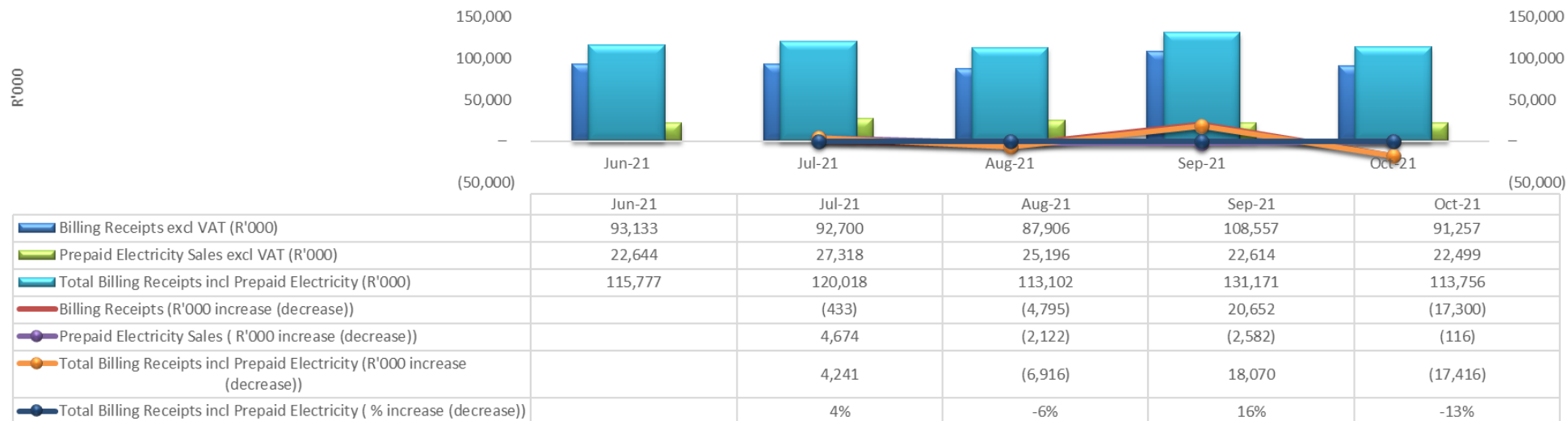


Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 12.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R113,756 million which resulted in a decrease of R17,416 million or 13% in respect of the month-to-month comparison. Unallocated billing receipts at month end amounted to R14,760 million.

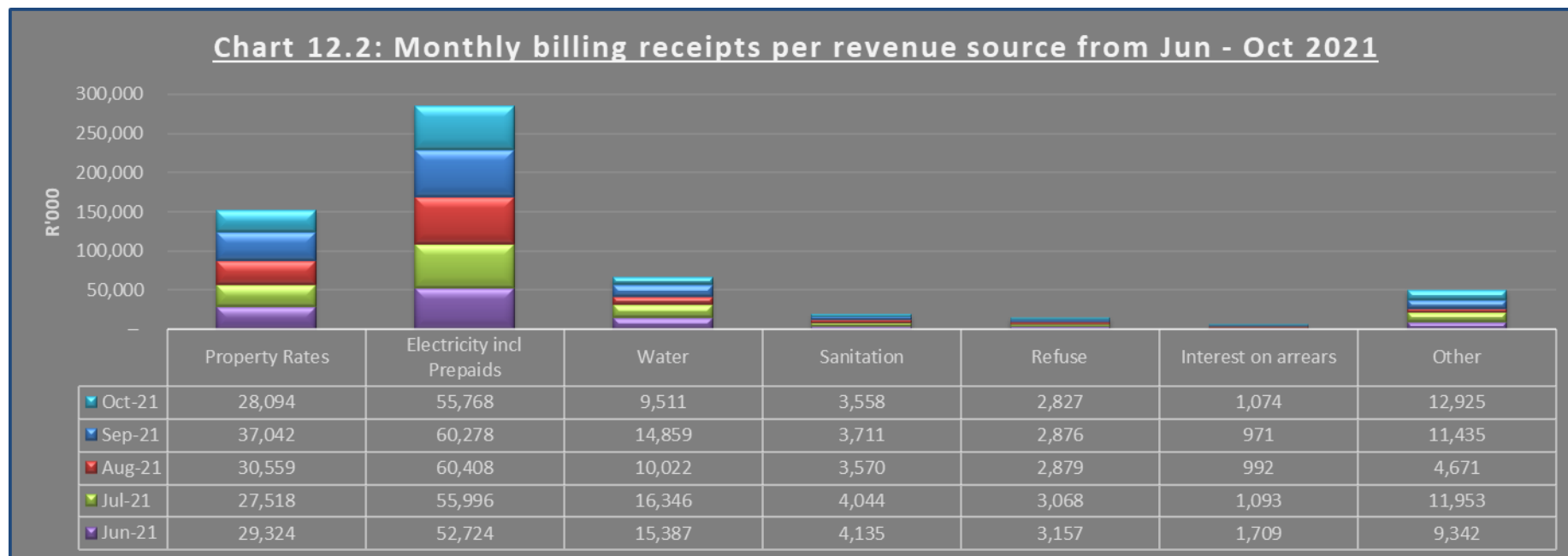


Chart 12.2: Monthly billing receipts per revenue source

Indicated in Chart 12.2 above, is the month-to-month receipts per Revenue source. Receipts are relatively constant based on the month-to-month comparison. The downward trend is concerning and indicative of the fact that the municipality is battling to collect its outstanding debt and more needs to be done to improve on its revenue collections. Receipts on Property and all Trading services declined when compared to September month. There is a marginal increase on Other receipts and Interest on arrears.

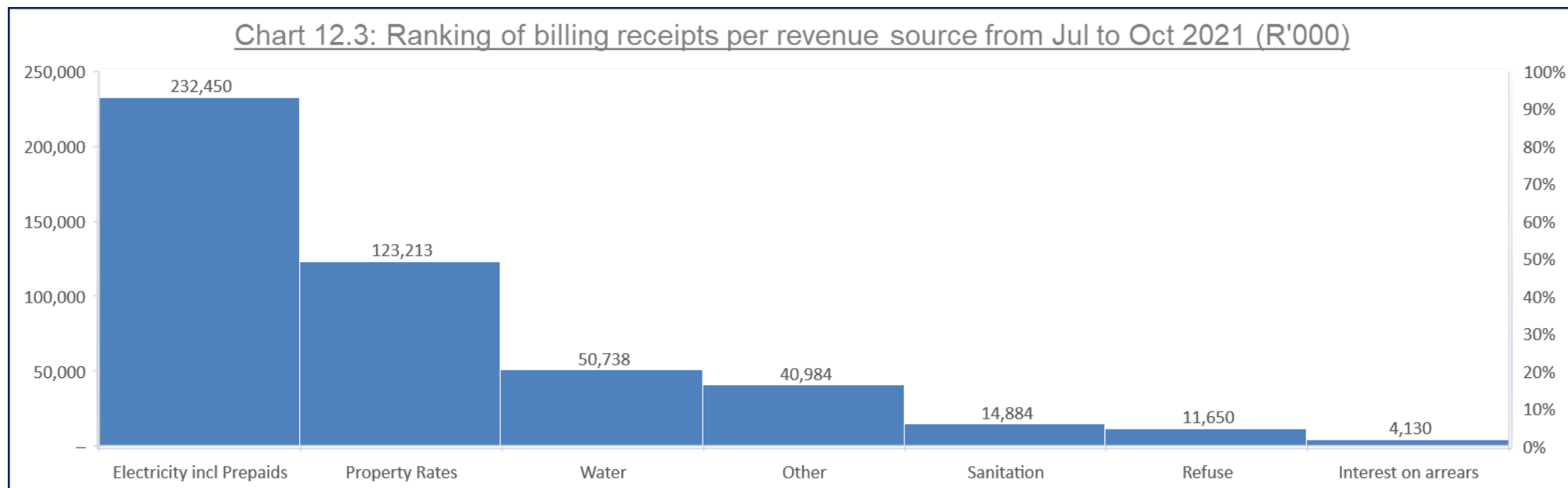


Chart 12.3: Ranking of billing receipts per revenue source

Indicated in Chart 12.3, is the ranking of receipts per revenue source from July to October 2021. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R232,450 million being received. This illustrates the sensitivity and vulnerability in respect of Electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. The second highest contributor is Property Rates at R123,213 million, however more measures should be implemented to ensure that receipts from annual billing materializes. Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 54% from these revenue sources. The lowest contributor in respect of actual receipts, is Interest on arrears at R4,130 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 influences the collectability of this revenue source, but positively influences the collection of other services.

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2021/22									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	51,028	54,138	93,020	104,400	79,903	–	–	–	382,489	165,312
Bulk Water	0200	15,358	–	14,685	–	–	–	54,369	9,080	93,492	98,903
PAYE deductions	0300	11,341	–	–	–	–	–	–	–	11,341	8,752
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	8,246	–	–	–	–	–	–	–	8,246	7,355
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	5,324	112	17	12	–	–	–	–	5,465	27,512
Auditor General	0800	1,721	–	–	–	–	–	–	–	1,721	–
Other	0900	2,475	–	137	1	–	187	–	–	2,799	150,244
Total By Customer Type	1000	95,492	54,250	107,859	104,413	79,903	187	54,369	9,080	505,553	458,077

Table 14: Supporting Table SC4: Aged Creditors

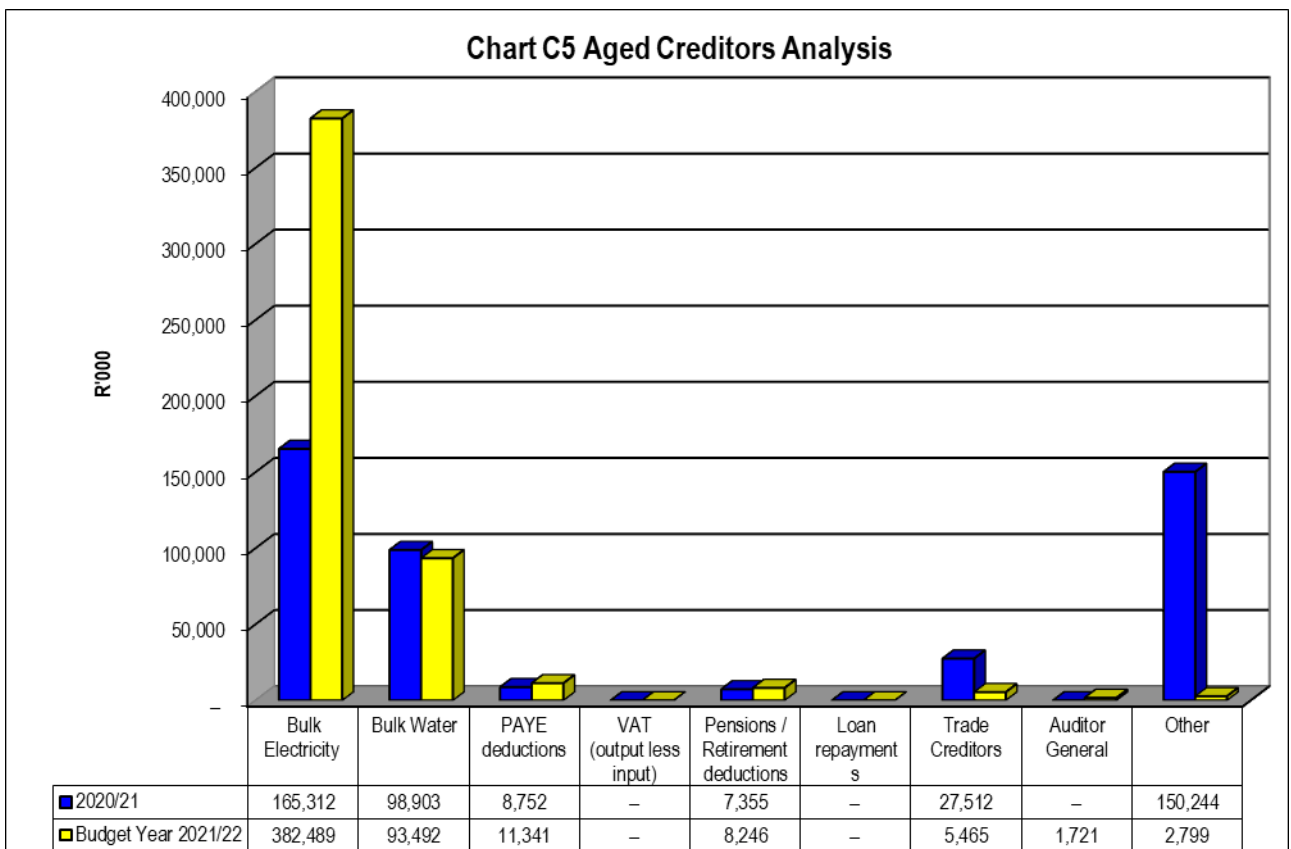


Chart 13: Aged Creditors Analysis

Bulk Electricity – As at the 31 October 2021, the outstanding debt owed to ESKOM amounted to R382,489 million. The municipality will conclude a new payment agreement with ESKOM for the 2021/22 financial year. This engagement was concluded on the 12 November 2021.

Bulk Water – The outstanding debt owed to DWS is R93,492 million. The municipality is still awaiting the June, July and September 2021 invoices from the Department. The municipality will conclude a new payment agreement with DWS for the 2021/22 financial year.

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

VAT – after the monthly VAT reconciliation, an amount of R8,625 million was paid to SARS on 21 October 2021.

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). Debt pertains to all services rendered and goods received but not yet paid.

Auditor General – the current account due to AGSA is R1,721 million.

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

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 October 2021, the value of total investments made was R50,861 million including interest. Investments excluding interest amounted to R50,099 million. Part of investments made during the month where interest accrued which reflected an increase in investment and not as a result of increased revenue collection.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa Bank 20 -6295-4443		12 mths	Notice	YES	Fixed	04.85			28.06.2022	7,466	31	-	-	7,497
Standard Bank 048466271-080		12 mths	Notice	YES	Fixed	4.025			10.11.2021	21,184	72	-	-	21,256
First National Bank			Call a/c	YES	Variable	03.20				5,538	15	-	-	5,553
Absa Bank			Call a/c	YES	Variable	02.30				5,532	11	-	-	5,543
Investec			Call a/c	YES	Variable	03.30				620	2	-	-	622
Nedbank			Call a/c	YES	Variable	03.25				5,318	14	-	-	5,332
Standard Bank			Call a/c	YES	Variable	03.50				5,043	15	-	-	5,058
Municipality sub-total										50,701		-	-	50,861
TOTAL INVESTMENTS AND INTEREST	2									50,701		-	-	50,861

Table 15: Supporting Table SC5: Investment portfolio

9. Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		245,173	222,840	222,840	1,015	89,485	74,280	15,205	20.5%	222,840
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		234,642	212,328	212,328	-	88,470	70,776	17,694	25.0%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	-	-	1,121	(1,121)	-100.0%	3,362
Infrastructure Skills Development Grant		4,661	5,500	5,500	-	-	1,833	(1,833)	-100.0%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	-	-	550	(550)	-100.0%	1,650
Municipal Disaster Relief Grant		-	-	-	1,015	1,015	-	1,015	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		15,253	7,800	7,800	-	-	2,600	(2,600)	-100.0%	7,800
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		8,207	7,800	7,800	-	-	2,600	(2,600)	-100.0%	7,800
Expanded Public Works Programme		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Infrastructure Grant		7,046	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Finance and Admin		-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	260,426	230,640	230,640	1,015	89,485	76,880	12,605	16.4%	230,640
Capital Transfers and Grants										
National Government:		109,706	167,766	167,766	15,416	15,416	55,922	(40,506)	-72.4%	167,766
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		17,206	66,500	66,500	317	317	22,167	(21,850)	-98.6%	66,500
Integrated Urban Development Grant		50,328	66,266	66,266	9,668	9,668	22,089	(12,420)	-56.2%	66,266
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		22,881	10,000	10,000	52	52	3,333	(3,281)	-98.4%	10,000
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		19,291	25,000	25,000	5,378	5,378	8,333	(2,955)	-35.5%	25,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Libraries; Archives and Museums		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		2,856	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		2,856	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	112,562	167,766	167,766	15,416	15,416	55,922	(40,506)	-72.4%	167,766
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	372,988	398,406	398,406	16,431	104,901	132,802	(27,901)	-21.0%	398,406

Table 16: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Municipal Disaster Relief Grant R1,015 million

FBDM R2,539 million

Capital grant monies were received for the month under review.

WSIG R7,500 million

There are some mapping errors pertaining to operational and capital grants This was investigated with BCX to find a solution.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description		Ref	2020/21	Budget Year 2021/22							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
RECEIPTS:		1,2									
Operating Transfers and Grants											
National Government:			245,173	222,840	222,840	1,015	89,485	74,280	15,205	20.5%	222,840
Energy Efficiency and Demand Side Management Grant			–	–	–	–	–	–	–		
Equitable Share			234,642	212,328	212,328	–	88,470	70,776	17,694	25.0%	212,328
Expanded Public Works Programme Integrated Grant			4,170	3,362	3,362	–	–	1,121	(1,121)	-100.0%	3,362
Infrastructure Skills Development Grant			4,661	5,500	5,500	–	–	1,833	(1,833)	-100.0%	5,500
Local Government Financial Management Grant			1,700	1,650	1,650	–	–	550	(550)	-100.0%	1,650
Municipal Disaster Relief Grant			–	–	–	1,015	1,015	–	1,015		–
Municipal Infrastructure Grant			–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant			–	–	–	–	–	–	–		–
Other transfers and grants [insert description]											
Provincial Government:			15,253	7,800	7,800	–	–	2,600	(2,600)	-100.0%	7,800
Capacity Building			–	–	–	–	–	–	–		–
Capacity Building and Other Grants			8,207	7,800	7,800	–	–	2,600	(2,600)	-100.0%	7,800
Expanded Public Works Programme			–	–	–	–	–	–	–		–
Health			–	–	–	–	–	–	–		–
Infrastructure Grant			7,046	–	–	–	–	–	–		–
Libraries; Archives and Museums			–	–	–	–	–	–	–		–
Other transfers and grants [insert description]											
District Municipality:			–	–	–	–	–	–	–		–
Finance and Admin			–	–	–	–	–	–	–		–
Public Safety			–	–	–	–	–	–	–		–
Other grant providers:			–	–	–	–	–	–	–		–
European Union			–	–	–	–	–	–	–		–
Higher Education SA (HESA)			–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		5	260,426	230,640	230,640	1,015	89,485	76,880	12,605	16.4%	230,640
Capital Transfers and Grants											
National Government:			109,706	167,766	167,766	15,416	15,416	55,922	(40,506)	-72.4%	167,766
Infrastructure Skills Development Grant			–	–	–	–	–	–	–		–
Integrated National Electrification Programme Grant			17,206	66,500	66,500	317	317	22,167	(21,850)	-98.6%	66,500
Integrated Urban Development Grant			50,328	66,266	66,266	9,668	9,668	22,089	(12,420)	-56.2%	66,266
Municipal Infrastructure Grant			–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant			22,881	10,000	10,000	52	52	3,333	(3,281)	-98.4%	10,000
Regional Bulk Infrastructure Grant			–	–	–	–	–	–	–		–
Water Services Infrastructure Grant			19,291	25,000	25,000	5,378	5,378	8,333	(2,955)	-35.5%	25,000
Provincial Government:			–	–	–	–	–	–	–		–
Capacity Building			–	–	–	–	–	–	–		–
Libraries; Archives and Museums			–	–	–	–	–	–	–		–
District Municipality:			–	–	–	–	–	–	–		–
Specify (Add grant description)			–	–	–	–	–	–	–		–
Other grant providers:			2,856	–	–	–	–	–	–		–
[insert description]											
European Union			2,856	–	–	–	–	–	–		–
Total Capital Transfers and Grants		5	112,562	167,766	167,766	15,416	15,416	55,922	(40,506)	-72.4%	167,766
TOTAL RECEIPTS OF TRANSFERS & GRANTS		5	372,988	398,406	398,406	16,431	104,901	132,802	(27,901)	-21.0%	398,406

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 R7,587 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. The YTD expenditure on operational grants is satisfactory. .

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	66,500,000	28,100	317,568	0.5%	0.5%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	66,266,000	4,115,284	9,720,992	14.7%	14.7%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	10,000,000	-	-	0.0%	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	25,000,000	3,579,924	5,378,029	0.0%	21.5%
Grand Total	167,766,000	167,766,000	7,723,309	15,416,589	9.2%	9.2%

Table 18: Summary of expenditure per grant

As indicated in Table 18 above, the YTD expenditure amounts to R15,417 million or 9.2% spent against the Original capital grant allocation of R167,766 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. 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 on 20 October 2021 and the rollover was rejected. Indicated below is an extract from the approval letter received from NT.

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

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

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

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

The municipality lodged an objection to this outcome and is awaiting feedback from NT.

Table 19: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 19 is excluded because the rollover request was not approved. .

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		827	-	-	67	269	-	269	#DIV/0!	-
Medical Aid Contributions		339	-	-	25	99	-	99	#DIV/0!	-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		2,862	3,243	3,243	233	931	1,081	(150)	-14%	3,243
Housing Allowances		-	-	-	4	15	-	15	#DIV/0!	-
Other benefits and allowances		26,231	31,305	31,305	2,179	8,715	10,435	(1,720)	-16%	31,305
Sub Total - Councillors		30,260	34,547	34,547	2,507	10,029	11,516	(1,487)	-13%	34,547
% increase	4		14.2%	14.2%						14.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		9,434	8,600	8,600	747	2,844	2,867	(23)	-1%	8,600
Pension and UIF Contributions		984	1,108	1,108	89	356	369	(13)	-4%	1,108
Medical Aid Contributions		215	252	252	18	73	84	(11)	-13%	252
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		2,042	1,961	1,961	155	619	654	(35)	-5%	1,961
Cellphone Allowance		168	202	202	14	56	67	(11)	-17%	202
Housing Allowances		36	39	39	2	9	13	(4)	-32%	39
Other benefits and allowances		15	105	105	1	5	35	(30)	-85%	105
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		56	62	62	5	19	21	(2)	-8%	62
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		12,951	12,329	12,329	1,031	3,981	4,110	(129)	-3%	12,329
% increase	4		-4.8%	-4.8%						-4.8%
Other Municipal Staff										
Basic Salaries and Wages		395,579	450,593	449,326	36,993	135,511	149,891	(14,380)	-10%	449,326
Pension and UIF Contributions		63,864	76,857	76,857	5,882	21,679	25,619	(3,940)	-15%	76,857
Medical Aid Contributions		48,766	58,592	58,592	4,501	18,388	19,531	(1,143)	-6%	58,592
Overtime		5,493	4,146	4,146	414	1,831	1,382	449	32%	4,146
Performance Bonus		28,489	35,421	35,421	1,161	4,644	11,807	(7,164)	-61%	35,421
Motor Vehicle Allowance		38,306	51,621	51,621	3,438	13,983	17,207	(3,224)	-19%	51,621
Cellphone Allowance		1,296	1,499	1,499	108	487	500	(13)	-3%	1,499
Housing Allowances		2,696	3,158	3,158	220	887	1,053	(165)	-16%	3,158
Other benefits and allowances		63,958	63,880	65,146	5,328	25,224	21,600	3,624	17%	65,146
Payments in lieu of leave		29,135	14,000	14,000	5,038	6,352	4,667	1,685	36%	14,000
Long service awards		23,136	22,791	22,791	1,972	7,650	7,597	52	1%	22,791
Post-retirement benefit obligations	2	12,550	41,500	41,500	-	685	13,833	(13,148)	-95%	41,500
Sub Total - Other Municipal Staff		713,268	824,059	824,059	65,054	237,321	274,687	(37,367)	-14%	824,059
% increase	4		15.5%	15.5%						15.5%
Total Parent Municipality		756,479	870,935	870,935	68,592	251,330	290,313	(38,983)	-13%	870,935
TOTAL SALARY, ALLOWANCES & BENEFITS		756,479	870,935	870,935	68,592	251,330	290,313	(38,983)	-13%	870,935
% increase	4		15.1%	15.1%						15.1%
TOTAL MANAGERS AND STAFF		726,219	836,388	836,388	66,085	241,301	278,797	(37,496)	-13%	836,388

Table 20: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 19 above, Employee related costs is underspent and showing a variance of minus 13%. This is attributable to Post-retirement benefit obligations that will be finalized as part of the year-end procedures and the softlock on the filling of vacancies. Backpay for the current years' annual increase of 3.5% was paid in October 2021. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Councillors Remuneration is slightly under-performing at minus 13%. The annual increase has not been factored in, as the gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is normally issued in December of each year. Management started to address the issues on Overtime which is higher than the ideal IYM percentage of 33.33%, at 46.2% spent. Backpay was paid to firemen at Emergency Services backdated from December 2019. The total amount paid out during the first quarter of the financial year was R1,923 million. There is possibly a mapping error because as per SC(8) the budgeted Overtime is reflecting an amount of R4,146 million for Night-shift allowance and the two line items (Overtime Structured and Non-structured) in

the ledger amounts to R31,021 million. after a consultation with BCX, our financial system administrator, it was established that is how the mapping was done by NT. The matter was formally lodged with NT and the municipality is awaiting feedback from them in this regard. There are early indicators that the Overtime controls is no longer as effective and the desired outcome to remain within budget, will not be achieved at year-end. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours are limited to 30 hours per month within most departments. The Overtime policy was developed and approved by Council.

And indated in Table 21 below, is the YTD Overtime expenditure excluding Night-shift allowance per line item and also per Directorate as at end of October 2021.

Description per line item ▼	Sum of Original Budget	Sum of YTD Movement	% Spent Original Budget
MS: OVERTIME - NON STRUCTURED	18,783,000	11,158,450	59.4%
MS: OVERTIME - STRUCTURED	12,237,841	3,165,429	25.9%
Overtime as at 31 Oct 2021	31,020,841	14,323,880	46.2%
Directorate ▼	Sum of Original Budget	Sum of YTD Movement	% Spent Original Budget
20-EXECUTIVE AND COUNCIL	205,000	43,316	21.1%
21-MUNICIPAL AND GENERAL	-	-	
22-MUNICIPAL MANAGER	-	6,486	
23-CORPORATE SERVICES	1,760,000	581,819	33.1%
24-COMMUNITY SERVICES	11,741,441	6,670,229	56.8%
26-FINANCIAL SERVICES	453,000	473,821	104.6%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	259,000	304,379	117.5%
28-INFRASTRUCTURE SERVICES	16,602,400	6,243,831	37.6%
Overtime as at 31 Oct 2021	31,020,841	14,323,880	46.2%

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 R14,324 million and 46.2% spent, resulting in a negative variance of 12.84%.

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

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

Material variances are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 31 December 2021.

12. Capital programme performance

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

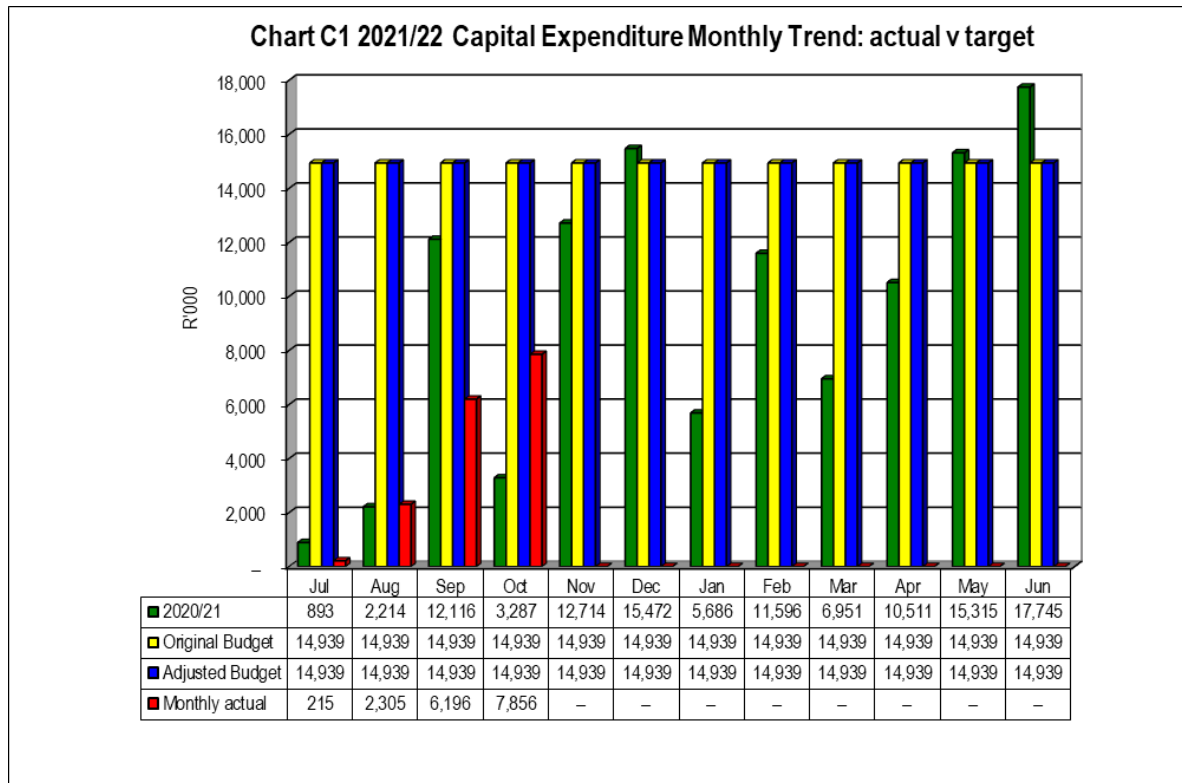


Chart 14: Capital Expenditure Monthly Trend: actual v target

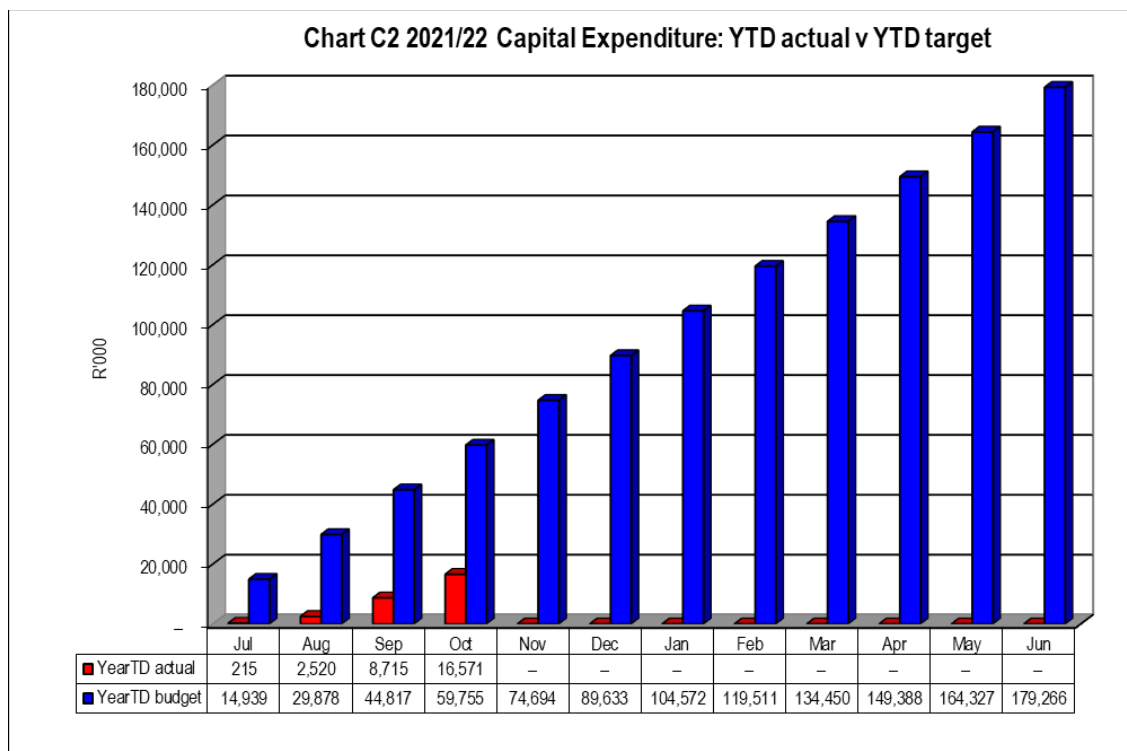


Chart 15: Capital Expenditure: YTD actual vs YTD target

Indicated in Table 22 below, is a list of projects with the applicable funding source. The total capex was extremely slow during the start of the financial year. The actual monthly expenditure for October 2021 amounted to R7,856 million. The total YTD Capex amounted to R16,571 million. Total commitments amounts to R6,479 million. Please note that commitments are excluded from the YTD movement. Capital expenditure is also exclusive of VAT.

Description	Original Budget	Adj Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	% Adj Budget	Funding source
UPGRADE HADISON PARK 66/11 KV SUBSTATION	1,500,000	1,500,000	-	-	-	1,500,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR MATHIBE	33,000,000	33,000,000	1,747	-	291,215	32,708,785	0.9%	0.9%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LETABO PARK	20,000,000	20,000,000	-	-	-	20,000,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFIC LERATO PARK LINK SERV NETWORK	12,000,000	12,000,000	26,353	-	26,353	11,973,647	0.2%	0.2%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ACQ-FLEET REPLACEMENT	4,000,000	4,000,000	-	-	-	4,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	2,000,000	-	-	-	2,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-COMPUTER EQUIPMENT REPLACEMENT	3,500,000	3,500,000	-	448,236	199,368	3,300,632	5.7%	5.7%	INTERNALLY GENERATED FUNDS
DSITRBUTION-ACQ-WAT METER REPLACEME	1,000,000	1,000,000	132,967	80,825	220,483	779,517	22.0%	22.0%	INTERNALLY GENERATED FUNDS
CAPITAL SPARES-ACQ-PREPAID METERS	1,000,000	1,000,000	-	-	734,974	265,026	73.5%	73.5%	INTERNALLY GENERATED FUNDS
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	318,750	-	318,750	2,681,250	10.6%	10.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RESEALING OF ROADS VARIOUS WARDS	13,000,000	10,000,000	2,405,208	2,861,629	6,666,077	3,333,923	51.3%	66.7%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	10,000,000	9,000,000	52,495	1,086,154	52,495	8,947,505	0.5%	0.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	10,000,000	9,000,000	345,650	2,002,528	946,865	8,053,135	9.5%	10.5%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
P-CNIN COM F FIRE/AMBUL	-	4,000,000	993,181	-	1,736,804	2,263,196	-	43.4%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
CRAVEN STREET TRADE CENTRE	8,000,000	8,000,000	-	-	-	8,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	22,266,000	22,266,000	-	-	-	22,266,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ELEVATED WATER TANKS DISTRIBUTION	-	1,000,000	-	-	-	1,000,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	10,000,000	10,000,000	-	-	-	10,000,000	0.0%	0.0%	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000,000	25,000,000	3,579,924	-	5,378,029	19,621,971	21.5%	21.5%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
TOTAL	179,266,000	179,266,000	7,856,276	6,479,372	16,571,413	162,694,587	9.2%	9.2%	

Table 22: Detailed capital expenditure report

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	66,500,000	28,100	317,568	0.5%	0.5%
INTERNALLY GENERATED FUNDS	11,500,000	11,500,000	132,967	1,154,824	10.0%	10.0%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	66,266,000	4,115,284	9,720,992	14.7%	14.7%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	10,000,000	-	-	0.0%	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	25,000,000	3,579,924	5,378,029	21.5%	21.5%
Grand Total	179,266,000	179,266,000	7,856,276	16,571,413	9.2%	9.2%

Table 23: Summary of capital expenditure per funding source

Indicated in Table 23 above, is a summary of the capital expenditure per funding source compared to the Original and preliminary Adjustment budget. Overall spending on grants is extremely slow. The expenditure on IUDG (14.7%), NDPG (0%), INEP (0.5%) and WSIG (21.5%). Spending on Internally generated funds is 10% spent. Implementation of projects is possibly delayed by the finalization of procurement processes. Payment certificates are settled once work is completed.

13. Other supporting documents

Additional information or supporting documentation for October 2021 is the following commune pertaining the finalization of the rollover request. :

1. APPLICATION FOR ROLL OVER OF UNSPENT CONDITIONAL GRANTS FOR THE 2020/21 FINANCIAL YEAR
2. REPAYMENT OF UNSPENT CONDITIONAL GRANTS FOR THE 2020/21 FINANCIAL YEAR.

14. Conclusion

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

Communication

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

15. Annexures

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M04 October

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	571,075	603,707	603,707	46,501	260,889	201,236	59,653	30%	603,707
Service charges	1,053,050	1,291,383	1,291,383	91,243	419,219	430,461	(11,242)	-3%	1,291,383
Investment revenue	2,835	9,000	9,000	14	(428)	3,000	(3,428)	-114%	9,000
Transfers and subsidies	260,426	230,640	230,640	1,015	89,485	76,880	12,605	16%	230,640
Other own revenue	180,375	230,981	230,981	14,581	54,277	76,994	(22,717)	-30%	230,981
Total Revenue (excluding capital transfers and contributions)	2,067,761	2,365,711	2,365,711	153,354	823,441	788,570	34,871	4%	2,365,711
Employee costs	726,219	836,388	836,388	66,085	241,301	278,797	(37,496)	-13%	836,388
Remuneration of Councillors	30,260	34,547	34,547	2,507	10,029	11,516	(1,487)	-13%	34,547
Depreciation & asset impairment	63,881	79,150	79,150	–	–	26,383	(26,383)	-100%	79,150
Finance charges	36,467	22,261	22,261	–	–	7,420	(7,420)	-100%	22,261
Inventory consumed and bulk purchases	819,353	926,331	926,331	13,211	247,782	308,777	(60,995)	-20%	926,331
Transfers and subsidies	2,528	4,850	4,850	32	853	1,617	(763)	-47%	4,850
Other expenditure	487,650	441,457	441,457	11,525	129,676	147,154	(17,478)	-12%	441,457
Total Expenditure	2,166,359	2,344,984	2,344,984	93,360	629,641	781,665	(152,023)	-19%	2,344,984
Surplus/(Deficit)	(98,598)	20,727	20,727	59,994	193,800	6,906	186,894	2706%	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,706	167,766	167,766	15,416	15,416	55,922	###	-72%	167,766
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	2,856	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	13,964	188,493	188,493	75,410	209,216	62,828	146,388	233%	188,493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	13,964	188,493	188,493	75,410	209,216	62,828	146,388	233%	188,493
<u>Capital expenditure & funds sources</u>									
Capital expenditure	119,502	179,266	179,266	7,856	16,571	59,755	(43,184)	-72%	179,266
Capital transfers recognised	104,315	167,766	167,766	7,723	15,417	55,922	(40,505)	-72%	167,766
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	15,186	11,500	11,500	133	1,155	3,833	(2,679)	-70%	11,500
Total sources of capital funds	119,502	179,266	179,266	7,856	16,571	59,755	(43,184)	-72%	179,266
<u>Financial position</u>									
Total current assets	2,662,188	2,242,830	2,242,830		2,201,710				2,242,830
Total non current assets	2,097,228	2,225,894	2,225,894		2,113,799				2,225,894
Total current liabilities	1,043,824	725,335	725,335		771,727				725,335
Total non current liabilities	436,934	417,829	417,829		427,015				417,829
Community wealth/Equity	2,916,177	3,325,560	3,325,560		3,125,393				3,325,560
<u>Cash flows</u>									
Net cash from (used) operating	57,980	256,277	256,277	–	342,796	85,426	(257,370)	-301%	256,277
Net cash from (used) investing	(111,391)	(142,399)	(179,266)	–	(8,715)	(47,466)	(38,751)	82%	(142,399)
Net cash from (used) financing	(2,980)	(16,583)	(10,734)	62	(39,832)	(18,786)	21,046	-112%	(56,357)
Cash/cash equivalents at the month/year end	40,142	191,186	160,168	–	337,257	19,174	(318,083)	-1659%	57,521
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>									
Total By Income Source	222,483	76,780	133,546	2,285,227	–	–	–	–	2,718,035
<u>Creditors Age Analysis</u>									
Total Creditors	95,492	54,250	107,859	104,413	79,903	187	54,369	9,080	505,553

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,022,534	1,109,592	1,109,592	69,318	388,233	369,864	18,370	5%	1,109,592
Executive and council		420,845	478,759	478,759	22,490	124,968	159,586	(34,619)	-22%	478,759
Finance and administration		601,689	630,833	630,833	46,827	263,266	210,278	52,988	25%	630,833
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		24,102	27,556	27,556	1,558	5,874	9,185	(3,311)	-36%	27,556
Community and social services		10,785	10,980	10,980	343	1,169	3,660	(2,491)	-68%	10,980
Sport and recreation		1,131	3,315	3,315	180	294	1,105	(811)	-73%	3,315
Public safety		150	760	760	17	361	253	108	43%	760
Housing		11,967	12,401	12,401	1,017	4,028	4,134	(106)	-3%	12,401
Health		69	100	100	1	23	33	(11)	-32%	100
<i>Economic and environmental services</i>		17,700	23,286	23,286	657	2,072	7,762	(5,690)	-73%	23,286
Planning and development		7,783	5,166	5,166	426	1,366	1,722	(356)	-21%	5,166
Road transport		9,917	18,120	18,120	231	706	6,040	(5,334)	-88%	18,120
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,108,344	1,363,208	1,363,208	96,268	439,454	454,403	(14,949)	-3%	1,363,208
Energy sources		672,093	877,157	877,157	53,879	275,323	292,386	(17,062)	-6%	877,157
Water management		287,090	328,612	328,612	29,036	109,430	109,537	(107)	0%	328,612
Waste water management		86,391	86,848	86,848	7,782	31,428	28,949	2,478	9%	86,848
Waste management		62,770	70,592	70,592	5,570	23,272	23,531	(259)	-1%	70,592
<i>Other</i>	4	7,644	9,835	9,835	970	3,224	3,278	(55)	-2%	9,835
Total Revenue - Functional	2	2,180,324	2,533,477	2,533,477	168,770	838,857	844,492	(5,635)	-1%	2,533,477
Expenditure - Functional										
<i>Governance and administration</i>		640,979	683,100	683,100	37,170	184,185	227,701	(43,516)	-19%	683,100
Executive and council		400,365	405,549	405,549	18,609	107,312	135,183	(27,872)	-21%	405,549
Finance and administration		234,323	270,570	270,570	17,974	74,808	90,191	(15,383)	-17%	270,570
Internal audit		6,291	6,982	6,982	588	2,065	2,327	(262)	-11%	6,982
<i>Community and public safety</i>		166,029	183,469	183,469	13,440	54,164	61,157	(6,993)	-11%	183,469
Community and social services		40,133	42,230	42,230	3,638	13,749	14,077	(327)	-2%	42,230
Sport and recreation		47,702	55,822	55,822	3,570	15,421	18,608	(3,187)	-17%	55,822
Public safety		38,887	43,502	43,502	3,538	14,912	14,501	412	3%	43,502
Housing		21,940	23,480	23,480	1,424	6,979	7,827	(847)	-11%	23,480
Health		17,367	18,435	18,435	1,269	3,102	6,145	(3,043)	-50%	18,435
<i>Economic and environmental services</i>		123,036	139,819	139,819	12,023	39,474	46,607	(7,133)	-15%	139,819
Planning and development		39,994	48,172	48,172	3,354	12,876	16,058	(3,182)	-20%	48,172
Road transport		82,378	90,936	90,936	8,609	26,382	30,312	(3,930)	-13%	90,936
Environmental protection		665	711	711	59	216	237	(21)	-9%	711
<i>Trading services</i>		1,214,239	1,313,216	1,313,216	28,984	344,543	437,739	(93,197)	-21%	1,313,216
Energy sources		749,833	857,928	857,928	10,329	237,847	285,976	(48,129)	-17%	857,928
Water management		314,140	296,663	296,663	8,721	63,140	98,888	(35,748)	-36%	296,663
Waste water management		91,753	88,033	88,033	4,809	23,698	29,344	(5,646)	-19%	88,033
Waste management		58,513	70,592	70,592	5,126	19,858	23,531	(3,673)	-16%	70,592
<i>Other</i>		22,076	25,380	25,380	1,743	7,275	8,460	(1,185)	-14%	25,380
Total Expenditure - Functional	3	2,166,359	2,344,984	2,344,984	93,360	629,641	781,665	(152,023)	-19%	2,344,984
Surplus/ (Deficit) for the year		13,964	188,493	188,493	75,410	209,216	62,828	146,388	233%	188,493

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		420,845	478,759	478,759	22,490	124,968	159,586	(34,619)	-21.7%	478,759
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	6,804	5	439	2,268	(1,829)	-80.7%	6,804
Vote 05 - Community Services		90,713	110,627	110,627	7,214	28,748	36,876	(8,127)	-22.0%	110,627
Vote 06 - Financial Services		594,906	623,229	623,229	46,763	262,543	207,743	54,800	26.4%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	9,041	493	1,678	3,014	(1,336)	-44.3%	9,041
Vote 08 - Infrastructure And Services		1,058,256	1,305,018	1,305,018	91,804	420,482	435,006	(14,524)	-3.3%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,180,324	2,533,477	2,533,477	168,770	838,857	844,492	(5,635)	-0.7%	2,533,477
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,590	17,743	19,294	(1,552)	-8.0%	57,883
Vote 02 - Municipal And General		335,678	335,456	335,456	13,179	86,198	111,819	(25,620)	-22.9%	335,456
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,743	6,748	8,342	(1,594)	-19.1%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,211	5,227	21,032	24,404	(3,372)	-13.8%	73,211
Vote 05 - Community Services		259,526	297,403	297,403	21,952	84,980	99,135	(14,155)	-14.3%	297,403
Vote 06 - Financial Services		126,380	152,611	152,611	10,163	40,208	50,871	(10,663)	-21.0%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,374	4,656	17,629	19,792	(2,163)	-10.9%	59,374
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,344,020	31,851	355,104	448,008	(92,904)	-20.7%	1,344,020
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,166,359	2,344,984	2,344,984	93,360	629,641	781,665	(152,023)	-19.4%	2,344,984
Surplus/ (Deficit) for the year	2	13,964	188,493	188,493	75,410	209,216	62,828	146,388	233.0%	188,493

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

R2021/22 Page - Table 04 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - 10/4 October										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		571,075	603,707	603,707	46,501	260,889	201,236	59,653	30%	603,707
Service charges - electricity revenue		659,307	861,157	861,157	52,854	271,416	287,052	(15,636)	-5%	861,157
Service charges - water revenue		259,156	294,012	294,012	26,435	98,649	98,004	645	1%	294,012
Service charges - sanitation revenue		78,186	76,648	76,648	6,993	28,300	25,549	2,750	11%	76,648
Service charges - refuse revenue		56,401	59,567	59,567	4,960	20,854	19,856	998	5%	59,567
Rental of facilities and equipment		12,018	13,145	13,145	1,033	4,069	4,382	(313)	-7%	13,145
Interest earned - external investments		2,835	9,000	9,000	14	(428)	3,000	(3,428)	-114%	9,000
Interest earned - outstanding debtors		109,408	157,200	157,200	10,067	39,200	52,400	(13,200)	-25%	157,200
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		29,477	34,725	34,725	331	1,796	11,575	(9,779)	-84%	34,725
Licences and permits		6,383	6,500	6,500	944	3,124	2,167	958	44%	6,500
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		260,426	230,640	230,640	1,015	89,485	76,880	12,605	16%	230,640
Other revenue		17,354	19,411	19,411	1,254	5,135	6,470	(1,336)	-21%	19,411
Gains		5,736	-	-	952	952	-	952	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,067,761	2,365,711	2,365,711	153,354	823,441	788,570	34,871	4%	2,365,711
Expenditure By Type										
Employee related costs		726,219	836,388	836,388	66,085	241,301	278,797	(37,496)	-13%	836,388
Remuneration of councillors		30,260	34,547	34,547	2,507	10,029	11,516	(1,487)	-13%	34,547
Debt impairment		344,346	275,000	275,000	1	68,754	91,667	(22,913)	-25%	275,000
Depreciation & asset impairment		63,881	79,150	79,150	-	-	26,383	(26,383)	-100%	79,150
Finance charges		36,467	22,261	22,261	-	-	7,420	(7,420)	-100%	22,261
Bulk purchases - electricity		540,953	647,000	647,000	207	186,501	215,667	(29,165)	-14%	647,000
Inventory consumed		278,400	279,331	279,331	13,004	61,281	93,111	(31,830)	-34%	279,331
Contracted services		40,651	46,687	46,687	2,629	8,717	15,562	(6,846)	-44%	46,687
Transfers and subsidies		2,528	4,850	4,850	32	853	1,617	(763)	-47%	4,850
Other expenditure		102,187	119,770	119,770	8,894	52,205	39,925	12,281	31%	119,770
Losses		467	-	-	-	-	-	-	-	-
Total Expenditure		2,166,359	2,344,984	2,344,984	93,360	629,641	781,665	(152,023)	-19%	2,344,984
Surplus/(Deficit)		(98,598)	20,727	20,727	59,994	193,800	6,906	186,894	0	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,706	167,766	167,766	15,416	15,416	55,922	(40,506)	(0)	167,766
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2,856	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		13,964	188,493	188,493	75,410	209,216	62,828			188,493
Taxation								-		
Surplus/(Deficit) after taxation		13,964	188,493	188,493	75,410	209,216	62,828			188,493
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		13,964	188,493	188,493	75,410	209,216	62,828			188,493
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		13,964	188,493	188,493	75,410	209,216	62,828			188,493

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		26,692	33,000	32,000	3,797	9,402	10,727	(1,325)	-12%	32,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		3,126	8,000	8,000	-	-	2,667	(2,667)	-100%	8,000
Vote 08 - Infrastructure And Services		64,887	81,266	81,266	3,739	6,360	27,089	(20,729)	-77%	81,266
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	94,705	122,266	121,266	7,536	15,762	40,483	(24,721)	-61%	121,266
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		23,485	22,500	22,500	319	518	7,500	(6,982)	-93%	22,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		1,312	34,500	35,500	2	291	11,773	(11,482)	-98%	35,500
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	24,797	57,000	58,000	320	809	19,273	(18,463)	-96%	58,000
Total Capital Expenditure		119,502	179,266	179,266	7,856	16,571	59,755	(43,184)	-72%	179,266
Capital Expenditure - Functional Classification										
Governance and administration		50,177	55,500	54,500	4,115	9,920	18,227	(8,307)	-46%	54,500
Executive and council		50,177	55,500	54,500	4,115	9,920	18,227	(8,307)	-46%	54,500
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		3,126	8,000	8,000	-	-	2,667	(2,667)	-100%	8,000
Planning and development		3,126	8,000	8,000	-	-	2,667	(2,667)	-100%	8,000
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		66,199	115,766	116,766	3,741	6,651	38,861	(32,210)	-83%	116,766
Energy sources		16,469	67,500	67,500	28	1,053	22,500	(21,447)	-95%	67,500
Water management		1,312	1,000	2,000	133	220	606	(386)	-64%	2,000
Waste water management		48,418	47,266	47,266	3,580	5,378	15,755	(10,377)	-66%	47,266
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	119,502	179,266	179,266	7,856	16,571	59,755	(43,184)	-72%	179,266
Funded by:										
National Government		101,832	167,766	167,766	7,723	15,417	55,922	(40,505)	-72%	167,766
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		2,483	-	-	-	-	-	-	-	-
Transfers recognised - capital		104,315	167,766	167,766	7,723	15,417	55,922	(40,505)	-72%	167,766
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		15,186	11,500	11,500	133	1,155	3,833	(2,679)	-70%	11,500
Total Capital Funding		119,502	179,266	179,266	7,856	16,571	59,755	(43,184)	-72%	179,266

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		777,931	172,968	172,968	103,625	172,968
Call investment deposits		–	–	–	–	–
Consumer debtors		1,715,553	1,475,363	1,475,363	1,906,312	1,475,363
Other debtors		129,382	547,474	547,474	138,925	547,474
Current portion of long-term receivables		–	–	–	–	–
Inventory		39,323	47,025	47,025	52,849	47,025
Total current assets		2,662,188	2,242,830	2,242,830	2,201,710	2,242,830
Non current assets						
Long-term receivables		–	36,867	36,867	–	36,867
Investments						
Investment property		209,057	205,486	205,486	209,376	205,486
Investments in Associate						
Property, plant and equipment		1,865,761	1,964,370	1,964,370	1,882,013	1,964,370
Biological						
Intangible		10,339	7,307	7,307	10,339	7,307
Other non-current assets		12,071	11,864	11,864	12,071	11,864
Total non current assets		2,097,228	2,225,894	2,225,894	2,113,799	2,225,894
TOTAL ASSETS		4,759,416	4,468,724	4,468,724	4,315,509	4,468,724
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		39,774	45,623	45,623	39,832	45,623
Trade and other payables		1,004,051	590,399	590,399	731,895	590,399
Provisions		–	89,313	89,313	–	89,313
Total current liabilities		1,043,824	725,335	725,335	771,727	725,335
Non current liabilities						
Borrowing		182,267	172,829	172,829	182,267	172,829
Provisions		254,667	245,000	245,000	244,748	245,000
Total non current liabilities		436,934	417,829	417,829	427,015	417,829
TOTAL LIABILITIES		1,480,758	1,143,164	1,143,164	1,198,742	1,143,164
NET ASSETS	2	3,278,658	3,325,560	3,325,560	3,116,767	3,325,560
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		2,858,972	3,246,167	3,246,167	3,068,188	3,246,167
Reserves		57,205	79,393	79,393	57,205	79,393
TOTAL COMMUNITY WEALTH/EQUITY	2	2,916,177	3,325,560	3,325,560	3,125,393	3,325,560

C6 is not balancing. Total community wealth/equity is either under or overstated by R8,625 million. This was taken with BCX and they will investigate the matter.

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		559,486	537,299	537,299	–	98,043	179,100	(81,056)	-45%	537,299
Service charges		1,805,322	901,622	901,622	–	328,070	300,541	27,530	9%	901,622
Other revenue		(835,294)	339,839	339,839	–	130,558	113,280	17,278	15%	339,839
Transfers and Subsidies - Operational		46,335	230,640	230,640	–	4,650	76,880	(72,230)	-94%	230,640
Transfers and Subsidies - Capital		27,240	149,809	149,809	–	13,253	49,936	(36,683)	-73%	149,809
Interest		2,787	–	–	–	–	–	–		–
Dividends								–		
Payments										
Suppliers and employees		(1,547,896)	(1,875,821)	(1,875,821)	–	(231,778)	(625,274)	(393,495)	63%	(1,875,821)
Finance charges		–	(22,261)	(22,261)	–	–	(7,420)	(7,420)	100%	(22,261)
Transfers and Grants		–	(4,850)	(4,850)	–	–	(1,617)	(1,617)	100%	(4,850)
NET CASH FROM/(USED) OPERATING ACTIVITIES		57,980	256,277	256,277	–	342,796	85,426	(257,370)	-301%	256,277
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables		–	36,867	–	–	–	12,289	(12,289)	-100%	36,867
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(111,391)	(179,266)	(179,266)	–	(8,715)	(59,755)	(51,040)	85%	(179,266)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(111,391)	(142,399)	(179,266)	–	(8,715)	(47,466)	(38,751)	82%	(142,399)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		(2,980)	(5,849)	–	62	(39,832)	(15,208)	(24,624)	162%	(45,623)
Payments										
Repayment of borrowing		–	(10,734)	(10,734)	–	–	(3,578)	(3,578)	100%	(10,734)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,980)	(16,583)	(10,734)	62	(39,832)	(18,786)	21,046	-112%	(56,357)
NET INCREASE/ (DECREASE) IN CASH HELD		(56,392)	97,295	66,277	62	294,249	19,174			57,521
Cash/cash equivalents at beginning:		96,534	93,891	93,891	–	43,007				
Cash/cash equivalents at month/year end:		40,142	191,186	160,168		337,257	19,174			57,521

System error to be resolved so that Adjusted budget, monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also overstated. Serious intervention is required to correct these discrepancies.

16. Municipal Manager's quality certification

Quality Certificate

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

☒

the Monthly Budget Statement

☐

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

☐

Mid-year Budget and Performance Assessment

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

Print name: Mr. G Akharwaray

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____

Date: /11/2021

16. Municipal Manager's quality certification

Quality Certificate

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

☒

the Monthly Budget Statement

☐

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

☐

Mid-year Budget and Performance Assessment

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

Print name: Mr. G Akharwaray

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature:  _____

Date: 12/11/2021



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001,
Enquiries: Sello Mashaba Tel: (012) 315 5183 Fax: (012) 395 6553 email: sello.mashaba@treasury.gov.za

Ref No: NC091/16

Mr G Akharwaray
The Municipal Manager
Sol Plaatje Municipality
PRIVATE BAG X 5030
KIMBERLEY
8300

Dear Mr Akharwaray

APPLICATION FOR ROLL OVER OF UNSPENT CONDITIONAL GRANTS FOR THE 2020/21 FINANCIAL YEAR

Your letter dated 26 August 2021 refers.

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.

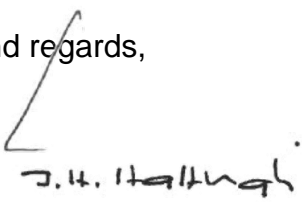
The decision to reject your roll over request is based on the following reason:

- 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.

Your municipality is reminded that the Municipal Council does not have the legal authority to decide on the use of Conditional Grant transfers from National Government outside of the legal framework set out in the annual Division of Revenue Act and its various gazettes.

This process only covers the 2020 DoRA allocated amounts.

Kind regards,

pp 

MALIJENG NGQALENI

DEPUTY DIRECTOR-GENERAL: INTERGOVERNMENTAL RELATIONS

Date: 18 October 2021

CC: Office of the Auditor-General



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • 40 Church Square, PRETORIA, 0002 • Tel: +27 12 315 5111, Fax: +27 12 406 9055 • www.treasury.gov.za

FROM: Mr S Mashaba, Tel: 012 315 5183, Email:sello.mashaba@treasury.gov.za

Ref No: NC091/16

Mr G Akharwaray
The Municipal Manager
Sol Plaatje Municipality
PRIVATE BAG X 5030
KIMBERLEY
8300

Dear Mr Akharwaray

REPAYMENT OF UNSPENT CONDITIONAL GRANTS FOR THE 2020/21 FINANCIAL YEAR

The National Treasury has finalised the unspent conditional grant process for the 2020/21 financial year and has determined the unspent amount to be repaid to the National Revenue Fund (NRF).

National Treasury utilises the 2021 pre-audited AFS to update the unspent conditional grants dataset for the 2020/21 financial year. Please note that in the absence of the AFS, National Treasury used the Section 71 report for the fourth quarter of 2020/21 to determine the amount to be surrendered to the NRF.

In the case of your municipality, National Treasury concluded that an amount of **R5.3 million** remains unspent and should be repaid to the NRF. The unspent amount is in respect of the Neighbourhood Development Partnership Grant (R5 million) and the Infrastructure Skills Development Grant (R280 thousand).

Kindly ensure that the unspent amount stipulated above should be paid into the following bank account on or before 19 November 2021:

Account holder	National Treasury
Bank	ABSA
Branch code	632005
Account No.	405 236 8632
Reference	Municipal demarcation code and name (E.g. EC144 Gariep)

The proof of payment must be faxed to (012) 315-5958 or (012) 315-5190 or be e-mailed to Ms. [Drienkie Scholtz at Drienkie.Scholtz@treasury.gov.za](mailto:Drienkie.Scholtz@treasury.gov.za) and Mr Sello Mashaba at Sello.Mashaba@treasury.gov.za.



Should the municipality fail to return the unspent conditional grants to the National Revenue Fund or comply with section 22(1) of the of the 2020 Division of Revenue Second Amendment Act, (Act No. 20 of 2020) (DoRSAA). National Treasury will offset the entire unspent amount from the municipality's 07 December 2021 equitable share installment available to your municipality in terms of section 22(4) of the 2020 DoRA.

Please note that in terms of section 22(4) of DoRA, the municipality has 14 days upon receipt of this letter to propose an alternative repayment arrangement for the unspent conditional grants to be paid into the National Revenue Fund which lapses on 22 November 2021.

Kind regards,

pp 

MALIJENG NGQALENI

DEPUTY DIRECTOR-GENERAL: INTERGOVERNMENTAL RELATIONS

DATE: 10 November 2021

CC: Office of the Auditor-General