

## Section 52d for the quarter ending 30 June 2021-22

(9/1/3/6)

Cluster : Finance  
Portfolio: Financial Management

### 1. PURPOSE

The purpose of the report is to reflect the financial position of the Municipality for the quarter ending 30 June 2022.

### 2. OBJECTIVE

The objective of this report is to assist Council to exercise their oversight function to:

- a) Make rational decisions about the allocation of resources;
- b) Assess the current provision of services, as well as the sustainability of future service delivery;
- c) Assess how officials have discharged their accountability responsibilities;
- d) Ensure transparency in respect of the municipality's financial position and operating results;
- e) Assess the performance of the municipality measured against preset targets and objectives;
- f) Inform Council on how cash and other liquid resources were obtained and utilized;
- g) Assess whether financial resources were administered in accordance with legislative and regulatory requirements; and
- h) Promote comparative information for prior periods and actual results against budgeted or planned results;

### 3. LEGISLATIVE REQUIREMENTS:

In terms of section 52(d) of the MFMA, the Mayor of a 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 state affairs of the municipality.

- Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

### 4. BACKGROUND

Financial reports are the primary means of communicating financial information to other interested parties. These reports are made accessible to the Executive for additional management and financial information that helps it carries out its planning, decision-making and control responsibilities, and therefore has the ability to determine the form and content of such additional information to meet its own needs.

Governance is built around the responsibilities of accountability and oversight requiring a culture of transparency and regular reporting. More detailed financial reporting to the Council will facilitate an environment in which potential or real

financial problems are reported in time and in an appropriate manner to allow the council to remedy the situation.

## 5. DISCUSSIONS

The discussions below are broadly categorized under items of financial position (balance sheet), items of financial performance (income statement) and cash flow, as well as other information of key importance such as Asset Management and MFMA Compliance.

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### Annexures

Bank Reconciliation

Withdrawal Statements

Form D

Cost Containment Report

a) Current Assets

*Debtors Management and Credit Control Status for the Quarter ending June.*

The debtor's book balance of the municipality as attached in annexure A is R 2 621 913 less bad debts impairment R 959 576 resulting to R 1 662 337.

DC42 Sedlberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2021/22									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.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				
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200										-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300										-	-		
Receivables from Non-exchange Transactions - Property Rates	1400										-	-		
Receivables from Exchange Transactions - Waste Water Management	1500										-	-		
Receivables from Exchange Transactions - Waste Management	1600										-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700										-	-		
Interest on Arrear Debtor Accounts	1810										-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820										-	-		
Other	1900	6	-	-	-	-	-	1 542	1 074	2 622	2 616	-	960	
<b>Total By Income Source</b>	<b>2000</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 542</b>	<b>1 074</b>	<b>2 622</b>	<b>2 616</b>	<b>-</b>	<b>960</b>	
<b>2020/21 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200										-	-		
Commercial	2300										-	-		
Households	2400										-	-		
Other	2500										-	-		
<b>Total By Customer Group</b>	<b>2600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Notes**

Material increases in value of debtors' categories compared to previous month to be explained

Bad debts = amounts actually written off in the month

Total by Income Source must reconcile with Total by Customer Group

6	-	-	-	-	-	-	1 542	1 074	2 622
MUST AGREE							MUST AGREE	MUST AGREE	MUST AGREE

Bank reconciliation

Annexure " C1 – 4" indicate the bank reconciliations prepared for the quarter ending 30 June. 2022 with the detail on the bank and cash book balances.

The Council has four operating bank accounts Account to be reported on namely:

- Two Primary bank accounts, and
- Two License bank accounts

Council is operating four primary accounts. Bank reconciliations are completed monthly within three working days after the end of each month.

The cashbook shows a favorable balance of R 31 421 873 as at the end of June.

The remaining cash balance must meet operational requirements till end of June 2022, until receipt of the next equitable Share tranche due in July 2022.

b) Current Liabilities

Creditors' Age Analysis

Annexure "D" represents the creditors' age analysis of R 215 448 810 payable to the creditors in June 2022. An amount of R 124 557 502 is due payable to the licensing authority.

DC42 Sedibeng - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2021/22									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		
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400	395	-	-	-	-	-	-	-	-	395	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700										-	
Auditor General	0800										-	
Other	0900	14 307	19 775	8 176	-	-	-	-	-	172 794	-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>14 703</b>	<b>19 775</b>	<b>8 176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172 794</b>	<b>215 053</b>	<b>-</b>

*Notes*

Material increases in value of creditors' categories compared to previous month to be explained

c) Net Assets Reserves

The balance sheet of Council is broadly distinguished into "Assets" (what Council owns) and "Liabilities" (what Council owes) as per Generally Accepted Accounting Principles (GRAP). The difference between assets and liabilities is referred to as the "Net Assets."

The net assets of Council are primarily composed of reserves that Council has built up over the years. The nature of these reserves is that they are ring-fenced for specific use only (non-distributable reserves), as determined by accounting standards. It must be noted that reserves comprise of mostly accounting book-entries and are non-cash transactions. This implies that the reserves on the face of the financial statements do not equate to cash held as investments by Council.

As required by prescribed accounting standards (GRAP 01), only provisions are shown separately on the face of the Statement of Financial Position. All reserves are "ring-fenced" as internal reserves within the Accumulated Surplus. Ring-fenced reserves are as follows:

- Assets fair value reserve
- Government grant reserve (GGR)

These reserves not supported by cash but are only used for book entry purposes for the phasing in of increased depreciation charges as a result of the full implementation of GRAP 17.

According to GRAP standards, the GGR is created when the municipality receives government grants for the acquisition and/or construction of fixed assets. Once the conditions of the capital grant have been met, the funds are recognized as "revenue" (non-cash) on the statement of financial performance. This "revenue" recognized is then in turn transferred out of the Accumulated Surplus to the GGR on the Statement of Net Assets in order to offset the future depreciation of the property, plant and equipment in question. Hence, the reserve is committed solely for this purpose and cannot be utilized for any other purpose. This is referred to as the non-distributable portion of the reserves. Council must note that these are all non-cash entries.

The purpose of these reserves is to promote community equity and facilitate budgetary control by ensuring that sufficient funds (non-cash) are set aside on the accounting books to offset the future depreciation charges (non-cash) that will be incurred over the estimated useful life of the item of property, plant and equipment financed from

government grants, public contributions or a (non-cash) surplus arising from the revaluation of property, plant and equipment.

Council must note that these are all non-cash entries performed only for compliance purposes in line with accounting standards prescribed by the Accounting Standards Board (ASB) and enforced by the Office of the Accountant-General.

d) Cash Flow

See Annexures "B", "C1- 4", "E"

Essentially, the cash flow statement is concerned with the flow of physical cash in and cash out of the municipality as we collect monies owed by debtors and pay out monies due to creditors.

Annexure "E" is Council's cash flow statement which indicates the movements on the main bank accounts. The incoming receipts amount R 29 060 834. Outgoing payments were made to the amount of R 35 129 179. Taking into account the opening cashbook balance, this left a favorable closing balance of R 31 421 8731 as end of June 2022 period, which shows a decrease margin from last month's closing balance.

Cost coverage indicator.

The cost coverage formula = 
$$\frac{\text{(All available cash at the end of the period in the cashbook) + (investments at hand less Provisions)}}{\text{Monthly fixed operating expenditure}}$$

$$\text{The cost coverage formula} = \frac{(16\,933\,806) + R0}{R\,33\,243\,674}$$

= 0.51 TIMES

The cost coverage of the municipality indicates 0.51 monthly fixed operating expenditure and shows that the cash flow of the municipality is unfavorable. Our cash formula on hand must cover at least until end of June 2022 as the next equitable share allocation is in July 2022. The formula does not take into consideration the contingent assets and liabilities whereby if taken into consideration this will indicate that the municipality is having a liquidity problem as identified in the AG reports of 2019/20 as well as 2020/21.

Monthly Budget Statement - Cash Flow	April-June			
	Description	YearTD actual April	YearTD actual May	YearTD actual June
R thousands				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipts				
Property rates				
Service charges				
Other revenue	323087121.1	344251874.4	300221722.8	
Transfers and Subsidies - Operational	226426724.1	226426724.1	299386724.1	
Transfers and Subsidies - Capital				
Interest	1440709.07	1596876.12	1727862.07	
Dividends				
Payments				
Suppliers and employees	-513308954.5	-543159747.4	-577458309.7	
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>37645599.75</b>	<b>29115727.16</b>	<b>23877999.27</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipts				
Proceeds on disposal of PPE				
Decrease (increase) in non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	-1642897.67	-1759719.41	-1805629.84	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-1642897.67</b>	<b>-1759719.41</b>	<b>-1805629.84</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits	-216729.56	-216729.56	-222129.58	
Payments				
Repayment of borrowing				
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-216729.56</b>	<b>-216729.56</b>	<b>-222129.58</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>35785972.52</b>	<b>27139278.19</b>	<b>21850239.85</b>	
Cash/cash equivalents at beginning:	9571632.92	9571632.92	9571632.92	
Cash/cash equivalents at month/year end:	45357605.44	36710911.11	31421872.77	

*e. Grant allocations and expenditure:*

Annexure "F" represents the Grants allocation and their expenditure.

Equitable Share:

First tranche of Equitable Share for 2021/22 amounting to R118 977 000 was received in month of July and R 93 608 000 in December, Last tranche received March R 71 386 000.

Finance Management Grant (FMG):

Received R 1 200 000 in August .Expenditure incurred of R 213 393 for the quarter ending 30 June 2022.FMG Interns were involved in the following activities during the during the quarter under review as per rotation plan:

One intern in income and budget section  
 One intern in Expenditure section  
 One interns in Supply Chain Management  
 One intern in office of the Municipal Manager

The interns will be attending CPMD training as part of the internship agreement with National Treasury.

**Rural Roads Assets Management Grant**

First tranche of R 1 742 000 received in August and second tranche in February R 747 000 Expenditure incurred of R 489 388 for the quarter under review.

**HIV/Aids**

R An amount of 11 454 000 was received from Department of health and R 3 281 315 was utilized for the quarter under review/.

**Extended Public Works Projects:**

First tranche of R 256 000 received in August, second tranche of R460 000 in December and Third tranche of R 307 00 in March. Expenditure incurred for the quarter under review amount to R 312 312.

**YOUTH CENTRES (National Youth Development Agency)**

No expenditure incurred during the last quarter.

**Grant payments to Local Municipalities:**

No grant payments were scheduled for local municipalities for the last quarter

Grants schedule for the Quarter ending 30 June

Description	Original Budget	Adjustment Budget	Grants tranche received for the quarter	Total Grants Received July to date	Total Grants Spent July to date	YTD April-June	Balance	%
RAMS	2 489 000	2 489 000	-	2 489 000	2 488 649	489 388	351	99.99
FMG	1 200 000	1 200 000	-	1 200 000	1 205 500	213 393	(5 500)	100.46
EPWP	1 023 000	1 023 000	307 000	1 023 000	1 018 739	312 312	4 261	99.58
HIV&AIDS	11 148 000	11 454 000	-	11 454 000	10 016 933	3 281 315	1 437 067	87.45
DSRACH	-	1 504 000	-	-	1 491 162	583 498	12 838	99.15
Aerotropolis sector	1 537 000	1 537 000	-	-	-	-	1 537 000	-
Total	17 397 000	19 207 000	307 000	16 166 000	16 220 983	4 879 907	2 986 017	84.45

## 6.2 Financial Performance

Financial performance shows the results of operations for the given period. It lists sources of revenue and expenses. The statement measures the performance of Council for a given period of time. Surplus or deficit is used to measure financial performance and directly related to the measurement of revenue and expenditure for the reporting period.

Operating expenses are incurred in the course of conducting normal Council business. They are classified by function such as employee related costs, general expenses, finance charges and contributions to provisions.

### a) Actual revenue and expenditure

Represents the organizational Operating Revenue and Expenditure which illustrates that R 25 245 604.76 was generated in revenue for the quarter ending 30 June 2022. Revenue received to date is at 96.64%.

R 95 446 579.64 utilized for the quarter ending 30 June 2022, and expenditure is at 97.06. Benchmark for the quarter under review is at 100%.

#### Revenue

Cluster	Budget	YTD Movement	Revenue April_June	Unspend Budget
Finance	-290230701	-290185539.7	-2967636.22	-45161.32
Corporate services	-749418	-784052.57	-263635.15	34634.57
TIE	-78767163	-70170161.81	-14996526.36	-8597001.19
Community Services	-16119262	-12062983.83	-3479031.22	-4056278.17
SPED	-3456154	-3050202.6	-3538775.81	-405951.4
Total	-389322698	-376252940.5	-25245604.76	-13069757.51

#### Expenditure

Cluster	Budget	YTD Movement	Expenditure April-June	Unspend Budget
Political Offices	39 744 999.00	37 772 019.40	9 880 768.66	1 972 979.60
MM's Office	16 522 103.00	16 787 419.22	3 642 047.82	- 265 316.22
Finance	19 679 254.00	19 971 349.06	4 831 806.17	- 292 095.06
Corporate services	122 743 397.00	119 669 630.35	28 849 581.35	3 073 766.65
TIE	111 041 115.00	106 754 270.67	25 234 825.87	4 286 844.33
Community Services	57 969 125.00	55 195 219.43	13 239 505.30	2 773 905.57
Sped	31 068 793.00	30 892 648.73	9 768 044.47	176 144.27
Total	398 768 786.00	387 042 556.86	95 446 579.64	11 726 229.14

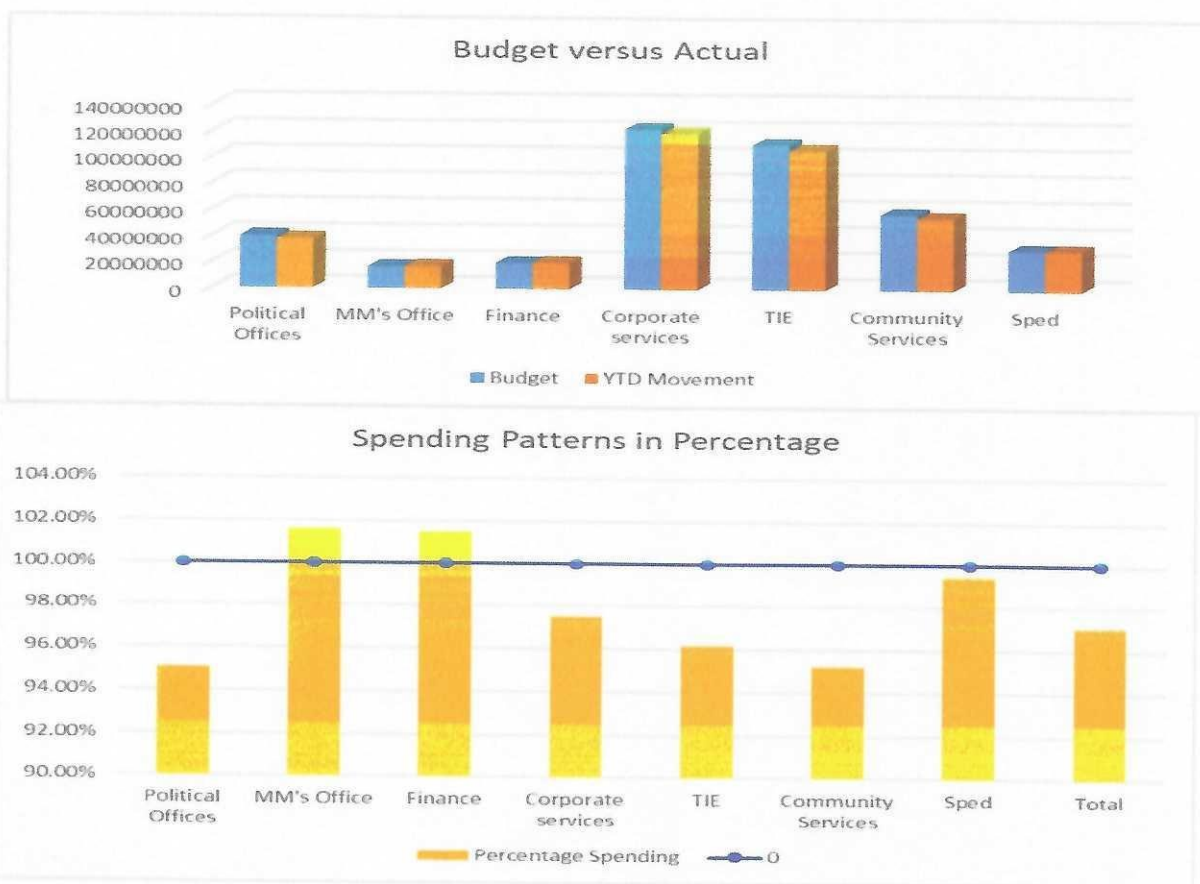


## 7. Pro-Rata Operating Comparative Analysis (Budget vs. Actual by Cluster)

The Total Performance of the municipality as per our findings and reviews are as follows:

As the month of June 2022 signals the 3<sup>rd</sup> month of the fourth quarter 2021/22 financial year, spending trends ought to be around 100%. "Other Income" consists of income items such as, profit on sale of assets; skills levy income, tender income and commission on salaries.

The monthly performance indicates that total operating expenditure rate is standing at 97.06% and revenue is at 96.64% of the pro rata budget.



### Intervention measures:

The Supply Chain Management Unit together with Financial Management both serve on the Contract Management Committee chaired by Corporate Services: Legal & Support to monitor contractual obligations and performance management of service providers.

Cost Containment measures are still in place to cut down on expenditure. Refer to the graphs above;

## 8. Pro-Rata Capital Comparative Analysis (Budget vs. Actual)

Annexure "H" represents the Capital expenditure and Revenue sources. Capital expenditure amounted to R 253 793 and budget of R 2 370 000 was funded internally for various moveable assets such as furniture & equipment, computers & printers and R 350 000 from National Grants(Financial Management and Rural

Roads Assets Management Grant) .Details on performance progress on all capital projects are outlined as per .The Capital Budget was decrease during the adjustment budget to R 2 143 241 whereby R 601 128 was funded from the conditional grants and R 1 542 113 was source internally. See "Annexure I."

The spending analysis on own fixed assets as at the end of June 2022 is shown in the table below:-

Capital Expenditure	Original Budget	Adjustment Budget	YTD Mov	Q4 Expenditure	Unspend Budget
PPE COST FURN & OFF IU COST ACQUISITION	180 000.00	279 250.00	179 250.00	-	100 000.00
PPE COST COMP EQUIP IU COST ACQUISITION	490 000.00	1 540 544.00	1 405 178.78	185 163.48	135 365.22
PPE COST ICT INFRASTR COST ACQUISITION	200 000.00	100 372.00	16 969.74	8 521.74	83 402.26
PPE COST TRANSP OWN IU COST ACQUISITION	1 500 000.00	223 074.00	204 231.32	-	18 842.68
	2 370 000.00	2 143 240.00	1 805 629.84	193 685.22	337 610.16

The indication for capital projects is that all expenses is funded internally for the various components of assets as per the above table.

#### Asset Management

A scheduled year-end asset stock takes place and during this stock-take the physical condition and location of assets were verified in order to ensure completeness and accuracy of the fixed asset register. Currently, asset verification stock take takes place twice a year.

#### Financial position of the Municipality

Municipality has liquidity problems whereby the current liabilities exceed current assets. The municipality is grants dependent and the only source of revenue are minor tariffs charges after equitable share.

DC42 Sedibeng - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		9 572	6 991	5 654	17 767	5 654
Call investment deposits		-	-	-	-	-
Consumer debtors		-	-	-	-	-
Other debtors		1 914	2 106	2 106	1 662	2 106
Current portion of long-term receivables						
Inventory		363	473	362	(0)	362
<b>Total current assets</b>		<b>11 848</b>	<b>9 570</b>	<b>8 122</b>	<b>19 429</b>	<b>8 122</b>
<b>Non current assets</b>						
Long-term receivables						
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		97 406	82 040	81 813	88 469	81 813
Biological						
Intangible		1 875	1 642	1 642	1 011	1 642
Other non-current assets		4 895	4 895	4 895	4 895	4 895
<b>Total non current assets</b>		<b>104 176</b>	<b>88 577</b>	<b>88 350</b>	<b>94 374</b>	<b>88 350</b>
<b>TOTAL ASSETS</b>		<b>116 024</b>	<b>98 146</b>	<b>96 472</b>	<b>113 803</b>	<b>96 472</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		192	117	117	222	117
Trade and other payables		204 334	187 962	186 089	215 449	186 089
Provisions		-	-	-	-	-
<b>Total current liabilities</b>		<b>204 526</b>	<b>188 079</b>	<b>186 206</b>	<b>215 671</b>	<b>186 206</b>
<b>Non current liabilities</b>						
Borrowing		-	-	-	-	-
Provisions		32 633	28 872	28 872	30 153	28 872
<b>Total non current liabilities</b>		<b>32 633</b>	<b>28 872</b>	<b>28 872</b>	<b>30 153</b>	<b>28 872</b>
<b>TOTAL LIABILITIES</b>		<b>237 159</b>	<b>216 951</b>	<b>215 078</b>	<b>245 824</b>	<b>215 078</b>
<b>NET ASSETS</b>	2	<b>(121 135)</b>	<b>(118 804)</b>	<b>(118 606)</b>	<b>(132 021)</b>	<b>(118 606)</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		(121 135)	(109 049)	(109 160)	(132 021)	(109 160)
Reserves		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>(121 135)</b>	<b>(109 049)</b>	<b>(109 160)</b>	<b>(132 021)</b>	<b>(109 160)</b>

References

1. Material variances to be explained in Table SC1
2. Net assets must balance with Total Community Wealth/Equity

check balance - -9 754 686 -9 446 088 - -9 446 088

No other matters of material significance to report for Asset Management.

9. Monitoring of Compliance

*Policy Governance of Municipal Finance and MFMA Compliance*


As part of improving Sedibeng District Municipality's MFMA reporting module, the project plan report indicates our compliance to the requirements as outlined per the MFMA for the financial year 1 July 2021 to 30 June 2022, which has been divided into timeframes of reporting: Annually, Quarterly, Monthly & Ad-hoc.

Finance is pleased to inform the Committee that our obligations in terms of compiling the annual financial statements within the prescripts of GRAP and the requirements of the MFMA have been duly met on time.

It must be noted that the individual Clusters are responsible to action projects and programed based on their planned OPEX and CAPEX budgets as aligned with their overall SDBIPs. Finance facilitates and supports the Clusters in an overview capacity to ensure that required targets are met. However, without full cooperation of the Clusters in providing substantiation to the comparative reports, Finance cannot completely assure the quality and accuracy of the information disclosed in this report.

**RECOMMENDED:**

THAT the Section 52d report for the quarter ending 30 June 2022 be considered as prescribed by the Local Government: Municipal Finance Management Act, 56 of 2003.

  
\_\_\_\_\_  
MR. C STEYN  
ACTING CHIEF FINANCIAL OFFICER

2022/07/18  
\_\_\_\_\_  
Date

\_\_\_\_\_  
MR. M MATHE  
MUNICIPAL MANAGER

\_\_\_\_\_  
Date

# BANK RECONCILIATION AS AT 30 April 2022

**MAIN BANK ACCOUNT NEDBANK : 1152944835**

**33215020590000000000**

**CASH BOOK  
BALANCE AS AT**

**01-Apr-22**

**R 19 857 911.17**

**PLUS : INCOME RECEIVED**

**R 21 554 883.23**

TRANSFER TO STANDARD	0.00
SUNDRY INCOME	8 196.00
AMBULANCE FEES	0.00
INVESTMENTS WITHDRAWN	0.00
DIRECT BANKINGS FROM PROVINCIAL & NATIONAL	2 257 324.12
OTHER DIRECT BANKINGS	147 875.91
TRANSFERS RECEIVED	19 000 000.00
INTEREST	130 087.20
LICENCE INCOME	11 400.00
LESS: RD CHEQUES / (re deposit)	0.00

**MINUS : EXPENDITURE**

**R -38 734 788.41**

ORDER PAYMENTS	-1 068 524.82
SUNDRY PAYMENTS	-12 915 502.70
SALARIES	-24 559 660.34
YEAR END PAYMENT	0.00
INVESTMENTS MADE	0.00
BANK ERROR	0.00
DIRECT BANK EXPENDITURE	-191 100.55

**CASHBOOK BALANCE  
AS AT**

**30-Apr-22**

**R 2 678 005.99**

PLUS: CHEQUE/ELE CANCELLED FOLLOWING MONTH	0.00
PLUS: Receipts updated following month	0.00
LESS: CHEQUE/ELE CANCELLED PREVIOUS MONTH	0.00

**REVISED BALANCE  
AFTER CANCELATIONS**

**R 2 678 005.99**

PLUS: OUTSTANDING CHEQUES	R -
MINUS: OUTSTANDING DEPOSITS	R -4 150.20
PLUS: UNCASHED ELE'S	R -
PLUS: Receipts updated following month	R -
PLUS: DEPOSITS NOT YET LINKED	R -

**BANK BALANCE AS  
AT**

**30-Apr-22**

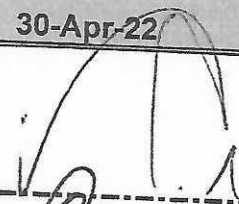

**R 2 673 855.79**

PREPARED BY :

DATE :

REVIEWED BY :

DATE :

  
 \_\_\_\_\_ DATE: 4/5/2022  
  
 \_\_\_\_\_ DATE: 2022/05/12

# BANKRECONCILIATION AS AT 30/Apr/2022

**LICENSING BANK ACCOUNT NEDBANK: 1152944606**

**GL VOTE NUMBER - 33215020690000000000**

**CASH BOOK BALANCE**

**AS AT                      1/Apr/2022                      R              29 530 334.27**

**PLUS : INCOME RECEIVED                      R              18 164 085.03**

LICENCE INCOME	18 164 085.03
FUEL SALES	0.00
LESS: RD CHEQUES	0.00

**MINUS : EXPENDITURE                      R              -19 375 548.85**

TRANSFER TO MAIN ACCOUNT	-19 000 000.00
BANK CHARGES	-88 614.35
BANK CHARGES CARD FEES	-286 934.50
BANK COST	0.00

**CASHBOOK BALANCE**

**AS AT                      30/Apr/2022                      R              28 318 870.45**

PLUS: OUTSTANDING CHEQUES	R	-
MINUS: OUTSTANDING DEPOSITS	R	-
PLUS : DEPOSITS NOT YET LINKED	R	-

**BANK BALANCE AS AT                      30/Apr/2022                      R              28 318 870.45**

PREPARED BY :

*[Signature]*  
----- DATE : 4/5/2022

REVIEWED BY :

*[Signature]*  
----- DATE : 11/05/2022

# BANK RECONCILIATION AS AT 30 April 2022

**STANDARD BANK - MAIN BANK ACCOUNT : 21777667**

**GL VOTE NUMBER - 33215020010ZZZZZZZWD**

**CASH BOOK BALANCE**  
AS AT 01-Apr-22 R 717 155.27

**PLUS : INCOME RECEIVED** R 19 443.22

SURPLUS (DEFICIT)	0.00
SUNDRY INCOME	0.00
AMBULANCE SUBSIDY ARREARS	0.00
INVESTMENTS WITHDRAWN	0.00
DIRECT BANKINGS FROM PROVINCIAL & NATIONAL	0.00
OTHER DIRECT BANKINGS	15 520.30
LICENCE TRANSFER	0.00
INTEREST	1 522.92
LICENCE INCOME	2 400.00
LESS: RD CHEQUES / (re deposit)	0.00

**MINUS : EXPENDITURE** R -60.00

ORDER PAYMENTS	0.00
SUNDRY PAYMENTS	0.00
SALARIES	0.00
ACTUAL PAYMENT (BILLING)	0.00
INVESTMENTS MADE / TRANSFERS	0.00
BANK ERROR	0.00
DIRECT BANK EXPENDITURE	-60.00

**CASHBOOK BALANCE**  
AS AT 30-Apr-22 R 736 538.49

PLUS: CHEQUE/ELE CANCELLED FOLLOWING MONTH	0.00
Less/plus: Receipts updated/not from previous month	0.00
LESS: RECEIPTS PREVIOUS MONTH	0.00

**REVISED BALANCE AFTER CANCELATIONS** R 736 538.49

PLUS: OUTSTANDING CHEQUES	R -
MINUS: OUTSTANDING DEPOSITS	R -
PLUS: UNCASHED ELE'S	R -
PLUS : DEPOSITS NOT YET LINKED	R -

**BANK BALANCE AS AT** 30-Apr-22 R 736 538.49

PREPARED BY: \_\_\_\_\_ DATE: 4/5/2022

REVIEWED BY: \_\_\_\_\_ DATE: 2022/05/11

# BANKRECONCILIATION AS AT 30/Apr/2022

**LICENSING BANK ACCOUNT STANDARD: 21781494**

**GL VOTE NUMBER - 33215020190000000000**

**CASH BOOK BALANCE**  
AS AT 1/Apr/2022 R 6 513 149.54

**PLUS : INCOME RECEIVED** R 405 359.09

LICENCE INCOME	395 454.00
INTEREST	9 905.09
LESS: RD CHEQUES	0.00

**MINUS : EXPENDITURE** R -

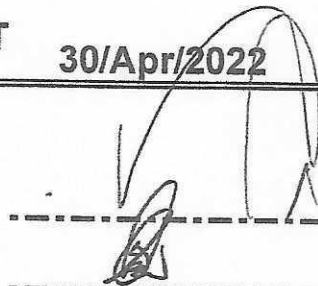
TRANSFER TO MAIN ACCOUNT	0.00
BANK CHARGES	0.00
BANK CHARGES CARD FEES	0.00
BANK COST	0.00

**CASHBOOK BALANCE**  
AS AT 30/Apr/2022 R 6 918 508.63

PLUS: OUTSTANDING CHEQUES	-
MINUS: OUTSTANDING DEPOSITS	-
PLUS : DEPOSITS NOT YET LINKED	-

**BANK BALANCE AS AT** 30/Apr/2022 R 6 918 508.63

PREPARED BY :



DATE :

4/5/2022

REVIEWED BY :



DATE :

11/05/2022



# BANK RECONCILIATION AS AT

## 31 May 2022

### MAIN BANK ACCOUNT NEDBANK : 1152944835

### 33215020590000000000

CASH BOOK  
BALANCE AS AT

01-May-22

R 2 678 005.99

PLUS : INCOME RECEIVED

R 30 644 314.13

TRANSFER TO STANDARD	0.00
SUNDRY INCOME	6 342.00
AMBULANCE FEES	0.00
INVESTMENTS WITHDRAWN	0.00
DIRECT BANKINGS FROM PROVINCIAL & NATIONAL	0.00
OTHER DIRECT BANKINGS	2 325 274.27
TRANSFERS RECEIVED	28 000 000.00
INTEREST	139 264.98
LICENCE INCOME	173 432.88
LESS: RD CHEQUES / (re deposit)	0.00

MINUS : EXPENDITURE

R -30 490 268.19

ORDER PAYMENTS	-2 051 276.75
SUNDRY PAYMENTS	-3 052 456.47
SALARIES	-25 083 690.72
YEAR END PAYMENT	0.00
INVESTMENTS MADE	0.00
BANK ERROR	0.00
DIRECT BANK EXPENDITURE	-302 844.25

CASHBOOK BALANCE

AS AT

31-May-22

R 2 832 051.93

PLUS: CHEQUE/ELE CANCELLED FOLLOWING MONTH	0.00
PLUS: Receipts updated following month	0.00
LESS: CHEQUE/ELE CANCELLED PREVIOUS MONTH	0.00

REVISED BALANCE

AFTER CANCELATIONS

R 2 832 051.93

PLUS: OUTSTANDING CHEQUES	R	-
MINUS: OUTSTANDING DEPOSITS	R	-10 492.20
PLUS: UNCASHED ELE'S	R	-
PLUS: Receipts updated following month		
PLUS : DEPOSITS NOT YET LINKED	R	-

BANK BALANCE AS

AT

31-May-22

R 2 821 559.73

PREPARED BY :

DATE :

REVIEWED BY :

DATE :

# BANKRECONCILIATION AS AT 31/May/2022

**LICENSING BANK ACCOUNT NEDBANK: 1152944606**

**GL VOTE NUMBER - 33215020690000000000**

**CASH BOOK BALANCE**

**AS AT**

**1/May/2022**

**R 28 318 870.45**

**PLUS : INCOME RECEIVED**

**R 18 606 869.74**

LICENCE INCOME	18 606 869.74
FUEL SALES	0.00
LESS: RD CHEQUES	0.00

**MINUS : EXPENDITURE**

**R -28 383 993.85**

TRANSFER TO MAIN ACCOUNT	-28 000 000.00
BANK CHARGES	-104 785.64
BANK CHARGES CARD FEES	-279 208.21
BANK COST	0.00

**CASHBOOK BALANCE**

**AS AT**

**31/May/2022**

**R 18 541 746.34**

PLUS: OUTSTANDING CHEQUES	R -
MINUS: OUTSTANDING DEPOSITS	R -
PLUS : DEPOSITS NOT YET LINKED	R -

**BANK BALANCE AS AT**

**31/May/2022**

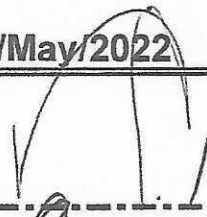

**R 18 541 746.34**

PREPARED BY :

DATE :

REVIEWED BY :

DATE :

  
 -----  
  
 -----

# BANKRECONCILIATION AS AT 31/May/2022

**LICENSING BANK ACCOUNT STANDARD: 21781494**

**GL VOTE NUMBER - 33215020190000000000**

**CASH BOOK BALANCE**

**AS AT                      1/May/2022                      R      6 918 508.63**

**PLUS : INCOME RECEIVED                      R              40 797.56**

LICENCE INCOME	25 544.60
INTEREST	15 252.96
LESS: RD CHEQUES	0.00

**MINUS : EXPENDITURE                      R                      -**

TRANSFER TO MAIN ACCOUNT	0.00
BANK CHARGES	0.00
BANK CHARGES CARD FEES	0.00
BANK COST	0.00

**CASHBOOK BALANCE**

**AS AT                      31/May/2022                      R      6 959 306.19**

PLUS: OUTSTANDING CHEQUES	R	-
MINUS: OUTSTANDING DEPOSITS	R	-
PLUS : DEPOSITS NOT YET LINKED	R	-

**BANK BALANCE AS AT                      31/May/2022                      R      6 959 306.19**

PREPARED BY : \_\_\_\_\_ DATE: 2/6/2022

REVIEWED BY : \_\_\_\_\_ DATE: 2/6/2022

# BANK RECONCILIATION AS AT

## 30 June 2022

MAIN BANK ACCOUNT NEDBANK : 1152944835

33215020590000000000

CASH BOOK  
BALANCE AS AT

01-Jun-22

R 2 832 051.93

PLUS : INCOME RECEIVED

R 34 970 560.47

TRANSFER TO STANDARD	0.00
SUNDRY INCOME	8 392.00
AMBULANCE FEES	0.00
INVESTMENTS WITHDRAWN	0.00
DIRECT BANKINGS FROM PROVINCIAL & NATIONAL	0.00
OTHER DIRECT BANKINGS	1 846 186.19
TRANSFERS RECEIVED	33 000 000.00
INTEREST	111 722.28
LICENCE INCOME	4 260.00
LESS: RD CHEQUES / (re deposit)	0.00

MINUS : EXPENDITURE

R -34 817 284.62

ORDER PAYMENTS	-1 282 556.08
SUNDRY PAYMENTS	-8 057 959.64
SALARIES	-25 370 468.78
YEAR END PAYMENT	0.00
INVESTMENTS MADE	0.00
BANK ERROR	0.00
DIRECT BANK EXPENDITURE	-106 300.12

CASHBOOK BALANCE

AS AT

30-Jun-22

R 2 985 327.78

PLUS: CHEQUE/ELE CANCELLED FOLLOWING MONTH	0.00
PLUS: Receipts updated following month	0.00
LESS: CHEQUE/ELE CANCELLED PREVIOUS MONTH	0.00

REVISED BALANCE  
AFTER CANCELATIONS

R 2 985 327.78

PLUS: OUTSTANDING CHEQUES	R -
MINUS: OUTSTANDING DEPOSITS	R -1 920.00
PLUS: UNCASHED ELE'S	R -
PLUS: Receipts updated following month	
PLUS : DEPOSITS NOT YET LINKED	R -

BANK BALANCE AS

AT

30-Jun-22

R 2 983 407.78

PREPARED BY :

DATE :

REVIEWED BY :

DATE :

*[Handwritten Signature]*  
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*[Handwritten Signature]*  
-----  
4/7/2022  
14/7/2022

# BANKRECONCILIATION AS AT 30/Jun/2022

LICENSING BANK ACCOUNT NEDBANK: 1152944606

GL VOTE NUMBER - 33215020690000000000

## CASH BOOK BALANCE

AS AT

1/Jun/2022

R 18 541 746.34

## PLUS : INCOME RECEIVED

R 21 015 998.04

LICENCE INCOME	21 015 998.04
FUEL SALES	0.00
LESS: RD CHEQUES	0.00

## MINUS : EXPENDITURE

R -27 408 205.97

TRANSFER TO MAIN ACCOUNT	-27 000 000.00
BANK CHARGES	-101 267.23
BANK CHARGES CARD FEES	-306 938.74
BANK COST	0.00

## CASHBOOK BALANCE

AS AT

30/Jun/2022

R 12 149 538.41

PLUS: OUTSTANDING CHEQUES	R -
MINUS: OUTSTANDING DEPOSITS	R -
PLUS : DEPOSITS NOT YET LINKED	R -

## BANK BALANCE AS AT

30/Jun/2022

R 12 149 538.41

PREPARED BY :

DATE :

REVIEWED BY :

DATE :

# BANK RECONCILIATION AS AT 30 June 2022

**STANDARD BANK - MAIN BANK ACCOUNT : 21777667**

**GL VOTE NUMBER - 33215020010ZZZZZZZWD**

**CASH BOOK BALANCE**

**AS AT**

**01-Jun-22**

**R**

**765 417.40**

**PLUS : INCOME RECEIVED**

**R**

**24 849.36**

SURPLUS (DEFICIT)	0.00
SUNDRY INCOME	0.00
AMBULANCE SUBSIDY ARREARS	0.00
INVESTMENTS WITHDRAWN	0.00
DIRECT BANKINGS FROM PROVINCIAL & NATIONAL	0.00
OTHER DIRECT BANKINGS	22 955.20
LICENCE TRANSFER	0.00
INTEREST	1 894.16
LICENCE INCOME	0.00
LESS: RD CHEQUES / (re deposit)	0.00

**MINUS : EXPENDITURE**

**R**

**-60.00**

ORDER PAYMENTS	0.00
SUNDRY PAYMENTS	0.00
SALARIES	0.00
ACTUAL PAYMENT (BILLING)	0.00
INVESTMENTS MADE / TRANSFERS	0.00
BANK ERROR	0.00
DIRECT BANK EXPENDITURE	-60.00

**CASHBOOK BALANCE**

**AS AT**

**30-Jun-22**

**R**

**790 206.76**

PLUS: CHEQUE/ELE CANCELLED FOLLOWING MONTH	0.00
Less/plus: Receipts updated/not from previous month	0.00
LESS: RECEIPTS PREVIOUS MONTH	0.00

**REVISED BALANCE AFTER  
CANCELATIONS**

**R**

**790 206.76**

PLUS: OUTSTANDING CHEQUES	R	-
MINUS: OUTSTANDING DEPOSITS	R	-
PLUS: UNCASHED ELE'S	R	-
PLUS : DEPOSITS NOT YET LINKED	R	-

**BANK BALANCE AS AT**

**30-Jun-22**

**R**

**790 206.76**

PREPARED BY :

*[Handwritten Signature]*

DATE :

*4/7/2022*

REVIEWED BY :

*[Handwritten Signature]*

DATE :

*2022/07/04*

# BANKRECONCILIATION AS AT 30/Jun/2022

**LICENSING BANK ACCOUNT STANDARD: 21781494**

**GL VOTE NUMBER - 33215020190000000000**

**CASH BOOK BALANCE**

**AS AT 1/Jun/2022 R 6 959 306.19**

**PLUS : INCOME RECEIVED R 49 426.51**

LICENCE INCOME	32 057.00
INTEREST	17 369.51
LESS: RD CHEQUES	0.00

**MINUS : EXPENDITURE R -6 000 000.00**

TRANSFER TO MAIN ACCOUNT	-6 000 000.00
BANK CHARGES	0.00
BANK CHARGES CARD FEES	0.00
BANK COST	0.00

**CASHBOOK BALANCE**

**AS AT 30/Jun/2022 R 1 008 732.70**

PLUS: OUTSTANDING CHEQUES	R	-
MINUS: OUTSTANDING DEPOSITS	R	-
PLUS : DEPOSITS NOT YET LINKED	R	-

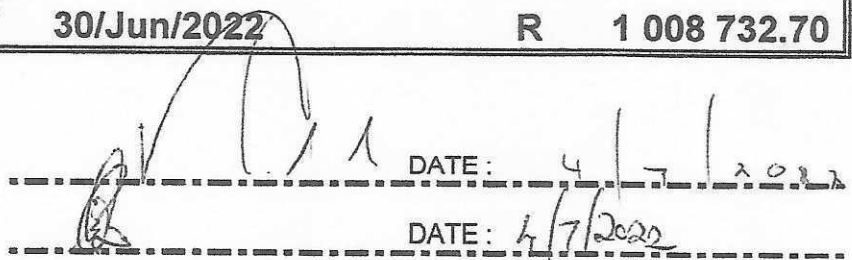
**BANK BALANCE AS AT 30/Jun/2022 R 1 008 732.70**

PREPARED BY :

DATE :

REVIEWED BY :

DATE :


  
 -----
   
 -----

**MFRNA - WITHDRAWAL FROM MUNICIPAL BANK ACCOUNTS  
SECTION 11(4) & 74(1)**

Name of Municipality: **Stoddard District** Please select from List supplied  
 Municipal Identification Code: **0022** Please select from List supplied  
 Municipal Registration Code: **0022** Please select from List supplied  
 Responsible Official: **Clifford A. Wiggins** Enter official's name  
 Contact details: **104 533 050** Please enter phone number  
**Clifford A. Wiggins** Please enter email address  
 Quarter: **June** Please select from List supplied

	Consolidated		Primary Bank Account		Bank 2	Bank 3	Bank 4
	Yes	No	Yes	No	STANDARD BANK	STANDARD BANK	STANDARD BANK
Bank:							
Account number:			<b>115284433</b>		<b>115284433</b>		
Bank reconciliations completed and attached:	Yes	No	Yes	No	Yes	Yes	Yes
Month (End of Quarter):	June		June		June	June	June
Opening cash book balance at beginning of quarter:							
Less: Disbursements:							
Less: Payments:							
Closing cash book balance at end of quarter:							
GL Account Balances:							
Parameters for the quarter:							
Less: Recoveries (for the period)							
Add: Commitments (for the period)							
Less: Input VAT (for the period)							
Less: Accruals at end of month:							
Add: Accruals at beginning of quarter:							
Total:							
Actual capital expenditure for the quarter:							
Actual operating expenditure for the quarter:							
Section 11(4) expenditure:							
Total:							
a) to deliver expenditure appropriated in terms of an approved							
b) to deliver expenditure authorized in terms of section 28(4)							
c) to deliver expenditure authorized in terms of section 28(4) and subsection (1) funds for the requirements of the municipality may with the approval of the MEC for Finance in this province, the indication from the municipality's bank account in accordance with							
Was any amount made in terms of (b) Yes/No:	No	No	No	No			
e) to deliver unforeseen and unavoidable expenditure authorized in terms of section 28(1)							
Was any amount made in terms of (d) Yes/No:	No	No	No	No			
f) to deliver expenditure authorized in terms of section 28(1) - the mayor of a municipality may in emergency or other exceptional circumstances authorize unforeseen and unavoidable expenditure for which no provision was made in an approved budget for that financial year							
Was any amount made in terms of (c) Yes/No:	No	No	No	No			
d) in the case of a bank account opened in terms of section 12 to make payments from the account in accordance with subsection (4) of that section:							
32(1)(2) - a municipality may, in terms of section 7 open a separate bank account for the purpose of a particular project or activity of the municipality							
Was any payment made in terms of (d) Yes/No:	No	No	No	No			
e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including -							
i) money collected by the municipality on behalf of that person or organ of state by agreement, or (VA); motor vehicle licensing							
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
j) any insurance or other payments received by the municipality for that person or organ of state:							
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
k) to refund money received from a bank account:							
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
l) to refund money, savings and security deposits, (refund of consumer deposits)							
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
m) for cash management and investment purposes in accordance with section 13 (inter-bank transactions)							
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
n) to settle increased expenditure in terms of section 31, or							
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
o) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including -							
i) for such other purposes as may be prescribed (including guarantees, store purchases, petty cash, loan repayments, leave payout, mobilisation)							
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
Was any payment made in terms of (e) Yes/No:	No	No	No	No			
Was any payment made in terms of (e) Yes/No:	No	No	No	No			

Section 11(4) expenditure: R 10 205 235.12 was paid out by Department of Transport

No Petty Cash was paid out for the quarter ending 30 June 2022



**MFWA - WITHDRAWAL FROM MUNICIPAL BANK ACCOUNTS**  
**SECTION 11(4) & 7(4)**

Name of Municipality: **Essexburg District** / Please select from List supplied  
 Municipal Demarcation Code: **D042** / Please select from List supplied  
 Responsible official: **Thandiswa Mngedla** / Enter official name  
 Financial year: **2021/22** / Please select from List supplied  
 Contact details: **016 480 3095** / Enter contact information  
**Q1 April - June** / Please select from List supplied  
 Quarter: **Q1 April - June**

Primary bank account refers to any banks account as defined in terms of Section 3 of the MFMA.

Bank:	Account number:	Bank reconciliation completed and attached Month	Consolidated		Primary Bank				
			Yes/No	June	Account Number	Bank 2	Bank 3	Bank 4	
Opening cash book balance at beginning of month									
Less: Payments for month									
Less: Payments for month									
Closing cash book balance at end of month									
CI: Account Balance									
Payments for the month									
Less: Recoveries									
Add: Non cash items (for the period)									
Add: Commitments (for the period)									
Less: Budget VA1 (for the period)									
Less: Budget VA1 (for the period)									
Add: Accruals at beginning of month									
TOTAL									
Actual capital expenditure for the month									
Actual operating expenditure for the month									
Actual total 11(4) expenditure									
TOTAL									
a) Is delay expenditure appropriated in terms of an approved budget?									
b) Is deflex expenditure authorized in terms of section 28(4), 32(4) - until a budget for the municipality is approved in terms of subsection (1) funds for the requirements of the municipality may, with the approval of the MEC for finance in the province, be withdrawn from the municipality's bank account in accordance with subsection 28?									
Was any payment made in terms of (b) Yes/No									
c) To defray unforeseeable and unavoidable expenditure authorized in terms of section 28(1).									
S29(1) - the mayor of a municipality may in emergency or other exceptional circumstances authorize unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.									
Was any amount made in terms of (c) Yes/No									
d) In the case of a bank account opened in terms of section 12 to make payments from the account in accordance with subsection (4) of that section									
S12(2) - a municipality may in terms of section 7 open a separate bank account in the name of the municipality for the purpose of a budget or to defray expenditure authorized in terms of section 28(1) or 28(2).									
Was any amount made in terms of (d) Yes/No									
e) To pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including:									
i) money collected by the municipality on behalf of that person or organ of state by agreement or VAT, motor vehicle licensing									
ii) any insurance or other payments received by the municipality for that person or organ of state									
Was any payment made in terms of (e) Yes/No									
f) To refund money incorrectly paid into a bank account									
Was any payment made in terms of (f) Yes/No									
g) To refund guarantees, sureties and security deposits (yield of consumer deposits)									
Was any payment made in terms of (g) Yes/No									
h) To defray expenditure and investment purposes in accordance with section 13.									
Was any payment made in terms of (h) Yes/No									
i) To defray increased expenditure in terms of section 31 or 33?									
Was any payment made in terms of (i) Yes/No									
j) For such other purposes as may be prescribed (making guarantees, store purchases, petty cash, loan repayments, motor vehicle, dividends)									
Was any payment made in terms of (j) Yes/No									

No petty cash was paid out in different Department for month ending 30 June 2021/22





Date	Payee	Amount in R	Description and Purpose (Including section reference e.g. sec 11(f))	Authorised by (name)
2022-04-22	Gauteng Provincial Government Road & Transport /AARTO	10 849 655,00	money collected by the municipality on behalf of that person or organ of state by agreement.	Mr-Mr FM Mathe (Municipal Manager)
	Gauteng Provincial Government Road & Transport /AARTO	-	money collected by the municipality on behalf of that person or organ of state by agreement.	Mr-Mr FM Mathe (Municipal Manager)
	Gauteng Provincial Government Road & Transport /AARTO	-	money collected by the municipality on behalf of that person or organ of state by agreement.	Mr-Mr FM Mathe (Municipal Manager)
<b>TOTAL</b>		<b>10 849 655</b>		

**Instructions for completing this report:**

The Accounting Officer must include information motivating the non-budgetted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.

This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

**Withdrawals that must be reported each quarter:**

- Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June.
- Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1).
- Section 11(d) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);
- Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including
  - money collected by the municipality on behalf of that person or organ of state;
  - any insurance or other payments received by the municipality for that person or organ of state;
- Section 11(f) - Refund money incorrectly paid into a bank account;
- Section 11(g) - Refund guarantees, sureties and security deposits;
- Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;
- Section 11(i) - To delay increased expenditure on a multi-year capital project in terms of section 31;
- Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.

**Distribution:**

- Table this report in a full council meeting, including additional motivation on action taken to rectify within 30 days after the end of each quarter (section 11(4)).
- Submit a copy to the relevant National Treasury, provincial treasury and the Auditor-General.

Date	Payee	Amount in R	Description and Purpose (including section reference e.g. sec 11(f))	Authorised by (name)
2022-04-22	Gauteng Provincial Government Road & Transport /AARTO	10 849 655.00	money collected by the municipality on behalf of that person or organ of state by agreement;	Mr. Mr. FM Mathe (Municipal Manager)
	Gauteng Provincial Government Road & Transport /AARTO	-	money collected by the municipality on behalf of that person or organ of state by agreement;	Mr. Mr. FM Mathe (Municipal Manager)
	Gauteng Provincial Government Road & Transport /AARTO	-	money collected by the municipality on behalf of that person or organ of state by agreement;	Mr. Mr. FM Mathe (Municipal Manager)
<b>TOTAL</b>		10 849 655		

**Instructions for completing this report:**

The Accounting Officer must include information motivating the non-budgetted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.

This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

**Withdrawals that must be reported each quarter:**

- Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;
- Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1);
- Section 11(d) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);
- Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including (i) money collected by the municipality on behalf of that person or organ of state by agreement; or (ii) any insurance or other payments received by the municipality for that person or organ of state;
- Section 11(f) - Refund money incorrectly paid into a bank account;
- Section 11(g) - Refund guarantees, sureties and security deposits;
- Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;
- Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;
- Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.

**Distributors:**

- Table this report in a full council meeting, including additional motivation on action taken to rectify, within 30 days after the end of each quarter (section 11(4))
- Submit a copy to the relevant National Treasury, provincial treasury and the Auditor-General

# COST CONTAINMENT REPORT FOR QUARTER FOUR 2021/22 FOR SEDIBENG DISTRICT MUNICIPALITY

(5/1/1) (2021/22)

**Cluster: Finance**  
**Portfolio: Financial Management & Budgets**

## 1. PURPOSE

The purpose of the report is to table before the Committee the 4<sup>th</sup> quarter cost containment report in terms of Section 62(1)(a) and 95(a) of the MFMA.

## 2. BACKGROUND

Sections 62(1)(a) and 95(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality or municipal entity is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of the legal framework, the key principles being promoted are that elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are prudently utilised to ensure value for money is achieved. This will necessitate council policies to be aligned with the spirit and intent of the regulations, promoting the concept of cost vs benefits at all levels in the municipality and municipal entities, and to ensure that such savings can be better utilised towards improvements in service delivery

Municipalities and municipal entities must disclose cost containment measures in their in-year budget reports, and annual costs savings in their annual reports. These reports must be submitted to Council for review and resolution. This measure is to enhance transparency and local accountability.

The MCCR therefore provide a framework that is consistent with the provisions of the MFMA and other government pronouncements. The effective implementation of the MCCR is the responsibility of the municipal council, board of directors of municipal entities, municipal accounting officer and accounting officers of municipal entities. It is also intended to ensure that municipalities and municipal entities achieve value for money in utilising public resources to deliver municipal services. The MCCR applies to all officials and councillors.

## 3. DISCUSSION

The Annual Budget for the 2022 financial year was drawn up taken into consideration the cost containment regulations. The tables below will indicate the current spending patterns for the period under review where the benchmarking percentage will be at 25% per quarter.

**Detail expenses per class**

Annexure D: Total Cost Savings Disclosure in the In-Year and Annual Report

Detail expenses per class

	Budget	Q1	Q2	Q3	Q4	Total	Percentage Saving	Benchmark Amount	Savings Amount Q1	Savings Amount Q2	Savings Amount Q3	Savings Amount Q4
Cost Containment In-Year Report Measures												
Use of consultants & Professional fees	2,507,184.00	484,932.00	629,327.00	456,139.00	853,239.00	2,423,837.00	1.66%	R2,507,184.00	141,854.00	-2,731.00	170,657.00	-226,443.00
Travel and subsistence	33,130.00	3,616.00	1,919.00	1,808.00	0.00	6,943.00	39.52%	R33,130.00	4,665.50	6,763.50	6,474.50	8,282.50
Domestic accommodation	56,078.00	18,945.00	1,300.00	37,864.00	0.00	58,329.00	-2.01%	R56,078.00	-4,925.50	12,499.50	-23,844.50	14,019.50
Sponsorships, events and catering	1,112,850.00	183,438.00	85,029.00	221,281.00	110,111.00	699,859.00	18.58%	R1,112,850.00	94,774.50	99,188.50	56,931.50	168,101.50
Other related expenditure items	90,711,152.00	17,683,975.00	19,083,327.00	23,717,631.00	16,335,375.00	76,753,333.00	7.68%	R90,711,152.00	4,993,813.00	3,639,436.00	-1,039,843.00	6,342,413.00
Total	94,420,394.00	18,374,936.00	19,653,947.00	24,434,723.00	17,288,725.00	79,944,301.00	7.66%	R94,420,394.00	5,230,192.50	3,749,151.50	-829,624.50	6,336,373.50

Description	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspent Budget	Perc	% saving/ variance	Benchmark Amount	Savings Amount
Subtotal: employee related cost	282,216,450.00	23,196,292.88	0.00	280,897,787.60	1,318,662.40	99.53	0.47	R282,216,450.00	R1,318,662.40
Subtotal: remuneration of councillors	12,456,928.00	1,056,610.96	0.00	12,271,405.52	185,522.48	98.51	1.49	R12,456,928.00	R185,522.48
Subtotal: outsourcing services	30,247,309.00	5,074,654.95	0.00	25,875,209.58	4,372,099.42	85.54	14.46	R30,247,309.00	R4,372,099.42
Subtotal: contractors	6,362,379.00	158,715.05	45,672.16	4,935,413.60	1,426,965.40	77.57	22.43	R6,362,379.00	R1,426,965.40
Subtotal: operational cost	29,310,776.00	2,398,033.79	61,748.40	27,655,684.55	1,655,091.45	94.35	5.65	R29,310,776.00	R1,655,091.45
Subtotal: inventory	5,787,230.00	316,944.30	801.73	5,546,033.42	241,196.58	95.83	4.17	R5,787,230.00	R241,196.58
Subtotal: operating leases	6,137,363.00	421,536.05	6,619.00	6,061,686.86	75,676.14	98.76	1.24	R6,137,363.00	R75,676.14
Subtotal: consultant and prof services	2,501,476.00	456,863.99	0.00	2,423,836.62	77,639.38	96.89	3.11	R2,501,476.00	R77,639.38
Subtotal: transfers & subsidies	12,477,000.00	826,238.07	77,128.00	9,880,272.48	2,596,727.52	79.26	20.74	R12,477,000.00	R2,596,727.52
Subtotal: depreciation & amortisation	11,271,875.00	2,880,530.05	0.00	11,485,226.63	-213,351.63	101.89	-1.89	R11,271,875.00	R-213,351.63
<b>TOTAL: EXPENDITURE</b>	<b>398,765,786.00</b>	<b>36,781,293.09</b>	<b>931,969.29</b>	<b>387,042,556.86</b>	<b>11,726,229.14</b>	<b>97.05</b>	<b>2.95</b>	<b>R398,765,786.00</b>	<b>R11,726,229.14</b>

As per the tables above it is clear that Covid-19 still had an impact on the expenditure incurred in the 4<sup>th</sup> quarter. Limited expenses were made on accommodation, sponsorship and catering as well as subsistence and travel expense.

4. ALIGNMENT WITH COUNCIL STRATEGIES

This report is aligned to the cost containment regulation and policies

5. FINANCIAL IMPLICATIONS

The overall cost saving for the 4<sup>th</sup> quarter is at 2.95%

6. LEGAL IMPLICATIONS

Good governance and compliance with cost containment regulations

**RECOMMENDED**

1. THAT the report be noted for information purposes



\_\_\_\_\_  
ACTING CHIEF FINANCIAL OFFICER  
MR. CE STEYN

\_\_\_\_\_  
MUNICIPAL MANAGER  
MR. M MATHE

2022/07/19  
DATE

\_\_\_\_\_  
DATE