



Nama Khoi Municipality

18 October 2020

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
30 September 2020 (MONTHLY BUDGET STATEMENT) – 2019/2020 FINANCIAL YEAR**

1. PURPOSE

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

2. STRATEGIC OBJECTIVE

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

For the reporting period ended 30 September 2020.

3. QUERIES AND SUGGESTIONS

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

4. REPORT FOR THE PERIOD ENDING 30 September 2020

This report is based upon financial information, as at 30 September 2020 and available at the time of preparation.

The financial results for the period ended 30 September 2020 are summarised as follows:

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

The summary report indicates the following:

Table of Contents

Page 3	Table C4-Financial Performance
Page 4	CHART 1- Revenue by source
Page 5	CHART 2 – Expenditure by type
Page 6	Table C3 – Revenue and expenditure by vote
Page 8	CHART 3 – Revenue by vote& Variances
Page 9	CHART 4 – Expenditure by vote& Variances
Page 9	Capital Expenditure
Page 10	Cash Flow Statement
Page 11	Debtors Age Analysis
Page 13	Creditors age analysis
Page 14	Employee Related Cost
Page 15	Financial Implications/Recommendations
Page 16	Interdepartmental and Cluster Impact
Page 17	Quality Certificate
Page 18	Annexure A
Page 20	C-Schedule Table of contents

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September						
Description	Budget Year 2020/21					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source						
Property rates	43,233,960	10,063	50,990,228	10,808,493	40,181,735	472
Service charges - electricity revenue	100,055,713	7,637,856	23,007,223	25,013,928	(2,006,705)	92
Service charges - water revenue	39,061,978	2,103,328	6,896,807	9,765,492	(2,868,685)	71
Service charges - sanitation revenue	12,711,912	969,058	2,924,722	3,177,972	(253,250)	92
Service charges - refuse revenue	15,303,808	1,143,083	3,429,583	3,825,951	(396,368)	90
Rental of facilities and equipment	1,403,880	185,223	507,511	350,982	156,529	145
Interest earned - external investments	1,374,605	155,551	412,767	343,653	69,114	120
Interest earned - outstanding debtors	7,735,662	883,379	2,612,577	1,933,917	678,660	135
Fines, penalties and forfeits	223,033	6,927	6,927	55,758	(48,831)	12
Licences and permits	1,525,292	106,262	408,535	381,324	27,211	107
Agency services	1,280,643	63,061	63,061	320,160	(257,099)	20
Transfers and subsidies	58,663,696	764,326	24,081,326	16,658,673	7,422,653	145
Other revenue	2,239,165	149,792	448,090	559,794	(111,704)	80
Total Revenue (excluding capital transfers and contribution)	284,813,347	14,177,909	115,789,357	73,196,097	42,593,260	158
Expenditure By Type						
Employee related costs	99,403,274	7,766,239	23,497,889	25,052,757	(1,554,868)	94
Remuneration of councillors	6,954,328	550,092	1,648,403	1,738,587	(90,184)	95
Debt impairment	20,483,238	-	-	5,120,811	(5,120,811)	-
Depreciation & asset impairment	37,802,754	-	-	9,450,687	(9,450,687)	-
Finance charges	312,817	330,075	830,795	78,204	752,591	1,062
Bulk purchases	108,146,838	8,570,729	33,313,291	27,036,711	6,276,580	123
Other materials	7,750,104	269,203	793,071	2,151,030	(1,357,959)	37
Contracted services	26,647,028	983,541	3,057,386	6,536,796	(3,479,410)	47
Other expenditure	26,521,220	1,963,812	4,720,853	6,694,383	(1,973,530)	71
Total Expenditure	334,021,601	20,433,691	67,861,688	83,859,966	(15,998,278)	81
Surplus/(Deficit)	(49,208,254)	(6,255,782)	47,927,669	(10,663,869)	58,591,538	

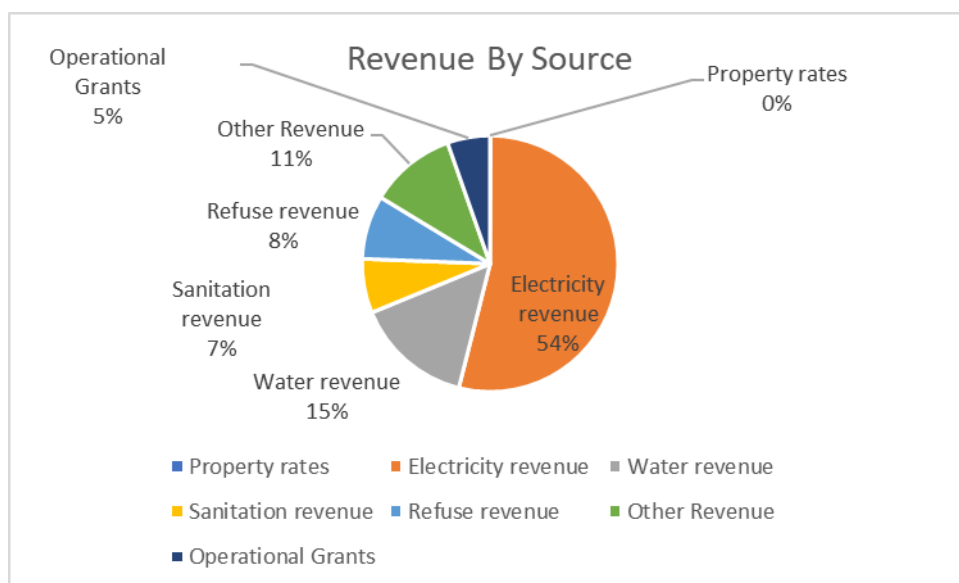
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source						
Property rates	43,233,960	10,063	50,990,228	10,808,493	40,181,735	472
Service charges - electricity revenue	100,055,713	7,637,856	23,007,223	25,013,928	(2,006,705)	92
Service charges - water revenue	39,061,978	2,103,328	6,896,807	9,765,492	(2,868,685)	71
Service charges - sanitation revenue	12,711,912	969,058	2,924,722	3,177,972	(253,250)	92
Service charges - refuse revenue	15,303,808	1,143,083	3,429,583	3,825,951	(396,368)	90
Rental of facilities and equipment	1,403,880	185,223	507,511	350,982	156,529	145
Interest earned - external investments	1,374,605	155,551	412,767	343,653	69,114	120
Interest earned - outstanding debtors	7,735,662	883,379	2,612,577	1,933,917	678,660	135
Fines, penalties and forfeits	223,033	6,927	6,927	55,758	(48,831)	12
Licences and permits	1,525,292	106,262	408,535	381,324	27,211	107
Agency services	1,280,643	63,061	63,061	320,160	(257,099)	20
Transfers and subsidies	58,663,696	764,326	24,081,326	16,658,673	7,422,653	145
Other revenue	2,239,165	149,792	448,090	559,794	(111,704)	80
Total Revenue (excluding capital transfers and contribution)	284,813,347	14,177,909	115,789,357	73,196,097	42,593,260	158

Explanation on YTD variance % - e.g. 160% means that the municipality billed 60% more than what was budget and 92% means the municipality billed 8% less than what was budgeted.

Variances to be discussed in Institutional and Finance Committee

CHART 1

The following chart shows the revenue by source for the month of 30 September 2020 in terms of revenue as a percentage of total revenue.



Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	99,403,274	7,766,239	23,497,889	25,052,757	(1,554,868)	94
Remuneration of councillors	6,954,328	550,092	1,648,403	1,738,587	(90,184)	95
Debt impairment	20,483,238	-	-	5,120,811	(5,120,811)	-
Depreciation & asset impairment	37,802,754	-	-	9,450,687	(9,450,687)	-
Finance charges	312,817	330,075	830,795	78,204	752,591	1,062
Bulk purchases	108,146,838	8,570,729	33,313,291	27,036,711	6,276,580	123
Other materials	7,750,104	269,203	793,071	2,151,030	(1,357,959)	37
Contracted services	26,647,028	983,541	3,057,386	6,536,796	(3,479,410)	47
Other expenditure	26,521,220	1,963,812	4,720,853	6,694,383	(1,973,530)	71
Total Expenditure	334,021,601	20,433,691	67,861,688	83,859,966	(15,998,278)	81

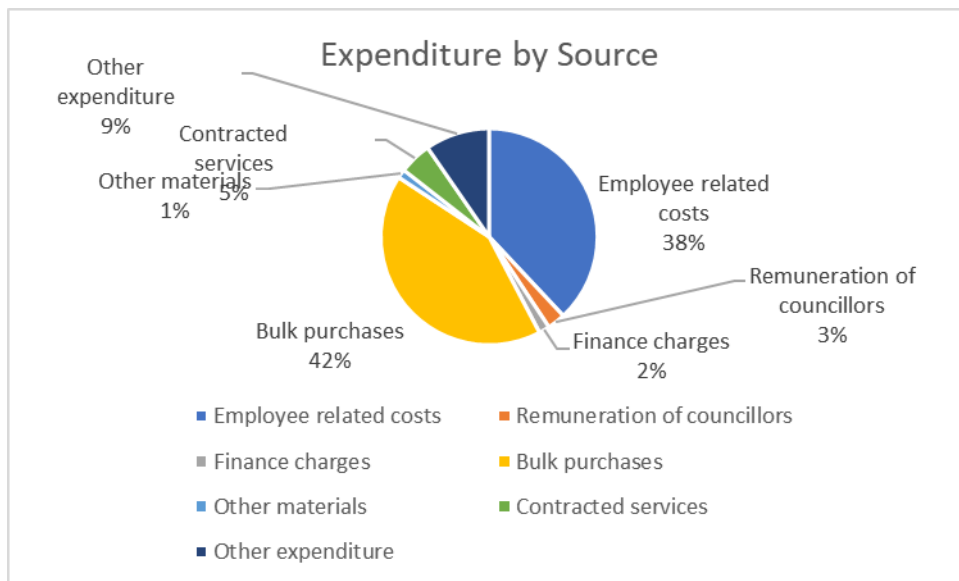
Notes on variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

CHART 2

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

Expenditure by Type



The table below indicates revenue and expenditure by vote

Annexure B – Table C2

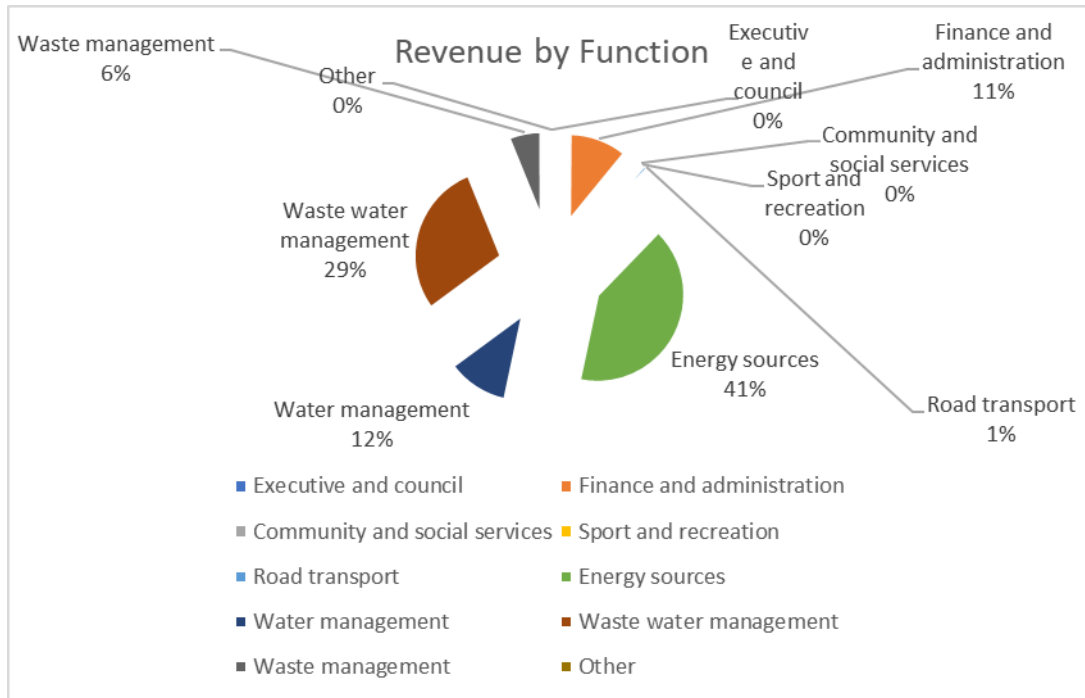
NC062 Nama Khoi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September						
Description	Budget Year 2020/21					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Executive and council	1,817,556.0	(21,006.0)	327,887.0	454,389.0	(126,502.0)	72.16
Finance and administration	106,908,828.0	2,019,463.0	78,145,848.0	28,519,968.0	49,625,880.0	274.00
Community and social services	1,372,945.0	79,524.0	432,992.0	668,244.0	(235,252.0)	64.80
Sport and recreation	7,539,886.0	1,209.0	14.0	1,640,403.0	(1,640,389.0)	0.00
Road transport	8,493,011.0	163,886.0	334,171.0	1,641,849.0	(1,307,678.0)	20.35
Energy sources	101,539,214.0	7,666,044.0	23,105,325.0	25,206,399.0	(2,101,074.0)	91.66
Water management	49,504,127.0	2,158,177.0	7,110,750.0	11,886,810.0	(4,776,060.0)	59.82
Waste water management	35,129,754.0	5,396,646.0	7,334,406.0	8,301,033.0	(966,627.0)	88.36
Waste management	15,314,243.0	1,143,776.0	3,431,662.0	3,828,558.0	(396,896.0)	89.63
Other	45,087.0	5,103.0	1,215.0	11,271.0	(10,056.0)	10.78
Total Revenue - Functional	327,664,651.0	18,612,822.0	120,224,270.0	82,158,924.0	38,065,346.0	146.33
Expenditure - Functional						
Executive and council	19,937,704.0	1,572,352.0	4,639,547.0	5,028,549.0	(389,002.0)	92.26
Finance and administration	92,901,323.0	5,184,628.0	15,439,544.0	23,500,755.0	(8,061,211.0)	65.70
Internal audit	1,492,849.0	101,876.0	305,628.0	373,212.0	(67,584.0)	81.89
Community and social services	7,803,363.0	378,857.0	1,120,225.0	2,063,703.0	(943,478.0)	54.28
Sport and recreation	4,456,504.0	205,548.0	527,606.0	1,114,125.0	(586,519.0)	47.36
Public safety	5,050,370.0	232,268.0	614,156.0	1,262,601.0	(648,445.0)	48.64
Planning and development	2,368,471.0	105,152.0	325,120.0	592,119.0	(266,999.0)	54.91
Road transport	23,643,649.0	1,131,439.0	3,261,106.0	5,944,689.0	(2,683,583.0)	54.86
Energy sources	104,203,665.0	9,607,130.0	31,697,839.0	26,050,911.0	5,646,928.0	121.68
Water management	42,663,732.0	544,437.0	5,769,057.0	10,554,291.0	(4,785,234.0)	54.66
Waste water management	17,345,235.0	776,355.0	2,229,763.0	4,336,326.0	(2,106,563.0)	51.42
Waste management	12,154,736.0	593,649.0	1,932,097.0	3,038,685.0	(1,106,588.0)	63.58
Total Expenditure - Functional	334,021,601.0	20,433,691.0	67,861,688.0	83,859,966.0	(15,998,278.0)	80.92
Surplus/ (Deficit) for the year	(6,356,950.0)	(1,820,869.0)	52,362,582.0	(1,701,042.0)	54,063,624.0	

Reasons for variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

CHART 3

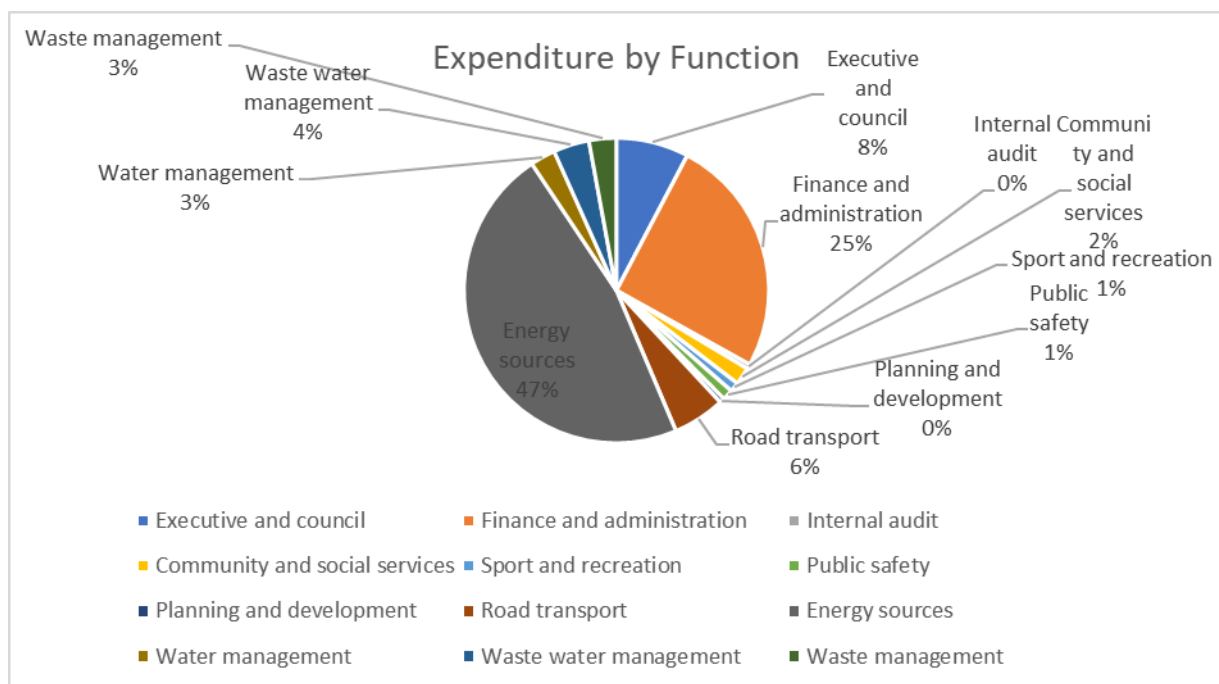
The following chart shows the revenue by vote for 31 August 2020



Expenditure - Functional	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Executive and council	19,937,704.0	1,572,352.0	4,639,547.0	5,028,549.0	(389,002.0)	92.26
Finance and administration	92,901,323.0	5,184,628.0	15,439,544.0	23,500,755.0	(8,061,211.0)	65.70
Internal audit	1,492,849.0	101,876.0	305,628.0	373,212.0	(67,584.0)	81.89
Community and social services	7,803,363.0	378,857.0	1,120,225.0	2,063,703.0	(943,478.0)	54.28
Sport and recreation	4,456,504.0	205,548.0	527,606.0	1,114,125.0	(586,519.0)	47.36
Public safety	5,050,370.0	232,268.0	614,156.0	1,262,601.0	(648,445.0)	48.64
Planning and development	2,368,471.0	105,152.0	325,120.0	592,119.0	(266,999.0)	54.91
Road transport	23,643,649.0	1,131,439.0	3,261,106.0	5,944,689.0	(2,683,583.0)	54.86
Energy sources	104,203,665.0	9,607,130.0	31,697,839.0	26,050,911.0	5,646,928.0	121.68
Water management	42,663,732.0	544,437.0	5,769,057.0	10,554,291.0	(4,785,234.0)	54.66
Waste water management	17,345,235.0	776,355.0	2,229,763.0	4,336,326.0	(2,106,563.0)	51.42
Waste management	12,154,736.0	593,649.0	1,932,097.0	3,038,685.0	(1,106,588.0)	63.58
Total Expenditure - Functional	334,021,601.0	20,433,691.0	67,861,688.0	83,859,966.0	(15,998,278.0)	80.92

CHART 4

The following chart shows the expenditure by vote for 30 September 2020



Reasons for variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

Capital expenditure report (Annexure B – Table C5)

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

Please note Capital Expenditure subject to correction

NC062 Nama Khoi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
9.3 - PLANNING AND DEVELOPMENT (731)		-	-	-	-	-	-	-		-
10.3 - INFORMATION AND COMMUNICATION TECHNOLOGY (76)		-	-	-	-	-	-	-		-
11.3 - CEMETERIES (824)		-	-	-	-	-	-	-		-
12.3 - ROADS (866)		-	-	-	-	-	-	-		-
Vote 12 - 0		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
9.3 - PLANNING AND DEVELOPMENT (731)		263	1,400	1,400	-	263	350	(87)	-25%	1,400
10.3 - INFORMATION AND COMMUNICATION TECHNOLOGY (76)		(60)	-	-	11	(49)	-	(49)	#DIV/0!	-
11.3 - CEMETERIES (824)		165	-	-	-	165	-	165	#DIV/0!	-
12.3 - ROADS (866)		122	7,500	6,522	-	122	1,630	(1,509)	-93%	6,522
Vote 12 - 0		12,068	35,351	29,330	2,139	16,149	7,332	8,817	120%	29,330
Total Capital single-year expenditure	4	12,558	44,251	37,251	2,149	16,650	9,313	7,338	79%	37,251
Total Capital Expenditure		12,558	44,251	37,251	2,149	16,650	9,313	7,338	79%	37,251
Capital Expenditure - Functional Classification										
Governance and administration		1,529	1,400	1,400	-	36,242	350	35,892	10255%	1,400
Executive and council		-	1,400	1,400	-	-	350	(350)	-100%	1,400
Finance and administration		1,529	-	-	-	36,242	-	36,242	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		122	7,500	6,522	-	122	1,630	(1,509)	-93%	6,522
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	7,500	6,522	-	-	1,630	(1,630)	-100%	6,522
Public safety		-	-	-	-	-	-	-		-
Housing		122	-	-	-	122	-	122	#DIV/0!	-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		4,422	5,839	3,913	465	5,787	978	4,808	492%	3,913
Planning and development		(60)	-	-	11	(49)	-	(49)	#DIV/0!	-
Road transport		4,481	5,839	3,913	454	5,835	978	4,857	497%	3,913
Environmental protection		-	-	-	-	-	-	-		-
Trading services		7,524	29,513	25,417	1,685	10,252	6,354	3,898	61%	25,417
Energy sources		5,365	714	-	-	5,365	-	5,365	#DIV/0!	-
Water management		7,990	6,260	4,803	101	8,090	1,201	6,889	574%	4,803
Waste water management		(5,830)	22,539	20,613	1,584	(3,203)	5,153	(8,356)	-162%	20,613
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	13,596	44,251	37,251	2,149	52,402	9,313	43,089	463%	37,251
Funded by:										
National Government		11,972	42,851	35,851	2,139	16,209	8,963	7,247	81%	35,851
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		11,972	42,851	35,851	2,139	16,209	8,963	7,247	81%	35,851
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		446	1,400	1,400	11	301	350	(49)	-14%	1,400
Total Capital Funding		12,417	44,251	37,251	2,149	16,510	9,313	7,197	77%	37,251

Variances to be discussed in Institutional and Finance Committee

Please note R36 million expenditure in the Finance and administration relates to an error which will be communicated to the Service Provider for correction and further explanation.

CASH FLOW STATEMENT AT 30 September 2020

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M03 September							
Description	Budget Year 2020/21						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	40,459,573	40,459,573	6,066,154	13,681,795	10,114,893	3,566,902	135
Service charges	157,664,228	157,664,228	12,204,073	35,922,323	39,416,057	(3,493,734)	91
Other revenue	5,268,133	5,268,133	6,232,848	13,983,712	1,317,033	12,666,679	1,062
Transfers and Subsidies - Operational	58,663,697	66,634,697	-	26,317,000	16,658,674	9,658,326	158
Transfers and Subsidies - Capital	42,851,304	35,851,304	-	11,174,000	8,962,826	2,211,174	125
Interest	1,374,605	1,374,605	-	879,184	343,651	535,533	256
Payments							
Suppliers and employees	(268,739,986)	(276,710,986)	(14,570,802)	(88,989,685)	(69,177,747)	19,811,938	129
Finance charges	(312,817)	(312,817)	-	-	(78,204)	(78,204)	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	37,228,737	30,228,737	9,932,273	12,968,330	7,557,184	(5,411,145)	172
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
Capital assets	(44,251,305)	(37,251,305)	(2,351,723)	(4,326,821)	(9,312,826)	(4,986,005)	46
NET CASH FROM/(USED) INVESTING ACTIVITIES	(44,251,305)	(37,251,305)	(2,351,723)	(4,326,821)	(9,312,826)	(4,986,005)	46
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Increase (decrease) in consumer deposits	62,885	62,885	-	-	15,721	(15,721)	-
Payments							
Repayment of borrowing	388,589	388,589	-	-	97,147	97,147	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	451,474	451,474	-	-	112,869	112,869	-
NET INCREASE/ (DECREASE) IN CASH HELD	(6,571,094)	(6,571,094)	7,580,550	8,641,509	(1,642,774)		
Cash/cash equivalents at beginning:	6,869,530	298,438		14,586,452	298,438		
Cash/cash equivalents at month/year end:	298,436	(6,272,656)		23,227,961	(1,344,336)		

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury. The following report shows the debtors outstanding at 30 September 2020

Please note debtor figures are subject to correction

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September						
Description	Budget Year 2020/21					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1,483,281	907,968	825,008	1,028,624	39,843,999	44,088,880
Electricity	4,325,871	1,938,912	1,361,607	942,526	52,741,459	61,310,375
Property Rates	24,058,586	934,416	1,047,122	746,441	33,876,431	60,662,996
Waste Water Management	456,656	285,733	237,572	202,616	9,345,108	10,527,685
Waste Management	787,233	496,136	429,571	395,621	22,367,214	24,475,775
Property Rental Debtors	355,285	172,897	162,172	151,354	7,398,343	8,240,051
Total By Income Source	31,466,912	4,736,062	4,063,052	3,467,182	165,572,554	209,305,762
Debtors Age Analysis By Customer Group						
Organs of State	3,734,448	771,007	483,524	166,236	3,166,071	8,321,286
Commercial	17,525,610	2,199,717	1,920,207	1,416,702	66,207,019	89,269,255
Households	10,206,854	1,765,338	1,659,321	1,884,244	96,199,464	111,715,221
Total By Customer Group	31,466,912	4,736,062	4,063,052	3,467,182	165,572,554	209,305,762

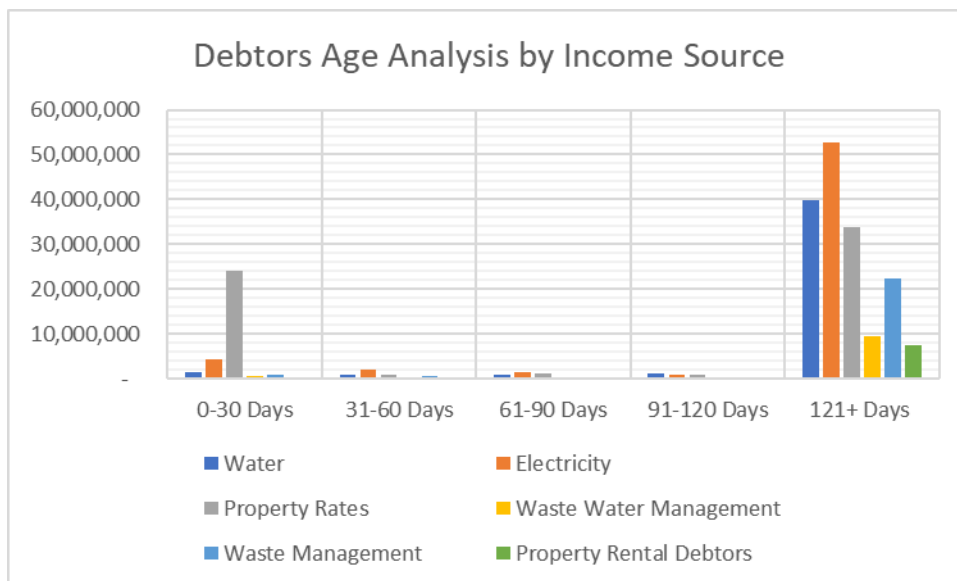
Debtors outstanding for a period more than 121 days amounts to R165 572 554

It must be noted the Municipal Council has amended its policies in an attempt to be more accommodating to consumers, if one takes a look at the rate debtors are increasing it is clear that there is a constant increase in both commercial and households on a monthly basis. The municipality in the past financial year has undergone various agreements with households and has implemented the credit control policy.

Chart 8 – Debtors per revenue source

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1,483,281	907,968	825,008	1,028,624	39,843,999	44,088,880
Electricity	4,325,871	1,938,912	1,361,607	942,526	52,741,459	61,310,375
Property Rates	24,058,586	934,416	1,047,122	746,441	33,876,431	60,662,996
Waste Water Management	456,656	285,733	237,572	202,616	9,345,108	10,527,685
Waste Management	787,233	496,136	429,571	395,621	22,367,214	24,475,775
Property Rental Debtors	355,285	172,897	162,172	151,354	7,398,343	8,240,051
Total By Income Source	31,466,912	4,736,062	4,063,052	3,467,182	165,572,554	209,305,762

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

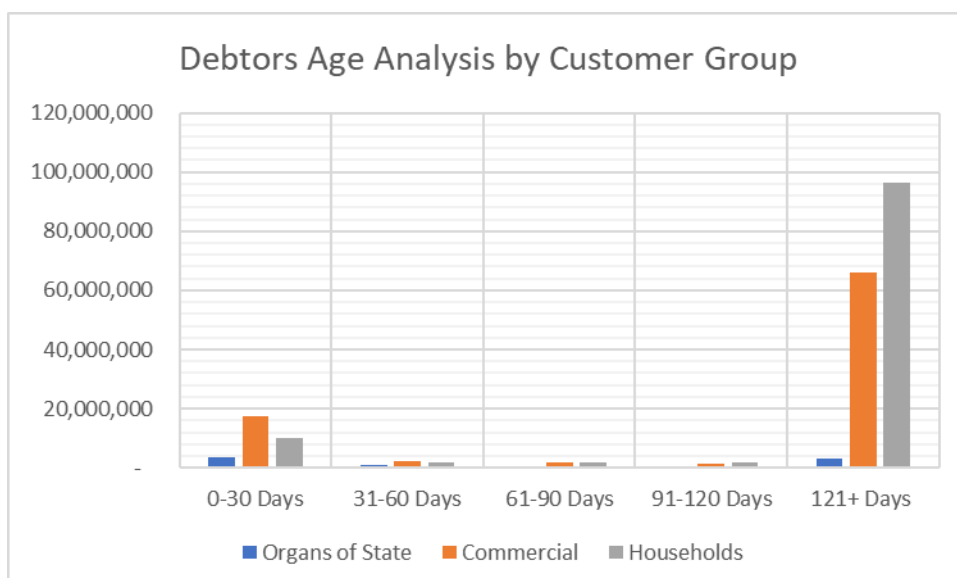


Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	3,734,448	771,007	483,524	166,236	3,166,071	8,321,286
Commercial	17,525,610	2,199,717	1,920,207	1,416,702	66,207,019	89,269,255
Households	10,206,854	1,765,338	1,659,321	1,884,244	96,199,464	111,715,221
Total By Customer Group	31,466,912	4,736,062	4,063,052	3,467,182	165,572,554	209,305,762

CHART 9

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



CREDITORS Age Analysis - Annexure B -Table SC4

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

The following report shows the creditors outstanding at 30 September 2020

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August									
Description	Budget Year 2020/21								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	3,200,128	4,787,771	13,997,005	6,034,186	6,942,539	(3,614,241)	23,822,296	84,525,705	139,695,389
Bulk Water	(2,500,000)	2,194,349	(1,500,000)	(3,000,000)	-	(1,500,000)	1,698,611	153,414,170	148,807,130
Auditor General							1,118,052		1,118,052
Other Creditors	273,831		393,916	82,570	37,231	19,268		781,512	1,588,328
Total By Customer Type	973,959	6,982,120	12,890,921	3,116,756	6,979,770	(5,094,973)	26,638,959	238,721,387	291,208,899

Creditors Analysis

Please note that the municipality are currently in litigation cases with ESKOM, the municipality has also approached the Office of the Premier for assistance on the Sedibeng Water outstanding balance and other relating matters. Once formal acknowledgements of agreements are received it will be added to the Section 71.

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September						
Summary of Employee and Councillor remuneration	Budget Year 2020/21					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	4,077,073	361,699	1,099,518	1,019,271	80,247	108
Pension and UIF Contributions	533,988	22,054	66,162	133,497	(67,335)	50
Medical Aid Contributions	52,598	3,317	9,951	13,149	(3,198)	76
Cellphone Allowance	804,309	58,100	178,324	201,078	(22,754)	89
Other benefits and allowances	1,486,360	104,922	294,448	371,592	(77,144)	79
Sub Total - Councillors	6,954,328	550,092	1,648,403	1,738,587	(90,184)	95
Senior Managers of the Municipality						
Basic Salaries and Wages	3,814,866	258,810	776,430	953,718	(177,288)	81
Pension and UIF Contributions	370,706	30,165	90,495	92,685	(2,190)	98
Medical Aid Contributions	154,086	13,088	39,264	38,523	741	102
Performance Bonus	191,515	69,333	69,333	47,880	21,453	145
Motor Vehicle Allowance	487,444	50,158	150,474	121,863	28,611	123
Cellphone Allowance	41,899	3,320	9,960	10,476	(516)	95
Housing Allowances	23,678	1,930	5,790	5,922	(132)	98
Other benefits and allowances	38,948	1,117	3,287	9,735	(6,448)	34
Long service awards	57,645	-	-	14,409	(14,409)	-
Sub Total - Senior Managers of Municipality	5,180,787	427,921	1,145,033	1,295,211	(150,178)	88
Other Municipal Staff						
Basic Salaries and Wages	63,749,038	4,821,738	14,426,803	16,139,166	(1,712,363)	89
Pension and UIF Contributions	9,660,332	774,617	2,337,531	2,415,084	(77,553)	97
Medical Aid Contributions	2,930,791	256,880	768,816	732,696	36,120	105
Overtime	5,933,784	520,196	1,760,143	1,483,452	276,691	119
Performance Bonus	5,023,080	511,390	1,434,403	1,255,773	178,630	114
Cellphone Allowance	226,299	18,252	54,756	56,574	(1,818)	97
Housing Allowances	4,540,375	335,494	1,041,997	1,135,095	(93,098)	92
Other benefits and allowances	996,101	70,350	233,319	249,030	(15,711)	94
Payments in lieu of leave	816,884	23,093	257,717	204,225	53,492	126
Long service awards	345,803	6,308	37,371	86,451	(49,080)	43
Sub Total - Other Municipal Staff	94,222,487	7,338,318	22,352,856	23,757,546	(1,404,690)	94
Total Parent Municipality	106,357,602	8,316,331	25,146,292	26,791,344	(1,645,052)	94
Total Employee Cost	99,403,274	7,766,239	23,497,889	25,052,757		
Total Revenue excluding Capital Grants	284,813,347	14,177,909	115,789,357	73,196,097		
Total Expenditure	334,021,601	20,433,691	67,861,688	83,859,966		
%Employee Cost to Total Revenue excluding capital grants	35	55	20	34		
%Employee Cost to Total Expenditure excluding capital grants	30	38	35	30		

MFMA 66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

- (a) salaries and wages;
- (b) contributions for pensions and medical aid;
- (c) travel, motor car, accommodation, subsistence and other allowances;
- (d) housing benefits and allowances;
- (e) overtime payments;
- (f) loans and advances; and
- (g) any other type of benefit or allowance related to staff.

Employee related cost to total expenditure % of an organisation should be at 25-40% of total expenditure, the ratio for the month of September 38% and against Total Revenue it escalates to 55%

5. Financial Implications /Recommendations

Revenue by Type:

Nama Khoi Municipality's budget is in a deficit, this is primarily because service departments are not sustainable, to increase tariffs is not a favourable solution as it only adds to the outstanding debt as the Nama Khoi area are plague by unemployment. The municipality must explore system driven solution such as 100% alignment between services billed and services use. Water and electricity services have losses each year and the core reasons must be identified. The sewerage tanks cost must be way-in versus the long-term solution of a sewage line. Cost of secondary services such as Libraries, Sports & Community Halls must be submitted to the relevant departments for assistances.

Expenditure by type:

Cost containment regulations should be adhered to. Expenditures relating to repairs & maintenance must be carefully monitored. Better understanding of departmental budgets is vital as well as departmental meetings. Payment structures of the municipality must change, payments must be structured to be made on certain days and specific days of the month. Monthly monitoring of activities outlined in the Reviewed Financial Recovery Plan. Adhering to SCM regulations.

Capital Expenditure:

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

Cash Flow Statement:

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

Debtors Analysis

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

Creditors Analysis

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

General Note

The municipality should strive to have month end procedures to ensure accurate reporting to the relevant parties. The Municipal Council has adopted the Reviewed Financial Recovery Plan, this plan will be updated on a monthly basis and will be submitted to Council.

6. Interdepartmental and cluster impact

This report is prepared to achieve MFMA compliance.

7. Comments of the Head: Legal Services

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

8. Conclusion

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

Prepared By:

Heinri Cloete

Chief Financial Officer

heinri.cloete@namakhoi.gov.za

NAMAKHOIMUNICIPALITY QUALITY CERTIFICATE

I, ...SAMANTHA A. TATAS-TITUS....., the Municipal Manager of NamaKhoiMunicipality, hereby certify that –

- The monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 30 September 2020has been prepared in accordance with the Municipal Finance Management Act 71and regulations made under that Act.

Print name: SAMANTHA TATAS

Municipal Manager of NamaKhoiMunicipality

Signature:..........

Date:**18 October 2020**.....

Annexure A

Reports and reportable matters

Monthly reports statements – Section 71 MFMA

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

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

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