

ITEM 18**BUDGET AND TREASURY OFFICE: 2020/2021 QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDING 30 JUNE 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 30 June 2021.


RECOMMENDATIONS THAT:

1. In terms of the Municipal Finance Management Act, 2003 (Act no 56 of 2003), cognisance be taken of the Quarterly Financial Report of the District Municipality for the quarter ending 30 June 2021.
2. In terms of the Municipal Finance Management Act, 2003 (Act no. 56 of 2003), cognisance be taken of the Quarterly report on salaries and wages of the District Municipality for the quarter ending 30 June 2021.
3. In terms of the Municipal Finance Management Act, 2003 (Act no 56 of 2003), cognisance be taken of the Quarterly Report on withdrawals of the District Municipality y for the quarter ending 30 June 2021.


1R,1P,1A,1S
1 REGION, 1 PLAN, 1 ACTION
1 SYSTEM



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



Mogale City
Local Municipality



RAND WEST CITY

West Rand
District Municipality

2020/2021 QUARTERLY FINANCIAL REPORT

30 June 2021

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IN-YEAR BUDGET STATEMENT TABLES: QUARTER ENDED 30 June 2021

The financial results for the quarter ended 30 June 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
- 5) Table C7: Quarterly Budget Statement – Cash Flow
- 6) Table SC3: Quarterly Budget Statement – Aged Debtors
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- 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 senior management team (SMT) about the Financial Status quo of West Rand District Municipality and to comply with **Section 71 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	254,463	97%	261,402
TOTAL EXPENDITURE	(252,983)	(239,652)	(95%)	(252,983)
SURPLUS/ (DEFICIT)	8,418	14,811	2%	8,418

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 **R254,463** million has been recorded (representing **97%**) of the total 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 **R239,652** million has been spent on the operational adjusted budget, (this amounts to **97%** of the total approved 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 30 June 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) - Q4 Fourth 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	-	8 950	9 750	(800)	-8.2%	9 750
Vote 2 - Municipal Manager & Support		14 151	13 425	-	13 425	13 425	-		13 425
Vote 3 - Corporate Services		30 817	30 817	1 279	33 458	30 817	2 641	8.6%	30 817
Vote 4 - Budget & Treasury Office		30 022	30 022	-	23 576	30 022	(6 446)	-21.5%	30 022
Vote 5 - Health & Social Development		47 422	47 422	-	47 127	47 422	(296)	-0.6%	47 422
Vote 6 - Public safety		104 873	104 873	120	103 879	104 873	(994)	-0.9%	104 873
Vote 7 - Regional planning & Economic Development		24 472	24 845	10	23 813	30 022	(6 209)	-20.7%	24 845
Vote 8 - Development Agency		450	247	-	236	247	(11)	-4.5%	247
Total Revenue by Vote	2	261 957	261 402	1 409	254 463	266 578	(12 115)	-4.5%	261 402
Expenditure by Vote									
Vote 1 - Corporate Governance	1	24 364	24 364	1 787	21 213	24 364	(3 151)	-12.9%	24 364
Vote 2 - Municipal Manager & Support		16 244	15 518	632	8 965	16 244	(7 279)	-44.8%	15 518
Vote 3 - Corporate Services		38 953	33 004	4 077	38 552	38 953	(400)	-1.0%	33 004
Vote 4 - Budget & Treasury Office		21 441	20 437	1 328	14 802	21 441	(6 639)	-31.0%	20 437
Vote 5 - Health & Social Development		42 552	42 552	2 242	40 266	42 552	(2 286)	-5.4%	42 552
Vote 6 - Public safety		94 723	94 390	8 321	94 566	94 723	(157)	-0.2%	94 390
Vote 7 - Regional planning & Economic Development		19 942	20 142	1 397	18 984	19 942	(957)	-4.8%	20 142
Vote 8 - Development Agency		2 577	2 577	-	2 303	2 577	(274)	-10.6%	2 577
Total Expenditure by Vote	2	260 795	252 983	19 784	239 652	260 795	(21 143)	-8.1%	252 983
Surplus/ (Deficit) for the year	2	1 162	8 418	(18 375)	14 811	5 783	9 028	156.1%	8 418

2.2.1 The above table indicates that to date, the municipality is at a consolidated **surplus of R14,811 million**.

2.2.2 The profitability ratio presented below is at **(6%)** as at 30 June 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	6%

2.3 Table 3: FINANCIAL PERFORMANCE REVENUE BY TYPE

This table shows income raised by the municipality for the QUARTER ended 30 June 2021 from the approved adjusted budget by source.

DC48 West Rand - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	Budget Year 2020/21							Full Year Forecast
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue By Source									
Rental of facilities and equipment		1 961	1 961	–	1 606	1 961	(355)	-18%	1 961
Interest earned - external investments		750	750	–	810	750	60	8%	750
Interest earned - outstanding debtors		427	427	–	231	427	(196)	-46%	427
Licences and permits		400	400	–	104	400	(296)	-74%	400
Transfers and subsidies		239 295	238 569	1 279	241 821	239 295	2 526	1%	238 569
Other revenue		16 510	16 177	131	7 276	16 510	(9 234)	-56%	16 177
Total Revenue (excluding capital transfers and contributions)		259 342	258 283	1 409	251 848	259 342	(7 494)	-3%	258 283
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 615	3 118	–	2 615	2 179	436	20%	3 118
Total Revenue (Including capital transfers		261 957	261 402	1 409	254 463	261 521	(7 058)	0	261 402

2.3.1 The consolidated revenue as at 30 June 2021 amounted to **R254,463 million**, this represents **97%** 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 30 June 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	120,286
Operational Revenue: (Donaldson Dam)	10,252
TOTAL	130,538

2.4 Table 4: GRANTS RECEIVED BY THE MUNICIPALITY FOR THE QUARTER ENDED 30 June 2021

This table shows transfers and subsidies received by the municipality as at the QUARTER ended 30 June 2021 from the approved adjusted budget.

DC48 West Rand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth 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	-	225 766	225 766	-		225 766
Local Government Equitable Share		42 470	42 470	-	42 470	42 470	-		42 470
RSC Levy Replacement		181 276	181 276	-	181 276	181 276	-		181 276
Finance Management		1 000	1 000	-	1 000	1 000	-		1 000
EPWP Incentive		1 020	1 020	-	1 020	1 020	-		1 020
Provincial Government:		11 949	11 223	-	11 223	11 223	-		11 223
Health Subsidy		11 223	11 223	-	11 223	11 223	-		11 223
Performance Management Services		726	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-		-
Other grant providers:		1 580	1 580	1 279	4 832	4 832	-		1 580
LG SETA		1 580	1 580	1 279	4 832	4 832	-		1 580
Total Operating Transfers and Grants	5	239 295	238 569	1 279	241 821	241 821	-		238 569
Capital Transfers and Grants									
National Government:		2 615	3 118	-	2 615	2 615	-		3 118
Rural Roads Asset Management Systems		2 615	3 118	-	2 615	2 615	-		3 118
Total Capital Transfers and Grants	5	2 615	3 118	-	2 615	2 615	-		3 118
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	241 910	241 687	1 279	244 436	244 436	-		241 687

2.4.1 The total transfers and grants received to date amount to R244 436 million, made up of R241 821 million and R2 615 million for operational and capital purposes respectively.

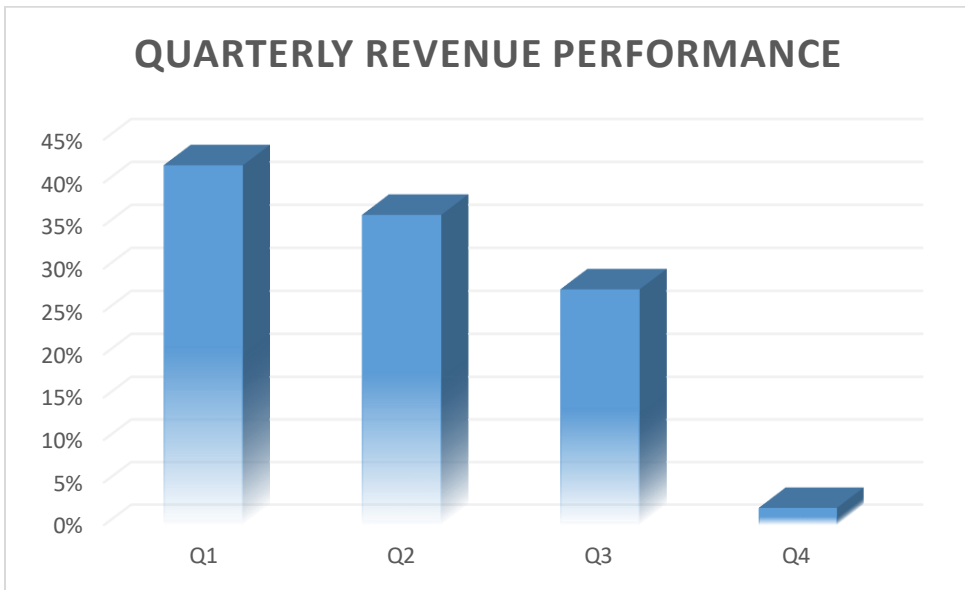
2.4.2 The table below presents the total conditional grants transfers and unspent grants as per their conditions:

Name of grant	Gazetted	Received	Roll-over	Monthly Actual	Spent to date	Unspent
Finance Management	1,000,000	1,000,000		105,165	1,102,827	0
EPWP Incentive	1,020,000	1,020,000		28,636	1,020,936	0
Health Subsidy	11,223,000	11,223,000	0	0	11,223,000	0
Rural Roads Asset Management Systems	2,615,000	2,615,000	503,136	32,514	3,118,136	0
	15,858,000	15,858,000	503,136	166,315	16,464,899	0

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.

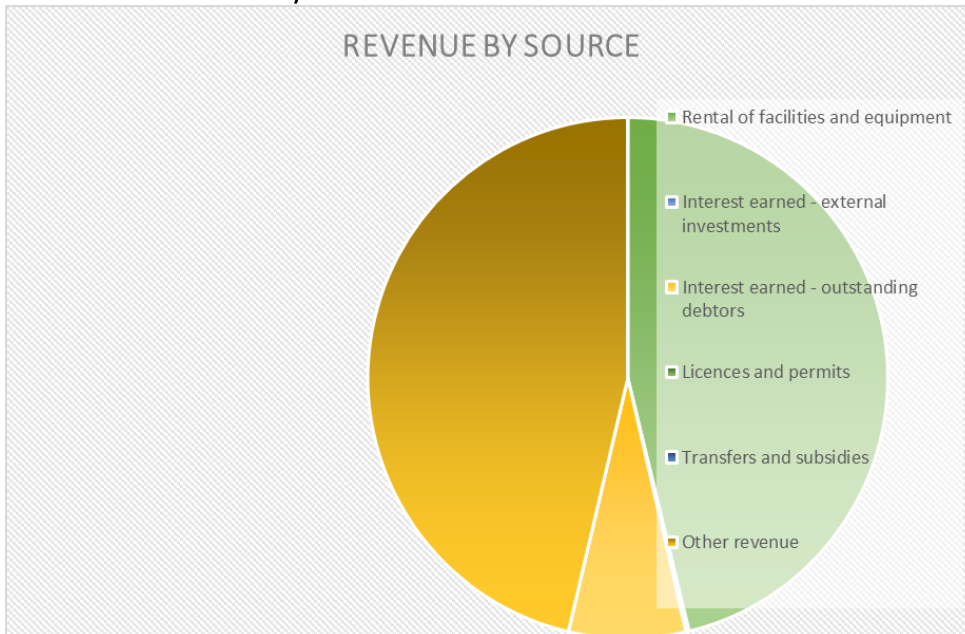
2.4.4 As at 30 June 2021 all conditional grants have been spent.

2.4.5 CHART 1: QUARTERLY REVENUE PERFORMANCE



The above chart represents the quarterly revenue % of the total revenue raised as at the quarter ended 30 June 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 30 June 2021.

2.5 Table 6: FINANCIAL PERFORMANCE EXPENDITURE BY TYPE

This table shows expenditure incurred by the municipality for the quarter ended 30 June 2021 from the approved adjusted budget by source.

DC48 West Rand - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	Budget Year 2020/21							Full Year Forecast
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Expenditure By Type									
Employee related costs		189 656	189 856	15 699	188 789	189 656	(867)	0%	189 856
Remuneration of councillors		13 931	13 931	1 046	12 434	13 931	(1 497)	-11%	13 931
Depreciation & asset impairment		7 000	4 040	-	-	7 000	(7 000)	-100%	4 040
Finance charges		-	-	-	964	-	964	#DIV/0!	-
Other materials		220	220	9	229	220	9	4%	220
Contracted services		9 324	9 198	495	4 287	9 324	(5 037)	-54%	9 198
Transfers and subsidies		11 223	11 223	-	11 223	11 223	-		11 223
Other expenditure		29 441	24 195	2 534	20 596	29 441	(8 845)	-30%	24 195
Losses		-	320	-	319	-	319	#DIV/0!	320
Total Expenditure		260 795	252 983	19 784	238 842	260 795	(21 953)	-8%	252 983

2.5.1 Consolidated expenditure as at end of the quarter ended 30 June 2021 amounted to **R238,842 million**. This represents **95%** of the total adjusted expenditure budget approved on the 25th of February 2021.

2.5.2 The total employee related amount represents **79%** of the total expenditure incurred as at the quarter ended 30 June 2021.

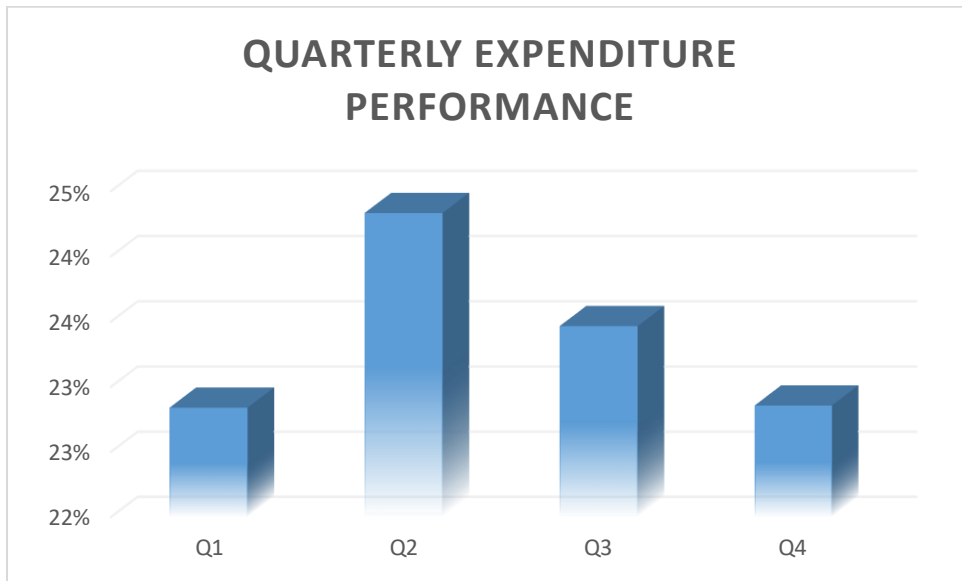
The breakdown of contracted services for the quarter ended 30 June 2021 is made up of the following sources presented below:

Item Description	Amount
Legal Cost: Legal Advice and Litigation	119,547
Outsourced Services: Security Services	278,662
Maintenance :Computer Equipment	36,568
Business and Advisory: Asset Verification	32,930
Business and Advisory: Audit Committee	27,740
TOTAL CONTRACTED SERVICES	495,447

2.5.3 The breakdown of other expenditure for the quarter ended 30 June 2021 is made up of the following sources presented below:

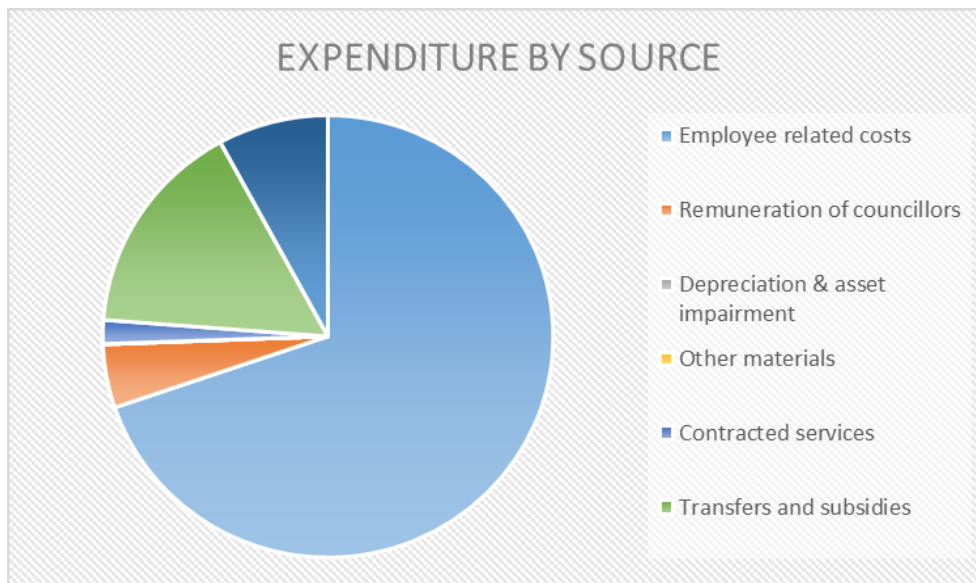
Item Description	Amount
Operational Cost: Training	1,938,341
Communication: Telephone Fax Telegraph and Telex	12,933
Skills Development Fund Levy	134,083
Bank Charges Facility and Card Fees: Bank Accounts	26,75
External Computer Service: Software Licences	207,088
Advertising Publicity and Marketing: Municipal Newsletters	38,545
Advertising Publicity and Marketing: Staff recruitment	23,400
Communication: Cellular Contracts	83,843
Wet Fuel	90,000
Insurance Underwriting: Excess Payments	3,000
External Computer Service: Data Lines	490
TOTAL OTHER EXPENDITURE	2,534,398

Chart 2: Quarterly Expenditure Performance



The above chart represents the quarterly expenditure % of the total expenditure incurred as at the quarter ended 30 June 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 30 June 2021.

4 DEBTORS AND CREDITORS

4.1 TABLE 7: DEBTORS AGE ANALYSIS - QUARTER ENDED 30 June 2021

DC48 West Rand - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2020/21										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													
Other	1900	249	282	247	215	278	212	881	12 365	14 729	13 951		3 293
Total By Income Source	2000	249	282	247	215	278	212	881	12 365	14 729	13 951	-	3 293
2019/20 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	-	-	-	-	-	-	-	5 400	5 400	5 400	-	-
Commercial	2300	249	282	247	215	278	212	881	3 672	6 036	5 258	-	-
Other	2500	-	-	-	-	-	-	-	3 293	3 293	3 293		3 293
Total By Customer Group	2600	249	282	247	215	278	212	881	12 365	14 729	13 951	-	3 293

4.1.1 Debtors who are 90 days and older for WRDM is **R10,658 million** as at 30 June 2021.

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

4.1.3 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.

4.1.4 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	-	(2,000,000)	5,400,000
	14,200,000	-	(8,800,000)	5,400,000

4.1.5 As at the QUARTER ended 30 June 2021, Mogale City Local Municipality and Merafong City Local Municipality made a payment of R6,8 million and R2 million respectively towards the settlement of their debt. Mogale City has fully paid up its debt.

4.2 TABLE 8: CREDITORS AGE ANALYSIS - QUARTER ENDED 30 June 2021

DC48 West Rand - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth 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	2 698	700	-	-	-	-	-	-	3 398
Third parties	0301	5 129	-	-	-	-	-	-	-	5 129
Trade Creditors	0700	1 276	997	917	15 289	11 635	-	-	-	30 113
Other	0900	23 852	-	-	-	-	-	-	30 444	54 296
Total By Customer Type	1000	32 955	1 697	917	15 289	11 635	-	-	30 444	92 936

4.2.1 The breakdown of the creditors' age analysis by customer balance for the QUARTER ended 30 June 2021 is made up as follows:

Creditor Code	Creditor Name	Description of services rendered	0days	30days	60days	90days	120days	Total
99769	AFIRENT (PTY) LTD	Amount relates to the leasing of vehicles					500,734	500,734
437	AUDITOR GENERAL SOUTH AFRICA	Audit fees				1,061,299	10,314	1,071,613
6852	AIEQ	ICT	42,053					42,053
6677	BASHIR B AHMED	Sitting allowance for audit committee	17,264					17,264
7138	BRILLIANT TELECOMMUNICATIONS	Recapitalisation of library services					610,442	610,442
6822	DEPARTMENT OF E-GOVERNMENT-PMG	GBN implementation					116,219	116,219
5601	FEDELITY CASH SOLUTIONS	Cash collection	6,932					6,932
6662	L O TANTSI FIRE TRAINING	Training fees	72,000					72,000
80089	LIZEL VENTER	Legal fees	130,947			53,912		184,859
99348	MABOTWANE SECURITY SERVICES CC	Provision of security services for premises of the West Rand District Municipality	313, 529	313,529	308,029	280,526	299,925	1,515,538
5641	MAFOKO SECURITY PATROLS (PTY)	Provision of security services provided during previous years					3,038,582	3,038,582
6682	MALINGA HENRY ML	Sitting allowance for audit committee	5,238					5,238
6683	MANGQUKU LUYANDA MANSFIELD	Sitting allowance for audit committee	5,892					5,892
4298	MARCE PROJECTS PTY LTD	Leasing of rescue vehicles and fire engines					909,744	909,744
6853	MOAHLOLI KJ	Sitting allowance for audit committee	9,714					9,714
6685	MONGALO MAKGOBA PERCY	Sitting allowance for audit committee	5,238					5,238
2077	MUNSOFT	Amount relates to monthly service fees for utilisation of financial management system	238,151	238,151	238,151	238,151	971,981	1,924,587

Creditor Code	Creditor Name	Description of services rendered	0days	30days	60days	90days	120days	Total
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		354,857	354,857	13,655,136	790,083	15,154,813
99122	RE-SOLVE/EAS JOINT VENTURE	Rural asset management		240,583				240,583
99377	RENAISSANCE CHARTERED ACCOUNTA	Fixed assets verification		37,869				37,869
163	SALGA	Invoices relate to SALGA membership fees charged annually					3,496,075	3,496,075
99236	THE ASSESSMENT TOOLBOX	ICT	26,910					29,910
185	VODACOM SERVICE PROVIDER CO (P	Communication	90,572	90,261	15,602			196,435
6825	VUKANI TECHNOLOGIES	Provision of laptops	19,198					19,198
87	ZEVOLI 151 (PTY) LTD T/A NASHU	Printing machines	13,888					13,888
Company Total			1,275,980	996,798	916,520	15,289,023	11,634,584	30,112,905

4.2.2 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	-
Distressed Mining Town	30,444,344
Expanded Public Works Program Grant	-
HIV/ Aids subsidy	-
Finance Management Grant	-
	30,444,344

5 SUMMARY OF CAPITAL BUDGET

5.1 CAPITAL BUDGET PERFORMANCE FOR THE QUARTER ENDED 30 June 2021

	2020/21 Adjusted Budget	Actual spend to date (in R and as a % of the Original Budget)		Pro rata Budget to date
	R	R	%	R
EXPENDITURE (Excl. VAT)	4,347,826	3,606,683	82%	3,985,507
VAT @ 15%	652,174	541,002	82%	597,826
EXPENDITURE (Incl. VAT)	5,000,000	4,147,685	82%	458,333

5.1.1 The table below represents the capital expenditure as at 30 June 2021 per functional classification and funding:

DC48 West Rand - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q4 Fourth 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	5 000	(1 393)	-28%	4 650
<i>Finance and administration</i>		4 650	5 000	-	3 607	5 000	(1 393)	-28%	4 650
Total Capital Expenditure - Functional Classification	3	4 650	5 000	-	3 607	5 000	(1 393)	-28%	4 650
Transfers recognised - capital		-	-	-	-	-	-	-	-
Internally generated funds		4 650	5 000	-	3 607	5 000	(1 393)	-28%	4 650
Total Capital Funding		4 650	5 000	-	3 607	5 000	(1 393)	-28%	4 650

5.1.2 The municipality has since received the following list of vehicles as at 30 June 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 30 June 2021

DC48 West Rand - Table C7 Consolidated Monthly Budget Statement - Cash Flow - Q4 Fourth 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	244	37 172	19 297	17 875	93%	19 107
Transfers and Subsidies - Operational		239 295	238 569	1 279	241 821	239 295	2 526	1%	238 569
Transfers and Subsidies - Capital		2 615	2 615	-	2 615	2 615	-		2 615
Interest		-	750	268	1 078	-	1 078	#DIV/0!	750
Payments									
Suppliers and employees		(246 134)	(248 163)	(13 543)	(268 686)	(246 134)	22 552	-9%	(248 163)
Transfers and Grants		(11 223)	(11 223)	-	(11 223)	(11 223)	-		(11 223)
NET CASH FROM/(USED) OPERATING ACTIVITIES		3 850	1 655	(11 752)	2 777	3 850	1 073	28%	1 655
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		800	800	-	-	800	(800)	-100%	800
Decrease (increase) in non-current investments			1 500	-	1 108	-	1 108	#DIV/0!	1 500
Payments									
Capital assets		(4 650)	(5 000)	-	(3 607)	(4 650)	(1 043)	22%	(5 000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(3 850)	(2 700)	-	(2 499)	(3 850)	(1 351)	35%	(2 700)
CASH FLOWS FROM FINANCING ACTIVITIES									
Payments									
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		-	(1 045)		278	-			(1 045)
Cash/cash equivalents at beginning:		-	1 045		1 045	1 045			-
Cash/cash equivalents at month/year end:		-	-		1 323	1 045			(1 045)

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	147,922
Call Account Investment - WRDM	1,175,097
	1,323,019

6.1.2 The total cash received during the quarter ended 30 June 2021 includes cash received from operating activities such as fire prevention fees, rental income and other general income.

6.2 SHORT TERM INVESTMENT AND RESERVE FOR THE QUARTER ENDED 30 June 2021

DC48 West Rand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q4 Fourth 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 /	Investment Top Up	Closing Balance
		Yrs/Months										Premature Withdrawal (4)		
R thousands														
Municipality														
FNB Call Account		N/A	Call account	Yes	Fixed	6,35%				8 275	24	(11 423)	4 300	1 175
Standard Bank Money Market		N/A	Call account	Yes	Fixed					3	-	-	-	3
Municipality sub-total										8 278		(11 423)	4 300	1 178
Entities														
FNB Call Account		N/A	Call account	Yes	Fixed	6,35%				-	-	-	-	-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									8 278		(11 423)	4 300	1 178

6.2.1 During the quarter ended 30 June 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 30 June 2021

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

Description	Ref	Budget Year 2020/21			
		Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1				
ASSETS					
Current assets					
Cash		-	-	148	-
Call investment deposits		-	-	1 175	-
Other debtors		17 995	14 995	14 729	17 995
Inventory		136	286	92	136
Total current assets		18 131	15 281	16 144	18 131
Non current assets					
Long-term receivables		-	-	254	-
Investment property		5 800	6 900	6 900	5 800
Property, plant and equipment		68 141	64 778	56 096	68 141
Biological		338	264	264	338
Other non-current assets		14 579	-	-	14 579
Total non current assets		88 859	71 942	63 514	88 859
TOTAL ASSETS		106 989	87 223	79 658	106 989
LIABILITIES					
Current liabilities					
Trade and other payables		96 547	73 951	92 936	96 547
Provisions		16 520	13 822	13 822	16 520
Total current liabilities		113 067	87 772	106 759	113 067
Non current liabilities					
Provisions		56 637	56 637	56 637	56 637
Total non current liabilities		56 637	56 637	56 637	56 637
TOTAL LIABILITIES		169 704	144 410	163 396	169 704
NET ASSETS	2	(62 715)	(57 187)	(83 738)	(62 715)
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)		(62 715)	(57 187)	(83 738)	(62 715)
TOTAL COMMUNITY WEALTH/EQUITY	2	(62 715)	(57 187)	(83 738)	(62 715)

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	0,15:1
2	Liquidity ratio	(Current assets – Inventory)/ Current liabilities	0,15:1
3	Working capital	Current assets – Current liabilities	(90 615 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 0,15:1 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 0,15:1 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 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.

7.1 KEY DATA: HUMAN RESOURCES

Details	Adjusted Budget	YTD 2020/2021
Employee costs as % of total expenditure	75%	78%
Number of permanent employees	400	380
Number of temporary employees	50	45
Total number of leave days due	25,000	21,655

7.2 Table 15: COUNCILLORS AND STAFF BENEFITS

DC48 West Rand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth 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	1 046	13 480	13 931	(451)	-3%	13 931
Sub Total - Councillors		13 931	13 931	1 046	13 480	13 931	(451)	-3%	13 931
Senior Managers of the Municipality	3								
Basic Salaries and Wages		6 090	6 090	381	11 769	6 090	5 680	93%	6 090
Performance Bonus		507	507	-	-	507	(507)	-100%	507
Motor Vehicle Allowance		1 400	1 400	82	1 304	1 400	(96)	-7%	1 400
Other benefits and allowances		217	217	35	305	217	88	40%	217
Sub Total - Senior Managers of Municipality		8 214	8 214	498	13 378	8 214	5 164	63%	8 214
Other Municipal Staff									
Basic Salaries and Wages		118 113	118 113	9 435	118 233	118 113	120	0%	118 113
Pension and UIF Contributions		22 690	22 690	2 096	25 486	22 690	2 796	12%	22 690
Medical Aid Contributions		11 361	11 361	1 004	12 013	11 361	652	6%	11 361
Overtime		850	850	623	7 352	850	6 502	765%	850
Performance Bonus		12 043	12 043	1 021	9 243	12 043	(2 801)	-23%	12 043
Motor Vehicle Allowance		6 290	6 290	760	9 946	6 290	3 656	58%	6 290
Cellphone Allowance		24	24	1	12	24	(12)	-51%	24
Housing Allowances		1 046	1 046	39	458	1 046	(588)	-56%	1 046
Other benefits and allowances		5 104	5 104	138	498	5 104	(4 606)	-90%	5 104
Payments in lieu of leave		3 922	3 922	85	1 289	3 922	(2 633)	-67%	3 922
Sub Total - Other Municipal Staff		181 442	181 442	15 201	184 528	181 442	3 086	2%	181 442
Total Parent Municipality		203 587	203 587	16 745	211 386	203 587	7 799	4%	203 587
TOTAL SALARY, ALLOWANCES & BENEFITS		203 587	203 587	16 745	211 386	203 587	7 799	4%	203 587
TOTAL MANAGERS AND STAFF		189 656	189 656	15 699	197 906	189 656	8 250	4%	189 656

7.3 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:	June			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	8	304 945,45	21 100,00	-	101 648,51	-	-	427 693,96
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	-	9 284,00	-	-	39 137,02
Municipal Councillors: Part-Time								
Councillors	32	269 922,00	72 300,00	3 060,00	62 562,93	-	-	407 844,93
TOTAL		752 993,58	106 500,00	3 060,00	204 753,99	0	15 125,10	1 082 432,67
Comments:								
Municipal Manager (Acting/Delegate):	ME Koloi				Date:	2021-07-09		

7.4 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)	FNB Bank (WRDA)	Short term Investment WRDM	Investment WRDA
Account number:		622777660872	21307350	21480656		
Bank reconciliation/s compiled and attached		Yes	Yes	No	No	No
Month:	June	June	June	June	June	June
Opening cash book balance at beginning of month	13 123 384,49	4 800 000	48 740	-	8 274 644	-
Add Receipts for month	17 270 160,68	12 895 562	50 925		4 323 673	
Less Payments for month	(29 070 526,56)	-17 644 027	-3 279		-11 423 221	
Closing cash book balance at end of month	1 323 018,61	51 536	96 386	-	1 175 097	-
GL Account Balance	-	-	-	-	-	-
Payments for the month	-29 070 527	-17 644 027	-3 279	0	-11 423 221	0
Recoveries from Employees / Suppliers (Amount to be entered as positive)	-					
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 positive)	-					
Total	-29 070 527	-17 644 027	-3 279	0	-11 423 221	0
Actual capital expenditure for the month	-	-	-	-	-	-
Actual operating expenditure for the month	-17 644 027	-17 644 027	-3 279	-	-	-
Section 11(4) expenditure	-	-	-	-	-	-
Total	-17 644 027	-17 644 027	-3 279	-	-	-