



***MONTHLY BUDGET STATEMENT:
S71 MONTHLY REPORT: DECEMBER 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: 15 January 2025

Table of Contents

PART 1: IN-YEAR REPORT

1. Purpose.....	2
2. Background.....	3
3. Executive summary	4
4. Budget performance overview	5
4.1 Operating Revenue by Source	12
4.2 Operating Expenditure by Type	15
4.3 Capital expenditure	29
4.4 Cash flows.....	30
5. In-year budget statement tables	32

PART 2 - SUPPORTING DOCUMENTATION

6. Debtors' Analysis	33
7. Creditors' Analysis.....	47
8. Investment portfolio analysis	49
9. Allocation and grant receipts and expenditure	51
10. Councillor and board member allowances and employee benefits	54
11. Material variances to the service delivery and budget implementation plan	58
12. Capital programme performance	58
13. Other supporting documents	60
14. Conclusion	60
15. Annexure A: C-schedules.....	62
16. Annexure B: Compliance with the conditions for Municipal Debt Relief	69
16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment	69
16.2 Municipal Debt Relief Performance across the period of debt relief participation	72
16.3 The National Treasury Debt Relief Compliance Assessment.....	73
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) .	73
16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base).....	82
16.6 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources).....	83
16.7 Municipal Debt Relief Monitoring Plan – Progress report.....	93
17. Recommendations	99
18. Municipal Manager's quality certification	101

List of Tables

Table 1.1: Consolidated summary: Statement of Financial Performance: YTD Budget.....	4
Table 1.2: Consolidated summary: Statement of Financial Performance: Original Budget.....	4
Table 1.3: Part 1: Operating Revenue and Expenditure	5
Table 1.4: Part 2: Capital Revenue and Expenditure	5
Table 2: Arrear debt payable to qualify for a third of the debt to be written-off.	7
Table 3: Table C4 Financial Performance (Revenue)	12
Table 4: Table C4 Financial Performance (Expenditure)	15
Table 4.1 R&M Expenditure per Directorate per inventory type	16
Table 4.2 R&M Expenditure per Service per inventory type.....	17
Table 5.1: Summary of YTD Bulk Electricity expenditure.....	20
Table 5.2: Summary of YTD Bulk Water expenditure	20
Table 6.1: Summary of outstanding ESKOM debt	21
Table 6.2: Summary of outstanding DWS debt.....	22
Table 6.3: Summary of payments per payment date	25
Table 6.4: Reconciliation Eskom Payment Arrangement	27
Table 6.5: Reconciliation DWS Debt Agreement	28
Table 7: High level summary: Capital Expenditure	29
Table 8.1: Supporting Table SC3: Aged Debtors.....	33
Table 8.2: Part 4: Debtors Age Analysis	34
Table 9: Monthly collection rate	42
Table 10: Revised Average collection rate	42
Table 11.1: Supporting Table SC4: Aged Creditors	47
Table 11.2: Part 5: Creditors Age Analysis	47
Table 12: Supporting Table SC5: Investment portfolio.....	49
Table 13: Supporting Table SC6: Transfers and grant receipts	51
Table 14: Supporting Table SC7(1): Transfers and grant expenditure	52
Table 15: Summary of expenditure per grant.....	52
Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers.....	53
Table 17: Supporting Table SC8: Councillor and staff benefits.....	54
Table 18: Current YTD Overtime expenditure excl Night-shift allowance.....	55
Table 19: Detailed capital expenditure report	59

List of Charts

Chart 1.1 Cost Coverage Ratio & Collection rate.....	6
Chart 1.2 Growth in Outstanding debtors	6
Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue	14
Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure	19
Chart 2.1: Eskom - Comparison Invoices vs Payments	22
Chart 2.2: DWS - Comparison Invoices vs Payments.....	23
Chart 2.3: Monthly payments to DWS & ESKOM	24
Chart 2.4: Monthly & YTD comparison – Bulk Electricity & Water debt.....	26
Chart 3: Total Capital expenditure	29
Chart 4: Call investment deposits and Cash & cash equivalents at year-end.....	30
Chart 5: Cash & cash equivalents and Cost coverage ratio	31
Chart 6.1: Debtor's age analysis by Income Source	35
Chart 6.2: Debtor's age analysis by Customer Group	36
Chart 7: Debt over 90 days as a percentage of Total O/S Debt	39
Chart 8: Aged Consumer Debtor Analysis	40
Chart 9: Consumer Debtors (total by Debtor Customer Category)	40
Chart 10: Comparative trend: Monthly and Revised average collection rate	43
Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity.....	44
Chart 11.2: Monthly billing receipts per revenue source and % contribution	45
Chart 12: Billing receipts per Customer Group	46
Chart 13: Aged Creditors Analysis.....	47
Chart 14: Call investment deposits at month-end	50
Chart 15.1: Overtime Actual vs Budget.....	56
Chart 15.2: Monthly and Annual Overtime Comparison.....	56
Chart 16.1: Capital Expenditure Monthly Trend: actual v target.....	58
Chart 16.2: Capital Expenditure: YTD actual vs YTD target.....	58

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 31 December 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 R4,004,740 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R842,218 million is owed by government, R672,790 million by business and R2,336,140 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, but consumers must bear in mind 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 municipality is at the tail end of procuring services of debt collection specialists in order to strengthen the current debt collection initiatives. The value of providing quality 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

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

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 **31 December 2024**, the ten working day reporting limit expires on **15 January 2024**. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings" which must be submitted before or on **15 January 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 December 2024	YTD Actual December 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,479,139	1,588,794	109,655	107.4%	7.4%
Total Revenue (including capital transfers and contributions)	1,765,253	1,846,233	80,980	104.6%	4.6%
Total Operational Expenditure	1,488,248	1,358,389	(129,859)	91.3%	-8.7%

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

As indicated in Table 1.1 above, as at 31 December 2024, the billed revenue excluding capital grants amounted to R1,588,794 billion which resulted in a fairly satisfactory variance of 7.4% when compared to the YTD Budget of R1,479,139 billion. The billed revenue including capital grants amounted to R1,846,233 billion, resulting in a satisfactory variance of 4.6% when compared to the YTD budget of R1,765,253 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 R1,358,389 billion versus the YTD Budget of R1,488,248 billion, resulting in an unsatisfactory variance of minus 8.7%. 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 December 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	1,588,794	1,342,271	53.7%	3.7%
Total Revenue (including capital transfers and contributions)	3,530,507	1,846,233	1,552,024	52.3%	2.3%
Total Operational Expenditure	2,928,505	1,358,389	1,114,347	46.4%	-3.6%

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 50.00% [calculated as follow: (100/12 months x 6 months of the year)] as at the end of December 2024, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 3.7%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 2.3%. The Total Operational Expenditure resulted in a satisfactory variance of minus 3.6%.

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.

Operating Revenue and Expenditure

Part1: Operating Revenue and Expenditure										
R thousands	2024/25							2023/24		Q2 of 2023/24 to Q2 of 2024/25
	Budget	First Quarter		Second Quarter		Year to Date		Second Quarter		
	Main appropriation	Actual	1st Q as % of Main appropriation	Actual	2nd Q as % of Main appropriation	Actual	Total as % of main appropriation	Actual	Total as % of main appropriation	
Operating Revenue and Expenditure										
Operating Revenue	2,958,278	878,754	29.7%	710,040	24.0%	1,588,794	53.7%	641,282	54.9%	10.7%
Operating Expenditure	2,928,505	664,058	22.7%	694,331	23.7%	1,358,389	46.4%	757,490	49.4%	(8.3%)
Transfers and subsidies - capital (monetary allocations)	572,229	36,892	6.4%	220,548	38.5%	257,439	45.0%	22,118	15.0%	897.1%
Total Revenue	3,530,507	915,646	25.9%	930,588	26.4%	1,846,233	52.3%			

Table 1.3: Part 1: Operating Revenue and Expenditure

As per Table1.3 above, overall Operational revenue is performing satisfactorily, with the actual achieved versus the Original budget standing at 53.7% achieved versus the ideal percentage of 50.0%. This is largely as a result of the annual billing on Property rates, over-recovery on Interest from Receivables, due to the escalation in debtors and the receipt of the second tranche of the Equitable Share. Operational expenditure is 46.4% spent which is understated due to the following, post-retirement health benefits which is not yet accounted for, the late authorization of the balance on the Eskom bulk invoice for November 2024. The Eskom bulk invoice for December 2024 will be captured and authorised during January 2025. Increased expenditure on Contracted which will be addressed during the Adjustment budget. Transfers and subsidies – capital transferred to revenue amounts to 45% of the Main appropriation. This is an improvement when compared to second quarter for 2023/24 financial year.

Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure										
	2024/25							2023/24		Q2 of 2023/24 to Q2 of 2024/25
	Budget	First Quarter		Second Quarter		Year to Date		Second Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
R thousands										
Capital Revenue and Expenditure										
Source of Finance	613,729	41,783	6.8%	186,907	30.5%	228,689	37.3%	28,740	15.6%	550.3%
National Government	572,229	36,892	6.4%	186,789	32.6%	223,681	39.1%	23,861	15.8%	682.8%
Provincial Government	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary alloc)(Departm Agencie	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	572,229	36,892	6.4%	186,789	32.6%	223,681	39.1%	23,861	15.8%	682.8%
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	41,500	4,891	11.8%	118	.3%	5,009	12.1%	4,879	14.3%	(97.6%)
Capital Expenditure Functional	613,729	41,783	6.8%	186,907	30.5%	228,689	37.3%	28,740	15.6%	550.3%

Table 1.4: Part 2: Capital Revenue and Expenditure

Performance on the capital is normally poor during the start of financial year. As indicated in Table 1.4 above, total capital expenditure is standing at 37.3% spent versus the Original budget, whilst conditional grants spent amounts to 39.1% and internally generated funds at 3% spent. 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.

Liquidity and debtors' management

Chart 1.1 Cost Coverage Ratio & Collection rate
2021/22 to 2023/24 and 2024/25 as at 31
December 2024

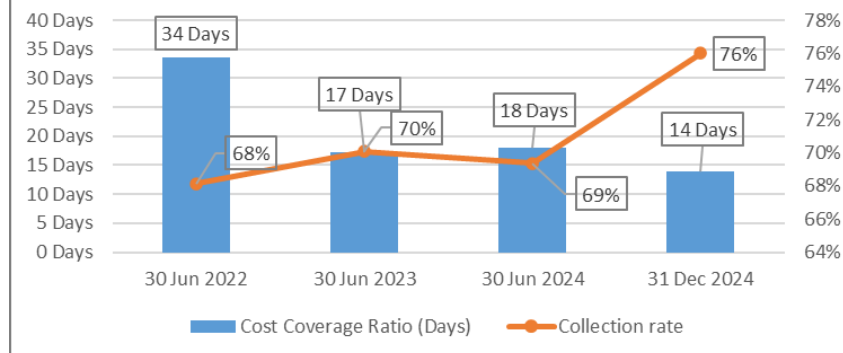


Chart 1.1 Cost Coverage Ratio & Collection rate

Chart 1.2 Growth in Outstanding debtors 2021/22 to 2023/24 and 2024/25 as at 31 December 2024

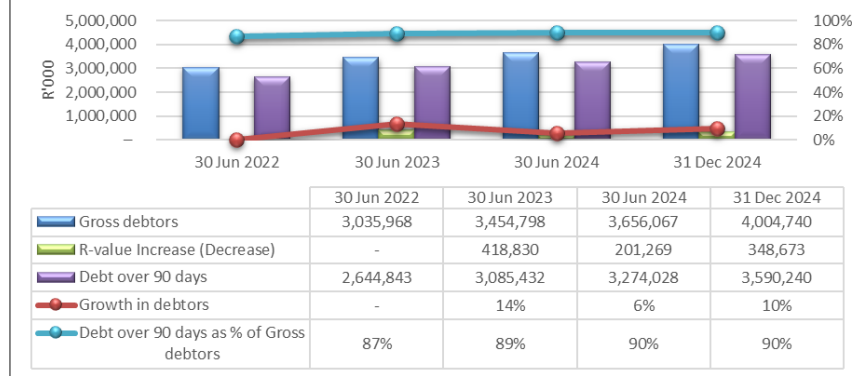


Chart 1.2 Growth in Outstanding debtors

- Indicated in Chart 1.1 is the Cost coverage ratio and the collection rate and in Chart 1.2 is the year-on-year growth in outstanding debtors from 2021/22 to 2024/25 until 31 December 2024.
- The growth in debtors is attributable to the lower collection rate, resulting in the critically low-Cost coverage ratio.
- The inverse is also true, if the municipality can improve payment levels and reduce debtors, this will ensure a better collection rate and a healthier Cost coverage, ensuring that the municipality can comfortably meet its obligations.
- All these factors impede on the municipality's ability to meet all its monthly fixed operating commitments from cash and short-term investments.
- The Cost coverage is on average 15 days and far below the norm of 3 months, whilst the collection rate on average is 70%, also well below the norm and SDBIP target of 95%.
- From 2021/22 to 2022/23 debtors increased by R418,830m(14%), and then by R201,269m(6%) to 2022/23, whilst outstanding debtors increased by R348,673m (10%) from 30 June 2024 to 31 December 2024 for the current financial year
- Debt over 90 days is on average 90% of gross debtors over the periods, further emphasizing the municipality's inability to collect long outstanding debt.
- All three of these factors is indicative of the municipality's battle to collect outstanding debt and urgent intervention is of utmost importance to improve the liquidity of the municipality.

Municipal Debt Relief

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 and November 2024. The municipality is in arrears now with four instalments of the Payment Arrangement, amounting to R26,800 million. Eskom also indicated that the municipality is liable to settle the interest charges from July 2024 going forward, amounting to R7,103 million, as at end of November 2024. Interest on overdue accounts must be disclosed as Fruitless and Wasteful Expenditure. It is of paramount importance 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 pay R134,337,170.97 by 30 September 2024 which was the completion date of the first 12 months of the municipal debt relief. However, Eskom granted the municipality a grace period until 11 December 2024. On the 11 December 2024, the municipality settled R67,190,839.43 which constitutes 50 percent of the original R134 million. Balance outstanding amounted to R67,146,331.52. The municipality requested an extension until 31 January 2024 to settle the balance. As indicated in the table below, the amount that the municipality must pay has escalated to **R137,163,826.30**, which includes the arrears of R67m, interest of R7.1m and R44.9m on the November 2024 account. The municipality is in breach of the conditions because the November 2024 account and the repayment instalment was not settled in full at the end of December 2024, the amount outstanding of **R51,673,808.12** must be paid with immediate effect.

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

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments PA	Total Due to be in Good standing	Interest
Jul-24	R148,333,011.78	R 148,059,100.03	R 273,911.75	R 6,700,000.00	R 6,973,911.75	R 273,911.75
Aug-24	R127,600,942.44	R 67,000,000.00	R 60,600,942.44		R 60,600,942.44	R 154,610.92
Sep-24	R 71,086,942.52	R 69,337,712.24	R 1,749,230.28	R 6,700,000.00	R 8,449,230.28	R 1,749,230.28
Oct-24	R 73,507,839.50	R 70,741,905.79	R 2,765,933.71	R 6,700,000.00	R 9,465,933.71	R 2,765,933.71
Nov-24	R 69,973,808.12	R 25,000,000.00	R 44,973,808.12	R 6,700,000.00	R 51,673,808.12	R 2,159,642.32
TOTAL			R 110,363,826.30	R 26,800,000.00	R 137,163,826.30	R 7,103,328.98

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 and November 2024 account for Water amounting to **R35,008,097.46**. The municipality had insufficient cash to settle the respective accounts. 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 **R39,952,786.02**. The total amount due and payable to DWS is **R74,960,883.48** 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:

- The benefits of the Relief to that municipality will immediately cease;
- 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;
- 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
- 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 **Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: December 2024**

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.

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

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).

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 areas, 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

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

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 R 51 million for the month December 2024 (including the R 21 million received from the Department of Provincial Public Works) as compared to the R29,323,376.92 received for the month of November 2024. We have disconnected the 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 during January 2025 as per the commitments given by the Departments during meetings held in December 2024.

4.1 Operating Revenue by Source

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	66,762	482,304	549,600	87.8%	(67,296)	-12.2%	43.9%	(67,296)	-6.1%
Service charges - Water	343,685	30,787	170,212	171,843	99.1%	(1,631)	-0.9%	49.5%	(1,631)	-0.5%
Service charges - Waste Water Management	95,890	9,334	56,464	47,945	117.8%	8,519	17.8%	58.9%	8,519	8.9%
Service charges - Waste management	72,271	7,021	42,473	36,136	117.5%	6,338	17.5%	58.8%	6,338	8.8%
Sale of Goods and Rendering of Services	15,955	643	9,746	7,978	122.2%	1,768	22.2%	61.1%	1,768	11.1%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	120,030	14,398	80,595	60,015	134.3%	20,580	34.3%	67.1%	20,580	17.1%
Interest from Current and Non Current Assets	9,000	2,494	8,778	4,500	195.1%	4,278	95.1%	97.5%	4,278	47.5%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	27,740	2,653	15,680	13,870	113.0%	1,810	13.0%	56.5%	1,810	6.5%
Licence and permits	1,200	38	342	600	57.0%	(258)	-43.0%	28.5%	(258)	-21.5%
Operational Revenue	3,773	225	1,370	1,887	72.6%	(517)	-27.4%	36.3%	(517)	-13.7%
Non-Exchange Revenue	-	-	-	-	-	-	-	-	-	-
Property rates	687,320	50,532	410,684	343,660	119.5%	67,024	19.5%	59.8%	67,024	9.8%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	32,143	2,556	17,734	16,071	110.3%	1,662	10.3%	55.2%	1,662	5.2%
Licence and permits	8,000	1,157	4,757	4,000	118.9%	757	18.9%	59.5%	757	9.5%
Transfers and subsidies - Operational	299,271	91,651	213,118	149,635	142.4%	63,482	42.4%	71.2%	63,482	21.2%
Interest	91,900	9,004	51,272	45,950	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	50,900	877	21,846	25,450	85.8%	(3,604)	-14.2%	42.9%	(3,604)	-7.1%
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	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,958,278	290,132	1,588,794	1,479,139	107.4%	104,333	7.1%	53.7%	109,655	3.7%
Transfers and subsidies - capital	572,229	164,407	257,439	286,114	90.0%	(28,675)	-10.0%	45.0%	(28,675)	-5.0%
Total Revenue (including capital transfers and contributions)	3,530,507	454,539	1,846,233	1,765,253	104.6%	80,980	4.6%	52.3%	80,980	2.3%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 12.2%. 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 0.9%. 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 22.2%. 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 34.3% 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 34.3%. 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 13.0% when compared to the YTD budget. The over-recovery is attributable to the increased billing for municipal flats. The Manager will be engaged to ascertain the root cause for the positive trajectory.
- ❖ Licences and permits are showing a negative variance of 43.0%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 28.52% achievement versus a budget of R1,200 million.
- ❖ Operational Revenue is showing a negative variance of 27.4%, as a result of an under-recovery on Insurance refunds. The municipality had one refund of R82 thousand that was possibly misallocated and must still be further investigated.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 19.5%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 10.3%, as a result on an over-recovery on Penalties: Disconnection fees which is standing at 81.81% achieved versus a budget of R20,000 million. This will be adjusted upwards during the Adjustment budget.
- ❖ Licence and permits is showing a positive variance of 18.9%, due to possible outstanding payments to the Department of Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 42.4%, due to the receipt of the second tranche of the Equitable share during December 2024.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 14.2%. This is attributed to the Service charges from non-exchange revenue from Electricity as it was established that basic charges was erroneously allocated to availability charges.
- ❖ Gains on disposal of assets, the YTD actual amounts to R1,285 million pertaining to land sales.
- ❖ Other Gains, pertains to gains realised from Stores.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 10% when compared to the YTD budget. Capital grants remains lower than anticipated due to poor capital grant expenditure, however the YTD actual does show improvement compared to the prior year for the same period. 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 50%, 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 11.1%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 17.1%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 47.5%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 21.5%. Same factors are applicable as described in the paragraph above.

- ❖ Operational Revenue is showing a satisfactory variance of minus 13.7%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 9.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 5.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits is showing a positive variance of 9.5%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a negative variance of 21.1%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 7.1%. 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 satisfactory variance of 5.%. Capital grants remains lower than anticipated due to poor capital grant expenditure. However there is an improvement for the period under review. 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 1.1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 December 2024. The main contributors of the municipality's revenue are Service Charges (47.3%), Property Rates (25.8%) and Transfers and subsidies (13.4%). The contribution per Revenue source is distorted, as a result of the annual billing of Property rates and the receipt of the second tranche of the Equitable Share.

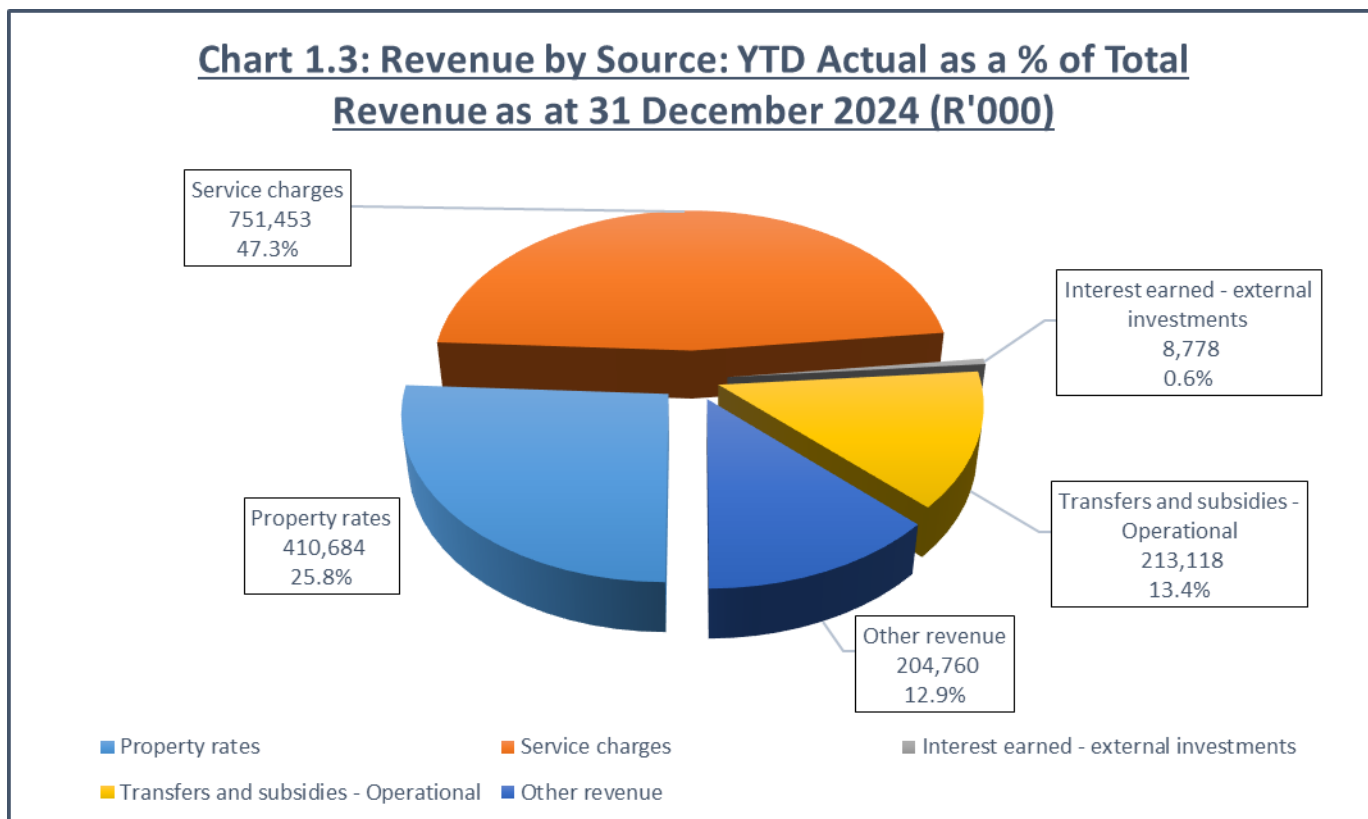


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

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 % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	950,863	83,510	425,260	475,433	89.4%	(50,174)	-10.6%	44.7%	(50,172)	-5.3%
Remuneration of councillors	37,077	2,369	16,348	18,538	88.2%	(2,190)	-11.8%	44.1%	(2,190)	-5.9%
Bulk purchases - electricity	897,300	24,505	388,061	472,641	82.1%	(84,580)	-17.9%	43.2%	(60,589)	-6.8%
Inventory consumed	319,605	34,167	148,817	159,804	93.1%	(10,987)	-6.9%	46.6%	(10,986)	-3.4%
Debt impairment	355,246	-	177,623	177,623	100.0%	(0)	0.0%	50.0%	-	0.0%
Depreciation and amortisation	89,700	22,425	44,850	44,850	100.0%	(0)	0.0%	50.0%	-	0.0%
Interest	17,774	9,180	9,181	8,887	103.3%	294	3.3%	51.7%	294	1.7%
Contracted services	40,731	2,255	26,584	20,366	130.5%	6,219	30.5%	65.3%	6,219	15.3%
Transfers and subsidies	3,660	-	634	1,830	34.6%	(1,196)	-65.4%	17.3%	(1,196)	-32.7%
Irrecoverable debts written off	-	-	1	-		1			1	
Operational costs	151,549	10,815	82,994	75,776	109.5%	7,218	9.5%	54.8%	7,219	4.8%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	65,000	15,009	38,036	32,500	117.0%	5,536	17.0%	58.5%	5,536	8.5%
Total Expenditure	2,928,505	204,236	1,358,389	1,488,248	91.3%	(129,859)	-8.7%	46.4%	(105,863)	-3.6%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 December 2024 current YTD expenditure shows an unsatisfactory variance of minus 8.7%. The YTD actual amounted to R1,358,389 billion against the YTD Budget of R1,488,248 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 10.6%, due to Post-retirement benefit obligations that are not factored in and will only be finalised as part of year-end procedures. There is a moratorium on the filling of non-critical vacancies and the sale of leave has been suspended.
- ❖ Remuneration of councillors is showing an unsatisfactory variance of minus 11.8%. 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 17.9%, due to the December 2024 invoice not being authorised on the system. It will be processed during January 2025. The Payment section did not timesously authorised the balance of the November 2024 invoice, as a result of short staffing during the festive season.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 6.9%. 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.

R&M Expenditure per Directorate per Inventory type as at 31 December 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%
VOTE 1 - COUNCILLORS AND ADMIN	202,000	202,000	-	42,856	21.22%	21.22%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	85,000	-	42,856	50.42%	50.42%	SATISFACTORY
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
VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	22,997,000	2,680,550	16,154,583	70.25%	70.25%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	16,027	128,356	24.68%	24.68%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	4,172	92,000	23.00%	23.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	2,660,351	15,934,228	72.18%	72.18%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	117,000	117,000	-	55,628	47.54%	47.54%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	107,000	-	53,628	54.17%	50.12%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	10,000	-	2,000	11.11%	20.00%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,568,000	10,568,000	91,527	927,655	8.78%	8.78%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	24,315	256,340	28.42%	28.93%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	277,000	9,413	156,738	57.62%	56.58%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	14,984	184,226	34.76%	34.76%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	8,875,000	42,816	330,352	3.73%	3.72%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	35,714,500	35,714,500	929,475	9,434,284	26.42%	26.42%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,016,500	57,274	310,594	31.48%	30.56%	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	43,911	125,747	56.64%	56.64%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,157,000	63,474	465,143	42.79%	40.20%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,976,000	282,162	2,786,267	31.04%	31.04%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	7,179	132,100	15.99%	15.99%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	23,463,000	475,474	5,613,674	23.82%	23.93%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,368,000	2,368,000	9,963	939,512	39.68%	39.68%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,300,000	2,768	632,806	47.94%	48.68%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	3,032	72,413	41.38%	41.38%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	2,090	67,989	34.34%	34.34%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	695,000	2,074	166,304	24.64%	23.93%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	6,381,000	523,333	1,354,256	21.22%	21.22%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	414,000	9,837	106,536	25.43%	25.73%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	-	16,052	26.31%	25.08%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	418,000	7,430	124,685	29.83%	29.83%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	-	2,214	27.68%	27.68%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	5,477,000	506,066	1,104,768	20.18%	20.17%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	241,257,705	29,932,280	119,907,822	49.70%	49.70%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	647,000	6,634	224,072	34.74%	34.63%	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	732,768	8,048,794	33.30%	33.30%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	774,000	8,730	346,884	45.52%	44.82%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,930,000	343,893	3,782,888	42.36%	42.36%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	600,000	7,940	95,184	11.07%	15.86%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	141,132,705	11,983,693	62,454,327	44.33%	44.25%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	16,848,622	44,955,673	69.16%	69.16%	OVERSPENT
Grand Total	319,605,205	319,605,205	34,167,129	148,816,597	46.56%	46.56%	SATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 31 December 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%
2480 - REFUSE	21,500,000	21,500,000	516,603	5,401,966	25.13%	25.13%	UNSATISFACTORY
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	1,623	9,677	4.61%	4.61%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	252,402	2,260,820	37.68%	37.68%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	-	372	0.07%	0.07%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	262,578	3,119,095	21.22%	21.22%	UNSATISFACTORY
2830 - ROADS	46,747,000	46,747,000	6,869,102	25,383,123	54.30%	54.30%	SATISFACTORY
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	747	9,205	15.87%	15.87%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	46,634,000	6,868,355	25,364,678	54.39%	54.39%	SATISFACTORY
2840 - HOUSING	3,509,000	3,509,000	59,478	1,088,346	31.02%	31.02%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	-	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	2,522	53,985	33.74%	33.74%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	56,956	889,834	28.58%	28.58%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	22,024,000	1,445,309	13,722,239	62.31%	62.31%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	32,000	870	20,691	68.97%	64.66%	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	3,436	43,584	16.83%	16.83%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,400,000	94,439	952,676	39.69%	39.69%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	150,000	-	9,787	2.45%	6.52%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	19,013,000	1,346,564	12,687,167	67.61%	66.73%	OVERSPENT
2860 - WATER	121,123,000	121,123,000	18,626,772	60,953,579	50.32%	50.32%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	77,000	-	46,177	59.97%	59.97%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	24,002,000	732,768	8,040,460	33.50%	33.50%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	122,000	-	87,838	79.85%	72.00%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,300,000	76,267	902,875	39.26%	39.26%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	7,940	85,397	18.56%	18.98%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,172,000	961,175	6,835,159	23.43%	23.43%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	16,848,622	44,955,673	69.16%	69.16%	OVERSPENT
2880 - ELECTRICITY	51,537,000	51,527,000	2,590,833	18,500,386	35.90%	35.90%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	5,186	40,352	19.22%	19.22%	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	2,060	24,381	32.08%	32.08%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	51,240,000	2,583,587	18,435,652	35.97%	35.98%	UNSATISFACTORY
Grand Total	266,440,000	266,430,000	30,108,097	125,049,639	46.93%	46.94%	SATISFACTORY

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 was processed on the financial system during November 2024. The journal for the third quarter will be processed before the end of March 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 was processed during December 2024. The municipality engaged our service provider to make use of the available Asset module (AM) on the financial system. Implementation of the AM is underway.
- ❖ Interest is showing a satisfactory variance of 3.3%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year is was settled before the 31 December 2024. There is also minimal movement pertaining 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 R8,833 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 30.5%. As a result of increased legal fees incurred and erroneous allocation under Contr: Prepaid Electricity Vendors which will be journalised and addressed during the Adjustment budget.
- ❖ Transfers and subsidies showing negative variance of minus 65.4%. 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 9.5% as a result of the following line items under Operational Cost (OC)

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

- 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 R20,614 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.
 - The YTD actual on OC: Professional Bodies M/Ship & Subs is R5,715 for predominantly annual SALGA membership fees. Partial payments have been made to SALGA amounting to R5,708 million, against a total invoice amount of R8,782 million.
- ❖ Other Losses is showing a negative variance of 17.0%. 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 A corrective journal for the actuals, for December 2024 for the recognition of Water inventory and losses must still be processed on the system. The variance is attributed to the interface of water consumption (transacted against Water Inventory) from the billing module. The overstatement will be corrected with the journal for the month of December 2024. The billing for bulk water is spread over 9 months of the year from July to end of March of each year. The servitude (free water) allocation commences on the 1 of April of each year. The actual extraction volumes are slightly higher than anticipated.

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 December 2024 is 50.0%. The total operational expenditure against the Original budget is 46.4% spent, resulting in a satisfactory variance of minus 3.6%.

- ❖ 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 5.9%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 6.8%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 3.4%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 0%. 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. Implementation of the AM is underway.
- ❖ Interest is showing an satisfactory variance of minus 1.7%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at 15.3%, when compared to the Original budget. Same factors are applicable as explained above.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 32.7%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 4.8%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of 8.5%. Same factors are applicable as explained above.

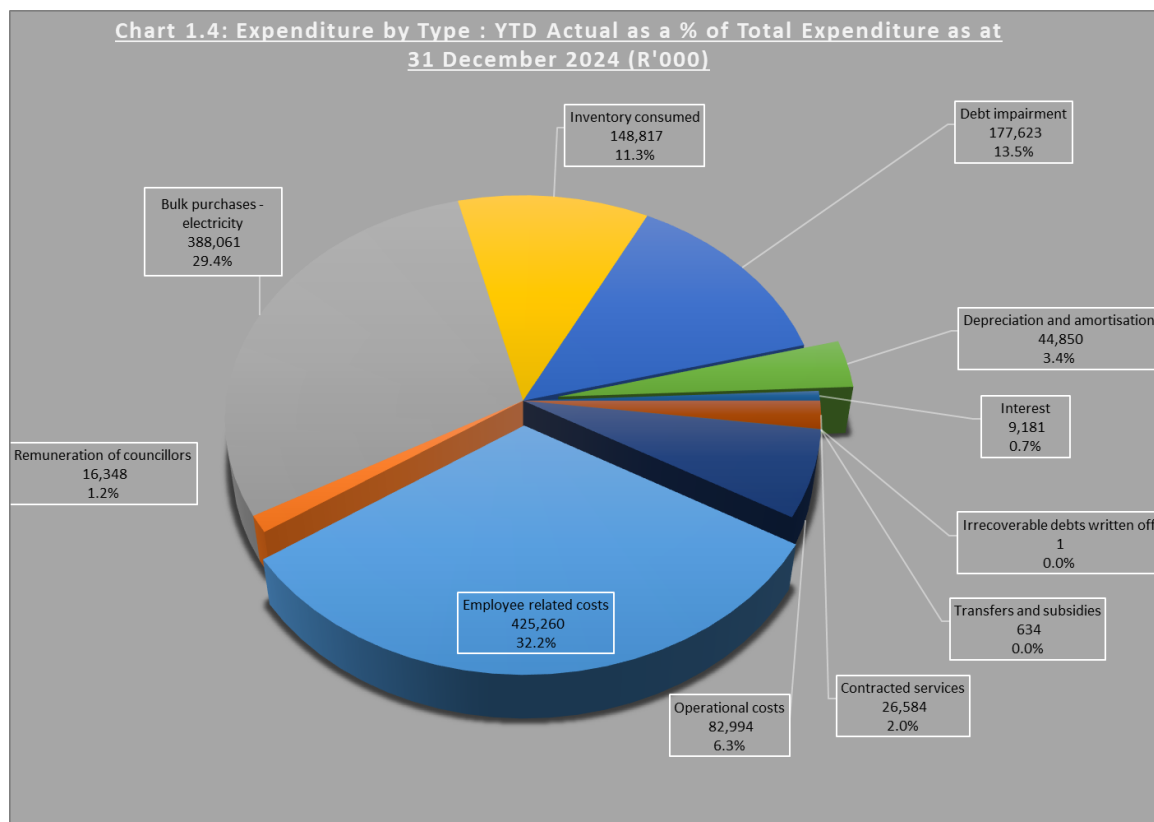


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 1.2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 December 2024. The main cost drivers of the municipality are Employee Related Costs (32.2%), Bulk Purchases – Electricity (29.4%), Debt Impairment (13.5%) and Inventory consumed (11.3%).

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 was processed during December 2024.
- ❖ Bulk purchases electricity, the December 2024 Eskom account amounting to R71,859 million which includes VAT and interest, is not yet authorised on the system and will be processed during January 2024. The unpaid balance of the November 2024 was not timeously authorised on the system.
- ❖ 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 50% as at end of December 2024, Bulk Purchases Electricity is showing a satisfactory variance minus of 6.755%. This is a result of the balance on the November 2024 account not being timeously authorised on the system. The invoice for December 2024 will be captured during January 2025.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
BULK PURCHASES: ELECTRICITY	897,300,000	24,505,064	388,061,121	43.25%	-6.75%
Total	897,300,000	24,505,064	388,061,121	43.25%	-6.75%

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 variance minus of 13.7%, when compared to the ideal percentage of 41.67%. The invoice for November and December 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 December 2024 for the recognition of Water inventory and losses must still be processed on the system. The variance is attributed to the interface of water consumption (transacted against Water Inventory) from the billing module. This overstatement will be corrected with the journal for the month of December 2024. The billing for bulk water is spread over 9 months of the year from July to end of March of each year. The servitude (free water) allocation commences on the 1 of April of each year. The actual extraction volumes are slightly higher than anticipated

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
INVENTORY - WATER	65,000,000	16,848,622	44,955,673	69.16%	19.16%
NON-REVENUE WATER LOSSES	65,000,000	15,008,948	37,902,454	58.31%	8.31%
Total	130,000,000	31,857,570	82,858,127	63.7%	13.7%

Table 5.2: Summary of YTD Bulk Water expenditure

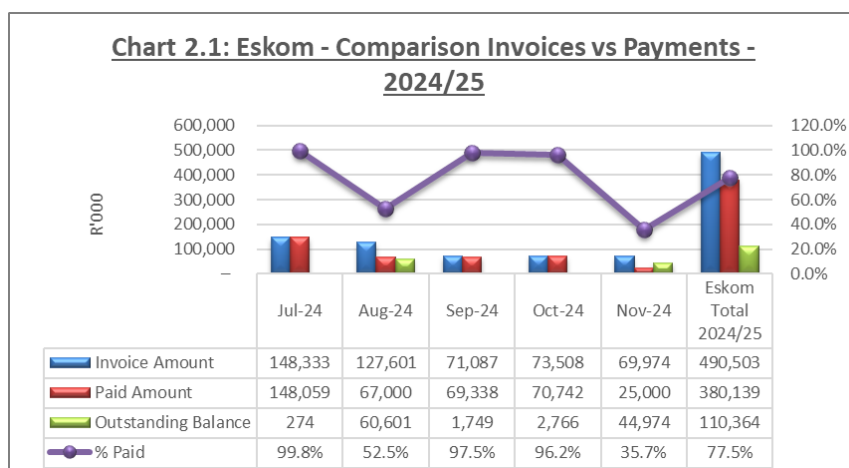
Outstanding debt: ESKOM

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
2021/22	523,811	-		523,811	523,811	-
Oct-21	51,028	-		51,028	51,028	-
Nov-21	50,813	-		50,813	50,813	-
Dec-21	51,379	-		51,379	51,379	-
Jan-22	53,401	-		53,401	53,401	-
Feb-22	51,445	-		51,445	51,445	-
Mar-22	54,652	-		54,652	54,652	-
Apr-22	51,835	-		51,835	51,835	-
May-22	57,826	-		57,826	57,826	-
Jun-22	101,431	-		101,431	101,431	-
2022/23	389,602	103,242	(37,482)	248,878	248,878	-
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)	-	-	-
2023/24	975,208	819,809	(69,632)	85,767	85,767	-
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)	-	-	-
2024/25	562,361	380,139	-	182,223	110,364	8,833
Jul-24	148,333	148,059	-	274	274	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	25,000	-	44,974	44,974	2,160
Dec-24	71,859	-	-	71,859	-	1,730
Grand Total ESKOM	2,450,982	1,303,189	(107,114)	1,040,678	968,819	8,833

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,040,678 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 November 2024, for the period February to June 2024 must still be effected on the system. The total arrear debt amounts to R968,819 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m) and 2024/25 (R110,364m). The total interest charges on overdue accounts for the current financial year amounted to R8,833 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.



Indicated in Chart 2.1 is the comparison of Eskom invoices vs payments for the 2024/25 financial year. The YTD actual until November 2024 show that 77.5% of invoices were settled, based on invoices raised of R490,503 million vs payments of R380,139 million. Invoices for July, Sep and October 2024 is only the interest that remains unpaid. August 2024 is 52.5% and November 2024 is 35.7% paid. The total outstanding balance amounts to R110,364 million.

Chart 2.1: Eskom - Comparison Invoices vs Payments

Outstanding debt: DWS

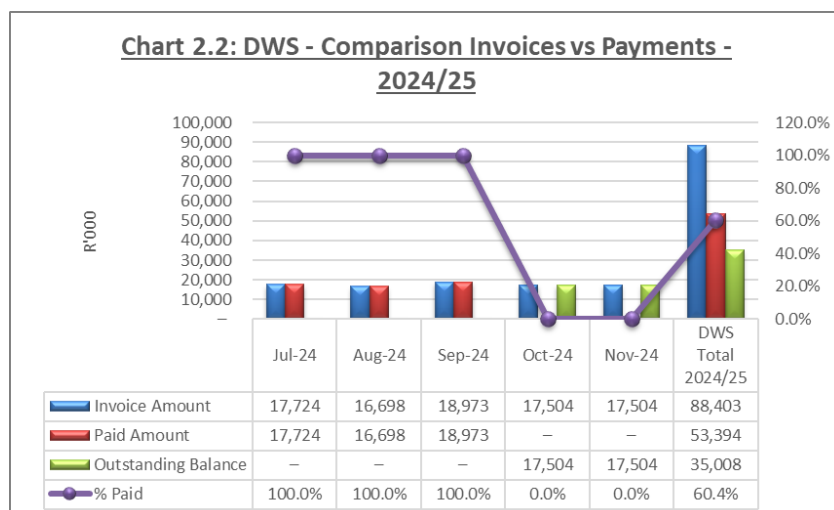
DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
2021/22	126,431	71,775	54,656	54,656
INTEREST (APR-JUN 2022)	6,191	—	6,191	6,191
Aug-21	15,075	15,075	—	—
Sep-21	15,795	15,795	—	—
Oct-21	15,275	15,275	—	—
Nov-21	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
2023/24	150,526	150,526	—	—
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	—	—
2024/25	104,083	53,394	50,689	35,008
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	17,504
Dec-24	15,681	—	15,681	—
Grand Total	381,041	275,695	105,345	89,665

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 R105,345 million. The total debt also has to be concurred with the Department. The total arrear debt amounts to R89,665 million which pertains to outstanding invoices for 2021/22 (R54,656m) and 2024/25 (R35,008m). 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 debt outstanding is R50,689 million. The municipality defaulted on the October and November 2024 account and the current account for December 2024, is payable on or before 30 January 2024.

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 current year from July to January 2025, 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 and November 2024 invoice and incurred accumulative arrear debt for the current year of R35,008 million. A major cause of concern is the fact that the municipality is in arrears with R39,953 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.



Indicated in Chart 2.2 is the comparison of DWS invoices vs payments for the 2024/25 financial year. The YTD actual until November 2024 show that 60.4% of invoices were settled, based on invoices raised of R88,403 million vs payments of R53,394 million. Invoices for July to Sep 2024 were settled in full, whilst Oct to Nov 2024 remains unpaid. The total outstanding balance amounts to R35,008 million.

Chart 2.2: DWS - Comparison Invoices vs Payments

Chart 2.3: Monthly Bulk Payments: DWS & ESKOM: 2023/24 and 2024/25

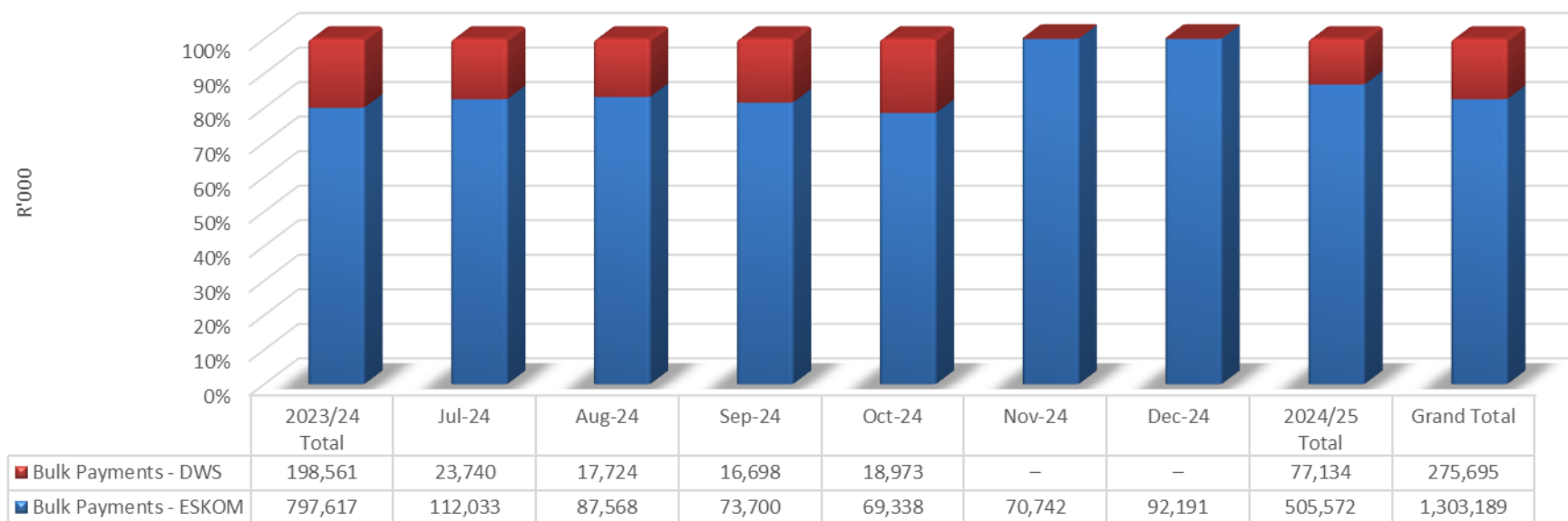


Chart 2.3: Monthly payments to DWS & ESKOM

Indicated in Chart 2.3 above, are the monthly payments made to DWS and ESKOM for 2023/24 and 2024/25 financial year as at 31 December 2024.

DWS The municipality had insufficient cash to settle the current account for November 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 December 2024, due to the insufficient cash available. Debt instalment was due and payable on or before the 5th of January 2025.

ESKOM The municipality settled an amount of R67,191 million on 11 December 2024 and R25,000 million on 30 December 2024, on the current account for November 2024 amounting to R69,974 million. The amounts paid excludes interest charges of R2,160 million. 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 R505,572 million, resulting in the total payments for both periods amounting to R1,303,189 billion. The municipality has been improving on payments made to Eskom from October 2023 account to June 2024. The high months remains a major concern. The municipality made partial payments on the July and August 2024 accounts and also partially settled the November 2024 account.

FIN YEAR PER PAYMENT DATE	AMOUNT IN R	FIN YEAR PER PAYMENT DATE	AMOUNT IN R
2023/24	R 797,617,409.52	2023/24	R 198,561,294.26
20230801	R 103,241,512.23	20230712	R 15,794,682.80
20230830	R 61,000,000.00	20230804	R 15,074,754.70
20230928	R 35,000,000.00	20230914	R 6,000,000.00
20230929	R 35,000,000.00	20231003	R 13,588,064.81
20231031	R 30,000,000.00	20231018	R 6,000,000.00
20231130	R 62,678,528.38	20231106	R 6,275,086.61
20231220	R 2,262,000.00	20231114	R 18,331,770.78
20231228	R 62,347,938.72	20231208	R 6,000,000.00
20240130	R 48,000,000.00	20231212	R 17,633,270.36
20240209	R 13,246,492.61	20240105	R 5,522,530.48
20240219	R 6,700,000.00	20240130	R 13,332,894.88
20240228	R 45,000,000.00	20240212	R 6,000,000.00
20240304	R 18,043,546.82	20240301	R 13,332,894.88
20240319	R 6,700,000.00	20240412	R 21,303,350.74
20240328	R 62,478,598.42	20240429	R 5,194,304.19
20240426	R 62,972,969.32	20240514	R 11,069,915.81
20240524	R 13,400,000.00	20240626	R 18,107,773.22
20240528	R 59,696,947.69	2024/25	R 77,134,049.64
20240621	R 6,700,000.00	20240717	R 23,739,570.29
20240625	R 63,148,875.33	20240830	R 17,723,612.70
2024/25	R 505,571,848.75	20240930	R 16,698,048.53
20240730	R 112,033,130.69	20241031	R 18,972,818.12
20240828	R 32,868,260.60	Grand Total DWS	R 275,695,343.90
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		
20241211	R 67,190,839.43		
20241230	R 25,000,000.00		
Grand Total ESKOM	R 1,303,189,258.27		

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 2.4: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2024 to Dec 2024

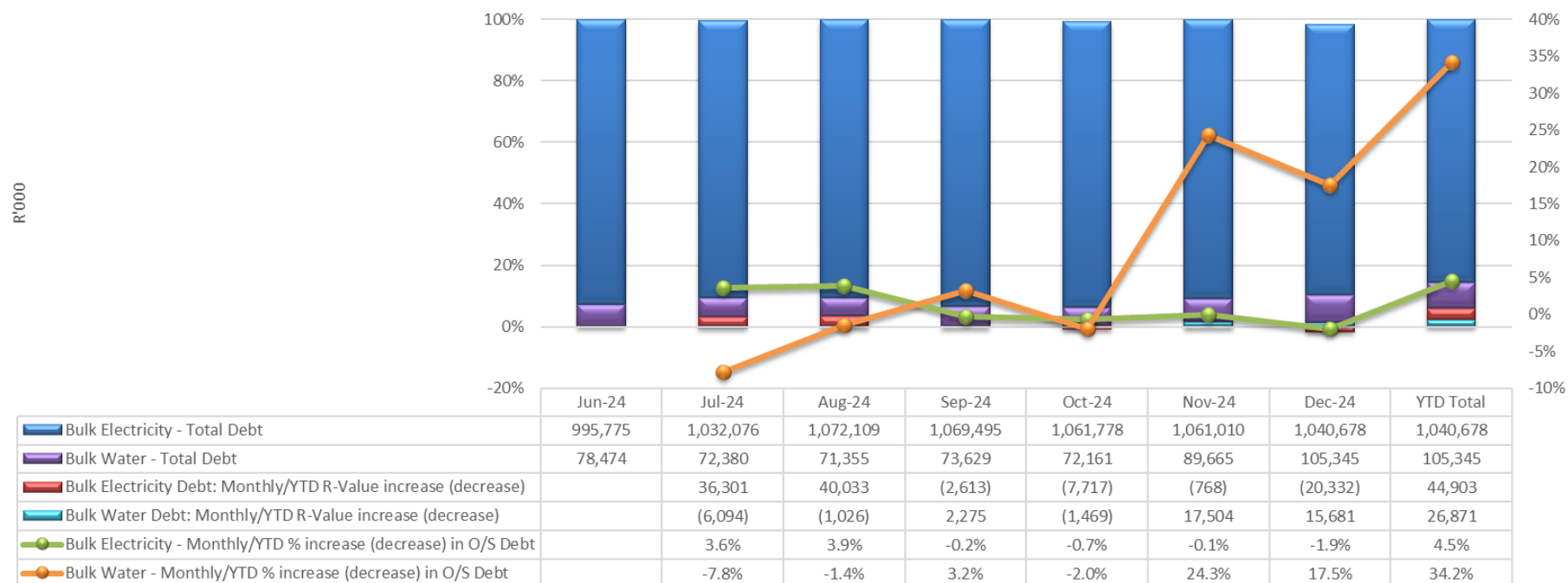


Chart 2.4: Monthly & YTD comparison – Bulk Electricity & Water debt

Indicated in Chart 2.4 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

ESKOM - From November to December 2024, debt owed to ESKOM decreased by R20,332 million or minus 1.9%, from R1,061,010 billion to R1,040,678 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R44,903 million or 4.5%, from R995,775 million to R1,040,678 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 November to December 2024, debt owed to DWS increased by R15,681 million or 17.5%, from R89,665 million to R105,345 million. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R26,871 million or 34.2% from R78,474 million to R105,345 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	2024/07/31						R 163,062,000.00	0.00%
7	2024/08/31	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	2024/09/30	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	2024/10/31						R 163,062,000.00	0.00%
10	2024/11/30						R 163,062,000.00	0.00%
11	2024/12/31						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	-
Total Debt as per SPM	R 174,076,331.87	R 157,684,572.81	R 16,391,759.06	R 119,419,865.39	R 54,656,466.48
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
TOTAL INTEREST CHARGES	-R 14,703,680.46				-R 14,703,680.46
NET OUTSTANDING	R 159,372,651.41			R 119,419,865.39	R 39,952,786.02

Table 6.5: Reconciliation DWS Debt Agreement

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M06 December

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 % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	613,729	120,540	228,689	306,865	74.52%	(78,175)	-25.5%	37.3%	(78,175)	-12.7%
Funded by										
Capital transfers recognised	572,229	118,779	223,681	286,115	78.18%	(62,434)	-21.8%	39.1%	(62,434)	-10.9%
Internally generated funds	41,500	1,761	5,009	20,750	24.1%	(15,741)	-75.9%	12.1%	(15,741)	-37.9%
Weighting Capital transfer recognised	93.2%	98.5%	97.8%	93.2%						
Weighting Internally generated funds	6.8%	1.5%	2.2%	6.8%						

Table 7: High level summary: Capital Expenditure

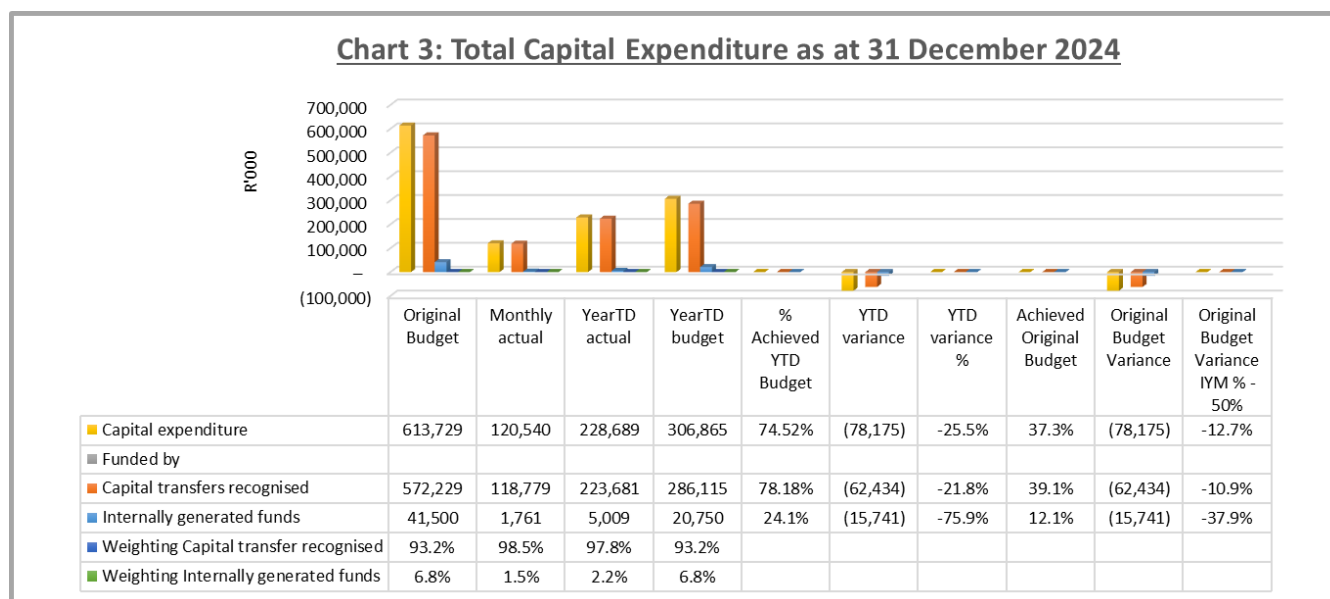


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of December 2024 amounted to R228,689 million and 74.52% spent when compared to the YTD budget of R306,865 million and 37.3% spent when compared to the Original Budget of R613,729 million. The total YTD capex is funded from Capital grants R223,681 million (97.8%) and Internally generated funds R5,009 million (2.2%). 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

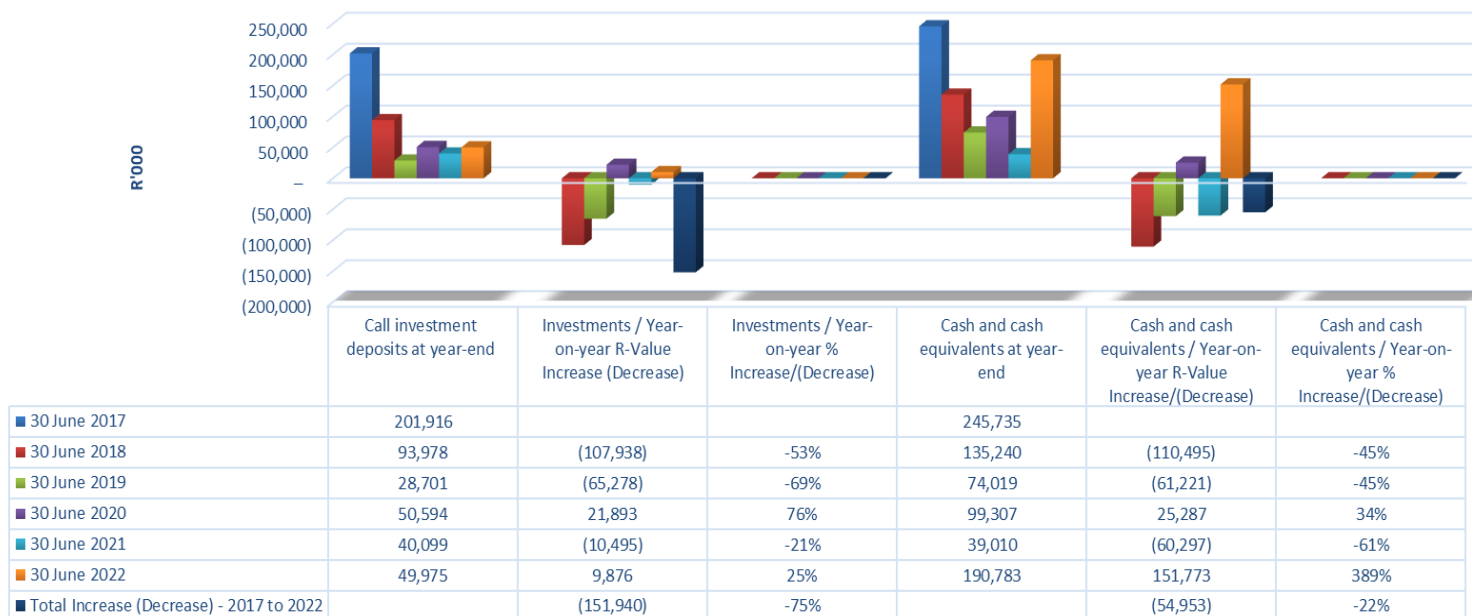


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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.

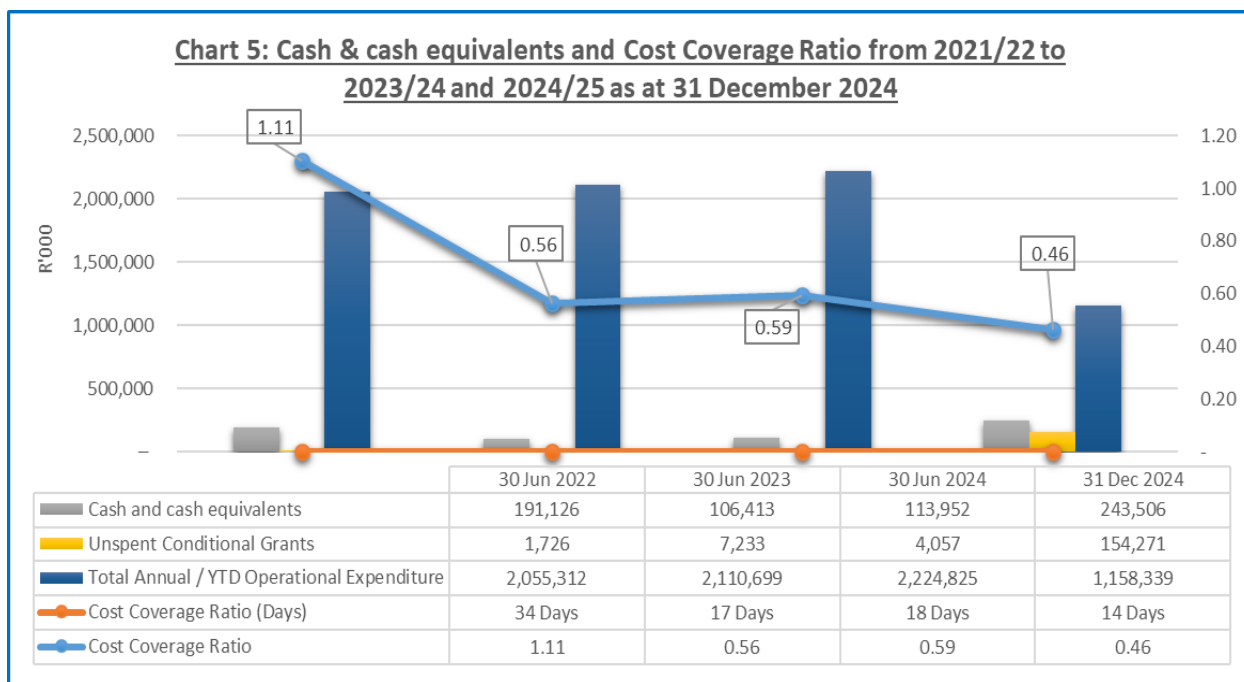


Chart 5: Cash & cash equivalents and Cost coverage ratio

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 31 December 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 - M06 December

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		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	39,625	30,859	27,371	16,737	19,403	14,672	77,207	569,693	795,569	697,714	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	55,026	23,183	17,110	19,359	14,323	9,627	37,201	169,774	345,604	250,284	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	42,132	17,730	15,301	14,809	13,296	86,741	58,265	682,329	930,603	855,440	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	9,561	7,239	6,453	6,128	6,181	5,969	28,530	212,493	282,554	259,301	–	–
Receivables from Exchange Transactions - Waste Management	1600	7,845	5,546	4,821	4,558	4,565	4,383	21,875	164,707	218,300	200,088	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,958	2,608	1,767	1,794	1,796	1,801	10,974	73,086	95,785	89,451	–	–
Interest on Arrear Debtor Accounts	1810	23,534	22,074	21,974	21,946	20,637	20,280	114,844	804,231	1,049,521	981,939	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	11,545	13,855	5,382	5,489	6,894	2,211	62,741	178,686	286,804	256,022	–	–
Total By Income Source	2000	191,227	123,095	100,178	90,821	87,097	145,684	411,636	2,855,001	4,004,740	3,590,240	–	–
2023/24 - totals only		166781422	112086318	109881958	94874878	77029367	149454867	387871247	#####	3,699,364	3,310,615	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	30,773	22,040	13,396	13,741	9,705	79,324	41,532	631,706	842,218	776,009	–	–
Commercial	2300	68,959	26,137	21,103	20,636	18,230	14,410	70,850	432,466	672,790	556,591	–	–
Households	2400	87,068	72,643	63,686	54,660	57,328	50,174	288,628	1,692,953	2,367,140	2,143,743	–	–
Other	2500	4,427	2,274	1,994	1,785	1,834	1,776	10,626	97,876	122,591	113,896	–	–
Total By Customer Group	2600	191,227	123,095	100,178	90,821	87,097	145,684	411,636	2,855,001	4,004,740	3,590,240	–	–

Table 8.1: Supporting Table SC3: Aged Debtors

Part 4: Debtor Age Analysis										
	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R thousands	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	39,085	5.0%	30,414	3.9%	26,821	3.5%	677,847	87.6%	774,168	19.3%
Trade and Other Receivables from Exchange Transactions - Electricity	52,979	15.5%	22,915	6.7%	17,056	5.0%	248,358	72.8%	341,308	8.5%
Receivables from Non-exchange Transactions - Property Rates	41,489	4.7%	17,415	2.0%	14,991	1.7%	816,319	91.7%	890,214	22.2%
Receivables from Exchange Transactions - Waste Water Management	9,413	3.4%	7,094	2.6%	6,307	2.3%	253,001	91.7%	275,815	6.9%
Receivables from Exchange Transactions - Waste Management	7,710	3.6%	5,440	2.6%	4,715	2.2%	195,384	91.6%	213,249	5.3%
Receivables from Exchange Transactions - Property Rental Debtors	1,948	2.0%	2,598	2.7%	1,759	1.9%	88,740	93.4%	95,045	2.4%
Interest on Arrear Debtor Accounts	22,800	2.3%	21,351	2.1%	21,259	2.1%	946,016	93.5%	1,011,426	25.3%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	15,802	3.9%	15,867	3.9%	7,271	1.8%	364,574	90.3%	403,514	10.1%
Total By Income Source	191,227	4.8%	123,095	3.1%	100,178	2.5%	3,590,240	89.6%	4,004,740	100.0%
Debtors Age Analysis By Customer Group										
Organs of State	30,773	3.7%	22,040	2.6%	13,396	1.6%	776,009	92.1%	842,218	21.0%
Commercial	68,959	10.2%	26,137	3.9%	21,103	3.1%	556,591	82.7%	672,790	16.8%
Households	87,068	3.7%	72,643	3.1%	63,686	2.7%	2,143,743	90.6%	2,367,140	59.1%
Other	4,427	3.6%	2,274	1.9%	1,994	1.6%	113,896	92.9%	122,591	3.1%
Total By Customer Group	191,227	4.8%	123,095	3.1%	100,178	2.5%	3,590,240	89.6%	4,004,740	100.0%

Table 8.2: Part 4: Debtors Age Analysis

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

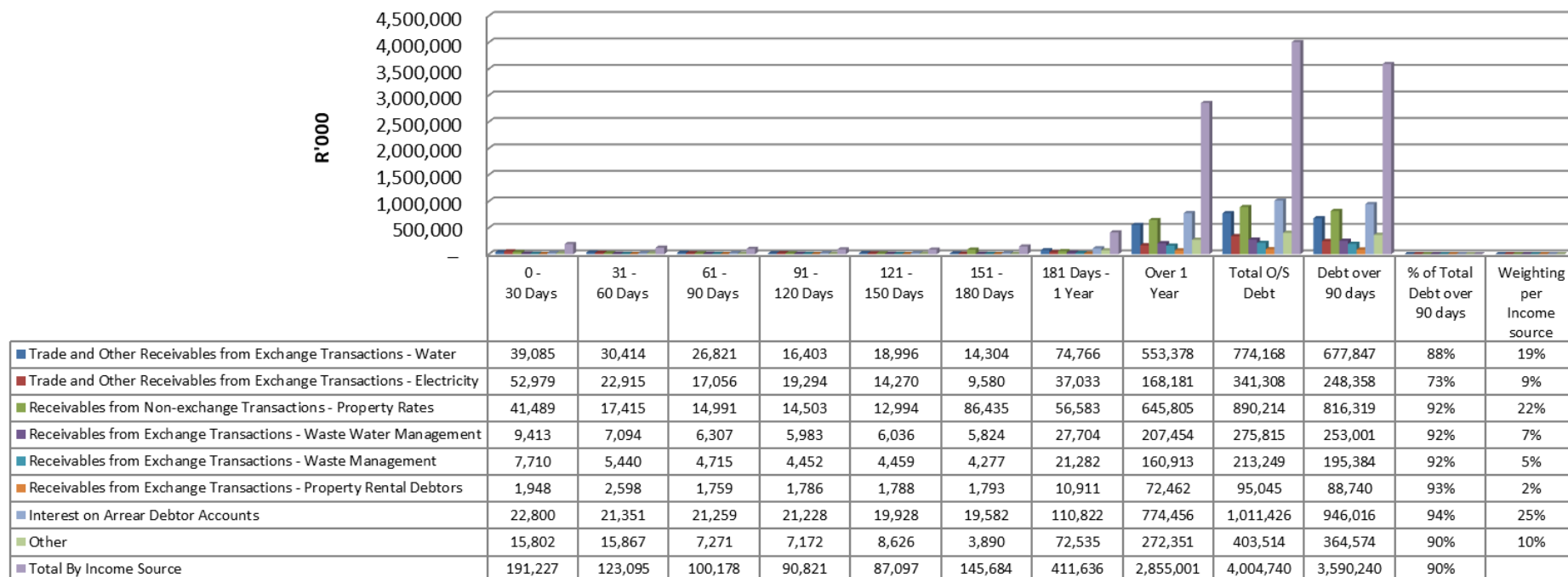


Chart 6.1: Debtor's age analysis by Income Source

Indicated in Table 8.1 to 8.2 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 R4,004,740 billion as at the end of December 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 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 22%
- ❖ 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 31 December 2024

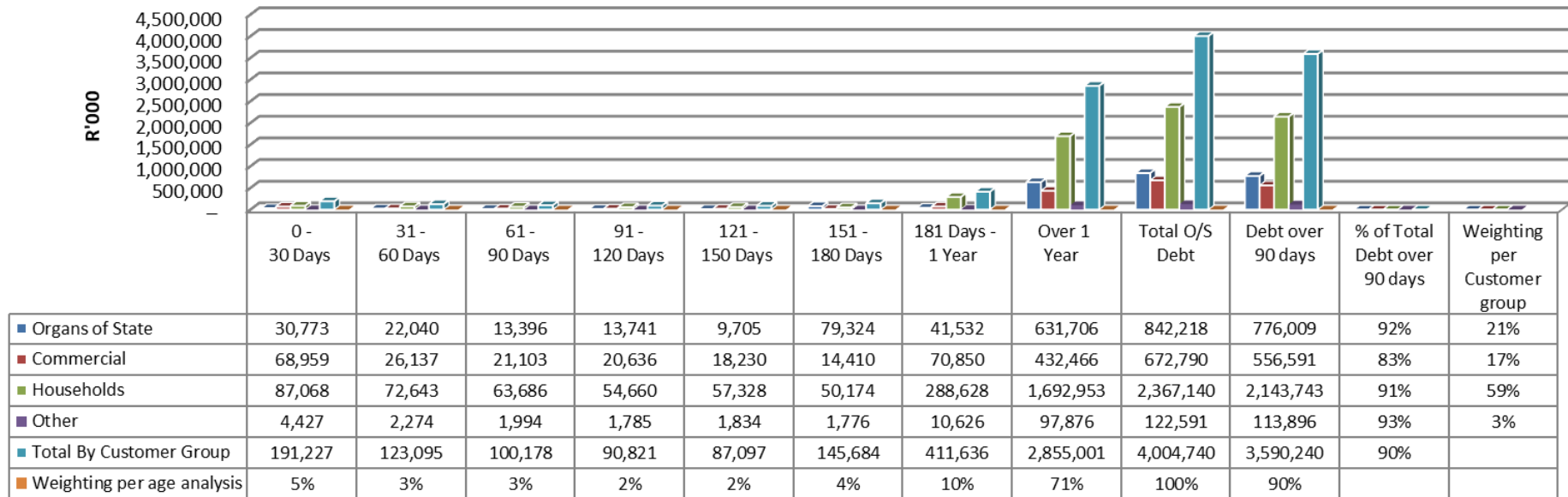


Chart 6.2: Debtor's age analysis by Customer Group

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 91% and Other at 90%.

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

- ❖ Organs of state at 21%, total debt outstanding is R842,218 million
- ❖ Businesses at 17%, total debt outstanding is R672,790 million
- ❖ Households at 59%, total debt outstanding is R2,367,140 billion
- ❖ Other at 3%, total debt outstanding is R122,591 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 December 2024

During the month of December 2024, we focused on collecting from top owing Businesses and Government Departments. We disconnected electricity services of Businesses and Government Departments and we received substantial payments for reconnections. We received further commitments for further payments to be made in January 2025.

As the smart meters project is in full swing we could only block a few areas for Household Customers, as we cannot block in areas where meters are being installed. We are ready to implement our new collection strategies in January 2025, when we will have our full staff complement back in office as well as the outsourced services of 4 (four) Debt Collection Agencies.

The receipts for Government Departments, Parastatals and schools were R 51 million for the month December 2024 (including the R 21 million received from the Department of Provincial Public Works) as compared to the R29,323,376.92 received for the month of November 2024. We have disconnected the 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 during January 2025 as per the commitments given by the Departments during meetings held in December 2024.

GOVERNMENT DEBT	
DEPARTMENTS	RECEIPTS DECEMBER 2024
NATIONAL PUBLIC WORKS	R3,967,650.58
PROVINCIAL PUBLIC WORKS	R27,858.76
DEPARTMENTS OF HEALTH	R8,316,686.91
SOCIAL DEVELOPMENT	R213,445.97
ECONOMIC DEV & TOURISM	R265,932.69
COGHSTA/ HOUSING	R148,375.23
OFFICE OF THE PREMIER	R0.00
PROVINCIAL LEGISLATURE	R113,850.67
CORRECTIONAL SERVICE	R5,265,131.32
NATIONAL DEFENCE FORCE	R4,912,972.82
AGRICULTURE	R78,501.66
EDUCATION	R1,339,391.13
SPORTS, ARTS & CULTURE	R591,904.25
TRANSPORT	R0.00
DE BEERS	R1,039,405.13
TELKOM	R758,941.97
TRANSNET	R1,113,396.30
ESKOM	R470,327.09
SAPS	R168,249.78
SCHOOLS	R1,290,806.44
TOTAL	R30,082,828.70

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 R49,535 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R55,368 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 % of total O/S Debt: Jun 2024 - Dec 2024



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 December 2023, this will have to 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.

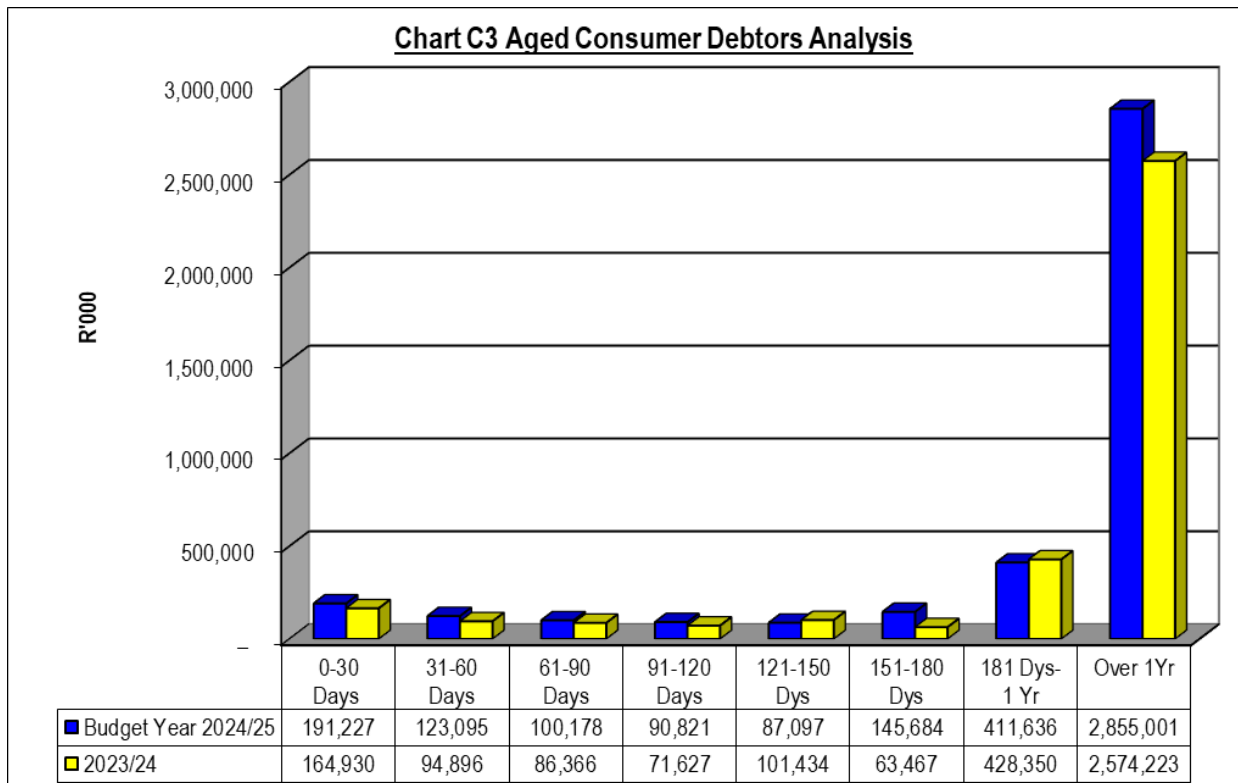


Chart 8: Aged Consumer Debtor Analysis

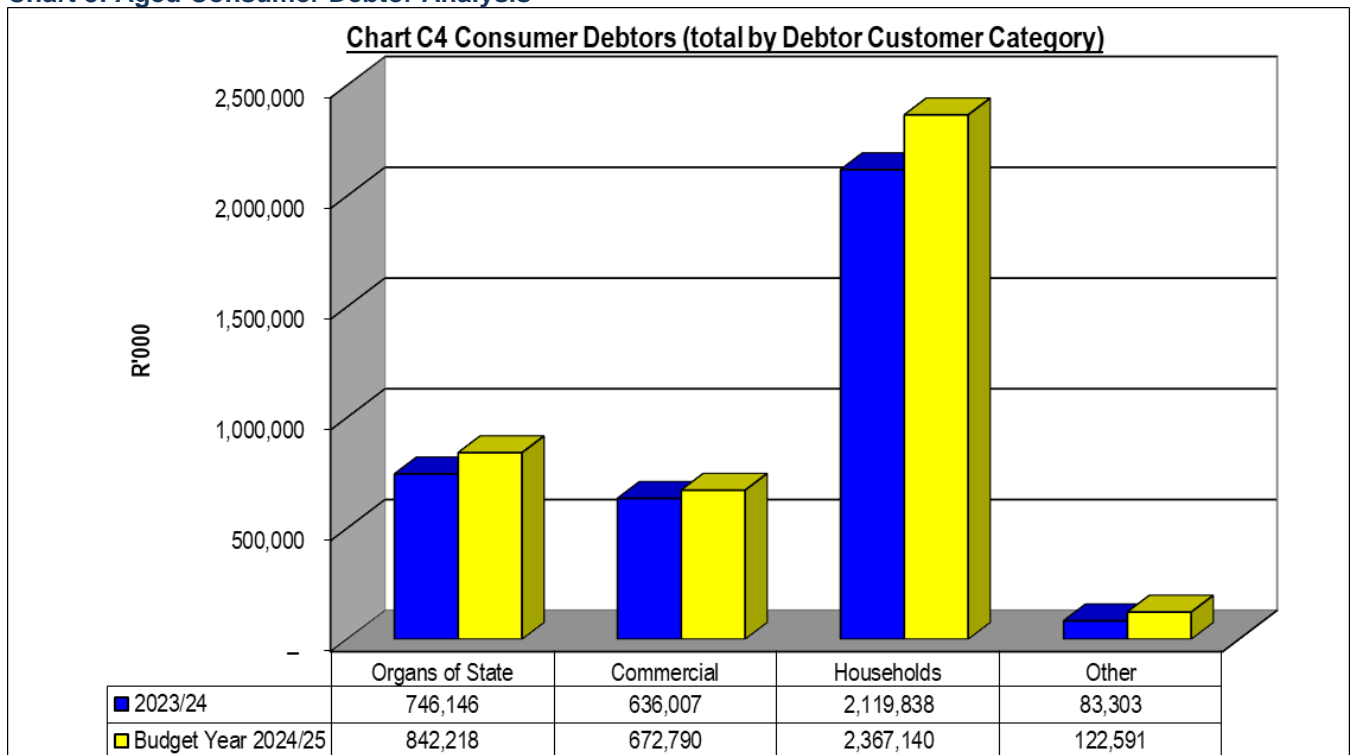


Chart 9: Consumer Debtors (total by Debtor Customer Category)

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 November 2024 and received in December 2024, the monthly collection rate is 55%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 51%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R36,803 million and will be allocated during January 2025. Indicated in Table 10 below is the revised average collection rate of 76%, 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 81.2%. 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 December to 31 December 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 November 2024)	Credits (Received December 2024)	% Collected
PROPERTY RATES	50,502,557	30,545,244	60%
ELECTRICITY	47,318,427	32,790,586	69%
WATER	36,033,814	13,901,218	39%
SEWERAGE	10,195,729	3,732,115	37%
REFUSE	8,111,864	3,331,052	41%
PROPERTY RATES & SERVICES	152,162,392	84,300,214	55%
OTHER	35,592,913	10,555,672	30%
TOTAL	187,755,306	94,855,887	51%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL DECEMBER 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 410,684,099	R 230,593,497	56.1%
SERVICE CHARGE ELECTRICITY	R 308,387,339	R 308,602,377	100.1%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 173,916,338	R 173,916,338	100.0%
SERVICE CHARGE WATER	R 170,211,963	R 84,489,616	49.6%
SERVICE CHARGE SANITATION	R 56,464,084	R 25,636,956	45.4%
SERVICE CHARGE REFUSE	R 42,473,480	R 22,616,965	53.2%
UNALLOCATED CREDITS		R 36,802,706	
REVISED AVERAGE COLLECTION RATE - DECEMBER 2024	R 1,162,137,302	R 882,658,454	76.0%
REVISED AVERAGE COLLECTION RATE - DECEMBER 2024	1,162,137,302	882,658,454	76.0%
LESS ANNUAL BILLING ON PROPERTY RATES	-108,333,781	-26,763,475	24.7%
OTHER	R 180,455,381	R 87,417,317	48.4%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER	R 1,234,258,901.57	R 943,312,296.02	76.4%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND EXCLUDING OTHER	R 1,053,803,521.01	R 855,894,979.06	81.2%

Table 10: Revised Average collection rate

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

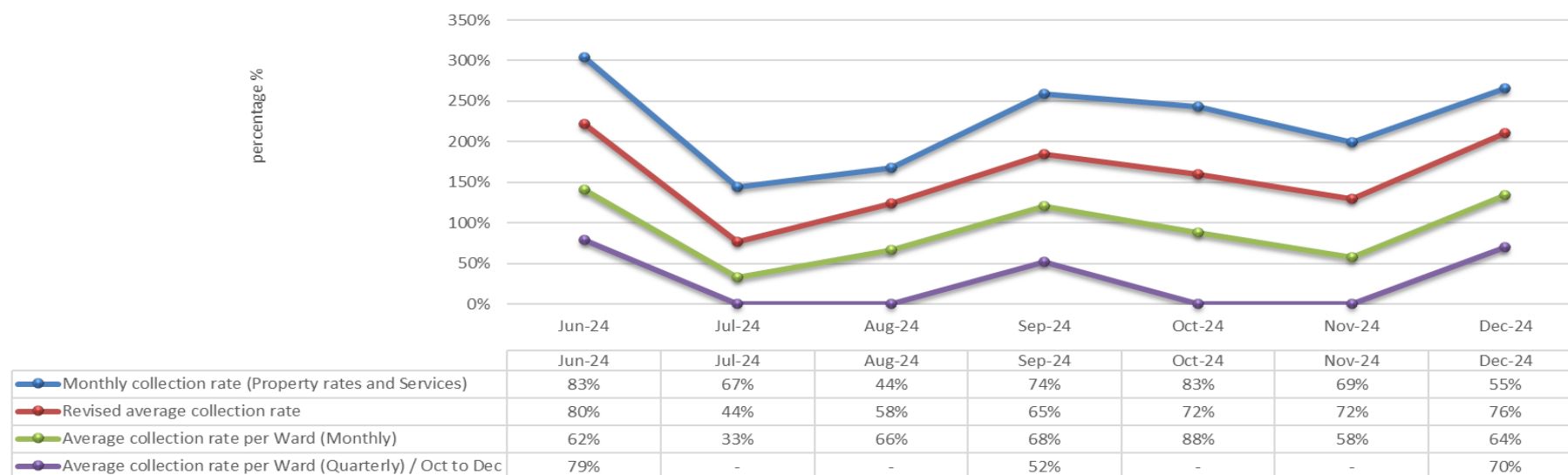


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2024 to December 2024. The monthly collection rate (Property rates & Services) for December 2024 is unsatisfactory at 55%. The revised average collection for December 2024, is showing improvement but is still slightly distorted due to the annual billing on Property rates. This is also exacerbated by the receipts on annual billing not being materializing. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales 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 64% for the month under review, whilst the average quarterly collection rate is 70% for Oct to Dec 2024. It should be noted that Prepaid electricity sales are 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 R36,803 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 Dec 2024

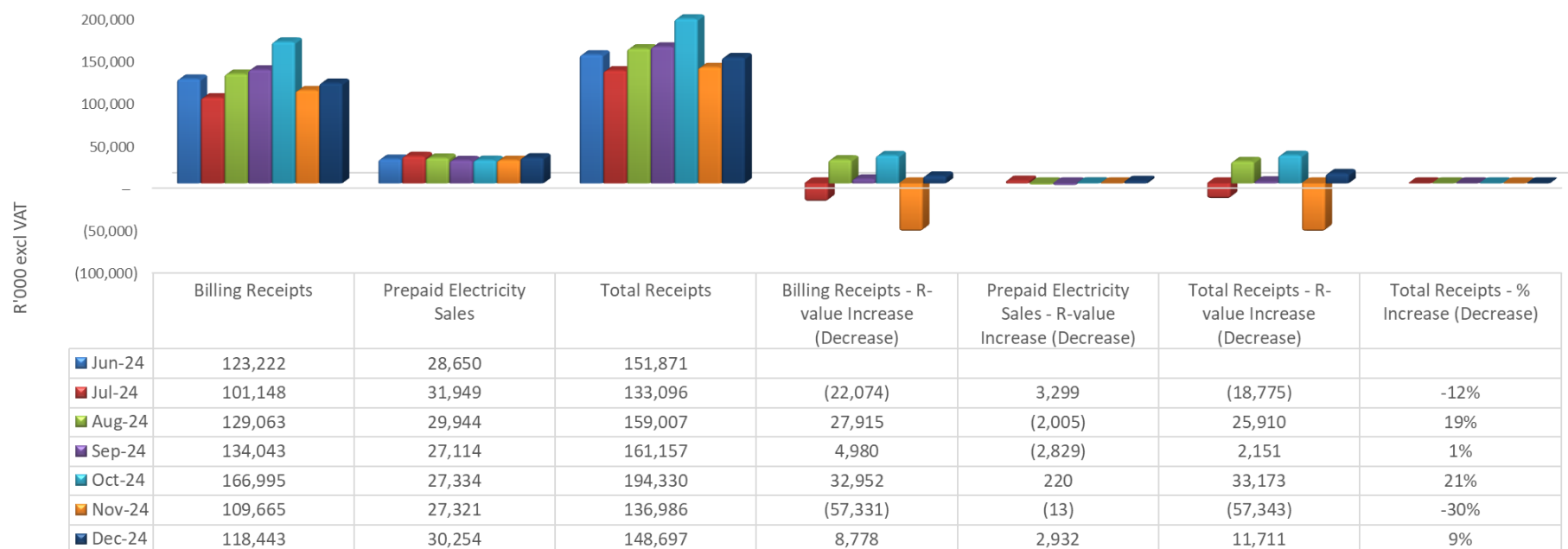


Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11.1 above, the Total Receipts for December amounted to R148,697 million which resulted in an increase of R11,711 million or 9% in respect of the month-to-month comparison. Billing receipts increased by R8,778 million, whilst Prepaid Electricity Sales increased by R2,932 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R36,803 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.

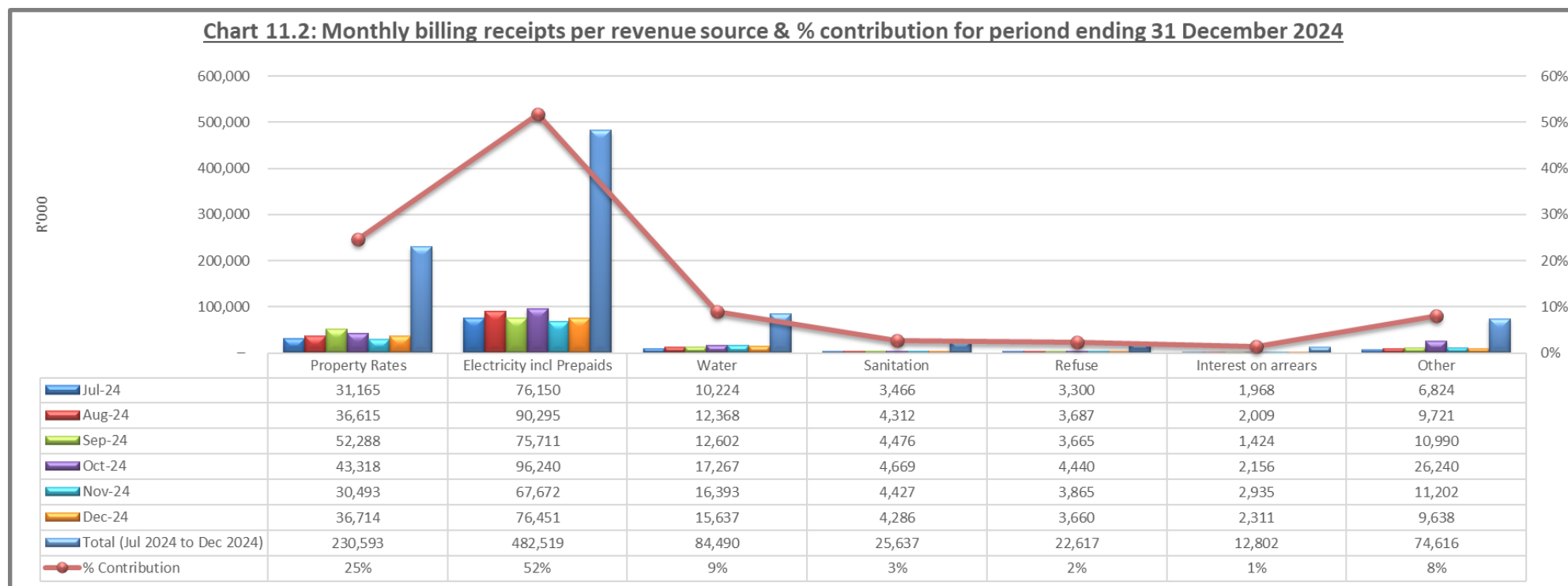


Chart 11.2: Monthly billing receipts per revenue source and % contribution

Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 December 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 R482,519 million (52%) is the highest contributor, followed by Property rates at R230,593 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 December 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 December be written off if such account is settled in full over a period of two consecutive months.
- c) 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account will be written off if such account is settled in full over a period of three consecutive months."

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

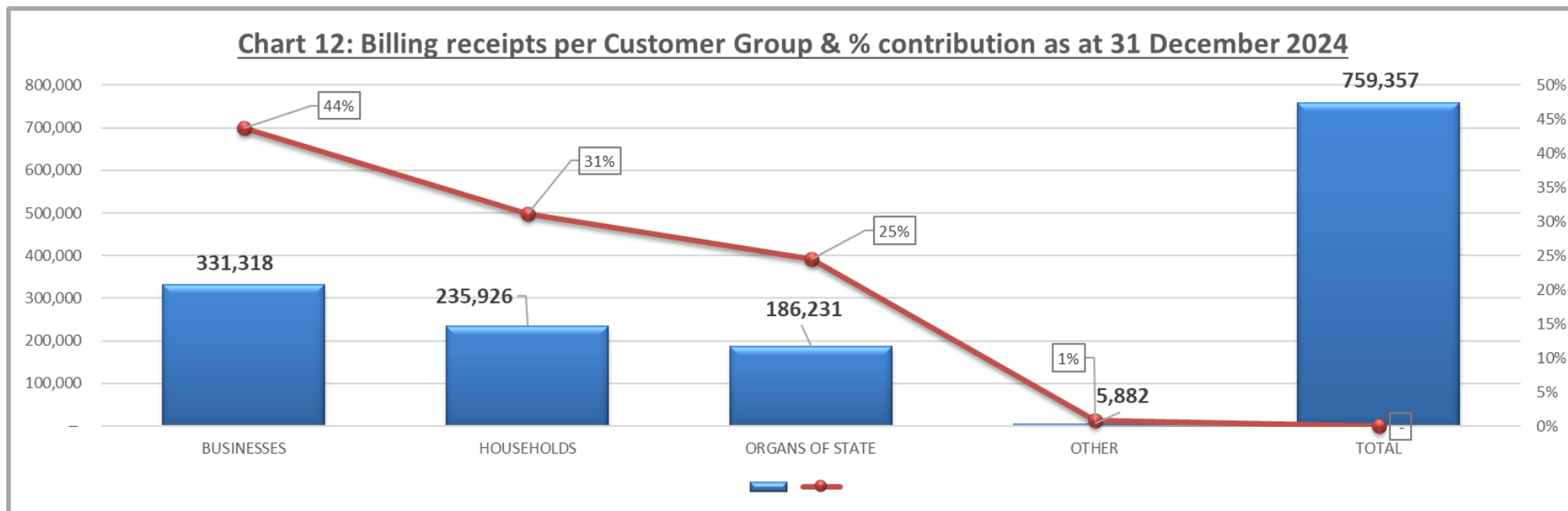


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 December 2024. The municipality received R331,318 million (44%) from Businesses, Households R235,926 million (31%), Organs of State R186,231 million (25%) and Other R5,882 million (1%).

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2024/25									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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	71,859	44,974	2,766	1,749	60,601	274	–	858,455	1,040,678	977,899
Bulk Water	0200	15,681	17,504	17,504	–	–	–	–	54,656	105,345	116,993
PAYE deductions	0300	11,305	–	–	–	–	–	–	–	11,305	12,269
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	8,283	–	–	–	–	–	–	–	8,283	8,355
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	12,462	9,855	802	34	0	–	–	–	23,154	936
Auditor General	0800	477	–	–	–	–	–	–	–	477	285
Other	0900	11,165	668	–	–	–	–	–	10,548	22,382	32,734
Medical Aid deductions		8,030	–	–	–	–	–	–	–	8,030	–
Total By Customer Type	1000	139,262	73,001	21,072	1,784	60,601	274	–	923,660	1,219,654	1,149,470

Table 11.1: Supporting Table SC4: Aged Creditors

Part 5: Creditor Age Analysis										
	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R thousands	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	71,859	6.9%	44,974	4.3%	2,766	3%	921,079	88.5%	1,040,678	85.3%
Bulk Water	15,681	14.9%	17,504	16.6%	17,504	16.6%	54,656	51.9%	105,345	8.6%
PAYE deductions	11,305	100.0%	-	-	-	-	-	-	11,305	9%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	8,283	100.0%	-	-	-	-	-	-	8,283	7%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	12,462	53.8%	9,855	42.6%	802	3.5%	34	1%	23,154	1.9%
Auditor-General	477	100.0%	-	-	-	-	-	-	477	-
Other	11,165	49.9%	668	3.0%	-	-	10,548	47.1%	22,382	1.8%
Medical Aid deductions	8,030	100.0%	-	-	-	-	-	-	8,030	7%
Total	139,262	11.4%	73,001	6.0%	21,072	1.7%	986,319	80.9%	1,219,654	100.0%

Table 11.2: Part 5: Creditors Age Analysis

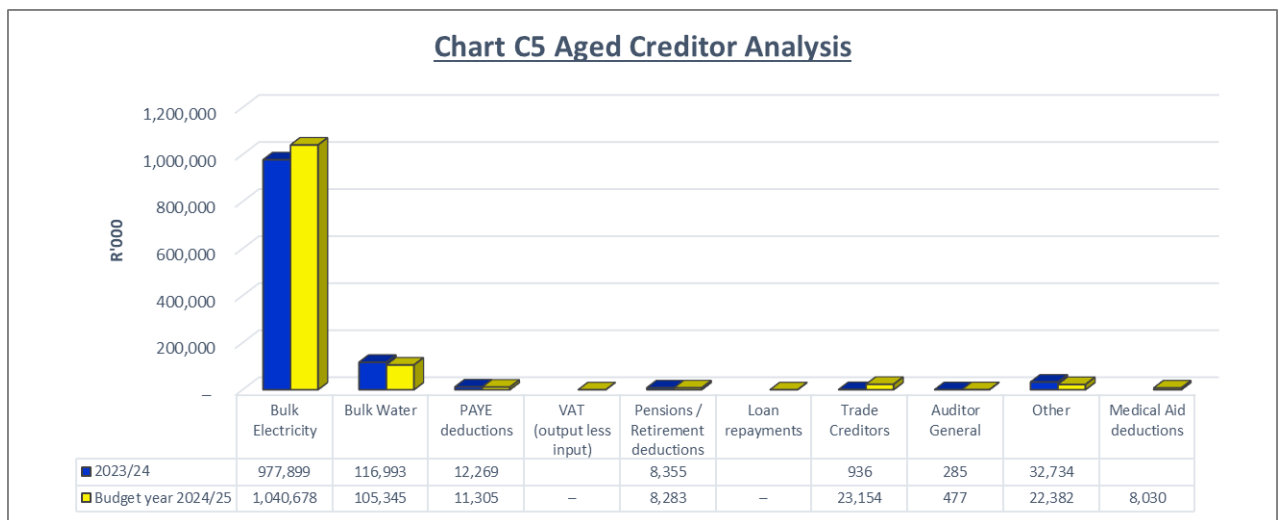


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2023/24 in Table 11.1 and Chart 13 is based on the outstanding creditors as at 31 December 2023 (prior year totals for the same period). Articulated in Table 11.2 above, is the age creditors analysis, which is standing at R1,219,654 billion owed to creditors. The analysis show that 11.4% of creditors is owed between 0 to 30 days, whilst 80.9% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 85.3%. Statutory payments for PAYE, Pensions/Retirement and Medical Aid deductions was settled on or before 7 January 2025, as legislated.

Bulk Electricity – As at the 31 December 2024, the outstanding debt owed to ESKOM amounted to R1,041,678 billion. According to the December 2024 Eskom invoice, the outstanding balance is R924,516 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 31 December 2024, the outstanding debt owed to DWS amounted R105,345 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.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 January 2025.

VAT – after the monthly VAT reconciliation, we paid an amount of R3,844 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 R477 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 31 December 2024.

Medical Aid deductions – an amount of R8,030 million for medical aid contributions was payable on or before 7 January 2025.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 December 2024, the value of total investments made was R212,066 million. Partially or prematurely withdrawn investments amounted to R129,808 million. The investment top-up was R24,569 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:

Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	21,096
• 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.	183,569
• Own funds invested - Ring-fenced Eskom income	—
Total	212,066

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
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		282,000	1,718	(129,718)	24,569	178,569
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	54	(54)	—	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	36	(36)	—	5,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	—	—	—	—	—
Standard Bank - 048466271-093		12 months	Fixed	No	Fixed	887.00%	0		2025/11/10	21,096	—	—	—	21,096
Municipality sub-total										315,497	1,808	(129,808)	24,569	212,066

Table 12: Supporting Table SC5: Investment portfolio

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

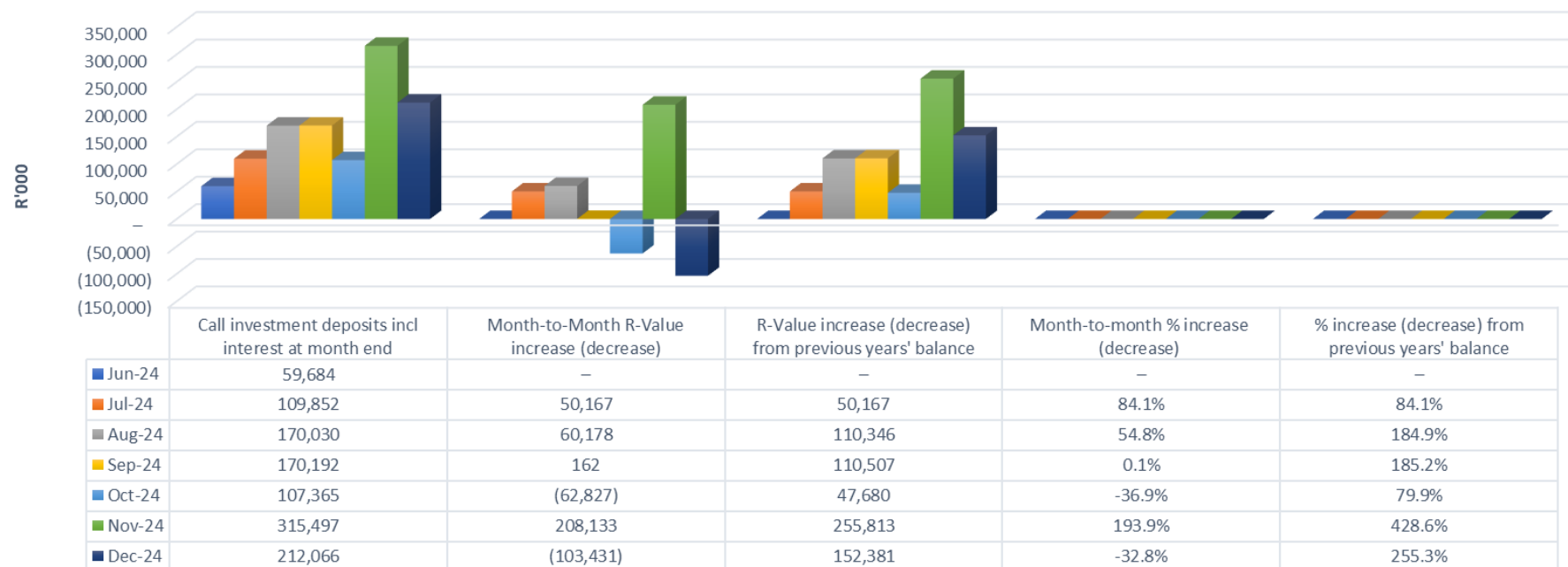


Chart 14: Call investment deposits at month-end

As indicated in the Chart 5 above from November to December 2024 investments incl interest decreased by R103,431 or 32.8%, in respect of the month-to-month comparison. Investments increased by R152,381 million or 255.3% 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 - M06 December

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		271,713	290,671	290,671	91,468	212,679	145,335	67,343	46.3%	290,671
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		263,135	282,104	282,104	90,065	207,608	141,052	66,556	47.2%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	681	2,267	1,133	1,134	100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	627	2,424	2,250	174	7.7%	4,500
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant	3	1,700	1,800	1,800	94	380	900	(520)	-57.8%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		14,787	8,600	8,600	183	439	4,300	(3,861)	-89.8%	8,600
Capacity Building and Other Grants		8,979	8,600	8,600	183	439	4,300	(3,861)	-89.8%	8,600
Infrastructure Grant		5,808	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		215,206	–	–	–	–	–	–	–	–
ESKOM		210,375	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Higher Education SA (HESA)		–	–	–	–	–	–	–	–	–
Unspecified		4,831	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	501,707	299,271	299,271	91,651	213,118	149,635	63,482	42.4%	299,271
Capital Transfers and Grants										
National Government:		133,753	572,229	572,229	164,407	257,439	286,114	(28,675)	-10.0%	572,229
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	950	2,246	2,500	(254)	-10.2%	5,000
Integrated National Electrification Programme Grant		24,358	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		63,395	75,229	75,229	16,035	33,208	37,614	(4,406)	-11.7%	75,229
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	147,422	221,985	246,000	(24,015)	-9.8%	492,000
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Infrastructure Grant		–	–	–	–	–	–	–	–	–
District Municipality:		6,437	–	–	–	–	–	–	–	–
Specify (Add grant description)		6,437	–	–	–	–	–	–	–	–
Other grant providers:		18,850	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
European Union		18,850	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	159,040	572,229	572,229	164,407	257,439	286,114	(28,675)	-10.0%	572,229
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	660,747	871,500	871,500	256,058	470,557	435,750	34,807	8.0%	871,500

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Equitable Share – R90,065 million

Capital grant monies received for the month under review.

IUDG – R23,196 million

EEDSM – R2,000 million

There are some mapping errors pertaining to operational and capital grants, in respect of receipts. 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. The figure disclosed in the Statement of Financial Performance is mapped to supporting schedule SC6.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

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											
EXPENDITURE											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			237,196	229,671	229,671	23,226	121,406	114,836	6,570	5.7%	229,671
Equitable Share			228,294	221,104	221,104	22,771	118,383	110,552	7,830	7.1%	221,104
Expanded Public Works Programme Integrated Grant			3,426	2,267	2,267	–	–	1,134	(1,134)	-100.0%	2,267
Infrastructure Skills Development Grant			3,776	4,500	4,500	311	2,108	2,250	(142)	-6.3%	4,500
Integrated Urban Development Grant			–	–	–	98	586	–	586	–	–
Local Government Financial Management Grant			1,700	1,800	1,800	45	330	900	(570)	-63.3%	1,800
Municipal Disaster Relief Grant			–	–	–	–	–	–	–	–	–
Provincial Government:			9,852	8,600	11,087	187	807	5,545	(4,738)	-85.4%	11,087
Capacity Building and Other Grants			7,625	8,600	8,587	72	382	4,295	(3,913)	-91.1%	8,587
Infrastructure Grant			2,227	–	2,500	116	425	1,250	(825)	-66.0%	2,500
District Municipality:			–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–
Other grant providers:			–	–	–	–	–	–	–	–	–
European Union			–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:			247,048	238,271	240,758	23,413	122,213	120,381	1,832	1.5%	240,758
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			124,283	572,229	572,229	118,779	223,681	286,115	(62,434)	-21.8%	572,229
Energy Efficiency and Demand Side Management Grant			5,999	5,000	5,000	1,042	1,953	2,500	(547)	-21.9%	5,000
Integrated National Electrification Programme Grant			21,181	–	–	–	–	–	–	–	–
Integrated Urban Development Grant			57,349	75,229	75,229	4,624	28,697	37,615	(8,918)	-23.7%	75,229
Municipal Infrastructure Grant			–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant			–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant			39,754	492,000	492,000	113,113	193,031	246,000	(52,969)	-21.5%	492,000
Water Services Infrastructure Grant			–	–	–	–	–	–	–	–	–
Provincial Government:			–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–
District Municipality:			6,000	–	–	–	–	–	–	–	–
Specify (Add grant description)			6,000	–	–	–	–	–	–	–	–
Other grant providers:			17,073	–	–	–	–	–	–	–	–
European Union			17,073	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants			147,356	572,229	572,229	118,779	223,681	286,115	(62,434)	-21.8%	572,229
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			394,404	810,500	812,987	142,192	345,894	406,495	(60,602)	-14.9%	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 R15,558 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	4,624	28,697	8,086	38.1%	38.1%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	1,042	1,953	-	39.1%	39.1%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	113,113	193,031	-	39.2%	39.2%
Grand Total	572,229	572,229	118,779	223,681	8,086	39.1%	39.1%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R223,681 million or 39.1% 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 - M06 December

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										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages								-		
Pension and UIF Contributions		1,065	-	-	57	488	-	488	#DIV/0!	-
Medical Aid Contributions		536	-	-	46	320	-	320	#DIV/0!	-
Motor Vehicle Allowance								-		
Cellphone Allowance		2,997	3,055	3,055	256	1,501	1,528	(27)	-2%	3,055
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		29,271	34,021	34,021	2,010	14,040	17,011	(2,971)	-17%	34,021
Sub Total - Councillors		33,869	37,077	37,077	2,369	16,348	18,538	(2,190)	-12%	37,077
% increase	4		9.5%	9.5%						9.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,942	8,791	8,791	353	2,473	4,396	(1,922)	-44%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	211	658	(447)	-68%	1,316
Medical Aid Contributions		192	117	117	16	93	59	34	58%	117
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance		1,065	2,005	2,005	87	521	1,003	(482)	-48%	2,005
Cellphone Allowance		101	198	198	8	50	99	(49)	-49%	198
Housing Allowances		22	9	9	2	11	5	6	128%	9
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards		14	15	15	1	7	7	(0)	-3%	15
Post-retirement benefit obligations	2							-		
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
Sub Total - Senior Managers of Municipality		6,769	12,452	12,452	500	3,366	6,226	(2,860)	-46%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages		460,448	509,499	507,037	38,618	232,866	253,845	(20,979)	-8%	507,037
Pension and UIF Contributions		83,850	96,851	96,851	7,007	42,288	48,426	(6,138)	-13%	96,851
Medical Aid Contributions		54,500	63,693	63,693	5,549	31,059	31,847	(787)	-2%	63,693
Overtime		90,602	53,982	53,982	6,094	31,730	26,991	4,739	18%	53,982
Performance Bonus		30,591	38,317	38,317	15,702	22,462	19,159	3,304	17%	38,317
Motor Vehicle Allowance		43,767	51,151	51,151	3,409	21,194	25,576	(4,382)	-17%	51,151
Cellphone Allowance		1,631	1,551	1,551	135	826	776	50	6%	1,551
Housing Allowances		2,856	2,887	2,887	226	1,356	1,444	(88)	-6%	2,887
Other benefits and allowances		38,029	26,598	29,060	2,560	16,181	14,204	1,977	14%	29,060
Payments in lieu of leave		7,128	20,000	20,000	144	2,610	10,000	(7,390)	-74%	20,000
Long service awards		30,958	29,981	29,981	2,883	15,610	14,991	619	4%	29,981
Post-retirement benefit obligations	2	43,162	43,900	43,900	685	3,712	21,950	(18,238)	-83%	43,900
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
Sub Total - Other Municipal Staff		887,522	938,410	938,410	83,011	421,894	469,207	(47,313)	-10%	938,410
% increase	4		5.7%	5.7%						5.7%
Total Parent Municipality		928,160	987,939	987,939	85,880	441,608	493,972	(52,363)	-11%	987,939
TOTAL SALARY, ALLOWANCES & BENEFITS		928,160	987,939	987,939	85,880	441,608	493,972	(52,363)	-11%	987,939
% increase	4		6.4%	6.4%						6.4%
TOTAL MANAGERS AND STAFF		894,291	950,863	950,863	83,510	425,260	475,433	(50,174)	-11%	950,863

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 11%. 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 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors Remuneration is showing an unsatisfactory variance of minus 12% 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.

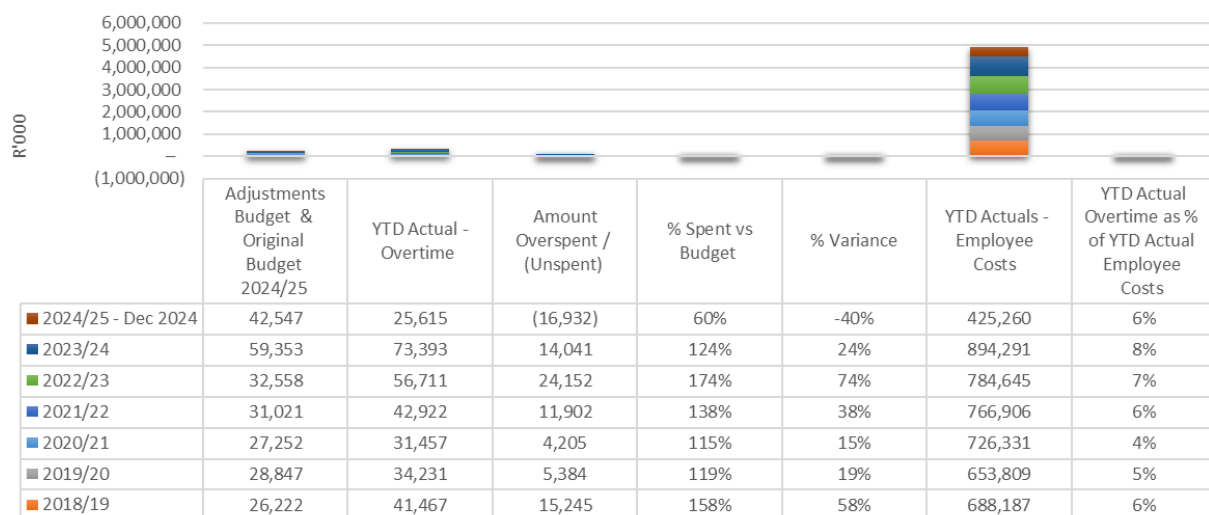
And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of December 2024.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original
MS: OVERTIME - NON STRUCTURED	33,762,000	4,663,116	23,529,398	70%
MS: OVERTIME - STRUCTURED	8,785,180	279,110	2,085,879	24%
Overtime as at 30 December 2024	42,547,180	4,942,227	25,615,277	60%
Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original
20-EXECUTIVE AND COUNCIL	330,000	10,629	237,343	72%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	2,558	2,558	
23-CORPORATE SERVICES	1,937,000	372,041	1,951,682	101%
24-COMMUNITY SERVICES	17,190,180	1,736,090	8,218,950	48%
26-FINANCIAL SERVICES	1,021,000	253,732	1,963,286	192%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000	153,956	688,575	79%
28-INFRASTRUCTURE SERVICES	21,192,000	2,413,220	12,552,883	59%
Overtime as at 30 December 2024	42,547,180	4,942,227	25,615,277	60%

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 60% spent versus the Original budget, resulting in a unsatisfactory variance of 10.2% for the period under review, when compared to the ideal IYM percentage of 50.00%. This an early warning that the Overtime control implemented is probably not as effective and should be applied more stringently.

Chart 15.1: Overtime Actual vs Budget - 2017/18 to 2024/25



Indicated in Chart 15.1, 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 15.2 is the monthly and annual Overtime comparison from August 2018 to December 2024. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, as a result of the lack in controls measures to curb Overtime, the YTD actual for 2023/24 financial year was R73,393 million. A 40-hour cap on Overtime has been instituted across all sections for 2024/25 financial year.

Chart 15.1: Overtime Actual vs Budget

Chart 15.2: Monthly and Annual Overtime Comparison - Jul 2018 to Dec 2024

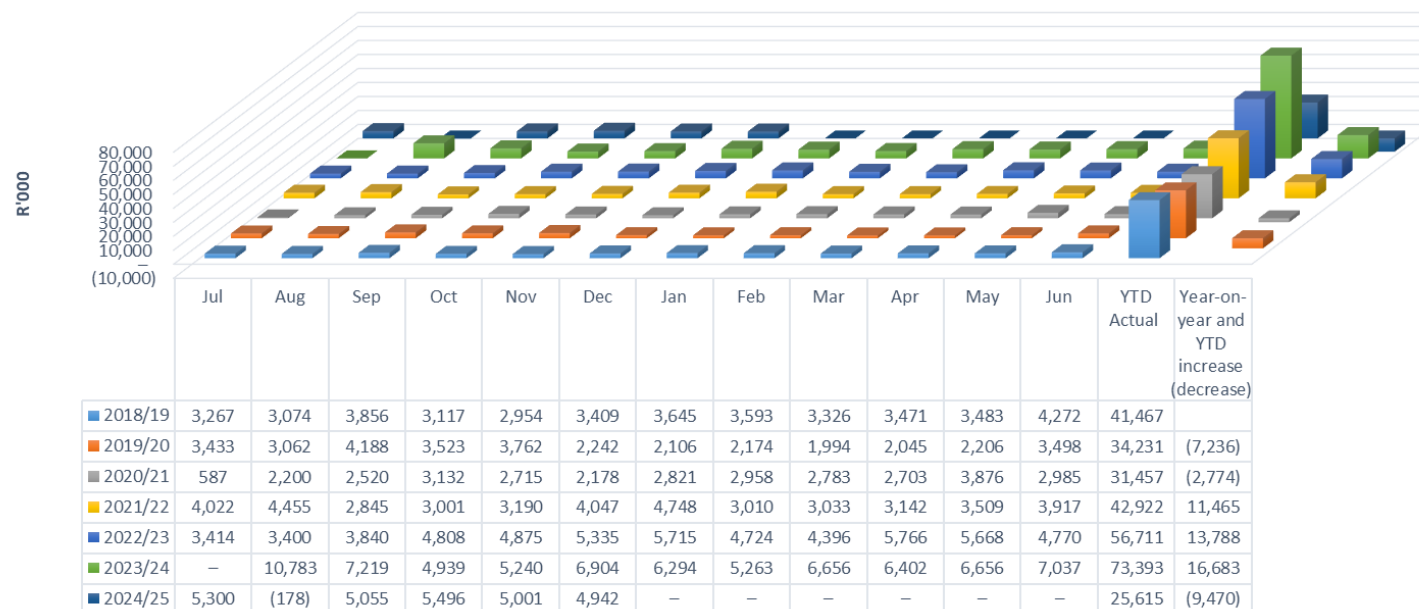


Chart 15.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible.
- Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is actually consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative in order to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF.

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies.
- Approval of Overtime prior to it being incurred.
- Inability to manage overtime proactively.
- To remain within the budgeted Overtime.
- Curbing / Limiting / Curtailing expenditure on Overtime.
- Monitoring expenditure on Overtime.
- Utilizing the available workforce optimally.
- Unduly compromising or hampering service delivery, which basically means that work that could have been done during normal hours is deliberately delayed so that work can be finalized after hours.
- Implementing an alternative method of compensation.
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance.
- Ensuring and enhancing the lifespan of Property, plant and equipment.
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system.
- Difficult to track departmental overtime on more than a monthly or even quarterly basis, by then it's too late to take meaningful action to minimize overtime costs.

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

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

12. Capital programme performance

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

Chart C1 2024/25 Capital Expenditure Monthly Trend: actual v target

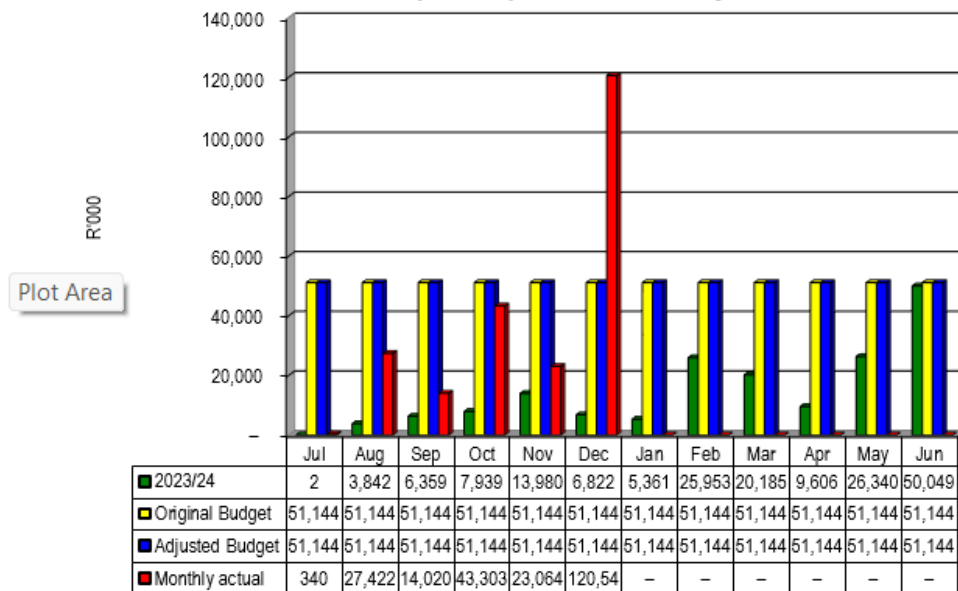


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

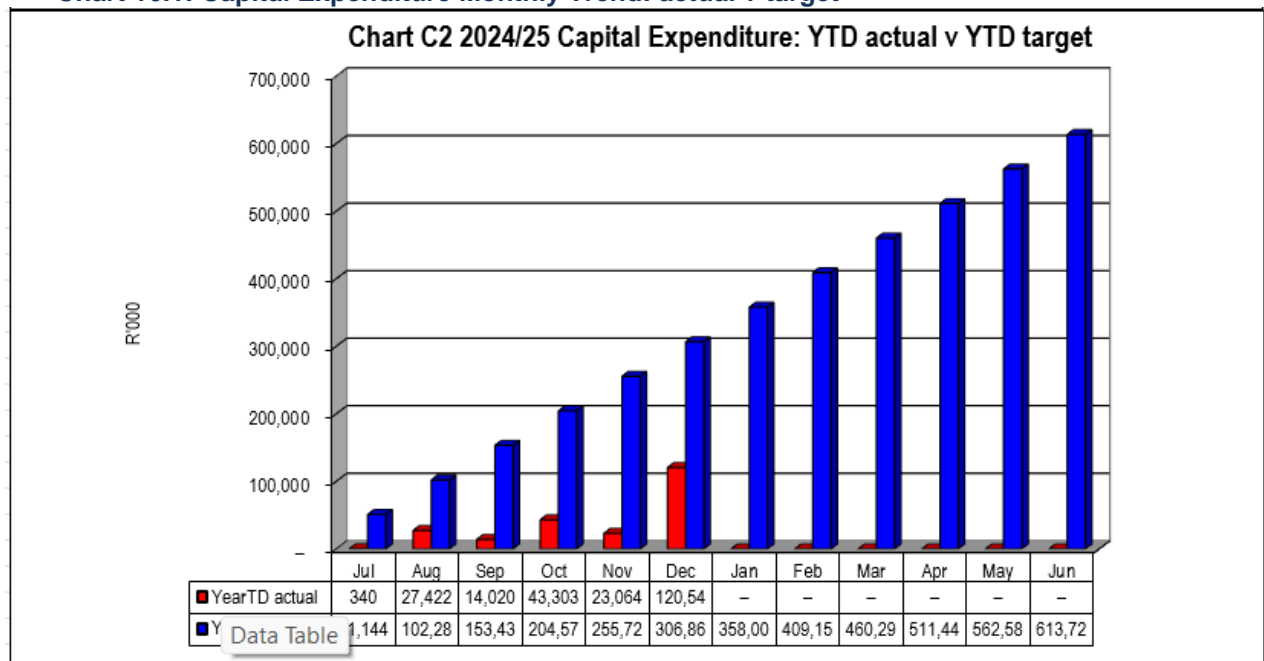


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

Projects per funding source (R'000)	Original Bud	Adjusted Bud	Monthly Actuals	YTD Actuals	Commitments	Original Bud	Adjusted Bud
INTERNALLY GENERATED FUNDS	41,500	41,500	1,761	5,009	1,298	12.07%	12.07%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	60	166	512	3.69%	3.69%
ACQ-FLEET REPLACEMENT	3,000	3,000	–	–	–	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	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	–	–	–	–	0.00%	
MR LEAK AND SLEAK DATA SYSTEM	484	1,484	25	191	–	39.40%	12.86%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811	–	–	–	–	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	1,067	3,525	–		25.25%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	2,000	364	364	532	18.19%	18.19%
RUFURBISHMENT OF THE VINTAGE TRAM	1,500	1,500	246	246	–	16.38%	16.38%
PLANNING & DEVELOPMENT	1,500	1,500	–	–	253	0.00%	0.00%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	1,342	–	–	–	–	0.00%	
WASTE WATER RE-USE	–	2,400	–	–	–		0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	4,624	28,697	8,086	38.15%	38.15%
P-CIER RDS ROADS	17,500	17,500	2,826	16,576	924	94.72%	94.72%
PROJECT MANAGEMENT	2,349	2,759	117	249	91	10.59%	9.01%
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	9,000	1,562	4,794	2,217	27.40%	53.27%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	3,500	–	–	–		
SPECIALISED FLEET REPLACEMENT	5,000	5,000	–	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	246	1.29%	1.29%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	21	1,490	–	67.41%	67.41%
REFURBISHMENT OF HALLS	5,000	5,000	–	525	–	10.50%	10.50%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,260	99	336	579	4.38%	4.63%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	–	261	–	5.22%	5.22%
FLEET REPLACEMENT	–	6,000	–	1,339	4,029		22.32%
CONSTR OF SEWER P/LINE IN PHOMOLONG W15	–	10,000	–	–	–		0.00%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	1,042	1,953	–	39.06%	39.06%
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	1,042	1,953	–	39.06%	39.06%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	113,113	193,031	–	39.23%	39.23%
EAST BYPASS REPLACE OF CORRODE10KM LINE	15,126	–	–	–	–	0.00%	
EASTERN BYPASS REPAIR COATING AND REFURB	11,521	–	–	–	–	0.00%	
EMERGENCY METER INSTALLATIONS (PHASE 1)	–	20,466	2,450	12,974	–		63.39%
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	19,153	2,786	8,789	–	51.62%	45.89%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	11,483	100	1,089	–	5.32%	9.48%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	19,346	145	2,795	–	9.53%	14.45%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	22,630	2,324	9,732	–	35.22%	43.00%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	–	7,811	–	322	–		4.13%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	35,640	559	7,665	–		21.51%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	13,531	489	1,237	–	16.43%	9.14%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	68,369	2,111	13,141	–	15.76%	19.22%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	3,407	298	1,208	–	7.47%	35.47%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	35,520	3,788	14,790	–	39.57%	41.64%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	16,828	1,825	9,161	–	32.92%	
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290	–	–	–	–	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	2,870	5,932	–		36.40%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	–	6,601	670	755	–		11.43%
SEC3 1200NEW STEEL MIDSTATION-NEWTOWN RES	67,191	23,689	2,830	12,924	–	19.24%	54.56%
BULK 1200 ND STEEL PIPELINE MAT: MBSC1/6	–	142,000	89,607	89,607	–		63.10%
NEWTON RESERVOIR COMPLEX OHS & SECURITY	–	14,777	260	260	–		1.76%
Grand Total	613,729	613,729	120,540	228,689	9,383	37.26%	37.26%

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. Capital expenditure for December 2024 has improved but still requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for December 2024 amounted to R120,540 million. The total YTD Capex amounts to R228,689 million. Please note that Commitments amounting to R9,383 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 (38.15%), EEDSM (39.06%), RBIG (39.23%). Spending on Internally generated funds is also 12.03% 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.

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

13. Other supporting documents

Additional information or supporting documentation for December 2024.

Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for November 2024 (Draft report).

The municipality's self-assessment for the month of December 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 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
- National Treasury not approving the first third of the debt to be written-off, due to consistent non-compliance
- The municipality being removed from the Municipal Debt Relief programme and forfeiting the municipal debt write-off benefit of R744 million
- 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
- Notice of disconnection from ESKOM
- Eskom taking further action in recovering outstanding debt and attaching the municipality's bank account
- Risk of forfeiting the municipality's 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 - M06 December

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
R thousands									
Financial Performance									
Property rates	656,442	687,320	687,320	50,532	410,684	343,660	67,024	20%	687,320
Service charges	1,331,093	1,611,046	1,611,046	113,903	751,453	805,523	(54,070)	-7%	1,611,046
Investment revenue	16,116	9,000	9,000	2,494	8,778	4,500	4,278	95%	9,000
Transfers and subsidies - Operational	501,707	299,271	299,271	91,651	213,118	149,635	63,482	0	299,271
Other own revenue	419,726	351,642	351,642	31,551	204,760	175,821	28,940	16%	—
Total Revenue (excluding capital transfers and contributions)	2,925,084	2,958,278	2,958,278	290,132	1,588,794	1,479,139	109,655	7%	2,958,278
Employee costs	894,291	950,863	950,863	83,510	425,260	475,433	(50,174)	-11%	950,863
Remuneration of Councillors	33,869	37,077	37,077	2,369	16,348	18,538	(2,190)	-12%	37,077
Depreciation and amortisation	76,441	89,700	89,700	22,425	44,850	44,850	(0)	-0%	89,700
Interest	122,651	17,774	17,774	9,180	9,181	8,887	294	3%	17,774
Inventory consumed and bulk purchases	1,057,341	1,216,905	1,216,905	58,672	536,878	632,445	(95,567)	-15%	1,216,905
Transfers and subsidies	2,526	3,660	3,660	—	634	1,830	(1,196)	-65%	3,660
Other expenditure	610,300	612,526	612,526	28,079	325,238	306,265	18,973	6%	612,526
Total Expenditure	2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,859)	-9%	2,928,505
Surplus/(Deficit)	127,665	29,774	29,774	85,896	230,405	(9,109)	239,514	-2629%	29,774
Transfers and subsidies - capital (monetary allocations)	159,040	572,229	572,229	164,407	257,439	286,114	##	-10%	572,229
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	286,705	602,003	602,003	250,303	487,844	277,005	210,839	76%	602,003
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	286,705	602,003	602,003	250,303	487,844	277,005	210,839	76%	602,003
Capital expenditure & funds sources									
Capital expenditure	176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Capital transfers recognised	147,356	572,229	572,229	118,779	223,681	286,115	(62,434)	-22%	572,229
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	29,082	41,500	41,500	1,761	5,009	20,750	(15,741)	-76%	41,500
Total sources of capital funds	176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Financial position									
Total current assets	2,664,713	2,491,688	2,491,688		3,081,038				2,491,688
Total non current assets	2,360,035	2,874,231	2,874,231		2,543,875				2,874,231
Total current liabilities	929,932	1,523,552	1,523,552		1,049,353				1,523,552
Total non current liabilities	1,111,983	410,208	410,208		1,104,882				410,208
Community wealth/Equity	2,982,833	3,432,159	3,432,159		3,470,677				3,432,159
Cash flows									
Net cash from (used) operating	137,865	598,846	598,846	26,038	386,130	299,423	(86,707)	-29%	598,846
Net cash from (used) investing	(157,215)	(613,729)	(613,729)	(120,540)	(227,404)	(306,865)	(79,460)	26%	(613,729)
Net cash from (used) financing	(1,569)	(12,788)	(12,788)	5	82	(6,394)	(6,476)	101%	(12,788)
Cash/cash equivalents at the month/year end	(130,455)	(128,487)	(128,487)	272,534	272,534	(114,652)	(387,187)	338%	86,056
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	191,227	123,095	100,178	90,821	87,097	145,684	411,636	2,855,001	4,004,740
Creditors Age Analysis									
Total Creditors	139,638	73,001	21,072	1,784	60,601	274	—	923,660	1,220,030

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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	1									
Revenue - Functional										
<i>Governance and administration</i>		1,257,109	1,689,473	1,689,473	322,618	971,475	844,737	126,738	15%	1,689,473
Executive and council		549,361	972,401	972,401	269,018	540,133	486,200	53,932	11%	972,401
Finance and administration		707,747	717,072	717,072	53,600	431,342	358,536	72,806	20%	717,072
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		48,267	42,989	42,989	3,242	19,102	21,495	(2,392)	-11%	42,989
Community and social services		12,642	12,138	12,138	437	2,164	6,069	(3,905)	-64%	12,138
Sport and recreation		2,639	2,720	2,720	152	901	1,360	(459)	-34%	2,720
Public safety		276	540	540	20	470	270	200	74%	540
Housing		28,843	27,501	27,501	2,633	15,567	13,750	1,817	13%	27,501
Health		3,867	90	90	—	—	45	(45)	-100%	90
<i>Economic and environmental services</i>		37,710	18,976	18,976	642	7,068	9,488	(2,420)	-26%	18,976
Planning and development		22,952	5,956	5,956	222	5,291	2,978	2,313	78%	5,956
Road transport		14,758	13,020	13,020	420	1,777	6,510	(4,733)	-73%	13,020
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		1,730,934	1,767,977	1,767,977	126,812	842,772	883,988	(41,217)	-5%	1,767,977
Energy sources		1,163,247	1,164,299	1,164,299	68,961	511,679	582,150	(70,471)	-12%	1,164,299
Water management		352,402	398,115	398,115	37,091	205,990	199,058	6,932	3%	398,115
Waste water management		121,173	118,290	118,290	11,855	71,439	59,145	12,294	21%	118,290
Waste management		94,112	87,272	87,272	8,904	53,665	43,636	10,028	23%	87,272
<i>Other</i>	4	10,104	11,092	11,092	1,225	5,816	5,546	270	5%	11,092
Total Revenue - Functional	2	3,084,125	3,530,507	3,530,507	454,539	1,846,233	1,765,253	80,980	5%	3,530,507
Expenditure - Functional										
<i>Governance and administration</i>		734,453	755,594	755,594	59,148	368,885	377,799	(8,915)	-2%	755,594
Executive and council		472,647	477,043	477,043	33,641	238,298	238,522	(223)	0%	477,043
Finance and administration		256,237	271,754	271,754	25,080	128,168	135,879	(7,711)	-6%	271,754
Internal audit		5,569	6,797	6,797	427	2,418	3,399	(980)	-29%	6,797
<i>Community and public safety</i>		201,954	207,313	207,313	18,409	95,194	103,658	(8,463)	-8%	207,313
Community and social services		48,586	49,027	49,027	4,726	23,095	24,514	(1,419)	-6%	49,027
Sport and recreation		66,863	63,043	63,043	6,001	30,898	31,522	(624)	-2%	63,043
Public safety		44,135	45,933	45,933	3,884	20,423	22,967	(2,544)	-11%	45,933
Housing		21,956	28,042	28,042	2,027	11,109	14,021	(2,913)	-21%	28,042
Health		20,412	21,267	21,267	1,771	9,669	10,634	(965)	-9%	21,267
<i>Economic and environmental services</i>		170,731	183,093	183,093	19,477	89,413	91,547	(2,134)	-2%	183,093
Planning and development		46,192	55,644	55,644	4,292	24,181	27,823	(3,642)	-13%	55,644
Road transport		123,669	126,551	126,551	15,070	64,761	63,276	1,485	2%	126,551
Environmental protection		870	898	898	114	472	449	23	5%	898
<i>Trading services</i>		1,666,267	1,753,665	1,753,665	104,335	792,447	900,825	(108,378)	-12%	1,753,665
Energy sources		1,101,328	1,151,651	1,151,651	43,251	505,668	599,817	(94,149)	-16%	1,151,651
Water management		363,718	395,412	395,412	43,031	184,942	197,706	(12,764)	-6%	395,412
Waste water management		122,085	119,433	119,433	12,244	62,859	59,717	3,142	5%	119,433
Waste management		79,136	87,170	87,170	5,810	38,978	43,585	(4,607)	-11%	87,170
<i>Other</i>		24,014	28,839	28,839	2,866	12,450	14,420	(1,970)	-14%	28,839
Total Expenditure - Functional	3	2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,860)	-9%	2,928,505
Surplus/ (Deficit) for the year		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0.7611392	602,003

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

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
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		549,361	972,401	972,401	269,018	540,133	486,200	53,932	11.1%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	632	3,103	3,081	22	0.7%	6,161
Vote 05 - Community Services		134,820	124,361	124,361	11,079	63,788	62,180	1,608	2.6%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	52,916	427,909	355,055	72,854	20.5%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	283	6,209	4,184	2,025	48.4%	8,368
Vote 08 - Infrastructure And Services		1,666,568	1,709,105	1,709,105	120,611	805,091	854,553	(49,461)	-5.8%	1,709,105
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	3,084,125	3,530,507	3,530,507	454,539	1,846,233	1,765,253	80,980	4.6%	3,530,507
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,615	60,855	60,855	4,376	28,279	30,428	(2,149)	-7.1%	60,855
Vote 02 - Municipal And General		400,410	403,603	403,603	28,239	200,938	201,802	(864)	-0.4%	403,603
Vote 03 - Municipal Manager		24,274	27,854	27,854	2,152	15,437	13,927	1,509	10.8%	27,854
Vote 04 - Corporate Services		71,184	82,140	82,140	6,987	36,739	41,071	(4,331)	-10.5%	82,140
Vote 05 - Community Services		321,918	337,272	337,272	29,245	156,035	168,637	(12,602)	-7.5%	337,272
Vote 06 - Financial Services		134,722	166,217	166,217	13,246	69,425	83,109	(13,684)	-16.5%	166,217
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	67,813	5,508	26,992	33,907	(6,915)	-20.4%	67,813
Vote 08 - Infrastructure And Services		1,724,624	1,782,750	1,782,750	114,483	824,544	915,367	(90,824)	-9.9%	1,782,750
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,859)	-8.7%	2,928,505
Surplus/ (Deficit) for the year	2	286,705	602,003	602,003	250,303	487,844	277,005	210,839	76.1%	602,003

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		886,092	1,099,199	1,099,199	66,762	482,304	549,600	(67,296)	-12%	1,099,199
Service charges - Water		276,094	343,685	343,685	30,787	170,212	171,843	(1,631)	-1%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,334	56,464	47,945	8,519	18%	95,890
Service charges - Waste management		75,114	72,271	72,271	7,021	42,473	36,136	6,338	18%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	15,955	643	9,746	7,978	1,768	22%	15,955
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		258,041	120,030	120,030	14,398	80,595	60,015	20,580	34%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	2,494	8,778	4,500	4,278	95%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		28,851	27,740	27,740	2,653	15,680	13,870	1,810	13%	27,740
Licence and permits		670	1,200	1,200	38	342	600	(258)	-43%	1,200
Operational Revenue		3,202	3,773	3,773	225	1,370	1,887	(517)	-27%	3,773
Non-Exchange Revenue										
Property rates		656,442	687,320	687,320	50,532	410,684	343,660	67,024	20%	687,320
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		56,767	32,143	32,143	2,556	17,734	16,071	1,662	10%	32,143
Licence and permits		6,500	8,000	8,000	1,157	4,757	4,000	757	19%	8,000
Transfers and subsidies - Operational		501,707	299,271	299,271	91,651	213,118	149,635	63,482	42%	299,271
Interest		-	91,900	91,900	9,004	51,272	45,950	5,322	12%	91,900
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		49,299	50,900	50,900	877	21,846	25,450	(3,604)	-14%	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										
Total Revenue (excluding capital transfers and contributions)		2,925,084	2,958,278	2,958,278	290,132	1,588,794	1,479,139	109,655	7%	2,958,278
Expenditure By Type										
Employee related costs		894,291	950,863	950,863	83,510	425,260	475,433	(50,174)	-11%	950,863
Remuneration of councillors		33,869	37,077	37,077	2,369	16,348	18,538	(2,190)	-12%	37,077
Bulk purchases - electricity		787,457	897,300	897,300	24,505	388,061	472,641	(84,580)	-18%	897,300
Inventory consumed		269,884	319,605	319,605	34,167	148,817	159,804	(10,987)	-7%	319,605
Debt impairment		333,146	355,246	355,246	-	177,623	177,623	(0)	0%	355,246
Depreciation and amortisation		76,441	89,700	89,700	22,425	44,850	44,850	(0)	0%	89,700
Interest		122,651	17,774	17,774	9,180	9,181	8,887	294	3%	17,774
Contracted services		45,090	40,731	40,731	2,255	26,584	20,366	6,219	31%	40,731
Transfers and subsidies		2,526	3,660	3,660	-	634	1,830	(1,196)	-65%	3,660
Irrecoverable debts written off		-	-	-	-	1	-	1	#DIV/0!	-
Operational costs		142,363	151,549	151,549	10,815	82,994	75,776	7,218	10%	151,549
Losses on Disposal of Assets		1,022	-	-	-	-	-	-	-	-
Other Losses		88,679	65,000	65,000	15,009	38,036	32,500	5,536	17%	65,000
Total Expenditure		2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,859)	-9%	2,928,505
Surplus/(Deficit)		127,665	29,774	29,774	85,896	230,405	(9,109)	239,514	(0)	29,774
Transfers and subsidies - capital (monetary allocations)		159,040	572,229	572,229	164,407	257,439	286,114	(28,675)	(0)	572,229
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0	602,003
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0	602,003
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0	602,003
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0	602,003

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

2023/24 Budget Year 2024/25										
Vote Description	Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		-	1,500	-	-	-	375	(375)	-100%	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	5,000	5,000	-	525	2,500	(1,975)	-79%	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	-	1,000	(1,000)	-100%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	568,199	119,708	220,475	275,412	(54,937)	-20%	568,199
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	129,348	541,950	575,199	119,708	221,000	279,287	(58,287)	-21%	575,199
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		12,646	23,000	23,000	424	5,141	11,500	(6,359)	-55%	23,000
Vote 03 - Municipal Manager		-	2,349	2,759	117	249	1,277	(1,028)	-81%	2,759
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	2,210	2,210	21	1,490	1,105	385	35%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		-	3,000	3,000	246	246	1,500	(1,254)	-84%	3,000
Vote 08 - Infrastructure And Services		34,444	41,220	7,561	25	564	12,195	(11,631)	-95%	7,561
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	47,089	71,779	38,530	831	7,689	27,577	(19,888)	-72%	38,530
Total Capital Expenditure		176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Capital Expenditure - Functional Classification										
Governance and administration		12,646	24,500	23,000	424	5,141	11,875	(6,734)	-57%	23,000
Executive and council		12,646	24,500	23,000	424	5,141	11,875	(6,734)	-57%	23,000
Finance and administration		-	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	7,210	7,210	21	2,015	3,605	(1,590)	-44%	7,210
Community and social services		-	5,000	5,000	-	525	2,500	(1,975)	-79%	5,000
Sport and recreation		-	2,210	2,210	21	1,490	1,105	385	35%	2,210
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		69,228	48,519	40,019	4,604	21,955	22,135	(180)	-1%	40,019
Planning and development		24,020	5,849	6,259	117	249	3,027	(2,778)	-92%	6,259
Road transport		45,208	42,670	33,760	4,487	21,706	19,107	2,598	14%	33,760
Environmental protection		-	-	-	-	-	-	-		-
Trading services		94,564	532,000	542,000	115,246	199,334	268,500	(69,167)	-26%	542,000
Energy sources		27,354	6,000	6,000	1,042	1,953	3,000	(1,047)	-35%	6,000
Water management		62,534	517,500	517,500	114,204	197,120	258,750	(61,630)	-24%	517,500
Waste water management		4,676	8,500	18,500	-	261	6,750	(6,489)	-96%	18,500
Waste management		-	-	-	-	-	-	-		-
Other		-	1,500	1,500	246	246	750	(504)	-67%	1,500
Total Capital Expenditure - Functional Classification	3	176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Funded by:										
National Government		124,283	572,229	572,229	118,779	223,681	286,115	(62,434)	-22%	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		-	-	-	-	-	-	-		-
Corporatbns, Higher Educ Institutions)		17,073	-	-	-	-	-	-		-
Transfers recognised - capital		147,356	572,229	572,229	118,779	223,681	286,115	(62,434)	-22%	572,229
Borrowing	6									
Internally generated funds		29,082	41,500	41,500	1,761	5,009	20,750	(15,741)	-76%	41,500
Total Capital Funding		176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		113,726	73,147	73,147	243,506	73,147
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,274,325	1,570,533	1,274,325
Receivables from non-exchange transactions		860,075	927,844	927,844	978,324	927,844
Current portion of non-current receivables		–	–	–	–	–
Inventory		112,013	60,701	60,701	95,103	60,701
VAT		155,736	155,542	155,542	192,833	155,542
Other current assets		638	129	129	739	129
Total current assets		2,664,713	2,491,688	2,491,688	3,081,038	2,491,688
Non current assets						
Investments						
Investment property		201,266	221,645	221,645	201,480	221,645
Property, plant and equipment		2,100,106	2,625,801	2,625,801	2,285,736	2,625,801
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,571	13,571	12,317	13,571
Intangible assets		46,592	13,214	13,214	44,342	13,214
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2,360,035	2,874,231	2,874,231	2,543,875	2,874,231
TOTAL ASSETS		5,024,748	5,365,919	5,365,919	5,624,913	5,365,919
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(14,788)	(14,788)	–	(14,788)
Consumer deposits		48,699	49,570	49,570	49,892	49,570
Trade and other payables from exchange transactions		642,151	1,286,802	1,286,802	536,956	1,286,802
Trade and other payables from non-exchange transactions		4,057	–	–	160,158	–
Provision		788	788	788	788	788
VAT		234,236	201,179	201,179	301,559	201,179
Other current liabilities		–	–	–	–	–
Total current liabilities		929,932	1,523,552	1,523,552	1,049,353	1,523,552
Non current liabilities						
Financial liabilities		808,076	152,895	152,895	800,974	152,895
Provision		303,908	257,313	257,313	303,908	257,313
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		1,111,983	410,208	410,208	1,104,882	410,208
TOTAL LIABILITIES		2,041,915	1,933,760	1,933,760	2,154,235	1,933,760
NET ASSETS	2	2,982,833	3,432,159	3,432,159	3,470,677	3,432,159
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,908,029	3,368,093	3,368,093	3,395,873	3,368,093
Reserves and funds		74,804	64,066	64,066	74,804	64,066
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2,982,833	3,432,159	3,432,159	3,470,677	3,432,159

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M06 December


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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		507,798	676,122	676,122	36,714	228,353	338,061	(109,707)	-32%	676,122
Service charges		1,185,680	1,513,446	1,513,446	92,429	635,378	756,723	(121,345)	-16%	1,513,446
Other revenue		605,571	92,337	92,337	30,313	689,996	46,168	643,828	1395%	92,337
Transfers and Subsidies - Operational		306,662	299,271	299,271	90,065	217,694	149,636	68,058	45%	299,271
Transfers and Subsidies - Capital		142,936	572,229	572,229	25,196	408,964	286,115	122,850	43%	572,229
Interest		3,927	9,000	9,000	2,962	15,968	4,500	11,468	255%	9,000
Dividends								-		
Payments										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,545,784)	(251,641)	(1,812,344)	(1,272,892)	539,452	-42%	(2,545,784)
Interest		281	(17,774)	(17,774)	-	2,121	(8,887)	(11,008)	124%	(17,774)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		137,865	598,846	598,846	26,038	386,130	299,423	(86,707)	-29%	598,846
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
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								-		
Payments										
Capital assets		(176,438)	(613,729)	(613,729)	(120,540)	(228,689)	(306,865)	(78,175)	25%	(613,729)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(157,215)	(613,729)	(613,729)	(120,540)	(227,404)	(306,865)	(79,460)	26%	(613,729)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		(1,569)	2,000	2,000	5	82	1,000	(918)	-92%	2,000
Payments										
Repayment of borrowing		-	(14,788)	(14,788)	-	-	(7,394)	(7,394)	100%	(14,788)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,569)	(12,788)	(12,788)	5	82	(6,394)	(6,476)	101%	(12,788)
NET INCREASE/ (DECREASE) IN CASH HELD		(20,918)	(27,670)	(27,670)	(94,496)	158,808	(13,835)			(27,670)
Cash/cash equivalents at beginning:		(109,536)	(100,817)	(100,817)	367,031	113,726	(100,817)			113,726
Cash/cash equivalents at month/year end:		(130,455)	(128,487)	(128,487)	272,534	272,534	(114,652)			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 R243,506 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			
 <div> National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003 </div>			
<div>Select Assessor ▼</div>			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period		Dec'24 ▼	
National Financial Year		2024/25 ▼	
Demarcation Code of Municipality being assessed		NC091 ▼	
District		Frances Baard	
Demarcation Description		Sol Plaatje	
<p>I, <u>Bartholomew Matlala Municipal Manager</u>, 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:</p>			
Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list			
6.3 + Condition 6.12	Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise means the account for a single month's consumption);</small>		
1	6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No ▼	The municipality did not have sufficient cash available to settle the current account for November 2024 amounting to R17,504 million
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 https://guploadportal.treasury.gov.za ?	No ▼	
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?	No ▼	Invoice was not authorised timeously on the system, due skeleton staff over the festive season
4	6.3.1 - Has the municipality paid its Eskom bulk current account 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>	No ▼	On 30 December 2024, the municipality settled an amount of R25,000 million on November 2024 account excluding interest of R2,160 million. Total invoice amount was R69,974 million. The outstanding balance is R44,974 million.
5	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 https://guploadportal.treasury.gov.za ?	No ▼	Proof of payment was submitted late, due skeleton staff over the festive season
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 – <small>(choose from drop down list the MTREF assessed)</small>		2024/25 Adopted MTREF ▼
7	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	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?	Yes ▼	
<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>			
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?	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 - 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)?	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 - 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>	Na ▼	
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 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 ▼	

Notes/Comments

	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:		
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	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?	No	Quarterly collection rate is 70%.
		<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, 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 paragraph 6.7.1;	No	
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)?	Does not have function	
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?	No	
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 smart prepaid meter installations December 2024 = 1,926 YTD installations = 2,433
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	- 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 https://lguploadportal.treasury.gov.za ?	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 typing 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 https://guploadportal.treasury.gov.za? <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 https://guploadportal.treasury.gov.za? <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 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?	No
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
		<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		Supporting evidence: 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	Accounting Treatment - 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	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: _____

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

The tables below show the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective from 1 October 2023 to 31 December 2024.

Monthly Performance Report																																																	
Municipal Details			Part A					Part B					Part C		Part D					Part E					Part F																								
			Ekom And Bulk water current account					Compliance with a funded MTRF					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	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance			
2 Aug 2024	Sol Plaatje	NC091	Yes	Yes	Yes	No	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	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance		
3 Sep 2024	Sol Plaatje	NC091	Yes	Yes	Yes	No	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	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	76%	Non Compliance		
4 Oct 2023	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	56%	Non Compliance	
5 Nov 2023	Sol Plaatje	NC091	No	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	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
6 Dec 2023	Sol Plaatje	NC091	No	No	No	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance	
7 Jan 2024	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
8 Feb 2024	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance	
9 Mar 2024	Sol Plaatje	NC091	No	No	No	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	73%	Non Compliance	
10 Apr 2024	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	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance	
11 May 2024	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	
12 Jun 2024	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	Non Compliance

Monthly Performance Report																																																
Municipal Details			Part A						Part B						Part C		Part D				Part C						Maximization of Revenue Base				Part E										Part F							
			Eskom And Bulk water current account						Compliance with a funded MTRF						FRP/BFP & Tariff Assessment		Electricity and water as collection tools				Quarterly collection of property rates and services charges										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 '24	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance	
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	85%	Non Compliance		
6.December	Sol Plaatje	NC091	No	No	No	No	No	No	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	68%	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 overall performance for the month under review deteriorated and standing at 68% compliance, compared to previous months' 85% compliance ratio. These are the major factors that negatively influenced the performance for the month.

- ❖ The municipality made a partial payment on the Eskom current account and the proof of payment was not submitted within 1 day, due to the festive season.
- ❖ The municipality did not settle the current account for Water, due to insufficient cash available from operations. As a result of this a proof of payment could not be submitted. The invoice was also not timeously authorised on the system, due to the festive season.
- ❖ The municipality could not settle the payment arrangement instalment of R6.7 million which was due at the end of December 2024. The municipality could not settle the debt instalment due to DWS.
- ❖ Revenue collection must remain a key focus point. The collection rate standing at 70% for the second quarter, 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 municipality failed to ring-fence funds received from Water and Electricity and did not first apply this to the payments due to Eskom and DWS. thi
- ❖ 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.
- ❖ And on a positive note, the municipality has progressively started installing smart prepaid electricity meters via the smart meter grant.

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 November 2024 is attached to this S71 report.

Here are the specific recommendations for November 2024 (Draft report) according to the monitoring tool:

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. Prioritize the Immediate Settlement of Outstanding Eskom Debt

The municipality should urgently prioritize settling its outstanding debt to Eskom, particularly the R134 million required to secure the one-third debt write-off under the Debt Relief Programme. This can be achieved through improved collection strategies, stricter enforcement of credit control policies, and the reallocation of funds to meet critical payment obligations.

Key Action:

Implement a focused repayment strategy with clear timelines to settle arrears and prevent future accumulation of debt.

2. Strengthen Revenue Collection and Credit Control Measures

The municipality must enhance its revenue management practices by enforcing its credit control and debt collection policies consistently. This includes using utility services, such as electricity and water, as collection tools to improve payment rates and reduce debtor balances.

Key Action:

Introduce automated billing and payment reminder systems.

Conduct targeted outreach to encourage timely payments and reduce default rates.

Apply service restrictions for non-indigent defaulters, where applicable.

3. Enhance Financial Reporting and Data Integrity

The municipality must ensure the accuracy and completeness of its financial data, particularly in its monthly Section 71 reports. This includes reconciling discrepancies between the General Valuation Roll and the Municipal Financial System and providing detailed explanations for any variances.

Key Action:

Conduct monthly reconciliations of property rates, revenue collection, and bulk service payments.

Ensure timely submission of comprehensive Section 71 reports to maintain compliance with National Treasury requirements.

4. Develop a Strategic Debt Management Plan

The municipality should adopt a long-term debt management strategy that includes clear repayment schedules, risk assessments, and contingency plans to manage peak financial pressures. This strategy should also consider ways to prevent future debt accumulation.

Key Action:

Establish a debt management committee to oversee the implementation of the plan.

Conduct regular risk assessments to identify potential financial pressures and develop mitigation strategies.

5. Improve Stakeholder Communication and Transparency

The municipality must enhance its communication with stakeholders, including residents, businesses, and regulatory bodies, regarding its financial performance, debt relief progress, and compliance status. Transparent reporting will help build trust and accountability.

Key Action:

Publish quarterly updates on the municipality’s progress in meeting debt relief conditions.

Engage with the community through public meetings and digital platforms to explain financial decisions and address concerns.

6. Invest in Infrastructure to Support Service Delivery and Revenue Collection

The municipality should address gaps in infrastructure that hinder its ability to enforce credit control measures, such as the lack of water supply restriction infrastructure. Investing in such infrastructure will improve the municipality’s ability to manage non-payment risks.

Key Action:

Conduct a feasibility study on installing water supply restriction technology.

Allocate budgetary resources to fund infrastructure upgrades that enhance service delivery and revenue management.

7. Ensure Full Compliance with National Treasury Conditions

The municipality must commit to achieving full compliance with all conditions of the Debt Relief Programme to avoid penalties, including the potential revocation of its NERSA electricity license. This requires a dedicated focus on maintaining financial discipline, timely reporting, and meeting all regulatory requirements.

Key Action:

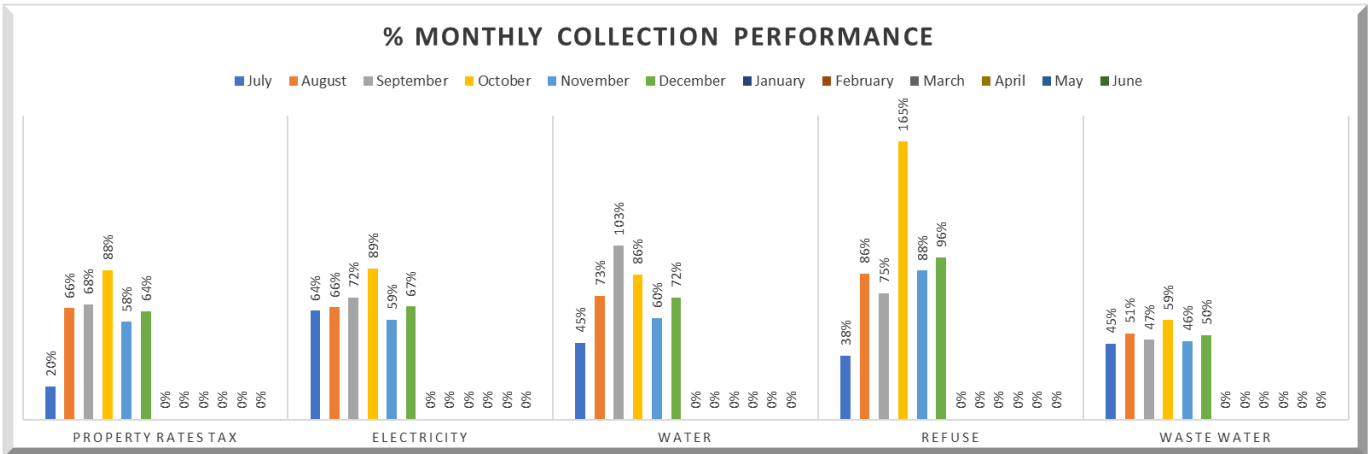
Assign a dedicated compliance officer to oversee adherence to the programme’s conditions.

Conduct regular internal audits to ensure compliance with MFMA Circular 124 and related guidelines.

Implement corrective actions promptly to address any identified non-compliance issues.

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



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

Collection Rate Assessment																			
Aggregate Collection		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	Q1	Q2
1. Collection for whole demarcation		647,395,914	336,912,009	310,483,405	52%	499,386,541	348,726,098	150,660,443	70%	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
2. Collection excl Eskom supplied areas		655,255,631	300,589,830	254,865,801	54%	429,664,286	307,092,063	122,572,222	71%	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
3. Collection: Property Rates		258,600,294	120,106,002	138,495,292	46%	151,660,484	110,566,185	41,094,299	73%	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
4. Total average collection: Electricity (Municipal supplied areas)		303,550,128	153,411,100	50,129,028	73%	135,929,583	156,087,365	(20,157,802)	115%	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
5. Total average collection: Water		73,414,201	35,225,878	38,188,323	48%	96,813,398	49,310,692	46,502,666	51%	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
6. Total average collection: Wastewater		26,960,122	12,268,754	14,780,417	45%	27,047,194	13,390,208	13,656,986	50%	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
7. Total average collection: Refuse		21,599,092	10,655,712	10,943,380	49%	21,540,395	11,969,409	9,570,986	56%	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!
8. Total average collection: Interest		63,272,078	5,205,113	58,016,965	8%	67,395,946	7,402,238	59,993,708	11%	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!

Description	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%	55%
Revised average collection rate	80%	44%	58%	65%	72%	72%	76%
Average collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%	64%
Average collection rate per Ward (Quarterly) / Oct to Dec	79%	-	-	52%	-	-	70%

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. 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 outcome for Quarter 2 is 70%, which is well below the condition of a minimum 85% collection rate.

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.

Collection Rate Assessment																					
Total Aggregate Collection		Q1	4. October - Reporting for September in October				5. November - Reporting for October in November				6. December - Reporting for November in December				Summary - Quarter 2				Q2	Q3	Q4
			Billing For September	Collection in October	R - Billing not collected	% Collection	Billing For October	Collection in November	R - Billing not collected	% Collection	Billing For November	Collection in December	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection			
1. Collection for whole demarcation		52%	180,266,270	141,434,403	45,948,394	88%	189,739,231	96,486,124	71,253,057	98%	188,602,239	108,805,493	60,795,749	64%	499,386,541	348,726,098	150,660,443	70%	70%	NC091	400001
2. Collection excl Eskom supplied areas		54%	187,589,237	120,987,156	294,632,260	89%	188,026,161	97,316,762	162,849,399	99%	144,092,793	96,549,235	182,543,558	67%	429,664,286	307,092,063	122,572,222	71%	71%	NC091	400002
3. Collection: Property Rates		46%	50,980,009	40,108,200	7,005,799	86%	50,525,514	30,493,978	20,031,536	60%	50,744,254	30,714,807	20,029,447	61%	151,660,484	110,566,185	41,094,299	73%	73%	NC091	400003
4. Total average collection: Electricity (Municipal supplied areas)		71%	42,144,084	48,517,893	0	100%	45,780,572	40,272,064	5,508,507	88%	48,003,398	45,397,499	3,605,899	96%	135,929,583	156,087,365	(20,157,802)	115%	115%	NC091	400004
5. Total average collection: Water		48%	26,330,414	17,281,445	12,053,888	50%	35,267,860	16,782,718	18,475,142	46%	31,209,884	15,526,130	15,673,754	50%	96,813,398	49,310,692	46,502,666	51%	51%	NC091	400005
6. Total average collection: Wastewater		45%	8,985,267	4,676,150	4,369,134	52%	9,090,883	4,627,664	4,379,219	49%	9,851,045	4,286,414	4,764,631	47%	27,047,194	13,390,208	13,656,986	50%	50%	NC091	400006
7. Total average collection: Refuse		60%	7,861,812	4,844,215	2,717,181	62%	7,383,940	3,884,747	3,299,193	54%	7,215,044	3,660,431	3,554,613	51%	21,540,395	11,969,409	9,570,986	56%	56%	NC091	400007
8. Total average collection: Interest			21,030,055	2,104,676	19,925,380	10%	21,084,543	2,014,693	19,069,850	10%	21,215,438	2,103,610	21,111,828	10%	67,395,946	7,402,238	59,993,708	11%	11%	NC091	400008
Summary																					

Complete This Section				Quart er 1	Quarter 2 Performance Per Ward																			
					4.October				5.November				6.December											
Services	Electricity Supplier	Ward Name & Number	Q1	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	Billing For November	Collection for November in December	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q2				
Property Rates Tax	Mun Supplied	Ward 1 - Platfontein, Sunset Manor, Legeni/ Luthabo Park)	44%	2,694	26,458	0	982%	144,065	380,826	0	264%	144,065	76,486	67,579	53%	290,824	483,770	(192,946)	166%	166%				
Electricity			48%	1,804,998	2,806,908	0	156%	1,253,173	1,920,864	0	153%	1,514,752	462,768	1,051,984	31%	4,572,922	5,190,541	(617,618)	114%	114%				
Water			41%	1,866,099	1,607,777	258,322	86%	959,380	593,021	366,359	62%	1,210,505	1,175,147	35,358	97%	4,035,984	3,375,944	660,040	84%	84%				
Refuse			35%	73,465	61,665	11,800	84%	76,017	40,857	35,160	54%	76,146	8,818	67,328	12%	225,628	111,340	114,287	49%	49%				
Waste Water			74%	83,994	10,894	73,099	13%	89,458	14,446	75,012	16%	89,643	10,240	79,403	11%	263,095	35,581	227,514	14%	14%				
Interest			5%	503,581	14,495	489,086	3%	487,933	20,564	467,368	4%	527,302	10,453	516,849	2%	1,518,816	45,512	1,473,303	3%	3%				
Property Rates Tax	Mun Supplied	Ward 2 - Rooiberg	54%	974,515	536,117	438,398	55%	973,861	448,052	525,809	46%	974,788	437,866	536,922	45%	2,923,164	1,422,035	1,501,129	49%	49%				
Electricity			69%	261,665	300,168	0	115%	272,796	153,013	119,783	56%	288,094	184,187	103,906	64%	822,555	637,368	185,187	77%	77%				
Water			37%	672,342	267,345	404,997	40%	812,170	238,951	573,218	29%	803,050	229,821	573,230	29%	2,287,562	736,118	1,551,445	32%	32%				
Refuse			46%	257,946	132,703	125,243	51%	216,726	100,796	115,930	47%	265,610	109,062	156,548	41%	740,282	342,561	397,721	46%	46%				
Waste Water			46%	373,559	181,550	192,009	49%	337,716	151,514	186,202	45%	384,838	144,959	239,879	38%	1,096,112	478,023	618,089	44%	44%				
Interest			5%	714,742	48,812	665,930	7%	666,240	28,959	637,282	4%	752,739	19,815	732,924	3%	2,133,721	97,585	2,036,136	5%	5%				
Property Rates Tax	Mun Supplied	Ward 3 - Homevale, Homeite, Homestead, Sol Plaatje RE, Ramona	53%	642,545	280,514	362,031	44%	631,704	236,024	395,681	37%	638,361	259,724	378,637	41%	1,912,611	776,262	1,136,349	41%	41%				
Electricity			41%	136,115	80,456	55,659	59%	146,142	102,133	44,009	70%	146,534	306,976	0	209%	428,792	489,566	(60,774)	114%	114%				
Water			23%	506,365	131,732	374,633	26%	560,927	119,609	441,318	21%	377,819	136,813	241,005	36%	1,445,110	388,155	1,056,956	27%	27%				
Refuse			43%	168,465	74,154	94,311	44%	168,465	64,819	113,632	36%	184,616	73,748	110,868	40%	531,532	212,722	318,810	40%	40%				
Waste Water			42%	241,522	110,246	131,276	46%	255,906	89,984	165,922	35%	264,552	110,985	153,568	42%	761,980	311,215	450,765	41%	41%				
Interest			7%	467,190	40,057	427,132	9%	462,715	43,425	419,290	9%	490,236	34,548	455,688	7%	1,420,140	118,030	1,302,110	8%	8%				
Property Rates Tax	Mun Supplied	Ward 4 - Vegenong Ext 3, Vegenong Ext 4, Vegenong 9, Witdam	50%	407,394	380,536	26,858	93%	408,521	154,031	254,490	38%	408,521	152,340	256,181	37%	1,224,435	686,906	537,529	56%	56%				
Electricity			56%	130,476	304,894	0	234%	255,097	199,945	55,152	78%	232,500	125,552	106,948	54%	618,073	630,391	(12,318)	102%	102%				
Water			26%	638,505	147,685	490,820	23%	879,670	146,540	733,130	17%	520,096	124,158	395,938	24%	2,038,271	418,383	1,619,888	21%	21%				
Refuse			35%	153,419	61,993	91,425	40%	161,054	53,264	107,790	33%	161,313	54,065	107,248	34%	475,785	169,323	306,463	36%	36%				
Waste Water			36%	219,287	88,777	130,510	40%	230,243	68,887	161,356	30%	230,566	74,240	156,326	32%	680,096	231,904	448,192	34%	34%				
Interest			3%	388,001	17,240	370,761	4%	391,166	6,191	384,975	2%	416,246	9,903	406,344	2%	1,195,413	33,334	1,162,079	3%	3%				
Property Rates Tax	Mun Supplied	Ward 5 - Vegenong Ext 2, Bedfild, Thusano	67%	275,097	130,154	144,943	47%	275,145	103,282	171,863	38%	275,218	103,342	171,876	38%	825,460	336,778	488,682	41%	41%				
Electricity			62%	36,765	43,790	0	119%	47,734	33,447	14,287	70%	44,075	36,939	7,136	84%	128,574	114,176	14,397	89%	89%				
Water			33%	383,950	89,433	294,518	23%	486,714	65,930	420,784	14%	336,785	74,279	262,507	22%	1,207,450	229,641	977,808	19%	19%				
Refuse			30%	144,079	50,062	94,018	35%	155,632	36,361	119,271	23%	154,824	51,230	103,594	33%	454,535	137,653	316,882	30%	30%				
Waste Water			30%	200,598	68,127	132,470	34%	216,860	48,594	168,266	22%	215,638	71,152	144,487	33%	633,096	187,873	445,223	30%	30%				
Interest			2%	349,505	7,003	342,502	2%	356,282	6,434	349,848	2%	385,451	17,667	367,784	5%	1,091,238	31,105	1,060,134	3%	3%				
Property Rates Tax	Mun Supplied	Ward 6 - Vegenong Ext 10, Bokhutong, Solly Legodi, Bikkies	24%	179,370	45,943	133,427	26%	177,207	46,093	131,114	26%	179,370	43,973	135,397	25%	535,947	136,009	399,938	25%	25%				
Electricity			92%	10,474	5,147	5,327	49%	10,255	13,776	0	134%	10,997	3,868	7,129	35%	31,726	22,791	8,935	72%	72%				
Water			10%	611,543	48,275	563,269	8%	566,284	38,238	528,046	7%	545,120	39,293	505,827	7%	1,722,947	125,806	1,597,142	7%	7%				
Refuse			22%	143,774	25,394	118,380	18%	141,823	26,183	115,640	18%	147,010	23,481	123,529	16%	432,607	75,058	357,549	17%	17%				
Waste Water			19%	201,294	35,408	165,886	18%	198,483	34,818	163,665	18%	205,876	30,333	175,542	15%	605,652	100,559	505,093	17%	17%				
Interest			1%	441,162	6,592	434,569	1%	439,084	7,248	431,837	2%	503,191	5,968	497,223	1%	1,383,437	19,808	1,363,629	1%	1%				
Property Rates Tax	Mun Supplied	Ward 7 - Sol Plaatje RE, Solly, Legodi square, Vegenong Ext 1, Vegenong, Ubuntu Golf Course/Riemvismak	49%	222,647	77,786	144,861	35%	222,706	76,558	146,148	34%	222,450	80,820	141,630	36%	667,803	235,164	432,639	35%	35%				
Electricity			52%	64,160	66,984	0	104%	98,715	56,371	42,344	57%	92,282	55,027	37,254	60%	255,157	178,383	76,774	70%	70%				
Water			19%	507,809	75,381	432,428	15%	512,241	74,273	437,968	14%	504,767	63,097	441,671	13%	1,524,818	212,751	1,312,066	14%	14%				
Refuse			31%	135,699	45,256	90,443	33%	139,711	40,141	99,570	29%	140,099	40,308	99,791	29%	415,510	125,705	289,805	30%	30%				
Waste Water			31%	199,372	62,867	136,506	32%	205,104	65,372	139,732	32%	205,659	55,585	150,074	27%	610,135	183,824	426,311	30%	30%				
Interest			2%	350,724	7,239	343,486	2%	355,708	11,735	343,974	3%	379,595	7,896	371,700	2%	1,086,028	26,869	1,059,159	2%	2%				
Property Rates Tax	Mun Supplied	Ward 8 - John Mamphe 1, Mamphe Ext, Lathi Mabio Park, Donkerhoek	3%	130,001	21,934	108,067	17%	129,864	19,539	110,326	15%	129,841	19,897	109,944	15%	389,707	61,370	328,337	16%	16%				
Electricity			58%	224,415	261,199	0	116%	107,353	114,938	0	107%	105,691	217,475	0	206%	437,459	593,612	(156,153)	136%	136%				
Water			9%	260,204	50,751	209,453	20%	352,796	37,963	314,833	11%	308,190	45,363	262,827	15%	921,191	134,078	787,113	15%	15%				
Refuse			14%	121,822	22,159	99,663	18%	113,474	23,512	89,962	21%	124,878	19,197	105,681	15%	360,174	64,868	295,306	18%	18%				
Waste Water			13%	178,816	21,328	157,488	12%	165,254	25,827	139,427	16%	181,195	19,102	162,092	11%	525,265	66,258	459,007	13%	13%				
Interest			2%	451,343	2,635	448,708	1%	445,330	3,934	441,395	1%	462,217	2,129	460,088	0%	1,358,890	8,699	1,350,192	1%	1%				

Complete This Section				Quart er 1	Quarter 2 Performance Per Ward																		
Services	Electricity Supplier	Ward Name & Number	Q1	4.October				5.November				6.December											
				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	Billing For November	Collection for November in December	Rand Value of Billing not collected	% Collection								
Property Rates Tax	Mun Supplied	Ward 9 - Jopeng, Retsewille	42%	781,886	423,015	358,871	54%	753,255	400,365	352,890	53%	781,750	513,841	267,910	66%	2,316,891	1,337,221	979,671	58%	58%			
Electricity			68%	149,177	151,637	0	102%	151,549	146,844	4,705	97%	146,361	92,209	54,152	63%	447,087	390,690	56,397	87%	87%			
Water			50%	396,336	237,776	158,560	60%	563,053	180,066	382,987	32%	336,371	229,827	106,544	68%	1,295,760	647,669	648,091	50%	50%			
Refuse			61%	166,470	112,080	54,390	67%	160,652	95,456	65,196	59%	168,282	112,675	55,607	67%	495,404	320,211	175,193	65%	65%			
Waste Water			57%	238,219	137,021	101,198	58%	227,194	120,831	106,364	53%	240,696	132,069	108,627	55%	706,110	389,921	316,189	55%	55%			
Interest			10%	401,183	18,405	382,778	5%	393,178	15,324	377,854	4%	415,086	18,869	396,217	5%	1,209,447	52,598	1,156,849	4%	4%			
Property Rates Tax	Mun Supplied	Ward 10 - Tshwaragano, Vegenong Ext 7, Vegenong Ext 5	79%	389,503	417,271	0	107%	383,137	150,104	233,032	39%	384,911	187,230	197,681	49%	1,157,551	754,605	402,945	65%	65%			
Electricity			75%	428,290	376,099	52,190	88%	481,349	378,565	102,783	79%	484,428	582,213	0	120%	1,394,067	1,336,877	57,189	96%	96%			
Water			36%	401,267	143,417	257,850	36%	506,191	136,671	369,520	27%	521,552	148,168	373,383	28%	1,429,009	428,256	1,000,753	30%	30%			
Refuse			46%	160,997	84,901	76,097	53%	172,968	60,642	112,326	35%	175,040	69,769	105,271	40%	509,005	215,312	293,693	42%	42%			
Waste Water			44%	206,309	98,442	107,867	48%	223,633	70,488	153,144	32%	227,278	82,260	145,018	36%	657,220	251,190	406,029	38%	38%			
Interest			9%	387,797	30,511	357,286	8%	391,998	16,974	375,024	4%	418,411	32,338	386,073	8%	1,198,206	79,822	1,118,384	7%	7%			
Property Rates Tax	Mun Supplied	Ward 11 - Retsewille, Aglanang, Vegenong Ext 8, Vegenong Ext 6	30%	145,151	60,116	85,035	41%	143,591	58,198	85,393	41%	145,151	46,261	98,890	32%	433,893	164,575	269,318	38%	38%			
Electricity			37%	257,161	463,623	0	180%	260,194	139,645	120,549	54%	225,336	134,087	91,249	60%	742,691	737,356	5,336	99%	99%			
Water			24%	465,283	81,738	383,545	18%	487,262	88,290	398,972	18%	397,634	62,902	334,732	16%	1,350,180	232,930	1,117,249	17%	17%			
Refuse			33%	116,683	39,738	76,945	34%	126,467	41,909	84,558	33%	128,330	28,376	99,954	22%	371,480	110,023	261,457	30%	30%			
Waste Water			36%	190,343	60,632	129,711	32%	204,276	64,912	139,365	32%	206,984	42,920	164,064	21%	601,604	168,464	433,140	28%	28%			
Interest			2%	369,668	6,560	363,107	2%	371,911	20,996	350,916	6%	390,824	5,424	385,400	1%	1,132,403	32,980	1,099,423	3%	3%			
Property Rates Tax	Mun Supplied	Ward 12 - Kwakobantu Ext 1, Kwakobantu, Galeshewe proper, Galeshewe Ext 2	27%	298,136	141,680	156,456	48%	291,266	157,343	133,923	54%	297,936	127,425	170,511	43%	887,338	426,448	460,890	48%	48%			
Electricity			41%	129,072	104,052	25,020	81%	135,330	47,458	87,872	35%	127,078	181,869	0	143%	391,481	333,379	58,102	85%	85%			
Water			27%	291,014	137,783	153,230	47%	551,443	105,399	445,504	19%	396,791	90,986	305,806	23%	1,239,248	334,708	904,540	27%	27%			
Refuse			37%	138,149	59,318	78,831	43%	135,441	57,161	78,280	42%	141,940	53,058	88,882	37%	415,530	169,537	245,993	41%	41%			
Waste Water			37%	194,881	75,368	119,514	39%	191,819	77,576	114,244	40%	200,994	84,356	116,638	42%	587,694	237,300	350,395	40%	40%			
Interest			6%	392,158	27,898	364,260	7%	380,624	9,775	370,848	3%	420,629	14,418	406,210	3%	1,193,410	52,092	1,141,318	4%	4%			
Property Rates Tax	Mun Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gemdene	73%	227,237	167,201	60,036	74%	252,622	175,286	77,336	69%	252,622	159,155	93,467	63%	732,480	501,641	230,839	68%	68%			
Electricity			83%	463,587	519,196	0	112%	501,405	429,780	71,625	86%	530,150	475,500	54,650	90%	1,495,142	1,424,476	70,666	95%	95%			
Water			24%	356,051	94,631	261,420	27%	447,044	78,574	368,470	18%	298,762	69,597	229,165	23%	1,101,857	242,802	859,055	22%	22%			
Refuse			48%	77,322	27,392	49,930	35%	75,107	28,402	46,705	38%	75,366	25,728	49,638	34%	227,794	81,522	146,272	36%	36%			
Waste Water			53%	123,770	48,208	75,563	39%	120,489	62,935	57,554	52%	120,859	49,657	71,202	41%	365,118	160,800	204,318	44%	44%			
Interest			6%	238,843	9,341	229,501	4%	257,859	8,733	249,126	3%	276,341	4,853	271,488	2%	773,042	22,927	750,116	3%	3%			
Property Rates Tax	Mun Supplied	Ward 14 - Northview, Colville, Gemdene, Square Hill Park, Boors, Utility, Archburnham	43%	1,346,871	934,754	412,117	69%	1,291,725	936,333	355,392	72%	1,346,473	998,884	347,589	74%	3,985,068	2,869,971	1,115,097	72%	72%			
Electricity			77%	1,591,552	1,585,022	6,530	100%	1,634,049	2,167,785	0	133%	1,613,980	1,502,126	111,853	93%	4,839,581	5,254,932	(415,351)	109%	109%			
Water			63%	899,683	502,983	396,701	56%	778,183	476,606	301,577	61%	642,225	643,286	0	100%	2,320,092	1,622,875	697,217	70%	70%			
Refuse			75%	340,596	312,158	28,438	92%	340,821	337,978	2,844	99%	343,232	307,259	35,973	90%	1,024,650	957,395	67,254	93%	93%			
Waste Water			65%	319,758	214,110	105,649	67%	320,192	219,269	100,924	68%	322,532	218,625	103,906	68%	962,482	652,003	310,479	68%	68%			
Interest			8%	764,774	33,156	731,618	4%	729,371	35,231	694,140	5%	788,454	129,072	659,382	16%	2,282,599	197,460	2,085,140	9%	9%			
Property Rates Tax	Mun Supplied	Ward 15 - Ispeng, Phomoting, Phutanang, Sol Plaatje RE	38%	304,490	111,308	193,182	37%	300,047	104,916	195,131	35%	305,642	95,209	210,433	31%	910,179	311,433	598,746	34%	34%			
Electricity			91%	105,090	129,090	0	123%	122,831	89,342	33,489	73%	105,628	98,196	7,431	93%	333,549	316,629	16,920	95%	95%			
Water			22%	538,852	64,093	474,759	12%	539,324	71,038	468,286	13%	557,616	68,183	489,433	12%	1,635,792	203,314	1,432,479	12%	12%			
Refuse			28%	149,447	35,930	113,517	24%	142,604	36,702	105,902	26%	151,000	29,041	121,959	19%	443,050	101,673	341,378	23%	23%			
Waste Water			29%	212,146	55,127	157,019	26%	202,366	51,812	150,553	26%	214,365	46,042	168,323	21%	628,876	152,981	475,896	24%	24%			
Interest			4%	448,641	7,118	441,523	2%	453,797	6,036	447,761	1%	480,915	6,488	474,427	1%	1,383,354	19,642	1,363,712	1%	1%			
Property Rates Tax	Mun Supplied	Ward 16 - Phutanang Cemetery, Promise Land, Lindelani, Snake Park, Tsawelang	11%	155,470	26,282	129,188	17%	149,076	23,602	125,474	16%	155,470	11,725	143,744	8%	460,015	61,609	398,406	13%	13%			
Electricity			1%	(8,323)	30	0	0%	2,913	3,848	0	132%	2,913	37	2,876	1%	(2,498)	3,914	(6,411)	-157%	-157%			
Water			6%	636,497	38,515	597,981	6%	556,930	37,344	519,586	7%	935,652	20,072	915,580	2%	2,129,078	95,931	2,033,147	5%	5%			
Refuse			10%	153,288	26,750	126,538	17%	147,081	24,207	122,874	16%	160,128	10,847	149,281	7%	460,497	61,804	398,694	13%	13%			
Waste Water			10%	220,438	38,054	182,384	17%	211,906	32,952	178,954	16%	230,212	14,695	215,517	6%	662,556	85,701	576,855	13%	13%			
Interest			1%	456,577	2,458	454,119	1%	431,928	24,903	407,025	6%	471,407	2,316	469,091	0%	1,359,912	29,677	1,330,236	2%	2%			

Complete This Section				Quart er 1	Quarter 2 Performance Per Ward																							
				Q1	4.October				5.November				6.December															
Services	Electricity Supplier	Ward Name & Number			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	Billing For November	Collection for November in December	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection							Q2	
Property Rates Tax	Mun Supplied	Ward 17 - Agogo, Thibeng, John Momphe 2, Dindlang		42%	442,106	205,200	236,906	46%	439,653	187,526	252,127	43%	442,106	167,305	274,800	38%	1,323,864	560,031	763,833	42%							42%	
Electricity				48%	39,567	34,435	5,132	87%	48,400	21,632	26,769	45%	40,914	29,138	11,776	71%	128,882	85,205	43,677	66%							66%	
Water				23%	417,519	112,142	305,376	27%	602,624	92,966	509,658	15%	506,822	104,619	402,203	21%	1,526,964	309,727	1,217,237	20%							20%	
Refuse				30%	201,833	60,445	141,388	30%	203,639	68,797	134,842	34%	211,668	55,017	156,651	26%	617,139	184,258	432,881	30%							30%	
Waste Water				30%	273,132	75,632	197,500	28%	275,904	86,910	188,995	31%	287,184	72,635	214,549	25%	836,221	235,177	601,044	28%							28%	
Interest				2%	524,811	21,130	503,681	4%	526,928	15,662	511,266	3%	555,118	15,621	539,497	3%	1,606,857	52,413	1,554,444	3%							3%	
Property Rates Tax	Mun Supplied	Ward 18 - Kriesthof, Numbulo Street Area, Galeshewe Ext 7, Verwoerd Park, Riviera		22%	1,111,904	2,115,212	0	190%	1,109,568	1,019,143	90,425	92%	1,110,675	678,362	432,313	61%	3,332,148	3,812,717	(480,570)	114%							114%	
Electricity				83%	1,167,460	2,130,899	0	183%	1,138,275	758,539	379,736	67%	968,599	1,341,419	0	138%	3,274,334	4,230,858	(956,524)	129%							129%	
Water				47%	826,013	407,656	418,357	49%	1,108,873	404,736	704,136	36%	683,863	413,671	270,192	60%	2,618,749	1,226,064	1,392,686	47%							47%	
Refuse				61%	205,592	137,828	67,764	67%	204,113	108,712	95,401	53%	206,190	118,257	87,933	57%	615,895	364,797	251,098	59%							59%	
Waste Water				57%	269,472	167,869	101,603	62%	267,594	137,976	129,618	52%	270,315	142,564	127,751	53%	807,380	448,409	358,972	56%							56%	
Interest				13%	643,157	39,621	603,536	6%	654,753	29,264	625,489	4%	637,118	22,258	614,859	3%	1,935,028	91,143	1,843,884	5%							5%	
Property Rates Tax	Mun Supplied	Ward 19 - Galeshewe Ext 3, Galeshewe Ext 5, Galeshewe Ext 4		58%	239,787	99,729	140,058	42%	233,626	87,235	146,391	37%	239,787	70,761	169,026	30%	713,199	257,725	455,474	36%							36%	
Electricity				52%	(842)	31,843	0	-3784%	54,087	8,967	45,120	17%	56,321	19,666	36,655	35%	109,566	60,476	49,090	55%							55%	
Water				15%	446,884	94,517	352,368	21%	610,289	76,611	533,679	13%	461,946	70,409	391,536	15%	1,519,119	241,537	1,277,582	16%							16%	
Refuse				27%	149,243	39,785	109,458	27%	140,460	40,927	99,532	29%	151,443	34,210	117,233	23%	441,145	114,922	326,224	26%							26%	
Waste Water				26%	195,987	52,633	143,354	27%	185,149	51,500	133,649	28%	200,673	40,908	159,765	20%	581,809	145,042	436,767	25%							25%	
Interest				2%	490,726	14,281	476,445	3%	486,651	7,697	478,953	2%	528,459	7,380	521,079	1%	1,505,835	29,358	1,476,477	2%							2%	
Property Rates Tax	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley North, Diamond Park, Albertshof, Kestellhof		58%	12,895,071	13,859,805	0	107%	13,077,980	8,831,013	4,246,967	68%	12,882,236	8,354,349	4,527,887	65%	38,855,287	31,045,168	7,810,120	80%							80%	
Electricity				78%	9,618,083	13,941,019	0	145%	10,903,036	9,098,796	1,804,240	83%	10,831,699	8,132,169	2,699,530	75%	31,352,818	31,171,984	180,834	99%							99%	
Water				88%	2,673,590	2,083,452	590,138	78%	4,836,497	2,089,426	2,747,072	43%	2,603,331	2,303,177	300,154	88%	10,113,419	6,476,055	3,637,364	64%							64%	
Refuse				73%	1,011,449	825,436	186,013	82%	1,015,217	856,460	158,757	84%	1,009,221	759,725	249,496	75%	3,035,886	2,441,621	594,265	80%							80%	
Waste Water				73%	854,254	852,363	1,890	100%	877,761	719,969	157,792	82%	851,121	609,370	241,751	72%	2,583,135	2,181,702	401,433	84%							84%	
Interest				15%	2,095,589	751,405	1,344,184	36%	2,033,658	336,379	1,697,280	17%	2,105,806	153,541	1,952,265	7%	6,235,053	1,241,325	4,993,728	20%							20%	
Property Rates Tax	Mun Supplied	Ward 21 - De Beers, Hull Street Area, Emesville, Mogtful Park, Herbar, Beggara, Turner Road Industrial Area		59%	3,178,850	2,847,262	331,588	90%	3,171,838	2,034,220	1,137,618	64%	3,175,650	2,292,859	882,792	72%	9,526,338	7,174,341	2,351,997	75%							75%	
Electricity				71%	2,944,498	4,561,717	0	155%	3,339,730	2,992,084	347,646	90%	2,917,614	2,436,536	481,078	84%	9,201,842	9,990,337	(788,495)	109%							109%	
Water				79%	1,052,607	1,292,211	0	123%	1,596,443	808,594	787,849	51%	1,353,189	1,050,466	302,723	78%	4,002,239	3,151,271	850,969	79%							79%	
Refuse				72%	390,543	636,905	0	163%	391,185	255,294	135,891	65%	391,190	288,149	103,041	74%	1,172,917	1,180,348	(7,431)	101%							101%	
Waste Water				69%	436,575	368,129	68,445	84%	437,700	287,351	150,349	66%	437,695	326,035	111,659	74%	1,311,969	981,516	330,454	75%							75%	
Interest				21%	896,949	265,458	631,492	30%	899,796	202,613	697,182	23%	929,550	183,572	745,978	20%	2,726,295	651,643	2,074,652	24%							24%	
Property Rates Tax	Mun Supplied	Ward 22 - South Ridge, Green Point, Fabricia		35%	1,348,653	1,536,150	0	114%	1,347,324	1,029,125	318,198	76%	1,396,393	897,572	498,821	64%	4,092,370	3,462,847	629,523	85%							85%	
Electricity				85%	2,101,045	3,621,053	0	172%	1,690,478	1,795,678	0	106%	2,240,791	1,876,080	364,711	84%	6,032,315	7,292,811	(1,260,497)	121%							121%	
Water				43%	1,082,454	407,650	674,804	38%	928,450	3,162,696	0	341%	990,808	296,740	694,068	30%	3,001,712	3,867,086	(865,374)	129%							129%	
Refuse				41%	206,663	86,794	119,869	42%	207,973	251,974	0	121%	218,208	87,867	130,342	40%	632,844	426,635	206,209	67%							67%	
Waste Water				32%	269,657	97,485	172,172	36%	271,993	497,822	0	183%	282,592	97,567	185,024	35%	824,241	692,874	131,367	84%							84%	
Interest				6%	536,582	166,708	369,875	31%	510,920	1,300,900	0	255%	529,950	24,298	505,652	5%	1,577,453	1,491,906	85,547	95%							95%	
Property Rates Tax	Mun Supplied	Ward 23 - Civic Centre, New Park, Labaran, Roylglen, Royleene, El Monto Park, Minerva Gardens		54%	8,655,860	7,686,194	969,666	89%	8,680,284	5,790,257	2,890,028	67%	8,834,752	9,521,256	0	108%	26,170,895	22,997,706	3,173,189	88%							88%	
Electricity				75%	9,734,553	13,265,113	0	136%	9,969,107	6,997,388	2,971,719	70%	10,217,175	14,537,921	0	142%	29,920,835	34,800,423	(4,879,588)	116%							116%	
Water				67%	2,249,472	1,881,475	367,997	84%	4,686,295	1,659,894	3,026,401	35%	2,731,919	3,836,315	0	140%	9,667,686	7,377,684	2,290,003	76%							76%	
Refuse				81%	452,899	435,185	17,714	96%	452,899	340,425	112,474	75%	457,034	444,505	12,528	97%	1,362,831	1,220,114	142,717	90%							90%	
Waste Water				73%	580,065	544,575	35,491	94%	580,065	418,897	161,168	72%	591,687	741,688	0	125%	1,751,818	1,705,160	46,658	97%							97%	
Interest				16%	991,983	81,073	910,910	8%	1,022,947	109,260	913,687	11%	1,072,219	746,286	325,932	70%	3,087,148	936,619	2,150,529	30%							30%	
Property Rates Tax	Mun Supplied	Ward 24 - Carers Glen, Lindene, Rhodesdene, Heuwelgig, Haddon Park		63%	3,558,662	3,033,091	525,571	85%	3,539,376	2,503,418	1,035,958	71%	3,538,307	2,732,712	805,595	77%	10,636,345	8,269,220	2,367,125	78%							78%	
Electricity				69%	1,967,837	2,250,797	0	114%	1,658,467	1,512,753	145,714	91%	1,932,430	1,607,966	324,464	83%	5,558,734	5,371,515	187,219	97%							97%	
Water				73%	1,557,981	1,169,806	388,174	75%	1,497,798	1,125,430	372,368	75%	1,5191															

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 December 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 Annexure C, this was taken up with NT for correction and the municipality is awaiting feedback.

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

GVReconciliation Summary						
Province	NC					
District	Frances Baard District					
Type	LM					
Municipal Name	Sol Plaatje					
GV Period	01/07/2023 - 30/06/2027					
Financial Year	2024/2025					
Reconciliation Period	Quarter 2					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Property Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	48582	48582	0	23,594,584,603	23,594,584,603	-
Industrial	177	177	0	784,040,000	784,040,000	-
Business and Commercial	2228	2228	0	7,454,750,001	7,454,750,001	-
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	465	465	0	156,930,000	156,930,000	-
PBO	1081	1081	0	609,275,001	609,275,001	-
Multi Use	0	0	0	-	-	-
Vacant	1677	1677	0	502,320,000	502,320,000	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	9297	9297	0	1,574,932,503	1,574,932,503	-
Other	0	0	0	-	-	-
Total	64,322	64,322	-	40,498,434,208	40,498,434,208	-
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	23,848,226	22,470,664	1,377,562	23,848,226	22,414,925	1,433,302
Industrial	2,377,405	2,308,129	69,276	2,377,405	2,311,439	65,966
Business and Commercial	22,604,666	20,584,380	2,020,286	22,604,666	20,595,635	2,009,031
Agricultural	660,197	338,912	321,285	660,197	338,912	321,285
Mining	622,479	592,162	30,316	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	-	108,908	- 108,908	-	-	-
PBO	-	99,210	- 99,210	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	945,933	- 945,933	-	945,895	- 945,895
POW	-	7,790	- 7,790	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	60,468,503	50,768,044	9,700,459	60,468,503	50,514,182	9,954,321

Properties reconciliation

After populating the GVR Reconciliation for the second 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.

After some consultation with NT, the municipality also requires assistance on how to deal with Multi-use properties that have a common SG code but two different property uses and categories.

The growth in the number of properties is as a result of unregistered properties that are now registered, of which the majority are municipal owned properties.

For the second quarter an investigation was done and noted the Land Reform Properties was allocated against Other. For the second quarter this property category was allocated to PBO which is zero-rated. This was also done to correct the billing error shown on the GVR reconciliation for the first quarter.

Billing reconciliation

As alluded previously, 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 quarterly/monthly billing reconciliation. The municipality investigated the billing discrepancy pertaining to the category "Other".

As per the reconciliation template, there is no tariff for Other, except for Other – Multi-use.


No provision is made for rebates pertaining to rural, agricultural bona fide and pensioners.

The municipality does not have a tariff for Vacant properties as these properties are split according to the appropriate use and category.

The municipality will investigate the other billing discrepancies across all categories, but presume that these relate to the 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 November 2024 which was due and payable during the month of reporting, on or before 2 January 2025.



ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4740101608

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

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

YOUR ACCOUNT NO	5449407898
SECURITY HELD	29474711.42
BILLING DATE	2024-12-02
TAX INVOICE NO	544336806729
ACCOUNT MONTH	NOVEMBER 2024
CURRENT DUE DATE	2025-01-02
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: tmo@wa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

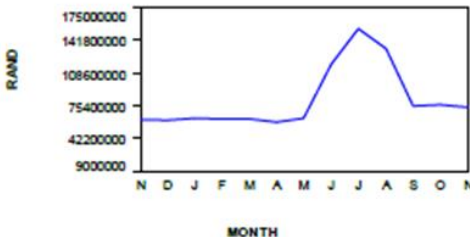
ADMINISTRATION CHARGE	R	7,553.10	
TRANSMISSION NETWORK CAPACITY	R	1,754,910.00	
DIST. NETWORK CAPACITY CHARGE	R	1,282,050.00	
NETWORK DEMAND CHARGE	R	1,551,692.58	
URBAN LOW VOLTAGE SUBSIDY	R	3,140,190.00	
ANCILLARY SERVICE (ALL)	R	260,337.02	
ENERGY CHARGE (STD)	14,776,510.00	R	20,243,818.70
ENERGY CHARGE (PEAK)	6,019,632.00	R	11,984,485.35
ENERGY CHARGE (OFF)	14,866,464.00	R	12,918,957.22
ELECTRIFICATION AND RURAL SUBS (ALL)	R	5,588,330.36	
SERVICE CHARGE	R	236,515.50	
TOTAL CHARGES FOR BILLING PERIOD	R	58,968,839.83	

ACCOUNT SUMMARY FOR NOVEMBER 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-12-02)	R	932,216,120.71
PAYMENT(S) RECEIVED	Cash - 2024-11-28	R	-40,741,905.79
PAYMENT(S) RECEIVED	Cash - 2024-11-29	R	-30,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	58,968,839.83
ADJUSTMENT	Interest on overdue account	R	1,703,149.33
ADJUSTMENT	Interest on overdue account	R	456,492.99
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	8,845,325.98

CURRENT		
76,673,808.13	TOTAL DUE	R 938,148,023.05
ARREARS		
>90 DAYS	81-90 DAYS	31-90 DAYS
703,479,432.90	77,786,942.52	80,207,839.50
16-30 DAYS		
0.00		

Account OVERDUE - Subject to Disconnection



PAGE RUN NO EE 28
BILL GROUP
BILL PAGE 1 OF 2

ACCOUNT NO / REFERENCE NO

5449407898

NAME

SOL PLAATJE LOCAL MUNICIPALITY

FAX NUMBER

0538331005

unipay 7100 1544 9407 8982

272157001 5449407898.4

9207 2544 9407 8987

PayIT

easypay

TOTAL AMOUNT DUE

938,148,023.05

PAYMENT ARRANGEMENT

INSTALMENT

6,700,000.00

ARREARS (Due immediately)

861,474,214.92

DUE DATE (For Current Amount)

2025-01-02

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

Indicated below is the December 2024 account which is due and payable on or before 1 February 2025.



ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4740101608

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: customer.service@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

YOUR ACCOUNT NO	5449407898
SECURITY HELD	29474711.42
BILLING DATE	2025-01-02
TAX INVOICE NO	544141249723
ACCOUNT MONTH	DECEMBER 2024
CURRENT DUE DATE	2025-02-01
VAT REG NO	4370102313



CUSTOMER SELF SERVICE WEBSITE
Provincial email listed below

NORTH WESTERN REGION
PRIVATE BAG X18 WESTVILLE 3630

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 66070087818

TAX INVOICE

E-MAIL: tax@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	1,614,090.85
URBAN LOW VOLTAGE SUBSIDY		R	3,140,190.00
ANCILLARY SERVICE (ALL)		R	279,503.09
ENERGY CHARGE (STD)	14,126,254.00	R	19,352,967.98
ENERGY CHARGE (PEAK)	5,623,999.00	R	11,196,619.61
ENERGY CHARGE (OFF)	18,537,842.00	R	16,109,384.70
ELECTRIFICATION AND RURAL SUBS (ALL)		R	5,999,744.49
SERVICE CHARGE		R	244,399.35

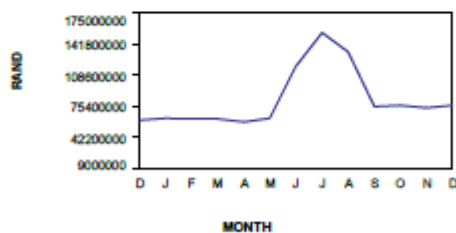
TOTAL CHARGES FOR BILLING PERIOD R **60,981,884.94**

ACCOUNT SUMMARY FOR DECEMBER 2024

BALANCE BROUGHT FORWARD	(Due Date 2025-01-02)	R	938,148,023.05
PAYMENT(S) RECEIVED	Cash - 2024-12-11	R	-67,190,839.43
PAYMENT(S) RECEIVED	Cash - 2024-12-30	R	-25,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	60,981,864.94
ADJUSTMENT	Interest on overdue account	R	422,921.82
ADJUSTMENT	Interest on overdue account	R	1,306,837.98
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	9,147,279.74

CURRENT			
78,558,904.48	TOTAL DUE	R 924,516,088.10	
	ARREARS		
>90 DAYS	81-90 DAYS	31-80 DAYS	16-30 DAYS
689,075,535.99	80,207,839.50	76,673,808.13	0.00

Total outstanding debt must be settled immediately, subject to disconnection without further notice



PAGE RUN NO	EE 26
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

5449407898
NAME
SOL PLAATJE LOCAL MUNICIPALITY
FAX NUMBER
0538331005
7100 1544 9407 8982

272157001 5449407898 4



9207 2544 9407 8987



TOTAL AMOUNT DUE

924,516,088.10

PAYMENT ARRANGEMENT

INSTALMENT
6,700,000.00
ARREARS (Due immediately)
845,957,183.62
DUE DATE (For Current Amount)
2025-02-01
AMOUNT PAID

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

The municipality does not fully concur with the outstanding balance of R924,516,088.10 when including the outstanding balance on the payment arrangement of R107,200 million and the payment arrangement instalment of R6,700 million. The full outstanding balance is R1,038,416,088.10. According to the municipality's record the total debt outstanding is R1,040,678,088.09. There is thus a possible understatement of R2,262m 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 November 2024 (excl interest) which was paid on 30 December 2024 (R25,000,000.00).

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

30/12/2024

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: DUNA008253

CHEQUE/ELE NO: 77070042

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/12/2024	SUN	544336806725/1	21739130.43		3260869.57	25000000.00

SUB TOTAL: 3260869.57 25000000.00

3260869.57 25000000.00

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

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

On the 11 December 2024, the municipality settled an amount of R67,190,839.43 as partial settlement of the R134 million compliance matter.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

11/12/2024

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

SUPPLIER No: SESK01
VOUCHER NO: CATA012415
FAX NO:
CHEQUE/ELE NO: 77069839

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/08/2024	SUN	544457232585/3	58426816.90		8764022.53	67190839.43

SUB TOTAL:

8764022.53 67190839.43

8764022.53 67190839.43

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 under review, 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 M06 – December 2024 pertaining to electricity.

			2025	
			M06	
Account Name	Item Main Level Description	Account Name		
Function:Energy Sources:Core Function:Electricity	Current Liabilities	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-28,061,087	
Function:Energy Sources:Core Function:Electricity	Current Liabilities	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	24,505,064	
Function:Energy Sources:Core Function:Electricity	Current Liabilities	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	72,631,788	97,136,852
Function:Energy Sources:Core Function:Electricity	Bulk Purchases	Expenditure:Bulk Purchases:Electricity:ESKOM	24,505,064	

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

Datastrings & FMS Recon - Dec 2025 M06	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	423,953,710.91	399,448,646.77	24,505,064.14	Bulk Purchases vote reconciles to datastrings
Sundry Accruals	273,467,536.98	190,261,744.19	83,205,792.79	
Sundry CATA012279	64,280,634.40	61,514,700.69	2,765,933.71	
Sundry CATA012415	58,426,816.90	-	58,426,816.90	
Sundry DUNA008205	129,020,955.25	128,747,043.50	273,911.75	
Sundry DUNA008253	21,739,130.43	-	21,739,130.43	
Sundry Accruals Reversals	70,320,226.60	209,186,902.58	(138,866,675.98)	
Cheque No : 77069839 Bank No : 901	-	58,426,816.90	(58,426,816.90)	
Cheque No : 77070042 Bank No : 901	-	21,739,130.43	(21,739,130.43)	
Sundry DUNA008205	70,320,226.60	129,020,955.25	(58,700,728.65)	
Sundry Payments	80,165,947.33	-	80,165,947.33	
Cheque No : 77069839 Bank No : 901	58,426,816.90	-	58,426,816.90	
Cheque No : 77070042 Bank No : 901	21,739,130.43	-	21,739,130.43	Payment R25m made on the bulk account
Grand Total	423,953,710.91	399,448,646.77	24,505,064.14	

Bulk purchases electricity is understated because the balance on the November 2024 invoice was only authorised on 2 January 2025, due to limited staff availability over the festive season.

Datastrings & FMS Recon - Dec 2025 M06	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	169,252,462.54	197,313,549.78	(28,061,087.24)	Deposits vote reconciles to datastrings
Create Cheque 77069634 Voucher No CATA012344	4,650,859.20	4,650,859.20	-	Minor Eskom Payments
Create Cheque 77069718 Voucher No CATA012378	197,556.39	197,556.39	-	
Create Cheque 77069719 Voucher No CATA012380	39,387.87	39,387.87	-	
Create Cheque 77069783 Voucher No CATA012389	4,863.83	4,863.83	-	
Create Cheque 77069784 Voucher No CATA012390	4,158.57	4,158.57	-	
Create Cheque 77069785 Voucher No CATA012391	17,124.97	17,124.97	-	
Create Cheque 77069786 Voucher No CATA012392	10,946.34	10,946.34	-	
Create Cheque 77069787 Voucher No CATA012393	12,757.16	12,757.16	-	
Create Cheque 77069788 Voucher No CATA012394	8,358.40	8,358.40	-	Payment of R67m made on 11 December 2024
Create Cheque 77069839 Voucher No CATA012415	67,190,839.43	67,190,839.43	-	
Create Cheque 77070042 Voucher No DUNA008253	25,000,000.00	25,000,000.00	-	Payment of R25m made on 30 December 2024
Sundry CATA012279 Creditor Control	-	2,765,933.71	(2,765,933.71)	Interest balance on July 2024 account
Sundry CATA012344 Creditor Control	4,650,859.20	4,650,859.20	-	
Sundry CATA012378 Creditor Control	-	197,556.39	(197,556.39)	
Sundry CATA012380 Creditor Control	-	39,387.87	(39,387.87)	
Sundry CATA012389 Creditor Control	-	4,863.83	(4,863.83)	
Sundry CATA012390 Creditor Control	-	4,158.57	(4,158.57)	
Sundry CATA012391 Creditor Control	-	17,124.97	(17,124.97)	
Sundry CATA012392 Creditor Control	-	10,946.34	(10,946.34)	
Sundry CATA012393 Creditor Control	-	12,757.16	(12,757.16)	
Sundry CATA012394 Creditor Control	-	8,358.40	(8,358.40)	
Sundry CATA012415 Creditor Control	-	67,190,839.43	(67,190,839.43)	
Sundry DUNA008205 Creditor Control	67,464,751.18	273,911.75	67,190,839.43	
Sundry DUNA008253 Creditor Control	-	25,000,000.00	(25,000,000.00)	
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	97,136,852.16	-	97,136,852.16	Withdrawal vote reconciles to datastrings
Create Cheque 77069634 Voucher No CATA012344	4,650,859.20	-	4,650,859.20	Minor Eskom Payments
Create Cheque 77069718 Voucher No CATA012378	197,556.39	-	197,556.39	
Create Cheque 77069719 Voucher No CATA012380	39,387.87	-	39,387.87	
Create Cheque 77069783 Voucher No CATA012389	4,863.83	-	4,863.83	
Create Cheque 77069784 Voucher No CATA012390	4,158.57	-	4,158.57	
Create Cheque 77069785 Voucher No CATA012391	17,124.97	-	17,124.97	
Create Cheque 77069786 Voucher No CATA012392	10,946.34	-	10,946.34	
Create Cheque 77069787 Voucher No CATA012393	12,757.16	-	12,757.16	
Create Cheque 77069788 Voucher No CATA012394	8,358.40	-	8,358.40	Payment of R67m made on 11 December 2024
Create Cheque 77069839 Voucher No CATA012415	67,190,839.43	-	67,190,839.43	
Create Cheque 77070042 Voucher No DUNA008253	25,000,000.00	-	25,000,000.00	Payment of R25m made on 30 December 2024
Grand Total	266,389,314.70	197,313,549.78	69,075,764.92	

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 December 2024.

- i) The DWS current account for November 2024 amounted to R17,504,048.73 which was due and payable on or before the 30 December 2024. The municipality had insufficient cash to settle the current account for November 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 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: 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
	Subtotal			17,258,812.01
	WRL(0%VAT)	3,172,532.000	7.73	245,236.72
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			17,504,048.73

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.

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

Page 1 of 1

NWRI Customer Ref no: 60008150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412607862
 Document Date: 31.12.2024
 Payment Terms: 30 Days
 Due Date: 30.01.2025
 Customer VAT Reg. No: 4370102313
 Bill To:
 HEAD OF FINANCE
 SOL PLAATJIE MUN-KIMBERLEY
 PRIVATE BAG X5030
 KIMBERLEY
 KIMBERLEY
 8300

TAX INVOICE DWS VAT Reg. no 4040112361



water & sanitation
 Department:
 Water and Sanitation
 REPUBLIC OF SOUTH AFRICA

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: 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: DOMESTIC & INDUSTRIAL; Water Source Type: SCHEME: Contract No: 10087405 (25014305/13) Serv.Vol:9,125,000.40; Ytd Consumed Vol:28115,338.00 Water Use Period: 01.12.2024 to 31.12.2024				
	Consumptive (O&M)	2,842,053.00	39.69	1,128,010.84
	Consumptive (ROA)	2,842,053.00	32.40	920,825.17
	Consumptive (Depr)	2,842,053.00	19.07	541,979.51
	TCTA (AMD)	2,842,053.00	9.39	266,868.78
	TCTA (LHWP)	2,842,053.00	372.50	10,586,647.43
	Plus 15.00% VAT			2,016,649.76
	Subtotal			15,460,981.49
	WRL(0%VAT)	2,842,053.000	7.73	219,690.70
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			15,680,672.19

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

Bank Name: FNB
 Account Number: 52030646311
 Branch Code: 250655
 Reference : Contract Acc.No.

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

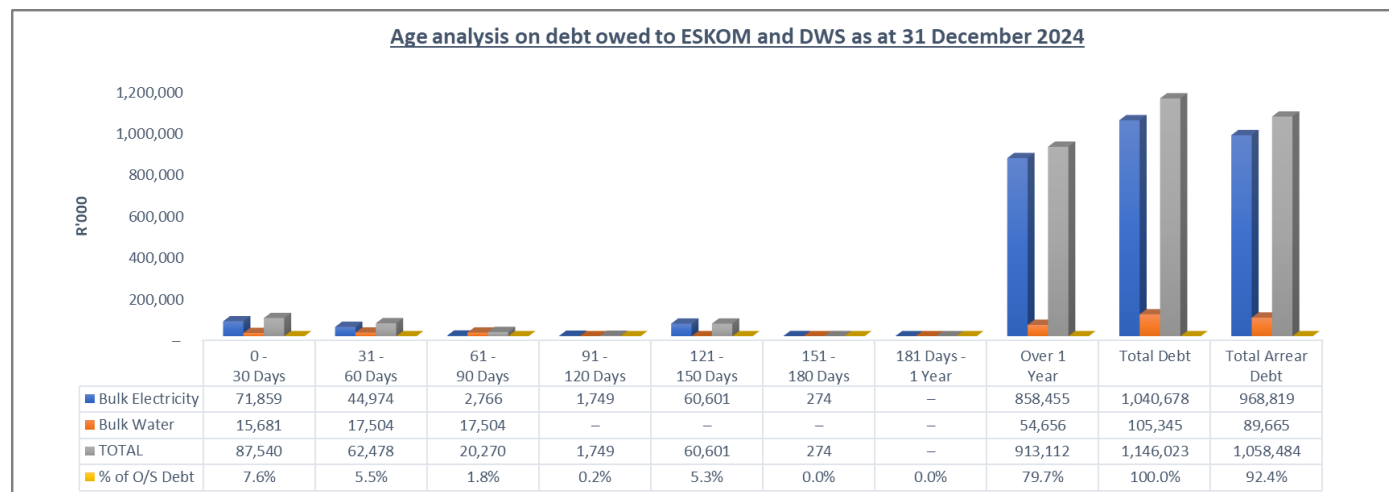
The payment arrangement instalment of R6 million was not settled due to insufficient cash available from operations.

The municipality's water reconciliation statement (aligning to the mSCOA data string upload for M06 – December 2024).

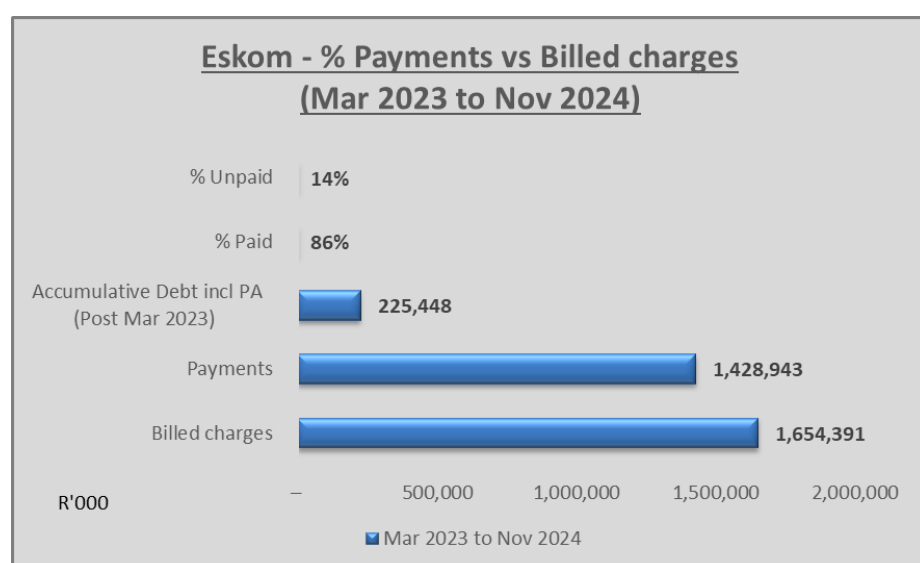
Reconciliation of Bulk purchases water input volumes, deposits and withdrawals as per the Financial system.

There are no movements on the relevant line items because the invoice was not timeously captured on the system.

vii) Total outstanding debt owed to ESKOM and DWS as at 31 December 2024.



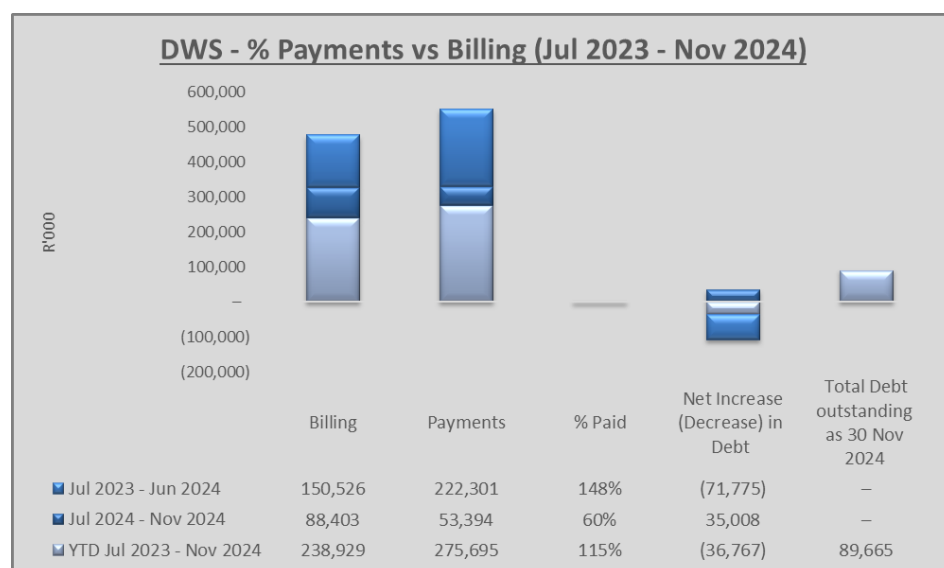
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



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

The total billed charges for the period amounted to R1,654,391 billion, and payments made amounted to R1,428,943 billion. For the period the municipality managed to settle 86% of the billed charges.

The debt outstanding post March 2023 amounts to R225,448m, 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 November 2024.

The total billing for the period amounted to R238,929m, and payments made amounted to R275,695m. The municipality managed to pay 15% more than what was billed, the net debt reduction amounts to R36,767m, due to the unpaid invoice for November and November 2024. This resulted in an escalation of outstanding debt of R35,008m. For the 2023/24 financial year the municipality reduced the arrear debt by R71,775m.

The debt outstanding as at 30 November 2024 amounts to R89,665m, 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 - December 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 Eskom bulk current account and bulk water current account - 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)	Non-Compliant - ESKOM On 30 December 2024, the municipality settled an amount of R25,000 million on November 2024 account excluding interest of R2,160 million. Total invoice amount was R69,974 million. The outstanding balance is R44,974 million Non-Compliant - DWS The municipality had insufficient cash to settle the current account for November 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		Non-Compliant - ESKOM The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement on 31 December 2024. Non-compliant - DWS The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of January 2025.
	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	Non-Compliant Email was not sent within one day of payment to ESKOM, due to the festive season. DWS was unpaid at month-end..

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - December 2024
	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	Compliant Proof of Payments made in December 2024 was uploaded onto GoMuni on 8 January 2025. Due date is 14 January 2025.
	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	Compliant 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.
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	Compliant 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.
	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 280 Conventional disconnections = 0 Total = 280
	6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	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).

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - December 2024
	<p>6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	<p>Partially compliant 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>6.7 Maintain a minimum average quarterly collection of property rates and services charges</p>	<p>6.7.1 The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm</p>	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>Non-Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 64%. Quarterly S71 Revenue Collection rate per Ward outcome Q2 = 70%) Municipality's average collection rate = 76% (Prepaid electricity sales are included) The collection is slightly distorted due to the annual billing on Property rates Not achieved Average daily cash collection for December 2024, was R8,589m.</p>
	<p>6.7.2 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 - December 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 smart prepaid electricity meter installations December 2024 = 1,926 YTD installations = 2,433
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)	Zero smart prepaid water meters were installed. A feasibility study to be done and meters are not procured.
	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 smart prepaid electricity meter installations December 2024 = 1,926 YTD installations = 2,433
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	Compliant GVR reconciliation for the second quarter was completed Tuesday, 14 January 2025.
	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			Compliant GVR reconciliation to be submitted Tuesday, 14 January 2025.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - December 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	Compliant Report included in the monthly S71 report for December 2024 as per guideline from NT.
	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?			
	6.9.3 Municipalities with financial recovery plans (FRP) – 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 be 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 draft compliance certificate for November 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	Compliant 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 - December 2024
	<p>6.12.1 must apportion and ring-fence in a sub-account to its primary bank account –</p> <p>(a) all electricity, water and sanitation revenue the municipality collects in any month; and</p> <p>(b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	<p>Finalised 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>Partially Compliant The ESKOM current account was paid directly from the Primary bank account. DWS November 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>6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.</p>	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p>Non-Compliant The ESKOM current account was partially 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>Compliant 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 December 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 November 2024 (Draft report).
3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
 - a. The municipality must monthly settle the current accounts for ESKOM and DWS.
 - 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 amount to R26,800 million and DWS amounts to R39,953 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, done internally. 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 daily collections and 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. An amount of R67,191 million was settled on 11 December 2024.

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 pay R134,337,170.97 by 30 September 2024 which was the completion date of the first 12 months of the municipal debt relief. However, Eskom granted the municipality a grace period until 11 December 2024. On the 11 December 2024, the municipality settled R67,190,839.43 which constitutes 50 percent of the original R134 million. Balance outstanding amounted to R67,146,331.52. The municipality requested an extension until 31 January 2024 to settle the balance. As indicated in the table below, the amount that the municipality must pay with immediate effect has escalated to **R137,163,826.30**, unless the extension is granted. However, the municipality is in breach of the conditions because the November 2024 account and the debt instalment was not settled in full at the end of December 2024.

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments PA	Total Due to be in Good standing	Interest
Jul-24	R148,333,011.78	R 148,059,100.03	R 273,911.75	R 6,700,000.00	R 6,973,911.75	R 273,911.75
Aug-24	R127,600,942.44	R 67,000,000.00	R 60,600,942.44		R 60,600,942.44	R 154,610.92
Sep-24	R 71,086,942.52	R 69,337,712.24	R 1,749,230.28	R 6,700,000.00	R 8,449,230.28	R 1,749,230.28
Oct-24	R 73,507,839.50	R 70,741,905.79	R 2,765,933.71	R 6,700,000.00	R 9,465,933.71	R 2,765,933.71
Nov-24	R 69,973,808.12	R 25,000,000.00	R 44,973,808.12	R 6,700,000.00	R 51,673,808.12	R 2,159,642.32
TOTAL			R 110,363,826.30	R 26,800,000.00	R 137,163,826.30	R 7,103,328.98

10. To be in good standing with DWS, the municipality must settle the account for October and November 2024 amounting to a combined to of R35,008,097.46 and the arrears on the debt agreement amounts to **R39,952,786.02** (defaulted July to January 2025). This is also the full balance outstanding on the debt agreement, excluding the interest of R14,703,680.46 to be written off. The total amount due to DWS amounts to **R74,960,883.48**.

11. **Municipal Debt Relief Benefit**

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

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 **December 2024** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. BS Matlala

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: 

Date: 15 /01/2025

Mr Sadesh Ramjathan
Director: Revenue Management
National Treasury
Private Bag X 115
PRETORIA
0001

Mr. BS Matlala
Municipal Manager
Sol Plaatje Local Municipality
Private Bag x5030
Kimberley
8300

Email: Sadesh.ramjathan@treasury.gov.za; bmatlala@solplaatje.org.za

Dear Messrs Ramjathan and Matlala

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

In November 2024, the National Treasury conducted a comprehensive evaluation of Sol Plaatje Local Municipality's compliance with the conditions of its debt relief programme, following the municipality's entry into its second compliance cycle on October 1, 2024. This assessment was critical in determining whether the municipality was on track to meet the necessary 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, all of which reflect the municipality's commitment to reform. However, the assessment also revealed persistent challenges, particularly in expenditure management, which remains misaligned with the programme's objectives. Addressing these weaknesses is crucial to improving the municipality's financial resilience and achieving the overall goals of the debt relief initiative.

A significant concern raised during the evaluation was the municipality's inconsistent collection rate and rising debtor balances, which point to ongoing revenue management issues. The collection rate report for the first quarter of the 2024/25 financial year showed a collection rate of 33% in July 2024, which improved to 66% in August and further to 68% in September, resulting in an overall quarterly collection rate of 52% — well below the target of 85%. However, the collection rate improved to 88% in October 2024, suggesting that progress is possible with the implementation of stronger credit control measures. Despite this improvement, the rising debtor balances indicate that the council-approved credit control and debt collection policy is still not being consistently or effectively enforced. This ongoing failure undermines the municipality's revenue base and compromises its ability to meet financial obligations.

Of particular concern is the municipality's substantial outstanding debt to Eskom, which remains unpaid. This debt poses a significant risk to Sol Plaatje Local Municipality's ability to meet the requirements of the debt relief programme. The immediate payment of the outstanding R134 million, a critical condition for securing the one-third debt write-off, remains unmet. The municipality's failure to settle this amount will result in it missing the debt write-off opportunity, a setback that will further erode its financial position and stability.

As Sol Plaatje Local Municipality progresses through its second compliance cycle, the settlement of its outstanding debt to Eskom remains a top priority. Without immediate action to address this critical issue, the municipality will forfeit the benefits of the debt relief programme and face mounting financial pressures.


The National Treasury will continue to monitor the municipality's performance and provide targeted support to address the identified challenges. The immediate enforcement of credit control and debt collection measures is essential to stabilizing revenue streams and improving compliance with the programme's conditions. However, failure to meet the key requirements, particularly the settlement of the outstanding debt to Eskom, will significantly hinder the municipality's progress toward financial sustainability.

The Treasury remains committed to working collaboratively with Sol Plaatje Local Municipality to ensure the successful implementation of the debt relief programme. However, the municipality's cumulative collection rate, which stands at 73% according to the Section 71 report, remains below the programme's threshold, further compounding the risk of missed opportunities for debt relief. Without urgent intervention to resolve the Eskom debt and strengthen revenue management practices, the municipality will continue to face severe financial challenges.

• 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 November 2024, the National Treasury's assessment revealed that the municipality achieved an average compliance rate of 88 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 2023 up to and including November 2024:



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 Eskom And Bulk water current account						Part B Compliance with a funded MTREF						Part C FRP/BFP & Tariff Assessment		Part D Electricity and water as collection tools				Part E Quarterly collection of property rates and services charges				Maximization of Revenue Base			Part F Oversight												Part G 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	Compliance
1.July	Sol Plaatje	NC091	Yes	Yes	No	Yes	Yes	No	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	Yes	Yes	Yes	No	88%	Non Compliance
2.August	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	No	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	No	Yes	Yes	Yes	Yes	Yes	No	83%	Non Compliance
3.September	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	73%	Non Compliance
4.October	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	90%	Non Compliance
5.November	Sol Plaatje	NC091	No	No	No	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	Yes	Yes	Yes	No	88%	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 National Treasury will request Eskom to write off a municipality's arrear debt only if the municipality demonstrates full compliance with the conditions of the Municipal Debt Relief Programme for a consecutive period of 12 months, to the satisfaction of the National Treasury.

Sol Plaatje Local Municipality is strongly encouraged to continue making progress toward full compliance with all conditions of the debt relief programme. However, it is concerning that the municipality has not paid Eskom in full during the first compliance cycle. To secure the benefits of the

debt relief initiative, the municipality must significantly improve its payment performance to Eskom and ensure that outstanding debts are settled as required under the programme's conditions.

- **Condition 6.2 – Application-based supported by Council's resolution**

The Sol Plaatje Local Municipality applied for the Municipal Debt Relief Programme and received conditional approval from the National Treasury, following formal endorsement by its council. This approval was contingent upon the municipality addressing key deficiencies in its financial and administrative systems. Recognizing the critical nature of this opportunity, the municipality's leadership and management undertook a comprehensive review to identify areas requiring improvement. Backed by strong political support from the council, a strategic action plan was developed to strengthen financial controls, improve revenue collection, optimize expenditure management, and enhance governance practices.

In response to the conditional approval, the municipality implemented a series of decisive reforms to address the identified shortcomings. These included strengthening financial oversight mechanisms, streamlining budgeting processes for greater efficiency, and adopting best governance practices to ensure accountability. To maintain momentum and track progress, the municipality introduced regular monitoring and reporting frameworks, which have helped foster a culture of transparency and responsible management.

The municipality's commitment to these reforms has resulted in measurable progress in addressing the conditions set by the National Treasury. As a result, it successfully fulfilled the necessary requirements, securing final approval for its debt relief application.

This milestone represents a transformative achievement for the municipality, marking a significant step toward financial stability. With the reforms now in place, the municipality is better positioned to achieve long-term fiscal sustainability, strengthen its revenue base, and enhance service delivery to residents. The implementation of these improvements not only addresses immediate financial challenges but also lays the foundation for sustained progress and growth in the years ahead.

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

Based on the November 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). However, significant challenges remain in fully addressing its outstanding arrears, which pose a risk to the municipality's compliance with the conditions of the debt relief programme.

On 30 September 2024, the municipality made a payment of R16.698 million to fully settle its August 2024 current water account. Additionally, a payment of R67 million was made 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 that remains unresolved.

In October 2024, the municipality continued its efforts to address its financial obligations. A payment of R18,972,818.12 was made to DWS, settling the September 2024 account in full, demonstrating the municipality's commitment to reducing its water-related liabilities. However, it failed to honor its agreed repayment arrangement of R6.7 million with Eskom and R6m with DWS, reflecting a lapse in compliance with its repayment commitments.

During the same period, the municipality paid R69,337,712.24 toward Eskom's September 2024 invoice, which helped reduce the growing balance but remained insufficient given the substantial outstanding arrears.

In previous months, the municipality made partial payments on its July 2024 Eskom account. By 29 August 2024, it had paid a total of R80.868 million, leaving an outstanding balance of R67.465 million, excluding R274,000 in interest charges. This shortfall on the July account represents a breach of the compliance requirements outlined in MFMA Circular 124 and necessitates immediate corrective action. While National Treasury acknowledges the financial strain caused by high-demand billing periods, such as those experienced in July, it emphasizes the need for a strategic approach to managing peak expenses.

In November 2024, the municipality settled an amount of R70.742 million on its current account, excluding interest amounting to R2.766 million. The payment was made in two tranches: R40.742 million on 28 November 2024 and R30.000 million on 29 November 2024. The total invoice amount for October was R73.508 million. While this payment demonstrates ongoing efforts to meet obligations, the municipality must ensure that payments are made in full and on time to achieve compliance with the debt relief programme.

Despite these efforts, the municipality's total outstanding debt to Eskom remains substantial at R135 million, posing a significant risk to its eligibility for the anticipated debt write-off under the programme. Full compliance with payment obligations is essential to qualify for this relief.

On the other hand, the municipality has shown proactive efforts in addressing its water-related liabilities. The R18.972 million payment made toward its September 2024 DWS account reflects progress. However, no payment was made to DWS in respect of the current account for October 2024, and this constitutes a serious breach of the conditions and the missed repayment arrangement raises concerns about the municipality's ability to sustain its financial commitments in the long term.

- **Condition 6.4 – A funded MTREF**

The Sol Plaatje Local Municipality has successfully secured full funding for its 2024/2025 fiscal year budget, ensuring that all planned expenditures and projects will proceed as scheduled. This financial stability forms a vital foundation for the municipality, enabling the implementation of key initiatives, the maintenance of essential services, and the promotion of sustainable development aimed at improving the quality of life for its residents.

With the necessary funding in place, the municipality can now focus on delivering critical infrastructure projects, expanding public services, and investing in community-focused initiatives. Key projects slated for implementation include the upgrading of water and sanitation systems, the expansion of road networks, improvements to public transportation, and programmes supporting local economic development. These projects are designed to address both immediate community needs and long-term development goals. Additionally, the budget ensures the uninterrupted delivery of essential services, including healthcare, education, public safety, and other vital municipal functions that are crucial to the well-being of residents.

The successful funding of this budget reflects the municipality's commitment to sound financial management and strategic planning. By securing the necessary financial resources, the municipality is well-equipped to meet both its short-term obligations and long-term goals. This proactive approach

enhances the municipality's ability to attract investment, stimulate economic growth, and build a dynamic, resilient community.

The fully funded budget demonstrates a forward-thinking governance model that addresses current challenges while laying a strong foundation for future prosperity. By ensuring financial security and stability, the municipality is empowering itself to promote inclusive growth, improve service delivery, and achieve sustainable development for the benefit of all its residents.

- **Conditions 6.5 – Cost reflective tariffs**

The 2024/2025 budget, while initially developed without the integration of a cost-reflective tariff tool, presents a significant opportunity for the municipality to improve its financial planning and sustainability. Recognizing this gap is a crucial step toward adopting more precise and responsible fiscal practices. By incorporating the draft cost-reflective tariff tool, the municipality can align service tariffs with the actual costs of operations and maintenance. This alignment not only enhances financial stability but also establishes a solid foundation for future infrastructure investments, steering the municipality toward long-term financial sustainability.

Addressing this shortcoming will strengthen the municipality's financial position and demonstrate a forward-thinking approach to governance. Once the cost-reflective tariff tool is fully implemented, the municipality will be able to fund essential services more reliably and efficiently, fostering greater trust and confidence among residents. Transitioning to transparent, cost-based pricing reflects a strong commitment to financial accountability and equips the municipality to better meet the needs of the community. Additionally, it ensures a dependable revenue stream to support critical services without compromising quality or accessibility.

By closing this gap, the municipality underscores its dedication to continuous improvement and excellence in service delivery. Adopting the cost-reflective tariff tool will enable the municipality to mitigate potential financial shortfalls and shift toward a proactive, sustainable financial model. This approach aligns with the municipality's broader objectives of building a resilient, prosperous community and reaffirms its role as a responsible steward of public resources. Ultimately, this commitment to fiscal transparency and accountability will strengthen the municipality's capacity to deliver high-quality services that meet the evolving needs of its residents.

- **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 strong alignment between the General Valuation Roll (GV) and the Municipal Financial System (MFS) across various property categories. This reconciliation highlights the municipality's commitment to maintaining accurate and consistent property records, a critical component of effective financial management and sustainable revenue collection. The close alignment of property counts and market values across these systems demonstrates 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, including Residential, Industrial, Business and Commercial, Agricultural, and Municipal properties. The summary shows that the valuation roll is fully aligned with the municipal financial system, with zero variance for both property counts and market values across all categories.

The reconciliation records a total of 60,680 properties, with a combined Market Value of R40,423,988,208. This consistency between the General Valuation Roll and the Municipal Financial System ensures that property data remains synchronized, enabling precise billing and reinforcing the municipality's financial stability. Accurate and up-to-date property records are essential for ensuring that property taxes are calculated fairly and efficiently, thereby promoting equitable treatment for all property owners.

The zero-variance alignment signifies the municipality's rigorous approach to maintaining accurate property data, strengthening its capacity to manage revenue streams effectively. By ensuring that the valuation roll and financial systems are fully aligned, the municipality has established a solid foundation for efficient property tax administration, which remains a key revenue source for local governments.

Part B: Detailed Reconciliation

Part B of the report provides a detailed analysis of Monthly Billing Figures, categorizing data into Mapped Accounts and Unmapped Accounts. It further compares values recorded in the General Valuation Roll with those in the Municipal Financial System and highlights any discrepancies that require further investigation.

In the Residential property category, the General Valuation Roll records mapped accounts at R24,079,921, while the Municipal Financial System reflects R22,796,241, resulting in a variance of R1,283,679. Similarly, the State-Owned for Public Purpose category shows a significant variance of R7,043,574 between the two systems, pointing to discrepancies that need to be addressed.

The report shows that the Mapped Accounts Total stands at R50,236,052, while the Unmapped Accounts Total amounts to R50,486,544, indicating further variances in other property categories. These discrepancies highlight areas that require closer scrutiny to ensure accurate billing and minimize potential revenue loss.

GV Reconciliation Summary						
Province	NC					
District	Frances Baard District					
Type	LM					
Municipal Name	Sol Plaatje					
GV Period	01/07/2023 - 30/06/2027					
Financial Year	2024/2025					
Reconciliation Period	Quarter 1					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Property 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	-
Total	60,680	60,680	-	40,423,988,208	40,423,988,208	-
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Property 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!
Total	#VALUE!	50,236,052	#VALUE!	#VALUE!	50,486,544	#VALUE!

Condition 6.9 – Monitor and Report on compliance

The data strings have been successfully uploaded to the GoMuni system, an online platform that enables municipalities to submit operational and financial data. As part of this process, the municipality has consistently uploaded the Municipal Finance Management Act (MFMA) Section 71 report, a critical document for evaluating the municipality's monthly financial performance. This report provides a comprehensive breakdown of revenue, expenditures, and budget compliance, serving as a vital tool for promoting transparency, ensuring accountability, and supporting effective financial management.

MFMA S71 Statement component		Compliance (Yes / No)
1.	<i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i> 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.	<i>The conclusion (paragraph 14) of the MFMA S71 statement</i> explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting -	Yes

MFMA S71 Statement component		Compliance (Yes / No)
	i.Any risk associated; and ii.The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	
3.	<i>Annexure B of the MFMA S71 statement included the following debt relief reporting components-</i>	
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 MFMA Budget Circular 128 (Annexure 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 MFMA Budget Circular 128 (Annexure D) .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	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
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 provides a comprehensive overview of the municipality's financial performance for the reporting month, underwent a thorough review to ensure both accuracy and completeness. In addition to analyzing core financial data, this review included a meticulous examination of supplementary documents such as reconciliations, explanatory notes, and variance reports. This detailed scrutiny is essential for identifying the root causes of deviations from budgeted figures, enabling the municipality to detect trends, assess risks, and implement corrective measures where necessary.

The evaluation of the S71 report goes beyond a mere snapshot of the municipality's financial health. It serves as a proactive financial management tool, allowing the municipality to identify early warning signs of potential challenges. By leveraging these insights, the municipality can make data-driven

decisions and take timely actions to prevent financial shortfalls or disruptions to operations. This process ensures that any emerging risks are addressed promptly, reducing the likelihood of future deficits.

A key aspect of this process is the municipality's adherence to submission deadlines. Ensuring that all required documents are uploaded accurately and on time is critical to complying with regulatory mandates and maintaining accountability. Meeting these deadlines reflects the municipality's commitment to transparency and reinforces trust with stakeholders and regulatory bodies.

Maintaining comprehensive and reliable financial records is essential for effective oversight and good governance. The municipality's diligence in preparing and submitting the S71 report strengthens financial accountability and fosters confidence among residents and investors.

Ultimately, these efforts are key to promoting the long-term financial sustainability of the municipality. By consistently leveraging the insights gained from the S71 report, the municipality can continue to deliver high-quality services, respond to community needs efficiently, and uphold its role as a responsible steward of public resources.

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

The National Treasury plays a critical role in overseeing the Municipal Debt Relief Programme, ensuring that municipalities comply with the necessary conditions for effective debt management and financial recovery. This oversight is essential for fostering financial discipline, accountability, and stability within the municipal system. Through this letter, the National Treasury formally certifies that Sol Plaatje Local Municipality has successfully met the programme's requirements, reflecting its commitment to enforcing compliance and promoting sound financial governance.

Through rigorous monitoring and evaluation, the National Treasury ensures that the municipality adheres to established guidelines aimed at maintaining financial stability and preventing further debt accumulation. This certification is more than just a procedural milestone; it is a key component of a broader strategy to encourage municipalities to adopt responsible financial management practices. By reinforcing adherence to robust fiscal policies, the certification process supports the implementation of sustainable economic measures, which are essential for achieving long-term financial resilience.

This structured and transparent approach to fiscal recovery empowers municipalities to deliver critical services more effectively, rebuild public trust, and contribute meaningfully to local economic development. The certification provides municipalities with a clear framework for restoring their financial health while remaining within budgetary limits, ensuring that recovery efforts are both practical and sustainable.

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

encouraging responsible financial governance, the National Treasury ensures that municipalities can continue to meet their service delivery mandates and contribute to broader economic progress.

- **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 form a critical regulatory framework that promotes fiscal responsibility within municipalities. This framework mandates a thorough review of all borrowing activities to ensure compliance with set limits and alignment with the conditions of the debt relief programme. These measures are designed to curb excessive borrowing, reduce financial risk, and alleviate short-term financial pressures, ultimately strengthening the long-term financial stability of municipalities.

Since the implementation of its debt relief programme on October 1, 2023, the municipality has strictly adhered to these borrowing restrictions. This compliance has been instrumental in preserving its creditworthiness and mitigating financial risks. By consistently adhering to these regulations, the municipality demonstrates a strong commitment to sound financial governance, safeguarding its fiscal health and ensuring it remains on a sustainable financial path.

This disciplined approach to debt management reinforces the municipality's fiscal resilience and instills confidence among stakeholders, including residents, investors, and regulatory bodies. By limiting its reliance on new debt and focusing on responsible financial practices, the municipality is well-positioned to maintain financial stability and meet the evolving needs of its community, securing a more stable and sustainable future.

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

The updated Supplementary Guide to MFMA Circular No. 124 introduces key improvements to the management of debt relief funds by municipalities, reinforcing accountability and financial oversight. 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 streamlines banking structures, optimizes fund management, and ensures that debt relief resources are managed responsibly with robust oversight mechanisms in place.

A critical enhancement in the updated guide is the requirement for municipalities to upload monthly bank reconciliations and detailed bank statements to the GoMuni platform. This step highlights the importance of transparency and rigorous financial reporting, particularly concerning debt relief funds. By consolidating all financial transactions on a centralized platform, municipalities provide a comprehensive view of their financial activities, allowing stakeholders to effectively evaluate the management of debt relief resources. This increased visibility fosters public trust and aligns municipal practices with National Treasury's high standards of financial integrity.

The revised guidelines also introduce a focus on accurate accounting adjustments to reflect debt relief benefits, such as interest write-offs granted by creditors like Eskom. Municipalities are required to make precise ledger entries that clearly capture these adjustments in their financial statements. This ensures that financial reports present a transparent and reliable account of the debt relief benefits received. Proper documentation of these adjustments demonstrates the municipality's commitment to

responsible financial management and assures stakeholders that debt relief measures are accurately implemented and reported.

The updated guide further emphasizes structured reporting and accurate record-keeping, which are essential to achieving fiscal stability and promoting sustainable financial management. By requiring detailed reporting and reconciliation, the guidelines position municipalities to manage debt relief funds responsibly, minimizing the risk of future debt accumulation. Additionally, the strengthened reporting framework supports long-term financial resilience, ensuring that municipalities remain on a sustainable financial path.

Overall, the updated Supplementary Guide to MFMA Circular No. 124 equips municipalities with the tools to achieve greater financial accountability and transparency. By adhering to these principles, municipalities can maintain public trust, support effective service delivery, and contribute to the economic well-being of their communities. This proactive approach to debt relief fund management reinforces municipalities' roles as responsible stewards of public resources and lays the foundation for sustainable economic growth at the local level.

- **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. Prioritize the Immediate Settlement of Outstanding Eskom Debt

The municipality should urgently prioritize settling its outstanding debt to Eskom, particularly the R134 million required to secure the one-third debt write-off under the Debt Relief Programme. This can be achieved through improved collection strategies, stricter enforcement of credit control policies, and the reallocation of funds to meet critical payment obligations.

Key Action:

Implement a focused repayment strategy with clear timelines to settle arrears and prevent future accumulation of debt.

2. Strengthen Revenue Collection and Credit Control Measures

The municipality must enhance its revenue management practices by enforcing its credit control and debt collection policies consistently. This includes using utility services, such as electricity and water, as collection tools to improve payment rates and reduce debtor balances.

Key Action:

Introduce automated billing and payment reminder systems.

Conduct targeted outreach to encourage timely payments and reduce default rates.

Apply service restrictions for non-indigent defaulters, where applicable.

3. Enhance Financial Reporting and Data Integrity

The municipality must ensure the accuracy and completeness of its financial data, particularly in its monthly Section 71 reports. This includes reconciling discrepancies between the General Valuation Roll and the Municipal Financial System and providing detailed explanations for any variances.

Key Action:

Conduct monthly reconciliations of property rates, revenue collection, and bulk service payments.

Ensure timely submission of comprehensive Section 71 reports to maintain compliance with National Treasury requirements.

4. Develop a Strategic Debt Management Plan

The municipality should adopt a long-term debt management strategy that includes clear repayment schedules, risk assessments, and contingency plans to manage peak financial pressures. This strategy should also consider ways to prevent future debt accumulation.

Key Action:

Establish a debt management committee to oversee the implementation of the plan.

Conduct regular risk assessments to identify potential financial pressures and develop mitigation strategies.

5. Improve Stakeholder Communication and Transparency

The municipality must enhance its communication with stakeholders, including residents, businesses, and regulatory bodies, regarding its financial performance, debt relief progress, and compliance status. Transparent reporting will help build trust and accountability.

Key Action:

Publish quarterly updates on the municipality's progress in meeting debt relief conditions.

Engage with the community through public meetings and digital platforms to explain financial decisions and address concerns.

6. Invest in Infrastructure to Support Service Delivery and Revenue Collection

The municipality should address gaps in infrastructure that hinder its ability to enforce credit control measures, such as the lack of water supply restriction infrastructure. Investing in such infrastructure will improve the municipality's ability to manage non-payment risks.

Key Action:

Conduct a feasibility study on installing water supply restriction technology.

Allocate budgetary resources to fund infrastructure upgrades that enhance service delivery and revenue management.

7. Ensure Full Compliance with National Treasury Conditions

The municipality must commit to achieving full compliance with all conditions of the Debt Relief Programme to avoid penalties, including the potential revocation of its NERSA electricity license. This requires a dedicated focus on maintaining financial discipline, timely reporting, and meeting all regulatory requirements.

Key Action:

Assign a dedicated compliance officer to oversee adherence to the programme's conditions.

Conduct regular internal audits to ensure compliance with MFMA Circular 124 and related guidelines.

Implement corrective actions promptly to address any identified non-compliance issues.

For enquiries, please feel free to contact Mr. Mandla Gilimani on mandla.gilimani@treasury.gov.za

Kind regards

MANDLA GILIMANI
DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
DATE:

CC: Mrs Marli van der Woude, MFIP Revenue Advisor – marli@mfip.gov.za

Annexures (November 2024 Compliance Certificates)

Monthly Performance Report

Municipal Details			Part A						Part B					Part C			Part D				Part C							Maximization of Revenue Base			Part E										Compli				
			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										Oversight														
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	Yes	Yes	No	Yes	Yes	No	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	No	Yes	Yes	Yes	Yes	No	88%
2.August	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	No	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	N/A	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	83%
3.September	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	No	No	Yes	No	Yes	Yes	No	73%
4.October	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	90%
5.November	Sol Plaatje	NC091	No	No	No	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	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	No	85%	
6.December	Sol Plaatje	NC091																																									0%		
7.January	Sol Plaatje	NC091																																									0%		
8.February	Sol Plaatje	NC091																																									0%		
9.March	Sol Plaatje	NC091																																									0%		
10.April	Sol Plaatje	NC091																																									0%		
11.May	Sol Plaatje	NC091																																									0%		
12.June	Sol Plaatje	NC091																																									0%		


Comments/Motivation

NT Name:

Signature of NT:

Date:

** 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.

<div><div><div>Annexure A2 - Monthly</div><div>National Treasury</div><div>Municipal Debt Relief</div><div>MFMA Circular No. 124</div><div>Municipal Finance Management Act No. 56 of 2003</div></div></div>		
National Treasury		
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, Carol Coetzee , 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
Condition	6.3.1 Maintaining the Eskom and bulk water current account –	
6.1.2	(current account for the purpose of this exercise means the account for a single month's consumption)	
6.1.2.1	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note – refer condition 6.2.2.2</i>	No
6.1.2.2	- 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 https://goportalportal.treasury.gov.za/ ?	No
6.1.2.3	- 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?	No
6.3.1	- Has the municipality paid its Eskom bulk current account 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
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 https://goportalportal.treasury.gov.za/ ?	Yes
6.3.3	- 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
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	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?	Yes
6.4.1	<i>Note – For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (aka 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 (aka 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>	
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?	Yes
6.4.2	<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>	
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)?	N/A - the MTREF is funded
6.4.2	<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>	
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 Flow) 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
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
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
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
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 –	
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
6.7.2	<i>Note – Although the norm and standard for collection (MFMA Circular No. 71) is a 85 per cent threshold, municipalities under the debt relief support are to be assessed 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, has the municipality demonstrated to the satisfaction of National Treasury the following :	
6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and 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
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 areas?	not yet the end of a quarter
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 areas) 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
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
		Week 1 stats – 19 – 24 November 2024 = 149 installations Week 2 stats – 25 – 01 December 2024 = 454 installations Total November installations = 603

Notes/Comments

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	
26	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	- 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 Circular no. 53, 56, 107 and 108) to the upload portal on https://gputuploadportal.treasury.gov.za ?	Yes	
29	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 trigger, error and must refer to 6.9.1.</i>	6.9.1 = 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) timely via the GoMuni Upload Portal https://gputuploadportal.treasury.gov.za ?	No FRP	
33	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> 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 timely uploaded the compliance certificate via the GoMuni Upload Portal https://gputuploadportal.treasury.gov.za ? <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 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?	No	
36	6.11	<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 condition 6.11</i> 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	
37	6.12	<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 contracted 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 on-year bridging purposes are not considered within the ambit of this condition.</i> For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality appropriated 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 incl interest was settled in full. Current account for Water was not paid, due to insufficient cash.
39	6.13	<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 1.8(3).</i> Supporting evidence : 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; Accounting Treatment - 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.
40	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes	
41		<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 provided by the relevant procedure for appointing an external auditor 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 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: _____

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 procurement of the HOD /MM must be attached as an Annexure to this Certificate of Compliance.*

Monthly Performance Report																																															
Municipal Details				Part A					Part B				Part C		Part D				Part C					Part E					Compl																		
				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																		
Month	Code Desor	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%		
2.August	Sol Plaatje	NC091																																													0%
3.September	Sol Plaatje	NC091																																													0%
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	No	Yes	Yes	No	Yes	No	88%		
5.November '24	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	85%		
6.December	Sol Plaatje	NC091	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes	No	68%	
7.January	Sol Plaatje	NC091																																													0%
8.February	Sol Plaatje	NC091																																													0%
9.March	Sol Plaatje	NC091																																													0%
10.April	Sol Plaatje	NC091																																													0%
11.May	Sol Plaatje	NC091																																													0%
12.June	Sol Plaatje	NC091																																													0%

HOD Name:		BS Matlala	
Signature of HOD:			
Date:		15/01/2025	
<p>**Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procurement of the HOD must be attached as an Annexure to this Certificate of Compliance.</p>			



Annexure A2 - Monthly

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

Select Assessor

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Dec'24

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Sol Plaatje

I, **Bartholomew Matlala Municipal Manager**, 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

6.3 + Maintaining the Eskom and bulk water current account –		
Condition 6.12 (current account for the period of the exercise means the account for a single month's operations)		
1	6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No
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 https://guploadportal.treasury.gov.za ?	No
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?	No
4	6.3.1 - Has the municipality paid its Eskom bulk current account 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 MT approval of the application.</i>	No
5	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 https://guploadportal.treasury.gov.za ?	No
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 - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	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?	Yes
<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 90 per cent of its revenue (less property rates), the provision for debt impairment arising with the basic collection trend should align to 10 per cent of the 2023/24 MTREF revenue projections (after project rates). If the municipality merely used the debt requirement to "balance" the budget and there is no net settlement between the provision for such debt and the actual collection of revenue, the Provincial Treasury must respond to this item as "No".</i>		
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?	Yes
<i>Note - If the municipality properly avoid the depreciation and asset impairment to "balance" the budget and there is no net settlement between the provision for such debt and the actual collection of revenue, the Provincial Treasury must respond to this item as "No".</i>		
11	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)?	N/A - the MTREF is funded
<i>Note - If the municipality has an FRP, it requires budget (funding plan) is not necessary. However, the PT / AT must ascertain whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>		
12	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
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 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

Notes/Comments

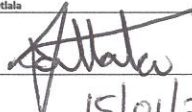
15	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
16	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of 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 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	
20	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.		
21	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
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?	No	Quarterly collection rate is 70%.
23	6.7.2	<i>Note – although the norm and standard for collection (MFMA Circular 96- 71) is a 90 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i> - 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 :		
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;	No	
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)?	Does not have function	
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?	No	
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 smart prepaid meter installations December 2024 = 1,926 YTD installations = 2,433
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	Municipality's Completeness of the revenue base –		
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 https://guploadportal.treasury.gov.za ?	Yes	

29	30	31	32	33	34	35	36	37	38	39	40	41	
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?				Yes									
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?				Yes									
6.9.3 - <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i> - 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									
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 https://guploadportal.treasury.gov.za/ ?				No FRP									
<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>													
6.10 <i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance - in terms of section 5 and 24 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>													
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									
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 https://guploadportal.treasury.gov.za/ ?				Yes									
<i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>													
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?				No									
<i>Note - if the PT failed to address or failed to rectify such non-compliance by the municipality as terms of paragraph 4.1.1.</i>													
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 of 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. If conditions 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 40. Short term borrowing, including making use of an overdraft for in-year budgeting 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):													
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?				No									
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									
<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 6.12.</i>													
6.13 Supporting evidence - 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									
Accounting Treatment - 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?				Yes						No written instruction was received from National Treasury			
<i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>													
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 principles for approving or withdrawing privileges as discussed in Chapter 8 of the Municipal Systems Act 2000, including the necessary service delivery agreement stipulating 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:


15/01/2025

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.**