

NDLAMBE LOCAL MUNICIPALITY



FINANCE REPORT

REPORTING PERIOD: OCTOBER 2020

PART 1: IN - YEAR REPORT

PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 May 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

EXECUTIVE SUMMARY

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 May 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

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

Further, Section 71 of the MFMA requires 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 national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.” For the reporting period ending 30 June 2020, the ten working day reporting limit expires on 14 October 2020.

IN YEAR BUDGET STATEMENT TABLES

EC105 Ndlambe - Table C1 Monthly Budget Statement Summary - M04 October

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	132 266	132 266	10 295	46 176	44 089	2 088	5%	-
Service charges	-	147 589	147 589	12 923	55 161	49 196	5 965	12%	-
Investment revenue	-	3 557	3 557	441	515	1 186	(670)	-57%	-
Transfers and subsidies	-	111 909	129 839	1 201	48 299	40 889	7 410	18%	-
Other own revenue	-	33 826	33 826	2 836	9 992	11 376	(1 384)	-12%	-
Total Revenue (excluding capital transfers and contributions)	-	429 147	447 077	27 695	160 144	146 736	13 408	9%	-
Employee costs	-	159 926	159 926	12 017	48 158	53 401	(5 243)	-10%	-
Remuneration of Councillors	-	7 274	7 274	628	2 510	2 425	85	4%	-
Depreciation & asset impairment	-	36 144	36 144	-	-	12 048	(12 048)	-100%	-
Finance charges	-	1 237	1 237	-	400	412	(12)	-3%	-
Materials and bulk purchases	-	80 297	80 547	9 020	24 898	26 816	(1 917)	-7%	-
Transfers and subsidies	-	2 944	2 944	396	1 080	981	99	10%	-
Other expenditure	-	141 323	149 733	14 008	33 661	52 111	(18 450)	-35%	-
Total Expenditure	-	429 146	437 806	36 068	110 707	148 194	(37 486)	-25%	-
Surplus/(Deficit)	-	1	9 271	(8 373)	49 437	(1 458)	50 894	-3491%	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	35 528	49 028	6 869	14 477	18 832	###	-23%	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and	-	1 201	1 201	-	-	400	(400)	-100%	-
Surplus/(Deficit) after capital transfers & contributions	-	36 730	59 500	(1 504)	63 914	17 774	46 140	260%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	36 730	59 500	(1 504)	63 914	17 774	46 140	260%	-
Capital expenditure & funds sources									
Capital expenditure	-	44 318	67 088	7 768	18 707	44 318	(25 611)	-58%	-
Capital transfers recognised	-	36 729	50 229	7 304	17 919	23 568	(5 649)	-24%	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	7 589	16 859	464	788	3 706	(2 919)	-79%	-
Total sources of capital funds	-	44 318	67 088	7 768	18 707	27 275	(8 568)	-31%	-
Financial position									
Total current assets	-	147 508	157 208		171 045				-
Total non current assets	-	1 135 838	1 158 608		1 198 804				-
Total current liabilities	-	101 252	110 952		107 300				-
Total non current liabilities	-	102 702	102 702		97 652				-
Community wealth/Equity	-	1 079 391	1 102 161		1 164 896				-
Cash flows									
Net cash from (used) operating	-	117 440	92 538	(1 486)	97 711	294 486	196 775	67%	-
Net cash from (used) investing	-	(44 938)	(45 138)	(7 778)	20 329	(15 316)	(35 645)	233%	-
Net cash from (used) financing	-	(1 956)	1 956	-	26	(2 928)	(2 954)	101%	-
Cash/cash equivalents at the month/year end	-	115 855	94 666	-	131 626	321 552	189 926	59%	13 559
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	25 293	10 574	8 560	136 403	-	-	-	-	180 830
Creditors Age Analysis									
Total Creditors	24 127	-	-	-	-	-	-	-	24 127

Revenue:

October 2020 actual operating revenue excluding capital transfers is R27.7 million while average budget amount is R37.3 million budgets, while “year to date” (YTD) total actual operating revenue is R160.4 million against a YTD budget amount of R146,7 million. This represents an overall over performance of 9%. There is a notable over spending on the other revenue that is made up of the under budgeting for electricity bill for the sewer pump stations.

Over performance is due to transfers of and subsidies which cannot be budgeted with certainty as treasury transfer amount are not fixed, transfer amounts are determined by treasury. For planning purpose BTO sets the budget according to a 12 months average, resulting in a 18% over-performance. The bulk of received funds being the equitable share.

Investments revenue is down by 57%, due to the payment of R19.4million from investment made to QFS for RO Plant. Department of Water and Sanitation is processing a refund of this amount. On receipt of the funding, the gap between budget and actuals would be close.

Other revenue is down by 12% on budget, the greatest portion of this is due to boat licences, hawkers trading permits and vehicle licences as result of closure of the Driving Licence Testing Centre (DLTC) due to COVID cases. Given that, COVID infections are still continuing, we relying on existing protocols to continue operating and raise the revenue.

Operating Expenditure

The year to date operational expenditure as at end of October amounts to R110, 707 million and the year to date budget is R148,194 million. This reflects an unfavorable variance of R37, 486 million that equates to a 25% under spending variance. There is a notable under expenditure on contracted services which made up of Consultants, Maintenance of buildings expenditure has be slow on these items to accommodate available cash flow.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10%.

The year to date actual capital expenditure as at end of October amounts to R18, 707 million and the year to date budget amounts to R17,774 million and this gives rise to 260% over performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating deficit for the October is R1,504 million

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of October amounts to R179,553 million.

Consumer debtors is made up of service charges and property rates totaling to R168,145 Million and other debtors amounting to R11,408 million.

Creditors

All creditors are paid within 30 days of receipt of invoice as required by MFMA and as a result, our creditor's age analysis amounts to R11,408 million.

Table C2 – Financial Performance (Standard Classification)

EC105 Ndlambe - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		–	204 625	220 545	11 156	94 945	71 392	23 553	33%	–
Executive and council		–	4 267	4 267	–	–	1 422	(1 422)	-100%	–
Finance and administration		–	200 358	216 278	11 156	94 945	69 970	24 975	36%	–
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		–	18 290	18 800	1 611	2 709	8 160	(5 451)	-67%	–
Community and social services		–	3 094	3 604	693	693	1 234	(541)	-44%	–
Sport and recreation		–	10 898	10 898	699	781	5 493	(4 712)	-86%	–
Public safety		–	39	39	8	10	13	(3)	-22%	–
Housing		–	2 590	2 590	199	794	863	(70)	-8%	–
Health		–	1 669	1 669	12	431	556	(125)	-22%	–
Economic and environmental services		–	9 847	9 847	2 153	2 967	4 769	(1 801)	-38%	–
Planning and development		–	3 751	3 751	615	1 308	1 250	58	5%	–
Road transport		–	4 092	4 092	1 466	1 472	2 851	(1 378)	-48%	–
Environmental protection		–	2 004	2 004	73	187	668	(481)	-72%	–
Trading services		–	220 485	235 485	18 445	70 473	77 437	(6 964)	-9%	–
Energy sources		–	78 834	78 834	6 230	25 594	26 278	(684)	-3%	–
Water management		–	76 328	86 004	6 974	30 290	27 741	2 549	9%	–
Waste water management		–	32 745	38 069	3 409	7 011	12 559	(5 548)	-44%	–
Waste management		–	32 577	32 577	1 832	7 578	10 859	(3 281)	-30%	–
Other	4	–	12 629	12 629	1 200	3 527	4 210	(683)	-16%	–
Total Revenue - Functional	2	–	465 876	497 306	34 564	174 621	165 967	8 654	5%	–
Expenditure - Functional										
Governance and administration		–	144 844	151 494	12 630	32 705	52 522	(19 817)	-38%	–
Executive and council		–	34 372	34 372	2 106	8 760	11 975	(3 215)	-27%	–
Finance and administration		–	103 091	109 741	10 326	23 305	38 063	(14 759)	-39%	–
Internal audit		–	7 381	7 381	198	640	2 483	(1 843)	-74%	–
Community and public safety		–	40 057	40 567	3 217	9 874	13 613	(3 739)	-27%	–
Community and social services		–	11 158	11 668	929	2 624	3 873	(1 249)	-32%	–
Sport and recreation		–	11 775	11 775	1 270	3 274	3 928	(653)	-17%	–
Public safety		–	9 268	9 268	616	2 503	3 120	(617)	-20%	–
Housing		–	3 656	3 656	299	1 081	1 264	(183)	-14%	–
Health		–	4 199	4 199	104	392	1 429	(1 037)	-73%	–
Economic and environmental services		–	79 065	79 065	5 054	18 380	26 633	(8 253)	-31%	–
Planning and development		–	24 549	24 549	1 535	5 918	8 410	(2 492)	-30%	–
Road transport		–	50 953	50 953	3 354	11 829	17 031	(5 202)	-31%	–
Environmental protection		–	3 564	3 564	165	633	1 192	(559)	-47%	–
Trading services		–	162 486	163 986	14 985	49 036	54 498	(5 461)	-10%	–
Energy sources		–	74 103	74 103	8 247	27 115	24 703	2 412	10%	–
Water management		–	41 060	42 560	2 803	8 777	14 015	(5 238)	-37%	–
Waste water management		–	20 793	20 793	2 047	5 490	6 934	(1 443)	-21%	–
Waste management		–	26 529	26 529	1 888	7 654	8 846	(1 192)	-13%	–
Other		–	2 694	2 694	182	713	929	(216)	-23%	–
Total Expenditure - Functional	3	–	429 146	437 806	36 068	110 707	148 194	(37 486)	-25%	–
Surplus/ (Deficit) for the year		–	36 730	59 500	(1 504)	63 914	17 774	46 140	260%	–

Table C3 – Fin' Performance (Revenue and Expenditure by vote)

EC105 Ndlambe - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	4 267	4 267	-	-	1 422	(1 422)	-100,0%	-
Vote 2 - Municipal Manager Directorate		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Management Directorate		-	200 333	216 203	11 135	94 925	66 778	28 148	42,2%	-
Vote 4 - Corporate Services Directorate		-	3 119	3 169	713	713	1 140	(427)	-37,5%	-
Vote 5 - Community and Protection Services Directorate		-	48 879	48 879	3 116	11 723	16 293	(4 570)	-28,0%	-
Vote 6 - Ndlambe Municipality		-	11 599	12 109	718	809	5 726	(4 917)	-85,9%	-
Vote 7 - Infrastructural Development Directorate		-	197 680	212 680	18 881	66 450	68 322	(1 871)	-2,7%	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	465 876	497 306	34 564	174 621	159 681	14 940	9,4%	-
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	12 461	12 461	824	3 454	4 262	(808)	-19,0%	-
Vote 2 - Municipal Manager Directorate		-	30 351	30 351	1 548	6 218	10 571	(4 354)	-41,2%	-
Vote 3 - Financial Management Directorate		-	62 756	69 356	5 546	11 860	23 191	(11 331)	-48,9%	-
Vote 4 - Corporate Services Directorate		-	33 489	33 539	4 442	10 020	11 291	(1 271)	-11,3%	-
Vote 5 - Community and Protection Services Directorate		-	57 379	57 379	3 997	14 798	19 243	(4 445)	-23,1%	-
Vote 6 - Ndlambe Municipality		-	19 250	19 760	1 641	4 947	6 443	(1 496)	-23,2%	-
Vote 7 - Infrastructural Development Directorate		-	213 458	214 958	18 070	59 411	71 460	(12 050)	-16,9%	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	429 146	437 806	36 068	110 707	146 462	(35 754)	-24,4%	-
Surplus/ (Deficit) for the year	2	-	36 730	59 500	(1 504)	63 914	13 220	50 694	383,5%	-

Table C2 and C3 measure the monthly actuals and YTD actuals against the YTD budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the YTD variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification.

Table C4: Monthly Budget Statement: Financial Performance (revenue and

EC105 Ndlambe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		-	132 266	132 266	10 295	46 176	44 089	2 088	5%	-
Service charges - electricity revenue		-	75 502	75 502	6 168	25 353	25 167	186	1%	-
Service charges - water revenue		-	42 928	42 928	3 216	18 535	14 309	4 225	30%	-
Service charges - sanitation revenue		-	12 908	12 908	2 177	5 634	4 303	1 331	31%	-
Service charges - refuse revenue		-	16 251	16 251	1 362	5 640	5 417	223	4%	-
Rental of facilities and equipment		-	195	195	10	10	65	(55)	-84%	-
Interest earned - external investments		-	3 557	3 557	441	515	1 186	(670)	-57%	-
Interest earned - outstanding debtors		-	9 594	9 594	654	2 591	3 198	(607)	-19%	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	699	699	19	26	233	(207)	-89%	-
Licences and permits		-	14 730	14 730	1 284	3 757	4 910	(1 153)	-23%	-
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	111 909	129 839	1 201	48 299	40 889	7 410	18%	-
Other revenue		-	8 608	8 608	854	3 570	2 970	600	20%	-
Gains		-	-	-	14	37	-	37	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		-	429 147	447 077	27 695	160 144	146 736	13 408	9%	-
Expenditure By Type										
Employee related costs		-	159 926	159 926	12 017	48 158	53 401	(5 243)	-10%	-
Remuneration of councillors		-	7 274	7 274	628	2 510	2 425	85	4%	-
Debt impairment		-	22 779	29 309	1 514	1 673	8 899	(7 226)	-81%	-
Depreciation & asset impairment		-	36 144	36 144	-	-	12 048	(12 048)	-100%	-
Finance charges		-	1 237	1 237	-	400	412	(12)	-3%	-
Bulk purchases		-	63 137	63 137	6 231	19 845	21 046	(1 201)	-6%	-
Other materials		-	17 161	17 411	2 789	5 054	5 770	(717)	-12%	-
Contracted services		-	68 489	70 319	7 464	19 323	24 836	(5 513)	-22%	-
Transfers and subsidies		-	2 944	2 944	396	1 080	981	99	10%	-
Other expenditure		-	50 055	50 105	5 030	12 665	18 376	(5 711)	-31%	-
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		-	429 146	437 806	36 068	110 707	148 194	(37 486)	-25%	-
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	1	9 271	(8 373)	49 437	(1 458)	50 894	(0)	-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	35 528	49 028	6 869	14 477	18 832	(4 354)	(0)	-
Transfers and subsidies - capital (in-kind - all)		-	1 201	1 201	-	-	400	(400)	(0)	-
Surplus/(Deficit) after capital transfers & contributions		-	36 730	59 500	(1 504)	63 914	17 774			-
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	36 730	59 500	(1 504)	63 914	17 774			-
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	36 730	59 500	(1 504)	63 914	17 774			-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	36 730	59 500	(1 504)	63 914	17 774			-

Table C4 provides budget performance details for revenue by source and expenditure by type. On revenue, the only revenue accounts that have material variance is facility rental and equipment and interest earned from external sources, permits and licenses, penalties and forfeits, all other items were affected by the lockdown except interest which was mainly affected by withdrawal of CCR funds which were used for bridging COGTA RO Plant payment.

Expenditure, accounts that had material variance is debt impairment, depreciation impairment

Capital Expenditure by Vote

EC105 Ndlambe - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M04 October										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousand										
Capital expenditure - Municipal Vote										
Expenditure of multi-year capital appropriation	1									
Capital expenditure - Municipal Vote										
Expenditure of single-year capital appropriation	1									
Vote 1 - Executive and Council		-	100	100	1	64	100	(36)	-36%	-
1.1 - Office of the Mayor and Councillors		-	100	100	1	64	100	(36)	-36%	-
Vote 2 - Municipal Manager Directorate		-	1 225	1 575	58	66	1 225	(1 158)	-95%	-
2.1 - Office of the MM		-	1 180	1 530	42	50	1 180	(1 130)	-96%	-
2.2 - Internal Auditor		-	25	25	-	-	25	(25)	-100%	-
2.3 - Intergration Development Planning		-	20	20	16	16	20	(4)	-20%	-
Vote 3 - Financial Management Directorate		-	1 404	2 184	103	115	1 404	(1 289)	-92%	-
3.1 - Finance		-	1 301	2 081	54	54	1 301	(1 246)	-96%	-
3.2 - Asset Management		-	25	25	1	13	25	(12)	-48%	-
3.3 - Valuations		-	-	-	-	-	-	-	-	-
3.4 - Supply Chain Management Unit		-	78	78	48	48	78	(31)	-39%	-
Vote 4 - Corporate Services Directorate		-	810	810	45	154	810	(656)	-81%	-
4.1 - Administrative and Corporate Support		-	58	58	-	-	58	(58)	-100%	-
4.2 - Human Resources		-	53	53	45	45	53	(8)	-14%	-
4.3 - Libraries and Archives		-	370	370	-	109	370	(261)	-70%	-
4.4 - Publicity and Customer Relations		-	-	-	-	-	-	-	-	-
4.5 - Community Halls and Civic Buildings		-	330	330	-	-	330	(330)	-100%	-
Vote 5 - Community and Protection Services Directorate		-	788	3 028	8	12	788	(776)	-99%	-
5.1 - Blue Flag Beaches		-	30	30	-	2	30	(28)	-94%	-
5.2 - Public Conserv and Street Cleaning		-	106	106	-	-	106	(106)	-100%	-
5.3 - Environmental Health Services		-	10	10	-	-	10	(10)	-100%	-
5.4 - Licencing		-	50	50	-	-	50	(50)	-100%	-
5.5 - Municipal Bylaw Compliance		-	-	-	-	-	-	-	-	-
5.6 - Security Services		-	-	-	-	-	-	-	-	-
5.7 - Environmental Compliance		-	102	102	8	10	102	(92)	-90%	-
5.8 - Reserve Management		-	40	40	-	-	40	(40)	-100%	-
5.9 - Fire Protection Services		-	450	450	-	-	450	(450)	-100%	-
5.10 - Refuse Disposal and Landfill Sites		-	-	2 240	-	-	-	-	-	-
Vote 6 - Ndlambe Municipality		-	10 952	11 552	1 569	2 253	10 952	(8 699)	-79%	-
6.1 - Parks and Recreation		-	-	600	-	-	-	-	-	-
6.2 - Sport Grounds and Stadiums		-	10 552	10 552	1 379	2 063	10 552	(8 489)	-80%	-
6.3 - Disaster Management		-	-	-	-	-	-	-	-	-
6.4 - Small Animal Pound		-	350	350	190	190	350	(160)	-46%	-
6.5 - Law Enforcement Services and Road Markings		-	50	50	-	-	50	(50)	-100%	-
Vote 7 - Infrastructural Development Directorate		-	29 039	47 839	5 983	16 043	29 039	(12 996)	-45%	-
7.1 - Water Services		-	16 949	29 225	4 063	11 439	16 949	(5 510)	-33%	-
7.2 - Roads and General Works		-	3 431	3 431	810	2 076	3 431	(1 355)	-39%	-
7.3 - Electricity Services		-	600	600	-	-	600	(600)	-100%	-
7.4 - Sewerage and Sanitation		-	5 847	12 371	1 052	2 449	5 847	(3 399)	-58%	-
7.5 - Housing		-	250	250	-	-	250	(250)	-100%	-
7.6 - Fleet Management/Workshops		-	1 370	1 370	43	43	1 370	(1 327)	-97%	-
7.7 - Town Planning, Estate, Town Engineer & Building Control		-	592	592	16	36	592	(556)	-94%	-
7.8 - Project Management Unit		-	-	-	-	-	-	-	-	-
Total single-year capital expenditure		-	44 318	67 088	7 768	18 707	44 318	(25 611)	(0)	-
Total Capital Expenditure		-	44 318	67 088	7 768	18 707	44 318	(25 611)	(0)	-

Capital Expenditure by Vote

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For October R7,768 million spending was incurred on capital budget whilst the year to date budget thereof is R44,318 million and this gave rise to under-performance performance variance of R25,611 million.

Table C6: Monthly Budget Statement Financial Position

EC105 Ndlambe - Table C6 Monthly Budget Statement - Financial Position - M04 October						
Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		–	32 299	48 529	(15 124)	–
Call investment deposits		–	44 136	44 136	40 715	–
Consumer debtors		–	33 149	26 619	85 051	–
Other debtors		–	36 489	36 489	59 158	–
Current portion of long-term receivables		–	281	281	281	–
Inventory		–	1 153	1 153	963	–
Total current assets		–	147 508	157 208	171 045	–
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	77	77	67	–
Investment property		–	196 667	196 667	196 667	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		–	938 757	961 527	1 002 022	–
Biological		–	–	–	–	–
Intangible		–	336	336	47	–
Other non-current assets		–	0	0	0	–
Total non current assets		–	1 135 838	1 158 608	1 198 804	–
TOTAL ASSETS		–	1 283 346	1 315 816	1 369 848	–
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	(1 956)	(1 956)	2 169	–
Consumer deposits		–	2 928	2 928	3 082	–
Trade and other payables		–	86 387	96 087	88 156	–
Provisions		–	13 893	13 893	13 893	–
Total current liabilities		–	101 252	110 952	107 300	–
Non current liabilities						
Borrowing		–	10 288	10 288	5 237	–
Provisions		–	92 415	92 415	92 415	–
Total non current liabilities		–	102 702	102 702	97 652	–
TOTAL LIABILITIES		–	203 954	213 654	204 952	–
NET ASSETS	2	–	1 079 391	1 102 161	1 164 896	–
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		–	1 079 391	1 102 161	1 164 896	–
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	1 079 391	1 102 161	1 164 896	–

The above table shows that community wealth amounts to R1,164,896 million, total liabilities R204,952 million and the total assets R1,369,848 Billion. Non-current liabilities are mainly made up of ABSA long-term loans, provisions for Post-Retirement Medical Aid.

Table C7: Monthly Budget Statement Cash Flow

EC105 Ndlambe - Table C7 Monthly Budget Statement - Cash Flow - M04 October										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	118 088	118 088	11 948	40 584	39 363	1 221	3%	-
Service charges		-	153 805	153 805	9 237	40 326	51 268	(10 942)	-21%	-
Other revenue		-	25 442	25 442	6 979	74 361	157 445	(83 084)	-53%	-
Transfers and Subsidies - Operational		-	112 911	129 341	8 069	62 776	37 637	25 139	67%	-
Transfers and Subsidies - Capital		-	35 528	35 528	6 869	14 477	11 843	2 634	22%	-
Interest		-	557	557	1 406	4 089	-	4 089	#DIV/0!	-
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(324 710)	(366 042)	(45 599)	(137 821)	(4 129)	133 692	-3238%	-
Finance charges		-	(1 237)	(1 237)	-	-	412	412	100%	-
Transfers and Grants		-	(2 944)	(2 944)	(396)	(1 080)	647	1 728	267%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	117 440	92 538	(1 486)	97 711	294 486	196 775	67%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	748	77	670	869%	-
Payments										
Capital assets		-	(44 938)	(45 138)	(7 778)	19 582	(15 393)	(34 974)	227%	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(44 938)	(45 138)	(7 778)	20 329	(15 316)	(35 645)	233%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	26	(2 928)	2 954	-101%	-
Payments										
Repayment of borrowing		-	(1 956)	1 956	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(1 956)	1 956	-	26	(2 928)	(2 954)	101%	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	70 546	49 356	(9 264)	118 067	276 242			-
Cash/cash equivalents at beginning:		-	45 310	45 310		13 559	45 310			13 559
Cash/cash equivalents at month/year end:		-	115 855	94 666		131 626	321 552			13 559

Table C7 presents details pertaining to cash flow performance. As at end of October, the net cash inflow from operating activities is R119, 417 million whilst net cash outflow from investing activities is R11,722 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R 26,199 million.

PART 2: SUPPORTING TABLES

Supporting Table: SC 3 - Debtors Age Analysis

EC105 Ndlambe - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

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														
Trade and Other Receivables from Exchange Transactions - Water	1200	6 505	3 069	3 474	26 488						39 536	26 488	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	6 162	2 062	1 254	9 169						18 648	9 169	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	10 242	3 563	2 324	35 622						51 750	35 622	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	1 283	782	548	11 430						14 043	11 430	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 409	765	624	13 202						15 999	13 202	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-						-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	29 527						29 527	29 527	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-						-	-	-	-
Other	1900	(306)	332	335	10 965						11 327	10 965	-	-
Total By Income Source	2000	25 293	10 574	8 560	136 403	-	-	-	-	-	180 830	136 403	-	-
2019/20 - totals only											-	-		
Debtors Age Analysis By Customer Group														
Organs of State	2200	344	370	302	5 696						6 711	5 696	-	-
Commercial	2300	1 290	711	316	1 896						4 213	1 896	-	-
Households	2400	23 659	9 493	7 942	128 811						169 905	128 811	-	-
Other	2500	-	-	-	-						-	-	-	-
Total By Customer Group	2600	25 293	10 574	8 560	136 403	-	-	-	-	-	180 830	136 403	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of October amount to R180,830 million.

The debtors' age is as follows:

Debtors Age Analysis - June 2020					
INTEREST	+ 90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL
29,526,676	106,876,385	8,559,571	10,573,558	25,293,382	180 829 572
16%	59%	5%	6%	14%	100%

59% of the outstanding debt is older than 90days, this category has increased from 57%, it indicates Slow payment of accounts, COVID 19 being a contributing factor to this.

The debtors' book is made up as follows:

Outstanding Debt Breakdown October 2020

BREAKDOWN OF OUTSTANDING DEBT BY CONSUMER GROUP					
Debt by Group	JULY	AUG	SEPT	OCT	% of Total Debt
Non - Indigents	112,510,140	112,863,350	114,074,492	112,061,640	62%
Indigents	1,956,997	3,529,234	5,227,640	6,519,701	4%
Deceased	1,377,502	2,101,950	2,732,330	3,414,779	2%
Municipal Staff	635,172	620,970	598,963	530,734	0%
Councillors	20,136	23,705	19,904	17,844	0%
Government (Prov & Nat. Depts)	8,749,826	9,634,861	9,095,112	6,711,344	4%
Rural/Farmers	12,532,251	13,971,096	14,068,279	14,122,645	8%
Business	3,938,962	4,323,387	4,326,847	4,212,875	2%
Handed-Over debt	-	-	-	3,711,334	2%
Interest	28,615,887	29,230,720	29,409,038	29,526,676	16%
Total Debt	170,336,873	176,299,271	179,552,605	180,829,572	100%

The debt breakdown shows that 62% of the debt is owed by households. There is a notable reduction in the household debt from 67% to 62%. The second highest portion of the debt is interest at 16%, farmers debt constitute 8% of the debt. The balance between 25 to 4% belongs to other categories.

Government debt is at 4%, Government debt is raised in July for the full financial year and payable in September. Historical balance from July show that not much has been paid by the government departments.

According to COGTA debt collection forum, a service provider has been appointed to verify the old municipal debt for payment. The old debt is part of the Departmental debt reflected as outstanding at the end of October 2020.

Collections in ESKOM electricity distribution areas is still a challenge, we are aware that SALGA is engaging Eskom on signing of agreements on delivering services in the municipal area. It is envisaged that an arrangement will be made to assist municipalities to collect debt in these areas.

Staff and Councilor Accounts

The two tables below show status of councilors and staff accounts, aging and recovery and arrear recovery method. A total of 35 employees owe R597,238 while 20 councilors arrears amount to R17,843. The bulk of the outstanding debt is on current to 30 days.

REPORT ON MUNICIPAL STAFF ACCOUNTS		
Quantity of Debtors	Explanation	Balance as at OCTOBER 2020
351	Staff on Age Analysis Coded as staff	R 597 238,57
291	Staff with current balance paying through staff deduction	R 225 501,17
1	Debtor 4009790 with arrears is paying current in cash and has an arrangement of R400 towards arrears.	8 612,85
7	Accounts with credit balances	-R 2 914,65
30	Staff with arrears with valid arrangements in place (Balance is R152 809.44 of which R29 080.02 relates to current for Oct 2020 which is paid monthly and instalments towards arrears is R18 650.81 (debt will be settled in 1 to 30 months)	R 152 809,44
4	Staff with arrears with arrangements towards arrears but repayment periods is from 50 to 218 months therefore arrangements is not valid but staff member can not afford more. Balance of these staff debtors arrears is R116 703.84 of which current is R3730.59 and instalment towards arrears amounts to R1300.65 (debt will be paid back between 50 to 218 months)	R 116 703,84
18	Enquiries to be resolved during Sep (11 of these staff members are paying current accounts amounting to R13 006.59 but not paying on arrears) and the other 7 is not paying towards current or arrears and needs to be verified with a total balance	R 96 525,92
351		R 597 238,57
REPORT ON COUNCILLORS ACCOUNTS		
Quantity of Debtors	Explanation	Balance as at OCTOBER 2020
20	Councillors on Age Analysis Coded as councillors	R 17 843,65
15	Councillors in current balance - paying by staff deduction	R 8 590,74
1	Councillors in current paying cash 5104666	-R 1 498,45
1	Councillor in arrears paying cash 55000200	1043,14
3	Councillors with arrears due to water queries but has arrangements in place Balance is R13 595.45 instalments towards arrears is R2816.82 (debt will be settled in 5 months)	9 708,22
20		R 17 843,65

Ndlambe Debt Collection Rate

Item Description	Monthly Billings and Receipts				
	Jul 2020	Aug 2020	Sep 2020	Oct 2020	YTD
BILLING: SEPTEMBER'2020	21,741,600	31,872,947	26,908,889	25,521,737	26,511,293
COLLECTION: OCTOBER'2020	-19,756,904	-21,108,503	-21,909,247	-24,254,004	-21,757,164
COLLECTION: OCTOBER'2020	90.9%	66.2%	81.4%	95.0%	82.1%

October collection rate reflects an achievement of treasury norm, however this due to the late payment by government departments, the payment was due in September. On average, monthly collection are averaging R21 million. The 66% collection rate was due to the July departmental annual billing but the collection itself did not change from average. The collection rate, is indicative of our ability to meet our short term operating expenditure. The above are the major top 20 creditors critical for service delivery paid. They had been paid within the 30 day payment norm.

Below is list of top twenty creditors that contribute significantly to the ever growing debt book.

TOP TWENTY CREDITORS

CODE	CREDITOR NAME	CONTACT NAME	CONTACT NUMBER	AMOUNT
2154	ESKOM HOLDINGS LIM	E N 02 ESKOM HOLDING	041 994 8675	- 7 050 561,12
12863	MAMLAMBO CONSTRUCTION	JOLENE WILLIAMS		- 1 986 384,33
11728	HLOMELANG MARKETING		031 5792010	- 1 778 479,42
8585	SALGA LEVIES	E N 02 SALGA LEVIES	043 722 2300	- 1 583 060,00
25992	delacom solutions	Victor Vukile Zwane	414873767	- 1 502 326,42
4878	MANELEC	E N 02 MANELEC		- 1 500 000,00
12915	CDR ELECTRICAL (START UP COST)			- 1 385 200,05
12040	REAL TOWERS GROUP			- 1 209 738,02
9618	THE DEPT PAYMASTER	E N 02 THE DEPT PAYM		- 1 154 500,16
249	AMATOLA WATER BOAR	Unathi Jaji	043 707 3748	- 923 126,72
13062	CAPTAIN MOGUL	T SIGILA		- 865 738,58
25991	ABSA Property Development (Pty	Fiona Nakalanzi		- 409 514,11
13019	BOHLALE CONSULTANTS	THULISA ZUKULU		- 408 739,00
12162	NJH GROUP	N J HENDRIK KITI		- 349 642,00
20020	PURPLE PANSY 101	Alister Nel	043 722 1832	- 347 055,17
11187	MUBESKO AFRICA	NICO DE KOCK	044-2725572	- 345 000,00
12967	KYRALINX	SIYABONGA HENDRIK		- 340 454,76
20089	MPHELE ENGINEERS AND PROJECT M	Marius Els	163415498	- 338 100,00
3221	HI-TEC SECURITY	E N 02 HI-TEC SECURI	046 648 1032	- 336 179,21
12884	LR PROJECTS	LOYISO RANUGA		- 312 972,50

EC105 Ndlambe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October												
Description	NT Code	Budget Year 2020/21									Prior year totals for chart (same period)	
		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												
Bulk Electricity	0100	9 936									9 936	
Bulk Water	0200	923									923	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repay ments	0600										-	
Trade Creditors	0700	10 194									10 194	
Auditor General	0800										-	
Other	0900	3 074									3 074	
Total By Customer Type	1000	24 127	-	-	-	-	-	-	-	-	24 127	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. All creditors for the month were paid within the stipulated period of thirty days and no creditors were outstanding for more than 30 days, hence the age analysis table is blank.

EC105 Ndlambe - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
R thousands										%	
RECEIPTS:	1,2										
Operating Transfers and Grants											
National Government:		-	107 958	125 888	8 658	33 096	35 986	(2 890)	-8,0%		-
Local Government Equitable Share		-	103 801	120 231	8 500	32 500	34 600	(2 100)	-6,1%		-
Finance Management		-	-	-	-	-	-	-			-
MIG project management		-	-	-	-	-	-	-			-
Other transfers and grants [insert description]		-	4 157	5 657	158	596	1 386	(789)	-57,0%		-
Provincial Government:		-	2 400	2 400	682	682	800	(118)	-14,7%		-
Other: Libraries and Archives		-	2 400	2 400	682	682	800	(118)	-14,7%		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-			-
District Municipality:		-	1 551	1 551	-	388	517	(129)	-25,0%		-
[insert description]		-	-	-	-	-	-	-			-
Environmental Health Subsidy		-	1 551	1 551	-	388	517	(129)	-25,0%		-
Other grant providers:		-	-	-	-	-	-	-			-
Total Operating Transfers and Grants	5	-	111 909	129 839	9 341	34 166	37 303	(3 137)	-8,4%		-
Capital Transfers and Grants											
National Government:		-	35 178	48 678	5 434	5 434	16 015	(10 581)	-66,1%		-
Municipal Infrastructure Grant (MIG)		-	35 178	48 678	5 434	5 434	16 015	(10 581)	-66,1%		-
Regional Bulk Infrastructure		-	-	-	-	-	-	-			-
Water Infrastructure		-	-	-	-	-	-	-			-
Other capital transfers [insert description]		-	-	-	-	-	-	-			-
Provincial Government:		-	350	350	1 435	9 043	117	8 926	7651,2%		-
Infrastructure and Library grant		-	350	350	1 435	9 043	117	8 926	7651,2%		-
District Municipality:		-	-	-	-	-	-	-			-
Other grant providers:		-	1 201	1 201	-	-	400	(400)	-100,0%		-
Expanded Public Works Programme (EPWP)		-	1 201	1 201	-	-	400	(400)	-100,0%		-
Total Capital Transfers and Grants	5	-	36 729	50 229	6 869	14 477	16 532	(2 054)	-12,4%		-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	148 638	180 068	16 209	48 643	53 834	(5 191)	-9,6%		-

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R48,643 million of which the major portion is attributed to equitable share. In the reporting period, all gazette grants were received according to National Treasury's grants payment schedule.

Allocated and transferred grants were all spent in full, no roll over application would be done. Ndlambe was allocated a schedule 6B grants by COGTA and Department of Water and Sanitation for construction of an RO Plant, the funding is still with the departments as it is transferred on claim for expenditure.

During 2020/2021 year Ndlambe received a total allocation of R120,581 million, The total amount is a combination of the following grants;

- Financial Management Grant
- Expanded Public Work Programme
- Equitable Share
- Municipal Infrastructure Grant
- Municipal Disaster Relief Grant
- DWS and COGTA schedule 6(B) grants

EC105 Ndlambe - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	4 722	4 722	411	1 645	1 574	71	4%	-
Pension and UIF Contributions		-	341	341	29	116	114	2	2%	-
Medical Aid Contributions		-	55	55	4	17	18	(1)	-5%	-
Motor Vehicle Allowance		-	1 382	1 382	115	461	461	-		-
Cellphone Allowance		-	775	775	68	272	258	14	5%	-
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		-	7 274	7 274	628	2 510	2 425	85	4%	-
% increase	4		0,0%	0,0%						
Other Municipal Staff										
Basic Salaries and Wages		-	105 948	105 948	7 992	32 148	35 388	(3 241)	-9%	-
Pension and UIF Contributions		-	19 420	19 420	1 392	5 491	6 473	(982)	-15%	-
Medical Aid Contributions		-	13 799	13 799	984	3 940	4 600	(660)	-14%	-
Overtime		-	-	-	0	12	-	12	#DIV/0!	-
Performance Bonus		-	7 876	7 876	16	68	2 625	(2 557)	-97%	-
Motor Vehicle Allowance		-	4 875	4 875	383	1 490	1 625	(135)	-8%	-
Cellphone Allowance		-	-	-	-	-	-	-		-
Housing Allowances		-	1 105	1 105	57	267	368	(101)	-27%	-
Other benefits and allowances		-	6 544	6 544	863	3 387	2 201	1 185	54%	-
Payments in lieu of leave		-	325	325	104	288	108	180	166%	-
Long service awards		-	33	33	4	175	11	164	1483%	-
Post-retirement benefit obligations	2	-	-	-	220	891	-	891	#DIV/0!	-
Sub Total - Other Municipal Staff		-	159 926	159 926	12 017	48 158	53 401	(5 243)	-10%	-
% increase	4		0,0%	0,0%						
Total Parent Municipality		-	167 200	167 200	12 644	50 668	55 825	(5 158)	-9%	-
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS										
		-	167 200	167 200	12 644	50 668	55 825	(5 158)	-9%	-
% increase	4		0,0%	0,0%						
TOTAL MANAGERS AND STAFF		-	159 926	159 926	12 017	48 158	53 401	(5 243)	-10%	-

Table SC8 provides details for Remuneration of Councilors and Employee related cost. Councillor YTD allowances are 1% higher than budget, Senior managers are salaries are 31% more than budget due to a salary adjustment done in September 2019, which could not be fully covered by the available savings during budget adjustment. Another contributor to the increase is miscellaneous leave and acting allowances paid to the senior managers.

Supporting Table: SC 12 Capital Expenditure Trend

EC105 Ndlambe - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M04 October

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
Monthly expenditure performance trend									
July	-	3 693	5 591	3 657	3 657	5 591	1 934	34,6%	8%
August	-	3 693	5 591	4 447	8 104	11 181	3 078	27,5%	18%
September	-	3 693	5 591	2 836	10 940	16 772	5 832	34,8%	25%
October	-	3 693	5 591	7 768	18 707	22 363	3 655	16,3%	42%
November	-	3 693	5 591	-	-	27 953	-	-	-
December	-	3 693	5 591	-	-	33 544	-	-	-
January	-	3 693	5 591	-	-	39 135	-	-	-
February	-	3 693	5 591	-	-	44 725	-	-	-
March	-	3 693	5 591	-	-	50 316	-	-	-
April	-	3 693	5 591	-	-	55 907	-	-	-
May	-	3 693	5 591	-	-	61 497	-	-	-
June	-	3 693	5 591	-	-	67 088	-	-	-
Total Capital expenditure	-	44 318	67 088	18 707					

Supporting table SC12 provides information on the monthly trends for capital expenditure, this table serves as a supporting table for table C5. In terms of this table the capital expenditure for October amounts to R7,768 million. There is an under expenditure OF R3,6 year to date. Under expenditure was due to some raining weather keeping contractors off the sites, non-compliance of bidders resulting in time-losses due to re-advertisement of the services and timing of transfer, for insistence municipality was an allocated additional amount of R16m for COVID19 related expenditure but the funds are to be transferred on about December only of current spending rate it is unlikely to have any funds half over at year end. Delays in obtaining an EIA authorization in respect of Cannon Rocks RO Plant were.

Supporting Table: SC 13(c) Repairs and Maintenance Expenditure

EC105 Ndlambe - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

Description	Ref	2019/20	Budget Year 2020/21							YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget					
R thousands	1											
Repairs and maintenance expenditure by Asset Class/Sub-class												
Infrastructure		-	12 102	12 102	1 995	1 995	3 026	1 031	34,1%	-		
Roads Infrastructure		-	750	750	28	28	188	160	85,3%	-		
Roads		-	750	750	28	28	188	160	85,3%	-		
Road Structures		-								-		
Road Furniture		-								-		
Capital Spares		-								-		
Storm water Infrastructure		-	600	600	134	134	150	16	10,6%	-		
Drainage Collection		-	600	600	134	134	150	16	10,6%	-		
Storm water Conveyance		-								-		
Attenuation		-								-		
Electrical Infrastructure		-								-		
Capital Spares		-								-		
Water Supply Infrastructure		-	4 852	4 852	115	115	1 213	1 098	90,5%	-		
Dams and Weirs		-	100	100	-		25	25	100,0%	-		
Boreholes		-	291	291	-		73	73	100,0%	-		
Reservoirs		-	549	549	27	27	137	110	80,5%	-		
Pump Stations		-	3 497	3 497	30	30	874	844	96,6%	-		
Water Treatment Works		-	417	417	59	59	104	45	43,6%	-		
Bulk Mains		-								-		
Sanitation Infrastructure		-	3 550	3 550	55	55	887	833	93,8%	-		
Pump Station		-	3 550	3 550	55	55	887	833	93,8%	-		
Solid Waste Infrastructure		-	2 350	2 350	1 663	1 663	588	(1 076)	-183,1%	-		
Landfill Sites		-	2 350	2 350	1 663	1 663	588	(1 076)	-183,1%	-		
Community Assets		-								-		
Computer Equipment		-	133	133	-	-	33	33	100,0%	-		
Computer Equipment		-	133	133	-	-	33	33	100,0%	-		
Furniture and Office Equipment		-	470	470	3	3	118	114	97,2%	-		
Furniture and Office Equipment		-	470	470	3	3	118	114	97,2%	-		
Machinery and Equipment		-	4 126	5 626	285	285	1 182	896	75,8%	-		
Machinery and Equipment		-	4 126	5 626	285	285	1 182	896	75,8%	-		
Transport Assets		-	5 151	5 151	338	338	1 288	950	73,8%	-		
Transport Assets		-	5 151	5 151	338	338	1 288	950	73,8%	-		
Total Repairs and Maintenance Expenditure	1	-	26 298	27 798	2 740	2 740	6 725	3 985	59,3%	-		

The total maintenance budget is R23,6 m, actual spent R9,8m, which is far less than the budget. The lower expenditure is due to lack of a planned maintenance program resulting.

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Ndlambe is moving forward with allocating resources to Supply Chain to move towards a centralized supply chain system. Three staff members, a 2 Clerks (Buyers) and a contracts management clerk.

A centralized supply chain system is a final solution to dealing with unauthorized, irregular, and fruitless and wasteful expenditure. To-date other than allocating human capital to Supply chain, Ndlambe is moving towards implementing a computerized procurement system. The service provider is developing the system and information is being prepared for uploading.

While preparing for handling of current UIF, efforts are also made to deal with historical UIF balances. To-date the MPAC has presented and recommended to Council on prior year regular expenditure.

As far as the fruitless and wasteful expenditures a report has been prepared by department for MPAC to consider. The total amount to be is R11 million, for the period 2012/13 to 20218/19.

The following are deviations for the period July 2020 to October 2020, the contracts clerk had been tasked to lead the implementation of the procurement plan as well as analysing the deviations and advise relevant departments to take the necessary steps to avoid recurring deviations.

Electricity and Water Losses

Electricity Losses

Electricity losses represent a comparison of purchased kWh to billed kWh. Billed kWh is a sum of time of use (TOU), conventional meter readings and prepaid electricity. Most of the losses are incurred in Alexandria but the volumes purchased for Alexandria are not material relative to Port Alfred Volumes, quarter1 average electricity losses to date were 10.1%, this is higher than the 8% industry norm, but an improvement to last losses reported to NERSA in October 2019 during electricity tariff application process which were 12.77%

During a contract change-over process, Ndlambe conducted an assessment of the electricity distribution network. The report identified areas of the network requiring attention. A maintenance plan was developed to ensure the identified areas are attended to systematically.

However, it was noted that budget will be limiting factor but for service delivery and safety, Ndlambe will have to find funds to address the issues raised in the report which are also contributing to the losses.

2020-2021 ELECTRICITY PURCHASES AND SALES (kWh)						
Town	Description	Months				Total
		Jul	Aug	Sep	Oct	
Alexandria	Purchases(kWh)	520,309	538,759	535,652	500,573	2,095,293
	Total Sales	351,114	367,399	307,860	312,626	1,338,999
	Sales(kWh)- Mun. Readings	120,427	127,630	83,368	86,422	417,847
	Sales(kWh)- Manelec Readings	31,944	34,610	32,867	29,217	128,639
	Prepaid (kWh)	198,743	205,159	191,625	196,987	792,514
	Lost (kWh)	169,195	171,359	227,792	187,947	756,293
	Loss %	33%	32%	43%	38%	36%
	Port Alfred	Purchases(kWh)	2,810,471	2,964,412	2,940,782	2,762,205
Total Sales		2,645,439	2,744,950	2,849,929	2,993,574	-
Sales(kWh)- Mun. Readings		1,434,208	1,413,461	1,597,391	1,729,456	6,174,515
Sales(kWh)- Manelec Readings		488,700	594,464	537,307	550,765	2,171,235
Prepaid (kWh)		722,531	737,025	715,231	713,354	2,888,141
Lost (kWh)		165,032	219,463	90,853	-231,369	11,477,870
Loss %		6%	7%	3%	-8%	100%
Overall	Purchases(kWh)	3,330,780	3,503,171	3,476,434	3,262,778	13,573,162
	Total Sales	2,996,553	3,112,349	3,157,789	3,306,200	12,572,891
	Sales(kWh)- Mun. Readings	1,554,635	1,541,091	1,680,759	1,815,878	6,592,362
	Sales(kWh)- Manelec Readings	520,644	629,074	570,174	579,982	2,299,873
	Prepaid (kWh)	921,274	942,185	906,856	910,340	3,680,655
	Lost (kWh)	334,227	390,822	318,645	-43,422	1,000,272
	Loss %	10.03%	11.16%	9.17%	-1.33%	7.37%

Water Losses

Calculation of the water losses are complicated than electricity. The difficulty is caused by non-availability of zonal bulk meters in our distribution network. Over the years, Ndlambe water losses exceeded the 40% norm by far.

During current financial, with the help of the "Water and sanitation infrastructure grant (WSIG), Ndlambe been able to procure some of these meters but the impact will be seen after installation,

It is advised that a more realistic picture would be seen in September results due to data used being collected from all the plant in Ndlambe. The average is 37%.

This is an improvement compared to the 2019/2020 of 43% reported in the annual financial statement. Ndlambe has appointed a resource to deal specifically with waterlosses. However, more equipment ie valves and bulk-meters is still needed to deal with this effectively

See attached report.