



LOCAL MUNICIPALITY

**MID-YEAR PERFORMANCE REPORT
FOR THE FINANCIAL YEAR 2022/2023**

AGENDA: COUNCIL: 31 JANUARY 2023

TABLE OF CONTENTS

Contents

| | |
|--|----|
| 1. INTRODUCTION..... | 3 |
| 2. LEGISLATIVE IMPERATIVE | 3 |
| 3. SECTION A – BUDGET STATEMENTS..... | 4 |
| 4. SECTION B – MUNICIPAL SERVICE DELIVERY PERFORMANCE PER KPA..... | 15 |
| 4.1 Key Performance Area (KPA 1): Municipal Transformation and Institutional Development | 15 |
| 4.2 Key Performance Area (KPA 2): Good Governance and Public Participation | 20 |
| 4.3 Key Performance Area (KPA 3): Municipal Financial Viability and Management | 22 |
| 4.4 Key Performance Area (KPA 4): Local Economic Development | 32 |
| 4.5 Key Performance Area (KPA 5): Basic Service Delivery | 35 |
| 4.6 Key Performance Area (KPA 6): Spatial Rationale | 44 |
| 5. SECTION C – PAST YEAR ANNUAL REPORT..... | 49 |
| 6. SECTION D – PERFORMANCE OF MUNICIPAL ENTITY..... | 62 |

AGENDA: COUNCIL: 31 JANUARY 2023

1. INTRODUCTION

The 2022/2023 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 (MFMA) No 56 of 2003.

The report covers the performance information from 01 July to 31 December 2022. The report further focuses on the implementation of the 2022/2023 SDBIP approved by the Mayor on the 05th July 2022, that in conjunction with the predetermined developmental objectives as encapsulated in the approved 2022/2023 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 2022/2023 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 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

AGENDA: COUNCIL: 31 JANUARY 2023

- (ii) the National Treasury; and
- (iii) the relevant Provincial Treasury

3. SECTION A – BUDGET STATEMENTS

3.1 OPERATING BUDGET RESULTS

3.1.1 OPERATIONAL REVENUE

The actual revenue received or billed is below the anticipated projected revenue by 0,15%. Total operational revenue is in line with projections, however individual revenue line items will be assessed for over and under performance.

Prior to last financial year reported information, some system challenges have been addressed and we hope the performance of this financial year 2022/2023 bears testimony to that so far but there is still more work that will have to be done with these challenges that still exist as some items still remain a concern as performance is below the expected pro rata.

Mid-year accumulated year to date revenue performance is as follows:

| NW373 Rustenburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December | | | | | | | | | |
|---|------------------|---------------------|-----------------|----------------|------------------|------------------|-----------------|--------------|--------------------|
| Description | 2021/22 | Budget Year 2022/23 | | | | | | | |
| | 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 | 486 412 | 516 902 | – | 43 796 | 262 813 | 258 451 | 4 362 | 2% | 516 902 |
| Service charges - electricity revenue | 3 277 928 | 3 691 715 | – | 98 105 | 1 598 583 | 1 845 857 | (247 274) | -13% | 3 691 715 |
| Service charges - water revenue | 524 419 | 553 596 | – | 42 036 | 274 516 | 276 798 | (2 282) | -1% | 553 596 |
| Service charges - sanitation revenue | 189 666 | 405 800 | – | 36 185 | 201 831 | 202 900 | (1 069) | -1% | 405 800 |
| Service charges - refuse revenue | 166 778 | 154 931 | – | 14 523 | 82 573 | 77 465 | 5 108 | 7% | 154 931 |
| Rental of facilities and equipment | 11 408 | 14 080 | – | 1 006 | 6 250 | 7 040 | (790) | -11% | 14 080 |
| Interest earned - external investments | 23 081 | 26 217 | – | 1 920 | 20 804 | 13 108 | 7 695 | 59% | 26 217 |
| Interest earned - outstanding debtors | 404 002 | 428 086 | – | 37 432 | 231 163 | 214 043 | 17 120 | 8% | 428 086 |
| Dividends received | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | 19 427 | 9 399 | – | 227 | 607 | 4 700 | (4 093) | -87% | 9 399 |
| Licences and permits | 154 | 11 288 | – | 3 | 756 | 5 644 | (4 888) | -87% | 11 288 |
| Agency services | 154 242 | 110 424 | – | 1 896 | 30 549 | 55 212 | (24 663) | -45% | 110 424 |
| Transfers and subsidies | 952 759 | 1 127 277 | – | 424 573 | 796 539 | 563 639 | 232 900 | 41% | 1 127 277 |
| Other revenue | 46 367 | 18 647 | – | 2 457 | 9 465 | 9 324 | 141 | 2% | 18 647 |
| Gains | 2 957 | 6 448 | – | 11 | 1 162 | 3 224 | (2 062) | -64% | 6 448 |
| Total Revenue (excluding capital transfers and contributions) | 6 259 600 | 7 074 810 | – | 704 169 | 3 517 611 | 3 537 405 | (19 794) | -1% | 7 074 810 |

The following matters should be considered when assessment is done:

AGENDA: COUNCIL: 31 JANUARY 2023

Property rates

Property rates is favourable by R4,3 million (2%), which is indicative of positive exercise in ensuring completeness of rateable properties.

Services Charges

Electricity charges actual year to date billed electricity revenue is at R1,598 million as at 31st December 2022. It is below the projected revenue and unfavourable by R247,2 million. This line item might need to be reassessed during the adjustment budget and possibly revised based on the number of households that are serviced or incompleteness of billing addressed.

Water revenue is unfavourable by R2,2 million (1%) to the projected revenue for the period. This is indicative of incomplete billing and water losses.

Sanitation charges performance is unfavourable by R1,069 million (1%) to the pro rata of R202,9 million (50%). This item will need to be adjusted during the adjustment budget or incompleteness in billing addressed.

Refuse revenue are favourable by R5,1 million (7%) mainly on waste removal services. This item will need to be adjusted upwards in order to to reflect the results.

The key observation on the service charges is the reduction in the revenue billed that can be as a result of the following:

- Meter tampering
- Illegal connections especially around the informal settlements
- Faulty meters not replaced timeously
- Completeness of meter reading. As at 31st December 2022, meter reading is at almost 48% out of 70481 meters expected to be read.
- Overall service delivery issues impacts access by meter readers at certain areas that hampers monthly actual readings.

Mitigation plans to address challenges:

- Council approved the Debt Incentive scheme that will run until the end of August 2023, as an initiative to encourage consumers to pay for services.
- Development bank of South Africa (DBSA) has committed to assist municipality with the Revenue Enhancement programme. the DBSA has already published the request for proposal for the development and implementation of the revenue enhancement project.
- DBSA has also partnered with the municipality amongst others to develop the assets maintenance plan as part of asset care mainly on infrastructure assets for electricity. Sanitation and water.
- The Infrastructure Finance Corporation Limited (INCA) has committed to assisting the municipality with the Long term financial plan (LTFP).

Other Revenue

Rental of Facilities

Revenue that was realised from Rental of Facilities as at 31st December 2022 is at R6,250 million (which is 44,39%) from the original budgeted amount of R14 million for the year and is below the budget pro rata of 50%. This item will need to be adjusted .

AGENDA: COUNCIL: 31 JANUARY 2023

Interest on Long Outstanding Debtors

The performance to date is above the anticipated pro rata of 50% by 4%. The year-to-date actual is R231,1 million of the budget of R428 million.

Fines, Penalties and Licence and Permits

The two items (Fines, Penalties and Licence and Permits) are unfavourable by 43,54% and 43,30% respectively to the pro rata of 50% which can most possibly be to incorrect allocation or unallocated revenue charges. These revenue sources need to be reassessed during budget adjustment for possible realignment to projections.

Agency Fees Services

Agency fees are unfavourable by R24,6 million (22,34%). This is possibly due to low turnout in licencing services for the period than anticipated. 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 received as expected except for the December 2022 equitable share tranche.

NOTE: The municipality received R185million instead of the expected R310million of the equitable share. National Treasury withheld R125million of the grants projects that were not approved for roll over. Attached as Annexure "C" is a letter from National Treasury responding to the request for roll-over.

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 2022) have been received by the municipality. Also, the Financial Management Grant has been received and the Extended Public Works Programme allocation are also allocated accordingly as per the payment schedule.

Municipality must utilize the grants received timeously to avoid making an application for the roll overs. All unspent conditional grants will be revert to National Revenue Fund if not utilised as allocated.

Other Revenue

Other Revenue is marginally above the anticipated revenue, with the year to date actual of R9,4 million (50,76%) against the budget of R18,6 million. This line item is in line with current projections.

Gain on disposal of PPE

The item is unfavourable by R2,062 million as sale of identified properties has not progressed well. The performance is below the anticipated revenue, with the year to date actual of R1,1 million (17,19%) against the original budget of R6,4 million. This item will need to be adjusted downwards in order to to reflect the results.

3.1.2 OPERATING EXPENDITURE

The year-to-date expenditure as at 31st December 2022, is R2,952 billion or 45,33% to the original budget of R6,512 billion. It is below the expected pro rata by 4,67%.

The following table is indicative of year-to-date expenditure compared to the approved budget for the period ended 31st December 2022.

AGENDA: COUNCIL: 31 JANUARY 2023

| NW373 Rustenburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December | | | | | | | | | |
|---|------------------|---------------------|-----------------|----------------|------------------|------------------|------------------|--------------|--------------------|
| Description | 2021/22 | Budget Year 2022/23 | | | | | | | |
| | 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 | 753 539 | 905 598 | - | 62 729 | 393 147 | 452 799 | (59 652) | -13% | 905 598 |
| Remuneration of councillors | 59 115 | 70 958 | - | 5 664 | 35 479 | 35 479 | (0) | 0% | 70 958 |
| Debt impairment | 945 599 | 826 738 | - | 68 895 | 413 369 | 413 369 | 0 | 0% | 826 738 |
| Depreciation & asset impairment | 566 134 | 480 045 | - | 33 800 | 203 189 | 240 022 | (36 834) | -15% | 480 045 |
| Finance charges | 59 449 | 85 409 | - | 14 963 | 16 644 | 42 704 | (26 060) | -61% | 85 409 |
| Bulk purchases - electricity | 3 027 327 | 2 617 167 | - | 260 312 | 1 413 587 | 1 308 584 | 105 004 | 8% | 2 617 167 |
| Inventory consumed | 21 875 | 547 166 | - | 44 362 | 51 924 | 274 359 | (222 435) | -81% | 547 166 |
| Contracted services | 436 368 | 708 127 | - | 52 170 | 281 829 | 361 466 | (79 637) | -22% | 708 127 |
| Transfers and subsidies | 68 152 | 20 292 | - | 21 | 472 | 10 146 | (9 674) | -95% | 20 292 |
| Other expenditure | 317 060 | 250 573 | - | 22 288 | 142 624 | 147 330 | (4 706) | -3% | 250 573 |
| Losses | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 6 254 617 | 6 512 073 | - | 565 205 | 2 952 263 | 3 286 259 | (333 995) | -10% | 6 512 073 |

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

Councillors and Staff Benefits

The year-to-date expenditure as at 31 December 2022 for wages and salaries (employee-related costs and remuneration of councillors) is at R428,626 million or 43,89% against the original budget of R976,556 million. This performance is below the expected pro rata of 50% by 6,11%.

The underspending is as a result of allocations for provision for actuarial valuations and leave provisions that are normally performed at year end.

Debt Impairment

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

Depreciation

Depreciation processed on assets for the period under review is less than projected depreciation by 15% 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 delayed procurement as a result of some of the bids being non-responsive.

Bulk Purchases

Bulk purchases on electricity is at R1,413 billion. This is above the pro rata of 50% by 4%. This item of expenditure, will have to be adjusted upwards during the Adjustment Budget period.

Contracted Services

Spending is at R281,8 million or 38,9% against the pro rata of 50%. This is mainly due to procurement processes that still need to be followed subsequent to other bids being re-advertised due to bids adjudicated being non-responsive. This item should be adjusted downwards to reflect the results for the period under review.

AGENDA: COUNCIL: 31 JANUARY 2023

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 require urgent attention.

Transfer and Subsidies

Transfers and Subsidies is paid on a quarterly and bi-annual basis. A variance of 9,6% which is below the pro rata is expected as budget is spread over 12 months.

General Expenditure

General expenditure exceed the projected expenditure for the period by R4,7 million (3%). Expenditure on this line item need to be monitored closely to avoid unauthorised expenditure.

Adjustment will have to be done on this item of expenditure as there are services that have spent above 50%. There are services that have also spent way below the average expenditure rate of 50%. Those services will have to be reduced during the adjustment budget.

3.2 CAPITAL EXPENDITURE

A detailed result per unit is contained in **Annexure 'A' (Table C5 Monthly Budget Statement – Capital Expenditure)**. The expenditure for the capital budget is at 12,35% (R77,2 million). An original capital budget to the amount of R625,3 million was approved by Council for the 2022/2023 financial year. The year to date actual reflects only grant-funded capital expenditure.

The capital budget will have to be adjusted downwards, mainly on Internally Funded Projects. Based on the low cash reserves the municipality is experiencing, whilst spending on the gran funded projects need to be accelerated else all unspent conditional grants revert to the fiscus at year end.

Note: In order to accelerate spending, management has resolve to appoint two committees for BSC,BEC and BAC for capital projects and for goods and services respectively .

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

| NW373 Rustenburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December | | | | | | | | | |
|---|-----------------|---------------------|-----------------|----------------|---------------|----------------|------------------|----------------|--------------------|
| Vote Description | 2021/22 | Budget Year 2022/23 | | | | | | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | % | |
| Capital Expenditure - Functional Classification | | | | | | | | | |
| <i>Governance and administration</i> | 7 561 | 30 416 | – | – | 913 | 15 208 | (14 295) | -94% | 1 825 |
| Executive and council | 2 528 | 9 770 | – | – | – | 4 885 | (4 885) | -100% | – |
| Finance and administration | 5 033 | 20 365 | – | – | 913 | 10 183 | (9 270) | -91% | 1 825 |
| Internal audit | – | 280 | – | – | – | 140 | (140) | -100% | – |
| <i>Community and public safety</i> | (13 402) | 72 294 | – | 5 577 | 22 314 | 36 147 | (13 834) | -38% | 44 627 |
| Community and social services | (20 103) | 30 786 | – | 4 217 | 18 607 | 15 393 | 3 213 | 21% | 37 213 |
| Sport and recreation | 2 204 | 22 042 | – | 663 | 940 | 11 021 | (10 081) | -91% | 1 881 |
| Public safety | 4 367 | 17 903 | – | 697 | 2 766 | 8 952 | (6 185) | -69% | 5 533 |
| Housing | 130 | 1 563 | – | – | – | 782 | (782) | -100% | – |
| Health | – | – | – | – | – | – | – | – | – |
| <i>Economic and environmental services</i> | 116 852 | 200 101 | – | 6 435 | 25 775 | 100 051 | (74 276) | -74% | 51 550 |
| Planning and development | (1 086) | 32 115 | – | 23 | 5 290 | 16 057 | (10 768) | -67% | 10 579 |
| Road transport | 117 938 | 167 987 | – | 6 411 | 20 485 | 83 993 | (63 508) | -76% | 40 970 |
| Environmental protection | – | – | – | – | – | – | – | – | – |
| <i>Trading services</i> | 59 022 | 322 496 | – | 4 837 | 28 230 | 161 248 | (133 019) | -82% | 56 459 |
| Energy sources | 50 123 | 150 318 | – | 1 926 | 13 703 | 75 159 | (61 456) | -82% | 27 406 |
| Water management | (7 012) | 28 000 | – | 1 035 | 4 488 | 14 000 | (9 512) | -68% | 8 976 |
| Waste water management | 15 221 | 119 298 | – | 1 876 | 10 038 | 59 649 | (49 611) | -83% | 20 077 |
| Waste management | 690 | 24 880 | – | – | – | 12 440 | (12 440) | -100% | – |
| <i>Other</i> | – | – | – | – | – | – | – | – | – |
| Total Capital Expenditure - Functional Classification | 170 034 | 625 308 | – | 16 849 | 77 231 | 312 654 | (235 423) | -75% | 154 461 |

AGENDA: COUNCIL: 31 JANUARY 2023

4.2.1 Funding Source of the Capital Expenditure

| NW373 Rustenburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December | | | | | | | | | |
|--|-----------------|---------------------|-----------------|----------------|---------------|----------------|------------------|--------------|--------------------|
| Vote Description | 2021/22 | Budget Year 2022/23 | | | | | | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | % | |
| Funded by: | | | | | | | | | |
| National Government | 146 882 | 431 069 | - | 15 164 | 67 452 | 215 534 | (148 082) | -69% | 134 904 |
| Provincial Government | 49 | 619 | - | - | - | 310 | (310) | -100% | - |
| District Municipality | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 146 931 | 431 688 | - | 15 164 | 67 452 | 215 844 | (148 392) | -69% | 134 904 |
| Borrowing | 28 740 | - | - | - | - | - | - | - | - |
| Internally generated funds | (5 637) | 193 620 | - | 1 685 | 9 779 | 96 810 | (87 031) | -90% | 19 557 |
| Total Capital Funding | 170 034 | 625 308 | - | 16 849 | 77 231 | 312 654 | (235 423) | -75% | 154 461 |

The current capital budget projected projects are funded from Grants (National and Provincial), Borrowings (which have not been 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 begin putting more effort regarding the acquisition of new capital assets. The results of this under-spending are hampering on the main objectives and core business of the municipality which is to provide services to the communities around the Rustenburg Local Municipality.

Directorates should be encouraged, by management, to provide proper strategies on how they plan to spend and implement their capital budget requirements in order to ensure the delivery of 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 for the next financial year.

National Treasury has approved just a portion of the 2021/2022 Conditional Grants roll over application and that will have to be incorporated into the budget through an Adjustment Budget. A critical factor which needs attention is the amount of the rollover request which was not approved by National Treasury. Some of the reasons for the rejection of the rollover request is as follows:

- No indication of which projects are being requested to be rolled over and no amounts linked to projects; and
- Some projects that are listed were appointed after March 2022 (ie: Marikana Road and stormwater drainage, Construction of upgrading of Rietvlei cemetery and Construction of Boitekong hawker stalls).
- No appointment letters and no proof of commitment.
- Reject as per the recommendation of the Department of Energy and Minerals as the project has been completed. The rejection letter is attached as Annexure "C".

3.3 DEBTORS AGING FOR DECEMBER 2022

The debtors' age analysis indicates the extent to which income accrued is not received in cash. The success or effectiveness of the credit control and debt collection should assist in reducing the old debt. The growing debtors' book is partly an indication of possible viability problem being encountered in the future when analyzing the imbalance between actual revenue received and actual expenditure. **Annexure "A" (Table SC3 Monthly Budget Statement – Aged Debtors)** is a debtors' age analysis as at the end of December 2022 for the 2022/2023 financial year. The outstanding consumer debtors balance as at 31st December 2022 is R,670 billion.

The Municipality will have to find alternative means in as far as the Intergovernmental relationship is concerned to address outstanding amounts from other spheres of government. As at the end of December 2022, organs of state owed the Municipality R70,7 million, households owed R4,5 billion, business/commercial owed R404,6 million while other institutions owed R694,3 million.

AGENDA: COUNCIL: 31 JANUARY 2023

| NW373 Rustenburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December | | | | | | | | | | | | | |
|--|-------------|---------------------|----------------|----------------|-----------------|----------------|----------------|----------------|------------------|------------------|--------------------|--|--|
| Description | NT Code | Budget Year 2022/23 | | | | | | | | | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.Lo Council Policy |
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | | | |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 53 093 | 43 753 | 39 807 | 32 933 | 30 653 | 31 419 | 189 090 | 1 004 021 | 1 424 789 | 1 288 116 | - | - |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 87 584 | 31 790 | 17 380 | 18 146 | 17 426 | 15 388 | 57 858 | 289 329 | 534 900 | 398 146 | - | - |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 41 362 | 23 548 | 17 654 | 15 877 | 14 963 | 14 227 | 83 267 | 321 862 | 533 060 | 450 196 | - | - |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 16 677 | 12 449 | 10 134 | 9 766 | 9 616 | 9 335 | 52 848 | 247 587 | 368 411 | 329 151 | - | - |
| Receivables from Exchange Transactions - Waste Management | 1600 | 16 499 | 12 697 | 10 690 | 10 085 | 9 492 | 9 136 | 54 376 | 323 435 | 446 409 | 406 523 | - | - |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 382 | 402 | 406 | 504 | 481 | 422 | 1 837 | 21 895 | 26 328 | 25 139 | - | - |
| Interest on Arrear Debtor Accounts | 1810 | 37 470 | 36 822 | 31 591 | (117 385) | 43 113 | 42 253 | 237 199 | 1 588 903 | 1 909 964 | 1 904 082 | - | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | 19 974 | 34 289 | 12 878 | 13 571 | 22 692 | 10 407 | 61 645 | 251 425 | 426 882 | 359 741 | - | - |
| Total By Income Source | 2000 | 273 041 | 195 749 | 140 838 | (16 504) | 148 436 | 132 586 | 738 120 | 4 058 456 | 5 670 722 | 5 061 094 | - | - |
| 2021/22 - totals only | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 8 520 | 4 887 | 4 136 | 2 906 | 10 438 | 2 892 | 11 695 | 25 272 | 70 744 | 53 202 | - | - |
| Commercial | 2300 | 79 731 | 51 893 | 14 162 | 6 349 | 15 288 | 13 535 | 51 048 | 172 659 | 404 664 | 258 879 | - | - |
| Households | 2400 | 137 921 | 111 691 | 98 448 | (45 509) | 97 301 | 96 462 | 576 443 | 3 428 165 | 4 500 921 | 4 152 861 | - | - |
| Other | 2500 | 46 870 | 27 278 | 24 094 | 19 751 | 25 409 | 19 698 | 98 934 | 432 360 | 684 393 | 596 152 | - | - |
| Total By Customer Group | 2600 | 273 041 | 195 749 | 140 838 | (16 504) | 148 436 | 132 586 | 738 120 | 4 058 456 | 5 670 722 | 5 061 094 | - | - |

Debtors' collection rate has improved to almost 83% subsequent to writing off total interest on Debtors of R1 922 770 476.95. An interest write off was effected on all accounts that were in arrears as at 31st of May 2022 as per Council resolution no 193 of the 28th of September 2022 as part of the debt incentive scheme.

3.4 CREDITORS AGING FOR DECEMBER 2022

Annexure "A" (Table SC4 Monthly Budget Statement – Age Creditors) is a creditors' age analysis for the Municipality as at the end of December 2022.

The below table depicts a creditors' analysis for the period under review:

| NW373 Rustenburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December | | | | | | | | | | | |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|----------------|----------------|---|
| Description | NT Code | Budget Year 2022/23 | | | | | | | | Total | Prior year totals for chart (same period) |
| | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | | |
| Debtors Age Analysis By Customer Type | | | | | | | | | | | |
| Bulk Electricity | 0100 | 287 919 | - | - | - | - | - | - | 54 | 287 973 | 83 369 |
| Bulk Water | 0200 | 47 339 | - | - | - | - | - | - | - | 47 339 | 155 079 |
| PAYE deductions | 0300 | - | - | - | - | - | - | - | - | - | - |
| VAT (output less input) | 0400 | - | - | - | - | - | - | - | - | - | - |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | - | - | - |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - | 643 |
| Trade Creditors | 0700 | 8 764 | 1 216 | 1 823 | 156 | 41 | - | - | - | 12 000 | 104 059 |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - | - |
| Other | 0900 | 16 058 | - | - | - | - | - | - | 139 012 | 155 071 | 33 232 |
| Total By Customer Type | 1000 | 360 080 | 1 216 | 1 823 | 156 | 41 | - | - | 139 066 | 502 383 | 376 382 |

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 2022 is at R502,3 million.

Payable from exchange transactions on the Financial Position comprises of: Trade Creditors, Payments received in advance, accrued leave, accrued bonus, Unallocated deposits and Retentions; hence the Age Creditors and Payables from Exchange Transactions are not the same. For Age Creditors, it is the Trade Creditors only.

The municipality has a standing payment arrangement with Eskom and Rustenburg Water Services Trust (RWST) on outstanding debts that are one year and over. The arrangement is honoured monthly and is currently sitting at R155 071million.

There is an improvement in the creditors aging as compared to the previous financial year. As at 31st December 2022 our creditors aging is at 74 days when we exclude Eskom and RWST arrangement.

AGENDA: COUNCIL: 31 JANUARY 2023

3.5 PERFORMANCE INDICATORS – RATIOS

3.5.1 Borrowing to Assets Ratio

This ratio indicates the extent to which the net assets are funded from loan. Whilst it is desirable to curb external borrowings, borrowings are intended to address the huge backlogs in infrastructure to ensure that service delivery is not compromised.

The ratio as of 31st December 2022 is 3,10% to the norm of 25%. The ratio is indicative of the municipality's low borrowings as a percentage of total assets. The municipality has relatively low levels of debt.

3.5.2 Current Ratio

The ratio measures the short-term liquidity, that is, the extent to which current liabilities could be settled from current assets. The higher the ratio, the healthier is the situation. As at December 2022 ratio is at 1,01:1 when compared to the norm of 1.5 – 2:1, which remains the same with the previous month. The Municipality's current assets are more than current liabilities. The below ratio is calculated based on the Statement of financial position as at 31st December 2022.

| | | | | | | |
|---|---------------|--------------------------------------|---|-----------|---------------------|---------------|
| 2 | Current Ratio | Current Assets / Current Liabilities | Statement of Financial Position, Budget, IDP and AR | 1.5 - 2.1 | 1.01 | |
| | | | | | Current Assets | 1 831 492 308 |
| | | | | | Current Liabilities | 1 811 389 695 |

3.5.3 Creditors payment period

The Creditors Payment Period is calculated in terms of National Treasury MFMA Circular 71. Below is the performance as at 31st December 2023:

| | | | | | | |
|---|--|--|--|---------|--|-----------|
| 1 | Creditors Payment Period (Trade Creditors) | Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365 | Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR | 30 days | 74 days | |
| | | | | | Trade Creditors | 376 382 |
| | | | | | Contracted Services | 228 996 |
| | | | | | Repairs and Maintenance | - |
| | | | | | General expenses | 128 136 |
| | | | | | Bulk Purchases | 1 413 587 |
| | | | | | Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment) | 77 231 |

There is an improvement in the creditors aging as compared to the previous financial year. As at 31st December 2023 our creditors aging is at 74 days when we exclude Eskom and RWST arrangement.

3.5.4 Debtors' payment rate

The below is the performance as at 31st December 2023 calculated as per the National Treasury MFMA circular 71 guide:

AGENDA: COUNCIL: 31 JANUARY 2023

| | | | | | | |
|---|-----------------|---|--|-----|-------------------------------|-----------|
| 1 | Collection Rate | (Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100 | Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR | 95% | 100% | |
| | | | | | Gross Debtors closing balance | 5 642 782 |
| | | | | | Gross Debtors opening balance | 5 636 552 |
| | | | | | Bad debts written Off | - |
| | | | | | Billed Revenue | 3 088 879 |

The payment level is at par with what is billed whilst the outstanding debts is increasing.

3.5.5 Cost coverage

It is calculated as per the National Treasury MFMA circular 71 guide derived from Section 71 C-Schedule Statement of Financial Position, extract and Bank Statements December 2022 .

| | | | | | | |
|---|---|--|---|--------------------------------------|----------------------------|---------|
| 1 | Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants) | (((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets) | Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR | 1 - 3 Months | 1 Month | |
| | | | | | Cash and cash equivalents | 265 315 |
| | | | | | Unspent Conditional Grants | 161 244 |
| | | | | | Overdraft | - |
| | | | | | Short Term Investments | 7 227 |
| | | | | Total Annual Operational Expenditure | 2 591 786 | |

The ratio has been consistent the past six months and indicates that the municipality has been able to at least meet its fixed monthly commitments with available cash and investment at that time.

3.5.6 Electricity distribution losses: July to December 2022

According to the Municipal Finance Management Act Circular 71, the norm should be between 7% - 10% for electricity losses.

| ITEM | JULY- DECEMBER 2022 |
|---|---------------------------|
| ELECTRICITY PURCHASED (kwh) | 1 157 749 269 |
| ELECTRICITY SOLD (kwh) | 1 075 343 931 |
| ELECTRICITY: UNITS LOST IN DISTRIBUTION | 82 405 338 |
| ELECTRICITY PURCHASED (R) | 1 773 856 400 |
| ELECTRICITY SOLD (R) | 1 538 744 068 |
| ELECTRICITY: UNITS LOST IN DISTRIBUTION (%) | 7.12% |

Electricity Losses for the period July 2022 to December 2022 is 7,12% and is within the norm of 7% - 10%.

3.5.7 Water distribution losses: July to December 2022

According to the Municipal Finance Management Act Circular 71, the norm should be between 15% - 30% for water losses

AGENDA: COUNCIL: 31 JANUARY 2023

| ITEM | JULY- DECEMBER 2022 |
|---------------------------------------|---------------------------|
| WATER PURCHASED (KL) | 23 204 420 |
| WATER SOLD (KL) | 12 663 534 |
| WATER: UNITS LOST IN DISTRIBUTION | 10 540 886 |
| | |
| WATER PURCHASED (R) | 256 482 950 |
| WATER SOLD (R) | 256 587 419 |
| WATER: UNITS LOST IN DISTRIBUTION (%) | 45.43% |

Water Losses for the period July 2022 to December 2022 is 45,43% and is above the norm of 15% - 30%.

3.6 INVESTMENT REGISTER

Investments made with various financial institutions are strictly in compliance with the MFMA 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 2022 is approximately R24,3 million.

RUSTENBURG LOCAL MUNICIPALITY



Investment Register as at 31 December 2022



| 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 | - | | - | - | - |
| ABSA: Investment Acc | Flexible Deposit | 90-6393-0063 | 2.90 | | Monthly | 590 000.00 | | 2 800.48 | - 2 800.48 | 590 000.00 |
| ABSA: Investment Acc | Fixed Deposit | 20-7642-7525 | 5.3 | | | 5 579 322.01 | | 153 498.61 | - 153 498.61 | 5 579 322.01 |
| ABSA: Investment Acc | Fixed Deposit | 20-7676-3430 | 5.2 | | | 455 377.95 | | 12 030.08 | - 12 030.08 | 455 377.95 |
| ABSA: Housing / Account | Positive Bank Bal | 40-5461-7192 | 3.75 | | Monthly | - | | - | - | - |
| Standard Bank | Call Deposit | 2288-18613-062 | 6.70 | | Monthly | 472 018.09 | | 1 723.84 | | 473 741.93 |
| Standard Bank | Call Deposit | 2288-18613-063 | 6.70 | | Monthly | 128 506.04 | | 469.31 | | 128 975.35 |
| Kagiso Asset Management | Money Market Assets | 550/827 | N/A | | Monthly | 7 009 710.11 | | 37 043.18 | | 7 046 753.29 |
| Sanlam | Money Market Fund | RUSTEN | N/A | | Monthly | 9 413 539.15 | | 39 504.51 | | 9 453 043.66 |
| Sub-Total | | | | | | 23 648 473.35 | - | 247 070.01 | - 168 329.17 | 23 727 214.19 |
| Long-Term Investments | | | | | | | | | | |
| | | | | | | Opening | | Movement | | Closing |
| Sanlam Shares | Ordinary - 12 948 | U0063386178 | 55.29 | 48.72 | Monthly | 715 894.92 | | - 85 068.36 | | 630 826.56 |
| Sanlam Shares | Ordinary -323 | U0053871618 | 55.29 | 48.72 | Monthly | 17 858.67 | | - 2 122.11 | | 15 736.56 |
| Total | | | | | | 24 382 226.94 | - | 159 879.54 | - 168 329.17 | 24 373 777.31 |

3.7 BORROWINGS

The municipality is currently servicing three (3) existing loans with two (2) institutions (DBSA, and INCA).

Below is the summarised Loan Register:

AGENDA: COUNCIL: 31 JANUARY 2023

| RUSTENBURG LOCAL MUNICIPALITY | | | | | | | | |
|--|-------------------------|---------------|-------------|--------------------------|-----------------------------|-----------------------------|-------------------------------------|-----------------------------|
| Schedule of External loans for 2022-23 | | | | | | | | |
| Details | Original Loan Amount | Interest Rate | Loan Number | Redeemable | Balance at 30 November 2022 | Received during this period | Redeemed/ Written Off during Period | Balance at 31 December 2022 |
| INCA/RMB | R 50 000 000.00 | 13.82% | 50619016740 | Thursday, 31 August 2023 | R 10 885 117.27 | R 0.00 | R 123 508.91 | R 11 008 626.18 |
| 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 0.00 | R 0.00 | R 0.00 | R 0.00 |
| DBSA | R 308 000 000.00 | 9.903% | 61007193 | Friday, 29 June 2029 | R 202 215 718.07 | R 0.00 | -R 8 059 652.34 | R 194 156 065.73 |
| DBSA | R 150 000 000.00 | 10.007% | 61007264 | Friday, 28 June 2030 | R 108 991 547.06 | R 0.00 | -R 8 796 645.48 | R 100 194 901.58 |
| Total Other Loans | R 548 000 000.00 | | | | R 322 092 382.40 | R 0.00 | -R 16 732 788.91 | R 305 359 593.49 |
| TOTAL EXTERNAL LOANS | R 548 000 000.00 | | | Per AFS | R 322 092 382.40 | | -R 16 732 788.91 | R 305 359 593.49 |

The table below indicates the 2022/23 Loans Repayment Register for both Capital and Interest portions.

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

Structured secured 15-year loan for various purposes. Original loan capital of R150 000 000. Drawdown of R 150 million was transferred in 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 29 February 2024.

3.8 SUPPLY CHAIN MANAGEMENT MONTHLY ANALYSIS – JULY TO DECEMBER 2022

The report is submitted to ensure that the Supply Chain Management “SCM” processes followed by management are in line with Municipality’s policy framework and regulations pertaining to SCM.

3.8.1 DEVIATIONS

Bids contained in this report were advertised, evaluated, and adjudicated in accordance with the SCM policy and are informed by the appointment letters signed by the Accounting Officer.

There were 8 (eight) deviations from the normal procurement process approved for the first six months of the 2022-23 financial year. The Municipality has put measures in place to reduce the number of deviations and ensure that proper SCM processes are followed in the procurement of goods and services. Six (6) appointed at the at the rand value of 9.7million, two (2) appointed per rates.

3.8.2 BIDS AWARDED ABOVE R200 000.00

There were 7 (seven) bids awarded for the period under review, with a value of R71 823 677.04

3.8 CONCLUSION

In light of the above financial assessment and forecasting figures on the annual budget, for the first six months ended 31st December 2022 of the 2022/2023 financial year, it is recommended that an adjustment budget for 2022/2023 is required to cater for the shift of funds between votes. Where possible, funds will be re-allocated within a particular line item to maintain the municipality’s funded budget position.

The adjusted budget will be submitted to Council by the end of February 2023.

AGENDA: COUNCIL: 31 JANUARY 2023

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

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

| KPI 1: Number of policies reviewed by 30 June 2023 | Time frame | Target | Actual |
|--|------------|--------|--------|
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | 2 | 3 |
| | Mid-Year | 2 | 3 |
| | Quarter 3 | 4 | N/A |
| | Quarter 4 | 4 | N/A |
| | Annual | 10 | N/A |
| Comment on the achievement of the KPI and remedial measures | | | |
| Quarter 1: N/A KPI is not applicable for the quarter however the following policies were submitted to PFC of the 30th August 2022: 1. IT Change Management Policy for Rustenburg Local Municipality. 2. Information Technology Strategy Plan for Rustenburg Local Municipality. 3. ICT Cyber Security Policy for Rustenburg Local Municipality. 4. Group information Security Policy for Rustenburg Local Municipality. Quarter 2 - Achieved The following OHS Policies served before Council on the 30 November 2022. | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

1. Reviewed First Aid Policy for RLM (ITEM 257)
2. Reviewed incapacity/ ill health and injury policy for RLM (ITEM 248)

Incident investigation Policy and Procedure for RLM (ITEM 209)

Mid-Year- Achieved

3 Policies were approved by council thus the KPI is achieved.

Ref : DCS 5,6

| KPI 2: Number of ICT Disaster Recovery Sites tests conducted by 30 June 2023 | Time frame | Target | Actual | | | | | | | | |
|--|-------------------|---------------|---------------|---------|--------|-------------|---|-------------------|-------|-------------|-----|
| | Quarter 1 | 1 | 1 | | | | | | | | |
| | Quarter 2 | 1 | 5 | | | | | | | | |
| | Mid-Year | 2 | 6 | | | | | | | | |
| | Quarter 3 | 1 | N/A | | | | | | | | |
| | Quarter 4 | 1 | N/A | | | | | | | | |
| Annual | | | | | | | | | | | |
| 4 | | | | | | | | | | | |
| N/A | | | | | | | | | | | |
| Comment on the achievement of the KPI and remedial measures | | | | | | | | | | | |
| Quarter 1: Achieved | | | | | | | | | | | |
| Disaster Recovery sites tests were conducted in July, August and September 2022. | | | | | | | | | | | |
| <table border="1" style="width: 100%;"> <thead> <tr> <th>Project</th> <th>Budget</th> <th>Expenditure</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Disaster Recovery</td> <td>R3.5m</td> <td>R652 695.00</td> <td>19%</td> </tr> </tbody> </table> | | | | Project | Budget | Expenditure | % | Disaster Recovery | R3.5m | R652 695.00 | 19% |
| Project | Budget | Expenditure | % | | | | | | | | |
| Disaster Recovery | R3.5m | R652 695.00 | 19% | | | | | | | | |
| Quarter 2 - Achieved | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Disaster Recovery Site Tests were conducted in October, November and December 2022. Tests were conducted to ensure the data of the municipality is protected. The testing includes backup of the information which was processed and replicated to remote servers. Considering the sensitivity and volume of Financial data, the PAC recommended that tests be conducted monthly hence reported achievement has exceeded the target. | | | | | | | | | | | |
| Mid-Year - Achieved | | | | | | | | | | | |
| 6 Disaster Recovery Site Tests were conducted. | | | | | | | | | | | |
| Ref : DCS 1 | | | | | | | | | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

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. | Time frame | Target | Actual |
| | Quarter 1 | 20% | 17.05% |
| | Quarter 2 | 40% | 63% |
| | Mid-Year | 40% | 63% |
| | Quarter 3 | 60% | N/A |
| | Quarter 4 | 95% | N/A |
| | Annual | 95% | N/A |

Comment on the achievement of the KPI and remedial measures

| Quarter 1 : Not Achieved | Budget | Expenditure | % |
|----------------------------------|---------------|-------------|--------|
| Project Training of Personnel | R3 247 920.00 | 553 832.20 | 17.05% |

Reasons for Non-Achievement

The appointment of Service Providers took longer to be finalized.

Remedial Measures

- 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.

Achieved

| Quarter 2 : Not Achieved | Budget | Expenditure | % |
|----------------------------------|---------------|---------------|-----|
| Project Training of Personnel | R3 247 920.00 | R2 049 832.20 | 63% |

The budget spent on training of personnel budget was R 3 247 920.00 and for the quarter under review the spending was R 1 469 832.20. Invoices to the tune of R580 000 were submitted to BTO on the 7th of December 2022 and were not processed therefore not reflected as part of the actual expenditure for the period under review. R2 049 832 expenditure translates to 63%.

Mid-Year - Achieved

63% of the budget has been spent.

Ref : DCS 11

AGENDA: COUNCIL: 31 JANUARY 2023

| | | | |
|--|-------------------|---------------|---------------|
| KPI 4: Percentage of budgeted vacant positions filled within 3 months from becoming vacant in 2022/23 | Time frame | Target | Actual |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | 25% | 0 |
| | Mid-Year | 25% | 0 |
| | Quarter 3 | N/A | N/A |
| | Quarter 4 | 25% | N/A |
| | Annual | 50% | 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> <p>Quarter 2: - Not Achieved</p> <p>Reason for Non-achievement</p> <ul style="list-style-type: none"> The directorate did not have the matrix or system that tracks the date at which the position was declared vacant against the date on which the position was filled. <p>Remedial Measures</p> <p>The directorate is in the process of developing the system to record and track the turnaround time for filling of vacancies from the time the position was declared vacant. For positions which are on fixed term, recruitment process shall begin at least 4 to 5 months prior the expiry of the term. The remedial plan will be implemented effectively from the 3rd quarter of 2022/2023 financial year.</p> <p>Mid-Year – Not Achieved</p> <p>Ref : DCS 7</p> | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

| | | | |
|--|-------------------|---------------|---------------|
| KPI 5: Percentage of disciplinary cases finalized within 6 months in 2022/23 | Time frame | Target | Actual |
| | Quarter 1 | 90% | 0% |
| | Quarter 2 | 90% | 68% |
| | Mid-Year | 90% | 68% |
| | Quarter 3 | 90% | N/A |
| | Quarter 4 | 90% | N/A |
| | Annual | 90% | N/A |

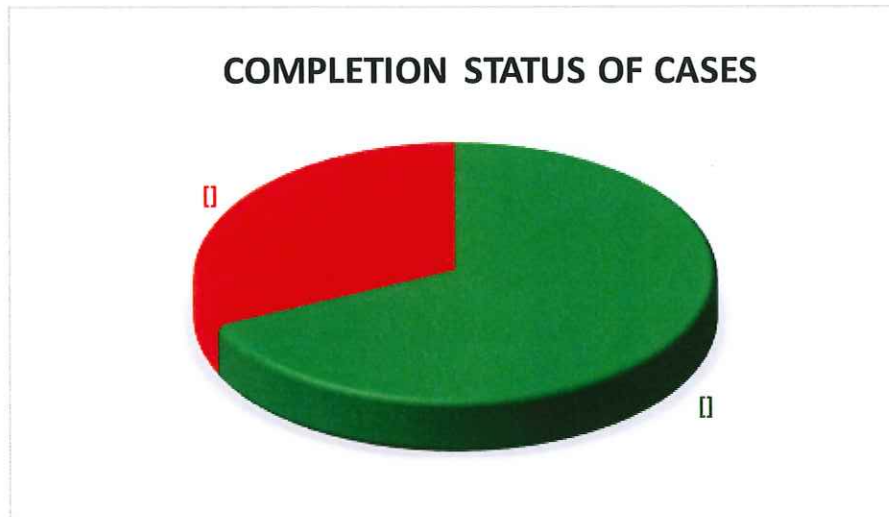
Comment on the achievement of the KPI and remedial measures

Quarter 1 – Not Achieved

There are currently eight cases and none of them have been finalized yet.

Quarter 2 – Not Achieved

The register of disciplinary cases contained 25 cases. Of the 25 cases 17 (68%) were completed as at time of compiling the report and 8 (32%) still pending.



Ageing

of the

disciplinary cases was assessed to test compliance with the turn around time of 6 months from the date of case was initiated. Five (5) cases were completed within 183 days; thirteen (13) were completed outside of the 183 days turnaround time with 7 cases having not complete dates.

Reason for Non-achievement

- Reasons for the delayed conclusion of the cases includes instances where chairperson recused himself on the matter; process postponed sine die and other hearings postponed on several occasions due to unavailability of either the employee and employer's witness to come and testify.

Remedial Measures

- Collective agreement contains legal framework on how matters must be expedited, most of the pending matters are those handled by attorneys from outside. Levels according to our position does not allow a junior or an official at a similar level to either prosecute or chair a case of a colleague who is senior or on the same level. Levels are an impediment which causes these delays. In this regard matters of such nature requires involvement of the directors, who at many instances adequate capacity in terms of time and technical know-how on workspace disciplinary matters. Workplace discipline in character must not be as stringent as litigations.

AGENDA: COUNCIL: 31 JANUARY 2023

SALGA will be engaged during the 3rd Quarter in order to capacitate newly appointed unit heads and directors on workplace discipline and disciplinary hearing processes as mitigation to this risk.

Mid-Year - Not achieved.

68% of cases were finalized.

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 6: Number of reports on the implementation of Council resolutions submitted by June 2023 | Time frame | Target | Actual |
|--|------------|--------|--------|
| | Quarter 1 | 1 | 1 |
| | Quarter 2 | 1 | 2 |
| | Mid-Year | 2 | 3 |
| | Quarter 3 | 1 | N/A |
| | Quarter 4 | 1 | N/A |
| | Annual | 4 | N/A |
| Comment on the achievement of the KPI and remedial measures | | | |
| <p>Quarter 1 : Achieved</p> <p>The report on council resolutions served before Council on the 28 September 2022 per item 219.</p> <p>Quarter 2: Achieved</p> <p>Council Resolution Register served before Council on 30 November and continued on 12 December 2022.</p> <p>Mid-Year: Achieved</p> <p>Reports on council resolutions served before council on the following dates: 28 September 2022 30 November 2022 12 December 2022</p> <p>Ref : DCS 14</p> | | | |

| KPI 7: Number of employment equity (EE) reports submitted to the Department of Employment and Labour (DoEL) by 15 January 2023 | Time frame | Target | Actual |
|--|------------|--------|--------|
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | 1 | N/A |
| | Quarter 4 | N/A | N/A |
| Annual | 1 | N/A | |
| Comment on the achievement of the KPI and remedial measures | | | |
| <p>Quarter 1 - N/A</p> | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

The KPI was not applicable for the 1st quarter. Target date for the submission of the Employment Equity report was the 15th January 2023.

Quarter 2 – N/A

The KPI was not applicable for the 2nd quarter. Target date for the submission of the Employment Equity report is the 15th January 2023 which is the 3rd quarter of the financial year.

Mid-Year – Not Applicable

The KPI was not applicable for mid-year. Target date for the submission of the Employment Equity report is the 15th January 2023 which is the 3rd quarter of the financial year.

Ref : DCS 17

| KPI 8: Number of records disposal applications submitted to the North West Provincial Archives and Records Services By 31 March 2023 | Time frame | | Actual |
|--|------------|-----|--------|
| | Target | | |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | 1 | N/A |
| | Quarter 4 | N/A | N/A |
| Annual | 1 | 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.

Mid-Year – N/A

Not applicable for the mid-year.

Ref : DCS 18

| KPI 9: Qualified Audit opinion expressed by the Auditor General | Time frame | | Actual |
|---|-------------------------|-------------------------|--------|
| | Target | | |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | N/A | N/A |
| | Quarter 4 | Qualified Audit Opinion | N/A |
| Annual | Qualified Audit Opinion | 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 : BTO 11

AGENDA: COUNCIL: 31 JANUARY 2023

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 10: Percentage of municipality's capital budget spent by 30 June 2023 | Time frame | | Actual |
|---|------------|--------|--------|
| | Quarter 1 | Target | |
| | Quarter 2 | 50% | 12.35% |
| | Mid-Year | 50% | 12.35% |
| | Quarter 3 | 75% | N/A |
| | Quarter 4 | 100% | N/A |
| | Annual | 100% | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Not Achieved

| GRANT | ANNUAL BUDGET | JUL | AUG | SEPT | ACTUAL TO DATE | BALANCE | % EXP |
|--------------|----------------------|-------------------|-------------------|----------------|-------------------|----------------------|----------|
| CRR | 193,373,223 | 124,030 | 4,482,150 | 780,529 | 5,386,709 | 187,986,514 | 3 |
| INEP | 30,000,000 | - | - | - | - | 30,000,000 | - |
| MIG | 257,003,500 | 5,212,006 | 17,044,211 | - | 22,256,216 | 234,747,284 | 9 |
| NDPG | 2,000,000 | - | - | - | - | 2,000,000 | - |
| PTNG | 72,065,238 | - | - | - | - | 72,065,238 | - |
| WSIG | 70,000,000 | - | - | - | - | 70,000,000 | - |
| CATA | 619,035 | - | - | - | - | 619,035 | - |
| TOTAL | 1,056,748,769 | 10,548,041 | 38,570,571 | 780,529 | 49,899,141 | 1,006,849,628 | 6 |

Quarter 2: Not Achieved

AGENDA: COUNCIL: 31 JANUARY 2023

The Capital Expenditure for the first six months of the 2022/2023 financial year is which ended at the 31st of December 2022 is standing 12,35% which in monetary value is at R77,2 million. The mentioned expenditure of R77,2 million does not include shadow cost (cost committed such as orders already placed and goods not received and not yet paid).

Mid-Year: Not Achieved

The Capital Expenditure for the first six months of the 2022/2023 financial year is which ended at the 31st of December 2022 is standing 12,35% which in monetary value is at R77,2 million. The mentioned expenditure of R77,2 million does not include shadow cost (cost committed such as orders already placed and goods not received and not yet paid).

| Vote Description | Budget Year 2022/23 | | | | | | | | | |
|--|---------------------|-----------------|-----------------|----------------|---------------|----------------|------------------|----------------|--------------------|--|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast | |
| R thousands | | | | | | | | | | |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| <i>Governance and administration</i> | 7 561 | 30 416 | - | - | 913 | 15 208 | (14 295) | -94% | 1 825 | |
| Executive and council | 2 528 | 9 770 | - | - | - | 4 885 | (4 885) | -100% | - | |
| Finance and administration | 5 033 | 20 365 | - | - | 913 | 10 183 | (9 270) | -91% | 1 825 | |
| Internal audit | - | 280 | - | - | - | 140 | (140) | -100% | - | |
| <i>Community and public safety</i> | (13 402) | 72 294 | - | 5 577 | 22 314 | 36 147 | (13 834) | -38% | 44 627 | |
| Community and social services | (20 103) | 30 786 | - | 4 217 | 18 607 | 15 393 | 3 213 | 21% | 37 213 | |
| Sport and recreation | 2 204 | 22 042 | - | 663 | 940 | 11 021 | (10 081) | -91% | 1 881 | |
| Public safety | 4 367 | 17 903 | - | 697 | 2 766 | 8 952 | (6 185) | -69% | 5 533 | |
| Housing | 130 | 1 563 | - | - | - | 782 | (782) | -100% | - | |
| Health | - | - | - | - | - | - | - | - | - | |
| <i>Economic and environmental services</i> | 116 852 | 200 101 | - | 6 435 | 25 775 | 100 051 | (74 276) | -74% | 51 550 | |
| Planning and development | (1 086) | 32 115 | - | 23 | 5 290 | 16 057 | (10 768) | -67% | 10 579 | |
| Road transport | 117 938 | 167 987 | - | 6 411 | 20 485 | 83 993 | (63 508) | -76% | 40 970 | |
| Environmental protection | - | - | - | - | - | - | - | - | - | |
| <i>Trading services</i> | 59 022 | 322 496 | - | 4 837 | 28 230 | 161 248 | (133 019) | -62% | 56 459 | |
| Energy sources | 50 123 | 150 318 | - | 1 926 | 13 703 | 75 159 | (61 456) | -82% | 27 406 | |
| Water management | (7 012) | 28 000 | - | 1 035 | 4 488 | 14 000 | (9 512) | -68% | 8 976 | |
| Waste water management | 15 221 | 119 298 | - | 1 876 | 10 038 | 59 649 | (49 611) | -83% | 20 077 | |
| Waste management | 690 | 24 880 | - | - | - | 12 440 | (12 440) | -100% | - | |
| <i>Other</i> | - | - | - | - | - | - | - | - | - | |
| Total Capital Expenditure - Functional Classification | 170 034 | 625 308 | - | 16 849 | 77 231 | 312 654 | (235 423) | -75% | 154 461 | |

Ref: OMM

AGENDA: COUNCIL: 31 JANUARY 2023

| KPI 11: Procurement of the mSCOA financial system by 30 June 2023 | Time frame | Target | Actual |
|---|---|---------------------------------|-------------------|
| | Quarter 1 | Advertisement of bids | 19 September 2022 |
| | Quarter 2 | Appointment of Service Provider | 0 |
| | Mid-Year | Appointment of Service Provider | 0 |
| | Quarter 3 | Implementation plan | N/A |
| | Quarter 4 | Fully functional modules | N/A |
| Annual | 100% of all modules as per the SLA signed off as fully operational by the municipality and service provider | N/A | |

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Achieved

A tender for procurement of the system was advertised on the 19 September 2022 and closed on the 31st October 2022.

Quarter 2 – Not Achieved

The tender advert was withdrawn on the 29th November 2022.

Mid-Year - Not Achieved

The tender advert was withdrawn on the 29th November 2022.

Reasons for Non-Achievement

The tender was cancelled due to some technicalities in the bid document.

Remedial Measure

Re-advert of the tender before the closure of the financial year.

Ref: BTO 1

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

| KPI 12: Percentage collection of budgeted revenue | Time frame | Target | Actual |
|---|------------|--------|--------|
| | Quarter 1 | 90% | 83% |
| | Quarter 2 | 90% | 50% |
| | Mid-Year | 90% | 50% |
| | Quarter 3 | 90% | N/A |
| | Quarter 4 | 90% | N/A |
| | Annual | 90% | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Not Achieved

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

Gross Debtors closing balance : R5 636 551500

AGENDA: COUNCIL: 31 JANUARY 2023

Gross Debtors opening balance : R7313 210 000
 Bad debts written off : R1 922 770 400
 Billed Revenue : R1 452 813 000
 Actual Performance : **83%**

Reasons for non-achievement

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

| NW373 Rustenburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December | | | | | | | | | |
|---|------------------|---------------------|-----------------|----------------|------------------|------------------|-----------------|--------------|--------------------|
| Description | 2021/22 | Budget Year 2022/23 | | | | | | | |
| | 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 | 486 412 | 516 902 | – | 43 796 | 262 813 | 258 451 | 4 362 | 2% | 516 902 |
| Service charges - electricity revenue | 3 277 928 | 3 691 715 | – | 98 105 | 1 598 583 | 1 845 857 | (247 274) | -13% | 3 691 715 |
| Service charges - water revenue | 524 419 | 553 596 | – | 42 036 | 274 516 | 276 798 | (2 282) | -1% | 553 596 |
| Service charges - sanitation revenue | 189 666 | 405 800 | – | 36 185 | 201 831 | 202 900 | (1 069) | -1% | 405 800 |
| Service charges - refuse revenue | 166 778 | 154 931 | – | 14 523 | 82 573 | 77 465 | 5 108 | 7% | 154 931 |
| Rental of facilities and equipment | 11 408 | 14 080 | – | 1 006 | 6 250 | 7 040 | (790) | -11% | 14 080 |
| Interest earned - external investments | 23 081 | 26 217 | – | 1 920 | 20 804 | 13 108 | 7 695 | 59% | 26 217 |
| Interest earned - outstanding debtors | 404 002 | 428 086 | – | 37 432 | 231 163 | 214 043 | 17 120 | 8% | 428 086 |
| Dividends received | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | 19 427 | 9 399 | – | 227 | 607 | 4 700 | (4 093) | -87% | 9 399 |
| Licences and permits | 154 | 11 288 | – | 3 | 756 | 5 644 | (4 888) | -87% | 11 288 |
| Agency services | 154 242 | 110 424 | – | 1 896 | 30 549 | 55 212 | (24 663) | -45% | 110 424 |
| Transfers and subsidies | 952 759 | 1 127 277 | – | 424 573 | 796 539 | 563 639 | 232 900 | 41% | 1 127 277 |
| Other revenue | 46 367 | 18 647 | – | 2 457 | 9 465 | 9 324 | 141 | 2% | 18 647 |
| Gains | 2 957 | 6 448 | – | 11 | 1 162 | 3 224 | (2 062) | -64% | 6 448 |
| Total Revenue (excluding capital transfers and contributions) | 6 259 600 | 7 074 810 | – | 704 169 | 3 517 611 | 3 537 405 | (19 794) | -1% | 7 074 810 |

Mid-Year – Not Achieved

Reasons for non-achievement

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.

Ref : BTO 12

| KPI 13: Percentage of municipal payments made to service providers who submitted complete forms within 30 days of invoice submission | Time frame | Target | Actual |
|--|------------|--------------------|---------|
| | Quarter 1 | 95% within 30 days | 68 days |
| | Quarter 2 | 95% within 30 days | 74 days |
| | Mid-Year | 95% within 30 days | 74 days |
| | Quarter 3 | 95% within 30 days | N/A |
| | Quarter 4 | 95% within 30 days | N/A |
| | Annual | 95% within 30 days | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Not Achieved

The creditors payment period was at 74 days.

Reasons for non-achievement

AGENDA: COUNCIL: 31 JANUARY 2023

The invoice submission system not yet implemented.

Remedial Measures

- Procurement of the monitoring system.
- Identify and assign officials (resources) to perform the monitoring

Quarter 2 - Not Achieved

The creditors payment period was at 74 days.

Reasons for non-achievement

The invoice submission system not yet implemented.

Remedial Measures

- Procurement of the monitoring system.
- Identify and assign officials (resources) to perform the monitoring

Mid-Year – Not Achieved

The creditors payment period was at 74 days.

Reasons for non-achievement

The invoice submission system not yet implemented.

Remedial Measures

- Procurement of the monitoring system.
- Identify and assign officials (resources) to perform the monitoring

Ref : BTO 13

| KPI 14: Achieved Improved financial current ratio | Time frame | Target | Actual |
|---|------------|--------|--------|
| | Quarter 1 | 1.2:1 | 1.08:1 |
| | Quarter 2 | 1.4:1 | 1.01:1 |
| | Mid-Year | 1.4:1 | 1.01:1 |
| | Quarter 3 | 1.6:1 | N/A |
| | Quarter 4 | 1.8:1 | N/A |
| | Annual | 1.8:1 | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Not Achieved

Formula: Current Assets/Current Liabilities

Current Assets : R1 704 380 671
 Current Liabilities: R1 582 042 316
 Current Ratio : 1.08 : 1

Variiances and reason for non-achievement

Inadequate cash reserves and debt collection levels.

AGENDA: COUNCIL: 31 JANUARY 2023

Remedial Measures

- Debt collectors appointed
- Implementation of debt collection plan.
- Continue to intensify credit control measures and resolved all impediments.

Quarter 2 – Not Achieved

Formula: Current Assets/Current Liabilities

Current Assets : R1 831 492 308

Current Liabilities: R1 811 389 595

Current Ratio : R1.01 : 1

Variations and reason for non-achievement

Inadequate cash reserves and debt collection levels.

Remedial Measures

- Debt collectors appointed
- Implementation of debt collection plan.
- Continue to intensify credit control measures and resolved all impediments.

Mid-Year – Not Achieved

The current ratio was at R1.01:1 as at mid-year 2022-2023.

Ref : BTO 14

| | | | |
|--|-------------------|---------------|---------------|
| KPI 15: Achieve improved financial cost coverage of the municipality | Time frame | Target | Actual |
| | Quarter 1 | 1 month | 1 month |
| | Quarter 2 | 1 month | 1 month |
| | Mid-Year | 1 month | 1 month |
| | Quarter 3 | 1 month | N/A |
| | Quarter 4 | 1 month | N/A |
| | Annual | 1 month | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Achieved

Formula:

Cash and cash equivalents : R530 790 898

Unspent conditional grants : R244 479 399

Overdraft : R0

Short Term Investments : R22 231 551

Total Annual Operational Expenditure : R5 765 406 086

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 : R265 315 000

Unspent conditional grants : R161 244 000

AGENDA: COUNCIL: 31 JANUARY 2023

Overdraft : R0
 Short Term Investments : R7 227 000
 Total Annual Operational Expenditure : R2 591 786
 Cost Coverage : 1 month

Mid-Year – Achieved

The cost coverage at mid-year was at 1 month.

Ref: BTO 15

| KPI 16: Percentage of the municipality's allocated budget spent on indigent relief for free basic services | Time frame | Target | Actual |
|--|------------|--------|--------|
| | Quarter 1 | 25% | 56% |
| | Quarter 2 | 50% | 97% |
| | Mid-Year | 50% | 97% |
| | Quarter 3 | 75% | N/A |
| | Quarter 4 | 100% | N/A |
| | Annual | 100% | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Achieved

Expenditure during the quarter under review was at 56%.

| Budget | Expenditure | Percentage |
|-------------|-------------|------------|
| R19 807 041 | R10 830 474 | 56% |

Quarter 2 - Achieved

| Budget | Expenditure | Percentage |
|-------------|-------------|------------|
| R19 807 041 | R19 185 446 | 96.86% |

Mid-Year: Achieved

| Budget | Expenditure | Percentage |
|-------------|-------------|------------|
| R19 807 041 | R19 185 446 | 96.86% |

BTO 16

AGENDA: COUNCIL: 31 JANUARY 2023

| KPI 17: Number of Section 71 reports due submitted to the Executive Mayor within 10 days after the end of the month | Time frame | Target | Actual |
|---|------------|--------|--------|
| | Quarter 1 | 3 | 3 |
| | Quarter 2 | 3 | 3 |
| | Mid-Year | 6 | 6 |
| | Quarter 3 | 6 | N/A |
| | Quarter 4 | 3 | N/A |
| Annual | 12 | N/A | |

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Not Achieved

Section 71 Reports were submitted to the Executive Mayor as follows:

1. July 2022 - 15 August 2022
2. August 2022 – 14 September 2022
3. September 2022 – 14 October 2022

Quarter 2 – Not Achieved

Section 71 Reports were submitted to the Executive Mayor as follows:

1. October 2022 - 14 November 2022
2. November 2022 – 14 December 2022
3. December 2022 – 12 January 2023

The reports were not submitted within the legislated timeframe of 10 days.

Mid-Year - Not Achieved

Section 71 Reports were submitted to the Executive Mayor as follows:

4. July 2022 - 15 August 2022
5. August 2022 – 14 September 2022
6. September 2022 – 14 October 2022

The reports were not submitted within the legislated timeframe of 10 days.

Ref : BTO 6

| KPI 18: Number of section 72 reports submitted within legislated timeframe to the Executive Mayor | Time frame | Target | Actual |
|---|--------------|--------------|--------|
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | January 2023 | N/A |
| | Quarter 4 | N/A | N/A |
| Annual | January 2023 | 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 2023.

Quarter 2 – N/A

The KPI was not applicable for the 2nd quarter. Submission of Section 72 report is due in January 2023.

AGENDA: COUNCIL: 31 JANUARY 2023

Mid-Year – N/A

The KPI was not applicable for mid-year. Submission of Section 72 report is due in the 3rd quarter of the financial year 2023.

Ref : BTO 7

| KPI 19: Number of section 52 reports submitted after every quarter to council | Time frame | Target | Actual |
|---|------------|--------|--------|
| | Quarter 1 | 1 | 1 |
| | Quarter 2 | 1 | 1 |
| | Mid-Year | 2 | 2 |
| | Quarter 3 | 1 | N/A |
| | Quarter 4 | 1 | N/A |
| Annual | 4 | N/A | |

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Achieved

The Section 52 report was submitted on the 14th October 2022.

Quarter 2 – Achieved

The Section 52 report was submitted on the 12th January 2023.

Mid-Year: 2 - Achieved

Section 52 reports were submitted as follows:

1st Quarter – 14th October 2022

2nd Quarter - 12th January 2023.

Ref : BTO 8

| KPI 20: Annual Financial Statements (AFS) of RLM and Consolidated AFS of 2021/22 submitted to AGSA for audit by 31 August 2022 and 30 September 2022 respectively | Time frame | Target | Actual |
|---|---|---|-------------------------------------|
| | Quarter 1 | 2 x set of Annual Financial Statements of 2021/22 submitted to AGSA | 31 August 2022 30 September 2022 |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | 2 x set of Annual Financial Statements of 2021/22 submitted to AGSA | 31 August 2022 30 September 2022 |
| | Quarter 3 | N/A | N/A |
| | Quarter 4 | N/A | N/A |
| Annual | 2x sets of financial statements submitted to AGSA | N/A | |

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Achieved

The 2021/2022 Annual Financial Statements (AFS) of the Rustenburg local Municipality were submitted to the office of the Auditor General on the 31 August 2022. Submission was made both in soft and printed copies.

AGENDA: COUNCIL: 31 JANUARY 2023

The consolidated AFS of the 2021/2022 were submitted on the 30th September 2022.

Quarter 2 – N/A

The KPI was not applicable for the 2nd Quarter.

Mid-Year – N/A

The consolidated AFS of the 2021/2022 were submitted on the 30th September 2022.

Ref : BTO 16

| KPI 21: MTREF budget submitted to council by 31 May 2023 | Time frame | Target | Actual |
|--|------------|---|--------|
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | 2023/24 Draft MTREF budget submitted to Council | N/A |
| | Quarter 4 | 2023/2024 Final MTREF budget submitted to Council | N/A |
| | Annual | 31 May 2022 | 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 the mid-year. The MTREF is due in the 3rd quarter of the financial year.

Ref : BTO 15

| KPI 22: Adjustments budget submitted to Council by end of February 2023 | Time frame | Target | Actual |
|---|------------|---------------|--------|
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | February 2023 | N/A |
| | Quarter 4 | N/A | N/A |
| | Annual | February 2023 | 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

AGENDA: COUNCIL: 31 JANUARY 2023

The KPI was not applicable for the 2nd quarter.

Mid-Year – N/A

The KPI was not applicable for mid-year.

Ref : BTO 17

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

| | | | |
|--|-------------------|---------------|---------------|
| KPI 23: Number of catalytic projects facilitated by 30 June 2023 | Time frame | Target | Actual |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | N/A | N/A |
| | Quarter 4 | 2 | N/A |
| | Annual | 2 | 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 24: Number of LED Strategy revised by March 2023 | Time frame | Target | Actual |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | 1 | N/A |
| | Quarter 4 | N/A | N/A |
| | Annual | 1 | 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

AGENDA: COUNCIL: 31 JANUARY 2023

| | | | |
|---|-------------------|---------------|---------------|
| KPI 25: Number of work opportunities created through Public Employment Programmes (inclu.) EPWP, CWP and other related employment programmes) | Time frame | Target | Actual |
| | Quarter 1 | N/A | 395 |
| | Quarter 2 | 700 | 465 |
| | Mid-Year | 700 | 860 |
| | Quarter 3 | N/A | N/A |
| | Quarter 4 | 1500 | N/A |
| | Annual | 1500 | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 – N/A

KPI not applicable for the 1st Quarter. However, the following jobs were created:

| Project | Number of Jobs |
|-----------------------|-----------------------|
| EPWP – Phunyeletso | 4 |
| PMU | 40 |
| Day Labourers | 206 |
| Wet Refuse Collection | 91 |
| Landfill Management | 24 |
| Community Facilities | 17 |
| Civil Facilities | 13 |
| TOTAL | 395 |

Quarter 2 – Achieved

| Project | Number of Jobs |
|-----------------------|-----------------------|
| EPWP – Phunyeletso | 2 |
| PMU | 40 |
| Day Labourers | 240 |
| Wet Refuse Collection | 99 |
| Landfill Management | 27 |
| Community Facilities | 17 |
| Civil Facilities | 17 |
| PMU Parks | 8 |
| Youth in Waste | 15 |
| TOTAL | 465 |

Mid-Year - Achieved

AGENDA: COUNCIL: 31 JANUARY 2023

The total number of jobs created as at mid-year were 860.

Ref : LED 6 & DCD 15

| | | | |
|---|-------------------|---------------|---------------|
| KPI 26: Percentage completion of the Boitekong Hawkers Stalls project | Time frame | Target | Actual |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | 50% | N/A |
| | Quarter 4 | 100% | N/A |
| | Annual | 100% | 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 27: Number of Farmers’ Production Support (FPSU) renovated | Target | Actual |
| | Quarter 1 | N/A |
| | Quarter 2 | N/A |
| | Mid-Year | N/A |
| | Quarter 3 | N/A |
| | Quarter 4 | 1 |
| | Annual | 1 |

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

AGENDA: COUNCIL: 31 JANUARY 2023

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

| KPI 28: Percentage reduction of real water losses per IWA standards by 30 June 2023 | Time frame | Target | Actual |
|--|------------|--------|--------|
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | N/A | N/A |
| | Quarter 4 | N/A | N/A |
| | Annual | 3% | 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> <p>Quarter 2 – N/A</p> <p>The KPI was not applicable for the 2nd quarter.</p> <p>Mid-Year – N/A</p> <p>The KPI was not applicable for mid-year.</p> <p>Ref : LED 2</p> | | | |

| KPI 29: Percentage of drinking water samples complying to SANS241 by June 2023 | Time frame | Target | Actual |
|--|------------|--------|--------|
| | Quarter 1 | 98% | 98.4% |
| | Quarter 2 | 98% | 98% |
| | Mid-Year | 98% | 98% |
| | Quarter 3 | 98% | N/A |
| | Quarter 4 | 98% | N/A |
| | Annual | 98% | N/A |
| Comment on the achievement of the KPI and remedial measures | | | |
| <p>Quarter 1 – Achieved</p> <p>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.</p> <p>As per SANS report compliance is as follows:</p> <ul style="list-style-type: none"> • June 2022: Overall compliance 98.41% • July 2022 : Overall compliance 98.04% • August 2022 Overall Compliance 98.76% <p>Aggregate performance for the quarter was 98.4%.</p> <p>Quarter 2: Achieved</p> <p>As per SANS report compliance is as follows:</p> <ul style="list-style-type: none"> • September 2022: Overall compliance 98.39% • October 2022 : Overall compliance 98.02% • November 2022: Overall Compliance 97.69% <p>Aggregate performance for the quarter was 98%.</p> | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

Mid-Year: 2 - Achieved

Aggregate performance for mid-year was 98%.

Ref : DTIS 10

| KPI 30: Percentage completion of civil works and procurement of long lead material for the construction of Boitekong Substation by 30 June 2023 | Time frame | Target | Actual |
|---|------------|--------|--------|
| | Quarter 1 | 25% | 25% |
| | Quarter 2 | 50% | 50% |
| | Mid-Year | 50% | 50% |
| | Quarter 3 | 75% | N/A |
| | Quarter 4 | 100% | N/A |
| | Annual | 100% | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Achieved

Earthing for both secondary and primary plant is complete. The foundation also is complete for the switching station. Brick on site for the switching station. Internal access road base is complete.

Quarter 2 – Achieved

Performance for the quarter was 50%.

Mid-Year: 2

Aggregate performance for mid-year was 50%.

Ref : DTIS 13

| KPI 31: Number of electrical projects implemented by 30 June 2023 | Target | Actual |
|---|-----------|--------|
| | Quarter 1 | N/A |
| | Quarter 2 | N/A |
| | Mid-Year | N/A |
| | Quarter 3 | N/A |
| | Quarter 4 | N/A |
| | Annual | 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: PMU 1

AGENDA: COUNCIL: 31 JANUARY 2023

| | | | |
|--|-------------------|---------------|---------------|
| KPI 32: Number of sewer projects implemented by 30 June 2023 | Time frame | Target | Actual |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | N/A | N/A |
| | Quarter 4 | 5 | N/A |
| | Annual | 5 | 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> <p>Quarter 2 – N/A</p> <p>The KPI was not applicable for the 2nd quarter.</p> <p>Mid-Year – N/A</p> <p>The KPI was not applicable for mid-year.</p> <p>Ref : PMU 2</p> | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

| KPI 33: Percentage of air quality monitoring operations undertaken by 30 June 2023 | Time frame | Target | Actual |
|---|------------|--------|--------|
| | Quarter 1 | 3 | 7 |
| | Quarter 2 | 3 | 9 |
| | Mid-Year | 6 | 16 |
| | Quarter 3 | 3 | N/A |
| | Quarter 4 | 3 | N/A |
| Annual | 12 | N/A | |
| Comment on the achievement of the KPI and remedial measures | | | |
| Quarter 1 – Achieved | | | |
| Number of Air Quality Monitoring Operations undertaken for the quarter under review are 7, they are: | | | |
| <ul style="list-style-type: none"> • 2 Reports from Boitekong and Marikana Air Quality Monitoring Stations (July and August Reports) • 2 Reports on 5 Anglo American Platinum Mine Air Quality Monitoring Stations- Rustenburg (July and August Reports) • Joint inspection at Impala Smelter Plant to check compliance with Environmental Legislation and Authorizations. • Joint operation with Public Safety checking compliance on Spray Painters and street mechanics in the CBD • Joint inspection at Transnet Rustenburg Depot to confirm requirements for license of Petroleum Storage and handling. | | | |
| Quarter 2 – Achieved | | | |
| 9 operations were undertaken during the 2 nd quarter. | | | |
| Mid-Year - Achieved | | | |
| A total of 16 operations were undertaken for mid-year. | | | |
| Ref: DCD 9 | | | |

| KPI 34 : Percentage of known informal settlements receiving basic refuse removal services by 30 June 2023 | Time frame | Target | Actual |
|--|------------|--------|--------|
| | Quarter 1 | 75% | 46% |
| | Quarter 2 | 75% | 39% |
| | Mid-Year | 75% | 43% |
| | Quarter 3 | 79% | N/A |
| | Quarter 4 | 83% | N/A |
| Annual | 83% | N/A | |
| Comment on the achievement of the KPI and remedial measures | | | |
| Quarter 1 – Not Achieved | | | |
| 18 out of 39 newly recognised informal settlements have been serviced during the quarter under review, which translates to 46%. | | | |
| Reasons for Non-Achievement | | | |
| Service Providers received their purchase order for the procurement of three Compactor Trucks, Two Tipper Trucks and one Front End Loader. Furthermore, RLM is in the process of repairing its old three | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

tipper trucks, Front End Loader and TLB, Grab Truck, two RORO trucks, two Skip Loaders. Additional Yellow fleet has been applied for through MIG and it is awaiting approval.

Remedial Measures

Service Providers received their purchase order for the procurement of three Compactor Trucks, Two Tipper Trucks and one Front End Loader. Furthermore, RLM is in the process of repairing its old three tipper trucks, Front End Loader and TLB, Grab Truck, two RORO trucks, two Skip Loaders. Additional Yellow fleet has been applied for through MIG and it is awaiting approval.

Quarter 2 – Not Achieved

15 out of 39 newly recognised informal settlements have been serviced in the current quarter

Reasons for Non-Achievement

Lack of resources, eg. vehicles, to collect waste from informal settlements.

Remedial Measures

The Municipality received two Tipper Trucks and one Front End Loader on the 19/12/2022. This will assist in serving newly recognised informal settlements.

Mid-Year: 2 – Not Achieved

15 out of 39 newly recognised informal settlements have been serviced during mid-year.

Ref : DCD 2

| | | | |
|---|-------------------|---------------|---------------|
| KPI 35: Percentage of formal households with a weekly solid waste removal service by 30 June 2023 | Time frame | Target | Actual |
| | Quarter 1 | 100% | 100% |
| | Quarter2 | 100% | 100% |
| | Mid-Year | 100% | 100% |
| | Quarter 3 | 100% | N/A |
| | Quarter 4 | 100% | N/A |
| | Annual | 100% | N/A |

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Achieved.

Waste collection was done at 101 157 formal households that excludes 3343 Farms Households = 100%

Quarter 2: Achieved

101 157 formal households that excludes 3343 Farms Households = 100%

Mid-Year: 2 - Achieved

101 157 formal households that excludes 3343 Farms Households = 100%

Ref : DCD 1

AGENDA: COUNCIL: 31 JANUARY 2023

| KPI 36: Number of stations completed for the integrated transport system by 30 June 2023 | Time frame | Target | Actual |
|---|------------|------------|--------|
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | N/A | N/A |
| | Mid-Year | N/A | N/A |
| | Quarter 3 | N/A | N/A |
| | Quarter 4 | 6 stations | N/A |
| | Annual | 6 stations | 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. The work in Progress is as depicted in the table below.</p> <ol style="list-style-type: none"> 1. Noord Station 2. Olympia Station 3. Dr Moroka Station 4. Ferncrest Station 5. Monareng Station 6. Lefaragatlha Station <p>Quarter 2 – N/A</p> <p>The KPI was not applicable for the 2nd quarter.</p> <p>Mid-Year – N/A</p> <p>The KPI was not applicable for mid-year.</p> <p>Ref : R&T 1</p> | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

| KPI 37: No. of buses acquired through the Bus operating company by 30 June 2023 | Time frame | Target | Actual |
|--|------------|----------|--------|
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | 5 buses | 0 |
| | Mid-Year | 5 buses | 0 |
| | Quarter 3 | 10 buses | N/A |
| | Quarter 4 | 22 buses | N/A |
| | Annual | 22 buses | 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, however as work in Progress the following milestones were registered during the period under review:</p> <p>Quarter 2 – Not Achieved</p> <p>The 5 targeted buses were not delivered during the 2nd quarter.</p> <p>Reasons for Non-Achievement</p> <p>There was a delay in the delivery of buses – there was a letter of revised commitment for delivery.</p> <p>Remedial Measure</p> <p>Fast-track delivery of buses during the 3rd quarter of the financial year.</p> <p>Mid-Year – Not Achieved</p> <p>The 5 targeted buses were not delivered during the 2nd quarter. Delivery anticipated during the 3rd quarter of the financial year.</p> <p>Ref : R&T 3</p> | | | |

| KPI 38: Kilometers of new municipal road lanes built by 30 June 2023 | Time frame | Target | Actual |
|---|------------|--------|---------|
| | Quarter 1 | 0 | 0 |
| | Quarter 2 | 5km | 1,412km |
| | Mid-Year | 5km | 1,412km |
| | Quarter 3 | 15km | N/A |
| | Quarter 4 | 30km | N/A |
| | Annual | 30km | 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. however, as work in Progress the following milestones were registered during the period under review:</p> <p>Quarter 2 – Not Achieved</p> <p>A target of 5km was set for the quarter. The progress report shows 1,412m and it is stated that only 53% is the overall progress of the road therefore the road is not completed.</p> <p>Mid-Year – Not Achieved</p> <p>1,421m of the targeted 5km of roads were constructed as at mid-year.</p> | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

Ref : R&T 3

| KPI 39: Percentage of compliance with the required attendance time for structural firefighting incidents by 30 June 2023 | Time frame | Target | Actual |
|--|------------|--------|--------|
| | Quarter 1 | 98% | 100% |
| | Quarter 2 | 98% | 100% |
| | Mid-Year | 98% | 100% |
| | Quarter 3 | 98% | 98% |
| | Quarter 4 | 98% | N/A |
| Annual | 98% | 98% | |

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Achieved.

Total number of emergency call attended / by total emergency calls received * 100.

226 firefighting incidents were attended to. 100% of the required attendance time for structural firefighting incidents by Emergency and Disaster.

Quarter 2 – Achieved

171 firefighting incidents are attended to. 100% of the required attendance time for structural firefighting incidents by Emergency and Disaster.

Mid-Year: 2

A total of 397 firefighting incidents were attended to during mid-year.

DPS 7

| KPI 40: Number of road safety campaigns conducted by 30 June 2023 | Time frame | Target | Actual |
|---|------------|--------|--------|
| | Quarter 1 | 10 | 15 |
| | Quarter 2 | 20 | 12 |
| | Mid-Year | 20 | 27 |
| | Quarter 3 | 30 | N/A |
| | Quarter 4 | 40 | N/A |
| Annual | 40 | N/A | |

Comment on the achievement of the KPI and remedial measures

Quarter 1 - Achieved.

15 road safety education campaigns conducted. A variance of five (05) was experienced for the quarter.

Reasons for variance

Due to the increased demand for road safety education during the period.

Quarter 2 – Achieved.

12 road safety education campaigns conducted. A variance of five (02) was experienced for the quarter.

Mid-Year: Achieved

A total of 27 road safety education campaigns were conducted during mid-year.

DPS 4

AGENDA: COUNCIL: 31 JANUARY 2023

| KPI 41: Number of crime prevention operations conducted by 30 June 2023 | Time frame | Target | Actual |
|---|------------|--------|--------|
| | Quarter 1 | 5 | 20 |
| | Quarter 2 | 10 | 8 |
| | Mid-Year | 10 | 28 |
| | Quarter 3 | 15 | N/A |
| | Quarter 4 | 20 | N/A |
| | Annual | 20 | N/A |
| Comment on the achievement of the KPI and remedial measures | | | |
| <p>Quarter 1 - Achieved.</p> <p>20 crime prevention operations were conducted during the 1st quarter.</p> <p>Provide reasons for over-achievement</p> <p>Quarter 2 – Achieved</p> <p>8 crime prevention operations were conducted during the 2nd quarter.</p> <p>Mid-Year: 2</p> <p>28x crime prevention operations were conducted. A variance of ten (10) crime prevention operations was realised.</p> <p>DPS 5</p> | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

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

| | | | |
|---|-------------------|-----------------|-----------------|
| KPI 42: Number of privately owned portions of land acquired for human settlement by 30 June 2023 | Time frame | Target | Actual |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | Progress Report | Progress Report |
| | Mid-Year | Progress Report | Progress Report |
| | Quarter 3 | Progress Report | Progress Report |
| | Quarter 4 | I | N/A |
| | Annual | I | N/A |
| Comment on the achievement of the KPI and remedial measures | | | |
| <p>Quarter 1 – Achieved</p> <p>Portion 45 of farm Paardekraal: waiting for corrected Deed of Sale to be signed by the Municipal Manager,</p> <p>Portion 25 and 52 of the farm Kroondal 304 JQ are in the process of being acquired for the purpose of human settlement. There was however a letter received from Land Claims Commissioner dated 31 August 2022, indicating that there is land claim on the whole Farm of Kroondal. As a result, thereof the application is kept in abeyance until there is clear indication on the specific portions regarding any land claim.</p> <p>Quarter 2 – Achieved</p> <p>Portion 45 of farm Paardekraal: on 7 October 2022 DPHS whilst still awaiting the correct and signed deed of Sale received an e-mail from the Sellers Attorneys indicating that his mandate was terminated by his client.</p> <p>Portion 25 and 52 of the farm Kroondal 304 JQ A letter of confirming that there is an existing land claim against the properties was received from the Regional Land Claims Commissioner on 15/12/2022.</p> <p>Mid-Year – Achieved</p> <p>Portion 45 of farm Paardekraal: on 7 October 2022 DPHS whilst still awaiting the correct and signed deed of Sale received an e-mail from the Sellers Attorneys indicating that his mandate was terminated by his client.</p> <p>Portion 25 and 52 of the farm Kroondal 304 JQ A letter of confirming that there is an existing land claim against the properties was received from the Regional Land Claims Commissioner on 15/12/2022.</p> <p>Ref : DPHS 2</p> | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

| | | | |
|---|-------------------|-----------------|-----------------|
| KPI 43: Number of townships established by 30 June 2023 | Time frame | Target | Actual |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | Progress Report | Progress Report |
| | Mid-Year | Progress Report | Progress Report |
| | Quarter 3 | Progress Report | Progress Report |
| | Quarter 4 | 2 | N/A |
| Annual | 2 | 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 – Achieved

Nkanivo Development Consultants has requested that the application be put on hold until comments from SANRAL is received and whatever imposed conditions are resolved. Nothing has been received from the applicant to date.

Mid-Year – Achieved

Nkanivo Development Consultants has requested that the application be put on hold until comments from SANRAL is received and whatever imposed conditions are resolved. Nothing has been received from the applicant to date.

Ref : DPHS 5

| | | | |
|--|-------------------|-----------------|-----------------|
| KPI 44 : Number of SDF submitted to Council by June 2023 | Time frame | Target | Actual |
| | Quarter 1 | N/A | N/A |
| | Quarter 2 | Progress Report | Progress Report |
| | Mid-Year | Progress Report | Progress Report |
| | Quarter 3 | Progress Report | Progress Report |
| | Quarter 4 | 1 | N/A |
| Annual | 1 | N/A | |

Comment on the achievement of the KPI and remedial measures

Quarter 1 – Not Applicable

KPI not applicable for the 1st quarter.

Quarter 2 – Achieved

Closing for tender RLM/DPHS/0004/2022/23 was on 31/10/2022 and item served at the Bid Evaluation committee meeting of 1 December 2022.

Mid-Year – Achieved

Closing for tender RLM/DPHS/0004/2022/23 was on 31/10/2022 and the item served at the Bid Evaluation committee meeting of 1 December 2022.

Ref : DPHS 8

AGENDA: COUNCIL: 31 JANUARY 2023

| | | | |
|---|-----------|-----|--------|
| KPI 45 : % of rezoning applications approved within prescribed timeframe | Target | | Actual |
| | Quarter 1 | 50% | 9.67% |
| | Quarter 2 | 60% | 31% |
| | Mid-Year | 60% | 18% |
| | Quarter 3 | 65% | N/A |
| | Quarter 4 | 75% | N/A |
| | Annual | 75% | N/A |
| Comment on the achievement of the KPI and remedial measures | | | |
| Quarter 1 – Not Achieved | | | |
| Out of 31 applications received 3 were approved. The prescribed timeframe is 15 months | | | |
| Reasons for Non-Achievement | | | |
| Application cannot be approved within 3 months due to administration procedures e.g. outstanding comment/negative comment and objection delay by applicants to provide outstanding information. | | | |
| Remedial Measures | | | |
| Processes leading towards the final approval will be broken down quarterly during the review period. | | | |
| Quarter 2 - Not Achieved | | | |
| Out of 29 applications received 9 were approved = 31% | | | |
| Reasons for Non-Achievement | | | |
| Application cannot be approved within 3 months due to administration procedures e.g. outstanding comment/negative comment and objection delay by applicants to provide outstanding information. | | | |
| Remedial Measures | | | |
| Processes leading towards the final approval will be broken down quarterly during the review period. | | | |
| Mid-Year - Not achieved | | | |
| 18% approved. Out of 60 applications received in both quarters 12 were approved. | | | |
| Reasons for Non-Achievement | | | |
| Application cannot be approved within 3 months due to administration procedures e.g. outstanding comment/negative comment and objection delay by applicants to provide outstanding information. | | | |
| Remedial Measures | | | |
| Processes leading towards the final approval will be broken down quarterly during the review period. | | | |
| Ref : DPHS 10 | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

| KPI 46 : % of building applications approved within prescribed timeframes | Target | | Actual |
|---|-----------|-----|--------|
| | Quarter 1 | 50% | 71% |
| | Quarter 2 | 60% | 72% |
| | Mid-Year | 60% | 72% |
| | Quarter 3 | 65% | N/A |
| | Quarter 4 | 75% | N/A |
| | Annual | 75% | N/A |
| Comment on the achievement of the KPI and remedial measures | | | |
| Quarter 1 – Achieved | | | |
| Total complete plans received were 138 and total approved were 98 = 71% | | | |
| Quarter 2 - Achieved | | | |
| Total complete plans received is 196 and total approved is 142 = 72% | | | |
| Mid-Year – Achieved | | | |
| 72 % approved. Out of 334 complete plans received in both quarters 240 were approved. | | | |
| Ref : DPHS 11 | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

4. Conclusive Analysis of Mid-Year Performance

Table 6: Mid-Year Performance of the Organization

| LOCAL GOVERNMENT KPAS | Mid-Year Performance (01 July 2022 – 31 December 2022) | | | | | |
|--|---|-----------------------------|---------------------------------|-------------------------|-----------------------------|----------------------|
| KEY PERFORMANCE AREA | Total KPIs | KPI's Applicable | KPI's Not Applicable | KPI Achieved | KPI Not Achieved | KPA Score |
| Basic Service Delivery and Infrastructure Development | 14 | 10 | 4 | 7 | 3 | 70% |
| Good Governance and Public Participation | 4 | 2 | 2 | 2 | 0 | 100% |
| Municipal Financial Viability | 13 | 10 | 3 | 2 | 8 | 20% |
| Local Economic Development | 5 | 1 | 4 | 1 | 0 | 100% |
| Municipal Transformation and Institutional Development | 5 | 5 | 0 | 3 | 2 | 60% |
| Spatial Rationale | 5 | 5 | 0 | 4 | 1 | 80% |
| TOTAL ORGANIZATIONAL SCORE | 46 | 33 | 13 | 19 | 14 | 58% |

AGENDA: COUNCIL: 31 JANUARY 2023

5. SECTION C – PAST YEAR ANNUAL REPORT

The following is a summary of comments on components of the Annual Report 2021-2022:

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|---|--|--|--|--------------------------------|
| Non-current assets Property, plant and equipment | The municipal entity did not revalue neither review the residual values and useful live of Rustenburg Water Trust Bulk Water Assets amounting to R552 855 679 disclosed in note 4 to the consolidated financial statements were in accordance with GRAP 17, property, plant and equipment. | RWST | The assets will be re-valued in the next six months | 30/06/2022 |
| Payables from exchange transactions Unallocated deposits | COMM 63 : Iss 210 : RRT Operator Compensation: Misclassification of RRT transactions The municipality did not account for all payables in accordance with GRAP 104, financial instruments as the | RRT FMS | Management will conduct a comprehensive review and verification of | 30 May 2023 |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|-------|---|------------------|--|-------------------------|
| | <p>municipality did not maintain adequate systems to account for all payables. Consequently, payables and transfers and subsidies are understated by R122 434 905</p> | | <p>payments made in connection with RRT operator compensation. This will include assessing the PTNG grant and the existence of any possible obligations.</p> | |
| | <p>COMM 27 : Iss. 126: Payables - Limitation on Unallocated Deposits</p> <p>I was unable to obtain sufficient and appropriate audit evidence due to the state of underlying records and lack of information to support Unallocated deposits. I was unable to confirm unallocated deposits through alternative means. Consequently, I was unable to determine whether any adjustments to Unallocated deposits of R91 054 000 (2021: R151 982 000) included in payables from exchange transactions.</p> | | <p>Management agrees that the reduction of the unallocated deposit was not adequately separated between current year transactions and prior year transactions. Management has implemented rigorous process of clearing unallocated deposits which is resulting in a clear reduction of this balance and is continuously improving the process of clearing unallocated deposits in order to produce reports that have improved audit trail.</p> | <p>On-going</p> |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|---------------------------------------|--|-------------------------------|--|--|
| <p>Revenue</p> <p>Service charges</p> | <p>5. I was unable to obtain sufficient appropriate audit evidence for revenue from exchange transactions due to the state of the underlying records and lack of information supporting these amounts. I was unable to confirm these revenues by alternative means. Consequently, I was unable to determine whether any adjustments to service charges of R4 230 992 000 and R4 155 346 000 (2021:R3 106 338 000 and R3 040 888 000) as disclosed in note 25 to the consolidated and separate financial statements were necessary.</p> <p>6. The municipality did not accurately account for service charges amounting to R4 230 992 000 and R4 155 346 000 (2021: R3 106 338 000 and R 3 040 888 000) as disclosed in</p> | <p align="center">BILLING</p> | <p>An extract of all the businesses from the financial system will be submitted to building control by the 15th of January 2023 for verification to form the basis of clearing the finding</p> <p>The actual understatement was on the electricity tariff that affected on business account that we were able to quantify. The affected business tariff will be corrected on the financial systems to prevent the re-occurrence.</p> | <p align="center">15th January 2023</p> |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|-------|---|------------------|---|-------------------------|
| | <p>note 25 which resulted in consumer debtors as disclosed in note 15 being overstated by R57 412 935 (2021: R130 607 526 understatement) and service charges as disclosed in note 25 being overstated by R66 165 348 (2021: R140 376 963 understatement)</p> <p>7. During 2021, I was unable to obtain sufficient and appropriate audit evidence for property rates due to the state of the accounting records and lack of information supporting these amounts. I was unable to confirm these property rates by alternative means. Consequently, I was unable to determine whether any adjustments to property rates of R425 268 000 disclosed in note 29 of the consolidated and separate financial statements was</p> | | <p>In the 2021-22 financial year the finding was cleared.</p> | |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|---|--|------------------|--|-------------------------|
| | <p>necessary. My opinion on the financial statements for the period ended 30 June 2021 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the revenue for the current period.</p> | | | |
| <p>Irregular expenditure (disclosure note 55)</p> | <p>COM 03: Issue31: Limitation on testing the 2017/2018 irregular expenditure opening balance</p> <p>The municipality did not maintain a detailed register of irregular expenditure. I was unable to determine whether any adjustments to irregular expenditure of R5 900 377 000 (2021: R5 574 009 000) as disclosed in note 55 to the consolidated and</p> | <p>SCM</p> | <p>The unpacking of the opening balances has commenced to trace supporting documents. Part of the 2017/18 financial year Irregular expenditure has been submitted to MPAC for further investigation.</p> | <p>On-going</p> |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|--|---|--|--|----------------------------------|
| | <p>separate financial statements were necessary.</p> | | | |
| <p>Emphasis of matters Unauthorised and fruitless and wasteful expenditure</p> | <p>15. As disclosed in note 53 to the consolidated and separate financial statements, unauthorised expenditure of R167 587 000 was incurred in the current year.</p> <p>16. As disclosed in note 54 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R2 591 000 was incurred in the current year and fruitless and wasteful expenditure of R32 996 000 from prior years have not yet been dealt with in accordance with section 32 of the</p> | <p align="center">FC FMS Water Electrical</p> | <p>A report will be drafted to investigate the unauthorised expenditure identified during the 2021/22 audit. This will be processed in terms of S32 of the MFMA through MPAC, PFC and Council from February 2023 to June 2023 once the annual report and audit report is adopted by council.</p> <p>An investigation report has been drafted for fruitless & wasteful expenditure identified during the 2021/22 audit. This will be processed in terms of S32 of the MFMA through MPAC, PFC and Council from February 2023 to June 2023 once the annual report and audit report is adopted by council.</p> | <p align="center">30/06/2023</p> |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|---------------------|--|------------------|--|-------------------------|
| | MFMA. | | | |
| Emphasis of matters | <p>17. As disclosed in note 56 to the consolidated and separate financial statements, material water losses of R196 238 000 (2021: R194 793 000) was incurred as a result of water lost through the distribution process, which represents 46,46% (2021: 48,66%) of total water purchased.</p> | Water | <p>Reduction of illegal connection and unauthorised usage of fire hydrants. Data cleansing for billing. Prioritising operation and maintenance of water supply networks. Fixing of pipe burst within turn around time. Capacitating employees with non revenue water training. AC replacement projects regarding ageing infrastructure. Reduction of excessive pressure to avoid pipe burst.</p> | 30 June 2023 |
| Material losses | <p>18. As disclosed in note 56 to the consolidated and separate financial statements, material electricity losses of R272 282 000 (2021: R121 523 000) was incurred as a result of electricity lost through the distribution process, which represents 9,14% (2021: 4,91%) of total</p> | Electrical | <p>Reduce the voltage used on the medium voltage network. Implement a check and area metering solution to identify where the main losses occur – area metering, substation and feeder levels.</p> | |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|-----------------------------|---|-------------------------|---|--------------------------------|
| | electricity purchased. | | | |
| | | | | |
| Compliance with legislation | Expenditure Management 43. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA. | FMS | | |
| | | REVENUE | Currently adhering to the 30 day rule depending of the cash flow of the municipality. Implementation of cash flow management controls to ensure timeous payments to statutory bodies. | Ongoing |
| | | SCM | | |
| | Revenue Management 47. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of | Billing | There are controls with debtors and revenue, however, the unit will strengthen the interdependency with other directorates. | On-going |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|--|---|------------------|---|-------------------------|
| | the MFMA. | | | |
| | <p>Consequence Management 48. Irregular, fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p> | MM | <p>Institute legal action against the previous officials responsible for the loss and seek legal restitution to recover lost funds</p> <p>Institute legal action against the previous officials responsible for the loss and seek legal restitution to recover lost funds</p> | On-going |
| <p>Strategic Planning and Performance Management 49. No KPIs were set in respect of the provision of basic water and sanitation services, as required by section 43(2) of the MSA and municipal planning and performance management regulation 10(a). 50. The performance</p> | | PMS | <p>The KPI's for basic services will be set if there is a budget allocation for projects.</p> <p>The Municipal Planning and Performance Regulations were amended and in terms of the new regulation, Regulation 7 was deleted per GN 21 of 17 January 2014</p> | Ongoing |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|--|---|---------------------------|---------------------------|-------------------------|
| | <p>management system and related controls were inadequate as it did not enable useful and reliable performance measurement and reporting as required by municipal planning and performance management regulation 7 (1).</p> | | | |
| <p>Procurement and contract management 51. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). 52. Some of the tenders</p> | <p>The municipality addressed the challenges, and internal control deficiencies in providing SCM training of both bid committees and practioners through National Treasury, National School of governance and otherappointed accredited service provider in order to provide capacity, mitigate errors during implementation of SCM policies, update on legislative prescripts and other applicable regulations. The SCM has developed a reporting template for monitoring of performance for all contracts awarded on monthly basis as required by Section 116(2)(b) of the MFMA. The performance template form will be used by all user-directorates to monitor the performance all their contract, and report to SCM unit for consolidation.</p> | <p align="center">SCM</p> | <p>On-Going</p> | |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|---------------------------------|--|--------------------------------|--|-------------------------|
| | <p>which failed to achieve the minimum qualifying score for functionality criteria were not disqualified as unacceptable tender in accordance with 2017 Preferential Procurement Regulation 5(6).</p> <p>53. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.</p> <p>54. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA..</p> | | | |
| <p>Predetermined objectives</p> | <p>COM 09: ISS 36 - Annual report for the past year and progress on resolving problems</p> | <p>Strategy & Planning</p> | <p>The mid-year report for 2022-2023 will contain the past year progress on non-achieved KPIs.</p> | <p>Jan-23</p> |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|-------|--|------------------|--|-------------------------|
| | identified in the annual report not included in mid-year performance assessment. | | | |
| | COM 09: ISS 40-AoPO: Information not submitted for audit (RFI 21 and RFI 28) | | Improve the records management system to ensure all the information is available and submitted whenever requested. | Ongoing |
| | COMM 23 : Iss 53: AoPO- The indicators not well defined and/or verifiable | | Data definition sheets were corrected to address the findings and were resubmitted. | Ongoing |
| | COMM 24 : ISS 54 -The Project progress report not signed by Consultant, Contractor, and PMU | | It shall be ensured that all progress reports are signed by the consultants and officials | Ongoing |
| | COMM 21 : Issue 117 AoPO- Information not submitted for audit (RFI 68) | | Improve the records management system to ensure all the information is available and submitted whenever requested. | Ongoing |
| | COMM 37 -ISS 129- AoPO – Performance reporting not reflecting the presentation and disclosure as required by Section 46 of the Municipal systems act | | Remedial measured will be disclosed for non-achieved KPIs. | Aug-23 |
| | COMM 37: Issue 136- Predetermined objectives - Water losses | | Water losses will be reconciled to the AFS before finalisation of the Section 46 report. | Aug-23 |

AGENDA: COUNCIL: 31 JANUARY 2023

| CLASS | FINDING | RESPONSIBLE UNIT | ACTION TO ADDRESS FINDING | DUE DATE FOR COMPLETION |
|-------|---|------------------|--|-------------------------|
| | % in APR does not agree to AFS | | | |
| | COMM 37: Iss 137: Predetermined objectives-Progress report not agreeing to Annual Report | | Proper alignment of targets will be ensured. Signing of all documents will also be ensured. | Ongoing |
| | COMM 37: ISS 144 - Indicators planned to be achieved by 30 June 2022 not achieved | | Remedial measures were put in place to address non-achieved KPIs. | Ongoing |
| | COMM 34-Iss.147: Predetermined objectives-Information not submitted for audit (RFI 115) | | Improve the records management system to ensure all the information is available and submitted whenever requested. | Ongoing |
| | COMM 40: ISS 156- Predetermined objectives-Indicator not part of the municipality mandate | | KPIs which are those of entities will in future not be included in the municipal scorecard. | Ongoing |

AGENDA: COUNCIL: 31 JANUARY 2023

6. SECTION D – PERFROMANCE OF MUNICIPAL ENTITY

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

AGENDA: COUNCIL: 31 JANUARY 2023



**RUSTENBURG WATER SERVICES TRUST
6 MONTH MANAGEMENT ACCOUNTS
FOR THE PERIOD ENDING DECEMBER 2022**

Prepared by:
Marius Jacobs
CFO
083 564 4127

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST MANAGEMENT ACCOUNTS FOR THE PERIOD ENDING DECEMBER 2022

Index

1. Graphs

2. Administrator's report

- 3 FINANCIAL STATEMENTS
- 3.1 Income statements
- 3.2 Balance Sheet
- 3.3 Notes to the management accounts

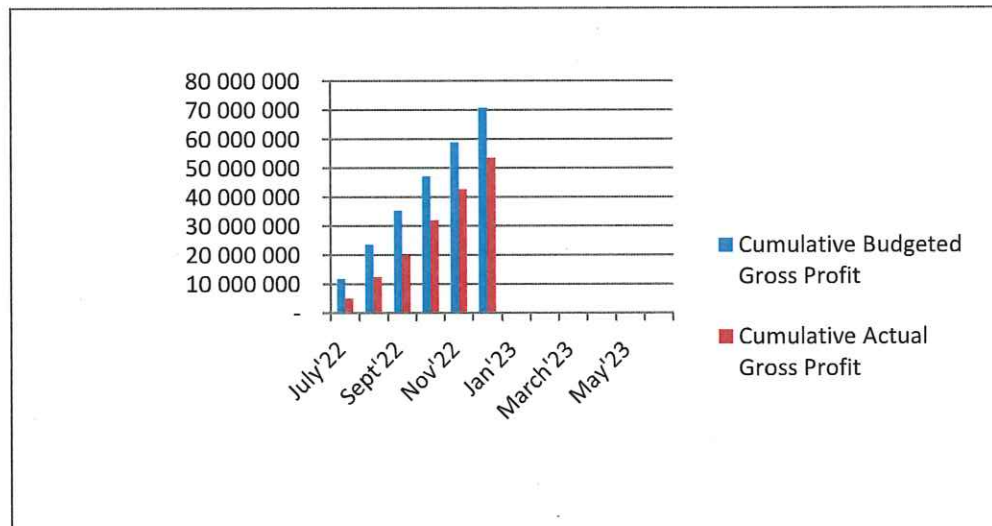
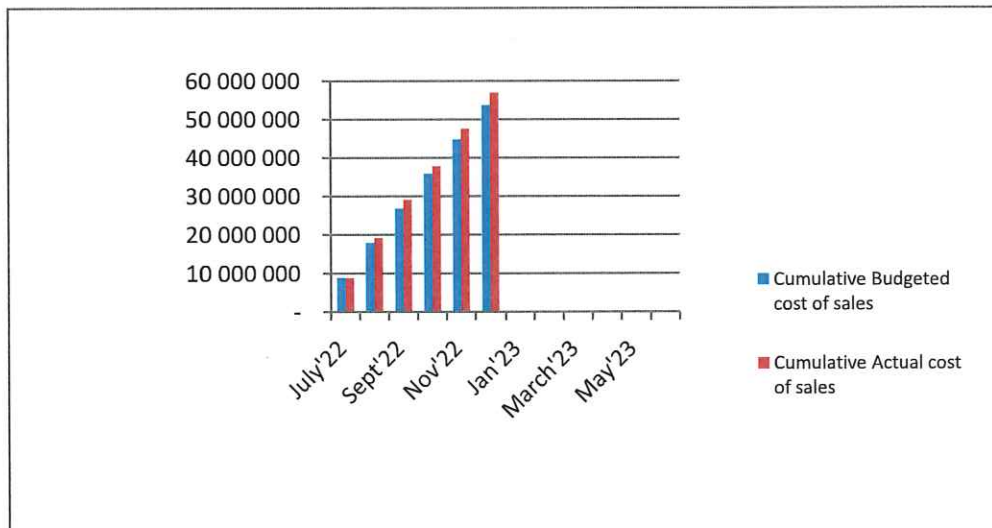
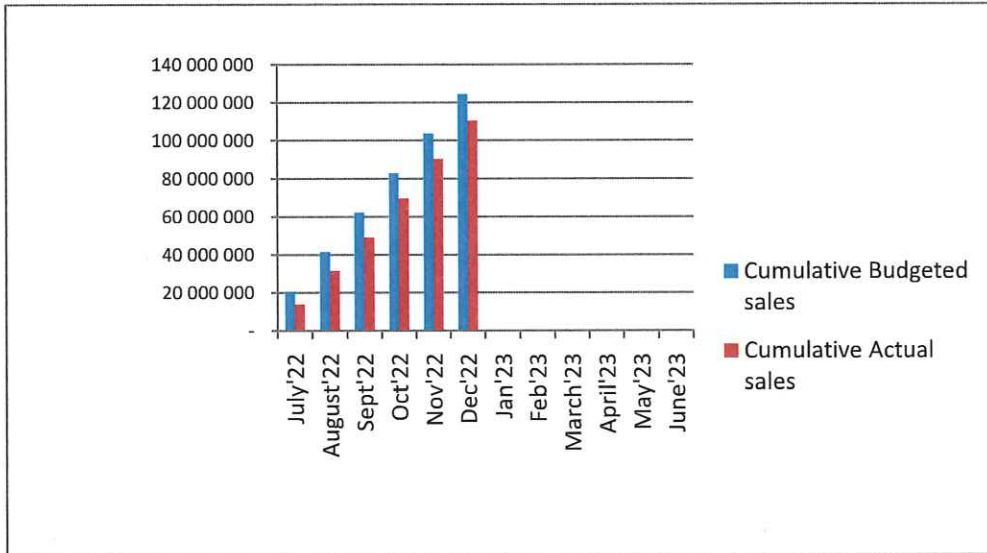
4. PROJECTIONS
- 4.1 Operating budget - Revised

AGENDA: COUNCIL: 31 JANUARY 2023

**RUSTENBURG WATER SERVICES TRUST
GRAPHS
FOR THE PERIOD ENDING DECEMBER 2022**



1. Graphs



AGENDA: COUNCIL: 31 JANUARY 2023

**RUSTENBURG WATER SERVICES TRUST
CFO'S REPORT
FOR THE PERIOD ENDING DECEMBER 2022**



2.1 Trust Administration Agreement

2.1.1 Rustenburg Local Municipality

Supply period: 2022/11/25 to 2022/12/25 (30days)

The Trust rendered invoices for the period ended December '22
At Boitekong Sewage treated was 362,338 kl for the supply period.
This gives a daily average for Boitekong of 12,078 kl per day for the period.
At Rustenburg Sewage treated was 1,624,633 kl for the supply period.
This gives a daily average for Rustenburg of 54,154 kl per day for the period.
At Bospoort Treatment plant 239,110 kl was treated for the supply period.
This gives a daily average for Bospoort of 7,970 kl per day for the period.
At Kloof Treatment plant 17,030 kl was treated for the supply period.
This gives a daily average for Kloof of ,568 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 2022 was R 195,057,435
Customer Age Analysis for Monthly Customers as at December 22

| Name | 90 Days + | 60 Days | 30 Days | Current | Total Due |
|-------------------------------|-----------------------|------------------|----------------------|----------------------|-----------------------|
| Agriman (Pty) Ltd | 3 450.00 | 1 150.00 | 1 150.00 | 1 150.00 | 6 900.00 |
| Glencore Operations | 95 997.70 | 53 397.59 | 1 606.14 | - | 151 001.43 |
| Impala Platinum Mines Ltd | - | - | 3 301 293.62 | 3 161 911.25 | 6 463 204.87 |
| Rustenburg Local Municipality | 138 216 118.67 | - | 16 058 242.77 | 16 129 525.25 | 170 403 886.69 |
| RLM - MIG | 7 476 275.47 | - | - | - | 7 476 275.47 |
| Rustenburg Platinum Mines Ltd | 345 504.60 | - | 5 258 094.27 | 4 952 567.61 | 10 556 166.48 |
| Totals : | 146 137 346.44 | 54 547.59 | 24 620 386.80 | 24 245 154.11 | 195 057 434.94 |
| % | 75% | 0% | 13% | 12% | 100% |

2.1.3 Earnings:

For the month, the Earnings was R 6,262,105 against a budget of R 5,797,102
The difference is a positive or (negative variance) of R ,465,003
For the 6 months , the Earnings was R 31,274,169 against a budget of R 34,782,612
The difference is a positive or (negative variance) of R -3,508,443

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

2.1.4 Accumulated Fund:

EBIT and depreciation for the year to date is R 42,026,369 vs a budget of R 52,291,377
The difference is a positive or (negative) variance of R -10,265,008

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 2 891 366.28

2.1.6 Interest received for the month was: R 1 504 494.38

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST CFO'S REPORT FOR THE PERIOD ENDING DECEMBER 2022



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 |
| WSSA's performance guarantee was issued by Lombard Insurance Company | C201869189 | Renewal date 2023/07/31 |

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 | 79 605 914.12 | 5.50% |
| Distribution Call Account | 210 297 364.81 | 6.60% |
| | 289 903 278.93 | |

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 | Avg Installment | 7 627 653 | 42 026 369 |
|------------|-----------------------|-----------------|------------|------------|
| 20 572 962 | 6 | 3 428 827 | 20 572 962 | |
| | | 2.22 | 2.04 | |

DSCR incl cash reserves:

| | EBIT and depreciation | Cash | 7 627 653 | 42 026 369 |
|------------|-----------------------|-------------|-------------|------------|
| 20 572 962 | 6 | 289 903 279 | 289 903 279 | |
| | | 297 530 932 | 331 929 648 | |
| | | 3 428 827 | 20 572 962 | |
| | | 86.77 | 16.13 | |

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 | 15 028 777.94 |
| 2.5.3 Bospoort WTW plant extension | | |
| Construction | 114 782 608.70 | 41 412 038.33 |
| Professional fees | 17 217 391.30 | 21 197 168.63 |
| TOTAL COSTS | 308 000 000.00 | 78 026 971.70 |

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. The current balance is R 171.7mil of which R 14.4mil is on current and R 157.3mil is overdue.
- 2.6.2 Construction of Bospoort Plant Civil Project is done. M&E contract in process of termination by RLM. Court date 27 October 2022
- 2.6.3 Bospoort Bulk Infrastructure Project re-submitted to MIG. BSC almost completed.
- 2.6.4 O&M contract extended on a month to month basis. The procurement process started. Obstruction encountered by RLM employees.
- 2.6.5 CFO new contract entered and terminates on 28 February 2022, month to month there after. CFO resigned effective 31 December 2022.
- 2.6.6 Trust deed in process of amendment to remove ABSA and to add Bokamoso WWTW. New Trustees to check amendments.
- 2.6.7 Trust is without CEO, CEO and CFO position to be recruited by agency.

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST
 INCOME STATEMENT
 FOR THE PERIOD ENDING DECEMBER 2022



Consolidated

| | Notes | CURRENT MONTH | | | YEAR TO DATE | | |
|---|-------|---------------|-------------|----------|--------------|--------------|----------|
| | | Budget | Actual | Variance | Budget | Actual | Variance |
| | | | | % | | | % |
| Water sales - MI | | 2 094 849 | 2 243 184 | 7% | 12 569 094 | 11 023 483 | -12% |
| Revenue | | | | | | | |
| Income | 9 | 20 299 691 | 20 282 723 | 0% | 121 798 148 | 109 929 711 | -10% |
| Cost of sales | | | | | | | |
| Production overheads - fixed | 10 | 3 534 361 | 3 186 743 | 10% | 21 206 166 | 16 615 354 | 22% |
| Production overheads - variable | 11 | 4 776 582 | 5 593 219 | -17% | 28 659 492 | 36 215 307 | -26% |
| Total cost of sales | | 8 310 943 | 8 779 961 | -6% | 49 865 658 | 52 830 661 | -6% |
| Gross margin | | 11 988 748 | 11 502 762 | -4% | 71 932 490 | 57 099 050 | -21% |
| Income | | | | | | | |
| Gross margin | | 11 988 748 | 11 502 762 | -4% | 71 932 490 | 57 099 050 | -21% |
| Other income & expenses | 15 | 45 956 | 21 816 | -53% | 275 736 | 147 842 | -46% |
| | | 12 034 704 | 11 524 578 | -4% | 72 208 226 | 57 246 891 | -21% |
| Expenditure | | | | | | | |
| Administrators' Fee & Grap Compliance | 16 | 327 797 | 120 994 | 63% | 1 966 784 | 725 966 | 63% |
| Auditors' Fee | 17 | 84 056 | 126 463 | -50% | 504 336 | 1 153 180 | -129% |
| Council levies | 18 | - | - | 0% | - | - | 0% |
| Insurance | 19 | 66 381 | 73 986 | -11% | 398 286 | 437 962 | -10% |
| Leases | 21 | 18 995 | 70 968 | -274% | 113 970 | 70 968 | 38% |
| Other expenses | 22 | 920 285 | 432 664 | 53% | 5 521 710 | 2 182 409 | 60% |
| Other WSSA overheads | 13 | 1 901 961 | 3 071 849 | -62% | 11 411 763 | 10 650 037 | 7% |
| | | 3 319 475 | 3 896 925 | -17% | 19 916 849 | 15 220 522 | 24% |
| Earnings before Interest, Depreciation & Amortisation (EBITDA) | | 8 715 230 | 7 627 653 | -12% | 52 291 377 | 42 026 369 | -20% |
| Interest received | 14 | 360 019 | 1 504 494 | 318% | 2 160 113 | 7 741 297 | 258% |
| Interest paid | 23 | - | 22 324 | #DIV/0! | - | (757 519) | -100% |
| Depreciation | 24 | (3 278 146) | (2 891 366) | 12% | (19 668 877) | (17 734 978) | 10% |
| MIG Grant Funding Received | 15 | - | - | 0% | - | - | 100% |
| NET INCOME - before and after taxation | | 5 797 102 | 6 263 105 | 8% | 34 782 612 | 31 275 169 | -10% |
| Income distributions | | - | - | 0% | - | - | 0% |
| RETAINED INCOME - for the period | | 5 797 102 | 6 263 105 | 8% | 34 782 612 | 31 275 169 | -10% |
| RETAINED INCOME - at beginning of year | | | | | | 707 603 083 | |
| RETAINED INCOME - at end of period | | | | | | 738 878 252 | |

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 2022



Boitekong

| | Notes | Budget | Actual | % | Budget | Actual | % |
|---------------------------------|-------|----------------|----------------|-------------|------------------|----------------|-------------|
| | | R | R | | R | R | |
| Water sales - MI | | 455 163 | 362 338 | -20% | 2 730 981 | 1 988 948 | -27% |
| Revenue | | | | | | | |
| STC Income | 9 | 2 371 401 | 1 887 781 | -20% | 14 228 409 | 10 362 417 | -27% |
| Cost of sales | | | | | | | |
| Direct expenses | 9 | - | - | 0% | - | - | 0% |
| Production overheads - fixed | 10 | 1 182 774 | 393 713 | 67% | 7 096 643 | 2 387 378 | 66% |
| Production overheads - variable | 11 | 508 682 | 1 098 604 | -116% | 3 052 095 | 7 853 257 | -157% |
| | | 1 691 456 | 1 492 317 | 12% | 10 148 738 | 10 240 635 | -1% |
| Gross margin | | 679 945 | 395 464 | -42% | 4 079 671 | 121 782 | -97% |

Rustenburg

| | Notes | Budget | Actual | % | Budget | Actual | % |
|---------------------------------|-------|------------------|------------------|-----------|-------------------|-------------------|-------------|
| | | R | R | | R | R | |
| Water sales - MI | | 1 320 229 | 1 624 633 | 23% | 7 921 374 | 7 362 458 | -7% |
| Revenue | | | | | | | |
| STC Income | 9 | 6 878 393 | 8 464 338 | 23% | 41 270 356 | 38 358 406 | -7% |
| Irrigation Pipeline Revenue | 10 | - | - | 0% | - | - | 0% |
| RLM Sales - Off take | 10 | - | - | 0% | - | - | 0% |
| Impala Sales - Off take | 10 | 2 553 689 | 2 292 000 | -10% | 15 322 134 | 13 672 086 | -11% |
| Glencore Sales - Off take | 10 | 83 333 | - | -100% | 500 000 | 300 627 | -40% |
| RPM Sales - Off take | 9 | 4 085 387 | 4 068 270 | 0% | 24 512 320 | 24 138 402 | -2% |
| | | 13 600 802 | 14 824 608 | 9% | 81 604 810 | 76 469 521 | -6% |
| Cost of sales | | | | | | | |
| Direct expenses | 10 | - | - | 0% | - | - | 0% |
| Production overheads - fixed | 10 | 1 470 790 | 1 495 624 | -2% | 8 824 742 | 9 024 963 | -2% |
| Production overheads - variable | 11 | 3 263 856 | 4 097 078 | -26% | 19 583 137 | 23 364 058 | -19% |
| | | 4 734 646 | 5 592 702 | -18% | 28 407 879 | 32 389 022 | -14% |
| Gross margin | | 8 866 155 | 9 231 906 | 4% | 53 196 932 | 44 080 499 | -17% |

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 2022



Bospoort

| | Notes | Budget | | | Actual | | |
|---------------------------------|-------|------------------|------------------|------------|-------------------|-------------------|-------------|
| | | R | R | % | R | R | % |
| Water sales - MI | | 294 083 | 239 110 | -19% | 1 764 498 | 1 560 708 | -12% |
| Revenue | | | | | | | |
| Bospoort Pipeline Revenue | 9 | 374 662 | 304 626 | -19% | 2 247 970 | 1 988 342 | -12% |
| Water Sales | 9 | 3 258 724 | 2 635 282 | -19% | 19 552 341 | 17 231 298 | -12% |
| | | 3 633 385 | 2 939 908 | -19% | 21 800 312 | 19 219 640 | -12% |
| Cost of sales | | | | | | | |
| Direct expenses | 10 | - | - | 0.0 | - | - | 0.0 |
| Production overheads - fixed | 10 | 409 158 | 408 292 | 0% | 2 454 947 | 2 276 985 | 7% |
| Production overheads - variable | 11 | 992 145 | 362 440 | 63% | 5 952 868 | 4 838 275 | 19% |
| | | 1 401 303 | 770 732 | 45% | 8 407 815 | 7 115 260 | 15% |
| Gross margin | | 2 232 083 | 2 169 176 | -3% | 13 392 497 | 12 104 381 | -10% |

Kloof

| | Notes | Budget | | | Actual | | |
|---------------------------------|-------|----------------|---------------|-------------|----------------|----------------|-------------|
| | | R | R | % | R | R | % |
| Water sales - MI | | 25 374 | 17 103 | -33% | 152 242 | 111 369 | -27% |
| Revenue | | | | | | | |
| Kloof Potable Water Sales | 10 | 277 157 | 186 819 | -33% | 1 662 942 | 1 216 488 | -27% |
| | | 277 157 | 186 819 | -33% | 1 662 942 | 1 216 488 | -27% |
| Cost of sales | | | | | | | |
| Production overheads - fixed | 12 | 154 713 | 148 122 | 4% | 928 275 | 893 018 | 4% |
| Production overheads - variable | 13 | 3 610 | 8 877 | -146% | 21 659 | 61 823 | -185% |
| | | 158 322 | 156 999 | 1% | 949 934 | 954 841 | -1% |
| Gross margin | | 118 835 | 29 820 | -75% | 713 008 | 261 648 | -63% |

Monakato and Lethabong and other

| | Notes | Budget | | | Actual | | |
|---|-------|---------------|------------------|-------------|----------------|----------------|-----------|
| | | R | R | % | R | R | % |
| Water sales - MI | | - | - | 0% | - | - | 0% |
| Revenue | | | | | | | |
| Monakato and Lethabong Treatment Charge | 10 | 416 946 | 443 607 | 6% | 2 501 675 | 2 661 644 | 6% |
| | | 416 946 | 443 607 | 6% | 2 501 675 | 2 661 644 | 6% |
| Cost of sales | | | | | | | |
| Production overheads - fixed | 12 | 316 926 | 740 992 | -134% | 1 901 558 | 2 033 010 | -7% |
| Production overheads - variable | 13 | 8 289 | 26 219 | -216% | 49 734 | 97 894 | -97% |
| Effluent Charges | 16 | | | | | | |
| | | 325 215 | 767 211 | -136% | 1 951 292 | 2 130 904 | -9% |
| Gross margin | | 91 731 | (323 604) | 453% | 550 383 | 530 740 | 4% |

AGENDA: COUNCIL: 31 JANUARY 2023

**RUSTENBURG WATER SERVICES TRUST
BALANCE SHEET
FOR THE PERIOD ENDING DECEMBER 2022**



| | Notes | BUDGET R | ACTUAL R |
|--|-------|----------------------|----------------------|
| CAPITAL EMPLOYED | | | |
| <i>Statutory Funds</i> | 1 | 1 000 | 1 000 |
| <i>Distribution to Beneficiary</i> | | (650 000) | (650 000) |
| <i>Reserves</i> | | 264 589 771 | 264 589 771 |
| <i>Accumulated Funds</i> | 2 | 742 385 695 | 738 878 252 |
| <i>Long term Liabilities</i> | 3 | 1 117 556 | 1 117 556 |
| | | 1 007 444 023 | 1 003 936 580 |
| EMPLOYMENT OF CAPITAL | | | |
| <i>Property, plant and equipment Owned</i> | 4 | 535 120 702 | 535 120 702 |
| | | 535 120 702 | 535 120 702 |
| <i>Current assets</i> | | | |
| Trade & other receivables | 5 | - | 195 057 435 |
| Cash resources | 6 | 471 805 417 | 289 903 279 |
| Other debtors | 7 | 517 905 | 517 905 |
| | | 472 323 322 | 485 478 619 |
| <i>Current liabilities</i> | | | |
| Trade & other payables | 8 | - | 16 662 741 |
| Current portion of borrowings | 3 | - | - |
| | | - | 16 662 741 |
| | | 472 323 322 | 468 815 878 |
| <i>Net current assets</i> | | 1 007 444 023 | 1 003 936 580 |

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST
 NOTES TO THE MANAGEMENT ACCOUNTS: Balance Sheet
 FOR THE PERIOD ENDING DECEMBER 2022



| | BUDGET R | ACTUAL R |
|---|--------------------|--------------------|
| 1 STATUTORY FUNDS | | |
| Asset financing fund | | |
| Balance at beginning of year | 1 000 | 1 000 |
| Contributions from revenue | - | - |
| Net profit on disposal of property, plant and equipment | - | - |
| Interest earned on external investments | - | - |
| | 1 000 | 1 000 |
| Assets financed | - | - |
| | 1 000 | 1 000 |
| 2 ACCUMULATED FUNDS | | |
| Balance at beginning of period | 707 603 083 | 707 603 083 |
| Net profit/(loss) for the period - Per Income statement | 34 782 612 | 31 275 169 |
| Transferred to non-distributable reserves | | |
| Balance at end of period | 742 385 695 | 738 878 252 |
| 3. LONG TERM LIABILITIES | | |
| Bank borrowings | | |
| ABSA Bank limited | - | - |
| ABSA + Capitalised Interest | | |
| DWAF Loan | | |
| Finance lease liabilities | | |
| Rustenburg Local Municipality | 1 117 556 | 1 117 556 |
| Closing Balance | 1 117 556 | 1 117 556 |
| 4. PROPERTY, PLANT AND EQUIPMENT | | |
| Owned assets O/B | | |
| Infrastructure assets - As per introduction page | 535 120 702 | 535 120 702 |
| Other assets - Capitalised Interest | | - |
| | 535 120 702 | 535 120 702 |
| 5. TRADE & OTHER RECEIVABLES | | |
| Total (refer to Admin report 1.1.1.2 for breakdown) | - | 195 057 435 |
| Debtors' ageing | | |
| Current | - | 24 245 154 |
| 30 days | - | 24 620 387 |
| 60 days | - | 54 548 |
| 90 days | - | 146 137 346 |
| | - | 195 057 435 |

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST
 NOTES TO THE MANAGEMENT ACCOUNTS: Balance Sheet
 FOR THE PERIOD ENDING DECEMBER 2022



| | BUDGET R | ACTUAL R |
|-------------------------------------|--------------------|--------------------|
| 6. CASH RESOURCES | | |
| ABSA Bank Limited | | |
| <i>Distribution Reserve Account</i> | | |
| Opening Balance | 459 593 654 | - |
| Transfers (in/out) | | |
| Movement | 12 211 763 | 79 605 914 |
| Interest | | |
| Payments | | |
| Balance at end of period | 471 805 417 | 79 605 914 |
| | - | - |
| <i>Distribution Call Account</i> | | |
| Balance at beginning of period | | 50 962 616 |
| Transfers (in/out) | | |
| Movement | | 159 334 749 |
| Payments | | |
| Balance at end of period | - | 210 297 365 |
| | - | - |
| <i>Industrial Reserve Account</i> | | |
| Balance at beginning of period | - | - |
| Transfers (in/out) | - | - |
| Movement | - | - |
| Payments | - | - |
| Balance at end of period | - | - |
| | - | - |
| <i>Debt Service Reserve Account</i> | | |
| Balance at beginning of period | - | - |
| Transfers (in/out) | - | - |
| Movement | - | - |
| Payments | - | - |
| Balance at end of period | - | - |
| | - | - |
| <i>Contingency Reserve Account</i> | | |
| Balance at beginning of period | - | 209 125 118 |
| Transfers (in/out) | - | - |
| Movement | - | (209 125 118) |
| Payments | - | - |
| Balance at end of period | - | - |
| | - | - |
| | 471 805 417 | 289 903 279 |

Investments
 The funds of the Trust are invested in the following accounts.
 Money will be transferred as per the Cash Management Plan.
 ABSA will give detailed feedback on interest earned on these accounts.

| | Effective Rate % | Amount |
|------------------------------|------------------|--------------------|
| Distribution Reserve Account | 5.50% | 79 605 914 |
| Distribution Call Account | 6.60% | 210 297 365 |
| | | <u>289 903 279</u> |

| | | |
|--------------------------------------|----------------|-------------------|
| 7. OTHER DEBTORS | | |
| Prepaid expense | 517 905 | 517 905 |
| | 517 905 | 517 905 |
| 8. TRADE & OTHER PAYABLES | | |
| Trade creditors | | 15 407 390 |
| SARS - VAT | - | 1 255 351 |
| Balance at end of period | - | 16 662 741 |

AGENDA: COUNCIL: 31 JANUARY 2023

**RUSTENBURG WATER SERVICES TRUST
 NOTES TO THE MANAGEMENT ACCOUNTS: Fixed Assets
 FOR THE PERIOD ENDING DECEMBER 2022**



| OWNED ASSETS | | | |
|--------------|-----------------------------|------------------|----------------------|
| | Property, plant & equipment | Capital projects | Total |
| 4 | | | |
| 4.1 | As at December 2022 | | |
| | Cost | 78 026 972 | 1 265 966 779 |
| | Accumulated depreciation | - | (730 846 077) |
| | Carrying amount | 78 026 972 | 535 120 702 |
| | | | |

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST
NOTES TO THE MANAGEMENT ACCOUNTS: Income Statement
FOR THE PERIOD ENDING DECEMBER 2022



| | CURRENT MONTH | | | YEAR TO DATE | | |
|---|-------------------|-------------------|--------------|--------------------|--------------------|-------------|
| | Budget | Actual | Variance | Budget | Actual | Variance |
| | | | % | | | % |
| Water Treatment - MI | | | | | | |
| Boitekong | 455 163 | 362 338 | -20% | 2 730 981 | 1 988 948 | -27% |
| Rustenburg | 1 320 229 | 1 624 633 | 23% | 7 921 374 | 7 362 458 | -7% |
| Impala | 355 964 | 300 000 | -16% | 2 135 787 | 1 905 783 | -11% |
| Rustenburg Platinum Mines | 545 445 | 510 000 | -6% | 3 272 673 | 3 222 751 | -2% |
| Glencore | 10 168 | 0 | -100% | 61 005 | 36 680 | -40% |
| RLM Off Take | - | - | 0% | - | - | 0% |
| Rustenburg - Irrigation Pipeline Revenue | - | - | 0% | - | - | 0% |
| Bospoort Potable Water | 298 336 | 241 260 | -19% | 1 790 016 | 1 577 524 | -12% |
| Bospoort Pipeline | 294 083 | 239 110 | -19% | 1 764 498 | 1 560 708 | -12% |
| Kloof Potable Water | 25 374 | 17 103 | -33% | 152 242 | 111 369 | -27% |
| | 3 304 763 | 3 294 444 | 0% | 19 828 575 | 17 766 220 | -10% |
| 9. INCOME | | | | | | |
| 9.1 Boitekong - Sewage Treatment Charge | 2 371 401 | 1 887 781 | -20% | 14 228 409 | 10 362 417 | -27% |
| 9.2 Rustenburg - Sewage Treatment Charge | 6 878 393 | 8 464 338 | 23% | 41 270 356 | 38 358 406 | -7% |
| 9.3 Impala Off Take | 2 553 689 | 2 292 000 | -10% | 15 322 134 | 13 672 086 | -11% |
| 9.4 RPM - Off Take | 4 085 387 | 4 068 270 | 0% | 24 512 320 | 24 138 402 | -2% |
| 9.5 Glencore - Off Take | 83 333 | - | -100% | 500 000 | 300 627 | -40% |
| 9.6 RLM Off Take | - | - | 0% | - | - | 0% |
| 9.7 Rustenburg - Irrigation Pipeline Revenue | - | - | 0% | - | - | 0% |
| 9.8 Bospoort Potable Water | 3 258 724 | 2 635 282 | -19% | 19 552 341 | 17 231 298 | -12% |
| 9.9 Bospoort Pipeline | 374 662 | 304 626 | -19% | 2 247 970 | 1 988 342 | -12% |
| 9.1 Kloof | 277 157 | 186 819 | -33% | 1 662 942 | 1 216 488 | -27% |
| 9.11 Monakato and Lethabong | 416 946 | 443 607 | 6% | 2 501 675 | 2 661 644 | 6% |
| | 20 299 691 | 20 282 723 | 0% | 121 798 148 | 109 929 711 | -10% |
| 11. PRODUCTION OVERHEADS - FIXED | | | | | | |
| 11.1 Boitekong - Routine maintenance | 67 558 | 35 082 | 48% | 405 348 | 214 352 | 47% |
| - Labour | 648 201 | 185 099 | 71% | 3 889 204 | 1 111 892 | 71% |
| - Overheads | 467 015 | 173 532 | 63% | 2 802 091 | 1 061 133 | 62% |
| | 1 182 774 | 393 713 | 67% | 7 096 643 | 2 387 378 | 66% |
| 11.2 Rustenburg - Routine maintenance | 62 089 | 57 833 | 7% | 372 531 | 354 483 | 5% |
| - Labour | 814 296 | 734 739 | 10% | 4 885 777 | 4 411 014 | 10% |
| - Overheads | 594 406 | 703 052 | -18% | 3 566 434 | 4 259 467 | -19% |
| | 1 470 790 | 1 495 624 | -2% | 8 824 742 | 9 024 963 | -2% |
| 11.3 Bospoort - Routine maintenance | 40 768 | 40 597 | 0% | 244 608 | 248 078 | -1% |
| - Labour | 292 323 | 306 304 | -5% | 1 753 936 | 1 656 444 | 6% |
| - Overheads | 76 067 | 61 392 | 19% | 456 404 | 372 463 | 18% |
| | 409 158 | 408 292 | 0% | 2 454 947 | 2 276 985 | 7% |
| 11.4 Kloof - Routine maintenance | 4 815 | 3 964 | 18% | 28 893 | 24 218 | 16% |
| - Labour | 48 424 | 44 498 | 8% | 290 545 | 267 310 | 8% |
| - Overheads | 101 473 | 99 661 | 2% | 608 837 | 601 490 | 1% |
| | 154 713 | 148 122 | 4% | 928 275 | 893 018 | 4% |
| 11.5 Monakato and Lethabong - Routine maintenance | 15 211 | 14 026 | 8% | 91 268 | 85 701 | 6% |
| - Labour | 211 393 | 610 665 | -189% | 1 268 360 | 1 244 449 | 2% |
| - Overheads | 90 322 | 116 301 | -29% | 541 930 | 702 860 | -30% |
| | 316 926 | 740 992 | -134% | 1 901 558 | 2 033 010 | -7% |
| | 3 534 361 | 3 186 743 | 10% | 21 206 166 | 16 615 354 | 22% |

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST
NOTES TO THE MANAGEMENT ACCOUNTS: Income Statement
FOR THE PERIOD ENDING DECEMBER 2022



| | | | CURRENT MONTH | | | YEAR TO DATE | | |
|--|------------------|------------------|---------------|-------------------|-------------------|--------------|--------|------------|
| | | | Budget | Actual | Variance % | Budget | Actual | Variance % |
| 12. PRODUCTION OVERHEADS - VARIABLE | | | | | | | | |
| 12.1 Boitekong | | | | | | | | |
| 12.1.1 Variable : Electrical | 508 682 | 1 041 745 | -116% | 3 052 095 | 7 542 242 | -157% | | |
| 12.1.2 Variable : Chemicals | | 56 859 | | | 311 015 | | | |
| | 508 682 | 1 098 604 | -116% | 3 052 095 | 7 853 257 | -157% | | |
| 12.2 Rustenburg | | | | | | | | |
| 12.2.1 Variable : Electrical | 3 263 856 | 3 549 350 | -26% | 19 583 137 | 21 103 701 | -19% | | |
| 12.2.2 Variable : Chemicals | | 547 728 | | | 2 260 357 | | | |
| 13.2.3 Rustenburg - Irrigation Pipeline | - | | 0% | - | | 0% | | |
| | 3 263 856 | 4 097 078 | -26% | 19 583 137 | 23 364 058 | -19% | | |
| 12.3 Bospoort | | | | | | | | |
| 12.3.1 Variable : Electrical | 549 918 | 135 367 | 59% | 3 299 509 | 2 787 762 | 1% | | |
| 12.3.2 Variable : Chemicals | | 92 706 | | | 479 654 | | | |
| 12.3.3 Raw Water Cost | 442 226 | 134 367 | 70% | 2 653 359 | 1 570 860 | 41% | | |
| | 992 145 | 362 440 | 63% | 5 952 868 | 4 838 275 | 19% | | |
| 12.4 Kloof | | | | | | | | |
| 12.4.1 Variable : Chemicals & Electrical | 3 610 | 8 877 | -146% | 21 659 | 61 823 | -185% | | |
| | 3 610 | 8 877 | -146% | 21 659 | 61 823 | -185% | | |
| 12.5 Monakato and Lethabong | | | | | | | | |
| 12.5.1 Variable : Chemicals & Electrical | 8 289 | 26 219 | -216% | 49 734 | 97 894 | -97% | | |
| | 8 289 | 26 219 | -216% | 49 734 | 97 894 | -97% | | |
| | 4 776 582 | 5 593 219 | -17% | 28 659 492 | 36 215 307 | -26% | | |
| 13. OTHER WSSA OVERHEADS | | | | | | | | |
| 14.1 Day works + Prov Sums | - | 86 234 | | - | 537 821 | | | |
| 14.2 Repairs & maintenance | 1 346 366 | 2 489 449 | -211% | 8 078 196 | 7 135 217 | 23% | | |
| 14.2 Management + General staff | 555 594 | 496 166 | | 3 333 567 | 2 976 999 | | | |
| | 1 901 961 | 3 071 849 | -62% | 11 411 763 | 10 650 037 | 7% | | |
| 14. INTEREST RECEIVED | | | | | | | | |
| 14.1 Interest Received - ABSA Bank | 360 019 | 1 504 494 | 318% | 2 160 113 | 7 741 297 | 258% | | |
| 15. OTHER INCOME & EXPENSES | | | | | | | | |
| 15.1 Boitekong Rustenburg & Bospoort | | | | | | | | |
| 15.1.1 Grants Received | | - | 0% | - | - | 100% | | |
| 15.1.2 Profit/(loss) on disposal of fixed assets | | - | 0% | | - | 100% | | |
| 15.1.3 Sundry income | 2 033 | 1 000 | 100% | 12 195 | 6 000 | 100% | | |
| 15.1.4 Effluent Income RLM - Fixed | 116 808 | 104 082 | -11% | 700 850 | 709 208 | 1% | | |
| 15.1.5 Operator Cost - Effluent | (93 718) | (83 266) | 11% | (562 309) | (567 366) | -1% | | |
| 15.1.6 RLM - Bokamoso | 416 667 | - | -100% | 2 500 000 | - | -100% | | |
| 15.1.17 Operator Cost - Bokamoso | (395 833) | - | 100% | (2 375 000) | - | 100% | | |
| | 45 956 | 21 816 | -53% | 275 736 | 147 842 | -46% | | |
| 16. ADMINISTRATORS' FEE & GRAP COMPLIANCE | | | | | | | | |
| 16.1 Fees | | | | | | | | |
| 16.1.1 Set-up costs | - | - | 0% | | - | 0% | | |
| 16.1.2 Monthly costs | 327 797 | 120 994 | 63% | 1 966 784 | 725 966 | 63% | | |
| 16.1.3 GRAP 17 Compliance | - | - | 0% | | - | 0% | | |
| | 327 797 | 120 994 | 63% | 1 966 784 | 725 966 | 63% | | |
| 17. AUDITORS' FEE | | | | | | | | |
| 17.1 Fees | | | | | | | | |
| 17.1.2 Fees for external audit | 84 056 | 126 463 | -50% | 504 336 | 1 153 180 | -129% | | |
| 17.1.1 Fees for internal audit | - | - | 0% | - | - | 0% | | |
| 17.1.3 For other services | - | - | 0% | - | - | 0% | | |
| | 84 056 | 126 463 | -50% | 504 336 | 1 153 180 | -129% | | |

AGENDA: COUNCIL: 31 JANUARY 2023

RUSTENBURG WATER SERVICES TRUST
 NOTES TO THE MANAGEMENT ACCOUNTS: Income Statement
 FOR THE PERIOD ENDING DECEMBER 2022



| | CURRENT MONTH | | | YEAR TO DATE | | |
|--|------------------|------------------|------------|-------------------|-------------------|------------|
| | Budget | Actual | Variance % | Budget | Actual | Variance % |
| 19. INSURANCE | | | | | | |
| 19.1 All Plants | | | | | | |
| 19.1.1 Asset replacement | 66 381 | 73 986 | -11% | 398 286 | 437 962 | -10% |
| 19.1.2 Other | - | - | 0% | - | - | 0% |
| | 66 381 | 73 986 | -11% | 398 286 | 437 962 | -10% |
| 20. LEASES | | | | | | |
| 20.1 Boitekong Rustenburg & Bospoort | | | | | | |
| 20.1.1 Details | 18 995 | 70 968 | -274% | 113 970 | 70 968 | 38% |
| 20.1.2 Details | - | - | 0% | - | - | 0% |
| Adjustment budget - Volumes at Rustenburg - Done | 18 995 | 70 968 | -274% | 113 970 | 70 968 | 38% |
| 21. OTHER EXPENSES | | | | | | |
| 21.1 Trustee Remuneration | 29 879 | 152 950 | -412% | 179 276 | 330 050 | -84% |
| 21.2 Legal Assistance | 27 931 | 7 975 | 71% | 167 586 | 34 722 | 79% |
| 21.3 Impairment | 57 180 | - | 100% | 343 082 | - | 100% |
| 21.4 DWS Compliance Cost | 18 345 | - | 100% | 110 067 | - | 100% |
| 21.5 Maintenance Emergency | 263 750 | - | 100% | 1 582 500 | - | 100% |
| 21.6 O&M Supervision | 271 271 | 271 271 | 0% | 1 627 626 | 1 816 306 | -12% |
| 21.7 New: Admin Structure | - | - | 0% | - | - | 0% |
| 21.8 New: Software | 246 703 | - | 100% | 1 480 221 | - | 100% |
| 21.9 New: Server + 3 Laptops + Printer | - | - | 0% | - | - | 0% |
| 22 New: Office Rental | - | - | 0% | - | - | 0% |
| 22.1 New: Printing & Stationary | 4 396 | - | 100% | 26 375 | - | 100% |
| 22.2 Section 93J Structure | - | - | 0% | - | - | 0% |
| 22.3 Bank Charges | 830 | 468 | 44% | 4 978 | 1 331 | 73% |
| | 920 285 | 432 664 | 53% | 5 521 710 | 2 182 409 | 60% |
| 22. INTEREST PAID | | | | | | |
| 22.1 Absa | - | - | 0% | - | - | 0% |
| 22.1 Other | - | (22 324) | -100% | - | 757 519 | -100% |
| | - | (22 324) | -100% | - | 757 519 | -100% |
| 23. DEPRECIATION | | | | | | |
| 23.2 Rustenburg | | | | | | |
| 23.2.1 Details | 3 278 146 | 2 891 366 | 12% | 19 668 877 | 17 734 978 | 10% |
| 23.2.2 Details | - | - | 0% | - | - | 0% |
| | 3 278 146 | 2 891 366 | 12% | 19 668 877 | 17 734 978 | 10% |
| | 3 278 146 | 2 891 366 | 12% | 19 668 877 | 17 734 978 | 10% |

AGENDA: COUNCIL: 31 JANUARY 2023



Rustenburg Water Services Trust
Income/Expense Budget
2022/23

| Revenue: | July'22 | August'22 | Sept'22 | Oct'22 | Nov'22 | Dec'22 | Jan'23 | Feb'23 | March'23 | April'23 | May'23 | June'23 | Total 2022/23 | Total 2021/22 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------------|
| Rustenburg: | | | | | | | | | | | | | | |
| RLM - STC Income | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 6 878 393 | 82 544 713 | 75 856 329 |
| Offside Off Take | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 2 553 689 | 30 640 273 | 25 365 185 |
| Water Off Take | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 4 085 387 | 49 024 639 | 40 579 172 |
| Other Miscellaneous Off Take | 83 333 | 83 333 | 83 333 | 83 333 | 83 333 | 83 333 | 83 333 | 83 333 | 83 333 | 83 333 | 83 333 | 83 333 | 1 000 000 | 10 551 087 |
| RLM Off Take | | | | | | | | | | | | | | |
| RLM - Irrigation Pipeline Revenue | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 13 600 802 | 163 209 621 | 152 351 783 |
| Total Revenue - Rustenburg | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 3 263 856 | 39 186 273 | 38 368 815 |
| Less: | | | | | | | | | | | | | | |
| Variable: Chemical + Electrical | 62 089 | 62 089 | 62 089 | 62 089 | 62 089 | 62 089 | 62 089 | 62 089 | 62 089 | 62 089 | 62 089 | 62 089 | 746 062 | 729 892 |
| Routine Maintenance | 814 296 | 814 296 | 814 296 | 814 296 | 814 296 | 814 296 | 814 296 | 814 296 | 814 296 | 814 296 | 814 296 | 814 296 | 9 771 554 | 9 572 597 |
| Overheads | 594 406 | 594 406 | 594 406 | 594 406 | 594 406 | 594 406 | 594 406 | 594 406 | 594 406 | 594 406 | 594 406 | 594 406 | 7 132 868 | 6 997 837 |
| Total Production Cost - Rustenburg | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 4 734 646 | 56 815 756 | 55 659 941 |
| Rustenburg Gross Profit | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 8 866 155 | 106 393 863 | 95 692 842 |
| | | | | | | | | | | | | | 65.19% | 63.47% |
| Boilekeng: | | | | | | | | | | | | | | |
| STC Income | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 22 550 208 | 22 550 208 |
| Total Revenue - Boilekeng | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 2 371 401 | 28 456 818 | 28 456 818 |
| Less: | | | | | | | | | | | | | | |
| Variable: Chemical + Electrical | 508 682 | 508 682 | 508 682 | 508 682 | 508 682 | 508 682 | 508 682 | 508 682 | 508 682 | 508 682 | 508 682 | 508 682 | 6 104 190 | 7 008 023 |
| Routine Maintenance | 67 558 | 67 558 | 67 558 | 67 558 | 67 558 | 67 558 | 67 558 | 67 558 | 67 558 | 67 558 | 67 558 | 67 558 | 810 696 | 930 734 |
| Labour | 648 201 | 648 201 | 648 201 | 648 201 | 648 201 | 648 201 | 648 201 | 648 201 | 648 201 | 648 201 | 648 201 | 648 201 | 7 778 409 | 8 930 140 |
| Overheads | 467 015 | 467 015 | 467 015 | 467 015 | 467 015 | 467 015 | 467 015 | 467 015 | 467 015 | 467 015 | 467 015 | 467 015 | 5 604 182 | 6 433 981 |
| Total Production Cost - Boilekeng | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 1 691 456 | 20 297 476 | 23 302 877 |
| Boilekeng Gross Profit/Loss | 679 945 | 679 945 | 679 945 | 679 945 | 679 945 | 679 945 | 679 945 | 679 945 | 679 945 | 679 945 | 679 945 | 679 945 | 8 159 341 | (752 669) |
| | | | | | | | | | | | | | 28.17% | -3.34% |
| Bospoort | | | | | | | | | | | | | | |
| Potable Water Revenue | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 3 258 724 | 39 104 683 | 38 967 976 |
| Bospoort Pipeline Revenue | 374 662 | 374 662 | 374 662 | 374 662 | 374 662 | 374 662 | 374 662 | 374 662 | 374 662 | 374 662 | 374 662 | 374 662 | 4 495 941 | 4 476 164 |
| Total Revenue - Bospoort | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 3 633 385 | 43 600 623 | 43 446 140 |
| Less: | | | | | | | | | | | | | | |
| Variable: Chemical + Electrical | 549 918 | 549 918 | 549 918 | 549 918 | 549 918 | 549 918 | 549 918 | 549 918 | 549 918 | 549 918 | 549 918 | 549 918 | 6 598 019 | 6 967 750 |
| Routine Maintenance | 40 768 | 40 768 | 40 768 | 40 768 | 40 768 | 40 768 | 40 768 | 40 768 | 40 768 | 40 768 | 40 768 | 40 768 | 488 215 | 519 033 |
| Labour | 292 323 | 292 323 | 292 323 | 292 323 | 292 323 | 292 323 | 292 323 | 292 323 | 292 323 | 292 323 | 292 323 | 292 323 | 3 507 511 | 3 714 511 |
| Overheads | 76 067 | 76 067 | 76 067 | 76 067 | 76 067 | 76 067 | 76 067 | 76 067 | 76 067 | 76 067 | 76 067 | 76 067 | 912 807 | 966 578 |
| DWAf Raw Water Cost | 442 226 | 442 226 | 442 226 | 442 226 | 442 226 | 442 226 | 442 226 | 442 226 | 442 226 | 442 226 | 442 226 | 442 226 | 5 306 717 | 5 619 323 |
| Total Production Cost - Bospoort | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 1 401 303 | 16 815 630 | 17 808 196 |
| Bospoort Gross Profit | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 2 232 083 | 26 784 993 | 25 639 944 |
| Kloof | | | | | | | | | | | | | | |
| Potable Water Revenue | 277 167 | 277 167 | 277 167 | 277 167 | 277 167 | 277 167 | 277 167 | 277 167 | 277 167 | 277 167 | 277 167 | 277 167 | 3 326 883 | 2 836 328 |
| Less: | | | | | | | | | | | | | | |
| Variable: Chemical + Electrical | 3 610 | 3 610 | 3 610 | 3 610 | 3 610 | 3 610 | 3 610 | 3 610 | 3 610 | 3 610 | 3 610 | 3 610 | 43 317 | 43 011 |
| Routine Maintenance | 4 815 | 4 815 | 4 815 | 4 815 | 4 815 | 4 815 | 4 815 | 4 815 | 4 815 | 4 815 | 4 815 | 4 815 | 57 786 | 57 377 |
| Labour | 48 424 | 48 424 | 48 424 | 48 424 | 48 424 | 48 424 | 48 424 | 48 424 | 48 424 | 48 424 | 48 424 | 48 424 | 591 090 | 576 984 |
| Overheads | 101 473 | 101 473 | 101 473 | 101 473 | 101 473 | 101 473 | 101 473 | 101 473 | 101 473 | 101 473 | 101 473 | 101 473 | 1 217 675 | 1 209 071 |
| DWAf Raw Water Cost | | | | | | | | | | | | | | |
| Kloof Gross Profit | 118 835 | 118 835 | 118 835 | 118 835 | 118 835 | 118 835 | 118 835 | 118 835 | 118 835 | 118 835 | 118 835 | 118 835 | 1 426 016 | 948 884 |
| Monakato & Letlabong | | | | | | | | | | | | | | |
| STC Income - Fixed | 416 946 | 416 946 | 416 946 | 416 946 | 416 946 | 416 946 | 416 946 | 416 946 | 416 946 | 416 946 | 416 946 | 416 946 | 5 003 350 | 4 998 383 |
| Less: | | | | | | | | | | | | | | |
| Monakato | 7 417 | 7 417 | 7 417 | 7 417 | 7 417 | 7 417 | 7 417 | 7 417 | 7 417 | 7 417 | 7 417 | 7 417 | 88 001 | 88 001 |
| Letlabong | 2 174 | 2 174 | 2 174 | 2 174 | 2 174 | 2 174 | 2 174 | 2 174 | 2 174 | 2 174 | 2 174 | 2 174 | 26 092 | 26 092 |
| Monakato | 44 333 | 44 333 | 44 333 | 44 333 | 44 333 | 44 333 | 44 333 | 44 333 | 44 333 | 44 333 | 44 333 | 44 333 | 531 988 | 532 050 |
| Letlabong | 39 208 | 39 208 | 39 208 | 39 208 | 39 208 | 39 208 | 39 208 | 39 208 | 39 208 | 39 208 | 39 208 | 39 208 | 470 542 | 470 542 |
| Overheads | 872 | 872 | 872 | 872 | 872 | 872 | 872 | 872 | 872 | 872 | 872 | 872 | 10 467 | 10 467 |
| Variable: Chemical + Electrical | | | | | | | | | | | | | | |
| Letlabong | 13 037 | 13 037 | 13 037 | 13 037 | 13 037 | 13 037 | 13 037 | 13 037 | 13 037 | 13 037 | 13 037 | 13 037 | 156 448 | 156 462 |
| Letlabong | 167 060 | 167 060 | 167 060 | 167 060 | 167 060 | 167 060 | 167 060 | 167 060 | 167 060 | 167 060 | 167 060 | 167 060 | 2 004 721 | 2 004 917 |
| Letlabong | 51 114 | 51 114 | 51 114 | 51 114 | 51 114 | 51 114 | 51 114 | 51 114 | 51 114 | 51 114 | 51 114 | 51 114 | 613 625 | 613 625 |
| Total Production Cost Monakato + Letlabong | 325 215 | 325 215 | 325 215 | 325 215 | 325 215 | 325 215 | 325 215 | 325 215 | 325 215 | 325 215 | 325 215 | 325 215 | 3 902 865 | 3 902 865 |
| Monakato & Letlabong Gross Profit | 91 731 | 91 731 | 91 731 | 91 731 | 91 731 | 91 731 | 91 731 | 91 731 | 91 731 | 91 731 | 91 731 | 91 731 | 1 100 767 | 1 095 628 |
| Other WISSA overheads | | | | | | | | | | | | | | |
| Day works + Prov Sums | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 1 346 366 | 16 158 392 | 15 241 880 |
| Repairs and Maintenance | 555 594 | 555 594 | 555 594 | 555 594 | 555 594 | 555 594 | 555 594 | 555 594 | 555 594 | 555 594 | 555 594 | 555 594 | 6 667 134 | 6 626 020 |
| Management + General staff | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 1 901 961 | 22 823 526 | 21 867 800 |
| Other income + expenses | | | | | | | | | | | | | | |
| Effluent Income RLM - Fixed | 116 808 | 116 808 | 116 808 | 116 808 | 116 808 | 116 808 | 116 808 | 116 808 | 116 808 | 116 808 | 116 808 | 116 808 | 1 401 701 | 1 278 672 |

ITEM 43 PAGE 1570

16 - 17

AGENDA: COUNCIL: 31 JANUARY 2023

| | July'22 | Aug'22 | Sept'22 | Oct'22 | Nov'22 | Dec'22 | Jan'23 | Feb'23 | March'23 | April'23 | May'23 | June'23 | Total 2022/23 | Total 2021/22 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Operator Cost - Effluent | 93 718 | 93 718 | 93 718 | 93 718 | 93 718 | 93 718 | 93 718 | 93 718 | 93 718 | 93 718 | 93 718 | 93 718 | 1 124 619 | 1 029 448 |
| RLM - Bokamoso | 416 667 | 416 667 | 416 667 | 416 667 | 416 667 | 416 667 | 416 667 | 416 667 | 416 667 | 416 667 | 416 667 | 416 667 | 5 000 000 | 2 359 725 |
| Operator Cost - Bokamoso | 395 833 | 395 833 | 395 833 | 395 833 | 395 833 | 395 833 | 395 833 | 395 833 | 395 833 | 395 833 | 395 833 | 395 833 | 4 750 000 | 2 241 739 |
| Other Income | 2 033 | 2 033 | 2 033 | 2 033 | 2 033 | 2 033 | 2 033 | 2 033 | 2 033 | 2 033 | 2 033 | 2 033 | 24 390 | - |
| Other Network GP | 43 923 | 43 923 | 43 923 | 43 923 | 43 923 | 43 923 | 43 923 | 43 923 | 43 923 | 43 923 | 43 923 | 43 923 | 551 472 | 367 210 |
| Nett Gross Profit | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 10 130 711 | 121 592 925 | 102 123 739 |
| RLM Sales | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 14 112 790 | 169 353 478 | 153 324 795 |
| Sales to Mines | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 6 722 409 | 80 688 509 | 76 495 454 |
| Totals | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 20 835 199 | 250 042 388 | 229 820 249 |
| Totals Costs | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (10 702 455) | (126 429 461) | (127 696 510) |
| Nett Gross Profit | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 10 132 744 | 121 592 925 | 102 123 739 |
| Overheads | 84 056 | 84 056 | 84 056 | 84 056 | 84 056 | 84 056 | 84 056 | 84 056 | 84 056 | 84 056 | 84 056 | 84 056 | 1 006 671 | 1 083 115 |
| External Audit Fee | 29 879 | 29 879 | 29 879 | 29 879 | 29 879 | 29 879 | 29 879 | 29 879 | 29 879 | 29 879 | 29 879 | 29 879 | 358 522 | 366 522 |
| Trustee Remuneration | 18 995 | 18 995 | 18 995 | 18 995 | 18 995 | 18 995 | 18 995 | 18 995 | 18 995 | 18 995 | 18 995 | 18 995 | 227 939 | 216 056 |
| Liabilities | 57 180 | 57 180 | 57 180 | 57 180 | 57 180 | 57 180 | 57 180 | 57 180 | 57 180 | 57 180 | 57 180 | 57 180 | 686 163 | 663 522 |
| Impairment | 66 381 | 66 381 | 66 381 | 66 381 | 66 381 | 66 381 | 66 381 | 66 381 | 66 381 | 66 381 | 66 381 | 66 381 | 796 572 | 908 666 |
| Insurance | 27 931 | 27 931 | 27 931 | 27 931 | 27 931 | 27 931 | 27 931 | 27 931 | 27 931 | 27 931 | 27 931 | 27 931 | 335 771 | 199 908 |
| Legal Assistance | 263 750 | 263 750 | 263 750 | 263 750 | 263 750 | 263 750 | 263 750 | 263 750 | 263 750 | 263 750 | 263 750 | 263 750 | 3 165 000 | 3 000 000 |
| Maintenance Emergency | 271 271 | 271 271 | 271 271 | 271 271 | 271 271 | 271 271 | 271 271 | 271 271 | 271 271 | 271 271 | 271 271 | 271 271 | 3 285 252 | 3 086 053 |
| O&M Supervision | 327 797 | 327 797 | 327 797 | 327 797 | 327 797 | 327 797 | 327 797 | 327 797 | 327 797 | 327 797 | 327 797 | 327 797 | 3 770 914 | 3 710 914 |
| Trust Admin + Grap 17 Compliance | - | - | - | - | - | - | - | - | - | - | - | - | 3 933 969 | 2 895 000 |
| New Admin Structure | 246 703 | 246 703 | 246 703 | 246 703 | 246 703 | 246 703 | 246 703 | 246 703 | 246 703 | 246 703 | 246 703 | 246 703 | 2 960 441 | 2 808 000 |
| New Software | - | - | - | - | - | - | - | - | - | - | - | - | 270 000 | 270 000 |
| New Server + 3 Laptops + Printer | - | - | - | - | - | - | - | - | - | - | - | - | 50 000 | 50 000 |
| New Vehicle + Stationary | 4 396 | 4 396 | 4 396 | 4 396 | 4 396 | 4 396 | 4 396 | 4 396 | 4 396 | 4 396 | 4 396 | 4 396 | 52 750 | - |
| Section 93U Structure | 830 | 830 | 830 | 830 | 830 | 830 | 830 | 830 | 830 | 830 | 830 | 830 | 9 585 | 6 733 |
| Bank Charges | 18 345 | 18 345 | 18 345 | 18 345 | 18 345 | 18 345 | 18 345 | 18 345 | 18 345 | 18 345 | 18 345 | 18 345 | 220 35 | - |
| DWS Compliance | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| EBITDA | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 1 417 514 | 17 070 771 | 22 954 072 |
| Depreciation | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 3 278 146 | 39 337 755 | 38 497 995 |
| Accumulated Funds | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 457 494 382 | 4 320 225 | 4 58 214 419 |
| Interest received | 360 019 | 360 019 | 360 019 | 360 019 | 360 019 | 360 019 | 360 019 | 360 019 | 360 019 | 360 019 | 360 019 | 360 019 | 4 320 225 | 4 095 000 |
| Balance | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 4 611 814 607 | 4 823 309 419 |
| Bank Payment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash Balance | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 457 854 400 | 4 611 814 607 | 4 823 309 419 |
| EARNINGS | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 5 797 102 | 68 565 224 | 44 767 272 |

NW373 Rustenburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

| Description | Ref | 2021/22 | Budget Year 2022/23 | | | | | | | |
|--|-----|------------------|---------------------|-----------------|----------------|------------------|------------------|------------------|----------------|--------------------|
| | | 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 | | 486,412 | 516,902 | – | 43,796 | 262,813 | 258,451 | 4,362 | 2% | 516,902 |
| Service charges - electricity revenue | | 3,277,928 | 3,691,715 | – | 98,105 | 1,598,583 | 1,845,857 | (247,274) | -13% | 3,691,715 |
| Service charges - water revenue | | 524,419 | 553,596 | – | 42,036 | 274,516 | 276,798 | (2,282) | -1% | 553,596 |
| Service charges - sanitation revenue | | 189,666 | 405,800 | – | 36,185 | 201,831 | 202,900 | (1,069) | -1% | 405,800 |
| Service charges - refuse revenue | | 166,778 | 154,931 | – | 14,523 | 82,573 | 77,465 | 5,108 | 7% | 154,931 |
| Rental of facilities and equipment | | 11,408 | 14,080 | – | 1,006 | 6,250 | 7,040 | (790) | -11% | 14,080 |
| Interest earned - external investments | | 23,081 | 26,217 | – | 1,920 | 20,804 | 13,108 | 7,695 | 59% | 26,217 |
| Interest earned - outstanding debtors | | 404,002 | 428,086 | – | 37,432 | 231,163 | 214,043 | 17,120 | 8% | 428,086 |
| Dividends received | | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | 19,427 | 9,399 | – | 227 | 607 | 4,700 | (4,093) | -87% | 9,399 |
| Licences and permits | | 154 | 11,288 | – | 3 | 756 | 5,644 | (4,888) | -87% | 11,288 |
| Agency services | | 154,242 | 110,424 | – | 1,896 | 30,549 | 55,212 | (24,663) | -45% | 110,424 |
| Transfers and subsidies | | 952,759 | 1,127,277 | – | 424,573 | 796,539 | 563,639 | 232,900 | 41% | 1,127,277 |
| Other revenue | | 46,367 | 18,647 | – | 2,457 | 9,465 | 9,324 | 141 | 2% | 18,647 |
| Gains | | 2,957 | 6,448 | – | 11 | 1,162 | 3,224 | (2,062) | -64% | 6,448 |
| Total Revenue (excluding capital transfers and contributions) | | 6,259,600 | 7,074,810 | – | 704,169 | 3,517,611 | 3,537,405 | (19,794) | -1% | 7,074,810 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 753,539 | 905,598 | – | 62,729 | 393,147 | 452,799 | (59,652) | -13% | 905,598 |
| Remuneration of councillors | | 59,115 | 70,958 | – | 5,664 | 35,479 | 35,479 | (0) | 0% | 70,958 |
| Debt impairment | | 945,599 | 826,738 | – | 68,895 | 413,369 | 413,369 | 0 | 0% | 826,738 |
| Depreciation & asset impairment | | 566,134 | 480,045 | – | 33,800 | 203,189 | 240,022 | (36,834) | -15% | 480,045 |
| Finance charges | | 59,449 | 85,409 | – | 14,963 | 16,644 | 42,704 | (26,060) | -61% | 85,409 |
| Bulk purchases - electricity | | 3,027,327 | 2,617,167 | – | 260,312 | 1,413,587 | 1,308,584 | 105,004 | 8% | 2,617,167 |
| Inventory consumed | | 21,875 | 547,166 | – | 44,362 | 51,924 | 274,359 | (222,435) | -81% | 547,166 |
| Contracted services | | 436,368 | 708,127 | – | 52,170 | 281,829 | 361,466 | (79,637) | -22% | 708,127 |
| Transfers and subsidies | | 68,152 | 20,292 | – | 21 | 472 | 10,146 | (9,674) | -95% | 20,292 |
| Other expenditure | | 317,060 | 250,573 | – | 22,288 | 142,624 | 147,330 | (4,706) | -3% | 250,573 |
| Losses | | – | – | – | – | – | – | – | – | – |
| Total Expenditure | | 6,254,617 | 6,512,073 | – | 565,205 | 2,952,263 | 3,286,259 | (333,995) | -10% | 6,512,073 |
| Surplus/(Deficit) | | 4,983 | 562,737 | – | 138,964 | 565,347 | 251,147 | 314,201 | 0 | 562,737 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 214,223 | 431,688 | – | 71,219 | 77,213 | 215,844 | (138,631) | (0) | 431,688 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (in-kind - all) | | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | | 219,206 | 994,425 | – | 210,183 | 642,560 | 466,990 | | | 994,425 |
| Taxation | | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after taxation | | 219,206 | 994,425 | – | 210,183 | 642,560 | 466,990 | | | 994,425 |
| Attributable to minorities | | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) attributable to municipality | | 219,206 | 994,425 | – | 210,183 | 642,560 | 466,990 | | | 994,425 |
| Share of surplus/ (deficit) of associate | | – | – | – | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | | 219,206 | 994,425 | – | 210,183 | 642,560 | 466,990 | | | 994,425 |

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including c/c: 6,473,823 7,506,498 775,388 3,594,824 3,753,249 7,506,498

AGENDA: COUNCIL: 31 JANUARY 2023

43. MID-YEAR PERFORMANCE REPORT 2022-2023

(Office of the Municipal Manager: PMS)

BND/bnd

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 2022.

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: COUNCIL: 31 JANUARY 2023

The report is in line with the Municipal Budget and Reporting Regulation under schedule C and includes all the required tables, charts and explanatory information. The Regulation further prescribes the report must be public by placing it on the municipal website within 5 working days.

- Attached as “Annexure A” is the Mid-Year Performance report.
- Annexure B” – Mid-Year Report of the Rustenburg Water Services Trust.

AGENDA: COUNCIL: 31 JANUARY 2023

| RECOMMENDED: | ACTION |
|---|---------------|
| 1. That the <u>MID-YEAR PERFORMANCE REPORT 2022-2023</u> be noted; | MM |
| 2. That an adjustments budget is necessary to address all the mentioned issues in the report; | MM |
| 3. That the mid-year report be submitted to National and Provincial Treasury; | MM |
| 4. That the report be made public within five days of noting by Council. ----- | MM |