

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

18. MID-YEAR PERFORMANCE REPORT 2021-2022

(Office of the Municipal Manager: PMS)

BND/MMD

1. STRATEGIC THRUST

The Integrated Development Plan of the Rustenburg Local Municipality advocates amongst its objectives to: “Drive good governance and legislative compliance in all municipal processes.” This item aims to achieve all objectives of the Rustenburg Local Municipality as outlined in the Municipal IDP.

2. PURPOSE OF THE REPORT

The purpose of this report is to request Council to note the actual performance of the municipality against the Top Layer SDBIP for the mid-year period ended 31 December 2021.

3. EXECUTIVE SUMMARY

Section 72(1) of the Municipal Finance Management Act (MFMA), Act 56 of 2003, states that the accounting officer of a municipality must by 25 January of each year–

(a) assess the performance of the municipality during the first half of the financial year taking into account:

- (i) the monthly statements referred to in section 71 (of the MFMA) for the first half of the financial year.
- (ii) the municipality’s service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set in the service delivery and budget implementation plan,
- (iii) the past year’s annual report and progress on resolving the problems identified in the annual report
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account the report in terms of section 88 from any entities.

(b) submit a report on such assessments to

- (i) the mayor of the municipality
- (ii) the National Treasury; and
- (iii) the relevant Provincial Treasury

Section 72(3) further stipulates that as part of the assessment, recommendation must be made whether an adjustment budget is necessary, taking into consideration the revised projections for revenue and expenditure’s extent.

The mid-term budget and performance must be consistent with the monthly budget statements on the implementation of the annual budget in accordance with the Service Delivery Budget and Implementation Plan (SDBIP) for the first half of the financial year and be submitted to the Executive Mayor, National Treasury and relevant Provincial Treasury.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

On the strength of section 75(1)(k) and 75(2) of the MFMA, the report must be made public by placing it on the municipal website within 5 working days after its tabling in the Council.

4. DISCUSSION

Initial sets date of assessment was the 19th and 20th January 2022 and the set date for submission of report and Portfolio of evidence was the 07th January 2022. Assessment were postponed to the 24th January 2022 due to SALGA commitments which the Municipal Manager had to attend. Submitted reports were reviewed by the Unit of Strategy and Planning and were subjected to further scrutiny by Internal Audit.

The file of the portfolio of evidence for both the directors and the Municipal Manager are voluminous hence are subjected to internal audit processes. The files for the portfolio of evidence when assessing performance on the top layer SDBIP were presented with the mid-year report to the Executive Mayor during the Municipal Manager's assessment session.

The Local government: municipal performance regulation for municipal manager and managers directly accountable to municipal manager, 2006, regulation 27(4)(d) only provides for evaluation panel during the annual assessment. The Municipal Manager conducted the assessment for the Directors and the Executive Mayor conducted the assessment for the Municipal Manager.

Accordingly, the Municipal Manager had by the 25th January 2022 conducted the assessment for all Directors. The Accounting Officer of the Rustenburg Water Service Trust (RWST) after assessing the performance for the first half of the financial year submitted a report of such assessment to the Accounting Officer of the parent municipality in line with section 88(1)(ii) of the MFMA.

- Attached as “**Annexure A**” is the Mid-Year Performance report.
- Attached as “**Annexure B**” is the Mid-Year Performance report of RWST
- Attached as “**Annexure C**” RWST Quarterly Financial Statements - 31 December 2021.
- Attached as “**Annexure D**” the Municipal Manager issued letters of feedback in relation to observed performance for each director as depicted in the table below.
- Attached as “**Annexure E1**” The email reminder to directorates to make Submissions
- Attached as “**Annexure E2**” the final follow up letters
- Attached as “**Annexures F1, F2, F3, F4, F5, F6 and F7**”. Are Submitted remedial actions submitted by Directorates.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

The Summary of Evaluation results as depicted in the table below were based on final report from Internal audit for all directorates.

The analysis on the table below was based on the actual KPI statuses for all directorates.

No.	Directorate/Office	Total Number of KPIs	KPI's Applicable	KPI's Not Applicable	Achieved	% achieved against applicable KPI	Not Achieved	Not Concluded
1.	Budget and Treasury	24	20	4	4	20%	16	0
2.	Community Development	20	20	0	13	65%	3	4
3.	Corporate Support Services	22	16	6	3	19%	13	0
4.	Local Economic Development	16	11	5	10	91%	1	0
5.	Planning & Human Settlement	18	16	2	9	56%	7	0
6.	Public Safety	14	14	0	4	29%	10	0
7.	Roads and Transport	16	14	2	2	14%	12	0
8.	Technical and Infrastructure	13	10	0	1	10%	9	3
9	Municipal Manager	44	33	11	14	42%	18	01

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

5. REPORT ON PERFORMANCE MANAGEMENT POLICY IMPLEMENTATION

The PMS framework was reviewed and approved by Council per item 172 on the 27 July 2021. Principles of the policy are adhered to and in general the policy is implemented except for one areas where improvements are being made. The scope of the policy previously covered the Municipal Manager and manager directly reporting to the Municipal Manager appointed as per section 56 of the Municipal Systems Act. Directors in their performance agreements would be expected to enter into the performance agreement with their direct reportees. The approved revised version as per the resolution quoted above expanded the scope of policy coverage to include all permanent employees.

Time sheet have been introduced across the board to observed span of control and to monitor how time is spent against the work plans of various employees. A second series of working sessions for the cascading of performance management have been scheduled and need to be rescheduled to avoid conflict with other February scheduled meetings and reporting engagements.

The municipal staff regulation assented to on the 20 September 2021, which comes into full effect on the 1 July 2022, emphasises that performance management and development system applies to all staff members. The Policy is being reviewed to the requirements of the staff regulation. A revised programme of working session will be finalized by the 4th March 2022.

6. FINANCIAL IMPLICATIONS

Submission of Mid-year report bears no financial implications

7. LEGAL IMPLICATIONS

--- Legal Implication submitted were submitted as a separate document (**Annexure G**).

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

RECOMMENDED:

ACTION

- | | | |
|----|--|----|
| 1. | The report be noted; | CC |
| 2. | That the mid-year report be submitted to National and Provincial Treasury; | CC |
| 3. | That the Accounting Officer implement the remedial actions on the identified areas of poor and or under performance and report to Council; | CC |
| 4. | That the report be made public by placing it on the Municipal Website within five days of noting by Council. | CC |
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LOCAL MUNICIPALITY

**MID-YEAR PERFORMANCE REPORT
FOR THE FINANCIAL YEAR 2021/2022**

TABLE OF CONTENTS

1. INTRODUCTION.....	3
2. LEGISLATIVE IMPERATIVE.....	3
3. SECTION A – BUDGET STATEMENT	4
3.1. OVERALL PERFORMANCE OVERVIEW	4
3.2. OPERATING BUDGET RESULTS	5
3.3. CAPITAL EXPENDITURE	9
3.4. DEBTORS AGING FOR DECEMBER 2021	10
3.5. CREDITORS AGING FOR DECEMBER 2021	11
3.6. INVESTMENT REGISTER	11
3.7. BORROWING	12
3.8. CONCLUSION.....	13
4. SECTION B – MUNICIPAL SERVICE DELIVERY PERFORMANCE PER KPA.....	14
4.1 Key Performance Area (KPA 1): Municipal Transformation and Institutional Development ...	14
4.2 Key Performance Area (KPA 2): Good Governance and Public Participation	18
4.3 Key Performance Area (KPA 3): Municipal Financial Viability and Management	21
4.4 Key Performance Area (KPA 4): Local Economic Development.....	33
4.5 Key Performance Area (KPA 5): Basic Service Delivery	39
4.6 Key Performance Area (KPA 6): Spatial Rationale - Develop and Sustain a Spatial, Natural and Built Environment.....	50
5. SECTION C – PAST YEAR ANNUAL REPORT	53
6. SECTION D – PERFROMANCE OF MUNICIPAL ENTITY	61

1. INTRODUCTION

The 2021/2022 Top Layer/Organizational Service Delivery and Budget Implementation Plan (SDBIP) Performance Report is submitted to Council in terms of Section 52 (d) of the Local Government: Municipal Finance Management Act No 56 of 2003. (MFMA)

The report covers the performance information from 01 July to 31 December 2021. The report further focuses on the implementation of the approved 2021/2022 SDBIP as amended in conjunction with the predetermined developmental objectives as encapsulated in the approved 2021/2022 Municipality's Integrated Development and Plan (IDP).

The report evaluates actual performance of the Municipality as measured against the performance indicators and targets in its 2021/2022 IDP, Annual Budget and SDBIP. Furthermore, the report depicts the performance of the Municipality as per the six (6) Key Performance Areas for Local Government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management, (5) Good Governance and Public Participation, and (6) Spatial Rationale and Transformation.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area (KPA), Strategic Priority and Objective respectively.

2. LEGISLATIVE IMPERATIVE

Section 72(1) of the MFMA , states that the accounting officer of a municipality must by 25 January of each year –

- (a) assess the performance of the municipality during the first half of the financial year taking into account
 - (i) the monthly statements referred to in section 71 (of the MFMA) for the first half of the financial year.
 - (ii) the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set in the service delivery and budget implementation plan,
 - (iii) the past year's annual report and progress on resolving the problems identified in the annual report

(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account the report in terms of section 88 from any entities.

(b) submit a report on such assessments to

- (i) the mayor of the municipality
- (ii) the National Treasury; and
- (iii) the relevant Provincial Treasury

3. SECTION A – BUDGET STATEMENT

3.1. OVERALL PERFORMANCE OVERVIEW

The operating revenue billed results for the first six months ending 31st December 2021 is R3,002 billion to the original budgeted amount of R5,669 billion. The billed revenue realized for half yearly results is at 52,96% and is above the projected revenue by 2,96% to the pro rata of 50%.

The operating expenditure result for the first six months ending 31st December 2021 is at R2,664 billion to the original budgeted amount of R4,835 billion. This represents 54,69% and it is above the projection by 4,69% to the pro rata of 50%.

The year to date expenditure for Capital Acquisition is at 14,46% (monetary value is R90,6 million) against the original budget of R626,8 million. This represent a 35,54% performance below the projected acquisition pro rata of 50%.

Although there are a number of over and under recoveries of revenue and expenditures, it is positive to report that the results for the first six months are within the total approved budget of the municipality except for capital expenditure which is way below the expected pro rata.

Annexure 'A' (Table C4) to the report is a monthly budget statement (Financial Performance – Expenditure) for the first six months ending the 31st December 2021. The actual results are compared to the original budget and contain the percentage for year to date original budget revenue and revenue received as at 31st December 2021. The annexure also has the projected figures for the full year forecast.

Annexure 'A' (Table C5) contains the list of Capital Budget per standard classification and trend. The Capital Expenditure for the first six months of the 2021/2022 financial is standing 14,46% which in monetary value is at R90,6 million. The mentioned expenditure of R90,6 million does not include shadow cost (cost committed such as orders already placed but not yet delivered and paid).

Annexure 'A' (Table SC3) to the report is a monthly budget statement (Aged Debtors) for the first six months ending the 31st December 2021.

Annexure 'A' (Table SC4) to the report is a monthly budget statement (Aged Creditors) for the first six months ending the 31st December 2021.

The detailed financial performance report for the six months that depicts the overall performance of the Rustenburg Water Services trust is attached as **Annexure B**.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

3.2. OPERATING BUDGET RESULTS

Operational Revenue

The actual revenue received for the period is above the anticipated projected revenue. The main contributors to this over performance are mainly from service charges on electricity and agency fees.

Mid-year accumulated revenue performance is as follows:

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue By Source									
Property rates	412 887	496 067	-	41 252	238 625	248 034	(9 409)	-4%	477 250
Service charges - electricity revenue	2 378 594	2 566 521	-	264 788	1 607 071	1 283 260	323 811	25%	3 214 143
Service charges - water revenue	444 439	519 713	-	39 714	233 166	259 856	(26 690)	-10%	466 333
Service charges - sanitation revenue	161 447	387 019	-	33 776	190 336	193 510	(3 174)	-2%	380 672
Service charges - refuse revenue	149 607	156 184	-	13 233	79 133	78 092	1 041	1%	158 267
Rental of facilities and equipment	9 973	11 078	-	794	6 289	5 539	749	14%	12 577
Interest earned - external investments	17 272	25 149	-	1 625	10 819	12 575	(1 756)	-14%	21 637
Interest earned - outstanding debtors	352 927	411 621	-	33 212	190 374	205 811	(15 436)	-8%	380 749
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	16 284	9 369	-	69	374	4 685	(4 311)	-92%	747
Licences and permits	2 760	12 401	-	-	112	6 201	(6 088)	-98%	225
Agency services	144 023	104 983	-	28 877	88 446	52 492	35 954	68%	176 891
Transfers and subsidies	872 559	946 775	-	-	339 351	473 388	(134 036)	-28%	678 702
Other revenue	31 700	16 656	-	3 744	17 297	8 328	8 969	108%	34 594
Gains	9 833	6 200	-	74	1 201	3 100	(1 899)	-61%	2 402
Total Revenue (excluding capital transfers and contributions)	5 004 304	5 669 738	-	461 158	3 002 595	2 834 869	167 725	6%	6 005 189

Property rates

Property rates is unfavourable by R9,4 million (4%) due to split tariffs used in the first billing month to account for the June 2021 portion. Further to that anticipated property rates on implementation new valuation roll is not realised and thorough analysis if been made on the shortfall.

Services Charges

Electricity charges actual year to date billed electricity revenue is at R1,607 million as at 31st December 2021. It is above the projected revenue by 25% and favourable by R323,8 million. Sale of electricity increase is due to unexpected increase in consumption as their have been no restrictions in place under the Disaster Management Act Regulations, whilst in the previous financial year there were significant restrictions in place particularly for businesses. This revenue source needs to be reassessed during budget adjustment.

Water revenue is unfavourable by R26,6 million (10%) to projected revenue for the period. This is indicative of incomplete billing and water losses. Intergration of the meter reading system during September and October resulted in some meter routes ommitted and lower consumption bill. The error has been corrected in January and billed retrospectively. Water revenue are expected to meet the projected figures. No adjustment proposed.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Sanitation charges performance is unfavourable by R3,1 million (2%) to the pro rata of R193,5 million (50%). The projected revenue need to be assessed and incompleteness of billing addressed. No adjustment is proposed.

Refuse revenue are favourable by R1,041 million (1%) mainly on waste removal services. No adjustment is proposed.

Other Revenue

Rental of Facilities

Revenue that was realised from Rental of Facilities as at 31st December 2021 is at R6,2 million (which is 56,77%) from the original budgeted amount of R11 million for the year and is above the budget pro rata of 50%.

Interest on Long Outstanding Debtors

The performance to date is below the anticipated pro rata of 50% with a performance of 46,24%. With the year to date actual of R190,3 million against the budget of R411,6 million. The decline is due to decline in interest on below 60 day accounts through credit control actions. The decline will be monitored but not adjusted with adjustments budget.

Fines, Penalties and License and Permits

The two items (Fines, Penalties and License and Permits) are unfavourable by 46,01% and 49,1% respectively to the pro rata of 50% which can most possibly be to incorrect allocation or unallocated revenue charges. These revenue sources will increase towards the end of the year as all traffic fines issued will be recognised in terms of iGRAP 1 and not just collection of traffic fines. No adjustment proposed.

Agency Fees Services

Agency fees are favourable by R35,9 million (34,25%). The increase is due to intensifying efforts from law enforcement for the collection of disks. Furthermore, during the past two years, there were many grace periods afforded to motorists due to the outbreak of covid 19. These grace periods have now ended which result in an influx of renewals. We must also note that 80% portion of what the municipality collects is paid to the Provincial Government for vehicle testing and licenses and the municipality only keep 20%. This revenue source needs to be reassessed during budget adjustment.

Transfers and Subsidies

Operating grants and subsidies are under performing. The equitable share is split between the respective service departments based on the provision for doubtful debts. To this date, two tranches (in July and December 2021) have being received by the municipality, although the December allocation is not part of the reported figure due to system challenges. R347 million revenue has not been recognised which relates to the December 2021 year to date period. Also, the Financial Management Grant has been received and the Extended Public Works Programme allocation are also allocated accordingly as per the payment schedule.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Municipality must utilize the grants received timeously to avoid making an application for the roll overs. All unspent conditional grants will be reverted to National Revenue Fund if are not utilised on time. No adjustment proposed

Other Revenue

Other Revenue is performing above the anticipated revenue, with the year to date actual of R17,2 million (more than a 100%) against the budget of R16,6 million. The over performance might be a reason for possible correct allocation to correct votes. No adjustment proposed.

Gain on disposal of PPE

The Item is unfavourable by R1,8 million as sale of identified properties has not progressed well. The performance below the anticipated revenue, with the year to date actual of R1,2 million against the original budget of R6,2 million. Some sale of properties e.g. Amberboom should be realised by end of the 4th quarter.

OPERATING EXPENDITURE

The year to date expenditure as at 31st December 2021, is R2,644 billion or 54,69% to the original budget of R4,835 billion. It is above the expected pro rata by 4,69%.

The following table is indicative of year to date expenditure compared to the approved budget for the period ended 31st December 2021.

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Expenditure By Type									
Employee related costs	760 508	875 664	-	58 098	362 811	437 832	(75 021)	-17%	725 622
Remuneration of councillors	60 406	68 229	-	5 063	31 052	34 115	(3 063)	-9%	62 104
Debt impairment	790 486	793 908	-	66 159	396 954	396 954	-		793 908
Depreciation & asset impairment	347 718	492 913	-	34 187	204 564	246 456	(41 892)	-17%	409 128
Finance charges	69 946	84 328	-	16 308	17 740	42 164	(24 424)	-58%	35 479
Bulk purchases - electricity	2 091 259	1 627 750	-	229 374	1 281 084	813 875	467 209	57%	2 562 167
Inventory consumed	9 170	24 454	-	1 495	5 339	12 227	(6 888)	-56%	10 678
Contracted services	394 003	612 110	-	43 402	213 850	306 055	(92 205)	-30%	427 701
Transfers and subsidies	742	19 502	-	-	337	9 751	(9 414)	-97%	674
Other expenditure	229 279	236 888	-	21 163	130 884	118 444	12 440	11%	261 768
Losses	-	-	-	-	-	-	-		-
Total Expenditure	4 753 517	4 835 746	-	475 250	2 644 614	2 417 873	226 741	9%	5 289 229

The following matters should be taken into account before an assessment is done:

Councillors and Staff Benefits

Wages and Salaries item are at 17% (R75 million) under the anticipated expenditure.

An adjustment will have to be done on votes these items to reduce where there's under expenditure and increase where projections show there'll be over expenditure. Some expenditure is paid where there's no budget available and where budget is available, there is

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

no expenditure. An exercise will have to be done, to assess properly these irregularities and correct them. Overall savings were identified on employee costs due lower salary increase, 6% projection versus the 3.5% approved, curbed overtime and funded vacancies not being filled. This item will be adjusted accordingly during Adjustments Budget.

Debt Impairment

The final calculation of debt impairment usually happens at the end of the financial year during Annual Financial Statement process hence it will be difficult to assess whether the current allocation will be sufficient to cover to the year-end calculations.

Depreciation

Depreciation is processed on assets for the period is less than projected depreciation by 17% due to programmed calculation that does not take into account the conditions of assets on month to month basis. Reliable calculations of depreciation are performed at year end.

Inventory Consumed

The spending is not as anticipated/projected. Due to low revenue collection, lower spending has positive impact on commitments. It is below the projected pro rata of 50% with the performance at 21,83%. No adjustment proposed.

Bulk Purchases

Bulk Purchases on electricity is at R1,281 million. This is above the pro rata of 50% by 28,7%. Bulk purchases for electricity increase is due to unexpected increase in consumption as there have been no restrictions in place under the Disaster Management Act Regulations, whilst in the previous financial year there were significant restrictions in place particularly for businesses. This item of expenditure, will have to be adjusted accordingly during Adjustment Budget.

Contracted Services

Spending is at R213,8 million or 34,94% against the pro rata of 50%. The situation with this Item could be the same as with Other Material. Also this will have to be corrected during the Adjustment Budget to reclassify Other Materials and Other Expenditure to form part of the contracted services through alignment to mSCOA.

This Item of expenditure is one of the most important components of the welfare of the assets of the municipality. This gives an indication of the service delivery activities and with the current underperformance of the important element, it is a serious matter that would attract urgent attention.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

This item will need to be adjusted during the adjustment budget mainly to cater for compensation of the affected operators and operations for the RRT project as well as legal fees due to the volume of litigation.

Transfer and subsidies

Transfers and Subsidies is paid on quarterly and biannual. Variance of of 97% is expected as budget is spread over 12 months. No adjustment is proposed.

General Expenditure

General expenditure exceed the projected expenditure for the period by R12,4 million (11%). Adjustment will have to be done on this item of expenditure as there are services that have spent above 50% and others even more than 100%. There are services that have also spent way below the average expenditure rate with 0% and less than 50%. Those services will have to be reduced also during the adjustment budget.

This item will need to be adjusted during the adjustment budget mainly to cater for fleet services and audit fees as the external audit is not yet finalized.

3.3. CAPITAL EXPENDITURE

Detail results per unit are contained in **Annexure 'A' (Table C5 Monthly Budget Statement – Capital Expenditure)**. The expenditure of Capital budget is at 14,46% (R90,6 million). A original capital budget to the amount of R626,8 million was approved by Council for the 2021/2022 financial year.

Attached below is the Capital Expenditure by municipal vote, function and classification:

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December									
Vote Description	2020/21	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2021/22				
	Audited Outcome				YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Capital Expenditure - Functional Classification									
Governance and administration	3 200	26 845	–	198	1 995	13 422	(11 427)	-85%	3 990
Executive and council	1 500	14 319	–	–	–	7 159	(7 159)	-100%	–
Finance and administration	1 700	12 369	–	198	1 995	6 185	(4 189)	-68%	3 990
Internal audit	–	157	–	–	–	79	(79)	-100%	–
Community and public safety	(123 154)	50 951	–	3 816	4 404	25 476	(21 072)	-83%	8 807
Community and social services	(123 379)	14 171	–	2 300	2 300	7 086	(4 786)	-68%	4 600
Sport and recreation	73	11 625	–	1 516	1 565	5 813	(4 247)	-73%	3 130
Public safety	152	23 655	–	–	539	11 828	(11 289)	-95%	1 078
Housing	–	1 500	–	–	–	750	(750)	-100%	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	221 380	272 922	–	9 523	68 806	136 461	(67 655)	-50%	137 611
Planning and development	(524)	22 027	–	706	706	11 013	(10 308)	-94%	1 411
Road transport	221 903	250 895	–	8 817	68 100	125 447	(57 347)	-46%	136 200
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	120 212	276 152	–	8 197	15 437	138 076	(122 639)	-89%	30 873
Energy sources	8 928	144 175	–	2 161	2 295	72 088	(69 792)	-97%	4 591
Water management	31 046	73 500	–	6 000	8 573	36 750	(28 177)	-77%	17 146
Waste water management	80 865	57 447	–	36	4 568	28 723	(24 155)	-84%	9 137
Waste management	(627)	1 030	–	–	–	515	(515)	-100%	–
Other	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	221 638	626 870	–	21 734	90 641	313 435	(222 794)	-71%	181 283

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Funding Source of the Capital Expenditure

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December									
Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
National Government	218 571	441 318	–	21 520	88 043	220 659	(132 616)	-60%	176 085
Provincial Government	–	320	–	–	–	160	(160)	-100%	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	234	2 287	–	–	–	1 143	(1 143)	-100%	–
Transfers recognised - capital	218 805	443 925	–	21 520	88 043	221 962	(133 920)	-60%	176 085
Borrowing	(633)	–	–	–	–	–	–	–	–
Internally generated funds	3 466	182 945	–	214	2 599	91 472	(88 874)	-97%	5 197
Total Capital Funding	221 638	626 870	–	21 734	90 641	313 435	(222 794)	-71%	181 283

The current capital budget projected projects are funded from Grants (National and Provincial), Borrowings (which is not yet received) and projects that will be paid from internal reserves that will be raised during the year.

Focus and pressure needs to be put on all the Directorates to start putting more efforts in terms of the new capital acquisition. The results of this under-spending are hampering on the main objectives and core business of the municipality which is to provide service to the communities around Rustenburg Local municipality.

Directorates must put proper plans as to how they are going to start spending and implementing their capital budget requirements to deliver in order to can be able to deliver the expected municipal services. For projects that are funded by Grants, Directorates are encouraged to spend on capital projects in order to avoid applying for roll-over next financial year. Directorates are urged to consider the 2020/21 rollover amount that was not approved by National Treasury due to inadequate project management.

3.4. DEBTORS AGING FOR DECEMBER 2021

Debtor's age analysis indicates the extent to which income accrued is not received in cash, the success or effectiveness of the credit control, rating, and tariffs policy, the possibility of viability problem being encountered when analyzing the imbalance between actual revenue received and actual expenditure. **Annexure "A" (Table SC3 Monthly Budget Statement – Aged Debtors)** is debtor's age analysis as at the end of December 2021 for the 2021/2022 financial year. The outstanding consumer debtors as at 31st December 2021 are R7,057 billion.

Municipality will have to get some sort of an action that will work in so far as the Intergovernmental relationship to address outstanding amounts from other spheres of government. As at the end of December 2021, Organ of States owed municipality R46 million, Households owed R5,392 billion, Business/Commercial owed R927 million while other is at R692 million.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description		Budget Year 2021/22											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.O Council Policy
NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	47 827	32 434	30 975	30 713	27 059	25 975	158 003	1 544 355	1 897 341	1 786 105	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	85 395	48 467	13 860	12 081	15 449	13 962	35 144	423 772	648 129	500 407	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	41 250	22 460	17 298	13 991	13 032	12 300	59 369	332 276	511 976	430 968	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	15 795	10 908	9 725	9 049	8 640	8 402	51 563	409 377	523 458	487 031	-	-	
Receivables from Exchange Transactions - Waste Management	1600	15 679	11 044	9 897	9 198	8 781	8 592	53 642	444 707	561 541	524 920	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	517	399	412	480	469	660	3 484	25 880	32 301	30 973	-	-	
Interest on Arrear Debtor Accounts	1810	34 624	33 018	32 313	30 257	30 817	31 164	194 346	1 615 067	2 001 606	1 901 651	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	206 585	116 269	7 062	42 760	45 448	49 656	164 466	248 906	881 152	551 236	-	-	
Total By Income Source	2000	447 672	274 999	121 543	148 530	149 695	150 710	720 016	5 044 340	7 057 505	6 213 292	-	-	
2020/21 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	6 789	3 560	2 153	2 107	1 390	1 366	8 036	21 148	46 550	34 048	-	-	
Commercial	2300	264 865	134 483	12 529	46 419	51 079	54 940	155 902	206 690	926 907	515 030	-	-	
Households	2400	130 496	93 363	88 013	84 097	81 673	79 480	473 671	4 361 302	5 392 096	5 080 224	-	-	
Other	2500	45 521	43 593	18 848	15 907	15 553	14 924	82 407	455 199	691 952	583 989	-	-	
Total By Customer Group	2600	447 672	274 999	121 543	148 530	149 695	150 710	720 016	5 044 340	7 057 505	6 213 292	-	-	

3.5. CREDITORS AGING FOR DECEMBER 2021

Annexure “A” (Table SC4 Monthly Budget Statement – Age Creditors) is a creditor’s age analysis for the municipality as at the end of December 2021.

The below table depicts creditors analysis for the period.

NW373 Rustenburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2019/20	Budget Year 2021/21				Budget Year 2021/22		181 Days - 1 Year	Over 1 Year	Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days				
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	265 824							57 873		323 697
Bulk Water	0200	42 045	-								42 045
PAYE deductions	0300	-									-
VAT (output less input)	0400	-									-
Pensions / Retirement deductions	0500	-									-
Loan repayments(Absa)	0600	-	-								-
Trade Creditors	0700	10 315	6 053	3 265	37	-	-	-	6 470		26 140
Auditor General	0800	-		-					-		-
Other(Trust invoices)	0900					-	86 203	765	74 376		161 344
Total By Customer Type	1000										553 227

Creditors should be paid within 30 days as stipulated by the MFMA except where there are disputes between the municipality and the creditor. Outstanding sundry creditors as at 31st December 2021 is at R553 million.

3.6. INVESTMENT REGISTER

Investment made with the various financial institutions are strictly in compliance with Municipal Finance Management Act and in terms of the Investment Framework Policy and Guidelines.

The total value of cash and investments for the Parent Municipality as at 31st December 2021 is approximately R26,1 million.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

RUSTENBURG LOCAL MUNICIPALITY



Investment Register as at 31 December 2021



Name of Institution	Type of Investment	Account Number	Rate %	Invested Date	Maturity Date	Opening Balance	Invested During the month	Actual Interest Received / Capitalised / Accrued	Investment / Interest Withdrawn	Closing Balance
Short-Term Investments										
ABSA: Call Account	Call Savings	40-7850-3088			Monthly	678 981.88	155 382 428.19	281 759.95	- 156 000 000.00	343 170.02
ABSA: Investment Acc	Flexible Deposit	90-6393-0063	2.90		Monthly	590 000.00		1 236.58	- 1 236.58	590 000.00
ABSA: Investment Acc	Fixed Deposit	20-7642-7525	5.3			5 236 621.21	-	221 154.70	- 221 154.70	5 236 621.21
ABSA: Investment Acc	Fixed Deposit	20-7676-3430	5.2			443 874.03		1 943.31	- 1 943.31	443 874.03
ABSA: Housing / Account	Positive Bank Bal	40-5461-7192	3.75		Monthly	2 343 409.33	-	1 063.65		2 344 472.98
Standard Bank	Call Deposit	2288-18613-062	6.70		Monthly	460 846.09	-	606.68		461 452.77
Standard Bank	Call Deposit	2288-18613-063	6.70		Monthly	125 464.48	-	165.17		125 629.65
Kagiso Asset Management	Money Market Assets	550/827	N/A		Monthly	6 733 058.04	-	17 173.68		6 750 231.72
Sanlam	Money Market Fund	RUSTEN	N/A		Monthly	8 952 419.76	-	64 718.77		9 017 138.53
Sub-Total						25 564 674.82	155 382 428.19	589 822.49	- 156 224 334.59	25 312 590.91
Long-Term Investments										
						Opening		Movement		Closing
Sanlam Shares	Ordinary - 12 948	U0063386178	62.75	59.36	Monthly	812 487.00	-	43 893.72		768 593.28
Sanlam Shares	Ordinary - 323	U0053871618	62.75	59.36	Monthly	20 268.25	-	1 094.97		19 173.28
Total						26 397 430.07	155 382 428.19	544 833.80	- 156 224 334.59	26 100 357.47

3.7. BORROWING

The municipality is currently servicing few existing loans with different institutions (DBSA, ABSA and INCA).

Below summary Loan Register:

RUSTENBURG LOCAL MUNICIPALITY								
Schedule of External loans for 2021-22								
Details	Original Loan Amount	Interest Rate	Loan Number	Redeemable	Balance at 30 November 2021	Received during this period	Redeemed/ Written Off during Period	Balance at 31 December 2021
INCA/RMB	R 50 000 000.00	13.82%	50619016740	Thursday, 31 August 2023	R 17 020 032.54	R 0.00	R 193 119.23	R 17 213 151.77
ABSA - Drawdown 2	R 20 000 000.00	11.94%	3017982317	31 May 2021	R 0.00	R 0.00	R 0.00	R 0.00
ABSA - Drawdown 3	R 20 000 000.00	11.95%	3022362516	Tuesday, 31 May 2022	R 1 472.17	R 0.00	-R 1 472.17	R 0.00
DBSA	R 308 000 000.00	9.903%	61007193	Friday, 29 June 2029	R 221 493 833.61	R 0.00	-R 17 776 617.90	R 203 717 215.71
DBSA	R 150 000 000.00	10.007%	61007264	Friday, 28 June 2030	R 117 556 843.83	R 0.00	-R 8 698 100.29	R 108 858 743.54
Total Other Loans	R 548 000 000.00				R 356 072 182.15	R 0.00	-R 26 283 071.13	R 329 789 111.02
TOTAL EXTERNAL LOANS	R 548 000 000.00			Per AFS	R 356 072 182.15		-R 26 283 071.13	R 329 789 111.02

The table below indicates the 2021/22 Loans Repayment Register for both Capital and Interest portion

DBSA - Structured secured 15-year loan for various purposes. Original loan capital of R308 000 000. Drawdown of R 200 million was transferred on April 2014. Another drawdown was transferred on October 2014. Interest is repayable semi-annually in at fixed rate interest.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Structured secured 15-year loan for various purposes. Original loan capital of R150 000 000. Drawdown of R 150 million was transferred on February 2015. Interest is repayable semi-annually in at fixed rate interest.

INCA - Original loan capital of R50 000 000. Bears interest at 13.82% per annum and repayable in equal instalments of R4 002 068 at the end of February and August every year, with the last instalment payable on 29 February 2024.

Absa Loan (1064) - Original loan amount was R 20 000 000 for the 3 drawdowns respectively. Bears interest from first draw down at 11.94% and 11,95% per annum respectively, with equal instalments of R 1 455 506 and R 1 465 020 payable at the end of November and May every year, with the last instalment payable 15 years from date of draw down.

3.8. CONCLUSION

In light of the above financial assessment and forecasting figures on the annual budget on the first six month ended 31st December 2021 of the 2021/2022 financial year, it is recommended that an adjustment budget for 2021/2022 is required to cater for the shift of funds between votes. The adjusted budget will be submitted to Council by the end of February 2022.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

4. SECTION B – MUNICIPAL SERVICE DELIVERY PERFORMANCE PER KPA

The Organizational Performance is evaluated by means of a Municipal Scorecard (Top Layer SDBIP) at Organizational level and through Technical SDBIP at Directorate levels.

The SDBIP is a plan that converts the IDP and Annual Budget into measurable operational targets on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to respective Directorates and/or Business Units therein, mandated to deliver specific services in terms of the approved IDP and Budget:

The MFMA Circular No.13 on Service Delivery and Budget Implementation Plan (SDBIP) prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget /IDP processes.

4.1 Key Performance Area (KPA 1): Municipal Transformation and Institutional Development

Municipal Strategic Priority: Drive Optimal Institutional Development, Transformation and Capacity Building

KPI 1: Number of policies reviewed by 30 June 2022	Target		Actual
	Annual	10	N/A
	Quarter 1	-	N/A
	Quarter 2	-	N/A
	Mid-Year	-	N/A
Comment on the achievement of the KPI and remedial measures			
Quarter 1: N/A The KPI was not applicable for the quarter under review.			
Quarter 2: N/A The KPI was not applicable for the quarter under review.			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Mid-Year: N/A

The KPI was not applicable for Mid-year.

Ref : DCS 5 & 6

KPI 2: Number of ICT Disaster Recovery Sites tests conducted by 30 June 2022	Target		Actual
	Annual	2	N/A
	Quarter 1	-	N/A
	Quarter 2	1	0
	Mid-Year	1	0
Comment on the achievement of the KPI and remedial measures			
Quarter 1: N/A The KPI was not applicable for the quarter under review. Quarter 2: Not Achieved Reasons for non-achievement There were delays in the appointment of the service provider to run the disaster recovery testing hence there were no testing conducted during the 2 nd Quarter of the year under review. Remedial measures The service provider was appointed on the 10 th November 2021. For the remainder of the 2 nd quarter focus was on project establishment and data configuration. It was anticipated that the 1 st test would be done during February and the 2 nd test during the 4 th quarter of the financial year under review. Mid-Year: Not Achieved Reasons for non-achievement There were delays in the appointment of the service provider to run the disaster recovery testing hence there were no testing conducted during the 2 nd Quarter of the year under review. Remedial measures The service provider was appointed on the 10 th November 2021. For the remainder of the 2 nd quarter focus was on project establishment and data configuration. It was anticipated that the 1 st test would be done during February and the 2 nd test during the 4 th quarter of the financial year under review. Ref : DCS 4			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Municipal Strategic Priority: Develop and implement internal capability model (institutional core and critical competencies, scarce skills, maintenance skills) that enhance institutional and external stakeholders' development

KPI 3: Percentage of the municipality's budget actually spent on training of personnel.	Target		Actual
	Annual	95%	N/A
	Quarter 1	20%	7.4%
	Quarter 2	40%	6.34%
	Mid-Year	40%	13.74%
Comment on the achievement of the KPI and remedial measures			
Quarter 1			
Not Achieved. 7.4 % of the budget was spent.			
Project	Budget	Expenditure	%
Training of Personnel	R3 123 000.00	R231 150	7.4%
Reasons for Not-Achieved			
The appointment of Service Providers took longer to be finalized.			
Remedial Measures			
<ul style="list-style-type: none">• Municipality will engage in discussions to enter into memorandum of understanding with TVET colleges and National School of Governance.• To re-advertise for other modules not offered by either TVET College or National School of Governance.			
Quarter 2 Not-Achieved			
Not Achieved. 6.34% of the budget was spent.			
Project	Budget	Expenditure	%
Training of Personnel	R3 123 000.00	197 390	6.34%
Reasons for Not-Achieved			
The appointment of service providers was not finalized on time and later the BAC made a recommendation on the 05 October 2021 to re-advertise.			
Remedial Measures			
<ul style="list-style-type: none">• Municipality will engage in discussions to enter into memorandum of understanding with TVET colleges and National School of Governance.• To re-advertise for other modules not offered by either TVET College or National School of Governance.• Prioritization of Legal Compliance training programmes as required by the Department of Employment and Labour (DoEL) and advertise for seven days.			
Mid-Year			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Budget for training of Personnel was R3 123 000 and the amount was at R428 540 which translates to 13.74%.

Ref : DCS 11

KPI 4: Percentage of budgeted vacant positions filled within 2021/22 Financial Year.	Target		Actual
	Annual	50%	N/A
	Quarter 1	0%	N/A
	Quarter 2	25%	0.57%
	Mid-Year	25%	0.57%

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

The KPI is not applicable for the 1st quarter.

Quarter 2 : Not Achieved

There were only 3 appointments in October 2021. The total funded positions on the labour budget were 529.

Reasons for Non-Achievement

Shortlisting was done in August and interviews conducted in September 2021. The appointment process was halted due to trade union raising objections and Processes introduced by the Municipal Manager to analyse real needs for the position before filling the vacancies.

Remedial Measures

Classification of positions were done to separate critical positions from the non-critical. Span of control was assessed and functioning of different positions monitored through time sheets. This was intended at justifying positions which must be filled and those which must be considered for revision when amending the organizational structure in line with the Municipal Staffing regulation. Based on the need to address the bloated structure the target on this KPI may need to be adjusted downward as all vacant position may not be filled by 30 June 2022.

Mid-Year: Not Achieved

Reasons for Non-Achievement

Shortlisting was done in August and interviews conducted in September 2021. The appointment process was halted due to trade union raising objections and Processes introduced by the Municipal manager to analyse real needs for the position before filling the vacancies.

Remedial Measures

Classification of positions were done to separate critical positions from the non-critical. Span of control was assessed and functioning of different positions monitored through time sheets. This was intended at justifying positions which must be filled and those which must be considered for revision when amending the organizational structure in line with

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

the Municipal Staffing regulation. Based on the need to address the bloated structure the target on this KPI may need to be adjusted downward as all vacant position may not be filled by 30 June 2022.

Ref : DCS 7

4.2 Key Performance Area (KPA 2): Good Governance and Public Participation

Municipal Strategic Priority: Uphold Good Governance and Public Participation Principles

Municipal Strategic Objective: Drive Good Governance and Legislative Compliance in all Municipal Processes

KPI 5: Number of reports on the implementation of Council resolutions submitted by June 2022	Target		Actual
	Annual	4	1
	Quarter 1	1	1
	Quarter 2	1	0
	Mid-Year	2	1

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Achieved.

The report on implementation of Council resolutions served before the meeting of Council on the 27 July 2021 per item 203 and on the 28th September 2021 per item 262 respectively.

Quarter 2 - Not Achieved.

Reasons for Non-Achievement

Due to local government elections held on the 01 November 2021, an ordinary meeting of council could not take place to consider the items on implementation of council resolutions.

Remedial Measures

The report that will serve during the 3rd quarter will include the 2nd quarter implementation of resolutions.

Mid-Year – Not Achieved

Reasons for Non-Achievement

Due to local government elections held on the 01 November 2021, an ordinary meeting of council could not take place to consider the items on implementation of council resolutions.

Remedial Measures

The report that will serve during the 3rd quarter will include the 2nd quarter implementation of resolutions.

Ref : DCS 14

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 6: Number of employment equity (EE) reports submitted to the Department of Employment and Labour (DoEL) by 15 January 2022	Target		Actual
	Annual	1	N/A
	Quarter 1	-	N/A
	Quarter 2	-	N/A
	Mid-Year	-	N/A
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 - Not Applicable.</p> <p>The KPI was not applicable for the 1st quarter. Targeted date for the submission of the Employment Equity report was the 15 January 2022.</p> <p>Quarter 2 - Not Applicable.</p> <p>The KPI was not applicable for the 2nd quarter. Targeted date for the submission of the Employment Equity report was the 15th January 2022.</p> <p>Mid-Year – Not Applicable.</p> <p>The KPI was not applicable at Mid-year Ref : DCS 12</p>			

KPI 7: Number of records disposal applications submitted to the North West Provincial Archives and Records Services By 30 June 2022	Target		Actual
	Annual	1	N/A
	Quarter 1	-	N/A
	Quarter 2	-	N/A
	Mid-Year	-	N/A
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 – N/A</p> <p>The KPI was not applicable for the quarter under review.</p> <p>Quarter 2 – N/A</p> <p>The KPI was not applicable for the quarter under review.</p> <p>Mid-Year – N/A</p> <p>The KPI was not applicable at Mid-year Ref : DCS 13</p>			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 8: Qualified Audit opinion expressed by the Auditor General	Target		Actual
	Annual	Qualified Audit Opinion	N/A
	Quarter 1	-	N/A
	Quarter 2	Qualified Audit Opinion	Audit report not released
	Mid-Year	Qualified Audit Opinion	Audit report not released
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1- N/A</p> <p>The KPI was not applicable for the 1st quarter.</p> <p>Quarter 2- Could not Conclude</p> <p>Audit opinion was not issued by the Auditor General in December 2021. Auditing was still in progress. The actual measure of this KPI is qualified opinion though it was expected to be released in the second quarter. The delay of issuing the report by the auditor general does not justify conclusion that the KPI was not achieved. Verdict on whether or not the qualification is qualified, will be known once report is released. In future, the time frame for receiving report will be aligned to the last quarter of the financial year to eliminate different interpretation and the data definition sheet with clarify the KPI further.</p> <p>Mid-Year – Could not Conclude</p> <p>Audit opinion was not issued by the Auditor General in December 2021. Auditing was still in progress. The actual measure of this KPI is qualified opinion though it was expected to be released in the second quarter. The delay of issuing the report by the auditor general does not justify conclusion that the KPI was not achieved. Verdict on whether or not the qualification is qualified, will be known once report is released. In future, the time frame for receiving report will be aligned to the last quarter of the financial year to eliminate different interpretation and the data definition sheet with clarify the KPI further.</p> <p>Ref : BTO 11</p>			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

4.3 Key Performance Area (KPA 3): Municipal Financial Viability and Management

Municipal Strategic Priority: Ensure a sustainable municipal financial viability and management

Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability

KPI 9: Percentage of municipality's capital budget spent by 30 June 2022	Target		Actual
	Annual	95%	N/A
	Quarter 1	25%	2.47%
	Quarter 2	50%	7.6%
	Mid-Year	50%	7.6%
Comment on the achievement of the KPI and remedial measures			

Quarter 1 – Not Achieved

DIRECTORATE: CAPITAL EXPENDITURE- Q1	Full Year Budget	July Actual	August Actual	September Actual	Quarter 1 actual	Q1 Variance (Full year budget vs Q1 actuals)
OFFICE OF EXECUTIVE MAYOR	100,000	-	-	-	-	100,000
OFFICE OF MUNICIPAL MANAGER	14,375,600	-	-	-	-	14,375,600
CORPORATE SUPPORT	4,025,000	-	(72,225)	55,950	(16,275)	4,041,275
BUDGET AND TREASURY OFFICE	212,300	-	-	-	-	212,300
PUBLIC SAFETY	23,705,000	-	-	-	-	23,705,000
PLANNING AND HUMAN SETTLEMENT	7,500,000	-	-	-	-	7,500,000
LOCAL ECONOMIC DEVELOPMENT	15,074,429	-	-	-	-	15,074,429
COMMUNITY DEVELOPMENT	34,148,250	-	-	-	-	34,148,250
ROADS	268,284,660	(5,165,770)	11,073,857	9,027,891	14,935,978	253,348,682
INFRASTRUCTURE AND TECHNICAL SERVICES	249,882,000	-	297,091	-	297,091	249,584,909
	617,307,239	(5,165,770)	11,298,723	9,083,841	15,216,794	602,090,446

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Quarter 2 – Not Achieved

DIRECTORATE: CAPITAL EXPENDITURE- Q2	Full Year Budget	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	Quarter 1 actual	Quarter 2 actual	Variance (Full year budget vs YTD actuals)
OFFICE OF EXECUTIVE MAYOR	100,000	-	-	-	-	-	-	-	-	100,000
OFFICE OF MUNICIPAL MANAGER	14,375,600	-	-	-	-	-	-	-	-	14,375,600
CORPORATE SUPPORT	4,025,000	-	(72,225)	55,950	-	1,813,118	198,400	(16,275)	2,011,517.64	2,029,757
BUDGET AND TREASURY OFFICE	212,300	-	-	-	-	-	-	-	-	212,300
PUBLIC SAFETY	23,705,000	-	-	-	81,700	457,115	-	-	538,815.00	23,166,185
PLANNING AND HUMAN SETTLEMENT	7,500,000	-	-	-	-	-	-	-	-	7,500,000
LOCAL ECONOMIC DEVELOPMENT	14,926,977	-	-	-	-	-	705,500	-	705,500.00	14,221,477
COMMUNITY DEVELOPMENT	34,148,250	-	-	-	-	49,000	3,815,883	-	3,864,882.87	30,283,367
ROADS	252,844,660	(5,165,77)	11,073,857	9,027,891	14,203,316	8,214,031	14,243,804	14,935,978	36,661,151.33	201,247,531
INFRASTRUCTURE AND TECHNICAL SERVICES	269,882,000	-	297,091	-	2,104,756	703,754	599,062	297,091	3,407,572.25	266,177,337
	621,719,787	(5,165,770)	11,298,723	9,083,841	16,389,772	11,237,018	19,562,649	15,216,794	47,189,439	559,313,555

Reasons for Non-Achievement

The contract of panel of consultants was prematurely terminated. Processes of developing designs and specifications for bid to be advertised and the development of business plans for future projects were negatively influenced. The interruption of running project by local business added to delays in project implementation and directly affected spending. The Construction break in December 2021 added to the delays and low spending levels.

Remedial Plan

The specifications for the panel of consultants were revised, advertised and Closed. The panel was appointed in October 2021 to focus of on the following disciplines, water, Sanitation, Electrical, roads and storm & water; structural building and safety.

Ref: OMM 9

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 10: Procurement of the mSCOA financial system by 30 June 2022	Target		Actual
	Annual	100%	N/A
	Quarter 1	Progress Report	Progress Report
	Quarter 2	Progress Report	Progress Report
	Mid-Year	Progress Report	Progress Report
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 - Achieved</p> <p>Status of Procurement process submitted to National Treasury (NT) on the 30th July 2021. A tender for procurement of the system was advertised on the 3 September 2021 and closed on the 29 October 2021, the procurement was at an evaluation stage.</p> <p>Quarter 2 - Achieved</p> <p>Bid advertisement closed and was at evaluation stages.</p> <p>Mid-Year – Achieved</p> <p>Bid advertisement closed and was at evaluation stages.</p> <p>Ref: BTO 1</p>			

Municipal Strategic Objective: Implement revenue management strategy to enhance municipal financial viability and sustainability

KPI 11: Percentage collection of budgeted revenue	Target		Actual
	Annual	85%	N/A
	Quarter 1	85%	78%
	Quarter 2	85%	76%
	Mid-Year	85%	76%
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 - Not Achieved</p> <p>Formula: (Gross Debtors Closing Balance + Billed Revenue – Gross Debtors Opening Balance – Bad Debts Written Off) Billed Revenue x 100</p> <p>Gross Debtors closing balance : R6 783 611 427 Gross Debtors opening balance : R6 524 234 000 Bad debts written off : R0.00 Billed Revenue : R1 200 818 000 Actual Performance : 78%</p> <p>Reasons for non-achievement</p>			

The community block credit control at some areas.

Remedial Measures

Debt collectors appointed, implementation of debt collection plan. Continue to intensify credit control measures and resolve all impediments.

Quarter 2 - Not Achieved

Formula: $\frac{(\text{Gross Debtors Closing Balance} + \text{Billed Revenue} - \text{Gross Debtors Opening Balance} - \text{Bad Debts Written Off})}{\text{Billed Revenue}} \times 100$

Gross Debtors closing balance	: R7 057 504 985
Gross Debtors opening balance	: R6 783 611 427
Bad debts written off	: R0.00
Billed Revenue	: R1 153 803 000
Actual Performance	: 76%

Reasons for Non-Achievement

Credit control blocked at some areas. Data integrity and the slow recovery after lockdown- low/no income affecting affordability.

Remedial Measures

Data analysis and data cleansing. Accelerate implementation of debt collection. Fully resourcing the Revenue Unit for efficiencies through proper system.

Mid-Year – Not Achieved

Revenue collection was at 76% at mid-year.

Reasons for Non-Achievement

Data integrity and the slow recovery after lockdown- low/no income affecting affordability.

Remedial Measures

Data analysis and data cleansing. Fully resourcing the Revenue Unit for efficiencies through proper system.

Ref : BTO 3

KPI 12: Percentage of municipal payments made to service providers who submitted complete forms within 30 days of invoice submission	Target		Actual
	Annual	30 days	N/A
	Quarter 1	Creditors payment within 30 days (95% within 30 days)	77 days
	Quarter 2	Creditors payment within 30 days	62 days
	Mid-Year	Creditors payment within 30 days	62 days
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 - Not Achieved</p> <p>Reasons for non-achievement</p> <p>The invoice submission system not yet implemented.</p> <p>Remedial Measures</p> <ul style="list-style-type: none"> • Procurement of the monitoring system. • Identify and assign officials (resources) to perform the monitoring <p>Quarter 2 - Not Achieved</p> <p>Reasons for non-achievement</p> <p>The invoice submission system not yet implemented.</p> <p>Remedial Measures</p> <ul style="list-style-type: none"> • Procurement of the monitoring system. • Identify and assign officials (resources) to perform the monitoring <p>Mid-Year –Not Achieved</p> <p>Reasons for non-achievement</p> <p>The invoice submission system not yet implemented.</p> <p>Remedial Measures</p> <ul style="list-style-type: none"> • Procurement of the monitoring system. • Identify and assign officials (resources) to perform the monitoring <p>Ref : BTO 4</p>			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 13: Achieved Improved financial current ratio	Target		Actual
	Annual	1.6:1	N/A
	Quarter 1	1.6:1	1.40:1
	Quarter 2	1.6:1	1.35:1
	Mid-Year	1.6:1	1.35:1
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 - Not Achieved</p> <p>Formula: Current Assets/Current Liabilities</p> <p>Current Assets : R1 654 977 922 Current Liabilities: R1 180 252 469 Current Ratio : 1.40 : 1</p> <p>Variances and reason for non-achievement</p> <p>Inadequate cash reserves and debt collection levels</p> <p>Remedial Measures</p> <ul style="list-style-type: none"> • Debt collectors appointed • Implementation of debt collection plan. • Continue to intensify credit control measures and resolved all impediments. <p>Quarter 2 - Not Achieved</p> <p>Formula: Current Assets/Current Liabilities</p> <p>Current Assets : R1 578 273 871 Current Liabilities : R1 165 891 677 Current Ratio : 1.35: 1</p> <p>Variances and reason for non-achievement</p> <p>Inadequate cash reserves and debt collection levels.</p> <p>Remedial Measures</p> <ul style="list-style-type: none"> • Debt collectors appointed in November 2021. • Implementation of debt collection plan. • Continue to intensify credit control measures and resolve all impediments. <p>Mid-Year – Not Achieved</p> <p>The current ratio was at 1.35:1 which is a decline from the previous quarter.</p> <p>Ref : BTO 5</p>			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 14: Achieve improved financial cost coverage of the municipality	Target		Actual
	Annual	1 month	1 months
	Quarter 1	1 month	1 month
	Quarter 2	1 month	1 month
	Mid-Year	1month	1 month
Comment on the achievement of the KPI and remedial measures			
Quarter 1 - Achieved			
Formula:			
Cash and cash equivalents : R436 736 186			
Unspent conditional grants : R133 243 852			
Overdraft : R0			
Short Term Investments : R23 376 440			
Total Annual Operational Expenditure : R3 702 193 328			
Cost Coverage : 1 month			
Remedial Measures			
Reduce creditors through minimising monthly commitments and pay off old creditors. Improved credit control actions through appointed Service Provider.			
Quarter 2 - Achieved			
Formula:			
Cash and cash equivalents : R591 835 626			
Unspent conditional grants : R118 430 807			
Overdraft : R0			
Short Term Investments : R22 250 923			
Total Annual Operational Expenditure : R5 289 228 901			
Cost Coverage : 1 month			
Remedial Measures			
Reduce creditors through minimising monthly commitments and pay off old creditors. Improved credit control actions through appointed Service Provider.			
Mid Term – Achieved			
Cost Coverage was at 1 month at the end of December 2021.			
Ref: BTO 6			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 15: Percentage of the municipality's allocated budget spent on indigent relief for free basic services	Target		Actual
	Annual	100%	43%
	Quarter 1	25%	43%
	Quarter 2	50%	43%
	Mid-Year	50%	43%
Comment on the achievement of the KPI and remedial measures			
Quarter 1 - Not Achieved			
Expenditure during the quarter under review was at 43%.			
Variances and reason for non-achievement			
The provision for indigent relief for free basic services was under budgeted.			
Remedial Measures			
Consider augmentation of budget during budget adjustment period in January 2022.			
Quarter 2 - Not Achieved			
Expenditure during the quarter under review was at 43%%.			
Variances and reason for non-achievement			
The provision for indigent relief for free basic services was under budgeted.			
Remedial Measures			
Consider augmentation of budget during budget adjustment period in January 2022.			
Mid-Year – Not Achieved			
Expenditure during the quarter under review was at 72%.			
BTO 7			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 16: Section 71 reports due submitted to the Executive Mayor	Target		Actual
	Annual	12	N/A
	Quarter 1	3	3
	Quarter 2	3	3
	Mid-Year	6	6
Comment on the achievement of the KPI and remedial measures			
Quarter 1 - Achieved			
Section 71 Reports were submitted to the Executive Mayor as follows:			
June : 15/07/2021			
July : 18/08/2021			
August : 15/09/2021			
Quarter 2 – Not Achieved			
Section 71 Reports were submitted to the Executive Mayor as follows:			
September : 14/10/2021			
October : 16/11/2021			
November : 17/12/2021			
Reason for Non achievement			
The 1-month report were submitted after 10 working days after the end of the relevant month, due to Financial system challenges.			
Remedial Measures			
Pursue the change of the financial system. Engage the current system service provider to address system challenge delays.			
Mid-Year – Not Achieved			
Six (6) Section 71 Reports were submitted to the Executive Mayor:			
<ul style="list-style-type: none">• June : 15/07/2021• July : 18/08/2021• August : 15/09/2021• September : 14/10/2021• October : 16/11/2021• November : 17/12/2021			
Reason for Non achievement			
The 1-month report were submitted after 10 working days after the end of the relevant month, due to Financial system challenges.			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Remedial Measures

Pursue the change of the financial system. Engage the current system service provider to address system challenge delays.

Ref : BTO 13

KPI 17: Number of section 72 reports submitted within legislated timeframe at Council meeting	Target		Actual
	Annual	January 2021	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	N/A
	Mid-Year	N/A	N/A

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

The KPI was not applicable for the 1st quarter. Submission of Section 72 report is due in January 2022.

Quarter 2 – N/A

The KPI was not applicable for the 2nd quarter. Submission of Section 72 report is due in January 2022.

Mid-Year – N/A

The KPI was not applicable for mid-year. Submission of Section 72 report is due in January 2022.

Ref : BTO 14

KPI 18: Number of section 52 reports submitted after every quarter to council	Target		Actual
	Annual	4	1
	Quarter 1	1	0
	Quarter 2	1	1
	Mid-Year	2	1

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Not Achieved

Reasons for Non-Achievement

The 1st quarter report was prepared but did serve before Council as many items that were supposed to serve before Council were reduced as Council was preparing to go on pre-election recess in October 2021 due to local government elections.

Remedial Measures

A report will serve before the next scheduled Council meeting as per the date that would be communicated.

Quarter 2 – Not Achieved

Reasons for Non-Achievement

The 2nd quarter report to be submitted to the Executive Mayor upon completion of mid-year assessment in January 2022. It will be tabled at the next ordinary council meeting in February 2022.

Remedial Measures

Items which could not serve during the previous quarter due to election time table, would be submitted during third quarter.

Mid-Year – Not Achieved

Reasons for Non-Achievement

Assessment for the performance up to the 31 December 2022 will be conducted and serve during the third quarter.

Remedial Measures

Items which could not serve during the previous quarter due to election time table, would be submitted during third quarter.

Ref : BTO 15

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 19: Annual Financial Statements (AFS) of RLM and Consolidated AFS of 2020/21 submitted to AGSA for audit by 31 August 2021 and 30 September 2021 respectively	Target		Actual
	Annual	2x sets of financial statements submitted to AGSA	N/A
	Quarter 1	31 August	29 September 2021
	Quarter 2	30 September	22 October 2021
	Mid-Year	30 September 20	22 October 2021
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 – Not Applicable</p> <p>Submitted RLM AFS by 29 September and Consolidated AFS by 22 Oct 2021.</p> <p>Reasons for delayed Submission</p> <p>Challenges encountered with usage of the financial system delayed the process of completing the compilation of the Annual Financial Statements. Request for late submission was requested from the Office of the Auditor General</p> <p>Remedial Measures</p> <ul style="list-style-type: none"> • Timely respond to audit request and better coordination of audit process. • Procurement of a new financial system. <p>Quarter 2: Achieved</p> <p>Submitted RLM AFS by 29 September and Consolidated AFS by 22 Oct 2021.</p> <p>Mid-Year: Achieved</p> <p>Submitted RLM AFS by 29 September and Consolidated AFS by 22 Oct 2021.</p> <p>Ref : BTO 16</p>			

KPI 20: MTREF budget approved by council by 31 May 2022	Target		Actual
	Annual	31 May 2022	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	N/A
	Mid-Year	N/A	N/A
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 – N/A</p> <p>The KPI was not applicable for the 1st quarter.</p>			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Quarter 2 – N/A

The KPI was not applicable for the 2nd quarter. Draft to be submitted to Council in March 2022 and final in May 2022.

Mid-Year – N/A

The KPI was not applicable for mid-year assessment.

Ref : BTO 15

KPI 21: Adjustments budget submitted to Council by end of February 2022	Target		Actual
	Annual	February 2022	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	N/A
	Mid-Year	N/A	N/A

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

The KPI was not applicable for the 1st quarter.

Quarter 2 – N/A

The KPI was not applicable for the 2nd quarter.

Mid-Year N/A

The KPI was not applicable for mid-year assessment.

Ref : BTO 17

4.4 Key Performance Area (KPA 4): Local Economic Development

KPI 22: Number of catalytic projects facilitated by end of June 2022	Target		Actual
	Annual	2	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	N/A
	Mid-Year	N/A	N/A

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

The KPI was not applicable for the 1st Quarter.

Quarter 2 – N/A

The KPI was not applicable for the 2nd Quarter.

Mid-Year – N/A

The KPI was not applicable for mid-year.

Ref : LED 2

KPI 23: Number of tourism activations facilitated by end of June 2022	Target	Actual	
	Annual	3	N/A
	Quarter 1	1	1
	Quarter 2	1	7
	Mid-Year	2	8

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Achieved

The Directorate through the Unit: Rural Development together with Phoenix Entertainment and Productions hosted the first annual Heritage Food Festival event on the 24-25 September 2021 at the Rustenburg Visitors Information Centre.

Quarter 2 – Achieved

Achieved

A total of 7 tourism activations were facilitated in quarter 2.

Below is the list of the Activations successfully facilitated:

1. Rustenburg film festival
2. Crafters Expo & All white Gospel
3. Platinum Pink Comedy Show
4. LGBTIQ Pride
5. Jewellery Fashion Show
6. Matriculants rage festival party
7. Herbal Life Workshop

Mid-Year – Achieved

A total of 7 tourism activations were facilitated during mid-year.

Ref : LED 3

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 24: Number of SMMEs and Cooperatives assisted with business development support interventions by end of June 2022	Target		Actual
	Annual	50	N/A
	Quarter 1	20	146
	Quarter 2	20	86
	Mid-Year	40	232
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 - Achieved</p> <p>A total of 146 SMMEs and Cooperatives benefited from the LED Programmes to become commercially viable.</p> <p>Quarter 2 – Achieved</p> <p>A total of 86 Enterprises benefited from the LED Programmes to become commercially viable.</p> <p>Mid-Year – Achieved</p> <p>A total of 232 Enterprises benefited from the LED programmes to become commercially viable.</p> <p>Ref : LED 4</p>			

KPI 25: Number of work opportunities created through Public Employment Programmes (inclu.) EPWP, CWP and other related employment programmes by end of June 2021	Target		Actual										
	Annual	1200	N/A										
	Quarter 1	-	254										
	Quarter 2	600	442										
	Mid-Year	600	696										
Comment on the achievement of the KPI and remedial measures													
<p>Quarter 1 – N/A</p> <p>KPI not applicable for the 1st Quarter. However, the following jobs were created:</p> <table><tr><th>Project</th><th>Number of Jobs</th></tr><tr><td>EPWP – Phunyeletso</td><td>9</td></tr><tr><td>EPWP – Parks</td><td>42</td></tr><tr><td>PMU</td><td>46</td></tr><tr><td>Wet Refuse Collection</td><td>28</td></tr></table>				Project	Number of Jobs	EPWP – Phunyeletso	9	EPWP – Parks	42	PMU	46	Wet Refuse Collection	28
Project	Number of Jobs												
EPWP – Phunyeletso	9												
EPWP – Parks	42												
PMU	46												
Wet Refuse Collection	28												

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Landfill Management	26
Cogta Youth in Waste	9
IEM Green Deeds	7
Libraries	30
Community Facilities	42
Civil Facilities	15
TOTAL	254

Quarter 2 – Achieved

A total of **442** jobs were created through the following programmes:

Project	Number of Jobs
EPWP – Phunyeletso	4
EPWP – Taxi Rank	35
Katlego-Baphiring	91
Sethanye Trading and Projects	5
EPWP - Gogta	9
Mphele Engineers	26
EPWP – Parks	56
PMU	216
TOTAL	442

Mid-Year – Achieved

A total of 696 jobs were created during mid-year.

Ref : LED 5 & DCD 12

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 26: Average number of days from the point of advertising to the letter of award per 80/20 procurement process	Target		Actual
	Annual	90 days	120 days
	Quarter 1	90 days	120 days
	Quarter 2	90 days	120 days
	Mid-Year	90 days	120 days
Comment on the achievement of the KPI and remedial measures			
Quarter 1 – Not Achieved			
Reasons for Non-Achievement			
Committees not sitting regularly as scheduled due to members' other commitments, therefore cannot meet a minimum number to set up a quorum.			
Remedial Measures			
<ul style="list-style-type: none">• Training of all supply chain managers and supervisors on committee system• Have a dedicated day for committees and not hold any other meetings.			
Quarter 2 – Not Achieved			
Reasons for Non-Achievement			
Committees not sitting regularly as scheduled due to members' other commitments, therefore cannot meet a minimum number to set up a quorum.			
Remedial Measures			
<ul style="list-style-type: none">• Training of all supply chain managers and supervisors on committee system• Have a dedicated day for committees and not hold any other meetings.			
Mid-Year – Not Achieved			
The average number of days from the point of advertising to the letter of award per 80/20 procurement process were 120.			
Ref : SCM			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 27: Number of farms supported for agriculture development by end of June 2022.	Target		Actual
	Annual	40	0
	Quarter 1	10	0
	Quarter 2	20	24
	Mid-Year	20	24
Comment on the achievement of the KPI and remedial measures			
Quarter 1 – Not Applicable The target was not applicable as per the director's scorecard. Remedial Measures Alignment of targets. Quarter 2 – Achieved A total of 24 farmers were supported in Quarter 2. <ul style="list-style-type: none">• 14 farmers in Molote City• 10 farmers in Maumong. Department of Agriculture Land Reform & Rural Development has granted approval to support Rustenburg flagship project. Mid-Year - Achieved 24 farms out of the 20 targeted were supported during mid-year. Ref : LED 7			

4.5 Key Performance Area (KPA 5): Basic Service Delivery

KPI 28: Percentage reduction of non-revenue water	Target		Actual
	Annual	5%	N/A
	Quarter 1	N/A	N/A
	Quarter 2	2.5%	0
	Mid-Year	2.5%	0
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1: N/A</p> <p>KPI is not applicable for the quarter.</p> <p>Quarter 2: Not Achieved</p> <p>Reason for Non achievement Figures provided could not enable the calculation of the 2.5% target set</p> <p>Remedial measures The baseline percentage of non-revenue water will be stated on the revised score card and IWA report will be utilized as POE instead of BTO section 71 report on water losses.</p> <p>Mid-Year: Not Achieved</p> <p>Reason for Non achievement Figures provided could not enable the calculation of the 2.5% target set</p> <p>Remedial measures The baseline percentage of non-revenue water will be stated on the revised score card and IWA report will be utilized as POE instead of BTO section 71 report on water losses.</p> <p>Ref : DTIS 10</p>			

KPI 29: Percentage of drinking water samples complying to SANS241	Target		Actual
	Annual	98%	98%
	Quarter 1	98%	98%
	Quarter 2	98%	98%
	Mid-Year	98%	98%
Comment on the achievement of the KPI and remedial measures			
Quarter 1 – Achieved			
The municipality is complying to the water quality as per South African National Standards. Magalies Water, Rand water and RIG Holding provides the municipality with laboratory results.			
July	98.90		
August	98.72		

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

September 99.04

Quarter 2 - Achieved

The municipality is complying to the water quality as per South African National Standards. Magalies Water, Rand water and RIG Holding provides the municipality with laboratory results. The results for the 2nd quarter:

October were 97.92
November 96.07
December 98.70

Aggregate for the quarter under review was 97.56 rounded to 98% for the period under review.

Mid-Year – Achieved

Aggregate performance for the Mid-year is 98%

Ref : DTIS 9

KPI 30: Number of electrical substations constructed in Boitekong by 30 June 2022	Target		Actual
	Annual	1	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	N/A
	Mid-Year	N/A	N/A

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

KPI not applicable for the 1st quarter.

Quarter 2 – N/A

KPI not applicable for the 2nd quarter.

Mid-Year – N/A

KPI not applicable for Mid-year.

Ref : DTIS 12

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 31: Number of sewer network projects implemented by 30 June 2022	Target		Actual
	Annual	3	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	N/A
	Mid-Year	N/A	N/A
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 – N/A</p> <p>KPI not applicable for the 1st quarter.</p> <p>Quarter 2 – N/A</p> <p>KPI not applicable for the 2nd quarter.</p> <p>Mid-Year – N/A</p> <p>KPI not applicable for Mid-year.</p> <p>Ref: PMU 1</p>			

KPI 32: Number of water network projects implemented by 30 June 2022	Target		Actual
	Annual	2	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	N/A
	Mid-Year	N/A	N/A
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 – N/A</p> <p>KPI not applicable for the 1st quarter.</p> <p>Quarter 2 – N/A</p> <p>KPI not applicable for the 2nd quarter.</p> <p>Mid-Year – N/A</p> <p>KPI not applicable for Mid-year.</p> <p>Ref : PMU 2</p>			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 33: Percentage of AQ monitoring stations providing adequate data over a reporting year	Target		Actual
	Annual	50%	N/A
	Quarter 1	50%	33%
	Quarter 2	50%	33%
	Mid-Year	50%	33%
Comment on the achievement of the KPI and remedial measures			
Quarter 1 – Not Achieved			
Rustenburg Local Municipality has 3 Air Quality Monitoring Stations/Network, of the 3 RLM Stations, only one is operational and providing adequate data which is Marikana.			
Reasons for Non-Achievement			
Boitekong Station needs a new logger to provide data, the quotation for the installation of the logger was advertised on the 27/09/21 and closed on the 5/10/2021. It was re advertised on the 11/11/2021 and closed on the 19/11/2021 due to non-responsiveness of bidders.			
Quarter 2 – Not Achieved			
There are 3 Air Quality Monitoring Stations/Network, of the 3 RLM Stations, only one is operational and providing adequate data which is Marikana.			
Reasons for Non-Achievement			
Boitekong Station needs a new logger to provide data, the quotation for the installation of the logger was advertised on the 27/09/21 and closed on the 5/10/2021. It was re advertised on the 11/11/2021 and closed on the 19/11/2021 due to non-responsiveness of bidders.			
Tlhabane Station has been vandalized and not operational.			
Remedial Measures			
<ul style="list-style-type: none">Re-advertisement of installation of logger at Boitekong Station. Documents approved by CFO for re-advertisement. Dates for re-advertisement to be issued on the 24th of January 2022Relocation of Tlhabane Station to Tlhabane Library with the assistance of Unit: Civil Facilities. The slab contractor to be on site on Monday, 24 January 2022, according to Civil Facilities, which may take a week including drying up. Then relocation of the Station will follow.Boitekong Station - It was re advertised on the 11/11/2021 and closed on the 19/11/2021 due to non-responsiveness of bidders. Documents approved by CFO for re-advertisement. Dates for re-advertisement will be issued on the 24th of January 2022.			
Mid-Year: Not Achieved			
There are 3 Air Quality Monitoring Stations/Network, of the 3 RLM Stations, only one is operational and providing adequate data which is Marikana.			
Ref: DCD 9			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 34 : Percentage of known informal settlements receiving basic refuse removal services	Target		Actual
	Annual	83%	N/A
	Quarter 1	75%	92%
	Quarter 2	75%	92%
	Mid-Year	75%	92%
Comment on the achievement of the KPI and remedial measures			
Quarter 1 - Achieved 22 out of 24 informal settlements have been serviced through the clearing of illegal dumping and waste collection. This translates to 92%			
Quarter 2 - Achieved 22 out of 24 informal settlements for the period under review have been serviced through the clearing of illegal dumping and waste collection. This translates to 92%			
Mid-Year: Achieved 22 out of 24 informal settlements have been serviced through clearing of illegal dumping and waste collection. This translates to 92%			
Ref : DCD 2			

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 35: Percentage of formal households with a weekly solid waste removal service by 30 June 2022	Target		Actual
	Annual	100%	N/A
	Quarter 1	100%	100%
	Quarter2	100%	100%
	Mid-Year	100%	100%
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 - Achieved.</p> <p>Waste collection was done at 100% households.</p> <p>A total of 91871 households on the valuation roll excluding 4929 farms are serviced by the RLM waste collection services.</p> <p>Quarter 2 - Achieved.</p> <p>Waste collection was done at 100% households.</p> <p>A total of 91871 households on the valuation roll excluding 4929 farms are serviced by the RLM waste collection services.</p> <p>Mid-Year - Achieved.</p> <p>Waste collection was done at 100% households.</p> <p>A total of 91871 households on the valuation roll excluding 4929 farms are serviced by the RLM waste collection services.</p> <p>Ref : DCD 1</p>			

KPI 36: Number of stations completed for the integrated transport system.	Target		Actual
	Annual	14 Stations	N/A
	Quarter 1	4	0
	Quarter 2	10	0
	Mid-Year	14	0
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1: Not Achieved</p> <p>Reason for variance</p> <p>Contract terminated due to under-performance by the contractor.</p> <p>Remedial measures</p> <p>Strict monitoring of contractor and ensure community liaison officers have active and adequate consultation with business for as and interest groups. Contract to be re-advertised.</p>			

Quarter 2: Not Achieved

Reasons for Variance

Process to appoint new contractor delayed, pending the approval of the budget adjustment.

Remedial Measures

Tender to be advertised in 3rd quarter

Mid-Year – Not Achieved

Process to appoint new contractor delayed, pending the approval of the budget adjustment.

Ref : R&T 1

KPI 37: % Completion of RRT depot	Target		Actual
	Annual	40% Completion	N/A
	Quarter 1	0%	N/A
	Quarter 2	5%	0
	Mid-Year	5%	0

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

The KPI was not applicable for the 1st quarter.

Quarter 2 : Not Achieved

Alternative intervention was to open the Interim depot at the Rustenburg Show ground, provision has been made for offices, access road has been completed parking and for taxis and busses under construction

Recommended that the KPI be rephrase as” % completion of an interim depot”

Mid-Year – Not Achieved

Alternative intervention was to open the Interim depot at the Rustenburg Show ground, provision has been made for offices, access road has been completed parking and for taxis and busses under construction

Recommended that the KPI be rephrase as to read as” % completion of an interim depot” and target be 100% by end June 2022.

Ref : R&T 2

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 38: No. of buses acquired through the Bus operating company	Target		Actual
	Annual	15 buses	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	N/A
	Mid-Year	N/A	N/A
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 – N/A</p> <p>The KPI was not applicable for 1st quarter.</p> <p>Quarter 2 – N/A</p> <p>The KPI was not applicable for 2nd quarter. It is recommended the Target for the KPI be adjusted to 12 because the manufacturers can only be able to deliver 12 buses in terms of their manufacturing programme</p> <p>Mid-Year – N/A</p> <p>The KPI was not applicable for Mid-year. It is recommended the Target for the KPI be adjusted to 12 because the manufacturers can only be able to deliver 12 buses in terms of their manufacturing programme</p> <p>Ref : R&T 3</p>			

KPI 39: % Completion of RRT Feeder routes & Bus Stops	Target		Actual
	Annual	30% Completion	N/A
	Quarter 1	0%	N/A
	Quarter 2	10%	0
	Mid-Year	10%	0
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 - N/A</p> <p>The KPI was not applicable for the 1st quarter.</p> <p>Quarter 2 – Not Achieved</p> <p>Reasons for Non-Achievement</p> <p>The department of Transport has recommended that the Municipalities must scale down on infrastructure projects and priorities the operations, budget which were supposed to be used will be re directed to operation. It is recommended that the KPI be removed based on the background provided.</p> <p>Remedial measures</p>			

Item to request donation of land approved on the 30 march 2021. Letters have been sent to the department to request progress on the transfer of land and the approval was received in January 2022. The Land transfer approval has been Received and it is envisaged it would be register under RLM by 30 June 2022.

Mid-Year – Not Achieved

Reasons for Non-Achievement

The department of Transport has recommended that the Municipalities must scale down on infrastructure projects and priorities the operations, budget which were supposed to be used will be re directed to operation. It is recommended that the KPI be removed based on the background provided.

Remedial measures

Item to request donation of land approved on the 30 march 2021. Letters have been sent to the department to request progress on the transfer of land and the approval was received in January 2022. The Land transfer approval has been Received and it is envisaged it would be register under RLM by 30 June 2022.

Ref : R&T 4

KPI 40: KM's of new municipal road lanes built	Target		Actual
	Annual	10km	N/A
	Quarter 1	0	N/A
	Quarter 2	2km	0
	Mid-Year	2km	0

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

The KPI is not applicable for the quarter under review.

Quarter 2 – Not Achieved

Reasons for Non Achievement

The contractors have been appointed for Meriting roads and storm water and Marikana roads and storm water projects. Site established completed in November 2021. Construction was delayed by appointment of local Labour and SMME for sub-contracting.

Remedial measures

Memo has been sent through ward Councilors to register for labour and SMME opportunities Construction is ongoing. completion of 10km to be completed by 30 June 2022

Mid-Year – Not Achieved

Reasons for Non Achievement

The contractors have been appointed for Meriting roads and storm water and Marikana roads and storm water projects. Site established completed in November 2021. Construction was delayed by appointment of local Labour and SMME for sub-contracting.

Remedial measures

Memo has been sent through ward Councilors to register for labour and SMME opportunities
Construction is ongoing. completion of 10km to be completed by 30 June 2022

Ref : R&T 3

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

KPI 41: Percentage of compliance with the required attendance time for structural firefighting incidents	Target		Actual
	Annual	100%	N/A
	Quarter 1	100%	100%
	Quarter 2	100%	100%
	Mid-Year	100%	100%

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Achieved.

According South African National Standard 10090 community protection against fires, provides for a maximum call receipt and turnaround time of 3 hours as maximum across all the 5 categories. All fire incidents reported were attended to within the prescribed time.

QUARTER 1	NUMBER OF CALLS	PERCENTAGE OF ATT
JULY 2021	52	
AUGUST 2021	58	
SEPTEMBER	68	
TOTAL	178	100%

Quarter 2 – Achieved

QUARTER 2	NUMBER OF CALLS	PERCENTAGE OF ATT
OCTOBER 2021	45	
NOVEMBER 2021	44	
DECEMBER 2021	45	
TOTAL	134	100%

Mid-Year - Achieved

As at Mid-term a total of 312 call were received and attended.

Recommended that the KPI and the target be realigned with Directors KPI and target.

DPS 5

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

4.6 Key Performance Area (KPA 6): Spatial Rationale - Develop and Sustain a Spatial, Natural and Built Environment

KPI 43: Number of privately owned portions of land acquired for human settlement by June 2022	Target		Actual
	Annual	1	N/A
	Quarter 1	Progress Report	Progress Report
	Quarter 2	Progress Report	Progress Report
	Mid-Year	Progress Report	Progress Report
Comment on the achievement of the KPI and remedial measures			
<p>Quarter 1 – Achieved</p> <p>Land portions acquired were approved per item 195 of the Ordinary Virtual Council meeting of the 27 July 2021, regarding the number of privately owned portions. The following acquisitions have been initiated:</p> <ol style="list-style-type: none"> 1. Farm Kroondal 304 JQ, Portions 25 and 52. 2. Paardekraal 279 JQ, Portions 15, 39, 112 and 148. <p>Quarter 2 – Achieved</p> <p>Pre-acquisition feasibility study for Portion 25 and 52 of Farm Kroondal 304 JQ was received from Housing Development Agency (HDA). The clearance figures with regard to Portions of the Farm Paardekraal were forwarded to the attorney firm on the 03 December 2021 for necessary payments.</p> <p>Mid-Year - Achieved</p> <p>Pre-acquisition feasibility study for Portion 25 and 52 of Farm Kroondal 304 JQ was received from Housing Development Agency (HDA). The clearance figures with regard to Portions of the Farm Paardekraal 279 JQ Portion 15, 39, 112 and 148 were forwarded to the attorney firm on the 03 December 2021 for necessary payments. The KPI be renumbered to be 42</p> <p>Ref : DPHS 2</p>			

KPI 44: Number of townships established	Target		Actual
	Annual	2	N/A
	Quarter 1	Progress report	Progress Report
	Quarter 2	Progress Report	Progress Report
	Mid-Year	Progress Report	Progress Report

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

KPI not applicable for the 1st quarter.

Quarter 2 – Achieved

Ngoti Development Consultants was appointed to do a feasibility study in order to analyse the possibility of formalising Soviet view informal settlement. Draft Feasibility Study submitted by Consultant on 26th October 2021.

Mid-Year - Achieved

Ngoti Development Consultants was appointed to do a feasibility study in order to analyse the possibility of formalising Soviet view informal settlement. Draft Feasibility Study submitted by Consultant on 26th October 2021. The KPI be renumbered to be 43

Ref : DPHS 5

KPI 45 : Number of SDF submitted to Council by June 2022	Target		Actual
	Annual	1	N/A
	Quarter 1	N/A	N/A
	Quarter 2	N/A	Achieved
	Mid-Year	N/A	Achieved

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Not Applicable

KPI not applicable for the 1st quarter.

Quarter 2 – Achieved

Progress report on the review of SDF served before Special Council of 26/08/2021 as per Item 218 and it was resolved that the report be subject to public participation in line with the Municipal System Act (section 21 and 21A).

Mid-Year – Achieved

Progress report on the review of SDF served before Special Council of 26/08/2021 as per Item 218 and it was resolved that the report be subject to public participation in line with the Municipal System Act (section 21 and 21A). The KPI be renumbered to be 44

Ref : DPHS 8

4.7 Conclusive Analysis of Mid-Year Performance**Table 6: Mid-Year Performance of the Organization**

The analysis on the table below was based actual KPI statuses for all directorates..

No.	Directorate/Office	Total Number of KPIs	KPI's Applicable	KPI's Not Applicable	Achieved	% achieved against applicable KPI	Not Achieved	Not Concluded
1.	Budget and Treasury	24	20	4	4	20%	16	0
2.	Community Development	20	20	0	13	65%	3	4
3.	Corporate Support Services	22	16	6	3	19%	13	0
4.	Local Economic Development	16	11	5	10	91%	1	0
5.	Planning & Human Settlement	18	16	2	9	56%	7	0
6.	Public Safety	14	14	0	4	29%	10	0
7.	Roads and Transport	16	14	2	2	14%	12	0
8.	Technical and Infrastructure	13	10	0	1	10%	9	3
9	Municipal Manager	44	33	11	14	42%	18	01

4.8 RECOMMENDATION FOR AN ADJUSTMENT BUDGET

Having assessed the performance of the Municipality up to the second quarter of the 2021/2022 financial year, I consider the following factors to inform the adjustment of the approved 2021/22 MTREF:

- The revenue streams as anticipated that are performing below or over expectation
- Current status of the municipality mSCOA implementation and effects thereof
- The increase in our debtors book is an indication of a reduction in the payment levels due to COVID 19 and layoffs and also community is now defaulting on payment for services rendered.
- The Impact of service delivery, Over and Under performance of expenditure items on the approved budget
- To address the impact of rolled over grant allocation by National Treasury after adoption of the 2021/22 MTREF
- Issues that, from the engagements the municipality has had with National Treasury, will also have to be addressed through the Adjustment Budget

5. SECTION C – PAST YEAR ANNUAL REPORT

The Rustenburg Local Municipality's Annual Report 2019/2020 was tabled at the Municipal Council meeting on the 26 August 2021 as per Item No 228. The timing of tabling of the full components of the 2019/2020 annual report was influenced by the date of 16 July 2021 on which the Auditor General of South Africa released the report with disclaimer of opinion.

The table below provides a summary of matters raised by the office of the Auditor general and progress to date.

Audit finding	Recurring finding					Root cause of finding (2019/20)	Remedial action to address audit finding	Timeframe	External/ Internal Resources (name of department or name of consultant)	Progress to date
	2017	2018	2019	2020	2021					
Property, plant and equipment	X	X	X	X	In Progress	Infrastructure assets: overall limitation on testing infrastructure due to significant restrictions in the information in the fixed asset register.	The Municipality went out on tender to acquire to appoint a service provider with expertise for unbundling of the infrastructure asset register, conditional assessment as well as review of RUL of all infrastructure asset classes.	Under audit	BTO Team and External Consultants	The service provider to commence work in January 2022 and will introduce a system for asset management.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Audit finding	Recurring finding					Root cause of finding (2019/20)	Remedial action to address audit finding	Timeframe	External/ Internal Resources (name of department or name of consultant)	Progress to date
Cash and Cash Equivalents			X	X	In Progress	No listing in place to support the opening bank reconciliation. Bank Deposits were duplicated due to the misalignment of the system transaction codes resulting in duplication of deposit transactions	RLM Revised all prior year (2018 - 2019 and 2019 and 2020) bank reconciliations during 2021 financial year using the Audited Bank Recons of 17/18 as a starting point. RLM posted prior year adjustments to uncleared reconciling items and errors and obtained supporting documentation to support the adjustments posted	Under audit	BTO Team and CCG System Vendor	Under audit
VAT Receivable		X	X	X	In Progress	VAT incorrectly accounted for.	The system vendor to develop and implement a report that will indicate amount exclusive/inclusive of vat. Adjust prior year reasonability testing after determining vatable debtors / creditors.	Under audit	BTO Team and CCG System Vendor	Under audit

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Audit finding	Recurring finding					Root cause of finding (2019/20)	Remedial action to address audit finding	Timeframe	External/ Internal Resources (name of department or name of consultant)	Progress to date
							Monitoring of monthly transactions and journals passed against the VAT control accounts.			
Payables from exchange transactions		X	X	X	In Progress	Limitation of scope on the unallocated deposit registers. Unallocated Consumer Accounts included cleared entries that were not removed due to a lack of clearing functionality in the SAGE system.	Allocate a dedicated resource to compile the register, to investigate and match the deposit with allocations, and compile a cleared monthly unallocated deposit register. To review the registers on a weekly/monthly basis. Requested the system vendor to implement the clearing functionality in the suspense account.	Under audit	BTO Team and CCG System Vendor	Under audit

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Audit finding	Recurring finding					Root cause of finding (2019/20)	Remedial action to address audit finding	Timeframe	External/ Internal Resources (name of department or name of consultant)	Progress to date
Unspent grant		X	X	X	In Progress	Opening Balance - Limitation on RRT project. Current year movement cleared	Grants register prepared and reviewed on a monthly basis. Collate approvals and confirmation from National Treasury in support of the opening balance. Prove that balance agrees to the books of the grantor as per roll over applications and approvals.	Under audit	BTO and RRT Team	Under audit
Expenditure - General expenses and Inventory Impairment loss			X	X	In Progress	Municipal own accounts written off. Unable to obtain assurance for the impairment of inventory	System vendor has been engaged for assistance with reversing (rebating) billing on all municipal owned properties in line with GRAP requirements. Bad debts written off on these accounts will then be reversed. Obsolete stock to be accurately valued Assessment of the obsolete inventory to be done once a quarter. Stock write off report current awaiting MPAC / Council approval.	Under audit	BTO Team	Under audit

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Audit finding	Recurring finding					Root cause of finding (2019/20)	Remedial action to address audit finding	Timeframe	External/ Internal Resources (name of department or name of consultant)	Progress to date
Employee Costs			X	X	In Progress	Lack of supporting documents for overtime	BTO developed a checklist whereby End User Directorates should ensure that, all information regarding the overtime are properly kept and are available when requested by Auditors. Checklist include sign off by the supervisors and Director that there was pre-approval of overtime, motivation for overtime, job cards or timesheets are filled/scanned, prior approval by CFO and MM for payment	Under audit	RLM Team	Under audit

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Audit finding	Recurring finding					Root cause of finding (2019/20)	Remedial action to address audit finding	Timeframe	External/ Internal Resources (name of department or name of consultant)	Progress to date
Receivables				X	In Progress	Balances due on municipal owned properties does not meet the recognition criteria of an asset. Limitation on testing payments made on consumer accounts. Limitation of scope on testing gross fines	An exercise was performed in June to reverse all charges billed on municipal properties. Receipt printing module updated to print receipts. Traffic fines accounted for in line with the guidance from the DPP. Traffic fines expire after 1 year and 2 years depending on the category of fines and are impaired accordingly.	Under audit	BTO Team and CCG System Vendor	Under audit

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Audit finding	Recurring finding					Root cause of finding (2019/20)	Remedial action to address audit finding	Timeframe	External/ Internal Resources (name of department or name of consultant)	Progress to date
Revenue				X	In Progress	Unable to calculate interest received due to the unavailability of information in support of this historical balance on the related consumer accounts. Electricity sales not accurately accounted for	Various sessions held with AGSA, CCG & RLM to take auditors through all technical aspects of the interest calculation. Integration of all meter reading systems and financial system	Under audit	BTO Team, DTIS Team and CCG System Vendor	Under audit
Employee Benefit Obligation				X	In Progress	Non submission of medical aid information for employees and continuation members	Collating all outstanding information for in service and continuation members. Supporting documents to form part of prior year section of the audit file. Strengthen controls around filing and scanning of documents.	Under audit	DSC Team	Under audit

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Audit finding	Recurring finding					Root cause of finding (2019/20)	Remedial action to address audit finding	Timeframe	External/ Internal Resources (name of department or name of consultant)	Progress to date
Commitments	X	X	X	X	In Progress	Commitments: prior year balance misstated. Current year balance cleared	Allocate Appointment amounts and expenditure to the correct FY. Ensure that completed and terminated projects are removed from the commitment register - attach completed certificate and termination letter as proof	Under audit	BTO Team	Under audit
Irregular Expenditure	X	X	X	X	In Progress	Irregular expenditure not complete	To perform compliance check for the entire SCM Process. Develop a compliance Checklist with minimum requirements. Test the compliance process of Demand and Acquisition Management. Correction of Opening Balances. Use management letter of the previous audit as the starting to adjust the opening balance.	Under audit	BTO Team	Under audit

6. SECTION D – PERFROMANCE OF MUNICIPAL ENTITY

The report of the Rustenburg Water Service Trust is attached as **Annexure B**



RUSTENBURG WATER SERVICES TRUST



**MID YEAR PERFORMANCE REPORT
1 JULY 2021 TO 25 DECEMBER 2021**

Prepared for:



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LIST OF CONTENTS

1.	TERMS OF REFERENCE FOR THE RUSTENBURG WATER SERVICES TRUST (RWST).....	3
2.	PERFORMANCE PLAN SCORECARD FOR THE RWST.....	4
2.1	Key Performance Area (KPA 5): Basic Services and Infrastructure Development	4
	Signatures	7
2.2	KPI 1: NUMBER OF SEWER PURIFICATION PLANTS OPERATED IN TERMS OF AGREED STANDARDS.	8
2.3	KPI 2.1: NUMBER OF SEWER PURIFICATION PLANTS MAINTAINED IN TERMS OF THE TRUST DEED.	8
	KPI 2.2: PLANT AVAILABILITY OF SEWER PURIFICATION PLANTS MAINTAINED IN TERMS OF AGREED STANDARDS.	8
2.4	KPI 3: PERCENTAGE COMPLETION OF SEWER PURIFICATION PLANTS UPGRADING PROJECTS (BOITEKONG).	10
2.5	KPI 4: VOLUME OF TREATED WASTE WATER SUPPLIED TO THE INDUSTRIAL WATER OFF-TAKERS IN TERMS OF THE OFF-TAKE AGREEMENT.	10
2.6	KPI 5: PERCENTAGE COMPLIANCE IN THE TREATMENT OF SEWERAGE AT WASTE WATER TREATMENT WORKS IN TERMS OF DWS LICENSE AGREEMENT.	11
2.7	KPI 6: NUMBER OF WATER TREATMENT WORKS OPERATED	17
2.8	KPI 7.1: PLANT AVAILABILITY, NUMBER OF WATER TREATMENT WORKS MAINTAINED	17
	KPI 7.2: PLANT MAINTENANCE OF WATER TREATMENT WORKS MAINTAINED	17
2.9	KPI 8: PERCENTAGE COMPLETION OF WATER TREATMENT PLANTS - CIVIL WORKS	18
2.10	KPI 9: VOLUME OF POTABLE WATER SUPPLIED TO RLM IN ACCORDANCE WITH THE WATER SUPPLY AGREEMENT	19
2.11	KPI 10: PERCENTAGE COMPLIANCE IN THE TREATMENT OF WATER FOR POTABLE USE IN TERMS OF DWS STANDARDS	19

MID YEAR PERFORMANCE REPORT FOR RUSTENBURG LOCAL MUNICIPALITY ON THE RUSTENBURG WATER SERVICES TRUST FOR THE PERIOD 1 JULY 2021 TO 25 DECEMBER 2021.

1. TERMS OF REFERENCE FOR THE RUSTENBURG WATER SERVICES TRUST (RWST)

The following report is the result of a performance assessment of the Rustenburg Water Services Trust, for the period from to 1 July 2021 to 25 December 2021. The report considers Treasury Guidelines dated May 2007 (ISBN: - 978-0-621-37152-9) entitled, "Framework for Managing Programme Performance Information." The Trust is committed to adhering to these guidelines.

The five objectives of the Trust are captured in the Business Plan, the Strategic Plan and Trust Deed and as such is as follows:

1. To procure the design for the required plant extension.
2. To procure the construction and oversee implementation.
3. To Operate and Maintain the following treatment plants:
 - Rustenburg waste water treatment works,
 - Boitekong waste water treatment works,
 - Monakato waste water treatment works,
 - Lethabong waste water treatment works,
 - Bospoort water treatment works,
 - Kloof water treatment works,

In the most cost-effective manner and for the purposes of maximizing the Trust Income to be distributed to the Beneficiary.

4. To provide potable water to RLM in accordance with the Water Services Agreement; and
5. To Supply treated water to the industrial water off-takers in terms of the Off Take agreements.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022



2. PERFORMANCE PLAN SCORECARD FOR THE RWST

2.1 Key Performance Area (KPA 5): Basic Services and Infrastructure Development

Key Focus Area/Goal	Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2021/22	Portfolio of Evidence	2021/ 22 Annual Target	Annual Budget 2021 / 22 R'000	Period	Target	Performance	Score	Reasons for Variance (if any)	Remedial Measures
1. MUNICIPAL STRATEGIC PRIORITY: Develop and sustain a spatial, natural, and built environment																
1.1. Municipal Strategic Objective: Accelerated delivery and maintenance of quality basic and essential services to all Communities																
WATER SERVICES																
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	1	OBJ 3	5	Number of functional sewer purification plants operated in terms of Trust Deed	4	4 x log sheets of volumes of purification plants for Boitekong, Lethabong, Rustenburg and Monakato.	4	R74.2	Q1	4	4	3	N/A	N/A
											Q2	4	4	3	N/A	N/A
											Mid-Year	4	4	3	N/A	N/A
											Q3	4				
											Q4	4				
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	2.1	OBJ 3	5	Number of sewer purification plants maintained in terms of the Trust Deed	4	Maintenance history for Boitekong, Lethabong, Rustenburg and Monakato.	4	R13.3	Q1	4	4	3	N/A	N/A
											Q2	4	4	3	N/A	N/A
											Mid-Year	4	4	3	N/A	N/A
											Q3	4				
											Q4	4				
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	2.2	OBJ 3	5	Plant availability of sewer purification plants maintained in terms of agreed standards	85%	Reports of 4 plants, assessing 10 selected items	85%	R13.3	Q1	85%	99%	3	N/A	N/A
											Q2	85%	98.8%	3	N/A	N/A
											Mid-Year	85%	98.9%	3	N/A	N/A
											Q3	85%				
											Q4	85%				
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	20, 21	3	OBJ 2	10	Boitekong upgrade, completed 2019/2020	100% completed 2019/2020	Engineer's Completion Certificate	N/A - 100% completed 2019/2020	-	Q1	100% complete	100% complete	3	Project completed 2019/2020	N/A
											Q2	100% complete	100% complete	3	Project completed 2019/2020	N/A
											Mid-Year	100% complete	100% complete	3	Project completed 2019/2020	N/A
											Q3	100% complete				
											Q4	100% complete				
Key Focus Area/Goal	Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance	Baseline 2020/21	Portfolio of Evidence	2020 / 21 Annual	Annual Budget	Period	Target	Performance	Score	Reasons for Variance (if any)	Remedial Measures

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022



						Indicator (KPI)			Target	2020 / 21 R'000						
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Waste Water Supply	14,15,16	4	OBJ 5	10	Volume of treated waste water supplied to the industrial water off-takers in terms of the Off-take Agreement	Average 25Ml/day	Anglo & Impala log sheets	Average 25Ml/day	R66.2	Q1	25 Ml/day	22.92 Ml/d	2	Refer to page 10	Refer to page 10
											Q2	25 Ml/day	24.91 Ml/d	2	Refer to page 10	Refer to page 10
											Mid-Year	25 Ml/day	26.13 Ml/d	3	N/A	N/A
											Q3	25 Ml/day				
											Q4	25 Ml/day				
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Waste Water Supply	All	5	OBJ 3	10	Percentage compliance in the treatment of sewerage at Waste Water Treatment Works in terms of Anglo/DWS license agreement	90%	4 tables on water quality + lab certificates	90%	R61.5	Q1	90%	67.6%	2	Refer to page 11	Refer to page 11
											Q2	90%	73.13%	2	Refer to page 11	Refer to page 11
											Mid-Year	90%	70.4%	2	Refer to page 11	Refer to page 11
											Q3	90%				
											Q4	90%				
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Purification	All	6	OBJ 3 + 4	5	Number of water treatment works operated	2	2 x log sheets of volumes for Bospoort and Kloof	2	R43.5	Q1	2	2	3	N/A	N/A
											Q2	2	2	3	N/A	N/A
											Mid-Year	2	2	3	N/A	N/A
											Q3	2				
											Q4	2				
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Purification	All	7.1	OBJ 3 + 4	5	Plant availability: Number of water treatment works maintained	85%	2 reports for Bospoort and Kloof assessing 10 selected items	85%	R13.3	Q1	85%	98.4%	3	N/A	N/A
											Q2	85%	98.4%	3	N/A	N/A
											Mid-Year	85%	98.4%	3	N/A	N/A
											Q3	85%				
											Q4	85%				
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Purification	All	7.2	OBJ 3 + 4	5	Plant maintenance of water treatment works maintained	2	Maintenance history for Bospoort and Kloof	2	R13.3	Q1	2	2	3	N/A	N/A
											Q2	2	2	3	N/A	N/A
											Mid-Year	2	2	3	N/A	N/A
											Q3	2				
											Q4	2				
Key Focus Area/Goal	Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance	Baseline 2020/21	Portfolio of Evidence	2020 / 21 Annual	Annual Budget	Period	Target	Performance	Score	Reasons for Variance (if any)	Remedial Measures

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022



						Indicator (KPI)			Target	2020 / 21 R'000							
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Purification	All	8	OBJ 2	10	Percentage completion of water treatment plants - civil works upgrading project (Bospoort)	100%	Engineers take over certificate	Target is remaining 3% to completion.	R7.7	Q1	3%	3%	3	N/A	N/A	
											Q2	3%	3%	3	N/A	N/A	
											Mid-Year	3%	3%	3	N/A	N/A	
											Q3						
											Q4						
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Supply	All	9	OBJ 4	10	Volume of potable water supplied to RLM in accordance with the Water Supply Agreement	Average 10.8 MI/day	2 x log sheets for Bospoort and Kloof	Average 10.8 MI/day	R43.5	Q1	Average 10.8 MI/day	Average 10.93 MI/day	3	N/A	N/A	
											Q2	Average 10.8 MI/day	Average 10.39 MI/day	2	N/A	N/A	
											Mid-Year	Average 10.8 MI/day	Average 10.7 MI/day	2	N/A	N/A	
											Q3						
											Q4						
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Supply	All	10	OBJ 4	10	Percentage compliance in the treatment of water at Water Treatment Works in terms of SANS standards	95%	2 x water quality reports and lab certificates	95%	R18.4	Q1	95%	97.6%	3	N/A	N/A	
											Q2	95%	92.9%	2	N/A	N/A	
											Mid-Year	95%	95.3%	3	N/A	N/A	
											Q3						
											Q4						
Financial	Financial	All	11	OBJ 3	10	Maintain a debt service ratio covenant - to ensure cost effectiveness.	1.5	Quarterly financial statement, refer to DSCR	1,5 times	1,5 times	Q1	>1,5	>1,5	3	N/A	N/A	
											Q2	>1,5					
											Mid-Year	>1,5					
											Q3						
											Q4						
TOTAL					100						Q1				37		
											Q2						
											Mid-Year						
											Q3						
											Q4						

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022



Key Performance Areas (KPA's)	KPI No.	KPA Weightings	KPI Score	Assess Weightings	Weighted Score	Panel Score
Number of functional sewer purification plants operated in terms of Trust Deed	1	3	3/3	100%	3	
Number of sewer purification plants maintained in terms of agreed standards	2.1	3	3/3	100%	3	
Plant availability of sewer purification plants maintained in terms of agreed standards	2.2	3	3/3	100%	3	
Percentage completion of sewer purification plants upgrading projects (Boitekong). Project completed 2019 / 2020.	3	3	3/3	100%	3	
Volume of treated waste water supplied to the industrial water off-takers in terms of the Off-take Agreement	4	3	3/3	100%	3	
Percentage compliance in the treatment of sewerage at Waste Water Treatment Works in terms of DWS license agreement	5	3	2/3	70.4%	2	
Number of water treatment works operated in terms of agreed standards	6	3	3/3	100%	3	
Plant availability: Number of water treatment works maintained	7.1	3	3/3	100%	3	
Plant maintenance of water treatment works maintained	7.2	3	3/3	100%	3	
Percentage completion of water treatment plants - civil works upgrading project (Bospoort)	8	3	3/3	100%	3	
Volume of potable water supplied to RLM in accordance with the Water Supply Agreement	9	3	2/3	99.1%	2	
Percentage compliance in the treatment of water at Water Treatment Works in terms of DWS license	10	3	3/3	100%	3	
Debt Service Cover Ratio >1,5 times	11	3	3/3	100%	3	
Total KPA		39	37/39	97.7%	37739	

Signatures

SIGNED AND ACCEPTED ON BEHALF OF COUNCIL	SIGNED AND ACCEPTED BY THE TRUST ACCOUNTING OFFICER
NAME: MR EDWARD KOMANE	NAME: MR PETER MAAS
SIGNATURE:	SIGNATURE:
DATE:	DATE:

2.2 KPI 1: NUMBER OF SEWER PURIFICATION PLANTS OPERATED IN TERMS OF AGREED STANDARDS.

RWST is responsible for the operation and management of the four waste water treatment works, namely -

Rustenburg Waste Water Treatment Works	(42 Ml/d design capacity)
Boitekong Waste Water Treatment Works	(24 Ml/d design capacity)
Monakato Waste Water Treatment Works	(1 Ml/d design capacity)
Lethabong Waste Water Treatment Works	(2 Ml/d design capacity)

Water and Sanitation Services South Africa (Pty) Ltd, trading as Water Solutions Southern Africa (WSSA) has been contracted by the Rustenburg Water Services Trust (RWST) for the operation of these plants.

The volumes treated by each plant for the period under review, are captured below and are dependant on the inflow into the plant.

Table: 1 Waste Water Volumes Treated

PLANT	CAPACITY	JULY -DEC 2021
Rustenburg WWTW	42 Ml/d	38.76 Ml/d
Boitekong WWTW	24 Ml/d	13.86 Ml/d
Monakato WWTW	1 Ml/d	1.13 Ml/d
Lethabong WWTW	2 Ml/d	0.16 Ml/d

Performance review:

All four plants operated in terms of the agreement.

2.3 KPI 2.1: NUMBER OF SEWER PURIFICATION PLANTS MAINTAINED IN TERMS OF THE TRUST DEED.

There are 4 (four) waste water treatment works maintained in terms of agreed standards, namely: Rustenburg, Boitekong, Monakato, Lethabong Waste Water Treatment Works.

KPI 2.2: PLANT AVAILABILITY OF SEWER PURIFICATION PLANTS MAINTAINED IN TERMS OF AGREED STANDARDS.

The successful operation of a Waste Water Treatment Works is largely dependent on the installed machinery and equipment to ensure that the waste water can be treated according to the process the plant was designed for.

It is thus vital that all machinery and equipment be kept in good working condition and available for use when required.

Regular servicing and preventative maintenance however require that equipment be taken out of service for a certain period. It will thus not always be possible to obtain a 100% of all equipment availability and the target of 85% availability is set.

Monthly spot checks are performed by RWST to verify availability. The availability of the four waste water treatment works is indicated below:

Table: 2 Plant availability

PLANT	CAPACITY	AVAILABILITY	
		Target	JULY - DEC 2021
Rustenburg WWTW	42 Ml/d	85%	98.6%
Boitekong WWTW	24 Ml/d	85%	100%
Monakato WWTW	1 Ml/d	85%	100%
Lethabong WWTW	2 Ml/d	85%	96.7%
Overall plant availability			98.8%

Performance review -
All four plants exceeded the target availability of 85%.

Reasons for variance -
Turnaround time for maintenance is quicker than allowed for.

Remedial Measures -
None required.

2.4 KPI 3: PERCENTAGE COMPLETION OF SEWER PURIFICATION PLANTS UPGRADING PROJECTS (BOITEKONG).

Upgrade of the plant to 24 Ml/d was completed and defects liability period ended in June 2021.

Table 3: Boitekong Construction Progress

BOITEKONG WWTW CONSTRUCTION PROGRESS			
CONTRACT	PROGRESS		PROGRESS FOR PERIOD
	25 SEPT 2021	25 DEC 2021	
Civil	100%	100%	-
M&E	100%	100%	-
Overall	100%	100%	-

2.5 KPI 4: VOLUME OF TREATED WASTE WATER SUPPLIED TO THE INDUSTRIAL WATER OFF-TAKERS IN TERMS OF THE OFF-TAKE AGREEMENT.

As per off-take agreement between the RWST and the mines, a total of 25 Ml/d treated effluent water from the Rustenburg WWTW is to be made available for use as process water. Of this 10 Ml/d is allocated to Impala and 15 Ml/d to Anglo Platinum.

The average supplied volume is detailed in the table below.

Table 4: Average daily supply of treated effluent

Mine Name	Average for the period July – December 2021
Anglo Platinum	16.6 Ml/d
Impala	9.53 Ml/d
Total	26.13 Ml/d

Performance review -
Rustenburg WWTW met the average combined target of 25 Ml/d.

Reasons for variance -
Not applicable

Remedial Measures -
Not applicable.

2.6 KPI 5: PERCENTAGE COMPLIANCE IN THE TREATMENT OF SEWERAGE AT WASTE WATER TREATMENT WORKS IN TERMS OF DWS LICENSE AGREEMENT.

Water discharged from the waste water treatment works needs to comply with the relevant Department of Water and Sanitation (DWS) Water Use License requirements.

2.6.1 BOITEKONG WASTE WATER TREATMENT WORKS

Table 5: DWS License conditions for Boitekong WWTW

Determinant	Performance standard
pH	6.5 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 75 mg/l
Ammonia	< 1 mg/l
Nitrate	< 15 mg/l
Suspended Solids	< 25 mg/l
Faecal Coliform	< 0/100 ml
Free Chlorine	< 0.25 mg/l
Orthophosphate	< 1.0 mg/l

Table 6: Quality performance of Boitekong WWTW for the period under review.

Determinant	Performance standard (DWS)	Performance 1 July – 25 September 2021		Performance 26 September – 25 December 2021	
		Performance achieved	% Compliance	Performance achieved	% Compliance
pH	6.5 - 8.5	7.40-7.61	100%	7.67-7.74	100%
Elec. Conductivity	< 150 mS/m	106-136 mS/m	100%	107-144 mS/m	100%
COD	< 75 mg/l	18-38 mg/l	100%	20-57 mg/l	100%
Ammonia	< 1.00 mg/l	0.10-5.65 mg/l	67%	0.10-0.18 mg/l	100%
Nitrate	< 15 mg/l	0.62 - 3.64 mg/l	100%	5.87 – 11.00 mg/l	100%
Suspended Solids	< 25 mg/l	2-2 mg/l	100%	2-2 mg/l	100%
Faecal Coliform	< 0/100 ml	0-32 / 100 ml	33%	0-0 / 100 ml	100%
Free Chlorine	< 0.25 mg/l	0.31-0.39 mg/l	Non-compliant	0.25-0.26 mg/l	67%
Orthophosphate	< 1.00 mg/l	0.47-3.51 mg/l	33%	0.25-4.66 mg/l	67%
OVERALL COMPLIANCE			70.3%		92.6%
MIDYEAR OVERALL COMPLIANCE: 81.5%					

Performance review -

Boitekong WWTW did not meet the overall quality target of 90% over the 6 months period.

Reasons for variance -

Not receiving enough water due to blockages

Persistent power failures.

Periodic flow due to water restrictions: there is no water at night.

Remedial Measures -

Issue of sewer blockages has been discussed with RLM; further urgent action required by RLM.

2.6.2 LETHABONG SEWAGE TREATMENT PLANT

Table 7: DWS License conditions for Lethabong WWTW

Determinant	Performance standard
pH	6.5 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 75 mg/l
Ammonia	< 1 mg/l
Nitrate	< 15 mg/l
Suspended Solids	< 25 mg/l
Faecal Coliform	< 0 / 100 ml
Free Chlorine	< 0.25 mg/l
Orthophosphate	< 1.0 mg/l

Table 8: Quality performance of Lethabong WWTW for the period under review.

Determinant	Performance standard (DWS)	Performance 1 July – 25 September 2021		Performance 26 September – 25 December 2021	
		Performance achieved	% Compliance	Performance achieved	% Compliance
pH	6.5 - 8.5	8.27-8.74	67%	7.36-8.01	100%
Elec. Conductivity	< 150 mS/m	89-161 mS/m	67%	96-129 mS/m	100%
COD	< 75 mg/l	15-55 mg/l	100%	25-39 mg/l	100%
Ammonia	< 1 mg/l	0.10-0.23 mg/l	100%	0.10-6.10 mg/l	33%
Nitrate	< 15 mg/l	6.2-10.5 mg/l	100%	4.5-9.0 mg/l	100%
Suspended Solids	< 25 mg/l	2-4 mg/l	100%	2-24 mg/l	100%
Faecal Coliform	< 0 / 100 ml	0-49 / 100 ml	67%	0-0 / 100 ml	100%
Free Chlorine	< 0.25 mg/l	0.18-1.26 mg/l	33%	0.24-0.42 mg/l	33%
Orthophosphate	< 1.0 mg/l	1.35-1.84 mg/l	Non-compliant	0.98-1.77 mg/l	33%
OVERALL COMPLIANCE			70.4%		77.7%
MIDYEAR OVERALL COMPLIANCE: 74.1%					

Performance review -

Lethabong WWTW did not meet the overall quality target of 90%.

Reasons for variance -

Extremely low inflow volumes, due to numerous sewer blockage, outside the jurisdiction of RWST.

Remedial Measures –

- Issue of sewer blockages has been discussed with RLM; further urgent action required by RLM.
- The water and sewer reticulation systems in Lethabong need to be rehabilitated and refurbished by RLM.

2.6.3 MONAKATO SEWAGE TREATMENT PLANT

Table 9: DWS License conditions for Monakato WWTW

Determinant	Performance standard
pH	6.5 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 75 mg/l
Ammonia	< 1 mg/l
Nitrate	< 15 mg/l
Suspended Solids	< 25 mg/l
Faecal Coliform	< 0 / 100 ml
Free Chlorine	< 0.25 mg/l
Orthophosphate	< 1.0 mg/l

Table 10: Quality performance of Monakato WWTW for the period of review.

Determinant	Performance standard (DWS)	Performance 1 July – 25 September 2021		Performance 26 September – 25 December 2021	
		Performance achieved	% Compliance	Performance achieved	% Compliance
pH	6.5 - 8.5	7.63-8.25	100%	8.12-9.29	33%
Elec. Conductivity	< 150 mS/m	107-141 mS/m	100%	116-187 mS/m	67%
COD	< 75 mg/l	102-127 mg/l	Non-compliant	95-177 mg/l	Non-complaint
Ammonia	< 1 mg/l	10.80-22.00 mg/l	Non-Compliant	0.10-14.20 mg/l	33%
Nitrate	< 15 mg/l	0.37-2.09 mg/l	100%	0.36-0.74 mg/l	100%
Suspended Solids	< 25 mg/l	20-35 mg/l	67%	4-35 mg/l	67%
Faecal Coliform	< 0 / 100 ml	0-0 / 100 ml	100%	0-0 / 100 ml	100%
Free Chlorine	< 0.25 mg/l	0.26-0.30 mg/l	Non-Compliant	0.28-0.28 mg/l	Non-complaint
Orthophosphate	< 1.0 mg/l	2.39-2.88 mg/l	Non-Compliant	1.41-2.60 mg/l	Non-complaint
OVERALL COMPLIANCE			51.9%		44.4%
MIDYEAR OVERALL COMPLIANCE: 48.2%					

Performance review -

Monakato WWTW did not meet the overall quality target of 90%.

Reasons for variance -

Excessively high inflow volumes - above design capacity of the Works. Outside the jurisdiction of RWST.

Remedial Measures -

- Recent plant upgrade executed but not as per the business plan, capacity not increased as required. Matter has been discussed with RLM; further action required by RLM.
- Issue of high inflows possibly caused by excessive storm water ingress has been discussed with RLM, further action required by RLM.

2.6.4 RUSTENBURG SEWAGE TREATMENT PLANT

Table 11: DWS License conditions for Rustenburg WWTW

Determinant	Performance standard
pH	6.5 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 75 mg/l
Ammonia	< 1 mg/l
Nitrate	< 6 mg/l
Suspended Solids	< 10 mg/l
Faecal Coliform	< 0 / 100 ml
Free Chlorine	< 0.20 mg/l
Orthophosphate	< 1.0 mg/l

Determinant	Performance standard	Performance 1 July 2021 – 25 September 2021		Performance 26 September 2021 – 25 December 2021	
		Performance achieved	% Compliance	Performance achieved	% Compliance
pH	6.5 - 8.5	7.52-7.69	100%	7.54-7.78	100%
Elec. Conductivity	< 150 mS/m	92.30-106.00 mS/m	100%	76.50-102.00 mS/m	100%
COD	< 75 mg/l	15-59 mg/l	100%	41.00-49.00mg/l	100%
Ammonia	< 1 mg/l	0.10-11.90 mg/l	67%	0.74-5.23mg/l	33%
Nitrate	< 6 mg/l	1.58-3.56 mg/l	100%	0.62-4.95mg/l	100%
Suspended Solids	< 10 mg/l	6-19 mg/l	67%	2.00-3.00mg/l	100%
Faecal Coliform	< 0 / 100 ml	3-4 ml/100 ml	67%	0-820ml/100 ml	67%
Free Chlorine	< 0.20 mg/l	0.01-0.02 mg/l	100%	0.02-0.02 mg/l	100%
Orthophosphate	< 1.0 mg/l	1.39-3.83 mg/l	Non-Compliant	1.11-9.12 mg/l	Non-Compliant
OVERALL COMPLIANCE			77.9%		77.8%
MIDYEAR OVERALL COMPLIANCE: 77.8%					

Table 12: Quality performance of Rustenburg WWTW for the period of review

Performance review -

Rustenburg WWTW did not meet the set quality target of 90%.

Reasons for variance –

- Power failures inhibit the ability of the plant.
- Sporadic inflow of poor water quality because of industrial effluent

Remedial Measures -

Industrial flow quality is monitored daily, and issues addressed with relevant industries.

Table 13: Summary of the quality performance achieved by the 4 WWTW for the period of review, is tabled below

PLANT	CAPACITY	PERFORMANCE	
		TARGET	JULY - DEC 2021
Rustenburg WWTW	42 Ml/d	90%	77.8%
Boitekong WWTW	24 Ml/d	90%	81.5%
Monakato WWTW	1 Ml/d	90%	48.2%
Lethabong WWTW	2 Ml/d	90%	74.1%
Overall performance			70.4%

2.6.5 Effluent Quality (Anglo Platinum standards)

In terms of an amended agreement with the Anglo Platinum, the 15 Ml/d treated effluent supplied is further treated in the dissolved air flotation (DAF) unit to meet the following standards:

Table 14: Anglo Platinum Quality Standards

PARAMETER	UNIT	CONTRACTED QUALITY	
		MAXIMUM	REJECT
pH	pH Units	7.5 Min - 7.8 Max	6.8 Min - 8.2 Max
TOC	mg/l	20	> 25
COD	mg/l	60	> 75
TSS	mg/l	8	> 10
Alkalinity	mg/l	300	> 350
Ammonia	mg/l	5	> 10
Nitrate	mg/l	10	> 15
O-Phosphate	mg/l	9	> 10
Fats	mg/l	4	> 5
TDS	mg/l	1800 (150 µS/m)	> 2000 (200 µS/m)
Ca	mg/l	350	> 400
Mg	mg/l	75	> 100
Na	mg/l	150	> 400
SO ₄	mg/l	200	> 300
Cl	mg/l	450	> 500
Turbidity	NTU	10	> 15
E. coli	CFU/100ml	0	> 1000
Total Plate Count	CFU/100ml	1000	> 10000

The water quality is monitored daily.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022



Table 15 below gives an indication of the performance of the DAF plant during the period under review, 1 July - 25 December 2021, and includes the performance of the previous period.

Table 15: Quality Measurement at Rustenburg Waste Water Treatment Works (Anglo Standards)

Determinant	Performance standard (ANGLO)	Performance 1 July – 25 September 2021		Performance 26 September – 25 December 2021	
		Performance achieved	% Compliance	Performance achieved	% Compliance
pH	7.5 Min - 7.8 Max	7.54-7.76 pH-Units	100% ¹	7.56-7.81 pH-Units	67%
TOC	20 mg/l	9.91-16.90 mg/l	100%	10.10-15.40 mg/l	100%
COD	60 mg/l	45.00-67.00 mg/l	67%	42.00-47.00 mg/l	100%
TSS	8 mg/l	7.00-13.00 mg/l	33%	2.00-4.00 mg/l	100%
Alkalinity	300 mg/l	150.00-204.00 mg/l	100%	135.00-148.00 mg/l	100%
Ammonia	5 mg/l	0.55-2.23 mg/l	100%	0.10-0.10mg/l	100%
Nitrate	10 mg/l	8.31-9.63 mg/l	100%	5.19-6.02 mg/l	100%
O-Phosphate	9 mg/l	1.88-2.59 mg/l	100%	1.62-3.28 mg/l	100%
Fats	4 mg/l	0.50-4.00 mg/l	100%	0.50-3.00 mg/l	100%
TDS	1800 (150 µS/m)	609.00-664.00 (100 µS/m)	100%	476.00-670.00 (100 µS/m)	100%
Ca	350 mg/l	33.60-36.00 mg/l	100%	33.40-36.00mg/l	100%
Mg	75 mg/l	26.10-27.00 mg/l	100%	22.00-26.40 mg/l	100%
Na	150 mg/l	74.20-86.40 mg/l	100%	48.20-93.40 mg/l	100%
SO ₄	200 mg/l	91.00-96.00 mg/l	100%	71.10-124.00 mg/l	100%
Cl	450 mg/l	120.00-133.00mg/l	100%	93.90-152.00mg/l	100%
Turbidity	10 NTU	3.32-6.32 NTU	100%	1.66-2.87 NTU	100%
E. coli	0 CFU/100ml	0 - 154 CFU/100ml	33%	0-3 CFU/100ml	67%
Total Plate Count	1000 CFU/100ml	0 -1000 CFU/100ml	100%	0 -1000 CFU/100ml	100%
OVERALL COMPLIANCE			90.7%		96.3%
MIDYEAR OVERALL COMPLIANCE: 93.5%					

Notes:

1. The current plant is not equipped to adjust these parameters.

Performance review -

Rustenburg WWTW (DAF) met the set quality target of 90%.

Reasons for variance –

Not required.

Remedial Measures -

Note required.

2.7 KPI 6: NUMBER OF WATER TREATMENT WORKS OPERATED

RWST is responsible for the operation and maintenance of the following two water treatment plants:

Kloof Water Treatment Works (2 Mℓ/d design capacity)
Bospoort Water Treatment Works (12 Mℓ/d design capacity)

Water and Sanitation Services South Africa (Pty) Ltd, trading as Water Solutions Southern Africa (WSSA) has been contracted by the Rustenburg Water Services Trust (RWST) for the operation these plants.

The volumes treated by each plant for the period under review are captured below.

Table 16: Volumes treated by each plant for the period under review are captured below:

PLANT	CAPACITY	JULY – DEC 2021
Bospoort WTW	12 Mℓ/d	10.26 Mℓ/d
Kloof WTW	2 Mℓ/d	0.51 Mℓ/d

2.8 KPI 7.1: PLANT AVAILABILITY, NUMBER OF WATER TREATMENT WORKS MAINTAINED

There are 2 (two) water purification plants maintained in terms of agreed standards, namely Bospoort and Kloof Water Purification Works.

KPI 7.2: PLANT MAINTENANCE OF WATER TREATMENT WORKS MAINTAINED

The successful operation of a Water Treatment Works is largely dependent on the installed machinery and equipment to ensure that the water can be treated according to the process the plant was designed for.

It is thus vital that all machinery and equipment be kept in good working condition and available for use when required.

Regular servicing and preventative maintenance however require that equipment be taken out of services for a certain period. It will thus not always be possible to obtain a 100% of all equipment availability and the target of 85% availability is set.

RWST has contracted WSSA to operate and maintain the two water treatment plants under its control.

Monthly spot checks are performed by RWST to verify availability. The availability of the four waste water treatment works is indicated below.

Table 17: Availability of the 2 Water Treatment Plants

PLANT	CAPACITY	AVAILABILITY	
		TARGET	JULY - DEC 2021
Bospoort WTW	12 Ml/d	85%	100%
Kloof WTW	2 Ml/d	85%	96.7%
Overall plant availability			98.4%

Performance review -
Both plants exceeded the target of 85%.

Reasons for variance -
Turnaround time for maintenance is quicker than allowed for.

Remedial Measures -
None required.

2.9 **KPI 8: PERCENTAGE COMPLETION OF WATER TREATMENT PLANTS - CIVIL WORKS UPGRADING PROJECT (BOSPOORT WTW)**

Bospoort Water Treatment Works is the only Water Treatment Works which recently underwent upgrading under the contract of the RWST.

The Civil component of the work was to be completed in January 2019 but was delayed mainly due to community unrest and the recent lockdown due to Covid-19 and subsequent labour issues emanating from Covid-19 lockdown.

This was completed in November 2020 and snags were addressed during the defects liability period up to November 2021.

Table 18: Bospoort WTW Construction Progress

BOSPOORT WTW CONSTRUCTION PROGRESS			
CONTRACT	PROGRESS		PROGRESS FOR PERIOD
	25 September 2021	25 December 2021	
Civil	100%	100%	-
M&E	-	-	-
OVERALL CONSTRUCTION PROGRESS	-	-	-

The Mechanical and Electrical component of the work has not yet been procured.

Performance review -
The civil portion of the works was completed after the due date.

Reasons for variance –

- Community unrest caused primarily by a perceived disproportional distribution of local labour from the various wards caused delays.
- Tender process was undertaken to appoint local sub-contractors for various activities, but subsequent disputes caused delays.
- Labour disputes during Covid-19 stoppage also caused delays.

Remedial Measures -

Numerous issues were discussed with community representatives and various councillors to resolve these disputes.

2.10 KPI 9: VOLUME OF POTABLE WATER SUPPLIED TO RLM IN ACCORDANCE WITH THE WATER SUPPLY AGREEMENT

Bospoort Water Treatment Works has a design capacity of 12 Mℓ/d and Kloof Water Treatment Works a capacity of 2 Mℓ/d. WSSA has been contracted by the RWST for the operation of these plants.

The average volumes of water supplied to RLM is in accordance with the water supply agreement for the period under review, is tabled below.

Table 19: Average volumes of water supplied to RLM

PLANT	CAPACITY	PERFORMANCE	
		Combined target: 10.8 Mℓ/d	JULY - DEC 2021
Bospoort WTW	12 Mℓ/d	9.6 Mℓ/d	10.30 Mℓ/d
Kloof WTW	2 Mℓ/d	1.2 Mℓ/d	0.51 Mℓ/d
Average			10.81 Mℓ/d

Performance review -

Only Bospoort met production rates between the two WTW.

Reasons for variance -

Water availability & power interruptions at Kloof WTW affect production.

Remedial Measures -

- Improved management of upstream water resource would lead to improved raw water quality at Bospoort dam and hence improved production.

2.11 KPI 10: PERCENTAGE COMPLIANCE IN THE TREATMENT OF WATER FOR POTABLE USE IN TERMS OF DWS STANDARDS

The required standard for both Bospoort Water Treatment Works as well as Kloof Water Treatment Works is regulated by SANS 241.

In accordance with the water supply agreement, RWST must supply potable water to RLM which is fully compliant with SANS 241 as in table 20 below from the Bospoort and Kloof Water Treatment Works.

Table 20: SANS 241 Standards

SANS 241 Determinant	Performance standard
Colour Pt-Co	< 15
Treated Conductivity (mS/m)	< 170 mS/m
TDS	< 1200 mg/l
pH	> 5.0 < 9.7 pH Units
Turbidity NTU	< 1 NTU
Calcium (mg/l)	< 150 mg/l
Faecal Coliform	< 0 /100m ^l
Chloride (mg/l)	< 300 mg/l
Fluoride (mg/l)	< 1.5 mg/l
Magnesium (mg/l)	< 70 mg/l
Sulphate (mg/l)	< 250 mg/l
Heterotrophic Plate Count cfu/m ^l	< 1000 /m ^l
Total Coliform cfu/100m ^l	< 10 cfu/100m ^l
Free Chlorine (mg/l)	< 5 mg/l

BOSPOORT WTW

Table 21: The quality performance achieved by Bospoort WTW for the period of review is tabled below.

Determinant	Performance standard (SANS 241)	Performance 1 July – 25 September 2021		Performance 26 September – 25 December 2021	
		Performance achieved	% Compliance	Performance Achieved	% Compliance
Colour Pt-Co	< 15	9-10	100%	10-10	100%
Treated Conductivity (mS/m)	< 170 mS/m	116-117 mS/m	100%	123-127 mS/m	100%
TDS	< 1200 mg/l	777-787 mg/l	100%	782-848 mg/l	100%
pH (pH units)	> 5.0 < 9.7 pH units	7.79-7.87 pH units	100%	7.78-7.83 pH units	100%
Turbidity NTU	< 1 NTU	0.30-0.49mg/l	100%	0.29-0.46mg/l	100%
Calcium (mg/l)	< 150 mg/l	69.0-76.2 mg/l	100%	70.2-80.7 mg/l	100%
Faecal Coliform	< 0 cfu/100m ^l	0-0 cfu/100m ^l	100%	0-0 cfu/100m ^l	100%
Chloride (mg/l)	< 300 mg/l	180-188 mg/l	100%	194-205 mg/l	100%
Fluoride (mg/l)	< 1.5 mg/l	0.22-0.28 mg/l	100%	0.28-0.31 mg/l	100%
Magnesium (mg/l)	< 70 mg/l	40.6-41.4 mg/l	100%	40.2-78.0 mg/l	67%
Sulphate (mg/l)	< 250 mg/l	133-136 mg/l	100%	86-138mg/l	100%
Heterotrophic Plate Count cfu/m ^l	< 1000 /m ^l	0-23 cfu/100m ^l	100%	2-45 cfu/100m ^l	100%
Total Coliform cfu/100m ^l	< 10 cfu/100m ^l	0-1 cfu/100m ^l	100%	0-2.5cfu/100m ^l	100%
Free Chlorine (mg/l)	< 5 mg/l	1.38-1.78 mg/l	100%	1.49-1.87 mg/l	100%
WATER QUALITY OVERALL COMPLIANCE:			100%		97.6%
MIDYEAR OVERALL COMPLIANCE: 98.8%					
PLANT CAPACITY = 12 M^l/d: PRODUCTION PERFORMANCE TARGET > 90% of plant capacity					

Performance review -

Bospoort WTW met the set target of 95%.

Reasons for variance -

Not applicable.

KLOOF WTW

The Kloof Water Treatment Works is a small, very old facility that used to be one of the first sources of potable water to Rustenburg. It is fed from the Dorpspruit, which originates in the Magalies mountain range from springs, and the water quality is normally of a very high standard. Average production for the period under review is at 0.72Mℓ/d.

Table 22: The quality performance achieved by Kloof WTW for the period of review is tabled below.

Determinant	Performance standard (SANS 241)	Performance 1 July – 25 September 2021		Performance 26 September – 25 December 2021	
		Performance achieved	% Compliance	Performance achieved	% Compliance
Colour Pt-Co	< 15	10.00-10.67	100%	10.00-10.00	100%
Treated Conductivity (mS/m)	< 170 mS/m	11.84-14.19mS/m	100%	10.27-178.00mS/m	67%
TDS	< 1200 mg/l	79.33-95.60 mg/l	100%	68.67-153.00 mg/l	100%
pH (pH units)	> 5.0 < 9.7 pH units	7.99-8.18 pH Units	100%	77.20-9.92 pH Units	67%
Turbidity NTU	< 1 NTU	0.71-1.25 mg/l	33%	0.73-1.44 mg/l	33%
Calcium (mg/l)	< 150 mg/l	7.28-8.45 mg/l	100%	5.06-21.50 mg/l	100%
Faecal Coliform	< 0 cfu/100mℓ	0 - 0 cfu/100mℓ	100%	0 - 0 cfu/100mℓ	100%
Chloride (mg/l)	< 300 mg/l	9.33-11.11 mg/l	100%	10.35-409.00 mg/l	67%
Fluoride (mg/l)	< 1.5 mg/l	0.12-0.19 mg/l	100%	0.08-0.29 mg/l	100%
Magnesium (mg/l)	< 70 mg/l	5.30-7.45 mg/l	100%	3.49-7.17 mg/l	100%
Sulphate (mg/l)	< 250 mg/l	7.47-7.65 mg/l	100%	1.67-17.80 mg/l	100%
Heterotrophic Plate Count cfu/mℓ	< 1000 /mℓ	0-1 cfu/mℓ	100%	0-0 cfu/mℓ	100%
Total Coliform cfu/100mℓ	< 10 cfu/100mℓ	0 - 0 cfu/mℓ	100%	0 - 0 cfu/mℓ	100%
Free Chlorine (mg/l)	< 5 mg/l	0.27-0.36 mg/l	100%	0.26-0.98 mg/l	100%
WATER QUALITY OVERALL COMPLIANCE:			95.2%		88.1%
MIDYEAR OVERALL COMPLIANCE: 91.7%					
PLANT CAPACITY = 2 Mℓ/d. PRODUCTION PERFORMANCE TARGET > 90% of plant capacity					

Performance review -

Kloof did not meet the target of 95%.

Reasons for variance –

Water availability from the Kloof dam.

Power interruptions.

Remedial Measures -

None required.

PLANT	CAPACITY	PERFORMANCE	
		Target @ 90% capacity	JULY - DEC 2021
Bospoort WTW	12 Ml/d	95%	98.8%
Kloof WTW	2 Ml/d	95%	91.7%
Overall performance			95.3%

Table 23: Summary of the quality performance achieved by the 2 WTW for the period of review, is tabled below.

Performance review -

Kloof WTW did not meet the target of 95%.

Reasons for variance –

Water availability from the Kloof dam.

Power interruptions.

Remedial Measures -

None required.

3. FINANCIAL PERFORMANCE

In terms of the loan agreement entered with the financiers, the financial health of the RWST is enforced through a KPI called a "debt service ratio covenant".

This is a criterion that is well defined in the agreement, is easily measurable, and measures the profitability and the ability to repay all outstanding long-term debt.

The ratio is defined in terms of the loan agreement as "earnings before interest, tax and depreciation + cash reserves, expressed as a percentage of annual debt repayment".

The ratio is set at 1.5 times incl Cash. We achieved 11,21 times including cash and excluding cash we achieved 2.08 times for the period ending 25 December 2021. This essentially means that the Trust is in a healthy financial position with earnings of 2,08 times higher than the annual commitments. No provision for bad debts has been made to date this year and there are none currently under consideration.

Attached is the financial statements for the period ending 25 December 2021.



QUARTERLY FINANCIAL STATEMENTS

31 DECEMBER 2021

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

Rustenburg Water Services Trust

QUARTERLY FINANCIAL STATEMENTS
For the period ended 31 December 2021



TRUST INFORMATION

TRUST REFERENCE NUMBER : IT 6155/03

TRUSTEES	Date of appointment	Date of retirement
TJ Ehlers - active	1 Dec 2009	
BI Mpete	12 Dec 2019	
V Dilsook	12 Dec 2019	
WK Kumbe	12 Dec 2019	
J Kruger	12 Dec 2019	

TRUST CEO Pet Maas

REGISTERED OFFICE Missionary Mpheni House
Cnr Nelson Mandela and Beyers Naude Drive
Rustenburg
0300

POSTAL ADDRESS Rustenburg Water Service Trust
Post net Suite 4490
Private bag X 82323
Rustenburg
0300

AUDITORS Office of the Auditor-General
124 Kock Street
Rustenburg
0300

BANKERS ABSA Business Bank
91 Church Street
Klerksdorp
5271

CONTENTS	PAGE
Admin Report	3 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Comparison of Actual vs Budget	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 13
Notes to the Financial Statements	14 - 17

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

RUSTENBURG WATER SERVICES TRUST CEO's REPORT FOR THE PERIOD ENDING DECEMBER 2021



2.1 Trust Administration Agreement

2.1.1 **Rustenburg Local Municipality**
Supply period: 2021/11/25 to 2021/12/25 (30days)

The Trust rendered invoices for the period ended December '21
At Boitekong Sewage treated was 436,189 kl for the supply period.
This gives a daily average for Boitekong of 14,540 kl per day for the period.
At Rustenburg Sewage treated was 1,358,556 kl for the supply period.
This gives a daily average for Rustenburg of 45,285 kl per day for the period.
At Bospoort Treatment plant 306,842 kl was treated for the supply period.
This gives a daily average for Bospoort of 10,228 kl per day for the period.
At Kloof Treatment plant 10,730 kl was treated for the supply period.
This gives a daily average for Kloof of ,358 kl per day for the period.
Monakato and Lethabong are operated and reports on a monthly basis to the Operators Meeting

Off Take Agreements

RPM were invoiced the full 15 MI per day for 30 days.
Impala were invoiced the full 10 MI per day for 30 days.
RLM were invoiced the full 4 MI per day for 30 days.

2.1.2 Debtors:

Total Debtors at end of December 2021 was R 230,647,295
Customer Age Analysis for Monthly Customers as at December 21

Name	90 Days +	60 Days	30 Days	Current	Total Due
Agrim (Pty) Ltd	-	-	1 150.00	1 150.00	2 300.00
Glencore Operations	-	20 405.99	65 327.45	79 390.15	165 123.59
Impala Platinum Mines Ltd	-	-	3 122 777.96	3 005 174.56	6 127 952.52
RLM MIG - VAT issue	28 013 476.66	-	-	-	28 013 476.66
Rustenburg Local Municipality	159 236 374.64	-	4 340 083.88	14 944 041.24	178 520 499.77
RLM - EOH Recovery	(164 246.43)	-	-	-	(164 246.43)
RLM - MIG	7 546 103.09	-	-	-	7 546 103.09
Rustenburg Platinum Mines Ltd	-	-	4 858 830.14	5 577 255.98	10 436 086.12
Totals :	194 631 707.96	20 405.99	12 388 169.43	23 607 011.93	230 647 295.32
%	84%	0%	5%	10%	100%

2.1.3 Earnings:

For the month, the Earnings was R 6,815,743 against a budget of R 3,730,606
The difference is a positive or (negative variance) of R 3,085,137
For the 6 months , the Earnings was R 25,881,782 against a budget of R 22,383,636
The difference is a positive or (negative variance) of R 3,498,146

See year to date column in Income Statement for comparisson with adjusted budget.

2.1.4 Accumulated Fund:

EBIT and depreciation for the year to date is R 42,890,190 vs a budget of R 39,584,834
The difference is a positive or (negative) variance of R 3,305,357

2.1.5 Fixed Assets:

Project costs incurred to date, have been reported under fixed assets and construction in progress.
The following amount was depreciated for the month: R 3 278 146.26

2.1.6 Interest received for the month was: R 440 053.10

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

RUSTENBURG WATER SERVICES TRUST CEO's REPORT FOR THE PERIOD ENDING DECEMBER 2021



2.2 Water Service Agreement

2.2.1 The following insurance cover was arranged for the Rustenburg Water Services Trust.

Policy Name	Policy number	Renewal date
Assets All Risk Rustenburg Sewerage	SACOM4491632	2020/07/31

2.2.2	WSSA's performance guarantee was issued by Lombard Insurance Company	C201869189	Renewal date 2023/07/31
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2.3 Asset Lease Agreement

2.3.1 The Fixed Asset Register has been completed and includes all componentised assets at all the plants.

2.4 Loan and Underwriting Agreement

2.4.1 The funds of the Trust are invested in the following accounts.
The interest rate is under consideration at the bank.

2.4.2 Bank Accounts and interest rates:

	Amount	Interest %
Distribution Reserve Account	58 467 799.39	2.25%
Distribution Call Account	129 279 891.83	3.35%
Industrial Reserve Account	-	3.68%
Contingency Reserve Account	-	3.68%
Debt Service Reserve Account	-	3.68%
	<u>187 747 691.22</u>	

2.4.3 **Debt Service Cover Ratio** **Months expired** **Month** **YTD**
Per loan agreement, the Debt Service Cover Ratio set by ABSA is 1,5 times, calculated on EBIT + Cash Reserves

DSCR excl cash reserves:

EBIT and depreciation			9 654 836	42 890 190
Avg Installment	20 572 962	6	<u>3 428 827</u>	<u>20 572 962</u>
			<u>2.82</u>	<u>2.08</u>

DSCR incl cash reserves:

EBIT and depreciation			9 654 836	42 890 190
Cash			<u>187 747 691</u>	<u>187 747 691</u>
			<u>197 402 527</u>	<u>230 637 882</u>
Installment	20 572 962	6	<u>3 428 827</u>	<u>20 572 962</u>
			<u>57.57</u>	<u>11.21</u>

2.5 Capital projects

	CURRENT ESTIMATES	YTD ACTUALS
2.5.1 Monakato WWTW inlet works		
Construction	10 000 000.00	
Professional fees	1 000 000.00	388 986.80
2.5.2 Bospoort pipe		
Construction	150 000 000.00	
Professional fees	15 000 000.00	9 955 800.77
2.5.3 Bospoort WTW plant extension		
Construction	114 782 608.70	39 556 192.67
Professional fees	17 217 391.30	21 130 570.14
TOTAL COSTS	<u>308 000 000.00</u>	<u>71 031 550.38</u>

2.6 Issues

- 2.6.1 RLM overdue debtors account, agreement has been reached on 2 July 2019. RLM subsequently defaulted on this agreement. This poses a possible going concern issue for the Trust. A new agreement has been reached whereby R 218mil will be repaid over 4 years, 3 payments per year. Current portion to remain on 30 days. RLM is in terms and up to date with the repayment of the R 218mil.
- 2.6.2 Construction of Bospoort Plant Civil Project is almost done, busy with a snag list. M&E contract in process of termination, by RLM.
- 2.6.3 Bospoort Bulk Infrastructure Project re-submitted to MIG. BSC almost completed.
- 2.6.4 O&M contracts extended on a month to month basis. In process of new procurement.
- 2.6.5 CEO and CFO new contract entered and terminates on 28 February 2022.
- 2.6.6 Trust deed in process of amendment to remove ABSA and to add Bokamoso WWTW.
- 2.6.7 The members of the board have challenged each other in the Mahikeng High Court on code of conduct matters. The matter is ongoing.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

STATEMENT OF FINANCIAL POSITION At 31 DECEMBER 2021

	NOTES	6 Months 31/12/2021 R	12 Months 30/06/2021 R
LIABILITIES			
Non-Current Liabilities			
Long term liabilities	3	1 117 556	1 290 326
Current liabilities			
Trade and other payables (exchange transactions)		11 918 128	12 855 751
Short Term Portion of Liabilities	3	330 920	302 666
VAT payable		1 567 180	1 955 661
		13 816 228	15 114 078
Total Liabilities		14 933 784	16 404 405
ASSETS			
Non-current Assets			
Lease Hold Improvements	1	553 468 870	573 318 117
Financial assets	4	143 624 361	133 012 489
		697 093 231	706 330 606
Current assets			
Trade receivables (exchange transactions)	4	52 103 812	111 509 503
Trade receivables (non-exchange transactions)	4	35 395 333	35 395 333
Cash and cash equivalents	5	187 747 691	94 692 464
		275 246 836	241 597 300
Total Assets		972 340 068	947 927 906
NET ASSETS			
Statutory funds		1 000	1 000
Revaluation Surplus		264 760 558	264 760 558
Distributable reserves	2	692 644 725	666 761 944
TOTAL NET ASSETS		957 406 283	931 523 502

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

STATEMENT OF COMPREHENSIVE INCOME For the period ended 31 December 2021

	6 Months 31/12/2021 R	- 12 Months 30/06/2021 R
REVENUE - From exchange transactions		
Sales - water	107 364 530	220 340 004
COST OF SALES		
Rustenburg WWTW	26 147 941	53 295 272
Boitekong WWTW	9 771 914	19 039 780
Bospoort WTW	8 225 506	15 773 680
Kloof WTW	888 307	1 782 146
Monakato WWTW	510 933	1 076 927
Lethabong WWTW	1 399 187	2 583 840
Effluent monitoring	629 815	1 054 934
Operator overheads		
Day works and provisional sums	488 812	936 084
Management and general staff	2 805 884	5 317 933
	50 868 301	100 860 596
GROSS MARGIN	56 496 229	119 479 408
	53%	54%
OTHER INCOME - From exchange transactions		
Tender deposits/ PIA application fees received	-	560
Profit on disposal of fixed assets	9 250	9 502
	9 250	10 062
OTHER INCOME - From non-exchange transactions		
MIG grant funding	-	6 091 816
MIG grant funding - RLM (VAT effect)	-	23 793 750
	-	29 885 566
	56 505 479	149 375 036
EXPENSES		
Auditors Remuneration	67 980	897 714
Bank charges	2 956	8 860
Provision for bad debts	-	2 336 902
Depreciation	19 110 188	39 046 437
Insurance	404 600	708 946
Impairment loss	-	610 683
Legal Fees	1 547 998	298 301
O & M Supervision	1 680 144	2 897 163
Disbursements (Printing & Travel)	7 511	14 082
Repairs	7 868 554	9 995 767
Salaries	1 848 000	1 984 740
Trust administrator's Remuneration	-	1 399 571
Trustees Remuneration	99 931	319 110
DWS Compliance	-	195 919
	32 637 862	60 714 195
Surplus from operations	23 867 617	88 660 841
Finance costs		
Interest received (from non exchange transactions)	2 102 780	2 755 072
Interest paid (from non exchange transactions)	(87 615)	(5 570 298)
Surplus for the year	25 882 782	85 845 615

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

STATEMENT OF COMPARISON OF ACTUAL VS BUDGET For the period ended 31 December 2021

	Actual 31/12/2021 R	Budget 31/12/2021 R	% Variance 31/12/2021 R
REVENUE			
Sales: RLM	69 892 546	76 662 398	-8.83%
Sales: Mines	37 471 984	38 247 727	-2.03%
TOTAL REVENUE	107 364 530	114 910 125	-6.57%
COST OF SALES	50 868 301	56 227 315	9.53%
GROSS MARGIN	56 496 229	58 682 810	3.73%
OTHER INCOME			
Tender deposits/ PIA application fees received	-	-	
Profit on disposal of fixed assets	9 250	-	
MIG grant funding	-	-	
	9 250	-	
EXPENSES	Actual	Budget	
Auditors Remuneration	67 980	541 558	87.45%
Bank charges	2 956	3 367	12.18%
Depreciation	19 110 188	19 248 698	0.72%
DWS Compliance	-	-	
Insurance	404 600	454 333	10.95%
Legal Fees	1 547 998	99 954	-1448.71%
Repairs	7 868 554	7 620 940	-3.25%
Disbursements (Printing & Travel)	7 511	-	
Salaries	1 848 000	1 880 457	1.73%
Trustees Remuneration	99 931	183 261	45.47%
O&M Supervision	1 680 144	1 543 027	-8.89%
Emergency costs	-	1 500 000	100.00%
New: Admin Structure	-	3 500 000	100.00%
New: Software	-	1 403 053	100.00%
New: Server + 3 Laptops + Printer	-	135 000	100.00%
New: Office Rental	-	125 000	100.00%
	32 637 862	38 238 646	
Surplus from operations	23 867 617	20 444 164	
Finance costs - net			
Interest received	2 102 780	2 047 500	2.70%
	-87 615	-108 028	-18.90%
Surplus for the period	25 882 782	22 383 636	

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

STATEMENT OF CHANGES IN EQUITY At 31 DECEMBER 2021

	Note	Statutory funds R	Retained Earnings R	Revaluation Surplus R	Total R
Balance at 30 June 2013		1 000	100 041 534	123 486 921	223 529 455
Surplus for the year			34 331 616		34 331 616
Impairment adjustment for the year				(588 134)	(588 134)
Balance at 30 June 2014		1 000	134 373 150	122 898 787	257 272 937
Surplus for the year			64 976 931		64 976 931
Impairment adjustment for the year				(121 282)	(121 282)
Balance at 30 June 2015		1 000	199 350 081	122 777 505	322 128 586
Opening retained income correction			(834 712)	(1 674 952)	(2 509 664)
Surplus for the year			85 502 931		85 502 931
Impairment adjustment for the year				(546 934)	(546 934)
Revaluation surplus transferred			20 018	(20 018)	-
Balance at 30 June 2016		1 000	284 038 318	120 535 601	404 574 919
Surplus for the year			98 668 445		98 668 445
Impairment adjustment for the year				(1 715 197)	(1 715 197)
Distribution to beneficiary			(650 000)		(650 000)
Revaluation surplus transferred			13 857	(13 857)	-
2017 Revaluation surplus for the year				147 676 158	147 676 158
Balance at 30 June 2017		1 000	382 070 620	266 482 705	648 554 325
Surplus for the year			74 758 803		74 758 803
Impairment adjustment for the year				(128 724)	(128 724)
Revaluation surplus transferred			14 960	(14 960)	-
Balance at 30 June 2018		1 000	438 013 475	266 339 021	704 353 496
Surplus for the year			66 825 920		66 825 920
Impairment adjustment for the year				(175 075)	(175 075)
Revaluation surplus transferred			26 390	(26 390)	-
Correction of error			(16 363)		(16 363)
Balance at 30 June 2019		1 000	504 849 423	266 137 555	770 987 978
Surplus for the year			75 427 453		75 427 453
Impairment adjustment for the year				(476 805)	(476 805)
Revaluation surplus transferred			307 412	(307 412)	-
Balance at 30 June 2020		1 000	580 584 288	265 353 338	845 938 626
Surplus for the year			85 845 615		88 182 517
Impairment adjustment for the year				(260 739)	(260 739)
Revaluation surplus transferred			332 042	(332 042)	-
Balance at 30 June 2021		1 000	666 761 945	264 760 557	933 860 404
Surplus for the year			25 882 782		25 882 782
Impairment adjustment for the year					-
Revaluation surplus transferred					-
Balance at 31 December 2021		1 000	692 644 726	264 760 557	959 743 185

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

STATEMENT OF CASH FLOWS At 31 DECEMBER 2021

	NOTES	6 Months 31/12/2021 R	12 Months 30/06/2021 R
Cash flows from operating activities			
Cash receipts from operating activities		156 158 349	250 259 877
Cash paid to suppliers		65 722 079	147 642 759
Cash generated from operations	7	90 436 270	102 617 118
Interest paid		(87 615)	(5 570 298)
Interest received		2 102 780	2 755 072
Net cash flow from operating activities		92 451 435	99 801 892
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		9 250	9 502
Acquisition of property, plant and equipment		739 058	(20 147 461)
Net cash flow from investing activities		748 308	(20 137 959)
Cash flow from financing activities			
Long term Liabilities		-144 516	(55 002 182)
Net cash flow from financing activities		(144 516)	(55 002 182)
Net decrease in cash and cash equivalents		93 055 227	24 661 751
Cash and cash equivalents at beginning of period		94 692 463	70 030 712
Cash and Cash equivalents at end of period	5	187 747 689	94 692 463

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

ACCOUNTING POLICIES

For the period ended 31 December 2021

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1 BASIS OF PREPARATION

The financial statements comply with standards of GRAP. Financial statements are prepared on the accrual basis of accounting, using the historical cost as measurement basis, except for assets which are revalued. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Where a Standard of GRAP is approved as effective, it replaces the equivalent Statement of IPSAS, IFRS or SA GAAP. Where a standard of GRAP has been issued, but not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the RWST:

GRAP 32, Service Concession Arrangements: Grantor

GRAP 108, Statutory Receivables

GRAP 20, Related Party Disclosures (Revised)

2 TRADE RECEIVABLES

All receivables constitutes receivables from both exchange transactions and non-exchange transactions. Trade receivables are initially recognised at cost. Consumer debtors are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

3 TRADE PAYABLES

Trade payables are initially recognised at cost. Trade payables are measured and carried at fair value.

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are initially recognised at cost. Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid with original maturities of 12 months or less, and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities, when applicable.

5 BORROWINGS AND BORROWING COST

Borrowings are recognised initially at the fair value of proceeds received, net of transaction cost incurred, when they become party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds (net of transaction cost) and the redemption value is recognised in the income statement over the period of the borrowings as interest. Initial borrowing cost were capitalised until the assets became productive.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

ACCOUNTING POLICIES (Continued) For the period ended 31 December 2021

6 LEASEHOLD IMPROVEMENTS

Leases of fixed assets where the Trust assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the net present value of the total lease payments at the commencement of the lease. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding lease obligation, net of finance charges, are included in other long-term liabilities. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment (PPE) are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment is stated at Fair Value where it was previously stated at cost less accumulated depreciation. This was a change in accounting policy in 2012. Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset is met. Land is not depreciated as it is deemed to have infinite life.

The cost of an item of PPE is the purchase price and other cost attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Cost also includes initial estimates of the cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for an nominal cost, its cost is its fair value as at the date of acquisition. Property plant and equipment are only depreciated once commissioned.

The Trust maintains and acquires assets to provide a social service to the community, as well as to sell water to the surrounding mines. The useful lives and economic useful lives of these assets are equal. After the loan have been paid up, all assets will revert back to the parent municipality.

Depreciation is recorded by a charge to the income statement computed on a straight-line method to write off the cost of the assets over their remaining useful lives or the remaining period of the lease, to their residual values. The expected useful lives are as follows:

Land and Buildings	0 - 60 years
Plant & Equipment	1 - 80 years
Movable assets	1 - 5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Revaluation of the assets occur every 5 years.

At the end of each reporting period, the trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The cost of major renovations are included in the carrying amount of the asset when it is probable that the future economic benefits associated with the renovation will flow to the entity and its costs can be reliably measured.

Borrowing Directly attributable to the acquisition, construction and production of qualifying assets, which are assets necessarily taking a substantial amount of time to get ready for its intended use or sale, are added to the cost of those assets until such time that the assets are ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The Trust depreciate separately each part of an item of PPE that has a cost that is significant in relation to the total cost of the item. Cost of replacing part are capitalised and the existing parts being replaced are derecognised.

7 REVALUATION AND IMPAIRMENT

Impairment loss on revalued assets shall first be used to reduce the revaluation surplus on that asset, the balance shall then be recognised in the surplus or deficit. When assets are revalued the cost price as well as the accumulated depreciation is restated. Any revaluation surplus recognised on an item of PPE included in net assets shall be transferred directly to the surplus or deficit upon derecognition in the period of the derecognition.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

ACCOUNTING POLICIES (Continued) For the period ended 31 December 2021

8 PROVISIONS

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

9 REVENUE RECOGNITION

Revenue comprise of exchange transactions as well as non-exchange transactions. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Trust's activities. Revenue is shown net of value added tax. The Trust recognises revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the Trust and specific criteria have been met for each of the Trust's activities described below.

(a) Sale of goods

The entity purifies water at its plants and sells the purified water to its customer, Rustenburg Local Municipality. Sale of water is recognised when the entity has delivered the water to the customer.

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method unless collectability is in doubt.

(c) Contributions received

Contributions received for refurbishment of infrastructure are recognised in the year it is received and as the costs of the projects incurred.

(d) MIG Grants received

Contributions received for refurbishment of infrastructure are recognised in the year it is received and as the costs of the projects incurred.

10 RESERVE ACCOUNTS

Contingency Reserve Account

Means the contingency reserve created by the borrower and to be held in the contingency reserve account. If the required level is exceeded the excess will be deposited into the Distribution Reserve Account. The amount in the account will be utilised for paying the costs of maintenance work, which falls outside the ambit of the Operating & Maintenance Agreement.

Debt Service Reserve Account

Means the debt service reserve created by the borrower and to be held in the debt service reserve account. If the required level is exceeded the excess can be deposited in the Distribution account. The amount in the account will be utilised for purpose of the repayment of the Term Loan.

Industrial Contingency Reserve account

Means the industrial contingency reserve created by the borrower and to be held in the industrial contingency reserve account. If the required level is exceeded the excess will be deposited into the Distribution Reserve Account. The amount in the account will be utilised for undisputed claims of the Industrial Off-Takers in accordance with the Industrial Off-Take Agreements.

11 FINANCIAL INSTRUMENTS

Financial instruments recognised in the balance sheet include loans, trade and other receivables, trade and other payables and cash and cash equivalents.

Financial assets and financial liabilities are recognised on the Trust's balance sheet when the Trust becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at the fair value of the consideration given (in the case of an asset) are received (in the case of a liability) for it. Cash flows relating to current receivables are generally not discounted, unless significant.

Financial instruments are subsequently measured in terms of GRAP 104.45. Cash & cash equivalents, receivables and trade payables are subsequently measured at fair value, whilst long term liabilities are subsequently measured at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legal right to set-off the recognised amounts, and the Trust intends to settle on a net basis or to realise the asset and the liability simultaneously.

Financial assets or a portion of the financial assets are de-recognised when the Trust loses control of the contractual rights that comprise the financial asset. The Trust loses such control if it releases the rights to benefit from the contract, the rights are surrendered. Financial liabilities are de-recognised when they are extinguished - that is, when the obligation specified in the contract is discharged, cancelled or expires.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

ACCOUNTING POLICIES (Continued) **For the period ended 31 December 2021**

12 GOING CONCERN

The financial statements are prepared using the Going Concern basis, which assumes that the Trust will be able to meet the mandatory payments on a day to day basis. If for any reason the Trust is unable to continue as a going concern, it could have an impact on the Trust's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

13 ROUNDING

The numbers presented in the financial statements are rounded to the nearest rand.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS For the period ended 31 December 2021

1. LEASE HOLD IMPROVEMENTS

	31 DECEMBER 2021			30 June 2021		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Land & Buildings	39 004 048	(15 839 486)	23 164 562	39 004 048	(15 391 190)	23 612 858
Plant & Equipment	1 135 701 304	(681 151 933)	454 549 370	1 135 701 304	(662 517 011)	473 184 293
Moveable's	1 947 984	(1 699 806)	248 178	1 781 558	(1 672 837)	108 722
Work in Progress	75 506 760	-	75 506 760	76 412 244	-	76 412 244
Total	1 252 160 096	-698 691 225	553 468 870	1 252 899 154	-679 581 037	573 318 117

Reconciliation of property, plant and equipment - 31 DECEMBER 2021

	Opening balance	Additions / Asset Allocations	Disposals / Asset Allocations	Depreciation and impairment	Carrying value
Land & Buildings	23 612 858	-		(448 296)	23 164 562
Plant & Equipment	473 184 293	-		(18 634 923)	454 549 370
Moveable's	108 722	166 426		(26 969)	248 178
Work in Progress	76 412 244	-905 484		-	75 506 760
Total	573 318 117	(739 058)	-	(19 110 188)	553 468 870

Reconciliation of property, plant and equipment - 30 June 2021

	Opening balance	Additions / Asset Allocations	Disposals / Asset Allocations	Depreciation and impairment	Carrying value
Land & Buildings	24 047 763	490 987	-	(925 892)	23 612 858
Plant & Equipment	350 220 987	4 176 224	157 729 407	(38 942 325)	473 184 293
Moveable's	110 222	48 142	-	(49 643)	108 722
Work in Progress	224 811 506	9 330 145	(157 729 407)	-	76 412 244
Total	599 190 478	14 045 498	-	-39 917 860	573 318 117

Assets consist Portion 4 of the farm Tweedepoort 283JQ, commonly known as Bospoort Treatment Plant; a portion of portion 1 of Town and town lands of Rustenburg 272JQ, commonly known as Rustenburg Sewage Treatment Plant; and portions of the farms PTN 54, PTN 23, PTN 76, PTN 22, PTN 21& PTN 41 commonly known as Boitekong Sewage Treatment Plant.

The assets are encumbered by a general notarial bond, as security for the loan facility referred to in note 5.

The assets were revalued and re-classified in the 2017 financial year, the depreciated replacement cost method was used to revalue.

WIP to the value of R 53,917,639 on the expansion of the Bospoort Water Treatment Works consist of civil work. Following the civil work the mechanical and electrical work will follow. The expansion project completion is significantly delayed. The reason for the time delay is slow progress on the procurement process of the mechanical and electrical contract.

The Rustenburg Water Services Trust decided not to impair the WIP at this stage as it mainly consists of concrete structures of which the expected useful life is in the region of 80 years.

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (Continued) For the period ended 31 December 2021

	6 Months 31/12/2021 R	- 12 Months 30/06/2021 R
2. DISTRIBUTABLE RESERVES		
At beginning of period	666 761 944	580 584 288
Profit for the period	25 882 782	85 845 615
	692 644 725	666 429 903
Revaluation reserve transferred	-	332 042
Balance at end of year	692 644 725	666 761 945
3. LONG TERM LIABILITIES		
Non-current		
3.1 Finance lease liabilities		
Rustenburg Local Municipality	1 448 476	1 592 993
Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default, subject to the cession of the lease agreement as security for the bank borrowings. The interest rate implicit in the lease is 11%		
Less: short term portion	(330 920)	(302 666)
	1 117 556	1 290 326

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (Continued) For the period ended 31 December 2021

	6 Months 31/12/2021 R	12 Months 30/06/2021 R
4. TRADE AND OTHER RECEIVABLES (from exchange transactions)		
Debtors' ageing		
Current	23 607 012	23 865 876
30 days	12 388 169	8 387 695
60 days	20 406	4 446 407
90 days +	159 236 375	207 757 564
	195 251 962	244 457 542
Insurance - Prepayments	476 211	64 450
	195 728 173	244 521 992
Transferred to non-current financial assets	-143 624 361	-133 012 489
	52 103 812	111 509 503

An agreement was reached on 2 July 2019 whereby RLM would repay the non-current portion of their debt over a 36 month period without any interest accruing. The first date of repayment was 31 July 2019. RLM breached the agreement on 31 August 2019. The Trust decided not to impair the RLM debtor at this point because RLM made a payment on 12 November 2019. RLM remain in breach, however they made further commitments to pay. The Trust will continue to assess the situation.

TRADE AND OTHER RECEIVABLES (from non-exchange transactions)

Debtors' ageing		
Current	-	635 875
30 days	-	830 832
60 days	-	-
90 days +	35 395 333	33 928 626
	35 395 333	35 395 333

	31 December 2021 Balances		30 June 2021 Balances	
	Opening	Closing	Opening	Closing
5. CASH AND CASH EQUIVALENTS				
ABSA Bank Limited				
Distribution Reserve Account	22 830 042	58 467 799	5 916 641	22 830 042
Distribution Call Account	71 862 423	129 279 892	8 854 903	71 862 423
Contingency Reserve Account - Current	-	-	-	-
Industrial Reserve account - Current	-	-	-	-
Debt Service Reserve Account - Current	-	-	-	-
Contingency Reserve Account - Investment	-	-	1 032	-
Industrial Reserve account - Investment	-	-	1 032	-
Debt Service Reserve Account - Investment	-	-	55 257 106	-
	94 692 464	187 747 691	70 030 714	94 692 464

The contents of the Contingency Reserve, the Industrial and Debt Service Reserve Accounts are ceded to the bank in terms of note 5.

For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise the following:

Cash resources	187 747 691	94 692 464
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There are no 'undrawn facilities' available at any financial institution for the Trust. Interest accrued and received on the 1st of July of the following year are included in the balances of the bank accounts.

6. FINANCE COSTS - NET

Interest received		
Current Account and Investment Accounts	2 102 780	2 755 072
Interest paid		
Current and Long Term Loans	-	(3 833 307)
Finance Lease	(87 615)	(196 290)
	2 015 165	(1 274 524)

AGENDA: SPECIAL COUNCIL: 11 MARCH 2022

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS (Continued) For the period ended 31 December 2021

	6 Months 31/12/2021 R	12 Months 30/06/2021 R
7. CASH GENERATED FROM OPERATIONS		
Surplus before tax	25 882 782	88 182 517
Adjustments for:		
Interest paid	87 615	5 570 298
Interest received	(2 102 780)	(2 755 072)
Depreciation	19 110 188	39 046 437
Net profit on disposal of fixed assets	-9 250	-9 502
Impairment	-	610 683
	42 968 555	130 645 361
Changes in working capital		
Trade and other receivables	48 793 819	33 747
Payables	(1 326 104)	(28 061 990)
Cash generated from operations	90 436 270	102 617 118