



***MONTHLY BUDGET STATEMENT:  
S71 MONTHLY REPORT: MARCH 2024***

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

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**Due date: 15 April 2024**

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

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

## PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

**DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 31 MARCH 2024**

### 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 an amount of R62,479 million on current account excluding interest amounting to R62,479 million on 28 March 2024. 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 November 2023 invoices are unpaid. The municipality was not in a position to settle the February 2024 current account of R36,046 million in full on 1 April 2024, as per the due date. DWS overbilled the Municipality and this has been corrected on the March 2024 account, amount due for March 2024 is R5,194 million. The municipality had insufficient cash to settle the debt instalment on or before 5 April 2024.

The municipality's Debt Relief application to National Treasury was approved, effective 1 October 2023. The municipality had an engagement with ESKOM on 29 November 2023, to settle the debt accrued after March 2023, amounting to R163 million. A repayment proposal was submitted to ESKOM 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

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- 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 R3,730,832 billion, of which 90% of the debt is owed in excess of 90 days. Of the total debt, R752 million is owed by government, R627 million by business and R2.3 billion by households. 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 be 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 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 provided for a Credit Control, Indigent Assistance Awareness and Account Payment Campaign. We believed that this campaign would 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 also aimed at educating 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 introduced 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 **31 March 2024**, the ten working day reporting limit expires on **15 April 2024**. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings" which must be submitted before or on **15 April 2024**, (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 March 2024	YTD Actual March 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,071,327	2,173,292	101,964	104.9%	4.9%
Total Revenue (including capital transfers and contributions)	2,232,666	2,244,695	12,028	100.5%	0.5%
Total Operational Expenditure	2,056,253	1,881,022	(175,231)	91.5%	-8.5%

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

As indicated in Table 1 above, as at 31 March 2024, the billed revenue excluding capital grants amounted to R2,173,292 billion which resulted in a satisfactory variance of 4.9% when compared to the YTD Budget of R2,071,327 billion. The billed revenue including capital grants amounted to R2,244,695 billion, resulting in a satisfactory variance of 0.5% when compared to the YTD budget of R2,232,666 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 amounted to R1,881,022 billion versus the YTD Budget of R2,056,253 billion, resulting in a satisfactory variance of minus 8.5%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Adjusted Budget					
Description R thousand	Adjusted Budget	YTD Actual March 2024	Variance Favourable (Unfavourable)	% YTD Actual vs Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75.00%
Total Revenue (excluding capital transfers and contributions)	2,798,666	2,173,292	1,940,069	77.7%	2.7%
Total Revenue (including capital transfers and contributions)	3,014,560	2,244,695	1,993,482	74.5%	-0.5%
Total Operational Expenditure	2,782,911	1,881,022	1,649,113	67.6%	-7.4%

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

Indicated in Table 2 above is the YTD actual compared to the Adjusted Budget. When calculating the ideal In-Year-Monitoring percentage of 75.00% [calculated as follow: (100/12 months x 8 months of the year)] as at the end of March 2024, the Total operational revenue excluding capital grants versus the Adjusted Budget resulted in a satisfactory variance of 2.7%. The Total operational revenue including capital grants versus the Adjusted Budget resulted in a satisfactory variance of minus 0.5%. The Total Operational Expenditure resulted in a satisfactory variance of minus 7.4%.

**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. For the Adjusted budgets, these were all divided by the remaining 5 months of the year. This is distorting some of the variances.** 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

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - March 2024										
Description	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Budget Variance IYM
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	995,202	84,051	655,280	760,286	86.2%	(105,006)	-13.8%	65.8%	(91,121)	-9.2%
Service charges - Water	300,114	29,061	222,774	234,535	95.0%	(11,761)	-5.0%	74.2%	(2,311)	-0.8%
Service charges - Waste Water Management	89,858	8,155	72,397	67,394	107.4%	5,003	7.4%	80.6%	5,003	5.6%
Service charges - Waste management	65,412	6,544	57,777	49,059	117.8%	8,718	17.8%	88.3%	8,718	13.3%
Sale of Goods and Rendering of Services	17,379	903	14,081	12,405	113.5%	1,676	13.5%	81.0%	1,046	6.0%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	250,400	21,778	190,881	159,268	119.8%	31,613	19.8%	76.2%	3,081	1.2%
Interest from Current and Non Current Assets	9,500	1,115	8,956	6,250	143.3%	2,706	43.3%	94.3%	1,831	19.3%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	28,130	2,055	20,901	20,677	101.1%	224	1.1%	74.3%	(196)	-0.7%
Licence and permits	1,200	26	490	900	54.5%	(410)	-45.5%	40.8%	(410)	-34.2%
Operational Revenue	3,134	371	3,631	2,351	154.5%	1,280	54.5%	115.8%	1,280	40.8%
<b>Non-Exchange Revenue</b>										
Property rates	660,893	45,384	546,188	495,670	110.2%	50,518	10.2%	82.6%	50,518	7.6%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	37,910	572	27,909	25,895	107.8%	2,014	7.8%	73.6%	(524)	-1.4%
Licence and permits	6,150	779	5,902	4,612	127.9%	1,289	27.9%	96.0%	1,289	21.0%
Transfers and subsidies - Operational	287,603	66,026	266,308	213,714	124.6%	52,595	24.6%	92.6%	50,606	17.6%
Interest	-	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	44,680	47,523	78,745	17,872	440.6%	60,873	340.6%	176.2%	45,235	101.2%
Gains on disposal of Assets	1,100	-	1,059	440	240.8%	619	140.8%	96.3%	234	21.3%
Other Gains	-	-	11	-	-	11	-	-	11	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,798,666</b>	<b>314,344</b>	<b>2,173,292</b>	<b>2,071,327</b>	<b>104.9%</b>	<b>101,964</b>	<b>4.9%</b>	<b>77.7%</b>	<b>74,292</b>	<b>2.7%</b>
Transfers and subsidies - capital	215,894	18,520	71,403	161,339	44.3%	(89,936)	-55.7%	33.1%	(90,517)	-41.9%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>3,014,560</b>	<b>332,864</b>	<b>2,244,695</b>	<b>2,232,666</b>	<b>100.5%</b>	<b>12,028</b>	<b>0.5%</b>	<b>74.5%</b>	<b>(16,225)</b>	<b>-0.5%</b>

Table 3: Table C4 Financial Performance (Revenue)

### Comparison against the YTD Budget

#### Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 13.8%. Service charges Water is showing an under-recovery of minus 5%. The downward adjustment during the Adjustment budget is only factored in for remaining 5 months of the year, resulting in a slightly distorted variance. 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 is showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is overstated by 18.99%, as a result of advance receipts on the approval of buildings plan to the tune of R5,444 million. Cemetery and burial fees is also performing well at 89.77% achievement versus the budget, whilst Entrance fees for example Sport grounds and stadiums, community halls and swimming pools are also showing positive results with an overall percentage of 116.53%. Income from the Market is also at 103.12% against the budget.
- ❖ Interest earned from Receivables is showing a positive variance of 19.8% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate. This was

adjusted upwards, but the same applies in respect of the phase in over the last 5 months of the year.

- ❖ Interest from Current and Non-current Assets shows a positive variance of 43.3%. The municipality is improving on its cash and investment management and regularly to invest as much as possible of funds not immediately needed for operations. The municipality is also investing capital grants already received. The bulk of the interest earned will be recognised as part of the year-end procedures.
- ❖ Licences and permits are showing a negative variance of 45.5%, 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 54.5%, 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 10.2%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of 7.8%, as a result on an over-recovery on Penalties: Disconnection Fees.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 24.6%. The percentage is still slightly higher due to the receipt of the second tranche of the Equitable Share.
- ❖ Operational Revenue is showing a positive variance of 340.6%. The budget was corrected during the Adjustment budget, however this is only projected for the remaining 5 months of the year, thus resulting in the distorted percentage.
- ❖ Gains on disposal of assets, predominantly pertains to the sale of land. The budget was corrected during the Adjustment budget however, this is only projected for the remaining 5 months of the year, thus resulting in the distorted percentage. Other Gains must be investigated.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 55.7% 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 Adjusted Budget**

Based on the IYM percentage of 75.00%, the majority of revenue sources are performing satisfactorily.

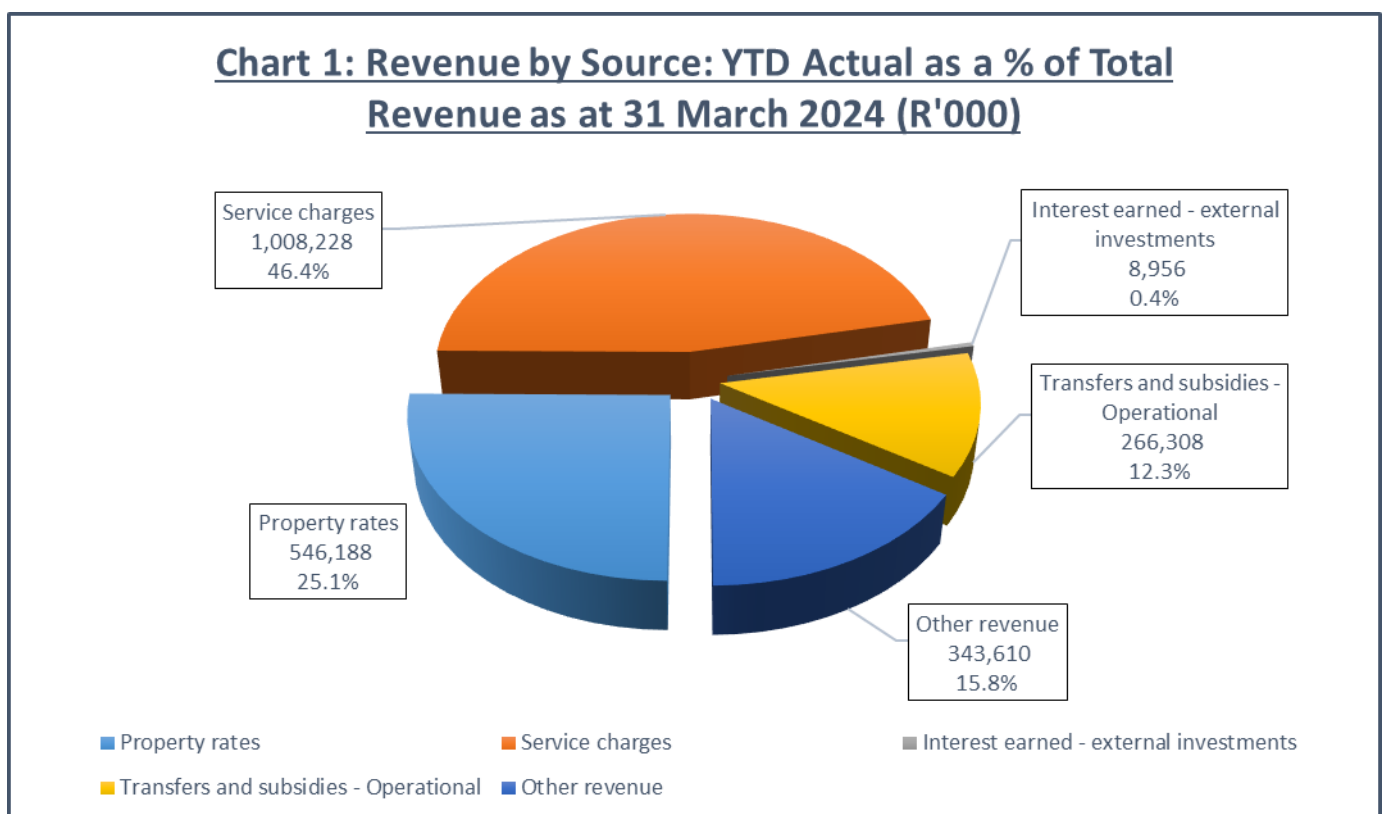
### **Exchange Revenue**

- ❖ Service charges against the Adjusted budget is generally showing satisfactory performance, with Service charges Waste water management and Waste management is showing an over-recovery.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 1.2%.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 19.3%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 34.2%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 40.8%. Same factors are applicable as described in the paragraph above.

## Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 7.6%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of minus 1.4%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 17.6% as a result the receipt of the second tranche of the Equitable Share.
- ❖ Operational Revenue is showing a positive variance of 101.2%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets, predominantly pertains to the sale of land, whilst Other Gains will be investigated.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 41.9%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 March 2024. The main contributors of the municipality's revenue are Service Charges (46.4%), Property Rates (25.1%) and Transfers and subsidies (12.3%). The contribution per Revenue source is still slightly distorted, as a result of the annual billing of Property rates and the receipt of the second tranche of the Equitable Share.



**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) - March 2024										
Description	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Budget Variance 1YM % - 75%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	910,366	72,296	654,112	672,722	97.2%	(18,611)	-2.8%	71.9%	(28,663)	-3.1%
Remuneration of councillors	35,559	2,859	26,546	26,669	99.5%	(123)	-0.5%	74.7%	(123)	-0.3%
Bulk purchases - electricity	790,100	11,144	540,763	590,790	91.5%	(50,027)	-8.5%	68.4%	(51,812)	-6.6%
Inventory consumed	336,955	29,464	217,277	242,992	89.4%	(25,715)	-10.6%	64.5%	(35,440)	-10.5%
Debt impairment	317,500	-	238,125	238,125	100.0%	(0)	0.0%	75.0%	-	0.0%
Depreciation and amortisation	86,650	-	-	64,988	0.0%	(64,988)	-100.0%	0.0%	(64,988)	-75.0%
Interest	20,055	1	10,008	14,845	67.4%	(4,837)	-32.6%	49.9%	(5,033)	-25.1%
Contracted services	56,913	2,083	33,610	39,605	84.9%	(5,995)	-15.1%	59.1%	(9,075)	-15.9%
Transfers and subsidies	3,560	-	2,422	3,020	80.2%	(598)	-19.8%	68.0%	(248)	-7.0%
Irrecoverable debts written off	-	-	1	-		1			1	
Operational costs	159,253	16,439	130,275	114,677	113.6%	15,597	13.6%	81.8%	10,835	6.8%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	66,000	-	27,885	47,820	58.3%	(19,936)	-41.7%	42.2%	(21,615)	-32.8%
<b>Total Expenditure</b>	<b>2,782,911</b>	<b>134,287</b>	<b>1,881,022</b>	<b>2,056,253</b>	<b>91.5%</b>	<b>(175,231)</b>	<b>-8.5%</b>	<b>67.6%</b>	<b>(206,161)</b>	<b>-7.4%</b>

Table 4: Table C4 Financial Performance (Expenditure)

### Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 March 2024 current YTD expenditure shows a satisfactory variance of minus 8.5%. The YTD actual amounted to R1,881,022 billion against the YTD Budget of R2,056,253.

- ❖ Employee related costs shows a satisfactory variance of minus 2.8%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 0.5%.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 8.5%. It should be noted that currently Interest on overdue accounts is included in this line item. The actual will be corrected, however the municipality did not budget for Interest on overdue accounts for bulk electricity due to municipal debt relief. An amount of R43 million has been reversed for the current year.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 10.6%. 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 crisis's 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 31 March 2024 (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 75%
<b>☒ VOTE 1 - COUNCILLORS AND ADMIN</b>	<b>286,000</b>	<b>286,000</b>	<b>11,622</b>	<b>114,874</b>	<b>40.17%</b>	<b>40.17%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	118,000	124,000	11,022	60,645	51.39%	48.91%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	166,000	160,000	600	54,228	32.67%	33.89%	UNSATISFACTORY
<b>☒ VOTE 2 - MUNICIPAL AND GENERAL</b>	<b>30,576,000</b>	<b>24,092,000</b>	<b>1,752,799</b>	<b>24,278,363</b>	<b>79.40%</b>	<b>100.77%</b>	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	670,000	670,000	97,382	315,592	47.10%	47.10%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	250,000	244,000	17,379	168,568	67.43%	69.09%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	6,000	-	5,102	#DIV/0!	85.03%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,656,000	23,172,000	1,638,038	23,789,101	80.22%	102.66%	OVERSPENT
<b>☒ VOTE 3 - MUNICIPAL MANAGER</b>	<b>138,000</b>	<b>138,000</b>	<b>2,113</b>	<b>85,454</b>	<b>61.92%</b>	<b>61.92%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	120,000	122,000	2,113	73,783	61.49%	60.48%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	16,000	-	11,671	64.84%	72.94%	SATISFACTORY
<b>☒ VOTE 4 - CORPORATE SERVICES</b>	<b>10,645,730</b>	<b>2,645,730</b>	<b>151,066</b>	<b>1,590,625</b>	<b>14.94%</b>	<b>60.12%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	867,000	921,000	61,318	629,626	72.62%	68.36%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	260,000	242,000	12,743	216,220	83.16%	89.35%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	340,730	645,230	35,717	468,552	137.51%	72.62%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,178,000	837,500	41,288	276,228	3.01%	32.98%	UNSATISFACTORY
<b>☒ VOTE 5 - COMMUNITY SERVICES</b>	<b>34,528,500</b>	<b>44,290,115</b>	<b>2,547,398</b>	<b>19,798,840</b>	<b>57.34%</b>	<b>44.70%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,008,500	1,127,800	59,207	660,165	65.46%	58.54%	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	225,000	26,964	185,816	95.29%	82.59%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	965,000	1,109,000	53,813	688,360	71.33%	62.07%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	7,457,000	8,435,000	734,844	6,079,108	81.52%	72.07%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	953,000	318,000	23,015	204,542	21.46%	64.32%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,892,000	33,017,315	1,649,556	11,979,294	50.14%	36.28%	UNSATISFACTORY
<b>☒ VOTE 6 - FINANCIAL SERVICES</b>	<b>2,399,000</b>	<b>2,354,000</b>	<b>80,277</b>	<b>1,381,049</b>	<b>57.57%</b>	<b>58.67%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,270,000	1,258,000	43,257	855,960	67.40%	68.04%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	159,000	164,000	10,740	119,019	74.85%	72.57%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	172,000	172,000	9,471	107,158	62.30%	62.30%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	798,000	760,000	16,809	298,912	37.46%	39.33%	UNSATISFACTORY
<b>☒ VOTE 7 - STRATEGY &amp; ECONOMIC DEVELOPMENT</b>	<b>6,430,000</b>	<b>8,930,000</b>	<b>730,579</b>	<b>4,625,024</b>	<b>71.93%</b>	<b>51.79%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	464,000	508,000	53,692	191,987	41.38%	37.79%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	68,000	3,780	34,294	56.22%	50.43%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	362,000	297,000	46,071	265,810	73.43%	89.50%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	6,000	75,000	1,014	7,503	125.05%	10.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,537,000	7,982,000	626,022	4,125,429	74.51%	51.68%	UNSATISFACTORY
<b>☒ VOTE 8 - INFRASTRUCTURE SERVICES</b>	<b>220,896,654</b>	<b>254,219,654</b>	<b>24,188,600</b>	<b>165,402,508</b>	<b>74.88%</b>	<b>65.06%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	677,000	647,000	25,925	380,412	56.19%	58.80%	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	26,650,000	70,180	11,381,108	83.32%	42.71%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	721,000	762,000	12,842	699,058	96.96%	91.74%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,650,000	9,128,000	722,768	6,979,939	104.96%	76.47%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	360,000	578,000	50,762	419,025	116.40%	72.50%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	137,626,654	152,052,654	11,354,291	78,311,675	56.90%	51.50%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	64,400,000	11,951,831	67,231,290	109.86%	104.40%	OVERSPENT
<b>Grand Total</b>	<b>305,899,884</b>	<b>336,955,499</b>	<b>29,464,454</b>	<b>217,276,736</b>	<b>71.03%</b>	<b>64.48%</b>	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type



R&M Expenditure per Service per Inventory Type as at 31 March 2024 (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 IVM % of 75%
<b>2480 - REFUSE</b>	<b>20,731,000</b>	<b>19,751,000</b>	<b>1,251,174</b>	<b>10,803,401</b>	<b>52.11%</b>	<b>54.70%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	71,000	71,000	-	43,815	61.71%	61.71%	UNSATISFACTORY
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	5,750,000	404,561	4,279,880	85.60%	74.43%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	750,000	-	-	-	0.00%	#DIV/0!	#DIV/0!
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	13,720,000	846,613	6,466,066	43.99%	47.13%	UNSATISFACTORY
<b>2830 - ROADS</b>	<b>46,038,000</b>	<b>42,438,000</b>	<b>5,602,144</b>	<b>29,365,209</b>	<b>63.78%</b>	<b>69.20%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	50,000	60,000	-	53,223	106.45%	88.71%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	54,000	44,000	-	59,677	110.51%	135.63%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	45,934,000	42,334,000	5,602,144	29,252,308	63.68%	69.10%	UNSATISFACTORY
<b>2840 - HOUSING</b>	<b>3,497,000</b>	<b>3,497,000</b>	<b>165,063</b>	<b>1,819,407</b>	<b>52.03%</b>	<b>52.03%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	98,000	128,000	4,908	104,559	106.69%	81.69%	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	-	123,719	98.98%	98.98%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	150,000	150,000	5,938	61,865	41.24%	41.24%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,123,000	3,093,000	154,217	1,529,265	48.97%	49.44%	UNSATISFACTORY
<b>2850 - SEWERAGE</b>	<b>20,739,000</b>	<b>30,039,000</b>	<b>1,495,422</b>	<b>13,271,339</b>	<b>63.99%</b>	<b>44.18%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	45,000	45,000	2,896	17,738	39.42%	39.42%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	150,000	140,000	-	92,969	61.98%	66.41%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	239,000	258,000	3,480	247,364	103.50%	95.88%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,700,000	2,680,000	218,843	2,053,317	120.78%	76.62%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	70,000	-	59,330	59.33%	84.76%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,505,000	26,846,000	1,270,203	10,800,622	58.37%	40.23%	UNSATISFACTORY
<b>2860 - WATER</b>	<b>105,314,000</b>	<b>130,737,000</b>	<b>13,481,678</b>	<b>101,556,769</b>	<b>96.43%</b>	<b>77.68%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	95,000	80,000	4,552	48,327	50.87%	60.41%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,510,000	26,510,000	70,180	11,288,140	83.55%	42.58%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	105,000	122,000	-	103,973	99.02%	85.22%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,600,000	2,248,000	198,531	1,701,735	106.36%	75.70%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	260,000	508,000	50,762	359,695	138.34%	70.81%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	28,544,000	36,869,000	1,205,821	20,823,609	72.95%	56.48%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	64,400,000	11,951,831	67,231,290	109.86%	104.40%	OVERSPENT
<b>2880 - ELECTRICITY</b>	<b>49,461,000</b>	<b>50,961,000</b>	<b>3,017,919</b>	<b>20,270,602</b>	<b>40.98%</b>	<b>39.78%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	194,000	184,000	4,964	69,095	35.62%	37.55%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	81,000	-	72,544	102.18%	89.56%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	49,195,000	50,695,000	3,012,956	20,128,963	40.92%	39.71%	UNSATISFACTORY
<b>Grand Total</b>	<b>245,780,000</b>	<b>277,423,000</b>	<b>25,013,400</b>	<b>177,086,727</b>	<b>72.05%</b>	<b>63.83%</b>	UNSATISFACTORY

Table 4.2 R&M Expenditure per Service per inventory type

- ❖ Debt impairment will be provided for on a quarterly basis.
- ❖ 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. This is something that will be resolved as soon as possible based on the strict recommendation from National Treasury during the 2023/24 Mid-year Engagement.
- ❖ Interest is showing an unsatisfactory variance of minus 32.6%, due to the Interest on External borrowing being paid bi-annually and the first instalment for the current financial year was paid during December 2023. The next instalment is due at end of June 2024. 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. Interest on overdue accounts for ESKOM was not factored into the Adjustment budget, due to the municipal debt relief. A corrective journal will be processed. Minor interest charges on overdue accounts was handled through a budget virement on the system, until it was 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 minus 15.1%.
- ❖ Transfers and subsidies showing negative variance of minus 19.8%, due to Other grants showing minimal movement due to cash flow constraints.
- ❖ Operational cost is showing an unsatisfactory variance of 13.6% 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



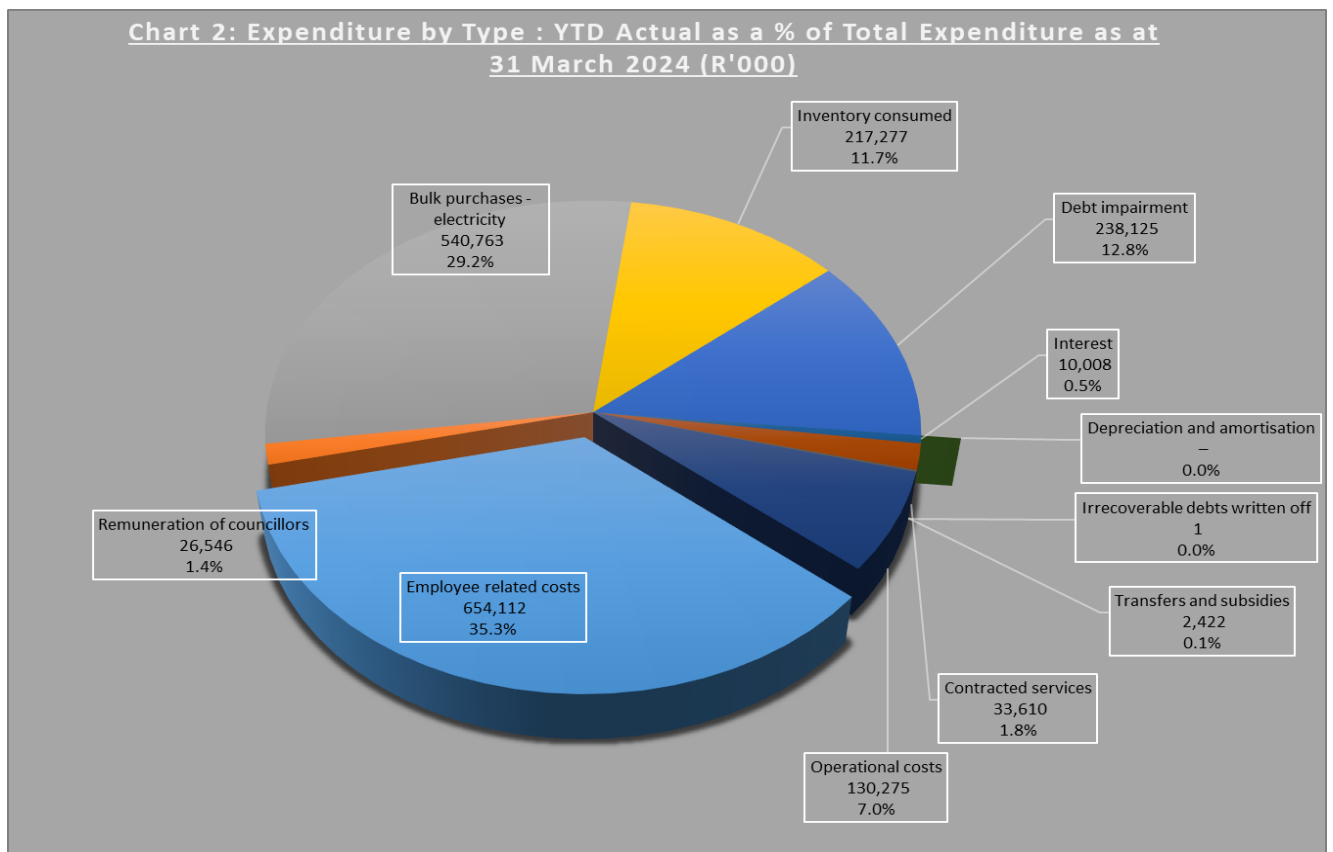
R29,707 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.

- Costs incurred of R4,612 million on OC: Ext Com Serv Prov - S/Ware Licences, for predominantly annual software license fees.
  - Cost incurred of R9,483 million on OC: Professional Bodies M/Ship & Subs, for predominantly annual SALGA membership fees.
  - OC: Audit Cost: External incurred of R7,641 million.
- ❖ Other Losses is showing a variance of minus 41.7%. 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 January 2024, February 2024 and March 2024 must still be processed on the system.

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

Indicated in Table 4 above, is the YTD actual compared to the Adjusted Budget. The ideal In-Year-Monitoring percentage as at the end of March 2024 is 75.00%. The total operational expenditure against the Adjusted budget is 67.6% spent, resulting in a satisfactory variance of minus 7.4%.

- ❖ Employee related costs shows a satisfactory variance of minus 3.1%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 0.3%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 6.6%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 10.5%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a variance of 0%. Debt impairment will be provided for on a quarterly basis.
- ❖ 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 an unsatisfactory variance of minus 25.1%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is satisfactory at minus 15.9%, when compared to the Adjusted budget.
- ❖ Transfers and subsidies show a satisfactory variance of minus 7%. Same factors are applicable as explained above.
- ❖ Operational cost is showing an unsatisfactory variance of 6.8%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 32.8%. Same factors are applicable as explained above.



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

Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 March 2024. The main cost drivers of the municipality are Employee Related Costs (35.3%), Bulk Purchases – Electricity (29.2%) and Debt Impairment (12.8%) and Inventory consumed (11.7%).

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 the long-term borrowing is paid bi-annually in December and June of each year.

### **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 75.00% as at end of March 2024, Bulk Purchases Electricity is showing a satisfactory variance of minus 6.56%. It should be noted that for the interim interest on overdue accounts is included under this line item, no provision was made for Interest on overdue accounts during the Adjustment budget, due to the municipality partaking in the municipal debt relief. The Monthly actual will have to be investigated, might be a possible capturing error.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75%
BULK PURCHASES: ELECTRICITY	790,100,000	11,144,422	540,762,721	68.44%	-6.56%
<b>Total</b>	<b>790,100,000</b>	<b>11,144,422</b>	<b>540,762,721</b>	<b>68.44%</b>	<b>-6.56%</b>

**Table 5.1: Summary of YTD Bulk Electricity expenditure**

❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing a satisfactory variance of minus 2.1%, when compared to the ideal percentage of 75.00%. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between

Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals pertaining to Water inventory and losses was processed on the system. The actuals are overstated as a result of the water consumption factored in automatically from the billing side. The actual split between water inventory and losses will have to be corrected accordingly, so that it aligns to the actual bulk water purchased.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75%
INVENTORY - WATER	64,400,000	11,951,831	67,231,290	104.4%	29.4%
NON-REVENUE WATER LOSSES	66,000,000	-	27,873,202	42.2%	-32.8%
<b>Total</b>	<b>130,400,000</b>	<b>11,951,831</b>	<b>95,104,491</b>	<b>72.9%</b>	<b>-2.1%</b>

Table 5.2: Summary of YTD Bulk Water expenditure

### Outstanding debt: ESKOM and DWS

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Payments (2023/24)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2023/24
<b>2021/22</b>	<b>523,811</b>	<b>-</b>		<b>523,811</b>	<b>523,811</b>	<b>-</b>
Oct-21	51,028	-		51,028	51,028	-
Nov-21	50,813	-		50,813	50,813	-
Dec-21	51,379	-		51,379	51,379	-
Jan-22	53,401	-		53,401	53,401	-
Feb-22	51,445	-		51,445	51,445	-
Mar-22	54,652	-		54,652	54,652	-
Apr-22	51,835	-		51,835	51,835	-
May-22	57,826	-		57,826	57,826	-
Jun-22	101,431	-		101,431	101,431	-
<b>2022/23</b>	<b>389,602</b>	<b>103,242</b>	<b>(37,482)</b>	<b>248,878</b>	<b>248,878</b>	<b>-</b>
Dec-22	48,088	-		48,088	48,088	-
Jan-23	59,491	-		59,491	59,491	-
Feb-23	56,821	-	(9,504)	47,317	47,317	-
Apr-23	45,106	-	(7,923)	37,183	37,183	-
May-23	65,831	-	(9,033)	56,798	56,798	-
Jun-23	114,264	103,242	(11,022)	-	-	-
<b>2023/24</b>	<b>733,672</b>	<b>488,457</b>	<b>(43,756)</b>	<b>201,459</b>	<b>135,148</b>	<b>62,975</b>
Jul-23	131,032	76,662	(8,736)	45,634	45,634	8,736
Aug-23	123,594	70,000	(10,784)	42,810	42,810	10,784
Sep-23	71,421	30,000	(10,598)	30,823	30,823	10,598
Oct-23	76,317	62,679	(13,638)	-	-	13,638
Nov-23	70,580	62,348	-	8,232	8,232	8,232
Dec-23	64,311	61,246	-	3,065	3,065	3,065
Jan-24	65,735	63,044	-	2,691	2,691	2,691
Feb-24	64,371	62,479	-	1,893	1,893	1,893
Mar-24	66,311		-	66,311	-	3,338
<b>Grand Total</b>	<b>1,647,085</b>	<b>591,699</b>	<b>(81,239)</b>	<b>974,148</b>	<b>907,837</b>	<b>62,975</b>

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R995,059 million. It should be noted that R81,239 million interest charges were reversed, for interest charges from March 2023 to October 2023, as part of the municipal debt relief programme. The municipality settled an amount of R62,479 million on current account excluding interest amounting to R62,479 million on 28 March 2024. The amounts paid excludes interest charges of R1,893 million that is

unpaid, in line with the MFMA Circular 124, the municipality must settle billed charges including VAT. The current account amounts to R66,311 million. The total arrear debt amounts to R974,148 million summarized as follow 2021/22 (R523,811m), 2022/23 (R248,878m) and 2023/24 (R201,459m). The total interest charged on overdue accounts from July to February 2024 amounts to R62,975 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The interest charges that were reversed for the 2023/24 financial year amounts to R43,756 million.

The total billed amount for the 2023/24 financial year amounts to R733,672 million. Total payments for the 2023/24 financial year amounts to R591,699 million of which R103,242 million relates to 2022/23 financial year and R488,457 million 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 has been doing well in settling the monthly current account 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
<b>2021/22</b>	<b>126,431</b>	<b>66,667</b>	<b>59,764</b>	<b>59,764</b>
INTEREST (APR-JUN 2022)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sep-21	15,795	15,795	–	–
Oct-21	15,275	15,275	–	–
Nov-21	14,523	14,523	–	–
Dec-21	11,108	6,000	5,108	5,108
Jan-22	17,098	–	17,098	17,098
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
<b>2022/23</b>	<b>82</b>	<b>82</b>	<b>–</b>	<b>–</b>
WRM LEVIES JUN 2023	82	82	–	–
<b>2023/24</b>	<b>150,080</b>	<b>76,466</b>	<b>73,614</b>	<b>68,419</b>
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	–	–
WRM LEVIES JUL 2023	82	82	–	–
WRM LEVIES AUG 2023	82	82	–	–
WRM LEVIES SEP 2023	82	82	–	–
Nov-23	17,070	–	17,070	17,070
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	–	36,046	36,046
Mar-24	5,194	–	5,194	–
<b>Grand Total</b>	<b>276,594</b>	<b>143,216</b>	<b>133,378</b>	<b>128,184</b>

Table 6.2: Summary of outstanding DWS debt

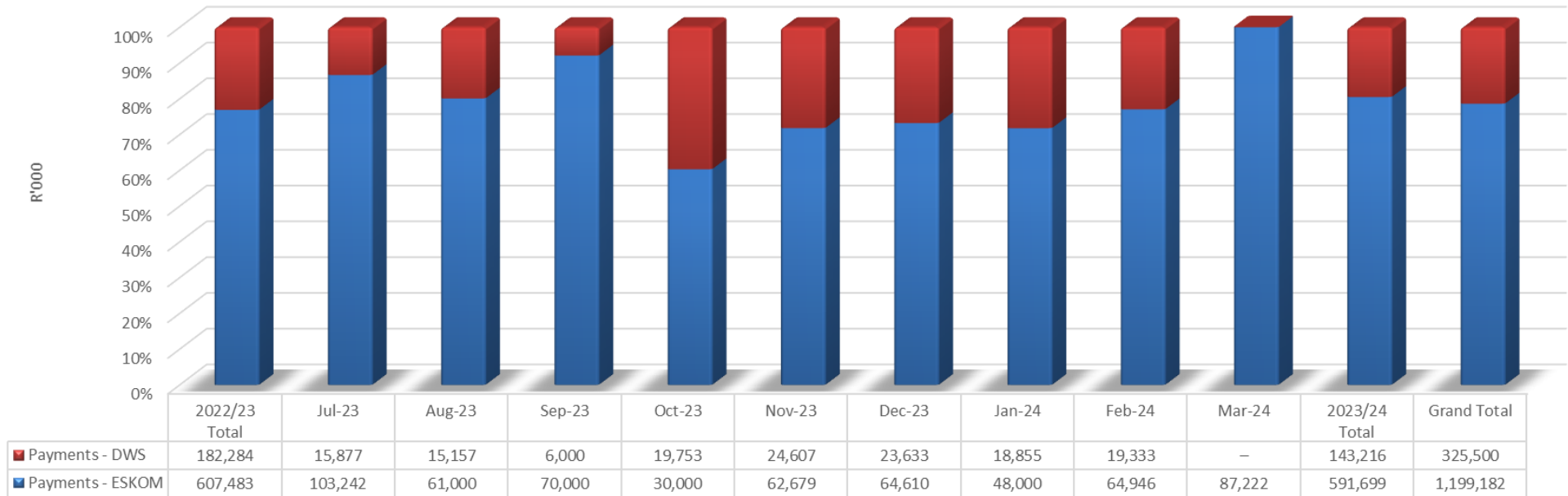
Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R133,378 million. The total current water account for March 2024 amounts to R5,194 million. This was based on the municipality's own calculation as there was a huge error in the bill for February issued by the Department. This was brought under the attention of the Department and the *Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2024*

municipality is awaiting feedback in this regard. The total debt also has to be concurred with the Department. The total arrear debt amounts to R128,184 million which pertains to outstanding invoices for 2021/22 financial year (R59,764m). This amount includes interest of R14,704 million which must still be written off by the Department, once all the arrear debt has been settled. All the invoices for the 2022/23 financial year, has been settled in full and for the 2023/24 financial year an amount of R32,373m is still unpaid.

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 on some months. All invoices for 2022/23 financial year have been settled in full. The municipality defaulted for July, September, October and November 2023. The September and October 2023 invoices were settled, however the biggest concern for the municipality is to settle the outstanding invoices for July and November 2023 as a matter of urgency.
- Settling the monthly debt instalment (municipality complied, but defaulted for February 2024, due to insufficient cash available from operations).
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.

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



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

Indicated in Chart 2.1 above, are the monthly payments made to DWS and ESKOM for 2022/23 and 2023/24 fin year as at 31 March 2024.

The total amount paid to DWS for February 2024 amounted to R19,333 million and no payments have been made in March 2024. The municipality had insufficient cash available to settle the July and November 2023 accounts in full. Payments for 2022/23 amounts to R182,284 million and payments for 2023/24 amounts to R143,216 million. The total payments amount to R325,500 million. The municipality has shown significant improvement over the financial year in terms of payments to DWS, with the average amount paid per month amounting to approximately R18,000 million.

The municipality settled an amount of R62,479 million on February 2024 account excluding interest amounting to R62,479 million on 28 March 2024. 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 R591,699 million, resulting in the total payments for both periods amounting to R1,199,182 billion. The municipality has been improving on payments made to Eskom from November 2023 to date. The high months remains a concern.



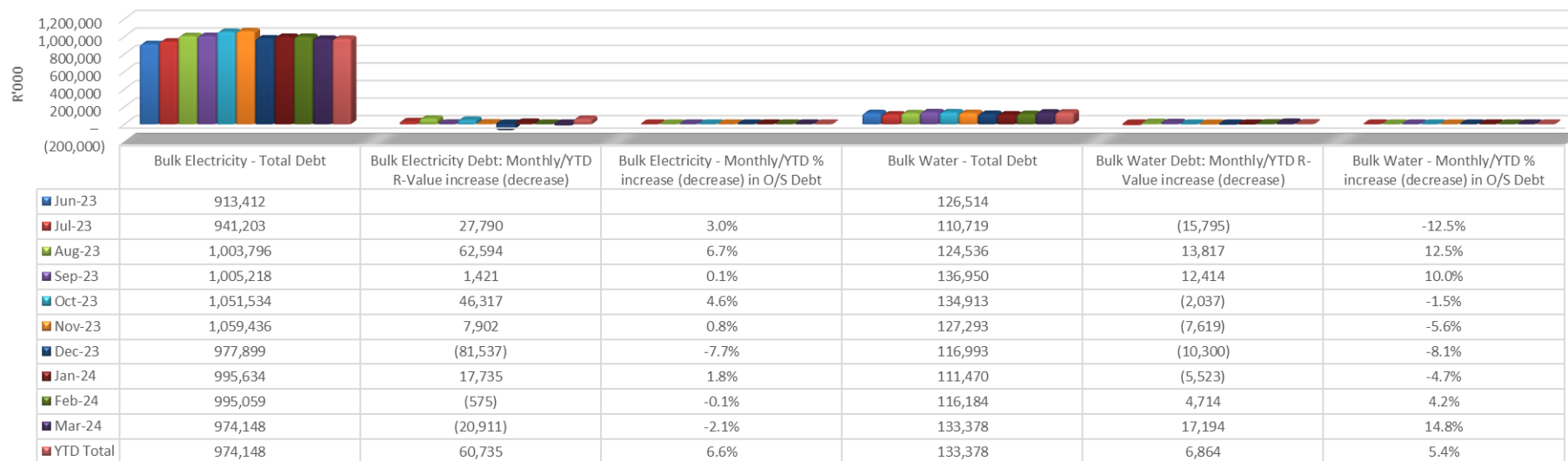
FIN YEAR PER PAYMENT DAT	Sum of VOTE AMOUNT
⊕ 2022/23	R 607,483,087.93
⊖ 2023/24	R 591,698,617.18
20230801	R 103,241,512.23
20230830	R 61,000,000.00
20230928	R 35,000,000.00
20230929	R 35,000,000.00
20231031	R 30,000,000.00
20231130	R 62,678,528.38
20231220	R 2,262,000.00
20231228	R 62,347,938.72
20240130	R 48,000,000.00
20240209	R 13,246,492.61
20240219	R 6,700,000.00
20240228	R 45,000,000.00
20240304	R 18,043,546.82
20240319	R 6,700,000.00
20240328	R 62,478,598.42
<b>Grand Total ESKO</b>	<b>R 1,199,181,705.11</b>

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
⊕ 2022/23	R 182,284,059.00
⊖ 2023/24	R 143,215,835.26
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
20231208	R 6,000,000.00
20231212	R 17,633,270.36
20240105	R 5,522,530.48
20240130	R 13,332,894.88
20240212	R 6,000,000.00
20240301	R 13,332,894.88
<b>Grand Total DWS</b>	<b>R 325,499,894.26</b>

Table 6.3: Summary of payments per payment date

Indicated in tables 6.3 above, are the payments to ESKOM and DWS per financial year and per payment date, which corresponds to Chart 2.1 above. On the 9 February 2024, an amount of R13,246 million as paid as the final payment of the December 2023 account. On the 15 March 2024, the municipality settled an amount of R6,700 million as part of the debt repayment proposal. On 28 March 2024, the municipality settled an amount of R62,479 million to ESKOM for the February 2024 account. On 12 February 2024 the municipality settled an amount of R6,000 million to DWS, as part of the debt repayment instalment and on 1 March 2024 settled an amount of R13,333 million on the January 2024 water account. No payments were made to DWS in March 2024.

**Chart 2.2: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2023 to March 2024**



**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 January 2024 to March 2024, debt owed to ESKOM decreased by R20,911 thousand or 2.1%, from R995,059 billion to R974,148 million. When comparing the total outstanding debt to June 2023, the outstanding debt increased by R60,736 million or 6.6%, from R913,412 million to R974,148 million. The total amount that was subject to the payment arrangement was R163,062 million for debt that accrued after March 2023. To date the municipality settled an amount of R8,962 million with the total current outstanding balance amounting to R154,100 million.

**DWS** - From January 2024 to March 2024, debt owed to DWS increased by R17,194 million or 14.8%, from R116,184 million to R133,378 million. When comparing the total outstanding debt to June 2023, the outstanding debt decreased by R6,864 million or 5.4% from R126,514 million to R133,378 million. The municipality has made significant strides in reducing the debt owed to DWS. The total capital debt amounted to R159,373 million, whilst the municipality settled an amount of R114,327 resulting in net outstanding balance of R45,061 million.

### 4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - March 2024

Capital expenditure	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Budget Variance IYM % - 75%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	271,284	20,185	90,443	195,829	46.18%	(105,387)	-53.8%	33.3%	(113,020)	-41.7%
Funded by										
Capital transfers recognised	191,044	11,292	66,136	151,399	43.68%	(85,264)	-56.3%	34.6%	(77,147)	-40.4%
Internally generated funds	55,390	5,893	11,703	34,490	33.9%	(22,788)	-66.1%	21.1%	(29,840)	-53.9%
Weighting Capital transfer recognised	70.4%	55.9%	73.1%	77.3%						
Weighting Internally generated funds	20.4%	29.2%	12.9%	17.6%						

Table 7: High level summary: Capital Expenditure

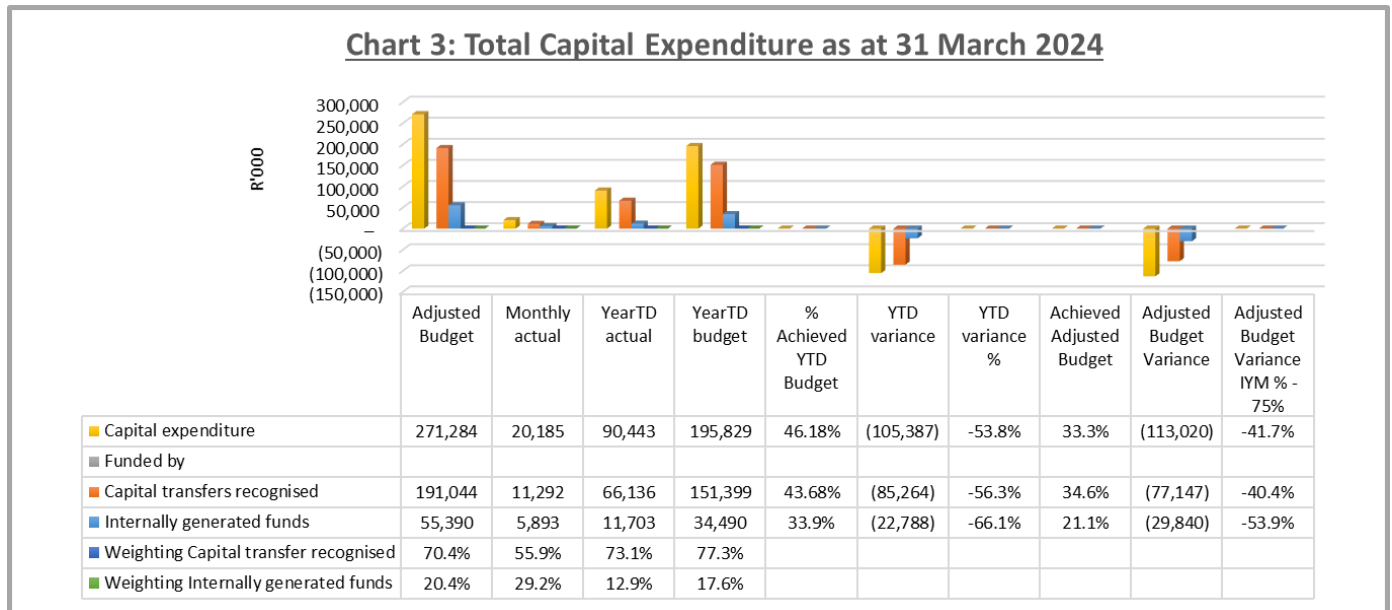
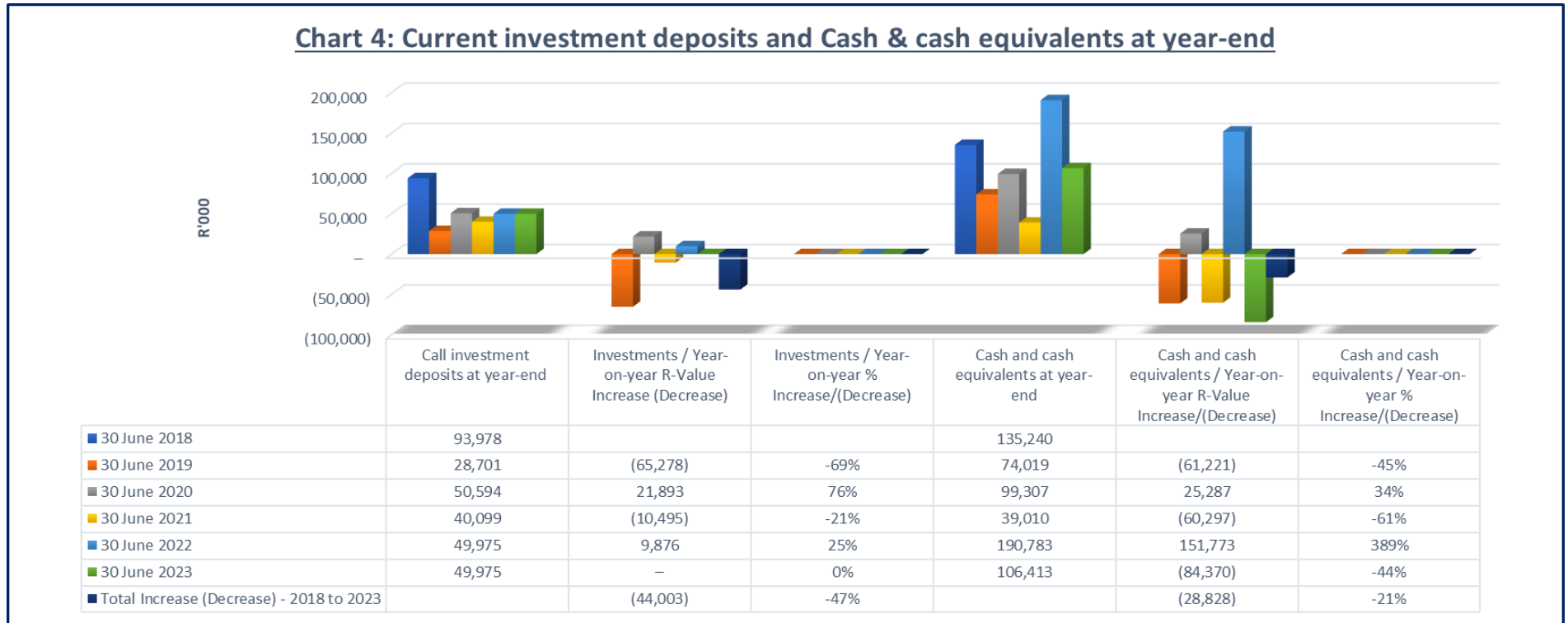


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of March 2024 amounted to R90,443 million and 46.18% spent when compared to the YTD budget of R195,829 million and 33.3% spent when compared to the Adjusted Budget of R271,284 million. The total YTD capex is funded from Capital grants R64,136 million (73.1%) and Internally generated funds R11,703 million (12.9%). Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

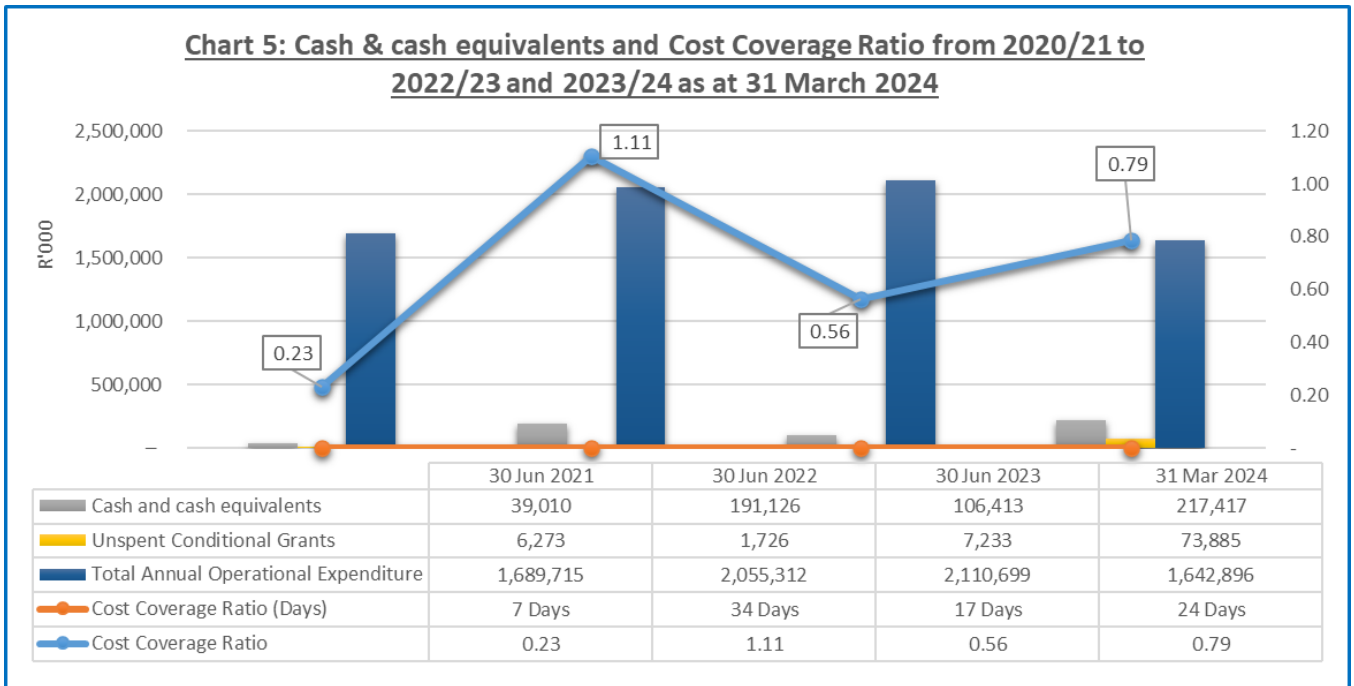
The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised.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

#### 4.4 Cash flows



**Chart 4: 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 (1.11; 34 days; R191,126m), 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 31 March 2024 is calculated at (0.79; 24 days; R217,417m).

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



## PART 2: SUPPORTING DOCUMENTATION

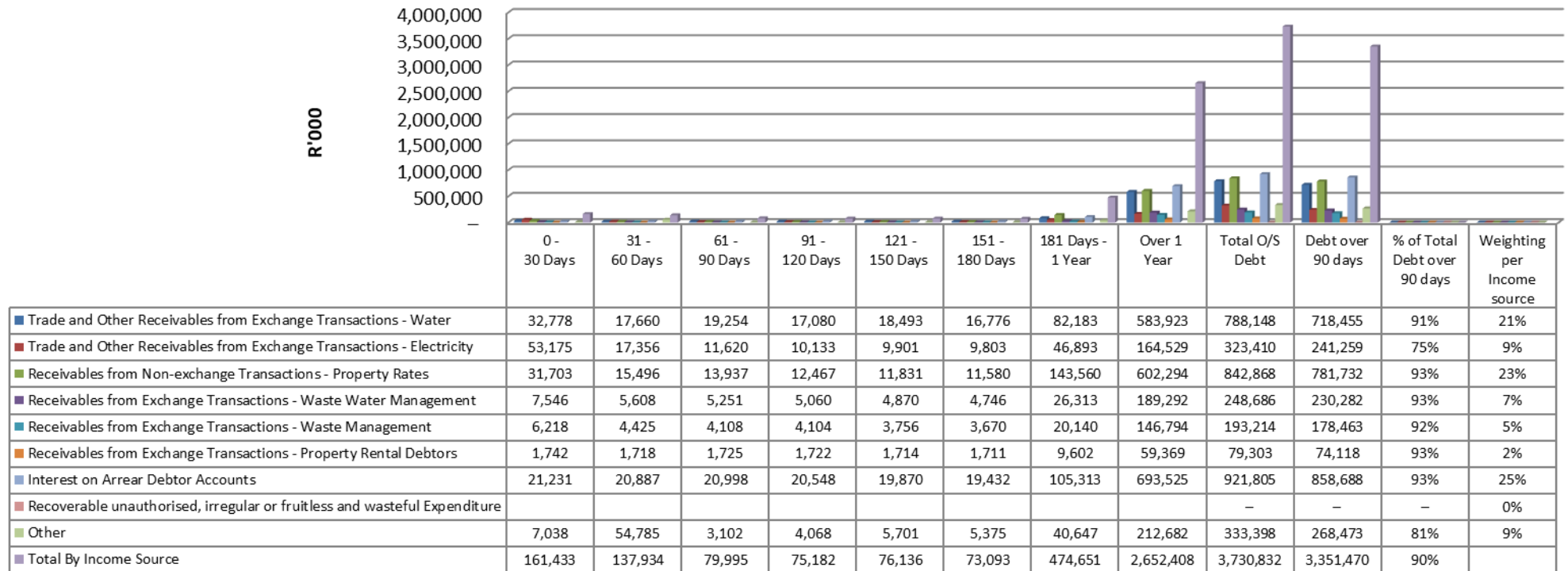
### 6. Debtors' Analysis

#### NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	32,778	17,660	19,254	17,080	18,493	16,776	82,183	583,923	788,148	718,455	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	53,175	17,356	11,620	10,133	9,901	9,803	46,893	164,529	323,410	241,259	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	31,703	15,496	13,937	12,467	11,831	11,580	143,560	602,294	842,868	781,732	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	7,546	5,608	5,251	5,060	4,870	4,746	26,313	189,292	248,686	230,282	-	-
Receivables from Exchange Transactions - Waste Management	1600	6,218	4,425	4,108	4,104	3,756	3,670	20,140	146,794	193,214	178,463	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,742	1,718	1,725	1,722	1,714	1,711	9,602	59,369	79,303	74,118	-	-
Interest on Arrear Debtors Accounts	1810	21,231	20,887	20,998	20,548	19,870	19,432	105,313	693,525	921,805	858,688	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	7,038	54,785	3,102	4,068	5,701	5,375	40,647	212,682	333,398	268,473	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>161,433</b>	<b>137,934</b>	<b>79,995</b>	<b>75,182</b>	<b>76,136</b>	<b>73,093</b>	<b>474,651</b>	<b>2,652,408</b>	<b>3,730,832</b>	<b>3,351,470</b>	<b>-</b>	<b>-</b>
<b>2022/23 - totals only</b>		<b>166097216</b>	<b>91146757</b>	<b>72601892</b>	<b>66490135</b>	<b>73419837</b>	<b>66925336</b>	<b>390590561</b>	<b>#####</b>	<b>3,256,722</b>	<b>2,926,876</b>	<b>0</b>	<b>0</b>
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	21,586	10,495	9,754	9,510	8,623	7,305	123,429	561,255	751,955	710,121	-	-
Commercial	2300	65,313	24,311	17,701	15,513	15,097	14,388	75,519	398,791	626,634	519,308	-	-
Households	2400	72,442	100,473	50,765	48,376	50,650	49,868	268,086	1,632,014	2,272,674	2,048,993	-	-
Other	2500	2,091	2,656	1,775	1,783	1,766	1,531	7,618	60,348	79,569	73,047	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>161,433</b>	<b>137,934</b>	<b>79,995</b>	<b>75,182</b>	<b>76,136</b>	<b>73,093</b>	<b>474,651</b>	<b>2,652,408</b>	<b>3,730,832</b>	<b>3,351,470</b>	<b>-</b>	<b>-</b>

Table 8: Supporting Table SC3: Aged Debtors

**Chart 6.1: Debtor's Age Analysis by Income Source as at 31 March 2024**



**Chart 6.1: Debtor's age analysis by Income Source**

Indicated in Table 8 and Chart 6.1 above is the total outstanding debt by Income Source, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R3,730,832 billion as at the end of March 2024 with the bulk of SPM's debt is aged over 90 days with an overall weighting of 90%.

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

- ❖ Trade and Other Receivables from Exchange Transactions – Water at 91%
- ❖ Receivables from Non-Exchange Transactions – Property Rates at 93%
- ❖ Receivables from Exchange Transactions - Waste Water Management and Waste Management at 93% each.
- ❖ 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 23%
- ❖ Interest on Arrear Debtor Accounts 25%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 21%

**Chart 6.2: Debtor's Age Analysis by Customer Group as at 31 March 2024**



	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total O/S Debt	Debt over 90 days	% of Total Debt over 90 days	Weighting per Customer group
■ Organs of State	21,586	10,495	9,754	9,510	8,623	7,305	123,429	561,255	751,955	710,121	94%	20%
■ Commercial	65,313	24,311	17,701	15,513	15,097	14,388	75,519	398,791	626,634	519,308	83%	17%
■ Households	72,442	100,473	50,765	48,376	50,650	49,868	268,086	1,632,014	2,272,674	2,048,993	90%	61%
■ Other	2,091	2,656	1,775	1,783	1,766	1,531	7,618	60,348	79,569	73,047	92%	2%
■ Total By Customer Group	161,433	137,934	79,995	75,182	76,136	73,093	474,651	2,652,408	3,730,832	3,351,470	90%	
■ Weighting per age analysis	4%	4%	2%	2%	2%	2%	13%	71%	100%	90%		

**Chart 6.2: Debtor's age analysis by Customer Group**

Indicated in Table 8 and Chart 6.2 above is the total outstanding debt by Customer Group, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting.

The percentage weighting of debt owed by Customer Group, over 90 days is:

- ❖ Organs of State at 94%
- ❖ Commercial at 83%
- ❖ Households at 90% and
- ❖ Other at 92%.

The percentage weighting of debt owed by Customer Group is attributable to:

- ❖ Organs of state at 20%, total debt outstanding is R751,955 million
- ❖ Businesses at 17%, total debt outstanding is R626,634 million
- ❖ Households at 61%, total debt outstanding is R2,272,674 billion
- ❖ Other at 2%, total debt outstanding is R79,569 million.

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 January 2024**

We held a Finance Workshop on 30 January 2024 for all Councillors. The session constituted presentations by the following Sections: Billing, Customer Care, Credit Control, Indigents and Rates.

The **Billing** Section reported that they are working around the clock to resolve audit findings. This includes the initiative of serving red-final notices to Customers whose meters have not been read in more than 3 months due to the meters being inaccessible.

**Customer Care** provided information relating to accounts, submission of readings, dispute resolution mechanisms, updating of Customer information and the importance of this exercise.



Through the Debt Relief Programme we have managed to raise the following amounts:

December	: R1 008 569.41
January	: R3 595 939.82
February	: R13 252 995.44
March	: R10,245,079.20

- December 2023 – 29 accounts debt worth R1,8 million and **R 1 million**
- January 2024 – 169 accounts debt worth R 8,4 million and **R 3,6 million** was received.
- February 2024 – 869 accounts debt worth R 31,8 million and **R13,2 million** was received.
- March 2024 – 1017 accounts debt worth R 23,934,910.98 million and **R10,2 million**

**Dec 2023 to March 2024 = R28 million**

The revenue we usually benefit from settlements is on average 1 million rand per month.

The 28 million generated over 3 months indicates that the overall Debt Relief Programme was a success as a lot of Customers seized the opportunity and paid the debt they had been owing over the years. The other benefits of the initiative were highlighted in the previous month's report

In having a reduction of debt, many of our Customers indicated that they could now manage their account, as they felt that they were not seeing the impact of the small payments they were making monthly (this discouraged many of our Customers).

We will be monitoring the payment habits of the Customers whose accounts were cleared to ensure that they make monthly payments on their accounts.

We will be applying partial blocking to accounts that are owing, which will allow us to obtain a percentage payment from the Customer that will go towards their debt.

We confirm that the Provision of Debt Collection Services Tender is at the Bid Specifications Committee. The Services to be procured will assist with the collection of the revenue that is required, some of services

Include the following:

- 1.1 Debtors Book analysis
- 1.2 Tracing of all handed-over debtors.
- 1.3 Negotiate and manage repayments plans (valid arrangements; payments received on a monthly basis).

**Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2024**

- 1.4 To conduct a recovery services by collecting and revering all outstanding monies by means of telephonic (soft collection) as well as written communication (letters of demand).
- 1.5 Issuing of Summons.
- 1.6 Obtaining of Judgements.
- 1.7 Listing and delisting of debtors (Blacklisting).
- 1.8 Obtaining of warrants of execution.
- 1.9 Attending to attachment and sale.

We believe that this will provide a long-term solution to the cashflow problem we are currently facing.

Unfortunately, the assistance offered by the electrical department with regards to the disconnection of LPU's has ceased as they have limited staff members. They were assisting us with the disconnection of electricity where we have not been able to access the meter - gate locks etc. (through the digging out of cables) and disconnecting at the electricity poles. We will have to go out on tender for these services.

We have been approached by some LPU's with proposals for the settlement of their reconstructed accounts, these Customers include Diamond Pavilion Mall and the Flamingo Casino. We are holding urgent meetings with these Customers and attending to all requirements on our side in order to ensure the accuracy in our billing, in order for the Customer to make payment.

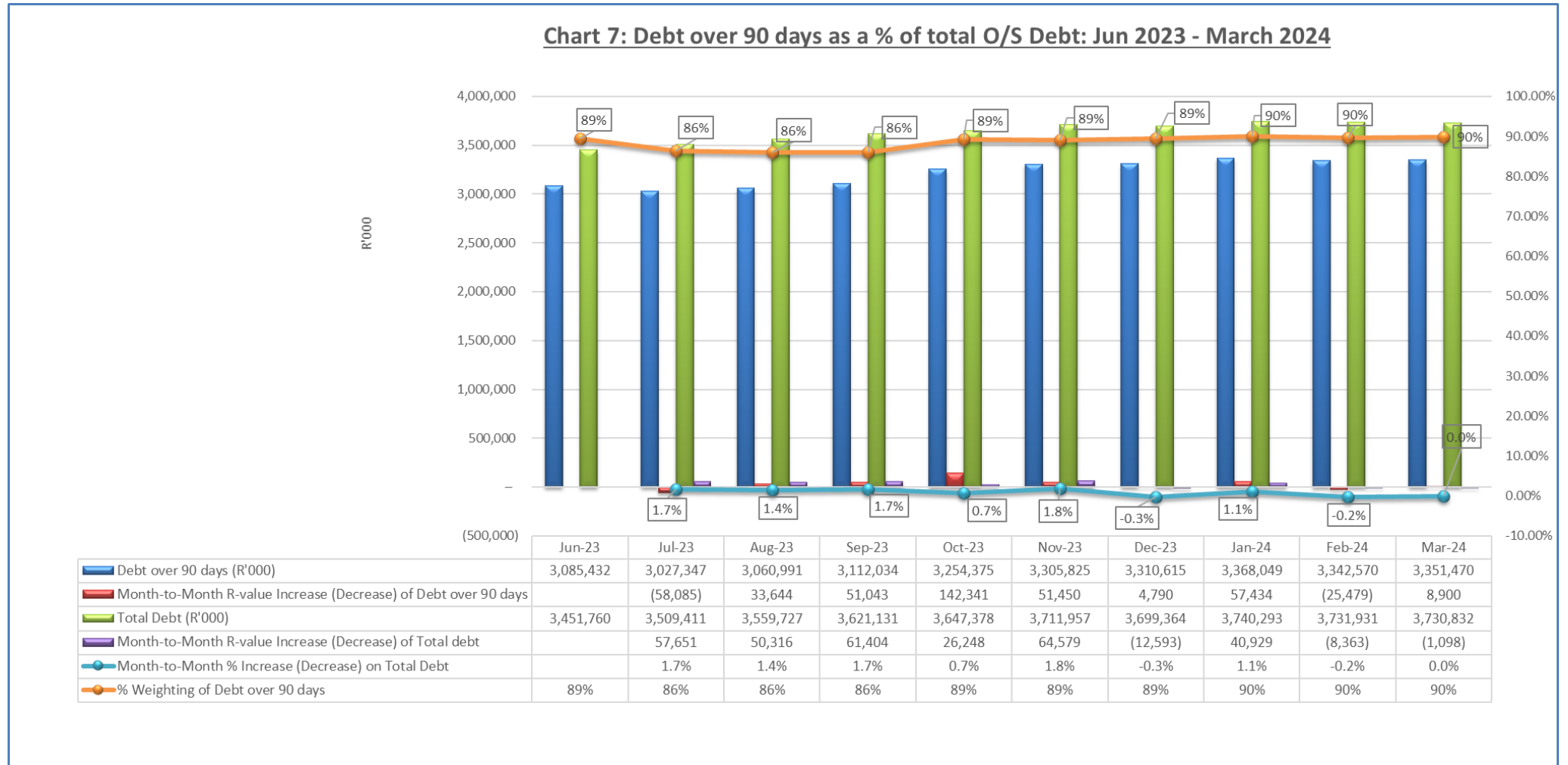
We will be applying partial blocking to accounts that are owing, which will allow us to obtain a percentage payment from the Customer that will go towards their debt.

We are receiving monthly payments from our Government Customers and are holding meetings with the Departments in order to obtain the monies that are owed to the Municipality. The receipts for March 2024 were R32,057,548.98 as compared to the R43,834,544.11 that was paid for the month of April 2024.



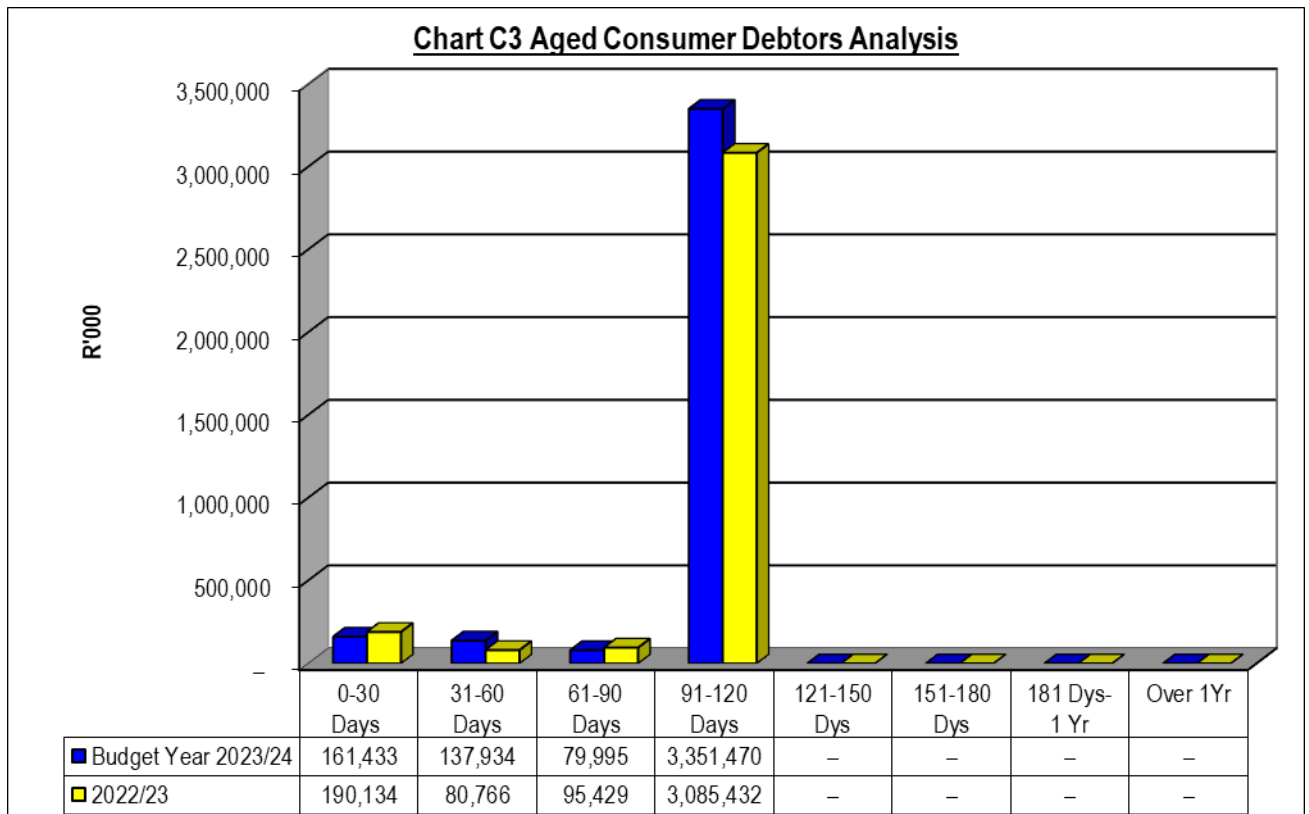
<b>GOVERNMENT DEBT</b>	
DEPARTMENTS	<b>RECEIPTS APRIL 2024</b>
NATIONAL PUBLIC WORKS	R6,488,347.82
PROVINCIAL PUBLIC WORKS	R17,205,792.48
DEPARTMENTS OF HEALTH	R5,266,950.85
SOCIAL DEVELOPMENT	R119,262.55
ECONOMIC DEV & TOURISM	R381,927.01
COGHSTA/ HOUSING	R150,688.41
PROVINCIAL LEGISLATURE	R6,000.00
CORRECTIONAL SERVICE	R1,609,131.12
NATIONAL DEFENCE FORCE	R6,332,406.35
AGRICULTURE	R100,130.58
EDUCATION	R34,084.11
SPORTS, ARTS & CULTURE	R237,839.40
TRANSPORT	R408,731.40
DE BEERS	R1,276,645.34
TELKOM	R797,104.62
ESKOM	R1,145.75
TRANSNET	R1,413,582.40
SCHOOLS	R2,004,773.92
<b>TOTAL</b>	<b>R43,834,544.11</b>

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 90% for the month under review. Debt over 90 days increased by R8,900 million in respect of the month-to-month comparison. The month-to-month decrease on Total debt amounted to R1,098 million. Total debt, no percentage change when compared to the prior month. It is concerning that total debt over 90 days is hovering at an average of 89 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.

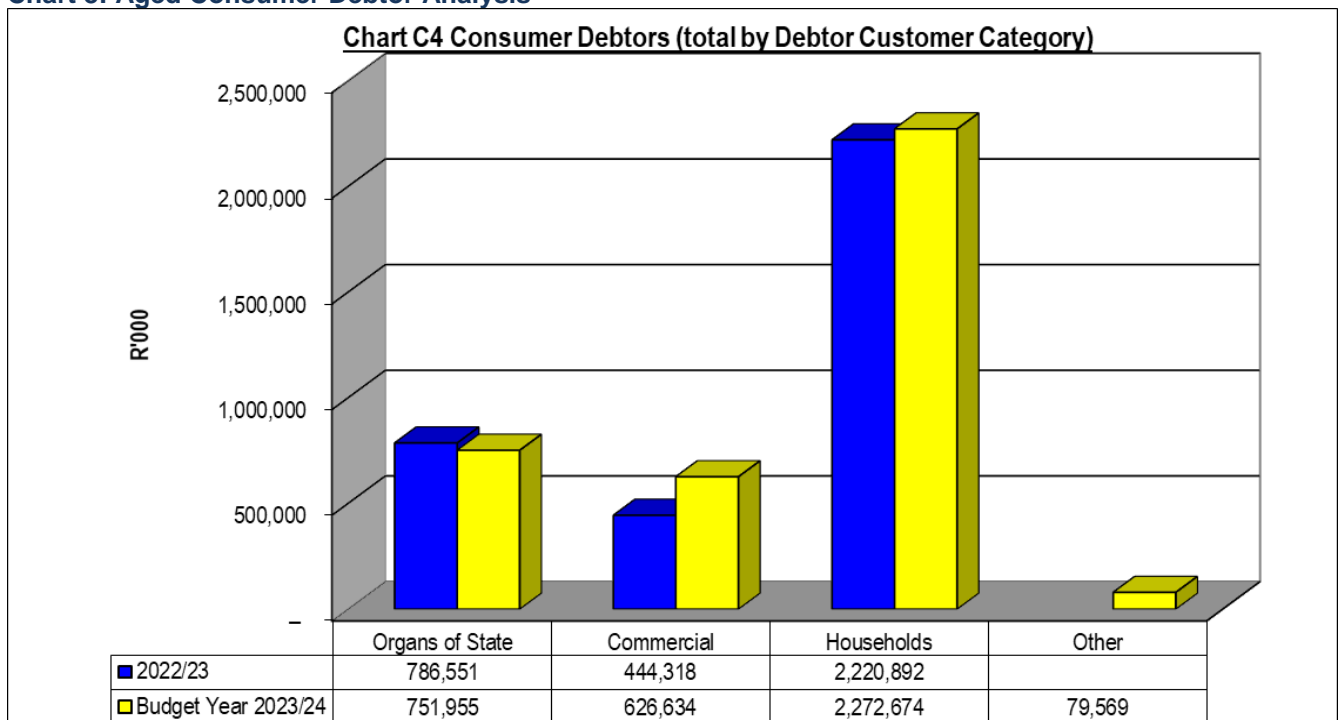


**Chart 7: Debt over 90 days as a percentage of Total O/S Debt**

- 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 December 2022, this will have to be confirmed with NT, if it is for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2022/23 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.



**Chart 8: Aged Consumer Debtor Analysis**



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

**During the Mid-year Budget Assessment for the 2021/22 financial year and indicated below are the Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses**

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

## Revised collection rate

As per Table 9 below, when taking into consideration what was billed in February 2024 and received in March 2024, the monthly collection rate is 58%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 80.7%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26<sup>th</sup> of the prior month to the 25<sup>th</sup> of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R9,164 million and will be allocated during April 2024. Indicated in Table 10 below is the revised average collection rate of 80.7%, for Property rates and Service charges only. The average collection rate when taking into consideration on the annual billing on Property rates and Other was calculated at 73.9%. 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.

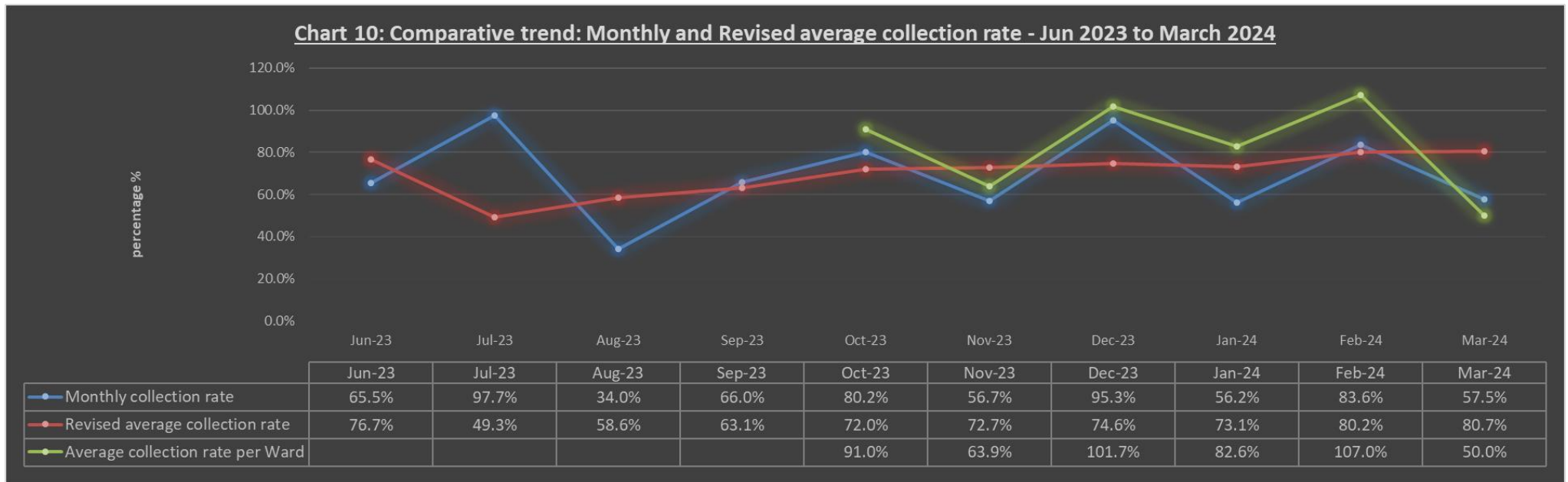
When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 March to 31 March 2024. 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 February 2024)	Credits (Received March 2024)	% Collected
PROPERTY RATES	45,063,448	35,687,261	79%
ELECTRICITY	46,533,555	39,320,149	84%
WATER	24,109,452	17,374,961	72%
SEWERAGE	9,776,193	4,310,597	44%
REFUSE	7,944,952	3,966,695	50%
<b>PROP RATES &amp; SERVICES</b>	<b>133,427,601</b>	<b>100,659,662</b>	<b>75%</b>
OTHER	74,036,893	18,697,833	25%
<b>TOTAL</b>	<b>207,464,494</b>	<b>119,357,496</b>	<b>58%</b>

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL MARCH 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 546,188,337	R 401,383,505	73.5%
SERVICE CHARGE ELECTRICITY	R 420,580,703	R 387,364,479	92.1%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 234,699,322	R 234,699,322	100.0%
SERVICE CHARGE WATER	R 222,774,152	R 124,502,591	55.9%
SERVICE CHARGE SANITATION	R 72,397,125	R 35,443,475	49.0%
SERVICE CHARGE REFUSE	R 57,776,928	R 30,721,669	53.2%
UNALLOCATED CREDITS		R 39,869,882	
<b>REVISED AVERAGE COLLECTION RATE - MARCH 2024</b>	<b>R 1,554,416,567</b>	<b>R 1,253,984,923</b>	<b>80.7%</b>
<b>REVISED AVERAGE COLLECTION RATE - MARCH 2024</b>	<b>1,554,416,567.20</b>	<b>1,253,984,923.39</b>	<b>80.7%</b>
LESS ANNUAL BILLING ON PROPERTY RATES	R -141,456,341.14	-104,573,693.42	73.9%
INCLUDING OTHER	R 285,589,168	R 106,211,264	37.2%
<b>REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER</b>	<b>R 1,698,549,393.64</b>	<b>R 1,255,622,494.22</b>	<b>73.9%</b>

Table 10: Revised Average collection rate



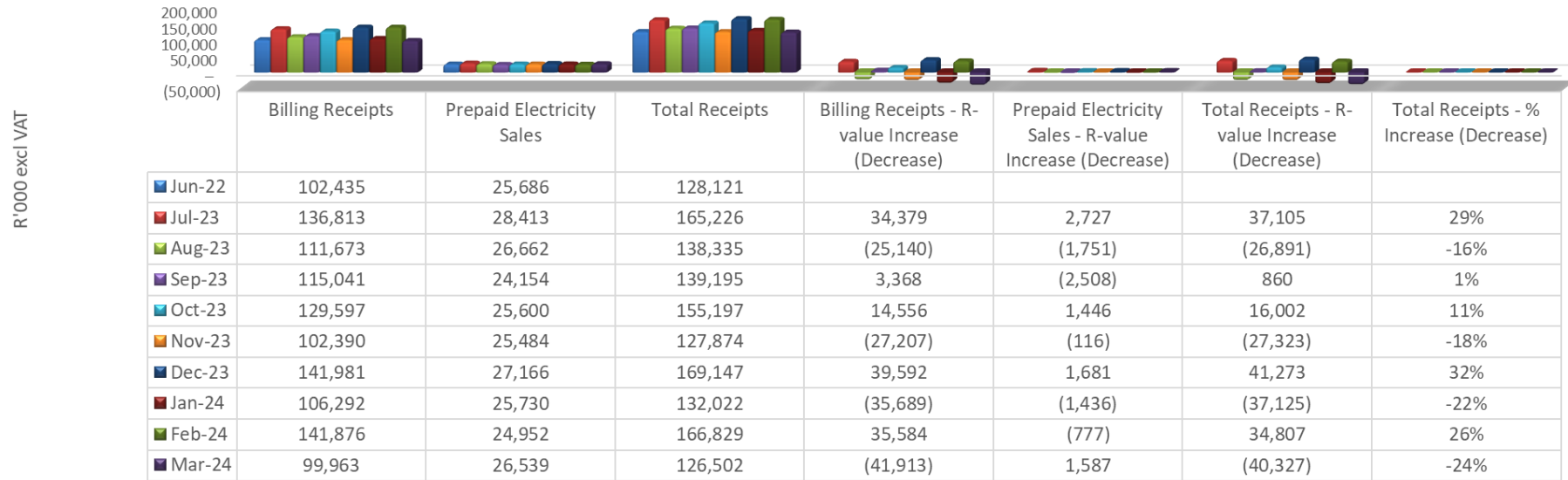
**Chart 10: Comparative trend: Monthly and Revised average collection rate**

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2023 to March 2024. The monthly collection rate for August 2023 and the revised average collection for July 2023, is low due to the annual billing of Property rates. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26<sup>th</sup> of the previous month to 25<sup>th</sup> of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted from June 2023 to January 2024, Other was included in the calculation but from February 2024 onwards, the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report the average collection rate per ward. The collection rate per ward was 50% for the month under review. The billing for Electricity seemed a bit excessive, so the matter must be investigated to ascertain if it was a billing correction or a billing error for the month. It should be noted that an amount of R39,870m was unallocated at month-end, which negatively influenced these collection rates.

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.”



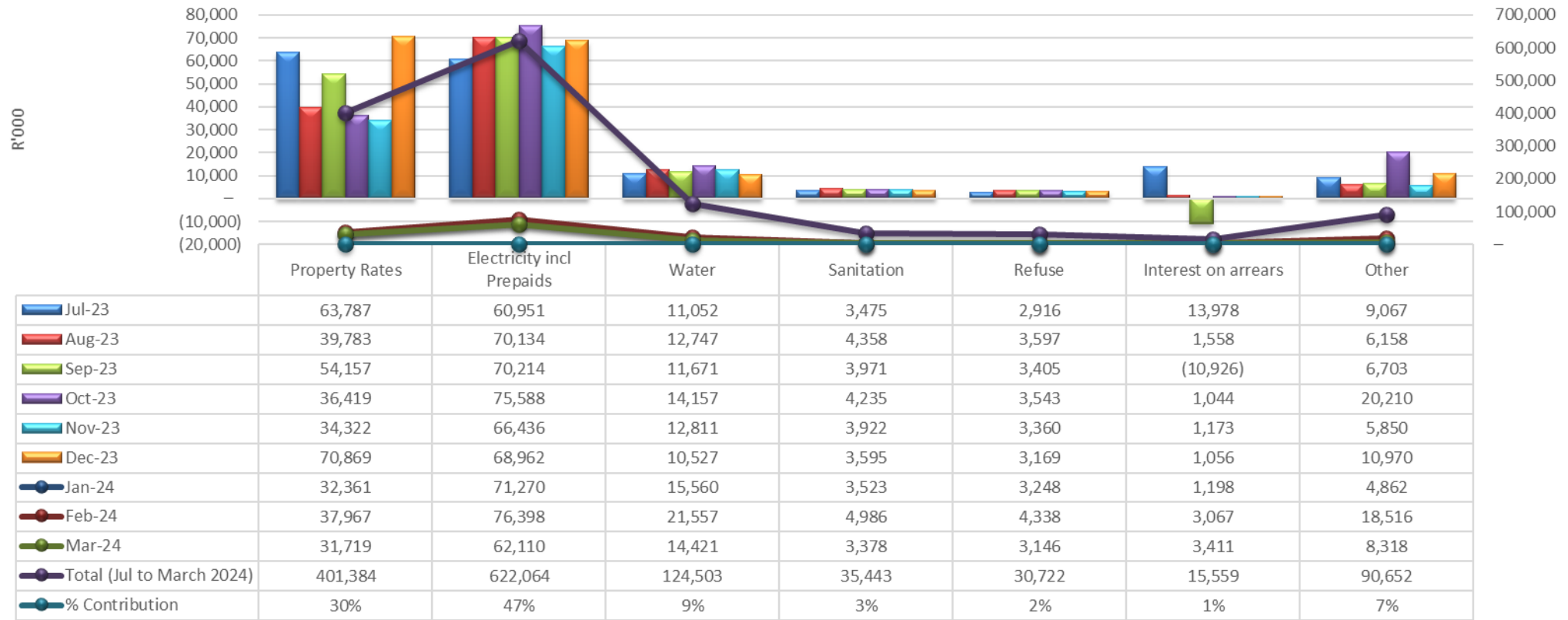
**Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2023 to March 2024**



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

As indicated in Chart 11.1 above, the Total Receipts amounted to R99,963 million which resulted in a decrease of R40,327 million or minus 24% in respect of the month-to-month comparison. Billing receipts decreased by R41,913 million, whilst Prepaid Electricity Sales increased by R1,587 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R39,870 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 - March 2024**



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

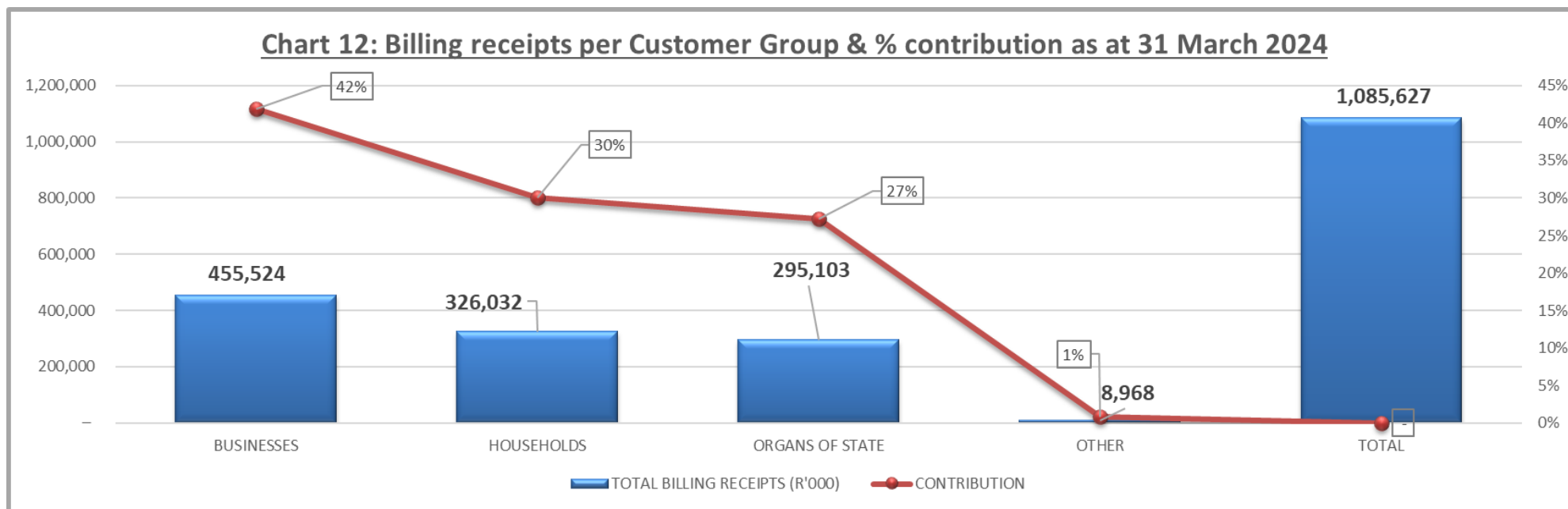
Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 March 2024. Receipts are relatively constant based on the month-to-month comparison. The actual cash collected remains a serious concern and positive results can be achieved, provided that the Credit Control and Debt Collection Policy is strictly, consistently, and fairly applied. Revenue streams that are all showing improvement in relation to the monthly comparison. Data from the above chart, indicates that Electricity incl Prepays at R622,064 million (47%) is the highest contributor, followed by Property rates at R401,384 million (30%) 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 31 March 2024. The municipality received R455,524 million (42%) from Businesses, Households R326,032 million (30%), Organs of State R295,103 million (27%) and Other R8,968 million (1%).

## 7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

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			
R thousands												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	66,311	1,893	2,691	3,065	8,232	-	213,248	678,707	974,148	803,965	
Bulk Water	0200	5,194	36,046	-	-	17,070	-	15,303	59,764	133,378	160,283	
PAYE deductions	0300	11,555	-	-	-	-	-	-	-	11,555	10,723	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	8,366	-	-	-	-	-	-	-	8,366	7,891	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	13,089	1,271	418	18	3	215	0	44	15,058	1,643	
Auditor General	0800	100	-	-	-	-	-	-	-	100	154	
Other	0900	20,541	257	564	88	86	-	1	14,229	35,767	7,443	
<b>Total By Customer Type</b>	<b>1000</b>	<b>125,157</b>	<b>39,467</b>	<b>3,673</b>	<b>3,171</b>	<b>25,391</b>	<b>215</b>	<b>228,553</b>	<b>752,744</b>	<b>1,178,372</b>	<b>992,102</b>	

Table 11: Supporting Table SC4: Aged Creditors

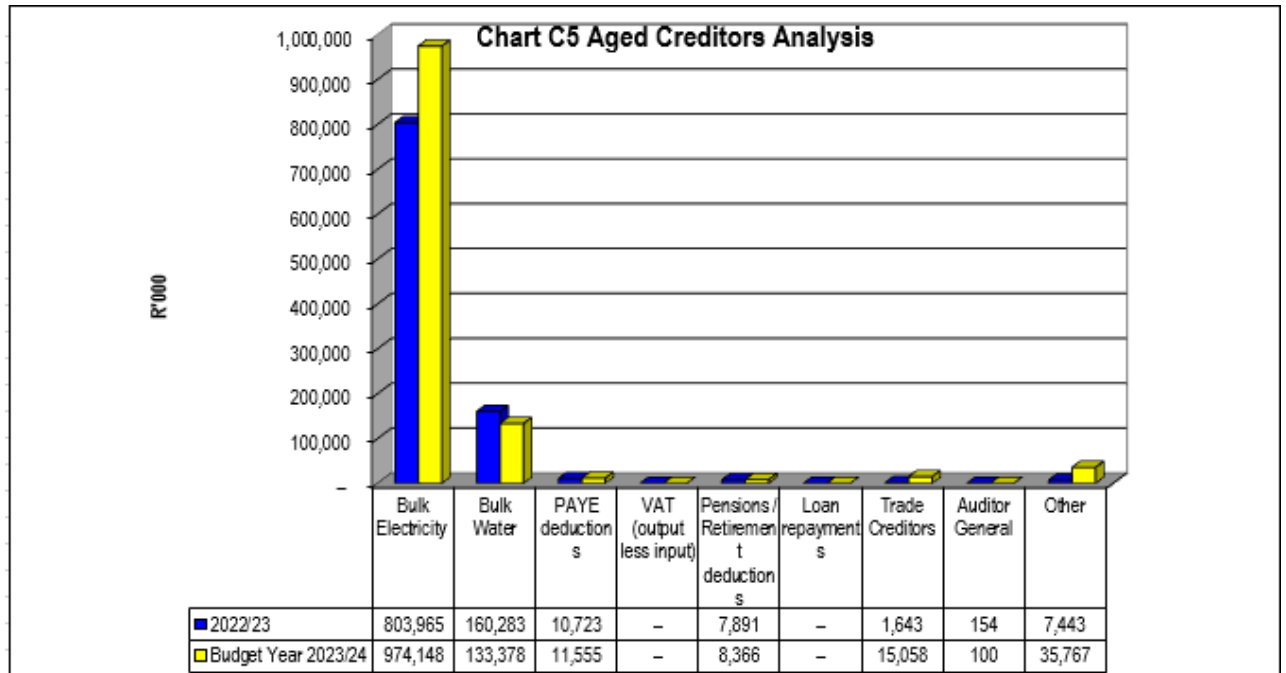


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2022/23 is based on the outstanding creditors as at 28 February 2023 (prior year totals for the same period).

**Bulk Electricity** – As at the 31 March 2024, the outstanding debt owed to ESKOM amounted to R974,148 million. The current agreement with ESKOM is that the municipality must settle its monthly current account. As per the Debt Relief approval, the municipality must enter into a payment arrangement with ESKOM for the debt that accumulated after March 2023. This proposal was submitted to ESKOM for approval.

**Bulk Water** – As at the 31 March 2024, the outstanding debt owed to DWS is R133,378 million. A payment agreement with DWS for the 2022/23 financial year has been concluded for a period of 24 months 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. The debt must be concurred with the Department as there was a billing error for February 2024, that municipality fixed manually for the interim.

**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 R9,164 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 R99 thousand.

**Other creditors** – includes Sundry creditors which were unpaid as at 31 March 2024 of which the biggest contributor is other third party salary payments amounting to R18,241 million which was paid by 7 April 2024.

## 8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 March 2024, the value of total investments made was R138,593 million including interest. Investment top-ups for the month under review amounted to R30,000 million, while an amount of R26,881 million was partially or prematurely withdrawn. This does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom and DWS and even other creditors. 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 investments are committed and/or held for the following reasons:

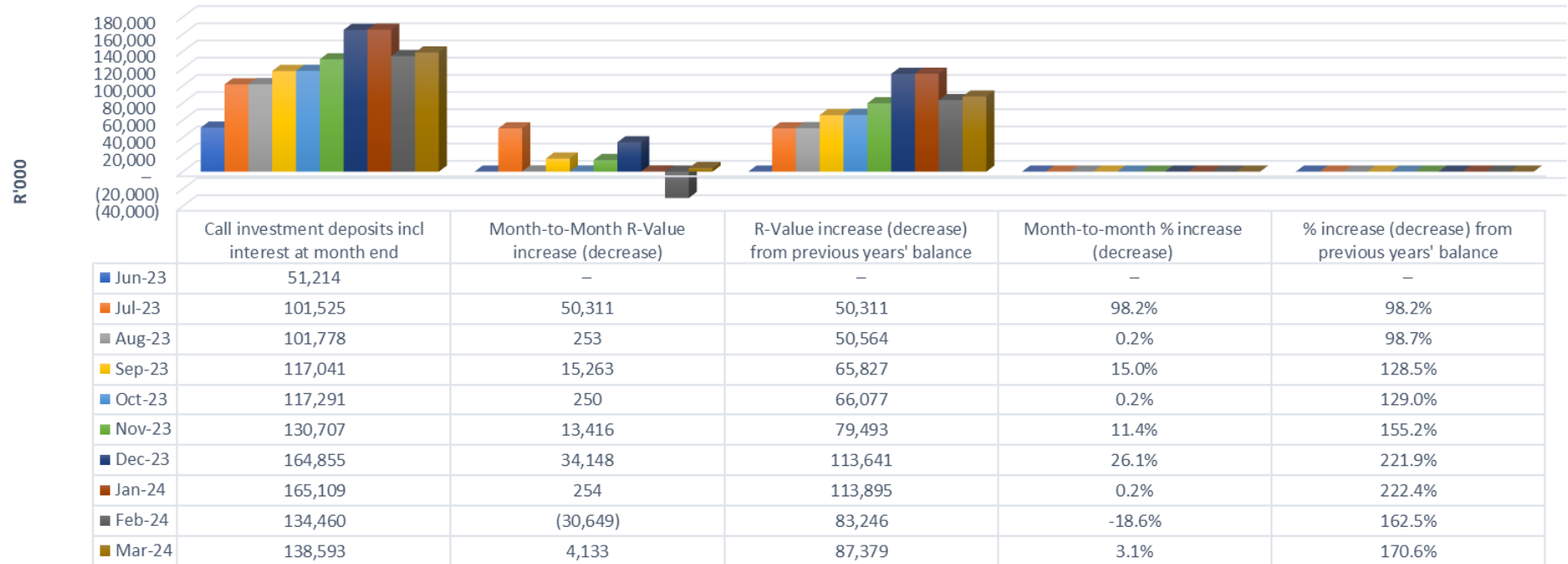
Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	21,776
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,952
• Unspent Capital grant receipts that was invested for the current year.	70,595
• The investment account set aside for ESKOM and DWS.	0
• Own funds invested	38,269
<b>Total</b>	<b>138,593</b>

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
<b>R thousands</b>														
<b>Municipality</b>														
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			5,500	4	(5,504)	-	(0)
Absa Bank 9286041059		6 months	Call a/c	No	Variable	0	0			-	-	-	-	-
Investec 1400093272500		6 months	Call a/c	No	Variable	5.35	0			600	1	(601)	-	-
Standard Bank 04846627-014		6 months	Call a/c	No	Variable	5.5	0			-	-	-	-	-
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			4	0	(4)	-	0
Absa Bank - 9382218821		Monthly	Call a/c	No	Fixed	8.90%	0	n/a		63,865	356	(20,356)	-	43,865
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	690.00%	0			0	0	-	-	0
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		-	138	(138)	30,000	30,000
Standard Bank 048466271-073		6 months	Notice	Yes	Fixed	8.50%	0		2019/05/07	-	-	-	-	-
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	525.00%	0		2019/06/06	0	-	-	-	0
Absa Bank 20-7291-5615		6 months	Notice	Yes	Fixed	8.02%	0		2019/06/06	-	-	-	-	-
Investec Bank Jb 9778751		6 months	Notice	Yes	Fixed	7.95%	0		2019/06/06	-	-	-	-	-
Absa Bank 20-78146864		5 months	Fixed	Yes	Fixed	7.54%	0		2019/06/26	-	-	-	-	-
First Rand, Nedbank, S'Dard, Investec		12 months	Call a/c	Yes	Variable	6.30%	0		2020/06/30	-	-	-	-	-
Standard Bank 048466271-085		12 months	Notice	No	Fixed	585.00%	0		2022/11/10	-	-	-	-	-
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	7.40%	0		2023/06/28	7,893	59	-	-	7,952
Standard Bank - 048466271-087		48 hours	Notice	No	Variable	8.80%	0		2023/08/31	35,000	278	(278)	-	35,000
Standard Bank 048466271-086		12 months	Notice	No	Fixed	9.03%	0		2023/11/10	(0)	-	-	-	(0)
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	21,597	178	-	-	21,776
<b>Municipality sub-total</b>										<b>134,460</b>		<b>(26,881)</b>	<b>30,000</b>	<b>138,593</b>

Table 12: Supporting Table SC5: Investment portfolio

**Chart 14: Call investment deposits incl interest for the period ending 31 March**  
**2024**



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

As indicated in the Chart 5 above from January 2024 to March 2024 investments incl interest increased by R4,133 million or 3.1%, in respect of the month-to-month comparison. Investments increased by R87,379 million or 170.6% 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, in December and June of each year. 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.



## 9. Allocation and grant receipts and expenditure

### Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		248,673	273,621	272,937	66,026	261,875	204,942	56,933	27.8%	272,937
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		239,158	263,135	263,135	65,783	255,902	197,351	58,551	29.7%	263,135
Expanded Public Works Programme Integrated Grant		3,959	3,286	3,102	-	3,286	2,391	895	37.4%	3,102
Infrastructure Skills Development Grant		3,856	5,500	5,000	232	2,156	3,925	(1,769)	-45.1%	5,000
Local Government Financial Management Grant		1,700	1,700	1,700	11	532	1,275	(743)	-58.3%	1,700
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		15,984	8,300	14,666	-	4,433	8,771	(4,338)	-49.5%	14,666
Capacity Building and Other Grants		9,684	8,300	9,066	-	4,433	6,531	(2,098)	-32.1%	9,066
Infrastructure Grant		6,300	-	5,600	-	-	2,240	(2,240)	-100.0%	5,600
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	264,657	281,921	287,603	66,026	266,308	213,714	52,595	24.6%	287,603
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		108,149	214,233	191,044	15,520	68,403	151,399	(82,996)	-54.8%	191,044
Energy Efficiency and Demand Side Management Grant		4,000	4,000	4,000	50	4,050	3,000	1,050	35.0%	4,000
Integrated National Electrification Programme Grant		24,400	48,026	35,837	2,301	8,699	31,144	(22,445)	-72.1%	35,837
Integrated Urban Development Grant		70,390	74,207	74,207	7,861	37,705	55,655	(17,950)	-32.3%	74,207
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	2,000	-	-	1,500	(1,500)	-100.0%	2,000
Regional Bulk Infrastructure Grant		-	86,000	75,000	5,308	17,949	60,100	(42,151)	-70.1%	75,000
Water Services Infrastructure Grant		9,359	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		3,387	-	-	-	-	-	-	-	-
Infrastructure Grant		3,387	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	6,000	3,000	3,000	2,400	600	25.0%	6,000
Specify (Add grant description)		-	-	6,000	3,000	3,000	2,400	600	25.0%	6,000
<b>Other grant providers:</b>		-	-	18,850	-	-	7,540	(7,540)	-100.0%	18,850
[insert description]		-	-	18,850	-	-	7,540	(7,540)	-100.0%	18,850
European Union		-	-	18,850	-	-	7,540	(7,540)	-100.0%	18,850
<b>Total Capital Transfers and Grants</b>	5	111,536	214,233	215,894	18,520	71,403	161,339	(89,936)	-55.7%	215,894
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	376,193	496,154	503,497	84,546	337,712	375,053	(37,341)	-10.0%	503,497

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Equitable share – R65,783 million

Library grant – R4,433 million

Capital grant monies received for the month under review.

IUDG – R15,395 million

INEP – R18,104 million

RBIG – R20,000 million

EEDSM – R2,000 million

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

## Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		123,170	141,242	233,630	12,807	173,936	170,865	3,071	1.8%	233,630
Equitable Share		112,671	130,756	223,891	8,789	167,856	163,297	4,559	2.8%	223,891
Expanded Public Works Programme Integrated Grant		4,943	3,286	3,103	3,141	3,392	2,392	1,001	41.8%	3,103
Infrastructure Skills Development Grant		3,856	5,500	4,936	867	2,156	3,899	(1,744)	-44.7%	4,936
Local Government Financial Management Grant		1,700	1,700	1,700	11	532	1,277	(745)	-58.3%	1,700
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		11,438	8,300	14,620	107	8,940	9,396	(456)	-4.9%	14,620
Capacity Building and Other Grants		8,500	8,300	9,070	63	7,075	6,539	536	8.2%	9,070
Infrastructure Grant		2,938	-	5,550	44	1,865	2,858	(992)	-34.7%	5,550
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>134,609</b>	<b>149,542</b>	<b>248,250</b>	<b>12,915</b>	<b>182,876</b>	<b>180,261</b>	<b>2,615</b>	<b>1.5%</b>	<b>248,250</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		96,392	214,233	191,044	11,292	66,136	151,399	(85,264)	-56.3%	191,044
Energy Efficiency and Demand Side Management Grant		4,000	4,000	4,000	50	3,993	3,000	993	33.1%	4,000
Integrated National Electrification Programme Grant		22,829	48,026	35,837	2,301	9,016	31,144	(22,127)	-71.0%	35,837
Integrated Urban Development Grant		61,424	74,207	74,207	3,633	35,177	55,655	(20,478)	-36.8%	74,207
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	2,000	-	-	1,500	(1,500)	-100.0%	2,000
Regional Bulk Infrastructure Grant		-	86,000	75,000	5,308	17,949	60,100	(42,152)	-70.1%	75,000
Water Services Infrastructure Grant		8,138	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	6,000	3,000	3,000	2,400	600	25.0%	6,000
Specify (Add grant description)		-	-	6,000	3,000	3,000	2,400	600	25.0%	6,000
Other grant providers:		-	-	18,850	-	9,604	7,540	2,064	27.4%	18,850
European Union		-	-	18,850	-	9,604	7,540	2,064	27.4%	18,850
<b>Total capital expenditure of Transfers and Grants</b>		<b>96,392</b>	<b>214,233</b>	<b>215,894</b>	<b>14,292</b>	<b>78,740</b>	<b>161,339</b>	<b>(82,599)</b>	<b>-51.2%</b>	<b>215,894</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>231,000</b>	<b>363,775</b>	<b>464,144</b>	<b>27,207</b>	<b>261,616</b>	<b>341,600</b>	<b>(79,985)</b>	<b>-23.4%</b>	<b>464,144</b>

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

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is R21,094 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 adjusted allocation for the EPWP is R3,102 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	35,837	2,301	9,016	7,880	18.8%	25.2%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	74,207	3,633	35,177	14,988	47.4%	47.4%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	4,000	50	3,993	-	99.8%	99.8%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	2,000	-	-	-	0.0%	0.0%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	75,000	5,308	17,949	68	20.9%	23.9%
EUROPEAN UNION	-	18,850	-	9,604	492	-	51.0%
FRANCES BAARD DISTRICT MUNICIPALITY	-	6,000	3,000	3,000	-	-	50.0%
<b>Grand Total</b>	<b>214,233</b>	<b>215,894</b>	<b>14,292</b>	<b>78,740</b>	<b>23,427</b>	<b>36.8%</b>	<b>36.5%</b>

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R78,740 million or 36.5% spent against the Adjusted capital grant allocation of R215,894 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. Below is an extract of the rollover letter.

“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.

## Stopping of allocations for 2023/24 financial year

### Stopping of funds due to under-performance/non-compliance

“National Treasury hereby informs you of the intention to stop grant allocations in terms of section 18 of the 2023 DoRA. This decision will not in any way affect future allocations to your municipality.”

National Treasury has rejected the request of SPM to retain grant funding. The following grants were reduced except the EEDSM grant that was increased with R2,000 million:

Sphere	Grant	23/24 Main Allocation	Adjustment	23/24 Adjust Allocation
National	ISDG	5,500,000	- 500,000	5,000,000
National	INEP	48,026,000	- 20,922,000	27,104,000
National	IUDG	74,207,000	- 10,812,000	63,395,000
National	WSIG( <i>in-kind</i> )	17,768,000	- 9,228,000	8,540,000
National	EEDSMS	4,000,000	2,000,000	6,000,000
National	EPWP	3,286,000	- 184,000	3,102,000
National	NDPG	2,000,000	- 2,000,000	-
National	RBIG	86,000,000	- 46,000,000	40,000,000
	<b>Total</b>	<b>240,787,000</b>	<b>- 87,646,000</b>	<b>153,141,000</b>

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

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages										
Pension and UIF Contributions		882	-	1,098	85	810	439	371	84%	1,098
Medical Aid Contributions		425	-	489	49	384	196	188	96%	489
Motor Vehicle Allowance										
Cellphone Allowance		3,040	2,938	2,954	259	2,233	2,210	23	1%	2,954
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		27,876	32,621	31,018	2,466	23,120	23,825	(705)	-3%	31,018
<b>Sub Total - Councillors</b>		<b>32,224</b>	<b>35,559</b>	<b>35,559</b>	<b>2,859</b>	<b>26,546</b>	<b>26,669</b>	<b>(123)</b>	<b>0%</b>	<b>35,559</b>
<b>% increase</b>	4		<b>10.3%</b>	<b>10.3%</b>						<b>10.3%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		6,702	8,158	8,158	342	3,851	6,119	(2,268)	-37%	8,158
Pension and UIF Contributions		969	1,558	1,558	32	338	1,168	(830)	-71%	1,558
Medical Aid Contributions		233	215	215	14	150	161	(11)	-7%	215
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,534	1,985	1,985	86	808	1,489	(682)	-46%	1,985
Cellphone Allowance		132	202	202	8	76	151	(76)	-50%	202
Housing Allowances		28	26	26	2	17	19	(2)	-12%	26
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		44	46	46	1	10	35	(24)	-70%	46
Post-retirement benefit obligations	2									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Senior Managers of Municipality</b>		<b>9,643</b>	<b>12,190</b>	<b>12,190</b>	<b>484</b>	<b>5,250</b>	<b>9,143</b>	<b>(3,893)</b>	<b>-43%</b>	<b>12,190</b>
<b>% increase</b>	4		<b>26.4%</b>	<b>26.4%</b>						<b>26.4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		433,826	475,973	464,937	38,588	345,121	349,418	(4,296)	-1%	464,937
Pension and UIF Contributions		79,050	91,654	91,654	7,003	63,090	68,741	(5,651)	-8%	91,654
Medical Aid Contributions		50,925	59,955	59,955	5,832	48,928	44,967	3,962	9%	59,955
Overtime		69,383	47,280	69,467	7,846	61,951	44,335	17,616	40%	69,467
Performance Bonus		30,249	36,505	36,505	1,852	26,465	27,379	(914)	-3%	36,505
Motor Vehicle Allowance		42,089	50,649	50,649	3,610	32,796	37,987	(5,190)	-14%	50,649
Cellphone Allowance		1,456	2,054	2,054	130	1,226	1,541	(315)	-20%	2,054
Housing Allowances		2,737	2,866	2,866	231	2,178	2,149	29	1%	2,866
Other benefits and allowances		20,261	19,589	37,168	2,636	30,593	24,872	5,721	23%	37,168
Payments in lieu of leave		14,403	15,000	15,000	1,292	12,997	11,250	1,747	16%	15,000
Long service awards		27,890	26,922	26,922	2,790	23,516	20,192	3,325	16%	26,922
Post-retirement benefit obligations	2	39,393	41,000	41,000	-	-	30,750	(30,750)	-100%	41,000
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Other Municipal Staff</b>		<b>811,663</b>	<b>869,447</b>	<b>898,176</b>	<b>71,812</b>	<b>648,862</b>	<b>663,580</b>	<b>(14,718)</b>	<b>-2%</b>	<b>898,176</b>
<b>% increase</b>	4		<b>7.1%</b>	<b>10.7%</b>						<b>10.7%</b>
<b>Total Parent Municipality</b>		<b>853,530</b>	<b>917,196</b>	<b>945,925</b>	<b>75,155</b>	<b>680,658</b>	<b>699,392</b>	<b>(18,734)</b>	<b>-3%</b>	<b>945,925</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>853,530</b>	<b>917,196</b>	<b>945,925</b>	<b>75,155</b>	<b>680,658</b>	<b>699,392</b>	<b>(18,734)</b>	<b>-3%</b>	<b>945,925</b>
<b>% increase</b>	4		<b>7.5%</b>	<b>10.8%</b>						<b>10.8%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>821,306</b>	<b>881,637</b>	<b>910,366</b>	<b>72,296</b>	<b>654,112</b>	<b>672,722</b>	<b>(18,611)</b>	<b>-3%</b>	<b>910,366</b>

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is satisfactory and showing a variance of minus 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 13<sup>th</sup> cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors Remuneration is showing a satisfactory variance of close to 0% 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 was issued and implemented accordingly.

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 not effective and the desired outcome to remain within budget, was not achieved for 2022/23 financial year. The same trend transpired 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 March 2024.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Adjustments Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Adjustments Budget
MS: OVERTIME - NON STRUCTURED	28,662,000	56,368,700	6,377,972	51,437,632	91%
MS: OVERTIME - STRUCTURED	8,504,033	2,984,033	278,242	1,860,453	62%
<b>Overtime as at 31 March 2024</b>	<b>37,166,033</b>	<b>59,352,733</b>	<b>6,656,214</b>	<b>53,298,085</b>	<b>90%</b>

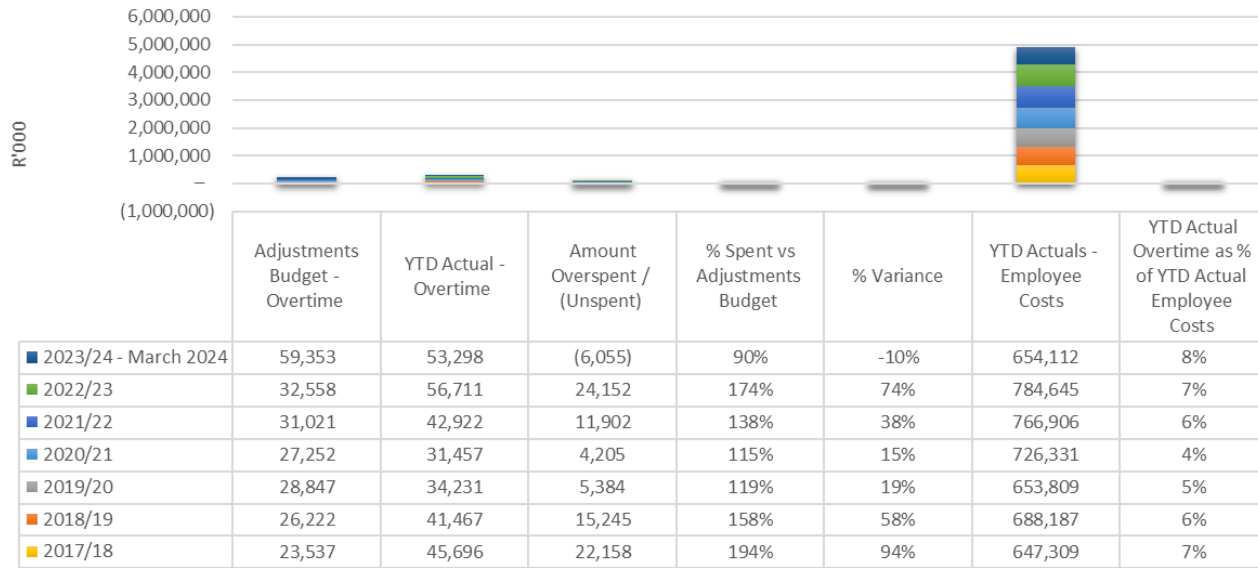
  

Directorate (Amount in Rand)	Sum of Original Budget	Sum of Adjustments Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Adjustments Budget
20-EXECUTIVE AND COUNCIL	282,000	694,000	131,402	726,511	105%
21-MUNICIPAL AND GENERAL	-	-	-	-	#DIV/0!
22-MUNICIPAL MANAGER	-	43,000	-	25,058	58%
23-CORPORATE SERVICES	1,870,000	4,552,000	204,799	2,756,277	61%
24-COMMUNITY SERVICES	14,740,033	17,799,533	1,869,342	15,109,697	85%
26-FINANCIAL SERVICES	521,000	2,569,000	248,850	1,943,519	76%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	747,000	1,530,000	178,614	1,098,507	72%
28-INFRASTRUCTURE SERVICES	19,006,000	32,165,200	4,023,207	31,638,516	98%
<b>Overtime as at 31 March 2024</b>	<b>37,166,033</b>	<b>59,352,733</b>	<b>6,656,214</b>	<b>53,298,085</b>	<b>90%</b>

Table 18: Current YTD Overtime expenditure excl Night-shift allowance

Overtime was capped at 30 hours across most units within the municipality, but this has since been abolished. The YTD Overtime expenditure is 90% spent versus the Adjusted budget, resulting in a negative variance of 15% for the period under review, when compared to the ideal IYM percentage of 75%.

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

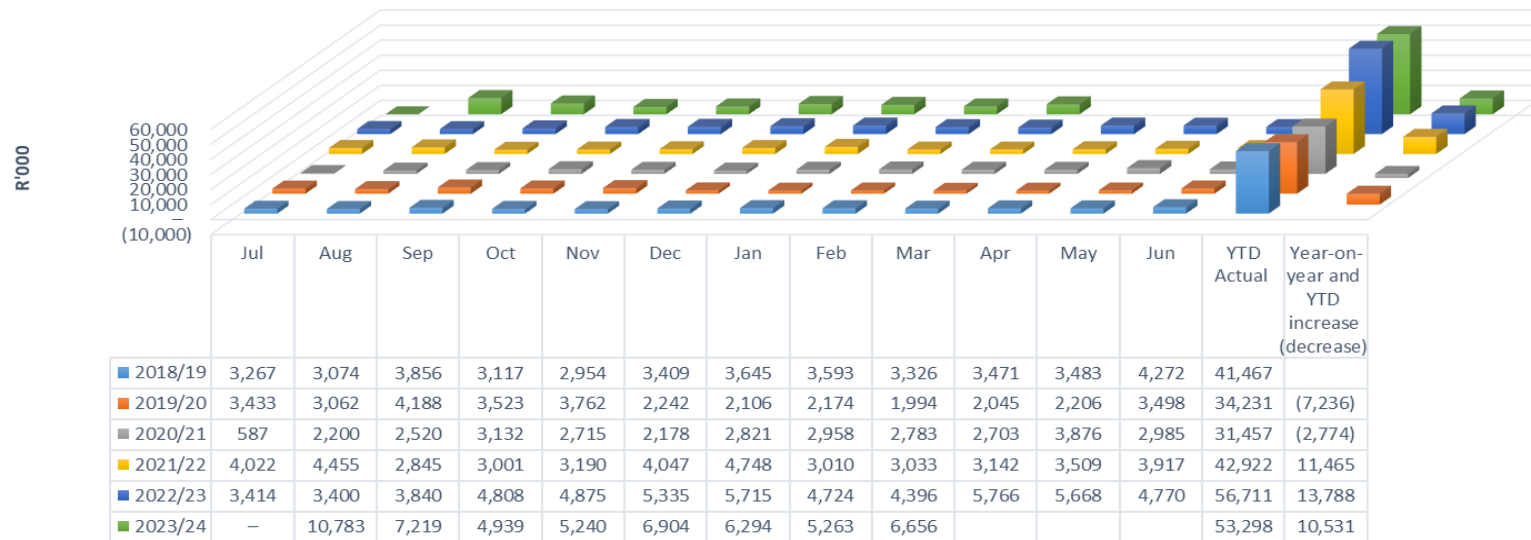


Indicated in Chart 14.1, is the actual Overtime versus Budget from 2017/18 to 2023/24 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from July 2018 to March 2024. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, controls to curb Overtime is no longer in effect 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 March 2024**



**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.

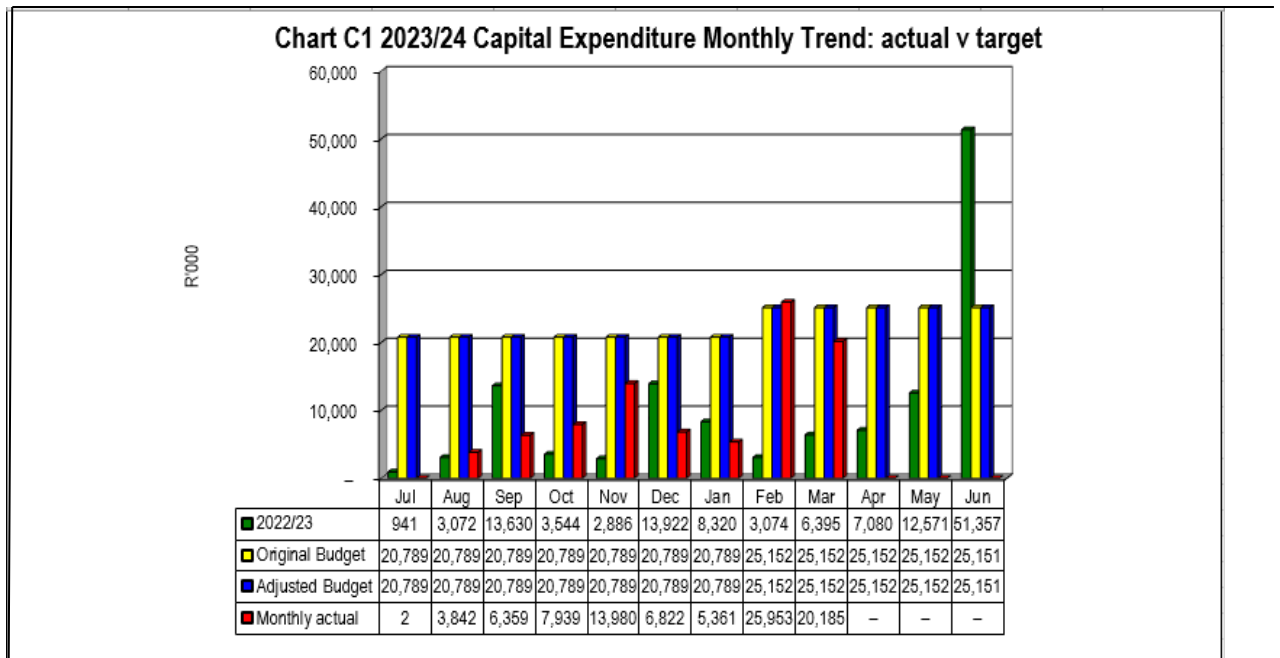
- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and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

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

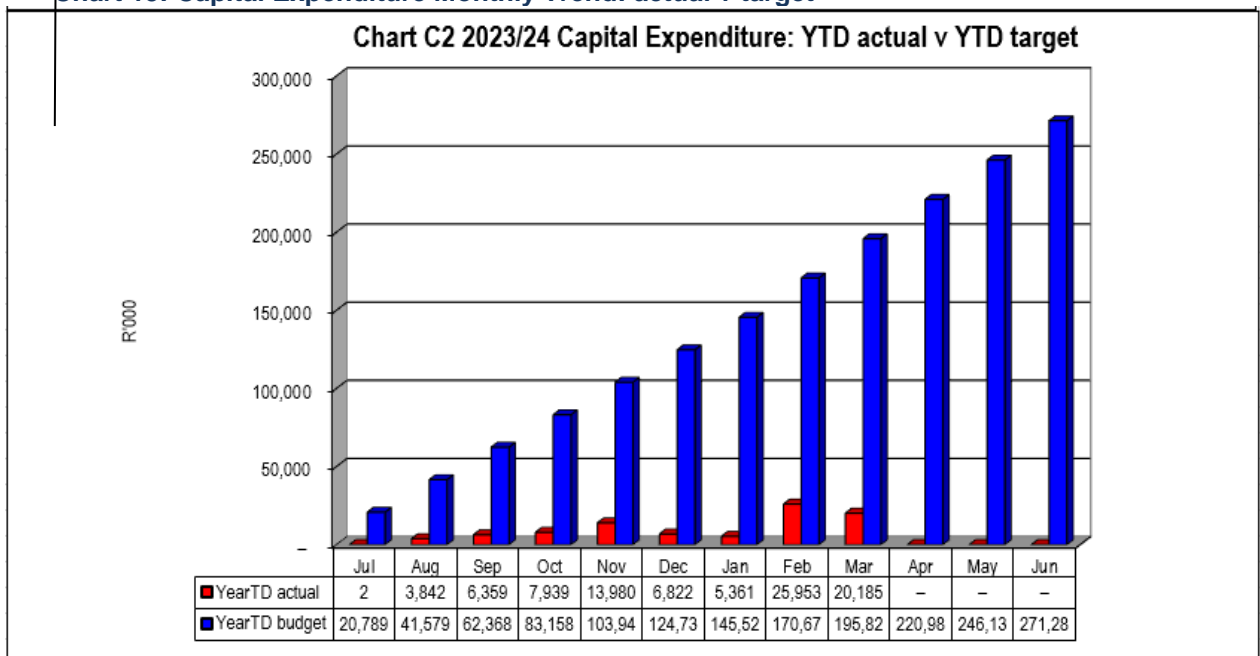
Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 31 March 2024.

## 12. 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 Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of Commitment	Sum of % Original Budget	Sum of % Adjusted Budget
<b>INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)</b>	<b>48,026</b>	<b>35,837,000</b>	<b>2,301</b>	<b>9,016</b>	<b>7,880</b>	<b>18.77%</b>	<b>25.16%</b>
ELECTRIFIC LERATO PARK LINK SERV NETWORK	7,900	7,900,000	2,075	2,075	-	26.27%	26.27%
ELECTRIFICATION LETABO PARK	12,680	12,680,000	18	6,133	-	48.37%	48.37%
ELECTRIFICATION WITDAM -138	900	-	-	-	-	0.00%	-
RONALD'S VLEI SWITCH HOUSE NO.1	1,500	1,500,000	208	808	-	53.85%	53.85%
UPGRADE HADISON PARK 66/11 KV SUBSTATION	23,546	11,357,000	-	-	7,678	0.00%	0.00%
ASHBURNHAM/COLVILLE UPGRADES	1,500	1,500,000	-	-	201	0.00%	0.00%
ELECTRIFICATION OF COLVILLE	-	900,000	-	-	-	-	0.00%
<b>INTERNALLY GENERATED FUNDS</b>	<b>35,240</b>	<b>55,390,000</b>	<b>5,893</b>	<b>11,703</b>	<b>4,054</b>	<b>33.21%</b>	<b>21.13%</b>
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	6,200,000	38	132	106	2.92%	2.12%
ACQ-FLEET REPLACEMENT	5,000	7,110,000	-	-	3,948	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	3,000	3,000,000	-	-	-	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	2,000	2,000,000	-	174	-	8.69%	8.69%
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000	2,000,000	-	-	-	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	169	-	-	-	-	0.00%	-
EMERGENCY METER INSTALLATIONS (PHASE 1)	6,225	15,615,050	1,141	5,506	-	88.45%	35.26%
MR LEAK AND SLEAK DATA SYSTEM	880	477,954	-	-	-	0.00%	0.00%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	1,306	-	-	-	-	0.00%	-
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	502	-	-	-	-	0.00%	-
OLD WTP MAJOR REFURBISH AND BUILD WORKS	468	-	-	-	-	0.00%	-
PIPE CONDITION ASSESS AND CATHOD PROTECT	1,849	1,210,888	27	208	-	11.26%	17.19%
SMARTBALL LEAK DETECTION	5,848	835,479	-	725	-	12.40%	86.80%
WEST BYPASS LEAK REPAIRS AND REFURBISH	293	-	-	-	-	0.00%	-
WSDP DEVELOPMENT	1,200	600,629	10	281	-	23.42%	46.80%
LERATO PARK SEWER UPGR DOWNSTREAM INFRA	-	7,800,000	4,676	4,676	-	-	59.95%
CARTERS GLEN SEWER PUMP STATION	-	8,540,000	-	-	-	-	0.00%
<b>IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)</b>	<b>74,207</b>	<b>74,207,000</b>	<b>3,633</b>	<b>35,177</b>	<b>14,988</b>	<b>47.40%</b>	<b>47.40%</b>
P-CIER RDS ROADS	20,000	20,000,000	5,708	14,780	1,266	73.90%	73.90%
PHDA PLANNING & SURVEYING	10,000	8,224,800	-	1,812	-	18.12%	22.03%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	5,000	5,000,000	-	2,277	-	45.54%	45.54%
UPGRADE GRAVEL ROADS WARDS VARIOUS	20,000	20,000,000	2,153	16,308	3,631	81.54%	81.54%
WATER PIPES REFURB PROG VARIOUS WARDS	19,207	19,207,000	-	-	5,863	0.00%	0.00%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	-	-	(4,228)	-	4,228	-	-
INDUSTRIAL HUB PRECINCT	-	1,775,200	-	-	-	-	0.00%
<b>EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)</b>	<b>4,000</b>	<b>4,000,000</b>	<b>50</b>	<b>3,993</b>	<b>-</b>	<b>99.83%</b>	<b>99.83%</b>
EEDSM PROJECTS	4,000	4,000,000	50	3,993	-	99.83%	99.83%
<b>NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)</b>	<b>2,000</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	2,000	-	-	-	-	0.00%	-
REDEVELOPMENT OF RC ELLIOT HALL	-	2,000,000	-	-	-	-	0.00%
<b>RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)</b>	<b>86,000</b>	<b>75,000,000</b>	<b>5,308</b>	<b>17,949</b>	<b>68</b>	<b>20.87%</b>	<b>23.93%</b>
EAST BYPASS REPLACE OF CORRODE10KM LINE	5,069	-	-	-	-	0.00%	-
EASTERN BYPASS REPAIR COATING AND REFURB	2,820	-	-	-	-	0.00%	-
KBY BULK METERS & PRESSURE MANAGEMENT	767	3,130,942	107	645	-	84.10%	20.60%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	4,532	3,126,384	175	238	-	5.25%	7.61%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	4,843	2,305,769	129	129	-	2.66%	5.59%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	10,628	29,473,373	5,444	8,955	-	84.26%	30.38%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	-	6,268,538	-	-	-	-	0.00%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	4,725	1,678,833	257	257	-	5.45%	15.33%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	16,598	5,373,546	598	3,773	-	22.73%	70.22%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	9,487	7,096,228	538	1,377	68	14.51%	19.40%
PROJECT MANAGEMENT	3,230	-	(3,014)	-	-	0.00%	-
RITCHIE SUBZONE SMART METER INSTALL	107	-	-	-	-	0.00%	-
RIVERTON TO MIDSTATION BULK PIPELINE REP	3,741	-	-	-	-	0.00%	-
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	12,955	9,446,913	765	1,971	-	15.22%	20.87%
WEST BYPASS REPLACE OF CORRODED SECTION	579	-	-	-	-	0.00%	-
WTW OHS & SECURITY MANAGEMENT	5,920	4,759,112	309	604	-	10.20%	12.68%
RITCHIE WTW UPGRADE AND BULK PIPELINE	-	2,340,362	-	-	-	-	0.00%
<b>EUROPEAN UNION</b>	<b>-</b>	<b>18,850,000</b>	<b>-</b>	<b>9,604</b>	<b>492</b>	<b>-</b>	<b>50.95%</b>
EUROPEAN UNION BEAR PROJECT	-	18,850,000	-	9,604	492	-	50.95%
<b>FRANCES BAARD DISTRICT MUNICIPALITY</b>	<b>-</b>	<b>6,000,000</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>50.00%</b>
RESEALING OF ROADS FBDM	-	6,000,000	3,000	3,000	-	-	50.00%
<b>Grand Total</b>	<b>249,473</b>	<b>271,284,000</b>	<b>20,185</b>	<b>90,443</b>	<b>27,481</b>	<b>36.25%</b>	<b>33.34%</b>

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Adjusted 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 March 2024 amounted to R20,185 million. The total YTD Capex amounts to R90,443 million. Please note that Commitments amounting to R27,481 million is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Overall spending on grants is extremely low. The percentage expenditure on IUDG (47.40%) and EEDSM is 99.83%, whilst INEP is 25.16% spent, RBIG 23.93% spent and NDPG is showing zero percent spent. Spending on Internally generated funds is also 21.13% spent. Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the *Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2024*

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.

### **13. Other supporting documents**

Additional information or supporting documentation for March 2024.  
Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for February 2024.

### **14. Conclusion**

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

#### **Communication**

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

## 15. Annexure A: C-schedules

### Prescribed Tables in terms of Municipal Budget and Reporting Regulations GG 32141 of 17 April 2009

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M09 March

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	610,991	660,893	660,893	45,384	546,188	495,670	50,518	10%	660,893
Service charges	1,182,667	1,517,256	1,450,586	127,811	1,008,228	1,111,274	(103,045)	-9%	1,450,586
Investment revenue	8,550	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	8,550	7,000	9,500	1,115	8,956	6,250	2,706	43%	9,500
Other own revenue	612,144	534,455	677,687	140,033	609,919	458,134	151,785	33%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,422,901</b>	<b>2,719,604</b>	<b>2,798,666</b>	<b>314,344</b>	<b>2,173,292</b>	<b>2,071,327</b>	<b>101,964</b>	<b>5%</b>	<b>2,798,666</b>
Employee costs	821,306	881,637	910,366	72,296	654,112	672,722	(18,611)		910,366
Remuneration of Councillors	32,224	35,559	35,559	2,859	26,546	26,669	(123)		35,559
Depreciation and amortisation	71,830	86,650	86,650	-	-	64,988	(64,988)		86,650
Interest	113,955	19,495	20,055	1	10,008	14,845	(4,837)		20,055
Inventory consumed and bulk purchases	937,060	1,090,900	1,127,055	40,609	758,039	833,782	(75,742)		1,127,055
Transfers and subsidies	2,599	4,560	3,560	-	2,422	3,020	(598)	-20%	3,560
Other expenditure	617,008	572,452	599,666	18,522	429,895	440,227	(10,333)	-2%	599,666
<b>Total Expenditure</b>	<b>2,595,982</b>	<b>2,691,252</b>	<b>2,782,911</b>	<b>134,287</b>	<b>1,881,022</b>	<b>2,056,253</b>	<b>(175,231)</b>	<b>-9%</b>	<b>2,782,911</b>
<b>Surplus/(Deficit)</b>	<b>(173,081)</b>	<b>28,351</b>	<b>15,755</b>	<b>180,057</b>	<b>292,270</b>	<b>15,074</b>	<b>277,195</b>	<b>1839%</b>	<b>15,755</b>
Transfers and subsidies - capital (monetary)	108,149	214,233	215,894	18,520	71,403	161,339	###	-56%	215,894
Transfers and subsidies - capital (in-kind)	3,387	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(61,545)</b>	<b>242,584</b>	<b>231,649</b>	<b>198,577</b>	<b>363,673</b>	<b>176,413</b>	<b>187,260</b>	<b>106%</b>	<b>231,649</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>(61,545)</b>	<b>242,584</b>	<b>231,649</b>	<b>198,577</b>	<b>363,673</b>	<b>176,413</b>	<b>187,260</b>	<b>106%</b>	<b>231,649</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>126,016</b>	<b>249,473</b>	<b>271,284</b>	<b>20,185</b>	<b>90,443</b>	<b>195,829</b>	<b>(105,387)</b>	<b>-54%</b>	<b>271,284</b>
Capital transfers recognised	96,392	214,233	215,894	14,292	78,740	161,339	(82,599)	-51%	215,894
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	29,624	35,240	55,390	5,893	11,703	34,490	(22,788)	-66%	55,390
<b>Total sources of capital funds</b>	<b>126,016</b>	<b>249,473</b>	<b>271,284</b>	<b>20,185</b>	<b>90,443</b>	<b>195,829</b>	<b>(105,387)</b>	<b>-54%</b>	<b>271,284</b>
<b>Financial position</b>									
Total current assets	2,304,408	3,472,014	3,449,123		2,761,668				3,449,123
Total non current assets	2,265,500	2,466,074	2,487,885		2,355,942				2,487,885
Total current liabilities	1,457,966	1,151,431	1,161,286		1,646,280				1,161,286
Total non current liabilities	416,743	443,824	443,824		410,208				443,824
Community wealth/Equity	2,694,412	4,342,835	4,331,904		3,061,122				4,331,904
<b>Cash flows</b>									
Net cash from (used) operating	(940,714)	238,844	158,443	110,114	226,025	118,832	(107,193)	-90%	158,443
Net cash from (used) investing	(126,016)	(249,473)	(270,184)	(20,185)	(89,383)	(202,638)	(113,255)	56%	(270,184)
Net cash from (used) financing	-	(13,351)	(13,351)	-	1,569	(10,014)	(11,582)	116%	(13,351)
<b>Cash/cash equivalents at the month/year end</b>	<b>(869,139)</b>	<b>174,327</b>	<b>73,214</b>	<b>-</b>	<b>247,746</b>	<b>104,487</b>	<b>(143,259)</b>	<b>-137%</b>	<b>(15,556)</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	161,433	137,934	79,995	75,182	76,136	73,093	474,651	#####	3,730,832
<b>Creditors Age Analysis</b>									
Total Creditors	125,157	39,467	3,673	3,171	25,391	215	228,553	752,744	1,178,372

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		1,180,153	1,271,802	1,291,869	141,746	1,006,878	961,878	45,000	5%	1,291,869
Executive and council		503,511	580,455	593,022	95,149	429,078	440,368	(11,290)	-3%	593,022
Finance and administration		676,642	691,347	698,847	46,597	577,800	521,510	56,290	11%	698,847
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		31,035	41,568	47,334	2,483	30,570	33,483	(2,913)	-9%	47,334
Community and social services		11,662	11,782	12,348	260	7,450	9,063	(1,613)	-18%	12,348
Sport and recreation		2,428	2,265	2,265	141	2,092	1,699	393	23%	2,265
Public safety		412	750	750	44	206	562	(357)	-63%	750
Housing		12,972	26,701	28,101	2,038	20,755	20,586	169	1%	28,101
Health		3,560	70	3,870	-	67	1,572	(1,505)	-96%	3,870
<b>Economic and environmental services</b>		22,120	16,520	36,420	413	8,829	20,350	(11,521)	-57%	36,420
Planning and development		5,342	5,595	25,495	211	5,899	12,156	(6,258)	-51%	25,495
Road transport		16,779	10,925	10,925	202	2,930	8,194	(5,264)	-64%	10,925
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1,291,009	1,594,737	1,629,727	187,391	1,190,181	1,210,048	(19,868)	-2%	1,629,727
Energy sources		773,385	1,052,252	1,056,582	133,034	747,119	790,921	(43,802)	-6%	1,056,582
Water management		328,261	364,714	373,694	35,640	278,869	277,127	1,741	1%	373,694
Waste water management		108,190	101,358	116,048	10,515	92,500	81,895	10,606	13%	116,048
Waste management		81,173	76,413	83,403	8,202	71,693	60,105	11,587	19%	83,403
<b>Other</b>	4	10,121	9,210	9,210	831	8,238	6,907	1,330	19%	9,210
<b>Total Revenue - Functional</b>	2	2,534,437	2,933,837	3,014,560	332,864	2,244,695	2,232,666	12,028	1%	3,014,560
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		757,821	662,700	774,125	41,096	522,748	569,753	(47,006)	-8%	774,125
Executive and council		505,059	287,301	474,688	19,251	323,725	347,131	(23,407)	-7%	474,688
Finance and administration		247,373	368,723	292,760	21,408	194,884	217,615	(22,731)	-10%	292,760
Internal audit		5,389	6,676	6,676	437	4,139	5,007	(868)	-17%	6,676
<b>Community and public safety</b>		186,168	195,332	211,356	16,596	149,477	152,910	(3,433)	-2%	211,356
Community and social services		45,511	49,529	55,224	3,847	35,638	39,425	(3,787)	-10%	55,224
Sport and recreation		59,539	56,350	59,297	5,666	49,303	43,442	5,861	13%	59,297
Public safety		41,055	42,115	44,440	3,790	32,729	32,516	213	1%	44,440
Housing		20,980	26,752	27,448	1,684	16,464	20,343	(3,878)	-19%	27,448
Health		19,082	20,586	24,947	1,609	15,343	17,184	(1,841)	-11%	24,947
<b>Economic and environmental services</b>		138,729	256,194	176,912	15,898	122,875	132,279	(9,404)	-7%	176,912
Planning and development		42,376	132,278	53,652	3,756	35,037	39,604	(4,567)	-12%	53,652
Road transport		95,517	123,016	122,359	12,073	87,177	92,000	(4,823)	-5%	122,359
Environmental protection		836	900	900	69	661	675	(15)	-2%	900
<b>Trading services</b>		1,490,202	1,551,892	1,594,875	58,527	1,067,822	1,182,257	(114,435)	-10%	1,594,875
Energy sources		963,125	1,031,152	1,026,815	21,238	683,261	771,630	(88,368)	-11%	1,026,815
Water management		349,874	341,800	373,716	23,170	247,202	270,260	(23,058)	-9%	373,716
Waste water management		104,093	102,527	117,278	8,146	79,812	82,796	(2,984)	-4%	117,278
Waste management		73,110	76,413	77,066	5,974	57,546	57,571	(25)	0%	77,066
<b>Other</b>		23,062	25,135	25,644	2,169	18,101	19,055	(954)	-5%	25,644
<b>Total Expenditure - Functional</b>	3	2,595,982	2,691,252	2,782,911	134,287	1,881,022	2,056,253	(175,231)	-9%	2,782,911
<b>Surplus/ (Deficit) for the year</b>		(61,545)	242,584	231,649	198,577	363,673	176,413	187,260	106%	231,649



**NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March**

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		503,511	580,455	593,022	95,149	429,078	440,368	(11,290)	-2.6%	593,022
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,432	6,961	7,261	496	3,330	5,341	(2,011)	-37.7%	7,261
Vote 05 - Community Services		124,394	109,495	120,851	9,598	90,344	86,663	3,681	4.2%	120,851
Vote 06 - Financial Services		670,519	683,585	690,785	46,048	574,159	515,569	58,590	11.4%	690,785
Vote 07 - Strategy Econ Development And Planning		6,867	8,015	27,915	273	7,860	13,971	(6,112)	-43.7%	27,915
Vote 08 - Infrastructure And Services		1,223,713	1,545,325	1,574,725	181,300	1,139,923	1,170,754	(30,830)	-2.6%	1,574,725
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2,534,437</b>	<b>2,933,837</b>	<b>3,014,560</b>	<b>332,864</b>	<b>2,244,695</b>	<b>2,232,666</b>	<b>12,028</b>	<b>0.5%</b>	<b>3,014,560</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Executive & Council		58,395	59,173	59,628	5,034	45,627	44,562	1,065	2.4%	59,628
Vote 02 - Municipal And General		434,595	214,468	399,401	13,159	264,788	291,524	(26,736)	-9.2%	399,401
Vote 03 - Municipal Manager		22,369	26,161	28,701	2,060	21,863	20,638	1,225	5.9%	28,701
Vote 04 - Corporate Services		68,169	81,959	77,301	5,926	53,126	59,607	(6,481)	-10.9%	77,301
Vote 05 - Community Services		299,548	312,712	329,231	25,917	237,909	241,143	(3,235)	-1.3%	329,231
Vote 06 - Financial Services		131,248	237,712	160,249	10,702	105,524	118,755	(13,231)	-11.1%	160,249
Vote 07 - Strategy Econ Development And Planning		57,573	143,730	67,445	5,278	45,925	49,130	(3,205)	-6.5%	67,445
Vote 08 - Infrastructure And Services		1,524,086	1,615,337	1,660,955	66,211	1,106,261	1,230,895	(124,634)	-10.1%	1,660,955
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>2,595,982</b>	<b>2,691,252</b>	<b>2,782,911</b>	<b>134,287</b>	<b>1,881,022</b>	<b>2,056,253</b>	<b>(175,231)</b>	<b>-8.5%</b>	<b>2,782,911</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(61,545)</b>	<b>242,584</b>	<b>231,649</b>	<b>198,577</b>	<b>363,673</b>	<b>176,413</b>	<b>187,260</b>	<b>106.1%</b>	<b>231,649</b>

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		754,974	1,034,872	995,202	84,051	655,280	760,286	(105,006)	-14%	995,202
Service charges - Water		271,599	327,114	300,114	29,061	222,774	234,535	(11,761)	-5%	300,114
Service charges - Waste Water Management		89,203	89,858	89,858	8,155	72,397	67,394	5,003	7%	89,858
Service charges - Waste management		66,890	65,412	65,412	6,544	57,777	49,059	8,718	18%	65,412
Sale of Goods and Rendering of Services		13,750	15,579	17,379	903	14,081	12,405	1,676	14%	17,379
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		199,982	168,880	250,400	21,778	190,881	159,268	31,613	20%	250,400
Interest from Current and Non Current Assets		8,550	7,000	9,500	1,115	8,956	6,250	-	-	9,500
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		26,000	26,930	28,130	2,055	20,901	20,677	224	1%	28,130
Licence and permits		1,056	1,200	1,200	26	490	900	(410)	-46%	1,200
Operational Revenue		3,189	3,134	3,134	371	3,631	2,351	1,280	54%	3,134
<b>Non-Exchange Revenue</b>										
Property rates		610,991	660,893	660,893	45,384	546,188	495,670	50,518	10%	660,893
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		59,462	30,660	37,910	572	27,909	25,895	2,014	-	37,910
Licence and permits		7,965	6,150	6,150	779	5,902	4,612	1,289	-	6,150
Transfers and subsidies - Operational		264,657	281,921	287,603	66,026	266,308	213,714	52,595	-	287,603
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		4,037	-	44,680	47,523	78,745	17,872	60,873	341%	44,680
Gains on disposal of Assets		5,891	-	1,100	-	1,059	440	619	-	1,100
Other Gains		34,705	-	-	-	11	-	11	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2,422,901</b>	<b>2,719,604</b>	<b>2,798,666</b>	<b>314,344</b>	<b>2,173,292</b>	<b>2,071,327</b>	<b>101,964</b>	<b>5%</b>	<b>2,798,666</b>
<b>Expenditure By Type</b>										
Employee related costs		821,306	881,637	910,366	72,296	654,112	672,722	(18,611)	-3%	910,366
Remuneration of councillors		32,224	35,559	35,559	2,859	26,546	26,669	(123)	0%	35,559
Bulk purchases - electricity		672,362	785,000	790,100	11,144	540,763	590,790	(50,027)	-	790,100
Inventory consumed		264,698	305,900	336,955	29,464	217,277	242,992	(25,715)	-	336,955
Debt impairment		378,747	317,500	317,500	-	238,125	238,125	(0)	0%	317,500
Depreciation and amortisation		71,830	86,650	86,650	-	-	64,988	(64,988)	-100%	86,650
Interest		113,955	19,495	20,055	1	10,008	14,845	(4,837)	-33%	20,055
Contracted services		28,285	48,113	56,913	2,083	33,610	39,605	(5,995)	-15%	56,913
Transfers and subsidies		2,599	4,560	3,560	-	2,422	3,020	(598)	-20%	3,560
Irrecoverable debts written off		-	-	-	-	1	-	1	-	-
Operational costs		131,090	145,639	159,253	16,439	130,275	114,677	15,597	14%	159,253
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		78,885	61,200	66,000	-	27,885	47,820	(19,936)	-	66,000
<b>Total Expenditure</b>		<b>2,595,982</b>	<b>2,691,252</b>	<b>2,782,911</b>	<b>134,287</b>	<b>1,881,022</b>	<b>2,056,253</b>	<b>(175,231)</b>	<b>-9%</b>	<b>2,782,911</b>
<b>Surplus/(Deficit)</b>		<b>(173,081)</b>	<b>28,351</b>	<b>15,755</b>	<b>180,057</b>	<b>292,270</b>	<b>15,074</b>	<b>277,195</b>	<b>0</b>	<b>15,755</b>
Transfers and subsidies - capital (monetary allocations)		108,149	214,233	215,894	18,520	71,403	161,339	(89,936)	(0)	215,894
Transfers and subsidies - capital (in-kind)		3,387	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(61,545)</b>	<b>242,584</b>	<b>231,649</b>	<b>198,577</b>	<b>363,673</b>	<b>176,413</b>			<b>231,649</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(61,545)</b>	<b>242,584</b>	<b>231,649</b>	<b>198,577</b>	<b>363,673</b>	<b>176,413</b>			<b>231,649</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(61,545)</b>	<b>242,584</b>	<b>231,649</b>	<b>198,577</b>	<b>363,673</b>	<b>176,413</b>			<b>231,649</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(61,545)</b>	<b>242,584</b>	<b>231,649</b>	<b>198,577</b>	<b>363,673</b>	<b>176,413</b>			<b>231,649</b>

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		8,996	10,000	30,850	-	11,416	14,255	(2,839)	-20%	30,850
Vote 08 - Infrastructure And Services		82,240	183,117	177,037	14,997	63,944	136,491	(72,547)	-53%	177,037
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4.7	<b>91,236</b>	<b>193,117</b>	<b>207,887</b>	<b>14,997</b>	<b>75,360</b>	<b>150,746</b>	<b>(75,385)</b>	<b>-50%</b>	<b>207,887</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		14,586	19,500	21,310	38	2,409	15,349	(12,940)	-84%	21,310
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	42,087	5,150	12,674	29,735	(17,061)	-57%	42,087
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>34,780</b>	<b>56,356</b>	<b>63,397</b>	<b>5,188</b>	<b>15,082</b>	<b>45,084</b>	<b>(30,001)</b>	<b>-67%</b>	<b>63,397</b>
<b>Total Capital Expenditure</b>		<b>126,016</b>	<b>249,473</b>	<b>271,284</b>	<b>20,185</b>	<b>90,443</b>	<b>195,829</b>	<b>(105,387)</b>	<b>-54%</b>	<b>271,284</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>14,586</b>	<b>19,500</b>	<b>21,310</b>	<b>38</b>	<b>2,409</b>	<b>15,349</b>	<b>(12,940)</b>	<b>-84%</b>	<b>21,310</b>
Executive and council		14,586	19,500	21,310	38	2,409	15,349	(12,940)	-84%	21,310
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>44,387</b>	<b>50,000</b>	<b>76,850</b>	<b>10,861</b>	<b>45,505</b>	<b>46,655</b>	<b>(1,151)</b>	<b>-2%</b>	<b>76,850</b>
Planning and development		8,996	10,000	30,850	-	11,416	14,255	(2,839)	-20%	30,850
Road transport		35,392	40,000	46,000	10,861	34,088	32,400	1,688	5%	46,000
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>67,042</b>	<b>179,973</b>	<b>173,124</b>	<b>9,285</b>	<b>42,529</b>	<b>133,825</b>	<b>(91,296)</b>	<b>-68%</b>	<b>173,124</b>
Energy sources		36,862	54,026	41,837	2,351	13,184	35,644	(22,460)	-63%	41,837
Water management		9,645	125,947	114,947	6,486	24,669	90,060	(65,391)	-73%	114,947
Waste water management		20,535	-	16,340	448	4,676	8,121	(3,444)	-42%	16,340
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>126,016</b>	<b>249,473</b>	<b>271,284</b>	<b>20,185</b>	<b>90,443</b>	<b>195,829</b>	<b>(105,387)</b>	<b>-54%</b>	<b>271,284</b>
<b>Funded by:</b>										
National Government		96,392	214,233	191,044	11,292	66,136	151,399	(85,264)	-56%	191,044
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	6,000	3,000	3,000	2,400	600	25%	6,000
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		-	-	18,850	-	9,604	7,540	2,064	27%	18,850
<b>Transfers recognised - capital</b>		<b>96,392</b>	<b>214,233</b>	<b>215,894</b>	<b>14,292</b>	<b>78,740</b>	<b>161,339</b>	<b>(82,599)</b>	<b>-51%</b>	<b>215,894</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>29,624</b>	<b>35,240</b>	<b>55,390</b>	<b>5,893</b>	<b>11,703</b>	<b>34,490</b>	<b>(22,788)</b>	<b>-66%</b>	<b>55,390</b>
<b>Total Capital Funding</b>		<b>126,016</b>	<b>249,473</b>	<b>271,284</b>	<b>20,185</b>	<b>90,443</b>	<b>195,829</b>	<b>(105,387)</b>	<b>-54%</b>	<b>271,284</b>

**NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M09 March**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		109,536	174,327	73,214	217,417	73,214
Trade and other receivables from exchange transactions		1,093,008	734,354	812,576	1,382,943	812,576
Receivables from non-exchange transactions		876,734	2,173,122	2,173,122	927,917	2,173,122
Current portion of non-current receivables		-	-	-	-	-
Inventory		82,694	27,461	27,461	94,869	27,461
VAT		142,434	362,625	362,625	138,227	362,625
Other current assets		1	126	126	294	126
<b>Total current assets</b>		<b>2,304,408</b>	<b>3,472,014</b>	<b>3,449,123</b>	<b>2,761,668</b>	<b>3,449,123</b>
<b>Non current assets</b>						
Investments						
Investment property		212,356	223,856	223,856	216,445	223,856
Property, plant and equipment		2,023,360	2,190,939	2,193,900	2,100,109	2,193,900
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	22,342	27,318	22,342
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	35,716	35,716	-	35,716
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>2,265,500</b>	<b>2,466,074</b>	<b>2,487,885</b>	<b>2,355,942</b>	<b>2,487,885</b>
<b>TOTAL ASSETS</b>		<b>4,569,908</b>	<b>5,938,089</b>	<b>5,937,009</b>	<b>5,117,610</b>	<b>5,937,009</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		45,776	49,391	49,391	47,680	49,391
Trade and other payables from exchange transactions		1,293,730	937,683	947,539	1,267,553	947,539
Trade and other payables from non-exchange transactions		7,233	-	-	108,402	-
Provision		-	94,029	94,029	788	94,029
VAT		111,227	70,327	70,327	221,857	70,327
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>1,457,966</b>	<b>1,151,431</b>	<b>1,161,286</b>	<b>1,646,280</b>	<b>1,161,286</b>
<b>Non current liabilities</b>						
Financial liabilities		159,430	158,166	158,166	152,895	158,166
Provision		257,313	285,658	285,658	257,313	285,658
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
<b>Total non current liabilities</b>		<b>416,743</b>	<b>443,824</b>	<b>443,824</b>	<b>410,208</b>	<b>443,824</b>
<b>TOTAL LIABILITIES</b>		<b>1,874,708</b>	<b>1,595,254</b>	<b>1,605,110</b>	<b>2,056,488</b>	<b>1,605,110</b>
<b>NET ASSETS</b>	2	<b>2,695,200</b>	<b>4,342,835</b>	<b>4,331,899</b>	<b>3,061,122</b>	<b>4,331,899</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		2,630,346	4,261,958	4,251,028	2,997,056	4,251,028
Reserves and funds		64,066	80,876	80,876	64,066	80,876
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2,694,412</b>	<b>4,342,835</b>	<b>4,331,904</b>	<b>3,061,122</b>	<b>4,331,904</b>

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		453,721	543,052	543,052	31,719	386,127	407,289	(21,162)	-5%	543,052
Service charges		1,024,096	1,354,795	1,341,114	128,761	907,297	1,005,835	(98,538)	-10%	1,341,114
Other revenue		724,269	79,844	94,184	15,383	460,430	70,638	389,792	552%	94,184
Transfers and Subsidies - Operational		100,622	281,921	304,653	70,216	294,749	228,490	66,259	29%	304,653
Transfers and Subsidies - Capital		113,738	214,233	191,044	55,499	136,699	143,283	(6,584)	-5%	191,044
Interest		567	-	-	-	3,412	-	3,412	#DIV/0!	-
Dividends										
<b>Payments</b>										
Suppliers and employees		(3,355,326)	(2,215,507)	(2,295,550)	(191,464)	(1,965,092)	(1,721,662)	243,430	-14%	(2,295,550)
Interest		(2,401)	(19,495)	(20,055)	-	2,401	(15,041)	(17,442)	116%	(20,055)
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(940,714)</b>	<b>238,844</b>	<b>158,443</b>	<b>110,114</b>	<b>226,025</b>	<b>118,832</b>	<b>(107,193)</b>	<b>-90%</b>	<b>158,443</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	1,100	-	1,059	825	234	28%	1,100
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(126,016)	(249,473)	(271,284)	(20,185)	(90,443)	(203,463)	(113,020)	56%	(271,284)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(126,016)</b>	<b>(249,473)</b>	<b>(270,184)</b>	<b>(20,185)</b>	<b>(89,383)</b>	<b>(202,638)</b>	<b>(113,255)</b>	<b>56%</b>	<b>(270,184)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	-	-	-	1,569	-	1,569	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	(13,351)	(13,351)	-	-	(10,014)	(10,014)	100%	(13,351)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(13,351)</b>	<b>(13,351)</b>	<b>-</b>	<b>1,569</b>	<b>(10,014)</b>	<b>(11,582)</b>	<b>116%</b>	<b>(13,351)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(1,066,730)</b>	<b>(23,980)</b>	<b>(125,093)</b>	<b>89,929</b>	<b>138,210</b>	<b>(93,820)</b>			<b>(125,093)</b>
Cash/cash equivalents at beginning:		197,591	198,307	198,307	154,381	109,536	198,307			109,536
Cash/cash equivalents at month/year end:		(869,139)	174,327	73,214		247,746	104,487			(15,556)

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Adjusted budget for 2023/24 financial year, by relooking at the mapping as advised by NT and BCX. However, there are some 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 R217,417 million as per the Cash book balance.

## 16. Annexure B: 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 - March 2024 Comments
<p><b>6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month’s consumption)</b></p>	<p><b>6.3.1</b> The municipality must monthly pay and maintain its <b>Eskom bulk current account</b> and <b>bulk water current account</b> - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p><b>Compliant - ESKOM</b> The municipality settled R62,479m excl interest of R1,893m on 28 March 2024 on the current ESKOM account for February 2024 amounting to R64,371m.</p> <p><b>Non-Compliant - DWS</b> The municipality did not settle the current Water account for Feb 2024 amounting to R36,046m, due to billing error on the account, but it was agreed that we will settle the account and the Department will effect the correction on the March 2024 bill. The municipality did not have sufficient cash at month-end, to settle the account in full. The City Engineer for Water and Sanitation refused to sign the voucher due to the billing error and the voucher could not be processed. The matter was clarified with him.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	<p><b>6.3.1 (a)</b> At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS.  <b>(b)</b> Pay the monthly debt instalment of R6,700m to Eskom on 15th of each month</p>	Monthly, 5th of each month		<p><b>Non-compliant</b>  The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of April 2024. This was exacerbated by the high bill for bulk water for Feb 2024..  The municipality settled R6.7m on 19 March 2024 to ESKOM as part on the proposed debt agreement.</p>
	<p><b>6.3.2</b> 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>	Within 1 day after making payment	Proof of payment and proof of email submission	<p><b>Compliant</b>  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>	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	<p><b>Compliant</b>  Proof of Payments made in March 2024 for February 2024 account was uploaded onto GoMuni on 8 April 2024. Due date is 14/04/2024.</p>



MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	<p><b>6.3.4</b> - 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><b>Partially compliant</b> Invoices are captured on the system, however minor accounts for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.</p>
<p><b>6.6 Electricity and Water Collection</b> <i>(Demonstration through by-laws and budget related policies)</i></p>	<p><b>6.6.1</b> Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity</p>	<p>Monthly</p>	<p>Monthly billing reconciliation / Financial system generated hierachy allocation report</p>	<p><b>Compliant</b> Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	<p><b>6.6.2</b> The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>Only 200 conventional meters (businesses and households) were disconnected, as there were IT challenges that inhibited us from blocking prepaid meters (under investigation by our Consultant - Conrad Huygen from BCX)</p>
	<p><b>6.6.3</b> 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><b>Non-compliant</b> Our Municipality is currently facing a water crisis, there are water restrictions currently implemented for all Consumers. We are currently working with Supply Chain to see if water meters cannot be procured through the Transversal Contract.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	<p><b>6.6.4</b> If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	<p><b>Non-compliant</b> 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>
<p><b>6.7 Maintain a minimum average quarterly collection of property rates and services charges</b></p>	<p><b>6.7.1</b> The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm</p>	Monthly (Internal) and Quarterly (Debt Relief)	Collect R10,000 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)	<p><b>Non-Compliant</b> Monthly S71 Revenue Collection rate per Ward = 50% (This needs to be investigated. possible billing correction or error on Electricity) Quarterly S71 Revenue Collection rate per Ward = 76% <b>Not achieved</b> Average daily cash collection for March 2024, was R8,031m <b>Compliant</b> Average collection rate = 80.7%</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	<p><b>6.7.2</b> If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that –</p> <p>6.7.2.1 Underperformance directly relates to Eskom Supplied areas</p> <p>6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s)</p> <p>6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure</p>	Quarterly	Monthly S71 Revenue Collection Ward Template	<p><b>Non-Compliant</b> Quarterly S71 Revenue Collection rate per Ward = 76%</p> <p><b>Compliant</b> Average collection rate = 80.7%</p>
	<p><b>6.7.3</b> Install progressively smart prepaid meters in municipal supplied areas (Electricity)</p>	Quarterly	<p>Report on the number of meters installed Annual Target: 8,000 Q1: 1,000 Q2: 2,000 Q3: 3,000 Q4: 2,000 (As per SDBIP)</p>	<p>The municipality is waiting on National Treasury to award the transversal tender for smart prepaid meters</p>
<p><b>6.7 Maintain a minimum average quarterly collection of property rates and services charges</b></p>	<p><b>6.7.3</b> Install progressively smart prepaid meters in municipal supplied areas (Water)</p>	Quarterly	<p>Report on the number of meters installed Annual Target: 8,000 Q1: 500 Q2: 3,000 Q3: 2,500 Q4: 2,000 (As per SDBIP)</p>	<p>No meters were installed due to the finalisation of the tender for the procurement of polyethylene pipes and fittings.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	6.7.4 All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	The municipality is waiting for the transversal tender for Smart Prepaid Metering Solutions to be awarded by National Treasury
6.8 Completeness of the revenue base	6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> GVR reconciliation completed Monday, 15 April 2024
6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury	<b>Compliant</b> GVR reconciliation submitted Monday, 15 April 2024			
6.9 Monitor and report on implementation	6.9.1 MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	<b>Compliant</b> Report included in the monthly S71 report for February 2024

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	<p><b>6.9.2</b> If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?</p>			
	<p><b>6.9.3 Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive</p>			
<p><b>6.10 Provincial Treasury's Certification of municipal compliance</b></p>	<p><b>6.10 Provincial Treasury certification of municipal compliance</b> – in terms of section 5 and 74 of the MFMA to be performed by the relevant PT</p>			
	<p>Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action</p>	<p>Monthly, within 1 days after issue</p>	<p>NT: LGBA Compliance Certification</p>	<p>The municipality received the compliance certificates for February 2024. Management must take remedial actions as per the recommendations made by National Treasury</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	<p><b>6.12.1</b> Open a separate investment account to serve as a sub-account</p>	Once-off	Investment account confirmation	<p><b>Compliant</b> A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124</p>
<p><b>6.12</b> The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</p>	<p><b>6.12.1</b> must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	<p><b>Finalised</b> Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. <b>Partially compliant</b> The ESKOM and DWS current accounts were paid directly from the Primary bank account. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124</p>



MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - March 2024 Comments
	<p><b>6.12.2</b> must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.</p>	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p><b>Partially compliant</b> The ESKOM and DWS accounts were paid directly from the Primary bank account. Municipality has a backlog in terms of built-up reserves. Salaries and third party salary payments including 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><b>Partially compliant</b> Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement is uploaded on GoMuni. Revenue received to be aligned to actual payments. Payments made directly from Primary bank account.</p>

**Critical areas that the municipality must address and/or improve upon**

Settling of the current accounts for both Water and ESKOM

Settling of the debt repayment instalment

Achieving the desired collection rate of 95% and application of the Credit Control Policy

Restricting or interrupting of water supply of defaulting customers and indigents. Assistance from the Engineer for Water & Sanitation is really needed in this regard.

Improving on indigent management, especially in light of the audit findings raised.

Installation of smart prepaid meters. Engineers for Water and Electricity is really needed in this regard.

Engaging ESKOM to assist in collections in ESKOM supplied areas (Ritchie). Debtors Management to do an assessment of actual debt owed and the number of registered indigents compared to total number of households.

Development of the policy for smart prepaid metering solutions (The policy was developed and was tabled to Council with the Draft Budget)

Ring-fencing actual cash received for Electricity and Water

Building up of reserves as a matter of urgency.

The last three items above, can only be realistically achieved if the collection rate improves significantly and the Credit Control Policy is adhered to.

## 17. Municipal Manager's quality certification

### Quality Certificate

I, BS Matlala, the Municipal Manager of Sol Plaatje Local Municipality, hereby certify that  
(mark as appropriate)

the Monthly Budget Statement

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

Mid-year Budget and Performance Assessment

For the month of **March 2024** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

**Print name: Mr. BS Matlala**

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

Signature: 

Date: 15 /04/2024