



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT

Section 72 MFMA – 2022 / 2023



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.

LEGISLATIVE REQUIREMENT

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act Nr. 56 of 2003 (MFMA)

MFMA - Section 72: Mid-Year Budget and Performance Assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—

- (a) assess the performance of the municipality during the first half of the financial year, taking into account -
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (b) submit a report on such assessment to -
 - (i) the mayor of the municipality;
 - (ii) the National Treasury; and
 - (iii) the relevant provincial treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

(3) The accounting officer must, as part of the review -

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

MFMA - Section 54: Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must -

- (a) consider the statement or report;
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) issue any appropriate instructions to the accounting officer to ensure -

- (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
 - (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
 - (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must -
- (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include -
 - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) the tabling of an adjustments budget; or
 - (iii) steps in terms of Chapter 13; and
 - (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Municipal Budget and Reporting Regulations (2009)

Section 33: Format of a mid-year budget and performance assessment

A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in a format specified in Schedule C and include all the required tables, charts, and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

Section 34: Publication of mid-year budget and performance assessments

- (1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.
- (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including -
 - (a) summaries in alternate languages predominant in the community, and
 - (b) information relevant to each ward in the municipality.

Section 35: Submission of mid-year budget and performance assessments

The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form –

- (a) the mid-year budget and performance assessment by 25 January of each year; and
- (b) any other information relating to the mid-year budget and performance assessments as may be required by the National Treasury.

PART 1: IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 Challenges and Remedial Action – 2021/22 Audit

The audit outcome of the municipality regressed during the 2021/2022 financial year from a qualified to a disclaimed audit opinion.

The municipality has drafted an audit action plan and the Accounting Officer is committed to address prior audit findings as recommended by the AGSA. The municipality will strengthen its internal monitoring by assessing the lack and effectiveness of internal controls, on a frequent basis to ensure sustainable clean administration. Any issues and or remedial actions to be raised in the Oversight Report will be addressed, actioned, and closely monitored.

Financial Management Challenges:

- ↪ Adoption of an unfunded budget;
- ↪ Effectiveness of internal audit and risk management;
- ↪ Limited revenue and financial resources;
- ↪ Poorly maintained assets (vehicles, roads, and other infrastructure);
- ↪ Lack of skills and capacity to facilitate compliance with the Municipal Minimum Competency Framework; and
- ↪ Slow spending on conditional grant funded infrastructure projects.

Other Organisational Challenges:

Service Area	Challenge
Infrastructure, Water, Roads, Sanitation, Electrical	Inadequate funding (own funding)
	Large number of faulty water meters. Users only pay for basic services until meters are replaced that leads to financial loss
	Roads - Grant funding not adequate to maintain and upgrade roads
	Electricity - maintaining and managing electricity losses due to aging networks
	Water - availability of water, especially in the hot and dry summer months
	Non-compliant landfill sites. No funding is available to comply with requirements
	Slow spending on capital projects -leading to rollovers and loss of funding
Law enforcement	Illegal connections and tampering with meters. Law enforcement is not functional year and no applicable by laws
Fleet Management	Limited and aged fleet available in all service delivery departments
Human Settlements	Challenges exist with regard to the capacity of bulk infrastructure services resulting in significant increases in housing waiting lists
	Incorrect title deeds
	High demand for low cost and GAP housing
Workforce	Attracting suitable qualified personnel in key functions
	Deviating from HR processes and lack of policy implementation
	Occupational Health and Safety and Wellness programmes not fully operational

Remedial Action

The Budget Funding Plan and Audit Action Plan will be implemented and monitored to ensure credible and sound financial management. Internal controls will be strengthened, and cash flow monitoring will take place on a weekly basis to ensure expenditure will be limited and prioritised to services delivery related activities.

1.3 Impact of the National and Provincial Adjusts Budget

During the Medium-Term Budget Policy Statement. Finance Minister Enoch Godongwana stated that Municipalities shape the living conditions of our people and should ensure that people have access to clean drinking water, energy, housing, and sanitation. Yet several municipalities are dysfunctional, experiencing, either financial or leadership crisis, reflected in a general inability to deliver services. The impact of the national adjustments budget had no significant impact on Kannaland Municipality.

The finance minister however continuous to express his concerns about the 43 distressed municipalities. Kannaland Municipality was identified as one of the municipalities in financial distress and in terms of the commitment made, can expect support in ensuring that problems in the municipality are dealt with in a more sustainable manner that is aligned with national government's commitment to ensuring sound fiscal management and greater fiscal responsibility in the local government sphere.

1.4 Budget Implementation

The implementation of the municipality's budget in accordance with the SDBIP will be dealt with in more detail within this report. Budget implementation can however 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%

Operating Revenue

The year-to-date operating revenue realised 14% below the forecasted amount. The before-mention under-performance can be contributed to the cyclical nature of the economy and the impact of straight-line budgeting.

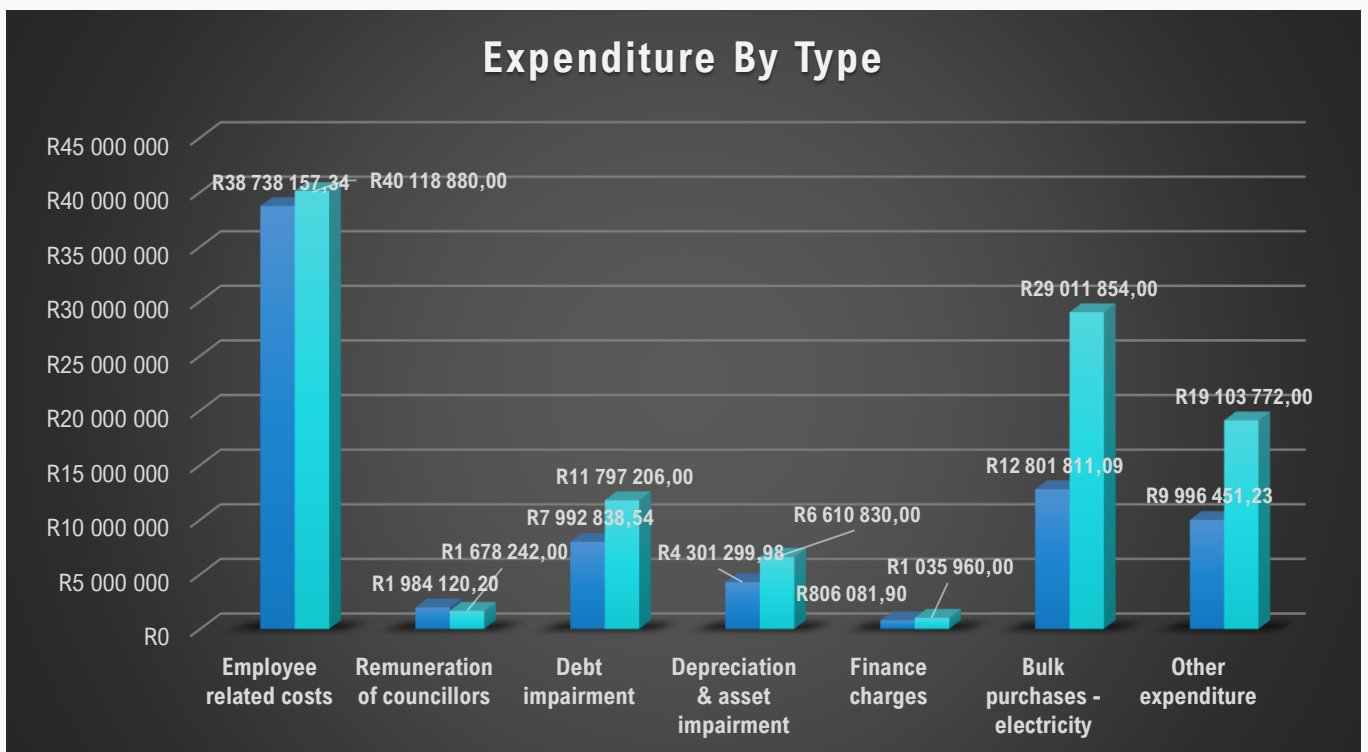
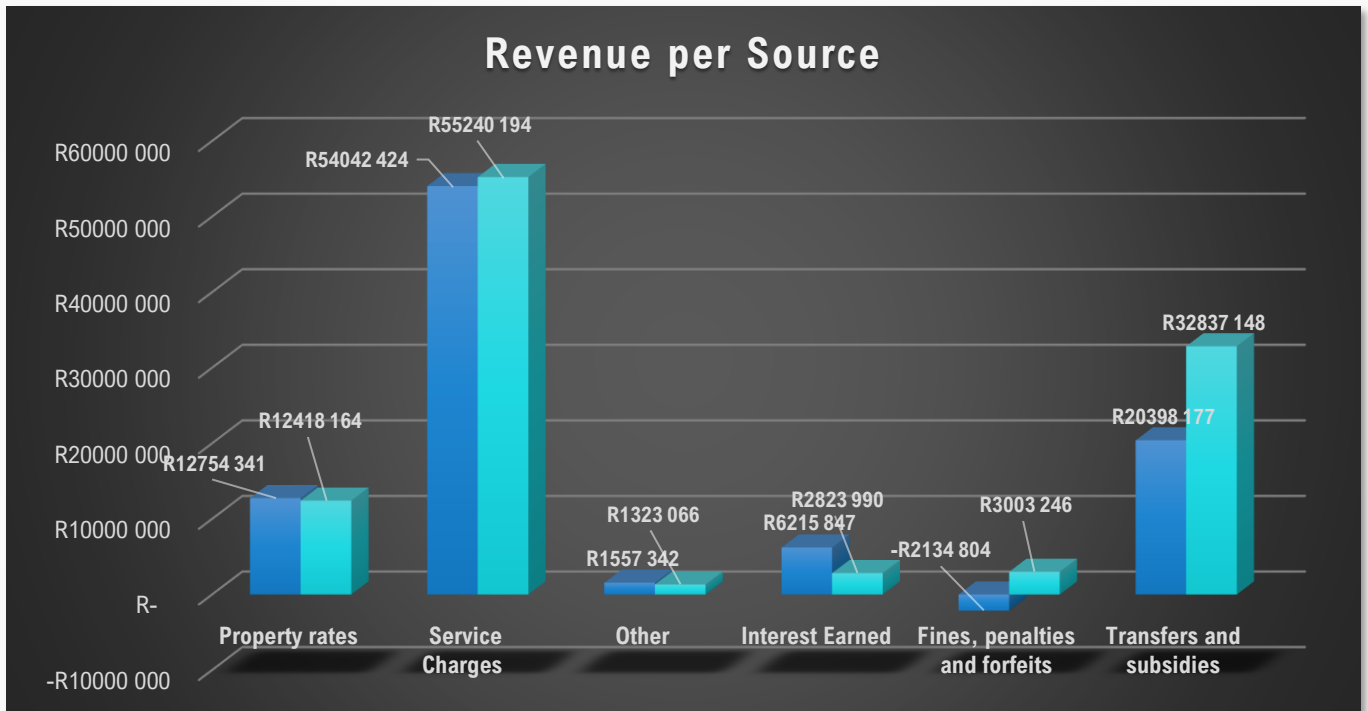
Operating expenditure

Operating expenditure realised 30% below the forecasted amount. Expenditure was only incurred in terms of revenue and the municipality has reduced expenditure to only the necessities without compromising service delivery. It should be noted that the creditors sub-system is not currently in use and that causes a delay in the recognition of expenditure. The municipality is in the process of addressing the issue as it caused an actual understatement actual expenditure on a year-to-date basis.

Capital Expenditure

The municipality's capital budget is mainly funded from conditional grants and remedial action will be necessary to ensure that no funding will be forfeited. There was no capital expenditure for grant funded projects for the period under review.

Actual Revenue vs YTD Budgeted Revenue



1.5 Adjustments Budget

Considering allocation changes that will be needed, the impact of straight-line budgeting, revenue in general is realising other than *Fines, Penalties & Forfeits* that needs to be revised significantly lower. *Interest Earned* and *Other Revenue* will need to be adjusted upwards.

Expenditure is difficult to assess due to the lack of recognition when incurred and with it only being recognised once paid. The main expenditure items that will need adjustment will include Debt Impairment (increased and actual is more than recognised) and potentially *Bulk Purchases*, once the impact of load-shedding is properly assessed.

The capital budget will not be adjusted.

Based on the Mid-year Performance Assessment and in terms of section 28 of the MFMA, it is thus recommended that the municipality revise the budget during February 2023 to account for corrections needed to revenue and expenditure items. In addition to the necessary adjustment, the municipality will have to revise the budget funding plan that is not effectively being implemented and has lost credibility.

Liquidity remains a constant threat that needs to be managed with care. All of the beforementioned poses a risk to sustainable service delivery and the ability to contribute to economic growth.

Section 2 – Resolutions

Recommendation:

That the council takes cognisance of the Mid-Year Budget and Performance Assessment Report in terms as presented in terms of section 72 of the MFMA.

Section 3 – Executive Summary

3.1 Introduction

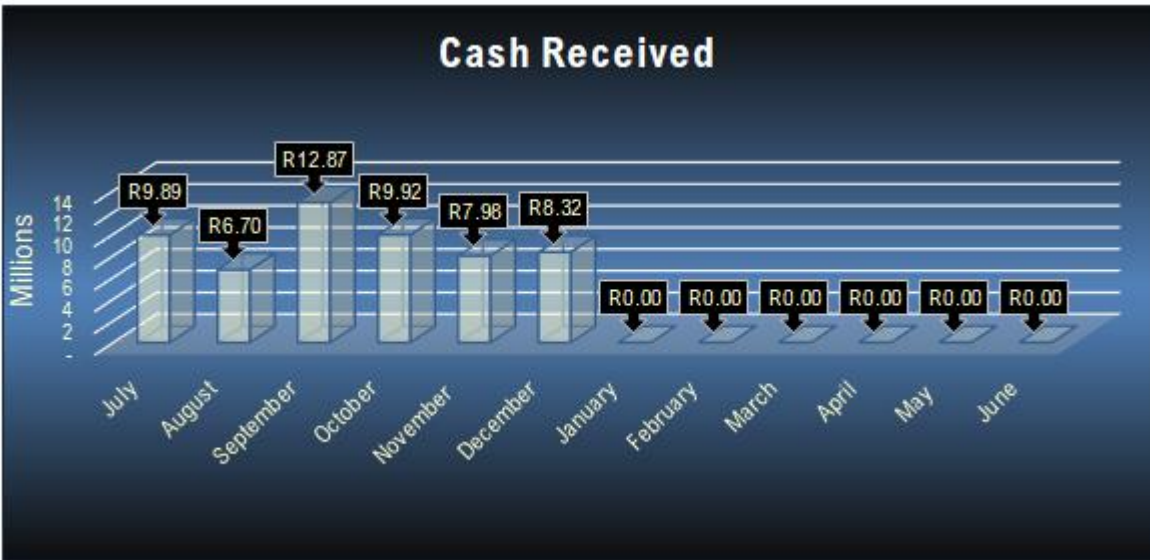
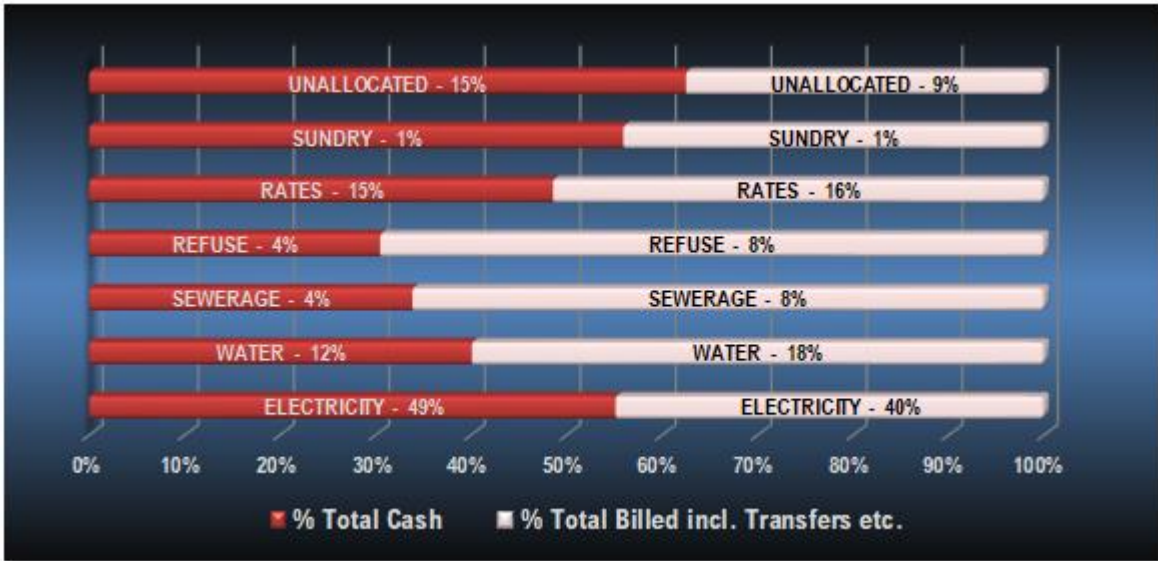
The Mid-year Assessment has been prepared in terms of the Municipal Budget and Reporting Regulations in the prescribed format. It is used as a management tool to assess the municipality's performance and financial position against the approved budget by analysing trends and patterns during the first half of the financial year, with a view of giving effect to the Mayor and Council's oversight role and to recommend the need for an adjustment budget as envisaged by the Municipal Finance Management Act.

3.2 Consolidated Performance

WC041 Kannaland - Supporting Table SC2 Monthly Budget Statement - performance indicators - Mid-Year Assessment							
Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.0%	7.0%	7.0%	1.1%	2.5%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		12.1%	-4.7%	-5.2%	-57856.8%	-5.2%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	-202.4%	-202.4%	0.0%	-202.4%
Liquidity							
Current Ratio	Current assets/current liabilities	1	-30.3%	3205.9%	2139.9%	242.5%	2139.9%
Liquidity Ratio	Monetary Assets/Current Liabilities		77.2%	-462.3%	-265.5%	168.5%	-265.5%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		-25.4%	-35.7%	-35.7%	11.1%	-35.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))			Municipality is non-compliant			
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2		10.0%		13.3%	
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2		25.0%		33.4%	
Employee costs	Employee costs/Total Revenue - capital revenue		40.1%	41.6%	41.6%	41.7%	41.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		11.7%	7.9%	7.9%	0.9%	2.8%

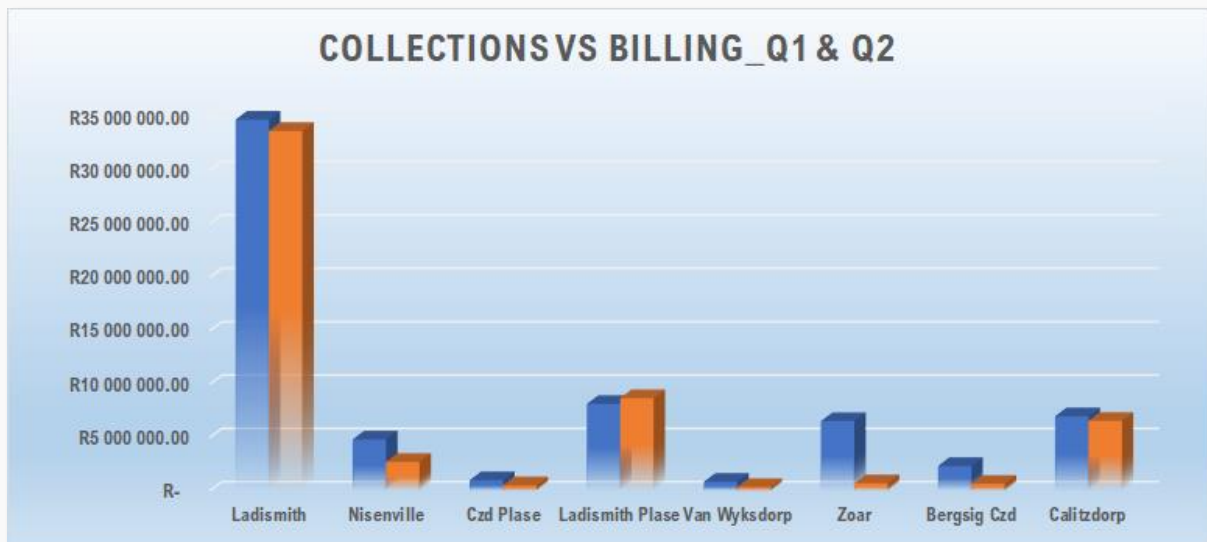
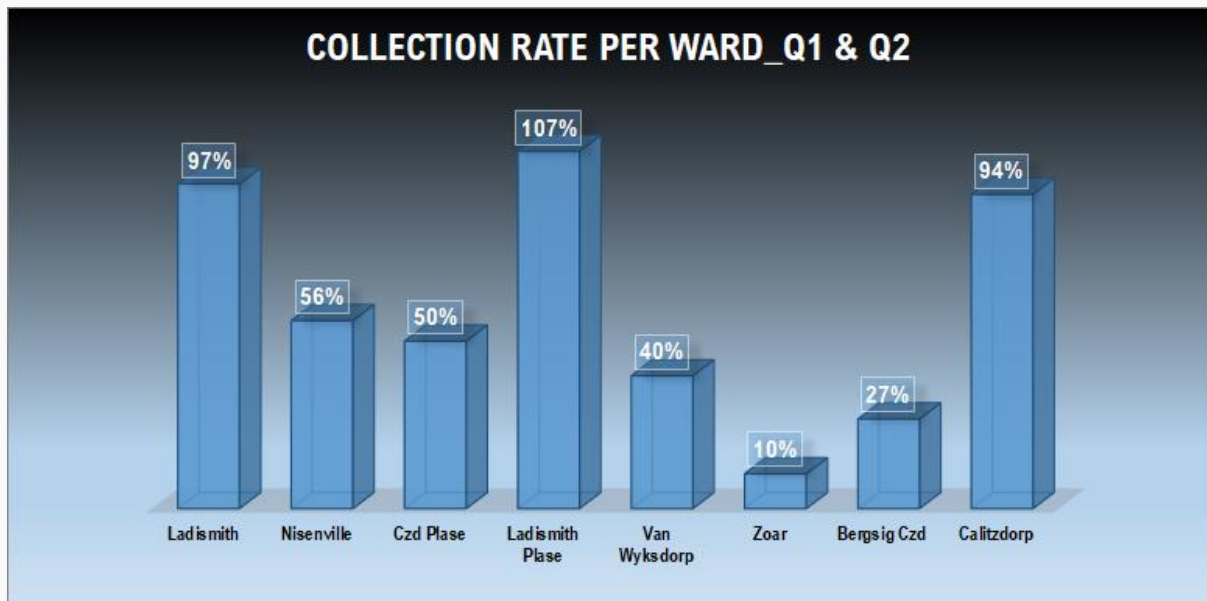
3.3 Payment Percentage

2022/23	Financial Year	Collection Rate YTD	Collection Rate Mnthly	Period	Mnth	Cash Received	Billing Incl Vat & Corrections	Annualised Cash Received	Annualised Billing	Cash %	Debt Write-OFF
Monthly Activity & Reconciliation		84.3%	84.3%	M01	July	R 9 893 854	R 11 741 270	R 9 893 854	R 11 741 270	17.77%	
		70.6%	56.9%	M02	August	R 6 696 778	R 11 773 001	R 16 590 633	R 23 514 271	12.03%	
		81.1%	100.4%	M03	September	R 12 873 587	R 12 821 122	R 29 464 219	R 36 335 393	23.12%	
		84.1%	94.5%	M04	October	R 9 917 471	R 10 494 510	R 39 381 690	R 46 829 903	17.81%	
		82.1%	73.6%	M05	November	R 7 980 307	R 10 845 059	R 47 361 997	R 57 674 962	14.33%	
		81.6%	78.7%	M06	December	R 8 322 085	R 10 579 035	R 55 684 082	R 68 253 997	14.95%	
		81.6%		M07	January	R -	R -	R 55 684 082	R 68 253 997	0.00%	
		81.6%		M08	February	R -	R -	R 55 684 082	R 68 253 997	0.00%	
		81.6%		M09	March	R -	R -	R 55 684 082	R 68 253 997	0.00%	
		81.6%		M10	April	R -	R -	R 55 684 082	R 68 253 997	0.00%	
		81.6%		M11	May	R -	R -	R 55 684 082	R 68 253 997	0.00%	
		81.6%		M12	June	R -	R -	R 55 684 082	R 68 253 997	0.00%	
	Year Totals	81.6%				R 55 684 082	R 68 253 997	R 55 684 082	R 68 253 997		R -
Collection % in respect of month billed				Period	ELECTRICITY	WATER	SEWERAGE	REFUSE	RATES	SUNDRY	UNALLOCATED
				M01	R 4 064 403	R 1 026 884	R 336 545	R 318 279	R 1 163 434	R 158 473	R 2 825 836
				M02	R 3 326 866	R 741 756	R 374 887	R 347 404	R 1 351 270	R 61 208	R 493 386
				M03	R 5 082 953	R 1 123 875	R 386 766	R 347 496	R 2 050 641	R 49 673	R 3 832 182
				M04	R 6 369 864	R 1 240 295	R 360 414	R 309 579	R 1 252 167	R 111 016	R 274 135
				M05	R 4 063 123	R 1 264 776	R 462 949	R 411 619	R 1 499 586	R 36 241	R 242 013
				M06	R 4 183 840	R 1 154 651	R 380 375	R 324 311	R 1 292 697	R 96 730	R 889 481
				M07	R -	R -	R -	R -	R -	R -	R -
				M08	R -	R -	R -	R -	R -	R -	R -
				M09	R -	R -	R -	R -	R -	R -	R -
				M10	R -	R -	R -	R -	R -	R -	R -
				M11	R -	R -	R -	R -	R -	R -	R -
				M12	R -	R -	R -	R -	R -	R -	R -
				Collection YTD	100%	55%	42%	36%	77%	104%	



The **current collection rate** is at **79%** and this is not aligned with the **budget assumption** being based on an **85%** average collection rate. Improved credit control will be needed with a revision of debt impairment as indicated above.

Collection rate per ward:



It should be noted that Ladismith farms included a few significant sales transactions that caused significant recoveries in arrears, relating to the issuing of clearance certificates.

The collection rate is negatively impacted in the more impoverished wards by the lack of indigent registrations. The impact is significant with the municipality understating the true cost of subsidized services significantly.

Section 4 – In-Year Budget Tables

TABLE C1 – MID-YEAR BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment									
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)	-	-	-	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

TABLE C2 – MID-YEAR FINANCIAL PERFORMANCE (FUNCTIONAL CLASSIFICATION)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment										
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 - 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 – MID-YEAR FINANCIAL PERFORMANCE (MUNICIPAL VOTE)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year										
Vote Description	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										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		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	1									
Vote 1 - MUNICIPAL MANAGER		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)

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TABLE C4 – MID-YEAR FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment										
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 Corporators, 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)
<i>References</i>										
1. Material variances to be explained on Table SC1										

TABLE C5 – MID-YEAR ASSESSMENT CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment										
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
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
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
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	-	-	-	-	-	-	-	-
Transfers recognised - capital		19 138	10 529	10 529	-	-	5 264	(5 264)	-100%	10 529
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

TABLE C6 – MID-YEAR FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment						
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 – MID-YEAR CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment										
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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		15 132	20 366	20 366	275	2 594	10 183	(7 590)	-75%	20 366
Service charges		74 810	100 478	100 378	5 761	38 499	50 189	(11 690)	-23%	100 378
Other revenue		1 343	10 583	10 583	452	1 140	5 291	(4 151)	-78%	10 583
Transfers and Subsidies - Operational		31 684	43 164	43 164	6 174	29 596	29 896	(300)	-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)	(2 111)	(18 881)	(113 394)	(94 513)	83%	(226 787)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		243 197	(38 004)	(38 104)	10 551	58 848	(10 738)	(69 586)	648%	(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)	10 578	58 909	(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)			58 909			(62 823)

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PART 2: SUPPORTING DOCUMENTATION

Section 5 – Debtor’s Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment													
Description	NT Code	Budget Year 2022/23										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	Total over 90 days		
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 Debtbr 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	–	–

Section 6 – Creditor’s Analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment										
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 creditors have shown increase in the total from the beginning of the year, the total amount owed is R75.39 million, which represents 8% increase from the first quarter reported figures.

Section 7 – Investment Portfolio Analysis

The municipality has no investments to declare.

Section 8 – Allocation of Grant Receipts & Expenditure

Transfers and Grant Receipts 2022/ 2023							
	Original Budget	Roll-over (Approved)	Adjustment Budget	Total Received	Total Spent	Unspent	ROLLOVERS
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	R43 524,21	
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 166 010,44	
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 459 683,93	

Section 9 – Mid-Year Councillor & Staff Expenditure

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment										
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 – Mid-Year Monthly Actuals & Revised Targets - Cash

WC041 Kannaland - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid-Year Assessment											
Description	Ref	Budget Year 2022/23						2022/23		2021/22	
		July	August	Sept	October	Nov	Dec	Medium Term Budget Year 2022/23	Budget Year 21 2021/22	Budget Year 22 2021/22	
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome				
Cash Receipts By Source											
Property rates		(947)	(321)	(358)	(328)	(365)	(275)	20 366	(275)	(2 594)	
Service charges - electricity revenue		(3 210)	(5 149)	(6 334)	(4 047)	(4 618)	(3 955)	73 434	(3 955)	(27 312)	
Service charges - water revenue		(676)	(1 185)	(1 211)	(1 182)	(1 282)	(1 040)	16 087	(1 040)	(6 575)	
Service charges - sanitation revenue		(354)	(408)	(409)	(432)	(468)	(413)	5 715	(413)	(2 484)	
Service charges - refuse		(321)	(361)	(356)	(351)	(385)	(354)	5 141	(354)	(2 128)	
Service charges - other		-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		(0)	(3)	(1)	(4)	(3)	(1)	407	(1)	(11)	
Interest earned - external investments		-	-	-	-	-	-	-	-	-	
Interest earned - outstanding debtors		-	-	(0)	(0)	(0)	-	3 664	-	(0)	
Dividends received		-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		(6)	(0)	(0)	(3)	(0)	-	7 507	-	(10)	
Licences and permits		(14)	(13)	(16)	(18)	(13)	(13)	364	(13)	(88)	
Agency services		-	-	-	-	-	-	1 200	-	-	
Transfer receipts - operating		(15 750)	(5 499)	(220)	(1 379)	(574)	(6 174)	43 164	(6 174)	(29 596)	
Other revenue		(163)	(91)	(156)	(108)	(76)	(438)	1 105	(438)	(1 031)	
Cash Receipts by Source		(21 440)	(13 029)	(9 061)	(7 853)	(7 784)	(12 661)	178 155	(12 661)	(71 829)	
Other Cash Flows by Source											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(2 967)	(2 932)	(0)	-	-	-	10 529	-	(5 899)	
Short term loans		(58)	(58)	(59)	(41)	-	-	(648)	-	(216)	
Increase (decrease) in consumer deposits		0	9	12	6	6	27	1 119	27	61	
Total Cash Receipts by Source		(24 464)	(16 011)	(9 108)	(7 888)	(7 778)	(12 634)	189 154	(12 634)	(77 883)	
Cash Payments by Type											
Employee related costs		87	(2)	(1)	(1)	-	(0)	95 918	(0)	82	
Remuneration of councillors		-	-	-	-	-	-	-	-	-	
Interest paid		(19)	(18)	(20)	(20)	(20)	(21)	-	(21)	(118)	
Bulk purchases - Electricity		11 962	6 831	584	1 417	2 538	-	58 024	-	23 333	
Acquisitions - water & other inventory		1	62	367	92	634	297	5 071	297	1 454	
Contracted services		87	116	1 312	476	1 080	300	24 828	300	3 371	
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other		(16 530)	3 188	992	985	492	1 514	42 947	1 514	(9 359)	
General expenses		-	-	-	-	-	-	-	-	-	
Cash Payments by Type		(4 411)	10 177	3 233	2 950	4 724	2 089	226 787	2 089	18 763	
Other Cash Flows/Payments by Type											
Capital assets		-	-	-	-	-	-	25 838	-	-	
Repayment of borrowing		-	-	-	-	-	-	720	-	-	
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	
Total Cash Payments by Type		(4 411)	10 177	3 233	2 950	4 724	2 089	253 345	2 089	18 763	
NET INCREASE/(DECREASE) IN CASH HELD											
Cash/cash equivalents at the month/year beginning:		(20 054)	(26 187)	(12 342)	(10 838)	(12 502)	(14 724)	(64 191)	(14 724)	(96 646)	
Cash/cash equivalents at the month/year end:		(20 054)	(46 241)	(58 583)	(69 420)	(81 922)	(96 646)	(64 191)	(78 914)	(175 560)	

This municipality is still experiencing cash flow budgeting errors that needs to be corrected.

Section 11 – Material Variances from the SDBIP

WC041 Kannaland - Supporting Table SC1 Material variance explanations - Mid-Year Assessment				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Service charges - sanitation revenue	10%	Lower than anticipated indigent registrations less free basic services to be off-set against revenue	Adjust the budget awards but in consideration of Indigent management
	Service charges - refuse revenue	18%		
	Rental of facilities and equipment	-16%	No consideration of contract escalations - cyclical	Re-evaluate rental contracts and adjust accordingly
	Interest earned - external investments	26%	Cyclical nature was ignored during the budget - grants call account	Consider cyclical nature and see if adjustment will be necessary
	Interest earned - outstanding debtors	-99%	Incorrectly allocated	Correct allocation and establish if adjustment will be needed
	Fines, penalties and forfeits	-22%	Incorrectly allocated - revenue will not realise	Needs to adjusted downwards
	Licences and permits	-55%	Cyclical in nature and delay in recognition	Consider impact of reasons and adjust accordingly
	Transfers and subsidies	-26%	Cyclical in nature - ignored in straight-line budget & grants reverting back	To be adjusted according to allocations that will realise
	Other revenue	-49%	Cyclical in nature - ignored in straight-line budget	To be adjusted accordingly
2	Expenditure By Type			
	Employee related costs	9%	To be considered with identified and budget critical vacancies not yet filled	Consider for adjustment as all indications are that it will exceed the budget
	Debt impairment	273%	A debt write-off that was intended for 2020/21 took place in 2021/22	An off-set to be accounted for under gains & losses
	Depreciation & asset impairment	-17%	Not accounted for and will realise in terms of budget	Account for depreciation timeously
	Finance charges	-36%	Budget inadequate	Adjust budget and pay creditors (Eskom) within 30 days
	Bulk purchases - electricity	-64%	Budget inadequate	Adjust budget to account for service accounts and recognise exp when incurred
	Inventory consumed	-39%	Impossible to assess	Recognise expenditure when incurred and not only when paid
	Contracted services	-45%	Impossible to assess	Recognise expenditure when incurred and not only when paid
	Transfers and subsidies	-100%	Transfers to tourism not paid	Reconsider budget and contractual obligations
	Other expenditure	-25%	Impossible to assess	Recognise expenditure when incurred and not only when paid
3	Capital Expenditure			
		-28%	Cyclical in nature and delay in recognition	Adjust budget to consider cyclical nature of expenditure and recognise when incurred
4	Financial Position			
			Municipality struggling with balance sheet budgeting	Address mSCOA budgeting related issues
5	Cash Flow			
			Municipality struggling with cash flow budgeting & revise assumptions with budget funding plan not being implemented	Address mSCOA budgeting related issues
6	Measureable performance			
			See attached performance against top level SDBIP	

Section 12 – Material Variances from the SDBIP

WC041 Kannaland - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Mid-Year Assessment									
Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	-	1 387	1 003	-	-	1 003	-	0.0%	0%
August	1 453	1 602	1 428	7	7	2 431	2 424	99.7%	0%
September	802	1 077	1 003	-	7	3 435	3 428	99.8%	0%
October	2 338	1 177	1 103	-	7	4 538	4 531	99.8%	0%
November	696	1 302	1 328	17	24	5 866	5 842	99.6%	0%
December	4 280	977	1 003	852	877	6 869	5 993	87.2%	7%
January	175	977	1 003	-	877	7 873	6 996	88.9%	7%
February	185	907	1 033	-	877	8 906	8 029	90.2%	7%
March	1 190	877	1 003	-	877	9 909	9 033	91.2%	7%
April	72	877	1 003	-	877	10 912	10 036	92.0%	7%
May	589	877	1 003	-	877	11 916	11 039	92.6%	7%
June	2 273	877	1 003	-	877	12 919	12 042	93.2%	7%
Total Capital expenditure	14 052	12 919	12 919	877					

Section 13 – Quality certification

I, **Hendrik Barnard**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the Mid-Year Budget and Performance Assessment 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	
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 -	Amount	Reason for withdrawal
	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> - (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 (b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	Name and Surname: J BOOYSEN	
	Rank/Position: CFO	
	Signature:	
Tel number	Fax number	Email Address
(028) 551 8000	(028) 551 1766	jodene@kannaland.gov.za



BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01/10/2022 to 31/12/2022

D

Date	Payee	Amount in R'000	Description and Purpose (including section reference e.g. sec 11(f))	Authorised by (name)
31-Dec	Department of Transport	-	Section 11, Sub-section e (1)	J BOOYSEN

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	Q1	Q2	Q3	Q4	Savings / (Exceed)	
	R'000	R'000	R'000	R'000	R'000	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	Total Expenditure	Savings
	R'000	R'000	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

Relates to the quarter (Q2) under review					
Allowances & Overtime	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
	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
	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: Budget Funding Plan



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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 & Y/E 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	WWD - (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 - Bergsiq 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		