



***MONTHLY BUDGET STATEMENT:  
S71 MONTHLY REPORT: OCTOBER 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 November 2023**

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## **List of Abbreviations and Acronyms used in the Monthly Budget Statement**

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: S71 MONTHLY REPORT FOR THE PERIOD ENDING 31 OCTOBER 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 month's cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability. Serious actions will have to be taken to realise this target and Council's buy-in be secured, to the turn the municipality around is critically important.

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 at large. The escalation in debt owed to ESKOM and DWS is a major concern. The three high months billed for electricity is detrimental to the cash flow of the municipality and a mammoth task to settle in full, based on our current collection trend. The municipality only managed to settle R30,000 million of the R71,421 million that was due for the September 2023, current account. Due to the debt agreement with DWS and the Incentive scheme initiated by the Department, the municipality has made significant strides in reducing the arrear debt owed to the Department and settled all invoices raised for the 2022/23 financial year in full. The municipality is working towards being up to date for the current year because the July and September 2023 invoices are unpaid.

The municipality's Debt Relief application to National Treasury was approved and its engagements now with ESKOM to settle the debt accrued after March 2023. It is imperative that the municipality abides with the conditions as non-compliance may have serious repercussions for the municipality and its electricity business. As per MFMA Circular 124, Section 5, articulated below are the consequence for failure to comply with the conditions of the Municipal Debt Relief and related initiatives:

"Municipalities are urged to maintain their behavioral change post the support. If a municipality fails to perform during the duration of the Municipal Debt Relief:

- a. The benefits of the Relief to that municipality will immediately cease;
- b. This means that Eskom will be obliged to implement its credit control and debt management policy on the defaulting municipality and the municipality must immediately start repaying its Eskom arrears, interest and penalties;
- c. Eskom may resume any legal proceedings (relating to the municipality's arrear debt, interest and penalties as of 31 March 2023), including attaching the municipal bank account; and

d. The normal penalties applicable to the wider local government will also apply. It is important to note that the work to resolve non-payment by municipalities is progressive and that the National Treasury intends to enforce the existing penalties available in the legislative framework and add additional penalties, including exploring but not limited to –

- A take-over of a defaulting municipality's electricity business;
- NERSA strengthening of license conditions;
- A National Treasury dispute resolution process;
- Strengthening and adding consequences and related consequence management processes as part of the ongoing review of the MFMA, including to facilitate the upfront resolve of budget issues and to instil a payment culture; and
- A wider special mechanism/ ombud system to facilitate organs of state payment and related disputes, including instituting consequences for organs of state failure to pay; etc.

In terms of the National Treasury's local government revenue improvement programme, all municipalities that benefit from the Municipal Debt Relief will continue to receive support towards strengthening their revenue value chains.

Municipalities are cautioned that the National Treasury considers the conditions set out in paragraph 6.1 to 6.14 as critical financial management minimum best practice and confirms that if a municipality fails to meet any and/ or a combination of the conditions set out in this Municipal Debt Relief framework, it could (over-and-above the consequences set out in 5.1 above) constitute a serious breach of its financial management fiduciary responsibilities and may also constitute financial misconduct as envisaged in the MFMA and Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. The National Treasury reserves the right to immediately invoke section 216 of the Constitution and/ or any other remedies available to government in terms of the prevailing legislative framework in such a situation (including instituting individual financial misconduct and/ or criminal proceedings).

***Municipalities are reminded of MFMA s.173 to the effect that the accounting officer of a municipality is guilty of an offence if that accounting officer, deliberately or in a gross negligent way contravenes or fails to comply with MFMA s. 65(2)(f). Moreover, MFMA s.174 provides for penalties, to the extent where a person is liable on conviction of an offence in terms of section 173 to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of applicable legislation.***

Currently, the total debtor's book is standing at R3,647,348 billion, of which 89% of the debt is owed in excess of 90 days. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a 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 customer 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 is 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 with the implementation of our Revenue Collection Action Plan ("RCA Plan") and the Back to Basics initiative, prioritizing the collection of overdue Municipal debt from all our Customer Groups that are in arrears and are able to

***Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: October 2023***

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. The Revenue team also embarked on a Back-to-Basics approach across the full revenue cycle/chain in order to improve on billing, collections and customer care.

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 those 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 October 2023**, the ten working day reporting limit expires on **14 November 2023**. 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 November 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	YTD Budget October 2023	YTD Actual October 2023	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	906,534	1,039,492	132,958	114.7%	14.7%
Total Revenue (including capital transfers and contributions)	977,945	1,054,837	76,891	107.9%	7.9%
Total Operational Expenditure	897,087	804,137	(92,951)	89.6%	-10.4%

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

As indicated in Table 1 above, as at 31 October 2023, the billed revenue excluding capital grants amounted to R1,039,492 billion which resulted in a satisfactory variance of 14.7% when compared to the YTD Budget of R906,534 million. The billed revenue including capital grants amounted to R1,054,837 billion, resulting in a satisfactory variance of 7.9% when compared to the YTD budget of R977,945 million. Capital grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reasons for the variances are articulated in Section 4.1 below. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 10.4%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual October 2023	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
Total Revenue (excluding capital transfers and contributions)	2,719,604	1,039,492	812,858	38.2%	4.9%
Total Revenue (including capital transfers and contributions)	2,933,837	1,054,837	810,351	36.0%	2.6%
Total Operational Expenditure	2,691,252	804,137	579,866	29.9%	-3.5%

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

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 33.33% [calculated as follow: (100/12 months x 4 months of the year)] as at the end of October 2023, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 4.9%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 2.6%. The Total Operational Expenditure resulted in a satisfactory variance of minus 3.5%.

**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. Budget performance overview

### 4.1 Operating Revenue by Source

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Variance 1YM % - 33.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	1,034,872	75,180	322,932	344,957	93.6%	(22,025)	-6.4%	31.2%	(22,025)	-2.1%
Service charges - Water	327,114	19,743	93,462	109,038	85.7%	(15,576)	-14.3%	28.6%	(15,576)	-4.8%
Service charges - Waste Water Management	89,858	8,016	31,949	29,953	106.7%	1,997	6.7%	35.6%	1,997	2.2%
Service charges - Waste management	65,412	6,515	25,095	21,804	115.1%	3,291	15.1%	38.4%	3,291	5.0%
Sale of Goods and Rendering of Services	15,579	1,137	6,529	5,193	125.7%	1,336	25.7%	41.9%	1,336	8.6%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	168,880	21,406	81,668	56,293	145.1%	25,374	45.1%	48.4%	25,374	15.0%
Interest from Current and Non Current Assets	7,000	786	1,486	2,333	63.7%	(847)	-36.3%	21.2%	(847)	-12.1%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	26,930	1,293	9,146	8,977	101.9%	169	1.9%	34.0%	169	0.6%
Licence and permits	1,200	95	280	400	69.9%	(120)	-30.1%	23.3%	(120)	-10.0%
Operational Revenue	3,134	433	1,545	1,045	147.9%	500	47.9%	49.3%	500	16.0%
<b>Non-Exchange Revenue</b>										
Property rates	660,893	44,093	320,671	220,298	145.6%	100,373	45.6%	48.5%	100,373	15.2%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	30,660	2,323	11,579	10,220	113.3%	1,359	13.3%	37.8%	1,359	4.4%
Licence and permits	6,150	302	3,347	2,050	163.3%	1,297	63.3%	54.4%	1,297	21.1%
Transfers and subsidies - Operational	281,921	955	115,244	93,974	122.6%	21,270	22.6%	40.9%	21,270	7.5%
Interest	-	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	4,236	13,501	-	-	13,501	-	-	13,501	-
Gains on disposal of Assets	-	109	1,059	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,719,604</b>	<b>186,621</b>	<b>1,039,492</b>	<b>906,534</b>	<b>114.7%</b>	<b>131,898</b>	<b>14.5%</b>	<b>38.2%</b>	<b>132,957</b>	<b>4.9%</b>
Transfers and subsidies - capital	214,233	5,316	15,345	71,411	21.5%	(56,066)	-78.5%	7.2%	(56,066)	-26.2%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>2,933,837</b>	<b>191,937</b>	<b>1,054,837</b>	<b>977,945</b>	<b>107.9%</b>	<b>76,891</b>	<b>7.9%</b>	<b>36.0%</b>	<b>76,891</b>	<b>2.6%</b>

Table 3: Table C4 Financial Performance (Revenue)

### Comparison against the YTD Budget

#### Exchange Revenue

- ❖ Service charges - Electricity is showing a slightly unsatisfactory variance of 6.4%. Service charges Water is showing an under-recovery of minus 14.3%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. The same applies to all Service charges., Sanitation and Refuse are all showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is overstated by 25.7%, as a result of advance receipts on the approval of buildings plan to the tune of R2,833 million.
- ❖ Interest earned from Receivables is showing a positive variance of 45.1% due to the increase in specifically debt over 90 days and the consecutive interest rate hikes.
- ❖ Interest from Current and Non-current Assets shows a negative variance of minus 36.3%, as a result of accrued interest revenue that was recognised for the 2022/23 financial year. It should be noted that investments have been declining year-on-year but have remained relatively constant for the previous financial year. Due to financial constraints the municipality could not significantly increase its investments which largely contributes to the lower interest earned. The municipality is improving on its cash and investment management and attempts to invest as much as it can from cash not

immediately needed from operations. And the municipality is also investing capital grants already received and withdraws funds when capital payments must be made. The bulk of the interest earned will be recognised as part of the year-end procedures.

- ❖ Licences and permits is showing a negative variance of 30.1%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated.
- ❖ Operational Revenue is showing a positive variance of 47.9%, as a result of an over-recovery on Incidental Cash Surpluses and Commission: Transaction Handling Fees.

### **Non-Exchange Revenue**

- ❖ Property Rates is showing a positive YTD variance of 45.6%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 13.3% as a result of an over-recovery on Penalties: Disconnection fees resulting from an actual of 50.73% against an Original target of R20,000 million. The Credit Control Office resumed with blocking prepaid meters and disconnecting non-paying customers.
- ❖ Licences and permits is showing a positive variance of 63.3%. 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 63.84% against an annual target of R3,950 million.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 22.6%, due to the receipt of the first tranche of the Equitable Share.
- ❖ Operational Revenue is showing movement of R13,501 million against a zero budget. This revenue pertains to availability charges billed for services. The budget will be corrected during the Adjustment budget for the year under review.
- ❖ Gains on disposal of assets, pertains to the sale of land.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 78.5% when compared to the YTD budget. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. 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.

### **Comparison against Original Budget**

Based on the IYM percentage of 33.33%, the majority of revenue sources are performing satisfactorily.

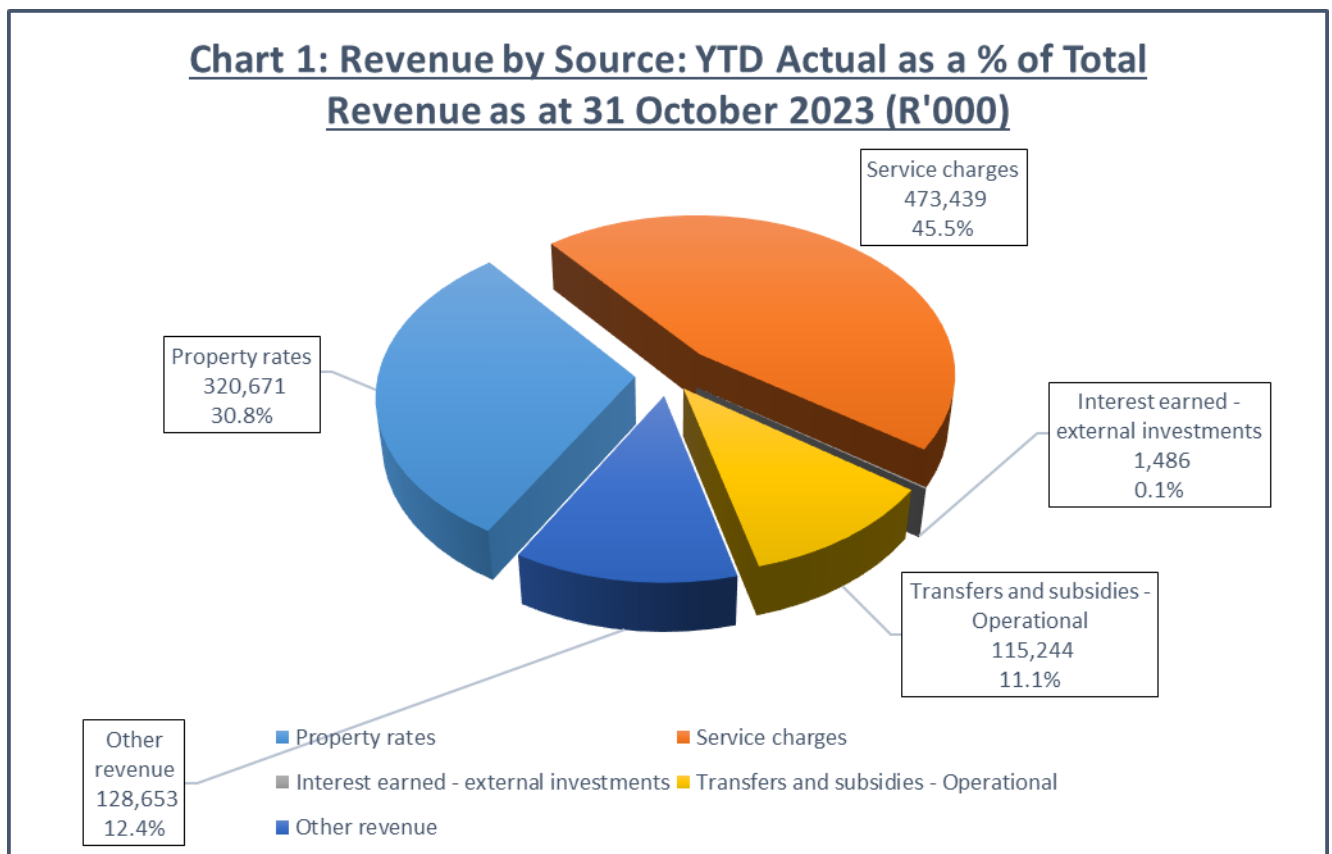
### **Exchange Revenue**

- ❖ Service charges against the Original budget is performing satisfactorily.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 8.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 15%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of minus 12.1%. Same factors are applicable as described in the paragraph above.
- ❖ Rental of facilities and equipment is showing a positive variance of 0.6%.
- ❖ Licences and permits are showing a satisfactory variance of minus 10.0%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 16.0%. Same factors are applicable as described in the paragraph above.

**Non-Exchange Revenue**

- ❖ Property Rates is showing a positive variance of 15.2%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of 4.4% Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing a positive variance of 21.1%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 7.5%, due to the receipt of the first tranche of the Equitable Share.
- ❖ Operational Revenue is showing movement of R13,501 million against a zero budget. This revenue pertains to availability charges billed for services. The budget will be corrected during the Adjustment budget for the year under review.
- ❖ Gains on disposal of assets, pertains to the sale of land.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 26.2%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. 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.

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 October 2023. The main contributors of the municipality’s revenue are Service Charges (45.5%), Property Rates (30.8%) and Transfers and subsidies (11.1%). The contribution per Revenue source is distorted, as a result of the annual billing of Property rates and the first tranche of the Equitable share received.



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

## 4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - October 2023										
Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 33.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	881,637	67,745	280,400	293,880	95.4%	(13,481)	-4.6%	31.8%	(13,479)	-1.5%
Remuneration of councillors	35,559	2,688	10,742	11,853	90.6%	(1,111)	-9.4%	30.2%	(1,111)	-3.1%
Bulk purchases - electricity	785,000	73,769	250,046	261,667	95.6%	(11,620)	-4.4%	31.9%	(11,620)	-1.5%
Inventory consumed	305,900	47,429	86,232	101,967	84.6%	(15,735)	-15.4%	28.2%	(15,735)	-5.1%
Debt impairment	317,500	-	79,375	105,833	75.0%	(26,458)	-25.0%	25.0%	(26,458)	-8.3%
Depreciation and amortisation	86,650	-	-	28,883	0.0%	(28,883)	-100.0%	0.0%	(28,883)	-33.3%
Interest	19,495	1	5	6,498	0.1%	(6,493)	-99.9%	0.0%	(6,493)	-33.3%
Contracted services	48,113	3,689	16,585	16,038	103.4%	548	3.4%	34.5%	548	1.1%
Transfers and subsidies	4,560	-	-	1,520	0.0%	(1,520)	-100.0%	0.0%	(1,520)	-33.3%
Irrecoverable debts written off	-	5	10	-		10			10	
Operational costs	145,639	15,821	60,432	48,547	124.5%	11,884	24.5%	41.5%	11,885	8.2%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	61,200	20,310	20,310	20,400	99.6%	(90)	-0.4%	33.2%	(90)	-0.1%
<b>Total Expenditure</b>	<b>2,691,252</b>	<b>231,458</b>	<b>804,137</b>	<b>897,087</b>	<b>89.6%</b>	<b>(92,951)</b>	<b>-10.4%</b>	<b>29.9%</b>	<b>(92,948)</b>	<b>-3.5%</b>

Table 4: Table C4 Financial Performance (Expenditure)

### Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 October 2023 current YTD expenditure shows an unsatisfactory variance of minus 10.4%. The YTD actual amounted to R804,137 million against the YTD Budget of R897,087 million.

- ❖ Employee related costs shows a satisfactory variance of minus 4.6%. 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 satisfactory variance of minus 9.4%. 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.
- ❖ Bulk purchases – Electricity is showing an satisfactory variance of minus 4.4%.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 15.4%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crises is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. 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's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget 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.

Table 4.1 R&M Expenditure per Directorate per inventory type							
R&M Expenditure per Directorate per Inventory type as at 31 October 2023 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original	Sum of % Spent Adj budget	% Spent compared against ideal IYM % of 33.33%
<b>☐ VOTE 1 - COUNCILLORS AND ADMIN</b>	<b>286,000</b>	<b>286,000</b>	<b>26,266</b>	<b>82,548</b>	<b>28.86%</b>	<b>28.86%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	118,000	124,000	25,686	37,584	31.85%	30.31%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	166,000	160,000	580	44,964	27.09%	28.10%	UNDERSPENT
<b>☐ VOTE 2 - MUNICIPAL AND GENERAL</b>	<b>30,576,000</b>	<b>30,576,000</b>	<b>3,906,333</b>	<b>10,265,759</b>	<b>33.57%</b>	<b>33.57%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	670,000	670,000	28,341	146,167	21.82%	21.82%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	250,000	245,000	22,913	68,215	27.29%	27.84%	UNDERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	5,000	-	2,940	#DIV/0!	58.81%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,656,000	29,656,000	3,855,079	10,048,437	33.88%	33.88%	SATISFACTORY
<b>☐ VOTE 3 - MUNICIPAL MANAGER</b>	<b>138,000</b>	<b>138,000</b>	<b>-</b>	<b>38,168</b>	<b>27.66%</b>	<b>27.66%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	120,000	122,000	-	36,293	30.24%	29.75%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	16,000	-	1,875	10.42%	11.72%	UNDERSPENT
<b>☐ VOTE 4 - CORPORATE SERVICES</b>	<b>10,645,730</b>	<b>10,645,730</b>	<b>243,731</b>	<b>761,485</b>	<b>7.15%</b>	<b>7.15%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	867,000	853,000	129,343	287,274	33.13%	33.68%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	260,000	260,000	18,421	96,606	37.16%	37.16%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	340,730	365,730	60,200	225,365	66.14%	61.62%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,178,000	9,167,000	35,767	152,240	1.66%	1.66%	UNDERSPENT
<b>☐ VOTE 5 - COMMUNITY SERVICES</b>	<b>34,528,500</b>	<b>34,528,500</b>	<b>2,193,281</b>	<b>8,202,748</b>	<b>23.76%</b>	<b>23.76%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,008,500	1,028,500	94,102	231,318	22.94%	22.94%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	58,000	58,000	-	1,555	2.68%	2.68%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	195,000	195,000	34,889	69,237	35.51%	35.51%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	965,000	965,000	60,283	260,408	26.99%	26.99%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	7,457,000	7,457,000	767,555	2,791,395	37.43%	37.43%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	953,000	953,000	29,186	77,334	8.11%	8.11%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,892,000	23,872,000	1,207,268	4,771,499	19.97%	19.99%	UNDERSPENT
<b>☐ VOTE 6 - FINANCIAL SERVICES</b>	<b>2,399,000</b>	<b>2,399,000</b>	<b>237,673</b>	<b>716,114</b>	<b>29.85%</b>	<b>29.85%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,270,000	1,110,000	150,874	465,431	36.65%	41.93%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	159,000	159,000	8,926	53,476	33.63%	33.63%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	172,000	172,000	12,811	49,937	29.03%	29.03%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	798,000	958,000	65,061	147,271	18.45%	15.37%	UNDERSPENT
<b>☐ VOTE 7 - STRATEGY &amp; ECONOMIC DEVELOPMENT</b>	<b>6,430,000</b>	<b>6,430,000</b>	<b>460,421</b>	<b>1,913,695</b>	<b>29.76%</b>	<b>29.76%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	464,000	461,000	15,301	43,967	9.48%	9.54%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	760	26,051	42.71%	40.71%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	362,000	362,000	26,475	111,870	30.90%	30.90%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	6,000	6,000	252	2,137	35.62%	35.62%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,537,000	5,537,000	417,634	1,729,670	31.24%	31.24%	SATISFACTORY
<b>☐ VOTE 8 - INFRASTRUCTURE SERVICES</b>	<b>220,896,654</b>	<b>220,896,654</b>	<b>40,361,776</b>	<b>64,251,453</b>	<b>29.09%</b>	<b>29.09%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	677,000	677,000	48,053	196,747	29.06%	29.06%	SATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,660,000	13,660,000	976,951	3,851,806	28.20%	28.20%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	721,000	721,000	70,893	325,479	45.14%	45.14%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,650,000	6,650,000	877,602	3,013,435	45.31%	45.31%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	360,000	360,000	55,520	168,940	46.93%	46.93%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	137,626,654	137,626,654	12,806,527	31,168,817	22.65%	22.65%	UNDERSPENT
2326600 (INVENTORY - WATER)	61,200,000	61,200,000	25,526,230	25,526,230	41.71%	41.71%	OVERSPENT
<b>Grand Total</b>	<b>305,899,884</b>	<b>305,899,884</b>	<b>47,429,481</b>	<b>86,231,970</b>	<b>28.19%</b>	<b>28.19%</b>	<b>UNDERSPENT</b>

Table 4.1 R&M Expenditure per Directorate per inventory type



Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 31 October 2023 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 33.33%
<b>2480 - REFUSE</b>	<b>20,731,000</b>	<b>20,731,000</b>	<b>1,254,345</b>	<b>4,653,715</b>	<b>22.45%</b>	<b>22.45%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	71,000	71,000	34,087	36,164	50.94%	50.94%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	210,000	-	13,640	6.50%	6.50%	UNDERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	5,000,000	5,000,000	585,035	2,004,893	40.10%	40.10%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	750,000	750,000	-	-	0.00%	0.00%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	635,224	2,599,018	17.68%	17.68%	UNDERSPENT
<b>2830 - ROADS</b>	<b>46,038,000</b>	<b>46,038,000</b>	<b>4,782,148</b>	<b>9,456,847</b>	<b>20.54%</b>	<b>20.54%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	50,000	50,000	-	24,187	48.37%	48.37%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	54,000	54,000	-	-	0.00%	0.00%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	45,934,000	45,934,000	4,782,148	9,432,660	20.54%	20.54%	UNDERSPENT
<b>2840 - HOUSING</b>	<b>3,497,000</b>	<b>3,497,000</b>	<b>314,632</b>	<b>722,607</b>	<b>20.66%</b>	<b>20.66%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	98,000	98,000	15,288	52,964	54.04%	54.04%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	125,000	125,000	6,645	115,154	92.12%	92.12%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	150,000	150,000	9,461	35,313	23.54%	23.54%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,123,000	3,123,000	283,237	519,176	16.62%	16.62%	UNDERSPENT
<b>2850 - SEWERAGE</b>	<b>20,739,000</b>	<b>20,739,000</b>	<b>1,398,177</b>	<b>5,349,192</b>	<b>25.79%</b>	<b>25.79%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	45,000	45,000	4,260	9,564	21.25%	21.25%	UNDERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	150,000	150,000	-	4,760	3.17%	3.17%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	239,000	239,000	36,460	99,178	41.50%	41.50%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,700,000	1,700,000	222,858	880,035	51.77%	51.77%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	35,512	37,783	37.78%	37.78%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,505,000	18,505,000	1,099,087	4,317,872	23.33%	23.33%	UNDERSPENT
<b>2860 - WATER</b>	<b>105,314,000</b>	<b>105,314,000</b>	<b>31,823,696</b>	<b>40,479,490</b>	<b>38.44%</b>	<b>38.44%</b>	<b>OVERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	95,000	95,000	764	27,759	29.22%	29.22%	SATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,510,000	13,510,000	976,951	3,847,046	28.48%	28.48%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	105,000	105,000	7,844	56,604	53.91%	53.91%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,600,000	1,600,000	240,403	766,997	47.94%	47.94%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	260,000	260,000	20,009	131,157	50.44%	50.44%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	28,544,000	28,544,000	5,051,495	10,123,697	35.47%	35.47%	SATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	61,200,000	25,526,230	25,526,230	41.71%	41.71%	OVERSPENT
<b>2880 - ELECTRICITY</b>	<b>49,461,000</b>	<b>49,461,000</b>	<b>2,024,620</b>	<b>8,537,061</b>	<b>17.26%</b>	<b>17.26%</b>	<b>UNDERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	194,000	194,000	16,582	48,619	25.06%	25.06%	UNDERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNDERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	71,000	11,327	18,813	26.50%	26.50%	UNDERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	49,195,000	49,195,000	1,996,712	8,469,628	17.22%	17.22%	UNDERSPENT
<b>Grand Total</b>	<b>245,780,000</b>	<b>245,780,000</b>	<b>41,597,618</b>	<b>69,198,911</b>	<b>28.15%</b>	<b>28.15%</b>	<b>UNDERSPENT</b>

Table 4.2 R&M Expenditure per Service per inventory type

- ❖ Debt impairment will be provided for on a quarterly basis and the journal for the third quarter will be processed during November 2023.
- ❖ Depreciation was projected for on a straight-line basis but is only be provided for, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system. A demonstration is being scheduled by our service provider.
- ❖ Interest is showing a negative variance of 99.9%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year is due at the end of December 2023. The interest on overdue accounts for the ESKOM bulk account is being captured on the system under Bulk purchases electricity, as there is no provision for Interest on overdue accounts. This is attributable to the fact that the municipality could not factor this cost into the electricity tariffs and expect the community to fund this and secondly, the municipality intended to apply for the municipal debt relief. This shortfall will be addressed during the Adjustment budget and corrective journals will be processed. The movement of R5 thousand, pertains to minor interest charges on overdue accounts. A budget virement was effected on the system, until it can be corrected during the Adjustment budget. A formal communique must be distributed to warn users on the late submission of payments which is incurring unnecessary charges and which they may be held liable for in future. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ Expenditure on Contracted services is showing a satisfactory variance of 3.4%, with the YTD actuals on C&PS: Legal Cost Advice & Litigation being higher than anticipated, due to court settlements.
- ❖ Transfers and subsidies show a negative variance of minus 100%. The grant due to the SPCA must still be paid for the current year. Other grants show minimal movement due to cash flow constraints.
- ❖ The movement under Irrecoverable debts written-off was for arrear debt written-off for indigents.

- ❖ Operational cost is showing an unsatisfactory variance of 24.5% as a result of the following line items under Operational Cost (OC)
  - The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of R13,847 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.
  - Cost incurred of R3,650 million on OC: Ext Com Serv Prov - S/Ware Licences, for predominantly annual software license fees.
  - Cost incurred of R9,455 million on OC: Professional Bodies M/Ship & Subs, for predominantly annual SALGA membership fees.
- ❖ Other Losses is showing a satisfactory variance of minus 0.4%. 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. The corrective journal to recognise Water inventory and losses portion was prepared and was processed during October 2023.

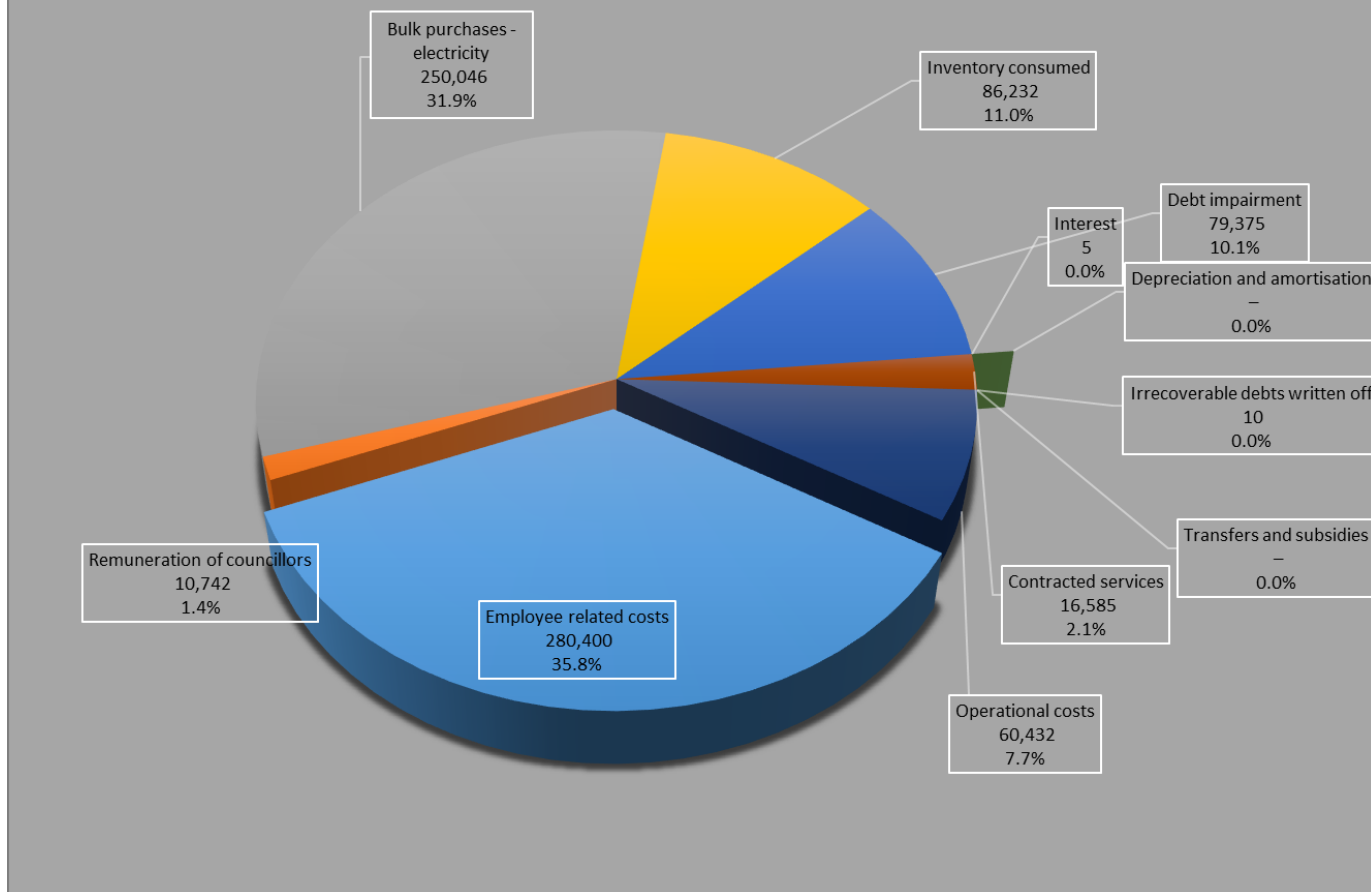
### **Operating Expenditure by Type: Comparison against Original Budget**

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of October 2023 is 33.33%. The total operational expenditure against the Original budget is 29.9% spent, resulting in a satisfactory variance of minus 3.5%.

- ❖ Employee related costs shows a satisfactory variance of minus 1.5%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 3.1%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 1.5%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 5.1%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a negative variance of 8.3%. Debt impairment will be provided for on a quarterly basis and the journal for the third quarter will be processed during November 2023.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Same factors are applicable as explained above.
- ❖ Interest is showing a negative variance of minus 33.3%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is satisfactory at 1.1%, when compared to the Original budget.
- ❖ Transfers and subsidies show a negative variance of minus 33.33%. Same factors are applicable as explained above.
- ❖ Irrecoverable debts written-off. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 8.2%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of minus 0.1%. Same factors are applicable as explained above.



**Chart 2: Expenditure by Type : YTD Actual as a % of Total Expenditure as at 31 October 2023 (R'000)**



**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 October 2023. The main cost drivers of the municipality are Employee Related Costs (35.8), Bulk Purchases – Electricity (31.9%) and Debt Impairment (10.1) and Inventory consumed (11.0%).

It should be noted that the weighting per Expenditure type is satisfactory. Percentages are slightly distorted as a result of the following:

- ❖ Employee costs, 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.
- ❖ Interest on long-term borrowing that is due end of December 2023.

**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 33.33% as at end of October 2023, Bulk Purchases Electricity is showing a satisfactory variance of minus 1.48%. The September 2023 account was R71,421million, of which R30 million has been settled.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
BULK PURCHASES: ELECTRICITY	785,000,000	73,768,821	250,046,372	31.85%	-1.48%
<b>Total</b>	<b>785,000,000</b>	<b>73,768,821</b>	<b>250,046,372</b>	<b>31.85%</b>	<b>-1.48%</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 a satisfactory variance of 4.1%, when compared to the ideal percentage of 3.33%. 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 pertaining to Water inventory and losses was processed on the system during October 2023.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
INVENTORY - WATER	61,200,000	25,526,230	25,526,230	41.7%	8.4%
NON-REVENUE WATER LOSSES	61,200,000	20,309,884	20,309,884	33.2%	-0.1%
<b>Total</b>	<b>122,400,000</b>	<b>45,836,114</b>	<b>45,836,114</b>	<b>37.4%</b>	<b>4.1%</b>

Table 5.2: Summary of YTD Bulk Water expenditure

### Outstanding debt: ESKOM and DWS

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Payments (2023/24)	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2023/24
<b>2021/22</b>	<b>523,811</b>	<b>-</b>	<b>523,811</b>	<b>523,811</b>	<b>-</b>
Oct-21	51,028	-	51,028	51,028	-
Nov-21	50,813	-	50,813	50,813	-
Dec-21	51,379	-	51,379	51,379	-
Jan-22	53,401	-	53,401	53,401	-
Feb-22	51,445	-	51,445	51,445	-
Mar-22	54,652	-	54,652	54,652	-
Apr-22	51,835	-	51,835	51,835	-
May-22	57,826	-	57,826	57,826	-
Jun-22	101,431	-	101,431	101,431	-
<b>2022/23</b>	<b>389,602</b>	<b>103,242</b>	<b>286,360</b>	<b>286,360</b>	<b>-</b>
Dec-22	48,088	-	48,088	48,088	-
Jan-23	59,491	-	59,491	59,491	-
Feb-23	56,821	-	56,821	56,821	-
Apr-23	45,106	-	45,106	45,106	-
May-23	65,831	-	65,831	65,831	-
Jun-23	114,264	103,242	11,022	11,022	-
<b>2023/24</b>	<b>402,363</b>	<b>161,000</b>	<b>241,363</b>	<b>165,047</b>	<b>43,756</b>
Jul-23	131,032	61,000	70,032	70,032	8,736
Aug-23	123,594	70,000	53,594	53,594	10,784
Sep-23	71,421	30,000	41,421	41,421	10,598
Oct-23	76,317	-	76,317	-	13,638
<b>Grand Total</b>	<b>1,315,776</b>	<b>264,242</b>	<b>1,051,534</b>	<b>975,218</b>	<b>43,756</b>

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,051,534 billion. The current account amounts to R76,317 million. The total arrear debt amounts to R975,218 million summarized as follow 2021/22 (R523,811m), 2022/23 (R286.360m) and 2023/24 (R165,047m). The total year to date interest charged on overdue accounts due to ESKOM amounts to R43,756 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

The total billed amount for 2023/24 million amounts to R402,363 million. Total payments for the 2023/24 financial year amounts to R264,242 million of which R103,242 million relates to 2022/23 financial year and R161,000 was paid for invoices for 2023/24 financial year. The current arrangement with Eskom is that the municipality must at least settle the monthly current account.. There was no formal payment arrangement in place for 2022/23 financial year and the payment arrangement for the debt incurred after March 2023 must be concluded for 2023/24 financial year. The municipality is struggling to meet the monthly current account but pays what is available from a cash perspective and going forward will endeavour to pay over actual receipts from Electricity sales for the same period. This is rings true for the high months, when the Eskom bill is double that of the low months.

DWS - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Payments (2023/24)	Sum of Outstanding Balance	Sum of Arrear Debt
<b>2021/22</b>	<b>126,431</b>	<b>42,869</b>	<b>83,562</b>	<b>83,562</b>
INTEREST (APR-JUN 2022)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sep-21	15,795	15,795	–	–
Oct-21	15,275	12,000	3,275	3,275
Nov-21	14,523	–	14,523	14,523
Dec-21	11,108	–	11,108	11,108
Jan-22	17,098	–	17,098	17,098
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
<b>2022/23</b>	<b>82</b>	<b>82</b>	<b>–</b>	<b>–</b>
WRM LEVIES JUN 2023	82	82	–	–
<b>2023/24</b>	<b>65,186</b>	<b>13,835</b>	<b>51,351</b>	<b>33,635</b>
Jul-23	15,303	–	15,303	15,303
Aug-23	13,588	13,588	–	–
Sep-23	18,332	–	18,332	18,332
Oct-23	17,633	–	17,633	–
WRM LEVIES JUL 2023	82	82	–	–
WRM LEVIES AUG 2023	82	82	–	–
WRM LEVIES SEP 2023	82	82	–	–
WRM LEVIES OCT 2023	82	–	82	–
<b>Grand Total</b>	<b>191,700</b>	<b>56,787</b>	<b>134,913</b>	<b>117,197</b>

Table 6.2: Summary of outstanding DWS debt

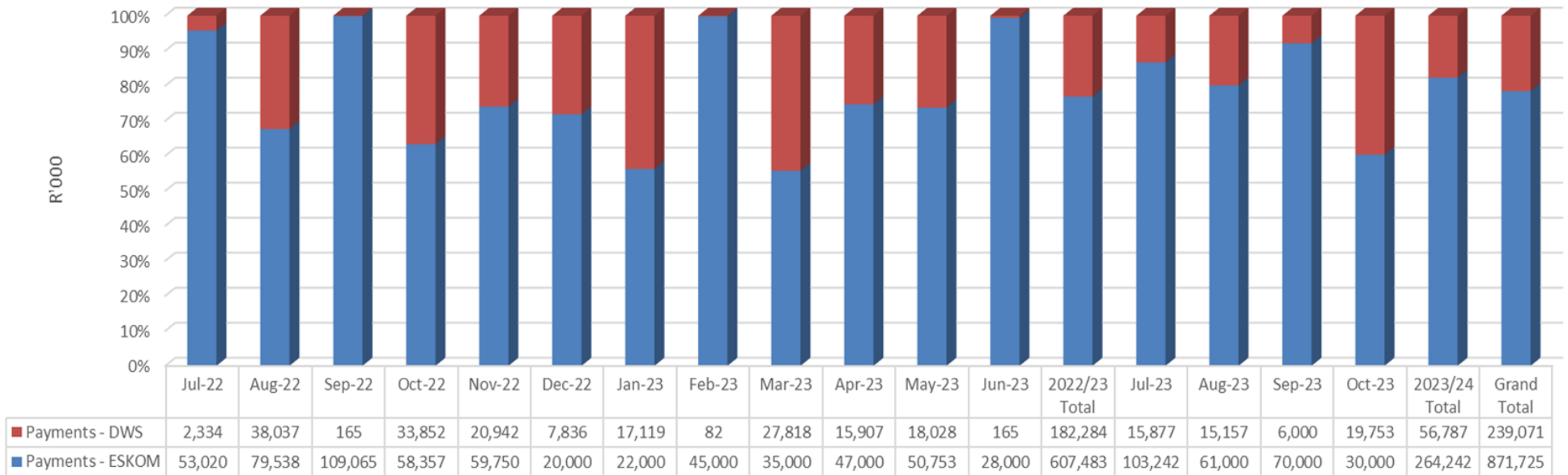
Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R134,913 million. The total current water account for October 2023 amounts to R17,633 million. The municipality is awaiting the October 2023 invoice from the Department. The total arrear debt amounts to R117,197 million which pertains to outstanding invoices for 2021/22 financial year (R83,562m). All the invoices for the 2022/23 financial year, has been settled in full and 2023/24 (R33,635m).

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 has defaulted and have since settled all invoices for 2022/23 in full. The biggest concern for the municipality is to settle the outstanding invoices for July and September 2023 as a matter of urgency.

- Settling the monthly debt instalment (municipality complied, but defaulted for February and September 2023, but has since caught up).
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- 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 prior and current financial year. The repayment proposal was approved by the Department.

**Chart 2.1: Monthly payments: DWS & ESKOM: 2022/23 and 2023/24**



**Chart 2.1: Monthly payments to DWS & ESKOM**

Indicated in Chart 2.1 above, are the monthly payments made to DWS and ESKOM for 2022/23 and 2023/24 fin year as at 31 October 2023.

The total amount paid to DWS for October 2023 amounted to R19,753 million which included the August 2023 account and debt repayment instalment. The municipality had insufficient cash available to settle the July and September 2023 accounts in full. Payments for 2022/23 amounts to R182,284 million and R56,787 million for 2023/24 financial year. The total payments amount to R239,071 million.

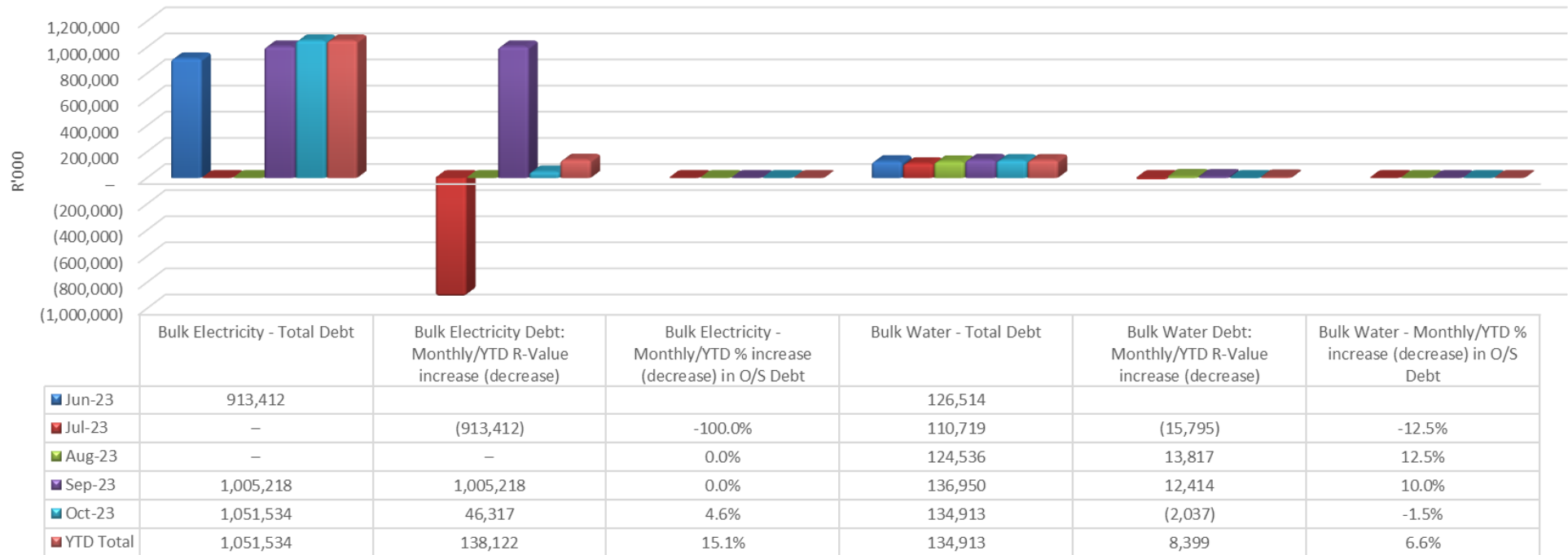
For the month of October 2023, the municipality settled R30,000 million on the September 2023 ESKOM account, amounting to R71,421 million. The municipality had insufficient cash available to settle the account in full. The payment made was not equivalent to the actual receipts received for Electricity during September 2023 and this is an urgent matter that the municipality will have to remedy. The total payments made for the 2022/23 financial year amounts to R607,483 million and for 2023/24 financial year the payments amount to R264,242 million, resulting in the total payments for both periods amounting to R871,725 million.

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT		FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
<b>2022/23</b>	<b>R 607,483,087.93</b>		<b>2022/23</b>	<b>R 182,284,059.00</b>
20220713	R 53,019,940.09		20220714	R 82,471.24
20220815	R 40,000,000.00		20220728	R 1,388,435.69
20220824	R 39,537,674.82		20220802	R 863,336.64
20220919	R 109,064,695.35		20220816	R 38,036,976.25
20221028	R 58,357,071.08		20220901	R 82,471.24
20221130	R 59,750,383.02		20220920	R 82,471.24
20221230	R 20,000,000.00		20221021	R 82,471.24
20230131	R 22,000,000.00		20221031	R 33,769,424.62
20230228	R 45,000,000.00		20221111	R 82,471.24
20230316	R 35,000,000.00		20221124	R 20,859,449.92
20230417	R 25,000,000.00		20221229	R 7,835,604.54
20230428	R 22,000,000.00		20230109	R 82,471.24
20230505	R 15,753,323.56		20230124	R 16,953,859.72
20230530	R 35,000,000.01		20230126	R 82,471.24
20230630	R 28,000,000.00		20230220	R 82,471.24
<b>2023/24</b>	<b>R 264,241,512.23</b>		20230317	R 27,735,396.94
20230801	R 103,241,512.23		20230322	R 82,471.24
20230830	R 61,000,000.00		20230421	R 77,850.54
20230928	R 35,000,000.00		20230502	R 15,828,854.80
20230929	R 35,000,000.00		20230508	R 6,000,000.00
20231031	R 30,000,000.00		20230522	R 4,620.70
<b>Grand Total ESKOM</b>	<b>R 871,724,600.16</b>		20230530	R 12,023,065.00
			20230605	R 82,471.24
			20230629	R 82,471.24
			<b>2023/24</b>	<b>R 56,787,387.27</b>
			20230727	R 82,471.24
			20230712	R 15,794,682.80
			20230804	R 15,074,754.70
			20230830	R 82,471.24
			20230914	R 6,000,000.00
			20231003	R 13,588,064.81
			20231005	R 82,471.24
			20231027	R 82,471.24
			20231018	R 6,000,000.00
			<b>Grand Total DWS</b>	<b>R 239,071,446.27</b>

Table 6.3: Summary of payments per payment date

Indicated in table 6.3 above, are the payments to ESKOM and DWS per financial year and per payment date, which corresponds to Chart 2.1 above. Please refer to narratives under monthly payments made to ESKOM and DWS.

**Chart 2.2: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2023 to Oct 2023**



**Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt**

Indicated in Chart 2.1 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

**ESKOM** - From September to October 2023, debt owed to Eskom increased by R46,317 million or 4.6%, from R1,005,218 billion to R1,051,534 billion. When comparing the total outstanding debt to June 2023, the outstanding debt increased by R138,122 million or 15.1%, from R913,412 million to R1,051,534 billion.

**DWS** - From September to October 2023, debt owed to DWS decreased by R2,037 million or 1.5%, from R136,950 million to R134,913 million. When comparing the total outstanding debt to June 2023, the outstanding debt increased by R8,399 million or 6.6% from R126,514 million to R134,913 million.



### 4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - October 2023										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 33.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	249,473	7,939	18,141	83,158	21.82%	(65,016)	-78.2%	7.3%	(65,016)	-26.1%
Funded by										
Capital transfers recognised	214,233	5,316	15,345	71,411	21.49%	(56,066)	-78.5%	7.2%	(56,066)	-26.2%
Internally generated funds	35,240	2,623	2,796	11,747	23.8%	(8,950)	-76.2%	7.9%	(8,950)	-25.4%
Weighting Capital transfer recognised	85.9%	67.0%	84.6%	85.9%						
Weighting Internally generated funds	14.1%	33.0%	15.4%	14.1%						

Table 7: High level summary: Capital Expenditure

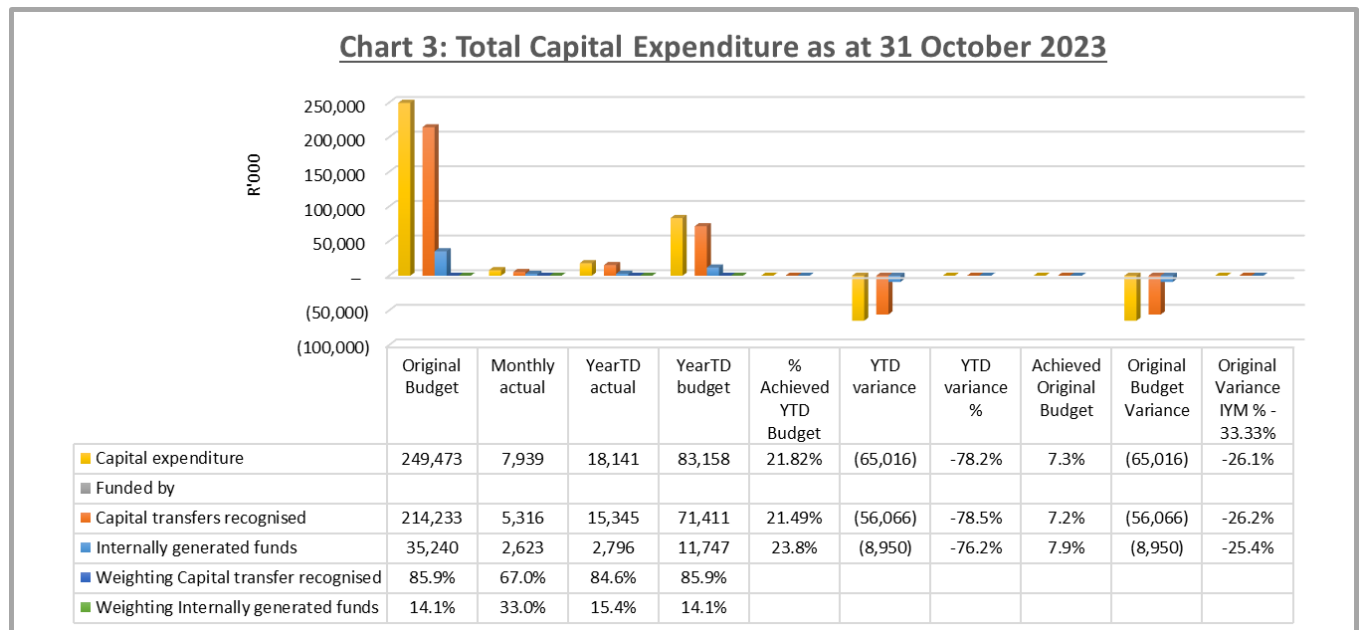


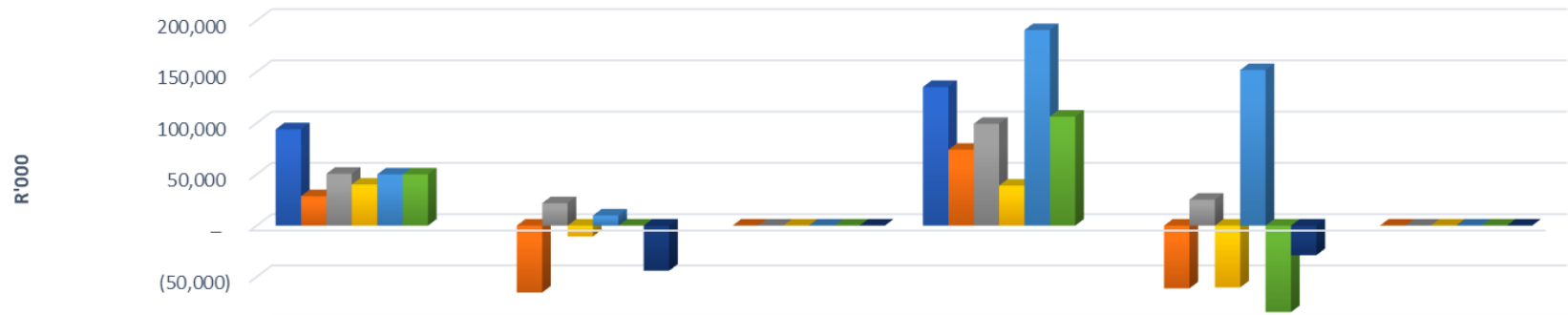
Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of October 2023 amounted to R18,141 million and 21.82% spent when compared to the YTD budget of R83,158 million and 7.3% spent when compared to the Original Budget of R249,473 million. The total YTD capex is funded from Capital grants R15,345 million (84.6%) and Internally generated funds R2,796 million (15.4%). 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**

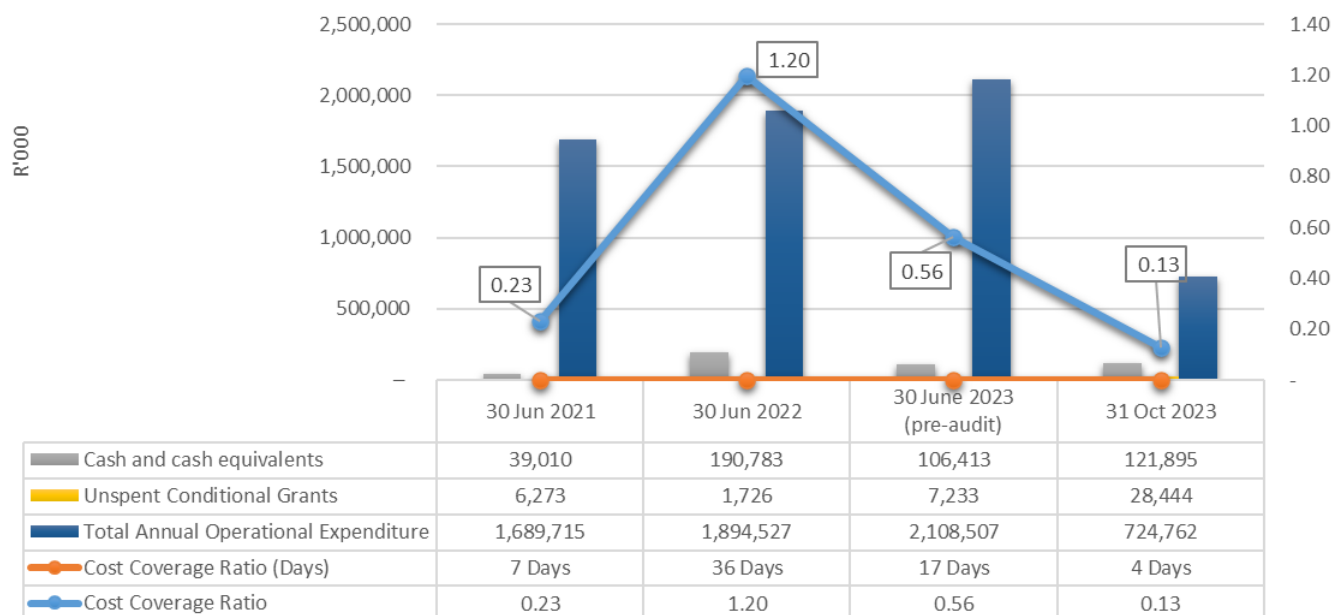


	Call investment deposits at year-end	Investments / Year-on-year R-Value Increase (Decrease)	Investments / Year-on-year % Increase/(Decrease)	Cash and cash equivalents at year-end	Cash and cash equivalents / Year-on-year R-Value Increase/(Decrease)	Cash and cash equivalents / Year-on-year % Increase/(Decrease)
■ 30 June 2018	93,978			135,240		
■ 30 June 2019	28,701	(65,278)	-69%	74,019	(61,221)	-45%
■ 30 June 2020	50,594	21,893	76%	99,307	25,287	34%
■ 30 June 2021	40,099	(10,495)	-21%	39,010	(60,297)	-61%
■ 30 June 2022	49,975	9,876	25%	190,783	151,773	389%
■ 30 June 2023 (Pre-audit)	49,975	-	0%	106,413	(84,370)	-44%
■ Total Increase (Decrease) - 2018 to 2023		(44,003)	-47%		(28,828)	-21%

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

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. The total investment remained the same from 2022 to 2023. From 2018 to 2023, the total investments decreased by R44,003 million or 47%. 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: Cash & cash equivalents and Cost Coverage Ratio from 2020/21 to 2022/23 and 2023/24 as at 31 October 2023**



**Chart 5: Cash & cash equivalents and Cost coverage ratio**

Indicated in Chart 5 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the year. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2021 is (0.23; 7 days; R39,010m). There was a marginal improvement for the year ended 30 June 2022 (1.20; 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 pre-audited outcomes for the year ended 30 June 2023 is (0.56; 17 days; R106,413m). The Cost coverage ratio as at 31 October 2023 is calculated at (0.13; 4 days; R121,895m).

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. However, as a result of the debt agreement with DWS and the Incentive initiated by the Department, the municipality has made significant strides in reducing the arrear debt and settling all invoices for the 2022/23 financial year in full.

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.

## 5. In-year budget statement tables

The financial results for the period under review is included in Annexure A, consisting of the following C-schedule tables.

- (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

## 6. Municipal Debt Relief Monitoring - MFMA Section 71 reporting

Indicated in the table below is the monthly progress in terms of the municipal debt relief monitoring.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - October 2023 Comment
<p><b>6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month’s consumption)</b></p>	<p><b>6.3.1</b> The municipality must monthly pay and maintain its <b>Eskom bulk current account</b> and <b>bulk water current account</b> - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p><b>Serious Non-compliance</b> The municipality settled an amount of R30,000m on 31/10/2023 of the Sept 2023 ESKOM invoice amounting to R71,421m incl interest of R10,598m The municipality could not settle the current of Water amounting to R18,332m. The municipality is awaiting a payment of R40m from Dept of Public Works</p>
	<p><b>6.3.1 (a)</b> At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS</p>	<p>Monthly, 5th of each month</p>		<p><b>Compliant</b> The municipality settled an amount of R6,275m on Monday, 06/11/2023 on the debt repayment</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - October 2023 Comment
<b>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</b>	<b>6.6.1</b> Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierachy allocation report	<b>Compliant</b> Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.
	<b>6.6.2</b> The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	10,756
	<b>6.6.3</b> The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	At this stage the Municipality is only disconnecting/blocking electricity. We are in discussions with the Senior Manager: Water Services Compliance to introduce restrictions in the water supply of Debtors we are struggling to disconnect / block.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - October 2023 Comment
	<p><b>6.6.4</b> If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.
<p><b>6.7 Maintain a minimum average quarterly collection of property rates and services charges</b></p>	<p><b>6.7.1</b> The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm</p>	Monthly (Internal) and Quarterly (Debt Relief)	Collect R10,000 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)	<p><b>Compliant</b> Average daily collection for October 2023, was R13,247m. Monthly S71 Revenue Collection per Ward, 91% average collection rate achieved for October 2023</p>
<p><b>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</b></p>	<p><b>6.12.1</b> Open a separate investment account to serve as a sub-account</p>	Once-off	Investment account confirmation	<p><b>In progress</b> Busy finalising the opening of a call account to serve as a sub-account with our primary banker. Target date 15/11/2023</p>



MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - October 2023 Comment
	<p><b>6.12.1</b> must apportion and ring-fence in a sub-account to its primary bank account –  (a) all electricity, water and sanitation revenue the municipality collects in any month;  and  (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	<p><b>In progress</b>  Daily process developed to identify amounts received per service</p>
	<p><b>6.12.2</b> must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.</p>	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p><b>In progress</b>  Municipality has a backlog in terms of built-up reserves. This will have to be remedied as soon as possible, also envisage to utilise the EQS for December for this purpose</p>
	<p>The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue</p>	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	<p><b>In progress</b>  To be submitted going forward</p>

## PART 2: SUPPORTING DOCUMENTATION

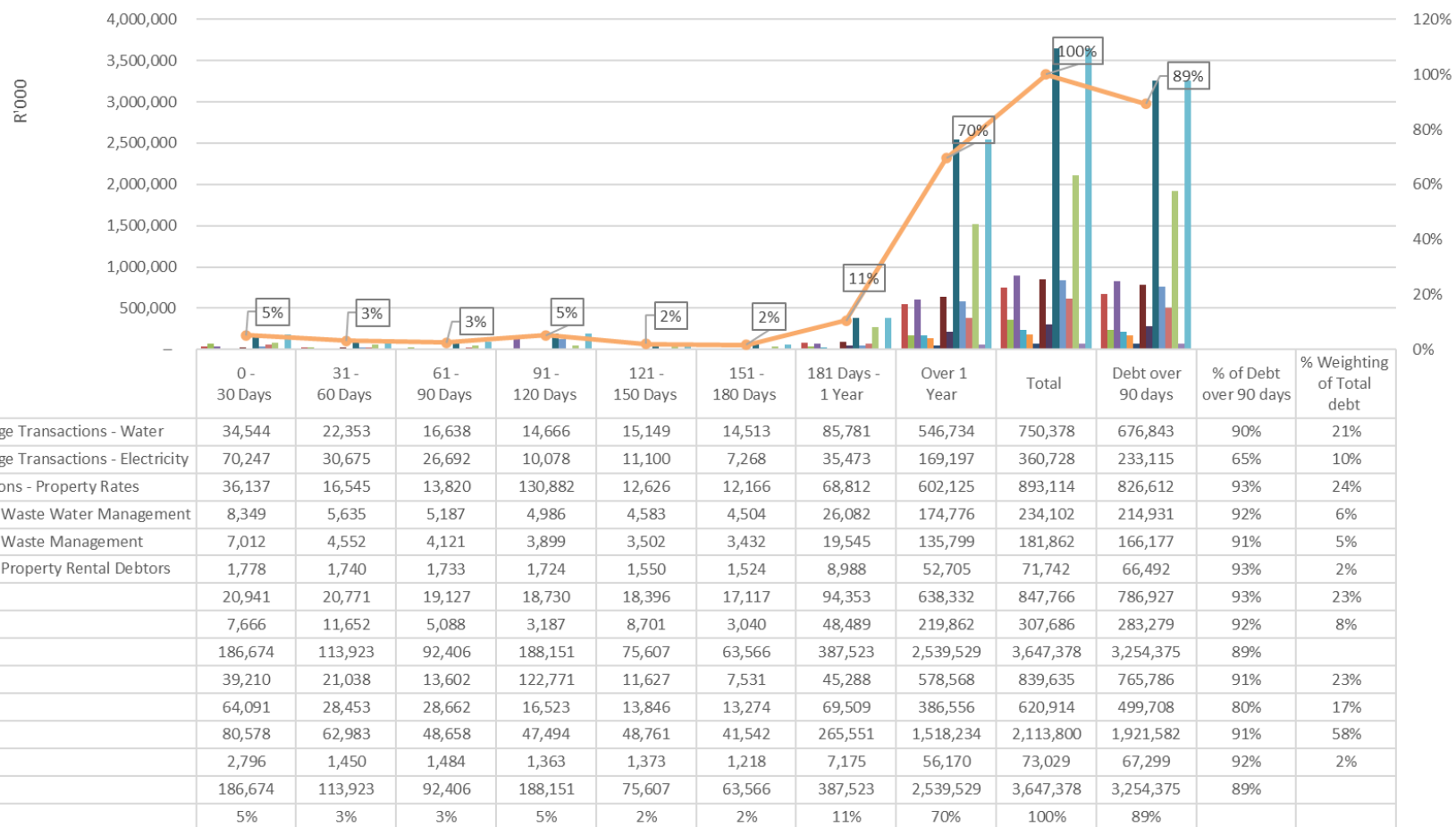
### 7. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2023/24										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	34,544	22,353	16,638	14,666	15,149	14,513	85,781	546,734	750,378	676,843	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	70,247	30,675	26,692	10,078	11,100	7,268	35,473	169,197	360,728	233,115	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	36,137	16,545	13,820	130,882	12,626	12,166	68,812	602,125	893,114	826,612	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	8,349	5,635	5,187	4,986	4,583	4,504	26,082	174,776	234,102	214,931	-	-	
Receivables from Exchange Transactions - Waste Management	1600	7,012	4,552	4,121	3,899	3,502	3,432	19,545	135,799	181,862	166,177	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,778	1,740	1,733	1,724	1,550	1,524	8,988	52,705	71,742	66,492	-	-	
Interest on Arrear Debtor Accounts	1810	20,941	20,771	19,127	18,730	18,396	17,117	94,353	638,332	847,766	786,927	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-	
Other	1900	7,666	11,652	5,088	3,187	8,701	3,040	48,489	219,862	307,686	283,279	-	-	
<b>Total By Income Source</b>	<b>2000</b>	<b>186,674</b>	<b>113,923</b>	<b>92,406</b>	<b>188,151</b>	<b>75,607</b>	<b>63,566</b>	<b>387,523</b>	<b>2,539,529</b>	<b>3,647,378</b>	<b>3,254,375</b>	<b>-</b>	<b>-</b>	
<b>2022/23 - totals only</b>		#####	68916744	#####	#####	0	0	0	0	2,884,356	2,432,435	0	0	
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	39,210	21,038	13,602	122,771	11,627	7,531	45,288	578,568	839,635	765,786	-	-	
Commercial	2300	64,091	28,453	28,662	16,523	13,846	13,274	69,509	386,556	620,914	499,708	-	-	
Households	2400	80,578	62,983	48,658	47,494	48,761	41,542	265,551	1,518,234	2,113,800	1,921,582	-	-	
Other	2500	2,796	1,450	1,484	1,363	1,373	1,218	7,175	56,170	73,029	67,299	-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>186,674</b>	<b>113,923</b>	<b>92,406</b>	<b>188,151</b>	<b>75,607</b>	<b>63,566</b>	<b>387,523</b>	<b>2,539,529</b>	<b>3,647,378</b>	<b>3,254,375</b>	<b>-</b>	<b>-</b>	

Table 8: Supporting Table SC3: Aged Debtors

**Chart 6: Debtor's Age Analysis by Income Source and Customer Group as at 31 October 2023**



**Chart 6: Debtor's age analysis by Income Source and Customer Group**

Indicated in Table 8 and Chart 6 above is the total outstanding debt by Income Source and Customer Group including the debt over 90 days, the percentage of total Debt over 90 days and % weighting. The total O/S Debt amounts to R3,647,378 billion as at the end of October 2023 with the bulk of SPM debt is aged over 90 days with a total weighting of 89%.

The highest percentage weighting of debt owed by Income Source, in excess of 90 days is attributable to:

- ❖ Receivables from Non-Exchange Transactions – Property Rates at 93%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Interest on Arrear Debtor Accounts at 93%

The highest percentage weighting of debt owed by Income Source is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 24%
- ❖ Interest on Arrear Debtor Accounts 23%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 21%

Weighting per Customer Group

- ❖ Organs of state constitutes 23%, Businesses 17%, Households 58% and Other 2.0% of the total outstanding debt.

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. 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 payment culture of consumers needs to improve across all areas. Articulated in the paragraph below under "Revenue Management" is a detailed plan with interventions and improvements.

### **Revenue Management: Activities for the month of September 2023**

We have commenced with the blocking of prepaid meters and disconnection of conventional meters on 4 September 2023, of all Customers who are owing the Municipality. We had a few issues herein but most of the issues have since been resolved. One of the issues that we are still in the process of resolving is the procurement of PPE for our Cut Team members and organizing training for them, for the disconnection and reconnection of electricity. This urgent need arose due to a near incident occurring during a disconnection operation. We thereafter had a Baseline Risk Assessment done by the SPM Occupational Health and Safety Practitioner and they made the abovementioned recommendations.

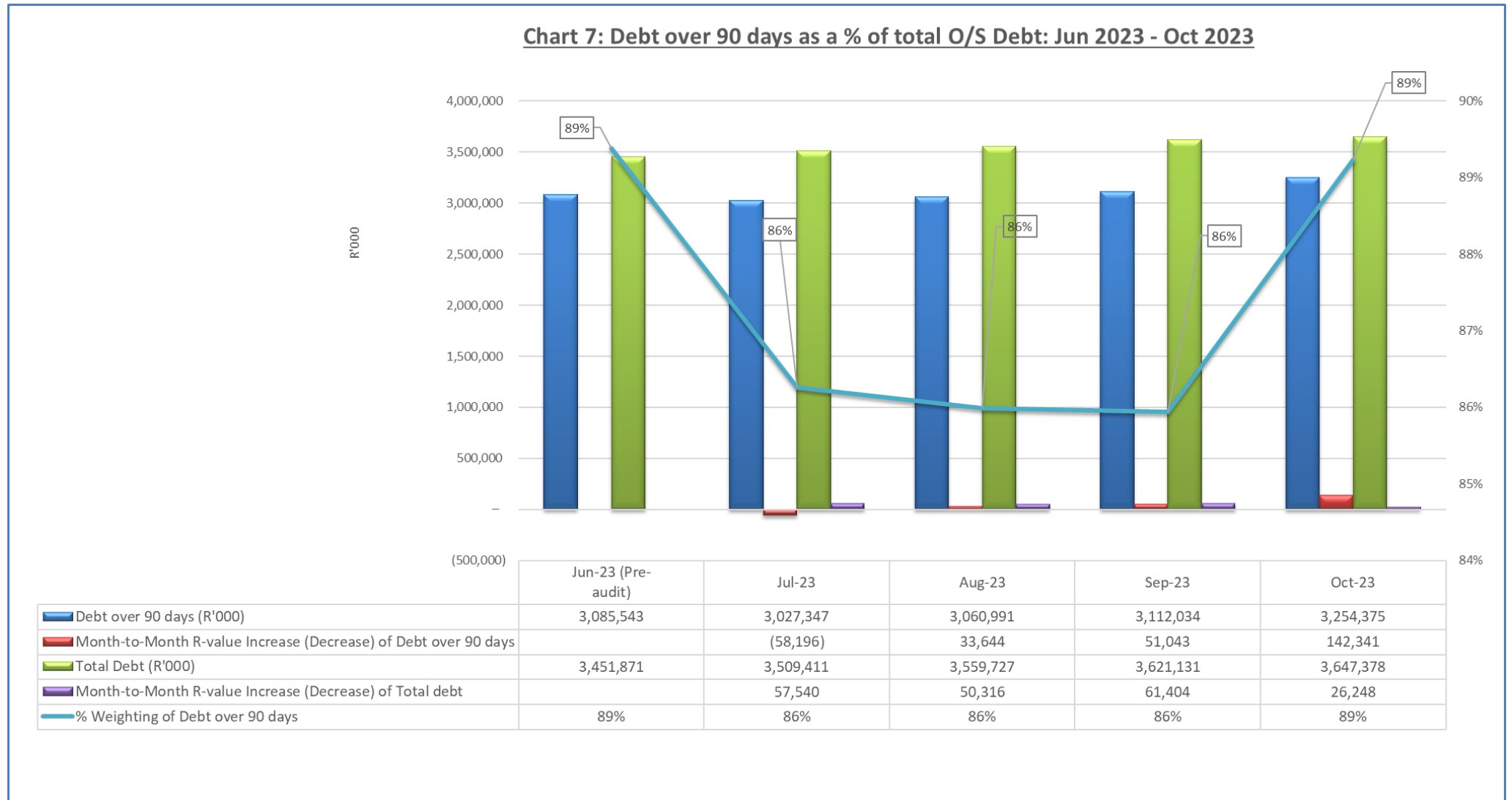
We will be having a workshop for all Councillors on Thursday, 19 October 2023 where the following Sections will present on pressing matters and information that needs to be disseminated to the communities within the SPM jurisdiction. These Sections include – Customer Care/Water & Lights; Debt Collection; Indigent assistance and Rates. The Councillors will be equipped with the necessary information in order to educate and empower our community members; ultimately aimed at bringing synergy between SPM and the community it serves.

We are working through our top 225 owing Customers, engagements, disconnections, arrangements, legal handovers are taking place accordingly (this is part of the Revenue management roadmap that was communicated in last month's memorandum).

<b>GOVERNMENT DEBT</b>		
<b>DEPARTMENTS</b>	<b>RECEIPTS 2023</b>	<b>SEPTEMBER COMMITMENTS</b>
NATIONAL PUBLIC WORKS	R16 056 071,25	
PROVINCIAL PUBLIC WORKS	R457 039,76	
DEPARTMENT OF HEALTH	R3 244 459,48	
SOCIAL DEVELOPMENT	R484 301,35	
ECONOMIC AFFAIRS	R300 984,11	
COGHSTA / HOUSING	R225 875,06	
PROVINCIAL LEGISLATURE	R224 294,98	
CORRECTIONAL SERVICE	R3 111 695,26	
NATIONAL DEFENCE FORCE	R4 022 717,35	
AGRICULTURE	R136 032,80	
EDUCATION	R80 877,87	
SPORTS, ARTS & CULTURE	R246 572,40	
TRANSPORT		Followed up - Disconnection 16/10/23
DE BEERS	R898 707,91	
TELKOM	R1 001 225,26	
TRANSNET	R1 700 933,21	
ESKOM	R136 793,90	
SCHOOLS	R2 203 234,41	
	<b>R34 531 816,36</b>	

We received a total of R 34 531 816,36 from Departments and Schools in the month of September 2023 as compared to the R 20 976 164.29 received in the month of August 2023. We are following up on payments and are engaging the Departments in order to have them increase payments, failing which we will have no other alternative but to disconnect their electricity.

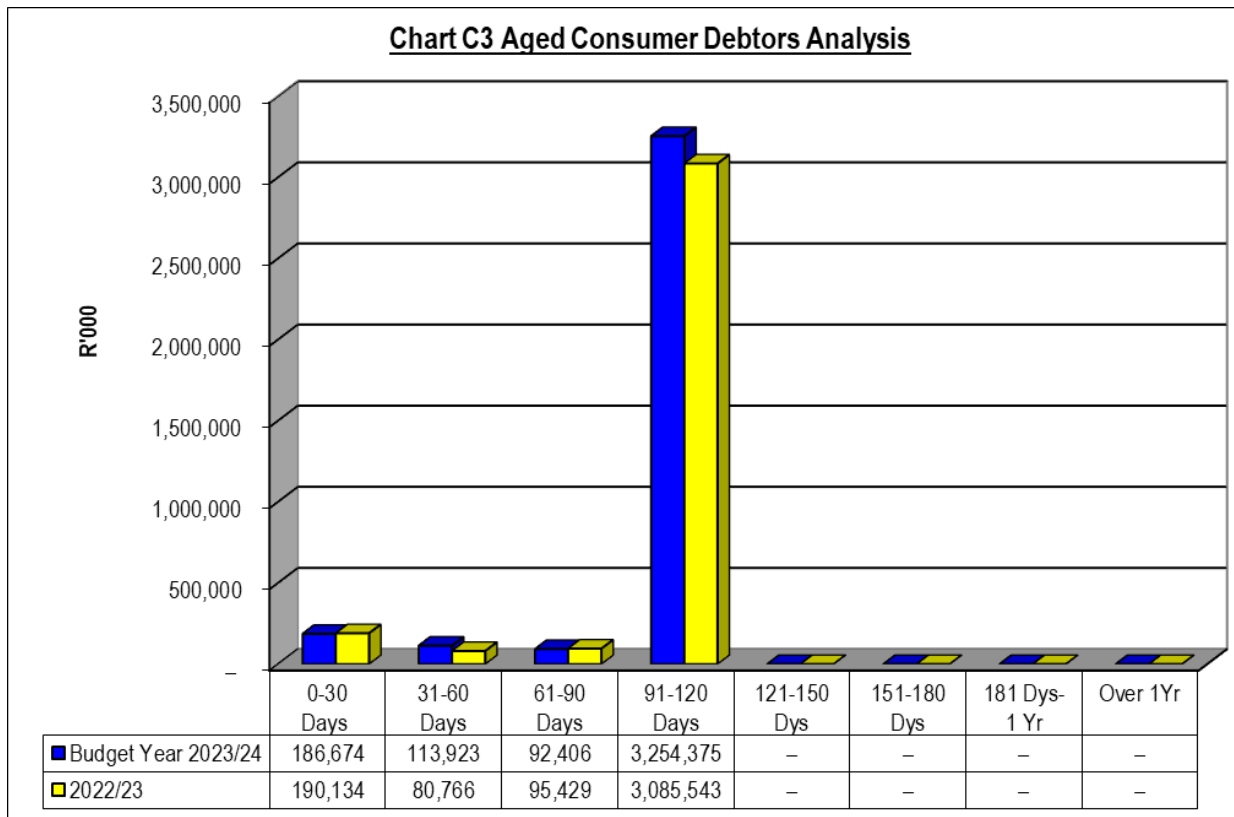
Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which increased from 86% to 89% for the month under review. Debt over 90 days increased by R142,341 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R26,248 million. It is concerning that total debt over 90 days is hovering at an average of 87 percent. During the 2023/24 MTREF Budget Benchmark exercise NT also encouraged the municipality, to explore all avenues to recoup long outstanding debt, to improve on financial liquidity and to improve the collection rate to at least 89% to be realistically funded from a cash perspective.



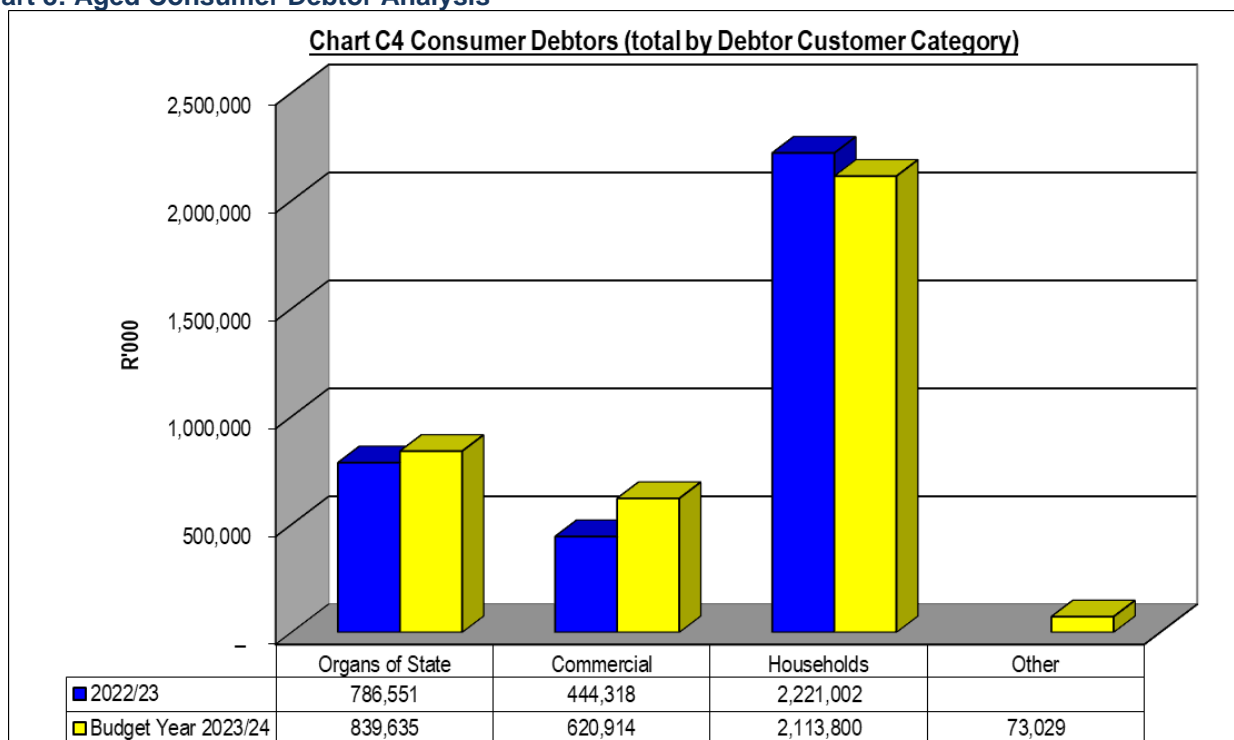
**Chart 7: Debt over 90 days as a percentage of Total O/S Debt**



- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2022/23. 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 October 2022, this will have to be confirmed with NT, if it is for the same period of the prior year 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 2022/23 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 8: Aged Consumer Debtor Analysis**



**Chart 9: Consumer Debtors (total by Debtor Customer Category)**

**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 9 below, when taking into consideration what was billed in September 2023 and received in October 2023, the monthly collection rate is 80%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26<sup>th</sup> of the prior month to the 25<sup>th</sup> of the current month. The monthly collection rate is satisfactory for the month under review. Indicated in Table 10 below is the revised average collection of 67.3% for the period under review. The average collection rate is distorted, due to the annual billing on Property rates. When taking the annual billing on Property rates into consideration, the average collection rate is 72%. The lower 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.

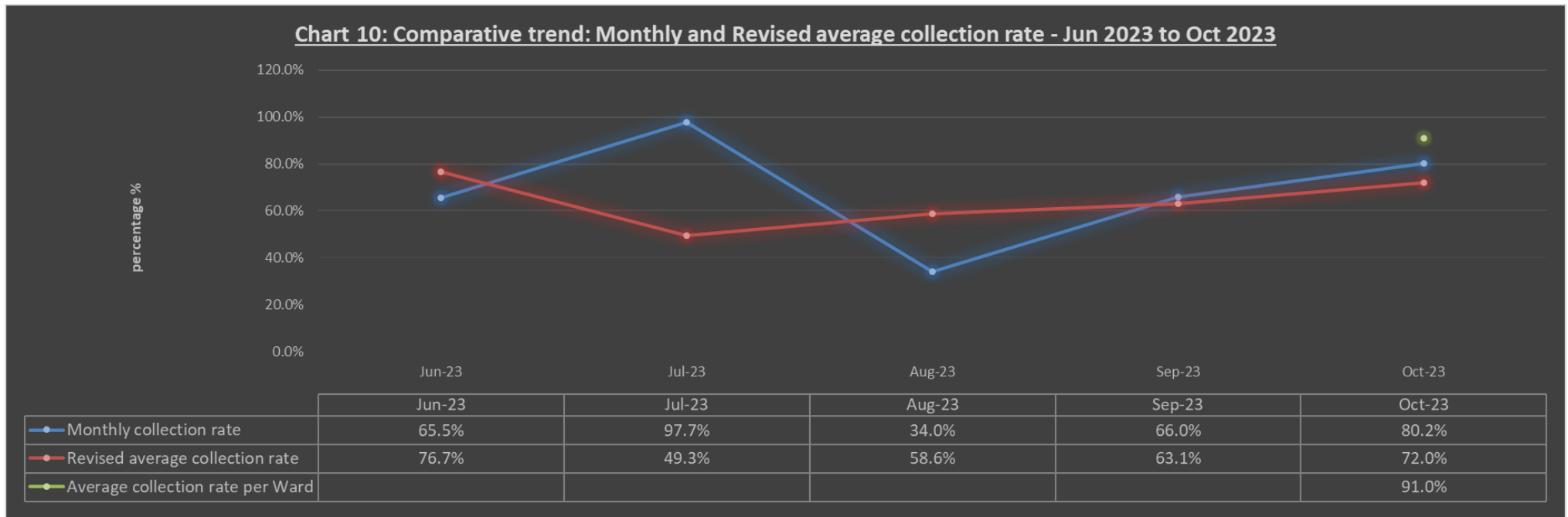
When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 October to 31 October 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 2023 to settle their outstanding accounts.

Monthly Collection Rate	Debits (Billed September 2023)	Credits (Received October 2023)	% Collected
PROPERTY RATES	45,249,797	37,565,232	83%
ELECTRICITY	47,739,904	52,808,318	111%
WATER	27,056,483	14,708,443	54%
SEWERAGE	9,768,056	4,498,600	46%
REFUSE	7,955,131	3,742,625	47%
OTHER	31,406,465	22,400,281	71%
<b>Total</b>	<b>169,175,835</b>	<b>135,723,499</b>	<b>80%</b>

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL OCTOBER 2023	YTD RECEIPTS	Rate
PROPERTY RATES	R 320,671,135	R 194,146,049	<b>60.5%</b>
SERVICE CHARGE ELECTRICITY	R 218,103,232	R 172,059,335	<b>78.9%</b>
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 104,828,909	R 104,828,909	<b>100.0%</b>
SERVICE CHARGE WATER	R 93,462,413	R 49,627,303	<b>53.1%</b>
SERVICE CHARGE SANITATION	R 31,949,340	R 16,039,834	<b>50.2%</b>
SERVICE CHARGE REFUSE	R 25,094,916	R 13,460,557	<b>53.6%</b>
OTHER	R 106,281,803	R 47,791,311	<b>45.0%</b>
UNALLOCATED CREDITS		R 8,232,863	
<b>REVISED AVERAGE COLLECTION RATE - OCTOBER 2023</b>	<b>R 900,391,747</b>	<b>R 606,186,162</b>	<b>67.3%</b>
<b>REVISED AVERAGE COLLECTION RATE - OCTOBER 2023</b>	900,391,747.47	606,186,161.67	<b>67.3%</b>
LESS ANNUAL BILLING ON PROPERTY RATES	R -141,456,341.14	-59,651,365.22	<b>42.2%</b>
AVERAGE COLLECTION RATE EXCL ANNUAL BILLING	R 758,935,406.33	R 546,534,796.45	<b>72.0%</b>

Table 10: Revised Average collection rate

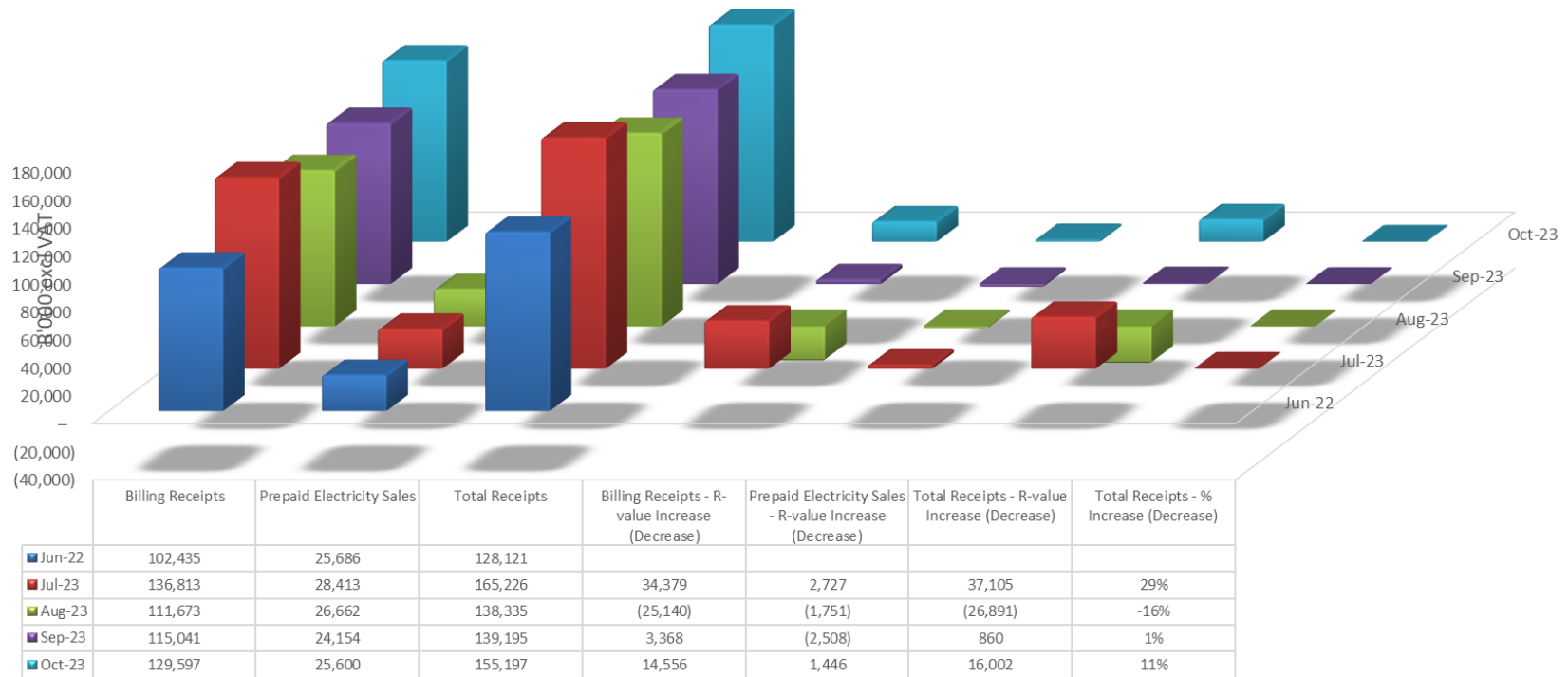


**Chart 10: Comparative trend: Monthly and Revised average collection rate**

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2023 to October 2023. The monthly collection rate for August 2023 and the revised average collection for July 2023, 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 average collection rate, although distorted is not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its commitments. For the municipal debt relief, the municipality is also expected to report the average collection rate per ward, this will be included monthly going forward. It should be noted that the collection rate per ward, factors in credits on accounts which reduces the billed amount, resulting in a higher collection rate being achieved.

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.”

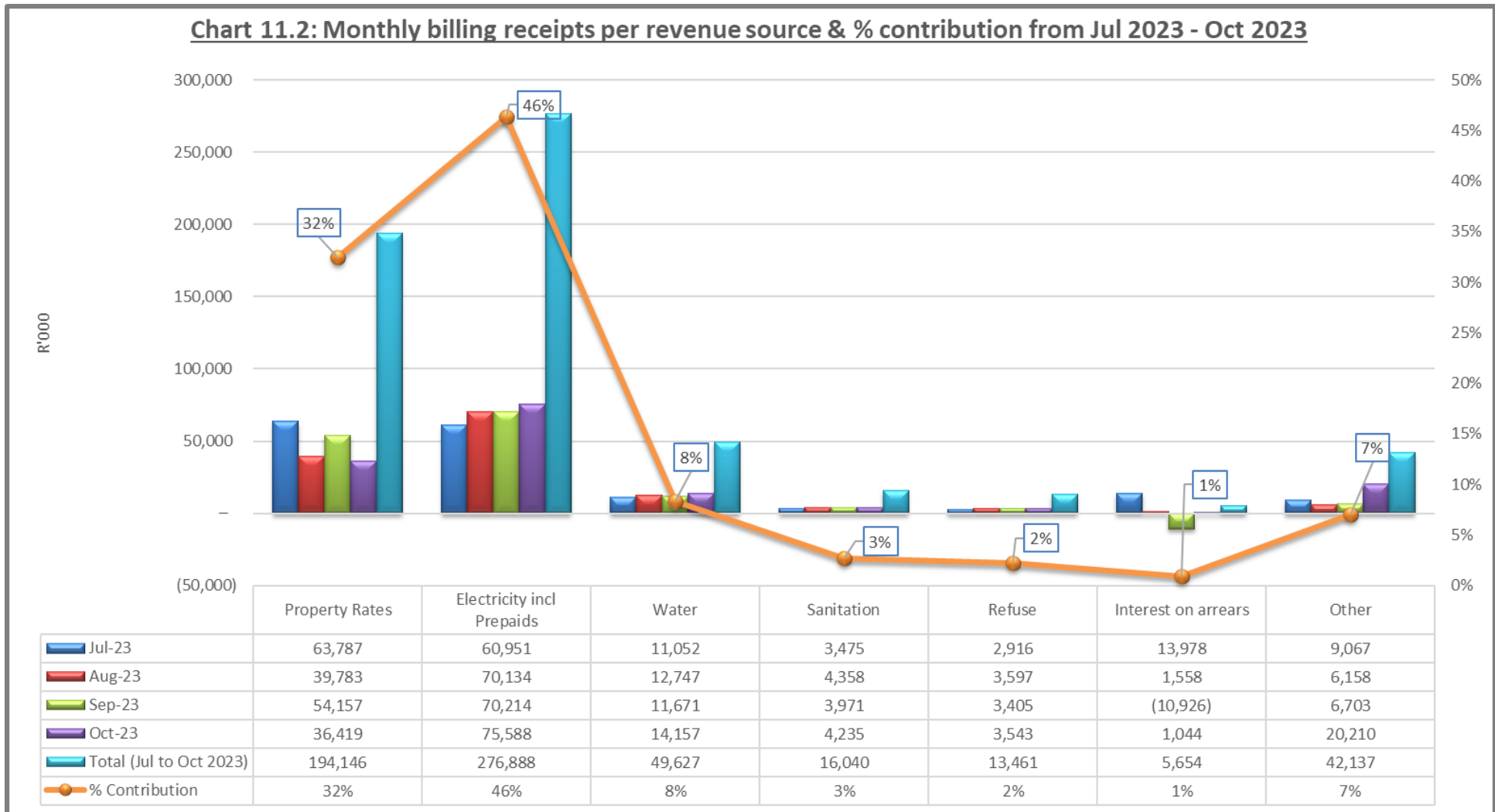
**Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2023 to Oct 2023**



**Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity**

As indicated in Chart 11.1 above, the Total Receipts amounted to R155,197 million which resulted in an increase of R16,002 million or 11% in respect of the month-to-month comparison. Billing receipts increased by R14,556 million, whilst Prepaid Electricity Sales increased by R1,446 million. The deteriorating situation for the past few months/years 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 R8,233 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 11.2: Monthly billing receipts per revenue source & % contribution from Jul 2023 - Oct 2023**



**Chart 11.2: Monthly billing receipts per revenue source and % contribution**

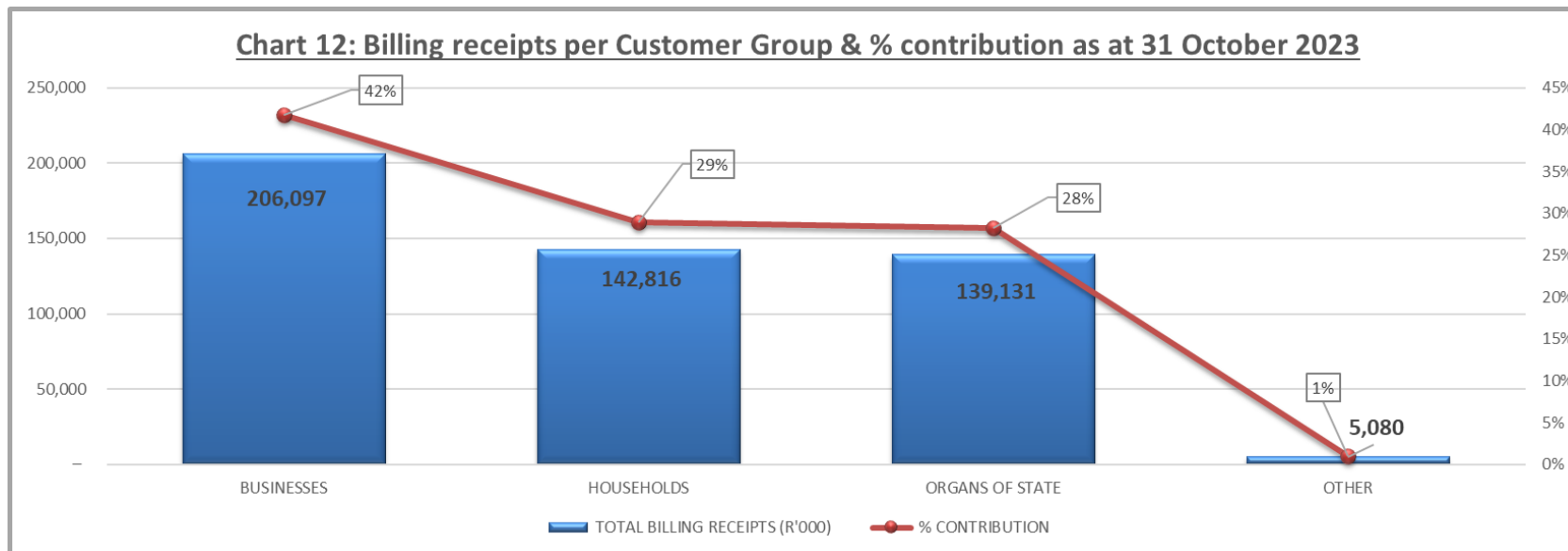
Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 October 2023. Receipts are relatively constant based on the month-to-month comparison. The actual cash collected remains is a serious concern and positive results can be achieved, provided that the Credit Control and Debt Collection Policy is strictly, consistently, and fairly applied. The revenue streams that are showing improvement in relation to the monthly comparison, for all service charges, and Other. Data from the above chart, indicates that Electricity incl Prepays at R276,888 million (46%) is the highest contributor, followed by Property rates at R194,146 million (32%) 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. Measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 8% and Other 7% 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, has always been Interest on arrears. 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: Billing receipts per Customer Group**

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 October 2023. The municipality received R206,097 million (42%) from Businesses, Households R142,816 million (29%), Organs of State R139,131 million (28%) and Other R5,080 million (1%).



## 8. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2023/24									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>R thousands</b>												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	76,317	41,421	53,594	70,032	11,022	65,831	209,507	523,811	1,051,534	688,914	
Bulk Water	0200	17,716	18,332	15,303	-	-	-	-	83,562	134,913	155,209	
PAYE deductions	0300	10,714	-	-	-	-	-	-	-	10,714	10,307	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	8,377	-	-	-	-	-	-	-	8,377	7,859	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	22,183	118	44	-	-	-	-	-	22,346	19,291	
Auditor General	0800	2,527	1,403	-	-	-	-	-	-	3,930	2,100	
Other	0900	18,444	1,847	-	219	-	3,679	13	10,531	34,733	27,162	
<b>Total By Customer Type</b>	<b>1000</b>	<b>156,278</b>	<b>63,120</b>	<b>68,941</b>	<b>70,251</b>	<b>11,022</b>	<b>69,511</b>	<b>209,519</b>	<b>617,903</b>	<b>1,266,546</b>	<b>910,842</b>	

Table 11: Supporting Table SC4: Aged Creditors

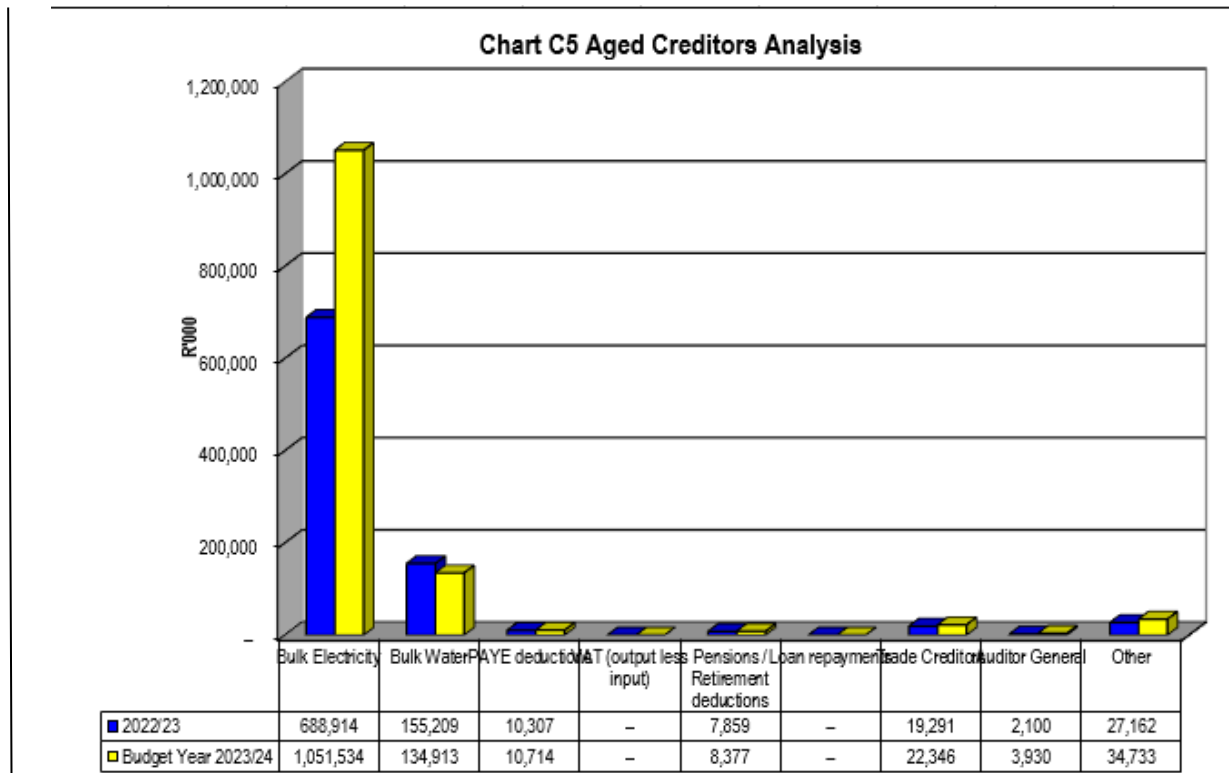


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2022/23 is based on the outstanding creditors as at 31 October 2022 (prior year totals for the same period).

**Bulk Electricity** – As at the 31 October 2023, the outstanding debt owed to Eskom amounted to R1,051,534 million. The current agreement with Eskom is that the municipality must settle its monthly current account. No formal payment agreement with Eskom was concluded for the 2022/23. The municipality initiated the process to conclude a debt agreement for 2023/24 financial year, for the debt that accumulated after March 2023 based on the debt relief approval.

**Bulk Water** – As at the 31 October 2023, the outstanding debt owed to DWS is R134,913 million. A payment agreement with DWS for the 2022/23 financial year has been concluded and the municipality is participating in the Incentive scheme that the Department is providing to municipalities. All invoices for 2022/23 financial year were settled in full.

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

**VAT** – after the monthly VAT reconciliation, we claimed an amount of R4,605 million from SARS.

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

**Auditor General** – the current account due to the AGSA is R2,527 million. The September invoice amounting to R1,403 million was settled on 1 November 2023.

**Other creditors** – includes Sundry creditors which were unpaid as at 31 October 2023 of which the biggest contributor is other third party salary payments amounting to R16,914 million which was paid by 7 October 2023.

## 9. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 October 2023, the value of total investments made was R117,291 million including interest. Investment top-ups for the month under review amounted to zero rand, while an amount of R599 thousand was partially or prematurely withdrawn. Part of investments made during the month where interest accrued which reflected an increase in investments. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the R117,291 million is committed for the following:

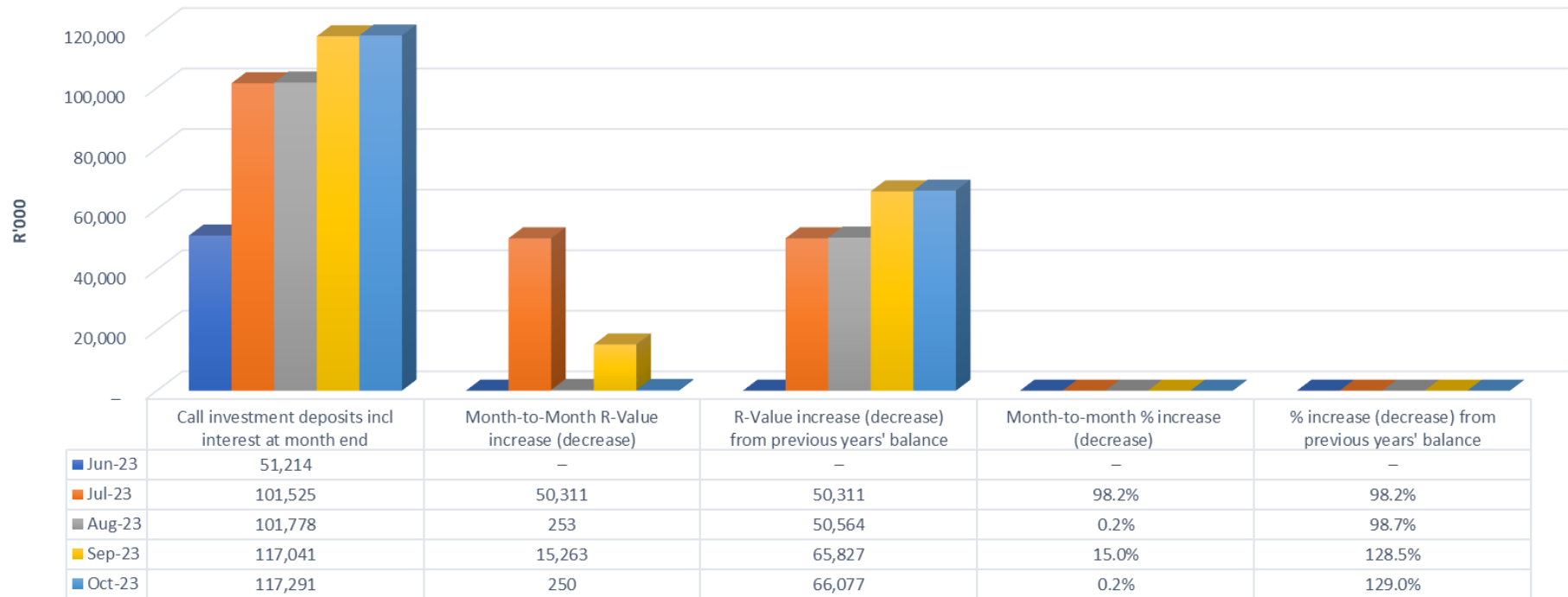
- A fixed deposit of R7,401 million was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.
- A fixed deposit of R20,973 million was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan with DBSA.
- Capital grant receipts of R65,000 million that was invested for the current year,
- And the balance of R23,917 million is own funds invested.

**NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October**

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 <sup>a</sup>	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial /	Investment Top Up	Closing Balance
		Yrs/Months										Premature Withdrawal (4)		
<b>R thousands</b>														
<b>Municipality</b>														
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			5,535	37	(37)	-	5,535
Investec 1400093272500		6 months	Call a/c	No	Variable	5.35	0			600	4	(4)	-	600
Standard Bank 04846627-014		6 months	Call a/c	No	Variable	5.5	0			5,000	35	(35)	-	5,000
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			5,599	34	(34)	-	5,599
Absa Bank - 9382218821		Monthly	Call a/c	No	Fixed	8.90%	0	n/a		30,015	227	(227)	-	30,015
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	5.25	0		2019/06/06	5,034	34	-	-	5,068
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	7.40%	0		2023/06/28	7,594	55	-	-	7,649
Standard Bank - 048466271-087		48 hours	Notice	No	Variable	8.80%	0		2023/08/31	35,000	262	(262)	-	35,000
Standard Bank 048466271-086		12 months	Notice	No	Fixed	9.03%	0		2023/11/10	22,664	161	-	-	22,825
<b>Municipality sub-total</b>										<b>117,041</b>		<b>(599)</b>	<b>-</b>	<b>117,291</b>

Table 12: Supporting Table SC5: Investment portfolio

**Chart 14: Call investment deposits incl interest for the period ending 31 October 2023**



**Chart 14: Call investment deposits at month-end**

As indicated in the Chart 5 above from September to October 2023 investments incl interest increased by R250 thousand or 0.2%, in respect of the month-to-month comparison. Investments increased by R66,077 million or 129% when compared to the previous years' balance of R51,214 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.

## 10. Allocation and grant receipts and expenditure

### Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description	Ref	2022/23	Budget Year 2023/24							
		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>		248,673	273,621	273,621	955	115,244	91,207	24,037	26.4%	273,621
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		239,158	263,135	263,135	-	109,640	87,712	21,928	25.0%	263,135
Expanded Public Works Programme Integrated Grant		3,959	3,286	3,286	-	4,197	1,095	3,101	283.2%	3,286
Infrastructure Skills Development Grant		3,856	5,500	5,500	886	1,305	1,833	(528)	-28.8%	5,500
Local Government Financial Management Grant		1,700	1,700	1,700	69	102	567	(465)	-82.0%	1,700
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		15,984	8,300	8,300	-	-	2,767	(2,767)	-100.0%	8,300
Capacity Building and Other Grants		9,684	8,300	8,300	-	-	2,767	(2,767)	-100.0%	8,300
Infrastructure Grant		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	264,657	281,921	281,921	955	115,244	93,974	21,270	22.6%	281,921
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		108,149	214,233	214,233	5,316	15,345	71,411	(56,066)	-78.5%	214,233
Energy Efficiency and Demand Side Management Grant		4,000	4,000	4,000	1,155	2,877	1,333	1,543	115.8%	4,000
Integrated National Electrification Programme Grant		24,400	48,026	48,026	-	-	16,009	(16,009)	-100.0%	48,026
Integrated Urban Development Grant		70,390	74,207	74,207	4,160	12,468	24,736	(12,267)	-49.6%	74,207
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	2,000	-	-	667	(667)	-100.0%	2,000
Regional Bulk Infrastructure Grant		-	86,000	86,000	-	-	28,667	(28,667)	-100.0%	86,000
Water Services Infrastructure Grant		9,359	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		3,387	-	-	-	-	-	-	-	-
Infrastructure Grant		3,387	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	111,536	214,233	214,233	5,316	15,345	71,411	(56,066)	-78.5%	214,233
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	376,193	496,154	496,154	6,271	130,588	165,385	(34,796)	-21.0%	496,154

Table 13: Supporting Table SC6: Transfers and grant receipts

No Operational grant monies were received for the month under review. The monthly actual pertains to the recognition of grants from the Statement of Financial Position.

Capital grant monies received for the month under review.  
NDPG – R200 thousand

There are some mapping errors pertaining to operational and capital grants. This was bought 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 - M04 October

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		133,522	141,242	221,606	10,904	56,939	73,880	(16,941)	-22.9%	221,606
Equitable Share		123,023	130,756	211,119	10,498	56,012	70,384	(14,372)	-20.4%	211,119
Expanded Public Works Programme Integrated Grant		4,943	3,286	3,287	–	70	1,096	(1,026)	-93.6%	3,287
Infrastructure Skills Development Grant		3,856	5,500	5,500	389	808	1,833	(1,026)	-55.9%	5,500
Local Government Financial Management Grant		1,700	1,700	1,700	17	50	567	(517)	-91.2%	1,700
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		11,438	8,300	10,120	155	1,805	3,369	(1,564)	-46.4%	10,120
Capacity Building and Other Grants		8,500	8,300	8,320	106	252	2,769	(2,517)	-90.9%	8,320
Infrastructure Grant		2,938	–	1,800	49	1,553	600	953	158.8%	1,800
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>		<b>144,960</b>	<b>149,542</b>	<b>231,726</b>	<b>11,058</b>	<b>58,744</b>	<b>77,249</b>	<b>(18,505)</b>	<b>-24.0%</b>	<b>231,726</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		96,392	214,233	214,233	5,316	15,345	71,411	(56,066)	-78.5%	214,233
Energy Efficiency and Demand Side Management Grant		4,000	4,000	4,000	1,155	2,877	1,333	1,543	115.8%	4,000
Integrated National Electrification Programme Grant		22,829	48,026	48,026	–	–	16,009	(16,009)	-100.0%	48,026
Integrated Urban Development Grant		61,424	74,207	74,207	4,160	12,468	24,736	(12,268)	-49.6%	74,207
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	2,000	2,000	–	–	667	(667)	-100.0%	2,000
Regional Bulk Infrastructure Grant		–	86,000	86,000	–	–	28,667	(28,667)	-100.0%	86,000
Water Services Infrastructure Grant		8,138	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
<b>Total capital expenditure of Transfers and Grants</b>		<b>96,392</b>	<b>214,233</b>	<b>214,233</b>	<b>5,316</b>	<b>15,345</b>	<b>71,411</b>	<b>(56,066)</b>	<b>-78.5%</b>	<b>214,233</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>241,352</b>	<b>363,775</b>	<b>445,959</b>	<b>16,374</b>	<b>74,089</b>	<b>148,660</b>	<b>(74,571)</b>	<b>-50.2%</b>	<b>445,959</b>

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

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is R8,332 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 R3,286 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Prelim Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026	48,026	–	–	–	0.0%	0.0%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	74,207	4,160	12,468	9,578	16.8%	16.8%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	4,000	1,155	2,877	1,067	71.9%	71.9%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	2,000	–	–	–	0.0%	0.0%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	86,000	–	–	36,239	–	0.0%
<b>Grand Total</b>	<b>214,233</b>	<b>214,233</b>	<b>5,316</b>	<b>15,345</b>	<b>46,883</b>	<b>7.2%</b>	<b>7.2%</b>

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R15,345 million or 7.2% spent against the Original capital grant allocation of R214,233 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. 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 rollover request for the 2022/23 financial year was declined as per the letter received from National Treasury.

“Your request to roll over the unspent amount of **R7.2 million** into the 2023/24 financial year by your municipality is not approved in terms of 21(2) of the 2022 Division of Revenue Amendment Act, (Act No. 15 of 2022) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (R1.6 million) (ISDG) and Water Services Infrastructure Grant (R5.6 million) (WSIG).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 123 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:

- The municipality did not submit supporting documents for the ISDG as outlined in the circular, i.e., copies of appointment letters of contractors and tender documents; and
- With regards to WSIG, the contractor left site as per your letter.

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.”

[Table 16: Supporting Table SC7\(2\) - Expenditure against approved rollovers](#)

Table 16 is not populated because the municipality because the rollover request was declined.

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

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		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		882	-	-	82	327	-	327	#DIV/0!	-
Medical Aid Contributions		425	-	-	38	156	-	156	#DIV/0!	-
Motor Vehicle Allowance										
Cellphone Allowance		3,040	2,938	2,938	233	951	979	(28)	-3%	2,938
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		27,876	32,621	32,621	2,336	9,308	10,874	(1,566)	-14%	32,621
<b>Sub Total - Councillors</b>		<b>32,224</b>	<b>35,559</b>	<b>35,559</b>	<b>2,688</b>	<b>10,742</b>	<b>11,853</b>	<b>(1,111)</b>	<b>-9%</b>	<b>35,559</b>
<b>% increase</b>	4		<b>10.3%</b>	<b>10.3%</b>						<b>10.3%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	3	6,702	8,158	8,158	444	1,933	2,719	(786)	-29%	8,158
Pension and UIF Contributions		969	1,558	1,558	32	180	519	(339)	-65%	1,558
Medical Aid Contributions		233	215	215	36	80	72	9	12%	215
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,534	1,985	1,985	86	379	662	(283)	-43%	1,985
Cellphone Allowance		132	202	202	8	34	67	(34)	-50%	202
Housing Allowances		28	26	26	2	8	9	(0)	-3%	26
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		44	46	46	1	5	15	(11)	-70%	46
Post-retirement benefit obligations	2									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Senior Managers of Municipality</b>		<b>9,643</b>	<b>12,190</b>	<b>12,190</b>	<b>608</b>	<b>2,620</b>	<b>4,064</b>	<b>(1,444)</b>	<b>-36%</b>	<b>12,190</b>
<b>% increase</b>	4		<b>26.4%</b>	<b>26.4%</b>						<b>26.4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		433,826	475,973	467,533	37,840	151,396	155,849	(4,452)	-3%	467,533
Pension and UIF Contributions		79,050	91,654	91,654	7,034	28,055	30,552	(2,497)	-8%	91,654
Medical Aid Contributions		50,925	59,955	59,955	5,011	21,012	19,985	1,026	5%	59,955
Overtime		67,363	47,280	47,280	5,881	26,709	15,760	10,949	69%	47,280
Performance Bonus		30,249	36,505	36,505	1,194	4,935	12,168	(7,233)	-59%	36,505
Motor Vehicle Allowance		42,089	50,649	50,649	3,494	14,280	16,883	(2,603)	-15%	50,649
Cellphone Allowance		1,456	2,054	2,054	130	528	685	(157)	-23%	2,054
Housing Allowances		2,737	2,866	2,866	232	931	955	(25)	-3%	2,866
Other benefits and allowances		20,261	19,589	28,030	2,346	15,782	9,339	6,443	69%	28,030
Payments in lieu of leave		14,403	15,000	15,000	1,179	3,857	5,000	(1,143)	-23%	15,000
Long service awards		27,890	26,922	26,922	2,796	10,295	8,974	1,321	15%	26,922
Post-retirement benefit obligations	2	39,393	41,000	41,000	-	-	13,667	(13,667)	-100%	41,000
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Other Municipal Staff</b>		<b>809,642</b>	<b>869,447</b>	<b>869,447</b>	<b>67,137</b>	<b>277,780</b>	<b>289,817</b>	<b>(12,037)</b>	<b>-4%</b>	<b>869,447</b>
<b>% increase</b>	4		<b>7.4%</b>	<b>7.4%</b>						<b>7.4%</b>
<b>Total Parent Municipality</b>		<b>851,509</b>	<b>917,196</b>	<b>917,196</b>	<b>70,433</b>	<b>291,141</b>	<b>305,733</b>	<b>(14,592)</b>	<b>-5%</b>	<b>917,196</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>851,509</b>	<b>917,196</b>	<b>917,196</b>	<b>70,433</b>	<b>291,141</b>	<b>305,733</b>	<b>(14,592)</b>	<b>-5%</b>	<b>917,196</b>
<b>% increase</b>	4		<b>7.7%</b>	<b>7.7%</b>						<b>7.7%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>819,285</b>	<b>881,637</b>	<b>881,637</b>	<b>67,745</b>	<b>280,400</b>	<b>293,880</b>	<b>(13,481)</b>	<b>-5%</b>	<b>881,637</b>

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is satisfactory and showing a variance of minus 5%. Post-retirement benefit obligations will be finalized as part of 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. Individuals do act on positions from time to time, but all such acting allowances forms part of basic salary. Councillors Remuneration is showing a satisfactory variance of minus 9% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils will be issued later in the current financial year.



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

The Overtime controls is no longer as effective and the desired outcome to remain within budget, was not achieved for 2022/23 financial year. The same trend is transpiring for the current year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours were limited to 30 hours per month within most departments, but this control has been abolished, negatively contributing to the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of October 2023.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	Original Variance IYM % - 33.33%
MS: OVERTIME - NON STRUCTURED	28,662,000	4,768,503	22,067,550	77.0%	43.7%
MS: OVERTIME - STRUCTURED	8,504,033	170,285	872,912	10.3%	-23.1%
<b>Overtime as at 31 October 2023</b>	<b>37,166,033</b>	<b>4,938,788</b>	<b>22,940,462</b>	<b>61.7%</b>	<b>28.4%</b>

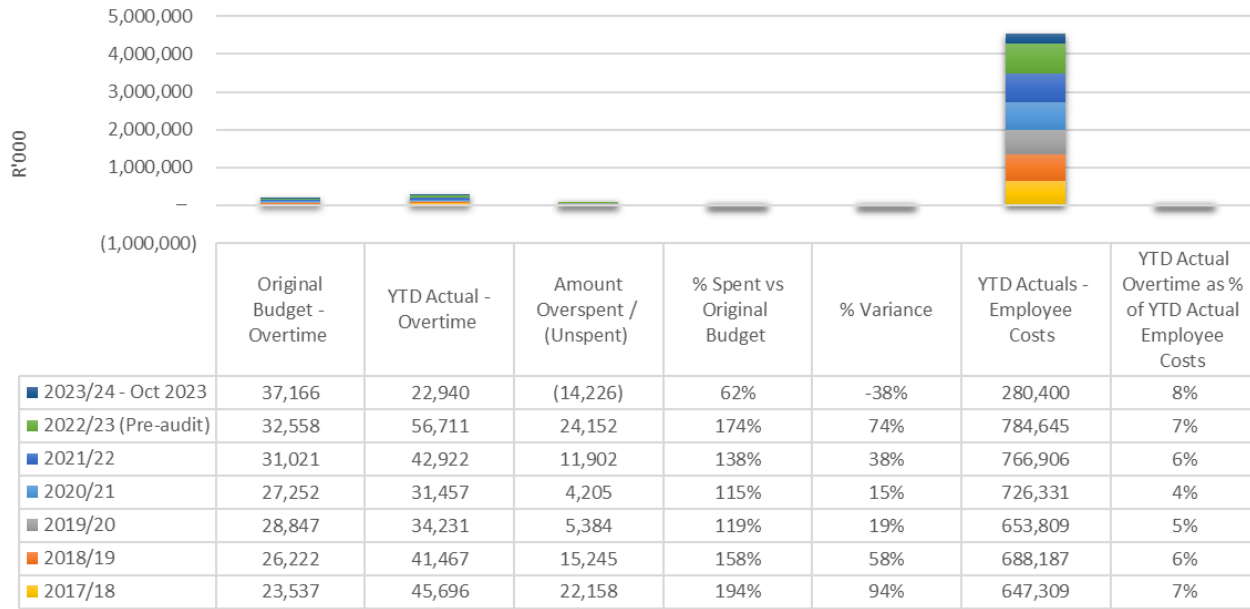
Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	Original Variance IYM % - 33.33%
20-EXECUTIVE AND COUNCIL	282,000	25,608	214,428	76.0%	42.7%
21-MUNICIPAL AND GENERAL	-	-	-	-	-33.3%
22-MUNICIPAL MANAGER	-	3,637	16,571		
23-CORPORATE SERVICES	1,870,000	188,284	1,502,656	80.4%	47.0%
24-COMMUNITY SERVICES	14,740,033	1,350,200	6,257,178	42.5%	9.1%
26-FINANCIAL SERVICES	521,000	223,275	833,608	160.0%	126.7%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	747,000	131,278	486,218	65.1%	31.8%
28-INFRASTRUCTURE SERVICES	19,006,000	3,016,506	13,629,804	71.7%	38.4%
<b>Overtime as at 31 October 2023</b>	<b>37,166,033</b>	<b>4,938,788</b>	<b>22,940,462</b>	<b>61.7%</b>	<b>28.4%</b>

Table 18: 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 abolished. The YTD Overtime expenditure is showing 61.7% spent, resulting in a negative variance of 28.4% for the period under review, when compared to the ideal IYM percentage of 33.33%.



**Chart 14.1: Overtime Actual vs Budget - 2017/18 to 2023/24**

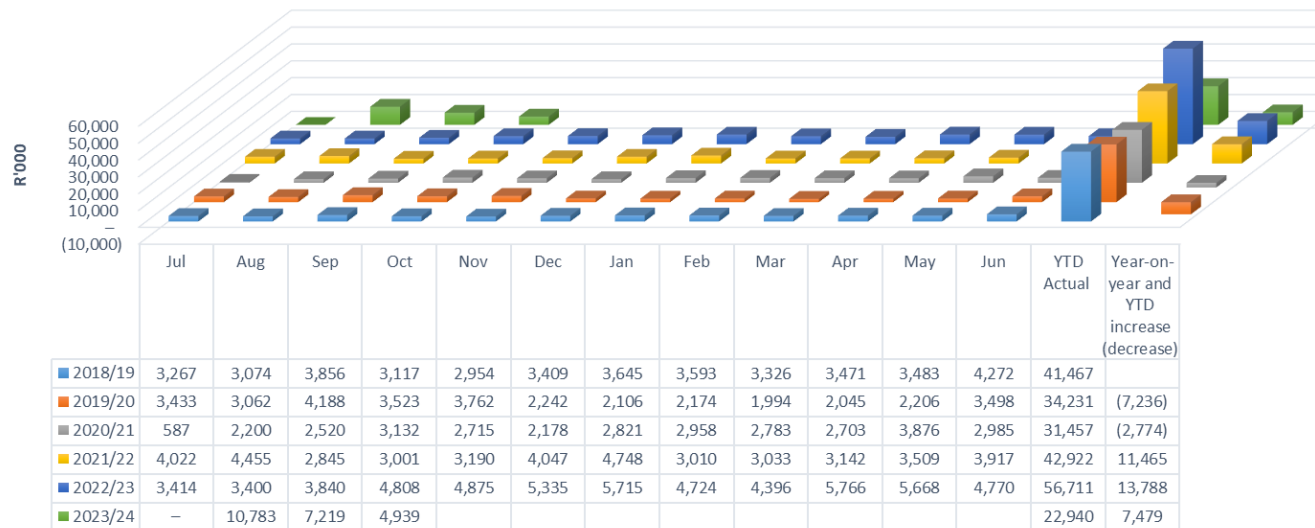


Indicated in Chart 14.1, is the actual Overtime versus Budget from 2017/18 to 2023/24 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from July 2018 to October 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 was R56.711 million 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 Oct 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

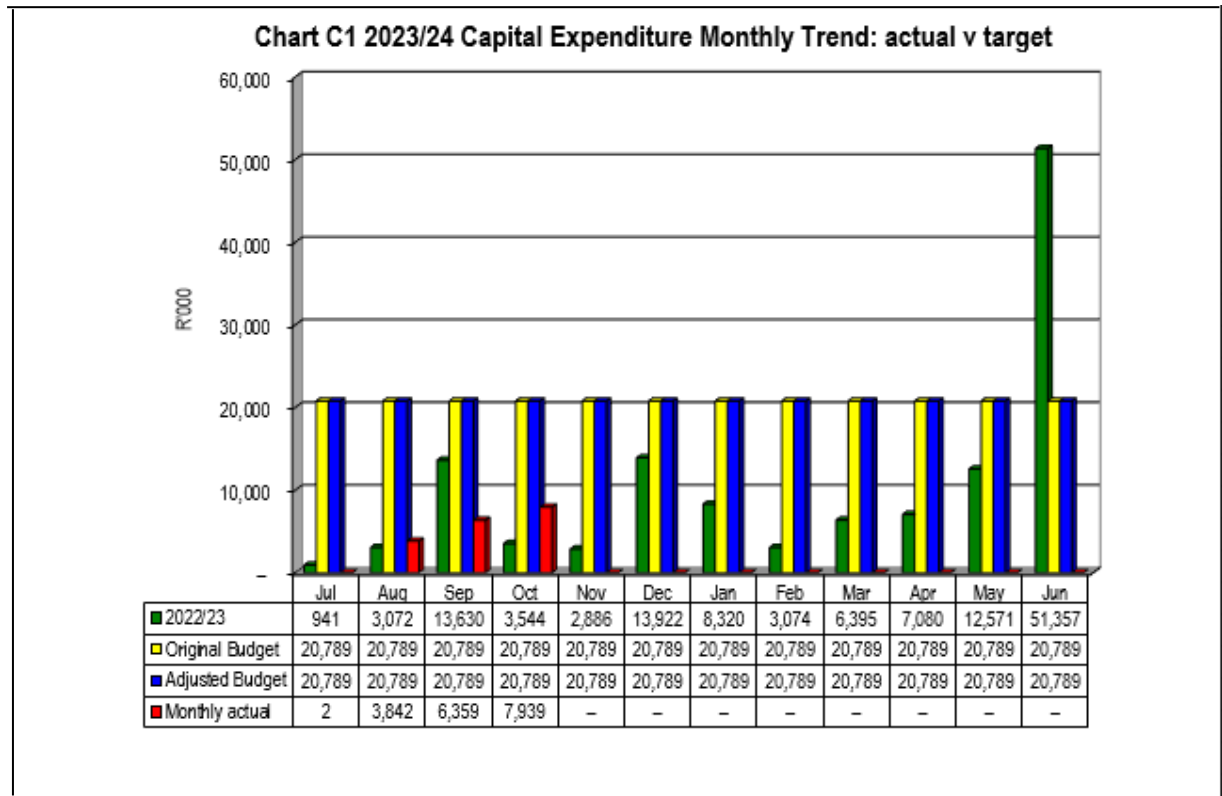
- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable
- Ensuring the compliance and adherence 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

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

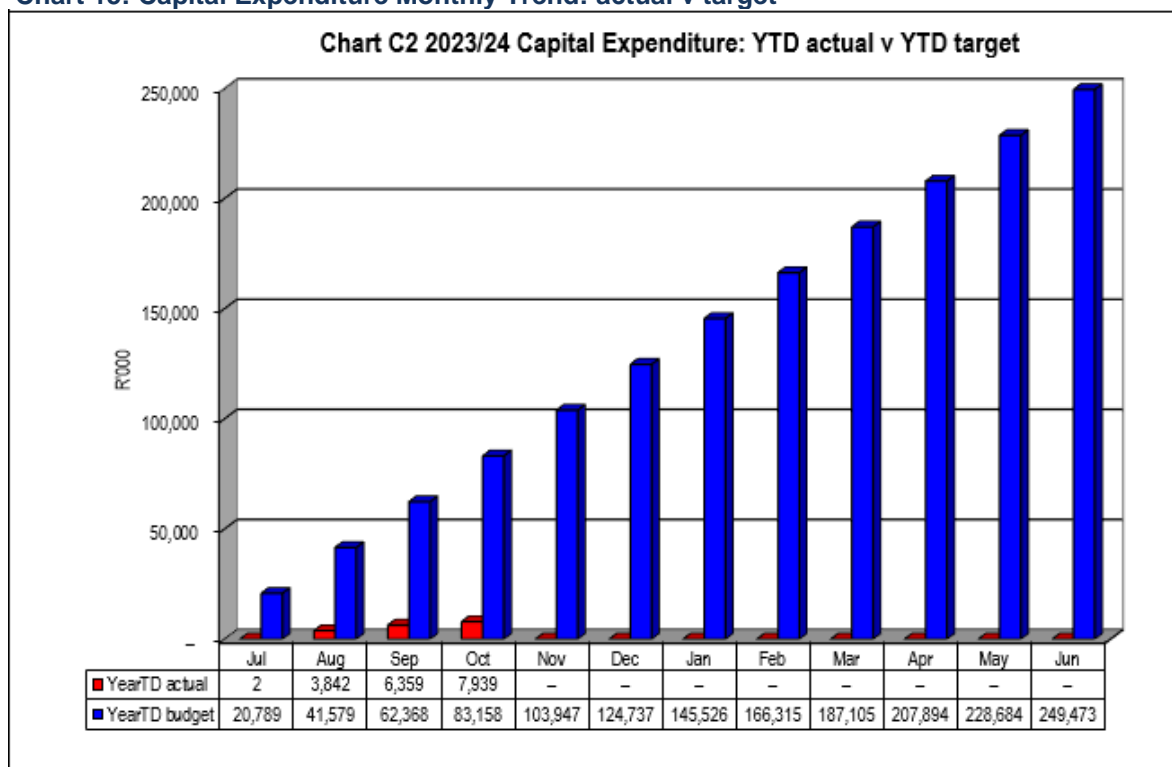
Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 31 December 2023.

## 13. 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**

Projects per funding source (R'000)	Sum of Original Budget	Sum of Prelim Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of Commitment	Sum of % Original Budget	Sum of % Prelim Adj Budget
<b>INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)</b>	<b>48,026</b>	<b>48,026</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
ASHNURN/COLVILLE UPGRADES	1,500	1,500	-	-	-	0.00%	0.00%
ELECTRIFIC LERATO PARK LINK SERV NETWORK	7,900	7,900	-	-	-	0.00%	0.00%
ELECTRIFICATION LETABO PARK	12,680	12,680	-	-	-	0.00%	0.00%
ELECTRIFICATION WITDAM -138	900	900	-	-	-	0.00%	0.00%
RONALD'S VLEI SWITCH HOUSE NO.1	1,500	1,500	-	-	-	0.00%	0.00%
UPGRADE HADISON PARK 66/11 KV SUBSTATION	23,546	23,546	-	-	-	0.00%	0.00%
<b>INTERNALLY GENERATED FUNDS</b>	<b>35,240</b>	<b>35,240</b>	<b>2,623</b>	<b>2,796</b>	<b>12,911</b>	<b>7.94%</b>	<b>7.94%</b>
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	-	-	66	0.00%	0.00%
ACQ-FLEET REPLACEMENT	5,000	5,000	-	-	3,948	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	3,000	3,000	-	-	-	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	2,000	2,000	-	174	-	8.69%	8.69%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	2,000	2,000	-	-	-	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	169	169	-	-	-	0.00%	0.00%
EMERGENCY METER INSTALLATIONS (PHASE 1)	6,225	6,225	2,623	2,623	-	42.13%	42.13%
MR LEAK AND SLEAK DATA SYSTEM	880	880	-	-	-	0.00%	0.00%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	1,306	1,306	-	-	-	0.00%	0.00%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	502	502	-	-	-	0.00%	0.00%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	468	468	-	-	-	0.00%	0.00%
PIPE CONDITION ASSESS AND CATHOD PROTECT	1,849	1,849	-	-	1,849	0.00%	0.00%
SMARTBALL LEAK DETECTION	5,848	5,848	-	-	5,848	0.00%	0.00%
WEST BYPASS LEAK REPAIRS AND REFURBISH	293	293	-	-	-	0.00%	0.00%
WSDP DEVELOPMENT	1,200	1,200	-	-	1,200	0.00%	0.00%
<b>IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)</b>	<b>74,207</b>	<b>74,207</b>	<b>4,160</b>	<b>12,468</b>	<b>9,578</b>	<b>16.80%</b>	<b>16.80%</b>
P-CIER RDS ROADS	20,000	20,000	2,148	2,148	-	10.74%	10.74%
PHDA PLANNING & SURVEYING	10,000	4,057	-	-	-	0.00%	0.00%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	5,000	5,000	-	496	19	9.91%	9.91%
UPGRADE GRAVEL ROADS WARDS VARIOUS	20,000	20,000	(1,019)	6,793	6,648	33.96%	33.96%
WATER PIPES REFURB PROG VARIOUS WARDS	19,207	19,207	-	-	-	0.00%	0.00%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	-	5,943	3,032	3,032	2,911	#DIV/0!	51.02%
<b>EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)</b>	<b>4,000</b>	<b>4,000</b>	<b>1,155</b>	<b>2,877</b>	<b>1,067</b>	<b>71.92%</b>	<b>71.92%</b>
EEDSM PROJECTS	4,000	4,000	1,155	2,877	1,067	71.92%	71.92%
<b>NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)</b>	<b>2,000</b>	<b>2,000</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	2,000	2,000	-	-	-	0.00%	0.00%
<b>RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)</b>	<b>86,000</b>	<b>86,000</b>	-	-	<b>36,239</b>	<b>0.00%</b>	<b>0.00%</b>
EAST BYPASS REPLACE OF CORRODE10KM LINE	5,069	5,069	-	-	-	0.00%	0.00%
EASTERN BYPASS REPAIR COATING AND REFURB	2,820	2,820	-	-	-	0.00%	0.00%
KBY BULK METERS & PRESSURE MANAGEMENT	767	767	-	-	767	0.00%	0.00%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	4,532	4,532	-	-	-	0.00%	0.00%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	4,843	4,843	-	-	-	0.00%	0.00%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	10,628	10,628	-	-	-	0.00%	0.00%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	4,725	4,725	-	-	-	0.00%	0.00%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	16,598	16,598	-	-	16,598	0.00%	0.00%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	9,487	9,487	-	-	-	0.00%	0.00%
PROJECT MANAGEMENT	3,230	3,230	-	-	-	0.00%	0.00%
RITCHIE SUBZONE SMART METER INSTALL	107	107	-	-	-	0.00%	0.00%
RIVERTON TO MIDSTATION BULK PIPELINE REP	3,741	3,741	-	-	-	0.00%	0.00%
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	12,955	12,955	-	-	12,955	0.00%	0.00%
WEST BYPASS REPLACE OF CORRODED SECTION	579	579	-	-	-	0.00%	0.00%
WTW OHS & SECURITY MANAGEMENT	5,920	5,920	-	-	5,920	0.00%	0.00%
<b>Grand Total</b>	<b>249,473</b>	<b>249,473</b>	<b>7,939</b>	<b>18,141</b>	<b>59,794</b>	<b>7.27%</b>	<b>7.27%</b>

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Original budget and preliminary adjustments budget. 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 October 2023 amounted to R7,939 million. The total YTD Capex amounts to R18,141 million. Please note that Commitments amounting to R59,794 million is excluded from the YTD movement. Capital expenditure is also exclusive of VAT. Overall spending on grants is extremely low. The percentage expenditure on IUDG (16.80%) and EEDSM is 71.92%, whilst INEP, NDPG and RBIG are showing zero rand spent. Spending on Internally generated funds is also 7.94% 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.

#### **14. Other supporting documents**

The Application for Roll Over Of Unspent Conditional Grants for the 2022/23 Financial Year letter is attached as additional information or supporting documentation for October 2023. The audited outcomes disclosed in this report are based on the pre-audited outcomes for the year ending 30 June 2023 and are subject to change.

#### **15. 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>

#### **16. Annexures**

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M04 October

Description	2022/23	Budget Year 2023/24							
	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	610,991	660,893	660,893	44,093	320,671	220,298	100,373	46%	660,893
Service charges	1,182,667	1,517,256	1,517,256	109,453	473,439	505,752	(32,313)	-6%	1,517,256
Investment revenue	8,550	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	8,550	7,000	7,000	786	1,486	2,333	(847)	-36%	7,000
Other own revenue	612,255	534,455	534,455	32,289	243,896	178,152	65,745	37%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,423,012</b>	<b>2,719,604</b>	<b>2,719,604</b>	<b>186,621</b>	<b>1,039,492</b>	<b>906,534</b>	<b>132,958</b>	<b>15%</b>	<b>2,719,604</b>
Employee costs	819,285	881,637	881,637	67,745	280,400	293,880	(13,481)	-	881,637
Remuneration of Councillors	32,224	35,559	35,559	2,688	10,742	11,853	(1,111)	-	35,559
Depreciation and amortisation	71,830	86,650	86,650	-	-	28,883	(28,883)	-	86,650
Interest	113,955	19,495	19,495	1	5	6,498	(6,493)	-	19,495
Inventory consumed and bulk purchases	926,769	1,090,900	1,090,900	121,198	336,278	363,634	(27,356)	-	1,090,900
Transfers and subsidies	2,599	4,560	4,560	-	-	1,520	(1,520)	-100%	4,560
Other expenditure	627,127	572,452	572,452	39,826	176,711	190,818	(14,107)	-7%	572,452
<b>Total Expenditure</b>	<b>2,593,790</b>	<b>2,691,252</b>	<b>2,691,252</b>	<b>231,458</b>	<b>804,137</b>	<b>897,087</b>	<b>(92,951)</b>	<b>-10%</b>	<b>2,691,252</b>
<b>Surplus/(Deficit)</b>	<b>(170,778)</b>	<b>28,351</b>	<b>28,351</b>	<b>(44,837)</b>	<b>235,355</b>	<b>9,447</b>	<b>225,908</b>	<b>2391%</b>	<b>28,351</b>
Transfers and subsidies - capital (monetary)	108,149	214,233	214,233	5,316	15,345	71,411	###	-79%	214,233
Transfers and subsidies - capital (in-kind)	3,387	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(59,242)</b>	<b>242,584</b>	<b>242,584</b>	<b>(39,521)</b>	<b>250,700</b>	<b>80,858</b>	<b>169,842</b>	<b>210%</b>	<b>242,584</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(59,242)</b>	<b>242,584</b>	<b>242,584</b>	<b>(39,521)</b>	<b>250,700</b>	<b>80,858</b>	<b>169,842</b>	<b>210%</b>	<b>242,584</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>7,939</b>	<b>18,141</b>	<b>83,158</b>	<b>(65,016)</b>	<b>-78%</b>	<b>249,473</b>
Capital transfers recognised	96,392	214,233	214,233	5,316	15,345	71,411	(56,066)	-79%	214,233
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	29,624	35,240	35,240	2,623	2,796	11,747	(8,950)	-76%	35,240
<b>Total sources of capital funds</b>	<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>7,939</b>	<b>18,141</b>	<b>83,158</b>	<b>(65,016)</b>	<b>-78%</b>	<b>249,473</b>
<b>Financial position</b>									
Total current assets	2,304,408	3,472,014	3,472,014	-	2,556,665	-	-	-	3,472,014
Total non current assets	2,265,500	2,466,074	2,466,074	-	2,283,641	-	-	-	2,466,074
Total current liabilities	1,452,266	1,151,431	1,151,431	-	1,472,751	-	-	-	1,151,431
Total non current liabilities	416,743	443,824	443,824	-	416,743	-	-	-	443,824
Community wealth/Equity	2,700,112	4,342,835	4,342,835	-	2,950,812	-	-	-	4,342,835
<b>Cash flows</b>									
Net cash from (used) operating	(940,714)	238,844	238,844	(50,650)	48,039	79,615	31,576	40%	238,844
Net cash from (used) investing	(126,016)	(213,757)	(213,757)	(7,830)	(17,082)	(71,252)	(54,170)	76%	(213,757)
Net cash from (used) financing	-	(13,351)	(13,351)	136	469	(4,450)	(4,919)	111%	(13,351)
<b>Cash/cash equivalents at the month/year end</b>	<b>(869,139)</b>	<b>210,043</b>	<b>210,043</b>	<b>-</b>	<b>140,962</b>	<b>202,219</b>	<b>61,257</b>	<b>30%</b>	<b>121,272</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	186,674	113,923	92,406	188,151	75,607	63,566	387,523	#####	3,647,378
<b>Creditors Age Analysis</b>									
Total Creditors	156,278	63,120	68,941	70,251	11,022	69,511	209,519	617,903	1,266,546

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

Description	Ref	2022/23	Budget Year 2023/24							
		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>										
<i><b>Governance and administration</b></i>		<b>1,180,264</b>	<b>1,271,802</b>	<b>1,271,802</b>	<b>63,677</b>	<b>503,454</b>	<b>423,934</b>	79,520	19%	<b>1,271,802</b>
Executive and council		503,511	580,455	580,455	16,474	170,023	193,485	(23,462)	-12%	580,455
Finance and administration		676,752	691,347	691,347	47,203	333,431	230,449	102,982	45%	691,347
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>31,035</b>	<b>41,568</b>	<b>41,568</b>	<b>1,959</b>	<b>11,321</b>	<b>13,856</b>	(2,535)	-18%	<b>41,568</b>
Community and social services		11,662	11,782	11,782	399	1,487	3,927	(2,440)	-62%	11,782
Sport and recreation		2,428	2,265	2,265	267	661	755	(94)	-13%	2,265
Public safety		412	750	750	15	70	250	(180)	-72%	750
Housing		12,972	26,701	26,701	1,274	9,082	8,900	181	2%	26,701
Health		3,560	70	70	5	21	23	(2)	-8%	70
<i><b>Economic and environmental services</b></i>		<b>22,120</b>	<b>16,520</b>	<b>16,520</b>	<b>978</b>	<b>5,746</b>	<b>5,507</b>	239	4%	<b>16,520</b>
Planning and development		5,342	5,595	5,595	395	4,006	1,865	2,141	115%	5,595
Road transport		16,779	10,925	10,925	583	1,740	3,642	(1,902)	-52%	10,925
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>1,291,009</b>	<b>1,594,737</b>	<b>1,594,737</b>	<b>124,895</b>	<b>530,571</b>	<b>531,579</b>	(1,008)	0%	<b>1,594,737</b>
Energy sources		773,385	1,052,252	1,052,252	80,828	341,659	350,751	(9,091)	-3%	1,052,252
Water management		328,261	364,714	364,714	25,818	117,412	121,571	(4,159)	-3%	364,714
Waste water management		108,190	101,358	101,358	10,207	40,549	33,786	6,763	20%	101,358
Waste management		81,173	76,413	76,413	8,042	30,950	25,471	5,480	22%	76,413
<i><b>Other</b></i>	4	<b>10,121</b>	<b>9,210</b>	<b>9,210</b>	<b>428</b>	<b>3,745</b>	<b>3,070</b>	<b>675</b>	<b>22%</b>	<b>9,210</b>
<b>Total Revenue - Functional</b>	2	<b>2,534,548</b>	<b>2,933,837</b>	<b>2,933,837</b>	<b>191,937</b>	<b>1,054,837</b>	<b>977,945</b>	<b>76,891</b>	<b>8%</b>	<b>2,933,837</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>767,591</b>	<b>662,700</b>	<b>743,143</b>	<b>42,140</b>	<b>213,417</b>	<b>247,716</b>	(34,298)	-14%	<b>743,143</b>
Executive and council		515,221	287,301	449,301	20,230	125,888	149,767	(23,880)	-16%	449,301
Finance and administration		246,981	368,723	287,166	21,477	85,676	95,723	(10,047)	-10%	287,166
Internal audit		5,389	6,676	6,676	433	1,854	2,225	(372)	-17%	6,676
<i><b>Community and public safety</b></i>		<b>186,077</b>	<b>195,332</b>	<b>195,332</b>	<b>16,192</b>	<b>63,984</b>	<b>65,111</b>	(1,127)	-2%	<b>195,332</b>
Community and social services		45,474	49,529	49,529	3,846	15,728	16,510	(782)	-5%	49,529
Sport and recreation		59,564	56,350	56,350	5,396	20,179	18,783	1,395	7%	56,350
Public safety		40,998	42,115	42,115	3,520	14,309	14,038	271	2%	42,115
Housing		20,961	26,752	26,752	1,856	7,026	8,918	(1,891)	-21%	26,752
Health		19,080	20,586	20,586	1,575	6,742	6,862	(120)	-2%	20,586
<i><b>Economic and environmental services</b></i>		<b>138,722</b>	<b>256,194</b>	<b>175,751</b>	<b>14,382</b>	<b>48,260</b>	<b>58,584</b>	(10,325)	-18%	<b>175,751</b>
Planning and development		42,376	132,278	51,835	3,456	14,488	17,279	(2,791)	-16%	51,835
Road transport		95,510	123,016	123,016	10,857	33,497	41,005	(7,509)	-18%	123,016
Environmental protection		836	900	900	69	275	300	(25)	-8%	900
<i><b>Trading services</b></i>		<b>1,478,326</b>	<b>1,551,892</b>	<b>1,551,892</b>	<b>156,958</b>	<b>471,211</b>	<b>517,298</b>	(46,087)	-9%	<b>1,551,892</b>
Energy sources		963,029	1,031,152	1,031,152	82,970	304,875	343,718	(38,843)	-11%	1,031,152
Water management		339,124	341,800	341,800	60,531	108,797	113,934	(5,136)	-5%	341,800
Waste water management		103,410	102,527	102,527	7,508	32,674	34,176	(1,502)	-4%	102,527
Waste management		72,763	76,413	76,413	5,949	24,865	25,471	(606)	-2%	76,413
<i><b>Other</b></i>		<b>23,073</b>	<b>25,135</b>	<b>25,135</b>	<b>1,786</b>	<b>7,265</b>	<b>8,378</b>	(1,114)	-13%	<b>25,135</b>
<b>Total Expenditure - Functional</b>	3	<b>2,593,790</b>	<b>2,691,252</b>	<b>2,691,252</b>	<b>231,458</b>	<b>804,137</b>	<b>897,087</b>	<b>(92,951)</b>	<b>-10%</b>	<b>2,691,252</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(59,242)</b>	<b>242,584</b>	<b>242,584</b>	<b>(39,521)</b>	<b>250,700</b>	<b>80,858</b>	<b>169,842</b>	<b>210%</b>	<b>242,584</b>



NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		503,511	580,455	580,455	16,474	170,023	193,485	(23,462)	-12.1%	580,455
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,432	6,961	6,961	891	1,561	2,320	(760)	-32.7%	6,961
Vote 05 - Community Services		124,394	109,495	109,495	9,641	38,331	36,498	1,833	5.0%	109,495
Vote 06 - Financial Services		670,630	683,585	683,585	46,261	331,682	227,862	103,821	45.6%	683,585
Vote 07 - Strategy Econ Development And Planning		6,867	8,015	8,015	454	4,224	2,672	1,552	58.1%	8,015
Vote 08 - Infrastructure And Services		1,223,713	1,545,325	1,545,325	118,216	509,016	515,108	(6,092)	-1.2%	1,545,325
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2,534,548</b>	<b>2,933,837</b>	<b>2,933,837</b>	<b>191,937</b>	<b>1,054,837</b>	<b>977,945</b>	<b>76,891</b>	<b>7.9%</b>	<b>2,933,837</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Executive & Council		58,420	59,173	59,173	4,727	19,011	19,725	(714)	-3.6%	59,173
Vote 02 - Municipal And General		444,732	214,468	376,468	14,681	98,268	125,489	(27,222)	-21.7%	376,468
Vote 03 - Municipal Manager		22,364	26,161	26,161	1,708	12,362	8,721	3,642	41.8%	26,161
Vote 04 - Corporate Services		67,934	81,959	81,959	5,674	22,899	27,320	(4,421)	-16.2%	81,959
Vote 05 - Community Services		299,117	312,712	312,712	25,413	102,025	104,238	(2,213)	-2.1%	312,712
Vote 06 - Financial Services		131,194	237,712	156,155	11,686	46,565	52,052	(5,487)	-10.5%	156,155
Vote 07 - Strategy Econ Development And Planning		57,562	143,730	63,287	4,549	19,541	21,096	(1,556)	-7.4%	63,287
Vote 08 - Infrastructure And Services		1,512,466	1,615,337	1,615,337	163,020	483,465	538,447	(54,982)	-10.2%	1,615,337
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>2,593,790</b>	<b>2,691,252</b>	<b>2,691,252</b>	<b>231,458</b>	<b>804,137</b>	<b>897,087</b>	<b>(92,951)</b>	<b>-10.4%</b>	<b>2,691,252</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(59,242)</b>	<b>242,584</b>	<b>242,584</b>	<b>(39,521)</b>	<b>250,700</b>	<b>80,858</b>	<b>169,842</b>	<b>210.1%</b>	<b>242,584</b>



NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	Budget Year 2023/24								
		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</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		754,974	1,034,872	1,034,872	75,180	322,932	344,957	(22,025)	-6%	1,034,872
Service charges - Water		271,599	327,114	327,114	19,743	93,462	109,038	(15,576)	-14%	327,114
Service charges - Waste Water Management		89,203	89,858	89,858	8,016	31,949	29,953	1,997	7%	89,858
Service charges - Waste management		66,890	65,412	65,412	6,515	25,095	21,804	3,291	15%	65,412
Sale of Goods and Rendering of Services		13,750	15,579	15,579	1,137	6,529	5,193	1,336	26%	15,579
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		199,982	168,880	168,880	21,406	81,668	56,293	25,374	45%	168,880
Interest from Current and Non Current Assets		8,550	7,000	7,000	786	1,486	2,333	-	-	7,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		26,000	26,930	26,930	1,293	9,146	8,977	169	2%	26,930
Licence and permits		1,056	1,200	1,200	95	280	400	(120)	-30%	1,200
Operational Revenue		3,299	3,134	3,134	433	1,545	1,045	500	48%	3,134
<b>Non-Exchange Revenue</b>										
Property rates		610,991	660,893	660,893	44,093	320,671	220,298	100,373	46%	660,893
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		59,462	30,660	30,660	2,323	11,579	10,220	1,359	-	30,660
Licence and permits		7,965	6,150	6,150	302	3,347	2,050	1,297	-	6,150
Transfers and subsidies - Operational		264,657	281,921	281,921	955	115,244	93,974	21,270	-	281,921
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		4,037	-	-	4,236	13,501	-	13,501	#DIV/0!	-
Gains on disposal of Assets		5,891	-	-	109	1,059	-	1,059	-	-
Other Gains		34,705	-	-	-	-	-	-	-	-
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2,423,012</b>	<b>2,719,604</b>	<b>2,719,604</b>	<b>186,621</b>	<b>1,039,492</b>	<b>906,534</b>	<b>132,958</b>	<b>15%</b>	<b>2,719,604</b>
<b>Expenditure By Type</b>										
Employee related costs		819,285	881,637	881,637	67,745	280,400	293,880	(13,481)	-5%	881,637
Remuneration of councillors		32,224	35,559	35,559	2,688	10,742	11,853	(1,111)	-9%	35,559
Bulk purchases - electricity		672,362	785,000	785,000	73,769	250,046	261,667	(11,620)	-	785,000
Inventory consumed		254,407	305,900	305,900	47,429	86,232	101,967	(15,735)	-	305,900
Debt impairment		378,747	317,500	317,500	-	79,375	105,833	(26,458)	-25%	317,500
Depreciation and amortisation		71,830	86,650	86,650	-	-	28,883	(28,883)	-100%	86,650
Interest		113,955	19,495	19,495	1	5	6,498	(6,493)	-100%	19,495
Contracted services		45,261	48,113	48,113	3,689	16,585	16,038	548	3%	48,113
Transfers and subsidies		2,599	4,560	4,560	-	-	1,520	(1,520)	-100%	4,560
Irrecoverable debts written off		-	-	-	5	10	-	10	-	-
Operational costs		124,234	145,639	145,639	15,821	60,432	48,547	11,884	24%	145,639
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		78,885	61,200	61,200	20,310	20,310	20,400	(90)	-	61,200
<b>Total Expenditure</b>		<b>2,593,790</b>	<b>2,691,252</b>	<b>2,691,252</b>	<b>231,458</b>	<b>804,137</b>	<b>897,087</b>	<b>(92,951)</b>	<b>-10%</b>	<b>2,691,252</b>
<b>Surplus/(Deficit)</b>		<b>(170,778)</b>	<b>28,351</b>	<b>28,351</b>	<b>(44,837)</b>	<b>235,355</b>	<b>9,447</b>	<b>225,908</b>	<b>0</b>	<b>28,351</b>
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		108,149	214,233	214,233	5,316	15,345	71,411	(56,066)	(0)	214,233
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(59,242)</b>	<b>242,584</b>	<b>242,584</b>	<b>(39,521)</b>	<b>250,700</b>	<b>80,858</b>			<b>242,584</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(59,242)</b>	<b>242,584</b>	<b>242,584</b>	<b>(39,521)</b>	<b>250,700</b>	<b>80,858</b>			<b>242,584</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(59,242)</b>	<b>242,584</b>	<b>242,584</b>	<b>(39,521)</b>	<b>250,700</b>	<b>80,858</b>			<b>242,584</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(59,242)</b>	<b>242,584</b>	<b>242,584</b>	<b>(39,521)</b>	<b>250,700</b>	<b>80,858</b>			<b>242,584</b>

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

Vote Description	Ref	2022/23		Budget Year 2023/24						
		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		-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		8,996	10,000	4,057	-	-	2,673	(2,673)	-100%	4,057
Vote 08 - Infrastructure And Services		82,240	183,117	189,059	5,316	14,849	61,699	(46,850)	-76%	189,059
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>91,236</b>	<b>193,117</b>	<b>193,117</b>	<b>5,316</b>	<b>14,849</b>	<b>64,372</b>	<b>(49,523)</b>	<b>-77%</b>	<b>193,117</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		14,586	19,500	19,500	-	496	6,500	(6,004)	-92%	19,500
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		20,194	36,856	36,856	2,623	2,796	12,285	(9,489)	-77%	36,856
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>34,780</b>	<b>56,356</b>	<b>56,356</b>	<b>2,623</b>	<b>3,292</b>	<b>18,785</b>	<b>(15,493)</b>	<b>-82%</b>	<b>56,356</b>
<b>Total Capital Expenditure</b>		<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>7,939</b>	<b>18,141</b>	<b>83,158</b>	<b>(65,016)</b>	<b>-78%</b>	<b>249,473</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>14,586</b>	<b>19,500</b>	<b>19,500</b>	<b>-</b>	<b>496</b>	<b>6,500</b>	<b>(6,004)</b>	<b>-92%</b>	<b>19,500</b>
Executive and council		14,586	19,500	19,500	-	496	6,500	(6,004)	-92%	19,500
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>44,387</b>	<b>50,000</b>	<b>44,057</b>	<b>1,129</b>	<b>8,941</b>	<b>16,006</b>	<b>(7,066)</b>	<b>-44%</b>	<b>44,057</b>
Planning and development		8,996	10,000	4,057	-	-	2,673	(2,673)	-100%	4,057
Road transport		35,392	40,000	40,000	1,129	8,941	13,333	(4,393)	-33%	40,000
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>67,042</b>	<b>179,973</b>	<b>185,916</b>	<b>6,810</b>	<b>8,705</b>	<b>60,651</b>	<b>(51,946)</b>	<b>-86%</b>	<b>185,916</b>
Energy sources		36,862	54,026	54,026	1,155	3,051	18,009	(14,958)	-83%	54,026
Water management		9,645	125,947	125,947	2,623	2,623	41,982	(39,360)	-94%	125,947
Waste water management		20,535	-	5,943	3,032	3,032	660	2,371	359%	5,943
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>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>7,939</b>	<b>18,141</b>	<b>83,158</b>	<b>(65,016)</b>	<b>-78%</b>	<b>249,473</b>
<b>Funded by:</b>										
National Government		96,392	214,233	214,233	5,316	15,345	71,411	(56,066)	-79%	214,233
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>96,392</b>	<b>214,233</b>	<b>214,233</b>	<b>5,316</b>	<b>15,345</b>	<b>71,411</b>	<b>(56,066)</b>	<b>-79%</b>	<b>214,233</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>		<b>29,624</b>	<b>35,240</b>	<b>35,240</b>	<b>2,623</b>	<b>2,796</b>	<b>11,747</b>	<b>(8,950)</b>	<b>-76%</b>	<b>35,240</b>
<b>Total Capital Funding</b>		<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>7,939</b>	<b>18,141</b>	<b>83,158</b>	<b>(65,016)</b>	<b>-78%</b>	<b>249,473</b>

**NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M04 October**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		109,536	174,327	174,327	121,895	174,327
Trade and other receivables from exchange transactions		1,093,008	734,354	734,354	1,256,301	734,354
Receivables from non-exchange transactions		876,734	2,173,122	2,173,122	961,736	2,173,122
Current portion of non-current receivables		–	–	–	–	–
Inventory		82,694	27,461	27,461	71,261	27,461
VAT		142,434	362,625	362,625	145,439	362,625
Other current assets		1	126	126	33	126
<b>Total current assets</b>		<b>2,304,408</b>	<b>3,472,014</b>	<b>3,472,014</b>	<b>2,556,665</b>	<b>3,472,014</b>
<b>Non current assets</b>						
Investments						
Investment property		212,356	223,856	217,913	212,851	217,913
Property, plant and equipment		2,023,360	2,190,939	2,196,882	2,041,005	2,196,882
Biological assets						
Living and non-living resources						
Heritage assets		12,071	12,071	12,071	12,071	12,071
Intangible assets		17,714	3,492	3,492	17,714	3,492
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	35,716	35,716	–	35,716
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>2,265,500</b>	<b>2,466,074</b>	<b>2,466,074</b>	<b>2,283,641</b>	<b>2,466,074</b>
<b>TOTAL ASSETS</b>		<b>4,569,908</b>	<b>5,938,089</b>	<b>5,938,089</b>	<b>4,840,306</b>	<b>5,938,089</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		45,776	49,391	49,391	46,463	49,391
Trade and other payables from exchange transactions		1,288,030	937,683	937,683	1,244,143	937,683
Trade and other payables from non-exchange transactions		7,233	–	–	31,821	–
Provision		–	–	–	788	–
VAT		111,227	70,327	70,327	149,536	70,327
Other current liabilities		–	94,029	94,029	–	94,029
<b>Total current liabilities</b>		<b>1,452,266</b>	<b>1,151,431</b>	<b>1,151,431</b>	<b>1,472,751</b>	<b>1,151,431</b>
<b>Non current liabilities</b>						
Financial liabilities		159,430	158,166	158,166	159,430	158,166
Provision		257,313	285,658	285,658	257,313	285,658
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
<b>Total non current liabilities</b>		<b>416,743</b>	<b>443,824</b>	<b>443,824</b>	<b>416,743</b>	<b>443,824</b>
<b>TOTAL LIABILITIES</b>		<b>1,869,008</b>	<b>1,595,254</b>	<b>1,595,254</b>	<b>1,889,494</b>	<b>1,595,254</b>
<b>NET ASSETS</b>	2	<b>2,700,900</b>	<b>4,342,835</b>	<b>4,342,835</b>	<b>2,950,812</b>	<b>4,342,835</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		2,636,046	4,261,958	4,261,958	2,886,746	4,261,958
Reserves and funds		64,066	80,876	80,876	64,066	80,876
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2,700,112</b>	<b>4,342,835</b>	<b>4,342,835</b>	<b>2,950,812</b>	<b>4,342,835</b>

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2022/23		Budget Year 2023/24						
		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		453,721	543,052	543,052	36,419	179,323	181,017	(1,695)	-1%	543,052
Service charges		1,024,096	1,354,795	1,354,795	103,293	372,564	451,598	(79,034)	-18%	1,354,795
Other revenue		724,269	79,844	79,844	38,866	225,439	26,615	198,824	747%	79,844
Transfers and Subsidies - Operational		100,622	281,921	281,921	1,814	116,976	93,974	23,003	24%	281,921
Transfers and Subsidies - Capital		113,738	214,233	214,233	200	38,200	71,411	(33,211)	-47%	214,233
Interest		567	-	-	409	2,099	-	2,099	#DIV/0!	-
Dividends										
<b>Payments</b>										
Suppliers and employees		(3,355,326)	(2,215,507)	(2,215,507)	(231,651)	(888,963)	(738,502)	150,461	-20%	(2,215,507)
Interest		(2,401)	(19,495)	(19,495)	-	2,401	(6,498)	(8,900)	137%	(19,495)
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(940,714)</b>	<b>238,844</b>	<b>238,844</b>	<b>(50,650)</b>	<b>48,039</b>	<b>79,615</b>	<b>31,576</b>	<b>40%</b>	<b>238,844</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	109	1,059	-	1,059	#DIV/0!	-
Decrease (increase) in non-current receivables		-	35,716	35,716	-	-	11,905	(11,905)	-100%	35,716
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(126,016)	(249,473)	(249,473)	(7,939)	(18,141)	(83,158)	(65,016)	78%	(249,473)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(126,016)</b>	<b>(213,757)</b>	<b>(213,757)</b>	<b>(7,830)</b>	<b>(17,082)</b>	<b>(71,252)</b>	<b>(54,170)</b>	<b>76%</b>	<b>(213,757)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	-	-	136	469	-	469	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	(13,351)	(13,351)	-	-	(4,450)	(4,450)	100%	(13,351)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(13,351)</b>	<b>(13,351)</b>	<b>136</b>	<b>469</b>	<b>(4,450)</b>	<b>(4,919)</b>	<b>111%</b>	<b>(13,351)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at beginning:		197,591	198,307	198,307	197,607	109,536	198,307			109,536
Cash/cash equivalents at month/year end:		(869,139)	210,043	210,043		140,962	202,219			121,272

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Original budget for 2023/24 financial year, by relooking at the mapping as advised by NT and BCX. However, there appears to be some system errors that must be resolved so that the monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also significantly overstated. **As per C6, the Cash and cash equivalents is R121,895 million as per the Cash book balance.**

## 17. 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 **November 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: 13 /11/2023