

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 quotations were sourced, it was then realized that budget allocations for both LED strategy and Organizational Development strategy were insufficient, therefore budget shortages will be addressed if additional funds are sourced or alternatively, scope of work is reduced. The activity plan has to be reviewed in order to ensure that the funds are spent by 30 June 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.

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 been reduced as the remaining local municipalities' have not yet confirmed their participation in the district-wide shared services IFMS project. The additional funding on the 13/14 IDP has also been removed. If current commitments are included, the amount to be spent by 30 April 2013 will be 75%.

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. L G SETA Grant

The grant is received when the workplace skills plan is submitted. The amount received is utilized for capacity building of personnel. To date R16 608 is received. 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.

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 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.

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.

5. LEDET Grant Biosphere

Waterberg Biosphere was one of the nominated reserves to benefit from Biosphere programmes and this grant will be utilized to fund for implementation of the programme. The full grant of R 100 000 has been received from Provincial LEDET in the 2011/2012 financial year. The project funded from this grant is UE040 Waterberg Biosphere Meander Reserve.

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.

6. Interest on external investment and 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. The interest on external investments is slightly higher than what was projected due to higher interest rates on short term investments.

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

7. Other Income

An amount of R 57 907 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 March 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.

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	1 post: Air Quality Practitioner
Fire Fighting	1 post: Lead Fire Fighter

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

2. Office of the Municipal Manager

The under spending under Municipal Manager's office is due to MSIG expenditure vote that is currently on 30.83%. The reason for the variance is that terms of reference for identified projects were placed on either notice board or newspapers during January and closing dates was in February 2013. After quotations were sourced, it was realized that the budget for LED Strategy and Organizational Development Strategy was insufficient. The shortage thereof will be addressed either through reducing scope of work or sourcing additional funds.

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

3. 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.

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

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

4. Fire fighting

The following is the status of claims per local municipality:

NAME	BUDGET	CLAIMED	%
Bela Bela Municipality	R 722 904	R 300 538	41.57 %
Lephalale Municipality	R 2 760 280	R 1 269 744	46.00 %
Mogalakwena Municipality	R 6 454 742	R 3 379 792	52.36 %
Modimolle Municipality	R 1 658 937	R 821 664	49.53 %
Mookgophong Municipality	R 908 973	R 436 825	48.06 %
Thabazimbi Municipality	R 1 049 500	R 472 526	45.02 %

In March 2013 only two local municipalities submitted their claims.

Bela Bela local municipality submitted claims from July 2012 to February 2013
Lephalale local municipality submitted claims from July to November 2012
Modimolle local municipality submitted claims from July to December 2012
Mogalakwena local municipality submitted claims from July 2012 to January 2013
Thabazimbi local municipality submitted claims from July 2012 to January 2013
Mookgophong local municipality submitted claims from July to December 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.