

# Polokwane Municipality

## Monthly Budget Statement

30 April 2023



The Ultimate in Innovation and Sustainable Development



Glossary

<b>Adjustments Budget</b> – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
<b>Budget</b> – The financial plan of the Municipality.
<b>Capital Expenditure</b> - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
<b>Cash flow statement</b> – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
<b>Deficit</b> – The amount by which expenditure exceed revenue.
<b>DORA</b> – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
<b>Equitable Share</b> – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
<b>GFS</b> – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
<b>MFMA</b> – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.
<b>Operating Expenditure</b> – Spending on the day-to-day expenses of the Municipality such as salaries and wages.
<b>Rates</b> – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
<b>Surplus</b> - A situation in which income exceeds expenditures.
<b>Tariff</b> – means a tariff for services which a municipality may set for the provision of a service to the local community and includes a surcharge on such tariff.
<b>SDBIP</b> – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
<b>Vote</b> – One of the main segments into which a budget is divided into for the appropriation of money at department/ functional area- level.
<b>MSCOA</b> – Municipal Standard Chart of Accounts

**DIRECTORATE: BUDGET AND TREASURY OFFICE**

**ITEM:**

**FILE REF:**

**FINANCIAL REPORT FOR THE PERIOD ENDED 30 April 2023.**

**Report of the Finance Portfolio**

**Purpose**

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 (Municipal Budgeting Monitoring and Reporting Requirements).

**Strategic Objective**

To comply with MFMA priorities as well as MFMA implementation plan

**Background**

The Financial Report provides a high-level overview of the organisation's financial viability and sustainability. The report meets the requirements of the Municipal Finance Management Act (MFMA 56/2003 – S66 and S71) and the Municipal Budgets and Reporting Regulations (MBRR - No 32141 gazetted 17 April 2009).

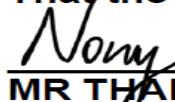
**Discussion**

Section 71 (1) states that “the accounting officer of the municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the implementation of the municipality's approved budget”.

The results for the month are summarised herein under and for the reporting period ended 30 April 2023, the 10<sup>th</sup> working days reporting period to National Treasury expires on the 15th of May 2023. The Budget and Treasury Office has met the timelines for this reporting period.

**RECOMMENDATION**

**That the report be noted**



**MR THABO NONYANE  
ACTING CHIEF FINANCIAL OFFICER**

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PART 1 – IN-YEAR REPORT

**1.1 EXECUTIVE SUMMARY**

These figures are presented in terms of section 71 of the MFMA. The information is presented for the month and year to date 30 April 2023.

The financial results for the period ending 30 April 2023 are summarised as follows:

Description	2021/22	Budget Year 2022/23				
	Audit Outcome	Total Budget	Adjustment Budget	Monthly Actual	Year to Date Actual	%
Total Operational Revenue	3 795 944 585	4 338 280 255	4 378 337 208	211 174 597	3 356 885 221	77%
Capital transfers recognised	655 398 170	808 116 167	648 268 574	61 399 016	303 684 750	47%
<b>Total Revenue</b>	<b>4 451 342 755</b>	<b>5 146 396 422</b>	<b>5 026 605 782</b>	<b>272 573 613</b>	<b>3 660 569 971</b>	<b>73%</b>
<b>Total Expenditure</b>	<b>4 673 497 726</b>	<b>4 208 029 988</b>	<b>4 208 049 983</b>	<b>348 527 734</b>	<b>3 349 207 529</b>	<b>80%</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(222 154 971)</b>	<b>938 366 434</b>	<b>818 555 799</b>	<b>(75 954 121)</b>	<b>311 362 442</b>	<b>38%</b>

**1.1.1 Revenue Performance**

The actual year to date revenue billed which includes grants and other direct income as at 30 April 2023 amounts to **R 3 660 569 971 (73%)** of the adjustments budget of **R 5 026 605 782**. Past performance 2021/22 was **R 3 760 935 239 (78%)**.

**1.1.2 Expenditure performance**

The operating expenditure for the period ended of 30 April 2023 amounts to **R 3 349 207 529 (80%)** which is reported against an adjustments budget of **R 4 208 049 983**. Past performance 2021/22 was **R 2 609 813 277 (65%)**.

**1.1.3 Capital Performance**

The approved capital budget for 2022/23 amounted to **R 974 415 905**, the capital budget decreased to **R 833 857 004 including VAT** during adjustments budget. Payments in respect of Capital Projects amounted to **R 403 045 190 inclusive of VAT** as at 30 April 2023. The expenditure is currently at **48%** of the adjusted capital budget. Past performance 2021/22 was **R 650 667 976 (64%)**.

## In-year report (April 2023) – Monthly Budget Statement

The capital budget funding breakdown as at 30 April 2023 is tabulated as follows:

MULTI YEAR BUDGET CAPITAL PROGRAMME	FUNDING SOURCE	SPECIAL ADJUSTMENTS BUDGET			APRIL			YEAR TO DATE TOTAL ACTUAL			Percentage Spent
		TOTAL EXCL. VAT	VAT	TOTAL	TOTAL EXCL. VAT	VAT	TOTAL	TOTAL EXCL. VAT	VAT	TOTAL	
<b>Total Capital Expenditure</b>		<b>725 093 058</b>	<b>108 763 959</b>	<b>833 857 017</b>	<b>74 394 931</b>	<b>13 675 819</b>	<b>85 110 068</b>	<b>350 860 254</b>	<b>55 145 617</b>	<b>403 045 190</b>	<b>48%</b>
Integrated Urban Development Grant	IUDG	268 082 263	40 212 339.45	308 294 602	19 621 509	5 459 805	22 120 633	133 888 654	22 599 877	153 527 850	50%
Public Transport Network Grant	PTNG	69 921 736	10 488 260.38	80 409 996	8 143 883	1 221 583	9 365 466	43 026 854	6 454 028	49 480 882	62%
Neighbourhood Development Grant	NDPG	27 053 008	4 057 951.25	31 110 960	737 529	110 629	848 159	1 649 470	247 420	1 896 890	6%
Water Services Infrastructure Grant	WSIG	54 890 437	8 233 565.49	63 124 002	2 417 393	362 609	2 780 002	22 627 480	3 394 122	26 021 602	41%
Regional Bulk Infrastructure Grant	RBIG	117 029 566	17 554 434.90	134 584 001	20 775 735	3 116 360	23 892 095	63 064 408	9 459 661	72 524 069	54%
Integrated National Electrification Programme Grant	INEP	25 565 217	3 834 782.55	29 400 000	2 080 575	312 086	2 392 661	8 054 713	1 208 207	9 262 920	32%
Energy Efficiency and Demand Side Management Grant (EEDSM)	EEDSM	869 566	130 434.90	1 000 001	-	-	-	60 250	9 038	69 288	7%
Finance Management Grant	FMG	300 000	45 000.00	345 000	-	-	-	-	-	-	0%
<b>Total DoRA Allocations</b>		<b>563 711 793</b>	<b>84 556 769</b>	<b>648 268 562</b>	<b>53 776 625</b>	<b>10 583 073</b>	<b>61 399 016</b>	<b>272 371 829</b>	<b>43 372 354</b>	<b>312 783 502</b>	<b>48%</b>
Capital Replacement Reserve	CRR	161 381 265	24 207 189.82	185 588 455	20 618 306	3 092 746	23 711 052	78 488 425	11 773 264	90 261 689	49%
<b>TOTAL FUNDING</b>		<b>725 093 060</b>	<b>108 763 959</b>	<b>833 857 017</b>	<b>74 394 931</b>	<b>13 675 819</b>	<b>85 110 068</b>	<b>350 860 254</b>	<b>55 145 617</b>	<b>403 045 190</b>	<b>48%</b>

MULTI YEAR BUDGET	Description	SPECIAL ADJUSTMENTS BUDGET			APRIL			YEAR TO DATE TOTAL ACTUAL			Percentage Spent
		TOTAL EXCL. VAT	VAT	TOTAL	TOTAL EXCL. VAT	VAT	TOTAL	TOTAL EXCL. VAT	VAT	TOTAL	
		-	-	-	-	-	-	-	-	-	-
	Vote 1 - CHIEF OPERATIONS OFFICE	228 928	34 339	263 267	-	-	-	-	-	-	0%
	Vote 2 -MUNICIPAL MANAGER'S OFFICE	-	-	-	-	-	-	-	-	-	0%
	Vote 3 - WATER AND SANITATION	317 306 368	47 595 955	364 902 323	31 491 601	7 240 319	35 771 239	151 837 037	25 292 135	174 168 491	48%
	Vote 4 - ENERGY SERVICES	78 107 316	11 716 097	89 823 413	2 296 380	344 457	2 640 837	32 170 064	4 825 510	36 995 573	41%
	Vote 5 - COMMUNITY SERVICES	28 048 158	4 207 224	32 255 382	3 600 626	540 094	4 140 720	13 595 079	2 039 262	15 634 341	48%
	Vote 6 - PUBLIC SAFETY	3 922 499	588 375	4 510 874	-	-	-	462 779	69 417	532 196	12%
	Vote 7 - CORPORATE AND SHARED SERVICES	29 988 766	4 498 315	34 487 081	18 839 953	2 825 993	21 665 946	21 466 960	3 220 044	24 687 004	72%
	Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	8 325 649	1 248 847	9 574 496	172 149	25 822	197 972	4 568 256	685 238	5 253 494	55%
	Vote 9 - BUDGET AND TREASURY OFFICE	-	-	-	-	-	-	-	-	-	0%
	Vote 10 - TRANSPORT SERVICES	259 165 374	38 874 806	298 040 180	17 994 220	2 699 133	20 693 353	126 760 079	19 014 012	145 774 091	49%
	Vote 11 - HUMAN SETTLEMENT	-	-	-	-	-	-	-	-	-	0%
	<b>Total expenditure</b>	<b>725 093 058</b>	<b>108 763 959</b>	<b>833 857 017</b>	<b>74 394 931</b>	<b>13 675 819</b>	<b>85 110 068</b>	<b>350 860 254</b>	<b>55 145 617</b>	<b>403 045 190</b>	<b>48%</b>

### 1.1.4 External Loans and Instalments

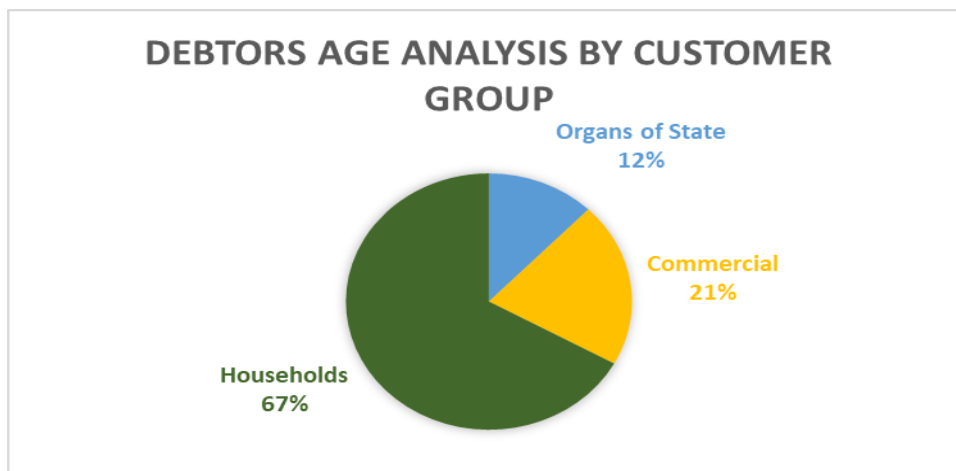
Council met all its obligations in terms of instalments. Outstanding loans amounted to **R 372 776 893** as at 30 April 2023.

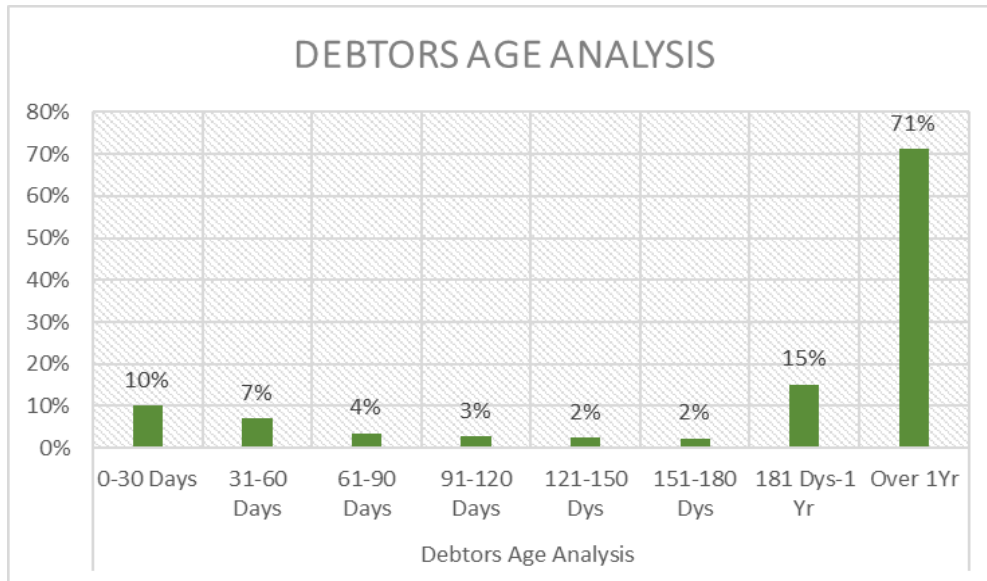
INSTITUTION	INTEREST	LOAN AMOUNT - OPENING BALANCE April 2023	REDEMPTION TO DATE -April 2023	EXPENSED INTEREST TO DATE - April 2023	ACCRUED INTEREST -April 2023	CLOSING BALANCE -April 2023	EXPIRY DATE / REDEMPTION DATE
DEVELOPMENT BANK OF SOUTHERN AFRICA - 61007443	10.75	186 501 716				186 501 716	31/01/2032
STANDARD BANK SOUTH AFRICA	10.98	186 275 177				186 275 177	30/07/2032
<b>TOTAL</b>		<b>372 776 893</b>				<b>372 776 893</b>	

### 1.1.5 Debtors

Council debtor's book/ledger has a total balance of **R 1 909 953 558** as of 30 April 2023.

Description	Budget Year 2022/23								Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
<b>R thousands</b>									
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	18 143	38 703	9 706	5 636	5 462	5 493	25 287	228 805	337 235
Trade and Other Receivables from Exchange Transactions - Electricity	61 695	22 305	13 337	9 282	5 629	5 555	35 034	113 402	266 240
Receivables from Non-exchange Transactions - Property Rates	45 919	24 441	14 084	11 115	9 947	9 849	44 521	282 554	442 430
Receivables from Exchange Transactions - Waste Water Management	13 660	9 070	5 003	4 231	3 857	3 627	30 364	67 889	137 701
Receivables from Exchange Transactions - Waste Management	13 327	8 314	4 965	4 075	3 739	3 564	27 448	90 142	155 575
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	186	186
Interest on Arrear Debtor Accounts	10 040	9 774	9 550	9 357	9 180	9 077	40 365	281 514	378 857
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-
Other	4 276	3 829	2 700	1 878	1 521	1 253	49 482	126 790	191 729
<b>Total By Income Source</b>	<b>167 060</b>	<b>116 436</b>	<b>59 345</b>	<b>45 574</b>	<b>39 335</b>	<b>38 419</b>	<b>252 501</b>	<b>1 191 283</b>	<b>1 909 954</b>
<b>2020/21 - totals only</b>	<b>164 005</b>	<b>95 817</b>	<b>48 554</b>	<b>41 911</b>	<b>36 050</b>	<b>36 135</b>	<b>266 321</b>	<b>998 219</b>	<b>1 687 012</b>
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	20 185	15 123	8 859	8 087	6 622	6 954	30 059	137 859	233 747
Commercial	70 506	30 972	19 577	7 627	7 461	7 409	37 318	216 376	397 245
Households	76 369	70 342	30 910	29 860	25 253	24 056	185 125	837 048	1 278 961
Other	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>167 060</b>	<b>116 436</b>	<b>59 345</b>	<b>45 574</b>	<b>39 335</b>	<b>38 419</b>	<b>252 501</b>	<b>1 191 283</b>	<b>1 909 954</b>





### 1.1.6 Creditors

Outstanding trade creditors amounted to **R 89 571 726.24** as at 30 April 2023.

Description	Budget Year 2022/23								Total	Prior year totals for chart (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	65 484	-	-	-	-	-	-	-	65 484	61 581
Bulk Water	21 706	-	-	-	-	-	-	-	21 706	19 964
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	2 278	104	-	-	-	-	-	-	2 382	22 910
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>89 468</b>	<b>104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89 572</b>	<b>104 455</b>

### 1.1.7 Bank Reconciliation and Investments

The bank reconciliation for 30 April 2023 has been completed on time. Cash book and bank balances are as follows:

Cash as at 30 April 2023 amounted to **R 216 335 397**



## In-year report (April 2023) – Monthly Budget Statement

DESCRIPTION	PRIMARY ACCOUNT	GRANTS ACCOUNT	HOUSING ACCOUNT	DBSA ACCOUNT	TOTAL
OPENING BALANCE - CASH BOOK	313 905 651	22 649 233	581 669	1 029 712	338 166 265
<b>TOTAL RECEIPTS</b>	<b>668 850 434</b>	<b>100 395 248</b>	<b>3 039</b>	<b>5 379</b>	<b>769 254 100</b>
<b>TOTAL PAYMENTS</b>	<b>838 643 688</b>	<b>58 182 721</b>	<b>-</b>	<b>-</b>	<b>896 826 409</b>
<b>CASH BOOK BALANCE -30 APRIL 2023</b>	<b>144 112 397</b>	<b>64 861 760</b>	<b>584 708</b>	<b>1 035 092</b>	<b>210 593 957</b>
<b>Balance Bank Statement - 30 April 2023</b>					
	PRIMARY ACCOUNT	GRANTS ACCOUNT	HOUSING ACCO	DBSA ACCOUNT	TOTAL
Cash Book Balance - 31 March 2023	313 905 651	22 649 233	581 669	1 029 712	338 166 265
Plus: Receipts	668 850 434	100 395 248	3 039	5 379	769 254 100
Less: Payments	838 643 688	58 182 721	-	-	896 826 409
Cash Book Balance - 30 April 2023	144 112 397	64 861 760	584 708	1 035 092	210 593 957
Plus: Unpresented EFT's	8 682 932				8 682 932
Plus: RD Cheques - Revenue					-
Plus: Deposit	3 387				3 387
Plus: Bank Outstanding Revenue	2 334 567				2 334 567
Less: Deposit - Revenue	5 252 254				5 252 254
Less: Bank Outstanding Expenditure	27 192				27 192
<b>Balance Bank Statement - 30 April 2023</b>	<b>149 853 838</b>	<b>64 861 760</b>	<b>584 708</b>	<b>1 035 092</b>	<b>216 335 397</b>

Council had R 1 000 of investment in P.H.A. The Grants account had a closing balance of R 64 861 760. The municipality has opted to invest some of the funds to earn higher interest, as such not all unspent grants are kept in the Grants account.

The municipality has opted to invest some of the funds to earn higher interest.

Institution	Date of Investment	Maturity Date	Total Investment to Date	Type	Interest Rate %
Nedbank	28/03/2023	19/05/2023	R 150 000 000	52 days	8.300
Standard Bank	13/04/2023	25/05/2023	R 200 000 000	42days	8.663
Nedbank	13/04/2023	15/06/2023	R 200 000 000	63days	8.790
<b>TOTAL</b>			<b>R 550 000 000</b>		<b>8.727</b>

### Movement and Exposure per institution

Institution	Opening Balance 1 April 2023	Made	Redeemed	Closing Balance	Interest Accrued	Interest Earned
Standard Bank (45 Days)	R 120 000 000	R 0	R 120 000 000	R 0		R 1 203 978
Nedbank (60 Days)	R 180 000 000	R 0	R 180 000 000	R 0		R 1 828 603
Standard Bank (23 Days)	R 100 000 000	R 0	R 100 000 000	R 0		R 497 808
Nedbank (52 Days)	R 150 000 000	R 0	R 0	R 150 000 000	1 023 287.67	R 0
Standard Bank(42 days)	R 0	R 200 000 000	R 0	R 200 000 000	806 964.38	R 0
Nedbank (63Days)	R 0	R 200 000 000	R 0	R 200 000 000	866 958.90	R 0
<b>TOTAL</b>	<b>R 550 000 000</b>	<b>R 400 000 000</b>	<b>R 400 000 000</b>	<b>R 550 000 000</b>	<b>R 2 697 211</b>	<b>R 3 530 389</b>

### 1.1.8 Staff Expenditure Report

The Staff Expenditure Report is submitted in terms of Section 66 of the Municipal Finance Management Act, which states that the Accounting Officer of a Municipality must, in a format and for periods as may be prescribed, report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and

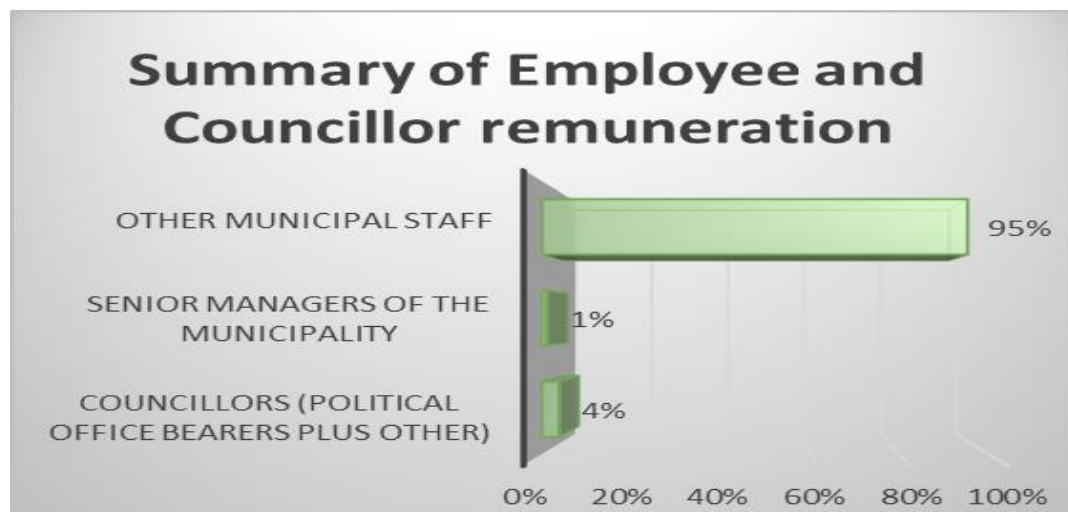
benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

- a) Salaries and wages
- b) Contributions for pensions and medical aid
- c) Travel, motor car, accommodation, subsistence, and other allowances
- d) Housing benefits and allowances
- e) Overtime payments
- f) Loans and advances
- g) Any other type of benefit or allowance related to staff

# In-year report (April 2023) – Monthly Budget Statement

## Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	Budget Year 2022/23							
	Original Budget	Adjusted Budget	April		YearTD actual		Available Budget	%Spent
<b>R thousands</b>								
<b>Councillors (Political Office Bearers plus Other)</b>								
Basic Salaries and Wages	24 336 111	23 336 111	2 141 961	2 141 961	10 710 162	22 315 806	1 020 305	96%
Pension and UIF Contributions	4 097 782	4 097 782	299 479	299 479	1 494 250	3 114 444	983 338	76%
Medical Aid Contributions	615 057	615 057	25 531	25 531	135 388	265 518	349 539	43%
Motor Vehicle Allowance	8 209 780	8 210 882	533 222	533 222	2 610 941	5 169 549	3 041 333	63%
Cellphone Allowance	4 277 898	4 277 898	346 600	346 600	2 177 623	3 295 216	982 682	77%
Housing Allowances	-	-	-	-	-	-	-	0%
Other benefits and allowances	380 015	378 913	-	-	-	563 840	(183 825)	149%
<b>Sub Total - Councillors</b>	<b>41 916 643</b>	<b>40 916 643</b>	<b>3 346 793</b>	<b>3 346 793</b>	<b>17 128 365</b>	<b>34 724 372</b>	<b>6 193 373</b>	<b>85%</b>
% increase								
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	17 228 880	16 720 150	583 930	583 930	3 303 046	6 368 823	10 971 331	37%
Pension and UIF Contributions	1 346 532	1 614 061	92 881	92 881	431 970	812 458	741 603	62%
Medical Aid Contributions	199 946	175 046	16 187	16 187	63 242	106 224	93 722	53%
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1 788 896	2 363 717	135 501	135 501	701 537	1 347 725	843 990	61%
Cellphone Allowance	-	-	-	-	-	-	-	0%
Housing Allowances	1 804 789	2 231 869	113 972	113 972	681 991	1 359 511	682 358	67%
Other benefits and allowances	173 376	203 004	-	-	189 162	189 162	(189 162)	93%
<b>Sub Total - Senior Managers of Municipality</b>	<b>22 542 418</b>	<b>23 327 745</b>	<b>942 471</b>	<b>942 471</b>	<b>5 370 948</b>	<b>10 183 903</b>	<b>13 143 842</b>	<b>44%</b>
% increase								
<b>Other Municipal Staff</b>								
Basic Salaries and Wages	685 888 394	639 385 664	46 884 516	46 884 516	232 554 341	471 223 459	168 162 205	74%
Pension and UIF Contributions	149 270 684	144 320 684	9 495 263	9 495 263	47 349 825	94 964 774	49 355 910	66%
Medical Aid Contributions	45 703 821	45 703 821	3 917 854	3 917 854	19 050 927	37 178 348	8 525 473	81%
Overtime	89 227 758	107 161 212	10 114 664	10 114 664	48 515 765	96 264 170	10 897 042	90%
Performance Bonus	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	58 492 433	58 492 433	5 039 303	5 039 303	24 666 591	49 664 620	8 827 813	85%
Cellphone Allowance	175 193	175 193	3 371	3 371	16 855	88 789	86 404	51%
Housing Allowances	9 875 340	10 095 340	475 970	475 970	2 357 802	5 399 301	4 696 039	53%
Other benefits and allowances	71 927 000	83 692 317	4 669 896	4 669 896	30 539 098	63 261 089	20 431 228	76%
Payments in lieu of leave	19 122 866	19 122 866	1 134 221	1 134 221	8 902 348	20 962 339	(1 839 473)	110%
Long service awards	6 890 566	6 890 566	388 378	388 378	2 690 752	5 741 620	1 148 946	83%
Post-retirement benefit obligations	8 000 000	8 000 000	638 840	638 840	3 078 442	6 021 070	1 978 930	75%
<b>Sub Total - Other Municipal Staff</b>	<b>1 144 574 055</b>	<b>1 123 040 096</b>	<b>82 762 276</b>	<b>82 762 276</b>	<b>419 722 745</b>	<b>850 769 577</b>	<b>272 270 518</b>	<b>76%</b>
% increase								
<b>Total Parent Municipality</b>	<b>1 209 033 116</b>	<b>1 187 284 484</b>	<b>87 051 540</b>	<b>87 051 540</b>	<b>442 222 058</b>	<b>895 677 852</b>	<b>291 607 734</b>	<b>75%</b>



In-year report (April 2023) – Monthly Budget Statement

1.1.9 Overtime Report by Municipal Vote

Vote Description	Original Budget	Adjusted Budget	April	YTD actual	YTD Budget	% Spent vs Original Budget	% Spent vs YTD Budget
<b>Vote 1 - CHIEF OPERATIONS OFFICE</b>	<b>418 612</b>	<b>1 418 612</b>	<b>93 354</b>	<b>1 175 742</b>	<b>1 182 177</b>	<b>83%</b>	<b>99%</b>
Non Structured	167 448	1 167 448	93 354	1 175 742	972 873.33		
Structured	251 164	251 164	-	-	209 303.33		
<b>Vote 2 -MUNICIPAL MANAGER'S OFFICE</b>	<b>112 020</b>	<b>312 020</b>	<b>5 596</b>	<b>133 839</b>	<b>260 017</b>	<b>43%</b>	<b>51%</b>
Non Structured	44 808	244 808	5 596	133 839	204 006.67		
Structured	67 212	67 212	-	-	56 010		
<b>Vote 3 - WATER AND SANITATION</b>	<b>22 579 225</b>	<b>32 005 663</b>	<b>2 805 776</b>	<b>29 604 295</b>	<b>26 671 386</b>	<b>92%</b>	<b>111%</b>
Non Structured	9 031 689	31 105 063	2 805 776	29 604 295	25 920 885.83		
Structured	13 547 536	900 600	-	-	750 500.00		
<b>Vote 4 - ENERGY SERVICES</b>	<b>16 624 250</b>	<b>17 647 250</b>	<b>2 040 381</b>	<b>21 200 547</b>	<b>14 706 042</b>	<b>120%</b>	<b>144%</b>
Non Structured	6 649 700	16 892 700	2 040 381	21 200 547	14 077 250		
Structured	9 974 550	754 550	-	-	628 791.67		
<b>Vote 5 - COMMUNITY SERVICES</b>	<b>13 081 644</b>	<b>16 449 235</b>	<b>1 990 988</b>	<b>14 411 417</b>	<b>13 707 696</b>	<b>88%</b>	<b>105%</b>
Non Structured	5 232 661	11 169 347	1 990 988	14 411 417	9 307 789.17		
Structured	7 848 983	5 279 888	-	-	4 399 906.67		
<b>Vote 6 - PUBLIC SAFETY</b>	<b>24 801 428</b>	<b>26 301 428</b>	<b>2 284 507</b>	<b>21 743 088</b>	<b>21 917 857</b>	<b>83%</b>	<b>99%</b>
Non Structured	9 920 572	20 100 572	2 284 507	21 743 088	16 750 477		
Structured	14 880 856	6 200 856	-	-	5 167 380		
<b>Vote 7 - CORPORATE AND SHARED SERVICES</b>	<b>4 481 595</b>	<b>3 738 020</b>	<b>189 966</b>	<b>2 695 595</b>	<b>3 115 017</b>	<b>72%</b>	<b>87%</b>
Non Structured	1 792 641	2 557 879	189 966	2 695 595	2 131 565.83		
Structured	2 688 954	1 180 141	-	-	983 450.83		
<b>Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT</b>	<b>664 110</b>	<b>664 110</b>	<b>14 308</b>	<b>211 670</b>	<b>553 425</b>	<b>32%</b>	<b>38%</b>
Non Structured	265 644	324 644	14 308	211 670	270 537		
Structured	398 466	339 466	-	-	282 888.33		
<b>Vote 9 - BUDGET AND TREASURY OFFICE</b>	<b>3 426 300</b>	<b>4 606 300</b>	<b>237 345</b>	<b>2 226 021</b>	<b>3 838 583</b>	<b>48%</b>	<b>58%</b>
Non Structured	1 250 520	2 830 520	237 345	2 226 021	2 358 767		
Structured	2 175 780	1 775 780	-	-	1 479 817		
<b>Vote 10 - TRANSPORT SERVICES</b>	<b>2 968 574</b>	<b>3 948 574</b>	<b>452 443</b>	<b>2 861 955</b>	<b>3 290 478</b>	<b>72%</b>	<b>87%</b>
Non Structured	1 187 430	2 382 430	452 443	2 861 955	1 985 358.33		
Structured	1 781 144	1 566 144	-	-	1 305 120		
<b>Vote 11 - HUMAN SETTLEMENT</b>	<b>70 000</b>	<b>70 000</b>	<b>-</b>	<b>-</b>	<b>58 333</b>	<b>0%</b>	<b>0%</b>
Non Structured	28 000	28 000	-	-	23 333		
Structured	42 000	42 000	-	-	35 000		
<b>Total</b>	<b>89 227 758</b>	<b>107 161 212</b>	<b>10 114 664</b>	<b>96 264 169</b>	<b>89 301 010</b>	<b>90%</b>	<b>108%</b>

### 1.1.10 Financial Performance (Revenue and Expenditure by Municipal Vote)

Description	Budget Year 2022/23				
	Original Budget	Adjustments Budget	Monthly Actual	Year to Date Actual	%
<b>BUDGET AND TREASURY OFFICE</b>					
Expenditure	379 247 063	364 296 591	11 720 729	244 709 380	67%
Revenue	- 2 891 936 263	- 2 772 145 623	- 127 480 533	- 2 176 145 145	79%
<b>Surplus / (Deficit)</b>	<b>- 2 512 689 200</b>	<b>- 2 407 849 032</b>	<b>- 115 759 804</b>	<b>- 1 931 435 765</b>	<b>80%</b>
<b>CHIEF OPERATIONS OFFICE</b>					
Expenditure	154 927 132	149 302 908	9 705 024	110 286 141	74%
Revenue	- 4 653	- 4 653	-	-	0%
<b>Surplus / (Deficit)</b>	<b>154 922 479</b>	<b>149 298 255</b>	<b>9 705 024</b>	<b>110 286 141</b>	<b>74%</b>
<b>COMMUNITY SERVICES:</b>					
Expenditure	400 307 326	406 438 192	44 318 737	392 528 749	97%
Revenue	- 140 910 509	- 140 910 509	- 9 334 598	- 114 406 250	81%
<b>Surplus / (Deficit)</b>	<b>259 396 817</b>	<b>265 527 683</b>	<b>34 984 139</b>	<b>278 122 499</b>	<b>105%</b>
<b>CORPORATE AND SHARED SERVICES</b>					
Expenditure	312 127 666	333 258 893	20 547 453	246 452 606	74%
Revenue	- 3 203 733	- 3 203 733	- 1 227 832	- 5 352 201	167%
<b>Surplus / (Deficit)</b>	<b>308 925 933</b>	<b>330 055 160</b>	<b>19 319 622</b>	<b>241 100 405</b>	<b>73%</b>
<b>ENERGY SERVICES</b>					
Expenditure	1 178 920 655	1 192 056 838	72 248 209	884 230 400	75%
Revenue	- 1 562 403 369	- 1 562 403 369	- 107 878 531	- 967 038 759	62%
<b>Surplus / (Deficit)</b>	<b>- 383 482 714</b>	<b>- 370 346 531</b>	<b>- 35 630 322</b>	<b>- 82 808 359</b>	<b>22%</b>
<b>HUMAN SETTLEMENT:</b>					
Expenditure	16 930 375	16 398 811	1 334 840	12 903 499	79%
Revenue	- 254 223	- 254 223	- 1 011 092	- 9 399 722	3697%
<b>Surplus / (Deficit)</b>	<b>16 676 152</b>	<b>16 144 588</b>	<b>323 748</b>	<b>3 503 778</b>	<b>22%</b>
<b>MUNICIPAL MANAGER'S OFFICE</b>					
Expenditure	372 193 662	364 700 576	73 719 133	246 174 138	68%
Revenue	- 2 068	- 2 068	-	-	0%
<b>Surplus / (Deficit)</b>	<b>372 191 594</b>	<b>364 698 508</b>	<b>73 719 133</b>	<b>246 174 138</b>	<b>68%</b>
<b>PLANNING AND ECONOMIC DEVELOPMENT</b>					
Expenditure	67 647 964	66 970 478	5 445 078	53 106 465	79%
Revenue	- 27 784 314	- 27 784 314	- 965 110	- 13 428 913	48%
<b>Surplus / (Deficit)</b>	<b>39 863 650</b>	<b>39 186 164</b>	<b>4 479 968</b>	<b>39 677 552</b>	<b>101%</b>
<b>PUBLIC SAFETY</b>					
Expenditure	374 353 404	360 403 032	28 653 954	275 436 861	76%
Revenue	- 48 847 242	- 48 847 242	- 1 257 954	- 37 792 728	77%
<b>Surplus / (Deficit)</b>	<b>325 506 162</b>	<b>311 555 790</b>	<b>29 911 908</b>	<b>237 644 133</b>	<b>76%</b>
<b>TRANSPORT SERVICES</b>					
Expenditure	311 635 873	320 227 182	40 009 351	397 760 199	124%
Revenue	- 32 050 720	- 32 050 720	- 1 654 688	- 26 012 919	81%
<b>Surplus / (Deficit)</b>	<b>279 585 153</b>	<b>288 176 462</b>	<b>38 354 663</b>	<b>371 747 280</b>	<b>129%</b>
<b>WATER AND SANITATION: WATER AND SANITATION</b>					
Expenditure	639 738 868	633 996 482	40 825 227	485 619 090	77%
Revenue	- 438 999 328	- 438 999 328	- 24 279 183	- 310 993 333	71%
<b>Surplus / (Deficit)</b>	<b>200 739 540</b>	<b>194 997 154</b>	<b>16 546 043</b>	<b>174 625 757</b>	<b>90%</b>
<b>Grand Total</b>	<b>- 938 366 434</b>	<b>- 818 555 799</b>	<b>- 75 954 121</b>	<b>- 311 362 442</b>	<b>38%</b>

### 1.1.11 Financial Performance (Revenue and Expenditure)

Description	Budget Year 2022/23				
	Original Budget	Adjustments Budget	Monthly Actual	Year to Date Actual	%
<b>Revenue by Source</b>					
<b>Exchange Revenue</b>	<b>2 340 513 360</b>	<b>2 340 513 360</b>	<b>157 640 513</b>	<b>1 611 850 876</b>	<b>69%</b>
Agency Services	30 442 756	30 442 756	1 136 893	18 455 558	61%
Interest Dividend and Rent on Land	105 285 503	105 285 503	14 391 868	114 055 810	108%
Licences or Permits	13 465 044	13 465 044	- 3 159 902	18 387 309	137%
Operational Revenue	37 288 320	37 288 320	176 455	39 008 556	105%
Rental from Fixed Assets	11 950 240	11 950 240	2 687 930	20 488 675	171%
Sales of Goods and Rendering of Services	13 549 771	13 549 771	1 575 741	20 332 856	150%
Electricity	1 556 068 914	1 556 068 914	107 508 073	960 602 216	62%
Waste Management	133 622 947	133 622 947	9 044 272	109 526 564	82%
Waste Water Management	138 979 993	138 979 993	10 433 659	123 892 593	89%
Water	299 859 872	299 859 872	13 845 524	187 100 739	62%
<b>Non-exchange Revenue</b>	<b>2 805 883 062</b>	<b>2 686 092 422</b>	<b>114 933 101</b>	<b>2 048 719 094</b>	<b>76%</b>
Fines Penalties and Forfeits	40 161 631	40 161 631	1 988 389	25 668 686	64%
Interest Dividend and Rent on Land	21 321 376	21 321 376	-	-	0%
Licences or Permits	421 411	421 411	-	-	0%
Property Rates	587 175 644	587 175 644	46 564 196	464 117 641	79%
Transfers and Subsidies					
Capital	808 116 167	648 268 574	61 399 016	303 684 750	47%
Operational	1 348 686 833	1 388 743 786	4 981 500	1 255 248 018	90%
<b>Revenue</b>	<b>5 146 396 422</b>	<b>5 026 605 782</b>	<b>272 573 613</b>	<b>3 660 569 971</b>	<b>73%</b>
<b>Expenditure by type</b>					
Bulk Purchases	976 579 780	976 579 780	56 560 342	707 575 586	72%
Contracted Services	871 101 498	843 774 949	44 553 780	501 315 869	59%
Depreciation and Amortisation	260 000 002	260 000 002	69 321 407	692 433 986	266%
Employee Related Cost	1 167 116 768	1 146 433 863	83 704 747	858 808 148	75%
Interest, Dividends and Rent on Land	42 336 217	42 536 217	-	22 227 273	52%
Inventory Consumed	307 541 119	303 865 038	8 022 083	135 294 537	45%
Irrecoverable Debts Written Off	260 000 000	260 000 000	66 137 167	161 633 351	62%
Operational Cost	264 437 961	322 843 491	15 890 335	226 875 386	70%
Remuneration of Councillors	41 916 643	40 916 643	3 346 793	34 724 371	85%
Transfers and Subsidies	17 000 000	11 100 000	991 080	8 319 020	75%
<b>Expenditure</b>	<b>4 208 029 988</b>	<b>4 208 049 983</b>	<b>348 527 734</b>	<b>3 349 207 529</b>	<b>80%</b>
<b>Surplus / ( Deficit) for the year</b>	<b>938 366 434</b>	<b>818 555 799</b>	<b>- 75 954 121</b>	<b>311 362 442</b>	<b>38%</b>

## Surplus or Deficit for the Trading Services

Description	Budget Year 2022/23				
	Original Budget	Adjustments Budget	Monthly Actual	Year to Date Actual	%
<b>Energy Sources</b>					
<b>Expenditure</b>	<b>1 178 920 655</b>	<b>1 192 056 838</b>	<b>72 248 209</b>	<b>884 230 400</b>	<b>74%</b>
Bulk Purchases	976 579 780	976 579 780	56 560 342	707 575 586	72%
Contracted Services	32 541 655	40 460 220	3 254 880	20 484 408	51%
Depreciation and Amortisation	15 276 544	15 276 544	4 075 368	40 758 110	267%
Employee Related Cost	99 218 462	100 132 768	7 603 127	80 001 115	80%
Inventory Consumed	26 065 640	30 368 952	506 940	21 522 092	71%
Operational Cost	29 238 574	29 238 574	247 553	13 889 090	48%
<b>Revenue</b>	<b>1 562 403 369</b>	<b>1 562 403 369</b>	<b>107 878 531</b>	<b>967 038 759</b>	<b>62%</b>
Exchange Revenue	1 556 074 944	1 556 074 944	107 508 073	960 602 781	62%
Non-exchange Revenue	6 328 425	6 328 425	370 458	6 435 978	102%
<b>Surplus / (Deficit)</b>	<b>383 482 714</b>	<b>370 346 531</b>	<b>35 630 322</b>	<b>82 808 359</b>	<b>22%</b>
<b>Waste Management</b>					
<b>Expenditure</b>	<b>157 572 331</b>	<b>149 581 094</b>	<b>12 972 618</b>	<b>119 310 929</b>	<b>80%</b>
Contracted Services	88 370 531	81 146 184	8 398 226	64 833 181	80%
Depreciation and Amortisation	3 334 256	3 334 256	889 489	8 895 859	267%
Employee Related Cost	56 458 596	55 691 706	3 654 622	39 058 569	70%
Inventory Consumed	5 301 296	5 301 296	-	4 004 194	76%
Operational Cost	4 107 652	4 107 652	30 281	2 519 126	61%
<b>Revenue</b>	<b>133 625 015</b>	<b>133 625 015</b>	<b>9 044 272</b>	<b>109 526 564</b>	<b>82%</b>
Solid Waste Removal	133 625 015	133 625 015	9 044 272	109 526 564	82%
<b>Surplus / (Deficit)</b>	<b>- 23 947 316</b>	<b>- 15 956 079</b>	<b>- 3 928 346</b>	<b>- 9 784 365</b>	<b>61%</b>
<b>Waste Water Management</b>					
<b>Expenditure</b>	<b>70 365 039</b>	<b>45 691 600</b>	<b>3 563 361</b>	<b>20 246 310</b>	<b>44%</b>
Contracted Services	60 174 748	35 167 328	1 088 283	4 509 673	-13%
Depreciation and Amortisation	9 277 844	9 277 844	2 475 077	24 753 464	267%
Inventory Consumed	45 136	45 136	-	2 518	6%
Operational Cost	867 311	1 201 292	-	-	0%
<b>Revenue</b>	<b>138 980 510</b>	<b>138 980 510</b>	<b>10 433 659</b>	<b>123 892 593</b>	<b>89%</b>
Sewerage	138 980 510	138 980 510	10 433 659	123 892 593	89%
<b>Surplus / (Deficit)</b>	<b>68 615 471</b>	<b>93 288 910</b>	<b>6 870 299</b>	<b>103 646 284</b>	<b>111%</b>
<b>Water Management</b>					
<b>Expenditure</b>	<b>569 373 829</b>	<b>588 304 882</b>	<b>37 261 866</b>	<b>465 372 780</b>	<b>79%</b>
Contracted Services	117 488 416	137 191 206	4 111 060	92 417 753	67%
Depreciation and Amortisation	50 851 820	50 851 820	13 329 184	133 831 179	263%
Employee Related Cost	151 355 784	155 466 033	11 621 313	120 334 525	77%
Inventory Consumed	246 598 736	240 740 091	6 813 308	101 356 362	42%
Operational Cost	3 079 073	4 055 732	1 387 001	17 432 961	430%
<b>Revenue</b>	<b>300 018 818</b>	<b>300 018 818</b>	<b>13 845 524</b>	<b>187 100 739</b>	<b>62%</b>
Exchange Revenue	299 862 974	299 862 974	13 845 524	187 100 739	62%
Non-exchange Revenue	155 844	155 844	-	-	0%
<b>Surplus / (Deficit)</b>	<b>- 269 355 011</b>	<b>- 288 286 064</b>	<b>- 23 416 342</b>	<b>- 278 272 041</b>	<b>97%</b>
<b>Trading Services Total Revenue</b>	<b>2 135 027 712</b>	<b>2 135 027 712</b>	<b>141 201 986</b>	<b>1 387 558 656</b>	<b>65%</b>
<b>Trading Services Total Expenditure</b>	<b>1 976 231 854</b>	<b>1 975 634 414</b>	<b>126 046 053</b>	<b>1 489 160 419</b>	<b>75%</b>
<b>Trading Services Surplus / (Deficit)</b>	<b>158 795 858</b>	<b>159 393 298</b>	<b>15 155 933</b>	<b>- 101 601 763</b>	<b>-64%</b>

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**Transfer of funds report**

Virements made in the current period are as follows: -

PERIOD	REFERENCE NUMBER	APRIL	SEGMENT_DESCRIPTION	REASONS	FUNCTION_DESCRIPTION
202304	1054	1 500 000	4530 KC SPECIAL EVENTS AND EVENTS		SPORTS FACILITIES MAINTENANCE (NEW)
202304	1054	- 1 500 000	434002005300 REFUSE R		WASTE MANAGEMENT (ADMINISTRATION AND OF
202304	1056	1 500 000	4530 KC SPECIAL EVENTS AND EVENTS		SPORTS FACILITIES MAINTENANCE (NEW)
202304	1056	- 1 500 000	4530 SPECIAL EVENTS SPORTS	Funds needed to pay a PSL game	SPORTS FACILITIES MAINTENANCE (NEW)
202304	1059	- 2 100	2100 INCIDENTAL COSTS		COMMUNICATIONS AND MARKETING
202304	1059	2 100	2100 DAILY ALLOWANCE	Funds needed to cover subsistence and travel allowances	COMMUNICATIONS AND MARKETING
202304	1059	20 000	2100 OWN TRANSPORT		COMMUNICATIONS AND MARKETING
202304	1059	- 20 000	2100 AWARENESS CAMPAIGNS		COMMUNICATIONS AND MARKETING
202304	1061	186 000	6000 TRAVEL AGENCY AND VISA'S		DIRECTORATE PLANNING AND DEVELOPMENT
202304	1061	- 77 000	6440 CMA PROJECT IMPLEMENTATION	Funds needed for official trips	ECONOMIC DEVELOPMENT
202304	1061	- 109 000	UNIFORM CITY AND REGIONAL PLANNING		CITY AND REGIONAL PLANNING
202304	1062	30 000	WIP Aganang Cluster offices refurbishment		FACILITY MAINTENANCE (ADMINISTRATION)
202304	1062	- 30 000	Construction of Mankweng Water and Sanitation Centre	Funds needed to cover outstanding invoice	FACILITY MAINTENANCE (ADMINISTRATION)
202304	1063	90 000	Refurbishment of Westernburg Hall3010		FACILITY MAINTENANCE (ADMINISTRATION)
202304	1063	- 90 000	WIP Renovation of offices3010	Budget shortfall noted during implemetation of project	FACILITY MAINTENANCE (ADMINISTRATION)
202304	1064	4 500	5320 DAILY ALLOWANCE	Funds needed to cover transport and accomodation for	HUMAN RESOURCE DEVELOPMENT
202304	1064	- 4 500	5320 INCIDENTAL COSTS	Organisational Development officials	HUMAN RESOURCE DEVELOPMENT



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### Comments on Overall Performance

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	-5%	Immaterial	Remedial action not necessary
Service charges - electricity revenue	-26%	The reason for the decrease is attributable to consumers using alternative energy and load shedding.	
Service charges - water revenue	-25%	The positive increase attributable to the fact that most accounts without actual reading are billed at fixed estimated consumption as approved by council. About 8 000 accounts were billed and back charged.	
Service charges - sanitation revenue	7%	The normal increases are attributable to the work in progress, as zoning on properties are being verified and adjustments made to accounts. The completeness exercise is continuing to ensure alignment between billing and zoning.	Remedial action not necessary
Service charges - refuse revenue	-2%	Immaterial	Remedial action not necessary
Rental of facilities and equipment	106%	There was an increase in the rental of municipal facilities due to rental of more municipal investment property. This is expected to increase due to marketing and facility commercialization	Remedial action not necessary
Interest earned - external investments	72%	The interest earned will increase as the municipality has started investing in the current year. The investments are made in accordance with the National Treasury Payment Schedule.	
Interest earned - outstanding debtors	-4%	Immaterial	Remedial action not necessary
Fines, penalties and forfeits	-23%		Increase in collection expected in the ensuing months.
Licences and permits	59%	The overperformance in licences and permits is attributable to 2 factors. The first factor is the misallocation of agency fees that was collected as "licences and permits". Kindly refer to the explanation under agency fees. The second factor is that the agency fees that is included under licences and permits is reflected at 100%, again just for the April month. The 80% that is due to the Department of Transport should be recorded as a liability and not in the revenue account. Once this correction is made the licences and permits will be significantly reduced thereby reducing the perceived overperformance. The correcting journals will be processed during May once all verification processes is complete	Relevant department will advise on remedial action
Agency services	-27%	The underperformance of the agency fees can be explained by a percentage of the overperformance in licences and permits. This is because the licence office receipts all licences issued under "licences and permits" irrespective of whether it meets the definition of "agency fees" or "licences and permits". This misallocation is only attributable to the April 2023 month as all previous months have been corrected. A correcting journal will be passed.	
Transfers and subsidies	10%	Revenue from grants and subsidies are recognised monthly as conditions are met, it is anticipated that all conditions will be met by the end of the financial year.	Remedial action not necessary
Other revenue	40%	The positive increase in other revenue is due to incidental cash surpluses and unallocated deposits.	
<b>Expenditure</b>			
Employee related costs	-11%	The variance is due to vacant positions that have been budgeted for and not yet filled.	
Remuneration of councillors	1%	Immaterial	Remedial action not necessary
Debt impairment	-25%	2022. Communication has been sent out for qualifying individuals to apply for debt relief.	relief is ongoing till November 2023
Depreciation & asset impairment	220%	Actual depreciation journal is captured monthly. This highly indicates insufficient budget for depreciation.	Sufficient budget will result in a deficit budget. The increase in the budget will be incremental on the MTREF
Finance charges	-37%	Loan agreement stipulates that payment be made twice per year. Payment of loan was paid in January 2023	Remedial action not necessary
Bulk purchases - electricity	-13%	Bulk purchases costs are seasonal	No corrective steps necessary
Inventory consumed	-47%	This expenditure is dependent on needs and requirements of departments for materials.	No corrective steps necessary
Contracted services	-29%	Panel of consulted appointed, spending will increase in the following months.	No corrective steps necessary
Transfers and subsidies	-15%	Performance is dependant on the municipal entity's need of expenditure. Entity (PHA) submits grant requests as and when funds are needed to meet their planned expenditure.	No corrective steps necessary
Other expenditure	-12%	This expenditure is dependent on needs and requirements of departments.	No corrective steps necessary
<b>Capital</b>			
Vote 1 - CHIEF OPERATIONS OFFICE	-100%		Spending will accelerate during the last quarter.
Vote 2 - MUNICIPAL MANAGER'S OFFICE	0%		
Vote 3 - WATER AND SANITATION	-42%		
Vote 4 - ENERGY SERVICES	-53%		
Vote 5 - COMMUNITY SERVICES	-55%		
Vote 6 - PUBLIC SAFETY	-86%		
Vote 7 - CORPORATE AND SHARED SERVICES	-12%		
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	-49%		
Vote 9 - BUDGET AND TREASURY OFFICE	-100%		
Vote 10 - TRANSPORT SERVICES	-47%		
Vote 11 - HUMAN SETTLEMENT	0%		

### 1.1.12 Grant Reconciliation

Code	Grant	Unspent 30/6/2022	Total received	Total spend	Unspent Current Year	%	Paid back to National Treasury/Department	Receipt + 2022 Unspent grant	TOTAL UNSPENT GRANT
E/S	Equitable Share	-	1 196 549 000	1 196 549 000		100%	-	1 196 549 000	-
FMG	Finance Management Grant	303	2 400 000	1 242 838	1 157 162	52%	-	2 400 303	1 157 465
IUDG	Integrated Urban Development Grant	10 124 400	376 044 000	165 555 564	210 488 436	43%	-	386 168 400	220 612 835
RBIG	Regional Bulk Infrastructure Grant	28 319 400	134 584 000	72 524 069	62 059 931	45%	28 319 400	134 584 000	62 059 931
PTNG	Public Transport Infrastructure Grant	71 428 598	166 506 000	72 536 652	93 969 348	30%	71 428 598	166 506 000	93 969 348
EPWP	Extended Public Works Programme	-	11 570 000	9 842 744	1 727 256	85%	-	11 570 000	1 727 256
INEP	Integrated National Electrification Programme	6 949 177	33 000 000	11 309 778	21 690 222	28%	6 949 177	33 000 000	21 690 222
EEDSM	Energy Efficiency and Demand Side Management	85 226	1 000 000	69 288	930 713	6%	85 226	1 000 000	930 713
NDPG	Neighbourhood Development Partnership Grant	22 686 122	25 088 000	1 896 890	23 191 110	4%	16 663 162	31 110 960	29 214 069
ISDG	Infrastructure Skills Development Grant	-	6 000 000	-	6 000 000	0%	-	6 000 000	6 000 000
WSIG	Water Services Infrastructure Grant	12 553 040	63 124 000	26 021 602	37 102 398	34%	12 553 040	63 124 000	37 102 398
CDM	Capricorn District Municipality	17 589	-	-	-	0%	-	17 589	17 589
DLGH	Dept Local Government and Housing	2 949 709	-	-	-	0%	-	2 949 709	2 949 709
MDRG	Municipal Disaster Relief Grant	84	-	-	-	0%	-	84	84
LGHA	Local Government Housing Accreditation	560 868	-	-	-	0%	-	560 868	560 868
DSAC	Department of Sports art and culture	133 704	-	-	-	0%	133 704	-	-
<b>Total</b>	<b>TOTAL</b>	<b>155 808 218</b>	<b>2 015 865 000</b>	<b>1 557 548 426</b>	<b>458 316 574</b>	<b>72%</b>	<b>136 132 307</b>	<b>2 035 540 911</b>	<b>477 992 485</b>

National treasury reduced R 135 938 000 of the following grants due to slow performance:

Grant Description	Original DoRa GG #45903	Reduction	Revised DoRa GG #48327
Equitable Share (ES)	1 196 549 000	-	1 196 549 000
Neighbourhood Development Partnership Grant (NDPG)	40 000 000	- 14 912 000	25 088 000
Integrated Urban Development Grant (IUDG)	426 044 000	- 50 000 000	376 044 000
Integrated National Electrification Programme Grant (INEP)	33 000 000	-	33 000 000
Infrastructure Skills Development Grant (ISDG)	6 000 000	-	6 000 000
Public Transport Network Grant (PTNG)	199 496 000	- 32 990 000	166 506 000
Extended Public Works Programme (EPWP)	11 570 000	-	11 570 000
Energy Efficiency and Demand Side Management Grant (EEDSM)	5 000 000	- 4 000 000	1 000 000
Regional Bulk Infrastructure Grant (RBIG)	154 584 000	- 20 000 000	134 584 000
Financial Management Grant (FMG)	2 400 000	-	2 400 000
Water Services Infrastructure Grant (WSIG)	77 160 000	- 14 036 000	63 124 000
	<b>2 151 803 000</b>	<b>- 135 938 000</b>	<b>2 015 865 000</b>

### 1.1.13 Cost Savings Disclosure

The cost containment regulations came into effect on 1 July 2019. The regulations require the municipality to monitor certain categories of expenditure with the objective to contain costs. The municipality is also required to report on the budget and actual expenditure relating to the regulated costs on a regular basis as outlined below:

## In-year report (April 2023) – Monthly Budget Statement

Cost Containment Year to Date Actual Report				
Cost Containment Measure	Original Budget	Adjustments Budget	Total Expenditure	Savings
		R'000		R'000
Consultants and Professional Services	169 990 684	182 220 705	87 247 426	94 973 279
Advertising Publicity and Marketing	12 064 064	30 690 144	16 803 498	13 886 646
Overtime	54 878 825	59 209 786	44 660 336	14 549 450
Catering Services	2 312 960	4 484 272	1 709 484	2 774 788
Travel Agency and Visa's	3 219 067	3 599 637	2 206 590	1 393 047
Travel and Subsistence	3 787 477	3 904 948	452 398	3 452 549
<b>Total</b>	<b>246 253 077</b>	<b>284 109 492</b>	<b>153 079 733</b>	<b>131 029 759</b>

## In-year budget statement tables - Annexure A

### Schedule C

MFMA Circular No 108

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#### 9.3 Submission using LG Upload Portal

In MFMA Budget Circular No 107, it was indicated that budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/> and that National Treasury was planning to retire [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) from 01 July 2021 to ensure that there is a single collection point of municipal financial data. However, based on workflow licensing challenges on the LG Upload Portal, data string submissions will shortly be shifted to the Open Portal GoMuni while documents must still be submitted using [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). The document submissions will also be shifted to GoMuni as soon as possible.

All municipalities and their entities had to prepare their MTREF budget directly on the *mSCOA* financial systems from 01 July 2017. Therefore, all MBRR schedule submissions must be submitted in **PDF format only**.

#### MFMA Circular 108

With effect from 1 July 2021 the municipality does not have access to the excel version of the C schedule, therefore the PDF format extracted from the financial system is attached as Annexure A.

There is lots of blank pages which may seem irrelevant, the budget office is unable to hide them as this is a National Treasury Template

#### LISTING OF MAIN TABLES IN ANNEXURE B:

The attached Annexure A comprises of the main tables listed below: -

##### **Table C1: Monthly budget statement summary**

The table provides a high-level summation of the Municipality's operating – and capital budgets, actual to date and financial position.

##### **Table C2: Monthly Budget Statement - Financial Performance (standard classification)**

The table is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

**Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)**

The table is an overview of the budgeted financial performance in relation to revenue and expenditure by vote as well as the operating surplus or deficit.

**Table C4 - Monthly Budget Statement - Financial Performance (revenue and Expenditure)**

The table is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

**Table C5 Monthly Budget Statement – Capital Expenditure (Municipal vote, standard Classification, and funding)**

The table reflects the municipality's capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and funding sources required by capital budget; including information on capital transfers from other departments. The capital expenditure is reflected without VAT, however the grant conditions met journal is inclusive of VAT.

**Table C6: Monthly Budget Statement - Financial Position.**

The table reflects the performance to date in relation to the financial position of the Municipality.

**Table C7: Monthly Budget Statement - Cash flow**

The table reflects the performance to date in relation to the cash flow of the Municipality.

**PART 2- LISTING OF SUPPORTING DOCUMENTATION ON ANNEXURE A**

Table SC1 Monthly Budget Statement – Material Variance

Table SC2 Monthly Budget Statement - performance indicators

Section 3 – Debtors' analysis the debtor analysis provides an age analysis by revenue source and customer category.

Table SC3 Monthly Budget Statement - Aged Debtors

Section 4 – Creditors' Age analysis

The creditors' analysis contains an aged analysis by customer type.

Table SC4 Monthly Budget Statement - Aged Creditors

Table SC5 Monthly Budget Statement - investment portfolio

Table SC6 Monthly Budget Statement – Transfers and grants receipts

Table SC7 (1) Monthly Budget Statement – transfers and grant expenditure

In-year report (April 2023) – Monthly Budget Statement

Table SC7 (2) Monthly Budget Statement – transfers and grant expenditure rollover

Table SC8 Monthly Budget Statement - councillor and staff benefits

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

### **Capital programme performance**

**The capital programme performance table provides details of capital expenditure by month.**

Table SC12 Monthly Budget Statement - capital expenditure trend

Table SC13a Monthly Budget Statement - capital expenditure on new assets

Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing

Table SC13c Monthly Budget Statement – repairs and maintenance by asset class....

Table SC13d Monthly Budget Statement - depreciation by asset class

Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class

**Section 10 - Municipal Manager Quality certification**



I, **THUSO NEMUGUMONI**, the Municipal Manager of Polokwane Local Municipality, hereby

Certify that –

The Monthly Budget Statement

For the month of April 2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Thuso Nemugumoni

Municipal Manager of Polokwane Local Municipality: LM354

Signature : Thuso Nemugumoni

Date : 12/05/2023

# ***Annexure A:***

# ***CAPITAL***

# ***PROGRAMME***