



***MONTHLY BUDGET STATEMENT:
S71 MONTHLY REPORT: NOVEMBER 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.

SOL PLAATJE LOCAL MUNICIPALITY

Address: Sol Plaatje Drive, Kimberley, 8301

Tel no: (053) 830 6533

Fax no: (086) 681 2135

Due date: 14 December 2023

Table of Contents

PART 1: IN-YEAR REPORT

- 1. Purpose.....2
- 2. Background.....4
- 3. Executive summary5
- 4. Budget performance overview6
 - 4.1 Operating Revenue by Source6
 - 4.2 Operating Expenditure by Type9
 - 4.3 Capital expenditure20
 - 4.4 Cash flows.....21
- 5. In-year budget statement tables23
- 6. Municipal Debt Relief Monitoring - MFMA Section 71 reporting.....24

PART 2: SUPPORTING DOCUMENTATION

- 7. Debtors’ Analysis31
- 8. Creditors’ Analysis.....42
- 9. Investment portfolio analysis43
- 10. Allocation and grant receipts and expenditure45
- 11. Councillor and board member allowances and employee benefits48
- 12. Material variances to the service delivery and budget implementation plan52
- 13. Capital programme performance52
- 14. Other supporting documents54
- 15. Conclusion54
- 16. Annexures.....54
- 17. Municipal Manager’s quality certification62

List of Tables

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget.....	5
Table 2: Consolidated summary: Statement of Financial Performance: Original Budget	5
Table 3: Table C4 Financial Performance (Revenue)	6
Table 4: Table C4 Financial Performance (Expenditure)	9
Table 4.1 R&M Expenditure per Directorate per inventory type	10
Table 4.2 R&M Expenditure per Service per inventory type.....	11
Table 5.1: Summary of YTD Bulk Electricity expenditure.....	13
Table 5.2: Summary of YTD Bulk Water expenditure	14
Table 6.1: Summary of outstanding Eskom debt	14
Table 6.2: Summary of outstanding DWS debt.....	15
Table 6.3: Summary of payments per payment date	18
Table 7: High level summary: Capital Expenditure	20
Table 8: Supporting Table SC3: Aged Debtors	31
Table 9: Monthly collection rate	37
Table 10: Revised Average collection rate	37
Table 11: Supporting Table SC4: Aged Creditors.....	42
Table 12: Supporting Table SC5: Investment portfolio.....	44
Table 13: Supporting Table SC6: Transfers and grant receipts	45
Table 14: Supporting Table SC7(1): Transfers and grant expenditure	46
Table 15: Summary of expenditure per grant.....	46
Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers.....	47
Table 17: Supporting Table SC8: Councillor and staff benefits.....	48
Table 18: Current YTD Overtime expenditure excl Night-shift allowance.....	49
Table 19: Detailed capital expenditure report	53

List of Charts

Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue	8
Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure	13
Chart 2.1: Monthly payments to DWS & Eskom	17
Chart 2.2: Monthly & YTD comparison - Electricity & Water debt.....	19
Chart 3: Total Capital expenditure	20
Chart 4: Call investment deposits and Cash & cash equivalents at year-end.....	21
Chart 5: Cash & cash equivalents and Cost coverage ratio	22
Chart 6: Debtor's age analysis by Income Source and Customer Group	32
Chart 7: Debt over 90 days as a percentage of Total O/S Debt	34
Chart 8: Aged Consumer Debtor Analysis	35
Chart 9: Consumer Debtors (total by Debtor Customer Category).....	35
Chart 10: Comparative trend: Monthly and Revised average collection rate	38
Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity	39
Chart 11.2: Monthly billing receipts per revenue source and % contribution	40
Chart 12: Billing receipts per Customer Group	41
Chart 13: Aged Creditors Analysis.....	42
Chart 14: Call investment deposits at month-end	44
Chart 14.1: Overtime Actual vs Budget.....	50
Chart 14.2: Monthly and Annual Overtime Comparison.....	50
Chart 15: Capital Expenditure Monthly Trend: actual v target.....	52
Chart 16: Capital Expenditure: YTD actual vs YTD target.....	52

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 30 NOVEMBER 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 settled the full current account excluding interest amounting to R62,679 million on 30 November 2023. 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 October 2023 invoices are unpaid. The municipality managed to settle the October 2023 account on 12 December 2023.

The municipality's Debt Relief application to National Treasury was approved on 30 October 2023. The municipality had an engagement with ESKOM on 29 November 2023, to settle the debt accrued after March 2023. A repayment proposal was submitted; however some deficiencies were identified that needs to be corrected and re-submitted for approval. 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 R3,711,957 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 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. The municipality also envisage to introduce a Special Debt Relief Programme, with special incentives for all customers who want to settle their debt.

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 **30 November 2023**, the ten working day reporting limit expires on **14 December 2023**. The National Treasury will use only the *m*SCOA data strings required for submission as prescribed and all publications will use the data collected from the *m*SCOA data strings” which must be submitted before or on **14 December 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 November 2023	YTD Actual November 2023	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,133,168	1,234,440	101,272	108.9%	8.9%
Total Revenue (including capital transfers and contributions)	1,222,432	1,258,135	35,703	102.9%	2.9%
Total Operational Expenditure	1,121,359	1,047,507	(73,852)	93.4%	-6.6%

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

As indicated in Table 1 above, as at 30 November 2023, the billed revenue excluding capital grants amounted to R1,234,440 billion which resulted in a satisfactory variance of 8.9% when compared to the YTD Budget of R1,133,168 billion. The billed revenue including capital grants amounted to R1,258,135 billion, resulting in a satisfactory variance of 2.9% when compared to the YTD budget of R1,222,432 billion. 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 a fairly satisfactory variance of minus 6.6%. 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 November 2023	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 41.67%
Total Revenue (excluding capital transfers and contributions)	2,719,604	1,234,440	1,007,806	45.4%	3.7%
Total Revenue (including capital transfers and contributions)	2,933,837	1,258,135	1,013,649	42.9%	1.2%
Total Operational Expenditure	2,691,252	1,047,507	823,236	38.9%	-2.7%

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 41.67% [calculated as follow: (100/12 months x 5 months of the year)] as at the end of November 2023, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 3.7%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 1.2%. The Total Operational Expenditure resulted in a satisfactory variance of minus 2.7%.

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 IYM % - 41.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,034,872	73,490	396,422	431,196	91.9%	(34,775)	-8.1%	38.3%	(34,775)	-3.4%
Service charges - Water	327,114	26,304	119,767	136,297	87.9%	(16,531)	-12.1%	36.6%	(16,531)	-5.1%
Service charges - Waste Water Managem	89,858	8,063	40,013	37,441	106.9%	2,572	6.9%	44.5%	2,572	2.9%
Service charges - Waste management	65,412	6,529	31,624	27,255	116.0%	4,369	16.0%	48.3%	4,369	6.7%
Sale of Goods and Rendering of Services	15,579	1,221	7,749	6,491	119.4%	1,258	19.4%	49.7%	1,258	8.1%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	168,880	21,862	103,529	70,367	147.1%	33,163	47.1%	61.3%	33,163	19.6%
Interest from Current and Non Current Ass	7,000	2,740	4,226	2,917	144.9%	1,309	44.9%	60.4%	1,309	18.7%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	26,930	2,465	11,610	11,221	103.5%	390	3.5%	43.1%	390	1.4%
Licence and permits	1,200	54	334	500	66.7%	(166)	-33.3%	27.8%	(166)	-13.9%
Operational Revenue	3,134	454	1,999	1,306	153.1%	693	53.1%	63.8%	693	22.1%
Non-Exchange Revenue										
Property rates	660,893	45,002	365,673	275,372	132.8%	90,301	32.8%	55.3%	90,301	13.7%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	30,660	3,407	14,986	12,775	117.3%	2,211	17.3%	48.9%	2,211	7.2%
Licence and permits	6,150	(763)	2,583	2,562	100.8%	21	0.8%	42.0%	21	0.3%
Transfers and subsidies - Operational	281,921	(295)	114,948	117,467	97.9%	(2,519)	-2.1%	40.8%	(2,519)	-0.9%
Interest	-	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	4,416	17,917	-	-	17,917	-	-	17,917	-
Gains on disposal of Assets	-	-	1,059	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,719,604	194,948	1,234,440	1,133,168	108.9%	100,212	8.8%	45.4%	101,272	3.7%
Transfers and subsidies - capital	214,233	8,350	23,695	89,264	26.5%	(65,568)	-73.5%	11.1%	(65,569)	-30.6%
Total Revenue (including capital transfers and contributions)	2,933,837	203,298	1,258,135	1,222,432	102.9%	35,703	2.9%	42.9%	35,703	1.2%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 8.1%. Service charges Water is showing an under-recovery of minus 12.1%. 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 19.4%, 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 47.1% 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 positive variance of 44.9%, as a result of accrued interest revenue that was recognised for the 2022/23 financial year. It should be noted that investments 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 33.3%, 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 53.1%, 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 32.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 17.3% as a result of an over-recovery on Penalties: Disconnection fees resulting from an actual of 66.33% 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 satisfactory variance of 0.8%. Several payments have been made to Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 2.1%.
- ❖ Operational Revenue is showing movement of R17,917 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, predominantly pertains to the sale of land.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 73.5% 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 41.67%, 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%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 19.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 18.7%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 13.9%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 22.1%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 13.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of 7.2% Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing movement of R17,917 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, predominantly pertains to the sale of land.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 30.6%. 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 30 November 2023. The main contributors of the municipality’s revenue are Service Charges (47.6%), Property Rates (29.6%) and Transfers and subsidies (9.3%). The contribution per Revenue source is still slightly distorted, as a result of the annual billing of Property rates.

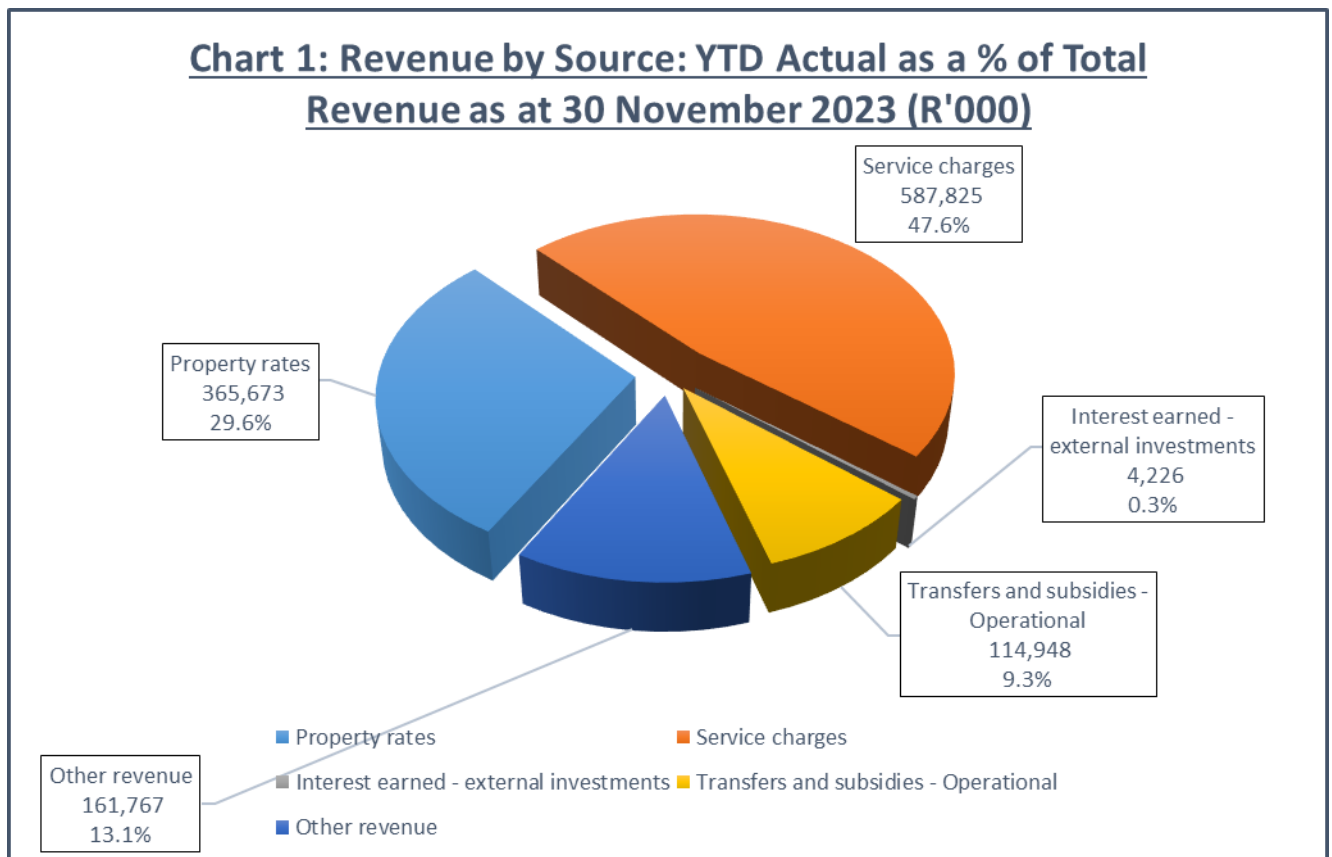


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - November 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 % - 41.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	881,637	74,675	355,075	367,351	96.7%	(12,276)	-3.3%	40.3%	(12,274)	-1.4%
Remuneration of councillors	35,559	4,350	15,091	14,816	101.9%	275	1.9%	42.4%	275	0.8%
Bulk purchases - electricity	785,000	105,657	355,704	327,083	108.8%	28,620	8.8%	45.3%	28,620	3.6%
Inventory consumed	305,900	29,198	115,430	127,459	90.6%	(12,029)	-9.4%	37.7%	(12,028)	-3.9%
Debt impairment	317,500	-	79,375	132,292	60.0%	(52,917)	-40.0%	25.0%	(52,917)	-16.7%
Depreciation and amortisation	86,650	-	-	36,104	0.0%	(36,104)	-100.0%	0.0%	(36,104)	-41.7%
Interest	19,495	3	8	8,123	0.1%	(8,115)	-99.9%	0.0%	(8,115)	-41.6%
Contracted services	48,113	3,023	19,608	20,047	97.8%	(439)	-2.2%	40.8%	(439)	-0.9%
Transfers and subsidies	4,560	2,402	2,402	1,900	126.4%	502	26.4%	52.7%	502	11.0%
Irrecoverable debts written off	-	(10)	-	-		-			-	
Operational costs	145,639	16,510	76,941	60,684	126.8%	16,257	26.8%	52.8%	16,258	11.2%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	61,200	7,563	27,873	25,500	109.3%	2,373	9.3%	45.5%	2,373	3.9%
Total Expenditure	2,691,252	243,371	1,047,507	1,121,359	93.4%	(73,852)	-6.6%	38.9%	(73,848)	-2.7%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 November 2023 current YTD expenditure shows a satisfactory variance of minus 6.6%. The YTD actual amounted to R1,047,507 billion against the YTD Budget of R1,121,359 billion.

- ❖ Employee related costs shows a satisfactory variance of minus 3.3%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a satisfactory variance of 1.9%. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils was issued for the current financial year. The gazette for the prior financial was also issued and backpay paid out which will be transferred to accumulated surplus as a prior year correction.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of 8.8%. It should be noted that currently interest on overdue accounts is included in this line item, but it will be corrected during the Adjustments budget in February 2024.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 9.4%. 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.

R&M Expenditure per Directorate per Inventory type as at 30 November 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 41.67%
☐ VOTE 1 - COUNCILLORS AND ADMIN	286,000	286,000	261	82,809	28.95%	28.95%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	118,000	124,000	261	37,845	32.07%	30.52%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	166,000	160,000	-	44,964	27.09%	28.10%	UNSATISFACTORY
☐ VOTE 2 - MUNICIPAL AND GENERAL	30,576,000	30,576,000	2,677,055	12,942,813	42.33%	42.33%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	670,000	670,000	3,600	149,767	22.35%	22.35%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	250,000	245,000	24,488	92,702	37.08%	37.84%	SATISFACTORY
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	2,648,967	12,697,404	42.82%	42.82%	SATISFACTORY
☐ VOTE 3 - MUNICIPAL MANAGER	138,000	138,000	23,312	61,481	44.55%	44.55%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	120,000	122,000	23,312	59,606	49.67%	48.86%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	16,000	-	1,875	10.42%	11.72%	UNSATISFACTORY
☐ VOTE 4 - CORPORATE SERVICES	10,645,730	10,645,730	233,460	994,945	9.35%	9.35%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	867,000	865,000	120,585	407,859	47.04%	47.15%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	260,000	260,000	33,604	130,210	50.08%	50.08%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	340,730	365,730	64,712	290,077	85.13%	79.31%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,178,000	9,155,000	14,559	166,799	1.82%	1.82%	UNSATISFACTORY
☐ VOTE 5 - COMMUNITY SERVICES	34,528,500	34,528,500	2,285,231	10,487,978	30.37%	30.37%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,008,500	1,043,500	77,474	308,792	30.62%	29.59%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	58,000	58,000	-	1,555	2.68%	2.68%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	195,000	195,000	40,069	109,307	56.05%	56.05%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	965,000	955,000	99,124	359,533	37.26%	37.65%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	7,457,000	7,497,000	688,718	3,480,114	46.67%	46.42%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	953,000	953,000	30,410	107,744	11.31%	11.31%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,892,000	23,827,000	1,349,435	6,120,934	25.62%	25.69%	UNSATISFACTORY
☐ VOTE 6 - FINANCIAL SERVICES	2,399,000	2,399,000	150,005	866,119	36.10%	36.10%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,270,000	1,100,000	81,937	547,369	43.10%	49.76%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	159,000	169,000	8,622	62,097	39.05%	36.74%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	172,000	172,000	18,180	68,117	39.60%	39.60%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	798,000	958,000	41,266	188,537	23.63%	19.68%	UNSATISFACTORY
☐ VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,430,000	6,430,000	561,552	2,475,247	38.50%	38.50%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	464,000	466,000	25,621	69,588	15.00%	14.93%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	1,855	27,906	45.75%	43.60%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	362,000	282,000	31,040	142,910	39.48%	50.68%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	6,000	86,000	1,948	4,085	68.08%	4.75%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,537,000	5,532,000	501,088	2,230,758	40.29%	40.32%	SATISFACTORY
☐ VOTE 8 - INFRASTRUCTURE SERVICES	220,896,654	220,896,654	23,266,965	87,518,418	39.62%	39.62%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	677,000	672,000	39,903	236,650	34.96%	35.22%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,660,000	13,660,000	2,372,104	6,223,910	45.56%	45.56%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	721,000	736,000	131,337	456,816	63.36%	62.07%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,650,000	6,650,000	897,136	3,910,571	58.81%	58.81%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	360,000	360,000	59,004	227,943	63.32%	63.32%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	137,626,654	137,616,654	7,825,718	38,994,535	28.33%	28.34%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	61,200,000	11,941,763	37,467,993	61.22%	61.22%	OVERSPENT
Grand Total	305,899,884	305,899,884	29,197,840	115,429,810	37.73%	37.73%	SATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 30 November 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 41.67%
2480 - REFUSE	20,731,000	20,731,000	1,245,255	5,898,969	28.45%	28.45%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	71,000	71,000	-	36,164	50.94%	50.94%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	210,000	-	13,640	6.50%	6.50%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	5,000,000	5,000,000	528,136	2,533,029	50.66%	50.66%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	750,000	750,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	717,119	3,316,137	22.56%	22.56%	UNSATISFACTORY
2830 - ROADS	46,038,000	46,038,000	359,977	9,816,824	21.32%	21.32%	UNSATISFACTORY
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	1,151	1,151	2.13%	2.13%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	45,934,000	45,934,000	358,826	9,791,486	21.32%	21.32%	UNSATISFACTORY
2840 - HOUSING	3,497,000	3,497,000	333,723	1,056,329	30.21%	30.21%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	98,000	108,000	13,637	66,601	67.96%	61.67%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	125,000	125,000	6,258	121,412	97.13%	97.13%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	150,000	150,000	6,674	41,987	27.99%	27.99%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,123,000	3,113,000	307,153	826,329	26.46%	26.54%	UNSATISFACTORY
2850 - SEWERAGE	20,739,000	20,739,000	2,175,720	7,524,912	36.28%	36.28%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	45,000	45,000	-	9,564	21.25%	21.25%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	150,000	150,000	49,550	54,310	36.21%	36.21%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	239,000	239,000	82,406	181,584	75.98%	75.98%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,700,000	1,700,000	245,500	1,125,535	66.21%	66.21%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	15,148	52,931	52.93%	52.93%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,505,000	18,505,000	1,783,116	6,100,988	32.97%	32.97%	UNSATISFACTORY
2860 - WATER	105,314,000	105,314,000	17,775,189	58,254,679	55.32%	55.32%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	95,000	80,000	3,151	30,911	32.54%	38.64%	SATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,510,000	13,510,000	2,322,554	6,169,600	45.67%	45.67%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	105,000	120,000	21,933	78,538	74.80%	65.45%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,600,000	1,600,000	204,794	971,791	60.74%	60.74%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	260,000	260,000	43,855	175,012	67.31%	67.31%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	28,544,000	28,544,000	3,237,138	13,360,835	46.81%	46.81%	OVERSPENT
2326600 (INVENTORY - WATER)	61,200,000	61,200,000	11,941,763	37,467,993	61.22%	61.22%	OVERSPENT
2880 - ELECTRICITY	49,461,000	49,461,000	1,768,172	10,305,233	20.84%	20.84%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	194,000	194,000	7,276	55,895	28.81%	28.81%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	71,000	1,631	20,444	28.79%	28.79%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	49,195,000	49,195,000	1,759,266	10,228,894	20.79%	20.79%	UNSATISFACTORY
Grand Total	245,780,000	245,780,000	23,658,037	92,856,947	37.78%	37.78%	SATISFACTORY

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 second quarter will be processed during December 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 R8 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 2.2%.
- ❖ Transfers and subsidies showing negative variance of 26.4%, due to the once-off settlement of the grant due to the SPCA 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 26.8% 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 R16,739 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 R3,697 million on OC: Ext Com Serv Prov - S/Ware Licences, for predominantly annual software license fees.
 - Cost incurred of R9,468 million on OC: Professional Bodies M/Ship & Subs, for predominantly annual SALGA membership fees.
- ❖ Other Losses is showing a satisfactory variance of 9.3%. 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 for the actuals of October 2023 was prepared and processed in November 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 November 2023 is 41.67%. The total operational expenditure against the Original budget is 38.9% spent, resulting in a satisfactory variance of minus 2.7%.

- ❖ Employee related costs shows a satisfactory variance of minus 1.4%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of 0.8%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of 3.6%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 3.9%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a negative variance of 16.67%. Debt impairment will be provided for on a quarterly basis and the journal for the second quarter will be processed during December 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 41.6%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is satisfactory at minus 0.9%, when compared to the Original budget.
- ❖ Transfers and subsidies show a negative variance of 11.0%. 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 11.2%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of 3.9%. Same factors are applicable as explained above.

Chart 2: Expenditure by Type : YTD Actual as a % of Total Expenditure as at 30 November 2023 (R'000)

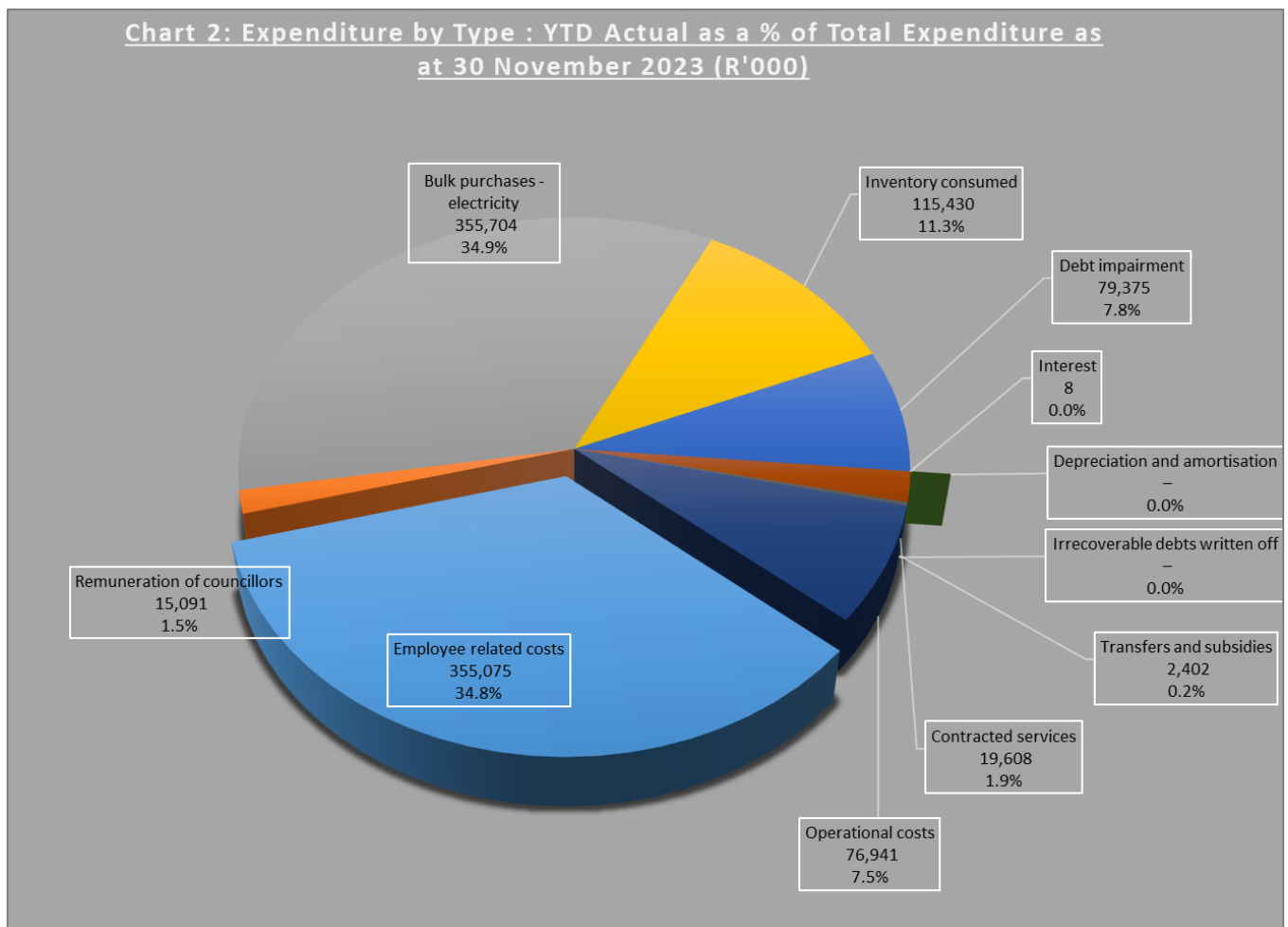


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 30 November 2023. The main cost drivers of the municipality are Employee Related Costs (34.8), Bulk Purchases – Electricity (34.9%) and Debt Impairment (7.8%) and Inventory consumed (11.3%).

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.
- ❖ The journal for the Debt Impairment will be processed during 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 41.67% as at end of November 2023, Bulk Purchases Electricity is showing a satisfactory variance of 3.65%. It should be noted that for the interim interest on overdue accounts is included under this line item, until it can be corrected during the Adjustment budget.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 41.67%
BULK PURCHASES: ELECTRICITY	785,000,000	105,657,434	355,703,805	45.31%	3.65%
Total	785,000,000	105,657,434	355,703,805	45.31%	3.65%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of 11.7%, when compared to the ideal percentage of 41.67%. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals pertaining to Water inventory and losses was processed on the system. The overstatement will have to be investigated.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 41.67%
INVENTORY - WATER	61,200,000	11,941,763	37,467,993	61.2%	19.6%
NON-REVENUE WATER LOSSES	61,200,000	7,563,317	27,873,202	45.5%	3.9%
Total	122,400,000	19,505,080	65,341,195	53.4%	11.7%

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
2021/22	523,811	-	523,811	523,811	-
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	-
2022/23	389,602	103,242	286,360	286,360	-
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	-
2023/24	472,944	223,679	249,265	178,685	51,989
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	62,679	13,638	13,638	13,638
Nov-23	70,580	-	70,580	-	8,232
Grand Total	1,386,356	326,920	1,059,436	988,856	51,989

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,059,436 billion. The current account amounts to R70,580 million. The total arrear debt amounts to R988,856 million summarized as follow 2021/22 (R523,811m), 2022/23 (R286.360m) and 2023/24 (R178,685m). The total year to date interest charged on overdue accounts due to ESKOM

amounts to R51,989 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

The total billed amount for the 2023/24 financial year amounts to R472,944 million. Total payments for the 2023/24 financial year amounts to R326,920 million of which R103,242 million relates to 2022/23 financial year and R223,679 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. The municipality especially struggles during 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
2021/22	126,431	49,145	77,287	77,287
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	15,275	–	–
Nov-21	14,523	3,000	11,523	11,523
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
2022/23	82	82	–	–
WRM LEVIES JUN 2023	82	82	–	–
2023/24	82,174	32,167	50,007	32,937
Jul-23	15,303	–	15,303	15,303
Aug-23	13,588	13,588	–	–
Sep-23	18,332	18,332	–	–
Oct-23	17,633	–	17,633	17,633
WRM LEVIES JUL 2023	82	82	–	–
WRM LEVIES AUG 2023	82	82	–	–
WRM LEVIES SEP 2023	82	82	–	–
Nov-23	17,070	–	17,070	–
Grand Total	208,688	81,394	127,293	110,223

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 R127,293 million. The total current water account for November 2023 amounts to R17,070 million. The total arrear debt amounts to R110,223 million which pertains to outstanding invoices for 2021/22 financial year (R77,287m). All the invoices for the 2022/23 financial year, has been settled in full and for the 2023/24 financial an amount of R32,937m).

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 October 2023 as a matter of urgency.
- Settling the monthly debt instalment (municipality complied, but defaulted for February and October 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

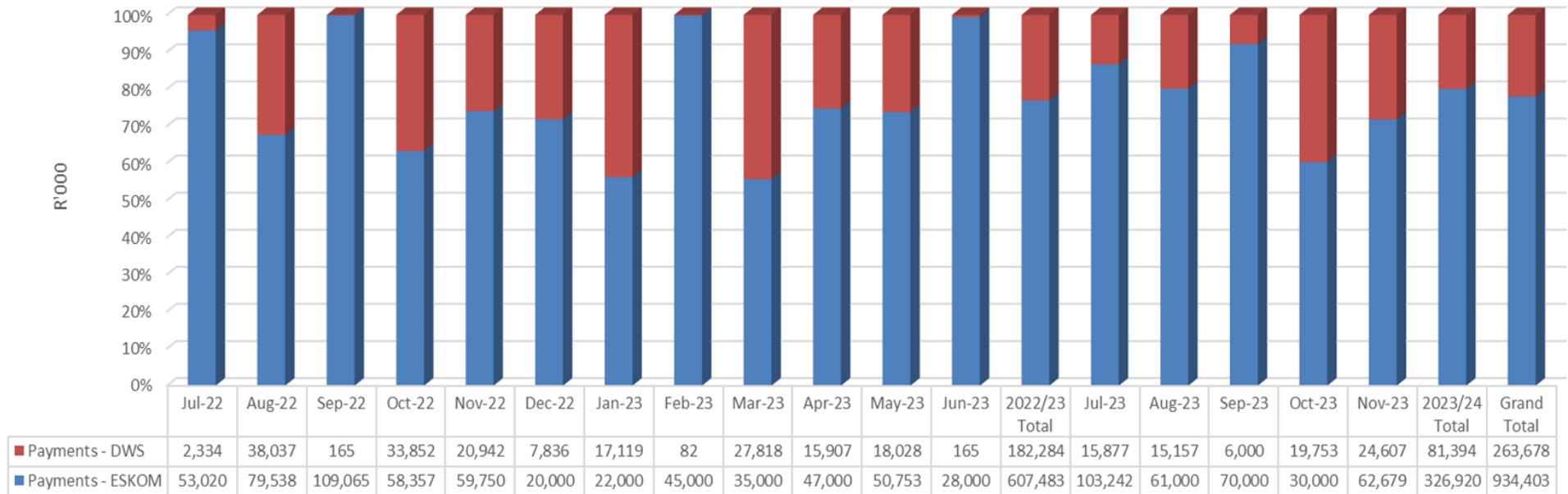


Chart 2.1: Monthly payments to DWS & ESKOM

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 30 November 2023.

The total amount paid to DWS for November 2023 amounted to R24,607 million which included the September 2023 account and debt repayment instalment. The municipality had insufficient cash available to settle the July and October 2023 accounts in full. Payments for 2022/23 amounts to R182,284 million and R81,394 million for 2023/24 financial year. The total payments amount to R263,678 million.

For the month of November 2023, the municipality settled R62,679 million on the October 2023 ESKOM account. 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 R326,920 million, resulting in the total payments for both periods amounting to R934,403 million.

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT		FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
2022/23	R 607,483,087.93		2022/23	R 182,284,059.00
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
2023/24	R 326,920,040.61		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
20231130	R 62,678,528.38		20230530	R 12,023,065.00
Grand Total ESKOM	R 934,403,128.54		20230605	R 82,471.24
			20230629	R 82,471.24
			2023/24	R 81,394,244.66
			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
			20231106	R 6,275,086.61
			20231114	R 18,331,770.78
			Grand Total DWS	R 263,678,303.66

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 Nov 2023

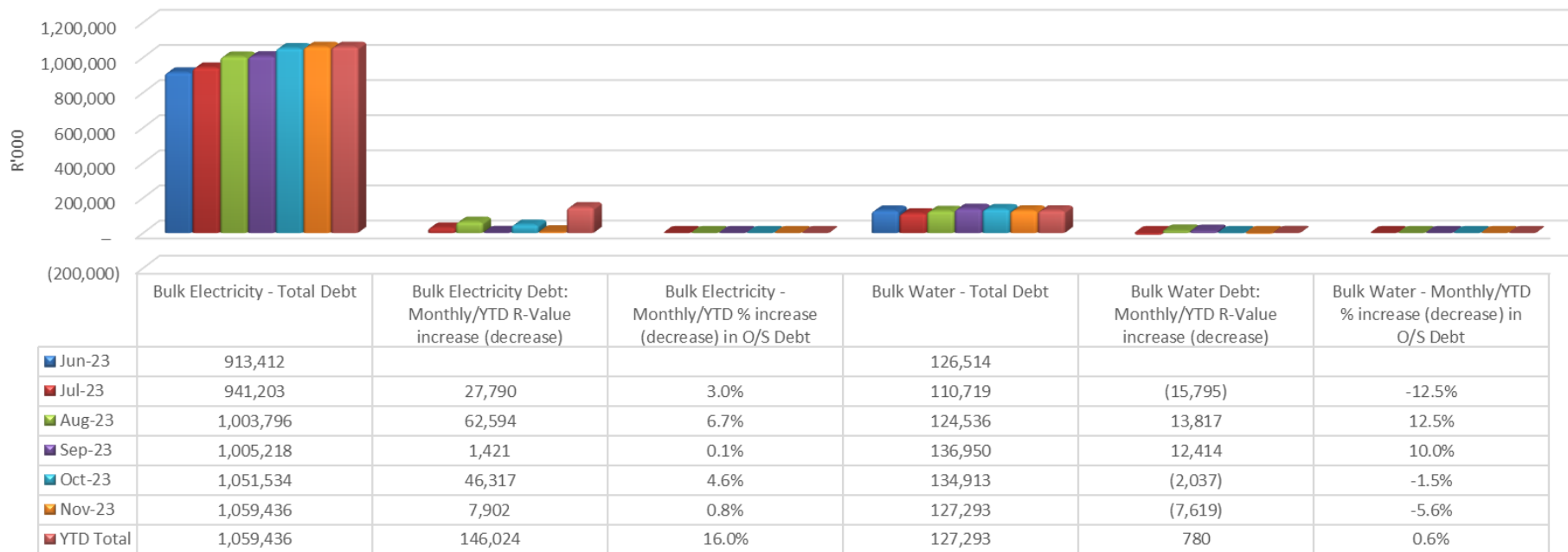


Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From October to November 2023, debt owed to ESKOM increased by R7,902 million or 0.8%, from R1,051,534 billion to R1,059,436 billion. When comparing the total outstanding debt to June 2023, the outstanding debt increased by R146,024 million or 16.0%, from R913,412 million to R1,059,436 billion.

DWS - From October to November 2023, debt owed to DWS decreased by R7,619 million or 5.6%, from R134,913 million to R127,293 million. When comparing the total outstanding debt to June 2023, the outstanding debt increased by R780 thousand or 0.6% from R126,514 million to R127,293 million.

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - November 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 % - 41.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	249,473	13,980	32,121	103,947	30.90%	(71,826)	-69.1%	12.9%	(71,826)	-28.8%
Funded by										
Capital transfers recognised	214,233	11,765	27,110	89,264	30.37%	(62,154)	-69.6%	12.7%	(62,154)	-29.0%
Internally generated funds	35,240	2,215	5,011	14,683	34.1%	(9,672)	-65.9%	14.2%	(9,672)	-27.4%
Weighting Capital transfer recognised	85.9%	84.2%	84.4%	85.9%						
Weighting Internally generated funds	14.1%	15.8%	15.6%	14.1%						

Table 7: High level summary: Capital Expenditure

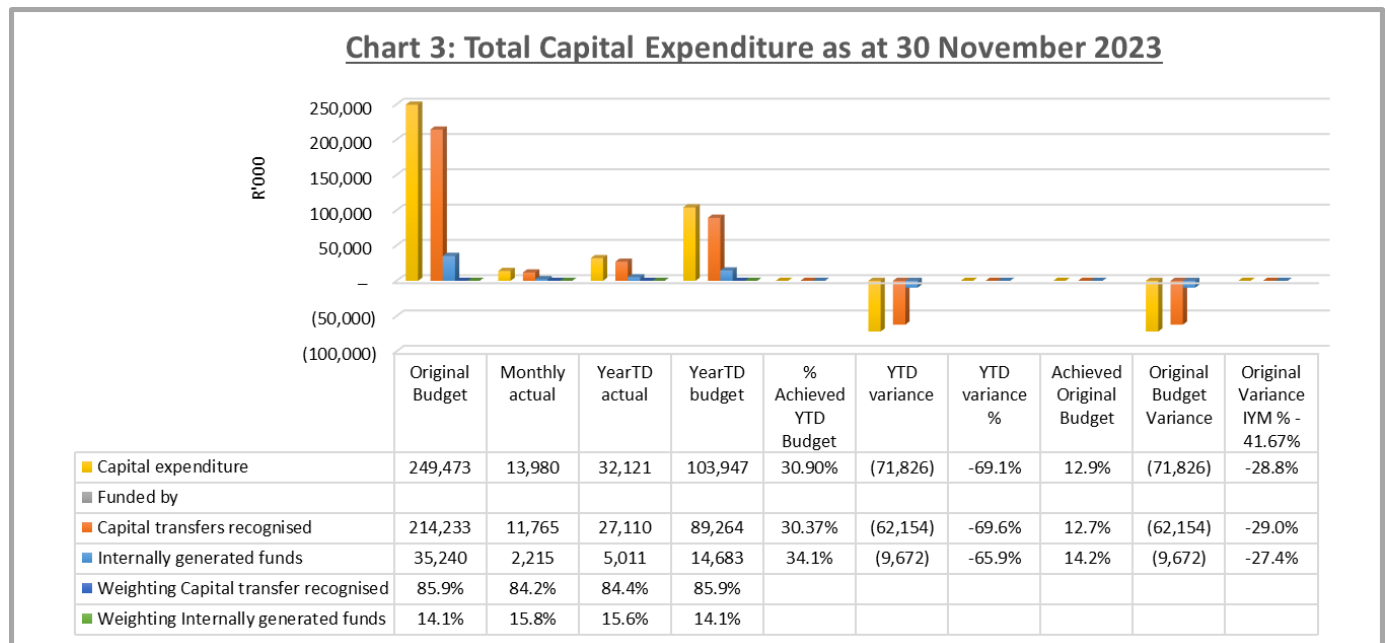


Chart 3: Total Capital expenditure

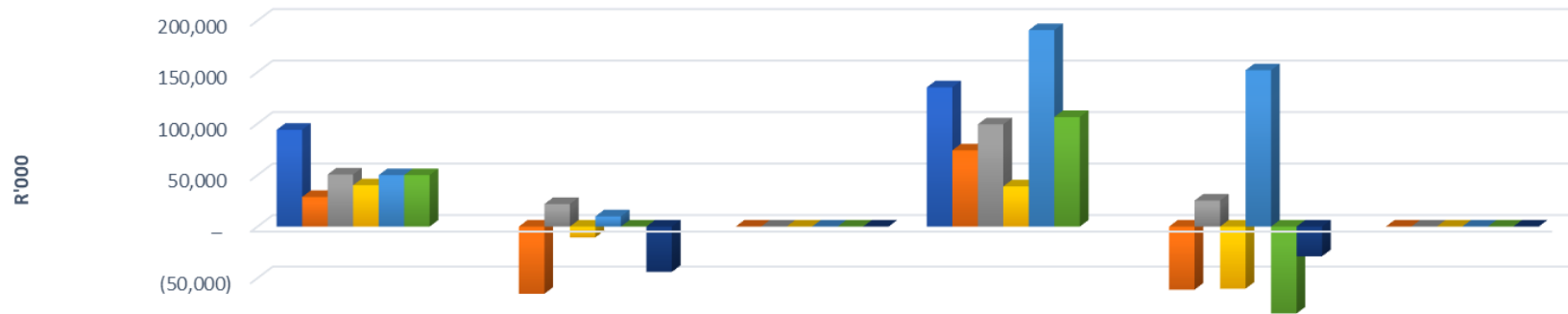
As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of November 2023 amounted to R32,121 million and 30.9% spent when compared to the YTD budget of R103,947 million and 12.9% spent when compared to the Original Budget of R249,473 million. The total YTD capex is funded from Capital grants R27,110 million (84.4%) and Internally generated funds R5,011 million (15.6%). 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.

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

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 (Audited)	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.

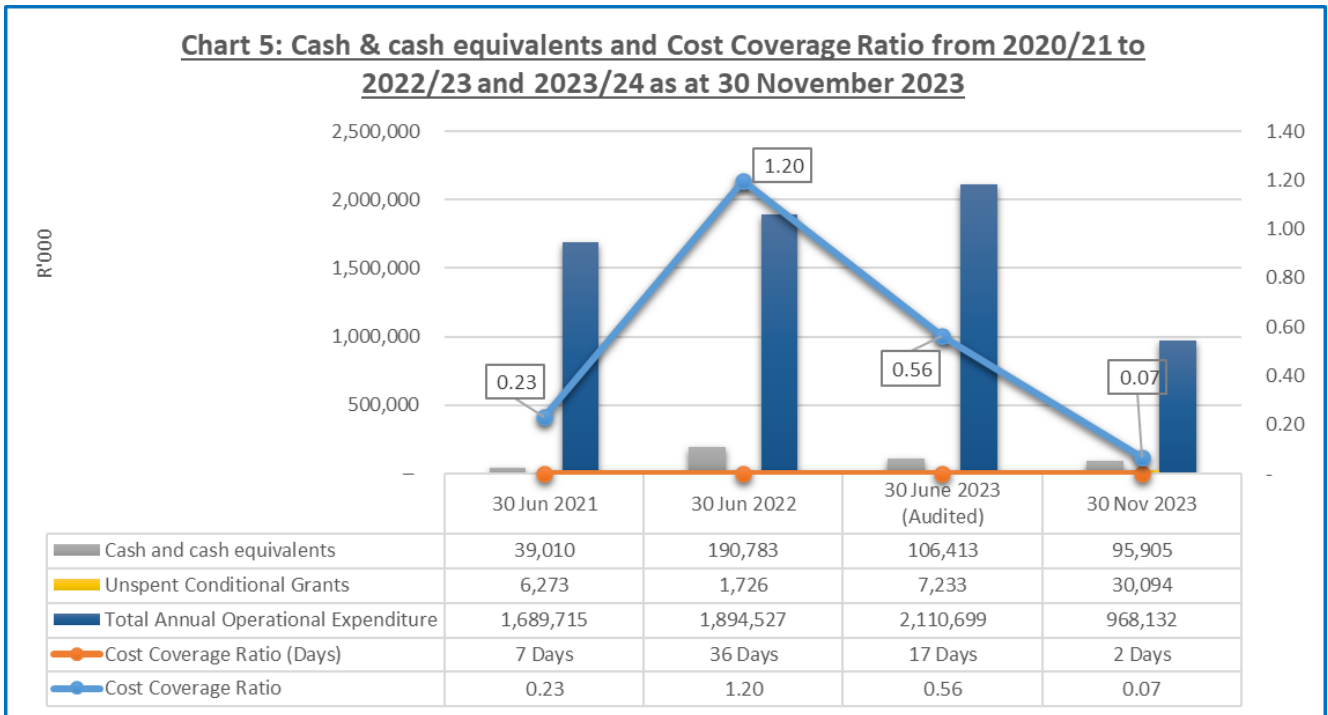


Chart 5: Cash & cash equivalents and Cost coverage ratio

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 audited outcomes for the year ended 30 June 2023 is (0.56; 17 days; R106,413m). The Cost coverage ratio as at 30 November 2023 is calculated at (0.07; 2 days; R95,905m).

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 - November 2023 Comments
<p>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)</p>	<p>6.3.1 The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - 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>Compliant The municipality settled the current ESKOM account of R62,679m, excl interest on 30/11/2023.</p> <p>Non-compliance The municipality had insufficient cash and could not settle the current Water account amounting to R17,633m on 30/11/2023. Payment was made 12/12/2023.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - November 2023 Comments
	<p>6.3.1 (a) 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>Non-Compliance The municipality settled an amount of R6,000m on Friday, 08/12/2023 on the debt repayment arrangement. The due date was 5/12/2023. Acting CFO lost his cellphone and could not release timeously on Standard bank Business Online.</p>
	<p>6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment</p>	<p>Within 1 day after making payment</p>	<p>Proof of payment and proof of email submission</p>	<p>Compliant Email was sent within one day of payment to ESKOM and DWS.</p>
	<p>6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.</p>	<p>Monthly, within 10 working days after month end</p>	<p>GoMuni Status of Schedule of Revenue Documents Submissions Report</p>	<p>Compliant POP for payments made in November 2023 was uploaded on GoMuni Report</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - November 2023 Comments
	<p>6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS</p>	<p>Monthly, within 10 working days after month end</p>	<p>Monthly financial data strings</p>	<p>Partially compliant Transactions are posted correctly, however minor accounts for Eskom and DWS are posted to the same bulk control votes. Matter was discussed with our service provider and will be corrected. Erroneous transactions to be journalised. An additional supplier will have to registered, form was sent to ESKOM and DWS, awaiting completed forms.</p>
<p>6.6 Electricity and Water Collection <i>(Demonstration through by-laws and budget related policies)</i></p>	<p>6.6.1 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</p>	<p>Monthly</p>	<p>Monthly billing reconciliation / Financial system generated hierachy allocation report</p>	<p>Compliant 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.</p>
	<p>6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	<p>Monthly</p>	<p>Number of disconnected / blocked meters</p>	<p>4,740</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - November 2023 Comments
	<p>6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p>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. He has requested that we pause on implementation until such time that the water crises is managed.</p>
	<p>6.6.4 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	<p>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>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - November 2023 Comments
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges</p>	<p>6.7.1 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>	<p>Monthly (Internal) and Quarterly (Debt Relief)</p>	<p>Collect R10,000 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)</p>	<p>Non-Compliant Average daily cash collection for November 2023, was R9,658m. Monthly S71 Revenue Collection per Ward, 64% average collection rate achieved for November 2023. An amount of R63,589m was unallocated at month-end.</p>
<p>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</p>	<p>6.12.1 Open a separate investment account to serve as a sub-account</p>	<p>Once-off</p>	<p>Investment account confirmation</p>	<p>Compliant A call deposit account to serve as a sub-account with our primary banker was opened on 13 November 2023.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - November 2023 Comments
	<p>6.12.1 must apportion and ring-fence in a sub-account to its primary bank account –</p> <p>(a) all electricity, water and sanitation revenue the municipality collects in any month; and</p> <p>(b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	<p>Funds to be invested weekly and withdrawn monthly</p>	<p>Investment account and primary bank statement</p>	<p>Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies has been allocated</p> <p>Non-compliant Municipality did not reach this target for November 2023, but paid funds from our General account. At 30 November 2023, the municipality had R15,040m invested. An additional R20m were to be invested on 11/12/2023 but the municipality opted to settle R17m of the unpaid Water account.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - November 2023 Comments
	<p>6.12.2 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>In progress Municipality has a backlog in terms of built-up reserves. Daily commitments to other creditors make this requirement difficult to reach.</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>In progress To be submitted, Matter to be discussed with NT to ascertain if they will introduce a new upload tab on GoMuni for this purpose.</p>

PART 2: SUPPORTING DOCUMENTATION

7. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

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			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	35,862	23,762	20,881	16,073	14,297	14,739	85,642	555,459	766,715	686,210	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	61,535	43,213	23,669	18,862	8,414	10,304	34,004	169,909	369,909	241,493	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	36,889	16,356	14,384	12,932	126,735	12,311	68,975	609,773	898,355	830,726	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	8,346	5,747	5,254	5,005	4,861	4,502	26,172	178,159	238,045	218,698	-	-	
Receivables from Exchange Transactions - Waste Management	1600	6,960	4,655	4,193	3,965	3,797	3,439	19,657	138,389	185,056	169,247	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,766	1,742	1,733	1,725	1,716	1,544	8,996	54,119	73,342	68,100	-	-	
Interest on Arrear Debtor Accounts	1810	21,391	20,895	20,721	19,078	18,677	18,350	97,773	650,567	867,453	804,446	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-	
Other	1900	8,196	6,492	11,490	5,008	3,158	8,561	38,242	231,936	313,082	286,905	-	-	
Total By Income Source	2000	180,945	122,863	102,324	82,648	181,655	73,749	379,462	2,588,310	3,711,957	3,305,825	-	-	
2022/23 - totals only		#####	73376532	72639444	#####	0	0	0	0	3,145,849	2,757,564	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	30,088	31,339	17,208	12,732	118,792	11,194	45,389	581,400	848,143	769,507	-	-	
Commercial	2300	67,757	30,996	24,443	21,347	15,046	13,213	69,308	394,726	636,836	513,641	-	-	
Households	2400	80,454	58,577	59,243	47,096	46,461	47,983	257,692	1,555,028	2,152,534	1,954,259	-	-	
Other	2500	2,646	1,951	1,430	1,473	1,356	1,359	7,074	57,156	74,444	68,417	-	-	
Total By Customer Group	2600	180,945	122,863	102,324	82,648	181,655	73,749	379,462	2,588,310	3,711,957	3,305,825	-	-	

Table 8: Supporting Table SC3: Aged Debtors

Chart 6: Debtor's Age Analysis by Income Source and Customer Group as at 30 November 2023

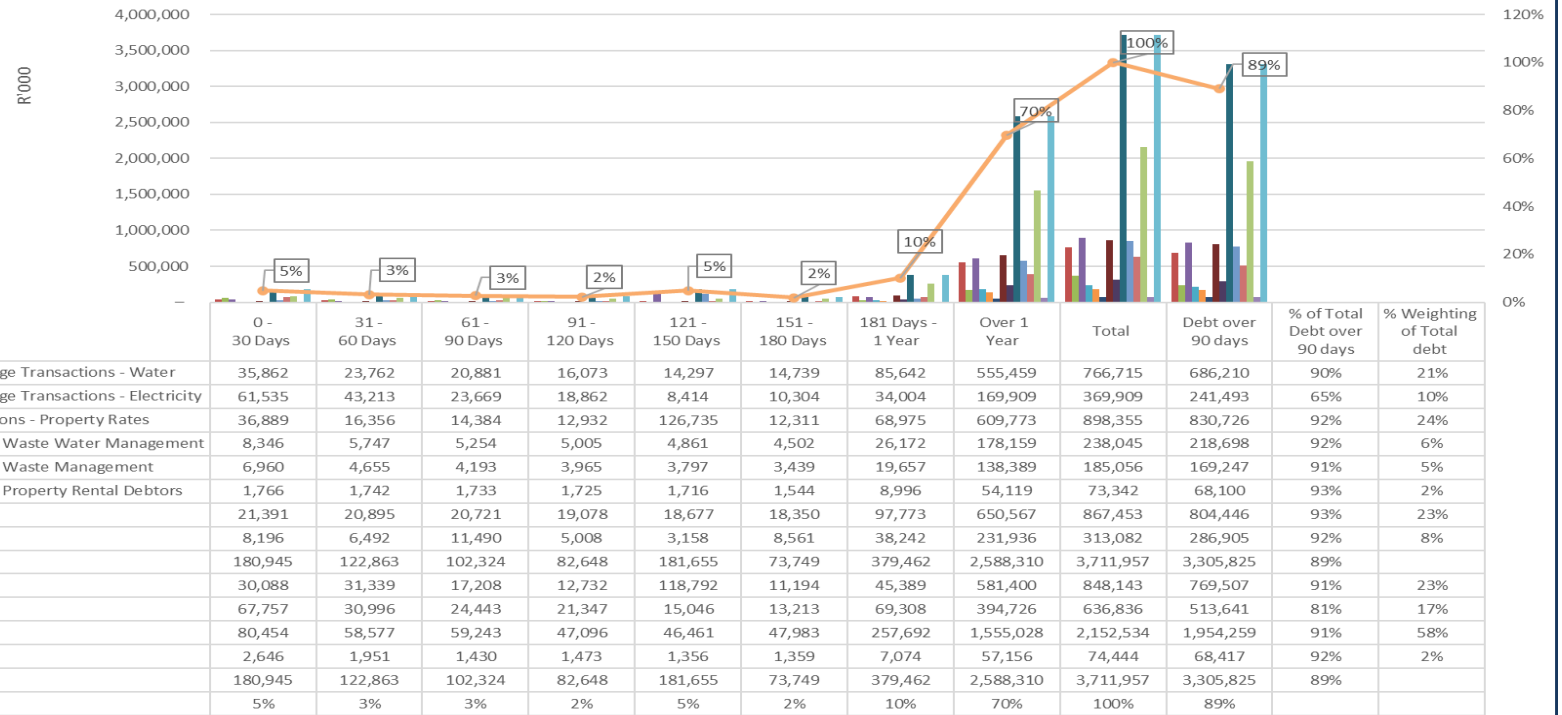


Chart 6: Debtor's age analysis by Income Source and Customer Group

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 percentage weighting. The total O/S Debt amounts to R3,711,957 billion as at the end of November 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 92%
- ❖ 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 October and November 2023

We had a workshop for all Councillors on Wednesday, 01 November 23, the following SPM sections presented: Customer Care/Water & Lights/Billing; Debt Collection; Indigent assistance and Rates. The Councillors were equipped with the necessary information in order to educate and empower our community members in order to bring synergy between SPM and the community it serves. Challenges were raised in relation to the dire financial constraints faced by members of the community, the Municipality committed to assist the less fortunate through the Indigent program and affording them payment arrangements. It was also agreed upon that Councillors will encourage Customers to make payments towards their accounts, instead of striking when the Municipality blocks/disconnects electricity due to non-payment.

We have met with Ontec with regards to the implementation of partial blocking, as the system is in place. We need to make the community aware of the implications of partial blocking (percentage deduction on prepaid sales made by a Debtor – deducted amount will go towards arrears). A media statement must be issued and we need to have campaigns in the various wards. The first media statement will be sent out by end of November 2023.

We have noticed that some of the Customers we disconnected/blocked last month have not come in to make payments, we believe that they could be tampering. Tampering is a serious issue that is causing a huge financial loss for the Municipality. We have submitted the relevant addresses to the Electrical department for investigation and charging.

We continue to embark on the collection of outstanding debt from Businesses and Government Customers, through the disconnection of electricity by our Cut Team. We are meeting with Business Customers who have had their accounts reconstructed, some have paid and some have disputed the amounts charged. We are in the process of also appointing a panel of Debt Collectors, which we believe will greatly assist the collection of revenue owed to the Municipality.

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which remained constant at 89% for the month under review. Debt over 90 days increased by R51,450 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R64,579 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.

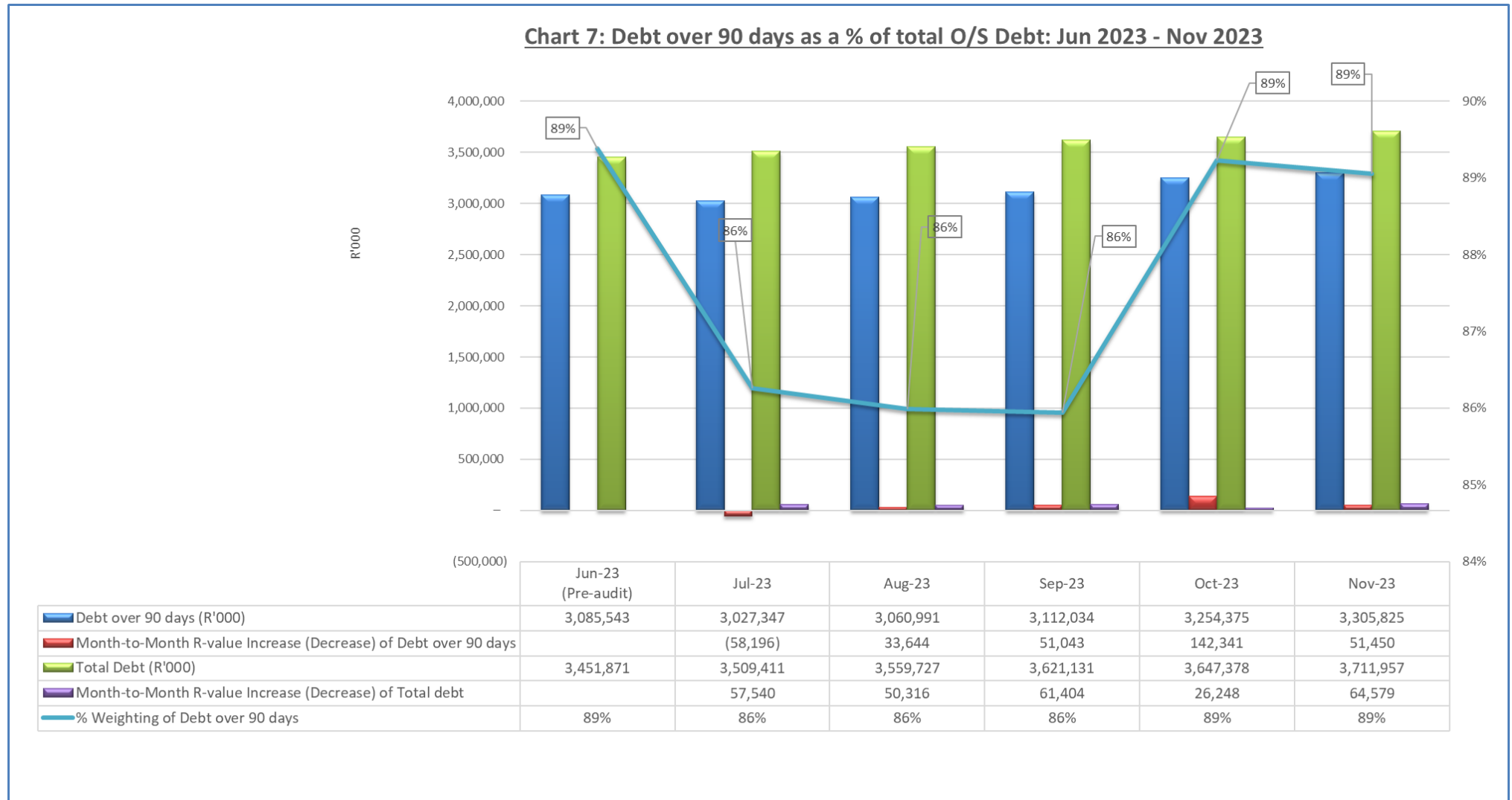


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- 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 November 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.

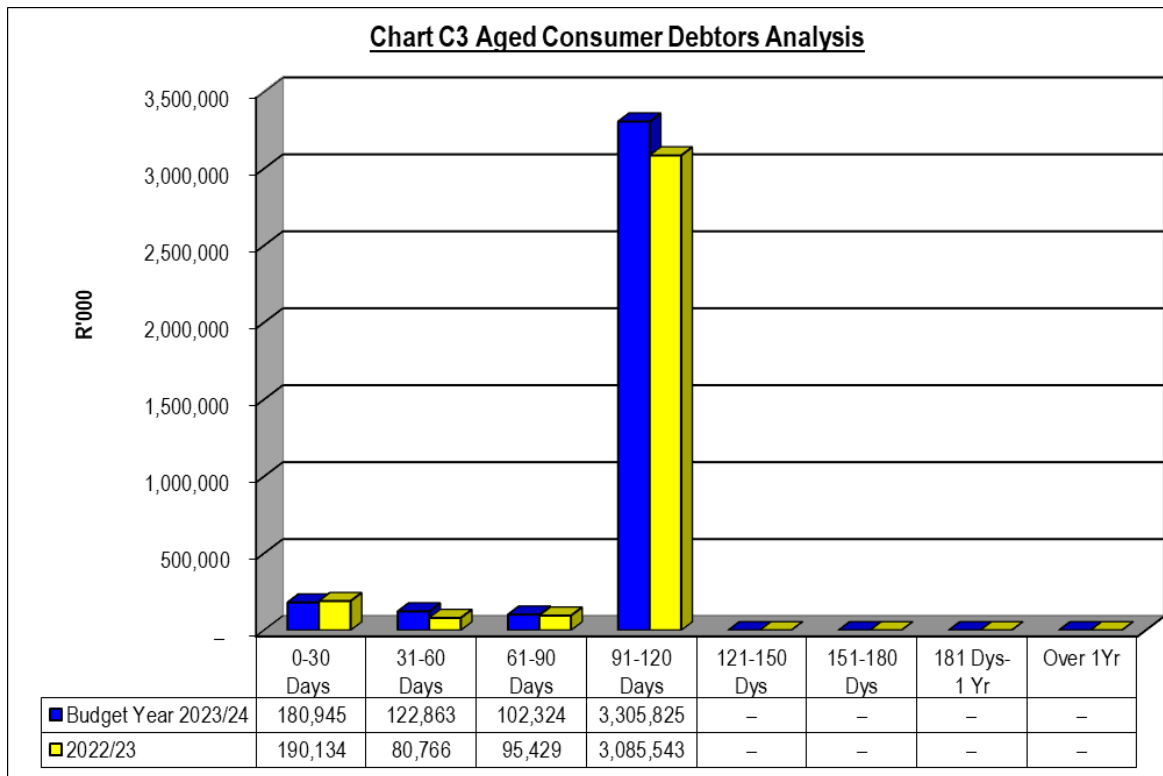


Chart 8: Aged Consumer Debtor Analysis

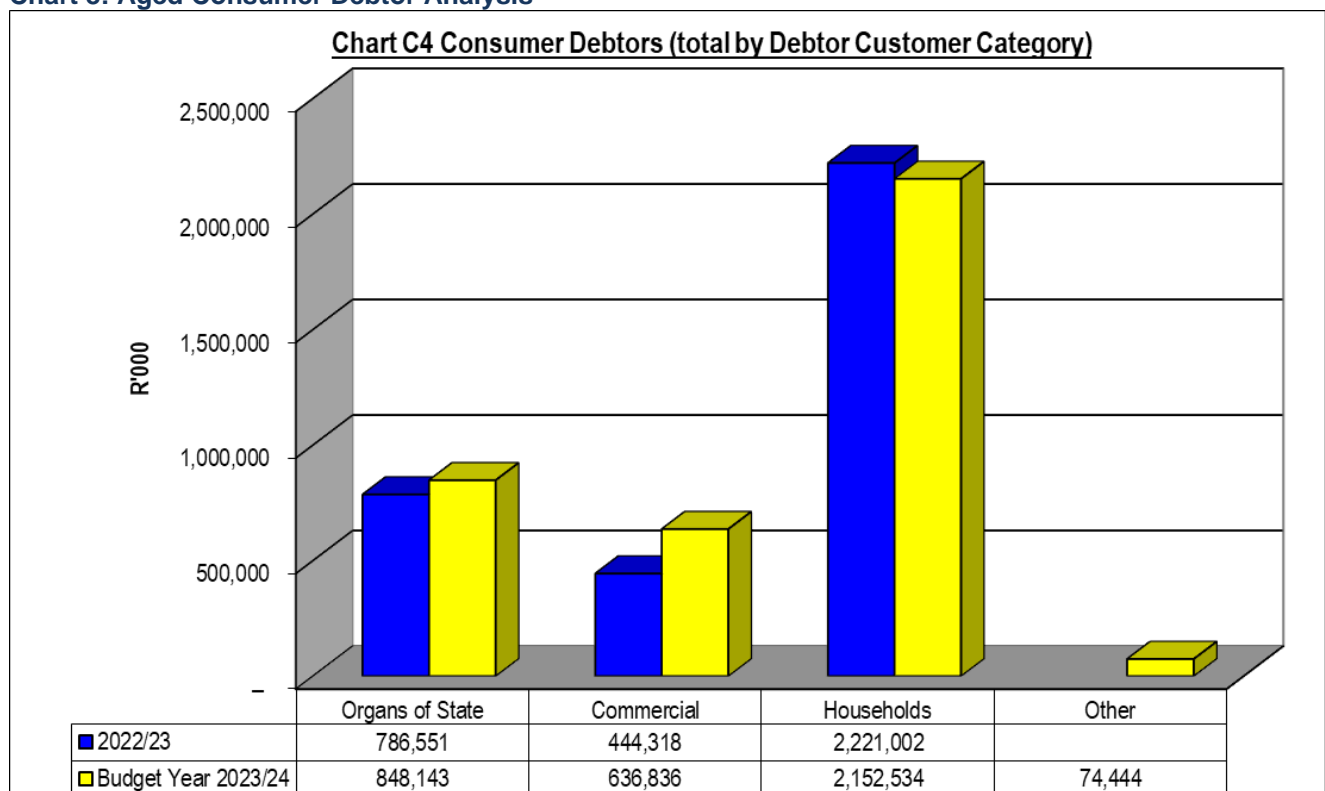


Chart 9: Consumer Debtors (total by Debtor Customer Category)

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

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 October 2023 and received in November 2023, the monthly collection rate is 57%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is not satisfactory for the month under review. A payment of R39,990 million was received from Public Works on 30 November 2023 and will be allocated during December 2023. The total amount of unallocated receipts from departments and Water and lights accounts of R63m remained unallocated at month-end or which was received after the billing run. Indicated in Table 10 below is the revised average collection of 72.7% 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 76.9%. 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 November to 30 November 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 November 2023)	Credits (Received November 2023)	% Collected
PROPERTY RATES	45,039,664	29,511,932	66%
ELECTRICITY	42,644,072	36,326,620	85%
WATER	26,428,163	10,787,673	41%
SEWERAGE	9,771,342	3,650,945	37%
REFUSE	7,955,884	3,108,559	39%
OTHER	26,255,101	6,320,072	24%
Total	158,094,226	89,705,802	57%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL NOVEMBER 2023	YTD RECEIPTS	Rate
PROPERTY RATES	R 365,673,259	R 228,468,068	62.5%
SERVICE CHARGE ELECTRICITY	R 266,108,593	R 213,011,121	80.0%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 130,313,091	R 130,313,091	100.0%
SERVICE CHARGE WATER	R 119,766,899	R 62,437,937	52.1%
SERVICE CHARGE SANITATION	R 40,012,757	R 19,962,149	49.9%
SERVICE CHARGE REFUSE	R 31,623,580	R 16,820,401	53.2%
OTHER	R 132,536,904	R 54,814,351	41.4%
UNALLOCATED CREDITS		R 63,389,340	
REVISED AVERAGE COLLECTION RATE - NOVEMBER 2023	R 1,086,035,083	R 789,216,458	72.7%
REVISED AVERAGE COLLECTION RATE - NOVEMBER 2023	1,086,035,082.83	789,216,458.26	72.7%
LESS ANNUAL BILLING ON PROPERTY RATES	R -141,456,341.14	-63,285,818.84	44.7%
AVERAGE COLLECTION RATE EXCL ANNUAL BILLING	R 944,578,741.69	R 725,930,639.42	76.9%

Table 10: Revised Average collection rate

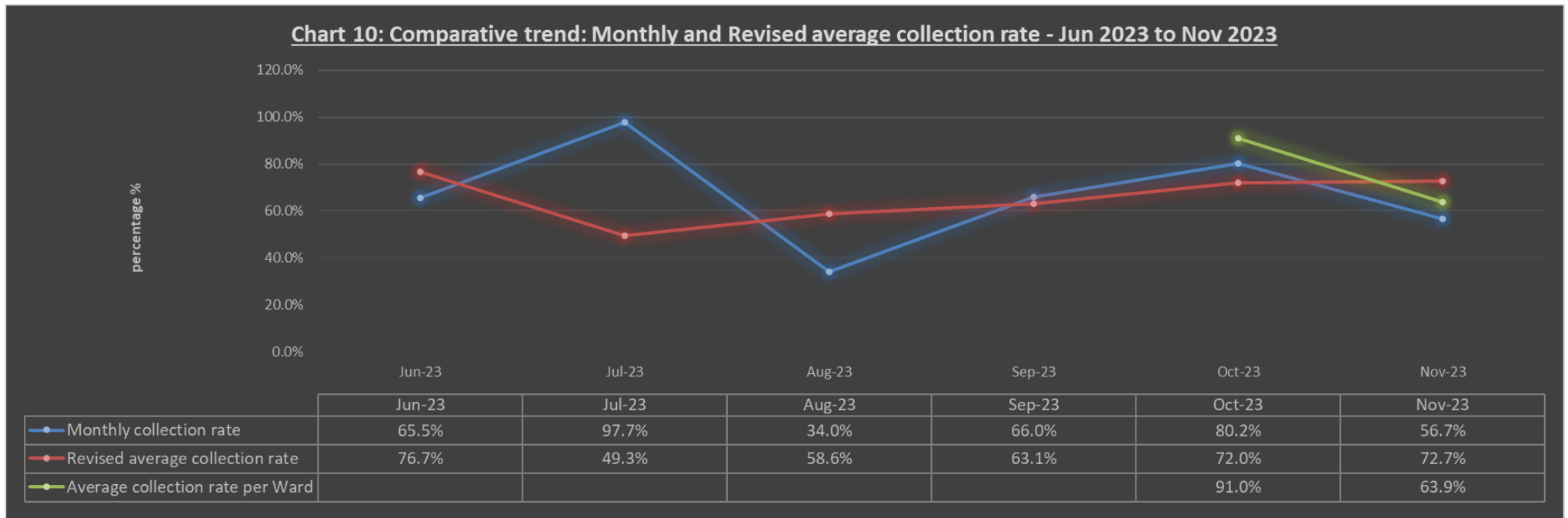


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2023 to November 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 26th of the previous month to 25th 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. The collection rate per ward is concerning at 64%. It should be noted that an amount of R63,589m was unallocated at month-end, which negatively influenced this collection rate.

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 Nov 2023

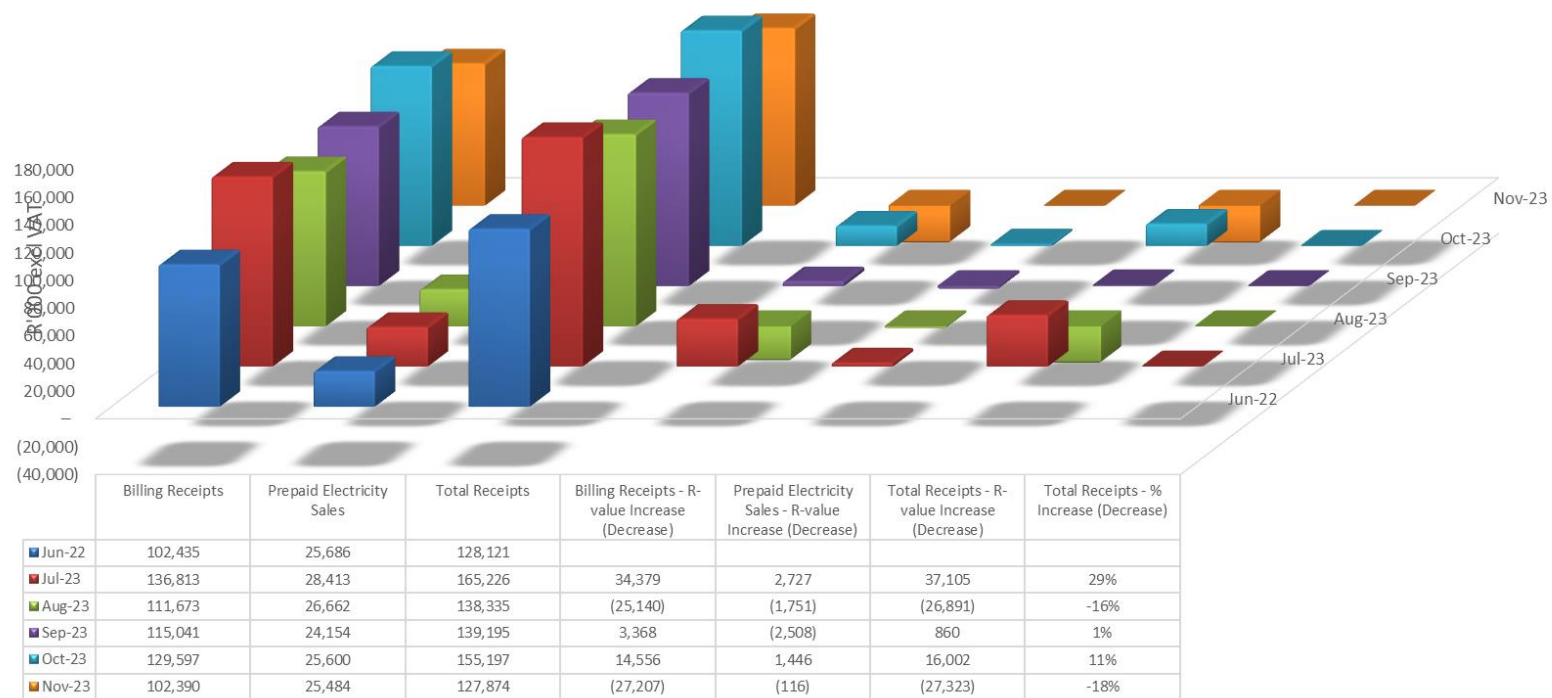


Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11.1 above, the Total Receipts amounted to R127,874 million which resulted in a decrease of R27,323 million or 18% in respect of the month-to-month comparison. Billing receipts decreased by R27,207 million, whilst Prepaid Electricity Sales decreased by R116 thousand. 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 - Nov 2023

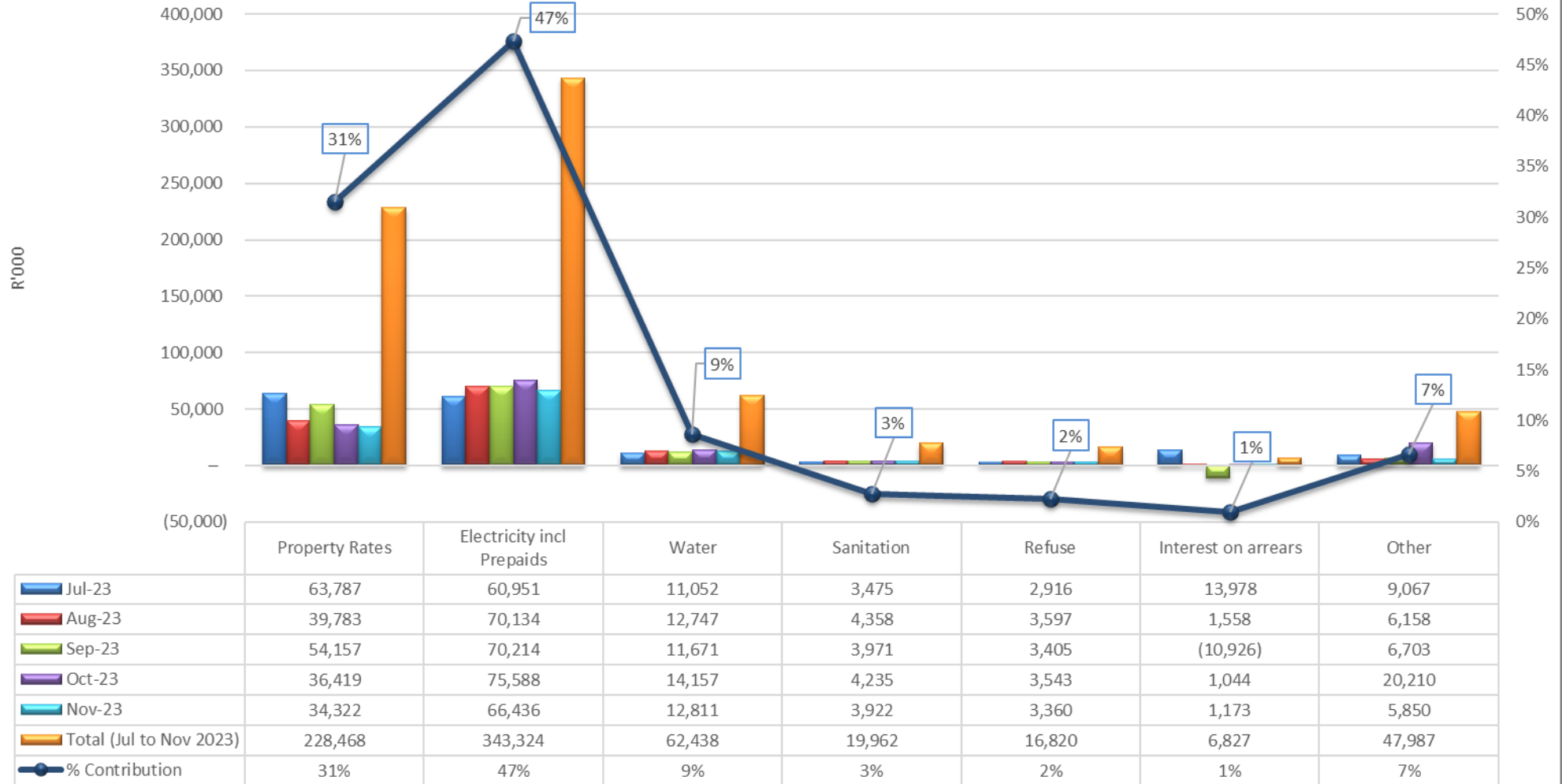


Chart 11.2: Monthly billing receipts per revenue source and % contribution

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 30 November 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. All the revenue streams that are showing a decline in relation to the monthly comparison, with the exception of Interest on arrears. Data from the above chart, indicates that Electricity incl Prepays at R343,324 million (47%) is the highest contributor, followed by Property rates at R228,468 million (31%) 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 9% 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.

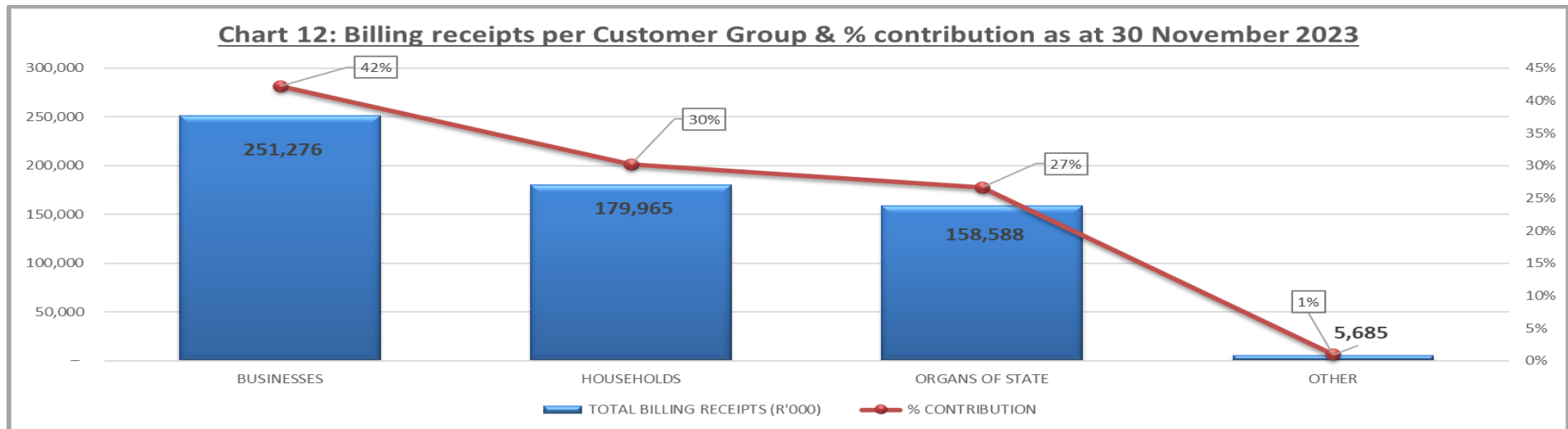


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 November 2023. The municipality received R251,276 million (42%) from Businesses, Households R179,965 million (30%), Organs of State R158,588 million (27%) and Other R5,685 million (1%).

8. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

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			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	70,580	13,638	41,421	53,594	70,032	11,022	275,338	523,811	1,059,436	688,250	
Bulk Water	0200	17,070	17,633	-	15,303	-	-	-	77,287	127,293	150,668	
PAYE deductions	0300	11,865	-	-	-	-	-	-	-	11,865	10,300	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	8,510	-	-	-	-	-	-	-	8,510	7,871	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	22,989	176	861	14	-	0	-	1	24,041	7,832	
Auditor General	0800	3,391	-	-	-	-	-	-	-	3,391	2,631	
Other	0900	17,803	3,631	-	-	-	-	3,679	10,544	35,658	29,576	
Total By Customer Type	1000	152,209	35,079	42,282	68,911	70,032	11,022	279,017	611,642	1,270,194	897,129	

Table 11: Supporting Table SC4: Aged Creditors

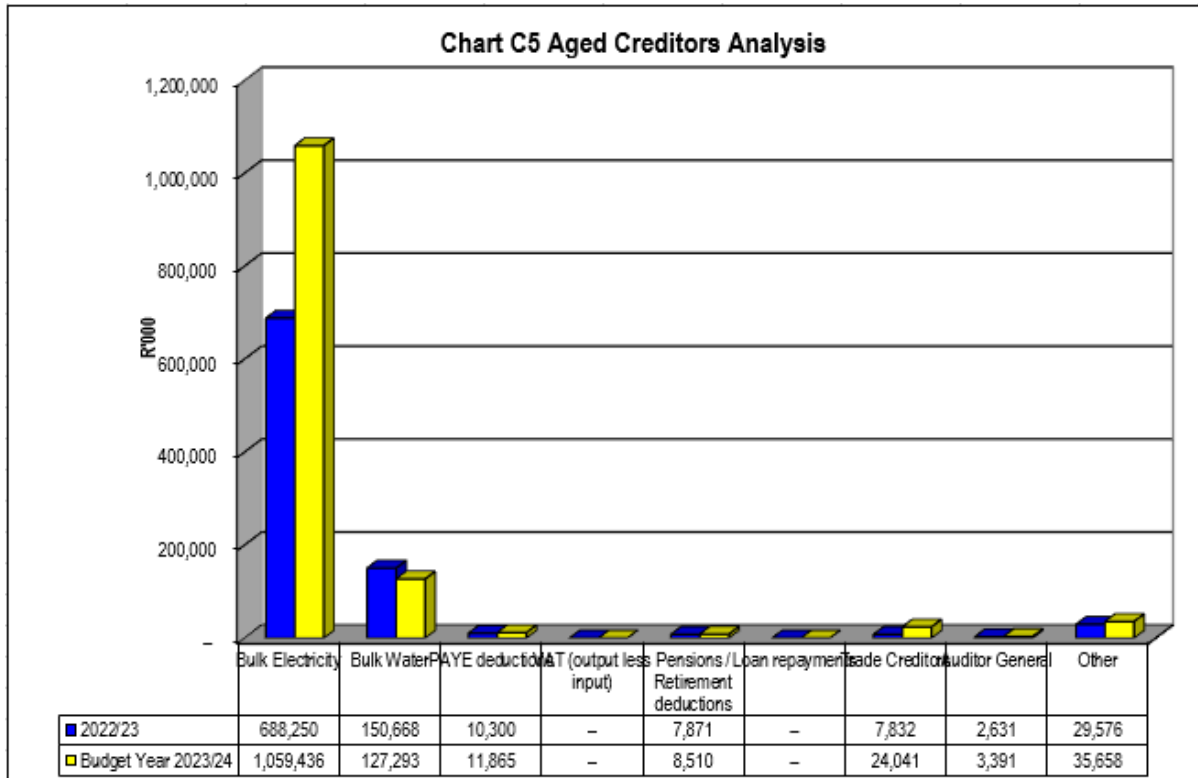


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2022/23 is based on the outstanding creditors as at 30 November 2022 (prior year totals for the same period).

Bulk Electricity – As at the 30 November 2023, the outstanding debt owed to Eskom amounted to R1,059,436 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. This proposal was submitted to Eskom for approval.

Bulk Water – As at the 30 November 2023, the outstanding debt owed to DWS is R127,293 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 R16,736 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 R3,391 million.

Other creditors – includes Sundry creditors which were unpaid as at 30 November 2023 of which the biggest contributor is other third party salary payments amounting to R16,954 million which was paid by 7 December 2023.

9. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 30 November 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,
- An amount of R15,040 million set aside for ESKOM and DWS
- And the balance of R22,293 million is own funds invested.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			5,535	36	(36)	-	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	34	(34)	-	5,000
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			5,599	32	(32)	-	5,599
Absa Bank - 9382218821		Monthly	Call a/c	No	Fixed	8.90%	0	n/a		30,015	220	(220)	-	30,015
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			-	40	-	15,000	15,040
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	5.25	0		2019/06/06	5,068	33	-	-	5,102
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	7.40%	0		2023/06/28	7,649	83	-	-	7,732
Standard Bank - 048466271-087		48 hours	Notice	No	Variable	8.80%	0		2023/08/31	35,000	253	(253)	-	35,000
Standard Bank 048466271-086		12 months	Notice	No	Fixed	9.03%	0		2023/11/10	22,825	52	(22,876)	-	(0)
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	-	111	-	20,973	21,084
Municipality sub-total										117,291		(23,455)	35,973	130,707

Table 12: Supporting Table SC5: Investment portfolio

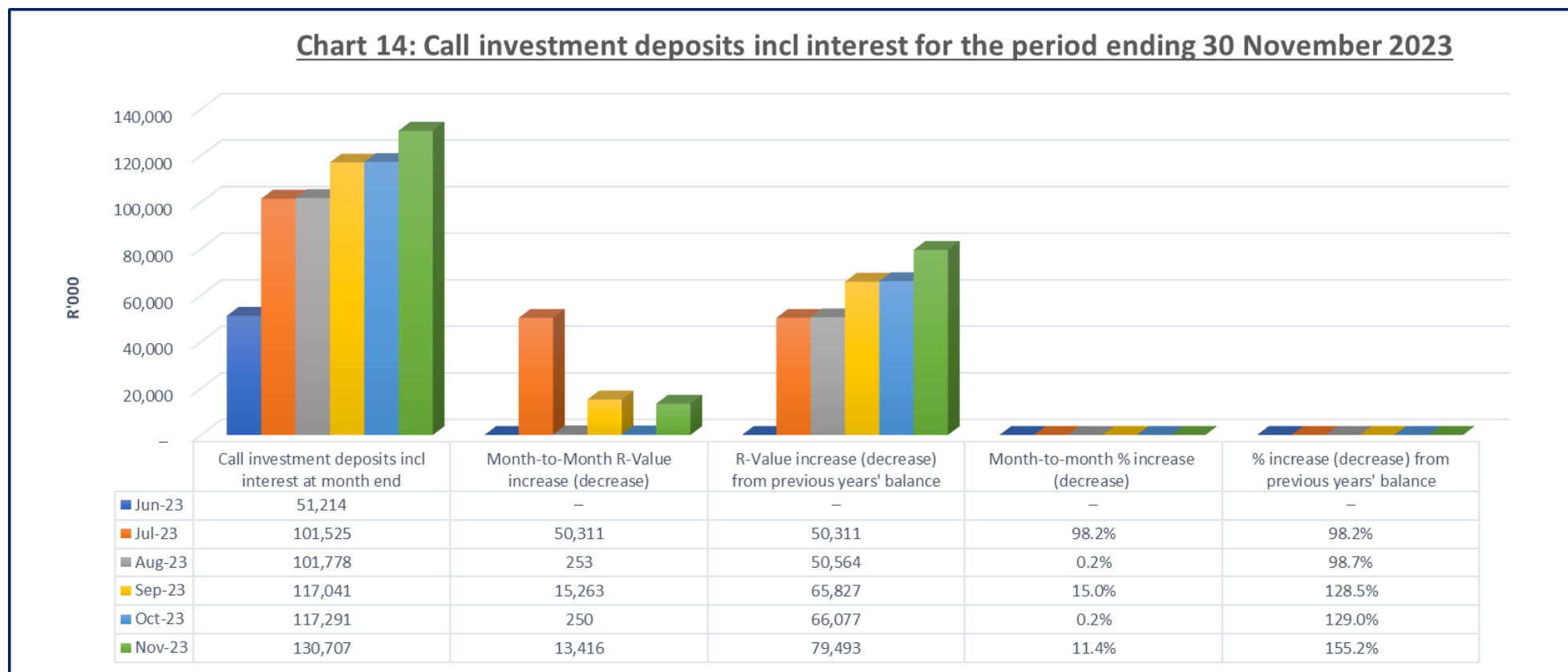


Chart 14: Call investment deposits at month-end

As indicated in the Chart 5 above from October to November 2023 investments incl interest increased by R13,416 or 11.4%, in respect of the month-to-month comparison. Investments increased by R79,493 million or 155.2% 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 - M05 November

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
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		248,673	273,621	273,621	(295)	114,948	114,009	939	0.8%	273,621
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		239,158	263,135	263,135	-	109,640	109,640	0	0.0%	263,135
Expanded Public Works Programme Integrated Grant		3,959	3,286	3,286	(911)	3,286	1,369	1,917	140.0%	3,286
Infrastructure Skills Development Grant		3,856	5,500	5,500	618	1,923	2,292	(368)	-16.1%	5,500
Local Government Financial Management Grant		1,700	1,700	1,700	(3)	99	708	(609)	-86.0%	1,700
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		15,984	8,300	8,300	-	-	3,458	(3,458)	-100.0%	8,300
Capacity Building and Other Grants		9,684	8,300	8,300	-	-	3,458	(3,458)	-100.0%	8,300
Infrastructure Grant		6,300	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	264,657	281,921	281,921	(295)	114,948	117,467	(2,519)	-2.1%	281,921
Capital Transfers and Grants										
National Government:		108,149	214,233	214,233	8,350	23,695	89,264	(65,568)	-73.5%	214,233
Energy Efficiency and Demand Side Management Grant		4,000	4,000	4,000	1,155	4,032	1,667	2,365	141.9%	4,000
Integrated National Electrification Programme Grant		24,400	48,026	48,026	3,034	3,034	20,011	(16,976)	-84.8%	48,026
Integrated Urban Development Grant		70,390	74,207	74,207	4,160	16,629	30,920	(14,291)	-46.2%	74,207
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	2,000	-	-	833	(833)	-100.0%	2,000
Regional Bulk Infrastructure Grant		-	86,000	86,000	-	-	35,833	(35,833)	-100.0%	86,000
Water Services Infrastructure Grant		9,359	-	-	-	-	-	-	-	-
Provincial Government:		3,387	-	-	-	-	-	-	-	-
Infrastructure Grant		3,387	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	111,536	214,233	214,233	8,350	23,695	89,264	(65,568)	-73.5%	214,233
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	376,193	496,154	496,154	8,055	138,643	206,731	(68,087)	-32.9%	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.
RBIG – R10,000 million

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

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November

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
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		123,170	141,242	221,616	13,949	70,888	92,347	(21,459)	-23.2%	221,616
Equitable Share		112,671	130,756	211,119	13,683	69,695	87,976	(18,281)	-20.8%	211,119
Expanded Public Works Programme Integrated Grant		4,943	3,286	3,287	42	112	1,369	(1,258)	-91.8%	3,287
Infrastructure Skills Development Grant		3,856	5,500	5,500	198	1,005	2,292	(1,287)	-56.1%	5,500
Local Government Financial Management Grant		1,700	1,700	1,710	27	77	710	(633)	-89.2%	1,710
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		11,438	8,300	10,120	96	1,901	4,213	(2,312)	-54.9%	10,120
Capacity Building and Other Grants		8,500	8,300	8,320	49	301	3,463	(3,162)	-91.3%	8,320
Infrastructure Grant		2,938	-	1,800	47	1,600	750	850	113.4%	1,800
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		134,609	149,542	231,736	14,046	72,789	96,560	(23,770)	-24.6%	231,736
Capital expenditure of Transfers and Grants										
National Government:		96,392	214,233	214,233	11,765	27,110	89,264	(62,154)	-69.6%	214,233
Energy Efficiency and Demand Side Management Grant		4,000	4,000	4,000	1,067	3,943	1,667	2,277	136.6%	4,000
Integrated National Electrification Programme Grant		22,829	48,026	48,026	3,034	3,034	20,011	(16,976)	-84.8%	48,026
Integrated Urban Development Grant		61,424	74,207	74,207	2,072	14,540	30,920	(16,380)	-53.0%	74,207
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	2,000	-	-	833	(833)	-100.0%	2,000
Regional Bulk Infrastructure Grant		-	86,000	86,000	5,592	5,592	35,833	(30,241)	-84.4%	86,000
Water Services Infrastructure Grant		8,138	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		96,392	214,233	214,233	11,765	27,110	89,264	(62,154)	-69.6%	214,233
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		231,000	363,775	445,969	25,810	99,899	185,823	(85,924)	-46.2%	445,969

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 R10,969 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	3,034	3,034	119	6.3%	6.3%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	74,207	2,072	14,540	10,609	19.6%	19.6%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	4,000	1,067	3,943	-	98.6%	98.6%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	2,000	-	-	-	0.0%	0.0%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	86,000	5,592	5,592	5,625	6.5%	6.5%
Grand Total	214,233	214,233	11,765	27,110	16,354	12.7%	12.7%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R27,110 million or 12.7% 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’s 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 - M05 November

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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages										
Pension and UIF Contributions		882	-	-	140	466	-	466	#DIV/0!	-
Medical Aid Contributions		425	-	-	40	196	-	196	#DIV/0!	-
Motor Vehicle Allowance										
Cellphone Allowance		3,040	2,938	2,938	261	1,211	1,224	(13)	-1%	2,938
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		27,876	32,621	32,621	3,909	13,217	13,592	(375)	-3%	32,621
Sub Total - Councillors		32,224	35,559	35,559	4,350	15,091	14,816	275	2%	35,559
% increase	4		10.3%	10.3%						10.3%
Senior Managers of the Municipality										
Basic Salaries and Wages		6,702	8,158	8,158	408	2,341	3,399	(1,058)	-31%	8,158
Pension and UIF Contributions		969	1,558	1,558	32	212	649	(437)	-67%	1,558
Medical Aid Contributions		233	215	215	14	94	90	5	5%	215
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,534	1,985	1,985	86	465	827	(363)	-44%	1,985
Cellphone Allowance		132	202	202	8	42	84	(42)	-50%	202
Housing Allowances		28	26	26	2	10	11	(1)	-6%	26
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		44	46	46	1	6	19	(14)	-70%	46
Post-retirement benefit obligations										
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		9,643	12,190	12,190	550	3,170	5,079	(1,909)	-38%	12,190
% increase	4		26.4%	26.4%						26.4%
Other Municipal Staff										
Basic Salaries and Wages		433,826	475,973	467,027	38,798	190,194	194,746	(4,552)	-2%	467,027
Pension and UIF Contributions		79,050	91,654	91,654	7,030	35,085	38,190	(3,105)	-8%	91,654
Medical Aid Contributions		50,925	59,955	59,955	6,112	27,123	24,981	2,142	9%	59,955
Overtime		69,383	47,280	47,280	6,183	32,892	19,700	13,192	67%	47,280
Performance Bonus		30,249	36,505	36,505	1,842	6,777	15,210	(8,433)	-55%	36,505
Motor Vehicle Allowance		42,089	50,649	50,649	3,727	18,007	21,104	(3,096)	-15%	50,649
Cellphone Allowance		1,456	2,054	2,054	144	672	856	(184)	-21%	2,054
Housing Allowances		2,737	2,866	2,866	271	1,201	1,194	7	1%	2,866
Other benefits and allowances		20,261	19,589	28,536	4,326	20,108	11,739	8,369	71%	28,536
Payments in lieu of leave		14,403	15,000	15,000	3,107	6,963	6,250	713	11%	15,000
Long service awards		27,890	26,922	26,922	2,586	12,881	11,218	1,663	15%	26,922
Post-retirement benefit obligations		39,393	41,000	41,000	-	-	17,083	(17,083)	-100%	41,000
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Municipal Staff		811,663	869,447	869,447	74,125	351,905	362,271	(10,366)	-3%	869,447
% increase	4		7.1%	7.1%						7.1%
Total Parent Municipality		853,530	917,196	917,196	79,025	370,166	382,167	(12,001)	-3%	917,196
TOTAL SALARY, ALLOWANCES & BENEFITS		853,530	917,196	917,196	79,025	370,166	382,167	(12,001)	-3%	917,196
% increase	4		7.5%	7.5%						7.5%
TOTAL MANAGERS AND STAFF		821,306	881,637	881,637	74,675	355,075	367,351	(12,276)	-3%	881,637

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 3%. 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 13th 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 2% 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.

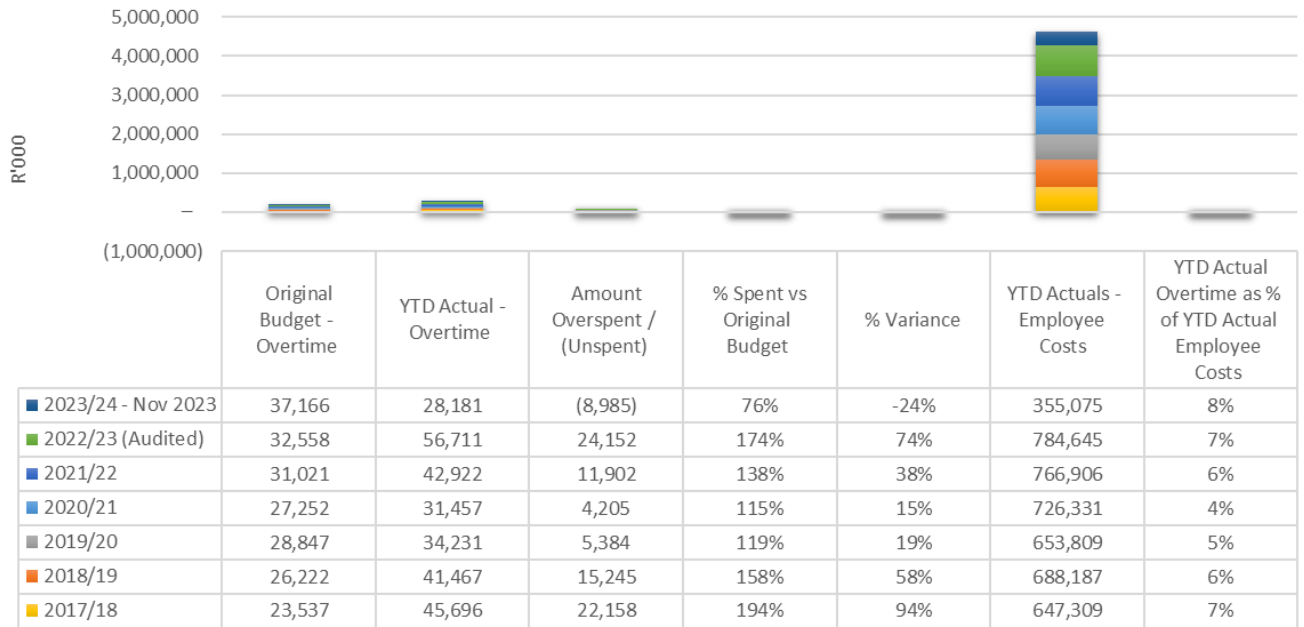
And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of November 2023.

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 % - 41.67%
MS: OVERTIME - NON STRUCTURED	28,662,000	5,067,293	27,134,844	94.7%	53.0%
MS: OVERTIME - STRUCTURED	8,504,033	172,987	1,045,899	12.3%	-29.4%
Overtime as at 30 November 2023	37,166,033	5,240,280	28,180,742	75.8%	34.2%
Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	Original Variance IYM % - 41.67%
20-EXECUTIVE AND COUNCIL	282,000	49,102	263,530	93.5%	51.8%
21-MUNICIPAL AND GENERAL	-	-	-	-	-41.7%
22-MUNICIPAL MANAGER	-	-	16,571		
23-CORPORATE SERVICES	1,870,000	169,056	1,671,712	89.4%	47.7%
24-COMMUNITY SERVICES	14,740,033	1,578,986	7,836,164	53.2%	11.5%
26-FINANCIAL SERVICES	521,000	230,445	1,064,053	204.2%	162.6%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	747,000	108,820	595,038	79.7%	38.0%
28-INFRASTRUCTURE SERVICES	19,006,000	3,103,871	16,733,675	88.0%	46.4%
Overtime as at 30 November 2023	37,166,033	5,240,280	28,180,742	75.8%	34.2%

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 75.8% spent versus the budget, resulting in a negative variance of 34.2% for the period under review, when compared to the ideal IYM percentage of 41.67%.

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 November 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. 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 Nov 2023

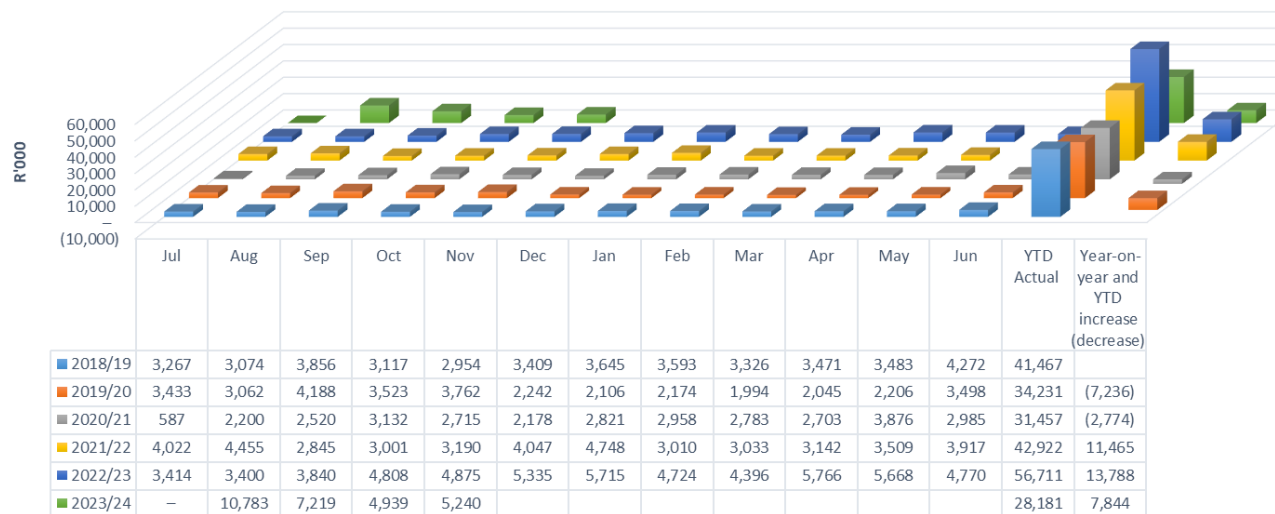


Chart 14.2: Monthly and Annual Overtime Comparison

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.

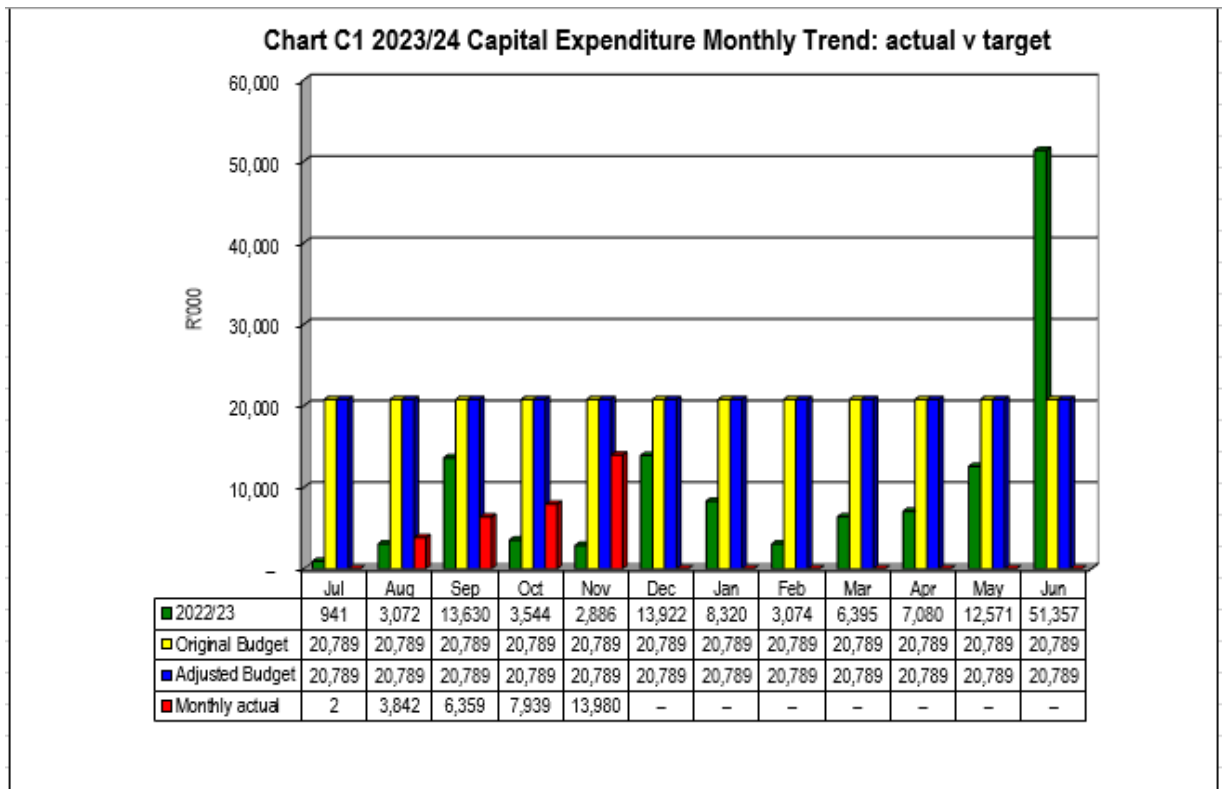


Chart 15: Capital Expenditure Monthly Trend: actual v target

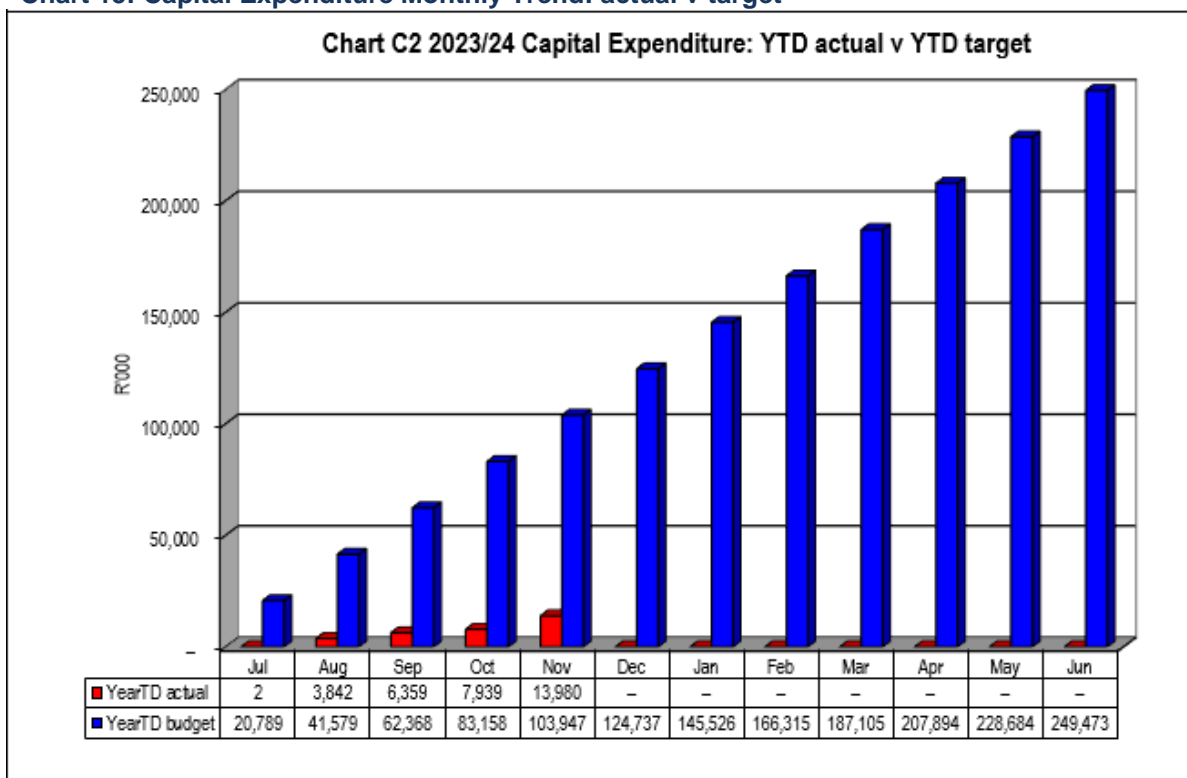


Chart 16: Capital Expenditure: YTD actual vs YTD target

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
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026	48,026	3,034	3,034	119	6.32%	6.32%
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	3,034	3,034	-	23.93%	23.93%
ELECTRIFICATION WITDAM -138	900	900	-	-	-	0.00%	0.00%
RONALD'S VLEI SWITCH HOUSE NO.1	1,500	1,500	-	-	119	0.00%	0.00%
UPGRADE HADISON PARK 66/11 KV SUBSTATION	23,546	23,546	-	-	-	0.00%	0.00%
INTERNALLY GENERATED FUNDS	35,240	35,240	2,215	5,011	9,158	14.22%	14.22%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	-	-	88	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	1,227	3,850	-	61.84%	61.84%
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	94	94	-	5.06%	5.06%
SMARTBALL LEAK DETECTION	5,848	5,848	725	725	5,123	12.40%	12.40%
WEST BYPASS LEAK REPAIRS AND REFURBISH	293	293	-	-	-	0.00%	0.00%
WSDP DEVELOPMENT	1,200	1,200	169	169	-	14.09%	14.09%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	74,207	2,072	14,540	10,609	19.59%	19.59%
P-CIER RDS ROADS	20,000	20,000	-	2,148	3,087	10.74%	10.74%
PHDA PLANNING & SURVEYING	10,000	4,057	-	-	-	0.00%	0.00%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	5,000	5,000	400	896	19	17.91%	17.91%
UPGRADE GRAVEL ROADS WARDS VARIOUS	20,000	20,000	934	7,727	5,329	38.64%	38.64%
WATER PIPES REFURB PROG VARIOUS WARDS	19,207	19,207	-	-	-	0.00%	0.00%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	-	5,943	737	3,769	2,174	#DIV/0!	63.42%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	4,000	1,067	3,943	-	98.58%	98.58%
EEDSM PROJECTS	4,000	4,000	1,067	3,943	-	98.58%	98.58%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	2,000	-	-	-	0.00%	0.00%
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	2,000	2,000	-	-	-	0.00%	0.00%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	86,000	5,592	5,592	5,625	6.50%	6.50%
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	467	467	-	60.86%	60.86%
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	758	758	-	7.13%	7.13%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	4,725	4,725	-	-	-	0.00%	0.00%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	16,598	16,598	1,419	1,419	-	8.55%	8.55%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	9,487	9,487	-	-	-	0.00%	0.00%
PROJECT MANAGEMENT	3,230	3,230	1,944	1,944	-	60.18%	60.18%
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	711	711	-	5.49%	5.49%
WEST BYPASS REPLACE OF CORRODED SECTION	579	579	-	-	-	0.00%	0.00%
WTW OHS & SECURITY MANAGEMENT	5,920	5,920	294	294	5,625	4.97%	4.97%
Grand Total	249,473	249,473	13,980	32,121	25,512	12.88%	12.88%

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 November 2023 amounted to R13,980 million. The total YTD Capex amounts to R32,121 million. Please note that Commitments amounting to R25,512 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 (19.59%) and EEDSM is 98.58%, whilst INEP is 6.32% spent, RBIG 6.50% spend and NDPG is showing zero rand spent. Spending on Internally generated funds is also 14.22% 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

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

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 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 - M05 November

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
R thousands									
Financial Performance									
Property rates	610,991	660,893	660,893	45,002	365,673	275,372	90,301	33%	660,893
Service charges	1,182,667	1,517,256	1,517,256	114,386	587,825	632,190	(44,365)	-7%	1,517,256
Investment revenue	8,550	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	8,550	7,000	7,000	2,740	4,226	2,917	1,309	45%	7,000
Other own revenue	612,144	534,455	534,455	32,820	276,716	222,689	54,026	24%	-
Total Revenue (excluding capital transfers and contributions)	2,422,901	2,719,604	2,719,604	194,948	1,234,440	1,133,168	101,272	9%	2,719,604
Employee costs	821,306	881,637	881,637	74,675	355,075	367,351	(12,276)		881,637
Remuneration of Councillors	32,224	35,559	35,559	4,350	15,091	14,816	275		35,559
Depreciation and amortisation	71,830	86,650	86,650	-	-	36,104	(36,104)		86,650
Interest	113,955	19,495	19,495	3	8	8,123	(8,115)		19,495
Inventory consumed and bulk purchases	937,060	1,090,900	1,090,900	134,855	471,134	454,542	16,591		1,090,900
Transfers and subsidies	2,599	4,560	4,560	2,402	2,402	1,900	502	26%	4,560
Other expenditure	617,008	572,452	572,452	27,086	203,798	238,523	(34,725)	-15%	572,452
Total Expenditure	2,595,982	2,691,252	2,691,252	243,371	1,047,507	1,121,359	(73,852)	-7%	2,691,252
Surplus/(Deficit)	(173,081)	28,351	28,351	(48,423)	186,933	11,809	175,124	1483%	28,351
Transfers and subsidies - capital (monetary)	108,149	214,233	214,233	8,350	23,695	89,264	###	-73%	214,233
Transfers and subsidies - capital (in-kind)	3,387	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(61,545)	242,584	242,584	(40,072)	210,628	101,072	109,555	108%	242,584
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(61,545)	242,584	242,584	(40,072)	210,628	101,072	109,555	108%	242,584
Capital expenditure & funds sources									
Capital expenditure	126,016	249,473	249,473	13,980	32,121	103,947	(71,826)	-69%	249,473
Capital transfers recognised	96,392	214,233	214,233	11,765	27,110	89,264	(62,154)	-70%	214,233
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	29,624	35,240	35,240	2,215	5,011	14,683	(9,672)	-66%	35,240
Total sources of capital funds	126,016	249,473	249,473	13,980	32,121	103,947	(71,826)	-69%	249,473
Financial position									
Total current assets	2,304,408	3,472,014	3,472,014		2,629,962				3,472,014
Total non current assets	2,265,500	2,466,074	2,466,074		2,297,621				2,466,074
Total current liabilities	1,457,966	1,151,431	1,151,431		1,602,763				1,151,431
Total non current liabilities	416,743	443,824	443,824		416,743				443,824
Community wealth/Equity	2,694,412	4,342,835	4,342,835		2,908,077				4,342,835
Cash flows									
Net cash from (used) operating	(940,714)	238,844	238,844	(22,795)	25,243	99,518	74,275	75%	238,844
Net cash from (used) investing	(126,016)	(213,757)	(213,757)	(13,980)	(31,062)	(89,065)	(58,004)	65%	(213,757)
Net cash from (used) financing	-	(13,351)	(13,351)	497	966	(5,563)	(6,529)	117%	(13,351)
Cash/cash equivalents at the month/year end	(869,139)	210,043	210,043	-	104,684	203,197	98,513	48%	121,272
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	180,945	122,863	102,324	82,648	181,655	73,749	379,462	#####	3,711,957
Creditors Age Analysis									
Total Creditors	152,209	35,079	42,282	68,911	70,032	11,022	279,017	611,642	1,270,194

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M05 November

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
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,180,153	1,271,802	1,271,802	69,674	573,128	529,917	43,210	8%	1,271,802
Executive and council		503,511	580,455	580,455	20,571	190,594	241,856	(51,263)	-21%	580,455
Finance and administration		676,642	691,347	691,347	49,103	382,534	288,061	94,473	33%	691,347
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		31,035	41,568	41,568	3,066	14,387	17,320	(2,933)	-17%	41,568
Community and social services		11,662	11,782	11,782	374	1,861	4,909	(3,048)	-62%	11,782
Sport and recreation		2,428	2,265	2,265	184	844	944	(100)	-11%	2,265
Public safety		412	750	750	33	103	312	(210)	-67%	750
Housing		12,972	26,701	26,701	2,449	11,531	11,125	406	4%	26,701
Health		3,560	70	70	26	47	29	18	62%	70
<i>Economic and environmental services</i>		22,120	16,520	16,520	955	6,701	6,883	(182)	-3%	16,520
Planning and development		5,342	5,595	5,595	558	4,564	2,331	2,233	96%	5,595
Road transport		16,779	10,925	10,925	397	2,137	4,552	(2,415)	-53%	10,925
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,291,009	1,594,737	1,594,737	130,285	660,856	664,473	(3,617)	-1%	1,594,737
Energy sources		773,385	1,052,252	1,052,252	79,395	421,054	438,438	(17,384)	-4%	1,052,252
Water management		328,261	364,714	364,714	32,510	149,922	151,964	(2,042)	-1%	364,714
Waste water management		108,190	101,358	101,358	10,294	50,843	42,233	8,611	20%	101,358
Waste management		81,173	76,413	76,413	8,086	39,036	31,839	7,198	23%	76,413
<i>Other</i>	4	10,121	9,210	9,210	(682)	3,063	3,837	(774)	-20%	9,210
Total Revenue - Functional	2	2,534,437	2,933,837	2,933,837	203,298	1,258,135	1,222,432	35,703	3%	2,933,837
Expenditure - Functional										
<i>Governance and administration</i>		757,821	662,700	743,143	50,267	263,684	309,645	(45,960)	-15%	743,143
Executive and council		505,059	287,301	449,301	26,964	152,851	187,209	(34,358)	-18%	449,301
Finance and administration		247,373	368,723	287,166	22,863	108,540	119,654	(11,114)	-9%	287,166
Internal audit		5,389	6,676	6,676	440	2,293	2,782	(488)	-18%	6,676
<i>Community and public safety</i>		186,168	195,332	195,332	17,121	81,106	81,389	(283)	0%	195,332
Community and social services		45,511	49,529	49,529	3,865	19,593	20,637	(1,045)	-5%	49,529
Sport and recreation		59,539	56,350	56,350	6,242	26,421	23,479	2,942	13%	56,350
Public safety		41,055	42,115	42,115	3,308	17,617	17,548	69	0%	42,115
Housing		20,980	26,752	26,752	2,058	9,084	11,147	(2,063)	-19%	26,752
Health		19,082	20,586	20,586	1,649	8,392	8,578	(186)	-2%	20,586
<i>Economic and environmental services</i>		138,729	256,194	175,751	11,183	59,442	73,230	(13,788)	-19%	175,751
Planning and development		42,376	132,278	51,835	4,241	18,729	21,598	(2,870)	-13%	51,835
Road transport		95,517	123,016	123,016	6,873	40,370	51,257	(10,887)	-21%	123,016
Environmental protection		836	900	900	69	344	375	(31)	-8%	900
<i>Trading services</i>		1,490,202	1,551,892	1,551,892	162,519	633,730	646,622	(12,892)	-2%	1,551,892
Energy sources		963,125	1,031,152	1,031,152	113,861	418,736	429,647	(10,911)	-3%	1,031,152
Water management		349,874	341,800	341,800	34,336	143,133	142,417	716	1%	341,800
Waste water management		104,093	102,527	102,527	8,418	41,091	42,720	(1,628)	-4%	102,527
Waste management		73,110	76,413	76,413	5,904	30,769	31,839	(1,070)	-3%	76,413
<i>Other</i>		23,062	25,135	25,135	2,280	9,545	10,473	(928)	-9%	25,135
Total Expenditure - Functional	3	2,595,982	2,691,252	2,691,252	243,371	1,047,507	1,121,359	(73,852)	-7%	2,691,252
Surplus/ (Deficit) for the year		(61,545)	242,584	242,584	(40,072)	210,628	101,072	109,555	108%	242,584

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November

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
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		503,511	580,455	580,455	20,571	190,594	241,856	(51,263)	-21.2%	580,455
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,432	6,961	6,961	623	2,183	2,901	(717)	-24.7%	6,961
Vote 05 - Community Services		124,394	109,495	109,495	8,338	46,669	45,623	1,046	2.3%	109,495
Vote 06 - Financial Services		670,519	683,585	683,585	48,427	380,110	284,827	95,282	33.5%	683,585
Vote 07 - Strategy Econ Development And Planning		6,867	8,015	8,015	618	4,842	3,340	1,503	45.0%	8,015
Vote 08 - Infrastructure And Services		1,223,713	1,545,325	1,545,325	124,721	633,737	643,885	(10,148)	-1.6%	1,545,325
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,534,437	2,933,837	2,933,837	203,298	1,258,135	1,222,432	35,703	2.9%	2,933,837
Expenditure by Vote	1									
Vote 01 - Executive & Council		58,395	59,173	59,173	6,473	25,484	24,656	828	3.4%	59,173
Vote 02 - Municipal And General		434,595	214,468	376,468	19,601	117,869	156,862	(38,993)	-24.9%	376,468
Vote 03 - Municipal Manager		22,369	26,161	26,161	1,918	14,280	10,901	3,379	31.0%	26,161
Vote 04 - Corporate Services		68,169	81,959	81,959	6,224	29,123	34,150	(5,027)	-14.7%	81,959
Vote 05 - Community Services		299,548	312,712	312,712	26,143	128,168	130,298	(2,130)	-1.6%	312,712
Vote 06 - Financial Services		131,248	237,712	156,155	11,877	58,442	65,065	(6,623)	-10.2%	156,155
Vote 07 - Strategy Econ Development And Planning		57,573	143,730	63,287	5,089	24,629	26,370	(1,741)	-6.6%	63,287
Vote 08 - Infrastructure And Services		1,524,086	1,615,337	1,615,337	166,047	649,512	673,058	(23,546)	-3.5%	1,615,337
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,595,982	2,691,252	2,691,252	243,371	1,047,507	1,121,359	(73,852)	-6.6%	2,691,252
Surplus/ (Deficit) for the year	2	(61,545)	242,584	242,584	(40,072)	210,628	101,072	109,555	108.4%	242,584

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		754,974	1,034,872	1,034,872	73,490	396,422	431,196	(34,775)	-8%	1,034,872
Service charges - Water		271,599	327,114	327,114	26,304	119,767	136,297	(16,531)	-12%	327,114
Service charges - Waste Water Management		89,203	89,858	89,858	8,063	40,013	37,441	2,572	7%	89,858
Service charges - Waste management		66,890	65,412	65,412	6,529	31,624	27,255	4,369	16%	65,412
Sale of Goods and Rendering of Services		13,750	15,579	15,579	1,221	7,749	6,491	1,258	19%	15,579
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		199,982	168,880	168,880	21,862	103,529	70,367	33,163	47%	168,880
Interest from Current and Non Current Assets		8,550	7,000	7,000	2,740	4,226	2,917	-	-	7,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		26,000	26,930	26,930	2,465	11,610	11,221	390	3%	26,930
Licence and permits		1,056	1,200	1,200	54	334	500	(166)	-33%	1,200
Operational Revenue		3,189	3,134	3,134	454	1,999	1,306	693	53%	3,134
Non-Exchange Revenue										
Property rates		610,991	660,893	660,893	45,002	365,673	275,372	90,301	33%	660,893
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		59,462	30,660	30,660	3,407	14,986	12,775	2,211	-	30,660
Licence and permits		7,965	6,150	6,150	(763)	2,583	2,562	21	-	6,150
Transfers and subsidies - Operational		264,657	281,921	281,921	(295)	114,948	117,467	(2,519)	-	281,921
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		4,037	-	-	4,416	17,917	-	17,917	#DIV/0!	-
Gains on disposal of Assets		5,891	-	-	-	1,059	-	1,059	-	-
Other Gains		34,705	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2,422,901	2,719,604	2,719,604	194,948	1,234,440	1,133,168	101,272	9%	2,719,604
Expenditure By Type										
Employee related costs		821,306	881,637	881,637	74,675	355,075	367,351	(12,276)	-3%	881,637
Remuneration of councillors		32,224	35,559	35,559	4,350	15,091	14,816	275	2%	35,559
Bulk purchases - electricity		672,362	785,000	785,000	105,657	355,704	327,083	28,620	-	785,000
Inventory consumed		264,698	305,900	305,900	29,198	115,430	127,459	(12,029)	-	305,900
Debt impairment		378,747	317,500	317,500	-	79,375	132,292	(52,917)	-40%	317,500
Depreciation and amortisation		71,830	86,650	86,650	-	-	36,104	(36,104)	-100%	86,650
Interest		113,955	19,495	19,495	3	8	8,123	(8,115)	-100%	19,495
Contracted services		28,285	48,113	48,113	3,023	19,608	20,047	(439)	-2%	48,113
Transfers and subsidies		2,599	4,560	4,560	2,402	2,402	1,900	502	26%	4,560
Irrecoverable debts written off		-	-	-	(10)	-	-	-	-	-
Operational costs		131,090	145,639	145,639	16,510	76,941	60,684	16,257	27%	145,639
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		78,885	61,200	61,200	7,563	27,873	25,500	2,373	-	61,200
Total Expenditure		2,595,982	2,691,252	2,691,252	243,371	1,047,507	1,121,359	(73,852)	-7%	2,691,252
Surplus/(Deficit)		(173,081)	28,351	28,351	(48,423)	186,933	11,809	175,124	0	28,351
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-
		108,149	214,233	214,233	8,350	23,695	89,264	(65,568)	(0)	214,233
Transfers and subsidies - capital (in-kind)		3,387	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(61,545)	242,584	242,584	(40,072)	210,628	101,072			242,584
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(61,545)	242,584	242,584	(40,072)	210,628	101,072			242,584
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(61,545)	242,584	242,584	(40,072)	210,628	101,072			242,584
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(61,545)	242,584	242,584	(40,072)	210,628	101,072			242,584

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November

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
R thousands	1									
Multi-Year expenditure appropriation	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	-	-	2,846	(2,846)	-100%	4,057
Vote 08 - Infrastructure And Services		82,240	183,117	189,059	10,654	25,503	77,619	(52,116)	-67%	189,059
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	91,236	193,117	193,117	10,654	25,503	80,465	(54,962)	-68%	193,117
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		14,586	19,500	19,500	400	896	8,125	(7,229)	-89%	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	2,926	5,722	15,357	(9,635)	-63%	36,856
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	34,780	56,356	56,356	3,325	6,618	23,482	(16,864)	-72%	56,356
Total Capital Expenditure		126,016	249,473	249,473	13,980	32,121	103,947	(71,826)	-69%	249,473
Capital Expenditure - Functional Classification										
Governance and administration		14,586	19,500	19,500	400	896	8,125	(7,229)	-89%	19,500
Executive and council		14,586	19,500	19,500	400	896	8,125	(7,229)	-89%	19,500
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		44,387	50,000	44,057	934	9,875	19,513	(9,638)	-49%	44,057
Planning and development		8,996	10,000	4,057	-	-	2,846	(2,846)	-100%	4,057
Road transport		35,392	40,000	40,000	934	9,875	16,667	(6,792)	-41%	40,000
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		67,042	179,973	185,916	12,645	21,350	76,309	(54,959)	-72%	185,916
Energy sources		36,862	54,026	54,026	4,101	7,151	22,511	(15,359)	-68%	54,026
Water management		9,645	125,947	125,947	7,807	10,430	52,478	(42,048)	-80%	125,947
Waste water management		20,535	-	5,943	737	3,769	1,321	2,449	185%	5,943
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	126,016	249,473	249,473	13,980	32,121	103,947	(71,826)	-69%	249,473
Funded by:										
National Government		96,392	214,233	214,233	11,765	27,110	89,264	(62,154)	-70%	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)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		96,392	214,233	214,233	11,765	27,110	89,264	(62,154)	-70%	214,233
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		29,624	35,240	35,240	2,215	5,011	14,683	(9,672)	-66%	35,240
Total Capital Funding		126,016	249,473	249,473	13,980	32,121	103,947	(71,826)	-69%	249,473

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		109,536	174,327	174,327	95,905	174,327
Trade and other receivables from exchange transactions		1,093,008	734,354	734,354	1,317,366	734,354
Receivables from non-exchange transactions		876,734	2,173,122	2,173,122	967,076	2,173,122
Current portion of non-current receivables		-	-	-	-	-
Inventory		82,694	27,461	27,461	85,796	27,461
VAT		142,434	362,625	362,625	163,751	362,625
Other current assets		1	126	126	69	126
Total current assets		2,304,408	3,472,014	3,472,014	2,629,962	3,472,014
Non current assets						
Investments						
Investment property		212,356	223,856	217,913	213,251	217,913
Property, plant and equipment		2,023,360	2,190,939	2,196,882	2,054,585	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		-	-	-	-	-
Total non current assets		2,265,500	2,466,074	2,466,074	2,297,621	2,466,074
TOTAL ASSETS		4,569,908	5,938,089	5,938,089	4,927,583	5,938,089
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		45,776	49,391	49,391	46,960	49,391
Trade and other payables from exchange transactions		1,293,730	937,683	937,683	1,352,131	937,683
Trade and other payables from non-exchange transactions		7,233	-	-	39,044	-
Provision		-	-	-	788	-
VAT		111,227	70,327	70,327	163,839	70,327
Other current liabilities		-	94,029	94,029	-	94,029
Total current liabilities		1,457,966	1,151,431	1,151,431	1,602,763	1,151,431
Non current liabilities						
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		-	-	-	-	-
Total non current liabilities		416,743	443,824	443,824	416,743	443,824
TOTAL LIABILITIES		1,874,708	1,595,254	1,595,254	2,019,505	1,595,254
NET ASSETS	2	2,695,200	4,342,835	4,342,835	2,908,077	4,342,835
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,630,346	4,261,958	4,261,958	2,844,011	4,261,958
Reserves and funds		64,066	80,876	80,876	64,066	80,876
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,694,412	4,342,835	4,342,835	2,908,077	4,342,835

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M05 November

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
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		453,721	543,052	543,052	34,194	213,517	226,272	(12,755)	-6%	543,052
Service charges		1,024,096	1,354,795	1,354,795	93,298	465,863	564,498	(98,635)	-17%	1,354,795
Other revenue		724,269	79,844	79,844	36,725	262,163	33,268	228,895	688%	79,844
Transfers and Subsidies - Operational		100,622	281,921	281,921	5,278	122,254	117,467	4,787	4%	281,921
Transfers and Subsidies - Capital		113,738	214,233	214,233	10,000	48,200	89,264	(41,064)	-46%	214,233
Interest		567	-	-	213	2,312	-	2,312	#DIV/0!	-
Dividends										
Payments										
Suppliers and employees		(3,355,326)	(2,215,507)	(2,215,507)	(202,504)	(1,091,467)	(923,128)	168,340	-18%	(2,215,507)
Interest		(2,401)	(19,495)	(19,495)	-	2,401	(8,123)	(10,524)	130%	(19,495)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(940,714)	238,844	238,844	(22,795)	25,243	99,518	74,275	75%	238,844
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	1,059	-	1,059	#DIV/0!	-
Decrease (increase) in non-current receivables		-	35,716	35,716	-	-	14,882	(14,882)	-100%	35,716
Decrease (increase) in non-current investments										
Payments										
Capital assets		(126,016)	(249,473)	(249,473)	(13,980)	(32,121)	(103,947)	(71,826)	69%	(249,473)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(126,016)	(213,757)	(213,757)	(13,980)	(31,062)	(89,065)	(58,004)	65%	(213,757)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	-	-	497	966	-	966	#DIV/0!	-
Payments										
Repayment of borrowing		-	(13,351)	(13,351)	-	-	(5,563)	(5,563)	100%	(13,351)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(13,351)	(13,351)	497	966	(5,563)	(6,529)	117%	(13,351)
NET INCREASE/ (DECREASE) IN CASH HELD		(1,066,730)	11,736	11,736	(36,278)	(4,852)	4,890			11,736
Cash/cash equivalents at beginning:		197,591	198,307	198,307	138,852	109,536	198,307			109,536
Cash/cash equivalents at month/year end:		(869,139)	210,043	210,043		104,684	203,197			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 are some system errors that must be resolved so that the monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also slightly overstated.

As per C6, the Cash and cash equivalents is R95,905 million as per the Cash book balance.

17. Municipal Manager's quality certification

Quality Certificate

I, KA Bogacwi, the acting 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. KA Bogacwi

Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: 

Date: 13/12/2023