

ITEM

BUDGET AND TREASURY OFFICE: 2020/2021 QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDING 31 MARCH 2021

5/1

PURPOSE

The purpose of this report is to inform the Mayoral Committee Meeting about the Financial Status quo of the West Rand District Municipality and to comply with Section 52(d) of the Municipal Finance Management Act and the requirements as promulgated in the Government Gazette No 32141 dated 17 April 2009.

INTRODUCTION

The Executive Mayor, must provide general political guidance over the fiscal and financial affairs of the WRDM, is required by Section 52(d) of the Municipal Finance Management Act, to submit a report on the implementation of the budget and the financial state of affairs of the WRDM, to council within 30 days after the end of each quarter.

FINANCIAL PERSPECTIVE

No financial implications

ANNEXURE

Attached as *Annexure* is the quarterly financial report ending 31 March 2021

RECOMMENDATIONS THAT:

1. In terms of the Municipal Finance Management Act, 2003 (Act no 56 of 2003), cognisance be taken of the Consolidated Quarterly Financial Report of the District Municipality and the Development Agency for the quarter ending 31 March 2021.
2. In terms of the Municipal Finance Management Act, 2003 (Act no. 56 of 2003), cognisance be taken of the consolidated Quarterly report on salaries and wages of the District Municipality and the Development Agency for the quarter ending 31 March 2021.

3. In terms of the Municipal Finance Management Act, 2003 (Act no 56 of 2003), cognisance be taken of the Consolidated Quarterly Report on withdrawals of the District Municipality and the Development Agency for the quarter ending 31 December 2020.

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1 REGION, 1 PLAN, 1 ACTION
1 SYSTEM



REPOSITIONING THE **WEST RAND** FOR A BETTER LIFE FOR ALL



West Rand
District Municipality

2020/2021 QUARTERLY FINANCIAL REPORT

31 MARCH 2021

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IN-YEAR BUDGET STATEMENT TABLES: QUARTER ENDED 31 MARCH 2021

The financial results for the quarter ended 31 March 2021 are attached and consists of the following tables:

MBRR TABLES:

- 1) Table C3: Quarterly Budget Statement - Financial Performance (Revenue and Expenditure by Municipal vote)
- 2) Table C4: Quarterly Budget Statement – Financial Performance (Revenue and Expenditure)
- 3) Table C5: Quarterly Budget Statement – Capital Expenditure by vote, standard classification and funding
- 4) Table C6: Quarterly Budget Statement – Financial Position
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- 6) Table SC3: Quarterly Budget Statement – Aged Debtors
- 7) Table SC4: Quarterly Budget Statement – Aged Creditors
- 8) Table SC5: Quarterly Budget Statement – Investment Portfolio
- 9) Table SC7: Quarterly Budget Statement – Transfer and grant expenditures
- 10) Table SC8: Quarterly Budget Statement – Councillor and staff benefits
- 11) Table SC13c: Quarterly Budget Statement – Repairs and Maintenance
- 12) Table 16: Councillors remuneration
- 13) Table 17. Withdrawals statement

Abbreviations

CCTV:	Closed Circuit Television
EPWP:	Expanded public works programme
YTD:	Year to date
LG SETA:	Local Government Sector Education and Training Authority
GDARD:	Gauteng Department of Agriculture and Rural Development
MMC:	Member of Mayoral Committee
FMG:	Financial Management Grant
NDPG:	Neighbourhood development partnership grant
MFMA:	Municipal Finance Management Act
MSIG:	Municipal Systems Improvement Grant
MWIG:	Municipal water infrastructure grant
WRDM:	West Rand District Municipality
WRDA:	West Rand Development Agency

1 INTRODUCTION

1.1. PURPOSE

The purpose of this report is to inform Section 80 committee (Finance portfolio) about the Financial Status quo of West Rand District Municipality and to comply with **Section 52(d) of the MFMA** and the requirements as promulgated in the Government Gazette No 32141 of 17th April 2009.

1.2. STRATEGIC OBJECTIVE

The application of sound financial management principles for the compilation of West Rand District Municipality financial plan is essential and critical to ensure that the municipality remains financially viable and those sustainable municipal services are provided economically and equitably to all communities.

1.3. BACKGROUND

Sections of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Regulations” necessitates that specific financial particulars be reported on and in the format prescribed.

Sections 52(d) of the MFMA states that the Mayor of the Municipality must within 30 days of the end of each quarter submit a report to the Council on the implementation of the budget and the financial states of the affairs of the municipality

“Section 71 (1) of the MFMA states that, the Accounting Officer of a municipality must by 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.”

“Section 28 of the Government Notice 32141, the monthly budget statement of a municipality must be in the format specified in Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

2 STATEMENT OF FINANCIAL PERFORMANCE

2.1 TABLE 1: SUMMARY OF THE OPERATIONAL BUDGET PERFORMANCE

	2020/21 Adjusted Budget R '000	Actual income/spend to date (in R and as a % of the Adjustment Budget)		YTD Adjusted Budget R '000
		R'000	%	
REVENUE	261,402	248,449	95%	196,051
TOTAL EXPENDITURE	(252,983)	(177,638)	(70%)	(189,737)
SURPLUS/ (DEFICIT)	8,418	70,811	841%	6,314

Note: Positive Revenue & Negative (Expenditure)

- 2.1.1 During the 2020/21 financial year the municipality has anticipated to raise **R261,402** millions in consolidated revenue which is inclusive of operational grants.
- 2.1.2 To date total revenue of **R248,449** million has been recorded (representing **95%**) of the total approved adjusted revenue budget. This amount is mainly contributed by revenue received from grants (National and Provincial). SC6 as part of the annexure has been attached detailing the performance of the grants. The municipality is mostly funded by transfers and subsidies from National and Provincial Government.
- 2.1.3 The summary of statement of financial performance in Table 4 is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type.
- 2.1.4 To date, a total of **R177,638** million has been spent on the operational adjusted budget, (this amounts to **70%** of the total approved adjusted expenditure budget for the year).
- 2.1.5 The main cost drivers of the expenditure are **employee related costs**.

2.2 Table 2: FINANCIAL PERFORMANCE (INCOME AND EXPENDITURE BY MUNICIPAL VOTE)

This table shows both income and expenditure for the quarter ended 31 March 2021 from the approved adjusted budget per municipal vote.

DC48 West Rand - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter

Vote Description	Ref	Budget Year 2020/21							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Corporate Governance	1	9,750	9,750	2,151	8,950	7,312	1,637	22.4%	9,750
Vote 2 - Municipal Manager & Support		14,151	13,425	3,226	13,425	10,069	3,356	33.3%	13,425
Vote 3 - Corporate Services		30,817	30,817	7,653	30,324	23,113	7,211	31.2%	30,817
Vote 4 - Budget & Treasury Office		30,022	30,022	3,787	21,070	22,517	(1,447)	-6.4%	30,022
Vote 5 - Health & Social Development		47,422	47,422	8,603	47,127	35,567	11,560	32.5%	47,422
Vote 6 - Public safety		104,873	104,873	24,850	103,547	78,655	24,892	31.6%	104,873
Vote 7 - Regional planning & Economic Development		24,472	24,845	5,145	23,772	18,634	5,138	27.6%	24,845
Vote 8 - Development Agency		450	247	39	236	247	(11)	-4.6%	247
Total Revenue by Vote	2	261,957	261,402	55,455	248,449	196,113	52,337	26.7%	261,402
Expenditure by Vote									
Vote 1 - Corporate Governance	1	24,364	24,364	1,782	15,960	18,273	(2,313)	-12.7%	24,364
Vote 2 - Municipal Manager & Support		16,244	15,518	1,613	7,132	11,638	(4,506)	-38.7%	15,518
Vote 3 - Corporate Services		38,953	33,004	893	23,352	24,753	(1,400)	-5.7%	33,004
Vote 4 - Budget & Treasury Office		21,441	20,437	1,414	13,231	15,328	(2,096)	-13.7%	20,437
Vote 5 - Health & Social Development		42,552	42,552	2,267	30,970	31,914	(944)	-3.0%	42,552
Vote 6 - Public safety		94,723	94,390	7,536	70,783	70,792	(9)	0.0%	94,390
Vote 7 - Regional planning & Economic Development		19,942	20,142	1,462	13,906	15,106	(1,200)	-7.9%	20,142
Vote 8 - Development Agency		2,577	2,577	226	2,303	2,577	(274)	-10.6%	2,577
Total Expenditure by Vote	2	260,795	252,983	17,193	177,638	190,382	(12,744)	-6.7%	252,983
Surplus/ (Deficit) for the year	2	1,162	8,418	38,262	70,811	5,731	65,080	1135.5%	8,418

2.2.1 The above table indicates that to date, the municipality is at a consolidated **surplus of R70,811 million**.

2.2.2 The profitability ratio presented below is at **(28%)** as at 31 March 2021. This indicates that the municipality's financial performance is at a surplus of 28% of the total revenue collected to date.

Description	Basis of calculation	% Profit/ (Deficit)
Profitability ratio	Surplus/ Total revenue	28%

2.3 Table 3: FINANCIAL PERFORMANCE REVENUE BY TYPE

This table shows income raised by the municipality for the quarter ended 31 March 2021 from the approved adjusted budget by source.

DC48 West Rand - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter									
Description	Ref	Budget Year 2020/21							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Rental of facilities and equipment		1,961	1,961	144	1,296	1,471	(175)	-12%	1,961
Interest earned - external investments		750	750	-	702	563	139	25%	750
Interest earned - outstanding debtors		427	427	23	179	320	(141)	-44%	427
Licences and permits		400	400	-	104	300	(196)	-65%	400
Transfers and subsidies		239,295	238,569	55,132	239,168	178,927	60,241	34%	238,569
Other revenue		16,510	16,177	155	4,386	12,133	(7,747)	-64%	16,177
Total Revenue (excluding capital transfers and contributions)		259,342	258,283	55,455	245,834	193,712	52,122	27%	258,283
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2,615	3,118	-	2,615	2,339	276	12%	3,118
Total Revenue (including capital transfers and contributions)		261,957	261,402	55,455	248,449	196,051	52,398	27%	261,402

DC48 West Rand - Table C4 Parent Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter									
Description	Ref	Budget Year 2020/21							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Rental of facilities and equipment		1,961	1,961	144	1,296	1,307	(11)	-1%	1,961
Interest earned - external investments		750	750	-	702	500	202	40%	750
Interest earned - outstanding debtors		427	427	23	179	284	(105)	-37%	427
Licences and permits		400	400	-	104	267	(162)	-61%	400
Transfers and subsidies		239,295	238,569	55,132	239,168	159,046	80,122	50%	238,569
Other revenue		16,060	15,930	116	4,150	10,620	(6,470)	-61%	15,930
Total Revenue (excluding capital transfers and contributions)		258,892	258,036	55,416	245,599	172,024	73,575	43%	258,036
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2,615	3,118	-	2,615	2,079	536	26%	3,118
Total Revenue (including capital transfers and contributions)		261,507	261,155	55,416	248,214	174,103	74,111	43%	261,155

2.3.1 The consolidated revenue as at 31 March 2021 amounted to **R248,449 million**, this represents **95%** of the total adjusted revenue budget approved on the 25th of February 2021.

2.3.2 Grants are fully disclosed in Table 4. (SC6)

2.3.3 The breakdown of other revenue for the quarter ended 31 March 2021 is made up from the following sources as presented on the table below:

Item Description	Amount
Sales of Goods and Rendering of Services: Fire Services	116,099
Operational Revenue: Subsidiary (WRDA)	39,109
TOTAL	155,208

2.4 Table 4: GRANTS RECEIVED BY THE MUNICIPALITY FOR THE QUARTER ENDED 31 MARCH 2021

This table shows transfers and subsidies received by the municipality as at the quarter ended 31 March 2021 from the approved adjusted budget.

DC48 West Rand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

Description	Ref	Budget Year 2020/21							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		225,766	225,766	54,075	225,766	131,697	17,696	13.4%	225,766
Local Government Equitable Share		42,470	42,470	–	42,470	24,774	17,696	71.4%	42,470
RSC Levy Replacement		181,276	181,276	53,769	181,276	105,744			181,276
Finance Management		1,000	1,000	–	1,000	583			1,000
EPWP Incentive		1,020	1,020	306	1,020	595			1,020
Provincial Government:		11,949	11,223	–	11,223	6,970	4,676	67.1%	11,223
Health Subsidy		11,223	11,223	–	11,223	6,547	4,676	71.4%	11,223
Performance Management Services		726	–	–	–	424			–
Other grant providers:		1,580	1,580	1,057	2,179	922	1,257	136.4%	1,580
LG SETA		1,580	1,580	1,057	2,179	922	1,257	136.4%	1,580
Total Operating Transfers and Grants	5	239,295	238,569	55,132	239,168	139,589	23,629	16.9%	238,569
Capital Transfers and Grants									
National Government:		2,615	3,118	–	2,615	1,525	1,090	71.4%	3,118
Rural Roads Asset Management Systems		2,615	3,118	–	2,615	1,525	1,090	71.4%	3,118
Total Capital Transfers and Grants	5	2,615	3,118	–	2,615	1,525	1,090	71.4%	3,118
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	241,910	241,687	55,132	241,783	141,114	24,719	17.5%	241,687

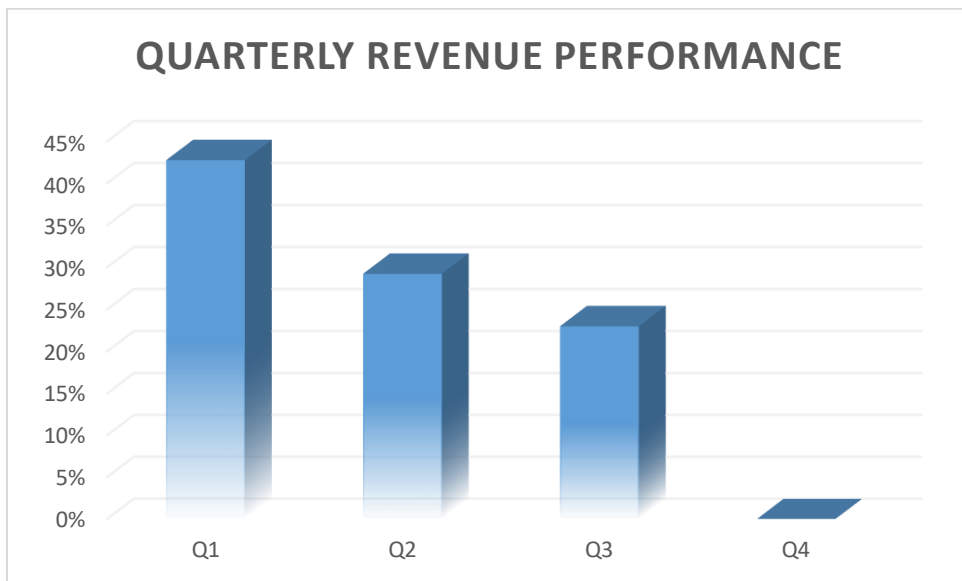
2.4.1 The total transfers and grants received to date amount to R241 783 million, made up of R239 168 million and R2 615 million for operational and capital purposes respectively.

2.4.2 The table below presents the total conditional grants transfers and unspent grants as per their conditions:

Name of grant	Gazetted	Received	Roll-over	Monthly Actual	Spent to date	Unspent
Finance Management	1,000,000	1,000,000	–	67,287	559,083	440,917
EPWP Incentive	1,020,000	1,020,000	–	111,600	806,600	213,400
Health Subsidy	11,223,000	11,223,000	–	–	8,743,000	2,480,000
Rural Roads Asset Management Systems	2,615,000	2,615,000	503,136	48,178	1,362,046	1,756,090
	15,858,000	15,858,000	503,136	227,065	11,470,729	4,890,407

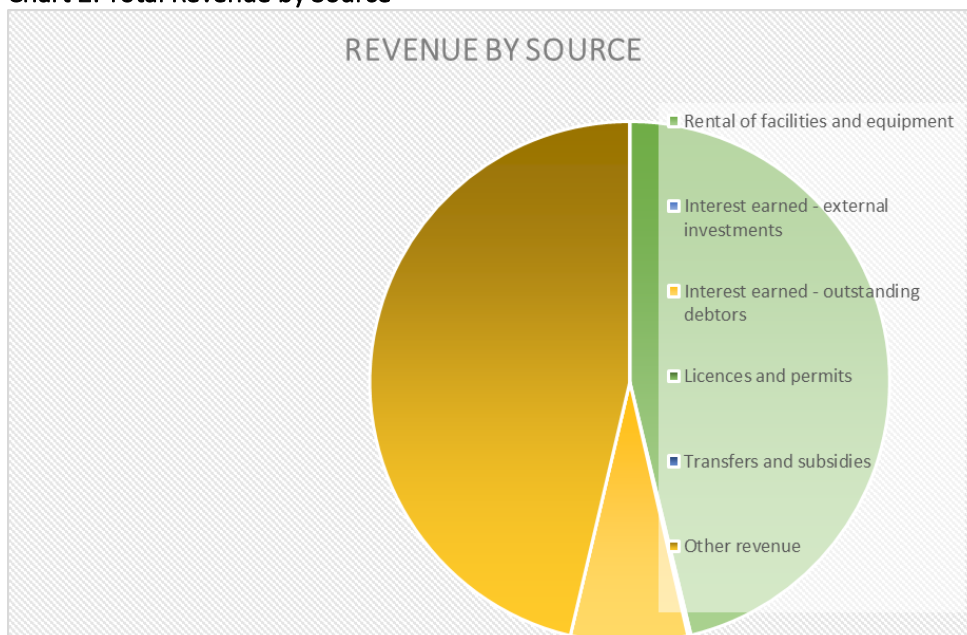
2.4.3 As the roll-over application for the HIV/ Aids grant had been rejected by Gauteng Provincial Treasury, the municipality had to refund the rollover amount to Provincial treasury.

2.4.4 CHART 1: QUARTERLY REVENUE PERFORMANCE



The above chart represents the quarterly revenue % of the total revenue raised as at the quarter ended 31 March 2021.

Chart 2: Total Revenue by Source



The above chart represents the total revenue by source, per source as a percentage of the total revenue raised as at the quarter ended 31 March 2021.

2.5 Table 6: FINANCIAL PERFORMANCE EXPENDITURE BY TYPE

This table shows expenditure incurred by the municipality for the quarter ended 31 March 2021 from the approved adjusted budget by source.

DC48 West Rand - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter									
Description	Ref	Budget Year 2020/21							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Expenditure By Type									
Employee related costs		189,656	189,856	14,793	140,845	126,570	14,275	11%	189,856
Remuneration of councillors		13,931	13,931	1,082	10,370	9,287	1,083	12%	13,931
Depreciation & asset impairment		7,000	4,040	–	–	2,693	(2,693)	-100%	4,040
Other materials		220	220	5	176	147	29	20%	220
Contracted services		9,324	9,198	822	3,221	6,132	(2,911)	-47%	9,198
Transfers and subsidies		11,223	11,223	–	8,743	7,482	1,261	17%	11,223
Other expenditure		29,441	24,195	3,436	13,964	16,130	(2,166)	-13%	24,195
Losses		–	320	–	319	213	106	50%	320
Total Expenditure		260,795	252,983	17,643	177,638	168,655	8,983	5%	252,983

DC48 West Rand - Table C4 Parent Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter									
Description	Ref	Budget Year 2020/21							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Expenditure By Type									
Employee related costs		189,656	189,856	14,793	140,845	126,570	14,275	11%	189,856
Remuneration of councillors		13,931	13,931	1,082	10,370	9,287	1,083	12%	13,931
Depreciation & asset impairment		7,000	4,040	–	–	2,693	(2,693)	-100%	4,040
Other materials		220	220	5	176	147	29	20%	220
Contracted services		9,324	9,198	822	3,221	6,132	(2,911)	-47%	9,198
Transfers and subsidies		11,223	11,223	–	8,743	7,482	1,261	17%	11,223
Other expenditure		29,441	21,618	3,210	11,661	14,412	(2,750)	-19%	21,618
Losses		–	320	–	319	213	106	50%	320
Total Expenditure		260,795	250,406	17,417	175,335	166,937	8,398	5%	250,406

2.5.1 Consolidated expenditure as at end of the quarter ended 31 March 2021 amounted to **R177,638 million**. This represents **75%** of the total adjusted expenditure budget approved on the 25th of February 2021.

2.5.2 The total employee related amount represents **80%** of the total expenditure incurred as at the quarter ended 31 March 2021.

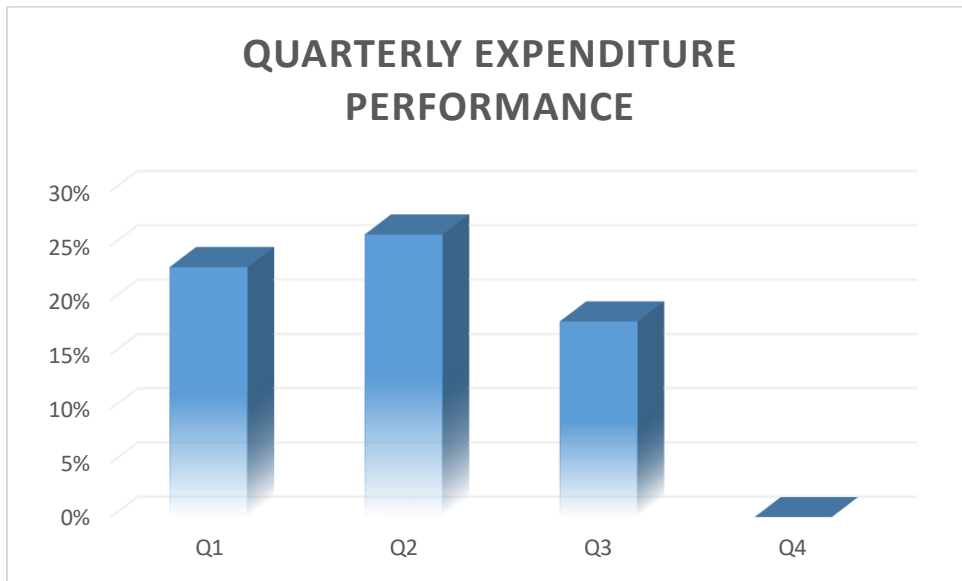
The breakdown of contracted services for the quarter ended 31 March 2021 is made up of the following sources presented below:

Item Description	Amount
Business and Advisory: Accounting and Auditing	103,817
Legal Cost: Legal Advice and Litigation	230,242
Outsourced Services: Security Services	487,871
TOTAL CONTRACTED SERVICES	821,930

2.5.3 The breakdown of other expenditure for the quarter ended 31 March 2021 is made up of the following sources presented below:

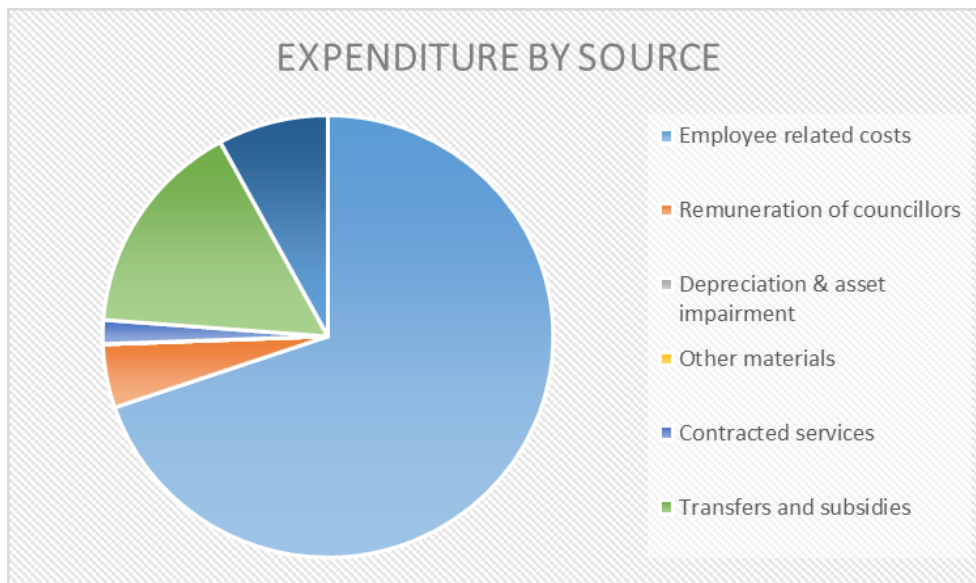
Item Description	Amount
Communication: Telephone Fax Telegraph and Telex	10,462
External Audit Fees	1,040,753
Skills Development Fund Levy	124,456
Learnerships and Internships	1,283,316
Bank Charges Facility and Card Fees: Bank Accounts	83
External Computer Service: Software Licences	207,088
Advertising Publicity and Marketing: Municipal Newsletters	19,060
WRDA Operational expenditure	225,529
Wet Fuel	75,000
TOTAL OTHER EXPENDITURE	2,985,746

Chart 2: Quarterly Expenditure Performance



The above chart represents the quarterly expenditure % of the total expenditure incurred as at the quarter ended 31 March 2021.

Chart 4: Total Expenditure by Source



The above chart represents the total expenditure by source, per source as a percentage of the total expenditure incurred as at the quarter ended 31 March 2021.

4 DEBTORS AND CREDITORS

3.1 TABLE 7: DEBTORS AGE ANALYSIS - QUARTER ENDED 31 MARCH 2021

DC48 West Rand - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

Description	NT Code	Budget Year 2020/21										
		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	Impairment - Bad Debts i.t.o Council Policy
R thousands												
Debtors Age Analysis By Income Source												
Other	1900	217	217	279	212	207	200	246	13,771	15,349	14,637	3,293
Total By Income Source	2000	217	217	279	212	207	200	246	13,771	15,349	14,637	3,293
2019/20 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	-	-	-	-	-	-	-	6,400	6,400	6,400	-
Commercial	2300	217	217	279	212	207	200	246	4,078	5,656	4,943	-
Other	2500	-	-	-	-	-	-	-	3,293	3,293	3,293	3,293
Total By Customer Group	2600	217	217	279	212	207	200	246	13,771	15,349	14,637	3,293

3.1.1 Debtors who are 90 days and older for WRDM is **R14,637 million** as at 31 March 2021.

3.1.2 The current outstanding debtors have been accrued from previous financial years.

3.1.3 Letters of demand have been issued to the commercial debtors to settle outstanding amount owed to the Municipality and should that not be adhered to, credit control processes will be undertaken by the Municipality's legal department.

3.1.4 The table below represents the summary of outstanding debts from local municipalities for regional transformation and contributions towards the West Rand Development Agency:

Municipality	Opening Balance	Invoices	Payments	Closing Balance
Mogale City Local Municipality	6,800,000	-	(6,800,000)	-
Merafong City Local Municipality	7,400,000	-	(1,000,000)	6,400,000
	14,200,000	-	(7,800,000)	6,400,000

3.1.5 As at the quarter ended 31 March 2021, Mogale City Local Municipality and Merafong City Local Municipality made a payment of R6,8 million and R1 million respectively towards the settlement of their debt. Mogale City has fully paid up its debt.

3.2 TABLE 8: CREDITORS AGE ANALYSIS - QUARTER ENDED 31 MARCH 2021

DC48 West Rand - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

Description	NT Code	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
R thousands										
Creditors Age Analysis By Customer Type										
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
Pensions / Retirement deducti	0500	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1,098	949	238	2,287	21,140	-	-	-	25,712
Auditor General	0800	661	-	10	-	-	-	-	-	672
Other	0900	28,742	-	-	-	-	-	-	30,444	59,187
Total By Customer Type	1000	30,502	949	248	2,287	21,140	-	-	30,444	85,570

3.2.1 The breakdown of the creditors' age analysis by customer balance for the QUARTER ended 31 March 2021 is made up as follows:

Creditor Code	Creditor Name		0days	30days	60days	90days	120days	Total
99769	AFRIRENT (PTY) LTD	Amount relates to the leasing of vehicles					500,734	500,734
437	AUDITOR GENERAL SOUTH AFRICA	Audit fees	661,298		10,315			671,613
7138	BRILLIANT TELECOMMUNICATIONS (Recapitalisation of library services					610,442	610,442
6812	CARTRIDGE CAVE	Amount relates to anti-virus for computer software	1,975					1,975
80089	LIZEL VENTER	Amount relates to law services provided	53,912					53,912
99348	MABOTWANE SECURITY SERVICES CC	Provision of security services for premises of the West Rand District Municipality	280,526			122,104	177,821	580,451
5641	MAFOKO SECURITY PATROLS (PTY)	Provision of security services provided during previous years					3,038,582	3,038,582
99290	MANDONA GOITSEMODIMO DANIEL	Purchase of consumables	350					350
4298	MARCE PROJECTS PTY LTD	Leasing of rescue vehicles and fire engines					909,744	909,744
8895	MAXIMUM PROFIT RECOVERY (PTY)	VAT recovery services					134,893	134,893
5927	MOFOKENG NM	Purchase of consumables	350					350
2077	MUNSOFT	Amount relates to Quarterly service fees for utilization of financial management system	238,151	238,151	238,151	194,774	300,905	1,210,133
99339	NOZUKO NXUSANI INCORPORATED	Legal and advisory services to WRDM					570,025	570,025
99902	PK FINANCIAL CONSULTANTS	Preparation and submission of VAT returns to SARS					320,460	320,460
13852	RAND WEST CITY LOCAL MUNICIPAL	Outstanding payments for water and lights provided by Rand West City	296,821	710,402		1,969,677	11,080,677	14,057,577
163	SALGA	Invoices relate to SALGA membership fees charged annually					3,496,075	3,496,075
185	UKWAKHILE PROJECTS PTY LTD	Communication services	226,200					226,200
Company Total			1,759,583	948,553	248,466	2,286,554	21,140,357	26,383,514

3.2.2 Other creditors breakdown is presented below:

Other accruals –

Creditors	Total
Leave payable (days not taken)	23,852,037
	23,852,037

Deferred Income (Unspent conditional grants) –

Creditors	Total
Rural Asset Management	1,756,090
Distressed Mining Town	30,444,344
Expanded Public Works Program Grant	213,400
HIV/ Aids subsidy	2,480,000
Finance Management Grant	440,917
	35,334,751

5 SUMMARY OF CAPITAL BUDGET

5.1 CAPITAL BUDGET PERFORMANCE FOR THE QUARTER ENDED 31 MARCH 2021

	2020/21 Adjusted Budget R	Actual spend to date (in R and as a % of the Original Budget)		Pro rata Budget to date R
		R	%	
EXPENDITURE (Excl. VAT)	4,347,826	3,606,683	82%	3,260,870
VAT @ 15%	652,174	541,002	82%	489,131
EXPENDITURE (Incl. VAT)	5,000,000	4,147,685	82%	3,750,000

5.1.1 The table below represents the capital expenditure as at 31 March 2021 per functional classification and funding:

DC48 West Rand - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q3 Third Quarter

Vote Description	Ref	Budget Year 2020/21							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Capital Expenditure - Functional Classification									
<i>Governance and administration</i>		4,650	5,000	-	3,607	3,750	(143)	-4%	4,650
Finance and administration		4,650	5,000	-	3,607	3,750	(143)	-4%	4,650
Total Capital Expenditure - Function	3	4,650	5,000	-	3,607	3,750	(143)	-4%	4,650
Borrowing									
Internally generated funds	6	4,650	5,000	-	3,607	3,750	(143)	-4%	4,650
Total Capital Funding		4,650	5,000	-	3,607	3,750	(143)	-4%	4,650

5.1.2 The municipality has since received the following list of vehicles as at 31 March 2021:

<i>Description</i>	<i>Amount (R')</i>
<i>Supply and Delivery Of X 5 Vehicles (Mahindra)</i>	1,301,655
<i>Supply and Delivery Of X 6 Vehicles (Toyota)</i>	1,376,933
<i>Supply and Delivery Of X 2 Vehicles (Toyota)</i>	506,010
<i>Supply and Delivery Of X 3 Vehicles (Nissan)</i>	422,085

6 CASH FLOW POSITION

6.1 CASH FLOW – QUARTER ENDED 31 MARCH 2021

DC48 West Rand - Table C7 Consolidated Monthly Budget Statement - Cash Flow - Q3 Third Quarter

Description	Ref	Budget Year 2020/21							
		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									
Other revenue		19,297	19,107	1,529	11,678	14,330	(2,652)	-19%	19,107
Transfers and Subsidies - Operational		239,295	238,569	55,358	239,168	178,927	60,241	34%	238,569
Transfers and Subsidies - Capital		2,615	2,615	-	2,615	1,961	654	33%	2,615
Interest		-	750	0	3	563	(560)	-100%	750
Payments									
Suppliers and employees		(246,134)	(248,163)	(55,652)	(208,800)	(186,122)	22,677	-12%	(248,163)
Transfers and Grants		(11,223)	(11,223)	-	(5,246)	(8,417)	(3,171)	38%	(11,223)
NET CASH FROM/(USED) OPERATING ACTIVITIES		3,850	1,655	1,235	39,418	1,241	(38,177)	-3076%	1,655
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		800	800	-	-	600	(600)	-100%	800
Decrease (increase) in non-current investments		-	1,500	1,108	1,108	1,125	(17)	-2%	1,500
Payments									
Capital assets		(4,650)	(5,000)	-	(3,607)	(3,750)	(143)	4%	(5,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(3,850)	(2,700)	1,108	(2,499)	(2,025)	474	-23%	(2,700)
CASH FLOWS FROM FINANCING ACTIVITIES									
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	(1,045)	2,343	36,919	(784)			(1,045)
Cash/cash equivalents at beginning:		-	1,045		4,487	1,045			1,045
Cash/cash equivalents at month/year end:		-	-		41,406	261			-

6.1.1 A summary of the cash flow for the year is reflected in the table above.

Municipality	Closing balance
West Rand District Municipality	1,316,696
Call Account Investment - WRDM	40,089,243
West Rand Development Agency	200

6.1.2 The total cash received during the quarter ended 31 March 2021 includes cash received from operating activities such as fire prevention fees, rental income and other general income.

6.1.3 In terms of free cash flow analysis:

Municipality	Closing balance
Bank account	41,405,939
Deferred income (Unspent conditional grants)	(4,890,407)
Free cash flow	36,515,532

6.2 SHORT TERM INVESTMENT AND RESERVE FOR THE QUARTER ENDED 31 MARCH 2021

DC48 West Rand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q3 Third Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
FNB Call Account		N/A	Call account	Yes	Fixed	6.35%				11,279	83	(26,798)	55,525	40,089
Standard Bank Money Market		N/A	Call account	Yes	Fixed					3	-	-	-	3
Municipality sub-total										11,282		(26,798)	55,525	40,092
Entities														
FNB Call Account		N/A	Call account	Yes	Fixed	6.35%				-	-	-	-	-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									11,282		(26,798)	55,525	40,092

6.2.1 During the quarter ended 31 March 2021, premature withdrawals were made from the call account in order to settle salaries, other employee related costs and critical creditors.

6.2.2 The WRDA has withdrawn all funds in the FNB call account as part of the winding-up process.

7 FINANCIAL POSITION

7.1 FINANCIAL POSITION FOR THE QUARTER ENDED 31 MARCH 2021

DC48 West Rand - Table C6 Consolidated Monthly Budget Statement - Financial

Description	Ref	Budget		YearTD actual	Full Year Forecast
		Original Budget	Adjusted Budget		
R thousands	1				
ASSETS					
Current assets					
Cash		–	–	1,313	–
Call investment deposits		–	–	40,092	–
Other debtors		17,995	14,995	12,056	14,995
Inventory		136	286	92	286
Total current assets		18,131	15,281	53,553	15,281
Non current assets					
Long-term receivables		–	–	254	–
Investment property		5,800	6,900	6,900	6,900
Property, plant and equipment		68,141	64,778	67,098	64,778
Biological		338	264	264	264
Other non-current assets		14,579	–	–	–
Total non current assets		88,859	71,942	74,516	71,942
TOTAL ASSETS		106,989	87,223	128,070	87,223
LIABILITIES					
Current liabilities					
Trade and other payables		96,547	73,951	85,570	73,951
Provisions		16,520	13,822	16,508	13,822
Total current liabilities		113,067	87,772	102,078	87,772
Non current liabilities					
Provisions		56,637	56,637	56,691	56,637
Total non current liabilities		56,637	56,637	56,691	56,637
TOTAL LIABILITIES		169,704	144,410	158,769	144,410
NET ASSETS	2	(62,715)	(57,187)	(30,699)	(57,187)
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)		(62,715)	(57,186)	(30,699)	(57,186)
TOTAL COMMUNITY WEALTH/EQUITY	2	(62,715)	(57,186)	(30,699)	(57,186)

The WRDA winding up process has been finalised as at 31 March 2021 as per planned date of finalisation of the municipal council.

The following table sets out consolidated financial performance indicators of the municipality:

Number	Description	Basis of calculation	YTD 2020/2021
1	Current ratio	Current assets/ Current liabilities	0,52:1
2	Liquidity ratio	(Current assets – Inventory)/ Current liabilities	0,52:1
3	Working capital	Current assets – Current liabilities	(R48 525 million)

The **current ratio** is a financial ratio that measures whether or not the municipality has enough resources to pay its debts over the next 12 QUARTERS. It compares the municipality's current assets to its current liabilities. The ratio of 0,52:1 shows that the municipality will not be able to meet its current obligations.

Liquidity ratios attempt to measure the municipality's ability to pay off its short-term debt obligations. This is done by comparing the municipality's most liquid assets (or, those that can be easily converted to cash), to its short-term liabilities. The ratio of 0,52:1 shows that the municipality will not be able to meet its current obligations.

Working Capital is a measure of both the municipality's efficiency and its short-term financial health. Working capital is calculated as: Working Capital = Current Assets - Current Liabilities.

7.2 STAFF EXPENDITURE REPORT

The staff expenditure report is submitted in terms of section 66 of the Municipal Finance Management Act, which states that 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.

7.3 KEY DATA: HUMAN RESOURCES

Details	Adjusted Budget	YTD 2020/2021
Employee costs as % of total expenditure	75%	80%
Number of permanent employees	400	380
Number of temporary employees	50	45
Total number of leave days due	25,000	21,655

7.4 Table 15: COUNCILLORS AND STAFF BENEFITS

DC48 West Rand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter

Summary of Employee and Councillor remuneration	Ref	Budget Year 2020/21							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		B	C						D
Councillors (Political Office Bearers plus Other)	1								
Basic Salaries and Wages		13,931	13,931	1,022	10,370	10,448	(78)	-1%	13,931
Sub Total - Councillors		13,931	13,931	1,022	10,370	10,448	(78)	-1%	13,931
Senior Managers of the Municipality	3								
Basic Salaries and Wages		6,090	6,090	279	4,510	4,567	(57)	-1%	6,090
Performance Bonus		507	507	-	-	381	(381)	-100%	507
Motor Vehicle Allowance		1,400	1,400	61	1,032	1,050	(18)	-2%	1,400
Other benefits and allowances		217	217	90	180	163	17	11%	217
Sub Total - Senior Managers of Municipality		8,214	8,214	430	5,722	6,160	(439)	-7%	8,214
Other Municipal Staff									
Basic Salaries and Wages		118,113	118,113	9,150	87,700	88,585	(884)	-1%	118,113
Pension and UIF Contributions		22,690	22,690	1,952	16,998	17,017	(19)	0%	22,690
Medical Aid Contributions		11,361	11,361	1,019	8,514	8,521	(6)	0%	11,361
Overtime		850	850	612	637	637	(0)	0%	850
Performance Bonus		12,043	12,043	143	9,006	9,032	(27)	0%	12,043
Motor Vehicle Allowance		6,290	6,290	767	4,716	4,717	(1)	0%	6,290
Cellphone Allowance		24	24	1	15	18	(3)	-18%	24
Housing Allowances		1,046	1,046	79	776	785	(8)	-1%	1,046
Other benefits and allowances		5,104	5,104	528	3,826	3,828	(2)	0%	5,104
Payments in lieu of leave		3,922	3,922	112	2,935	2,941	(7)	0%	3,922
Sub Total - Other Municipal Staff		181,443	181,443	14,364	135,124	136,082	(958)	-1%	181,443
TOTAL SALARY, ALLOWANCES & BENEFITS		203,588	203,588	15,816	151,215	152,691	(1,475)	-1%	203,588
TOTAL MANAGERS AND STAFF		189,657	189,657	14,793	140,845	142,242	(1,397)	-1%	189,657

7.5 Table 16: COUNCILLORS REMUNERATION

PUBLIC OFFICE-BE+B1:J21ARERS ACT, ACT NO. 20 of 1998								
MONTHLY COUNCILLOR								
requested to submit a completed								
DECLARATION: The Municipal Manager (or a delegate) is required to certify the correctness and accuracy of information provided in this report.								
Municipal Name:	West Rand DM			Mun Code		DC48		
Municipal Grading:	Grade 5			Financial Year:		2020/21		
Reporting Month:	March			Total Number of Councillors:		44		
Contact Person:	Sam Ramaele			Telephone:		011 411 5010		
E-Mail Address:	sramaele@wr dm.gov.za			Fax:				
Description	No. of Councillors	A. Basic salary	B. Cellphone and data allowances	C. Sitting allowances	D. Travelling expenses	E. Special risk insurance	F. Other benefits and allowances	F. Total monthly expenditure
Municipal Councillors: Full-Time								
Executive Mayor	1	56,497.48	3,700.00	-	-	-	15,125.10	75,322.58
Speaker	1	48,400.34	3,700.00	-	16,133.45	-	-	68,233.79
Member of Mayoral Committee	7	282,470.20	19,100.00	-	94,156.76	-	-	395,726.96
Chief Whips	1	45,375.29	3,700.00	-	15,125.10	-	-	64,200.39
Chairperson of Section 79 Committees	1	27,853.02	2,000.00	-	9,284.34	-	-	39,137.36
Municipal Councillors: Part-Time								
Councillors	33	254,550.80	81,300.00	60,180.00	70,054.68	-	-	466,085.48
TOTAL		715,147.13	113,500.00	60,180.00	204,754.33	0	15,125.10	1,108,706.56
Comments:								
Municipal Manager (Acting/Delegate):	ME Kolo				Date:	29/03/2021		

7 Table 17: QUARTERLY CONSOLIDATED REPORT ON WITHDRAWAL

	Consolidated	Primary Bank Account	Bank 2	Bank 3	Bank 4	Bank 5
Bank:		First National Bank (WRDM)	Standard Bank (WRDM)	First National Bank (WRDA)	Short Term Investment WRDM	Investment WRDA
Account number:		622777660872	21307350			
Bank reconciliation/s compiled and attached		Yes	Yes	No	No	No
Month:(End of Quarter)	March	March	March	March	March	March
Opening cash book balance at beginning of quarter	13,373,201	110,969	356,195	1,626,774	11,279,263	-
Add Receipts for quarter	139,293,086	83,570,703	75,208	39,109	55,608,067	-
Less Payments for quarter	-111,260,148	-82,794,354	-2,024	-1,665,683	-26,798,087	-
Closing cash book balance at end of quarter	41,406,139	887,318	429,378	200	40,089,243	-
GL Account Balance					-	-
Payments for the month	-111,260,148	-82,794,354	-2,024	-1,665,683	-26,798,087	-
Recoveries from Employees / Suppliers (Amount to be entered as negative)	-	-	-	-	-	-
Non cash items (for the period)	-	-	-	-	-	-
Commitments (for the period)	-	-	-	-	-	-
Input VAT (for the period) (Amount to be entered as negative)	-	-	-	-	-	-
Accruals at end of month	-	-	-	-	-	-
Accruals at beginning of month (Amount to be entered as negative)	-	-	-	-	-	-
Total	-111,260,148	-82,794,354	-2,024	-1,665,683	-26,798,087	-
Actual capital expenditure for the quarter	-	-	-	1	-	-
Actual operating expenditure for the quarter	-111,260,148	-82,794,354	-2,024	-1,665,684	-26,798,087	-
Section 11(4) expenditure	-	-	-	-	-	-
Total	-111,260,148	-82,794,354	-2,024		-26,798,087	-