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



West Rand
District Municipality

2021/22 QUARTERLY FINANCIAL REPORT

31 December 2021

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

The financial results for the Quarter ended 31 December 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
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- 8) Table SC5: Quarterly Budget Statement – Investment Portfolio
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- 12) Table 16: Councillors remuneration
- 13) Table 17: Quarterly Consolidated Report on Withdrawals

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
GRAP 17:	General Reporting Accounting Practices

1 INTRODUCTION

1.1. PURPOSE

The purpose of this report is to inform the Section 80 Finance portfolio committee 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 those 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 month 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

	2021/22 Original Budget	Actual income spent to date (in R and as a % of the Original Budget)		YTD Original Budget
	R '000	R'000	%	R '000
REVENUE	258,894	189,413	73%	129,447
TOTAL EXPENDITURE	(255,854)	(121,856)	(48%)	(127,927)
SURPLUS/ (DEFICIT)	3,040	67,557	25%	1,520

Note: Positive Revenue & Negative (Expenditure)

- 2.1.1 During the 2021/22 financial year the municipality has anticipated to raise **R258,894** millions in consolidated revenue which is inclusive of operational grants.
- 2.1.2 To date total revenue of **R189,413**million has been recorded (representing **73%**) of the total original 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 **R121,856**million has been spent on the operational original budget, (this amounts to **48%** 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 31 December 2021 from the approved original budget per municipal vote.

DC48 West Rand - Table C3 Quarterly Budget Statement - Financial Performance (revenue & expenditure)- Q2 Second Quarter

Vote Description	Ref	Budget Year 2021/2022						
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote	1							
Vote 1 - Corporate Governance		9 651	2 968	6 678	4 826	1 852	38,4%	9 651
Vote 2 - Municipal Manager & Support		13 901	4 452	10 000	6 951	3 050	43,9%	13 901
Vote 3 - Corporate Services		30 253	9 583	21 282	15 127	6 156	40,7%	30 253
Vote 4 - Budget & Treasury Office		23 403	6 120	14 683	11 702	2 982	25,5%	23 403
Vote 5 - Health & Social Development		46 056	11 129	30 701	23 028	7 673	33,3%	46 056
Vote 6 - Public safety		112 214	34 200	88 310	56 107	32 203	57,4%	112 214
Vote 7 - Regional planning & Economic Development		23 417	7 190	17 759	11 709	6 050	51,7%	23 417
Total Revenue by Vote	2	258 895	75 642	189 413	129 448	59 966	46,3%	258 895
Expenditure by Vote	1							
Vote 1 - Corporate Governance		24 496	1 564	10 119	12 248	(2 129)	-17,4%	24 496
Vote 2 - Municipal Manager & Support		15 964	536	4 822	7 982	(3 160)	-39,6%	15 964
Vote 3 - Corporate Services		35 586	3 284	19 527	17 793	1 734	9,7%	35 586
Vote 4 - Budget & Treasury Office		20 734	1 275	11 099	10 367	732	7,1%	20 734
Vote 5 - Health & Social Development		42 816	3 561	16 698	21 408	(4 710)	-22,0%	42 816
Vote 6 - Public safety		96 065	7 670	50 006	48 033	1 973	4,1%	96 065
Vote 7 - Regional planning & Economic Development		20 193	1 399	9 586	10 097	(510)	-5,1%	20 193
Total Expenditure by Vote	2	255 854	19 289	121 856	127 927	(6 071)	-4,7%	255 854
Surplus/ (Deficit) for the year	2	3 041	56 353	67 557	1 521	66 037	4343,1%	3 041

2.2.1 The above table indicates that to date, the municipality is at a consolidated **surplus of R67,557 million**.

2.2.2 The profitability ratio presented below is at **(36%)** as at 31 December 2021. This indicates that the municipality's financial performance is at a surplus of 12% of the total revenue collected to date.

Description	Basis of calculation	% Profit/ (Deficit)
Profitability ratio	Surplus/ Total revenue	36%

2.3 Table 3: FINANCIAL PERFORMANCE REVENUE BY TYPE

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

DC48 West Rand - Table C4 Quarterly Budget Statement - Financial Performance (revenue & expenditure)- Q2 Second Quarter

Description	Ref	Budget Year 2021/2022						
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Rental of facilities and equipment		2 067	145	1 095	1 034	62	6%	2 067
Interest earned - external investments		750	151	651	375	276	74%	750
Interest earned - outstanding debtors		450	33	33	225	(192)	-85%	450
Licences and permits		400	-	-	200	(200)	-100%	400
Transfers and subsidies		238 143	74 897	176 312	119 072	57 241	48%	238 143
Other revenue		7 434	416	2 465	119 072	(116 606)	-98%	7 434
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		9 651	-	8 856	4 826	4 031	84%	9 651
Total Revenue including capital transfers and contributions)		258 895	75 642	189 413	244 802	(55 389)	(0)	258 895

2.3.1 The Municipality's revenue as at 31 December 2021 amounted to **R75,642** million this represents **29%** of the total original revenue budget approved on the 10th June 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 December 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	69,521
Operational Revenue (Donaldson Dam)	22,535
VAT Receivable	324,002
TOTAL	416,058

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

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

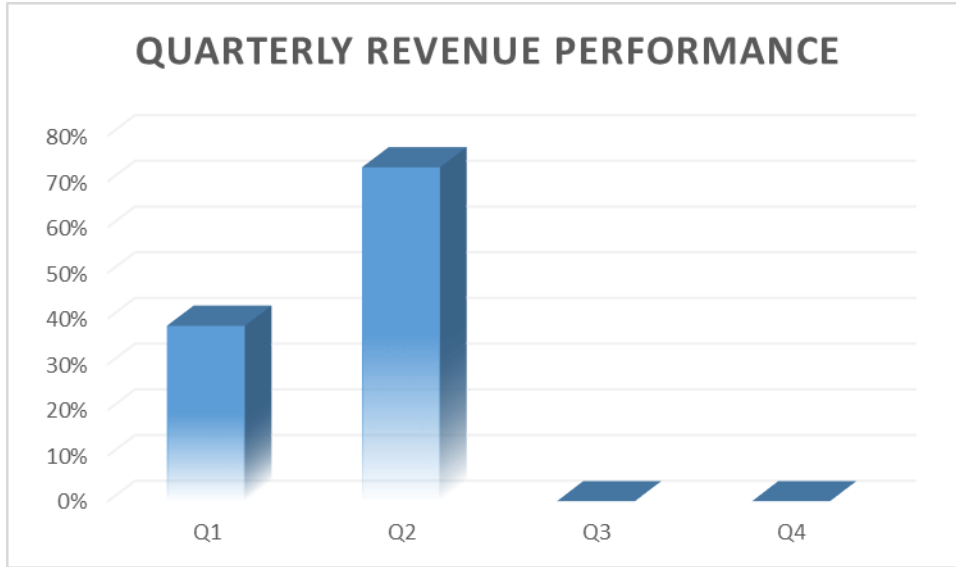
Description	Ref	Budget Year 2021/2022						
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:	1,2							
Operating Transfers and Grants								
National Government:		224 679	74 686	168 704	224 679	(55 975)	-61%	224 679
Local Government Equitable Share		45 139	–	45 139	45 139	–	0,0%	45 139
RSC Levy Replacement		177 450	74 196	121 802	177 450	(55 648)	-31,4%	177 450
Finance Management		1 000	–	1 000	1 000	–	0,0%	1 000
EPWP Incentive		1 090	490	763	1 090	(327)	-30,0%	1 090
Provincial Government:		12 364	–	6 655	12 364	(5 709)	-50%	12 364
Health Subsidy		11 364	–	5 655	11 364	(5 709)	-50,2%	11 364
GRAP 17		1 000	–	1 000	1 000	–	–	1 000
Other grant providers:		1 100	211	953	1 100	(147)	-13%	1 100
LG SETA		1 100	211	953	1 100	(147)	-13,4%	1 100
Total Operating Transfers and Grants	5	1 100	211	953	1 100	(147)	-125%	1 100
Capital Transfers and Grants								
National Government:		2 651	–	1 856	2 651	(795)	-30,0%	2 651
Rural Roads Asset Management Systems		2 651	–	1 856	2 651	(795)	-30,0%	2 651
Provincial Government:		7 000	–	7 000	7 000	–	–	7 000
Fire Rescue Services		7 000	–	7 000	7 000	–	–	7 000
Total Capital Transfers and Grants	5	9 651	–	8 856	9 651	(795)	-30%	9 651
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	247 794	74 897	185 168	247 794	(62 626)	-155%	247 794

2.4.1 The total transfers and grants received to date amount to R185, 168 million, made up of R176.312 million and R8,856 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:

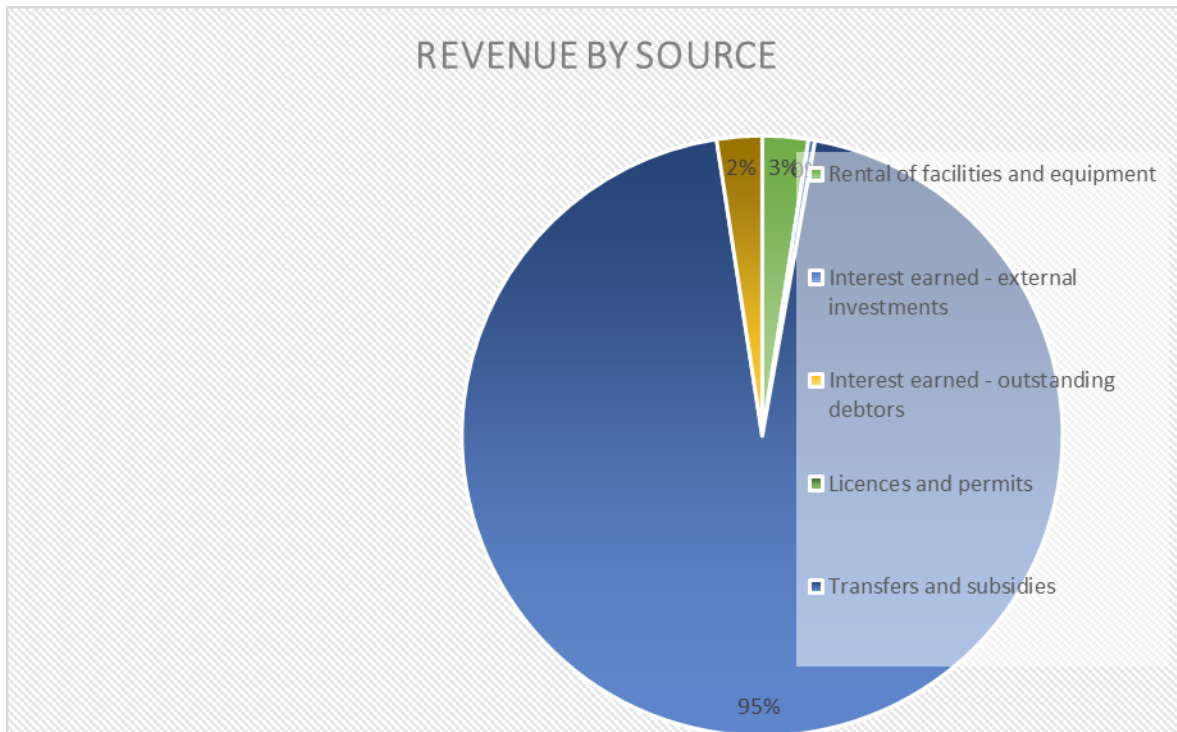
Description	Gazetted	Received	Roll-over	Monthly Actual	Spent to date	Unspent
Finance Management Grant	1 000 000,00	1 000 000,00	-	67 287,00	431 822,58	568 177,42
Fire & Rescue Services	7 000 000,00	7 000 000,00	-	-	-	7 000 000,00
EPWP Incentive	1 090 000,00	639 000,00	-	123 836,00	495 908,00	143 092,00
GRAP 17	1 000 000,00	1 000 000,00	-	-	-	1 000 000,00
Health Subsidy	11 364 000,00	6 818 400,00	- 1 163 000,00	-	-	5 655 400,00
Rural Roads Asset Management Systems	2 651 000,00	1 856 000,00	-	49 745,40	781 159,14	1 074 840,86
	24 105 000,00	18 313 400,00	- 1 163 000,00	240 868,40	1 708 889,72	15 441 510,28

2.4.3 CHART 1: QUARTERLY REVENUE PERFORMANCE



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

2.5 Table 6: FINANCIAL PERFORMANCE EXPENDITURE BY TYPE

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

DC48 West Rand - Table C4 Quarterly Budget Statement - Financial Performance (revenue & expenditure)- Q2 Second Quarter

Description	Ref	Budget Year 2021/2022						
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Expenditure By Type								
Employee related costs		196 249	14 985	98 398	98 125	273	0%	196 249
Remuneration of councillors		13 931	865	5 372	6 966	(1 594)	-23%	13 931
Depreciation & asset impairment		4 000	-	-	2 000	(2 000)	-100%	4 000
Finance Charges		-	157	404	-			
Other materials		220	5	97	110	(13)	-12%	220
Contracted services		8 961	1 228	6 406	4 481	1 925	43%	8 961
Transfers and subsidies		11 364	1 163	1 163	5 682	(4 519)	-80%	11 364
Other expenditure		21 129	681	10 017	10 565	(547)	-5%	21 129
Total Expenditure		255 854	19 084	121 856	127 927	(6 475)	(0)	255 854

2.5.1 The Municipality's expenditure as at end of the quarter ended 31 December 2021 amounted to **R19,084** and the year to date performance against approved budget is R121,856 million which represents **48%** of the total original budget expenditure approved on the 10th of June 2021.

2.5.2 The total employee related amount represents **79%** of the total expenditure incurred as at the Quarter ended 31 December 2021.

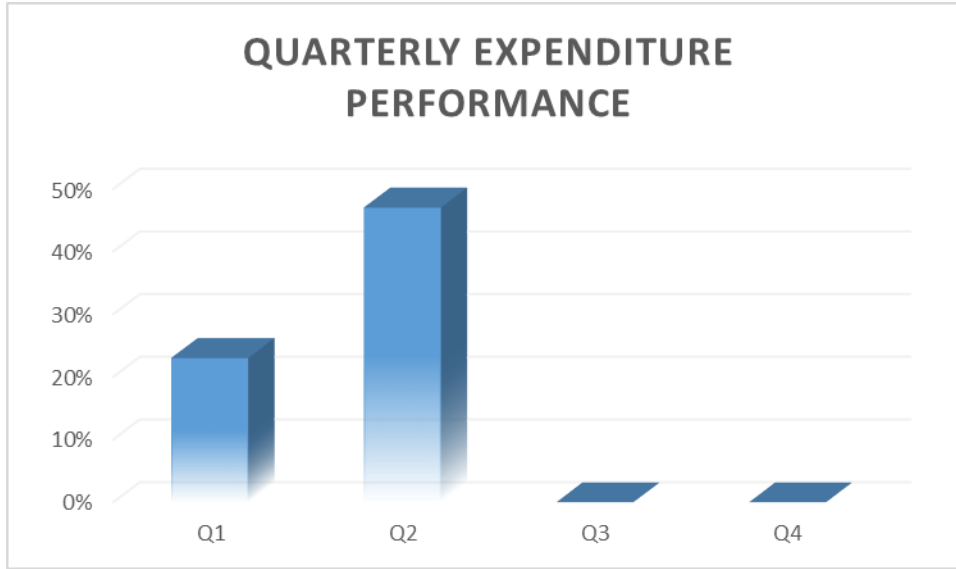
The breakdown of contracted services for the quarter ended 31 December 2021 is made up of the following sources presented below:

Item Description	Amount
Qualification Verification	1,011
Audit Committee	39,952
Maintenance of Municipal Assets	69,8461
Legal Advise & Litigation	830,297
VAT Consultants	13,965
Security Services	272,634
TOTAL CONTRACTED SERVICES	1,227,705

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

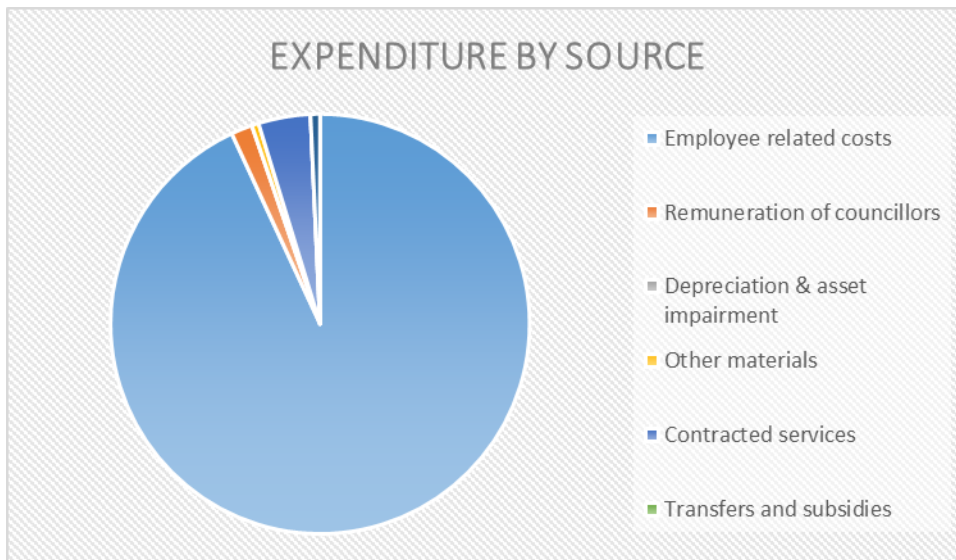
Item Description	Amount
Operation Cost: Fuel	15,000
Computer software licencing	237,888
Telegraph and Telex	16,796
Skills Development Fund Levy	126,808
Municipal Services	284,316
TOTAL OTHER EXPENDITURE	680,808

Chart 2: Quarterly Expenditure Performance



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

3 DEBTORS AND CREDITORS

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

DC48 West Rand - Supporting Table SC3 Quarterly Budget Statement - Debtors- Q2 Second Quarter

Description	NT Code	Budget Year 2021/2022										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 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Other	1900	275	268	239	1 490	233	266	255	12 553					4 740
Total By Income Source	2000	275	268	239	1 490	233	266	255	12 553					4 740
2019/20 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	-	-	-	-	-	-	-	5 400	5 400	5 400	-	-	-
Commercial	2300	275	268	239	1 490	233	266	255	3 860	6 885	6 103	-	-	-
Other	2500	-	-	-	-	-	-	-	3 293	3 293	3 293	-	-	4 740
Total By Customer Group	2600	275	268	239	1 490	233	266	255	12 553	15 579	14 797			4 740

- 3.1.1 Debtors who are 90 days and older for WRDM is **R14,797million** as at 31 December 2021.
- 3.1.2 The larger proportion of 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
Merafong City Local Municipality	7,400,000	-	(2,000,000)	5,400,000

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

DC48 West Rand - Supporting Table SC4 Quarterly Budget Statement - Creditors- Q2 Second Quarter

Description	NT Code	Budget Year 2021/2022								
		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										
Trade Creditors	0700	467	459	637	24 520	-	-	-	-	26 083
Auditor General	0800	-	-	24	1 147	-	-	-	-	1 172
Other	0900	25 264	-	-	-	-	-	-	30 444	55 709
Total By Customer Type	1000	25 731	459	661	25 668	-	-	-	30 444	82 964

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

Creditor Code	Creditor Name	Description of services rendered	0days	30days	60days	90days	120days	Total
437	AUDITOR GENERAL SOUTH AFRICA	External Audit fees.				24,445	1,147,456	1,171,901
99348	MABOTWANE	Security services.	313,529				177,821	491,350
5641	MAFOKO SECURITY PATROLS (PTY)	Provision of security services provided during previous years.					1,500,000	1,500,000
5927	MUNSOFT	Amount relates to Quarterly service fees for utilisation of financial management system.	10,091					10,091
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
6857	RAND WEST C L M (DONALDSON)	Rates and taxes for Donaldson Dam.	49,305	49,026	49,016	145,959	135,009	428,315
99902	RAND WEST CITY LOCAL MUNICIPAL	Outstanding payments for water and lights provided by Rand West City.	415,769	404,289	410,204	490,752	16,391,636	18,112,650
13852	SALGA	Invoices relate to SALGA membership charged annually.					5,425,369	5,425,369
99236	THE ASSEMENT TOOLBOX	Training		13,455				13,455
Company Total			788,694	466,770	459,220	661,156	25,667,776	28,043,616

3.2.2 Other creditors breakdown is presented below:

Other accruals –

Creditors	Total
Leave payable (days not taken)	25,264,391

Deferred Income (Unspent conditional grants) –

Creditors	Total
Rural Asset Management	1,074,841
Distressed Mining Town	30,444,344
Expanded Public Works Program Grant	143,092
HIV/ Aids subsidy	5,655,400
Finance Management Grant	568,177
Fire Rescue Services	7,000,000
GRAP 17	1,000,000
	45,885,854

4 SUMMARY OF CAPITAL BUDGET

4.1 CAPITAL BUDGET PERFORMANCE FOR THE QUARTER ENDED 31 December 2021

	2021/22 Original 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)	6,608,696	-	-	3,304,348
VAT @ 15%	991,304	-	-	495,652
EXPENDITURE (Incl. VAT)	7,600,000	-	-	3,800,000

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

DC48 West Rand -Table C5 Quarterly Budget Statement - Capital Expenditure (municipal vote,functional classification and funding)- Q2 Second Quarter

Vote Description	Ref	Monthly	YearTD	YearTD	YTD	YTD	Full Year
		actual	actual	budget	variance	variance	Forecast
R thousands	1					%	
Capital Expenditure - Functional Classification							
<i>Governance and administration</i>		600	-	300	(300)	-100%	600
Finance and administration		600		300	(300)	-100%	600
<i>Community and public safety</i>		7 000	-	3 500	(3 500)	-100%	7 000
Public safety		7 000		3 500	(3 500)	-100%	7 000
Total Capital Expenditure - Functional Classification	3	7 600	-	3 800	(3 800)	-100%	7 600
Funded by:							
Provincial Government		7 000		3 500	(3 500)	-100%	7 000
Transfers recognised - capital		7 000	-	3 500	(3 500)	-100%	7 000
Internally generated funds		600	-	300	(300)	-100%	600
Total Capital Funding		7 600	-	3 800	(3 800)	-100%	7 600

5 CASH FLOW POSITION

5.1 CASH FLOW – QUARTER ENDED 31 December 2021

DC48 West Rand - Table C7 Quarterly Budget Statement - Cash Flow- Q2 Second Quarter

Description	Ref	Budget Year 2021/2022						
		Original 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		14 350	528	4 517	7 175	(2 658)	-37%	14 350
Transfers and Subsidies - Operational		238 143	74 897	177 475	119 072	58 404	49%	238 143
Transfers and Subsidies - Capital		9 651	–	8 856	4 826	4 031	84%	9 651
Interest		750	151	725	375	350	93%	750
Payments								
Suppliers and employees		(244 730)	(27 143)	(137 899)	(122 365)	15 534	-13%	(244 730)
Transfers and Grants		(11 364)	–	–	(5 682)	(5 682)	100%	(11 364)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6 800	48 433	53 675	3 400	(50 275)	-1479%	6 800
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE		800	–	–	400	(400)	-100%	800
Payments								
Capital assets		(7 600)	–	–	(3 800)	(3 800)	100%	(7 600)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6 800)	–	–	(3 400)	(3 400)	100%	(6 800)
NET INCREASE/ (DECREASE) IN CASH HELD		–	48 433	53 675	–			–
Cash/cash equivalents at beginning:		–		1 323	–			–
Cash/cash equivalents at month/year end:		–		54 998	–			–

5.1.1 A summary of the cash flow for the period ended 31 December 2021 is reflected in the table above.

Municipality	Closing balance
WRDM (transactional accounts)	470,600
Call Account Investment - WRDM	45,527,688
Standard Bank Fixed Deposit Account	9,000,000
	54,998,288

5.1.2 Other revenue received for the period ended 31 December 2021 mainly consists of rental of equipment and facilities, Fire prevention fees and VAT receivable.

5.2 SHORT TERM INVESTMENT AND RESERVE FOR THE QUARTER ENDED 31 December 2021

DC48 West Rand - Supporting Table SC5 Quarterly Budget Statement - investment portfolio - Q2 Second 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%				4 915	150	(33 537)	74 000	45 528
Standard Bank		NA	Call account	Yes	Fixed					3	-	-	-	3
Standard Bank Fixed Investment Account		N/A	96 Days	Yes	Fixed	4,50%				-	-	-	9 000	9 000
TOTAL INVESTMENTS AND INTEREST	2									4 918	150	(33 537)	83 000	54 531

- 5.2.1 During the quarter ended 31 December 2021, withdrawals were made from the Call Account for operational expenditure. The call account type is available on demand.
- 5.2.2 Interest of R150 thousand was realised on the funds invested on the Call Investment Account.
- 5.2.3 A Fixed Deposit Investment of R9 million was made with Standard Bank for the period ended 31 December 2021.

6 FINANCIAL POSITION

6.1 FINANCIAL POSITION FOR THE QUARTER ENDED 31 December 2021

DC48 West Rand- Table C6 Quarterly Budget Statement- Financial Position- Q2 Second Quarter

Description	Ref	Budget Year 2021/2022		
		Original Budget	YearTD actual	Full Year Forecast
R thousands	1			
<u>ASSETS</u>				
Current assets				
Cash		–	471	–
Call investment deposits		–	45 528	–
Short-term Investments		–	9 000	–
Other debtors		10 995	15 579	10 995
Inventory		220	144	220
Total current assets		11 215	70 721	11 215
Non current assets				
Long-term receivables		–	255	–
Investment property		7 200	6 300	7 200
Property, plant and equipment		68 378	64 056	68 378
Biological		264	91	264
Total non current assets		75 842	70 702	75 842
TOTAL ASSETS		87 057	141 422	87 057
<u>LIABILITIES</u>				
Current liabilities				
Trade and other payables		69 741	82 964	69 741
Provisions		14 826	30 992	14 826
Total current liabilities		84 567	113 955	84 567
Non current liabilities				
Provisions		56 637	62 409	56 637
Total non current liabilities		56 637	62 409	56 637
TOTAL LIABILITIES		141 204	176 364	141 204
NET ASSETS	2	(54 147)	(34 942)	(54 147)
<u>COMMUNITY WEALTH/EQUITY</u>				
Accumulated Surplus/(Deficit)		(54 147)	(34 942)	(54 147)
Reserves		–	–	–
TOTAL COMMUNITY WEALTH/E	2	(54 147)	(34 942)	(54 147)

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

Number	Description	Basis of calculation	YTD 2021/22
1	Current ratio	Current assets/ Current liabilities	0,62:1
2	Liquidity ratio	(Current assets – Inventory)/ Current liabilities	0,62:1
3	Working capital	Current assets – Current liabilities	(43 234million)

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 0,62:1 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 0,62:1 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.

6 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.

6.1 KEY DATA: HUMAN RESOURCES

Details	Original Budget	YTD 2021/2022
Employee costs as % of total expenditure	77%	79%
Number of permanent employees	400	345
Number of temporary employees	50	18
Total number of leave days due	25,000	13,321

7.2 Table 15: COUNCILLORS AND STAFF BENEFITS

DC48 West Rand Supporting Table SC8 - Quarterly Budget Statement - Councillors and Staff benefits- Q2 Second Quarter

R thousands	Ref	Budget Year 2021/2022						
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	B						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages		13 910	865	5 372	6 955	(1 583)	-23%	13 910
Sub Total - Councillors		13 910	865	5 372	6 955	(1 583)	-23%	13 910
Senior Managers of the Municipality	3							
Basic Salaries and Wages		8 500	474	2 439	4 250	(1 811)	-43%	8 500
Sub Total - Senior Managers of Municipality		8 500	474	2 439	4 250	(1 811)	-43%	8 500
Other Municipal Staff								
Basic Salaries and Wages		122 218	9 576	60 228	61 109	(881)	-1%	122 218
Pension and UIF Contributions		23 478	2 048	12 975	11 739	1 236	11%	23 478
Medical Aid Contributions		11 756	979	5 909	5 878	31	1%	11 756
Overtime		879	570	3 615	440	3 175	723%	879
Performance Bonus		12 462	273	5 152	6 231	(1 079)	-17%	12 462
Motor Vehicle Allowance		6 509	817	4 939	3 255	1 685	52%	6 509
Cellphone Allowance		25	1	6	13	(7)	-53%	25
Housing Allowances		1 083	41	237	542	(304)	-56%	1 083
Other benefits and allowances		5 282	15	1 343	2 641	(1 298)	-49%	5 282
Payments in lieu of leave		4 058	192	1 554	2 029	(475)	-23%	4 058
Sub Total - Other Municipal Staff		187 750	14 511	95 959	93 875	2 084	2%	187 750
Total Parent Municipality		210 160	15 850	103 770	105 080	(1 310)	-1%	210 160
TOTAL SALARY, ALLOWANCES & BENEFITS		210 160	15 850	103 770	105 080	(1 310)	-1%	210 160
TOTAL MANAGERS AND STAFF		196 250	14 985	98 398	98 125	273	0%	196 250

7.3 Table 16: COUNCILLORS REMUNERATION

PUBLIC OFFICE-BE+B1:J21ARERS ACT, ACT NO. 20 of 1998									
MONTHLY COUNCILLOR									
requested to submit a completed schedule									
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:	November				Total Number of Councillors:	44			
Contact Person:	Sam Ramaele				Telephone:	011 411 5010			
E-Mail Address:	sramaele@wr.dlm.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	13 451,78	880,95	-	-	-	3 780,55	18 113,28	
Speaker	1	11 523,89	880,95	-	3 841,30	-	154,78	16 400,92	
Member of Mayoral Committee	7	67 254,81	4 547,61	-	22 418,26	-	897,39	95 118,07	
Chief Whips	1	10 803,64	880,95	-	3 601,21	-	145,66	15 431,46	
Chairperson of Section 79 Committees	1	6 631,67	476,19	-	2 210,56	-	88,76	9 407,18	
Municipal Councillors: Part-Time									
Councillors	33	60 607,31	19 357,11	20 400,00	16 679,71	-	1 081,07	118 125,20	
TOTAL		170 273,10	27 023,76	20 400,00	48 751,04	0	6 148,21	272 596,11	
Comments:									
Municipal Manager (Acting/Delegate):	ME Kolo				Date:	2021/12/13			

7.4 Table 17: QUARTERLEY CONSOLIDATED REPORT ON WITHDRAWAL

	Consolidated	Primary Bank Account	Bank 2	Bank 3	Bank 4
		First National Bank (WRDM)	Standard Bank (WRDM)	Standard Bank Fixed Investment (WRDM)	Short term Investment WRDM
Bank:		622777660872	21307350	0	
Account number:					
Bank reconciliation/s compiled and attached		Yes	Yes	-	-
Month:(End of Quarter)	December	December	December	December	December
Opening cash book balance at beginning of quarter	6 565 487	35 734	1 615 172	4 914 581	-
Add Receipts for quarter	83 890 200	353 524	386 183	74 150 494	9 000 000
Less Payments for quarter	-35 457 390	-117 108	-1 802 895	-33 537 387	-
Closing cash book balance at end of quarter	54 998 297	272 150	198 460	45 527 688	9 000 000
GL Account Balance				-	-
Payments for the month	-35 457 390	-117 108	-1 802 895	-33 537 387	-
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	-35 457 390	-117 108	-1 802 895	-33 537 387	-
Actual capital expenditure for the quarter	-	-	-	-	-
Actual operating expenditure for the quarter	-35 457 390	-117 108	-1 802 895	-33 537 387	-
Section 11(4) expenditure	-	-	-	-	-
Total	-35 457 390	-117 108	-1 802 895	-33 537 387	-