



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

To comply with section 71 of the MFMA and the requirements as promulgated in the MBRR Government Gazette No 32141 of 17 June 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: 13 December 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 June 2009)  
MBS – Monthly Budget Statement  
MFMA - Municipal Finance Management Act (Act 56 of 2003)  
MIG - Municipal Infrastructure Grant  
MM - Municipal Manager  
MSA - Municipal Systems Act  
MSIG - Municipal Systems Improvement Grant  
MTREF - Medium Term Revenue and Expenditure Framework  
NDPG - Neighbourhood Development Partnership Grant  
NERSA - National Energy Regulator of South Africa (“the Regulator”)  
NT - National Treasury  
OPEX – Operational Expenditure  
O/S - Outstanding  
PPE - Property, Plant and Equipment  
R&M - Repairs and Maintenance  
SALGA - South African Local Government Association  
SCM - Supply Chain Management  
SCOA – Standard Chart of Accounts  
SDBIP - Service Delivery and Budget Implementation Plan  
SEDP - Strategic Economic Development and Planning  
SLA - Service Level Agreement  
SMME - Small, Medium and Micro Enterprises  
SPCA - Society For The Prevention Of Cruelty To Animals  
SPLM - Sol Plaatje Local Municipality  
VAT – Value Added Tax  
YTD – Year to date  
WRM - Water Resource Management  
WRL - Water Research Levy  
WSIG – Water Services Infrastructure Grant

## PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

**DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 30 NOVEMBER 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 June 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.

Currently, the total debtor's book is standing at R3,949,372 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follow, R839,628 million is owed by government, R667,630 million by business and R2,322,663 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 because 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. 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 June 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 Juneor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **30 November 2024**, the ten working day reporting limit expires on **13 December 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 **13 December 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 November 2024	YTD Actual November 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,232,616	1,298,662	66,047	105.4%	5.4%
Total Revenue (including capital transfers and contributions)	1,471,045	1,391,694	(79,350)	94.6%	-5.4%
Total Operational Expenditure	1,258,948	1,154,153	(104,795)	91.7%	-8.3%

Table 1.1: Consolidated summary: Statement of Financial Performance: YTD Budget

As indicated in Table 1.1 above, as at 30 November 2024, the billed revenue excluding capital grants amounted to R1,298,662 billion which resulted in a satisfactory variance of 5.4% when compared to the YTD Budget of R1,232,616 billion. The billed revenue including capital grants amounted to R1,391,694 billion, resulting in a satisfactory variance of minus 5.4% when compared to the YTD budget of R1,471,045 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 R1,154,153 billion versus the YTD Budget of R1,258,948 billion, resulting in an unsatisfactory variance of minus 8.3%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual November 2024	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 41.67%
Total Revenue (excluding capital transfers and contributions)	2,958,278	1,298,662	1,052,139	43.9%	2.2%
Total Revenue (including capital transfers and contributions)	3,530,507	1,391,694	1,097,485	39.4%	-2.2%
Total Operational Expenditure	2,928,505	1,154,153	910,111	39.4%	-2.3%

Table 1.2: Consolidated summary: Statement of Financial Performance: Original Budget

Indicated in Table 1.2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 41.67% [calculated as follow: (100/12 months x 5 months of the year)] as at the end of November 2024, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 2.2%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of minus 2.2%. The Total Operational Expenditure resulted in a satisfactory variance of minus 2.3%.

**Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 12. The capital projections were also done in the same fashion. Please note that variances within a 5 to 10 percent range, as prescribed by National Treasury are acceptable and need not necessarily be explained.**

#### 4. Budget performance overview

The municipality is implementing the Original budget for 2024/25 financial year. The original budget for 2024/25 was assessed as funded with a firm recommendation from NT that the collection rate must improve. As per the tables above, overall Operational revenue is performing satisfactorily, with the actual achieved versus the Original budget standing at 43.9% spent versus the ideal percentage of 41.67%. This is largely as a result of the annual billing on Property rates. Operational expenditure is 39.4% spent which is understated due to the following, the bi-annual loan repayment, with the first instalment being due at the end of December 2024 and post-retirement health benefits which is not yet accounted for. Performance on the capital is normally poor during the start of financial year. This is still not a desired outcome and more effective planning, monitoring and timely remedial action is essential to improve on the monthly and full year outcome of capital expenditure.

The municipality's Debt Relief application to National Treasury was approved, effective 1 October 2023. The municipality concluded a payment arrangement agreement with Eskom on 12 June 2024 for debt accrued after March 2023, amounting to R163 million. It is imperative that the municipality abides with the conditions of Circular 124, as non-compliance have serious repercussions for the municipality and its electricity business. As articulated in Table 2 below, the municipality made partial payments on the July and August 2024 accounts for the high months. The municipality is in arrears now with three instalments of the Payment Arrangement, amounting to R20,100 million. Eskom also indicated that the municipality is liable to settle the interest charges from July 2024 going forward, amounting to R4,944 million, as at end of October 2024. Interest on overdue accounts must be disclosed as Fruitless and Wasteful Expenditure. It is of paramount importance that in order to be in good standing with ESKOM and National Treasury and to qualify for the recommendation for the first third debt write-off, the municipality must pay **R152,680,857.61** with immediate effect. Eskom granted the municipality a grace period until 11 December 2024 to settle the current year accumulative arrears. Based on the original condition to qualify for the third write-off, the amount that needed to be settled before 11 December 2024 was **R134,337,170.97**. On 11 December 2024 the municipality settled R67,190,839.43 which is fifty percent of the amount due. The municipality requested an extension until 31 January 2025 to settle the balance of R67 million. Based on the escalated amount, the balance outstanding amounts to **R92,234,526.09**. If Eskom will grant the extension and if it is approved by National Treasury, this is the amount that must be settled by the agreed due date.

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments PA	Total Due to be in Good standing	Interest
Jul-24	148,333,011.78	80,868,260.60	67,464,751.18	6,700,000.00	74,164,751.18	273,911.75
Aug-24	127,600,942.44	67,000,000.00	60,600,942.44		60,600,942.44	154,610.92
Sep-24	71,086,942.52	69,337,712.24	1,749,230.28	6,700,000.00	8,449,230.28	1,749,230.28
Oct-24	73,507,839.50	70,741,905.79	2,765,933.71	6,700,000.00	9,465,933.71	2,765,933.71
<b>TOTAL</b>			<b>132,580,857.61</b>	<b>20,100,000.00</b>	<b>152,680,857.61</b>	<b>4,943,686.66</b>

Table 2: Arrear debt payable to qualify for a third of the debt to be written-off.

The total debt eligible for write-off, over the 3-year period amounts to **R744,384,421.59**. The first third of the qualifying debt to be written-off amounts to **R248,128,140.53**. Should the municipality fail to comply with the conditions and fail to settle the current year accumulative arrears, this is the debt relief benefit that the municipality will forfeit. This will be a serious blow to the municipality's finances and will have severe repercussions on the already critical cashflow position.

Another serious non-compliance to the conditions, is the non-payment of the October 2024 account for Water amounting to **R17,504 million**. The municipality had insufficient cash to settle the account at the end of November 2024. It is of great concern that the municipality could not manage to settle the debt repayment instalment to DWS for the past six months, resulting in an amount outstanding on the debt agreement of **R36,000 million**. The total amount due and payable to DWS is **R53,504 million** to remain

on the Department's Debt Incentive Programme. If the municipality fails to pay the outstanding arrear debt before end of February 2025, the municipality will forfeit the interest write-off of R14 million and the Department will resume in charging interest on overdue accounts, leading to an escalation in Fruitless and Wasteful expenditure and further impede on the municipality's financial recovery.

As per MFMA Circular 124, Section 5, articulated below are the consequence for failure to comply with the conditions of the Municipal Debt Relief and related initiatives:

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

- a. The benefits of the Relief to that municipality will immediately cease;
- b. This means that Eskom will be obliged to implement its credit control and debt management policy on the defaulting municipality and the municipality must immediately start repaying its Eskom arrears, interest and penalties;
- c. Eskom may resume any legal proceedings (relating to the municipality's arrear debt, interest and penalties as of 30 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 instill 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."***

## Monitor and report on implementation –

As per MFMA Circular 124,

Section 6.9.1. **MFMA section 71 reporting** – the municipal council and senior management team must closely monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant;

Section 6.9.2 Where progress is slow in terms of paragraph 6.9.1, the **active intervention must be evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the *mSCOA* data string.

The municipality has made significant strides to settle the monthly current accounts for Eskom and the Department of Water and Sanitation. The arrear debt owed to Waterboard has also been reduced significantly by R71,775 million during the 2023/24 financial year. Both ESKOM and DWS is satisfied with the progress the municipality has made and the municipality has an amicable and good working relationship with both institutions. The ring-fencing of cash received for Electricity and Water & Sanitation is accounted for on a daily basis. The ring-fencing of funds has put severe pressure on the municipality to settle Supply Chain and other sundry creditors. This is tarnishing the relationship with the municipality's suppliers and will have a severe impact on service delivery and the local economy. The biggest concern is the settling of the Eskom accounts for the high months (June to August). The municipality settled an amount of R40,742 million on 28 November 2024 and R30,000 million on 29 November 2024 for the October 2024 account excluding interest amounting to R2,766 million. The total invoice amount was R73,508 million. The partial payments on the July and August 2024 account are a serious breach of the conditions of Circular 124 and immediate remedial action will have to be taken by management to remedy the situation and settle the balance outstanding which escalated to **R152,680,857.61** with immediate effect. The 30 September 2024 which was the completion date of the first 12 months of the municipal debt relief. Eskom granted the municipality a grace period until 11 December 2024 to settle the current year arrears. To this end, National Treasury intervened and facilitated a meeting between the municipality, Provincial Treasury and Department of Public works to ascertain if Department of Public Works can partially settle its outstanding debt in order for the municipality to recoup the amount required to pay Eskom. Department of Public Works committed to pay R21 million by 17 December 2024. The municipality did not have sufficient cash to settle the instalment of R6,700 million for October 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 have settled all invoices raised for the 2022/23 and 2023/24 financial year in full. **The current Water account for October 2024 amounting to R17,504 million was not settled due to cash flow constraints.**

Interventions employed by the municipality over the past three to six months including some challenges that the municipality is still facing.

A temporary moratorium on recruitment has been instituted, where the filling of all vacant and funded positions has been suspended with immediate effect, only critical vacant and funded positions will be filled.

An interim moratorium has been implemented on the sale of leave. Sale of leave to settle municipal accounts will no longer be permitted.

Overtime has been capped to 40 hours across all sections.

The policy for smart prepaid meters was approved on 31 May 2024 with the adopted budget for the 2024/25 MTREF.

The municipality finalized the item to Council for the smart prepaid meters grant offered by National Treasury and this was resolved by Council on 31 May 2024. The smart meter grant was approved by National Treasury and implementation by the appointed service provider is underway.

NT granted approval for the municipality to partake in the transversal contract for smart prepaid meters.

The non-buying prepaid consumers must be urgently addressed, and the municipality is confident that the smart prepaid metering solution will assist the municipality tremendously in improving on its billing accuracy and ensuring cash inflows from prepaid sales.

Urgent intervention is required on the restricting or interrupting of water supply for defaulting consumers.

The collection rate for Water, Sanitation and Refuse is poor and urgent intervention is required.

The municipality introduced an incentive scheme to consumers from December 2023 to March 2024 with a 50% discount if the account is settled in full, with 100% write-off of interest on the account. This initiative yielded some positive results but not at the level that the municipality would have hoped.

The municipality is exploring the option to have consumers blacklisted that are delinquent payers.

Departments are engaged on a regularly basis to recoup outstanding debt owed by Organs of State.

The commencing of debt collection action in January 2025, by four debt collection companies that was appointed by the municipality.

Through the office the General Manager (Revenue) a Revenue Enhancement Strategy has been developed in order to deal with the financial crisis currently faced by SPM. SPM faces several revenue challenges that impact its ability to deliver services effectively. Some of the key challenges include:

a. **Inaccurate Billing Systems:**

Inefficient or inaccurate billing systems can lead to under-billing or over-billing of residents, which can cause disputes and further reduce the collection rates. Improving the accuracy and efficiency of billing is crucial for improving revenue collection.

b. **Non-payment for Services:**

A significant challenge is the high rate of non-payment for municipal services such as water, electricity, and property rates. Many residents struggle to pay their bills due to economic hardships, leading to a shortfall in expected revenue.

c. **Illegal Connections and Theft:**

Illegal connections to water and electricity services, as well as theft, lead to significant losses in potential revenue. The municipality faces challenges in detecting and curbing these illegal activities.

d. **Debt Collection Issues:**

The Municipality often encounters difficulties in collecting outstanding debts (poor payment culture). Inefficient debt collection processes (Customers are no longer bothered when disconnected/blocked: they pay the required amount, get unblocked then wait for the next round of disconnections/blocking).

Addressing these challenges requires a multifaceted approach, including improving economic conditions, enhancing billing and collection systems and enforcing payment for services.

In addressing some of the above challenges a revenue enhancement project will be implemented and split into three phases due to the availability of funds; which are:

a. Phase 1 – Replacement of non-functional meters for electricity

b. Phase 2 – Replacement of non-functional water meters

c. Phase 3 – Conversion of conventional meters for highest owing customers to prepaid meters.

We are on ground with our Cut Team and the Electricians, attending to the disconnection of electricity for Households, Government Departments and Businesses that are owing the Municipality substantial amounts of money. Prepaid meters of Customers situated in various areas have also been blocked.

We have seen the Customers coming in to make payments and arrangements once they discover that they have been blocked. We have community members strike in some arears, however the Executive Mayor has dealt with this in a diplomatic manner.

We are working on resolving the issues raised by Customers on their accounts, in the interim Customers are expected to make payment on services received (undisputed) versus the false premise that payment can be withheld until such time that the dispute is resolved.

During the month of August 2024, the municipality successfully launched the MeterMo meter reading system to enhance and improve the metered utility data of Sol Plaatje Municipality. This is aimed at ultimately improving our billing. In resolving billing queries, we are in a better position to collect on outstanding Customer Accounts. The plus in using this meter reading system is that it provides field captured data which includes GPS, time and date as well as photographic evidence of meter readings.

The Municipality has been awarded a smart meter grant of R100 million for smart prepaid meters for Household Customers, this will assist with revenue enhancement. With the use of smart meters the accuracy of our Billing will be improved, metering disputes will be resolved including the billing of interims.

The designated Electrical Department officials and the Cut Team members have been attending to disconnections in various areas in the City, this has assisted in obtaining payments from Customers defaulting from arrangements. We have had a challenge on the BCX system with the blocking function of prepaid meters, due to an upgrade. A query was logged, and a meeting was held with the service provider, they are currently trying to resolve the issue. We are currently blocking manually in order to collect the monies owed to the Municipality.

The Electrical Department officials have also been dealing with tampering cases on an ad hoc basis, due to their shortage in staff. This is to assist with the tampering problem currently facing the City: when prepaid meters are blocked the Customers are not affected, they continue to have access to electricity at a huge costs and loss to the Municipality. The issue has been raised on numerous occasions and a permanent solution is yet to be implemented by the Electrical Department.

The receipts for Government Departments, Parastatals and schools were R29,323,376.92 for the month of November 2024 as compared to the R51,295,142.70 for the month of October 2024. The previous month's total was more, due to the bulk payment made by the Department of Provincial Public Works. We are expecting a payment of R 21 000 000 million from the Department by 17 December 2024. We have started with the disconnection of electricity services of Departments that are owing the Municipality these include the Department of Education and the Department of Health. We expect bulk payments from these Departments within the coming weeks.

## 4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - M05 November										
Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 41.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	1,099,199	71,305	415,541	458,000	90.7%	(42,458)	-9.3%	37.8%	(42,458)	-3.9%
Service charges - Water	343,685	35,664	139,425	143,202	97.4%	(3,777)	-2.6%	40.6%	(3,777)	-1.1%
Service charges - Waste Water Management	95,890	9,428	47,130	39,954	118.0%	7,176	18.0%	49.2%	7,176	7.5%
Service charges - Waste management	72,271	7,079	35,453	30,113	117.7%	5,340	17.7%	49.1%	5,340	7.4%
Sale of Goods and Rendering of Services	15,955	1,042	9,103	6,648	136.9%	2,455	36.9%	57.1%	2,455	15.4%
Agency services	-	-	-	-		-			-	
Interest	-	-	-	-		-			-	
Interest earned from Receivables	120,030	13,370	66,197	50,012	132.4%	16,184	32.4%	55.2%	16,184	13.5%
Interest from Current and Non Current Ass	9,000	3,315	6,284	3,750	167.6%	2,534	67.6%	69.8%	2,534	28.2%
Dividends	-	-	-	-		-			-	
Rent on Land	-	-	-	-		-			-	
Rental from Fixed Assets	27,740	3,349	13,027	11,558	112.7%	1,468	12.7%	47.0%	1,468	5.3%
Licence and permits	1,200	37	304	500	60.9%	(196)	-39.1%	25.4%	(196)	-16.3%
Operational Revenue	3,773	225	1,145	1,572	72.8%	(428)	-27.2%	30.3%	(428)	-11.3%
<b>Non-Exchange Revenue</b>										
Property rates	687,320	50,446	360,152	286,383	125.8%	73,769	25.8%	52.4%	73,769	10.7%
Surcharges and Taxes	-	-	-	-		-			-	
Fines, penalties and forfeits	32,143	686	15,178	13,393	113.3%	1,785	13.3%	47.2%	1,785	5.6%
Licence and permits	8,000	(282)	3,601	3,333	108.0%	268	8.0%	45.0%	268	3.3%
Transfers and subsidies - Operational	299,271	727	121,467	124,696	97.4%	(3,229)	-2.6%	40.6%	(3,229)	-1.1%
Interest	91,900	8,814	42,268	38,292						
Fuel Levy	-	-	-	-						
Operational Revenue	50,900	892	20,969	21,208	98.9%	(239)	-1.1%	41.2%	(239)	-0.5%
Gains on disposal of Assets	-	-	1,285	-	#DIV/0!	1,285	#DIV/0!	#DIV/0!	1,285	#DIV/0!
Other Gains	-	-	133	-		133			133	
Discontinued Operations	-	-	-	-						
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,958,278</b>	<b>206,097</b>	<b>1,298,662</b>	<b>1,232,616</b>	<b>105.4%</b>	<b>62,070</b>	<b>5.0%</b>	<b>43.9%</b>	<b>66,046</b>	<b>2.2%</b>
Transfers and subsidies - capital	572,229	1,534	93,032	238,429	39.0%	(145,397)	-61.0%	16.3%	(145,397)	-25.4%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>3,530,507</b>	<b>207,631</b>	<b>1,391,694</b>	<b>1,471,045</b>	<b>94.6%</b>	<b>(79,350)</b>	<b>-5.4%</b>	<b>39.4%</b>	<b>(79,350)</b>	<b>-2.2%</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 9.3%. This understatement of Service charges Electricity is largely attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is satisfactory with a variance of minus 2.6%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is showing an over-recovery when compared to the YTD budget. This is largely attributable to the exercise of the Property Valuation section, where they did a comparative exercise of the number of properties versus the number of accounts billed for Refuse and Sewerage.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 36.9%. This is attributable to the advance receipts of R3,274 million for building plan approvals that was carried over from the prior financial year.

- ❖ Interest earned from Receivables is showing a positive variance of 32.4% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate, prior to the recent interest repo rate cuts.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 67.6%. Accrued interest of R2,121 million was recognised for the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality is also investing capital grants already received, whilst keeping the unspent portion in the investment account. The bulk of the interest earned gets recognised at year-end.
- ❖ Rental from Fixed Assets, is showing a positive variance of 12.7% when compared to the YTD budget. The over-recovery will be investigated.
- ❖ Licences and permits are showing a negative variance of 39.1%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated.
- ❖ Operational Revenue is showing a negative variance of 27.2%, as a result of an under-recovery on Insurance refunds. The municipality had one refund of R82 thousand that was possibly misallocated and will be investigated.

### **Non-Exchange Revenue**

- ❖ Property Rates is showing a satisfactory variance of 25.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 13.3%, as a result on an under-recovery on Fines: Law Enforcement.
- ❖ Licence and permits is showing a positive variance of 8%, due to possible outstanding payments to the Department of Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 2.6%.
- ❖ Operational Revenue is showing a satisfactory variance of minus 1.1%.
- ❖ Gains on disposal of assets, the YTD actual amounts to R1,285 million pertaining to land sales.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 61.0% when compared to the YTD budget. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

### **Comparison against Original Budget**

Based on the IYM percentage of 41.67%, the majority of revenue sources are performing satisfactorily.

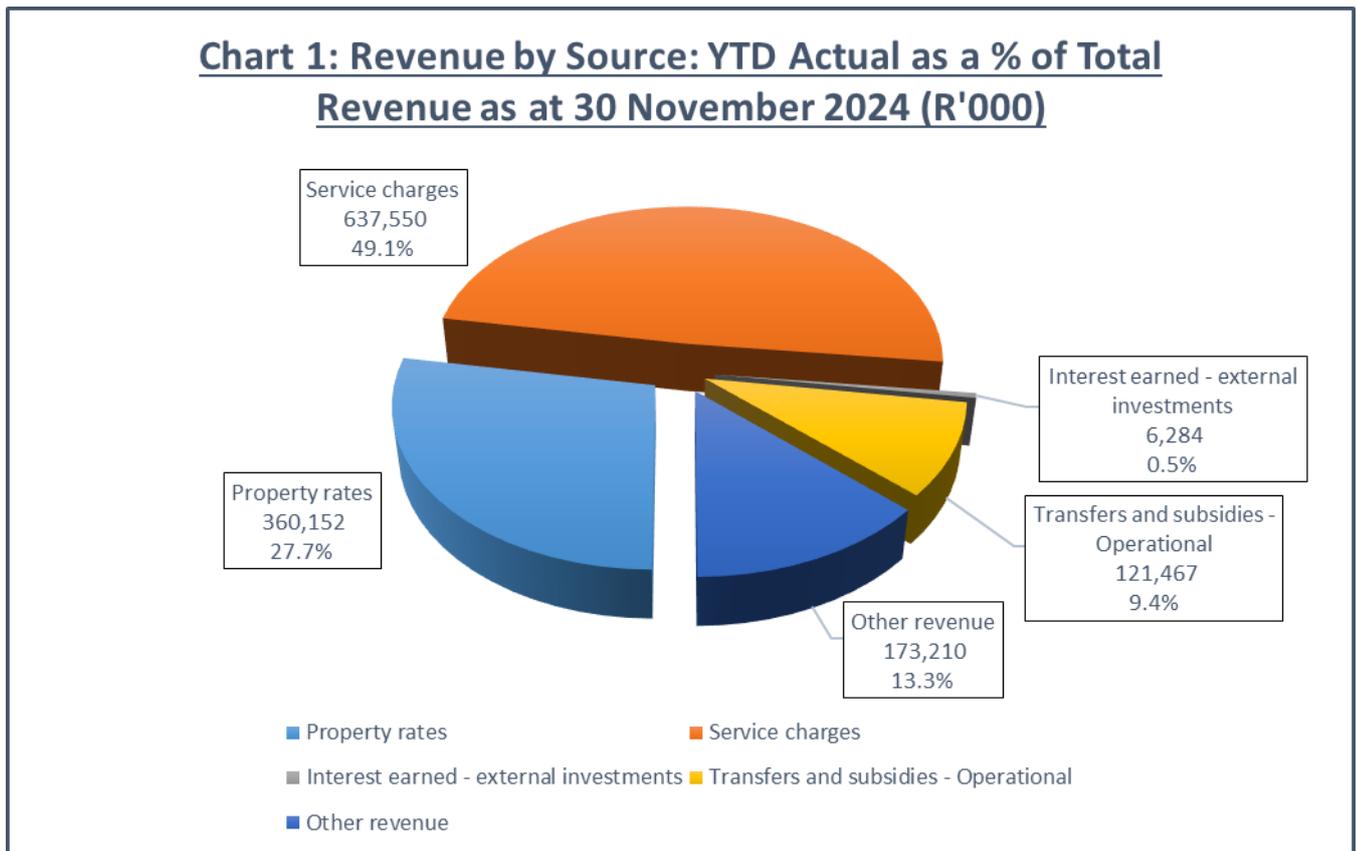
### **Exchange Revenue**

- ❖ Service charges when compared to the Original budget is performing satisfactorily.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 15.4%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 13.5%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 28.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 16.3%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of minus 11.3%. Same factors are applicable as described in the paragraph above.

**Non-Exchange Revenue**

- ❖ Property Rates is showing a positive variance of 10.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 5.6%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a negative variance of 1.1%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 0.5%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets shows a movement of R1,285 million. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 25.4%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 November 2024. The main contributors of the municipality’s revenue are Service Charges (49.1%), Property Rates (27.7%) and Transfers and subsidies (9.4%). The contribution per Revenue source is distorted, as a result of the annual billing of Property rates and the receipt of the first 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) - M05 November										
Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	950,863	69,662	341,749	396,194	86.3%	(54,445)	-13.7%	35.9%	(54,443)	-5.7%
Remuneration of councillors	37,077	2,754	13,979	15,449	90.5%	(1,469)	-9.5%	37.7%	(1,469)	-4.0%
Bulk purchases - electricity	897,300	61,515	363,556	412,609	88.1%	(49,053)	-11.9%	40.5%	(10,319)	-1.1%
Inventory consumed	319,605	25,655	114,649	133,170	86.1%	(18,520)	-13.9%	35.9%	(18,519)	-5.8%
Debt impairment	355,246	88,812	177,623	148,019	120.0%	29,604	20.0%	50.0%	29,604	8.3%
Depreciation and amortisation	89,700	-	22,425	37,375	60.0%	(14,950)	-40.0%	25.0%	(14,950)	-16.7%
Interest	17,774	0	1	7,406	0.0%	(7,405)	-100.0%	0.0%	(7,405)	-41.7%
Contracted services	40,731	3,340	24,329	16,971	143.4%	7,358	43.4%	59.7%	7,358	18.1%
Transfers and subsidies	3,660	5	634	1,525	41.5%	(891)	-58.5%	17.3%	(891)	-24.4%
Irrecoverable debts written off	-	-	1	-		1			1	
Operational costs	151,549	14,842	72,179	63,147	114.3%	9,032	14.3%	47.6%	9,034	6.0%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	65,000	-	23,027	27,083	85.0%	(4,057)	-15.0%	35.4%	(4,057)	-6.2%
<b>Total Expenditure</b>	<b>2,928,505</b>	<b>266,586</b>	<b>1,154,153</b>	<b>1,258,948</b>	<b>91.7%</b>	<b>(104,795)</b>	<b>-8.3%</b>	<b>39.4%</b>	<b>(66,057)</b>	<b>-2.3%</b>

Table 4: Table C4 Financial Performance (Expenditure)

### Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 November 2024 current YTD expenditure shows an unsatisfactory variance of minus 8.3%. The YTD actual amounted to R1,154,153 million against the YTD Budget of R1,258,948 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 13.7%, due to Post-retirement benefit obligations that are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 9.5%. The gazette for the upper limits of political office bearers has not been issued for the current year.
- ❖ Bulk purchases – Electricity is showing a negative variance of minus 11.9%, due to the November 2024 invoice not being captured on the system. It will be processed during December 2024.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 13.9%. 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.

Table 4.1 R&M Expenditure per Directorate per inventory type							
R&M Expenditure per Directorate per Inventory type as at 30 November 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 41.67%
<b>VOTE 1 - COUNCILLORS AND ADMIN</b>	<b>202,000</b>	<b>202,000</b>	<b>-</b>	<b>42,856</b>	<b>21.22%</b>	<b>21.22%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	85,000	-	42,856	50.42%	50.42%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	115,000	-	-	0.00%	0.00%	UNSATISFACTORY
<b>VOTE 2 - MUNICIPAL AND GENERAL</b>	<b>22,997,000</b>	<b>22,997,000</b>	<b>3,203,866</b>	<b>13,474,033</b>	<b>58.59%</b>	<b>58.59%</b>	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	22,946	112,328	21.60%	21.60%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	15,063	87,828	21.96%	21.96%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	3,165,857	13,273,877	60.13%	60.13%	OVERSPENT
<b>VOTE 3 - MUNICIPAL MANAGER</b>	<b>117,000</b>	<b>117,000</b>	<b>9,156</b>	<b>55,628</b>	<b>47.54%</b>	<b>47.54%</b>	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	107,000	9,156	53,628	54.17%	50.12%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	10,000	-	2,000	11.11%	20.00%	UNSATISFACTORY
<b>VOTE 4 - CORPORATE SERVICES</b>	<b>10,568,000</b>	<b>10,568,000</b>	<b>201,716</b>	<b>836,127</b>	<b>7.91%</b>	<b>7.91%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	49,076	232,025	25.72%	26.19%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	277,000	21,107	147,325	54.16%	53.19%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	21,894	169,241	31.93%	31.93%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	8,875,000	109,639	287,536	3.24%	3.24%	UNSATISFACTORY
<b>VOTE 5 - COMMUNITY SERVICES</b>	<b>35,714,500</b>	<b>35,714,500</b>	<b>1,516,419</b>	<b>8,504,809</b>	<b>23.81%</b>	<b>23.81%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,016,500	29,019	253,320	25.68%	24.92%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	54,000	-	758	1.40%	1.40%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	222,000	60,286	81,836	36.86%	36.86%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,157,000	114,080	401,669	36.95%	34.72%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,976,000	437,287	2,504,104	27.90%	27.90%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	32,909	124,921	15.12%	15.12%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	23,463,000	842,838	5,138,200	21.81%	21.90%	UNSATISFACTORY
<b>VOTE 6 - FINANCIAL SERVICES</b>	<b>2,368,000</b>	<b>2,368,000</b>	<b>150,739</b>	<b>929,549</b>	<b>39.25%</b>	<b>39.25%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,315,000	61,231	630,038	47.73%	47.91%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	14,018	69,381	39.65%	39.65%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	8,632	65,899	33.28%	33.28%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	680,000	66,858	164,231	24.33%	24.15%	UNSATISFACTORY
<b>VOTE 7 - STRATEGY &amp; ECONOMIC DEVELOPMENT</b>	<b>6,381,000</b>	<b>6,381,000</b>	<b>262,564</b>	<b>830,923</b>	<b>13.02%</b>	<b>13.02%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	414,000	2,662	96,700	23.08%	23.36%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	3,809	16,052	26.31%	25.08%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	418,000	18,847	117,255	28.05%	28.05%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	374	2,214	27.68%	27.68%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	5,477,000	236,872	598,703	10.94%	10.93%	UNSATISFACTORY
<b>VOTE 8 - INFRASTRUCTURE SERVICES</b>	<b>241,257,705</b>	<b>241,257,705</b>	<b>20,310,842</b>	<b>89,975,542</b>	<b>37.29%</b>	<b>37.29%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	647,000	30,010	217,438	33.71%	33.61%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,172,000	24,172,000	1,913,346	7,316,026	30.27%	30.27%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	774,000	30,236	338,154	44.38%	43.69%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,930,000	624,450	3,438,994	38.51%	38.51%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	850,000	13,392	87,244	10.14%	10.26%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	140,882,705	12,485,864	50,470,634	35.82%	35.82%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	5,213,545	28,107,051	43.24%	43.24%	SATISFACTORY
<b>Grand Total</b>	<b>319,605,205</b>	<b>319,605,205</b>	<b>25,655,302</b>	<b>114,649,468</b>	<b>35.87%</b>	<b>35.87%</b>	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 30 November 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 IYM % of 41.67%
<b>2480 - REFUSE</b>	<b>21,500,000</b>	<b>21,500,000</b>	<b>861,866</b>	<b>4,885,363</b>	<b>22.72%</b>	<b>22.72%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	-	12,003	13.34%	13.34%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	210,000	-	8,054	3.84%	3.84%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	375,529	2,008,418	33.47%	33.47%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	372	372	0.07%	0.07%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	485,965	2,856,517	19.43%	19.43%	UNSATISFACTORY
<b>2830 - ROADS</b>	<b>46,747,000</b>	<b>46,747,000</b>	<b>5,444,447</b>	<b>18,514,021</b>	<b>39.60%</b>	<b>39.60%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	-	9,240	16.80%	16.80%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	-	8,458	14.58%	14.58%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	46,634,000	5,444,447	18,496,323	39.66%	39.66%	SATISFACTORY
<b>2840 - HOUSING</b>	<b>3,509,000</b>	<b>3,509,000</b>	<b>178,383</b>	<b>1,028,868</b>	<b>29.32%</b>	<b>29.32%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	2,336	52,865	59.40%	59.40%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	145,000	145,000	-	91,662	63.22%	63.22%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	8,726	51,463	32.16%	32.16%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	167,321	832,878	26.75%	26.75%	UNSATISFACTORY
<b>2850 - SEWERAGE</b>	<b>22,024,000</b>	<b>22,024,000</b>	<b>2,350,040</b>	<b>12,276,930</b>	<b>55.74%</b>	<b>55.74%</b>	<b>OVERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	32,000	3,652	19,820	66.07%	61.94%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	-	8,334	4.90%	4.90%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	259,000	259,000	-	40,149	15.50%	15.50%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,400,000	173,598	858,237	35.76%	35.76%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	400,000	-	9,787	2.45%	2.45%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	18,763,000	2,172,790	11,340,603	60.43%	60.44%	OVERSPENT
<b>2860 - WATER</b>	<b>121,123,000</b>	<b>121,123,000</b>	<b>8,709,201</b>	<b>42,326,807</b>	<b>34.95%</b>	<b>34.95%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	77,000	13,248	46,177	59.97%	59.97%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	24,002,000	1,913,346	7,307,692	30.45%	30.45%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	122,000	4,739	87,838	79.85%	72.00%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,300,000	135,754	826,608	35.94%	35.94%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	13,392	77,457	16.84%	17.21%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,172,000	1,415,178	5,873,984	20.13%	20.14%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	5,213,545	28,107,051	43.24%	43.24%	SATISFACTORY
<b>2880 - ELECTRICITY</b>	<b>51,537,000</b>	<b>51,527,000</b>	<b>3,394,594</b>	<b>15,909,552</b>	<b>30.87%</b>	<b>30.88%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	8,667	35,166	16.75%	16.75%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	76,000	76,000	8,400	22,322	29.37%	29.37%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	51,240,000	3,377,526	15,852,065	30.93%	30.94%	UNSATISFACTORY
<b>Grand Total</b>	<b>266,440,000</b>	<b>266,430,000</b>	<b>20,938,531</b>	<b>94,941,543</b>	<b>35.63%</b>	<b>35.63%</b>	<b>UNSATISFACTORY</b>

Table 4.2 R&M Expenditure per Service per inventory type

- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the second quarter will be processed on the financial system before the end of December 2024.
- ❖ Depreciation was projected for on a straight-line basis and a quarterly journal will be processed to account for prorata depreciation. The journal for the second quarter will be processed during December 2024. The municipality engaged our service provider to make use of the available Asset module (AM) on the financial system. This matter remains unresolved, due to the available functionality of the AM and the associated costs. Accounting for Depreciation is based on the strict recommendation from National Treasury during the 2023/24 Mid-year Engagement and issue that will have to be urgently addressed.
- ❖ Interest is showing an unsatisfactory variance of minus 100.0%, due to the Interest on External borrowing being paid bi-annually and the first instalment for the current financial year is due and payable before the 31 December 2024. The minimal movement pertains to minor interest on overdue accounts. This was addressed with a virement but will be factored into the Adjustment budget. The total interest charges on overdue accounts on the Eskom bulk account, for the current financial year amounts to R7,103 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. Eskom confirmed that this interest will not be reversed and is payable by the municipality as a result of payment arrangement that was loaded on their system. The budget will be corrected during the Adjustments budget.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of 43.4%. As a result of increased legal fees incurred and erroneous allocation under Contr: Prepaid Electricity Vendors which will be journalised.
- ❖ Transfers and subsidies showing negative variance of minus 58.5%. Due to cash constraints the municipality will be paying the allocation of R2,500 million, due to the SPCA over four instalments,

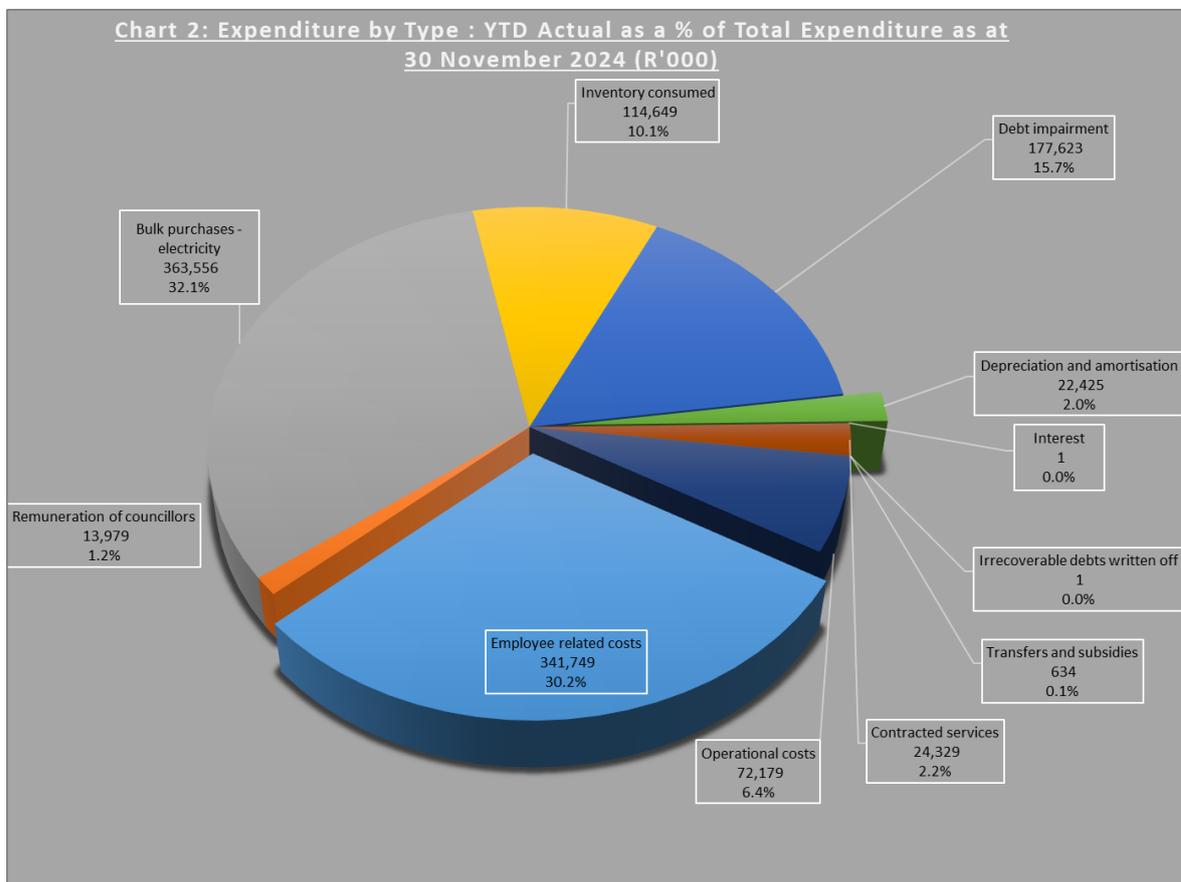
as and when sufficient cash is available. The first instalment of R625 thousand was settled during October 2024.

- ❖ Operational cost is showing an unsatisfactory variance of 14.3% 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 R17,085 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 pro-rata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source.
  - Cost incurred of R8,789 million on OC: Professional Bodies M/Ship & Subs, for predominantly annual SALGA membership fees. Partial payments have been made to SALGA amounting to R4,171 million, against a total invoice amount of R8,782 million.
- ❖ Other Losses is showing a negative variance of 15.0%. 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 the actual costs incurred is then split between Water inventory and Water losses and journalised from the Balance sheet to the Income Statement The corrective journal to recognise Water inventory and Water losses for October and November 2024 will be processed during December 2024.

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

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of November 2024 is 41.67%. The total operational expenditure against the Original budget is 39.4% spent, resulting in an unsatisfactory variance of minus 2.3%.

- ❖ Employee related costs show a satisfactory variance of minus 5.7%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 4.0%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 1.1%. The invoice for November 2024 will be captured during December 2024. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 5.8%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a positive variance of 8.3%. Debt impairment will be provided for on a quarterly basis and the journal for the second quarter was processed during November 2024.
- ❖ Depreciation was projected for on a straight-line basis and will be provided for, on a quarterly basis. This will be effected via a journal which is not the ideal best practice. Depreciation should be automated and calculated and integrating on a monthly basis from the Asset Management Module, which is still under review. Same factors are applicable as explained above.
- ❖ Interest is showing an unsatisfactory variance of minus 41.7%. Finance charges are paid bi-annually (December and June of each year). Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at 18.1%, when compared to the Original budget. Same factors are applicable as explained above.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 24.4%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 6.0%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of minus 6.2%. 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 30 November 2024. The main cost drivers of the municipality are Employee Related Costs, Bulk Purchases – Electricity, Debt Impairment and Inventory consumed.

It should be noted that the weighting per Expenditure type is 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 will be provided for on a quarterly basis. The journal for the second quarter will be processed during December 2024.
- ❖ Bulk purchases electricity, the November 2024 Eskom account amounting to R69,974 million including VAT, is not yet captured on the system and will be processed during December 2024.
- ❖ Debt impairment is provided for on a quarterly. The journal for the second quarter was processed during November 2024.
- ❖ 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 41.67% as at end of November 2024, Bulk Purchases Electricity is showing a satisfactory variance minus of 1.15%. The invoice for November 2024 will be captured during December 2024.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 41.67%
BULK PURCHASES: ELECTRICITY	897,300,000	61,514,701	363,556,057	40.52%	-1.15%
<b>Total</b>	<b>897,300,000</b>	<b>61,514,701</b>	<b>363,556,057</b>	<b>40.52%</b>	<b>-1.15%</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 minus of 2.4%, when compared to the ideal percentage of 41.67%. The invoice for November 2024 must still be captured on the system. During the Original budget for 2021/22 and advised by NT, Bulk purchases Water was split between Water Inventory and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals, for October and November 2024 for the recognition of Water inventory and losses must still be processed on the system.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 41.67%
INVENTORY - WATER	65,000,000	5,213,545	28,107,051	43.24%	1.57%
NON-REVENUE WATER LOSSES	65,000,000	-	22,893,506	35.22%	-6.45%
<b>Total</b>	<b>130,000,000</b>	<b>5,213,545</b>	<b>51,000,557</b>	<b>39.2%</b>	<b>-2.4%</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 Bulk Payments (2023/24 & 2024/25)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2024/25
<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>975,208</b>	<b>819,809</b>	<b>(69,632)</b>	<b>85,767</b>	<b>85,767</b>	<b>-</b>
Jul-23	131,032	110,162	(8,736)	12,134	12,134	-
Aug-23	123,594	70,000	(10,784)	42,810	42,810	-
Sep-23	71,421	30,000	(10,598)	30,823	30,823	-
Oct-23	76,317	62,679	(13,638)	-	-	-
Nov-23	70,580	62,348	(8,232)	0	0	-
Dec-23	64,311	61,246	(3,065)	-	-	-
Jan-24	65,735	63,044	(2,691)	-	-	-
Feb-24	64,371	62,479	(1,893)	-	-	-
Mar-24	66,311	62,973	(3,338)	-	-	-
Apr-24	61,436	59,697	(1,739)	-	-	-
May-24	66,327	63,149	(3,178)	-	-	-
Jun-24	113,772	112,033	(1,739)	-	-	-
<b>2024/25</b>	<b>490,503</b>	<b>287,948</b>	<b>-</b>	<b>202,555</b>	<b>132,581</b>	<b>7,103</b>
Jul-24	148,333	80,868	-	67,465	67,465	274
Aug-24	127,601	67,000	-	60,601	60,601	155
Sep-24	71,087	69,338	-	1,749	1,749	1,749
Oct-24	73,508	70,742	-	2,766	2,766	2,766
Nov-24	69,974	-	-	69,974	-	2,160
<b>Grand Total ESKOM</b>	<b>2,379,123</b>	<b>1,210,998</b>	<b>(107,114)</b>	<b>1,061,010</b>	<b>991,036</b>	<b>7,103</b>

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,061,010 billion. It should be noted that R107,114 million interest charges were reversed, for interest charges from March 2023 to June 2024, as part of the municipal debt relief programme. This is a huge cost saving for the municipality and a substantial reduction in the municipality's Fruitless and Wasteful expenditure disclosure. The accounting treatment of this was done on the system until January 2024. Interest reversed on the Eskom invoice for October 2024, for the period February to June 2024 must still be effected on the system. The total arrear debt amounts to R991,036 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m) and 2024/25 (R132,581m). The total interest charges on overdue accounts for the

current financial year amounted to R7,103 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. Eskom confirmed that this interest will not be reversed and is payable by the municipality as a result of payment arrangement that was loaded on their system. The budget will be corrected during the Adjustments budget.

DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
<b>2021/22</b>	<b>126,431</b>	<b>71,775</b>	<b>54,656</b>	<b>54,656</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	11,108	–	–
Jan-22	17,098	–	17,098	17,098
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
<b>2023/24</b>	<b>150,526</b>	<b>150,526</b>	<b>–</b>	<b>–</b>
Jul-23	15,303	15,303	–	–
Aug-23	13,588	13,588	–	–
Sep-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
Nov-23	17,070	17,070	–	–
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	36,046	–	–
Mar-24	5,194	5,194	–	–
Jun-24	694	694	–	–
<b>2024/25</b>	<b>88,403</b>	<b>53,394</b>	<b>35,008</b>	<b>17,504</b>
Jul-24	17,724	17,724	–	–
Aug-24	16,698	16,698	–	–
Sep-24	18,973	18,973	–	–
Oct-24	17,504	–	17,504	17,504
Nov-24	17,504	–	17,504	–
<b>Grand Total</b>	<b>365,360</b>	<b>275,695</b>	<b>89,665</b>	<b>72,161</b>

Table 6.2: Summary of outstanding DWS debt

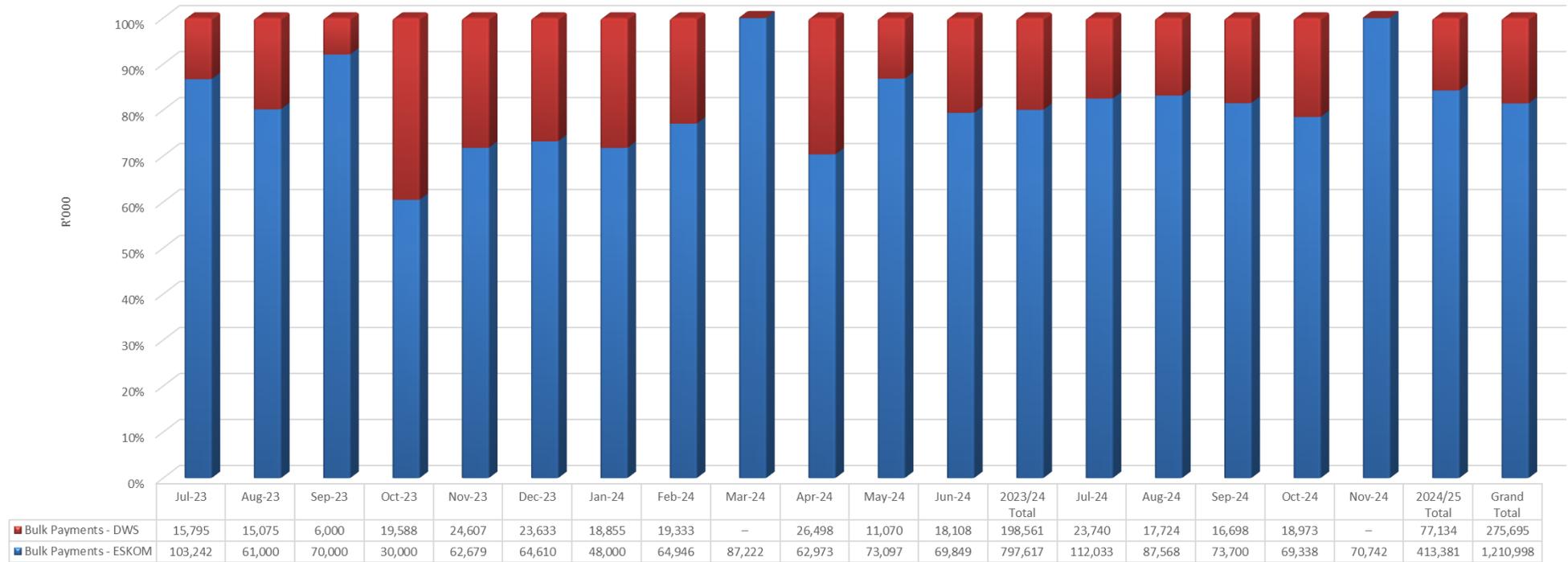
Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R89,665 million. The total debt also has to be concurred with the Department. The total arrear debt amounts to R72,161 million which pertains to outstanding invoices for 2021/22 (R54,656m) and 2024/25 (R17,504m). The balance for 2021/22 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 and the 2023/24 financial year, has been settled in full. For 2024/25 financial year the total amount outstanding is R35,008 million. The municipality defaulted on the October 2024 account and the current account for November 2024, is payable on or before 30 December 2024. The municipality did not submit the reading for November 2024 timeously and the Department billed the municipality on the October 2024 reading. The correction will be done with the December 2024 billing.

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 and 2023/24 financial year has since been settled in full.
- Settling the monthly debt instalment (municipality complied but defaulted for March to May and again July to December 2024, due to insufficient cash available from operations. The other major reason why the municipality defaulted, was to prioritise the payment of outstanding invoices for 2023/24 financial year. This has yielded positive results because there are no outstanding invoices for 2023/24 financial year. For the 2023/24 financial year an average of R17m was paid to the Department. The municipality also managed to keep the 2024/25 account current but defaulted on the October 2024 invoice and incurred accumulative arrear debt for the current year of R17,504 million. A major cause of concern is the fact that the municipality is in arrears with R36,000 million on the debt repayment plan.
- 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 Bulk Payments: DWS & ESKOM: 2023/24 and 2024/25**



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

Indicated in Chart 2.1 above, are the monthly payments made to DWS and ESKOM for 2023/24 and 2024/25 financial year as at 30 November 2024.

**DWS** The municipality had insufficient cash to settle the current account for October 2024 amounting to R17,504 million. Payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R77,134 million. The total payments amount to R275,695 million. The municipality has shown significant improvement over the last two financial years and the current year in terms of payments to DWS, with the average amount paid per month amounting to approximately R17 million for 2023/24 financial year. We could not settle the instalment of R6m on the debt agreement with DWS for the month of November 2024, due to the insufficient cash available. Debt instalment was due and payable on or before the 5<sup>th</sup> of December 2024.

**ESKOM** The municipality settled an amount of R40,742 million on 28 November 2024 and R30,000 million on 29 November 2024, on the current account for October 2024 amounting to R73,508 million. The amounts paid excludes interest charges of R2,766 million, in line with the MFMA Circular 124. As per the Circular, the municipality must settle billed charges including VAT. The municipality had insufficient cash available from operations to settle the payment arrangement of R6,700 million. The total payments made for the 2023/24 financial year amounts to R797,617 million and for 2024/25 financial year the payments amount to R413,381 million, resulting in the total payments for both periods amounting to R1,210,998 billion. The municipality has been improving on payments made to Eskom from November 2023 account to June 2024. The high months remains a major concern. The municipality made partial payments on the July and August 2024 accounts.

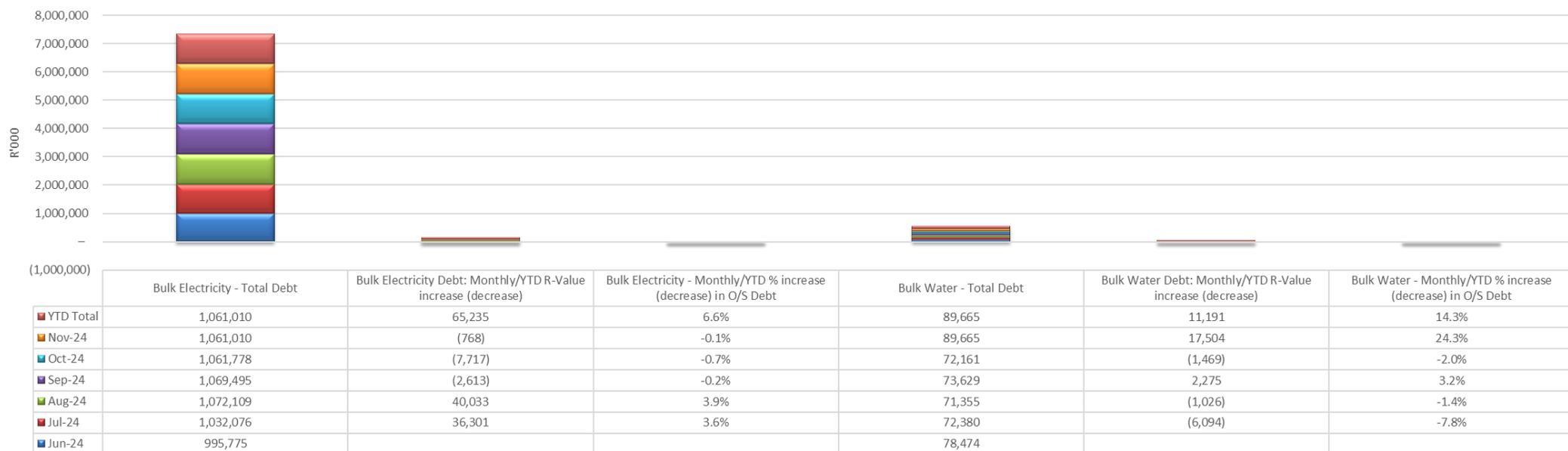
FIN YEAR PER PAYMENT DATE	AMOUNT IN R
<b>2023/24</b>	<b>R 797,617,409.52</b>
20230801	R 103,241,512.23
20230830	R 61,000,000.00
20230928	R 35,000,000.00
20230929	R 35,000,000.00
20231031	R 30,000,000.00
20231130	R 62,678,528.38
20231220	R 2,262,000.00
20231228	R 62,347,938.72
20240130	R 48,000,000.00
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
20240426	R 62,972,969.32
20240524	R 13,400,000.00
20240528	R 59,696,947.69
20240621	R 6,700,000.00
20240625	R 63,148,875.33
<b>2024/25</b>	<b>R 342,639,103.53</b>
20240730	R 112,033,130.69
20240828	R 32,868,260.60
20240829	R 54,700,000.00
20240930	R 73,700,000.00
20241030	R 69,337,712.24
20241128	R 40,741,905.79
20241129	R 30,000,000.00
<b>Grand Total ESKOM</b>	<b>R 1,210,998,418.84</b>

FIN YEAR PER PAYMENT DATE	AMOUNT IN R
<b>2023/24</b>	<b>R 198,561,294.26</b>
20230712	R 15,794,682.80
20230804	R 15,074,754.70
20230914	R 6,000,000.00
20231003	R 13,588,064.81
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
20240412	R 21,303,350.74
20240429	R 5,194,304.19
20240514	R 11,069,915.81
20240626	R 18,107,773.22
<b>2024/25</b>	<b>R 77,134,049.64</b>
20240717	R 23,739,570.29
20240830	R 17,723,612.70
20240930	R 16,698,048.53
20241031	R 18,972,818.12
<b>Grand Total DWS</b>	<b>R 275,695,343.90</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, with the disclosure being per financial period.

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



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

Indicated in Chart 2.2 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

**ESKOM** - From October to November 2024, debt owed to ESKOM decreased by R768 thousand or minus 0.1%, from R1,061,778 billion to R1,061,010 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R65,235 million or 6.6%, from R995,775 million to R1,061,010 billion. The total amount that was subject to the payment arrangement was R163,062 million for debt that accrued after March 2023. As articulated in Table 6.4 below, to date the municipality settled an amount of R49,162 million on the payment arrangement, resulting in the total current balance outstanding of R113,900 million.

**DWS** - From October to November 2024, debt owed to DWS increased by R17,504 million or 24.3%, from R72,161 million to R89,665 million. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R11,191 million or 14.3% from R78,474 million to R89,665 million. The municipality has made significant strides in reducing the debt owed to DWS. As articulated in Table 6.5 below, the total debt amounted to R174,076 million, whilst the municipality settled an amount of R119,420 million resulting in an outstanding balance of R54,656 million. An amount of R14,704 million for interest incurred must still be written-off, resulting in a net outstanding balance of R39,953 million on the payment arrangement. The municipality managed to reduce the total debt by R71,775 million for the 2023/24 financial year.

Indicated in the tables below is a reconciliation of the Eskom payment arrangement and DWS debt agreement.

ESKOM Amount subject to Payment arrangement Instalment of R6,700 million							R	163,062,000
Period	Settlement Date	ELE No	Payment date	Invoice no	Monthly Instalment / Amount paid	Progressive Payments	Outstanding Balance	% Paid
	2024/01/02	77064505	2023/12/20	544917625256 - Jul 2023	R 2,262,000.00	R 2,262,000.00	R 160,800,000.00	1.39%
1	2024/02/15	77065112	2024/02/20	544917625256 - Jul 2023	R 6,700,000.00	R 8,962,000.00	R 154,100,000.00	5.50%
2	2024/03/15	77065709	2024/03/19	544917625256 - Jul 2023	R 6,700,000.00	R 15,662,000.00	R 147,400,000.00	9.60%
3	2024/04/15						R 163,062,000.00	0.00%
4	2024/05/15	77066657	2024/05/24	544917625256 - Jul 2023	R 13,400,000.00	R 29,062,000.00	R 134,000,000.00	17.82%
5	2024/06/15	77067062	2024/06/21	544917625256 - Jul 2023	R 6,700,000.00	R 35,762,000.00	R 127,300,000.00	21.93%
6	2024/07/15						R 163,062,000.00	0.00%
7	2024/08/15	77068429	2024/08/29	544917625256 - Jul 2023	R 6,700,000.00	R 42,462,000.00	R 120,600,000.00	26.04%
8	2024/09/15	77068766	2024/09/30	544917625256 - Jul 2023	R 6,700,000.00	R 49,162,000.00	R 113,900,000.00	30.15%
9	2024/10/15						R 163,062,000.00	0.00%
10	2024/11/15						R 163,062,000.00	0.00%

Table 6.4: Reconciliation Eskom Payment Arrangement

Debt agreement (Instalment R5,957,537.18)	Invoice amount	Arrear Debt	10 % Down Payment	Amount paid	Balance O/S on Debt Agreement
INTEREST CHARGES - APR TO JUN 2022	R 6,191,399.16	R 6,191,399.16			R 6,191,399.16
AUG 2021 BULK ACCOUNT	R 15,074,754.70	R 15,074,754.70		R 15,074,754.70	-
SEP 2021 BULK ACCOUNT	R 15,794,682.80	R 15,794,682.80		R 15,794,682.80	-
OCT 2021 BULK ACCOUNT	R 15,275,086.61	R 15,275,086.61		R 15,275,086.61	R -
NOV 2021 BULK ACCOUNT	R 14,522,530.48	R 14,522,530.48		R 14,522,530.48	R -
DEC 2021 BULK ACCOUNT	R 11,107,773.22	R 11,107,773.22		R 11,107,773.22	R -
JAN 2022 BULK ACCOUNT	R 17,098,078.18	R 17,098,078.18		R -	R 17,098,078.18
FEB 2022 BULK ACCOUNT	R 16,436,776.66	R 16,436,776.66		R -	R 16,436,776.66
MAR 2022 BULK ACCOUNT	R 14,930,212.48	R 14,930,212.48		R -	R 14,930,212.48
JUL 2022 BULK ACCOUNT	R 13,793,141.72	R 13,793,141.72		R 13,793,141.72	-
AUG 2022 BULK ACCOUNT	R 17,460,136.80	R 17,460,136.80		R 17,460,136.80	-
SEP 2022 BULK ACCOUNT	R 16,309,287.82		16,309,287.82	R 16,309,287.82	-
WRM LEVIES SEP 2022	R 82,471.24		82,471.24	R 82,471.24	-
<b>Total Debt as per SPM</b>	<b>R 174,076,331.87</b>	<b>R 157,684,572.81</b>	<b>R 16,391,759.06</b>	<b>R 119,419,865.39</b>	<b>R 54,656,466.48</b>
INTEREST CHARGES - APR TO JUN 2022	-R 6,191,399.16				-R 6,191,399.16
INTEREST PAID	-R 8,512,281.30				-R 8,512,281.30
<b>TOTAL INTEREST CHARGES</b>	<b>-R 14,703,680.46</b>				<b>-R 14,703,680.46</b>
<b>NET OUTSTANDING</b>	<b>R 159,372,651.41</b>			<b>R 119,419,865.39</b>	<b>R 39,952,786.02</b>

Table 6.5: Reconciliation DWS Debt Agreement

### 4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M05 November

Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 41.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	613,729	23,064	108,150	255,721	42.29%	(147,571)	-57.7%	17.6%	(147,570)	-24.0%
Funded by										
Capital transfers recognised	572,229	31,102	104,902	238,429	44.00%	(133,527)	-56.0%	18.3%	(133,527)	-23.3%
Internally generated funds	41,500	(8,038)	3,248	17,292	18.8%	(14,043)	-81.2%	7.8%	(14,043)	-33.8%
Weighting Capital transfer recognised	93.2%	134.9%	97.0%	93.2%						
Weighting Internally generated funds	6.8%	-34.9%	3.0%	6.8%						

Table 7: High level summary: Capital Expenditure

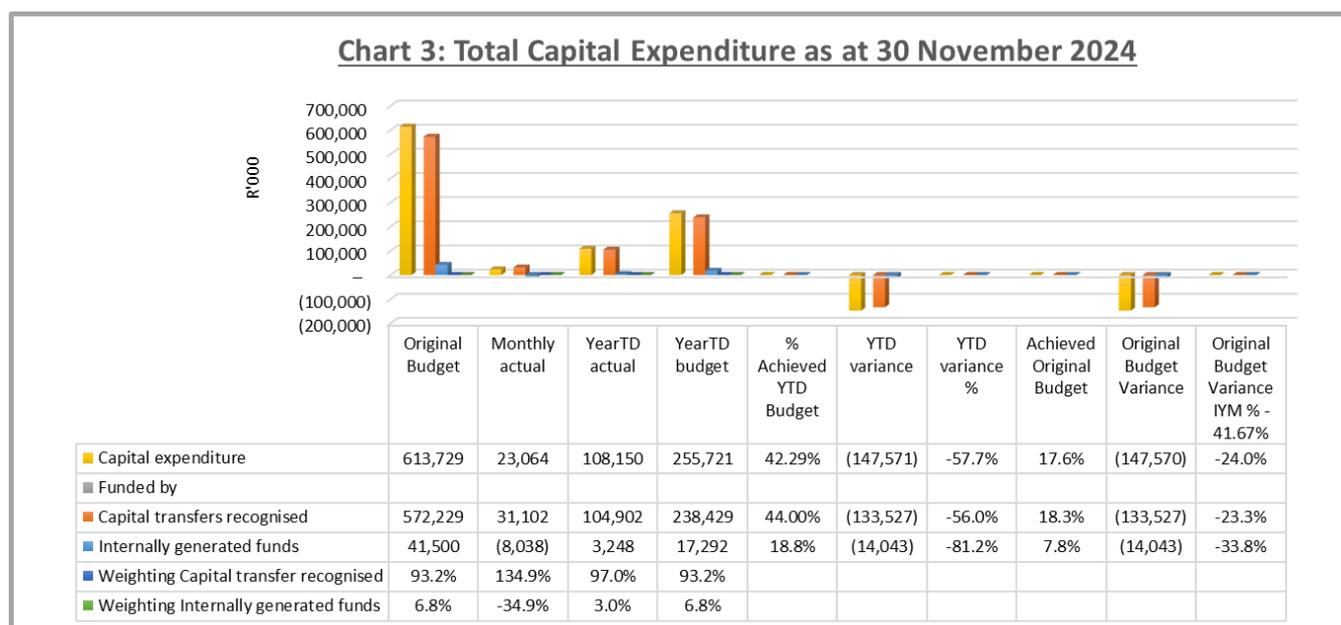


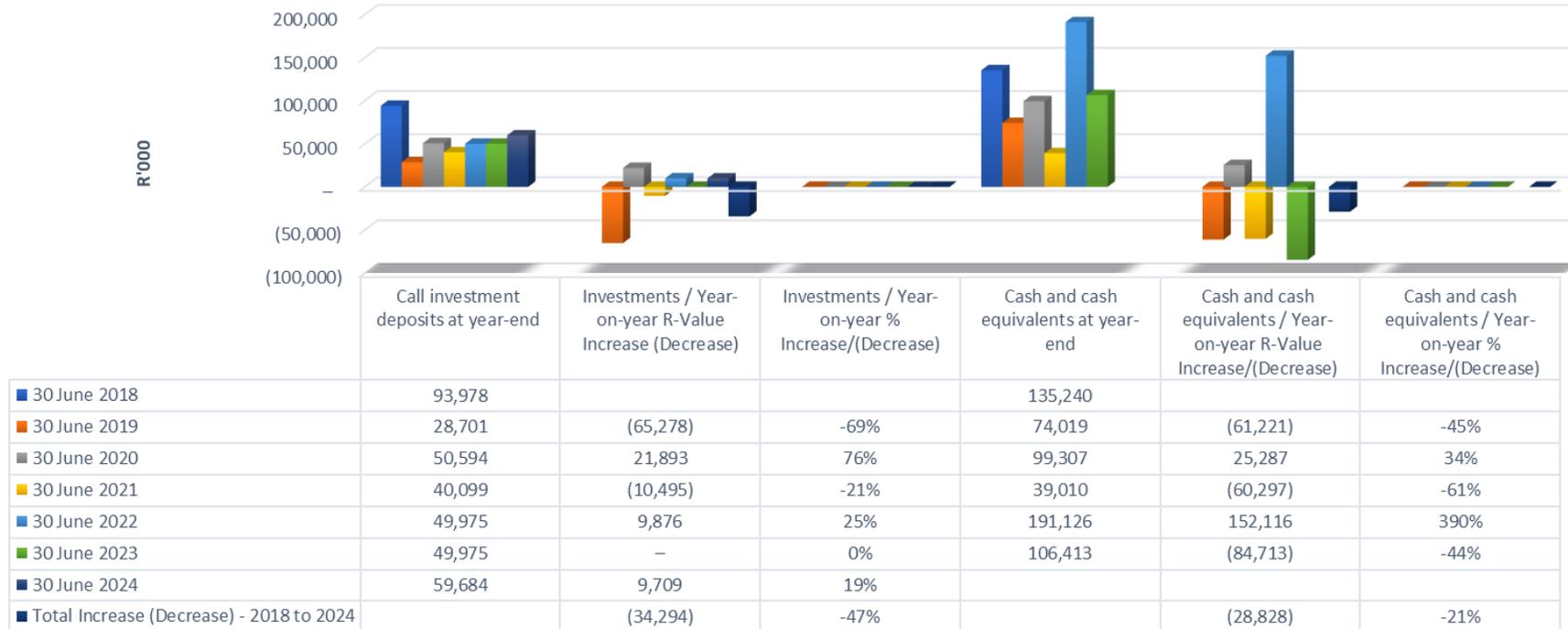
Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of November 2024 amounted to R108,150 million and 42.29% spent when compared to the YTD budget of R255,721 million and 17.6% spent when compared to the Original Budget of R613,729 million. The total YTD capex is funded from Capital grants R104,902 million (97.0%) and Internally generated funds R3,248 million (3.0%). Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

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

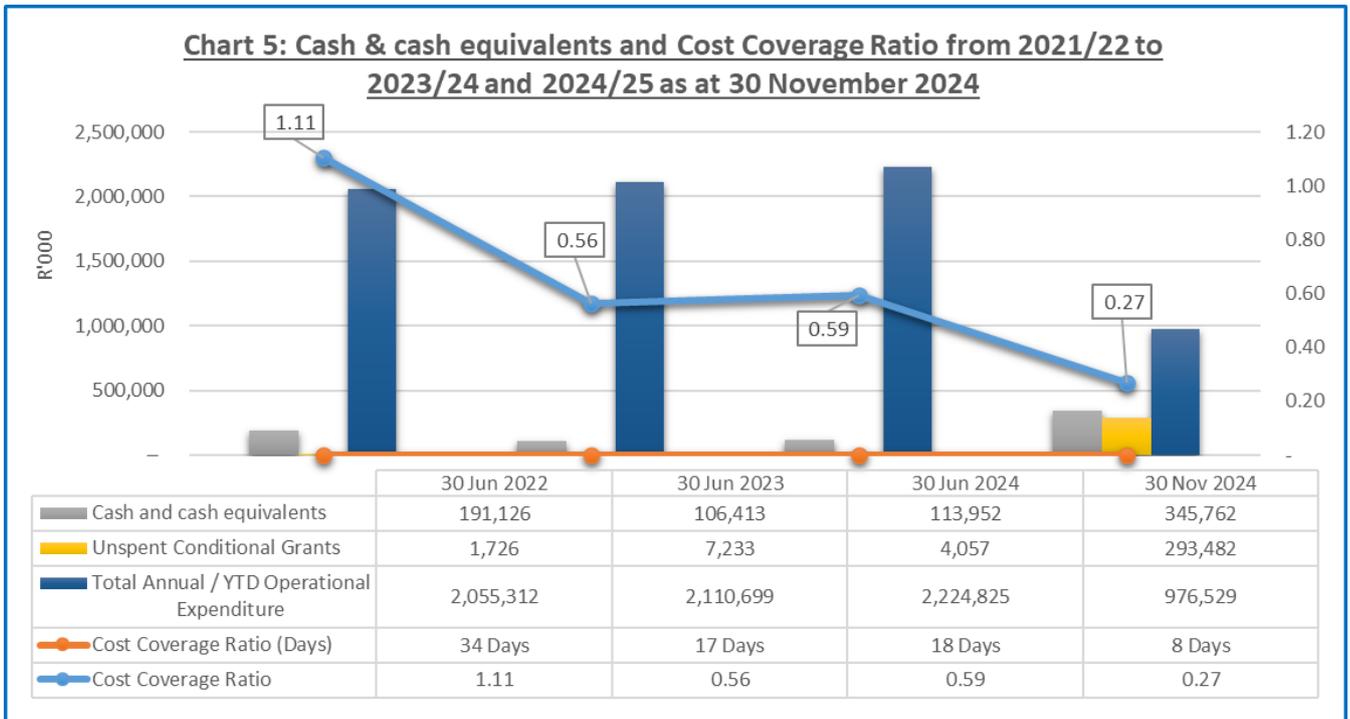
#### 4.4 Cash flows

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



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

Investments decreased by 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 41.67% from 2021 to 2022. The total investment remained the same from 2022 to 2023 and increased to R9,709 million or 19% in 2024. From 2018 to 2024, the total investments decreased by R34,294 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 August 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 period. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2022 is (1.11; 34 days; R191,126m). There was a marginal improvement for the year ended 30 June 2023 (0.56; 17 days; R106,413m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The pre-audit outcome for the year ended 30 June 2024 is (0.59; 18 days; R113,952m). The Cost coverage ratio as at 30 November 2024 is calculated at (0.27; 8 days; R345,762m). The cash and cash equivalents increased significantly as a result of receipts on conditional grants that was invested.

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 over the last few years. 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 managed to settle all invoices for the 2022/23 and 2023/24 financial year in full. The municipality also fared well whilst on the debt relief programme in complying to the settlement of the current Eskom account and running into trouble with the settling of the accounts for the high months. This is further exacerbated by the fact that the actual receipts for the high months is far below the actual bill.

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

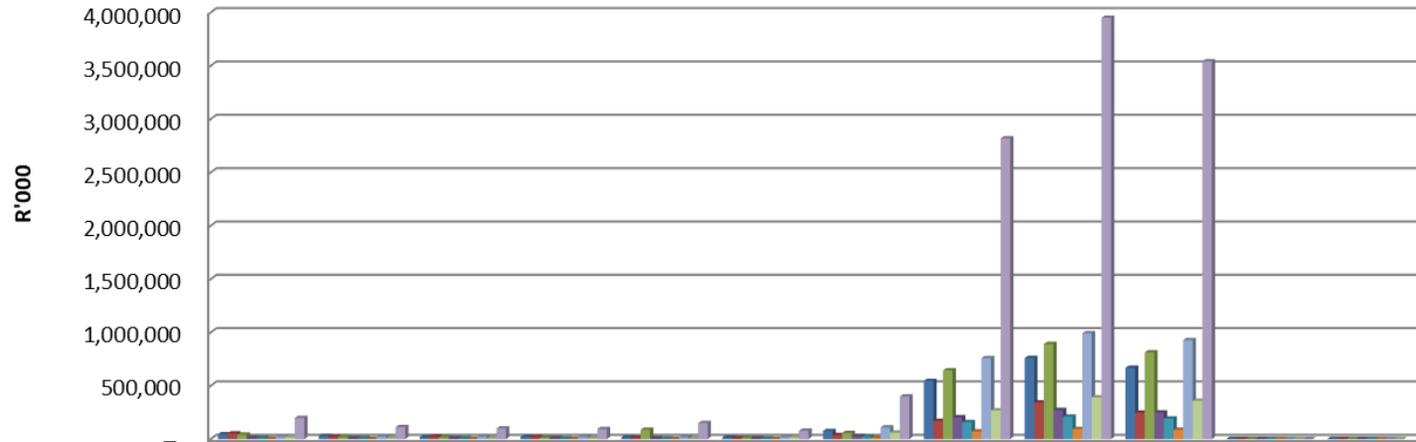
### 6. Debtors' Analysis

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

Description	NT Code	Budget Year 2024/25										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	44,649	28,869	17,895	19,930	14,955	13,963	74,320	544,846	759,427	668,015	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	51,826	20,333	22,820	19,178	12,355	7,532	37,573	170,452	342,070	247,091	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	41,749	19,454	17,466	13,793	87,227	10,594	57,079	643,298	890,659	811,990	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	9,958	6,766	6,213	6,186	5,942	4,809	27,748	203,909	271,530	248,593	-	-
Receivables from Exchange Transactions - Waste Management	1600	7,978	5,116	4,665	4,628	4,358	3,697	21,253	158,120	209,816	192,057	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	2,634	1,767	1,790	1,792	1,797	1,777	10,840	71,030	93,428	87,237	-	-
Interest on Arrear Debtor Accounts	1810	21,526	21,413	21,372	20,043	19,649	19,238	109,517	758,772	991,530	927,219	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	17,356	7,808	7,243	8,874	3,931	16,328	60,521	268,851	390,912	358,504	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>197,676</b>	<b>111,527</b>	<b>99,465</b>	<b>94,425</b>	<b>150,214</b>	<b>77,937</b>	<b>398,851</b>	<b>2,819,277</b>	<b>3,949,372</b>	<b>3,540,705</b>	<b>-</b>	<b>-</b>
<b>2023/24 - totals only</b>		#####	#####	#####	82648418	#####	73749187	#####	#####	3,711,957	3,305,825	0	0
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	32,381	16,477	16,693	12,670	81,666	7,040	41,724	630,978	839,628	774,078	-	-
Commercial	2300	65,297	24,786	24,729	21,129	15,762	13,095	72,889	429,945	667,630	552,819	-	-
Households	2400	97,131	67,844	56,248	58,790	51,006	55,846	273,578	1,662,221	2,322,663	2,101,440	-	-
Other	2500	2,868	2,420	1,795	1,836	1,781	1,957	10,661	96,134	119,451	112,368	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>197,676</b>	<b>111,527</b>	<b>99,465</b>	<b>94,425</b>	<b>150,214</b>	<b>77,937</b>	<b>398,851</b>	<b>2,819,277</b>	<b>3,949,372</b>	<b>3,540,705</b>	<b>-</b>	<b>-</b>

Table 8: Supporting Table SC3: Aged Debtors

**Chart 6.1: Debtor's Age Analysis by Income Source as at 30 November 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 Income source
Trade and Other Receivables from Exchange Transactions - Water	44,649	28,869	17,895	19,930	14,955	13,963	74,320	544,846	759,427	668,015	88%	19%
Trade and Other Receivables from Exchange Transactions - Electricity	51,826	20,333	22,820	19,178	12,355	7,532	37,573	170,452	342,070	247,091	72%	9%
Receivables from Non-exchange Transactions - Property Rates	41,749	19,454	17,466	13,793	87,227	10,594	57,079	643,298	890,659	811,990	91%	23%
Receivables from Exchange Transactions - Waste Water Management	9,958	6,766	6,213	6,186	5,942	4,809	27,748	203,909	271,530	248,593	92%	7%
Receivables from Exchange Transactions - Waste Management	7,978	5,116	4,665	4,628	4,358	3,697	21,253	158,120	209,816	192,057	92%	5%
Receivables from Exchange Transactions - Property Rental Debtors	2,634	1,767	1,790	1,792	1,797	1,777	10,840	71,030	93,428	87,237	93%	2%
Interest on Arrear Debtor Accounts	21,526	21,413	21,372	20,043	19,649	19,238	109,517	758,772	991,530	927,219	94%	25%
Other	17,356	7,808	7,243	8,874	3,931	16,328	60,521	268,851	390,912	358,504	92%	10%
Total By Income Source	197,676	111,527	99,465	94,425	150,214	77,937	398,851	2,819,277	3,949,372	3,540,705	90%	

**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 R3,949,372 billion as at the end of November 2024 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90%.

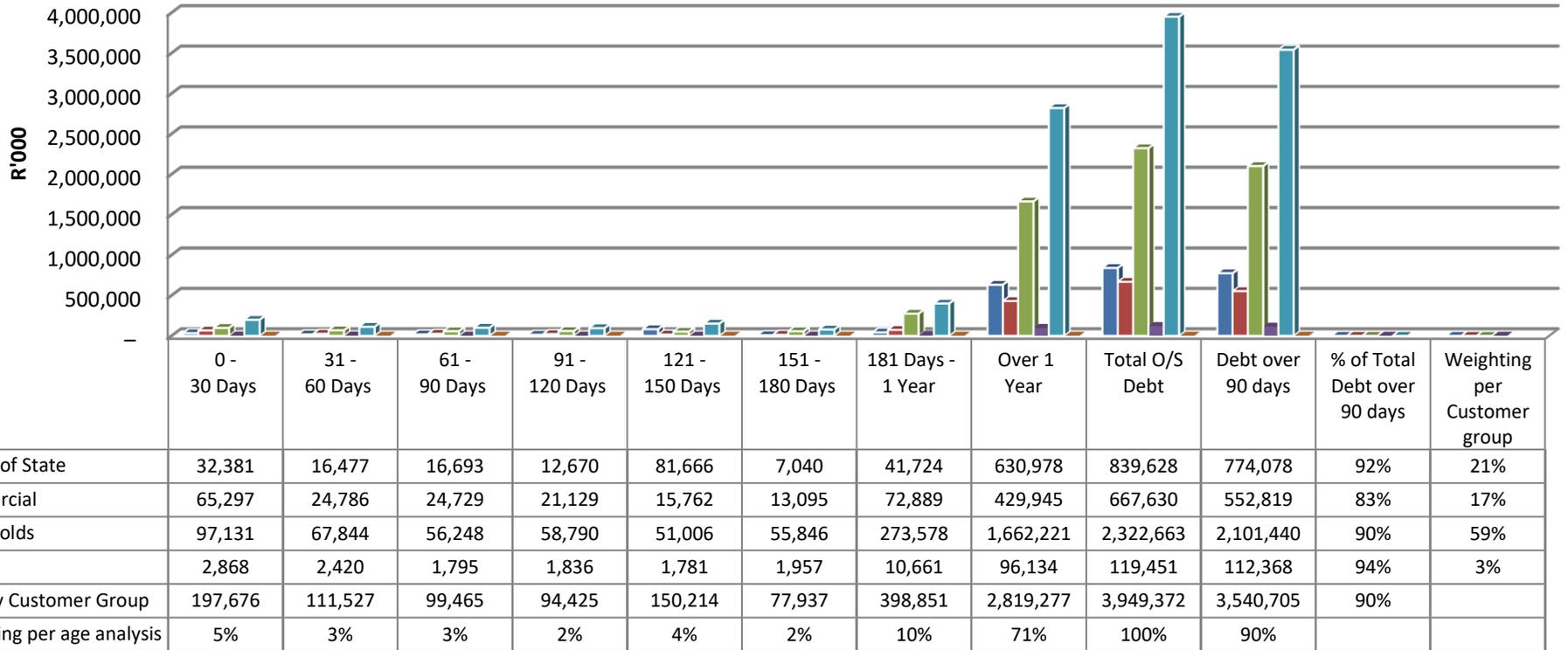
The highest percentage weighting of debt owed by Income Source, over 90 days is attributable to:

- ❖ Interest on Arrear Debtor Accounts and Other at 94%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Receivables from Exchange Transactions - Waste Water Management (92%) and Waste Management at 92%.

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 19%

**Chart 6.2: Debtor's Age Analysis by Customer Group as at 30 November 2024**



**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 92%; Commercial at 83%; Households at 90% and Other at 94%.

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

- ❖ Organs of state at 21%, total debt outstanding is R839,628 million
- ❖ Businesses at 17%, total debt outstanding is R667,630 million
- ❖ Households at 59%, total debt outstanding is R2,322,663 billion
- ❖ Other at 3%, total debt outstanding is R119,451 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 November 2024**

The Municipality is currently rolling out the smart meters project funded by National Treasury through grant funding. This objective of this project is to improve the revenue generated by the Municipality through accurate metering and billing, installation of new meters to deal with the following meter challenges:

- Bypassed meters
- Tampered meters
- Properties where there is no meter
- Ghost vending
- Conventional/Credit meters with debt above R10,000 and billing estimates (interims) due to access challenges.

We had challenges with our Service provider (BCX) for the months of October 2024 and November 2024 with regards to the running of disconnection lists and disconnection notices (14-day Notices). They updated their system and the new functions were not working as required. This had a negative impact on us executing full credit control processes in order to improve our cashflow and collection rate. The issue has since been resolved and we are currently attending to the generating and serving of disconnection notices (14-day Notices) for service through the post office, also sending out smses communicating to Customers that are in arrears, that their electricity will be disconnected due to non-payment of accounts.

We have blocked areas that previously received notices and our Cut Team and the Electricians are attending to the disconnection of Household and Businesses that are not paying their monthly accounts and/or are owing the Municipality a lot of money. We are working through various disputes with companies that have raised disputes on their accounts in order for them to effect payment.

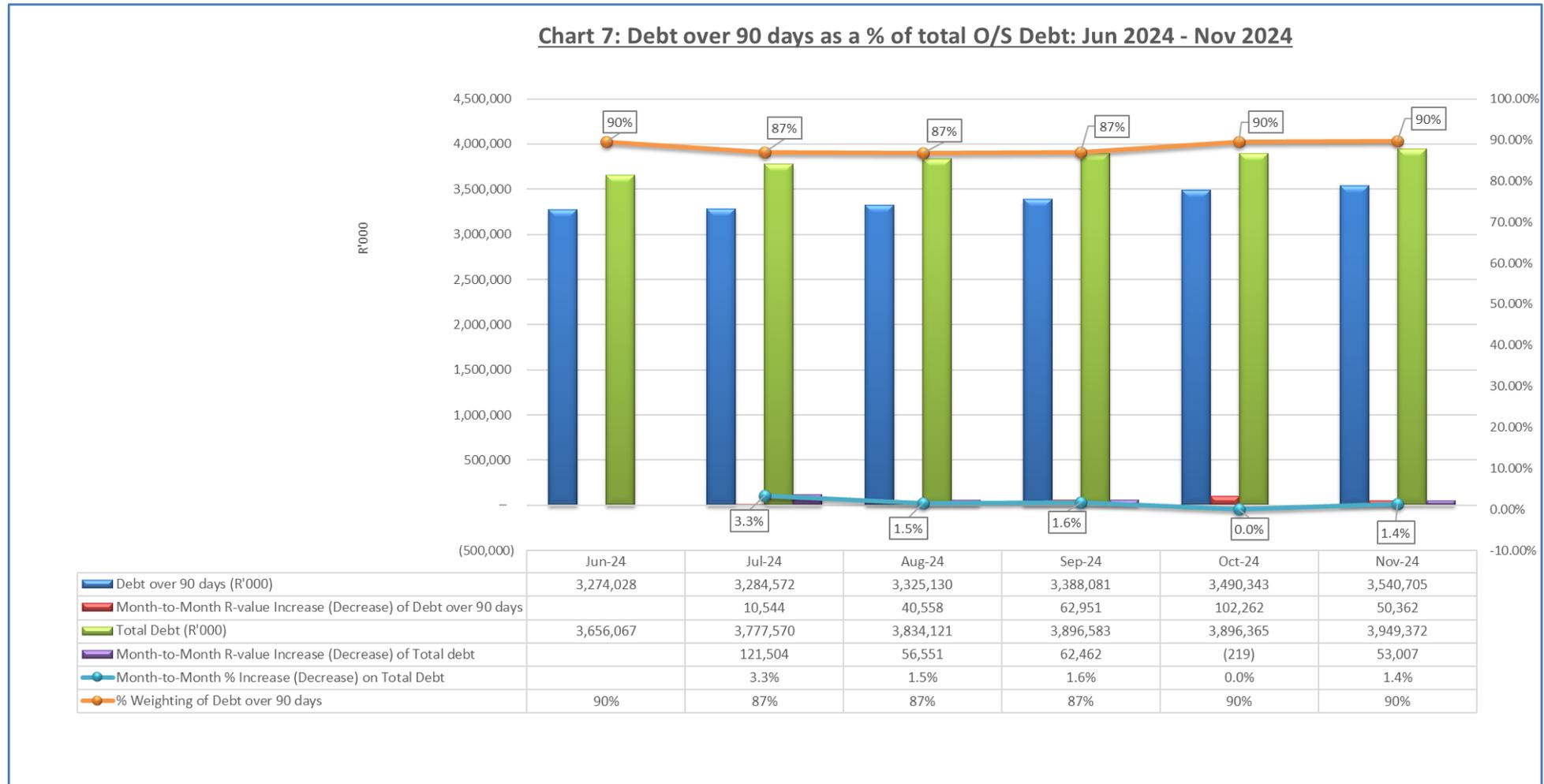
The receipts for Government Departments, Parastatals and schools were R29,323,376.92 for the month of November 2024 as compared to the R51,295,142.70 for the month of October 2024. The previous month's total was more, due to the bulk payment made by the Department of Provincial Public Works. We are expecting a payment of R 21 000 000 million from the Department by 17 December 2024. We have started with the disconnection of electricity services

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

of Departments that are owing the Municipality these include the Department of Education and the Department of Health. We expect bulk payments from these Departments within the coming weeks.

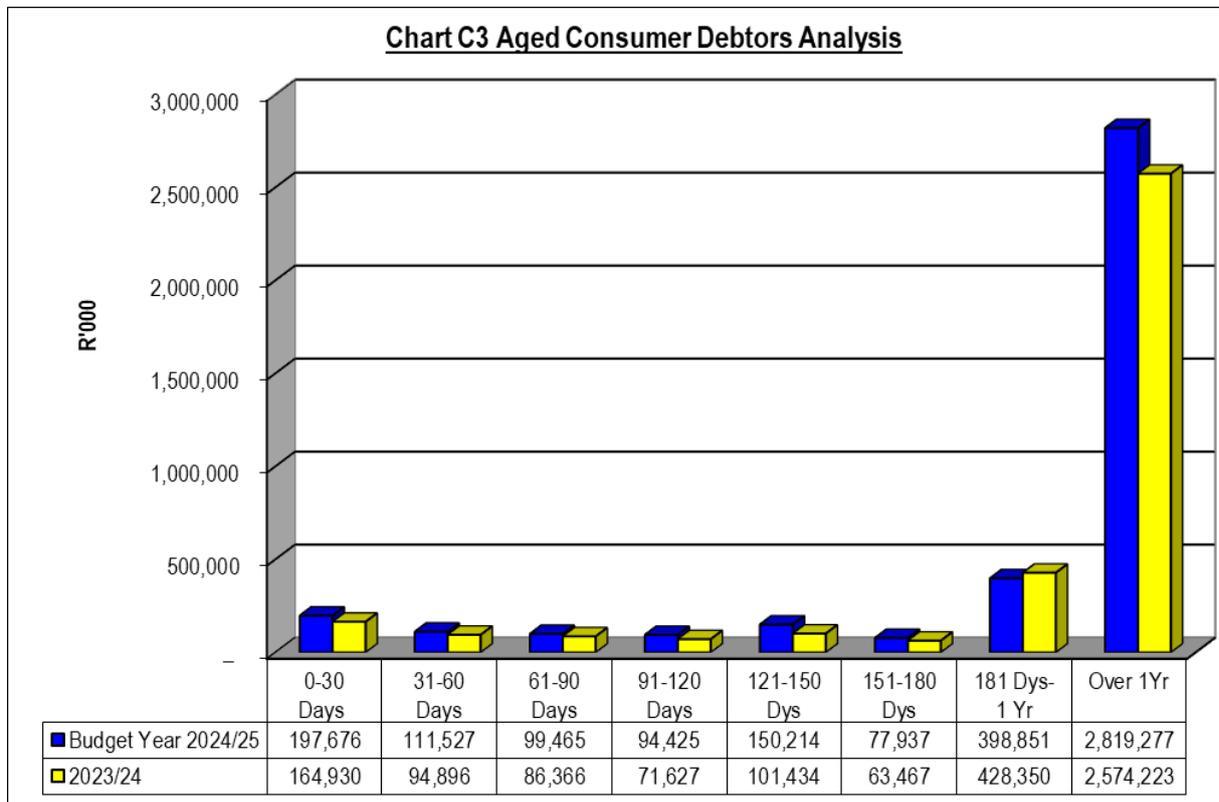
<b>GOVERNMENT DEBT</b>	
<b>DEPARTMENTS</b>	<b>RECEIPTS NOVEMBER 2024</b>
NATIONAL PUBLIC WORKS	R6,915,869.88
PROVINCIAL PUBLIC WORKS	R512,964.08
DEPARTMENTS OF HEALTH	R1,097,125.11
SOCIAL DEVELOPMENT	R224,245.72
ECONOMIC DEV & TOURISM	R374,469.62
COGHSTA/ HOUSING	R246,250.01
OFFICE OF THE PREMIER	R6,000.00
PROVINCIAL LEGISLATURE	R114,026.97
CORRECTIONAL SERVICE	R2,658,663.77
NATIONAL DEFENCE FORCE	R4,534,764.41
AGRICULTURE	R83,194.66
EDUCATION	R1,284,337.41
SPORTS, ARTS & CULTURE	R98,626.65
TRANSPORT	R275,808.98
DE BEERS	R994,241.05
TELKOM	R740,734.66
TRANSNET	R7,624,092.31
ESKOM	R301,551.21
SAPS	R174,464.48
SCHOOLS	R1,337,754.92
<b>TOTAL</b>	<b>R29,323,376.92</b>

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt remained constant at 90% for the month under review. Debt over 90 days increased by R50,362 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R53,007 million. It is concerning that total debt over 90 days is hovering at an average of 88 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.

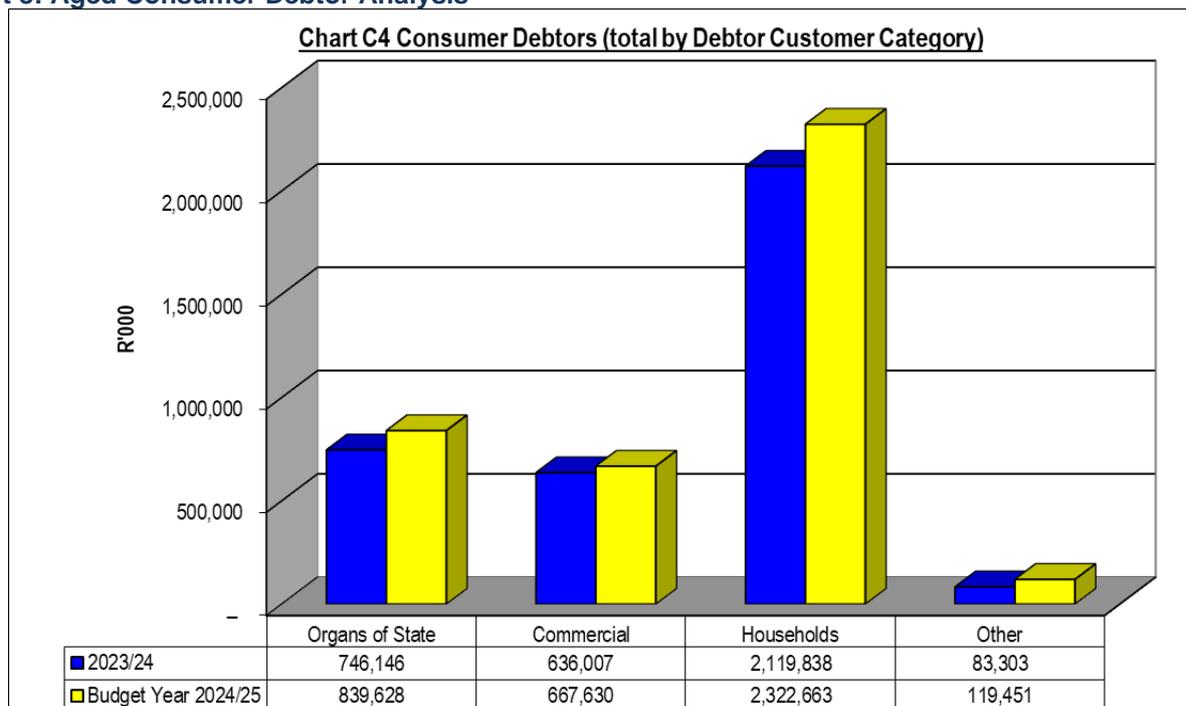


**Chart 7: Debt over 90 days as a percentage of Total O/S Debt**

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2023/24. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for November 2023, 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 2023/24 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 electronic mail (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 finalized.
- Ensure qualifying indigents are registered on the system, immediately upon verification.
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed immediately for all approved indigents.
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay.
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures.
- Prioritisation of spending.
- Improve on routine maintenance on particularly revenue generating assets.
- Spend funds effectively with good value for money.

## Revised collection rate

As per Table 9 below, when taking into consideration what was billed in October 2024 and received in November 2024, the monthly collection rate is 69%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 69%. 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 R7,781 million and will be allocated during November 2024. Indicated in Table 10 below is the revised average collection rate of 71.9%, for Property rates and Service charges only. The average collection rate is showing improvement and is still slightly distorted due to the annual billing on Property rates. When the annual billing is netted off and Other billing is excluded, this results in a collection rate of 77.5%. 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. The collection target as per the Municipal Debt Relief is 85%.

When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 November to 30 November 2024. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September 2024 to settle their outstanding accounts.

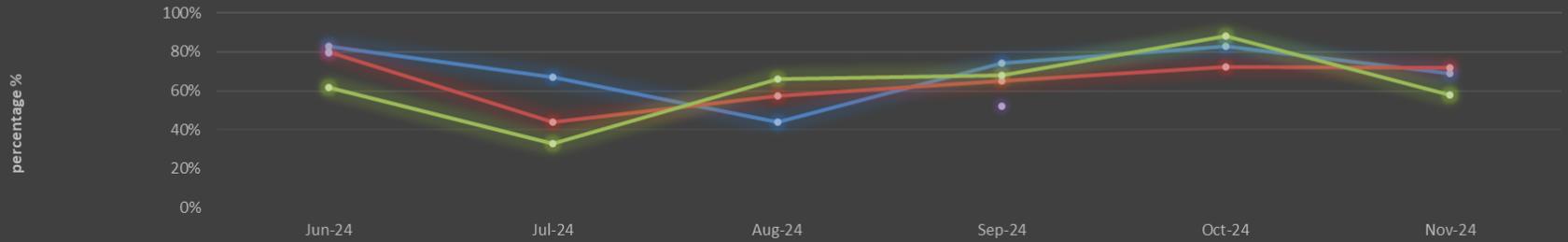
Monthly Collection Rate	Debits (Billed October 2024)	Credits (Received November 2024)	% Collected
PROPERTY RATES	50,503,797	32,179,484	64%
ELECTRICITY	45,800,944	43,431,642	95%
WATER	31,035,485	16,938,999	55%
SEWERAGE	10,195,655	4,622,881	45%
REFUSE	8,111,037	4,012,607	49%
<b>PROPERTY RATES &amp; SERVICES</b>	<b>145,646,920</b>	<b>101,185,613</b>	<b>69%</b>
OTHER	26,436,305	18,320,429	69%
<b>TOTAL</b>	<b>172,083,225</b>	<b>119,506,043</b>	<b>69%</b>

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL NOVEMBER 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 360,152,053	R 193,879,490	53.8%
SERVICE CHARGE ELECTRICITY	R 271,878,826	R 262,404,877	96.5%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 143,662,382	R 143,662,382	100.0%
SERVICE CHARGE WATER	R 139,425,431	R 68,853,086	49.4%
SERVICE CHARGE SANITATION	R 47,130,212	R 21,350,542	45.3%
SERVICE CHARGE REFUSE	R 35,452,866	R 18,956,534	53.5%
UNALLOCATED CREDITS		R 7,781,353	
<b>REVISED AVERAGE COLLECTION RATE - NOVEMBER 2024</b>	<b>R 997,701,770</b>	<b>R 716,888,265</b>	<b>71.9%</b>
<b>REVISED AVERAGE COLLECTION RATE - NOVEMBER 2024</b>	<b>997,701,770</b>	<b>716,888,265</b>	<b>71.9%</b>
LESS ANNUAL BILLING ON PROPERTY RATES	-108,333,781	-27,408,774	25.3%
OTHER	R 144,862,467	R 75,469,098	52.1%
<b>REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER</b>	<b>R 1,034,230,456.65</b>	<b>R 764,948,588.98</b>	<b>74.0%</b>
<b>REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND EXCLUDING OTHER</b>	<b>R 889,367,989.27</b>	<b>R 689,479,491.00</b>	<b>77.5%</b>

Table 10: Revised Average collection rate

**Chart 10: Comparative trend: Monthly and Revised average collection rate - Jun 2024 to November 2024**



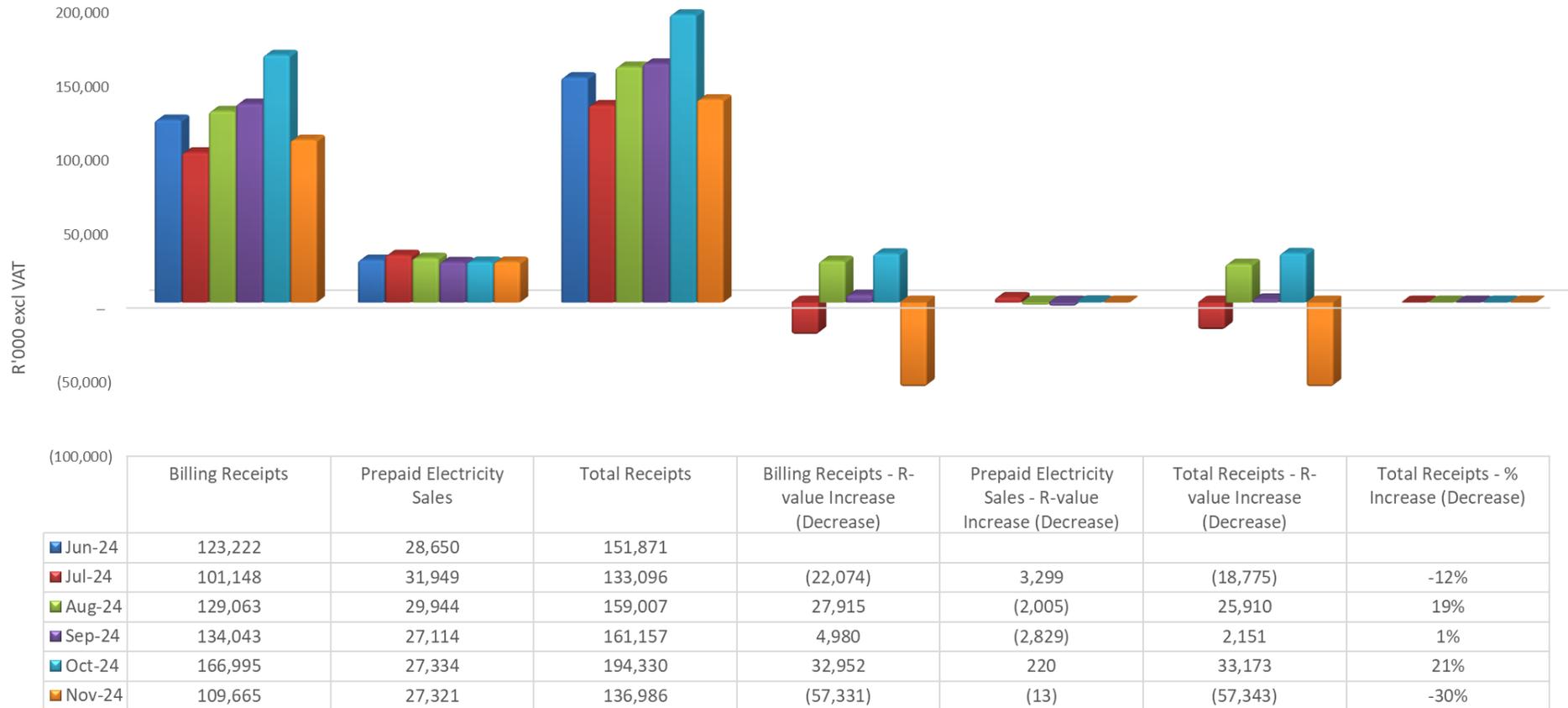
	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%
Revised average collection rate	80%	44%	58%	65%	72%	72%
Average collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%
Average collection rate per Ward (Quarterly)	79%			52%		

**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 2024 to November 2024. The monthly collection rate (Property rates & Services) for November 2024 is unsatisfactory at 69%. The revised average collection for November 2024, is showing minimal improvement but is still slightly distorted due to the annual billing on 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 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 which includes receipts from Property Rates, Services and Interest, but excludes Prepaid Electricity sales. The monthly collection rate per ward was 58% for the month under review, whilst the average collection rate is 73% for Oct to Nov 2024. It should be noted that Prepaid electricity sales that is excluded from the collection rate per ward. Drastic action will have to be taken, by the municipality implementing its Credit Control Policy. It should be noted that an amount of R7,781 million was unallocated at month-end.

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.”

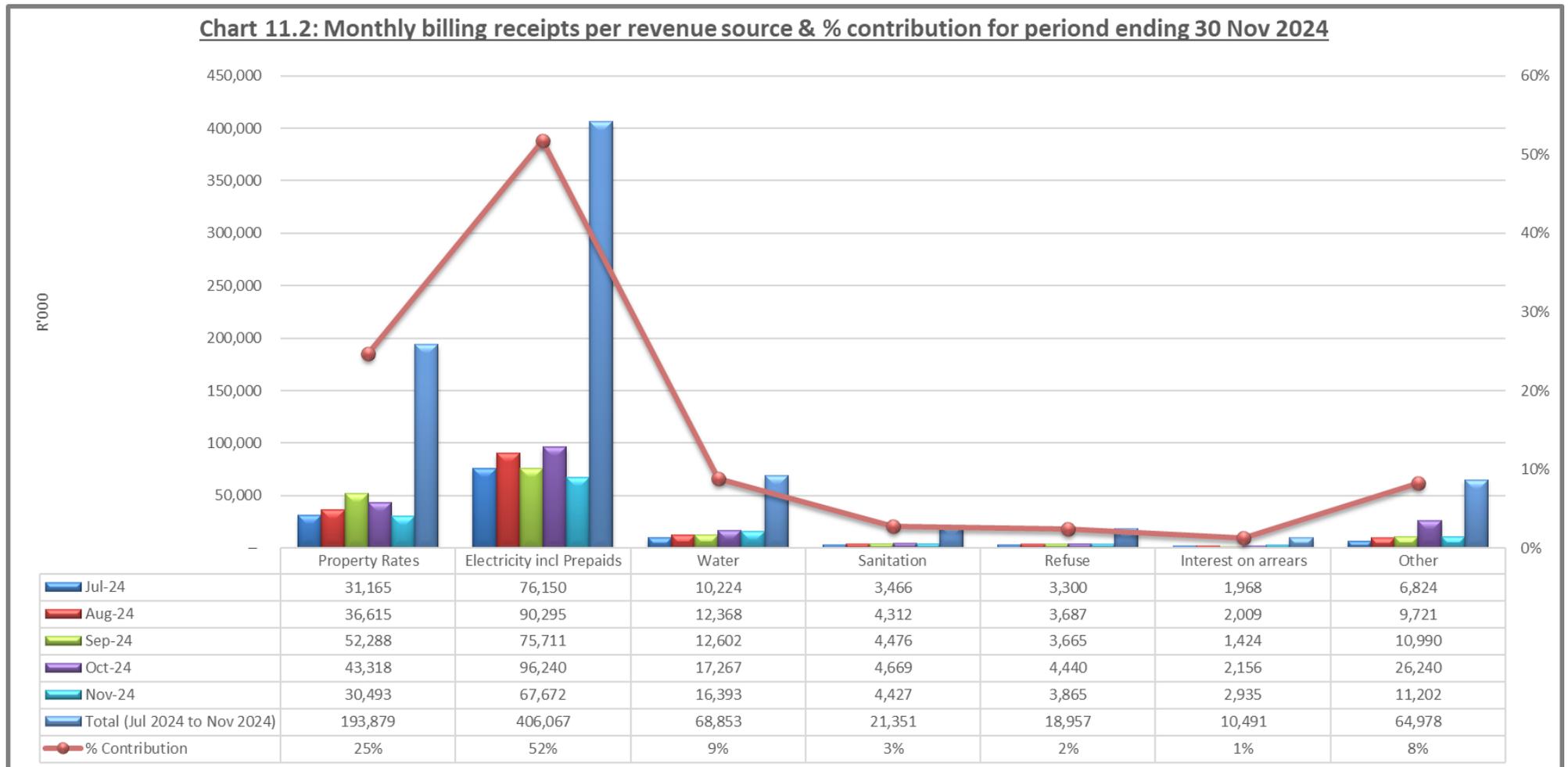
**Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2024 to Nov 2024**



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

As indicated in Chart 11.1 above, the Total Receipts for November amounted to R136,986 million which resulted in a decrease of R57,343 million or 30% in respect of the month-to-month comparison. Billing receipts decreased by R57,331 million, whilst Prepaid Electricity Sales decreased by R13 thousand. The deteriorating situation for the past few months/years does not bode well for the municipality’s cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R7,781 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

**Chart 11.2: Monthly billing receipts per revenue source & % contribution for period ending 30 Nov 2024**



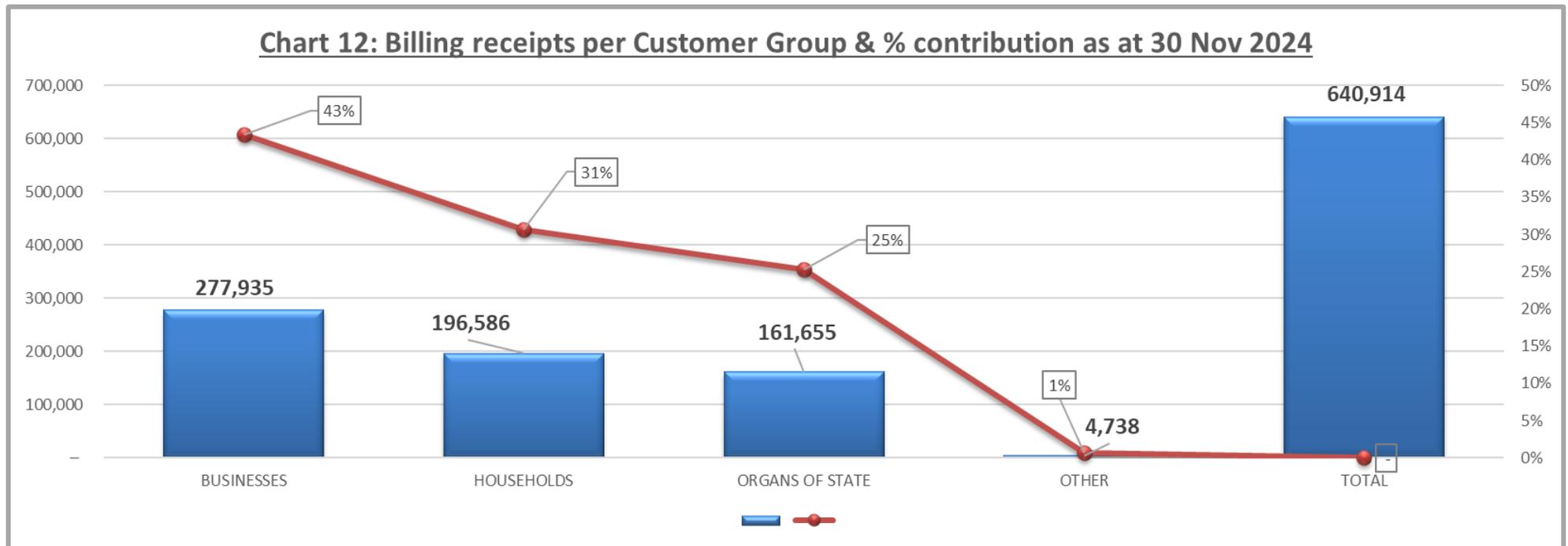
**Chart 11.2: Monthly billing receipts per revenue source and % contribution**

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 30 November 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. Data from the above chart, indicates that Electricity incl Prepays at R406,067 million (52%) is the highest contributor, followed by Property rates at R193,879 million (25%) 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 8% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 50% 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 November 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 November be written off if such account is settled in full over a period of two consecutive months.
- c) 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account will be written off if such account is settled in full over a period of three consecutive months.”

The above incentives then negatively influence the collectability of this revenue source, but positively influences the collection of other services.



**Chart 12: Billing receipts per Customer Group**

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 November 2024. The municipality received R277,935 million (43%) from Businesses, Households R196,586 million (31%), Organs of State R161,655 million (25%) and Other R4,738 million (1%).

## 7. Creditors' Analysis

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

Description	NT Code	Budget Year 2024/25									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	69,974	2,766	1,749	60,601	67,465	-	-	858,455	1,061,010	1,059,436	
Bulk Water	0200	17,504	17,504	-	-	-	-	-	54,656	89,665	127,293	
PAYE deductions	0300	10,716	-	-	-	-	-	-	-	10,716	11,865	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	8,375	-	-	-	-	-	-	-	8,375	8,510	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	15,263	10,230	934	21	4,280	-	-	-	30,729	24,041	
Auditor General	0800	2,902	2,539	-	-	-	-	-	-	5,441	3,391	
Other	0900	11,387	5,709	62	48	295	-	-	10,548	28,048	35,658	
Medical Aid deductions		7,794	-	-	-	-	-	-	-	7,794	-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>143,915</b>	<b>38,748</b>	<b>2,745</b>	<b>60,670</b>	<b>72,040</b>	<b>-</b>	<b>-</b>	<b>923,660</b>	<b>1,241,779</b>	<b>1,270,194</b>	

Table 11: Supporting Table SC4: Aged Creditors

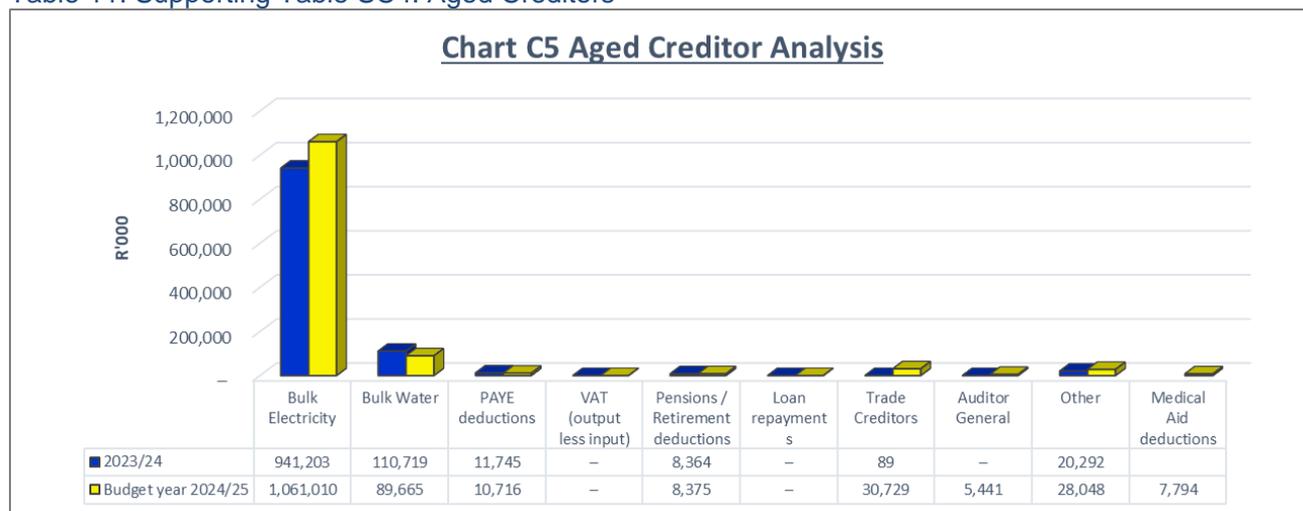


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2023/24 is based on the outstanding creditors as at 30 November 2023 (prior year totals for the same period).

**Bulk Electricity** – As at the 30 November 2024, the outstanding debt owed to ESKOM amounted to R1,061,010 billion. According to the November 2024 Eskom invoice, the outstanding balance is R938,148 million, as a result of the Payment Arrangement (PA) that was loaded on the municipality's account. Balance on the PA is R107,200 million.

**Bulk Water** – As at the 30 November 2024, the outstanding debt owed to DWS amounted R89,665 million. A payment agreement with DWS for the 2022/23 financial year was 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 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department. The municipality did not submit the reading for November 2024 timeously and the Department billed the municipality on the October 2024 reading. The correction will be done with the December 2024 billing.

**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 R6,453 million from SARS.

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

**Auditor General** – the current account due to the AGSA is R2,902 million, whilst the account for October 2024 of R2,539 million remains unpaid due to cash flow constraints. The total amount due to AGSA is R5,441 million.

**Other creditors** – includes Sundry creditors which were unpaid as at 30 November 2024.

**Medical Aid deductions** – an amount of R7,794 million for medical aid contributions was payable on or before 7 December 2024.

## 8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 30 November 2024, the value of total investments made was R315,497 million. Partially or prematurely withdrawn investments amounted to R34,867 million. The investment top-up was R240,973 million. The current status quo 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:

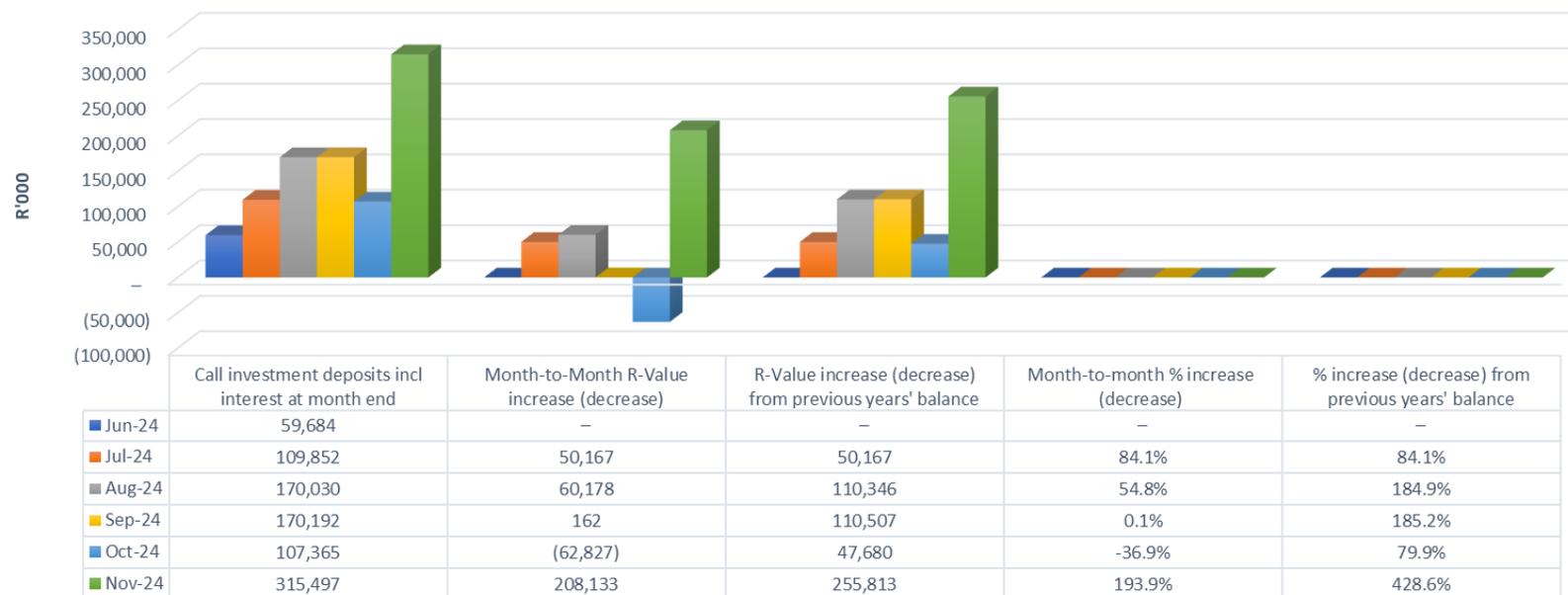
<b>Purpose</b>	<b>R'000</b>
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	21,096
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,401
• Unspent Capital grant receipts that was invested for the current year.	287,000
• Own funds invested - Ring-fenced Eskom income	–
<b>Total</b>	<b>315,497</b>

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate <sup>a</sup>	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>														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			0	-	-	-	0
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		-	-	-	-	-
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		72,000	1,751	(11,751)	220,000	282,000
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	56	(56)	-	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	35	(35)	-	5,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	22,963	61	(23,024)	-	-
Standard Bank - 048466271-093		12 months	Fixed	No	Fixed	887.00%	0		2025/11/10	-	122	-	20,973	21,096
<b>Municipality sub-total</b>										<b>107,365</b>	<b>2,026</b>	<b>(34,867)</b>	<b>240,973</b>	<b>315,497</b>
<b>Entities</b>														
														-
														-
														-
														-
														-
<b>Entities sub-total</b>										<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	2									<b>107,365</b>	<b>2,026</b>	<b>(34,867)</b>	<b>240,973</b>	<b>315,497</b>

Table 12: Supporting Table SC5: Investment portfolio

**Chart 14: Call investment deposits incl interest for the period ending 30 November 2024**



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

As indicated in the Chart 5 above from June to November 2024 investments incl interest increased by R208,133 or 193.9%, in respect of the month-to-month comparison. Investments increased by R255,813 million or 428.6% when compared to the previous years' balance of R59,684 million. The significant increase relates to RBIG funds that were received and immediately invested. 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, 2023/24 and 2024/25 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 - M05 November

Description	Ref	2023/24	Budget Year 2024/25							
		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>		271,713	290,671	290,671	668	121,211	121,113	98	0.1%	290,671
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		263,135	282,104	282,104	-	117,543	117,543	(0)	0.0%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	-	1,586	945	641	67.9%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	554	1,796	1,875	(79)	-4.2%	4,500
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	3	1,700	1,800	1,800	114	285	750	(465)	-61.9%	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		14,787	8,600	8,600	59	256	3,583	(3,327)	-92.9%	8,600
Capacity Building and Other Grants		8,979	8,600	8,600	59	256	3,583	(3,327)	-92.9%	8,600
Infrastructure Grant		5,808	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		215,206	-	-	-	-	-	-	-	-
ESKOM		210,375	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Unspecified		4,831	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	501,707	299,271	299,271	727	121,467	124,696	(3,229)	-2.6%	299,271
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		133,753	572,229	572,229	1,534	93,032	238,429	(145,397)	-61.0%	572,229
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	1,005	1,296	2,083	(787)	-37.8%	5,000
Integrated National Electrification Programme Grant		24,358	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		63,395	75,229	75,229	-	17,173	31,345	(14,172)	-45.2%	75,229
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	529	74,563	205,000	(130,437)	-63.6%	492,000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		6,437	-	-	-	-	-	-	-	-
Specify (Add grant description)		6,437	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		18,850	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		18,850	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	159,040	572,229	572,229	1,534	93,032	238,429	(145,397)	-61.0%	572,229
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	660,747	871,500	871,500	2,261	214,499	363,125	(148,626)	-40.9%	871,500

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

None

Capital grant monies received for the month under review.

RBIG – R250,000 million

There are some mapping errors pertaining to operational and capital grants. Capital grants specifically, is allocated to the Statement of Financial Position as receipts and is not mapped to the C-schedule. However, on a monthly basis journals are processed to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

## Operational and Capital Grants: Expenditure

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

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		237,196	229,671	229,671	34,325	98,181	95,697	2,484	2.6%	229,671
Equitable Share		228,294	221,104	221,104	33,731	95,611	92,127	3,484	3.8%	221,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,267	-	-	945	(945)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	230	1,796	1,875	(79)	-4.2%	4,500
Integrated Urban Development Grant		-	-	-	302	488	-	488	-	-
Local Government Financial Management Grant		1,700	1,800	1,800	62	285	750	(465)	-61.9%	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		9,852	8,600	11,087	126	619	4,621	(4,002)	-86.6%	11,087
Capacity Building and Other Grants		7,625	8,600	8,587	59	310	3,579	(3,269)	-91.3%	8,587
Infrastructure Grant		2,227	-	2,500	68	309	1,042	(732)	-70.3%	2,500
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		247,048	238,271	240,758	34,451	98,800	100,318	(1,518)	-1.5%	240,758
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		124,283	572,229	572,229	31,102	104,902	238,429	(133,527)	-56.0%	572,229
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	874	911	2,083	(1,172)	-56.3%	5,000
Integrated National Electrification Programme Grant		21,181	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		57,349	75,229	75,229	9,687	24,073	31,345	(7,273)	-23.2%	75,229
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	20,541	79,918	205,000	(125,082)	-61.0%	492,000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		6,000	-	-	-	-	-	-	-	-
Specify (Add grant description)		6,000	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		17,073	-	-	-	-	-	-	-	-
European Union		17,073	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		147,356	572,229	572,229	31,102	104,902	238,429	(133,527)	-56.0%	572,229
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		394,404	810,500	812,987	65,553	203,702	338,746	(135,045)	-39.9%	812,987

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 R12,926 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 Original allocation for the EPWP is R2,267 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	9,687	24,073	7,761	32.0%	32.0%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	874	911	-	18.2%	18.2%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	20,541	79,918	-	16.2%	-
<b>Grand Total</b>	<b>572,229</b>	<b>572,229</b>	<b>31,102</b>	<b>104,902</b>	<b>7,761</b>	<b>18.3%</b>	<b>18.3%</b>

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R104,902 million or 18.3% spent against the Original capital grant allocation of R572,229 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 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 2023/24 financial year was submitted to National Treasury. The rollover request was not approved by National Treasury. Indicated below is an extract of the reasons for the rejection.

“Your request to roll over the unspent amount of **R3.9 million** into the 2023/24 financial year by your municipality is not approved in terms of 21(2) of the 2023 Division of Revenue Act, (Act No. 5 of 2023) (DoRA), as amended by the Division of Revenue Amendment Act, (Act No. 24 of 2023) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (ISDG) (R1.2 million) and the Integrated National Electrification Programme (Municipal) Grant (R2.7 million) (INEP).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 128 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 reason:

- Non submission of supporting documents as outlined in Circular No.128, i.e. copies of appointment letters of service providers and/ or tender documents for both ISDG and INEP. “

Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 16 is not required.

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

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages										
Pension and UIF Contributions		1,065	-	-	78	431	-	431	#DIV/0!	-
Medical Aid Contributions		536	-	-	56	274	-	274	#DIV/0!	-
Motor Vehicle Allowance										
Cellphone Allowance		2,997	3,055	3,055	226	1,245	1,273	(28)	-2%	3,055
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		29,271	34,021	34,021	2,394	12,030	14,176	(2,146)	-15%	34,021
<b>Sub Total - Councillors</b>		<b>33,869</b>	<b>37,077</b>	<b>37,077</b>	<b>2,754</b>	<b>13,979</b>	<b>15,449</b>	<b>(1,469)</b>	<b>-10%</b>	<b>37,077</b>
<b>% increase</b>	4		<b>9.5%</b>	<b>9.5%</b>						<b>9.5%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4,942	8,791	8,791	353	2,120	3,663	(1,543)	-42%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	179	549	(370)	-67%	1,316
Medical Aid Contributions		192	117	117	16	77	49	28	57%	117
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,065	2,005	2,005	87	434	835	(402)	-48%	2,005
Cellphone Allowance		101	198	198	8	42	83	(41)	-49%	198
Housing Allowances		22	9	9	2	9	4	5	128%	9
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		14	15	15	1	6	6	(0)	-3%	15
Post-retirement benefit obligations										
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Senior Managers of Municipality</b>		<b>6,769</b>	<b>12,452</b>	<b>12,452</b>	<b>500</b>	<b>2,866</b>	<b>5,189</b>	<b>(2,322)</b>	<b>-45%</b>	<b>12,452</b>
<b>% increase</b>	4		<b>84.0%</b>	<b>84.0%</b>						<b>84.0%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		460,448	509,499	507,037	38,909	194,248	211,647	(17,398)	-8%	507,037
Pension and UIF Contributions		83,850	96,851	96,851	7,099	35,281	40,355	(5,074)	-13%	96,851
Medical Aid Contributions		54,500	63,693	63,693	5,191	25,510	26,539	(1,029)	-4%	63,693
Overtime		90,602	53,982	53,982	6,110	25,636	22,493	3,144	14%	53,982
Performance Bonus		30,591	38,317	38,317	1,802	6,761	15,966	(9,205)	-58%	38,317
Motor Vehicle Allowance		43,767	51,151	51,151	3,475	17,785	21,313	(3,528)	-17%	51,151
Cellphone Allowance		1,631	1,551	1,551	153	691	646	44	7%	1,551
Housing Allowances		2,856	2,887	2,887	226	1,130	1,203	(73)	-6%	2,887
Other benefits and allowances		38,029	26,598	29,060	2,798	13,620	11,728	1,893	16%	29,060
Payments in lieu of leave		7,128	20,000	20,000	243	2,466	8,333	(5,867)	-70%	20,000
Long service awards		30,958	29,981	29,981	2,527	12,727	12,492	235	2%	29,981
Post-retirement benefit obligations		43,162	43,900	43,900	630	3,027	18,292	(15,265)	-83%	43,900
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Other Municipal Staff</b>		<b>887,522</b>	<b>938,410</b>	<b>938,410</b>	<b>69,163</b>	<b>338,883</b>	<b>391,006</b>	<b>(52,123)</b>	<b>-13%</b>	<b>938,410</b>
<b>% increase</b>	4		<b>5.7%</b>	<b>5.7%</b>						<b>5.7%</b>
<b>Total Parent Municipality</b>		<b>928,160</b>	<b>987,939</b>	<b>987,939</b>	<b>72,417</b>	<b>355,729</b>	<b>411,643</b>	<b>(55,915)</b>	<b>-14%</b>	<b>987,939</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>928,160</b>	<b>987,939</b>	<b>987,939</b>	<b>72,417</b>	<b>355,729</b>	<b>411,643</b>	<b>(55,915)</b>	<b>-14%</b>	<b>987,939</b>
<b>% increase</b>	4		<b>6.4%</b>	<b>6.4%</b>						<b>6.4%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>894,291</b>	<b>950,863</b>	<b>950,863</b>	<b>69,662</b>	<b>341,749</b>	<b>396,194</b>	<b>(54,445)</b>	<b>-14%</b>	<b>950,863</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 14%. There is currently a moratorium on the filling of non-critical vacancies and on the sale of leave. 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 minus 10% 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 is not yet issued.

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 are not effective and the desired outcome to remain within budget, was not achieved for 2023/24 financial year. The same trend is transpiring for the current year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. The historic contract appointments and continuous appointment of contract workers is negatively affecting the salary expenditure and hampering the municipality's ability to fill vacancies as contract workers are being funded by budgeted vacancies. The moratorium placed on recruitment should curb this going forward. 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 since been revised to 40 hours, hopefully this will have a positive impact on the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of November 2024.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget
MS: OVERTIME - NON STRUCTURED	33,762,000.00	4,730,943	18,866,282	56%
MS: OVERTIME - STRUCTURED	8,785,180.00	269,794	1,806,769	21%
<b>Overtime as at 30 November 2024</b>	<b>42,547,180.00</b>	<b>5,000,737</b>	<b>20,673,051</b>	<b>49%</b>

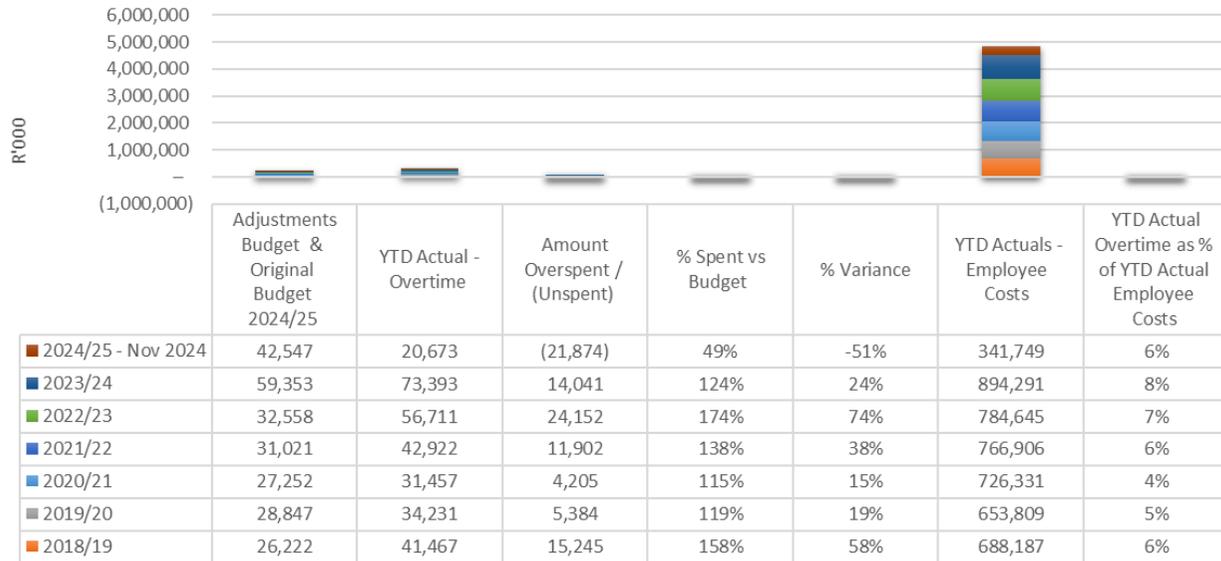
  

Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget
20-EXECUTIVE AND COUNCIL	330,000.00	80,131	226,714	69%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	-	-	
23-CORPORATE SERVICES	1,937,000.00	412,095	1,579,640	82%
24-COMMUNITY SERVICES	17,190,180.00	1,564,045	6,482,860	38%
26-FINANCIAL SERVICES	1,021,000.00	180,085	1,709,554	167%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000.00	206,528	534,619	61%
28-INFRASTRUCTURE SERVICES	21,192,000.00	2,557,853	10,139,663	48%
<b>Overtime as at 30 November 2024</b>	<b>42,547,180.00</b>	<b>5,000,737</b>	<b>20,673,051</b>	<b>49%</b>

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

Overtime was previously capped at 30 hours across most units within the municipality and this has been re-instated and curbed to 40 hours across all sections. The YTD Overtime expenditure is 49% spent versus the Original budget, resulting in a unsatisfactory variance of 7.33% for the period under review, when compared to the ideal IYM percentage of 41.67%. This an early warning that the Overtime control implemented is probably not as effective and should be applied more stringently.

**Chart 14.1: Overtime Actual vs Budget - 2017/18 to 2024/25**

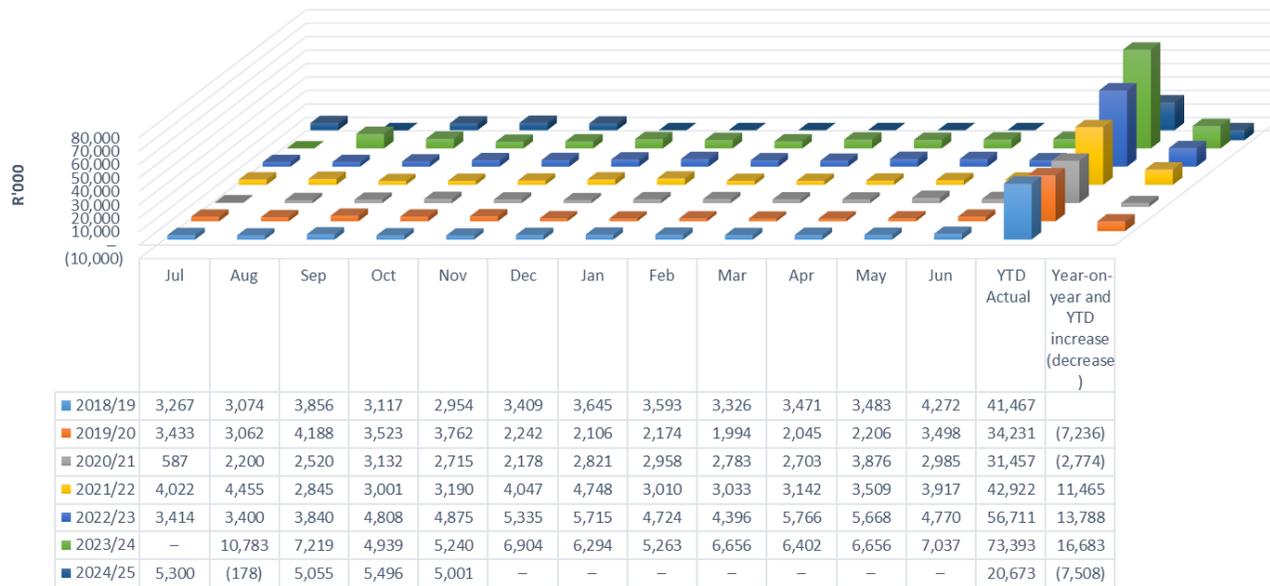


Indicated in Chart 14.1, is the actual Overtime versus Budget from 2018/19 to 2024/25 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from August 2018 to November 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 2023/24 financial year was R73,393 million. A 40-hour cap on Overtime has been instituted across all sections.

**Chart 14.1: Overtime Actual vs Budget**

**Chart 14.2: Monthly and Annual Overtime Comparison - Jul 2018 to Nov 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 30 December 2024.

## 12. Capital programme performance

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

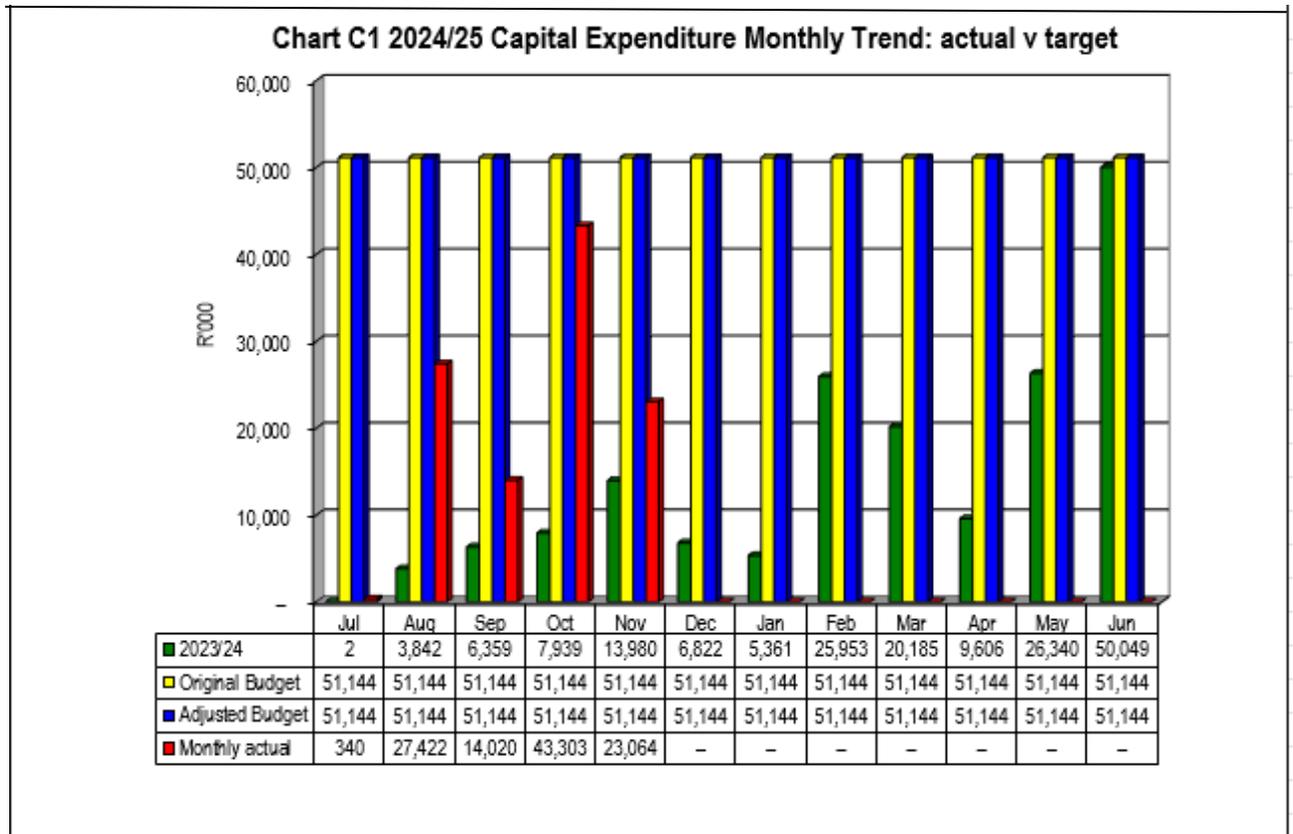


Chart 15: Capital Expenditure Monthly Trend: actual v target

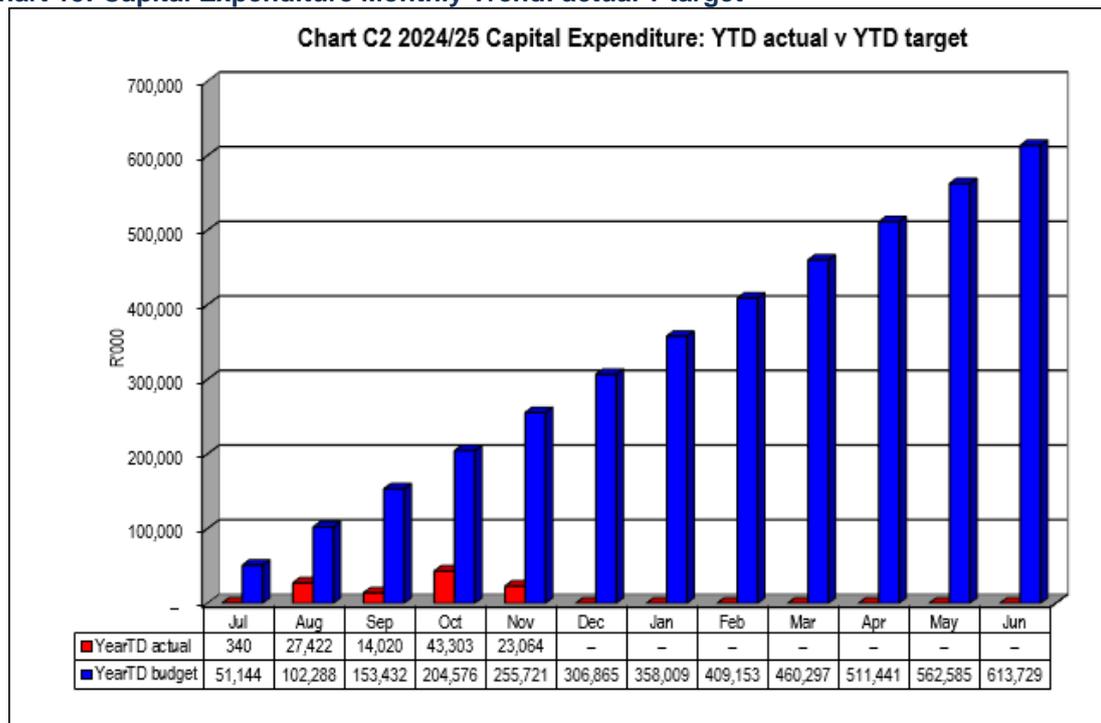


Chart 16: Capital Expenditure: YTD actual vs YTD target

Projects per funding source (R'000)	Original Bud	Adjusted Bud	Monthly Actuals	YTD Actuals	Commitments	% Original Bud	% Adjusted Bud
<b>INTERNALLY GENERATED FUNDS</b>	<b>41,500</b>	<b>41,500</b>	<b>(8,038)</b>	<b>3,248</b>	<b>1,097</b>	<b>7.83%</b>	<b>7.83%</b>
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	21	106	312	2.35%	2.35%
ACQ-FLEET REPLACEMENT	3,000	3,000	-	-	-	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	500	500	-	145	-	28.90%	28.90%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	-	-	-	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	500	500	-	-	-	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	-	3,559	-	-	-	-	-
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	-	(10,110)	-	-	0.00%	-
MR LEAK AND SLEAK DATA SYSTEM	484	1,484	-	166	-	34.31%	11.20%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811	-	(322)	-	-	0.00%	-
PHDA PLANNING & SURVEYING	2,000	2,000	-	-	-	0.00%	0.00%
PIPE CONDITION ASSESS AND CATHOD PROTECT	479	2,177	-	373	-	77.82%	17.14%
RITCHIE SUBZONE SMART METER INSTALL	1,417	1,417	-	-	-	0.00%	0.00%
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	-	13,964	2,458	2,458	-	-	17.61%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	2,000	-	-	532	0.00%	0.00%
RUFURBISHMENT OF THE VINTAGE TRAM	1,500	1,500	-	-	-	0.00%	0.00%
PLANNING & DEVELOPMENT	1,500	1,500	-	-	253	0.00%	0.00%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	1,342	-	(84)	-	-	0.00%	-
WASTE WATER RE-USE	-	2,400	-	-	-	-	0.00%
<b>IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)</b>	<b>75,229</b>	<b>75,229</b>	<b>9,687</b>	<b>24,073</b>	<b>7,761</b>	<b>32.00%</b>	<b>32.00%</b>
P-CIER RDS ROADS	17,500	17,500	4,496	13,750	924	78.57%	78.57%
PROJECT MANAGEMENT	2,349	2,759	96	132	185	5.62%	4.79%
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	9,000	653	3,232	2,362	18.47%	35.92%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	3,500	-	-	-	-	-
SPECIALISED FLEET REPLACEMENT	5,000	5,000	3,102	3,102	-	62.04%	62.04%
P-CNIN COM F FIRE/AMBUL	1,500	-	-	-	-	0.00%	-
UPGRADING OF SWIMMING POOLS	6,000	-	-	-	-	0.00%	-
ABLUTIONS KENILWORTH&PHUTANANG CEMETERY	2,000	2,000	-	26	33	1.29%	1.29%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	-	1,469	21	66.48%	66.48%
REFURBISHMENT OF HALLS	5,000	5,000	-	525	-	10.50%	10.50%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,260	2	237	207	3.09%	3.26%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	-	261	-	5.22%	5.22%
FLEET REPLACEMENT	-	6,000	1,339	1,339	4,029	-	22.32%
CONSTR OF SEWER P/LINE IN PHOMOLONG W15	-	10,000	-	-	-	-	0.00%
<b>EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)</b>	<b>5,000</b>	<b>5,000</b>	<b>874</b>	<b>911</b>	<b>-</b>	<b>18.22%</b>	<b>18.22%</b>
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	874	911	-	18.22%	18.22%
<b>RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)</b>	<b>492,000</b>	<b>492,000</b>	<b>20,541</b>	<b>79,918</b>	<b>-</b>	<b>16.24%</b>	<b>16.24%</b>
EAST BYPASS REPLACE OF CORRODED 10KM LINE	15,126	-	-	-	-	0.00%	-
EASTERN BYPASS REPAIR COATING AND REFURB	11,521	-	-	-	-	0.00%	-
EMERGENCY METER INSTALLATIONS (PHASE 1)	-	20,466	10,524	10,524	-	-	51.42%
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	19,153	2,297	6,003	-	35.26%	31.34%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	11,483	-	989	-	4.83%	8.61%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	19,346	-	2,650	-	9.03%	13.70%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	22,630	530	7,408	-	26.81%	32.73%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	-	7,811	322	322	-	-	4.13%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	35,640	-	7,106	-	-	19.94%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	13,531	-	748	-	9.94%	5.53%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	68,369	7,900	11,029	-	13.23%	16.13%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	3,407	-	910	-	5.63%	26.72%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	35,520	814	11,002	-	29.43%	30.97%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	16,828	-	7,335	-	26.36%	-
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290	-	(1,930)	-	-	0.00%	-
WEST BYPASS LEAK REPAIRS AND REFURBISH	10,574	-	-	-	-	0.00%	-
WEST BYPASS REPLACE OF CORRODED SECTION	5,368	-	-	-	-	0.00%	-
WTW OHS & SECURITY MANAGEMENT	9,230	14,453	-	651	-	7.05%	4.50%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	16,296	-	3,062	-	-	18.79%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	-	6,601	84	84	-	-	1.28%
SEC3 1200NEW STEEL MIDSTATION-NEWTOWN RES	67,191	23,689	-	10,094	-	15.02%	42.61%
BULK 1200 ND STEEL PIPELINE MAT: MBSC1/6	-	142,000	-	-	-	-	0.00%
NEWTOWN RESERVOIR COMPLEX OHS & SECURITY	-	14,777	-	-	-	-	0.00%
<b>Grand Total</b>	<b>613,729</b>	<b>613,729</b>	<b>23,064</b>	<b>108,150</b>	<b>8,859</b>	<b>17.62%</b>	<b>17.62%</b>

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Original budget. The total capex is normally slow during the start of the financial year. Capital expenditure for November 2024 is has improved but still requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for November 2024 amounted to R23,064 million. The total YTD Capex amounts to R108,150 million. Please note that Commitments amounting to R8,859 million is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Spending on grants needs improvement. The percentage expenditure per funding source IUDG (32.00%), EEDSM (18.22%), RBIG (16.24%). Spending on Internally generated funds is also 7.83% 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 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 November 2024.

Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for October 2024.

The municipality's self-assessment for the month of November 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>

MFMA S71 statement hereby explicitly advise as part of the MFMA Circular 124: Condition 6.9 reporting, risk associated and mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget

1. These are the risks associated with the implementation of the municipality's Budget Funding Plan and / or Funded Budget

The following are the budget and other financial risks/issues identified:

- New charges (basic and capacity charges) regarding electricity must be resolved by Council – huge financial loss (possible recovery plan is needed)
- Non-implementation of basic and capacity charges as approved by NERSA
- Water and Electricity losses
- Collection on arrear debtors and liquidity of the Municipality
- The municipality not meeting the average daily cash collection target
- Billing in general
- Arrear debt owed to ESKOM and Dept of Water & Sanitation (DWS)
- Defaulting on the high months and partial payments to ESKOM and DWS
- Non-adherence to the debt agreement with DWS and the payment arrangement with ESKOM
- Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
- Not being able to properly ring-fence funds for electricity and water, due to the poorer collection rate
- No mitigation plan in place to deal with the Eskom accounts for the high months
- National Treasury not approving the first third of the debt to be written-off, due to consistent non-compliance
- Notice of disconnection from ESKOM
- Eskom taking further action in recovering outstanding debt and attaching the municipality's bank account
- Risk of forfeiting our NERSA license and the serious implications this will have on the operations of the municipality
- Insufficient cash to pay salaries, third-party salary payments and creditors for goods and services rendered
- Capex funding from internally generated funds
- Capital expenditure and capital grant dependency.
- Stopping of conditional capital grants.
- Disapproval of rollover requests
- The billed income of electricity and water in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.

- The municipality is facing a huge financial crisis. If drastic measures are not taken immediately because the cash flow is on the verge of collapsing.  
Issues pertaining to Employee related costs, Overtime expenditure, Contract appointments and EPWP Expenditure
- 2. These are the mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget
  - The ring-fencing of cash received for Electricity and Water and Sanitation is accounted for on a daily basis in compliance to MFMA Circular 124. This has enabled the municipality to settle the Eskom current account in full for 9 consecutive months. The municipality settled all invoices for 2023/24 financial year due to DWS.
  - The municipality reduced the arrear debt to DWS by R71,775 million for the 2023/24 financial year.
  - A temporary moratorium on recruitment has been instituted, where the filling of all vacant and funded positions has been suspended with immediate effect, only critical vacant and funded positions will be filled.
  - An interim moratorium has been implemented on the sale of leave. Sale of leave to settle municipal accounts will no longer be permitted.
  - Overtime has been capped to 40 hours across all sections.
  - Strengthening the PMU to aid in the successful implementation of capital projects to address the poor performance on grants.
  - Approved the Smart Meter Policy.
  - Applied for the Smart Meter Grant which the municipality was approved for. Project is underway.
  - Approval has been granted by National Treasury to partake in the RT29 Smart meter transversal contract.
  - The municipality budgeted R80,717 million for meters over the 2024/25 MTREF.
  - Exploring the avenue of blacklisting defaulting consumers.
  - Introducing automated payments through EasyPay solution.
  - Focusing on the top 500 debtors on a monthly basis.
  - The commencing of debt collection action in January 2025, by four debt collection companies that was appointed by the municipality.
  - Engaging government departments and monitor government debt in an aid to strengthen relationships.
  - Assistance from National Treasury, who facilitated a meeting between the municipality, Department of Public works and Provincial Treasury.

## 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 - M05 November

Description	2023/24		Budget Year 2024/25						
	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	656,442	687,320	687,320	50,446	360,152	286,383	73,769	26%	687,320
Service charges	1,331,093	1,611,046	1,611,046	123,476	637,550	671,269	(33,719)	-5%	1,611,046
Investment revenue	16,116	9,000	9,000	3,315	6,284	3,750	2,534	68%	9,000
Transfers and subsidies - Operational	501,707	299,271	299,271	727	121,467	124,696	(3,229)	(0)	299,271
Other own revenue	419,726	351,642	351,642	28,133	173,210	146,517	26,692	18%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,925,084</b>	<b>2,958,278</b>	<b>2,958,278</b>	<b>206,097</b>	<b>1,298,662</b>	<b>1,232,616</b>	<b>66,047</b>	<b>5%</b>	<b>2,958,278</b>
Employee costs	894,291	950,863	950,863	69,662	341,749	396,194	(54,445)	-14%	950,863
Remuneration of Councillors	33,869	37,077	37,077	2,754	13,979	15,449	(1,469)	-10%	37,077
Depreciation and amortisation	76,441	89,700	89,700	-	22,425	37,375	(14,950)	-40%	89,700
Interest	76,020	17,774	17,774	0	1	7,406	(7,405)	-100%	17,774
Inventory consumed and bulk purchases	1,057,341	1,216,905	1,216,905	87,170	478,206	545,779	(67,573)	-12%	1,216,905
Transfers and subsidies	2,526	3,660	3,660	5	634	1,525	(891)	-58%	3,660
Other expenditure	610,300	612,526	612,526	106,994	297,159	255,221	41,939	16%	612,526
<b>Total Expenditure</b>	<b>2,750,788</b>	<b>2,928,505</b>	<b>2,928,505</b>	<b>266,586</b>	<b>1,154,153</b>	<b>1,258,948</b>	<b>(104,795)</b>	<b>-8%</b>	<b>2,928,505</b>
<b>Surplus/(Deficit)</b>	<b>174,296</b>	<b>29,774</b>	<b>29,774</b>	<b>(60,489)</b>	<b>144,509</b>	<b>(26,333)</b>	<b>170,842</b>	<b>-649%</b>	<b>29,774</b>
Transfers and subsidies - capital (monetary)	159,040	572,229	572,229	1,534	93,032	238,429	###	-61%	572,229
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>333,337</b>	<b>602,003</b>	<b>602,003</b>	<b>(58,955)</b>	<b>237,541</b>	<b>212,096</b>	<b>25,445</b>	<b>12%</b>	<b>602,003</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>333,337</b>	<b>602,003</b>	<b>602,003</b>	<b>(58,955)</b>	<b>237,541</b>	<b>212,096</b>	<b>25,445</b>	<b>12%</b>	<b>602,003</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>176,438</b>	<b>613,729</b>	<b>613,729</b>	<b>23,064</b>	<b>108,150</b>	<b>255,721</b>	<b>(147,571)</b>	<b>-58%</b>	<b>613,729</b>
Capital transfers recognised	147,356	572,229	572,229	31,102	104,902	238,429	(133,527)	-56%	572,229
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	29,082	41,500	41,500	(8,038)	3,248	17,292	(14,043)	-81%	41,500
<b>Total sources of capital funds</b>	<b>176,438</b>	<b>613,729</b>	<b>613,729</b>	<b>23,064</b>	<b>108,150</b>	<b>255,721</b>	<b>(147,571)</b>	<b>-58%</b>	<b>613,729</b>
<b>Financial position</b>									
Total current assets	2,664,713	2,491,688	2,491,688		3,149,048				2,491,688
Total non current assets	2,360,035	2,874,231	2,874,231		2,445,760				2,874,231
Total current liabilities	929,932	1,523,552	1,523,552		1,262,451				1,523,552
Total non current liabilities	1,065,352	410,208	410,208		1,065,352				410,208
Community wealth/Equity	<b>3,029,464</b>	<b>3,432,159</b>	<b>3,432,159</b>		<b>3,267,006</b>				<b>3,432,159</b>
<b>Cash flows</b>									
Net cash from (used) operating	137,865	598,846	598,846	250,915	360,091	249,519	(110,572)	-44%	598,846
Net cash from (used) investing	(157,215)	(613,729)	(613,729)	(23,064)	(106,865)	(255,720)	(148,856)	58%	(613,729)
Net cash from (used) financing	(1,569)	(12,788)	(12,788)	6	77	(5,328)	(5,405)	101%	(12,788)
<b>Cash/cash equivalents at the month/year end</b>	<b>(130,455)</b>	<b>(128,487)</b>	<b>(128,487)</b>	<b>367,031</b>	<b>367,031</b>	<b>(112,346)</b>	<b>(479,377)</b>	<b>427%</b>	<b>86,056</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	197,676	111,527	99,465	94,425	150,214	77,937	398,851	#####	3,949,372
<b>Creditors Age Analysis</b>									
Total Creditors	143,915	38,748	2,745	60,670	72,040	-	-	923,660	1,241,779

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

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>1,257,109</b>	<b>1,689,473</b>	<b>1,689,473</b>	<b>67,265</b>	<b>648,857</b>	<b>703,947</b>	(55,091)	-8%	<b>1,689,473</b>
Executive and council		549,361	972,401	972,401	15,430	271,114	405,167	(134,053)	-33%	972,401
Finance and administration		707,747	717,072	717,072	51,835	377,742	298,780	78,962	26%	717,072
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>48,267</b>	<b>42,989</b>	<b>42,989</b>	<b>4,170</b>	<b>15,861</b>	<b>17,912</b>	(2,051)	-11%	<b>42,989</b>
Community and social services		12,642	12,138	12,138	262	1,727	5,057	(3,330)	-66%	12,138
Sport and recreation		2,639	2,720	2,720	221	749	1,133	(385)	-34%	2,720
Public safety		276	540	540	356	450	225	225	100%	540
Housing		28,843	27,501	27,501	3,331	12,934	11,459	1,475	13%	27,501
Health		3,867	90	90	-	-	38	(38)	-100%	90
<i><b>Economic and environmental services</b></i>		<b>37,710</b>	<b>18,976</b>	<b>18,976</b>	<b>441</b>	<b>6,426</b>	<b>7,907</b>	(1,481)	-19%	<b>18,976</b>
Planning and development		22,952	5,956	5,956	262	5,069	2,482	2,587	104%	5,956
Road transport		14,758	13,020	13,020	178	1,357	5,425	(4,068)	-75%	13,020
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>1,730,934</b>	<b>1,767,977</b>	<b>1,767,977</b>	<b>135,975</b>	<b>715,960</b>	<b>736,657</b>	(20,697)	-3%	<b>1,767,977</b>
Energy sources		1,163,247	1,164,299	1,164,299	73,425	442,718	485,125	(42,407)	-9%	1,164,299
Water management		352,402	398,115	398,115	41,622	168,898	165,881	3,017	2%	398,115
Waste water management		121,173	118,290	118,290	11,963	59,584	49,287	10,296	21%	118,290
Waste management		94,112	87,272	87,272	8,965	44,760	36,363	8,397	23%	87,272
<i><b>Other</b></i>	4	<b>10,104</b>	<b>11,092</b>	<b>11,092</b>	<b>(219)</b>	<b>4,592</b>	<b>4,622</b>	<b>(30)</b>	<b>-1%</b>	<b>11,092</b>
<b>Total Revenue - Functional</b>	2	<b>3,084,125</b>	<b>3,530,507</b>	<b>3,530,507</b>	<b>207,631</b>	<b>1,391,694</b>	<b>1,471,045</b>	<b>(79,350)</b>	<b>-5%</b>	<b>3,530,507</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>734,453</b>	<b>755,594</b>	<b>755,594</b>	<b>88,382</b>	<b>309,736</b>	<b>314,833</b>	(5,096)	-2%	<b>755,594</b>
Executive and council		472,647	477,043	477,043	66,815	204,657	198,768	5,889	3%	477,043
Finance and administration		256,237	271,754	271,754	21,181	103,087	113,232	(10,145)	-9%	271,754
Internal audit		5,569	6,797	6,797	386	1,992	2,832	(841)	-30%	6,797
<i><b>Community and public safety</b></i>		<b>201,954</b>	<b>207,313</b>	<b>207,313</b>	<b>15,114</b>	<b>76,786</b>	<b>86,381</b>	(9,596)	-11%	<b>207,313</b>
Community and social services		48,586	49,027	49,027	3,841	18,369	20,428	(2,059)	-10%	49,027
Sport and recreation		66,863	63,043	63,043	4,755	24,897	26,268	(1,371)	-5%	63,043
Public safety		44,135	45,933	45,933	3,298	16,539	19,139	(2,599)	-14%	45,933
Housing		21,956	28,042	28,042	1,749	9,082	11,684	(2,603)	-22%	28,042
Health		20,412	21,267	21,267	1,471	7,898	8,862	(963)	-11%	21,267
<i><b>Economic and environmental services</b></i>		<b>170,731</b>	<b>183,093</b>	<b>183,093</b>	<b>15,870</b>	<b>69,936</b>	<b>76,290</b>	(6,353)	-8%	<b>183,093</b>
Planning and development		46,192	55,644	55,644	4,199	19,888	23,186	(3,297)	-14%	55,644
Road transport		123,669	126,551	126,551	11,599	49,690	52,730	(3,039)	-6%	126,551
Environmental protection		870	898	898	72	358	374	(17)	-4%	898
<i><b>Trading services</b></i>		<b>1,619,636</b>	<b>1,753,665</b>	<b>1,753,665</b>	<b>145,189</b>	<b>688,111</b>	<b>769,429</b>	(81,317)	-11%	<b>1,753,665</b>
Energy sources		1,054,696	1,151,651	1,151,651	92,442	462,416	518,589	(56,173)	-11%	1,151,651
Water management		363,718	395,412	395,412	32,681	141,911	164,755	(22,844)	-14%	395,412
Waste water management		122,085	119,433	119,433	11,787	50,615	49,764	851	2%	119,433
Waste management		79,136	87,170	87,170	8,279	33,168	36,321	(3,152)	-9%	87,170
<i><b>Other</b></i>		<b>24,014</b>	<b>28,839</b>	<b>28,839</b>	<b>2,032</b>	<b>9,584</b>	<b>12,017</b>	<b>(2,432)</b>	<b>-20%</b>	<b>28,839</b>
<b>Total Expenditure - Functional</b>	3	<b>2,750,788</b>	<b>2,928,505</b>	<b>2,928,505</b>	<b>266,586</b>	<b>1,154,153</b>	<b>1,258,949</b>	<b>(104,795)</b>	<b>-8%</b>	<b>2,928,505</b>
<b>Surplus/ (Deficit) for the year</b>		<b>333,337</b>	<b>602,003</b>	<b>602,003</b>	<b>(58,955)</b>	<b>237,541</b>	<b>212,096</b>	<b>25,445</b>	<b>0.119971</b>	<b>602,003</b>

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

Vote Description	Ref	2023/24	Budget Year 2024/25							
		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>										
Vote 01 - Executive & Council	1	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		549,361	972,401	972,401	15,430	271,114	405,167	(134,053)	-33.1%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	558	2,471	2,567	(97)	-3.8%	6,161
Vote 05 - Community Services		134,820	124,361	124,361	9,683	52,709	51,817	893	1.7%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	51,225	374,994	295,879	79,114	26.7%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	323	5,926	3,487	2,439	70.0%	8,368
Vote 08 - Infrastructure And Services		1,666,568	1,709,105	1,709,105	130,412	684,480	712,127	(27,647)	-3.9%	1,709,105
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>3,084,125</b>	<b>3,530,507</b>	<b>3,530,507</b>	<b>207,631</b>	<b>1,391,694</b>	<b>1,471,045</b>	<b>(79,350)</b>	<b>-5.4%</b>	<b>3,530,507</b>
<b>Expenditure by Vote</b>										
Vote 01 - Executive & Council	1	59,615	60,855	60,855	4,541	23,903	25,357	(1,453)	-5.7%	60,855
Vote 02 - Municipal And General		400,410	403,603	403,603	61,447	172,699	168,168	4,530	2.7%	403,603
Vote 03 - Municipal Manager		24,274	27,854	27,854	2,045	13,285	11,606	1,679	14.5%	27,854
Vote 04 - Corporate Services		71,184	82,140	82,140	6,096	29,753	34,226	(4,473)	-13.1%	82,140
Vote 05 - Community Services		321,918	337,272	337,272	26,878	126,790	140,531	(13,741)	-9.8%	337,272
Vote 06 - Financial Services		134,722	166,217	166,217	11,032	56,179	69,258	(13,078)	-18.9%	166,217
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	67,813	4,258	21,484	28,256	(6,772)	-24.0%	67,813
Vote 08 - Infrastructure And Services		1,677,992	1,782,750	1,782,750	150,288	710,061	781,548	(71,487)	-9.1%	1,782,750
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>2,750,788</b>	<b>2,928,505</b>	<b>2,928,505</b>	<b>266,586</b>	<b>1,154,153</b>	<b>1,258,948</b>	<b>(104,795)</b>	<b>-8.3%</b>	<b>2,928,505</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>333,337</b>	<b>602,003</b>	<b>602,003</b>	<b>(58,955)</b>	<b>237,541</b>	<b>212,096</b>	<b>25,445</b>	<b>12.0%</b>	<b>602,003</b>

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

Description	Ref	2023/24	Budget Year 2024/25							
		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		886,092	1,099,199	1,099,199	71,305	415,541	458,000	(42,458)	-9%	1,099,199
Service charges - Water		276,094	343,685	343,685	35,664	139,425	143,202	(3,777)	-3%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,428	47,130	39,954	7,176	18%	95,890
Service charges - Waste management		75,114	72,271	72,271	7,079	35,453	30,113	5,340	18%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	15,955	1,042	9,103	6,648	2,455	37%	15,955
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		258,041	120,030	120,030	13,370	66,197	50,012	16,184	32%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	3,315	6,284	3,750	2,534	68%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		28,851	27,740	27,740	3,349	13,027	11,558	1,468	13%	27,740
Licence and permits		670	1,200	1,200	37	304	500	(196)	-39%	1,200
Operational Revenue		3,202	3,773	3,773	225	1,145	1,572	(428)	-27%	3,773
<b>Non-Exchange Revenue</b>										
Property rates		656,442	687,320	687,320	50,446	360,152	286,383	73,769	26%	687,320
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		56,767	32,143	32,143	686	15,178	13,393	1,785	13%	32,143
Licence and permits		6,500	8,000	8,000	(282)	3,601	3,333	268	8%	8,000
Transfers and subsidies - Operational		501,707	299,271	299,271	727	121,467	124,696	(3,229)	-3%	299,271
Interest		-	91,900	91,900	8,814	42,268	38,292	3,976	10%	91,900
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		49,299	50,900	50,900	892	20,969	21,208	(239)	-1%	50,900
Gains on disposal of Assets		17,071	-	-	-	1,285	-	1,285	#DIV/0!	-
Other Gains		(15,774)	-	-	-	133	-	133	#DIV/0!	-
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2,925,084</b>	<b>2,958,278</b>	<b>2,958,278</b>	<b>206,097</b>	<b>1,298,662</b>	<b>1,232,616</b>	<b>66,047</b>	<b>5%</b>	<b>2,958,278</b>
<b>Expenditure By Type</b>										
Employee related costs		894,291	950,863	950,863	69,662	341,749	396,194	(54,445)	-14%	950,863
Remuneration of councillors		33,869	37,077	37,077	2,754	13,979	15,449	(1,469)	-10%	37,077
Bulk purchases - electricity		787,457	897,300	897,300	61,515	363,556	412,609	(49,053)	-12%	897,300
Inventory consumed		269,884	319,605	319,605	25,655	114,649	133,170	(18,520)	-14%	319,605
Debt impairment		333,146	355,246	355,246	88,812	177,623	148,019	29,604	20%	355,246
Depreciation and amortisation		76,441	89,700	89,700	-	22,425	37,375	(14,950)	-40%	89,700
Interest		76,020	17,774	17,774	0	1	7,406	(7,405)	-100%	17,774
Contracted services		45,090	40,731	40,731	3,340	24,329	16,971	7,358	43%	40,731
Transfers and subsidies		2,526	3,660	3,660	5	634	1,525	(891)	-58%	3,660
Irrecoverable debts written off		-	-	-	-	1	-	1	#DIV/0!	-
Operational costs		142,363	151,549	151,549	14,842	72,179	63,147	9,032	14%	151,549
Losses on Disposal of Assets		1,022	-	-	-	-	-	-	-	-
Other Losses		88,679	65,000	65,000	-	23,027	27,083	(4,057)	-15%	65,000
<b>Total Expenditure</b>		<b>2,750,788</b>	<b>2,928,505</b>	<b>2,928,505</b>	<b>266,586</b>	<b>1,154,153</b>	<b>1,258,948</b>	<b>(104,795)</b>	<b>-8%</b>	<b>2,928,505</b>
<b>Surplus/(Deficit)</b>		<b>174,296</b>	<b>29,774</b>	<b>29,774</b>	<b>(60,489)</b>	<b>144,509</b>	<b>(26,333)</b>	<b>170,842</b>	<b>(0)</b>	<b>29,774</b>
Transfers and subsidies - capital (monetary allocations)		159,040	572,229	572,229	1,534	93,032	238,429	(145,397)	(0)	572,229
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>333,337</b>	<b>602,003</b>	<b>602,003</b>	<b>(58,955)</b>	<b>237,541</b>	<b>212,096</b>	<b>25,445</b>	<b>0</b>	<b>602,003</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>333,337</b>	<b>602,003</b>	<b>602,003</b>	<b>(58,955)</b>	<b>237,541</b>	<b>212,096</b>	<b>25,445</b>	<b>0</b>	<b>602,003</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>333,337</b>	<b>602,003</b>	<b>602,003</b>	<b>(58,955)</b>	<b>237,541</b>	<b>212,096</b>	<b>25,445</b>	<b>0</b>	<b>602,003</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>333,337</b>	<b>602,003</b>	<b>602,003</b>	<b>(58,955)</b>	<b>237,541</b>	<b>212,096</b>	<b>25,445</b>	<b>0</b>	<b>602,003</b>

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

Vote Description	Ref	2023/24	Budget Year 2024/25							
		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		-	1,500	-	-	-	438	(438)	-100%	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	5,000	-	525	2,083	(1,558)	-75%	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	-	833	(833)	-100%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	568,199	30,548	100,767	226,615	(125,847)	-56%	568,199
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>129,348</b>	<b>541,950</b>	<b>575,199</b>	<b>30,548</b>	<b>101,292</b>	<b>229,969</b>	<b>(128,677)</b>	<b>-56%</b>	<b>575,199</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,646	23,000	23,000	4,462	4,717	9,583	(4,866)	-51%	23,000
Vote 03 - Municipal Manager		-	2,349	2,759	96	132	1,030	(898)	-87%	2,759
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	-	1,469	921	548	60%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	3,000	-	-	1,250	(1,250)	-100%	3,000
Vote 08 - Infrastructure And Services		34,444	41,220	7,561	(12,041)	539	12,968	(12,428)	-96%	7,561
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>47,089</b>	<b>71,779</b>	<b>38,530</b>	<b>(7,483)</b>	<b>6,858</b>	<b>25,752</b>	<b>(18,894)</b>	<b>-73%</b>	<b>38,530</b>
<b>Total Capital Expenditure</b>		<b>176,438</b>	<b>613,729</b>	<b>613,729</b>	<b>23,064</b>	<b>108,150</b>	<b>255,721</b>	<b>(147,571)</b>	<b>-58%</b>	<b>613,729</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>12,646</b>	<b>24,500</b>	<b>23,000</b>	<b>4,462</b>	<b>4,717</b>	<b>10,021</b>	<b>(5,303)</b>	<b>-53%</b>	<b>23,000</b>
Executive and council		12,646	24,500	23,000	4,462	4,717	10,021	(5,303)	-53%	23,000
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>-</b>	<b>7,210</b>	<b>7,210</b>	<b>-</b>	<b>1,994</b>	<b>3,004</b>	<b>(1,010)</b>	<b>-34%</b>	<b>7,210</b>
Community and social services		-	5,000	5,000	-	525	2,083	(1,558)	-75%	5,000
Sport and recreation		-	2,210	2,210	-	1,469	921	548	60%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>69,228</b>	<b>48,519</b>	<b>40,019</b>	<b>5,246</b>	<b>17,351</b>	<b>19,154</b>	<b>(1,803)</b>	<b>-9%</b>	<b>40,019</b>
Planning and development		24,020	5,849	6,259	96	132	2,488	(2,356)	-95%	6,259
Road transport		45,208	42,670	33,760	5,150	17,219	16,665	553	3%	33,760
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>94,564</b>	<b>532,000</b>	<b>542,000</b>	<b>13,356</b>	<b>84,088</b>	<b>222,917</b>	<b>(138,829)</b>	<b>-62%</b>	<b>542,000</b>
Energy sources		27,354	6,000	6,000	874	911	2,500	(1,589)	-64%	6,000
Water management		62,534	517,500	517,500	12,482	82,916	215,625	(132,709)	-62%	517,500
Waste water management		4,676	8,500	18,500	-	261	4,792	(4,531)	-95%	18,500
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>625</b>	<b>(625)</b>	<b>-100%</b>	<b>1,500</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>176,438</b>	<b>613,729</b>	<b>613,729</b>	<b>23,064</b>	<b>108,150</b>	<b>255,721</b>	<b>(147,571)</b>	<b>-58%</b>	<b>613,729</b>
<b>Funded by:</b>										
National Government		124,283	572,229	572,229	31,102	104,902	238,429	(133,527)	-56%	572,229
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		6,000	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		17,073	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>147,356</b>	<b>572,229</b>	<b>572,229</b>	<b>31,102</b>	<b>104,902</b>	<b>238,429</b>	<b>(133,527)</b>	<b>-56%</b>	<b>572,229</b>
<b>Borrowing</b>	6									
Internally generated funds		29,082	41,500	41,500	(8,038)	3,248	17,292	(14,043)	-81%	41,500
<b>Total Capital Funding</b>		<b>176,438</b>	<b>613,729</b>	<b>613,729</b>	<b>23,064</b>	<b>108,150</b>	<b>255,721</b>	<b>(147,571)</b>	<b>-58%</b>	<b>613,729</b>

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

Description	Ref	2023/24	Budget Year 2024/25			
		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		113,726	73,147	73,147	345,762	73,147
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,274,325	1,512,608	1,274,325
Receivables from non-exchange transactions		860,075	927,844	927,844	977,838	927,844
Current portion of non-current receivables		-	-	-	-	-
Inventory		112,013	60,701	60,701	124,408	60,701
VAT		155,736	155,542	155,542	187,706	155,542
Other current assets		638	129	129	726	129
<b>Total current assets</b>		<b>2,664,713</b>	<b>2,491,688</b>	<b>2,491,688</b>	<b>3,149,048</b>	<b>2,491,688</b>
<b>Non current assets</b>						
Investments						
Investment property		201,266	221,645	221,645	201,191	221,645
Property, plant and equipment		2,100,106	2,625,801	2,625,801	2,187,030	2,625,801
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,571	13,571	12,071	13,571
Intangible assets		46,592	13,214	13,214	45,467	13,214
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>2,360,035</b>	<b>2,874,231</b>	<b>2,874,231</b>	<b>2,445,760</b>	<b>2,874,231</b>
<b>TOTAL ASSETS</b>		<b>5,024,748</b>	<b>5,365,919</b>	<b>5,365,919</b>	<b>5,594,808</b>	<b>5,365,919</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	(14,788)	(14,788)	-	(14,788)
Consumer deposits		48,699	49,570	49,570	49,901	49,570
Trade and other payables from exchange transactions		642,151	1,286,802	1,286,802	611,723	1,286,802
Trade and other payables from non-exchange transactions		4,057	-	-	300,955	-
Provision		788	788	788	788	788
VAT		234,236	201,179	201,179	299,083	201,179
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>929,932</b>	<b>1,523,552</b>	<b>1,523,552</b>	<b>1,262,451</b>	<b>1,523,552</b>
<b>Non current liabilities</b>						
Financial liabilities		761,444	152,895	152,895	761,444	152,895
Provision		303,908	257,313	257,313	303,908	257,313
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
<b>Total non current liabilities</b>		<b>1,065,352</b>	<b>410,208</b>	<b>410,208</b>	<b>1,065,352</b>	<b>410,208</b>
<b>TOTAL LIABILITIES</b>		<b>1,995,284</b>	<b>1,933,760</b>	<b>1,933,760</b>	<b>2,327,803</b>	<b>1,933,760</b>
<b>NET ASSETS</b>	2	<b>3,029,464</b>	<b>3,432,159</b>	<b>3,432,159</b>	<b>3,267,006</b>	<b>3,432,159</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		2,954,660	3,368,093	3,368,093	3,192,202	3,368,093
Reserves and funds		74,804	64,066	64,066	74,804	64,066
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>3,029,464</b>	<b>3,432,159</b>	<b>3,432,159</b>	<b>3,267,006</b>	<b>3,432,159</b>

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

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		507,798	676,122	676,122	30,493	191,639	281,717	(90,078)	-32%	676,122
Service charges		1,185,680	1,513,446	1,513,446	95,116	542,949	630,603	(87,653)	-14%	1,513,446
Other revenue		605,571	92,337	92,337	249,688	659,683	38,474	621,210	1615%	92,337
Transfers and Subsidies - Operational		306,662	299,271	299,271	5,020	127,629	124,696	2,933	2%	299,271
Transfers and Subsidies - Capital		142,936	572,229	572,229	250,000	383,768	238,429	145,339	61%	572,229
Interest		3,927	9,000	9,000	3,414	13,005	3,750	9,255	247%	9,000
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,545,784)	(382,816)	(1,560,703)	(1,060,743)	499,960	-47%	(2,545,784)
Interest		281	(17,774)	(17,774)	-	2,121	(7,406)	(9,527)	129%	(17,774)
Transfers and Subsidies		-	-	-	-	-	-	-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>137,865</b>	<b>598,846</b>	<b>598,846</b>	<b>250,915</b>	<b>360,091</b>	<b>249,519</b>	<b>(110,572)</b>	<b>-44%</b>	<b>598,846</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		19,223	-	-	-	1,285	-	1,285	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(176,438)	(613,729)	(613,729)	(23,064)	(108,150)	(255,720)	(147,570)	58%	(613,729)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(157,215)</b>	<b>(613,729)</b>	<b>(613,729)</b>	<b>(23,064)</b>	<b>(106,865)</b>	<b>(255,720)</b>	<b>(148,856)</b>	<b>58%</b>	<b>(613,729)</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)	2,000	2,000	6	77	833	(756)	-91%	2,000
<b>Payments</b>										
Repayment of borrowing		-	(14,788)	(14,788)	-	-	(6,162)	(6,162)	100%	(14,788)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1,569)</b>	<b>(12,788)</b>	<b>(12,788)</b>	<b>6</b>	<b>77</b>	<b>(5,328)</b>	<b>(5,405)</b>	<b>101%</b>	<b>(12,788)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(20,918)</b>	<b>(27,670)</b>	<b>(27,670)</b>	<b>227,856</b>	<b>253,304</b>	<b>(11,529)</b>			<b>(27,670)</b>
Cash/cash equivalents at beginning:		(109,536)	(100,817)	(100,817)	139,174	113,726	(100,817)			113,726
Cash/cash equivalents at month/year end:		(130,455)	(128,487)	(128,487)	367,031	367,031	(112,346)			86,056

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Original budget for 2024/25 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 on C7 is slightly overstated. **As per C6, the Cash and cash equivalents is R345,762 million as per the Cash book balance.**

**16. Annexure B: Compliance with the conditions for Municipal Debt Relief**  
**16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment**

Annexure A2 - Monthly				Notes/Comments
		<b>National Treasury</b> <b>Municipal Debt Relief</b> <b>MFMA Circular No. 124</b> <b>Municipal Finance Management Act No. 56 of 2003</b>		
Municipality Self-Assessment				
Certificate of Compliance: Municipal Debt Relief Conditions for Application				
Period			Nov'24	
National Financial Year			2024/25	
Demarcation Code of Municipality being assessed			NC091	
District	Frances Baard			
Demarcation Description	Sol Plaatje			
I, <a href="#">Bartholomew Matlala Municipal Manager of Sol Plaatje Local Municipality</a> , hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in <b>MFMA Circular No. 124</b> and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:				
<b>Municipal Debt Relief Conditions (Monthly reporting)</b> <span style="float: right;">Choose from drop down list</span>				
6.3+ Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):				
6.12	6.12.2	- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No	Non-compliant. The municipality had insufficient cash to settle the current account for October 2024 amounting to R17,504 million.
	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://flowinstruments.treasury.gov.za/">https://flowinstruments.treasury.gov.za/</a> ?	No	
	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	The October 2024 invoice was captured on the system.
	6.3.1	- Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New areas" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes	The municipality settled an amount of R70,742 million on October 2024 current account excluding interest amounting to R2,766 million (R40,742m on 28/11/2024 and R30,000m on 29/11/2024). Total invoice amount was R73,508 million.
	6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://guploadportal.treasury.gov.za/">https://guploadportal.treasury.gov.za/</a> ?	Yes	
	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)				
	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</a>	Yes	
	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to "balance" the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes	
	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	Yes	
	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	N/A - the MTREF is funded	
	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/A	
	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes	
	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	

15	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/interruption of water together with the municipal engineer(s) to ensure a minimum supply of water.	No	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No	
	6.6	Supporting evidence: The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved 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 - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal? <i>Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	Not yet end of quarter	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set out in narrative 6.7.1.	not yet the end of a quarter	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarter	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Total installations November 2024 = 507
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through 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	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement.</i>	Yes	
28	6.8.2	- For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	Yes	
	6.9	Monitor and report on implementation –		
29	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?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a syntax error and must refer to 6.9.1.</i>	Yes	
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ? <i>Note – a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP	
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note – if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	No	

36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124 condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>		
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality apportioned and ring-fenced 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?	Yes	Sub-account no longer required in terms of supplementary guide to Circular 124
38	6.12.2	- has the municipality during the month first applied 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 applied the revenue in the sub-account for any other purpose?	No	Current account for Eskom excl interest was settled in full. Current account for Water was not paid, due to insufficient cash.
		<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>		
39		<b>Supporting evidence:</b> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes	
40	6.13	<b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes	NT has not issued any written instruction for arrear debt write-offs.
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes	
		<i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000 including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>		

PT: HOD/ NT / MM Name: BS Matlala

Signature of HOD/ NT/ MM: \_\_\_\_\_

Date: \_\_\_\_\_

**\*\*Note – If the official is signing on behalf of the Head of the Provincial Treasury (HOD) /Municipal Manager, the written procuration of the HOD /MM must be attached as an Annexure to this Certificate of Compliance.**

**\*\*Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incorporated into the related PT report**

## 16.2 Municipal Debt Relief Performance across the period of debt relief participation

The tables below shows the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective date of 1 October 2023 to 30 November 2024.

Monthly Performance Report																																															
Municipal Details			Part A				Part B				Part C				Part D				Part E				Part F																								
			Eskom And Bulk water current account				Compliance with a funded MTREF				FRP/BFP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges				Maximization of Revenue Base				Oversight				Compliance Status																
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score			
1.Jul 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	90%	Non Compliance									
2.Aug 2024	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	88%	Non Compliance									
3.Sep 2024	Sol Plaatje	NC091	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	76%	Non Compliance									
4.Oct 2023	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	56%	Non Compliance									
5.Nov 2023	Sol Plaatje	NC091	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	Yes	No	80%	Non Compliance									
6.Dec 2023	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	76%	Non Compliance									
7.Jan 2024	Sol Plaatje	NC091	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	80%	Non Compliance									
8.Feb 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	88%	Non Compliance									
9.Mar 2024	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	73%	Non Compliance									
10.Apr 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	85%	Non Compliance									
11.May 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	90%	Non Compliance									
12.Jun 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	78%	Non Compliance									

Monthly Performance Report																																															
Municipal Details			Part A				Part B				Part C				Part D				Part E				Part F																								
			Eskom And Bulk water current account				Compliance with a funded MTREF				FRP/BFP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges				Maximization of Revenue Base				Oversight				Compliance Status																
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score			
1.July	Sol Plaatje	NC091																																												0%	Non Compliance
2.August	Sol Plaatje	NC091																																												0%	Non Compliance
3.September	Sol Plaatje	NC091																																												0%	Non Compliance
4.October	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	85%	Non Compliance									
5.November	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	80%	Non Compliance									
6.December	Sol Plaatje	NC091																																												0%	Non Compliance
7.January	Sol Plaatje	NC091																																												0%	Non Compliance
8.February	Sol Plaatje	NC091																																												0%	Non Compliance
9.March	Sol Plaatje	NC091																																												0%	Non Compliance
10.April	Sol Plaatje	NC091																																												0%	Non Compliance
11.May	Sol Plaatje	NC091																																												0%	Non Compliance
12.June	Sol Plaatje	NC091																																												0%	Non Compliance

The municipality's performance, especially settling the current account for ESKOM and Water has improved. However, the municipality defaulted and made partial payments on the July and August 2024 accounts, which are the accounts for the high months. To be in good standing with ESKOM and to qualify for the recommendation for the first third debt write-off, the municipality has until the 11 December 2024 to pay **R134,337,170.97**. However, the R134 million, has escalated to **R152,680,857.61**, when taking into consideration the two months' arrears on the payment arrangement and the interest that is payable. On the 11 December 2024, the municipality settled R67,190,839.43 which constitutes 50 percent of the original R134 million. When taking the payment of R67m into consideration, the balance outstanding amounts to **R92,234,526.09**. If Eskom will grant the extension until 31 January 2025, as requested by the municipality and if it is approved by National Treasury, this is the amount that must be settled by the agreed due date. The municipality could not settle the payment arrangement instalment of R6.7 million which was due at the end of November 2024. It is imperative that the non-compliance issues as raised by National Treasury is addressed as matter of urgency with a decisive implementation strategy and stringent monitoring thereof. Achieving 100% compliance is possible, provided that all responsible municipal officials are committed and work as a collective to achieve this. Revenue collection must remain a key focus point. The collection rate is not at a desired level, and below 85% and the municipality will have to take more stringent action in applying its Credit Control Policy across all categories of consumers. A tangible solution must be sought for the interrupting or restricting of water supply. A response is awaited from the City Engineer for Water and Sanitation in what the major challenges are in implementing this condition. The municipality cannot prove that the poorer collection rate is attributable to the non-collection of the ESKOM supplied area in Ritchie because it is a poor community and will therefore not have a significant impact on the collection rate. The smart meter grant project is underway, and the appointed service provider commenced with installations during November 2024.

## 16.3 The National Treasury Debt Relief Compliance Assessment

The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of October 2024 is attached to this S71 report.

Here are the specific recommendations for November 2024 according to the monitoring tool:

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

Based on the detailed evaluation of Sol Plaatje Local Municipality's performance in the Municipal Debt Relief Programme, the following high-level strategic recommendations are proposed to address the challenges and enhance the municipality's financial management and operational efficiency:

### **1. Strengthen Revenue Collection Mechanisms**

**Enhance Credit Control Enforcement:** Ensure strict adherence to the council-approved credit control and debt collection policy to reduce debtor balances. This includes implementing measures to address defaulting non-indigent consumers, such as water restriction infrastructure or prepaid services.

**Leverage Technology:** Adopt advanced revenue management systems, such as automated billing and smart meters, to improve accuracy and minimize losses.

**Increase Public Awareness:** Conduct community campaigns to educate residents on the importance of timely payments and the benefits of compliance.

### **2. Optimize Debt Management**

**Prioritize Payment Obligations:** Focus on clearing outstanding balances with Eskom and DWS, including settling the R135 million owed to meet conditions for the debt write-off.

**Establish Clear Payment Plans:** Develop and communicate clear repayment plans for arrears, ensuring that they are realistic and aligned with revenue inflows.

**Negotiate Terms with Creditors:** Engage with Eskom and other creditors to explore favourable terms, such as extended payment periods or interest waivers, to ease financial pressure.

### **3. Enhance Financial Planning and Reporting**

**Integrate Cost-Reflective Tariffs:** Fully implement the cost-reflective tariff tool to ensure that service charges accurately reflect operational and maintenance costs, bolstering financial sustainability.

**Maintain Segregated Reporting for Debt Relief Funds:** Ensure compliance with MFMA Circular 124 by integrating debt relief funds into general accounts while keeping them distinct in monthly *m*SCOA submissions for transparency and accountability.

**Improve Monthly Reconciliations:** Continue to submit comprehensive bank reconciliations and financial statements through the GoMuni platform to strengthen transparency and stakeholder trust.

### **4. Build Governance and Accountability**

**Capacity Building:** Invest in training for financial management teams to ensure adherence to MFMA and debt relief guidelines, enhancing overall governance capabilities.

**Establish Strong Oversight Mechanisms:** Strengthen internal audit functions to regularly assess compliance with programme conditions and identify risks early.

**Transparent Communication:** Regularly update stakeholders, including National Treasury and residents, on progress, challenges, and corrective actions taken to maintain confidence in municipal management.

### **5. Implement Strategic Expenditure Controls**

**Refine Expenditure Management:** Conduct a detailed review of expenditure patterns to identify inefficiencies and eliminate unnecessary costs.

**Budget Alignment:** Align expenditures with available funding to avoid over-commitment, ensuring that resources are prioritized for essential services and infrastructure projects.

**Monitor Infrastructure Investments:** Ensure all planned upgrades (water, sanitation, roads, etc.) deliver value for money by adhering to stringent procurement and project management standards.

### **6. Leverage External Support**

Engage with National Treasury: Maintain regular communication to access technical support and guidance on meeting compliance conditions.

Collaborate with Partners: Work with public and private entities to co-develop innovative solutions for revenue enhancement and service delivery improvements.

### 7. Improve Data Integrity and Analytics

Reconcile Property Records: Address variances identified in property rates reconciliation between the General Valuation Roll and Municipal Financial System to ensure accurate billing.

Analyze Trends: Utilize financial data from the MFMA Section 71 reports to predict challenges and adjust strategies proactively.

### 8. Focus on Indigent Support and Social Responsibility

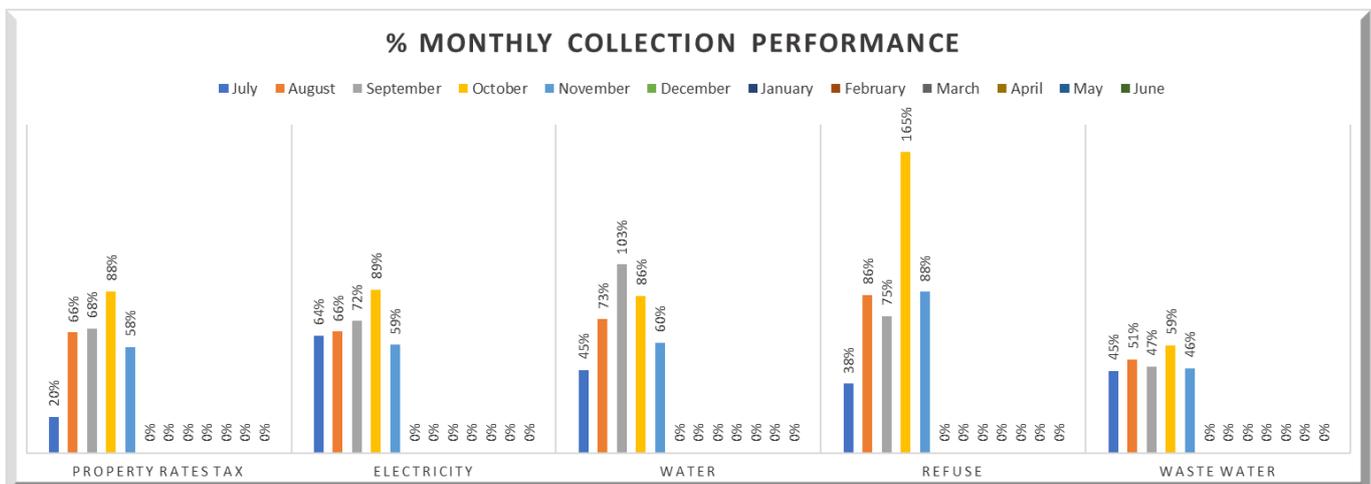
Expand Indigent Register: Ensure all qualifying residents are registered and benefit from free basic services to address social equity.

Balance Support with Enforcement: While supporting vulnerable populations, enforce strict policies for non-indigent defaulters to sustain municipal revenue.

These recommendations aim to address immediate challenges while laying a foundation for long-term financial stability, operational efficiency, and enhanced service delivery. Through diligent implementation and ongoing evaluation, the municipality can achieve its goals under the Debt Relief Programme and beyond.

## 16.4 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)

### 16.4.1 Monthly / Quarterly collection per ward



National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipal Details				
Northern Cape				
Code	District	Municipality	Period Monitored	No. Of Wards
NC091		Sol Plaatje	June	36

Collection Rate Assessment	Summary - Quarter 1				Summary - Quarter 2				Summary - Quarter 3				Summary - Quarter 4			
	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection
1. Collection for whole demarcation	647,395,914	336,912,599	310,483,405	52%	329,785,301	239,920,607	89,864,694	73%	-	-	-	#DIV/0!	-	-	-	#DIV/0!
2. Collection excl Eskom supplied areas	555,255,631	300,599,830	294,665,801	54%	285,698,495	210,542,958	75,065,536	74%	-	-	-	#DIV/0!	-	-	-	#DIV/0!
3. Collection: Property Rates	258,600,294	120,105,002	138,495,292	46%	100,919,243	73,852,178	27,067,065	73%	-	-	-	#DIV/0!	-	-	-	#DIV/0!
4. Total average collection: Electricity (Municipal supplied areas)	303,550,128	153,411,100	50,139,028	79%	87,925,565	109,889,866	(21,964,300)	125%	-	-	-	#DIV/0!	-	-	-	#DIV/0!
5. Total average collection: Water	73,414,201	35,225,878	38,188,323	48%	64,803,374	33,674,162	30,929,212	52%	-	-	-	#DIV/0!	-	-	-	#DIV/0!
6. Total average collection: Wastewater	26,980,122	12,259,704	14,700,417	45%	17,992,150	9,103,794	8,888,355	51%	-	-	-	#DIV/0!	-	-	-	#DIV/0!
7. Total average collection: Refuse	21,599,092	10,655,712	10,943,380	49%	14,325,351	8,308,979	6,016,373	58%	-	-	-	#DIV/0!	-	-	-	#DIV/0!
8. Total average collection: Interest	83,272,078	5,255,113	58,016,965	8%	44,018,618	5,091,628	38,927,990	12%	-	-	-	#DIV/0!	-	-	-	#DIV/0!

Description	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%
Revised average collection rate	80%	44%	58%	65%	72%	72%
Average collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%
Average collection rate per Ward (Quarterly)	79%			52%		

The monthly collection rate per ward is a major concern and it not at a desired level, although this has deteriorated significantly for the month under review. A further analysis will be performed to ascertain if there is an underlying reason for this, like a possible billing error. The quarterly collection rate for the first quarter, is distorted due to the annual billing on Property rates. The average calculated by the municipality is slightly higher due to prepaid electricity sales and unallocated credits being taken into consideration. The preliminary outcome for Quarter 2 is 73%, which is well below the condition of 85%.

There are unidentified wards which the municipality will investigate and correct on the system. A request was submitted to Property valuation to assist in this process, still awaiting feedback. Whilst the municipality is blocking prepaid meters, the effect is not as material as the municipality would have hoped. It is suggested that a record be kept of the number of meters blocked versus the number of consumers coming in.

Total Aggregate Collection	Summary - Quarter 1				Q1	4.October - Reporting for September in October				5.November - Reporting for October in November			
	Billing	Collection	R - Billing not collected	% Collection		Billing For September	Collection in October	R - Billing not collected	% Collection	Billing For October	Collection in November	R - Billing not collected	% Collection
1.Collection for whole demarcation	647,395,914	336,912,509	310,483,405	52%	52%	160,046,070	141,434,483	45,984,394	88%	169,739,231	98,486,124	71,253,107	58%
2.Collection <del>excl Eskom supplied areas</del>	555,255,631	300,589,830	254,665,801	54%	54%	137,580,327	123,007,196	39,432,200	89%	148,028,168	87,535,762	65,341,891	59%
3.Collection: <b>Property Rates</b>	258,600,294	120,105,002	138,495,292	46%	46%	50,383,929	43,358,200	7,025,729	86%	50,535,314	30,493,978	20,041,336	60%
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	203,550,128	153,411,100	50,139,028	75%	75%	42,144,994	69,517,801	0	165%	45,780,572	40,372,064	5,408,507	88%
5.Total average collection: <b>Water</b>	73,414,201	35,225,878	38,188,323	48%	48%	29,335,414	17,281,445	12,053,969	59%	35,267,960	16,392,718	18,875,242	46%
6.Total average collection: <b>Wastewater</b>	26,960,122	12,259,704	14,700,417	45%	45%	8,985,267	4,676,130	4,309,136	52%	9,006,883	4,427,664	4,579,219	49%
7.Total average collection: <b>Refuse</b>	21,599,092	10,655,712	10,943,380	49%	49%	7,161,412	4,444,231	2,717,181	62%	7,163,940	3,864,747	3,299,192	54%
8. 7.Total average collection: <b>Interest</b>	63,272,078	5,255,113	58,016,965	8%		22,035,055	2,156,676	19,878,380	10%	21,984,563	2,934,953	19,049,610	13%

Complete This Section			Quarter 1 Performance Per Ward					Quarter 2 Performance Per Ward								
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	4.October				5.November				Q2
								Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing For October	Collection for October in November	Rand Value of Billing not collected	% Collection	
<b>Property Rates Tax</b>	Mun Supplied	Ward 1 - Platfontein, Sunset Manor, Legenoeg / (Lethabo Park)	447,866	195,177	252,689	44%	44%	2,694	26,458	0	982%	144,065	380,826	0	264%	278%
Electricity			6,616,557	3,173,982	3,442,575	48%	48%	1,804,998	2,806,908	0	156%	1,253,173	1,920,864	0	153%	155%
Water			3,828,425	1,582,349	2,246,076	41%	41%	1,866,099	1,607,777	258,322	86%	959,380	593,021	366,359	62%	78%
Refuse			250,016	87,597	162,419	35%	35%	73,465	61,665	11,800	84%	76,017	40,857	35,160	54%	69%
Waste Water			274,572	203,691	70,881	74%	74%	83,994	10,894	73,099	13%	89,458	14,446	75,012	16%	15%
Interest			1,638,719	80,107	1,558,612	5%	5%	503,581	14,495	489,086	3%	487,933	20,564	467,368	4%	4%
<b>Property Rates Tax</b>	Mun Supplied	Ward 2 - Roodoepan	4,843,159	2,592,759	2,250,399	54%	54%	974,515	536,117	438,398	55%	973,861	448,052	525,809	46%	51%
Electricity			1,117,821	776,682	341,139	69%	69%	261,665	300,168	0	115%	272,796	153,013	119,783	56%	85%
Water			2,100,364	776,738	1,323,626	37%	37%	672,342	267,345	404,997	40%	812,170	238,951	573,218	29%	34%
Refuse			762,913	348,573	414,340	46%	46%	257,946	132,703	125,243	51%	216,726	100,796	115,930	47%	49%
Waste Water			1,112,642	512,554	600,089	46%	46%	373,559	181,550	192,009	49%	337,716	151,514	186,202	45%	47%
Interest			1,817,746	94,690	1,723,056	5%	5%	714,742	48,812	665,930	7%	666,240	28,959	637,282	4%	6%
<b>Property Rates Tax</b>	Mun Supplied	Ward 3 - Homevale, Homelife, Homestead, Sol plaatje RE, Ramora	3,467,105	1,835,625	1,631,480	53%	53%	642,545	280,514	362,031	44%	631,704	236,024	395,681	37%	41%
Electricity			624,163	254,028	370,135	41%	41%	136,115	80,456	55,659	59%	146,142	102,133	44,009	70%	65%
Water			1,610,427	376,544	1,233,883	23%	23%	506,365	131,732	374,633	26%	560,927	119,609	441,318	21%	24%
Refuse			488,266	211,816	276,450	43%	43%	168,465	74,154	94,311	44%	178,451	64,819	113,632	36%	40%
Waste Water			699,452	293,549	405,903	42%	42%	241,522	110,246	131,276	46%	255,906	89,984	165,922	35%	40%
Interest			1,360,985	96,563	1,264,422	7%	7%	467,190	40,057	427,132	9%	462,715	43,425	419,290	9%	9%
<b>Property Rates Tax</b>	Mun Supplied	Ward 4 - Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg 9, Witdam	2,184,620	1,097,104	1,087,516	50%	50%	407,394	380,536	26,858	93%	408,521	154,031	254,490	38%	66%
Electricity			1,413,742	797,267	616,475	56%	56%	130,476	304,894	0	234%	255,097	199,945	55,152	78%	131%
Water			1,370,466	354,019	1,016,447	26%	26%	638,505	147,685	490,820	23%	879,670	146,540	733,130	17%	19%
Refuse			445,034	156,710	288,323	35%	35%	153,419	61,993	91,425	40%	161,054	53,264	107,790	33%	37%
Waste Water			636,381	230,060	406,321	36%	36%	219,287	88,777	130,510	40%	230,243	68,887	161,356	30%	35%
Interest			1,120,084	36,831	1,083,253	3%	3%	388,001	17,240	370,761	4%	391,166	6,191	384,975	2%	3%
<b>Property Rates Tax</b>	Mun Supplied	Ward 5 - Vergenoeg Ext 2, Redirie, Thusano	1,169,874	778,074	391,800	67%	67%	275,097	130,154	144,943	47%	275,145	103,282	171,863	38%	42%
Electricity			178,056	111,024	67,032	62%	62%	36,765	43,790	0	119%	47,734	33,447	14,287	70%	91%
Water			591,617	197,143	394,474	33%	33%	383,950	89,433	294,518	23%	486,714	65,930	420,784	14%	18%
Refuse			417,898	123,308	294,590	30%	30%	144,079	50,062	94,018	35%	155,632	36,361	119,271	23%	29%
Waste Water			581,821	175,027	406,794	30%	30%	200,598	68,127	132,470	34%	216,860	48,594	168,266	22%	28%
Interest			1,029,352	22,369	1,006,983	2%	2%	349,505	7,003	342,502	2%	356,282	6,434	349,848	2%	2%
<b>Property Rates Tax</b>	Mun Supplied	Ward 6 - Vergenoeg Ext 10, Boikhotsong, Solly Legodi, Blikkies	530,997	128,226	402,771	24%	24%	179,370	45,943	133,427	26%	177,207	46,093	131,114	26%	26%
Electricity			47,482	43,503	3,980	92%	92%	10,474	5,147	5,327	49%	10,255	13,776	0	134%	91%
Water			1,474,037	143,362	1,330,675	10%	10%	611,543	48,275	563,269	8%	566,284	38,238	528,046	7%	7%
Refuse			420,842	92,453	328,389	22%	22%	143,774	25,394	118,380	18%	141,823	26,183	115,640	18%	18%
Waste Water			588,908	109,779	479,130	19%	19%	201,294	35,408	165,886	18%	198,483	34,818	163,665	18%	18%
Interest			1,287,624	16,328	1,271,297	1%	1%	441,162	6,592	434,569	1%	439,084	7,248	431,837	2%	2%
<b>Property Rates Tax</b>	Mun Supplied	Ward 7 - Sol Plaatje RE, Solly Legodi square, Vergenoeg Ext 1, Vergenoeg, Uburu Golf Course/Kiemvsaak	1,746,998	863,301	883,697	49%	49%	222,647	77,786	144,861	35%	222,706	76,558	146,148	34%	35%
Electricity			398,156	206,407	191,749	52%	52%	64,160	66,984	0	104%	98,715	56,371	42,344	57%	76%
Water			1,201,281	228,656	972,624	19%	19%	507,809	75,381	432,428	15%	512,241	74,273	437,968	14%	15%
Refuse			421,087	131,697	289,390	31%	31%	135,699	45,256	90,443	33%	139,711	40,141	99,570	29%	31%
Waste Water			617,888	188,961	428,927	31%	31%	199,372	62,867	136,506	32%	205,104	65,372	139,732	32%	32%
Interest			1,028,970	24,004	1,004,966	2%	2%	350,724	7,239	343,486	2%	355,708	11,735	343,974	3%	3%
<b>Property Rates Tax</b>	Mun Supplied	Ward 8 - John Mamphe 1, Mamphe Ext, Lathi Mabilo Park, Donkerhoek	2,837,842	85,740	2,752,101	3%	3%	130,001	21,934	108,067	17%	129,864	19,539	110,326	15%	16%
Electricity			378,248	218,388	159,860	58%	58%	224,415	261,199	0	116%	107,353	114,938	0	107%	113%
Water			965,630	84,516	881,114	9%	9%	260,204	50,751	209,453	20%	352,796	37,963	314,833	11%	14%
Refuse			434,568	61,664	372,904	14%	14%	121,822	22,159	99,663	18%	113,474	23,512	89,962	21%	19%
Waste Water			583,744	75,849	507,894	13%	13%	178,816	21,328	157,488	12%	165,254	25,827	139,427	16%	14%
Interest			1,284,035	20,535	1,263,500	2%	2%	451,343	2,635	448,708	1%	445,330	3,934	441,395	1%	1%

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Complete This Section			Quarter 1 Performance Per Ward					Quarter 2 Performance Per Ward								
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	4.October				5.November				Q2
								Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing For October	Collection for October in November	Rand Value of Billing not collected	% Collection	
<b>Property Rates Tax</b>	Mun Supplied	Ward 9 - Ipopang, Retsewiele	3,057,991	1,276,167	1,781,825	42%	42%	781,886	423,015	358,871	54%	753,255	400,365	352,890	53%	54%
Electricity			561,334	381,002	180,332	68%	68%	149,177	151,637	0	102%	151,549	146,844	4,705	97%	99%
Water			1,210,467	609,694	600,773	50%	50%	396,336	237,776	158,560	60%	563,053	180,066	382,987	32%	44%
Refuse			484,202	296,085	188,116	61%	61%	166,470	112,080	54,390	67%	160,652	95,456	65,196	59%	63%
Waste Water			691,173	396,241	294,932	57%	57%	238,219	137,021	101,198	58%	227,194	120,831	106,364	53%	55%
Interest			1,141,786	109,643	1,032,143	10%	10%	401,183	18,405	382,778	5%	393,178	15,324	377,854	4%	4%
<b>Property Rates Tax</b>	Mun Supplied	Ward 10 - Tshwarano, Vergenoeg Ext 7, Vergenoeg Ext 5	2,774,255	2,195,015	579,240	79%	79%	389,503	417,271	0	107%	383,137	150,104	233,032	39%	73%
Electricity			1,648,524	1,233,749	414,774	75%	75%	428,290	376,099	52,190	88%	481,349	378,565	102,783	79%	83%
Water			1,417,592	510,092	907,500	36%	36%	401,267	143,417	257,850	36%	506,191	136,671	369,520	27%	31%
Refuse			476,503	218,079	258,425	46%	46%	160,997	84,901	76,097	53%	172,968	60,642	112,326	35%	44%
Waste Water			610,107	270,644	339,463	44%	44%	206,309	98,442	107,867	48%	223,633	70,488	153,144	32%	39%
Interest			1,155,008	100,999	1,054,010	9%	9%	387,797	30,511	357,286	8%	391,998	16,974	375,024	4%	6%
<b>Property Rates Tax</b>	Mun Supplied	Ward 11 - Retsewiele, Agisaanang, Vergenoeg Ext 8, Vergenoeg Ext 6	4,709,714	1,395,770	3,313,945	30%	30%	145,151	60,116	85,035	41%	143,591	58,198	85,393	41%	41%
Electricity			1,212,760	452,205	760,555	37%	37%	257,161	463,623	0	180%	260,194	139,645	120,549	54%	117%
Water			1,234,379	295,087	939,291	24%	24%	465,283	81,738	383,545	18%	487,262	88,290	398,972	18%	18%
Refuse			333,985	110,656	223,329	33%	33%	116,683	39,738	76,945	34%	126,467	41,909	84,558	33%	34%
Waste Water			548,458	196,044	352,414	36%	36%	190,343	60,632	129,711	32%	204,276	64,912	139,365	32%	32%
Interest			999,909	20,404	979,505	2%	2%	369,668	6,560	363,107	2%	371,911	20,996	350,916	6%	4%
<b>Property Rates Tax</b>	Mun Supplied	Ward 12 - kwaNobantu Ext 1, kwaNobantu, Galeshewe proper, Galeshewe Ext 2	2,314,195	627,455	1,686,739	27%	27%	298,136	141,680	156,456	48%	291,266	157,343	133,923	54%	51%
Electricity			550,853	226,267	324,586	41%	41%	129,072	104,052	25,020	81%	135,330	47,458	87,872	35%	57%
Water			1,119,847	297,878	821,969	27%	27%	291,014	137,783	153,230	47%	551,443	105,939	445,504	19%	29%
Refuse			401,799	150,040	251,759	37%	37%	138,149	59,318	78,831	43%	135,441	57,161	78,280	42%	43%
Waste Water			568,391	211,106	357,286	37%	37%	194,881	75,368	119,514	39%	191,819	77,576	114,244	40%	40%
Interest			1,122,963	66,285	1,056,677	6%	6%	392,158	27,898	364,260	7%	380,624	9,775	370,848	3%	5%
<b>Property Rates Tax</b>	Mun Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gemdene	2,238,264	1,629,829	608,434	73%	73%	227,237	167,201	60,036	74%	252,622	175,286	77,336	69%	71%
Electricity			1,846,594	1,526,193	320,401	83%	83%	463,587	519,196	0	112%	501,405	429,780	71,625	86%	98%
Water			1,199,559	286,585	912,974	24%	24%	356,051	94,631	261,420	27%	447,044	78,574	368,470	18%	22%
Refuse			207,419	99,663	107,756	48%	48%	77,322	27,392	49,930	35%	75,107	28,402	46,705	38%	37%
Waste Water			337,844	179,607	158,237	53%	53%	123,770	48,208	75,563	39%	120,489	62,935	57,554	52%	46%
Interest			693,214	43,789	649,426	6%	6%	238,843	9,341	229,501	4%	257,859	8,733	249,126	3%	4%
<b>Property Rates Tax</b>	Mun Supplied	Ward 14 - Northview, Cobille, Gemdene, Square Hill Park, Floors, Utility, Arshburnham	11,722,452	5,028,108	6,694,344	43%	43%	1,346,871	934,754	412,117	69%	1,291,725	936,333	355,392	72%	71%
Electricity			6,552,202	5,051,875	1,500,327	77%	77%	1,591,552	1,585,022	6,530	100%	1,634,049	2,167,785	0	133%	116%
Water			2,145,608	1,360,299	785,308	63%	63%	899,683	502,983	396,701	56%	778,183	476,606	301,577	61%	58%
Refuse			1,001,043	746,445	254,597	75%	75%	340,596	312,158	28,438	92%	340,821	337,978	2,844	99%	95%
Waste Water			929,046	604,529	324,518	65%	65%	319,758	214,110	105,649	67%	320,192	219,269	100,924	68%	68%
Interest			1,817,924	143,995	1,673,929	8%	8%	764,774	33,156	731,618	4%	729,371	35,231	694,140	5%	5%
<b>Property Rates Tax</b>	Mun Supplied	Ward 15 - Ipeleg, Phomolong, Phuthanang, Sol Plaatje RE	2,393,008	911,094	1,481,914	38%	38%	304,490	111,308	193,182	37%	300,047	104,916	195,131	35%	36%
Electricity			410,003	372,003	37,999	91%	91%	105,090	129,090	0	123%	122,831	89,342	33,489	73%	96%
Water			1,178,600	253,779	924,822	22%	22%	538,852	64,093	474,759	12%	539,324	71,038	468,286	13%	13%
Refuse			465,654	129,342	336,312	28%	28%	149,447	35,930	113,517	24%	142,604	36,702	105,902	26%	25%
Waste Water			659,158	192,043	467,115	29%	29%	212,146	55,127	157,019	26%	202,366	51,812	150,553	26%	26%
Interest			1,309,168	56,760	1,252,408	4%	4%	448,641	7,118	441,523	2%	453,797	6,036	447,761	1%	1%
<b>Property Rates Tax</b>	Mun Supplied	Ward 16 - Phuthanang Cemetery, Promise Land, Lindiban, Snake Park, Tsweleng,	450,982	50,846	400,135	11%	11%	155,470	26,282	129,188	17%	149,076	23,602	125,474	16%	16%
Electricity			56,852	459	56,393	1%	1%	(8,323)	30	0	0%	2,913	3,848	0	132%	-72%
Water			1,378,309	80,143	1,298,166	6%	6%	636,497	38,515	597,981	6%	556,930	37,344	519,586	7%	6%
Refuse			487,487	48,676	438,812	10%	10%	153,288	26,750	126,538	17%	147,081	24,207	122,874	16%	17%
Waste Water			697,601	73,229	624,372	10%	10%	220,438	38,054	182,384	17%	211,906	32,952	178,954	16%	16%
Interest			1,309,616	11,184	1,298,432	1%	1%	456,577	2,458	454,119	1%	431,928	24,903	407,025	6%	3%

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Complete This Section			Quarter 1 Performance Per Ward				Quarter 2 Performance Per Ward									
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	4.October				5.November				Q2
								Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing For October	Collection for October in November	Rand Value of Billing not collected	% Collection	
<b>Property Rates Tax</b>	Mun Supplied	Ward 17 - Kagiso, Thlageng, John Mamphe 2, Diralanang	1,306,726	554,021	752,705	42%	42%	442,106	205,200	236,906	46%	439,653	187,526	252,127	43%	45%
Electricity			163,876	79,292	84,584	48%	48%	39,567	34,435	5,132	87%	48,400	21,632	26,769	45%	64%
Water			1,269,672	288,227	981,445	23%	23%	417,519	112,142	305,376	27%	602,624	92,966	509,658	15%	20%
Refuse			579,340	173,959	405,380	30%	30%	201,833	60,445	141,388	30%	203,639	68,797	134,842	34%	32%
Waste Water			785,041	233,212	551,829	30%	30%	273,132	75,632	197,500	28%	275,904	86,910	188,995	31%	30%
Interest	1,502,540	34,822	1,467,718	2%	2%	524,811	21,130	503,681	4%	526,928	15,662	511,266	3%	3%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 18 - Kristenhof, Numalo Street Area, Galesheve Ext 7, Verwoerd Park, Riviera	10,978,659	2,469,548	8,509,111	22%	22%	1,111,904	2,115,212	0	190%	1,109,568	1,019,143	90,425	92%	141%
Electricity			5,293,122	4,410,115	883,008	83%	83%	1,167,460	2,130,899	0	183%	1,138,275	758,539	379,736	67%	125%
Water			2,350,555	1,104,446	1,247,109	47%	47%	826,013	407,656	418,357	49%	1,108,873	404,736	704,136	36%	42%
Refuse			617,795	378,577	239,219	61%	61%	205,592	137,828	67,764	67%	204,113	108,712	95,401	53%	60%
Waste Water			809,876	465,643	344,233	57%	57%	269,472	167,869	101,603	62%	267,594	137,976	129,618	52%	57%
Interest	1,833,727	231,558	1,602,169	13%	13%	643,157	39,621	603,536	6%	654,753	29,264	625,489	4%	5%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 19 - Galesheve Ext 3, Galesheve Ext 5, Galesheve Ext 4	1,083,753	629,610	454,143	58%	58%	239,787	99,729	140,058	42%	233,626	87,235	146,391	37%	39%
Electricity			139,784	73,124	66,660	52%	52%	(842)	31,843	0	-3784%	54,087	8,967	45,120	17%	77%
Water			1,610,096	249,424	1,360,673	15%	15%	446,884	94,517	352,368	21%	610,289	76,611	533,679	13%	16%
Refuse			439,015	119,346	319,669	27%	27%	149,243	39,785	109,458	27%	140,460	40,927	99,532	29%	28%
Waste Water			581,320	152,788	428,532	26%	26%	195,987	52,633	143,354	27%	185,149	51,500	133,649	28%	27%
Interest	1,452,762	35,322	1,417,440	2%	2%	490,726	14,281	476,445	3%	486,651	7,697	478,953	2%	2%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley North, Diamond Park, Albertshof, Kestelshof	52,416,771	30,428,414	21,988,357	58%	58%	12,895,071	13,859,805	0	107%	13,077,980	8,831,013	4,246,967	68%	87%
Electricity			44,773,141	35,112,369	9,660,772	78%	78%	9,618,083	13,941,019	0	145%	10,903,036	9,098,796	1,804,240	83%	112%
Water			6,415,038	5,633,523	781,515	88%	88%	2,673,590	2,083,452	590,138	78%	4,836,497	2,089,426	2,747,072	43%	56%
Refuse			3,060,831	2,231,517	829,315	73%	73%	1,011,449	825,436	186,013	82%	1,015,217	856,460	158,757	84%	83%
Waste Water			2,577,674	1,869,378	708,297	73%	73%	854,254	852,363	1,890	100%	877,761	719,969	157,792	82%	91%
Interest	5,979,480	892,081	5,087,399	15%	15%	2,095,589	751,405	1,344,184	36%	2,033,658	336,379	1,697,280	17%	26%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 21 - De Beers, Hull Street Area, Ernestville, Moghul Park, Herbar, Belgravia, Turner Road Industrial area	13,655,468	8,005,724	5,649,744	59%	59%	3,178,850	2,847,262	331,588	90%	3,171,838	2,034,220	1,137,618	64%	77%
Electricity			13,862,889	9,859,723	4,003,166	71%	71%	2,944,498	4,561,717	0	155%	3,339,730	2,992,084	347,646	90%	120%
Water			3,588,508	2,824,092	764,415	79%	79%	1,052,607	1,292,211	0	123%	1,596,443	808,594	787,849	51%	79%
Refuse			1,171,149	840,078	331,071	72%	72%	390,543	636,905	0	163%	391,185	255,294	135,891	65%	114%
Waste Water			1,311,388	902,368	409,020	69%	69%	436,575	368,129	68,445	84%	437,700	287,351	150,349	66%	75%
Interest	2,585,761	555,542	2,030,219	21%	21%	896,949	265,458	631,492	30%	899,796	202,613	697,182	23%	26%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 22 - South Ridge, Green Point, Fabrica	11,192,272	3,889,324	7,302,948	35%	35%	1,348,653	1,536,150	0	114%	1,347,324	1,029,125	318,198	76%	95%
Electricity			8,275,057	7,056,077	1,218,980	85%	85%	2,101,045	3,621,053	0	172%	1,690,478	1,795,678	0	106%	143%
Water			2,211,722	958,944	1,252,778	43%	43%	1,082,454	407,650	674,804	38%	928,450	3,162,696	0	341%	178%
Refuse			672,179	273,552	398,626	41%	41%	206,663	86,794	119,869	42%	207,973	251,974	0	121%	82%
Waste Water			881,444	279,838	601,607	32%	32%	269,657	97,485	172,172	36%	271,993	497,822	0	183%	110%
Interest	1,520,993	94,168	1,426,825	6%	6%	536,582	166,708	369,875	31%	510,920	1,300,900	0	255%	140%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 23 - Civic Centre, New Park, Labram, Royklien, Roidene, Monument Heights, El toro Park, Minerva Gardens	42,857,823	22,948,570	19,909,254	54%	54%	8,655,860	7,686,194	969,666	89%	8,680,284	5,790,257	2,890,028	67%	78%
Electricity			44,493,862	33,175,812	11,318,050	75%	75%	9,734,553	13,265,113	0	136%	9,969,107	6,997,388	2,971,719	70%	103%
Water			6,173,618	4,142,669	2,030,949	67%	67%	2,249,472	1,881,475	367,997	84%	4,686,295	1,659,894	3,026,401	35%	51%
Refuse			1,363,937	1,101,340	262,597	81%	81%	452,899	435,185	17,714	96%	452,899	340,425	112,474	75%	86%
Waste Water			1,744,486	1,279,596	464,890	73%	73%	580,065	544,575	35,491	94%	580,065	418,897	161,168	72%	83%
Interest	2,754,093	430,209	2,323,884	16%	16%	991,983	81,073	910,910	8%	1,022,947	109,260	913,687	11%	9%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 24 - Carters Glen, Lindene, Rhodesdene, Heuwelsig, Hadison Park	14,774,916	9,343,612	5,431,304	63%	63%	3,558,662	3,033,091	525,571	85%	3,539,376	2,503,418	1,035,958	71%	78%
Electricity			8,545,646	5,908,091	2,637,555	69%	69%	1,967,837	2,250,797	0	114%	1,658,467	1,512,753	145,714	91%	104%
Water			3,639,436	2,668,562	970,874	73%	73%	1,557,981	1,169,806	388,174	75%	1,497,798	1,125,430	372,368	75%	75%
Refuse			928,638	753,984	174,654	81%	81%	309,525	296,191	13,334	96%	309,525	252,716	56,809	82%	89%
Waste Water			1,304,704	1,114,690	190,013	85%	85%	435,108	407,163	27,945	94%	434,923	351,073	83,851	81%	87%
Interest	877,430	196,601	680,829	22%	22%	343,930	44,068	299,862	13%	348,105	52,768	295,337	15%	14%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 25 - De Beers Mine, Beaconfield, Memorial Road Area, Kliserville	9,237,515	5,033,948	4,203,568	54%	54%	1,672,132	1,330,777	341,355	80%	1,670,039	1,105,355	564,685	66%	73%
Electricity			4,345,704	3,873,624	472,080	89%	89%	979,685	1,332,992	0	136%	1,077,434	919,451	157,983	85%	109%
Water			1,295,549	1,552,926	(257,377)	120%	120%	771,459	682,762	88,698	89%	991,162	646,249	344,913	65%	75%
Refuse			570,096	413,032	157,064	72%	72%	186,531	152,621	33,910	82%	186,401	127,078	59,324	68%	75%
Waste Water			745,313	513,381	231,931	69%	69%	245,163	205,197	39,965	84%	244,978	164,270	80,708	67%	75%
Interest	1,051,803	90,367	961,435	9%	9%	363,575	15,465	348,110	4%	363,886	18,135	345,751	5%	5%		

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Complete This Section			Quarter 1 Performance Per Ward				Quarter 2 Performance Per Ward									
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	4.October				5.November				Q2
								Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing For October	Collection for October in November	Rand Value of Billing not collected	% Collection	
<b>Property Rates Tax</b>	Partial Eskom & Mun Supplied	Ward 26 - Sol Plaatje R.E. Rietvale, Mandela Square, Mobsweidmosa, Ilageng, Ritchie-DeKobolob, DiamondPark, De	38,496,935	8,010,035	30,486,900	21%	21%	6,546,021	3,600,370	2,945,651	55%	6,499,147	2,346,383	4,152,764	36%	46%
Electricity			23,561,856	20,070,368	3,491,488	85%	85%	4,208,850	10,080,460	0	240%	4,365,199	5,268,143	0	121%	179%
Water			9,813,875	5,471,631	4,342,244	56%	56%	4,087,515	3,349,970	737,545	82%	4,136,803	2,564,989	1,571,814	62%	72%
Refuse			1,298,050	406,674	891,376	31%	31%	456,974	234,236	222,737	51%	442,032	158,054	283,978	36%	44%
Waste Water			1,382,046	385,023	997,023	28%	28%	468,691	156,735	311,956	33%	468,045	109,532	358,513	23%	28%
Interest	10,905,648	1,464,420	9,441,228	13%	13%	3,691,192	249,758	3,441,434	7%	3,719,985	408,557	3,311,428	11%	9%		
<b>Property Rates Tax</b>	Partial Eskom & Mun Supplied	Ward 27 - Rietvale, Sol Plaatje RE	1,124,908	422,751	702,157	38%	38%	232,548	556,818	0	239%	232,548	74,976	157,572	32%	136%
Electricity			23,893	1,941	21,952	8%	8%	(14,105)	636	0	-5%	7,654	636	7,018	8%	-20%
Water			1,534,506	17,918	1,516,588	1%	1%	1,454,067	73,456	1,380,611	5%	494,944	6,318	488,626	1%	4%
Refuse			480,198	11,777	468,421	2%	2%	160,691	21,533	139,159	13%	160,433	4,747	155,685	3%	8%
Waste Water			764,023	18,024	745,999	2%	2%	254,874	14,805	240,069	6%	255,059	7,247	247,813	3%	4%
Interest	2,754,345	42,118	2,712,227	2%	2%	918,426	88,509	829,917	10%	929,215	779	928,436	0%	5%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 28 - Sol Plaatje R.E. Kenilworth, Kimdustria, Greenside, De Beers Mile	8,816,445	6,058,475	2,757,969	69%	69%	2,688,978	2,037,742	651,236	76%	2,684,432	1,621,352	1,063,080	60%	68%
Electricity			24,674,132	17,891,108	6,783,024	73%	73%	3,320,647	10,711,709	0	323%	5,586,130	4,728,628	857,502	85%	173%
Water			3,662,275	1,972,225	1,690,049	54%	54%	1,279,247	1,686,730	0	132%	1,566,370	970,135	596,234	62%	93%
Refuse			852,559	531,049	321,510	62%	62%	252,866	195,771	57,095	77%	287,543	179,474	108,069	62%	69%
Waste Water			1,013,016	601,709	411,306	59%	59%	343,741	232,098	111,643	68%	347,331	200,920	146,411	58%	63%
Interest	3,227,849	120,974	3,106,875	4%	4%	1,050,494	108,925	941,569	10%	1,091,188	150,582	940,606	14%	12%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 29 - Roodoppan, Sol Plaatje RE, Langlag and Riverton	479,584	109,856	369,728	23%	23%	120,143	37,817	82,326	31%	120,143	46,862	73,280	39%	35%
Electricity			158,141	85,722	72,419	54%	54%	21,248	28,718	0	135%	47,684	42,427	5,257	89%	103%
Water			344,838	63,974	280,864	19%	19%	105,925	21,056	84,869	20%	106,001	25,473	80,528	24%	22%
Refuse			123,999	38,560	85,439	31%	31%	44,237	10,276	33,961	23%	45,273	12,056	33,217	27%	25%
Waste Water			174,024	50,336	123,688	29%	29%	62,204	14,257	47,946	23%	63,683	15,699	47,983	25%	24%
Interest	751,770	14,132	737,638	2%	2%	262,048	3,735	258,313	1%	260,932	5,238	255,694	2%	2%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 30 - Platfontein Industrial, Jacksonville, Lerato Park	843,699	135,108	708,591	16%	16%	303,558	39,569	263,989	13%	297,194	39,408	257,786	13%	13%
Electricity			285,636	259,352	26,284	91%	91%	61,874	55,197	6,678	89%	59,507	41,581	17,926	70%	80%
Water			1,014,478	123,402	891,076	12%	12%	298,385	36,508	261,877	12%	439,641	28,248	411,393	6%	9%
Refuse			478,943	52,616	426,327	11%	11%	169,834	17,058	152,777	10%	162,988	16,612	146,376	10%	10%
Waste Water			778,681	80,262	698,419	10%	10%	272,958	27,406	245,552	10%	263,327	28,008	235,320	11%	10%
Interest	2,068,947	22,901	2,046,046	1%	1%	750,447	3,648	746,799	0%	756,342	4,227	752,114	1%	1%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 31 - Kutlwano, Sol City, Riviera, Fransfarm	1,358,816	182,889	1,175,926	13%	13%	212,519	67,786	144,732	32%	211,173	57,535	153,638	27%	30%
Electricity			75,737	4,652	71,085	6%	6%	16,773	2,784	13,989	17%	17,373	966	16,407	6%	11%
Water			1,833,411	141,460	1,691,951	8%	8%	614,414	58,005	556,409	9%	819,120	48,183	770,937	6%	7%
Refuse			662,494	96,417	566,077	15%	15%	204,359	43,833	160,526	21%	211,311	39,257	172,054	19%	20%
Waste Water			928,768	140,359	788,409	15%	15%	286,387	65,475	220,911	23%	296,334	51,905	244,429	18%	20%
Interest	1,502,208	26,113	1,476,095	2%	2%	521,231	7,084	514,147	1%	527,963	15,267	512,696	3%	2%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 32 - Phutangan, Sol Plaatje RE, Platfontein	897,132	341,041	556,090	38%	38%	104,868	20,673	84,195	20%	104,793	16,364	88,429	16%	18%
Electricity			367,823	52,477	315,346	14%	14%	19,213	17,357	1,856	90%	89,262	12,571	76,691	14%	28%
Water			951,841	99,850	851,991	10%	10%	434,202	20,996	413,206	5%	482,227	22,364	459,863	5%	5%
Refuse			292,966	45,878	247,087	16%	16%	83,121	10,208	72,912	12%	84,286	18,964	65,321	23%	17%
Waste Water			398,371	62,712	335,660	16%	16%	113,250	15,116	98,134	13%	114,671	27,745	86,926	24%	19%
Interest	866,007	21,778	844,229	3%	3%	300,641	7,240	293,401	2%	311,963	3,090	308,873	1%	2%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 33 - Chris Hani Park, Galesheve Ext 6, Chris Hani South, China Square, West End, Thambo Square, Diamond Park	1,769,221	756,769	1,012,452	43%	43%	450,319	264,279	186,040	59%	449,459	226,592	222,867	50%	55%
Electricity			791,480	598,749	192,731	76%	76%	179,479	241,464	0	135%	237,930	166,143	71,787	70%	98%
Water			1,615,872	470,296	1,145,576	29%	29%	536,281	179,440	356,841	33%	786,042	169,662	616,380	22%	26%
Refuse			494,578	173,049	321,529	35%	35%	169,434	67,673	101,761	40%	170,509	64,334	106,175	38%	39%
Waste Water			622,709	193,787	428,922	31%	31%	214,475	71,653	142,822	33%	216,351	70,394	145,957	33%	33%
Interest	1,388,403	33,614	1,354,789	2%	2%	483,564	8,326	475,238	2%	479,792	7,591	472,201	2%	2%		
<b>Property Rates Tax</b>	Mun Supplied	Ward 999 Unknown	420,332	95,016	325,316	23%	23%	138,946	238,657	0	172%	138,946	6,663	132,283	5%	88%
Electricity			105,003	73,470	31,533	70%	70%	(5,546)	11,315	0	-204%	9,933	7,925	2,008	80%	439%
Water			62,305	6,422	55,882	10%	10%	15,597	4,297	11,299	28%	18,769	1,690	17,079	9%	17%
Refuse			13,609	1,503	12,107	11%	11%	3,997	800	3,197	20%	4,127	475	3,651	12%	16%
Waste Water			20,052	3,687	16,365	18%	18%	4,970	1,381	3,589	28%	5,115	230	4,885	4%	16%
Interest	131,212	3,908	127,303	3%	3%	43,823	721	43,102	2%	44,415	481	43,934	1%	1%		

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

#### **16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households**

Articulated in table below, is the Indigent information for the reporting for the month of November 2024. The municipality is experiencing challenges in the restricting/interrupting of water supply and intervention is required from the technical department. Various gaps have been identified in indigent reporting, which the municipality will attempt to address going forward. The indigent households in informal settlements cannot be loaded on the system, due to the areas not being formalised. The municipality will engage the Housing department to assist with the number of households in informal settlements and the services available, if any. Households in informal settlements may not necessarily be qualifying indigents. There has always been a discrepancy in the households receiving Free Basic Electricity, as the actual that received the free 50 units is lower than the actual number of registered indigents loaded on the system. It should be noted that as per the Indigent Policy, it is a prerequisite for approval that all indigent households must have a prepaid electricity meter installed. The R-values are not showing correctly on the Annexure C, this was taken up with NT for correction and the municipality is awaiting feedback.

Description	Ref	As Per Debt Relief Application		2024/2025 - Monthly Monitoring												
		Current Year - 2024/2025														
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11
<b>Indigent Household service targets</b>																
<b>Water: (Include All Indigent households also in Eskom supplied areas)</b>																
Indigent HH's with piped water inside dwelling	1	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257						
Indigent HH's with piped water inside yard (but not in dwelling)	2															
Indigent HH's using public tap (at least min. service level)	4															
Indigent HH's with other water supply (at least min. service level)	2															
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>	3	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	-	-	-	-	-	-
Indigent HH's using public tap (< min. service level)	3															
Indigent HH's with other water supply (< min. service level)	4															
Indigent HH's with No water supply	4															
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	5	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	-	-	-	-	-	-
<b>Status of Water meters:</b>																
Number of Indigent HH's with prepaid Water																
Number of Indigent HH's with conventional metered Water		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257						
Number of Indigent HH's NOT metered currently - Water																
Number of Indigent HH's with NO Water supply - No metering																
<b>Total number of registered indigent households</b>	10	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	-	-	-	-	-	-
<b>Status of unlimited supply of Water:</b>																
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water																
<b>Total number of registered indigent households receiving unlimited supply - Water</b>																
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11															
<b>Energy: (Include All Indigent households also in Eskom supplied areas)</b>																
Indigent HH's with Electricity (at least min. service level)																
Indigent HH's with Electricity - prepaid (min. service level)																
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>																
Indigent HH's with Electricity (< min. service level)																
Indigent HH's with Electricity - prepaid (< min. service level)																
Indigent HH's with other energy sources																
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Status of Electricity meters:</b>																
Number of Indigent HH's with prepaid Electricity																
Number of Indigent HH's with conventional metered Electricity		11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640						
Number of Indigent HH's NOT metered currently - Electricity																
Number of indigent HH's with other energy sources - No metering																
<b>Total number of registered indigent households</b>	12	11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640	-	-	-	-	-	-
<b>Status of unlimited supply of Electricity:</b>																
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per month																
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity																
<b>Total number of registered indigent households receiving unlimited supply - Electricity</b>																
Of the total number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13															
<b>Number of ALL Households receiving Free Basic Service (including registered Indigent Households)</b>																
Water (6 kilolitres per household per month)	7	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257						
Electricity/other energy (50kwh per household per month)	7	11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640						
<b>Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)</b>																
Water (6 kilolitres per household per month)		4,932,658	#####	10,000,000	10,000,000	211,512	272,876	331,900	283,154	304,540						
Electricity/other energy (50kwh per household per month)		9,967,435	#####	12,000,000	12,000,000	16,265	#####	#####	#####	993,027						
<b>Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)</b>																
Water (6 kilolitres per household per month)																
Electricity/other energy (50kwh per household per month)																
<b>Total cost of FBS Water and Electricity provided to ALL Households</b>	8	14,900,093	#####	22,000,000	22,000,000	227,777	#####	#####	#####	#####	-	-	-	-	-	-
<b>Highest level of free service provided per household (ALL Households)</b>																
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000						
Water (kilolitres per household per month)		6	6	6	6											
Sanitation (kilolitres per household per month)		213	213	213	213											
Sanitation (Rand per household per month)		189	198	198	198											
Electricity (kwh per household per month)		50	50	50	50											
Refuse (average litres per week)		21	21	21	21											
<b>Revenue cost of subsidised services provided for ALL Households (R'000)</b>																
<b>Residential Category:</b> Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)															
<b>PSI Category:</b> Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)															
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA																
Water (in excess of 6 kilolitres per indigent household per month)	15	32,021,525	#####	37,240,000	37,240,000	729,193	682,775	682,735	684,373	683,930						
Sanitation (in excess of free sanitation service to indigent households)	16	15,462,419	#####	21,500,000	21,500,000	-	756,263	738,242	753,729	830,525						
Electricity/other energy (in excess of 50 kwh per indigent household per month)	16	2,919,895	#####	3,400,000	3,400,000	-	-	-	-	-						
Refuse (in excess of one removal a week for indigent households)		33,957,925	#####	41,000,000	41,000,000	-	#####	#####	#####	#####						
Municipal Housing - rental rebates		4,235,540	#####	4,400,000	4,400,000	-	118,735	118,606	118,476	118,735						
Housing - top structure subsidies	6															
Other																
<b>Total revenue cost of subsidised services provided</b>		88,597,304	#####	107,540,000	107,540,000	729,193	#####	#####	#####	#####	-	-	-	-	-	-

16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

GV Reconciliation Summary						
<b>Province</b>	NC					
<b>District</b>	Frances Baard District					
<b>Type</b>	LM					
<b>Municipal Name</b>	SolPlaatje					
<b>GY Period</b>	01/07/2023 - 30/06/2027					
<b>Financial Year</b>	2024/2025					
<b>Reconciliation Period</b>	Quarter 1					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Propety Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	50454	50454	0	23,955,274,603	23,955,274,603	-
Industrial	214	214	0	807,010,000	807,010,000	-
Business and Commercial	2326	2326	0	7,560,646,001	7,560,646,001	-
Agricultural	422	422	0	2,612,916,700	2,612,916,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpose	133	133	0	2,498,871,000	2,498,871,000	-
PSI	464	464	0	157,379,000	157,379,000	-
PBO	196	196	0	508,041,001	508,041,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	5327	5327	0	1,512,971,503	1,512,971,503	-
Other	884	884	0	101,064,000	101,064,000	-
<b>Total</b>	<b>60,680</b>	<b>60,680</b>	<b>-</b>	<b>40,423,988,208</b>	<b>40,423,988,208</b>	<b>-</b>
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	24,079,921	22,796,241	1,283,679	24,079,921	22,890,379	1,189,542
Industrial	2,447,056	2,325,687	121,370	2,447,056	2,392,699	54,357
Business and Commercial	22,925,769	20,850,181	2,075,587	22,925,769	20,957,177	1,968,591
Agricultural	660,197	345,051	315,146	660,197	338,912	321,285
Mining	622,479	595,421	27,058	622,479	595,421	27,058
State Owned for Public Purpose	10,355,530	3,311,956	7,043,574	10,355,530	3,311,956	7,043,574
PSI	-	-	-	-	-	-
PBO	-	2,395	- 2,395	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	9,119	- 9,119	-	-	-
Municipal	-	-	-	-	-	-
Other	#VALUE!	-	#VALUE!	#VALUE!	0	#VALUE!
<b>Total</b>	<b>#VALUE!</b>	<b>50,236,052</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>50,486,544</b>	<b>#VALUE!</b>

After populating the GVR Reconciliation for the first quarter for the 2024/25 financial year, no anomalies were identified in terms of the high-level reconciliation for the number of properties per category and the market value. There was one property on the GV roll that does not have an SG code. An in-depth investigation will be done to effect a correction on the system. As alluded, the municipality require assistance from NT on how to deal with properties that gets billed on an annual basis, as this will negatively influence the monthly billing reconciliation. The municipality must work on the billing discrepancies and noted the category “Other” is showing a major discrepancy. After some consultation with NT, the municipality also requires assistance on how to deal with Multi-use properties.

16.6 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources)

i) Indicated below is the Eskom Bulk current account invoice for October 2024 which was due and payable during the month of reporting, on or before 2 December 2024.



**ESKOM HOLDINGS SOC LTD** REG NO 2002/016627/30  
VAT REG NO 474010608

**SOL PLAATJE LOCAL MUNICIPALITY**  
ATT CHIEF FINANCIAL OFFICER  
PRIVATE BAG X5030  
KIMBERLEY  
8300

NORTH WESTERN REGION  
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 037566  
FAX NO: 0862 437 566  
E-MAIL: customerservices@eskom.co.za  
WEB: WWW.ESKOM.CO.ZA



CUSTOMER SELF SERVICE WEBSITE  
Provincial email listed below

NORTH WESTERN REGION  
PRIVATE BAG X16 WESTVILLE 3630

YOUR ACCOUNT NO	5449407898
SECURITY HELD	29474711.42
BILLING DATE	2024-11-01
TAX INVOICE NO	544375261576
ACCOUNT MONTH	OCTOBER 2024
CURRENT DUE DATE	2024-12-02
VAT REG NO	4370102313

**TAX INVOICE** E-MAIL: [tmotlwa@solplaatje.org.za](mailto:tmotlwa@solplaatje.org.za)

ACCOUNT TRANSACTION SUMMARY		
ADMINISTRATION CHARGE	R	7,804.87
TRANSMISSION NETWORK CAPACITY	R	1,754,910.00
DIST. NETWORK CAPACITY CHARGE	R	1,282,050.00
NETWORK DEMAND CHARGE	R	1,681,835.24
URBAN LOW VOLTAGE SUBSIDY	R	3,140,190.00
ANCILLARY SERVICE (ALL)	R	268,910.01
ENERGY CHARGE (STD)	15,495,340.00	R 21,228,615.80
ENERGY CHARGE (PEAK)	6,763,292.00	R 13,465,039.04
ENERGY CHARGE (OFF)	14,578,356.00	R 12,668,591.36
ELECTRIFICATION AND RURAL SUBS (ALL)	R	5,772,356.02
SERVICE CHARGE	R	244,399.35
<b>TOTAL CHARGES FOR BILLING PERIOD</b>	<b>R</b>	<b>61,514,700.69</b>

ACCOUNT SUMMARY FOR OCTOBER 2024		
BALANCE BROUGHT FORWARD	(Due Date 2024-11-01)	R 933,233,488.97
PAYMENT(S) RECEIVED	Cash - 2024-10-30	R -69,337,712.24
TOTAL CHARGES FOR BILLING PERIOD		R 61,514,700.69
ADJUSTMENT	Reversal of interest charged	R -11,887,495.52
ADJUSTMENT	Interest on overdue account	R 2,168,132.03
ADJUSTMENT	Interest on overdue account	R 597,801.68
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 107,200,000.00)	R 6,700,000.00
VAT RAISED ON ITEMS AT 14%		R 0.00
VAT RAISED ON ITEMS AT 15%		R 9,227,205.10

ACCOUNT NO / REFERENCE NO	
5449407898	
NAME	
SOL PLAATJE LOCAL MUNICIPALITY	
FAX NUMBER	
0538331005	

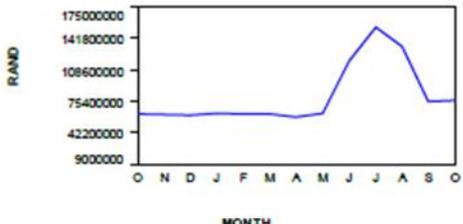
 7100 1544 9407 8982
---

<b>CURRENT</b>	<b>TOTAL DUE</b>	<b>R 932,216,120.71</b>
80,207,839.50		

ARREARS			
>90 DAYS	61-90 DAYS	31-90 DAYS	16-30 DAYS
639,920,396.25	134,300,942.44	77,786,942.52	0.00

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 7
BILL GROUP	
BILL PAGE	1 OF 2

<b>TOTAL AMOUNT DUE</b>	
<b>932,216,120.71</b>	

PAYMENT ARRANGEMENT	
INSTALMENT	
	6,700,000.00
ARREARS (Due Immediately)	
	852,008,281.21
DUE DATE (For Current Amount)	
	2024-12-02
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

272157001 5449407898 4



9207 2544 9407 8987





The municipality does not fully concur with the outstanding balance of R938,148,023.05 when including the outstanding balance on the payment arrangement of R107,200 million. The full outstanding balance is R1,045,348,023.05. According to the municipality's record the total debt outstanding is R1,061,010,023.04. There is thus a possible understatement of R15,662m on Eskom's side. This matter was taken up with Eskom and the municipality is awaiting feedback. A manual monthly reconciliation is also done between invoices received and payments made.

- ii) Indicated below is the municipality's proof of payment of the Eskom Bulk current account invoice for October 2024 (excl interest) which was paid on 28 November 2024 (R40,741,905.79) and 29 November 2024 (R30,000,000.00).

SOL PLAATJE MUNICIPALITY  
PRIVATE BAG X5030  
KIMBERLEY 8300

REMITTANCE ADVICE  
-----

ESKOM HOLDINGS  
PRIVATE BAG X16  
WESTVILLE  
3630

28/11/2024

SUPPLIER No: SESK01

CONTACT PERSON:  
TEL NO: 0829413707  
E-MAIL ADDRESS:

FAX NO:

VOUCHER NO: DUNA008239

CHEQUE/ELE NO: 77069619

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
01/11/2024	SUN	544375261576/2	35427744.17		5314161.62	40741905.79

SUB TOTAL: 5314161.62 40741905.79

5314161.62 40741905.79

THIS IS TO CERTIFY THAT THIS ACCOUNT HAS NOT BEEN PREVIOUSLY PAID.

COMPILED BY...: .....

CHECKED BY...: .....

AUTHORISED BY: .....

SOL PLAATJE MUNICIPALITY  
PRIVATE BAG X5030  
KIMBERLEY 8300

REMITTANCE ADVICE  
-----

ESKOM HOLDINGS  
PRIVATE BAG X16  
WESTVILLE  
3630

29/11/2024

SUPPLIER No: SESK01

CONTACT PERSON:  
TEL NO: 0829413707  
E-MAIL ADDRESS:

FAX NO:

VOUCHER NO: DUNA008240

CHEQUE/ELE NO: 77069620

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
01/11/2024	SUN	544375261576/3	26086956.52		3913043.48	30000000.00

SUB TOTAL: 3913043.48 30000000.00  
3913043.48 30000000.00

THIS IS TO CERTIFY THAT THIS ACCOUNT HAS NOT BEEN PREVIOUSLY PAID.

COMPILED BY...: .....

CHECKED BY...: .....

AUTHORISED BY: .....

The payment arrangement of R6,700,000.00 was not paid for the month, due to insufficient cash available.

iii) The municipality’s reconciliation statement for electricity aligning to the MFMA S71 mSCOA data strings upload.

Indicated in the table below is a summary of the data strings for M05 – November 2024 pertaining to electricity.

		2025	
		M05	
Account Name		Amount	
Expenditure: Bulk Purchases: Electricity: ESKOM		61,514,701	
Liabilities: Current Liabilities: Trade and Other Payable Exchange Transactions: Electricity Bulk Purchase: Deposits		-75,667,297	
Liabilities: Current Liabilities: Trade and Other Payable Exchange Transactions: Electricity Bulk Purchase: Withdrawals		61,514,701	
Liabilities: Current Liabilities: Trade and Other Payable Exchange Transactions: Electricity Bulk Purchase: Withdrawals		13,703,590	75,218,291
<b>Electricity</b>			<b>Monthly Actual</b>
Expenditure: Bulk Purchases: Electricity: ESKOM		61,514,701.00	
Liabilities: Current Liabilities: Trade and Other Payable Exchange Transactions: Electricity Bulk Purchase: Deposits		(75,667,297.00)	
Liabilities: Current Liabilities: Trade and Other Payable Exchange Transactions: Electricity Bulk Purchase: Withdrawals		75,218,291.00	
<b>Grand Total</b>		<b>61,065,695.00</b>	

- Reconciliation from the financial system using the GS630 detailed transaction report. Reconciliation of Bulk purchases electricity, deposits and withdrawals votes.

Datastrings & FMS Recon - Nov 2025 M05	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
<b>BULK PURCHASES: ELECTRICITY: ESKOM</b>	<b>336,426,393.68</b>	<b>274,911,692.99</b>	<b>61,514,700.69</b>	Bulk Purchases vote reconciles to datastrings
<b>Sundry Accruals</b>	<b>213,396,992.30</b>	-	<b>213,396,992.30</b>	
Sundry CATA012279	64,280,634.40	-	64,280,634.40	
Sundry DUNA008238	61,514,700.69	-	61,514,700.69	
Sundry DUNA008239	35,427,744.17	-	35,427,744.17	
Sundry DUNA008240	52,173,913.04	-	52,173,913.04	
<b>Sundry Accruals Reversals</b>	-	<b>213,396,992.30</b>	<b>(213,396,992.30)</b>	Sundry Accruals and Sundry Accruals Reversal transactions are netting off
Cheque No : 77069610 Bank No : 901	-	61,514,700.69	(61,514,700.69)	
Cheque No : 77069619 Bank No : 901	-	35,427,744.17	(35,427,744.17)	
Cheque No : 77069620 Bank No : 901	-	26,086,956.52	(26,086,956.52)	
Sundry CATA012279	-	64,280,634.40	(64,280,634.40)	
Sundry DUNA008240	-	26,086,956.52	(26,086,956.52)	
<b>Sundry Payments</b>	<b>123,029,401.38</b>	<b>61,514,700.69</b>	<b>61,514,700.69</b>	
Cheque No : 77069610 Bank No : 901	61,514,700.69	-	61,514,700.69	Cancelled ELE, due to releasing limit challenges with the bank
Cheque No : 77069619 Bank No : 901	35,427,744.17	-	35,427,744.17	Payment of R40,742m excl VAT on 28 Nov 2024
Cheque No : 77069620 Bank No : 901	26,086,956.52	-	26,086,956.52	Payment of R30,000m excl VAT on 29 Nov 2024
DUNA008238000128822340010ELMRCZZWM	-	61,514,700.69	(61,514,700.69)	Cancelled ELE, due to releasing limit challenges with the bank
<b>Grand Total</b>	<b>336,426,393.68</b>	<b>274,911,692.99</b>	<b>61,514,700.69</b>	

Datastrings & FMS Recon - Nov 2025 M05	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
<b>ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL</b>	<b>145,960,196.07</b>	<b>70,741,905.79</b>	<b>75,218,290.28</b>	Withdrawal vote reconciles to datastrings
Cancel ELE 77069610	-	70,741,905.79	(70,741,905.79)	Cancelled ELE, due to releasing limit challenges with the bank
Create Cheque 77069163 Voucher No CATA012181	4,201,852.30	-	4,201,852.30	
Create Cheque 77069401 Voucher No CATA012253	16,269.60	-	16,269.60	
Create Cheque 77069402 Voucher No CATA012287	281.00	-	281.00	
Create Cheque 77069403 Voucher No CATA012303	36,449.22	-	36,449.22	
Create Cheque 77069495 Voucher No CATA012288	6,124.10	-	6,124.10	
Create Cheque 77069520 Voucher No CATA012326	14,831.47	-	14,831.47	
Create Cheque 77069521 Voucher No CATA012328	14,561.23	-	14,561.23	Minor Eskom Payments
Create Cheque 77069522 Voucher No CATA012329	43,435.25	-	43,435.25	
Create Cheque 77069523 Voucher No CATA012330	15,124.40	-	15,124.40	
Create Cheque 77069530 Voucher No CATA012327	94,869.82	-	94,869.82	
Create Cheque 77069548 Voucher No CATA012351	5,042.69	-	5,042.69	
Create Cheque 77069549 Voucher No CATA012352	207.04	-	207.04	
Create Cheque 77069608 Voucher No CATA012362	17,334.05	-	17,334.05	
Create Cheque 77069609 Voucher No CATA012366	10,002.32	-	10,002.32	
Create Cheque 77069610 Voucher No DUNA008238	70,741,905.79	-	70,741,905.79	Cancelled ELE, due to releasing limit challenges with the bank
Create Cheque 77069619 Voucher No DUNA008239	40,741,905.79	-	40,741,905.79	Payment of R40,742m on 28 Nov 2024
Create Cheque 77069620 Voucher No DUNA008240	30,000,000.00	-	30,000,000.00	Payment of R30,000m on 29 Nov 2024
<b>ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT</b>	<b>320,304,811.18</b>	<b>395,972,108.36</b>	<b>(75,667,297.18)</b>	Deposits vote reconciles to datastrings
Cancel ELE 77069610	70,741,905.79	-	70,741,905.79	
Create Cheque 77069163 Voucher No CATA012181	4,201,852.30	4,201,852.30	-	
Create Cheque 77069401 Voucher No CATA012253	16,269.60	16,269.60	-	
Create Cheque 77069402 Voucher No CATA012287	281.00	281.00	-	
Create Cheque 77069403 Voucher No CATA012303	36,449.22	36,449.22	-	
Create Cheque 77069495 Voucher No CATA012288	6,124.10	6,124.10	-	
Create Cheque 77069520 Voucher No CATA012326	14,831.47	14,831.47	-	
Create Cheque 77069521 Voucher No CATA012328	14,561.23	14,561.23	-	
Create Cheque 77069522 Voucher No CATA012329	43,435.25	43,435.25	-	
Create Cheque 77069523 Voucher No CATA012330	15,124.40	15,124.40	-	
Create Cheque 77069530 Voucher No CATA012327	94,869.82	94,869.82	-	
Create Cheque 77069548 Voucher No CATA012351	5,042.69	5,042.69	-	
Create Cheque 77069549 Voucher No CATA012352	207.04	207.04	-	
Create Cheque 77069608 Voucher No CATA012362	17,334.05	17,334.05	-	
Create Cheque 77069609 Voucher No CATA012366	10,002.32	10,002.32	-	
Create Cheque 77069610 Voucher No DUNA008238	70,741,905.79	70,741,905.79	-	
Create Cheque 77069619 Voucher No DUNA008239	40,741,905.79	40,741,905.79	-	
Create Cheque 77069620 Voucher No DUNA008240	30,000,000.00	30,000,000.00	-	
Sundry CATA012253 Creditor Control	-	16,269.60	(16,269.60)	
Sundry CATA012279 Creditor Control	73,507,839.50	73,507,839.50	-	
Sundry CATA012287 Creditor Control	-	281.00	(281.00)	
Sundry CATA012288 Creditor Control	-	6,124.10	(6,124.10)	
Sundry CATA012303 Creditor Control	-	36,449.22	(36,449.22)	
Sundry CATA012326 Creditor Control	-	14,831.47	(14,831.47)	
Sundry CATA012327 Creditor Control	94,869.82	189,739.64	(94,869.82)	
Sundry CATA012328 Creditor Control	-	14,561.23	(14,561.23)	
Sundry CATA012329 Creditor Control	-	43,435.25	(43,435.25)	
Sundry CATA012330 Creditor Control	-	15,124.40	(15,124.40)	
Sundry CATA012344 Creditor Control	-	4,650,859.20	(4,650,859.20)	
Sundry CATA012351 Creditor Control	-	5,042.69	(5,042.69)	
Sundry CATA012352 Creditor Control	-	207.04	(207.04)	
Sundry CATA012362 Creditor Control	-	17,334.05	(17,334.05)	
Sundry CATA012366 Creditor Control	-	10,002.32	(10,002.32)	
Sundry DUNA008238 Creditor Control	-	70,741,905.79	(70,741,905.79)	
Sundry DUNA008239 Creditor Control	-	40,741,905.79	(40,741,905.79)	
Sundry DUNA008240 Creditor Control	30,000,000.00	60,000,000.00	(30,000,000.00)	
<b>Grand Total</b>	<b>466,265,007.25</b>	<b>466,714,014.15</b>	<b>(449,006.90)</b>	

### Explanatory notes

- Ideally, when a payment is made in full the Sundry accrual and Sundry accrual reversal transactions on the system should be equal to each other, resulting in a net movement of zero rand on the relevant expenditure vote number.
- Currently the system does not fully provide for partial payments. Hence the invoice is captured and authorised on the system. When a partial payment must be made, the original voucher must be unauthorised on the system, effectively reversing the transactions already committed on the system. After the reversal, a new payment is captured with the amount that must be paid. This then make it appear as if a duplicate payment was made but it is not the case. After this, the original voucher is reduced with the said paid amount and it is authorised and only the outstanding balance remains on the original voucher.
- The minor accounts linked to bulk control accounts is a concern, which the municipality attempted to address but no tangible solution has been implemented. Notwithstanding this challenge, the reconciliation does indicate that what the municipality settled for the reporting month is reflecting in the ledger.
- The focus is on the Withdrawal vote – indicating the payments made for the bulk current account for November 2024.

- i) The DWS current account for October 2024 amounted to R17,504,048.73 which was due and payable on or before the 2 December 2024.

Page 1 of 1

NWRI Customer Ref no: 60005150  
 Customer No: 25014305  
 Contract Acc. No: 100478320  
 Document No: 412586507  
 Document Date: 31.10.2024  
 Payment Terms: 30 Days  
 Due Date: 02.12.2024  
 Customer VAT Reg. No: 4370102313

**TAX INVOICE**  
 DWS VAT Reg. no 4040112361



**water & sanitation**

Department:  
 Water and Sanitation  
 REPUBLIC OF SOUTH AFRICA

Bill To:  
 HEAD OF FINANCE  
 SOL PLAATJIE MUN-KIMBERLEY  
 PRIVATE BAG X5030  
 KIMBERLEY  
 KIMBERLEY  
 8300

**YOUR CONTACT OFFICE:**

Department: Water and Sanitation  
 Private Bag X313  
 Pretoria  
 0001

R535 Waterbron Building  
 185 Francis Baard Street  
 Pretoria  
 PHONE 0800 200 200  
 FAX 012 336 1408  
 EMAIL:revenue@dws.gov.za

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price(c/m3/HA)	Amount(Rand)
Property Details: Property Name: DROOGFONTEIN Property Number: 6866 Registration Division: KIMBERLEY RD ; Portion Number: 1 Title Deed: T16761/1921 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: D&I WATER SUPPLY SERVICE Water Source Type: SCHEME;				
<b>Contract No: 10087405 ( 25014305/13 )</b>				
Water Use Period: 01.10.2024 to 31.10.2024				
	Consumptive (O&M)	3172,532.00	39.69	1,259,177.95
	Consumptive (ROA)	3172,532.00	32.40	1,027,900.37
	Consumptive (Depr)	3172,532.00	19.07	605,001.85
	TCTA (AMD)	3172,532.00	9.39	297,900.75
	TCTA (LHWP)	3172,532.00	372.50	11,817,681.70
	Plus 15.00% VAT			2,251,149.39
	<b>Subtotal</b>			<b>17,258,812.01</b>
	WRL	3172,532.00	7.73	245,236.72
	<b>Total Charges</b>			<b>17,504,048.73</b>

- i) Indicated below, is the DWS Bulk current account invoice for November 2024, which is due and payable, on or before 30 December 2024.

Page 1 of 1

NWRI Customer Ref no: 60005150  
 Customer No: 25014305  
 Contract Acc. No: 100478320  
 Document No: 412591970  
 Document Date: 30.11.2024  
 Payment Terms: 30 Days  
 Due Date: 30.12.2024  
 Customer VAT Reg. No: 4370102313

**TAX INVOICE**  
 DWS VAT Reg. no 4040112361



**water & sanitation**

Department:  
 Water and Sanitation  
 REPUBLIC OF SOUTH AFRICA

Bill To:  
 HEAD OF FINANCE  
 SOL PLAATJIE MUN-KIMBERLEY  
 PRIVATE BAG X5030  
 KIMBERLEY  
 KIMBERLEY  
 8300

**YOUR CONTACT OFFICE:**

Department: Water and Sanitation  
 Private Bag X313  
 Pretoria  
 0001

R535 Waterbron Building  
 185 Francis Beard Street  
 Pretoria  
 PHONE 0800 200 200  
 FAX 012 336 1408  
 Email: revenue@dws.gov.za

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price (c/m3/HA)	Amount (Rand)
Property Details: Property Name: DROGFontein; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1921 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: DOMESTIC & INDUSTRIAL; Water Source Type: SCHEME; Contract No: 10087405 ( 25014305/13 ) Serv.Vol:9,125,000.40; YtD Consumed Vol:25273,285.00 Water Use Period: 01.11.2024 to 30.11.2024				
	Consumptive (O&M)	3,172,532.00	39.69	1,259,177.95
	Consumptive (ROA)	3,172,532.00	32.40	1,027,900.37
	Consumptive (Depr)	3,172,532.00	19.07	605,001.85
	TCTA (AMD)	3,172,532.00	9.39	297,900.75
	TCTA (LHWP)	3,172,532.00	372.50	11,817,681.70
	Plus 15.00% VAT			2,251,149.39
	<b>Subtotal</b>			<b>17,258,812.01</b>
	WRL(0%VAT)	3,172,532.000	7.73	245,236.72
	WRL(0%VAT)	0.000	0.00	0.00
	<b>Total Charges</b>			<b>17,504,048.73</b>

Bank Name: ABSA Bank  
 Account Number: 4054697285  
 Branch Code: 630145  
 Reference : Contract Acc.No.

Bank Name: FNB  
 Account Number: 62030646311  
 Branch Code: 250655  
 Reference : Contract Acc.No.

Bank Name: Standard Bank  
 Account Number: 010215808  
 Branch Code: 051001  
 Reference: Contract Acc.No.

The municipality did not submit the reading for November 2024 timeously and the Department billed the municipality on the October 2024 reading. The correction will be done with the December 2024 billing.

- ii) The municipality had insufficient cash to settle the current account for October 2024 amounting to R17,504 million.

The payment arrangement instalment of R6 million was not settled due to insufficient cash available from operations.

The municipality's water reconciliation statement (aligning to the mSCOA data string upload for M05 – November 2024).

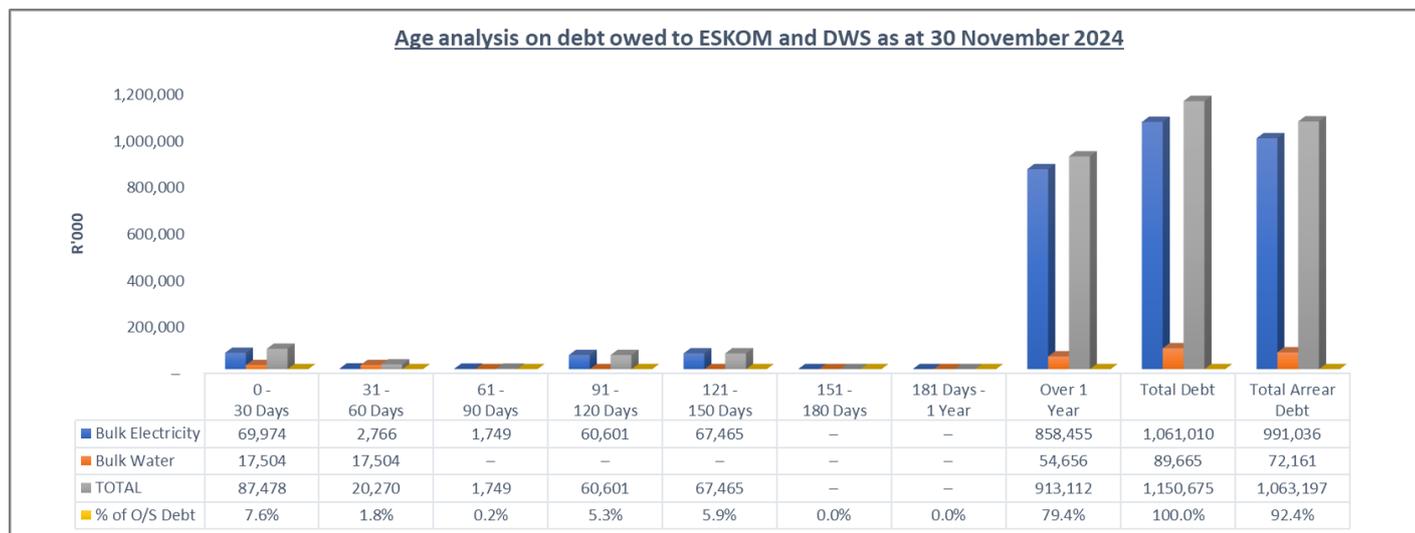
2025	
M05	
Account Name	Amount
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	15,007,663
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-17,650,056
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	5,213,545
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	-5,060,806
	152,739
<b>Water</b>	<b>Monthly Actual</b>
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	15,007,663.00
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	(17,650,056.00)
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	152,739.00
<b>Grand Total</b>	<b>(2,489,654.00)</b>

Reconciliation of Bulk purchases water input volumes, deposits and withdrawals as per the Financial system.

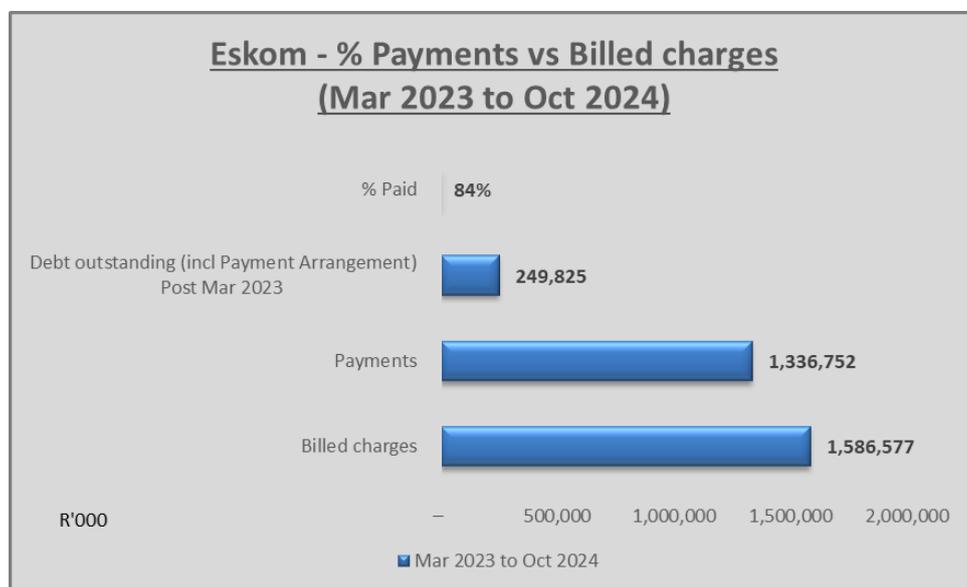
Datastrings & FMS Recon - Nov 2025 M05	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
<b>WATER:INPUT VOL: BULK PURCHASES</b>	<b>15,007,662.62</b>	-	<b>15,007,662.62</b>	Water: Input vol Bulk Purchases vote reconciles to datastrings
<b>Sundry Accruals</b>	<b>15,007,662.62</b>	-	<b>15,007,662.62</b>	
AATHCATA012331	15,007,662.62	-	15,007,662.62	Invoice for October 2024 captured on the system, but unpaid
<b>Grand Total</b>	<b>15,007,662.62</b>	-	<b>15,007,662.62</b>	

Datastrings & FMS Recon - Nov 2025 M05	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
<b>WATER BULK PURCHASE:DEPOSITS</b>	<b>292,015.46</b>	<b>17,942,071.92</b>	<b>(17,650,056.46)</b>	Deposits vote reconciles to datastrings
<b>Sundry Accruals</b>	-	<b>17,789,332.99</b>	<b>(17,789,332.99)</b>	
AATHCATA012331	-	17,504,048.73	(17,504,048.73)	Invoice for October 2024 captured on the system, but unpaid
AATHCATA012318	-	6,731.20	(6,731.20)	
AATHCATA012339	-	139,276.53	(139,276.53)	Minor account payments
BATHCATA012339	-	139,276.53	(139,276.53)	
<b>Sundry Payments</b>	-	<b>152,738.93</b>	<b>(152,738.93)</b>	
CAT90177069171	-	6,731.20	(6,731.20)	
CAT90177069498	-	6,731.20	(6,731.20)	Minor account payments
CAT90177069532	-	139,276.53	(139,276.53)	
<b>Sundry Accruals Reversals</b>	<b>292,015.46</b>	-	<b>292,015.46</b>	
CAT90177069171	6,731.20	-	6,731.20	
CAT90177069498	6,731.20	-	6,731.20	Minor account payments
CAT90177069532	139,276.53	-	139,276.53	
BUTHCATA012339	139,276.53	-	139,276.53	
<b>WATER BULK PURCHASE:WITHDRAWALS</b>	<b>152,738.93</b>	-	<b>152,738.93</b>	Withdrawal vote reconciles to datastrings
<b>Sundry Payments</b>	<b>152,738.93</b>	-	<b>152,738.93</b>	
CAT90177069171	6,731.20	-	6,731.20	
CAT90177069498	6,731.20	-	6,731.20	Minor account payments
CAT90177069532	139,276.53	-	139,276.53	
<b>Grand Total</b>	<b>444,754.39</b>	<b>17,942,071.92</b>	<b>(17,497,317.53)</b>	

vii) Total outstanding debt owed to Eskom and DWS as at 30 November 2024.



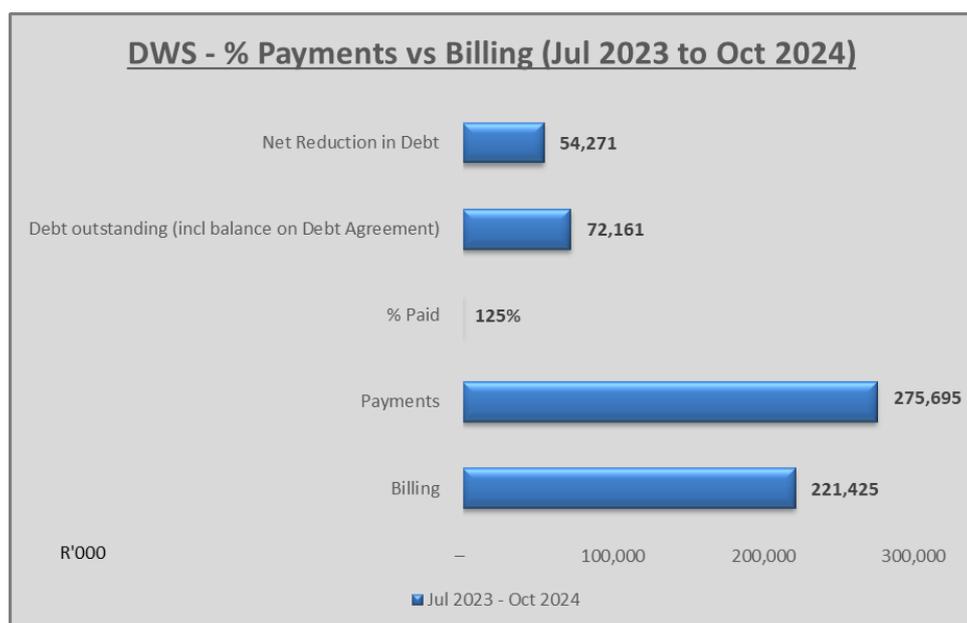
Please refer to section 4.2 for more in-depth information of the debt owed to Eskom and DWS.



Indicated in the adjacent chart is a summary of the percentage payments versus billed charges for Eskom for the period March 2023 to October 2024.

The total billed charges for the period amounted to R1,586,577 billion, and payments made amounted to R1,336,752 billion. For the period the municipality managed to settle 84% of the billed charges

The debt outstanding post March 2023 amounts to R249,825m, which includes the outstanding balance on the Payment Arrangement.



Indicated in the adjacent chart is a summary of the percentage payments versus billing for DWS, for the period, July 2023 to October 2024.

The total billing for the period amounted to R221,425m, and payments made amounted to R275,695m. The municipality managed to pay 25% more than what was billed, the net debt reduction amounts to R54,271m, due to the unpaid invoice for October 2024. For the 2023/24 financial year the municipality reduced the arrear debt by R71,775m.

The debt outstanding as at 31 October 2024 amounts to R72,161m, which includes the outstanding balance on the Debt agreement.

## 16.7 Municipal Debt Relief Monitoring Plan – Progress report

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	Progress Reporting period - October 2024
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)	6.3.1 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	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	<b>Compliant - ESKOM</b> The municipality settled an amount of R70,742 million on October 2024 current account excluding interest amounting to R2,766 million (R40,742m on 28/11/2024 and R30,000m on 29/11/2024). Total invoice amount was R73,508 million. <b>Non-Compliant - DWS</b> The municipality had insufficient cash to settle the current account for October 2024 amounting to R17,504 million.
	6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom with the current account	Monthly, 5th of each month		<b>Non-Compliant - ESKOM</b> The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement on 30 November 2024. <b>Non-compliant - DWS</b> The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of December 2024.
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	<b>Compliant</b> Email was sent within one day of payment to ESKOM. DWS was unpaid at month-end.
	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.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> Proof of Payments made in November 2024 was uploaded onto GoMuni on 8 December 2024. Due date is 14 December 2024.

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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
	<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>	Monthly, within 10 working days after month end	Monthly financial data strings	<p><b>Compliant</b> Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. 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 (Demonstration through by-laws and budget related policies)</b></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>	Monthly	Monthly billing reconciliation / Financial system generated hierachy allocation report	<p><b>Compliant</b> Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.</p>
	<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>Prepaid disconnections =1512 Conventional disconnections = 187 Total = 1699</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>Due to the fact that our watermeters are too old to be blocked and the cost to replace we currently only partially compliant as SPLM can block electricity if water is not paid (combined account).</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
	<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 Kilitres water, respectively.</p>	Monthly	No of indigent consumers	<p><b>Partially compliant</b> Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality. Partially compliant as all indigents have prepaid electricity meters and therefore cannot build up debt on electricity.</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 R11,112 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 for Property rates and Services only = 58% Quarterly S71 Revenue Collection rate per Ward = not end of quarter (Preliminary Q2 outcome = 73%) Municipality's average collection rate = 71.9% (Prepaid electricity sales are included) The collection is slightly distorted due to the annual billing on Property rates <b>Not achieved</b> Average daily cash collection for November 2024, was R5,945m.</p>
	<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 – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 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	Ritchie is a small poor community and will not have a significant impact on the collection rate.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	Total installations November 2024 = 507
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	The municipality was approved for smart meter grant, administered by National Treasury. However zero smart prepaid meters were installed
	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	Total installations November 2024 = 507
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 for the first quarter was completed Friday, 11 October 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, 14 October 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 November 2024 as per guideline from NT.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
	6.9.2 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?			
	6.9.3 <b>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			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			
	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	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificate for October 2024. Management must take remedial actions as per the recommendations made by National Treasury
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	<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 is no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
	<p><b>6.12.1</b> must apportion and ring-fence in a sub-account to its primary bank account –</p> <p>(a) all electricity, water and sanitation revenue the municipality collects in any month; and</p> <p>(b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	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.</p> <p><b>Partially Compliant</b> The ESKOM current account was paid directly from the Primary bank account. DWS October 2024 invoice was not settled, due to cash constraints. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124</p>
	<p><b>6.12.2</b> must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.</p>	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p><b>Partially Compliant</b> The ESKOM account was paid directly from the Primary bank account. DWS October 2024 invoice was not settled, due to cash constraints. This has improved through improved cash flow management. 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 maintain.</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>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 was uploaded onto GoMuni. Payments made directly from Primary bank account.</p>

## 17. Recommendations

**It is recommended that that the Mayoral Committee take note of –**

1. The monthly budget statement (S71 Report) for the month of November 2024.
  2. The non-compliance emanating from the municipality's debt relief self-assessment and overall performance since 1 October 2023, as well as the National Treasury's independent assessment set-out in paragraph 16 above. Please refer to the Non-compliance report and compliance certificate for October 2024.
  3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
    - a. Monthly settle the current accounts for Waterboard and ESKOM.
    - b. Settling of the debt repayment instalment. This needs to be improved upon as the municipality defaulted and made late payments for several months and this does not count in the municipality's favour. Arrear Eskom instalments amounts to R20,100 million and DWS amounts to R36,000 million.
    - c. Ensure that bulk invoices are captured and authorised timeously on the system, prior to month-end closure.
    - d. Achieving the quarterly collection rate of 85% as per the Municipal Debt Relief
    - e. Work towards achieving the desired collection rate of 95% with stringent application of the Credit Control Policy.
    - f. Restricting or interrupting of water supply of defaulting customers and indigents. Intervention from the Engineer for Water & Sanitation is critical.
    - g. The municipality was granted approval by National Treasury to partake in the transversal contract for smart prepaid meters.
    - h. Improving on indigent management, especially in light of the audit findings raised.
    - i. Installation of smart prepaid meters. The involvement of Engineers for Water and Electricity is critically needed in this regard.
    - j. The municipality applied for the Smart Meter Grant, complying to all conditions as prescribed and was granted approval by National Treasury. A service provider was appointed by National Treasury and installations commenced during November 2024.
    - k. 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.
    - l. Development of the policy for smart prepaid metering solutions (The policy was developed and approved Council with the Adopted Budget on 31 May 2024)
    - m. Ring-fencing actual cash received for Electricity and Water & Sanitation. This is being managed and monitored by the Budget and Treasury Office, daily.
    - n. Building up of reserves as a matter of urgency.
    - o. The last two items above, can only be realistically achieved if the collection rate improves significantly and the Credit Control Policy is adhered to.
    - p. Drafting and implementing a concise contingency plan on how to provide for the high months. If this is not done, the municipality will struggle with same issue year-on-year.
    - q. Developing of a collection strategy that is strictly enforced.
  4. As per recommendations above.
  5. The balance of the Eskom bulk account and bulk water account and the municipality's reconciliation of these accounts as set-out in paragraph 16.6 above.
  6. It is imperative that Mayoral Committee take note that due to consistent non-compliance to all the conditions of MFMA Circular 124, National Treasury will not recommend the write-off of a third of the municipality's debt after the first 12 months of the municipal debt relief programme.
  7. It is imperative that Mayoral Committee take note of the serious non-compliance in respect of defaulting on the July 2024 Eskom account, where the current invoice was not settled in full. The total bill was R148,333 million, of which the municipality settled R80,868 million, resulting in a shortfall of R67,465 million. This must be remedied by management with immediate effect.
  8. It is imperative that Mayoral Committee take note of the serious non-compliance in respect of defaulting on the August 2024 Eskom account, where the current invoice was not settled in full. The total bill was R127,601 million, of which the municipality settled R67,000 million, resulting in a shortfall of R60,601 million. This must be remedied by management with immediate effect
  9. To be in good standing with ESKOM and to qualify for the recommendation for the first third debt write off, the municipality had an obligation to **R134,337,170.97** by 30 September 2024
- Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: November 2024**

which was the completion date of the first 12 months of the municipal debt relief. Eskom granted the municipality a grace period until 11 December 2024 to settle the arrears.

10. Take note that the municipality settled fifty percent of the R134 million on 11 December 2024, amounting to R67 million. A further R67 million is outstanding for which the municipality requested an extension until 31 January 2025.
11. However, the R134 million, has escalated to **R152,680,857.61**, as indicated in the table below. When taking the payment of R67m on the 11 December 2024 into consideration, the balance outstanding amounts to **R92,234,526.09**. If Eskom will grant the extension until 31 January 2025, as requested by the municipality and if it is approved by National Treasury, this is the amount that must be settled by the agreed due date.

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments PA	Total Due to be in Good standing	Interest
Jul-24	148,333,011.78	80,868,260.60	67,464,751.18	6,700,000.00	74,164,751.18	273,911.75
Aug-24	127,600,942.44	67,000,000.00	60,600,942.44		60,600,942.44	154,610.92
Sep-24	71,086,942.52	69,337,712.24	1,749,230.28	6,700,000.00	8,449,230.28	1,749,230.28
Oct-24	73,507,839.50	70,741,905.79	2,765,933.71	6,700,000.00	9,465,933.71	2,765,933.71
<b>TOTAL</b>			<b>132,580,857.61</b>	<b>20,100,000.00</b>	<b>152,680,857.61</b>	<b>4,943,686.66</b>

12. Take note that to be in good standing with DWS, the municipality must settle the account for October 2024 amounting to **R17,504,048.73** and the arrears on the debt agreement amounts to R36,000 million (defaulted July to December 2024). The total amount due to DWS amounts to **R53,504,048.73**.
13. It is imperative that Mayoral Committee take note of the serious non-compliance in respect of defaulting on the payment arrangement for end of November 2024.

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

**Quality Certificate**

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

the Monthly Budget Statement

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

Mid-year Budget and Performance Assessment

For the month of **November 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:** 13 /12/2024



## national treasury

Department:  
National Treasury  
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**FROM: Mr Mandla Gilimani, Tel: 012 315 5807, Email: [mandla.gilimani@treasury.gov.za](mailto:mandla.gilimani@treasury.gov.za)**

Mr Bartholomew Matlala  
Municipal Manager  
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Mr Sadesh Ramjathan  
Director: Revenue Management  
National Treasury  
Private Bag X 115  
**PRETORIA**  
0001

Email: [BMatlala@solplaatje.org.za](mailto:BMatlala@solplaatje.org.za)

Dear Mr Matlala and Mr Ramjathan

### **MFMA CIRCULAR NO.124 – MUNICIPAL DEBT RELIEF NATIONAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF NC091 SOL PLAATJE LOCAL MUNICIPALITY DURING OCTOBER 2024**

In October 2024, the National Treasury conducted a comprehensive evaluation of Sol Plaatje Local Municipality's compliance with the conditions of its debt relief programme, as the municipality entered its second cycle on October 1, 2024. This assessment was essential to determine whether the municipality was on track to meet the required conditions for sustained debt relief and long-term financial stability.

The evaluation identified several notable achievements, including the implementation of effective budgetary controls, improved financial reporting, and measurable progress in governance practices, highlighting the municipality's commitment to reform. However, significant challenges remain, particularly in expenditure management, which requires further refinement to fully align with the programme's objectives. Addressing these challenges is critical to strengthening the municipality's financial resilience and meeting the overall goals of the debt relief initiative.

A major concern raised during the evaluation was the municipality's fluctuating collection rate and rising debtor balances, which signal persistent revenue management challenges. The collection rate report for the first quarter of the 2024/25 financial year revealed that the rate stood at 33% in July 2024, improved to 66% in August, and reached 68% in September, resulting in an overall quarterly collection rate of 52%, significantly below the target of 85%. The municipality alluded to the fact that the collection is lower, due to the annual billing on Property Rates. It is imperative that the municipality collects annual rates when it becomes due and payable. However, in October 2024, the collection rate showed a notable improvement, increasing to 88%, indicating the potential for progress with strengthened credit control measures. Despite this improvement, rising debtor balances highlight that the council-approved credit control and debt collection policy is still not being



consistently or effectively enforced, jeopardizing the municipality's revenue base and its ability to meet financial obligations.

As Sol Plaatje Local Municipality progresses through its second compliance cycle, it is eligible for a one-third debt write-off. However, a critical condition for this write-off is the immediate payment of the outstanding amount of R134 million, which must be settled as soon as possible to meet the programme's requirements. Ensuring this payment is a top priority for the municipality to secure the benefits of the debt relief initiative.

Moving forward, National Treasury will continue to monitor the municipality's performance closely and provide targeted support to address the identified challenges. Immediate and rigorous enforcement of credit control and debt collection measures is essential to stabilize revenue streams and achieve compliance with the programme. These actions will play a crucial role in enabling Sol Plaatje to secure the anticipated debt write-off and lay the foundation for long-term financial stability.

The Treasury remains committed to working collaboratively with Sol Plaatje Local Municipality to ensure the successful implementation of the debt relief programme, fostering fiscal discipline and sustainability in its operations.

### **Condition 6.1 – Municipality non-compliance**

In accordance with the National Treasury (NT) approval, Sol Plaatje Local Municipality is required to comply with conditions 6.1 to 6.14 of MFMA Circular 124, as well as the specific conditions outlined in the debt relief approval letter issued by the National Treasury. During October 2024, the National Treasury's assessment revealed that the municipality achieved an average compliance rate of 90 per cent with the MFMA Circular 124 conditions. The performance sheet below illustrates the municipality's overall compliance performance throughout its debt relief cycle.



NC091 Sol Plaatje Local Municipality overall relief performance from July 2024 up to and including October 2024:



National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003

Province: NW Code: NC091 District: Frances Baard Code Description: Sol Plaatje

Monthly Performance Report table with columns for Municipal Details, Part A-F, and Compliance Status. Rows show performance from July to June.

The National Treasury will request Eskom to write off a municipality’s arrear debt only if the municipality demonstrates full compliance with the conditions for a consecutive period of 12 months to the satisfaction of the National Treasury.

Condition 6.2 – Application-based supported by Council’s resolution

The municipality applied for the debt relief programme and received conditional approval from the National Treasury, following endorsement by its council. This approval was contingent upon addressing specific deficiencies in the municipality's financial and administrative systems.

In response to the conditional approval, the municipality implemented decisive reforms to address the identified shortcomings. Key actions included enhancing financial oversight, establishing more efficient budgeting processes, and adopting best practices in governance.



The municipality's commitment to these reforms led to significant progress in meeting the conditions set by the National Treasury. As a result, the municipality successfully fulfilled the requirements and secured final approval for its debt relief application.

This milestone marks a transformative moment for the municipality, enabling it to move forward with the debt relief programme. With the implemented reforms, the municipality is now well-positioned to achieve long-term financial sustainability, enhance its revenue base, and deliver improved services to its residents.

### **Condition 6.3 – Maintaining the Eskom bulk current account**

Based on the October 2024 results, Sol Plaatje Local Municipality continues to make concerted efforts to manage its debt obligations with Eskom and the Department of Water and Sanitation (DWS), yet challenges persist. On 31 October 2024, the municipality made a payment of R18,972,818.12 to fully settle its September 2024 current account, and demonstrating continued effort to address its water-related liabilities. The municipality failed to settle the debt instalment with DWS, and this does not assist in reducing the arrear debt owed to the Department.

Additionally, a payment of R69,337,712.24 was made toward Eskom's September 2024 invoice, which helps reduce the growing balance but remains insufficient given the outstanding arrears. However, the municipality did not honour its agreed repayment arrangement of R6.7 million, reflecting a lapse in compliance with its repayment commitments.

In previous months, the municipality made partial payments on its July 2024 Eskom account, totaling R80,868 million by 29 August 2024, leaving a balance of R67,465 million, excluding R274,000 in interest. The July 2024 invoice amounted to R148,333 million. Additionally, it paid R67,000 million toward the August 2024 Eskom invoice, excluding R154,000 in interest charges. Despite these payments, the total invoice for August stood at R127,601 million, leaving an outstanding balance of R60,446 million that remains unresolved.

This shortfall on the July and August account represents a breach of the compliance requirements outlined in MFMA Circular 124 and necessitates immediate corrective action. National Treasury acknowledges the financial strain caused by high-demand billing periods, like those in July, but underscores the need for a strategic approach to manage these peak expenses. It should be noted that the total current year arrears escalated to R141 million, due to the non-payment of the payment arrangement instalments that was due at the end of September and October 2024.

Despite these efforts, the municipality's total outstanding debt to Eskom, as per the October 2024 invoice, remains substantial at R932,216 million, posing a significant risk to its eligibility for the anticipated debt write-off under the debt relief programme. Full compliance with payment obligations is essential to qualify for this debt relief.



On the other hand, while the municipality has shown a proactive approach to its water-related liabilities, gaps remain. The R18,972,818.12 payment for September 2024 reflects progress, but the missed repayment arrangement raises concerns about the municipality's ability to sustain its commitments.

In summary, while Sol Plaatje Local Municipality has made efforts to address its utility debts, the significant remaining Eskom balance of R135 million and missed repayment obligations jeopardize its compliance with the debt relief programme conditions. Continued emphasis on improving financial controls, adhering to payment agreements, and enhancing revenue management will be critical to achieving long-term financial stability and ensuring uninterrupted service delivery for its residents.

### **Condition 6.4 – A funded MTREF**

The 2024/2025 fiscal year budget has been fully funded, ensuring that all planned expenditures and projects will proceed as scheduled. This financial security is a cornerstone for the municipality, enabling the implementation of key initiatives, the maintenance of essential services, and the promotion of sustainable development to enhance the quality of life for its residents.

With funding in place, the municipality can concentrate on executing critical infrastructure projects, expanding public services, and investing in initiatives that directly benefit the community. Key projects include upgrades to water and sanitation systems, the expansion of road networks, improvements to public transportation, and initiatives supporting local economic development. The budget also ensures the uninterrupted delivery of vital services such as healthcare, education, and public safety, effectively meeting the essential needs of the community.

The successful funding of this budget highlights the municipality's commitment to fiscal responsibility and strategic planning. By securing the necessary financial resources, the municipality is well-positioned to achieve its long-term objectives, attract investment, and foster a dynamic, resilient community. This forward-thinking approach not only addresses current challenges but also lays a strong foundation for future growth and sustained prosperity.

### **Conditions 6.5 – Cost reflective tariffs**

The 2024/2025 budget, while initially lacking the integration of a cost-reflective tariff tool, presents a pivotal opportunity for the municipality to enhance its financial planning. Recognizing this gap is a critical step toward adopting more precise and sustainable fiscal practices. By incorporating the draft cost-reflective tariff tool, the municipality can adjust service tariffs to accurately reflect the true costs of operations and maintenance. This alignment not only bolsters financial stability but also creates a strong foundation for future infrastructure investments, steering the municipality toward a more sustainable financial path.



Addressing this shortfall strengthens the municipality's financial health and exemplifies a forward-thinking approach to governance. With the cost-reflective tariff tool in place, essential services can be funded more reliably and efficiently, fostering trust and confidence among residents. This transition to transparent, cost-based pricing reflects a commitment to financial accountability and equips the municipality to better respond to community needs. It also ensures a dependable revenue stream to support critical services without compromising quality or accessibility.

By closing this gap, the municipality demonstrates its dedication to continuous improvement and excellence in service delivery. Embracing the cost-reflective tariff tool positions the municipality to mitigate potential financial shortfalls and adopt a proactive, sustainable financial model. This approach aligns with broader objectives to build a resilient and prosperous community, reaffirming the municipality's role as a responsible steward of resources and a leader in delivering high-quality services.

### **Condition 6.6 – Electricity and water as collection tools**

The municipality's approved credit and debt collection policy outlines clear guidelines for the allocation of payments; however, these guidelines are not consistently applied. This inconsistency in payment allocation has resulted in discrepancies in debt recording and management, posing risks to the municipality's overall financial health. Compounding this challenge is a technological gap due to the lack of infrastructure to restrict water supply for non-indigent consumers who default on payments. Addressing this issue is a priority, with potential solutions and their associated costs currently under review.

Despite these challenges, the municipality remains steadfast in its commitment to supporting vulnerable populations. Registered indigent consumers receive essential services, including a monthly allocation of 50 kilowatt-hours of electricity and 6 kilolitres of water. This initiative demonstrates the municipality's dedication to ensuring that basic needs are met for those most in need, promoting equitable access to essential resources for indigent households.

All financial information, including the provision of support to indigent consumers, is reported transparently through the monthly MFMA Section 71 statement, as mandated by National Treasury regulations. This transparency and accountability highlight the municipality's commitment to responsible governance and strict adherence to statutory guidelines. By openly communicating both its challenges and achievements, the municipality continues to build trust and ensure that stakeholders remain informed about its financial and operational performance.

### **Conditions 6.8 – Completeness of the Revenue Base**

The Property Rates Reconciliation Summary for Sol Plaatje Local Municipality, covering the first quarter of the 2024/2025 financial year, reflects a robust alignment between the General Valuation Roll (GV) and the Municipal Financial System (MFS) across various property categories. This reconciliation underscores the municipality's commitment to maintaining accurate and consistent



property records, a cornerstone for effective financial management and sustainable revenue collection. The close alignment in property counts and market values across systems highlights the municipality's dedication to transparency, reliability, and financial accountability in property rate reporting.

#### Part A: Reconciliation Summary

Part A of the report provides a comprehensive overview of the Number of Properties and Market Values for key property categories, such as Residential, Industrial, Business and Commercial, Agricultural, and Municipal properties, among others. This summary indicates that the valuation roll aligns perfectly with the municipal financial system, with a variance of zero for both property counts and market values across all categories.

The total Number of Properties is recorded at 60,680, with a total Market Value of R40,423,988,208. This consistency between the GV and MFS ensures that property data is synchronized, enabling precise billing and reinforcing the municipality's financial stability. Accurate property records are critical for calculating property taxes fairly and efficiently, ensuring equitable treatment for all property owners.

This zero-variance alignment signifies the municipality's rigorous approach to maintaining updated and accurate records, strengthening its ability to manage revenue streams effectively. By ensuring that the valuation roll and municipal systems are fully aligned, the municipality sets a strong foundation for property tax administration, a key revenue source for local governments.

#### Part B: Detailed Reconciliation

Part B offers a more granular analysis, delving into Monthly Billing Figures. It categorizes data into Mapped Accounts and Unmapped Accounts, further comparing values recorded in the GV and MFS systems and highlighting any variances.

For the Residential property category, the GV records mapped accounts at R24,079,921, while the MFS system reflects R22,796,241, resulting in a variance of R1,283,679. Similarly, the State-Owned for Public Purpose category reveals a significant variance of R7,043,574 between the GV and MFS, pointing to discrepancies that require further investigation.

The Mapped Accounts Total stands at R50,236,052, while the Unmapped Accounts Total amounts to R50,486,544, indicating additional variances in other property categories. These discrepancies signal areas that need closer scrutiny to ensure alignment and minimize potential billing errors.

#### Key Implications and Municipal Commitment

This detailed reconciliation process demonstrates Sol Plaatje Local Municipality's proactive approach to financial oversight and governance. By identifying and addressing discrepancies between the GV and MFS, the municipality reinforces its commitment to transparency,



accountability, and sound financial management. The synchronization of property data between these two systems is not only vital for accurate billing but also for maintaining trust among stakeholders, including residents and businesses.

The ongoing effort to reconcile mapped and unmapped accounts further reflects the municipality's dedication to continuous improvement. Variances, such as those identified in the Residential and State-Owned categories, provide actionable insights for refining financial processes and ensuring more precise revenue projections.

Beyond financial accuracy, this diligence has far-reaching benefits for the community. Ensuring reliable property tax calculations allows the municipality to maximize revenue collection, which in turn supports critical public services and infrastructure development. By prioritizing alignment in its valuation and billing systems, Sol Plaatje is setting the stage for enhanced financial sustainability and long-term economic resilience.

GV Reconciliation Summary						
<b>Province</b>	NC					
<b>District</b>	Francis Baard District					
<b>Type</b>	LM					
<b>Municipal Name</b>	SolPlaatje					
<b>GV Period</b>	01/07/2023 - 30/06/2027					
<b>Financial Year</b>	2024/2025					
<b>Reconciliation Period</b>	Quarter 1					
Part A - Reconciliation Summary						
Property Categories	Number of Properties			Market Value		
	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	50454	50454	0	23,955,274,603	23,955,274,603	-
Industrial	214	214	0	807,010,000	807,010,000	-
Business and Commercial	2326	2326	0	7,560,646,001	7,560,646,001	-
Agricultural	422	422	0	2,612,916,700	2,612,916,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpose	133	133	0	2,498,871,000	2,498,871,000	-
PSI	464	464	0	157,379,000	157,379,000	-
PBO	196	196	0	508,041,001	508,041,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	5327	5327	0	1,512,971,503	1,512,971,503	-
Other	884	884	0	101,064,000	101,064,000	-
<b>Total</b>	<b>60,630</b>	<b>60,630</b>	<b>-</b>	<b>40,423,988,208</b>	<b>40,423,988,208</b>	<b>-</b>
Part B - Detailed Reconciliation						
Property Categories	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
	GV	MFS	Variance	GV	MFS	Variance
Residential	24,079,921	22,796,241	1,283,679	24,079,921	22,890,379	1,189,542
Industrial	2,447,056	2,325,687	121,370	2,447,056	2,392,699	54,357
Business and Commercial	22,925,769	20,850,181	2,075,587	22,925,769	20,957,177	1,968,591
Agricultural	660,197	345,051	315,146	660,197	338,912	321,285
Mining	622,479	595,421	27,058	622,479	595,421	27,058
State Owned for Public Purpose	10,355,530	3,311,956	7,043,574	10,355,530	3,311,956	7,043,574
PSI	-	-	-	-	-	-
PBO	-	2,395	- 2,395	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	9,119	- 9,119	-	-	-
Municipal	-	-	-	-	-	-
Other	-\$VALUE!	-	-\$VALUE!	-\$VALUE!	0	-\$VALUE!
<b>Total</b>	<b>-\$VALUE!</b>	<b>50,236,052</b>	<b>-\$VALUE!</b>	<b>-\$VALUE!</b>	<b>50,486,544</b>	<b>-\$VALUE!</b>

### Condition 6.9 – Monitor and Report on compliance

The data strings have been successfully uploaded to the GoMuni system, an online platform used by municipalities to submit various operational and financial data. The municipality has been



uploading the Municipal Finance Management Act (MFMA) Section 71 report, which is crucial for assessing the municipality's monthly financial status. This report provides a detailed breakdown of revenue, expenditures, and compliance with municipal budgetary provisions, which is essential for transparency and effective financial management.

MFMA S71 Statement component		Compliance (Yes / No)
1.	<b><i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i></b> explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	<b><i>The conclusion (paragraph 14) of the MFMA S71 statement</i></b> explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	Yes
3.	<b><i>Annexure B of the MFMA S71 statement included the following debt relief reporting components-</i></b>	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of <b>MFMA Budget Circular 128 (Annexure B)</b>	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of <b>MFMA Budget Circular 128 (Annexure D)</b> .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of <b>MFMA Budget Circular 128 (Annexure C)</b> .	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	Yes



MFMA S71 Statement component		Compliance (Yes / No)
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The municipality’s proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The municipality’s reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	Yes
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and / or Mayoral Committee meeting	Yes

The S71 report, which offers a detailed overview of the municipality's financial performance for the reporting month, underwent a thorough review to ensure accuracy and completeness. Beyond analyzing core financial data, this assessment included a meticulous examination of supplementary documentation, such as notes, reconciliations, and explanations for any variances. This detailed scrutiny is vital for uncovering the root causes of deviations from budgeted figures, enabling the municipality to detect trends, evaluate risks, and take corrective actions when necessary.

This evaluation serves not only as a snapshot of the municipality's financial health but also as a key tool for proactive financial management. By identifying early signs of potential challenges, the report supports data-driven decision-making and facilitates timely interventions to prevent financial deficits or operational interruptions. Furthermore, the process emphasizes the critical importance of adhering to submission deadlines, ensuring that all required documents are uploaded promptly and accurately in compliance with regulatory mandates.

Adhering to these deadlines and maintaining comprehensive, reliable financial records strengthens transparency and accountability within the municipality. This level of diligence enables more effective oversight by stakeholders and regulatory bodies, reinforcing the municipality's commitment to good governance and responsible financial stewardship.

Ultimately, these efforts are instrumental in promoting the municipality's long-term financial sustainability. By leveraging the insights gained from the S71 report, the municipality can continue to deliver consistent, reliable services and meet the needs of its community with confidence and efficiency.

### **Condition 6.10 – National Treasury certification of municipal compliance**

The National Treasury plays a pivotal role in overseeing the Municipal Debt Relief Programme, ensuring that municipalities meet the necessary conditions for effective debt management and reduction. This oversight is critical for fostering financial discipline, accountability, and stability within the municipal system. This letter formally certifies that Sol Plaatje Local Municipality has



fulfilled the programme's requirements, demonstrating alignment with the National Treasury's mandate to enforce compliance and promote sound financial governance.

Through rigorous monitoring and evaluation, the National Treasury ensures that the municipality adheres to established guidelines designed to maintain financial stability and prevent further debt accumulation. This certification of compliance is not merely procedural; it is a cornerstone of the broader effort to encourage municipalities to adopt responsible financial management practices. By emphasizing adherence to robust fiscal policies, the certification process supports the implementation of sustainable economic practices essential for long-term resilience.

This structured and transparent approach to fiscal recovery empowers municipalities to effectively deliver essential services, rebuild trust with their communities, and contribute meaningfully to broader economic development. Certification provides municipalities with a clear framework to restore financial health while remaining within budgetary constraints, ensuring that recovery efforts are both practical and sustainable.

In supporting municipal recovery through this process, the National Treasury strengthens the foundation for future growth and resilience. This approach benefits not only the municipalities themselves but also the communities they serve, fostering a more stable and prosperous local government system.

### **Condition 6.11 – Limitation on Municipal borrowing powers**

The restrictions on municipal borrowing and the prohibition of incurring new debt during designated debt relief periods establish a strong regulatory framework that promotes fiscal responsibility within municipalities. This framework requires thorough scrutiny of all borrowing activities, ensuring they stay within set limits and align with the conditions of the debt relief program. These measures are designed not only to foster responsible debt management but also to strengthen the financial stability of municipalities by curbing excessive borrowing and alleviating short-term financial pressures.

Since the initiation of its debt relief programme on October 1, 2023, the municipality has strictly adhered to these regulations. This compliance has been instrumental in preserving its creditworthiness and reducing financial risks. By consistently following these guidelines, the municipality safeguards its long-term fiscal health and demonstrates a steadfast commitment to sound financial governance. This approach is essential for maintaining fiscal resilience and earning the confidence of its stakeholders, ensuring a stable financial future for the municipality and the community it serves.



## **Condition 6.12 Proper management of resources and Condition 6.13 – Accounting Treatment**

The updated Supplementary Guide to MFMA Circular No. 124 introduces significant improvements to the management of debt relief funds by municipalities. Under the revised framework, municipalities are required to integrate debt relief funds into their general accounts while maintaining clear segregation in their monthly *mSCOA* submissions. This dual approach optimizes fund management by streamlining banking structures while ensuring robust oversight. The mandated separation of funds allows for precise tracking and auditing, ensuring proper utilization of debt relief resources and upholding accountability.

A key feature of the revised guide is the requirement for municipalities to upload monthly bank reconciliations and detailed bank statements to the GoMuni platform. This step underscores the importance of transparency and rigorous financial reporting, particularly for debt relief funds. By consolidating all financial transactions within a centralized platform, municipalities provide a clear and comprehensive view of their financial activities. This level of visibility enables stakeholders to evaluate the management of debt relief resources effectively, fostering trust and aligning municipal practices with National Treasury's high standards of financial integrity.

The revised guidelines also emphasize the need for precise accounting adjustments to reflect debt relief benefits, such as interest write-offs granted by creditors like Eskom. Municipalities are expected to make accurate ledger entries that transparently capture these adjustments in their financial statements. This requirement ensures that financial reports present a clear and reliable account of the municipality's debt relief benefits. Proper documentation of these adjustments demonstrates the municipality's dedication to accountable financial management and assures stakeholders that debt relief measures are accurately implemented and reported.

Overall, the updated guide strengthens municipalities' capacity to achieve fiscal stability and promote sustainable financial management. By mandating structured reporting, enhancing transparency, and prioritizing accurate record-keeping, the guidelines position municipalities to responsibly manage debt relief resources. This framework not only mitigates the risk of future debt accumulation but also lays the groundwork for long-term financial resilience. By adhering to these principles, municipalities can maintain public trust, support effective service delivery, and contribute to the economic well-being of their communities.

## **Condition 6.14 – NERSA Licence**

Participation in the Municipal Debt Relief Programme requires municipalities to commit to a set of stringent conditions. A key condition stipulates that if a municipality fails to comply with the programme's requirements during its term, it must voluntarily apply to the National Energy Regulator of South Africa (NERSA) to revoke its electricity supply license under section 17 of the Electricity Regulation Act of 2006. This provision acts as a powerful incentive, underscoring the importance of compliance for continued participation in the programme.



The requirement to surrender the electricity license is only enacted if the municipality's involvement in the debt relief programme is terminated due to non-compliance. This condition reflects the serious commitment municipalities undertake when joining the programme, as it holds them accountable to maintain operational and financial discipline. By reinforcing the consequences of non-compliance, this measure emphasizes the programme's goal of promoting sustainable financial health and responsible governance.

This provision further highlights the critical role that compliance plays in the success of the Municipal Debt Relief Programme. Municipalities are not only tasked with adhering to programme guidelines but are also held to the highest standards of accountability to retain their operational capabilities. The potential revocation of an electricity license serves as a stark reminder of the consequences of failing to meet the programme's conditions, motivating municipalities to stay aligned with its objectives.

Ultimately, this rigorous requirement reflects the National Treasury's commitment to fostering fiscal discipline within municipalities. By setting a high standard for compliance, the Debt Relief Programme supports municipalities in their efforts to achieve financial stability and deliver essential services, ensuring they remain on a sustainable path for the benefit of their communities.

## **Recommendations:**

Based on the detailed evaluation of Sol Plaatje Local Municipality's performance in the Municipal Debt Relief Programme, the following high-level strategic recommendations are proposed to address the challenges and enhance the municipality's financial management and operational efficiency:

### **1. Strengthen Revenue Collection Mechanisms**

**Enhance Credit Control Enforcement:** Ensure strict adherence to the council-approved credit control and debt collection policy to reduce debtor balances. This includes implementing measures to address defaulting non-indigent consumers, such as water restriction infrastructure or prepaid services.

**Leverage Technology:** Adopt advanced revenue management systems, such as automated billing and smart meters, to improve accuracy and minimize losses.

**Increase Public Awareness:** Conduct community campaigns to educate residents on the importance of timely payments and the benefits of compliance.

### **2. Optimize Debt Management**

**Prioritize Payment Obligations:** Focus on clearing outstanding balances with Eskom and DWS, including settling the R135 million owed to meet conditions for the debt write-off.



**Establish Clear Payment Plans:** Develop and communicate clear repayment plans for arrears, ensuring that they are realistic and aligned with revenue inflows.

**Negotiate Terms with Creditors:** Engage with Eskom and other creditors to explore favourable terms, such as extended payment periods or interest waivers, to ease financial pressure.

### **3. Enhance Financial Planning and Reporting**

**Integrate Cost-Reflective Tariffs:** Fully implement the cost-reflective tariff tool to ensure that service charges accurately reflect operational and maintenance costs, bolstering financial sustainability.

**Maintain Segregated Reporting for Debt Relief Funds:** Ensure compliance with MFMA Circular 124 by integrating debt relief funds into general accounts while keeping them distinct in monthly *mSCOA* submissions for transparency and accountability.

**Improve Monthly Reconciliations:** Continue to submit comprehensive bank reconciliations and financial statements through the GoMuni platform to strengthen transparency and stakeholder trust.

### **4. Build Governance and Accountability**

**Capacity Building:** Invest in training for financial management teams to ensure adherence to MFMA and debt relief guidelines, enhancing overall governance capabilities.

**Establish Strong Oversight Mechanisms:** Strengthen internal audit functions to regularly assess compliance with programme conditions and identify risks early.

**Transparent Communication:** Regularly update stakeholders, including National Treasury and residents, on progress, challenges, and corrective actions taken to maintain confidence in municipal management.

### **5. Implement Strategic Expenditure Controls**

**Refine Expenditure Management:** Conduct a detailed review of expenditure patterns to identify inefficiencies and eliminate unnecessary costs.

**Budget Alignment:** Align expenditures with available funding to avoid over-commitment, ensuring that resources are prioritized for essential services and infrastructure projects.

**Monitor Infrastructure Investments:** Ensure all planned upgrades (water, sanitation, roads, etc.) deliver value for money by adhering to stringent procurement and project management standards.

### **6. Leverage External Support**

**Engage with National Treasury:** Maintain regular communication to access technical support and guidance on meeting compliance conditions.



Collaborate with Partners: Work with public and private entities to co-develop innovative solutions for revenue enhancement and service delivery improvements.

## 7. Improve Data Integrity and Analytics

Reconcile Property Records: Address variances identified in property rates reconciliation between the General Valuation Roll and Municipal Financial System to ensure accurate billing.

Analyze Trends: Utilize financial data from the MFMA Section 71 reports to predict challenges and adjust strategies proactively.

## 8. Focus on Indigent Support and Social Responsibility

Expand Indigent Register: Ensure all qualifying residents are registered and benefit from free basic services to address social equity.

Balance Support with Enforcement: While supporting vulnerable populations, enforce strict policies for non-indigent defaulters to sustain municipal revenue.

These recommendations aim to address immediate challenges while laying a foundation for long-term financial stability, operational efficiency, and enhanced service delivery. Through diligent implementation and ongoing evaluation, the municipality can achieve its goals under the Debt Relief Programme and beyond.

For enquiries, please feel free to contact Mr. Mandla Gilimani on [mandla.gilimani@treasury.gov.za](mailto:mandla.gilimani@treasury.gov.za)

Kind regards

**MANDLA GILIMANI**  
**DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS**  
**DATE: 29/11/2024**

CC: Mrs Marli van der Woude, MFIP Revenue Advisor – [marli@mfip.gov.za](mailto:marli@mfip.gov.za)



Annexures (October 2024 Compliance Certificates)

Annexure A2 - Monthly

		National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003	
National Treasury			
Certificate of Compliance: Municipal Debt Relief Conditions for Application		Sept'24	
Period		2024/25	
National Financial Year		NC091	
Demarcation Code of Municipality being assessed			
District	Frances Baard		
Demarcation Description	Sol Plaatje		
I, Mandla Gilimani, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:			
<b>Municipal Debt Relief Conditions (Monthly reporting)</b>		Choose from drop down list	
6.3 + Maintaining the Eskom and bulk water current account – Condition 6.12 (current account for the purpose of this exercise means the account for a single month's consumption):			
1	6.12.2	- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Yes
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	Yes
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
4	6.3.1	- Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)		2024/25 Adopted MTREF	
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?  <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?  <i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	Yes



		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	
11	6.4.2	- <b>If the municipality's MTREF is not funded</b> , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded
		<i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	
12	6.4.2	- <b>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</b> , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	<b>Cost reflective tariffs</b> – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
	6.6	<b>Electricity and water as collection tools</b> – has the municipality, with effect from the tabling of the 2023/24 MTREF, <b>demonstrated, through its by-laws and budget related policies</b> that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No
	6.6	<b>Supporting evidence</b> : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.	
	6.7	<b>Maintain a minimum average quarterly collection of property rates and services charges</b> –	
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges <b>with effect from 01 April 2023</b> and 85 per cent average quarterly collection <b>with effect from 01 April 2024</b> during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter
		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, <b>has the municipality demonstrated to the satisfaction of National Treasury the following</b> :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1:	not yet the end of a quarter



21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	not yet the end of a quarter
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through 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?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- <b>For the latest ending Quarter</b> -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- <b>MFMA section 71 reporting</b> – 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?	Yes
30	6.9.2	- 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? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	6.9.1 = Yes



31	6.9.3	- <b>Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a>	No FRP
<p><i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i></p>			
<p><b>6.10</b> Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</p>			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a> <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
<p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>			
36	6.11	<b>Limitation on municipality borrowing powers</b> - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	Yes
<p><i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i></p>			
<p><b>6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b></p>			
37	6.12.1	- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) <b>the component of the Local Government Equitable Share (LGES)</b> the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied 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 applied the revenue in the sub-account for any other purpose?	No
<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i></p>			
39		<b>Supporting evidence</b> : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
40	6.13	<b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes
41	6.14	<b>NERSA License</b> - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes
<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>			





National Treasury  
**Municipal Debt Relief**  
 MFMA Circular No. 124  
 Municipal Finance Management Act No. 56 of 2003

Province		
NW		
Code	District	Code Description
NC091	Frances Baard	Sol Plaatje

**Monthly Performance Report**

Municipal Details			Part A				Part B					Part C			Part D				Part E					Part F		Month applicable																					
			Eskom And Bulk water current account				Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges					Maximization of Revenue Base			Oversight									Compliance Status											
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score			
1.July	Sol Plaatje	NC091																																											0%	Non Compliance	Yes
2.August	Sol Plaatje	NC091																																											0%	Non Compliance	Yes
3.September	Sol Plaatje	NC091																																											0%	Non Compliance	Yes
4.October '24	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	88%	Non Compliance	Yes	
5.November '24	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	85%	Non Compliance	Yes	
6.December	Sol Plaatje	NC091																																										0%	Non Compliance	Yes	
7.January	Sol Plaatje	NC091																																										0%	Non Compliance	Yes	
8.February	Sol Plaatje	NC091																																										0%	Non Compliance	Yes	
9.March	Sol Plaatje	NC091																																										0%	Non Compliance	Yes	
10.April	Sol Plaatje	NC091																																										0%	Non Compliance	Yes	
11.May	Sol Plaatje	NC091																																										0%	Non Compliance	Yes	
12.June	Sol Plaatje	NC091																																										0%	Non Compliance	Yes	

<b>Comments/Motivation</b>	
HOD Name:	BS Matlala
Signature of HOD:	
Date:	13/12/2024

\*\* Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procuration of the HOD must be attached as an Annexure to this Certificate of Compliance.



Annexure A2 - Monthly

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period: Nov'24
National Financial Year: 2024/25
Demarcation Code of Municipality being assessed: NC091

District: Frances Baard
Demarcation Description: Sol Plaatje

Notes/Comments

I, Bartholomew Matlala Municipal Manager of Sol Plaatje Local Municipality, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below.

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Table with 4 columns: Condition, Description, Response, and Notes. Rows include conditions 6.3.1-6.3.4, 6.4, and 6.5 regarding Eskom bulk water current account, MTREF compliance, and cost reflective tariffs.

15	6.6	<b>Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:</b>		
16	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
17	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
18	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No	
19	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilo litres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.</i>	No	
20	6.6	<i>Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i>		
21	6.7	<b>Maintain a minimum average quarterly collection of property rates and services charges –</b>		
22	6.7.1	- Has the municipality achieved 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 - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter	
23	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, <b>has the municipality demonstrated to the satisfaction of National Treasury the following :</b>		
24	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarter	
25	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter	
26	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarter	
27	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Total installations November 2024 = 507
28	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
29	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
30	6.8	<b>Municipality's Completeness of the revenue base –</b>		
31	6.8.1	- Has the municipality demonstrated through 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?	Yes	
32	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes	
33	6.8.2	- For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or Interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://iguploadportal.treasury.gov.za">https://iguploadportal.treasury.gov.za</a> ?	Yes	
34	6.9	<b>Monitor and report on implementation –</b>		
35	6.9.1	- <b>MFMA section 71 reporting</b> – 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?	Yes	
36	6.9.2	- 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? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes	
37	6.9.3	- <b>Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
38	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://iguploadportal.treasury.gov.za">https://iguploadportal.treasury.gov.za</a> ?	No FRP	
39	6.10	<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Relief programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>		
40	6.10	<i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>		
41	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
42	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://iguploadportal.treasury.gov.za">https://iguploadportal.treasury.gov.za</a> ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes	
43	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No	
44		<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>		

36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		<i>Note: there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MRMA Circular No. 124 (condition 6.11 (Limitation on municipality borrowing powers)) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MRMA section 40. Short term borrowing, including making use of an overdraft for revenue bridging purposes are not considered within the ambit of this condition.</i>		
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality apportioned and ring-fenced 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?	Yes	Sub-account no longer required in terms of supplementary guide to Circular 124
38	6.12.2	- has the municipality during the month first applied 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 applied the revenue in the sub-account for any other purpose?	No	Current account for Eskom excl interest was settled in full Current account for Water was not paid, due to insufficient cash.
		<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MRMA s.40(2).</i>		
39		<b>Supporting evidence:</b> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MRMA s.71 statement collected revenue.	Yes	
40	6.13	<b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes	NT has not issued any written instruction for arrear debt write-offs
41	6.14	<b>NERSA License</b> - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note: For applying for Municipal Debt Relief as set-out in paragraph 3, of MRMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees or apply to NERSA to create the municipality's license in terms of section 12 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's water support to Eskom, Eskom will once upon have to evaluate its credit control and debt collection policies also in relation to the municipality's streams that are the subject of municipal debt relief, etc.</i>	Yes	

PT: HOD/NT/MM Name:

BS Matlala

Signature of HOD/NT/MM:

  
13/12/2024

Date:

**\*\*Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) /Municipal Manager, the written procurement of the HOD /MM must be attached as an Annexure to this Certificate of Compliance.**

**\*\*Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incorporated into the related PT report**