

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

DECEMBER 2023

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A. Executive summary

Elias Motsoaledi local municipality is hereby reporting on for the institutional performance relating to 2022/2023 financial year. This reporting is required through the Local Government: Municipal Systems Act, Act No. 32 of 2000 as amended (referred to herein as MSA) and Local Government: Municipal Financial Management Act, Act No 56 of 2003 (referred to herein as MFMA). In terms of section 72 of the MFMA ***the accounting officer of a municipality must by 25 January of every year assess the performance of the municipality during the first half of the financial year.***

The overall mid-year performance achievement of municipality is 74% which is an improvement from 65% of previous financial year 2022/2023 performance. Over and above the overachievement, municipality has challenge of poor performance on Spatial Rational KPA where four (04) projects were still not achieved by mid year which impacted negatively on the overall performance of the municipality. By mid-year out six (06) electrification projects 04 achieved the mid-year target and 02 not achieved. On roads projects, out of five (05), four (4) projects are achieved and one (01) not achieved. Municipality did not achieve fifteen (15) targets and as part of the acceleration plan into improving in those targets, Accounting officer will engage with relevant Senior Managers for coaching/ mentoring as part of assistance and the same will apply between senior managers and line managers in their respective departments.

B. Purpose

The purpose of the report is to account to the public on the 2023/2024 mid-year institutional performance of Elias Motsoaledi local municipality. This report contains information which is based on the Service Delivery and Budget Implementation Plan (SDBIP) formulated for the financial year 2023/2024 and focuses on both the **financial** and service delivery performance (**non-financial**) assessment. The report was compiled using first and second quarter performance information.

C. Challenges and Progress

MFMA section 72(1)(a)(iii) require the accounting officer to assess the performance of a municipality during the first half of the financial year, taking into account the past year's annual report and progress on resolving problems identified in the annual report.

Progress on resolving problems/ challenges identified in the 2022/2023 annual report and progress on resolving those challenges :

Challenge identified	Progress on resolving the challenge
Material Misstatement	The finding will be addressed during the revision of the SDBIP by amending POE to include registers.
Record Management	The finding will be addressed by ensuring that all documentation that was required by AG, we will start on working on developing those documentation to be made available in the next audit cycle.
Inconsistency of planned and reported indicators	The finding will be addressed by ensuring consistency from third quarter, fourth quarter and eventually in 2023/2024 annual performance report

Conclusion

The Accounting Officer recommends that an adjustment budget is necessary.

2023/2024 Mid-Year Performance

Key Performance Area Number	Key Performance Area	Total mid-year target	Achieved KPIs	Not achieved KPIs	Total Percentage achieved %
1	Spatial Rationale	5	1	4	20%
2	Institutional Development & Transformation	5	5	0	100%
3	Local Economic Development	5	4	1	80%
4	Basic Services Delivery and Infrastructure	21	16	5	76%
5	Financial Management & Viability	7	5	2	71%
6	Good Governance & Public Participation	15	12	3	80%
Total		58	43	15	74%

2022/2023 Mid-year performance

Key Performance Area Number	Key Performance Area	Total 2nd quarter target	Achieved KPIs	Not achieved KPIs	not applicable	Total Percentage achieved %
1	Spatial Rationale	8	7	1	0	88%
2	Institutional Development & Transformation	9	7	2	0	78%
3	Local Economic Development	7	3	4	0	43%
4	Basic Service Delivery	42	26	16	0	62%
5	Financial Management & Viability	10	6	4	0	60%
6	Good Governance & Public Participation	17	11	6	0	65%
Total		93	60	33	0	65%

1. Performance Service delivery

The report is based on analysed and evaluated information through a process whereby information of the KPA's, objectives, KPI's and programmes/ projects reflected in the IDP objectives of the municipality. The information is based on the institutional IDP scorecard.

KPA 1: SPATIALE RATIONALE										
Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance/r remedial action	Comments
Number of sites to be demarcated at Dikgalaopeng	750 000	0	250 approved demarcated sites application at Dikgalaopeng by 30 June 2024	Advertisement of service provider by 30 September 2023	Appointment of service provider and project execution plan by 31 December 2023	Advertisement Closed.	Appointment Letter Outstanding.	Delay in supply chain processes	Supply chain committees to adhere to planned schedule.	Not achieved
Number of Sites boundary identification at Groblersdal extension 45 (Game Farm)	500 000	0	1338 sites boundary identification at Groblersdal extension 45	Advertisement of service provider by 30 September 2023	Appointment of service provider by 31 December 2023	Tender advertised	None responsiveness of bidders	None responsiveness of bidders	Re-advertisement of Tender	Not achieved

KPA 1: SPATIALE RATIONALE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance/ remedial action	Comments
			by 30 June 2024							
Number of sites boundary identification at Groblersdal Extension 52 (Industrial)	350 000	0	175 sites boundary identification at Groblersdal Extension 52 by 30 June 2024	Advertisement of service provider by 30 September 2023	Appointment of service provider by 31 December 2023	Tender advertised	None responsive ness of bidders	None responsive ness of bidders	Re-advertisement of Tender	Not achieved
Number of Amendment general plan to be developed for Roosenekaal extension 2	676 549	0	1 amended general plan developed for Roosenekaal extension 2	Advertisement of service provider by 30 September 2023	Appointment of service provider by 31 December 2023	Advertisement Closed	Appointment Letter Outstanding	Delay in supply chain processes	Supply chain committees to adhere to planned schedule	Not achieved

KPA 1: SPATIALE RATIONALE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance/r emedial action	Comments
			by 30 June 2024							
% of inspections conducted on building construction with an approved plan to ensure compliance with Sec.6 (c) and 17 (b) of National Building Regulations and Building Standards Act	n/a	n/a	100% of inspections conducted on building construction with an approved plan to ensure compliance with Sec 6 (c) and 17 (b) of National Building Regulations and Building Standards	100% of inspections conducted on building construction with an approved plan to ensure compliance with Sec 6 (c) and 17 (b) of National Building Regulations and Building Standards Act by 30	100% of inspections conducted on building construction with an approved plan to ensure compliance with Sec 6 (c) and 17 (b) of National Building Regulations and Building Standards Act by 31 December 2023	100% of inspections conducted on building construction with an approved plan to ensure compliance with Sec 6 (c) and 17 (b) of National Building Regulations and Building Standards Act	none	none	none	Achieved

KPA 1: SPATIALE RATIONALE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance/ remedial action	Comments
			Act by 30 June 2024	September 2023						

KPA 2: MUNICIPAL TRANSFORMATI/ON AND ORGANISATIONAL DEVELOPMENT

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
% of KPI and projects attaining organizational targets (total organization)	n/a	n/a	100% of KPIs and projects attaining organizational targets (total organization) by 30 June 2024	50% of KPIs and projects attaining organizational targets (total organization) by 30 September 2023	70% of KPI and projects attaining organizational targets by 31 December 2023	74% of KPI and projects attaining organizational targets	4%	Overachievement of KPI's in various departments	None	Achieved
Number of Final SDBIP approved by Mayor within 28 days after approval of IDP/Budget	n/a	n/a	1 Final SDBIP approved by Mayor within 28 days after approval of IDP/Budget	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of performance assessment meetings with	n/a	n/a	60 performance assessment meetings with	15 performance assessment meetings with	30 performance assessment meetings with	30 performance assessment meetings with	None	None	None	Achieved

KPA 2: MUNICIPAL TRANSFORMATI/ON AND ORGANISATIONAL DEVELOPMENT

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
contracted service provider's held.			contracted service provider's held by 30 June 2024	contracted service provider's held by 30 June 2024	contracted service provider's held by 31 December 2023	contracted service provider's held				
Number of Employment Equity Plan reviewed	n/a	n/a	1 Employment Equity Plan reviewed by 30 June 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% reviewal of Employment equity committee	n/a	n/a	100% Reviewal of employment equity committee by 30 June 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of employment equity report submitted to DOL by 15 January 2024	n/a	n/a	1 Employment equity report submitted to DOL by 15 January 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a

KPA 2: MUNICIPAL TRANSFORMATI/ON AND ORGANISATIONAL DEVELOPMENT

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
Submission of return of earnings (ROE)	n/a	n/a	100% submission of return of earnings	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Turnaround time in placing documents & information on the municipal website	n/a	n/a	Maximum of 5 (five) working days from the date submitted to ICT by 30 June 2024	Maximum of 5 (five) working days from the date submitted to ICT by 30 September 2023	Maximum of 5 (five) working days from the date submitted to ICT by 31 December 2023	Maximum of 5 (five) working days from the date submitted to ICT	None	None	None	Achieved
Number of MIG reports submitted to COGHSTA	n/a	n/a	12 MIG reports submitted to COGHSTA by 30 June 2024	3 MIG reports submitted to COGHSTA by 30	6 MIG reports submitted to COGHSTA by 31	6 MIG reports submitted to COGHSTA	None	None	None	Achieved

KPA 2: MUNICIPAL TRANSFORMATI/ON AND ORGANISATIONAL DEVELOPMENT

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
				September 2023	December 2023					
Number of INEP reports submitted to Department of Energy	n/a	n/a	12 INEP reports submitted to department of energy by 30 June 2024	3 INEP reports submitted to department of energy by 31 December 2023	6 INEP reports submitted to department of energy by 31 December 2023	6 INEP reports submitted to department of energy	None	None	None	Achieved

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
Number of job opportunities created through public employment programme (EPWP) (GKPI)	n/a	n/a	120 jobs opportunities provided through EPWP grant by 30 September 2023	120 jobs opportunities provided through EPWP grant by 30 September 2023	n/a	120 jobs opportunities provided through EPWP grant	None	None	None	Achieved
Number of work opportunities created through public employment programme (CWP) (GKPI)	n/a	n/a	1100 jobs opportunities provided through CWP grant by 30 September 2023	1100 jobs opportunities provided through CWP grant by 30 September 2023	n/a	1098 jobs opportunities provided through CWP grant	2	2 employees past on	To fill the two vacant positions next quarter	Not achieved
Number of formal Business licence audit conducted in terms of Limpopo	n/a	n/a	12 formal Business licence audit conducted in terms of Limpopo	3 formal Business licence audit conducted in terms of Limpopo	6 Formal Business licence audit conducted in terms of	6 formal Business licence audit conducted in terms of Limpopo	None	None	None	Achieved

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
registration Act 05 of 2003			registration Act 05 of 2003 by 30 June 2024	registration Act 05 of 2003 by September 2023	Limpopo registration Act 05 of 2003 by 31 December 2023	registration Act 05 of 2003				
Number of SMME's and Co-operatives capacity building workshops/ training held (LED training)	n/a	n/a	12 SMME's and Co-operatives capacity building workshops/ Training held by 30 June 2024 [LED Training]	3 SMME's and Co-operatives capacity building workshops/ Training held by 30 September 2024 [LED Training]	6 SMME's and Co-operatives capacity building workshops/ Training held by 31 December 2023 [LED Training]	6 SMME's and Co-operatives capacity building workshops / Training [LED Training]	None	None	None	Achieved

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
Number of job opportunities created through infrastructure projects (GKPI)	n/a	n/a	295 job opportunities created through infrastructure projects by 30 June 2024(GKPI)	90 job opportunities created through infrastructure projects by 30 September 2023(GKPI)	160 job opportunities created through Infrastructure Projects by 31 December 2023	180 Job Opportunities Created through Infrastructure Projects	20	Capital projects that over-lapped to subsequent financial year 2023/24 included	None	Achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
% of registered indigents who receives free basic electricity (GKPI)	229 317		10% of registered indigents who receives free basic electricity by 30 June 2024 (GKPI)	10% of registered indigents who receives free basic electricity by 30 September 2023 (GKPI)	10% of registered indigents who receives free basic electricity by 31 December 2023 (GKPI)	16% of registered indigents who receives free basic electricity (GKPI)	6%	High rate of indigents configuration by Eskom that consequently resulted high number of FBE beneficiaries	None	Achieved
waste removal in Groblersdal Hlogotlou Roosenekaal Motetema	n/a	n/a	Waste removal in 96x Groblersdal 96x Hlogotlou 96x Roosenekaal 48x Motetema by 30 June 2024	Waste removal in 96x Groblersdal 96x Hlogotlou 96x Roosenekaal 48x Motetema by 30 September 2023	Waste removal in 24x Groblersdal 24x Hlogotlou 24x Roosenekaal 12x Motetema by 31 December 2023	waste removal in 24x Groblersdal 26x Hlogotlou 24x Roosenekaal 13x Motetema	2x Hlogotlou 1x Motetema 2x Roosenekaal	extra service is provided as and when needed	none	achieved
Number of initiatives held to promote library facilities	n/a	n/a	4 initiatives held to promote library facilities	1 initiatives held to promote library facilities by 30 September 2023	2 initiatives held to promote library facilities by 31 December 2023	2 initiatives held to promote library facilities	None	None	None	Achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
			by 30 June 2024							
Number of disaster awareness campaigns conducted	Opex	Opex	2 disaster awareness campaigns conducted by 30 June 2024	1 disaster awareness campaigns conducted by 30 September 2023	n/a	1 disaster awareness campaigns conducted	None	None	None	Achieved
Turnaround time of attending disaster cases reported	Opex	Opex	48 hours Turnaround time of attending disaster cases reported by 30 June 2024	48 hours Turnaround time of attending disaster cases reported by 30 September 2023	48 hours Turnaround time of attending disaster cases reported by 31 December 2023	48 hours Turnaround time of attending disaster cases reported	None	None	None	Achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
CAPITAL PROJECTS										
% expenditure on computer equipment (servers Laptops Desktops Switches Printers)	700 000	R607 500,00	90% minimum expenditure on computer equipment (servers Laptops Desktops Switches Printers)	10% minimum expenditure on computer equipment (servers Laptops Desktops Switches Printers) by 30 September 2023	25% minimum expenditure on computer equipment (servers Laptops Desktops Switches Printers) by 31 December 2023	86% (607 500/700 000 *100) minimum expenditure on computer equipment (servers Laptops Desktops Switches Printers)	61%	bulk purchase of laptops	None	Achieved
% expenditure on furniture and office equipment	300 000	R251 950,00	90% minimum expenditure on furniture and office equipment by	n/a	90% minimum expenditure on furniture and office equipment	84% (251 950/300 000*100) minimum expenditure on furniture and office equipment	6%	the furniture purchased is the one that have been requested	the last set of furniture will be purchased as an when requested	Not achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
			31 December 2023		by 31 December 2023					
Number of Industrial brush cutters to be procured	100 000	96 753,23	3 Industrial brush cutters procured by 31 December 2023	Advertisement and appointment of service provider by 30 September 2023	3 Industrial brush cutters procured by 31 December 2023	7 Industrial brush cutters procured	4	the bidder's pricing was less	None	Achieved
Fencing of Roosenekaal landfill site	1 000 000	0	Fencing of 400m of Roosenekaal landfill site with palisade by 30 June 2024	Development of terms of reference by 30 September 2023	Advertisement of service providers by 31 December 2023	Advertisement of service providers	None	None	None	achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
% expenditure on furniture	800 000	0	90% minimum expenditure on furniture by 30 June 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% expenditure on Air conditioner	200 000	0	90% minimum expenditure on Air conditioners by 31 March 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of stands reticulated with electrical infrastructure at Phomola	2 000 000	R1 376 904.74	100 stands reticulated with electrical infrastructure by 30 June 2024	Appointment of the contractor, site handover and site establishment by 30 September 2023	Construction of MV and LV by 31 December 2023	Construction of MV and LV completed.	None	None	None	Achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
Number of stands reticulated with electrical infrastructure at Vlakfontein	1 000 000	R312 977.36	50 stands reticulated with electrical infrastructure by 30 June 2024	Appointment of contractor, site handover and site establishment by 30 September 2023	Construction of MV and LV by 31 December 2023	Construction of MV and LV completed.	None	None	None	Achieved
Number of stands reticulated with electrical infrastructure at Phooko	1 400 000	0	70 stands reticulated with electrical infrastructure by 30 th June 2024	Appointment of the contractor, site handover and site establishment by 30 September 2023	Construction of MV and LV by 31 December 2023	Project at Design stage	Project reached Design stage	Project commencement delayed by voltage regulator requirement	Project scope to incorporate Voltage Regulator installation over and above household electrification	Not Achieved
Number of stands reticulated with electrical infrastructure	8 000 000	R4 762 804.82	400 stands reticulated with electrical infrastructure by 30 th June 2024	Appointment of contractor, site handover and site establishment by 30 September 2023	Construction of MV and LV by 31 December 2023	Construction of MV and LV completed.	None	None	None	Achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
at Masakaneng										
Number of stands reticulated with electrical infrastructure at Motetema High view	2 000 000	0	100 stands reticulated with electrical infrastructure by 30 th June 2024	Appointment of the contractor, site handover and site establishment by 30 September 2023	Construction of MV and LV by 31 December 2023	Project re-advertised for appointment of Contractor.	Project reached Design stage	Project commencement delayed	Expedite SCM process for procurement of Contractors	Not achieved
Designs of stands to be reticulated with electrical infrastructure at Magukubjane	400 000	R280 939.73	Designs of 100 stands to be reticulated with electrical infrastructure at Magukubjane by 30 th June 2024	Advertising and appointment of the consultant by 30 September 2023	Inception report and preliminary design report by 31 December 2023	Inception report and preliminary design report in place	None	None	None	Achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
Upgrading of Mokumong access road to Maratheng taxi rank	22 500 000	R5 180 400.07	Construction of Subbase and base layer by 30 th June 2024	Advertising and appointment of the contractor by 30 September 2023	Box cutting and processing subgrade layers by 31 December 2023	Box ,cutting and processing subgrade layers completed	None	None	None	Achieved
Upgrading of Malaeneng A Ntwane Access Road	10 000 000	R4 380 587.60	Construction of Subbase and base layer by 30 th June 2024	Advertising and appointment of the contractor by 30 September 2023	Box cutting and processing subgrade layers by 31 December 2023	Box ,cutting and processing subgrade layers completed.	None	None	None	Achieved
Upgrading of Maraganeng internal Access Road	12 275 600	R5 180 400.07	Construction of Subbase and base layer by 30 th June 2024	Advertising and appointment of the contractor by 30 September 2023	Box cutting and processing subgrade layers by 31 December 2023	Box ,cutting and processing subgrade layers completed.	None	None	None	Achieved
Designs for Upgrading of Groblersdal storm water	800 000		Designs of 2km of upgrading of Groblersdal storm water	Advertising and appointment of the consultant by 30 September 2023	Inception report and preliminary design report by 31 December 2023	Project held in abeyance	Project at planning stage	Project delayed due to budget re-prioritization	Project funds to be injected possibly during budget adjustment	Not Achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
			control by 30 th June 2024							
Upgrading of Kgobokwane Kgaphamadi Road	20 580 400	R7 295 977.82	Construction of Subbase and base layer by 30 th June 2024	Advertising and appointment of the contractor by 30 September 2023	Box cutting and processing subgrade layers by 31 December 2023	Box ,cutting and processing subgrade layers completed	None	None	None	Achieved
% expenditure on machinery and equipment	100 000	R57 400.00	100% expenditure on machinery and equipment by 30 th June 2024	25% expenditure on machinery and equipment by 30 September 2023	50% expenditure on machinery and equipment by 31 December 2023	46% expenditure on machinery and equipment	4%	Conclude budget expenditure reconciliation on a monthly basis	Accelerate service delivery	Not Achieved

KPA 5: FINANCIAL MANAGEMENT AND VIABILITY

Key Performance Indicator (KPI)	Budget	expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
% spend of the total operational budget excluding non-cash items	Opex	Opex	95% spend of the total operational budget excluding non-cash items by 30 June 2024	25% spend of the total operational budget excluding non-cash items by 30 September 2023	50% spend of the total operational budget excluding non-cash items by 31 December 2023	42% spend of the total operational budget excluding non-cash items	8%	Non processing of debt impairment	Configure the financial management system to be able to calculate monthly debt impairment	Not achieved
Remuneration (Employee related costs and councillors remuneration) as % of total operating expenditure per quarter	Opex	Opex	25% to 40% Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating	25% to 40% Remuneration (Employee Related Costs and Councillors Remuneration) as % of total operating expenditure per quarter	25% to 40% Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total	38% Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure per quarter	None	None	None	Achieved

KPA 5: FINANCIAL MANAGEMENT AND VIABILITY

Key Performance Indicator (KPI)	Budget	expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
			Expenditure per quarter by 30 June 2024		Operating Expenditure per quarter by 31 December 2023					
Number of SCM deviation reports submitted to municipal manager (reduction of number deviations)	n/a	n/a	Maximum of 4 SCM deviation reports submitted to municipal manager (reduction of number of deviations by 30 June 2024)	Maximum of 1 SCM deviation reports submitted to municipal manager (reduction of number of deviations by 30 September 2023)	Maximum of 1 SCM deviation reports submitted to municipal manager (reduction of number of deviations by 31 December 2023)	0 SCM deviation reports submitted to municipal manager (reduction of number of deviations)	None	None	None	Achieved

KPA 5: FINANCIAL MANAGEMENT AND VIABILITY

Key Performance Indicator (KPI)	Budget	expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
% outstanding consumer debtors on billed revenue (GKPI)	n/a	n/a	15% outstanding service debtors to revenue by 30 June 2024	15% outstanding service debtors to revenue by 30 September 2023	15% outstanding service debtors to revenue by 31 December 2023	9% outstanding service debtors to revenue	6%	The over-performance is attributed to revenue collection in townships resulting from support from debt collectors	None	Achieved
Number of MTREF Budget submitted to Council 30 days before the start of the new financial year	n/a	n/a	1 MTREF Budget submitted to Council 30 days before the start of the new financial	n/a	n/a	n/a	n/a	n/a	n/a	n/a

KPA 5: FINANCIAL MANAGEMENT AND VIABILITY

Key Performance Indicator (KPI)	Budget	expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
			year (31 May 2024)							
Cost coverage ratio (GKPI)	n/a	n/a	1 to 3 months Cost coverage ratio by 30 June 2024	1 to 3 months Cost coverage ratio by 30 September 2023	1 to 3 months Cost coverage ratio by 31 December 2023	1,71 Cost coverage ration	0,71	None	None	Achieved
Number of Audited Annual Financial Statements (AFS) submitted to council	n/a	n/a	1 Audited Annual Financial Statements (AFS) submitted to council by 25 January 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of assets verifications conducted	n/a	n/a	1 assets verifications	n/a	n/a	n/a	n/a	n/a	n/a	n/a

KPA 5: FINANCIAL MANAGEMENT AND VIABILITY

Key Performance Indicator (KPI)	Budget	expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
			conducted by 30 June 2024							
% spending on MIG funding	MIG	MIG	100% spending on MIG funding by the 30 June 2024	10% spending on MIG funding by the 30 September 2023	50% spending on MIG funding by the 31 December 2023	43% spending on MIG funding	7%	Late commencement of work as appointment were concluded on 29 Sept. 2023	Contractors future appointments to be effected by 01st July 2024.	Not achieved
% spending on INEP funding	INEP	INEP	100% spending on INEP funding by 30 June 2024	25% spending on INEP funding by 30 September 2023	30% spending on INEP funding by 31 December 2023	49% spending on INEP funding	19%	Outstanding performance of service providers	None	Achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
Final audited (2022/2023) consolidated Annual Report submitted to Council	n/a	n/a	Final audited (2022/2023) consolidated Annual Report submitted to Council for approval by 31 January 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Submission of 2022/2023 annual Oversight Report to council	n/a	n/a	2022/2023 annual Oversight Report submitted to council for	n/a	n/a	n/a	n/a	n/a	n/a	n/a

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
			approval by 31 March 2024							
Obtain an Unqualified Auditor General opinion for the 2022/2023 financial year	n/a	n/a	Obtain an Unqualified Auditor General opinion for the 2022/2023 financial year by 30 November 2023	n/a	Obtain an Unqualified Auditor General opinion for the 2022/2023 financial year by 30 November 2023	Obtained an Unqualified Auditor General opinion for the 2022/2023 financial year	None	None	None	Achieved
% of Auditor General matters resolved as per the approved audit action plan by 30 June 2024 (Total organization)	n/a	n/a	% of Auditor General matters resolved as per the approved audit action plan by 30 June 2024 (Total organization)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
% of Internal Audit Findings resolved per quarter as per the Audit Plan (Total organisation)	n/a	n/a	100% of Internal Audit Findings resolved per quarter as per the Audit Plan (Total organisation)	100% of Internal Audit Findings resolved per quarter as per the Audit Plan (Total organisation)	100% of Internal Audit Findings resolved per quarter as per the Audit Plan (Total organisation)	93% of Internal Audit Findings resolved per quarter as per the Audit Plan	7%	lack of office space to extend records division and surprise petty cash counts not conducted	template for surprise petty cash count developed	Not achieved
% Reduction of repeat audit findings (Total organization)	n/a	n/a	100% Reduction of repeat audit findings (Total organization)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of security risk assessments conducted	n/a	n/a	4 security risk assessments conducted by 30 June 2024	1 security risk assessment conducted by 30	2 security risk assessments conducted by 31 December 2023	2 security risk assessment conducted	None	None	None	Achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
				September 2023						
Number of project risk assessments conducted	n/a	n/a	4 project risk assessments conducted by 30 June 2024	1 project risk assessments conducted by 30 September 2023	2 project risk assessments conducted by 31 December 2023	2 project risk assessments conducted	None	None	None	Achieved
% of councillors who have declared their financial interest	n/a	n/a	100% of councillors who have declared their financial interest by 30 June 2024	50% of councillors who have declared their financial interest by 30 September 2023	100% of councillors who have declared their financial interest by 31 December 2023	84% (51/61x100) of councillors who have declared their financial interest	16%	Several attempts were made to collect the forms from councillors with no success.	the remaining councillors (10) to be reported to ethics committee.	Not achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
Number of administrative staff who have declared their financial interest	n/a	n/a	100 Administrative staff declared their financial interest by 30 June 2024	50 administrative staff declared their financial interest by 30 September 2023	100 Administrative staff declared their financial interest by 31 December 2023	100 administrative staff declared their financial interest	None	None	None	Achieved
% execution of identified risk mitigation plans within prescribed timeframes (total organisation)	n/a	n/a	100% execution of identified risk mitigation plan within prescribed timeframes per quarter (total organisation)	25% execution of identified risk mitigation plan within prescribed timeframes per quarter (total organisation)	50% execution of identified risk mitigation plan within prescribed timeframes per quarter (total organisation)	50% execution of identified risk mitigation plan within prescribed timeframes per quarter (total organisation)	None	None	None	Achieved
Approval of 2024/2025	n/a	n/a	2024/2025 IDP process plan	2024/2025 IDP process plan	n/a	2024/2025 IDP process plan approved by	None	None	None	

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
IDP process plan			approved by council by August 2023	approved by council by August 2023		council by August 2023				Achieved
Approval of 2024/2025 IDP	n/a	n/a	2024/2025 IDP approved by council by 31 May 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of MPAC quarterly reports submitted to council	n/a	n/a	4 MPAC quarterly reports submitted to council by 30 June 2024	1 MPAC quarterly reports submitted to council by 30 September 2023	2 MPAC quarterly reports submitted to council by 31 December 2023	2 MPAC quarterly reports submitted to council	None	None	None	Achieved
Number of Mayoral outreach projects initiated	735 681	172 087	2 Mayoral outreach programmes initiated by 30 June 2024	1 Mayoral outreach programmes	n/a	1 Mayoral outreach programmes initiated	None	None	None	Achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
				initiated by 30 September 2023						
number of Speaker's outreach projects initiated	1 934 055	232 586	2 Speakers outreach programmes initiated by 30 June 2024	n/a	1 Speakers outreach programmes initiated by 31 December 2023	1 Speakers outreach programmes initiated	None	None	None	Achieved
number of ward committee reports submitted to Council	n/a	n/a	4 ward committee reports submitted to council quarterly by 30 June 2024	1 ward committee reports submitted to council by 30 September 2023	2 ward committee reports submitted to council quarterly by 31 December 2023	2 ward committee reports submitted to council	None	None	None	Achieved
% of wards that have held at least one councillor	n/a	n/a	100% of wards that have held at least one councillor convened	100% of wards that have held at least one	100% of wards that have held at least one councillor	100% of wards that have held at least one councillor	None	None	None	Achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
convened community meeting			community meeting by 30 June 2024	councillor convened community meeting by 30 September 2023	convened community meeting by 31 December 2023	convened community meeting				
Number of External Mayoral Bursaries Awarded			30 External Mayoral Bursaries Awarded by 30 June 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% Reviewal of communication strategy	n/a	n/a	100% Reviewal of communication strategy by 31 December 2023	n/a	100% reviewal of communication strategy by 31 December 2023	100% reviewal of communication strategy	None	None	None	Achieved
Number of Council portfolio committees meetings held	n/a	n/a	72 Council portfolio committee meetings by 30 June 2024	18 Council portfolio committee meetings by 30 September 2023	36 Council portfolio committee meetings by 31 December 2023	35 Council portfolio committee meetings	1	Community Services Department did not hold their December	to conduct the meeting before 25th of January	not achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Comments
								month meeting		

2. Financial Performance Assessment

1. INTRODUCTION

1.1 In terms of section 72 of the MFMA Act no 56 of 2003 the Accounting Officer of the municipality must by the 25th January each year-

Assess the performance of the municipality during the first half of the financial year, taking into account-

- a) the monthly budget statement referred to as section 71 for the first half of the financial year
- b) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
- c) the past years annual report, and progress on resolving problems identified in the annual report.

The draft annual report 2021/22 and the mid-year performance/progress reports of 2022/23 SDBIPs referred to as part b and c above are respectively submitted under a separate report.

Submit a report on such assessment to –

- a) the mayor of the municipality,
- b) the national and the relevant provincial treasury.

1.2 The Accounting Officer must, as part of the review-

- a) make recommendations as to whether an adjustment budget is necessary, and
- b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

SUMMARY

DESCRIPTION	2022/23			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENTAGE
OPERATING REVENUE	601 350 985	-	334 512 867	56%
OPERATING EXPENDITURE	597 283 011	-	239 916 437	40%
TRANSFER - CAPITAL	79 606 004	-	44 960 279	56%
SURPLUS/(DEFICIT)	83 673 978	-	140 898 630	168%
CAPITAL EXPENDITURE	98 041 001	-	49 780 917	51%

CHAPTER 2: FINANCIAL HEALTH ASSESSMENT AND MID-YEAR BUDGET STATEMENT: 31 DECEMBER 2022

Table C1 – Budget Statement Summary

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	39 913	44 645	-	4 852	29 361	22 322	7 038	32%	44 645
Service charges	107 753	117 968	-	7 402	52 666	59 386	(6 719)	-11%	117 968
Investment revenue	1 780	3 652	-	248	897	1 480	(583)	-39%	3 652
Transfers and subsidies	307 637	338 906	-	105 214	238 030	254 918	(16 888)	-7%	338 906
Other own revenue	30 560	96 180	-	2 028	13 559	51 150	(37 591)	-73%	96 180
Total Revenue (excluding capital transfers and contributions)	561 959	601 351	-	119 743	334 513	389 256	(54 743)	-14%	601 351
Employee costs	160 187	185 316	-	21 430	87 806	92 667	(4 861)	-5%	185 316
Remuneration of Councillors	25 567	25 580	-	2 141	12 841	12 790	51	0%	25 580
Depreciation & asset impairment	57 070	59 780	-	-	-	29 890	(29 890)	-100%	59 780
Finance charges	526	2 185	-	-	137	1 345	(1 208)	-90%	2 185
Materials and bulk purchases	135 835	148 283	-	13 356	71 558	72 693	(1 135)	-2%	148 283
Transfers and subsidies	2 591	3 292	-	130	552	1 767	(1 214)	-69%	3 292
Other expenditure	128 543	172 846	-	13 140	67 021	100 956	(33 936)	-34%	172 846
Total Expenditure	523 668	597 283	-	50 197	239 916	312 109	(72 192)	-23%	597 283
Surplus/(Deficit)	(22 676)	4 068	-	69 546	94 596	77 147	17 449	23%	4 068
Transfers and subsidies - capital (monetary allocations)	74 316	79 606	-	7 908	46 302	59 977	(13 675)	-23%	79 606
Surplus/(Deficit) after capital transfers & contributions	51 640	83 674	-	77 454	140 899	137 124	3 774	3%	83 674
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	51 640	83 674	-	77 454	140 899	137 124	3 774	3%	83 674
Capital expenditure & funds sources									
Capital expenditure	88 355	98 041	-	9 925	49 781	60 797	(11 016)	-18%	98 041
Capital transfers recognised	74 316	79 606	-	8 070	44 960	49 744	(4 784)	-10%	79 606
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 040	18 435	-	1 856	4 821	11 053	(6 233)	-56%	18 435
Total sources of capital funds	88 355	98 041	-	9 925	49 781	60 797	(11 016)	-18%	98 041
Financial position									
Total current assets	152 406	158 966	-	-	274 817	-	-	-	158 966
Total non current assets	1 201 016	1 325 025	-	-	1 236 618	-	-	-	1 325 025
Total current liabilities	118 941	120 343	-	-	176 259	-	-	-	120 343
Total non current liabilities	98 658	113 710	-	-	99 335	-	-	-	113 710
Community wealth/Equity	1 135 823	1 249 938	-	-	1 235 841	-	-	-	1 249 938
Cash flows									
Net cash from (used) operating	88 300	94 811	-	55 495	93 430	84 414	(9 016)	-11%	94 811
Net cash from (used) investing	(75 949)	(78 022)	-	(9 925)	(49 781)	(52 811)	(3 030)	6%	(78 022)
Net cash from (used) financing	(4 457)	(6 971)	-	-	(542)	(510)	32	-6%	(6 971)
Cash/cash equivalents at the month/year end	14 710	24 063	-	-	49 704	45 338	(4 366)	-10%	16 415
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	15 977	5 244	4 594	4 170	3 086	3 780	18 354	121 072	176 278
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of December is R334, 513 million and the year to date budget of R389, 256 million and this reflects a negative variance of R54, 743 million which is mostly attributable to the following:

- Traffic fines, the actual year to date revenue realised are actual payments as opposed to traffic fines issued. The integration between traffic fine system and our core financial management system was conclude in the second week of January 2023.
- Equitable shares, the payment schedule reflects second tranche amount of R110 305 to be received by the municipality however only R105 214 was actually received. The difference relates to disapproved roll over relating to MIG and INEP set off against equitable shares
- Service charge electricity, the negative variance is as a result of electricity load shedding as electricity is not being utilised as anticipated.

- Interest on outstanding debtors, negative variance is as a result of reduction in interest rate from 15% to prime+1% due to review of credit control policy.

The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 39% unfavourable variance,
- Interest earned – outstanding debtors: 32% unfavourable variance,
- Rental on Facilities and Equipment: 17% unfavourable variance,
- Fines, penalties and forfeits: 97% unfavourable variance
- Services Charges – electricity revenue: 12% unfavourable variance
- Services Charges – refuse revenue: 8% unfavourable variance
- Licenses and permits: 17% favourable variance
- Property rates: 32% favourable variance
- Other revenue: 196% favourable
- Transfer and subsidies: 7% unfavourable

Operating expenditure

The year to date operational expenditure as at end of December amounts to R239, 916 million and the year to date budget is R312, 109 million. This reflects underspending variance of R72, 192 million that translates to 23% variance. The variance is attributed to the following:

- Depreciation, the municipality is still facing a challenge regarding the computation of monthly movement.
- Asset impairment and debt impairment, the municipality is still facing a challenge regarding the computation of monthly movement.
- Finance charges and other expenditure, there were payments (i.e finance lease obligation) that were omitted from being captured on the system.
- Transfer and subsidies, relates to actuarial amount on employee benefit obligation on medical aid computed at year end.
- Bulk purchases; the negative variance is as a result of electricity load shedding as electricity is not being utilised by customers as anticipated.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10% except for the following:

- Debt impairment: 100% unfavourable variance
- Depreciation and asset impairment: 100% unfavourable variance
- Finance charges: 90% unfavourable variance
- Bulk purchase: 14% unfavourable variance
- Transfer and subsidies: 69% unfavourable variance
- Other expenditure: 34% unfavourable variance

Capital expenditure

The year to date actual capital expenditure as at end of December 2022 amounts to R49, 781 million and the year to date budget amounts to R60,797 million and this gives rise to R11,016 million under performance emanating mainly from electrification projects due to late appointment of consultants.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of December is R77, 454 million that is mainly attributed over performance on capital and operating expenditure in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of December amounts to R176,278 million and this shows an increase of R17,940 million as compared to R158,338 million as at end of 2021/22 financial year.

Consumer debtors is made up of service charges and property rates that amount to R110,004 million and other debtors amounting to R66, 274 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, they do not form part of consumer debtors.

Creditors

All creditors are paid within 30 days of receipt of invoice in the month of December as required by MFMA.

Table C2 – Financial Performance (Standard Classification)

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	256 207	281 883	-	76 633	189 984	199 169	(9 185)	-5%	281 883
Executive and council	55 019	53 728	-	14 728	28 653	38 653	(10 000)	-26%	53 728
Finance and administration	190 004	214 701	-	57 660	150 876	150 061	815	1%	214 701
Internal audit	11 184	13 455	-	4 246	10 455	10 455	0	0%	13 455
Community and public safety	24 366	96 507	-	11 517	21 605	57 830	(36 225)	-63%	96 507
Community and social services	10 535	10 998	-	5 206	9 901	9 935	(33)	0%	10 998
Sport and recreation	11 586	17 075	-	5 992	10 733	10 753	(19)	0%	17 075
Public safety	2 244	68 435	-	319	970	37 142	(36 172)	-97%	68 435
Economic and environmental services	128 540	124 248	-	18 387	82 308	86 708	(4 400)	-5%	124 248
Planning and development	24 294	20 920	-	6 391	17 759	17 095	664	4%	20 920
Road transport	101 348	102 518	-	11 696	63 738	68 802	(5 065)	-7%	102 518
Environmental protection	2 898	811	-	300	811	811	(0)	0%	811
Trading services	152 846	178 318	-	21 113	86 918	105 526	(18 608)	-18%	178 318
Energy sources	123 719	145 384	-	12 478	63 040	80 575	(17 535)	-22%	145 384
Waste management	29 126	32 935	-	8 635	23 879	24 951	(1 072)	-4%	32 935
Total Revenue - Functional	561 959	680 957	-	127 651	380 815	449 233	(68 418)	-15%	680 957
Expenditure - Functional									
Governance and administration	208 324	220 755	-	20 692	108 375	114 152	(5 778)	-5%	220 755
Executive and council	41 975	47 573	-	2 907	19 475	22 247	(2 772)	-12%	47 573
Finance and administration	155 900	163 419	-	15 887	83 011	86 369	(3 358)	-4%	163 419
Internal audit	10 449	9 764	-	1 899	5 888	5 536	352	6%	9 764
Community and public safety	40 240	89 593	-	5 037	19 368	55 904	(36 536)	-65%	89 593
Community and social services	11 679	8 174	-	898	3 265	4 144	(879)	-21%	8 174
Sport and recreation	10 059	16 175	-	1 061	4 379	8 369	(3 991)	-48%	16 175
Public safety	18 502	65 243	-	3 078	11 724	43 391	(31 667)	-73%	65 243
Economic and environmental services	91 149	120 750	-	11 013	42 849	62 723	(19 873)	-32%	120 750
Planning and development	16 794	20 798	-	2 550	9 656	11 055	(1 399)	-13%	20 798
Road transport	74 157	99 257	-	8 463	33 193	51 320	(18 127)	-35%	99 257
Environmental protection	197	696	-	-	-	348	(348)	-100%	696
Trading services	170 605	166 185	-	13 455	69 325	79 330	(10 005)	-13%	166 185
Energy sources	125 582	134 925	-	9 537	52 144	63 829	(11 686)	-18%	134 925
Waste management	45 024	31 260	-	3 918	17 181	15 500	1 680	11%	31 260
Total Expenditure - Functional	510 319	597 283	-	50 197	239 916	312 109	(72 192)	-23%	597 283
Surplus/ (Deficit) for the year	51 640	83 674	-	77 454	140 899	137 124	3 774	3%	83 674

Table C3 – Fin' Performance (Revenue and Expenditure by vote)

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	49 272	47 271	–	12 613	23 196	33 196	(10 000)	-30%	47 271
Vote 2 - Municipal Manager	37 701	46 531	–	17 235	37 531	37 531	0	0%	46 531
Vote 3 - Budget & Treasury	83 055	103 972	–	16 894	62 670	58 845	3 825	7%	103 972
Vote 4 - Corporate Services	46 074	50 627	–	19 216	44 164	45 174	(1 010)	-2%	50 627
Vote 5 - Community Services	64 581	138 801	–	21 834	51 579	88 460	(36 881)	-42%	138 801
Vote 6 - Technical Services	239 933	265 908	–	31 346	137 987	163 003	(25 016)	-15%	265 908
Vote 7 - Developmental Planning	16 808	12 923	–	3 315	11 763	11 099	664	6%	12 923
Vote 8 - Executive Support	24 534	14 925	–	5 198	11 925	11 925	0	0%	14 925
Total Revenue by Vote	561 959	680 957	–	127 651	380 815	449 233	(68 418)	-15%	680 957
Expenditure by Vote									
Vote 1 - Executive & Council	35 993	35 371	–	2 219	16 668	18 488	(1 820)	-10%	35 371
Vote 2 - Municipal Manager	45 860	41 983	–	6 740	24 650	21 699	2 952	14%	41 983
Vote 3 - Budget & Treasury	53 340	66 301	–	4 743	33 276	34 551	(1 275)	-4%	66 301
Vote 4 - Corporate Services	28 369	36 714	–	3 338	14 066	18 242	(4 176)	-23%	36 714
Vote 5 - Community Services	93 637	130 751	–	10 048	41 181	76 364	(35 183)	-46%	130 751
Vote 6 - Technical Services	218 275	248 110	–	18 351	90 968	122 964	(31 996)	-26%	248 110
Vote 7 - Developmental Planning	12 208	15 057	–	1 917	6 774	8 129	(1 355)	-17%	15 057
Vote 8 - Executive Support	22 638	22 996	–	2 841	12 333	11 672	661	6%	22 996
Total Expenditure by Vote	510 319	597 283	–	50 197	239 916	312 109	(72 192)	-23%	597 283
Surplus/ (Deficit) for the year	51 640	83 674	–	77 454	140 899	137 124	3 774	3%	83 674

Table C2 and C3 measure the monthly actuals and year to date actuals against the year to date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification.

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	39 913	44 645	–	4 852	29 361	22 322	7 038	32%	44 645
Service charges - electricity revenue	98 371	108 186	–	6 591	48 045	54 374	(6 329)	-12%	108 186
Service charges - refuse revenue	9 383	9 781	–	811	4 621	5 011	(391)	-8%	9 781
Rental of facilities and equipment	1 019	1 004	–	65	415	499	(84)	-17%	1 004
Interest earned - external investments	1 780	3 652	–	248	897	1 480	(583)	-39%	3 652
Interest earned - outstanding debtors	19 283	18 817	–	1 203	6 869	10 060	(3 191)	-32%	18 817
Fines, penalties and forfeits	2 236	68 520	–	319	958	37 185	(36 227)	-97%	68 520
Licences and permits	5 966	6 315	–	381	3 127	2 667	460	17%	6 315
Transfers and subsidies	307 637	338 906	–	105 214	238 030	254 918	(16 888)	-7%	338 906
Other revenue	2 055	1 524	–	60	2 189	739	1 451	196%	1 524
Gains	–						–		
Total Revenue (excluding capital transfers and contributions)	487 643	601 351	–	119 743	334 513	389 256	(54 743)	-14%	601 351
Expenditure By Type									
Employee related costs	160 187	185 316	–	21 430	87 806	92 667	(4 861)	-5%	185 316
Remuneration of councillors	25 567	25 580	–	2 141	12 841	12 790	51	0%	25 580
Debt impairment	19 690	61 181	–	–	–	41 090	(41 090)	-100%	61 181
Depreciation & asset impairment	57 070	59 780	–	–	–	29 890	(29 890)	-100%	59 780
Finance charges	526	2 185	–	–	137	1 345	(1 208)	-90%	2 185
Bulk purchases	97 949	109 638	–	7 402	44 790	52 241	(7 451)	-14%	109 638
Other materials	37 886	38 645	–	5 954	26 768	20 452	6 316	31%	38 645
Contracted services	77 956	67 165	–	9 339	38 705	31 347	7 358	23%	67 165
Transfers and subsidies	2 591	3 292	–	130	552	1 767	(1 214)	-69%	3 292
Other expenditure	44 245	44 500	–	3 801	28 316	28 519	(203)	-1%	44 500
Losses	(13 349)						–		
Total Expenditure	510 319	597 283	–	50 197	239 916	312 109	(72 192)	-23%	597 283
Surplus/(Deficit)	(22 676)	4 068	–	69 546	94 596	77 147	17 449	23%	4 068
Transfers and subsidies - capital (monetary allocations)	74 316	79 606	–	7 908	46 302	59 977	(13 675)	-23%	79 606
Transfers and subsidies - capital (monetary allocations)							–		–
Transfers and subsidies - capital (in-kind - all)							–		
Surplus/(Deficit) after capital transfers & contributions	51 640	83 674	–	77 454	140 899	137 124			83 674
Taxation									
Surplus/(Deficit) after taxation	51 640	83 674	–	77 454	140 899	137 124			83 674
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	51 640	83 674	–	77 454	140 899	137 124			83 674
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	51 640	83 674	–	77 454	140 899	137 124			83 674

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property rates, service charges – electricity, refuse, rental of facilities and equipment, interest earned – external investments, interest on outstanding debtors, fines, penalties and forfeits.

In the case of expenditure, the following line items reflect material variance; Bulk purchases, debt impairment, depreciation and asset impairment, finance charges and transfer and subsidies.

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% and more.

Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

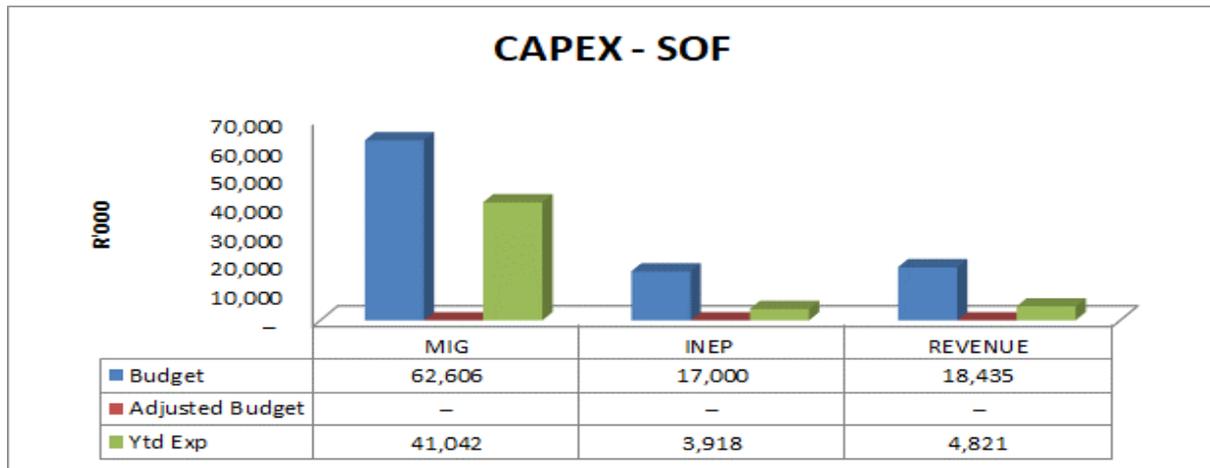
Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1 903	1 500	-	579	991	943	48	5%	1 500
Executive and council	-						-		
Finance and administration	1 903	1 500	-	579	991	943	48	5%	1 500
Internal audit	-						-		
Community and public safety	498	3 935	-	1 277	1 961	2 080	(119)	-6%	3 935
Community and social services	498	1 538	-	799	1 253	540	714	132%	1 515
Sport and recreation	-	1 680	-	478	507	1 000	(493)	-49%	1 680
Public safety	-	718	-	-	201	540	(339)	-63%	740
Housing							-		
Health							-		
Economic and environmental services	57 924	74 106	-	8 070	42 496	45 535	(3 039)	-7%	73 756
Planning and development	-	1 100	-	-	1 075	526	549	104%	1 100
Road transport	57 924	73 006	-	8 070	41 421	45 009	(3 588)	-8%	72 656
Environmental protection	-						-		
Trading services	28 030	18 500	-	-	4 333	12 239	(7 906)	-65%	18 850
Energy sources	28 030	17 250	-	-	4 014	11 339	(7 325)	-65%	17 600
Waste management	-	1 250	-	-	319	900	(581)	-65%	1 250
Other							-		
Total Capital Expenditure - Functional Classification	88 355	98 041	-	9 925	49 781	60 797	(11 016)	-18%	98 041
Funded by:									
National Government	74 316	79 606	-	8 070	44 960	49 744	(4 784)	-10%	79 606
Provincial Government							-		
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
Transfers recognised - capital	74 316	79 606	-	8 070	44 960	49 744	(4 784)	-10%	79 606
Borrowing							-		
Internally generated funds	14 040	18 435	-	1 856	4 821	11 053	(6 233)	-56%	18 435
Total Capital Funding	88 355	98 041	-	9 925	49 781	60 797	(11 016)	-18%	98 041

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-		-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-		-
Vote 4 - Corporate Services	824	1 500	-	579	991	943	48	5%	1 500
Vote 5 - Community Services	-	4 368	-	1 277	1 760	2 340	(580)	-25%	4 345
Vote 6 - Technical Services	46 398	25 334	-	3 353	12 172	14 910	(2 738)	-18%	22 815
Vote 7 - Developmental Planning	-	-	-	-	-	-	-		-
Vote 8 - Executive Support	-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	47 222	31 202	-	5 209	14 923	18 193	(3 270)	-18%	28 660
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-		-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-		-
Vote 4 - Corporate Services	-	-	-	-	-	-	-		-
Vote 5 - Community Services	498	818	-	-	520	640	(120)	-19%	840
Vote 6 - Technical Services	40 635	64 922	-	4 717	33 263	41 438	(8 175)	-20%	67 441
Vote 7 - Developmental Planning	-	1 100	-	-	1 075	526	549	104%	1 100
Vote 8 - Executive Support	-	-	-	-	-	-	-		-
Total Capital single-year expenditure	41 133	66 839	-	4 717	34 858	42 605	(7 746)	-18%	69 381
Total Capital Expenditure	88 355	98 041	-	9 925	49 781	60 797	(11 016)	-18%	98 041

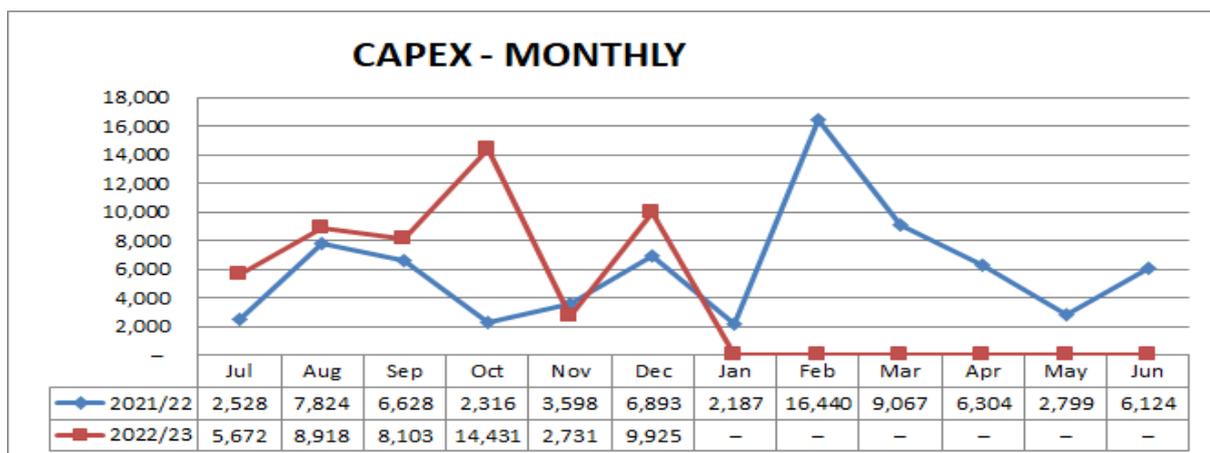
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of December 2022, R9, 925 million spending is incurred and the year to date expenditure amounts to R49 781 million whilst the year to date budget is R60 797 million and this gave rise to under spending variance of R11, 016 million that translates to 18%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R98, 041 million, R62, 606 million is funded from Municipal Infrastructure grant, R17, 000 million from Integrated National Electrification Programme and R18, 435 million from own revenue and the spending per source of finance is presented in the above graph.

Figure 2: Monthly capital expenditure



The above graph compares the 2021/22 and 2022/23 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2021/22	Budget Year 2022/23			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	14 710	24 162		4 457	24 162
Call investment deposits	–	–		45 248	–
Consumer debtors	96 531	61 834		116 594	61 834
Other debtors	20 810	62 845		84 851	62 845
Current portion of long-term receivables	–	119			119
Inventory	20 355	10 005		23 668	10 005
Total current assets	133 384	158 966	–	274 817	158 966
Non current assets					
Long-term receivables	–	–		–	–
Investments	–	17 278		–	17 278
Investment property	96 399	48 547		96 399	48 547
Investments in Associate	–				
Property, plant and equipment	1 088 067	1 258 405		1 138 277	1 258 405
Biological	–	–		–	–
Intangible	14	331		14	331
Other non-current assets	16 536	463		1 928	463
Total non current assets	1 201 016	1 325 025	–	1 236 618	1 325 025
TOTAL ASSETS	1 353 422	1 483 992	–	1 511 435	1 483 992
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	6 638	7 459		4 224	7 459
Consumer deposits	5 621	5 700		5 242	5 700
Trade and other payables	104 167	101 172		165 651	101 172
Provisions	2 515	6 012		1 142	6 012
Total current liabilities	118 941	120 343	–	176 259	120 343
Non current liabilities					
Borrowing	12 702	17 458		14 616	17 458
Provisions	85 956	96 252		84 720	96 252
Total non current liabilities	98 658	113 710	–	99 335	113 710
TOTAL LIABILITIES	217 599	234 053	–	275 594	234 053
NET ASSETS	1 135 823	1 249 938	–	1 235 841	1 249 938
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1 135 823	1 230 938		1 235 841	1 230 938
Reserves	–	19 000		–	19 000
TOTAL COMMUNITY WEALTH/EQUITY	1 135 823	1 249 938	–	1 235 841	1 249 938

The above table shows that community wealth amounts to R1, 235 billion, total liabilities R275, million and the total assets R1, 511 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 1.6:1 that is not within the acceptable norm of 2:1. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

Table C7: Monthly Budget Statement Cash Flow

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	28 584	40 092		2 289	17 839	17 968	(130)	-1%	40 092
Service charges	70 796	122 434		8 190	46 338	48 655	(2 317)	-5%	122 434
Other revenue	44 971	17 752		2 052	35 635	15 345	20 290	132%	17 752
Transfers and Subsidies - Operational	307 767	338 906		104 805	239 274	245 396	(6 122)	-2%	338 906
Transfers and Subsidies - Capital	79 469	79 606		16 750	63 020	63 762	(742)	-1%	79 606
Interest	1 780	3 652		313	2 204	2 102	102	5%	3 652
Payments									
Suppliers and employees	(442 993)	(508 739)		(78 774)	(310 190)	(308 125)	2 065	-1%	(508 739)
Finance charges	(526)	(2 185)		-	(137)	(142)	(4)	3%	(2 185)
Transfers and Grants	(1 547)	3 292		(130)	(552)	(548)	4	-1%	3 292
NET CASH FROM/(USED) OPERATING ACTIVITIES	88 300	94 811	-	55 495	93 430	84 414	(9 016)	-11%	94 811
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1 011	5 544				421	(421)	-100%	5 544
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	(1 776)				(1 780)	1 780	-100%	(1 776)
Payments									
Capital assets	(76 960)	(81 790)		(9 925)	(49 781)	(51 452)	(1 671)	3%	(81 790)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(75 949)	(78 022)	-	(9 925)	(49 781)	(52 811)	(3 030)	6%	(78 022)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	488				42	(42)	-100%	488
Increase (decrease) in consumer deposits	-						-		
Payments									
Repayment of borrowing	(4 457)	(7 459)		-	(542)	(552)	(10)	2%	(7 459)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 457)	(6 971)	-	-	(542)	(510)	32	-6%	(6 971)
NET INCREASE/ (DECREASE) IN CASH HELD	7 894	9 818	-	45 570	43 107	31 093			9 818
Cash/cash equivalents at beginning:	6 816	14 245			6 597	14 245			6 597
Cash/cash equivalents at month/year end:	14 710	24 063			49 704	45 338			16 415

Table C7 presents details pertaining to cash flow performance. As at end of December 2022, the net cash inflow from operating activities is R93,430 million whilst net cash outflow from investing activities is R49,781 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R542 thousands. The cash and cash equivalent held at end of December 2022 amounted to R49, 704 million and the net effect of the above cash flows is cash inflow movement of R43, 107 million. The cash and cash equivalent at end of the reporting period of R49, 704 million, is mainly made up of cash in the primary bank account amounting to R4, 457 with a short term investment amounting to R45, 248 million at the end of December 2022.

SUPPORTING TABLES

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2022/23										Bad Debts Written Off	Impairment - Bad Debts
	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		
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	7,985	1,141	457	344	139	131	603	2,553	13,352	3,769	-	-
Receivables from Non-exchange Transactions - Property Rates	4,911	2,626	2,389	2,257	2,207	2,175	6,164	49,089	71,816	61,891	-	-
Receivables from Exchange Transactions - Waste Management	811	503	438	406	401	400	2,318	17,967	23,245	21,492	-	-
Receivables from Exchange Transactions - Property Rental Debtors	65	29	24	24	19	22	135	1,272	1,591	1,472	-	-
Interest on Arrear Debtor Accounts	1,206	1,172	1,140	1,112	1,083	1,054	9,426	46,344	62,536	59,018	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,000	(226)	145	27	(763)	(1)	(291)	3,848	3,739	2,820	-	-
Total By Income Source	15,977	5,244	4,594	4,170	3,086	3,780	18,354	121,072	176,278	150,463	-	-
2019/20 - totals only	13,747	5,951	3,560	3,407	3,479	3,298	18,231	106,666	158,338	135,081	-	-
Debtors Age Analysis By Customer Group												
Organs of State	2,466	1,548	1,776	1,609	961	1,340	5,884	39,483	55,066	49,276	-	-
Commercial	8,267	1,176	714	580	204	499	933	8,133	20,507	10,350	-	-
Households	5,053	2,585	2,061	1,953	1,909	1,907	10,989	70,594	97,050	87,352	-	-
Other	192	(66)	43	28	13	34	549	2,862	3,655	3,486	-	-
Total By Customer Group	15,977	5,244	4,594	4,170	3,086	3,780	18,354	121,072	176,278	150,463	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of December amount to R176, 278 million. The debtors' book is made up as follows:

- Rates 41%
- Electricity 8%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 35%
- Other 2%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

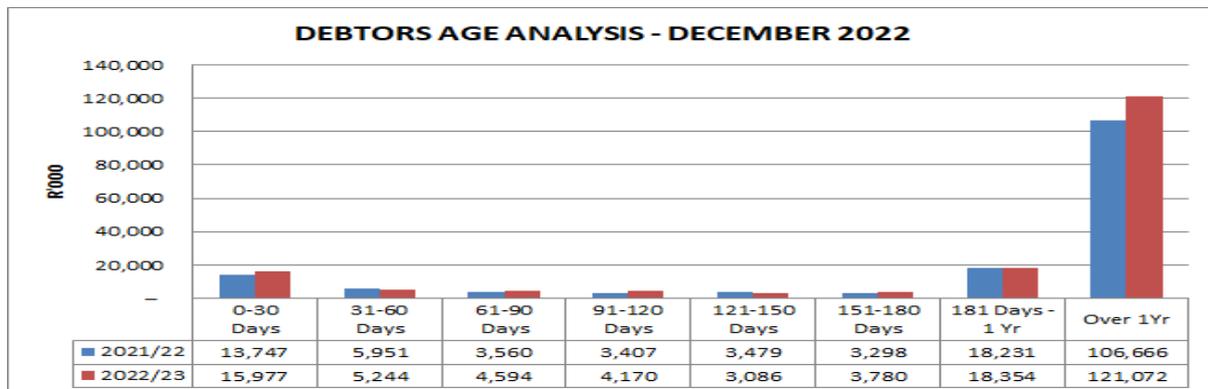
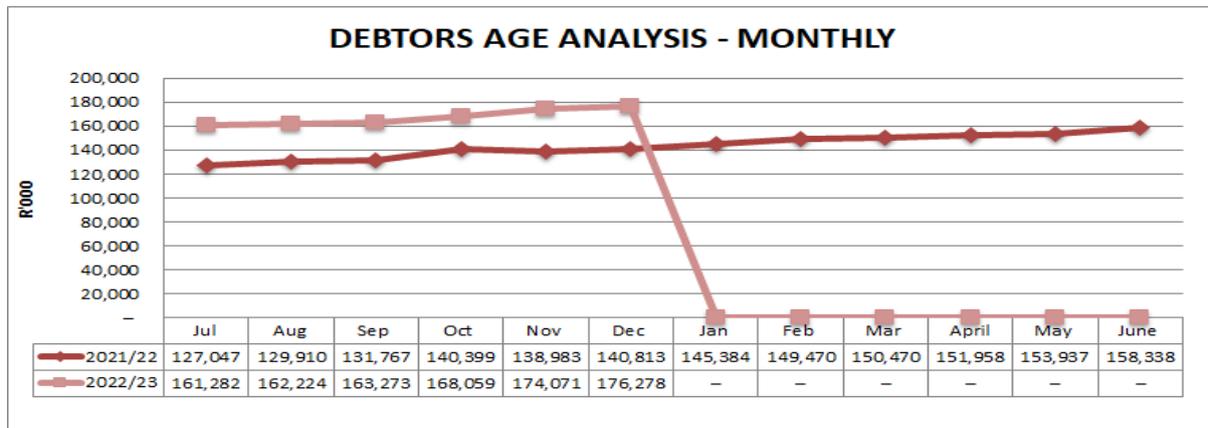


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of December 2022) whilst the latter shows monthly movement of debtors for both the current financial years. The debtors book is materially less than the 2022/23 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

Below is list of top twenty debtors that contribute significantly to the ever-growing debt book.

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,581,530
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,417,315
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OCCUPIER	1,140,933
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	725,948
9000808	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	640,021
9000819	SUID-AFRIKAANSE ONTWIKKELINGST	ACTIVE	OWNER	597,105
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	533,342
1501364	JAN JOUBERT TRUST (JO JO TANKS)	ACTIVE	OCCUPIER	470,105
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	454,548
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	446,873
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	441,724
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OCCUPIER	438,005
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	432,620
9000240	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	418,599
9002503	GOUWS BOERDERY TRUST 1999/022459/07	ACTIVE	OWNER	379,250
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	365,765
9002541	NELSPRUIT DEVELOPMENT TRUST	ACTIVE	OWNER	354,144
9001053	NDEBELE STAM	ACTIVE	OWNER	353,132
5000305	NKANGALA DISTRICT MUNICIPALITY	ACTIVE	OWNER	334,246
2200691	EHLERS JA	ACTIVE	OWNER	332,020
TOTAL				11,857,227

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2022/23									Prior year totals
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipality is having challenges relating to extraction of creditors age analysis and below are the contributing factors:

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.
- The contracted services are to be paid through order system payments and that should feed the age analysis module.
- Proposal was made that the municipality need to maintain the invoice register that should be used for manually updating the creditor's age analysis and the Budget and Treasury department is in a process of implementing the proposed register.

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
81054	KGWADI YA MADIBA GENERAL	3,392,500
81264	ROOIBERG ASPHALT (PTY)LTD	3,368,500
80984	GUBIS 85 SOLUTION	2,594,022
37581	PHELADI NOKO B1 FUNERAL	1,007,245
37808	UMJANTSHI - ESPORWENI TRADING	918,850
81223	STEAGLE JV LM GEOMATICS	707,500
81200	VAPOPAX	667,920
80900	MARKET DEMAND TRADING 773	651,596
41110	KOBOTSE (PTY) LTD	451,819
80668	MAMPHELA MAMPHELA HOLDING	335,800
81025	STOP AND GO PROPERTIES	276,909
80944	INAMI PROJECTS	212,596
70086	PFUKANI-KUSILE CONSULTING	165,313
81225	LOSKOP ALARMS	134,287
81155	AMBITION PARTNERS CHARTERED	99,996
479	HUTJO TRADING ENTERPRISE	95,000
81042	MATUPUNUKA ICT	78,865
1	ESKOM	57,083
41095	REAKGONA TRAVEL SERVICES	33,048
81149	MATUNA TECH AND CONSTRUCTION	29,850
TOTAL		15,278,698

The above table presents the top creditors paid during the month of December 2022 and an amount of R15, 279 million were paid to these creditors within 30 days.

Supporting Table: SC 5 - Investment Portfolio

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening Balance	Interest Realised	Withdrawal	Investment Top Up	Closing Balance
STANDARD BANK 015 (038823527016)	1 Month	Current Investment	8.0%	-	21-Feb-23	-	109,247	-	20,000,000	20,109,247
STANDARD BANK 015 (038823527017)	3 Month	Current Investment	8.1%	-	3-Mar-23	-	138,271	-	25,000,000	25,138,271
TOTAL INVESTMENTS AND INTEREST						-	247,517	-	45,000,000	45,247,517

Supporting Table SC5 displays the council's investment portfolio. The Municipality's current investment portfolio during the month of December had an opening balance of nil, investment top up amounted R45, 000 million in different portfolio investments, earned an interest of R247, 517 thousand, and closed off with R45, 247 million.

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	307 637	338 906	-	104 805	239 274	168 745	70 529	42%	338 906
Local Government Equitable Share	302 788	334 260		104 805	235 166	164 638	70 528	43%	334 260
Finance Management	2 650	2 850		-	2 850	2 850	-		2 850
EPWP Incentive	2 199	1 796		-	1 258	1 257	1	0%	1 796
Other grant providers:	130	-	-	-	-	-	-		-
LGSETA Learnership and Development	130								
Total Operating Transfers and Grants	307 768	338 906	-	104 805	239 274	168 745	70 529	42%	338 906
Capital Transfers and Grants									
National Government:	79 332	79 606	-	16 750	63 020	59 977	3 043	5%	79 606
Municipal Infrastructure Grant (MIG)	57 984	62 606		16 750	54 020	45 989	8 031	17%	62 606
Integrated National Electrification Grant	21 348	17 000		-	9 000	13 988	(4 988)	-36%	17 000
Provincial Government:	-	-	-	-	-	-	-		-
Coghssta - Development									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Capital Transfers and Grants	79 332	79 606	-	16 750	63 020	59 977	3 043	5%	79 606
TOTAL RECEIPTS OF TRANSFERS & GRANTS	387 100	418 512	-	121 555	302 294	228 722	73 572	32%	418 512

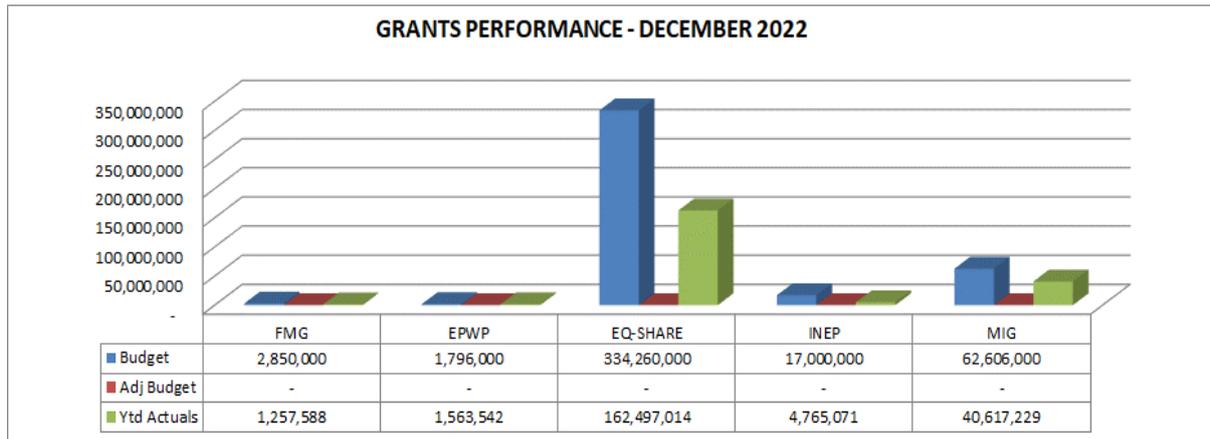
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R302 294 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R235, 166 million; Financial Management Grant amounting to R2,850 million; Municipal Infrastructure Grant amounting to R54, 020 million; Integrated National Energy Grant R9, 000 million and Expanded Public Works Programme R1, 258 million were received. Most of the first trench of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule except disapproved roll over relating to Municipal Infrastructure Grant and Integrated National Energy Grant which was set off against equitable shares.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	307 637	338 906	-	36 538	165 318	168 745	(3 426)	-2%	338 906
Local Government Equitable Share	302 788	334 260		36 172	162 497	164 638	(2 141)	-1%	334 260
Finance Management	2 650	2 850		64	1 258	2 850	(1 592)	-56%	2 850
EPWP Incentive	2 199	1 796		301	1 564	1 257	307	24%	1 796
Other grant providers:	-	-	-	-	-	-	-		-
LGSETA Learnership and Development									
Total operating expenditure of Transfers and Grants:	307 637	338 906	-	36 538	165 318	168 745	(3 426)	-2%	338 906
Capital expenditure of Transfers and Grants									
National Government:	74 316	79 606	-	7 908	45 382	59 977	(14 595)	-24%	79 606
Municipal Infrastructure Grant (MIG)	57 924	62 606		7 908	40 617	45 989	(5 372)	-12%	62 606
Integrated National Electrification Grant	16 392	17 000		-	4 765	13 988	(9 223)	-66%	17 000
Provincial Government:	-	-	-	-	-	-	-		-
Coghssta - Development									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A							0		
Total capital expenditure of Transfers and Grants	74 316	79 606	-	7 908	45 382	59 977	(14 595)	-24%	79 606
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	381 953	418 512	-	44 446	210 700	228 722	(18 021)	-8%	418 512

An amount of R44, 446 million has been spent on grants during the month of December 2022 and the year to date actuals is R210, 700 million whilst the year to date budget amounts to R228, 722 million and this results in an under spending variance of R18 021 million that translates to 8%. Of the total spending amounting to R44, 446 million, R36, 538 million is spent on operational grants whilst capital grants spent R7, 908 million.

Figure 5: Grants performance



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of December 2022. The grants expenditure are shown below in percentages:

- Financial Management Grant 44.13%
- Expanded Public Work Programme 87.06%
- Equitable Share 48.61%
- Integrated National Electrification Grant 28.03%
- Municipal Infrastructure Grant 64.88%

Supporting Table: SC8 - Councillor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	15 253	14 476		1 286	7 728	7 238	490	7%	14 476
Pension and UIF Contributions	1 863	2 504		172	1 025	1 252	(227)	-18%	2 504
Medical Aid Contributions	194	89		7	44	44	-		89
Motor Vehicle Allowance	5 281	5 536		450	2 830	2 768	62	2%	5 536
Cellphone Allowance	2 738	2 753		207	1 081	1 376	(295)	-21%	2 753
Other benefits and allowances	238	223		19	132	112	21	18%	223
Sub Total - Councillors	25 567	25 580	-	2 141	12 841	12 790	51	0%	25 580
% increase		3%							3%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 197	4 315		118	1 059	2 157	(1 099)	-51%	4 315
Pension and UIF Contributions	88	338		9	49	169	(120)	-71%	338
Medical Aid Contributions	80	1 464		10	49	732	(683)	-93%	1 464
Motor Vehicle Allowance	186	519		17	93	259	(166)	-64%	519
Cellphone Allowance	85	166		5	34	83	(49)	-59%	166
Other benefits and allowances	211	312		40	92	156	(64)	-41%	312
Payments in lieu of leave							-		
Sub Total - Senior Managers of Municipality	3 847	7 112	-	199	1 374	3 556	(2 182)	-61%	7 112
% increase		88%							88%
Other Municipal Staff									
Basic Salaries and Wages	102 769	115 473		9 087	54 143	57 736	(3 594)	-6%	115 473
Pension and UIF Contributions	19 579	26 387		1 713	10 338	13 193	(2 855)	-22%	26 387
Medical Aid Contributions	5 442	5 593		474	2 847	2 796	51	2%	5 593
Overtime	1 055	1 163		17	209	581	(373)	-64%	1 163
Motor Vehicle Allowance	13 018	15 702		1 164	7 042	7 851	(809)	-10%	15 702
Cellphone Allowance	1 917	1 426		159	963	713	250	35%	1 426
Housing Allowances	220	230		21	125	115	10	9%	230
Other benefits and allowances	10 429	11 279		8 479	9 348	5 649	3 699	65%	11 279
Payments in lieu of leave	624	442		116	867	221	646	293%	442
Long service awards	1 288	510		-	550	255	295	115%	510
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Other Municipal Staff	156 340	178 204	-	21 231	86 432	89 111	(2 679)	-3%	178 204
% increase		16%							16%
Total Parent Municipality	185 754	210 897	-	23 572	100 648	105 458	(4 810)	-5%	210 897
% increase		16%							16%
TOTAL SALARY, ALLOWANCES & BENEFITS	185 754	210 897	-	23 572	100 648	105 458	(4 810)	-5%	210 897
% increase		16%							16%
TOTAL MANAGERS AND STAFF	160 187	185 316	-	21 430	87 806	92 667	(4 861)	-5%	185 316

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid as at end of December 2022 amounts to 100,648 million and the year to date budget is R105,458 million and the expenditure for remuneration of councillors amounts to R12,841 million while the year to date budget is R12, 790 million. The year to date actual expenditure for senior managers is R1, 374 million and the year to date budget thereof is R3, 556 million. There are four senior managerial vacant positions (Budget and Treasury, Corporate services, Infrastructure and Planning) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R86, 432 million and the year to date budget is R89, 111 million. The remuneration of councillors and other municipal staff category has under spending variance, and there are four vacant positions in the senior management level and the positions should be filled in the new financial year 2022/23.

Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

Description	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source															
Property rates	2,878	4,492	2,679	2,585	2,916	2,289	3,341	3,341	3,341	3,341	3,341	5,549	40,092	41,856	43,740
Service charges - electricity revenue	8,018	7,087	7,464	6,636	6,815	7,783	9,569	9,569	9,569	9,569	9,569	23,179	114,826	119,873	125,264
Service charges - refuse	509	364	478	389	387	407	642	642	642	642	642	1,961	7,708	8,047	8,409
Rental of facilities and equipment	46	29	40	31	34	28	193	193	193	193	193	1,140	2,312		
Interest earned - external investments	71	157	324	127	27	248	21	32	32	32	(716)	389	3,669	3,675	
Interest earned - outstanding debtors	213	537	128	159	148	66	654	686	689	754	422	2,057	6,512	7,551	8,541
Fines, penalties and forfeits	21	35	48	160	375	319	353	353	353	353	353	1,511	4,232	9,300	9,718
Licences and permits	500	612	576	578	481	381	526	526	526	526	526	526	6,315	6,593	6,890
Transfers and Subsidies - Operational	130,361	3,299	-	-	809	104,805	-	538	93,594	-	-	5,500	338,906	359,874	384,977
Other revenue	1,599	2,742	1,624	1,246	22,806	1,324	1,877	1,877	1,877	1,877	1,877	(18,200)	22,528	2,640	2,758
Cash Receipts by Source	144,217	19,354	13,360	11,911	34,799	117,649	17,177	17,757	110,817	17,288	16,956	22,538	543,823	559,405	593,974
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	19,000	-	23,270	-	4,000	16,750	-	4,000	12,586	-	-	-	79,606	76,364	79,794
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits												488	488	237	505
Increase (increase) in non-current receivables															
Increase (decrease) in non-current investments															
Total Cash Receipts by Source	163,217	19,354	36,630	11,911	38,799	134,399	17,177	21,757	123,403	17,288	16,956	23,026	623,917	636,006	674,273
Cash Payments by Type															
Employee related costs	12,738	13,454	13,127	13,783	13,274	21,430	16,824	16,824	16,824	16,824	16,824	29,962	201,889	210,668	219,614
Remuneration of councillors	2,069	2,393	2,080	2,079	2,079	2,141	2,069	2,069	2,069	2,069	2,069	3,214	26,401	30,493	34,153
Interest paid	-	137	-	-	-	-	329	339	346	354	321	1,395	3,221	2,326	2,472
Bulk purchases - Electricity	83	10,506	11,386	8,400	7,014	7,402	9,137	9,137	9,137	9,137	9,137	19,165	109,638	114,462	119,613
Other materials	5,315	6,109	4,668	2,557	2,165	5,954	3,320	3,320	3,320	3,320	3,320	(3,526)	39,844	35,165	36,667
Contracted services	3,535	6,867	9,209	6,185	3,571	9,339	5,805	5,805	5,805	5,805	5,805	1,932	69,664	63,305	66,069
Grants and subsidies paid - other	136	61	75	57	93	130	274	274	274	274	274	1,368	3,292	3,436	3,588
General expenses	10,729	2,360	2,363	4,338	4,725	3,801	3,212	3,851	3,452	2,897	2,880	4,339	48,946	61,842	52,478
Cash Payments by Type	34,604	41,887	42,908	37,399	32,920	50,197	40,970	41,620	41,228	40,681	40,631	57,851	502,897	521,699	534,655
Other Cash Flows/Payments by Type															
Capital assets	5,672	8,918	8,103	14,431	2,731	9,925	6,667	6,667	6,667	6,667	6,667	(3,111)	80,005	81,383	90,922
Repayment of borrowing	-	542	-	-	-	-	1,986	2,140	2,425	2,642	2,861	12,320	24,917	25,723	26,588
Other Cash Flows/Payments	23,500	2,965	11,668	4,103	-	28,707	3,542	2,654	2,654	2,654	3,456	(40,760)	39,855	31,800	46,694
Total Cash Payments by Type	63,776	54,333	62,679	55,934	35,652	88,829	53,165	50,427	52,975	49,990	53,615	26,299	647,674	660,605	698,859
NET INCREASE/(DECREASE) IN CASH HELD	99,441	(34,979)	(26,049)	(44,022)	3,147	45,570	(35,989)	(28,670)	70,428	(32,702)	(36,659)	(3,273)	(23,757)	(24,599)	(24,586)
Cash/cash equivalents at the month/year beginning:	6,597	106,038	71,059	45,010	987	4,134	49,704	13,716	(14,954)	55,474	22,772	(13,887)	6,597	(17,160)	(41,759)
Cash/cash equivalents at the month/year end:	106,038	71,059	45,010	987	4,134	49,704	13,716	(14,954)	55,474	22,772	(13,887)	(17,160)	(17,160)	(41,759)	(66,345)

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R38, 799 million and the total cash payment for the month were R35, 652 million and this resulted in net increase in cash held amounting to R3, 147 million. With cash and cash equivalent of R987 thousand at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R4, 134 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	2 528	11 281		5 672	5 672	11 281	5 608	50%	6%
August	10 352	13 110		8 918	14 590	24 391	9 800	40%	15%
September	16 980	8 644		8 103	22 693	33 034	10 341	31%	23%
October	19 296	8 526		14 431	37 124	41 561	4 436	11%	38%
November	22 893	7 411		2 731	39 856	48 972	9 116	19%	41%
December	29 786	11 299		9 925	49 781	60 271	10 490	17%	51%
January	31 973	3 718				63 989	-		
February	48 413	10 392				74 381	-		
March	57 479	7 436				81 817	-		
April	63 783	8 496				90 314	-		
May	66 582	2 619				92 932	-		
June	88 355	5 109				98 041	-		
Total Capital expenditure	88 355	98 041	-	49 781					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of December amounts to R9, 925 million. The year to date actual expenditure incurred is R49, 781 million whilst the year to date budget is R60, 271 million that gives rise to under spending variance of R10, 490 million that translate to 17%.

Supporting Table: SC 13(a) Capital Expenditure on New Assets.

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class									
Infrastructure	22 332	18 500	-	-	4 333	11 984	7 651	64%	18 500
Roads Infrastructure	-	-	-	-	-	-	-		-
Roads									
Road Structures									
Road Furniture									
Attenuation									
Electrical Infrastructure	22 332	17 250	-	-	4 014	11 084	7 070	64%	17 250
MV Substations		50				45	45	100%	50
MV Networks	22 332	17 000		-	3 918	10 839	6 921	64%	17 000
LV Networks	-								
Capital Spares		200		-	97	200	103	52%	200
Solid Waste Infrastructure	-	1 250	-	-	319	900	581	65%	1 250
Landfill Sites									
Waste Transfer Stations									
Capital Spares		1 250	-	-	319	900	581	65%	1 250
Community Assets	-	418	-	-	201	300	99	33%	418
Community Facilities	-	418	-	-	201	300	99	33%	418
Libraries									
Cemeteries/Crematoria									
Capital Spares		418		-	201	300	99	33%	418
Other assets	-	458	-	-	454	145	(309)	-213%	458
Municipal Offices	-								
Stores		458		-	454	145	(309)	-213%	458
Intangible Assets	-	300	-	-	-	200	200	100%	300
Servitudes									
Licences and Rights	-	300	-	-	-	200	200	100%	300
Unspecified		300				200	200	100%	300
Computer Equipment	824	700	-	292	555	561	6	1%	700
Computer Equipment	824	700		292	555	561	6	1%	700
Furniture and Office Equipment	-	500	-	287	436	423	(13)	-3%	500
Furniture and Office Equipment		500		287	436	423	(13)	-3%	500
Machinery and Equipment	214	1 610	-	-	379	1 030	651	63%	1 610
Machinery and Equipment	214	1 610		-	379	1 030	651	63%	1 610
Transport Assets	1 079	-	-	-	-	-	-		-
Transport Assets	1 079								
Total Capital Expenditure on new assets	24 449	22 485	-	579	6 358	14 643	8 285	57%	22 485

Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	44 874	32 631	-	4 505	18 845	19 859	1 015	5%	32 631
Roads Infrastructure	39 750	28 631	-	4 505	14 869	15 859	990	6%	28 631
Roads	39 750	28 331		4 505	14 869	15 659	790	5%	28 331
Road Structures									
Road Furniture		300		-	-	200	200	100%	300
Attenuation									
Electrical Infrastructure	5 124	-	-	-	-	-	-		-
HV Substations									
HV Switching Station									
MV Networks	5 124	-							
Solid Waste Infrastructure	-	4 000	-	-	3 975	4 000	25	1%	4 000
Landfill Sites		4 000		-	3 975	4 000	25	1%	4 000
Waste Transfer Stations									
Community Assets	-	1 000	-	799	799	801	2	0%	1 000
Cemeteries/Crematoria		1 000		799	799	801	2	0%	1 000
Police									
Public Open Space									
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities									
Outdoor Facilities									
Other assets	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices									
Workshops									
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes									
Computer Software and Applications									
Load Settlement Software Applications									
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets									
Total Capital Expenditure on renewal of existing assets	44 874	33 631	-	5 304	19 644	20 660	1 017	4,9%	33 631

Supporting Table: SC 13(c) Repairs and Maintenance Expenditure

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	30 270	24 286	-	3 971	18 437	18 565	129	1%	24 753
Roads Infrastructure	13 895	14 300	-	2 988	13 811	14 512	701	5%	14 217
Roads	13 895	14 300	-	2 988	13 811	14 512	701	5%	14 217
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	12 201	8 263	-	742	3 422	3 073	(349)	-11%	9 536
HV Substations							-		
MV Networks	12 201	8 263	-	742	3 422	3 073	(349)	-11%	9 536
LV Networks							-		
Solid Waste Infrastructure	4 175	1 722	-	241	1 204	980	(224)	-23%	1 000
Landfill Sites	4 175	1 722	-	241	1 204	980	(224)	-23%	1 000
Waste Transfer Stations							-		
Community Assets	166	594	-	19	388	389	1	0%	594
Community Facilities	166	594	-	19	388	389	1	0%	594
Libraries							-		
Cemeteries/Crematoria							-		
Parks	166	594	-	19	388	389	1	0%	594
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	575	1 013	-	31	1 004	1 546	542	35%	2 645
Municipal Offices	541	1 013	-	31	1 004	1 546	542	35%	2 645
Stores	34						-		
Intangible Assets	38	200	-	-	-	99	99	100%	200
Servitudes							-		
Computer Software and Applications	38	200	-	-	-	99	99	100%	200
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	3 214	7 806	-	1 552	4 825	3 646	(1 179)	-32%	6 445
Machinery and Equipment	3 214	7 806	-	1 552	4 825	3 646	(1 179)	-32%	6 445
Transport Assets	4 117	3 794	-	580	2 999	2 342	(656)	-28%	3 904
Transport Assets	4 117	3 794	-	580	2 999	2 342	(656)	-28%	3 904
Total Repairs and Maintenance Expenditure	38 380	37 692	-	6 153	27 652	26 588	(1 064)	-4,0%	38 542

Supporting Table: SC 13(d) Depreciation and asset impairment

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	41 746	44 007	–	–	–	11 002	11 002	100%	44 007
Roads Infrastructure	36 879	39 127	–	–	–	9 782	9 782	100%	39 127
Roads	36 879	39 127				9 782	9 782	100%	39 127
Road Structures							–		
Storm water Infrastructure	399	418	–	–	–	104	104	100%	418
Drainage Collection	–	418				104	104	100%	418
Storm water Conveyance	399						–		
Electrical Infrastructure	3 754	3 724	–	–	–	931	931	100%	3 724
HV Switching Station							–		
HV Transmission Conductors		3 724				931	931	100%	3 724
MV Networks	3 754						–		
LV Networks							–		
Solid Waste Infrastructure	714	738	–	–	–	184	184	100%	738
Landfill Sites	714	738				184	184	100%	738
Waste Transfer Stations							–		
Community Assets	1 231	1 266	–	–	–	316	316	100%	1 266
Parks	1 231						–		
Public Open Space		1 266				316	316	0	1 266
Heritage assets	5	6	–	–	–	1	1	100%	6
Other Heritage	5	6				1	1	0	6
Other assets	4 140	4 229	–	–	–	1 057	1 057	0	4 229
Municipal Offices	4 140	4 229				1 057	1 057	100%	4 229
Workshops							–		
Intangible Assets	51	53	–	–	–	13	13	100%	–
Servitudes							–		
Computer Software and Applications	51	53				13	13	100%	
Computer Equipment	692	725	–	–	–	181	181	100%	725
Computer Equipment	692	725				181	181	100%	725
Furniture and Office Equipment	590	618	–	–	–	154	154	100%	618
Furniture and Office Equipment	590	618				154	154	100%	618
Machinery and Equipment	2 864	2 961	–	–	–	740	740	100%	707
Machinery and Equipment	2 864	2 961				740	740	100%	707
Transport Assets	5 751	5 915	–	–	–	1 479	1 479	100%	5 915
Transport Assets	5 751	5 915				1 479	1 479	100%	5 915
Total Depreciation	57 070	59 780	–	–	–	14 945	14 945	100%	57 472

Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets

Description	2021/22	Budget Year 2022/23								
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast	
Capital expenditure on upgrading of existing assets by Asset Class										
Infrastructure	18 534	39 525	-	3 565	22 198	23 776	1 579		7%	39 525
Roads Infrastructure	18 534	39 525	-	3 565	22 198	23 776	1 579		7%	39 525
Roads	18 534	39 525		3 565	22 198	23 776	1 579		7%	39 525
Road Structures							-			
Road Furniture							-			
Storm water Infrastructure	-	-	-	-	-	-	-			-
Drainage Collection							-			-
Electrical Infrastructure	-	-	-	-	-	-	-			-
HV Substations							-			-
HV Switching Station							-			-
MV Networks							-			-
LV Networks							-			-
Solid Waste Infrastructure	-	-	-	-	-	-	-			-
Landfill Sites	-	-	-	-	-	-	-			-
Community Assets	498	1 300	-	478	507	509	3		1%	1 300
Libraries							-			-
Cemeteries/Crematoria	498						-			-
Police							-			-
Parks		1 300		478	507	509	3		1%	1 300
Other assets	-	1 100	-	-	1 075	1 208	133		0	1 100
Municipal Offices	-						-			-
Workshops							-			-
Yards		1 100		-	1 075	1 208	133		11%	1 100
Intangible Assets	-	-	-	-	-	-	-			-
Servitudes							-			-
Solid Waste Licenses							-			-
Computer Software and Applications							-			-
Computer Equipment	-	-	-	-	-	-	-			-
Computer Equipment							-			-
Furniture and Office Equipment	-	-	-	-	-	-	-			-
Furniture and Office Equipment							-			-
Machinery and Equipment	-	-	-	-	-	-	-			-
Machinery and Equipment							-			-
Transport Assets	-	-	-	-	-	-	-			-
Transport Assets							-			-
Total Capital Expenditure on upgrading of existing assets	19 032	41 925	-	4 043	23 779	25 494	1 714		7%	41 925

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets and renewal of existing assets; while table SC13c provide details of expenditure performance on repairs and maintenance by asset classification and Table SC13d presents expenditure on depreciation and asset impairment. These tables present the capital programme, and assets management and performance of the Municipality.

The total expenditure for new capital projects amounts to R6, 358 and the year to date budget is R14, 643 million that reflects over spending variance of R8, 285 million that translates to 57% variance.

The year to date actuals on renewal of existing assets amounts R19, 644 million and with the year to date budget of R20, 660 million and this reflects over spending variance of R1, 017 million that translates to 4.9% variance.

The year to date actual expenditure on repairs and maintenance is R27, 652 million, and the year to date budget is R26, 588 million, reflecting under spending variance of R1, 064 million that translates to 4%.

The year to date actual expenditure on upgrading of existing assets is R23, 779 million and the year to date budget is R25, 494 million, reflecting over spending variance of R1, 714 million that translates to 7%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R14, 945 million, reflecting spending variance of R14, 945 million that translates to 100% which means the integration between asset management system and core financial system is done annually and this is not the requirements for implementation of mSCOA. This is basically mean that the municipality is partially complying with some of mSCOA requirements.

List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	2022/23 Medium Term Revenue and Expenditure Framework			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
Community Services	No Illegal Dumping Boards	Single	Solid Waste Infrastructure	Capital Spares	100 000	-	28 500	29%
	Street litter Bins	Multi	Solid Waste Infrastructure	Capital Spares	850 000	-	-	0%
	Fencing of Elandsdoorn/Ntwane Cemetery	Multi	Community Assets	Cemeteries/Crematoria	1 000 000	-	799 000	80%
	Upgrading and Development of Parks	Multi	Community Assets	Parks	1 300 000	-	506 614	39%
	6.4 Disaster Management Centre & Emergency Relief Store room	Multi	Operational Buildings	Stores	457 500	-	454 230	99%
	500 Twenty skip bins 500	Single	Solid Waste Infrastructure	Capital Spares	300 000	-	290 500	97%
	Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	380 000	-	-	0%
	Trailer	Multi	Machinery and Equipment	Machinery and Equipment	380 000	-	-	0%
	Vehicles	Single	Community Assets	Capital Spares	417 500	-	200 905	48%
	Corporate Services	Computer Equipment	Multi	Computer Equipment	Computer Equipment	700 000	-	554 550
Software		Single	Computer Equipment	Computer Equipment	-	950 000	-	#DIV/0!
Furniture and Office Equipment		Multi	Furniture and Office Equipment	Furniture and Office Equipment	500 000	-	436 290	87%
Record Management System		Multi	Intangible Assets	Unspecified	300 000	-	-	0%
Economic Development Planning	Razor Fencing of Portion 39 of Farm Klipbank 26 JS (Game Farm)	Single	Other assets	Yards	1 100 000	-	1 075 000	98%
Technical Services	Culverts and Road signs 600	Multi	Roads Infrastructure	Road Furniture	300 000	-	-	0%
	Molelema Streets Upgrade	Multi	Roads Infrastructure	Roads	3 500 000	-	-	0%
	Upgrading of Bloomport and Uitspanning Access Road	Single	Roads Infrastructure	Roads	24 830 820	-	14 869 181	60%
	Groblersdal Landfill site 6.6	Multi	Solid Waste Infrastructure	Landfill Sites	4 000 000	-	3 975 492	99%
	Upgrading of Stompo Bus Road	Multi	Roads Infrastructure	Roads	800 000	-	-	0%
	Upgrading Maraganeng Access Road 600	Multi	Roads Infrastructure	Roads	900 000	-	-	0%
	Upgrading of Hlogotlou-Bopanang Road	Multi	Roads Infrastructure	Roads	800 000	-	-	0%
	Upgrading of Kgobokwane-Kgaphamadi Road	Multi	Roads Infrastructure	Roads	800 000	-	-	0%
	Upgrading of Malaeneng A Ntwane Access Road	Multi	Roads Infrastructure	Roads	900 000	-	-	0%
	Upgrading of Masoing Bus route	Multi	Roads Infrastructure	Roads	850 000	-	-	0%
	Upgrading of Mokomong access road to Marateng taxi rank (MIG)	Multi	Roads Infrastructure	Roads	700 000	-	-	0%
	Upgrading of Dipakapakeng	Multi	Roads Infrastructure	Roads	2 169 180	-	1 111 481	51%
	Upgrading of Nyakoroane Internal Access Road	Multi	Roads Infrastructure	Roads	4 604 885	-	3 352 895	73%
	Upgrading of Tafelkop stadium Access Road	Single	Roads Infrastructure	Roads	27 001 116	-	17 733 412	66%
	Electrification of Makaepea	Single	Electrical Infrastructure	MV Networks	3 240 000	-	289 557	9%
	Electrification of Masakaneng	Multi	Electrical Infrastructure	MV Networks	3 960 000	-	3 256 966	82%
	Electrification of Nyakelang Extension	Single	Electrical Infrastructure	MV Networks	3 800 000	-	217 896	6%
	Electrification of Phomola	Single	Electrical Infrastructure	MV Networks	2 000 000	-	153 400	8%
	Electrification of Phooko	Single	Electrical Infrastructure	MV Networks	4 000 000	-	-	0%
	Main substation	Single	Electrical Infrastructure	MV Substations	50 000	-	-	0%
	Aircons	Multi	Electrical Infrastructure	Capital Spares	200 000	-	96 501	48%
	Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	850 000	-	378 547	45%

The municipal budget will be adjusted based on performance by 28 February 2023

Adjusted budget on revenue and expenditure

Description	2021/22	Budget Year 2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
Revenue By Source				
Property rates	39 913	44 645	46 832	24 509
Service charges - electricity revenue	98 860	108 186	98 186	41 454
Service charges - refuse revenue	9 383	9 781	9 281	3 810
Rental of facilities and equipment	998	1 004	852	350
Interest earned - external investments	1 780	3 652	1 177	650
Interest earned - outstanding debtors	19 283	18 817	11 333	5 666
Fines, penalties and forfeits	2 236	68 520	60 412	639
Licences and permits	5 966	6 315	6 315	2 746
Transfers and subsidies	297 765	338 906	338 906	132 816
Other revenue	1 624	1 524	4 170	2 130
Gains				
Total Revenue (excluding capital transfers and contributions)	477 810	601 351	577 464	214 770

Property rates and other revenue

Adjusted upwards due to performance

Service charge electricity

Downward adjustment is as a result of load shedding as the community is not consuming electricity as anticipated.

Service charge refuse

The slight adjustment is due to performance for the first half of the financial year

Interest on external investments

As the municipality is faced with financial difficulties, investments with financial institutions were not as anticipated hence downward adjustment.

Interest on outstanding debtors

There is downward adjustment due to reduction in interest rate from 15% to prime+1% as a result of review of municipal credit control policy.

Traffic fines

The actual year to date revenue realised are actual payments as opposed to traffic fines issued. The integration between traffic fine system and our core financial management system was conclude in the second week of January 2023. Based on traffic fines issued, the municipality is performing well compared to prior year and the downward adjustment is based on traffic fines issued report as opposed to actual year to date.

Licences and permits

Based on the performance no adjustment is required

Transfer and subsidies

The municipality haven't received any reduction nor additional funding from National Treasury hence no adjustment.

Description	2021/22	Budget Year 2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
Expenditure By Type				
Employee related costs	157 625	185 316	175 111	66 376
Remuneration of councillors	24 783	25 580	25 580	10 700
Debt impairment	17 950	61 181	20 811	–
Depreciation & asset impairment	–	59 780	59 780	–
Finance charges	1 121	2 185	2 185	137
Bulk purchases	97 917	109 638	100 569	37 388
Other materials	38 760	38 645	40 256	20 814
Contracted services	82 960	67 165	63 549	29 366
Transfers and subsidies	1 547	3 292	3 292	423
Other expenditure	43 053	44 500	46 029	24 514
Losses	–	–	–	–
Total Expenditure	465 716	597 283	537 163	189 719

Employee related cost

Downward adjustment is based on actual performance. Only critical posts will be filled therefore non-critical posts will be frozen until end of 2022-23 financial year hence downward adjustment.

Remuneration of councillors

No adjustment is necessary based on performance

Debt impairment

Downward adjustment is based on audited results for 2021-22 financial year.

Depreciation and asset impairment

The municipality is still facing a challenge regarding the computation of monthly movement, therefore no adjustment as the actual year to date is unknown.

Finance charges

There was an oversight in the month of December 2022 where invoices were not captured on the core financial system, therefore based on what has been incurred no adjustment is necessary.

Bulk purchases

Downward adjustment is as a result of load shedding as the community is not consuming electricity as anticipated.

Other material

Upward adjustment is based on actual performance.

Contracted services and other expenditure

Downward adjustment is based on performance

Transfer and subsidies

No adjustment is necessary as included in the budgeted amount are actuarial amounts computed at year end.

Quality certificate

I Makgoke Walter Mohlala, the Acting Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the mid-year budget performance and assessment report and supporting documentation for the period July 2023 to December 2023 has been prepared in accordance with section 72 of Municipal Finance Management Act and the regulations made under the Act.

Print name: Makgoke Walter Mohlola

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)



W.M MOHLALA
ACTING MUNICIPAL MANAGER