**O. R. TAMBO DISTRICT MUNICIPALITY**

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DISTRICT MUNICIPALITY

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## MONTHLY REPORTING (S71) EXECUTIVE SUMMARY FOR SEPTEMBER 2023

### PURPOSE

The purpose of this report is to submit monthly budget statement of the municipal council, to the honourable executive mayor, as contemplated in section 71 of the Municipal Finance Management Act, Act 56 of 2003, for the month of September 2023.

### BACKGROUND

The Local Government Municipal Finance Management Act, Act 56 of 2003 requires the accounting officer of a municipality to submit, to the mayor, provincial treasury, national treasury (non delegated), by no later than 10 working days after the end of each month, on the state of the municipality's budget reflecting **inter alia** the following particulars.

- Actual revenue, per revenue source;
- Actual borrowings;
- Actual expenditure per vote;
- Actual capital expenditure;
- The amount of any allocations received;

### DELIBERATIONS

An explanation is required of any material variances from the municipality's projected revenue by source and from the municipality's expenditure projections by vote. Any material variances from the SDBIP, and any remedial or corrective steps taken to ensure that projected revenue and expenditure remain within the municipalities approved budget.

### RECOMMENDATIONS

It is recommended that the executive mayor acknowledges receipt of the report and deal with it in accordance with the relevant prescripts of the legislation.

## Mayor's Report

The mayor's report accompanying an in-year monthly budget statement must provide –

a) A summary of whether the municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;
b) A summary of any financial problems or risks facing the municipality or any such entity: and
c) Any other information considered relevant by the mayor.

## Implementation of the budget in terms of the SDBIP.

There are no deviations from the service Delivery and Budget Implementation Plan and the budget is implemented according to the plan. The municipality is not facing any financial risk at the present moment.

## Other information

The monthly section 71 has been prepared in terms of the Municipal Budget and Reporting Regulations. Additional clarity on the content of this report or answers to any questions posed will be given at the next Management/ Finance Standing Committee meeting.

## REVENUE

### Revenue by Source

| Discription | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| **Service Charges** | 411,141,658 | 105,805,980 | 84,384,754 | 34,511,111 | 27,504,248 | (7,006,863) | -20.30% |
| **Interest on Investment** | 30,000,000 | 8,142,085 | 18,176,245 | 3,255,394 | 5,531,923 | 2,276,529 | 69.93% |
| **Interest on Outstanding Debtors** | 21,730,000 | 5,897,583 | 7,435,058 | 2,357,990 | (2,922) | (2,360,912) | -100.12% |
| **Grants : Operating** | 1,133,119,001 | 450,446,290 | 472,138,373 | 231,598 | - | (231,598) | -100.00% |
| **Grants : Capital** | 1,190,908,557 | 318,152,684 | 253,039,807 | 15,179,379 | 2,751,514 | (12,427,865) | -81.87% |
| **Other revenue** | 128,776,490 | 35,524,371 | 41,544,245 | 12,146,003 | - | (12,146,003) | -100.00% |
| **Total** | **2,915,675,706** | **923,968,993** | **876,718,482** | **67,681,475** | **35,784,763** | **(31,896,712)** | -47.13% |

**Service charges** –Projected bills amounted to R34.5 million whilst actual bills amounted to R27.5 million resulting in a negative variance of 20.30%, caused by payments not received from government departments. Efforts are made to encourage payments through incentives.

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### Actual Collections

| Discription | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| **Service Charges** | **305,364,034** | **79,826,658** | 56,565,561 | 26,243,466 | 7,460,218 | (18,783,248) | -71.57% |

There is a negative variance of R18.7 million in actual collections as compared to projection. This is caused by the network problems since the 1st September 2023.

**Interest on Investment –** Projection is R3.2 million whilst the actual interest is R5.5 million resulting in R2.3 million positive variance. This is caused by investing in high earning investments as well as the increased repo rates.

**Interest on Outstanding Debtors –** Projected at R2.3 million whilst actual interest on debtors is –R2922 resulting in R 2.3 million positive variance as a result of the increase in the repo rate.

**Grants Transfers – Operating –** Projection is R231 598 and received R0. The payment schedule is not always the same.

**Grants Transfers – Capital –** R15.1 million is projected and received R2.7 million. The amount received is for Human Settlements Grant R2.7 million.

**Other Revenue** - Projection amounted to R12.1 million whilst actual revenue amounted to R0 resulting in a negative variance of R12.1million. The variance is caused mainly by VAT refunds not yet received in the current month.

## EXPENDITURE

### Operating Expenditure by type

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 726,912,294 | 181,728,609.00 | 168,145,727 | 60,576,203.00 | 56,761,098 | 3,815,105 | 6.30% |
| Councillor Remuneration | 25,513,521 | 6,378,396.00 | 5,390,780 | 2,126,132 | 2,271,577 | -145,445 | -6.84% |
| Inventory consumed | 81,146,395 | 19,800,000.00 | 16,829,012 | 6,800,000 | 7,551,797 | -751,797 | -11.06% |
| Contracted Services | 153,426,537 | 34,766,208.00 | 21,944,374 | 15,970,848 | 6,879,530 | 9,091,318 | 56.92% |
| Grants and Subsidies | 67,113,215 | 16,552,305.00 | 29,145,028 | 7,017,768 | 14,363,766 | -7,345,998 | -104.68% |
| Other Expenditure | 499,977,438 | 137,453,792.00 | 48,421,976 | 38,883,746 | 20,273,564 | 18,610,182 | 47.86% |
| **Total** | **1,554,089,400.00** | **396,679,310** | **289,876,898** | **131,374,697** | **108,101,332** | **23,273,365** | 17.72% |

**Employee costs** - Projection amounts to R60.5 million whilst actual outcome amounts to R56.7 million result in the positive variance of R3.8 million. The variance is caused by savings on overtime, non-payment of the non-pensionable allowance on the bonus and travelling costs.

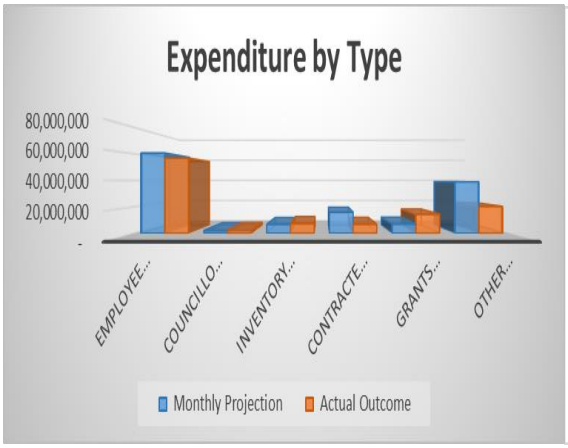
**Council remuneration** – Projection amounts to R2.1 million whilst actual outcome amounts to R2.3 million results in the negative variance of R145 445.

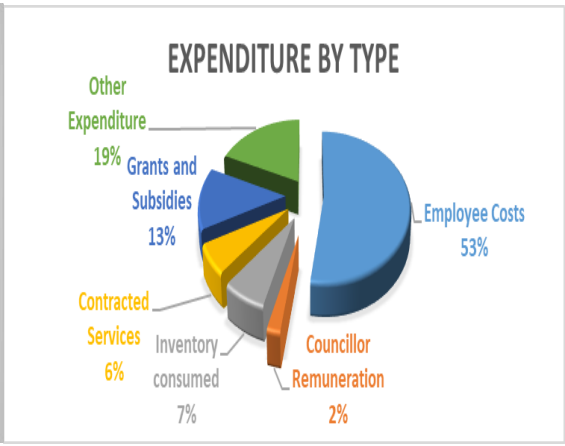
**Bulk Purchases/Inventory consumed** – This line item is dependent on the invoices DWA has submitted. Projections amounted to R6.8 million whilst the actual amounted to R7.5 million resulting in a R751 797 "negative variance".

**Contracted Services** – Projected at R15.9 million and actual outcome amounted to R6.8 resulting in a positive variance of R9 million.

**Grants and Subsidies** – Projection amounts to R7 million whilst actual amounted to R14.3 million resulting in negative variance of R7.3 million.

**Other Expenditure** - Projection amounts to R38.8 million whilst actual amounted to R20.2 million results in a positive variance of R18.6 million. This caused by the fact that some invoices have not yet been received.

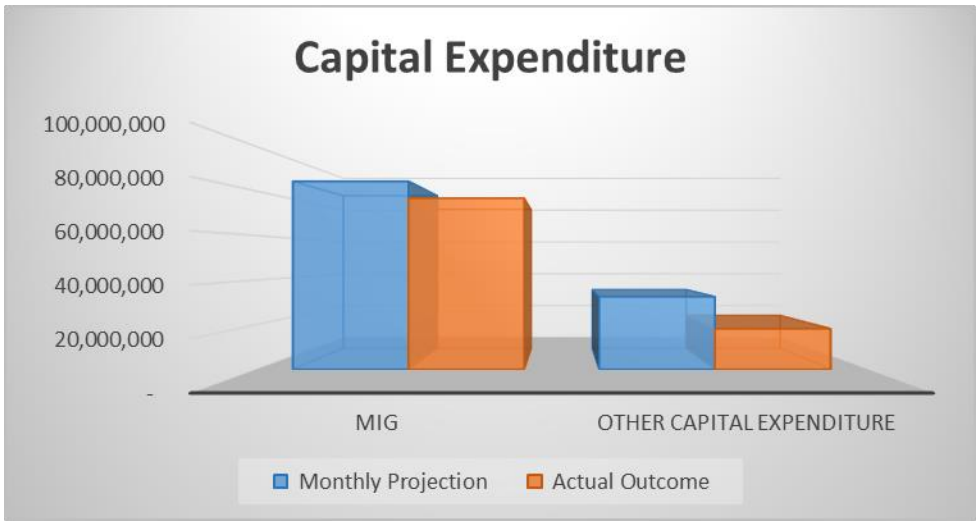



## Capital Expenditure

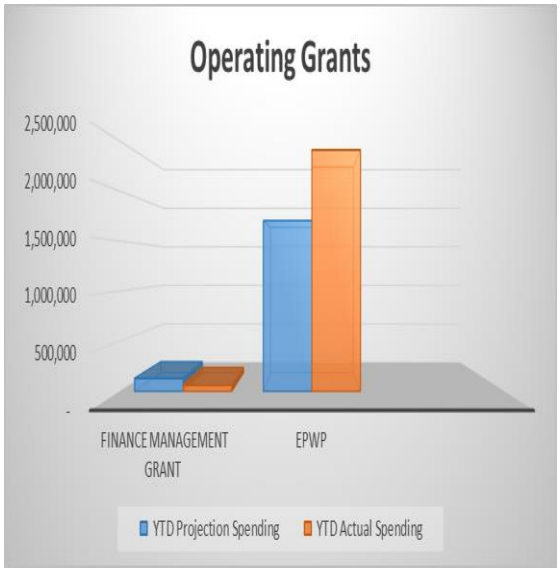
| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| MIG | 764,752,000 | 242,954,796.00 | 147,584,868 | 84,254,795 | 76,716,247 | 7,538,548 | 8.95% |
| Other Capital Expenditure | 426,156,557 | 93,140,597 | 41,284,858 | 32,540,199 | 18,266,491 | 14,273,708 | 43.86% |
| Total | 1,190,908,557 | 336,095,393 | 188,869,726 | 116,794,994 | 94,982,738 | 21,812,256 | 18.68% |

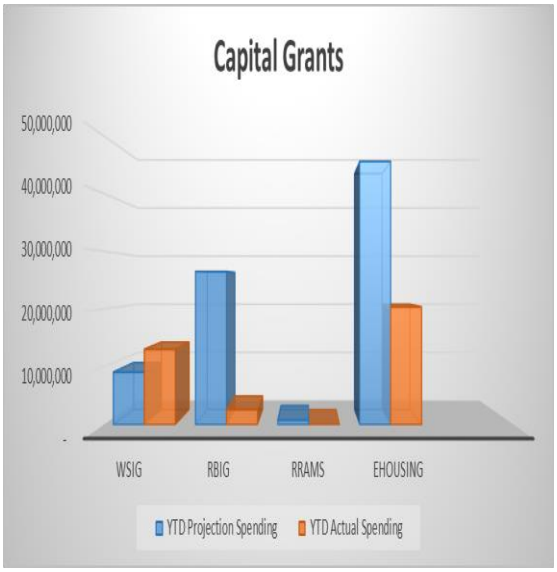
Underspending in the capital expenditure is mainly due to underspending on conditional grants.




## CONDITIONAL GRANTS

| Grant Name | Grant Allocation | Grants Received | YTD Projection Spending | YTD Actual Spending | Varience | % Varience |
|---|---|---|---|---|---|---|
| **Operating Grants** | | | | | | |
| Finance Management Grant | 2,000,000 | 2,000,000 | 131,625 | 63,428 | 68,197 | 51.81% |
| EPWP | 6,809,000 | 1,703,000 | 1,702,250.02 | 2,405,976 | (703,726) | -41.34% |
| **Capital Grants** | | | | | | |
| Municipal Infrastructure Grant | 764,752,000 | 189,855,000 | 242,954,796.00 | 147,584,868 | 95,369,928 | 39.25% |
| Water Services Infrastructure Grant | 80,000,000 | 24,000,000 | 9,100,000.00 | 13,056,837 | (3,956,837) | -43.48% |
| Regional Bulk Infrastructure Grant | 160,849,000 | 17,695,000 | 26,500,000.00 | 2,623,278 | 23,876,722 | 90.10% |
| Rural Roads Management System | 3,155,000 | - | 788,750 | - | 788,750 | 100.00% |
| Emergency Municipal Housing Grant | 182,152,557 | 21,489,807 | 45,538,139.15 | 20,355,215 | 25,182,924 | 55.30% |



## ***Legislative Services***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs and Councillor remunaration | 64,882,689 | 16,220,672.21 | 8,000,809 | 5,406,891 | 2,718,387 | 2,688,504 | 50% |
| Other operating Expenditure | 11,939,521 | 2,984,880.33 | 7,136,639 | 994,960 | 3,354,050 | (2,359,090) | -237% |

The table above indicates that the Legislative Services department has underspent its projected operating budget projection by R329 414 which constitutes 5% of operational budget projection with employee costs and councilor remuneration underspent by 50% and other operating expenditure overspent by 237%. This is caused by the fact that expenditure from previous months has been paid in the current month.

## ***Office of Executive Mayor and Executive Mayoral Services***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 54,415,168 | 13,603,791.95 | 16,660,395 | 4,534,597 | 5,678,791 | (1,144,194) | -25% |
| Other operating Expenditure | 10,798,544 | 2,699,636 | 2,485,338 | 899,879 | 990,891 | (91,012) | -10% |

The table above indicates that the Office of Executive Mayor has overspent its projected operating expenditure budget by R1.2 million which constitutes 23% of its operational budget with employee cost being overspent by 25% and other operating expenditure overspent by 10%. This is caused by the fact that expenditure from last month has been paid in the current month.

## **Office of the Municipal Manager**

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 43,049,004 | 10,762,251.06 | 6,944,852 | 3,587,417 | 2,381,992 | 1,205,425 | 34% |
| Other operating Expenditure | 25,478,765 | 6,369,691 | 4,957,086 | 2,123,230 | 1,211,661 | 911,569 | 43% |

The table above indicates that the Office of Municipal Manager has underspent its projected operating expenditure budget by R2.1 million which constitutes 37% of its operational budget with employee costs underspent by 34% and other operating expenditure is underspent by 43%.

## ***Corporate Services***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 131,213,801 | 32,803,450.35 | 21,467,111 | 10,934,483 | 6,920,600 | 4,013,884 | 37% |
| Other operating Expenditure | 64,430,000 | 16,107,500 | 16,067,217 | 5,369,167 | 5,514,481 | (145,315) | -3% |
| Capital Expenditure | 22,250,000 | 5,562,500.00 | 932,160 | 1,854,166.67 | 816,097 | 1,038,069 | 56% |

The table above indicates that the Corporate Services has underspent its projected operating expenditure budget by R3.8 million which constitutes 24% of its operational budget with employee costs underspent by 37% and other operating expenditure is overspent by 3%, underspent by R1 million on Capital Expenditure which constitutes 56%.

## ***Budget and Treasury Office***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 82,311,310 | 20,577,827.61 | 20,515,178 | 6,859,276 | 7,277,041 | (417,766) | -6% |
| Other operating Expenditure | 58,429,314 | 14,607,329 | 15,542,137 | 4,869,110 | 4,871,777 | (2,668) | 0% |
| Capital Expenditure | 5,000,000.00 | 1,250,000 | 172,000 | 416,667 | 172,000 | 244,667 | 59% |

The table above indicates that the Budget and Treasury Office has overspent its projected operating expenditure budget by R420 433, which constitutes 4% of its operational budget with employee costs overspent by 6% and other operating expenditure is spent within the budget. Underspent by 59% on capital expenditure.

## ***Rural Economic and Developmental Planning***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 27,223,431 | 6,805,857.67 | 5,613,620 | 2,268,619 | 1,873,229 | 395,390 | 17% |
| Other operating Expenditure | 67,101,643 | 16,775,410.72 | 29,840,582 | 5,591,803.57 | 14,644,593 | (9,052,790) | -162% |

The table above indicates that the Rural Economic and Developmental Planning has overspent its projected operating expenditure budget by R8.6 million which constitutes 110% of the operational budget with employee costs underspent by 17% and other operating expenditure is overspent by 162%.

## ***Community Services***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 103,194,339 | 25,798,584.75 | 20,225,045 | 8,599,528 | 6,929,422 | 1,670,106 | 19% |
| Other operating Expenditure | 9,542,236 | 2,385,559 | 362,993 | 795,186.29 | 216,033 | 579,153 | 73% |
| Capital Expenditure | 17,000,000 | - | - | - | - | - | 0% |

The table above indicates that the Community and Social Services has underspent its projected operating budget by R2.2 million which constitutes 24% of the operational budget with employee costs underspent by 19% and other operating expenditure is underspent by 73%, no projection and no expenditure on Capital Expenditure.

## ***Human Settlements***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 14,559,194 | 3,639,798.57 | 1,755,351 | 1,213,266 | 529,753 | 683,513 | 56% |
| Other operating Expenditure | 5,327,015 | 1,331,753.84 | 128,318 | 443,918 | 61,034 | 382,884 | 86% |
| Capital Expenditure | 182,502,557 | 45,625,639.15 | 20,355,215 | 15,208,546 | 7,961,767 | 7,246,780 | 48% |

The table above indicates that the Human Settlements has underspent by R1 million which constitutes 64% of its operational budget, underspent by 56% on employee related costs and other operating expenditure has been underspent by 86%. Capital expenditure is underspent by 48% of the budgeted amount.

## ***Water and Sanitation Services***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 232,562,742 | 58,140,685.59 | 66,726,049 | 19,380,229 | 22,384,028 | (3,003,800) | -15% |
| Other operating Expenditure | 406,642,000 | 101,660,500 | 44,870,479 | 33,886,833 | 20,311,840 | 13,574,993 | 40% |
| Capital Expenditure | 1,024,703,645 | 256,175,911.24 | 163,264,984 | 85,391,970 | 86,032,874 | (640,903) | -1% |

The table above indicates that the Water Services has underspent its projected operating expenditure budget by R10.5 million which constitutes 20%, overspent on employee costs overspent by R3 million which constitutes 15% and other operating expenditure underspent by 40%. Capital expenditure was more by 1% of the budgeted amount.

## ***Technical Services***

| Description | Original Budget | YTD Projection | YTD Actual Outcome | Monthly Projection | Actual Outcome | Monthly Variance | Monthly Variance % |
|---|---|---|---|---|---|---|---|
| Employee Costs | 6,419,665 | 1,604,916 | 237,318 | 534,972 | 67,853 | 467,119 | 87% |
| Other operating Expenditure | 4,715,000 | 1,178,750 | 340,382 | 392,917 | 163,873 | 229,044 | 58% |
| Capital Expenditure | 14,649,816 | 3,662,454 | 4,145,367 | 1,220,818 | - | 1,220,818 | 100% |

The table above indicates that the Technical Services has underspent by R696 162 which constitutes 75% on its operational budget with employee costs underspent by 87% and other operating expenditure is underspent by 58%. Underspent by 100% on capital expenditure.

### Cash and Cash Equivalent

For the main account, balance as at 30th September 2023 amounted to R16.2 million.
Call and short term investment accounts amounted to R768.6 million invested in: -
First National Bank – R768.6 million

## Debtors

| Category | 0 – 30 Days | 61 -90 Days | 91 -120 Days | 121 -150 Days | 151 - 180 Days | 181 - 1 Year | Over 1 Year | Total |
|---|---|---|---|---|---|---|---|---|
| Government | 22,756,309 | 1,935,227 | 2,092,197 | 1,519,954 | 1,469,779 | 22,729,280 | 28,633,387 | 88,290,079 |
| Business | 14,092,995 | 3,741,984 | 5,192,357 | 3,349,604 | 3,220,532 | 49,526,502 | 83,341,067 | 168,264,824 |
| Households | 22,903,753 | 12,496,118 | 26,286,567 | 8,569,965 | 8,263,060 | 134,645,575 | 270,442,953 | 499,294,322 |
| Others | 9,865,306 | 1,022,699 | 1,630,468 | 958,231 | 978,257 | 13,028,604 | 20,627,854 | 50,505,559 |
| **Total** | **69,618,363** | **19,196,028** | **35,201,589** | **14,397,754** | **13,931,628** | **219,929,961** | **403,045,261** | **806,354,784** |

Debtors for September 2023 amount to R806.3 million which increased marginally by 0.03% as compared to August 2023 debtors of R 781.8 million.

### Detailed Debtors

| Sector | MONTHS | - | 1.00 | 2.00 | 3.00 | 4.00 | 5.00 | 6.00 | 12.00 | 17.00 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | DAYS | CURRENT | 30.00 | 60.00 | 90.00 | 120.00 | 150.00 | 180.00 | 360.00 | credit | TOTAL (Rands) |
| | Debtors Balance as at 30th September 2023 | | | | | | | | | | |
| Domestic | | 9,717,273.54 | 12,035,622.31 | 14,868,256.52 | 12,423,797.04 | 26,021,865.71 | 8,505,269.21 | 8,201,558.29 | 91,038,228.90 | -7,882,850.79 | **493,940,388.47** |
| Government | | 9,607,464.75 | 10,764,352.21 | 5,889,004.15 | 1,291,901.68 | 1,392,731.97 | 970,827.11 | 952,436.39 | 9,110,275.92 | -1,270,245.79 | **60,512,249.28** |
| Business | | 7,114,307.49 | 6,978,688.20 | 5,799,783.34 | 3,741,984.03 | 5,192,357.37 | 3,349,604.29 | 3,220,532.19 | 32,115,468.95 | -3,011,505.88 | **168,264,824.03** |
| Municipality | | 1,208,595.48 | 1,175,896.55 | 1,264,942.27 | 643,325.10 | 699,464.77 | 549,127.25 | 517,342.56 | 6,011,638.20 | -2,758,264.88 | **27,777,829.26** |
| School | | 4,313,114.48 | 5,181,388.81 | 2,223,204.48 | 894,364.59 | 1,449,591.69 | 845,612.39 | 872,964.06 | 6,274,393.65 | -693,198.35 | **39,709,042.43** |
| Church | | 171,868.70 | 198,933.61 | 170,934.74 | 128,334.53 | 180,875.62 | 112,617.90 | 105,292.32 | 1,353,568.35 | -134,738.00 | **10,796,516.47** |
| Indigent | | 518,810.67 | 556,471.90 | 787,439.32 | 53,730.70 | 204,804.21 | 48,085.94 | 45,844.04 | 398,090.21 | -218,102.79 | **4,064,208.46** |
| Councillor | | 5,477.54 | 6,858.78 | 6,338.45 | 2,039.10 | 3,259.70 | 2,030.74 | 2,003.70 | 4,813.01 | -2,501.95 | **58,334.49** |
| Staff Members | | 37,378.96 | 25,858.73 | 24,296.58 | 16,551.12 | 56,637.50 | 14,578.73 | 13,654.33 | 151,418.40 | -13,772.82 | **1,231,390.87** |
| GRAND TOTAL | | **32,694,291.61** | **36,924,071.10** | **31,034,199.85** | **19,196,027.89** | **35,201,588.54** | **14,397,753.56** | **13,931,627.88** | **146,457,895.59** | **-15,985,181.25** | 806,354,783.76 |

## Creditors

Creditors for September 2023 amounted to R131.3 million. For more details, please refer to the summarised creditor's age analysis sheet as at 30th September 2023 below:

| | 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 |
|---|---|---|---|---|---|---|---|---|---|
| BULK ELECTRICITY | - | - | - | - | - | - | - | - | - |
| BULK WATER | 6,494,438.75 | - | - | - | - | - | - | 66,481,963.40 | **72,976,402.15** |
| PAYE DEDUCTIONS | - | - | - | - | - | - | - | - | - |
| VAT (OUTPUT LESS INPUT) | - | - | - | - | - | - | - | - | - |
| PENSIONS / RETIREMENT DEDUCTI | - | - | - | - | - | - | - | - | - |
| LOAN REPAYMENTS | - | - | - | - | - | - | - | - | - |
| TRADE CREDITORS | 11,226,304.63 | 4,810,470.63 | 14,546,716.92 | 7,375,062.33 | 16,108,960.06 | 825,670.00 | 542,718.40 | 986,699.26 | **56,422,602.23** |
| AUDITOR GENERAL | 980,406.40 | - | - | - | - | - | - | - | **980,406.40** |
| OTHER | 14,700.00 | - | - | - | - | - | - | 973,087.00 | **987,787.00** |
| | **18,715,849.78** | **4,810,470.63** | **14,546,716.92** | **7,375,062.33** | **16,108,960.06** | **825,670.00** | **542,718.40** | **68,441,749.66** | **131,367,197.78** |
| | | | | | | | | | |
| | 14% | | 86% | | | | | | - |

The municipality has an arrangement with the Department of water and sanitation of paying R2 688 916,26 in respect of the old debt and settle the current invoices in full on the due date.

## Asset Management

AGSA and Asset unit during September were busy with verification of a WIP register of which we are at 98% finished only left with two projects to be verified and there were no findings yet until the end of September (RFI 45)

The Tender document for a three-year contract for Supply, Delivery and Installation of furniture was nonresponsive and therefore it is due for re-advert.

Through legal department a conflict between Riley Auctioneer and the institution is about to be resolved hence, there is clear commitment from the side of the Auctioneer to payback the money that was outstanding from the previous Auction therefore the reported possible financial loss at the end of August is about to be circumvented.

**Summary section 66**

**Expenditure on staff benefits: -**

The Actual expenditure on salaries and staff benefits for the period ending 30 September 2023 is as follows:

- Monthly staff benefit expenditure as at 30 September 2023 is R 55 261 009.71

| SUMMARY | | | |
|---|---|---|---|
| **EXPENDITURE** | **EXPENDITURE SEPTEMBER 2023** | **MONTHLY BUDGET** | **% OF BUDGET SPENT** |
| Salaries and wages | 38,566,121.07 | 43,839,764 | 88% |
| Contributions for pensions & medical aid | 7,020,694.95 | 8,329,588 | 84% |
| Travel, motor car allowances | 3,305,118.03 | 4,146,396.73 | 80% |
| Housing benefits and allowances | 1,729,892.43 | 2,107,396 | 82% |
| Overtime payments | 1,079,774.04 | 1,816,460 | 59% |
| Cellphone | 269,382.17 | 483,524 | 56% |
| UIF | 205,889.39 | 239,791 | 86% |
| SALGBC | 10,902.04 | 14,271 | 76% |
| Skills Development Levy | 495,941.23 | 616,882.78 | 80% |
| Group Life insurance | 2,367,596.71 | 981,692.07 | 241% |
| Leave Pay | 87,270.82 | 1,847,988 | 5% |
| Post Retirement Benefit | - | 201,617 | 0% |
| Long Service | 30,163.41 | 20,232 | 12% |
| Acting Allowance | 92,263.42 | 28,715 | 20% |
| **Total expenditure** | **55,261,009.71** | **63,471,091.14** | 87% |

## EXPENDITURE ON STAFF BENEFITS

## PERSONNEL COSTS AS AT 30 SEPTEMBER 2023

The personnel costs for the quarter ending 30 September 2023 were categorized as follows:

- Salaries and wages consist of basic salaries and annual bonuses. 88% of the budget for 30 September 2023 for basic salaries and Bonus has been spent.

- Travel, motor car, allowances consist of travelling allowance 80% of the budget has been spent.
- Contribution to pensions and medical aid is the municipal contribution to these funds, 84% of the budget has been spent.
- Housing allowance is paid to every permanent employee of the district. 82% of the budget has been spent.
- Overtime we spent 59% of the budget has been spent.
- Leave pay consist of the leave gratuity. On leave pay we have spent 5% of the budget has been spent.
- Skills levy is the amount that is contributed by the municipality to SARS on behalf of SETA. Municipality contributes 1% of employee taxable income.
- UIF we spent 86%
- Cellphone 56% was spent.

mSCOA Compliance

The municipality did not comply in September 2023 with the submission of monthly mSCOA data strings because of network problem from the 1st September 2023. A letter was sent to the National Treasury on the 12th September 2023 requesting an extension in submitting the reports siting the challenges that the municipality was encountering. It was noted but not approved as data strings upload are locked on GoMuni after the due date. The National Treasury requested the we consolidate our August Data strings with the September 2023 data strings so as to have the information of the municipality for the first quarter to be fully populated. The Data strings will be consolidated but September 2023 has already been locked on GoMuni since the 14th October 2023. The municipality has since loaned two servers from BCX and ICT Choice while procurement processes continue to unfold. September was only closed on the 20th October 2023.

Progress on the audit.

As at the end of September 2023, there were 74 requests for information that were issued. From RFI 01 to RFI 24 were for the planning held in April 2023. From RFI 25 to RFI 74 are for execution which was requested in September 2023. The submission of the requests for information up to the end of September was satisfactory except two SCM RFIs which lead to the non-submission communication of audit findings (COAFS). The non-submission RFIs were subsequently responded to and the information requested submitted.

Up to the end of September, there were five COAFs with the first three being for planning and the last two being the SCM non submission COAFs

## Budgeted Cash flow projections.

**DC15 O .R. Tambo - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure**

| Description | Ref | Budget Year 2023/24 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| **Revenue** | | | | | | | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | | | | | | | |
| Service charges - Electricity | | | | | | | | | | | | | – | – | – | – |
| Service charges - Water | | 27,416 | 21,234 | 23,550 | 26,498 | 20,965 | 11,637 | 11,809 | 26,816 | 38,325 | 20,927 | 26,154 | 25,225 | 280,555 | 294,302 | 308,135 |
| Service charges - Waste Water Management | | 12,761 | 9,884 | 10,961 | 12,334 | 9,759 | 5,416 | 5,496 | 12,481 | 17,839 | 9,741 | 12,174 | 11,741 | 130,587 | 136,985 | 143,424 |
| Service charges - Waste Management | | | | | | | | | | | | | – | – | – | – |
| Sale of Goods and Rendering of Services | | 3,210 | 3,210 | 3,210 | 3,210 | 3,210 | 3,210 | 3,210 | 3,210 | 3,210 | 3,210 | 3,210 | 3,210 | 38,520 | 41,279 | 46,180 |
| Agency services | | | | | | | | | | | | | – | – | – | – |
| Interest | | | | | | | | | | | | | – | – | – | – |
| Interest earned from Receivables | | 1,836 | 1,754 | 2,383 | 949 | 2,657 | 1,207 | 1,929 | 1,836 | 1,973 | 1,836 | 1,836 | 1,836 | 22,030 | 23,349 | 25,207 |
| Interest earned from Current and Non Current Assets | | 2,500 | 2,387 | 3,255 | 1,276 | 3,633 | 1,631 | 2,628 | 2,500 | 2,689 | 2,500 | 2,500 | 2,500 | 30,000 | 31,470 | 32,949 |
| Dividends | | | | | | | | | | | | | – | – | – | – |
| Rent on Land | | | | | | | | | | | | | – | – | – | – |
| Rental from Fixed Assets | | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 40 | 42 | 44 |
| Licence and permits | | | | | | | | | | | | | – | – | – | – |
| Operational Revenue | | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 231 | 244 | 259 |
| **Non-Exchange Revenue** | | | | | | | | | | | | | | | | |
| Property rates | | | | | | | | | | | | | – | – | – | – |
| Surcharges and Taxes | | 10,846 | 12,494 | 12,127 | 14,273 | 12,561 | 13,996 | 5,116 | 12,504 | 10,778 | 6,593 | 6,788 | 10,472 | 128,546 | 133,397 | 146,736 |
| Fines, penalties and forfeits | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Licences or permits | | | | | | | | | | | | | – | – | – | – |
| Transfer and subsidies - Operational | | 452,113 | 6,361 | 4,361 | 4,361 | 379,906 | 4,361 | 4,361 | 6,063 | 307,702 | 4,361 | 4,361 | 4,361 | 1,182,672 | 1,248,704 | 1,316,008 |
| Interest | | | | | | | | | | | | | – | – | – | – |
| Fuel Levy | | | | | | | | | | | | | – | – | – | – |
| Operational Revenue | | | | | | | | | | | | | – | – | – | – |
| Gains on disposal of Assets | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other Gains | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Discontinued Operations | | | | | | | | | | | | | – | – | – | – |
| **Total Revenue (excluding capital transfers and contrib** | | **510,704** | **57,345** | **59,870** | **62,923** | **432,713** | **41,480** | **34,572** | **65,433** | **382,537** | **49,190** | **57,045** | **59,367** | **1,813,181** | **1,909,773** | **2,018,942** |
| **Expenditure** | | | | | | | | | | | | | | | | |
| Employee related costs | | 64,244 | 64,244 | 64,244 | 64,244 | 64,244 | 64,244 | 64,244 | 64,244 | 64,244 | 64,244 | 64,244 | 64,241 | 770,920 | 809,137 | 845,448 |
| Remuneration of councillors | | 2,126 | 2,126 | 2,126 | 2,126 | 2,126 | 2,126 | 2,126 | 2,126 | 2,126 | 2,126 | 2,126 | 2,126 | 25,514 | 26,764 | 28,022 |
| Bulk purchases - electricity | | | | | | | | | | | | | – | – | – | – |
| Inventory consumed | | 8,113 | 8,713 | 8,713 | 9,113 | 8,713 | 8,713 | 9,063 | 8,713 | 8,713 | 9,063 | 9,413 | (15,896) | 81,146 | 83,375 | 86,139 |
| Debt impairment | | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 127,508 | 133,755 | 140,042 |
| Depreciation and amortisation | | 19,946 | 19,946 | 19,946 | 19,946 | 19,946 | 19,946 | 19,946 | 19,946 | 19,946 | 19,946 | 19,946 | 19,946 | 239,349 | 245,197 | 253,500 |
| Interest | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Contracted services | | 13,575 | 5,892 | 16,306 | 18,518 | 10,149 | 13,282 | 19,331 | 10,505 | 9,803 | 17,312 | 7,837 | 14,944 | 157,453 | 168,378 | 176,089 |
| Transfers and subsidies | | 4,464 | 5,070 | 7,018 | 4,804 | 4,589 | 7,089 | 4,689 | 4,869 | 8,435 | 4,819 | 4,609 | 6,654 | 67,113 | 70,947 | 74,964 |
| Irrecoverable debts written off | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Operational costs | | 34,147 | 16,494 | 14,920 | 21,510 | 14,528 | 14,446 | 19,231 | 15,720 | 14,815 | 19,284 | 13,620 | 13,692 | 212,407 | 210,626 | 220,424 |
| Losses on disposal of Assets | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 100 | 105 | 115 |
| Other Losses | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Expenditure** | | **157,248** | **133,119** | **143,906** | **150,894** | **134,929** | **140,480** | **149,264** | **136,756** | **138,715** | **147,427** | **132,429** | **116,341** | **1,681,510** | **1,748,284** | **1,824,744** |
| **Surplus/(Deficit)** | | **353,456** | **(75,773)** | **(84,036)** | **(87,971)** | **297,784** | **(98,999)** | **(114,693)** | **(71,323)** | **243,822** | **(98,237)** | **(75,384)** | **(56,974)** | **131,671** | **161,489** | **194,198** |
| Transfers and subsidies - capital (monetary allocations) | | 272,615 | – | – | – | 309,637 | – | – | – | 426,504 | – | – | – | 1,008,756 | 1,271,959 | 1,345,412 |
| Transfers and subsidies - capital (in-kind) | | | | | | | | | | | | | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **626,070** | **(75,773)** | **(84,036)** | **(87,971)** | **607,421** | **(98,999)** | **(114,693)** | **(71,323)** | **670,326** | **(98,237)** | **(75,384)** | **(56,974)** | **1,140,427** | **1,433,448** | **1,539,610** |
| Income Tax | | | | | | | | | | | | | – | – | – | – |
| **Surplus/(Deficit) after income tax** | | **626,070** | **(75,773)** | **(84,036)** | **(87,971)** | **607,421** | **(98,999)** | **(114,693)** | **(71,323)** | **670,326** | **(98,237)** | **(75,384)** | **(56,974)** | **1,140,427** | **1,433,448** | **1,539,610** |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | | | | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | | | | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | **626,070** | **(75,773)** | **(84,036)** | **(87,971)** | **607,421** | **(98,999)** | **(114,693)** | **(71,323)** | **670,326** | **(98,237)** | **(75,384)** | **(56,974)** | **1,140,427** | **1,433,448** | **1,539,610** |
| Share of Surplus/Deficit attributable to Associate | | | | | | | | | | | | | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | | | | – | – | – | – |
| **Surplus/(Deficit) for the year** | 1 | **626,070** | **(75,773)** | **(84,036)** | **(87,971)** | **607,421** | **(98,999)** | **(114,693)** | **(71,323)** | **670,326** | **(98,237)** | **(75,384)** | **(56,974)** | **1,140,427** | **1,433,448** | **1,539,610** |

## Debtors and Indigent

Debtors for September amounts to R806.3 million.

## Indigent Report:

After financial year end write off, our Indigent Register has **211** certified indigents thus far - starting from 01 July to 30th September 2023. The section has embarked on an exercise to reconcile the Indigent Registers of Local Municipalities with the one from the District.

The challenge, however, is that the District has received the registers from the LMs but there are no supporting documents for the district to populate its register accordingly.

The IGR section will be key in ensuring that the outstanding documents are sourced from the external stakeholders in order for the process to be complete.

Unauthorized Expenditure

The Municipality has incurred no unauthorized expenditure during the month of August 2023 including in the current financial year.