

SOL PLAATJE LOCAL MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

1 JULY 2022 TO 31 DECEMBER 2022 (MFMA S72)

SECOND QUARTER PERFORMANCE ASSESSMENT

1 OCTOBER 2022 TO 31 DECEMBER 52(D) REPORT (MFMA S52d)

23 JANUARY 2023

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List of Abbreviations and Acronyms used in the MBS

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer
COGHSTA - Department of Co-operative Governance, Human Settlement and Traditional Affairs
DBSA - Development Bank of South Africa
DoRA - Division of Revenue Act
DPW – Department of Public Works
DSAC – Department of Sports, Arts and Culture
DWS - Department of Water and Sanitation
ED - Executive Director
EEDG - Energy Efficiency and Demand Side Management Grant
EPWP - Expanded Public Works Programme
FMG – Financial Management Grant
FY – Financial Year
GG – Government Gazette
GRAP - Generally Recognised Accounting Practices
GURP - Galeshewe Urban Renewal Programme
IDP - Integrated Development Plan
INEP - Integrated National Electrification Programme
ISDG - Infrastructure Skills Development Grant
IT - Information Technology
IUDG –Integrated Urban Development Grant
IYM – In-year Monitoring
KPA or KPI - Key Performance Area or Indicator
MBRR - Municipal Budget and Reporting Regulations (GG 32141 of 17 April 2009)
MBS – Monthly Budget Statement
MFMA - Municipal Finance Management Act (Act 56 of 2003)
MIG - Municipal Infrastructure Grant
MM - Municipal Manager
MSA - Municipal Systems Act
MSIG - Municipal Systems Improvement Grant
MTREF - Medium Term Revenue and Expenditure Framework
NDPG - Neighbourhood Development Partnership Grant
NERSA - National Energy Regulator of South Africa (“the Regulator”)
NT - National Treasury
OPEX – Operational Expenditure
O/S - Outstanding
PPE - Property, Plant and Equipment
R&M - Repairs and Maintenance
SALGA - South African Local Government Association
SCM - Supply Chain Management
SCOA – Standard Chart of Accounts
SDBIP - Service Delivery and Budget Implementation Plan
SEDP - Strategic Economic Development and Planning
SLA -Service Level Agreement
SMME - Small, Medium and Micro Enterprises
SPLM - Sol Plaatje Local Municipality
VAT – Value Added Tax
YTD – Year to date
WRM - Water Resource Management
WRL - Water Research Levy
WSIG – Water Services Infrastructure Grant

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2022 AND S52(d) PERFORMANCE ASSESSMENT FOR THE SECOND QUARTER ENDING 31 DECEMBER 2022

1. PURPOSE

The purpose of this report is to comply with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA) in respect of Sections 52(d) and 72, and Sections 31 and 33 of the Municipal Budget and Reporting Regulations as per government gazette no.32141 dated 17 April 2009.

2. BACKGROUND

Section 52(d) of the Municipal Finance Management Act requires that the Mayor of a municipality must within 30 days after the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the municipality.

Whilst section 72 of the Municipal Finance Management Act requires that the Accounting Officer of a municipality must by 25 January each year, assess the performance of the municipality during the first half of the financial year and submit a report on such an assessment to the Mayor, National Treasury and Provincial Treasury.

The quarterly and mid-term assessment report of the municipality is prepared in accordance with the format specified in Schedule C and includes all the required tables, charts and explanatory information as prescribed in Municipal Budget and Reporting Regulations.

In terms of Section 72 (1) of the MFMA, 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 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 set in the service delivery and budget implementation plan;***
 - (iii) The past year's annual report, and progress on resolving problems identified in the annual report; and***
 - (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and***
- b) submit a report on such assessment to-***
 - (i) The Mayor of the municipality;***
 - (ii) The National Treasury; and***
 - (iii) The relevant provincial treasury.***

In terms of Section 52 of the MFMA, the mayor of a municipality

- a) must provide general political guidance over the fiscal and financial affairs of the municipality;*
- b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;*
- c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;*
- d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and*
- e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.*

The municipality has been struggling financially over the last few years and the current year is no exception with an average Cost coverage of less than one week. The municipality realises, the critical importance of having a minimum 3 months cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past several months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability.

The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on service delivery. The municipality is pleased to report that the Municipal Manager's position was filled commencing from 1 July 2022 and the IDP Manager was also appointed effective from 1 January 2023. The Chief Financial Officer's position is currently vacant and an acting incumbent has been appointed. The municipality is in the process of filling the position and it should be advertised before end of January 2023. The municipality is facing serious challenges pertaining to the debt owed to Eskom and the Department of Water and Sanitation. The municipality is in the process to finalise debt agreements with both institutions.

The municipality had insufficient cash to settle the current accounts of both institutions in full. This does not bode well for the vulnerable position that the municipality is facing but we are committed to maintain an amicable relationship with these critical major creditors. And as a show of good faith, the municipality paid R20 million to ESKOM and R7.8 million to DWS in respect of available cash for operations.

Currently, the total debtor's book is standing at R3,190,215 billion and the municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. In light of this, the municipality has been disconnecting non-paying customers commencing from 8 August 2022 which included government and then moving onto businesses and households. The municipality managed to collect R178,873 million for August 2022 since the inception of the collection drive.

However, the cash collection has been declining from September 2022 and this does not bode well for the municipality's financial position. *There needs to a major paradigm shift in the payment culture across all debtor groups. This can be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.*

Tough decisions have to be taken to have a meaningful impact and produce positive results. This action is long overdue, especially in light of the municipality's financial crisis and major threat to its financial viability and sustainability. The municipality also envisage to implement our Revenue Collection Action Plan ("**RCA Plan**"), prioritizing the collection of overdue Municipal debt from all our Customer Groups that are in arrears and *are able* to pay their accounts, but are unwilling to make payment or make a payment arrangement.

The Plan further provides for a Credit Control, Indigent Assistance Awareness and Account Payment Campaign. We believe that this campaign will be informative and create an awareness to Customers as to the assistance provided by the Municipality in relation to the payment of accounts and the social package offered to indigents (including child headed households). The Municipality will offer its Customers payment discounts for accounts settled before the due date and discount incentives to all Customers that settle their outstanding accounts in full. The campaign will also educate Consumers on the importance of the payment of accounts and the detrimental effect non-payment has on service delivery

In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken. Ensure that acts, regulations and policies are adhered to diligently, consistently and fairly. Enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money.

Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed, we have noted an increase in emergency maintenance which seems excessive as no competitive bidding is taking as a result of the impact of asset failure on service delivery. We are striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.

3. BUDGET IMPLEMENTATION

Annual budget of the municipality is allocated to various votes, programmes and projects of the municipality. For capital budget, the Accounting Officer in consultation with Senior Managers appoint Project Managers who carry the responsibility of ensuring that project scope is well defined as well

as the project deliverables, as well as the community impact and service delivery objectives that needs to be met.

The Chief Financial Officer carries overall responsibility of ensuring that the budget is spent in accordance with the Service Delivery and Budget Implementation Plan of the municipality and that these are well aligned with the IDP Objectives as per the IDP Review of each year.

Retirement of the Budget reform returns. As per MFMA Budget Circular No. 94 “from 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings” which must be submitted before or on **16 January 2023**, (ten working day limit).

Version 6.6 of *mSCOA* was implemented in July 2022. All submissions of supporting documents and data was done as per the regulation.

Compliance with various legislation is also an area of performance, especially with regards to payment procedures. Senior Managers have as per the delegation of powers been tasked with financial management duties.

Monthly reporting on budget performance is the responsibility of the Financial Services Directorate, and each directorate received operating revenue, operating expenditure and capital budget performance reports which ultimately are consolidated for reporting purposes to the Finance Committee and where necessary to the Municipal Public Accounts Committee.

These committees sit on a monthly basis and account to the Executive Mayor and to the Municipal Council, respectively.

Operating Budget Overview

The Sol Plaatje Municipality generates own revenue from service charges on various services as well as through the levying of property rates in line with the Amended Municipal Property Rates Act and the Municipal By-Laws on Property Rates and Taxes. The revenue sources also included the minor revenue streams such as rental income from various properties and assets of the municipality and interest earned from investments and on outstanding debtors. The municipality provides all services directly to the customers and each customer receives a monthly bill of services consumed (metered and unmetered services).

This report summarizes the budget performance for the second quarter of 2022/23 financial year. The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description	YTD Budget December 2022	YTD Actual December 2022	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
R thousand (R'000)					

Total Revenue (excluding capital transfers and contributions)	1,243,604	1,199,427	(44,178)	96.4%	-3.6%
Total Revenue (including capital transfers and contributions)	1,310,773	1,230,030	(80,744)	93.8%	-6.2%
Total Operational Expenditure	1,232,569	1,061,289	(171,280)	86.1%	-13.9%

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget

As indicated in Table 1 above, as at 31 December 2022, the billed revenue excluding capital grants amounted to R1,199,427 billion which resulted in a favourable variance of minus 3.6% when compared to the YTD Budget of R1,243,604 million. The billed revenue including capital grants resulted in a satisfactory variance of minus 6.2% when compared to the YTD budget of R1,310,773 million. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 13.9%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual December 2022	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50.00%
Total Revenue (excluding capital transfers and contributions)	2,487,209	1,199,427	992,159	48.2%	-1.78%
Total Revenue (including capital transfers and contributions)	2,621,547	1,230,030	1,011,567	46.9%	-3.08%
Total Operational Expenditure	2,465,128	1,061,289	855,862	43.1%	-6.95%

Table 2: Consolidated summary: Statement of Financial Performance: Original Budget

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 50.00% [calculated as follow: (100/12 months x 6 months of the year)] as at the end of December 2022, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of minus 1.78%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of minus 3.08%. The Total Operational Expenditure resulted in a satisfactory variance of minus 6.95%.

Capital Budget Overview

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - December 2022										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	190,043	13,922	37,995	95,022	40.0%	(57,026)	-60.0%	20.0%	(57,026)	-30.0%
Funded by										
Capital transfers recognised	134,338	6,985	31,024	67,169	46.2%	(36,145)	-53.8%	23.1%	(36,145)	-26.9%
Internally generated funds	55,705	6,937	6,971	27,853	25.0%	(20,882)	-75.0%	12.5%	(20,882)	-37.5%
Weighting Capital transfer recognised	70.7%	50.2%	81.7%	70.7%						
Weighting Internally generated funds	29.3%	49.8%	18.3%	29.3%						

Table 3: High level summary: Capital Budget

Chart 3: Total Capital Expenditure as at 31 December 2022

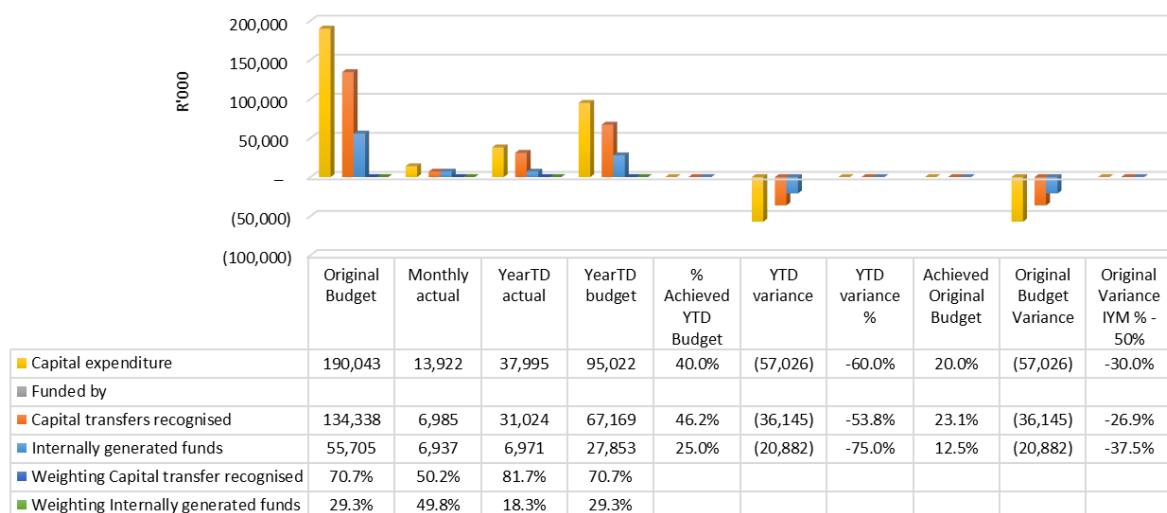


Chart 1: Total Capital Expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of December 2022 amounted to R37,995 million and 40% spent when compared to the YTD budget of R95,022 million and 20% spent when compared to the Original Budget of R190,043 million. The total YTD capex is funded from Capital grants R31,024 million (81.7%) and Internally generated funds R6,971 million (18.3%). Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward.

One of the major challenges that the municipality is experiencing is in respect of tendering processes. The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe.

Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately.

The Project Management Unit (PMU) is not adequately staffed, resulting in a lack of qualified permanently appointed project managers.

Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

4. REVENUE FRAMEWORK

Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - December 2022										
Revenue by Source	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	627,646	46,162	357,986	313,823	114.1%	44,163	14.1%	57.0%	44,163	7.0%
Service charges - electricity revenue	919,854	56,849	373,607	459,927	81.2%	(86,319)	-18.8%	40.6%	(86,319)	-9.4%
Service charges - water revenue	310,717	25,067	144,533	155,358	93.0%	(10,826)	-7.0%	46.5%	(10,826)	-3.5%
Service charges - sanitation revenue	81,700	7,800	46,735	40,850	114.4%	5,885	14.4%	57.2%	5,885	7.2%
Service charges - refuse revenue	60,940	5,767	34,538	30,470	113.3%	4,068	13.3%	56.7%	4,068	6.7%
Rental of facilities and equipment	13,010	2,138	12,825	6,505	197.1%	6,320	97.1%	98.6%	6,320	48.6%
Interest earned - external investments	6,000	256	872	3,000	29.1%	(2,128)	-70.9%	14.5%	(2,128)	-35.5%
Interest earned - outstanding debtors	156,500	17,020	89,456	78,250	114.3%	11,206	14.3%	57.2%	11,206	7.2%
Fines, penalties and forfeits	27,730	2,064	21,520	13,865	155.2%	7,655	55.2%	77.6%	7,655	27.6%
Licences and permits	6,850	895	5,419	3,425	158.2%	1,994	58.2%	79.1%	1,994	29.1%
Agency services	-	-	-	-						
Transfers and subsidies	258,117	189	97,620	129,058	75.6%	(31,439)	-24.4%	37.8%	(31,439)	-12.2%
Other revenue	18,145	1,050	11,448	9,072	126.2%	2,376	26.2%	63.1%	2,376	13.1%
Gains on disposal of PPE	-	-	2,868	-		2,868			2,868	
Total Revenue (excluding capital transfers and contributions)	2,487,209	165,257	1,199,427	1,243,604	96.4%	(44,178)	-3.6%	48.2%	(44,178)	-1.8%
Transfers and subsidies - capital	134,338	6,564	30,603	67,169	45.6%	(36,566)	-54.4%	22.8%	(36,566)	-27.2%
Total Revenue (including capital transfers and contributions)	2,621,547	171,821	1,230,030	1,310,773	93.8%	(80,744)	-6.2%	46.9%	(80,744)	-3.1%

Table 4: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 14.1%, due to the annual billing on Property Rates for predominantly Organs of State and businesses.
- ❖ Service charges - Electricity revenue is showing a serious under-recovery of 18.8%. A query was sent to the Billing section for the November 2022 reporting, regarding the lower than anticipated billing on conventional metering which includes Large Power Users. The response provided was that this was as a result of interim reversals and correction of errors. It is imperative that the Billing section does a proper investigation to ensure that all properties are billed accurately. The same applies to all other Service charges where the Original budget comparison is not satisfactory.
Service charges Sanitation and Refuse is showing an over-recovery as a result of the YTD billing being higher than anticipated. Another factor that is negatively influencing Electricity and Water sales is the fact that Council approved a lower tariff increase for Electricity 4.50% instead of 8.61% and for Water 4.00% instead of 5.68% as per the budget. These revenue sources will be adjusted downwards during the Adjustment budget.
- ❖ Rental of facilities and equipment is showing a positive variance of 97.1% as a result of the rental of the Lerato Park flats which was not budgeted for, as the municipality was busy with the finalisation of the asset transfer from COGHSTA. This will be corrected during the Adjustment Budget.
- ❖ Interest earned – External investments shows a negative variance of minus 70.9%, as a result of accrued interest revenue that was recognised for the 2021/22 financial year. It should be noted that investments have been declining year-on-year but have remained relatively constant for the period under review. This however, also served as a major impediment that is preventing the municipality from actually earning more interest. Due to financial constraints the municipality could not increase its investments which largely contributes to the lower interest earned. The reduced interest rate by the Reserve bank, prior to the latest interest rate hikes,

also had a negative impact on Interest earned. The bulk of the interest earned normally gets recognised at year-end.

- ❖ Fines, penalties and forfeits is showing a positive variance of 55.2% as a result of the actuals achieved on Penalties: Disconnection fees is satisfactory at 113.55% against an annual target of R17,500 million, due to the disconnection drive of the municipality.
- ❖ Licences and permits is showing a positive variance of 58.2%, however there are possible outstanding payments due to the Department of Transport, Safety and Liaison. Road & Trsp: Motor Vehicle Licenses, showing an actual achieved of 103.34% against an annual target of R3,950 million.
- ❖ Transfers and subsidies is showing a variance of minus 24.4%. The second tranche of the Equitable Share was received on 7 December 2022 but was not timeously allocated during December 2022. This was subsequently allocated on 5 January 2023.
- ❖ Other Revenue is higher than anticipated as a result of improved receipts on Building plan approvals with a 122.9% achievement versus a target of R4,700 million with the YTD actual amounting to R5,777 million.
- ❖ Capital grants is showing a negative variance of 54.4%, as a result of the lower than anticipated capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall.

Comparison against Original Budget

Based on the IYM percentage of 50.00%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is performing satisfactorily and showing a satisfactory variance of 7%, due to the annual billing of Property Rates.
- ❖ Service charges is performing satisfactorily when compared to the Original budget, with the exception of Electricity sales is which is showing a negative variance of minus 9.4%. Same factors are applicable as described in the paragraph above.
- ❖ Rental of facilities and equipment is showing a positive variance of 48.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from External Investments is showing an unsatisfactory variance of minus 35.5%. Same factors are applicable as described in the paragraph above.
- ❖ Fines, penalties and forfeits is showing a positive variance of minus 27.6%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 29.1%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies is satisfactory with a variance of 12.2%. Same factors are applicable as described in the paragraph above.
- ❖ Other Revenue is showing a positive variance of 13.1%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers – recognised capital is showing a negative variance of minus 27.2%. Same factors are applicable as described in the paragraph above.

Indicated in Chart 2 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 December 2022. The main contributors of the municipality's revenue are Service Charges (50.0%), Property Rates (29.8%) and Transfers and subsidies (8.1%). The weighting is distorted due to the annual billing on Property Rates and the late allocation of the second tranche of the Equitable Share.

Chart 1: Revenue by Source: YTD Actual as a % of Total Revenue as at 31 December 2022 (R'000)

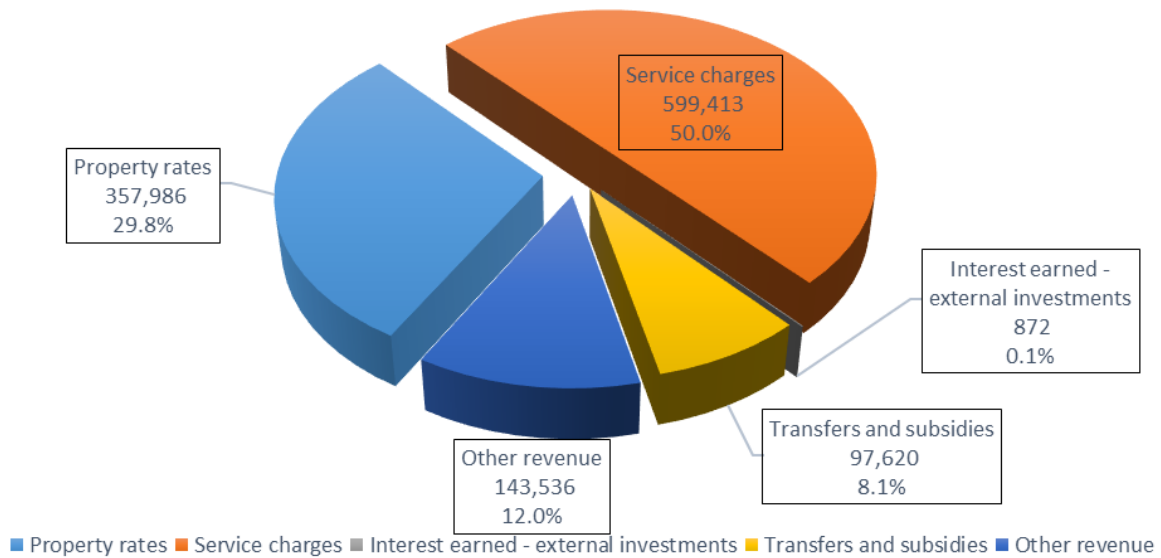


Chart 2: Revenue by Source: YTD Actual as a percentage of Total Revenue

Revenue by Vote

The responsibility of billing and enhancing revenue is delegated to all directorates as per their budgets and functions. The financial services however, carries the bigger task of ensuring correct billing, to the correct customer and that the bill reaches the customer within 5 days from date of billing.

The municipality generates revenue primarily from service charges and property rates. Infrastructure is therefore the main revenue generating vote. The Municipal and General vote consists mostly of grants received by the municipality.

The table below represents revenue for the quarter generated from various votes as per the functions of assigned to the vote.

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote 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 Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		480,231	470,256	470,256	15,271	171,773	235,128	(63,354)	-26.9%	470,256
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,869	6,873	6,873	5	246	3,436	(3,191)	-92.9%	6,873
Vote 05 - Community Services		106,478	101,913	101,913	8,622	54,462	50,957	3,506	6.9%	101,913
Vote 06 - Financial Services		610,429	648,238	648,238	49,130	385,013	324,119	60,894	18.8%	648,238
Vote 07 - Strategy Econ Development And Planning		17,626	7,945	7,945	342	6,476	3,972	2,504	63.0%	7,945
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,386,322	98,451	612,059	693,161	(81,101)	-11.7%	1,386,322
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,378,815	2,621,547	2,621,547	171,821	1,230,030	1,310,773	(80,744)	-6.2%	2,621,547
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	4,796	29,353	29,458	(104)	-0.4%	58,915
Vote 02 - Municipal And General		309,950	357,885	357,885	10,970	159,612	178,943	(19,331)	-10.8%	357,885
Vote 03 - Municipal Manager		20,618	23,528	23,528	30	9,912	11,764	(1,852)	-15.7%	23,528
Vote 04 - Corporate Services		64,274	74,419	74,419	6,618	35,181	37,210	(2,029)	-5.5%	74,419
Vote 05 - Community Services		286,713	297,675	297,675	28,488	149,239	148,839	400	0.3%	297,675
Vote 06 - Financial Services		126,129	157,404	157,404	11,488	65,869	78,703	(12,834)	-16.3%	157,404
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	61,468	6,202	29,645	30,734	(1,090)	-3.5%	61,468
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,433,833	(21,907)	582,478	716,918	(134,440)	-18.8%	1,433,833
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,314,658	2,465,128	2,465,128	46,685	1,061,289	1,232,569	(171,280)	-13.9%	2,465,128
Surplus/ (Deficit) for the year	2	64,157	156,419	156,419	125,136	168,741	78,205	90,536	115.8%	156,419

Table 5: Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

The Community services vote generates income from renting out municipal facilities e.g. halls and recreation facilities. The revenue generated is not sufficient to cover the costs of running the department. However, revenue from rates is used to fund community services.

Revenue By Major Service

4.3.1 Housing

The municipality holds rental stock and the letting of this stock is managed by the Housing Section within the Infrastructure and Services Directorate. It is expected that the cost of administering this function including general maintenance of these units should be recovered from the rental service charges as determined by Council in its tariffs.

Service	Description	Original Budget	YTD Movement	% Original
2840 - HOUSING	SUB TOTAL : OPERATIONAL REVENUE	(1 000,00)	(85 876,27)	8588%
2840 - HOUSING	SUB TOTAL : RENTAL FROM FIXED ASSETS	(12 800 000,00)	(6 275 537,49)	49%
2840 - HOUSING	TOTAL : INCOME	(12 801 000,00)	(6 361 413,76)	50%
2840 - HOUSING	SUB TOTAL : EMPLOYEE RELATED COST	20 658 175,00	9 307 500,93	45%
2840 - HOUSING	SUB TOTAL : CONTRACTED SERVICES	15 000,00	-	0%
2840 - HOUSING	SUB TOTAL : OPERATIONAL COST	564 049,00	391 611,48	69%
2840 - HOUSING	SUB TOTAL - INVENTORY	1 531 000,00	888 808,27	58%
2840 - HOUSING	TOTAL : EXPENDITURE	22 768 224,00	10 587 920,68	47%

4.3.2 Electricity

Revenue from sale of electricity is the major revenue source of the municipality. Sale of electricity is done through a conventional meter or prepaid electricity meter. Most of residential and small businesses are on prepaid electricity whilst large customers are on conventional/ credit meter. Prepaid meter has far reaching benefits compared to the conventional metering system. These benefits include controlling demand and usage of electricity within budget, no surprise accounts at month as in the case with conventional meter, easy to monitor as balances can be checked on the meter device at any given point in time.

Service	Description	Original Budget	YTD Movement	% Original
2880 - ELECTRICITY	SUB TOTAL : SERVICE CHARGES	(919 853 944,00)	(373 607 484,70)	41%
2880 - ELECTRICITY	SUB TOTAL : INTEREST DIV RENT ON LAND	(16 000 000,00)	(8 193 883,67)	51%
2880 - ELECTRICITY	TOTAL : INCOME	(935 853 944,00)	(381 801 368,37)	41%
2880 - ELECTRICITY	SUB TOTAL : EMPLOYEE RELATED COST	55 540 232,00	27 261 060,00	49%
2880 - ELECTRICITY	SUB TOTAL : CONTRACTED SERVICES	32 750 000,00	6 059 274,81	19%
2880 - ELECTRICITY	SUB TOTAL : OPERATIONAL COST	2 726 004,00	1 074 122,54	39%
2880 - ELECTRICITY	SUB TOTAL - INVENTORY	32 902 000,00	20 331 973,51	62%
2880 - ELECTRICITY	SUB TOTAL : BULK PURCHASES	682 000 000,00	207 036 845,67	30%
2880 - ELECTRICITY	SUB TOTAL - INTEREST DIVID & RENT - LAND	26 764 278,00	19 451 231,86	73%
2880 - ELECTRICITY	SUB TOTAL : BAD DEBTS WRITTEN OFF	74 000 000,00	37 000 000,00	50%
2880 - ELECTRICITY	SUB TOTAL : DEPRECIATION & AMORTISATION	9 000 000,00	-	0%
2880 - ELECTRICITY	TOTAL : EXPENDITURE	915 682 514,00	318 214 508,39	35%

4.3.3 Water

Water is life, availability, certainty and safety of water is of paramount importance to us as the Water Services Authority. Infrastructure that is in good quality provides assurance of availability and certainty of water whilst operations and controls become very critical in as far as safety is concerned. All properties within the municipal jurisdiction has access to water, from free basic water to water used for industrial purposes. Each indigent household receives 6kl of water per month. Free basic water revenue is recouped from equitable share allocated against grants and subsidies made by the municipality.

Service	Description	Original Budget	YTD Movement	% Original
2860 - WATER	SUB TOTAL : SERVICE CHARGES	(310 717 008,00)	(144 532 728,00)	47%
2860 - WATER	SUB TOTAL : INTEREST DIV RENT ON LAND	(34 000 000,00)	(24 315 192,82)	72%
2860 - WATER	SUB TOTAL : SALES & RENDERING OF SERV	(450 000,00)	(106 630,44)	24%
2860 - WATER	TOTAL : INCOME	(345 167 008,00)	(168 954 551,26)	49%
2860 - WATER	SUB TOTAL : EMPLOYEE RELATED COST	53 845 725,00	27 508 302,76	51%
2860 - WATER	SUB TOTAL : CONTRACTED SERVICES	20 000,00	16 982,61	85%
2860 - WATER	SUB TOTAL : OPERATIONAL COST	39 579 979,00	19 347 338,53	49%
2860 - WATER	SUB TOTAL - INVENTORY	97 589 000,00	60 194 181,11	62%
2860 - WATER	SUB TOTAL - INTEREST DIVID & RENT - LAND	9 834 068,00	1 867 439,13	19%
2860 - WATER	SUB TOTAL : BAD DEBTS WRITTEN OFF	53 000 000,00	26 500 000,00	50%
2860 - WATER	SUB TOTAL : DEPRECIATION & AMORTISATION	8 600 000,00	-	0%
2860 - WATER	TOTAL : EXPENDITURE	262 468 772,00	135 434 244,14	52%
2860 - WATER	SUB TOTAL : NON-REVENUE WATER LOSSES	60 000 000,00	26 943 521,56	45%
2860 - WATER	TOTAL: EXPENDITURE INCL WATER LOSSES	322 468 772,00	162 377 765,70	50%

4.3.4 Sewerage

Sewer and sanitation tariffs recovers the costs of managing, operating and maintenance of treatment plants and the reticulation network. Other costs recovered from the tariffs are costs associated with any long term borrowing that would have financed infrastructure investments.

Sewer and sanitation fees are billed on a monthly flat rate for all customers. As such, the table below indicates the amount billed as at end of quarter three against the year to date budget as estimated during the budget assumptions.

Service	Description	Original Budget	YTD Movement	% Original
2850 - SEWERAGE	SUB TOTAL : SERVICE CHARGES	(81 699 899,00)	(46 734 953,07)	57%
2850 - SEWERAGE	SUB TOTAL : INTEREST DIV RENT ON LAND	(10 500 000,00)	(7 737 768,27)	74%
2850 - SEWERAGE	TOTAL : INCOME	(92 199 899,00)	(54 472 721,34)	59%
2850 - SEWERAGE	SUB TOTAL : EMPLOYEE RELATED COST	44 772 839,00	25 854 275,60	58%
2850 - SEWERAGE	SUB TOTAL : CONTRACTED SERVICES	40 000,00	-	0%
2850 - SEWERAGE	SUB TOTAL : OPERATIONAL COST	2 355 096,00	999 574,30	42%
2850 - SEWERAGE	SUB TOTAL - INVENTORY	17 377 000,00	12 307 803,26	71%
2850 - SEWERAGE	SUB TOTAL - INTEREST DIVID & RENT - LAND	2 125 455,00	1 097 662,92	52%
2850 - SEWERAGE	SUB TOTAL : BAD DEBTS WRITTEN OFF	9 500 000,00	4 750 000,00	50%
2850 - SEWERAGE	SUB TOTAL : DEPRECIATION & AMORTISATION	14 800 000,00	-	0%
2850 - SEWERAGE	TOTAL : EXPENDITURE	90 970 390,00	45 009 316,08	49%

4.3.5 Refuse Removal

As with sewer and sanitation, tariff charges for refuse collecting are billed on flat rate monthly as per the tariff book. All residential customers receive a door-to-door collection service at least once a week. The service is rendered by the municipality using its own fleet and staff.

Service	Description	Original Budget	YTD Movement	% Original
2480 - REFUSE	SUB TOTAL : SERVICE CHARGES	(60 940 471,00)	(34 537 757,13)	57%
2480 - REFUSE	SUB TOTAL : INTEREST DIV RENT ON LAND	(10 000 000,00)	(5 946 963,68)	59%
2480 - REFUSE	SUB TOTAL : SALES & RENDERING OF SERV	(10 000,00)	-	0%
2480 - REFUSE	TOTAL : INCOME	(70 950 471,00)	(40 484 720,81)	57%
2480 - REFUSE	SUB TOTAL : EMPLOYEE RELATED COST	42 752 164,00	22 851 298,55	53%
2480 - REFUSE	SUB TOTAL : OPERATIONAL COST	1 793 306,00	1 363 802,72	76%
2480 - REFUSE	SUB TOTAL - INVENTORY	20 005 000,00	7 338 625,46	37%
2480 - REFUSE	SUB TOTAL : BAD DEBTS WRITTEN OFF	5 500 000,00	2 750 000,00	50%
2480 - REFUSE	SUB TOTAL : DEPRECIATION & AMORTISATION	900 000,00	-	0%
2480 - REFUSE	TOTAL : EXPENDITURE	70 950 470,00	34 303 726,73	48%

Debtors Management

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description		NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o 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	Total over 90 days		
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	28,520	19,055	18,151	14,805	15,613	12,688	83,155	459,383	651,371	585,644	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	42,005	15,032	11,121	12,693	12,219	11,169	39,170	143,152	286,560	218,402	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	37,014	15,956	13,740	12,403	11,794	85,059	65,475	608,924	850,365	783,654	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	7,541	5,361	4,935	4,678	4,520	4,432	23,273	146,876	201,618	183,779	-	-	
Receivables from Exchange Transactions - Waste Management	1600	6,088	4,036	3,685	3,522	3,423	3,329	17,458	113,652	155,193	141,384	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,614	1,570	1,540	1,525	1,505	1,563	5,944	42,264	57,525	52,801	-	-	
Interest on Arrear Debtor Accounts	1810	16,735	15,322	15,024	13,835	13,158	12,389	62,505	583,688	732,654	685,574	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-	
Other	1900	6,534	14,839	8,650	4,675	7,722	4,904	14,865	192,741	254,930	224,907	-	-	
Total By Income Source	2000	146,053	91,172	76,846	68,134	69,953	135,533	311,845	2,290,679	3,190,215	2,876,144	-	-	
2021/22 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	22,157	11,652	10,900	12,003	15,210	83,573	46,447	632,263	834,206	789,496	-	-	
Commercial	2300	53,916	20,476	14,717	13,253	13,791	12,904	61,407	329,972	520,435	431,326	-	-	
Households	2400	68,302	57,342	49,905	41,179	39,826	38,018	197,586	1,279,709	1,771,867	1,596,318	-	-	
Other	2500	1,677	1,703	1,324	1,699	1,126	1,038	6,404	48,736	63,707	59,003	-	-	
Total By Customer Group	2600	146,053	91,172	76,846	68,134	69,953	135,533	311,845	2,290,679	3,190,215	2,876,144	-	-	

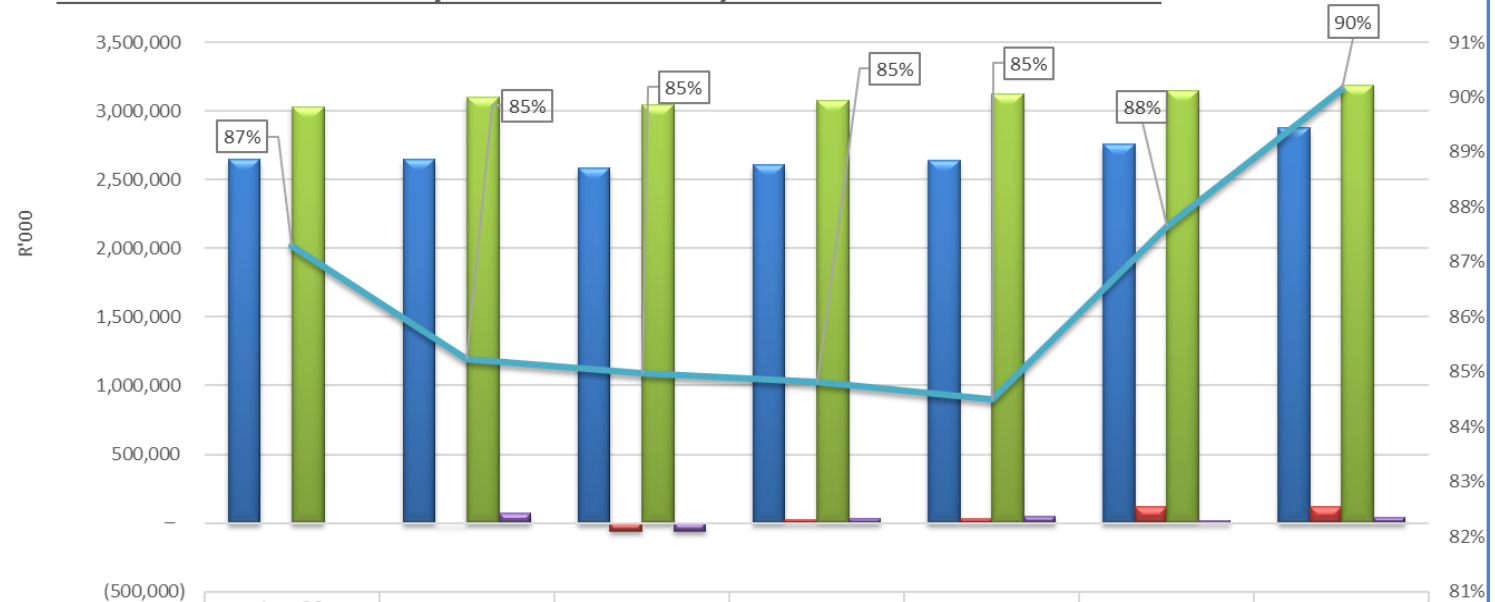
Table 6: Supporting Table SC3: Aged Debtors

Indicated in Table 6 above, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R3,190,215 billion as at the end of December 2022. The Credit control office implemented the following contingencies. In the light of current cash flow and very low cashier collection at points, disconnection and blocking of institutions, businesses and Government Departments without valid arrangements or not in discussions with the municipality, should be done with immediate effect. On 8 August 2022 and going forward defaulting debtors were disconnected, starting with government and businesses and then moving onto households.

The municipality will be embarking on Credit Control And Indigent Assistance Awareness Campaign. Through this campaign we seek to educate Consumers on the importance of the payment of accounts and the detrimental effect non-payment has on service delivery. We aim to have our Customers (from all our Customer Groups) that are in arrears and are able to pay their accounts, to make payment or make a payment arrangement on their account. The campaign will also inform and create an awareness to Customers as to the assistance provided by the Municipality in relation to the payment of accounts (our social package, discounts and incentives).

Chart 3 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which increased to 90% for the month under review. Debt over 90 days increased by R118,580 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R44,366 million. It is concerning that total debt over 90 days is hovering at an average of 85 percent. During the Adjustment Budget funding assessment for 2019/20, NT advised that the municipality should consider writing off debtors that we know we are not realistically going to collect. To this end, the amounts written off as uncollectable amounted to R403,262 million for the year ended 30 June 2020. For the year ended 30 June 2021, the amounts written off as uncollectable amounted to R330,209 million. For the year ended 30 June 2022, the amounts written off as uncollectable amounted to R35,270 million. The total amounts written off as uncollectable for the past three financial years amounts to R768,740 million.

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2022 - Dec 2022



	Jun-22 (Audited)	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Debt over 90 days (R'000)	2,644,843	2,644,498	2,583,888	2,607,684	2,640,714	2,757,564	2,876,144
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		(345)	(60,611)	23,797	33,030	116,850	118,580
Total Debt (R'000)	3,029,785	3,102,829	3,041,042	3,074,758	3,125,099	3,145,849	3,190,215
Month-to-Month R-value Increase (Decrease) of Total debt		73,044	(61,788)	33,716	50,342	20,749	44,366
% Weighting of Debt over 90 days	87%	85%	85%	85%	85%	88%	90%

Chart 3: Debt over 90 days as a percentage of Total O/S Debt

Chart 8: Outstanding Debt by Income Source as at 31 December 2022

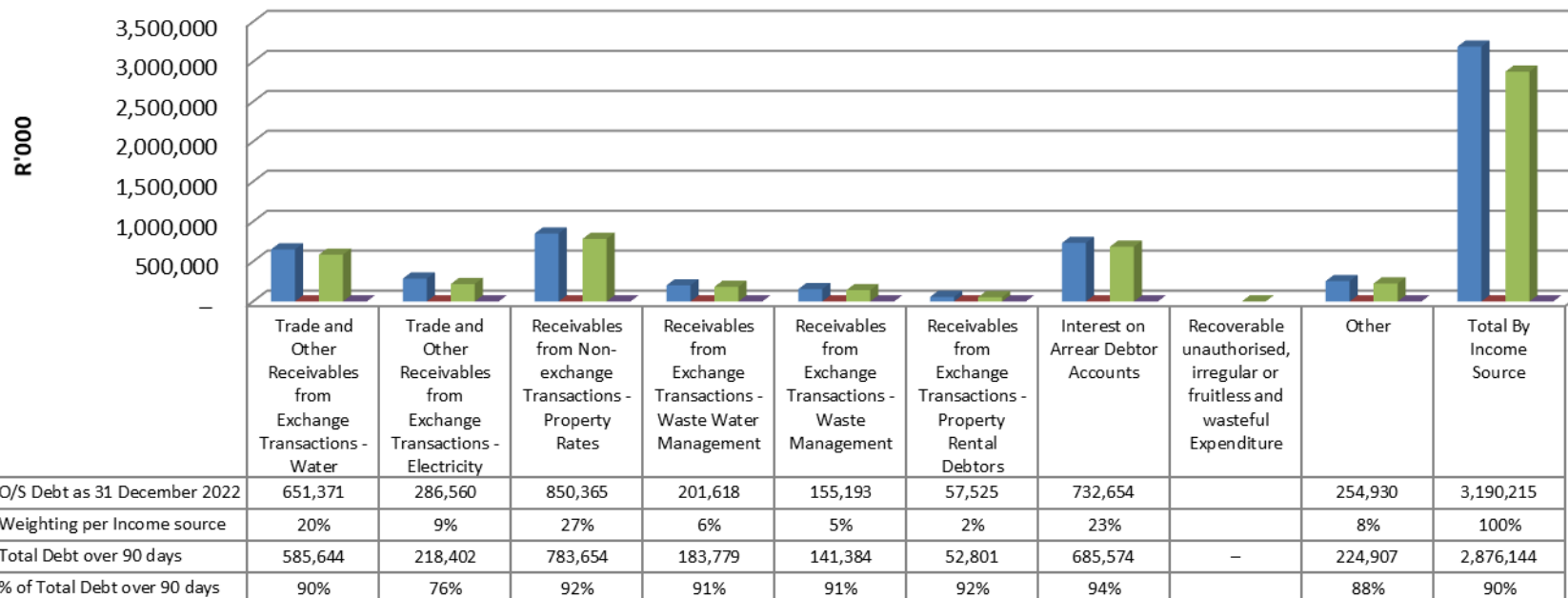


Chart 4: Outstanding Debt by Income Source

Indicated in Chart 4 above, is the total outstanding debt per Income Source, including the weighting and the percentage of Total Debt over 90 days as at the end of December 2022. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 27%
- ❖ Interest on Arrear Debtor Accounts 23%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 20%

The highest percentage weighting of debt owed in excess of 90 days is attributable to:

- ❖ Interest on Arrear Debtor Accounts and Other at 94%, respectively;
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 92%
- ❖ Receivables from Non-exchange Transactions - Property Rates at 92%

Debtors Age Analysis By Income Source	O/S Debt as 30 November 2022	O/S Debt as 31 December 2022	Percentage month-on-month Increase/ (Decrease) in Debtors	R-Value Increase/(Decrease)	Weighting of Debt per Category as a % of Total O/S
Trade and Other Receivables from Exchange Transactions - Water	642,404,455	651,370,615	1.4%	8,966,160	20%
Trade and Other Receivables from Exchange Transactions - Electricity	282,763,110	286,560,067	1.3%	3,796,957	9%
Receivables from Non-exchange Transactions - Property Rates	840,591,448	850,364,882	1.1%	9,773,434	27%
Receivables from Exchange Transactions - Waste Water Management	198,471,035	201,617,592	1.6%	3,146,557	6%
Receivables from Exchange Transactions - Waste Management	152,616,839	155,192,554	1.7%	2,575,715	5%
Receivables from Exchange Transactions - Property Rental Debtors	56,437,831	57,524,927	1.9%	1,087,096	2%
Interest on Arrear Debtor Accounts	717,311,637	732,654,068	2.1%	15,342,431	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	255,252,347	254,929,803	-0.1%	-322,544	8%
Total By Income Source	3,145,848,702	3,190,214,508	1.4%	44,365,806	100%
Debtors Age Analysis By Customer Group					
Organs of State	825,622,131	834,205,657	1.0%	8,583,526	26%
Commercial	513,294,565	520,435,300	1.4%	7,140,735	16%
Households	1,741,134,686	1,771,866,746	1.7%	30,732,060	56%
Other	65,797,320	63,706,805	-3.3%	-2,090,515	2%
Total By Customer Group	3,145,848,702	3,190,214,508	1.4%	44,365,806	100%

Table 7: Month-on-Month growth in outstanding debtors

Indicated in Table 9 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group, from November 2022 to December 2022, the municipality's total O/S debt increased by 1.4% or R44,366 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 1.4%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity increased by 1.3%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 1.1%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.6%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.7%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 1.9%.
- ❖ Interest on Arrear Debtor Accounts increased by 2.1%.
- ❖ Other decreased by 0.1%.

O/S debt per Customer Group

- ❖ Organs of State increased by 1.0%.
- ❖ Commercial debtors increased by 1.4%.
- ❖ Debt owed by Households increased by 1.7%.
- ❖ Other Debt decreased by 3.3%.

Weighting per Customer Group

- ❖ Government debt constitutes 26%, Businesses 16%, Households 56% and Other 2% of the total outstanding debt.
- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2021/22. This error affects Chart C3 Aged Consumer Debtors Analysis. The problem was communicated to the financial system provider (BCX). They provided feedback and confirmed that the bug will be fixed and implemented in due course.

The error on Chart C6 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2021/22 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

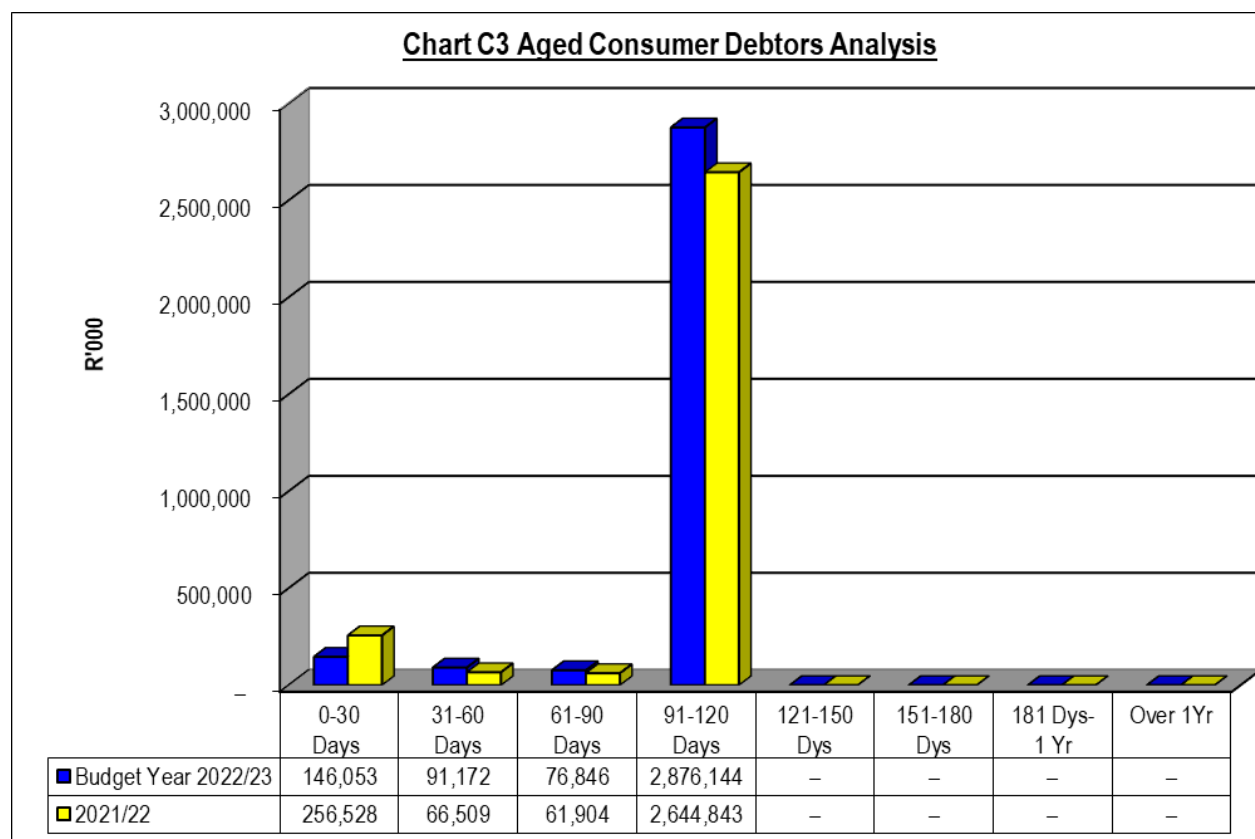
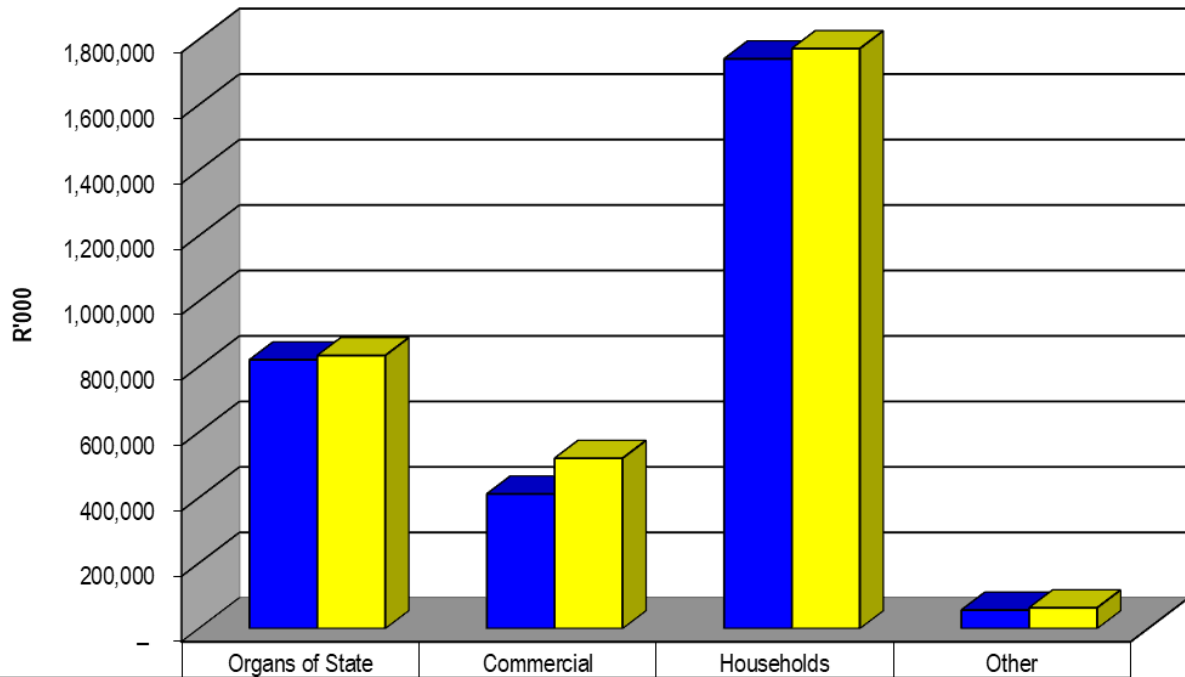


Chart 5: Aged Consumer Debtor Analysis

Chart C4 Consumer Debtors (total by Debtor Customer Category)



■ 2021/22	Organs of State	821,139	Commercial	411,452	Households	1,740,407	Other	56,787
■ Budget Year 2022/23	834,206	520,435	1,771,867	63,707				

Chart 6: Consumer Debtors (total by Debtor Customer Category)

Chart 11: Debtor's Age Analysis per Customer Group as at 31 December 2022

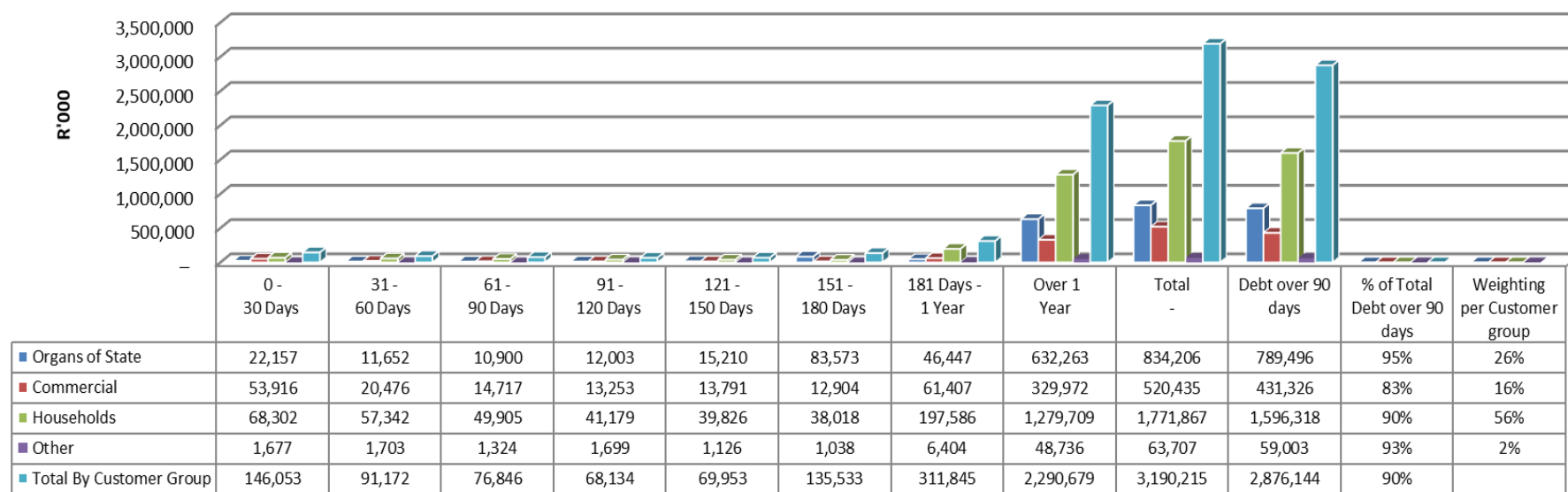


Chart 7: Debtor's Age Analysis per Customer Group

Chart 7 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 90%. An analysis revealed that the catalysts for this condition are the sheer volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. This is compounded by the large number of water leaks that go unreported which causes the accountholder's account to escalate beyond their means to pay. In addition to this, there is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. We have a backlog of processing this debt and submitting this to Council for approval to write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts. We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality.

The Covid-19 pandemic also adversely affected consumer's ability to pay, this is evident by the average monthly collection rate of 76%. The municipality has been providing additional incentives to assist consumers to settle their arrear accounts. The payment culture of consumers needs to improve across all areas.

During the Mid-year Budget Assessment for the 2021/22 financial year and indicated below are the Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses

- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt
- Data cleansing of the entire debtor's book
- Data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (sms) and e-mail
- Improve in the accuracy of monthly billing
- Ensure meters are read consistently and timeously
- Significantly reduce interim readings and ultimately eliminate interim readings
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries
- Introduce electronic complaints management system/register for account queries
- Ensure faulty and bypassed electricity meters are replaced
- Ensure that stuck, leaking, faulty or damaged water meters are replaced
- Do regular follow-ups on meter replacements
- Accurately update the system with latest information
- Reduce the turnaround time for installation of replacement or new meters
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing
- Interrogate billing and prepaid electricity reports on a monthly basis and take immediate remedial action to address anomalies or discrepancies
- Ensure that all billable properties are billed for Property rates and services
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system
- Reduce Electricity and Water losses
- Finalise the Riverton reclamation dam to reduce water losses at the Plant by at least 6%
- Introduce automated metering for bulk consumers
- Electricity Cost of Supply Study was finalised
- Ensure qualifying indigents are registered on the system, immediately upon verification
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed immediately for all approved indigents
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures
- Prioritisation of spending
- Improve on routine maintenance on particularly revenue generating assets
- Spend funds effectively with good value for money.

Revised collection rate

As per Table 8 below, when taking into consideration what was billed in November 2022 and received in December 2022, the monthly collection rate is 70%. The low collection rate is not an ideal situation and is having a dire impact on the cash flow of the municipality. The current status quo cannot continue and drastic action will have to be taken to address this critical issue, hence the disconnection drive implemented by the Executive Mayor and the Municipal Manager during August 2022. Indicated in Table 9 below is the revised average collection of 78.1% for the period under review.

When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 December to 31 December 2022. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, had until the end of September/October 2022 to settle their outstanding accounts. However, this is not materializing for the current financial year

Monthly Collection Rate	Debits (Billed Nov 2022)	Credits (Received Dec 2022)	% Collected
PROPERTY RATES	46,287,875	31,035,327	67%
ELECTRICITY	20,510,961	32,189,420	157%
WATER	30,679,903	15,412,252	50%
SEWERAGE	9,212,365	4,169,836	45%
REFUSE	7,073,438	3,282,605	46%
OTHER	29,096,165	14,454,706	50%
Total	142,860,708	100,544,146	70%

Monthly Billing	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	YTD Billed
	Debits	Debits	Debits	Debits	Debits	Debits	Revenue
Property Rates	45,526,179	130,973,036	46,224,330	46,225,925	46,225,999	46,287,875	361,463,343
Electricity excl Prepaids	40,548,603	50,624,052	49,040,547	51,300,654	66,824,403	20,510,961	278,849,220
Water	19,401,745	21,444,989	24,919,395	28,165,473	35,157,571	30,679,903	159,769,077
Sewerage	8,793,144	9,145,610	9,143,232	9,170,776	9,187,128	9,212,365	54,652,255
Refuse	6,773,905	7,045,820	7,044,482	7,052,220	7,059,844	7,073,438	42,049,711
Other	15,751,369	16,061,277	17,221,887	18,403,082	21,341,222	29,096,165	117,875,001
Total	136,794,945	235,294,784	153,593,872	160,318,131	185,796,167	142,860,708	1,014,658,607
Monthly Collection	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	YTD Collection
	Credits	Credits	Credits	Credits	Credits	Credits	
Property Rates	45,912,631	60,651,706	32,790,850	32,927,529	30,410,572	31,035,327	233,728,615
Electricity excl Prepaids	32,131,979	43,563,694	55,757,478	40,763,524	57,356,024	32,189,420	261,762,119
Water	15,395,920	12,001,612	15,264,991	11,149,911	18,294,509	15,412,252	87,519,195
Sewerage	3,847,874	4,131,416	3,908,580	3,951,661	4,218,136	4,169,836	24,227,503
Refuse	3,072,385	3,314,668	3,120,984	3,101,829	3,268,335	3,282,605	19,160,806
Other	15,390,967	15,121,715	17,121,702	13,481,518	12,938,365	14,454,706	88,508,973
Total	115,751,755	138,784,810	127,964,584	105,375,972	126,485,941	100,544,146	714,907,209
Monthly Collection	85%	59%	83%	66%	68%	70%	70%
Monthly collection rate per service							
Revenue source	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Average
Property Rates	101%	46%	71%	71%	66%	67%	65%
Electricity excl Prepaids	79%	86%	114%	79%	86%	157%	94%
Water	79%	56%	61%	40%	52%	50%	55%
Sewerage	44%	45%	43%	43%	46%	45%	44%
Refuse	45%	47%	44%	44%	46%	46%	46%
Other	98%	94%	99%	73%	61%	50%	75%
Monthly collection rate	85%	59%	83%	66%	68%	70%	70%
Average monthly collection rate as at 31 December 2022							72%

Table 8: Monthly Collection rate

REVENUE BY SOURCE	YTD ACTUAL DEC 2022		YTD RECEIPTS	Rate
PROPERTY RATES	R	357,985,854	R 216,966,700	60.6%
SERVICE CHARGE ELECTRICITY	R	231,544,157	R 260,319,153	112.4%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R	142,063,328	R 142,063,328	100.0%
SERVICE CHARGE WATER	R	144,532,728	R 86,444,185	59.8%
SERVICE CHARGE SANITATION	R	46,734,953	R 24,179,705	51.7%
SERVICE CHARGE REFUSE	R	34,537,757	R 19,187,393	55.6%
OTHER	R	117,875,001	R 83,339,269	70.7%
UNALLOCATED CREDITS			R 7,716,169	
REVISED AVERAGE COLLECTION RATE - DECEMBER 2022	R	1,075,273,778	R 840,215,900	78.1%

Table 9: Revised Average collection rate

Indicated in the Tables 10 and 11 below, are the receipts per Service and per Debtor type as per the BS566 report

BS566 Payments per Service per Day/Period - Service								
Per Service	Tariff Code	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	TOTAL
PROPERTY RATES	VA	-	-	60.36	400.00	-	-	460.36
PROPERTY RATES	VA2010	-	1,849.29	-	465.29	3.28	82.57	2,400.43
PROPERTY RATES	VARESD	11,554,158.61	17,670,066.22	12,208,358.82	14,335,666.41	13,401,856.55	12,649,633.80	81,819,740.41
PROPERTY RATES	VASRA	52,536.92	54,152.01	769,061.35	284,846.81	207,468.32	500,750.19	1,868,815.60
PROPERTY RATES	VABCOM	14,239,294.76	21,846,957.19	12,270,773.22	15,392,575.58	13,132,889.99	14,505,036.18	91,387,526.92
PROPERTY RATES	VAIND	1,456,382.45	1,878,851.67	1,742,027.75	1,844,963.60	1,421,384.40	1,670,098.14	10,013,708.01
PROPERTY RATES	VAFAAG	78,107.79	185,427.86	123,573.26	127,936.22	78,944.20	129,991.54	723,980.87
PROPERTY RATES	VAFARE	15,683.92	14,676.48	33,053.52	16,538.55	19,362.01	11,530.66	110,845.14
PROPERTY RATES	VAMUN	199.46	-	-	-	1,062.67	-	1,262.13
PROPERTY RATES	VAGOVN	296,275.54	23,880,726.22	280,487.89	2,835,598.37	1,185,280.23	454,836.04	28,933,204.29
PROPERTY RATES	VARESV	174,601.31	231,176.12	153,641.62	178,155.13	157,086.39	137,832.88	1,032,493.45
PROPERTY RATES	VAGOVN	-	434,078.55	-	-	-	-	434,078.55
PROPERTY RATES	VAPBO	-	-	-	-	1,021.64	2,141.92	3,163.56
PROPERTY RATES	VAFAABC	358,956.69	35,270.09	45,033.07	118,322.67	37,699.57	39,737.90	635,019.99
TOTAL PROPERTY RATES		28,233,191.45	66,233,231.70	27,626,070.86	35,135,468.63	29,644,059.25	30,101,671.82	216,966,699.71
BASIC ELECTRICITY	BE	494,200.67	545,453.29	489,992.75	537,039.22	487,294.81	500,612.01	3,054,592.75
ELECTRICITY	EL	32,497,782.86	48,611,370.59	47,585,554.73	44,670,767.80	53,505,090.62	30,393,993.19	257,264,559.79
PREPAID ELECTRICITY		25,629,774.07	25,632,451.85	22,249,757.55	22,882,980.11	22,350,166.95	23,118,197.21	142,063,327.74
TOTAL ELECTRICITY		58,821,757.60	74,789,275.73	70,325,305.03	68,090,787.13	76,342,552.38	54,012,802.41	402,382,480.28
BASIC WATER	BW	101,803.68	55,922.48	64,206.98	70,825.99	41,189.81	63,736.17	397,685.11
WATER CONSUMPTION	WA	13,941,872.36	12,400,373.56	14,717,126.02	12,195,251.89	18,082,021.88	14,709,853.90	86,046,499.61
TOTAL WATER		14,043,676.04	12,456,296.04	14,781,333.00	12,266,077.88	18,123,211.69	14,773,590.07	86,444,184.72
BASIC SEWERAGE	BS	342,863.46	302,922.72	235,156.10	281,603.65	260,050.02	246,188.11	1,668,784.06
SANITATION	SE	3,328,774.23	4,065,980.24	3,428,966.01	4,035,967.62	4,023,272.13	3,627,960.55	22,510,920.78
TOTAL SANITATION		3,671,637.69	4,368,902.96	3,664,122.11	4,317,571.27	4,283,322.15	3,874,148.66	24,179,704.84
REFUSE	BR	2,688,210.78	3,131,446.45	2,710,585.87	3,108,569.57	3,045,428.17	2,819,991.86	17,504,232.70
ADD REFUSE	RF	318,771.58	326,586.51	245,012.08	266,253.60	249,901.54	276,635.00	1,683,160.31
TOTAL REFUSE		3,006,982.36	3,458,032.96	2,955,597.95	3,374,823.17	3,295,329.71	3,096,626.86	19,187,393.01
INTEREST ON ARREARS	IN0001	14,837.31	3,640.45	2,470.57	16.68	1,068.96	1,221.54	23,255.51
INTEREST ON ARREARS	INBR	110,061.36	64,483.08	54,660.69	69,001.79	77,903.59	63,344.69	439,455.20
INTEREST ON ARREARS	INSE	82,526.81	94,674.13	81,504.57	97,432.46	107,665.78	94,424.97	558,228.72
INTEREST ON ARREARS	INWA	246,746.07	290,224.03	220,163.16	319,086.20	316,341.30	264,977.03	1,657,537.79
INTEREST ON ARREARS	INSU	35,590.37	57,346.76	28,269.57	45,406.60	32,745.01	36,601.13	235,959.44
INTEREST ON ARREARS	INBS	34,685.00	4,845.76	2,532.27	7,869.47	7,136.62	6,632.41	63,701.53
INTEREST ON ARREARS	INEL	326,558.38	2,724,558.14	359,027.60	1,124,794.17	210,379.34	230,348.94	4,975,668.57
INTEREST ON ARREARS	INBE	38,137.40	6,483.64	14,212.25	16,840.83	6,038.95	9,031.39	90,744.46
INTEREST ON ARREARS	INBW	37,732.01	3,096.67	10,653.57	16,023.45	4,224.75	4,494.71	76,225.16
INTEREST ON ARREARS	INRF	21,990.58	1,154.84	1,620.18	5,838.20	1,818.87	1,762.24	34,184.91
INTEREST ON ARREARS	INVA	706,259.98	646,360.93	452,995.24	409,305.74	343,658.90	537,831.91	3,096,412.70
TOTAL INTEREST ON ARREARS		1,655,127.27	3,896,868.43	1,228,109.67	2,111,615.59	1,108,982.07	1,250,670.96	11,251,373.99
DEPOSITS	DEWE	365,159.66	381,981.42	451,824.84	217,638.65	258,271.01	205,457.02	1,880,332.60
CREDIT'S NOT YET ALLOCATED	EX	7,627,503.75	11,554,653.70	11,726,210.01	9,708,655.48	9,857,353.70	10,530,848.50	61,005,225.14
SUNDRY DEBTORS	SU	512,870.99	1,466,084.21	1,030,213.47	1,362,847.09	1,320,298.13	1,458,063.96	7,150,377.85
HOUSE RENTALS	SU10	73,465.93	94,208.22	87,329.14	99,936.22	176,515.18	103,096.90	634,551.59
MISC 1	SU50	94,739.60	72,875.12	59,570.95	71,858.85	97,938.38	164,708.19	561,691.09
MISC 2	SU11	99,481.13	76,357.05	172,970.34	135,231.57	146,582.91	116,081.47	746,704.47
MISC 3	SU15	-	4,220.39	-	-	-	-	4,220.39
INFORMAL HOUSING	SU60	4,474.71	8,391.05	5,083.64	8,219.13	5,915.08	25,846.82	57,930.43
ARREARS MAGIC	SU70	1,695.42	172.83	2,433.38	2,180.77	1,292.90	1,108.19	8,883.49
SUNDRY COMMISSION	SUCOMM	991.09	1,278.14	857.69	1,542.45	2,545.43	1,250.33	8,465.13
COMM ON PNP	SUEASY	2,109.35	9,765.07	1,743.88	11,178.26	2,352.24	2,363.56	29,512.36
OTHER		8,782,491.63	13,669,987.20	13,538,237.34	11,619,288.47	11,869,064.96	12,608,824.94	72,087,894.54
VAT	VAT	8,089,456.63	10,488,292.57	10,479,872.63	9,921,109.36	12,096,375.59	8,036,363.35	59,111,470.13
TOTAL RECEIPTS		100,467,552.60	163,728,435.74	122,348,891.04	123,953,761.39	134,412,730.85	104,636,501.86	749,547,873.48
TOTAL RECEIPTS LESS VAT		92,378,095.97	153,240,143.17	111,869,018.41	114,032,652.03	122,316,355.26	96,600,138.51	690,436,403.35
TOTAL RECEIPTS INCL PREPAIDS		118,207,870.04	178,872,595.02	134,118,775.96	136,915,632.14	144,666,522.21	119,718,335.72	832,499,731.09

Table 10: BS566 report on receipts per service

BS566 Payments per Service per Day/Period - Debtor type								
Debtor Type Description	Debtor Type	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	TOTAL
BUSINESS KVA	BK	11,547,917.82	14,327,185.00	15,546,638.79	14,461,607.72	11,902,866.97	12,799,536.24	80,585,752.54
BUSINESS RESIDENTIAL	BR	835,840.27	1,188,696.75	844,809.17	914,624.49	837,863.57	724,823.80	5,346,658.05
BUSINESS	BU	29,968,288.25	46,819,684.30	26,846,493.36	32,149,999.11	25,207,570.93	25,818,817.76	186,810,853.71
CHURCHES	CH	91,275.28	130,874.41	110,856.66	139,916.33	94,664.01	143,824.54	711,411.23
COUNCILLOR	CL	56,270.39	66,802.86	65,584.34	65,092.22	61,244.18	60,145.81	375,139.80
COMMERCIAL	CO	2,729,940.06	2,029,891.91	2,222,372.44	1,748,928.79	1,348,308.72	1,771,073.86	11,850,515.78
DECEASED ESTATE	DE	-	-	-	-	792.17	-	792.17
GOVERNMENT - OTHER	GO	-	-	-	-	747.29	549.89	1,297.18
SCHOOLS	GS	1,197,867.47	2,510,094.10	2,088,529.90	2,605,982.52	2,422,792.15	2,136,737.87	12,962,004.01
INDIGENTS CANCELLED	IC	633,036.38	694,958.83	703,191.21	1,049,527.72	1,062,810.80	938,189.10	5,081,714.04
INDIGENTS	ID	1,054,344.19	1,232,590.33	1,170,301.88	1,568,054.33	1,687,299.37	1,576,919.26	8,289,509.36
INDIGENTS INFORMAL SETTLEMENT	IF	59,443.39	99,438.29	63,222.06	141,768.39	80,338.35	233,398.50	677,608.98
INDIGENT - LATE ESTATE	IL	397.93	949.84	1,636.11	514.63	-	1,241.13	4,739.64
INDIGENT PENDING	IP	204,417.84	277,024.23	272,465.26	423,645.19	490,741.99	432,553.01	2,100,847.52
INDUSTRIAL	IN	993,734.63	771,133.73	1,014,654.37	1,735,505.25	850,475.70	816,430.94	6,181,934.62
MUNICIPAL	MU	685,302.78	288,808.18	272,173.18	689,600.78	706,567.78	952,266.16	3,594,718.86
NAT: POLICE	N3	15,038.78	7,595.82	17,291.00	16,471.65	7,891.88	11,618.12	75,907.25
NAT: DEFENCE AND MILITARY VETERA	ND	1,234.35	-	3,957.78	1,319.26	1,319.26	1,319.26	9,149.91
NAT: CORRECTIONAL SERVICES	NN	361,328.89	552,271.73	575,333.24	-	859,898.98	383,053.80	2,731,886.64
NAT: PUBLIC WORKS	NP	7,455,421.23	11,602,897.77	13,187,350.50	5,483,030.35	13,541,933.87	9,870,539.44	61,141,173.16
NON-STAFF ACCOUNTS PAID BY STAFF	NS	323,835.66	363,831.38	379,090.26	488,910.83	379,582.58	363,257.20	2,298,507.91
OPEN SPACE	OP	8,441.61	13,611.51	12,379.18	12,372.62	28,098.28	7,986.37	82,889.57
OTHER	OT	301,386.25	348,571.12	259,916.13	339,425.63	201,522.44	428,340.23	1,879,161.80
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,393.39	5,632.91	5,608.96	5,608.96	5,608.96	5,608.96	33,462.14
PROV: SOCIAL DEVELOPMENT	P1	27,059.98	935,367.98	1,862.97	16,856.78	15,054.97	778,145.20	1,774,347.88
PROV: HOUSING AND LOCAL GOVERNME	P2	443.02	86,726.36	216,372.43	150,780.84	239,207.68	35,843.42	729,373.75
PROV: OFFICE OF THE PREMIER	P3	5,276.35	517,708.11	164,295.23	173,336.09	113,903.28	111,421.10	1,085,940.16
PROV: OTHER DEPARTMENTS	P4	76,653.78	590,854.62	168,816.57	168,905.12	114,858.77	23,677.65	1,143,766.51
PROV: AGRICULTURE	PA	27,510.91	265,913.95	-	30,609.82	151,878.78	-	475,913.46
PROV: EDUCATION	PE	2,211,381.44	1,664,978.34	2,723,448.95	4,694,497.57	24,505,666.72	1,148,821.92	36,948,794.94
PROV: HEALTH	PH	1,536,941.61	3,760,019.48	10,263,121.69	6,230,753.95	250,312.78	388,112.12	22,429,261.63
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,503,563.87	27,462,755.50	2,431,526.60	2,955,952.69	2,177,560.76	1,492,645.12	38,024,004.54
PROV: SPORT, ARTS & CULTURE	PS	671,444.11	261,735.11	176,788.68	289,399.16	34,061.62	310,733.30	1,744,161.98
RESIDENTIAL	RE	27,147,522.41	33,352,093.54	28,899,699.89	34,219,143.42	31,802,668.19	30,025,005.75	185,446,133.20
SUNDRY DEBTOR	SD	2,076.14	282.08	7,932.78	57,393.21	359.47	2,432.90	70,476.58
STALE REFUNDS	SR	-	-	-	300.00	-	-	300.00
STAFF	ST	627,487.30	641,627.83	760,157.42	616,392.10	805,157.38	708,122.69	4,158,944.72
UNKNOWN	UN	245.23	356,558.99	381,414.28	368,738.87	313,913.94	2,084,337.80	3,505,209.11
EXCEPTIONAL CIRCUMSTANCES	IE	10,332.98	10,976.28	9,725.14	17,685.64	10,810.69	12,608.29	72,139.02
VAT	VAT	8,089,456.63	10,488,292.57	10,479,872.63	9,921,109.36	12,096,375.59	8,036,363.35	59,111,470.13
TOTAL RECEIPTS		100,467,552.60	163,728,435.74	122,348,891.04	123,953,761.39	134,412,730.85	104,636,501.86	749,547,873.48
TOTAL RECEIPTS LESS VAT		92,378,095.97	153,240,143.17	111,869,018.41	114,032,652.03	122,316,355.26	96,600,138.51	690,436,403.35

Table 11: BS566 report on receipts per debtor type

Prepaid Electricity

Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2022 to Dec 2022

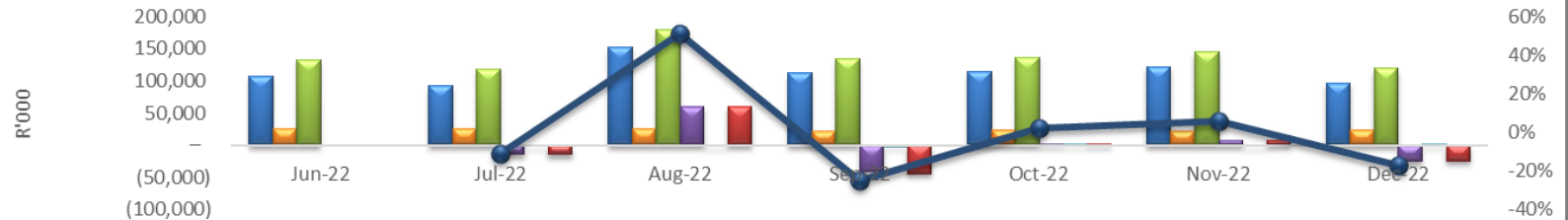


Chart 8.1: Month-to-Month: Total billing receipts incl Prepaid Electricity

As indicated in Chart 8.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R119,718 million which resulted in a decrease of R24,948 million or 17% in respect of the month-to-month comparison. This does not bode well for the municipality's cash flow. Unallocated billing receipts at month end amounted to R7,716 million. Unallocated receipts are not factored into the actual receipts as per the chart above.

Chart 12.2: Monthly billing receipts per revenue source from Jun 2022 - Dec 2022

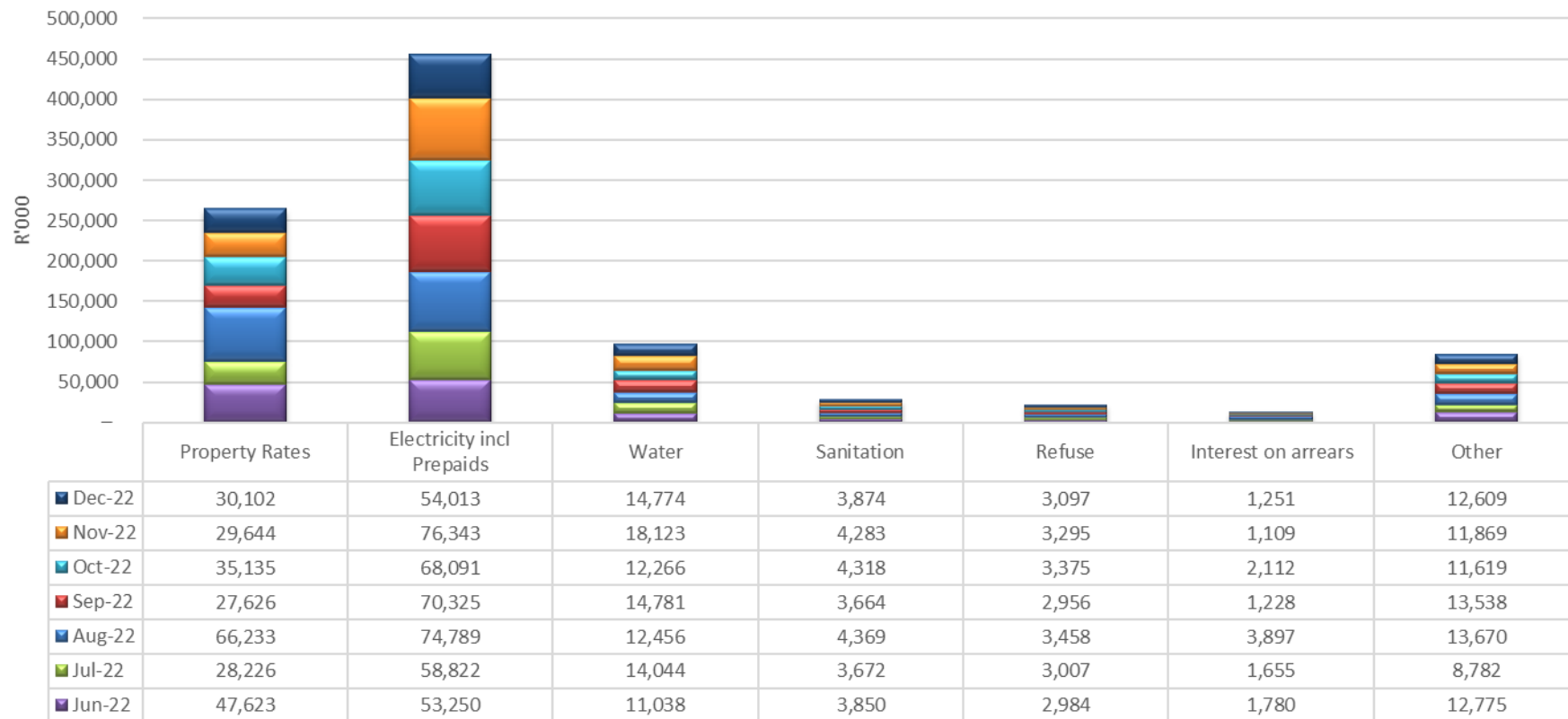


Chart 8.2: Monthly billing receipts per revenue source

Indicated in Chart 8.2 above, is the month-to-month receipts per Revenue source. Receipts are relatively constant based on the month-to-month comparison. The upward trend for August 2022 was significant and indicative of the fact that the municipality can collect its outstanding debt, provided that the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied. Unfortunately, there has been a sharp decline in cash collected compared to August 2022 with the biggest impact being the collection on Property rates. The Revenue streams that is showing improvement in relation to the monthly comparison is Property Rates, Interest on arrears and Other.

Chart 12.3: Ranking of billing receipts per revenue source as at 31 Dec 2022 (R'000)

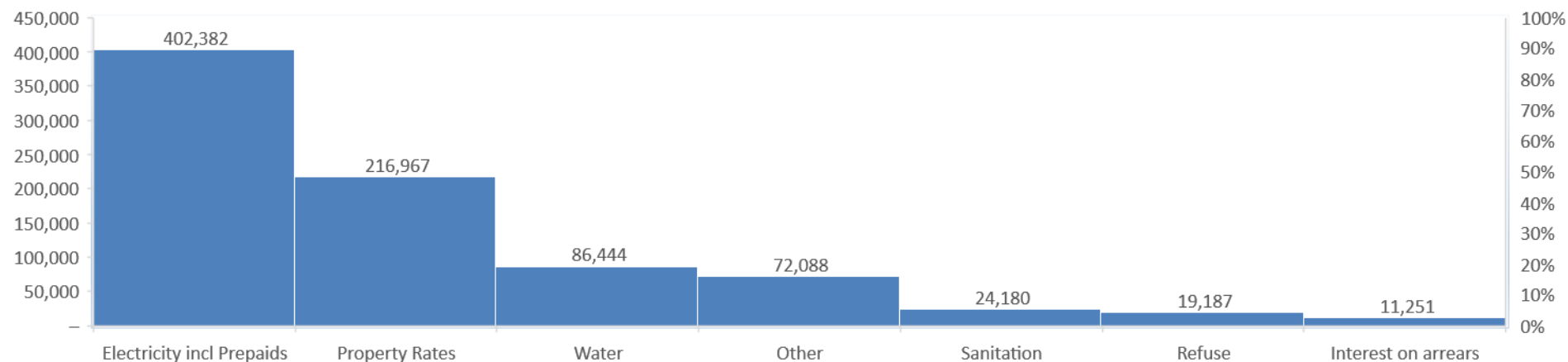


Chart 8.3: Ranking of billing receipts per revenue source

Chart 12.4: Percentage contribution per Revenue source as 31 Dec 2022

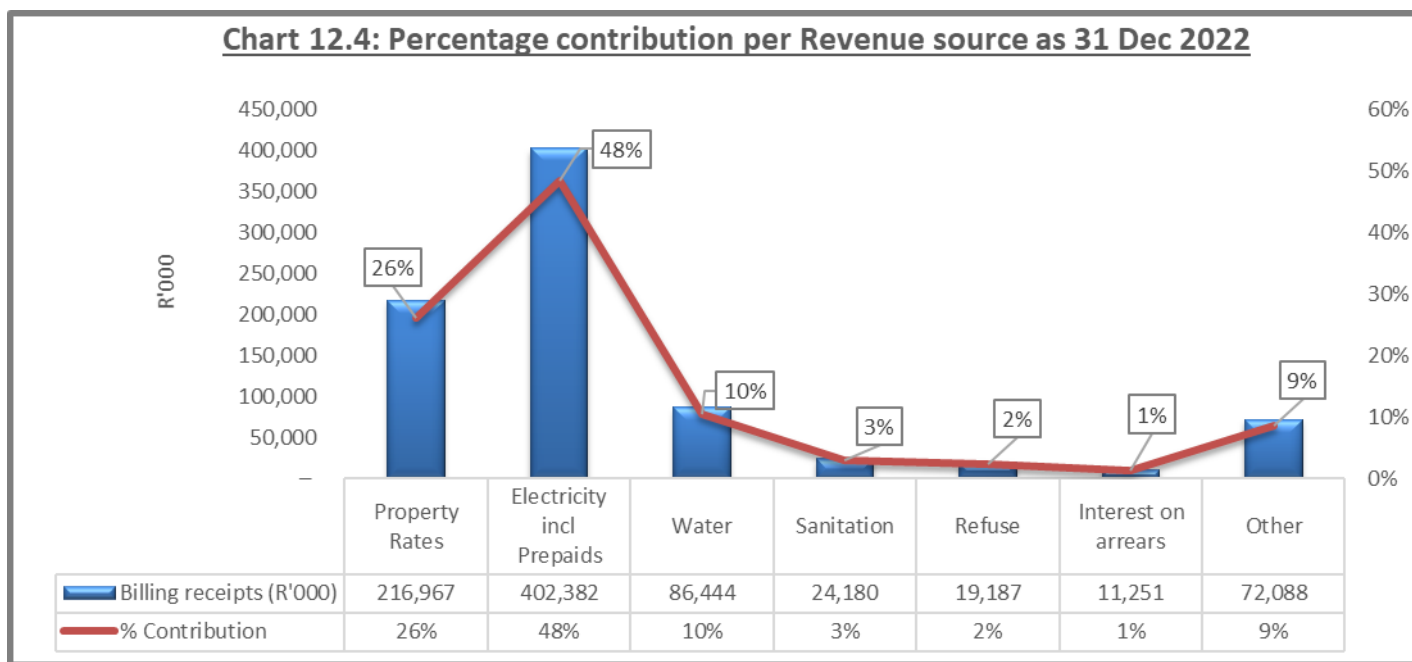


Chart 8.4: Percentage contribution of billing receipts per revenue source

Indicated in Chart 8.3 and 8.4 above, is the ranking and percentage contribution of receipts per revenue source as 31 December 2022. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R402,382 million (48%) being received. This illustrates the sensitivity and vulnerability in respect of Electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality’s financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. The second highest contributor is Property Rates at R216,967 million (26%), however more measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 10% and Other 9% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 54% from these revenue sources. The lowest contributor in respect of actual receipts, is Interest on arrears at R11,251 million. This demonstrates the fact that the municipality is facing challenges in collecting long outstanding debt. It should be noted that in terms of the approved Customer Care, Credit Control and Debt Collection Policy, it outlines that “the municipality shall implement an incentive for settlement of arrears accounts as illustrated below:

- a) 100 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account may be written off if such account is settled in full prior to the next billing run of such account.
- b) 85 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account may be written off if such account is settled in full over a period of two consecutive months.
- c) 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account will be written off if such account is settled in full over a period of three consecutive months.”

The above incentives then negatively influence the collectability of this revenue source, but positively influences the collection of other services.

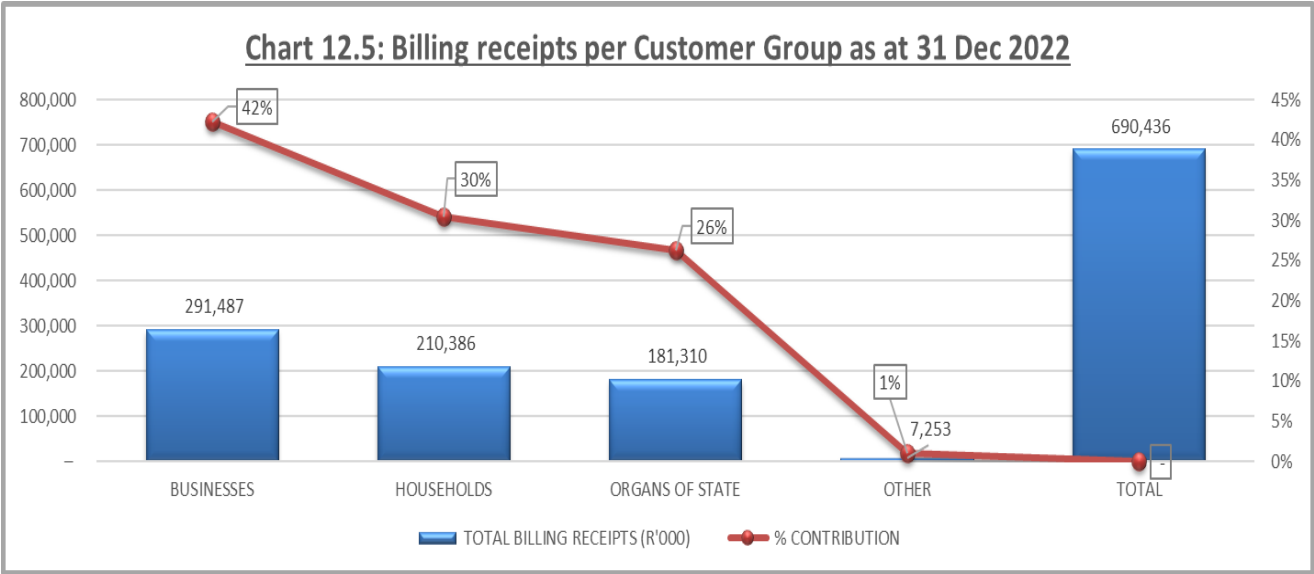


Chart 8.5: Billing receipts per Customer Group

MONTHLY BILLING RECEIPTS PER DEBTOR GROUP (R'000)							
	Sum of Jul-22	Sum of Aug-22	Sum of Sep-22	Sum of Oct-22	Sum of Nov-22	Sum of Dec-22	Sum of TOTAL
BUSINESSES	46,167	65,267	46,586	51,151	40,242	42,075	291,487
HOUSEHOLDS	30,418	37,089	32,585	38,930	36,583	34,780	210,386
ORGANS OF STATE	15,097	50,225	32,024	22,824	44,443	16,699	181,310
OTHER	696	659	674	1,128	1,049	3,047	7,253
Grand Total	92,378	153,240	111,869	114,033	122,316	96,600	690,436

Table 12: Monthly Billing Receipts per Debtor Group

Indicated in Chart 8.5 above, is the billing receipts and percentage contribution per major Customer group as at 31 December 2022. The municipality received R291,487 million (42%) from Businesses, Households R210,386 million (30%), Organs of State R181,310 million (26%) and Other R7,253 million (1%). Indicated in Table 12 is the monthly billing receipts per Debtor

Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - 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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		223,255	250,317	250,317	–	93,271	125,158	(31,887)	-25.5%	250,317
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		212,328	239,158	239,158	–	93,271	119,579	(26,308)	-22.0%	239,158
Expanded Public Works Programme Integrated Grant		3,362	3,959	3,959	–	–	1,979	(1,979)	-100.0%	3,959
Infrastructure Skills Development Grant		4,901	5,500	5,500	–	–	2,750	(2,750)	-100.0%	5,500
Local Government Financial Management Grant		1,650	1,700	1,700	–	–	850	(850)	-100.0%	1,700
Municipal Disaster Relief Grant	3	1,015	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		12,731	7,800	7,800	189	4,349	3,900	449	11.5%	7,800
Capacity Building and Other Grants		8,561	7,800	7,800	–	–	3,900	(3,900)	-100.0%	7,800
Infrastructure Grant		4,170	–	–	189	4,349	–	4,349	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Higher Education SA (HESA)		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	235,986	258,117	258,117	189	97,620	129,058	(31,439)	-24.4%	258,117
Capital Transfers and Grants										
National Government:		105,767	134,338	134,338	6,564	30,603	67,169	(36,566)	-54.4%	134,338
Energy Efficiency and Demand Side Management Grant		–	4,000	4,000	162	2,305	2,000	305	15.3%	4,000
Integrated National Electrification Programme Grant		35,458	40,000	40,000	–	2,716	20,000	(17,284)	-86.4%	40,000
Integrated Urban Development Grant		54,266	70,390	70,390	6,402	25,582	35,195	(9,613)	-27.3%	70,390
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		16,043	19,948	19,948	–	–	9,974	(9,974)	-100.0%	19,948
Provincial Government:		76,850	–	–	–	–	–	–	–	–
Infrastructure Grant		76,850	–	–	–	–	–	–	–	–
District Municipality:		3,500	–	–	–	–	–	–	–	–
Specify (Add grant description)		3,500	–	–	–	–	–	–	–	–
Other grant providers:		14,400	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
European Union		14,400	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	200,517	134,338	134,338	6,564	30,603	67,169	(36,566)	-54.4%	134,338
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	436,504	392,455	392,455	6,753	128,223	196,227	(68,004)	-34.7%	392,455

Table 13: Supporting Table SC6: Transfers and Grant Receipts

Operational grant monies received for the month under review.

Equitable share R72,324 million which was not allocated timeously but was subsequently allocated on 5 January 2023.

Capital grant monies received for the month under review.

IUDG – R14,078 million which was not allocated timeously but was subsequently allocated on 5 January 2023.

There are some mapping errors pertaining to operational and capital grants. This was brought under attention of our financial system vendor and the matter is being investigated to find a solution. Capital grants specifically is allocated to the Statement of Financial Position as receipts and is not mapped to

the C-schedule. However on a monthly basis journals are processed to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant 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											
<u>EXPENDITURE</u>											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			109,818	116,565	116,565	10,120	66,188	58,283	7,905	13.6%	116,565
Equitable Share			99,625	105,406	105,406	9,682	63,280	52,703	–	–	–
Expanded Public Works Programme Integrated Grant			3,362	3,959	3,959	–	3	1,980	(1,977)	-99.9%	3,959
Infrastructure Skills Development Grant			4,920	5,500	5,500	281	1,952	2,750	(798)	-29.0%	5,500
Local Government Financial Management Grant			1,650	1,700	1,700	157	954	850	104	12.2%	1,700
Municipal Disaster Relief Grant			261	–	–	–	–	–	–	–	–
Provincial Government:			8,275	7,800	9,411	98	558	4,303	(3,745)	-87.0%	9,411
Capacity Building and Other Grants			6,795	7,800	7,800	28	225	3,900	–	–	–
Infrastructure Grant			1,480	–	1,611	71	333	403	(3,675)	-94.2%	7,800
									(70)	-17.4%	1,611
District Municipality:			–	–	–	–	–	–	–	–	–
									–	–	–
Other grant providers:			–	–	–	–	–	–	–	–	–
									–	–	–
European Union			–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:			118,093	124,365	125,976	10,219	66,746	62,585	4,161	6.6%	125,976
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			95,428	134,338	134,338	6,985	31,024	67,169	(36,145)	-53.8%	134,338
Energy Efficiency and Demand Side Management Grant			–	4,000	4,000	188	2,331	2,000	331	16.5%	4,000
Integrated National Electrification Programme Grant			30,833	40,000	40,000	–	2,716	20,000	(17,284)	-86.4%	40,000
Integrated Urban Development Grant			48,552	70,390	70,390	6,797	25,978	35,195	(9,217)	-26.2%	70,390
Municipal Infrastructure Grant			–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant			–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant			–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant			16,043	19,948	19,948	–	–	9,974	(9,974)	-100.0%	19,948
Provincial Government:			–	–	–	–	–	–	–	–	–
									–	–	–
District Municipality:			3,500	–	–	–	–	–	–	–	–
Specify (Add grant description)			3,500	–	–	–	–	–	–	–	–
Other grant providers:			13,891	–	–	–	–	–	–	–	–
European Union			13,891	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants			112,818	134,338	134,338	6,985	31,024	67,169	(36,145)	-53.8%	134,338
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			230,912	258,703	260,314	17,204	97,771	129,754	(31,984)	-24.6%	260,314

Table 14: Supporting Table SC7(1): Transfers and grant expenditure

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is standing at R11,685 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted allocation for the EPWP is R3,959 million. In addition to this, the municipality budgeted R10,000 million for this programme. Management has been in a process of reviewing this programme.

Description	Original Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	-	2,715,883	16,141,370	6.8%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	6,797,369	25,977,959	23,870,378	36.9%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	-	-	538,915	0.0%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	187,963	2,330,618	-	58.3%
Grand Total	134,338,000	6,985,332	31,024,459	40,550,663	23.1%

Table 15: Summary of Expenditure per Grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R31,024 million or 23.1% spent against the Original capital grant allocation of R134,338 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low, as we are already at the end of the second quarter. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

The municipality submitted the rollover request on 31 August 2022. Indicated below is an extract of the feedback received from NT.

“Your request to roll over the unspent amount of R1.6 million into the 2022/23 financial year by your municipality is not approved in terms of 21(2) of the 2021 Division of Revenue Amendment Act, (Act No. 17 of 2021) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (R599 thousand) (ISDG) and the Integrated National Electrification Programme (R1 million) (INEP).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 115 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

The decision to reject your roll over request is based on the following reasons:

- In terms of the ISDG, no supporting documents submitted, i.e., a list of graduates benefiting from the program;
- The Department of Mineral Resources and Energy is not in support of the INEP rollover request because, the municipality advances INEP funds without obtaining prior approval from the department; and
- No reasons were provided as to why INEP was not fully spent during the year of original allocation.

Your municipality is reminded that the Municipal Council does not have the legal authority to decide on the use of Conditional Grant transfers from National Government outside of the legal framework set out in the annual Division of Revenue Act and its various gazettes.

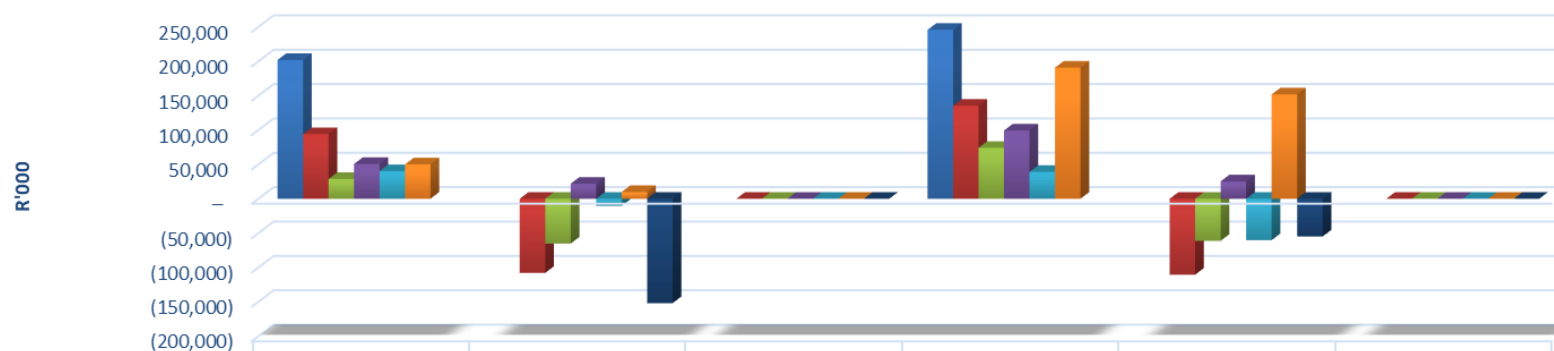
This process only covers the 2021 DoRA allocated amounts.”

Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 16 is not populated due to the fact that the rollover was declined.

Cash flows

Chart 4: Current investment deposits and Cash & cash equivalents at year-end



	Call investment deposits at year-end	Investments / Year-on-year R-Value Increase (Decrease)	Investments / Year-on-year % Increase/(Decrease)	Cash and cash equivalents at year-end	Cash and cash equivalents / Year-on-year R-Value Increase/(Decrease)	Cash and cash equivalents / Year-on-year % Increase/(Decrease)
30 June 2017	201,916			245,735		
30 June 2018	93,978	(107,938)	-53%	135,240	(110,495)	-45%
30 June 2019	28,701	(65,278)	-69%	74,019	(61,221)	-45%
30 June 2020	50,594	21,893	76%	99,307	25,287	34%
30 June 2021	40,099	(10,495)	-21%	39,010	(60,297)	-61%
30 June 2022	49,975	9,876	25%	190,783	151,773	389%
Total Increase (Decrease) - 2017 to 2022		(151,940)	-75%		(54,953)	-22%

Chart 9: Call Investment deposits and Cash & Cash Equivalents at year-end

Investments decreased by R107,938 million or 53% from 2017 to 2018. Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. Investments increased by R9,876 million or 25% from 2021 to 2022. From 2017 to 2022, the total investments decreased by R151,940 million. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries.

This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

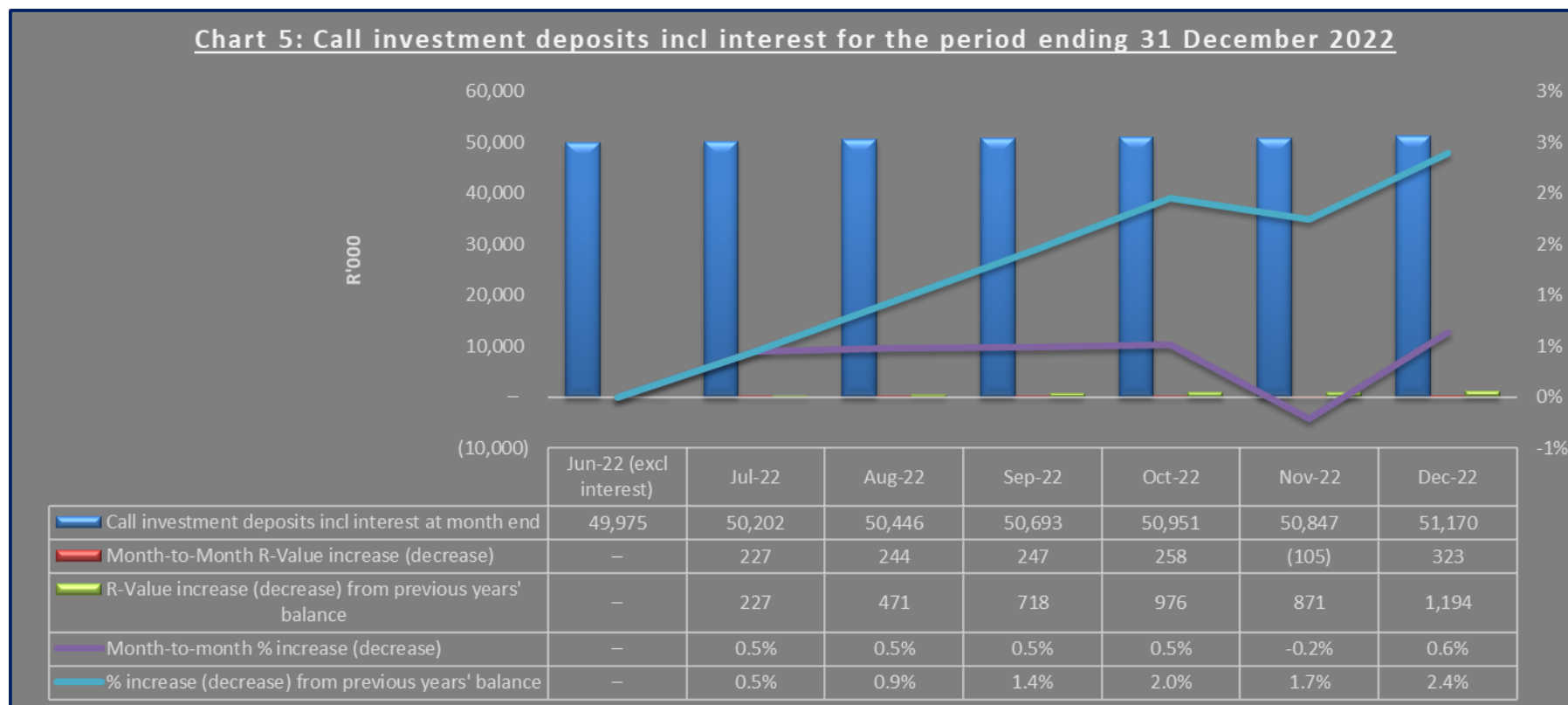


Chart 10: Call investments deposits at month-end

As indicated in the Chart 10 above from October to December 2022 investments incl interest increased by R323 thousand or 0.6%, in respect of the month-to-month comparison. Investments increased by R1,194 million or 2.4% when compared to the previous years' audited figure of R49,975 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure.

The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments.

The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

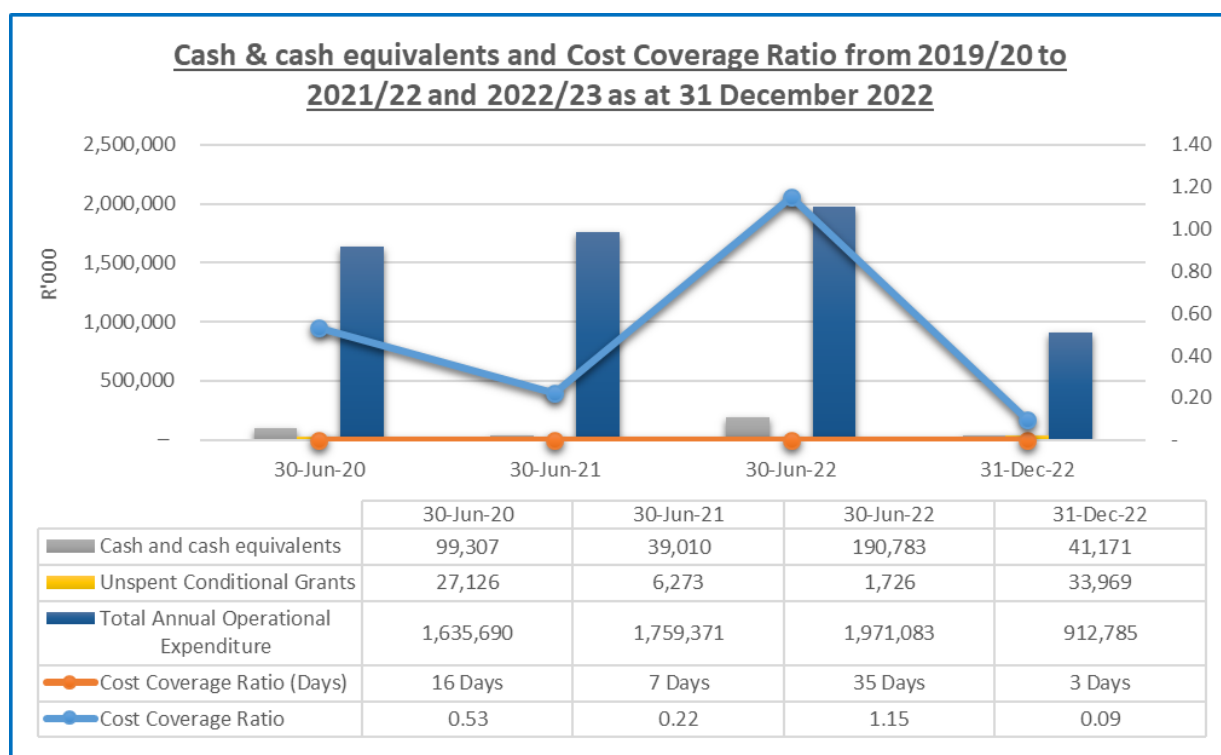


Chart 10:1 Cash & cash equivalents and Cost Coverage Ration

Indicated in Chart 10.1 above, is the Cost coverage ratio and the Cash and cash equivalents for 2019/20 (0.53 or 16 days; R99,307m) and 2020/21 (0.22 or 7 days; R39,010m). There was a marginal improvement for 2021/22 (1.15 or 35 days; R190,783m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The Cost coverage ratio as 31 December is currently less than one week, whilst the NT norm is 3 months. Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to ESKOM and DWS. The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. Therefore, the municipality must apply the Credit Control Policy diligently, consistently and fairly to ensure the credibility of the municipality. Generally, the payment culture of all consumers and stakeholders must improve. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

5. EXPENDITURE FRAMEWORK

Operating Expenditure By Type

Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	849,403	78,257	395,190	424,703	93.1%	(29,514)	-6.9%	46.5%	(29,512)	-3.5%
Remuneration of councillors	34,547	2,602	15,763	17,274	91.3%	(1,510)	-8.7%	45.6%	(1,510)	-4.4%
Debt impairment	297,000	-	148,504	148,500	100.0%	4	0.0%	50.0%	4	0.0%
Depreciation & asset impairment	81,050	-	-	40,525	0.0%	(40,525)	-100.0%	0.0%	(40,525)	-50.0%
Finance charges	38,960	10,749	23,820	19,480	122.3%	4,340	22.3%	61.1%	4,340	11.1%
Bulk purchases - electricity	682,000	(74,123)	207,037	341,000	60.7%	(133,963)	-39.3%	30.4%	(133,963)	-19.6%
Inventory consumed	236,627	18,978	149,742	118,319	126.6%	31,423	26.6%	63.3%	31,429	13.3%
Contracted services	46,437	(1,713)	9,669	23,219	41.6%	(13,550)	-58.4%	20.8%	(13,550)	-29.2%
Transfers and subsidies	4,460	144	2,446	2,230	109.7%	216	9.7%	54.8%	216	4.8%
Other expenditure	134,643	11,791	82,084	67,319	121.9%	14,766	21.9%	61.0%	14,763	11.0%
Losses	60,000	-	27,033	30,000	90.1%	(2,967)	-9.9%	45.1%	(2,967)	-4.9%
Total Expenditure	2,465,128	46,685	1,061,289	1,232,569	86.1%	(171,280)	-13.9%	43.1%	(171,275)	-6.9%

Table 17: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 17 above, as at 31 December 2022 current YTD expenditure shows an unsatisfactory variance of minus 13.9%. The YTD actual amounted to R1,061,289 million against the YTD Budget of R1,232,569 million.

- ❖ Employee related costs shows a satisfactory variance of minus 6.9%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a negative variance of minus 8.7%. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils will be issued later in the current financial year.
- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the first and second quarter was processed in November 2022.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Herewith the response from the Asset Management Unit, why Depreciation cannot be recognised at least quarterly "The Asset Management System currently do not interface with the Financial System and this make it difficult, to post the transactions for depreciation monthly or quarterly. We currently have to pass journals in the financial system to recognise depreciation in the general ledger. This is due to the fact that the systems do not interface. Once journals are passed for depreciation and changes needs to be done for depreciation due to asset processes like disposals or impairment recognition, we will have to pass new journals for the correction of depreciation. The Asset Management System can currently interface with the Financial System but requires authorization from the service provider of the Financial System. Asset Management is one of the core functions that will be dealt with by the re-established mSCOA Steering Committee."
- ❖ Finance charges is showing a negative variance of 22.3%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year was settled on 19 December 2022. The budgeted R12,000 million on Interest on overdue accounts for the ESKOM bulk account is fully spent, whilst the YTD actual interest charged amounts to R39,514 million.

Interest on overdue accounts will be adjusted upwards during the Adjustment budget. Corrections on the actuals pertaining to Interest paid on overdue accounts will be journalised on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.

- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of 39.3%. This is a result of the partial payment of R20,000 million that was made on 30 December 2022. The Payment Section used the invoice of July 2022 amounting to R103,353 million to effect the payment and erroneously reversed the balance of R74,220 million which is exclusive of VAT. This outstanding balance was re-captured and subsequently authorised on 3 January 2023. The invoice for November 2022 amounting to R59,087 was received late and subsequently authorised on 3 January 2023. These errors and delayed capturing resulted in an understatement of R126,523 million which directly contributes to the understatement of Bulk purchases – Electricity.
- ❖ Expenditure on Contracted services is lower than anticipated, pertaining to Prepaid Electricity Vendors which is 19.47% spent versus a budget of R29,500 million. The September 2022 invoice is unpaid due to a contractual matter that needs to be resolved between the municipality and the service provider. The December 2022 invoice will be settled during January 2023. The municipality awarded the contract to the same prepaid vendor but the new award is based on a significantly lower commission which will result in major savings on this line item. For example the monthly average budgeted cost of R2,4 million reduced to an average of R450 thousand excluding VAT. The budget will be adjusted downwards during the Adjustment budget.
- ❖ Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water:Input Vol: Bulk Purchases and then journalized to the Income Statement and is simultaneously split between Water Inventory and Water losses. This journal for July to October 2022 was processed timeously, whilst the November and December 2022 actuals will be finalised during January 2023. It should be noted that the municipality is awaiting the December 2022 invoice from DWS.
- ❖ Transfers and subsidies show a satisfactory variance of 9.7%. The grant funding of R2,300 due to the SPCA was released on 12 December 2022. Other grants also show minimal movement due to cash flow constraints.
- ❖ The expenditure on Inventory consumed is showing a negative variance of 26.6%. Water, Roads and Sewerage maintenance budget is under severe strain. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and also that funds will be fully spent at year-end.
- ❖ Other expenditure is showing an unsatisfactory variance of 21.9% as a result of the following line items under Operational Cost (OC)
 - Cost incurred of R19,817 million on OC: Cash Discount which is currently reflecting as an expense with a zero budget, but this cost will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually per Revenue source excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.
 - OC: Ext Com Serv Prov - S/Ware Licences is also overspent as a result of annual software licence fees. This expense line item is 73.34% spent versus a budget of R5,419 million.
 - OC: Professional Bodies M/Ship & Subs is 95% spent as a result of the annual membership fees paid to SALGA amounting to R8,197 million.
 - OC: Uniform & Protective Clothing is 68.16% spent, attributable to a material increase in the cost of uniforms, whilst sections also required more uniform and protective clothing. This line item will be reviewed per section during the Adjustment budget.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 17 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of December 2022 is 50.00%.

The total operational expenditure against the Original Budget is 43.1% spent, resulting in a satisfactory variance of minus 6.9%. Employee costs and Councillors remuneration is satisfactory.

- ❖ Debt impairment will be provided for on a quarterly basis and the journal for the first and second quarter was processed during November 2022.
- ❖ Depreciation will be provided for at year-end. Same factors are applicable as explained above.
- ❖ Finance charges is showing an unsatisfactory variance of 11.1%. Same factors are applicable as explained above.
- ❖ Bulk Electricity is showing a negative variance of minus 19.6%. Same factors are applicable as explained above.
- ❖ Inventory consumed is showing an negative variance of 13.3%. Same factors are applicable as explained above
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is satisfactory. The same factors are applicable as explained in the paragraph above.
- ❖ Other expenditure is showing an negative variance of 11%. Same factors are applicable as explained above
- ❖ Loss on disposal of PPE (Water losses), however a corrective journal must be passed for the actuals for November and December 2022.

Chart 2: Expenditure by Type : YTD Actual as a % of Total Expenditure as at 31 December 2022 (R'000)

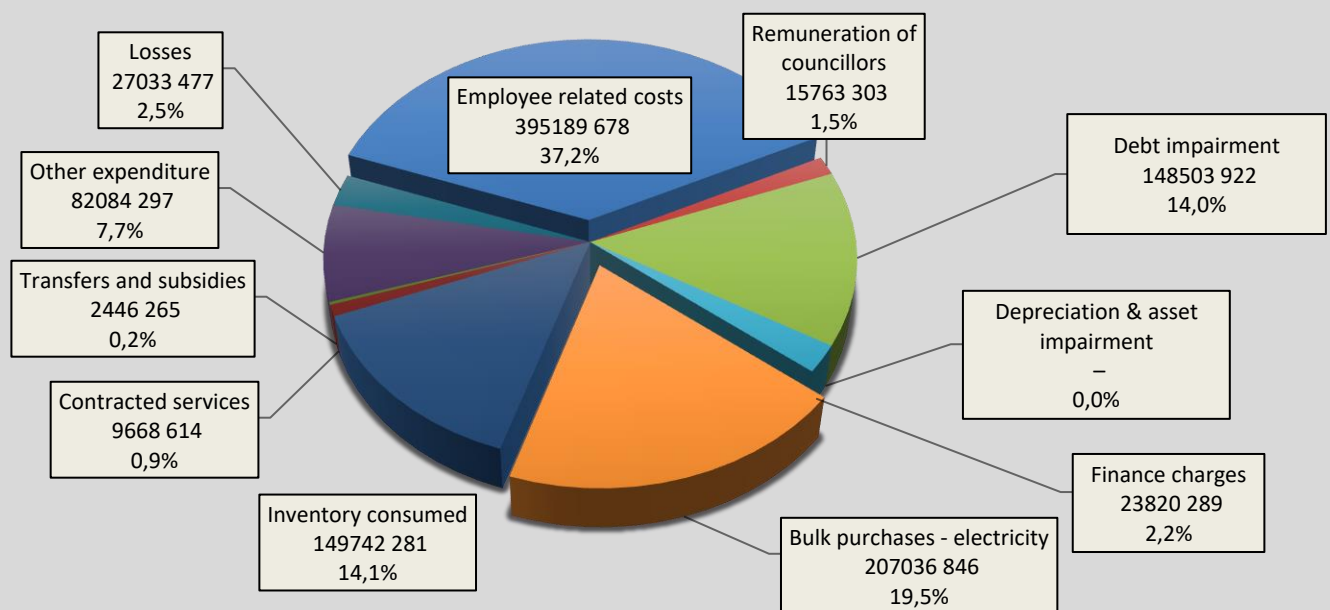


Chart 11: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 11 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 December 2022. The main cost drivers of

the municipality are Employee Related Costs, Debt Impairment and Bulk Purchases – Electricity. It should be noted that these percentages are slightly distorted as a result of the following:

- ❖ The Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ Finance charges is paid bi-annually. Interest on overdue account needs to be corrected.
- ❖ Understatement of Bulk purchases: Electricity as per the explanatory note above.
- ❖ Outstanding recognition of Water inventory and Water losses in the Statement of Financial Performance for November and December 2022.

Expenditure By Vote

The vote structure of the municipality is represented by various directorates. Expenditure for the quarter ended 31 December 2022 is represented as per the table below:

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote 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 Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		480,231	470,256	470,256	15,271	171,773	235,128	(63,354)	-26.9%	470,256
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,869	6,873	6,873	5	246	3,436	(3,191)	-92.9%	6,873
Vote 05 - Community Services		106,478	101,913	101,913	8,622	54,462	50,957	3,506	6.9%	101,913
Vote 06 - Financial Services		610,429	648,238	648,238	49,130	385,013	324,119	60,894	18.8%	648,238
Vote 07 - Strategy Econ Development And Planning		17,626	7,945	7,945	342	6,476	3,972	2,504	63.0%	7,945
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,386,322	98,451	612,059	693,161	(81,101)	-11.7%	1,386,322
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,378,815	2,621,547	2,621,547	171,821	1,230,030	1,310,773	(80,744)	-6.2%	2,621,547
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	4,796	29,353	29,458	(104)	-0.4%	58,915
Vote 02 - Municipal And General		309,950	357,885	357,885	10,970	159,612	178,943	(19,331)	-10.8%	357,885
Vote 03 - Municipal Manager		20,618	23,528	23,528	30	9,912	11,764	(1,852)	-15.7%	23,528
Vote 04 - Corporate Services		64,274	74,419	74,419	6,618	35,181	37,210	(2,029)	-5.5%	74,419
Vote 05 - Community Services		286,713	297,675	297,675	28,488	149,239	148,839	400	0.3%	297,675
Vote 06 - Financial Services		126,129	157,404	157,404	11,488	65,869	78,703	(12,834)	-16.3%	157,404
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	61,468	6,202	29,645	30,734	(1,090)	-3.5%	61,468
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,433,833	(21,907)	582,478	716,918	(134,440)	-18.8%	1,433,833
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,314,658	2,465,128	2,465,128	46,685	1,061,289	1,232,569	(171,280)	-13.9%	2,465,128
Surplus/ (Deficit) for the year	2	64,157	156,419	156,419	125,136	168,741	78,205	90,536	115.8%	156,419

Table 18: Table C3 Monthly budget statement - Financial Performance (Expenditure by Vote)

Councillor and Board Member Allowances and Employee Benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	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										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages								–		
Pension and UIF Contributions		496	–	–	64	423	–	423	#DIV/0!	–
Medical Aid Contributions		267	–	–	32	184	–	184	#DIV/0!	–
Motor Vehicle Allowance								–		
Cellphone Allowance		2,845	3,243	3,243	217	1,324	1,621	(298)	-18%	3,243
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		27,129	31,305	31,305	2,289	13,832	15,652	(1,820)	-12%	31,305
Sub Total - Councillors		30,737	34,547	34,547	2,602	15,763	17,274	(1,510)	-9%	34,547
% increase	4		12.4%	12.4%						12.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		8,265	8,853	8,853	408	3,287	4,426	(1,140)	-26%	8,853
Pension and UIF Contributions		1,068	1,209	1,209	75	522	604	(82)	-14%	1,209
Medical Aid Contributions		222	253	253	17	120	127	(6)	-5%	253
Overtime								–		
Performance Bonus								–		
Motor Vehicle Allowance		1,849	1,939	1,939	109	815	969	(154)	-16%	1,939
Cellphone Allowance		157	202	202	8	64	101	(36)	-36%	202
Housing Allowances		26	42	42	2	12	21	(9)	-42%	42
Other benefits and allowances		17	77	77	2	10	39	(29)	-75%	77
Payments in lieu of leave								–		
Long service awards		67	65	65	4	38	32	5	16%	65
Post-retirement benefit obligations								–		
Sub Total - Senior Managers of Municipality		11,671	12,640	12,640	625	4,869	6,320	(1,451)	-23%	12,640
% increase	4		8.3%	8.3%						8.3%
Other Municipal Staff										
Basic Salaries and Wages		417,872	464,246	461,599	36,893	217,910	231,074	(13,164)	-6%	461,599
Pension and UIF Contributions		64,301	77,509	77,509	5,588	33,379	38,755	(5,376)	-14%	77,509
Medical Aid Contributions		49,309	58,279	58,279	4,467	29,723	29,140	583	2%	58,279
Overtime		52,688	39,796	39,796	6,131	30,766	19,898	10,868	55%	39,796
Performance Bonus		28,946	36,221	36,221	14,578	20,500	18,111	2,389	13%	36,221
Motor Vehicle Allowance		42,071	51,296	51,296	3,652	20,914	25,648	(4,734)	-18%	51,296
Cellphone Allowance		1,401	1,415	1,415	172	740	707	32	5%	1,415
Housing Allowances		2,636	2,895	2,895	224	1,383	1,448	(65)	-4%	2,895
Other benefits and allowances		30,433	28,018	30,664	2,652	15,803	15,058	744	5%	30,664
Payments in lieu of leave		10,507	15,000	15,000	869	5,829	7,500	(1,671)	-22%	15,000
Long service awards		24,418	23,189	23,189	2,405	13,376	11,595	1,781	15%	23,189
Post-retirement benefit obligations		36,522	38,900	38,900	–	–	19,450	(19,450)	-100%	38,900
Sub Total - Other Municipal Staff		761,106	836,763	836,763	77,632	390,321	418,383	(28,062)	-7%	836,763
% increase	4		9.9%	9.9%						9.9%
Total Parent Municipality		803,514	883,950	883,950	80,858	410,953	441,977	(31,024)	-7%	883,950

Table 19: Supporting Table SC8 : Councillor and Staff Benefits

As depicted in Table 19 above, Employee related costs is satisfactory and showing a variance of minus 7%. This is attributable to Post-retirement benefit obligations that will be finalized as part of the year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Councillors Remuneration is showing a negative variance of minus 9% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils will be issued later in the current financial year.

Management started to address the issues on Overtime which is higher than the ideal IYM percentage of 50%, at 81.8% spent. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime.

The Overtime controls is no longer as effective and the desired outcome to remain within budget, was not achieved for 2021/22 financial year.

he same trend will transpire for the current year, unless more stringent control measures are put in place. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours are limited to 30 hours per month within most departments. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 20 below, is the YTD Overtime expenditure excluding Night-shift allowance per line item and also per Directorate as at end of December 2022.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	% Variance (Favourable) Unfavourable Ideal IYM % - 50.00%
MS: OVERTIME - NON STRUCTURED	22,392,000	4,619,628	23,601,464	105.4%	55.4%
MS: OVERTIME - STRUCTURED	8,976,841	715,825	2,070,729	23.1%	-26.9%
Overtime as at 31 December 2022	31,368,841	5,335,453	25,672,193	81.8%	31.8%

Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	% Variance (Favourable) Unfavourable Ideal IYM % - 50.00%
20-EXECUTIVE AND COUNCIL	175,000	97,605	325,645	186.1%	136.1%
21-MUNICIPAL AND GENERAL	-	-	-	-	
22-MUNICIPAL MANAGER	-	11,751	13,683	-	
23-CORPORATE SERVICES	1,650,000	178,219	1,073,976	65.1%	15.1%
24-COMMUNITY SERVICES	13,167,441	2,079,380	8,379,860	63.6%	13.6%
26-FINANCIAL SERVICES	459,000	173,533	1,166,712	254.2%	204.2%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	330,000	135,986	674,726	204.5%	154.5%
28-INFRASTRUCTURE SERVICES	15,587,400	2,658,978	14,037,592	90.1%	40.1%
Overtime as at 31 December 2022	31,368,841	5,335,453	25,672,193	81.8%	31.8%

Table 20: Current YTD Overtime expenditure excl Night Shift Allowance

Overtime has been capped at 30 hours across most units within the municipality. The YTD Overtime expenditure is R25,672 million and 81.8% spent, resulting in a negative variance of 31.8%, when compared to the ideal percentage of 50% for the period under review.

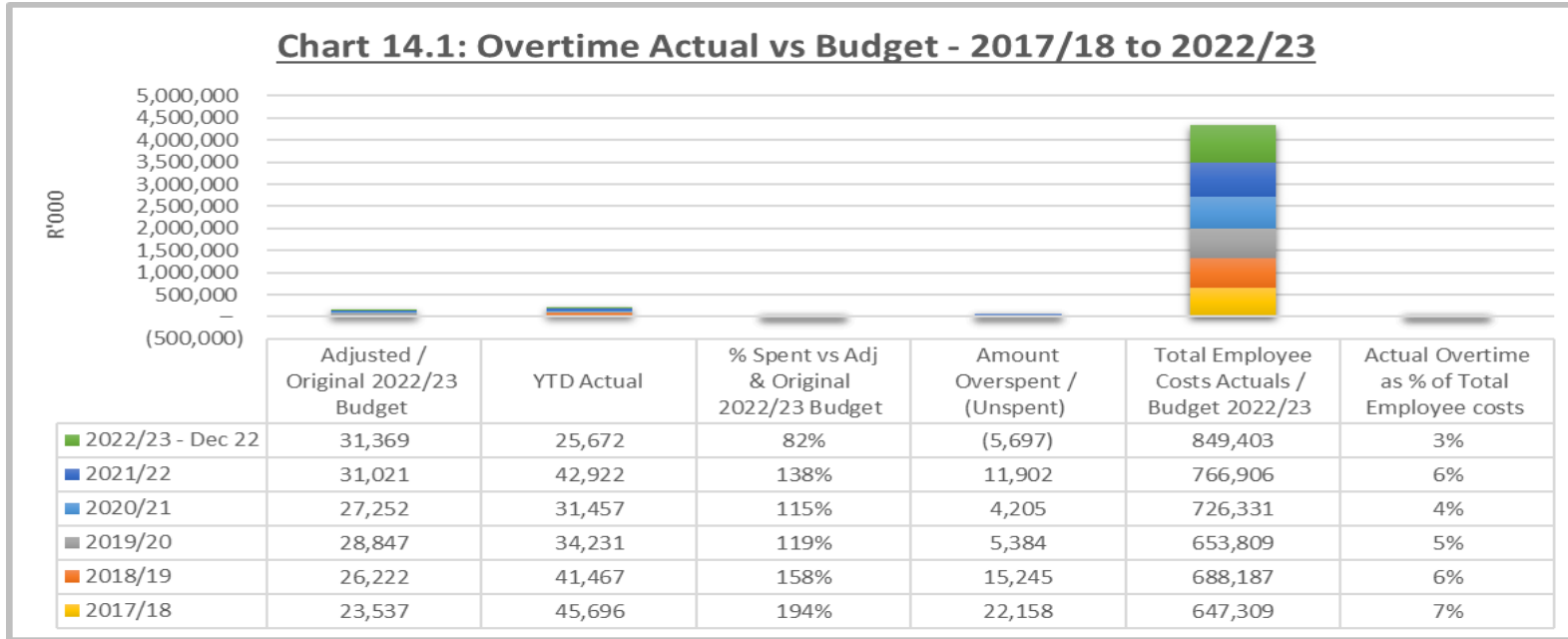


Chart 12.1: Overtime Actual vs Budget

Chart 14.2: Monthly and Annual Overtime Comparison - Jul 2018 to Dec 2022

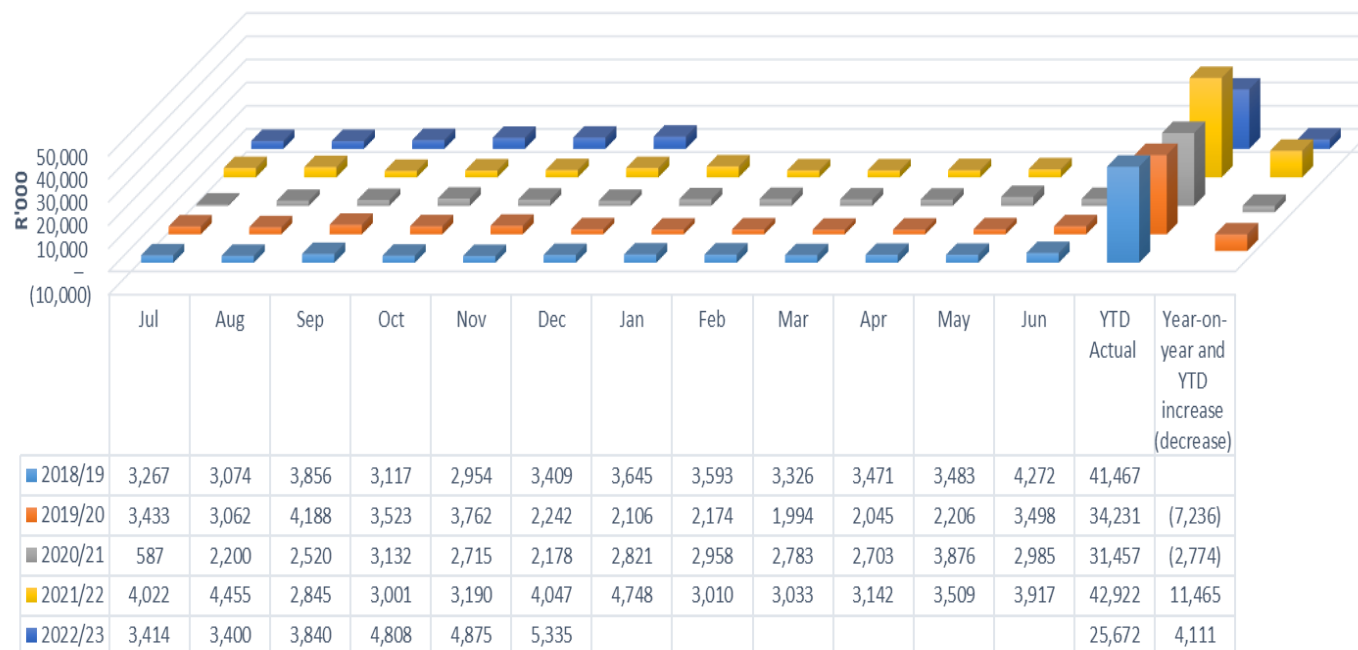


Chart 12.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible.
- Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is actually consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative in order to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies
- Approval of Overtime prior to it being incurred
- Inability to manage overtime proactively
- To remain within the budgeted Overtime
- Curbing / Limiting / Curtailing expenditure on Overtime
- Monitoring expenditure on Overtime
- Utilizing the available workforce optimally
- Unduly compromising or hampering service delivery, which basically means that work that could have been done during normal hours is deliberately delayed so that work can be finalized after hours
- Implementing an alternative method of compensation
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance
- Ensuring and enhancing the lifespan of Property, plant and equipment
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system
- Difficult to track departmental overtime on more than a monthly or even quarterly basis, by then it's too late to take meaningful action to minimize overtime costs

Bulk Purchases: Electricity, Water inventory and Water losses

Indicated in Table 21.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 50.00% as at end of December 2022, Bulk Purchases Electricity is showing a unsatisfactory variance of minus 19.64%. This is as a result of the partial payment of R20,000 million that was made on 30 December 2022. The Payment section used the invoice of July 2022 amounting to R103,353 million to effect the payment and erroneously reversed the balance of R74,220 million which is exclusive of VAT. This outstanding balance was re-captured and subsequently authorised on 3 January 2023. The invoice for November 2022 amounting to R59,087 was received late and subsequently authorised on 3 January 2023. These errors and delayed capturing resulted in an understatement of R126,523 million which directly contributes to the understatement of Bulk purchases – Electricity.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
BULK PURCHASES: ELECTRICITY	682,000,000	-74,122,923	207,036,846	30.36%	-19.64%
Total	682,000,000	-74,122,923	207,036,846	30.36%	-19.64%

Table 21.1: Summary of YTD Bulk Electricity Expenditure

❖ Indicated in Table 21.2 below, is the Water inventory and Water losses which is showing a satisfactory variance of 5.1% when compared to the ideal percentage of 50.00%. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal was done for July to October 2022. A corrective journal will be passed during January 2023 for the actuals of November and December 2022.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
INVENTORY - WATER	60,000,000	-	26,943,522	44.9%	-5.1%
NON-REVENUE WATER LOSSES	60,000,000	-	26,943,522	44.9%	-5.1%
Total	120,000,000	-	53,887,043	44.9%	-5.1%

Table 21.2: Summary of YTD Bulk Water Expenditure

Organ of state	Arrear debt of unpaid invoices	Current Account due (Dec 2022)	Total Outstanding Debt	YTD Interest charged 2022/23
ESKOM	668,250,042.08	58,648,907.34	726,898,949.42	39,513,591.92
DWS (Water boards)	142,832,170.35	11,036,330.96	153,868,501.31	-
Grand Total	811,082,212.43	69,685,238.30	880,767,450.73	39,513,591.92

Table 22.1: Summary of Outstanding Bulk Costs Debt

Indicated in Table 22.1 above, is the total outstanding debt owed to ESKOM amounting to R726,899 million. The debt for 2021/22 has not been settled in full.

The municipality is in the process of concluding a payment arrangement for 2022/23 financial year. The current arrangement with ESKOM is that the municipality will at least settle the current account on a monthly basis, whilst the repayment proposal by the municipality must still be approved by ESKOM.

The municipality did not have sufficient cash available to settle the November 2022 invoice amounting to R59,087 million in full but managed to settle a partial payment of R20,000 million. The total year to date interest charged on overdue accounts due to ESKOM amounts to R39,514 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

Also, indicated in Table 22.1 above, is the total outstanding debt owed to DWS which amounts to R153,869 million. There are still outstanding invoices for 2021/22 financial year. The municipality opted to partake in the Department's Debt Incentive Scheme which constitutes of the following conditions:

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but defaulted for December 2022)
- Settling the monthly debt instalment (municipality complied)
- Repayment of debt over 12 months (municipality requested 24-month repayment period)

Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the current financial year. The repayment proposal was submitted to the Department for approval. The municipality is still awaiting feedback in this regard.

For December 2022, the municipality could not settle the current account in full but managed to pay R7,836 million on the final outstanding balance of the July 2022 invoice which is inclusive of the R5.9 million debt repayment instalment.

Month	Outstanding Balance	Arrear Debt	Current Acc
Oct-21	51,027,860.62	51,027,860.62	
Nov-21	50,812,779.51	50,812,779.51	
Dec-21	51,379,198.31	51,379,198.31	
Jan-22	53,401,058.31	53,401,058.31	
Feb-22	51,445,498.50	51,445,498.50	
Mar-22	54,651,968.15	54,651,968.15	
Apr-22	51,834,528.52	51,834,528.52	
May-22	57,826,269.53	57,826,269.53	
Jun-22	101,431,456.54	101,431,456.54	
Jul-22	85,352,701.86	85,352,701.86	
Nov-22	59,086,722.23	59,086,722.23	
Dec-22	58,648,907.34		58,648,907.34
Total ESKOM	726,898,949.42	668,250,042.08	58,648,907.34

Table 22.2: Summary of Outstanding ESKOM debt

Indicated in Table 22.2 above, is the detailed breakdown of outstanding balances per invoice, amounting to R726,899 million. The outstanding balance is then split into the arrear debt (R668,250 million) and the current account (R58,649 million).

Payments per fin period	Sum of VOTE AMOUNT	Payment date	Sum of VOTE AMOUNT
202108	18,165,402.07	20210811	6,000,000.00
202109	24,000,000.00	20210818	6,000,000.00
202110	21,954,439.94	20210825	4,000,000.00
202111	20,000,000.00	20210827	2,165,402.07
202112	30,000,000.00	20210907	6,000,000.00
202201	29,986,502.54	20210915	6,000,000.00
202202	19,000,000.00	20210916	6,000,000.00
202203	20,000,000.00	20210920	6,000,000.00
202204	30,000,000.00	20211005	6,000,000.00
202205	50,000,000.00	20211012	6,000,000.00
202206	53,019,940.09	20211019	9,954,439.94
202208	79,537,674.82	20211108	10,000,000.00
202209	109,064,695.35	20211115	10,000,000.00
202210	58,357,071.08	20211208	30,000,000.00
202211	59,750,383.02	20220104	83,198.46
202212	20,000,000.00	20220118	29,903,304.08
Grand Total	642,836,108.91	20220225	19,000,000.00
		20220316	20,000,000.00
		20220413	30,000,000.00
		20220512	20,000,000.00
		20220531	30,000,000.00
		20220713	53,019,940.09
		20220815	40,000,000.00
		20220824	39,537,674.82
		20220919	109,064,695.35
		20221028	58,357,071.08
		20221130	59,750,383.02
		20221230	20,000,000.00
		Grand Total	642,836,108.91

Table 22.3: Summary of ESKOM payments

Indicated in Table 22.3 above, is the total amount paid to ESKOM per financial period and per payment date for the 2021/22 and 2022/23 financial year which amounted to R642,836 million. For the month of December 2022, the municipality could only settle R20,000 million of the current account for November 2022, amounting to R59,750 million.

Month	Outstanding Balance	Arrear Debt	Current Acc
INTEREST CHARGES - APR TO JUL	6,191,399.16	6,191,399.16	
AUG 2021 BULK ACCOUNT	15,074,754.70	15,074,754.70	
SEP 2021 BULK ACCOUNT	15,794,682.80	15,794,682.80	
OCT 2021 BULK ACCOUNT	15,275,086.61	15,275,086.61	
NOV 2021 BULK ACCOUNT	14,522,530.48	14,522,530.48	
DEC 2021 BULK ACCOUNT	11,107,773.22	11,107,773.22	
JAN 2022 BULK ACCOUNT	17,098,078.18	17,098,078.18	
FEB 2022 BULK ACCOUNT	16,436,776.66	16,436,776.66	
MAR 2022 BULK ACCOUNT	14,930,212.48	14,930,212.48	
NOV 2022 BULK ACCOUNT	16,318,404.82	16,318,404.82	
DEC 2022 BULK ACCOUNT	10,953,859.72		10,953,859.72
WRM LEVIES NOV 2022	82,471.24	82,471.24	
WRM LEVIES DEC 2022	82,471.24		82,471.24
Total DWS	153,868,501.31	142,832,170.35	11,036,330.96

Table 22.4: Summary of Outstanding DWS debt

Indicated in Table 22.4 above, is the detailed breakdown of outstanding balances per invoice amounting to R153,869 million. The outstanding balance is then split into the the arrear debt (R142,832 million) and the current account (R11,036 million). It should be noted that the total debt due to DWS must be concurred with the Department.

		Payment date	Sum of VOTE AMOUNT
		20210811	4,000,000.00
		20210817	2,000,000.00
		20210825	1,000,000.00
		20210831	589,628.61
		20210908	4,000,000.00
		20210915	2,000,000.00
		20210916	2,082,471.24
		20210920	2,000,000.00
		20211020	5,726,867.12
		20211022	82,471.24
		20211108	8,000,000.00
		20211116	8,732,805.33
		20211202	82,471.24
		20211230	82,471.24
		20220203	627,775.68
		20220225	164,942.48
		20220301	4,000,000.00
		20220311	1,937,789.26
		20220316	7,500,000.00
		20220413	6,645,945.63
		20220425	164,942.48
		20220601	4,173,087.07
		20220614	1,788,876.63
		20220714	82,471.24
		20220728	1,388,435.69
		20220802	863,336.64
		20220816	38,036,976.25
		20220901	82,471.24
		20220920	82,471.24
		20221021	82,471.24
		20221031	33,769,424.62
		20221111	82,471.24
		20221124	20,859,449.92
		20221229	7,835,604.54
Payments per fin period	Sum of VOTE AMOUNT	Grand Total	170,548,129.11
202108	7,589,628.61		
202109	10,082,471.24		
202110	5,809,338.36		
202111	16,732,805.33		
202112	164,942.48		
202202	792,718.16		
202203	13,437,789.26		
202204	6,810,888.11		
202205	3,637,789.26		
202206	4,658,418.01		
202208	38,036,976.25		
202209	164,942.48		
202210	33,851,895.86		
202211	20,941,921.16		
202212	7,835,604.54		

Table 22.5: Summary of DWS Payments

Indicated in Table 22.5 above, is the total amount paid to DWS per financial period and per payment date for the 2021/22 and 2022/23 financial year amounting to R170,548 million. For the month of December 2022, the municipality settled an amount of R7,836 million on the final outstanding balance of the July 2022 invoice which is inclusive of the debt repayment instalment of R5.9 million. The municipality did not have sufficient cash available to settle the November 2022 account.

Monthly and YTD comparison of debt owed to Eskom and DWS

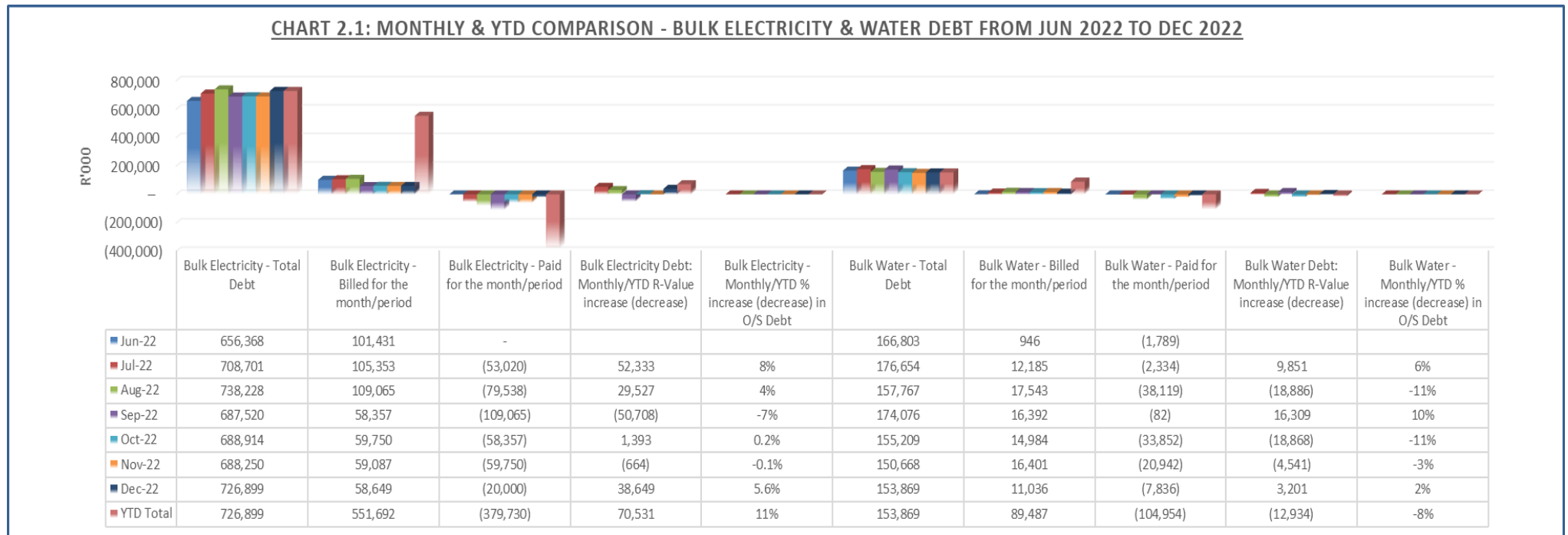


Chart 14: Monthly & YTD Comparison – Bulk Electricity & Water Debt

Indicated in Chart 14, is the monthly and YTD comparison of Bulk electricity and Water debt. From November to December 2022, debt owed to ESKOM increased by R38,649 million or 5.6%, from R688,250 million to R726,899 million. When comparing the total outstanding debt to June 2022, the outstanding debt increased by R70,531 million or 11% from R656,368 million to R726,899 million. The total YTD billing from June to December 2022, amounts to R551,692 million, whilst the municipality settled an amount of R379,730 million for the same period.

From November to December 2022, debt owed to DWS increased by R3,201 million or 2%, from R150,668 million to R153,869 million. When comparing the total outstanding debt to June 2022, the outstanding debt decreased by R12,934 million or 8% from R166,803 million to R153,869 million. The total YTD billing from June to December 2022, amounts to R89,487 million, whilst the municipality settled an amount of R104,954 million for the same period.

Aged Creditors

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Revised 2021 Budget - Supporting Table 2021 Monthly Budget Statement - Aged Creditors - 11/05/2020/21											
Description	NT Code	Budget Year 2022/23									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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	58,649	59,087	-	-	-	85,353	370,591	153,220	726,899	434,764
Bulk Water	0200	11,036	16,401	-	-	-	-	54,656	71,775	153,869	102,389
PAYE deductions	0300	10,885	-	-	-	-	-	-	-	10,885	11,815
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	7,824	-	-	-	-	-	-	-	7,824	7,426
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2,206	28	-	-	-	-	-	-	2,234	9,419
Auditor General	0800	-	-	-	-	-	-	-	-	-	777
Other	0900	16,562	-	-	4,599	749	1,122	-	-	23,032	2,799
Total By Customer Type	1000	107,161	75,516	-	4,599	749	86,474	425,247	224,995	924,742	569,389

Table 23: Support Table S4: Aged Creditors

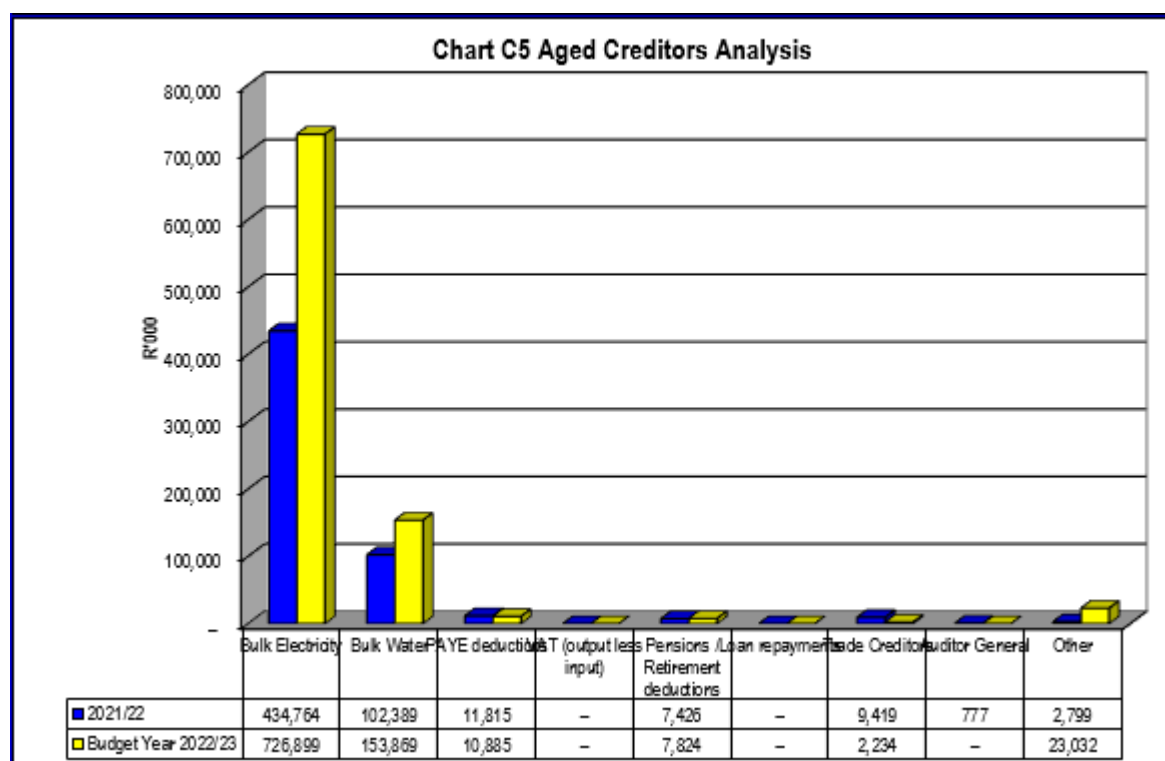


Chart 15: Aged Creditors Analysis

It should be noted that comparative figure for 2021/22 is based on the outstanding creditors as at 31 October 2021 (prior year totals for the same period).

It should be noted that comparative figure for 2021/22 is based on the outstanding creditors as at 31 December 2021 (prior year totals for the same period).

Bulk Electricity – As at the 31 December 2022, the outstanding debt owed to ESKOM amounted to R726,899 million. The municipality is in the process to conclude a payment agreement with ESKOM for the 2022/23 financial year.

Bulk Water – As at the 31 December 2022, the outstanding debt owed to DWS is R153,869 million. The municipality is in the process to conclude a payment agreement with DWS for the 2022/23 financial year and is participating in the Incentive scheme that the Department is providing to municipalities.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before seventh of the new month.

VAT – after the monthly VAT reconciliation, we claimed an amount of R1,487 million from SARS.

Trade creditors are all suppliers registered on the municipality's database and it is a prerequisite for these suppliers to be registered on the Central Supplier Database (CSD).

Auditor General – the current account due to the AGSA was not yet received by the reporting date.

Other creditors – includes Sundry creditors which were unpaid as at 31 December 2022 of which the biggest contributor is third party salary payments amounting to R16,028 million which was paid by 7 January 2023.

Repairs And Maintenance

Repairs and maintenance enables the municipality to deliver much needed services to the people. Infrastructure requires continuous maintenance to perform.

The report below gives further breakdown of maintenance budget as allocated to various votes and the spending to date. Maintenance expenditure varies year on year as it is influenced by various factors such as seasons, temperatures and unforeseen circumstances that happens randomly such as aged network resulting in network failures.

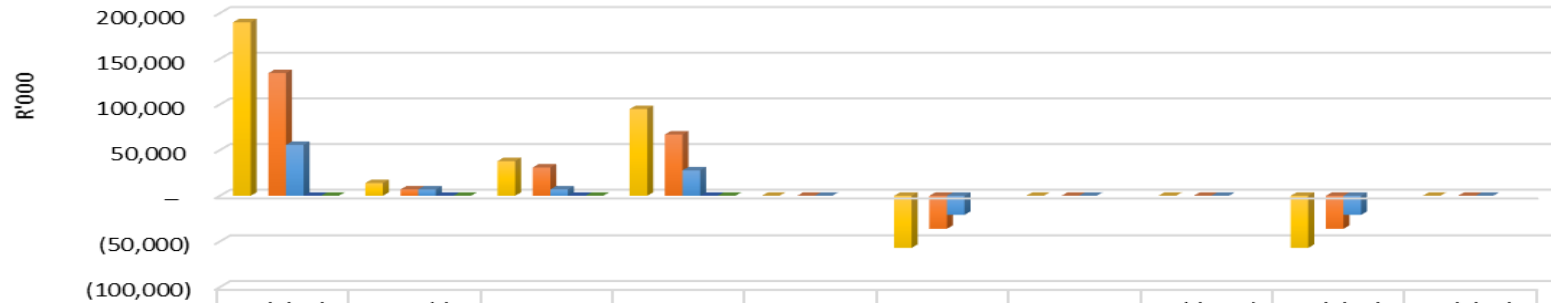
Row Labels	Sum of Original Budget	Sum of Prelim Adjustment Budget	Sum of YTD Movement	% Spent Original Budget	% Spent Prelim Adj Budget
VOTE 1 - COUNCILLORS AND ADMIN	286 000	286 000	52 168	18%	18%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	118 000	117 000	33 852	29%	29%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2 000	2 000	-	0%	0%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	166 000	167 000	18 317	11%	11%
VOTE 2 - MUNICIPAL AND GENERAL	29 029 000	29 029 000	23 206 975	80%	80%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	670 000	520 000	367 413	55%	71%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	-	-	-		
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	200 000	200 000	153 165	77%	77%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	28 159 000	28 309 000	22 686 397	81%	80%
VOTE 3 - MUNICIPAL MANAGER	150 000	150 000	35 654	24%	24%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	122 000	125 000	35 654	29%	29%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	28 000	25 000	-	0%	0%
VOTE 4 - CORPORATE SERVICES	2 665 730	2 680 730	909 141	34%	34%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	916 000	936 000	474 965	52%	51%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	250 000	250 000	95 386	38%	38%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	340 730	340 730	225 967	66%	66%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	1 159 000	1 154 000	112 824	10%	10%
VOTE 5 - COMMUNITY SERVICES	33 332 000	33 332 000	12 919 175	39%	39%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1 003 900	996 900	369 541	37%	37%
2320602 (INV-CONSUMABLE-SR/FIRST AID)	53 700	53 700	1 739	3%	3%
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	194 000	194 000	135 879	70%	70%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	956 000	966 000	532 990	56%	55%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6 100 000	6 107 000	4 151 329	68%	68%
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	1 194 400	1 194 400	134 728	11%	11%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23 830 000	23 820 000	7 592 970	32%	32%
VOTE 6 - FINANCIAL SERVICES	2 487 000	2 487 000	1 278 426	51%	51%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1 295 000	1 290 000	520 804	40%	40%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	145 000	150 000	58 118	40%	39%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	165 000	165 000	92 582	56%	56%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	882 000	882 000	606 922	69%	69%
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6 517 000	6 517 000	2 906 025	45%	45%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	465 000	466 000	157 767	34%	34%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	73 000	74 000	37 974	52%	51%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	345 000	345 000	168 492	49%	49%
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8 000	8 000	5 352	67%	67%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5 626 000	5 624 000	2 536 441	45%	45%
VOTE 8 - INFRASTRUCTURE SERVICES	162 160 249	162 160 249	108 434 717	67%	67%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	836 000	831 000	144 554	17%	17%
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2 000	2 000	-	0%	0%
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	9 180 000	9 180 000	6 966 861	76%	76%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	763 000	763 000	434 493	57%	57%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	5 850 000	5 635 000	4 116 083	70%	73%
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	263 000	483 000	415 374	158%	86%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	85 266 249	85 266 249	69 413 830	81%	81%
2326600 (INVENTORY - WATER)	60 000 000	60 000 000	26 943 522	45%	45%
Grand Total	236 626 979	236 641 979	149 742 281	63%	63%

6. CAPITAL PROGRAMME PERFORMANCE

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - December 2022										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	190,043	13,922	37,995	95,022	40.0%	(57,026)	-60.0%	20.0%	(57,026)	-30.0%
Funded by										
Capital transfers recognised	134,338	6,985	31,024	67,169	46.2%	(36,145)	-53.8%	23.1%	(36,145)	-26.9%
Internally generated funds	55,705	6,937	6,971	27,853	25.0%	(20,882)	-75.0%	12.5%	(20,882)	-37.5%
Weighting Capital transfer recognised	70.7%	50.2%	81.7%	70.7%						
Weighting Internally generated funds	29.3%	49.8%	18.3%	29.3%						

Table 24: High level summary: Capital Expenditure

Chart 3: Total Capital Expenditure as at 31 December 2022



	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
■ Capital expenditure	190,043	13,922	37,995	95,022	40.0%	(57,026)	-60.0%	20.0%	(57,026)	-30.0%
■ Funded by										
■ Capital transfers recognised	134,338	6,985	31,024	67,169	46.2%	(36,145)	-53.8%	23.1%	(36,145)	-26.9%
■ Internally generated funds	55,705	6,937	6,971	27,853	25.0%	(20,882)	-75.0%	12.5%	(20,882)	-37.5%
■ Weighting Capital transfer recognised	70.7%	50.2%	81.7%	70.7%						
■ Weighting Internally generated funds	29.3%	49.8%	18.3%	29.3%						

Chart 16: Total Capital expenditure

As indicated in the Table 24 and Chart 16 above, the YTD Actual on capital expenditure as at end of December 2022 amounted to R37,995 million and 40% spent when compared to the YTD budget of R95,022 million and 20% spent when compared to the Original Budget of R190,043 million. The total YTD capex is funded from Capital grants R31,024 million (81.7%) and Internally generated funds R6,971 million (18.3%). Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents.

The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents.

Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. The Project Management Unit (PMU) is not adequately staffed, resulting in a lack of qualified permanently appointed project managers. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

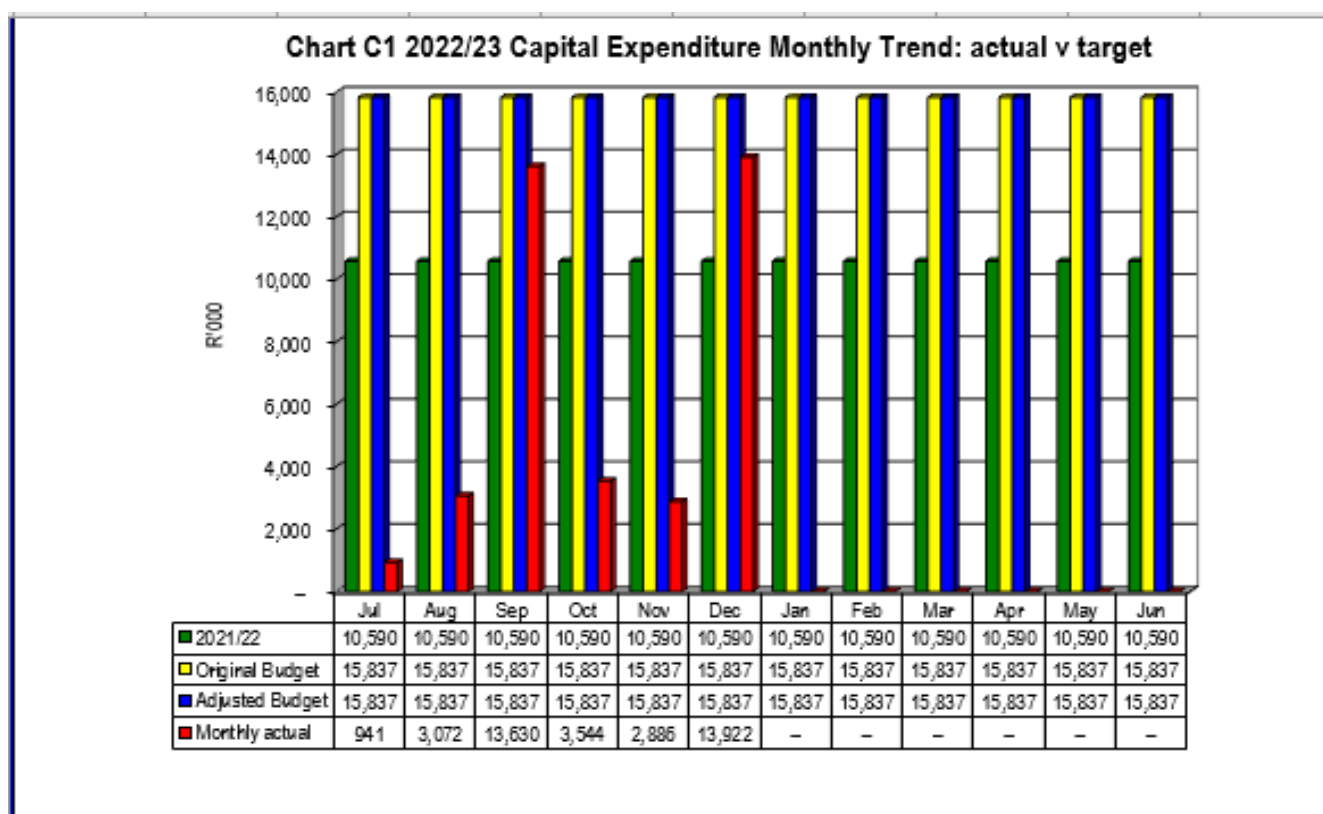


Chart 17: Capital Expenditure Monthly Trend: Actual vs Target

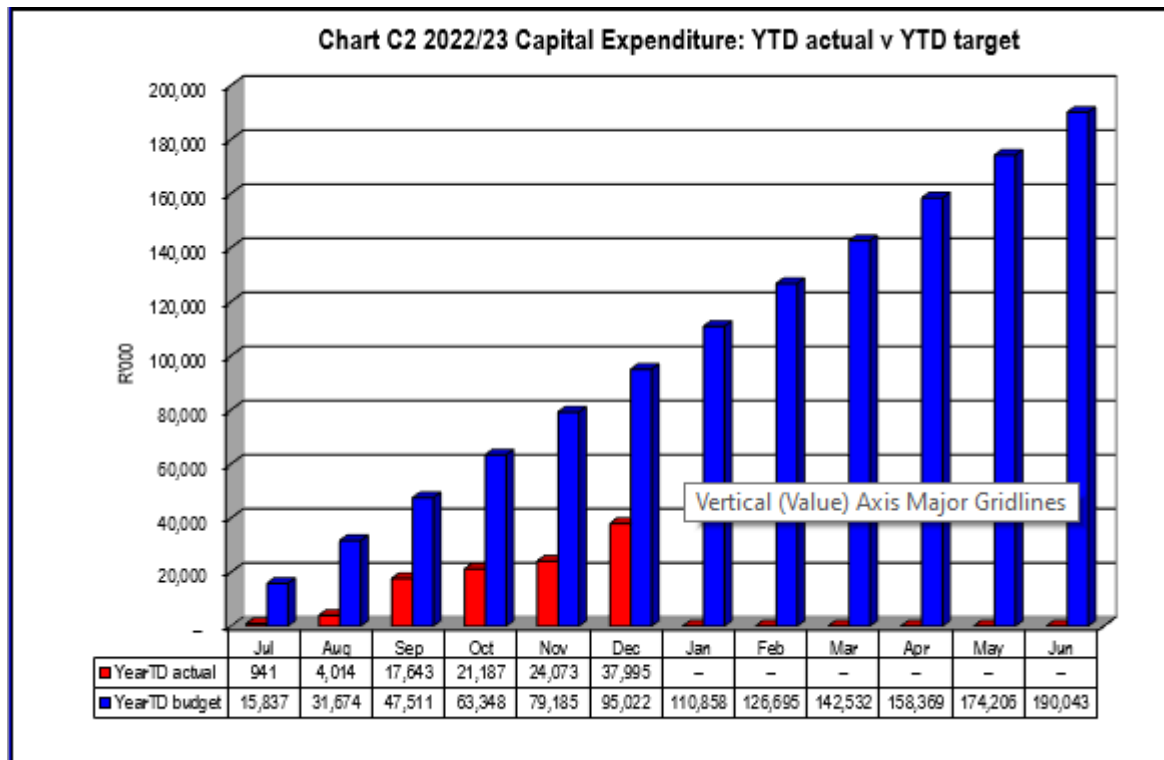


Chart 18: Capital Expenditure YTD Actual v YTD Target

Capital Expenditure By Project

Indicated in Table 25 below, is a list of projects with the applicable funding source. The total capex is normally slow during the start of the financial year. However, capital expenditure is extremely poor compared to prior years for the same period. Urgent intervention from management is required to remedy the situation. The actual monthly expenditure for December 2022 amounted to R13,922 million. The total YTD Capex amounts to R37,995 million. Please note that Commitments amounting to R49,316 million is excluded from the YTD movement. Capital expenditure is also exclusive of VAT.

Project Description	Original Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	Funding source
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000,000	-	-	-	2,000,000	0.0%	INTERNALLY GENERATED FUNDS
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	823,875	-	823,875	2,176,125	27.5%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	35,405,000	6,206,411	8,658,880	6,206,411	16,198,589	17.5%	INTERNALLY GENERATED FUNDS
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	-	-	-	2,000,000	0.0%	INTERNALLY GENERATED FUNDS
ACQ-COMPUTER EQUIPMENT REPLACEMENT	11,300,000	-	105,000	16,087	11,283,913	0.1%	INTERNALLY GENERATED FUNDS
CRAVEN STREET TRADE CENTRE	8,300,000	2,541,573	-	2,895,192	5,404,808	34.9%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
P-CIER RDS ROADS	15,000,000	-	1,685,855	13,290,906	1,709,094	88.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	12,000,000	2,811,921	2,009,296	8,053,213	3,946,787	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RECONSTRUCTION OLD SINK TOILETS PHASE 1	1,000,000	-	-	-	1,000,000	-	INTERNALLY GENERATED FUNDS
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	21,090,000	620,000	20,175,227	914,773	20,175,227	4.3%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	19,948,000	-	538,915	-	19,948,000	-	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000,000	-	1,903	-	2,000,000	-	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	1,000,000	-	-	-	1,000,000	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
WATER PIPES REFURB PROG VARIOUS WARDS	10,000,000	-	-	-	10,000,000	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
HV SUB ACQ-CARTGLEN TRANSF/GALASH SUBS	7,000,000	-	-	1,773,415	5,226,585	-	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LERATO PARK	-	730,115	-	730,115	12,269,885	-	INTERNALLY GENERATED FUNDS
STREET LIGHTS REPLACE 125W MV with 36W L	3,000,000	187,963	-	2,330,618	669,382	77.7%	EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)
INSTALL VSD'S AT NEWTON RESEVIOR	1,000,000	-	-	-	1,000,000	0.0%	EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)
NW ACQ - ELE CTR LERATO PARK	33,000,000	-	16,141,370	942,467	32,057,533	-	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	2,000,000	-	-	18,149	1,981,851	-	INTERNALLY GENERATED FUNDS
TOTAL	190,043,000	13,921,857	49,316,445	37,995,221	152,047,779	20.0%	

Table 25: Detailed Capital Expenditure

Description	Original Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	-	2,715,883	16,141,370	6.8%
INTERNALLY GENERATED FUNDS	55,705,000	6,936,526	6,970,762	8,765,783	12.5%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	6,797,369	25,977,959	23,870,378	36.9%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	-	-	538,915	0.0%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	187,963	2,330,618	-	58.3%
Grand Total	190,043,000	13,921,857	37,995,221	49,316,445	20.0%

Table 26: Summary of capital expenditure per funding source

Indicated in Table 26 above, is a summary of the capital expenditure per funding source compared to the Original budget. Overall spending on grants is extremely low, whilst spending on IUDG and EEDSM is showing improvement. The expenditure on IUDG (36.9%), INEP (6.8%), WSIG (0%) and EEDSM (58.3%). Spending on Internally generated funds is also 12.5% spent. Implementation of projects normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement procurement processes is not aligned to the budget approval and not advertised timeously.

Capital Expenditure By Vote

Capital projects are analyzed by vote to ensure that the performance contracts of the executive management team include these projects. Further to this and as compelled by multiyear planning, projects may span over one year.

The table below indicates single year and multi-year projects by vote.

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Table
27:

Vote 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	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		7,197	40,405	27,405	7,030	7,030	18,345	(11,315)	-62%	27,405
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		18,239	8,300	8,300	2,542	2,895	4,150	(1,255)	-30%	8,300
Vote 08 - Infrastructure And Services		88,488	79,038	92,038	4,162	22,989	41,376	(18,387)	-44%	92,038
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	113,924	127,743	127,743	13,734	32,914	63,872	(30,957)	-48%	127,743
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		4,041	13,300	13,300	-	16	6,650	(6,634)	-100%	13,300
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-		-
Vote 08 - Infrastructure And Services		9,116	49,000	49,000	188	5,065	24,500	(19,435)	-79%	49,000
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	13,157	62,300	62,300	188	5,081	31,150	(26,069)	-84%	62,300
Total Capital Expenditure		127,081	190,043	190,043	13,922	37,995	95,022	(57,026)	-60%	190,043
Capital Expenditure - Functional Classification										
Governance and administration		11,238	53,705	40,705	7,030	7,046	24,995	(17,949)	-72%	40,705
Executive and council		11,238	53,705	40,705	7,030	7,046	24,995	(17,949)	-72%	40,705
Finance and administration		-	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		52,457	35,300	35,300	5,353	24,239	17,650	6,589	37%	35,300
Planning and development		18,239	8,300	8,300	2,542	2,895	4,150	(1,255)	-30%	8,300
Road transport		34,218	27,000	27,000	2,812	21,344	13,500	7,844	58%	27,000
Environmental protection		-	-	-	-	-	-	-		-
Trading services		63,386	101,038	114,038	1,538	6,710	52,376	(45,667)	-87%	114,038
Energy sources		34,548	46,000	59,000	918	5,795	24,857	(19,062)	-77%	59,000
Water management		624	13,000	13,000	-	-	6,500	(6,500)	-100%	13,000
Waste water management		28,214	42,038	42,038	620	915	21,019	(20,104)	-96%	42,038
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	127,081	190,043	190,043	13,922	37,995	95,022	(57,026)	-60%	190,043
Funded by:										
National Government		95,428	134,338	134,338	6,985	31,024	67,169	(36,145)	-54%	134,338
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		3,500	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		13,891	-	-	-	-	-	-		-
Transfers recognised - capital		112,818	134,338	134,338	6,985	31,024	67,169	(36,145)	-54%	134,338
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		14,263	55,705	55,705	6,937	6,971	27,853	(20,882)	-75%	55,705
Total Capital Funding		127,081	190,043	190,043	13,922	37,995	95,022	(57,026)	-60%	190,043

Supporting Table C5 -Capital Expenditure by Vote

7. INVESTMENT PORTFOLIO ANALYSIS

The market value of the investment portfolio has been utilized and for the period ending 31 December 2022, the value of total investments made was R51,170 million including interest. Investments excluding interest amounted to R49,975 million. Part of investments made during the month where interest accrued which reflected an increase in investment and not as a result of increased revenue collection.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^a	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			5,626	35	-	-	5,661
Absa Bank 9286041059		6 months	Call a/c	No	Variable	0	0			-	-	-	-	-
Investec 1400093272500		6 months	Call a/c	No	Variable	5.35	0			614	3	-	-	618
Standard Bank 04846627-014		6 months	Call a/c	No	Variable	5.5	0			5,143	35	-	-	5,177
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			5,605	21	-	-	5,626
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	5.25	0		2019/06/06	5,134	22	-	-	5,157
Standard Bank 048466271-085		12 months	Notice	No	Fixed	585.00%	0		2022/11/10	0	-	-	-	0
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	740.00%	0		2023/06/28	7,647	49	-	-	7,696
Standard Bank 048466271-086		12 months	Notice	No	Fixed	902.50%	0		2023/11/10	21,077	159	-	-	21,235
Municipality sub-total										50,847		-	-	51,170

Table 28: Supporting Table SC5: Investment portfolio

8. FINANCIAL MANAGEMENT AND REPORTING

MFMA Section 52 (d) to require that the Executive Mayor reports on the financial state of affairs of the municipality. As such, financial ratios have been used to analyse the municipality's performance as at 31 December 2022. The municipality has used the financial ratios as published in MFMA Circular that are aimed at replacing those that were promulgated in the Performance Regulations of 2001. The following is a summary of the outcomes of the analysis.

Financial Position

8.1 Assets Management

A. Asset Management/Utilisation					
					Dec-22
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	4%
					Total Operating Expenditure 1 061 289
					Taxation Expense -
					Total Capital Expenditure 37 995
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	0%
					PPE, Investment Property and Intangible Impairment -
					PPE at carrying value 2 052 685
					Investment property at carrying value 209 930
					Intangible Assets at carrying value 21 238
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	7%
					Total Repairs and Maintenance Expenditure 149 742
					PPE at carrying value 2 052 685
					Investment Property at Carrying value 209 930

8.2 Debtors Management

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%	78%
					Gross Debtors closing balance 3 190 215
					Gross Debtors opening balance 3 029 785
					Bad debts written Off 64 914
					Billed Revenue 957 399
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	6%
					Consumer Debtors Bad debts written off 64 914
					Consumer Debtors Current bad debt Provision 1 068 808
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	689 days
					Gross debtors (90+ days) 2 876 144
					Bad debts Provision 1 068 808
					Billed Revenue 957 399

8.3 Liquidity Management

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	0,09 Month
					Cash and cash equivalents 41 171
					Unspent Conditional Grants 33 969
					Overdraft -
					Short Term Investments -
					Total Annual Operational Expenditure 912 785
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	2,16
					Current Assets 2 364 907
					Current Liabilities 1 092 605

8.4 Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		1.56%
					Interest Paid	10 749
					Redemption	5 789
					Total Operating Expenditure	1 061 289
					Taxation Expense	-
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		15%
					Total Debt	165 728
					Total Operating Revenue	1 199 427
					Operational Conditional Grants	97 620

8.5 Sustainability

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%		8%
					Cash and cash Equivalents	41 171
					Bank Overdraft	-
					Short Term Investment	-
					Long Term Investment	-
					Unspent Grants	33 969
					Net Assets	3 124 640
					Share Premium	-
					Share Capital	-
					Revaluation Reserve	90 127
					Fair Value Adjustment Reserve	-
					Accumulated Surplus	2 944 387

Financial Performance

8.6 Efficiency

1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		12%
					Total Operating Revenue	1 199 427
					Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)	
					Total Operating Expenditure	1 061 289
					Taxation Expense	-
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		17%
					Total Electricity Revenue	381 801
					Total Electricity Expenditure	318 215
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		4%
					Total Water Revenue	168 955
					Total Water Expenditure	162 378
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		15%
					Total Refuse Revenue	40 485
					Total Refuse Expenditure	34 304
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		15%
					Total Sanitation and Water Waste Revenue	54 473
					Total Sanitation and Water Waste Expenditure	46 040

8.7 Distribution Losses

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		31.93%
					Number of units purchased and/or generated	236 121
					Number of units sold	160 724
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		61.27%
					Number of kilolitres purchased and/or purified	16 996
					Number of kilolitres sold	6 582

8.8 Revenue Management

1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts) / previous number of Active Debtor Accounts x 100	Debtors System	None		17%
					Number of Active Debtors Accounts (Previous)	68 114
					Number of Active Debtors Accounts (Current)	79 591
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue) / previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		3%
					CPI	3%
					Total Revenue (Previous)	1 196 105
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants) / previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI		2%
						3%
					Total Revenue Excl.Capital (Previous)	1 176 014
					Total Revenue Excl.Capital (Current)	1 199 427

8.9 Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		694 days
					Trade Creditors	924 742
					Contracted Services	9 669
					Repairs and Maintenance	149 742
					General expenses	82 084
					Bulk Purchases	207 037
					Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	37 995
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%		0%
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	-
					Total Operating Expenditure	1 061 289
					Taxation Expense	-
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		38.72%
					Employee/personnel related cost	395 190
					Councillors Remuneration	15 763
					Total Operating Expenditure	1 061 289
					Taxation Expense	-
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		1%
					Contracted Services	9 669
					Total Operating Expenditure	1 061 289
					Taxation Expense	-

8.10 Grant Dependency

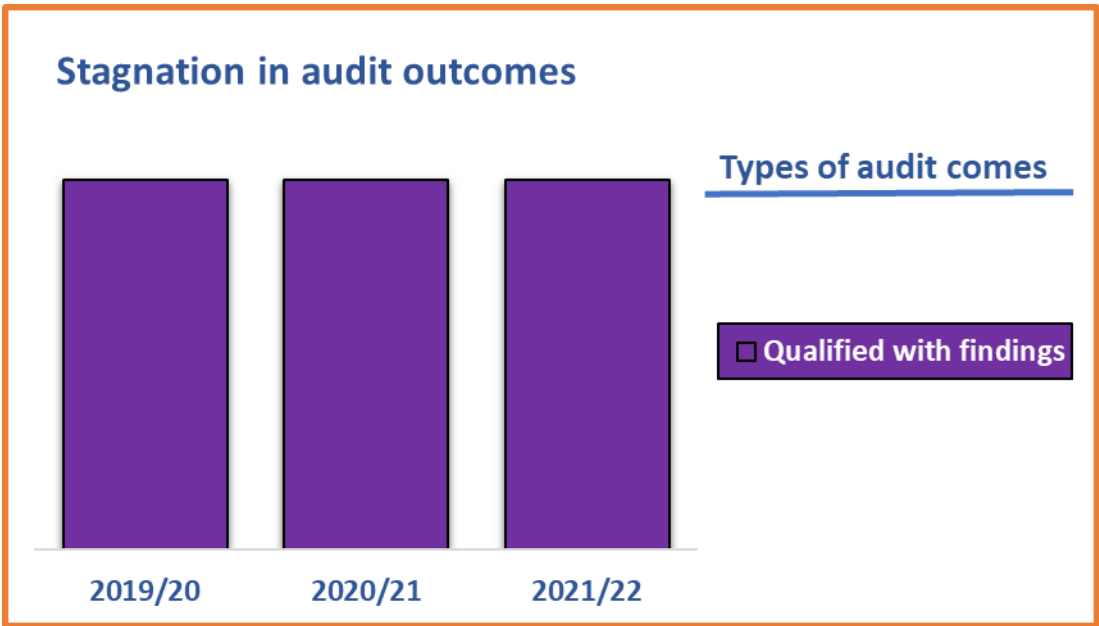
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		18%
					Internally generated funds	6 971
					Borrowings	–
					Total Capital Expenditure	37 995
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		18%
					Internally generated funds	6 971
					Total Capital Expenditure	37 995
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		94%
					Total Revenue	1 199 427
					Government grant and subsidies	97 620
					Public contributions and Donations	–
					Capital Grants	31 024

8.11 Budget Implementation

1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		19,99%
					Actual Capital Expenditure	37 995
					Budget Capital Expenditure	190 043
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		43,05%
					Actual Operating Expenditure	1 061 289
					Budget Operating Expenditure	2 465 128
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		48%
					Actual Operating Revenue	1 199 427
					Budget Operating Revenue	2 487 209
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		48%
					Actual Service Charges and Property Rates Revenue	957 399
					Budget Service Charges and Property Rates Revenue	2 000 857

9. ANNUAL FINANCIAL STATEMENT AND AUDIT OUTCOMES FOR FY 2021/2022

The municipality was able to submit the Annual Financial Statements and annual report on predetermined objectives to the Office of the Auditor General by the legislative dead line of 31 August 2022. Based on the audit report received on the 30th of November 2022. The municipality received a Qualified audit opinion with findings for the year ended 30 June 2022. Material non-compliance matters have also been raised during the audit process and a disclaimer of opinion was expressed with regards to the annual performance report. Audit outcomes of the prior three financial years, are indicated in the chart below:



Articulated in the table below, is the basis for the qualified opinion for the year ended 30 June 2022 in comparison to the year ended 30 June 2021. The audit outcome has deteriorated significantly which requires stict remedial action to improve on results.

Audit report status (2020/2021)	Audit report status (2021/2022)
Qualified Audit Opinion	Qualified Audit Opinion
Audit Findings	Audit Findings
118	145
Basis for qualified opinion	Basis for qualified opinion
Property, Plant and Equipment	Property, Plant and Equipment
Service charges	Service charges
Trade Receivables from exchange transactions	Trade Receivables from exchange transactions
Trade Receivables from non-exchange transactions	Statutory Receivables from non-exchange transactions
Employee Benefits Liabilities	Investment property
Non-Current Provisions	Inventory
Irregular Expenditure	Revenue from exchange transactions
Emphasis of matter	Emphasis of matter
Restatement of corresponding figures	Restatement of corresponding figures
Material losses	Material losses
Underspending of the budget	

Audit Action Plan

The Audit Action Plan for the 2021/22 financial year has been developed and is in the progress of being addressed. Indicated in the table below is the progress as at 17 January 2023, showing that 22.1 percent of the findings have not been started; 24.8 percent is under development and 53.1 percent has been developed. In terms of implementation status, 60 percent has not been started, 37.2 percent is in progress and 2.8 percent has been completed.

Progress thus far has been slow due to staff being on leave over the festive season. If, executive management and responsible officials truly put in a concerted effort and work hard to address audit findings; enhance internal controls and processes, adhere and implement recommendations of the Auditor General, it can significantly improve the audit outcome in the future. It is imperative that performance overall improves and officials diligently do what is expected from them on a daily and/or monthly basis in line with their job requirements, to ensure that audit findings are reduced or eliminated to eventually achieve a clean audit. Improvement and stricter application of internal controls, consequence management measures and holding officials accountable will significantly contribute in the improvement of audit outcomes.

Development	No of Findings			% Achieved
	Matters Affecting Audit Report	Other Important Matters	Total	
Not Yet Started	4	28	32	22.1%
Under Development	10	26	36	24.8%
Developed	25	52	77	53.1%
Total	39	106	145	
Not Yet Started	4	28	32	22.1%
Under Development	10	26	36	24.8%
Developed - Management Approved	17	26	43	29.7%
Developed - CFO Approved	7	17	24	16.6%
Developed - Internal Auditor Approved	1	9	10	6.9%
Developed - Audit Committee Approved	0	0	0	0.0%
Developed - Council Approved	0	0	0	0.0%
Total	39	106	145	
Implementation				
Not Yet Started	25	62	87	60.0%
In Progress	12	42	54	37.2%
Completed	2	2	4	2.8%
Agreed Findings Addressed	0	0	0	0.0%
Total	39	106	145	
Findings also addressed in current year	2	7	9	

10. ADJUSTMENT BUDGET PROPOSALS

The municipality will be tabling an adjustment budget by 22 February 2023. The adjustment budget proposals for the current financial has been the toughest yet and will be continuously reviewed and finalised after 31 January 2022. Indicated in the table below is a high-level summary of the proposed adjustments for operational revenue and expenditure. The proposed adjustments result in a net increase on Operational revenue of R6,938 million, Operational expenditure is adjusted upward by R111,796 million, resulting in an adjusted deficit of R104,858 million with a net decrease of R82,776 million on Operating surplus with the Surplus for the year reducing to R51,562 million.

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)			
Description	Budget Year 2022/23		
	Original Budget	Net Adjustments	Adjusted Budget
R thousands			
Total Revenue (excluding capital transfers and contributions)	2,487,209	6,938	2,494,147
Total Expenditure	2,465,128	111,796	2,576,924
Surplus/(Deficit)	22,081	(104,858)	(82,776)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	134,338	–	134,338
Surplus/(Deficit) after capital transfers & contributions	156,419	(104,858)	51,562
Surplus/ (Deficit) for the year	156,419	(104,858)	51,562

The following principles should be applied for the adjustment budget:

- there are no additional resources available for the 2022/23 Adjustment Budget. Ideally, votes or sub-votes must not submit any requests for baseline increases, unless proof of additional external funding through grants is confirmed with the transferring department or alternatively that any additional allocations to the votes or sub-votes will need to be funded through reductions in another vote or sub-vote or through reprioritisation, within the vote's budget, or from other vote's budgets.
- Any CAPEX project planned for 2022/23 financial year funded from CRR will be reviewed to ensure that there is funding available. CAPEX funded from withdrawn conditional grants will have to be reconceptualised for both need and funding options.
- What makes this Adjustment extremely difficult is the current financial position of the municipality in conjunction with commitments that have to be factored into the budget, unless the municipality wants to recklessly incur unauthorised expenditure for the year under review which is in contravention of the MFMA.

- Increasing the current collection rate to an acceptable norm and increase the collection rate to at least 90% (NT required norm is 95%). The improved collection rate will positively contribute to the funding of the Adjustment budget as the Adjustment budget is technically unfunded from a cash flow perspective and artificially funded considering our high outstanding debtors which must be recouped as a matter of urgency.
- The municipality should also focus on implementing more permanent, long-term solutions to service delivery challenges which will not happen overnight but with improved planning and sound financial management and proven best-practices this can be achieved.

Proposed Revenue Adjustments

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)			
Description	Budget Year 2022/23		
	Original Budget	Net Adjustments	Adjusted Budget
R thousands			
Revenue By Source			
Property rates	627,646	(17,572)	610,074
Service charges - electricity revenue	919,854	(20,000)	899,854
Service charges - water revenue	310,717	(5,000)	305,717
Service charges - sanitation revenue	81,700	11,800	93,500
Service charges - refuse revenue	60,940	8,140	69,080
Rental of facilities and equipment	13,010	12,886	25,896
Interest earned - external investments	6,000	–	6,000
Interest earned - outstanding debtors	156,500	–	156,500
Dividends received	–	–	–
Fines, penalties and forfeits	27,730	8,000	35,730
Licences and permits	6,850	–	6,850
Agency services	–	–	–
Transfers and subsidies - Grants	258,117	6,084	264,201
Other revenue	18,145	2,600	20,745
Gains	–	–	–
Total Revenue (excluding capital transfers and contributions)	2,487,209	6,938	2,494,147

Property rates should be adjusted downwards, due to Council approving a 4% increase across all categories, instead of the average increase. Revenue from sale of water and electricity will have to be adjusted downwards due to the lower tariff increase approved by Council. Services charges for Refuse and Sanitation be adjusted upwards due to improved billing and taking the full year forecast into consideration. Rental of facilities to be adjusted upwards to make provision for the rental income from Lerato Park CRU's. Penalties on disconnections should be adjusted upwards to make provision for the projected increase in revenue for disconnections. Provision for grants predominantly received from Frances Baard DM. Adjustment of the Library grant as per the gazetted allocation.

Proposed Operational Expenditure Adjustments

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)			
Description	Budget Year 2022/23		
	Original Budget	Net Adjustments	Adjusted Budget
R thousands			
<u>Expenditure By Type</u>			
Employee related costs	849,403	–	849,403
Remuneration of councillors	34,547	–	34,547
Debt impairment	297,000	–	297,000
Depreciation & asset impairment	81,050	–	81,050
Finance charges	38,960	70,914	109,874
Bulk purchases - electricity	682,000	–	682,000
Inventory consumed	236,627	46,237	282,864
Contracted services	46,437	(4,900)	41,537
Transfers and subsidies	4,460	–	4,460
Other expenditure	134,643	(455)	134,188
Losses	60,000	–	60,000
Total Expenditure	2,465,128	111,796	2,576,924

Finance charges: The current cash flow constraints of the municipality have exacerbated the deterioration of the arrear debt owed to ESKOM and the Water board, resulting in excessive interest on overdue accounts for ESKOM bulk account. The municipality is a participant in the Incentive scheme of DWS, where the interest will be reversed and suppressed, provided the municipality adhere to the terms and conditions.

Inventory consumed: Serious service delivery challenges also necessitated the upward adjustment of Repairs and Maintenance (Inventory consumed) to deal with urgent water and sanitation issues, cable theft replacement and continuation of day-to-day operations until year end. Recent heavy rains and opening of sluice gates at dams upstream has affected the turbidity of water which resulted in the change of purification chemicals which increases cost of purification. Water inventory is also showing a projected shortfall of R4m.

Contracted services: Provision for external security services to curb vandalism and theft of municipal assets and significant savings on Contr: Prepaid Electricity vendors due to a substantial decrease in the commission rate.

Indicated in the table below are the reasons for the minor and major adjustments per Revenue source and Expenditure type per category.

Per Directorate	Sum of Projection Increase (Decrease)
1 - Revenue	(6,938,319)
Fines, penalties and forfeits	(8,000,000)
Increased revenue penalties for disconnections	(8,000,000)
Other revenue	(2,600,000)
Increased revenue approval of building plans	(2,600,000)
Property rates	17,571,600
Decrease in Revenue - Council revised average tariff increase to 4% increase across the board	17,571,600
Rental of facilities and equipment	(12,886,000)
Revenue from Lerato Park CRU's	(12,886,000)
Service charges - electricity revenue	20,000,000
Decrease in Revenue - Council reduced tariff increase	20,000,000
Service charges - refuse revenue	(8,140,000)
Increase in billing	(8,140,000)
Service charges - sanitation revenue	(11,800,000)
Increase in billing	(11,800,000)
Service charges - water revenue	5,000,000
Decrease in Revenue - Council reduced tariff increase	5,000,000
Transfers and subsidies - Grants	(6,083,919)
Addition to gazetted allocation for Libraries	(700,000)
Funding from FBDM for Environmental Health	(3,500,000)
Funding from FBDM for Roads & Sewerage	(1,800,000)
Rollover funds from Dept of Tourism for LED EPWP	(83,919)
2 - Expenditure	111,795,919
Contracted services	(4,900,000)
External Security services	11,200,000
Professional fees Council & General incl (R534k for Ignite for Annual report)	2,500,000
Savings on commission for Prepaid vendor	(18,100,000)
Savings used for cable theft	(500,000)
Finance charges	70,914,000
Decrease on Interest on overdue accounts - Water	(6,000,000)
Increase on Interest on overdue accounts - all other interest charged	1,400,000
Increase on Interest on overdue accounts - Bulk Electricity	75,514,000
Inventory consumed	46,236,919
Addition to gazetted allocation for Libraries	490,000
Cable theft	1,500,000
Day-to-day maintenance on Roads	2,500,000
Emergency repairs for Roodepan flats R250k, Additional Housing Maint R250k	500,000
Funding from FBDM for Environmental Health	3,500,000
Funds from FBDM - Roads	900,000
Funds from FBDM - Sewerage	900,000
Increase on bulk purchases water	4,000,000
Increase on day-to-day maintenance for Sewerage	2,500,000
Increase on fuel fleet - Sewerage	1,120,000
Increase on fuel fleet - Water	1,030,000
Increase on fuel non-fleet - Sewerage (Jerry cans)	240,000
Increase on fuel non-fleet - Water (Jerry cans)	173,000
Increase on purification chemicals	8,400,000
Maintenance of Properties	3,800,000
Operations for CRU including security services	800,000
Payments Bigen (R1.9m), Deviation water & sewer leaks (R8.7m), R3m day-to-day maintenance	13,800,000
Rollover funds from Dept of Tourism for LED EPWP	83,919
Other expenditure	(455,000)
Addition to gazetted allocation for Libraries	210,000
Increase on consultant fees for BCX	400,000
Increase on licence fees for Ignite for the Performance Management System	465,000
Printing valuation roll	210,000
Savings on telephones, portion redirected to replace non-compliant laptops	(1,800,000)
For travelling and subsistence Speaker staff	60,000
Grand Total	104,857,600

Proposed Capital Expenditure Adjustments

Indicated in the table below are the virements approved by Council for CRR funded projects. Virement pertained to provision of the electrification of Lerato park which was adjusted upwards by R13,000 as work continued on the project and reducing funds designated for the fleet replacement programme. Project managers still have to be engaged on final capital expenditure adjustments. With-holding of funds for INEP and WSIG might be issued, due to non-performance. There is a tentative adjustment for the replacement of laptops that are outdated and not meeting minimum security requirements amounting to R420 thousand. Savings on the operational budget for telephones will be utilised for this purpose. It should be noted that at this stage the Capital Replacement Reserve (CRR) is not cash-backed.

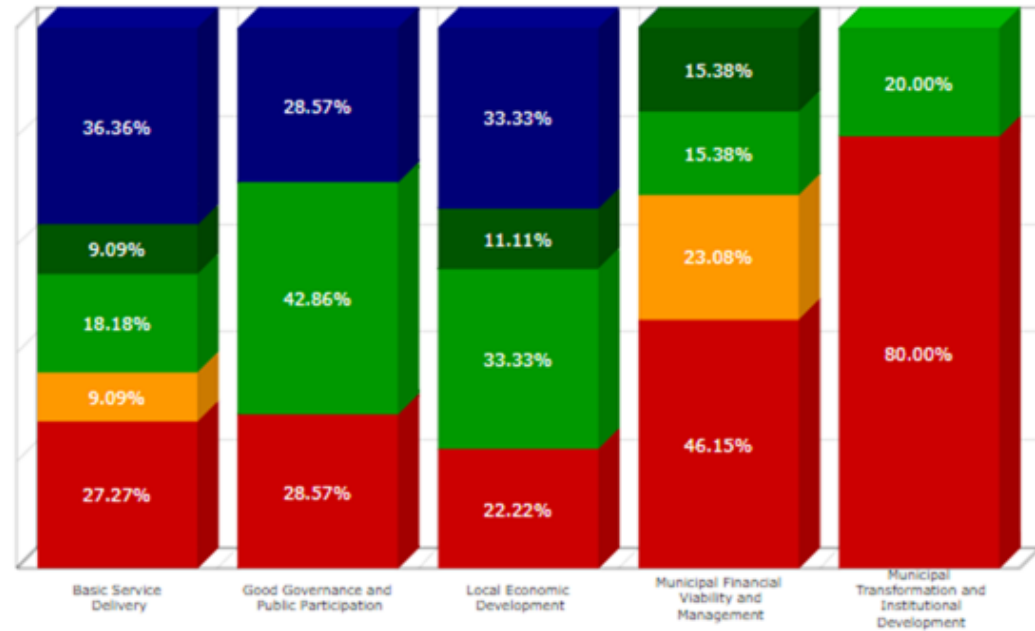
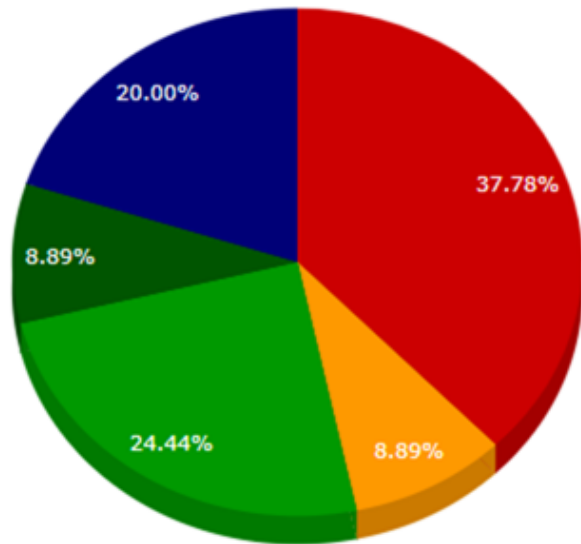
Project per funding source	Sum of Original Budget	Sum of Virement	Sum of Adj Budget
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	-	4,000,000
INSTALL VSD'S AT NEWTON RESEVIOR	1,000,000	-	1,000,000
STREET LIGHTS REPLACE 125W MV with 36W L	3,000,000	-	3,000,000
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	-	40,000,000
HV SUB ACQ-CARTGLEN TRANSF/GALASH SUBS	7,000,000	-	7,000,000
NW ACQ - ELE CTR LERATO PARK	33,000,000	-	33,000,000
INTERNALLY GENERATED FUNDS	55,705,000	-	55,705,000
ACQ-COMPUTER EQUIPMENT REPLACEMENT	11,300,000	-	11,300,000
ACQ-FLEET REPLACEMENT	35,405,000	-13,000,000	22,405,000
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	-	2,000,000
CAPITAL SPARES-ACQ-PREPAID METERS	2,000,000	-	2,000,000
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000,000	-	2,000,000
ELECTRIFICATION LERATO PARK	-	13,000,000	13,000,000
RECONSTRUCTION OLD SINK TOILETS PHASE 1	1,000,000	-	1,000,000
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000,000	-	2,000,000
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	-	70,390,000
CRAVEN STREET TRADE CENTRE	8,300,000	-	8,300,000
ELEVATED WATER TANKS DISTRIBUTION	1,000,000	-	1,000,000
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	21,090,000	-	21,090,000
P-CIER RDS ROADS	15,000,000	-	15,000,000
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	-	3,000,000
UPGRADE GRAVEL ROADS WARDS VARIOUS	12,000,000	-	12,000,000
WATER PIPES REFURB PROG VARIOUS WARDS	10,000,000	-	10,000,000
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	-	19,948,000
ACQ - CARTERS GLEN SEWER PUMP STATION	19,948,000	-	19,948,000
Grand Total	190,043,000	-	190,043,000

2ND QUARTER SDBIP PERFORMANCE REPORT

FINANCIAL YEAR 2022/2023

1 JULY TO 30 DECEMBER 2022

11. TOP LAYER SDBIP SECOND QUARTER PERFORMANCE REPORT: 1 JULY TO 30 DECEMBER 2022



	Sol Plaatje Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
Not Met	17 (37.78%)	3 (27.27%)	2 (28.57%)	2 (22.22%)	6 (46.15%)	4 (80.00%)
Almost Met	4 (8.89%)	1 (9.09%)	-	-	3 (23.08%)	-
Met	11 (24.44%)	2 (18.18%)	3 (42.86%)	3 (33.33%)	2 (15.38%)	1 (20.00%)
Well Met	4 (8.89%)	1 (9.09%)	-	1 (11.11%)	2 (15.38%)	-
Extremely Well Met	9 (20.00%)	4 (36.36%)	2 (28.57%)	3 (33.33%)	-	-
Total:	45*	11	7	9	13	5
	100%	24.44%	15.56%	20.00%	28.89%	11.11%

* Excludes 19 KPIs which had no targets/actuals for the period selected.

11.1 BASIC AND SUSTAINABLE SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL13	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	15 000 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2023	No of indigents per the Indigent Register	3 000	11 742	B	6 000	11 653	B	[D162] GM : Revenue: Register of total number of Indigents as at December 2022 (December 2022)		[D162] GM : Revenue: IndigentRegisterBP956DEC.xlsx (December 2022)	6 000	11 653	B
TL50	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 4 km access roads to a paved surface in Sol Plaatje area by 30 June 2023	Distance of km paved	1	1	G	1	0.76	O	[D408] City Engineer: Roads and Storm water: This actual is for Nov 2022 as no work was done during December 2022 due to construction holiday. (December 2022)	[D408] City Engineer: Roads and Storm water: The scope of work has been adjusted to ensure that the target will be reached by year end. (December 2022)	[D408] City Engineer: Roads and Storm water: UPGRADING OF GRAVEL ROADS PHYSICAL PROGRESS NOV 2022-2023.xlsx (December 2022)	2	1.76	O

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL51	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	Patching and resealing of 100 000 square metres of roads in Sol Plaatje area by 30 June 2023	Square metres of roads	25 000	91 000	B	25 000	32 000	G2	[D409] City Engineer: Roads and Storm water: The scope of work was extended with a further 23 100 square metres. The annual target was exceeded during mid-year (December 2022)	[D409] City Engineer: Roads and Storm water: No corrective measures necessary (December 2022)	[D409] City Engineer: Roads and Storm water: ResealingofRoads1.pdf (December 2022)	50 000	123 000	B
TL53	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To replace 500 250 W HPS streetlight heads with 100 W LED street light heads in Sol Plaatje area by 30 June 2023	Number of street light heads replaced	125	816	B	125	84	R	[D411] City Engineer: Electricity: Project was completed during the month of October 2022 and 900 streetlights were replaced. (December 2022)	[D411] City Engineer: Electricity: The annual target of 500 was achieved in October 2022 (December 2022)	[D411] City Engineer: Electricity: EDSMProject.xlsx (December 2022)	250	900	B
TL54	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To replace 1 036 125 W street light heads with 36 W LED street light heads in Sol Plaatje area by 30 June 2023	Number of street light heads replaced	250	310	G2	250	797	B	[D412] City Engineer: Electricity: Total number of 1107 36W LED fittings has been installed. (December 2022)		[D412] City Engineer: Electricity: EDSMProject.xlsx (December 2022)	500	1 107	B

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL55	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	100% Completion for the upgrading of the Carters Glen sub station and de-loading of the Galeshewe sub station (Phase 3) by 30 June 2023	Percentage completion as per project progress report	25%	20%	O	50%	0%	R	[D413] City Engineer: Electricity: Non responsive bids. (December 2022)	[D413] City Engineer: Electricity: Additional funding to be sourced during the adjustment of the budget in February 2023. Bid will be re-advertised. (December 2022)	[D413] City Engineer: Electricity: 1.PUTReport-Jul-Sept20221.pdf; PDCTCartersGlenSubstation.pdf (December 2022)	50%	20%	R
TL56	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 1650 households in Lerato Park by 30 June 2023 (Phase 7 & 8)	Number of houses connected to electricity network	300	0	R	350	53	R	[D414] City Engineer: Electricity: SCM processes - BSC, BEC and BAC were completed. 12 Service Providers have been awarded on a pool for 36 months. Designs, technical specifications and BOQ have also been completed. 53 Households were connected to electricity. (December 2022)	[D414] City Engineer: Electricity: A total of 149 households is 90% complete where the only outstanding work left is the installation of the meters which must be delivered. (December 2022)	[D414] City Engineer: Electricity: PoolofContractorsSLAINFRACE E052021-V2Oct2022.pdf; LeratoParkMonthlyReport003.pdf; LeratoParkPhase6electrification - ProgressReport-Dec2022.pdf (December 2022)	650	53	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL58	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Complete 100% work for the installation of electrical and mechanical components in Lerato Park Sewer Pump station by 30 June 2023	Percentage completion as per project progress report	25%	25%	G	50%	51%	G2	[D416] City Engineer: Water and Sanitation: Quarterly target upload POE (November 2022) [D416] City Engineer: Water and Sanitation: Previous contractor had experienced cash flow problems and a new contractor Kapa Koni was appointed and is on site. Work has continued. (December 2022)		[D416] City Engineer: Water and Sanitation: MonthlyProgressReportMEContract-November2022.pdf; LeratoPark-November2022.xlsx; MonthlyProgressReportNovember2022.pdf (November 2022) [D416] City Engineer: Water and Sanitation: LeratoParkMEContract-December2022.pdf; MonthlyProgressReportNovember2022.pdf (December 2022)	50%	51%	G2

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL59	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Completion of 60% of the construction phase for the Carters Ridge sewer pump station building with all electrical and mechanical equipment by 30 June 2023	Percentage completion as per project progress report	15%	20%	G 2	30%	30%	G	[D417] City Engineer: Water and Sanitation: Quarterly target upload POE (November 2022) [D417] City Engineer: Water and Sanitation: Contractor Ruwaccon was appointed and work has commenced (December 2022)		[D417] City Engineer: Water and Sanitation: CartersRidgeSewerOutfallPhase2-November2022.xls; 6195-Progressreport-2022-11.pdf (November 2022) [D417] City Engineer: Water and Sanitation: CartersRidgeDecember.pdf (December 2022)	30%	30%	G
TL60	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete 100% of the reconstruction work of 320 aged sink toilets in Kagisho, Kutlwanong and Phomolong by 30 June 2023	Percentage completion as per project progress report (the toilets will not be constructed individually before the next toilet can be constructed. The construction process will unfold starting with foundations and brickwork for all	100%	100%	G	0%	0%	N/A	[D418] City Engineer: Water and Sanitation: Quarterly targets upload POE (November 2022) [D418] City Engineer: Water and Sanitation: Project was completed in the 1st Quarter of 2022. (December 2022)		[D418] City Engineer: Water and Sanitation: MonthlyProgressReportNovember2022.pdf (November 2022) [D418] City Engineer: Water and Sanitation: practicalcompletioncertificateToilets.pdf (December 2022)	100%	100%	G

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
			toilets, etc. So the project will be 50% completed however it would not mean that a toilet has been fully constructed)			G									G
TL62	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the appointment of a service provider for the 100% construction of the foundations for 2 elevated water tanks by 30 June 2023	Percentage completion of the process as per tender document, appointment letter and minutes	25%	25%	G	50%	0%	R	[D419] City Engineer: Water and Sanitation: Upload POE (November 2022) [D419] City Engineer: Water and Sanitation: Progress is still 25% as Bid Committees did not sit to finalize appointment. (December 2022)	[D419] City Engineer: Water and Sanitation: Project Manager will request Supply Chain to arrange special meetings to finalize appointment of contractor to expedite progress on project. (December 2022)	[D419] City Engineer: Water and Sanitation: ElevatedWaterT anks- November2022. xlsx (November 2022) [D419] City Engineer: Water and Sanitation: ElevatedWaterT anks- November2022. xlsx (December 2022)	50%	25%	R

11.2 MUNICIPAL FINANCIAL VIABILITY AND SUSTAINABLE MANAGEMENT

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL14	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhancement by ensuring a collection rate of 85% after debt write off by 30 June 2023	Percentage of collection rate ensured after debt write off	85%	73%	O	85%	78.10%	O	[D163] ED: Financial Services: Collection rate not as desired. (December 2022)	[D163] ED: Financial Services: Implement credit control policy by disconnecting all debtor groups as per the policy (December 2022)	[D163] ED: Financial Services: CollectionrateDec2022.docx (December 2022)	85%	75.55%	O
TL15	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 85% of the Capital Budget (including VAT) on capital projects identified in terms of the IDP by 30 June 2023	Percentage capital spending	20%	9.28%	R	40%	22.74%	R	[D164] ED: Financial Services: Capital is underspent due to the tender processes not yet finalized and invoices received late due to construction break. (December 2022)	[D164] ED: Financial Services: Expenditure will increase once payments is made. (December 2022)	[D164] ED: Financial Services: Qtr2022-23MANAGEMENTREPORTRA TIOSDec2022.xlsx (December 2022)	40%	22.74%	R
TL16	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 90% of the Operational Budget annually (30 June)	Percentage operational spending	20%	20.61%	G2	40%	43%	G2	[D165] ED: Financial Services: Performance are in line (December 2022)		[D165] ED: Financial Services: OperationalbudgetexpDec2022.docx (December 2022)	40%	43%	G2
TL17	Promote sound financial management and financial sustainability of Sol Plaatje Municipality	Maintain the debt coverage ratio of at least 2:1 against net assets of the	Debt coverage ratio	2.10	2.10	G	2.10	2.16	G2	[D166] ED: Financial Services: Cashflow is slow (December 2022)	[D166] ED: Financial Services: More debt collection strategies	[D166] ED: Financial Services: Qtr2022-23MANAGEMENTREPORTRA TIOSDec2022.x	2.10	2.13	G2

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
	through prudent fiscal management	municipality by 30 June 2023									introduced (December 2022)	Isx (December 2022)			
TL18	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Reduce net debtor days to 300 days by 30 June 2023	Net debtor days	300	1 072	R	300	689	R	[D167] ED: Financial Services: the target on Revenue generation from penalties on disconnections was exceeded as at mid-year due to continuous disconnections and blocking of prepaid meters (December 2022)	[D167] ED: Financial Services: Continue disconnections and blocking of prepaid meters Awareness campaign. Data cleansing is required to trace consumers. In the process to appoint a debt collection company (December 2022)	[D167] ED: Financial Services: Qtr2022-23MANAGEMENTREPORTRA TIOSDec2022.x Isx (December 2022)	300	880.50	R
TL19	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least 1 month (annually)	Cost coverage ratio	1	-0.01	R	1	0.09	R	[D168] ED: Financial Services: Cashflow is low (December 2022)	[D168] ED: Financial Services: Increased debt collection (December 2022)	[D168] ED: Financial Services: Qtr2022-23MANAGEMENTREPORTRA TIOSDec2022.x Isx (December 2022)	1	0.04	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL23	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	An approved GVR signed by the Municipal Manager for the billing of rates and taxes by 30 June 2023	Approved GVR	0	0	N / A	1	0	R	[D172] GM : Revenue: GVR Completed. Account holders have been urged to verify details with SPM. (December 2022)	[D172] GM : Revenue: GVR to be approved by the MM by the 31st of January 2023 as per the MPRA five months before implementation. Target will be adjusted to the 3rd Quarter. (December 2022)	[D172] GM : Revenue: ValuationsGV2 023.pdf (December 2022)	1	0	R
TL24	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To recover debt owed to the municipality through effective implementation of Customer Care, Credit Control and Debt Collection annually	% of debt collection	100%	-1%	R	100%	75.03%	O	[D173] GM : Revenue: Collection rate of 75.03% achieved. (December 2022)	[D173] GM : Revenue: Management to improve on collection through strict implementation of Credit Control and Debt Collection policies, together with revenue enhancement strategies. (December 2022)	[D173] GM : Revenue: CopyofCollectionPerServiceJune2022-July2023.xlsx (December 2022)	100%	37.02%	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL25	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Conclude the reading cycle and delivery of municipal accounts to all users and ratepayers by no later than 27 of each month to ensure accurate and timely billing of customers for the current financial year	Monthly billing report % of billed properties vs property register (SG and Deeds)	3	3	G	3	3	G	[D174] GM : Revenue: Monthly reading and billing cycle concluded by 22 December 2022. (December 2022)	[D174] GM : Revenue: Electronic statements are issued to customers immediately after account run. Reliance is placed on Post Office to deliver manual statements, which is sometimes delayed. (December 2022)	[D174] GM : Revenue: CopyofCollectionPerServiceJune2022-July2023.xlsx (December 2022)	6	6	G
TL26	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Perform monthly cost analysis for each service, priority be given to trading services (refuse removal, sanitation, water and electricity) to ensure that all tariffs are cost reflective, affordable and envisaged level of service for the current financial year	Cost Analysis Report submitted	3	3	G	3	2	R	[D175] GM : Revenue: Target not reached omitted to compile Nov 2022 (December 2022)	[D175] GM : Revenue: To prepare report monthly (December 2022)	[D175] GM : Revenue: 202212CostAnalysisServices-Dec2022.xlsx (December 2022)	6	5	O

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL27	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To effectively monitor budget implementation to prevent any unauthorised, fruitless and wasteful expenditure to by 30 June 2023	% of UFW expenditure reported against total budget (capex and opex)	100%	100%	G	100%	100%	G	[D176] Manager: Expenditure: Irr and FW Exp updated monthly Rev & Exp Reports submitted to line managers (December 2022)	[D176] Manager: Expenditure: UIFW exp is submitted to MPAC. Delay in MPAC recommendation to Council. Lack of consequence management (December 2022)	[D176] Manager: Expenditure: 2812REVEXPREPORT-INFRAADMIN2 022-23.xlsx (December 2022)	100%	100%	G
TL28	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure that financial and non financial mSCOA reports are submitted on the GoMUNI webbased application by the set deadlines provided by National Treasury. All reports to be uploaded within 10 days after the approval of such report for the current financial year	% of reports loaded on the GoMuni application.	100%	100%	G	100%	92%	O	[D177] GM : Budget and Treasury: All other important documents have been uploaded for Nov 2022 by 14 Dec 2022. Bank statement still a problem PDF document is password protected. Gomuni does not accept this document and it gets rejected by NT (December 2022)	[D177] GM : Budget and Treasury: Still trying to resolve issue with the bank and NT (December 2022)	[D177] GM : Budget and Treasury: UploadGoMuni Nov2022.docx; mscoadocumentsNC091as18Jan23.xlsx; mscoasubmissionsNC091as18 Jan2023.xlsx (December 2022)	100%	96%	O

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL29	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Council Approval of a practical and implementable Financial Recovery Plan that will assist in reducing trade creditors and liquidity of the municipality by 30 June 2023	Approved Financial Turnaround Strategy	0	0	N / A	1	0	R	[D178] ED: Financial Services: INCA developed a Long Term Financial Recovery Plan (LTFRP) for the Municipality and the Plan was presented to Financial Directorate Divisional Heads meeting. However, the same LTFRP was not presented to EMT, Strategic Planning Session and Council for consideration and approval. (December 2022)	[D178] ED: Financial Services: The Long Term Financial Recovery Plan to be presented and discussed at EMT, Strategic Planning session and be approved by Council (December 2022)	[D178] ED: Financial Services: SolPlaatjeLMLT FPUupdate2022-12-21.pdf (December 2022)	1	0	R

11.3 LOCAL ECONOMIC DEVELOPMENT

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL1	To develop sustainable living through job creation (EPWP and other initiatives)	Create 552 FTE jobs through EPWP initiatives of the SPM by 30 June 2023	Number of jobs created	180	180	G	160	193	G2	[D53] PMU Manager: Due to the migration of systems from Public Works, Have we experienced backlogs. (December 2022)		[D53] PMU Manager: FTE.xlsx (December 2022)	180	193	G2
TL10	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by June 2023	Average time in weeks to award tender	12	15	R	12	0	B	[D159] Manager : SCM: There are no tenders awarded during the second quarter which is October, November and December (December 2022)	[D159] Manager : SCM: No corrective measures required (December 2022)		12	7.50	B
TL11	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 6 weeks for once off contracts from closing date to date of award by June 2023	Average time in weeks to award tender	6	10	R	6	4	B	[D160] Manager : SCM: The tender validity is 120 days (October 2022) [D160] Manager : SCM: Tenders were awarded during the second quarter which with an average of four weeks turnaround time (December 2022)	[D160] Manager : SCM: if the validity period is expired the SCM extended with another 30 days with the approval from MM (October 2022)	[D160] Manager : SCM: SecondQuarter Evidence-20January2023.pdf (December 2022)	6	7	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL12	To capacitate SMME's and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBBEE and radical economic transformation through local procurement by ensuring at least 40% of the municipality's tenders are awarded to EME's, OSE's and from the businesses in the rural areas within the municipal jurisdiction by 30 June 2023	Percentage of tenders and value thereof awarded to EME, OSE, local and from business in the rural areas within the municipal jurisdiction	40%	40%	G	40%	40%	G	[D161] Manager : SCM: 3 tenders were awarded in the second quarter which were all BBBEE level 1 contributor and they were either EME or QSE. (December 2022)	[D161] Manager : SCM: No corrective measure as we have over achieved the set target for this quarter . (December 2022)	[D161] Manager : SCM: PPPFAAchievement-secondquarter-20January2023.pdf (December 2022)	40%	40%	G
TL40	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of 11 weeks for building plan submissions received in the current financial year for buildings or architectural buildings	Average response time in weeks to process building plans	11	9	B	11	15	R	[D478] Manager: Urban Planning: Target not met (December 2022)	[D478] Manager: Urban Planning: To ensure that building designers submit revised plans in time as prolonged response have impact on processing of building plans i.e Fire Plans	[D478] Manager: Urban Planning: Processedapplicationsbuildingplans.xlsx (December 2022)	11	12	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
		greater than 500 m ² annually									amendments. (December 2022)				
TL41	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of 11 weeks for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 m ² annually	Average time in weeks to process building plans	11	9	B	11	13	R	[D479] Manager: Urban Planning: Comments from sister Departments were not issued timeously. (December 2022)	[D479] Manager: Urban Planning: To write memo to remind various Departments of outstanding comments. (December 2022)	[D479] Manager: Urban Planning: Processed applications building plans.xlsx (December 2022)	11	11	G
TL45	To capacitate SMME's and local entrepreneurs	Implementation of the Developmental Programme that supports SMME's through business incubation for at least 10 businesses annually	Number of SMME businesses provided with skills	3	26	B	2	0	R	[D483] Manager: SMME: We have already exceed the performance of this KPI as we have assisted 26 SMMEs (October 2022)	[D483] Manager: SMME: No Corrective measures (October 2022)	[D483] Manager: SMME: (October 2022)	5	26	B
TL48	To capacitate SMME's and local entrepreneurs	NCIF implementing Innovation Projects in terms of the	Percentage of Science, Technology and Innovation LED Projects	25%	20%	O	50%	50%	G	[D486] Manager: LED: In order to capacitate SMMEs and local entrepreneurs through		[D486] Manager: LED: Final submission Kasi Digital Hubs Proposal 2022 10 October 20	50%	50%	G

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
		Science, Technology and Innovation Projects by 30 June 2023								projects which are related to STI under Tirisano window for funding opportunity using mLab NC which will be collaborating with NCIF we have applied for the establishment of the digital hubs. The applicant for the application is mLab NC while the proposal or business plan was developed by LED Unit. During the month of October NCIF from the 14 to 16 October will be hosting Hackthorn programme as STI initiative. Lastly before the end of December 2022 NCIF has developed a catch up plan with detail of activities which will be implemented as part of the NCIF mandate that is plan of STI initiatives. (December 2022)		22.pdf; NCIFImplementationPlan-Phase11September2022.docx; NCIFImplementationProposal2022.pptx; BroadbandHackathonProgramme.docx (October 2022) [D486] Manager: LED: NCIFImplementationProposal2022.pptx; BroadbandHackathonProgramme.docx; NCIFImplementationPlan-Phase11September2022.docx; FinalforsubmissionKasiDigitalHubsProposal202210October2022.pdf (December 2022)			

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL49	To capacitate SMME's and local entrepreneurs	Complete 100% construction of Craven Street Centre using Pre-owned shipping containers for business development by 30 June 2023	Percentage use components output deliveries	0%	0%	N / A	50%	80%	B	[D487] Manager: LED: The contractor was appointed around April 2022 and progress with construction it sitting at 80% with 10 containers on site. (October 2022) [D487] Manager: LED: he first amount of R5 million was used to purchase materials of containers through cession agreement this served as the first certificate, while the second certificate was for the work done on the site for the construction of the foundations. 10 Containers were constructed on site. (December 2022)		[D487] Manager: LED: Letterofappointment.pdf; CravenStreetALDRAWINGS.PDF; Proposalfromthebidderawardedthebid.pdf (December 2022)	50%	80%	B

11.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL21	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2023	Percentage successful appeals	5%	0%	B	5%	0%	B	[D170] Manager : SCM: No appeals were made during this quarter of October, November and December. (December 2022)	[D170] Manager : SCM: No corrective measure is required. (December 2022)		5%	0%	B
TL36	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	Quarterly reports on strategic risk register	1	1	G	1	1	G	[D241] Chief Risk Officer: Report was presented in November (December 2022)	[D241] Chief Risk Officer: None required (December 2022)	[D241] Chief Risk Officer: ReporttoAuditComNov.2022.docx; StrategicRiskRegisterReviewedOct. 2022.xlsx (December 2022)	2	2	G
TL37	Promote community participation and communication	To communicate to the public (established residential areas) by issuing monthly newsletters	Number of newsletters issued	3	0	R	3	0	R	[D242] Manager : Communications: Project is transitioning from paper to digital and has been temporarily put on hold. (December 2022)	[D242] Manager : Communications: KPI to be reviewed during mid-term for implementation in the next financial year. (December 2022)	[D242] Manager : Communications: (December 2022)	6	0	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL38	Promote community participation and communication	To respond to all media enquiries and issue media statement within 24 hours after an occurrence	Response times after an event has occurred in hours	24	24	G	24	24	G	[D243] Manager : Communications: Update via media platforms whatsapp groups, DFA, website (December 2022)		[D243] Manager : Communications: Communicationto public.pdf (December 2022)	24	24	G
TL6	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit committee during the financial year	Number of internal audit reports completed	3	8	B	2	2	G	[D58] Chief Audit Executive: No planned audits have been completed during the month, however an ad-hoc report on the tender compliance of CEE05 electrical panel have been completed as required (October 2022) [D58] Chief Audit Executive: No planned audit reports have been completed during the month, however one ad-hoc report have been completed and was submitted to the ED corporate services with regards to the verification of employees. (November 2022)	[D58] Chief Audit Executive: Internal Auditors to ensure that at least one planed audit are completed per month to ensure that the overall target is achieved. (October 2022) [D58] Chief Audit Executive: A meeting have been scheduled with internal audit staff to follow up on progress and explain the urgency of completing planed audits for the financial period. (November 2022)	[D58] Chief Audit Executive: 5.2SolPlaatjeIAFi nalINFRACEE052 022Electrical3EP andaboveReportV 01.pdf (October 2022) [D58] Chief Audit Executive: 1.2SolPlaatjeIAAd dendumDMSolani 7393HREmplVerif icationReportV01. pdf (November 2022)	5	10	B

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL8	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To comply with all Internal Audit and Auditor General recommendations regarding POPIA in so far as the municipality's ICT estate is concerned by 30 June 2023	Percentage improved / cleared audit findings	0%	0%	N / A	100%	100%	G	[D59] Chief Information Officer: No findings received from Auditor General and Internal Audit. (December 2022)	[D59] Chief Information Officer: No Action Plan required (December 2022)		100%	100%	G
TL9	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To development, implement and maintain municipal policies and strategy aimed at promoting information and cyber security security awareness amongst employees and municipality technology partners and the implementation of technology aimed at reducing the internal and external attack surface area of	Percentage Improved/cleared audit findings.	100%	100%	G	100%	10%	R	[D60] Chief Information Officer: This project will be done in phases. Phase 1 Completion and approval of policies and strategies. All existing ICT policies were reviewed and ICT Governance Framework, Cyber security strategy and the Continuity Strategy were completed and approved during the period of July to December 2022. (December 2022)	[D60] Chief Information Officer: Phase 2: Implementation of technology, and Phase 3: Implementation of Microsoft E5 security features will be completed during Q3 and Q4. (December 2022)	[D60] Chief Information Officer: ICTCybersecurity Strategy1.pdf; ICTSecurityIncidentManagementProcess2.pdf; ApprovedPolicies andStrategies.rar (December 2022)	100%	55%	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
		cyber threats to the municipality ICT estate by 30 June 2023													

11.5 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL3	To provide a basis for sustainable municipal performance improvement	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2022/23	No of reports submitted	1	1	G	1	0	R	[D55] IDP Manager: 1st Quarter report was submitted to EM on 21st of October 2022 due to ED's not monitoring the updating of SDBIP quarterly targets an POE's submitted. (October 2022)	[D55] IDP Manager: ED's must extract reports from the Ignite System to monitor updating of Line Manager and uploading of POE's to enable the IDP Unit to submit report within set timeframe. (October 2022)	[D55] IDP Manager: Memosubmission to EM.pdf (October 2022)	2	1	R
TL30	To enable effective training and skills development through various initiatives and partnering with the private sector	Equip staff to implement efficiency, monitoring and productivity through the following improvement interventions by 30 June 2023 : Leadership, management, vocational and professional development training, Learning/competency and development programme	Number of interventions performed	0	0	N/A	1	1	G	[D235] Manager : Training and Organisational Development: Training were provided to 251 employees (December 2022)		[D235] Manager : Training and Organisational Development: ISDGQuarterly ReportSPLMOct-Dec2022.pdf; ODreportOct-Dec2022.docx (December 2022)	1	1	G
TL34	To provide a basis for sustainable municipal performance improvement	On a quarterly basis communicate the funded vacant positions in each directorate to the	Number of communications provided	1	0	R	1	0	R	[D239] Manager : Human Resources: Soft lock on advertising of	[D239] Manager : Human Resources: KPI to be reviewed during Mid-Term (December 2022)		2	0	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending September 2022			Quarter ending December 2022			Overall Performance for Quarter ending September 2022 to Quarter ending December 2022					
				Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
		relevant Executive Director								positions. (December 2022)					
TL35	To provide a basis for sustainable municipal performance improvement	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2023	Number of assessments conducted	1	0	R	0	0	N/A				1	0	R
TL7	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To approve an ICT Governance Framework that is supported by ICT Policies by 30 June 2023	Approved ICT Governance Framework	0	0	N/A	1	0	R	[D61] Chief Information Officer: Framework was developed and approved by MM. Still need to take the frame work to council (December 2022)	[D61] Chief Information Officer: Item to be submitted to council for approval (December 2022)	[D61] Chief Information Officer: Governance of ICT Framework.pdf (December 2022)	1	0	R

12. CERTIFICATION

Municipal Manager's quality certification

I, **SB Matlala**, the Municipal Manager of Sol Plaatje Municipality, hereby certify that–

(mark as appropriate)

☐

the Monthly Budget Statement

☒

Quarterly Report on the implementation of the budget and financial state affairs of the municipality

☒

Mid-year Budget and Performance Assessment

For the period ended **31 December 2022 which is also the end of Quarter 2 period** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: SB MATLALA

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____



Date: 23 /01/2023

13. CONCLUSION

This report meets the Section 52(d) MFMA, Act 56 of 2003, requirement for the Executive Mayor to report on the financial state of affairs of the municipality within 30 working days.

Communication

In compliance to legislative requirements (Section 52(d) of the MFMA, Act 56 of 2003) this document is provided to all stakeholders by placing it on the Sol Plaatje municipal website: www.solplaatje.org.za or can be viewed or downloaded from the following link: <http://www.solplaatje.org.za/CityManagement/Reporting/Pages/SDBIP.aspx>

Annexure A – Prescribed Tables in terms of GG 32141 of 17 April 2009

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - 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									
Financial Performance									
Property rates	599,898	627,646	627,646	46,162	357,986	313,823	44,163	14%	627,646
Service charges	1,145,790	1,373,211	1,373,211	95,483	599,413	686,606	(87,193)	-13%	1,373,211
Investment revenue	3,124	6,000	6,000	256	872	3,000	(2,128)	-71%	6,000
Transfers and subsidies	235,986	258,117	258,117	189	97,620	129,058	(31,439)	-24%	258,117
Other own revenue	193,499	222,235	222,235	23,168	143,536	111,117	32,419	29%	222,235
Total Revenue (excluding capital transfers and contributions)	2,178,297	2,487,209	2,487,209	165,257	1,199,427	1,243,604	(44,178)	-4%	2,487,209
Employee costs	772,777	849,403	849,403	78,257	395,190	424,703	(29,514)	-7%	849,403
Remuneration of Councillors	30,737	34,547	34,547	2,602	15,763	17,274	(1,510)	-9%	34,547
Depreciation & asset impairment	70,060	81,050	81,050	–	–	40,525	(40,525)	-100%	81,050
Finance charges	72,909	38,960	38,960	10,749	23,820	19,480	4,340	22%	38,960
Inventory consumed and bulk purchases	872,964	918,627	918,642	(55,145)	356,779	459,319	(102,540)	-22%	918,642
Transfers and subsidies	2,546	4,460	4,460	144	2,446	2,230	216	10%	4,460
Other expenditure	492,665	538,080	538,065	10,078	267,290	269,037	(1,747)	-1%	538,065
Total Expenditure	2,314,658	2,465,128	2,465,128	46,685	1,061,289	1,232,569	(171,280)	-14%	2,465,128
Surplus/(Deficit)	(136,361)	22,081	22,081	118,572	138,138	11,036	127,102	1152%	22,081
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,267	134,338	134,338	6,564	30,603	67,169	###	-54%	134,338
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)	91,250	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	64,157	156,419	156,419	125,136	168,741	78,205	90,536	116%	156,419
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	64,157	156,419	156,419	125,136	168,741	78,205	90,536	116%	156,419
Capital expenditure & funds sources									
Capital expenditure	127,081	190,043	190,043	13,922	37,995	95,022	(57,026)	-60%	190,043
Capital transfers recognised	112,818	134,338	134,338	6,985	31,024	67,169	(36,145)	-54%	134,338
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	14,263	55,705	55,705	6,937	6,971	27,853	(20,882)	-75%	55,705
Total sources of capital funds	127,081	190,043	190,043	13,922	37,995	95,022	(57,026)	-60%	190,043
Financial position									
Total current assets	2,396,615	2,701,046	2,701,046		2,364,907				2,701,046
Total non current assets	2,245,857	2,052,265	2,052,265		2,283,852				2,052,265
Total current liabilities	1,249,270	1,050,980	1,050,980		1,092,605				1,050,980
Total non current liabilities	437,303	408,150	408,150		431,514				408,150
Community wealth/Equity	2,955,900	3,294,182	3,294,182		3,118,197				3,294,182
Cash flows									
Net cash from (used) operating	(584,356)	106,800	106,800	(243,487)	697,005	53,400	(643,605)	-1205%	106,800
Net cash from (used) investing	(127,081)	(154,327)	(190,043)	(13,922)	(37,995)	(77,163)	(39,168)	51%	(154,327)
Net cash from (used) financing	–	(9,390)	(9,390)	–	–	(4,695)	(4,695)	100%	(9,390)
Cash/cash equivalents at the month/year end	(668,430)	116,006	80,289	–	862,316	144,464	(717,852)	-497%	146,389
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	146,053	91,172	76,846	68,134	69,953	135,533	311,845	#####	3,190,215
Creditors Age Analysis									
Total Creditors	107,161	75,516	–	4,599	749	86,474	425,247	224,995	924,742

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - 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	1									
Revenue - Functional										
Governance and administration		1,098,135	1,126,167	1,126,167	64,476	557,412	563,083	(5,672)	-1%	1,126,167
Executive and council		480,231	470,256	470,256	15,271	171,773	235,128	(63,354)	-27%	470,256
Finance and administration		617,905	655,911	655,911	49,204	385,638	327,955	57,683	18%	655,911
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		28,981	26,474	26,474	1,586	13,131	13,237	(106)	-1%	26,474
Community and social services		11,158	11,348	11,348	189	1,646	5,674	(4,028)	-71%	11,348
Sport and recreation		1,889	1,905	1,905	343	1,299	953	346	36%	1,905
Public safety		720	340	340	7	296	170	126	74%	340
Housing		12,192	12,801	12,801	1,043	6,361	6,400	(39)	-1%	12,801
Health		3,023	80	80	3	3,529	40	3,489	8723%	80
Economic and environmental services		28,997	16,015	16,015	595	8,156	8,007	148	2%	16,015
Planning and development		15,823	5,525	5,525	262	6,042	2,762	3,280	119%	5,525
Road transport		13,174	10,490	10,490	333	2,113	5,245	(3,132)	-60%	10,490
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,212,755	1,444,171	1,444,171	104,242	645,713	722,086	(76,372)	-11%	1,444,171
Energy sources		742,172	935,854	935,854	58,314	381,801	467,927	(86,126)	-18%	935,854
Water management		307,957	345,167	345,167	29,729	168,955	172,583	(3,629)	-2%	345,167
Waste water management		93,896	92,200	92,200	9,288	54,473	46,100	8,373	18%	92,200
Waste management		68,729	70,950	70,950	6,912	40,485	35,475	5,009	14%	70,950
Other	4	9,946	8,720	8,720	923	5,618	4,360	1,258	29%	8,720
Total Revenue - Functional	2	2,378,815	2,621,547	2,621,547	171,821	1,230,030	1,310,773	(80,744)	-6%	2,621,547
Expenditure - Functional										
Governance and administration		616,540	712,851	712,851	38,835	323,426	356,428	(33,002)	-9%	712,851
Executive and council		374,197	428,654	428,654	14,912	194,236	214,328	(20,092)	-9%	428,654
Finance and administration		235,566	277,659	277,659	23,414	126,673	138,831	(12,158)	-9%	277,659
Internal audit		6,778	6,538	6,538	509	2,518	3,269	(752)	-23%	6,538
Community and public safety		176,753	181,961	181,961	18,180	93,249	90,981	2,268	2%	181,961
Community and social services		42,959	43,119	43,119	4,766	23,800	21,560	2,240	10%	43,119
Sport and recreation		53,032	53,283	53,283	5,735	28,793	26,642	2,151	8%	53,283
Public safety		42,229	43,948	43,948	3,722	20,321	21,974	(1,654)	-8%	43,948
Housing		19,874	22,768	22,768	2,111	10,588	11,384	(796)	-7%	22,768
Health		18,659	18,842	18,842	1,845	9,748	9,421	327	3%	18,842
Economic and environmental services		124,668	141,936	141,936	12,665	71,859	70,969	890	1%	141,936
Planning and development		39,022	47,872	47,872	3,979	20,987	23,937	(2,949)	-12%	47,872
Road transport		84,946	93,326	93,326	8,582	50,434	46,663	3,771	8%	93,326
Environmental protection		700	737	737	105	437	369	69	19%	737
Trading services		1,373,647	1,402,477	1,402,477	(25,514)	560,936	701,239	(140,303)	-20%	1,402,477
Energy sources		882,510	915,683	915,683	(57,035)	318,215	457,842	(139,627)	-30%	915,683
Water management		326,816	322,469	322,469	15,130	162,378	161,235	1,143	1%	322,469
Waste water management		92,343	93,375	93,375	10,526	46,040	46,688	(648)	-1%	93,375
Waste management		71,978	70,950	70,950	5,866	34,304	35,475	(1,172)	-3%	70,950
Other		23,049	25,903	25,903	2,519	11,819	12,952	(1,133)	-9%	25,903
Total Expenditure - Functional	3	2,314,658	2,465,128	2,465,128	46,685	1,061,289	1,232,569	(171,280)	-14%	2,465,128
Surplus/ (Deficit) for the year		64,157	156,419	156,419	125,136	168,741	78,205	90,536	116%	156,419

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote 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 Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		480,231	470,256	470,256	15,271	171,773	235,128	(63,354)	-26.9%	470,256
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		6,869	6,873	6,873	5	246	3,436	(3,191)	-92.9%	6,873
Vote 05 - Community Services		106,478	101,913	101,913	8,622	54,462	50,957	3,506	6.9%	101,913
Vote 06 - Financial Services		610,429	648,238	648,238	49,130	385,013	324,119	60,894	18.8%	648,238
Vote 07 - Strategy Econ Development And Planning		17,626	7,945	7,945	342	6,476	3,972	2,504	63.0%	7,945
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,386,322	98,451	612,059	693,161	(81,101)	-11.7%	1,386,322
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	2,378,815	2,621,547	2,621,547	171,821	1,230,030	1,310,773	(80,744)	-6.2%	2,621,547
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	4,796	29,353	29,458	(104)	-0.4%	58,915
Vote 02 - Municipal And General		309,950	357,885	357,885	10,970	159,612	178,943	(19,331)	-10.8%	357,885
Vote 03 - Municipal Manager		20,618	23,528	23,528	30	9,912	11,764	(1,852)	-15.7%	23,528
Vote 04 - Corporate Services		64,274	74,419	74,419	6,618	35,181	37,210	(2,029)	-5.5%	74,419
Vote 05 - Community Services		286,713	297,675	297,675	28,488	149,239	148,839	400	0.3%	297,675
Vote 06 - Financial Services		126,129	157,404	157,404	11,488	65,869	78,703	(12,834)	-16.3%	157,404
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	61,468	6,202	29,645	30,734	(1,090)	-3.5%	61,468
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,433,833	(21,907)	582,478	716,918	(134,440)	-18.8%	1,433,833
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	2,314,658	2,465,128	2,465,128	46,685	1,061,289	1,232,569	(171,280)	-13.9%	2,465,128
Surplus/ (Deficit) for the year	2	64,157	156,419	156,419	125,136	168,741	78,205	90,536	115.8%	156,419

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Budget 2021/22 - Table 04 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - 1000 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		599,898	627,646	627,646	46,162	357,986	313,823	44,163	14%	627,646
Service charges - electricity revenue		728,486	919,854	919,854	56,849	373,607	459,927	(86,319)	-19%	919,854
Service charges - water revenue		273,280	310,717	310,717	25,067	144,533	155,358	(10,826)	-7%	310,717
Service charges - sanitation revenue		83,392	81,700	81,700	7,800	46,735	40,850	5,885	14%	81,700
Service charges - refuse revenue		60,632	60,940	60,940	5,767	34,538	30,470	4,068	13%	60,940
Rental of facilities and equipment		16,755	13,010	13,010	2,138	12,825	6,505	6,320	97%	13,010
Interest earned - external investments		3,124	6,000	6,000	256	872	3,000	(2,128)	-71%	6,000
Interest earned - outstanding debtors		131,160	156,500	156,500	17,020	89,456	78,250	11,206	14%	156,500
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		15,405	27,730	27,730	2,064	21,520	13,865	7,655	55%	27,730
Licences and permits		8,532	6,850	6,850	895	5,419	3,425	1,994	58%	6,850
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		235,986	258,117	258,117	189	97,620	129,058	(31,439)	-24%	258,117
Other revenue		14,517	18,145	18,145	1,050	11,448	9,072	2,376	26%	18,145
Gains		7,130	-	-	-	2,868	-	2,868	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,178,297	2,487,209	2,487,209	165,257	1,199,427	1,243,604	(44,178)	-4%	2,487,209
Expenditure By Type										
Employee related costs		772,777	849,403	849,403	78,257	395,190	424,703	(29,514)	-7%	849,403
Remuneration of councillors		30,737	34,547	34,547	2,602	15,763	17,274	(1,510)	-9%	34,547
Debt impairment		267,518	297,000	297,000	-	148,504	148,500	4	0%	297,000
Depreciation & asset impairment		70,060	81,050	81,050	-	-	40,525	(40,525)	-100%	81,050
Finance charges		72,909	38,960	38,960	10,749	23,820	19,480	4,340	22%	38,960
Bulk purchases - electricity		639,689	682,000	682,000	(74,123)	207,037	341,000	(133,963)	-39%	682,000
Inventory consumed		233,275	236,627	236,642	18,978	149,742	118,319	31,423	27%	236,642
Contracted services		38,163	46,437	46,437	(1,713)	9,669	23,219	(13,550)	-58%	46,437
Transfers and subsidies		2,546	4,460	4,460	144	2,446	2,230	216	10%	4,460
Other expenditure		110,302	134,643	134,628	11,791	82,084	67,319	14,766	22%	134,628
Losses		76,681	60,000	60,000	-	27,033	30,000	(2,967)	-10%	60,000
Total Expenditure		2,314,658	2,465,128	2,465,128	46,685	1,061,289	1,232,569	(171,280)	-14%	2,465,128
Surplus/(Deficit)		(136,361)	22,081	22,081	118,572	138,138	11,036	127,102	0	22,081
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,267	134,338	134,338	6,564	30,603	67,169	(36,566)	(0)	134,338
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		14,400	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		76,850	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		64,157	156,419	156,419	125,136	168,741	78,205			156,419
Taxation								-		
Surplus/(Deficit) after taxation		64,157	156,419	156,419	125,136	168,741	78,205			156,419
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		64,157	156,419	156,419	125,136	168,741	78,205			156,419
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		64,157	156,419	156,419	125,136	168,741	78,205			156,419

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote 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	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		7,197	40,405	27,405	7,030	7,030	18,345	(11,315)	-62%	27,405
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		18,239	8,300	8,300	2,542	2,895	4,150	(1,255)	-30%	8,300
Vote 08 - Infrastructure And Services		88,488	79,038	92,038	4,162	22,989	41,376	(18,387)	-44%	92,038
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	113,924	127,743	127,743	13,734	32,914	63,872	(30,957)	-48%	127,743
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		4,041	13,300	13,300	-	16	6,650	(6,634)	-100%	13,300
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-		-
Vote 08 - Infrastructure And Services		9,116	49,000	49,000	188	5,065	24,500	(19,435)	-79%	49,000
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	13,157	62,300	62,300	188	5,081	31,150	(26,069)	-84%	62,300
Total Capital Expenditure		127,081	190,043	190,043	13,922	37,995	95,022	(57,026)	-60%	190,043
Capital Expenditure - Functional Classification										
Governance and administration		11,238	53,705	40,705	7,030	7,046	24,995	(17,949)	-72%	40,705
Executive and council		11,238	53,705	40,705	7,030	7,046	24,995	(17,949)	-72%	40,705
Finance and administration		-	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		52,457	35,300	35,300	5,353	24,239	17,650	6,589	37%	35,300
Planning and development		18,239	8,300	8,300	2,542	2,895	4,150	(1,255)	-30%	8,300
Road transport		34,218	27,000	27,000	2,812	21,344	13,500	7,844	58%	27,000
Environmental protection		-	-	-	-	-	-	-		-
Trading services		63,386	101,038	114,038	1,538	6,710	52,376	(45,667)	-87%	114,038
Energy sources		34,548	46,000	59,000	918	5,795	24,857	(19,062)	-77%	59,000
Water management		624	13,000	13,000	-	-	6,500	(6,500)	-100%	13,000
Waste water management		28,214	42,038	42,038	620	915	21,019	(20,104)	-96%	42,038
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	127,081	190,043	190,043	13,922	37,995	95,022	(57,026)	-60%	190,043
Funded by:										
National Government		95,428	134,338	134,338	6,985	31,024	67,169	(36,145)	-54%	134,338
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		3,500	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		13,891	-	-	-	-	-	-		-
Transfers recognised - capital		112,818	134,338	134,338	6,985	31,024	67,169	(36,145)	-54%	134,338
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		14,263	55,705	55,705	6,937	6,971	27,853	(20,882)	-75%	55,705
Total Capital Funding		127,081	190,043	190,043	13,922	37,995	95,022	(57,026)	-60%	190,043

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		197,591	(1,939)	(1,939)	41,171	(1,939)
Call investment deposits		–	–	–	–	–
Consumer debtors		1,990,522	2,244,736	2,244,736	2,121,407	2,244,736
Other debtors		159,049	418,926	418,926	140,083	418,926
Current portion of long-term receivables		–	–	–	–	–
Inventory		49,454	39,322	39,322	62,247	39,322
Total current assets		2,396,615	2,701,046	2,701,046	2,364,907	2,701,046
Non current assets						
Long-term receivables		–	35,716	35,716	–	35,716
Investments						
Investment property		209,106	208,312	208,312	209,930	208,312
Investments in Associate						
Property, plant and equipment		2,003,442	1,795,402	1,795,402	2,040,614	1,795,402
Biological						
Intangible		21,238	2,908	2,908	21,238	2,908
Other non-current assets		12,071	9,926	9,926	12,071	9,926
Total non current assets		2,245,857	2,052,265	2,052,265	2,283,852	2,052,265
TOTAL ASSETS		4,642,473	4,753,311	4,753,311	4,648,759	4,753,311
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		43,176	49,224	49,224	44,500	49,224
Trade and other payables		1,206,094	907,727	907,727	1,051,438	907,727
Provisions		–	94,029	94,029	(3,333)	94,029
Total current liabilities		1,249,270	1,050,980	1,050,980	1,092,605	1,050,980
Non current liabilities						
Borrowing		171,517	148,630	148,630	165,728	148,630
Provisions		265,786	259,520	259,520	265,786	259,520
Total non current liabilities		437,303	408,150	408,150	431,514	408,150
TOTAL LIABILITIES		1,686,573	1,459,129	1,459,129	1,524,119	1,459,129
NET ASSETS	2	2,955,900	3,294,182	3,294,182	3,124,640	3,294,182
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,865,773	3,213,305	3,213,305	3,028,071	3,213,305
Reserves		90,127	80,876	80,876	90,127	80,876
TOTAL COMMUNITY WEALTH/EQUITY	2	2,955,900	3,294,182	3,294,182	3,118,197	3,294,182

References

1. Material variances to be explained in Table SC1
2. Net assets must balance with Total Community Wealth/Equity

check balance - - - 6,442,999 -

The monthly actual is not in balance. This was communicated to our service provider for correction.

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Receipts and Payments - Table of Monthly Budget Statement - Cash Flow - 31st 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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		438,882	533,499	533,499	30,102	216,663	266,750	(50,086)	-19%	533,499
Service charges		1,146,393	1,093,079	1,093,079	76,826	542,048	546,540	(4,491)	-1%	1,093,079
Other revenue		288,367	403,395	403,395	26,683	494,829	201,697	293,132	145%	403,395
Transfers and Subsidies - Operational		31,741	18,959	18,959	4,450	9,780	9,480	300	3%	18,959
Transfers and Subsidies - Capital		100,630	134,338	134,338	22,000	63,530	67,169	(3,639)	-5%	134,338
Interest		-	6,000	6,000	-	-	3,000	(3,000)	-100%	6,000
Dividends								-		
Payments										
Suppliers and employees		(2,589,329)	(2,039,050)	(2,039,050)	(403,547)	(629,846)	(1,019,525)	(389,679)	38%	(2,039,050)
Finance charges		(1,039)	(38,960)	(38,960)	-	-	(19,480)	(19,480)	100%	(38,960)
Transfers and Grants		-	(4,460)	(4,460)	-	-	(2,230)	(2,230)	100%	(4,460)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(584,356)	106,800	106,800	(243,487)	697,005	53,400	(643,605)	-1205%	106,800
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	35,716	-	-	-	17,858	(17,858)	-100%	35,716
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(127,081)	(190,043)	(190,043)	(13,922)	(37,995)	(95,022)	(57,026)	60%	(190,043)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(127,081)	(154,327)	(190,043)	(13,922)	(37,995)	(77,163)	(39,168)	51%	(154,327)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		-	(9,390)	(9,390)	-	-	(4,695)	(4,695)	100%	(9,390)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(9,390)	(9,390)	-	-	(4,695)	(4,695)	100%	(9,390)
NET INCREASE/ (DECREASE) IN CASH HELD		(711,437)	(56,917)	(92,633)	(257,409)	659,010	(28,458)			(56,917)
Cash/cash equivalents at beginning:		43,007	172,922	172,922	(162,135)	203,306	172,922			203,306
Cash/cash equivalents at month/year end:		(668,430)	116,006	80,289		862,316	144,464			146,389

System error to be resolved so that Original budget, monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also severely overstated. Serious intervention is required to correct these discrepancies and to this end training was provided by NT to provide guidance on how to disclose the cash flow actuals. The BTO will endeavor to address all issues raised by NT in terms of the correct mapping of the cash flow, however we need the assistance of our service provider.

As per C6, the Cash and cash equivalents is R41,171 million as per the Cash book balance.