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**NORTHERN CAPE PROVINCIAL TREASURY**

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# **Quarterly Consolidated Municipal Performance Report – 4<sup>th</sup> Quarter**

**MBQR: June 2018**

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## **ACRONYMS**

BTO	Budget and Treasury Office
MFMA	Municipal Finance Management Act, 56 of 2003
MSA	Municipal Systems Act, 32 of 2000
SCM	Supply Chain Management
CFO	Chief Financial Officer
CAPEX	Capital Expenditure
PAYE	Pay as you earn
SDBIP	Service Delivery and Budget Implementation Plan
MIG	Municipal Infrastructure Grant
RSC	Regional Service Council Levies

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## **1. INTRODUCTION**

In terms of section 71 of the Municipal Finance Management Act (MFMA), municipalities are required to submit to the relevant provincial treasury a monthly statement on the state of the municipality's budget, by no later than 10 working days after the end of the month. The statement must be in the form of a signed document and electronic format. Section 74 of the MFMA requires accounting officers to submit such information, returns, documents and motivations as may be required.

The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement on the statement of municipalities' budgets in the prescribed format.

To facilitate transparency, the National Treasury publishes this information within 30 days after the end of each quarter.

Publishing this information is part of the evolving system of reporting envisaged by the MFMA. The aim is to assist in oversight of performance, address shortcomings, improve internal controls and facilitate service delivery. Publishing this information further improves transparency and fosters effective oversight, promotes fiscal discipline and provides a mechanism for measuring the ongoing performance of the municipality.

The financial analysis focuses on a number of key aspects of financial performance: including the status of the capital and operational budgets, debtors and grants.

The implementation of capital budgets by municipalities is a vital element of the roll-out of service delivery. The focus of the financial report on this element is intended to motivate municipalities to meet their budget and service delivery commitments to the community, and to highlight deviations in this regard.

The analysis of the implementation of municipalities' operational budget is intended to monitor whether expenditure is taking place within the total adjusted budget limits and that revenue targets are being realized so as to ensure the agreed service delivery targets are achieved in a sustainable manner.

Material under-expenditure is indicative of poor service delivery performance. Over-expenditure may be an indication of unauthorized payments, poor service delivery planning or unsustainable pricing of services.

Debt collection is crucial element of financial sustainability, with non-payment by debtors putting the ability of municipalities to meet their expenditure plans at risk. Debtors' aged analysis is a generally accepted early warning technique to indicate when collection levels and the time taken to collect are deteriorating. High or increasing levels of payments, and high or increasing levels of the absolute value of outstanding debts, are clear indications that there are problems with a municipality's revenue collection systems

## 2. CONSOLIDATED MUNICIPAL BUDGET OUTCOMES AS AT 30 JUNE 2018

### 2.1 Provincial Overview: Budget Performance

This report is based on the available financial information as submitted by the municipalities. The budget outcome for the period ending 30 June 2018 is summarized as follows:

The Provincial Treasury is using the Local Government database of the National Treasury as the primary source for the data used in the report.

Table 1 : Aggregate Expenditure as at 30 June 2018

District Municipality	Original Budget (R'000)	Adjusted Budget (R'000)	No of Municipalities in the District	Year to Date (R'000)	% Spent
<b>Sol Plaatje</b>	<b>2 168 557</b>	<b>2 271 753</b>	<b>1</b>	<b>1 947 237</b>	<b>86%</b>
John Taolo Gaetsewe	1 447 942	1 399 081	4	829 313	59%
Namakwa	854 534	938 008	7	760 307	81%
Pbiley ka Seme	1 162 377	1 180 331	9	1 007 586	85%
ZF Mgcawu	1 506 272	1 488 294	7	1 109 557	74%
Frances Baard	863 324	875 170	4	504 147	58%
<b>Total</b>	<b>5 934 449</b>	<b>5 892 174</b>	<b>31</b>	<b>4 210 909</b>	<b>71%</b>

\* Provincial Total Exclude Sol Plaatje

Table 1 above shows the aggregate expenditure of both operating and capital expenditure for all municipalities in the province.

In aggregate municipalities in the province (excluding Sol Plaatje) spent a total of R4.2 billion or 71% of the total adjusted budgets of R5.9 billion, this represent a year on year increase of R348,843 million or 9% when compared to the same period of the previous financial year.

Municipalities in Pixley ka Seme district reported the highest expenditure at R1.0 billion or 85% of their total adjusted budgets, followed by those in Namakwa District at R760,307 million or 81%, ZF Mgcawu at R1.1 billion or 74%, John Taolo Gaetsewe at R829,313 million or 59% and the lowest was reported in Frances Baard at R504,147 million or 58%.

## 2.1.1 Operating Budgets

Sound financial practice and the desire to maintain a credible budget dictates that municipal budgets be properly funded, constantly monitored and be responsive to changes in service demand.

Annual operating budgets should not be appropriated on balanced basis, where operating revenue are used to fund operating expenditure. The budget of a municipality must be funded.

## 2.1.2 Operating Revenue

Table 1.1 and figure 1.1 indicate the aggregated municipal revenue generated as at 30 June 2018.

Table 1.1 : Operating Revenue as at 30 June 2018 (R'000)

District Municipality	Original Budget	Adjusted Budget	Year to Dated	% Collected	Detail		
					Property Rates	Service Charges	Other
Sol Plaatje	2 104 318	2 104 318	1 887 912	90%	504 475	981 087	402 349
Namakwa	758 186	800 756	570 943	71%	83 095	263 617	224 232
Pieter-ka-Same	1 055 971	1 068 970	917 438	86%	80 473	366 791	470 173
ZF Mgcawu	1 384 634	1 388 734	1 114 869	80%	117 271	589 111	406 486
Frances Baard	764 188	764 188	755 560	99%	44 805	183 414	527 341
John Taolo Gaetsewe	1 190 435	1 199 731	5 394 026	450%	406 532	4 351 341	634 154
<b>Total</b>	<b>7 257 733</b>	<b>7 326 697</b>	<b>10 640 747</b>	<b>145%</b>	<b>1 238 651</b>	<b>6 735 360</b>	<b>2 666 735</b>

Municipalities are largely self-financing. This means that the bulk of their resources must be raised from own resources such as rates and taxes.

Revenue determines the capacity of the municipality to provide and sustain service. To ensure that revenue is adequate to support the desired levels of services, the municipality must carefully and routinely monitor all amounts due to it. This implies that aggressive policy of collection must be followed for all receivables.

Municipalities in the province reported to have generated total revenue of R10.6 billion or 145% of the total adjusted operating revenue budgeted of R7.3 billion, this represent a year on year increase of R5.1 billion or 94%. However, factoring out grant allocations and giving consideration to huge increase in outstanding debtors, the assumption would be that minimal fiscal effort has been applied by municipalities to generate revenue.

Municipalities in John Taolo Gaetsewe region reported the highest revenue at R5.3 billion or 450% which exceed their total adjusted revenue budget by 350%, followed by those in Frances Baard at



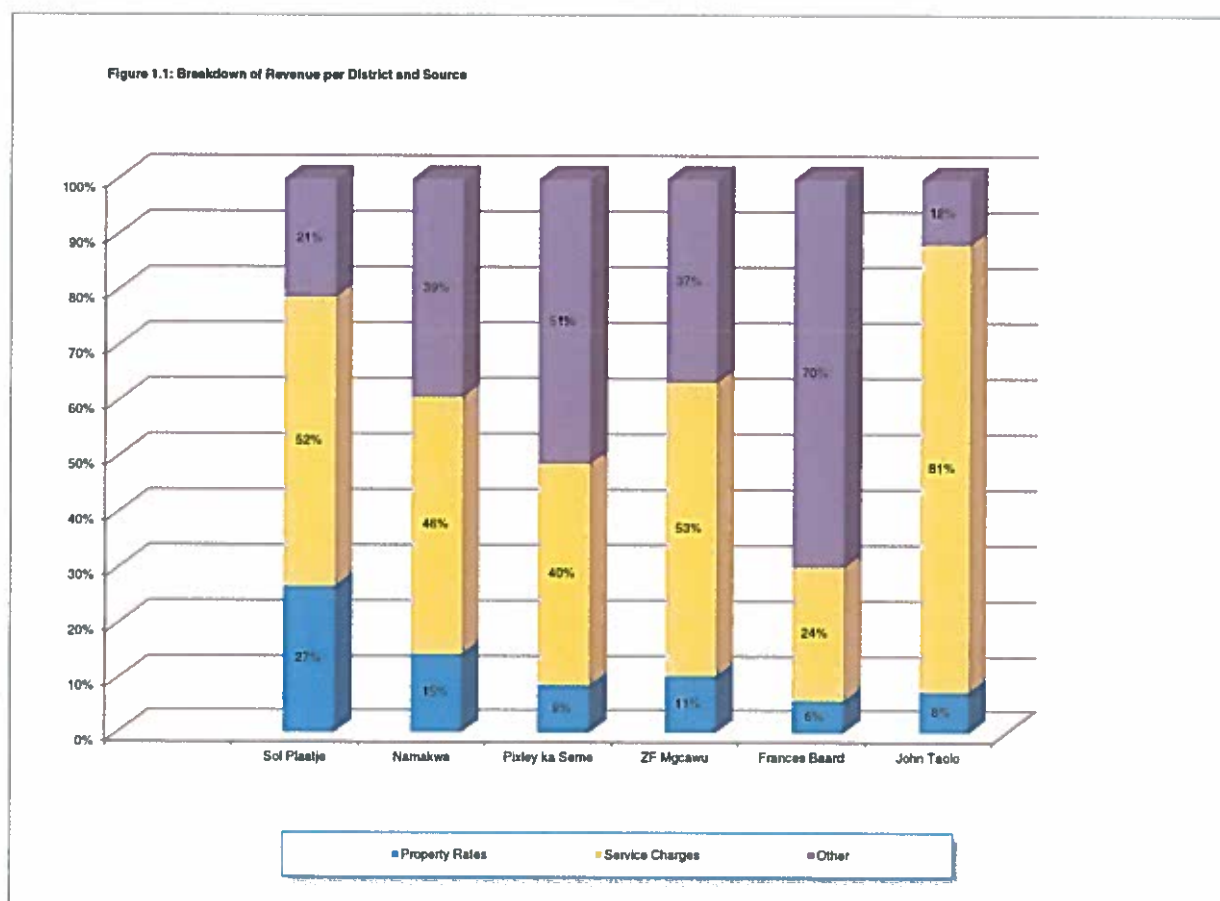
R755,560 million or 99%, Pixley ka Seme at R917,438 million, ZF Mgcawu at R1.1 billion or 80% and municipalities in Namakwa reported the lowest revenue at R570,943 million or 71%.

The highest revenue was reported under Service Charges at R6.7 billion or 63% of the total operating revenue of R10.6 billion, followed by Other/sundry revenue at R2.7 billion or 25% and the lowest was reported under property rates at R1.2 billion or 12%.

From Table 1.1 it is evident that whilst municipalities are revenue raising agents, they are still reliant on grants from central governments.

On the district level, the second biggest revenue stream is that of service charges relating to Water, Electricity, Refuse and Sanitation.

Figure 1.1 below indicates the breakdown of revenue per district and the corresponding sources.



From figure 1.1 it is evident that most income is generated from other revenue sources. This constitutes mostly sources that include Grants and Subsidies, Interest from investment, Rental of municipal facilities and fines.

Other/sundry revenue contributed 70% in Frances Baard, 51% in Pixley ka Seme, 39% in Namakwa 37% in ZF Mgcawu and 12% in John Taolo Gaetsewe,

Service Charges have contributed 14% in John Taolo Gaetsewe, 53% in ZF Mgcawu, 46% in Namakwa, 40% in Pixley ka Seme and 24% in Frances Baard district.

Property Rates contributed 15% in Namakwa, 11% in ZF Mgcawu, 9% in Pixley ka Seme, 8% in John Taolo Gaetsewe and 6% in Frances Baard.

### 2.1.3 Operating Expenditure

Table 1.2 below shows total operating expenditure reported by municipalities in the province excluding Sol Plaatje Municipality.

**Table 1.2 : Operating Expenditure as at 30 June 2018**

District Municipality	Original Budget (R000)	Adjusted Budget (R000)	No of Municipalities in the District	Year to Dated (R000)	% Spent
Sol Plaatje	1 936 491	1 957 812	1	1 898 642	87%
John Taolo Gaetsewe**	1 029 169	1 087 858	4	587 743	54%
Namakwa	689 954	716 129	7	560 425	78%
Pixley ka Seme	936 604	937 607	9	885 712	94%
ZF Mgcawu	1 304 702	1 306 773	7	979 816	75%
Frances Baard	714 282	722 166	4	414 524	57%
<b>Total</b>	<b>4 674 711</b>	<b>4 770 533</b>	<b>31</b>	<b>3 426 221</b>	<b>72%</b>

\* Provincial Total Exclude Sol Plaatje

Municipalities in the province had spent R3.4 billion or 72%(excluding Sol Plaatje) of the total adjusted operating expenditure budget of R4.8 billion as at the end of the 4<sup>th</sup> quarter, which represent an decrease of R2.1 billion or 38% when compared to the same period of the previous financial year.

Municipalities in Pixley ka Seme reported the highest expenditure at R885,712 million or 94% of their adjusted budget, followed by those in Namakwa at R560,425 million or 78%, ZF Mgcawu at R979,816 or 75%, Frances Baard at R414,524 million or 57% and John Taolo Gaetsewe district reported the lowest expenditure at R587,743 million or 54%.

Table 1.3 and figure 1.2 show the breakdown of consolidated municipal operating expenditure for reporting municipalities by district.

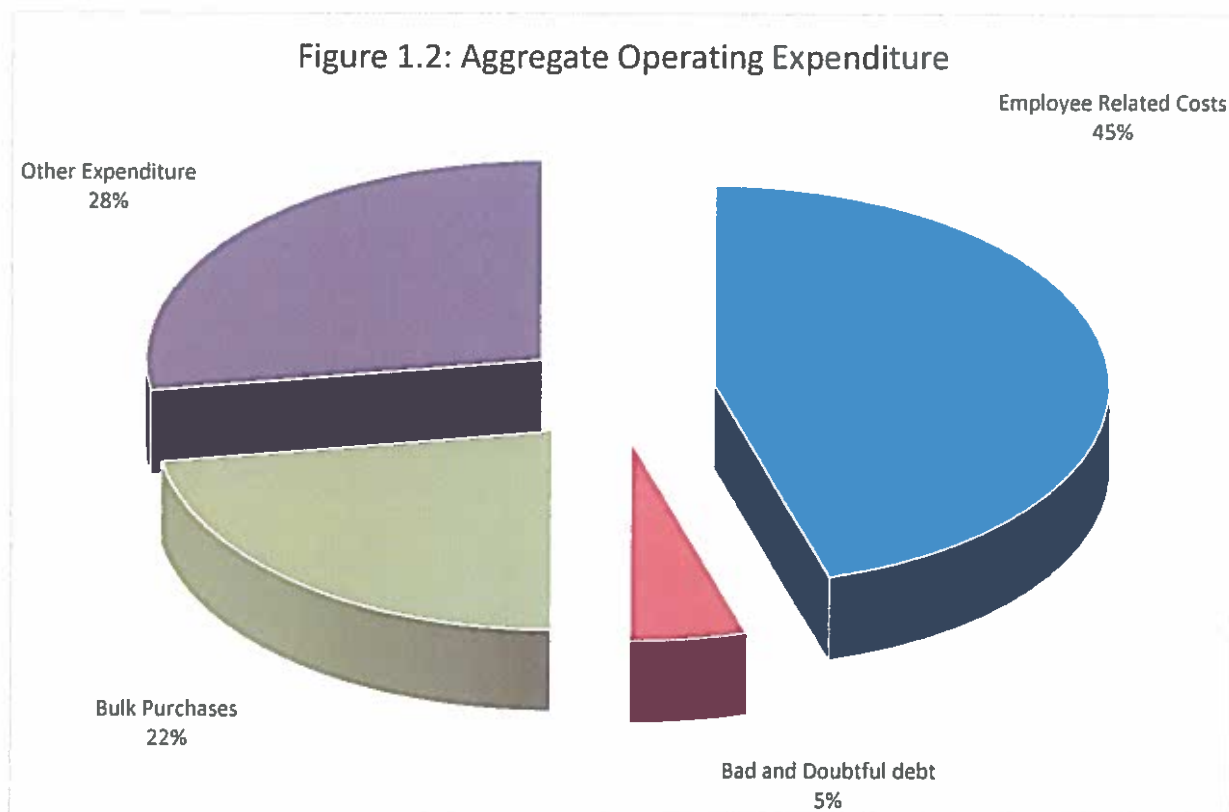
Table 1.3 : Operating Expenditure as at 30 June 2018 (R000)

District Municipality	Original Budget	Adjusted Budget	Year to Dated	% Spent	Detail			
					Employee Related Costs	Bad and Doubtful debt	Bulk Purchases	Other Expenses
Sol Plaatje	1 936 491	1 957 812	1 696 842	87%	648 567	203 576	448 430	396 270
Namakwa	689 954	716 129	560 425	78%	247 914	942	146 239	165 330
Pieter ka Seme	938 604	937 607	885 712	94%	370 958	42 465	189 616	283 673
ZF Mgcawu	1 304 702	1 306 773	978 816	75%	540 090	9	228 919	210 878
Frances Baard	714 282	722 166	414 524	57%	218 050	-	31 208	165 266
John Taolo Gaetsewe	1 029 169	1 087 858	587 743	54%	295 423	(3 224)	107 227	188 318
<b>Total</b>	<b>6 611 202</b>	<b>6 728 345</b>	<b>5 125 063</b>	<b>76%</b>	<b>2 320 921</b>	<b>243 767</b>	<b>1 150 640</b>	<b>1 409 735</b>

The consolidated operating expenditure for the 4<sup>th</sup> quarter amounted to R5.1 billion or 76% of the total adjusted budget of R6.7 billion, this represent a year on year decrease in operating expenditure of R367,763 million or 7% when compared to the same period of the previous financial year.

The highest expenditure was reported under employee related cost at R2.3 billion or 45% of the total expenditure of R5.1 billion, followed by Other/sundry expenditure at R1.4 billion or 28%, bulk purchases of water and electricity at R1.2 billion or 22% and the lowest was reported under bad and doubtful debt at R243,767 million or 5%.

Figure 1.2 shows aggregate operating expenditure by category



Employee related cost amounts to 45%, while Other/sundry 28%, Bulk purchase 22% and Bad and doubtful debt 5%. Other expenses include among others capital charges, hire charges and rentals.

To ensure that the primary infrastructure useful life is maintained and preserved, it is critical for the municipalities to increase their allocations and spending on repairs and maintenance. Municipalities are also encouraged to budget for the renewal of existing assets.

#### 2.1.4 Capital Budgets

The table 1.4 below shows provincial spending on capital budgets in all districts in the province. As a general trend municipality are supposed to have spent 100% of their capital budgets at the end of 4<sup>th</sup> quarter. Funding for capital spending is mostly from conditional grants, primarily the Municipal Infrastructure Grant (MIG).

Table 1.4 : Capital Expenditure as at 30 June 2018

District Municipality	Original Budget (R'000)	Adjusted Budget (R'000)	No of Municipalities in the District	Year to Dated (R'000)	% Spent
<b>Sol Plaatje</b>	<b>232 066</b>	<b>313 941</b>	<b>1</b>	<b>250 384</b>	<b>108%</b>
John Taolo Gaetsewe	418 773	311 823	4	241 569	77%
Namakwa	164 580	222 569	7	199 882	90%
Pixley ka Seme	225 773	242 724	9	121 873	50%
ZF Mgcawu	201 570	191 521	7	129 740	68%
Frances Baard	149 042	153 004	4	89 623	59%
<b>Total</b>	<b>1 159 738</b>	<b>1 121 641</b>	<b>31</b>	<b>782 688</b>	<b>70%</b>

\* Provincial Total Exclude Sol Plaatje

Capital spending incurred by municipalities in the province (except Sol Plaatje municipality) amounted to R782,688 million or 70% of the total adjusted capital budget of R1.1 billion, which represent a year on year increase in capital budget spending at R142,952 million or 22%.

Municipalities in Namakwa district reported the highest capital expenditure at R199,822 million or 90% of their total capital budget, followed by those in John Taolo Gaetsewe at R241,569 million or 77%, ZF Mgcawu at R129,740 million or 68% and Frances Baard at R89,623 million or 59%.

Municipalities in Pixley ka Seme district reported the lowest capital expenditure at R121,873 million or 50%. Sol Plaatje municipality reported capital expenditure of R250,394 million or 108%.

### 2.1.5 Accounts Receivable (Debtors)

In terms of section 35(6) of the MFMA, National and Provincial Departments and Entities must promptly meet their financial commitments towards municipalities. The significant amount of debt owed by government to municipalities is a clear indication that these financial commitments are not being met on time. This is an indication that municipalities in the province are still faced with the challenge of effectively implementing debt collection and credit control policy.

Table 1.5 shows outstanding debtors per district municipality and supporting table 1.5 (a) shows the outstanding debtors per customer group and per service type as at 30 June 2018.

Table 1.5 : Debtor Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Sol Plaatje	153 541	8%	41 911	2%	35 265	2%	1 727 351	88%	1 958 068	55%
Namakwa	20 464	6%	8 956	3%	7 230	2%	306 087	89%	342 737	10%
Pixley ka Seme	7 062	2%	16 405	4%	9 870	3%	345 448	91%	378 785	11%
ZF Mgcawu	35 080	12%	15 633	5%	7 504	2%	243 827	81%	302 044	8%
John Taolo Gaetsewe	7 156	3%	3 783	2%	3 893	2%	203 709	93%	218 541	6%
Frances Baard	15 293	4%	6 214	2%	6 218	2%	329 478	92%	357 203	10%
<b>Total</b>	<b>238 596</b>	<b>7%</b>	<b>92 902</b>	<b>3%</b>	<b>69 980</b>	<b>2%</b>	<b>3 155 900</b>	<b>89%</b>	<b>3 557 378</b>	<b>100%</b>

Supporting table 1.5(a) (1): Debtor Age Analysis by customer group as at 30 June 2018 (R'000)

	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Provincial Total</b>										
Government	29 637	4%	10 409	1%	9 727	1%	727 702	94%	777 475	22%
Business	82 175	17%	18 231	4%	11 662	2%	362 972	76%	475 040	13%
Households	114 931	5%	63 654	3%	46 698	2%	2 019 240	90%	2 244 523	63%
Other	11 853	20%	608	1%	1 893	3%	45 986	78%	60 340	2%
<b>Total</b>	<b>238 596</b>	<b>7%</b>	<b>92 902</b>	<b>3%</b>	<b>69 980</b>	<b>2%</b>	<b>3 156 900</b>	<b>89%</b>	<b>3 657 378</b>	<b>100%</b>
<b>Water</b>	<b>42 888</b>	<b>5%</b>	<b>25 245</b>	<b>3%</b>	<b>20 765</b>	<b>2%</b>	<b>778 675</b>	<b>90%</b>	<b>865 573</b>	<b>24%</b>
<b>Electricity</b>	<b>75 549</b>	<b>23%</b>	<b>18 513</b>	<b>6%</b>	<b>9 857</b>	<b>3%</b>	<b>227 625</b>	<b>69%</b>	<b>331 544</b>	<b>9%</b>
<b>Property rates</b>	<b>46 778</b>	<b>5%</b>	<b>14 646</b>	<b>2%</b>	<b>11 585</b>	<b>1%</b>	<b>862 156</b>	<b>92%</b>	<b>935 165</b>	<b>26%</b>
<b>RSC Levies</b>										
<b>Other</b>	<b>70 061</b>	<b>5%</b>	<b>35 418</b>	<b>2%</b>	<b>28 756</b>	<b>2%</b>	<b>1 347 000</b>	<b>91%</b>	<b>1 481 235</b>	<b>42%</b>
<b>Total</b>	<b>238 596</b>	<b>7%</b>	<b>92 902</b>	<b>3%</b>	<b>69 980</b>	<b>2%</b>	<b>3 156 900</b>	<b>89%</b>	<b>3 657 378</b>	<b>100%</b>

Total debt owed to municipalities in province amounts to R3.6 billion, this represent a year on year decrease of R517,779 million or 13% when compared to the same period of the previous financial year. Of the total debtors outstanding. It needs to be noted that the decrease is a distorted picture due to the non – submission of debtor's age analysis by some of the municipalities in the province.

Of the total outstanding debtors R3.6 billion or 89% is owed for more than 90 days. Most of these debtors are not realistically collectable.

Municipalities in Pixley ka Seme reported the highest outstanding at R378,785 or 11%, followed by Namakwa and Frances Baard districts reported R342,737 million and R357,203 or 10% respectively, ZF Ngcawu at R302,044 million or 8% and the lowest was reported in John Taolo Gaetsewe district at R218,541 million or 6%.

Sol Plaatje municipality alone reported outstanding debtors at R2 billion or 55% of the reported outstanding debtors in the province, this represent a year on year increase of R45,074 million or 2% when compared to the same period of the previous financial year

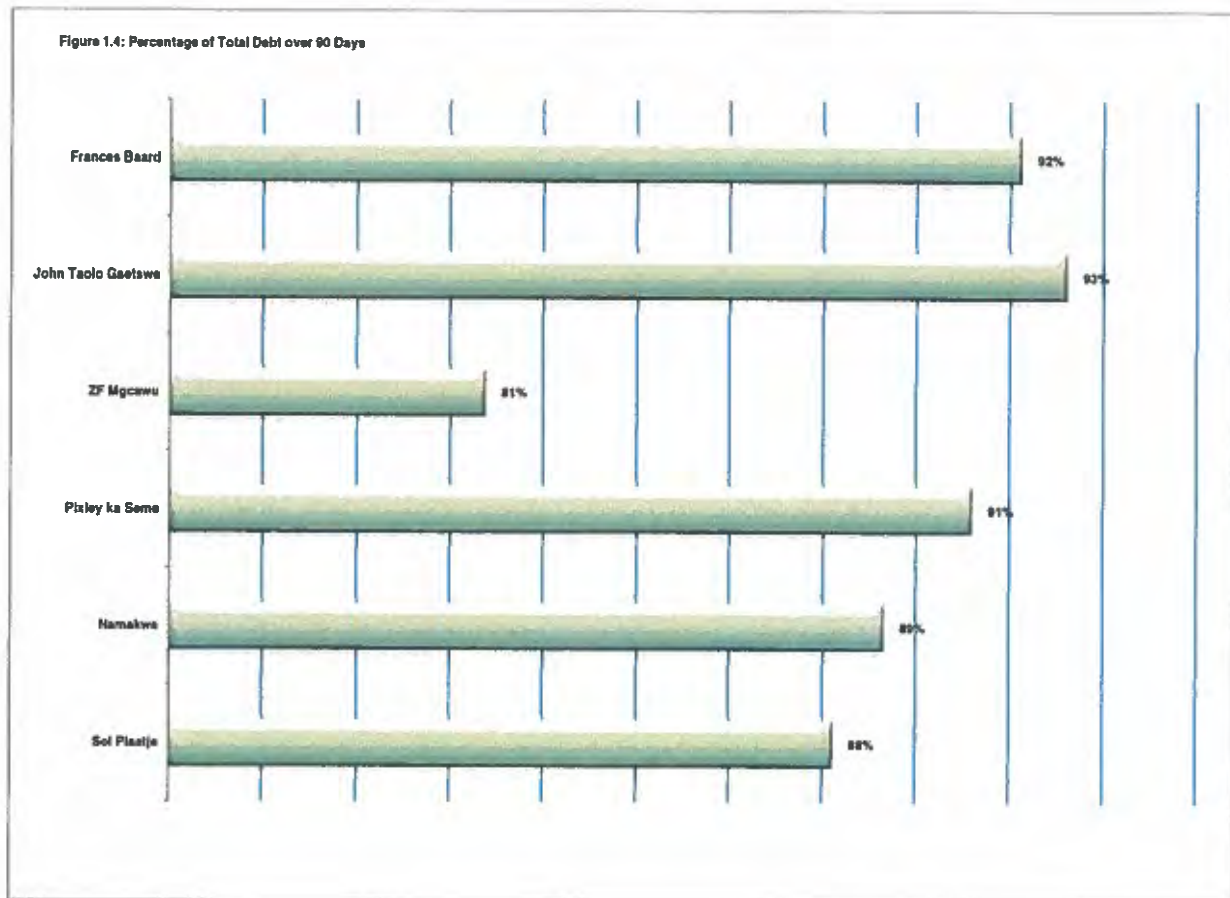
In aggregate 7% of debtors is outstanding between 0-30 days, 3% for 31-60 days, 2% for 61-90 day and 89% for more than 90 days.

Government departments owed municipalities R777,475 million or 22% and business owed an amount of R475,040 million or 13%, while household owed R2.2 billion or 63% of the total outstanding debtors.

Of the total outstanding debtors owed by government, R727,702 million or 94% was due for more than 90 days.

The highest outstanding debtors was reported under other debtors at R1.5 billion or 42% of the total outstanding debtors of R3.6 billion, followed by property rates at R935,165 million or 26%, water at R865,573 million or 24%, and the lowest was reported under electricity at R331,544 million or 9%.

Figure 1.4 shows outstanding debtors over 90 days as a percentage of total outstanding debtors



Of the total owed over 90 days, John Taolo Gaetsewe district reported the highest at 93%, followed by Frances Baard at 92%, Pixley ka Seme at 91, Namakwa at 89% and the lowest was reported in and ZF Mgcawu at 81%.

### 2.1.6 Accounts Payable (Creditors)

In terms of section 65(2) (e) of the MFMA, municipalities must pay creditors within 30 days. Section 65(2) (f) of the MFMA further stipulates that the municipality must comply with its tax, pension, medical aid, audit fees and other statutory commitments.

Table 1.6 indicates the total outstanding creditors per district municipality and table 1.6 (a) shows outstanding creditors per category.

Of the total outstanding creditors 26% represents outstanding creditors up to 30 days and 67% is over 90 days

Table 1.8 : Creditors Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Sol Plaatje	113 447	100%	0	0%	0	0%	0		113 447	10%
Namakwa	45 215	17%	3 808	1%	2 704	1%	218 559	81%	270 286	23%
Pixley ka Seme	33 120	20%	7 339	4%	2 482	2%	116 019	70%	165 050	14%
ZF Mgcawu	67 787	17%	13 263	3%	20 865	5%	300 593	75%	402 508	34%
John Taolo Gaetsewe	9 530	27%	11 623	33%	3 230	9%	11 298	32%	35 681	3%
Frances Baard	37 992	20%	5 317	3%	5 792	3%	138 353	74%	187 454	16%
	307 091	26%	41 350	4%	35 073	3%	784 822	67%	1 174 426	100%

Table 1.8(a): Outstanding Creditors as at 30 June 2018 (R'000)

Provincial overview		0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R'000		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditors Age Analysis</b>											
	Bulk Electricity	105 501	18%	14 178	2%	18 066	3%	450 969	77%	588 714	50%
	Bulk Water	31 806	12%	6 005	2%	5 736	2%	222 105	84%	265 652	23%
	PAYE Deductions	15 095	38%	1 139	3%	0	0%	23 084	59%	39 318	3%
	VAT(Output less Input)	3 721	100%	0	0%	0	0%	0	0%	3 721	0%
	Pension/Retirement	14 012	72%	1 355	7%	1 357	7%	2 738	14%	19 462	2%
	Loans Repayments	0		0		0		0		0	0%
	Trade Creditors	86 722	61%	5 562	4%	8 433	6%	41 845	29%	142 582	12%
	Auditor-General	713	3%	683	2%	182	1%	26 540	94%	28 118	2%
	Other	49 521	57%	12 408	14%	2 866	3%	22 064	25%	86 859	7%
	<b>Total</b>	<b>307 091</b>	<b>26%</b>	<b>41 350</b>	<b>4%</b>	<b>36 640</b>	<b>3%</b>	<b>789 345</b>	<b>67%</b>	<b>1 174 426</b>	<b>100%</b>

Municipalities in the province owed their creditors a total amount of R1.2 billion as the end of fourth quarter, this represent a year on year decrease of R59,629 million or 5% when compared to the same period of the previous financial year. The decrease is also not accurate due to non-submission of creditors' age analysis by some of the municipalities.

Municipalities in ZF Mgcawu district reported the highest outstanding creditors at R402,508 million or 34% of the total outstanding creditors of R1.2 billion, followed by those in Namakwa district at R270,286 million or 23%, Frances Baard at R187,353 million or 16%, Pixley Ka Seme at R165,050 million or 14% and the lowest was reported in John Taolo Gaetsewe at R35,681 million or 3%.

Of the total outstanding creditors 50% is due under electricity, followed by bulk water at 23%, trade creditors at 12%, other sundry creditors at 7%,PAYE at 3%, auditor general and pension at 2% and the lowest was reported under loan repayment and VAT at 0% each.



Most accounts payable are outstanding for over 90 days. This is contrary to section 65(2) (f) of the MFMA. This may pose a serious risk on the municipality's ability to continue providing sustainable services should the suppliers stop the services. As it is well known these services are the most essential service to be supplied by local authorities to consumers and the rest of society.

## 2.1.7 Cash Flow

The way in which a municipality generates and manages its cash flows determines the extent to which it can provide the required level of services and meet its commitments.

Table 1.7 shows the sources and application of cash by municipalities in the province over the period under review.

Table 1.7 : Cash Flow Position as at 30 June 2018 (R'000)

Municipality	Opening Balance	Receipts		Payments					Closing Balance
		Grants & Subsidies	Other Receipts	Salaries & Wages	Cash & Creditors	Capital Payments	External Loans	Other	
John Taolo Gaetsewe	5 063	503 594	178 394	193 817	175 987	127 602	6 133	89 906	93 606
Namakwa	15 962	385 290	373 270	190 345	223 914	102 182	1 370	203 424	53 287
Pixley Ka Seme	21 747	369 517	440 836	260 260	204 228	65 334	6 809	249 671	45 798
ZF Mgcawu	58 017	379 053	577 239	392 630	140 623	78 080	5 279	226 041	171 656
Frances Baard	283 258	722 745	1 155 468	614 960	342 186	167 901	5 011	597 051	434 362
<b>Total</b>	<b>384 047</b>	<b>2 360 199</b>	<b>2 725 207</b>	<b>1 652 012</b>	<b>1 086 938</b>	<b>541 099</b>	<b>24 602</b>	<b>1 366 093</b>	<b>798 709</b>

Source: IYM Summary Reports Submitted by Municipalities to LG Database

The total aggregate cash and cash equivalents for the period under review ended positively with an amount of R798,709 million. All districts reported positive cash and cash equivalent at the end of the period under review, with the highest positive cash and cash equivalent reported in Frances Baard R434,362 million, followed by ZF Mgcawu at R171,656 million, John Taolo Gaetsewe district at R93,606 million, Namakwa at R53,287 million and the lowest positive cash and cash equivalent was reported in Pixley ka Seme at R45,798 million.

Though most municipalities in the province are reporting positive cash and cash equivalent at the end of the period, it must be noted that the correctness of the reported information is questionable. This is evident by the growing outstanding creditors and outstanding debtors. The slow spending of capital budget which is mostly financed by the conditional grants might be an indication that municipalities are using the conditional grants to fund operational budget.

## 3. Detailed Municipal Analysis per Municipality

### 3.1 John Taolo Gaetsewe

#### 3.1.1 Operating Revenue

Table 2.1(a) shows the reported revenue collected as at 30 June 2018 by the municipalities in the John Taolo Gaetsewe District against the budgeted revenue.

Table 2.1(a) : Operating Revenue as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Dated	% Collected	Detail		
					Property Rates	Service Charges	Other
Joe Morolong	272 108	289 323	301 471	104%	33 574	15 895	252 002
Ga-Segonyana	426 626	418 707	387 999	93%	37 220	111 685	239 093
Gamagara	409 327	409 327	4 622 893	1129%	337 737	4 223 761	61 395
John Taolo Gaetsewe District	82 374	82 374	81 664	99%	-	-	81 664
<b>Total</b>	<b>1 190 435</b>	<b>1 199 731</b>	<b>5 384 826</b>	<b>450%</b>	<b>408 532</b>	<b>4 351 341</b>	<b>634 154</b>

Municipalities in the district reported an actual year to date revenue at R5.4 billion or 450% of the total adjusted operating budget of R1.2 billion in the district, this represent a year on year increase of R3.9 billion or 256% when compared to the same period of the previous financial year.

Gamagara municipality reported the highest revenue at R4.6 billion or 1129% which is questionable as it exceeds their budget by 1029%, followed by Joe Morolong at R301,471 or 104% and the lowest is Ga-Segonyana at R387,999 million or 93%.

Service Charges constitutes R4.3 billion or 81% of the total revenue generated in this district, followed by Other/Sundry revenue at R634,154 million or 12% and Property Rates being the lowest at R408,532 million or 7%. The high revenue collection on *other* can be attributed to the Grants and subsidies received by the municipalities especially the district.

### 3.1.2 Operating Expenditure

Table 2.1(b) shows the total expenditure incurred by the municipalities in the District. The figures indicate that the municipalities in the district have spent R587,743 million or 54% of the total adjusted budget of R1.1 billion. This represent a year on year decrease in operating budget spending by R314,337 million or 35% when compared to the same period of the previous year.

Table 2.1(b) : Operating Expenditure as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Dated	% Spent	Detail			
					Employee Related Costs	Bad and Doubtful debt	Bulk Purchases	Other Expenses
Joe Morolong	157 639	174 710	138 944	80%	68 464	-	12 739	57 741
Ga-Segonyana	330 499	357 117	222 007	62%	89 911	(3 224)	66 954	68 365
Gamagara	459 603	474 604	141 810	30%	77 709	-	27 534	36 567
John Taolo Gaetsewe District	81 426	81 426	84 982	104%	59 338	-	-	25 645
<b>Total</b>	<b>1 028 169</b>	<b>1 087 858</b>	<b>587 743</b>	<b>54%</b>	<b>295 423</b>	<b>(3 224)</b>	<b>107 227</b>	<b>188 318</b>

The highest expenditure in the district is Employee related costs at R295,423 million or 50% of the total adjusted expenditure of R587,743 million, followed by Other sundry expenditure at R188,318 million or 32%, Bulk purchases of water and electricity at R107,227 million or 18% and the lowest was reported under bad and doubtful debt at negative R3,224 million.

Joe Morolong municipality reported the highest expenditure in the district at R138,944 million or 80% of their budget, followed by Ga-Segonyana at R222,007 million or 62% and the lowest was reported in Gamagara municipality by R141,810 million or 30%.

### 3.1.3 Capital Expenditure

Table 2.1(c) shows capital spending by municipalities in the district as at 30 June 2018. The municipalities have spent R241,569 million or 77% of the total adjusted capital budget of R311,823 million, which represent a year on year decrease of R59,930 million or 20% when compared to the same period of the previous financial year. On a straight-line basis, municipalities should have spent at least 100% of their capital budget as the end of the 4<sup>th</sup> quarter.

Table 2.1(c) : Capital Expenditure as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Date	% Spent	Detail				
					Water	Electricity	Housing	Roads & Pavement	Other
Joe Morolong	114 264	114 613	105 274	92%	87 308	-	-	10 303	7 665
Ga-Segonyana	95 256	90 880	90 274	99%	50 529	2 599	-	31 928	5 218
Gamagara	208 307	105 014	44 570	42%	16 233	8 496	-	-	19 841
John Tsolo Gaetswe District	946	1 216	1 452	119%	-	-	-	-	1 452
<b>Total</b>	<b>418 773</b>	<b>311 823</b>	<b>241 569</b>	<b>77%</b>	<b>154 067</b>	<b>11 095</b>	<b>-</b>	<b>42 231</b>	<b>34 176</b>

The highest capital expenditure was reported in Ga – Segonyana at R90,274 million or 99% of their total adjusted capital budget of R90,274 million, followed by Joe Morolong at R105,274 or 92% and Gamagara reported the lowest at R44,570 million or 42%.

The slow spending by Gamagara municipality is a worrying factor as it gives an indication of poor planning and/or budgeting for the roll out of infrastructure plan.

The spending on infrastructure items in the district ranges from the highest to the lowest in the different categories; Water was the highest at R154,067 million or 64%, followed by Roads & Pavements at R42,231 million or 17%, other capital expenditure at R34,176 million or 14% and the lowest was reported under electricity at R11,095 million or 14%.

### 3.1.4 Debtors

Table 2.1(d) shows total outstanding debtors in the whole district per municipality, whereas supporting table 2.1(d)(1) shows outstanding debtors in the district per customer group.

Table 2.1(d) : Debtor Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Joe Morolong	6 466	3%	3 681	2%	3 482	2%	192 547	93%	206 178	94%
Ga-Segonyana										
Gamagara										
John Tsalo Gaetsawe	690	6%	102	1%	411	3%	11 162	90%	12 365	6%
<b>Total</b>	<b>7 156</b>	<b>3%</b>	<b>3 783</b>	<b>2%</b>	<b>3 893</b>	<b>2%</b>	<b>203 709</b>	<b>93%</b>	<b>218 543</b>	<b>100%</b>

Supporting table 2.1(d)(1): Debtor Age Analysis by customer group as at 30 June 2018 (R'000)

John Tsalo District	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Government	930	4%	223	1%	541	2%	23 390	93%	25 084	11%
Business	1 720	3%	933	2%	853	2%	48 455	93%	49 961	23%
Households	4 496	3%	2 624	2%	2 496	2%	133 817	93%	143 433	66%
Other	10	16%	3	5%	3	5%	47	75%	63	0%
	0									
<b>Total</b>	<b>7 156</b>	<b>3%</b>	<b>3 783</b>	<b>2%</b>	<b>3 893</b>	<b>2%</b>	<b>203 709</b>	<b>93%</b>	<b>218 543</b>	<b>100%</b>
Water	1 832	4%	1 822	4%	1 740	4%	44 103	89%	48 497	23%
Electricity	88	2%	128	2%	134	2%	6 406	94%	6 755	3%
Property rates	3 957	5%	1 204	2%	1 152	1%	70 488	92%	76 811	35%
RSC Levies	0		0		0		0		0	0%
Other	1 278	1%	631	1%	868	1%	83 702	97%	86 480	40%
<b>Total</b>	<b>7 156</b>	<b>3%</b>	<b>3 783</b>	<b>2%</b>	<b>3 893</b>	<b>2%</b>	<b>203 709</b>	<b>93%</b>	<b>218 543</b>	<b>100%</b>

Municipalities in the district are owed an amount of R218,543 million, which represent a year on year decrease of R279,959 billion or 22% when compared to the same period of the previous financial year. Gamagara and Ga – Segonyana did not submit their creditors age analysis.

Table 2.1(d) shows that the only local municipality that reported was Joe Morolong with total outstanding debtors of R206,178 million or 94%, of which R192,547 million was owed for more than 90 days.

Table 2.1(d)(1) shows that of the total outstanding debtors R143,433 million or 66% was owed by Households, followed by Business at R49,961 million or 23%, Government at R25,084 million or 11% and the lowest was reported under other sundry debtors at R63 thousand or 0%.

The highest outstanding amount was reported under other sundry debtors at R86,480 million or 40% of the total outstanding debtors, followed by property rates at R76,811 million or 35%, water at R49,497 million or 23% and the lowest reported under electricity at R5,755 million or 3%.

### 3.1.5 Creditors

Table 2.1 (e) shows outstanding creditors in the District per municipality and 2.1 (e) (1) shows outstanding creditors in the District by type.

Table 2.1(e) : Creditors Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Joe Morolong	3 073	11%	11 089	40%	2 486	9%	11 018	40%	27 664	78%
Ga-Segonyana										
Gamagara										
John Toale Gasisewe	6 457	85%	534	7%	306	4%	282	4%	7 579	22%
<b>Total</b>	<b>9 530</b>	<b>27%</b>	<b>11 623</b>	<b>33%</b>	<b>3 230</b>	<b>9%</b>	<b>11 298</b>	<b>32%</b>	<b>35 243</b>	<b>100%</b>

Table 2.1(e) (1): Outstanding Creditors as at 31 March 2018

District overview R'000	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditors Age Analysis</b>										
Bulk Electricity	0		0		0		0		0	0%
Bulk Water	0	0%	661	16%	438	10%	3 080	74%	4 179	12%
PAYE Deductions	1 881	100%	0		0		0		1 881	5%
VAT(Output less Input)	0		0		0		0		0	
Pension/Retirement	0		0		0		0		0	
Loans Repayments	0		0		0		0		0	
Trade Creditors	4 578	80%	534	9%	306	5%	282	5%	5 698	16%
Auditor-General	0		0		0		0		0	0%
Other	3 073	13%	10 428	44%	2 048	9%	7 936	34%	23 485	67%
<b>Total</b>	<b>9 530</b>	<b>27%</b>	<b>11 623</b>	<b>33%</b>	<b>2 792</b>	<b>8%</b>	<b>11 298</b>	<b>32%</b>	<b>35 243</b>	<b>100%</b>

Municipalities in this region owe creditors a total of R27,664 million. Joe Morolong is the only local municipality that reported creditors of R35,243 million or 100%,

Joe Morolong and Gamagara municipality did not submit their creditors' age analysis report.

Table 2.1(e) (1) shows that from the total outstanding creditors R35,243 million, R23,243 million or 67% was owed to other creditors, followed by trade creditors R5,698 million or 16%, bulk water at R4,179 million or 12%, and the lowest was reported under PAYE deductions at R1,881 million or 5%

### 3.1.6 Cash Flow

The way in which a municipality generates and manages its cash flows determines the extent to which it can provide the required level of services and meet its commitments.

Table 2.1(f) shows the sources and application of cash by municipalities in the district over the period under review.

Table 2.1(f) : Cash Flow Position as at 30 June 2018 (R'000)

Municipality	Opening Balance	Receipts		Payments					Closing Balance
		Grants & Subsidies	Other Receipts	Salaries & Wages	Cash & Creditors	Capital Payments	External Loans	Other	
Joe Morolong	1 074	227 053	33 065	68 464	90 485	97 352		2 498	2 393
Ga-Segonyana	3 541	197 054	173 894	108 501	145 768	72 006	5 770	9 181	33 563
Gamagara	2 933	59 995	241 685	109 847	161 271	28 597			4 898
John Taolo Gaetsewe District	148	79 487	98 721	58 755	35 678		395		83 528
<b>Total</b>	<b>7 996</b>	<b>563 589</b>	<b>547 365</b>	<b>345 567</b>	<b>433 202</b>	<b>197 955</b>	<b>6 165</b>	<b>11 679</b>	<b>124 382</b>

Source : IYM Summary Reports Submitted by Municipalities to LG Database

The total aggregate cash and cash equivalents for the period under review ended positively with an amount of R124,382 million.

Ga-Segonyana reported the highest positive cash and cash equivalent at R33,563 million, followed by Gamagara at R4,898 million and Joe Morolong municipality reported the lowest at R2,393 million.

### 3.1.7 MFMA Returns

	Quarterly				
	Municipal Entities	Long Term Contracts	Borrowing Monitoring	MFMA Implementation Priorities	Investment Monitoring
	Q4	Q4	Q4	Q4	Q4
Joe Morolong	x	x	x	√	√
Ga-Segonyana	x	x	√	√	√
Gamagara	√	X	X	X	X
John Taolo Gaetsewe District	√	√	√	√	√

√ Documents Received

Only the district municipality submitted all its required reports for the quarter under review, Ga-Segonyana submitted three reports, Joe Morolong submitted two reports Gamagara submitted only one report.

### 3.2 Namakwa District

#### 3.2.1 Operating Revenue

Table 2.2(a) shows actual revenue collected as at 30 June 2018 by the municipalities in the Namakwa District against the budgeted revenue.

Table 2.2(a) : Operating Revenue as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Date	% Collected	Detail		
					Property Rates	Service Charges	Other
Richtersveld	86 881	87 636	66 782	76%	11 091	25 940	29 751
Nama Khoi	257 221	265 236	255 405	96%	45 166	140 575	69 664
Kamiesberg	63 821	73 911	34 318	46%	7 911	12 168	14 239
Hantam	160 687	175 266	57 670	33%	8 388	46 275	3 007
Karoo Hoogland	67 331	67 331	59 104	88%	5 486	21 912	31 705
Khai-Ma	65 654	72 276	45 626	63%	5 053	16 746	23 827
Namakwa District	56 591	59 100	52 039	88%	-	-	52 039
<b>Total</b>	<b>758 186</b>	<b>800 756</b>	<b>570 943</b>	<b>71%</b>	<b>83 095</b>	<b>263 617</b>	<b>224 232</b>

The whole district managed to generate R570,943 million or 71% of the total adjusted revenue budget of R800,756 million, which represent a year on year increase of R7,965 million or 1% when compared the same period of the previous financial year.

The highest revenue was reported in Nama - Khoi at R255,405 million or 96% of their adjusted budget of R265,236 million, followed by Karoo Hoogland at R59,104 million or 88%, Richtersveld at R66,782 million or 76%, Khai-Ma at R45,626 million or 63%, Kamiesberg at R34,318 million or 46% and the lowest was reported in Hantam at R57,670 million or 33%.

Service Charges constitutes R263,617 million or 46% of the total revenue generated in this district, followed by Other/Sundry revenue at R224,232 million or 39% and the lowest was reported under Property Rates at R83,095 million or 15%.

The high revenue collection on *Other* can be attributed to the Grants and subsidies received by the municipalities especially the district.

#### 3.2.2 Operating Expenditure

Table 2.2(b) shows the total expenditure incurred by the municipalities in the District. The figures indicate that the municipalities in the district have spent R560,425 million or 78% of the total adjusted budget of R716,129 million, which represent a year on year increase of R2,940 million or 1% when compared to same period of the previous financial year.

Table 2.2(b) : Operating Expenditure as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Date	% Spent	Detail			
					Employee Related Costs	Bad and Doubtful debt	Bulk Purchases	Other Expenses
Richtersveld	65 389	74 241	53 503	72%	21 540	942	13 375	17 647
Nama Khoi	280 746	291 246	249 470	86%	83 168	-	94 300	72 003
Kamiesberg	63 261	63 569	33 581	53%	22 048	-	2 479	9 154
Hantam	94 803	94 642	68 396	71%	38 664	-	15 522	14 211
Karoo Hoogland	59 091	59 091	53 466	90%	23 336	-	8 158	21 973
Khai-Ma	61 079	63 671	43 809	69%	22 983	-	12 406	8 420
Namakwa District	65 585	67 568	58 098	86%	36 175	-	-	21 923
<b>Total</b>	<b>689 954</b>	<b>716 129</b>	<b>560 425</b>	<b>78%</b>	<b>247 914</b>	<b>942</b>	<b>146 239</b>	<b>165 330</b>

The highest expenditure in the district is on employee related cost at R247,914 million or 44% of the total expenditure of R560,425 million followed by other general expenses at R165,330 million or 30%, bulk purchases of water and electricity at R146,239 million or 26% and the lowest was reported under bad and doubtful debt at R942 thousand or 0%.

Karoo Hoogland municipality reported the highest expenditure at R53,466 million or 90% of their adjusted budget, followed by Nama Khoi at R249,470 million or 86%, Richtersveld at R53,503 million or 72%, Hantam at R68,396 million or 71%, Khai-Ma at R43,809 million or 69% and the lowest was reported in Kamiesberg at R33,681 million or 53%.

### 3.2.3 Capital Expenditure

Table 2.2(c) shows capital spending by municipalities in the District. Municipalities have spent R199,882 million or 90% of the total adjusted capital budget of R222,589 million, which represent an increase of capital expenditure at R118,509 million or 146% when compared to the same period of the previous financial year.

Table 2.2(c) : Capital Expenditure as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Date	% Spent	Detail				
					Water	Electricity	Housing	Roads & Pavement	Other
Richtersveld	21 948	21 948	27 118	124%	19 901	3 804	-	979	2 433
Nama Khoi	24 774	44 421	22 031	50%	17 406	4 625	-	-	-
Kamiesberg	11 601	21 604	19 970	92%	19 970	-	-	-	-
Hantam	75 577	99 327	93 861	94%	82 162	1 243	-	3 254	7 202
Karoo Hoogland	8 145	8 145	20 432	251%	12 674	2 407	-	701	4 649
Khai-Ma	22 425	26 589	16 353	62%	12 025	937	-	488	2 904
Namakwa District	110	536	116	22%	-	-	-	-	116
<b>Total</b>	<b>164 580</b>	<b>222 589</b>	<b>199 882</b>	<b>90%</b>	<b>164 138</b>	<b>13 016</b>	<b>-</b>	<b>5 422</b>	<b>17 306</b>

Karoo Hoogland municipality reported the highest capital expenditure at R20,432 million or 251%, which represent an abnormal overspending of 151% of their adjusted capital budget, followed by Richtersveld at R27,118 million or 124%, Hantam at R93,861 million or 94%, Kamiesberg at



R19,970 million or 92%, Khai-Ma at R16,353 million or 62% and the lowest was reported in Nama Khoi at R22,031 million or 50%.

The district municipality spending is mostly on equipment, furniture and vehicles.

The highest expenditure was reported under water at R164,138 million or 82% of the total capital expenditure, followed by other capital expenditure at R17,306 million or 8%, electricity at R13,016 million or 7% and the lowest was reported under roads & pavement at R5,422 million or 3%

### 3.2.4 Debtors

Table 2.2(d) shows total debtors outstanding in the whole district, whereas supporting table 2.2(d) (1) show outstanding debtors in the district per customer group.

Table 2.2(d) : Debtor Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Richtersveld	2 258	3%	1 149	2%	796	1%	71 135	94%	75 338	22%
Nama Khoi	10 309	7%	4 926	3%	3 172	2%	129 012	88%	147 419	43%
Kamiesberg	0		0		0		0		0	0%
Hantam	4 207	10%	1 133	3%	1 101	3%	34 246	84%	40 687	12%
Karoo Hoogland	2 125	8%	-12	0%	1 104	4%	24 955	89%	28 172	8%
Khai Ma	1 435	3%	1 678	3%	979	2%	45 532	92%	49 624	14%
Namakwa District	130	9%	82	5%	78	5%	1 207	81%	1 497	0%
<b>Total: Namakwa District</b>	<b>20 484</b>	<b>6%</b>	<b>8 956</b>	<b>3%</b>	<b>7 230</b>	<b>2%</b>	<b>306 087</b>	<b>89%</b>	<b>342 737</b>	<b>100%</b>

Supporting table 2.2(d) (1): Debtor Age Analysis by customer group as at 30 June 2018 (R'000)

Namakwa District	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Government	1 473	19%	560	7%	594	8%	5 225	67%	7 852	2%
Business	6 501	12%	2 341	4%	1 716	3%	43 870	81%	54 428	16%
Households	12 355	5%	5 833	2%	4 910	2%	248 397	91%	271 495	79%
Other	135	2%	222	2%	10	0%	8 595	98%	8 962	3%
<b>Total</b>	<b>20 484</b>	<b>6%</b>	<b>8 956</b>	<b>3%</b>	<b>7 230</b>	<b>2%</b>	<b>306 087</b>	<b>89%</b>	<b>342 737</b>	<b>100%</b>
Water	3 319	3%	2 354	2%	1 909	2%	90 957	92%	96 539	29%
Electricity	7 710	16%	1 596	3%	1 579	3%	37 393	77%	48 278	14%
Property rates	3 390	5%	2 103	3%	992	1%	66 119	91%	72 604	21%
RSC Levies	0		0		0		0		0	
Other	6 045	5%	2 903	2%	2 750	2%	111 618	91%	123 318	36%
<b>Total</b>	<b>20 484</b>	<b>6%</b>	<b>8 956</b>	<b>3%</b>	<b>7 230</b>	<b>2%</b>	<b>306 087</b>	<b>89%</b>	<b>342 737</b>	<b>100%</b>

Municipalities in the region are owed a total amount of R342,737 million, which represent a year on year decrease of R15,234 million or 4% when compared to the same period of the previous financial year.

Nama Khoi municipality is owed the highest amount at R147,419 million or 43% of the total outstanding debtors of R342,737 million in the district, followed by Richtersveld at R75,338 million or 22%, Khai-Ma at R49,624 million or 14%, Hantam at R40,687 million or 12% and the lowest was reported in Karoo Hoogland at R28,172 million or 8%. Kamiesberg municipality did not submit their debtors' age analysis.

Supporting table 2.2 (d) (1) shows that of the total outstanding debtors R271,495 million or 79% is owed by households, followed by business at R54,428 million or 16%, other debtors at R8,962 million or 3% and the lowest was reported under government at R7,852 million or 2%.

The highest outstanding amount reported is under other at R123,316 million or 36%, followed by water at R98,539 million or 29%, property rates at R72,604 million or 21% and the lowest amount was reported under electricity at R48,278 million or 14%.

### 3.2.5 Creditors

Table 2.2 (d) shows outstanding creditors in the District per municipality and 2.2 (e) (1) shows outstanding creditors in the District by type.

Table 2.2(d) : Creditors Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Richtersveld	10 424	75%	1 318	9%	381	3%	1 769	13%	13 892	5%
Nama Khoi	13 653	7%	1 194	1%	951	0%	190 691	92%	206 489	76%
Kamiesberg	0		0		0		0		0	0%
Hantam	15 331	88%	0	0%	0	0%	2 137	12%	17 468	6%
Karoo Hoogland	0	0%	10	0%	0	0%	2 309	100%	2 319	1%
Khai Ma	5 807	19%	1 286	4%	1 372	5%	21 653	72%	30 118	11%
Namakwa District	0		0		0		0		0	
<b>Total: Namakwa District</b>	<b>45 215</b>	<b>17%</b>	<b>3 808</b>	<b>1%</b>	<b>2 704</b>	<b>1%</b>	<b>218 559</b>	<b>81%</b>	<b>270 286</b>	<b>100%</b>

Table 2.2(e) : Outstanding Creditors as at 30 June 2018

District overview R'000	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditors Age Analysis</b>										
Bulk Electricity	7 683	8%	787	1%	721	1%	81 603	90%	90 794	34%
Bulk Water	6 257	5%	2 402	2%	1 681	1%	119 388	92%	129 728	48%
PAYE Deductions	557	100%	0		0		0	0%	557	0%
VAT (Output less Input)	0		0		0		0			
Pension/Retirement	575	100%	0		0		0		575	0%
Loans Repayments	0		0		0		0		0	0%
Trade Creditors	8 609	58%	734	5%	323	2%	5 251	35%	14 917	6%
Auditor-General	18	0%	-236	-3%	-221	-1%	9 857	105%	9 418	3%
Other	21 516	89%	121	0%	200	1%	2 460	10%	24 297	9%
<b>Total</b>	<b>45 215</b>	<b>17%</b>	<b>3 808</b>	<b>1%</b>	<b>2 704</b>	<b>1%</b>	<b>218 559</b>	<b>47%</b>	<b>270 286</b>	<b>100%</b>

Municipalities in the district were owing their creditors an amount of R270,286 million, which represent a year on year increase of R9,562 million or 4% when compared to the same period of the previous financial year.

Table 2.2 (d) indicates that the highest outstanding creditors was reported in Nama Khoi municipality at R206,489 million or 76% of the total outstanding creditors of R270,286 million in the district, followed by Khai-Ma at R30,118 million or 11%, Hantam at R17,468 million or 6%, Richtersveld at R13,892 million or 5% and the lowest was reported in Karoo Hoogland at R2,319 million or 1%. Kamiesberg municipality did not submit its creditors' age analysis.

Table 2.2 (e)(1) indicates that of the total creditors outstanding in terms of the categories, bulk water is the highest at R129,728 million or 48%, followed by bulk electricity at R90,794 million or 34%, other creditors at R24,297 million or 9%, trade creditors at R14,917 million or 6%, auditor general at R9,418 million or 3%, and the lowest was reported under pension/retirement at R575 thousand or 0%.

### 3.2.6 Cash Flow

Table 2.2(f) shows cash flow position of municipalities in the Namakwa District.

Table 2.2(f) : Cash Flow Position as at 30 June 2018 (R'000)

Municipality	Opening Balance	Receipts		Payments					Closing Balance
		Grants & Subsidies	Other Receipts	Salaries & Wages	Cash & Creditors	Capital Payments	External Loans	Other	
Richtersveld	537	52 571	45 330	31 518	75 472	11 543	1 747	-22 131	289
Nama Khoi	3 346	80 164	227 659	84 998	160 241	24 168		40 647	1 115
Kamiesberg	352	45 036	61 394	20 912	72 071			13 631	168
Hantam	1 683	118 789	42 165	38 664	29 429	79 338	122	-557	15 641
Karoo Hoogland	2 490	15 991	27 366	23 336	25 798	15 968		-21 155	1 900
Khai-Ma	6 534	31 374	41 768	22 995	37 796	17 921			962
Namakwa District	1 020	47 262	52 814	33 199	17 064	69		49 786	958
<b>Total</b>	<b>15 962</b>	<b>391 187</b>	<b>498 494</b>	<b>255 622</b>	<b>417 881</b>	<b>148 007</b>	<b>1 869</b>	<b>60 221</b>	<b>21 033</b>

Source : IYM Summary Reports Submitted by Municipalities to LG Database

The highest positive cash and cash equivalent was reported in Hantam municipality at R15,641 million, followed by Karoo Hoogland at R1,900 million, Nama Khoi at R1,115 million, Khai-Ma at R962 thousand, Richtersveld at R289 thousand and the lowest was reported in Kamiesberg R168 thousand.

### 3.2.7 MFMA Returns

Table 2.2. (g) shows annual and quarterly MFMA returns as submitted by the municipality in the district.

	Quarterly				
	Municipal Entities	Long Term Contracts	Borrowing Monitoring	MFMA Implementation Priorities	Investment Monitoring
	Q4	Q4	Q4	Q4	Q4
Richtersveld	✓	✓	✓	✓	✓
Nama Khoi	✓	✓	✓	✓	✓
Kamiesberg	✓	✓	✓	✓	✓
Hantam	✓	x	✓	✓	✓
Karoo Hoogland	✓	✓	✓	✓	✓
Khai-Ma	✓	✓	✓	x	✓
Namakwa District	✓	✓	✓	✓	✓

✓ Documents Received

All municipalities in the district submitted all expected reports with the exception of Khai-ma who did not one of the reports.

### 3.3 Pixley ka Seme

#### 3.3.1 Operating Revenue

Table 2.3(a) shows revenue generated as at 30 June 2018 by the municipalities in the Pixley Ka Seme District against the budgeted revenue. The whole district managed to generate R917,438 million or 86% of the total adjusted revenue budget of R1.1 billion, which represent a year on year increase of R63,640 million or 7% when compared to the same period of the previous financial year.

Table 2.3(a) : Operating Revenue at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Dated	% Collected	Detail		
					Property Rates	Service Charges	Other
Ubuntu	128 324	128 324	118 065	90%	29	53 842	62 094
Umaabomvu	149 425	162 434	120 959	74%	9 861	51 057	60 040
Emthanjeni	257 549	257 549	243 424	95%	31 793	107 311	104 320
Kareeberg			68 834		5 264	21 906	41 664
Renosterberg	70 239	70 239	27 740	39%	2 737	11 897	13 106
Thembelile	87 258	87 258	63 039	72%	4 106	21 234	37 699
Siyathemba	112 280	112 280	92 703	83%	12 368	44 928	35 408
Siyancuma	199 793	199 793	127 388	64%	14 315	54 516	58 555
Pixley Ka Seme District	51 105	51 105	57 288	112%			57 288
<b>Total</b>	<b>1 055 971</b>	<b>1 068 970</b>	<b>917 438</b>	<b>86%</b>	<b>80 473</b>	<b>366 791</b>	<b>470 173</b>

Other/sundry revenue constitutes R470,173 million or 51% of the total revenue generated of R917,438 million in this district, followed by service charges at R366,791 million or 40% and property rates being the lowest at R80,473 million or 9%. The high revenue on other can be attributed to the Grants and subsidies received by the municipalities especially the district.

The highest revenue was reported in Emthanjeni municipality at R243,424 million or 95% of their total budget of R257,549 million, followed by Ubuntu at R116,065 million or 90%, Siyathemba at R92,703 or 83%, Umsobomvu at R120,959 million or 74%, Thembelihle at R63,039 million or 72%, Siyancuma at R127,386 or 64% and the lowest was reported in Renosterberg at R27,740 million or 39%. Kareeberg municipality's budget returns are still outstanding.

### 3.3.2 Operating Expenditure

Table 2.3(b) shows the total expenditure incurred by the municipalities in the Pixley Ka Seme District. The figures indicate that the municipalities in the district have spent R885,712 million or 94% of the total adjusted budget of R937,607 million, which represent a year on year decrease in operational spending of R29,598 million or 3% when compared to the same period of the previous financial year.

Table 2.3(b) : Operating Expenditure as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Date	% Spent	Detail			
					Employee Related Costs	Bad and Doubtful debt	Bulk Purchases	Other Expenses
Ubuntu	110 139	110 139	85 775	78%	27 170	-	29 622	28 983
Umsobomvu	149 292	150 296	138 941	92%	47 719	10 989	16 200	62 032
Emthanjeni	231 349	231 349	201 794	87%	81 261	-	61 178	59 355
Kareeberg	-	-	56 301	-	21 817	-	10 489	23 995
Renosterberg	46 212	46 212	35 630	77%	20 108	-	5 227	10 294
Thembelihle	65 802	65 802	52 100	79%	29 082	606	7 877	14 525
Siyathemba	118 921	118 921	99 549	84%	45 040	6	17 964	36 539
Siyancuma	162 913	162 913	163 016	100%	59 749	30 864	38 059	34 344
Pixley Ka Seme District	51 976	51 976	52 606	101%	39 002	-	-	13 604
<b>Total</b>	<b>936 604</b>	<b>937 607</b>	<b>885 712</b>	<b>94%</b>	<b>370 958</b>	<b>42 465</b>	<b>188 616</b>	<b>283 673</b>

The highest expenditure in the district was reported under employee related cost at R370,958 million or 49% of the total expenditure of R885,712 million; followed by other expenditure at R283,673 million or 25%, bulk purchases of water and electricity at R188,616 million or 21% and the lowest was reported under provision for working capital at R42,465 million or 5%.

Spending by municipalities ranges from the highest in Siyancuma at R163,016 million or 100% of their adjusted budget, followed by Umsobomvu at R138,941 million or 92%, Emthanjeni at R201,794 million or 87%, Siyathemba at R99,549 million or 84%, Thembelihle at R52,100 million or 79%, Ubuntu at R85,775 million or 78% and the lowest was reported in Renosterberg at R35,630 million or 77%. Kareeberg municipality's budget returns are still outstanding.

### 3.3.3 Capital Expenditure

Table 2.3(c) shows capital spending by municipalities in the Pixley Ka Seme district. The municipalities have spent R121,873 million or 50% of the total adjusted capital budget of R242,724 million, which represent a year on year increase of R39,467 million or 48% when compared to the same period of the previous financial year. The lowest spending in the district can be attributed to non-submission of reports by municipalities.

Table 2.3(c) : Capital Expenditure as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Date	% Spent	Detail				
					Water	Electricity	Housing	Roads & Pavement	Other
Ubuntu	15 063	15 063	8 236	55%	-	-	-	8 236	-
Umsobomvu	20 781	40 732	24 201	59%	4 310	3 028	-	12 555	4 308
Emthanjeni	39 082	39 082	32 107	82%	9 669	5 830	-	12 112	4 496
Kareeberg	-	-	14 857	-	6 538	758	-	7 472	89
Renosterberg	24 027	21 027	18 422	88%	10 389	1 771	-	6 251	-
Thembelihle	14 055	14 055	11 746	84%	3 008	1 858	-	6 882	-
Siyathemba	25 131	25 131	-	0%	-	-	-	-	-
Siyancuma	87 473	87 473	12 305	14%	856	10 892	-	557	-
Pixley Ka Seme District	161	161	-	-	-	-	-	-	-
<b>Total</b>	<b>225 773</b>	<b>242 724</b>	<b>121 873</b>	<b>50%</b>	<b>34 780</b>	<b>24 135</b>	<b>-</b>	<b>54 065</b>	<b>8 893</b>

Spending by municipalities ranges from the highest in Renosterberg municipality at R18,422 million or 88% of their adjusted capital budget, followed by Thembelihle at R11,746 million or 84%, Emthanjeni at R32,107 million or 82%, Umsobomvu at R24,201 million or 59%, Ubuntu at R8,236 million or 55% and the lowest was reported in Siyancuma at R12,305 million or 14%. Kareeberg municipality's budget returns are still outstanding and Siyathemba municipality did not submit the report.

The low spending by municipalities is a serious concern considering that we are at the end of the fourth quarter of the financial year and all municipalities were expected to have spent 100% of their budgets. This is an indication that the municipalities might be using conditional grants to fund their operations.

The district municipality's spending is mostly on equipment, furniture and vehicles.

The spending on infrastructure items in the district ranges from the highest to the lowest in the different categories; Roads and Pavement is the highest at R54,065 million or 44% of the total year to date capital expenditure of R121,873 million, followed by Water at R34,780 million or 29%, Electricity at R24,135 million or 20%, and the lowest was reported under other R8,893 million or 7%.

### 3.3.4 Debtors

Table 2.3(d) shows total amount of debtors in the Pixley Ka Seme District, whereas supporting table 2.3(d) (1) show total amount of debtors in the district per customer group.

Table 2.3(d) : Debtor Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Ubuntu										
Umsobomvu	2 139	1%	3 419	2%	3 143	2%	140 946	94%	149 647	40%
Emthanjeni	0	0%	9 038	18%	3 969	8%	37 406	74%	50 413	13%
Kareeberg										
Renosterberg	2 491	4%	1 308	2%	0	0%	57 359	94%	61 158	16%
Thembelhle	2 280	5%	1 216	3%	833	2%	40 673	90%	45 202	12%
Siyathemba	0	0%	1 277	2%	1 779	2%	68 834	96%	71 890	19%
Siyancuma										
Pixley Ka Seme District	152	32%	147	31%	146	31%	30	6%	475	0%
<b>Total: Pixley ka Seme District</b>	<b>7 062</b>	<b>2%</b>	<b>16 405</b>	<b>4%</b>	<b>9 870</b>	<b>3%</b>	<b>345 448</b>	<b>91%</b>	<b>378 785</b>	<b>100%</b>

Supporting table 2.3(d)(1): Debtor Age Analysis by customer group as at 30 June 2018 (R'000)

Pixley Ka Seme District	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Government	661	4%	1 525	10%	1 015	6%	12 684	80%	15 885	4%
Business	2 498	11%	3 690	16%	941	4%	16 112	69%	23 241	6%
Households	3 402	1%	12 361	4%	7 463	2%	309 340	93%	332 566	88%
Other	501	7%	1 171	17%	451	6%	7 312	103%	7 093	2%
<b>Total</b>	<b>7 062</b>	<b>2%</b>	<b>16 405</b>	<b>4%</b>	<b>9 870</b>	<b>3%</b>	<b>345 448</b>	<b>91%</b>	<b>378 785</b>	<b>100%</b>
Water	295	0%	5 507	4%	3 687	3%	127 321	93%	136 810	36%
Electricity	3 728	8%	6 360	13%	1 760	4%	35 613	75%	47 461	13%
Property rates	755	1%	730	1%	1 523	3%	55 279	95%	58 287	15%
RSC Levies										
Other	2 284	2%	3 808	3%	2 900	2%	127 235	83%	136 227	36%
<b>Total</b>	<b>7 062</b>	<b>2%</b>	<b>16 405</b>	<b>4%</b>	<b>9 870</b>	<b>3%</b>	<b>345 448</b>	<b>91%</b>	<b>378 785</b>	<b>100%</b>

Municipalities in the district were owed R378,785 million at the end of the fourth quarter of the 2017/18 financial year, which represent a year on year decrease of R40,372 million or 10% when compared to the same period of the previous financial year

Umsobomvu municipality reported the highest outstanding trade receivables at R149,647 million or 40% of the total outstanding debtors of R553284 million in the district, followed by Siyathemba at R71,890 million or 19%, Renostersberg at R61,158 million or 16%, Emthanjeni at R50,413

million or 13%, Thembelihle at R45,202 million or 12% and the lowest amount was reported in Kareeberg at R0 or 0%. Siyancuma and Ubuntu did not submit their debtor's age analysis report.

This is clear indication municipalities are finding it difficult to collect revenue due to them or to implement debt collection and credit control policy. This might also be an indication that due to prevailing inflation outlook, households have minimum income at their disposal to service some of their debts.

Table 2.3 (d)(1) reflects that of the total outstanding debtors the highest amount was reported under household at R332,566 million or 88% of the total outstanding debtors in the district, followed by Business at R23,241 million or 6%, Government at R15,885 million or 4% and the lowest was reported under other at R7,093 million or 2%.

The highest outstanding debtors were reported under other service and water at R136,227 million and R136,810 million or 36% respectively, followed by property rates at R58,287 million or 15%, and the lowest was reported under electricity at R47,461 million or 11%.

### 3.3.5 Creditors

Table 2.3 (e) shows outstanding creditors in the District per municipality and 2.3(e) (1) shows outstanding creditors in the District by type.

Table 2.3(e) : Creditors Age Analysis as at 31 March 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Ubuntu										
Umaabomvu	5 962	100%							5 962	4%
Emthanjani	15 140	56%	5 827	22%					27 657	16%
Kareeberg										
Renosierberg	1 826	3%	235	0%	1 506	2%	60 097	94%	63 664	39%
Thembelihle	9 809	14%	1 277	2%	968	1%	55 789	82%	67 843	41%
Siyathemba										
Siyancuma										
Pixley Ka Seme District	383	73%	0	0%	8	2%	139	25%	524	0%
<b>Total: Pixley ka Seme District</b>	<b>33 120</b>	<b>20%</b>	<b>7 339</b>	<b>4%</b>	<b>2 482</b>	<b>2%</b>	<b>116 019</b>	<b>70%</b>	<b>165 050</b>	<b>100%</b>



Table 2.3(e) : Outstanding Creditors as at 30 June 2018

District overview		0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R'000		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditors Age Analysis</b>											
	Bulk Electricity	14 443	11%	6 315	5%	3 165	2%	108 913	82%	132 836	80%
	Bulk Water	433		82	2%	29	1%	3 048	85%	3 590	2%
	PAYE Deductions										
	VAT(Output less Input)										
	Pension/Retirement										
	Loans Repayments										
	Trade Creditors	8 165	57%	775	5%	560	4%	4 849	34%	14 349	9%
	Auditor-General	393	12%	118	3%	279	8%	2 590	77%	3 380	2%
	Other	9 686	89%	49	0%	16	0%	1 144	11%	10 895	7%
<b>Total</b>		<b>33 120</b>	<b>20%</b>	<b>7 339</b>	<b>4%</b>	<b>4 049</b>	<b>2%</b>	<b>120 642</b>	<b>73%</b>	<b>165 050</b>	<b>100%</b>

Municipalities in the district owed their creditors an amount of R165,050 million at the end of the fourth quarter which represent an decrease of R67,537 million or 29% when compared to the same period of the previous financial year.

Of the total outstanding creditors, the highest amount was reported in Thembelihle municipality at R67,843 million or 41% of the total outstanding creditors in the district, followed by Renosterberg at R63,664 million or 39%, Emthanjeni at R27,057 million or 16%, Umsombomvu at R5,962 million or 4% and the lowest was reported in Siyancuma and Renosterberg at R524 thousand and R0 or 0%. Ubuntu, Siyathemba and Siyancuma municipalities did not submit their creditor's age analysis report for the fourth quarter.

Table 2.3 (e)(1) shows that of the total outstanding creditors in terms of the categories, Bulk electricity was the highest owed service at R132,836 million or 80%, followed by Trade creditors at R14,349 million or 9%, other creditors at R10,895 million or 7% and the lowest was reported under bulk water at R3,590 million and Auditor General at R3,380 million or 2% respectively.

### 3.3.6 Cash Flow

Table 2.3(f) : Cash Flow Position as at 30 June 2018 (R'000)

Municipality	Opening Balance	Receipts		Payments					Closing Balance
		Grants & Subsidies	Other Receipts	Salaries & Wages	Cash & Creditors	Capital Payments	External Loans	Other	
Ubuntu	3 456	25 145	43 783	22 763	26 251	9 868	183	30 918	-17 589
Umsobomvu	17 114	52 045	110 109	48 068	65 064	24 174	1 026	37 819	5 117
Emthanjeni	-1 021	75 147	133 517	73 539	108 040	29 078	5 206		-8 220
Kareeberg	22 956	33 175	20 538	18 904	20 500	9 348		9 073	18 844
Renosterberg	0	30 003	12 399	20 108	11 197	3 379		16	7 702
Thembelihle	577	38 594	73 363	29 087	65 463	11 586	681	4 989	728
Siyathemba	148	47 436	62 149	43 183	38 998			15 267	12 283
Siyancuma	-22 811	74 603	56 864	49 349	61 481	8 946	77	-6 497	-4 700
Pikey Ka Seme District	1 330	54 002	44 169	40 002	13 604		1 033	44 642	220
<b>Total</b>	<b>21 747</b>	<b>430 160</b>	<b>556 901</b>	<b>343 003</b>	<b>410 598</b>	<b>96 379</b>	<b>8 206</b>	<b>136 227</b>	<b>14 385</b>

Source : IYM Summary Reports Submitted by Municipalities to LG Database

Three (3) municipalities in the district closed with a negative cash and cash equivalent. The highest positive cash and cash equivalent was reported in Kareeberg municipality at R20,792 million, followed by Siyathemba at R12,283 million, Renosterberg at R7,702 million, Umsobomvu at R5,117 million, Siyancumat R6,755 million and the lowest positive cash and cash equivalent was reported in Thembelihle at R728 thousand.

Ubuntu municipality reported the highest negative cash and cash equivalent at R17,589 million, followed by Emthanjeni at R8,220 and the lowest negative cash was reported in Siyancuma at R4,700 million.

### 3.3.7 MFMA Returns

Table 2.2. (g) shows annual and quarterly MFMA returns as submitted by the municipality in the district.

	Quarterly				
	Municipal Entities	Long Term Contracts	Borrowing Monitoring	MFMA Implementation Priorities	Investment Monitoring
	Q4	Q4	Q4	Q4	Q4
Ubuntu	x	✓	x	x	✓
Umsobomvu	✓	✓	✓	✓	✓
Emthanjeni	x	x	✓	✓	✓
Kareeberg	✓	✓	✓	✓	✓
Renosterberg	X	X	X	X	X
Thembelihle	✓	✓	✓	✓	✓
Siyathemba	x	X	x	x	✓
Siyancuma	X	X	x	x	✓
Pikey ka Seme	x	x	✓	✓	✓

✓ Documents Received

Out of the five reports expected from each municipality only three municipalities Umsobomvu, Kareeberg and Thembelihle submitted all their reports. Emthanjeni and the district municipality submitted three reports, Ubuntu submitted two, Siyathemba and Siyancuma Ubuntu submitted two and Renosterberg did not submit a single report.

### 3.4 ZF Mgcawu District

#### 3.4.1 Operating Revenue

Table 2.4(a) shows revenue generated as at 30 June 2018 by the municipalities in the District against the budgeted revenue. The whole district managed to generate R1.1 billion or 80% of the total adjusted revenue budget of R1.4 billion. Which represent a year on year decrease of R297,415 million or 21% when compared the same period of the previous financial year

Table 2.4(a) : Operating Revenue as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Dated	% Collected	Detail		
					Property Rates	Service Charges	Other
Kail Garib	245 415	245 415	210 147	86%	(2 539)	107 324	105 362
IKheis	83 218	87 849	86 825	98%	12 348	8 822	45 355
Tsantsabane	226 273	213 673	128 363	60%	10 007	68 762	49 594
Kgatelopele	95 713	108 081	51 752	48%	5 519	11 614	34 620
Dawid Kruiper	688 201	688 201	601 096	87%	91 936	392 590	116 570
ZF Mgcawu	65 815	65 815	56 986	87%	-	-	56 986
<b>Total</b>	<b>1 384 634</b>	<b>1 388 734</b>	<b>1 114 869</b>	<b>80%</b>	<b>117 271</b>	<b>589 111</b>	<b>408 486</b>

Recovery ranges from the highest in IKheis municipality at R66,525 million or 98%, followed by Dawid Kruiper at R601,096 million or 87%, Kail Garib at R210,147 million or 86%, Tsantsabane at R128,363 million or 60% and the lowest was reported in Kgatelopele at R51,752 million or 48% of their budget.

Service charges was the highest at R589,111 million or 53% of the total operating revenue of R1.1 billion in the district, followed by other/sundry revenue at R408,486 million or 36% and the lowest was reported under property rates at R117,271 million or 11%

The high revenue collection on *Other* can be attributed to the Grants and subsidies received by the municipalities especially the district.

### 3.4.2 Operating Expenditure

Table 2.4(b) shows the total expenditure incurred by the municipalities in the ZF Mgcawu District. The figures indicate that the municipalities in the district have spent R979,816 million or 75% of the total adjusted budget of R1.3 billion, which represent a year on year decrease of R54,494 million or 5%.

Table 2.4(b) : Operating Expenditure as at 30 June 2019 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Dated	% Spent	Detail			
					Employee Related Costs	Bad and Doubtful debt	Bulk Purchases	Other Expenses
Kaif Garib	208 506	208 508	200 074	96%	108 260	-	42 865	48 949
IKheis	60 708	60 708	41 037	68%	29 099	-	1 637	10 301
Tsantsabane	224 876	214 311	106 093	50%	67 911	-	14 759	23 424
Kgatelopele	83 324	90 655	37 766	42%	13 747	-	11 644	12 375
Dawid Kruiper	663 046	663 046	532 124	80%	272 561	9	158 015	101 539
ZF Mgcawu	64 240	69 545	62 723	90%	48 433	-	-	14 291
<b>Total</b>	<b>1 304 702</b>	<b>1 306 773</b>	<b>879 816</b>	<b>75%</b>	<b>540 010</b>	<b>9</b>	<b>228 919</b>	<b>210 878</b>

The highest expenditure was reported in Kaif Garib at R200,074 million or 96% of their adjusted budget, followed by Dawid Kruiper at R532,124 million or 80% and the lowest was reported in Kgatelopele at R37,766 million or 42%.

The highest expenditure in the district was reported under Employee related cost at R540,010 million or 55%, followed by Bulk purchases of water and electricity at R228,919 million or 23% and the lowest was other expenditure at and R210,878 million or 22%.

### 3.4.3 Capital Expenditure

Table 2.4(c) : Capital Expenditure as at 30 June 2019 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Dated	% Spent	Detail				
					Water	Electricity	Housing	Roads & Pavement	Other
Kaif Garib	36 907	36 907	50 031	136%	13 466	20 083	-	-	16 483
IKheis	18 298	18 298	8 940	54%	5 426	-	-	511	-
Tsantsabane	39 155	39 155	11 052	28%	2 842	-	-	8 210	-
Kgatelopele	13 864	4 405	14 763	321%	13 909	-	-	792	62
Dawid Kruiper	91 817	91 817	43 952	48%	21 632	13 877	-	2 982	5
ZF Mgcawu	1 530	740	3	0%	-	-	-	-	461
<b>Total</b>	<b>201 570</b>	<b>191 521</b>	<b>129 740</b>	<b>68%</b>	<b>57 278</b>	<b>33 960</b>	<b>-</b>	<b>16 484</b>	<b>22 008</b>

The highest capital expenditure was reported in Kgatelopele at R14,763 million or 321%, which constitutes an overspending of 221% of their adjusted capital budget, followed by Kai Garib at R50,031 million or 136% and the lowest was reported in Tsantsabane at R18,746 million or 20%.

The highest capital expenditure was reported under water at R57,278 million or 44%, followed by electricity at R18,178 million or 22%, other capital expenditure at R22,008 million or 17% and the lowest was reported under roads & pavement at R16,494 million or 13%.

The district municipality spending is mostly on equipment, furniture and vehicles.

### 3.4.4 Debtors

Table 2.4(d) shows total amount of debtors outstanding in the district by customer type, whereas supporting table 2.4(d) (1) shows debtors outstanding by customer group.

Table 2.4(d) : Debtor Age Analysis as at 31 March 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Kaif Garib										
Ikhele										
Tsantsabane	5 969	3%	5 155	3%	3 863	2%	183 609	92%	198 616	66%
Kgatelopele					139	0%			139	0%
David Kruper	28 932	28%	10 478	10%	3 502	3%	59 729	58%	102 641	34%
ZF Mgcawu District	159	25%	0	0%	0	0%	489	75%	648	0%
<b>Total: Shyamba District</b>	<b>35 080</b>	<b>12%</b>	<b>15 633</b>	<b>5%</b>	<b>7 504</b>	<b>2%</b>	<b>243 827</b>	<b>81%</b>	<b>301 905</b>	<b>100%</b>

	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>ZF Mgcawu</b>										
Government	2 605	24%	305	3%	185	2%	7 821	72%	10 916	4%
Business	13 707	40%	1 999	6%	516	2%	18 091	53%	34 313	11%
Households	16 916	7%	12 290	5%	5 853	2%	208 865	86%	243 924	81%
Other	1 852	15%	1 039	8%	811	6%	9 050	71%	12 752	4%
<b>Total</b>	<b>35 080</b>	<b>12%</b>	<b>15 633</b>	<b>6%</b>	<b>7 365</b>	<b>2%</b>	<b>243 827</b>	<b>81%</b>	<b>301 905</b>	<b>100%</b>
<b>Water</b>	<b>4 454</b>	<b>5%</b>	<b>2 351</b>	<b>3%</b>	<b>1 571</b>	<b>2%</b>	<b>76 510</b>	<b>90%</b>	<b>84 886</b>	<b>28%</b>
<b>Electricity</b>	<b>12 701</b>	<b>64%</b>	<b>1 332</b>	<b>7%</b>	<b>223</b>	<b>1%</b>	<b>5 731</b>	<b>29%</b>	<b>19 987</b>	<b>7%</b>
<b>Property rates</b>	<b>5 932</b>	<b>16%</b>	<b>2 954</b>	<b>8%</b>	<b>740</b>	<b>2%</b>	<b>26 872</b>	<b>74%</b>	<b>36 498</b>	<b>12%</b>
<b>RSC Levies</b>										
<b>Other</b>	<b>11 993</b>	<b>7%</b>	<b>8 996</b>	<b>6%</b>	<b>4 831</b>	<b>3%</b>	<b>134 714</b>	<b>84%</b>	<b>160 534</b>	<b>53%</b>
<b>Total</b>	<b>35 080</b>	<b>12%</b>	<b>15 633</b>	<b>6%</b>	<b>7 365</b>	<b>2%</b>	<b>243 827</b>	<b>81%</b>	<b>301 905</b>	<b>100%</b>

Municipalities in the district were owed R301,905 million at the end of the fourth quarter, which represent a year on year decrease of R86,641 million or 22% when compared to the same period of the previous financial year.

The municipality with the highest outstanding debtors was Tsantsabane municipality at R198,616 million or 66%, followed by Dawid Kruiper at R102,641 million or 34%.

Four municipalities i.e. Kai Garib, !Kheis, Kgatelopele and Dawid Kruiper did not submit debtors age analysis for the fourth quarter.

Of the total outstanding debtors, the highest outstanding amount was reported under Household at R243,924 million or 81%, followed by Business at R34,313 million or 11% and the lowest was reported under other debtors and Government at R12,752 and R10,916 million or 4% respectively.

The highest service owed was reported under Other services at R160,534 million or 53%, followed by water at R84,886 million or 28%, property rates at R36,498 million or 12% and electricity was the lowest at R19,987 million or 7%.

### 3.4.5 Creditors

Table 2.4(f) shows creditors outstanding per municipality and 2.4(e) (1) shows outstanding creditors in the District by type.

Table 2.4(e)1 : Creditors Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Kai Garib	2 638	1%	2 494	1%	12 823	7%	166 100	90%	184 055	46%
!Kheis	335	5%	271	4%	835	14%	4 743	77%	6 184	2%
Tsantsabane	6 760	5%	7 626	5%	7 207	5%	128 216	86%	149 809	37%
Kgatelopele										
Dawid Kruiper	53 239	92%	2 872	5%	-	0%	1 534	3%	57 645	14%
ZF Mgcawu District	4 815	100%	-	0%	-	0%	-	0%	4 815	1%
<b>Total: Siyanda District</b>	<b>67 787</b>	<b>17%</b>	<b>13 263</b>	<b>3%</b>	<b>20 865</b>	<b>5%</b>	<b>300 593</b>	<b>75%</b>	<b>402 508</b>	<b>100%</b>

**Table 2.3(e) : Outstanding Creditors as at 31 March 2018**  
District overview

R'000	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditors Age Analysis</b>										
Bulk Electricity	16 972	7%	4 046	2%	9 300	4%	204 560	87%	234 878	58%
Bulk Water	4 611	11%	2 453	6%	2 389	6%	30 800	77%	40 256	10%
PAYE Deductions	2 714	10%	1 139	4%			23 084	86%	26 937	7%
VAT(Output less Input)	3 721	100%							3 721	1%
Pension/Retirement	3 898	42%	1 355	14%	1 357	15%	2 738	29%	9 348	2%
Loans Repayments										
Trade Creditors	24 136	50%	1 694	3%	7 191	15%	15 425	32%	48 446	12%
Auditor-General	248	2%	766	5%	26	0%	13 459	93%	14 499	4%
Other	11 487	47%	1 810	7%	602	2%	10 524	43%	24 423	6%
<b>Total</b>	<b>67 787</b>	<b>17%</b>	<b>13 263</b>	<b>3%</b>	<b>20 885</b>	<b>5%</b>	<b>300 593</b>	<b>75%</b>	<b>402 508</b>	<b>100%</b>

Municipalities in the district owed their creditors an amount of R402,508 million at the end of the fourth quarter, which represent a year on year increase of R19,711 million or 5% when compared to the same period of the previous financial year.

The highest outstanding creditors were reported in Kailash Garib municipality at R184,055 million or 46% of the total outstanding creditors in the district, its followed by Tsantsabane at R149,809 million or 37% then Dawid Kruiper at R57,645 million or 14% and the lowest was reported in IKheis at R6,184 million or 2%. Kgatelopele municipalities did not submit their report.

The highest outstanding creditors was reported under bulk electricity at R234,878 million or 58% of the total outstanding creditors, followed by trade creditors at R48,446 million or 12%, bulk water at R40,256 million or 10% and the lowest was reported under VAT at R3,721 million or 1%.

### 3.4.6 Cash Flow

Table 2.4(f) shows cash flow position of municipalities in the ZF Mgcawu District

Table 2.4(f) : Cash Flow Position as at 30 June 2018 (R'000)

Municipality	Opening Balance	Receipts		Payments					Closing Balance
		Grants & Subsidies	Other Receipts	Salaries & Wages	Cash & Creditors	Capital Payments	External Loans	Other	
Kaif Garib	568	78 258	139 807	85 946	78 496	45 168		3 416	5 607
IKheis		43 528	10 263	28 979	11 341	8 732		992	3 747
Tsantsabane	369	59 814	120 786	69 376	51 299	12 349		45 194	2 751
Kgatelopele	13 037	47 287	42 997	17 052	21 899	11 740		126	52 504
Dawid Kruiper	43 754	83 628	496 012	272 543	242 587	45 238	8 571	-22 129	76 584
ZF Mgcawu District	289	65 423	2 407	45 011	10 490			12 390	228
<b>Total</b>	<b>59 017</b>	<b>377 938</b>	<b>612 272</b>	<b>518 907</b>	<b>416 112</b>	<b>123 227</b>	<b>8 571</b>	<b>39 989</b>	<b>141 421</b>

All municipalities reported a positive cash and cash equivalent at the end of the period under review, with the highest positive cash and cash equivalent reported in Dawid Kruiper at R76,584 million, followed by Kgatelopele at R52,505 million, Kai Garib at R5,607 million, IKheis at R3,747 million, the lowest was reported in Tsantsabane at R2,751 million.

Although municipalities are reporting positive cash and cash equivalent at the end of the period under review, the correctness of the reports cannot be confirmed. This is evident by the growing outstanding creditors and outstanding debtors. The slow spending of capital budget which is mostly financed by the conditional grants might be an indication that municipalities are using conditional grants to fund operational budget.

### 3.4.7 MFMA Returns

Table 2.4(g) shows annual and quarterly MFMA returns as submitted by the municipality in the district.

	Quarterly				
	Municipal Entities	Long Term Contracts	Borrowing Monitoring	MFMA Implementation Priorities	Investment Monitoring
	Q4	Q4	Q4	Q4	Q4
Kaif Garib	x	x	√	x	x
IKheis	x	x	x	x	√
Tsantsabane	x	x	x	x	x
Kgatelopele	x	x	x	x	x
Dawid Kruiper	x	x	√	x	√
ZF Mgcawu District	x	√	√	√	√

√ Documents Received



Out of the total of the five returns expected for the quarter, none of the municipalities in the district submitted all returns, ZF Mgcawu submitted four reports, Dawid Kruiper submitted two reports, Kail! Garib and !Kheis submitted one report each but the report for Kai Garib was submitted late, Tsantsabane and Kgatelopele did not submit a single report.

### 3.5 Frances Baard District

#### 3.5.1 Operating Revenue

Table 2.5(a) shows revenue generated as at 30 June 2018 by municipalities in the District against the budgeted revenue. The municipalities generated R2.6 billion or 92% of the total adjusted revenue budget of R2.9 billion. Which represent a increase of R45,358 million or 2% when compared to the same period of the previous financial year.

Table 2.5(a) : Operating Revenue as at 30 June 2018 (R'000)

Municipality	Original Budget	Adjusted Budget	Year to Dated	% Collected	Detail		
					Property Rates	Service Charges	Other
Sol Plaatje	2 104 318	2 104 318	1 887 912	90%	504 475	981 087	402 349
Dikgatlong	160 459	160 459	181 791	113%	18 133	35 596	128 062
Magareng	136 922	136 922	125 828	92%	6 053	33 309	86 466
Phokwane	341 249	341 249	323 882	95%	20 620	114 508	188 754
Frances Baard District	125 558	125 558	124 059	99%	-	-	124 059
<b>Total</b>	<b>2 868 506</b>	<b>2 868 506</b>	<b>2 643 471</b>	<b>92%</b>	<b>549 280</b>	<b>1 164 501</b>	<b>929 690</b>

The highest revenue was reported in Dikgatlong municipality at R181,791 million or 113%, followed by Phokwane at R323,882 million or 95%, Magareng at R125,828 million or 92% and the lowest was reported in Sol Plaatje at R1.9 billion or 90% of their total revenue budget.

Service charges constitutes the highest revenue at R1.2 billion or 44%, followed by other revenue at R929,690 million or 35% and the lowest was reported under Property rates at R549,280 million or 21% of the total revenue generated of R2.6 billion in the district.

The high revenue collection on *Other* can be attributed to the Grants and subsidies received by the municipalities especially the district.

#### 3.5.2 Operating Expenditure

Table 2.5(b) shows the total expenditure incurred municipalities in the Frances Baard District. The figures indicate that the municipalities in the district have spent R2.1 billion or 79% of the total

adjusted budget of R2.7 billion. Which represent a year on year increase of R27,725 million or 1% if compared to the same period of the previous financial year.

**Table 2.5 (b) : Operating Expenditure as at 30 June 2018**

Municipality	Original Budget	Adjusted Budget	Year to Date	% Spent	Detail			
					Employee Related Costs	Bad and Doubtful debt	Bulk Purchases	Other Expenses
Sol Plaatje	1 936 491	1 957 812	1 896 842	87%	648 567	203 576	448 430	396 270
Dikgatlong	160 003	160 003	126 389	79%	54 369	-	22 439	49 581
Magareng	140 294	140 294	59 990	43%	37 127	-	8 537	14 326
Phokwane	278 736	278 736	117 245	42%	64 692	-	232	52 321
Frances Baard District	135 249	143 133	110 900	77%	61 862	-	-	49 038
<b>Total</b>	<b>2 650 773</b>	<b>2 679 978</b>	<b>2 111 366</b>	<b>79%</b>	<b>866 617</b>	<b>203 576</b>	<b>479 638</b>	<b>561 536</b>

The highest expenditure was reported in Sol Plaatje municipality at R1.7 billion or 87%, followed by Dikgatlong at R126,389 million or 79% and the lowest was reported in Magareng and Phokwane at R59,990 million and R117,245 million or 43% and 42% respectively.

The highest expenditure in the district was reported under employee related costs at R866,617 million or 40% of the total expenditure in the district, followed by other expenditure at R561,536 million or 27%, bulk purchases of water and electricity at R479,638 million or 23% and the lowest was reported under Provision for working capital at R203,576 million or 10%.

### 3.5.3 Capital Expenditure

Table 2.5(c) shows capital spending by municipalities in the district. The municipalities reported capital expenditure totaling to R340,018 million or 73% of the total adjusted capital budget of R466,945 million. Which represent a year on year decrease of R153,829 million or 83% when compared to the same period of the previous financial year.

**Table 2.5 (c) : Capital Expenditure as at 30 June 2018 (R'000)**

Municipality	Original Budget	Adjusted Budget	Year to Date	% Spent	Detail				
					Water	Electricity	Housing	Roads & Pavement	Other
Sol Plaatje	232 066	313 941	250 394	80%	81 849	33 655	-	115 253	19 836
Dikgatlong	37 507	37 507	31 014	83%	15 100	2 808	-	13 046	-
Magareng	41 037	41 037	6 851	17%	4 490	2 362	-	-	-
Phokwane	60 411	60 411	48 106	80%	29 415	6 995	-	11 489	197
Frances Baard District	10 087	14 050	3 853	26%	-	-	-	-	3 653
<b>Total</b>	<b>381 107</b>	<b>466 945</b>	<b>340 018</b>	<b>73%</b>	<b>130 854</b>	<b>45 860</b>	<b>-</b>	<b>139 798</b>	<b>23 486</b>

The highest capital expenditure was reported in Dikgatlong municipality at R250,394 million or 82% of their adjusted capital budget, followed by Phokwane and Sol Plaatje at R48,106 million and R250,394 million or 80% each and the lowest was reported in Magareng at R6,851 million or 17%.

Spending ranging from the highest in roads & pavement at R139,798 million or 41%, followed by water at R130,854 million or 38%, electricity at R45,880 or 13% and the lowest was reported under other at million R23,486 million or 8%.

### 3.5.4 Debtors

Table 2.5(d) shows debtors age analysis by customer type, whereas supporting table 2.5(d) (1) shows debtors' age analysis by customer group.

Table 2.5(d) : Debtor Age Analysis as at 30 June 2018 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Sol Plaatje	153 541	8%	41 911	2%	35 265	2%	1 727 351	88%	1 958 068	85%
Dikgatlong	7 060	2%	6 026	2%	6 104	2%	329 282	94%	348 472	15%
Magareng										
Phokwane										
Frances Baard District	8 233	94%	188	2%	114	1%	196	2%	8 731	0%
<b>Total: Frances Baard District</b>	<b>168 834</b>	<b>7%</b>	<b>48 125</b>	<b>2%</b>	<b>41 483</b>	<b>2%</b>	<b>2 056 829</b>	<b>89%</b>	<b>2 315 271</b>	<b>100%</b>

Supporting table 2.5(d)(1) : Debtor Age Analysis by customer group as at 31 March 2018 (R'000)

Frances Baard District	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Government	23 968	3%	7 796	1%	7 392	1%	678 582	95%	717 738	31%
Business	57 748	18%	9 268	3%	7 636	2%	238 444	76%	313 097	14%
Households	77 762	6%	30 546	2%	25 976	2%	1 118 821	89%	1 253 105	54%
Other	9 355	30%	515	2%	479	2%	20 982	67%	31 331	1%
<b>Total</b>	<b>168 834</b>	<b>7%</b>	<b>48 125</b>	<b>2%</b>	<b>41 483</b>	<b>2%</b>	<b>2 056 829</b>	<b>89%</b>	<b>2 315 271</b>	<b>100%</b>
Water	32 613	7%	12 915	3%	11 446	2%	426 849	88%	483 823	21%
Electricity	51 321	24%	9 099	4%	6 161	3%	143 482	68%	210 063	9%
Property rates	32 334	5%	7 266	1%	8 787	1%	624 458	93%	670 845	29%
RSC Levies										
Other	48 010	5%	18 657	2%	16 975	2%	861 844	91%	945 486	41%
<b>Total</b>	<b>164 278</b>	<b>7%</b>	<b>47 937</b>	<b>2%</b>	<b>41 369</b>	<b>2%</b>	<b>2 056 829</b>	<b>89%</b>	<b>2 310 413</b>	<b>100%</b>

Municipalities in the district were owed R2.3 billion at the end of the fourth quarter, which represents a year on year decrease of R318,111 million or 25% when compared to the same period of the previous financial year.

Sol Plaatje municipality had the highest outstanding debtors amounting at R2 billion or 85% and Dikgatlong reported R348,472 million or 15%.

Magareng and Phokwane did not submit their reports.

Of the total outstanding debtors R1.2 billion or 54% was owed by households, followed by government at R717,738 million or 31%, business at R313,097 million or 14% and the lowest was other debtors at R31,331 million or 1%.

The highest reported outstanding service was other services at R945,486 million or 41%, followed by property rates at R670,845 million or 29%, water at R483,823 million or 21%, and the lowest was reported electricity at R210,063 million or 9%.

### 3.5.5 Creditors

Table 2.5(e) (1) shows creditors outstanding per municipality and 2.5(e)(1) shows outstanding creditors in the District by type.

Table 2.5(e)(1) : Creditor Age Analysis as at 30 September 2017 (R'000)

Municipality	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%
Sol Plaatje	113 447	100%	-						113 447	38%
Dikgatlong	34 315	19%	5 317	3%	5 792	3%	138 353	75%	183 777	61%
Magareng	-		-		-		-		-	
Phokwane										0%
Frances Baard District	3 677	100%	-	0%	-		-		3 677	1%
<b>Total: Frances Baard District</b>	<b>151 439</b>	<b>50%</b>	<b>5 317</b>	<b>2%</b>	<b>5 792</b>	<b>2%</b>	<b>138 353</b>	<b>48%</b>	<b>300 901</b>	<b>100%</b>

Table 2.5 (e) :Outstanding Creditors as at 31 March 2018

District overview		0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R'000		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditors Age Analysis</b>											
Bulk Electricity		66 403	51%	3 030	2%	4 880	4%	55 893	43%	130 206	43%
Bulk Water		20 505	23%	407	0%	761	1%	65 788	75%	87 461	29%
PAYE Deductions		9 943	100%							9 943	3%
VAT(Output less Input)											0%
Pension/Retirement		9 539	100%							9 539	3%
Loans Repayments											0%
Trade Creditors		41 236	70%	1 845	3%	53	0%	16 038	27%	59 172	20%
Auditor-General		54	7%	35	4%	96	12%	634	77%	821	0%
Other		3 759	100%							3 759	1%
<b>Total</b>		<b>151 439</b>	<b>50%</b>	<b>5 317</b>	<b>2%</b>	<b>5 792</b>	<b>2%</b>	<b>138 353</b>	<b>46%</b>	<b>300 901</b>	<b>100%</b>

Only the district, Sol Plaatje and Dikgatlong municipality submitted creditors age analysis reports in the district, with Sol Plaatje reporting their outstanding creditors at R113,447 million and Dikgatlong at R183,777 million. Which represents a year on year decrease of R27,106 million or 10% when compared to the same period of the previous financial year.

Table 2.5 (e)(1) indicates that of the total creditors outstanding in terms of the categories, bulk electricity is the highest at R130,206 million or 43%, followed by bulk electricity at R87,461 million or 29%, then trade creditors at R59,172 million or 20%, Pension/Retirement at R9,539 million or 3%, the lowest was reported under other services at R3,759 million or 1%.

### 3.5.6 Cash Flow

Table 2.5(f) shows the cash flow position of municipalities in the Frances Baard District.

Table 2.5(f) : Cash Flow Position as at 30 June 2018 (R'000)

Municipality	Opening Balance	Receipts		Payments					Closing Balance
		Grants & Subsidies	Other Receipts	Salaries & Wages	Cash & Creditors	Capital Payments	External Loans	Other	
Sol Plaatje	226 561	379 049	1 412 056	648 567	887 415	250 394	8 247	140 825	82 218
Dikgatlong	1 989	106 431	52 083	57 443	83 345	19 872	68	16 878	-17 103
Magareng	106	56 534	17 708	32 204	20 296	3 985		403	17 460
Phokwane		127 255	47 017	36 709	28 738				108 825
Frances Baard District	54 602	116 637	7 644	60 393	27 155	3 650	2 208	34 306	51 171
<b>Total</b>	<b>283 258</b>	<b>785 906</b>	<b>1 536 500</b>	<b>835 316</b>	<b>1 046 949</b>	<b>277 901</b>	<b>10 523</b>	<b>192 412</b>	<b>242 571</b>

Source : IYM Summary Reports Submitted by Municipalities to LG Database

All municipalities except for Dikgatlong municipality closed their books with positive cash and cash equivalent at the end of the period under review. The highest positive balance reported is Phokwane municipality with R108,825 million, followed by Sol Plaatje at R82,218 million, Magareng at R17,460 million and Dikgatlong closed with a negative balance of R17,103 million.

### 3.5.7 MFMA Returns

Table 2.5(g) shows annual and quarterly MFMA returns as submitted by the municipality in the district.

	Quarterly				
	Municipal Entity	Long Term Contracts	Borrowing Monitoring	MFMA Implementation Priorities	Investment Monitoring
	Q3	Q3	Q3	Q3	Q3
Dikgatlong	✓	✓	✓	x	✓
Magareng	✓	✓	✓	✓	✓
Phokwane	✓	✓	✓	✓	✓
Frances Baard District	✓	✓	✓	✓	✓

All municipalities in the district submitted all the returns with the exception of Dikgatlong which did not submit one report of the reports for the period under review.

## 4. IMPLEMENTATION AND MAINTENANCE OF THE MUNICIPAL FINANCE MANAGEMENT ACT

### 4.1 BANKING

#### 4.1.1 Short term Debt

In terms of section 45(4) of the Municipal Finance Management Act, a municipality:

- must pay off short-term debt within the financial year; and
- May not renew or refinance short-term debt, whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

Table 2.6 shows the bank balances of the municipalities as at 30 June 2018 in the province.

Persistence of municipalities' negative end of quarter cash balances

Persistence of municipalities' negative end of quarter cash balances					
Mun Code	Municipality	Section 71 Reports for the fourth quarter of financial year 2016/17			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
		Sep '17	Dec '17	Mar'18	Jun '18
John Tsolo Geotsewe District					
NC451	Joe Morolong	✓	✓	✓	✓
NC452	Ge-Segonyana	✓	✓	✓	✓
NC453	Gamagare				✓
DC45	JT Geotsewe District	✓	✓	✓	✓
Namakwa District					
NC061	Richtersveld	✓	✓	✓	✓
NC062	Nama Khoi	✓	✓	✓	✓
NC064	Kamiesberg		✓	✓	✓
NC065	Hantam	x	✓	✓	✓
NC066	Karoo Hoofland	✓	✓	✓	✓
NC067	Khal-MA	x	✓	✓	✓
DC6	Namakwa District	✓	✓	✓	✓
Pitsoley ka Seme District					
NC071	Ubuntu	x	x	x	x
NC072	Umsobomvu		✓	✓	✓
NC073	Emthanjeni	✓	✓	✓	✓
NC074	Kareeberg		✓	✓	✓
NC075	Renosterberg	✓	✓	✓	✓
NC076	Thembehlie	✓	x	x	✓
NC077	Siyathemba	✓	✓	✓	x
NC078	Siyancuma	x	✓	✓	✓
DC7	Pitsoley ka Seme District	✓	✓	✓	✓
ZF Mgcawu District					
NC082	Kal Gharib	✓	✓	x	✓
NC084	Ikheis		✓	✓	✓
NC085	Tsantsabane	✓	x	✓	✓
NC086	Kgatelopele	✓	✓	✓	✓
NC087	Dawid Krulper	✓	✓	✓	✓
DC8	ZF Mgcawu District	✓	✓	✓	✓
Frances Baard district					
NC091	Sol Plaatje	✓	✓	✓	✓
NC092	Dikgatlong	✓	✓	x	x
NC093	Magereng	✓	✓	✓	✓
NC094	Phokwane		✓	✓	✓
DC9	Frances Baard District	✓	✓	✓	✓

Three municipalities in the province reported negative cash and cash equivalent at the end of the fourth quarter (i.e. Ubuntu, Siyathemba and Dikgatlong municipalities). This is a slight

improvement from four in the third quarter however Ubuntu municipality reported negative cash and cash equivalent for all four quarters.

Although other municipalities are reporting a positive cash and cash equivalent at the end of each quarter, it must be noted that the correctness of the reported information cannot be confirmed.

## 5. CONDITIONAL GRANTS AS AT 30 JUNE 2018

The information on conditional grants as at 30 June 2018 was based on the conditional grants report from the LG database. The report does not include Sol Plaatje municipality as it is non – delegated.

### 5.1. Financial Management Grant

Table 3.1 below shows performance on Financial Management Grant at 30 June 2018

Table 3.1 Financial Management Grant						
MUNICIPALITY	DORA Allocation	Available	Transferred	Spending	% Spending (DORA Allocation)	% Spending (Transferred)
Richtersveld Local Municipality	1 900	1 900	1 900	1 933	102	102
Nama-Khoi Local Municipality	2 145	2 145	2 145	2 145	100	100
Kamiesberg Local Municipality	2 345	2 345	2 345	2 418	103	103
Hantam Local Municipality	1 900	1 900	1 900	1 900	100	100
Karoo-Hoogland Local Municipality	1 900	1 900	1 900	1 900	100	100
Khai-Ma Local Municipality	1 900	1 900	1 900	1 900	100	100
Namakwa District Municipality	1 250	1 250	1 250	1 250	100	100
<b>Total - Namakwa</b>	<b>13 340</b>	<b>13 340</b>	<b>13 340</b>	<b>13 446</b>	<b>101</b>	<b>101</b>
Ubuntu Local Municipality	1 900	1 900	1 900	2 324	122	122
Umsobomvu Local Municipality	1 900	1 900	1 900	1 900	100	100
Emthanjeni Local Municipality	1 700	1 700	1 700	1 700	100	100
Kareeberg Local Municipality	1 900	1 900	1 900	1 900	100	100
Renosterberg Local Municipality	2 345	2 345	2 345	2 389	101	101
Thembelihle Local Municipality	2 345	2 345	2 345	2 345	100	100
Siyathamba Local Municipality	2 345	2 345	2 345	2 257	96	96
Siyancuma Local Municipality	2 345	2 345	2 345	2 311	99	99
Pixley ka Seme District Municipality	1 250	1 250	1 250	1 250	100	100
<b>Total - Pixley ka Seme</b>	<b>18 030</b>	<b>18 030</b>	<b>18 030</b>	<b>18 356</b>	<b>102</b>	<b>102</b>
Kalbar Local Municipality	2 345	2 345	2 345	2 580	110	110
IKheis Local Municipality	2 345	2 345	2 345	2 345	100	100
Tsantsabane Local Municipality	2 345	2 345	2 345	2 221	95	95
Kgatelopele Local Municipality	2 345	2 345	2 345	1 835	78	78
Dawid Kruger Local Municipality	4 045	4 045	4 045	4 070	101	101
ZF Mgcawu District Municipality	1 250	1 250	1 250	1 212	97	97
<b>Total - ZF Mgcawu</b>	<b>14 675</b>	<b>14 675</b>	<b>14 675</b>	<b>14 263</b>	<b>97</b>	<b>97</b>
Dikgatong Local Municipality	2 345	2 345	2 345	2 345	100	100
Magareng Local Municipality	1 900	1 900	1 900	1 357	71	71
Phokwane Local Municipality	2 145	2 145	2 145	1 483	69	69
Frances Baard District Municipality	1 250	1 250	1 250	1 250	100	100
<b>Total - Frances Baard</b>	<b>7 640</b>	<b>7 640</b>	<b>7 640</b>	<b>6 435</b>	<b>84</b>	<b>84</b>
Joe Morolong Local Municipality	2 145	2 145	2 145	1 918	89	89
Ga-Segonyana Local Municipality	2 145	2 145	2 145	2 289	107	107
Gamagara Local Municipality	1 700	1 700	1 700	1 700	100	100
John Taolo Gaetsewe District Municipality	1 250	1 250	1 250	1 250	100	100
<b>Total - John Taolo Gaetsewe</b>	<b>7 240</b>	<b>7 240</b>	<b>7 240</b>	<b>7 167</b>	<b>99</b>	<b>99</b>
<b>Total - Province</b>	<b>50 925</b>	<b>50 925</b>	<b>50 925</b>	<b>59 657</b>	<b>98</b>	<b>98</b>

Municipalities in the province spent R59,657 million or 98% of the total allocation of R60,925 million.



Ubuntu and Kai Garib municipality reported the highest spending at 122% and 110% respectively, followed by Ga - Segonyana at 107% and the lowest was reported in Phokwane at 69%

At a district level, the highest spending was reported by Pixley Ka Seme at 102% followed by Namakwa at 101%, John Taolo Gaetsewe at 99%, ZF Ngcawu at 97% and the lowest was Frances Baard at 84%.

## 5.2 Extended Public Works Programme Grant

Table 3.2 shows the performance for EPWP Grant as at 30 June 2018

Table 3.2. Extended Public Works Programme						
MUNICIPALITY	DORA Allocation	Available	Transferred	Spending	% Spending (DORA Allocation)	% Spending (Transferred)
Richersveld Local Municipality	1 000	1 000	1 000	1 009	101	101
Nama Khoi Local Municipality	1 000	1 000	1 000	1 000	100	100
Kamiesberg Local Municipality	1 000	1 000	1 000	1 401	140	140
Hantam Local Municipality	1 000	1 000	1 000	998	100	100
Karoo Hoogland Local Municipality	1 000	1 000	1 000	962	96	96
Khai-Ma Local Municipality	1 000	1 000	1 000	895	90	90
Namakwa District Municipality	1 000	1 000	1 000	1 069	107	107
<b>Total - Namakwa</b>	<b>7 000</b>	<b>7 000</b>	<b>7 000</b>	<b>7 334</b>	<b>105</b>	<b>105</b>
Ubuntu Local Municipality	1 000	1 000	1 000	958	96	96
Umsobomvu Local Municipality	1 000	1 000	1 000	831	83	83
Emthanjeni Local Municipality	1 086	1 086	1 086	1 010	93	93
Kareeberg Local Municipality	1 000	1 000	1 000	1 000	100	100
Renosterberg Local Municipality	1 000	1 000	1 000	1 101	110	110
Thembelihle Local Municipality	1 000	1 000	1 000	1 000	100	100
Siyathemba Local Municipality	1 000	1 000	1 000	1 886	189	189
Siyancuma Local Municipality	1 000	1 000	1 000	1 000	100	100
Pixley ka Seme District Municipality	1 000	1 000	1 000	1 613	161	161
<b>Total - Pixley ka Seme</b>	<b>9 086</b>	<b>9 086</b>	<b>9 086</b>	<b>10 399</b>	<b>114</b>	<b>114</b>
Kai !Garib Local Municipality	1 000	1 000	1 000	932	93	93
IKheis Local Municipality	1 000	1 000	1 000	1 000	100	100
Tsantsabane Local Municipality	1 000	1 000	1 000	1 131	113	113
Kgatelopele Local Municipality	1 000	1 000	1 000	1 026	103	103
Dawid Kruiper Local Municipality	1 161	1 161	1 161	1 358	117	117
ZF Mgcawu District Municipality	1 000	1 000	1 000	1 058	106	106
<b>Total - ZF Mgcawu</b>	<b>6 161</b>	<b>6 161</b>	<b>6 161</b>	<b>6 505</b>	<b>106</b>	<b>106</b>
Dikgatong Local Municipality	1 000	1 000	1 000	1 000	100	100
Magareng Local Municipality	1 000	1 000	1 000	1 183	118	118
Phokwane Local Municipality	1 000	1 000	1 000	889	89	89
Frances Baard District Municipality	1 168	1 168	1 168	966	83	83
<b>Total - Frances Baard</b>	<b>4 168</b>	<b>4 168</b>	<b>4 168</b>	<b>4 038</b>	<b>97</b>	<b>97</b>
Joe Morolong Local Municipality	1 000	1 000	1 000	1 267	127	127
Ga-Segonyana Local Municipality	1 000	1 000	1 000	887	89	89
Gamagara Local Municipality	1 158	1 158	1 158	1 363	118	118
John Taolo Gaetsewe District Municipality	1 000	1 000	1 000	1 000	100	100
<b>Total - John Taolo Gaetsewe</b>	<b>4 158</b>	<b>4 158</b>	<b>4 158</b>	<b>4 517</b>	<b>109</b>	<b>109</b>
<b>Total - Province</b>	<b>30 573</b>	<b>30 573</b>	<b>30 573</b>	<b>32 793</b>	<b>107</b>	<b>107</b>

Municipalities in the province reported a total spending of R32,793 million or 107% of the allocated amount of R30,573 million as at 30 June 2018.

The spending was very good with municipalities reporting spending of 100% or more. The highest spending was reporting in Siyathemba municipality at 189% which is an overspending of 89%, followed by Pixley Ka Seme District municipality at 161%, Kamiesberg at 140% and the lowest spending was reported in Umsombomvu and Frances Baard District municipality at 83% each.

At a district level, the highest spending was reported in Pixley Ka Seme at 114%, followed by John Taolo Gaetsewe at 109%, ZF Ngcawu at 106%, Namakwa at 105% and the lowest was Frances Baard at 97%.

### 5.3 Rural Road Asset Management System Grant

Table 3.3 shows the performance for RRAMS Grant as at 30 June 2018

<b>Table 3.3. Rural Road Assets Management System Grant</b>						
<b>MUNICIPALITY</b>	<b>DORA Allocation</b>	<b>Available</b>	<b>Transferred</b>	<b>Spending</b>	<b>% Spending (DORA Allocation)</b>	<b>% Spending (Transferred)</b>
Namakwa District Municipality	2 898	2 898	2 898	4 115	142	142
<b>Total - Namakwa</b>	<b>2 898</b>	<b>2 898</b>	<b>2 898</b>	<b>4 115</b>	<b>142</b>	<b>142</b>
Pixley ka Seme District Municipality	3 003	3 003	3 003	2 984	99	99
<b>Total - Pixley ka Seme</b>	<b>3 003</b>	<b>3 003</b>	<b>3 003</b>	<b>2 984</b>	<b>99</b>	<b>99</b>
ZF Mgcawu District Municipality	2 860	2 860	2 860	2 907	102	102
<b>Total - ZF Mgcawu</b>	<b>2 860</b>	<b>2 860</b>	<b>2 860</b>	<b>2 907</b>	<b>102</b>	<b>102</b>
Frances Baard District Municipality	2 518	2 518	2 518	2 518	100	100
<b>Total - Frances Baard</b>	<b>2 518</b>	<b>2 518</b>	<b>2 518</b>	<b>2 518</b>	<b>100</b>	<b>100</b>
John Taolo Gaetsewe District Municipality	1 979	1 979	1 979	1 885	95	95
<b>Total - John Taolo Gaetsewe</b>	<b>1 979</b>	<b>1 979</b>	<b>1 979</b>	<b>1 885</b>	<b>95</b>	<b>95</b>
<b>Total - Province</b>	<b>13 256</b>	<b>13 256</b>	<b>13 256</b>	<b>14 407</b>	<b>109</b>	<b>109</b>

Only the district municipalities were allocated this grant amounting to R13,256 million, of which a total spending of R14,407 million or 109% was reported as at 30 June 2018.

The spending was very high Namakwa reporting an overspending of 42% as at end of the fourth quarter.

### 5.4 Integrated National Electrification Programme Grant

Table 3.4 shows the performance for INEP Grant as at end of March 2018

Table 3.4. Integrated National Electrification Programme							
MUNICIPALITY	DORA Allocation	Adjustments	Available	Transferred	Spending	% Spending (DORA Allocation)	% Spending (Transferred)
Richtersveld Local Municipality	7 000	-	7 000	7 000	6 875	98	98
Nama Khoi Local Municipality	5 000	7 300	12 300	12 300	5 283	43	43
Kamiesberg Local Municipality	-	-	-	-	-	-	-
Hantam Local Municipality	1 000	-	1 000	1 000	1 090	109	109
Karoo Hoogland Local Municipality	1 000	-	1 000	1 000	881	88	88
Khal-Ma Local Municipality	1 000	-	1 000	1 000	983	98	98
Namakwa District Municipality	-	-	-	-	-	-	-
<b>Total - Namakwa</b>	<b>15 000</b>	<b>7 300</b>	<b>22 300</b>	<b>22 300</b>	<b>15 112</b>	<b>68</b>	<b>68</b>
Ubuntu Local Municipality	1 000	-1 000	-	-	-	-	-
Umsobomvu Local Municipality	2 000	-	2 000	2 000	268	13	13
Emthanjeni Local Municipality	6 000	1 500	7 500	7 500	6 579	88	88
Kareeberg Local Municipality	1 000	-	1 000	1 000	929	93	93
Renosterberg Local Municipality	3 000	-	3 000	3 000	2 916	97	97
Thembelihle Local Municipality	1 000	7 000	8 000	8 000	8 000	100	100
Siyathemba Local Municipality	-	2 500	2 500	2 500	2 188	88	88
Siyancuma Local Municipality	3 000	1 750	4 750	4 750	4 750	100	100
Pixley ka Seme District Municipality	-	1 000	1 000	1 000	-	-	-
<b>Total - Pixley ka Seme</b>	<b>17 000</b>	<b>12 750</b>	<b>29 750</b>	<b>29 750</b>	<b>25 830</b>	<b>86</b>	<b>86</b>
Kai I Garib Local Municipality	3 000	-	3 000	3 000	6 564	219	219
IKhela Local Municipality	-	-	-	-	-	-	-
Tsantsabane Local Municipality	-	-	-	-	-	-	-
Kgatelopele Local Municipality	-	-	-	-	-	-	-
Dawid Kruiper Local Municipality	17 000	-	17 000	17 000	8 783	52	52
ZF Mgcawu District Municipality	-	-	-	-	-	-	-
<b>Total - ZF Mgcawu</b>	<b>20 000</b>	<b>-</b>	<b>20 000</b>	<b>20 000</b>	<b>15 327</b>	<b>77</b>	<b>77</b>
Dikgatlong Local Municipality	3 000	-	3 000	3 000	2 865	96	96
Magareng Local Municipality	15 000	-10 000	5 000	5 000	2 676	54	54
Phokwane Local Municipality	3 000	-	3 000	3 000	3 021	101	101
Frances Baard District Municipality	-	-	-	-	-	-	-
<b>Total - Frances Baard</b>	<b>21 000</b>	<b>-10 000</b>	<b>11 000</b>	<b>11 000</b>	<b>8 565</b>	<b>78</b>	<b>78</b>
Joe Morolong Local Municipality	-	-	-	-	-	-	-
Ga-Segonyane Local Municipality	5 000	-	5 000	5 000	5 818	116	116
Gamagara Local Municipality	15 000	-	15 000	15 000	15 398	103	-
John Taolo Gaetsewe District Municipality	-	-	-	-	-	-	-
<b>Total - John Taolo Gaetsewe</b>	<b>20 000</b>	<b>-</b>	<b>20 000</b>	<b>20 000</b>	<b>21 214</b>	<b>106</b>	<b>-</b>
<b>Total - Province</b>	<b>93 000</b>	<b>10 050</b>	<b>103 050</b>	<b>103 050</b>	<b>85 648</b>	<b>83</b>	<b>83</b>

Only 14 out of 30 delegated municipalities were allocated this grant totaling R93 million, which was adjusted to R103,050. A total of R85,848 million or 83% was spent for the period under review.

The highest spending was reported in Kai I Garib at 219% which exceeds the allocated amount by 119%, followed by Gamagara at 116%.

Four (4) municipalities still reported spending of 55% or less with the lowest reported in Umsombomvu at 3% as at end of quarter four.

At a district level, the highest spending was reported in John Taolo Gaetsewe at 106%, followed by Pixley Ka Seme at 86%, Frances Baard at 78%, ZF Mgcawu at 77% and the lowest was Namakwa at 68%.

## 5.5 Energy Efficiency and Demand Side Management Grant

Table 3.5 shows the performance for EEDSM Grant as at end of June 2018

Table 3.5. Energy Efficiency and Demand Side Management Grant						
MUNICIPALITY	DORA Allocation	Available	Transferred	Spending	% Spending (DORA Allocation)	% Spending (Transferred)
Richersveld Local Municipality	-	-	-	-	-	-
Nama Khoi Local Municipality	-	-	-	-	-	-
Kamiesberg Local Municipality	-	-	-	-	-	-
Hantam Local Municipality	-	-	-	-	-	-
Karoo Hoogland Local Municipality	2 000	2 000	2 000	2 189	109	109
Khal-Ma Local Municipality	-	-	-	-	-	-
Hantam Local Municipality	-	-	-	-	-	-
<b>Total - Namakwa</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 189</b>	<b>109</b>	<b>109</b>
Kal IGarib Local Municipality	-	-	-	-	-	-
IKhels Local Municipality	-	-	-	-	-	-
Tsantsabane Local Municipality	-	-	-	-	-	-
Kgatelopele Local Municipality	-	-	-	-	-	-
Dawid Kruiper Local Municipality	5 000	5 000	5 000	2 982	60	60
ZF Mgcawu District Municipality	-	-	-	-	-	-
<b>Total - ZF Mgcawu</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>2 982</b>	<b>60</b>	<b>60</b>
<b>Total - Province</b>	<b>7 000</b>	<b>7 000</b>	<b>7 000</b>	<b>5 171</b>	<b>74</b>	<b>74</b>

Only two (2) municipalities in the province (i.e. Dawid Kruiper and Karoo Hoogland) were allocated this grant totaling to R7 million, of which R5,171 million or 74% of the allocated amount was spent for the period under review.

## 5.6 Regional Bulk Infrastructure Grant

Table 3.6 shows the performance for RBIG Grant as at end of June 2018

Table 3.6. Regional Bulk Infrastructure Grant (RBIG)						
MUNICIPALITY	DORA Allocation	Available	Transferred	Spending	% Spending (DORA Allocation)	% Spending (Transferred)
Richersveld Local Municipality	-	-	-	-	-	-
Nama Khoi Local Municipality	-	-	-	-	-	-
Kamiesberg Local Municipality	-	-	-	-	-	-
Hantam Local Municipality	65 426	65 246	65 246	61 643	94	94
Karoo Hoogland Local Municipality	-	-	-	-	-	-
Khal-Ma Local Municipality	-	-	-	-	-	-
Hantam Local Municipality	-	-	-	-	-	-
<b>Total - Namakwa</b>	<b>65 426</b>	<b>65 426</b>	<b>65 246</b>	<b>61 643</b>	<b>94</b>	<b>94</b>
Ubuntu Local Municipality	-	-	-	-	-	-
Umsobomvu Local Municipality	-	-	-	-	-	-
Emthanjeni Local Municipality	-	-	-	-	-	-
Kareeberg Local Municipality	15 000	15 000	15 000	12 091	81	81
Renosterberg Local Municipality	-	-	-	-	-	-
Thembelihle Local Municipality	-	-	-	-	-	-
Siyathemba Local Municipality	-	-	-	-	-	-
Siyancuma Local Municipality	-	-	-	-	-	-
Pixley ka Seme District Municipality	-	-	-	-	-	-
<b>Total - Pixley ka Seme</b>	<b>15 000</b>	<b>15 000</b>	<b>15 000</b>	<b>12 091</b>	<b>81</b>	<b>81</b>
<b>Total - Province</b>	<b>80 426</b>	<b>80 426</b>	<b>80 246</b>	<b>73 734</b>	<b>92</b>	<b>92</b>

Only (2) delegated municipalities in the province were allocated this grant totaling R80,426 million, of which R73,734 million or 92% was spent at the end of the period under review. Hantam municipality has spent 94% of its allocation while Kareeberg 81% of its allocation.

## 5.7 Water Service Infrastructure Grant

Table 3.7 shows the performance for WSIG Grant as at end of June 2018

Table 3.7. Water Service Infrastructure Grant (WSIG)						
MUNICIPALITY	DORA Allocation	Available	Transferred	Spending	% Spending (DORA Allocation)	% Spending (Transferred)
Richtersveld Local Municipality	6 000	6 000	6 000	6 134	102	102
Nama Khoi Local Municipality	5 000	5 000	5 000	4 956	99	99
Kamiesberg Local Municipality	4 000	4 000	4 000	4 000	100	100
Hantam Local Municipality	4 000	4 000	4 000	3 960	99	99
Karoo Hoogland Local Municipality	4 000	4 000	4 000	4 000	100	100
Khai-Ma Local Municipality	5 000	5 000	5 000	3 986	80	80
Namakwa District Municipality	-	-	-	-	-	-
<b>Total - Namakwa</b>	<b>26 000</b>	<b>26 000</b>	<b>26 000</b>	<b>27 036</b>	<b>97</b>	<b>97</b>
Ubuntu Local Municipality	4 000	4 000	4 000	2 948	74	74
Umsobomvu Local Municipality	4 000	4 000	4 000	1 014	25	25
Emthanjeni Local Municipality	14 000	14 000	14 000	-	-	-
Kareeberg Local Municipality	4 000	4 000	4 000	3 951	99	99
Renosterberg Local Municipality	10 000	10 000	10 000	10 000	100	100
Thembelihle Local Municipality	4 000	4 000	4 000	4 000	100	100
Siyathemba Local Municipality	-	-	-	-	-	-
Siyancuma Local Municipality	10 000	10 000	10 000	2 051	21	21
Pixley ka Seme District Municipality	-	-	-	-	-	-
<b>Total - Pixley ka Seme</b>	<b>50 000</b>	<b>50 000</b>	<b>50 000</b>	<b>23 964</b>	<b>-</b>	<b>-</b>
Kai !Garib Local Municipality	10 000	10 000	10 000	-	-	-
IKheis Local Municipality	7 500	7 500	7 500	2 064	28	28
Tsantsabane Local Municipality	4 000	4 000	4 000	2 568	64	64
Kgatelopele Local Municipality	4 000	4 000	4 000	4 799	120	120
Dawid Kruiper Local Municipality	7 000	7 000	7 000	2 639	38	38
ZF Mgcawu District Municipality	-	-	-	-	-	-
<b>Total - ZF Mgcawu</b>	<b>32 500</b>	<b>32 500</b>	<b>32 500</b>	<b>12 070</b>	<b>-</b>	<b>-</b>
Dikgatlong Local Municipality	-	-	-	-	-	-
Magareng Local Municipality	-	-	-	-	-	-
Phokwane Local Municipality	25 000	25 000	25 000	6 043	24	24
Frances Baard District Municipality	-	-	-	-	-	-
<b>Total - Frances Baard</b>	<b>25 000</b>	<b>25 000</b>	<b>25 000</b>	<b>6 043</b>	<b>-</b>	<b>-</b>
Joe Morolong Local Municipality	45 000	45 000	45 000	45 442	101	101
Ga-Segonyana Local Municipality	35 000	35 000	35 000	31 165	89	89
Gamagara Local Municipality	20 000	20 000	20 000	19 615	98	98
John Taolo Gaetsewe District Municipality	-	-	-	-	-	-
<b>Total - John Taolo Gaetsewe</b>	<b>100 000</b>	<b>100 000</b>	<b>100 000</b>	<b>96 222</b>	<b>98</b>	<b>98</b>
<b>Total - Province</b>	<b>235 500</b>	<b>235 500</b>	<b>235 500</b>	<b>165 335</b>	<b>70</b>	<b>70</b>

Municipalities in the Province reported a total spending of R165,335 million or 70% of the allocated amount of R235,500 for the period under review.

The spending was low with only 7 out of 22 municipalities reporting a spending of 75% or less, with Emthanjeni and Kai Garib still reporting 0% spending at the end of fourth quarter.

The highest spending was reported in Kgatelopele at 120% which exceeds its total allocation by 20%, followed by Richtersveld and Joe Morolong with 102% and 101% respectively.

## 5.8 Municipal Infrastructure Grant

Table 3.8 shows the performance for MIG Grant as at end of June 2018

Table 3.8 Municipal Infrastructure Grant							
MUNICIPALITY	DORA Allocation	Adjustments	Available	Transferred	Spending	% Spending (DORA Allocation)	% Spending (Transferred)
Richersveld Local Municipality	7 382	-	7 382	7 382	5 186	70	70
Nama Khol Local Municipality	14 774	-	14 774	14 774	14 777	100	100
Kamiesberg Local Municipality	7 601	5 500	13 101	13 101	13 101	100	100
Hantam Local Municipality	16 716	-	16 716	16 716	16 945	101	101
Karoo Hoogland Local Municipality	8 145	6 500	14 645	18 557	14 645	100	79
Khai-Ma Local Municipality	7 825	-	7 825	7 825	7 825	100	100
Namakwa District Municipality	-	-	-	-	-	-	-
<b>Total - Namakwa</b>	<b>62 443</b>	<b>12 000</b>	<b>74 443</b>	<b>78 355</b>	<b>72 479</b>	<b>97</b>	<b>93</b>
Ubuntu Local Municipality	10 063	-	10 063	10 063	9 143	91	91
Umsobomvu Local Municipality	11 612	-	11 612	11 612	11 764	101	101
Emthanjeni Local Municipality	12 292	-	12 292	12 292	11 810	96	96
Kareeberg Local Municipality	8 095	-2 000	6 095	4 095	9 071	149	222
Renosterberg Local Municipality	7 527	-	7 527	7 527	7 994	106	106
Thembelihle Local Municipality	9 533	-1 367	8 166	8 166	9 021	110	110
Siyathemba Local Municipality	9 920	6 000	15 920	15 920	18 740	118	118
Siyancuma Local Municipality	23 693	-9 000	14 693	14 693	6 347	43	43
Pixley ka Seme District Municipality	-	-	-	-	-	-	-
<b>Total - Pixley ka Seme</b>	<b>92 735</b>	<b>-6 367</b>	<b>86 368</b>	<b>84 368</b>	<b>83 890</b>	<b>97</b>	<b>99</b>
Kai IGarib Local Municipality	22 744	-	22 744	22 744	30 829	136	136
IKheis Local Municipality	10 798	-	10 798	10 798	9 713	90	90
Tsantsabane Local Municipality	15 740	-4 000	11 740	11 740	9 361	80	80
Kgatelopele Local Municipality	8 099	18 000	26 099	26 099	15 290	59	59
Dawid Kruiper Local Municipality	25 468	-5 861	19 607	19 607	12 502	64	64
ZF Mgcawu District Municipality	-	-	-	-	-	-	-
<b>Total - ZF Mgcawu</b>	<b>82 849</b>	<b>8 139</b>	<b>90 988</b>	<b>90 988</b>	<b>77 695</b>	<b>85</b>	<b>85</b>
Dikgatong Local Municipality	19 800	-	19 800	19 800	18 115	91	91
Magareng Local Municipality	11 279	-4 279	7 000	7 000	6 413	92	92
Phokwane Local Municipality	26 665	15 000	41 665	41 665	45 095	108	108
Frances Baard District Municipality	-	-	-	-	-	-	-
<b>Total - Frances Baard</b>	<b>57 744</b>	<b>10 721</b>	<b>68 465</b>	<b>68 465</b>	<b>69 623</b>	<b>102</b>	<b>102</b>
Joe Morolong Local Municipality	61 060	-	61 060	61 060	54 184	89	89
Ga-Segonyana Local Municipality	54 211	-	54 211	54 211	54 222	100	100
Gamagara Local Municipality	11 982	-2 000	9 982	9 982	16 254	163	163
John Taolo Gaetsewe District Municipality	-	-	-	-	-	-	-
<b>Total - John Taolo Gaetsewe</b>	<b>127 253</b>	<b>-2 000</b>	<b>125 253</b>	<b>125 253</b>	<b>124 660</b>	<b>100</b>	<b>100</b>
<b>Total - Province</b>	<b>423 024</b>	<b>22 493</b>	<b>445 517</b>	<b>447 429</b>	<b>428 347</b>	<b>96</b>	<b>96</b>

A total of R428,347 million was allocated to all local municipalities in the province, which was adjusted to R445,517 million, of which a total of R428,347 million or 96% of the total allocation was spent as at end of quarter 4.

On a straight-line basis, municipalities should have spent 100% of their allocations at the end of the fourth quarter but nine municipalities spent 95% or less, with the lowest reported in Dawid Kruiper, Kgatelopele and Siyancuma at 64%, 59% and 43% respectively.

The highest spending was reported in Gamagara and Kareeberg at 163% and 149% respectively, followed by Kai Garib at 136%, Siyathemba at 118%, Phokwane at 108% and Renosterberg at 106%.

At a district level, the highest spending was reported in Frances Baard at 102%, followed by John Taolo Gaetsewe at 100%, Namakwa and Pixley Ka Seme at 97% each and the lowest was ZF Mgcawu at 85%.

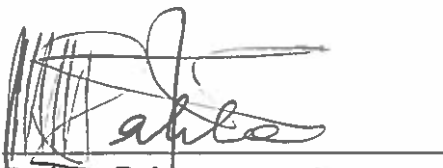
## **6. CHALLENGES**

The following are challenges that were identified:

- Lack of consequence management in municipalities
- The quality of the reported information by municipalities is still of a serious concern
- Poor knowledge of financial systems resulting in non – optimal use of modules
- Slow spending of the capital budget, which is mostly funded by the conditional grants
- Non-performing of month end procedures by some municipalities, which result in inaccurate reporting
- Vacancies in key position, which result in people acting for extended period of time.
- Non-implementation of credit control policies, which results in outstanding debtors amount growing
- Non-payment of creditors resulting in penalties and charges which increases fruitless and wasteful expenditure.
- Appointment of people with relevant skills is still a challenge, especially in budget and treasury.
- High reliance on consultants without any monitoring and skills transfer
- Performance Management System is not implemented in most municipalities.
- Training is not accessible to everyone. The middle or senior managers get trained, whereas majority of junior officials are left out.
- Planning, strategizing and reporting are not taken seriously in most municipalities.
- Tariffs of most municipalities are not cost reflective and as a result services are provided at a loss
- Poor Indigent management resulting misuse of free basic services and indigent registers are not updated regularly.

## 7. Recommendations

- Training should be arranged on all modules in the financial systems to ensure optimal use.
- Reports should be review and signed off by a senior official to ensure accuracy.
- Municipalities must maintain and implement procurement plans to ensure maximum and meaningful spending of conditional grants.
- Implementation of credit control policies, is crucial to ensure financial sustainability of the municipalities.
- Municipalities should embark on data cleansing exercises to ensure that billing is done correctly and meters are read properly.
- Municipalities must priorities the filling of vacant critical posts and ensure that the existing staff is capacitated.
- The service level agreements with consultants should include skills transfer and the process should be closely monitored.
- Municipalities must enter in to affordable payment agreement with their creditors and honor such arrangements.



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Acting Director: Municipal Finance

Date: 15/08/2018