

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 and Review of LED strategy. The service providers have been appointed, order issued and work commenced, but payments to the value of R 241,140 are still outstanding.

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. A motivation will be submitted to National Treasury to have the remaining grant amount of R 237,037 rolled over to 13/14.

2. LG SETA grant

LG SETA funds are received when Work Skills plans are submitted, the funds are utilized for training to capacitate officials. The budget is not a gazetted amount, but forecasted based on prior receipts and the SDL budget for 12/13. We have thus slightly under budgeted on what we actually received, but all is spent on training.

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.

3. 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 EPWP projects. To date the full R 1 000 000 of DORA allocation has been received. 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 R400 000. Remaining projects that are to be funded from this Grant are still on procurement stage, namely the Upgrading of Streets in Regorogile and Mookgophong Sewer.

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 170 000 was added in the 2012/2013 Adjustment Budget.

A motivation will be submitted to National Treasury to have the remaining 12/13 grant amount of R 600,000 rolled over to 13/14.

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

4. Office of the Premier Grant (Wildlife Centre)

The grant is utilized towards funding of the Planning & Implementation of the Mabatlane Wildlife Centre. The grant was carried forward from previous years and was partially spent on the implementation on the feasibility study and planning stages on the Mabatlane Wildlife Centre.

5. Interest on current account

Interest received is lower than projected because the policy does not allow a balance higher than R 5 000 000 to be kept in the current account, therefore short term investments were opened and another contributing factor is lower current account interest rates.

6. Other Income

An amount of R 88 873 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 June 2013.

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 was not included in the 2012/2013 Adjustment Budget as there was no existing expenditure programs that need to be increased which is funded from this type of income source.

Thabazimbi local municipality transferred R14 493 to date for Fire Fighting service rendered. This amount was not budgeted as the projected income based on past experiences was projected as zero income. It was not included in the 2012/2013 Adjustment Budget as there were no existing firefighting expenditure programs of Thabazimbi that had 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 the completeness of reporting information submitted by the local municipalities.

An amount of R 929,839 was received from RAL Limpopo in April 2013 as a refund of previous payments to an amount of R 18,005,869 made to RAL Limpopo in the 07/08 and 08/09 financial years for the implementation of a roads project in Mogalakwena - RS036 UPGRADE OF ROAD BAKENBERG TO MAPELA.

ANNEXURE B: ACTUAL EXPENDITURE PER VOTE

1. Vacancies in various departments

The under expenditure by more than 10% 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 where material under expenditure occurred:

Budget and Treasury	1 post: Senior SCM Administrator
Planning	2 Posts: Divisional Manager LED Section 57 Manager
Social Development and Community Services	2 posts: Air Quality Practitioner Secretary
Fire Fighting	1 post: Lead Fire Fighter

Performance bonuses 11/12 for qualifying managers have been paid from the 11/12 provision and the 12/13 Provision for Performance Bonuses for all departments still has to be calculated and accounted for as part of year end procedures, which also affect the spending per departments.

Rental of office equipment also caused under expenditure in all departments as we budgeted monthly rental payment for photocopiers for the whole year, but only paid up to December 2012 as the company providing the services was then liquidated and subsequently servicing and invoicing stopped.

We are still capturing creditors on the 12/13 financial records until end of July 2013 and this will still significantly affect the spending of many departments, e.g. the firefighting claims of various local municipalities are still outstanding for June 2013 as well as other recurring monthly expenditure that still has to be billed for June 2013, e.g. municipal accounts.

2. Office of the Municipal Manager

The under spending under Municipal Manager's office is due to MSIG expenditure vote that is currently on 76.30%. The reason for the variance is that projects identified on MSIG have not yet been completed, namely Development of By-laws and Review of LED strategy. The service providers have been appointed, order issued and work commenced, but payments to the value of R 241,140 are still outstanding.

3. Corporate Services Department

The under spending is due to some line items that are either not spent or the percentage spent is lower than projected. Book and subscription is at 8.46%, auction cost at 0.00% and rental on equipment at 61.33% as at end of June 2013.

ANNEXURE B: ACTUAL EXPENDITURE PER VOTE *(continued)*

4. Infrastructure Development

The under spending under Infrastructure department is due to Section 57 Manager post that was only filled in March 2013 after being vacant for 8 months.

5. Fire fighting

The following is the status of claims per local municipality:

NAME	BUDGET	CLAIMED	%
Bela Bela Municipality	R 722 904	R 551 209	76.24 %
Lephalale Municipality	R 2 760 280	R 2 798 875	101.39 %
Mogalakwena Municipality	R 6 454 742	R5 442 890	84.32 %
Modimolle Municipality	R 1 658 937	R 1 332 019	80.29 %
Mookgophong Municipality	R 908 973	R 803 411	88.38 %
Thabazimbi Municipality	R 1 049 500	R 671 290	63.96 %

Bela Bela local municipality submitted claims from July 2012 to May 2013

Lephalale local municipality submitted claims from July 2012 to May 2013

Modimolle local municipality submitted claims from July 2012 to April 2013

Mogalakwena local municipality submitted claims from July 2012 to May 2013

Thabazimbi local municipality submitted claims from July 2012 to May 2013

Mookgophong local municipality submitted claims from July 2012 to June 2013

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.

6. Abattoir

There is a slight under expenditure under this department due to line items that were not spent since the beginning of the financial year, those are printing and stationary, S & T officials and less than 50% spent on repairs Network - water and electricity, which is partly due to austerity measures implemented at the abattoir and also the upgrade of the facilities which should improve spending on repairs.