



## **MONTHLY BUDGET STATEMENT – MAY 2023**

To comply with section 71 of the MFMA and the requirements as promulgated in the MBRR Government Gazette No 32141 of 17 April 2009 by submitting the Monthly Budget Statement to the Executive Mayor, National and Provincial Treasury within 10 working days after the end of each month, containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month.

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**Due date: 14 June 2023**

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## **List of Abbreviations and Acronyms used in the MBS**

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

## PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

**DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 MAY 2023**

### 1. Purpose

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

The municipality realises, the critical importance of having a minimum 3 months cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past 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 debtors book is standing at R3,345,625 billion, of 88% of 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.***

## **2. Background**

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act."

Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **31 May 2023**, the ten working day reporting limit expires on **14 June 2023**. As per MFMA Budget Circular No. 94 "from 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings" which must be submitted before or on **14 June 2023**, (ten working day limit).

### 3. Executive summary

The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand (R'000)	YTD Budget May 2023	YTD Actual May 2023	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,286,956	2,212,269	(74,686)	96.7%	-3.3%
Total Revenue (including capital transfers and contributions)	2,409,179	2,264,223	(144,956)	94.0%	-6.0%
Total Operational Expenditure	2,446,171	2,243,302	(202,869)	91.7%	-8.3%

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

As indicated in Table 1 above, as at 31 May 2023, the billed revenue excluding capital grants amounted to R2,212,269 billion which resulted in a satisfactory variance of minus 3.3% when compared to the YTD Budget of R2,286,956 billion. The billed revenue including capital grants amounting to R2,264,223 billion, resulting in an unsatisfactory variance of minus 5.8% when compared to the YTD budget of R2,404,000 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 8.3%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Adjusted Budget	YTD Actual May 2023	Variance Favourable (Unfavourable)	% YTD Actual vs Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 91.67%
Total Revenue (excluding capital transfers and contributions)	2,495,977	2,212,269	2,004,271	88.6%	-3.03%
Total Revenue (including capital transfers and contributions)	2,629,165	2,264,223	2,045,126	86.1%	-5.55%
Total Operational Expenditure	2,698,205	2,243,302	2,018,452	83.1%	-8.53%

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

Indicated in Table 2 above is the YTD actual compared to the Adjusted Budget. When calculating the ideal In-Year-Monitoring percentage of 91.67% [calculated as follow: (100/12 months x 11 months of the year)] as at the end of May 2023, the Total operational revenue excluding capital grants versus the Adjusted Budget resulted in a satisfactory variance of minus 3.03%. The Total operational revenue including capital grants versus the Adjusted Budget resulted in an unsatisfactory variance of minus 5.55%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 8.53%.

**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.**

## 4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - May 2023

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 % - 91.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	610,074	46,399	589,347	561,285	105.0%	28,062	5.0%	96.6%	30,112	4.9%
Service charges - electricity revenue	899,854	62,761	685,599	827,199	82.9%	(141,600)	-17.1%	76.2%	(139,267)	-15.5%
Service charges - water revenue	305,717	22,208	261,737	280,824	93.2%	(19,087)	-6.8%	85.6%	(18,504)	-6.1%
Service charges - sanitation revenue	93,500	7,808	85,866	84,332	101.8%	1,535	1.8%	91.8%	158	0.2%
Service charges - refuse revenue	69,080	5,783	63,930	62,374	102.5%	1,556	2.5%	92.5%	607	0.9%
Rental of facilities and equipment	25,896	2,141	23,533	22,235	105.8%	1,299	5.8%	90.9%	(205)	-0.8%
Interest earned - external investments	6,000	713	4,336	5,500	78.8%	(1,164)	-21.2%	72.3%	(1,164)	-19.4%
Interest earned - outstanding debtors	156,500	18,637	180,175	143,458	125.6%	36,717	25.6%	115.1%	36,717	23.5%
Fines, penalties and forfeits	35,730	6,953	46,765	31,819	147.0%	14,946	47.0%	130.9%	14,013	39.2%
Licences and permits	6,850	559	7,932	6,279	126.3%	1,653	26.3%	115.8%	1,653	24.1%
Agency services	-	-	-	-						
Transfers and subsidies	266,031	-	238,403	242,938	98.1%	(4,535)	-1.9%	89.6%	(5,458)	-2.1%
Other revenue	20,745	1,595	18,494	18,713	98.8%	(218)	-1.2%	89.2%	(522)	-2.5%
Gains on disposal of PPE	-	-	6,151	-		6,151			6,151	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,495,977</b>	<b>175,558</b>	<b>2,212,269</b>	<b>2,286,956</b>	<b>96.7%</b>	<b>(74,686)</b>	<b>-3.3%</b>	<b>88.6%</b>	<b>(75,710)</b>	<b>-3.0%</b>
Transfers and subsidies - capital	133,188	8,356	51,954	122,223	42.5%	(70,269)	-57.5%	39.0%	(70,135)	-52.7%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>2,629,165</b>	<b>183,914</b>	<b>2,264,223</b>	<b>2,409,179</b>	<b>94.0%</b>	<b>(144,956)</b>	<b>-6.0%</b>	<b>86.1%</b>	<b>(145,845)</b>	<b>-5.5%</b>

Table 3: Table C4 Financial Performance (Revenue)

### Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 5%, due to the annual billing on Property Rates for predominantly Organs of State and businesses.
- ❖ Service charges - Electricity revenue is showing a serious under-recovery of 17.1%. A query was sent to the Billing section for the November 2022 reporting, regarding the lower than anticipated billing on conventional metering which includes Large Power Users. The response provided was that this was as a result of interim reversals and correction of errors. It is imperative that the Billing section does a proper investigation to ensure that all properties are billed accurately. The same applies to all other Service charges where the Adjusted budget comparison is not satisfactory. Service charges Sanitation and Refuse is satisfactory.
- ❖ Rental of facilities and equipment is showing a positive variance of 5.8%.
- ❖ Interest earned – External investments shows a negative variance of minus 21.2%, 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 normally gets recognised at year-end.
- ❖ Interest on Outstanding debtors is showing a positive variance of 25.6% 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 47% as a result of an over-recovery on Penalties: Disconnection fees resulted in an actual of 170.22% against an adjusted target of R25,500 million, due to the disconnections on non-payment.
- ❖ Licences and permits is showing a positive variance of 26.3%. 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 135.30% against an annual target of R3,950 million.
- ❖ Transfers and subsidies is showing a satisfactory variance of minus 1.9%.
- ❖ Other Revenue is satisfactory with a positive variance of minus 1.2%.
- ❖ 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.

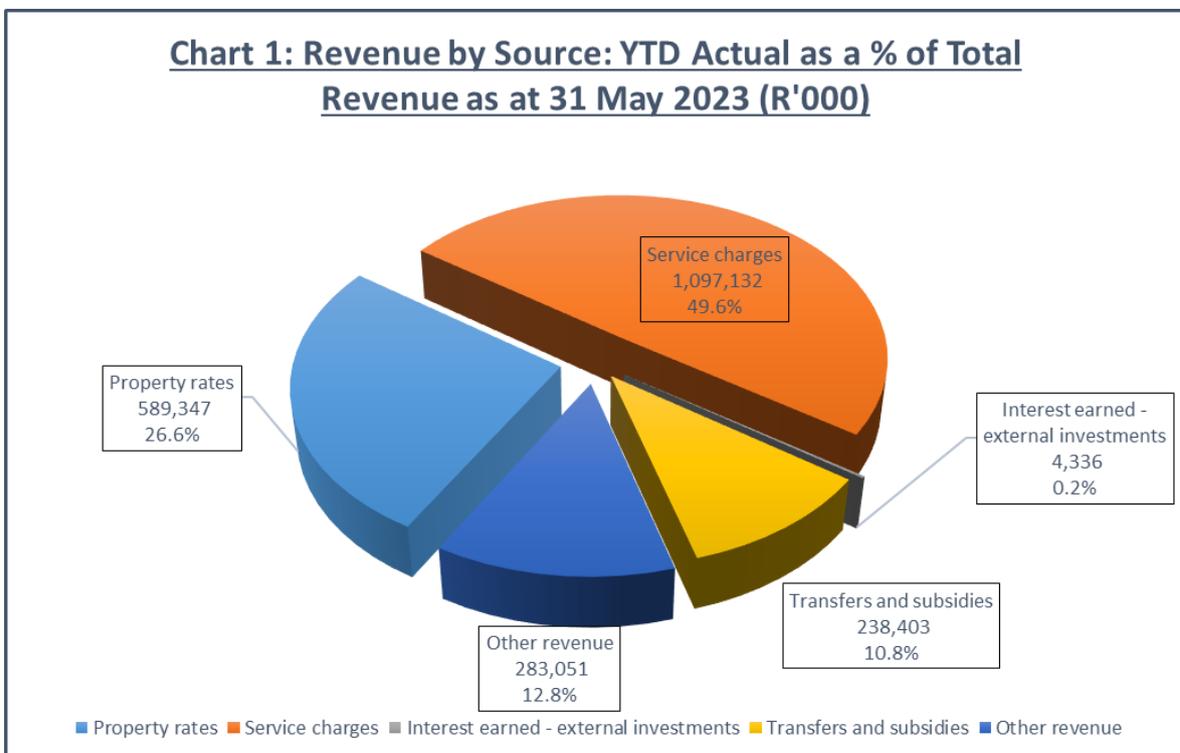
- ❖ Capital grants is showing a negative variance of 57.5%, as a result of the lower than anticipated capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall.

### **Comparison against Adjusted Budget**

Based on the IYM percentage of 91.67%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is performing satisfactorily and showing a satisfactory variance of 4.9%.
- ❖ Service charges is performing satisfactorily when compared to the Adjusted budget, with the exception of Electricity sales is which is showing a negative variance of minus 15.5% and Water sales minus 6.1%. Same factors are applicable as described in the paragraph above.
- ❖ Rental of facilities and equipment is showing a satisfactory variance of minus 0.8%.
- ❖ Interest from External Investments is showing an unsatisfactory variance of minus 19.4%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on Outstanding debtors is showing a positive variance of 23.5% 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 39.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 24.1%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies is satisfactory with a variance of 2.1%.
- ❖ Other Revenue is showing a positive variance of minus 2.5%.
- ❖ Transfers – recognised capital is showing a negative variance of minus 52.7%. 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 31 May 2023. The main contributors of the municipality's revenue are Service Charges (49.6%), Property Rates (26.6%) and Transfers and subsidies (10.8%).



**Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue**

## **4.2 Operating Expenditure by Type**

**Sol Plaatje (NC091): Monthly Budget Statement: May 2023**

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 % - 91.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
	Employee related costs	849,970	65,182	719,875	779,076	92.4%	(59,202)	-7.6%	84.7%	(59,264)
Remuneration of councillors	34,547	2,687	29,446	31,669	93.0%	(2,222)	-7.0%	85.2%	(2,222)	-6.4%
Debt impairment	397,000	99,243	397,001	352,250	112.7%	44,751	12.7%	100.0%	33,084	8.3%
Depreciation & asset impairment	81,050	-	-	74,296	0.0%	(74,296)	-100.0%	0.0%	(74,296)	-91.7%
Finance charges	117,360	17,407	83,355	98,433	84.7%	(15,078)	-15.3%	71.0%	(24,225)	-20.6%
Bulk purchases - electricity	682,000	28,553	534,256	625,167	85.5%	(90,911)	-14.5%	78.3%	(90,911)	-13.3%
Inventory consumed	266,277	14,814	236,833	240,631	98.4%	(3,798)	-1.6%	88.9%	(7,254)	-2.7%
Contracted services	54,181	2,361	26,391	48,763	54.1%	(22,372)	-45.9%	48.7%	(23,275)	-43.0%
Transfers and subsidies	4,460	45	2,601	4,088	63.6%	(1,487)	-36.4%	58.3%	(1,487)	-33.4%
Other expenditure	135,719	9,813	136,613	124,286	109.9%	12,327	9.9%	100.7%	12,204	9.0%
Losses	75,640	-	76,930	67,512	114.0%	9,418	14.0%	101.7%	7,593	10.0%
<b>Total Expenditure</b>	<b>2,698,205</b>	<b>240,107</b>	<b>2,243,302</b>	<b>2,446,171</b>	<b>91.7%</b>	<b>(202,869)</b>	<b>-8.3%</b>	<b>83.1%</b>	<b>(230,052)</b>	<b>-8.5%</b>

Table 4: Table C4 Financial Performance (Expenditure)

### Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 May 2023 current YTD expenditure shows an unsatisfactory variance of minus 8.3%. The YTD actual amounted to R2,243,302 billion against the YTD Budget of R2,446,171 billion.

- ❖ Employee related costs shows a negative variance of minus 7.6%. 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 7.0%. 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 15.3%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year was settled on 19 December 2022. The second instalment will be made at the end of June 2023. Corrections on the actuals pertaining to Interest paid on overdue accounts for ESKOM, was journalised on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 14.5%. The invoice for May 2023 will be captured during June 2023 and the June 2023 account as one of the high months will influence the actuals.
- ❖ Expenditure on Contracted services is lower than anticipated. Prepaid Electricity Vendors is 70.5% spent versus an adjusted budget of R11,400 million. The April 2023 invoice is unpaid and payment will effected during June 2023. 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 40.84% spent versus a budget of R5,965 million.

- ❖ 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 and actuals are overstated because we are billed on the DWS bulk account for 9 months as our servitude (free water) period commences on 1 April of each year.
- ❖ Transfers and subsidies show a negative variance of minus 36.4%. Other grants show minimal movement due to cash flow constraints.
- ❖ Other expenditure is showing an unsatisfactory variance of 9.9% as a result of the following line items under Operational Cost (OC)
  - Cost incurred of R36,613 million on OC: Cash Discount which is currently reflecting as an expense with a zero budget, but this costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually per Revenue source excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.
  - OC: Ext Com Serv Prov - S/Ware Licences is also overspent as a result of annual software licence fees. This expense line items is 76.95% spent versus an adjustments budget of R5,427 million.
  - OC: Professional Bodies M/Ship & Subs is 95.41% spent as a result of the annual membership fees paid to SALGA amounting to R8,197 million.
  - OC: Uniform & Protective Clothing is 79.61% spent, attributable to a material increase in the cost of uniforms, whilst sections also required more uniform and protective clothing. This line item was reviewed per section during the Adjustment budget, however with the current pressure on the Adjustment budget line managers had to make use of savings.
  - OC: Audit Cost: External is 99.84% spent against an adjustments budget of R6,637 million. Virement from savings was done on the system to effect payment of the May 2023 invoice amounting to R79 thousand.

The expenditure on Inventory consumed is showing a satisfactory variance of minus 1.6%. Water, Roads and Sewerage maintenance budget is under severe strain. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and also that funds will be fully spent at year-end. 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 31 May 2023					Annexure A
R&M Expenditure per Directorate per Inventory type as at 31 May 2023 (Amounts in Rand)	Adjustment Budget	Curr Mth Exp	YTD Movement	% Spent Adj Budget	Comment
<b>VOTE 1 - COUNCILLORS AND ADMIN</b>	<b>286,000</b>	-	<b>73,088</b>	<b>26%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	117,000	-	54,771	47%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	-	-	0%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	167,000	-	18,317	11%	UNDERSPENT
<b>VOTE 2 - MUNICIPAL AND GENERAL</b>	<b>29,829,000</b>	<b>1,747,102</b>	<b>32,970,270</b>	<b>111%</b>	<b>OVERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	480,000	-	448,794	93%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	-	-	-		UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	279,000	22,620	270,957	97%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	1,000	-	980	98%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,069,000	1,724,483	32,249,539	111%	OVERSPENT
<b>VOTE 3 - MUNICIPAL MANAGER</b>	<b>150,000</b>	<b>4,095</b>	<b>49,530</b>	<b>33%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	128,000	4,095	49,530	39%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,000	-	-	0%	UNDERSPENT
<b>VOTE 4 - CORPORATE SERVICES</b>	<b>2,680,730</b>	<b>93,111</b>	<b>1,524,875</b>	<b>57%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	893,000	20,426	696,813	78%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	275,000	14,641	206,249	75%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	435,730	49,714	413,377	95%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	1,077,000	8,330	208,436	19%	UNDERSPENT
<b>VOTE 5 - COMMUNITY SERVICES</b>	<b>36,960,000</b>	<b>2,984,798</b>	<b>23,758,400</b>	<b>64%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,008,900	102,389	693,028	69%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	48,700	2,501	6,067	12%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	216,000	15,267	200,400	93%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,044,000	81,859	912,907	87%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	7,890,600	663,702	7,764,516	98%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	306,700	34,833	262,303	86%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	26,445,100	2,084,246	13,919,179	53%	UNDERSPENT
<b>VOTE 6 - FINANCIAL SERVICES</b>	<b>2,487,000</b>	<b>91,421</b>	<b>2,257,655</b>	<b>91%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,270,380	50,293	1,001,798	79%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	160,500	8,418	139,276	87%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	177,000	18,077	161,128	91%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	-	-		UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	879,120	14,634	955,453	109%	OVERSPENT
<b>VOTE 7 - STRATEGY &amp; ECONOMIC DEVELOPMENT</b>	<b>10,400,919</b>	<b>733,377</b>	<b>4,479,042</b>	<b>43%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	442,000	6,088	203,423	46%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	78,000	374	50,541	65%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	360,000	37,374	313,485	87%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	-	6,894	86%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,512,919	689,542	3,904,698	41%	UNDERSPENT
<b>VOTE 8 - INFRASTRUCTURE SERVICES</b>	<b>183,483,249</b>	<b>9,160,002</b>	<b>171,720,392</b>	<b>94%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	747,000	32,314	397,165	53%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	-	-	0%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	17,581,000	3,384,608	18,060,537	103%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	755,000	19,386	608,794	81%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	7,918,000	658,490	7,445,163	94%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	888,000	30,370	783,751	88%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	109,232,249	5,034,835	99,827,924	91%	SATISFACTORY
2326600 (INVENTORY - WATER)	46,360,000	-	44,597,056	96%	OVERSPENT
<b>Grand Total</b>	<b>266,276,898</b>	<b>14,813,906</b>	<b>236,833,250</b>	<b>89%</b>	<b>SATISFACTORY</b>

Table 4.1 R&M Expenditure per Directorate per inventory type

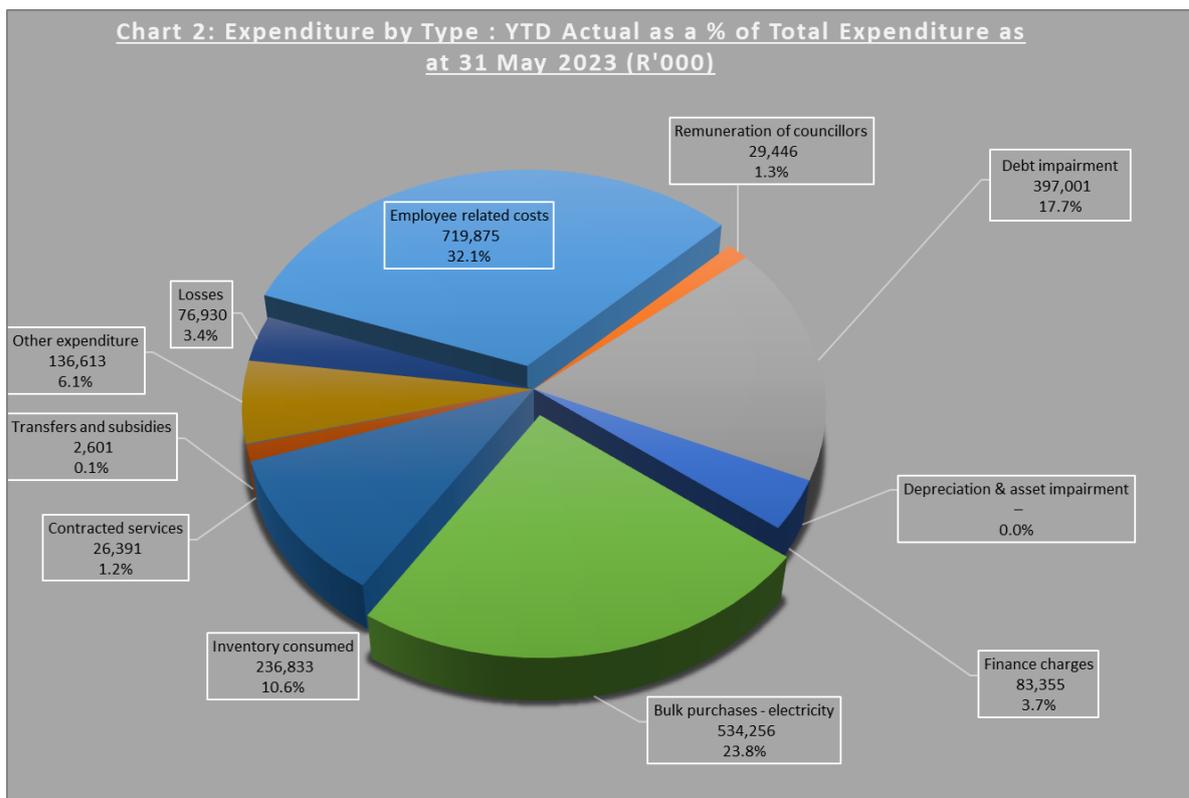
R&M Expenditure per Service per Inventory Type as at 31 May 2023					Annexure B
R&M Expenditure per Service per Inventory Type as at 31 May 2023 (Amounts in Rand)	Adjustment Budget	Curr Mth Exp	YTD Movement	% Spent Adj Budget	Comment
<b>2480 - REFUSE</b>	<b>19,705,000</b>	<b>1,641,492</b>	<b>14,706,811</b>	<b>75%</b>	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	130,000	8,110	51,745	40%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	200,000	15,473	142,796	71%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	5,343,000	517,685	5,267,541	99%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	9,300	-	5,911	64%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,022,700	1,100,224	9,238,819	66%	UNDERSPENT
<b>2830 - ROADS</b>	<b>18,813,000</b>	<b>267,507</b>	<b>17,285,280</b>	<b>92%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	53,000	1,653	41,450	78%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	55,000	-	47,122	86%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,705,000	265,854	17,196,708	92%	SATISFACTORY
<b>2840 - HOUSING</b>	<b>2,031,000</b>	<b>232,354</b>	<b>1,895,494</b>	<b>93%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	92,000	4,894	73,182	80%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	-	-	0%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	118,000	-	115,833	98%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	125,000	10,210	123,263	99%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	1,000	-	-	0%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	1,694,000	217,249	1,583,216	93%	SATISFACTORY
<b>2850 - SEWERAGE</b>	<b>21,698,000</b>	<b>2,329,165</b>	<b>16,709,777</b>	<b>77%</b>	UNDERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	51,000	-	7,363	14%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	171,000	19,449	164,408	96%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	249,000	2,428	237,514	95%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,143,000	196,573	2,106,846	98%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	467,000	13,566	384,941	82%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,617,000	2,097,149	13,808,706	74%	UNDERSPENT
<b>2860 - WATER</b>	<b>107,752,000</b>	<b>4,985,313</b>	<b>99,539,715</b>	<b>92%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	60,000	5,348	38,818	65%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	17,410,000	3,365,159	17,896,129	103%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	120,000	2,651	78,643	66%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,280,000	177,272	1,905,960	84%	UNDERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	420,000	16,803	398,811	95%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	41,102,000	1,418,079	34,624,298	84%	UNDERSPENT
2326600 (INVENTORY - WATER)	46,360,000	-	44,597,056	96%	OVERSPENT
<b>2880 - ELECTRICITY</b>	<b>34,392,000</b>	<b>807,657</b>	<b>31,276,283</b>	<b>91%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	290,000	15,026	167,658	58%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	-	-	0%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	-	62,112	87%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	34,030,000	792,631	31,046,514	91%	SATISFACTORY
<b>Grand Total</b>	<b>204,391,000</b>	<b>10,263,489</b>	<b>181,413,359</b>	<b>89%</b>	<b>SATISFACTORY</b>

Table 4.2 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 May 2023 is 91.67%. The total operational expenditure against the Adjusted Budget is 83.1% spent, resulting in an unsatisfactory variance of minus 8.5%.

- ❖ Employee costs and Councillors remuneration is fairly satisfactory, showing a negative variance of minus 7.0% and 6.4%, 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 20.6%. Same factors are applicable as explained above.
- ❖ Bulk Electricity is showing a unsatisfactory variance of minus 13.3%. Same factors are applicable as explained above.
- ❖ Inventory consumed is showing a satisfactory variance of 2.7%. Same factors are applicable as explained above
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is satisfactory is showing a negative variance of 33.4%. The same factors are applicable as explained in the paragraph above.
- ❖ Other expenditure is showing an positive variance of 10.0%. Same factors are applicable as explained above
- ❖ Loss on disposal of PPE (Water losses), is showing a negative variance of 10.0%, as a result of the recognition of water losses based on the 9-month billing from DWS.



**Chart 2: 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 31 May 2023. The main cost drivers of the municipality are Employee Related Costs (32.1%), Debt Impairment (17.7%) and Bulk Purchases – Electricity (23.8%). It should be noted that these percentages are slightly distorted as a result of the following:

- ❖ The Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ Finance charges is paid bi-annually.

### **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 91.67% as at end of May 2023, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 13.33%. The May 2023 invoice must still be captured on the system and the higher account for June 2023 will also influence the actuals.

Description	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 91.67%
BULK PURCHASES: ELECTRICITY	682,000,000	28,553,354	534,256,062	78.34%	-13.33%
<b>Total</b>	<b>682,000,000</b>	<b>28,553,354</b>	<b>534,256,062</b>	<b>78.34%</b>	<b>-13.33%</b>

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of 7.9% when compared to the ideal percentage of 91.67%. 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. It should also be noted that the overstatement is as a result of the billing for Bulk water which is over a nine-month period from July to March each year as the servitude (free water) commences on the 1 April of each year, where the municipality does not get billed for those three months. The servitude normally lasts the municipality 3 months, from April to June of each year. Once the servitude is exhausted, the Department starts billing the municipality again.

Description	Adjusted Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 91.67%
INVENTORY - WATER	46,360,000	-	44,597,056	96.2%	4.5%
NON-REVENUE WATER LOSSES	75,640,000	-	76,840,066	101.6%	9.9%
<b>Total</b>	<b>122,000,000</b>	<b>-</b>	<b>121,437,121</b>	<b>99.5%</b>	<b>7.9%</b>

Table 5.2: Summary of YTD Bulk Water expenditure

Organ of state	Arrear debt of unpaid invoices	Current Account due (May 2023)	Total Outstanding Debt	YTD Interest charged 2022/23
ESKOM	761,317,267.84	65,831,382.23	827,148,650.07	80,288,717.91
DWS (Water boards)	126,513,765.53	82,471.24	126,596,236.77	-
<b>Grand Total</b>	<b>887,831,033.37</b>	<b>65,913,853.47</b>	<b>953,744,886.84</b>	<b>80,288,717.91</b>

Table 6.1: Summary of outstanding Bulk costs debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R827,149 million. As per ESKOM May 2023 invoice, the total outstanding amount is R862,149 million as a result of the delayed release of R35m on 2 June 2023. The debt for 2021/22 has not been settled in full. The municipality is in the process of concluding a payment arrangement for 2022/23 financial

year. The current arrangement with ESKOM is that the municipality will at least settle the current account on a monthly basis, whilst the repayment proposal by the municipality must still be approved by ESKOM. The municipality 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 R80,289 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

Also, indicated in Table 6.1 above, is the total outstanding debt owed to DWS which amounts to R126,596 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. The account outstanding for the current year is January 2023.
- Settling the monthly debt instalment (municipality complied, but defaulted for April 2023)
- 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.

<b>ESKOM</b>					
<b>Month</b>	<b>Invoice amount</b>	<b>Paid to date (2022/23 FY)</b>	<b>Outstanding Balance</b>	<b>Arrear Debt</b>	<b>Current Acc</b>
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	41,647,298.14	17,439,424.09	17,439,424.09	
Dec-22	58,648,907.34	-	58,648,907.34	58,648,907.34	
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
<b>Total ESKOM</b>	<b>1,406,631,738.00</b>	<b>579,483,087.93</b>	<b>827,148,650.07</b>	<b>761,317,267.84</b>	<b>65,831,382.23</b>

Table 6.2: Summary of outstanding ESKOM debt

Indicated in Table 6.2 above, is the detailed breakdown of outstanding balances per invoice, amounting to R827,149 million pertaining to the debt owed to ESKOM. The outstanding balance is then split into the arrear debt (R761,317 million) and the current account (R65,831 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
<b>Grand Total</b>	<b>842,589,432.48</b>	20220713	53,019,940.09
		20220815	40,000,000.00
		20220824	39,537,674.82
		20220919	109,064,695.35
		20221028	58,357,071.08
		20221130	59,750,383.02
		20221230	20,000,000.00
		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
		<b>Grand Total</b>	<b>842,589,432.48</b>

Table 6.3: 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 R842,589 million. For the month of May 2023, the municipality settled R50,753 million on the outstanding debt.

<b>DWS</b>					
<b>Month</b>	<b>Invoice amount</b>	<b>Paid to date (2022/23 FY)</b>	<b>Outstanding Balance</b>	<b>Arrear Debt</b>	<b>Current Acc</b>
INTEREST CHARGES - APR TO JUN 2022	6,191,399.16	-	6,191,399.16	6,191,399.16	
INTEREST CHARGES - JAN TO FEB 2022	950,146.17	950,146.17	-	-	
INTEREST CHARGES - MAR 2022	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 & JAN 2022)	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 23)	989,654.88	989,654.88	-	-	
WRM CHARGES (APR 23)	82,471.24	-	82,471.24	82,471.24	
WRM CHARGES (APR 23)	82,471.24	-	82,471.24		82,471.24
<b>Total DWS (Bulk water acc)</b>	<b>310,504,229.92</b>	<b>183,907,993.15</b>	<b>126,596,236.77</b>	<b>126,513,765.53</b>	<b>82,471.24</b>

Table 6.4: Summary of outstanding DWS debt

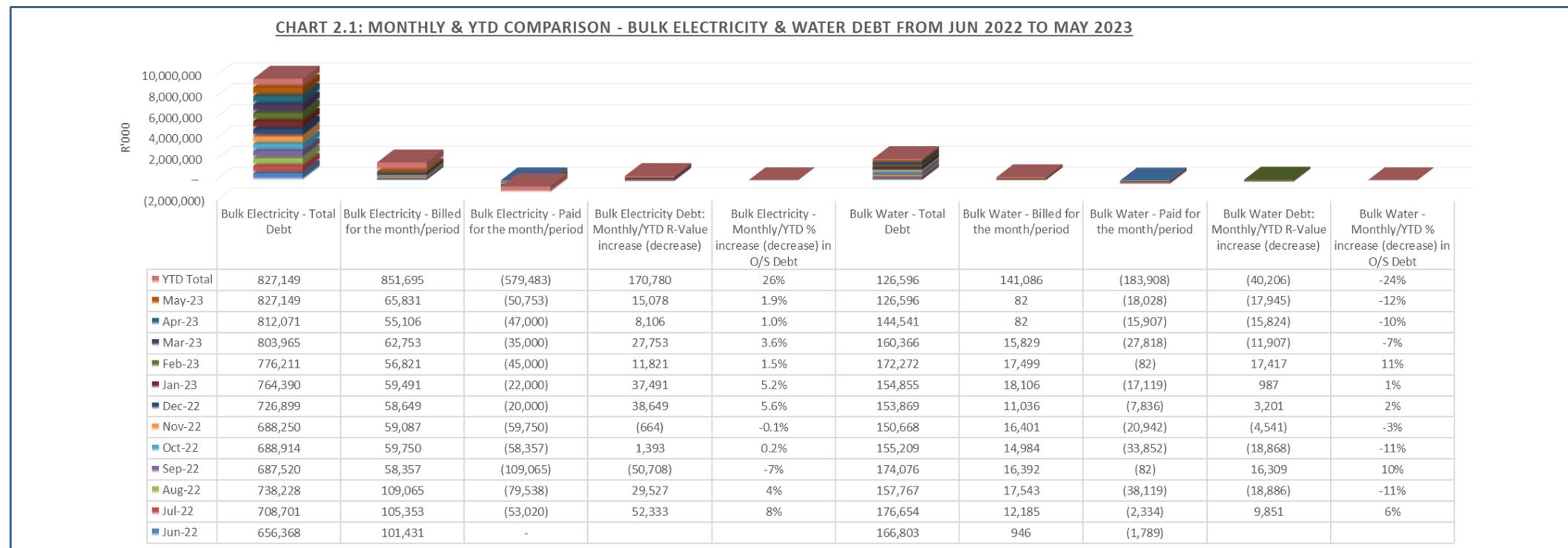
Indicated in Table 6.4 above, is the detailed breakdown of outstanding balances per invoice amounting to R126,596 million pertaining to debt owed to DWS. The outstanding balance is then split into the the arrear debt (R126,514 million) and the current account of (R82 thousand), pertaining to WRM levies. No billing was raised for May 2023 as the servitude (free water) period which commences from 1 April each year.

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
<b>Grand Total</b>	<b>249,501,661.77</b>	20220425	164,942.48
		20220601	4,173,087.07
		20220614	1,788,876.63
		20220714	82,471.24
		20220728	1,388,435.69
		20220802	863,336.64
		20220816	38,036,976.25
		20220901	82,471.24
		20220920	82,471.24
		20221021	82,471.24
		20221031	33,769,424.62
		20221111	82,471.24
		20221124	20,859,449.92
		20221229	7,835,604.54
		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
		<b>Grand Total</b>	<b>249,501,661.77</b>

Table 6.5: Summary of DWS payments

Indicated in Table 6.5 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 May 2023, the municipality settled an amount of R18,028 million.

## Monthly and YTD comparison of debt owed to Eskom and DWS



**Chart 2.1: Monthly & YTD comparison - Bulk electricity & Water debt**

Indicated in Chart 2.1, is the monthly and YTD comparison of Bulk electricity and Water debt. From April 2023 to May 2023, debt owed to ESKOM increased by R15,078 million or 1.9%, from R812,071 million to R827,149 million. When comparing the total outstanding debt to June 2022, the outstanding debt increased by R170,780 million or 22% from R656,368 million to R827,149 million. The total YTD billing from June 2022 to May 2023, amounts to R851,695 million, whilst the municipality settled an amount of R579,483 million for the same period.

From April 2023 to May 2023, debt owed to DWS decreased by R17,945 million or minus 12%, from R144,451 million to R126,596 million. When comparing the total outstanding debt to June 2022, the outstanding debt decreased by R40,206 million or minus 24% from R166,803 million to R126,596 million. The total YTD billing from June 2022 to May 2023, amounts to R141,086 million, whilst the municipality settled an amount of R183,908 million for the same period.

### 4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - May 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 % - 91.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	188,293	12,571	75,435	172,986	43.6%	(97,551)	-56.4%	40.1%	(97,167)	-51.6%
Funded by										
Capital transfers recognised	132,588	8,700	52,921	121,923	43.4%	(69,002)	-56.6%	39.9%	(68,618)	-51.8%
Internally generated funds	55,705	3,871	22,514	51,063	44.1%	(28,549)	-55.9%	40.4%	(28,549)	-51.3%
Weighting Capital transfer recognised	70.4%	69.2%	70.2%	70.5%						
Weighting Internally generated funds	29.6%	30.8%	29.8%	29.5%						

Table 7: High level summary: Capital Expenditure

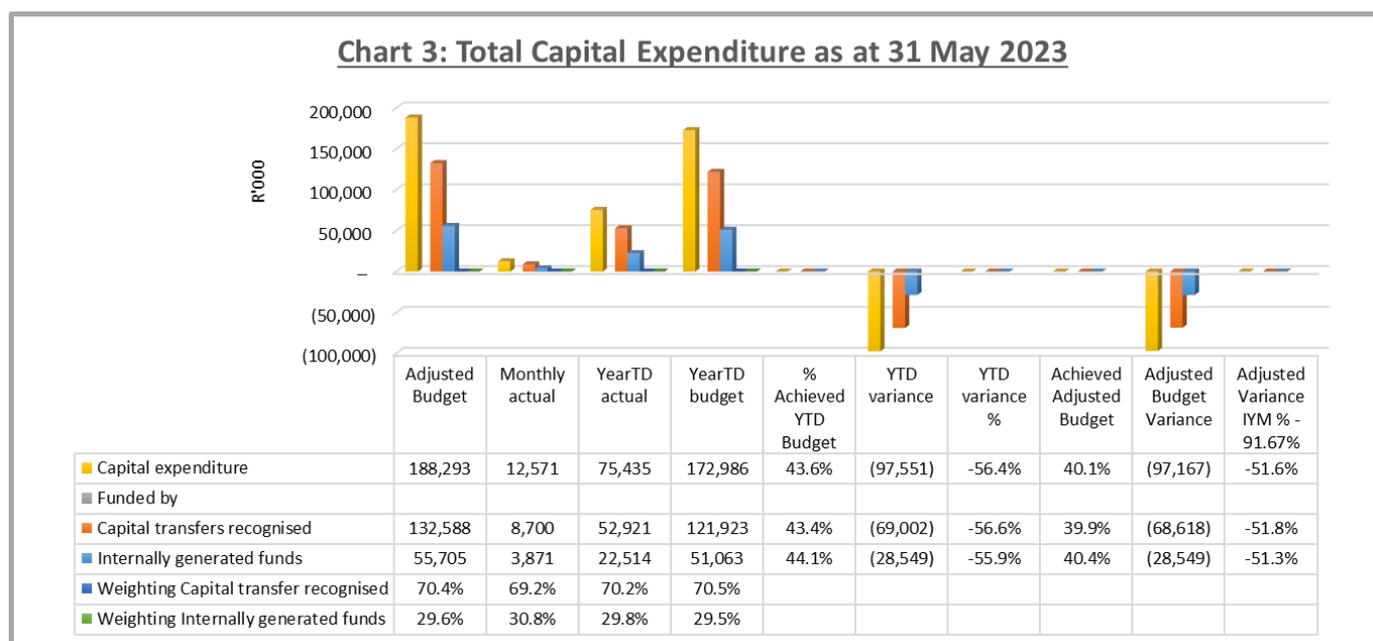


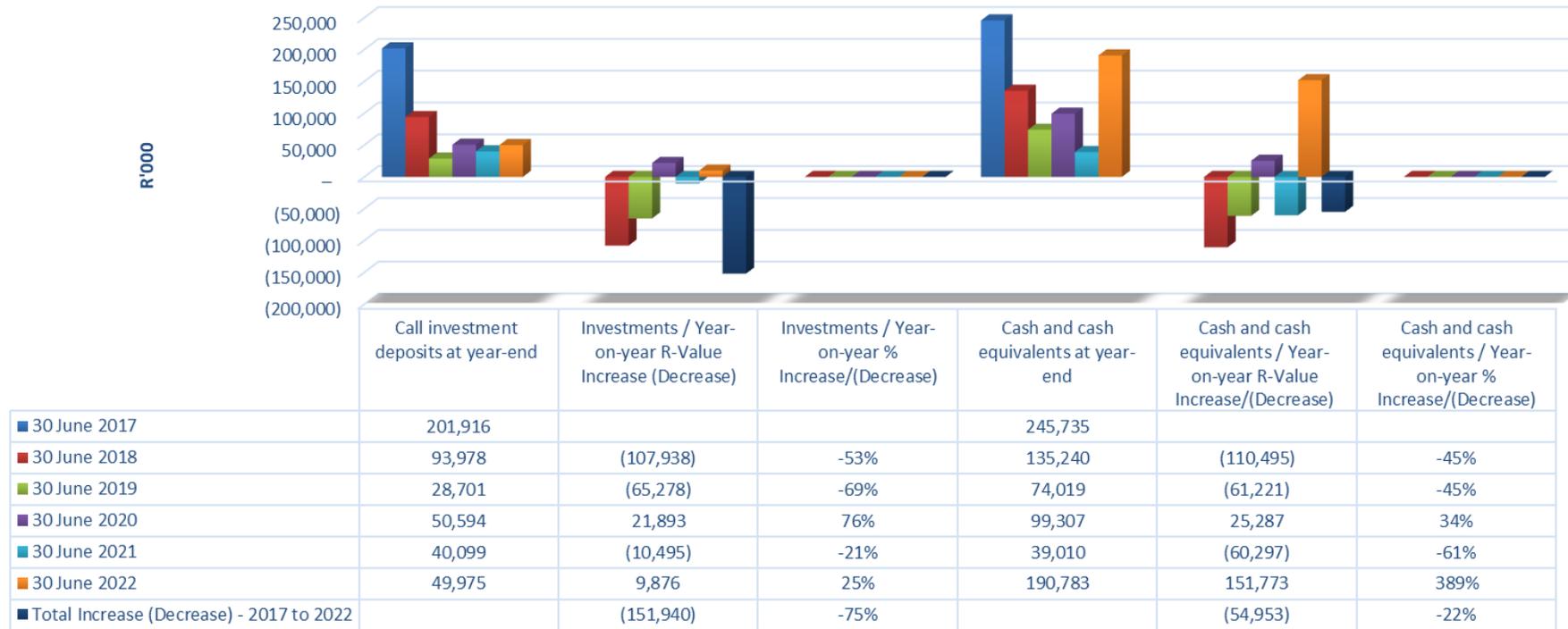
Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of May 2023 amounted to R75,435 million and 43.6% spent when compared to the YTD budget of R172,986 million and 40.1% spent when compared to the Adjusted Budget of R188,293 million. The total YTD capex is funded from Capital grants R52,921 million (70.2%) and Internally generated funds R22,514 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. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. The Project Management Unit (PMU) is not adequately staffed, resulting in a lack of qualified permanently appointed project managers. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

#### 4.4 Cash flows

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



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

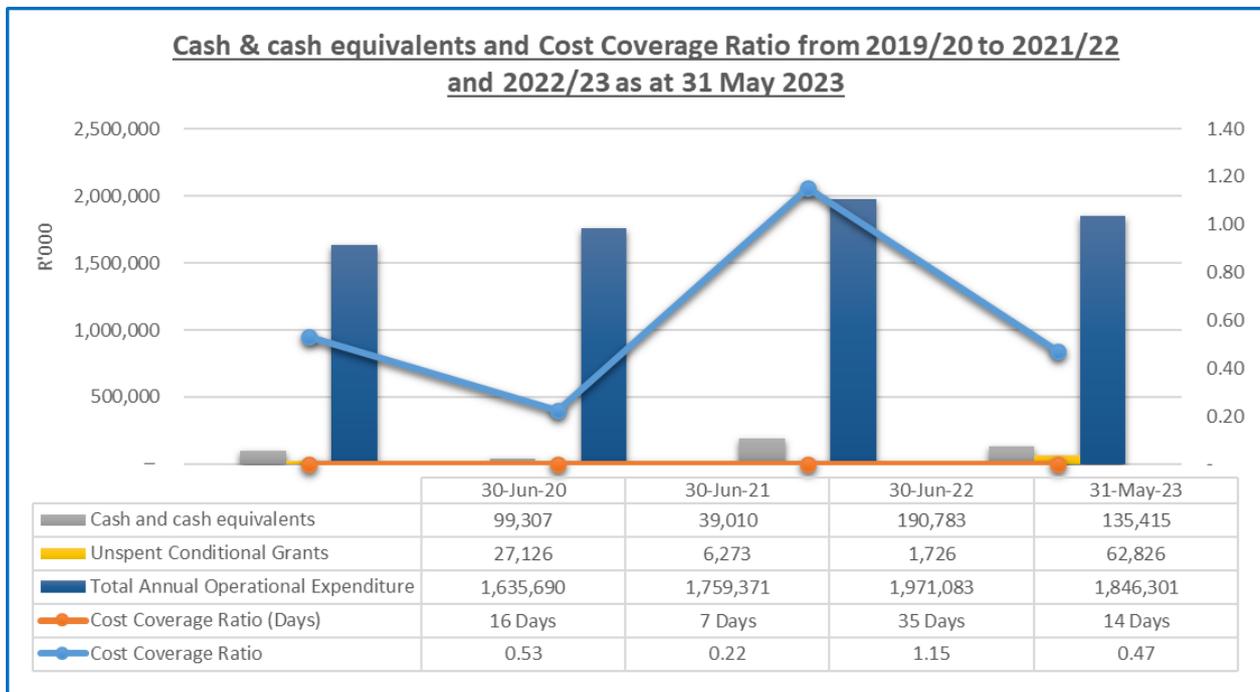
Investments decreased by R107,938 million or 53% from 2017 to 2018. Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. Investments increased by R9,876 million or 25% from 2021 to 2022. From 2017 to 2022, the total investments decreased by R151,940 million. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

**Chart 5: Call investment deposits incl interest for the period ending 31 May 2023**



**Chart 5: Call investment deposits at month-end**

As indicated in the Chart 5 above from April 2023 to May 2023 investments incl interest increased by R349 thousand or 0.7%, in respect of the month-to-month comparison. Investments increased by R2,865 million or 5.7% when compared to the previous years' audited figure of R49,975 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.



**Chart 6: Cash & cash equivalents and Cost coverage ratio**

Indicated in Chart 6 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 31 May 2023 is 0.47 or 14 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. In-year budget statement tables

The financial results for the period under review are attached consisting of the following Tables, in Annexure A

- (a) Table C1: Summary
- (b) Table C2: Financial Performance (Functional Classification)
- (c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Financial Performance (Revenue and Expenditure)
- (e) Table C5: Capital Expenditure by vote, functional classification and funding
- (f) Table C6: Statement of Financial Position
- (g) Table C7: Cash Flow

## PART 2: SUPPORTING DOCUMENTATION

### 5. Debtors' Analysis

#### NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

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		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	48,948	19,461	15,844	16,127	13,991	14,616	78,790	493,916	701,693	617,441	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	65,416	16,894	8,232	6,511	6,449	7,496	50,921	146,149	308,067	217,525	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	50,367	15,029	13,215	12,432	11,998	11,583	114,614	573,224	802,461	723,851	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	13,088	5,025	5,050	4,609	4,524	4,409	24,651	155,814	217,170	194,008	-	-
Receivables from Exchange Transactions - Waste Management	1600	10,515	3,839	3,633	3,459	3,412	3,320	18,614	121,204	167,996	150,008	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,605	1,574	1,567	1,561	1,539	1,538	9,300	46,269	64,952	60,206	-	-
Interest on Arrear Debtor Accounts	1810	36,178	17,657	18,086	16,438	15,647	14,298	72,689	602,998	793,992	722,071	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-
Other	1900	31,301	3,651	7,573	2,638	5,546	13,594	29,795	195,196	289,293	246,769	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>257,418</b>	<b>83,129</b>	<b>73,199</b>	<b>63,775</b>	<b>63,105</b>	<b>70,854</b>	<b>399,373</b>	<b>2,334,770</b>	<b>3,345,625</b>	<b>2,931,878</b>	<b>-</b>	<b>-</b>
<b>2021/22 - totals only</b>		<b>211380835</b>	<b>68629064</b>	<b>63717225</b>	<b>#####</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,961,743</b>	<b>2,618,016</b>	<b>0</b>	<b>0</b>
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	35,403	11,463	9,858	8,418	7,929	7,875	109,920	580,905	771,771	715,047	-	-
Commercial	2300	84,165	21,858	14,782	12,052	11,862	12,276	64,737	344,226	565,958	445,153	-	-
Households	2400	134,004	48,487	47,257	42,117	42,108	49,308	218,160	1,357,843	1,939,284	1,709,536	-	-
Other	2500	3,846	1,321	1,302	1,188	1,207	1,395	6,556	51,797	68,612	62,143	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>257,418</b>	<b>83,129</b>	<b>73,199</b>	<b>63,775</b>	<b>63,105</b>	<b>70,854</b>	<b>399,373</b>	<b>2,334,770</b>	<b>3,345,625</b>	<b>2,931,878</b>	<b>-</b>	<b>-</b>

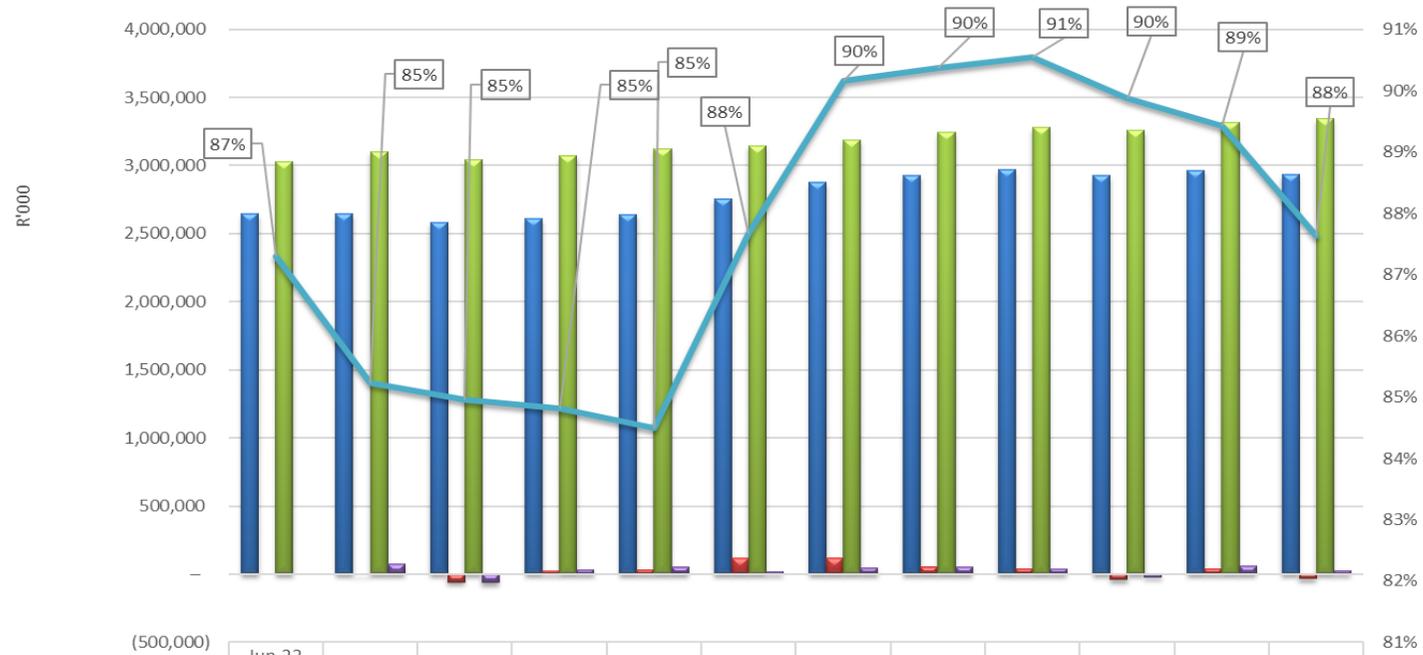
Table 8: Supporting Table SC3: Aged Debtors

Indicated in Table 8 above, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R3,345,625 billion as at the end of May 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. On 8 August 2022 and going forward defaulting debtors were disconnected, starting with government and businesses and then moving onto households.

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

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which decreased to 88% for the month under review. Debt over 90 days decreased by R34,315 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R28,656 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.

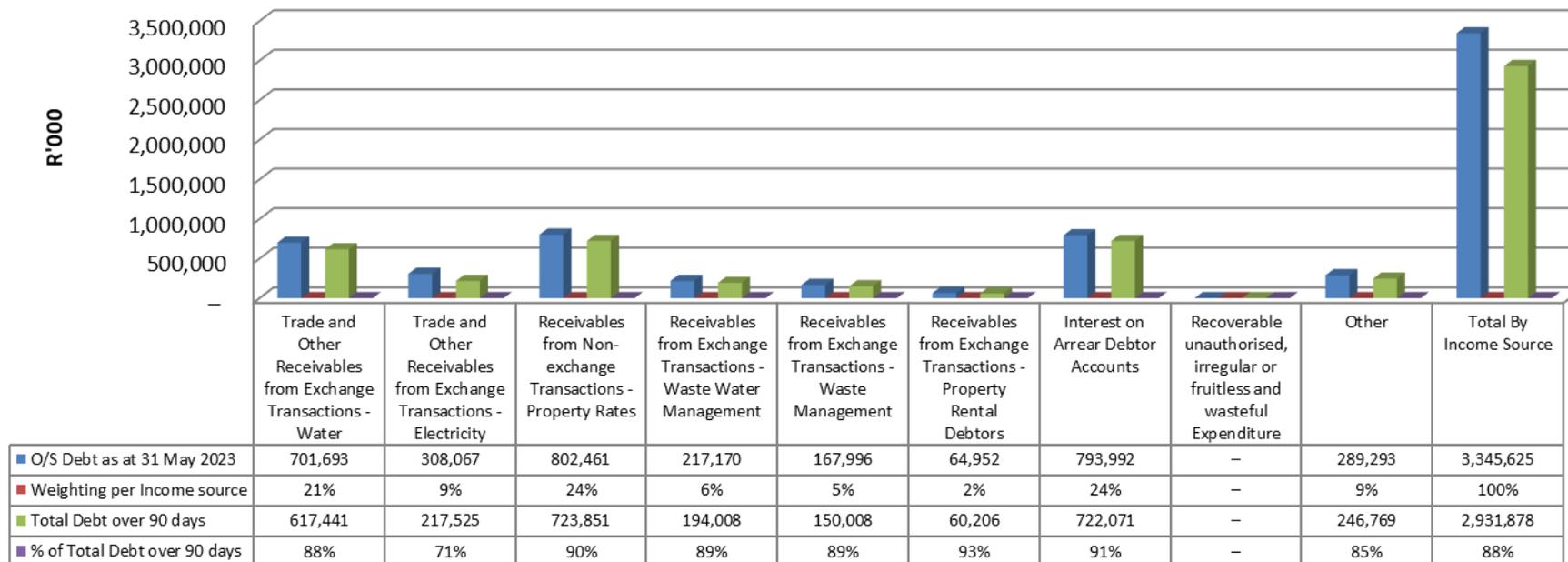
**Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2022 - May 2023**



	Jun-22 (Audited)	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Debt over 90 days (R'000)	2,644,843	2,644,498	2,583,888	2,607,684	2,640,714	2,757,564	2,876,144	2,931,295	2,970,191	2,926,876	2,966,194	2,931,878
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		(345)	(60,611)	23,797	33,030	116,850	118,580	55,151	38,896	(43,315)	39,318	(34,315)
Total Debt (R'000)	3,029,785	3,102,829	3,041,042	3,074,758	3,125,099	3,145,849	3,190,215	3,243,662	3,280,421	3,256,722	3,316,968	3,345,625
Month-to-Month R-value Increase (Decrease) of Total debt		73,044	(61,788)	33,716	50,342	20,749	44,366	53,448	36,759	(23,700)	60,247	28,656
% Weighting of Debt over 90 days	87%	85%	85%	85%	85%	88%	90%	90%	91%	90%	89%	88%

**Chart 7: Debt over 90 days as a percentage of Total O/S Debt**

**Chart 8: Outstanding Debt by Income Source as at 31 May 2023**



**Chart 8: Outstanding Debt by Income Source**

Indicated in Chart 8 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 May 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 91%;
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Receivables from Non-exchange Transactions - Property Rates at 90%

Debtors Age Analysis By Income Source	Item code	O/S Debt as at 30 April 2023	O/S Debt as at 31 May 2023	Percentage month-on-month Increase/(Decrease) in Debtors	R-Value Increase/(Decrease)	Weighting of Debt per Category as a % of Total O/S
<b>Debtors Age Analysis By Income Source</b>	<b>1100</b>					
Trade and Other Receivables from Exchange Transactions - Water	1200	694,023,576	701,693,068	1.1%	7,669,492	21%
Trade and Other Receivables from Exchange Transactions - Electricity	1300	310,285,299	308,067,031	-0.7%	-2,218,268	9%
Receivables from Non-exchange Transactions - Property Rates	1400	809,399,497	802,461,305	-0.9%	-6,938,192	24%
Receivables from Exchange Transactions - Waste Water Management	1500	214,743,659	217,170,492	1.1%	2,426,833	6%
Receivables from Exchange Transactions - Waste Management	1600	165,964,803	167,996,226	1.2%	2,031,423	5%
Receivables from Exchange Transactions - Property Rental Debtors	1700	63,212,479	64,951,841	2.7%	1,739,362	2%
Interest on Arrear Debtor Accounts	1810	777,781,544	793,991,709	2.0%	16,210,165	24%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820	-	-			
Other	1900	281,557,615	289,293,211	2.7%	7,735,596	9%
<b>Total By Income Source</b>	<b>2000</b>	<b>3,316,968,472</b>	<b>3,345,624,883</b>	<b>0.9%</b>	<b>28,656,411</b>	<b>100%</b>
<b>Debtors Age Analysis By Customer Group</b>	<b>2100</b>					
Organs of State	2200	779,048,440	771,770,770	-0.9%	-7,277,670	23%
Commercial	2300	562,726,195	565,957,632	0.6%	3,231,437	17%
Households	2400	1,907,317,299	1,939,284,488	1.6%	31,967,189	58%
Other	2500	67,876,538	68,611,993	1.1%	735,455	2%
<b>Total By Customer Group</b>	<b>2600</b>	<b>3,316,968,472</b>	<b>3,345,624,883</b>	<b>0.9%</b>	<b>28,656,411</b>	<b>100%</b>

Table 9: Month-on-month growth in outstanding debtors

Indicated in Table 9 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group, from April 2023 to May 2023, the municipality's total O/S debt increased by 0.9% or R28,656 million.

#### O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 1.1%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity decreased by 0.7%.
- ❖ Receivables from Non-exchange Transactions - Property Rates decreased by 0.9%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.1%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.2%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 2.7%.
- ❖ Interest on Arrear Debtor Accounts increased by 2.0%.
- ❖ Other increased by 2.7%.

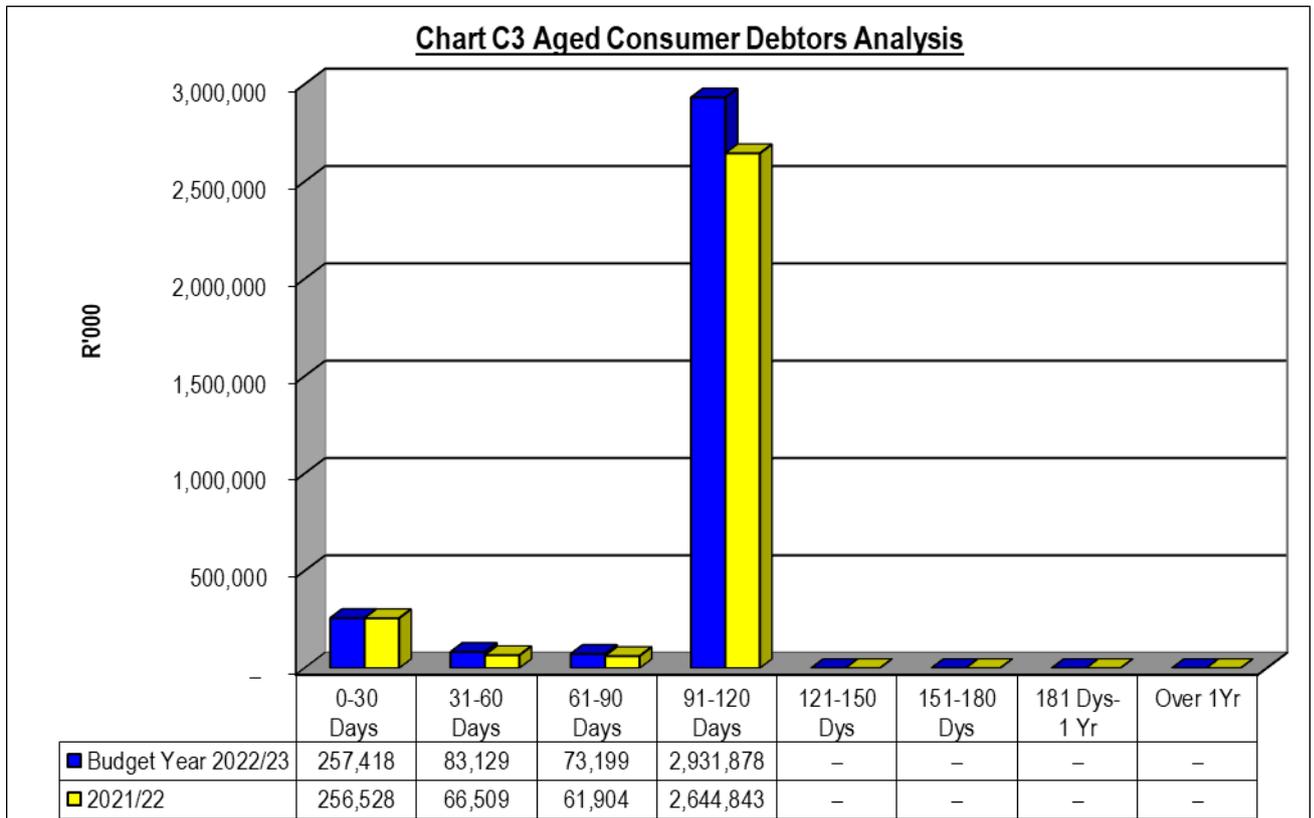
#### O/S debt per Customer Group

- ❖ Organs of State decreased by 0.9%.
- ❖ Commercial debtors increased by 0.6%.
- ❖ Debt owed by Households increased by 1.6%.
- ❖ Other Debt increased by 1.1%.

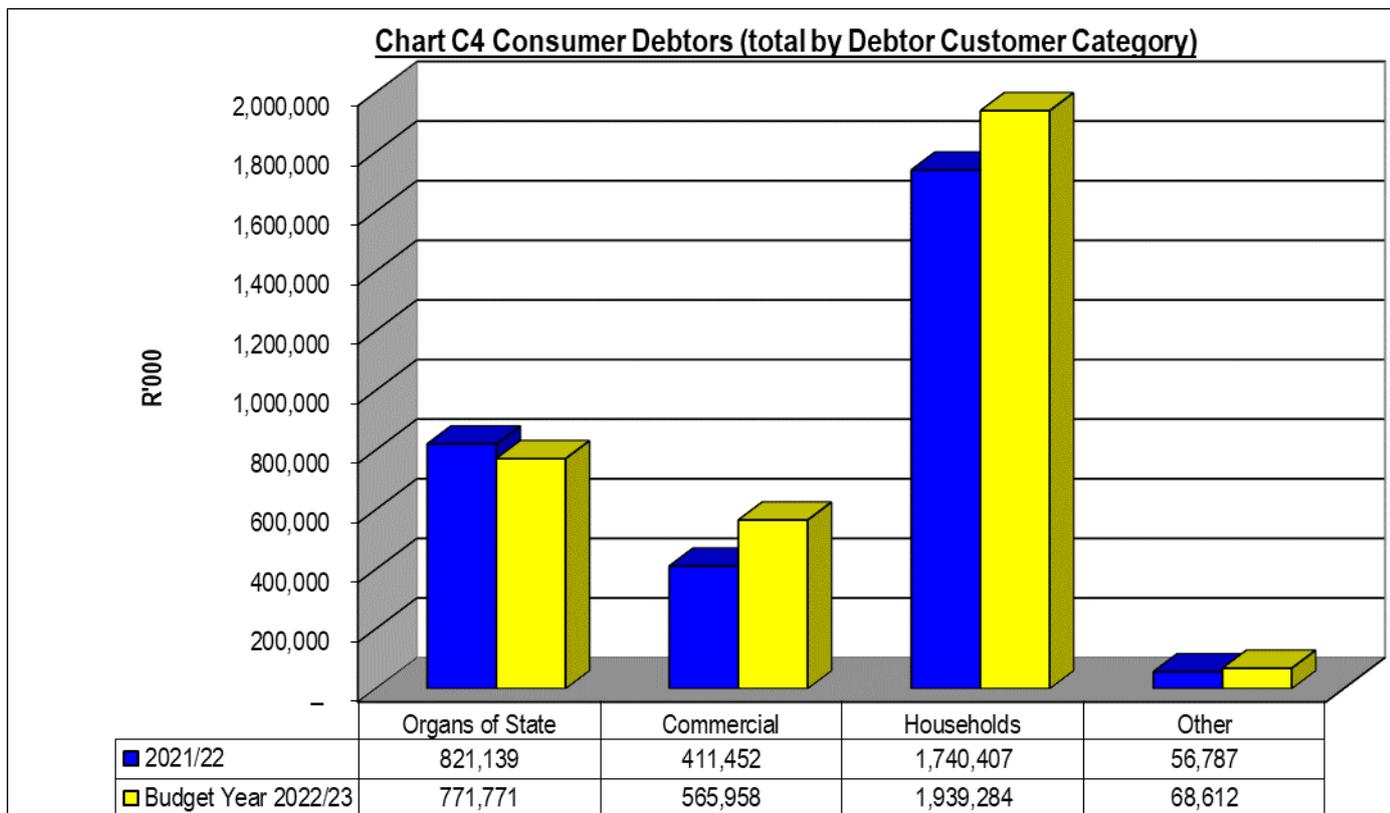
#### Weighting per Customer Group

- ❖ 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 be 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.

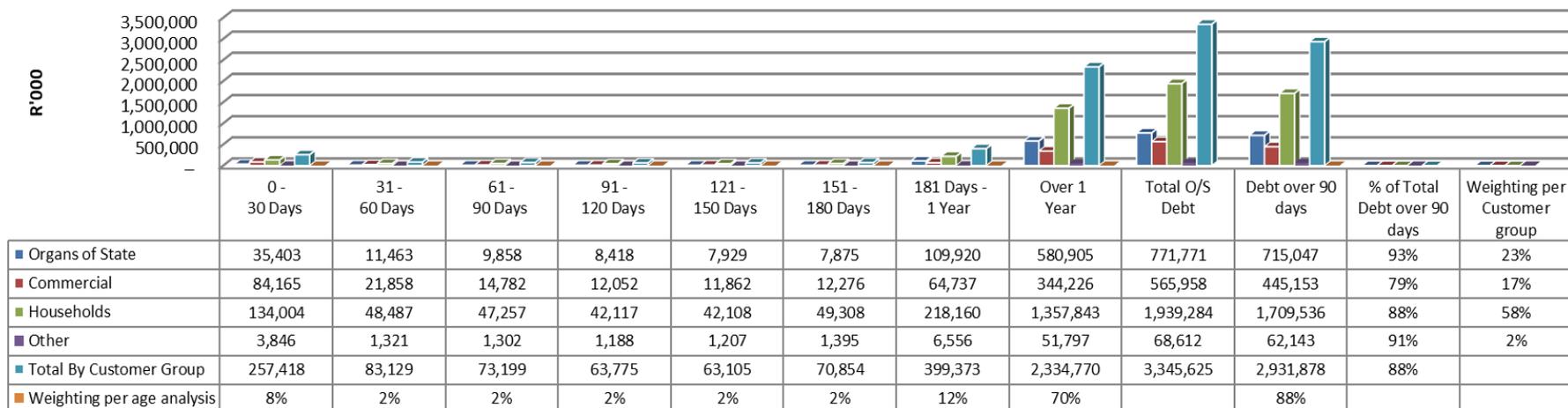


**Chart 9.1: Aged Consumer Debtor Analysis**



**Chart 9.2: Consumer Debtors (total by Debtor Customer Category)**

**Chart 10: Debtor's Age Analysis per Customer Group as at 31 May 2023**



**Chart 10: Debtor's Age Analysis per Customer Group**

Chart 10 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 88%. 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 the 2021/22 financial year and indicated below are the Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses**

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

## Revised collection rate

As per Table 10 below, when taking into consideration what was billed in April 2023 and received in May 2023, the monthly collection rate is 54%. 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 77.1% for the period under review.

When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 May to 31 May 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.

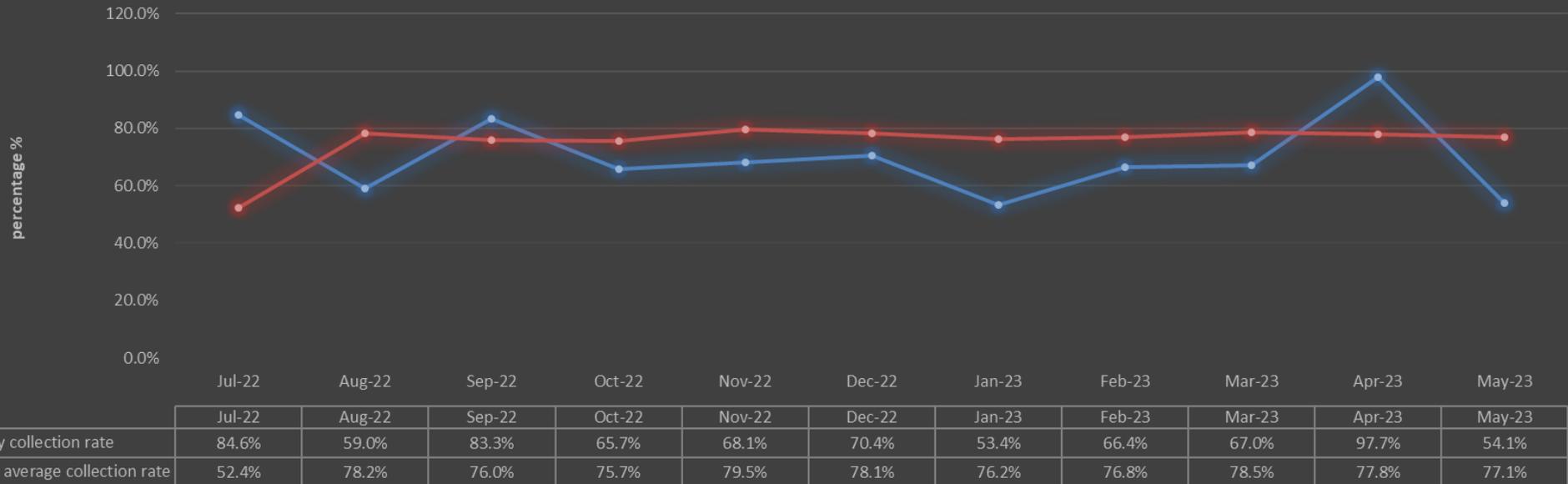
Monthly Collection Rate	Debits (Billed Apr 2023)	Credits (Received May 2023)	% Collected
PROPERTY RATES	46,510,019	28,700,357	62%
ELECTRICITY	44,881,854	32,003,920	71%
WATER	24,597,321	11,485,474	47%
SEWERAGE	9,275,860	3,852,615	42%
REFUSE	7,343,897	3,201,255	44%
OTHER	31,650,162	9,679,499	31%
<b>Total</b>	<b>164,259,112</b>	<b>88,923,120</b>	<b>54%</b>

Table 10: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL MAY 2023	YTD RECEIPTS	Rate
PROPERTY RATES	R 589,346,985	R 419,718,524	<b>71.2%</b>
SERVICE CHARGE ELECTRICITY	R 435,266,142	R 431,062,319	<b>99.0%</b>
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 249,762,587	R 249,762,587	<b>100.0%</b>
SERVICE CHARGE WATER	R 260,592,574	R 151,381,426	<b>58.1%</b>
SERVICE CHARGE SANITATION	R 84,764,973	R 43,485,060	<b>51.3%</b>
SERVICE CHARGE REFUSE	R 63,322,691	R 34,943,947	<b>55.2%</b>
OTHER	R 239,986,377	R 146,472,804	<b>61.0%</b>
UNALLOCATED CREDITS		R 5,073,018	
<b>REVISED AVERAGE COLLECTION RATE - MAY 2023</b>	<b>R 1,923,042,329</b>	<b>R 1,481,899,685</b>	<b>77.1%</b>

Table 11: Revised Average collection rate

**Chart 11: Comparative trend: Monthly and Revised average collection rate - Jul 2022 to May 2023**



**Chart 11: Comparative trend: Monthly and Revised average collection rate**

Indicated in Chart 11 above, is the comparative trend between the monthly and average collection rate from July 2022 to May 2023. The monthly collection rate for August 2022 and the 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 26<sup>th</sup> of the previous month to 25<sup>th</sup> 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.

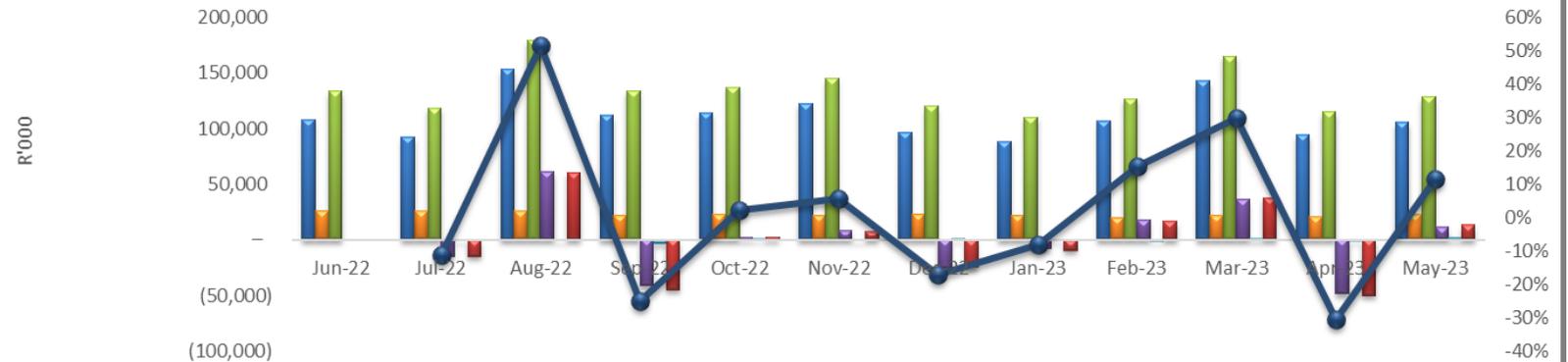
During the 2023/24 MTREF Benchmark engagement, NT advised that the municipality, “must make an effort to collect long outstanding debtors and strive to push collection rate beyond 89% so that we are able to make a surplus on the cash flow which will enable the municipality to cover all the proposed expenditures 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.”

BS566 Payments per Service per Day/Period - Service														
Per Service	Tariff Code	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-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	148,115,793.68	
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	3,199,157.24	
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	177,213,733.53	
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	18,173,990.94	
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	1,236,625.76	
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	188,769.04	
PROPERTY RATES	VAMUN	199.46	-	-	-	1,062.67	-	-	-	-	-	-	1,262.13	
PROPERTY RATES	VAGOVN	296,275.54	23,880,726.22	280,487.89	2,835,598.37	1,185,280.23	454,836.04	286,213.20	582,775.95	34,159,521.06	294,306.71	3,823,788.66	68,079,809.87	
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	1,970,934.43	
PROPERTY RATES	VAGOVP	-	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	873,011.27	
<b>TOTAL PROPERTY RATES</b>		<b>28,226,197.45</b>	<b>66,233,231.70</b>	<b>27,626,070.86</b>	<b>35,135,468.63</b>	<b>29,644,059.25</b>	<b>30,101,671.82</b>	<b>28,953,765.09</b>	<b>33,846,107.00</b>	<b>78,338,156.49</b>	<b>26,592,742.14</b>	<b>35,021,053.86</b>	<b>419,718,524.29</b>	
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	5,511,688.22	
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	425,550,630.36	
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	249,762,587.24	
<b>TOTAL ELECTRICITY</b>		<b>58,821,757.60</b>	<b>74,789,275.73</b>	<b>70,325,305.03</b>	<b>68,090,787.13</b>	<b>76,342,552.38</b>	<b>54,012,802.41</b>	<b>51,970,199.78</b>	<b>56,811,676.30</b>	<b>55,819,369.25</b>	<b>54,772,637.21</b>	<b>59,068,543.00</b>	<b>680,824,905.82</b>	
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	599,557.49	
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	150,781,868.04	
<b>TOTAL WATER</b>		<b>14,043,676.04</b>	<b>12,456,296.04</b>	<b>14,781,333.00</b>	<b>12,266,077.88</b>	<b>18,123,211.69</b>	<b>14,773,590.07</b>	<b>12,904,662.14</b>	<b>13,664,225.41</b>	<b>10,495,234.17</b>	<b>13,416,101.03</b>	<b>14,457,018.06</b>	<b>151,381,425.53</b>	
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	3,093,023.58	
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	40,392,036.86	
<b>TOTAL SANITATION</b>		<b>3,671,637.69</b>	<b>4,368,902.96</b>	<b>3,664,122.11</b>	<b>4,317,571.27</b>	<b>4,283,322.15</b>	<b>3,874,148.66</b>	<b>3,306,495.25</b>	<b>4,287,980.65</b>	<b>3,826,820.18</b>	<b>3,463,286.29</b>	<b>4,420,773.23</b>	<b>43,485,060.44</b>	
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	2,604,307.53	3,009,053.61	2,938,351.31	2,737,309.85	3,339,066.32	32,132,321.32	
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	2,811,625.31	
<b>TOTAL REFUSE</b>		<b>3,006,982.36</b>	<b>3,458,032.96</b>	<b>2,955,597.95</b>	<b>3,374,823.17</b>	<b>3,295,329.71</b>	<b>3,096,626.86</b>	<b>2,788,598.42</b>	<b>3,254,559.93</b>	<b>3,194,424.86</b>	<b>2,923,965.70</b>	<b>3,595,004.71</b>	<b>34,943,946.63</b>	
INTEREST ON ARREARS	IN001	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	24,608.46	
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	734,100.51	
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	969,632.60	
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	2,923,578.53	
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	453,658.50	
INTEREST ON ARREARS	INBS	34,685.00	4,845.76	2,532.27	7,869.47	17,136.62	6,632.41	3,733.39	12,261.41	15,328.79	6,078.38	9,555.99	110,659.49	
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	6,672,509.46	
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	117,828.21	
INTEREST ON ARREARS	INBW	37,732.01	3,096.67	16,023.45	10,653.57	4,494.71	4,494.71	848.72	1,912.43	4,921.16	1,051.99	2,423.10	87,382.56	
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	42,761.22	
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	4,984,656.18	
<b>TOTAL INTEREST ON ARREARS</b>		<b>1,655,127.27</b>	<b>3,896,868.43</b>	<b>1,228,109.67</b>	<b>2,111,615.59</b>	<b>1,108,982.07</b>	<b>1,250,670.96</b>	<b>746,228.97</b>	<b>1,704,224.41</b>	<b>917,775.85</b>	<b>1,231,285.88</b>	<b>1,270,486.62</b>	<b>17,121,375.72</b>	
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	3,164,572.02	
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	109,919,356.06	
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	12,702,626.07	
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	1,142,416.06	
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	1,059,068.98	
MISC 2	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	1,157,177.80	
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	100,005.23	
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	170.29	1,864.11	1,277.06	14,557.39	
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	13,400.96	
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	55,783.27	
<b>OTHER</b>		<b>8,782,491.63</b>	<b>13,669,987.20</b>	<b>13,538,237.34</b>	<b>11,619,288.47</b>	<b>11,869,064.96</b>	<b>12,608,824.94</b>	<b>9,440,233.50</b>	<b>13,258,225.55</b>	<b>12,157,430.68</b>	<b>12,252,359.44</b>	<b>10,155,284.28</b>	<b>129,351,427.99</b>	
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	100,231,422.32	
<b>TOTAL RECEIPTS</b>		<b>100,467,552.60</b>	<b>163,728,435.74</b>	<b>122,348,891.04</b>	<b>123,953,761.39</b>	<b>134,412,730.85</b>	<b>104,636,501.86</b>	<b>95,616,578.40</b>	<b>115,206,311.06</b>	<b>150,330,021.28</b>	<b>102,198,355.26</b>	<b>11</b>		

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	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	143,013,801.85
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	9,647,859.30
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	324,380,915.19
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	1,234,276.48
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	682,754.96
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	22,686,820.09
DECEASED ESTATE	DE	-	-	-	-	792.17	-	-	434.78	695.64	934.79	-	2,857.38
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	23,991,204.53
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	9,138,601.64
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	15,330,553.05
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	1,228,786.42
INDIGENT - LATE ESTATE	IL	397.93	949.84	1,636.11	514.63	-	1,241.13	514.63	-	522.70	-	1,091.13	6,868.10
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	4,129,436.47
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	10,467,030.40
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	6,822,554.84
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	130,899.00
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	8,598,096.96
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	3,868,454.68
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	95,810,297.86
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	4,007,865.56
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	130,498.45
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	4,343,898.18
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	61,506.94
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	3,084,677.29
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	1,107,394.73
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	1,754,970.43
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	1,811,769.06
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	854,083.59
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	50,938,953.06
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	35,157,694.39
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	89,151,075.47
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	2,704,087.60
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	338,527,263.19
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	76,371.80
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	7,458,514.98
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	4,586,227.51
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	132,497.32
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	100,231,422.32
<b>TOTAL RECEIPTS</b>		<b>100,467,552.60</b>	<b>163,728,435.74</b>	<b>122,348,891.04</b>	<b>123,953,761.39</b>	<b>134,412,730.85</b>	<b>104,636,501.86</b>	<b>95,616,578.40</b>	<b>115,206,311.06</b>	<b>150,330,021.28</b>	<b>102,198,355.26</b>	<b>114,396,362.02</b>	<b>1,327,295,501.50</b>
<b>TOTAL RECEIPTS LESS VAT</b>		<b>92,378,095.97</b>	<b>153,240,143.17</b>	<b>111,869,018.41</b>	<b>114,032,652.03</b>	<b>122,316,355.26</b>	<b>96,600,138.51</b>	<b>88,196,536.38</b>	<b>106,466,676.19</b>	<b>142,562,867.71</b>	<b>93,971,570.02</b>	<b>105,430,025.53</b>	<b>1,227,064,079.18</b>

Table 12.2: BS566 report on receipts per debtor type

**Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2022 to May 2023**

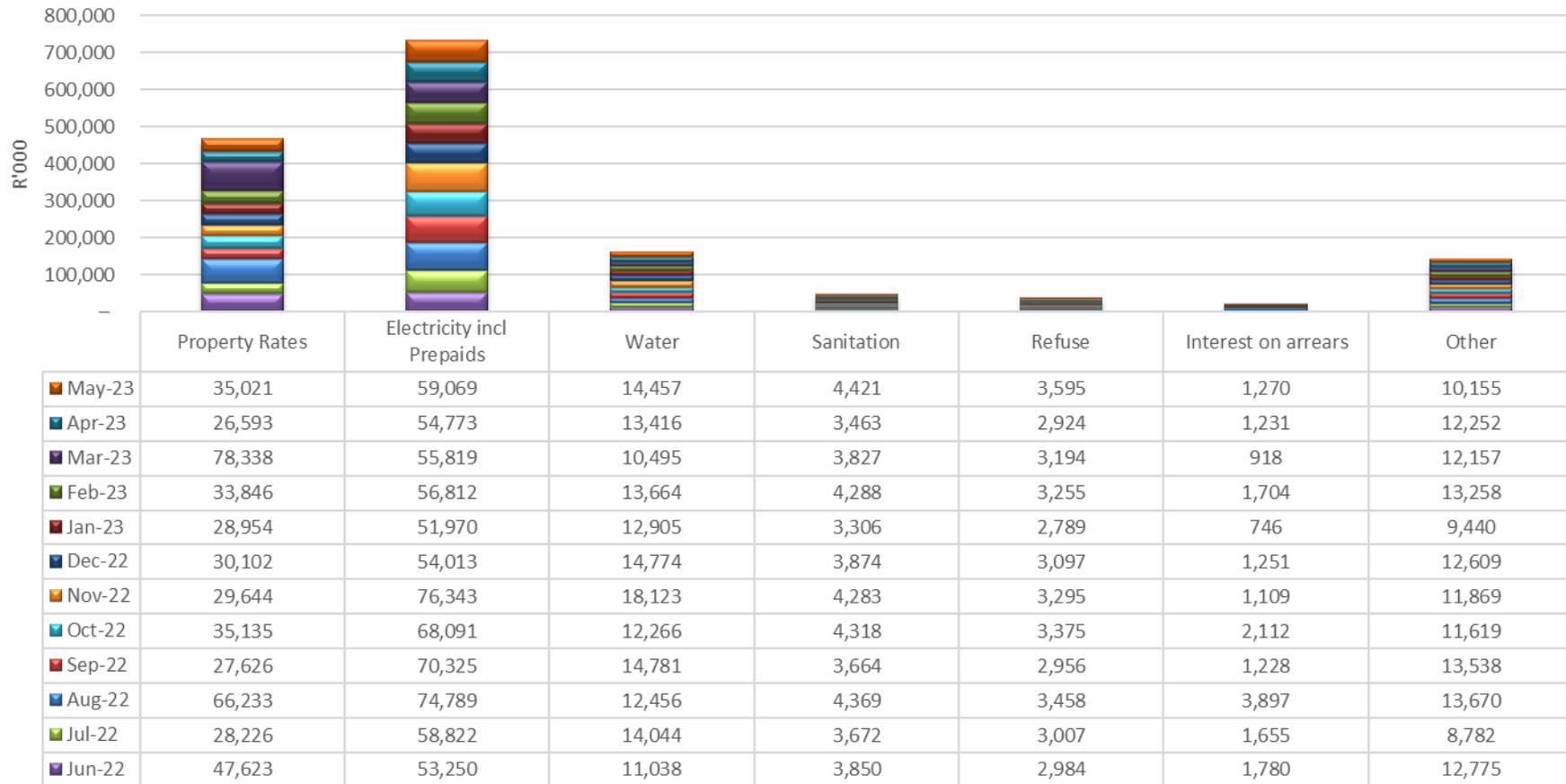


	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Billing Receipts excl VAT (R'000)	107,365	92,378	153,240	111,869	114,033	122,316	96,600	88,197	106,467	142,563	93,972	105,430
Prepaid Electricity Sales excl VAT (R'000)	25,935	25,830	25,632	22,250	22,883	22,350	23,118	21,914	20,360	22,186	20,681	22,558
Total Billing Receipts incl Prepaid Electricity (R'000)	133,300	118,208	178,873	134,119	136,916	144,667	119,718	110,110	126,827	164,749	114,652	127,988
Billing Receipts (R'000 increase (decrease))		(14,987)	60,862	(41,371)	2,164	8,284	(25,716)	(8,404)	18,270	36,096	(48,591)	11,458
Prepaid Electricity Sales ( R'000 increase (decrease))		(105)	(197)	(3,383)	633	(533)	768	(1,205)	(1,553)	1,826	(1,506)	1,877
Total Billing Receipts incl Prepaid Electricity (R'000 increase (decrease))		(15,092)	60,665	(44,754)	2,797	7,751	(24,948)	(9,608)	16,717	37,922	(50,097)	13,336
Total Billing Receipts incl Prepaid Electricity ( % increase (decrease))		-11%	51%	-25%	2%	6%	-17%	-8%	15%	30%	-30%	12%

**Chart 12.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity**

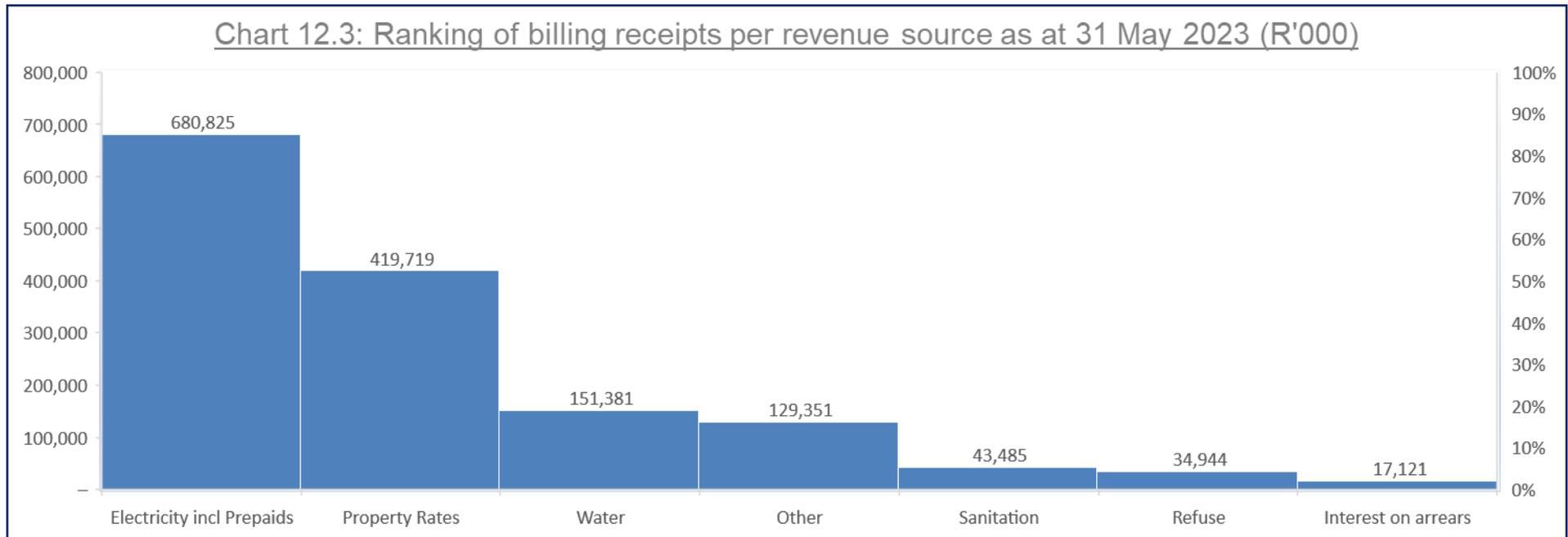
As indicated in Chart 12.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R127,988 million which resulted in an increase of R13,336 million or 12% in respect of the month-to-month comparison. The current situation does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R5,073 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 12.2: Monthly billing receipts per revenue source from Jun 2022 - May 2023**

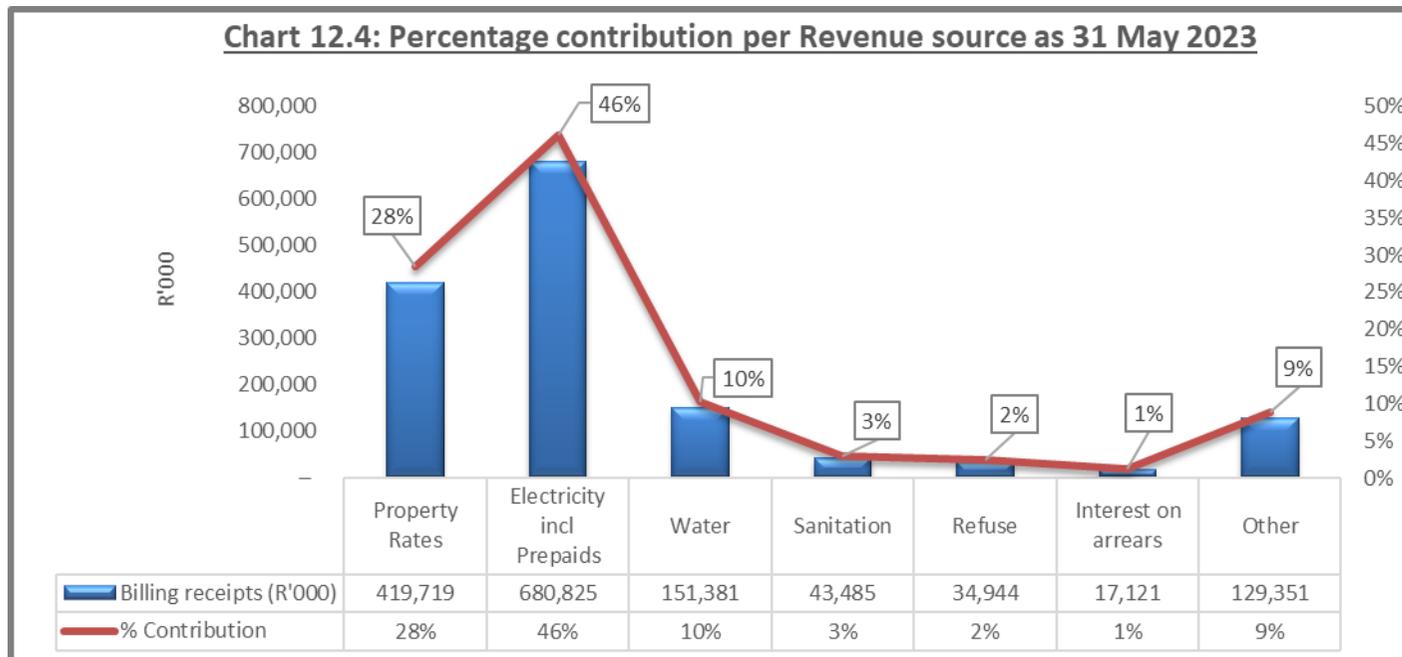


**Chart 12.2: Monthly billing receipts per revenue source**

Indicated in Chart 12.2 above, is the month-to-month receipts per Revenue source. Receipts are relatively constant based on the month-to-month comparison. The upward trend for August 2022 was significant and indicative of the fact that the municipality can collect its outstanding debt, provided that the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied. Unfortunately, there has been a sharp decline in cash collected compared to August 2022 with the biggest impact being the collection on Property rates. All the revenue streams are showing a minor improvement in relation to the monthly comparison, with the exception of Other showing a slight decline.



**Chart 12.3: Ranking of billing receipts per revenue source**



#### Chart 12.4: Percentage contribution of billing receipts per revenue source

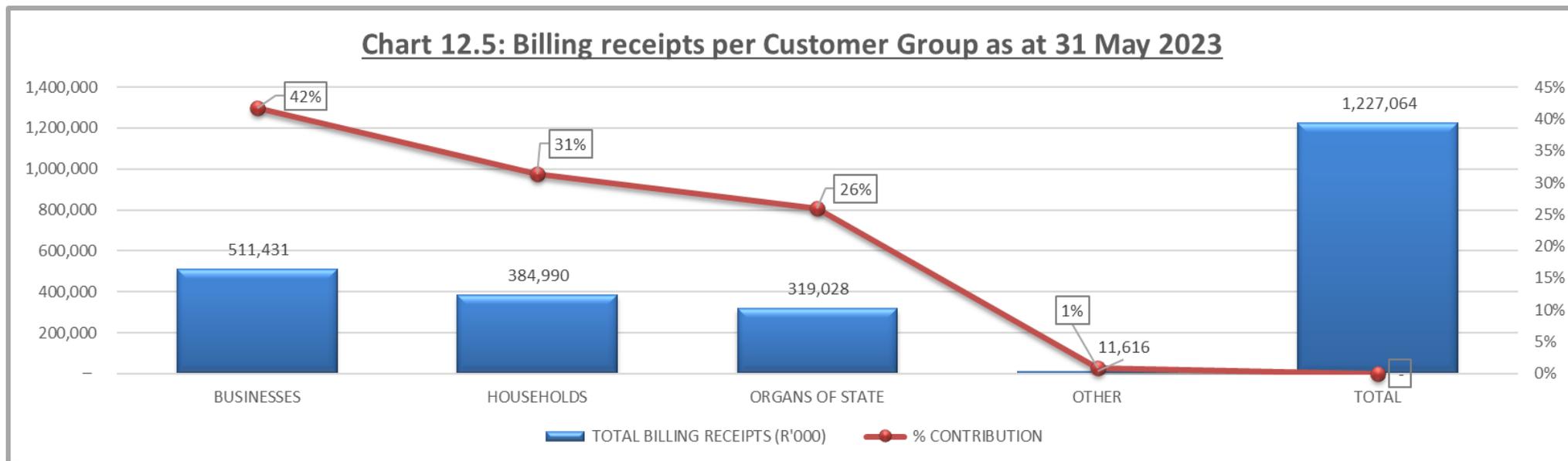
Indicated in Chart 12.3 and 12.4 above, is the ranking and percentage contribution of receipts per revenue source as 31 May 2023. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R680,825 million (46%) being received. This illustrates the 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 R419,719 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 R17,121 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 12.5: Billing receipts per Customer Group as at 31 May 2023**



**Chart 12.5: Billing receipts per Customer Group**

MONTHLY BILLING RECEIPTS PER DEBTOR GROUP (R'000)	Sum of Jul-22	Sum of Aug-22	Sum of Sep-22	Sum of Oct-22	Sum of Nov-22	Sum of Dec-22	Sum of Jan-23	Sum of Feb-23	Sum of Mar-23	Sum of Apr-23	Sum of May-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	511,431
HOUSEHOLDS	30,418	37,089	32,585	38,930	36,583	34,780	32,835	36,530	36,571	31,333	37,335	384,990
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	319,028
OTHER	696	659	674	1,128	1,049	3,047	409	1,441	897	751	864	11,616
<b>Grand Total</b>	<b>92,378</b>	<b>153,240</b>	<b>111,869</b>	<b>114,033</b>	<b>122,316</b>	<b>96,600</b>	<b>88,197</b>	<b>106,467</b>	<b>142,563</b>	<b>93,972</b>	<b>105,430</b>	<b>1,227,064</b>

**Table 12.3: Monthly Billing Receipts Per Debtor Group**

Indicated in Chart 12.5 above, is the billing receipts and percentage contribution per major Customer group as at 31 May 2023. The municipality received R511,431 million (42%) from Businesses, Households R384,990 million (31%), Organs of State R319,028 million (26%) and Other R11,616 million (1%). Indicated in Table 12.3 above, is the monthly billing receipts per Debtor Group.

## 6. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2022/23									Total	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			
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	65,831	45,106	-	56,821	59,491	58,649	118,871	422,379	827,149	554,937	
Bulk Water	0200	82	82	-	-	-	-	6,191	120,240	126,596	130,012	
PAYE deductions	0300	9,828	-	-	-	-	-	-	-	9,828	8,962	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	7,924	-	-	-	-	-	-	-	7,924	7,416	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	2,354	-	-	-	-	-	-	-	2,354	1,675	
Auditor General	0800	4	-	-	-	-	-	-	-	4	4	
Other	0900	17,005	656	-	2,729	-	-	-	-	20,390	18,284	
<b>Total By Customer Type</b>	<b>1000</b>	<b>103,029</b>	<b>45,844</b>	<b>-</b>	<b>59,550</b>	<b>59,491</b>	<b>58,649</b>	<b>125,062</b>	<b>542,619</b>	<b>994,246</b>	<b>721,286</b>	

Table 14: Supporting Table SC4: Aged Creditors

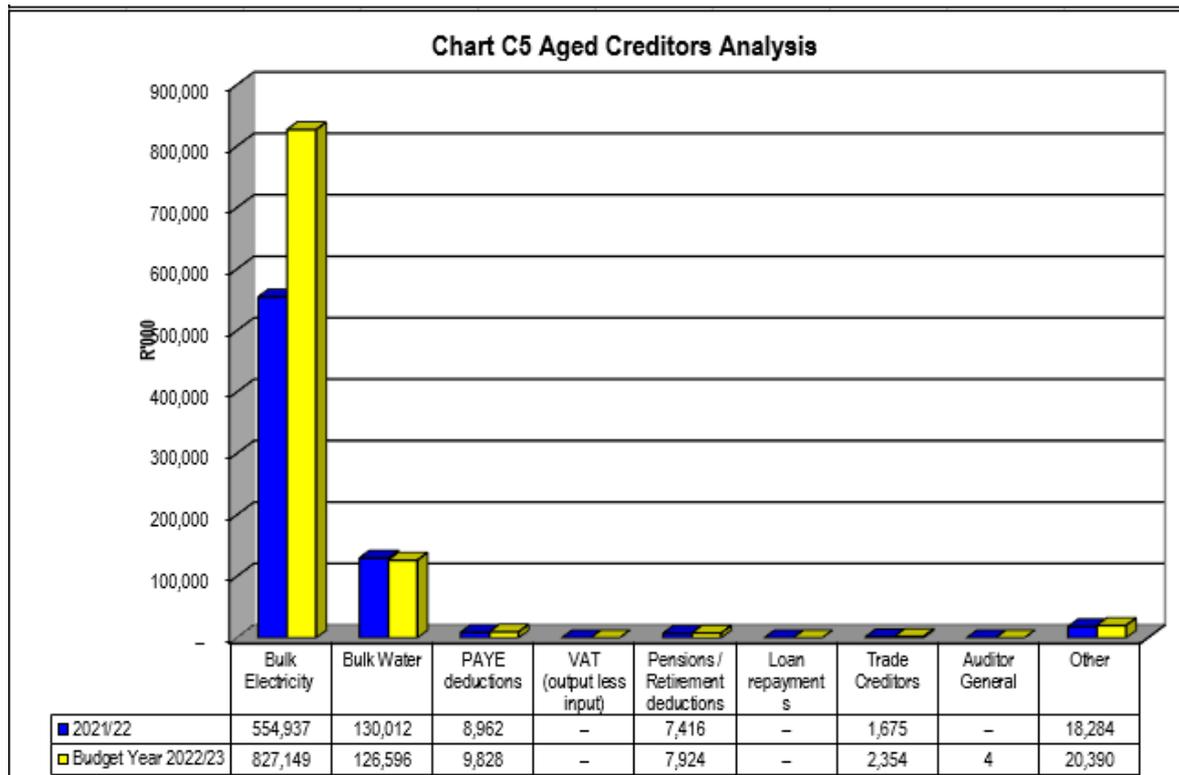


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2021/22 is based on the outstanding creditors as at 31 May 2022 (prior year totals for the same period).

**Bulk Electricity** – As at the 31 May 2023, the outstanding debt owed to Eskom amounted to R827,149 million. The total outstanding as per the Eskom May 2023 invoice is R862,149 million. The difference is a result of the delayed release of R35,000 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 31 May 2023, the outstanding debt owed to DWS is R126,596 million. 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 R2,834 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 R4 thousand.

**Other creditors** – includes sundry creditors which were unpaid as at 31 May 2023 of which the biggest contributor is third party salary payments amounting to R16,820 million which was paid by 7 June 2023.

## 7. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 May 2023, the value of total investments made was R52,841 million including interest. Part of investments made during the month where interest accrued which reflected an increase in investment. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the datastrings, 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.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May														
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
		Yrs/Months												
<b>R thousands</b>														
<b>Municipality</b>														
Investec 1400093272500		6 months	Call a/c	No	Variable	5.35	0			633	4	-	-	637
Standard Bank 04846627-014		6 months	Call a/c	No	Variable	5.5	0			5,305	33	-	-	5,338
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			5,752	32	-	-	5,784
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			5,793	37	-	-	5,830
Absa Bank 9286041059		6 months	Call a/c	No	Variable	0	0			-	-	-	-	-
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	5.25	0		2019/06/06	5,256	32	-	-	5,288
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	7,872	45	-	-	7,917
Standard Bank 048466271-086		12 months	Notice	No	Fixed	902.50%	0		2023/11/10	21,882	165	-	-	22,046
<b>Municipality sub-total</b>										<b>52,493</b>		<b>-</b>	<b>-</b>	<b>52,841</b>

Table 15: Supporting Table SC5: Investment portfolio

## 8. Allocation and grant receipts and expenditure

### Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

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
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		223,255	250,317	250,317	–	232,560	229,457	3,103	1.4%	250,317
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		212,328	239,158	239,158	–	232,560	219,228	13,332	6.1%	239,158
Expanded Public Works Programme Integrated Grant		3,362	3,959	3,959	–	–	3,629	(3,629)	-100.0%	3,959
Infrastructure Skills Development Grant		4,901	5,500	5,500	–	–	5,042	(5,042)	-100.0%	5,500
Local Government Financial Management Grant		1,650	1,700	1,700	–	–	1,558	(1,558)	-100.0%	1,700
Municipal Disaster Relief Grant	3	1,015	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		12,731	7,800	15,714	–	5,843	13,481	(7,638)	-56.7%	15,714
Capacity Building and Other Grants		8,561	7,800	9,414	–	–	8,441	(8,441)	-100.0%	9,414
Infrastructure Grant		4,170	–	6,300	–	5,843	5,040	803	15.9%	6,300
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Higher Education SA (HESA)		–	–	–	–	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	5	235,986	258,117	266,031	–	238,403	242,938	(4,535)	-1.9%	266,031
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		105,767	134,338	114,338	8,356	51,954	107,143	(55,189)	-51.5%	114,338
Energy Efficiency and Demand Side Management Grant		–	4,000	4,000	53	2,571	3,667	(1,096)	-29.9%	4,000
Integrated National Electrification Programme Grant		35,458	40,000	20,000	2,192	9,896	20,667	(10,771)	-52.1%	20,000
Integrated Urban Development Grant		54,266	70,390	70,390	6,112	36,431	64,524	(28,093)	-43.5%	70,390
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		16,043	19,948	19,948	–	3,057	18,286	(15,229)	-83.3%	19,948
<b>Provincial Government:</b>		76,850	–	–	–	–	–	–	–	–
Infrastructure Grant		76,850	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		3,500	–	–	–	–	–	–	–	–
Specify (Add grant description)		3,500	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		14,400	–	18,850	–	–	15,080	(15,080)	-100.0%	18,850
[insert description]		–	–	–	–	–	–	–	–	–
European Union		14,400	–	18,850	–	–	15,080	(15,080)	-100.0%	18,850
<b>Total Capital Transfers and Grants</b>	5	200,517	134,338	133,188	8,356	51,954	122,223	(70,269)	-57.5%	133,188
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	436,504	392,455	399,219	8,356	290,357	365,162	(74,804)	-20.5%	399,219

Table 16: Supporting Table SC6: Transfers and grant receipts

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.

## Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		109,818	116,565	133,832	7,472	113,708	120,618	(6,910)	-5.7%	133,832
Equitable Share		99,625	105,406	122,043	7,076	104,777	109,884	(5,107)	-4.6%	122,043
Expanded Public Works Programme Integrated Grant		3,362	3,959	4,589	86	4,256	4,133	123	3.0%	4,589
Infrastructure Skills Development Grant		4,920	5,500	5,500	300	3,617	5,042	(1,425)	-28.3%	5,500
Local Government Financial Management Grant		1,650	1,700	1,700	10	1,057	1,558	(501)	-32.2%	1,700
Municipal Disaster Relief Grant		261	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		8,275	7,800	11,352	188	8,302	10,113	(1,811)	-17.9%	11,352
Capacity Building and Other Grants		6,795	7,800	8,552	121	5,913	7,752	(1,839)	-23.7%	8,552
Infrastructure Grant		1,480	-	2,800	67	2,389	2,361	28	1.2%	2,800
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>118,093</b>	<b>124,365</b>	<b>145,184</b>	<b>7,660</b>	<b>122,010</b>	<b>130,731</b>	<b>(8,720)</b>	<b>-6.7%</b>	<b>145,184</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		95,428	134,338	113,738	8,700	52,921	106,843	(53,922)	-50.5%	113,738
Energy Efficiency and Demand Side Management Grant		-	4,000	4,000	53	2,596	3,667	(1,071)	-29.2%	4,000
Integrated National Electrification Programme Grant		30,833	40,000	24,400	2,536	10,240	22,867	(12,627)	-55.2%	24,400
Integrated Urban Development Grant		48,552	70,390	70,390	6,112	36,827	64,524	(27,697)	-42.9%	70,390
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		16,043	19,948	14,948	-	3,259	15,786	(12,527)	-79.4%	14,948
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		3,500	-	-	-	-	-	-	-	-
Specify (Add grant description)		3,500	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		13,891	-	18,850	-	-	15,080	(15,080)	-100.0%	18,850
European Union		13,891	-	18,850	-	-	15,080	(15,080)	-100.0%	18,850
<b>Total capital expenditure of Transfers and Grants</b>		<b>112,818</b>	<b>134,338</b>	<b>132,588</b>	<b>8,700</b>	<b>52,921</b>	<b>121,923</b>	<b>(69,002)</b>	<b>-56.6%</b>	<b>132,588</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>230,912</b>	<b>258,703</b>	<b>277,772</b>	<b>16,360</b>	<b>174,932</b>	<b>252,654</b>	<b>(77,722)</b>	<b>-30.8%</b>	<b>277,772</b>

Table 17: Supporting Table SC7(1): Transfers and grant expenditure

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is standing at R19,542 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted allocation for the EPWP is R3,959 million. In addition to this, the municipality budgeted R10,000 million for this programme. Management has been in a process of reviewing this programme.

Description	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	40,000,000	24,400,000	2,535,819	10,239,598	13,866,056	25.6%	42.0%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	70,390,000	6,111,588	36,826,795	8,938,413	52.3%	52.3%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	14,948,000	-	3,258,956	10,233,159	16.3%	21.8%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	4,000,000	52,825	2,596,147	16,696	64.9%	64.9%
EUROPEAN UNION	-	18,850,000	-	-	-	-	0.0%
<b>Grand Total</b>	<b>134,338,000</b>	<b>132,588,000</b>	<b>8,700,232</b>	<b>52,921,495</b>	<b>33,054,324</b>	<b>39.4%</b>	<b>39.9%</b>

Table 18: Summary of expenditure per grant

As indicated in Table 18 above, the YTD grant expenditure amounts to R52,9210 million or 39.9% 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 eleven 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. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

### **Rollover Grants: Expenditure**

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

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

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

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

- In terms of the ISDG, no supporting documents submitted, i.e., a list of graduates benefiting from the program;
- The Department of Mineral Resources and Energy is not in support of the INEP rollover request because, the municipality advances INEP funds without obtaining prior approval from the department; and
- No reasons were provided as to why INEP was not fully spent during the year of 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 19: Supporting Table SC7\(2\) - Expenditure against approved rollovers](#)

Table 19 is not populated due to the fact that the rollover was declined.

## 9. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages										
Pension and UIF Contributions		496	-	860	82	801	717	84	12%	860
Medical Aid Contributions		267	-	390	42	383	325	58	18%	390
Motor Vehicle Allowance										
Cellphone Allowance		2,845	3,243	3,283	233	2,777	3,006	(229)	-8%	3,283
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		27,129	31,305	30,015	2,330	25,486	27,621	(2,135)	-8%	30,015
<b>Sub Total - Councillors</b>		<b>30,737</b>	<b>34,547</b>	<b>34,547</b>	<b>2,687</b>	<b>29,446</b>	<b>31,669</b>	<b>(2,222)</b>	<b>-7%</b>	<b>34,547</b>
<b>% increase</b>	4		<b>12.4%</b>	<b>12.4%</b>						<b>12.4%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		8,265	8,853	8,846	325	5,783	8,109	(2,326)	-29%	8,846
Pension and UIF Contributions		1,086	1,286	1,276	30	826	1,171	(345)	-29%	1,276
Medical Aid Contributions		222	253	263	13	219	240	(21)	-9%	263
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,849	1,939	1,939	81	1,397	1,777	(380)	-21%	1,939
Cellphone Allowance		157	202	202	8	123	185	(62)	-33%	202
Housing Allowances		26	42	49	2	27	45	(18)	-40%	49
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		67	65	65	1	43	60	(16)	-28%	65
Post-retirement benefit obligations										
<b>Sub Total - Senior Managers of Municipality</b>		<b>11,671</b>	<b>12,640</b>	<b>12,640</b>	<b>461</b>	<b>8,419</b>	<b>11,587</b>	<b>(3,168)</b>	<b>-27%</b>	<b>12,640</b>
<b>% increase</b>	4		<b>8.3%</b>	<b>8.3%</b>						<b>8.3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		417,872	464,246	455,169	36,185	397,959	418,082	(20,123)	-5%	455,169
Pension and UIF Contributions		74,736	89,325	88,587	6,668	72,490	81,267	(8,777)	-11%	88,587
Medical Aid Contributions		49,309	58,279	59,294	5,314	56,292	54,269	2,024	4%	59,294
Overtime		52,688	39,796	42,368	6,645	61,716	38,623	23,093	60%	42,368
Performance Bonus		28,946	36,221	36,999	1,154	28,894	33,852	(4,958)	-15%	36,999
Motor Vehicle Allowance		42,071	51,296	50,501	3,536	38,414	46,363	(7,949)	-17%	50,501
Cellphone Allowance		1,401	1,415	1,646	117	1,325	1,490	(165)	-11%	1,646
Housing Allowances		2,636	2,895	2,960	229	2,511	2,708	(197)	-7%	2,960
Other benefits and allowances		19,998	16,202	21,128	1,760	18,309	18,847	(538)	-3%	21,128
Payments in lieu of leave		10,507	15,000	15,000	509	8,786	13,750	(4,964)	-36%	15,000
Long service awards		24,418	23,189	24,779	2,605	24,759	22,582	2,177	10%	24,779
Post-retirement benefit obligations		36,522	38,900	38,900	-	-	35,658	(35,658)	-100%	38,900
<b>Sub Total - Other Municipal Staff</b>		<b>761,106</b>	<b>836,763</b>	<b>837,330</b>	<b>64,722</b>	<b>711,456</b>	<b>767,490</b>	<b>(56,034)</b>	<b>-7%</b>	<b>837,330</b>
<b>% increase</b>	4		<b>9.9%</b>	<b>10.0%</b>						<b>10.0%</b>
<b>Total Parent Municipality</b>		<b>803,514</b>	<b>883,950</b>	<b>884,517</b>	<b>67,870</b>	<b>749,321</b>	<b>810,745</b>	<b>(61,424)</b>	<b>-8%</b>	<b>884,517</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>803,514</b>	<b>883,950</b>	<b>884,517</b>	<b>67,870</b>	<b>749,321</b>	<b>810,745</b>	<b>(61,424)</b>	<b>-8%</b>	<b>884,517</b>
<b>% increase</b>	4		<b>10.0%</b>	<b>10.1%</b>						<b>10.1%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>772,777</b>	<b>849,403</b>	<b>849,970</b>	<b>65,182</b>	<b>719,875</b>	<b>779,076</b>	<b>(59,202)</b>	<b>-8%</b>	<b>849,970</b>

Table 20: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 20 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 13<sup>th</sup> 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 91.67%, at 159.5% spent, already resulting in an over-expenditure of 67.8%. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime.

**Sol Plaatje (NC091): Monthly Budget Statement: May 2023**

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 are limited to 30 hours per month within most departments. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of May 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 % - 91.67%
MS: OVERTIME - NON STRUCTURED	29,212,809	5,513,112	48,958,491	167.6%	75.9%
MS: OVERTIME - STRUCTURED	3,361,182	154,750	2,982,017	88.7%	-2.9%
<b>Overtime as at 31 May 2023</b>	<b>32,573,991</b>	<b>5,667,862</b>	<b>51,940,508</b>	<b>159.5%</b>	<b>67.8%</b>

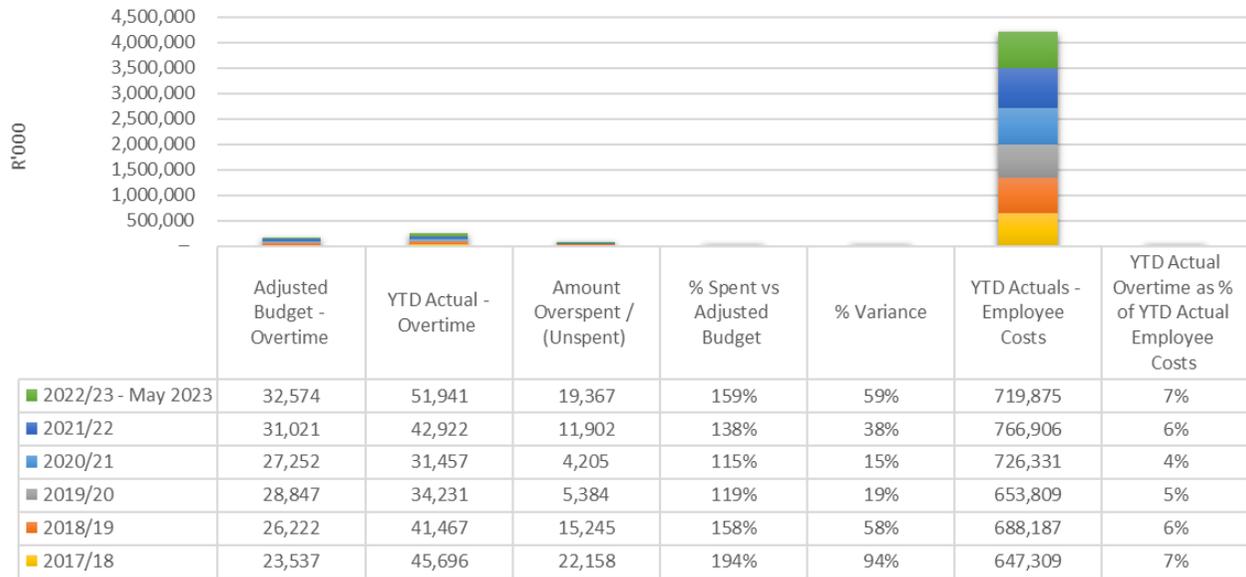
  

Directorate (Amount in Rand)	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	Adjusted Variance IYM % - 91.67%
20-EXECUTIVE AND COUNCIL	261,000	69,335	633,287	242.6%	151.0%
21-MUNICIPAL AND GENERAL	-	-	-	-	-91.7%
22-MUNICIPAL MANAGER	14,000	3,407	31,627	226%	134.2%
23-CORPORATE SERVICES	1,650,000	313,310	2,128,900	129.0%	37.4%
24-COMMUNITY SERVICES	13,167,441	1,906,473	17,064,634	129.6%	37.9%
26-FINANCIAL SERVICES	986,400	201,597	2,045,505	207.4%	115.7%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	956,750	101,243	1,201,115	125.5%	33.9%
28-INFRASTRUCTURE SERVICES	15,538,400	3,072,498	28,835,440	185.6%	93.9%
<b>Overtime as at 31 May 2023</b>	<b>32,573,991</b>	<b>5,667,862</b>	<b>51,940,508</b>	<b>159.5%</b>	<b>67.8%</b>

Table 21: 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 R51,941 million and 159.5% spent, resulting in a negative variance of 67.8%, when compared to the ideal percentage of 91.67% for the period under review.

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

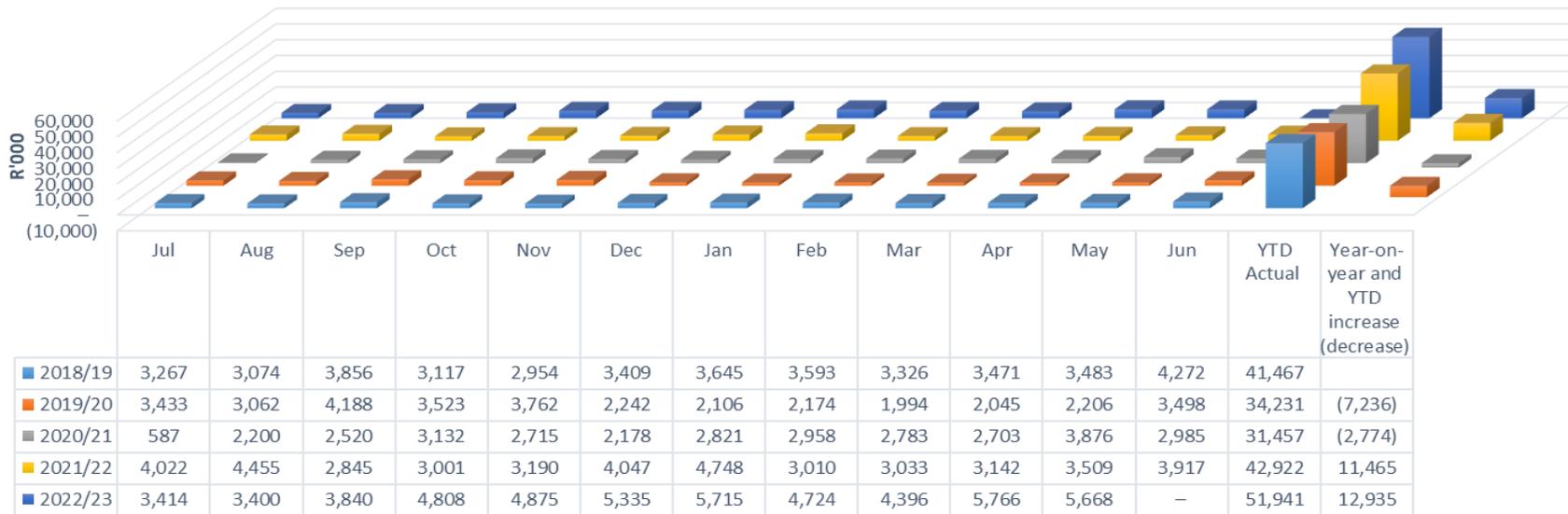


Indicated in Chart 14.1, is the actual Overtime versus Budget from 2017/18 to 2022/23 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 14.2, is the monthly and annual Overtime comparison from July 2018 to May 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 14.1: Overtime Actual vs Budget**

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



**Chart 14.2: 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

## 10. Material variances to the service delivery and budget implementation plan

Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 30 June 2023.

## 11. Capital programme performance

Please refer to notes on Capital Expenditure in the Executive Summary. Section 4.3.

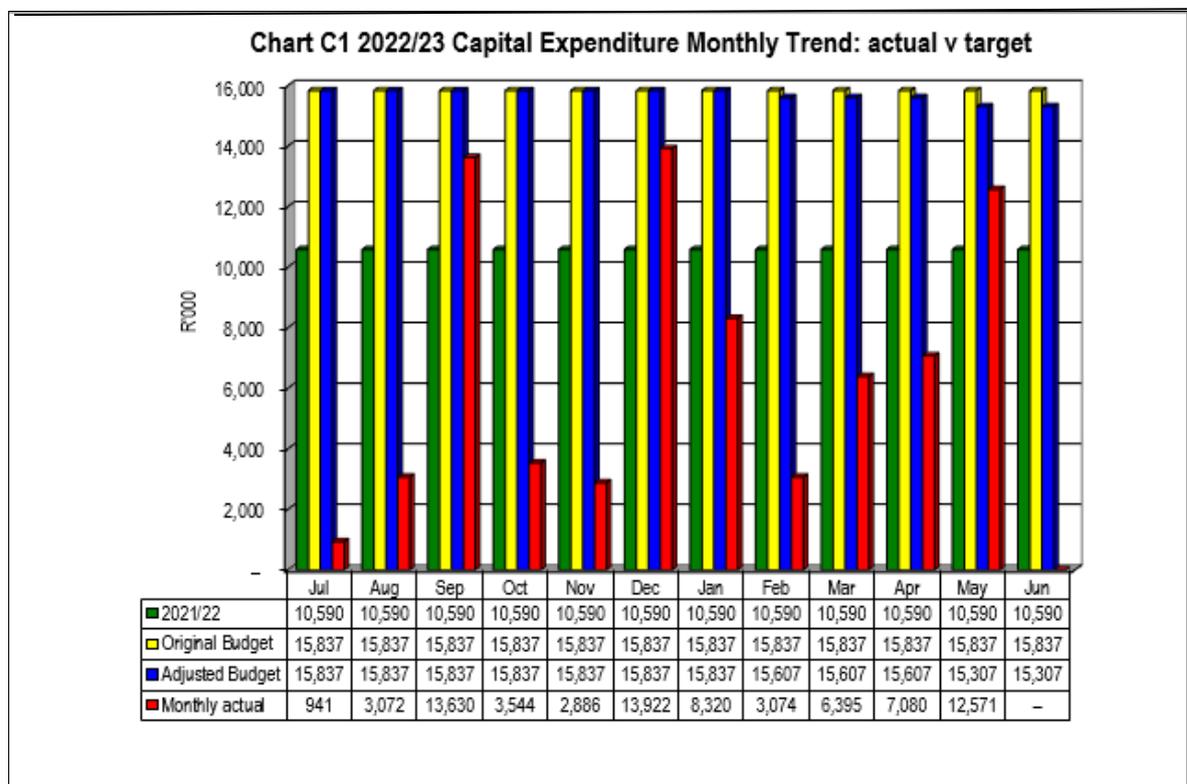


Chart 15: Capital Expenditure Monthly Trend: actual v target

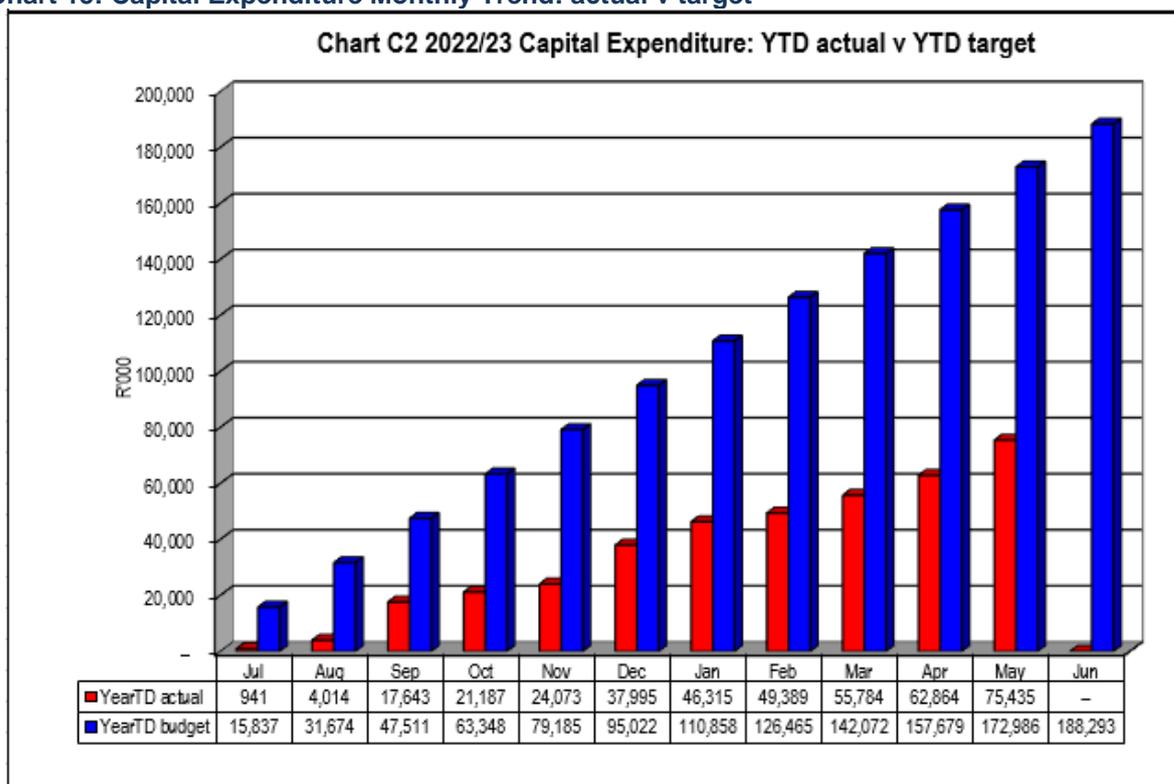


Chart 16: Capital Expenditure: YTD actual vs YTD target

Indicated in Table 22 below, is a list of projects with the applicable funding source. The total capex is normally slow during the start of the financial year. However, capital expenditure is extremely poor compared to prior years for the same period. Urgent intervention from management is required to remedy the situation. The actual monthly expenditure for May 2023 amounted to R12,571 million. The total YTD Capex amounts to R75,435 million. Please note that Commitments amounting to R44,311 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	-	-	2,017,875	982,125	67.3%	67.3%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	35,405,000	11,705,000	-	3,948,152	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	1,428,971	4,707,779	1,445,058	9,854,942	12.8%	12.8%	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	1,790,533	1,285,040	6,033,633	1,666,367		78.4%	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	2,364,773	2,669,207	9,276,179	2,723,821	77.3%	77.3%	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 INFR	21,090,000	21,090,000	3,746,815	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	-	10,233,159	3,258,956	11,689,044	16.3%	21.8%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000,000	2,000,000	-	4,195	31,722	1,968,278	1.6%	1.6%	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	-	48,939	-	10,000,000		0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
HV SUB ACQ-CARTGLEN TRANSF/GALASH SUBS	7,000,000	11,400,000	-	11,120,382	-	11,400,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LERATO PARK	-	13,000,000	651,228	964,779	6,838,175	6,161,825		52.6%	INTERNALLY GENERATED FUNDS
STREET LIGHTS REPLACE 125W MV with 36W L	3,000,000	4,000,000	52,825	16,696	2,596,147	1,403,853	86.5%	64.9%	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	2,535,819	2,745,674	10,239,598	2,760,402	31.0%	78.8%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	2,000,000	2,000,000	-	347,000	18,149	1,981,851	0.9%	0.9%	INTERNALLY GENERATED FUNDS
<b>TOTAL</b>	<b>190,043,000</b>	<b>188,293,000</b>	<b>12,570,964</b>	<b>44,311,269</b>	<b>75,435,335</b>	<b>112,857,665</b>	<b>39.7%</b>	<b>40.1%</b>	

Table 22: 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	2,535,819	10,239,598	13,866,056	25.6%	42.0%
INTERNALLY GENERATED FUNDS	55,705,000	55,705,000	3,870,732	22,513,840	11,256,945	40.4%	40.4%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	70,390,000	70,390,000	6,111,588	36,826,795	8,938,413	52.3%	52.3%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	19,948,000	14,948,000	-	3,258,956	10,233,159	16.3%	21.8%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	4,000,000	52,825	2,596,147	16,696	64.9%	64.9%
EUROPEAN UNION	-	18,850,000	-	-	-	-	0.0%
<b>Grand Total</b>	<b>190,043,000</b>	<b>188,293,000</b>	<b>12,570,964</b>	<b>75,435,335</b>	<b>44,311,269</b>	<b>39.7%</b>	<b>40.1%</b>

Table 23: Summary of capital expenditure per funding source

Indicated in Table 23 above, is a summary of the capital expenditure per funding source compared to the Adjusted budget. Overall spending on grants is extremely low, whilst spending on IUDG and EEDSM is showing improvement. The percentage expenditure on IUDG (52.3%), INEP (42.0%), WSIG (21.8%) and EEDSM (64.9%). Spending on Internally generated funds is also 40.4% 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.

## 12. Other supporting documents

There is no additional information or supporting documentation for May 2023.

## 13. Conclusion

This report meets the MFMA requirement for the Executive Mayor to receive the Section 71 'Monthly Budget Statement' within 10 working days after the end of the month.

### Communication

In compliance to legislative requirements (Section 71 of the MFMA), this document is provided to all stakeholders by placing it on the Sol Plaatje municipal website: [www.solplaatje.org.za](http://www.solplaatje.org.za) or can be viewed or downloaded from the following link: <http://www.solplaatje.org.za/Aboutus/Pages/Documents.aspx>

## 14. Annexures

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M11 May

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	599,898	627,646	610,074	46,399	589,347	561,285	28,062	5%	610,074
Service charges	1,145,790	1,373,211	1,368,151	98,561	1,097,132	1,254,729	(157,597)	-13%	1,368,151
Investment revenue	3,124	6,000	6,000	713	4,336	5,500	(1,164)	-21%	6,000
Transfers and subsidies	235,986	258,117	266,031	-	238,403	242,938	(4,535)	-2%	266,031
Other own revenue	193,499	222,235	245,721	29,884	283,051	217,325	65,726	30%	245,721
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,178,297</b>	<b>2,487,209</b>	<b>2,495,977</b>	<b>175,558</b>	<b>2,212,269</b>	<b>2,281,777</b>	<b>(69,507)</b>	<b>-3%</b>	<b>2,495,977</b>
Employee costs	772,777	849,403	849,970	65,182	719,875	779,076	(59,202)	-8%	849,970
Remuneration of Councillors	30,737	34,547	34,547	2,687	29,446	31,669	(2,222)	-7%	34,547
Depreciation & asset impairment	70,060	81,050	81,050	-	-	74,296	(7,296)	-100%	81,050
Finance charges	64,720	38,960	117,360	17,407	83,355	98,433	(15,078)	-15%	117,360
Inventory consumed and bulk purchases	784,727	918,627	948,277	43,367	771,089	865,797	(94,708)	-11%	948,277
Transfers and subsidies	2,546	4,460	4,460	45	2,601	4,088	(1,487)	-36%	4,460
Other expenditure	492,665	538,080	662,540	111,417	636,935	592,811	44,125	7%	662,540
<b>Total Expenditure</b>	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>240,107</b>	<b>2,243,302</b>	<b>2,446,171</b>	<b>(202,869)</b>	<b>-8%</b>	<b>2,698,205</b>
<b>Surplus/(Deficit)</b>	<b>(39,935)</b>	<b>22,081</b>	<b>(202,227)</b>	<b>(64,549)</b>	<b>(31,033)</b>	<b>(164,394)</b>	<b>133,361</b>	<b>-81%</b>	<b>(202,227)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,267	134,338	114,338	8,356	51,954	107,143	###	-52%	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	-	-	15,080	(15,080)	-100%	18,850
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(56,193)</b>	<b>20,921</b>	<b>(42,171)</b>	<b>63,092</b>	<b>-150%</b>	<b>(69,039)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(56,193)</b>	<b>20,921</b>	<b>(42,171)</b>	<b>63,092</b>	<b>-150%</b>	<b>(69,039)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>127,081</b>	<b>190,043</b>	<b>188,293</b>	<b>12,571</b>	<b>75,435</b>	<b>172,986</b>	<b>(97,551)</b>	<b>-56%</b>	<b>188,293</b>
Capital transfers recognised	112,818	134,338	132,588	8,700	52,921	121,923	(69,002)	-57%	132,588
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14,263	55,705	55,705	3,871	22,514	51,063	(28,549)	-56%	55,705
<b>Total sources of capital funds</b>	<b>127,081</b>	<b>190,043</b>	<b>188,293</b>	<b>12,571</b>	<b>75,435</b>	<b>172,986</b>	<b>(97,551)</b>	<b>-56%</b>	<b>188,293</b>
<b>Financial position</b>									
Total current assets	2,383,380	2,701,046	2,701,046		2,433,181				2,701,046
Total non current assets	2,245,857	2,052,265	2,050,515		2,321,293				2,050,515
Total current liabilities	1,139,609	1,050,980	1,050,380		1,249,713				1,050,380
Total non current liabilities	437,303	408,150	408,150		431,514				408,150
Community wealth/Equity	2,955,900	3,294,182	3,293,032		3,073,246				3,293,032
<b>Cash flows</b>									
Net cash from (used) operating	(585,312)	106,800	36,802	(123,738)	1,159,751	33,735	#####	-3338%	36,802
Net cash from (used) investing	(127,081)	(154,327)	(188,293)	(12,571)	(75,435)	(139,862)	(64,427)	46%	(152,577)
Net cash from (used) financing	-	(9,390)	(9,390)	-	-	(8,607)	(8,607)	100%	(9,390)
<b>Cash/cash equivalents at the month/year end</b>	<b>(669,386)</b>	<b>116,006</b>	<b>12,041</b>	<b>-</b>	<b>1,281,906</b>	<b>58,188</b>	<b>#####</b>	<b>-2103%</b>	<b>72,426</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	-	-	-	-	-	-	-	-	-
<b>Creditors Age Analysis</b>									
Total Creditors	103,029	45,844	-	59,550	59,491	58,649	125,062	542,619	994,246

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>1,098,135</b>	<b>1,126,167</b>	<b>1,113,195</b>	<b>72,234</b>	<b>1,031,988</b>	<b>1,021,942</b>	10,046	1%	<b>1,113,195</b>
Executive and council		480,231	470,256	453,970	17,656	383,942	418,039	(34,097)	-8%	453,970
Finance and administration		617,905	655,911	659,225	54,578	648,045	603,903	44,142	7%	659,225
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>28,981</b>	<b>26,474</b>	<b>30,674</b>	<b>1,468</b>	<b>20,890</b>	<b>27,628</b>	(6,737)	-24%	<b>30,674</b>
Community and social services		11,158	11,348	12,048	262	2,934	10,962	(8,028)	-73%	12,048
Sport and recreation		1,889	1,905	1,905	119	2,388	1,746	641	37%	1,905
Public safety		720	340	340	42	398	312	87	28%	340
Housing		12,192	12,801	12,801	1,039	11,614	11,734	(121)	-1%	12,801
Health		3,023	80	3,580	6	3,557	2,873	684	24%	3,580
<b>Economic and environmental services</b>		<b>28,997</b>	<b>16,015</b>	<b>37,465</b>	<b>987</b>	<b>12,137</b>	<b>31,840</b>	(19,703)	-62%	<b>37,465</b>
Planning and development		15,823	5,525	26,975	476	7,858	22,225	(14,366)	-65%	26,975
Road transport		13,174	10,490	10,490	511	4,279	9,616	(5,337)	-56%	10,490
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>1,212,755</b>	<b>1,444,171</b>	<b>1,439,111</b>	<b>108,646</b>	<b>1,190,951</b>	<b>1,319,776</b>	(128,825)	-10%	<b>1,439,111</b>
Energy sources		742,172	935,854	915,854	64,374	701,527	841,866	(140,339)	-17%	915,854
Water management		307,957	345,167	340,167	27,638	311,641	312,403	(763)	0%	340,167
Waste water management		93,896	92,200	104,000	9,525	101,678	93,957	7,721	8%	104,000
Waste management		68,729	70,950	79,090	7,109	76,105	71,550	4,555	6%	79,090
<b>Other</b>	4	<b>9,946</b>	<b>8,720</b>	<b>8,720</b>	<b>579</b>	<b>8,258</b>	<b>7,993</b>	<b>264</b>	<b>3%</b>	<b>8,720</b>
<b>Total Revenue - Functional</b>	2	<b>2,378,815</b>	<b>2,621,547</b>	<b>2,629,165</b>	<b>183,914</b>	<b>2,264,223</b>	<b>2,409,179</b>	<b>(144,956)</b>	<b>-6%</b>	<b>2,629,165</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>616,540</b>	<b>712,851</b>	<b>833,781</b>	<b>98,449</b>	<b>682,433</b>	<b>750,195</b>	(67,762)	-9%	<b>833,781</b>
Executive and council		374,197	428,654	544,754	78,698	455,456	485,814	(30,358)	-6%	544,754
Finance and administration		235,566	277,659	282,489	19,332	222,015	258,388	(36,372)	-14%	282,489
Internal audit		6,778	6,538	6,538	419	4,961	5,993	(1,032)	-17%	6,538
<b>Community and public safety</b>		<b>176,753</b>	<b>181,961</b>	<b>187,491</b>	<b>16,015</b>	<b>169,343</b>	<b>171,223</b>	(1,880)	-1%	<b>187,491</b>
Community and social services		42,959	43,119	43,819	4,070	41,444	40,086	1,358	3%	43,819
Sport and recreation		53,032	53,283	53,913	5,058	53,681	49,348	4,333	9%	53,913
Public safety		42,229	43,948	43,948	3,556	37,560	40,286	(2,726)	-7%	43,948
Housing		19,874	22,768	23,468	1,738	19,173	21,431	(2,258)	-11%	23,468
Health		18,659	18,842	22,342	1,592	17,486	20,072	(2,587)	-13%	22,342
<b>Economic and environmental services</b>		<b>124,668</b>	<b>141,936</b>	<b>147,539</b>	<b>9,614</b>	<b>124,460</b>	<b>134,529</b>	(10,068)	-7%	<b>147,539</b>
Planning and development		39,022	47,872	48,636	3,539	38,862	44,432	(5,570)	-13%	48,636
Road transport		84,946	93,326	98,165	6,008	84,829	89,421	(4,592)	-5%	98,165
Environmental protection		700	737	737	66	769	676	94	14%	737
<b>Trading services</b>		<b>1,277,222</b>	<b>1,402,477</b>	<b>1,503,701</b>	<b>114,226</b>	<b>1,246,184</b>	<b>1,366,585</b>	(120,400)	-9%	<b>1,503,701</b>
Energy sources		786,085	915,683	979,283	71,004	779,588	890,256	(110,668)	-12%	979,283
Water management		326,816	322,469	352,072	26,010	319,302	319,279	22	0%	352,072
Waste water management		92,343	93,375	101,396	9,820	82,392	92,011	(9,619)	-10%	101,396
Waste management		71,978	70,950	70,950	7,393	64,903	65,038	(136)	0%	70,950
<b>Other</b>		<b>23,049</b>	<b>25,903</b>	<b>25,693</b>	<b>1,803</b>	<b>20,882</b>	<b>23,640</b>	<b>(2,758)</b>	<b>-12%</b>	<b>25,693</b>
<b>Total Expenditure - Functional</b>	3	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>240,107</b>	<b>2,243,302</b>	<b>2,446,171</b>	<b>(202,869)</b>	<b>-8%</b>	<b>2,698,205</b>
<b>Surplus/ (Deficit) for the year</b>		<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(56,193)</b>	<b>20,921</b>	<b>(36,992)</b>	<b>57,913</b>	<b>-157%</b>	<b>(69,039)</b>

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		480,231	470,256	453,970	17,656	383,942	418,039	(34,097)	-8.2%	453,970
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,869	6,873	6,873	389	1,572	6,300	(4,728)	-75.0%	6,873
Vote 05 - Community Services		106,478	101,913	114,253	8,546	96,993	103,292	(6,299)	-6.1%	114,253
Vote 06 - Financial Services		610,429	648,238	651,552	54,138	645,836	596,869	48,967	8.2%	651,552
Vote 07 - Strategy Econ Development And Planning		17,626	7,945	29,395	534	8,586	24,443	(15,857)	-64.9%	29,395
Vote 08 - Infrastructure And Services		1,157,181	1,386,322	1,373,122	102,651	1,127,293	1,260,235	(132,942)	-10.5%	1,373,122
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2,378,815</b>	<b>2,621,547</b>	<b>2,629,165</b>	<b>183,914</b>	<b>2,264,223</b>	<b>2,409,179</b>	<b>(144,956)</b>	<b>-6.0%</b>	<b>2,629,165</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Executive & Council		53,270	58,915	58,915	4,685	53,584	54,006	(422)	-0.8%	58,915
Vote 02 - Municipal And General		309,950	357,885	473,985	72,278	391,418	420,942	(29,523)	-7.0%	473,985
Vote 03 - Municipal Manager		20,618	23,528	23,998	2,479	19,801	21,944	(2,144)	-9.8%	23,998
Vote 04 - Corporate Services		64,274	74,419	74,419	5,280	62,206	68,218	(6,012)	-8.8%	74,419
Vote 05 - Community Services		286,713	297,675	302,505	26,435	271,323	276,735	(5,413)	-2.0%	302,505
Vote 06 - Financial Services		126,129	157,404	158,434	10,020	115,688	145,112	(29,424)	-20.3%	158,434
Vote 07 - Strategy Econ Development And Planning		54,596	61,468	65,352	4,928	52,366	59,454	(7,088)	-11.9%	65,352
Vote 08 - Infrastructure And Services		1,302,682	1,433,833	1,540,596	114,002	1,276,918	1,399,760	(122,842)	-8.8%	1,540,596
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>240,107</b>	<b>2,243,302</b>	<b>2,446,171</b>	<b>(202,869)</b>	<b>-8.3%</b>	<b>2,698,205</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(56,193)</b>	<b>20,921</b>	<b>(36,992)</b>	<b>57,913</b>	<b>-156.6%</b>	<b>(69,039)</b>

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		599,898	627,646	610,074	46,399	589,347	561,285	28,062	5%	610,074
Service charges - electricity revenue		728,486	919,854	899,854	62,761	685,599	827,199	(141,600)	-17%	899,854
Service charges - water revenue		273,280	310,717	305,717	22,208	261,737	280,824	(19,087)	-7%	305,717
Service charges - sanitation revenue		83,392	81,700	93,500	7,808	85,866	84,332	1,535	2%	93,500
Service charges - refuse revenue		60,632	60,940	69,080	5,783	63,930	62,374	1,556	2%	69,080
Rental of facilities and equipment		16,755	13,010	25,896	2,141	23,533	22,235	1,299	6%	25,896
Interest earned - external investments		3,124	6,000	6,000	713	4,336	5,500	(1,164)	-21%	6,000
Interest earned - outstanding debtors		131,160	156,500	156,500	18,637	180,175	143,458	36,717	26%	156,500
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		15,405	27,730	35,730	6,953	46,765	31,819	14,946	47%	35,730
Licences and permits		8,532	6,850	6,850	559	7,932	6,279	1,653	26%	6,850
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		235,986	258,117	266,031	-	238,403	242,938	(4,535)	-2%	266,031
Other revenue		14,517	18,145	20,745	1,595	18,494	18,713	(218)	-1%	20,745
Gains		7,130	-	-	-	6,151	-	6,151	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2,178,297</b>	<b>2,487,209</b>	<b>2,495,977</b>	<b>175,558</b>	<b>2,212,269</b>	<b>2,286,956</b>	<b>(74,686)</b>	<b>-3%</b>	<b>2,495,977</b>
<b>Expenditure By Type</b>										
Employee related costs		772,777	849,403	849,970	65,182	719,875	779,076	(59,202)	-8%	849,970
Remuneration of councillors		30,737	34,547	34,547	2,687	29,446	31,669	(2,222)	-7%	34,547
Debt impairment		267,518	297,000	397,000	99,243	397,001	352,250	44,751	13%	397,000
Depreciation & asset impairment		70,060	81,050	81,050	-	-	74,296	(74,296)	-100%	81,050
Finance charges		64,720	38,960	117,360	17,407	83,355	98,433	(15,078)	-15%	117,360
Bulk purchases - electricity		551,452	682,000	682,000	28,553	534,256	625,167	(90,911)	-15%	682,000
Inventory consumed		233,275	236,627	266,277	14,814	236,833	240,631	(3,798)	-2%	266,277
Contracted services		38,163	46,437	54,181	2,361	26,391	48,763	(22,372)	-46%	54,181
Transfers and subsidies		2,546	4,460	4,460	45	2,601	4,088	(1,487)	-36%	4,460
Other expenditure		110,302	134,643	135,719	9,813	136,613	124,286	12,327	10%	135,719
Losses		76,681	60,000	75,640	-	76,930	67,512	9,418	14%	75,640
<b>Total Expenditure</b>		<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>240,107</b>	<b>2,243,302</b>	<b>2,446,171</b>	<b>(202,869)</b>	<b>-8%</b>	<b>2,698,205</b>
<b>Surplus/(Deficit)</b>										
		(39,935)	22,081	(202,227)	(64,549)	(31,033)	(159,215)	128,182	(0)	(202,227)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,267	134,338	114,338	8,356	51,954	107,143	(55,189)	(0)	114,338
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		14,400	-	18,850	-	-	15,080	(15,080)	(0)	18,850
Transfers and subsidies - capital (in-kind - all)		76,850	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(56,193)</b>	<b>20,921</b>	<b>(36,992)</b>			<b>(69,039)</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(56,193)</b>	<b>20,921</b>	<b>(36,992)</b>			<b>(69,039)</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(56,193)</b>	<b>20,921</b>	<b>(36,992)</b>			<b>(69,039)</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(56,193)</b>	<b>20,921</b>	<b>(36,992)</b>			<b>(69,039)</b>

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		7,197	40,405	16,705	-	10,165	17,085	(6,920)	-41%	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	22,688	(19,793)	-87%	27,150
Vote 08 - Infrastructure And Services		88,488	79,038	94,738	8,553	48,044	87,504	(39,460)	-45%	94,738
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>113,924</b>	<b>127,743</b>	<b>138,593</b>	<b>8,553</b>	<b>61,105</b>	<b>127,278</b>	<b>(66,173)</b>	<b>-52%</b>	<b>138,593</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		4,041	13,300	13,300	1,429	1,445	12,192	(10,747)	-88%	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	2,589	12,886	33,517	(20,631)	-62%	36,400
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>13,157</b>	<b>62,300</b>	<b>49,700</b>	<b>4,018</b>	<b>14,331</b>	<b>45,708</b>	<b>(31,378)</b>	<b>-69%</b>	<b>49,700</b>
<b>Total Capital Expenditure</b>		<b>127,081</b>	<b>190,043</b>	<b>188,293</b>	<b>12,571</b>	<b>75,435</b>	<b>172,986</b>	<b>(97,551)</b>	<b>-56%</b>	<b>188,293</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>11,238</b>	<b>53,705</b>	<b>30,005</b>	<b>1,429</b>	<b>11,610</b>	<b>29,277</b>	<b>(17,667)</b>	<b>-60%</b>	<b>30,005</b>
Executive and council		11,238	53,705	30,005	1,429	11,610	29,277	(17,667)	-60%	30,005
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>52,457</b>	<b>35,300</b>	<b>64,850</b>	<b>4,155</b>	<b>33,148</b>	<b>56,248</b>	<b>(23,100)</b>	<b>-41%</b>	<b>64,850</b>
Planning and development		18,239	8,300	27,150	-	2,895	22,688	(19,793)	-87%	27,150
Road transport		34,218	27,000	37,700	4,155	30,253	33,560	(3,307)	-10%	37,700
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>63,386</b>	<b>101,038</b>	<b>93,438</b>	<b>6,987</b>	<b>30,677</b>	<b>87,461</b>	<b>(56,784)</b>	<b>-65%</b>	<b>93,438</b>
Energy sources		34,548	46,000	43,400	3,240	19,692	39,510	(19,817)	-50%	43,400
Water management		624	13,000	13,000	-	32	11,917	(11,885)	-100%	13,000
Waste water management		28,214	42,038	37,038	3,747	10,953	36,035	(25,081)	-70%	37,038
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>127,081</b>	<b>190,043</b>	<b>188,293</b>	<b>12,571</b>	<b>75,435</b>	<b>172,986</b>	<b>(97,551)</b>	<b>-56%</b>	<b>188,293</b>
<b>Funded by:</b>										
National Government		95,428	134,338	113,738	8,700	52,921	106,843	(53,922)	-50%	113,738
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		3,500	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		13,891	-	18,850	-	-	15,080	(15,080)	-100%	18,850
<b>Transfers recognised - capital</b>		<b>112,818</b>	<b>134,338</b>	<b>132,588</b>	<b>8,700</b>	<b>52,921</b>	<b>121,923</b>	<b>(69,002)</b>	<b>-57%</b>	<b>132,588</b>
<b>Borrowing</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	6	<b>14,263</b>	<b>55,705</b>	<b>55,705</b>	<b>3,871</b>	<b>22,514</b>	<b>51,063</b>	<b>(28,549)</b>	<b>-56%</b>	<b>55,705</b>
<b>Total Capital Funding</b>		<b>127,081</b>	<b>190,043</b>	<b>188,293</b>	<b>12,571</b>	<b>75,435</b>	<b>172,986</b>	<b>(97,551)</b>	<b>-56%</b>	<b>188,293</b>

Sol Plaatje (NC091): Monthly Budget Statement: May 2023

**NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M11 May**

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		197,591	(1,939)	64,040	135,415	64,040
Call investment deposits		–	–	–	–	–
Consumer debtors		1,990,522	2,244,736	2,178,758	2,080,610	2,178,758
Other debtors		145,813	418,926	418,926	157,456	418,926
Current portion of long-term receivables		–	–	–	–	–
Inventory		49,454	39,322	39,322	59,700	39,322
<b>Total current assets</b>		<b>2,383,380</b>	<b>2,701,046</b>	<b>2,701,046</b>	<b>2,433,181</b>	<b>2,701,046</b>
<b>Non current assets</b>						
Long-term receivables		–	35,716	35,716	–	35,716
Investments						
Investment property		209,106	208,312	208,312	211,907	208,312
Investments in Associate						
Property, plant and equipment		2,003,442	1,795,402	1,774,802	2,076,076	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
<b>Total non current assets</b>		<b>2,245,857</b>	<b>2,052,265</b>	<b>2,050,515</b>	<b>2,321,293</b>	<b>2,050,515</b>
<b>TOTAL ASSETS</b>		<b>4,629,237</b>	<b>4,753,311</b>	<b>4,751,561</b>	<b>4,754,474</b>	<b>4,751,561</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		43,176	49,224	49,224	45,519	49,224
Trade and other payables		1,096,433	907,727	907,127	1,210,861	907,127
Provisions		–	94,029	94,029	(6,667)	94,029
<b>Total current liabilities</b>		<b>1,139,609</b>	<b>1,050,980</b>	<b>1,050,380</b>	<b>1,249,713</b>	<b>1,050,380</b>
<b>Non current liabilities</b>						
Borrowing		171,517	148,630	148,630	165,728	148,630
Provisions		265,786	259,520	259,520	265,786	259,520
<b>Total non current liabilities</b>		<b>437,303</b>	<b>408,150</b>	<b>408,150</b>	<b>431,514</b>	<b>408,150</b>
<b>TOTAL LIABILITIES</b>		<b>1,576,912</b>	<b>1,459,129</b>	<b>1,458,529</b>	<b>1,681,227</b>	<b>1,458,529</b>
<b>NET ASSETS</b>	2	<b>3,052,325</b>	<b>3,294,182</b>	<b>3,293,032</b>	<b>3,073,246</b>	<b>3,293,032</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		2,865,773	3,213,305	3,212,155	2,983,119	3,212,155
Reserves		90,127	80,876	80,876	90,127	80,876
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2,955,900</b>	<b>3,294,182</b>	<b>3,293,032</b>	<b>3,073,246</b>	<b>3,293,032</b>

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		438,882	533,499	520,320	34,912	422,213	476,960	(54,747)	-11%	520,320
Service charges		1,146,393	1,093,079	1,084,284	86,847	933,104	993,927	(60,824)	-6%	1,084,284
Other revenue		288,367	403,395	484,033	28,024	698,250	443,697	254,553	57%	484,033
Transfers and Subsidies - Operational		31,741	18,959	45,723	4,249	89,218	41,913	47,306	113%	45,723
Transfers and Subsidies - Capital		100,630	134,338	113,738	-	113,738	104,260	9,478	9%	113,738
Interest		-	6,000	6,000	-	-	5,500	(5,500)	-100%	6,000
Dividends										
<b>Payments</b>										
Suppliers and employees		(2,590,285)	(2,039,050)	(2,095,477)	(277,770)	(1,096,772)	(1,920,854)	(824,082)	43%	(2,095,477)
Finance charges		(1,039)	(38,960)	(117,360)	-	-	(107,580)	(107,580)	100%	(117,360)
Transfers and Grants		-	(4,460)	(4,460)	-	-	(4,088)	(4,088)	100%	(4,460)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(585,312)</b>	<b>106,800</b>	<b>36,802</b>	<b>(123,738)</b>	<b>1,159,751</b>	<b>33,735</b>	<b>#####</b>	<b>-3338%</b>	<b>36,802</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables		-	35,716	-	-	-	32,740	(32,740)	-100%	35,716
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(127,081)	(190,043)	(188,293)	(12,571)	(75,435)	(172,602)	(97,167)	56%	(188,293)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(127,081)</b>	<b>(154,327)</b>	<b>(188,293)</b>	<b>(12,571)</b>	<b>(75,435)</b>	<b>(139,862)</b>	<b>(64,427)</b>	<b>46%</b>	<b>(152,577)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		-	(9,390)	(9,390)	-	-	(8,607)	(8,607)	100%	(9,390)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(9,390)</b>	<b>(9,390)</b>	<b>-</b>	<b>-</b>	<b>(8,607)</b>	<b>(8,607)</b>	<b>100%</b>	<b>(9,390)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(712,393)</b>	<b>(56,917)</b>	<b>(160,881)</b>	<b>(136,309)</b>	<b>1,084,316</b>	<b>(114,734)</b>			<b>(125,165)</b>
Cash/cash equivalents at beginning:		43,007	172,922	172,922	(53,913)	197,591	172,922			197,591
Cash/cash equivalents at month/year end:		(669,386)	116,006	12,041		1,281,906	58,188			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 R135,415 million as per the Cash book balance.

**15. Municipal Manager's quality certification**

**Quality Certificate**

I, BS Matlala, the Municipal Manager of Sol Plaatje Local Municipality, hereby certify that

(mark as appropriate)

the Monthly Budget Statement

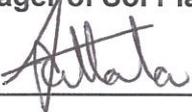
Quarterly Report on the implementation of the budget and financial state affairs of the municipality

Mid-year Budget and Performance Assessment

For the month of **May 2023** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

**Print name: Mr. BS. Matlala**

**Municipal Manager of Sol Plaatje Local Municipality (NC091)**

Signature: 

Date: 14/06/2023