

## **ANNEXURE A: ACTUAL REVENUE PER REVENUE SOURCE**

### **1. MSIG Grant (Conditional)**

The grant is utilized towards funding legislative requirements other than the MFMA as well as performance management, skills improvement and IDP. The 12/13 budget allocation of R 1 000 000 was transferred in full in August 2012. The reason for the variance is that projects identified on MSIG have not yet been completed, namely Development of By-laws, Review of LED strategy and Review of Organizational Development Strategy. The terms of reference have been completed and advertisements are to be placed in newspapers in January 2013.

The income on the grant is recognized once the conditions are met. GRAP journals are implemented monthly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent.

There was no unspent roll over of conditional grants in the 2011/2012 year, therefore no additional grant to be included in the 2012/2013 Adjustment Budget.

### **2. FMG Grant (Conditional)**

The Financial Management grant is used to finance the interns' salaries, financial training and compliance with GRAP and MFMA. The 12/13 budget allocation of R 1 250 000 was received in full in July 2012. The amount allocated for the IFMS project has not yet been spent as the remaining local municipalities' have not yet confirmed their participation in the district-wide shared services IFMS project.

The income on the grant is recognized once the conditions are met. GRAP journals are implemented monthly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent.

There was no unspent roll over of conditional grants in the 2011/2012 year, therefore no additional grant to be included in the 2012/2013 Adjustment Budget.

### **3. Municipal Health Grant (Conditional)**

The grant is utilized towards funding salaries and operational expenditure of municipal environmental health function. The 2012/2013 budget allocation of R 8 772 000 was gazetted as part of the 2012/2013 budget allocation, but no funds have been received to date from Department of Health and the indication is that no funds will be transferred.

The income on the grant is recognized once the conditions are met. GRAP journals are implemented monthly, which will therefore take the full amount received to the unspent liability and the revenue will only reflect the actual amount of the grant spent.

There was no unspent roll over of conditional grants in the 2011/2012 year, therefore no additional grant to be included in the 2012/2013 Adjustment Budget. But the 2012/2013 Budget allocation of R 8 772 000 will have to be removed in the 2012/2013 Adjustment Budget because even though it has been gazetted, the monies are not being transferred and it is unlikely that the funding will be transferred for the 2012/2013 Budget year.

## **ANNEXURE A: ACTUAL REVENUE PER REVENUE SOURCE** *(continued)*

### **4. EPWP Incentive Grant (Conditional)**

The grant is received on EPWP projects successfully implemented and reported to the Public Works department. The amount received is utilized for EWPG projects. To date R 700 000 has been received of the R 1 000 000 DORA allocation. The current EPWP project funded from this grant, namely the Modimolle Ring Road has been completed and the final portion has been claimed on the December 2012 conditional grant report, making the total EPWP IG spending on this project R 400 000.

The income on the grant is recognized once the conditions are met. GRAP journals are implemented monthly, which will therefore take the full amount received to the unspent liability and the revenue will only reflect the actual amount of the grant spent.

A 2011/2012 EPWP IG roll over of R 171 000 will be added in the 2012/2013 Adjustment Budget.

### **5. Abattoir Income**

In December tripe commission and interest received from debtors were higher than projected, hence higher income received.

### **6. Other Income**

An amount of R 52 895 was received for selling of tender documents. In July 2012 the majority of the IDP tenders were advertised and many documents were sold, as a result the amount received from selling those documents is higher than what was projected up to December 2012.

An amount of R 111 861 from SARS for interest was received in September 2012. This is interest incurred on late payment of VAT inputs by SARS due to audit being conducted on our VAT claims. This amount was not budgeted for and will only be included in the 2012/2013 Adjustment Budget if there is existing expenditure programs that need to be increased which is funded from this type of income source.

In November 2012 Thabazimbi local municipality transferred R1 976 for Fire Fighting service rendered. This amount was not budgeted as the projected income based on past experiences was projected as zero income. It will only be included in the 2012/2013 Adjustment Budget if there is existing firefighting expenditure programs of Thabazimbi that need to be increased.

Local Municipalities submit firefighting income to WDM if there is a disaster on private properties and service fee can be charged and claimed. To date, no income, other than that of Thabazimbi explained above, has been submitted by Local Municipalities. Head: Disaster has appointed officials to monitor the situation and completeness of reporting at the local municipalities.

## ANNEXURE B: ACTUAL EXPENDITURE PER VOTE

### 1. Vacancies in various departments

The under expenditure is due to vacancies that exist in some departments as a result of employees' resignations and budgeted posts which have not yet been filled. The following vacancies exist in departments:

Infrastructure Development	Section 57 Manager
Social Development and Community Services	Air Quality Assistant

Performance bonuses for qualifying managers have not yet been paid, which also affect the spending per departments.

### 2. Fire fighting

The following is the status of claims per local municipality:

NAME	BUDGET	CLAIMED	%
Bela Bela Municipality	R 722 904	R 148 284	20.20 %
Lephalale Municipality	R 1 235 280	R 530 915	42.98 %
Mogalakwena Municipality	R 6 470 552	R 1 919 010	29.66 %
Modimolle Municipality	R 1 658 937	R 532 903	32.12 %
Mookgophong Municipality	R 908 973	R 239 107	26.31 %
Thabazimbi Municipality	R 2 227 000	R 341 912	15.35 %

In November 2012 the following local municipalities submitted their claims as follows:

- Bela Bela local municipality submitted claims from July to September 2012
- Lephalale local municipality submitted claims from July to September 2012
- Modimolle local municipality submitted claims from July to October 2012
- Mogalakwena local municipality submitted claims from July to October 2012
- Thabazimbi local municipality submitted claims from July to October 2012
- Mookgophong local municipality submitted claims from July to September 2012

Some positions budgeted in the local municipalities' budgets were also filled later or are still vacant which resulted in savings on the personnel expenditure projected for the year. Declaration of savings will have to be considered during the Adjustment Budget.

The Lephalale Local Municipality operating budget was under budgeted since they did not consider salaries of existing fire fighters still to be paid by the local municipality. The budget for this local municipality will thus have to be increased during the 2012/2013 Adjustment Budget.