



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52 2nd Quarter of 2022/23



Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009

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GLOSSARY

Adjustment's budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

Approved budget - means an annual budget—

- a) approved by a municipal council; or
- b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include the Tariff Policy, Property Rates Policy, Customer Care, Credit Control and Debt Collection Policy etc.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – summarizes the amount of cash and cash equivalents entering and leaving the municipality. The cash flow statement measures how well the municipality manages its cash position. It should be noted that there could be a difference between the timing of the actual cash flow compared to the recognition of expenditure. For example, when an invoice is received by the Municipality it is recognised as expenditure in the month it is dated, even though it may not be paid within the same month.

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general unconditional grant paid to municipalities. It is predominantly targeted to subsidise the delivery of free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - Local Government: Municipal Finance Management Act (56/2003). The principal piece of legislation relating to municipal financial management. From here on to be referred to as the Act.

MTREF - Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two outer year budget allocations. Also includes details of the previous and current year's financial position.

Operating expenditure - Spending on the day-to-day expenses of the Municipality such as salaries and wages. It provides a short-term benefit, normally less than a year.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- a) overspending of the total amount appropriated in the municipality's approved budget;
 - b) overspending of the total amount appropriated for a vote in the approved budget;
- Unauthorised expenditure refers to expenditure that municipalities incurred without provision having been made for it in the budget approved by the council or which does not meet the conditions of a grant.

Virement - A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

PART 1: IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 In -Year Report – Quarterly Budget Statement

The quarterly budget statement, for the period ended **31 December 2022**, has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations and the Municipal Finance Management Act 56 of 2003.

- a) The budget of the municipality has been implemented in terms of ***the Service Delivery Budget Implementation Plan (SDBIP)***. Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.
- b) ***Financial problems or risks*** facing the municipality are numerous and the implementation of the budget will demand continuous monitoring.

Cash flow has and will for the foreseeable future be of concern. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as employee related costs and meeting service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Budget Funding Plan has been developed and is being implemented to ensure that revenue will be sufficient to cover the expenses and prior year liabilities.

Section 2 – Resolutions

Recommendation:

That the council takes cognisance of the Quarterly budget statement of the **Second Quarter of the 2022/23 MTREF (Q2)**.

Section 3 – Executive Summary

1.1 Introduction

In terms of section 52(d) of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the

municipality. The format and content of in-year reporting are set out in the Municipal Budget and Reporting Regulations of 2009, that was published in terms of section 168 of the MFMA (2003).

1.2 Consolidated Performance

The performance against the budget can be summarized as follow:

	Original Budget	Adjustments Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 192 782		R 107 646	R 92 833	R (14 812)	-14%
Operating Expenditure	R 218 716		R 109 357	R 76 621	R (32 736)	-30%
Capital	R 10 529		R 6 869	R 877	R (6 869)	-87%

Payment Percentages:

Collection percentage for Kannaland Municipality									
Period	Levy	Payments	Journals	Total Levy, Journals & Transfers	Payments	Payment % per month	Total Levies accumulated month to month	Total Payments accumulated month to month	Average YTD
Jul-22	11 215 679,43	(9 893 854,40)	525 590,60	11 599 220,48	(6 696 778,13)	-57,73	11 599 220,48	(6 696 778,13)	57,73
Aug-22	11 389 460,28	(6 696 778,13)	383 541,05	11 902 956,49	(12 873 586,77)	-108,15	23 502 176,97	(19 570 364,90)	83,27
Sep-22	12 307 625,37	(12 873 586,77)	513 496,21	12 748 303,11	(9 917 471,02)	-77,79	36 250 480,08	(29 487 835,92)	81,34
Oct-22	10 053 832,64	(9 917 471,02)	440 677,74	10 581 325,67	(7 980 306,93)	-75,42	46 831 805,75	(37 468 142,85)	80,01
Nov-22	10 317 565,65	(7 980 306,93)	527 493,03	10 853 009,51	(8 322 084,80)	-76,68	57 684 815,26	(45 790 227,65)	79,38
Dec-22	10 043 591,20	(8 322 084,80)	535 443,86	10 043 591,20	-				

The payment percentage for the December 2022 is 79.38 percent, which shows a fluctuation from November 80.01 percent and 81.34 percent in October 2022.

TABLE C1 – QUARTERLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	25 891	24 836	24 836	2 118	12 754	12 418	336	3%	24 836
Service charges	102 394	110 480	110 480	8 168	54 042	55 240	(1 198)	-2%	110 480
Investment revenue	1 232	680	680	174	890	340	550	162%	680
Transfers and subsidies	41 701	43 164	43 164	5 356	20 398	32 837	(12 439)	-38%	43 164
Other own revenue	7 380	13 621	13 621	1 138	4 749	6 810	(2 062)	-30%	13 621
Total Revenue (excluding capital transfers and contributions)	178 600	192 782	192 782	16 954	92 833	107 646	(14 812)	-14%	192 782
Employee costs	71 597	80 239	80 239	6 220	38 738	40 119	(1 381)	-3%	80 239
Remuneration of Councillors	3 148	3 357	3 357	430	1 984	1 678	306	18%	3 357
Depreciation & asset impairment	16 588	13 222	13 222	-	4 301	6 611	(2 310)	-35%	13 222
Finance charges	4 244	2 072	2 072	2	806	1 036	(230)	-22%	2 072
Materials and bulk purchases	54 288	63 094	62 974	56	14 091	31 487	(17 396)	-55%	62 974
Transfers and subsidies	240	450	450	-	-	225	(225)	-100%	450
Other expenditure	61 387	56 283	56 403	1 040	16 700	28 201	(11 501)	-41%	56 403
Total Expenditure	211 493	218 716	218 716	7 748	76 621	109 357	(32 736)	-30%	218 716
Surplus/(Deficit)	(32 893)	(25 934)	(25 934)	9 206	16 213	(1 711)	17 924	-1048%	(25 934)
Transfers and subsidies - capital (monetary allocations)	18 889	10 529	10 529	-	0	7 897	(7 897)	-100%	10 529
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(14 004)	(15 405)	(15 405)	9 206	16 213	6 186	10 027	162%	(15 405)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(14 004)	(15 405)	(15 405)	9 206	16 213	6 186	10 027	162%	(15 405)
Capital expenditure & funds sources									
Capital expenditure	14 052	12 919	12 919	852	877	6 869	(5 993)	-87%	12 919
Capital transfers recognised	19 138	10 529	10 529	-	-	5 264	(5 264)	-100%	10 529
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	726	2 390	2 390	852	877	1 605	(728)	-45%	2 390
Total sources of capital funds	19 864	12 919	12 919	852	877	6 869	(5 993)	-87%	12 919
Financial position									
Total current assets	(12 141)	(60 736)	(61 726)	-	33 376	-	-	-	(61 726)
Total non current assets	324 309	325 969	325 969	-	(3 425)	-	-	-	325 969
Total current liabilities	40 080	(1 894)	(2 884)	-	13 762	-	-	-	(2 884)
Total non current liabilities	33 884	44 757	44 757	-	-	-	-	-	44 757
Community wealth/Equity	252 209	237 775	237 775	(24)	(24)	(24)	(24)	(24)	237 775
Cash flows									
Net cash from (used) operating	243 197	(38 004)	(38 104)	10 551	58 848	(10 738)	(69 586)	648%	(38 104)
Net cash from (used) investing	2 600	(25 838)	(25 838)	-	-	(13 329)	(13 329)	100%	(25 838)
Net cash from (used) financing	1 217	1 119	1 119	27	61	-	(61)	#DIV/0!	1 119
Cash/cash equivalents at the month/year end	295 814	(13 918)	(14 018)	-	58 909	24 738	(34 171)	-138%	(62 823)
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	3 637	3 072	2 727	2 546	-	2 493	17 391	71 135	103 001
Creditors Age Analysis									
Total Creditors	12 472	6 124	13 538	162	43 082	-	-	-	75 378

Operational Revenue

The municipality's total operational revenue budget amounts to R193 million and the year-to-date revenue on the budget accrued to R 93 million. This represents 48% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R219 million, with a year-to-date performance of R76 million, or 35% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to 13 million. National grant funding amounts to R10.5 million, and own funding R2.4 million.

Operating Surplus/Deficit

Second quarter operating revenue amounted to R93 million, with expenditure amounting to R77 million, with an operating surplus of R16 million for the quarter under review.

1.3 Material differences to the SDBIP

Material differences to the SDBIP will be discussed under section 10 and in more detail within Appendix A.

1.4 Remedial actions

- (a) Directorates are to ensure that the budget is being implemented in accordance with the Service Delivery and Budget Implementation Plan of the Municipality;
- (b) That, strategic decisions / resolutions to improve the capital expenditure, be implemented; communicating with the technical department on slow spending on capital budget;
- (c) That monthly monitoring of the implementation of the Budget Funding Plan;
- (d) The effort should be coordinated, with giving the necessary and all-important consideration to the impact of the COVID-19 pandemic on municipal operations and more specifically municipal liquidity;

- (e) That measures on debt collection are implemented and applied effectively;
- (f) A procurement plan be developed and approved as a matter of urgency;
- (g) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an always changing environment.

Section 4 – In-year budget statement tables

TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter										
Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		25 891	24 836	24 836	2 118	12 754	12 418	336	3%	24 836
Service charges - electricity revenue		64 750	70 503	70 503	4 954	34 445	35 251	(806)	-2%	70 503
Service charges - water revenue		20 355	21 841	21 841	1 712	10 429	10 920	(491)	-4%	21 841
Service charges - sanitation revenue		8 706	9 219	9 219	761	4 627	4 609	18	0%	9 219
Service charges - refuse revenue		8 583	8 918	8 918	741	4 541	4 459	82	2%	8 918
Rental of facilities and equipment		552	607	607	48	297	304	(7)	-2%	607
Interest earned - external investments		1 232	680	680	174	890	340	550	162%	680
Interest earned - outstanding debtors		4 984	4 968	4 968	689	3 160	2 484	676	27%	4 968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6 007	6 007	1	31	3 003	(2 972)	-99%	6 007
Licences and permits		159	364	364	13	89	182	(93)	-51%	364
Agency services		1 098	1 200	1 200	60	617	600	17	3%	1 200
Transfers and subsidies		41 701	43 164	43 164	5 356	20 398	32 837	(12 439)	-38%	43 164
Other revenue		549	475	475	327	555	237	317	134%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178 600	192 782	192 782	16 954	92 833	107 646	(14 812)	-14%	192 782
Expenditure By Type										
Employee related costs		71 597	80 239	80 239	6 220	38 738	40 119	(1 381)	-3%	80 239
Remuneration of councillors		3 148	3 357	3 357	430	1 984	1 678	306	18%	3 357
Debt impairment		24 300	23 594	23 594	-	7 993	11 797	(3 804)	-32%	23 594
Depreciation & asset impairment		16 588	13 222	13 222	-	4 301	6 611	(2 310)	-35%	13 222
Finance charges		4 244	2 072	2 072	2	806	1 036	(230)	-22%	2 072
Bulk purchases - electricity		50 752	58 024	58 024	-	12 802	29 012	(16 210)	-56%	58 024
Inventory consumed		3 536	5 071	4 951	56	1 290	2 475	(1 186)	-48%	4 951
Contracted services		13 677	13 749	14 334	60	2 650	7 167	(4 517)	-63%	14 334
Transfers and subsidies		240	450	450	-	-	225	(225)	-100%	450
Other expenditure		16 573	18 939	18 474	980	6 057	9 237	(3 180)	-34%	18 474
Losses		6 836	-	-	-	-	-	-	-	-
Total Expenditure		211 493	218 716	218 716	7 748	76 621	109 357	(32 736)	-30%	218 716
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(32 893)	(25 934)	(25 934)	9 206	16 213	(1 711)	17 924	(0)	(25 934)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		18 889	10 529	10 529	-	0	7 897	(7 897)	(0)	10 529
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(14 004)	(15 405)	(15 405)	9 206	16 213	6 186			(15 405)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(14 004)	(15 405)	(15 405)	9 206	16 213	6 186			(15 405)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(14 004)	(15 405)	(15 405)	9 206	16 213	6 186			(15 405)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(14 004)	(15 405)	(15 405)	9 206	16 213	6 186			(15 405)

THE DETAILED QUARTERLY OPERATING REVENUE PERFORMANCE AGAINST THE TOTAL BUDGET ITEMS ARE AS FOLLOW:

Q2 Electricity Revenue – R34.45 million (49% of the Electricity Budget)

Electricity billing during the **first quarter** amounted to **R18.36 million a 26%** of the year-to-date budget

Q2 Water Revenue – R10.43 million (48% of the Water Budget)

Water billing during the first quarter amounted to **R5.02 million a 23%** of the year-to-date budget

Q2 Sewerage Revenue – R4.63 million (50% of the Sewerage Budget)

Sewerage billing during the first quarter amounted to **2.28 million a 25%** of the year-to-date budget.

Q2 Refuse Removal Revenue – R4.54 million (51% of the Solid Waste Budget)

Refuse billing during the first quarter amounted to **2.31 million a 26%** of the year-to-date budget

Interest on Outstanding Debtors

Interest charges on outstanding debtors is currently **3.13 million**.

Rental of facilities and equipment

Rental of facilities and equipment amounted to **R297 thousand and 49%** of the year-to-date budget

Q2 Interest on external investments – R741 thousand (109% of the interest Budget)

Fines Penalties and forfeits

Fines Penalties and forfeits for Quarter 2 amounted to **27 thousand**.

Other revenue, Agency services, licences and permits

Other Revenue, Agency Services and Licences and permits amounts to **R400 thousand**.

THE DETAILED QUARTERLY OPERATING EXPENDITURE PERFORMANCE AGAINST THE TOTAL BUDGET ITEMS ARE AS FOLLOW:

Employee Related Costs – R38.74 million (48% of Annual Employee Budget) with Councillors at R1.95 million (59% of the Annual Councillors Remuneration Budget)

Bulk Purchases

Bulk purchases are severely understated as expenditure are only recognised once paid and not in terms of GRAP. The actual expenditure on bulk purchases amounted to R12.80 million or 22% against the full year budget.

Finance Charges R804 thousand (39% of the Finance Charges Budget)

Finance charges will significantly exceed the full budget forecast and the extent thereof still needs to be established.

Other materials – R1.25 million (25% of the budget)

Expenditure on “Other Materials” is well below the year-to-date forecast.

Contracted Services – R2.39 million (17% of Budget)

The expenditure on Contracted Services will be well below the actual forecast.

Other Expenditure – R5.81 million (31 % of Budget)

Other expenditure is much lower than forecasted. Expenditure can only be incurred in terms of available revenue.

TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter										
Vote Description	Ref	2021/22				Budget Year 2022/23				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	130	130	-	24	100	(76)	-76%	130
Vote 2 - CORPORATE SERVICES		5 235	1 710	693	-	-	446	(446)	-100%	693
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		2 351	9 454	9 454	-	-	4 727	(4 727)	-100%	9 454
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	7 586	11 294	10 277	-	24	5 274	(5 250)	-100%	10 277
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		249	-	17	-	-	8	(8)	-100%	17
Vote 2 - CORPORATE SERVICES		391	500	500	-	-	500	(500)	-100%	500
Vote 3 - FINANCIAL SERVICES		(1 219)	50	50	47	47	50	(3)	-7%	50
Vote 4 - TECHNICAL SERVICES		7 045	1 074	2 074	806	806	1 037	(231)	-22%	2 074
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	6 466	1 624	2 641	852	852	1 596	(743)	-47%	2 641
Total Capital Expenditure	3	14 052	12 919	12 919	852	877	6 869	(5 993)	-87%	12 919
Capital Expenditure - Functional Classification										
Governance and administration		(907)	180	197	47	71	158	(88)	-55%	197
Executive and council		249	130	147	-	24	108	(84)	-78%	147
Finance and administration		(1 155)	50	50	47	47	50	(3)	-7%	50
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 235	1 510	493	-	-	246	(246)	-100%	493
Community and social services		5 235	860	343	-	-	171	(171)	-100%	343
Sport and recreation		-	650	150	-	-	75	(75)	-100%	150
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		341	700	700	-	-	700	(700)	-100%	700
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		341	700	700	-	-	700	(700)	-100%	700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		9 383	10 529	11 529	806	806	5 764	(4 959)	-86%	11 529
Energy sources		-	1 980	2 980	806	806	1 490	(684)	-46%	2 980
Water management		9 383	2 441	2 441	-	-	1 220	(1 220)	-100%	2 441
Waste water management		-	6 108	6 108	-	-	3 054	(3 054)	-100%	6 108
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	14 052	12 919	12 919	852	877	6 869	(5 993)	-87%	12 919
Funded by:										
National Government		11 552	10 529	10 529	-	-	5 264	(5 264)	-100%	10 529
Provincial Government		7 586	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		19 138	10 529	10 529	-	-	5 264	(5 264)	-100%	10 529
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		726	2 390	2 390	852	877	1 605	(728)	-45%	2 390
Total Capital Funding		19 864	12 919	12 919	852	877	6 869	(5 993)	-87%	12 919

THE FOLLOWING IS THE FINANCIAL PERFORMANCE AGAINST THE BUDGET CAPITAL EXPENDITURE IN THE SECOND QUARTER

- There was no actual capital expenditure year-to-date for Grant Funded Projects
- The monthly actual expenditure for own funded capital amounted to R877 thousand.

TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		3,642	(31,478)	(32,578)	14,195	(32,578)
Call investment deposits		27,292	40,236	40,236	8,997	40,236
Consumer debtors		6,207	3,919	3,919	5,810	3,919
Other debtors		(51,539)	(72,689)	(72,689)	4,531	(72,689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		2,257	(724)	(614)	(157)	(614)
Total current assets		(12,141)	(60,736)	(61,726)	33,376	(61,726)
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		186	-	-	-	-
Investment property		1,163	1,250	1,250	-	1,250
Investments in Associate		-	-	-	-	-
Property, plant and equipment		322,957	324,691	324,691	(3,425)	324,691
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		3	28	28	-	28
Other non-current assets		-	-	-	-	-
Total non current assets		324,309	325,969	325,969	(3,425)	325,969
TOTAL ASSETS		312,168	265,233	264,243	29,951	264,243
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		229	459	459	(216)	459
Consumer deposits		1,217	1,119	1,119	61	1,119
Trade and other payables		30,245	(10,769)	(11,759)	13,917	(11,759)
Provisions		8,390	7,296	7,296	-	7,296
Total current liabilities		40,080	(1,894)	(2,884)	13,762	(2,884)
Non current liabilities						
Borrowing		-	(950)	(950)	-	(950)
Provisions		33,884	45,708	45,708	-	45,708
Total non current liabilities		33,884	44,757	44,757	-	44,757
TOTAL LIABILITIES		73,964	42,863	41,873	13,762	41,873
NET ASSETS	2	238,204	222,370	222,370	16,189	222,370
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		251,739	237,306	237,306	(16)	237,306
Reserves		470	470	470	(8)	470
TOTAL COMMUNITY WEALTH/EQUITY	2	252,209	237,775	237,775	(24)	237,775

TABLE C7 – QUARTERLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter										
Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		15,132	20,366	20,366	272	2,591	10,183	(7,592)	-75%	20,366
Service charges		74,810	100,478	100,378	5,658	38,395	50,189	(11,794)	-23%	100,378
Other revenue		1,343	10,583	10,583	449	1,137	5,291	(4,154)	-79%	10,583
Transfers and Subsidies - Operational		31,684	43,164	43,164	6,169	29,591	29,896	(305)	-1%	43,164
Transfers and Subsidies - Capital		23,701	10,529	10,529	-	5,899	5,264	635	12%	10,529
Interest		18	3,664	3,664	-	0	1,832	(1,831)	-100%	3,664
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		96,510	(226,787)	(226,787)	(1,474)	(18,245)	(113,394)	(95,149)	84%	(226,787)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		243,197	(38,004)	(38,104)	11,073	59,370	(10,738)	(70,108)	653%	(38,104)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		2,600	(25,838)	(25,838)	-	-	(13,329)	(13,329)	100%	(25,838)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2,600	(25,838)	(25,838)	-	-	(13,329)	(13,329)	100%	(25,838)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		1,217	1,119	1,119	27	61	-	61	0%	1,119
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,217	1,119	1,119	27	61	-	(61)	0%	1,119
NET INCREASE/ (DECREASE) IN CASH HELD		247,014	(62,723)	(62,823)	11,100	59,431	(24,067)			(62,823)
Cash/cash equivalents at beginning:		48,800	48,805	48,805			48,805			-
Cash/cash equivalents at month/year end:		295,814	(13,918)	(14,018)		59,431	24,738			(62,823)
References										
1. Material variances to be explained in Table SC1										

The total bank balances of **Quarter 2** were as follow;

- Standard Bank Main Account Balance **R 703 thousand**;
- The Traffic Account Balance **R 400 thousand**;
- Deposit Account Balance **R 2 991 million**; and
- The call account contains the cash-backed **R17 million** component of conditional grants amounts to **R36 306 million** at the end of Quarter 2.

The lack of revenue streams has left the municipality to be heavily dependent on grant funding to run its daily operations. The current local economic circumstances are in addition having an adverse effect on an already difficult situation. Insufficient funding is available to fund reserves and provisions and the liquidity of the municipality remains fragile.

TABLE C2 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE

(Functional Classification)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		61 563	43 561	43 561	7 873	33 580	26 325	7 255	28%	43 561
Executive and council		28 774	12 201	12 201	4 939	17 910	9 179	8 731	95%	12 201
Finance and administration		32 789	31 360	31 360	2 934	15 670	17 146	(1 476)	-9%	31 360
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 179	16 689	16 689	288	1 984	12 233	(10 250)	-84%	16 689
Community and social services		14 567	14 889	14 889	288	1 978	10 883	(8 905)	-82%	14 889
Sport and recreation		-	-	-	-	0	-	0	#DIV/0!	-
Public safety		80	-	-	-	5	-	5	#DIV/0!	-
Housing		532	1 800	1 800	-	-	1 350	(1 350)	-100%	1 800
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 756	8 170	8 170	120	1 057	4 249	(3 192)	-75%	8 170
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 756	8 170	8 170	120	1 057	4 249	(3 192)	-75%	8 170
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		118 991	134 891	134 891	8 673	56 213	72 736	(16 523)	-23%	134 891
Energy sources		71 371	75 292	75 292	4 968	34 527	38 806	(4 280)	-11%	75 292
Water management		28 376	30 332	30 332	1 914	11 282	16 988	(5 707)	-34%	30 332
Waste water management		9 618	15 135	15 135	896	5 208	8 823	(3 615)	-41%	15 135
Waste management		9 627	14 131	14 131	894	5 197	8 118	(2 921)	-36%	14 131
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	197 488	203 311	203 311	16 954	92 834	115 543	(22 709)	-20%	203 311
Expenditure - Functional										
<i>Governance and administration</i>		104 246	72 679	72 679	4 012	30 505	36 339	(5 834)	-16%	72 679
Executive and council		23 511	20 288	20 288	1 521	10 055	10 144	(89)	-1%	20 288
Finance and administration		80 735	52 391	52 391	2 491	20 451	26 195	(5 745)	-22%	52 391
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13 857	13 346	13 346	857	6 179	6 673	(494)	-7%	13 346
Community and social services		10 670	9 826	9 826	564	4 473	4 913	(440)	-9%	9 826
Sport and recreation		397	448	448	131	425	224	201	90%	448
Public safety		1 276	231	231	79	719	116	604	522%	231
Housing		1 514	2 841	2 841	83	562	1 421	(858)	-60%	2 841
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 108	17 823	17 823	796	5 123	8 911	(3 788)	-43%	17 823
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9 108	17 823	17 823	796	5 123	8 911	(3 788)	-43%	17 823
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		84 282	114 868	114 868	2 084	34 814	57 434	(22 620)	-39%	114 868
Energy sources		38 407	68 326	68 326	360	16 251	34 163	(17 912)	-52%	68 326
Water management		21 399	20 485	20 485	748	8 049	10 242	(2 193)	-21%	20 485
Waste water management		9 969	12 251	12 251	262	4 387	6 125	(1 739)	-28%	12 251
Waste management		14 507	13 806	13 806	714	6 127	6 903	(776)	-11%	13 806
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	211 494	218 716	218 716	7 748	76 621	109 357	(32 736)	-30%	218 716
Surplus/ (Deficit) for the year		(14 005)	(15 405)	(15 405)	9 206	16 213	6 186	10 026	162%	(15 405)

TABLE C3 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE

(Revenue & Expenditure by Municipal Vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second										
Vote Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	28 774	12 201	12 201	4 939	17 910	9 179	8 731	95,1%	12 201
Vote 2 - CORPORATE SERVICES		15 469	23 672	23 672	347	2 555	15 467	(12 912)	-83,5%	23 672
Vote 3 - FINANCIAL SERVICES		32 352	30 912	30 912	2 861	15 430	16 922	(1 492)	-8,8%	30 912
Vote 4 - TECHNICAL SERVICES		120 892	136 526	136 526	8 807	56 939	73 976	(17 037)	-23,0%	136 526
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	197 488	203 311	203 311	16 954	92 834	115 543	(22 709)	-19,7%	203 311
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	23 511	20 288	20 288	1 521	10 055	10 144	(89)	-0,9%	20 288
Vote 2 - CORPORATE SERVICES		29 078	36 476	36 476	2 262	14 524	18 238	(3 714)	-20,4%	36 476
Vote 3 - FINANCIAL SERVICES		66 518	35 710	35 710	1 190	12 833	17 855	(5 021)	-28,1%	35 710
Vote 4 - TECHNICAL SERVICES		91 527	124 182	124 182	2 726	38 829	62 091	(23 262)	-37,5%	124 182
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		860	2 060	2 060	50	380	1 030	(650)	-63,1%	2 060
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	211 494	218 716	218 716	7 748	76 621	109 357	(32 736)	-29,9%	218 716
Surplus/ (Deficit) for the year	2	(14 005)	(15 405)	(15 405)	9 206	16 213	6 186	10 026	162,1%	(15 405)

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December													
Description	NT Code	Budget Year 2022/23									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2,316	1,019	818	705	–	721	5,517	14,389	25,485	21,332	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,125	179	151	121	–	76	435	496	2,583	1,128	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2,336	734	630	577	–	541	3,949	17,845	26,611	22,912	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	699	334	332	334	–	336	2,123	8,557	12,713	11,350	–	–
Receivables from Exchange Transactions - Waste Management	1600	1,388	567	554	555	–	557	3,344	12,674	19,637	17,128	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	28	51	66	81	–	97	1,102	14,627	16,053	15,907	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(4,255)	188	176	174	–	166	922	2,547	(82)	3,809	–	–
Total By Income Source	2000	3,637	3,072	2,727	2,546	–	2,493	17,391	71,135	103,001	93,566	–	–
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(2,134)	138	127	84	–	39	200	426	(1,120)	749	–	–
Commercial	2300	938	248	185	178	–	186	1,153	3,276	6,165	4,794	–	–
Households	2400	5,572	2,464	2,217	2,090	–	2,087	14,890	55,534	84,854	74,600	–	–
Other	2500	(739)	221	197	195	–	180	1,148	11,900	13,102	13,423	–	–
Total By Customer Group	2600	3,637	3,072	2,727	2,546	–	2,493	17,391	71,135	103,001	93,566	–	–

- The total amount owed to Kannaland Municipality amounted to **R103 million during the end of the Second Quarter**.
- **R71 million or 68%** of the total outstanding debtors are older than one year.
- **R93 million or 90%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality. Pre-paid electricity remains the most effective form of credit control.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2022/23								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	7,564	5,155	12,031	–	20,322	–	–	–	45,071
Bulk Water	0200	30	29	–	–	–	–	–	–	58
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	648	520	1,354	69	8,084	–	–	–	10,675
Auditor General	0800	3,928	297	141	71	8,231	–	–	–	12,668
Other	0900	303	123	13	22	6,446	–	–	–	6,907
Total By Customer Type	1000	12,472	6,124	13,538	162	43,082	–	–	–	75,378

- The total outstanding creditors as at the end of the **Second Quarter** amounts to **R 75 378**.
- The biggest outstanding creditors are Eskom (**R45 071 million**), the Auditor-General of South Africa (**R12 668 million**). Combined, the before mentioned, represents **77%** of all outstanding creditors.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply with supply chain management regulations. Creditors are owed money for extended periods of time, and this is causing a reluctance to quote and take part in competitive bidding processes. Pressure on cash flow is increasing, due to long outstanding creditors demanding settlement.

Section 7 – Investment portfolio analysis

Client no.: 9004552

Kannaland Local Municipality (WC041)
32 Church Street
P.O. Box 30
Ladismith 6655
Republic of South Africa



Date: 06.07.2022

VAT Registration

Repayment Due	30.06.2022	30.06.2022	-57,198.07	0.00	-2,801.93	-60,000.00	215,522.79	215,522.79
Interest Accrual	31.07.2022	31.07.2022	0.00	2,288.08	0.00	2,288.08	217,810.87	215,522.79
Interest Capitalisation	31.07.2022	31.07.2022	0.00	-2,288.08	2,288.08	0.00	217,810.87	217,810.87
Repayment Due	01.08.2022	01.08.2022	-57,711.92	0.00	-2,288.08	-60,000.00	157,810.87	157,810.87
Interest Accrual	31.08.2022	31.08.2022	0.00	1,695.93	0.00	1,695.93	159,506.80	157,810.87
Interest Capitalisation	31.08.2022	31.08.2022	0.00	-1,695.93	1,695.93	0.00	159,506.80	159,506.80
Repayment Due	31.08.2022	31.08.2022	-58,304.07	0.00	-1,695.93	-60,000.00	99,506.80	99,506.80
Interest Accrual	30.09.2022	30.09.2022	0.00	1,022.33	0.00	1,022.33	100,529.13	99,506.80
Interest Capitalisation	30.09.2022	30.09.2022	0.00	-1,022.33	1,022.33	0.00	100,529.13	100,529.13
Repayment Due	30.09.2022	30.09.2022	-58,977.67	0.00	-1,022.33	-60,000.00	40,529.13	40,529.13
Interest Accrual	31.10.2022	31.10.2022	0.00	430.28	0.00	430.28	40,959.41	40,529.13
Interest Capitalisation	31.10.2022	31.10.2022	0.00	-430.28	430.28	0.00	40,959.41	40,959.41
Repayment Due	31.10.2022	31.10.2022	-40,529.13	0.00	-430.28	-40,959.41	0.00	0.00
TOTAL AS AT 30.06.9999			0.00	0.00	0.00	0.00	0.00	0.00

- Debt fully paid in October 2022
- The municipality has no long-term debt obligations.

Section 8 – Allocation and grant receipts and expenditure

Transfers and Grant Receipts 2022/ 2023							ROLLOVERS
	Original Budget	Roll-over (Approved)	Adjustment Budget	Total Received	Total Spent	Unspent	
National Government Grants							
Financial Management Grant (FMG)	R2 932 000,00			R2 932 000,00	R136 000,00	R2 796 000,00	
Integrated National Electrification (INEP)		R556 878,81				R556 878,81	
Equitable Share	R33 259 000,00			R17 910 000,00	R17 910 000,00		
Municipal Infrastructure Grant (Operational)	554 150,00			R554 150,00	R346 972,32	R207 177,68	
Municipal Infrastructure Grant (Capital)	R10 528 850,00			R2 412 850,00		R2 412 850,00	R178 273,77
Water Service Infrastructure Grant						R0,00	R4 667 823,66
EPWP Incentive Grant	R1 031 000,00			R722 000,00	R401 233,00	R320 767,00	
Total National Grants	R48 305 000,00	R556 878,81	R0,00	R24 531 000,00	R18 794 205,32	R6 293 673,49	
Provincial Government							
Libraries (Conditional Grant)		R33 203,21				R33 203,21	
MRF (Municipal Replacement Fund)	R3 281 000,00	R334 204,16		R2 188 000,00	R1 559 157,54	R963 046,62	
Local Government Employee Support Grant		R126 236,40				R126 236,40	
CDW Grant	R112 000,00	R73 524,21		R0,00	R30 000,00		
Capacity Bursary Grant		R250 000,00				R250 000,00	
Total Provincial Grants	R3 393 000,00	R567 167,98	R0,00	R2 188 000,00	R1 589 157,54	R1 122 486,23	
Departmental Agencies	Original Budget	Roll-over (Approved)	Adjustment Budget	Total Received	Total Spent	Unspent	
Public Sector Seta	R145 000,00			R17 625,20		R17 625,20	
Totals	R51 698 000,00	R1 124 046,79	R0,00	R26 719 000,00	R20 383 362,86	R7 416 159,72	

The following indicates receipts and expenditure for each respective grants (Operational) and (Capital) for Quarter 2 of 2022/23 -

Received:

National Treasury

- Equitable Share amounts to **R4.94 million**
- Expanded Public Works Programme amounts to **R464 thousand**

Provincial Treasury

- Library amounts to **R1.094 million**

Expenditure:

- Financial Management Grant amounts to **R72 thousand**.
- Municipal Infrastructure Grant (MIG) amounts R 0 capital expenditure and **MIG PMU** amounts to **R164 thousand**.
- Expanded Public Works Programme amounts to **R 304 thousand**

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R902 thousand**

Section 9 – Expenditure on Councillor, Senior Managers and Other Staff

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter										
Summary of Employee and Councillor remuneration	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 560	3 046	3 046	401	1 763	1 523	240	16%	3 046
Pension and UIF Contributions		26	-	-	3	18	-	18	#DIV/0!	-
Medical Aid Contributions		124	-	-	5	29	-	29	#DIV/0!	-
Motor Vehicle Allowance		131	-	-	3	34	-	34	#DIV/0!	-
Cellphone Allowance		307	311	311	19	141	155	(15)	-9%	311
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 148	3 357	3 357	430	1 984	1 678	306	18%	3 357
% increase	4		6,6%	6,6%						6,6%
Senior Managers of the Municipality										
Basic Salaries and Wages		1 854	4 994	4 994	160	959	2 497	(1 538)	-62%	4 994
Pension and UIF Contributions		1	9	9	0	1	4	(3)	-68%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		130	-	-	15	77	-	77	#DIV/0!	-
Cellphone Allowance		37	115	115	3	17	58	(41)	-71%	115
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		12	210	210	4	88	105	(17)	-16%	210
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2 033	5 328	5 328	182	1 142	2 664	(1 522)	-57%	5 328
% increase	4		162,0%	162,0%						162,0%
Other Municipal Staff										
Basic Salaries and Wages		45 593	49 327	49 327	4 034	23 398	24 663	(1 266)	-5%	49 327
Pension and UIF Contributions		6 740	8 520	8 520	611	3 641	4 260	(619)	-15%	8 520
Medical Aid Contributions		2 434	2 899	2 899	170	1 027	1 449	(423)	-29%	2 899
Overtime		4 001	4 442	4 442	512	2 869	2 221	648	29%	4 442
Performance Bonus		1 564	652	652	68	1 274	326	947	291%	652
Motor Vehicle Allowance		2 393	2 391	2 391	176	1 090	1 195	(105)	-9%	2 391
Cellphone Allowance		165	172	172	10	73	86	(13)	-15%	172
Housing Allowances		315	349	349	25	149	174	(26)	-15%	349
Other benefits and allowances		4 420	4 639	4 639	433	4 030	2 320	1 711	74%	4 639
Payments in lieu of leave		(243)	1 520	1 520	-	46	760	(714)	-94%	1 520
Long service awards		249	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	1 934	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		69 564	74 911	74 911	6 038	37 596	37 455	142	0%	74 911
% increase	4		7,7%	7,7%						7,7%
Total Parent Municipality		74 745	83 595	83 595	6 651	40 722	41 797	(1 075)	-3%	83 595
Unpaid salary, allowances & benefits in arrears:										
Total Municipal Entities		1	-	-	0	0	-	0	#DIV/0!	-
TOTAL SALARY, ALLOWANCES & BENEFITS		74 746	83 595	83 595	6 651	40 723	41 797	(1 074)	-3%	83 595
% increase	4		11,8%	11,8%						11,8%
TOTAL MANAGERS AND STAFF		71 597	80 239	80 239	6 220	38 738	40 119	(1 381)	-3%	80 239

Section 10 – Material variances to the SDBIP

FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2020/21 includes the following KPA's to be discussed in more detail in Appendix A.

KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens

KPA 2: To Provide adequate Services and improve our public relations

KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks

KPA 4: To Facilitate Economic Growth and Social and Community development

KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation

KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy

KPA 7: To Strive towards a financially sustainable municipality

Section 11– Capital programme performance

EXPENDITURE STATUS 2022/2023 FY (Oct -Dec 2022)								
No.	Grant	Project No	Project Name	Adjustment Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG	285450	Ladismith: Upgrade Water Treatment Works	R 2 440 804,29		R 2 440 804,29	0%	Contractor Appointed
2	MIG	160843	Ladismith: New Waste Water Treatment Works	R 1 074 463,12		R 1 074 463,12	0%	Contractor Appointed
3	MIG	220290	Zoar: New Sport Field Lighting	R 1 193 282,84		R 1 193 282,84	0%	Contractor Appointed
4	MIG	220290	Zoar: New Sport Field Lighting (AFA - Additional Fund Application; project 220290)	R 787 212,75		R 787 212,75	0%	Contractor Appointed
5	MIG		Van Wyksdorp: Upgrade Water treatment Works	R 1 000 000,00		R 1 000 000,00	0%	Consultant Appointed
6	MIG		Van Wyksdorp: Upgrade Sewerage Works	R 1 033 087,00		R 1 033 087,00	0%	Retention
7	MIG		Zoar: Upgrade sewer Works	R 3 000 000,00		R 3 000 000,00	0%	
8	MIG	PMU/041	PMU 2022/23	R 554 150,00	R 324 730,14	R 229 419,86	59%	Not Registered
						R -		
		TOTALS		R 11 083 000,00	R 324 730,14	R 10 758 269,86	2,9%	EXPENDITURE FOR 2022/2023 FY
No.	Grant	Project No	Project Name	Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	EPWP		Temporary Workers appointed	R 1 031 000,00	R 401 233,00	R 629 767,00	39%	
			TOTALS	R 1 031 000,00	R 401 233,00	R 629 767,00	39%	EXPENDITURE FOR 2022/2023 FY

Section 13 – Quality certification

I, **Hendrik Barnard**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter 2**, ending **31 December 2022**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Hendrik Barnard

Signature:

Date:

APPENDIX A: Bank Withdrawals MFMA Section 11(4)

PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts In accordance with Section 11, Sub-section 1 (b) to (j)		
NAME OF MUNICIPALITY:	KANNALAND MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	WC041	
QUARTER ENDED:	Dec-22	
	Amount	Reason for withdrawal
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality</i> bank accounts, and may do so only -	R 0.00	
(b) to defray expenditure authorised in terms of section 26(4);	R 0.00	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	R 0.00	
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	R 0.00	
(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -	R 2 540 602.43	Motor Registration and RTMC transaction fees
(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or	R 0.00	
(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;	R 0.00	
(f) to refund money incorrectly paid into a bank account;	R 0.00	
(g) to refund guarantees, sureties and <i>security</i> deposits;	R 0.00	
(h) for cash management and <i>investment</i> purposes in accordance with section 13;	R 0.00	
(i) to defray increased expenditure in terms of section 31; or	R 0.00	
(j) for such other purposes as may be <i>prescribed</i> .	R 0.00	
(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -	Name and Surname: J BOOYSEN	
(a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and	Rank/Position:	CFO
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	Signature:	
Tel number	Fax number	Email Address
(028) 551 8000	(028) 551 1766	jodene@kannaland.gov.za

APPENDIX B: Cost Containment Measures

ANNEXURE D: Total Cost Savings Disclosure in the In-Year and Annual Report							Quarter 2
Measures	Cost Containment In -Year Report						
	Budget R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000	Savings / (Exceed) R'000	
Use of consultants	R 7 722 000.00	R 1 120 804.51	R 555 165.46	R -	R -	R 6 046 030.03	
Vehicles used for political office-bearers	R -	R -	R -	R -	R -	R -	
Travel and subsistence	R 622 640.00	R 139 072.36	R 66 495.30	R -	R -	R 417 072.34	
Domestic accommodation	R 545 200.00	R 55 760.03	R 50 430.09	R -	R -	R 439 009.88	
Sponsorships, events and catering	R 149 000.00	R 37 301.61	R 8 641.64	R -	R -	R 103 056.75	
Communication	R 1 020 800.00	R 30 067.67	R 150 473.78	R -	R -	R 840 258.55	
Other related expenditure items	R 12 875 653.00	R 2 684 189.71	R 3 143 834.75	R -	R -	R 7 047 628.54	
Total	R22 935 293.00	R4 067 195.89	R 3 975 041.02	R -	R -	R 14 893 056.09	

Cost Containment Annual Report			
Cost Containment Measure	Budget R'000	Total Expenditure R'000	Savings R'000
Use of consultants	R 7 722 000.00	R 1 675 969.97	R 6 046 030.03
Vehicles used for political office-bearers	R -	R -	R -
Travel and subsistence	R 622 640.00	R 205 567.66	R 417 072.34
Domestic accommodation	R 545 200.00	R 106 190.12	R 439 009.88
Sponsorships, events and catering	R 149 000.00	R 45 943.25	R 103 056.75
Communication	R 1 020 800.00	R 180 541.45	R 840 258.55
Other related expenditure items	R 12 875 653.00	R 5 828 024.46	R 7 047 628.54
Total	R 22 935 293.00	R 8 042 236.91	R 14 893 056.09

Allowances & Overtime	Relates to the quarter (Q2) under review				
	Annual Budget	Q2 Budget	Actual	(Exceeded Budget) / Within Budget	YTD: (Exceeded Budget) / Saving
Telephone Allowance	R 171 720.00	R 42 930.00	R 32 400.00	R 10 530.00	R 12 760.00
Vehicle Allowance	R 2 390 720.00	R 597 680.00	R 528 214.95	R 69 465.05	R 105 148.88
Acting Allowance	R 1 189 057.00	R 297 264.25	R 1 353 355.18	-R 1 056 090.93	-R 1 831 876.38
Standby Allowance	R 2 487 835.00	R 621 958.75	R 792 942.37	-R 170 983.62	-R 374 496.97
Leave Payout	R 1 519 830.00	R 379 957.50	R 38 413.62	R 341 543.88	R 714 162.08
Overtime	R 1 954 181.00	R 488 545.25	R 659 039.43	-R 170 494.18	-R 273 662.16
Contracted Services	R 13 449 030.00	R 3 362 257.50	R -	R 3 362 257.50	R 5 440 995.11
Interest - Overdue Accounts	R -	R -	R -	R -	R -
Petrol & Diesel	R 1 671 770.00	R 417 942.50	R -	R 417 942.50	R 408 126.99
Entertainment	R 80 000.00	R 20 000.00	R 8 641.64	R 11 358.36	R 22 335.02
Travel and Subsistence	R 1 127 840.00	R 281 960.00	R 116 925.39	R 165 034.61	R 252 162.22
Total	R 26 041 983.00	R 6 510 495.75	R 3 529 932.58	R 2 980 563.17	R 4 475 654.79

Allowances & Overtime	Annual Budget	Q1 Budget	Actual	YTD (Exceeded Budget) / Within Budget	Total: (Exceeded Budget) / Saving
Telephone Allowance	R 171 720.00	R 42 930.00	R 40 700.00	R 2 230.00	R 131 020.00
Vehicle Allowance	R 2 390 720.00	R 597 680.00	R 561 996.17	R 35 683.83	R 1 828 723.83
Acting Allowance	R 1 189 057.00	R 297 264.25	R 1 073 049.70	-R 775 785.45	R 116 007.30
Standby Allowance	R 2 487 835.00	R 621 958.75	R 825 472.10	-R 203 513.35	R 1 662 362.90
Leave Payout	R 1 519 830.00	R 379 957.50	R 7 339.30	R 372 618.20	R 1 512 490.70
Overtime	R 1 954 181.00	R 488 545.25	R 591 713.23	-R 103 167.98	R 1 362 467.77
Contracted Services	R 13 449 030.00	R 3 362 257.50	R 1 283 519.89	R 2 078 737.61	R 12 165 510.11
Interest - Overdue Accounts	R -	R -	R -	R -	R -
Petrol & Diesel	R 1 671 770.00	R 417 942.50	R 427 758.01	-R 9 815.51	R 1 244 011.99
Entertainment	R 80 000.00	R 20 000.00	R 9 023.34	R 10 976.66	R 70 976.66
Travel and Subsistence	R 1 127 840.00	R 281 960.00	R 194 832.39	R 87 127.61	R 933 007.61
Total	R 26 041 983.00	R 6 510 495.75	R 5 015 404.13	R 1 495 091.62	R 21 026 578.87

The incorrect recognition of expenditure when incurred might have an impact on this item.

APPENDIX C: Implementation of the SCM Policy

APPENDIX D: Funding Plan



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Budget Funding Implementation Schedule

24-Jan-23	Activity	Activity Detail	Status	Due Date	Comments / Reasons / remedial action	Alternative Date
Improved Monthly Collection Rate	Meter verification, TID & data collection project	Start processes for meter verification, TID & data collection project - Specs for tender	Target Missed	14-Jun-22	The revenue department is busy with the drafting of the specifications. Delays were caused by feedback and AFS & YE processes. Needs consultation with the technical dept and no Elec manager.	30-Nov-22
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Target Missed	12-Aug-22	Specifications delayed.	30-Nov-22
	Meter verification, TID & data collection project	Phase I - To be specified during specs evaluation/assessment	Target Missed	31-Oct-22		
	Meter verification, TID & data collection project	Phase II - To be specified during specs evaluation/assessment	Target Missed	31-Dec-22		
	Meter verification, TID & data collection project	Phase III - To be specified during specs evaluation/assessment	Not Due	31-Mar-23		
	Tender for issuing of summonses to be awarded	Referred back to evaluation for clarity on pricing	Target Missed	31-Jul-22	Specifications to be amended Tender to be readvertised	30-Nov-22
	Bulk SMS's - Credit Control / Check with SAMRAS credit control module	SMS's can be done internally (part of FMG support Plan)	Target achieved	31-Aug-22	SMS's now Departmentally managed	30-Nov-22
	SAMRAS - Credit Control Module activate and support	Dependent availability of SAMRAS (part of FMG support Plan)	Target Missed	30-Sep-22	To be discussed with SOLVEM - delay year end and audit	
	Implement auxiliary services	Needs debtor cleansing before can be truly effective	Target Missed	31-Oct-22		
	Exception reporting - Improved	System in place to ensure technical department address issues escalated	Target Missed	01-Aug-22	In progress	30-Nov-22
	Action against biggest Debtors	Dependent on summons processes (can start with notices to be issued & addressing disputes)	Target Missed	31-Aug-22	IN progress Notices rest out departmentally Tender to be readvertised	30-Nov-22
	Strengthen internal capacity	Appointment Customer Care Clerk	Target achieved	01-Jun-22	Clerk appointed	
	Strengthen internal capacity	Appointment Accountant - Debtors	Target Missed	01-Aug-22	Position advertised - applications received not satisfactory -	30-Nov-22
	Adding additional pay-points / Indigent registration	WVD - (tools of trade to be issued)	Target Missed	01-Jul-22	Equipment obtained - Process in progress	30-Nov-22
	Adding additional - Indigent registration (temporarily - Maxi Hall)	Zoar (tools of trade to be issued)	Target achieved	01-Jul-22	Library being used	30-Nov-22
Adding additional - Indigent registration (temporarily - Bergsig Library)	Czd (tools of trade to be issued)	Target Missed	01-Jul-22	Equipment obtained - Process in progress	30-Nov-22	

Improved Accuracy in Billing	Reconciliations	Rates / billing recon - quarterly (being done to ensure billing completeness) -Addressing Reconciliation differences (in place)	Target achieved	01-Jul-22		
	Water & Electricity Meters to be recorded correctly on the system	Uniformity in capturing and data cleansing through verification project - SOP's to be put in place and actual corrections to correlate with verification process	Target Missed	31-Dec-22		
	Stakeholder Communication	System in place to communicate and follow progress on replacement and installing of meters. Connecting of new services to a property. (Role clarification building control, technical & billing)	Target Missed	31-Aug-22		30-Nov-22
	Stakeholder Communication	Communication campaign - methods of payment, accounts to be emailed, accounts available online - communicate to the public	Target Missed	30-Sep-22	Not possible - Communication Officer on special leave	30-Nov-22
	Management of Bulk Services	Calibrate and monitor bulk meters (Control meters and annual calibration part of technical maintenance plan)	Target Missed	31-Dec-22		
Other Revenue	Rental Contracts	Ensure that there are rental contracts for all properties on the rent-register	Target Missed	31-Aug-22	Not possible - responsible employee on special leave	31-Dec-22
	Rental Income	Enhance rental income for municipal properties like community facilities & equipment	Target Missed	31-Dec-22		
	Rental Income	Rental income all municipal properties and market related where applicable	Target Missed	31-Dec-22		
	Traffic Department	Procurement process- vendor to be appointed for speed cameras	Target Missed	30-Sep-22	In progress - revised tender specifications finalized	30-Nov-22
	Traffic Department	Address traffic department leadership and structuring - Head of department to be appointed	Target Missed	31-Dec-22		
	Traffic Department	Address traffic department revenue shortfall - increased spot fines, licenses, roadworthy etc. - address inefficiencies - report progress	Target Missed	30-Sep-22	In progress - Director Corporate Services communicated with	
	Traffic Department	Arrange session with business sector - trucking, earthmoving etc. bringing business back to Kannaland (more than a 100 trucks in Lds alone)	Target Missed	01-Jul-22	Chief Traffic Officer resigned	30-Nov-22
Cost Containment Measures	Human Resources	Implement a performance management system (consequence management + improvement discipline)	Target Missed	31-Oct-22		
	Human Resources	HR policies to be reviewed and aligned with the cost containment measures + workshopped	Target Missed	31-Jul-22		30-Nov-22
	Human Resources	Phased in approach to cost cutting measures - address allowances, standby, overtime etc.	Target Missed	31-Dec-22	Overtime addressed / S&T addressed / standby in progress	30-Nov-22
	Human Resources	Completeness HR records (leave, sick leave and employee Masterfile information)	Target Missed	31-Aug-22		30-Nov-22
	Human Resources	Compliance with Staff regulations and address structure inefficiencies + organogram payroll recon. Appointments to be prioritised and "need" justified	Target Missed	31-Dec-22	In progress	
	Contract Management	Approve a Contract Management Policy & Checklist for vendor performance management and need analysis before appointing	Target Missed	01-Jul-22	Delayed as a result of personnel shortages	30-Nov-22

Liability Management	Creditors	Compliance with section 65 of the MFMA. Recognition of expenditure when incurred. Sub-system to be used and reconciled	Target Missed	31-Aug-22	In progress - instruction issued	
	Budgeting	Weekly cash flow monitoring	Achieved	31-May-22		
	Budgeting	Establish Budget Steering Committee (budget implementation & grant management monitoring)	Target Missed	31-Jul-22	Terms of reference completed- To be referred to Council	30-Nov-22
	Liabilities	Clearing and dealing with old grants on grant register	Target Missed	31-Aug-22	Waiting for 2021/2022 audit to be finalized	30-Nov-22
	Liabilities	Improved grant & retention management - address PMU inefficiencies and administrative responsibilities clarified	Target Missed	31-Jul-22	Delayed as a result of personnel shortages	30-Nov-22
Other Measures	Water & Electricity Losses	Isolating high loss and fix (water) / exception reporting & monitoring of use	Target Missed	31-Jul-22	Partly achieved - Zoar water meter replaced	30-Nov-22
	Water & Electricity Losses	Pre-Paid water meters first Indigent households as policy dictate - linked to verification project	Target Missed	31-Dec-22		
	Water & Electricity Losses	Identify and consolidate Eskom service points (reduce monthly account)	Target Missed	31-Dec-22		
	Asset Management	Improved fleet management - Policy implementation, monitoring of fuel use & monthly reporting	Target achieved	31-Jul-22	Fuel consumption being monitored	
	Asset Management	Identify uneconomical assets and manage / decide future use options or dispose	Target Missed	31-Aug-22	Process in progress	30-Nov-22
	Asset Management	Identify indicators of impairment - assess / evaluate cause - adjust and / or take preventive actions (continuous process) - put maintenance plans in place	Target Missed	31-Aug-22		
	Asset Management	Develop a R&M plan / strategy	Target Missed	31-Oct-22		
	Employee Related Costs	Fill critical vacancies - "justifiable needs assessment" first. Revenue generating / protecting in nature - prioritise	Target Missed	31-Dec-22		
	Employee Related Costs	Expense to be managed and restore ratio to maximum of 35-38% of expenditure budget and if unfunded expressed as in terms of revenue	Target Missed	31-Dec-22		