



Nama Khoi Municipality

15 November 2021

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING 30 October2021 (MONTHLY BUDGET STATEMENT) – 2021/2022 FINANCIAL YEAR.

1. PURPOSE

To comply with section 71 of the MFMA, by providing a monthly statement on the implementation of the budget and financial state of affairs of the municipality to the Council, as legislated.

2. STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.

For the reporting period ended 30 October2021

3. QUERIES AND SUGGESTIONS

***The financial services division will appreciate if all queries and suggestions can be address to the Chief Financial Officer in writing.**

4. REPORT FOR THE PERIOD ENDING 30 October2021

This report is based upon financial information, as at 30 October2021 and available at the time of preparation.

The financial results for the period ended 30 October2021 are summarised as follows:

Statement of Financial Performance (SFP) (Annexure B – TABLE C4)

The summary report indicates the following:

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- Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October						
Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source						
Property rates	51,498,603	43,959	51,758,898	17,166,212	34,592,686	302
Service charges - electricity revenue	116,121,173	7,708,314	35,260,893	38,707,048	(3,446,155)	91
Service charges - water revenue	40,170,369	2,839,819	10,453,887	13,390,124	(2,936,237)	78
Service charges - sanitation revenue	13,323,598	1,065,570	4,203,742	4,441,196	(237,454)	95
Service charges - refuse revenue	15,649,072	1,192,977	4,742,539	5,216,356	(473,817)	91
Rental of facilities and equipment	2,738,416	188,582	795,042	912,808	(117,766)	87
Interest earned - external investments	1,719,904	121,887	472,304	573,308	(101,004)	82
Interest earned - outstanding debtors	11,051,004	1,032,206	4,062,222	3,683,668	378,554	110
Fines, penalties and forfeits	70,977	74,947	101,764	23,660	78,104	430
Licences and permits	1,017,572	118,337	530,212	339,200	191,012	156
Agency services	129,146	-	54,363	43,048	11,315	126
Transfers and subsidies	58,435,000	329,009	23,394,097	19,478,332	3,915,765	120
Other revenue	1,969,946	161,413	650,849	656,656	(5,807)	99
Total Revenue (excluding capital transfers and contributions)	313,894,780	14,877,020	136,480,812	104,631,616	31,849,196	130
Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	106,937,532	8,335,725	33,299,201	35,645,852	(2,346,651)	93
Remuneration of councillors	6,211,101	517,592	2,070,368	2,070,364	4	100
Debt impairment	21,282,085	-	-	7,094,028	(7,094,028)	-
Depreciation & asset impairment	38,525,878	-	58,000	12,841,956	(12,783,956)	0
Finance charges	-	737,507	1,957,517	-	1,957,517	-
Bulk purchases - electricity	150,379,560	7,034,085	43,665,252	50,126,520	(6,461,268)	87
Inventory consumed	10,610,962	1,163,114	2,327,945	3,536,996	(1,209,051)	66
Contracted services	31,648,970	1,445,879	2,884,159	10,549,656	(7,665,497)	27
Other expenditure	25,567,539	3,224,505	6,345,160	8,522,532	(2,177,372)	74
Total Expenditure	391,163,627	22,458,407	92,607,602	130,387,904	(37,780,302)	71
Surplus/(Deficit)	(77,268,847)	(7,581,387)	43,873,210	(25,756,288)	69,629,498	

Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source						
Property rates	51,498,603	43,959	51,758,898	17,166,212	34,592,686	302
Service charges - electricity revenue	116,121,173	7,708,314	35,260,893	38,707,048	(3,446,155)	91
Service charges - water revenue	40,170,369	2,839,819	10,453,887	13,390,124	(2,936,237)	78
Service charges - sanitation revenue	13,323,598	1,065,570	4,203,742	4,441,196	(237,454)	95
Service charges - refuse revenue	15,649,072	1,192,977	4,742,539	5,216,356	(473,817)	91
Rental of facilities and equipment	2,738,416	188,582	795,042	912,808	(117,766)	87
Interest earned - external investments	1,719,904	121,887	472,304	573,308	(101,004)	82
Interest earned - outstanding debtors	11,051,004	1,032,206	4,062,222	3,683,668	378,554	110
Fines, penalties and forfeits	70,977	74,947	101,764	23,660	78,104	430
Licences and permits	1,017,572	118,337	530,212	339,200	191,012	156
Agency services	129,146	-	54,363	43,048	11,315	126
Transfers and subsidies	58,435,000	329,009	23,394,097	19,478,332	3,915,765	120
Other revenue	1,969,946	161,413	650,849	656,656	(5,807)	99
Total Revenue (excluding capital transfers and contributions)	313,894,780	14,877,020	136,480,812	104,631,616	31,849,196	130

Explanation on YTD variance % - e.g. 126% means that the municipality billed 26% more than what was budget and 95% means the municipality billed 5% less than what was budgeted.

Variations to be discussed in Institutional and Finance Committee

Matters of Concern

Property Rates matter has again remained and it creates the incorrect picture to the Council as well as the reader of the report, Property Rates are billed and it does not necessarily mean actual cash, this issue has been raised numerous times in the past.

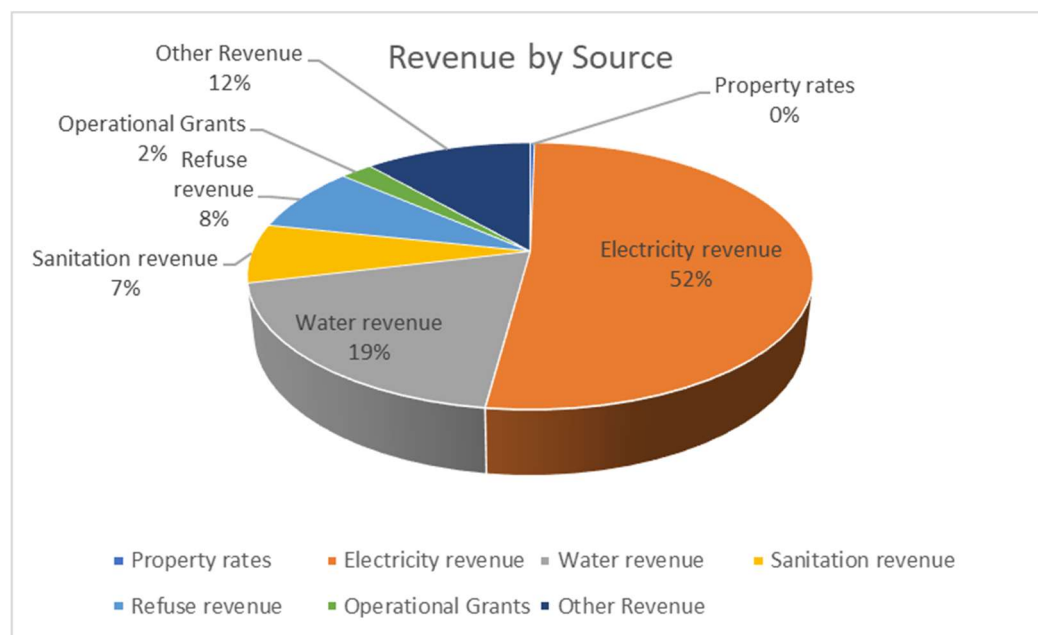
Water revenue already less than budgeted, with the huge outstanding Sedibeng Water bill it of the utmost importance that the billing as well the losses of water be address.

Rental of facilities below the anticipated revenue is a matter of concern, rental reconciliation and collection should be prioritised.

Interest from outstanding debtors is more than the budget this means that debtors keep on increasing, the interest does not necessarily result in cash,

CHART 1

The following chart shows the revenue by source for the month of 30 October 2021 in terms of revenue as a percentage of total revenue.



Notes on variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	106,937,532	8,335,725	33,299,201	35,645,852	(2,346,651)	93
Remuneration of councillors	6,211,101	517,592	2,070,368	2,070,364	4	100
Debt impairment	21,282,085	-	-	7,094,028	(7,094,028)	-
Depreciation & asset impairment	38,525,878	-	58,000	12,841,956	(12,783,956)	0
Finance charges	-	737,507	1,957,517	-	1,957,517	
Bulk purchases - electricity	150,379,560	7,034,085	43,665,252	50,126,520	(6,461,268)	87
Inventory consumed	10,610,962	1,163,114	2,327,945	3,536,996	(1,209,051)	66
Contracted services	31,648,970	1,445,879	2,884,159	10,549,656	(7,665,497)	27
Other expenditure	25,567,539	3,224,505	6,345,160	8,522,532	(2,177,372)	74
Total Expenditure	391,163,627	22,458,407	92,607,602	130,387,904	(37,780,302)	71

Matter of Concern

Bulk Electricity – Municipality paid less in actual cash that was budgeted, it should be however noted that the differences between Eskom bill and Nama Khoi Mun bill to the community is big, with the municipality billing less, thus far the municipality only billed R35 million in electricity revenue that is against an expenditure bill on R43 million.

Finance Charges – Municipality is still paying for penalties on the Eskom account

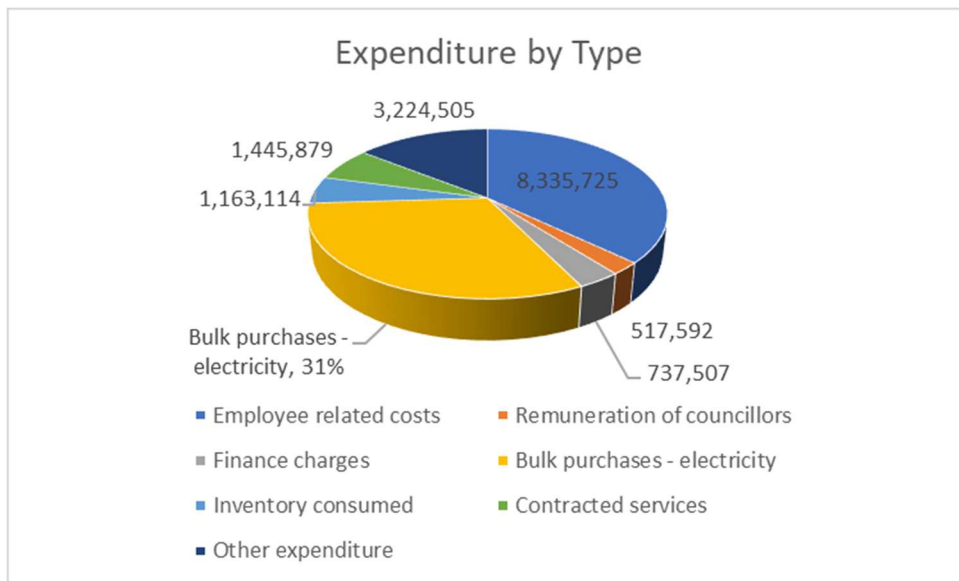
Water Inventory - Please note bulk water must still be process to inventory consumed but due to an error at the compilation of the budget, the monthly accounts can not be added, this will be corrected with the Adjustment Budget, however please see below the bulk water for the 3 monthly period.

Month	Sedibeng Water Bill	Nama Khoi Mun Payment
July	R3 006 787	R3 500 000
August	R3 420 872	R3 500 000
September	R3 387 118	R3 500 000

CHART 2

The following chart shows the expenditure by type in terms of expenditure at a percentage of total expenditure, Chart as per information above

Expenditure by Type



The table below indicates revenue and expenditure by vote

Annexure B – Table C2

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

Description	Budget Year 2021/22		YearTD actual	YearTD budget	YTD variance	YTD variance %
	Original Budget	Monthly actual				
Revenue - Functional						
Executive and council	1,801,748	192,284	389,994	600,584	(210,590)	65
Finance and administration	121,878,199	737,021	78,900,840	40,626,084	38,274,756	194
Community and social services	2,428,251	195,741	909,342	809,424	99,918	112
Sport and recreation	7,403	915	4,948	2,464	2,484	201
Road transport	959,950	119,373	437,195	319,988	117,207	137
Energy sources	118,474,971	8,481,779	36,165,307	39,491,648	(3,326,341)	92
Water management	41,231,428	2,888,755	10,713,787	13,743,812	(3,030,025)	78
Waste water management	43,375,576	1,058,577	5,060,578	14,458,524	(9,397,946)	35
Waste management	15,659,014	1,193,712	4,745,479	5,219,672	(474,193)	91
Other	40,240	8,863	40,469	13,416	27,053	302
Total Revenue - Functional	345,856,780	14,877,020	137,367,939	115,285,616	22,082,323	119
Expenditure - Functional						
Executive and council	21,501,371	1,736,686	6,179,747	7,167,136	(987,389)	86
Finance and administration	93,752,368	7,961,293	22,100,613	31,250,800	(9,150,187)	71
Internal audit	1,811,442	105,782	362,096	603,824	(241,728)	60
Community and social services	6,010,497	413,349	2,063,472	2,003,488	59,984	103
Sport and recreation	4,785,852	273,180	784,826	1,595,292	(810,466)	49
Public safety	3,366,207	410,168	1,114,186	1,122,076	(7,890)	99
Planning and development	3,845,234	126,010	522,634	1,281,736	(759,102)	41
Road transport	26,700,189	1,082,696	4,147,435	8,900,068	(4,752,633)	47
Energy sources	141,269,735	8,023,358	46,276,279	47,089,924	(813,645)	98
Water management	58,949,955	730,697	2,328,749	19,649,972	(17,321,223)	12
Waste water management	17,768,875	847,140	3,300,904	5,922,956	(2,622,052)	56
Waste management	11,401,902	748,048	3,426,661	3,800,632	(373,971)	90
Total Expenditure - Functional	391,163,627	22,458,407	92,607,602	130,387,904	(37,780,302)	71
Surplus/ (Deficit) for the year	(45,306,847)	(7,581,387)	44,760,337	(15,102,288)	59,862,625	

Reasons for variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

CHART 3

The following chart shows the revenue by vote for 30 October 2021

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue - Functional						
Executive and council	1,801,748	192,284	389,994	600,584	(210,590)	65
Finance and administration	121,878,199	737,021	78,900,840	40,626,084	38,274,756	194
Community and social services	2,428,251	195,741	909,342	809,424	99,918	112
Sport and recreation	7,403	915	4,948	2,464	2,484	201
Road transport	959,950	119,373	437,195	319,988	117,207	137
Energy sources	118,474,971	8,481,779	36,165,307	39,491,648	(3,326,341)	92
Water management	41,231,428	2,888,755	10,713,787	13,743,812	(3,030,025)	78
Waste water management	43,375,576	1,058,577	5,060,578	14,458,524	(9,397,946)	35
Waste management	15,659,014	1,193,712	4,745,479	5,219,672	(474,193)	91
Other	40,240	8,863	40,469	13,416	27,053	302
Total Revenue - Functional	345,856,780	14,877,020	137,367,939	115,285,616	22,082,323	119

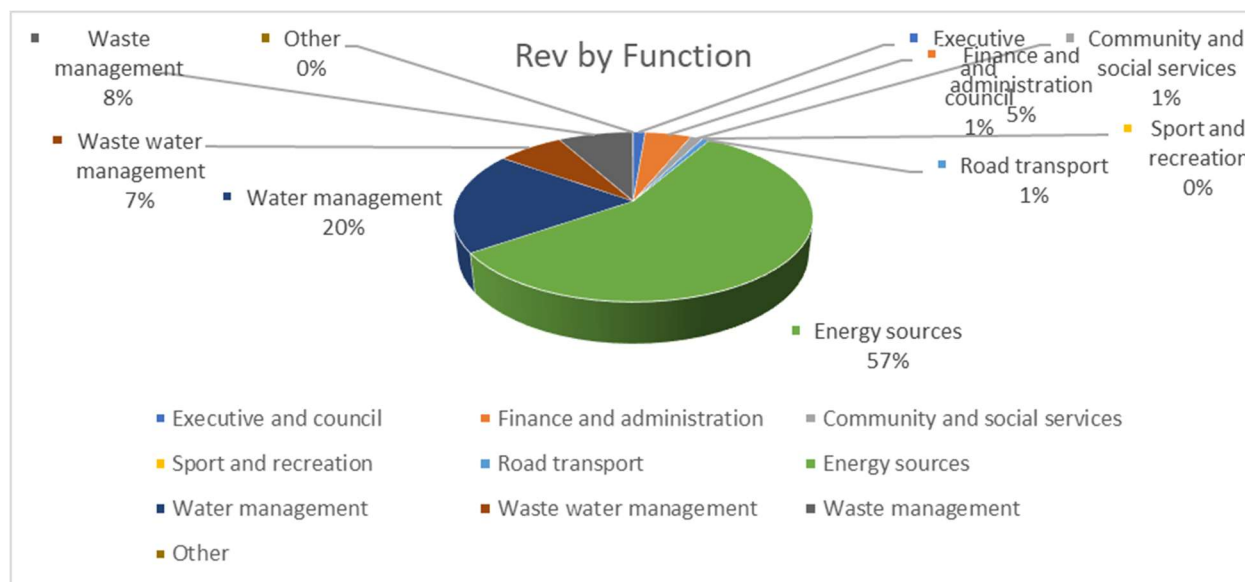
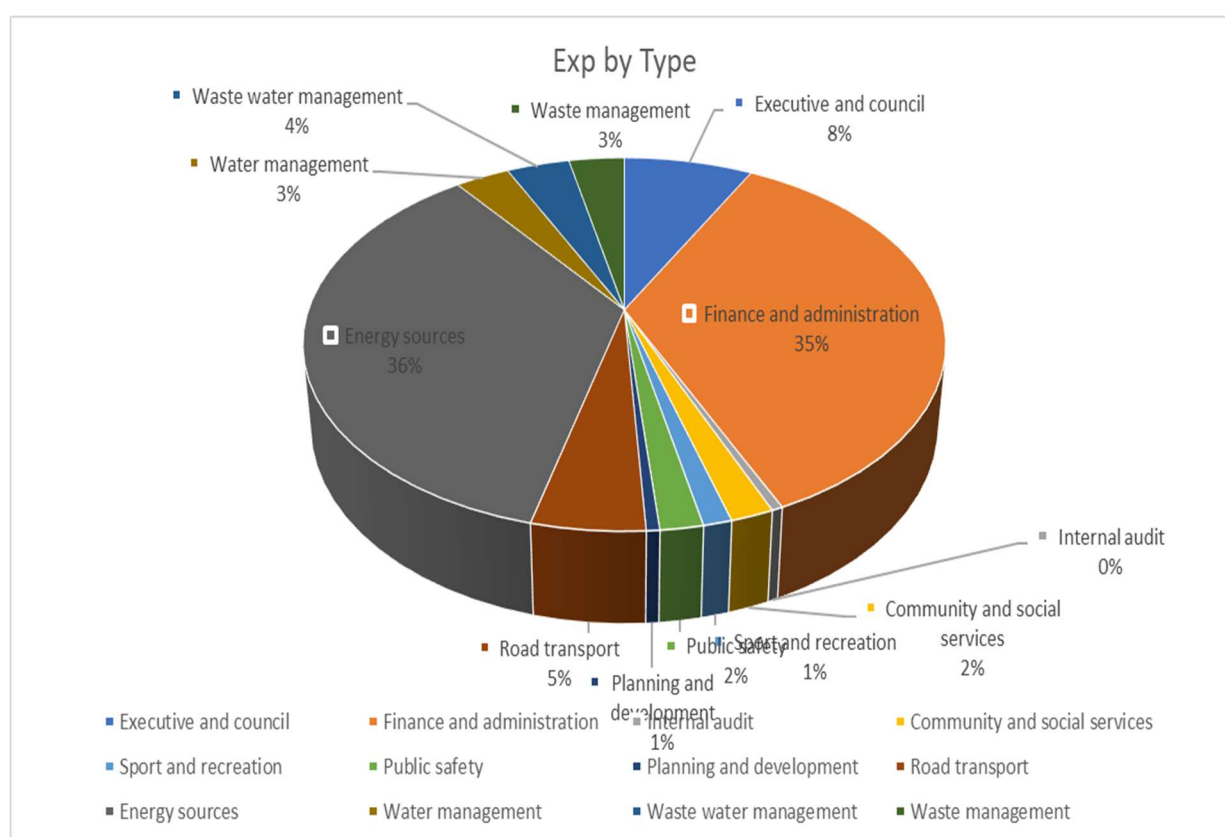


CHART 4

Expenditure - Functional	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Executive and council	21,501,371	1,736,686	6,179,747	7,167,136	(987,389)	86
Finance and administration	93,752,368	7,961,293	22,100,613	31,250,800	(9,150,187)	71
Internal audit	1,811,442	105,782	362,096	603,824	(241,728)	60
Community and social services	6,010,497	413,349	2,063,472	2,003,488	59,984	103
Sport and recreation	4,785,852	273,180	784,826	1,595,292	(810,466)	49
Public safety	3,366,207	410,168	1,114,186	1,122,076	(7,890)	99
Planning and development	3,845,234	126,010	522,634	1,281,736	(759,102)	41
Road transport	26,700,189	1,082,696	4,147,435	8,900,068	(4,752,633)	47
Energy sources	141,269,735	8,023,358	46,276,279	47,089,924	(813,645)	98
Water management	58,949,955	730,697	2,328,749	19,649,972	(17,321,223)	12
Waste water management	17,768,875	847,140	3,300,904	5,922,956	(2,622,052)	56
Waste management	11,401,902	748,048	3,426,661	3,800,632	(373,971)	90
Total Expenditure - Functional	391,163,627	22,458,407	92,607,602	130,387,904	(37,780,302)	71

The following chart shows the expenditure by vote for 30 October 2021



Reasons for variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

Capital expenditure report (Annexure B – Table C5)

The Capital expenditure report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

Please note Capital Expenditure subject to correction

NC062 Nama Khoi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 8 - EXECUTIVE MAYOR AND COUNCIL (20: CS)		-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER (21: CS)		-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES (23: CS)		-	-	-	-	-	-	-	-	-
Vote 11 - COMMUNITY SERVICES: COMM DEV (26: CS)		-	-	-	-	-	-	-	-	-
Vote 12 - INFRASTRUCTURE,ENG AND TECHNICAL (28: CS)		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 8 - EXECUTIVE MAYOR AND COUNCIL (20: CS)		-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER (21: CS)		-	200	200	2	2	67	(64)	-97%	200
Vote 10 - CORPORATE SERVICES (23: CS)		-	-	-	-	-	-	-	-	-
Vote 11 - COMMUNITY SERVICES: COMM DEV (26: CS)		-	-	-	-	-	-	-	-	-
Vote 12 - INFRASTRUCTURE,ENG AND TECHNICAL (28: CS)		-	31,962	31,962	375	3,314	10,654	(7,340)	-69%	31,962
Total Capital single-year expenditure	4	-	32,162	32,162	377	3,316	10,721	(7,405)	-69%	32,162
Total Capital Expenditure		-	32,162	32,162	377	3,316	10,721	(7,405)	-69%	32,162
Capital Expenditure - Functional Classification										
Governance and administration		-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	3,300	3,300	2	767	1,100	(333)	-30%	3,300
Planning and development		-	200	200	2	2	67	(64)	-97%	200
Road transport		-	3,100	3,100	-	764	1,033	(269)	-26%	3,100
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	28,862	28,862	375	2,549	9,621	(7,071)	-74%	28,862
Energy sources		-	1,780	1,780	-	-	593	(593)	-100%	1,780
Water management		-	5,000	5,000	84	1,913	1,667	246	15%	5,000
Waste water management		-	22,082	22,082	291	637	7,361	(6,724)	-91%	22,082
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	32,162	32,162	377	3,316	10,721	(7,405)	-69%	32,162
Funded by:										
National Government		-	31,962	31,962	375	3,314	10,654	(7,340)	-69%	31,962
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	31,962	31,962	375	3,314	10,654	(7,340)	-69%	31,962
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	200	200	2	2	67	(64)	-97%	200
Total Capital Funding		-	32,162	32,162	377	3,316	10,721	(7,405)	-69%	32,162

Capital projects and expenditure will be submitted by the Technical Departments, projects and progress will also be discussed by the Technical Department

CASH FLOW STATEMENT AT 30 October2021

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	40,190	40,190	-	27	13,397	(13,369)	-100%	40,190
Service charges		675,796	166,292	166,292	16,644	64,600	55,431	9,169	17%	166,292
Other revenue		-	5,652	5,652	226	922	1,884	(962)	-51%	5,652
Transfers and Subsidies - Operational		-	58,435	58,435	5	22,092	19,478	2,613	13%	58,435
Transfers and Subsidies - Capital		-	31,962	31,962	-	-	10,654	(10,654)	-100%	31,962
Interest		-	1,720	1,720	-	-	573	(573)	-100%	1,720
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(245,932)	(245,932)	-	-	(81,977)	(81,977)	100%	(245,932)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		675,796	58,319	58,319	16,875	87,641	19,440	(68,201)	-351%	58,319
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	50	92	-	92	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	-	-	(1)	(1)	-	1	#DIV/0!	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	48	91	-	(91)	#DIV/0!	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(284)	-	-	(31)	(85)	-	(85)	#DIV/0!	-
Payments										
Repayment of borrowing		(360)	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(645)	-	-	(31)	(85)	-	85	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		675,151	58,319	58,319	16,892	87,646	19,440			58,319
Cash/cash equivalents at beginning:		21,690	(26,350)	(26,350)	(21,253)	42,854	(8,783)			(26,350)
Cash/cash equivalents at month/year end:		696,841	31,970	31,970		130,501	10,657			31,970

Notes on the Cash Flow Statement

Please note the Cash Flow Statement currently does not reflect the true reflection of the cash received and payments made.

Cash and Cash equivalents at year end figure therefore be discarded

The Cash Flow matter was communicated to both Treasury and the Service Provider.

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury. The following report shows the debtors outstanding at 30 October 2021.

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October						
Description	Budget Year 2021/22					Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	
Debtors Age Analysis By Income Source						
Water	3,077,532	1,423,602	1,197,062	1,063,633	61,110,766	67,872,595
Electricity	5,048,294	2,924,160	2,655,036	2,087,780	67,407,339	80,122,609
Property Rates	3,553,554	4,181,065	1,175,467	985,979	51,237,427	61,133,492
Waste Water Management	998,406	476,303	383,806	343,121	16,541,790	18,743,426
Waste Management	1,355,557	721,871	621,868	577,978	34,919,692	38,196,966
Property Rental Debtors	392,874	272,065	307,169	222,124	12,907,088	14,101,320
Total By Income Source	14,426,217	9,999,066	6,340,408	5,280,615	244,124,102	280,170,408
Debtors Age Analysis By Customer Group						
Organs of State	990,287	2,902,716	608,481	240,007	4,580,101	9,321,592
Commercial	6,385,982	3,883,397	3,000,451	2,479,053	82,224,429	97,973,312
Households	7,049,948	3,212,953	2,731,476	2,561,555	157,319,572	172,875,504
Total By Customer Group	14,426,217	9,999,066	6,340,408	5,280,615	244,124,102	280,170,408

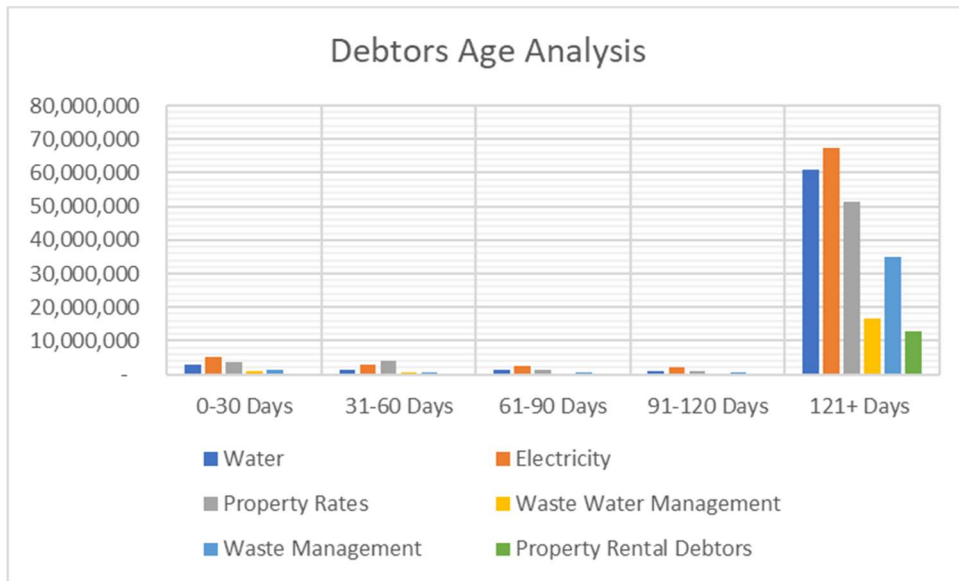
Debtor's outstanding for the period more than 121 days amounts to R244 124 102

Debtors are increasing on a monthly basis if the period more than 60 days and 90 days are checked it is clear there is a constant increase, on the debtors books there is many disputes which results in no or low payments on accounts. Several action plans and debt collection procedures has been introduced in the past but has not been successful. Debt control reports will be submit to show the success and challenges of recovering debt.

Chart 8 – Debtors per revenue source

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	3,077,532	1,423,602	1,197,062	1,063,633	61,110,766	67,872,595
Electricity	5,048,294	2,924,160	2,655,036	2,087,780	67,407,339	80,122,609
Property Rates	3,553,554	4,181,065	1,175,467	985,979	51,237,427	61,133,492
Waste Water Management	998,406	476,303	383,806	343,121	16,541,790	18,743,426
Waste Management	1,355,557	721,871	621,868	577,978	34,919,692	38,196,966
Property Rental Debtors	392,874	272,065	307,169	222,124	12,907,088	14,101,320
Total By Income Source	14,426,217	9,999,066	6,340,408	5,280,615	244,124,102	280,170,408

The following chart shows the debtors outstanding per revenue source, Chart as per information above

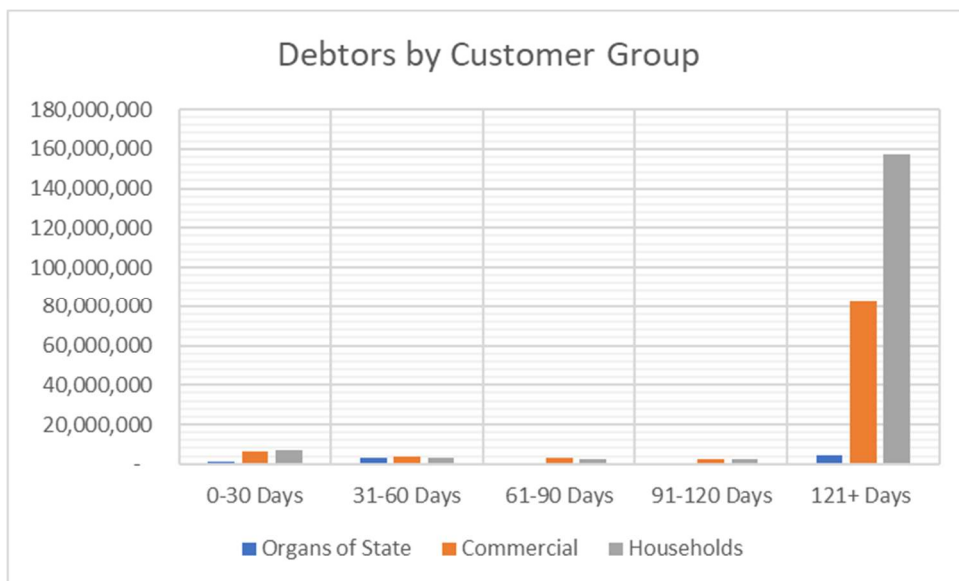


Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	990,287	2,902,716	608,481	240,007	4,580,101	9,321,592
Commercial	6,385,982	3,883,397	3,000,451	2,479,053	82,224,429	97,973,312
Households	7,049,948	3,212,953	2,731,476	2,561,555	157,319,572	172,875,504
Total By Customer Group	14,426,217	9,999,066	6,340,408	5,280,615	244,124,102	280,170,408

CHART 9

The following chart shows the debtors outstanding per category, Chart as per information above.



CREDITORS Age Analysis - Annexure B -Table SC4

The creditor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

The following report shows the creditors outstanding at 30 October 2021.

Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October						
Description	Budget Year 2021/22					Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	
Creditors Age Analysis By Customer Type						
Bulk Electricity	5,036,062	6,536,624	14,658,659	(1,284,619)	145,429,084	170,375,810
Bulk Water	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	201,749,839	187,749,839
Trade Creditors	(391,270)	(516,027)	349,323	741,543	880,031	1,063,600
Auditor General	-	(300,000)	-	(350,000)	1,154,178	504,178
Other	(353,563)	(667,754)	(492,278)	(469,094)	1,977,943	(4,746)
Total By Customer Type	791,229	1,552,843	11,015,704	(4,862,170)	351,191,075	359,688,681

Creditors Analysis

Creditors have been increasing on a monthly basis even with the monthly payments made by the municipality, the monthly accounts for bulk electricity has just been out of reach for the municipality, even if the municipality collects 100% of electricity billed and include all loses of electricity it will still not be able to cover the winter months ESKOM bills. On Sedibeng Water the municipality has been doing well for the past four months as per the table below, however we are approaching the summer months and the municipality will soon not be able to cover the monthly accounts as evident by October 2021.

	Nama Khoi Bill to Community	Nama Khoi Actual Cash Received	Sedibeng Bill to Nama Khoi	Nama Khoi Payment to Sedibeng
July	3,771,964	2,425,590	3,006,787	3,500,000
August	2,734,292	2,336,913	3,420,872	3,500,000
September	2,765,828	3,107,360	3,387,118	3,500,000
October	3,428,028	2,633,910	4,387,035	3,500,000
Total	12,700,112	10,503,773	14,201,812	14,000,000

Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October						
Summary of Employee and Councillor remuneration	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	3,950,385	331,278	1,325,112	1,316,796	8,316	101
Pension and UIF Contributions	264,655	19,975	79,900	88,216	(8,316)	91
Medical Aid Contributions	24,365	2,030	8,120	8,120	-	100
Cellphone Allowance	697,200	58,100	232,400	232,400	-	100
Housing Allowances	312,568	20,733	82,932	104,188	(21,256)	80
Other benefits and allowances	961,928	85,476	341,904	320,644	21,260	107
Sub Total - Councillors	6,211,101	517,592	2,070,368	2,070,364	4	100
Senior Managers of the Municipality						
Basic Salaries and Wages	872,767	103,527	714,235	290,924	423,311	246
Pension and UIF Contributions	223,999	12,657	50,628	74,668	(24,040)	68
Medical Aid Contributions	31,102	2,471	9,884	10,368	(484)	95
Performance Bonus	1,116,910	-	-	372,308	(372,308)	-
Motor Vehicle Allowance	1,403,683	95,399	381,596	467,896	(86,300)	82
Cellphone Allowance	41,790	1,300	5,200	13,932	(8,732)	37
Housing Allowances	75,577	965	3,860	25,192	(21,332)	15
Other benefits and allowances	46,258	1,097	4,388	15,416	(11,028)	28
Long service awards	13,670	-	-	4,556	(4,556)	-
Sub Total - Senior Managers of Municipality	3,825,756	217,416	1,169,791	1,275,260	(105,469)	92
Other Municipal Staff						
Basic Salaries and Wages	71,411,491	5,438,610	21,197,385	23,803,828	(2,606,443)	89
Pension and UIF Contributions	10,709,317	777,534	3,064,310	3,569,768	(505,458)	86
Medical Aid Contributions	3,146,049	262,941	1,005,682	1,048,688	(43,006)	96
Overtime	7,342,020	660,764	2,542,866	2,447,352	95,514	104
Performance Bonus	3,731,710	421,004	1,856,271	1,243,908	612,363	149
Motor Vehicle Allowance	3,327,744	208,277	870,284	1,109,244	(238,960)	78
Cellphone Allowance	275,651	18,913	78,519	91,880	(13,361)	85
Housing Allowances	1,130,117	96,703	392,599	376,712	15,887	104
Other benefits and allowances	1,094,540	54,862	331,899	364,848	(32,949)	91
Payments in lieu of leave	-	162,079	693,776	-	693,776	
Long service awards	358,473	16,622	95,819	119,476	(23,657)	80
Post-retirement benefit obligations	584,664	-	-	194,888	(194,888)	-
Sub Total - Other Municipal Staff	103,111,776	8,118,309	32,129,410	34,370,592	(2,241,182)	93
Total Parent Municipality	113,148,633	8,853,317	35,369,569	37,716,216	(2,346,647)	94
Total Employee Cost	106,937,532	8,335,725	33,299,201	35,645,852		
Revenue excluding Capital Grants	313,894,780	14,877,020	136,480,812	104,631,616		
Total Expenditure	391,163,627	22,458,407	92,607,602	130,387,904		
%Employee Cost to Total Expenditure	27	37	36	27		
% Employee Cost to Revenue	34	56	24	34		

MFMA 66. The accounting officer of a municipality must, in a format and for periods as October 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; and
- (g) any other type of benefit or allowance related to staff.

Employee related cost to total expenditure % of an organisation should be at 25-40% of total expenditure, the ratio for the month of October 2021 is 37%.

5. Financial Implications /Recommendations

Revenue by Type:

At the most recent engagement session with Treasury it has again been highlighted that the municipality Service Delivery departments are not sustainable, tariff structures must be increase and other fees related to service also need to increase. With current high rate of unemployment in the Nama Khoi region further increase of service will only add to the burden of the community, for that region the municipality should focus collecting the current and outstanding debt, municipality should focus on correct accounts to consumers, timely submission of municipal bills should also prioritise. The municipality should also seek assistance from State Departments to ensure it will benefit in all the possible economic developments in the municipal area.

Expenditure by type:

Municipality should make the financial recovery plan a working document, each activity should be monitored and regularly be reported on. Expenditure and service delivery should be prioritise, municipality should invest on new fleet rather than spending monies on repairing fleet that are not sustainable, modern methods of distributing accounts should be explored, savings on telephone cost, travelling & subsistence, refreshments, printing & stationery, fuel, etc must be implemented.

Capital Expenditure:

Capital expenditure should be aligned to the approved DORA payment schedule. Department should re-assess on projects to determine if they are still in line for 100% expenditure by the end of the Financial Year. All necessary processes should be fast track in line with all the required legislation and with the guidance of the respective department.

Cash Flow Statement:

Expenditure should be link to the cash flow budget, once cash is less than budget corrections must be done to avoid the municipality running into cash flow problems. Municipality should strive to use cash receive wisely and for the intended purpose as planned. Municipality should strive to spend less cash than it has received to avoid going into a negative cash balance. Revenue/Cash recovery must be structured in a manner that the old outstanding funds received will be used to either settle outstanding creditors or to fund projects that can enhance revenue recovery.

Debtors Analysis

100% billing of correct accounts for all debtors in the Nama Khoi area should be prioritised. Constant debt collecting and implementation of the credit control should be communicated to the community. Interdepartmental communication needs to be improved. Constant notifications to the community must improve. Community members should be invited to resolve old outstanding issues.

Creditors Analysis

The municipality must adhere to pay monthly creditors on time, old outstanding debt must be prioritised and link to the Reviewed Financial Recovery Plan. Intervention is needed with regards to outstanding debt of bulk services. Municipality should strive to receive accounts that the can be service on a monthly basis and therefore communication between all relevant parties is vital.

General Note

Historical problems at Nama Khoi Municipality should be resolve, this include old and depleted infrastructure, litigation issues, creditors and debtors with disputes.

6. Interdepartmental and cluster impact

This report is prepared to achieve MFMA compliance.

7. Comments of the Head: Legal Services

The above mentioned report as such does not call for legal clarification

8. Conclusion

This report was compiled in accordance compliance of section 71 of the MFMA, by providing a statement to the Council containing certain financial particulars

Prepared By:

Heinri Cloete

Chief Financial Officer

NAMAKHOI MUNICIPALITY QUALITY CERTIFICATE

I, SA Tatas-Titus....., the Municipal Manager of Nama Khoi Municipality, hereby certify that

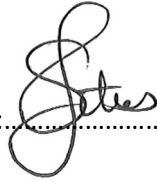
–

- The monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 30 October 2021 has been prepared in accordance with the Municipal Finance Management Act 71 and regulations made under that Act.

Print name: SAMANTHA TATAS TITUS

Municipal Manager of Nama Khoi Municipality

Signature:.....



Date: 15 Nov 2021.....

Annexure A

Reports and reportable matters

Monthly reports statements – Section 71 MFMA

- (1) The accounting officer of a municipality must no later than 10 working days after the end of each month submit to the Septemberor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:
 - (a) Actual revenue, per revenue source
 - (b) Actual borrowings
 - (c) Actual expenditure per vote
 - (d) Actual capital expenditure per vote
 - (e) The amount of any allocations received
 - (f) Actual expenditure on those allocations, excluding expenditure on –
 - (i) Its share of the local government equitable share, and
 - (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
 - (g) When necessary, an explanation of –
 - (i) Any material variances from the municipalities projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) Any material variances from the service delivery and budget implementation plan; and
 - (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget
- (2) The statement must include –
 - (a) A projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
 - (b) The prescribed information relating to the state of the budget of each municipal entity as to the municipality in terms of section 87 (10)

- (3) The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget
- (4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and municipal entity
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as Octoberbe prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after end of each quarter.

NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT	
General information and contact information	
Main tables	Consolidated Monthly Statements
Table C1-SUM	Summary
Table C2-FinPer SC	Financial Performance (standard classification)
Table C2C	Financial Performance (standard classification)
Table C3-Fin Per V	Financial Performance (revenue and expenditure by municipal vote)
Table C3C	Financial Performance (revenue and expenditure by municipal vote)
Table C4-FinPerRE	Financial Performance (revenue and expenditure)
Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
Table C5C	Capital Expenditure (municipal vote, standard classification)
Table C6-FinPos	Financial Position
Table C7-Cflow	Cash Flow
Supporting Tables	
Table SC1	Material variance explanations
Table SC2	Monthly Budget Statement – Performance Indicators
Table SC3	Monthly Budget Statement – Aged debtors
Table SC4	Monthly Budget Statement – Aged creditors
Table S5	Monthly Budget Statement – Investment portfolio
Table SC6	Monthly Budget Statement – Transfer and grant receipts
Table SC7	Monthly Budget Statement – Transfer and grant expenditure
Table SC8	Monthly Budget Statement – Councillor and staff benefits
Table SC9	Monthly Budget Statement – Actual and revised targets for cash receipts
Table SC10	Monthly Budget Statement – Parent Municipality Financial Performance
Table SC11	Monthly Budget Statement – Summary of municipal entities
Table SC 12	Consolidated Monthly Budget Statement – Capital expenditure trend
Table SC13 a	Consolidated Monthly Budget Statement – Capital expenditure on new assets by asset class
Table SC b	Consolidated Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
Table SC c	Consolidated Monthly Budget Statement – Expenditure on repairs and maintenance by asset class
Table SC d	Consolidated Monthly Budget Statement – depreciation by asset class
Table SC71	Charts