

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING**

2022.07.28

A-F (31-2022)

CITY OF EKURHULENI (CoE): UNAUDITED FINANCIAL AND PERFORMANCE RESULTS FOR THE FOURTH QUARTER OF THE 2021/22 FINANCIAL YEAR

1. PURPOSE

To report to Council the Unaudited Financial and Performance Results for the Fourth Quarter of the 2021/22 FY (financial year) as required by Section 52(d) of the Municipal Finance Management Act and more detailed in the Municipal Budget and Reporting Regulations.

2. STRATEGIC PRIORITY

To promote good governance and report on the financial sustainability of the City.

3. WARDS AFFECTED

All wards

4. IDP LINKAGE

Good governance

5. EXECUTIVE SUMMARY

IMPORTANT NOTICE

The financial and performance information contained in this report is **preliminary** as there are still year-end processes to be concluded such as payment of invoices, determination of accruals, actuarial valuations and passing of related journals. The report will be updated with final figures when the Annual Financial Statements are compiled and submitted to the Office of the Auditor-General by 31st August 2022.

Consolidated Operating Budget Statement Summary – 4th Quarter and YTD 2021/22

Description	Revised Budget R	Budget Q4 R	Actual Q4 R	YearTD budget R	YearTD actual R	Quarterly variance %	YTD variance %
Total operating revenue (excluding capital transfers and contributions)	45,405,967,550	10,930,817,886	9,849,874,524	45,405,967,550	43,987,433,031	-9.9%	-3.1%
Total operating expenditure	45,265,673,126	12,705,156,576	13,023,499,526	45,265,673,126	44,719,000,914	2.5%	-1.2%
Surplus/(deficit)	140,294,424	(1,774,338,690)	(3,173,625,002)	140,294,424	(731,567,884)		

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5.1 Operating Budget Results

The **Operating Income** budgeted for the **4th Quarter** ended 30th June 2022 is R10.9 billion. The actual income is R9.8 billion which resulted in R1.0 billion (9.9 %) less than budgeted.

The **Operating Income** budgeted for the **2021/22 financial year** was R45.4 billion. The actual income is R43.9 billion. The Actual Income for the year was R1.4 billion (3.1%) less than budgeted.

The **Operating Expenditure** budgeted for the **4th Quarter** ended 30th June 2022 is R12.70 billion. The actual expenditure is R13.0 billion which resulted in a deviation of approximately R318.3 million (2.5%) more than budgeted.

The **Operating Expenditure** budgeted for the **2021/22 financial year** was R45.2 billion. The actual expenditure is R44.7 billion which is R546.6 million (1.2%) less than budgeted. This means that although the figures are **preliminary**, there is no unauthorised expenditure at his point in time.

The Analyses of Performance section 5.1 below provides reasons for variances of 5% above or below the budget.

The detailed information on operating results is in **Annexure A**.

5.2 Capital Budget Results

The actual Capital Expenditure at the end of the 4th quarter of the 2021/22 financial year is **R2.87 billion** which represents a spending of **86.64%** of the total capital budget of R3.3 billion. The last day for submission of invoices was on the **15th July 2022** as per the financial year-end plan. Finance Department is currently verifying and capturing all the invoices submitted, and it is expected that by the time the Annual Financial Statements are completed, the final capex would have increased.

Annexure B contains detailed information on capital budget and actual expenditure.

5.3 Collection Rate

The Collection Rate for the **4th quarter** ended 30th June 2022 is **86.53%** which is above the quarterly target of 80%.

The collection rates for the consolidated Metro, the City and Eskom supply areas are elaborated further in section 5.3.1 of the report.

5.4 Cash Balances

The Cash on hand as at end June 2022 is 16 days against the SDBIP target of 25 day in the 2021/22 financial year. The cash balances in the City's various bank accounts are shown in section 5.3.2 of the report. The stage 6 loading shedding impacted on the operations of the CCCs as during load shedding, CCCs are not operational due to network connectivity and during this period the city lost between R1.5 billion to R2 billion in revenue.

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6. BACKGROUND AND DISCUSSION

In terms of Section 52 (d) read with Section 71 of the MFMA and Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003: Municipal Budget and Reporting Regulations”, specific financial particulars are required to be reported on and in the format prescribed, hence this report to meet legislative compliance.

“The mayor of a municipality-

*52(d) **must, within 30 days of the end of each quarter**, submit a report to **Council** on the implementation of the budget and the financial state of the municipality;”*

Further, Section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:

“31.(1) The mayor’s quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be –

- (a) in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister [of Finance] in terms of section 168(1) of the Act; and*
- (b) consistent with the monthly budget statement for September, December, March and June as applicable; and*
- (c) Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council.”*

The following Annexures are provided:

Annexure A: Departmental Operating Budget Reports for 4th Quarter of 2021/22 Financial Year;

Annexure B: Detailed Capital Expenditure Reports for 4th Quarter of 2021/22 Financial Year; and

Annexure C: Detailed Performance Report (Pre-Determined Measurable Performance Targets for 4th Quarter of 2021/22)

6.1 Financial Performance of Operating Budget

6.1.1 Revenue by Source

The consolidated revenue performance for the 4th Quarter ended 30th June 2022 is reflected in the table below.

Analysis of Revenue Performance

The **Operating Income** budgeted for the **4th Quarter** ended 30th June 2022 is R10.9 billion. The actual income is R9.8 billion which resulted in R1.0 billion (9.9 %) less than budgeted.

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The **Operating Income** budgeted for the **2021/22 financial year** was R45.4 billion. The actual income is R43.9 billion. The Actual Income for the year was R1.4 billion (3.1%) less than budgeted.

Management has deemed any variances of 5% or less to be immaterial and as such no reasons will be provided. The discussions of the significant deviations of 5% and more are elaborated below.

Although the **quarterly variances** may be higher, the **focus is on the Year-to-Date variances** as they reflect a **smooth performance** during the entire year. These smoothing levels **the seasonal fluctuations**.

Description	2021/22 Budget Year			Reporting Month June			
	Revised Budget	Budget Q4	Actual Q4	YearTD budget	YearTD actual	Quarterly variance	YTD variance
	R	R	R	R	R	%	%
Revenue By Source							
Property rates	8,031,352,036	2,660,338,274	1,810,530,629	8,031,352,036	7,831,529,266	-31.9%	-2.5%
Service charges - electricity re	18,022,467,596	4,562,413,421	4,096,606,178	18,022,467,596	17,137,434,514	-10.2%	-4.9%
Service charges - water revenue	5,330,162,808	1,408,449,050	1,338,241,638	5,330,162,808	5,318,619,193	-5.0%	-0.2%
Service charges - sanitation re	2,140,698,373	608,590,843	518,227,517	2,140,698,373	2,120,453,743	-14.8%	-0.9%
Service charges - refuse revenue	1,546,062,461	400,778,691	413,689,630	1,546,062,461	1,615,016,058	3.2%	4.5%
Rental of facilities and equipment	124,118,652	27,738,553	35,323,777	124,118,652	138,893,003	27.3%	11.9%
Interest earned - external investments	75,001,853	19,749,509	30,591,403	75,001,853	113,470,036	54.9%	51.3%
Interest earned - outstanding debt	549,232,694	207,809,232	176,117,775	549,232,694	555,798,521	-15.3%	1.2%
Fines, penalties and forfeits	779,684,671	265,180,215	532,720,502	779,684,671	613,599,223	100.9%	-21.3%
Licences and permits	309,884,050	98,471,449	58,971,973	309,884,050	295,228,155	-40.1%	-4.7%
Transfers and subsidies	5,251,766,219	306,070,366	452,663,031	5,251,766,219	5,053,620,720	47.9%	-3.8%
Other revenue	3,245,536,137	365,228,283	386,190,471	3,245,536,137	3,193,770,597	5.7%	-1.6%
Total Revenue (excluding capital transfers and contributions)	45,405,967,550	10,930,817,886	9,849,874,524	45,405,967,550	43,987,433,031	-9.9%	-3.1%

a. Rental of facilities and equipment

The budget of **rental of facilities** for the financial year amounted to R124.1 million whilst the actual revenue amounted to R138.8 million, thus a positive year to date deviation of 11.9%. This category is inclusive of rentals from leasing of properties by Real Estate and Human Settlements. The reason for a positive variance is that more bookings were made as the lockdown restrictions were gradually eased during the year.

b. Interest earned

This category of income refers mainly to the interest earned on the bank, investments accounts and interest charged on debtor accounts.

The deviation on the interest earned on the bank and investments accounts are because of improved revenue collections and therefore increased investments and bank balances.

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c. Fines, penalties and forfeits

The budget of Fines, Penalties and Forfeits for the financial year amounted to R779.6 million whilst the actual revenue amounted to R613.5 million, thus a negative deviation of 21.3% less than budgeted. This category is inclusive of traffic fines. The negative difference of R166 million in this category of income includes the non-cash item, being GRAP accrual for the purpose of compiling the Annual Financial Statements. This non-cash item will be journalised at the end of the financial year.

d. Transfers and subsidies

The actual income from transfers and subsidies is R198.1 million less than the budget of R5.2 billion for 2021/22 financial year, which represents a negative deviation of 3.8%. The category includes grants and subsidies received from National and Provincial Treasuries as well as Social Housing Regulatory Authority (SHRA) for Ekurhuleni Housing Company (EHC).

The deviation is mainly caused by poor expenditure on HSDG, Libraries and ERWAT. However, expenditure on all other grants which contributed to the deviation are progressing very well, the final expenditure would be reported once the accrual process is finalised.

Section 5.3.5 shows the details of all grant's performance.

6.1.2 Expenditure by Type

The expenditure performance for the 4th Quarter and YTD ended 30th June 2022 is reflected in the table below.

As with the operating revenue above, the **focus of the analyses is on the Year-to-Date variances** as they reflect a **smooth performance** during the entire year.

The expenditure performance for the 4th Quarter ended 30th June 2022 is reflected in the table below.

Consolidated Operating expenditure for 2021/22

Description	2021/22 Budget Year			Reporting Month June			
	Revised Budget	Budget Q4	Actual Q4	YearTD budget	YearTD actual	Quarterly variance	YTD variance
	R	R	R	R	R	%	%
Expenditure By Type							
Employee related costs	10,105,975,209	2,431,277,939	2,486,811,990	10,105,975,209	9,904,126,909	2.3%	-2.0%
Remuneration of councillors	155,879,152	38,969,530	39,950,321	155,879,152	145,072,917	2.5%	-6.9%
Debt impairment	4,687,352,923	1,697,132,931	1,514,028,505	4,687,352,923	4,516,431,400	-10.8%	-3.6%
Depreciation & asset impairment	2,505,909,100	626,476,900	621,087,576	2,505,909,100	2,504,972,364	-0.9%	0.0%
Finance charges	1,387,373,596	480,453,162	490,982,926	1,387,373,596	1,058,083,141	2.2%	-23.7%
Bulk purchases - electricity	14,224,084,756	3,700,316,803	3,841,120,029	14,224,084,756	14,455,753,781	3.8%	1.6%
Inventory consumed	5,365,876,099	1,730,348,205	1,358,828,654	5,365,876,099	5,439,443,572	-21.5%	1.4%
Contracted services	5,039,622,291	1,563,438,561	1,955,094,461	5,039,622,291	4,733,388,854	25.1%	-6.1%
Transfers and subsidies	542,562,089	86,247,683	232,544,677	542,562,089	556,558,808	169.6%	2.6%
Other expenditure	1,251,037,911	350,494,862	483,050,388	1,251,037,911	1,405,169,169	-8.7%	-0.6%
Total Expenditure	45,265,673,126	12,705,156,576	13,023,499,526	45,265,673,126	44,719,000,914	2.5%	-1.2%

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The **Operating Expenditure** budgeted for the **4th Quarter** ended 30th June 2022 is R12.70 billion. The actual expenditure is R13.0 billion which resulted in a deviation of approximately R318.3 million (2.5%) more than budgeted.

The **Operating Expenditure** budgeted for the **2021/22 financial year** was R45.2 billion. The actual expenditure is R44.7 billion which is R546.6 million (1.2%) less than budgeted. This means that although the figures are **preliminary**, there is no unauthorised expenditure at his point in time.

Analyses of expenditure performance

a. Overtime expenditure

Payment for overtime work forms part of employee related costs. The table below shows overtime payment per department/ entity for the 4th quarter as well as for the year.

Overtime expenditure for 2021/22

Department	Budget year 2021/22					
	Revised Budget	Budget Q4	Actual Q4	YearTD budget	YearTD actual	YTD variance
	R	R	R	R	R	%
BBC	1,204,101	301,005	-	1,204,101	54,221	-95%
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION	6,136,186	1,509,632	1,527,804	6,136,186	6,131,749	0%
CITY MANAGER	398,011	99,499	44,559	398,011	58,725	-85%
CITY PLANNING	64,365	16,062	3,138	64,365	3,138	-95%
COMMUNICATION & BRANDING	226,324	56,557	31,314	226,324	156,612	-31%
CORPORATE LEGAL	113,293	28,315	-	113,293	107,828	-5%
DISASTER AND EMERGENCY MANAGEMENT SERVICES	38,376,156	9,205,606	4,178,127	38,376,156	14,387,853	-63%
ECONOMIC DEVELOPMENT	3,067,808	752,553	340,152	3,067,808	1,340,687	-56%
EHC	384,905	96,221	9,172	384,905	50,176	-87%
EKURHULENI METRO POLICE DEPARTMENT	380,979,717	93,607,738	103,248,861	380,979,717	418,258,101	10%
ENERGY	103,300,599	25,428,710	32,524,760	103,300,599	124,707,793	21%
ENVIRONMENTAL RESOURCE MANAGEMENT	87,402,841	21,850,513	14,901,902	87,402,841	91,351,208	5%
ERWAT	39,267,986	10,728,475	12,726,778	39,267,986	39,604,815	1%
EXECUTIVE OFFICE	244,850	61,205	51,459	244,850	64,078	-74%
FINANCE	13,489,065	3,372,192	2,490,731	13,489,065	10,531,560	-22%
HEALTH AND SOCIAL DEVELOPMENT	6,245,309	1,561,259	1,725,418	6,245,309	6,734,228	8%
HUMAN RESOURCES	58,268	14,537	158,722	58,268	323,405	455%
HUMAN SETTLEMENTS	1,193,548	298,372	151,380	1,193,548	780,171	-35%
INFORMATION COMMUNICATION TECHNOLOGY	1,481,099	370,265	320,641	1,481,099	1,554,245	5%
LEGISLATURE	1,121,693	266,807	1,444,977	1,121,693	1,670,843	49%
REAL ESTATE	3,288,129	822,012	775,790	3,288,129	3,270,912	-1%
ROADS AND STORMWATER	10,112,266	2,483,122	1,159,429	10,112,266	8,005,993	-21%
SPORTS, RECREATION, ARTS AND CULTURE	16,968,987	4,110,745	2,757,686	16,968,987	10,562,980	-38%
STRATEGY & CORPORATE PLANNING	29,697	7,413	81,200	29,697	81,200	173%
TRANSPORT	12,407,153	3,042,892	2,428,215	12,407,153	13,228,175	7%
WATER AND SANITATION	66,330,269	16,364,974	20,886,420	66,330,269	83,173,508	25%
Grand Total	793,892,625	196,456,680	203,968,635	793,892,625	836,194,204	5%

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The 2021/22 budget for overtime was R793.8 million and R836.1 million was actually paid, which is 5% above budget. A number of departments show overtime payments that are above the year to date budget. As mentioned above, overtime remuneration is part of employee costs. The over expenditure on overtime line item is compensated (or “swallowed”) by the under expenditure in other employee relates cost line items such as basic salary and employee benefits. This, therefore, **is not** unauthorised expenditure. The reasons for overtime work differ from department to department. Some of the reasons include:

- Funded vacancies in departments.
- Backlogs of work in other departments because of work piling during the lockdown period.
- Staff in departments were involved during the budget public participation process to assist with logistics and responding to questions from members of the public.

Each department can provide detailed motivations for requiring staff to work overtime. To properly control overtime, each Head of Department is required to pre-approve overtime work. An application for overtime work above 40 hours in a month is pre-approved by the City Manager.

b. Remuneration of Councillors

There is under-expenditure of R10.8 million (6.9%) on Councillor remuneration. Councillors did receive their increases and the under expenditure is due to the fact that actuarial valuations must still be effected.

c. Finance charges

The budget for finance charges was R1.3 billion for the year and actual expenditure was R1.0 billion, an under expenditure of 24%. The under expenditure is due to the fact that annual employee benefits, such as post-retirement benefits, have not yet been accounted for as they await actuarial valuations which will be done as part of year-end processes.

d. Repairs and maintenance – inclusive of other materials

The mSCOA Framework does not accommodate for Repair and Maintenance as a type of expenditure and category. These expenditure is embedded in the various categories and form part of the other materials and contracted services.

Due to the relative importance to monitor expenditure, repairs and maintenance per departments is extracted from various categories and depicted in the table below:

Repairs and maintenance for 2021/22

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Department	Budget year 2021/22					
	Revised Budget	Budget Q4	Actual Q4	YearTD budget	YearTD actual	YTD spent
	R	R	R	R	R	%
BBC	2,938,213	734,518	-	2,938,213	745,136	25%
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION	691,818	146,470	137,045	691,818	691,182	100%
CITY MANAGER	26,829	-	16,761	26,829	25,000	93%
CITY PLANNING	32,011,339	10,587,103	12,530,489	32,011,339	29,378,230	92%
COMMUNICATION & BRANDING	11,329	-	-	11,329	11,328	100%
CORPORATE LEGAL	15,159	15,159	-	15,159	-	0%
DISASTER AND EMERGENCY MANAGEMENT SERVICES	7,045,747	981,536	572,428	7,045,747	6,759,770	96%
ECONOMIC DEVELOPMENT	3,992,099	2,602,540	2,105,741	3,992,099	3,857,309	97%
EHC	5,125,941	1,281,384	2,197,917	5,125,941	5,544,819	108%
EKURHULENI METRO POLICE DEPARTMENT	29,530,661	7,984,604	876,930	29,530,661	27,465,964	93%
ENERGY	934,778,393	323,517,701	150,341,104	934,778,393	901,736,258	96%
ENVIRONMENTAL RESOURCE MANAGEMENT	156,094,571	35,167,250	35,238,285	156,094,571	140,497,545	90%
ERWAT	129,653,720	44,553,961	32,618,846	129,653,720	79,220,716	61%
EXECUTIVE OFFICE	2,471	-	-	2,471	2,471	100%
FINANCE	17,074,251	10,578,394	3,217,081	17,074,251	3,471,516	20%
HEALTH AND SOCIAL DEVELOPMENT	5,385,815	99,065	593,494	5,385,815	3,861,576	72%
HUMAN RESOURCES	221,471	-	-	221,471	53,083	24%
HUMAN SETTLEMENTS	13,564,369	5,031,092	9,445,760	13,564,369	11,393,426	84%
INFORMATION COMMUNICATION TECHNOLOGY	195,006,917	48,712,410	52,846,945	195,006,917	175,284,257	90%
INTERNAL AUDIT	14,719	-	-	14,719	-	0%
LEGISLATURE	19,850	-	-	19,850	-	0%
REAL ESTATE	65,344,209	14,796,728	24,714,525	65,344,209	50,099,880	77%
ROADS AND STORMWATER	399,084,926	106,989,922	146,364,762	399,084,926	354,514,933	89%
SPORTS, RECREATION, ARTS AND CULTURE	30,086,844	16,306,411	11,359,740	30,086,844	15,624,500	52%
STRATEGY & CORPORATE PLANNING	6,977	-	-	6,977	6,977	100%
TRANSPORT	28,333,635	13,933,521	13,213,350	28,333,635	25,036,344	88%
WATER AND SANITATION	351,929,688	127,501,464	78,227,473	351,929,688	278,894,402	79%
Grand Total	2,407,991,961	771,521,232	576,618,675	2,407,991,961	2,114,176,622	88%

The table above shows that the YTD expenditure on repairs and maintenance is 12.0% below budget. This is largely due to cost saving efforts from the departments. However, departments were advised not to save costs that compromise service delivery and occupational health and safety.

e. Contracted Services

Contracted Services relates to all expenditure incurred by Council which could/should have been rendered by Council itself. It therefore includes:

- Outsources services;
- Consultants; and
- Other Contracts.

The budget for Contracted Services for the 2021/22 financial year amounted to R5.1 billion whilst the actual expenditure amounted to R4.7 billion, being a negative deviation of approximately 6.1%. Cognisance must be taken that expenditure in this nature is not accrued and therefore it could be that some of the invoices must still be processed before the finalisation of the year-end. This is also an expenditure item that is subject to cost containment measures.

The following table reflects the detail of contracted services expenditure per department:

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Department	Budget Year 2021/22					
	Revised Budget	Budget Q4	Actual Q4	Year-to-date budget	Year-to-date actual	YTD variance
	R	R	R	R	R	⌘ %
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION	487,437	175,723	165,845	487,437	487,434	0.0%
CITY MANAGER	58,628,781	18,510,417	21,814,633	58,628,781	46,440,841	-20.8%
CITY PLANNING	43,382,263	12,277,640	15,944,017	43,382,263	39,106,099	-9.9%
COMMUNICATION & BRANDING	7,009	5,100	6,604	7,009	6,604	-5.8%
CORPORATE LEGAL	42,582,576	10,678,042	15,802,334	42,582,576	42,463,681	-0.3%
COUNCIL GENERAL	433,686,328	297,995,794	478,874,138	433,686,328	570,407,792	31.5%
DISASTER AND EMERGENCY MANAGEMENT SERVICES	27,129,377	6,591,921	6,162,200	27,129,377	26,258,579	-3.2%
ECONOMIC DEVELOPMENT	5,162,448	922,903	2,627,552	5,162,448	4,657,527	-9.8%
EKURHULENI METRO POLICE DEPARTMENT	496,047,049	247,677,667	143,780,093	496,047,049	480,705,972	-3.1%
ENERGY	536,762,430	146,859,750	143,048,166	536,762,430	497,602,802	-7.3%
ENVIRONMENTAL RESOURCE AND WASTE MANAGEMEN	487,501,268	84,393,918	189,822,297	487,501,268	417,372,202	-14.4%
EXECUTIVE OFFICE	747,731	186,995	83,449	747,731	359,994	-51.9%
FINANCE	174,474,616	61,239,790	58,826,721	174,474,616	161,991,006	-7.2%
HEALTH AND SOCIAL DEVELOPMENT	16,832,725	2,836,531	6,797,581	16,832,725	15,177,150	-9.8%
HUMAN RESOURCES	857,305	99,503	99,503	857,305	444,963	-48.1%
HUMAN SETTLEMENTS	305,593,158	95,020,516	109,065,162	305,593,158	166,921,759	-45.4%
INFORMATION COMMUNICATION TECHNOLOGY	195,000,000	48,750,000	52,846,945	195,000,000	175,277,340	-10.1%
INTERNAL AUDIT	8,114,962	2,494,462	3,691,602	8,114,962	7,447,270	-8.2%
LEGISLATURE	1,927,332	98,498	98,498	1,927,332	1,162,875	-39.7%
REAL ESTATE	187,141,310	30,462,794	24,949,720	187,141,310	176,570,732	-5.6%
RISK MANAGEMENT	1,618,449	724,844	765,942	1,618,449	1,549,581	-4.3%
ROADS AND STORMWATER	390,597,051	105,539,251	145,668,853	390,597,051	348,182,209	-10.9%
SPORTS, RECREATION, ARTS AND CULTURE	27,830,999	15,781,453	10,884,786	27,830,999	13,062,622	-53.1%
STRATEGY & CORPORATE PLANNING	452,449	581,725	172,950	452,449	447,950	-1.0%
TRANSPORT	388,866,441	130,006,716	202,108,629	388,866,441	384,588,921	-1.1%
WATER AND SANITATION	1,097,335,699	224,415,695	295,298,576	1,097,335,699	1,072,670,288	-2.2%
BBC	1,137,158	284,264	450	1,137,158	450	-100.0%
ERWAT	92,840,322	14,935,532	20,371,563	92,840,322	65,671,750	-29.3%
EHC	16,877,618	3,891,116	5,315,650	16,877,618	16,352,462	-3.1%
GRAND TOTAL	5,039,622,291	1,563,438,561	1,955,094,461	5,039,622,291	4,733,388,854	-6.1%

The above table indicates that **none** of the departments exceeded their budgets for contracted services, however these are only preliminary figures.

f. Transfers and subsidies

The category includes the provision of ablution facilities to informal settlements and grants to entities.

The net over expenditure was due to the grant transferred to Brakpan Bus Company. This will not recur in future as BBC will be incorporated into Transport Department effective 1 July 2022.

g. Other expenditure

This category includes items such as fuel and lubricants, operating leases. The budget for the year was R1.2 billion and the actual expenditure R1.3 billion, an overspending of 0.6%. Nonetheless, the whole expenditure budget is underspent by R546 million or 1.2%, meaning there is no unauthorised expenditure.

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6.2 Financial performance of Capital Budget

The actual Capital Expenditure at the end of the 4th quarter of the 2021/22 financial year is R2.87 billion which represents a spending of 86.64% of the total capital budget of R3.3 billion. The last day for submission of invoices was on the **15th July 2022** as per the financial year-end plan. Finance Department is currently accruing all the invoices submitted, and it is expected that by the time the Annual Financial Statements are completed, the final capex would have increased.

The actual **spending per department** is indicated in the following table.

Department	Budget 2021/22	Actuals	Actual Expenditure	% Spent (Actual vs Adjusted Budget)
	Adjusted	Quarter 4	Year to Date	
Brakpan Bus Company (BBC)	3 454 957	-	29 000	0,84%
Chief Operating Officer	37 642 310	19 445 600	20 087 926	53,37%
City Planning	300 000	29 172	108 032	36,01%
Communication and Brand Management	5 025 000	-	25 000	0,50%
Council General	64 567 852	925 460	25 724 292	39,84%
Disaster & Emergency Management Services	29 646 240	11 331 427	25 748 617	86,85%
Economic Development	43 300 000	12 888 864	14 636 495	33,80%
Ekurhuleni Housing Company (EHC)	84 032 535	41 515	17 828 579	21,22%
Ekurhuleni Metro Police Department	40 946 879	22 571 254	37 647 416	91,94%
Energy	401 049 784	164 107 298	389 717 351	97,17%
Environmental Resources & Waste Management	135 900 000	75 342 607	122 281 773	89,98%
ERWAT	155 656 019	108 093 597	158 268 716	101,68%
Executive Office	250 000	-	85 444	34,18%
Finance	150 000	117 640	149 540	99,69%
Health and Social Development	1 656 686	-	1 408 185	85,00%
Human Resources Management	75 000	50 275	74 978	99,97%
Human Settlements	601 643 377	233 141 317	544 295 397	90,47%
Information and Communication Technology	459 200 217	222 143 870	429 823 343	93,60%
Internal Audit	20 000	-	19 200	96,00%
Real Estate	108 748 737	50 833 386	81 653 227	75,08%
Roads and Stormwater	290 064 872	111 364 357	263 065 128	90,69%
Sport Recreation Arts and Culture	40 407 307	29 124 390	32 925 927	81,49%
Strategy & Corporate Planning	10 000	-	10 000	100,00%
Transport Planning & Provision	297 605 954	139 852 281	284 662 344	95,65%
Water and Sanitation	517 322 124	180 497 252	425 032 087	82,16%
TOTAL CAPITAL EXPENDITURE	3 318 675 850	1 381 901 565	2 875 307 997	86,64%

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The Capital Expenditure of R2.87 billion as indicated above is funded as follows:

SOURCE OF FINANCE	BUDGET 2021/22 ADJUSTED	TOTAL EXPENDITURE YEAR TO DATE	% SPENT OF TOTAL BUDGET
External Loans	965 066 569	809 872 452	83,92%
Intergrated City Development Grant (ICDG)	491 149	484 741	98,70%
Informal Settlement Upgrading Programme Grant (ISUPG)	657 549 015	616 412 786	93,74%
Neighbourhood Development Partnership Grants (NDPG)	65 457 265	47 539 409	72,63%
SRAC Provincial Grant	20 086 996	14 892 251	74,14%
Public Transport Network Grants (PTNG)	242 163 000	230 848 828	95,33%
Revenue	317 446 730	211 643 415	66,67%
Urban Settlement Development Grants (USDG)	1 050 415 126	943 614 115	89,83%
Grand Total	3 318 675 850	2 875 307 997	86,64%

The amount spent on **grant funded** projects amounts to R1.85 billion which represents **64.47%** of the total 4th quarter spending of R2.87 billion. However, the R1.85 billion represents **91.04%** spending from the total grant funded budget of **R2.03 billion**. As mentioned at the beginning of the report, these spending figures are **preliminary** and will be updated by the time the AFS are compiled.

6.3 Other Financial Performance Matters

6.3.1 Collection Rate

The Collection Rate for the **4th quarter** ended 30th June 2022 is **86.53%** which is above the quarterly target of **80%**.

The year-to-date actual collection is 85.04% against Annual target of 85.0%. Annual target was achieved.

Other factors which further impacted on collection rate during the fourth quarter are as follows:

- Winter consumption resulting in increased billing and consumer accounts;
- Challenging areas – Access to specific areas are limited and impacts on credit control actions and collection efforts;
- Illegal connections, tampering and meter access;
- Ongoing limited credit control functions within Eskom supply areas; and
- National State of disaster impacted on customer ability to effect payment.

Status of CoE supply areas versus Eskom supply areas is summarised below:

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Quarter	Fin-Year	End-PrIOD	CoE	Eskom	Metro
Q1	2020-21	Sep-20	95.00%	19.61%	89.14%
Q2	2020-21	Dec-20	96.25%	22.30%	90.46%
Q3	2020-21	Mar-21	95.19%	17.39%	88.03%
Q4	2020-21	Jun-21	96.48%	21.64%	91.03%
2020-21			95.73%	20.13%	89.67%
Q1	2021-22	Sep-21	88.33%	16.71%	82.58%
Q2	2021-22	Dec-21	91.46%	15.91%	84.84%
Q3	2021-22	Mar-22	93.80%	16.34%	86.51%
Q4	2021-22	Jun-22	93.33%	17.82%	86.53%
2021-22			91.63%	16.68%	85.04%

In respect of CoE collection areas, average annual collection rate is 91.63% (2020-21 = 95.73%), which exceeds the annual collection target.

In respect of Eskom supply areas, average annual collection rate of 16.68% (2020-21 = 20.13%) was achieved. This is well below required annual collection rate of 85%. Eskom supply areas monthly revenue billed represents 8.79% or R3 billion of total revenue billed of R35 billion. No or low collection within these areas negatively impacts on city wide collection rate.

Collection Rate per CCA, including Eskom supply areas in respect of 2021-22 financial year is as follows:

Customer Care Area	2021-22					
	METRO			Eskom Supply		
	Billed	Receipts	%	Billed	Receipts	%
Alberton	3 143 519 825	3 075 705 240	97.84%			
Benoni	2 702 848 698	2 452 686 636	90.74%	130 535 423	84 127 605	64.45%
Boksburg	3 141 246 047	2 990 297 658	95.19%			
Brakpan	2 119 190 416	2 041 348 179	96.33%			
Daveyton	506 570 180	210 166 211	41.49%	352 586 405	94 541 326	26.81%
Duduza	185 418 967	60 698 413	32.74%	87 113 695	7 523 521	8.64%
Edenvale	2 551 422 189	2 398 683 167	94.01%			
Etwatwa	310 355 018	22 204 503	7.15%	310 355 018	22 204 503	7.15%
Germiston	5 090 836 024	4 741 551 715	93.14%			
Katlehong 1	986 516 243	410 683 110	41.63%	515 096 325	52 500 752	10.19%
Katlehong 2	767 471 014	75 579 839	9.85%	623 985 511	39 333 964	6.30%
Kempton Park	6 393 291 457	6 198 024 926	96.95%			
Kwa-Thema	178 651 894	32 293 978	18.08%			
Nigel	919 522 538	812 317 041	88.34%			
Springs	1 408 963 866	1 250 610 838	88.76%			
Sundries and Other	69 207 832	49 761 331	71.90%			
Tembisa 1	223 679 287	199 139 595	89.03%			
Tembisa 2	2 051 933 520	1 900 225 243	92.61%			
Tokoza	483 189 554	175 444 023	36.31%			
Tsakane	520 569 800	138 662 931	26.64%	421 669 394	107 727 428	25.55%
Vosloorus	1 501 228 858	746 704 328	49.74%	656 949 660	108 728 555	16.55%
	35 255 633 227	29 982 788 907	85.04%	3 098 291 432	516 687 655	16.68%

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Eskom supplied areas registered a collection rate of 16.68% during the 2021-22 financial year, the consolidated Metro collection is 85.04% whilst the City Supply Areas Only registered 91.63% collection.

6.3.2 Cash and bank balances

The **Cash on hand** target as set in the SDBIP for the 2021/22 FY is 30 days. The actual performance as at end of June is **16 days**. The table below shows the cash balances in the City's various bank accounts.

Actual cash in each of the bank accounts is as follows:

	<u>6/30/2022</u>
<u>Account Name</u>	<u>Balance</u>
COE SPRINGS MARKET	438,174.28
EXTERNAL FUNDING FUND	11,759,460.19
COE DEPRECIATION RESERVE	580,789.22
COE METROPOLITAN MUNICIPALITY	20,613,944.01
HOUSING	33,900,758.19
USDG	21,398,190.14
INVESTMENT	76,357,150.29
PRIMARY	20,065,325.32
METRO EXPENDITURE/STORES ACCOU	7,522,445.06
METRO TREASURY ACCOUNT	293,931,013.86
COE SALARY	5,517,751.56
COE CHARGES ACCOUNT	2,127,189.07
STANDARD BANK MASK ACCOUNT	1,662,683.05
FNB MASK ACCOUNT	5,010,179.08
NEDBANK	105,659,804.98
GRAND TOTAL	606,544,858.30

The table above shows that the cash balances as at 30 June 2022 in the various bank accounts amount to R606.5 million.

6.3.3 Investments

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INVESTMENTS REGISTER AS AT 30.06.2022											
CAPITAL											
COMMEN-CING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	TYPE OF INVESTMENT	OPENING BALANCE 1.07.2021	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTEREST ACCRUED / EARNED	INTEREST RATE	BALANCE 30.06.2022	ENCUMBERED	En/Unencumbered
INVESTEC BANK											
13-Nov-98		Call deposit	ENCUMBERED DEP.	320,796,727.96		301,768,514.09	1,668,547.37	6.85%	20,696,761.24		Unencumbered
				320,796,727.96	-	301,768,514.09	1,668,547.37		20,696,761.24		
STANLIB											
10-Apr-00	ON CALL	Call deposit	MONEY MARKET FUND	6,121,361.58		0.00	246,613.06	Variable	6,367,974.64		Unencumbered
				6,121,361.58	0.00	0.00	246,613.06		6,367,974.64		
RAND MERCHANT BANK											
2-Aug-00			GUARANTEED TRUST	6,697,002.67			329,617.17	13.25%	7,026,619.84		Unencumbered
1-Oct-98	Unit Trusts		MONEY MARKET FUND	45,989,210.82			1,948,642.70	6.07%	47,937,853.52		Unencumbered
12-Nov-98			GUARANTEED TRUST	34,054,664.55			1,442,955.27	14.76%	35,497,619.82		Unencumbered
				86,740,878.04	0.00		3,721,215.14		90,462,093.18	0.00	
NEDBANK STRUCTURED DEPOSIT SINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL EMM03											
1-Jul-16			OPENING BALANCE	666,817,022.04				8.24%	666,817,022.04	666,817,022.04	Encumbered
18-Dec-12	1-May-24	1-Jul-21			6,504,732.07			8.24%	6,504,732.07	6,504,732.07	Encumbered
18-Dec-12	1-May-24	31-Aug-21			6,504,732.07		9,412,861.63		15,917,593.70	15,917,593.70	Encumbered
18-Dec-12	1-May-24	30-Sep-21			6,504,732.07		4,667,944.29		11,172,676.36	11,172,676.36	Encumbered
18-Dec-12	1-May-24	1-Oct-21			6,504,732.07				0.00	0.00	Encumbered
18-Dec-12	1-May-24	30-Nov-21			6,504,732.07	33,855,927.69	9,724,065.11		-17,627,130.51	-17,627,130.51	Encumbered
18-Dec-12	1-May-24	31-Dec-21			5,854,258.86				5,854,258.86	5,854,258.86	Encumbered
18-Dec-12	1-May-24	31-Jan-22			5,854,258.86		9,791,241.16		15,645,500.02	15,645,500.02	Encumbered
18-Dec-12	1-May-24	28-Feb-22			5,854,258.86		4,611,897.31		10,466,156.17	10,466,156.17	Encumbered
18-Dec-12	1-May-24	31-Mar-22			5,854,258.86		4,679,683.72		10,533,942.58	10,533,942.58	Encumbered
18-Dec-12	1-May-24	29-Apr-22			5,854,258.86		5,075,801.00		10,930,059.86	10,930,059.86	Encumbered
18-Dec-12	1-May-24	31-May-22			5,854,258.86	40,200,000.00	5,318,496.48		-29,027,244.66	-29,027,244.66	Encumbered
18-Dec-12	1-May-24	30-Jun-22			5,854,258.86		4,629,850.43		10,484,109.29	10,484,109.29	Encumbered
				666,817,022.04	73,503,472.37	74,055,927.69	57,911,841.13		717,671,675.78	717,671,675.78	

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COMMEN-CING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	TYPE OF INVESTMENT	OPENING BALANCE 1.07.2021	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTEREST ACCRUED / EARNED	INTEREST RATE	BALANCE 30.06.2022	ENCUMBERED	En/Unencumbered
NEDBANK SHORT TERM											
18-Aug-16	CALL		CALL	184,761,197.39				3.50%	184,761,197.39		Unencumbered
	Jul-21				2,300,000,000.00	1,990,000,000.00			310,000,000.00		
	Aug-21				1,990,000,000.00	2,450,000,000.00	3,545,796.98		-456,454,203.02		
	Sep-21				800,000,000.00	840,000,000.00	3,659,898.87		-36,340,101.13		
	Oct-21				673,000,000.00	675,000,000.00			-2,000,000.00		
	Nov-21				941,000,000.00	931,000,000.00	1,220,260.49		11,220,260.49		
	Dec-21				2,363,000,000.00	2,310,000,000.00			53,000,000.00		
	Jan-22				786,800,000.00	849,800,000.00	984,327.68		-62,015,672.32		
	Feb-22				563,608,965.08	576,608,965.08	171,009.77		-12,828,990.23		
	Mar-22				810,000,000.00	460,000,000.00	13,007,187.88		363,007,187.88		
	Apr-22				520,000,000.00	750,000,000.00	638,574.58		-229,361,425.42		
				JNL no COSTBANK14					-122,988,253.64		
					530,000,000.00	350,000,000.00			180,000,000.00		
				184,761,197.39	12,277,408,965.08	12,182,408,965.08	23,227,056.25		180,000,000.00		
RAND AIRPORT											
			SHAREHOLDING	4,000,000.00					4,000,000.00		Entities
MUNICIPAL ENTITIES											
10-Mar-99			G.G. INNER CITY HSNG	106.00					106.00		Entities
				106.00		0.00			106.00		
			TOTAL INVESTMENTS	1,269,237,293.01	12,350,912,437.45	12,558,233,406.86	86,775,272.95		1,019,198,610.84	717,671,675.78	

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6.3.4 Creditors

The outstanding creditors as at end June 2022 are the following;

- Eskom – R2.3 billion and
- Rand water – R700 million.

The City has payment arrangement with the abovementioned service providers and the figures are current (within 30 days).

The City does experience some challenges with regards to the invoicing process. The following challenges were experienced:

- Low revenue collection;
- Departments submit invoices with insufficient budget;
- Quality reviews are not being performed by departmental signatories. This then leads to delay in processing of payment until the relevant query is resolved;
- During the last quarter of the financial year the City migrated to Solar, due to this the Division lost over a week thus payments were processed late; and
- Large number of invoices could not be processed and paid on time due to national lockdown.

In order to improve the invoice payment turnaround, the following initiatives have been implemented:

- Lists of Invoices with errors and queries are send to the HODs every week to fast track corrections;
- Revenue department continues to implement credit control measures;
- All invoices are stamped with the receipt stamp by the user departments and finance when they are received to monitor turnaround times;
- Each user department sends a consolidated invoice tracker to expenditure to receive feedback on the progress of invoices;
- Continuous engagements in a form of workshops and meeting with suppliers, departments and consultants;
- Expenditure is a permanent representative of the monthly Capex meetings where reconciliation of invoices lists between service delivery departments and finance are discussed and cleared;
- Finance is fast tracking filling of vacant positions to avoid capacity constraints in the expenditure department;
- Departments are requested to submit reasons for extremely late submissions of invoices;
- Reconciliation of problematic and engineering contract accounts;
- Departments are requested to scrutinize the statements that come with invoices and deal with long outstanding invoices as they appear on the statement; and
- Departments are required to ensure that there are sufficient funds on the votes before invoices are sent to finance for payment.

6.3.5 Allocation and grant receipts and expenditure

This section of the report deals with the unspent grants from the previous year, the grants received in the current year, the spent portion of these grants as well as the remaining balances.

The status of grants as at the end of the 4th quarter is reflected in the table below.

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Name of Grant	EMM Responsible Department	Unspent Funds - 20/21 Opening Balances 21/22	Accumulated Receipts for the Financial year	Accumulated Expenditure for the Financial year	Balance Available	% Spent	Risk
NATIONAL / DORA GRANTS - OPERATING							
Finance Management Grant (FMG)	Finance	232.94	1 000 000.00	(808 700.91)	191 299.09	80.87%	2
TOTAL		232.94	1 000 000.00	(808 700.91)	191 299.09	80.87%	
Equitable Share - Electricity	Energy	-	692 834 760.00	(692 834 760.00)	-	100.00%	1
Equitable Share - Solid Waste	Waste Management	-	647 177 906.00	(647 177 906.00)	-	100.00%	1
Equitable Share -Water and Wastewater	Water & Sanitation	-	1 852 774 243.00	(1 852 774 243.00)	-	100.00%	1
Equitable Share - Finance	Finance	-	833 426 091.00	(833 426 091.00)	-	100.00%	1
Fuel Levy - Finance	Finance	-	1 823 719 000.00	(1 823 719 000.00)	-	100.00%	1
TOTAL		-	5 849 932 000.00	(5 849 932 000.00)	-	100.00%	
NATIONAL / DORA GRANTS - CAPITAL							
Urban Settlement Development Grant (USDG)	Human Settlements	3 096 680.38	1 041 347 000.00	(930 901 446.07)	113 542 234.31	89.13%	2
Public Transport Network Grant (PTNG)	Transport	0.04	628 569 000.00	(611 446 184.79)	17 122 815.25	97.28%	1
Neighborhood Development Partnership Grant (NDPG)	Human Settlements	76 450.01	65 381 000.00	(47 539 408.97)	17 918 041.04	72.63%	3
NDPG- Public Employment Programme (PEP)	Economic Development	-	58 470 000.00	(53 084 978.29)	5 385 021.71	90.79%	1
Energy efficiency and Demand-Side Management Grant	Energy	-	10 000 000.00	(9 970 148.46)	29 851.54	99.70%	1
Expanded Public Works Programme (EPWP)	Economic Development	-	20 669 000.00	(20 669 000.00)	-	100.00%	1
Informal Settlement Upgrading Partnership Grant (ISUPG)	Human Settlements	-	672 899 000.00	(622 509 027.41)	50 389 972.59	92.51%	1
Intergrated City Development Grant (ICDG)	Human Settlements	491 148.71	-	(484 741.05)	6 407.66	98.70%	1
Programme & Project Preparation Support Grant (PPPSG)	EPMO	-	57 595 000.00	(45 710 110.00)	11 884 890.00	79.36%	3
TOTAL		3 664 279.14	2 554 930 000.00	(2 342 315 045.04)	216 279 234.10	91.55%	
PROVINCIAL GRANTS - OPERATING							
SETA	Human Resources	12 749 883.99	15 312 182.11	(17 914 839.32)	10 147 226.78	63.84%	3
HIV/AIDS Grant	Health & Social Development	1 634 632.62	18 178 000.00	(19 812 631.29)	1.33	100.00%	1
Recapitalisation of Community Libraries and Libraries Plan	SRAC - Libraries	3 123 428.23	35 249 000.00	(23 131 441.86)	14 402 755.37	61.63%	3
Human Settlement Development Grant (HSDG)	Human Settlements	170 597 681.21	64 562 000.00	(111 049 349.46)	124 110 331.75	47.22%	3
TOTAL		188 105 626.05	133 301 182.11	(171 908 261.93)	148 660 315.23	53.63%	
PROVINCIAL - SUBSIDIES							
Primary Health Care Subsidy (PHC)	Health & Social Development	-	164 702 000.00	(164 702 000.00)	-	100.00%	1
TOTAL		-	164 702 000.00	(164 702 000.00)	-	100.00%	
Total National / DORA Grants + Subsidies		3 664 512.08	8 405 862 000.00	(8 193 055 745.95)	216 470 533.19	97.43%	
Total Provincial Grants + Subsidies		188 105 626.05	298 003 182.11	(336 610 261.93)	148 660 315.23	69.37%	
GRAND TOTAL		191 770 138.13	8 703 865 182.11	(8 529 666 007.88)	365 130 848.42	95.90%	

The unspent grants at the beginning of the 2021/22 financial year amounted to R 191,7 million and all roll-over requests were approved.

The receipts for the Year-to-Date period at the end of the 4th quarter amounted to R8,7 billion (including fuel levy). The preliminary expenditure as at the end of the 4th quarter is R8,5 billion which represents 95.90% spending. The total unspent funds (including 2020/21 unspent grants) at the end of June 2022 is R365 million.

The final results are not yet available. All the outstanding invoices can only be accrued after final certification. It is therefore anticipated that the unspent funds will decrease significantly once all the accruals have been captured.

6.3.6 Cost Containment

The Municipal Cost Containment Regulations, 2019 issued through Government Gazette number 42514, dated 7 June 2019 require regular disclosure of cost containment efforts. The table below shows the extent of cost containment during the year.

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Description	2021/22 Revised Budget	Budget Q4	Actual Q4	YearTD budget	YearTD actual	YTD variance
Advertising Costs	8,400,929	2,893,123	1,620,100	8,400,929	3,342,954	-60.2%
Catering services	3,900,944	775,864	925,380	3,900,944	2,275,619	-41.7%
Entertainment	521,895	96,407	15,650	521,895	26,945	-94.8%
Printing & Stationery	26,308,025	11,633,424	5,527,452	26,308,025	20,686,593	-21.4%
Professional services/Consultants	178,706,015	52,332,136	56,743,619	178,706,015	189,109,431	5.8%
Special Events(e.g. Budget Day, SOCA, Women in uniform)	11,539,554	4,728,558	3,152,392	11,539,554	8,919,729	-22.7%
Staff study - Internal bursaries	2,734,350	180,522	191,990	2,734,350	2,661,932	-2.6%
Travel & Accomodation - Domestic	1,770,919	525,502	260,488	1,770,919	389,530	-78.0%
Travel & Accomodation - Foreign	190,000	190,000	-	190,000	-	-100.0%
Workshops(WAD)	6,747,798	3,312,216	1,106,704	6,747,798	2,727,724	-59.6%
TOTAL	240,820,429.00	76,667,752.28	69,543,773.86	240,820,429.00	230,140,457.77	-4.4%

The figures in the table above shows that 4.4% or R10.6 million of the discretionary costs were contained during the 2021/22 financial year.

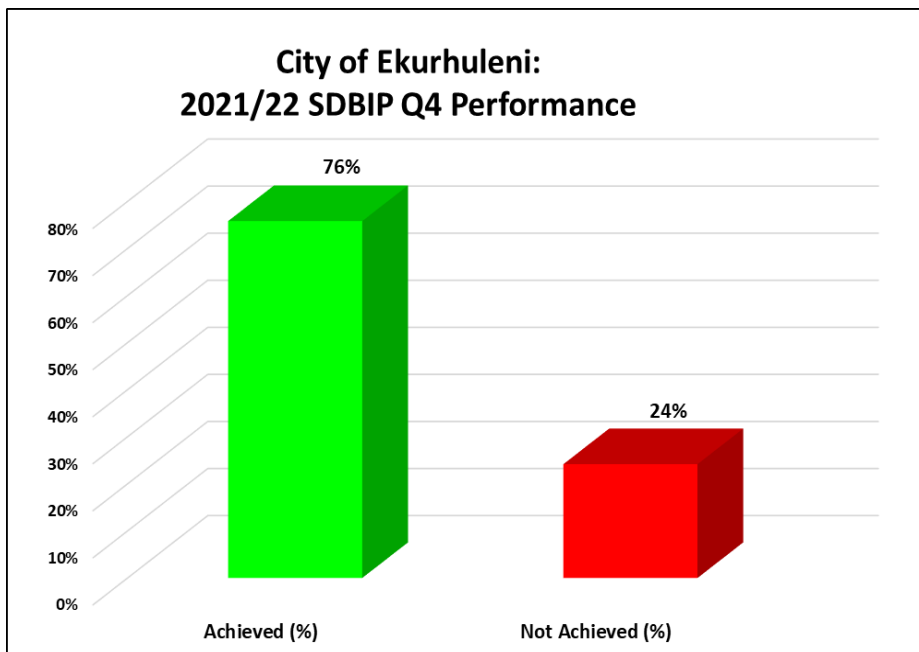
7. IN-YEAR BUDGET TABLES (NT TABLES)

The National Treasury tables will be generated when the final revenue and expenditure figures are available and submitted to National Treasury.

8. SUMMARY OF THE UNAUDITED QUARTERLY SDBIP REPORT: QUARTER FOUR OF THE 2021/22 FINANCIAL YEAR

CITY-WIDE PERFORMANCE

FIGURE 1: CITY-WIDE 2021/22 QUARTER 4 PERFORMANCE



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The City committed to a total of 91 key performance indicators (KPIs) in the fourth quarter of the 2021/22 financial year. Against these commitments, 69 (76%) indicators were achieved and 22 (24%) were not achieved. The committed indicators were contributed by the twenty-four (24) departments and entities for the metro-wide SDBIP. Of the twenty-four (24) departments and entities that committed to the indicators, thirteen (13) departments achieved hundred per cent (100%) and seven (7) achieved 50% and less. Of the two CoE entities that were due for reporting, ERWAT achieved 100% of its indicators and EHC achieved 0% of its indicators. Only one (1) department, i.e. Service Delivery Coordination achieved nil per cent (0%) of their indicators during the reporting quarter.

FIGURE 2: CITY-WIDE 2021/22 QUARTER 4 PERFORMANCE PER CLUSTER

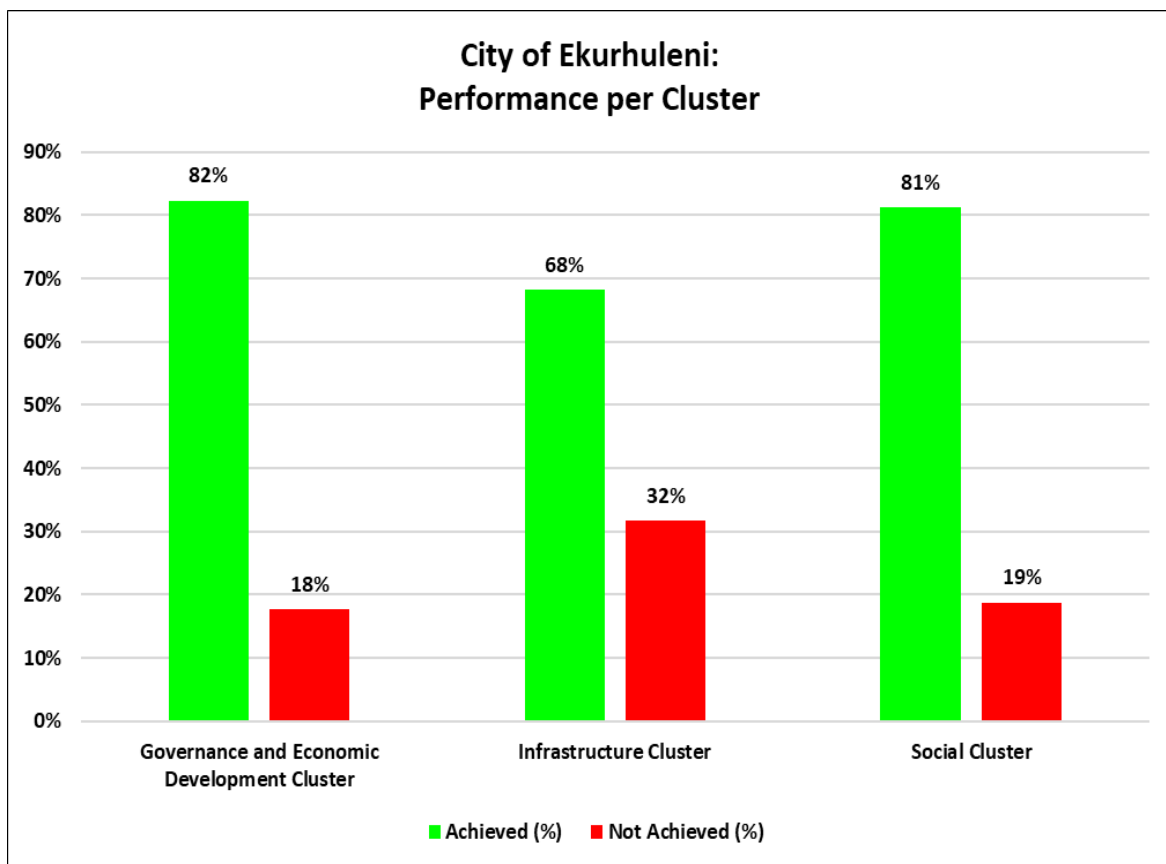


Figure 2. above presents the quarterly performance against the indicators set for quarter 4 of the 2021/22 financial year per cluster. The figure shows that the Governance and Economic Development Cluster recorded the highest performance of eighty-two per cent (82%) target achievement followed by Social Cluster at eighty-one per cent (81%) achievement. The Infrastructure Cluster recorded an achievement of sixty-eight per cent (68%).

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FIGURE 3: CITY-WIDE QUARTER 4 PERFORMANCE BY GDS THEMATIC AREAS

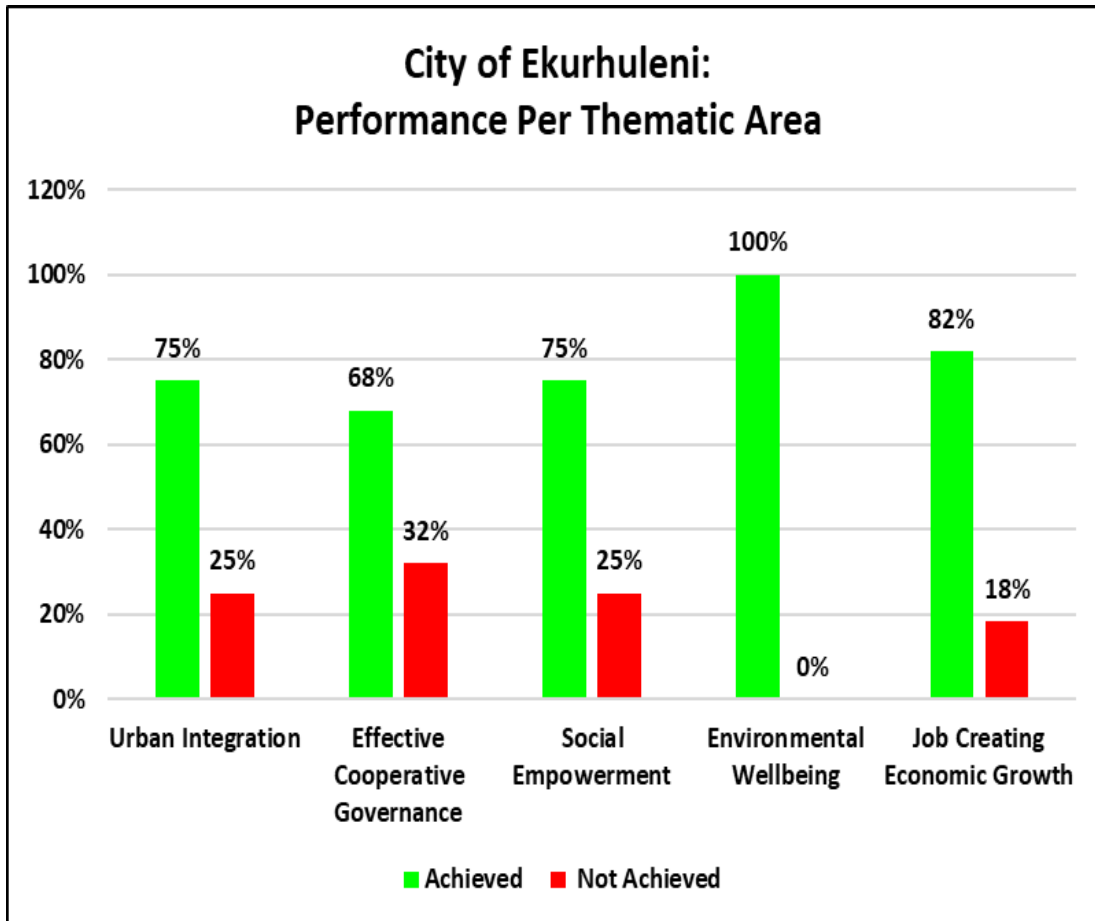


Figure 3. above presents the organisational performance against indicators set within specific Thematic Areas of the Growth and Development Strategy (GDS) 2055. The performance on indicators that were planned to be delivered over the period under review is summarised as follows:

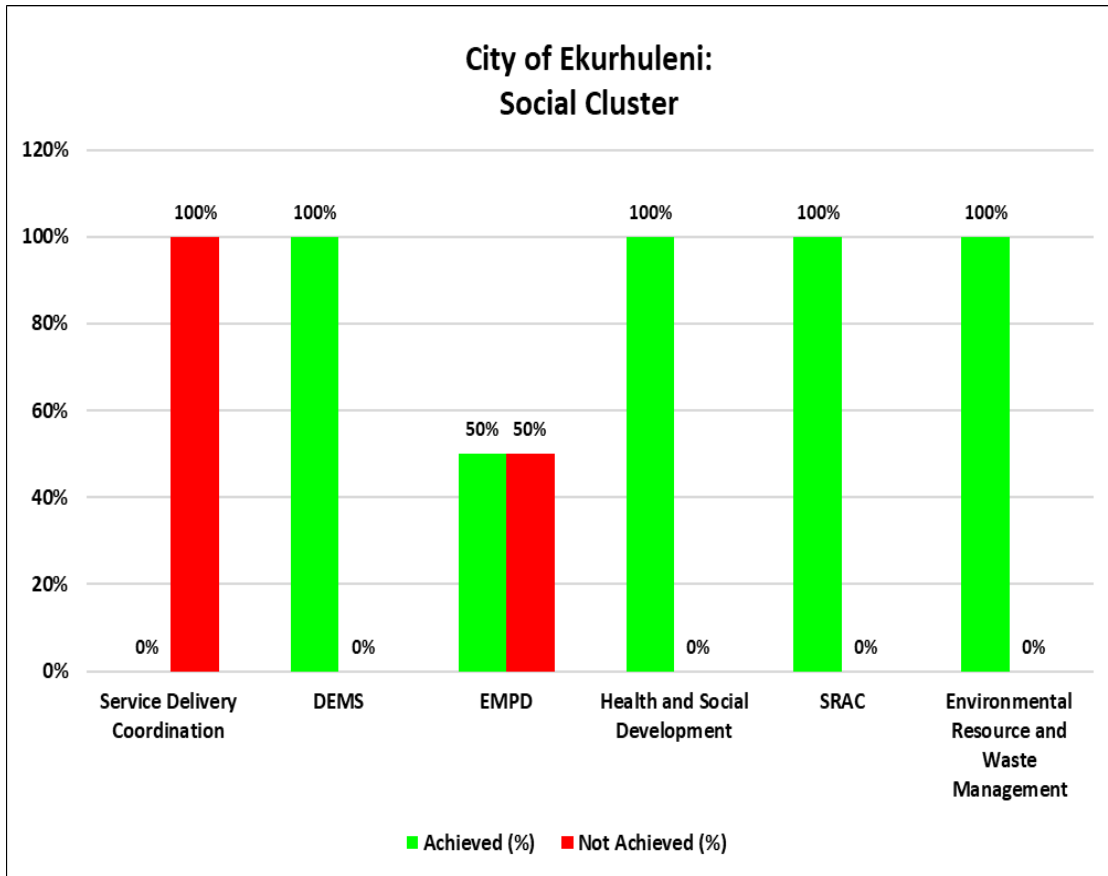
- The highest performance was recorded at hundred per cent (100%) target achievement for the Environmental Wellbeing Social Empowerment GDS Thematic Areas.
- The second highest performance was recorded for indicators that were planned for Job Creating Economic GDS Thematic Area which achieved eighty-two per cent (82%) of their planned indicators for the quarter.
- The third highest performance was recorded for indicators that were planned for both the Social Empowerment and Urban Integration and Growth GDS Thematic Areas. Seventy-five per cent (75%) of their indicators that were planned for the quarter were achieved.
- The Effective Cooperative Governance GDS Thematic Areas achieved sixty-eight per cent (68%) of their planned indicators.

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FIGURE 4: CITY-WIDE QUARTER 4 PERFORMANCE ACROSS SOCIAL CLUSTER



Social Cluster

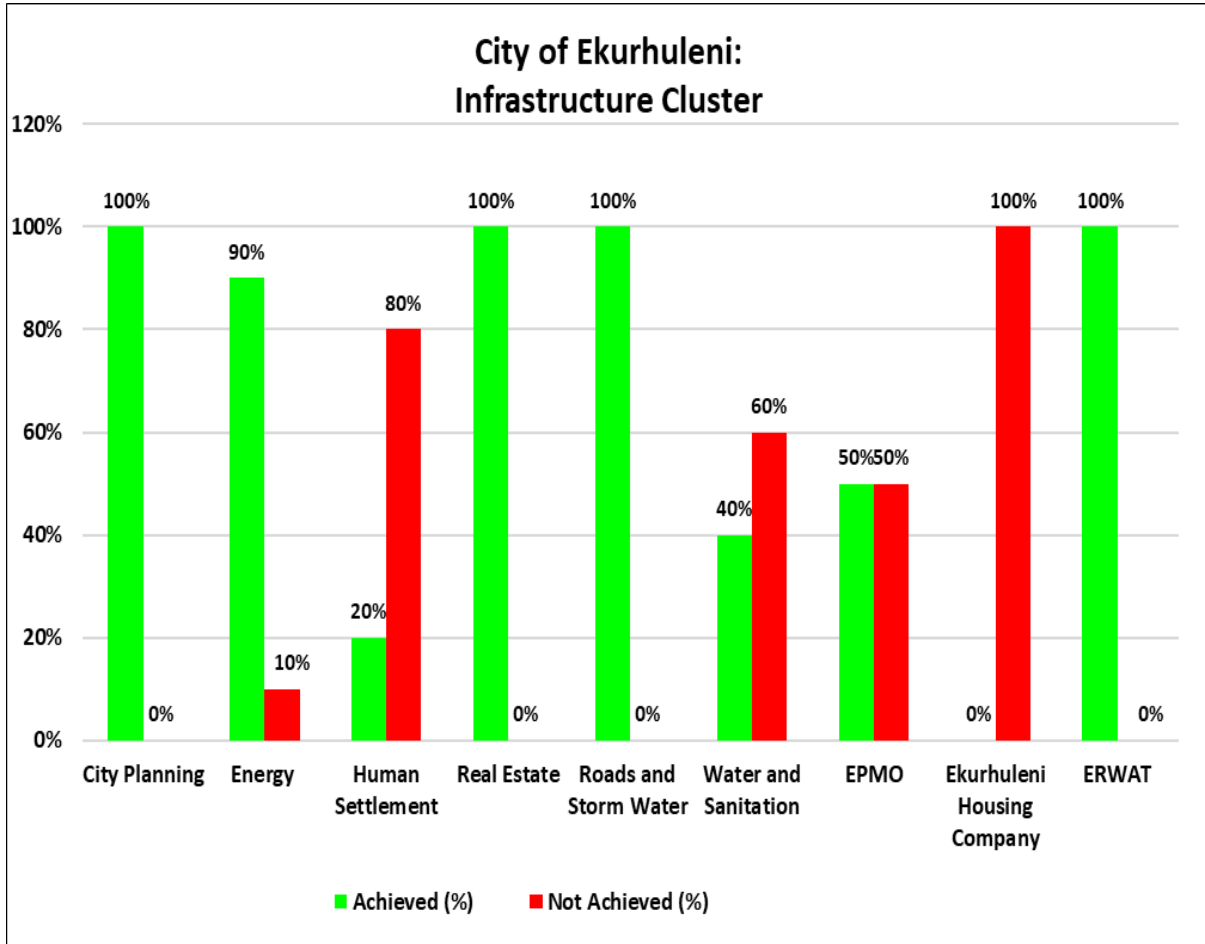
The Social Cluster committed to a total of sixteen (16) indicators and thirteen (13) indicators were achieved which translate to 81%. Four (4) of the six departments in this cluster achieved (100%) of their planned indicators for the quarter under review. These departments are Disaster and Emergency Management Services, Health and Social Development, Environmental Resource and Waste Management, and Sports, Recreation, Arts and Culture. Ekurhuleni Metro Police Department achieved fifty per cent (50%) of their planned indicators. Service Delivery Coordination department achieved nil per cent (0%) of their planned indicators.

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FIGURE 5: CITY-WIDE QUARTER 4 PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER



Infrastructure Cluster

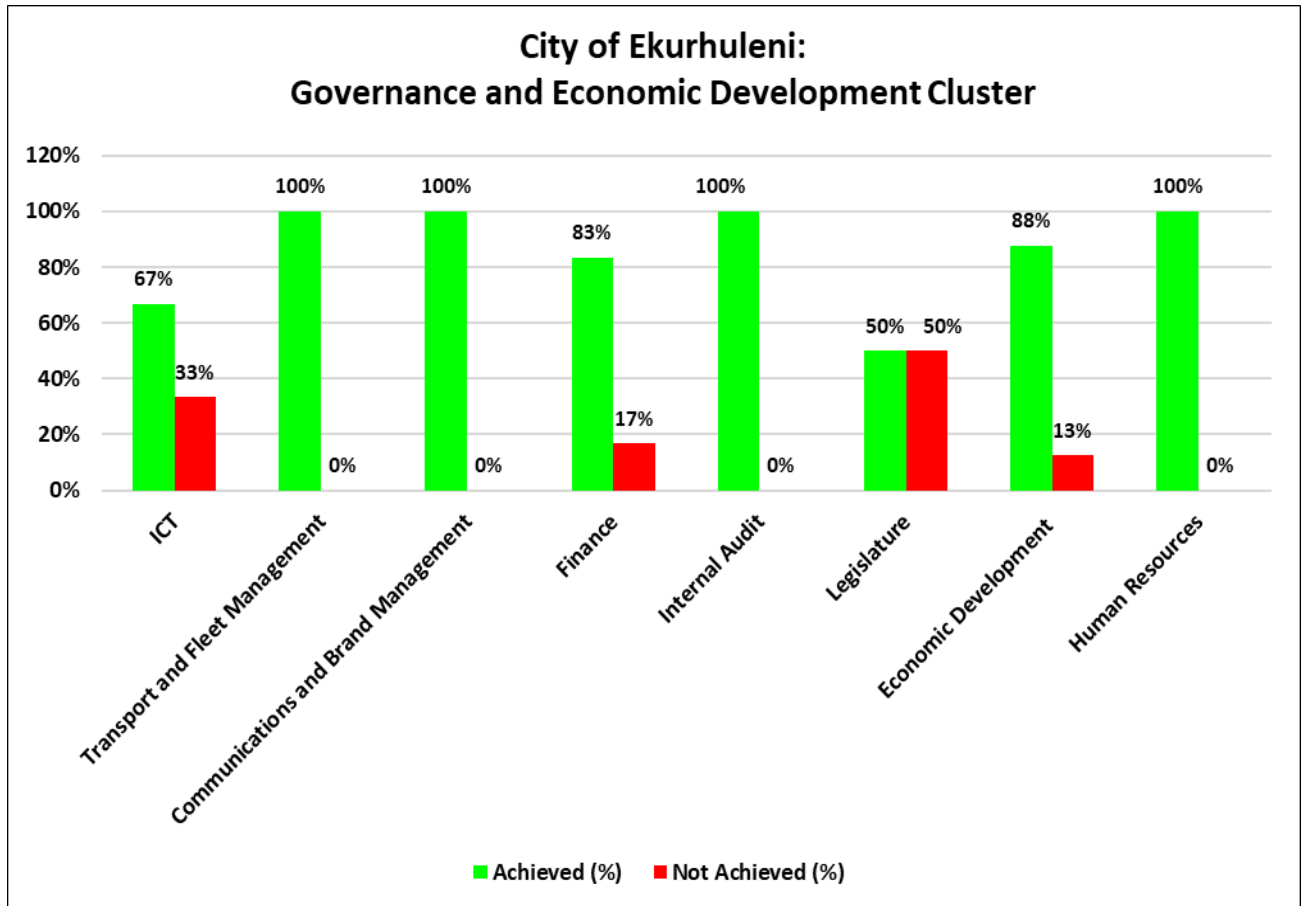
The cluster committed to a total of 41 indicators and of those indicators, 29 (71%) were achieved. City Planning, Real Estate and Roads and Storm Water departments including East Rand Water Care Company (ERWAT) achieved 100% of their planned indicators. The second highest performing department in this cluster is Energy department which achieved ninety per cent (90%) of their planned indicators followed by EPMO at fifty per cent (50%). Water and Sanitation department achieved 40% of its planned indicators whilst Human Settlement department achieved 20% of their planned indicators. Ekurhuleni Housing Company (EHC) is the only reporting entity in this cluster that achieved 0% of their planned indicators.

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FIGURE 6: CITY-WIDE QUARTER 4 PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER



Governance and Economic Development Cluster

The performance of the cluster was measured against thirty-four (34) indicators that were planned to be met during the quarter under review. A total of 27 (79%) indicators were achieved and 7 (21%) were not achieved. Four (4) departments (Transport and Fleet Management, Communications and Brand Management, Internal Audit and Human Resources) achieved 100% of their set indicators. The second highest performing department in this cluster is Economic Development which achieved eighty-eight per cent (88%) of its indicators followed by Finance department with eighty-three per cent (83%). Information Communication and Technology (ICT) achieved sixty-seven per cent (67%). Legislature achieved fifty per cent (50%) their planned indicators.

HIGHLIGHTS FOR 2021/22 SDBIP QUARTER FOUR PERFORMANCE

During the current period under review, the key focus was on back-to-basics approach which included the improvement of the quality of targeted services to informal settlements. Electrification, gravelling and upgrading of roads in the informal settlements, promoting targeted service provision in informal settlements and maintenance of service levels in all areas of the City are some of the noteworthy key service delivery highlights.

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A. SOCIAL EMPOWERMENT

This thematic area aims at building a socially cohesive, healthy, active and engaged citizenry capable of working in partnership. The City embarked on a number of initiatives that yielded some commendable results. These included:

- SRAC implemented 31 school programmes during the reporting period engaging with children on leading active and positive lives for their own development.
- Commendable strides were made in the provision of health care services. Some of the notable achievements included the:
 - Reduction of HIV transmission from Mother-To-Child to a level of 0.8% at Q4 which is well below the National Indicators of 2%.
- In contributing towards the attainment of the City's pro-poor agenda, the Department of Health and Social Development continued the implementation of its Indigent Support Programme aimed at improving the lives of the indigent households. During Q4, a total of 1969 new indigent households were approved as part of the process to get the finance final approval to receive the free basic services.

Safety and security across the City continues to be a high priority. The municipality focused on reducing accidents, fatalities and injuries and restore confidence and respect for road traffic management. This was done through heightened awareness of road traffic safety issues and by-law enforcement operations thereby inculcating good road user behaviour and voluntary compliance to by-laws and traffic laws. A total of 33 planned by-law enforcement policing operations were implemented in Q4 while 160 interventions to reduce crime and related incidents were implemented at this quarter.

B. JOB CREATION

The City recognises unemployment, poverty, homelessness as fundamental challenges human development, restoration of human dignity which are being addressed as part of the pro-poor agenda. Unemployment has continued to be a challenge and this undermines expectations for increased employment opportunities. In pursuit of addressing this challenge at a local level, the City has placed 46 young people who are benefiting from work readiness programme whilst 3250 work opportunities were created by the municipality through public employment programmes (incl. EPWP, CWP and other related employment programmes).

9. ORGANISATIONAL AND HUMAN RESOURCE IMPLICATIONS

None

10. FINANCIAL IMPLICATIONS

None

11. LEGAL IMPLICATIONS

The report is compiled in accordance with the requirements of the MFMA and Municipal Budget and Reporting Regulations.

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12. COMMUNICATION IMPLICATIONS

The contents of the report must be communicated to National and Provincial Treasury as well as the Auditor-General. This will be done by the Finance Department.

The Communications and Brand Management Department will ensure that the report is placed on the official website of Council.

13. OTHER DEPARTMENTS/ BODIES CONSULTED

- The Finance Management Team was consulted and the recommendations are supported;
- The Strategy and Corporate Planning Department was responsible for the compilation of the Performance Report; and
- The Municipal Entities compiled their own Performance Reports.

RECOMMENDATION

1. **That** the report on the Unaudited Financial and Performance Results of the City of Ekurhuleni for the Fourth Quarter of the 2021/22 financial year as required in terms of Section 52(d) of the Municipal Finance Management Act **BE NOTED** by Council.
2. **That**, in compliance with Section 52(d) and Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” the financial results regarding the operating and capital budgets for the 4th quarter of the 2020/21 financial year, and supporting documents as required by National Treasury (Schedule C) as at 30 June 2022, **IS SUBMITTED**.
3. **That** in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, this report **BE SUBMITTED** to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the Council, in both a Council approved document and in electronic format.
4. **That** the report on the Financial and Performance Results for Quarter 4 of the 2021/22 financial year **BE REFERRED** to all Section 79 Oversight Committees.