

SOL PLAATJE LOCAL MUNICIPALITY



PRELIMINARY 4th QUARTER PERFORMANCE REPORT

1 APRIL TO 30 JUNE 2023

MFMA SECTION 52(d)

JULY 2023

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List of Abbreviations and Acronyms used in the MBS

AGSA	- Auditor-General 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
DWA	- Department of Water Affairs
ED	- Executive Director
EEDG	- Energy Efficiency and Demand Side Management Grant
EPWP	- Expanded Public Works Programme
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
IUDG	- Integrated Urban Development Grant
IT	- Information Technology
KPA	- Key Performance Area
KPI	- Key Performance 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
PPE	- Property, Plant and Equipment
R&M	- Repairs and Maintenance
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 Finance Management Act, Act 56 of 2003, Section 52(d).

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

The purpose of this report is to submit the financial and non-financial performance results for the fourth and final quarter of the 2022/23 financial year.

This quarter of the financial year was characterised, as always, by a number of key activities and projects.

As the financial year drew to a close on 30 June, the task of preparing and submitting the Annual Financial Statements and the Annual Performance Report to the Auditor General by 31 August lies ahead. Year-end procedures have already commenced and are progressing in terms of the AFS preparation plan.

It is also worth mentioning that the requirements of mSCOA are becoming increasingly important and complex. The 2023/24 annual budget was successfully prepared on version 6.7 of the chart. The required submission of data strings to National Treasury was also done successfully. Legislative dates for submission of all monthly reports and returns were adhered to, as always.

Also added to this report is the quarterly performance report as per the Service Delivery and Budget Implementation Plan for the fourth quarter of 2022/23 financial year.

We wish to emphasize that our vision is to bring change to the lives of our people, ensure quality of service, monitor the execution of the programmes of the municipality, create platforms for people to interact and create a conducive environment for the workers to perform with excellence, thus creating pride and loyalty.

2. BUDGET IMPLEMENTATION

The municipality realises, the critical importance of having a minimum 3 month's cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability.

The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on quality service being rendered. The municipality is facing serious challenges pertaining to the debt owed to Eskom and the Department of Water and Sanitation. And as a show of good faith, the municipality has been paying what it can afford in terms of available cash, however both commitments are one of our top priorities. The municipality's main objective is to keep communication open and maintain an amicable working relationship with both institutions, as formal disputes and litigation can have serious repercussions for the municipality and the community.

Currently, the total debtor's book is standing at R3,381,229 billion, of which 90% of the debt is owed in excess of 90 days. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality.

The cash collection is not at desired level and this does not bode well for the municipality's financial position. *There needs to a major paradigm shift in the payment culture across all debtor groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, must remember that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality as there a direct correlation between providing quality services and consumers' willingness to pay.

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.

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.

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 4th Quarter of 2022/23 financial year. The detailed Statement of Financial Performance shown in Annexure A, Table C4, and is 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 June 2023	YTD Actual June 2023	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,495,977	2,401,580	(94,397)	96.2%	-3.8%
Total Revenue (including capital transfers and contributions)	2,629,165	2,470,644	(158,522)	94.0%	-6.0%
Total Operational Expenditure	2,698,205	2,425,902	(272,303)	89.9%	-10.1%

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

As indicated in Table 1 above, as at 30 June 2023, the billed revenue excluding capital grants amounted to R2,401,580 billion which resulted in a satisfactory variance of minus 3.8% when compared to the YTD Budget of R2,495,977 billion. The billed revenue including capital grants amounting to R2,470,644 billion, resulting in an unsatisfactory variance of minus 6.0% when compared to the YTD budget of R2,629,165 billion. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 10.1%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Adjusted Budget	YTD Actual June 2023	Variance Favourable (Unfavourable)	% YTD Actual vs Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
Total Revenue (excluding capital transfers and contributions)	2,495,977	2,401,580	2,193,582	96.2%	-3.8%
Total Revenue (including capital transfers and contributions)	2,629,165	2,470,644	2,251,547	94.0%	-6.0%
Total Operational Expenditure	2,698,205	2,425,902	2,201,051	89.9%	-10.1%

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

Indicated in Table 2 above is the YTD actual compared to the Adjusted Budget. When calculating the ideal In-Year-Monitoring percentage of 100% [calculated as follow: (100/12 months x 12 months of the year)] as at the end of June 2023, the Total operational revenue excluding capital grants versus the Adjusted Budget resulted in a satisfactory variance of minus 3.8%. The Total operational revenue including capital grants versus the Adjusted Budget resulted in an unsatisfactory variance of minus 6.0%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 10.1%.

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 to 10 percent range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

2.2 Capital Budget Overview

As indicated in the Table 3 and Chart 1 below, the YTD Actual on capital expenditure as at end of June 2023 amounted to R100,695 million and 53.5% spent when compared to the YTD budget of R188,293 million and 53.5% spent when compared to the Adjusted Budget of R188,293 million. The total YTD capex is funded from Capital grants R70,675 million (70.2%) and Internally generated funds R30,020 million (29.8%). Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward.

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. Planning of project managers also needs to improve going forward.

The flagship projects for 2022/23 financial year (the 1st year of the five-year term of the IDP for 2022/23 to 2026/27) is the Installation of electrical and mechanical components at Lerato Park Sewer Pump Station funded through IUDG (Integrated Urban Development Grant), European Union Bear Project for Local Economic Development funded through the European Union, , the Patching and Resealing of Roads funded through IUDG (Integrated Urban Development Grant) the 60% Completion for the Construction phase for the Carters Ridge sewer pump station building with all electrical and mechanical equipment funded through WSIG (Water Services Infrastructure Grant) and the Electrification of 411 and 650 households in Lerato Park for Phases 6 & 7 as well as 1166 households in Lethabo Park (Phase 1) funded through INEP (Integrated National Electrification Programme Grant).

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - June 2023										
Capital expenditure	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	188,293	25,260	100,695	188,293	53.5%	(87,598)	-46.5%	53.5%	(87,598)	-46.5%
Funded by										
Capital transfers recognised	132,588	17,754	70,675	132,588	53.3%	(61,913)	-46.7%	53.3%	(61,913)	-46.7%
Internally generated funds	55,705	7,506	30,020	55,705	53.9%	(25,685)	-46.1%	53.9%	(25,685)	-46.1%
Weighting Capital transfer recognised	70.4%	70.3%	70.2%	70.4%						
Weighting Internally generated funds	29.6%	29.7%	29.8%	29.6%						

Table 3: High level summary: Capital Expenditure

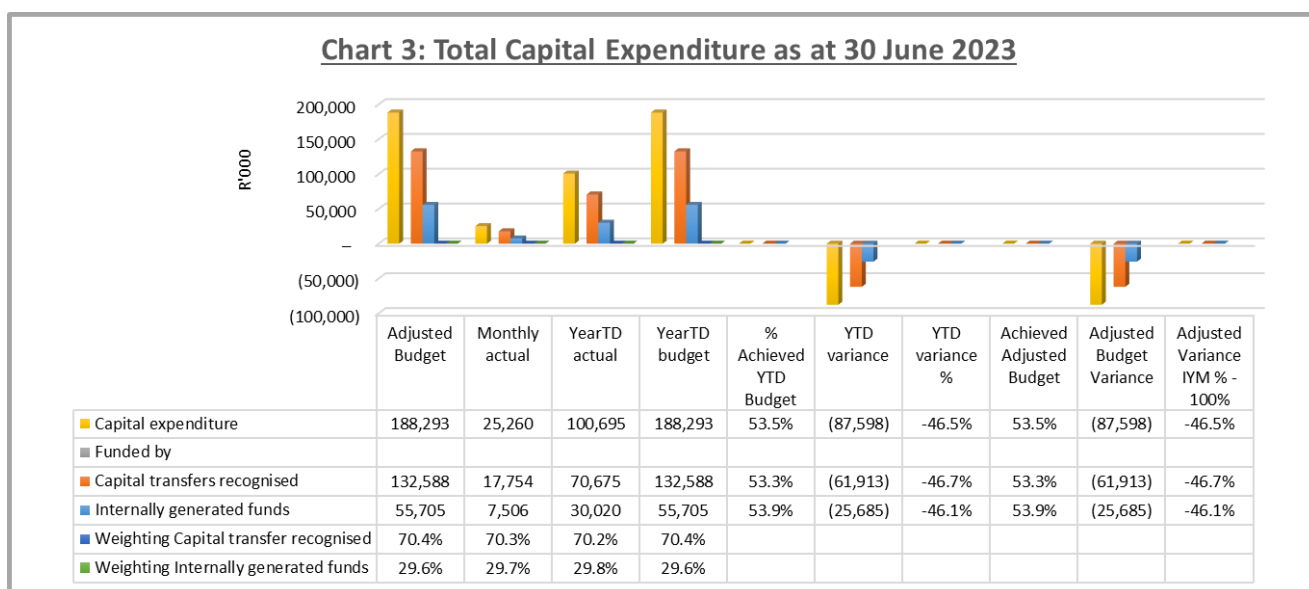


Chart 1: High Level Summary: Capital Expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Total Capital Expenditure - Functional Classification	3	127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Funded by:										
National Government		95,428	134,338	113,738	17,754	70,675	113,738	(43,063)	-35%	113,738
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	–	18,850	–	–	18,850	(18,850)	-100%	18,850
Transfers recognised - capital		112,818	134,338	132,588	17,754	70,675	132,588	(61,913)	-47%	132,588
Borrowing	6							–		
Internally generated funds		14,263	55,705	55,705	7,506	30,020	55,705	(28,685)	-46%	55,705
Total Capital Funding		127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293

Table 4: Monthly Budget statement

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.

3. REVENUE FRAMEWORK

The municipality budgeted for total revenue of R2 501,884 billion for 2021/22 raised from various revenue sources which include service charges for water, electricity, refuse removal and sanitation, as well as revenue from property rates and taxes, and other revenue sources from exchange and non-exchange transactions.

The municipality reads water and electricity meters monthly and the Billing Section is responsible for all the duties, functions and responsibilities associated with this function. The municipality also encourages own reading by customers especially households where all members are not available during office hours to give access to the reading teams.

Further to this, it is the responsibility of each household to ensure access to the meters at all times, this including cleaning the meter as well as reporting leaks to the municipality for their attention and assistance.

3.1 Operating Revenue by Source

Revenue by Source	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	610,074	46,272	635,619	610,074	104.2%	25,545	4.2%	104.2%	25,545	4.2%
Service charges - electricity revenue	899,854	68,892	754,491	899,854	83.8%	(145,363)	-16.2%	83.8%	(145,363)	-16.2%
Service charges - water revenue	305,717	21,173	282,909	305,717	92.5%	(22,808)	-7.5%	92.5%	(22,808)	-7.5%
Service charges - sanitation revenue	93,500	7,657	93,524	93,500	100.0%	24	0.0%	100.0%	24	0.0%
Service charges - refuse revenue	69,080	5,835	69,766	69,080	101.0%	685	1.0%	101.0%	685	1.0%
Rental of facilities and equipment	25,896	2,467	26,000	25,896	100.4%	104	0.4%	100.4%	104	0.4%
Interest earned - external investments	6,000	567	4,903	6,000	81.7%	(1,097)	-18.3%	81.7%	(1,097)	-18.3%
Interest earned - outstanding debtors	156,500	19,807	199,982	156,500	127.8%	43,482	27.8%	127.8%	43,482	27.8%
Fines, penalties and forfeits	35,730	672	47,438	35,730	132.8%	11,708	32.8%	132.8%	11,708	32.8%
Licences and permits	6,850	1,971	9,903	6,850	144.6%	3,053	44.6%	144.6%	3,053	44.6%
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	266,031	9,424	247,827	266,031	93.2%	(18,204)	-6.8%	93.2%	(18,204)	-6.8%
Other revenue	20,745	4,632	23,127	20,745	111.5%	2,382	11.5%	111.5%	2,382	11.5%
Gains on disposal of PPE	-	(60)	6,090	-	-	6,090	-	-	6,090	-
Total Revenue (excluding capital transfers and contributions)	2,495,977	189,311	2,401,580	2,495,977	96.2%	(94,397)	-3.8%	96.2%	(94,397)	-3.8%
Transfers and subsidies - capital	133,188	17,110	69,064	133,188	51.9%	(64,124)	-48.1%	51.9%	(64,124)	-48.1%
Total Revenue (including capital transfers and contributions)	2,629,165	206,420	2,470,644	2,629,165	94.0%	(158,522)	-6.0%	94.0%	(158,522)	-6.0%

Table 5: Table C4 Financial Performance (Revenue)

- ❖ Property Rates is showing a positive YTD variance of 4.2%, due to the non-recognition of the 10% discount that the municipality provides. A corrective journal must still be processed as part of year-end procedures.
- ❖ Service charges - Electricity revenue is showing a serious under-recovery of 16.2%. A query was sent to the Billing section for the November 2022 reporting, regarding the lower than anticipated billing on conventional metering which includes Large Power Users. The response provided was that this was as a result of interim reversals and correction of errors. It is imperative that the Billing section does a proper investigation to ensure that all properties are billed accurately. The same applies to all Service charges Water that is showing an under-recovery of 7.5% when compared to Adjusted budget. Service charges Sanitation and Refuse is satisfactory.
- ❖ Rental of facilities and equipment is showing a positive variance of 0.4%.
- ❖ Interest earned – External investments shows a negative variance of minus 18.3%, 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 bulk of the interest earned was recognised as part of the year-end procedures.
- ❖ Interest on Outstanding debtors is showing a positive variance of 27.8% due to the increase in specifically debt over 90 days and the recent consecutive interest rate hikes.
- ❖ Fines, penalties and forfeits is showing a positive variance of 32.8% as a result of an over-recovery on Penalties: Disconnection fees resulted in an actual of 171.34% against an adjusted target of R25,500 million, due to the disconnections on non-payment.

- ❖ Licences and permits is showing a positive variance of 44.6%. There are possible outstanding payments due to the Department of Transport, Safety and Liaison. Road & Trsp: Motor Vehicle Licenses is showing an actual achieved of 173.54% against an annual target of R3,950 million.
- ❖ Transfers and subsidies is showing a negative variance of minus 6.8%. The library and other grants must still be recognised in the Statement of Financial Performance and ISDG is showing a preliminary unspent portion of R1.7 million.
- ❖ Other Revenue is satisfactory with a positive variance of minus 11.5%. This is mainly attributable to income for Streets/Street Markets Informal Traders of which a portion relates to the prior year which will be corrected and transferred to Accumulated Surplus.
- ❖ Gains on disposal of PPE, pertains to land sold during the financial year. Sale of land is not budgeted for during the budget process, due to its uncertainty in timing and eventual materialisation.
- ❖ Capital grants is showing a negative variance of 48.1%, 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 Adjusted Budget

Based on the IYM percentage of 100%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is performing satisfactorily and showing a satisfactory variance of 4.9%. Same factors are applicable as described in the paragraph above.
- ❖ Service charges is performing satisfactorily when compared to the Adjusted budget, with the exception of Electricity sales, which is showing a negative variance of minus 16.2% and Water sales minus 7.5%. Same factors are applicable as described in the paragraph above.
- ❖ Rental of facilities and equipment is showing a satisfactory variance of minus 0.4%.
- ❖ Interest from External Investments is showing an unsatisfactory variance of minus 18.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on Outstanding debtors is showing a positive variance of 27.8% due to the increase in specifically debt over 90 days and the recent consecutive interest rate hikes.
- ❖ Fines, penalties and forfeits is showing a positive variance of 32.8%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 44.6%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies is satisfactory with a variance of 6.8%. Same factors are applicable as described in the paragraph above.
- ❖ Other Revenue is showing a positive variance of minus 11.5%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers – recognised capital is showing a negative variance of minus 48.1%. Same factors are applicable as described in the paragraph above.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 June 2023. The main contributors of the municipality's revenue are Service Charges (50%), Property Rates (26.5%) and Transfers and subsidies (10.3%).

Chart 1: Revenue by Source: YTD Actual as a % of Total Revenue as at 30 June 2023 (R'000)

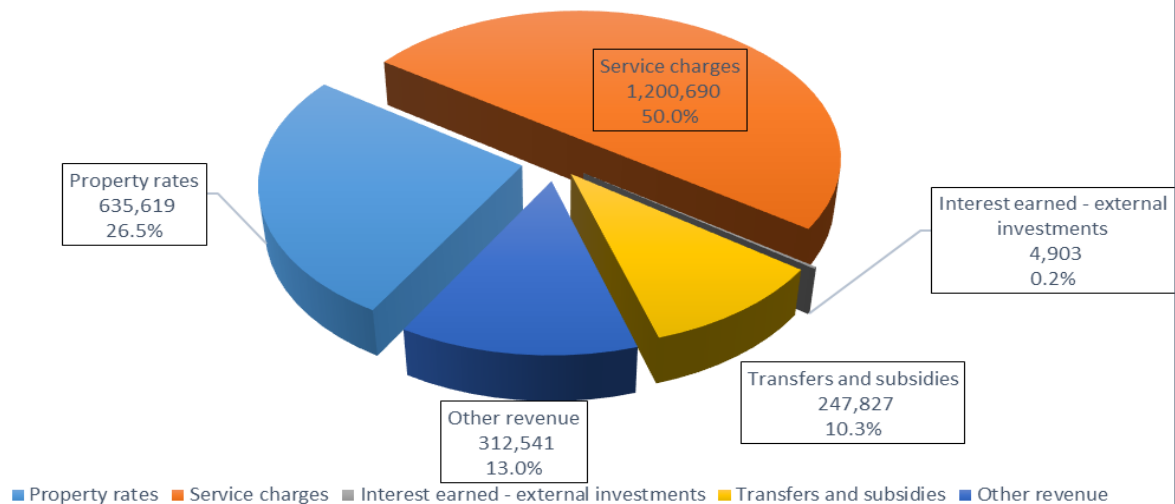


Chart 2: Revenue by Source - YTD Actual as a percentage of Total Revenue

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. Refuse revenue resorts under Community Services and this vote also generates income from renting out municipal facilities e.g. halls and recreation facilities.

In Table 6 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) - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		480,231	470,256	453,970	30,705	414,648	453,970	(39,322)	-8.7%	453,970
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		6,869	6,873	6,873	3,769	5,342	6,873	(1,531)	-22.3%	6,873
Vote 05 - Community Services		106,478	101,913	114,253	9,952	106,946	114,253	(7,308)	-6.4%	114,253
Vote 06 - Financial Services		610,429	648,238	651,552	49,423	695,259	651,552	43,707	6.7%	651,552
Vote 07 - Strategy Econ DevelopmentAnd Planning		17,626	7,945	29,395	4,093	12,679	29,395	(16,716)	-56.9%	29,395
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,373,122	108,478	1,235,771	1,373,122	(137,351)	-10.0%	1,373,122
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	2,378,815	2,621,547	2,629,165	206,420	2,470,644	2,629,165	(158,522)	-6.0%	2,629,165
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	4,854	58,438	58,915	(477)	-0.8%	58,915
Vote 02 - Municipal And General		309,950	357,885	473,985	19,031	410,450	473,985	(63,536)	-13.4%	473,985
Vote 03 - Municipal Manager		20,618	23,528	23,998	2,283	22,083	23,998	(1,915)	-8.0%	23,998
Vote 04 - Corporate Services		64,274	74,419	74,419	5,465	67,672	74,419	(6,747)	-9.1%	74,419
Vote 05 - Community Services		286,713	297,675	302,505	27,110	298,433	302,505	(4,073)	-1.3%	302,505
Vote 06 - Financial Services		126,129	157,404	158,434	10,855	126,543	158,434	(31,891)	-20.1%	158,434
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	65,352	5,262	57,627	65,352	(7,724)	-11.8%	65,352
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,540,596	107,739	1,384,656	1,540,596	(155,940)	-10.1%	1,540,596
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10.1%	2,698,205
Surplus/ (Deficit) for the year	2	64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-164.8%	(69,039)

Table 6 : Revenue by Vote

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.

The table below indicates annual estimated rental income of R12 801 000 and year to date billed rental income is R12 971 878 which shows a satisfactory variance of 1% for the year. The billed revenue is based on the number of flats at 100% occupancy rate at all times. It is noticeable that the expenditure incurred by this unit exceeds the revenue generated by roughly R8 million. The municipality will have to put a strategy in place in order to deal with this situation.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
28400000010000000000	HOUSING							
28401000000000000000	REVENUE							
28401389900000000000	SUB TOTAL : OPERATIONAL REVENUE	-1 000,00	-1 000,00	-927,00	-	-152 834,60	151 834,60	999,99
28401409900000000000	SUB TOTAL : RENTAL FROM FIXED ASSETS	-12 800 000,00	-12 800 000,00	-1 357 346,79	-	-12 819 044,23	19 044,23	100,14
28401499920000000000	SUB TOTAL : EXCHANGE REVENUE	-12 801 000,00	-12 801 000,00	-1 358 273,79	-	-12 971 878,83	170 878,83	101,33
28401999800000000000	TOTAL : INCOME	-12 801 000,00	-12 801 000,00	-1 358 273,79	-	-12 971 878,83	170 878,83	101,33
28402000000000000000	EXPENDITURE							
28402119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	16 556 895,00	16 543 895,00	1 398 520,81	-	14 767 771,59	1 776 123,41	89,26
28402139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	4 101 280,00	4 114 280,00	310 946,14	-	3 615 002,83	499 277,17	87,86
28402159920000000000	SUB TOTAL : MUNICIPAL STAFF	20 658 175,00	20 658 175,00	1 709 466,95	-	18 382 774,42	2 275 400,58	88,98
28402159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	20 658 175,00	20 658 175,00	1 709 466,95	-	18 382 774,42	2 275 400,58	88,98
28402279900000000000	SUB TOTAL : CONSULTANT AND PROF SERVICES	15 000,00	15 000,00	-	-	-	15 000,00	-
28402289920000000000	SUB TOTAL : CONTRACTED SERVICES	15 000,00	15 000,00	-	-	-	15 000,00	-
28402309900000000000	SUB TOTAL : OPERATIONAL COST	564 049,00	764 049,00	61 994,47	-	665 973,89	98 075,11	87,16
28402329900000000000	SUB TOTAL - INVENTORY	1 531 000,00	2 031 000,00	63 371,55	-	1 958 865,16	72 134,84	96,44
28402999800000000000	TOTAL : EXPENDITURE	22 768 224,00	23 468 224,00	1 834 832,97	-	21 007 613,47	2 460 610,53	89,51
28402999900000000000	TOTAL : SURPLUS/DEFICIT	9 967 224,00	10 667 224,00	476 559,18	-	8 035 734,64	2 631 489,36	75,33

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. It was identified that there are prepaid meters that show no activity. The municipality is of the view that this significantly contributes to the revenue losses and electricity losses.

An Active Revenue Enhancement Committee is in place, and is working on strategies to improve collection. Credit Control Section and Call Centre are also actively working on revenue collection initiatives.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
28800000010000000000	ELECTRICITY							
28801000000000000000	REVENUE							
28801329900000000000	SUB TOTAL : SERVICE CHARGES	-919 853 944,00	-899 853 944,00	-68 760 173,52	-	-753 788 902,88	-146 065 041,12	83,76
28801349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-16 000 000,00	-16 000 000,00	-1 779 968,71	-	-17 708 364,23	1 708 364,23	110,67
28801499920000000000	SUB TOTAL : EXCHANGE REVENUE	-935 853 944,00	-915 853 944,00	-70 540 142,23	-	-771 497 267,11	-144 356 676,89	84,23
28801999800000000000	TOTAL : INCOME	-935 853 944,00	-915 853 944,00	-70 671 915,19	-	-772 199 382,09	-143 654 561,91	84,31
28802000000000000000	EXPENDITURE							
28802119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	45 834 768,00	45 530 768,00	3 625 030,94	-	45 044 505,43	486 262,57	98,93
28802139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	9 705 464,00	10 009 464,00	840 110,62	-	9 575 903,63	433 560,37	95,66
28802159920000000000	SUB TOTAL : MUNICIPAL STAFF	55 540 232,00	55 540 232,00	4 465 141,56	-	54 620 409,06	919 822,94	98,34
28802159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	55 540 232,00	55 540 232,00	4 465 141,56	-	54 620 409,06	919 822,94	98,34
28802269900000000000	SUB TOTAL : OUTSOURCE SERVICES	150 000,00	4 350 000,00	9 216,92	-	518 138,28	3 831 861,72	11,91
28802279900000000000	SUB TOTAL : CONSULTANT AND PROF SERVICES	1 000 000,00	-	-	-	-	-	-
28802289920000000000	SUB TOTAL : CONTRACTORS	31 600 000,00	13 500 000,00	2 741 075,14	-	11 322 095,64	2 177 904,36	83,86
28802289920000000000	SUB TOTAL : CONTRACTED SERVICES	32 750 000,00	17 850 000,00	2 750 292,06	-	11 840 233,92	6 009 766,08	66,33
28802309900000000000	SUB TOTAL : OPERATIONAL COST	2 726 004,00	2 726 004,00	210 025,01	-	2 055 294,29	670 709,71	75,39
28802329900000000000	SUB TOTAL - INVENTORY	32 902 000,00	34 402 000,00	1 957 689,79	-	33 235 855,06	1 166 144,94	96,61
28802349900000000000	SUB TOTAL : BULK PURCHASES	682 000 000,00	682 000 000,00	53 121 044,02	-	587 377 106,17	94 622 893,83	86,12
28802369900000000000	SUB TOTAL - INTEREST DIVID & RENT - LAND	26 764 278,00	103 764 278,00	16 089 417,29	-	95 052 995,91	8 711 282,09	91,60
28802409900000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	74 000 000,00	-	-	-	-	-	-
28802729900000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	9 000 000,00	9 000 000,00	-	-	-	9 000 000,00	-
28802999800000000000	TOTAL : EXPENDITURE	915 682 514,00	905 282 514,00	78 593 609,73	-	784 181 894,41	121 100 619,59	86,62
28802999900000000000	TOTAL : SURPLUS/DEFICIT	-20 171 430,00	-10 571 430,00	7 921 694,54	-	11 982 512,32	-22 553 942,32	-113,34

The table above indicates that annual estimated revenue for electricity is R915 853 944 million with R772 billed up to June (16% lower than projected). The total expenditure for the year amounted to R784 million – which is 13% below the projected R905 million for the 2022/23 financial year. Depreciation also still needs to be provided for as part of year-end procedures. The factoring in of these two items will have a significant impact on the total operational expenditure.

3.3.3 Water

Water is life. Availability, certainty and safety of water is of paramount importance to the municipality 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.

Water is billed on a step tariff, with free basic water and first tariff being provided at the same price tag. However, 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	Unspend Bud	Perc
28600000010000000000	WATER							
28601000000000000000	REVENUE							
28601329900000000000	SUB TOTAL : SERVICE CHARGES	-310 717 008,00	-305 717 008,00	-21 054 994,89	-	-281 647 568,69	-24 069 439,31	92,12
28601349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-34 000 000,00	-34 000 000,00	-5 687 471,45	-	-55 400 870,62	21 400 870,62	162,94
28601429900000000000	SUB TOTAL : SALES & RENDERING OF SERV	-450 000,00	-450 000,00	-48 058,26	-	-238 686,91	-211 313,09	53,04
28601499900000000000	SUB TOTAL : EXCHANGE REVENUE	-345 167 008,00	-340 167 008,00	-26 790 524,60	-	-337 287 126,22	-2 879 881,78	99,15
28601999900000000000	TOTAL : INCOME	-345 167 008,00	-340 167 008,00	-26 908 321,64	-	-338 548 871,91	-1 618 136,09	99,52
28602000000000000000	EXPENDITURE							
28602119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	44 211 928,00	44 793 928,00	3 933 483,11	-	47 276 185,54	-2 482 257,54	105,54
28602139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	9 633 797,00	9 051 797,00	657 974,21	-	7 869 328,96	1 182 468,04	86,93
28602159900000000000	SUB TOTAL : MUNICIPAL STAFF	53 845 725,00	53 845 725,00	4 591 457,32	-	55 145 514,50	-1 299 789,50	102,41
28602159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	53 845 725,00	53 845 725,00	4 591 457,32	-	55 145 514,50	-1 299 789,50	102,41
28602269900000000000	SUB TOTAL : OUTSOURCE SERVICES	-	3 800 000,00	-	-	2 609 746,67	1 190 253,33	68,67
28602289900000000000	SUB TOTAL : CONTRACTORS	20 000,00	20 000,00	808,70	-	17 791,31	2 208,69	88,95
28602289920000000000	SUB TOTAL : CONTRACTED SERVICES	20 000,00	3 820 000,00	808,70	-	2 627 537,98	1 192 462,02	68,78
28602309900000000000	SUB TOTAL : OPERATIONAL COST	39 579 979,00	39 579 979,00	3 246 867,37	-	38 120 395,07	1 459 583,93	96,31
28602329900000000000	SUB TOTAL - INVENTORY	97 589 000,00	107 752 000,00	5 366 078,09	-	104 905 793,26	2 846 206,74	97,35
28602369900000000000	SUB TOTAL - INTEREST DIVID & RENT - LAND	9 834 068,00	9 834 068,00	1 999 423,82	-	3 866 862,95	5 967 205,05	39,32
28602409900000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	53 000 000,00	-	-	-	-	-	-
28602729900000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	8 600 000,00	8 600 000,00	-	-	-	8 600 000,00	-
28602999900000000000	TOTAL : EXPENDITURE	262 468 772,00	223 431 772,00	15 204 635,30	-	204 666 103,76	18 765 668,24	91,60
28602999990000000000	TOTAL : SURPLUS/DEFICIT	-82 698 236,00	-116 735 236,00	-11 703 686,34	-	-133 882 768,15	17 147 532,15	114,68

Total water revenue for the 2022/23 financial year amounted to R340 million. The actual amounted to R338 million which shows a satisfactory variance of minus 0.48%. The actual expenditure incurred in this service as at end of June 2023 amounted R205 million which is 8.4% less than the projected figure of R223 million.

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 four against the year to date budget as estimated during the budget assumptions.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitmer	YTD Movement	Unspend Bud	Perc
28500000010000000000	SEWERAGE							
28501000000000000000	REVENUE							
28501329900000000000	SUB TOTAL : SERVICE CHARGES	-81 699 899,00	-93 499 899,00	-7 393 672,53	-	-92 158 645,60	-1 341 253,40	98,56
28501499920000000000	SUB TOTAL : EXCHANGE REVENUE	-92 199 899,00	-103 999 899,00	-9 203 411,62	-	-109 780 039,80	5 780 140,80	105,55
28501999800000000000	TOTAL : INCOME	-92 199 899,00	-103 999 899,00	-9 467 113,89	-	-111 145 042,04	7 145 143,04	106,87
28502119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	37 051 978,00	37 311 978,00	4 331 815,70	-	47 818 396,45	-10 506 418,45	128,15
28502139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	7 720 861,00	7 460 861,00	610 084,37	-	7 028 663,40	432 197,60	94,20
28502159920000000000	SUB TOTAL : MUNICIPAL STAFF	44 772 839,00	44 772 839,00	4 941 900,07	-	54 847 059,85	-10 074 220,85	122,50
28502159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	44 772 839,00	44 772 839,00	4 941 900,07	-	54 847 059,85	-10 074 220,85	122,50
28502269900000000000	SUB TOTAL : OUTSOURCE SERVICES	-	3 700 000,00	-	-	1 702 110,03	1 997 889,97	46,00
28502289900000000000	SUB TOTAL : CONTRACTORS	40 000,00	40 000,00	-	-	-	40 000,00	-
28502289920000000000	SUB TOTAL : CONTRACTED SERVICES	40 000,00	3 740 000,00	-	-	1 702 110,03	2 037 889,97	45,51
28502309900000000000	SUB TOTAL : OPERATIONAL COST	2 355 096,00	2 355 096,00	128 652,12	-	1 736 082,81	619 013,19	73,71
28502329900000000000	SUB TOTAL - INVENTORY	17 377 000,00	21 698 000,00	2 180 593,55	-	18 890 370,30	2 807 629,70	87,06
28502369900000000000	SUB TOTAL - INTEREST DIVID & RENT - LAND	2 125 455,00	2 125 455,00	1 027 792,08	-	2 125 455,00	-	100,00
28502409900000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	9 500 000,00	-	-	-	-	-	-
28502729900000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	14 800 000,00	14 800 000,00	-	-	-	14 800 000,00	-
28502999800000000000	TOTAL : EXPENDITURE	90 970 390,00	89 491 390,00	8 278 937,82	-	79 301 077,99	10 190 312,01	88,61
28502999900000000000	TOTAL : SURPLUS/DEFICIT	-1 229 509,00	-14 508 509,00	-1 188 176,07	-	-31 843 964,05	17 335 455,05	219,48

The total revenue for the year is R111 million against a projected revenue of R104 million, an extremely satisfactory variance of 6.87%. Actual expenditure incurred in this service amounted to R79 million – which is 11.39% less than the projected R89 million.

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 Ex	Commitmer	YTD Movement	Unspend Bud	Perc
24800000010000000000	REFUSE							
24801329900000000000	SUB TOTAL : SERVICE CHARGES	- 60 940 471,00	- 69 080 471,00	- 5 734 906,06	-	- 69 057 597,33	- 22 873,67	99,96
24801349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	- 10 000 000,00	- 10 000 000,00	- 1 399 734,47	-	- 13 574 228,34	3 574 228,34	135,74
24801429900000000000	SUB TOTAL : SALES & RENDERING OF SERV	- 10 000,00	- 10 000,00	-	-	-	10 000,00	-
24801499920000000000	SUB TOTAL : EXCHANGE REVENUE	- 70 950 471,00	- 79 090 471,00	- 7 134 640,53	-	- 82 631 825,67	3 541 354,67	104,47
24801999800000000000	TOTAL : INCOME	- 70 950 471,00	- 79 090 471,00	- 7 235 185,97	-	- 83 339 948,15	4 249 477,15	105,37
24802000000000000000	EXPENDITURE							
24802119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	35 150 319,00	35 150 319,00	3 430 426,62	-	39 726 398,72	- 4 576 079,72	113,01
24802139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	7 601 845,00	7 601 845,00	608 448,25	-	7 162 608,89	439 236,11	94,22
24802159920000000000	SUB TOTAL : MUNICIPAL STAFF	42 752 164,00	42 752 164,00	4 038 874,87	-	46 889 007,61	- 4 136 843,61	109,67
24802159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	42 752 164,00	42 752 164,00	4 038 874,87	-	46 889 007,61	- 4 136 843,61	109,67
24802269900000000000	SUB TOTAL : OUTSOURCE SERVICES	-	-	-	-	-	-	-
24802289920000000000	SUB TOTAL : CONTRACTED SERVICES	-	-	-	-	-	-	-
24802309900000000000	SUB TOTAL : OPERATIONAL COST	1 793 306,00	2 093 306,00	48 349,18	-	1 893 975,36	199 330,64	90,47
24802329900000000000	SUB TOTAL - INVENTORY	20 005 000,00	19 705 000,00	2 488 239,58	-	17 195 050,50	2 509 949,50	87,26
24802409900000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	5 500 000,00	-	-	-	-	-	-
24802729900000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	900 000,00	900 000,00	-	-	-	900 000,00	-
24802999800000000000	TOTAL : EXPENDITURE	70 950 470,00	65 450 470,00	6 575 463,63	-	65 978 033,47	- 527 563,47	100,80
24802999900000000000	TOTAL : SURPLUS/DEFICIT	- 1,00	- 13 640 001,00	- 659 722,34	-	- 17 361 914,68	3 721 913,68	127,28

The total revenue including service charges of refuse collection is R83 339 million with a satisfactory variance of 5.37% when compared to budget of R79 090 million.. The expenditure incurred of R65 978 million which is 0.80% more than the budgeted amount of R65 450 million.

3.4 Debtors Management

Indicated in Table 7 below, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R3,381,229 billion as at the end of June 2023. 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. 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).

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M 12 June

Description	NT Code	Budget Year 2022/23												Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days				
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	26,867	18,118	17,996	17,689	15,079	15,660	82,169	513,298	706,876	643,895	-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	49,853	14,685	17,482	11,029	6,691	5,647	49,194	155,731	310,311	228,292	-	-		
Receivables from Non-exchange Transactions - Property Rates	1400	33,970	15,648	13,796	14,094	12,673	12,084	115,733	589,900	807,899	744,485	-	-		
Receivables from Exchange Transactions - Waste Water Management	1500	7,477	5,233	4,909	4,818	4,925	4,503	25,447	162,495	219,808	202,188	-	-		
Receivables from Exchange Transactions - Waste Management	1600	6,052	4,024	3,731	3,635	3,509	3,364	19,179	126,353	169,845	156,038	-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,611	1,568	1,562	1,548	1,551	1,532	8,986	47,699	66,057	61,316	-	-		
Interest on Arrear Debtor Accounts	1810	19,496	18,128	17,861	17,576	17,999	16,373	80,656	623,581	811,669	756,184	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-				
Other	1900	10,615	3,363	18,091	3,544	7,434	2,612	41,612	201,494	288,764	256,695	-	-		
Total By Income Source	2000	155,941	80,766	95,429	73,931	69,861	61,774	422,976	2,420,552	3,381,229	3,049,094	-	-		
2021/22 - totals only		224615781	66509436	61903731	#####	0	0	0	0	2,975,782	2,622,753	0	0		
Debtors Age Analysis By Customer Group															
Organs of State	2200	27,785	11,379	11,200	9,672	9,488	8,199	107,632	594,877	780,231	729,867	-	-		
Commercial	2300	53,349	20,798	25,282	16,311	12,936	11,050	66,394	361,308	567,428	467,999	-	-		
Households	2400	72,636	47,246	57,351	46,669	46,158	41,361	242,190	1,410,977	1,964,587	1,787,354	-	-		
Other	2500	2,171	1,342	1,596	1,280	1,279	1,164	6,760	53,391	68,983	63,874	-	-		
Total By Customer Group	2600	155,941	80,766	95,429	73,931	69,861	61,774	422,976	2,420,552	3,381,229	3,049,094	-	-		

Table 7: Supporting Table SC3: Aged Debtors

Chart 3 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which increased to 90% for the month under review. Debt over 90 days increased by R117,216 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R35,605 million. It is concerning that total debt over 90 days is hovering at an average of 90 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. Also, during the 2023/24 MTREF Budget Benchmark exercise NT also encouraged to explore all avenues to recoup long outstanding debt, to improve on financial liquidity.

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2022 - June 2023

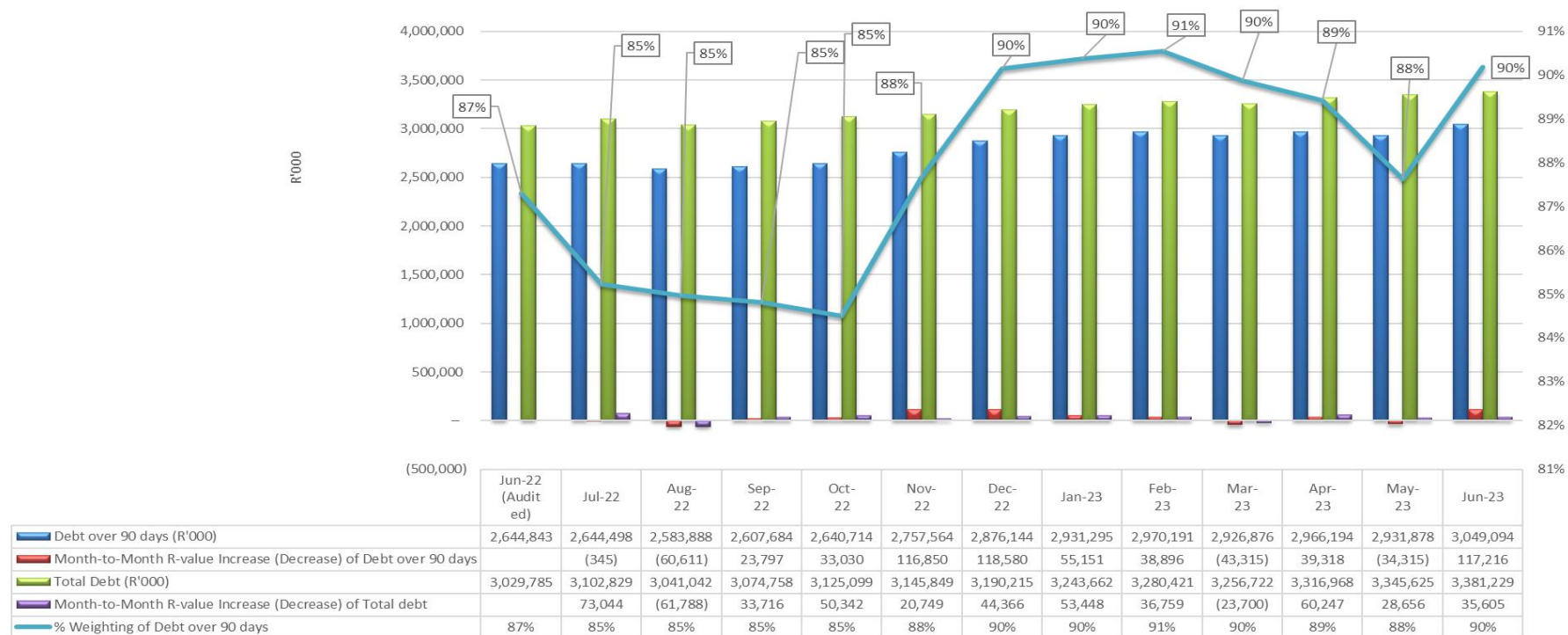


Chart 3: Debt over 90 days as a percentage of Total O/S Debt

Chart 8: Outstanding Debt by Income Source as at 30 June 2023

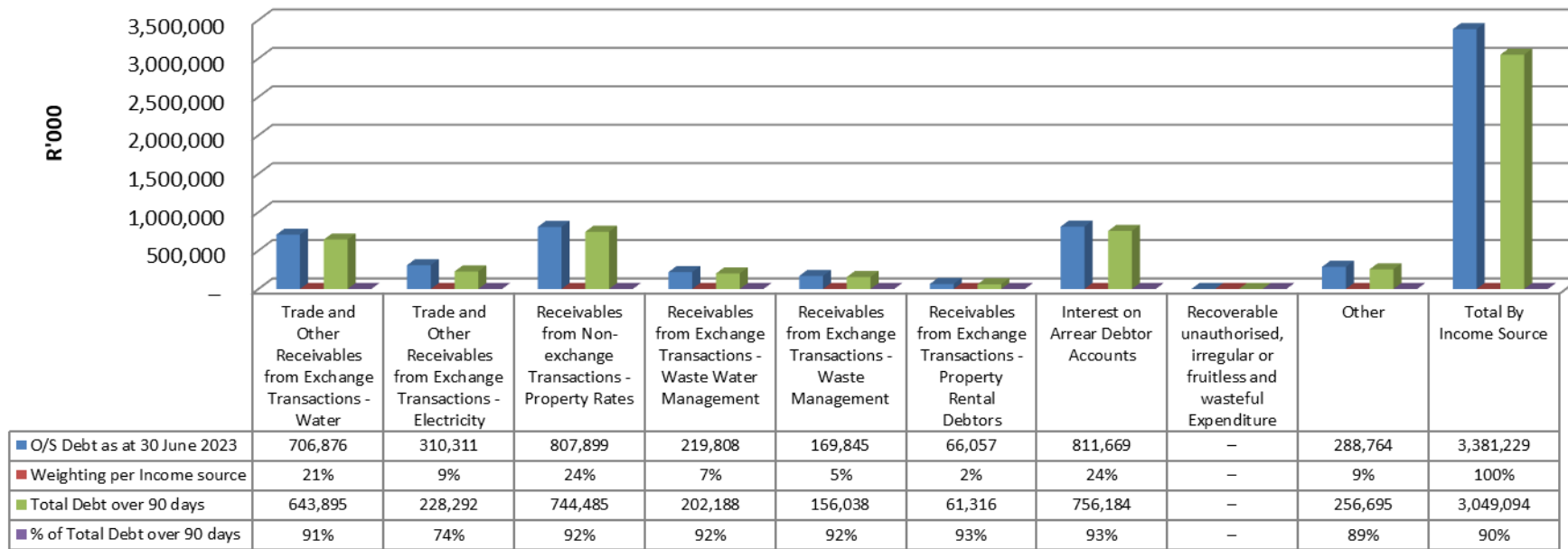


Chart 4: Outstanding Debt by Income Source

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 June 2023. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 24%
- ❖ Interest on Arrear Debtor Accounts 24%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 21%

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

- ❖ Interest on Arrear Debtor Accounts at 93%;
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Receivables from Non-exchange Transactions - Property Rates, Receivables from Exchange Transactions - Waste Water Management and Waste Management at 92%.

Debtors Age Analysis By Income Source	Item code	O/S Debt as at 31 May 2023	O/S Debt as at 30 June 2023	Percentage month-on-month Increase/(Decrease) in Debtors	R-Value Increase/(Decrease)	Weighting of Debt per Category as a % of Total O/S
Debtors Age Analysis By Income Source	1100					
Trade and Other Receivables from Exchange Transactions - Water	1200	701,693,068	706,875,946	0.7%	5,182,878	21%
Trade and Other Receivables from Exchange Transactions - Electricity	1300	308,067,031	310,310,890	0.7%	2,243,859	9%
Receivables from Non-exchange Transactions - Property Rates	1400	802,461,305	807,899,248	0.7%	5,437,943	24%
Receivables from Exchange Transactions - Waste Water Management	1500	217,170,492	219,807,503	1.2%	2,637,011	7%
Receivables from Exchange Transactions - Waste Management	1600	167,996,226	169,845,266	1.1%	1,849,040	5%
Receivables from Exchange Transactions - Property Rental Debtors	1700	64,951,841	66,056,562	1.7%	1,104,721	2%
Interest on Arrear Debtor Accounts	1810	793,991,709	811,669,495	2.2%	17,677,786	24%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820	-	-			
Other	1900	289,293,211	288,764,499	-0.2%	-528,712	9%
Total By Income Source	2000	3,345,624,883	3,381,229,409	1.1%	35,604,526	100%
Debtors Age Analysis By Customer Group	2100					
Organs of State	2200	771,770,770	780,231,227	1.1%	8,460,457	23%
Commercial	2300	565,957,632	567,428,420	0.3%	1,470,788	17%
Households	2400	1,939,284,488	1,964,586,619	1.3%	25,302,131	58%
Other	2500	68,611,993	68,983,143	0.5%	371,150	2%
Total By Customer Group	2600	3,345,624,883	3,381,229,409	1.1%	35,604,526	100%

Table 8: Month-on-month growth in outstanding debtors

Indicated in Table 8 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group, from May 2023 to June 2023, the municipality's total O/S debt increased by 1.1% or R35,605 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 0.7%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity increased by 0.7%.
- ❖ Receivables from Non-exchange Transactions - Property Rates increased by 0.7%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.2%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.1%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 1.7%.
- ❖ Interest on Arrear Debtor Accounts increased by 2.2%.
- ❖ Other decreased by 0.2%.

O/S debt per Customer Group

- ❖ Organs of State increased by 1.1%.
- ❖ Commercial debtors increased by 0.3%.
- ❖ Debt owed by Households increased by 1.3%.
- ❖ Other Debt increased by 0.5%.

Weighting per Customer Group

- ❖ Government debt constitutes 23%, Businesses 17%, Households 58% and Other 2% of the total outstanding debt.
- There was an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2021/22. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for May 2022, this will have to confirmed with NT, if it for the same period or the audited outcomes that are required.

The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2021/22 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

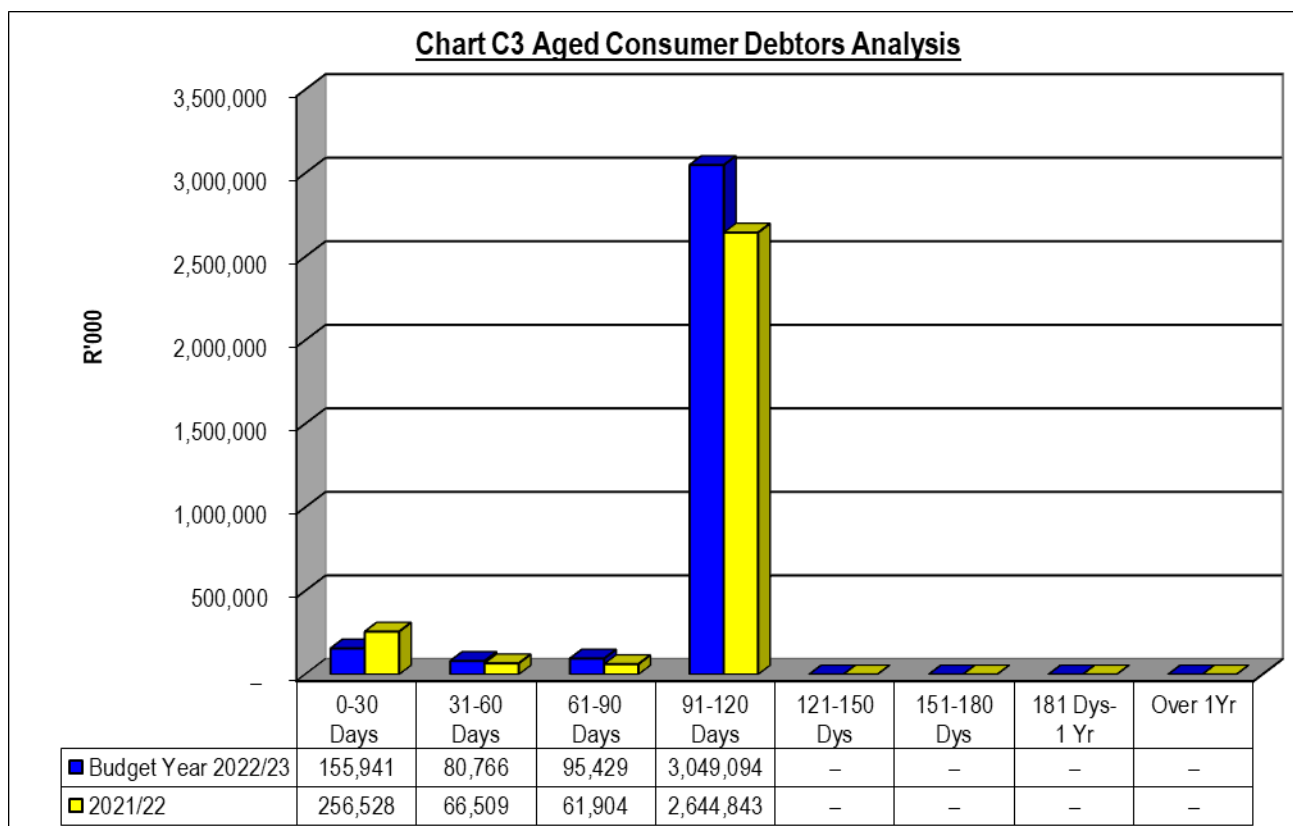


Chart 5.1: Aged Consumer Debtor Analysis

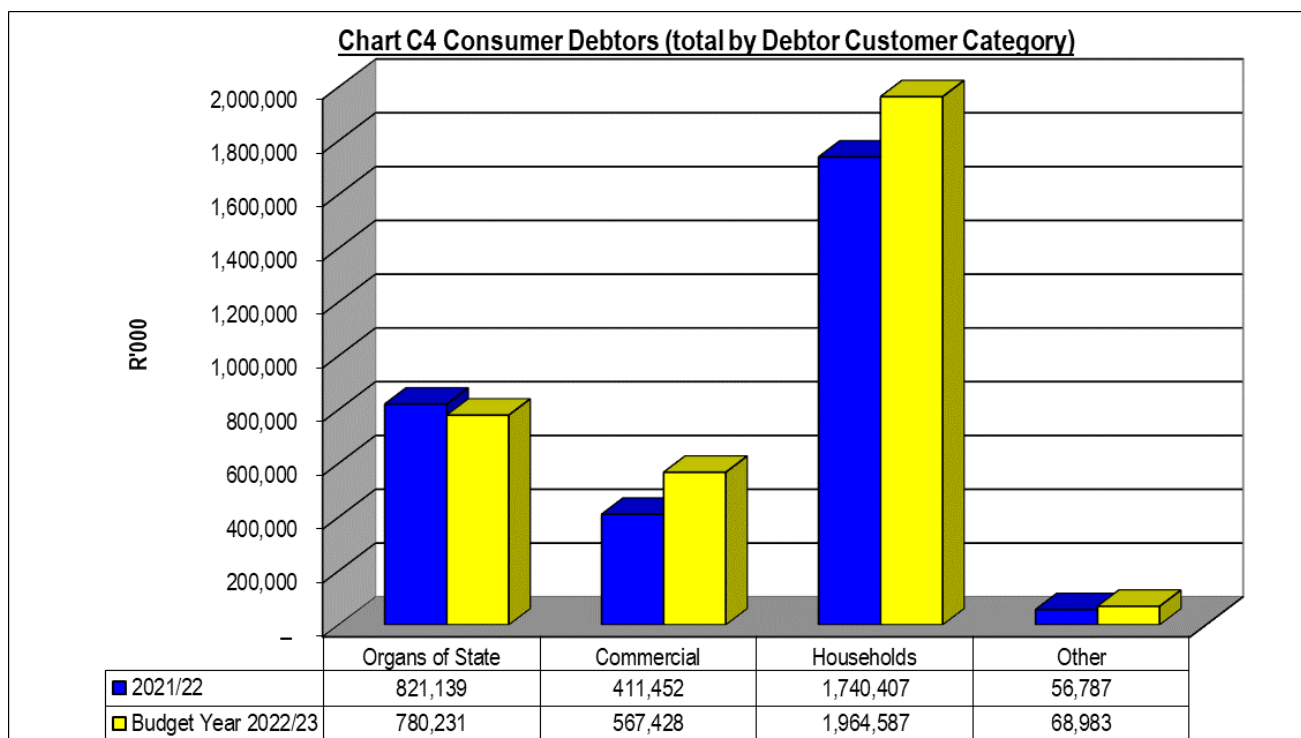


Chart 5.2: Consumer Debtors (total by Debtor Consumer Category)

Chart 10: Debtor's Age Analysis per Customer Group as at 30 June 2023

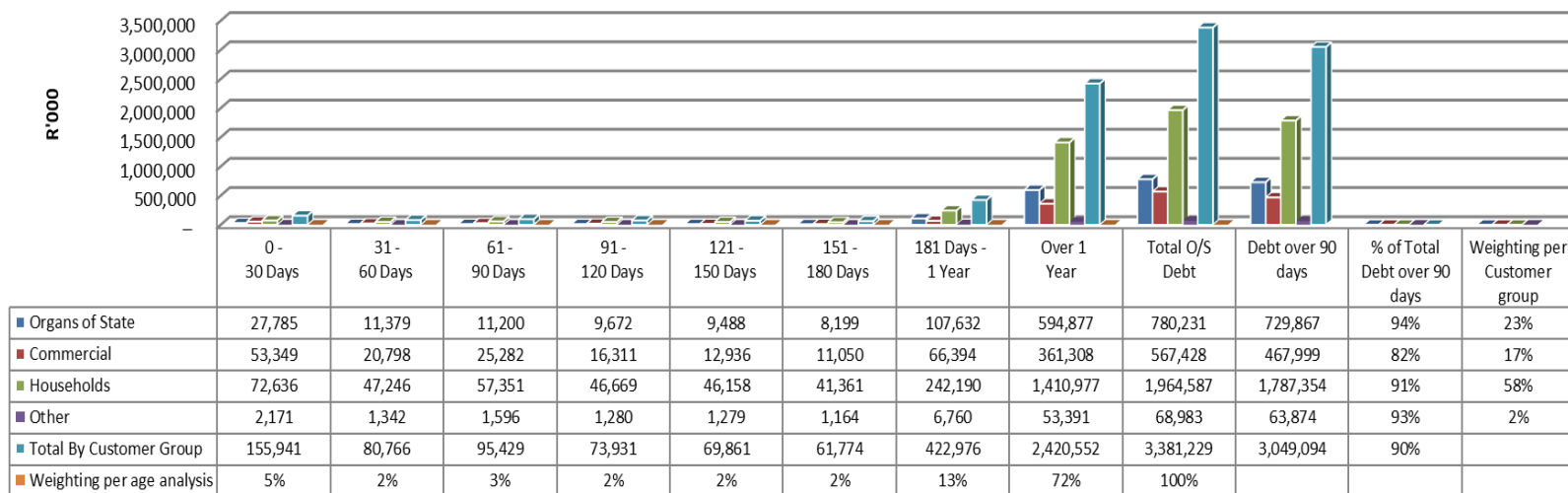


Chart 6: Debtor's Age Analysis per Customer Group

Chart 6 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 90%. An analysis revealed that the catalysts for this condition are the sheer volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. This is compounded by the large number of water leaks that go unreported which causes the accountholder's account to escalate beyond their means to pay. In addition to this, there is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. We have a backlog of processing this debt and submitting this to Council for approval to write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts. We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality. The Covid-19 pandemic also adversely affected consumer's ability to pay, this is evident by the average monthly collection rate of 78.5%. 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 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

3.5 Revised Collection Rate

As per Table 9 below, when taking into consideration what was billed in May 2023 and received in June 2023, the monthly collection rate is 66%. The low collection rate is not an ideal situation and is having a dire impact on the cash flow of the municipality.

The current status quo cannot continue, and drastic action will have to be taken to address this critical issue. Indicated in Table 11 below is the revised average collection of 76.7% for the period under review.

When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 June to 30 June 2023. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, had until the end of September/October 2022 to settle their outstanding accounts. There has been an improvement for the current financial year.

Monthly Collection Rate	Debits (Billed May 2023)	Credits (Received June 2023)	% Collected
PROPERTY RATES	46,495,527	32,132,963	69%
ELECTRICITY	39,678,227	30,395,981	77%
WATER	27,727,645	15,618,165	56%
SEWERAGE	9,273,420	4,007,999	43%
REFUSE	7,329,104	3,406,785	46%
OTHER	21,677,500	14,142,620	65%
Total	152,181,422	99,704,513	66%

Table 9: Monthly Collection Rate

REVENUE BY SOURCE	YTD ACTUAL JUNE 2023	YTD RECEIPTS	Rate
PROPERTY RATES	R 635,619,234	R 449,253,358	70.7%
SERVICE CHARGE ELECTRICITY	R 478,339,891	R 466,120,630	97.4%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 275,449,012	R 275,449,012	100.0%
SERVICE CHARGE WATER	R 281,647,569	R 166,108,561	59.0%
SERVICE CHARGE SANITATION	R 92,158,646	R 47,519,958	51.6%
SERVICE CHARGE REFUSE	R 69,057,597	R 38,505,455	55.8%
OTHER	R 261,663,876	R 161,990,985	61.9%
UNALLOCATED CREDITS		R 1,381,686	
REVISED AVERAGE COLLECTION RATE - JUNE 2023	R 2,093,935,825	R 1,606,329,645	76.7%

Table 10: Revised Average collection rate

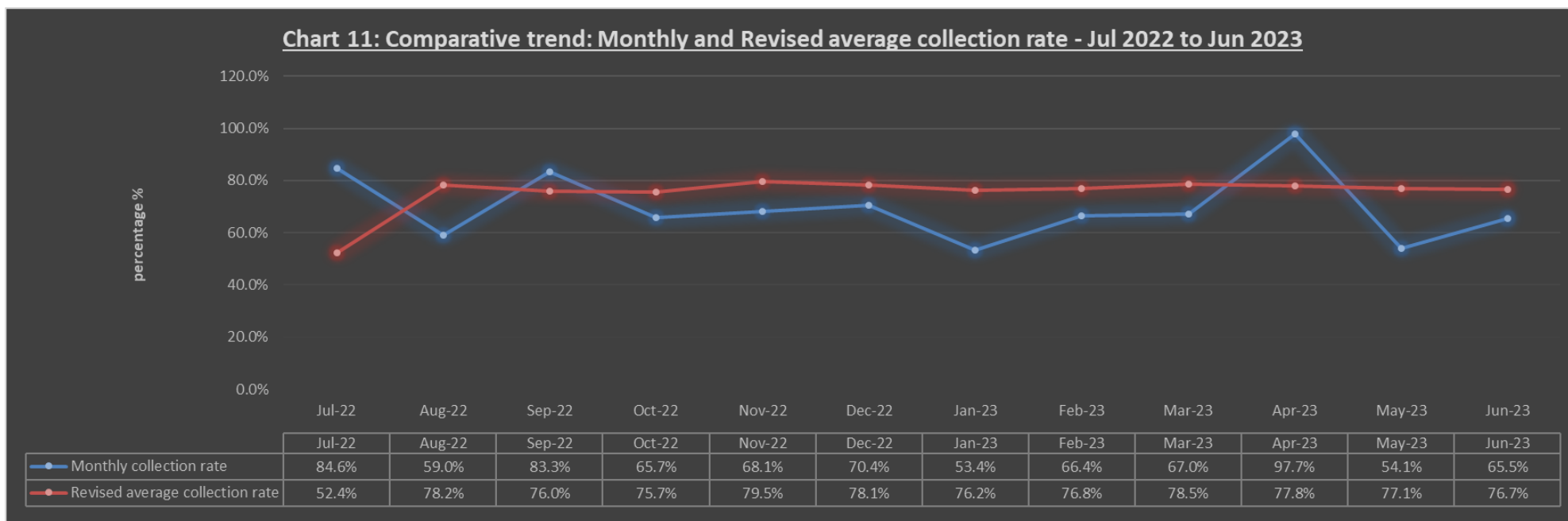


Chart 7: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 7 above, is the comparative trend between the monthly and average collection rate from July 2022 to June 2023. The monthly collection rate for August 2022 and the revised average collection rate for July 2022 is low, due to the annual billing of Property rates. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales. The monthly collection rate is lower in comparison to the average collection rate and also fluctuates significantly, whilst the average collection rate remained relatively constant for the period under review. The average collection rate of approximately 78% is not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its commitments.

During the 2023/24 MTREF Benchmark engagement, NT advised that the municipality, “must make an effort to collect long outstanding debtors and strive to push collection rate beyond 89% so that we are able to make a surplus on the cash flow which will enable the municipality to cover all the proposed expenditures including bulk purchases for Eskom and Water Board. As things stand, if you look at the cash flow, it shows that the municipality will collect less revenue than the proposed expenditure, however, the budget on A8 remains funded because of huge outstanding debtors that the municipality is still anticipating to collect, hence our plea for the municipality to collect those long outstanding debtors not written off.”

Section 52(d) report for Preliminary 4th quarter of 2022/23

Indicated in the Tables 11 and 12 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	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTAL	
PROPERTY RATES	VA	-	-	60.36	400.00	-	-	-	-	-	-	-	-	460.36	
PROPERTY RATES	VA2010	-	1,849.29	-	465.29	3.28	82.57	-	3,854.80	-	80.10	-	-	6,335.33	
PROPERTY RATES	VARESD	11,554,158.61	17,670,066.22	12,208,358.82	14,335,666.41	13,401,856.55	12,649,633.80	13,165,441.23	13,217,635.01	14,366,904.39	11,451,142.58	14,094,930.06	13,015,786.37	161,131,580.05	
PROPERTY RATES	VASRA	52,536.92	54,152.01	769,061.35	284,846.81	207,468.32	500,750.19	235,375.09	303,555.96	252,436.57	268,436.83	270,537.19	458,942.24	3,658,099.48	
PROPERTY RATES	VABCOM	14,239,294.76	21,846,957.19	12,270,773.22	15,392,575.58	13,132,889.99	14,505,036.18	13,477,391.06	17,532,355.27	26,879,487.70	13,050,461.09	14,886,511.49	12,780,032.43	189,993,765.96	
PROPERTY RATES	VAIND	1,456,382.45	1,878,851.67	1,742,027.75	1,844,963.60	1,421,384.40	1,670,098.14	1,434,242.59	1,859,446.07	2,097,933.56	1,246,192.67	1,522,468.04	1,918,220.70	20,092,211.64	
PROPERTY RATES	VAFAG	78,107.79	185,427.86	123,573.26	127,936.22	78,944.20	129,991.54	98,454.04	97,071.75	120,701.76	78,780.96	117,636.38	90,809.33	1,327,435.09	
PROPERTY RATES	VAFARE	15,683.92	14,676.48	33,053.52	16,538.55	19,362.01	11,530.66	13,883.69	13,078.19	10,912.55	25,357.27	14,692.20	17,619.19	206,388.23	
PROPERTY RATES	VAMUN	199.46	-	-	-	1,062.67	-	-	-	-	-	-	846.61	2,108.74	
PROPERTY RATES	VAGOVN	296,275.54	23,880,726.22	280,487.89	2,835,598.37	1,185,280.23	454,836.04	286,213.20	582,775.95	34,159,521.06	294,306.71	3,823,788.66	334,060.44	68,413,870.31	
PROPERTY RATES	VARESV	174,601.31	231,176.12	153,641.62	178,155.13	157,086.39	137,832.88	188,094.27	180,424.66	195,125.51	135,685.93	239,110.61	870,025.38	2,840,959.81	
PROPERTY RATES	VAGOVV	-	434,078.55	-	-	-	-	-	-	221,398.60	-	-	-	655,477.15	
PROPERTY RATES	VAPBO	-	-	-	1,021.64	-	2,141.92	-	-	-	-	-	-	3,163.56	
PROPERTY RATES	VAFABC	358,956.69	35,270.09	45,033.07	118,322.67	37,699.57	39,737.90	54,669.92	55,909.34	33,734.79	42,298.00	51,379.23	48,491.03	921,502.30	
TOTAL PROPERTY RATES		28,226,197.45	66,233,231.70	27,626,070.86	35,135,468.63	29,644,059.25	30,101,671.82	28,953,765.09	33,846,107.00	78,338,156.49	26,592,742.14	35,021,053.86	29,534,833.72	449,253,358.01	
BASIC ELECTRICITY	BE	494,200.67	545,453.29	489,992.75	537,039.22	487,294.81	500,612.01	463,544.27	531,876.20	506,282.09	431,206.20	524,186.71	489,475.08	6,001,163.30	
ELECTRICITY	EL	32,497,782.86	48,611,370.59	47,585,554.73	44,670,767.80	53,505,090.62	30,393,993.19	29,593,008.74	35,919,477.04	33,126,743.39	33,660,623.34	35,986,218.06	34,568,836.17	460,119,466.53	
PREPAID ELECTRICITY		25,829,774.07	25,632,451.85	22,249,757.55	22,882,980.11	22,350,166.95	23,118,197.21	21,913,646.77	20,360,323.06	22,186,343.77	20,680,807.67	22,558,138.23	25,686,424.52	275,449,011.76	
TOTAL ELECTRICITY		58,821,757.60	74,789,275.73	70,325,305.03	68,090,787.13	76,342,552.38	54,012,802.41	51,970,199.78	56,811,676.30	55,819,369.25	54,772,637.21	59,068,543.00	60,744,735.77	741,569,641.59	
BASIC WATER	BW	101,803.68	55,922.48	64,206.98	70,825.99	41,189.81	63,736.17	22,772.06	51,760.04	51,217.66	32,955.50	43,167.12	38,093.72	637,651.21	
WATER CONSUMPTION	WA	13,941,872.36	12,400,373.56	14,717,126.02	12,195,251.89	18,082,021.88	14,709,853.90	12,881,890.08	13,612,465.37	10,444,016.51	13,383,145.53	14,413,850.94	14,689,042.17	165,470,910.21	
TOTAL WATER		14,043,676.04	12,456,296.04	14,781,333.00	12,266,077.88	18,123,211.69	14,773,590.07	12,904,662.14	13,664,225.41	10,495,234.17	13,416,101.03	14,457,018.06	14,727,135.89	166,108,561.42	
BASIC SEWERAGE	BS	342,863.46	302,922.72	235,156.10	281,603.65	260,050.02	246,188.11	177,262.52	452,032.69	265,934.92	223,231.45	305,777.94	350,084.97	3,443,108.55	
SANITATION	SE	3,328,774.23	4,065,980.24	3,428,966.01	4,035,967.62	4,023,272.13	3,627,960.55	3,129,232.73	3,835,947.96	3,560,885.26	3,240,054.84	4,114,995.29	3,684,812.93	44,076,849.79	
TOTAL SANITATION		3,671,637.69	4,368,902.96	3,664,122.11	4,317,571.27	4,283,322.15	3,874,148.66	3,306,495.25	4,287,980.65	3,826,820.18	3,463,286.29	4,420,773.23	4,034,897.90	47,519,958.34	
REFUSE	BR	2,688,210.78	3,131,446.45	2,710,585.87	3,108,569.57	3,045,428.17	2,819,991.86	2,604,303.61	3,009,053.61	2,938,351.31	2,737,309.85	3,339,066.32	3,142,155.85	35,274,477.17	
ADD REFUSE	RF	318,771.58	326,586.51	245,012.08	266,253.60	249,901.54	276,635.00	184,290.89	245,506.32	256,073.55	186,655.85	255,938.39	419,352.42	3,230,977.73	
TOTAL REFUSE		3,006,982.36	3,458,032.96	2,955,597.95	3,374,823.17	3,295,329.71	3,096,626.86	2,788,592.74	3,254,559.93	3,194,424.86	2,923,965.70	3,595,004.71	3,561,508.27	38,505,454.90	
INTEREST ON ARREARS	IN0001	14,837.31	3,640.45	2,470.57	16.68	1,068.96	1,221.54	3.54	1,334.42	6.57	4.88	3.54	3.54	24,612.00	
INTEREST ON ARREARS	INBR	110,061.36	64,483.08	54,660.69	69,001.79	77,903.59	63,344.69	39,949.78	63,385.12	63,064.96	50,932.43	77,313.02	63,025.05	797,125.56	
INTEREST ON ARREARS	INSE	82,526.81	94,674.13	81,504.57	97,432.46	107,665.78	94,424.97	57,911.53	90,182.64	82,194.55	71,097.38	110,017.78	83,896.63	1,053,529.23	
INTEREST ON ARREARS	INWA	246,746.07	290,224.03	220,163.16	319,086.20	316,341.30	264,977.03	166,114.89	329,137.77	203,667.30	281,044.02	286,076.76	249,849.42	3,173,427.95	
INTEREST ON ARREARS	INSU	35,590.37	57,346.76	28,269.57	45,406.60	32,745.01	36,601.13	25,521.85	35,413.52	34,150.68	61,530.13	61,082.88	47,903.38	501,561.88	
INTEREST ON ARREARS	INBS	34,685.00	4,845.76	2,532.27	7,869.47	7,136.62	6,632.41	3,733.39	12,261.41	15,328.79	6,078.38	9,555.99	6,467.96	117,127.45	
INTEREST ON ARREARS	INEL	326,560.38	2,724,558.14	359,027.60	1,124,794.17	210,379.34	230,348.94	223,293.53	643,477.36	177,585.25	416,690.36	235,794.39	298,184.05	6,970,693.51	
INTEREST ON ARREARS	INBE	38,137.40	6,483.64	14,212.25	16,840.83	6,038.95	9,031.39	2,458.98	5,741.74	8,061.18	4,016.73	6,805.12	3,808.99	121,637.20	
INTEREST ON ARREARS	INBW	37,732.01	3,096.67	10,653.57	16,023.45	4,224.75	4,494.71	848.72	1,912.43	4,921.16	1,051.99	2,423.10	1,571.96	88,954.52	
INTEREST ON ARREARS	INRF	21,990.58	1,154.84	1,620.18	5,838.20	1,818.87	1,762.24	2,507.32	664.07	1,851.24	1,070.44	2,483.24	5,302.45	48,063.67	
INTEREST ON ARREARS	INVA	706,259.98	646,360.93	452,995.24	409,305.74	343,658.90	537,831.91	223,885.44	520,713.93	326,944.17	337,769.14	478,930.80	459,733.80	5,444,389.98	
TOTAL INTEREST ON ARREARS		1,655,127.27	3,896,868.43	1,228,109.67	2,111,615.59	1,108,982.07	1,250,670.96	746,228.97	1,704,224.41	917,775.85	1,231,285.88	1,270,486.62	1,219,747.23	18,341,122.95	
DEPOSITS	DEWE	365,159.66	381,981.42	451,824.84	217,638.65	258,271.01	205,457.02	194,681.14	476,073.83	181,498.38	234,982.87	197,003.20	162,667.73	3,327,239.75	
CREDITS NOT YET ALLOCATED	EX	7,627,503.75	11,554,653.70	11,726,210.01	9,708,655.48	9,857,353.70	10,530,848.50	8,257,630.71	11,088,364.48	10,671,327.16	10,454,340.55	8,442,468.02	11,240,058.85	121,159,414.91	
SUNDRY DEBTORS	SU	512,870.99	1,466,084.21	1,030,213.47	1,362,847.09	1,320,298.13	1,458,063.96	704,258.11	1,358,681.43	971,661.22	1,264,578.44	1,253,069.02	1,295,141.18	13,997,767.25	
DOGS	SU01	-	-	-	-	-	-	-	-	-	-	-	-	-	
HOUSE RENTALS	SU10	73,465.93	94,208.22	87,329.14	99,936.22	176,515.18	103,096.90	113,888.26	94,749.87	94,513.13	104,393.57	100,319.64	97,049.13	1,239,465.19	
HOUSE RENTALS CRU/S	SU11	99,481.13	76,357.05	172,970.34	135,231.57	146,582.91	116,081.47	76,909.66	111,066.83	62,089.60	87,478.57	72,928.67	90,208.35	1,247,386.15	
MISC 1	SU50	94,739.60	72,875.12	59,570.95	71,858.85	97,938.38	164,708.19	71,279.40	111,849.04	148,338.47	88,541.87	77,369.11	1,402,456.09	2,461,525.07	
MISC 3	SU52	-	-	-	-	-	-	-	-	-	-	-	-	-	
MISC 3	SU15	-	4,220.39	-	-	-	-	173.91	2,928.92	10,332.93	3,825.70	982.30	-	22,464.15	
INFORMAL HOUSING	SU60	4,474.71	8,391.05	5,083.64	8,219.13	5,915.08	25,846.82	8,742.83	10,533.81	6,890.42	10,163.98	5,743.76	5,200.24	105,205.47	
ARREARS MAGIC	SU70	1,695.42	172.83	2,433.38	2,180.77	1,292.90	1,108.19	1,685.80	676.64	1,702.29	1,864.11	1,277.06	1,143.65	15,701.04	
SU ARRANGEMENTS B/F	SUARBF	-	-	-	-	-	-	-	-	-	-	-	-	-	
SUNDRY COMMISSION	SUCOMM	991.09	1,278.14	857.69	1,542.45	2,545.43	1,250.33	1,259.89	1,449.85	954.84	576.74	694.51	686.57	14,087.53	
COMM ON PNP	SUEASY	2,109.35	9,765.07	1,743.88	11,178.26	2,352.24	2,363.56	9,723.79	1,850.85	9,654.24	1,613.04	3,428.99	3,821.98	59,605.25	
OTHER		8,782,491.63	13,669,987.20	13,538,237.34	11,619,288.47	11,869,064.96	12,608,824.94	9,440,233.50	13,258,225.55	12,157,430.68	12,252,359.44	10,155,284.28	14,298,433.77	143,649,861.76	
VAT	VAT	8,089,456.63	10,488,292.57	10,479,872.63	9,921,109.36	12,096,375.59	8,036,363.35	7,420,042.02	8,739,634						

BS566 Payments per Service per Day/Period - Debtor type														
Debtor Type Description	Debtor Type	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTAL
BUSINESS KVA	BK	11,547,917.82	14,327,185.00	15,546,638.79	14,461,607.72	11,902,866.97	12,799,536.24	11,018,652.52	13,435,925.43	12,062,417.87	13,474,010.18	12,437,043.31	16,052,040.71	159,065,842.56
BUSINESS RESIDENTIAL	BR	835,840.27	1,188,696.75	844,809.17	914,624.49	837,863.57	724,823.80	889,298.96	864,954.16	846,831.04	793,624.40	906,492.69	962,948.22	10,610,807.52
BUSINESS	BU	29,968,288.25	46,819,684.30	26,846,493.36	32,149,999.11	25,207,570.93	25,818,817.76	24,378,558.56	33,407,190.05	26,993,845.24	25,037,135.27	27,753,332.36	26,613,472.53	350,994,387.72
CHURCHES	CH	91,275.28	130,874.41	110,856.66	139,916.33	94,664.01	143,824.54	77,828.01	113,767.78	106,724.02	75,656.40	148,889.04	77,338.59	1,311,615.07
COUNCILLOR	CL	56,270.39	66,802.86	65,584.34	65,092.22	61,244.18	60,145.81	64,039.71	62,284.24	65,728.90	51,292.67	64,269.64	53,662.68	736,417.64
COMMERCIAL	CO	2,729,940.06	2,029,891.91	2,222,372.44	1,748,928.79	1,348,308.72	1,771,073.86	1,595,922.72	2,665,775.83	1,546,330.14	2,151,082.83	2,877,192.79	2,392,403.83	25,079,223.92
DECEASED ESTATE	DE	-	-	-	-	792.17	-	-	434.78	695.64	934.79	-	721.74	3,579.12
GOVERNMENT - OTHER	GO	-	-	-	-	747.29	549.89	535.39	527.86	-	-	-	-	2,360.43
SCHOOLS	GS	1,197,867.47	2,510,094.10	2,088,529.90	2,605,982.52	2,422,792.15	2,136,737.87	2,005,450.17	2,304,059.54	2,381,247.54	1,415,249.31	2,923,193.96	1,797,970.27	25,789,174.80
INDIGENTS CANCELLED	IC	633,036.38	694,958.83	703,191.21	1,049,527.72	1,062,810.80	938,189.10	641,735.71	952,951.12	906,516.81	700,118.68	855,565.28	842,148.08	9,980,749.72
INDIGENTS	ID	1,054,344.19	1,232,590.33	1,170,301.88	1,568,054.33	1,687,299.37	1,576,919.26	1,225,181.80	1,551,730.91	1,562,291.40	1,344,248.78	1,357,590.80	1,525,835.73	16,856,388.78
INDIGENTS INFORMAL SETTLEMENT	IF	59,443.39	99,438.29	63,222.06	141,768.39	80,338.35	233,398.50	57,422.10	148,248.65	120,475.39	116,255.11	108,776.19	123,352.09	1,352,138.51
INDIGENT - LATE ESTATE	IL	397.93	949.84	1,636.11	514.63	-	1,241.13	514.63	-	522.70	-	1,091.13	514.63	7,382.73
INDIGENT PENDING	IP	204,417.84	277,024.23	272,465.26	423,645.19	490,741.99	432,553.01	386,138.43	436,550.02	476,330.18	348,067.63	381,502.69	356,451.25	4,485,887.72
INDUSTRIAL	IN	993,734.63	771,133.73	1,014,654.37	1,735,505.25	850,475.70	816,430.94	831,042.00	779,339.11	964,609.20	838,921.89	871,183.58	1,036,937.69	11,503,968.09
MUNICIPAL	MU	685,302.78	288,808.18	272,173.18	689,600.78	706,567.78	952,266.16	390,253.66	1,230,728.45	573,727.70	438,467.67	594,658.50	791,882.47	7,614,437.31
NAT: POLICE	N3	15,038.78	7,595.82	17,291.00	16,471.65	7,891.88	11,618.12	11,674.51	7,572.65	12,184.64	7,572.65	15,987.30	7,572.65	138,471.65
NAT: DEFENCE AND MILITARY VETERA	ND	1,234.35	-	3,957.78	1,319.26	1,319.26	1,319.26	1,319.26	1,319.26	116,088.39	4,746,256.99	3,723,963.15	3,312,624.42	11,910,721.38
NAT: CORRECTIONAL SERVICES	NN	361,328.89	552,271.73	575,333.24	-	859,898.98	383,053.80	-	362,710.89	410,928.89	-	362,928.26	366,620.06	4,235,074.74
NAT: PUBLIC WORKS	NP	7,455,421.23	11,602,897.77	13,187,350.50	5,483,030.35	13,541,933.87	9,870,539.44	7,582,385.40	6,909,824.33	6,811,198.29	5,964,826.82	7,400,889.86	7,640,106.92	103,450,404.78
NON-STAFF ACCOUNTS PAID BY STAFF	NS	323,835.66	363,831.38	379,090.26	488,910.83	379,582.58	363,257.20	368,554.85	329,164.71	360,916.30	296,466.28	354,255.51	303,259.15	4,311,124.71
OPEN SPACE	OP	8,441.61	13,611.51	12,379.18	12,372.62	28,098.28	7,986.37	11,451.36	10,171.59	9,982.86	7,313.19	8,689.88	10,604.69	141,103.14
OTHER	OT	301,386.25	348,571.12	259,916.13	339,425.63	201,522.44	428,340.23	483,559.26	233,355.85	1,101,033.76	260,614.43	386,173.08	1,081,916.60	5,425,814.78
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,393.39	5,632.91	5,608.96	5,608.96	5,608.96	5,608.96	5,608.96	5,608.96	9,121.85	2,096.07	5,608.96	2,096.07	63,603.01
PROV: SOCIAL DEVELOPMENT	P1	27,059.98	935,367.98	1,862.97	16,856.78	15,054.97	778,145.20	279,910.36	296,867.31	431,549.63	197,045.89	104,956.22	431,826.74	3,516,504.03
PROV: HOUSING AND LOCAL GOVERNME	P2	443.02	86,726.36	216,372.43	150,780.84	239,207.68	35,843.42	617.31	179,097.45	617.30	605.62	197,083.30	89,819.78	1,197,214.51
PROV: OFFICE OF THE PREMIER	P3	5,276.35	517,708.11	164,295.23	173,336.09	113,903.28	111,421.10	105,948.72	122,856.78	132,274.37	183,448.25	124,502.15	109,403.86	1,864,374.29
PROV: OTHER DEPARTMENTS	P4	76,653.78	590,854.62	168,816.57	168,905.12	114,858.77	23,677.65	185,977.46	143,980.84	2,661.99	225,794.07	109,588.19	222,011.67	2,033,780.73
PROV: AGRICULTURE	PA	27,510.91	265,913.95	-	30,609.82	151,878.78	-	58,076.94	65,247.26	65,192.85	-	189,653.08	67,726.83	921,810.42
PROV: EDUCATION	PE	2,211,381.44	1,664,978.34	2,723,448.95	4,694,497.57	24,505,666.72	1,148,821.92	2,860,702.22	2,438,994.63	2,832,417.44	2,747,335.36	3,110,708.47	2,845,411.53	53,784,364.59
PROV: HEALTH	PH	1,536,941.61	3,760,019.48	10,263,121.69	6,230,753.95	250,312.78	388,112.12	1,520,356.29	2,950,523.19	1,641,181.80	3,475,866.45	3,140,505.03	562.51	35,158,256.90
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,503,563.87	27,462,755.50	2,431,526.60	2,955,952.69	2,177,560.76	1,492,645.12	1,400,445.64	1,100,824.38	47,649,722.99	301,291.93	674,785.99	276,895.57	89,427,971.04
PROV: SPORT, ARTS & CULTURE	PS	671,444.11	261,735.11	176,788.68	289,399.16	34,061.62	310,733.30	141,973.39	338,710.02	77,598.92	249,378.69	152,264.60	247,911.49	2,951,999.09
RESIDENTIAL	RE	27,147,522.41	33,352,093.54	28,899,699.89	34,219,143.42	31,802,668.19	30,025,005.75	28,957,371.64	32,152,030.35	31,324,754.49	27,531,183.43	33,115,790.08	31,872,362.30	370,399,625.49
SUNDRY DEBTOR	SD	2,076.14	282.08	7,932.78	57,393.21	359.47	2,432.90	733.09	284.00	719.06	3,970.51	188.56	23,235.07	99,606.87
STALE REFUNDS	SR	-	-	-	300.00	-	-	-	-	-	-	-	-	300.00
STAFF	ST	627,487.30	641,627.83	760,157.42	616,392.10	805,157.38	708,122.69	636,108.85	649,030.19	640,372.56	673,916.44	700,142.22	636,383.93	8,094,898.91
UNKNOWN	UN	245.23	356,558.99	381,414.28	368,738.87	313,913.94	2,084,337.80	6,449.14	200,241.20	312,301.85	301,174.72	260,851.49	244,140.05	4,830,367.56
EXCEPTIONAL CIRCUMSTANCES	IE	10,332.98	10,976.28	9,725.14	17,685.64	10,810.69	12,608.29	14,737.36	13,792.42	11,753.71	10,346.62	9,728.19	14,695.63	147,192.95
VAT	VAT	8,089,456.63	10,488,292.57	10,479,872.63	9,921,109.36	12,096,375.59	8,036,363.35	7,420,042.02	8,739,634.87	7,767,153.57	8,226,785.24	8,966,336.49	8,742,458.85	108,973,881.17
TOTAL RECEIPTS		100,467,552.60	163,728,435.74	122,348,891.04	123,953,761.39	134,412,730.85	104,636,501.86	95,616,578.40	115,206,311.06	150,330,021.28	102,198,355.26	114,396,362.02	111,177,326.88	1,438,472,828.38
TOTAL RECEIPTS LESS VAT		92,378,095.97	153,240,143.17	111,869,018.41	114,032,652.03	122,316,355.26	96,600,138.51	88,196,536.38	106,466,676.19	142,562,867.71	93,971,570.02	105,430,025.53	102,434,868.03	1,329,498,947.21

Table 11.2: BS566 report on receipts per debtor type

3.6 Prepaid Electricity

As indicated in Chart 8.1 below, the Total Billing Receipts including Prepaid Electricity amounted to R128,121 million which resulted in an increase of R133 thousand or 0.1% in respect of the month-to-month comparison. The current situation does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R1,382 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated and assistance from the bank is also requested when the municipality is unable to trace receipts so that it can be allocated timeously and accurately.

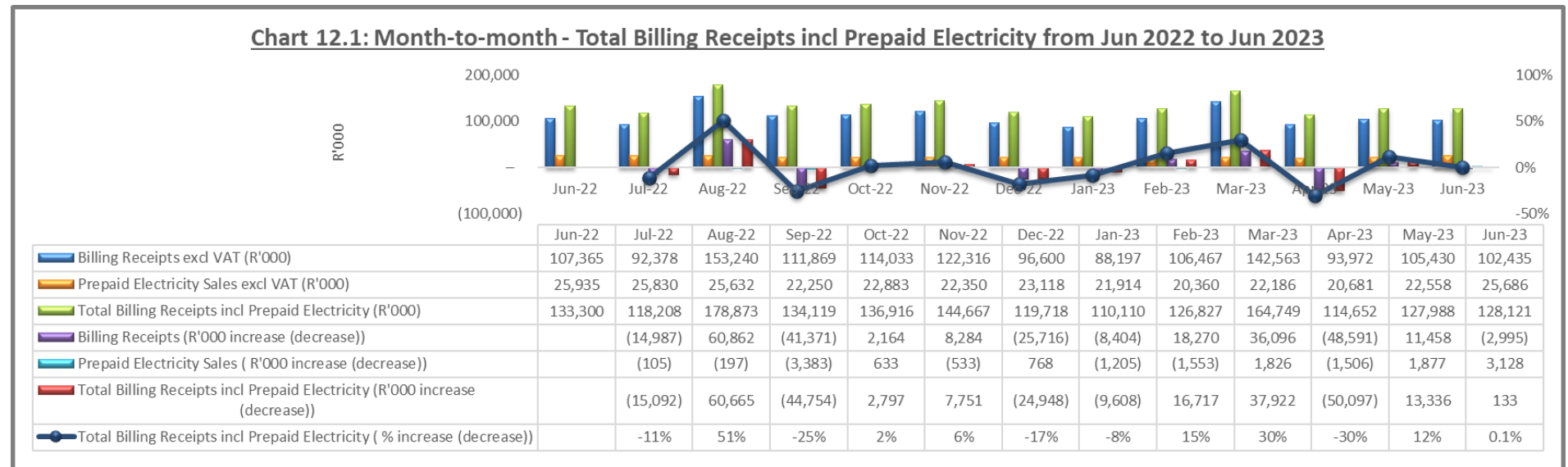


Chart 8.1: Total billing receipts incl Prepaid Electricity

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

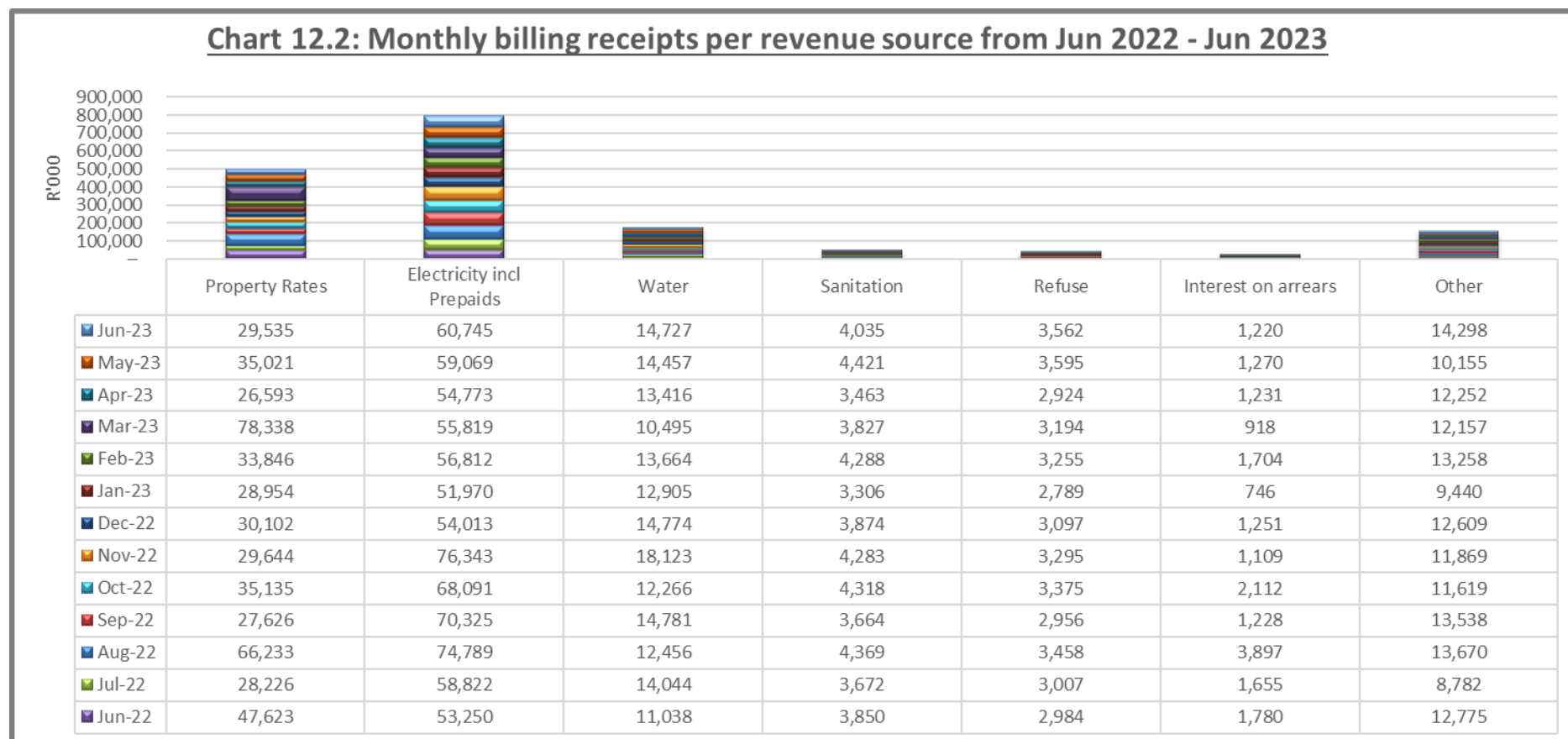


Chart 8.2: Monthly billing receipts per revenue source

Indicated in Chart 8.3 and 18.4 below, is the ranking and percentage contribution of receipts per revenue source as 30 June 2023. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R741,570 million (46%) 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 R449,23 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 9% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 54% from these revenue sources. The lowest contributor in respect of actual receipts, is Interest on arrears at R18,341 million (1%). 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.

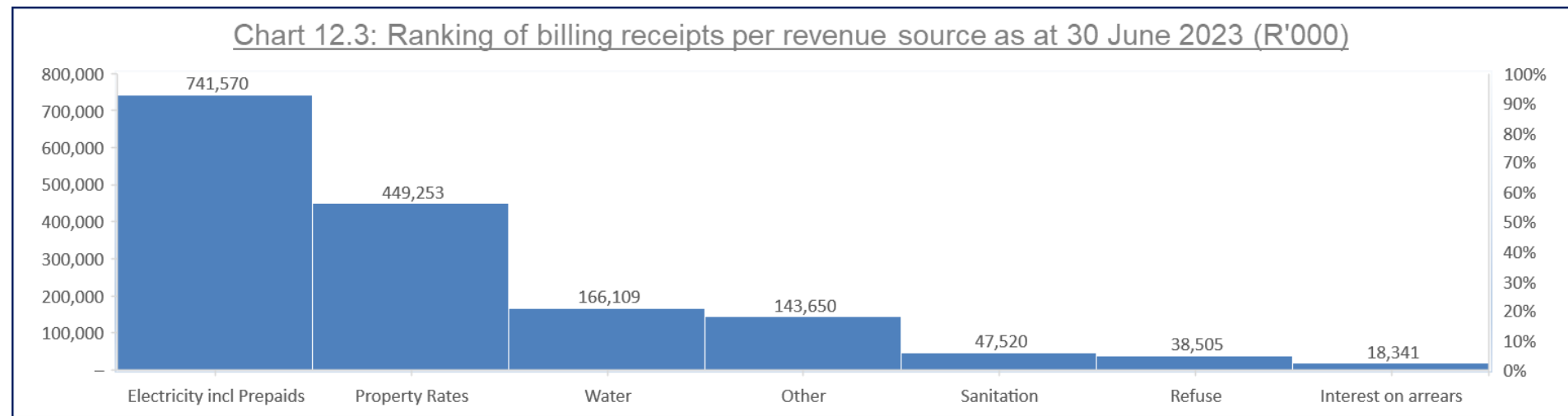


Chart 8.3: Monthly billing receipts per revenue source

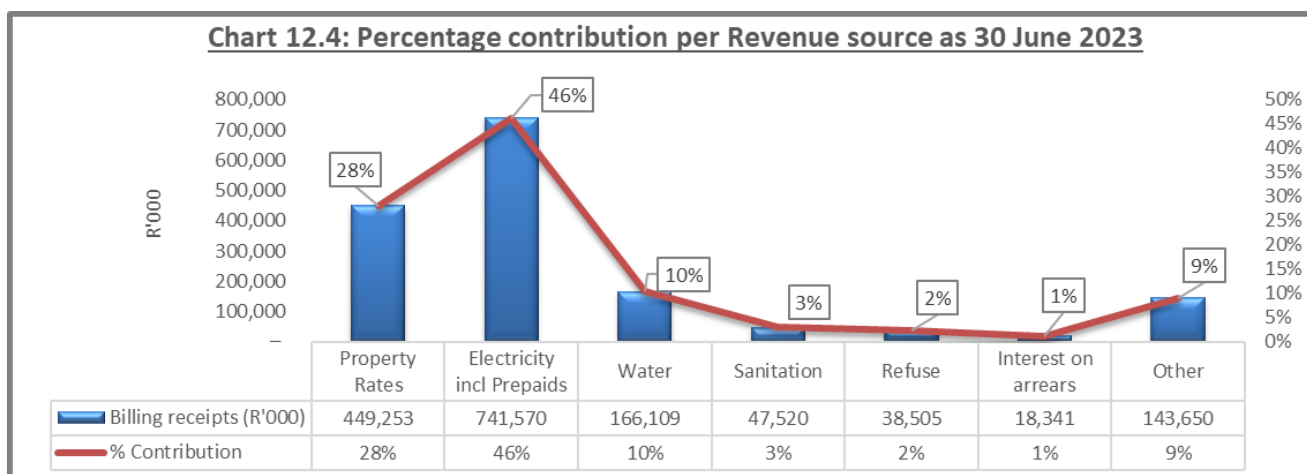


Chart 8.4: Percentage contribution of billing receipts per revenue source

Indicated in Chart 8.5 below, is the billing receipts and percentage contribution per major Customer group as at 30 June 2023. The municipality received R558,566 million (42%) from Businesses, Households R421,802 million (32%), Organs of State R336,446 million (25%) and Other R12,686 million (1%). Indicated in Table 11.3 below, are the monthly billing receipts per Debtor Group.

MONTHLY BILLING RECEIPTS PER DEBTOR GROUP (R'000)	Sum of Jul-22	Sum of Aug-22	Sum of Sep-22	Sum of Oct-22	Sum of Nov-22	Sum of Dec-22	Sum of Jan-23	Sum of Feb-23	Sum of Mar-23	Sum of Apr-23	Sum of May-23	Sum of Jun-23	Sum of TOTAL
BUSINESSES	46,167	65,267	46,586	51,151	40,242	42,075	38,791	51,267	42,521	42,370	44,994	47,135	558,566
HOUSEHOLDS	30,418	37,089	32,585	38,930	36,583	34,780	32,835	36,530	36,571	31,333	37,335	36,811	421,802
ORGANS OF STATE	15,097	50,225	32,024	22,824	44,443	16,699	16,161	17,229	62,574	19,517	22,237	17,419	336,446
OTHER	696	659	674	1,128	1,049	3,047	409	1,441	897	751	864	1,070	12,686
Grand Total	92,378	153,240	111,869	114,033	122,316	96,600	88,197	106,467	142,563	93,972	105,430	102,435	1,329,499

Table 11.3: Monthly Billing Receipts per Debtor Group

3.7 Unconditional grants

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

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

There are some mapping errors pertaining to operational and capital grants. This was brought under attention of our financial system vendor and the matter is being investigated to find a solution. Capital grants specifically is allocated to the Statement of Financial Position as receipts and is not mapped to the C-schedule. However, on a monthly basis journals are processed to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

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	9,424	241,984	250,317	(8,333)	-3.3%	250,317
Energy Efficiency and Demand Side Management Grant			–	–	–	–	–	–	–	–	–
Equitable Share			212,328	239,158	239,158	–	232,560	239,158	(6,598)	-2.8%	239,158
Expanded Public Works Programme Integrated Grant			3,362	3,959	3,959	3,959	3,959	3,959	–	0.0%	3,959
Infrastructure Skills Development Grant			4,901	5,500	5,500	3,765	3,765	5,500	(1,735)	-31.5%	5,500
Local Government Financial Management Grant			1,650	1,700	1,700	1,700	1,700	1,700	–	0.0%	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	15,714	–	5,843	15,714	(9,871)	-62.8%	15,714
Capacity Building and Other Grants			8,561	7,800	9,414	–	–	9,414	(9,414)	-100.0%	9,414
Infrastructure Grant			4,170	–	6,300	–	5,843	6,300	(457)	-7.3%	6,300
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	266,031	9,424	247,827	266,031	(18,204)	-6.8%	266,031
Capital Transfers and Grants											
National Government:			105,767	134,338	114,338	17,110	69,064	114,338	(45,274)	-39.6%	114,338
Energy Efficiency and Demand Side Management Grant			–	4,000	4,000	1,404	3,974	4,000	(26)	-0.6%	4,000
Integrated National Electrification Programme Grant			35,458	40,000	20,000	8,821	18,717	20,000	(1,283)	-6.4%	20,000
Integrated Urban Development Grant			54,266	70,390	70,390	3,692	40,123	70,390	(30,267)	-43.0%	70,390
Municipal Infrastructure Grant			–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant			–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant			–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant			16,043	19,948	19,948	3,192	6,249	19,948	(13,699)	-68.7%	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	–	18,850	–	–	18,850	(18,850)	-100.0%	18,850
[insert description]			–	–	–	–	–	–	–	–	–
European Union			14,400	–	18,850	–	–	18,850	(18,850)	-100.0%	18,850
Total Capital Transfers and Grants		5	200,517	134,338	133,188	17,110	69,064	133,188	(64,124)	-48.1%	133,188
TOTAL RECEIPTS OF TRANSFERS & GRANTS		5	436,504	392,455	399,219	26,534	316,891	399,219	(82,328)	-20.6%	399,219

Table 12: Transfers and Grants receipts

3.8 Cash and Cash Equivalents

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

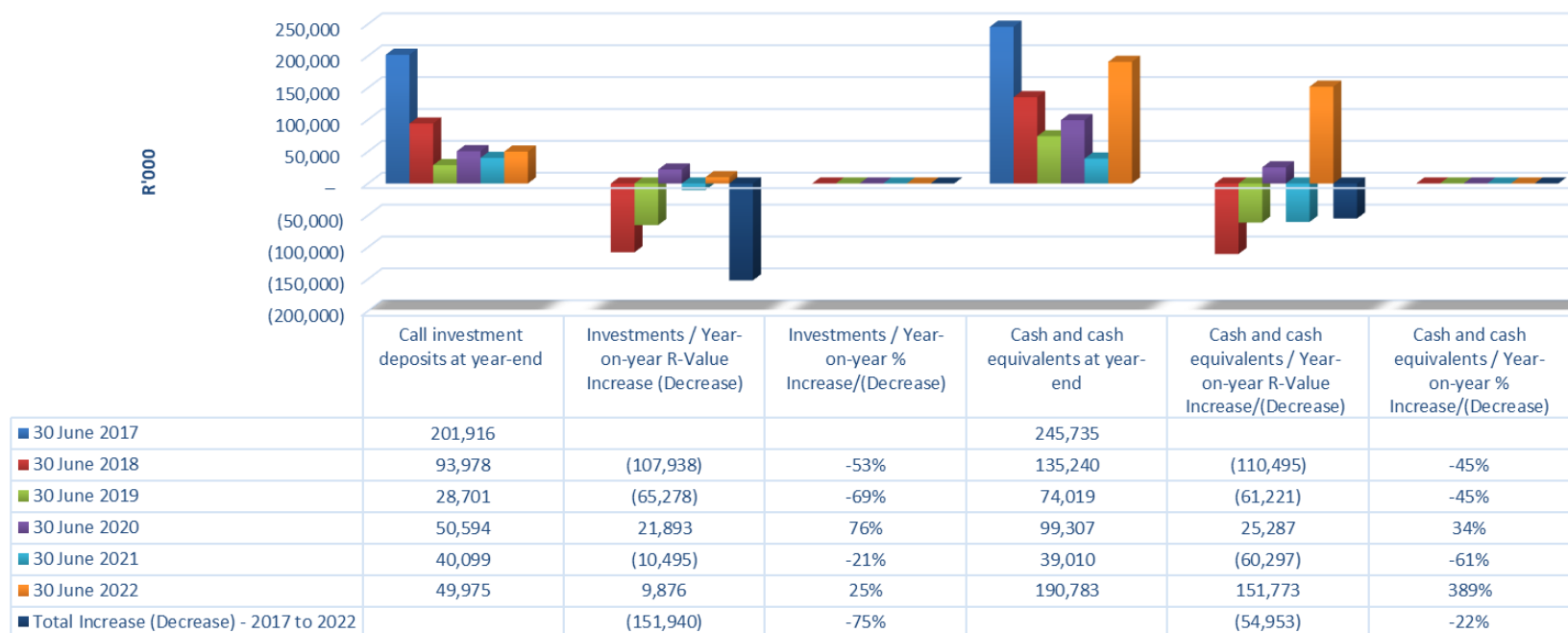


Chart 9: Call investment deposits and Cash & cash equivalents at year-end

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 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

Section 52(d) report for Preliminary 4th quarter of 2022/23

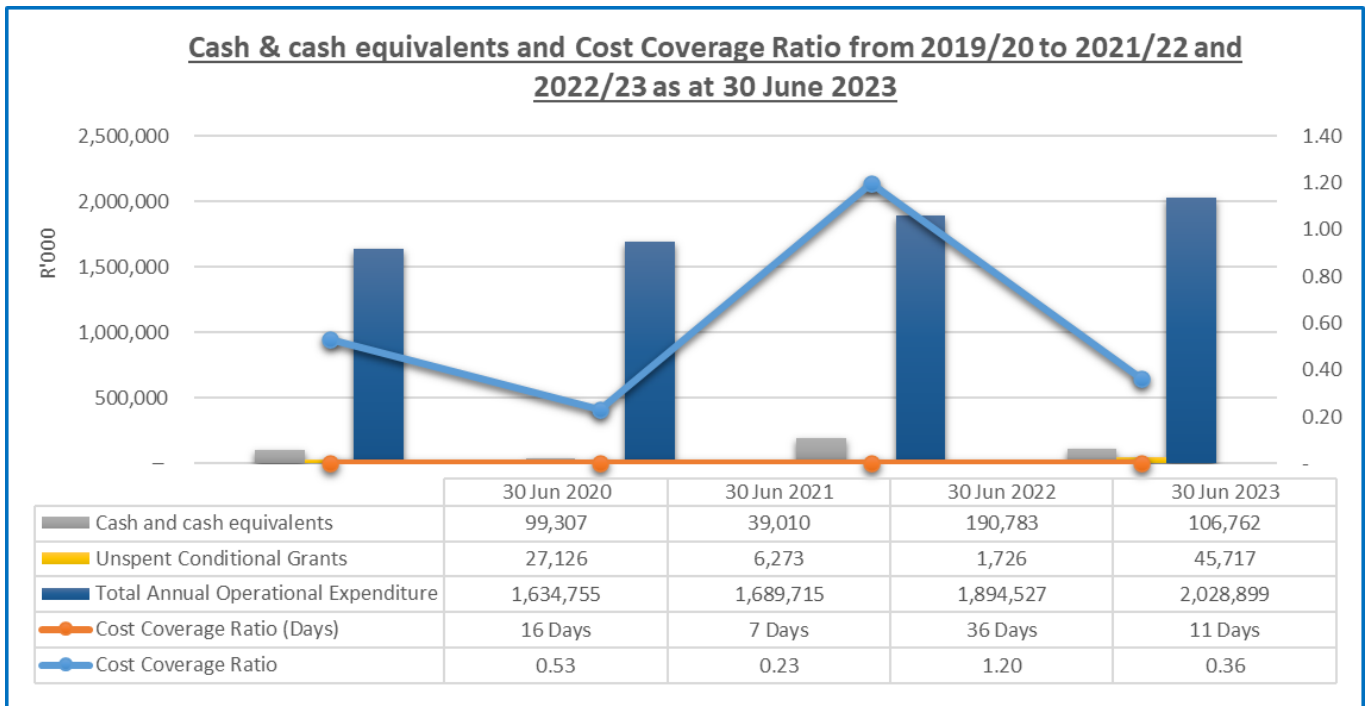


Chart 10: Cash & Cash Equivalents and Cost Coverage Ratio

Indicated in Chart 10 above, is the Cost coverage ratio and the Cash and cash equivalents for 2019/20 (0.53 or 16 days; R99,307m) and 2020/21 (0.22 or 7 days; R39,010m). There was a marginal improvement for 2021/22 (1.15 or 35 days; R190,783m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The Cost coverage ratio as at 30 June 2023 is 0.36 or 11 days, whilst the NT norm is 3 months. Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to ESKOM and DWS. The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. Therefore, the municipality must apply the Credit Control Policy diligently, consistently and fairly to ensure the credibility of the municipality. During the 2022/23 Mid-year engagement, National Treasury recommended that the Credit Control and Debt Collection Policy must be 100% applied. 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

The expenditure covers all the assumptions made to estimate operational and capital expenditure as per the approved budget of the municipality. It was assumed that spending as at fourth quarter will be 90% average on operational expenditure and 85% for capital expenditure.

Expenditure framework deals with all payments made to staff and creditors of the municipality as well as non-cash flow items such as depreciation and the provision for bad debts.

The municipality categorises its expenditure by type and by vote and both reports will be dealt with hereunder. On the capital budget, expenditure is reported per vote and by project. This allows Council to be able to identify slow spending projects and how these affect performance of the directorates and assist with early warning signs and informs intervention that must be put in place. Expenditure means provision of service. Expenditure must be incurred only when necessary and not because budget has been allocated.

4.1 Operating Expenditure by Type

In terms of the Budget Schedules, expenditure is categorised by nature and type. This allows management to analyse budget allocation and spending accordingly with the view to ensure that critical expenses for service delivery are adequately funded. These include budgeting for employee costs as without people, service delivery is impossible, the follows budget for operation and maintenance of infrastructure critical service delivery and revenue generation, this is then followed by budget for bulk costs of water and electricity and other expenditure follows accordingly.

Expenditure By Type	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	849,970	64,843	784,718	849,970	92.3%	(65,252)	-7.7%	92.3%	(65,252)	-7.7%
Remuneration of councillors	34,547	2,750	32,196	34,547	93.2%	(2,352)	-6.8%	93.2%	(2,352)	-6.8%
Debt impairment	397,000	1	397,002	397,000	100.0%	2	0.0%	100.0%	2	0.0%
Depreciation & asset impairment	81,050	-	-	81,050	0.0%	(81,050)	-100.0%	0.0%	(81,050)	-100.0%
Finance charges	117,360	19,281	102,637	117,360	87.5%	(14,724)	-12.5%	87.5%	(14,724)	-12.5%
Bulk purchases - electricity	682,000	48,331	582,587	682,000	85.4%	(99,413)	-14.6%	85.4%	(99,413)	-14.6%
Inventory consumed	266,277	23,183	260,016	266,277	97.6%	(6,261)	-2.4%	97.6%	(6,261)	-2.4%
Contracted services	54,181	8,373	34,764	54,181	64.2%	(19,417)	-35.8%	64.2%	(19,417)	-35.8%
Transfers and subsidies	4,460	35	2,636	4,460	59.1%	(1,824)	-40.9%	59.1%	(1,824)	-40.9%
Other expenditure	135,719	15,512	152,125	135,719	112.1%	16,406	12.1%	112.1%	16,406	12.1%
Losses	75,640	290	77,220	75,640	102.1%	1,580	2.1%	102.1%	1,580	2.1%
Total Expenditure	2,698,205	182,600	2,425,902	2,698,205	89.9%	(272,303)	-10.1%	89.9%	(272,303)	-10.1%

Table 13: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 June 2023 current YTD expenditure shows an unsatisfactory variance of minus 10.1%. The YTD actual amounted to R2,425,902 billion against the YTD Budget of R2,698,205 billion.

- ❖ Employee related costs shows a negative variance of minus 7.7%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a negative variance of minus 6.8%. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils must still be issued for the current financial year.
- ❖ Debt impairment will be provided for on a quarterly basis and the journal for the fourth quarter was processed during May 2023.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Herewith the response from the Asset Management Unit, why Depreciation cannot be recognised at least quarterly "The Asset Management System currently do not interface with the financial system and this make it difficult, to post the transactions for depreciation monthly or quarterly. We currently have to pass journals in the financial system to recognise depreciation in the general ledger. This is due to the fact that the systems do not interface.

Once journals are passed for depreciation and changes needs to be done for depreciation due to asset processes like disposals or impairment recognition, we will have to pass new journals for the correction of depreciation. The Asset Management System can currently interface with the Financial System but requires authorization from the service provider of the Financial System. Asset Management is one of the core functions that will be dealt with by the re-established mSCOA Steering Committee.”

- ❖ Finance charges is showing a negative variance of 12.5%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year was settled on 19 December 2022. The second instalment was settled on 27 June 2023. Corrections on the actuals pertaining to Interest paid on overdue accounts for ESKOM, was journalised on the system. The interest on overdue accounts for June 2023 ESKOM bulk account must still be captured on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 14.6%. The invoice for June 2023 must be captured on the system as a year-end sundry creditor.
- ❖ Expenditure on Contracted services is lower than anticipated. Prepaid Electricity Vendors is 81.08% spent versus an adjusted budget of R11,400 million. The June 2023 invoice is unpaid and payment will effected during July 2023, as a year-end sundry payment. An upwards adjustment on OS: B&A Project Management for commitments on projects. Some invoices are still unpaid. C&PS: Legal Cost Advice & Litigation is also 65.90% spent versus a budget of R5,965 million. There is also a saving on the Adjusted budget for OS: Security Services. The municipality deviated for approximately 3 months of the financial year and was in the process to advertise the tender. However, due to the fact that there are contract security personnel in the system, the decision was taken to perform this function in-house.
- ❖ 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. Journal have been processed.
- ❖ Transfers and subsidies show a negative variance of minus 40.9%. Other grants show minimal movement due to cash flow constraints.
- ❖ Other expenditure is showing an unsatisfactory variance of 12.1% as a result of the following line items under Operational Cost (OC)
 - Cost incurred of R40,095 million on OC: Cash Discount which is currently reflecting as an expense with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 2.4%. Water, Roads and Sewerage maintenance budget is under severe strain. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crises is severely and rapidly depleting the R&M budget. Lack of maintenance plans and planned maintenance is impeding on the municipality’s ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality’s finances to actually address service delivery challenges.

The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

R&M Expenditure per Directorate per Inventory type as at 30 June 2023 (Amounts in Rand)	Adjustment Budget	Curr Mth Exp	YTD Movement	% Spent Adj Budget	Comment
VOTE 1 - COUNCILLORS AND ADMIN	286,000	2,428	75,516	26%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	117,000	2,428	57,199	49%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	-	-	0%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	167,000	-	18,317	11%	UNDERSPENT
VOTE 2 - MUNICIPAL AND GENERAL	29,829,000	4,774,509	37,744,780	127%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	476,100	-	448,794	94%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	-	-	-	-	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	289,900	17,897	288,854	100%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	1,000	-	980	98%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,062,000	4,756,612	37,006,151	127%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	150,000	8,255	57,785	39%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	128,000	8,255	57,785	45%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,000	-	-	0%	UNDERSPENT
VOTE 4 - CORPORATE SERVICES	2,680,730	132,362	1,657,237	62%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	937,000	44,198	741,011	79%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	253,200	23,607	229,856	91%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	470,310	53,484	466,861	99%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	1,020,220	11,072	219,508	22%	UNDERSPENT
VOTE 5 - COMMUNITY SERVICES	36,960,000	3,758,492	27,516,892	74%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,001,900	99,267	792,295	79%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	43,700	24,113	30,180	69%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	216,000	5,007	205,407	95%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,007,900	30,658	943,565	94%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,691,550	632,095	8,396,611	97%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	310,900	35,466	297,770	96%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	25,688,050	2,931,885	16,851,065	66%	UNDERSPENT
VOTE 6 - FINANCIAL SERVICES	2,487,000	773,039	3,030,694	122%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,283,380	91,718	1,093,516	85%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	160,500	9,996	149,272	93%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	187,000	15,025	176,153	94%	UNDERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	-	-	-	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	856,120	656,300	1,611,753	188%	OVERSPENT
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	10,400,919	746,278	5,225,320	50%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	440,000	37,630	241,054	55%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	68,000	-	50,541	74%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	405,000	37,615	351,099	87%	UNDERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	-	6,894	86%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,479,919	671,033	4,575,731	48%	UNDERSPENT
VOTE 8 - INFRASTRUCTURE SERVICES	183,483,249	12,987,700	184,708,092	101%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	687,000	47,671	444,836	65%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	-	-	0%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	17,581,000	3,245,429	21,305,966	121%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	717,000	40,359	649,153	91%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,320,000	604,060	8,049,223	97%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	828,000	42,691	826,442	100%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	108,988,249	8,970,991	108,798,916	100%	SATISFACTORY
2326600 (INVENTORY - WATER)	46,360,000	36,500	44,633,556	96%	SATISFACTORY
Grand Total	266,276,898	23,183,064	260,016,314	98%	SATISFACTORY

Table 14.1: R&M Expenditure per Directorate Per Inventory Type

R&M Expenditure per Service per Inventory Type as at 30 June 2023 (Amounts in Rand)	Adjustment Budget	Curr Mth Exp	YTD Movement	% Spent Adj Budget	Comment
2480 - REFUSE	19,705,000	2,488,240	17,195,051	87%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	130,000	20,209	71,954	55%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	150,000	-	142,796	95%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,043,000	507,016	5,774,557	96%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	9,300	-	5,911	64%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	13,372,700	1,961,015	11,199,833	84%	UNDERSPENT
2830 - ROADS	18,813,000	3,606,313	20,891,593	111%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	53,000	-	41,450	78%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	55,000	1,585	48,706	89%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,705,000	3,604,728	20,801,436	111%	OVERSPENT
2840 - HOUSING	2,031,000	63,372	1,958,865	96%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	92,000	4,570	77,752	85%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	-	-	0%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	118,000	-	115,833	98%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	138,000	11,548	134,810	98%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	-	-	-	
2323600 (INVENTORY - MATERIALS & SUPPLIES)	1,682,000	47,254	1,630,470	97%	SATISFACTORY
2850 - SEWERAGE	21,698,000	2,180,594	18,890,370	87%	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	51,000	-	7,363	14%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	171,000	2,596	167,004	98%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	247,000	-	237,514	96%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,322,000	194,868	2,301,713	99%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	406,000	20,939	405,879	100%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,501,000	1,962,191	15,770,897	85%	UNDERSPENT
2860 - WATER	107,752,000	5,366,078	104,905,793	97%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	60,000	18,402	57,220	95%	SATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	17,410,000	3,242,832	21,138,962	121%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	118,000	23,915	102,558	87%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,280,000	164,741	2,070,701	91%	UNDERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	422,000	21,752	420,563	100%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	41,102,000	1,857,935	36,482,234	89%	UNDERSPENT
2326600 (INVENTORY - WATER)	46,360,000	36,500	44,633,556	96%	SATISFACTORY
2880 - ELECTRICITY	34,392,000	1,957,690	33,233,973	97%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	290,000	14,459	182,117	63%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	-	-	0%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	4,485	66,596	94%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	34,030,000	1,938,746	32,985,260	97%	SATISFACTORY
Grand Total	204,391,000	15,662,285	197,075,645	96%	SATISFACTORY

Table 14.2: R&M Expenditure per Service Per Inventory Type

Operating Expenditure by Type: Comparison against Adjusted Budget

Indicated in Table 4 above, is the YTD actual compared to the Adjusted Budget. The ideal In-Year-Monitoring percentage as at the end of June 2023 is 100%. The total operational expenditure against the Adjusted Budget is 89.9% spent, resulting in an unsatisfactory variance of minus 10.1%.

- ❖ Employee costs and Councillors remuneration is fairly satisfactory, showing a negative variance of minus 7.7% and 6.8%, respectively. Same factors are applicable as explained above.
- ❖ Debt impairment will be provided for on a quarterly basis and the journal for the fourth quarter was processed during May 2023.
- ❖ Depreciation will be provided for at year-end. Same factors are applicable as explained above.
- ❖ Finance charges is showing an unsatisfactory variance of minus 12.5%. Same factors are applicable as explained above.
- ❖ Bulk Electricity is showing an unsatisfactory variance of minus 14.6%. Same factors are applicable as explained above.
- ❖ Inventory consumed is showing a satisfactory variance of 2.4%. Same factors are applicable as explained above

- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is unsatisfactory is showing a negative variance of 40.9%. The same factors are applicable as explained in the paragraph above.
- ❖ Other expenditure is showing a negative variance of 12.1%. Same factors are applicable as explained above
- ❖ Loss on disposal of PPE (Water losses), is showing a satisfactory variance of 2.1%.

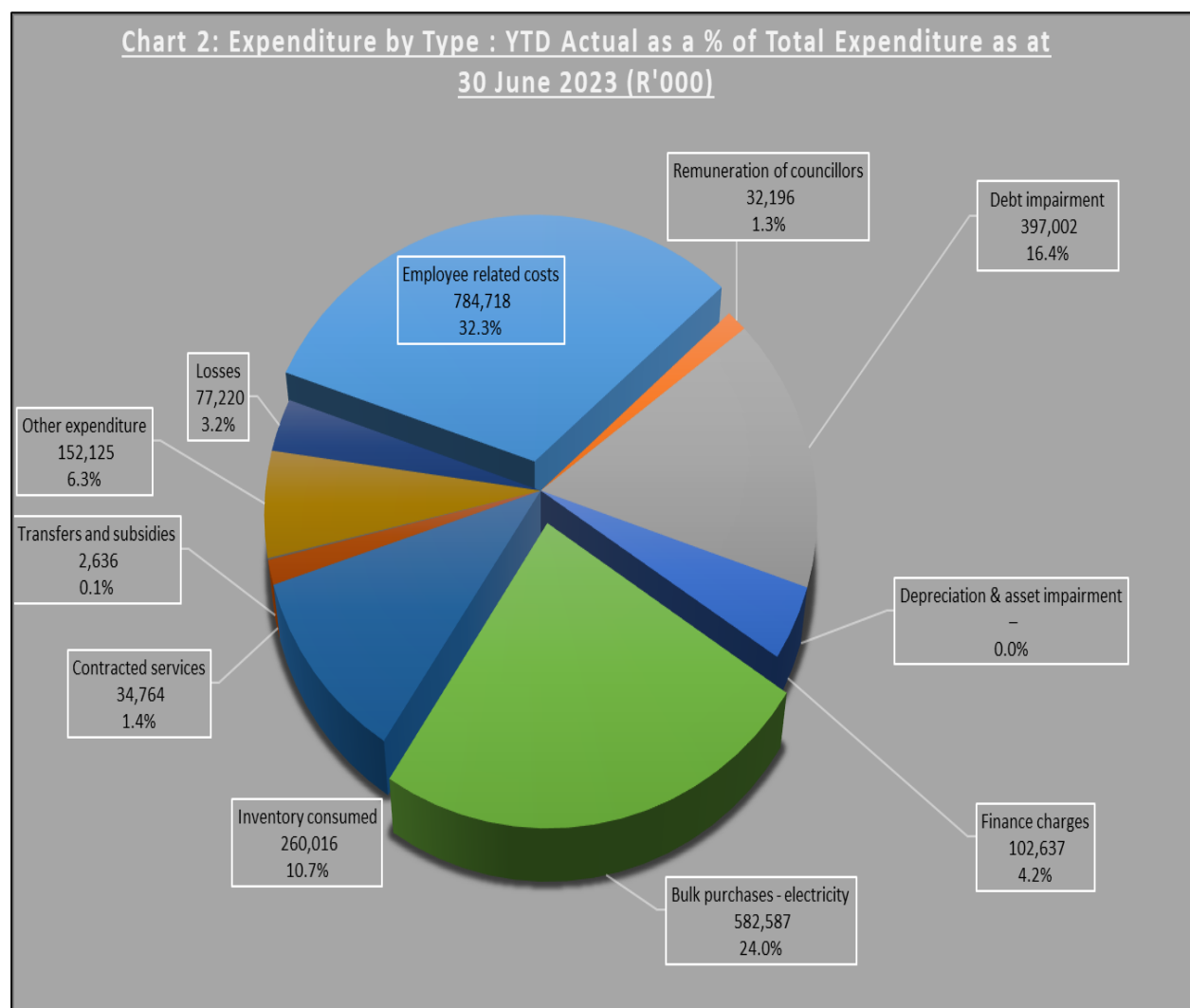


Chart 11: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 June 2023. The main cost drivers of the municipality are Employee Related Costs (32.3%), Debt Impairment (16.4%) and Bulk Purchases – Electricity (24%). It should be noted that these percentages are slightly distorted as a result of the following:

- ❖ The Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ The ESKOM Bulk invoice for June 2023 must still be captured on the system.

4.2 Expenditure by Vote

The vote structure of the municipality is represented by various directorates. Expenditure for the quarter ended 30 June 2021 is represented as per Table 15 below:

The largest vote is Infrastructure and services directorate taking over 48.2% of the total expenditure budget. This vote is responsible for planning, operations and maintenance of infrastructure, service delivery on the ground and project implementation. Community services directorate is also service delivery driven with municipal parks and recreation facilities, public facilities and amenities, environmental health and refuse collection, policing and emergency services as well as primary health services. Most employees of the municipality work in this vote as the scope of work is labour intensive and requires unskilled to semi-skilled labour force to perform duties.

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,098,135	1,126,167	1,113,195	83,951	1,115,939	1,113,195	2,744	0%	1,113,195
Executive and council		480,231	470,256	453,970	30,705	414,648	453,970	(39,322)	-9%	453,970
Finance and administration		617,905	655,911	659,225	53,246	701,291	659,225	42,066	6%	659,225
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		28,981	26,474	30,674	1,678	22,568	30,674	(8,106)	-26%	30,674
Community and social services		11,158	11,348	12,048	241	3,174	12,048	(8,873)	-74%	12,048
Sport and recreation		1,889	1,905	1,905	62	2,450	1,905	545	29%	1,905
Public safety		720	340	340	13	412	340	72	21%	340
Housing		12,192	12,801	12,801	1,358	12,972	12,801	171	1%	12,801
Health		3,023	80	3,580	3	3,560	3,580	(20)	-1%	3,580
<i>Economic and environmental services</i>		28,997	16,015	37,465	793	12,930	37,465	(24,535)	-65%	37,465
Planning and development		15,823	5,525	26,975	317	8,175	26,975	(18,800)	-70%	26,975
Road transport		13,174	10,490	10,490	476	4,755	10,490	(5,735)	-55%	10,490
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,212,755	1,444,171	1,439,111	114,283	1,305,233	1,439,111	(133,878)	-9%	1,439,111
Energy sources		742,172	935,854	915,854	70,672	772,199	915,854	(143,655)	-16%	915,854
Water management		307,957	345,167	340,167	26,908	338,549	340,167	(1,618)	0%	340,167
Waste water management		93,896	92,200	104,000	9,467	111,145	104,000	7,145	7%	104,000
Waste management		68,729	70,950	79,090	7,235	83,340	79,090	4,249	5%	79,090
<i>Other</i>	4	9,946	8,720	8,720	5,716	13,974	8,720	5,254	60%	8,720
Total Revenue - Functional	2	2,378,815	2,621,547	2,629,165	206,420	2,470,644	2,629,165	(158,522)	-6%	2,629,165
Expenditure - Functional										
<i>Governance and administration</i>		616,540	712,851	833,781	45,737	728,169	833,781	(105,612)	-13%	833,781
Executive and council		374,197	428,654	544,754	25,137	480,593	544,754	(64,162)	-12%	544,754
Finance and administration		235,566	277,659	282,489	20,156	242,171	282,489	(40,318)	-14%	282,489
Internal audit		6,778	6,538	6,538	444	5,405	6,538	(1,133)	-17%	6,538
<i>Community and public safety</i>		176,753	181,961	187,491	17,148	186,491	187,491	(999)	-1%	187,491
Community and social services		42,959	43,119	43,819	4,046	45,490	43,819	1,671	4%	43,819
Sport and recreation		53,032	53,283	53,913	6,087	59,768	53,913	5,854	11%	53,913
Public safety		42,229	43,948	43,948	3,569	41,129	43,948	(2,819)	-6%	43,948
Housing		19,874	22,768	23,468	1,835	21,008	23,468	(2,461)	-10%	23,468
Health		18,659	18,842	22,342	1,611	19,097	22,342	(3,245)	-15%	22,342
<i>Economic and environmental services</i>		124,668	141,936	147,539	13,474	137,935	147,539	(9,604)	-7%	147,539
Planning and development		39,022	47,872	48,636	3,598	42,461	48,636	(6,176)	-13%	48,636
Road transport		84,946	93,326	98,165	9,809	94,638	98,165	(3,527)	-4%	98,165
Environmental protection		700	737	737	66	836	737	99	13%	737
<i>Trading services</i>		1,373,647	1,402,477	1,503,701	104,050	1,350,234	1,503,701	(153,467)	-10%	1,503,701
Energy sources		882,510	915,683	979,283	73,755	853,343	979,283	(125,939)	-13%	979,283
Water management		326,816	322,469	352,072	15,264	334,566	352,072	(17,506)	-5%	352,072
Waste water management		92,343	93,375	101,396	8,455	90,847	101,396	(10,549)	-10%	101,396
Waste management		71,978	70,950	70,950	6,575	71,478	70,950	528	1%	70,950
<i>Other</i>		23,049	25,903	25,693	2,191	23,073	25,693	(2,621)	-10%	25,693
Total Expenditure - Functional	3	2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10%	2,698,205
Surplus/ (Deficit) for the year		64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-165%	(69,039)

Table 15: Table C3 Expenditure by Vote

4.3 Councillor and board member allowances and employee benefits

Municipal Staff is categorised in terms of levels of authority from the Executive Management Team which comprises of the Municipal Manager, the Chief Financial Officer and the Executive Directors appointed, Senior Managers which covers those that report directly to Municipal Manager and staff reporting to the CFO and to other Executive Directors. All other staff below this level form part of other staff.

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

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	-	860	82	882	860	22	3%	860
Medical Aid Contributions		267	-	390	42	425	390	35	9%	390
Motor Vehicle Allowance								-		
Cellphone Allowance		2,845	3,243	3,283	263	3,040	3,283	(242)	-7%	3,283
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		27,129	31,305	30,015	2,362	27,848	30,015	(2,167)	-7%	30,015
Sub Total - Councillors		30,737	34,547	34,547	2,750	32,196	34,547	(2,352)	-7%	34,547
% increase	4		12.4%	12.4%						12.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		8,265	8,853	8,846	388	6,171	8,846	(2,674)	-30%	8,846
Pension and UIF Contributions		1,086	1,286	1,276	30	856	1,276	(420)	-33%	1,276
Medical Aid Contributions		222	253	263	13	233	263	(30)	-12%	263
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance		1,849	1,939	1,939	81	1,479	1,939	(460)	-24%	1,939
Cellphone Allowance		157	202	202	8	132	202	(70)	-35%	202
Housing Allowances		26	42	49	2	28	49	(21)	-42%	49
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards		67	65	65	1	44	65	(21)	-32%	65
Post-retirement benefit obligations								-		
Sub Total - Senior Managers of Municipality		11,671	12,640	12,640	524	8,943	12,640	(3,697)	-29%	12,640
% increase	4		8.3%	8.3%						8.3%
Other Municipal Staff										
Basic Salaries and Wages		417,872	464,246	455,111	36,613	434,572	455,111	(20,539)	-5%	455,111
Pension and UIF Contributions		74,736	89,325	88,587	6,674	79,164	88,587	(9,423)	-11%	88,587
Medical Aid Contributions		49,309	58,279	59,294	4,764	61,056	59,294	1,762	3%	59,294
Overtime		52,688	39,796	42,352	5,647	67,363	42,352	25,011	59%	42,352
Performance Bonus		28,946	36,221	36,899	778	29,672	36,899	(7,227)	-20%	36,899
Motor Vehicle Allowance		42,071	51,296	50,501	3,731	42,144	50,501	(8,357)	-17%	50,501
Cellphone Allowance		1,401	1,415	1,646	131	1,456	1,646	(190)	-12%	1,646
Housing Allowances		2,636	2,895	2,960	226	2,737	2,960	(223)	-8%	2,960
Other benefits and allowances		19,998	16,202	21,301	1,882	20,191	21,301	(1,110)	-5%	21,301
Payments in lieu of leave		10,507	15,000	15,000	168	8,954	15,000	(6,046)	-40%	15,000
Long service awards		24,418	23,189	24,779	3,131	27,890	24,779	3,111	13%	24,779
Post-retirement benefit obligations		36,522	38,900	38,900	574	574	38,900	(38,326)	-99%	38,900
Sub Total - Other Municipal Staff		761,106	836,763	837,330	64,319	775,775	837,330	(61,555)	-7%	837,330
% increase	4		9.9%	10.0%						10.0%
Total Parent Municipality		803,514	883,950	884,517	67,593	816,914	884,517	(67,603)	-8%	884,517

Table 16: Councillor and staff benefits

As depicted in Table 16 above, Employee related costs is satisfactory and showing a variance of minus 8%. 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 7% 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 needs to do more to address the issues on Overtime which is higher than the ideal IYM percentage of 100%, at 174.2% spent, already resulting in an over-expenditure of 74.2%. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and **Section 52(d) report for Preliminary 4th quarter of 2022/23**

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 transpired for the current year with the budget already being overspent. Overtime can be monitored by implementing more stringent control measures. 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 were limited to 30 hours per month within most departments, but this control has been relaxed, negatively contributing to the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 17 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of June 2023.

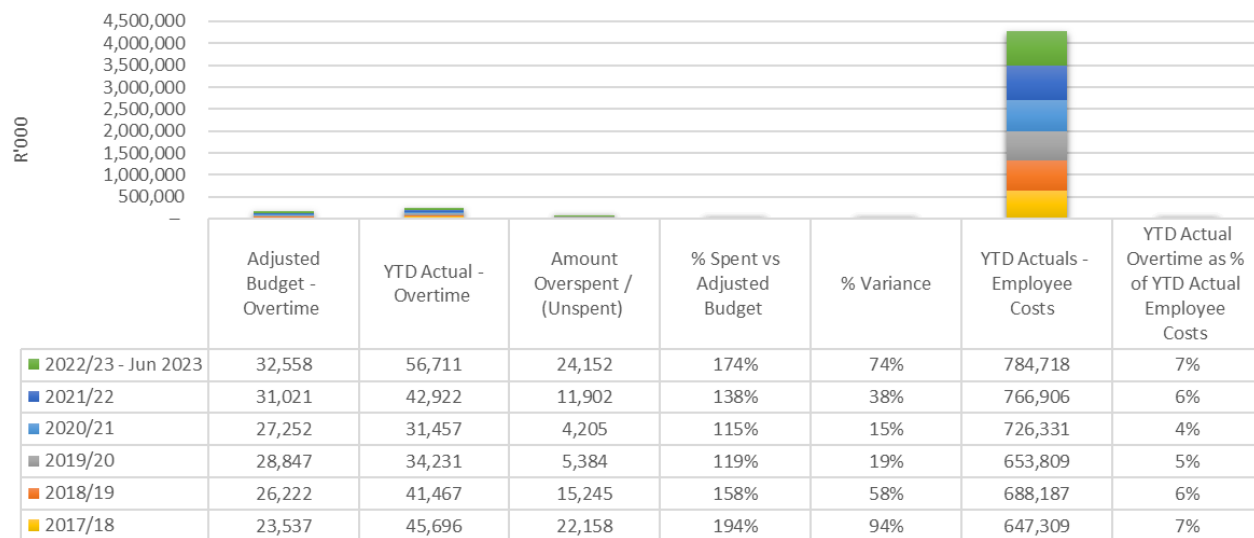
Description per line item (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Adjusted Budget	Adjusted Variance IYM % - 100%
MS: OVERTIME - NON STRUCTURED	29,209,309	4,631,744	53,590,235	183.5%	83.5%
MS: OVERTIME - STRUCTURED	3,349,182	138,516	3,120,533	93.2%	-6.8%
Overtime as at 30 June 2023	32,558,491	4,770,260	56,710,768	174.2%	74.2%

Directorate (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	Adjusted Variance IYM % - 100%
20-EXECUTIVE AND COUNCIL	261,000	54,394	687,681	263.5%	163.5%
21-MUNICIPAL AND GENERAL	-	-	-	-	-100.0%
22-MUNICIPAL MANAGER	14,000	3,637	35,265	252%	151.9%
23-CORPORATE SERVICES	1,650,000	186,707	2,315,607	140.3%	40.3%
24-COMMUNITY SERVICES	13,163,941	1,564,306	18,628,940	141.5%	41.5%
26-FINANCIAL SERVICES	986,400	162,943	2,208,448	223.9%	123.9%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	956,750	107,004	1,308,119	136.7%	36.7%
28-INFRASTRUCTURE SERVICES	15,526,400	2,691,268	31,526,708	203.1%	103.1%
Overtime as at 30 June 2023	32,558,491	4,770,260	56,710,768	174.2%	74.2%

Table 17: Current YTD Overtime expenditure excl Night-shift allowance

Overtime was capped at 30 hours across most units within the municipality but this has since been relaxed. The YTD Overtime expenditure is R56,711 million and 174.2% spent, resulting in a negative variance of 74.2% and an over-expenditure of R24,152 million, when compared to the ideal percentage of 100% for the period under review.

Chart 14.1: Overtime Actual vs Budget - 2017/18 to 2022/23



Indicated in Chart 12.1, is the actual Overtime versus Budget from 2017/18 to 2022/23 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 12.2 is the monthly and annual Overtime comparison from July 2018 to June 2023. 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 2022/23 financial year is already overspent. Serious remedial action will have to be implemented to reduce Overtime expenditure.

Chart 14.2: Monthly and Annual Overtime Comparison - Jul 2018 to Jun 2023

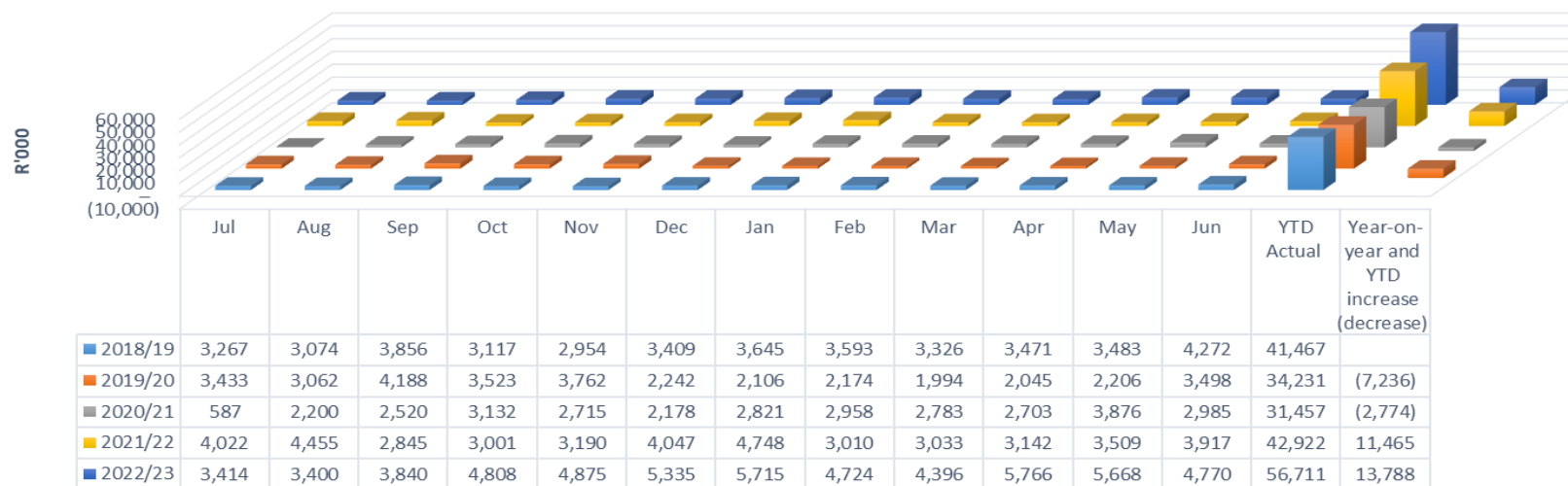


Chart 12.1: Overtime Actual vs Budget

Chart 12.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

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

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

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

4.4 Bulk Purchases

Bulk Purchases Electricity, Water Inventory and Water Losses

Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 100% as at end of June 2023, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 14.58%. The June 2023 invoice must still be captured on the system.

Description	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
BULK PURCHASES: ELECTRICITY	682,000,000	48,330,709	582,586,771	85.42%	-14.58%
Total	682,000,000	48,330,709	582,586,771	85.42%	-14.58%

Table 18.1: Summary of YTD Bulk Electricity Expenditure

Indicated in Table 18.2 below, is the Water inventory and Water losses which is showing a satisfactory variance of minus 0.4% when compared to the ideal percentage of 100%. 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 for the actuals was effected on the system.

Description	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
INVENTORY - WATER	46,360,000	36,500	44,633,556	96.3%	-3.7%
NON-REVENUE WATER LOSSES	75,640,000	59,553	76,899,618	101.7%	1.7%
Total	122,000,000	96,053	121,533,174	99.6%	-0.4%

Table 18.2: Summary of YTD Bulk Water Expenditure

Organ of state	Arrear debt of unpaid invoices	Current Account due (June 2023)	Total Outstanding Debt	YTD Interest charged 2022/23
ESKOM	799,148,650.07	114,263,826.52	913,412,476.59	91,311,032.20
DWS (Water boards)	126,431,294.29	82,471.24	126,513,765.53	-
Grand Total	925,579,944.36	114,346,297.76	1,039,926,242.12	91,311,032.20

Table 19.1: Summary of outstanding bulk costs debt

Indicated in Table 19.1 above, is the total outstanding debt owed to ESKOM amounting to R913,412 million. The debt for 2021/22 has not been settled in full. The current arrangement with ESKOM is that the municipality must at least settle the current account on a monthly basis, whilst the repayment proposal by the municipality must still be approved by ESKOM. Therefore, there is no formal payment arrangement in place for 2022/23 financial year. The municipality is struggling to meet the monthly current account but pays what is available from a cash perspective. The total year to date interest charged on overdue accounts due to ESKOM amounts to R91,311 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

Also, indicated in Table 19.1 above, is the total outstanding debt owed to DWS which amounts to R126,514 million. There are still outstanding invoices for 2021/22 financial year. The municipality opted to partake in the Department's Debt Incentive Scheme which constitutes of the following conditions:

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but have defaulted but has since caught up.
- Settling the monthly debt instalment (municipality complied, but defaulted for May 2023, but has since caught up again)
- Repayment of debt over 12 months (municipality requested 24-month repayment period)

Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the current financial year. The repayment proposal was approved by the Department for approval.

Month	Invoice amount	Paid to date (2022/23 FY)	Outstanding Balance	Arrear Debt	Current Acc
Aug 21 (outstanding balance)	78,419,607.96	78,419,607.96	-	-	
Sep-21	54,138,006.95	54,138,006.95	-	-	
Oct-21	51,027,860.62	-	51,027,860.62	51,027,860.62	
Nov-21	50,812,779.51	-	50,812,779.51	50,812,779.51	
Dec-21	51,379,198.31	-	51,379,198.31	51,379,198.31	
Jan-22	53,401,058.31	-	53,401,058.31	53,401,058.31	
Feb-22	51,445,498.50	-	51,445,498.50	51,445,498.50	
Mar-22	54,651,968.15	-	54,651,968.15	54,651,968.15	
Apr-22	51,834,528.52	-	51,834,528.52	51,834,528.52	
May-22	57,826,269.53	-	57,826,269.53	57,826,269.53	
Jun-22	101,431,456.54	-	101,431,456.54	101,431,456.54	
Jul-22	105,352,701.86	105,352,701.86	-	-	
Aug-22	109,064,695.35	109,064,695.35	-	-	
Sep-22	58,357,071.08	58,357,071.08	-	-	
Oct-22	59,750,383.02	59,750,383.02	-	-	
Nov-22	59,086,722.23	59,086,722.23	-	-	
Dec-22	58,648,907.34	10,560,575.91	48,088,331.43	48,088,331.43	
Jan-23	59,491,314.63	-	59,491,314.63	59,491,314.63	
Feb-23	56,821,014.10	-	56,821,014.10	56,821,014.10	
Mar-23	62,753,323.56	62,753,323.57	-0.01	-0.01	
Apr-23	55,105,989.70	10,000,000.00	45,105,989.70	45,105,989.70	
May-23	65,831,382.23	-	65,831,382.23	65,831,382.23	
Jun-23	114,263,826.52	-	114,263,826.52		114,263,826.52
Total ESKOM	1,520,895,564.52	607,483,087.93	913,412,476.59	799,148,650.07	114,263,826.52

Table 19.2: Summary of outstanding ESKOM debt

Indicated in Table 19.2 above, is the detailed breakdown of outstanding balances per invoice, amounting to R913,412 million pertaining to the debt owed to ESKOM. The outstanding balance is then split into the arrear debt (R799,149 million) and the current account (R114,264 million).

Payments per fin period	Sum of VOTE AMOUNT	Payment date	Sum of VOTE AMOUNT
202108	18,165,402.07	20210811	6,000,000.00
202109	24,000,000.00	20210818	6,000,000.00
202110	21,954,439.94	20210825	4,000,000.00
202111	20,000,000.00	20210827	2,165,402.07
202112	30,000,000.00	20210907	6,000,000.00
202201	29,986,502.54	20210915	6,000,000.00
202202	19,000,000.00	20210916	6,000,000.00
202203	20,000,000.00	20210920	6,000,000.00
202204	30,000,000.00	20211005	6,000,000.00
202205	50,000,000.00	20211012	6,000,000.00
202206	53,019,940.09	20211019	9,954,439.94
202208	79,537,674.82	20211108	10,000,000.00
202209	109,064,695.35	20211115	10,000,000.00
202210	58,357,071.08	20211208	30,000,000.00
202211	59,750,383.02	20220104	83,198.46
202212	20,000,000.00	20220118	29,903,304.08
202301	22,000,000.00	20220225	19,000,000.00
202302	45,000,000.00	20220316	20,000,000.00
202303	35,000,000.00	20220413	30,000,000.00
202304	47,000,000.00	20220512	20,000,000.00
202305	50,753,323.57	20220531	30,000,000.00
202306	28,000,000.00	20220713	53,019,940.09
Grand Total	870,589,432.48	20220815	40,000,000.00
		20220824	39,537,674.82
		20220919	109,064,695.35
		20221028	58,357,071.08
		20221130	59,750,383.02
		20221230	20,000,000.00
		20230131	22,000,000.00
		20230228	45,000,000.00
		20230316	35,000,000.00
		20230417	25,000,000.00
		20230428	22,000,000.00
		20230505	15,753,323.56
		20230530	35,000,000.01
		20230630	28,000,000.00
		Grand Total	870,589,432.48

Table 19.3: Summary of ESKOM payments

Indicated in Table 6.3 above, is the total amount paid to ESKOM per financial period and per payment date for the 2021/22 and 2022/23 financial year which amounted to R870,589 million. For the month of June 2023, the municipality settled R28,000 million on the outstanding debt.

Month	Invoice amount	Paid to date (2022/23 FY)	Outstanding Balance	Arrear Debt	Current Acc
INTEREST CHARGES - APR TO	6,191,399.16	-	6,191,399.16	6,191,399.16	
INTEREST CHARGES - JAN TO	950,146.17	950,146.17	-	-	
INTEREST CHARGES - MAR 202	756,259.22	756,259.22	-	-	
Feb 21 (outstanding balance)	10,628,510.40	10,628,510.40	-	-	
Mar-21	13,223,916.36	13,223,916.36	-	-	
Jun-21	1,305,964.45	1,305,964.45	-	-	
Jul-21	14,184,549.49	14,184,549.49	-	-	
Aug-21	15,074,754.70	-	15,074,754.70	15,074,754.70	
Sep-21	15,794,682.80	-	15,794,682.80	15,794,682.80	
Oct-21	15,275,086.61	-	15,275,086.61	15,275,086.61	
Nov-21	14,522,530.48	-	14,522,530.48	14,522,530.48	
Dec-21	11,107,773.22	-	11,107,773.22	11,107,773.22	
Jan-22	17,098,078.18	-	17,098,078.18	17,098,078.18	
Feb-22	16,436,776.66	-	16,436,776.66	16,436,776.66	
Mar-22	14,930,212.48	-	14,930,212.48	14,930,212.48	
WRL (JUN, JUL,AUG,SEP 2021 &	863,336.64	863,336.64	-	-	
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	-	-	
Oct-22	14,901,912.74	14,901,912.74	-	-	
Nov-22	16,318,404.82	16,318,404.82	-	-	
Dec-22	10,953,859.72	10,953,859.72	-	-	
Jan-23	18,023,065.00	18,023,065.00	-	-	
Feb-23	17,416,992.12	17,416,992.12	-	-	
Mar-23	15,828,854.80	15,828,854.80	-	-	
WRM CHARGES (APR 22 - MAR	989,654.88	989,654.88	-	-	
WRM CHARGES (APR 23)	82,471.24	82,471.24	-	-	
WRM CHARGES (MAY 23)	82,471.24	82,471.24	-	-	
WRM CHARGES (MAY 23)	82,471.24	-	82,471.24		82,471.24
Total DWS (Bulk water acc)	310,586,701.16	184,072,935.63	126,513,765.53	126,431,294.29	82,471.24

Table 19.4: Summary of outstanding DWS debt

Indicated in Table 19.4 above, is the detailed breakdown of outstanding balances per invoice amounting to R126,514 million pertaining to debt owed to DWS. The outstanding balance is then split into the arrear debt (R126,431 million) and the current account of (R82 thousand), pertaining to WRM levies. No billing was raised for June 2023 as the servitude (free water) period which commences from 1 April each year is not yet exhausted.

Payments per fin period	Sum of VOTE AMOUNT	Payment date	Sum of VOTE AMOUNT
202108	7,589,628.61	20210811	4,000,000.00
202109	10,082,471.24	20210817	2,000,000.00
202110	5,809,338.36	20210825	1,000,000.00
202111	16,732,805.33	20210831	589,628.61
202112	164,942.48	20210908	4,000,000.00
202202	792,718.16	20210915	2,000,000.00
202203	13,437,789.26	20210916	2,082,471.24
202204	6,810,888.11	20210920	2,000,000.00
202205	3,637,789.26	20211020	5,726,867.12
202206	4,658,418.01	20211022	82,471.24
202208	38,036,976.25	20211108	8,000,000.00
202209	164,942.48	20211116	8,732,805.33
202210	33,851,895.86	20211202	82,471.24
202211	20,941,921.16	20211230	82,471.24
202212	7,835,604.54	20220203	627,775.68
202301	17,118,802.20	20220225	164,942.48
202302	82,471.24	20220301	4,000,000.00
202303	27,817,868.18	20220311	1,937,789.26
202304	15,906,705.34	20220316	7,500,000.00
202305	18,027,685.70	20220413	6,645,945.63
202306	164,942.48	20220425	164,942.48
Grand Total	249,666,604.25	20220601	4,173,087.07
		20220614	1,788,876.63
		20220714	82,471.24
		20220728	1,388,435.69
		20220802	863,336.64
		20220816	38,036,976.25
		20220901	82,471.24
		20220920	82,471.24
		20221021	82,471.24
		20221031	33,769,424.62
		20221111	82,471.24
		20221124	20,859,449.92
		20221229	7,835,604.54
		20230109	82,471.24
		20230124	16,953,859.72
		20230126	82,471.24
		20230220	82,471.24
		20230317	27,735,396.94
		20230322	82,471.24
		20230421	77,850.54
		20230502	15,828,854.80
		20230508	6,000,000.00
		20230522	4,620.70
		20230530	12,023,065.00
		20230605	82,471.24
		20230629	82,471.24
		Grand Total	249,666,604.25

Table 19.5: Summary of DWS payment

Indicated in Table 19.5 above, is the total amount paid to DWS per financial period and per payment date for the 2021/22 and 2022/23 financial year amounting to R249,502 million. For the month of June 2023, the municipality settled an amount of R164 thousand.

Monthly and YTD comparison of debt owed to Eskom and DWS

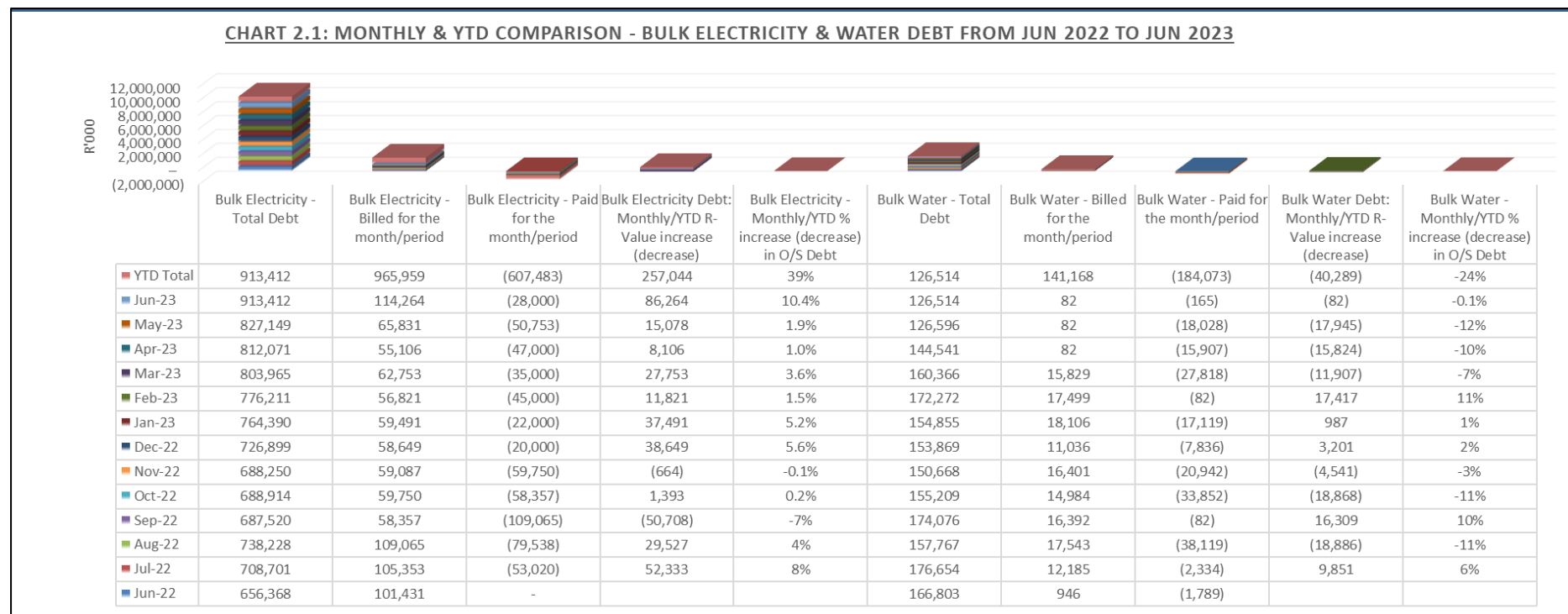


Chart 13: Monthly & YTD Comparison – Bulk Electricity & Water Debt

Indicated in Chart 13 above, is the monthly and YTD comparison of Bulk electricity and Water debt. From May 2023 to June 2023, debt owed to ESKOM increased by R86,264 million or 10.4%, from R827,149 million to R913,412 million. When comparing the total outstanding debt to June 2022, the outstanding debt increased by R257,044 million or 39% from R656,368 million to R913,412 million. The total YTD billing from June 2022 to June 2023, amounted to R965,959 million, whilst the municipality settled an amount of R607,483 million for the same period.

From May 2023 to June 2023, debt owed to DWS decreased by R164 thousand or minus 0.1%, from R126,596 million to R126,514 million. When comparing the total outstanding debt to June 2022, the outstanding debt decreased by R40,289 million or minus 24% from R166,803 million to R126,514 million. The total YTD billing from June 2022 to June 2023, amounts to R141,168 million, whilst the municipality settled an amount of R184,073 million for the same period.

4.5 Aged Creditors

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	114,264	65,831	45,106	—	56,821	59,491	48,088	523,811	913,412	656,368
Bulk Water	0200	82	—	—	—	—	—	—	126,431	126,514	166,803
PAYE deductions	0300	9,445	—	—	—	—	—	—	—	9,445	8,999
VAT (output less input)	0400									—	—
Pensions / Retirement deductions	0500	7,937	—	—	—	—	—	—	—	7,937	7,343
Loan repayments	0600									—	—
Trade Creditors	0700	236	—	—	—	—	—	—	—	236	—
Auditor General	0800	12								12	85
Other	0900	17,033	—	—	2,729	—	—	—	—	19,763	23,641
Total By Customer Type	1000	149,010	65,831	45,106	2,729	56,821	59,491	48,088	650,242	1,077,319	863,239

Table 20: Supporting Table SC4: Aged Creditors

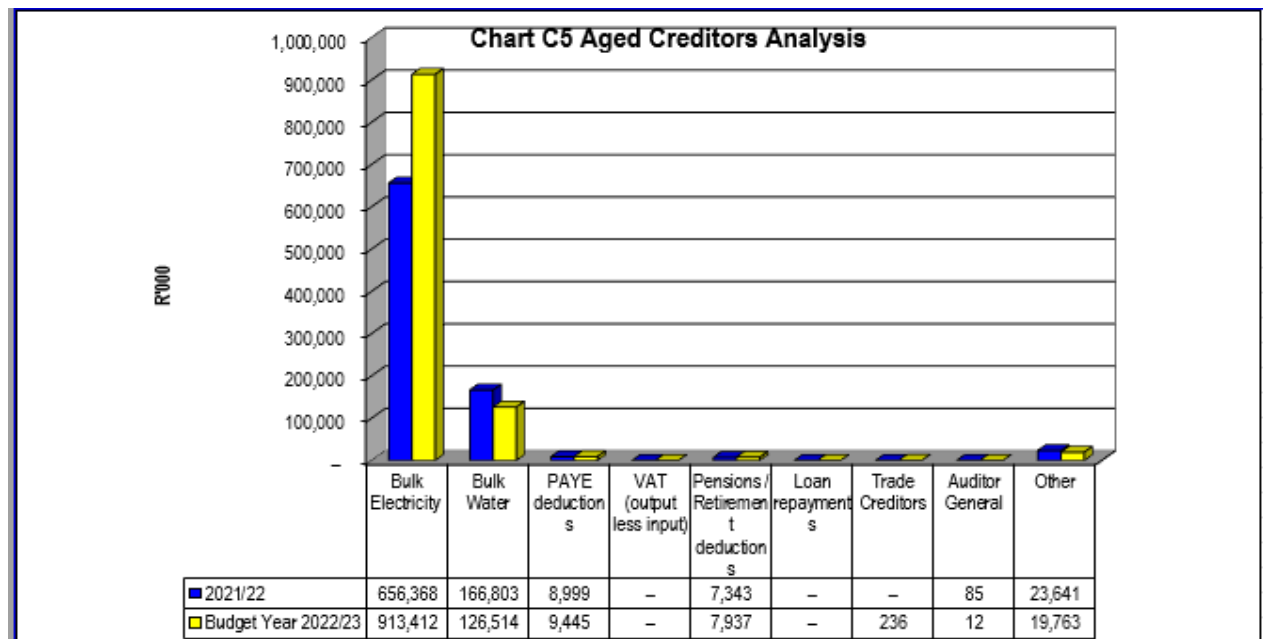


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2021/22 is based on the outstanding creditors as at 30 June 2022 (prior year totals for the same period).

Bulk Electricity – As at the 30 June 2023, the outstanding debt owed to ESKOM amounted to R913,412 million. The current agreement with ESKOM is that the municipality must settle its monthly current account. No formal payment agreement with ESKOM for the 2022/23 financial year is currently in place.

Bulk Water – As at the 30 June 2023, the outstanding debt owed to DWS is R126,514 million. A payment agreement with DWS for the 2022/23 financial year has been concluded and the municipality is participating in the Incentive scheme that the Department is providing to municipalities.

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

VAT – after the monthly VAT reconciliation, we paid an amount of R4,940 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 amounts to R12 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 30 June 2023 of which the biggest contributor is other third party salary payments amounting to R16,339 million which was paid by 7 July 2023.

4.6 Repairs and maintenance

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

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. The lack of maintenance plans has a negative influence on budgeting and expenditure on R&M.

R&M Expenditure per Department as at 30 June 2023 (Amounts in Rand)	Adjustment Budget	Curr Mth Exp	YTD Movement	% Spent Adj Budget
VOTE 1 - COUNCILLORS AND ADMIN	286 000	2 428	75 516	26%
VOTE 2 - MUNICIPAL AND GENERAL	29 829 000	4 774 509	37 744 780	127%
VOTE 3 - MUNICIPAL MANAGER	150 000	8 255	57 785	39%
VOTE 4 - CORPORATE SERVICES	2 680 730	132 362	1 657 237	62%
VOTE 5 - COMMUNITY SERVICES	36 960 000	3 758 492	27 516 892	74%
VOTE 6 - FINANCIAL SERVICES	2 487 000	773 039	3 030 694	122%
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	10 400 919	746 278	5 225 320	50%
VOTE 8 - INFRASTRUCTURE SERVICES	183 483 249	12 987 700	184 708 092	101%
Grand Total	266 276 898	23 183 064	260 016 314	98%

Table 21 : Budget per vote

R&M Expenditure per Service as at 30 June 2023 (Amounts in Rand)	Adjustment Budget	Curr Mth Exp	YTD Movement	% Spent Adj Budget
2480 - REFUSE	19 705 000	2 488 240	17 195 051	87%
2830 - ROADS	18 813 000	3 606 313	20 891 593	111%
2840 - HOUSING	2 031 000	63 372	1 958 865	96%
2850 - SEWERAGE	21 698 000	2 180 594	18 890 370	87%
2860 - WATER	107 752 000	5 366 078	104 905 793	97%
2880 - ELECTRICITY	34 392 000	1 957 690	33 233 973	97%
Grand Total	204 391 000	15 662 285	197 075 645	96%

Table 22 : Budget per service

Infrastructure and Services has been allocated just over 69% of the council maintenance budget for obvious reasons that all infrastructure is operated and maintained in this vote. The preliminary variance shows an under-expenditure of 11%, with Infrastructure services showing a variance of minus 8%.

5. CAPITAL EXPENDITURE

As indicated in the Charts 14 and 15 below, the YTD Actual on capital expenditure as at end of June 2023 amounted to R100,695 million which shows an unsatisfactory variance of 31.5% when compared to the YTD budgeted SDBIP target of R188,293 million and 53.5% spent. When compared to the Adjustment Budget of R188,293 million the target on capital expenditure percentage spent as contained in the SDBIP was set at 85% as at the end of the 4th Quarter.

When taking this into consideration, the total expenditure shows a negative variance of 31.5% and 53.5% spent for the period under review.

The total YTD capex is funded from Capital grants R70,675 million (70.2%) and Internally generated funds R30,020 million (29.8%).

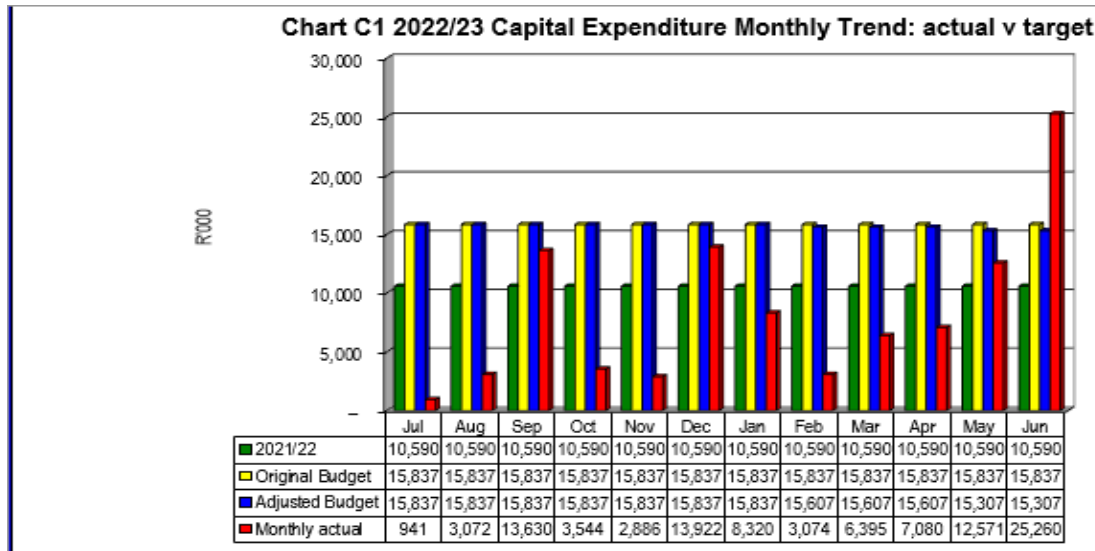


Chart 14: Capital Expenditure Monthly Trend: actual v target

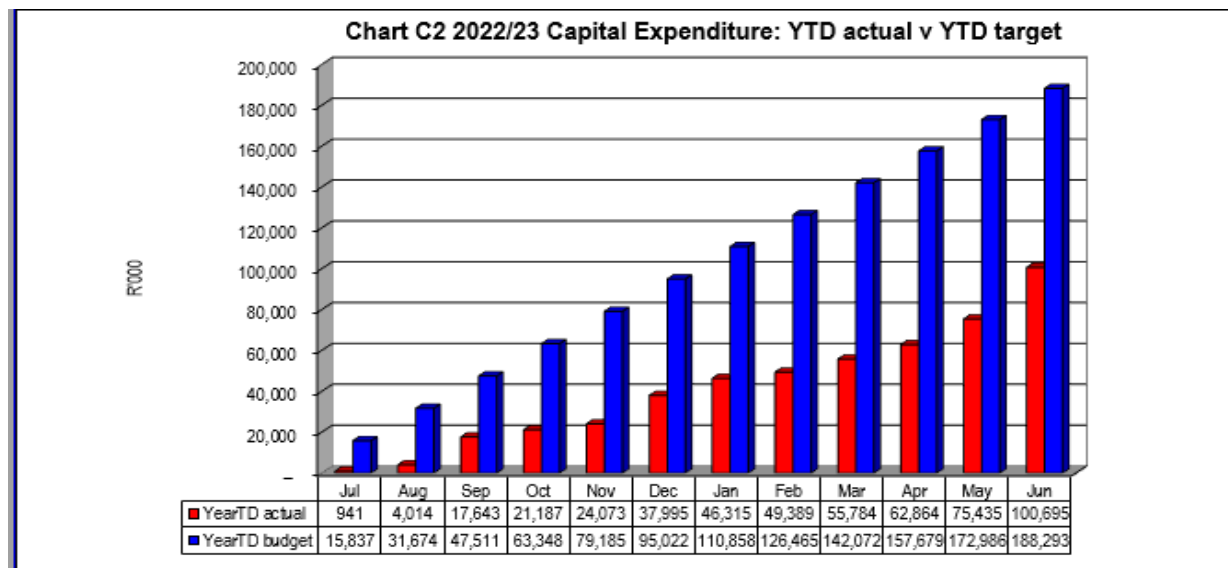


Chart 15: Capital Expenditure: YTD actual vs YTD target

5.1 Capital expenditure by project

Indicated in Table 23 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 June 2023 amounted to R25,260 million. The total YTD Capex amounts to R100,695 million. Please note that Commitments amounting to R18,698 million is excluded from the YTD movement. Capital expenditure is also exclusive of VAT.

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	-	-	783,300	1,216,700	39.2%	39.2%	INTERNALLY GENERATED FUNDS
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	494,325	-	2,512,200	487,800	83.7%	83.7%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	35,405,000	11,705,000	-0	-	7,363,802	4,341,198	20.8%	62.9%	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	4,443,656	-	5,888,714	5,411,286	52.1%	52.1%	INTERNALLY GENERATED FUNDS
EUROPEAN UNION BEAR PROJECT	-	18,850,000	-	-	-	18,850,000		0.0%	EUROPEAN UNION
CRAVEN STREET TRADE CENTRE	8,300,000	8,300,000	-	-	2,895,192	5,404,808		34.9%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
P-CIER RDS ROAD STRUCTURE/R31	-	7,700,000	1,193,838	-	7,227,471	472,529		93.9%	INTERNALLY GENERATED FUNDS
P-CIER RDS ROADS	15,000,000	15,000,000	-	-	14,943,043	56,957	99.6%	99.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	12,000,000	12,000,000	3,654,936	-	12,931,115	-931,115	107.8%	107.8%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
P-CIER SWA ATTENUATION/THLAGENG	-	3,000,000	-	-	-	3,000,000		0.0%	INTERNALLY GENERATED FUNDS
RECONSTRUCTION OLD SINK TOILETS PHASE 1	1,000,000	1,000,000	-	-	-	1,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	21,090,000	21,090,000	-	6,220,267	7,694,506	13,395,494	36.5%	36.5%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	19,948,000	14,948,000	3,192,476	7,040,683	6,451,432	8,496,568	32.3%	43.2%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000,000	2,000,000	2,293	-	34,015	1,965,985	1.7%	1.7%	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	1,000,000	1,000,000	-	-	-	1,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
WATER PIPES REFURB PROG VARIOUS WARDS	10,000,000	10,000,000	47,770	-	47,770	9,952,230		0.5%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
HV SUB ACQ-CARTGLEN TRANSF/GALASH SUBS	7,000,000	11,400,000	6,524,200	4,596,182	6,524,200	4,875,800	93.2%	57.2%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LERATO PARK	-	13,000,000	1,360,758	516,791	8,198,933	4,801,067		63.1%	INTERNALLY GENERATED FUNDS
STREET LIGHTS REPLACE 125W MV with 36W L	3,000,000	4,000,000	1,403,841	-	3,999,987	13	133.3%	100.0%	EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)
INSTALL VSD'S AT NEWTON RESEVIOR	1,000,000	-	-	-	-	-	0.0%		EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)
NW ACQ - ELE CTR LERATO PARK	33,000,000	13,000,000	2,436,444	323,958	12,676,042	323,958	38.4%	97.5%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	2,000,000	2,000,000	505,544	-	523,693	1,476,307	26.2%	26.2%	INTERNALLY GENERATED FUNDS
TOTAL	190,043,000	188,293,000	25,260,078	18,697,882	100,695,413	87,597,587	53.0%	53.5%	

Table 23: Detailed capital expenditure report

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original Budget	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	24,400,000	8,960,644	19,200,241	4,920,141	48.0%	78.7%
INTERNALLY GENERATED FUNDS	55,705,000	55,705,000	7,506,087	30,019,928	516,791	53.9%	53.9%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	70,390,000	4,197,030	41,023,825	6,220,267	58.3%	58.3%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	14,948,000	3,192,476	6,451,432	7,040,683	32.3%	43.2%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	4,000,000	1,403,841	3,999,987	-	100.0%	100.0%
EUROPEAN UNION	-	18,850,000	-	-	-		0.0%
Grand Total	190,043,000	188,293,000	25,260,078	100,695,413	18,697,882	53.0%	53.5%

Table 24: Summary of capital expenditure per funding source

Indicated in Table 24 above, is a summary of the capital expenditure per funding source compared to the Adjusted budget. Overall spending on grants is extremely low, whilst spending on INEP and EEDSM is showing improvement. The percentage expenditure on IUDG (58.3%), INEP (78.7%), WSIG (43.2%) and EEDSM (100%). Spending on Internally generated funds is also 53.9% 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 of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be 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 multi-year 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) - M12 June

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	16,705	494	10,659	16,705	(6,046)	-36%	16,705
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	27,150	-	2,895	27,150	(24,255)	-89%	27,150
Vote 08 - Infrastructure And Services		88,488	79,038	94,738	9,450	57,494	94,738	(37,244)	-39%	94,738
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	138,593	9,944	71,049	138,593	(67,544)	-49%	138,593
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		4,041	13,300	13,300	4,444	5,889	13,300	(7,411)	-56%	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	36,400	10,872	23,758	36,400	(12,642)	-35%	36,400
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	49,700	15,316	29,647	49,700	(20,053)	-40%	49,700
Total Capital Expenditure		127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Capital Expenditure - Functional Classification										
Governance and administration		11,238	53,705	30,005	4,938	16,548	30,005	(13,457)	-45%	30,005
Executive and council		11,238	53,705	30,005	4,938	16,548	30,005	(13,457)	-45%	30,005
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	64,850	4,849	37,997	64,850	(26,853)	-41%	64,850
Planning and development		18,239	8,300	27,150	-	2,895	27,150	(24,255)	-89%	27,150
Road transport		34,218	27,000	37,700	4,849	35,102	37,700	(2,598)	-7%	37,700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		63,386	101,038	93,438	15,473	46,151	93,438	(47,287)	-51%	93,438
Energy sources		34,548	46,000	43,400	12,231	31,923	43,400	(11,477)	-26%	43,400
Water management		624	13,000	13,000	50	82	13,000	(12,918)	-99%	13,000
Waste water management		28,214	42,038	37,038	3,192	14,146	37,038	(22,892)	-62%	37,038
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Funded by:										
National Government		95,428	134,338	113,738	17,754	70,675	113,738	(43,063)	-38%	113,738
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	-	18,850	-	-	18,850	(18,850)	-100%	18,850
Transfers recognised - capital		112,818	134,338	132,588	17,754	70,675	132,588	(61,913)	-47%	132,588
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		14,263	55,705	55,705	7,506	30,020	55,705	(25,685)	-46%	55,705
Total Capital Funding		127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293

Table 25 : Capital expenditure per vote

6. INVESTMENT PORTFOLIO ANALYSIS

The market value of the investment portfolio has been utilized and for the period ending 30 June 2023, the value of total investments made was R51,215 million including interest. Part of investments made during the month where interest accrued which reflected an increase in investments. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Partial withdrawals of R1,977 million was redeemed to disclose interest on investment for the year ending 30 June 2023.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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 *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			5,830	38	(368)	-	5,500
Absa Bank 9286041059		6 months	Call a/c	No	Variable	0	0			-	-	-	-	-
Investec 1400093272500		6 months	Call a/c	No	Variable	5.35	0			637	4	(41)	-	600
Standard Bank 04846627-014		6 months	Call a/c	No	Variable	5.5	0			5,338	36	(374)	-	5,000
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			5,784	33	(316)	-	5,501
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	5.25	0		2019/06/06	5,288	34	(321)	-	5,001
Standard Bank 048466271-085		12 months	Notice	No	Fixed	585.00%	0		2022/11/10	-	-	-	-	-
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	740.00%	0		2023/06/28	7,917	41	(557)	-	7,401
Standard Bank 048466271-086		12 months	Notice	No	Fixed	902.50%	0		2023/11/10	22,046	166	-	-	22,212
Municipality sub-total										52,841		(1,977)	-	51,215

Table 26: Supporting Table SC5: Investment portfolio

Chart 5: Call investment deposits incl interest for the period ending 30 June 2023

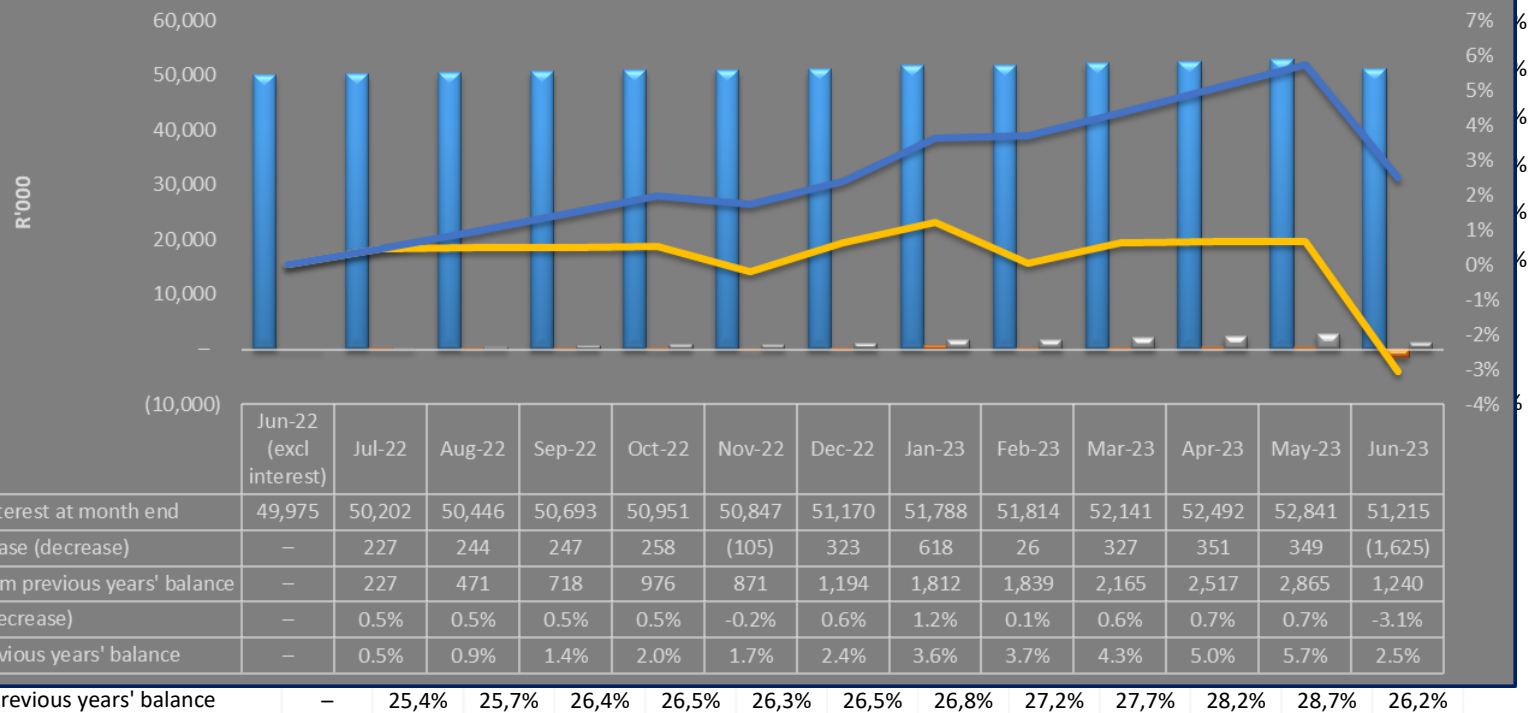


Chart 16: Call investment deposits at month-end

As indicated in the Chart 16 above from May 2023 to June 2023 investments incl interest decreased by R1,625 million or 3.1%, in respect of the month-to-month comparison. Investments increased by R1,240 million or 2.5% when compared to the previous years' audited figure of R49,975 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

7. GRANTS AND SUBSIDIES RECEIVED

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M 12 June

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	9,424	241,984	250,317	(8,333)	-3.3%	250,317
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		212,328	239,158	239,158	–	232,560	239,158	(6,598)	-2.8%	239,158
Expanded Public Works Programme Integrated Grant		3,362	3,959	3,959	3,959	3,959	3,959	–	0.0%	3,959
Infrastructure Skills Development Grant		4,901	5,500	5,500	3,765	3,765	5,500	(1,735)	-31.5%	5,500
Local Government Financial Management Grant		1,650	1,700	1,700	1,700	1,700	1,700	–	0.0%	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	15,714	–	5,843	15,714	(9,871)	-62.8%	15,714
Capacity Building and Other Grants		8,561	7,800	9,414	–	–	9,414	(9,414)	-100.0%	9,414
Infrastructure Grant		4,170	–	6,300	–	5,843	6,300	(457)	-7.3%	6,300
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	266,031	9,424	247,827	266,031	(18,204)	-6.8%	266,031
Capital Transfers and Grants										
National Government:		105,767	134,338	114,338	17,110	69,064	114,338	(45,274)	-39.6%	114,338
Energy Efficiency and Demand Side Management Grant		–	4,000	4,000	1,404	3,974	4,000	(26)	-0.6%	4,000
Integrated National Electrification Programme Grant		35,458	40,000	20,000	8,821	18,717	20,000	(1,283)	-6.4%	20,000
Integrated Urban Development Grant		54,266	70,390	70,390	3,692	40,123	70,390	(30,267)	-43.0%	70,390
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		16,043	19,948	19,948	3,192	6,249	19,948	(13,699)	-68.7%	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	–	18,850	–	–	18,850	(18,850)	-100.0%	18,850
[insert description]		–	–	–	–	–	–	–	–	–
European Union		14,400	–	18,850	–	–	18,850	(18,850)	-100.0%	18,850
Total Capital Transfers and Grants	5	200,517	134,338	133,188	17,110	69,064	133,188	(64,124)	-48.1%	133,188
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	436,504	392,455	399,219	26,534	316,891	399,219	(82,328)	-20.6%	399,219

Table 27 :Supporting Table SC6 Transfers and Grants Receipts

8. EXPENDITURE ON GRANTS AND SUBSIDIES RECEIVED

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 R21,147 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 R3,362 million. In addition to this, the municipality budgeted R6,000 million for this programme. Management has been in a process of reviewing this programme.

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		111,662	101,646	108,236	12,891	104,639	108,236	(3,597)	-3.3%	108,236
Equitable Share		101,154	91,134	96,709	12,136	94,487	96,709	(2,222)	-2.3%	96,709
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	–	3,362	3,362	–	–	3,362
Infrastructure Skills Development Grant		4,672	5,500	5,500	585	4,868	5,500	(632)	-11.5%	5,500
Local Government Financial Management Grant		1,666	1,650	1,650	171	1,661	1,650	11	0.6%	1,650
Municipal Disaster Relief Grant		–	–	1,015	–	261	1,015	(754)	-74.3%	1,015
Provincial Government:		8,881	7,800	9,800	138	8,270	9,800	(1,529)	-15.6%	9,800
Capacity Building and Other Grants		5,019	7,800	8,300	74	6,790	8,300	(1,509)	-18.2%	8,300
Infrastructure Grant		3,862	–	1,500	64	1,480	1,500	(20)	-1.3%	1,500
Libraries; Archives and Museums		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Road Transport		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		120,543	109,446	118,036	13,030	112,909	118,036	(5,127)	-4.3%	118,036
Capital expenditure of Transfers and Grants										
National Government:		101,832	167,766	111,766	26,069	65,892	111,766	(45,874)	-41.0%	111,766
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant		16,469	66,500	36,500	8,361	9,038	36,500	(27,462)	-75.2%	36,500
Integrated Urban Development Grant		46,175	66,266	54,266	16,922	43,052	54,266	(11,214)	-20.7%	54,266
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		19,896	10,000	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		19,291	25,000	21,000	786	13,803	21,000	(7,197)	-34.3%	21,000
Provincial Government:		–	–	–	–	–	–	–	–	–
Sports and Recreation		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	3,500	–	3,629	3,500	129	3.7%	3,500
Specify (Add grant description)		–	–	3,500	–	3,629	3,500	129	3.7%	3,500
Other grant providers:		2,483	–	14,400	3,470	13,891	14,400	(509)	-3.5%	14,400
European Union		2,483	–	14,400	3,470	13,891	14,400	(509)	-3.5%	14,400
Total capital expenditure of Transfers and Grants		104,315	167,766	129,666	29,539	83,412	129,666	(46,254)	-35.7%	129,666
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		224,858	277,212	247,702	42,569	196,321	247,702	(51,381)	-20.7%	247,702

Table 28: Supporting Table SC7(1) Transfers and Grants 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 R24,247 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.

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	24,400,000	8,960,644	19,200,241	4,920,141	48.0%	78.7%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	70,390,000	4,197,030	41,023,825	6,220,267	58.3%	58.3%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	14,948,000	3,192,476	6,451,432	7,040,683	32.3%	43.2%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	4,000,000	1,403,841	3,999,987	-	100.0%	100.0%
EUROPEAN UNION	-	18,850,000	-	-	-	-	0.0%
Grand Total	134,338,000	132,588,000	17,753,991	70,675,486	18,181,091	52.6%	53.3%

Table 29: Summary of expenditure per Grant

As indicated in Table 29 above, the YTD grant expenditure amounts to R70,675 million or 53.3% spent against the Adjusted capital grant allocation of R132,588 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress.

It remains concerning that YTD capital expenditure is so low, as we are already in month twelve of the current year. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments.

Rollover Grants: Expenditure

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

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

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

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

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

Your municipality is reminded that the Municipal Council does not have the legal authority to decide on the use of Conditional Grant transfers from National Government outside of the legal framework set out in the annual Division of Revenue Act and its various gazettes. This process only covers the 2021 DoRA allocated amounts.”

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

Table 15 is not populated because the rollover was declined.

9. 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 June 2023. The municipality has used the financial ratios as published in MFMA Circular 71 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.

9.1 Assets Management

1. FINANCIAL POSITION					
A. Asset Management/Utilisation					
					Jun-23
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	4%
					Total Operating Expenditure 2 425 902
					Taxation Expense -
					Total Capital Expenditure 100 695
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	0%
					PPE, Investment Property and Intangible Impairment -
					PPE at carrying value 2 112 913
					Investment property at carrying value 212 402
					Intangible Assets at carrying value 21 238
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	11%
					Total Repairs and Maintenance Expenditure 260 016
					PPE at carrying value 2 112 913
					Investment Property at Carrying value 212 402

9.2 Debtors Management

B. Debtors Management					
					TOTAL DEBTORS
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	74%
					Gross Debtors closing balance 3 381 229
					Gross Debtors opening balance 3 029 785
					Bad debts written Off 119 066
					Billed Revenue 1 836 309
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	9%
					Consumer Debtors Bad debts written off 119 066
					Consumer Debtors Current bad debt Provision 1 263 145
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	355 days
					Gross debtors (90+ days) 3 049 094
					Bad debts Provision 1 263 145
					Billed Revenue 1 836 309

9.3 Liquidity management

C. 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	0.36 Month
					Cash and cash equivalents 106 762
					Unspent Conditional Grants 45 717
					Overdraft -
					Short Term Investments -
					Total Annual Operational Expenditure 2 028 899
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	1.79
					Current Assets 2 454 212
					Current Liabilities 1 374 908

9.4 Liability management

D. 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%	1.36%
					Interest Paid 20 988
					Redemption 12 088
					Total Operating Expenditure 2 425 902
					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%	7%
					Total Debt 159 430
					Total Operating Revenue 2 401 580
					Operational Conditional Grants 247 827

9.5 Sustainability

E. 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%	68%
					Cash and cash Equivalents 106 762
					Bank Overdraft -
					Short Term Investment -
					Long Term Investment -
					Unspent Grants 45 717
					Net Assets 3 000 642
					Share Premium -
					Share Capital -
					Revaluation Reserve 90 127
					Fair Value Adjustment Reserve -
					Accumulated Surplus 2 820 388

9.6 Efficiency

2. FINANCIAL PERFORMANCE					
A. 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%	-1%
					Total Operating Revenue 2 401 580
					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 2 425 902
					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%	-11%
					Total Electricity Revenue 772 199
					Total Electricity Expenditure 853 343
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%	1%
					Total Water Revenue 338 549
					Total Water Expenditure 334 566
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%	14%
					Total Refuse Revenue 83 340
					Total Refuse Expenditure 71 478
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%	18%
					Total Sanitation and Water Waste Revenue 111 145
					Total Sanitation and Water Waste Expenditure 90 847

9.7 Revenue and Distribution losses

B. Distribution Losses					
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	29.38%
					Number of units purchased and/or generated 465 021
					Number of units sold 328 419
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	63.99%
					Number of kilolitres purchased and/or purified 35 658
					Number of kilolitres sold 12 839

C. 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	<div>1%</div> <div>Number of Active Debtors Accounts (Previous) 70 139</div> <div>Number of Active Debtors Accounts (Current) 70 957</div>
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	<div>4%</div> <div>CPI 3%</div> <div>Total Revenue (Previous) 2 378 815</div> <div>Total Revenue (Current) 2 470 644</div>
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	<div>7%</div> <div>3%</div> <div>Total Revenue Exl.Capital (Previous) 2 178 297</div> <div>Total Revenue Exl.Capital (Current) 2 332 516</div>

9.8 Expenditure Management

D. 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	<div>348 days</div> <div>Trade Creditors 1 077 319</div> <div>Contracted Services 34 764</div> <div>Repairs and Maintenance 260 016</div> <div>General expenses 152 125</div> <div>Bulk Purchases 582 587</div> <div>Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment) 100 695</div>
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%	<div>3%</div> <div>Irregular, Fruitless and Wasteful and Unauthorised Expenditure 72 886</div> <div>Total Operating Expenditure 2 425 902</div> <div>Taxation Expense -</div>
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%	<div>33.67%</div> <div>Employee/personnel related cost 784 718</div> <div>Councillors Remuneration 32 196</div> <div>Total Operating Expenditure 2 425 902</div> <div>Taxation Expense -</div>
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%	<div>1%</div> <div>Contracted Services 34 764</div> <div>Total Operating Expenditure 2 425 902</div> <div>Taxation Expense -</div>

9.9 Grant Dependency

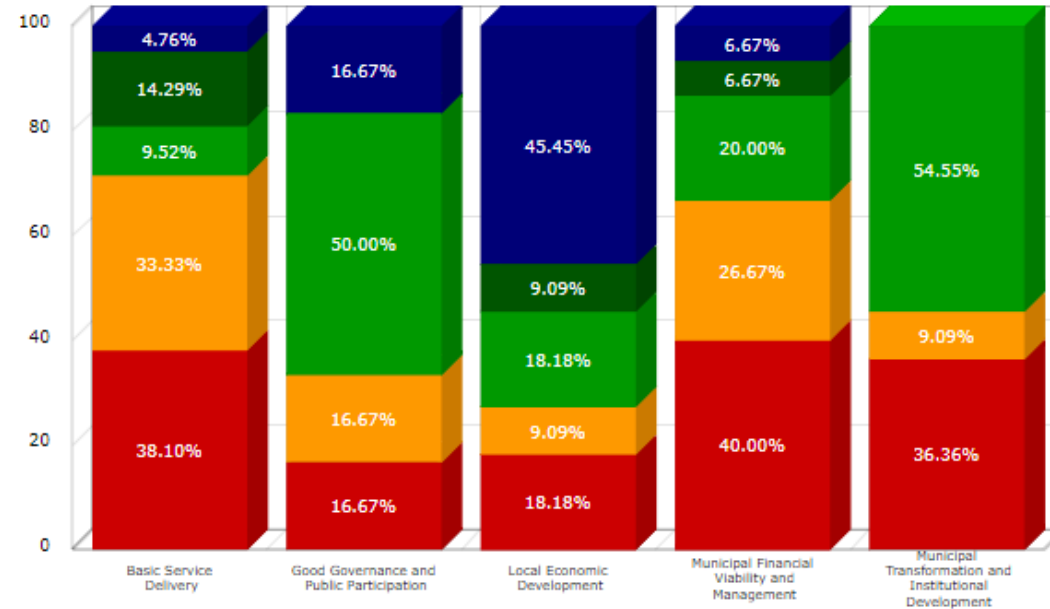
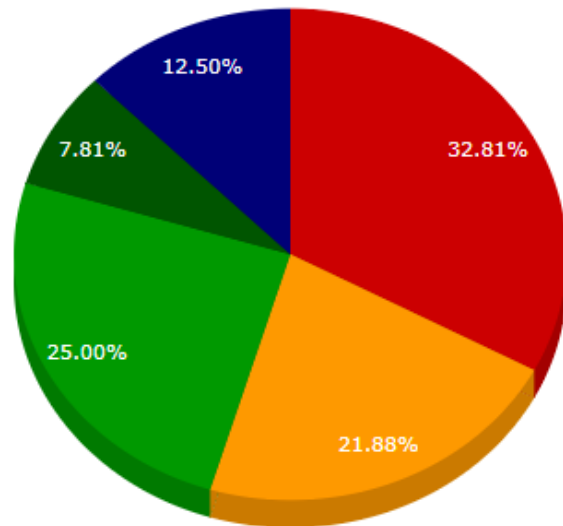
E. Grant Dependency					
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	<div>30%</div> <div>Internally generated funds 30 020</div> <div>Borrowings -</div> <div>Total Capital Expenditure 100 695</div>
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	<div>30%</div> <div>Internally generated funds 30 020</div> <div>Total Capital Expenditure 100 695</div>
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	<div>92%</div> <div>Total Revenue 2 401 580</div> <div>Government grant and subsidies 247 827</div> <div>Public contributions and Donations -</div> <div>Capital Grants 70 675</div>

9.10 Budget Implementation

3. 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%	<div>53%</div> <div>Actual Capital Expenditure</div> <div>100 695</div> <div>Budget Capital Expenditure</div> <div>188 293</div>
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%	<div>90%</div> <div>Actual Operating Expenditure</div> <div>2 425 902</div> <div>Budget Operating Expenditure</div> <div>2 698 205</div>
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%	<div>97%</div> <div>Actual Operating Revenue</div> <div>2 401 580</div> <div>Budget Operating Revenue</div> <div>2 487 209</div>
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%	<div>92%</div> <div>Actual Service Charges and Property Rates Revenue</div> <div>1 836 309</div> <div>Budget Service Charges and Property Rates Revenue</div> <div>2 000 857</div>

10. PRELIMINARY SDBIP PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023

SUMMARY OF PERFORMANCE PER KEY PERFORMANCE AREA



	Sol Plaatje Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
Not Yet Applicable	-	-	-	-	-	-
Not Met	21 (32.81%)	8 (38.10%)	1 (16.67%)	2 (18.18%)	6 (40.00%)	4 (36.36%)
Almost Met	14 (21.88%)	7 (33.33%)	1 (16.67%)	1 (9.09%)	4 (26.67%)	1 (9.09%)
Met	16 (25.00%)	2 (9.52%)	3 (50.00%)	2 (18.18%)	3 (20.00%)	6 (54.55%)
Well Met	5 (7.81%)	3 (14.29%)	-	1 (9.09%)	1 (6.67%)	-
Extremely Well Met	8 (12.50%)	1 (4.76%)	1 (16.67%)	5 (45.45%)	1 (6.67%)	-
Total:	64	21	6	11	15	11
	100%	32.81%	9.38%	17.19%	23.44%	17.19%

10.1 Basic Service Delivery and Infrastructure Development

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL13	Service Provision	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 as per the Indigent Register	15 000	12 974	O	[D162] GM : Revenue: Register of total number of Indigents as at June 2023 (June 2023)	[D162] GM : Revenue: Register of total number of Indigents as at June 2023 (June 2023)	[D162] GM : Revenue: BP956JUNE23.xlsx (June 2023)	15 000	12 974	O
TL39	Service Provision	To achieve 70% compliance with the National Disaster Management Tool by 30 June 2023	% Compliance with the National Disaster Management Tool	70%	60%	O	[D311] Chief Emergency Services: Due to lack of manpower (June 2023)	[D311] Chief Emergency Services: Establishing the section (June 2023)	[D311] Chief Emergency Services: DisasterManagementToolJun23.pdf (June 2023)	70%	60%	O
TL44	Service Provision	Number of erven planned and surveyed within Sol Plaatje Municipal area by 30 June 2023 as per the project implementation list	Number of erven planned and surveyed	1 400	1 369	G2	[D482] Manager: Urban Planning: No update needed just upload monthly progress report (April 2023) [D482] Manager: Urban Planning: The target is met although the actual number could not be achieved due to unforeseen circumstances i.e underground soil conditions. (June 2023)	[D482] Manager: Urban Planning: No corrective measure (June 2023)	[D482] Manager: Urban Planning: UrbanPlanSurveyingoferven.pdf (April 2023)	1 400	1 533	G2
TL50	Service Provision	Number of km of residential roads upgraded from gravel to a paved surface within the Sol Plaatje municipal area by 30 June 2023 as per the project plan	Number of km paved	1	0	R	[D408] City Engineer: Roads and Storm water: No progress was recorded for this month. The service provider appointed for plant hire could not supply machinery needed for	[D408] City Engineer: Roads and Storm water: Plant hire contract was terminated. Transport section will obtain quotes to hire machinery. (April 2023)	[D408] City Engineer: Roads and Storm water: img-705085632-0001.pdf (June 2023)	4	2.47	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023							Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R	
							earthworks. (April 2023) [D408] City Engineer: Roads and Storm water: Target not achieved due to unavailability of machinery. (June 2023)	[D408] City Engineer: Roads and Storm water: Plant hire contract was terminated (June 2023)					
TL51	Service Provision	Number of square metres of roads to be resealed within Sol Plaatje Municipal area by 30 June 2023 as per the Project Plan	Square metres of roads resealed	25 000	12 550	R	[D409] City Engineer: Roads and Storm water: Project completed end of November 2022. (April 2023) [D409] City Engineer: Roads and Storm water: Target exceeded (June 2023)	[D409] City Engineer: Roads and Storm water: Quality issues raised need to be addressed by the Contractor (April 2023) [D409] City Engineer: Roads and Storm water: No corrective measures necessary (June 2023)	[D409] City Engineer: Roads and Storm water: MonthlyReportMay12023.rtf (June 2023)	100 000	123 000	G2	
TL52	Service Provision	100% Procurement of identified fleet by 30 June 2023 as per the Fleet Replacement Plan	% of Identified fleet items delivered (Number of vehicles delivered out of the number of vehicles identified for purchase x 100)	100%	85%	O	[D410] Manager: Fleet: No update necessary only uploading POE for April 2023 (April 2023) [D410] Manager: Fleet: Target set at year end only uploading monthly progress report. (May 2023) [D410] Manager: Fleet: The 3 x 4 Ton Crew Cab had been delivered only the major pumper for Fire Truck Engine is outstanding. Extension has been given and letter sent to Marce Project in Jhb. (June 2023)	[D410] Manager: Fleet: Major Pumper for Fire Truck Engine to be delivered in December 2023. (June 2023)	[D410] Manager: Fleet: Fleet.pdf (April 2023) [D410] Manager: Fleet: Fleet.pdf (May 2023) [D410] Manager: Fleet: Fleet.pdf (June 2023)	100%	75%	O	

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL53	Service Provision	Number of street lights heads replaced within Sol Plaatje municipal area by 30 June 2023 (Replacing 250 W HPS with 100 W LED)	Number of street light heads replaced	125	0	R	No update necessary as target was overachieved during mid-year.			500	900	B
TL54	Service Provision	Number of street lights heads replaced within Sol Plaatje municipal area by 30 June 2023 (Replacing 125 W HPS with 36 W LED)	Number of street light heads replaced	286	0	R	No update necessary as target was overachieved during mid-year.			1 036	1 107	G2
TL55	Service Provision	% Progress on the upgrading of the Carters Glen sub station to deload the Galeshewe sub station (Phase 3) by 30 June 2023	Percentage completion as per project progress report	100%	69%	R	[D413] City Engineer: Electricity: Project was awarded in March 2023. The contractor and consultant was made aware that the project should be completed before end of June 2023. This project is currently 69% completed with all the material procured. (June 2023)	[D413] City Engineer: Electricity: According to the project schedule, the contractor was supposed to complete the project in October 2023 but due to the fast racking of the activities the project will only be completed by end August 2023. (June 2023)	[D413] City Engineer: Electricity: CartersGlenSubstationUpgrade-MonthlyProgressReportNo.2.pdf (June 2023)	100%	53%	R
TL56	Service Provision	Number of households in Lerato Park connected to the electricity network by 30 June 2023 (Phase 7)	Number of houses connected to electricity network	650	214	R	[D414] City Engineer: Electricity: The City Electrical Engineer; 214 electrification of Lerato park, project is still ongoing. The reason for target not met was the delay due to the fleet tender that got cancelled as results we could not hire machinery/equipment required to complete the project. Expected completion date 31	[D414] City Engineer: Electricity: Early allocation confirmation by the funder to be emphasized, to prevent late commencement of the projects running the risk of not finishing on time. The allocation was only confirmed in April 2023, and this has caused this projects starting late towards the end of financial year. Platfontein		650	214	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
							August 2023. Electrification of Platfontein 200 households, has just commenced the reason for the delay was due to DWG files that we could not find due to this area being electrified by consultants and did not hand over the files for future references and development. this caused a great deal of delay. the expected project completion is 31 November 2023. the remaining part of this project has not commenced (June 2023)	electrification of 200 households was further caused by change control process that took long to be completed. the municipality on got a permission to start only in June 2023 (June 2023)				
TL57	Service Provision	Decrease electricity losses to 16% by 30 June 2023	Percentage electricity loss	16%	29.38%	R	[D415] City Engineer: Electricity: Credit meters not consistent every month. (June 2023)	[D415] City Engineer: Electricity: Credit meters must be read on a monthly basis to avoid interim accounts. By-passed and faulty prepayment. (June 2023)	[D415] City Engineer: Electricity: ReportEleclossesJune.xlsx (June 2023)	16%	29.38%	R
TL58	Service Provision	% Completion for the installation of electrical and mechanical components in Lerato Park Sewer pump Station as per the project plan by 30 June 2023	Percentage completion as per project plan	100%	28.50%	R	[D416] Compliance Man : Water and Sanitation: Contractual Challenges and delayed payment of services providers (June 2023)	[D416] Compliance Man : Water and Sanitation: The contractual challenges has been resolved and the contractor is continuing with the project (June 2023)	[D416] Compliance Man : Water and Sanitation: MonthlyProgressReport-June2023.pdf (June 2023)	100%	28.50%	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL59	Service Provision	% Progress on the construction phase for the Carters Ridge sewer pump station building with all electrical and mechanical equipment as per the Project Plan by 30 June 2023	Percentage progress on construction as per project plan	60%	12%	R	[D417] City Engineer: Water and Sanitation: Contractual challenges with regards to the contract of MVD Kalahari and non payment of the service provider (June 2023)	[D417] City Engineer: Water and Sanitation: Contractual matter has been attended to and MVD Kalahari will resume work. (June 2023)	[D417] City Engineer: Water and Sanitation: 6195-Progressreport-2023-03.pdf (June 2023)	60%	12%	R
TL60	Service Provision	% Completion for the reconstruction work of 320 aged sink toilets in Kagisho, Kutlwanong and Phomolong by 30 June 2023 as per the project plan	% Completion as per the project plan	0%	0%	N/A	[D418] City Engineer: Water and Sanitation: Project is completed (June 2023)	[D418] City Engineer: Water and Sanitation: None (June 2023)	[D418] City Engineer: Water and Sanitation: practicalcompletioncertificate.pdf (June 2023)	100%	100%	G
TL61	Service Provision	Reduce water losses to 50% by 30 June 2023 (Total purchase less water sales / by total purchases x 100)	% Reduction of water losses	50%	63.60%	R	[D420] Compliance Man : Water and Sanitation: Target not achieved. (June 2023)	[D420] Compliance Man : Water and Sanitation: Implementation of enabling projects and programs of NRW and WCWDM. (June 2023)		50%	63.60%	R
TL62	Spatial Transformation	% Progress on the construction of the foundations for 2 elevated water tanks by 30 June 2023 as per the project plan	% Progress on the construction of the foundations as per the project plan	100%	50%	R	[D419] City Engineer: Water and Sanitation: The project was done internally (June 2023)	[D419] City Engineer: Water and Sanitation: the project to commence as soon as the system opens for the new financial year (June 2023)	[D419] City Engineer: Water and Sanitation: CopyofElevatedWaterTanks-June2023.xlsx (June 2023)	100%	50%	R
TL63	Service Provision	Achieve 98% compliance on drinking water quality by 30 June 2023 (In accordance to SANS 241:2015 - Blue Drop	% Compliance to SANS 241 quality standards	98%	98%	G	[D421] Compliance Man : Water and Sanitation: Achieved. (June 2023)	[D421] Compliance Man : Water and Sanitation: None (June 2023)		98%	98%	G

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL64	Service Provision	Achieve 70% Compliance on treated waste water effluent quality by 30 June 2023 (In accordance with effluent general standards) - Green Drop	% Compliance to the Effluent General Standards	70%	56%	O	[D422] Compliance Man : Water and Sanitation: Not Achieved (June 2023)	[D422] Compliance Man : Water and Sanitation: Repairs of Homevale and Ritchie WWTW to be operational. (June 2023)		70%	56%	O
TL66	Service Provision	Number of households in Lethabo Park connected to the electricity network by 30 June 2023 (Phase 1)	Number of houses connected to electricity network	1 166	1 070	O	[D504] City Engineer: Electricity: Target was met although the actual number could not be achieved due to non occupancy of the remaining erven. Issues of double packing in some erven also caused the target not to be achieved. Meter installation outstanding on this area. (June 2023)	[D504] City Engineer: Electricity: The Housing Section, to intervene in ensuring that the correct occupants remain and the one's not supposed to be in that erven be removed to address the double packing. Emphasis should be placed on Contractors to procure meters as soon as the project start due to lead time on this Item (June 2023)		1 166	1 070	O
TL67	Service Provision	Number of households in Lerato Park connected to the electricity network by 30 June 2023 (Phase 6)	Number of houses connected to electricity	411	403	O	[D505] City Engineer: Electricity: Target was met although the actual number could not be achieved due to non occupancy of the remaining 8 erven. Meter installation is the only outstanding item on this Project. (June 2023)	[D505] City Engineer: Electricity: Councilors to do background checks when people are placing their shacks, to ensure that person doesn't just come and erect the shack and leave (June 2023)	[D505] City Engineer: Electricity: 2023PLANNINGLERATOPARKPH6149stands.pdf; 2023PLANNINGLERATOPARKPH6262stands.pdf; 2023PLANNINGLERATOPARKPH6Summary.pdf (June 2023)	411	403	O

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL68	Service Provision	% Completion of the Homevale Fire Station by 30 June 2023	% Completion	100%	97%	O	[D506] City Engineer: Water and Sanitation: Contractor is busy with remedial work as highlighted in the structural assessment report (June 2023)	[D506] City Engineer: Water and Sanitation: Once all remedial work has been completed, practical completion will be achieved (June 2023)	[D506] City Engineer: Water and Sanitation: HomevaleStructuralInspectionReport-Original.pdf (June 2023)	100%	97%	O

Summary of Results: Basic Service Delivery and Infrastructure Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	8
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	7
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	3
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
Total KPIs:			21

10.2 Municipal Financial Viability and Management

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL14	Governance	Improve revenue enhancement by ensuring a collection rate of 85% after debt write off by 30 June 2023 as per the MFMA, Circular 71 (Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) / Billed Revenue x 100)	Percentage collection rate after debt write off	85%	74%	O	[D163] ED: Financial Services: Collection rate not as desired. (June 2023)	[D163] ED: Financial Services: Implement Credit Control Policy (June 2023)	[D163] ED: Financial Services: Qtr42022-23MANAGEMENTREPORT June2023.xlsx (June 2023)	85%	75.28%	O
TL15	Governance	To spend 85% of the Capital Budget (including VAT) on capital projects identified in terms of the IDP by 30 June 2023 (Total actual capital project expenditure, including VAT / total capital project budget x 100)	Percentage capital spending	85%	53.30%	R	[D164] ED: Financial Services: Tender processes. (May 2023) [D164] ED: Financial Services: Actual will increase as payments are still being made. (June 2023)	[D164] ED: Financial Services: Weekly meetings will be held. (May 2023) [D164] ED: Financial Services: Project managers should provide procurement plan in March already to ensure that project commence on 1 July (June 2023)	[D164] ED: Financial Services: Levonia.xlsx (May 2023) [D164] ED: Financial Services: CapexJune.docx; Vlookupcapex2023-06.xlsx (June 2023)	85%	53.30%	R
TL16	Governance	To spend 90% of the Operational Budget annually by 30 June 2023 (Actual Operating Expenditure / Budgeted Operating Expenditure x 100)	Percentage operational spending	90%	89.90%	O	[D165] ED: Financial Services: Satisfactory. (May 2023) [D165] ED: Financial Services: Expenditure as at 30 June 2023 is R2 425 592 750 against an adjusted budget of R2 698 204 587 which is 89.9% achieved. This is preliminary value as the financial statements are not yet finalised and payments for old year are still been paid. The percentage achieved is satisfactory. (June 2023)	[D165] ED: Financial Services: None. (May 2023) [D165] ED: Financial Services: Satisfactory (June 2023)	[D165] ED: Financial Services: TotalYTDexpenditureMay2023.docx (May 2023) [D165] ED: Financial Services: TL16.xlsx (June 2023)	90%	89.90%	O

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL17	Governance	Maintain the debt coverage ratio of 2:1 against net assets of the municipality by 30 June 2023 (Current Assets / Current Liabilities)	Debt coverage ratio	2.10	1.79	O	[D166] ED: Financial Services: Current ratio is in range. (June 2023)	[D166] ED: Financial Services: To improve on debt collection. (June 2023)	[D166] ED: Financial Services: Qtr42022-23MANAGEMENTREPORTATIOSJune2023.xlsx (June 2023)	2.10	1.95	O
TL18	Governance	Reduce net debtor days to 300 days by 30 June 2023 ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) × 365)	Net debtor days	300	355	R	[D167] ED: Financial Services: Improve on debt collection strategies (June 2023)	[D167] ED: Financial Services: Reduce large debtors book implement credit control policy. (June 2023)	[D167] ED: Financial Services: Qtr42022-23MANAGEMENTREPORTATIOSJune2023.xlsx (June 2023)	300	544.25	R
TL19	Governance	Achieve the cost coverage ratio of 1 month annually by 30 June 2023 ((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))	Cost coverage ratio	1	0.83	O	[D168] ED: Financial Services: Cash available only covers 14 days (May 2023) [D168] ED: Financial Services: Apply cost containment measures (June 2023)	[D168] ED: Financial Services: Implement the Credit Control Policy. (May 2023) [D168] ED: Financial Services: Implement Credit Control Policy (June 2023)	[D168] ED: Financial Services: CostcoverageratioMay2023.docx (May 2023) [D168] ED: Financial Services: Qtr42022-23MANAGEMENTREPORTATIOSJune2023.xlsx (June 2023)	1	0.35	R
TL20	Governance	Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure by 30 June 2023 (Employee Related Costs and Councilor's Remuneration) /Total Operating Expenditure x100)	Employee cost as a percentage of total operating cost	33%	33.67%	R	[D169] ED: Financial Services: Employee cost satisfactory does not exceed 33%. (May 2023) [D169] ED: Financial Services: Target almost met. (June 2023)	[D169] ED: Financial Services: None. (May 2023) [D169] ED: Financial Services: Overtime to be monitored closely (June 2023)	[D169] ED: Financial Services: EmployeecostsMay2023.docx (May 2023) [D169] ED: Financial Services: Qtr42022-23MANAGEMENTREPORTATIOSJune2023.xlsx (June 2023)	33%	33.67%	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL23	Governance	An approved GVR signed by the Municipal Manager for the billing of rates and taxes by 30 June 2023	Approved GVR	0	0	N/A				1	1	G
TL24	Governance	To recover debt owed to the Municipality by achieving an 85% collection rate by 30 June 2023 (Receipts / billing x 100)	% of debt collection	85%	71.12%	O	[D173] GM : Revenue: Collection rate of 71.12% achieved. (June 2023)	[D173] GM : Revenue: To improve on collection through strict control for implementation of Credit Control and Debt Collection policies and procedures (June 2023)	[D173] GM : Revenue: CollectionPerService22-23-June.xlsx (June 2023)	85%	54.21%	R
TL26	Governance	Perform an annual cost analysis for each trading services for the new budget by 31 March	Cost Analysis Report	0	0	N/A				4	5	G2
TL27	Governance	100% Elimination of Unauthorized expenditure by 30 June 2023	% of Unauthorized expenditure after condonement against total operational expenditure x100	100%	100%	G	[D176] Manager: Expenditure: No unauthorized expenditure exist to date. (May 2023) [D176] Manager: Expenditure: No unauthorized expenditure has been incurred by the municipality. (June 2023)	[D176] Manager: Expenditure: None. (May 2023) [D176] Manager: Expenditure: Implementation of strict controls to remain in place & enforced. (June 2023)	[D176] Manager: Expenditure: AgendaOCM7July2023.pdf (June 2023)	100%	100%	G
TL28	Governance	% Submission of financial and non-financial mSCOA reports on the GoMUNI web based application by the set deadlines provided by National Treasury. (All reports to be uploaded within 10 working days after the month-end)	% of reports uploaded on the GoMuni application	100%	95%	O	[D177] GM : Budget and Treasury: No target set for May 2023 (May 2023) [D177] GM : Budget and Treasury: "All documents / reports are uploaded onto GoMuni. The bank statements are uploaded but are rejected because of the password protection. NT added a tab for revenue so there are revenue documents and expenditure documents that must be	[D177] GM : Budget and Treasury: Sections are working on outstanding documents to upload on GoMuni. (June 2023)	[D177] GM : Budget and Treasury: santscrupldm1NC091.xlsx (May 2023) [D177] GM : Budget and Treasury: santscrupldm1NC091.xlsx (June 2023)	100%	96.75%	O

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
							uploaded. We have uploaded most requested documents and reports that we received from the relevant officials. I will send supporting emails as proof that documents are uploaded successfully onto GoMuni. (June 2023)					
TL29	Governance	Council Approval of a practical and implementable Financial Recovery Plan that will assist in reducing trade creditors and liquidity of the municipality by 30 June 2023	Approved Financial Recovery Plan	1	1	G	[D178] ED: Financial Services: Council approved the Long Term Financial Planning report prepared by INCA (June 2023)		[D178] ED: Financial Services: SolPlaatjeLMLTFPUupdate2 023-05-15.pdf (June 2023)	1	1	G
TL65	Governance	100% Elimination of Fruitless & wasteful expenditure by 30 June 2023	% of Fruitless and wasteful expenditure after condonement against total operational expenditure x100	0%	91%	R	[D502] Manager: Expenditure: MPAC has recommended to council to write-off 91% of expenditure incurred as at 30 June 2023. Council has approved the recommendation as such. (June 2023)	[D502] Manager: Expenditure: Stricter enforcement of council approved unauthorized, irregular, fruitless & wasteful expenditure policy & strategy implementation. (June 2023)	[D502] Manager: Expenditure: AgendaOCM7July2023.pdf; IrregularFruitlesswastefulbalancesafterwrite-offJune2023.xlsx (June 2023)	0%	91%	R
TL69	Governance	75% Reduction of Irregular expenditure by 30 June 2023	((Prior year + current year - condonement) / (prior year))	25%	80%	B	[D503] Manager: Expenditure: MPAC has recommended to council to write-off 80% of expenditure incurred as at 30 June 2023. Council has approved the recommendation as such. (June 2023)	[D503] Manager: Expenditure: Stricter enforcement of council approved unauthorized, irregular, fruitless & wasteful expenditure policy & strategy implementation. (June 2023)	[D503] Manager: Expenditure: AgendaOCM7July2023.pdf; IrregularFruitlesswastefulbalancesafterwrite-offJune2023.xlsx (June 2023)	25%	80%	B

Summary of Results: Municipal Financial Viability and Management

R	KPI Not Met	0% <= Actual/Target <= 74.999%	6
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	4
G	KPI Met	Actual meets Target (Actual/Target = 100%)	3
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
Total KPIs:			15

10.3 Local Economic Development

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL1	Spatial Transformation	Create 552 FTE's through EPWP initiatives of the SPM by 30 June 2023	Number of FTE's created	552	348	R	[D53] PMU Manager: A Change in organizational structure as well as no training on reporting of the projects on EPWPRS. (June 2023)	[D53] PMU Manager: Training was provided as well as supportive workshop on how to capture projects on the EPWPRS. (June 2023)	[D53] PMU Manager: PB01AQ4Report.xlsx; KIMBERLEYSESSIONREPORTPOE.pdf; ATTENDACEREGISTERKIMBERLEYSESSIONIDPP OE.pdf (June 2023)	552	348	R
TL10	Spatial Transformation	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by 30 June 2023 (Number of tenders received divided by number of weeks to award)	Average time in weeks to award tender	12	0	B	[D159] Manager : SCM: No tenders awarded during this quarter April 2023 to May 2023 (June 2023)	[D159] Manager : SCM: Not Applicable (June 2023)		12	3.75	B

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL11	Spatial Transformation	To improve the SCM turnaround time to 6 weeks for once off contracts from closing date to date of award by June 2023 (Number of tenders received divided by number of weeks to award)	Average time in weeks to award tender	6	0	B	[D160] Manager : SCM: No tenders were awarded during the quarter - April 2023 to June 2023 (June 2023)	[D160] Manager : SCM: Not corrective measure for this quarter (June 2023)		6	3.50	B
TL40	Spatial Transformation	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 m ² annually (Number of plans received divided by number of weeks to process)	Average response time in weeks to process building plans	11	8	B	[D478] Manager: Urban Planning: Target Met. (June 2023)	[D478] Manager: Urban Planning: No corrective measure. (June 2023)	[D478] Manager: Urban Planning: KPIProcessedApplications 2022-2023.xlsx (June 2023)	11	8	B
TL41	Spatial Transformation	Ensuring a response time of 11 weeks for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 m ² annually (Number of plans received divided by number of weeks to process)	Average time in weeks to process building plans	11	11	G	[D479] Manager: Urban Planning: Target Met (June 2023)	[D479] Manager: Urban Planning: No corrective measure. (June 2023)	[D479] Manager: Urban Planning: KPIProcessedApplications 2022-2023.xlsx (June 2023)	11	10.75	B
TL42	Spatial Transformation	To process 80% category 1 land use applications received until 30 April of the current financial year through MPT (Municipal Planning Tribunal) by 30 June 2023 in terms of the SPLUMA by-law (2015)	Percentage of Category 1 land use applications processed	80%	92%	G2	[D480] Manager: Urban Planning: Target Met (June 2023)	[D480] Manager: Urban Planning: No corrective measure. (June 2023)	[D480] Manager: Urban Planning: CATEGORY01JULY2022-30JUNE2023PROCESSEDLANDUSEAPPLICATION S.pdf (June 2023)	80%	92%	G2

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL43	Spatial Transformation	Number of processed building plans received before 1 July 2022 by the end of the current financial year (30 June 2023)	Number of building plans processed	200	200	G	[D481] Manager: Urban Planning: Target Met (June 2023)	[D481] Manager: Urban Planning: No corrective measure (June 2023)	[D481] Manager: Urban Planning: BacklogApplicationsFinancialYear.xlsx (June 2023)	200	200	G
TL45	Spatial Transformation	Number of SMME's supported through the implementation of the business incubation developmental program annually	Number of SMME's supported	3	2	R	[D483] Manager: SMME: The smme village is made up of Tenants and Non-tenants, where various business developmental trainings interventions are conducted. for the month of March 2023, two trainings were conducted (1) New Venture Creation training workshop (2) Smart coding workshop (April 2023) [D483] Manager: SMME: SMME Village monthly report (May 2023) [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. (June 2023)	[D483] Manager: SMME: No corrective measures requires (April 2023) [D483] Manager: SMME: No Corrective measures (May 2023) [D483] Manager: SMME: No corrective measures required (June 2023)	[D483] Manager: SMME: GSVProgressUpdateReport31APR2023.pdf; 01GSVTenantRentalSummaryReportasof25thApril2023.pdf (April 2023) [D483] Manager: SMME: GSVProgressUpdateReport30May2023.pdf (May 2023) [D483] Manager: SMME: GSVProgressUpdateReport30June2023.pdf (June 2023)	10	31	B

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL46	Spatial Transformation	% Implementation of Business Expansion Attraction and Retention (BEAR) program as per the annual approved Implementation Plan by 30 June 2023	% Implementation	100%	50%	R	[D484] Manager: LED: We are currently busy with implementation of the various components of the BEAR. However NT has not transferred any funding to continue with the project. CMRA has been doing work despite no funds received from NT. see link for all other reports: : https://drive.google.com/drive/folders/1qqK-YJmIAGNMgvLRminUuZX_JqBekWp_ (June 2023)	[D484] Manager: LED: Completion of several work within the prescribed components (June 2023)	[D484] Manager: LED: BEARProjectBreakdownof e-one-stop-shopcomponent.pdf; BEARProjectComponent4 Phase2ElectricalMarch2022.pdf; BEARProjectComponent4 Phase2TownPlanningMarch2022.pdf; BEAR-EOSSPDR03.pdf; E-One-Stop-ShopcomponentoftheBEARproject-PhaseII.pdf; CMRAAddenda23StandardOperatingProcedure.pptx (June 2023)	100%	50%	R

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL47	Spatial Transformation	% Implementation of the training programme 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 Implementation	100%	100%	G	[D485] Manager: LED: A Business plan was submitted by the Service Provider (Khosithi) for funds from NSF. The training was provided by Khosithi for the 100 learners during the 2022-2023 financial year (see the report). A Service Level Agreement is in place for SPLM to assist the learners to gain Work Integrated Learning. Quarterly report as received from the Service Provider, Khosithi regarding the training provided. A Service Level Agreement signed between Khosithi and SPLM in June 2023 for WIL for 80 learners at the municipality as from July 2023. (June 2023)		[D485] Manager: LED: Report on training 2023.pdf; SPLMKhosithiSLA2023.pdf (June 2023)	100%	100%	G

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023							Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R	
TL49	Spatial Transformation	% Progress on the construction of Craven Street Centre using Pre-owned shipping containers for business development by 30 June 2023	Percentage Progress on construction	100%	98%	O	[D487] Manager: LED: Progress to date:The project is now 98% complete. 1.1.2 All containers have been delivered and erected on site. 1.1.3 Tiling and plumbing completed. 1.1.4 Paving of site completed. 1.1.5 Erection of fencing also completed. (June 2023)	[D487] Manager: LED: 2 Outstanding work 1.2.1 Erection of custom-made roof material for better aesthetics. 1.2.2 Special purpose roof material was procured from a service provider and was delivered on site. However, order was rejected and returned due to wrong spec delivered. 1.2.3 Currently awaiting delivery of correct spec roof material and installation. 1.2.4 Firm indicatives are that order will be delivered by 25 July 2023, with installation set to take 4 days post-delivery (June 2023)	[D487] Manager: LED: ProgressReportCRAVENS TREET17June2023.pdf (June 2023)	100%	98%	O	

Summary of Results: Local Economic 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%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	5
Total KPIs:			11

10.4 Municipal Institutional Development and Transformation

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023							Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R	
TL2	Governance	Annual Review of the Integrated Performance Management Policy by 30 June 2023	Adopted Integrated Performance Management Policy	1	0	R	[D54] IDP Manager: Policy has been reviewed by the Policy Manager must just be tabled for approval with the HR Policies. (June 2023)	[D54] IDP Manager: Policy Manager to table policies for approval. Final meeting has been arranged for 6th July 2023. (June 2023)	[D54] IDP Manager: InviteReviewPMS.pdf (June 2023)	1	0	R	
TL3	Governance	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2022/23	Number of reports	1	1	G	[D55] IDP Manager: 3rd Quarter SDBIP Performance Report was submitted on the 25th of April due to late submission of POE's and updating on Ignite System. (April 2023)	[D55] IDP Manager: During a Management meeting all ED's were requested to ensure that all updates and POE's of relevant Line Managers must be timeously submitted to ensure that deadlines are met. (April 2023)	[D55] IDP Manager: Final3rdQ2223.pdf; 3rdQuarterSDBIPPerformanceMEMOtoEM.pdf (April 2023)	4	4	G	
TL4	Governance	Submit the Final IDP document for adoption to Council by 31 May annually	Adopted IDP	1	1	G	[D56] IDP Manager: Final IDP for FY 23/24 adopted during a special council meeting held on 31st of May 2023, resolution C46/05/23 (May 2023)		[D56] IDP Manager: Councilresolution31MayIDP.pdf (May 2023)	1	1	G	
TL5	Governance	Submit the Final SDBIP document to the Executive Mayor for approval by 28 June 2023	SDBIP approved by Executive Mayor	1	1	G	[D57] IDP Manager: Final SDBIP for 2023/24 has been approved by EM on the 28th of April 2023 (June 2023)		[D57] IDP Manager: FinalSDBIP202324.pdf (June 2023)	1	1	G	
TL7	Governance	Approved ICT Governance framework by 30 June 2023	Approved ICT Governance Framework	1	1	G	[D61] Chief Information Officer: Target achieved. (June 2023)		[D61] Chief Information Officer: ICTgovframeworkresolution.docx (June 2023)	1	1	G	
TL30	Governance	Number of skills development programs implemented by 30 June 2023	Number of development programs	1	1	G	[D235] Manager : Training and Organisational Development: ISDG programme (June 2023)	[D235] Manager : Training and Organisational Development: none (June 2023)	[D235] Manager : Training and Organisational Development: ISDGQuarterlyreportingJan-Mar2023.docx (June 2023)	2	2	G	

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Preliminary Performance for Quarters ending September 2022 to June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL31	Governance	Review the municipal organizational structure annually by 30 June 2023	Review of the municipal organizational structure	1	0	R	[D236] Manager : Human Resources: Process changed and is progressing slowly. The team from HR have engaged with all the sections excepting for Exec Director SEDP, and the Managers for Town and Urban planning, Building Control and Maintenance. This process will be completed by the target date 30 June 2024 as per the SDBIP. (June 2023)	[D236] Manager : Human Resources: Engagements continue with the sections. (June 2023)	[D236] Manager : Human Resources: FinalSDBIP202324003 .pdf; SPLMOrganogramme-draft32023.docx (June 2023)	1	0	R
TL32	Governance	Review the Human Resource Management Plan annually by 30 June 2023	Review of the Human Resource Management Plan	1	1	G	[D237] ED: Corporate Services: busy reviewing (June 2023)			1	1	G
TL33	Governance	Achieve 72% compliance with the EAP plan of the municipality by ensuring representation of the racial profile of the local authority on municipal level by 30 June 2023	% compliance to the EAP	72%	58%	O	[D238] ED: Corporate Services: Due to financial constraints only critical positions are being filled. (June 2023)	[D238] ED: Corporate Services: Only once the institutions finances have approved, vacant and funded positions can be filled and compliance will be achieved. (June 2023)		72%	58%	O
TL34	Governance	Number of quarterly communications to the Executive Directors of the funded vacant positions	Number of communications	1	1	G	[D239] Manager : Human Resources: communicated accordingly (June 2023)			4	1	R
TL35	Governance	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	0	0	N/A	[D240] Manager : Human Resources: Arrangements for annual assessments were done in October 2022 but the actual assessments did not materialized. Discussions were held with the Acting ED: Corporate Services to discuss the matter with the MM in order to arrange for assessments. (September 2022)	[D240] Manager : Human Resources: Acting ED: Corporate Services to discuss matter with MM to finalize assessments of ED's for Mid-year and Annual Performance as a matter of urgency. (September 2022)	[D240] Manager : Human Resources: StatusQuoPerformanceAssessmentsJ.docx (September 2022)	2	0	R

Summary of Results: Municipal Transformation and Institutional Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	4
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	6
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
Total KPIs:			11

10.5 Good Governance and Public Participation

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023						Overall Performance for Quarter ending September 2022 to Quarter ending June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL6	Governance	Number of audits conducted as per the Internal Audit Plan by 30 June 2023	Number of internal audits conducted	8	3	R	[D58] Chief Audit Executive: Annual performance comment: Internal Audit completed 18 audits for the financial period under review. Therefore almost achieving the target of 20 for the financial period under review. Only 3 audits have been completed for this quarter. The audits are as follows: EDAMS follow up Debt write-off Privileged Users ICT (June 2023)	[D58] Chief Audit Executive: Annual Comment: The reason for Internal Audit not achieving the annual target is due to the vacancies within the unit as well as the fact that the unit did not have an CAE for the first quarter of the financial period. Management need to ensure that the vacancies in the unit is filled as a matter of urgency in order for the capacity of the unit to be improved. Internal audit deadlines need to be monitored more closely from the beginning of the financial year to ensure that the required amount of audits have been completed. (June 2023)	[D58] Chief Audit Executive: 16.2SolPlaatjeIAF inalfollowupEDAM SRReportV01.pdf; 18.2FinalReportonPrivilegedUsers V01.pdf; DebtWrite-offAudit2022--Final--29-05-2023---.docx (June 2023)	20	18	O

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R	
TL9	Governance	% Implementation of a municipal Cyber security Strategy by 30 June 2023 as per the Annual Implementation Plan	% Implementation as per the Annual Implementation Plan	100%	69.85%	R	[D60] Chief Information Officer: FIN/ICT03/22 awarded (switches and wireless access points and Microsoft M365 E3 upgraded to M365 E5. See attached purchase orders. (June 2023)	The purchase order for the switches and wireless access points was issued as early as 24 January 2023. Due to stock shortages, we had to wait for June for delivery. The date on the signed off invoice and the date reflected in Solar for the payment of the invoice are testimony to this. This severely impacted our ability to meet the installation. The situation was beyond our control. As such there is no corrective measure to avoid a reoccurrence.	[D60] Chief Information Officer: MicrosoftPO.pdf; DATACENTRIXPO.pdf (June 2023)	100%	69.85%	R	
TL21	Governance	Implementation of Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2023	Percentage successful appeals	5%	0%	B	[D170] Manager : SCM: No appeal were made during the quarter - April 2023 to June 2023 (June 2023)	[D170] Manager : SCM: No Corrective measure is applicable. (June 2023)		5%	1.25%	B	
TL22	Governance	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General within (30) days after the end of the audit annually	Audit Action Plan	0	0	N/A	[D171] ED: Financial Services: 75% are in progress. (May 2023)	[D171] ED: Financial Services: Follow-up with management for findings which have not been implemented. (May 2023)	[D171] ED: Financial Services: AuditActionPlanUpdate.png (May 2023)	1	1	G	
TL36	Governance	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: Report to Ac (June 2023)	[D241] Chief Risk Officer: None required (June 2023)		4	4	G	
TL38	Governance	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: Responded within set timeframe as and when required (June 2023)		[D243] Manager : Communications: Communicationto publicJun23.pdf;	24	24	G	

Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2023							Overall Performance for Quarter ending September 2022 to Quarter ending June 2023		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R	
									VIDEO-2023-07-11-09-45-35.mp4 (June 2023)				

Summary of Results: Good Governance and Public Participation

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%)	3
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
Total KPIs:			6

11. OTHER SUPPORTING DOCUMENTS

No additional information for June 2021 is applicable. Please be advised that all figures are preliminary figures as the municipality is still busy with year-end procedures.

12. CONCLUSION

This report meets the Section 52(d) requirement of the MFMA (Act 56 of 2003) that the Executive Mayor must submit a report to council within 30 days of the end of each quarter on the implementation of the budget and the financial state of affairs of the municipality.

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>

13. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Quality Certificate

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 June 2023** 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: 13 / 07 / 2023

ANNEXURE A – SCHEDULE C – TABLES

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M12 June

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	610,074	46,272	635,619	610,074	25,545	4%	610,074
Service charges	1,145,790	1,373,211	1,368,151	103,558	1,200,690	1,368,151	(167,462)	-12%	1,368,151
Investment revenue	3,124	6,000	6,000	567	4,903	6,000	(1,097)	-18%	6,000
Transfers and subsidies	235,986	258,117	266,031	9,424	247,827	266,031	(18,204)	-7%	266,031
Other own revenue	193,499	222,235	245,721	29,490	312,541	245,721	66,820	27%	245,721
Total Revenue (excluding capital transfers and contributions)	2,178,297	2,487,209	2,495,977	189,311	2,401,580	2,495,977	(94,397)	-4%	2,495,977
Employee costs	772,777	849,403	849,970	64,843	784,718	849,970	(65,252)	-8%	849,970
Remuneration of Councillors	30,737	34,547	34,547	2,750	32,196	34,547	(2,352)	-7%	34,547
Depreciation & asset impairment	70,060	81,050	81,050	–	–	81,050	(81,050)	-100%	81,050
Finance charges	72,909	38,960	117,360	19,281	102,637	117,360	(14,724)	-13%	117,360
Inventory consumed and bulk purchases	872,964	918,627	948,277	71,514	842,603	948,277	(105,674)	-11%	948,277
Transfers and subsidies	2,546	4,460	4,460	35	2,636	4,460	(1,824)	-41%	4,460
Other expenditure	492,665	538,080	662,540	24,177	661,112	662,540	(1,428)	-0%	662,540
Total Expenditure	2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10%	2,698,205
Surplus/(Deficit)	(136,361)	22,081	(202,227)	6,711	(24,322)	(202,227)	177,906	-88%	(202,227)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,267	134,338	114,338	17,110	69,064	114,338	###	-40%	114,338
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	–	18,850	–	–	18,850	(18,850)	-100%	18,850
Surplus/(Deficit) after capital transfers & contributions	64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-165%	(69,039)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-165%	(69,039)
Capital expenditure & funds sources									
Capital expenditure	127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Capital transfers recognised	112,818	134,338	132,588	17,754	70,675	132,588	(61,913)	-47%	132,588
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	14,263	55,705	55,705	7,506	30,020	55,705	(25,685)	-46%	55,705
Total sources of capital funds	127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Financial position									
Total current assets	2,396,615	2,701,046	2,701,046		2,454,212				2,701,046
Total non current assets	2,245,857	2,052,265	2,050,515		2,346,553				2,050,515
Total current liabilities	1,249,270	1,050,980	1,050,380		1,374,908				1,050,380
Total non current liabilities	437,303	408,150	408,150		425,215				408,150
Community wealth/Equity	2,955,900	3,294,182	3,293,032		3,000,642				3,293,032
Cash flows									
Net cash from (used) operating	(585,312)	106,800	36,802	(97,673)	1,207,502	36,802	#####	-3181%	36,802
Net cash from (used) investing	(127,081)	(154,327)	(188,293)	(25,260)	(100,695)	(152,577)	(51,881)	34%	(152,577)
Net cash from (used) financing	–	(9,390)	(9,390)	–	–	(9,390)	(9,390)	100%	(9,390)
Cash/cash equivalents at the month/year end	(669,386)	116,006	12,041	–	1,304,397	47,758	#####	-2631%	72,426
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	155,941	80,766	95,429	73,931	69,861	61,774	422,976	#####	3,381,229
Creditors Age Analysis									
Total Creditors	149,010	65,831	45,106	2,729	56,821	59,491	48,088	650,242	1,077,319

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

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>		1,098,135	1,126,167	1,113,195	83,951	1,115,939	1,113,195	2,744	0%	1,113,195
Executive and council		480,231	470,256	453,970	30,705	414,648	453,970	(39,322)	-9%	453,970
Finance and administration		617,905	655,911	659,225	53,246	701,291	659,225	42,066	6%	659,225
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		28,981	26,474	30,674	1,678	22,568	30,674	(8,106)	-26%	30,674
Community and social services		11,158	11,348	12,048	241	3,174	12,048	(8,873)	-74%	12,048
Sport and recreation		1,889	1,905	1,905	62	2,450	1,905	545	29%	1,905
Public safety		720	340	340	13	412	340	72	21%	340
Housing		12,192	12,801	12,801	1,358	12,972	12,801	171	1%	12,801
Health		3,023	80	3,580	3	3,560	3,580	(20)	-1%	3,580
<i>Economic and environmental services</i>		28,997	16,015	37,465	793	12,930	37,465	(24,535)	-65%	37,465
Planning and development		15,823	5,525	26,975	317	8,175	26,975	(18,800)	-70%	26,975
Road transport		13,174	10,490	10,490	476	4,755	10,490	(5,735)	-55%	10,490
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,212,755	1,444,171	1,439,111	114,283	1,305,233	1,439,111	(133,878)	-9%	1,439,111
Energy sources		742,172	935,854	915,854	70,672	772,199	915,854	(143,655)	-16%	915,854
Water management		307,957	345,167	340,167	26,908	338,549	340,167	(1,618)	0%	340,167
Waste water management		93,896	92,200	104,000	9,467	111,145	104,000	7,145	7%	104,000
Waste management		68,729	70,950	79,090	7,235	83,340	79,090	4,249	5%	79,090
<i>Other</i>	4	9,946	8,720	8,720	5,716	13,974	8,720	5,254	60%	8,720
Total Revenue - Functional	2	2,378,815	2,621,547	2,629,165	206,420	2,470,644	2,629,165	(158,522)	-6%	2,629,165
Expenditure - Functional										
<i>Governance and administration</i>		616,540	712,851	833,781	45,737	728,169	833,781	(105,612)	-13%	833,781
Executive and council		374,197	428,654	544,754	25,137	480,593	544,754	(64,162)	-12%	544,754
Finance and administration		235,566	277,659	282,489	20,156	242,171	282,489	(40,318)	-14%	282,489
Internal audit		6,778	6,538	6,538	444	5,405	6,538	(1,133)	-17%	6,538
<i>Community and public safety</i>		176,753	181,961	187,491	17,148	186,491	187,491	(999)	-1%	187,491
Community and social services		42,959	43,119	43,819	4,046	45,490	43,819	1,671	4%	43,819
Sport and recreation		53,032	53,283	53,913	6,087	59,768	53,913	5,854	11%	53,913
Public safety		42,229	43,948	43,948	3,569	41,129	43,948	(2,819)	-6%	43,948
Housing		19,874	22,768	23,468	1,835	21,008	23,468	(2,461)	-10%	23,468
Health		18,659	18,842	22,342	1,611	19,097	22,342	(3,245)	-15%	22,342
<i>Economic and environmental services</i>		124,668	141,936	147,539	13,474	137,935	147,539	(9,604)	-7%	147,539
Planning and development		39,022	47,872	48,636	3,598	42,461	48,636	(6,176)	-13%	48,636
Road transport		84,946	93,326	98,165	9,809	94,638	98,165	(3,527)	-4%	98,165
Environmental protection		700	737	737	66	836	737	99	13%	737
<i>Trading services</i>		1,373,647	1,402,477	1,503,701	104,050	1,350,234	1,503,701	(153,467)	-10%	1,503,701
Energy sources		882,510	915,683	979,283	73,755	853,343	979,283	(125,939)	-13%	979,283
Water management		326,816	322,469	352,072	15,264	334,566	352,072	(17,506)	-5%	352,072
Waste water management		92,343	93,375	101,396	8,455	90,847	101,396	(10,549)	-10%	101,396
Waste management		71,978	70,950	70,950	6,575	71,478	70,950	528	1%	70,950
<i>Other</i>		23,049	25,903	25,693	2,191	23,073	25,693	(2,621)	-10%	25,693
Total Expenditure - Functional	3	2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10%	2,698,205
Surplus/ (Deficit) for the year		64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-165%	(69,039)

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		480,231	470,256	453,970	30,705	414,648	453,970	(39,322)	-8.7%	453,970
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,869	6,873	6,873	3,769	5,342	6,873	(1,531)	-22.3%	6,873
Vote 05 - Community Services		106,478	101,913	114,253	9,952	106,946	114,253	(7,308)	-6.4%	114,253
Vote 06 - Financial Services		610,429	648,238	651,552	49,423	695,259	651,552	43,707	6.7%	651,552
Vote 07 - Strategy Econ Development And Planning		17,626	7,945	29,395	4,093	12,679	29,395	(16,716)	-56.9%	29,395
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,373,122	108,478	1,235,771	1,373,122	(137,351)	-10.0%	1,373,122
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,378,815	2,621,547	2,629,165	206,420	2,470,644	2,629,165	(158,522)	-6.0%	2,629,165
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	4,854	58,438	58,915	(477)	-0.8%	58,915
Vote 02 - Municipal And General		309,950	357,885	473,985	19,031	410,450	473,985	(63,536)	-13.4%	473,985
Vote 03 - Municipal Manager		20,618	23,528	23,998	2,283	22,083	23,998	(1,915)	-8.0%	23,998
Vote 04 - Corporate Services		64,274	74,419	74,419	5,465	67,672	74,419	(6,747)	-9.1%	74,419
Vote 05 - Community Services		286,713	297,675	302,505	27,110	298,433	302,505	(4,073)	-1.3%	302,505
Vote 06 - Financial Services		126,129	157,404	158,434	10,855	126,543	158,434	(31,891)	-20.1%	158,434
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	65,352	5,262	57,627	65,352	(7,724)	-11.8%	65,352
Vote 08 - Infrastructure And Services		1,399,107	1,433,833	1,540,596	107,739	1,384,656	1,540,596	(155,940)	-10.1%	1,540,596
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10.1%	2,698,205
Surplus/ (Deficit) for the year	2	64,157	156,419	(69,039)	23,821	44,742	(69,039)	113,781	-164.8%	(69,039)

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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	610,074	46,272	635,619	610,074	25,545	4%	610,074
Service charges - electricity revenue		728,486	919,854	899,854	68,892	754,491	899,854	(145,363)	-16%	899,854
Service charges - water revenue		273,280	310,717	305,717	21,173	282,909	305,717	(22,808)	-7%	305,717
Service charges - sanitation revenue		83,392	81,700	93,500	7,657	93,524	93,500	24	0%	93,500
Service charges - refuse revenue		60,632	60,940	69,080	5,835	69,766	69,080	685	1%	69,080
Rental of facilities and equipment		16,755	13,010	25,896	2,467	26,000	25,896	104	0%	25,896
Interest earned - external investments		3,124	6,000	6,000	567	4,903	6,000	(1,097)	-18%	6,000
Interest earned - outstanding debtors		131,160	156,500	156,500	19,807	199,982	156,500	43,482	28%	156,500
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		15,405	27,730	35,730	672	47,438	35,730	11,708	33%	35,730
Licences and permits		8,532	6,850	6,850	1,971	9,903	6,850	3,053	45%	6,850
Agency services		—	—	—	—	—	—	—	—	—
Transfers and subsidies		235,986	258,117	266,031	9,424	247,827	266,031	(18,204)	-7%	266,031
Other revenue		14,517	18,145	20,745	4,632	23,127	20,745	2,382	11%	20,745
Gains		7,130	—	—	(60)	6,090	—	6,090	#DIV/0!	—
Total Revenue (excluding capital transfers and contributions)		2,178,297	2,487,209	2,495,977	189,311	2,401,580	2,495,977	(94,397)	-4%	2,495,977
Expenditure By Type										
Employee related costs		772,777	849,403	849,970	64,843	784,718	849,970	(65,252)	-8%	849,970
Remuneration of councillors		30,737	34,547	34,547	2,750	32,196	34,547	(2,352)	-7%	34,547
Debt impairment		267,518	297,000	397,000	1	397,002	397,000	2	0%	397,000
Depreciation & asset impairment		70,060	81,050	81,050	—	—	81,050	(81,050)	-100%	81,050
Finance charges		72,909	38,960	117,360	19,281	102,637	117,360	(14,724)	-13%	117,360
Bulk purchases - electricity		639,689	682,000	682,000	48,331	582,587	682,000	(99,413)	-15%	682,000
Inventory consumed		233,275	236,627	266,277	23,183	260,016	266,277	(6,261)	-2%	266,277
Contracted services		38,163	46,437	54,181	8,373	34,764	54,181	(19,417)	-36%	54,181
Transfers and subsidies		2,546	4,460	4,460	35	2,636	4,460	(1,824)	-41%	4,460
Other expenditure		110,302	134,643	135,719	15,512	152,125	135,719	16,406	12%	135,719
Losses		76,681	60,000	75,640	290	77,220	75,640	1,580	2%	75,640
Total Expenditure		2,314,658	2,465,128	2,698,205	182,600	2,425,902	2,698,205	(272,303)	-10%	2,698,205
Surplus/(Deficit)		(136,361)	22,081	(202,227)	6,711	(24,322)	(202,227)	177,906	(0)	(202,227)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,267	134,338	114,338	17,110	69,064	114,338	(45,274)	(0)	114,338
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		14,400	—	18,850	—	—	18,850	(18,850)	(0)	18,850
Transfers and subsidies - capital (in-kind - all)		76,850	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		64,157	156,419	(69,039)	23,821	44,742	(69,039)			(69,039)
Taxation								—		
Surplus/(Deficit) after taxation		64,157	156,419	(69,039)	23,821	44,742	(69,039)			(69,039)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		64,157	156,419	(69,039)	23,821	44,742	(69,039)			(69,039)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		64,157	156,419	(69,039)	23,821	44,742	(69,039)			(69,039)

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M 12 June

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	16,705	494	10,659	16,705	(6,046)	-36%	16,705
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	27,150	-	2,895	27,150	(24,255)	-89%	27,150
Vote 08 - Infrastructure And Services		88,488	79,038	94,738	9,450	57,494	94,738	(37,244)	-39%	94,738
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	138,593	9,944	71,049	138,593	(67,544)	-49%	138,593
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		4,041	13,300	13,300	4,444	5,889	13,300	(7,411)	-56%	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	36,400	10,872	23,758	36,400	(12,642)	-35%	36,400
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	49,700	15,316	29,647	49,700	(20,053)	-40%	49,700
Total Capital Expenditure		127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Capital Expenditure - Functional Classification										
Governance and administration		11,238	53,705	30,005	4,938	16,548	30,005	(13,457)	-45%	30,005
Executive and council		11,238	53,705	30,005	4,938	16,548	30,005	(13,457)	-45%	30,005
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	64,850	4,849	37,997	64,850	(26,853)	-41%	64,850
Planning and development		18,239	8,300	27,150	-	2,895	27,150	(24,255)	-89%	27,150
Road transport		34,218	27,000	37,700	4,849	35,102	37,700	(2,598)	-7%	37,700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		63,386	101,038	93,438	15,473	46,151	93,438	(47,287)	-51%	93,438
Energy sources		34,548	46,000	43,400	12,231	31,923	43,400	(11,477)	-26%	43,400
Water management		624	13,000	13,000	50	82	13,000	(12,918)	-99%	13,000
Waste water management		28,214	42,038	37,038	3,192	14,146	37,038	(22,892)	-62%	37,038
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293
Funded by:										
National Government		95,428	134,338	113,738	17,754	70,675	113,738	(43,063)	-38%	113,738
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	-	18,850	-	-	18,850	(18,850)	-100%	18,850
Transfers recognised - capital		112,818	134,338	132,588	17,754	70,675	132,588	(61,913)	-47%	132,588
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		14,263	55,705	55,705	7,506	30,020	55,705	(25,685)	-46%	55,705
Total Capital Funding		127,081	190,043	188,293	25,260	100,695	188,293	(87,598)	-47%	188,293

Section 52(d) report for Preliminary 4th quarter of 2022/23

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M12 June

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)	64,040	106,762	64,040
Call investment deposits		-	-	-	-	-
Consumer debtors		1,990,522	2,244,736	2,178,758	2,118,085	2,178,758
Other debtors		159,049	418,926	418,926	171,562	418,926
Current portion of long-term receivables		-	-	-	-	-
Inventory		49,454	39,322	39,322	57,804	39,322
Total current assets		2,396,615	2,701,046	2,701,046	2,454,212	2,701,046
Non current assets						
Long-term receivables		-	35,716	35,716	-	35,716
Investments						
Investment property		209,106	208,312	208,312	212,402	208,312
Investments in Associate						
Property, plant and equipment		2,003,442	1,795,402	1,774,802	2,100,842	1,774,802
Biological						
Intangible		21,238	2,908	21,758	21,238	21,758
Other non-current assets		12,071	9,926	9,926	12,071	9,926
Total non current assets		2,245,857	2,052,265	2,050,515	2,346,553	2,050,515
TOTAL ASSETS		4,642,473	4,753,311	4,751,561	4,800,765	4,751,561
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		43,176	49,224	49,224	45,795	49,224
Trade and other payables		1,206,094	907,727	907,127	1,335,780	907,127
Provisions		-	94,029	94,029	(6,667)	94,029
Total current liabilities		1,249,270	1,050,980	1,050,380	1,374,908	1,050,380
Non current liabilities						
Borrowing		171,517	148,630	148,630	159,430	148,630
Provisions		265,786	259,520	259,520	265,786	259,520
Total non current liabilities		437,303	408,150	408,150	425,215	408,150
TOTAL LIABILITIES		1,686,573	1,459,129	1,458,529	1,800,123	1,458,529
NET ASSETS	2	2,955,900	3,294,182	3,293,032	3,000,642	3,293,032
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		2,865,773	3,213,305	3,212,155	2,910,515	3,212,155
Reserves		90,127	80,876	80,876	90,127	80,876
TOTAL COMMUNITY WEALTH/EQUITY	2	2,955,900	3,294,182	3,293,032	3,000,642	3,293,032

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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	520,320	31,508	453,721	520,320	(66,599)	-13%	520,320
Service charges		1,146,393	1,093,079	1,084,284	91,780	1,024,883	1,084,284	(59,401)	-5%	1,084,284
Other revenue		288,367	403,395	484,033	37,375	735,624	484,033	251,591	52%	484,033
Transfers and Subsidies - Operational		31,741	18,959	45,723	-	89,218	45,723	43,495	95%	45,723
Transfers and Subsidies - Capital		100,630	134,338	113,738	-	113,738	113,738	-		113,738
Interest		-	6,000	6,000	-	-	6,000	(6,000)	-100%	6,000
Dividends								-		
Payments										
Suppliers and employees		(2,590,285)	(2,039,050)	(2,095,477)	(258,335)	(1,209,683)	(2,095,477)	(885,794)	42%	(2,095,477)
Finance charges		(1,039)	(38,960)	(117,360)	-	-	(117,360)	(117,360)	100%	(117,360)
Transfers and Grants		-	(4,460)	(4,460)	-	-	(4,460)	(4,460)	100%	(4,460)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(585,312)	106,800	36,802	(97,673)	1,207,502	36,802	#####	-3181%	36,802
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	35,716	-	-	-	35,716	(35,716)	-100%	35,716
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(127,081)	(190,043)	(188,293)	(25,260)	(100,695)	(188,293)	(87,598)	47%	(188,293)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(127,081)	(154,327)	(188,293)	(25,260)	(100,695)	(152,577)	(51,881)	34%	(152,577)
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)	-	-	(9,390)	(9,390)	100%	(9,390)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(9,390)	(9,390)	-	-	(9,390)	(9,390)	100%	(9,390)
NET INCREASE/ (DECREASE) IN CASH HELD		(712,393)	(56,917)	(160,881)	(122,933)	1,106,807	(125,165)			(125,165)
Cash/cash equivalents at beginning:		43,007	172,922	172,922	(28,653)	197,591	172,922			197,591
Cash/cash equivalents at month/year end:		(669,386)	116,006	12,041		1,304,397	47,758			72,426

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

As per C6, the Cash and cash equivalents is R106,762 million as per the Cash book balance.