

SOL PLAATJE LOCAL MUNICIPALITY



QUARTERLY REPORT FOR THE PERIOD 1 JULY TO 30 SEPTEMBER 2022

MFMA SEC 52(D) REPORT

13 OCTOBER 2022

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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

1. SUMMARY

The purpose of this report is to comply with the Municipal Systems Act (MSA), Act 32 of 2000 (Chapter 6) and the Municipal Planning and Performance Regulations, Regulations 796 of 2001 that provide for the establishment and implementation of a performance management system which include the setting of performance indicators and targets linked to the Municipality's IDP and the *monitoring, measurement* and the review of performance.

The Municipal Finance Management Act (MFMA), Act 56 of 2003, through the Service Delivery Budget Implementation Plan (SDBIP), created the tool for monitoring and measuring the performance of the Municipality and defines the SDBIP " as the detailed plan approved by the mayor of the municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget.

This report indicates the performance of the Municipality in terms of its SDBIP for the 1st Quarter of the 2022/23 financial year.

The municipality realises once again, 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 main focus of the municipality 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 facing serious challenges pertaining to the debt owed to Eskom and Department of Water and Sanitation, which is escalating on a monthly basis. The ESKOM debt is exacerbated with the billing of the high months from Jun to August 2022 with an average monthly billing of R100 million.

Currently the total debtors book is standing at R3,074,758 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 for the month of September 2022 the municipality only managed to collect R134,119 million. Although this is still positive when compared to the average cash collection of R120 million in prior months, the collection is a significant decline from August 2022.

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.

The most prominent projects for the 2022/23 financial year include the Replacement of SPM Fleet (R35 405 million) funded through CRR, the Electrification of 1650 households in Lerato Park , Phase 7 & 8 (R33 million) funded through the INEP grant, Complete 100% work for the installation of electrical and mechanical components in Lerato Park Sewer Pump Station (R21 090 million) funded through IUDG and to Complete 60% of the Construction Phase for the Carters Ridge Sewer Pump Station building with all Electrical and Mechanical Equipment (R19 948 million) funded through WSIG.

In the area of Human Resources, the professionalisation of local government is a key objective, and the need for competent, skilled and professional staff in key positions drives the recruitment process. Skills development and the implementation of affirmation action is also high on the agenda. The municipality acknowledges the importance of compliance, and it is for these reasons that schedule of key dates is made available to the key stakeholders on compliance. However, what supersedes everything is certainty and availability of services to the community.

In conclusion, it is imperative to understand the strategic objectives of the Municipality and vision in order to plan coherently and in a sustainable manner.

2. 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 **14 October 2022**, (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.

2.1 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 first 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 R thousand (R'000)	YTD Budget September 2022	YTD Actual September 2022	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	621,802	662,794	40,992	106.6%	6.6%
Total Revenue (including capital transfers and contributions)	655,387	680,437	25,051	103.8%	3.8%
Total Operational Expenditure	616,284	508,003	(108,282)	82.4%	-17.6%

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

As indicated in Table 1 above, as at 30 September 2022, the billed revenue excluding capital grants amounted to R662,794 million which resulted in a favourable variance of 6.6% when compared to the YTD Budget of R621,802 million. The billed revenue including capital grants resulted in a satisfactory variance of 3.8% when compared to the YTD budget of R655,387 million. Going forward, Capital grants will be recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant has been met. The Total Operational Expenditure resulted in a negative variance of minus 17.6%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual August 2022	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%
Total Revenue (excluding capital transfers and contributions)	2,487,209	662,794	455,527	26.6%	1.65%
Total Revenue (including capital transfers and contributions)	2,621,547	680,437	461,975	26.0%	0.96%
Total Operational Expenditure	2,465,128	508,003	302,575	20.6%	-4.39%

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 25.00% [calculated as follow: (100/12 months x 3 months of the year)] as at the end of September 2022, the Total operational revenue excluding capital grants versus the Original Budget resulted in a positive variance of 1.65%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 0.96%. The Total Operational Expenditure resulted in a negative satisfactory variance of minus 4.39%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 12. The capital projections were also done in the same fashion. Please note that variances within a 5% range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

2.2 Capital Budget Overview

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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	190,043	13,630	17,643	47,511	37.1%	(29,867)	-62.9%	9.3%	(29,867)	-15.7%
Funded by										
Capital transfers recognised	134,338	13,630	17,643	33,585	52.5%	(15,941)	-47.5%	13.1%	(15,941)	-11.9%
Internally generated funds	55,705	-	-	13,926	0.0%	(13,926)	-100.0%	0.0%	(13,926)	-25.0%
Weighting Capital transfer recognised	71%	100%	100%	71%						
Weighting Internally generated funds	29%	0%	0%	29%						

Table 3: High level summary: Capital Budget

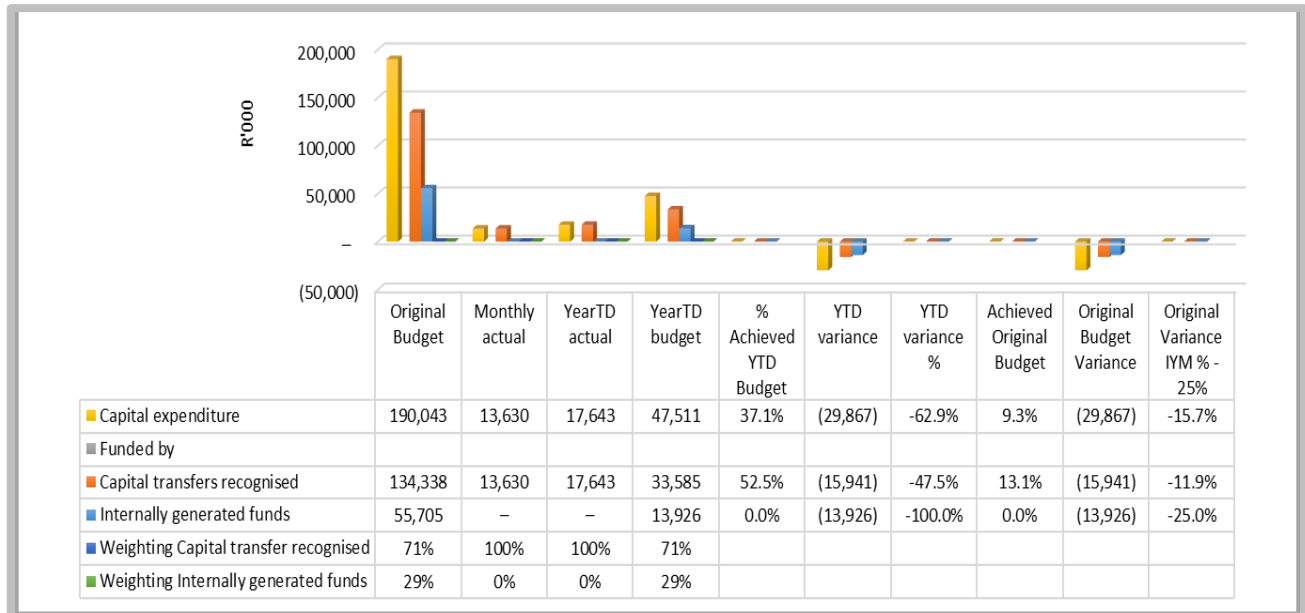


Chart 1: Total Capital Expenditure

As indicated in the Table 3 and Chart 1 above, the YTD Actual on capital expenditure as at end of September 2022 amounted to R17,643 million and 37.1% spent when compared to the YTD budget of R47,511 million and 9.3% spent when compared to the Original Budget of R190,043 million. The total YTD capex is funded from Capital grants R17,643 million (100%) and Internally generated funds zero rand (0%). 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.

3. REVENUE FRAMEWORK

3.1 Operating Revenue by Source

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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	627,646	46,212	219,642	156,911	140.0%	62,730	40.0%	35.0%	62,730	10.0%
Service charges - electricity revenue	919,854	49,771	180,188	229,963	78.4%	(49,776)	-21.6%	19.6%	(49,776)	-5.4%
Service charges - water revenue	310,717	22,910	67,045	77,679	86.3%	(10,635)	-13.7%	21.6%	(10,635)	-3.4%
Service charges - sanitation revenue	81,700	7,762	23,377	20,425	114.5%	2,952	14.5%	28.6%	2,952	3.6%
Service charges - refuse revenue	60,940	5,737	17,312	15,235	113.6%	2,076	13.6%	28.4%	2,076	3.4%
Rental of facilities and equipment	13,010	2,125	6,421	3,252	197.4%	3,168	97.4%	49.4%	3,168	24.4%
Interest earned - external investments	6,000	437	(47)	1,500	-3.1%	(1,547)	-103.1%	-0.8%	(1,547)	-25.8%
Interest earned - outstanding debtors	156,500	14,366	41,219	39,125	105.4%	2,094	5.4%	26.3%	2,094	1.3%
Fines, penalties and forfeits	27,730	2,553	4,257	6,932	61.4%	(2,676)	-38.6%	15.4%	(2,676)	-9.6%
Licences and permits	6,850	801	2,857	1,712	166.9%	1,145	66.9%	41.7%	1,145	16.7%
Agency services	-	-	-	-						
Transfers and subsidies	258,117	660	93,931	64,529	145.6%	29,402	45.6%	36.4%	29,402	11.4%
Other revenue	18,145	1,304	6,364	4,536	140.3%	1,827	40.3%	35.1%	1,827	10.1%
Gains on disposal of PPE	-	230	230	-		230			230	
Total Revenue (excluding capital transfers and contributions)	2,487,209	154,867	662,794	621,802	106.6%	40,992	6.6%	26.6%	40,992	1.6%
Transfers and subsidies - capital	134,338	13,630	17,643	33,584	52.5%	(15,941)	-47.5%	13.1%	(15,941)	-11.9%
Total Revenue (including capital transfers and contributions)	2,621,547	168,497	680,437	655,387	103.8%	25,051	3.8%	26.0%	25,051	1.0%

Table 4: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 40.0%, due to the annual billing on Property Rates for predominantly Organs of State and businesses.
- ❖ Service charges - Electricity revenue is showing a very concerning under-recovery of minus 21.6%, attributable to the actual billing being lower than anticipated and unallocated prepaid sales of R21 million that could not be allocated timeously. However, based on the Original budget comparison it is satisfactory at minus 5.4%. It will be prudent 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.

- ❖ Interest earned – External investments shows a negative variance of minus 103.1%, 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 negative variance of 38.6% as a result of the under-recovery of Law enforcements fines with a 7.15% achieved versus a target of R10,000 million. The unit is experiencing various challenges in terms of capacity and the process of the reconciliation of fines with the Department of Justice needs to improve. Penalties: Disconnection fees achieved an actual of 20.02% against an annual target of R17,500 million. The municipality also implemented disconnection of customers commencing from 8 August 2022.
- ❖ Licences and permits is showing a positive variance of 66.9%, however there are possible outstanding payments due to the Department of Transport, Safety and Liaison. This is possibly attributable to an over-recovery on Road & Trsp: Driver Licence Applicat Fee and Road & Trsp: Motor Vehicle Licenses, showing an actual achieved of 26.17% and 54.74% respectively
- ❖ Transfers and subsidies is showing a positive variance of 45.6% due to the recognition of the first tranche of the Equitable Share that was received in July 2022.
- ❖ Capital grants is showing a negative variance of 47.5%, 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 25.00%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is performing satisfactorily and showing a positive variance of 10%, due to the annual billing of Property Rates.
- ❖ Service charges is performing satisfactorily when compared to the Original budget.
- ❖ Interest from External Investments is showing an unsatisfactory variance of 25.8%. Same factors are applicable as described in the paragraph above.
- ❖ Fines, penalties and forfeits is showing a negative variance of 9.6%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 16.7%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies is showing a positive variance of 11.4%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers – recognised capital is showing a negative variance of 11.9%. Same factors are applicable as described in the paragraph above.

Also 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 30 September 2022. The main contributors of the municipality's revenue are Service Charges (43.4%), Property Rates (33.1%) and Transfers and subsidies (14.2%). The weighting is distorted due to the annual billing on Property Rates and the receipt of the first tranche of the Equitable Share allocation.

Chart 1: Revenue by Source: YTD Actual as a % of Total Revenue as at 30 September 2022 (R'000)

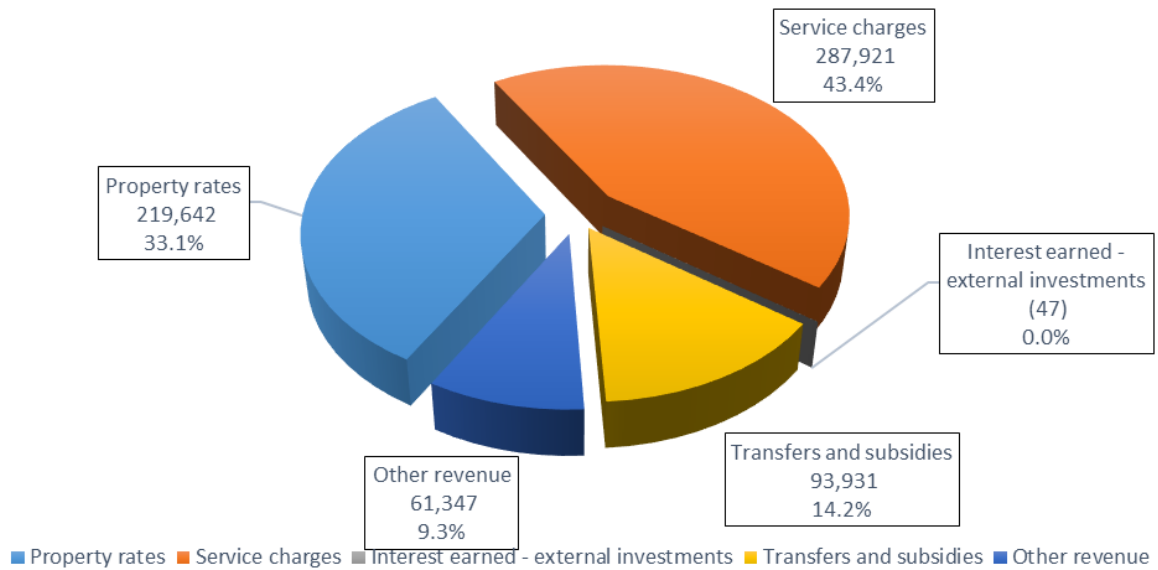


Chart 2: Revenue by Source: YTD Actual as a percentage of Total Revenue

3.2 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) - M03 September

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		484,799	470,256	470,256	21,961	131,516	117,564	13,952	11.9%	470,256
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,869	6,873	6,873	5	232	1,718	(1,486)	-86.5%	6,873
Vote 05 - Community Services		105,016	101,913	101,913	8,461	25,158	25,478	(320)	-1.3%	101,913
Vote 06 - Financial Services		610,429	648,238	648,238	49,630	226,765	162,059	64,706	39.9%	648,238
Vote 07 - Strategy Econ DevelopmentAnd Planning		17,626	7,945	7,945	381	3,847	1,986	1,861	93.7%	7,945
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,386,322	88,059	292,919	346,580	(53,662)	-15.5%	1,386,322
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,381,920	2,621,547	2,621,547	168,497	680,437	655,387	25,051	3.8%	2,621,547
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	3,836	15,059	14,729	330	2.2%	58,915
Vote 02 - Municipal And General		310,300	357,885	357,885	11,580	33,152	89,471	(56,319)	-62.9%	357,885
Vote 03 - Municipal Manager		20,679	23,528	23,528	1,645	4,630	5,882	(1,253)	-21.3%	23,528
Vote 04 - Corporate Services		64,274	74,419	74,419	5,686	16,987	18,605	(1,618)	-8.7%	74,419
Vote 05 - Community Services		286,713	297,675	297,675	23,963	70,003	74,419	(4,416)	-5.9%	297,675
Vote 06 - Financial Services		126,129	157,404	157,404	11,139	34,683	39,351	(4,668)	-11.9%	157,404
Vote 07 - Strategy Econ DevelopmentAnd Planning		54,596	61,468	61,468	4,881	13,855	15,367	(1,512)	-9.8%	61,468
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,433,833	165,010	319,634	358,459	(38,825)	-10.8%	1,433,833
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,315,070	2,465,128	2,465,128	227,740	508,003	616,284	(108,282)	-17.6%	2,465,128
Surplus/ (Deficit) for the year	2	66,851	156,419	156,419	(59,243)	172,435	39,102	133,332	341.0%	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.

3.3 Revenue By Major Service

3.3.1 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.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitm	YTD Moveme	Perc	Comment Ideal % = 25%
28400000010000000000	HOUSING							
28401000000000000000	REVENUE							
28401300000000000000	EXCHANGE REVENUE							
28401340000000000000	INTEREST DIVIDENDS AND RENT ON LAND							
28401380000000000000	OPERATIONAL REVENUE							
28401382400000000000	INCIDENTAL CASH SURPLUSES	-1 000,00	-1 000,00	-83 399,27	-	-84 686,27	999,99	REVENUE SATISFACTORY
28401389900000000000	SUB TOTAL : OPERATIONAL REVENUE	-1 000,00	-1 000,00	-83 399,27	-	-84 686,27	999,99	REVENUE SATISFACTORY
28401400000000000000	RENTAL FROM FIXED ASSETS							
28401400890000000000	N-M-R PPE: S/LINE-OTHER ASSETS	-12 800 000,00	-12 800 000,00	-1 037 927,79	-	-3 145 226,12	24,57	REVENUE NOT MATERIALISING
28401409900000000000	SUB TOTAL : RENTAL FROM FIXED ASSETS	-12 800 000,00	-12 800 000,00	-1 037 927,79	-	-3 145 226,12	24,57	REVENUE NOT MATERIALISING
28401420000000000000	SALES OF GOODS AND RENDERING OF SERVICES							
28401499920000000000	SUB TOTAL : EXCHANGE REVENUE	-12 801 000,00	-12 801 000,00	-1 121 327,06	-	-3 229 912,39	25,23	REVENUE SATISFACTORY
28401999980000000000	TOTAL : INCOME	-12 801 000,00	-12 801 000,00	-1 121 327,06	-	-3 229 912,39	25,23	REVENUE SATISFACTORY

3.3.2 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.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Perc	Comment Ideal % = 25%
28800000010000000000	<u>ELECTRICITY</u>							
28801000000000000000	<u>REVENUE</u>							
28801300000000000000	<u>EXCHANGE REVENUE</u>							
28801320000000000000	<u>SERVICE CHARGES</u>							
28801321030000000000	ELEC: CONNEC NEW FEES NON-GOVERN HOUSING	-8 000,00	-8 000,00	4 689,10	-	-1 017 617,54	999,99	REVENUE SATISFACTORY
28801321040000000000	ELEC: CONNEC/RECON DISCONN/RECONN FEES	-	-	-27 783,87	1 801 484,35	-141 487,23	-	REVENUE SATISFACTORY, NO BUDGET
28801321120000000000	ELEC SALES: COMMERC CONVEN SINGLE PHASE	-42 000 000,00	-42 000 000,00	-2 426 993,70	-	-10 791 440,13	25,69	REVENUE SATISFACTORY
28801321140000000000	ELEC SALES: COMMERCIAL PREPAID	-2 000 000,00	-2 000 000,00	-	-	11 827,43	-0,59	REVENUE NOT MATERIALISING
28801321160000000000	ELEC SALES: DOMESTI LOW HOME LIGHT 1 60A	-16 000 000,00	-16 000 000,00	-1 417 155,32	-	-3 987 875,65	24,92	REVENUE NOT MATERIALISING
28801321190000000000	ELEC SALES: DOMESTIC LOW: PREPAID	-422 845 944,00	-422 845 944,00	-1 202 426,64	-	-51 796 865,99	12,24	REVENUE NOT MATERIALISING
28801321210000000000	ELEC SALES: DOMESTIC HIGH HOME POWER 2	-	-	-1 503 532,09	-	-6 814 827,94	-	REVENUE SATISFACTORY, NO BUDGET
28801321230000000000	ELEC SALES: TIME OF USE TARIFFS	-247 000 000,00	-247 000 000,00	-25 943 806,53	-	-71 132 776,71	28,79	REVENUE SATISFACTORY
28801321310000000000	ELEC SALES: SPORT/CHURCH/HOLIDAY/OLD-AGE	-30 000 000,00	-30 000 000,00	-5 984 710,99	-	-12 181 226,07	40,60	REVENUE SATISFACTORY
28801321320000000000	ELEC SALES: STREET LIGHTING	-20 000 000,00	-20 000 000,00	-	-	-	-	STREETLIGHT CONSUMPTION TO BE JOURNALISED
28801321340000000000	ELEC DISTRIB: REV - SERV NETWORK CHARGES	-116 000 000,00	-116 000 000,00	-9 346 184,70	-	-16 398 475,83	14,13	REVENUE NOT MATERIALISING
28801321380000000000	ELEC: AVAILABILITY CHARGES	-24 000 000,00	-24 000 000,00	-1 922 608,75	-	-5 936 758,89	24,73	REVENUE NOT MATERIALISING
28801329900000000000	SUB TOTAL : SERVICE CHARGES	-919 853 944,00	-919 853 944,00	-49 770 513,49	1 801 484,35	-180 187 524,55	19,58	REVENUE NOT MATERIALISING
28801340000000000000	<u>INTEREST DIVIDENDS AND RENT ON LAND</u>	-16 000 000,00	-16 000 000,00	-1 328 370,53	-	-4 055 054,75	25,34	
28801341090000000000	INTER: RECEIV - SERVICE CHARGES	-16 000 000,00	-16 000 000,00	-1 328 370,53	-	-4 055 054,75	25,34	REVENUE SATISFACTORY
28801349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-	-	-	-	-	-	REVENUE NOT MATERIALISING
28801380000000000000	<u>OPERATIONAL REVENUE</u>	-	-	-	-	-	-	
28801499920000000000	SUB TOTAL : EXCHANGE REVENUE	-935 853 944,00	-935 853 944,00	-51 098 884,02	1 801 484,35	-184 242 579,30	19,68	REVENUE NOT MATERIALISING
28801999980000000000	TOTAL : INCOME	-935 853 944,00	-935 853 944,00	-51 098 884,02	1 801 484,35	-184 242 579,30	19,68	REVENUE NOT MATERIALISING

3.3.3 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.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Perc	Comment Ideal % = 25%
28600000010000000000	<u>WATER</u>							
28601000000000000000	<u>REVENUE</u>							
28601300000000000000	<u>EXCHANGE REVENUE</u>							
28601320000000000000	<u>SERVICE CHARGES</u>							
28601324020000000000	WATER: SALE - CONVENTIONAL	-310 717 008,00	-310 717 008,00	-22 910 288,31	-	-67 044 504,24	21,57	REVENUE NOT MATERIALISING
28601329900000000000	SUB TOTAL : SERVICE CHARGES	-310 717 008,00	-310 717 008,00	-22 910 288,31	-	-67 044 504,24	21,57	REVENUE NOT MATERIALISING
28601340000000000000	INTEREST DIVIDENDS AND RENT ON LAND	-	-	-	-	-	-	
28601341140000000000	INTER: RECEIV - WATER	-34 000 000,00	-34 000 000,00	-3 862 099,38	-	-11 190 040,18	32,91	REVENUE SATISFACTORY
28601349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-34 000 000,00	-34 000 000,00	-3 862 099,38	-	-11 190 040,18	32,91	REVENUE SATISFACTORY
28601380000000000000	<u>OPERATIONAL REVENUE</u>							
28601420000000000000	<u>SALES OF GOODS AND RENDERING OF SERVICES</u>							
28601423300000000000	LABORATORY SERVICES	-450 000,00	-450 000,00	-	-	-	-	REVENUE NOT MATERIALISING
28601423600000000000	MANAGEMENT FEES	-	-	-8 580,87	-	-47 459,13	-	REVENUE NOT MATERIALISING
28601429900000000000	SUB TOTAL : SALES & RENDERING OF SERV	-450 000,00	-450 000,00	-8 580,87	-	-47 459,13	10,54	REVENUE NOT MATERIALISING
28601499920000000000	SUB TOTAL : EXCHANGE REVENUE	-345 167 008,00	-345 167 008,00	-26 780 968,56	-	-78 282 003,55	22,67	REVENUE NOT MATERIALISING
28601999980000000000	TOTAL : INCOME	-345 167 008,00	-345 167 008,00	-26 780 968,56	-	-78 282 003,55	22,67	REVENUE NOT MATERIALISING

3.3.4 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.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitm	YTD Moveme	Perc	Comment Ideal % = 25%
28500000010000000000	SEWERAGE							
28501000000000000000	REVENUE							
28501300000000000000	EXCHANGE REVENUE							
28501320000000000000	SERVICE CHARGES							
28501323020000000000	WASTE WATER MANG: SANITATION CHARGES	-79 399 899,00	-79 399 899,00	-7 398 459,64	-	-22 316 749,69	28,10	REVENUE SATISFACTORY
28501323080000000000	WASTE WATER M: PUMP/REMOVAL WASTE WATER	-2 300 000,00	-2 300 000,00	-363 235,40	-	-1 060 172,02	46,09	REVENUE SATISFACTORY
28501329900000000000	SUB TOTAL : SERVICE CHARGES	-81 699 899,00	-81 699 899,00	-7 761 695,04	-	-23 376 921,71	28,61	REVENUE SATISFACTORY
28501340000000000000	INTEREST DIVIDENDS AND RENT ON LAND							
28501341130000000000	INTER: RECEIV - WASTE WATER MANAGEMENT	-10 500 000,00	-10 500 000,00	-1 228 808,13	-	-3 539 555,86	33,71	REVENUE SATISFACTORY
28501349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-10 500 000,00	-10 500 000,00	-1 228 808,13	-	-3 539 555,86	33,71	REVENUE SATISFACTORY
28501380000000000000	OPERATIONAL REVENUE							
28501420000000000000	SALES OF GOODS AND RENDERING OF SERVICES							
28501499920000000000	SUB TOTAL : EXCHANGE REVENUE	-92 199 899,00	-92 199 899,00	-8 990 503,17	-	-26 916 477,57	29,19	REVENUE SATISFACTORY
28501999980000000000	TOTAL : INCOME	-92 199 899,00	-92 199 899,00	-8 990 503,17	-	-26 916 477,57	29,19	REVENUE SATISFACTORY

3.3.5 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.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitm	YTD Moveme	Perc	Comment Ideal % = 25%
24800000010000000000	REFUSE							
24801000000000000000	REVENUE							
24801300000000000000	EXCHANGE REVENUE							
24801320000000000000	SERVICE CHARGES							
24801322030000000000	WASTE MANGEMENT: REFUSE REMOVAL	- 60 940 471,00	- 60 940 471,00	- 5 737 197,83	-	- 17 311 604,22	28,40	REVENUE SATISFACTORY
24801329900000000000	SUB TOTAL : SERVICE CHARGES	- 60 940 471,00	- 60 940 471,00	- 5 737 197,83	-	- 17 311 604,22	28,40	REVENUE SATISFACTORY
24801340000000000000	INTEREST DIVIDENDS AND RENT ON LAND							
24801341120000000000	INTER: RECEIV - WASTE MANAGEMENT	- 10 000 000,00	- 10 000 000,00	- 943 778,10	-	- 2 718 427,23	27,18	REVENUE SATISFACTORY
24801349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	- 10 000 000,00	- 10 000 000,00	- 943 778,10	-	- 2 718 427,23	27,18	REVENUE SATISFACTORY
24801380000000000000	OPERATIONAL REVENUE							
24801389900000000000	SUB TOTAL : OPERATIONAL REVENUE	-	-	-	-	-	-	
24801420000000000000	SALES OF GOODS AND RENDERING OF SERVICES							
24801420620000000000	CLEANING & REMOVAL	- 10 000,00	- 10 000,00	-	-	-	-	REVENUE NOT MATERIALISING
24801429900000000000	SUB TOTAL : SALES & RENDERING OF SERV	- 10 000,00	- 10 000,00	-	-	-	-	REVENUE NOT MATERIALISING
24801499920000000000	SUB TOTAL : EXCHANGE REVENUE	- 70 950 471,00	- 70 950 471,00	- 6 680 975,93	-	- 20 030 031,45	28,23	REVENUE SATISFACTORY
24801999980000000000	TOTAL : INCOME	- 70 950 471,00	- 70 950 471,00	- 6 680 975,93	-	- 20 030 031,45	28,23	REVENUE SATISFACTORY

3.4 Debtors Management

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

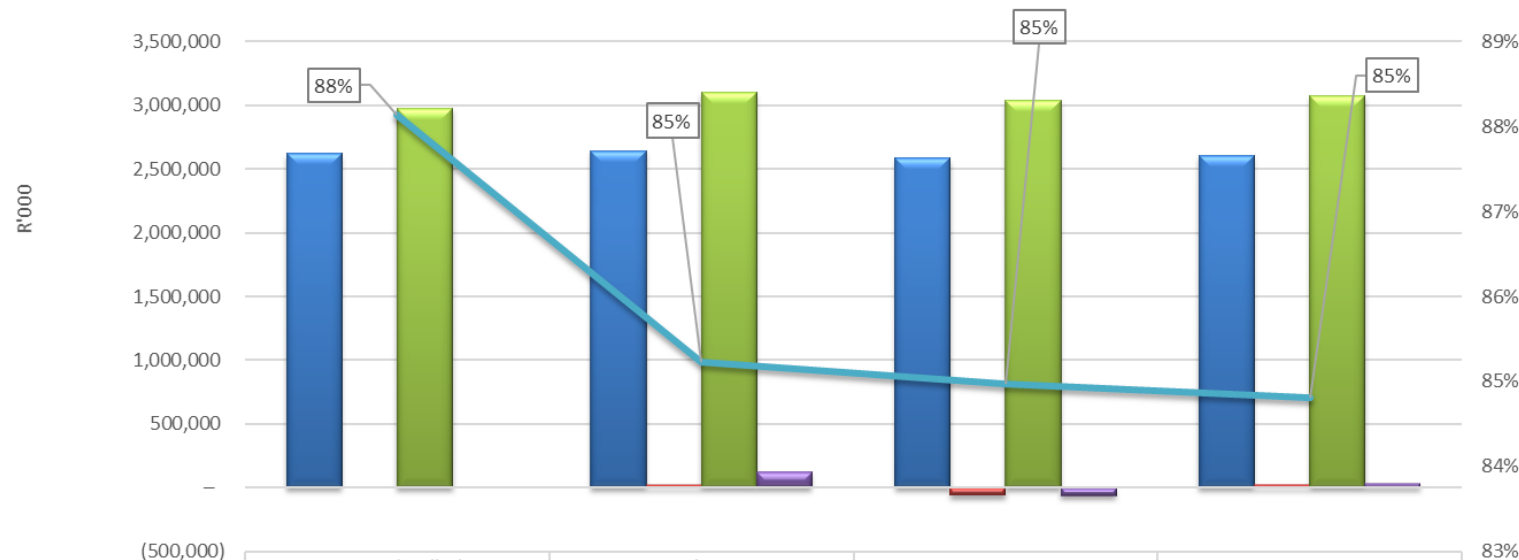
Description	NT Code	Budget Year 2022/23											
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	48,335	14,149	13,744	544,974	–	–	–	–	621,201	544,974	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	80,879	15,086	15,000	189,753	–	–	–	–	300,718	189,753	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	52,204	90,012	12,674	677,536	–	–	–	–	832,427	677,536	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	13,279	4,861	4,525	170,195	–	–	–	–	192,860	170,195	–	–
Receivables from Exchange Transactions - Waste Management	1600	10,360	3,663	3,404	130,671	–	–	–	–	148,097	130,671	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,600	1,557	1,626	49,024	–	–	–	–	53,807	49,024	–	–
Interest on Arrear Debtor Accounts	1810	27,418	12,512	11,860	639,345	–	–	–	–	691,136	639,345	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	17,365	7,186	3,774	206,186	–	–	–	–	234,511	206,186	–	–
Total By Income Source	2000	251,441	149,026	66,606	2,607,684	–	–	–	–	3,074,758	2,607,684	–	–
2021/22 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	48,513	87,461	13,284	677,056	–	–	–	–	826,314	677,056	–	–
Commercial	2300	84,071	16,670	14,801	395,417	–	–	–	–	510,959	395,417	–	–
Households	2400	114,284	41,730	37,246	1,480,435	–	–	–	–	1,673,695	1,480,435	–	–
Other	2500	4,572	3,165	1,276	54,776	–	–	–	–	63,789	54,776	–	–
Total By Customer Group	2600	251,441	149,026	66,606	2,607,684	–	–	–	–	3,074,758	2,607,684	–	–

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 R3,074,758 billion as at the end of September 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 7: Debt over 90 days as a % of total O/S Debt: Jun 2022 - Sep 2022



	Jun-22 (Prelim)	Jul-22	Aug-22	Sep-22
Debt over 90 days (R'000)	2,622,753	2,644,498	2,583,888	2,607,684
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		21,745	(60,611)	23,797
Total Debt (R'000)	2,975,782	3,102,829	3,041,042	3,074,758
Month-to-Month R-value Increase (Decrease) of Total debt		127,047	(61,788)	33,716
% Weighting of Debt over 90 days	88%	85%	85%	85%

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

Chart 3 above, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which remained the same at 85% for the month under review. Debt over 90 days increased by R23,797 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R33,716 million. It is concerning that total debt over 90 days is hovering at an average of 87 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 8: Outstanding Debt by Income Source as at 30 September 2022

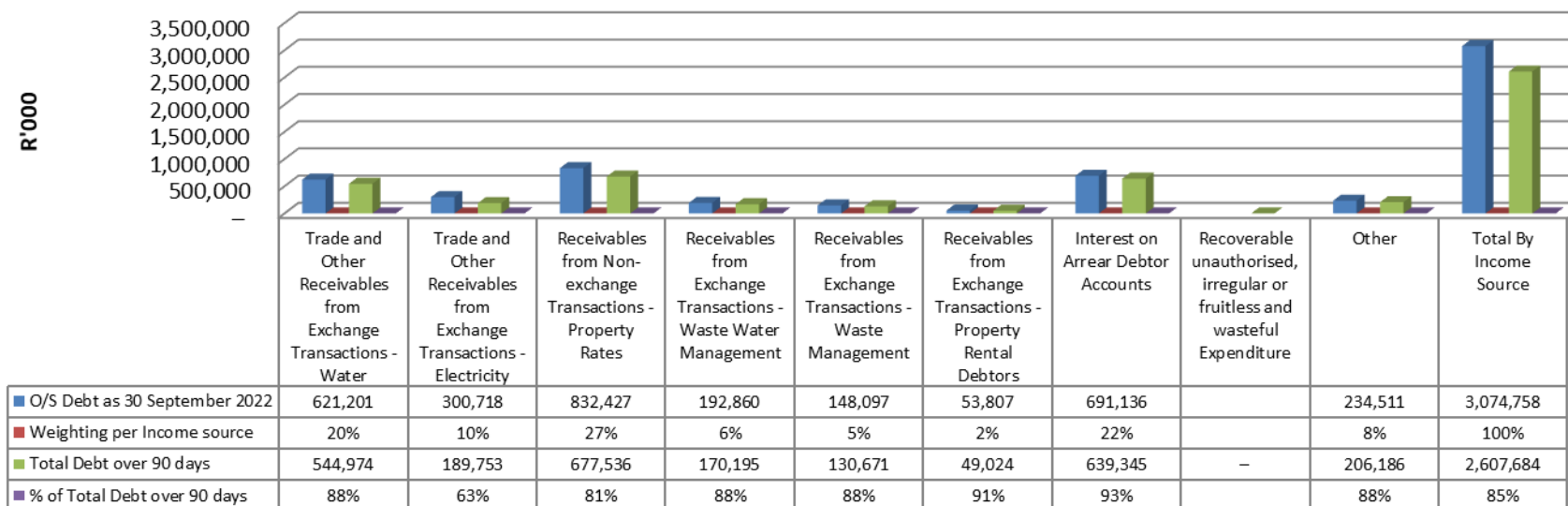


Chart 4: Outstanding Debt by Income Source

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 September 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 22%, 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 93%, respectively;
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 91%
- ❖ Other at 88%

Debtors Age Analysis By Income Source	O/S Debt as 31 August 2022	O/S Debt as 30 September 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	613,375,595	621,201,413	1.3%	7,825,818	20%
Trade and Other Receivables from Exchange Transactions - Electricity	305,764,115	300,717,729	-1.7%	-5,046,386	10%
Receivables from Non-exchange Transactions - Property Rates	826,150,812	832,426,527	0.7539%	6,275,715	27%
Receivables from Exchange Transactions - Waste Water Management	189,381,965	192,860,259	1.8%	3,478,294	6%
Receivables from Exchange Transactions - Waste Management	145,424,817	148,097,253	1.8%	2,672,436	5%
Receivables from Exchange Transactions - Property Rental Debtors	52,475,753	53,807,476	2.5%	1,331,723	2%
Interest on Arrear Debtor Accounts	679,107,162	691,135,594	1.7%	12,028,432	22%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	229,361,323	234,511,287	2.2%	5,149,964	8%
Total By Income Source	3,041,041,542	3,074,757,538	1.1%	33,715,996	100%
Debtors Age Analysis By Customer Group					
Organs of State	827,019,573	826,314,008	-0.085%	-705,565	27%
Commercial	509,416,825	510,959,279	0.3%	1,542,454	17%
Households	1,642,945,587	1,673,694,968	1.8%	30,749,381	54%
Other	61,659,557	63,789,283	3.3%	2,129,726	2%
Total By Customer Group	3,041,041,542	3,074,757,538	1.1%	33,715,996	100%

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

Indicated in Table 7 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group, from July 2022 to September 2022, the municipality's total O/S debt increased by 1.1% or R33,716 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 1.3%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity decreased by 1.7%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 0.8%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.8%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.8%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 2.5%.
- ❖ Interest on Arrear Debtor Accounts increased by 1.7%.
- ❖ Other increased by 2.2%.

O/S debt per Customer Group

- ❖ Organs of State decreased by 0.1%.
- ❖ Commercial debtors increased by 0.3%.
- ❖ Debt owed by Households increased by 1.8%.
- ❖ Other Debt increased by 3.3%.

Weighting per Customer Group

- Government debt constitutes 27%, Businesses 17%, Households 54% 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, the corrected charts are indicated below, the problem was communicated to the financial system provider (BCX). Awaiting feedback in this regard.

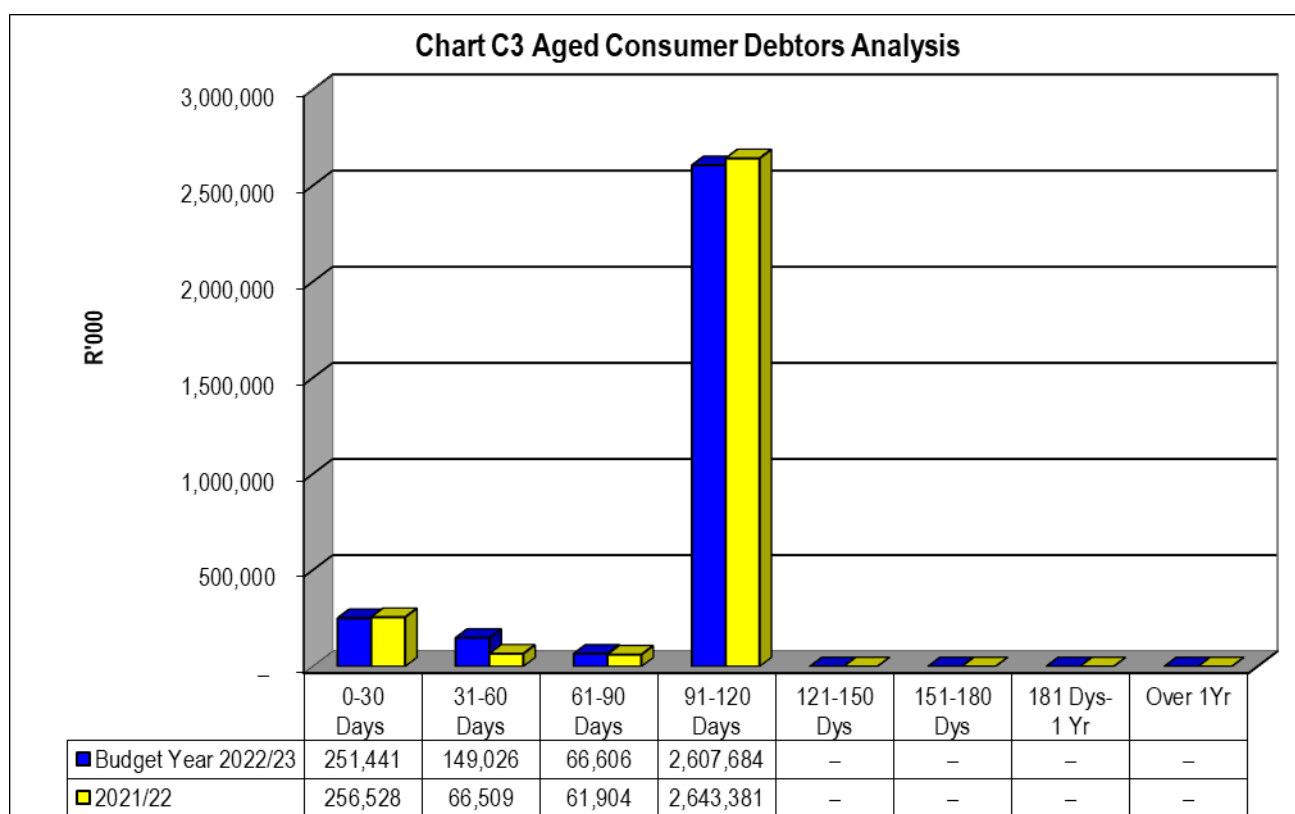


Chart 5: Aged Consumer Debtor Analysis

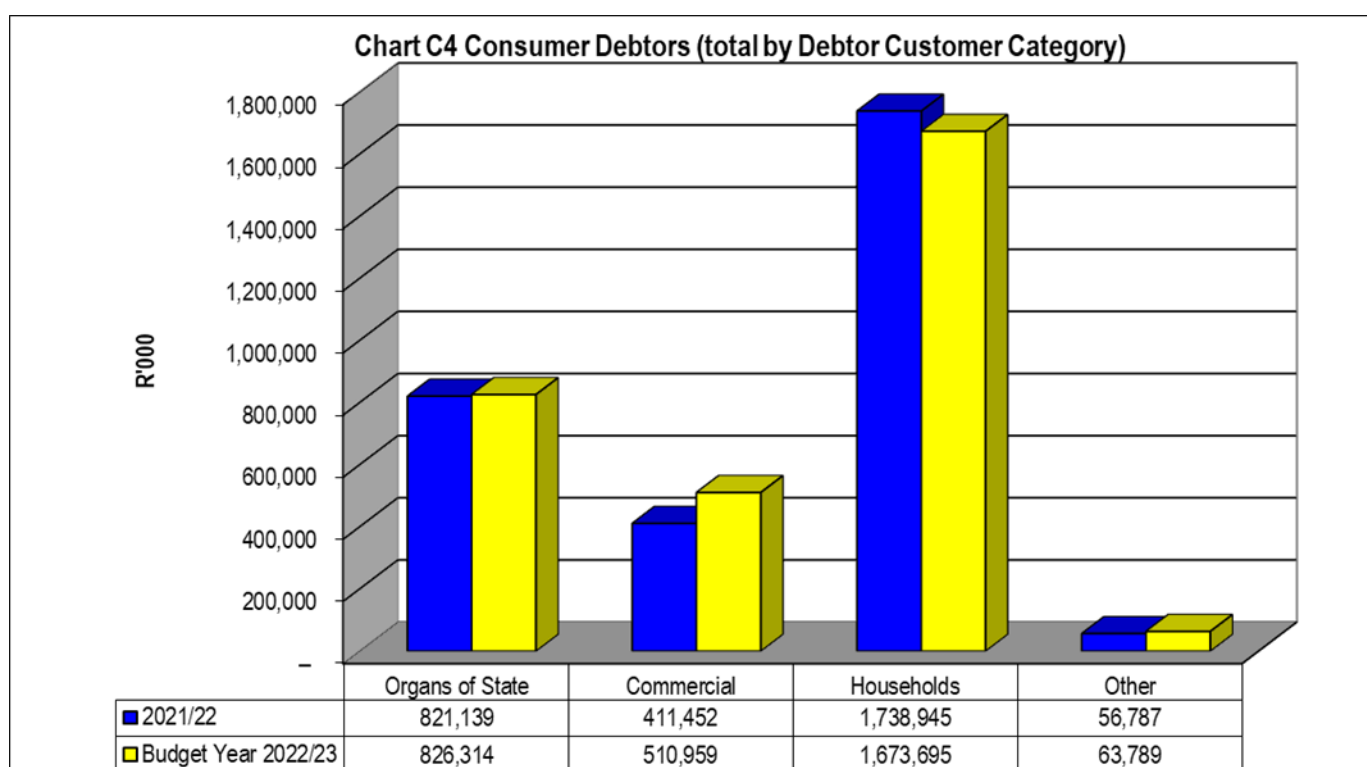


Chart 6: Consumer Debtors (total by Debtor Customer Category)

Chart 11: Debtor's Age Analysis per Customer Group as at 30 September 2022

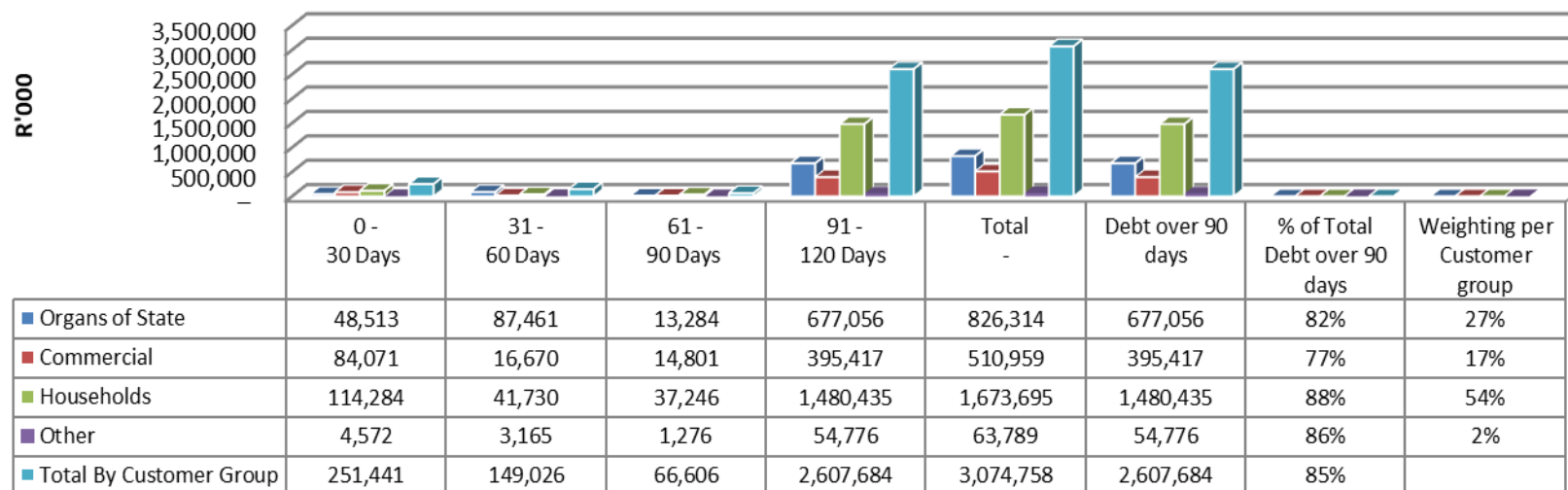


Chart 7: Debtor's Age Analysis per Customer Group

Chart 7 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 85%. 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 August 2022 and received in September 2022, the monthly collection rate is 83%. This is slight distorted, due to the annual billing of Property rates. The average monthly collection rate was 69% for the 2021/22 financial year. This was not an ideal situation and the lower collection rate 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 8 below is the revised average collection of 76% for the period under review.

The average collection rate is distorted due to the annual billing on Property Rates. 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 September to 30 September 2022. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September/October 2022 to settle their outstanding accounts. However, this was not materializing during the 2021/22 financial year.

Monthly Billing	Jul-22	Aug-22	Sep-22	YTD Billed
	Debits	Debits	Debits	
Property Rates	45,526,179	130,973,036	46,224,330	222,723,544
Electricity excl Prepays	40,548,603	50,624,052	49,040,547	140,213,202
Water	19,401,745	21,444,989	24,919,395	65,766,129
Sewerage	8,793,144	9,145,610	9,143,232	27,081,986
Refuse	6,773,905	7,045,820	7,044,482	20,864,208
Other	15,751,369	16,061,277	17,221,887	49,034,532
Total	136,794,945	235,294,784	153,593,872	525,683,601
Monthly Collection	Jul-22	Aug-22	Sep-22	YTD Collection
	Credits	Credits	Credits	
Property Rates	45,912,631	60,651,706	32,790,850	139,355,187
Electricity excl Prepays	32,131,979	43,563,694	55,757,478	131,453,151
Water	15,395,920	12,001,612	15,264,991	42,662,523
Sewerage	3,847,874	4,131,416	3,908,580	11,887,870
Refuse	3,072,385	3,314,668	3,120,984	9,508,036
Other	15,390,967	15,121,715	17,121,702	47,634,384
Total	115,751,755	138,784,810	127,964,584	382,501,150
Monthly Collection	85%	59%	83%	73%
Monthly collection rate per service				
Revenue source	Jul-22	Aug-22	Sep-22	Average
Property Rates	101%	46%	71%	63%
Electricity excl Prepays	79%	86%	114%	94%
Water	79%	56%	61%	65%
Sewerage	44%	45%	43%	44%
Refuse	45%	47%	44%	46%
Other	98%	94%	99%	97%
Monthly collection rate	85%	59%	83%	73%
Average monthly collection rate as at 30 September 2022				76%

Table 8: Monthly Collection rate

REVENUE BY SOURCE	YTD ACTUAL SEP 2022	YTD RECEIPTS	Rate
PROPERTY RATES	R 219,641,765	R 122,085,500	55.6%
SERVICE CHARGE ELECTRICITY	R 127,902,824	R 130,224,355	101.8%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 73,711,983	R 73,711,983	100.0%
SERVICE CHARGE WATER	R 67,044,504	R 41,281,305	61.6%
SERVICE CHARGE SANITATION	R 23,376,922	R 11,704,663	50.1%
SERVICE CHARGE REFUSE	R 17,311,604	R 9,420,613	54.4%
OTHER	R 49,034,532	R 42,770,822	87.2%
UNALLOCATED CREDITS		R 8,310,213	
REVISED AVERAGE COLLECTION RATE - SEPTEMBER 2022	R 578,024,134	R 439,509,454	76.0%

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 Co	Jul-22	Aug-22	Sep-22	TOTAL
PROPERTY RATES	VA	-	-	60.36	60.36
PROPERTY RATES	VA2010	-	1,849.29	-	1,849.29
PROPERTY RATES	VARESD	11,554,158.61	17,670,066.22	12,208,358.82	41,432,583.65
PROPERTY RATES	VASRA	52,536.92	54,152.01	769,061.35	875,750.28
PROPERTY RATES	VABCOM	14,239,294.76	21,846,957.19	12,270,773.22	48,357,025.17
PROPERTY RATES	VAIND	1,456,382.45	1,878,851.67	1,742,027.75	5,077,261.87
PROPERTY RATES	VAFAG	78,107.79	185,427.86	123,573.26	387,108.91
PROPERTY RATES	VAFARE	15,683.92	14,676.48	33,053.52	63,413.92
PROPERTY RATES	VAMUN	199.46	-	-	199.46
PROPERTY RATES	VAGOVN	296,275.54	23,880,726.22	280,487.89	24,457,489.65
PROPERTY RATES	VARESV	174,601.31	231,176.12	153,641.62	559,419.05
PROPERTY RATES	VAGOVP	-	434,078.55	-	434,078.55
PROPERTY RATES	VAFABC	358,956.69	35,270.09	45,033.07	439,259.85
TOTAL PROPERTY RATES		28,226,197.45	66,233,231.70	27,626,070.86	122,085,500.01
BASIC ELECTRICITY	BE	494,200.67	545,453.29	489,992.75	1,529,646.71
ELECTRICITY	EL	32,497,782.86	48,611,370.59	47,585,554.73	128,694,708.18
PREPAID ELECTRICITY		25,829,774.07	25,632,451.85	22,249,757.55	73,711,983.47
TOTAL ELECTRICITY		58,821,757.60	74,789,275.73	70,325,305.03	203,936,338.36
BASIC WATER	BW	101,803.68	55,922.48	64,206.98	221,933.14
WATER CONSUMPTION	WA	13,941,872.36	12,400,373.56	14,717,126.02	41,059,371.94
TOTAL WATER		14,043,676.04	12,456,296.04	14,781,333.00	41,281,305.08
BASIC SEWERAGE	BS	342,863.46	302,922.72	235,156.10	880,942.28
SANITATION	SE	3,328,774.23	4,065,980.24	3,428,966.01	10,823,720.48
TOTAL SANITATION		3,671,637.69	4,368,902.96	3,664,122.11	11,704,662.76
REFUSE	BR	2,688,210.78	3,131,446.45	2,710,585.87	8,530,243.10
ADD REFUSE	RF	318,771.58	326,586.51	245,012.08	890,370.17
TOTAL REFUSE		3,006,982.36	3,458,032.96	2,955,597.95	9,420,613.27
INTEREST ON ARREARS	IN0001	14,837.31	3,640.45	2,470.57	20,948.33
INTEREST ON ARREARS	INBR	110,061.36	64,483.08	54,660.69	229,205.13
INTEREST ON ARREARS	INSE	82,526.81	94,674.13	81,504.57	258,705.51
INTEREST ON ARREARS	INWA	246,746.07	290,224.03	220,163.16	757,133.26
INTEREST ON ARREARS	INSU	35,590.37	57,346.76	28,269.57	121,206.70
INTEREST ON ARREARS	INBS	34,685.00	4,845.76	2,532.27	42,063.03
INTEREST ON ARREARS	INEL	326,560.38	2,724,558.14	359,027.60	3,410,146.12
INTEREST ON ARREARS	INBE	38,137.40	6,483.64	14,212.25	58,833.29
INTEREST ON ARREARS	INBW	37,732.01	3,096.67	10,653.57	51,482.25
INTEREST ON ARREARS	INRF	21,990.58	1,154.84	1,620.18	24,765.60
INTEREST ON ARREARS	INVA	706,259.98	646,360.93	452,995.24	1,805,616.15
TOTAL INTEREST ON ARREARS		1,655,127.27	3,896,868.43	1,228,109.67	6,780,105.37
DEPOSITS	DEWE	365,159.66	381,981.42	451,824.84	1,198,965.92
CREDITS NOT YET ALLOCATED	EX	7,627,503.75	11,554,653.70	11,726,210.01	30,908,367.46
SUNDRY DEBTORS	SU	512,870.99	1,466,084.21	1,030,213.47	3,009,168.67
HOUSE RENTALS	SU10	73,465.93	94,208.22	87,329.14	255,003.29
MISC 1	SU50	94,739.60	72,875.12	59,570.95	227,185.67
MISC 2	SU11	99,481.13	76,357.05	172,970.34	348,808.52
MISC 3	SU15		4,220.39	-	4,220.39
INFORMAL HOUSING	SU60	4,474.71	8,391.05	5,083.64	17,949.40
ARREARS MAGIC	SU70	1,695.42	172.83	2,433.38	4,301.63
SUNDRY COMMISSION	SUCOMM	991.09	1,278.14	857.69	3,126.92
COMM ON PNP	SUEASY	2,109.35	9,765.07	1,743.88	13,618.30
OTHER		8,782,491.63	13,669,987.20	13,538,237.34	35,990,716.17
VAT	VAT	8,089,456.63	10,488,292.57	10,479,872.63	29,057,621.83
TOTAL RECEIPTS		100,467,552.60	163,728,435.74	122,348,891.04	386,544,879.38
TOTAL RECEIPTS LESS VAT		92,378,095.97	153,240,143.17	111,869,018.41	357,487,257.55
TOTAL RECEIPTS INCL PREPAIDS		118,207,870.04	178,872,595.02	134,118,775.96	431,199,241.02

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	TOTAL
BUSINESS KVA	BK	11,547,917.82	14,327,185.00	15,546,638.79	41,421,741.61
BUSINESS RESIDENTIAL	BR	835,840.27	1,188,696.75	844,809.17	2,869,346.19
BUSINESS	BU	29,968,288.25	46,819,684.30	26,846,493.36	103,634,465.91
CHURCHES	CH	91,275.28	130,874.41	110,856.66	333,006.35
COUNCILLOR	CL	56,270.39	66,802.86	65,584.34	188,657.59
COMMERCIAL	CO	2,729,940.06	2,029,891.91	2,222,372.44	6,982,204.41
SCHOOLS	GS	1,197,867.47	2,510,094.10	2,088,529.90	5,796,491.47
INDIGENTS CANCELLED	IC	633,036.38	694,958.83	703,191.21	2,031,186.42
INDIGENTS	ID	1,054,344.19	1,232,590.33	1,170,301.88	3,457,236.40
INDIGENTS INFORMAL SETTLEMENT	IF	59,443.39	99,438.29	63,222.06	222,103.74
INDIGENT - LATE ESTATE	IL	397.93	949.84	1,636.11	2,983.88
INDIGENT PENDING	IP	204,417.84	277,024.23	272,465.26	753,907.33
INDUSTRIAL	IN	993,734.63	771,133.73	1,014,654.37	2,779,522.73
MUNICIPAL	MU	685,302.78	288,808.18	272,173.18	1,246,284.14
NAT: POLICE	N3	15,038.78	7,595.82	17,291.00	39,925.60
NAT: DEFENCE AND MILITARY VETERA	ND	1,234.35	-	3,957.78	5,192.13
NAT: CORRECTIONAL SERVICES	NN	361,328.89	552,271.73	575,333.24	1,488,933.86
NAT: PUBLIC WORKS	NP	7,455,421.23	11,602,897.77	13,187,350.50	32,245,669.50
NON-STAFF ACCOUNTS PAID BY STAFF	NS	323,835.66	363,831.38	379,090.26	1,066,757.30
OPEN SPACE	OP	8,441.61	13,611.51	12,379.18	34,432.30
OTHER	OT	301,386.25	348,571.12	259,916.13	909,873.50
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,393.39	5,632.91	5,608.96	16,635.26
PROV: SOCIAL DEVELOPMENT	P1	27,059.98	935,367.98	1,862.97	964,290.93
PROV: HOUSING AND LOCAL GOVERNME	P2	443.02	86,726.36	216,372.43	303,541.81
PROV: OFFICE OF THE PREMIER	P3	5,276.35	517,708.11	164,295.23	687,279.69
PROV: OTHER DEPARTMENTS	P4	76,653.78	590,854.62	168,816.57	836,324.97
PROV: AGRICULTURE	PA	27,510.91	265,913.95	-	293,424.86
PROV: EDUCATION	PE	2,211,381.44	1,664,978.34	2,723,448.95	6,599,808.73
PROV: HEALTH	PH	1,536,941.61	3,760,019.48	10,263,121.69	15,560,082.78
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,503,563.87	27,462,755.50	2,431,526.60	31,397,845.97
PROV: SPORT, ARTS & CULTURE	PS	671,444.11	261,735.11	176,788.68	1,109,967.90
RESIDENTIAL	RE	27,147,522.41	33,352,093.54	28,899,699.89	89,399,315.84
SUNDRY DEBTOR	SD	2,076.14	282.08	7,932.78	10,291.00
STAFF	ST	627,487.30	641,627.83	760,157.42	2,029,272.55
UNKNOWN	UN	245.23	356,558.99	381,414.28	738,218.50
EXCEPTIONAL CIRCUMSTANCES	IE	10,332.98	10,976.28	9,725.14	31,034.40
VAT	VAT	8,089,456.63	10,488,292.57	10,479,872.63	29,057,621.83
TOTAL RECEIPTS		100,467,552.60	163,728,435.74	122,348,891.04	386,544,879.38
TOTAL RECEIPTS LESS VAT		92,378,095.97	153,240,143.17	111,869,018.41	357,487,257.55

Table 11: BS566 report on receipts per debtor type

3.5 Prepaid Electricity

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

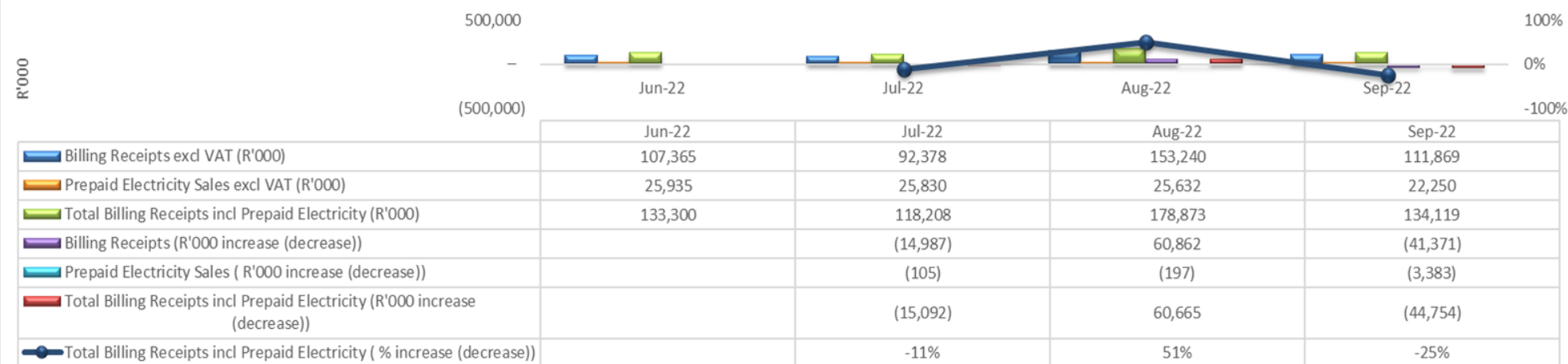


Chart 8.1: Month-to-Month: Total billing receipts incl Prepaid Electricity

As indicated in Chart 8.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R134,119 million which resulted in a decrease of R44,754 million or minus 25% in respect of the month-to-month comparison. Unallocated billing receipts at month end amounted to R8,310 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 - Sep 2022

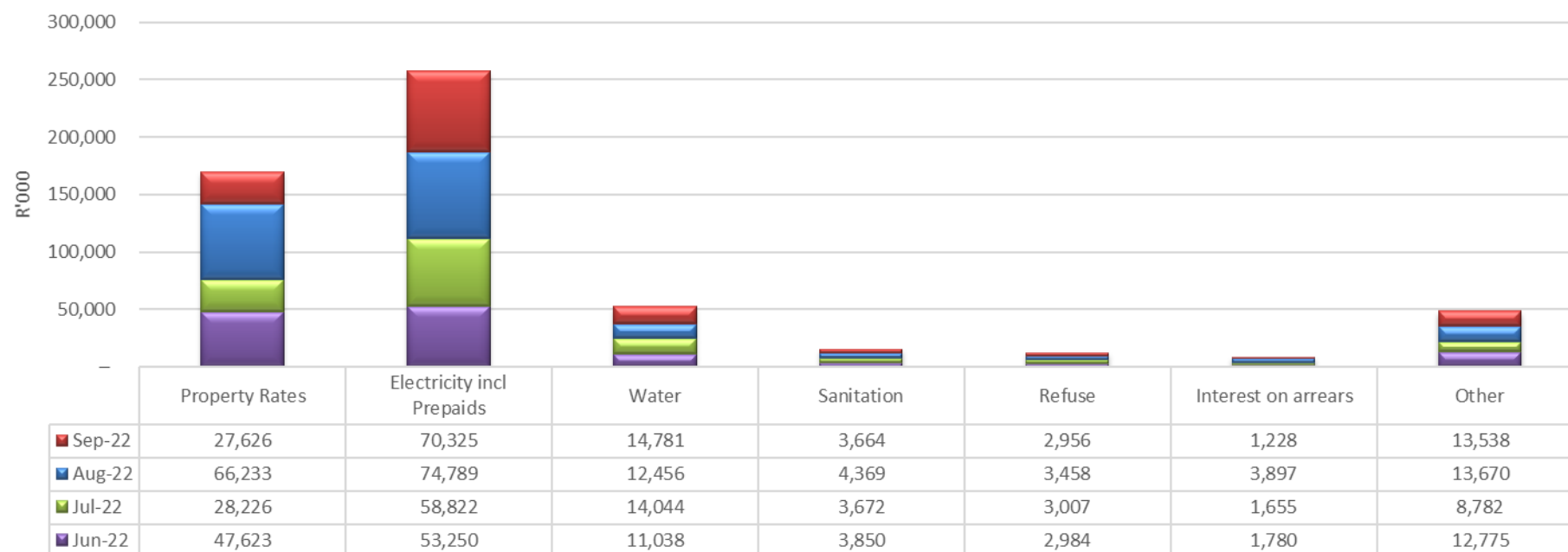


Chart 8.2: Monthly billing receipts per revenue source from Jun - Sep 2022

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 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.

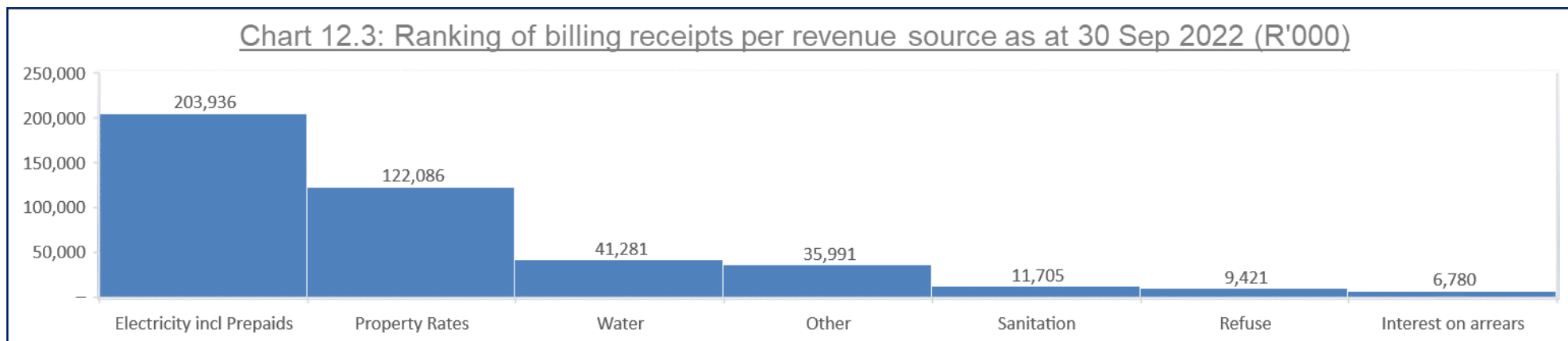


Chart 8.3: Ranking of billing receipts per revenue source

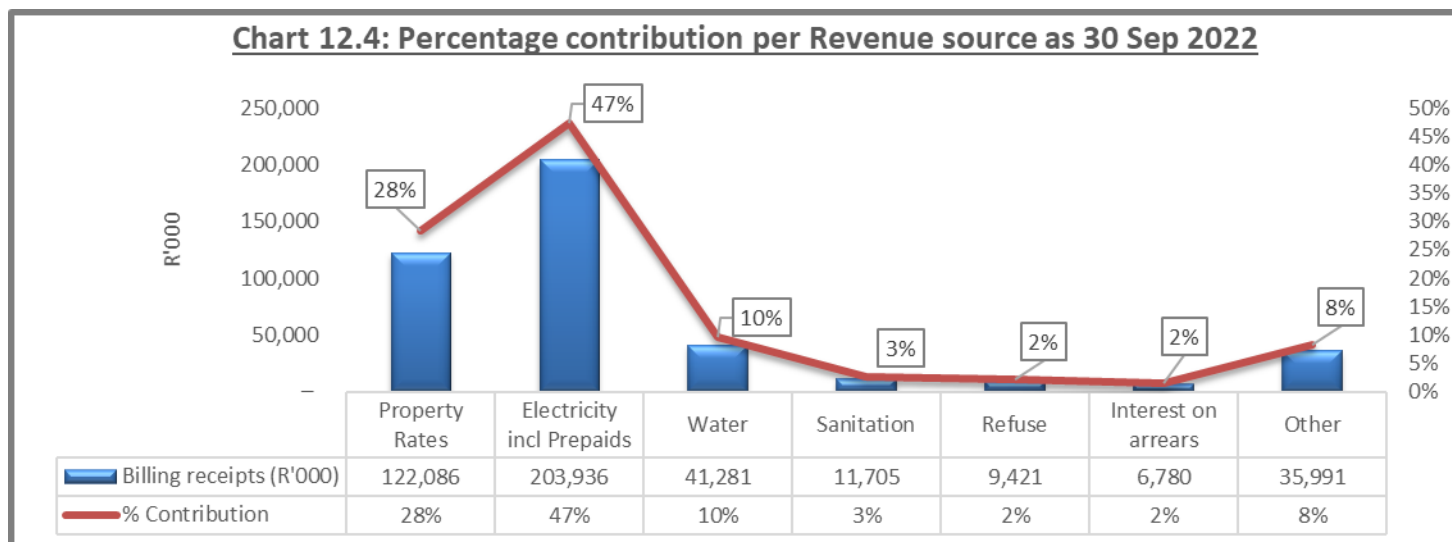


Chart 8.4: Percentage contribution of billing receipts per revenue source

Indicated in Chart 8.3 and 8.4 above, is the ranking and percentage contribution of receipts per revenue source as 30 September 2022. Data from the above pareto chart, clearly indicates that Electricity incl Prepaids is the highest contributor at R203,936 million (47%) 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 R122,086 million (28%), however more measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 10% and Other 8% 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 R6,780 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.

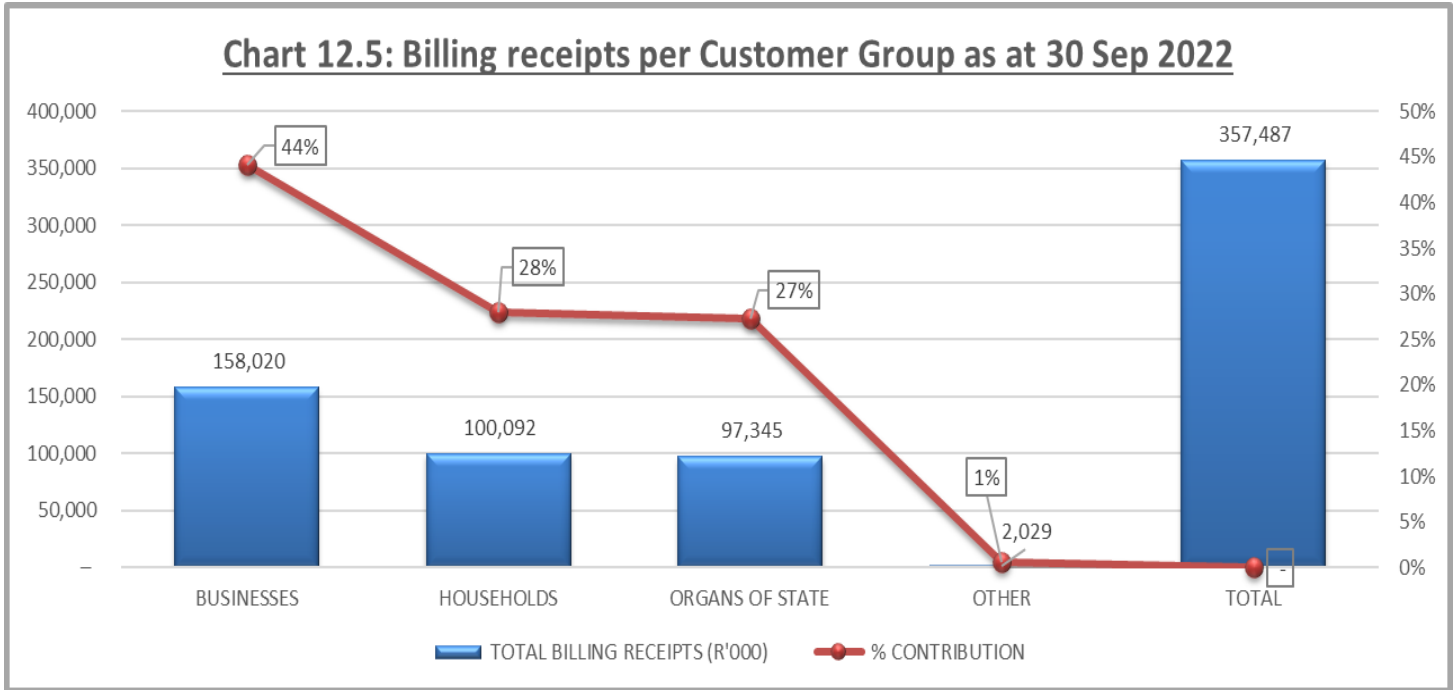


Chart 8.5: Biling receipts per Customer Group

Indicated in Chart 8.5 above, is the billing receipts and percentage contribution per major Customer group as at 30 September 2022. The municipality received R158,020 million (44%) from Businesses, Households R100,092 million (28%) and Organs of State R97,345 million (27%).

3.6 Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

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	62,579	30,692	49.0%	250,317
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		212,328	239,158	239,158	-	93,271	59,789	33,482	56.0%	239,158
Expanded Public Works Programme Integrated Grant		3,362	3,959	3,959	-	-	990	(990)	-100.0%	3,959
Infrastructure Skills Development Grant		4,901	5,500	5,500	-	-	1,375	(1,375)	-100.0%	5,500
Local Government Financial Management Grant		1,650	1,700	1,700	-	-	425	(425)	-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	660	660	1,950	(1,290)	-66.2%	7,800
Capacity Building and Other Grants		8,561	7,800	7,800	-	-	1,950	(1,950)	-100.0%	7,800
Infrastructure Grant		4,170	-	-	660	660	-	660	-	-
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	660	93,931	64,529	29,402	45.6%	258,117
Capital Transfers and Grants										
National Government:		105,767	134,338	134,338	13,630	17,643	33,584	(15,941)	-47.5%	134,338
Energy Efficiency and Demand Side Management Grant		-	4,000	4,000	-	238	1,000	(762)	-76.2%	4,000
Integrated National Electrification Programme Grant		35,458	40,000	40,000	942	2,716	10,000	(7,284)	-72.8%	40,000
Integrated Urban Development Grant		54,266	70,390	70,390	12,687	14,690	17,597	(2,908)	-16.5%	70,390
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		16,043	19,948	19,948	-	-	4,987	(4,987)	-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	13,630	17,643	33,584	(15,941)	-47.5%	134,338
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	436,504	392,455	392,455	14,290	111,574	98,114	13,461	13.7%	392,455

Table 12: Supporting Table SC6: Transfers and Grant Receipts

Operational grant monies received for the month under review.
FMG – R1,700 million

No Capital grant monies were received for the month under review.

There are some mapping errors pertaining to operational and capital grants. This must be discussed and investigated by our financial system vendor, 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 once conditions have been met.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

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	8,962	30,669	29,141	1,527	5.2%	116,565
Equitable Share		99,625	105,406	105,406	8,383	29,343	26,352	2,991	11.4%	105,406
Expanded Public Works Programme Integrated Grant		3,362	3,959	3,959	–	–	990	(990)	-100.0%	3,959
Infrastructure Skills Development Grant		4,920	5,500	5,500	484	1,148	1,375	(227)	-16.5%	5,500
Local Government Financial Management Grant		1,650	1,700	1,700	95	178	425	(247)	-58.2%	1,700
Municipal Disaster Relief Grant		261	–	–	–	–	–	–	–	–
Provincial Government:		8,275	7,800	7,800	122	279	1,950	(1,671)	-85.7%	7,800
Capacity Building and Other Grants		6,795	7,800	7,800	69	122	1,950	(1,828)	-93.7%	7,800
Infrastructure Grant		1,480	–	–	53	157	–	157	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		118,093	124,365	124,365	9,084	30,948	31,091	(144)	-0.5%	124,365
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		95,428	134,338	134,338	13,630	17,643	33,585	(15,941)	-47.5%	134,338
Energy Efficiency and Demand Side Management Grant		–	4,000	4,000	–	238	1,000	(762)	-76.2%	4,000
Integrated National Electrification Programme Grant		30,833	40,000	40,000	942	2,716	10,000	(7,284)	-72.8%	40,000
Integrated Urban Development Grant		48,552	70,390	70,390	12,687	14,690	17,598	(2,908)	-16.5%	70,390
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		16,043	19,948	19,948	–	–	4,987	(4,987)	-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	13,630	17,643	33,585	(15,941)	-47.5%	134,338
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		230,912	258,703	258,703	22,713	48,591	64,676	(16,085)	-24.9%	258,703

Table 13: 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 R5,113 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	942,467	2,715,883	29,841,370	6.8%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	12,687,207	14,689,674	22,910,144	20.9%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	-	-	538,915	0.0%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	-	237,713	-	5.9%
Grand Total	134,338,000	13,629,674	17,643,270	53,290,429	13.1%

Table 14: Summary of Expenditure per Grant

As indicated in Table 14 above, the YTD grant expenditure amounts to R17,643 million or 13.1% spent against the Original capital grant allocation of R134,338 million.

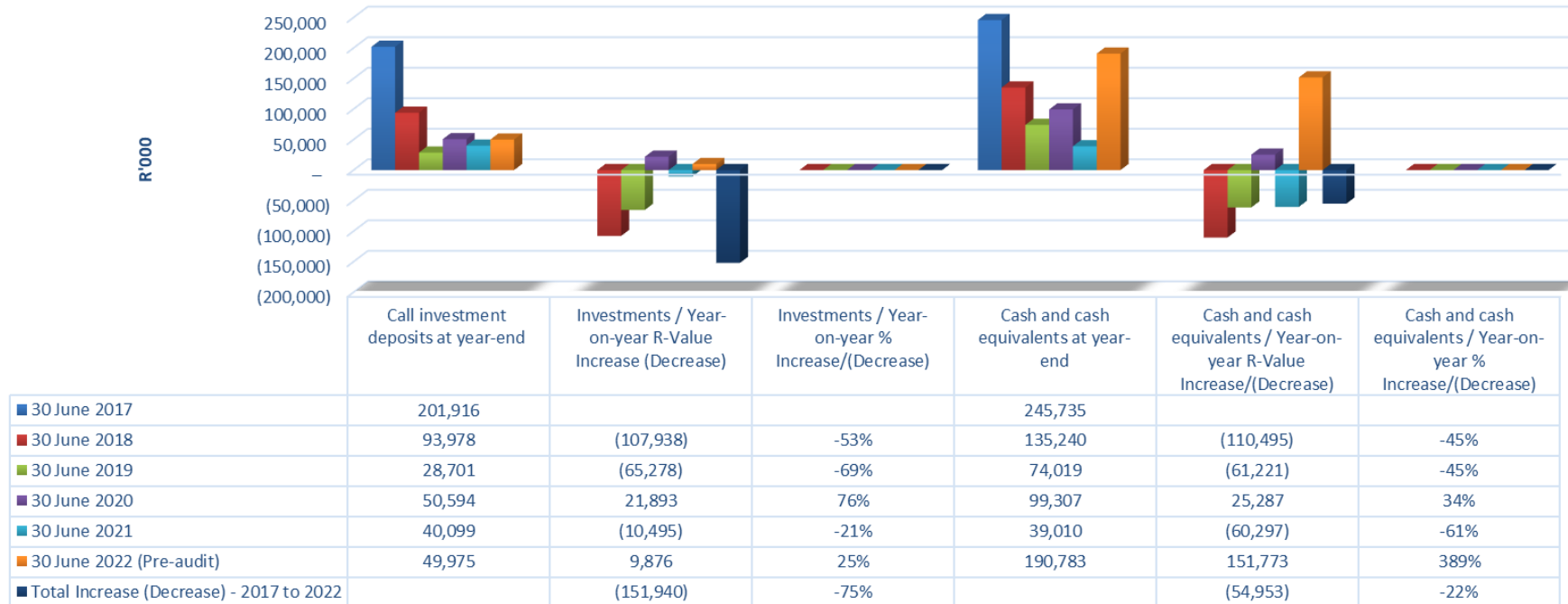
Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD expenditure is so low. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met.

Rollover Grants: Expenditure

The municipality submitted the rollover request on 31 August 2022. Awaiting feedback from NT.

Table 15: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 15 cannot be populated as yet, pending the finalization of the rollover procedure.

Chart 4: Current investment deposits and Cash & cash equivalents at year-end**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 July 2022, due to portion of the Equitable Share that was saved 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.

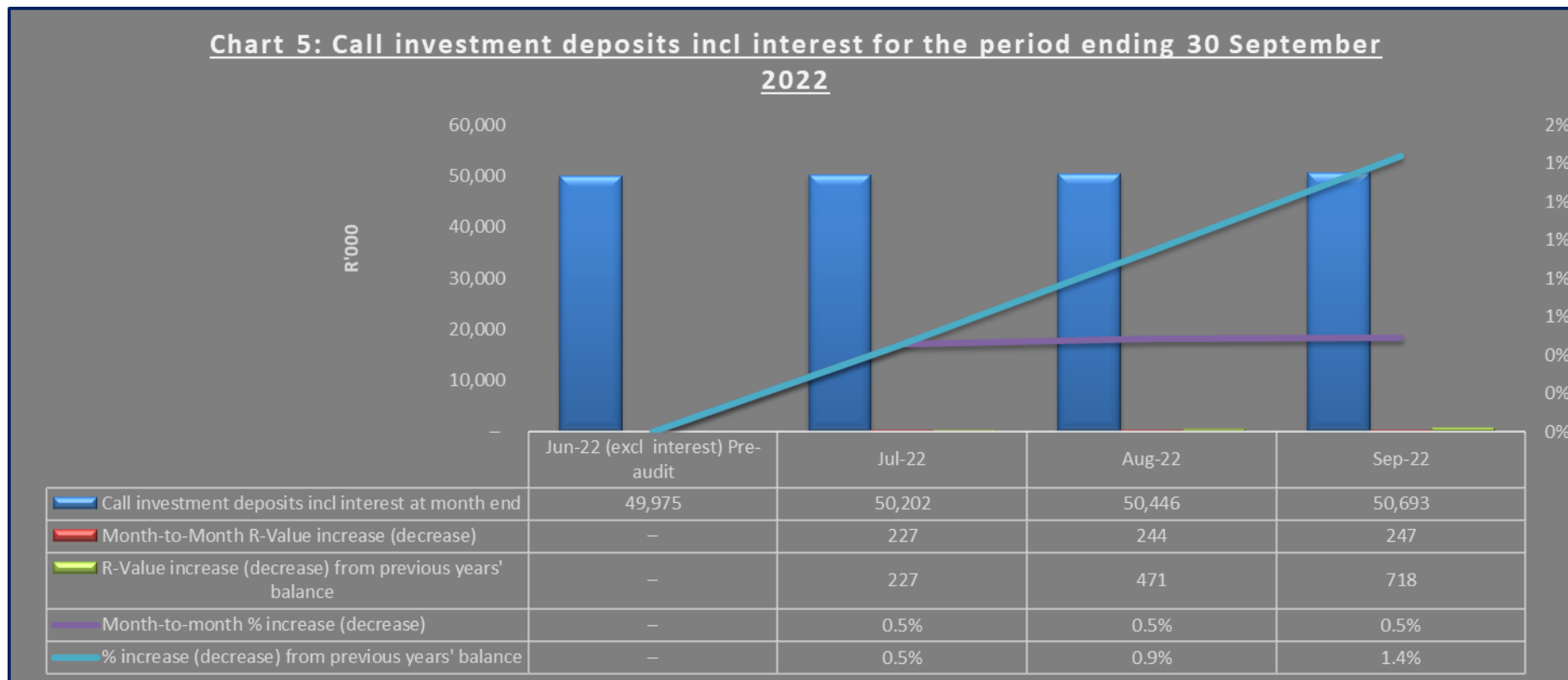


Chart 10: Call investments deposits at month-end

As indicated in the Chart 10 above from July to September 2022 investments incl interest increased by R247 thousand or 0.5%, in respect of the month-to-month comparison. Investments increased by R322 thousand or 0.6% when compared to the previous years' pre-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.

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This chart could not be populated due to errors on the system pertaining to C6 (Statement of Financial Position) and C7 (Cash flow) that could not be resolved timeously.

Chart 10.1: Cash & cash equivalents at month-end

This chart could not be populated due to errors on the system pertaining to C6 (Statement of Financial Position) and C7 (Cash flow) that could not be resolved timeously.

Chart 10.2: Cost coverage ratio

The estimated average Cost coverage ratio is currently less than one week. 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 debt owed to ESKOM and DWS skyrocketing. 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 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.

4. EXPENDITURE FRAMEWORK

4.1 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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	849,403	63,665	186,141	212,352	87.7%	(26,211)	-12.3%	21.9%	(26,210)	-3.1%
Remuneration of councillors	34,547	1,567	7,876	8,637	91.2%	(760)	-8.8%	22.8%	(760)	-2.2%
Debt impairment	297,000	2	3	74,250	0.0%	(74,247)	-100.0%	0.0%	(74,247)	-25.0%
Depreciation & asset impairment	81,050	-	-	20,263	0.0%	(20,263)	-100.0%	0.0%	(20,263)	-25.0%
Finance charges	38,960	7,670	12,931	9,740	132.8%	3,191	32.8%	33.2%	3,191	8.2%
Bulk purchases - electricity	682,000	88,447	176,571	170,500	103.6%	6,071	3.6%	25.9%	6,071	0.9%
Inventory consumed	236,627	31,271	63,036	59,157	106.6%	3,879	6.6%	26.6%	3,879	1.6%
Contracted services	46,437	6,001	7,083	11,609	61.0%	(4,526)	-39.0%	15.3%	(4,526)	-9.7%
Transfers and subsidies	4,460	-	-	1,115	0.0%	(1,115)	-100.0%	0.0%	(1,115)	-25.0%
Other expenditure	134,643	15,621	40,866	33,662	121.4%	7,204	21.4%	30.4%	7,205	5.4%
Losses	60,000	-	13,496	15,000	90.0%	(1,504)	-10.0%	22.5%	(1,504)	-2.5%
Total Expenditure	2,465,128	214,244	508,003	616,284	82.4%	(108,282)	-17.6%	20.6%	(108,279)	-4.4%

Table 16: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 16 above, as at 30 September 2022 current YTD expenditure shows an unsatisfactory variance of minus 17.6%. The YTD actual amounted to R508,003 million against the YTD Budget of R616,284 million.

- ❖ Employee related costs shows an unsatisfactory variance of minus 12.3%. 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 8.8%. 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.
- ❖ 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.”
- ❖ Debt impairment will be provided for on a quarterly basis. However the journal for the first quarter was not be processed timeously and will be resolved during October 2022.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 6.41% spent versus an Original budget of R5,965 million. Prepaid Electricity Vendors is 16.42% spent versus a budget of R29,500 million. July and August 2022 account for Ontec was paid. The September 2022 account is due at the end of October 2022.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of 3.6%.
- ❖ 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 and August 2022 was processed timeously and the municipality will endeavour to recognise this on a monthly basis going forward.
- ❖ Transfers and subsidies show a negative variance of 100%. The grant funding of R2,300 is still due to the SPCA. Other grants also show no movement due to cash flow constraints.
- ❖ Finance charges is showing a negative variance of 32.8%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year is due at the end of December 2022. It should be noted that R12,000 million was provided for ESKOM bulk account interest and the YTD expenditure is R11,743 million which directly attributes to the negative variance. 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.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of 6.6%. 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. The journal for Water Inventory must also be passed.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 16 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of September 2022 is 25.00%.

The total operational expenditure against the Original Budget is 20.6% spent, resulting in a unsatisfactory variance of minus 4.4%.

- ❖ Employee costs and Councillors remuneration is satisfactory.
- ❖ Depreciation will be provided for at year-end. Same factors are applicable as explained above.
- ❖ The variance on Finance charges is satisfactory.

- ❖ Debt impairment will be provided for on a quarterly basis. However, the municipality has been treating debt write-offs erroneously and all write-offs must be done directly against the expenditure vote and not against the Statement of Financial Position. This should be corrected during the financial year as and when write-offs are done.
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is unsatisfactory with a variance of minus 25%. The same factors are applicable as explained in the paragraph above.
- ❖ Water inventory under Inventory consumed and Loss on disposal of PPE (Water losses), a corrective journal was passed.

Chart 11: Expenditure by Type: YTD Actual as a % of Total Expenditure as at 30 September 2022 (R'000)

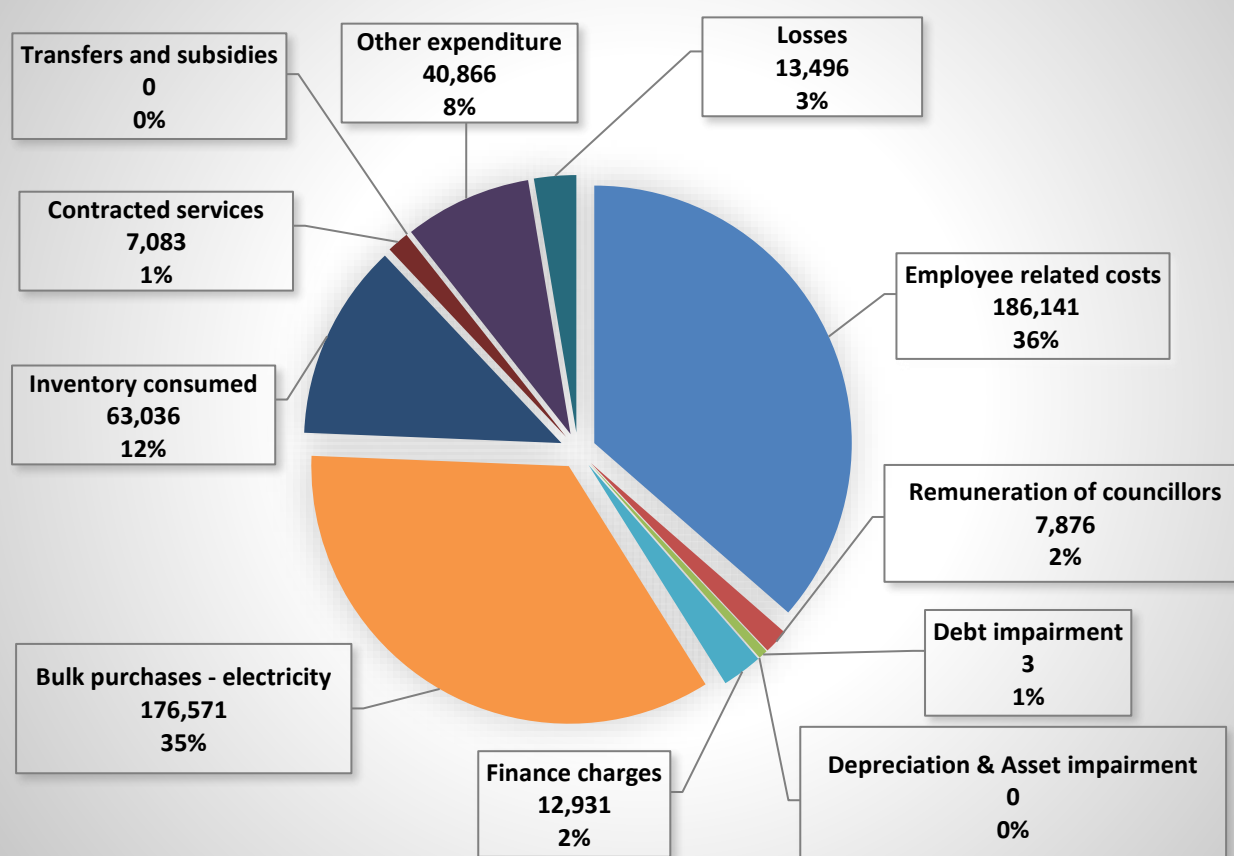


Chart 11: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 30 September 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 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. The soft lock on filling of vacancies also plays a role.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ Debt impairment is not provided for, and should be recognised quarterly for actual debt write-offs.
- ❖ Finance charges is paid bi-annually. Interest on overdue account needs to be corrected.
- ❖ Corrective journals for Water inventory and Loss on disposal of PPE (Water losses) was processed for July and August 2022.

4.2 Expenditure By Vote

The vote structure of the municipality is represented by various directorates. Expenditure for the quarter ended 30 September 2022 is represented as per the table below:

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

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		484,799	470,256	470,256	21,961	131,516	117,564	13,952	11.9%	470,256
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		6,869	6,873	6,873	5	232	1,718	(1,486)	-86.5%	6,873
Vote 05 - Community Services		105,016	101,913	101,913	8,461	25,158	25,478	(320)	-1.3%	101,913
Vote 06 - Financial Services		610,429	648,238	648,238	49,630	226,765	162,059	64,706	39.9%	648,238
Vote 07 - Strategy Econ Development And Planning		17,626	7,945	7,945	381	3,847	1,986	1,861	93.7%	7,945
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,386,322	88,059	292,919	346,580	(53,662)	-15.5%	1,386,322
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	2,381,920	2,621,547	2,621,547	168,497	680,437	655,387	25,051	3.8%	2,621,547
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	3,836	15,059	14,729	330	2.2%	58,915
Vote 02 - Municipal And General		310,300	357,885	357,885	11,580	33,152	89,471	(56,319)	-62.9%	357,885
Vote 03 - Municipal Manager		20,679	23,528	23,528	1,645	4,630	5,882	(1,253)	-21.3%	23,528
Vote 04 - Corporate Services		64,274	74,419	74,419	5,686	16,987	18,605	(1,618)	-8.7%	74,419
Vote 05 - Community Services		286,713	297,675	297,675	23,963	70,003	74,419	(4,416)	-5.9%	297,675
Vote 06 - Financial Services		126,129	157,404	157,404	11,139	34,683	39,351	(4,668)	-11.9%	157,404
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	61,468	4,881	13,855	15,367	(1,512)	-9.8%	61,468
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,433,833	165,010	319,634	358,459	(38,825)	-10.8%	1,433,833
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	2,315,070	2,465,128	2,465,128	227,740	508,003	616,284	(108,282)	-17.6%	2,465,128
Surplus/ (Deficit) for the year	2	66,851	156,419	156,419	(59,243)	172,435	39,102	133,332	341.0%	156,419

Table 17: Table C3 Monthly budget statement - Financial Performance (Expenditure by Vote)

4.3 Councillor and Board Member Allowances and Employee Benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

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	231	-	231	#DIV/0!	-
Medical Aid Contributions		267	-	-	27	90	-	90	#DIV/0!	-
Motor Vehicle Allowance								-		
Cellphone Allowance		2,845	3,243	3,243	225	672	811	(139)	-17%	3,243
Housing Allowances		-	-	-	(7)	-	-	-		-
Other benefits and allowances		27,129	31,305	31,305	1,258	6,883	7,826	(943)	-12%	31,305
Sub Total - Councillors		30,737	34,547	34,547	1,567	7,876	8,637	(760)	-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	513	1,618	2,213	(596)	-27%	8,853
Pension and UIF Contributions		1,068	1,209	1,209	89	270	302	(32)	-11%	1,209
Medical Aid Contributions		222	253	253	21	62	63	(1)	-2%	253
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance		1,849	1,939	1,939	141	424	485	(61)	-13%	1,939
Cellphone Allowance		157	202	202	11	34	50	(17)	-33%	202
Housing Allowances		26	42	42	2	6	11	(4)	-42%	42
Other benefits and allowances		17	77	77	2	5	19	(15)	-75%	77
Payments in lieu of leave								-		
Long service awards		67	65	65	8	20	16	4	23%	65
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Municipality		11,671	12,640	12,640	786	2,438	3,160	(722)	-23%	12,640
% increase	4		8.3%	8.3%						8.3%
Other Municipal Staff										
Basic Salaries and Wages		417,872	464,246	462,364	37,215	108,625	115,662	(7,037)	-6%	462,364
Pension and UIF Contributions		64,301	77,509	77,509	5,595	16,592	19,377	(2,786)	-14%	77,509
Medical Aid Contributions		49,721	58,279	58,279	5,879	15,374	14,570	804	6%	58,279
Overtime		52,688	39,796	39,796	4,627	13,126	9,949	3,177	32%	39,796
Performance Bonus		28,946	36,221	36,221	900	2,944	9,055	(6,111)	-67%	36,221
Motor Vehicle Allowance		42,071	51,296	51,296	3,364	10,236	12,824	(2,588)	-20%	51,296
Cellphone Allowance		1,401	1,415	1,415	109	327	354	(27)	-8%	1,415
Housing Allowances		2,636	2,895	2,895	224	706	724	(17)	-2%	2,895
Other benefits and allowances		30,433	28,018	29,899	2,533	7,486	7,404	81	1%	29,899
Payments in lieu of leave		10,507	15,000	15,000	201	1,612	3,750	(2,138)	-57%	15,000
Long service awards		24,418	23,189	23,189	2,232	6,674	5,797	877	15%	23,189
Post-retirement benefit obligations	2	36,522	38,900	38,900	-	-	9,725	(9,725)	-100%	38,900
Sub Total - Other Municipal Staff		761,518	836,763	836,763	62,879	183,702	209,192	(25,489)	-12%	836,763
% increase	4		9.9%	9.9%						9.9%
Total Parent Municipality		803,926	883,950	883,950	65,232	194,017	220,989	(26,972)	-12%	883,950

Table 18: Supporting Table SC8 : Councillor and Staff Benefits

As depicted in Table 18 above, Employee related costs is underspent and showing a variance of minus 12%. 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 25.00%, at 34% 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.

The same trend will probably 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.

Indicated in Table 19 below, is the YTD Overtime expenditure excluding Night-shift allowance per line item and also per Directorate as at end of September 2022.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	% Variance vs ideal of 25.00%
MS: OVERTIME - NON STRUCTURED	22,392,000	3,622,728	10,030,193	44.8%	19.8%
MS: OVERTIME - STRUCTURED	8,976,841	217,101	624,103	7.0%	-18.0%
Overtime as at 30 September 2022	31,368,841	3,839,829	10,654,296	34.0%	9.0%
Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	% Variance vs ideal of 25.00%
20-EXECUTIVE AND COUNCIL	175,000	37,890	113,804	65.0%	40.0%
21-MUNICIPAL AND GENERAL	-	-	-	-	
22-MUNICIPAL MANAGER	-	-	-	-	
23-CORPORATE SERVICES	1,650,000	162,949	508,606	30.8%	5.8%
24-COMMUNITY SERVICES	13,167,441	1,220,277	3,649,457	27.7%	2.7%
26-FINANCIAL SERVICES	459,000	123,874	607,437	132.3%	107.3%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	330,000	91,613	322,386	97.7%	72.7%
28-INFRASTRUCTURE SERVICES	15,587,400	2,203,226	5,452,606	35.0%	10.0%
Overtime as at 30 September 2022	31,368,841	3,839,829	10,654,296	34.0%	9.0%

Table 19: 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 R10,654 million and 34% spent, resulting in a negative variance of 9%, when compared to the ideal percentage of 25.00% for the period under review.

Chart 14: Monthly and Annual Overtime Comparison - Jul 2018 to Sep 2022

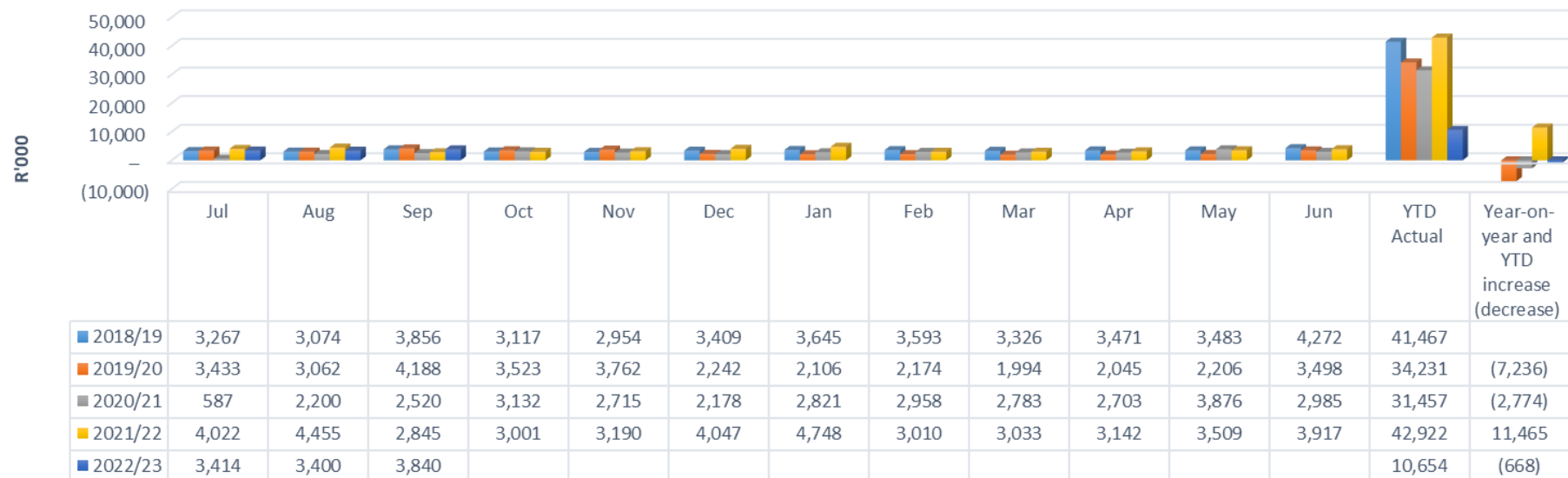


Chart 12: Monthly and Annual Overtime Comparison

Indicated in Chart 12 above, is the monthly and annual Overtime comparison from July 2018 to September 2022. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, controls to curb Overtime is no longer as effective and the YTD actual for 2021/22 financial year amounted to R42,922 million. Serious remedial action will have to be implemented to reduce overtime expenditure.

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.

4.4 Bulk Purchases

❖ Indicated in Table 20.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 25.00% as at end of September 2022, Bulk Purchases Electricity is showing a satisfactory variance of 0.89%. The July and August 2022 invoices are captured on the system, whilst the September 2022 invoice will be captured during October 2022.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25%
BULK PURCHASES: ELECTRICITY	682,000,000	88,447,257	176,570,824	25.89%	0.89%
Total	682,000,000	88,447,257	176,570,824	25.89%	0.89%

Table 20.1: Summary of YTD Bulk Electricity Expenditure

- ❖ Indicated in Table 20.2 below, is the Water inventory and Water losses which is showing a negative variance of minus 2.5% when compared to the ideal percentage of 25.00%. 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 and August 2022. The September 2022 actual will be captured on the system during October 2022.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25%
INVENTORY - WATER	60,000,000	13,435,427	13,495,904	22.5%	-2.5%
NON-REVENUE WATER LOSSES	60,000,000	13,495,904	13,495,904	22.5%	-2.5%
Total	120,000,000	26,931,331	26,991,808	22.5%	-2.5%

Table 20.2: Summary of YTD Bulk water Expenditure

Organ of state	Arrear debt of unpaid invoices	Current Account due (Sep 2022)	Total Outstanding Debt	YTD Interest charged 2022/23
ESKOM	629,163,319.85	58,357,071.08	687,520,390.93	17,525,023.39
DWS (Water boards)	157,684,572.81	16,391,759.06	174,076,331.87	-
Grand Total	786,847,892.66	74,748,830.14	861,596,722.80	17,525,023.39

Table 21.1: Summary of Outstanding Bulk Costs Debt

Indicated in Table 21.1 above, is the total outstanding debt owed to ESKOM amounting to R687,520 million. The debt for 2021/22 has not been settled in full. Due to the severe financial constraints the municipality could not enter into a payment agreement with ESKOM, however the municipality is in the process of concluding a payment arrangement for 2022/23 financial year. Previously, after careful consideration of the cash position, the municipality has been paying what it can afford for the month in terms of available cash. The agreement with ESKOM is that the municipality will at least settle the current account on a monthly basis and the proposed debt agreement must still be approved by ESKOM. The total year to date interest charged on overdue accounts due to ESKOM amounts to R17,525 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

Also, indicated in Table 21.1 above, is the total outstanding debt owed to DWS which amounts to R174,076 million. The total year to date interest charged on overdue accounts to DWS is not disclosed as the municipality is still awaiting the outstanding interest document from the Department. Interest on overdue accounts incurred must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The debt for 2020/21 has been settled in full, whilst there are still outstanding invoices for 2021/22 financial year. To date, the municipality could not enter into a payment agreement with DWS due to severe financial constraints. However, the municipality is in negotiations with the Department to conclude a new payment arrangement for 2022/23 financial year. This proposal was submitted to the Department for approval.

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	105,352,701.86	105,352,701.86	
Sep-22	58,357,071.08		58,357,071.08
Total ESKOM	687,520,390.93	629,163,319.85	58,357,071.08

Table 21.2: Summary of Outstanding ESKOM Debt

Indicated in Table 21.2 above, is the detailed breakdown of outstanding balances per invoice. The outstanding balance is then split into the arrear debt (R629,163m) and the current account (R58,357m).

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
Grand Total	504,728,654.81	20211208	30,000,000.00
		20220104	83,198.46
		20220118	29,903,304.08
		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
		Grand Total	504,728,654.81

Table 21.3: Summary of ESKOM payments

Indicated in Table 21.3 above, is the total amount paid to ESKOM per financial period and per payment date for the 2021/22 and 2022/23 financial year. For the month of September 2022, the municipality settled the current account, amounting to R109,065 million.

Month	Outstanding Balance	Arrear Debt	Current Acc
INTEREST - APR TO JUN 2022	6,191,399.16	6,191,399.16	
Aug-21	15,074,754.70	15,074,754.70	
Sep-21	15,794,682.80	15,794,682.80	
Oct-21	15,275,086.61	15,275,086.61	
Nov-21	14,522,530.48	14,522,530.48	
Dec-21	11,107,773.22	11,107,773.22	
Jan-22	17,098,078.18	17,098,078.18	
Feb-22	16,436,776.66	16,436,776.66	
Mar-22	14,930,212.48	14,930,212.48	
Jul-22	13,793,141.72	13,793,141.72	
Aug-22	17,460,136.80	17,460,136.80	
Sep-22	16,309,287.82		16,309,287.82
WRM LEVIES SEP 2022	82,471.24		82,471.24
TOTAL DWS	174,076,331.87	157,684,572.81	16,391,759.06

Table 21.4: Summary of Outstanding DWS Debt

Indicated in Table 21.4 above, is the detailed breakdown of is the detailed breakdown of outstanding balances per invoice. The outstanding balance is then split into the the arrear debt (R157,685m) and the current account (R16,392m). It should be noted that the total debt due to DWS needs to 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
Grand Total	107,918,707.55

Payments per fin period	Sum of VOTE AMOUNT
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
Grand Total	107,918,707.55

Table 21.5: Summary of DWS Payments

Indicated in Table 21.5 above, is the total amount paid to DWS per financial period and per payment date for the 2021/22 and 2022/23 financial year. For the month of August 2022, the municipality settled an amount of R38,037 million on outstanding invoices and settled an amount of R82 thousand on 1 September 2022 and another R82 thousand on 20 September 2022. The municipality did not have sufficient cash to settle the current account due to DWS but we make payments as cash becomes available.

The Head Office team of DWS has introduced an Incentive scheme for customers, that should a customer be on the scheme the interest will be written off meaning the customer will only be liable to pay the capital amount within a duration of 12 months and on that note the interest will also be halted within that period. This incentive scheme drive is only available for a duration of 6 months. Another prerequisite is that the current account must be settled in full each month. The municipality submitted the proposed debt agreement to the Department for approval and have a requested for a longer repayment period of 24 months.

Monthly and YTD comparison of debt owed to Eskom and DWS

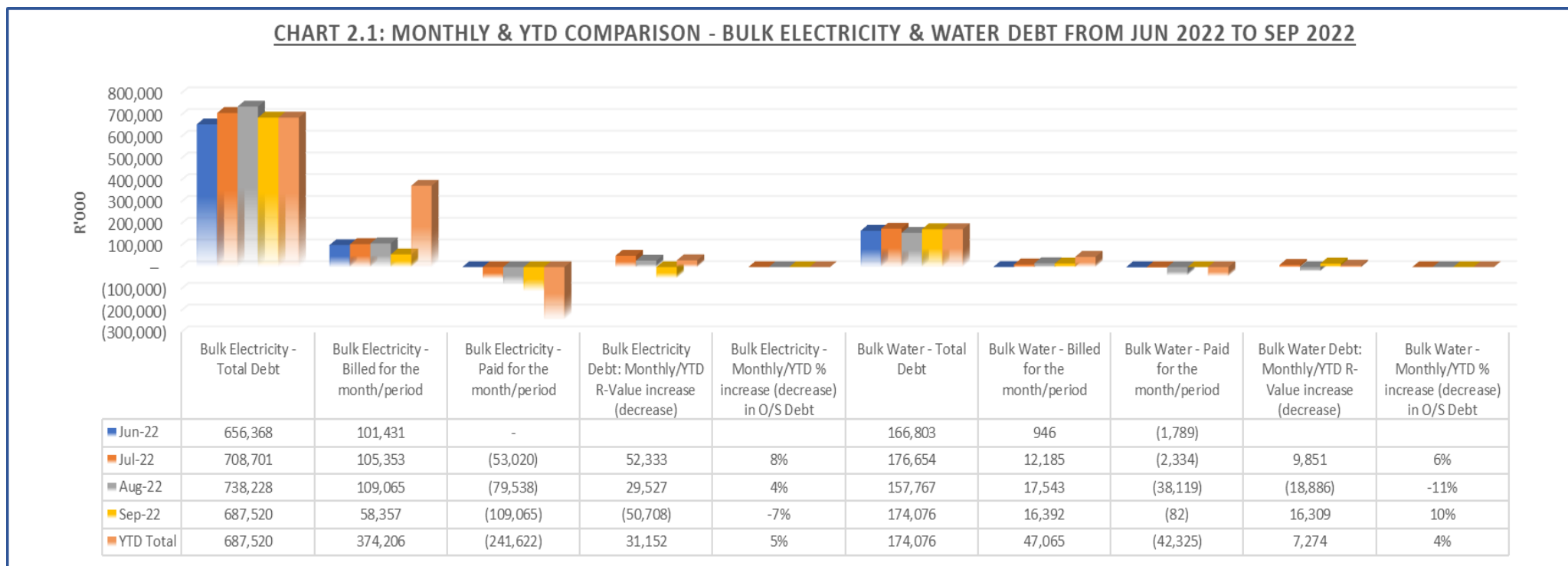


Chart 13: Monthly & YTD Comparison – Bulk Electricity & Water Debt

Indicated in Chart 13.1, is the monthly and YTD comparison of Bulk electricity and Water debt. From July to September 2022, debt owed to ESKOM decreased by R50,708 million or minus 7%, from R738,228 million to R687,520 million. When comparing the total outstanding debt to June 2022, the outstanding debt increased by R31,152 million or 5%. Debt owed to DWS increased by R16,309 million or 10%, from R157,767 million to R174,076 million. When comparing the total outstanding debt to June 2022, the outstanding debt increased by R7,274 million or 4%.

4.5 Aged Creditors

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Budget Year 2022/23												Prior year totals for chart (same period)
Description	NT Code	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	58,357	–	105,353	101,431	57,826	51,835	312,718	–	687,520	353,415	
Bulk Water	0200	16,392	17,460	13,793	6,191	–	–	89,370	30,869	174,076	83,861	
PAYE deductions	0300	9,580	–	–	–	–	–	–	–	9,580	9,733	
VAT (output less input)	0400									–		
Pensions / Retirement deductions	0500	7,874	–	–	–	–	–	–	–	7,874	7,312	
Loan repayments	0600									–		
Trade Creditors	0700	2,722	39	–	–	–	–	–	–	2,761	5,207	
Auditor General	0800	1,201	–	–	–	–	–	–	–	1,201		
Other	0900	17,787	–	–	6,309	–	–	4,098	–	28,194	2,747	
Total By Customer Type	1000	113,913	17,499	119,146	113,932	57,826	51,835	406,187	30,869	911,207	462,276	

Table 22: Support Table S4: Aged Creditors

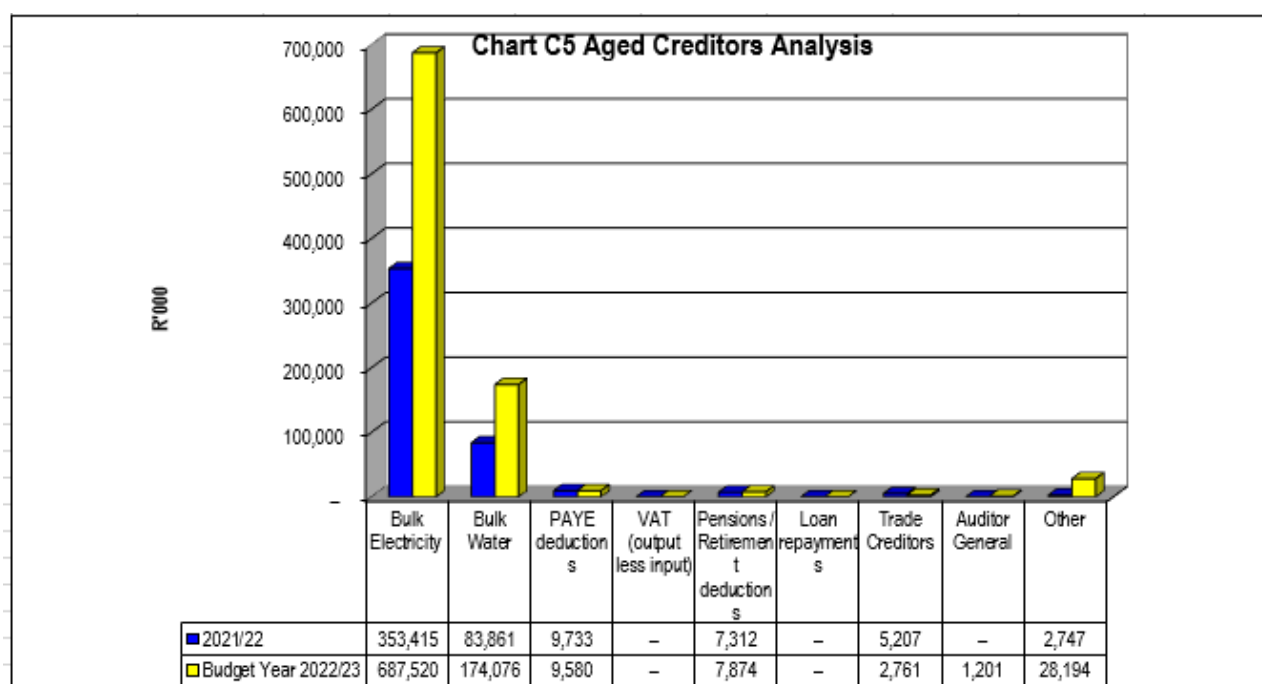


Chart 14: Aged Creditors Analysis

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).

Bulk Electricity – As at the 30 September 2022, the outstanding debt owed to ESKOM amounted to R687,520 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 30 September 2022, the outstanding debt owed to DWS is R174,076 million. The municipality is in the process to conclude a payment agreement with DWS for the 2022/23 financial year and partake in the Incentive scheme that the Department is embarking on.

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 paid an amount of R1,921 million to 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 is R1,201 million.

Other creditors – includes Sundry creditors which were unpaid as at 30 September 2022 of which the biggest contributor is third party salary payments amounting to R15,339 million which was paid by 7 October 2022.

4.6 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.

Service	Sum of Adjustment Budget	Sum of Curr Mth Exp	Sum of YTD Movement	% Spent
ELECTRICITY	29 016 005	1 877 351	3 702 930	13%
HOUSING	1 591 500	54 965	103 720	7%
REFUSE	21 108 000	740 198	1 823 820	9%
ROADS	16 245 000	1 585 711	3 922 296	24%
SEWERAGE	18 061 000	572 899	1 266 987	7%
WATER	35 979 000	1 538 041	5 403 962	15%
Grand Total	122 000 505	6 369 166	16 223 715	13%

Sum of Original Budget	Sum of Curr Mth Exp	Sum of YTD Movement	% Spent Original budget
32 902 000	3 907 370	10 103 183	31%
1 531 000	60 303	258 978	17%
20 005 000	1 464 165	3 528 597	18%
16 313 000	4 744 555	6 543 175	40%
17 377 000	847 926	4 818 046	28%
97 589 000	16 426 331	22 902 206	23%
185 717 000	27 450 650	48 154 185	26%

5. CAPITAL PROGRAMME PERFORMANCE

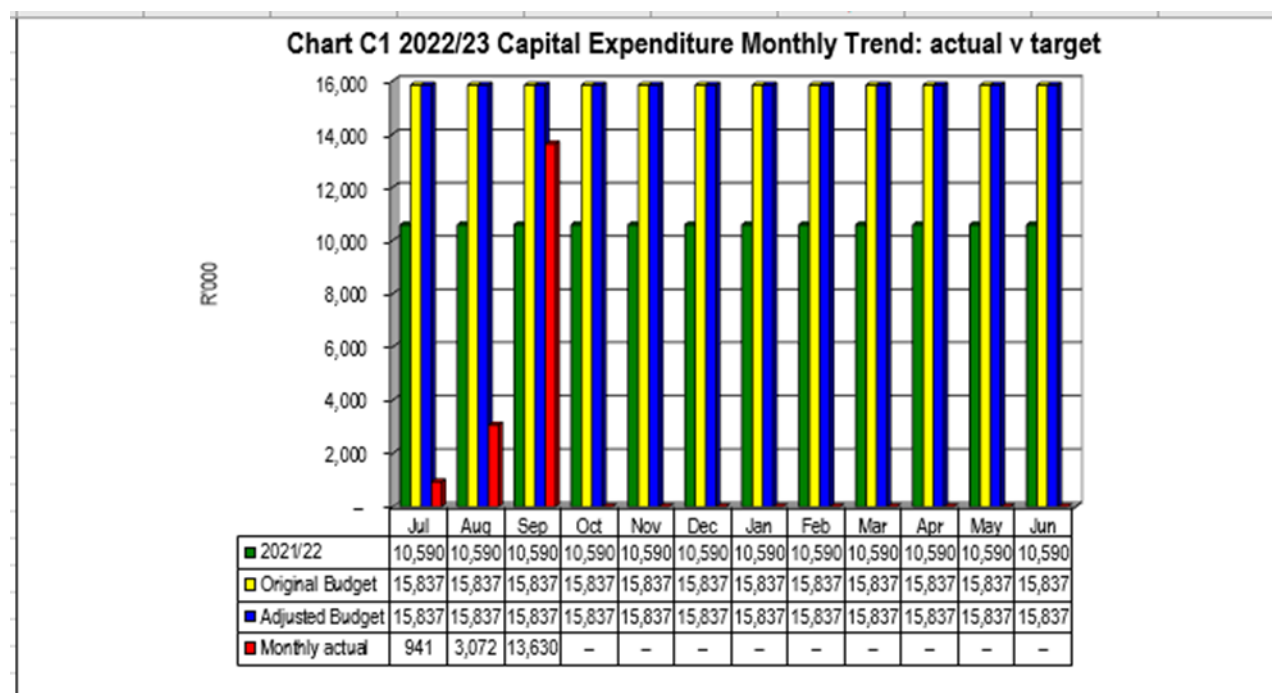


Chart 15: Capital Expenditure Monthly Trend: actual v target

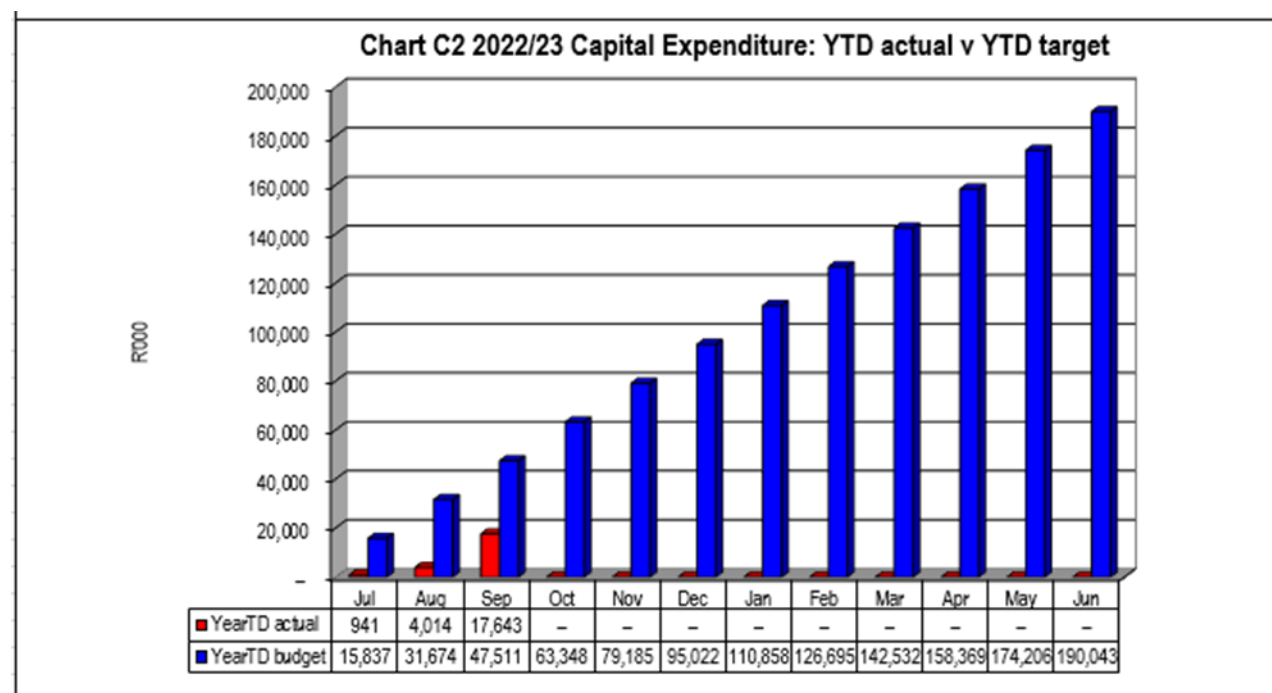


Chart 16: Capital Expenditure YTD Actual v YTD Target

5.1 Capital Expenditure By Project

Indicated in Table 22 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 September 2022 amounted to R13,629 million. The total YTD Capex amounts to R17,643 million. Please note that Commitments amounting to R54,589 million is excluded from the YTD movement. Capital expenditure is also exclusive of VAT.

Project Description	Original Budget	Adj Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	% Adj Budget	Funding source
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000,000	2,000,000	-	-	-	2,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	-	-	-	3,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	35,405,000	35,405,000	-	1,157,391	-	35,405,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	2,000,000	-	-	-	2,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-COMPUTER EQUIPMENT REPLACEMENT	11,300,000	11,300,000	-	121,087	-	11,300,000	0.0%	-	INTERNALLY GENERATED FUNDS
UPGRADE GRAVEL ROADS WARDS 6;7;9;10;15	-	-	-	-	-	-	#DIV/0!	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
CRAVEN STREET TRADE CENTRE	8,300,000	8,300,000	-	-	-	8,300,000	0.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
P-CIER RDS ROADS	15,000,000	15,000,000	11,966,087	782,609	12,907,427	2,092,573	86.0%	-	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	12,000,000	12,000,000	721,120	1,332,309	1,487,474	10,512,526	-	12.4%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
RECONSTRUCTION OLD SINK TOILETS PHASE 1	1,000,000	1,000,000	-	-	-	1,000,000	-	0.0%	INTERNALLY GENERATED FUNDS
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	21,090,000	21,090,000	-	20,795,227	294,773	20,795,227	1.4%	1.4%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	19,948,000	19,948,000	-	538,915	-	19,948,000	-	0.0%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000,000	2,000,000	-	1,903	-	2,000,000	-	0.0%	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	1,000,000	1,000,000	-	-	-	1,000,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
WATER PIPES REFURB PROG VARIOUS WARDS	10,000,000	10,000,000	-	-	-	10,000,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
HV SUB ACQ-CARTGLEN TRANSF/GALASH SUBS	7,000,000	7,000,000	-	-	1,773,415	5,226,585	-	25.3%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
STREET LIGHTS REPLACE 125W MV with 36W L	3,000,000	3,000,000	-	-	237,713	2,762,287	7.9%	7.9%	EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)
INSTALL VSD'S AT NEWTON RESEVIOR	1,000,000	1,000,000	-	-	-	1,000,000	0.0%	0.0%	EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)
NW ACQ - ELE CTR LERATO PARK	33,000,000	33,000,000	942,467	29,841,370	942,467	32,057,533	2.9%	2.9%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	2,000,000	2,000,000	-	18,149	-	2,000,000	-	0.0%	INTERNALLY GENERATED FUNDS
TOTAL	190,043,000	190,043,000	13,629,674	54,588,959	17,643,270	172,399,730	9.3%	9.3%	

Table 22: Detailed Capital Expenditure

Description	Original Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	942,467	2,715,883	29,841,370	6.8%
INTERNALLY GENERATED FUNDS	55,705,000	-	-	1,298,530	0.0%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	12,687,207	14,689,674	22,910,144	20.9%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	-	-	538,915	0.0%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	-	237,713	-	5.9%
Grand Total	190,043,000	13,629,674	17,643,270	54,588,959	9.3%

Table 23: Summary of capital expenditure per funding source

Indicated in Table 23 above, is a summary of the capital expenditure per funding source compared to the Original budget. Overall spending on grants is extremely slow. The expenditure on IUDG (20.9%), INEP (6.8%), WSIG (0%) and EEDSM (5.9%).

Spending on Internally generated funds is also 0% 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.

5.2 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) - M03
September

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	40,405	-	-	10,101	(10,101)	-100%	40,405
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	-	-	2,075	(2,075)	-100%	8,300
Vote 08 - Infrastructure And Services		88,488	79,038	79,038	12,687	14,690	19,760	(5,070)	-26%	79,038
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	12,687	14,690	31,936	(17,246)	-54%	127,743
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		4,041	13,300	13,300	-	-	3,325	(3,325)	-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	942	2,954	12,250	(9,296)	-76%	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	942	2,954	15,575	(12,621)	-81%	62,300
Total Capital Expenditure		127,081	190,043	190,043	13,630	17,643	47,511	(29,867)	-63%	190,043
Capital Expenditure - Functional Classification										
Governance and administration		11,238	53,705	53,705	-	-	13,426	(13,426)	-100%	53,705
Executive and council		11,238	53,705	53,705	-	-	13,426	(13,426)	-100%	53,705
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	12,687	14,395	8,825	5,570	63%	35,300
Planning and development		18,239	8,300	8,300	-	-	2,075	(2,075)	-100%	8,300
Road transport		34,218	27,000	27,000	12,687	14,395	6,750	7,645	113%	27,000
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		63,386	101,038	101,038	942	3,248	25,260	(22,011)	-87%	101,038
Energy sources		34,548	46,000	46,000	942	2,954	11,500	(8,546)	-74%	46,000
Water management		624	13,000	13,000	-	-	3,250	(3,250)	-100%	13,000
Waste water management		28,214	42,038	42,038	-	295	10,510	(10,215)	-97%	42,038
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	127,081	190,043	190,043	13,630	17,643	47,511	(29,867)	-63%	190,043
Funded by:										
National Government		95,428	134,338	134,338	13,630	17,643	33,585	(15,941)	-47%	134,338
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		3,500	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		13,891	-	-	-	-	-	-	-	-
Transfers recognised - capital		112,818	134,338	134,338	13,630	17,643	33,585	(15,941)	-47%	134,338
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		14,263	55,705	55,705	-	-	13,926	(13,926)	-100%	55,705
Total Capital Funding		127,081	190,043	190,043	13,630	17,643	47,511	(29,867)	-63%	190,043

Table 24: Supporting Table C5: Capital expenditure per vote

6. INVESTMENT PORTFOLIO ANALYSIS

The market value of the investment portfolio has been utilized and for the period ending 30 September 2022, the value of total investments made was R50,693 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 - M03 September

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														
Absa Bank 20-6295-4443		12 mths	Notice	YES	Fixed	04.85			28.06.2022	7,437	30	-	-	7,466
Standard Bank 048466271-080		12 mths	Notice	YES	Fixed	402.50%			10.11.2021	21,114	70	-	-	21,184
First National Bank			Call a/c	YES	Variable	03.20				5,523	15	-	-	5,538
Absa Bank			Call a/c	YES	Variable	02.30				5,522	10	-	-	5,532
Investec			Call a/c	YES	Variable	03.30				618	2	-	-	620
Nedbank			Call a/c	YES	Variable	03.25				5,180	138	-	-	5,318
Standard Bank			Call a/c	YES	Variable	03.50				5,029	14	-	-	5,044
Municipality sub-total										50,422	279	-	-	50,701
TOTAL INVESTMENTS AND INTEREST	2									50,422	279	-	-	50,701

Table 25: Supporting Table SC5: Investment portfolio

7. 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 30 September 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

7.1 Assets Management

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%		3%
				Total Operating Expenditure	508 003
				Taxation Expense	-
				Total Capital Expenditure	17 643
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	2 033 156
				Investment property at carrying value	209 106
				Intangible Assets at carrying value	21 447
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%		3%
				Total Repairs and Maintenance Expenditure	63 036
				PPE at carrying value	2 033 156
				Investment Property at Carrying value	209 106

7.2 Debtors Management

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%		90,85%
				Gross Debtors closing balance	3 074 758
				Gross Debtors opening balance	3 028 323
				Bad debts written Off	3
				Billed Revenue	507 562
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%		0%
				Consumer Debtors Bad debts written off	3
				Consumer Debtors Current bad debt Provision	925 520
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		1 210 days
				Gross debtors (90+ days)	2 607 684
				Bad debts Provision	925 520
				Billed Revenue	507 562

7.3 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		-0,16 Month
				Cash and cash equivalents	109 965
				Unspent Conditional Grants	116 695
				Overdraft	-
				Short Term Investments	
				Total Annual Operational Expenditure	507 999
2 Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2,10
				Current Assets	2 481 828
				Current Liabilities	1 181 362

7.4 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 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		4,39%
				Interest Paid	12 931
				Redemption	9 390
				Total Operating Expenditure	508 003
				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%		30%
				Total Debt	171 517
				Total Operating Revenue	662 794
				Operational Conditional Grants	93 931

7.5 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%		-7%
				Cash and cash Equivalents	109 965
				Bank Overdraft	-
				Short Term Investment	-
				Long Term Investment	-
				Unspent Grants	116 695
				Net Assets	3 131 028
				Share Premium	-
				Share Capital	-
				Revaluation Reserve	90 127
				Fair Value Adjustment Reserve	-
				Accumulated Surplus	2 947 557

Financial Performance

7.6 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%		23%
					Total Operating Revenue	662 794
					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	508 003
					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%		-18%
					Total Electricity Revenue	184 243
					Total Electricity Expenditure	216 625
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%		24%
					Total Water Revenue	78 282
					Total Water Expenditure	59 657
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%		24%
					Total Refuse Revenue	20 030
					Total Refuse Expenditure	15 151
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%		35%
					Total Sanitation and Water Waste Revenue	26 916
					Total Sanitation and Water Waste Expenditure	17 430

7.7 Distribution Losses

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%		35.23%
				Number of units purchased and/or generated	126 222
				Number of units sold	81 749
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%		67.03%
				Number of kilolitres purchased and/or purified	9 145
				Number of kilolitres sold	3 015

7.8 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		-14%
					Number of Active Debtors Accounts (Previous)	79 591
					Number of Active Debtors Accounts (Current)	68 114
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		-70%
					CPI	3%
					Total Revenue (Previous)	2 290 670
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		-70%
					Total Revenue Excl.Capital (Previous)	2 181 403
					Total Revenue Excl.Capital (Current)	662 794

7.9 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		1 090 days
					Trade Creditors	911 207
					Contracted Services	7 083
					Repairs and Maintenance	63 036
					General expenses	40 866
					Bulk Purchases	176 571
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	508 003
					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%		34,43%
					Employee/personnel related cost	762 750
					Councillors Remuneration	30 737
					Total Operating Expenditure	2 304 506
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%		0%
					Contracted Services	7 083
					Total Operating Expenditure	2 304 506
					Taxation Expense	–

7.10 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		0%
					Internally generated funds	–
					Borrowings	–
					Total Capital Expenditure	17 643
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		0%
					Internally generated funds	–
					Total Capital Expenditure	17 643
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		88%
					Total Revenue	662 794
					Government grant and subsidies	93 931
					Public contributions and Donations	–
					Capital Grants	17 643

7.11 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%		66,87%
					Actual Capital Expenditure	127 081
					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%		93,48%
					Actual Operating Expenditure	2 304 506
					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%		27%
					Actual Operating Revenue	662 794
					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%		25%
					Actual Service Charges and Property Rates Revenue	507 562
					Budget Service Charges and Property Rates Revenue	2 000 857

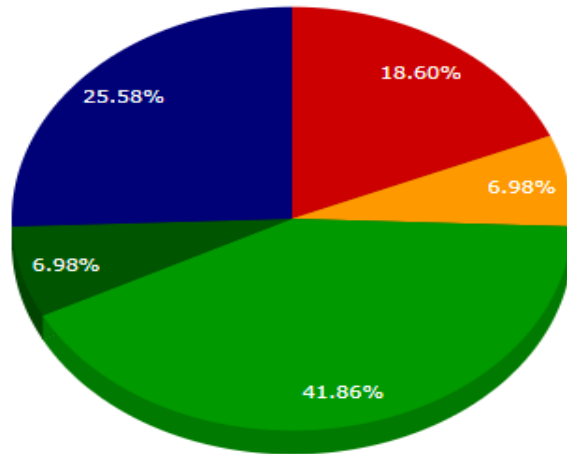
1ST QUARTER SDBIP PERFORMANCE REPORT

FINANCIAL YEAR 2022/2023

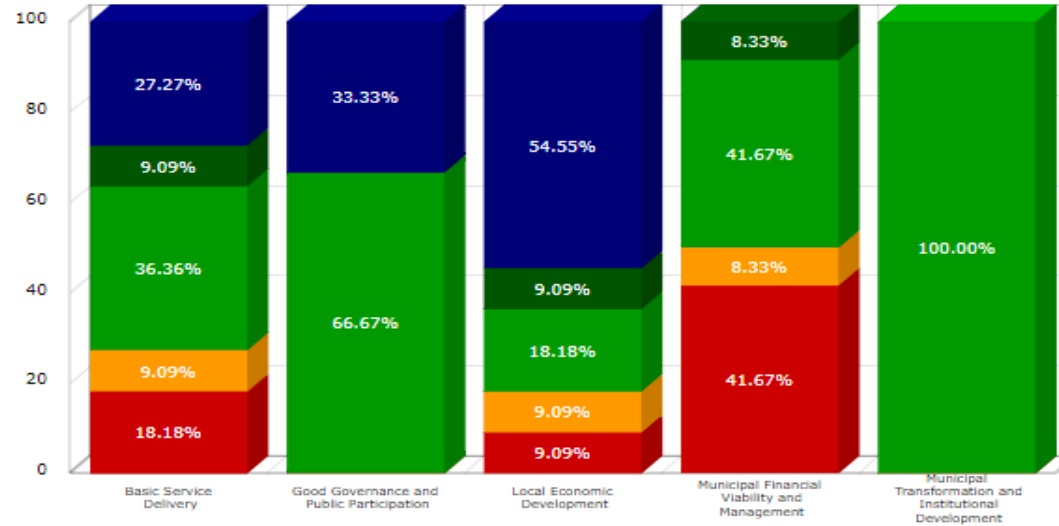
1 JULY TO 30 SEPTEMBER 2022

8. TOP LAYER SDBIP 1ST QUARTER PERFORMANCE REPORT: 1 JULY TO 30 SEPTEMBER 2022

Sol Plaatje Municipality



National KPA



	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	[Unspecified]
Not Met	8 (18.60%)	2 (18.18%)	-	1 (9.09%)	5 (41.67%)	-	-
Almost Met	3 (6.98%)	1 (9.09%)	-	1 (9.09%)	1 (8.33%)	-	-
Met	18 (41.86%)	4 (36.36%)	4 (66.67%)	2 (18.18%)	5 (41.67%)	3 (100.00%)	-
Well Met	3 (6.98%)	1 (9.09%)	-	1 (9.09%)	1 (8.33%)	-	-
Extremely Well Met	11 (25.58%)	3 (27.27%)	2 (33.33%)	6 (54.55%)	-	-	-
Total:	43*	11	6	11	12	3	-
	100%	25.58%	13.95%	25.58%	27.91%	6.98%	-

* Excludes 21 KPIs which had no targets/actuals for the period selected.

8.1 BASIC AND SUSTAINABLE SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	[D162] GM : Revenue: Registered indigents as at 1st Quarter (September 2022)	
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	[D408] City Engineer: Roads and Storm water: Progress report submitted (September 2022)	
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	[D409] City Engineer: Roads and Storm water: Project almost completed (September 2022)	
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	693	B	[D411] City Engineer: Electricity: This project has made progress in terms of the following: 1. Registration of project on IDP - PDCT 2. Sourcing of lights through existing street light maintenance contract 3. Installing of lights through existing street light maintenance contract 4. A total of 693 100W LED light have been retrofitted (September 2022)	[D411] City Engineer: Electricity: Target has been reached (September 2022)

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	109	R	[D412] City Engineer: Electricity: This project has made progress in terms of the following: 1. Registration of project on IDP - PDCT 2. Sourcing of lights through existing street light maintenance contract. 3. Installing of lights through existing street light maintenance contract 4. A total of 109 36W LED lights have been retrofitted (September 2022)	[D412] City Engineer: Electricity: The target was not reached due to delay time in terms of delivery of the 36W LED lights. Project will be expedited to ensure that the target is reached (September 2022)
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	[D413] City Engineer: Electricity: This project has made progress in terms of the following: 1. Registration of project to IDP - PDCT 2. Compilation of procurement plan, technical specifications, BOQ and complete tender document 3. BSC - Tender was advertised, site briefing was held and tender advertisement closed off on the 19th of September 2022. 4. BEC - Technical report was compiled. Tender and technical report when to BEC meeting on the 18th of October 2022 and a recommendation was made. 5. There is a scheduled BAC meeting for this project for the 28 October 2022. (September 2022)	[D413] City Engineer: Electricity: The plan was to have this project awarded by the end of the first quarter. To ensure this target is meet efficiently, challenges which caused delays will be addressed effectively and works will be expedited. (September 2022)

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	[D414] City Engineer: Electricity: This project has made progress in terms of the following: 1. Registration of project on IDP - PDCT 2. Complication of procurement, specifications and tender document. 3. SCM processes - BSC, BEC and BAC. 12 Service Providers have awarded on a pool for 36months 4. Designs, technical specifications and BOQ has been completed. (September 2022)	[D414] City Engineer: Electricity: Target has not been reached as construction works have not yet commenced. Upon finalizing of signing of contract, civil works will then commence. (September 2022)
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	[D416] City Engineer: Water and Sanitation: Contractor has cash flow problems (September 2022)	[D416] City Engineer: Water and Sanitation: SPM to take decision going forward, either to terminate or continue with current contractor (September 2022)
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%	G2	[D417] City Engineer: Water and Sanitation: Contractor has been appointed (September 2022)	

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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 toilets, etc. So the project will be 50% completed however it would not mean that a toilet has been fully constructed)	100%	100%	G	[D418] City Engineer: Water and Sanitation: Project completed (September 2022)	
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	[D419] City Engineer: Water and Sanitation: In process of approval from all bid committees (September 2022)	

summary: Basic and Sustainable Service Delivery and Infrastructure Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	2
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	4
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	3
Total KPIs:			11

8.2 MUNICIPAL FINANCIAL VIABILITY AND SUSTAINABLE MANAGEMENT

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	[D163] ED: Financial Services: Report submitted (September 2022)	[D163] ED: Financial Services: Increase collection through implementation of policy (September 2022)
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	[D164] ED: Financial Services: Capital expenditure is normally slow in the first quarter. (September 2022)	[D164] ED: Financial Services: Monthly meetings with PMU and Project managers to accelerate processes. (September 2022)
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%	20.6 1%	G2	[D165] ED: Financial Services: Performance are in line. (September 2022)	
TL17	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2023	Debt coverage ratio	2.10	2.10	G	[D166] ED: Financial Services: Cashflow is low (September 2022)	[D166] ED: Financial Services: More debt collection strategies introduced (September 2022)

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KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	[D167] ED: Financial Services: Debt collection strategies improved. (September 2022)	
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	[D168] ED: Financial Services: Cashflow is low. (September 2022)	[D168] ED: Financial Services: Increased debt collection (September 2022)
TL20	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure by 30 June 2023	Employee cost as a percentage of total operating cost	0%	38.1 9%	R	[D169] ED: Financial Services: Overtime needs to be monitored more closely (September 2022)	[D169] ED: Financial Services: Overtime needs to be monitored more closely (September 2022)
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	[D173] GM : Revenue: To improve on collection through strict control for implementation of Credit Control and Debt Collection (September 2022)	[D173] GM : Revenue: To increase collection of aged debt (September 2022)
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	[D174] GM : Revenue: Report submitted (September 2022)	
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	[D175] GM : Revenue: Reports submitted (September 2022)	

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KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	[D176] GM : Budget and Treasury: Budget controle monthly to line managers (September 2022)	
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	[D177] GM : Budget and Treasury: updated (September 2022)	

Summary: Municipal Financial Viability and Management

R	KPI Not Met	0% <= Actual/Target <= 74.999%	5
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	5
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
Total KPIs:			12

8.3 LOCAL ECONOMIC DEVELOPMENT

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	[D53] PMU Manager: Report from Public Works received but it reflects incorrect number due to system upgrades, correct report will be attached after it has been received from Public Works. (September 2022)	
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	24	R	[D159] Manager : SCM: The Performance indicator was achieved within 12 weeks (July 2022) [D159] Manager : SCM: The target was achieved (August 2022) [D159] Manager : SCM: The objective was over achieved as it was done in less than 12 week and this was done in 4 weeks (September 2022)	[D159] Manager : SCM: Where the SCM could not achieved the target, the various bid committee meeting be re-organized (July 2022) [D159] Manager : SCM: No corrective measure required for this indictor (August 2022) [D159] Manager : SCM: No corrective measure is necessary (September 2022)
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	6	G	[D160] Manager : SCM: The performance indicator was achieved in six week (July 2022) [D160] Manager : SCM: No once off tender was awarded during this month of August (August 2022) [D160] Manager : SCM: No once off tenders awarded during the month of October 2022 (September 2022)	[D160] Manager : SCM: SCM will arrange special meetings for all bid committee (July 2022) [D160] Manager : SCM: No Corrective (August 2022) [D160] Manager : SCM: No Corrective measure applicable. (September 2022)

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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%	31%	O	[D161] Manager : SCM: The performance indicator was overachieved and this include minimum three written quotations , formal written quotations, and tenders (July 2022) [D161] Manager : SCM: The measure during the month of August was calculated at 31 % which is an over-achievement and this was minimum three quotations, web quotations and tenders. (August 2022) [D161] Manager : SCM: Report submitted (September 2022)	[D161] Manager : SCM: The pre-qualification will be used in order to achieved required criteria set. (July 2022) [D161] Manager : SCM: No corrective measure required (August 2022) [D161] Manager : SCM: No corrective measure required. (September 2022)
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 greater than 500 m² annually	Average response time in weeks to process building plans	11	9	B	[D478] Manager: Urban Planning: Target Met. (September 2022)	[D478] Manager: Urban Planning: No corrective measure. (September 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 m² annually	Average time in weeks to process building plans	11	9	B	[D479] Manager: Urban Planning: Target met. (September 2022)	[D479] Manager: Urban Planning: To encourage sister Departments to provide comments timeously. (September 2022)

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	<p>[D483] Manager: SMME: As of June 30, 2022, there were 13 active SME incubatees (small to medium enterprises) housed at the Galeshewe SMME Village Business Incubation Center. giving jobs to 52 persons, 21 of them are women, 0 are disabled, 31 are men, and 27 temporary jobs are made available to young people. (July 2022)</p> <p>[D483] Manager: SMME: As of August 30, 2022, there were 13 active incubatees, or Small to Medium Enterprises, housed at the Galeshewe SMME Village Business Incubation Center. creating 22 temporary jobs for young people while supporting 40 persons, of which 19 are women, 0 are disabled, and 26 are males. The Galeshewe SMME Village and Mme Re Ka Thusa Trust organized a Digital Literacy Workshop on August 16th, 2022, to equip women-owned enterprises with the digital skills they need to increase their output by utilizing various technologies. The goal of the Digital Literacy Workshop is to assist female company owners in developing their own digital abilities for use in their enterprises. The class covered how to use social media for business, including Twitter, Facebook for Business, and Whatsapp. The Galeshewe SMME Village together with MTN and the Department of Social Development awarded 30 Hauwei tablets to youth owned non-profit organizations operating in Galeshewe. The DTT and Cellphone Repair program and workshops are being held at the Galeshewe SMME Village by HCLS. The DTT and Cell Phone Repair Technician Skills Program's objective is to give jobless youngsters the opportunity to work for themselves by repairing and maintaining set top boxes (decoders) and mobile devices. The MICT Unit Standards are connected with this curriculum. The training component is face-to-face, and delegates will receive mentoring and coaching services to aid in the launch of their firms. A training stipend will be paid over the course of three weeks. POE: The attachment POE it is report for performance of August 2022. With call opened for incubation recruitment programme at mLab NC. The new grant funding secured to fund</p>	<p>[D483] Manager: SMME: This KPI does not have corrective measures because the current incubatees are 13 at mLab NC (August 2022)</p> <p>[D483] Manager: SMME: No corrections (September 2022)</p>
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							<p>100 SMMEs to a maximum of R100 000.00 per SMMEs The new MOU with a funding of R4 million it is secured for next two years at mLab NC Galeshewe SMMEs Village (August 2022)</p> <p>[D483] Manager: SMME: The Implementation of the Developmental Programme that supports SMME's through business incubation for at least 10 businesses annually is based on the SPM flagship small business incubation programme. Under the Facilities management stewardship monthly activities and monthly reports are prepared and submitted. (September 2022)</p>	
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KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL46	To capacitate SMME's and local entrepreneurs	Enhancing Sol Plaatje Municipality's economic governance and infrastructure for Business Expansion Attraction and Retention (BEAR) by 30 June 2023	Percentage use components output deliveries	0%	60%	B	<p>[D484] Manager: LED: Most of the BEAR components as per the end of June were completed and ready to start the processes of the implementation. The components were inclusive of LED Maturity Assessment, Ease of Doing Business for formal and informal businesses, The Red Tape Reduction processes. (July 2022)</p> <p>[D484] Manager: LED: On the 23 August 2022 60% percentage of the documents were completed and attached for details. The Ease of Doing Business in Sol Plaatje 2021 report focuses on business regulations and their enforcement across four Doing Business areas in the Sol Plaatje Local Municipality (hereafter referred to as "Sol Plaatje"). It also compares Sol Plaatje's performance (in 2021) to nine other South African urban areas (in 2018) to put the Municipality's performance into perspective. LED Maturity focuses on the responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities" (August 2022)</p> <p>[D484] Manager: LED: The attached copy is the agenda for PSC which could not take place due to unforeseen circumstances. However other meetings took place the reports are attached under POEs. The resources mobilisation with Unisa Enterprise and DBSA it is attached. Theory of change, informal trading and township research conducted to deal with Red Tape Reduction were presented in the meetings (September 2022)</p>	[D484] Manager: LED: The KPI is processing well there is no need for corrective measures (August 2022)

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL47	To capacitate SMME's and local entrepreneurs	Approved business plan for the development of 100 Artisans from the unemployed youth aged between 18 and 35 years as part of developing skillful economies by 30 June 2023	Percentage use components output deliveries	0%	100%	B	<p>[D485] Manager: LED: In order to offer artisan training in Kimberley, Khosithi Artisan & Skills Training Institute submitted an application for financing to the National Skills Fund (NSF) in 2019 in collaboration with Sol Plaatje Local Municipality. The NSF has approved the application, and 100 artisans will begin training there in mid-February 2022. The approval budget it is R22 million for the Sol Plaatje Municipality. Training of artisans comprise of theoretical, workshop practical and workplace training modules culminating in a final trade test at the end of the program. The duration of artisan training ranges between 26 and 36 months. The approval for funding of artisan training for 100 local unemployed black youths will provide a multitude of benefits to the Kimberley community. Sol Plaatje Local Municipality will actively be showcasing their support for public / private cooperation in providing training for and development of unemployed black youths. This programme will ultimately create employment and stimulate economic growth in Kimberley through the provision of scarce skills. (July 2022)</p> <p>[D485] Manager: LED: The letter appointment or approval, business plan approved were attached as POE for this KPI in July month. The approved are still the same, however in terms of training learners have completed theoretical training and will be doing phase two consists of the practicals (August 2022)</p> <p>[D485] Manager: LED: The programme started in April 2022 and 100 youth between age 18 and 35 were recruited. the first phase of theory it is completed and learners will be commencing with practicals for their various trades (September 2022)</p>	[D485] Manager: LED: The KPI it is completed in terms of approval, however we busy with formal implementation of training and 100 learners were already recruited. (July 2022)

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KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL48	To capacitate SMME's and local entrepreneurs	NCIF implementing Innovation Projects in terms of the Science, Technology and Innovation Projects by 30 June 2023	Percentage of Science, Technology and Innovation LED Projects	25%	35%	G2	<p>[D486] Manager: LED: The NCIF partnerships are designed to encourage deliberate innovation to address problems with service delivery and socioeconomic evils in the province. In order to bring these parties and others together to "promote innovation and establish a determined provincial or regional orientation in support of this" (Vol. 0(0) 1-13, 2022, Local Economy), the NCIF has been recognized as a crucial facilitator or broker. (July 2022)</p> <p>[D486] Manager: LED: The catch up plan for NCIF from the remaining calendar year until December 2020 attached with activities which are related to STI which will be implemented is attached. The brochure for the NCIF also was developed. During the month of October 2022 an item will be presented to LED Committee strat the process of identifying projects which will be implemented within the identified Industrial Precinct Plan to activate development of the manufacturing base of SPM (August 2022)</p> <p>[D486] Manager: LED: In order to capacitate SMMEs and local entrepreneurs through projects which are related to STI under Tirisano window for funding opportunity using mLab NC which will be collaborating with NCIF whereby funding will be applied for the establishment of the digital hubs. The applicant for the application will be mLab NC while the proposal or business plan will be developed by LED Unit. (September 2022)</p>	[D486] Manager: LED: Moving forward as corrective measure project related to STI in SPM will be identified and pave the implementation of such projects. (July 2022)

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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%	32%	B	[D487] Manager: LED: The appointment letter attached including the proposal submitted for the contraction of the trading stalls. (July 2022) [D487] Manager: LED: The construction of the Craven street new facility is underway. (August 2022) [D487] Manager: LED: The 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. (September 2022)	[D487] Manager: LED: Construction is underway (August 2022) [D487] Manager: LED: It should be noted that second certificate it is not yet paid while awaiting meeting with MM and Consultants to take place on the 18 October 2022. (September 2022)

Summary of Results: Local Economic Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	6
Total KPIs:			11

8.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	7	B	[D58] Chief Audit Executive: 4 internal audit report have been completed and included in the audit pack to be reported to the Audit Committee on the 29th of August. An additional 3 have been completed as at 30 September 2022 to the included in the audit pack for the next audit committee on the 29th of November 2022. (September 2022)	[D58] Chief Audit Executive: No Corrective action required at this stage. (September 2022)
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 cyber threats to the municipality ICT estate by 30 June 2023	Percentage Improved/cleared audit findings.	100%	100%	G	[D60] Chief Information Officer: Achieved. (September 2022)	

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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%	4%	B	[D170] Manager : SCM: Only one objection was received in relation to the tender and it was resolved by the SCM. This was misunderstanding by the bidder but the SCM provided clarity on the matter. (July 2022) [D170] Manager : SCM: No objection was received by SCM during the month of August 2022 (August 2022) [D170] Manager : SCM: Only one objection was submitted and was amicable resolved by SCM (September 2022)	[D170] Manager : SCM: Various internal controls are used by the SCM and these includes the capturer, the verifier, and the reviewer to ensure compliance. (July 2022) [D170] Manager : SCM: No corrective measure required. (August 2022) [D170] Manager : SCM: No corrective measure as this was oversight by the bidder. (September 2022)
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	[D241] Chief Risk Officer: Submitted in August already (September 2022)	[D241] Chief Risk Officer: None required (September 2022)
TL37	Promote community participation and communication	To communicate to the public (established residential areas) by issuing monthly newsletters	Number of newsletters issued	3	3	G	[D242] Manager : Communications: Communicated accordingly via media platforms. (September 2022)	
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	[D243] Manager : Communications: Responses to media enquiries are done within set time frame. (September 2022)	

Summary: Good Governance and Public Participation

R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	4
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	2
Total KPIs:			6

8.5 MUNICIPAL TRANSFORMATION AND DEVELOPMENT

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Overall Performance for 1st Quarter (July to September 2022)				
				Target	Actual	R	Performance Comment	Corrective Measures
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	[D55] IDP Manager: 4th Quarter report was submitted to Executive Mayor to be tabled at next council meeting (July 2022)	
TL34	To provide a basis for sustainable municipal performance improvement	On a quarterly basis communicate the funded vacant positions in each directorate to the relevant Executive Director	Number of communications provided	1	1	G	[D239] Manager : Human Resources: communicated accordingly (September 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	1	G	[D240] Manager : Human Resources: coordinated accordingly (September 2022)	

Summary of Results: Municipal Transformation and Institutional Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	3
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		3

9. 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

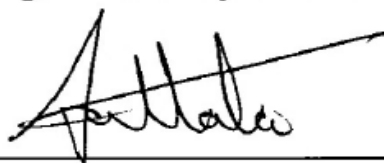
☐ mid-year budget and performance assessment

For the quarter ended **30 September 2022** has been prepared in accordance with the Municipal Finance Management Act, Act 56 of 2003 and regulations made under that Act.

Print name: Mr SB MATLALA

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____



Date: 25/10/2022

10. 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 – SCHEDULE C – Tables

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M03 September

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	46,212	219,642	156,911	62,730	40%	627,646
Service charges	1,145,790	1,373,211	1,373,211	86,180	287,921	343,303	(55,382)	-16%	1,373,211
Investment revenue	3,124	6,000	6,000	437	(47)	1,500	(1,547)	-103%	6,000
Transfers and subsidies	235,986	258,117	258,117	660	93,931	64,529	29,402	46%	258,117
Other own revenue	196,605	222,235	222,235	21,378	61,347	55,559	5,789	10%	222,235
Total Revenue (excluding capital transfers and contributions)	2,181,403	2,487,209	2,487,209	154,867	662,794	621,802	40,992	7%	2,487,209
Employee costs	773,189	849,403	849,403	63,665	186,141	212,352	(26,211)	-12%	849,403
Remuneration of Councillors	30,737	34,547	34,547	1,567	7,876	8,637	(760)	-9%	34,547
Depreciation & asset impairment	69,999	81,050	81,050	-	-	20,263	(20,263)	-100%	81,050
Finance charges	72,909	38,960	38,960	7,670	12,931	9,740	3,191	33%	38,960
Inventory consumed and bulk purchases	877,205	918,627	918,627	119,718	239,607	229,657	9,949	4%	918,627
Transfers and subsidies	2,546	4,460	4,460	-	-	1,115	(1,115)	-100%	4,460
Other expenditure	488,485	538,080	538,080	35,120	61,448	134,521	(73,073)	-54%	538,080
Total Expenditure	2,315,070	2,465,128	2,465,128	227,740	508,003	616,284	(108,282)	-18%	2,465,128
Surplus/(Deficit)	(133,667)	22,081	22,081	(72,873)	154,791	5,518	149,274	2705%	22,081
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,267	134,338	134,338	13,630	17,643	33,584	###	-47%	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	66,851	156,419	156,419	(59,243)	172,435	39,102	133,332	341%	156,419
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	66,851	156,419	156,419	(59,243)	172,435	39,102	133,332	341%	156,419
Capital expenditure & funds sources									
Capital expenditure	127,081	190,043	190,043	13,630	17,643	47,511	(29,867)	-63%	190,043
Capital transfers recognised	112,818	134,338	134,338	13,630	17,643	33,585	(15,941)	-47%	134,338
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14,263	55,705	55,705	-	-	13,926	(13,926)	-100%	55,705
Total sources of capital funds	127,081	190,043	190,043	13,630	17,643	47,511	(29,867)	-63%	190,043
Financial position									
Total current assets	2,395,153	2,701,046	2,701,046		2,481,828				2,701,046
Total non current assets	2,246,066	2,052,265	2,052,265		2,263,710				2,052,265
Total current liabilities	1,249,479	1,050,980	1,050,980		1,181,362				1,050,980
Total non current liabilities	433,147	408,150	408,150		433,147				408,150
Community wealth/Equity	2,958,594	3,294,182	3,294,182		3,127,810				3,294,182
Cash flows									
Net cash from (used) operating	(583,944)	106,800	106,800	(180,683)	128,060	26,700	(101,360)	-380%	106,800
Net cash from (used) investing	(127,081)	(154,327)	(190,043)	(13,630)	(17,643)	(38,582)	(20,938)	54%	(154,327)
Net cash from (used) financing	-	(9,390)	(9,390)	-	-	(2,347)	(2,347)	100%	(9,390)
Cash/cash equivalents at the month/year end	(668,018)	116,006	80,289	-	333,557	158,693	(174,864)	-110%	166,223
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	251,441	149,026	66,606	2,607,684	-	-	-	-	3,074,758
Creditors Age Analysis									
Total Creditors	113,913	17,499	119,146	113,932	57,826	51,835	406,187	30,869	911,207

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

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										
<i>Governance and administration</i>		1,102,703	1,126,167	1,126,167	71,644	358,638	281,542	77,096	27%	1,126,167
Executive and council		484,799	470,256	470,256	21,961	131,516	117,564	13,952	12%	470,256
Finance and administration		617,905	655,911	655,911	49,683	227,122	163,978	63,144	39%	655,911
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		28,981	26,474	26,474	1,767	4,697	6,618	(1,921)	-29%	26,474
Community and social services		11,158	11,348	11,348	302	785	2,837	(2,052)	-72%	11,348
Sport and recreation		1,889	1,905	1,905	326	612	476	136	28%	1,905
Public safety		720	340	340	9	50	85	(35)	-41%	340
Housing		12,192	12,801	12,801	1,121	3,230	3,200	30	1%	12,801
Health		3,023	80	80	9	21	20	1	3%	80
<i>Economic and environmental services</i>		27,535	16,015	16,015	704	4,690	4,004	686	17%	16,015
Planning and development		15,823	5,525	5,525	323	3,696	1,381	2,315	168%	5,525
Road transport		11,712	10,490	10,490	381	994	2,622	(1,629)	-62%	10,490
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		1,212,755	1,444,171	1,444,171	93,551	309,471	361,043	(51,572)	-14%	1,444,171
Energy sources		742,533	935,854	935,854	51,099	184,243	233,963	(49,721)	-21%	935,854
Water management		307,596	345,167	345,167	26,781	78,282	86,292	(8,010)	-9%	345,167
Waste water management		93,896	92,200	92,200	8,991	26,916	23,050	3,867	17%	92,200
Waste management		68,729	70,950	70,950	6,681	20,030	17,738	2,292	13%	70,950
<i>Other</i>	4	9,946	8,720	8,720	830	2,941	2,180	761	35%	8,720
Total Revenue - Functional	2	2,381,920	2,621,547	2,621,547	168,497	680,437	655,387	25,051	4%	2,621,547
Expenditure - Functional										
<i>Governance and administration</i>		616,891	712,851	712,851	37,457	114,897	178,214	(63,317)	-36%	712,851
Executive and council		374,547	428,654	428,654	16,307	50,643	107,164	(56,520)	-53%	428,654
Finance and administration		235,566	277,659	277,659	20,757	63,076	69,416	(6,339)	-9%	277,659
Internal audit		6,778	6,538	6,538	393	1,177	1,635	(458)	-28%	6,538
<i>Community and public safety</i>		176,753	181,961	181,961	14,615	43,771	45,491	(1,719)	-4%	181,961
Community and social services		42,959	43,119	43,119	3,885	11,103	10,780	323	3%	43,119
Sport and recreation		53,032	53,283	53,283	4,420	13,339	13,321	18	0%	53,283
Public safety		42,229	43,948	43,948	3,186	9,681	10,987	(1,306)	-12%	43,948
Housing		19,874	22,768	22,768	1,551	4,860	5,692	(832)	-15%	22,768
Health		18,659	18,842	18,842	1,573	4,788	4,711	78	2%	18,842
<i>Economic and environmental services</i>		124,730	141,936	141,936	14,771	34,969	35,484	(515)	-1%	141,936
Planning and development		39,084	47,872	47,872	3,563	10,241	11,968	(1,728)	-14%	47,872
Road transport		84,946	93,326	93,326	11,142	24,528	23,332	1,196	5%	93,326
Environmental protection		700	737	737	66	200	184	16	9%	737
<i>Trading services</i>		1,373,647	1,402,477	1,402,477	159,109	308,863	350,620	(41,757)	-12%	1,402,477
Energy sources		882,510	915,683	915,683	109,004	216,625	228,921	(12,296)	-5%	915,683
Water management		326,816	322,469	322,469	39,693	59,657	80,617	(20,960)	-26%	322,469
Waste water management		92,343	93,375	93,375	5,188	17,430	23,344	(5,914)	-25%	93,375
Waste management		71,978	70,950	70,950	5,225	15,151	17,738	(2,587)	-15%	70,950
<i>Other</i>		23,049	25,903	25,903	1,788	5,503	6,476	(973)	-15%	25,903
Total Expenditure - Functional	3	2,315,070	2,465,128	2,465,128	227,740	508,003	616,284	(108,282)	-18%	2,465,128
Surplus/ (Deficit) for the year		66,851	156,419	156,419	(59,243)	172,435	39,102	133,332	341%	156,419

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

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		484,799	470,256	470,256	21,961	131,516	117,564	13,952	11.9%	470,256
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		6,869	6,873	6,873	5	232	1,718	(1,486)	-86.5%	6,873
Vote 05 - Community Services		105,016	101,913	101,913	8,461	25,158	25,478	(320)	-1.3%	101,913
Vote 06 - Financial Services		610,429	648,238	648,238	49,630	226,765	162,059	64,706	39.9%	648,238
Vote 07 - Strategy Econ Development And Planning		17,626	7,945	7,945	381	3,847	1,986	1,861	93.7%	7,945
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,386,322	88,059	292,919	346,580	(53,662)	-15.5%	1,386,322
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	2,381,920	2,621,547	2,621,547	168,497	680,437	655,387	25,051	3.8%	2,621,547
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	3,836	15,059	14,729	330	2.2%	58,915
Vote 02 - Municipal And General		310,300	357,885	357,885	11,580	33,152	89,471	(56,319)	-62.9%	357,885
Vote 03 - Municipal Manager		20,679	23,528	23,528	1,645	4,630	5,882	(1,253)	-21.3%	23,528
Vote 04 - Corporate Services		64,274	74,419	74,419	5,686	16,987	18,605	(1,618)	-8.7%	74,419
Vote 05 - Community Services		286,713	297,675	297,675	23,963	70,003	74,419	(4,416)	-5.9%	297,675
Vote 06 - Financial Services		126,129	157,404	157,404	11,139	34,683	39,351	(4,668)	-11.9%	157,404
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	61,468	4,881	13,855	15,367	(1,512)	-9.8%	61,468
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,433,833	165,010	319,634	358,459	(38,825)	-10.8%	1,433,833
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	2,315,070	2,465,128	2,465,128	227,740	508,003	616,284	(108,282)	-17.6%	2,465,128
Surplus/ (Deficit) for the year	2	66,851	156,419	156,419	(59,243)	172,435	39,102	133,332	341.0%	156,419

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

R0051 G01 Package - Table G4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - M05 September										
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	46,212	219,642	156,911	62,730	40%	627,646
Service charges - electricity revenue		728,847	919,854	919,854	49,771	180,188	229,963	(49,776)	-22%	919,854
Service charges - water revenue		272,919	310,717	310,717	22,910	67,045	77,679	(10,635)	-14%	310,717
Service charges - sanitation revenue		83,392	81,700	81,700	7,762	23,377	20,425	2,952	14%	81,700
Service charges - refuse revenue		60,632	60,940	60,940	5,737	17,312	15,235	2,076	14%	60,940
Rental of facilities and equipment		16,755	13,010	13,010	2,125	6,421	3,252	3,168	97%	13,010
Interest earned - external investments		3,124	6,000	6,000	437	(47)	1,500	(1,547)	-103%	6,000
Interest earned - outstanding debtors		131,160	156,500	156,500	14,366	41,219	39,125	2,094	5%	156,500
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		13,943	27,730	27,730	2,553	4,257	6,932	(2,676)	-39%	27,730
Licences and permits		8,532	6,850	6,850	801	2,857	1,712	1,145	67%	6,850
Agency services								-		
Transfers and subsidies		235,986	258,117	258,117	660	93,931	64,529	29,402	46%	258,117
Other revenue		14,517	18,145	18,145	1,304	6,364	4,536	1,827	40%	18,145
Gains		11,698	-	-	230	230	-	230	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,181,403	2,487,209	2,487,209	154,867	662,794	621,802	40,992	7%	2,487,209
Expenditure By Type										
Employee related costs		773,189	849,403	849,403	63,665	186,141	212,352	(26,211)	-12%	849,403
Remuneration of councillors		30,737	34,547	34,547	1,567	7,876	8,637	(760)	-9%	34,547
Debt impairment		267,518	297,000	297,000	2	3	74,250	(74,247)	-100%	297,000
Depreciation & asset impairment		69,999	81,050	81,050	-	-	20,263	(20,263)	-100%	81,050
Finance charges		72,909	38,960	38,960	7,670	12,931	9,740	3,191	33%	38,960
Bulk purchases - electricity		639,689	682,000	682,000	88,447	176,571	170,500	6,071	4%	682,000
Inventory consumed		237,516	236,627	236,627	31,271	63,036	59,157	3,879	7%	236,627
Contracted services		38,163	46,437	46,437	6,001	7,083	11,609	(4,526)	-39%	46,437
Transfers and subsidies		2,546	4,460	4,460	-	-	1,115	(1,115)	-100%	4,460
Other expenditure		110,364	134,643	134,643	15,621	40,866	33,662	7,204	21%	134,643
Losses		72,440	60,000	60,000	13,496	13,496	15,000	(1,504)	-10%	60,000
Total Expenditure		2,315,070	2,465,128	2,465,128	227,740	508,003	616,284	(108,282)	-18%	2,465,128
Surplus/(Deficit)		(133,667)	22,081	22,081	(72,873)	154,791	5,518	149,274	0	22,081
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,267	134,338	134,338	13,630	17,643	33,584	(15,941)	(0)	134,338
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		14,400	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		76,850	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		66,851	156,419	156,419	(59,243)	172,435	39,102			156,419
Taxation								-		
Surplus/(Deficit) after taxation		66,851	156,419	156,419	(59,243)	172,435	39,102			156,419
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		66,851	156,419	156,419	(59,243)	172,435	39,102			156,419
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		66,851	156,419	156,419	(59,243)	172,435	39,102			156,419

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03
September

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	40,405	-	-	10,101	(10,101)	-100%	40,405
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	-	-	2,075	(2,075)	-100%	8,300
Vote 08 - Infrastructure And Services		88,488	79,038	79,038	12,687	14,690	19,760	(5,070)	-26%	79,038
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	12,687	14,690	31,936	(17,246)	-54%	127,743
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		4,041	13,300	13,300	-	-	3,325	(3,325)	-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	942	2,954	12,250	(9,296)	-76%	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	942	2,954	15,575	(12,621)	-81%	62,300
Total Capital Expenditure		127,081	190,043	190,043	13,630	17,643	47,511	(29,867)	-63%	190,043
Capital Expenditure - Functional Classification										
Governance and administration		11,238	53,705	53,705	-	-	13,426	(13,426)	-100%	53,705
Executive and council		11,238	53,705	53,705	-	-	13,426	(13,426)	-100%	53,705
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	12,687	14,395	8,825	5,570	63%	35,300
Planning and development		18,239	8,300	8,300	-	-	2,075	(2,075)	-100%	8,300
Road transport		34,218	27,000	27,000	12,687	14,395	6,750	7,645	113%	27,000
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		63,386	101,038	101,038	942	3,248	25,260	(22,011)	-87%	101,038
Energy sources		34,548	46,000	46,000	942	2,954	11,500	(8,546)	-74%	46,000
Water management		624	13,000	13,000	-	-	3,250	(3,250)	-100%	13,000
Waste water management		28,214	42,038	42,038	-	295	10,510	(10,215)	-97%	42,038
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	127,081	190,043	190,043	13,630	17,643	47,511	(29,867)	-63%	190,043
Funded by:										
National Government		95,428	134,338	134,338	13,630	17,643	33,585	(15,941)	-47%	134,338
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		3,500	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		13,891	-	-	-	-	-	-	-	-
Transfers recognised - capital		112,818	134,338	134,338	13,630	17,643	33,585	(15,941)	-47%	134,338
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		14,263	55,705	55,705	-	-	13,926	(13,926)	-100%	55,705
Total Capital Funding		127,081	190,043	190,043	13,630	17,643	47,511	(29,867)	-63%	190,043

Section 52(d) 1st Quarter Performance report 2022/23

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		197,591	(1,939)	(1,939)	109,965	(1,939)
Call investment deposits		–	–	–	–	–
Consumer debtors		1,989,170	2,244,736	2,244,736	2,149,238	2,244,736
Other debtors		158,939	418,926	418,926	168,261	418,926
Current portion of long-term receivables		–	–	–	–	–
Inventory		49,454	39,322	39,322	54,363	39,322
Total current assets		2,395,153	2,701,046	2,701,046	2,481,828	2,701,046
Non current assets						
Long-term receivables		–	35,716	35,716	–	35,716
Investments						
Investment property		209,106	208,312	208,312	209,106	208,312
Investments in Associate						
Property, plant and equipment		2,003,442	1,795,402	1,795,402	2,021,086	1,795,402
Biological						
Intangible		21,447	2,908	2,908	21,447	2,908
Other non-current assets		12,071	9,926	9,926	12,071	9,926
Total non current assets		2,246,066	2,052,265	2,052,265	2,263,710	2,052,265
TOTAL ASSETS		4,641,220	4,753,311	4,753,311	4,745,537	4,753,311
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		43,176	49,224	49,224	44,057	49,224
Trade and other payables		1,206,303	907,727	907,727	1,137,305	907,727
Provisions		–	94,029	94,029	–	94,029
Total current liabilities		1,249,479	1,050,980	1,050,980	1,181,362	1,050,980
Non current liabilities						
Borrowing		171,517	148,630	148,630	171,517	148,630
Provisions		261,630	259,520	259,520	261,630	259,520
Total non current liabilities		433,147	408,150	408,150	433,147	408,150
TOTAL LIABILITIES		1,682,626	1,459,129	1,459,129	1,614,509	1,459,129
NET ASSETS	2	2,958,594	3,294,182	3,294,182	3,131,028	3,294,182
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		2,868,467	3,213,305	3,213,305	3,037,683	3,213,305
Reserves		90,127	80,876	80,876	90,127	80,876
TOTAL COMMUNITY WEALTH/EQUITY	2	2,958,594	3,294,182	3,294,182	3,127,810	3,294,182

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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	27,845	119,307	133,375	(14,068)	-11%	533,499
Service charges		1,140,533	1,093,079	1,093,079	73,194	249,723	273,270	(23,547)	-9%	1,093,079
Other revenue		294,227	403,395	403,395	26,515	186,490	100,849	85,641	85%	403,395
Transfers and Subsidies - Operational		31,741	18,959	18,959	1,700	4,700	4,740	(40)	-1%	18,959
Transfers and Subsidies - Capital		100,630	134,338	134,338	-	31,556	33,584	(2,028)	-6%	134,338
Interest		-	6,000	6,000	-	-	1,500	(1,500)	-100%	6,000
Dividends								-		
Payments										
Suppliers and employees		(2,588,917)	(2,039,050)	(2,039,050)	(309,937)	(463,716)	(509,763)	(46,047)	9%	(2,039,050)
Finance charges		(1,039)	(38,960)	(38,960)	-	-	(9,740)	(9,740)	100%	(38,960)
Transfers and Grants		-	(4,460)	(4,460)	-	-	(1,115)	(1,115)	100%	(4,460)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(583,944)	106,800	106,800	(180,683)	128,060	26,700	(101,360)	-380%	106,800
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	35,716	-	-	-	8,929	(8,929)	-100%	35,716
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(127,081)	(190,043)	(190,043)	(13,630)	(17,643)	(47,511)	(29,867)	63%	(190,043)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(127,081)	(154,327)	(190,043)	(13,630)	(17,643)	(38,582)	(20,938)	54%	(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)	-	-	(2,347)	(2,347)	100%	(9,390)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(9,390)	(9,390)	-	-	(2,347)	(2,347)	100%	(9,390)
NET INCREASE/ (DECREASE) IN CASH HELD		(711,025)	(56,917)	(92,633)	(194,313)	110,417	(14,229)			(56,917)
Cash/cash equivalents at beginning:		43,007	172,922	172,922	(113,175)	223,140	172,922			223,140
Cash/cash equivalents at month/year end:		(668,018)	116,006	80,289		333,557	158,693			166,223

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.