



***MONTHLY BUDGET STATEMENT:  
S71 MONTHLY REPORT: FEBRUARY 2025***

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: 14 March 2025**

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

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

## PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

**DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 28 FEBRUARY 2025**

### 1. Purpose

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

The municipality realises, the critical importance of having a minimum 3 month's cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability. Serious actions will have to be taken to realise this target and Council's buy-in be secured, to the turn the municipality around is critically important. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on quality service being rendered.

Currently, the total debtor's book is standing at R4,094,767 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R814,072 million is owed by government, R690,932 million by business and R2,464,284 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

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performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

***It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.***

## 2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 June 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **28 February 2025**, the ten working day reporting limit expires on **14 March 2025**. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings" which must be submitted before or on **14 March 2025**, (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 February 2025	YTD Actual February 2025	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,974,737	2,004,969	30,232	101.5%	1.5%
Total Revenue (including capital transfers and contributions)	2,355,797	2,319,164	(36,633)	98.4%	-1.6%
Total Operational Expenditure	2,003,410	1,959,064	(44,346)	97.8%	-2.2%

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

As indicated in Table 1.1 above, as at 28 February 2025, the billed revenue excluding capital grants amounted to R2,004,969 billion which resulted in a fairly satisfactory variance of 1.5% when compared to the YTD Budget of R1,974,737 billion. The billed revenue including capital grants amounted to R2,319,164 billion, resulting in an unsatisfactory variance of minus 1.6% when compared to the YTD budget of R2,355,797 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 R1,959,064 billion versus the YTD Budget of R2,003,410 billion, resulting in an unsatisfactory variance of minus 2.2%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Adjustment Budget					
Description R thousand	Adjustment Budget	YTD Actual February 2025	Variance Favourable (Unfavourable)	% YTD Actual vs Adjustment Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 66.67%
Total Revenue (excluding capital transfers and contributions)	2,971,037	2,004,969	1,757,382	67.5%	0.8%
Total Revenue (including capital transfers and contributions)	3,541,134	2,319,164	2,024,070	65.5%	-1.17%
Total Operational Expenditure	3,196,465	1,959,064	1,692,692	61.3%	-5.4%

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

Indicated in Table 1.2 above is the YTD actual compared to the Adjustment Budget. When calculating the ideal In-Year-Monitoring percentage of 66.67% [calculated as follow: (100/12 months x 8 months of the year)] as at the end of February 2025, the Total operational revenue excluding capital grants versus the Adjustment Budget resulted in a satisfactory variance of 0.8%. The Total operational revenue including capital grants versus the Adjustment Budget resulted in a unsatisfactory variance of minus 1.17%. The Total Operational Expenditure resulted in a satisfactory variance of minus 5.4%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 12. 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 Adjustment budget for 2024/25 financial year. The Adjustment 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													
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date		2023/24 Third Quarter		Q3 of 2023/24 to Q3 of 2024/25
	Main appropriation	Adjusted Budget	Actual	1st Q as % of Main appropriation	Actual	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual	Total Expenditure as % of adjusted	Actual Expenditure	Total Expenditure as % of adjusted budget	
R thousands													
Operating Revenue and Expenditure													
Operating Revenue	2,958,278	2,971,037	878,754	29.7%	710,040	24.0%	416,175	14.0%	2,004,969	67.5%	679,139	77.7%	(38.7%)
Operating Expenditure	2,928,505	3,196,465	664,058	22.7%	694,331	23.7%	600,675	18.8%	1,959,064	61.3%	550,853	67.6%	9.0%
Transfers and subsidies - capital (monetary allocations)	572,229	570,097	36,892	6.4%	220,548	38.5%	56,756	10.0%	314,195	55.1%	39,256	44.3%	44.6%
Total Revenue	3,530,507	3,541,134	915,646	25.9%	930,588	26.4%	472,931	51.6%	2,319,164	65.7%			

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 Adjusted budget standing at 67.5% achieved versus the ideal percentage of 66.67%. 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 67.6% spent. It should be noted that Post-retirement health benefits is not yet accounted for. The Eskom bulk invoice for February 2025 will be captured and authorised during March 2025. Transfers and subsidies – capital transferred to revenue amounts to 55.1% of the Adjusted budget. This is an improvement when compared to third quarter for 2023/24 financial year.



## Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure														
	2024/25											2023/24		Q3 of 2023/24 to Q3 of 2024/25
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date		Third Quarter			
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget	Actual Expenditure	Total Expenditure as % of main appropriation		
R thousands														
Capital Revenue and Expenditure														
Source of Finance	613,729	621,518	41,783	6.8%	186,907	30.5%	51,522	8.3%	280,211	45.1%	51,500	41.7%	-	
National Government	572,229	570,097	36,892	6.4%	186,789	32.6%	48,630	8.5%	272,310	47.8%	32,245	48.5%	50.8%	
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	
District Municipality	-	-	-	-	-	-	-	-	-	-	3,000	50.0%	(100.0%)	
Transfers and subsidies - capital (monetary) (alloc)/ (Departm Agency)	-	-	-	-	-	-	-	-	-	-	9,604	51.0%	(100.0%)	
Transfers recognised - capital	572,229	570,097	36,892	6.4%	186,789	32.6%	48,630	8.5%	272,310	47.8%	44,850	48.8%	8.4%	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	41,500	51,421	4,891	11.8%	118	3%	2,892	5.6%	7,901	15.4%	6,650	21.1%	(56.5%)	
Capital Expenditure Functional	613,729	621,518	41,783	6.8%	186,907	30.5%	51,522	8.3%	280,211	45.1%	51,500	41.7%	-	

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 45.1% spent versus the Adjusted budget, whilst conditional grants spent amounts to 47.8% and internally generated funds at 15.4% 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. It should be noted that capex excludes VAT, whilst VAT is accounted when transferring capex to the Statement of Financial Performance, when all conditions of the grant have been met.

## Liquidity and debtors' management

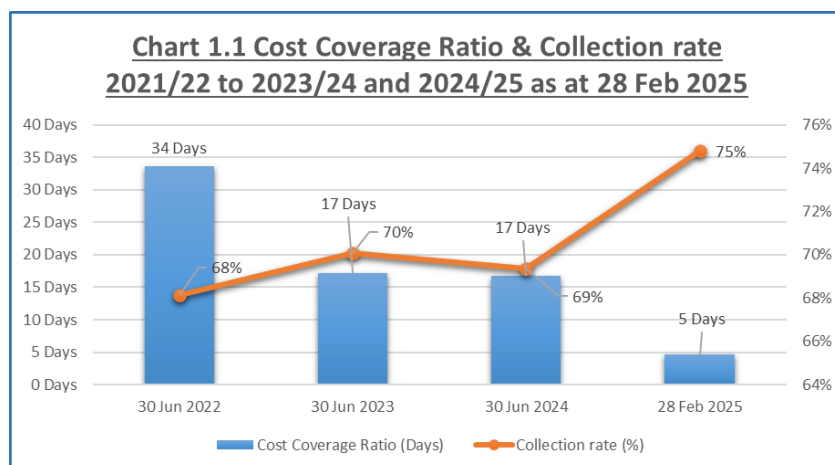


Chart 1.1 Cost Coverage Ratio & Collection rate

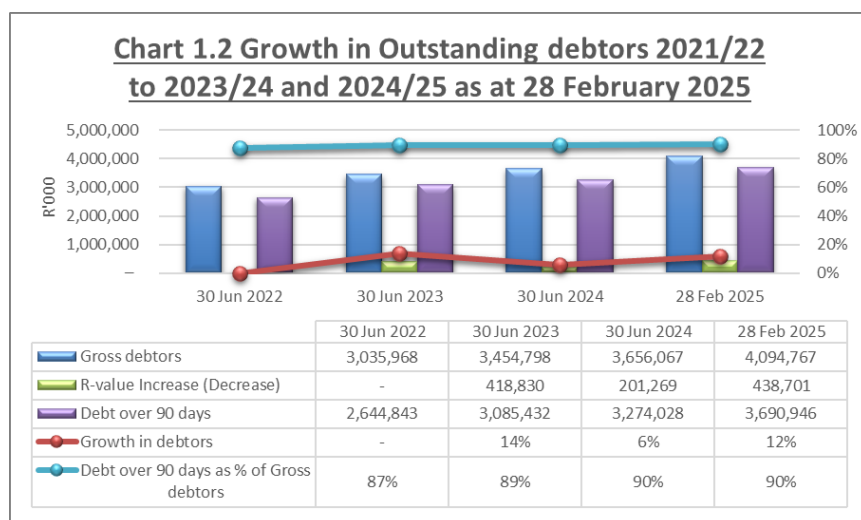


Chart 1.2 Growth in Outstanding debtors

- 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 28 February 2025.
- 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%. The Cost coverage ratio as at January 2025 is critically low, standing at 5 days due to unspent capital grants.
- 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 R438,701m (12%) from 30 June 2024 to 28 February 2025 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 2.1. below, the municipality made partial payments on the July and August 2024 accounts for the high months and November 2024. The July 2024 account is now fully settled, except the Interest charges which is overdue and payable. Eskom also indicated that the municipality is liable to settle the interest charges from July 2024 going forward, due to the municipality defaulting and not settling two winter months (July and August 2024) in full. Total overdue Interest charges amount to R11,778 million, as at end of February 2025. Interest on overdue accounts must be disclosed as Fruitless and Wasteful Expenditure. The municipality is in breach of the conditions and has accumulative arrears for the current year. It is of paramount importance to be in good standing with ESKOM. To be in good standing with ESKOM and to qualify for the recommendation for the first third debt write-off by National Treasury, the municipality has an obligation to settle **R149,172,116.27**, as indicated in the Table 2.1 below. Arrears on the outstanding invoices including interest amounts to R108,972,116.07 and the arrears on the payment arrangement, which is now in arrears with six instalments, amounting to R40,200,000.00.

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments PA	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	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	R 127,600,942.44	R 72,000,000.00	R 55,600,942.44		R 55,600,942.44	R 154,610.92
Sept-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
Dec-24	R 71,858,904.48	R 70,129,144.68	R 1,729,759.80	R 6,700,000.00	R 8,429,759.80	R 1,729,759.80
Jan-25	R 75,731,838.36	R 73,853,308.39	R 1,878,529.97	R 6,700,000.00	R 8,578,529.97	R 1,878,529.97
<b>TOTAL ESKOM</b>	<b>R 638,093,287.20</b>	<b>R 529,121,171.13</b>	<b>R 108,972,116.07</b>	<b>R 40,200,000.00</b>	<b>R 149,172,116.07</b>	<b>R 10,711,618.75</b>

Table 2.1: 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 one-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.

Month	Invoice Amount	Paid Amount	Balance due	Less potential interest write-off	Total Due to be in Good standing	Interest
Arrears	R 54,656,466.48	R -	R 54,656,466.48	-R 14,703,680.46	R 39,952,786.02	R -
Oct-24	R 17,504,048.73	R -	R 17,504,048.73	R -	R 17,504,048.73	R -
Nov-24	R 17,504,048.73	R -	R 17,504,048.73	R -	R 17,504,048.73	R -
Dec-24	R 15,680,672.19	R -	R 15,680,672.19	R -	R 15,680,672.19	R -
Jan-25	R 20,395,986.37	R -	R 20,395,986.37	R -	R 20,395,986.37	R -
<b>TOTAL WATER</b>	<b>R 125,741,222.49</b>	<b>R -</b>	<b>R 125,741,222.49</b>	<b>-R 14,703,680.46</b>	<b>R 111,037,542.03</b>	<b>R -</b>
<b>Current Year arrears</b>			<b>R 71,084,756.01</b>			

Table 2.2 Arrear debt payable to DWS

Indicated in Table 2.2 above is the arrear debt payable to DWS. Another serious non-compliance to the conditions, is the non-payment of the October, November, December 2024 and January 2025 account for Water amounting to **R71,084,756.01**. 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 seven months, resulting in an amount outstanding on the debt agreement of **R39,952,786.02**. This also the full amount of the arrears is due and payable as the balance should have been cleared at the end of January 2025. The total amount due and payable to DWS is **R111,037,542.03** to remain on the Department's Debt Incentive Programme. If the municipality fails to pay the outstanding arrear debt before end of February 2025, the municipality will forfeit the

interest write-off of R14 million and the Department will resume in charging interest on overdue accounts, leading to an escalation in Fruitless and Wasteful expenditure and further impede on the municipality's financial recovery.

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

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

- a. The benefits of the Relief to that municipality will immediately cease;
- b. This means that Eskom will be obliged to implement its credit control and debt management policy on the defaulting municipality and the municipality must immediately start repaying its Eskom arrears, interest and penalties;
- c. Eskom may resume any legal proceedings (relating to the municipality's arrear debt, interest and penalties as of 30 March 2023), including attaching the municipal bank account; and
- d. The normal penalties applicable to the wider local government will also apply.

It is important to note that the work to resolve non-payment by municipalities is progressive and that the National Treasury intends to enforce the existing penalties available in the legislative framework and add additional penalties, including exploring but not limited to –

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

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

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

## Monitor and report on implementation –

As per MFMA Circular 124,

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

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

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

The municipality made some significant strides in settling 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 were satisfied with the progress the municipality has made, and the municipality has an amicable and good working relationship with both institutions. However, the municipality is in serious breach of maintaining the current account, specifically for Water as the last four months' invoices have not been paid. The municipality has not ratified the short payment on the August and November 2024 Eskom bulk account. The ring-fencing of cash received for Electricity and Water & Sanitation is accounted for on a daily basis. However, the municipality is running into serious financial trouble as cash receipts are below the projected target. The ring-fencing of funds has put severe pressure on the municipality's ability 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 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 41,380,847.98 million for the month January 2025 as compared to the R51 million received for the month of December 2024. We have continued with the disconnection/blocking of electricity services of all Customer groups that are owing. On the 14<sup>th</sup> of January 2025 correspondence was sent to the office of the Director General, Northern Cape Provincial Government, whereby notice was given for the disconnection of services of **All Government Departments** that are owing the Municipality (including all properties with due and payable rates and taxes accounts). 14-Day Warning Notices (for the disconnection of electricity services) were delivered at the relevant properties and disconnections will proceed if there is no intervention from the Office of the Premier by 24 February 2024.

The municipality confirm the appointment of the following Debt Collection Agencies:

NO#	NAME OF BIDDER	BID PRICE
1.	Upsurge Construction & Projects	10%
2.	Ntiyiso Consulting	10%
3.	New Integrated Credit Solutions	10%
4.	Alpha Collections	10%

The collection process will consist of a PRE-LEGAL, LEGAL and ADMINISTRATIVE process. The Municipality will identify accounts to be handed over to the appointed Collection agencies. Formal instructions will be given to the appointed Collection agencies to collect monies owed to the Municipality.

PRE-LEGAL process will entail the following:

- Collection agencies are to make use of any legal tracing method or access any relevant external data source to obtain correct debtor details. Tracing shall be on a no trace no fee basis. These details are to be submitted to the Municipality in order to update the Municipality's records.
- The Collection agencies shall issue reasonable pro-active reminders including personal contact, demand for payment and opportunity for re-dress in respect of all accounts handed over for collection.
- The Collection agencies shall allow a sufficient time period for the account holder to respond to reminders and / or personal contact.
- The Collection agencies shall record actions taken on financial system (Solar) - subject to agreement with the Municipality on the access to Solar as per the Municipality's IT policies.

LEGAL PROCESS will entail the following:

- The Collection agencies shall, in the absence of sufficient response and / or proactive actions from an account holder institute all necessary legal actions up to and including the granting of a warrant of execution.
- Issue Summons to defaulting account holders.
- Obtain Default Judgment against and black listing of defaulting account holders.
- Obtain emolument attachment and movable asset attachment order.
- Obtain Court order for attachment and sale in execution of immovable assets. Prior written approval to be obtained from the Accounting Officer and/or powers and duties delegated to Chief Financial Officer in respect of the following legal proceedings:
  - a. Blacklisting
  - b. Attachment of movable assets
  - c. Sale in execution of immovable assets
  - d. Defended matters



## 4.1 Operating Revenue by Source

Description	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 66.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	1,099,199	75,861	638,908	732,799	87.2%	(93,892)	-12.8%	58.1%	(93,892)	-8.5%
Service charges - Water	343,685	27,576	230,307	229,124	100.5%	1,184	0.5%	67.0%	1,184	0.3%
Service charges - Waste Water Managem	95,890	9,537	75,569	63,927	118.2%	11,643	18.2%	78.8%	11,643	12.1%
Service charges - Waste management	72,271	7,105	56,746	48,181	117.8%	8,565	17.8%	78.5%	8,565	11.9%
Sale of Goods and Rendering of Services	16,455	870	11,728	10,737	109.2%	991	9.2%	71.3%	758	4.6%
Agency services	-	-	-	-		-			-	
Interest	-	-	-	-		-			-	
Interest earned from Receivables	120,030	14,071	108,394	80,020	135.5%	28,374	35.5%	90.3%	28,374	23.6%
Interest from Current and Non Current Ass	9,000	1,832	13,051	6,000	217.5%	7,051	117.5%	145.0%	7,051	78.3%
Dividends	-	-	-	-		-			-	
Rent on Land	-	-	-	-		-			-	
Rental from Fixed Assets	27,740	2,637	20,966	18,493	113.4%	2,473	13.4%	75.6%	2,473	8.9%
Licence and permits	1,200	80	467	800	58.4%	(333)	-41.6%	38.9%	(333)	-27.7%
Operational Revenue	3,773	241	1,898	2,515	75.4%	(618)	-24.6%	50.3%	(618)	-16.4%
<b>Non-Exchange Revenue</b>										
Property rates	687,320	50,519	511,710	458,213	111.7%	53,496	11.7%	74.5%	53,496	7.8%
Surcharges and Taxes	-	-	-	-		-			-	
Fines, penalties and forfeits	32,143	3,854	20,604	21,429	96.1%	(825)	-3.9%	64.1%	(825)	-2.6%
Licence and permits	8,000	946	6,203	5,333	116.3%	870	16.3%	77.5%	870	10.9%
Transfers and subsidies - Operational	311,530	899	214,392	201,966	106.2%	12,426	6.2%	68.8%	6,705	2.2%
Interest	91,900	8,917	69,027	61,267						
Fuel Levy	-	-	-	-						
Operational Revenue	50,900	848	23,564	33,933	69.4%	(10,369)	-30.6%	46.3%	(10,369)	-20.4%
Gains on disposal of Assets	-	-	1,285	-	#DIV/0!	1,285	#DIV/0!	#DIV/0!	1,285	#DIV/0!
Other Gains	-	17	151	-		151			151	
Discontinued Operations	-	-	-	-						
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,971,037</b>	<b>205,810</b>	<b>2,004,969</b>	<b>1,974,737</b>	<b>101.5%</b>	<b>22,472</b>	<b>1.1%</b>	<b>67.5%</b>	<b>24,277</b>	<b>0.8%</b>
Transfers and subsidies - capital	570,097	52,695	314,195	381,060	82.5%	(66,864)	-17.5%	55.1%	(65,869)	-11.6%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>3,541,134</b>	<b>258,505</b>	<b>2,319,164</b>	<b>2,355,797</b>	<b>98.4%</b>	<b>(36,633)</b>	<b>-1.6%</b>	<b>65.5%</b>	<b>(41,592)</b>	<b>-1.2%</b>

Table 3: Table C4 Financial Performance (Revenue)

### Comparison against the YTD Budget

#### Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 12.8%. 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 0.5%. 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. To this end, SPM Digital Water System is currently in development. Digital integration of the International Water Association's Water Balance assessment, the initial findings show that 54 324 ervens received water accounts (76% of total) and 15 200 ervens did not receive water accounts (21% of total). A list of properties that do not receive municipal water accounts, will be shared with both the technical and finance departments to verify meter installations and ensure all properties are billed accordingly. 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. The verification on Sewerage charges is proving a bit more problematic, but the Property section is working on the challenges they experienced with this exercise to ensure that all properties do get billed accurately for Sewerage.

- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 9.2%. 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 35.5% 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 117.5%. 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 invests 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 13.4% 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 41.6%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 38.9% achievement versus a budget of R1,200 million.
- ❖ Operational Revenue is showing a negative variance of 24.6%, 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 11.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of minus 3.9%, due to an under-recovery on Fines: Law Enforcement that is standing at 13.17% achieved versus a target of R12,000 million.
- ❖ Licence and permits are showing a positive variance of 16.3%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 6.2%, due to the receipt of the second tranche of the Equitable share during December 2025.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 30.6%. This is attributed to the Service charges from non-exchange revenue from Electricity as it was established that basic charges were erroneously allocated to availability charges, however an in-depth investigation must be performed.
- ❖ 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 17.5% when compared to the YTD budget. Capital grants remains lower than anticipated due to poorer 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 monthly in the Statement of Financial Performance, as soon as the conditions of the grant have been met.

## **Comparison against Adjustment Budget**

Based on the IYM percentage of 66.67%, the majority of revenue sources are performing satisfactorily.

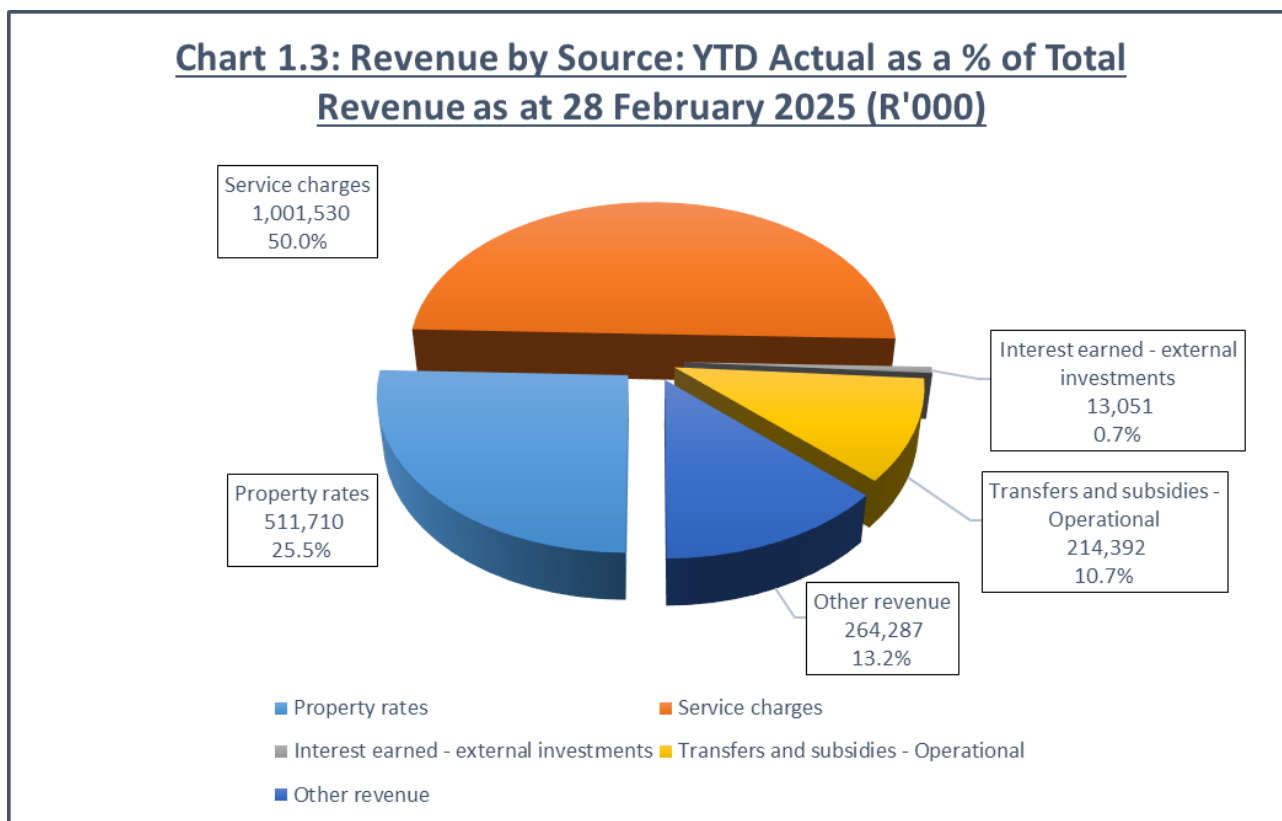
### **Exchange Revenue**

- ❖ Overall, Service charges when compared to the Adjustment budget is performing satisfactorily.
- ❖ Sale of Goods and Rendering of Services is showing a satisfactory variance of 4.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 23.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 78.3%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a positive variance of 8.9%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 27.7%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 16.4%. Same factors are applicable as described in the paragraph above.

### **Non-Exchange Revenue**

- ❖ Property Rates is showing a positive variance of 7.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of 2.6%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a positive variance of 10.9%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 2.2%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 20.4%. 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 an unsatisfactory variance of minus 11.6%. 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 28 February 2025. The main contributors of the municipality's revenue are Service Charges (50.0%), Property Rates (25.5%) and Transfers and subsidies (10.7%). The contribution per Revenue source is still slightly distorted, as a result of the annual billing of Property rates and the receipt of the second tranche of the Equitable Share.



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

## 4.2 Operating Expenditure by Type

Description	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 66.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	952,667	70,203	564,006	634,272	88.9%	(70,267)	-11.1%	59.2%	(71,106)	-7.5%
Remuneration of councillors	37,077	2,778	23,491	24,718	95.0%	(1,227)	-5.0%	63.4%	(1,227)	-3.3%
Bulk purchases - electricity	910,118	53,509	543,671	598,239	90.9%	(54,568)	-9.1%	59.7%	(63,075)	-6.9%
Inventory consumed	318,837	19,181	198,059	212,918	93.0%	(14,858)	-7.0%	62.1%	(14,499)	-4.5%
Debt impairment	475,246	178,812	356,435	260,831	136.7%	95,604	36.7%	75.0%	39,604	8.3%
Depreciation and amortisation	89,700	-	44,850	59,800	75.0%	(14,950)	-25.0%	50.0%	(14,950)	-16.7%
Interest	78,195	12,591	21,774	23,934	91.0%	(2,160)	-9.0%	27.8%	(30,356)	-38.8%
Contracted services	66,516	3,349	32,385	32,311	100.2%	74	0.2%	48.7%	(11,959)	-18.0%
Transfers and subsidies	3,660	-	1,259	2,440	51.6%	(1,181)	-48.4%	34.4%	(1,181)	-32.3%
Irrecoverable debts written off	-	(2)	-	-		-			-	
Operational costs	172,511	12,626	113,523	105,227	107.9%	8,296	7.9%	65.8%	(1,484)	-0.9%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	91,938	21,576	59,612	48,721	122.4%	10,891	22.4%	64.8%	(1,680)	-1.8%
<b>Total Expenditure</b>	<b>3,196,465</b>	<b>374,623</b>	<b>1,959,064</b>	<b>2,003,410</b>	<b>97.8%</b>	<b>(44,346)</b>	<b>-2.2%</b>	<b>61.3%</b>	<b>(171,913)</b>	<b>-5.4%</b>

Table 4: Table C4 Financial Performance (Expenditure)

### Comparison against YTD Budget

As indicated in the Table 4 above, as at 28 February 2025 current YTD expenditure shows a satisfactory variance of minus 2.2%. The YTD actual amounted to R1,959,064 billion against the YTD Budget of R2,003,410 billion.

- ❖ Employee related costs show an unsatisfactory variance of minus 11.1%, due to Post-retirement benefit obligations that are not factored in and which 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 a satisfactory variance of minus 5.0%. The gazette for the upper limits of political office bearers has been issued for the current year and implemented accordingly.
- ❖ Bulk purchases – Electricity is showing a negative variance of minus 9.1%, due to the February 2025 account was received in March and will be captured and authorised during March 2025.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 7.0%. 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 28 February 2025 (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 66.67%
<b>VOTE 1 - COUNCILLORS AND ADMIN</b>	<b>202,000</b>	<b>222,000</b>	<b>5,185</b>	<b>48,041</b>	<b>23.78%</b>	<b>21.64%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	110,000	5,185	48,041	56.52%	43.67%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	110,000	-	-	0.00%	0.00%	UNSATISFACTORY
<b>VOTE 2 - MUNICIPAL AND GENERAL</b>	<b>22,997,000</b>	<b>22,997,000</b>	<b>2,460,179</b>	<b>21,696,289</b>	<b>94.34%</b>	<b>94.34%</b>	<b>OVERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	-	164,520	31.64%	31.64%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	19,487	136,913	34.23%	34.23%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	2,440,692	21,394,856	96.91%	96.91%	OVERSPENT
<b>VOTE 3 - MUNICIPAL MANAGER</b>	<b>117,000</b>	<b>177,000</b>	<b>41,893</b>	<b>106,326</b>	<b>90.88%</b>	<b>60.07%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	168,600	41,893	104,326	105.38%	61.88%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	8,400	-	2,000	11.11%	23.81%	UNSATISFACTORY
<b>VOTE 4 - CORPORATE SERVICES</b>	<b>10,568,000</b>	<b>3,618,000</b>	<b>257,044</b>	<b>1,307,925</b>	<b>12.38%</b>	<b>36.15%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	29,890	308,056	34.15%	34.77%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	327,000	53,542	228,481	84.00%	69.87%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	43,254	287,428	54.23%	54.23%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	1,875,000	130,359	483,960	5.46%	25.81%	UNSATISFACTORY
<b>VOTE 5 - COMMUNITY SERVICES</b>	<b>35,714,500</b>	<b>41,919,500</b>	<b>1,624,227</b>	<b>12,473,888</b>	<b>34.93%</b>	<b>29.76%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,025,000	47,736	404,538	41.01%	39.47%	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	237,000	53,945	211,805	95.41%	89.37%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,144,000	94,114	591,654	54.43%	51.72%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,971,000	464,072	3,894,302	43.39%	43.41%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	32,743	198,789	24.07%	24.07%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	29,662,500	931,616	7,172,042	30.44%	24.18%	UNSATISFACTORY
<b>VOTE 6 - FINANCIAL SERVICES</b>	<b>2,368,000</b>	<b>3,833,000</b>	<b>149,681</b>	<b>1,216,197</b>	<b>51.36%</b>	<b>31.73%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,365,000	106,718	804,874	60.98%	58.97%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	16,181	100,189	57.25%	57.25%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	11,484	90,312	45.61%	45.61%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	2,095,000	15,298	220,822	32.71%	10.54%	UNSATISFACTORY
<b>VOTE 7 - STRATEGY &amp; ECONOMIC DEVELOPMENT</b>	<b>6,381,000</b>	<b>8,301,000</b>	<b>332,064</b>	<b>1,819,378</b>	<b>28.51%</b>	<b>21.92%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	419,100	10,893	118,814	28.36%	28.35%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	56,000	4,409	20,460	33.54%	36.54%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	430,900	26,478	170,702	40.84%	39.62%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	102	4,036	50.45%	50.45%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	7,387,000	290,183	1,505,366	27.50%	20.38%	UNSATISFACTORY
<b>VOTE 8 - INFRASTRUCTURE SERVICES</b>	<b>241,257,705</b>	<b>237,769,705</b>	<b>14,310,501</b>	<b>159,391,354</b>	<b>66.07%</b>	<b>67.04%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	717,000	37,335	282,168	43.75%	39.35%	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	23,772,000	713,204	11,609,235	48.03%	48.84%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	804,000	70,507	460,802	60.47%	57.31%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,610,000	549,515	4,979,522	55.76%	57.83%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	600,000	9,559	113,091	13.15%	18.85%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	155,902,705	9,543,979	87,830,662	62.34%	56.34%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	47,362,000	3,386,402	54,115,873	83.26%	114.26%	OVERSPENT
<b>Grand Total</b>	<b>319,605,205</b>	<b>318,837,205</b>	<b>19,180,775</b>	<b>198,059,398</b>	<b>61.97%</b>	<b>62.12%</b>	<b>SATISFACTORY</b>

Table 4.1 R&M Expenditure per Directorate per inventory type



R&M Expenditure per Service per Inventory Type as at 28 February 2025 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 66.67%
<b>2480 - REFUSE</b>	<b>21,500,000</b>	<b>21,460,000</b>	<b>876,367</b>	<b>7,175,249</b>	<b>33.37%</b>	<b>33.44%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	-	12,003	13.34%	13.34%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	170,000	-	10,017	4.77%	5.89%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	368,223	3,179,048	52.98%	52.98%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	1,196	3,479	0.70%	0.70%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	506,948	3,970,703	27.01%	27.01%	UNSATISFACTORY
<b>2830 - ROADS</b>	<b>46,747,000</b>	<b>50,997,000</b>	<b>2,095,130</b>	<b>30,495,469</b>	<b>65.24%</b>	<b>59.80%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	-	9,240	16.80%	16.80%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	-	11,148	19.22%	19.22%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	50,884,000	2,095,130	30,475,081	65.35%	59.89%	UNSATISFACTORY
<b>2840 - HOUSING</b>	<b>3,509,000</b>	<b>3,509,000</b>	<b>98,044</b>	<b>1,513,444</b>	<b>43.13%</b>	<b>43.13%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	5,363	58,228	65.42%	65.42%	SATISFACTORY
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	13,391	125,368	86.46%	86.46%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	5,800	66,625	41.64%	41.64%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	73,490	1,263,223	40.57%	40.57%	UNSATISFACTORY
<b>2850 - SEWERAGE</b>	<b>22,024,000</b>	<b>30,774,000</b>	<b>1,454,090</b>	<b>16,734,169</b>	<b>75.98%</b>	<b>54.38%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	32,000	908	22,183	73.94%	69.32%	SATISFACTORY
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	30,006	92,832	35.84%	35.84%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,180,000	156,006	1,310,784	54.62%	60.13%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	150,000	399	10,186	2.55%	6.79%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	27,983,000	1,266,772	15,289,850	81.48%	54.64%	UNSATISFACTORY
<b>2860 - WATER</b>	<b>121,123,000</b>	<b>103,485,000</b>	<b>7,337,284</b>	<b>85,732,067</b>	<b>70.78%</b>	<b>82.84%</b>	<b>OVERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	177,000	11,732	57,909	75.21%	32.72%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	23,602,000	713,204	11,600,901	48.33%	49.15%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	122,000	2,805	90,643	82.40%	74.30%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,200,000	156,899	1,229,113	53.44%	55.87%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	9,160	102,905	22.37%	22.87%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,572,000	3,057,082	18,534,722	63.53%	62.68%	SATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	47,362,000	3,386,402	54,115,873	83.26%	114.26%	OVERSPENT
<b>2880 - ELECTRICITY</b>	<b>51,537,000</b>	<b>52,677,000</b>	<b>2,505,483</b>	<b>24,087,326</b>	<b>46.74%</b>	<b>45.73%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	6,719	57,406	27.34%	27.34%	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	3,822	28,813	37.91%	37.91%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	52,390,000	2,494,942	24,001,107	46.83%	45.81%	UNSATISFACTORY
<b>Grand Total</b>	<b>266,440,000</b>	<b>262,902,000</b>	<b>14,366,399</b>	<b>165,737,725</b>	<b>62.20%</b>	<b>63.04%</b>	<b>SATISFACTORY</b>

Table 4.2 R&M Expenditure per Service per inventory type

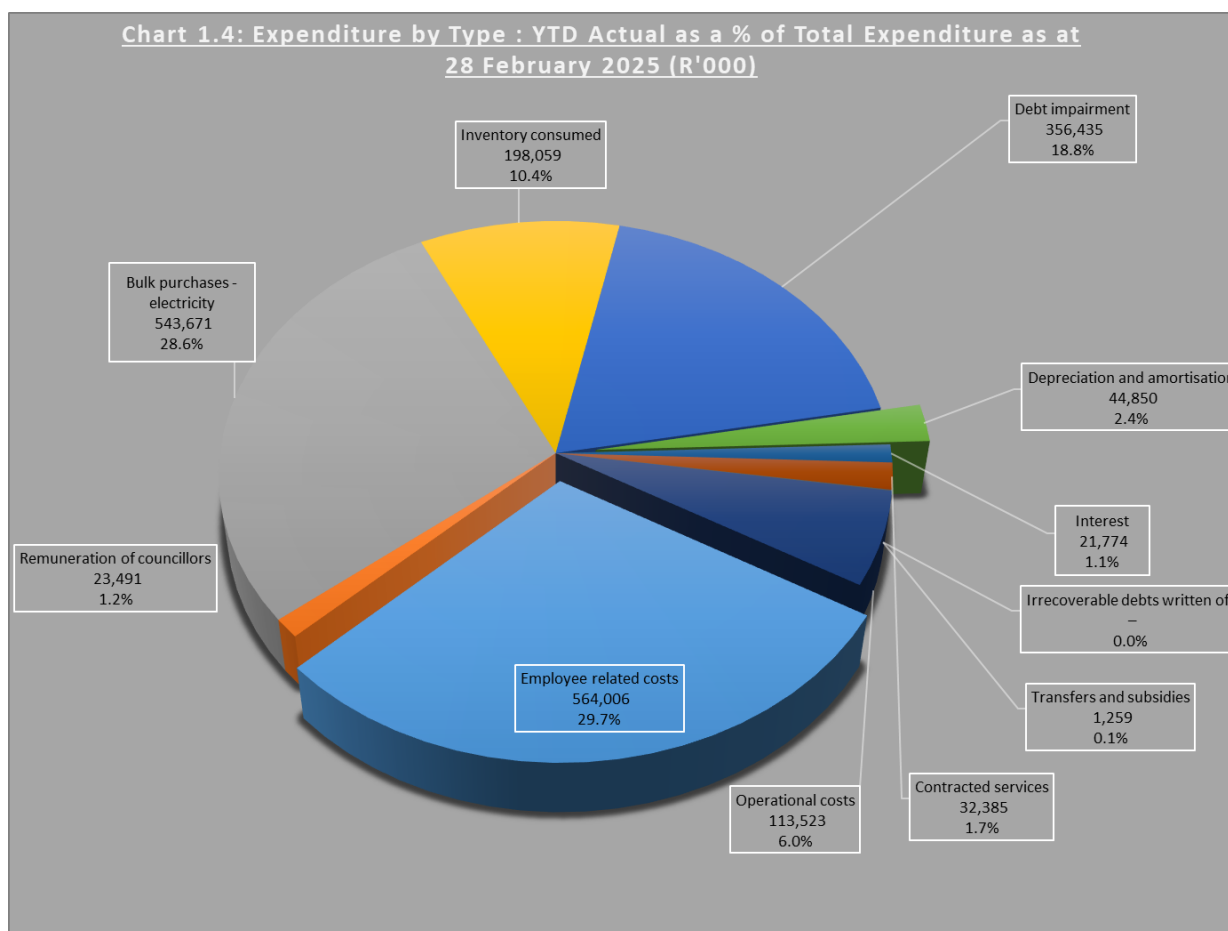
- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the third quarter was processed during February 2024, hence the higher variance of 36.7% when compared to the YTD budget. It should be noted that the budget was increase by R120,000 million due to the poorer collection rate.
- ❖ 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 third quarter will be processed before the end of March 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. This will resolve the automation of accounting for depreciation monthly.
- ❖ Interest is showing an unsatisfactory variance of minus 9%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year 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 R11,778 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, due to the municipality defaulting on the winter bills for July and August 2024. The budget was corrected during the Adjustments budget.
- ❖ Expenditure on Contracted services is showing an satisfactory variance of 0.2%.
- ❖ Transfers and subsidies showing negative variance of minus 48.4%. 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 two instalment of R625 thousand was settled with SPCA.

- ❖ Operational cost is showing an unsatisfactory variance of 7.9% as a result of the following line items under Operational Cost (OC)
  - The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of R27,555 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 R7,252 for predominantly annual SALGA membership fees. Partial payments have been made to SALGA amounting to R7,245 million, against a total invoice amount of R8,782 million.
- ❖ Other Losses is showing an unsatisfactory variance of 22.4%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and 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 and January 2025 for the recognition of Water inventory and losses was processed on the system. 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 also higher than anticipated.

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

Indicated in Table 4 above, is the YTD actual compared to the Adjustment Budget. The ideal In-Year-Monitoring percentage as at the end of January 2025 is 58.3%. The total operational expenditure against the Adjustment budget is 54.1% spent, resulting in a satisfactory variance of minus 4.2%.

- ❖ Employee related costs show a satisfactory variance of minus 7.5%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 3.3%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 6.9%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 4.5%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- ❖ Depreciation is showing an unsatisfactory variance of minus 16.7%. Same factors are applicable as explained above.
- ❖ Interest is showing a negative variance of minus 38.8%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 18%, when compared to the Adjustment budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 32.3%. Same factors are applicable as explained above.
- ❖ Operational cost is showing an unsatisfactory variance of minus 0.9%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of minus 1.8. 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 28 February 2025. The main cost drivers of the municipality are Employee Related Costs (29.7%), Bulk Purchases – Electricity (28.6%), Debt Impairment (18.8%) and Inventory consumed (10.4%).

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 will be finalized as part of the year-end procedures.
- ❖ Depreciation will be provided for on a quarterly basis. The journal for the third quarter will be processed before 31 March 2025.
- ❖ Bulk purchases electricity, the February 2025 Eskom account will be authorised on the system during March 2025.
- ❖ Debt impairment is provided for on a quarterly. The journal for the third quarter was processed during February 2025.
- ❖ 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 66.67% as at end of February 2025, Bulk Purchases Electricity is showing a satisfactory variance minus of 6.93%. The account for February 2025 will be captured and authorised in March 2025.

				% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 66.67%
Description	Adjustments Budget	Monthly Actual	YTD Actual		
BULK PURCHASES: ELECTRICITY	910,118,000	53,508,649	543,670,747	59.74%	-6.93%
<b>Total</b>	<b>910,118,000</b>	<b>53,508,649</b>	<b>543,670,747</b>	<b>59.74%</b>	<b>-6.93%</b>

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing a negative variance of 14.9%, when compared to the ideal percentage of 66.67%. The invoice for February 2025 must still be captured on the system. During the Adjustment 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 and January 2025 for the recognition of Water inventory and losses was processed on the system during February 2025. 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 period. 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 higher than anticipated.

				% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 66.67%
Description	Adjustments Budget	Monthly Actual	YTD Actual		
INVENTORY - WATER	47,362,000	3,386,402	54,115,873	114.26%	47.59%
NON-REVENUE WATER LOSSES	91,938,000	21,558,668	59,461,123	64.68%	-1.99%
<b>Total</b>	<b>139,300,000</b>	<b>24,945,071</b>	<b>113,576,996</b>	<b>81.5%</b>	<b>14.9%</b>

Table 5.2: Summary of YTD Bulk Water expenditure

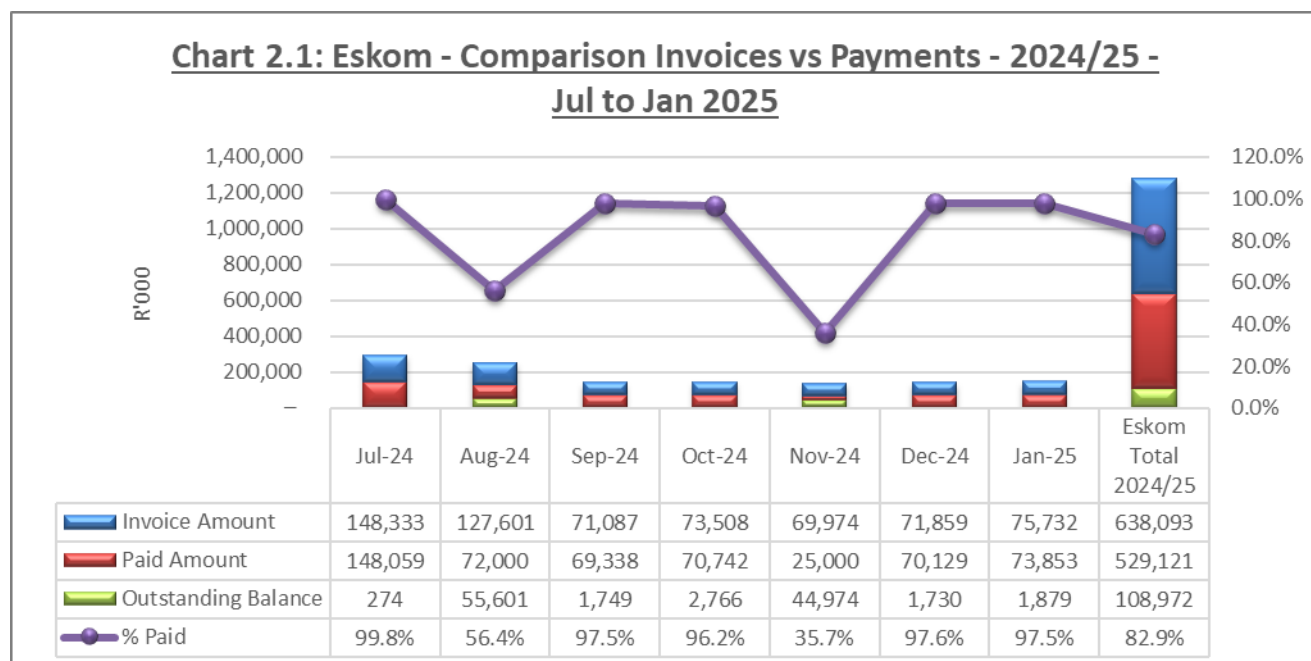
## Outstanding debt: ESKOM

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
<b>2021/22</b>	<b>523,811</b>	<b>–</b>		<b>523,811</b>	<b>523,811</b>	<b>–</b>
Oct-21	51,028	–		51,028	51,028	–
Nov-21	50,813	–		50,813	50,813	–
Dec-21	51,379	–		51,379	51,379	–
Jan-22	53,401	–		53,401	53,401	–
Feb-22	51,445	–		51,445	51,445	–
Mar-22	54,652	–		54,652	54,652	–
Apr-22	51,835	–		51,835	51,835	–
May-22	57,826	–		57,826	57,826	–
Jun-22	101,431	–		101,431	101,431	–
<b>2022/23</b>	<b>389,602</b>	<b>103,242</b>	<b>(37,482)</b>	<b>248,878</b>	<b>248,878</b>	<b>–</b>
Dec-22	48,088	–		48,088	48,088	–
Jan-23	59,491	–		59,491	59,491	–
Feb-23	56,821	–	(9,504)	47,317	47,317	–
Apr-23	45,106	–	(7,923)	37,183	37,183	–
May-23	65,831	–	(9,033)	56,798	56,798	–
Jun-23	114,264	103,242	(11,022)	–	–	–
<b>2023/24</b>	<b>975,208</b>	<b>819,809</b>	<b>(69,632)</b>	<b>85,767</b>	<b>85,767</b>	<b>–</b>
Jul-23	131,032	110,162	(8,736)	12,134	12,134	–
Aug-23	123,594	70,000	(10,784)	42,810	42,810	–
Sept-23	71,421	30,000	(10,598)	30,823	30,823	–
Oct-23	76,317	62,679	(13,638)	–	–	–
Nov-23	70,580	62,348	(8,232)	0	0	–
Dec-23	64,311	61,246	(3,065)	–	–	–
Jan-24	65,735	63,044	(2,691)	–	–	–
Feb-24	64,371	62,479	(1,893)		–	–
Mar-24	66,311	62,973	(3,338)		–	–
Apr-24	61,436	59,697	(1,739)		–	–
May-24	66,327	63,149	(3,178)		–	–
Jun-24	113,772	112,033	(1,739)		–	–
<b>2024/25</b>	<b>706,164</b>	<b>529,121</b>	<b>–</b>	<b>177,043</b>	<b>108,972</b>	<b>11,778</b>
Jul-24	148,333	148,059	–	274	274	274
Aug-24	127,601	72,000	–	55,601	55,601	155
Sept-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	70,129	–	1,730	1,730	1,730
Jan-25	75,732	73,853	–	1,879	1,879	1,879
Feb-25	68,070	–	–	68,070	–	1,066
<b>Grand Total ESKOM</b>	<b>2,594,784</b>	<b>1,452,172</b>	<b>(107,114)</b>	<b>1,035,498</b>	<b>967,427</b>	<b>11,778</b>

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,035,498 billion. It should be noted that R107,114 million interest charges were reversed, for interest charges from March 2023 to June 2024, as part of the municipal debt relief programme. This is a huge cost saving for the municipality and a substantial reduction in the municipality's Fruitless and Wasteful expenditure disclosure. The accounting treatment of this was done on the system until January 2024. Interest reversed on the Eskom invoice for October 2024, for the period

February to June 2024 must still be effected on the system. The total arrear debt amounts to R967,427 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m) and 2024/25 (R108,972m). The total interest charges on overdue accounts for the current financial year amounted to R11,778 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. Eskom confirmed that this interest will not be reversed as a result from the Municipality's default on the July and August 2024 winter bills. The budget on Interest on overdue accounts will be corrected during the Adjustments budget.



**Chart 2.1: Eskom - Comparison Invoices vs Payments**

Indicated in Chart 2.1 above, is the comparison of Eskom invoices versus payments for the 2024/25 financial year, from July 2024 to January 2025. The current account for February 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until January 2025 show that 82.9% of invoices were settled, based on invoices raised of R638,093 million versus payments of R529,121 million. It is only the interest charges that remain unpaid for the invoices for July, September, October, December 2024 and January 2025. The invoice for August 2024 is 56.4% and November 2024 is 35.7% paid. The total arrear outstanding balance amounts to R108,972 million.



## Outstanding debt: DWS

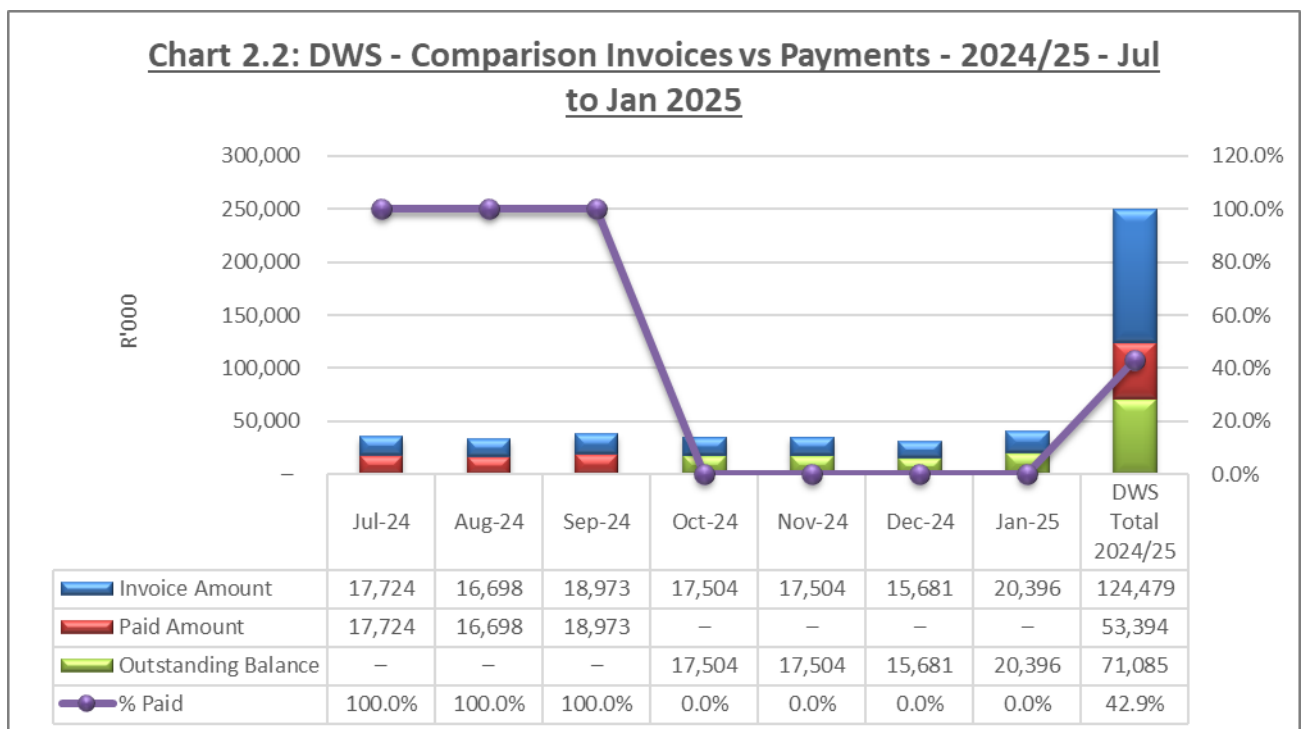
DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
<b>2021/22</b>	<b>126,431</b>	<b>71,775</b>	<b>54,656</b>	<b>54,656</b>
INTEREST (APR-JUN 2022)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sept-21	15,795	15,795	–	–
Oct-21	15,275	15,275	–	–
Nov-21	14,523	14,523	–	–
Dec-21	11,108	11,108	–	–
Jan-22	17,098	–	17,098	17,098
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
<b>2023/24</b>	<b>150,526</b>	<b>150,526</b>	<b>–</b>	<b>–</b>
Jul-23	15,303	15,303	–	–
Aug-23	13,588	13,588	–	–
Sept-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
Nov-23	17,070	17,070	–	–
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	36,046	–	–
Mar-24	5,194	5,194	–	–
Jun-24	694	694	–	–
<b>2024/25</b>	<b>142,807</b>	<b>53,394</b>	<b>89,413</b>	<b>71,085</b>
Jul-24	17,724	17,724	–	–
Aug-24	16,698	16,698	–	–
Sept-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	15,681
Jan-25	20,396	–	20,396	20,396
Feb-25	18,328	–	18,328	–
<b>Grand Total</b>	<b>419,764</b>	<b>275,695</b>	<b>144,069</b>	<b>125,741</b>

Table 6.2: Summary of outstanding DWS debt

Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R144,069 million. The total debt must be concurred with the Department. The total arrear debt amounts to R125,741 million which pertains to outstanding invoices for 2021/22 (R54,656m) and 2024/25 (R71,085m). 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 R89,413 million. The municipality defaulted on the October, November, December 2024 and January 2025 account and the current account for February 2025, is payable on or before the end of March 2025. The municipality is still awaiting the invoice for February 2025. 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)

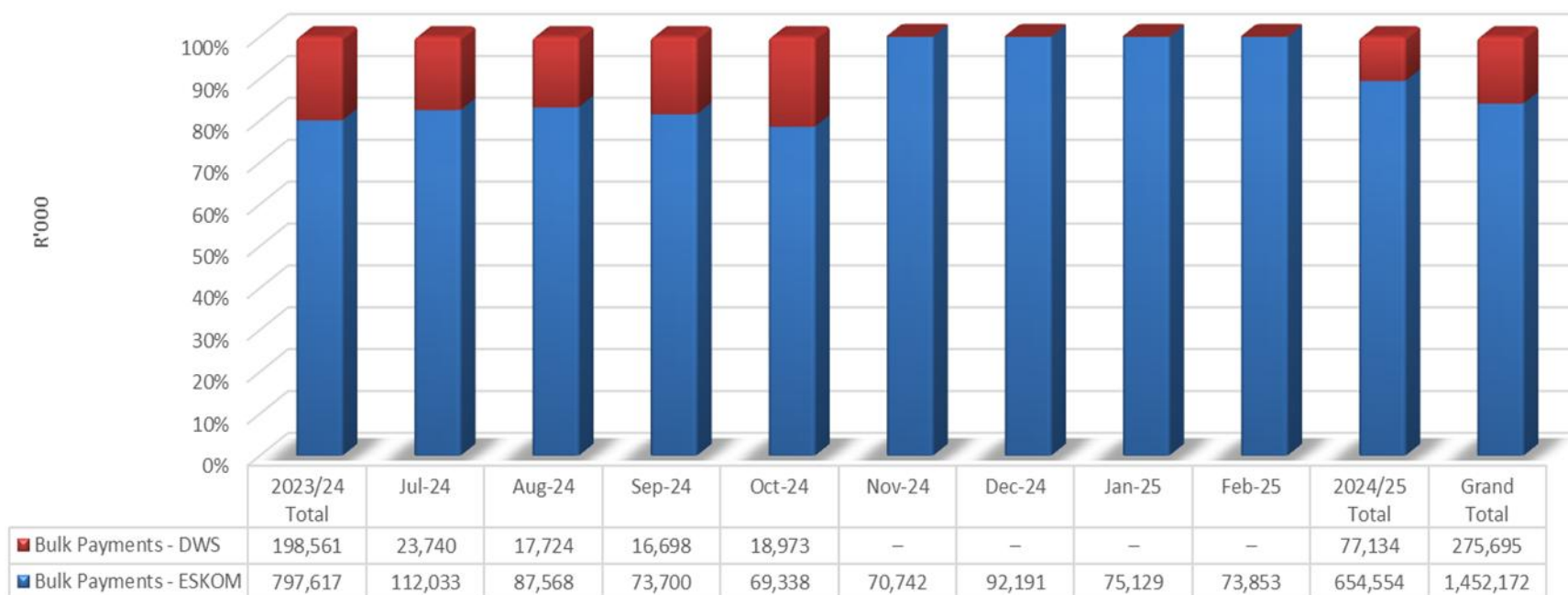
- Settling the current account each month (municipality complied since inception of Incentive scheme but has defaulted on some months. All invoices for 2022/23 and 2023/24 financial year have since been settled in full.
- Settling the monthly debt instalment (municipality complied but defaulted for current 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, November and January 2025 invoice and incurred accumulative arrear debt for the current year of R50,689 million. A major cause of concern is the fact that the municipality is in arrears with R39,953 million on the debt repayment plan. This amount would have settled already, if the municipality kept up with the repayment instalments.
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.



**Chart 2.2: DWS - Comparison Invoices vs Payments**

Indicated in the adjacent Chart 2.2 is the comparison of DWS invoices versus payments for the 2024/25 financial year from July 2024 to January 2025. The current account for February 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until December 2024 show that 429% of invoices were settled, based on invoices raised of R124,479 million versus payments of R53,394 million. Invoices for July to September 2024 were settled in full, whilst the invoices for October 2024 to January 2024 remains unpaid. The total arrear outstanding balance amounts to R71,085 million.

**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 28 February 2025.

**DWS** The municipality had insufficient cash to settle the current account for January 2025 amounting to R20,396 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, with the average amount paid per month amounting to approximately R17 million for the 2023/24 financial year. The municipality ran into serious trouble for the 2024/25 financial year as four months are now outstanding. The debt agreement with DWS should have been paid up already but due to insufficient cash available this has not materialised. Urgent intervention is necessary to remedy the situation.

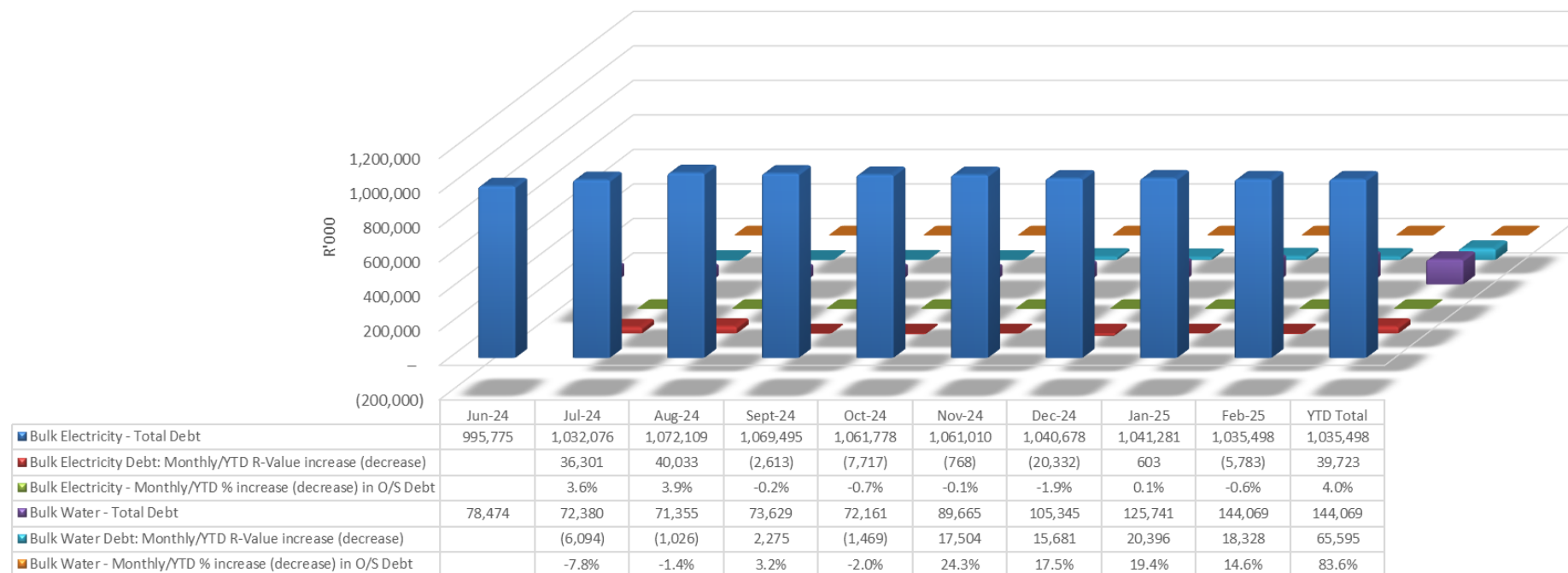
**ESKOM** The municipality settled an amount of R25,000 million on 26 February 2025 and R48,853 million on 27 February 2025, on the current account for January 2025 amounting to R75,732 million. The amounts paid excludes interest charges of R1,879 million. The municipality had insufficient cash available 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 R654,554 million, resulting in the total payments for both periods amounting to R1,452,172 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 account. The July 2024 account has been settled and only the interest remains outstanding.

FIN YEAR PER PAYMENT DATE	AMOUNT IN R	FIN YEAR PER PAYMENT DATE	AMOUNT IN R
<b>2023/24</b>	<b>R 797,617,409.52</b>	<b>2023/24</b>	<b>R 198,561,294.26</b>
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	<b>2024/25</b>	<b>R 77,134,049.64</b>
20240621	R 6,700,000.00	20240717	R 23,739,570.29
20240625	R 63,148,875.33	20240830	R 17,723,612.70
<b>2024/25</b>	<b>R 654,554,301.82</b>	20240930	R 16,698,048.53
20240730	R 112,033,130.69	20241031	R 18,972,818.12
20240828	R 32,868,260.60	<b>Grand Total DWS</b>	<b>R 275,695,343.90</b>
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		
20250124	R 5,000,000.00		
20250128	R 30,000,000.00		
20250129	R 40,129,144.68		
20250226	R 25,000,000.00		
20250227	R 48,853,308.39		
<b>Grand Total ESKOM</b>	<b>R 1,452,171,711.34</b>		

Table 6.3: Summary of payments per payment date

Indicated in tables 6.3 above, are the payments to ESKOM and DWS per financial year and per payment date, which corresponds to Chart 2.1 above, which is disclosed per month.

**Chart 2.4: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2024 to Feb 2025**



**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 January 2025 to February 2025, debt owed to ESKOM decreased by R5,783 million or 0.6%, from R1,041,281 billion to R1,035,498 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R39,723 million or 4%, from R995,775 million to R1,035,498 billion.

**DWS** - From January 2025 to February 2025, debt owed to DWS increased by R18,328 million or 14.6%, from R125,741 million to R144,069 million. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R65,595 million or 83.6% from R78,474 million to R144,069 million. The municipality has made significant strides in reducing the debt owed to DWS and managed to reduce the total debt by R71,775 million for the 2023/24 financial year. The positive trajectory is not transpiring for the current year, although the municipality started the financial year well, with the July to September 2024 accounts being settled in full, the municipality defaulted on the October, November, December 2024 and January 2025 accounts which remains unpaid. Serious remedial action will have to be taken by management to ratify this grave situation.

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	Accumulative Payments	Outstanding Balance	% Paid	Arrear Monthly Instalments
	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%	R 6,700,000.00
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 6,700,000.00
10	2024/11/30								R 6,700,000.00
11	2024/12/31								R 6,700,000.00
12	2025/01/31								R 6,700,000.00
13	2025/02/28								R 6,700,000.00
<b>TOTAL</b>					<b>R 49,162,000.00</b>		<b>R 113,900,000.00</b>		<b>R 40,200,000.00</b>

Table 6.4: Reconciliation Eskom Payment Arrangement

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

Table 6.5: Reconciliation DWS Debt Agreement

As articulated in adjacent Table 6.4, the total amount that was subject to the payment arrangement was R163,062 million for the debt that accrued after March 2023. 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. The municipality is in arrears with six instalments amounting to R40,200 million.

As articulated in the adjacent Table 6.5, 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, which should have been settled in full already, if the municipality did not default on any payments.



### 4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M08 February										
Capital expenditure	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 66.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	621,518	44,973	280,211	410,711	68.23%	(130,499)	-31.8%	45.1%	(134,134)	-21.6%
Funded by										
Capital transfers recognised	570,097	44,002	272,310	381,060	71.46%	(108,749)	-28.5%	47.8%	(107,754)	-18.9%
Internally generated funds	51,421	971	7,901	29,651	26.6%	(21,750)	-73.4%	15.4%	(26,380)	-51.3%
Weighting Capital transfer recognised	91.7%	97.8%	97.2%	92.8%						
Weighting Internally generated funds	8.3%	2.2%	2.8%	7.2%						

Table 7: High level summary: Capital Expenditure

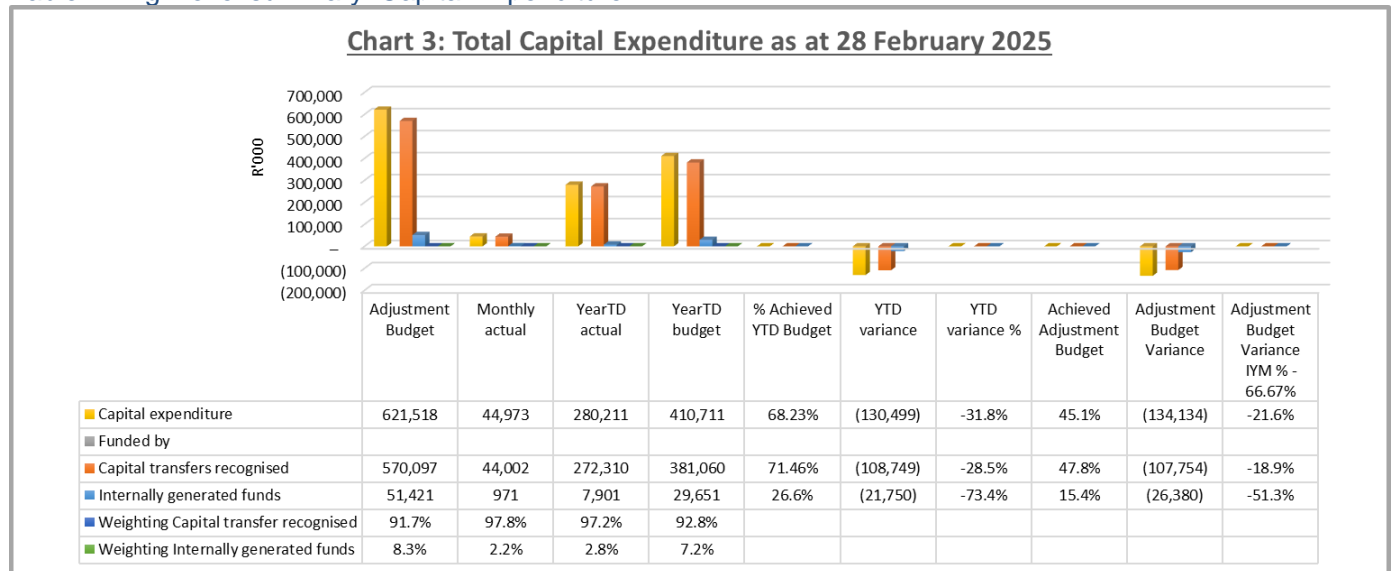


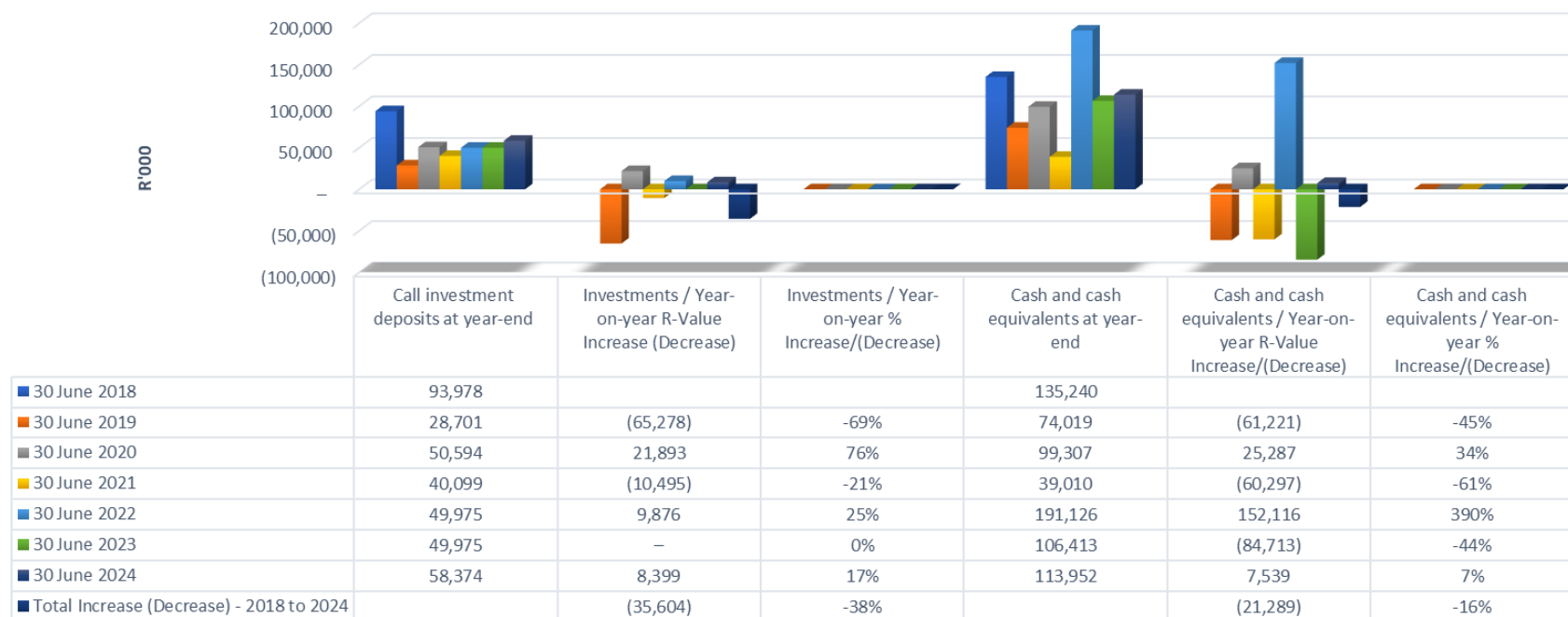
Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of February 2025 amounted to R280,211 million and 68.23% spent when compared to the YTD budget of R410,711 million and 45.1% spent when compared to the Adjustment Budget of R621,518 million. The total YTD capex is funded from Capital grants R272,310 million (97.2%) and Internally generated funds R7,901 million (2.8%). Capex is 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.

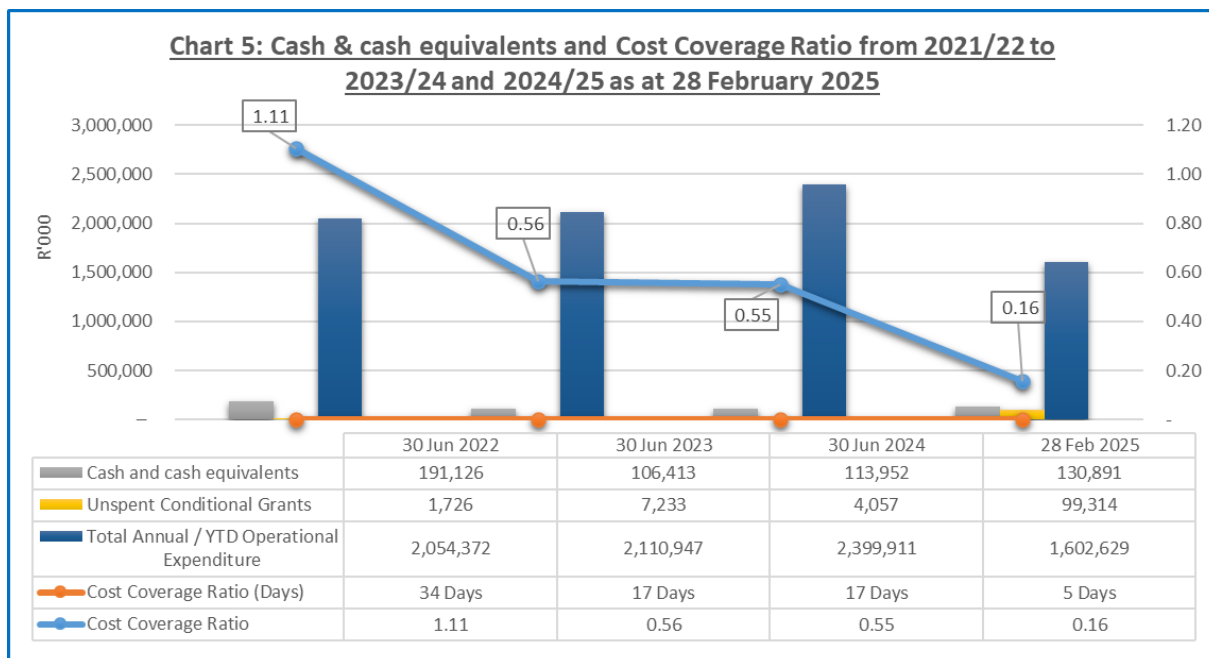
## 4.4 Cash flows

**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 (69%) from 2018 to 2019. Investments increased by R21,893 million (76%) from 2019 to 2020. Investments decreased by R10,495 million (21%) from 2020 to 2021. Investments increased by R9,876 million (25%) from 2021 to 2022. The total investment remained the same from 2022 to 2023 and increased by R8,399 million (17%) from 2023 to 2024. From 2018 to 2024, the total investments decreased by R35,604 million (47%). The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.



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

Indicated in Chart 5 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the 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 substantial decline for the year ended 30 June 2023 (0.56; 17 days; R106,413m). The audited outcome for the year ended 30 June 2024 is (0.55; 17 days; R113,952m). The Cost coverage ratio as at 28 February 2025 is calculated at (0.16; 5 days; R130,891m). The cash and cash equivalents increased as a result of receipts on conditional grants that was invested, and which were unspent as at the reporting period. Unspent conditional grants amounted to R99,314 million, which is netted off against the Cash and cash equivalents, resulting in the critically low-Cost coverage of five days and immediate and decisive action will have to be taken to ratify the situation.

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. This has deteriorated for the current year as three month's bills are now due to DWS. The municipality also fared well whilst on the debt relief programme in complying to the settlement of the current Eskom account and ran into trouble with the settling of the accounts for the high winter months. This is further exacerbated by the fact that the actual receipts for the high months are 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.

**Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: February 2025**

## 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 - M08 February

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	41,324	30,843	22,958	23,321	24,024	15,520	80,614	569,271	807,876	712,750	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	55,103	22,201	17,157	13,790	9,781	11,765	37,821	170,838	338,456	243,995	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	42,014	17,957	15,341	14,009	13,146	13,293	125,269	644,794	885,823	810,511	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	9,958	7,172	6,606	6,298	5,905	5,757	29,909	215,040	286,644	262,909	-	-
Receivables from Exchange Transactions - Waste Management	1600	8,012	5,494	4,932	4,668	4,367	4,225	22,542	166,734	220,974	202,536	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,929	1,908	1,908	2,579	1,754	1,782	11,084	75,571	98,516	92,770	-	-
Interest on Arrear Debtor Accounts	1810	22,207	21,716	22,489	21,026	20,873	20,780	112,654	807,086	1,048,832	982,419	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-
Other	1900	8,725	4,107	11,759	15,258	7,084	7,054	40,106	313,554	407,647	383,056	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>189,273</b>	<b>111,397</b>	<b>103,150</b>	<b>100,949</b>	<b>86,934</b>	<b>80,176</b>	<b>459,999</b>	<b>2,962,888</b>	<b>4,094,767</b>	<b>3,690,946</b>	<b>-</b>	<b>-</b>
<b>2023/24 - totals only</b>		<b>#####</b>	<b>95465513</b>	<b>84635416</b>	<b>82473599</b>	<b>77163661</b>	<b>79782034</b>	<b>#####</b>	<b>#####</b>	<b>3,731,931</b>	<b>3,342,570</b>	<b>0</b>	<b>0</b>
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	28,573	17,079	15,482	12,844	10,049	9,124	94,953	625,969	814,073	752,939	-	-
Commercial	2300	65,648	26,605	23,841	19,708	14,622	16,766	76,367	447,374	690,932	574,837	-	-
Households	2400	92,423	65,480	60,285	66,385	60,302	52,539	278,265	1,788,605	2,464,284	2,246,096	-	-
Other	2500	2,629	2,234	3,542	2,012	1,961	1,747	10,414	100,940	125,478	117,073	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>189,273</b>	<b>111,397</b>	<b>103,150</b>	<b>100,949</b>	<b>86,934</b>	<b>80,176</b>	<b>459,999</b>	<b>2,962,888</b>	<b>4,094,767</b>	<b>3,690,946</b>	<b>-</b>	<b>-</b>

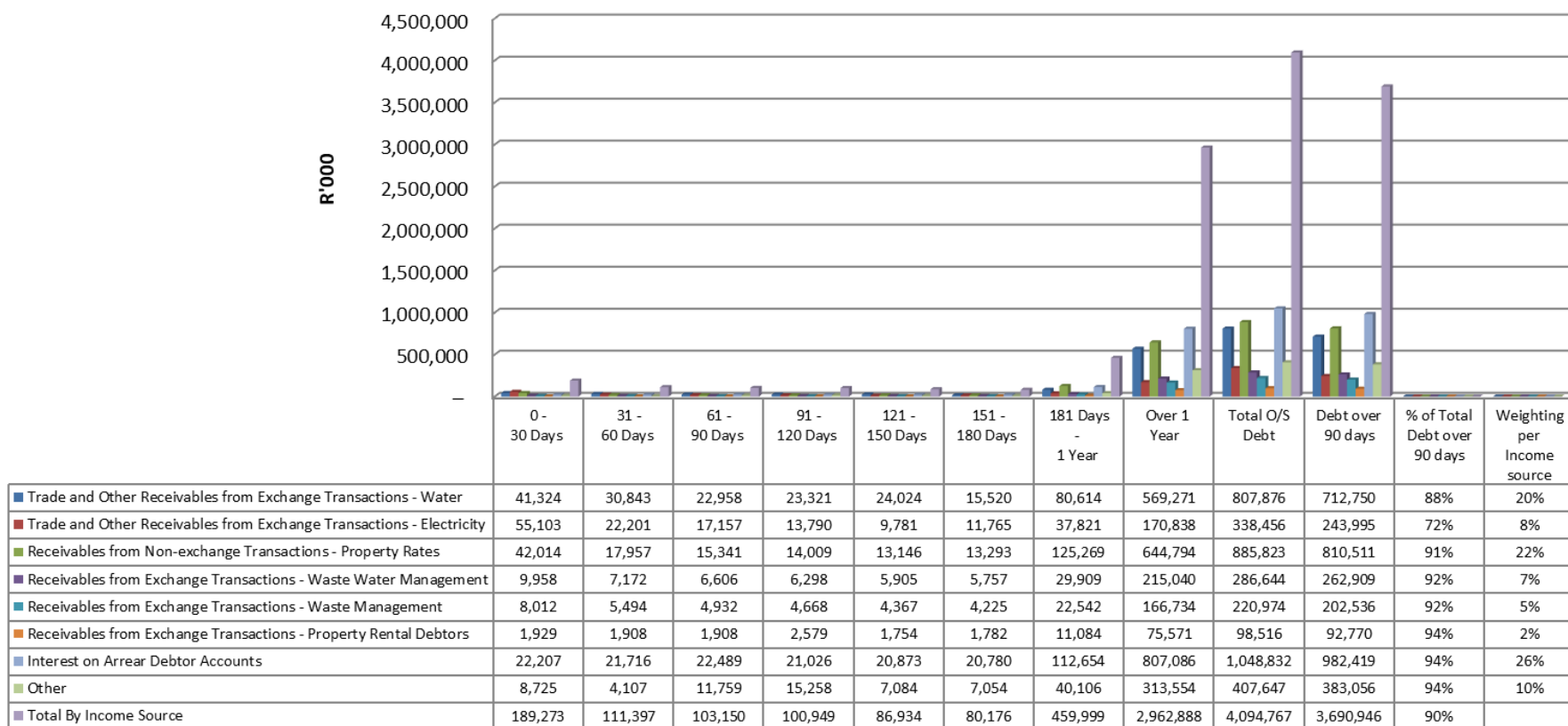
Table 8.1: Supporting Table SC3: Aged Debtors

Part 4: Debtor Age Analysis														
	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Actual Bad Debts Written		Impairment - Bad Debts ito	
R thousands	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	41,324	5.1%	30,843	3.8%	22,958	2.8%	712,750	88.2%	807,876	19.7%	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	55,103	16.3%	22,201	6.6%	17,157	5.1%	243,995	72.1%	338,456	8.3%	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	42,014	4.7%	17,957	2.0%	15,341	1.7%	810,511	91.5%	885,823	21.6%	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	9,958	3.5%	7,172	2.5%	6,606	2.3%	262,909	91.7%	286,644	7.0%	-	-	-	-
Receivables from Exchange Transactions - Waste Management	8,012	3.6%	5,494	2.5%	4,932	2.2%	202,536	91.7%	220,974	5.4%	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1,929	2.0%	1,908	1.9%	1,908	1.9%	92,770	94.2%	98,516	2.4%	-	-	-	-
Interest on Arrear Debtor Accounts	22,207	2.1%	21,716	2.1%	22,489	2.1%	982,419	93.7%	1,048,832	25.6%	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	8,725	2.1%	4,107	1.0%	11,759	2.9%	383,056	94.0%	407,647	10.0%	-	-	-	-
<b>Total By Income Source</b>	<b>189,273</b>	<b>4.6%</b>	<b>111,397</b>	<b>2.7%</b>	<b>103,150</b>	<b>2.5%</b>	<b>3,690,946</b>	<b>90.1%</b>	<b>4,094,767</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	28,573	3.5%	17,079	2.1%	15,482	1.9%	752,939	92.5%	814,073	19.9%	-	-	-	-
Commercial	65,648	9.5%	26,605	3.9%	23,841	3.5%	574,837	83.2%	690,932	16.9%	-	-	-	-
Households	92,423	3.8%	65,480	2.7%	60,285	2.4%	2,246,096	91.1%	2,464,284	60.2%	-	-	-	-
Other	2,629	2.1%	2,234	1.8%	3,542	2.8%	117,073	93.3%	125,478	3.1%	-	-	-	-
<b>Total By Customer Group</b>	<b>189,273</b>	<b>4.6%</b>	<b>111,397</b>	<b>2.7%</b>	<b>103,150</b>	<b>2.5%</b>	<b>3,690,946</b>	<b>90.1%</b>	<b>4,094,767</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 8.2: Part 4: Debtors Age Analysis



**Chart 6.1: Debtor's Age Analysis by Income Source as at 28 February 2025**



**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 R4,094,767 billion as at the end of February 2025 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90%.

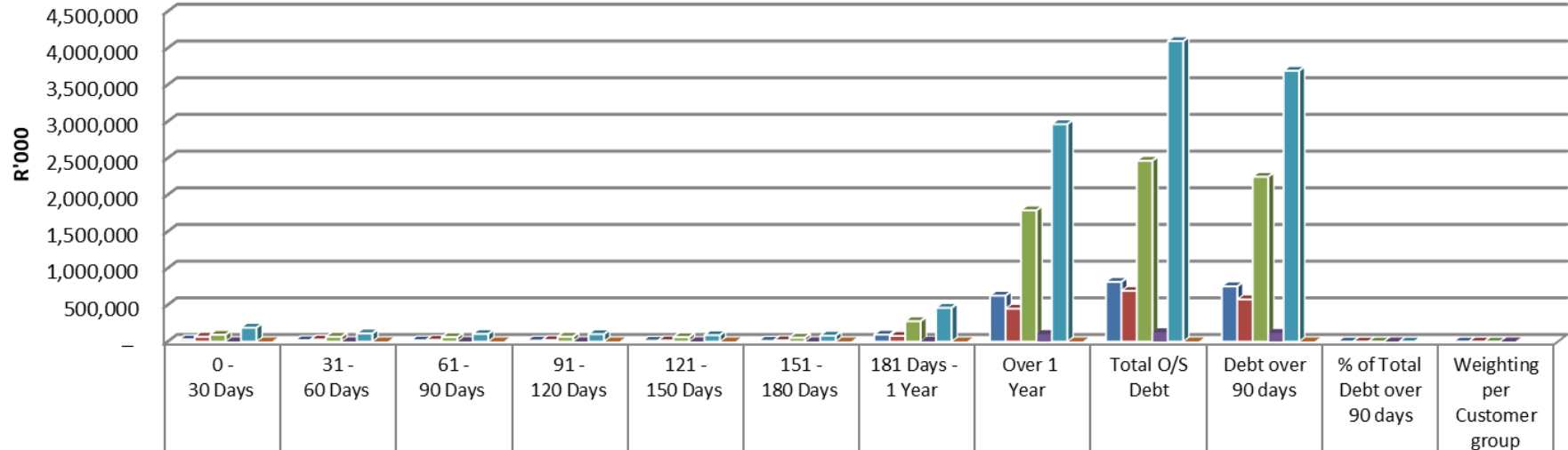
The highest percentage weighting of debt owed by Income Source, over 90 days is attributable to:

- ❖ Interest on Arrear Debtor Accounts and Other at 94%, respectively.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 94%
- ❖ Receivables from Exchange Transactions – Property Rates (91%); Waste Water Management and Waste Management at 92%, respectively.

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 26%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 20%

**Chart 6.2: Debtor's Age Analysis by Customer Group as at 28 February 2025**



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

Indicated in Table 8.1 to 8.2 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 20%, total debt outstanding is R814,073 million
- ❖ Businesses at 17%, total debt outstanding is R690,932 million
- ❖ Households at 60%, total debt outstanding is R2,464,284 billion
  - Other at 3%, total debt outstanding is R125,478 million.

## Revenue Management: Activities for the month of February 2025

We are making great progress with the smart meter project. The objective of this project is to improve the revenue generated by the Municipality through accurate metering, billing and reducing the number of tampered meters. The below provides a summary of the project status, project impact and challenges.

### Smart Electrical Meter - Total Project Progress Summary as at 30/01/2025

#### Electricity Sales Comparison

Total New Meter Sales - From Inception to Date

**R 5,643,236.73**

Sales From Previous Non-Buying Customers - From Inception to Date

**R 481,152.02**

Estimated Cumulative Benefits of Normalised and New Installations

**R 2,531,329.31**

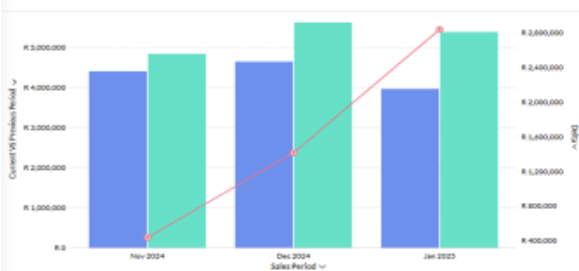
Total kWh Sales of New Meters - From Inception to Date

**189421.30 kWh**

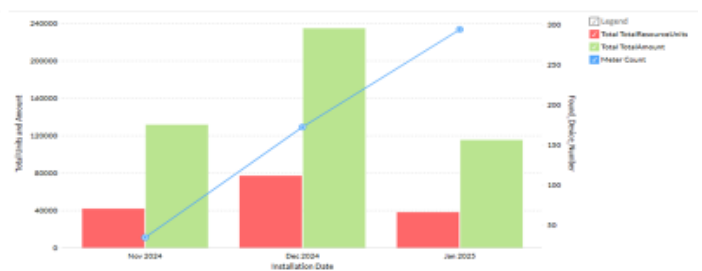
Previous Non-Buying Customers

**495**

Sales Comparisons - 2023 vs 2024 vs 2025



Sales Amounts for previous non buying customers



Sales Comparison - Current Period vs Previous Period Pivot

Month/Year of Current Period	Previous - Total Amount	Current - Total Amount	Delta
1 Nov 2024	R 4,402,014.09	R 4,897,361.23	R 495,347.14
2 Dec 2024	R 4,442,090.14	R 5,419,387.37	R 977,297.23
3 Jan 2025	R 3,942,006.53	R 5,381,663.74	R 1,439,657.21
Grand Summary:	R 13,086,110.76	R 15,698,312.34	R 2,612,201.58

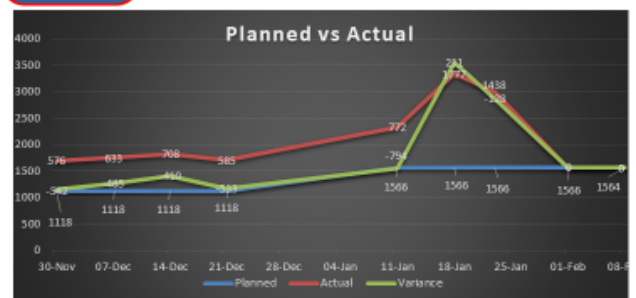
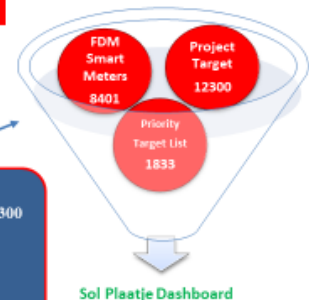
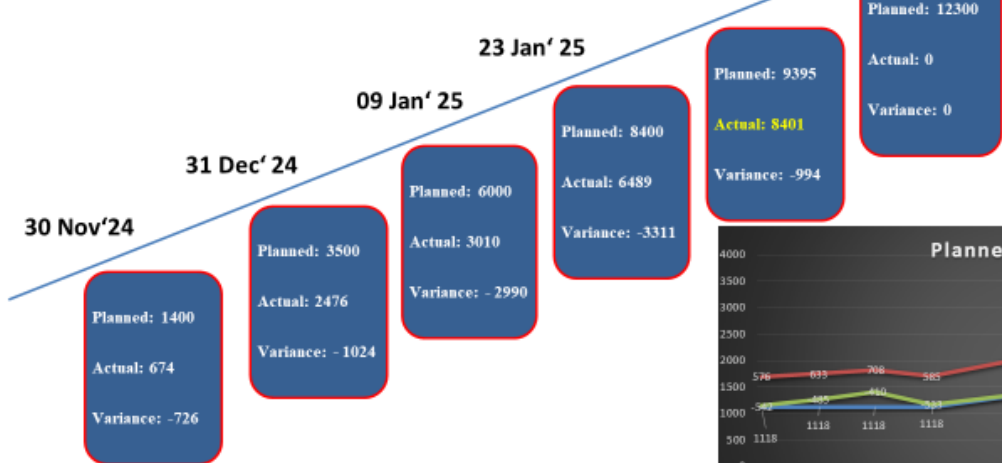
Sales Amounts for previous non buying customers - Pivot

Month	Total Units (kWh)	Total Amount
1 Nov 2024	788.70	R 34,801.00
2 Dec 2024	1000.00	R 140,480.00
3 Jan 2025	974.76	R 295,871.00
Grand Summary:	15759.46	R 481,152.02

### Smart Electrical Meter Project Implementation Plan

**SPLM Project Target - 12300**

**7 Feb' 25**  
**30 Jan' 25**



## Risks, Issues and Challenges

#	Challenges	Mitigations
1	Access Issues to Premises, Difficulty accessing customer premises due to locked gates, absence, or refusal	Schedule and confirm appointments, offer flexible scheduling, provide identification
2	Ramping-Up Installation teams to Meet Targets	Opening up other areas
3	Bypassed or tampered meters replaced totals = 215 Tackling bypasses in bulk might overwhelm teams and exacerbate pushback.	Phased installation during blanket approach per suburb.
4	Credit control measures, accounts/meters. Current remote blocking of accounts creating resistance. Some customers being told that they need to resolve with installers	Pause on credit control measures to improve the access to installers, once the suburb is completed, the municipality can then impose penalties.
5	Lack of account information for some meters.	These delays in field will be addresses upfront with an updated financial system list from the municipality. Although in some instances the meter will be loaded on prepaid system pending authorisation from municipality
6	Unclear boundaries for suburbs	Some households exist on suburb boundaries which is unclear for installers, causing confusion
7	Community / Municipality staff – Project Awareness	Some municipality employees requested confirmation regarding the validity of the smart meter programme, and they were not aware of the project. Municipality should communicate internally with their staff.

We have been requested by Troika to an intensive awareness campaign with regards to Debt Collection and informing our Customers about the four (4) Debt Collection agencies that have been appointed to do debt collection, indigent assistance and valid arrangements.

All Officials who have outstanding balances on their accounts have been requested (through the office of the Municipal Manager) to attend to the payment thereof or visit the Debt Collection Department to make an appropriate arrangement failing which, the Municipality will be left with no choice but to suspend/restrict electricity supply to the relevant property and further deduct the outstanding arrears from an Official's salary, until such time that the amount owed is paid in full.

We have continued with the disconnection/blocking of electricity services of all Customer groups that are owing. The Local Government: Municipal Systems Act, No. 32 of 2000, as amended (hereinafter "**MSA**") sets out the Code of Conduct for Councillors and Municipal Staff Members. The Act specifically states that Municipal Officials may not be in arrears to the Municipality for rates and service charges for a period longer than 3 (three) months. Any Municipal official whose account is in arrears in excess of 3 (three) months is in contravention of the above-mentioned Act and our Customer Care, Credit Control and Debt Collection Policy.

The receipts for Government Departments, Parastatals and schools were R52,379,011.69 for the month of February 2025 as compared to the R41,380,847.98 received for the month of January 2025.

The non-payment of Municipal accounts, by Government Departments contributes a great deal in the imbalance between the available revenue and expenditure of the Municipality. This also hinders the Municipality's ability to deliver services to the community at large. The Municipality has sent out notices on a monthly basis, informing the Government Departments of the arrears and emphasized the fact that non-payment will result in the suspension/restriction of the electricity and/or water services supplied to the applicable property. If monthly payments are not made, we follow up and disconnect services if payment is still not received.

**The challenge is currently with the historical debt. The challenges raised by our Government Customers are with regards to the lack of sufficient allocation of funds by Treasury for the servicing of municipal debt by Organs of State. We have had intensive engagements with National Treasury (NT) and the Department of Public Works**

**(February/March 2025) with regards to the settlement of the R 646 million owed on rates and taxes.**

14 Day-Disconnection Notices have been served on the buildings/offices owned by Public Works, that are owing on rates and taxes. We are ready to disconnect the electricity of these buildings if settlement is not reached.

<b>SOL PLAATJE MUNICIPALITY</b>	
<b>DEPARTMENTS</b>	<b>RECEIPTS FEBRUARY 2025</b>
NATIONAL PUBLIC WORKS	R5,649,465.16
PROVINCIAL PUBLIC WORKS	R10,024,930.37
DEPARTMENTS OF HEALTH	R5,526,253.54
SOCIAL DEVELOPMENT	R222,859.09
ECONOMIC DEV & TOURISM	R393,394.37
TRANSPORT	R1,768,202.76
CORRECTIONAL SERVICE	R3,920,884.22
SANDF	R4,869,966.51
COGHSTA/ HOUSING	R291,597.01
PROVINCIAL LEGISLATURE	R115,893.07
EDUCATION	R1,284,862.45
SPORTS, ARTS & CULTURE	R352,582.87
SCHOOLS	R17,958,120.27
<b>TOTAL</b>	<b>R52,379,011.69</b>

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt remained constant at 90% for the month under review. Debt over 90 days increased by R45,903 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R38,415 million. It is concerning that total debt over 90 days is hovering at an average of 90 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.

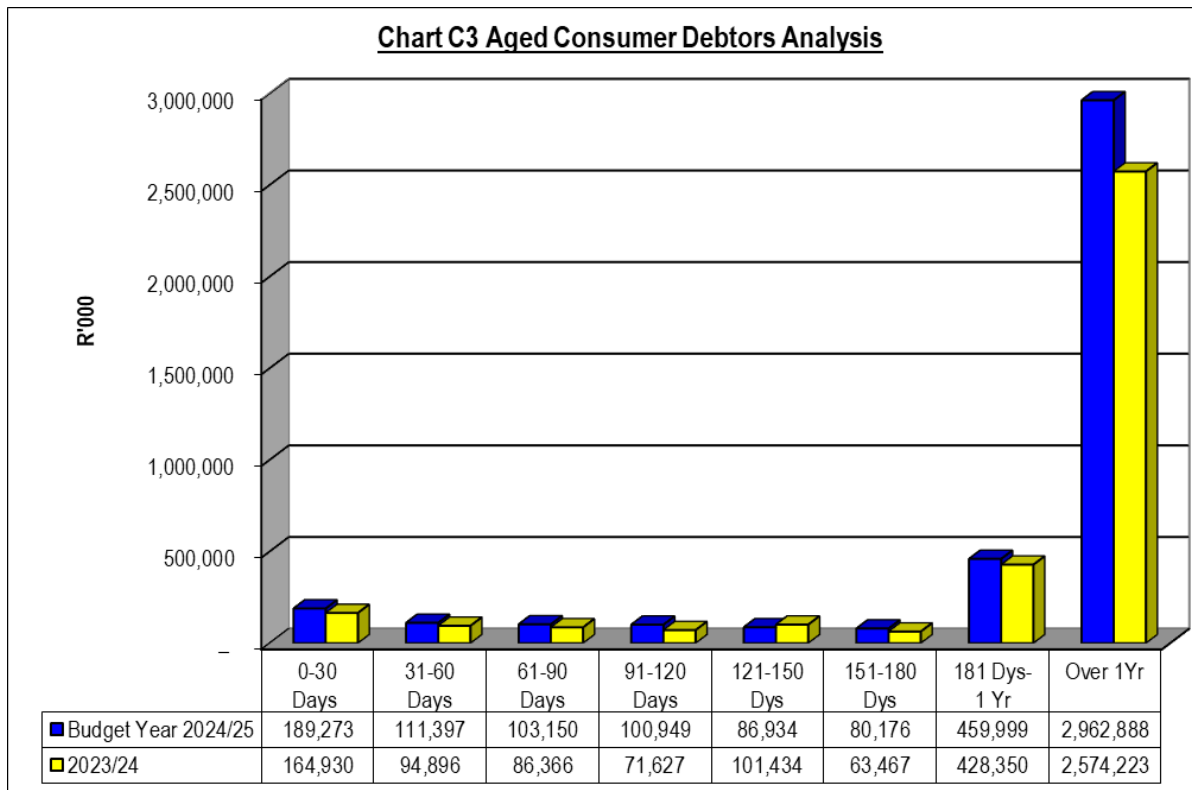
**Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2024 - Feb 2025**



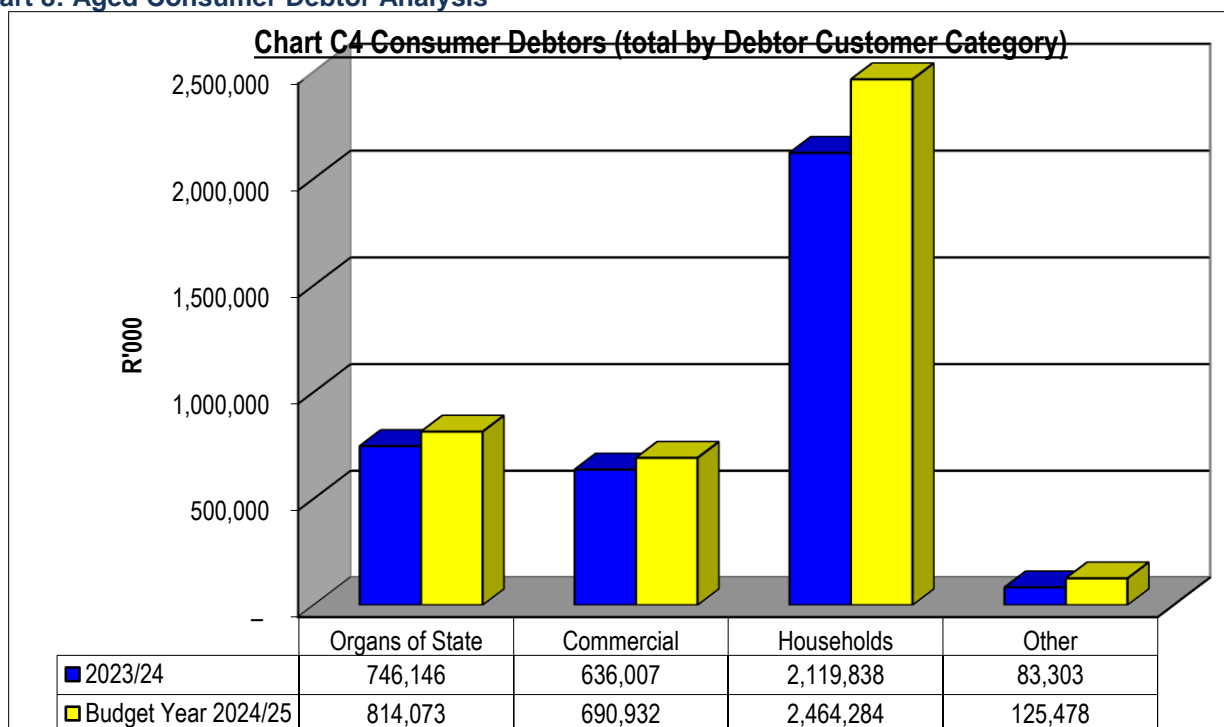
**Chart 7: Debt over 90 days as a percentage of Total O/S Debt**



- 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 February 2024, 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 January 2025 and received in February 2025, the monthly collection rate is 59%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 56%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26<sup>th</sup> of the prior month to the 25<sup>th</sup> of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R26,133 million and will be allocated during March 2025. Indicated in Table 10 below is the revised average collection rate of 75.8%, for Property rates and Service charges only. 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 February to 28 February 2025. 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.

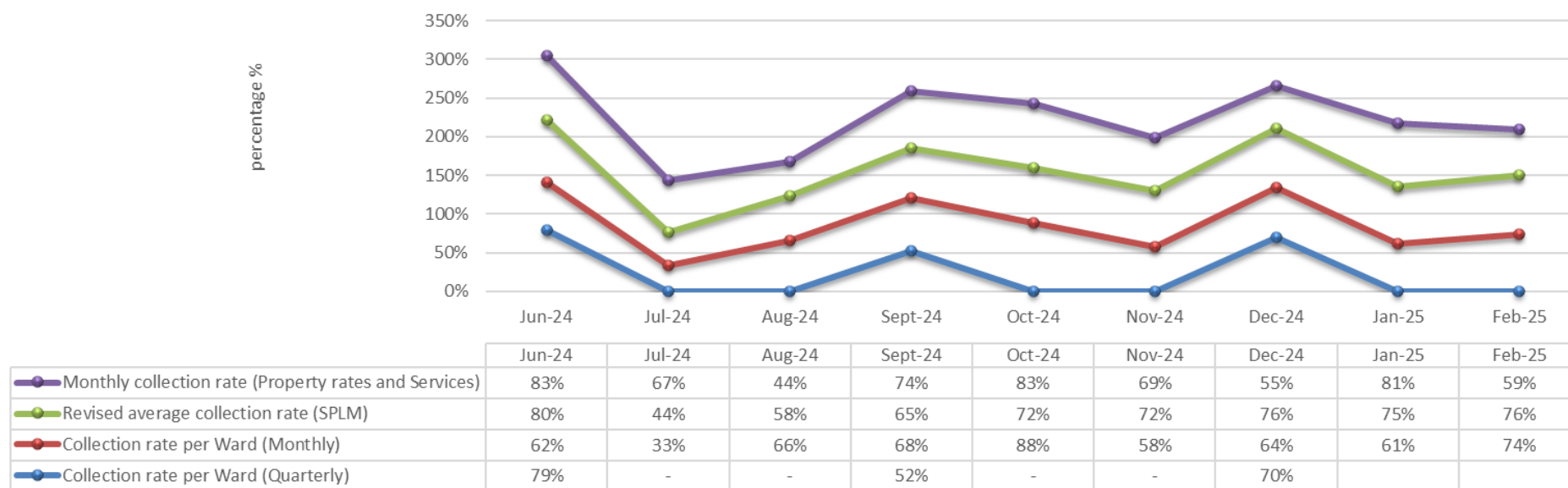
<b>Monthly Collection Rate</b>	<b>Debits (Billed January 2025)</b>	<b>Credits (Received February 2025)</b>	<b>% Collected</b>
PROPERTY RATES	50,515,694	32,003,174	63%
ELECTRICITY	48,471,449	37,129,975	77%
WATER	35,725,442	13,514,903	38%
SEWERAGE	10,196,152	4,007,894	39%
REFUSE	8,110,252	3,461,126	43%
<b>PROPERTY RATES &amp; SERVICES</b>	<b>153,018,988</b>	<b>90,117,073</b>	<b>59%</b>
OTHER	26,841,018	11,446,186	43%
<b>TOTAL</b>	<b>179,860,006</b>	<b>101,563,259</b>	<b>56%</b>

Table 9: Monthly collection rate

<b>REVENUE BY SOURCE</b>	<b>YTD ACTUAL FEBRUARY 2025</b>	<b>YTD RECEIPTS</b>	<b>Rate</b>
PROPERTY RATES	R 511,709,569	R 317,774,307	<b>62.1%</b>
SERVICE CHARGE ELECTRICITY	R 407,415,301	R 392,865,129	<b>96.4%</b>
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 231,492,495	R 231,492,495	<b>100.0%</b>
SERVICE CHARGE WATER	R 230,307,110	R 116,124,927	<b>50.4%</b>
SERVICE CHARGE SANITATION	R 75,569,311	R 33,498,254	<b>44.3%</b>
SERVICE CHARGE REFUSE	R 56,745,840	R 29,733,811	<b>52.4%</b>
UNALLOCATED CREDITS		R 26,132,732	
<b>REVISED AVERAGE COLLECTION RATE - FEBRUARY 2025</b>	<b>R 1,513,239,626</b>	<b>R 1,147,621,655</b>	<b>75.8%</b>

Table 10: Revised Average collection rate

**Chart 10: Comparative trend: Monthly and Revised average collection rate - Jun 2024 to February 2025**

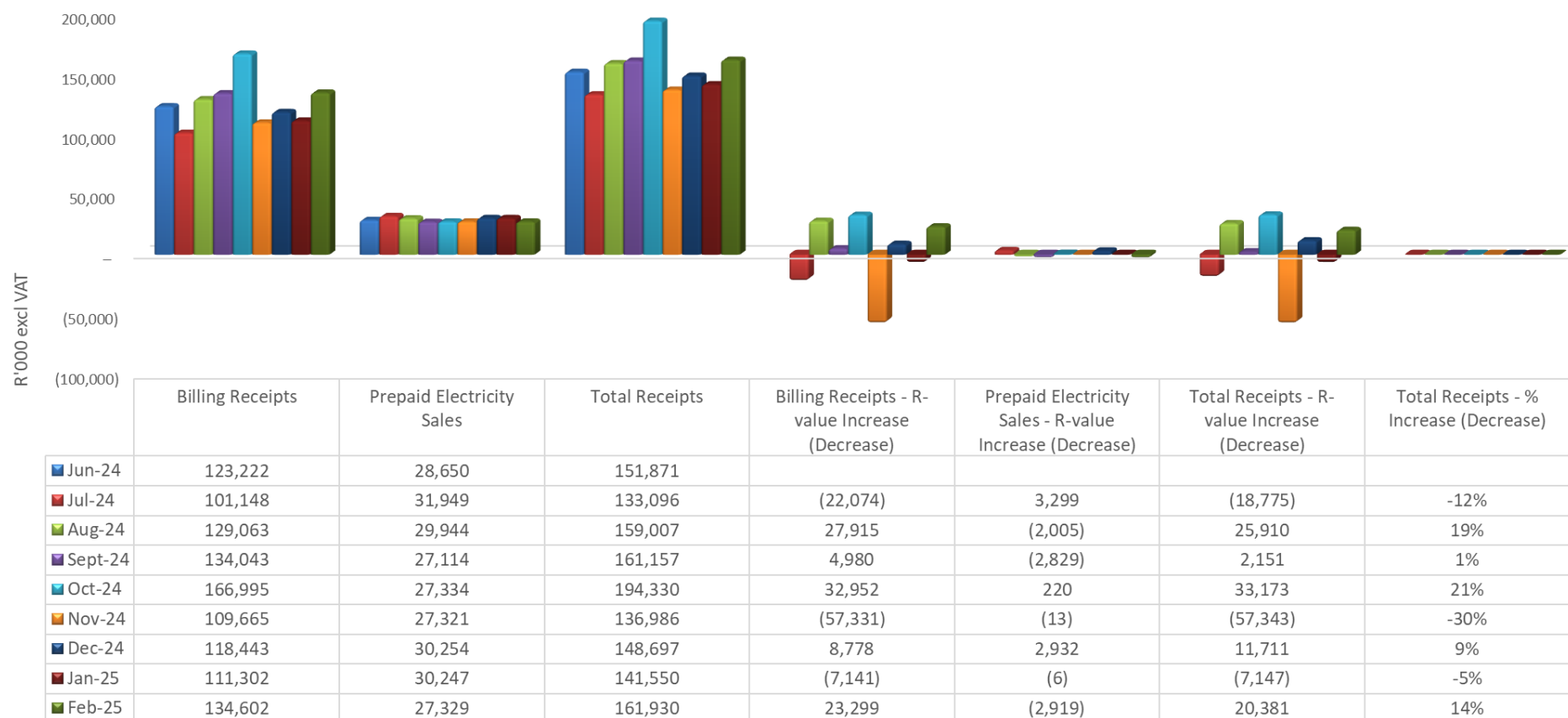


**Chart 10: Comparative trend: Monthly and Revised average collection rate**

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2024 to February 2025. The monthly collection rate (Property rates & Services) for January 2025 is not satisfactory at 59%. The revised average collection for February 2025, improved slightly for the month under review. The situation is exacerbated by the receipts on annual billing that is not 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 26<sup>th</sup> of the previous month to 25<sup>th</sup> of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report on the 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 74% for the month under review, whilst the average quarterly collection rate is 70% for October to December 2024. Drastic action will have to be taken by the municipality, in implementing its own Credit Control Policy. It should be noted that an amount of R26,133 million was unallocated at month-end.

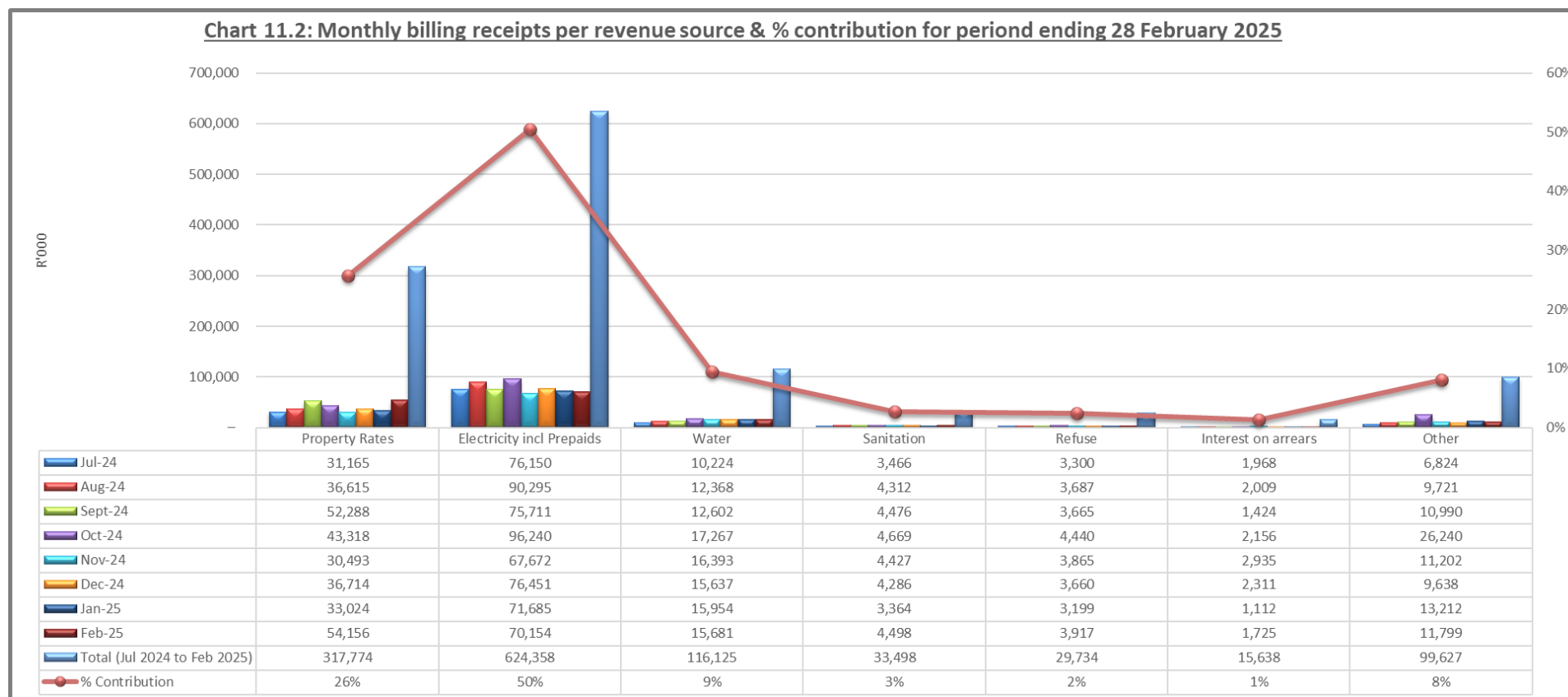
During the 2023/24 MTREF Benchmark engagement, NT advised that the municipality, “must make an effort to collect long outstanding debtors and strive to push collection rate beyond 89% so that we are able to make a surplus on the cash flow which will enable the municipality to cover all the proposed expenditures 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 Feb 2025**



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

As indicated in Chart 11.1 above, the Total Receipts for February amounted to R161,930 million which resulted in an increase of R20,381 million or 14% in respect of the month-to-month comparison. Billing receipts increased by R23,299 million, whilst Prepaid Electricity Sales decreased by R2,919 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 R26,133 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**

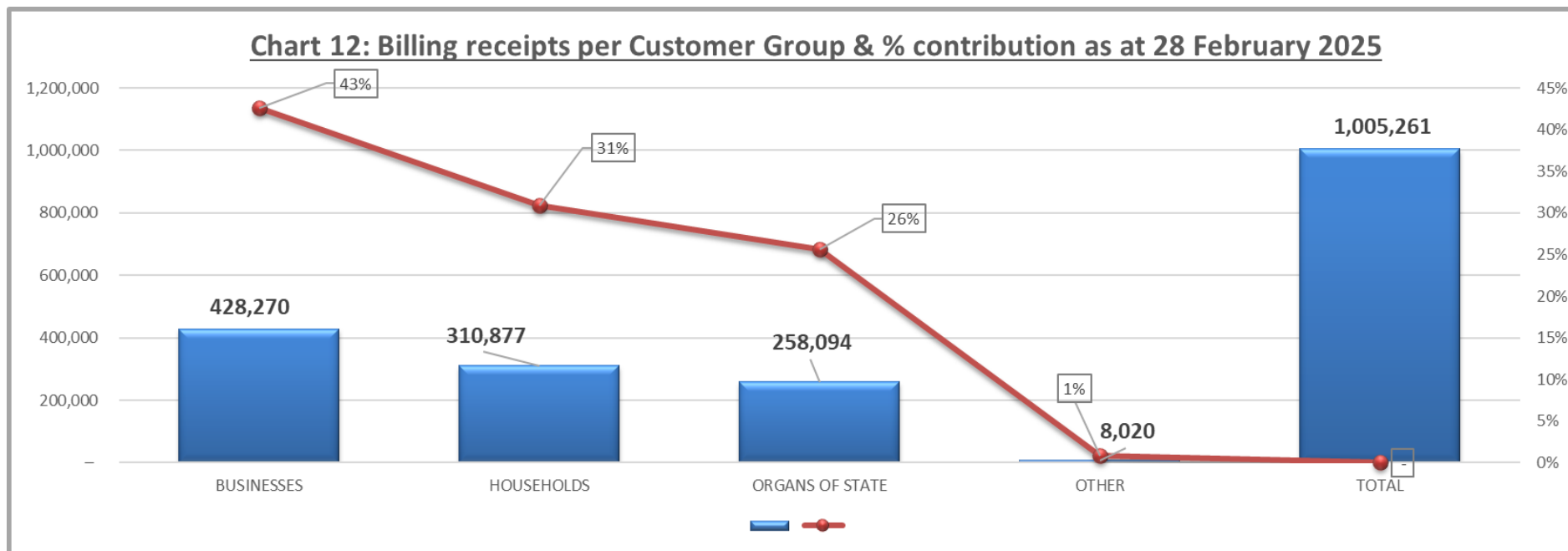
Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 28 February 2025. Receipts are relatively constant based on the month-to-month comparison. The actual cash collected remains a serious concern and positive 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 R624,358 million (50%) is the highest contributor, followed by Property rates at R317,774 million (26%) 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 January 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 January 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 28 February 2025. The municipality received R428,270 million (43%) from Businesses, Households R310,877 million (31%), Organs of State R258,094 million (26%) and Other R8,020 million (1%).

## 7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

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	68,070	1,879	1,730	44,974	2,766	1,749	55,875	858,455	1,035,498	995,059
Bulk Water	0200	18,328	20,396	15,681	17,504	17,504	–	–	54,656	144,069	116,184
PAYE deductions	0300	11,034	–	–	–	–	–	–	–	11,034	11,205
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500	8,255	–	–	–	–	–	–	–	8,255	8,341
Loan repayments	0600									–	
Trade Creditors	0700	9,452	6,148	5	–	18	–	1	248	15,872	15,058
Auditor General	0800	362	–	–	–	–	–	–	–	362	137
Other	0900	11,095	971	3	–	625	–	79	10,642	23,414	35,437
Medical Aid deductions										–	
Total By Customer Type	1000	126,597	29,393	17,418	62,478	20,913	1,749	55,955	924,002	1,238,504	1,181,421

Table 11.1: Supporting Table SC4: Aged Creditors

Part 5: Creditor Age Analysis

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditor Age Analysis</b>										
Bulk Electricity	68,070	6.6%	1,879	2%	1,730	2%	963,819	93.1%	1,035,498	83.6%
Bulk Water	18,328	12.7%	20,396	14.2%	15,681	10.9%	89,665	62.2%	144,069	11.6%
PAYE deductions	11,034	100.0%	—	—	—	—	—	—	11,034	9%
VAT (output less input)	—	—	—	—	—	—	—	—	—	—
Pensions / Retirement deductions	8,255	100.0%	—	—	—	—	—	—	8,255	7%
Loan repayments	—	—	—	—	—	—	—	—	—	—
Trade Creditors	9,452	59.6%	6,148	38.7%	5	—	267	1.7%	15,872	1.3%
Auditor-General	362	100.0%	—	—	—	—	—	—	362	—
Other	11,095	47.4%	971	4.1%	3	—	11,346	48.5%	23,414	1.9%
Medical Aid deductions	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>126,597</b>	<b>10.2%</b>	<b>29,393</b>	<b>2.4%</b>	<b>17,418</b>	<b>1.4%</b>	<b>1,065,096</b>	<b>86.0%</b>	<b>1,238,504</b>	<b>100.0%</b>

Table 11.2: Part 5: Creditors Age Analysis

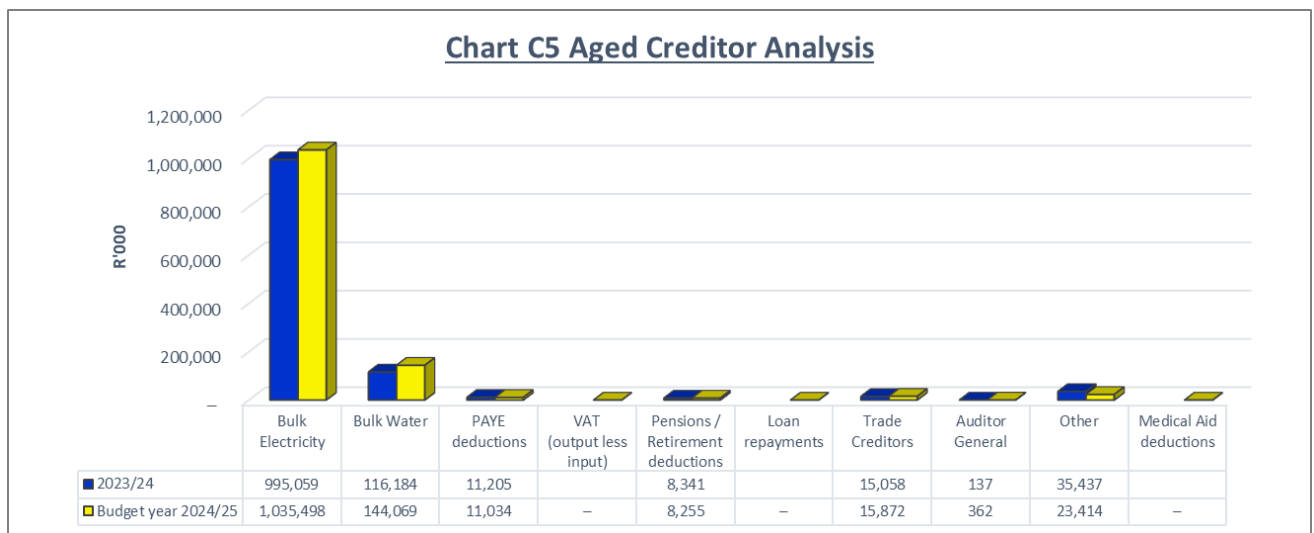


Chart 13: Aged Creditors Analysis

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 28 February 2024 (prior year totals for the same period). Articulated in Table 11.2 above, is the age creditors analysis, which is standing at R1,238,504 billion owed to creditors. The analysis shows that 10.2% of creditors is owed between 0 to 30 days, whilst 86.0% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 83.6%.

**Bulk Electricity** – As at the 28 February 2025, the outstanding debt owed to ESKOM amounted to R1,035,498 billion.

**Bulk Water** – As at the 28 February 2025, the outstanding debt owed to DWS amounted R144,069 million. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months as the municipality is participating in the Incentive scheme that the Department provided 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 March 2025.

**VAT** – after the monthly VAT reconciliation, we claimed an amount of R5,192 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 R362 thousand.

**Other creditors** – includes Sundry creditors which were unpaid as at 28 February 2025.

**Medical Aid deductions** –medical aid contributions were settled on 28 February 2025 and is therefore not disclosed as an outstanding creditor for the month under review.

## 8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 28 February 2025, the value of total investments made was R172,499 million. Partially or prematurely withdrawn investments amounted to R11,016 million. The investment top-up was zero Rand for the month under review. 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, 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:

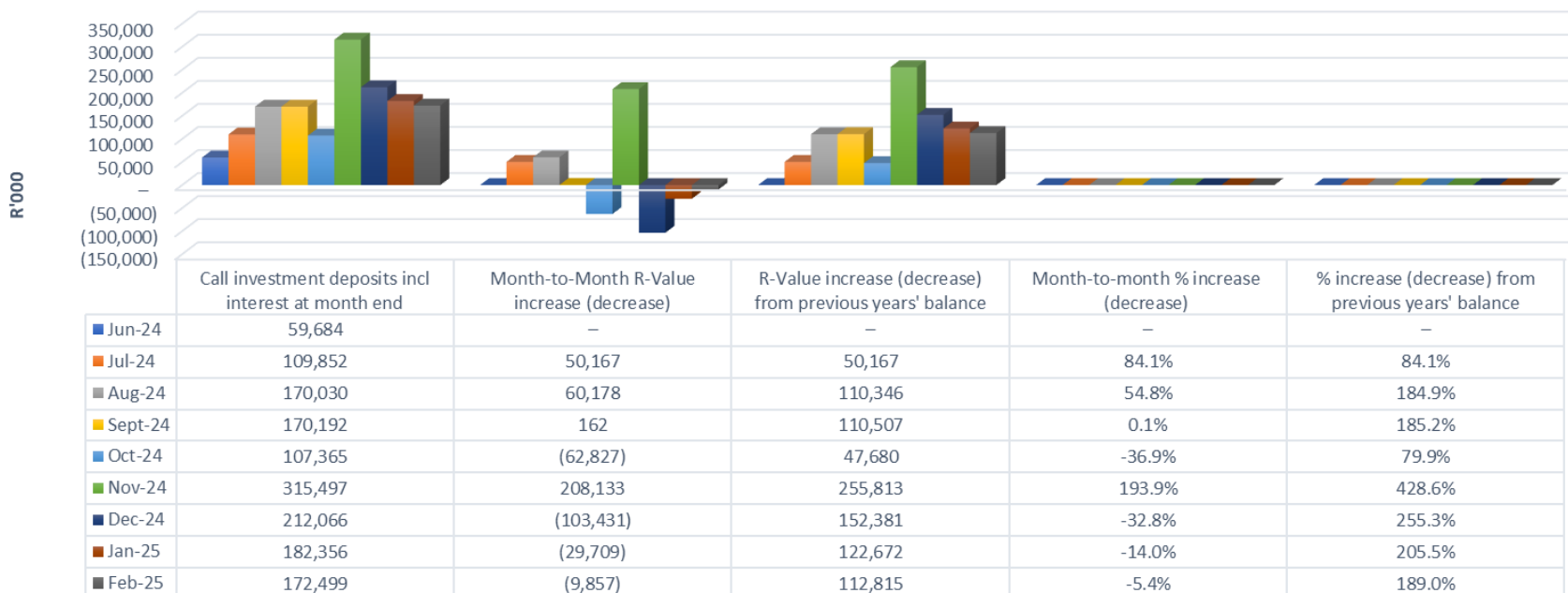
Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	21,529
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,401
• Unspent Capital grant receipts that was invested for the current year.	184,867
• Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there is Grant funds in the main account	(41,298)
<b>Total</b>	<b>172,499</b>

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

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 *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<b>Municipality</b>														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	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		148,569	929	(10,929)	-	138,569
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	56	(56)	-	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	31	(31)	-	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	21,386	143	-	-	21,529
<b>Municipality sub-total</b>										<b>182,356</b>	<b>1,159</b>	<b>(11,016)</b>	<b>-</b>	<b>172,499</b>

Table 12: Supporting Table SC5: Investment portfolio

**Chart 14: Call investment deposits incl interest for the period ending 28 February**  
**2025**



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

As indicated in the Chart 5 above from January 2025 to February 2025 investments incl interest decreased by R9,857 million or 5.4%, in respect of the month-to-month comparison. Investments increased by R112,815 million or 189,0% 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

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

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	293,430	787	213,795	194,332	19,462	10.0%	293,430
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		263,135	282,104	282,104	–	207,608	188,069	19,539	10.4%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	–	2,267	1,511	756	50.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	269	3,008	3,000	8	0.3%	4,500
Integrated Urban Development Grant		–	–	2,759	–	–	552	(552)	-100.0%	2,759
Local Government Financial Management Grant	3	1,700	1,800	1,800	518	912	1,200	(288)	-24.0%	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	18,100	112	597	7,633	(7,036)	-92.2%	18,100
Capacity Building and Other Grants		8,979	8,600	8,600	112	597	5,733	(5,136)	-89.6%	8,600
Infrastructure Grant		5,808	–	9,500	–	–	1,900	(1,900)	-100.0%	9,500
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	311,530	899	214,392	201,966	12,426	6.2%	311,530
Capital Transfers and Grants										
National Government:		133,753	572,229	570,097	52,695	314,195	381,060	(66,864)	-17.5%	570,097
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	1,089	4,218	3,333	885	26.6%	5,000
Integrated National Electrification Programme Grant		24,358	–	–	–	–	–	–		–
Integrated Urban Development Grant		63,395	75,229	73,097	4,534	38,312	49,726	(11,415)	-23.0%	73,097
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	47,072	271,665	328,000	(56,335)	-17.2%	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	570,097	52,695	314,195	381,060	(66,864)	-17.5%	570,097
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	660,747	871,500	881,627	53,594	528,587	583,025	(54,438)	-9.3%	881,627

### Operational and Capital Grants: Receipts

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.  
EPWP – R681 thousand

No Capital grant monies received for the month under review.

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 - M08 February

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										
Operating expenditure of Transfers and Grants										
National Government:		237,196	229,671	274,430	55,179	187,120	162,066	25,054	15.5%	274,430
Equitable Share		228,294	221,104	263,104	54,049	180,234	155,803	24,431	15.7%	263,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,267	27	2,322	1,511	810	53.6%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	237	2,621	3,000	(379)	-12.6%	4,500
Integrated Urban Development Grant		–	–	2,759	347	1,031	552	480	86.9%	2,759
Local Government Financial Management Grant		1,700	1,800	1,800	518	912	1,200	(288)	-24.0%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		9,852	8,600	15,087	236	1,196	8,192	(6,996)	-85.4%	15,087
Capacity Building and Other Grants		7,625	8,600	8,587	142	627	5,726	(5,098)	-89.0%	8,587
Infrastructure Grant		2,227	–	6,500	94	569	2,467	(1,898)	-76.9%	6,500
District Municipality:		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		247,048	238,271	289,517	55,415	188,316	170,258	18,058	10.6%	289,517
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	570,097	44,002	272,310	381,060	(108,749)	-28.5%	570,097
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	968	3,689	3,333	356	10.7%	5,000
Integrated National Electrification Programme Grant		21,181	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		57,349	75,229	73,097	2,101	32,390	49,726	(17,336)	-34.9%	73,097
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	40,932	236,231	328,000	(91,769)	-28.0%	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	570,097	44,002	272,310	381,060	(108,749)	-28.5%	570,097
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		394,404	810,500	859,614	99,416	460,626	551,318	(90,692)	-16.4%	859,614

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 R20,899 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 unadjusted 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	73,097	2,101	32,390	7,250	43.1%	44.3%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	968	3,689	2	73.8%	73.8%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	40,932	236,231	–	48.0%	48.0%
<b>Grand Total</b>	<b>572,229</b>	<b>570,097</b>	<b>44,002</b>	<b>272,310</b>	<b>7,252</b>	<b>47.6%</b>	<b>47.8%</b>

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R272,310 million or 47.8% spent against the Adjusted capital grant allocation of R570,097 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 - M08 February

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		1,065	-	1,055	79	694	211	483	229%	1,055
Medical Aid Contributions		536	-	623	52	422	125	297	238%	623
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		2,997	3,055	3,055	280	2,035	2,037	(2)	0%	3,055
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		29,271	34,021	32,343	2,367	20,340	22,345	(2,006)	-9%	32,343
<b>Sub Total - Councillors</b>		<b>33,869</b>	<b>37,077</b>	<b>37,077</b>	<b>2,778</b>	<b>23,491</b>	<b>24,718</b>	<b>(1,227)</b>	<b>-5%</b>	<b>37,077</b>
<b>% increase</b>	4		<b>9.5%</b>	<b>9.5%</b>						<b>9.5%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4,942	8,791	8,791	353	3,180	5,861	(2,681)	-46%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	277	878	(601)	-68%	1,316
Medical Aid Contributions		192	117	117	16	124	78	45	58%	117
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		1,065	2,005	2,005	87	694	1,337	(643)	-48%	2,005
Cellphone Allowance		101	198	198	8	67	132	(65)	-49%	198
Housing Allowances		22	9	9	2	14	6	8	128%	9
Other benefits and allowances		-	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		14	15	15	1	10	10	(0)	-2%	15
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6,769</b>	<b>12,452</b>	<b>12,452</b>	<b>500</b>	<b>4,365</b>	<b>8,302</b>	<b>(3,937)</b>	<b>-47%</b>	<b>12,452</b>
<b>% increase</b>	4		<b>84.0%</b>	<b>84.0%</b>						<b>84.0%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		460,448	509,499	506,061	37,630	308,474	337,905	(29,431)	-9%	506,061
Pension and UIF Contributions		83,850	96,851	96,851	6,960	56,204	64,568	(8,365)	-13%	96,851
Medical Aid Contributions		54,500	63,693	63,693	5,067	41,479	42,462	(983)	-2%	63,693
Overtime		90,602	53,982	54,982	6,428	43,869	36,188	7,681	21%	54,982
Performance Bonus		30,591	38,317	38,317	2,217	25,875	25,545	330	1%	38,317
Motor Vehicle Allowance		43,767	51,151	51,332	3,382	27,971	34,137	(6,166)	-18%	51,332
Cellphone Allowance		1,631	1,551	1,631	127	1,081	1,050	30	3%	1,631
Housing Allowances		2,856	2,887	2,887	1,645	3,228	1,925	1,304	68%	2,887
Other benefits and allowances		38,029	26,598	30,580	2,695	21,476	19,603	1,873	10%	30,580
Payments in lieu of leave		7,128	20,000	20,000	346	4,228	13,333	(9,106)	-68%	20,000
Long service awards		30,958	29,981	29,981	2,478	20,627	19,988	639	3%	29,981
Post-retirement benefit obligations	2	43,162	43,900	43,900	727	5,130	29,267	(24,137)	-82%	43,900
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>		<b>887,522</b>	<b>938,410</b>	<b>940,215</b>	<b>69,704</b>	<b>559,641</b>	<b>625,970</b>	<b>(66,330)</b>	<b>-11%</b>	<b>940,215</b>
<b>% increase</b>	4		<b>5.7%</b>	<b>5.9%</b>						<b>5.9%</b>
<b>Total Parent Municipality</b>		<b>928,160</b>	<b>987,939</b>	<b>989,744</b>	<b>72,981</b>	<b>587,496</b>	<b>658,990</b>	<b>(71,494)</b>	<b>-11%</b>	<b>989,744</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>928,160</b>	<b>987,939</b>	<b>989,744</b>	<b>72,981</b>	<b>587,496</b>	<b>658,990</b>	<b>(71,494)</b>	<b>-11%</b>	<b>989,744</b>
<b>% increase</b>	4		<b>6.4%</b>	<b>6.6%</b>						<b>6.6%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>894,291</b>	<b>950,863</b>	<b>952,667</b>	<b>70,203</b>	<b>564,006</b>	<b>634,272</b>	<b>(70,267)</b>	<b>-11%</b>	<b>952,667</b>

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is satisfactory and showing a variance of minus 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 13<sup>th</sup> cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors' Remuneration is showing a satisfactory variance of minus 5% when compared to the YTD Budget. The gazette on the Determination of Upper limits of

salaries, allowances and benefits of different members of municipal councils was issued and implemented accordingly.

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 moratorium placed on recruitment should ideally curb employee related expenditure 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 January 2025.

Description per line item (Amount in Rand)	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
MS: OVERTIME - NON STRUCTURED	33,762,000	34,362,000	5,164,651	33,222,347	98%	97%
MS: OVERTIME - STRUCTURED	8,785,180	9,185,180	254,927	2,536,410	29%	28%
<b>Overtime as at 28 February 2025</b>	<b>42,547,180</b>	<b>43,547,180</b>	<b>5,419,578</b>	<b>35,758,758</b>	<b>84%</b>	<b>82%</b>

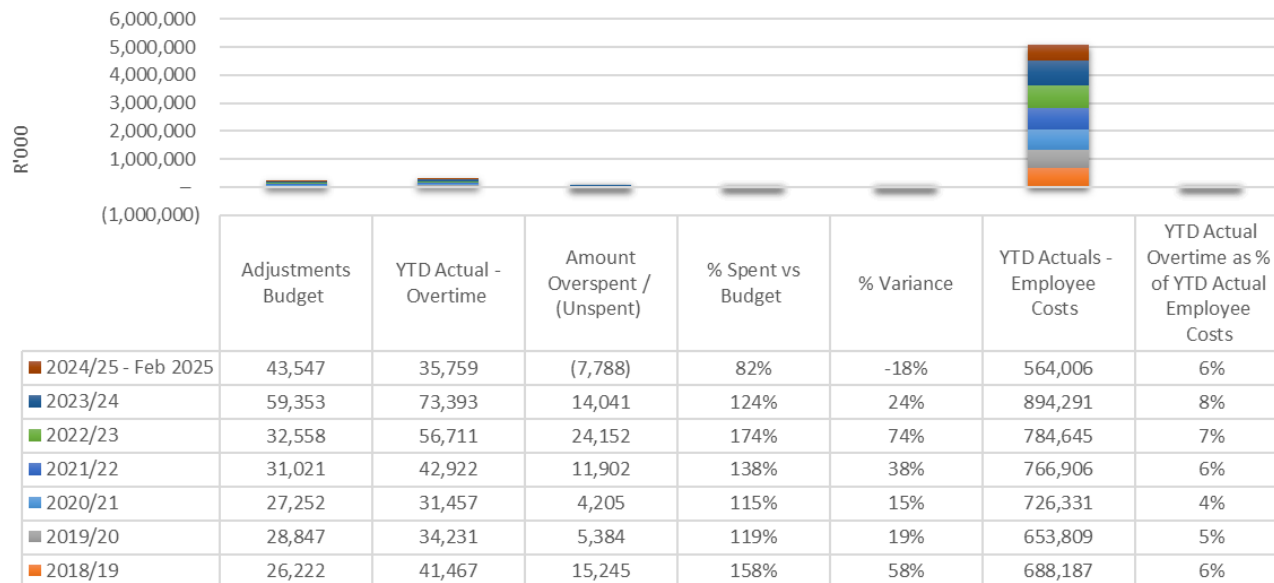
  

Row Labels	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
20-EXECUTIVE AND COUNCIL	330,000	330,000	54,099	303,709	92%	92%
21-MUNICIPAL AND GENERAL	-	-	-	-		
22-MUNICIPAL MANAGER	-	-	3,655	6,213		
23-CORPORATE SERVICES	1,937,000	1,937,000	450,960	2,825,039	146%	146%
24-COMMUNITY SERVICES	17,190,180	17,190,180	1,800,449	11,679,592	68%	68%
26-FINANCIAL SERVICES	1,021,000	1,021,000	182,138	2,357,732	231%	231%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000	877,000	124,606	931,164	106%	106%
28-INFRASTRUCTURE SERVICES	21,192,000	22,192,000	2,803,671	17,655,308	83%	80%
<b>Grand Total</b>	<b>42,547,180</b>	<b>43,547,180</b>	<b>5,419,578</b>	<b>35,758,758</b>	<b>84%</b>	<b>82%</b>

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

Overtime was previously capped at 30 hours across most units within the municipality and this has been re-instated and curbed to 40 hours across all sections. The YTD Overtime expenditure is 82% spent versus the Adjustment budget, resulting in an unsatisfactory variance of 15.45% for the period under review, when compared to the ideal IYM percentage of 66.67%. 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**

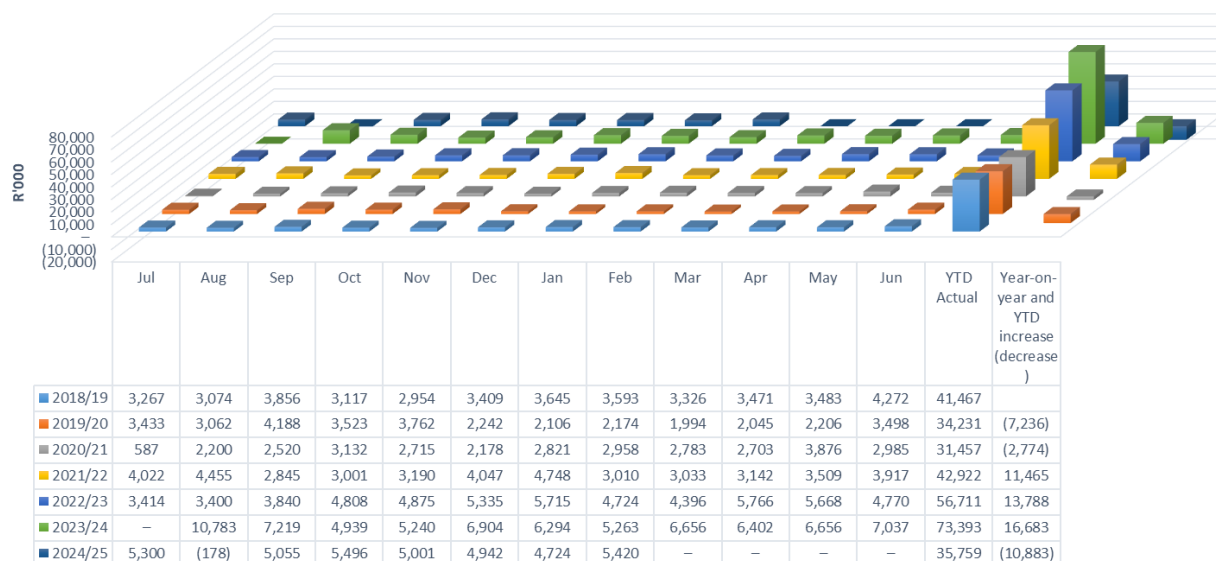


Indicated in Chart 15.1, is the actual Overtime versus Budget from 2018/19 to 2024/25 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 15.2 is the monthly and annual Overtime comparison from August 2018 to January 2025. 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 Feb 2025**



**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.

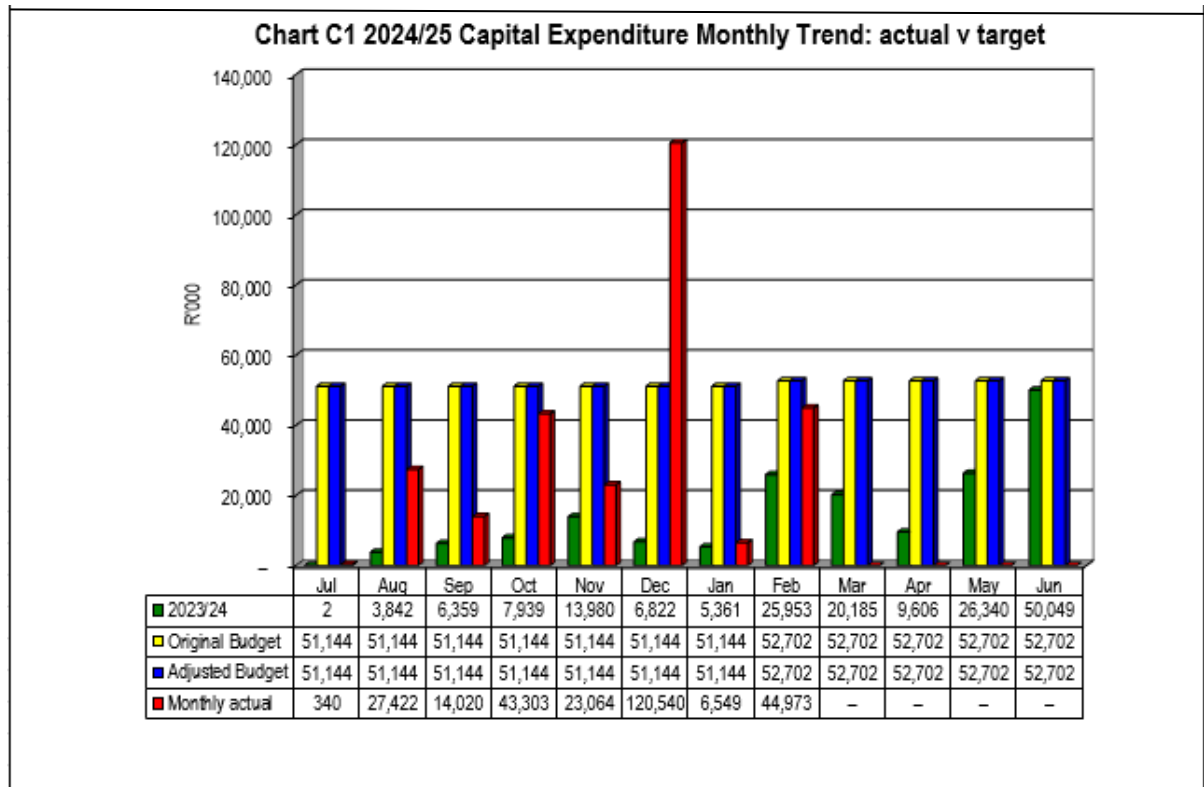


## 11. Material variances to the service delivery and budget implementation plan

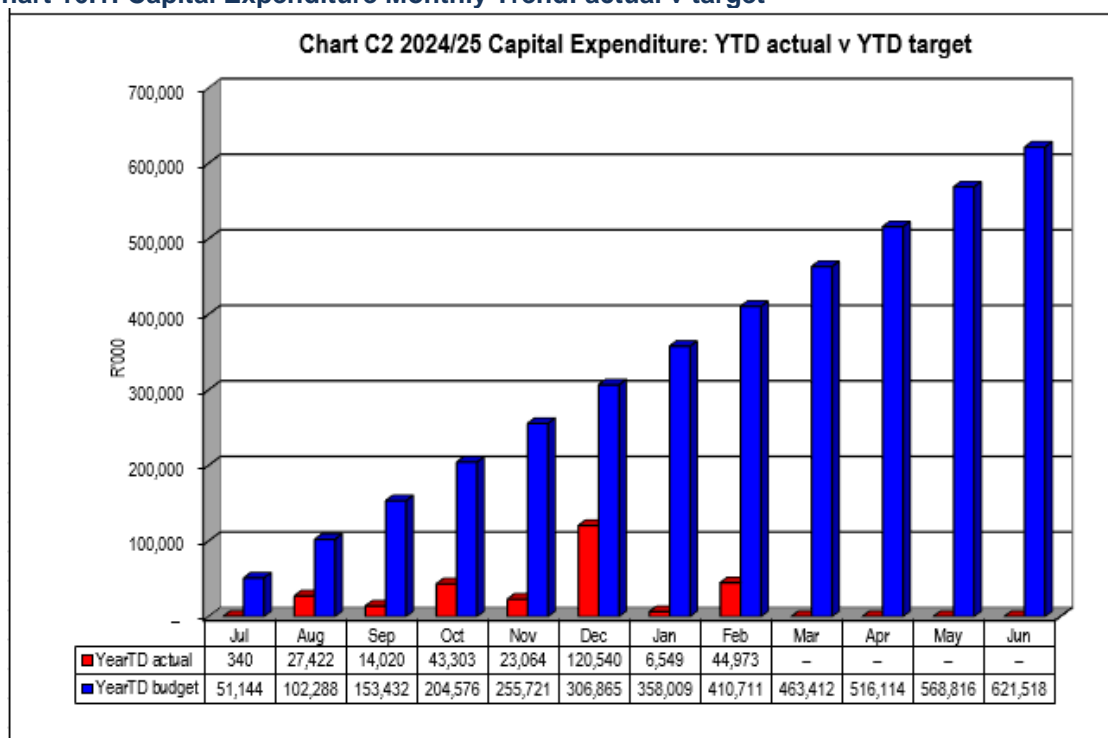
Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 31 March 2025.

## 12. Capital programme performance

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



**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 Budget	Adjusted Budget	Monthly Actuals	YTD Actuals	Commitments	% Original	% Adjusted
<b>INTERNALLY GENERATED FUNDS</b>	<b>41,500</b>	<b>51,421</b>	<b>971</b>	<b>7,901</b>	<b>3,092</b>	<b>19.04%</b>	<b>15.36%</b>
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	12	193	1,045	4.29%	4.29%
ACQ-FLEET REPLACEMENT	3,000	–	–	–	–	0.00%	#DIV/0!
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	500	500	–	145	–	28.90%	28.90%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	–	–	–	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	500	500	–	–	–	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	–	5,670	–	–	–	–	–
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	–	–	–	–	0.00%	–
MR LEAK AND SLEAK DATA SYSTEM	484	279	15	223	–	46.07%	79.85%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811	–	–	–	–	0.00%	–
PHDA PLANNING & SURVEYING	2,000	2,000	–	143	–	7.13%	7.13%
PIPE CONDITION ASSESS AND CATHOD PROTECT	479	1,113	–	373	1,430	77.82%	33.52%
RITCHIE SUBZONE SMART METER INSTALL	1,417	–	–	–	–	0.00%	#DIV/0!
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	–	14,235	339	5,499	–	–	38.63%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	3,500	605	1,079	364	53.96%	30.83%
RUFURBISHMENT OF THE VINTAGE TRAM	1,500	750	–	246	–	16.38%	32.76%
PLANNING & DEVELOPMENT	1,500	1,761	–	–	253	0.00%	0.00%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	1,342	–	–	–	–	0.00%	–
WASTE WATER RE-USE	–	1,200	–	–	–	–	0.00%
SWIMMING POOLS	–	2,500	–	–	–	#DIV/0!	0.00%
CARTERS GLEN SEWER PUMP STATION	–	7,500	–	–	–	#DIV/0!	0.00%
REFURBISHMENT SEWER & WATER LINES	–	4,000	–	–	–	#DIV/0!	0.00%
WSDP DEVELOPMENT	–	413	–	–	–	#DIV/0!	0.00%
<b>IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)</b>	<b>75,229</b>	<b>73,097</b>	<b>2,101</b>	<b>32,390</b>	<b>7,250</b>	<b>43.06%</b>	<b>44.31%</b>
P-CIER RDS ROADS	17,500	17,500	–	16,793	607	95.96%	95.96%
PROJECT MANAGEMENT	2,349	–	(249)	–	102	0.00%	#DIV/0!
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	15,886	1,609	7,459	1,146	42.62%	46.95%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	–	–	–	–	–	–
SPECIALISED FLEET REPLACEMENT	5,000	3,567	–	3,102	–	62.04%	86.96%
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	108	276	405	13.82%	13.82%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	41	1,531	455	69.27%	69.27%
REFURBISHMENT OF HALLS	5,000	3,500	–	525	–	10.50%	15.00%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,260	592	1,105	506	14.40%	15.22%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	–	261	–	5.22%	5.22%
FLEET REPLACEMENT	–	6,173	–	1,339	4,029	–	21.69%
CONSTR OF SEWER P/LINE IN PHOMOLONG W15	–	10,000	–	–	–	–	0.00%
<b>EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)</b>	<b>5,000</b>	<b>5,000</b>	<b>968</b>	<b>3,689</b>	<b>2</b>	<b>73.79%</b>	<b>73.79%</b>
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	968	3,689	2	73.79%	73.79%
<b>RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)</b>	<b>492,000</b>	<b>492,000</b>	<b>40,932</b>	<b>236,231</b>	<b>–</b>	<b>48.01%</b>	<b>48.01%</b>
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)	–	25,982	1,811	14,931	–	–	57.47%
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	23,575	96	8,885	–	52.18%	37.69%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	5,481	64	1,769	–	8.64%	32.27%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	9,929	447	3,243	–	11.05%	32.66%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	32,166	656	10,647	–	38.53%	33.10%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	–	9,872	712	1,526	–	–	15.46%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	20,393	605	8,270	–	–	40.55%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	16,317	–	1,237	–	16.43%	7.58%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	63,126	3,301	16,442	–	19.72%	26.05%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	5,532	542	1,751	–	10.82%	31.65%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	34,678	4,473	19,775	–	52.91%	57.03%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	15,348	–	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	7,135	–	894	–	9.68%	12.53%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	13,046	201	6,133	–	–	47.01%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	–	2,294	–	755	–	–	32.89%
SEC3 1200NEW STEEL MIDSTATION-NEWTON RES	67,191	20,744	816	13,741	–	20.45%	66.24%
BULK 1200 ND STEEL PIPELINE MAT: MBSC1/6	–	184,825	27,206	116,813	–	–	63.20%
NEWTON RESERVOIR COMPLEX OHS & SECURITY	–	1,126	–	260	–	–	23.10%
OHS & SECURITY MNGMNT (NEWTON) ELECTRIC	–	429	–	–	–	#DIV/0!	0.00%
<b>Grand Total</b>	<b>613,729</b>	<b>621,518</b>	<b>44,973</b>	<b>280,211</b>	<b>10,344</b>	<b>45.66%</b>	<b>45.08%</b>

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Adjustment budget. Capital expenditure as at the end of February 2025 is not at a desired level and requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for February 2025 amounted to R44,973 million. The total YTD Capex amounts to R280,211 million. Please note that Commitments amounting to R10,344 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 (44.31%), EEDSM (73.79%), RBIG (48.01%). Spending on Internally generated funds is also 15.36% spent. Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

### 13. Other supporting documents

Additional information or supporting documentation for February 2025.

- Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for January 2025.
- The municipality's self-assessment for the month of February 2025.

### 14. Conclusion

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

#### Communication

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

<http://www.solplaatje.org.za/Aboutus/Pages/Documents.aspx>

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

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

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

- New charges (basic and capacity charges) regarding electricity must be resolved by Council – huge financial loss (possible recovery plan is needed)
- Non-implementation of basic and capacity charges as approved by NERSA
- Water and Electricity losses
- Collection on arrear debtors and liquidity of the Municipality
- The municipality not meeting the average daily cash collection target
- Billing in general
- Arrear debt owed to ESKOM and Dept of Water & Sanitation (DWS)
- Defaulting on the high months and partial payments to ESKOM and DWS
- Non-adherence to the debt agreement with DWS and the payment arrangement with ESKOM
- Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
- 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 and electricity business of the municipality
- Insufficient cash to pay salaries, third-party salary payments and creditors for goods and services rendered
- Non-payment of statutory third party salary payments (pension and medical aid) constitutes an act of financial misconduct
- 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 Prepaid 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.
  - 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 which will also assist in having defaulting consumers blacklisted. The debt collection companies' primary focus will also be legal collections.
  - 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 during October 2024.

## 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 - M08 February

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	656,442	687,320	687,320	50,519	511,710	458,213	53,496	12%	687,320
Service charges	1,331,093	1,611,046	1,611,046	120,079	1,001,530	1,074,030	(72,500)	-7%	1,611,046
Investment revenue	16,116	9,000	9,000	1,832	13,051	6,000	7,051	118%	9,000
Transfers and subsidies - Operational	501,707	299,271	311,530	899	214,392	201,966	12,426	0	311,530
Other own revenue	419,726	351,642	352,142	32,482	264,287	234,528	29,759	13%	—
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,925,084</b>	<b>2,958,278</b>	<b>2,971,037</b>	<b>205,810</b>	<b>2,004,969</b>	<b>1,974,737</b>	<b>30,232</b>	<b>2%</b>	<b>2,971,037</b>
Employee costs	894,291	950,863	952,667	70,203	564,006	634,272	(70,267)	-11%	952,667
Remuneration of Councillors	33,869	37,077	37,077	2,778	23,491	24,718	(1,227)	-5%	37,077
Depreciation and amortisation	76,441	89,700	89,700	—	44,850	59,800	(14,950)	-25%	89,700
Interest	122,651	17,774	78,195	12,591	21,774	23,934	(2,160)	-9%	78,195
Inventory consumed and bulk purchases	1,057,341	1,216,905	1,228,955	72,689	741,730	811,156	(69,426)	-9%	1,228,955
Transfers and subsidies	2,526	3,660	3,660	—	1,259	2,440	(1,181)	-48%	3,660
Other expenditure	610,300	612,526	806,211	216,361	561,955	447,090	114,865	26%	806,211
<b>Total Expenditure</b>	<b>2,797,419</b>	<b>2,928,505</b>	<b>3,196,465</b>	<b>374,623</b>	<b>1,959,064</b>	<b>2,003,410</b>	<b>(44,346)</b>	<b>-2%</b>	<b>3,196,465</b>
<b>Surplus/(Deficit)</b>	<b>127,665</b>	<b>29,774</b>	<b>(225,428)</b>	<b>(168,812)</b>	<b>45,905</b>	<b>(28,673)</b>	<b>74,578</b>	<b>-260%</b>	<b>(225,428)</b>
Transfers and subsidies - capital (monetary)	159,040	572,229	570,097	52,695	314,195	381,060	###	-18%	570,097
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>286,705</b>	<b>602,003</b>	<b>344,669</b>	<b>(116,118)</b>	<b>360,100</b>	<b>352,386</b>	<b>7,714</b>	<b>2%</b>	<b>344,669</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>286,705</b>	<b>602,003</b>	<b>344,669</b>	<b>(116,118)</b>	<b>360,100</b>	<b>352,386</b>	<b>7,714</b>	<b>2%</b>	<b>344,669</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>176,438</b>	<b>613,729</b>	<b>621,518</b>	<b>44,973</b>	<b>280,211</b>	<b>410,711</b>	<b>(130,499)</b>	<b>-32%</b>	<b>621,518</b>
Capital transfers recognised	147,356	572,229	570,097	44,002	272,310	381,060	(108,749)	-29%	570,097
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	29,082	41,500	51,421	971	7,901	29,651	(21,750)	-73%	51,421
<b>Total sources of capital funds</b>	<b>176,438</b>	<b>613,729</b>	<b>621,518</b>	<b>44,973</b>	<b>280,211</b>	<b>410,711</b>	<b>(130,499)</b>	<b>-32%</b>	<b>621,518</b>
<b>Financial position</b>									
Total current assets	2,664,713	2,491,688	2,274,987		2,896,564				2,274,987
Total non current assets	2,360,035	2,874,231	2,882,019		2,595,396				2,882,019
Total current liabilities	929,932	1,523,552	1,523,552		1,045,957				1,523,552
Total non current liabilities	1,111,983	410,208	458,628		1,104,882				458,628
Community wealth/Equity	2,982,833	3,432,159	3,174,826		3,341,121				3,174,826
<b>Cash flows</b>									
Net cash from (used) operating	(521,938)	598,846	493,313	(33,735)	307,021	328,875	21,854	7%	493,313
Net cash from (used) investing	(159,367)	(613,729)	(621,518)	(44,973)	(278,926)	(414,345)	(135,419)	33%	(621,518)
Net cash from (used) financing	660,387	(12,788)	(12,788)	(10)	85	(8,525)	(8,610)	101%	(12,788)
<b>Cash/cash equivalents at the month/year end</b>	<b>88,618</b>	<b>73,147</b>	<b>(40,175)</b>	<b>141,907</b>	<b>141,907</b>	<b>6,822</b>	<b>(135,084)</b>	<b>-1980%</b>	<b>(27,266)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	189,273	111,397	103,150	100,949	86,934	80,176	459,999	#####	4,094,767
<b>Creditors Age Analysis</b>									
Total Creditors	—	—	—	—	—	—	—	—	—

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>1,257,109</b>	<b>1,689,473</b>	<b>1,692,841</b>	<b>120,621</b>	<b>1,159,302</b>	<b>1,126,989</b>	32,313	3%	<b>1,692,841</b>
Executive and council		549,361	972,401	975,769	65,491	622,936	648,941	(26,005)	-4%	975,769
Finance and administration		707,747	717,072	717,072	55,129	536,367	478,048	58,319	12%	717,072
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		<b>48,267</b>	<b>42,989</b>	<b>46,989</b>	<b>3,167</b>	<b>25,708</b>	<b>29,459</b>	(3,751)	-13%	<b>46,989</b>
Community and social services		12,642	12,138	12,138	301	2,764	8,092	(5,328)	-66%	12,138
Sport and recreation		2,639	2,720	2,720	203	1,477	1,814	(336)	-19%	2,720
Public safety		276	540	540	42	597	360	237	66%	540
Housing		28,843	27,501	27,501	2,621	20,870	18,334	2,536	14%	27,501
Health		3,867	90	4,090	—	—	860	(860)	-100%	4,090
<i><b>Economic and environmental services</b></i>		<b>37,710</b>	<b>18,976</b>	<b>22,235</b>	<b>649</b>	<b>8,169</b>	<b>13,302</b>	(5,133)	-39%	<b>22,235</b>
Planning and development		22,952	5,956	9,215	393	5,967	4,622	1,344	29%	9,215
Road transport		14,758	13,020	13,020	256	2,203	8,680	(6,477)	-75%	13,020
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		<b>1,730,934</b>	<b>1,767,977</b>	<b>1,767,977</b>	<b>133,012</b>	<b>1,118,534</b>	<b>1,178,651</b>	(60,117)	-5%	<b>1,767,977</b>
Energy sources		1,163,247	1,164,299	1,164,299	77,894	672,319	776,199	(103,880)	-13%	1,164,299
Water management		352,402	398,115	398,115	33,892	278,583	265,410	13,173	5%	398,115
Waste water management		121,173	118,290	118,290	12,170	95,761	78,860	16,901	21%	118,290
Waste management		94,112	87,272	87,272	9,056	71,871	58,182	13,690	24%	87,272
<i><b>Other</b></i>	<b>4</b>	<b>10,104</b>	<b>11,092</b>	<b>11,092</b>	<b>1,057</b>	<b>7,450</b>	<b>7,395</b>	<b>56</b>	<b>1%</b>	<b>11,092</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>3,084,125</b>	<b>3,530,507</b>	<b>3,541,134</b>	<b>258,505</b>	<b>2,319,164</b>	<b>2,355,797</b>	<b>(36,633)</b>	<b>-2%</b>	<b>3,541,134</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>734,453</b>	<b>755,594</b>	<b>864,989</b>	<b>141,302</b>	<b>551,182</b>	<b>525,611</b>	25,571	5%	<b>864,989</b>
Executive and council		472,647	477,043	583,393	117,936	379,370	339,299	40,071	12%	583,393
Finance and administration		256,237	271,754	274,769	23,044	168,750	181,774	(13,025)	-7%	274,769
Internal audit		5,569	6,797	6,827	322	3,063	4,538	(1,475)	-33%	6,827
<i><b>Community and public safety</b></i>		<b>201,954</b>	<b>207,313</b>	<b>213,808</b>	<b>16,356</b>	<b>127,313</b>	<b>139,509</b>	(12,196)	-9%	<b>213,808</b>
Community and social services		48,586	49,027	51,177	3,946	30,714	33,115	(2,401)	-7%	51,177
Sport and recreation		66,863	63,043	63,143	5,556	41,760	42,049	(289)	-1%	63,143
Public safety		44,135	45,933	46,033	3,451	27,210	30,642	(3,432)	-11%	46,033
Housing		21,956	28,042	28,042	1,920	14,982	18,695	(3,713)	-20%	28,042
Health		20,412	21,267	25,412	1,483	12,648	15,008	(2,360)	-16%	25,412
<i><b>Economic and environmental services</b></i>		<b>170,731</b>	<b>183,093</b>	<b>192,175</b>	<b>12,535</b>	<b>114,734</b>	<b>123,880</b>	(9,146)	-7%	<b>192,175</b>
Planning and development		46,192	55,644	60,476	4,115	32,034	38,063	(6,029)	-16%	60,476
Road transport		123,669	126,551	130,801	8,348	82,084	85,218	(3,133)	-4%	130,801
Environmental protection		870	898	898	72	615	599	16	3%	898
<i><b>Trading services</b></i>		<b>1,666,267</b>	<b>1,753,665</b>	<b>1,896,203</b>	<b>202,162</b>	<b>1,149,208</b>	<b>1,195,094</b>	(45,886)	-4%	<b>1,896,203</b>
Energy sources		1,101,328	1,151,651	1,246,140	107,192	724,963	784,141	(59,177)	-8%	1,246,140
Water management		363,718	395,412	434,712	76,061	291,432	271,468	19,964	7%	434,712
Waste water management		122,085	119,433	128,183	10,491	79,945	81,372	(1,427)	-2%	128,183
Waste management		79,136	87,170	87,170	8,418	52,867	58,113	(5,246)	-9%	87,170
<i><b>Other</b></i>		<b>24,014</b>	<b>28,839</b>	<b>29,289</b>	<b>2,267</b>	<b>16,626</b>	<b>19,316</b>	<b>(2,690)</b>	<b>-14%</b>	<b>29,289</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>2,797,419</b>	<b>2,928,505</b>	<b>3,196,465</b>	<b>374,623</b>	<b>1,959,064</b>	<b>2,003,410</b>	<b>(44,347)</b>	<b>-2%</b>	<b>3,196,465</b>
<b>Surplus/ (Deficit) for the year</b>		<b>286,705</b>	<b>602,003</b>	<b>344,669</b>	<b>(116,118)</b>	<b>360,100</b>	<b>352,386</b>	<b>7,714</b>	<b>0.021891</b>	<b>344,669</b>



**NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February**

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	975,769	65,491	622,936	648,941	(26,005)	-4.0%	975,769
Vote 03 - Municipal Manager		-	-	2,759	-	-	552	(552)	-100.0%	2,759
Vote 04 - Corporate Services		5,391	6,161	6,161	273	3,696	4,108	(412)	-10.0%	6,161
Vote 05 - Community Services		134,820	124,361	128,361	10,830	85,194	83,707	1,487	1.8%	128,361
Vote 06 - Financial Services		701,887	710,111	710,111	54,796	532,226	473,407	58,819	12.4%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,868	462	7,017	5,679	1,339	23.6%	8,868
Vote 08 - Infrastructure And Services		1,666,568	1,709,105	1,709,105	126,653	1,068,095	1,139,403	(71,308)	-6.3%	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	3,541,134	258,505	2,319,164	2,355,797	(36,633)	-1.6%	3,541,134
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,615	60,855	60,895	4,544	39,098	40,578	(1,480)	-3.6%	60,895
Vote 02 - Municipal And General		400,410	403,603	507,863	112,378	329,325	289,921	39,404	13.6%	507,863
Vote 03 - Municipal Manager		24,274	27,854	32,626	2,191	19,394	19,524	(131)	-0.7%	32,626
Vote 04 - Corporate Services		71,184	82,140	75,840	6,179	47,127	53,501	(6,374)	-11.9%	75,840
Vote 05 - Community Services		321,918	337,272	343,767	28,066	208,381	226,148	(17,767)	-7.9%	343,767
Vote 06 - Financial Services		134,722	166,217	174,232	12,172	91,789	112,415	(20,627)	-18.3%	174,232
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	71,703	4,825	35,970	45,987	(10,018)	-21.8%	71,703
Vote 08 - Infrastructure And Services		1,724,624	1,782,750	1,929,538	204,266	1,187,980	1,215,334	(27,354)	-2.3%	1,929,538
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	3,196,465	374,623	1,959,064	2,003,410	(44,346)	-2.2%	3,196,465
Surplus/ (Deficit) for the year	2	286,705	602,003	344,669	(116,118)	360,100	352,386	7,714	2.2%	344,669

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	75,861	638,908	732,799	(93,892)	-13%	1,099,199
Service charges - Water		276,094	343,685	343,685	27,576	230,307	229,124	1,184	1%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,537	75,569	63,927	11,643	18%	95,890
Service charges - Waste management		75,114	72,271	72,271	7,105	56,746	48,181	8,565	18%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	16,455	870	11,728	10,737	991	9%	16,455
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		258,041	120,030	120,030	14,071	108,394	80,020	28,374	35%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	1,832	13,051	6,000	7,051	118%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		28,851	27,740	27,740	2,637	20,966	18,493	2,473	13%	27,740
Licence and permits		670	1,200	1,200	80	467	800	(333)	-42%	1,200
Operational Revenue		3,202	3,773	3,773	241	1,898	2,515	(618)	-25%	3,773
Non-Exchange Revenue										
Property rates		656,442	687,320	687,320	50,519	511,710	458,213	53,496	12%	687,320
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		56,767	32,143	32,143	3,854	20,604	21,429	(825)	-4%	32,143
Licence and permits		6,500	8,000	8,000	946	6,203	5,333	870	16%	8,000
Transfers and subsidies - Operational		501,707	299,271	311,530	899	214,392	201,966	12,426	6%	311,530
Interest		-	91,900	91,900	8,917	69,027	61,267	7,760	13%	91,900
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		49,299	50,900	50,900	848	23,564	33,933	(10,369)	-31%	50,900
Gains on disposal of Assets		17,071	-	-	-	1,285	-	1,285	#DIV/0!	-
Other Gains		(15,774)	-	-	17	151	-	151	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		2,925,084	2,958,278	2,971,037	205,810	2,004,969	1,974,737	30,232	2%	2,971,037
Expenditure By Type										
Employee related costs		894,291	950,863	952,667	70,203	564,006	634,272	(70,267)	-11%	952,667
Remuneration of councillors		33,869	37,077	37,077	2,778	23,491	24,718	(1,227)	-5%	37,077
Bulk purchases - electricity		787,457	897,300	910,118	53,509	543,671	598,239	(54,568)	-9%	910,118
Inventory consumed		269,884	319,605	318,837	19,181	198,059	212,918	(14,858)	-7%	318,837
Debt impairment		333,146	355,246	475,246	178,812	356,435	260,831	95,604	37%	475,246
Depreciation and amortisation		76,441	89,700	89,700	-	44,850	59,800	(14,950)	-25%	89,700
Interest		122,651	17,774	78,195	12,591	21,774	23,934	(2,160)	-9%	78,195
Contracted services		45,090	40,731	66,516	3,349	32,385	32,311	74	0%	66,516
Transfers and subsidies		2,526	3,660	3,660	-	1,259	2,440	(1,181)	-48%	3,660
Irrecoverable debts written off		-	-	-	(2)	-	-	-	-	-
Operational costs		142,363	151,549	172,511	12,626	113,523	105,227	8,296	8%	172,511
Losses on Disposal of Assets		1,022	-	-	-	-	-	-	-	-
Other Losses		88,679	65,000	91,938	21,576	59,612	48,721	10,891	22%	91,938
Total Expenditure		2,797,419	2,928,505	3,196,465	374,623	1,959,064	2,003,410	(44,346)	-2%	3,196,465
Surplus/(Deficit)		127,665	29,774	(225,428)	(168,812)	45,905	(28,673)	74,578	(0)	(225,428)
Transfers and subsidies - capital (monetary allocations)		159,040	572,229	570,097	52,695	314,195	381,060	(66,864)	(0)	570,097
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		286,705	602,003	344,669	(116,118)	360,100	352,386	7,714	0	344,669
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		286,705	602,003	344,669	(116,118)	360,100	352,386	7,714	0	344,669
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		286,705	602,003	344,669	(116,118)	360,100	352,386	7,714	0	344,669
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		286,705	602,003	344,669	(116,118)	360,100	352,386	7,714	0	344,669

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

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	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	1,500	2,500	-	-	750	(750)	-100%	2,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	3,500	-	525	3,033	(2,508)	-83%	3,500
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	143	1,333	(1,191)	-89%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	579,622	44,440	271,036	375,293	(104,256)	-28%	579,622
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	587,622	44,440	271,704	380,409	(108,705)	-29%	587,622
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,646	23,000	20,241	725	6,135	14,781	(8,647)	-58%	20,241
Vote 03 - Municipal Manager		-	2,349	-	(249)	-	1,219	(1,219)	-100%	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	41	1,531	1,473	58	4%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	2,511	-	246	1,902	(1,656)	-87%	2,511
Vote 08 - Infrastructure And Services		34,444	41,220	8,934	15	596	10,925	(10,329)	-95%	8,934
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	33,895	532	8,507	30,301	(21,794)	-72%	33,895
Total Capital Expenditure		176,438	613,729	621,518	44,973	280,211	410,711	(130,499)	-32%	621,518
Capital Expenditure - Functional Classification										
Governance and administration		12,646	24,500	22,741	725	6,135	15,531	(9,397)	-61%	22,741
Executive and council		12,646	24,500	22,741	725	6,135	15,531	(9,397)	-61%	22,741
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	7,210	5,710	41	2,056	4,507	(2,451)	-54%	5,710
Community and social services		-	5,000	3,500	-	525	3,033	(2,508)	-83%	3,500
Sport and recreation		-	2,210	2,210	41	1,531	1,473	58	4%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,228	48,519	44,407	1,952	25,498	28,974	(3,475)	-12%	44,407
Planning and development		24,020	5,849	3,761	(249)	143	3,605	(3,462)	-96%	3,761
Road transport		45,208	42,670	40,646	2,200	25,356	25,369	(13)	0%	40,646
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		94,564	532,000	547,910	42,255	246,277	360,849	(114,572)	-32%	547,910
Energy sources		27,354	6,000	6,000	968	3,689	4,000	(311)	-8%	6,000
Water management		62,534	517,500	515,410	41,286	242,326	344,582	(102,256)	-30%	515,410
Waste water management		4,676	8,500	26,500	-	261	12,267	(12,006)	-98%	26,500
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,500	750	-	246	850	(604)	-71%	750
Total Capital Expenditure - Functional Classification	3	176,438	613,729	621,518	44,973	280,211	410,711	(130,499)	-32%	621,518
Funded by:										
National Government		124,283	572,229	570,097	44,002	272,310	381,060	(108,749)	-29%	570,097
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		6,000	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private Enterprises,		-	-	-	-	-	-	-	-	-
Public Corporatons, Higher Educ Institutions)		17,073	-	-	-	-	-	-	-	-
Transfers recognised - capital		147,356	572,229	570,097	44,002	272,310	381,060	(108,749)	-29%	570,097
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	29,082	41,500	51,421	971	7,901	29,651	(21,750)	-73%	51,421
Total Capital Funding		176,438	613,729	621,518	44,973	280,211	410,711	(130,499)	-32%	621,518

**NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M08 February**

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		113,726	73,147	6,245	130,891	6,245
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,154,525	1,488,966	1,154,525
Receivables from non-exchange transactions		860,075	927,844	897,844	975,708	897,844
Current portion of non-current receivables		–	–	–	–	–
Inventory		112,013	60,701	60,701	110,816	60,701
VAT		155,736	155,542	155,542	189,484	155,542
Other current assets		638	129	129	699	129
<b>Total current assets</b>		<b>2,664,713</b>	<b>2,491,688</b>	<b>2,274,987</b>	<b>2,896,564</b>	<b>2,274,987</b>
<b>Non current assets</b>						
Investments						
Investment property		201,266	221,645	223,406	202,338	223,406
Property, plant and equipment		2,100,106	2,625,801	2,632,579	2,336,399	2,632,579
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,571	12,821	12,317	12,821
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		–	–	–	–	–
<b>Total non current assets</b>		<b>2,360,035</b>	<b>2,874,231</b>	<b>2,882,019</b>	<b>2,595,396</b>	<b>2,882,019</b>
<b>TOTAL ASSETS</b>		<b>5,024,748</b>	<b>5,365,919</b>	<b>5,157,006</b>	<b>5,491,960</b>	<b>5,157,006</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(14,788)	(14,788)	–	(14,788)
Consumer deposits		48,699	49,570	49,570	49,962	49,570
Trade and other payables from exchange transactions		642,151	1,286,802	1,286,802	579,869	1,286,802
Trade and other payables from non-exchange transactions		4,057	–	–	106,409	–
Provision		788	788	788	788	788
VAT		234,236	201,179	201,179	308,930	201,179
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>929,932</b>	<b>1,523,552</b>	<b>1,523,552</b>	<b>1,045,957</b>	<b>1,523,552</b>
<b>Non current liabilities</b>						
Financial liabilities		808,076	152,895	201,315	800,974	201,315
Provision		303,908	257,313	257,313	303,908	257,313
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
<b>Total non current liabilities</b>		<b>1,111,983</b>	<b>410,208</b>	<b>458,628</b>	<b>1,104,882</b>	<b>458,628</b>
<b>TOTAL LIABILITIES</b>		<b>2,041,915</b>	<b>1,933,760</b>	<b>1,982,180</b>	<b>2,150,839</b>	<b>1,982,180</b>
<b>NET ASSETS</b>	<b>2</b>	<b>2,982,833</b>	<b>3,432,159</b>	<b>3,174,826</b>	<b>3,341,121</b>	<b>3,174,826</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		2,908,029	3,368,093	3,110,760	3,266,317	3,110,760
Reserves and funds		74,804	64,066	64,066	74,804	64,066
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>2,982,833</b>	<b>3,432,159</b>	<b>3,174,826</b>	<b>3,341,121</b>	<b>3,174,826</b>

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M08 February


Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		507,798	676,122	676,122	54,156	315,534	450,748	(135,214)	-30%	676,122
Service charges		1,185,680	1,513,446	1,543,246	96,906	840,139	1,028,831	(188,691)	-18%	1,543,246
Other revenue		(54,233)	92,337	94,837	33,379	769,777	63,225	706,553	1118%	94,837
Transfers and Subsidies - Operational		306,662	299,271	311,530	681	220,175	207,687	12,488	6%	311,530
Transfers and Subsidies - Capital		142,936	572,229	570,097	–	410,764	380,065	30,699	8%	570,097
Interest		3,927	9,000	9,000	2,202	19,914	6,000	13,914	232%	9,000
Dividends								–		
<b>Payments</b>										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,633,324)	(221,058)	(2,271,403)	(1,755,549)	515,853	-29%	(2,633,324)
Interest		281	(17,774)	(78,195)	–	2,121	(52,130)	(54,250)	104%	(78,195)
Transfers and Subsidies		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(521,938)</b>	<b>598,846</b>	<b>493,313</b>	<b>(33,735)</b>	<b>307,021</b>	<b>328,875</b>	<b>21,854</b>	<b>7%</b>	<b>493,313</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		17,071	–	–	–	1,285	–	1,285	#DIV/0!	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments								–		
<b>Payments</b>										
Capital assets		(176,438)	(613,729)	(621,518)	(44,973)	(280,211)	(414,345)	(134,134)	32%	(621,518)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(159,367)</b>	<b>(613,729)</b>	<b>(621,518)</b>	<b>(44,973)</b>	<b>(278,926)</b>	<b>(414,345)</b>	<b>(135,419)</b>	<b>33%</b>	<b>(621,518)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								–		
Borrowing long term/refinancing		661,955	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		(1,569)	2,000	2,000	(10)	85	1,333	(1,249)	-94%	2,000
<b>Payments</b>										
Repayment of borrowing		–	(14,788)	(14,788)	–	–	(9,858)	(9,858)	100%	(14,788)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>660,387</b>	<b>(12,788)</b>	<b>(12,788)</b>	<b>(10)</b>	<b>85</b>	<b>(8,525)</b>	<b>(8,610)</b>	<b>101%</b>	<b>(12,788)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(20,918)</b>	<b>(27,670)</b>	<b>(140,992)</b>	<b>(78,718)</b>	<b>28,180</b>	<b>(93,995)</b>			<b>(140,992)</b>
Cash/cash equivalents at beginning:		109,536	100,817	100,817	220,624	113,726	100,817			113,726
Cash/cash equivalents at month/year end:		88,618	73,147	(40,175)	141,907	141,907	6,822			(27,266)

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Adjustment 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 R130,891 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>			
Municipality Self-Assessment			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period	Feb'25		
National Financial Year	2024/25		
Demarcation Code of Municipality being assessed	NC091		
District	Frances Baard		
Demarcation Description	Sol Plaatje		
I, <b>Bartholomew Mattala</b> 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) <span>Choose from drop down list</span>			
Condition	6.3+ Maintaining the Eskom and bulk water current account – 6.12 (current account for the purpose of this exercise means the account for a single month's consumption):		
1	6.12.2 - Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No	The municipality did not have sufficient cash available to settle the current account for January 2025 amounting to R20,396 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 <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	No	No payment was made, hence no POP could be submitted to the Department
3	6.12.2 - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	The invoice for January 2025 was timeously authorised on the system, but remained unpaid due to insufficient cash available.
4	6.3.1 - Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes	The municipality settled an amount of R73,853 million on January 2025 account excluding interest of R1,879 million (R25,000m on 26/02/2025 and R48,853 on 27/02/2025). Total invoice amount was R75,732 million The outstanding balance is R1,879 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 <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	Yes	
6	6.3.4 - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)			
7	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	Yes	
8	6.4.1 - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
9	6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to "balance" the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes	
10	6.4.1 - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	Yes	
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)? <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>	NA - the MTREF is funded	
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

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 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?	Not yet end of quarter
6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following : <i>one "underperformance" area/area 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</i>		
20	6.7.2.1	- the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
21	6.7.2.2	- the municipality before or temporary water connection 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	Does not have function
22	6.7.2.3	- the municipality before or temporary water connection 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	not yet the end of a quarter
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://downloadportal.treasury.gov.za?">https://downloadportal.treasury.gov.za?</a>	Yes

Total smart prepaid meter installations February 2025 = 3,608  
YTD installations = 11,995



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 proviso error and must refer to 6.9.1</i>	Yes
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ? <i>Note – a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP
6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ? <i>Note: In the case of a non-delegated municipality to the National Treasury, in the case of the relevant provincial treasury.</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? <i>Note - there is a prohibition on municipality 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>	No
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? <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>	No
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? <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>	Yes

PT: HOD/ NT / MM Name: BS Matlala

Signature of HOD/ NT/ MM:

Date:

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

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

## 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 28 February 2025.

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 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.Jul 2024	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	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	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	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	No	No	No	No	No	No	Yes	No	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	No	No	No	No	No	Yes	Yes	No	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	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	No	No	No	No	No	No	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	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	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	Non Compliance	
8.Feb 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	No	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	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	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	No	Yes	No	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	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	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	78%	Non Compliance		

Monthly Performance Report																																																	
Municipal Details			Part A					Part B					Part C		Part D				Part E					Part F																									
			Eskom And Bulk water current account					Compliance with a funded MTREF					FRP/BFP & Tariff Assessment		Electricity and water as collection tools				Quarterly collection of property rates and services charges					Maximization of Revenue Base			Oversight								Compliance Status														
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score					
1.July	Sol Plaatje	NC091																																											0%		Non Compliance		
2.August	Sol Plaatje	NC091																																													0%		Non Compliance
3.September	Sol Plaatje	NC091																																													0%		Non Compliance
4.October '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	No	Yes	Yes	No	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	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	Yes	Yes	No	85%		Non Compliance	
6.December	Sol Plaatje	NC091	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	68%		Non Compliance
7.January	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%		Non Compliance
8.February	Sol Plaatje	NC091	No	No	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	No	No	Yes	Yes	No	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 was standing at 83% compliance. However, it should be noted that some of the conditions are required to be reported on, on a quarterly basis and is therefore reported as “not yet end of quarter”. This increased the percentage achieved. These are the major factors that negatively influenced the performance for the month under review.

- ❖ 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 municipality could not settle the payment arrangement instalment of R6.7 million which was due at the end of January 2025. The municipality should have settled the arrear debt due to DWS by the end of January 2025.
- ❖ Revenue collection must remain a key focus point. The average collection rate calculated by the municipality is standing at 75.8% for the month of February 2025, 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. The monthly collection rate per ward is 74%, below the norm of 85% as well. The collection rate is one of the items that gets reported on, on a quarterly basis in terms of Compliance certificate Annexure B.
- ❖ A tangible solution must be sought for the interrupting or restricting of water supply. The majority of properties have conventional water meters installed. These are old meters that do not have the capability or functionality to restrict and/or interrupt the supply of water. The current infrastructure design and connection hampers the municipality from effecting this for one property only. The Municipality planned to install about 15 000 new water meters funded through Reginal Bulk Infrastructure Grant programme which is underway and would explore the procurement of the requisite functionality and technology to restrict water to 6 Kilolitre indigent subsidised quota.
- ❖ 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 did not first apply this to the payments due to DWS.
- ❖ 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.

**Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: February 2025**

## 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 January 2025 is attached to this S71 report.

Here are the specific recommendations for January 2025 according to the monitoring tool:

### Recommendations:

To improve compliance with the Municipal Debt Relief Programme and ensure long-term financial sustainability, Sol Plaatje Local Municipality should implement the following measures:

#### **Enhance Revenue Collection and Credit Control Measures**

Strengthen enforcement of the Credit Control and Debt Collection Policy to improve collection rates, particularly in Eskom-supplied areas. Implement stricter measures such as cut-off strategies, debt recovery enforcement, and automated billing accuracy improvements to ensure revenue stability. Achieving a quarterly collection rate of 85% should remain a top priority.

#### **Prioritize the Settlement of Bulk Service Accounts**

Address the ongoing challenge of non-payment to Eskom and the Department of Water and Sanitation (DWS) by implementing cash flow forecasting tools and ensuring ring-fencing of funds for electricity and water payments. Settling arrears and maintaining up-to-date payments will secure the one-third debt write-off and prevent legal or credit control actions from bulk suppliers.

#### **Implement a Cost-Reflective Tariff Model**

Accelerate the integration of a cost-reflective tariff tool to align service charges with the actual cost of operations and maintenance. This will stabilize municipal revenue, support sustainable financial planning, and ensure long-term fiscal resilience without placing an excessive financial burden on residents.

#### **Improve Financial Oversight and Compliance Reporting**

Strengthen internal controls and compliance monitoring with MFMA Circular 124 conditions, ensuring adherence to reporting requirements such as monthly bank reconciliations, transparent financial disclosures, and submission of compliance documentation to National Treasury via the GoMuni system. Timely and accurate reporting will enhance stakeholder confidence and governance transparency.

#### **Strengthen Cash Flow and Liquidity Management**

Establish a contingency reserve fund to manage financial shortfalls during high-expenditure periods. This will ensure that critical payments, such as bulk services and debt repayments, are met on time. The municipality should also work towards increasing daily cash collections through innovative revenue enhancement strategies.

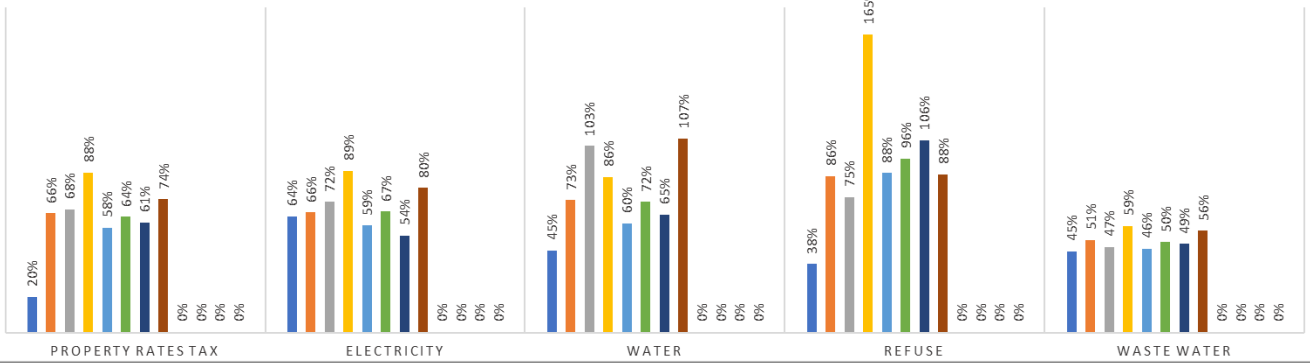
By implementing these recommendations, Sol Plaatje Local Municipality can significantly improve its financial health, ensure compliance with debt relief programme conditions, and secure long-term fiscal stability and service delivery efficiency.

## **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**

## % MONTHLY COLLECTION PERFORMANCE

July August September October November December January February March April May June



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

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

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q3	Summary - Quarter 4				Q4
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	647,395,914	336,912,509	310,483,405	52%	52%	499,386,541	348,726,098	150,660,443	70%	70%	328,189,565	221,361,984	106,827,581	67%	67%	-	-	-	-	#DIV/0!
2.Collection <u>excl Eskom supplied areas</u>	555,255,631	300,589,830	254,665,801	54%	54%	429,664,286	307,092,063	122,572,222	71%	71%	293,167,905	195,919,400	97,248,505	67%	67%	-	-	-	-	#DIV/0!
3.Collection <b>Property Rates</b>	258,600,294	120,105,002	138,495,292	46%	46%	151,660,484	110,566,185	41,094,299	73%	73%	101,036,488	87,277,774	13,758,714	86%	86%	-	-	-	-	#DIV/0!
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	203,550,128	153,411,100	50,139,028	75%	75%	136,929,563	156,087,365	(20,157,802)	110%	110%	88,028,606	84,532,586	3,496,020	96%	96%	-	-	-	-	#DIV/0!
5.Total average collection: <b>Water</b>	73,414,201	35,225,878	38,188,323	48%	48%	95,813,358	49,310,692	46,502,666	51%	51%	60,414,384	31,707,441	28,706,953	52%	52%	-	-	-	-	#DIV/0!
6.Total average collection: <b>Wastewater</b>	26,960,122	12,259,704	14,700,417	45%	45%	27,047,194	13,390,208	13,656,986	50%	50%	18,458,626	7,875,098	10,581,528	43%	43%	-	-	-	-	#DIV/0!
7.Total average collection: <b>Refuse</b>	21,599,092	10,655,712	10,943,380	49%	49%	21,540,395	11,969,409	9,570,986	56%	56%	14,707,594	7,129,363	7,578,231	48%	48%	-	-	-	-	#DIV/0!
8.Total average collection: <b>Interest</b>	63,272,078	5,255,113	58,016,965	8%	8%	67,395,548	7,402,238	59,993,308	11%	11%	45,545,857	2,839,721	42,706,135	6%	6%	-	-	-	-	#DIV/0!

Description	Jun-24	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%	55%	81%	59%
Revised average collection rate (SPLM)	80%	44%	58%	65%	72%	72%	76%	75%	76%
Collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%	64%	61%	74%
Collection rate per Ward (Quarterly)	79%	-	-	52%	-	-	70%		

The monthly collection rate per ward is a major concern and it not at a desired level, although this has improved for the month under review from 61% to 74%. The quarterly collection rate for the first quarter, is distorted due to the annual billing on Property rates. The average collection rate calculated by the municipality for January 2025 is 75.8%, which is slightly higher due to prepaid electricity sales and unallocated credits being taken into consideration. The outcome 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	Q2	7.January - Reporting for December in January				8.February - Reporting for January in February				Q3	Summary - Quarter 3				Q1
				Billing For December	Collection in January	R - Billing not collected	% Collection	Billing For January	Collection in February	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation		52%	70%	161,197,344	98,331,229	65,401,518	61%	166,992,222	123,030,755	47,688,373	74%	328,189,565	221,361,984	106,827,581	67%	67%	
2.Collection <u>excl Eskom supplied areas</u>		54%	71%	146,761,841	78,676,523	69,030,790	54%	146,406,064	117,242,877	47,645,026	80%	293,167,905	195,919,400	97,248,505	67%	67%	
3.Collection: <b>Property Rates</b>		46%	73%	50,510,532	33,024,912	17,485,620	65%	50,525,956	54,252,862	0	107%	101,036,488	87,277,774	13,758,714	86%	86%	
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)		75%	115%	39,142,031	41,677,433	0	106%	48,886,576	42,855,153	6,031,423	88%	88,028,606	84,532,586	3,496,020	96%	96%	
5.Total average collection: <b>Water</b>		48%	51%	32,465,237	15,953,927	16,511,310	49%	27,949,156	15,753,514	12,195,643	56%	60,414,384	31,707,441	28,706,953	52%	52%	
6.Total average collection: <b>Wastewater</b>		45%	50%	9,206,409	3,363,880	5,842,529	37%	9,250,217	4,511,217	4,738,999	49%	18,456,626	7,875,098	10,581,528	43%	43%	
7.Total average collection: <b>Refuse</b>		49%	56%	7,321,801	3,199,574	4,122,226	44%	7,385,794	3,929,789	3,456,004	53%	14,707,594	7,129,363	7,578,231	48%	48%	
8.7 Total average collection: <b>Interest</b>			11%	22,551,334	1,111,501	21,439,832	5%	22,994,523	1,728,220	21,266,303	8%	45,545,857	2,839,721	42,706,135	6%	6%	

Complete This Section			Quart er 1	Quart er 2	Quarter 3 Performance Per Ward																						
Services	Electricity Supplier	Ward Name & Number	Q1	Q2	7 January				8 February				Billing For December	Collection for December in January	Rand Value of Billing not collected	% Collection	Billing For January	Collection for January in February	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q3		
Property Rates Tax	Mun Supplied	Ward 1 - Plettenberg, Santal Mambo, Legatso (Leithabo Park)	44%	166%	144,065	35,315	108,750	25%	144,065	22,018	122,047	15%	288,130	57,334	230,796	20%	20%	288,130	57,334	230,796	20%	20%	288,130	57,334	230,796	20%	20%
Electricity			48%	114%	1,304,187	1,499,743	0	115%	1,123,863	1,055,478	68,385	94%	2,428,050	2,555,222	(127,172)	105%	105%	2,428,050	2,555,222	(127,172)	105%	105%	2,428,050	2,555,222	(127,172)	105%	105%
Water			41%	84%	1,336,819	1,679,688	0	126%	985,334	127,144	858,190	13%	2,322,153	1,806,832	515,321	78%	78%	2,322,153	1,806,832	515,321	78%	78%	2,322,153	1,806,832	515,321	78%	78%
Refuse			35%	49%	76,146	56,562	19,584	74%	71,576	12,657	58,919	18%	147,722	69,218	78,504	47%	47%	147,722	69,218	78,504	47%	47%	147,722	69,218	78,504	47%	47%
Waste Water			74%	14%	89,643	9,202	80,441	10%	86,203	8,749	77,454	10%	175,846	17,952	157,895	10%	10%	175,846	17,952	157,895	10%	10%	175,846	17,952	157,895	10%	10%
Interest			5%	3%	507,137	2,827	504,310	1%	521,911	15,409	506,502	3%	1,029,047	18,236	1,010,812	2%	2%	1,029,047	18,236	1,010,812	2%	2%	1,029,047	18,236	1,010,812	2%	2%
Property Rates Tax	Mun Supplied	Ward 2 - Rooibospan	54%	49%	974,788	412,420	562,368	42%	975,713	415,206	560,507	43%	1,950,501	827,626	1,122,876	42%	42%	974,788	412,420	562,368	42%	42%	974,788	412,420	562,368	42%	42%
Electricity			69%	77%	393,734	164,789	228,945	42%	218,940	330,351	0	151%	612,674	495,140	117,534	81%	81%	393,734	164,789	228,945	42%	42%	393,734	164,789	228,945	42%	42%
Water			37%	32%	1,046,736	191,364	855,372	18%	722,123	333,479	388,644	46%	1,768,860	524,844	1,244,016	30%	30%	1,046,736	191,364	855,372	18%	18%	1,046,736	191,364	855,372	18%	18%
Refuse			46%	46%	268,586	96,617	171,970	36%	269,622	98,383	171,239	36%	538,208	194,999	343,209	36%	36%	268,586	96,617	171,970	36%	36%	268,586	96,617	171,970	36%	36%
Waste Water			46%	44%	389,090	125,101	263,989	32%	390,570	145,843	244,726	37%	779,660	270,945	508,715	35%	35%	389,090	125,101	263,989	32%	32%	389,090	125,101	263,989	32%	32%
Interest			5%	5%	753,831	15,200	738,631	2%	769,675	18,568	751,107	2%	1,523,506	33,768	1,489,738	2%	2%	753,831	15,200	738,631	2%	2%	753,831	15,200	738,631	2%	2%
Property Rates Tax	Mun Supplied	Ward 3 - Homevale, Homevale, Homestead, Sothaplatshe RE, Ramona	53%	41%	638,361	267,209	371,152	42%	638,361	230,753	407,608	36%	1,276,722	497,962	778,760	39%	39%	638,361	267,209	371,152	42%	42%	638,361	267,209	371,152	42%	42%
Electricity			41%	114%	127,726	43,166	84,560	34%	139,337	54,356	84,981	39%	267,063	97,522	169,540	37%	37%	127,726	43,166	84,560	34%	34%	127,726	43,166	84,560	34%	34%
Water			23%	27%	657,880	136,797	521,083	21%	542,663	158,159	384,504	29%	1,200,543	294,957	905,586	25%	25%	657,880	136,797	521,083	21%	21%	657,880	136,797	521,083	21%	21%
Refuse			43%	40%	184,099	78,096	106,003	42%	183,581	65,922	117,659	36%	367,680	144,017	223,662	39%	39%	184,099	78,096	106,003	42%	42%	184,099	78,096	106,003	42%	42%
Waste Water			42%	41%	263,813	110,016	153,796	42%	263,073	90,660	172,413	34%	526,886	200,677	326,209	38%	38%	263,813	110,016	153,796	42%	42%	263,813	110,016	153,796	42%	42%
Interest			7%	8%	493,341	35,462	457,878	7%	504,747	11,889	492,858	2%	998,087	47,352	950,736	3%	3%	493,341	35,462	457,878	7%	7%	493,341	35,462	457,878	7%	7%
Property Rates Tax	Mun Supplied	Ward 4 - Vrengomog Ext 4, Vrengomog Ext 4, Vrengomog 3, Vrengom																									

Complete This Section			Quart er 1	Quart er 2	Quarter 3 Performance Per Ward												
Services	Electricity Supplier	Ward Name & Number	Q1	Q2	7.January				8.February				Billing	Collection	R - Billing not collected	% Collection	Q3
					Billing For December	Collection for December in January	Rand Value of Billing not collected	% Collection	Billing For January	Collection for January in February	Rand Value of Billing not collected	% Collection					
Property Rates Tax	Mun Supplied	Ward 9 - Bopape, Rietveld Rietveld	42%	58%	781,027	402,267	378,760	52%	781,027	1,443,495	0	185%	1,562,053	1,845,762	(283,709)	118%	118%
Electricity			68%	87%	159,948	110,952	48,997	69%	155,494	109,992	45,502	71%	315,442	220,944	94,498	70%	70%
Water			50%	50%	654,770	220,297	434,473	34%	596,942	271,134	325,808	45%	1,251,712	491,431	760,281	39%	39%
Refuse			61%	65%	167,894	95,792	72,102	57%	167,922	115,299	52,623	69%	335,816	211,091	124,725	63%	63%
Waste Water			57%	55%	240,142	136,837	103,305	57%	240,142	150,544	89,598	63%	480,284	287,380	192,903	60%	60%
Interest			10%	4%	420,443	18,549	401,894	4%	425,335	28,505	396,830	7%	845,778	47,055	798,724	6%	6%
Property Rates Tax	Mun Supplied	Ward 10 - Tlokweng Vergoeding Ext 5	79%	65%	388,214	133,669	254,546	34%	387,680	139,630	248,050	36%	775,895	273,299	502,596	35%	35%
Electricity			75%	96%	528,351	352,518	175,833	67%	510,235	399,023	111,212	78%	1,038,586	751,541	287,045	72%	72%
Water			36%	30%	530,566	97,183	433,383	18%	437,609	151,001	286,608	35%	968,175	248,184	719,991	26%	26%
Refuse			46%	42%	174,395	56,168	118,228	32%	173,358	66,681	106,677	38%	347,754	122,849	224,905	35%	35%
Waste Water			44%	38%	226,332	67,739	158,593	30%	224,874	71,066	153,808	32%	451,206	138,805	312,401	31%	31%
Interest			9%	7%	403,348	6,966	396,383	2%	413,807	9,234	404,573	2%	817,155	16,200	800,956	2%	2%
Property Rates Tax	Mun Supplied	Ward 11 - Rietveld, Aganang, Vergoeding Ext 6, Vergoeding Ext 8	30%	38%	145,151	71,501	73,650	49%	145,151	2,733,695	0	1883%	290,302	2,805,196	(2,514,894)	966%	966%
Electricity			37%	99%	244,331	13,917	230,414	6%	240,675	398,303	0	165%	455,006	412,220	42,786	91%	91%
Water			24%	17%	464,554	67,184	397,371	14%	441,456	230,601	210,855	52%	906,010	297,785	608,225	33%	33%
Refuse			33%	30%	127,683	36,547	91,136	29%	127,553	70,766	56,787	55%	255,236	107,313	147,923	42%	42%
Waste Water			36%	28%	206,060	51,597	154,462	25%	205,875	129,770	76,105	63%	411,935	181,367	230,568	44%	44%
Interest			2%	3%	389,103	13,033	376,070	3%	393,348	9,474	383,874	2%	787,451	22,506	764,944	3%	3%
Property Rates Tax	Mun Supplied	Ward 12 - KwaBotshelo, Ext 1, KwaBotshelo, Galeshewe Ext 2	27%	48%	297,936	458,999	0	154%	297,936	136,184	161,752	46%	595,873	595,183	689	100%	100%
Electricity			41%	85%	121,775	39,138	82,637	32%	114,116	128,851	0	113%	235,890	167,989	67,901	71%	71%
Water			27%	27%	549,265	78,707	470,558	14%	488,631	121,921	366,710	25%	1,037,896	200,628	837,268	19%	19%
Refuse			37%	41%	141,811	46,874	94,936	33%	141,681	57,143	84,538	40%	283,492	104,017	179,474	37%	37%
Waste Water			37%	40%	200,809	61,459	139,350	31%	200,624	87,171	113,453	43%	401,433	148,629	252,804	37%	37%
Interest			6%	4%	402,725	129,394	273,331	32%	410,002	13,602	396,400	3%	812,727	142,996	669,731	18%	18%
Property Rates Tax	Mun Supplied	Ward 13 - Santa Caterina, Galeshewe Ext 6, Galeshewe Ext 7, Galeshewe Ext 8	73%	68%	252,622	170,513	82,108	67%	252,622	696,130	0	276%	506,243	866,643	(361,400)	172%	172%
Electricity			83%	95%	486,985	424,270	62,715	87%	474,118	426,958	47,160	90%	961,103	851,228	109,875	89%	89%
Water			24%	22%	400,263	51,101	349,163	13%	298,196	103,835	194,361	35%	698,460	154,936	543,524	22%	22%
Refuse			48%	36%	75,495	22,144	53,351	29%	75,625	27,289	48,336	36%	151,120	49,403	101,687	33%	33%
Waste Water			53%	44%	120,859	30,032	90,827	25%	121,044	43,970	77,074	36%	241,903	74,002	167,901	31%	31%
Interest			6%	3%	268,648	3,831	264,816	1%	273,486	4,718	268,768	2%	542,133	8,549	533,584	2%	2%
Property Rates Tax	Mun Supplied	Ward 14 - Nuthouse, Galeshewe, Galeshewe, Galeshewe, Galeshewe, Fibers, Utility, Antennum	43%	72%	1,346,847	868,786	478,061	65%	1,346,594	1,008,424	338,169	75%	2,603,441	1,877,210	816,230	70%	70%
Electricity			77%	109%	1,796,612	867,519	929,093	48%	1,757,637	2,265,157	0	129%	3,554,249	3,132,677	421,572	88%	88%
Water			63%	70%	833,844	376,072	457,772	45%	789,512	604,285	185,226	77%	1,623,355	980,357	642,998	60%	60%
Refuse			75%	93%	345,001	159,677	149,324	57%	344,397	295,413	48,984	86%	689,398	499,109	190,288	71%	71%
Waste Water			65%	68%	325,217	165,680	159,538	51%	324,381	229,963	94,418	71%	649,598	395,642	253,956	61%	61%
Interest			8%	9%	791,890	27,340	764,550	3%	798,879	65,518	733,361	8%	1,590,769	92,858	1,497,911	6%	6%
Property Rates Tax	Mun Supplied	Ward 15 - Isipingo, Phomeng, Phomeng, Phomeng Phomeng, Phomeng Phomeng, Phomeng	38%	34%	304,490	113,131	191,358	37%	304,870	1,584,600	0	520%	609,359	1,697,731	(1,088,372)	279%	279%
Electricity			91%	95%	105,246	88,119	17,127	84%	310,436	102,538	207,898	33%	415,681	190,656	225,025	46%	46%
Water			22%	12%	1,029,026	75,786	953,240	7%	693,888	79,220	614,669	11%	1,722,914	155,006	1,567,908	9%	9%
Refuse			28%	23%	151,776	33,844	117,932	22%	152,811	30,433	122,379	20%	304,587	64,277	240,311	21%	21%
Waste Water			29%	24%	215,474	49,067	166,407	23%	216,953	52,698	164,255	24%	432,427	101,765	330,662	24%	24%
Interest			4%	1%	478,571	4,411	474,159	1%	497,027	14,395	482,631	3%	975,597	18,807	956,791	2%	2%
Property Rates Tax	Mun Supplied	Ward 16 - Phumani Gemistry, Phumani Phumani, Phumani Phumani, Phumani Phumani, Phumani	11%	13%	155,470	18,156	137,313	12%	155,339	14,952	140,587	10%	311,008	33,108	277,900	11%	11%
Electricity			1%	-157%	2,913	79	2,834	3%	2,913	93	2,820	3%	5,826	172	5,654	3%	3%
Water			6%	5%	623,807	22,023	601,783	4%	457,969	19,760	438,209	4%	1,081,775	41,783	1,039,992	4%	4%
Refuse			10%	13%	160,128	29,317	130,812	18%	160,258	10,738	149,520	7%	320,386	40,054	280,332	13%	13%
Waste Water			10%	13%	230,212	31,952	198,260	14%	230,397	15,137	215,260	7%	460,609	47,089	413,520	10%	10%
Interest			1%	2%	486,384	3,559	482,824	1%	501,391	2,212	499,180	0%	987,775	5,771	982,004	1%	1%





Complete This Section			Quart er 1	Quart er 2	Quarter 3 Performance Per Ward												
Services	Electricity Supplier	Ward Name & Number	Q1	Q2	7 January				8 February								Q3
					Billing For December	Collection for December in January	Rand Value of Billing not collected	% Collection	Billing For January	Collection for January in February	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
Property Rates Tax			54%	75%	1,672,132	1,154,019	518,112	69%	1,672,132	3,322,149	0	199%	3,344,263	4,476,168	(1,131,905)	134%	134%
Electricity			89%	98%	1,126,203	990,258	135,946	88%	1,072,079	1,114,777	0	104%	2,198,283	2,105,035	93,248	96%	96%
Water			120%	75%	1,055,006	641,917	413,089	61%	994,852	883,026	111,826	89%	2,049,857	1,524,943	524,914	74%	74%
Refuse			72%	77%	186,789	121,887	64,902	65%	187,178	146,636	40,542	78%	373,967	268,523	105,444	72%	72%
Waste Water			69%	76%	245,903	154,735	91,168	63%	246,087	206,835	39,252	84%	491,990	361,571	130,420	73%	73%
Interest			9%	7%	371,952	31,490	340,462	8%	380,388	19,546	360,842	5%	752,340	51,035	701,305	7%	7%
Property Rates Tax			21%	56%	6,504,931	2,820,501	3,684,430	43%	6,504,156	2,912,132	3,592,024	45%	13,009,087	5,793,633	7,276,453	44%	44%
Electricity			85%	146%	(3,505,912)	11,622,794	0	-332%	4,282,440	1,584,839	2,697,601	37%	776,528	13,207,633	(12,431,105)	1701%	1701%
Water			56%	47%	4,719,422	4,488,483	230,939	95%	2,831,310	810,444	2,020,866	29%	7,550,732	5,298,926	2,251,806	70%	70%
Refuse			31%	39%	442,050	205,597	236,453	47%	478,014	133,599	344,415	28%	920,065	339,197	580,868	37%	37%
Waste Water			28%	27%	480,574	76,130	404,444	16%	482,194	128,114	354,079	27%	962,768	204,244	758,524	21%	21%
Interest			13%	11%	3,461,248	157,428	3,303,820	5%	3,522,752	53,843	3,468,909	2%	6,984,000	211,271	6,772,729	3%	3%
Property Rates Tax			38%	102%	232,548	242,419	0	104%	234,613	127,927	106,686	55%	467,160	370,346	96,814	79%	79%
Electricity			8%	159%	7,654	636	7,018	8%	37,211	636	36,574	2%	44,865	1,272	43,592	3%	3%
Water			1%	3%	740,072	5,701	734,371	1%	826,730	7,878	818,852	1%	1,566,802	13,579	1,553,223	1%	1%
Refuse			2%	7%	158,880	4,082	154,798	3%	165,421	9,546	155,875	6%	324,301	13,628	310,673	4%	4%
Waste Water			2%	4%	253,025	5,745	247,280	2%	262,205	14,324	247,881	5%	515,231	20,069	495,162	4%	4%
Interest			2%	3%	941,010	25,190	915,820	3%	959,113	4,595	954,518	0%	1,900,123	29,785	1,870,338	2%	2%
Property Rates Tax			69%	68%	2,690,787	1,906,350	784,437	71%	2,691,697	1,689,700	1,001,997	63%	5,382,484	3,596,050	1,786,434	67%	67%
Electricity			73%	141%	5,672,631	3,148,328	2,524,304	56%	6,079,263	7,889,287	0	130%	11,751,894	11,037,614	714,280	94%	94%
Water			54%	91%	1,876,806	562,319	1,314,487	30%	651,410	1,548,413	0	238%	2,528,217	2,110,733	417,484	83%	83%
Refuse			62%	65%	298,096	159,758	138,338	54%	299,148	189,133	110,015	63%	597,244	348,891	248,353	58%	58%
Waste Water			59%	60%	360,567	180,463	180,104	50%	362,231	210,276	151,954	58%	722,798	390,739	332,059	54%	54%
Interest			4%	10%	1,149,303	49,568	1,099,735	4%	1,158,576	153,960	1,004,616	13%	2,307,880	203,529	2,104,351	9%	9%
Property Rates Tax			23%	32%	121,558	33,575	87,983	28%	121,558	34,034	87,524	28%	243,115	67,608	175,507	28%	28%
Electricity			54%	90%	43,592	31,024	12,568	71%	38,557	29,840	8,716	77%	82,149	60,865	21,284	74%	74%
Water			19%	19%	151,537	62,158	89,379	41%	104,604	21,469	83,135	21%	256,141	83,627	172,514	33%	33%
Refuse			31%	24%	47,211	10,936	36,274	23%	47,211	10,595	36,616	22%	94,422	21,532	72,890	23%	23%
Waste Water			29%	25%	66,064	16,213	49,851	25%	66,064	13,749	52,315	21%	132,128	29,962	102,166	23%	23%
Interest			2%	1%	274,413	2,768	271,645	1%	280,205	3,793	276,412	1%	554,618	6,562	548,056	1%	1%
Property Rates Tax			16%	13%	303,558	50,415	253,143	17%	304,577	86,648	217,929	28%	608,135	137,063	471,072	23%	23%
Electricity			91%	27%	59,231	11,704	47,527	20%	63,578	59,711	3,866	94%	122,809	71,415	51,394	58%	58%
Water			12%	8%	532,655	26,093	506,562	5%	423,106	54,229	368,877	13%	955,761	80,322	875,439	8%	8%
Refuse			11%	12%	173,587	20,262	153,326	12%	176,498	21,229	155,268	12%	350,085	41,491	308,594	12%	12%
Waste Water			10%	12%	278,505	26,556	251,949	10%	285,172	26,944	258,228	9%	563,677	53,500	510,177	9%	9%
Interest			1%	1%	807,953	2,780	805,173	0%	830,214	3,857	826,357	0%	1,638,168	6,637	1,631,530	0%	0%
Property Rates Tax			13%	28%	212,908	48,334	164,574	23%	212,908	64,403	148,505	30%	425,816	112,737	313,079	26%	26%
Electricity			6%	11%	16,983	811	16,172	5%	16,790	326	16,465	2%	33,773	1,137	32,637	3%	3%
Water			8%	8%	855,354	46,821	808,533	5%	594,643	67,955	526,688	11%	1,449,997	114,776	1,335,221	8%	8%
Refuse			15%	19%	222,132	26,423	195,710	12%	222,132	37,306	184,826	17%	444,265	63,729	380,536	14%	14%
Waste Water			15%	19%	311,711	37,394	274,317	12%	311,711	61,540	250,171	20%	623,422	98,934	524,487	16%	16%
Interest			2%	2%	550,481	6,205	544,276	1%	564,428	12,749	551,679	2%	1,114,909	18,954	1,095,955	2%	2%
Property Rates Tax			38%	16%	104,868	17,107	87,762	16%	104,868	17,226	87,643	16%	209,737	34,332	175,404	16%	16%
Electricity			14%	15%	102,860	13,898	88,962	14%	100,389	34,461	65,927	34%	203,249	48,359	154,889	24%	24%
Water			10%	5%	819,702	22,346	797,356	3%	711,433	36,035	675,398	5%	1,531,135	58,381	1,472,754	4%	4%
Refuse			16%	16%	85,321	9,807	75,514	11%	86,097	10,955	75,142	13%	171,418	20,762	150,656	12%	12%
Waste Water			16%	16%	116,028	14,976	101,052	13%	117,057	14,570	102,486	12%	233,085	29,547	203,539	13%	13%
Interest			3%	1%	325,121	2,431	322,691	1%	333,202	8,685	324,516	3%	658,323	11,116	647,207	2%	2%
Property Rates Tax			43%	52%	457,266	245,135	212,131	54%	457,862	271,182	186,681	59%	915,128	516,317	398,811	56%	56%
Electricity			76%	102%	212,530	202,447	10,083	95%	196,409	218,053	0	111%	408,939	420,501	(11,562)	103%	103%
Water			29%	26%	734,448	141,257	593,191	19%	495,112	218,417	276,695	44%	1,229,559	359,674	869,885	29%	29%
Refuse			35%	38%	172,855	52,668	120,187	30%	173,243	61,511	111,732	36%	346,097	114,179	231,919	33%	33%
Waste Water			31%	32%	218,227	58,436	159,791	27%	218,667	75,020	143,646	34%	436,894	133,456	303,438	31%	31%
Interest			2%	2%	503,516	8,545	494,970	2%	509,380	12,592	496,788	2%	1,012,896	21,138	991,758	2%	2%
Property Rates Tax			23%	60%	138,946	54,732	84,214	39%	138,946	156,540	0	113%	277,893	211,272	66,620	76%	76%
Electricity			70%	150%	21,643	9,108	12,535	42%	39,030	29,814	9,216	76%	60,672	38,922	21,750	64%	64%
Water			10%	14%	22,510	2,220	20,290	10%	16,456	2,259	14,197	14%	38,965	4,479	34,486	11%	11%
Refuse			11%	-23%	4,127	518	3,609	13%	4,127	388	3,738	9%	8,253	906	7,347	11%	11%
Waste Water			18%	-18%	5,115	876	4,238	17%	5,115	212	4,902	4%	10,229	1,089	9,140	11%	11%
Interest			3%	2%	44,465	268	44,197	1%	43,610	24,024	19,587	55%	88,075	24,292	63,784	28%	28%



#### **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 February 2025. 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.

Description	Ref	As Per Debt Relief Application		2024/2025 - Monthly Monitoring													
		Current Year - 2024/2025															
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
<b>Indigent Household service targets</b>	1																
<b>Water: ( Include All Indigent households also in Eskom supplied areas )</b>																	
Indigent HHs with piped water inside dwelling		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801				
Indigent HHs with piped water inside yard (but not in dwelling)																	
Indigent HHs using public tap (at least min.service level)																	
Indigent HHs with other water supply (at least min.service level)																	
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>	2	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	-	-	-	-
Indigent HHs using public tap (< min.service level)	3																
Indigent HHs with other water supply (< min.service level)	4																
Indigent HHs with No water supply																	
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	5	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	-	-	-	-
<b>Status of Water meters :</b>																	
Number of Indigent HHs with prepaid Water																	
Number of Indigent HHs with conventional metered Water		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801				
Number of Indigent HHs NOT metered currently - Water																	
Number of Indigent HHs with NO Water supply - No metering																	
<b>Total number of registered indigent households</b>	10	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	-	-	-	-
<b>Status of unlimited supply of Water :</b>																	
Number of Indigent HHs with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Water																	
<b>Total number of registered indigent households receiving unlimited supply - Water</b>																	
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HHs billed for consumption above the 6 kilolitres	11																
<b>Energy: ( Include All Indigent households also in Eskom supplied areas )</b>																	
Indigent HHs with Electricity (at least min.service level)																	
Indigent HHs with Electricity - prepaid (min.service level)																	
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HHs with Electricity (< min.service level)																	
Indigent HHs with Electricity - prepaid (< min. service level)																	
Indigent HHs with other energy sources																	
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Status of Electricity meters :</b>																	
Number of Indigent HHs with prepaid Electricity		11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640	8,459	8,562	8,651				
Number of Indigent HHs with conventional metered Electricity																	
Number of Indigent HHs NOT metered currently - Electricity																	
Number of indigent HHs with other energy sources - No metering																	
<b>Total number of registered indigent households</b>	12	11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640	8,459	8,562	8,651	-	-	-	-
<b>Status of unlimited supply of Electricity :</b>																	
Number of Indigent HHs with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Electricity																	
<b>Total number of registered indigent households receiving unlimited supply - Electricity</b>																	
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HHs billed for consumption above the 50 kwh	13																
<b>Number of ALL Households receiving Free Basic Service (including registered Indigent Households)</b>	7																
Water (6 kilolitres per household per month)		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801				
Electricity/other energy (50kwh per household per month)		11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640	8,459	8,562	8,651				
<b>Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)</b>																	
Water (6 kilolitres per household per month)		4,932,658	*****	10,000,000	10,000,000	211,512	272,876	331,900	283,154	304,540	269,201	314,578	261,628				
Electricity/other energy (50kwh per household per month)		9,967,435	*****	12,000,000	12,000,000	16,265	*****	*****	*****	993,027	*****	15,842	*****				
<b>Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)</b>																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
<b>Total cost of FBS Water and Electricity provided to ALL Households</b>	8	14,900,093	*****	22,000,000	22,000,000	227,777	*****	*****	*****	*****	*****	330,420	*****	-	-	-	-
<b>Highest level of free service provided per household (ALL Households)</b>																	
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000				
Water (kilolitres per household per month)		6	6	6	6												
Sanitation (kilolitres per household per month)		213	213	213	213												
Sanitation (Rand per household per month)		189	198	198	198												
Electricity (kwh per household per month)		50	50	50	50												
Refuse (average litres per week)		21	21	21	21												
<b>Revenue cost of subsidised services provided for ALL Households (R'000)</b>	9																
<b>Residential Category :</b> Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(a)																
<b>PSI Category :</b> Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA																	
Water (in excess of 6 kilolitres per indigent household per month)	15	32,021,525	*****	37,240,000	37,240,000	729,193	682,775	682,735	684,373	683,930	684,861	685,191	685,616				
Sanitation (in excess of free sanitation service to indigent households)	16	15,462,419	*****	21,500,000	21,500,000	-	756,263	738,242	753,729	830,525	838,731	777,565	813,737				
Electricity/other energy (in excess of 50 kwh per indigent household per month)		2,919,895	*****	3,400,000	3,400,000	-	-	-	-	-	-	-	-				
Refuse (in excess of one removal a week for indigent households)		33,957,925	*****	41,000,000	41,000,000	-	*****	*****	*****	*****	*****	*****	*****				
Municipal Housing - rental rebates		4,235,540	*****	4,400,000	4,400,000	-	118,735	118,606	118,476	118,735	118,865	118,735	123,305				
Housing - top structure subsidies																	
Other	6																
<b>Total revenue cost of subsidised services provided</b>		88,597,304	*****	107,540,000	107,540,000	729,193	*****	*****	*****	*****	*****	*****	*****	-	-	-	-

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

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 Public Benefit Organisations (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" and these are Land Reform Properties which was allocated to PBO's which is zero-rated

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.

**Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: February 2025**

## 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 January 2025 which was due and payable during the month of reporting, on or before 4 March 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: 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

DIRECT DEPOSIT DETAIL

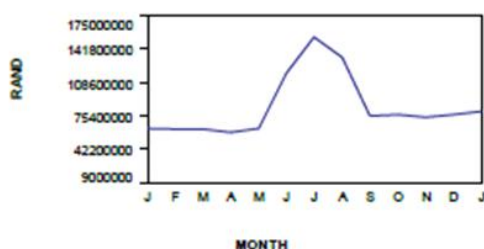
BANK: First National Bank  
BRANCH CODE: 223626  
BANK ACC NO: 66070087518

YOUR ACCOUNT NO	5449407898
SECURITY HELD	29474711.42
BILLING DATE	2025-02-02
TAX INVOICE NO	544918062844
ACCOUNT MONTH	JANUARY 2025
CURRENT DUE DATE	2025-03-04
VAT REG NO	4370102313

### TAX INVOICE

E-MAIL: tmoilwa@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	1,628,298.90
URBAN LOW VOLTAGE SUBSIDY		R	3,140,190.00
ANCILLARY SERVICE (ALL)		R	288,309.94
ENERGY CHARGE (STD)	16,039,601.00	R	21,974,253.37
ENERGY CHARGE (PEAK)	6,532,617.00	R	13,005,787.19
ENERGY CHARGE (OFF)	16,922,295.00	R	14,705,474.36
ELECTRIFICATION AND RURAL SUBS (ALL)		R	6,188,790.19
SERVICE CHARGE		R	244,399.35
TOTAL CHARGES FOR BILLING PERIOD		R	64,220,268.17
ACCOUNT SUMMARY FOR JANUARY 2025			
BALANCE BROUGHT FORWARD	(Due Date 2025-02-01)	R	924,516,088.10
PAYMENT(S) RECEIVED	Cash - 2025-01-24	R	-5,000,000.00
PAYMENT(S) RECEIVED	Cash - 2025-01-28	R	-30,000,000.00
PAYMENT(S) RECEIVED	Cash - 2025-01-29	R	-40,129,144.68
TOTAL CHARGES FOR BILLING PERIOD		R	64,220,268.17
ADJUSTMENT	Interest on overdue account	R	1,835,723.40
ADJUSTMENT	Interest on overdue account	R	42,806.57
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	9,633,040.22
CURRENT			
82,431,838.36	TOTAL DUE	R	931,818,781.78
ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
694,154,230.81	76,673,808.13	78,558,904.48	0.00
Total outstanding debt must be settled immediately, subject to disconnection without further notice			



PAGE RUN NO	EE 7
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

27215700154494078984



>>>>>> 9207 2544 9407 8987



TOTAL AMOUNT DUE

931,818,781.78

PAYMENT ARRANGEMENT

INSTALMENT

6,700,000.00

ARREARS (Due immediately)

849,386,943.42

DUE DATE (For Current Amount)

2025-03-04

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE  
ADDED TO OVERDUE ACCOUNT



- ii) Indicated below is the municipality's proof of payment of the Eskom Bulk arrear account invoice for August 2024 (excl interest) with a payment on 26 February 2025 of R25,000,000.00 and a payment of R48,853,308.39 on 27 February 2025, with just the interest remaining unpaid.

SOL PLAATJE MUNICIPALITY  
PRIVATE BAG X5030  
KIMBERLEY 8300

REMITTANCE ADVICE

-----

ESKOM HOLDINGS  
PRIVATE BAG X16  
WESTVILLE  
3630

26/02/2025

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: DUNA008371

CHEQUE/ELE NO: 77071008

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/02/2025	SUN	544918062844/1	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: .....



SOL PLAATJE MUNICIPALITY  
PRIVATE BAG X5030  
KIMBERLEY 8300

REMITTANCE ADVICE

-----

ESKOM HOLDINGS  
PRIVATE BAG X16  
WESTVILLE  
3630

27/02/2025

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: DUNA008375

CHEQUE/ELE NO: 77071018

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/02/2025	SUN	544918062844/2	42481137.73		6372170.66	48853308.39

SUB TOTAL: 6372170.66 48853308.39

6372170.66 48853308.39

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 M08 – February 2025 pertaining to electricity.

	2025	
	M08	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-80,927,387	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdraw als	53,508,649	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdraw als	20,768,015	74,276,664
Expenditure:Bulk Purchases:Electricity:ESKOM	53,508,649	

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

Datastrings & FMS Recon - Feb 2025 M08	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
<b>BULK PURCHASES:ELECTRICITY:ESKOM</b>	<b>389,078,668.93</b>	<b>335,570,019.51</b>	<b>53,508,649.42</b>	Bulk Purchases vote reconciles to datastrings
<b>Ledger Journals</b>	<b>-</b>	<b>10,711,618.75</b>	<b>(10,711,618.75)</b>	
INC ALLOC ESKOM BULK INTEREST CHARGES	-	10,711,618.75	(10,711,618.75)	Correction on the interest charges
<b>Sundry Accruals</b>	<b>260,638,132.61</b>	<b>128,440,536.32</b>	<b>132,197,596.29</b>	
Sundry CATA012584	196,417,864.45	128,440,536.32	67,977,328.13	
Sundry DUNA008371	21,739,130.43	-	21,739,130.43	
Sundry DUNA008375	42,481,137.73	-	42,481,137.73	
<b>Sundry Accruals Reversals</b>	<b>64,220,268.16</b>	<b>196,417,864.44</b>	<b>(132,197,596.28)</b>	
Cheque No : 77071008 Bank No : 901	-	21,739,130.43	(21,739,130.43)	
Cheque No : 77071018 Bank No : 901	-	42,481,137.73	(42,481,137.73)	
Sundry CATA012584	64,220,268.16	132,197,596.28	(67,977,328.12)	
<b>Sundry Payments</b>	<b>64,220,268.16</b>	<b>-</b>	<b>64,220,268.16</b>	
Cheque No : 77071008 Bank No : 901	21,739,130.43	-	21,739,130.43	Payment of R25,000m on the January 2025 acc
Cheque No : 77071018 Bank No : 901	42,481,137.73	-	42,481,137.73	Payment of R48,853m on the January 2025 acc
<b>Grand Total</b>	<b>389,078,668.93</b>	<b>335,570,019.51</b>	<b>53,508,649.42</b>	

Datastrings & FMS Recon - Feb 2025 M08	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
<b>ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL</b>	<b>74,276,664.70</b>	<b>-</b>	<b>74,276,664.70</b>	Withdrawal vote reconciles to datastrings
Create Cheque 77070601 Voucher No CATA012522	164,403.80	-	164,403.80	Minor payment to Eskom
Create Cheque 77070602 Voucher No CATA012527	10,444.02	-	10,444.02	
Create Cheque 77070603 Voucher No CATA012528	16,855.32	-	16,855.32	
Create Cheque 77070604 Voucher No CATA012529	4,605.97	-	4,605.97	
Create Cheque 77070605 Voucher No CATA012530	93,506.48	-	93,506.48	
Create Cheque 77070606 Voucher No CATA012531	14,631.82	-	14,631.82	
Create Cheque 77070607 Voucher No CATA012532	6,611.66	-	6,611.66	
Create Cheque 77070889 Voucher No CATA012608	15,572.84	-	15,572.84	
Create Cheque 77070890 Voucher No CATA012610	44,805.01	-	44,805.01	
Create Cheque 77070891 Voucher No CATA012612	17,549.46	-	17,549.46	
Create Cheque 77070952 Voucher No CATA012615	13,838.74	-	13,838.74	
Create Cheque 77070953 Voucher No CATA012616	230.30	-	230.30	
Create Cheque 77070954 Voucher No CATA012617	5,291.29	-	5,291.29	
Create Cheque 77070955 Voucher No CATA012636	15,009.60	-	15,009.60	
Create Cheque 77071008 Voucher No DUNA008371	25,000,000.00	-	25,000,000.00	Payment of R25,000m on the January 2025 acc
Create Cheque 77071018 Voucher No DUNA008375	48,853,308.39	-	48,853,308.39	Payment of R48,853m on the January 2025 acc
<b>ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT</b>	<b>151,887,033.03</b>	<b>232,814,420.47</b>	<b>(80,927,387.44)</b>	Deposits vote reconciles to datastrings
Create Cheque 77070601 Voucher No CATA012522	164,403.80	164,403.80	-	
Create Cheque 77070602 Voucher No CATA012527	10,444.02	10,444.02	-	
Create Cheque 77070603 Voucher No CATA012528	16,855.32	16,855.32	-	
Create Cheque 77070604 Voucher No CATA012529	4,605.97	4,605.97	-	
Create Cheque 77070605 Voucher No CATA012530	93,506.48	93,506.48	-	
Create Cheque 77070606 Voucher No CATA012531	14,631.82	14,631.82	-	
Create Cheque 77070607 Voucher No CATA012532	6,611.66	6,611.66	-	
Create Cheque 77070889 Voucher No CATA012608	15,572.84	15,572.84	-	
Create Cheque 77070890 Voucher No CATA012610	44,805.01	44,805.01	-	
Create Cheque 77070891 Voucher No CATA012612	17,549.46	17,549.46	-	
Create Cheque 77070952 Voucher No CATA012615	13,838.74	13,838.74	-	
Create Cheque 77070953 Voucher No CATA012616	230.30	230.30	-	
Create Cheque 77070954 Voucher No CATA012617	5,291.29	5,291.29	-	
Create Cheque 77070955 Voucher No CATA012636	15,009.60	15,009.60	-	
Create Cheque 77071008 Voucher No DUNA008371	25,000,000.00	25,000,000.00	-	Payment of R25,000m on the January 2025 acc
Create Cheque 77071018 Voucher No DUNA008375	48,853,308.39	48,853,308.39	-	Payment of R48,853m on the January 2025 acc
Sundry CATA012522 Creditor Control	-	164,403.80	(164,403.80)	
Sundry CATA012527 Creditor Control	-	10,444.02	(10,444.02)	
Sundry CATA012528 Creditor Control	-	16,855.32	(16,855.32)	
Sundry CATA012529 Creditor Control	-	4,605.97	(4,605.97)	
Sundry CATA012530 Creditor Control	-	93,506.48	(93,506.48)	
Sundry CATA012531 Creditor Control	-	14,631.82	(14,631.82)	
Sundry CATA012532 Creditor Control	-	6,611.66	(6,611.66)	
Sundry CATA012584 Creditor Control	77,610,368.33	79,488,898.30	(1,878,529.97)	
Sundry CATA012608 Creditor Control	-	15,572.84	(15,572.84)	
Sundry CATA012610 Creditor Control	-	44,805.01	(44,805.01)	
Sundry CATA012611 Creditor Control	-	4,772,192.77	(4,772,192.77)	
Sundry CATA012612 Creditor Control	-	17,549.46	(17,549.46)	
Sundry CATA012615 Creditor Control	-	13,838.74	(13,838.74)	
Sundry CATA012616 Creditor Control	-	230.30	(230.30)	
Sundry CATA012617 Creditor Control	-	5,291.29	(5,291.29)	
Sundry CATA012636 Creditor Control	-	15,009.60	(15,009.60)	
Sundry DUNA008371 Creditor Control	-	25,000,000.00	(25,000,000.00)	Payment of R25,000m on the January 2025 acc
Sundry DUNA008375 Creditor Control	-	48,853,308.39	(48,853,308.39)	Payment of R48,853m on the January 2025 acc
<b>Grand Total</b>	<b>226,163,697.73</b>	<b>232,814,420.47</b>	<b>(6,650,722.74)</b>	

### Explanatory notes

- Ideally, when a payment is made in full the Sundry accrual and Sundry accrual reversal transactions on the system should be equal to each other, resulting in a net movement of zero rand on the relevant expenditure vote number.
- Currently the system does not fully provide for partial payments. Hence the invoice is captured and authorised on the system. When a partial payment must be made, the Adjustment 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 Adjustment voucher is reduced with the said paid amount and it is authorised and only the outstanding balance remains on the Adjustment 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 January 2025.

- i) The DWS current account for January 2025 amounted to R20,395,986.27 which was due and payable on or before the 3 March 2025. The municipality had insufficient cash to settle the current account for January 2025, hence no proof of payment is available.

Page 1 of 1

NWRI Customer Ref no: 60005150  
 Customer No: 25014305  
 Contract Acc. No: 100478320  
 Document No: 412612175  
 Document Date: 31.01.2025  
 Payment Terms: 30 Days  
 Due Date: 03.03.2025  
 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:31812,021.00 Water Use Period: 01.01.2025 to 31.01.2025				
	Consumptive (O&M)	3,696,683.00	39.69	1,467,213.48
	Consumptive (ROA)	3,696,683.00	32.40	1,197,725.29
	Consumptive (Depr)	3,696,683.00	19.07	704,957.45
	TCTA (AMD)	3,696,683.00	9.39	347,118.53
	TCTA (LHWP)	3,696,683.00	372.50	13,770,144.18
	Plus 15.00% VAT			2,623,073.84
	Subtotal			20,110,232.77
	WRI(0%VAT)	3,696,683.000	7.73	285,753.60
	WRI(0%VAT)	0.000	0.00	0.00
	Total Charges			20,395,986.37

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 February 2025, which is due and payable, on or before 31 March 2025.

Page 1 of 1

NWRI Customer Ref no: 60005150  
 Customer No: 25014305  
 Contract Acc. No: 100478320  
 Document No: 412620090  
 Document Date: 28.02.2025  
 Payment Terms: 30 Days  
 Due Date: 31.03.2025  
 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; YrD Consumed Vol:35133,875.00 Water Use Period: 01.02.2025 to 28.02.2025				
	Consumptive (O&M)	3,321,854.00	39.69	1,318,443.85
	Consumptive (ROA)	3,321,854.00	32.40	1,076,280.70
	Consumptive (Depr)	3,321,854.00	19.07	633,477.56
	TCTA (AMD)	3,321,854.00	9.39	311,922.09
	TCTA (LHWP)	3,321,854.00	372.50	12,373,906.15
	Plus 15.00% VAT			2,357,104.55
	<b>Subtotal</b>			<b>18,071,134.90</b>
	WRL(0%VAT)	3,321,854.000	7.73	256,779.31
	WRL(0%VAT)	0.000	0.00	0.00
	<b>Total Charges</b>			<b>18,327,914.21</b>

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

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

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

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

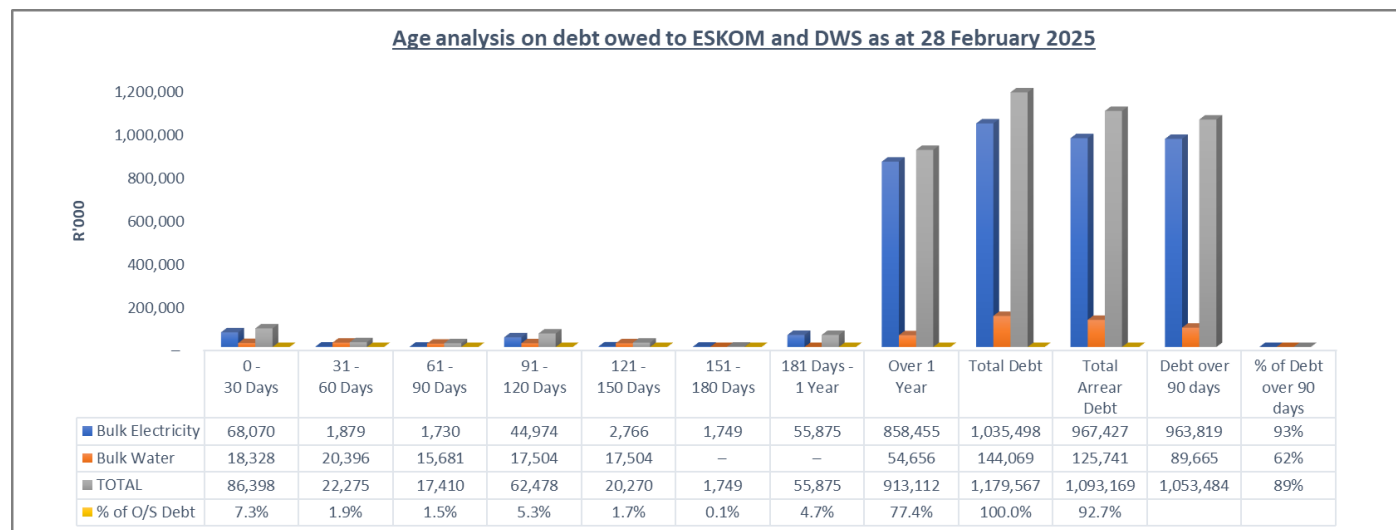
The municipality's water reconciliation statement (aligning to the mSCOA data string upload for M08 – February 2025).

	2025	
	M08	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-20,677,179	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawal	3,386,402	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawal	-3,105,209	281,193
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	17,487,159	

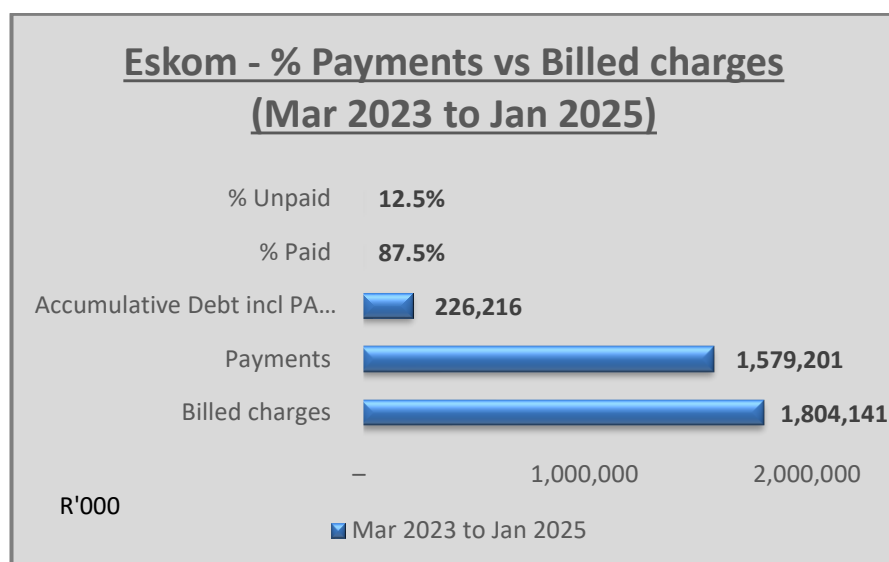
Reconciliation of Bulk purchases water input volumes, deposits and withdrawals as per the Financial system.

Datastrings & FMS Recon - Feb 2025 M08	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
<b>WATER BULK PURCHASE:DEPOSITS</b>	<b>281,193.06</b>	<b>20,958,372.49</b>	<b>(20,677,179.43)</b>	Deposits vote reconciles to datastrings
AATHCATA012534	-	61,565.41	(61,565.41)	
AATHCATA012537	-	1,320.00	(1,320.00)	
AATHCATA012540	-	77,711.12	(77,711.12)	
AATHCATA012601	-	61,565.41	(61,565.41)	
AATHCATA012602	-	1,320.00	(1,320.00)	
AATHCATA012603	-	20,395,986.37	(20,395,986.37)	Invoice for January 2025 authorised on the system
AATHCATA012604	-	77,711.12	(77,711.12)	
CAT90177070611	61,565.41	61,565.41	-	
CAT90177070612	1,320.00	1,320.00	-	
CAT90177070652	77,711.12	77,711.12	-	
CAT90177070892	61,565.41	61,565.41	-	
CAT90177070893	1,320.00	1,320.00	-	
CAT90177070894	77,711.12	77,711.12	-	
<b>WATER BULK PURCHASE:WITHDRAWALS</b>	<b>281,193.06</b>	<b>-</b>	<b>281,193.06</b>	Withdrawal vote reconciles to datastrings
CAT90177070611	61,565.41	-	61,565.41	
CAT90177070612	1,320.00	-	1,320.00	
CAT90177070652	77,711.12	-	77,711.12	
CAT90177070892	61,565.41	-	61,565.41	
CAT90177070893	1,320.00	-	1,320.00	
CAT90177070894	77,711.12	-	77,711.12	
<b>WATER:INPUT VOL: BULK PURCHASES</b>	<b>17,487,158.93</b>	<b>-</b>	<b>17,487,158.93</b>	Water: Input vol Bulk Purchases vote reconciles to datastrings
AATHCATA012603	17,487,158.93	-	17,487,158.93	Invoice for January 2025 authorised on the system excl VAT
<b>Grand Total</b>	<b>18,049,545.05</b>	<b>20,958,372.49</b>	<b>(2,908,827.44)</b>	

vii) Total outstanding debt owed to ESKOM and DWS as at 28 February 2025



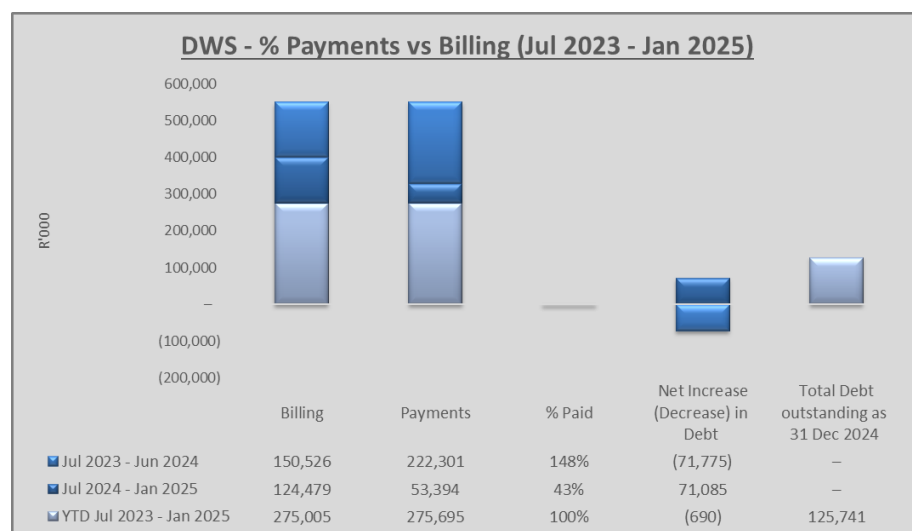
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



Indicated in the adjacent chart is a summary of the percentage payments versus billed charges for Eskom for the period March 2023 to January 2025.

The total billed charges for the period amounted to R1,804,141 billion, and payments made amounted to R1,579,201 billion. For the period the municipality managed to settle 87.5% of the billed charges.

The debt outstanding post March 2023 amounts to R226,216m, 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 December 2024.

The total billing for the period amounted to R275,005m, and payments made amounted to R275,695m. For the 2023/24 financial year the municipality reduced the arrear debt by R71,775m. due to the unpaid invoice for October, November, December 2024 and January 2025. This resulted in an escalation of outstanding debt of R71,085m for the current year. The net debt reduction amounts to R690 thousand,

The debt outstanding as at 31 January 2025 amounts to R125,741m, 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 - February 2025
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	6.3.1 The municipality must monthly pay and maintain its <b>Eskom bulk current account</b> and <b>bulk water current account</b> - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	<b>Compliant - ESKOM</b> On 26 February 2025, the municipality settled an amount of R25,000m and on 27 February 2025 an amount of R48,853m on January 2025 account excluding interest of R1,879m. Total invoice amounted to R75,732m <b>Non-Compliant - DWS</b> The municipality had insufficient cash to settle the current account for January 2025 amounting to R20,396m
	6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom with the current account	Monthly, 5th of each month		<b>Non-Compliant - ESKOM</b> The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement on 28 February 2025. <b>Non-compliant - DWS</b> As at the 31 January 2025, the debt should have been settled, however due to default on payments the amount outstanding is R39,953m.
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	<b>Partially Compliant</b> Email was sent within one day of making payment to ESKOM. DWS current account 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 - February 2025
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> Proof of Payments made in February 2025 was uploaded onto GoMuni on 3 March 2025.
	<b>6.3.4</b> - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	<b>Compliant</b> Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.
<b>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</b>	<b>6.6.1</b> Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	<b>Compliant</b> Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.
	<b>6.6.2</b> The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 3,573 Conventional disconnections = 94 Total = 3,667"

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - February 2025
	<b>6.6.3</b> The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	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).
	<b>6.6.4</b> If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.	Monthly	No of indigent consumers	<b>Partially compliant</b> Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality. Partially compliant as all indigents have prepaid electricity meters and therefore cannot build up debt on electricity.
<b>6.7 Maintain a minimum average quarterly collection of property rates and services charges</b>	<b>6.7.1</b> The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm	Monthly (Internal) and Quarterly (Debt Relief)	Collect R11,112 million daily over 22-day period, to achieve an average quarterly collection of 85% (Monthly S71 Revenue Collection Ward Template)	<b>Non-Compliant</b> Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 74%. Quarterly S71 Revenue Collection rate per Ward outcome Q2 = not yet end of quarter Municipality's average collection rate = 75.8% (Prepaid electricity sales are included) <b>Not achieved</b> Average daily cash collection for February 2025, was R7,510m.
	<b>6.7.2</b> If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	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 - February 2025
	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 February 2025 = 3,608 YTD installations = 11,995
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 February 2025 = 3,608 YTD installations = 11,995
6.8 Completeness of the revenue base	6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> GVR reconciliation for the 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			<b>Compliant</b> GVR reconciliation 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 - February 2025
6.9 Monitor and report on implementation	6.9.1 MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	<b>Compliant</b> Report included in the monthly S71 report for February 2025 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 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 performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificate for January 2025. Management must take remedial actions as per the recommendations made by National Treasury
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	<b>Compliant</b> A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account is no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124
	6.12.1 must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	<b>Finalised</b> Daily process developed to identify amounts received per service. EQS portion to be considered on a

MFMA Circular Reference and Focus Areas		Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - February 2025
	<b>Eskom Debt Relief Conditions</b>  (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation			monthly basis, once subsidies have been allocated on the system. <b>Partially Compliant</b> The ESKOM current account was paid directly from the Primary bank account. DWS January 2025 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
	<b>6.12.2</b> must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<b>Partially Compliant</b> The ESKOM current account was paid directly from the Primary bank account. DWS December 2024 invoice was not settled, due to cash constraints. The municipality has shown improvement on its cash flow management, however substantial receipts from debtors are not materialising. 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.
	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	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	<b>Compliant</b> Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement was uploaded onto GoMuni. Payments made directly from Primary bank account.



## 17. Recommendations

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

1. The monthly budget statement (S71 Report) for the month of February 2025.
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 16.3 above. Please refer to the Non-compliance report and compliance certificate for January 2025.
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 R40,200 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 targeted 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, when it has to be 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 by 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. However, due to the fact that the municipality is not reaching its projected daily cash collections, funds for specifically Water could not be ring-fenced for the past four months.
  - n. Building up of cash 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 debt collection strategy that is strictly enforced.
  - r. The municipality appointed debt collectors, to assist with especially legal collections and blacklisting delinquent rate payers.
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, the municipality run the risk of National Treasury not recommending for the write-off of a third of the municipality's debt after the first 12 months of the municipal debt relief programme.

7. That the Mayoral committee take note of the high risk that the municipality may be removed from the Municipal Debt Relief Programme, which will have serious repercussions for the municipality.
8. That the Mayoral committee take note of the Fruitless and Wasteful expenditure incurred on interest on overdue accounts amounting to R11,778 million for bulk electricity for the period Jul 2024 to February 2025.
9. The municipality is in breach of the conditions and has accumulative arrears for the current year. To be in good standing with ESKOM and to qualify for the recommendation for the first third debt write-off by National Treasury, the municipality have an obligation to settle **R149,172,116.27**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R108,972,116.07 and the arrears on the payment arrangement amounts to R40,200,000.00.

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments PA	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	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	R 127,600,942.44	R 72,000,000.00	R 55,600,942.44		R 55,600,942.44	R 154,610.92
Sept-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
Dec-24	R 71,858,904.48	R 70,129,144.68	R 1,729,759.80	R 6,700,000.00	R 8,429,759.80	R 1,729,759.80
Jan-25	R 75,731,838.36	R 73,853,308.39	R 1,878,529.97	R 6,700,000.00	R 8,578,529.97	R 1,878,529.97
<b>TOTAL ESKOM</b>	<b>R 638,093,287.20</b>	<b>R 529,121,171.13</b>	<b>R 108,972,116.07</b>	<b>R 40,200,000.00</b>	<b>R 149,172,116.07</b>	<b>R 10,711,618.75</b>

10. The municipality is in breach of the conditions and has accumulative arrears for the current year. To be in good standing with DWS, the municipality must settle the accounts for October to December 2024 and January 2025 amounting to a combined total of **R71,084,756.01** and the arrears on the debt agreement amounts to **R39,952,786.02** (defaulted July 2024 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 **R111,037,542.03**, as articulated in the table below.

Month	Invoice Amount	Paid Amount	Balance due	Less potential interest write-off	Total Due to be in Good standing	Interest
Arrears	R 54,656,466.48	R -	R 54,656,466.48	-R 14,703,680.46	R 39,952,786.02	R -
Oct-24	R 17,504,048.73	R -	R 17,504,048.73	R -	R 17,504,048.73	R -
Nov-24	R 17,504,048.73	R -	R 17,504,048.73	R -	R 17,504,048.73	R -
Dec-24	R 15,680,672.19	R -	R 15,680,672.19	R -	R 15,680,672.19	R -
Jan-25	R 20,395,986.37	R -	R 20,395,986.37	R -	R 20,395,986.37	R -
<b>TOTAL WATER</b>	<b>R 125,741,222.49</b>	<b>R -</b>	<b>R 125,741,222.49</b>	<b>-R 14,703,680.46</b>	<b>R 111,037,542.03</b>	<b>R -</b>
Current Year arrears			R 71,084,756.01			

#### 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.

On the DWS debt agreement, the municipality run the risk of being removed from the Department's Debt Incentive Scheme and forfeit the R14m interest write-off. The Department will also resume in charging interest on the cumulative arrear debt. This will result in an increase in Fruitless and wasteful expenditure incurred for the year.

## 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

☐

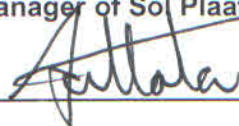
Mid-year Budget and Performance Assessment

For the month of **February 2025** 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: 14/03/2025



# national treasury

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

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

Mr Bartholomew Matlala  
Municipal Manager  
Sol Plaatje Local Municipality  
Private Bag X 5030  
**KIMBERLEY**  
8300

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

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

Dear Mr Matlala and Mr Ramjathan

## **MFMA CIRCULAR NO.124 – MUNICIPAL DEBT RELIEF NATIONAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF NC091 SOL PLAATJE LOCAL MUNICIPALITY DURING JANUARY 2025**

In January 2025, the National Treasury undertook a comprehensive review of Sol Plaatje Local Municipality's compliance with the conditions of its debt relief programme. This evaluation, conducted during the municipality's second compliance cycle, which began on October 1, 2024, was a critical measure of its progress toward achieving sustained debt relief and long-term financial stability.

The review showcased several notable achievements, including the implementation of stringent budgetary controls, improved financial reporting, and significant strides in governance practices—all reflecting the municipality's strong commitment to reform. Despite these advancements, persistent challenges were identified, particularly in expenditure management, which remains misaligned with the programme's objectives. Addressing these issues will be pivotal to bolstering the municipality's financial resilience and realizing the overarching goals of the debt relief initiative.

The evaluation raised significant concerns about the municipality's inconsistent collection rate and growing debtor balances, highlighting ongoing revenue management challenges. In the first quarter of the 2024/25 financial year, the collection rate improved from 33% in July 2024 to 66% in August and 68% in September, achieving an overall quarterly rate of 52%, well below the 85% target. While the rate improved to 88% in October, it dropped again in December (64%) and January 2025 (61%), falling short of the norm.

These inconsistencies, coupled with rising debtor balances, indicate that the council-approved credit control and debt collection policy is not being effectively enforced. This weak enforcement undermines the municipality's revenue base and financial stability, making it imperative to strengthen collection strategies and ensure sustained financial resilience.



The municipality's significant outstanding debt to Eskom remains a pressing concern, posing a serious risk to its compliance with the debt relief programme. As per the Eskom reconciliation as of February 7, 2025, the municipality owes R112 million. A timely payment is essential to qualify for a one-third debt write-off, and failure to meet this requirement would result in the municipality forfeiting this opportunity, further straining its financial position.

As Sol Plaatje Local Municipality progresses through its second compliance cycle, settling the Eskom debt must be a top priority. Without urgent intervention, the municipality risks losing the benefits of the debt relief programme and exacerbating its financial difficulties.

The National Treasury will continue to oversee and support the municipality in addressing these challenges. Strengthening credit control and debt collection measures is crucial for stabilizing revenue streams and ensuring compliance with the debt relief programme. However, failure to settle the Eskom debt will significantly impede progress toward financial sustainability.

Despite ongoing efforts, the municipality's overall collection rate remains below the 85% target, exacerbating financial risks. Without decisive action to resolve the Eskom debt and enhance revenue management, the municipality will continue to face financial instability. The Treasury remains committed to assisting in the successful implementation of the debt relief programme.

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

As per the National Treasury's (NT) approval, Sol Plaatje Local Municipality is mandated to comply with conditions 6.1 to 6.14 of MFMA Circular 124, along with the specific requirements detailed in the debt relief approval letter issued by the NT. In December 2024, the National Treasury's assessment reported that the municipality achieved an average compliance rate of 70% with the MFMA Circular 124 conditions. The performance summary below provides an overview of the municipality's compliance performance throughout its debt relief cycle.



## NC091 Sol Plaatje Local Municipality overall relief performance from July 2023 up to and including January 2025:



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province

NW

Code

District

Code Description

NC091

Frances Baard

Sol Plaatje

### Monthly Performance Report

Municipal Details			Part A						Part B				Part C		Part D				Part C					Maximization of Revenue Base			Part E										Part F										
			Eskom And Bulk water current account						Compliance with a funded MTREF				FRP/BFP & Tariff Assessment		Electricity and water as collection tools				Quarterly collection of property rates and services charges								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	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	N/A	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	N/A	Yes	Yes	No	No	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	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	No	No	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	Yes	N/A	N/A	N/A	Yes	Yes	No	No	Yes	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	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	85%	Non Compliance
6.December	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	No	73%	Non Compliance
7.January	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	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	No	No	No	No	Yes	Yes	No	76%	Non Compliance
8.February	Sol Plaatje	NC091																																										0%	Non Compliance		

Sol Plaatje Local Municipality is strongly urged to sustain and accelerate its efforts toward full compliance with the debt relief programme's conditions. However, concerns remain as the municipality has yet to fully settle its outstanding payments to Eskom from the second compliance cycle. This ongoing shortfall not only jeopardizes its eligibility for the debt write-off but also weakens the overall effectiveness of the programme in fostering financial stability and sustainability.

To fully capitalize on the benefits of the debt relief initiative, the municipality must take decisive action to improve its payment performance. This includes prioritizing and settling all outstanding Eskom debts in accordance with the programme's conditions. Addressing these financial obligations is not only a regulatory requirement but also a critical step toward rebuilding trust with stakeholders, strengthening its financial foundation, and ensuring the long-term viability of municipal services.

Failure to meet these obligations will not only result in the loss of debt relief opportunities but could also lead to increased financial strain, limiting the municipality's ability to invest in essential infrastructure and service delivery. Demonstrating a firm commitment to financial responsibility by fulfilling these conditions will be vital in securing long-term fiscal stability and fostering public confidence in the municipality's governance and financial management.

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

Sol Plaatje Local Municipality successfully applied for the Municipal Debt Relief Programme, securing conditional approval from the National Treasury after formal endorsement by its council. This approval required addressing key deficiencies in the municipality's financial and





administrative systems. Recognizing the significance of this opportunity, municipal leadership, with strong political backing, conducted a comprehensive review to identify and prioritize necessary improvements. This led to the development of a strategic action plan focused on strengthening financial controls, enhancing revenue collection, optimizing expenditure management, and improving governance.

In response to the conditional approval, the municipality implemented transformative reforms, including enhanced financial oversight, streamlined budgeting processes, and governance best practices to promote accountability and transparency. To sustain progress, robust monitoring and reporting frameworks were established, fostering responsibility and continuous improvement.

These efforts have delivered measurable results, allowing the municipality to meet the National Treasury's conditions and secure final approval for its debt relief application. This milestone demonstrates its commitment to reform and financial stability.

With foundational improvements in place, Sol Plaatje Local Municipality is well-positioned for long-term fiscal sustainability, stronger revenue streams, and improved service delivery. These reforms not only address immediate financial challenges but also lay the groundwork for sustained progress, ensuring a stable and prosperous future for the community.

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

Based on the January 2025 results, Sol Plaatje Local Municipality continues to make significant efforts to manage its debt obligations to Eskom. Of great concern is the non-payment of the water account due to the Department of Water and Sanitation (DWS). Despite these efforts, the municipality faces persistent challenges in settling outstanding arrears, which pose a risk to its compliance with the Municipal Debt Relief Programme. Failure to address these financial shortfalls could jeopardize its eligibility for the programme's benefits and hinder progress toward fiscal stability.

To secure the advantages of the debt relief initiative, the municipality must enhance its payment performance to Eskom and DWS by prioritizing the settlement of overdue balances. Strengthening cash flow management strategies will be crucial in ensuring more consistent payments and reducing financial strain. Additionally, improving internal processes to facilitate the timely authorization of invoices and submission of payments will help prevent further accumulation of arrears and support overall financial discipline.

Strict adherence to the compliance conditions outlined in MFMA Circular 124 and the debt relief programme is essential for maintaining eligibility for the debt write-off. By addressing these financial and operational challenges, Sol Plaatje Local Municipality can stabilize its finances, meet its obligations, and progress toward long-term financial sustainability. These improvements will not only enhance the municipality's fiscal health but also contribute to improved service delivery for its residents.



## **Condition 6.4 – A funded MTREF**

Sol Plaatje Local Municipality has successfully secured full funding for its 2024/2025 fiscal year budget, ensuring that all planned expenditures and projects can proceed as scheduled. This financial achievement provides a solid foundation for implementing key initiatives, maintaining essential services, and fostering sustainable development. With a stable budget in place, the municipality can effectively address community needs while working toward its long-term development objectives.

With the necessary funding secured, the municipality is set to prioritize critical infrastructure projects, expand public services, and invest in community-driven initiatives. Major projects for the fiscal year include upgrading of water systems and expanding road networks. Additionally, the budget guarantees the uninterrupted delivery of essential services such as healthcare, education, public safety, and other vital municipal functions, which are crucial to residents' well-being. These initiatives will not only improve living conditions but also promote economic growth and social development.

This accomplishment underscores the municipality's commitment to sound financial management and strategic planning. By securing the necessary financial resources, it can meet short-term obligations while advancing long-term goals. This proactive approach enhances the municipality's ability to attract investment, stimulate economic activity, and build a resilient community. The fully funded budget reflects a forward-thinking governance model that addresses current challenges while laying a strong foundation for future prosperity, ensuring that all residents benefit from sustained progress and improved service delivery.

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

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

Addressing this shortcoming will greatly strengthen the municipality's financial position and demonstrate a proactive approach to governance. Once fully implemented, the cost-reflective tariff tool will enable the municipality to fund essential services more efficiently and reliably, fostering greater trust and confidence among residents. Transitioning to a transparent, cost-based pricing model underscores the municipality's commitment to financial accountability while ensuring that critical services remain accessible, equitable, and of high quality. Additionally, a dependable revenue stream will help sustain and improve municipal services without placing undue financial strain on the community.



By closing this gap, the municipality reinforces its dedication to continuous improvement and excellence in service delivery. Implementing the cost-reflective tariff tool will mitigate potential financial shortfalls and support a shift toward a more proactive and sustainable financial model. This approach aligns with the broader objective of building a resilient and prosperous community, reaffirming the municipality's 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, ensuring a stable and sustainable future while maintaining the trust and confidence of the residents it serves.

### **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**

<b>Part A - Reconciliation Summary</b>						
<b>Number of Properties</b>				<b>Market Values</b>		
<b>Property Categories</b>	<b>Valuation Roll</b>	<b>Mun System</b>	<b>Variance</b>	<b>Valuation Roll</b>	<b>Mun System</b>	<b>Variance</b>
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	1574 932 503	1574 932 503	-
Other	0	0	0	-	-	-
<b>Total</b>	<b>64 322</b>	<b>64 322</b>	<b>-</b>	<b>40 498 434 208</b>	<b>40 498 434 208</b>	<b>-</b>
<b>Part B - Detailed Reconciliation</b>						
<b>Monthly Billing - Mapped Accounts</b>				<b>Monthly Billing - Un Mapped Accounts</b>		
<b>Property Categories</b>	<b>GV</b>	<b>MFS</b>	<b>Variance</b>	<b>GV</b>	<b>MFS</b>	<b>Variance</b>
Residential	23 848 226	22 470 664	1377 562	23 848 226	22 414 925	1433 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
<b>Total</b>	<b>60 468 503</b>	<b>50 768 044</b>	<b>9 700 459</b>	<b>60 468 503</b>	<b>50 514 182</b>	<b>9 954 321</b>

<b>Prepared By</b>	KOBUS NEL	<b>Date</b>	2025/01/14
<b>Contact Details</b>	0538306068		
<b>Signature</b>			

The GV Reconciliation Summary for Sol Plaatje Local Municipality demonstrates full alignment between the Valuation Roll and the Municipal Financial System (MFS) in both property counts and market values. The total number of properties recorded in both systems stand at 64,322, with no discrepancies across all property categories. These categories include Residential (48,582 properties), Industrial (177), Business and Commercial (2,228), Agricultural (422), Mining (21), State-Owned for Public Purpose (133), Public Service Infrastructure (PSI) (465), Public Benefit Organizations (PBO) (1,081), Vacant (1,677), Public Open Water (POW) (239), and Municipal properties (9,297). There are no recorded properties in the Multi-Use or Other categories.

Similarly, the total market value of these properties is fully reconciled between the two systems, amounting to R40,498,434,208 with no variances. The highest-valued category is Residential properties, with a market value of R23,594,584,603, followed by Business and Commercial properties at R7,454,750,001 and Agricultural properties at R2,612,916,700. Other significant property categories include State-Owned for Public Purpose (R2,498,871,000), Municipal properties



(R1,574,932,503), and PBO properties (R609,275,001). Industrial properties have a recorded value of R784,040,000, while PSI properties are valued at R156,930,000. Vacant land is valued at R502,320,000, and POW properties hold a total market value of R607,129,000.

This alignment between the Valuation Roll and the MFS reflects the municipality's strong property data management practices, ensuring accuracy in property counts and valuations. Maintaining this consistency is crucial for effective financial planning, revenue generation, and ensuring that billing remains accurate. However, while property data is fully aligned, challenges may still exist in the municipality's revenue collection and billing processes, which require further attention to secure long-term financial sustainability.

### 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, expenditure, 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.	<b><i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i></b> explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	<b><i>The conclusion (paragraph 14) of the MFMA S71 statement</i></b> explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	Yes
3.	<b><i>Annexure B of the MFMA S71 statement included the following debt relief reporting components-</i></b>	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of <a href="#">MFMA Budget Circular 128 (Annexure B)</a>	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



MFMA S71 Statement component		Compliance (Yes / No)
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of <b>MFMA Budget Circular 128 (Annexure D)</b> .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of <b>MFMA Budget Circular 128 (Annexure C)</b> .	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	Yes
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 primary concern is the municipality's inability to fully settle its **monthly current accounts for Eskom and the Department of Water and Sanitation (DWS)**. This ongoing shortfall in payments exacerbates financial strain, leading to accumulating arrears and jeopardizing compliance with the **Municipal Debt Relief Programme**. Without consistent and full payments, the municipality risks **losing critical debt relief benefits**, facing **stricter credit control measures**, and further weakening its financial stability. Addressing cash flow constraints and improving revenue collection is essential to ensuring timely and complete settlement of these obligations.

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

The National Treasury plays a crucial 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 in fostering financial discipline, accountability, and stability within the municipal system. Through its certification process, the National Treasury formally recognizes that Sol Plaatje Local Municipality has successfully met the programme's requirements, demonstrating its commitment to compliance and promoting sound financial governance.





By implementing rigorous monitoring and evaluation, the National Treasury ensures that municipalities adhere to established financial guidelines aimed at maintaining fiscal stability and preventing further debt accumulation. This certification is more than a procedural milestone; it serves as a cornerstone of a broader strategy to instil responsible financial management practices. Strengthening adherence to robust fiscal policies helps municipalities implement sustainable economic measures, which are critical for achieving long-term financial resilience.

A structured and transparent approach to fiscal recovery enables municipalities to deliver essential services more effectively, rebuild public trust, and make meaningful contributions to local economic development. The certification framework provides municipalities with clear financial recovery guidelines, ensuring that their efforts to restore financial health remain within budgetary constraints and support practical and sustainable fiscal solutions.

Through its ongoing support for municipal recovery, the National Treasury lays the foundation for future growth and resilience. This process not only strengthens municipalities' financial positions but also directly benefits 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 meet their service delivery mandates while contributing 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 establish a critical regulatory framework that promotes fiscal responsibility within municipalities. This framework mandates a comprehensive review of all borrowing activities to ensure compliance with established limits and alignment with the conditions of the Debt Relief Programme. These measures are designed to curb excessive borrowing, mitigate financial risk, and alleviate short-term fiscal pressures, ultimately reinforcing the long-term financial stability of municipalities.

Since the implementation of the 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 following these regulations, the municipality demonstrates a strong commitment to sound financial governance, safeguarding its fiscal health and ensuring a sustainable financial trajectory.

This disciplined approach to debt management enhances the municipality's financial resilience and fosters confidence among key stakeholders, including residents, investors, and regulatory bodies. By minimizing its dependence on new debt and prioritizing responsible financial practices, the municipality is well-positioned to maintain financial stability while continuing to meet the evolving needs of its community. This commitment ensures a secure and sustainable future for both the municipality and the residents it serves.



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

The updated Supplementary Guide to MFMA Circular No. 124 introduces key requirements and improvements to enhance the management of debt relief funds by municipalities. These updates strengthen accountability, transparency, and financial oversight, ensuring responsible and effective use of resources.

Municipalities must now integrate debt relief funds into their general accounts while maintaining segregation within monthly mSCOA submissions. This dual approach optimizes fund management while enabling robust oversight mechanisms. The integration allows for efficient handling, while financial segregation ensures clear tracking and accountability. A key requirement is the mandatory uploading of monthly bank reconciliations and detailed bank statements to the GoMuni platform. This measure enhances transparency and rigorous financial reporting, consolidating transactions onto a centralized platform to align municipal practices with National Treasury's financial integrity standards.

The guide also emphasizes accurate accounting adjustments for debt relief benefits, such as interest write-offs granted by creditors like Eskom. Municipalities must make precise ledger entries to document these adjustments, ensuring financial statements provide a clear and reliable representation of debt relief benefits received. Proper documentation reinforces stakeholder confidence and ensures that municipalities implement debt relief measures correctly and consistently.

Structured reporting and record-keeping are key components of the updated guidelines. Municipalities must maintain detailed records of debt relief transactions and conduct regular reconciliations to minimize future debt risks. Enhanced monitoring and evaluation provisions help prevent misuse of funds and reinforce compliance with programme conditions, promoting long-term fiscal resilience.

The guide also stresses the importance of transparency and stakeholder engagement. By ensuring all financial data, reconciliations, and adjustments are accessible via standardized platforms like GoMuni, municipalities demonstrate a commitment to accountability and inclusivity in financial governance. These enhancements equip municipalities with the tools to manage debt relief funds responsibly, meet fiscal obligations, and align with the broader objectives of sustainable financial management.

## **Condition 6.14 – NERSA Licence**

Participation in the Municipal Debt Relief Programme requires municipalities to adhere to strict compliance conditions. One of the most significant requirements states that if a municipality fails to meet the programme's obligations, 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 serves as a strong incentive for municipalities to uphold their commitments, reinforcing the critical link between compliance and continued participation in the programme.

The requirement to surrender the electricity license is only enforced if a municipality is removed from the programme due to non-compliance. This condition underscores the serious commitment municipalities make when enrolling in the initiative, ensuring they maintain operational and financial discipline. By clearly outlining the consequences of non-compliance, this measure strengthens the programme's overarching goal of fostering financial sustainability and responsible governance within local municipalities.

This provision further highlights the essential role of compliance in the success of the Debt Relief Programme. Municipalities must not only follow programme guidelines but also uphold high standards of accountability to retain their ability to deliver services. The potential revocation of an electricity license serves as a clear warning of the repercussions of failing to meet programme conditions, compelling municipalities to remain aligned with fiscal and operational objectives.

Ultimately, this strict requirement reflects the National Treasury's commitment to reinforcing fiscal discipline and financial stability within municipalities. By setting clear and enforceable compliance standards, the programme ensures that municipalities remain on a sustainable path, strengthening their ability to deliver essential services and safeguard the well-being of their communities.

## **Recommendations**

### **Enhance Revenue Collection and Credit Control Measures**

Strengthen enforcement of the Credit Control and Debt Collection Policy to improve collection rates, particularly in Eskom-supplied areas. Implement stricter measures such as cut-off strategies, debt recovery enforcement, and automated billing accuracy improvements to ensure revenue stability. Achieving a quarterly collection rate of 85% should remain a top priority.

### **Prioritize the Settlement of Bulk Service Accounts**

Address the ongoing challenge of non-payment to Eskom and the Department of Water and Sanitation (DWS) by implementing cash flow forecasting tools and ensuring ring-fencing of funds for electricity and water payments. Settling arrears and maintaining up-to-date payments will secure the one-third debt write-off and prevent legal or credit control actions from bulk suppliers.

### **Implement a Cost-Reflective Tariff Model**

Accelerate the integration of a cost-reflective tariff tool to align service charges with the actual cost of operations and maintenance. This will stabilize municipal revenue, support sustainable financial planning, and ensure long-term fiscal resilience without placing an excessive financial burden on residents.



### **Improve Financial Oversight and Compliance Reporting**

Strengthen internal controls and compliance monitoring with MFMA Circular 124 conditions, ensuring adherence to reporting requirements such as monthly bank reconciliations, transparent financial disclosures, and submission of compliance documentation to National Treasury via the GoMuni system. Timely and accurate reporting will enhance stakeholder confidence and governance transparency.

### **Strengthen Cash Flow and Liquidity Management**

Establish a contingency reserve fund to manage financial shortfalls during high-expenditure periods. This will ensure that critical payments, such as bulk services and debt repayments, are met on time. The municipality should also work towards increasing daily cash collections through innovative revenue enhancement strategies.

By implementing these recommendations, Sol Plaatje Local Municipality can significantly improve its financial health, ensure compliance with debt relief programme conditions, and secure long-term fiscal stability and service delivery efficiency.

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

Kind regards

**MANDLA GILIMANI**

**DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS**

**DATE: 24/02/2025**

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



## Annexures (January 2025 Compliance Certificates)

### Annexure A2 - Monthly



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Northern Cape Provincial Treasury

#### Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Jan '25

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Sol Plaatje

I, **Mandla Gilimani**, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in **MFMA Circular No. 124** and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

#### Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6.3 + 6.12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12 .2</i>	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 <a href="https://lguuploadportal.treasury.gov.za?">https://lguuploadportal.treasury.gov.za?</a>	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 <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	No
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguuploadportal.treasury.gov.za?">https://lguuploadportal.treasury.gov.za?</a>	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2024/25 Adopted MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</a>	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	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	- <b>If the municipality's MTREF is not funded</b> , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded
<p><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></p>			
12	6.4.2	- <b>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</b> , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	<b>Cost reflective tariffs</b> – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
<p><b>6.6 Electricity and water as collection tools</b> – has the municipality, with effect from the tabling of the 2023/24 MTREF, <b>demonstrated, through its by-laws and budget related policies</b> that:</p>			
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
<p><b>6.6 Supporting evidence:</b> The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</p>			
<p><b>6.7 Maintain a minimum average quarterly collection of property rates and services charges –</b></p>			
19	6.7.1	- Has the municipality achieved a minimum of <b>80 per cent average quarterly collection</b> of property rates and service charges <b>with effect from 01 April 2023</b> and <b>85 per cent average quarterly collection with effect from 01 April 2024</b> during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter
<p><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></p>			
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, <b>has the municipality demonstrated to the satisfaction of National Treasury the following :</b>	





20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set out in paragraph 6.7.1.	not yet the end of a quarter ▼
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter ▼
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and the reason(s) for the failure?</u>	not yet the end of a quarter ▼
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes ▼
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes ▼
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes ▼
	6.8	<b>Municipality's Completeness of the revenue base –</b>	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered	Yes ▼
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes ▼
28	6.8.2	- <b>For the latest ending Quarter</b> -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://lgwpladportal.treasury.gov.za">https://lgwpladportal.treasury.gov.za</a> ?	Yes ▼



6.9		Monitor and report on implementation –	
29	6.9.1	- <b>MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	<input type="text" value="Yes"/>
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	<input type="text" value="6.9.1 = Yes"/>
31	6.9.3	- <b>Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	<input type="text" value="No FRP"/>
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ? <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>	<input type="text" value="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?	<input type="text" value="Yes"/>
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ? <i>Note - in the case of a non-delegated municipality, the National Treasury to issue the compliance certificate.</i>	<input type="text" value="Yes"/>
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <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>	<input type="text" value="Yes"/>
36	6.11	<b>Limitation on municipality borrowing powers</b> - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <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>	<input type="text" value="Yes"/>
	6.12	<b>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b>	
37	6.12.1	- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the <b>component of the Local Government Equitable Share (LGES)</b> the municipality earmarked to provide free basic electricity, water and sanitation?	<input type="text" value="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? <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>	<input type="text" value="No"/>
39		<b>Supporting evidence:</b> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	<input type="text" value="Yes"/>
40	6.13	<b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	<input type="text" value="Yes"/>
41	6.14	<b>NERSA License</b> - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <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>	<input type="text" value="Yes"/>



PT: HOD/ NT/ MM Name:

Mandla Gilimani

Signature of HOD/ NT/ MM:

Date:

24/02/2025

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

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

## Monthly Performance Report



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	Soi 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										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 Status	
1.July	Soi Plaatje	NC091	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance		
2.August	Soi Plaatje	NC091	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	No	No	Yes	Yes	Yes	No	83%	Non Compliance
3.September	Soi Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	No	No	Yes	Yes	Yes	No	73%	Non Compliance
4.October	Soi Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	No	No	Yes	Yes	Yes	No	90%	Non Compliance
5.November	Soi Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	No	No	Yes	Yes	Yes	No	85%	Non Compliance
6.December	Soi Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	No	73%	Non Compliance		
7.January	Soi Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	No	76%	Non Compliance		
8.February	Soi Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	No	No	Yes	Yes	No	0%	Non Compliance	
9.March	Soi Plaatje	NC091																																									0%	Non Compliance		
10.April	Soi Plaatje	NC091																																									0%	Non Compliance		
11.May	Soi Plaatje	NC091																																									0%	Non Compliance		
12.June	Soi Plaatje	NC091																																									0%	Non Compliance		
Comments/Motivation																																														
NT Name:			Mandla Gilimani																																											
Signature of NT:																																														
Date:			24/02/2025																																											
<b>Note</b> – 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.																																														



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

Province		
NW		
Code	District	ode Description
NC091	Frances Baard	Sol Plaatje

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 MTREF					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	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No			88%	Non Compliance		
5.November '24	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	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No			85%	Non Compliance	
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	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No			68%	Non Compliance
7.January	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	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No			83%	Non Compliance	
8.February	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	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No			83%	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	

Comments/Motivation

HOD Name: BS Matlala


Signature of HOD:

*BS Matlala*

Date:

2025/03/14

\*\* 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.



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

Annexure A2 - Monthly

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period
National Financial Year
Demarcation Code of Municipality being assessed
District
Demarcation Description

Feb'25
2024/25
NC091
Frances Baard
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 purpose of this exercise means the account for a single month's consumption):	
1	6.12.2 - Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12 - 2</i>	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 <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	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?	Yes
4	6.3.1 - Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes
5	6.3.2 - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	Yes
6	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
7	6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2024/25 Adopted MTREF
8	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	Yes
9	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
10	6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes
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)? <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>	N/A - the MTREF is funded
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.7)	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

The municipality did not have sufficient cash available to settle the current account for January 2025 amounting to R20,396 million

No payment was made, hence no POP could be submitted to the Department

The invoice for January 2025 was timeously authorised on the system, but remained unpaid due to insufficient cash available.

The municipality settled an amount of R73,853 million on January 2025 account excluding interest of R1,879 million (R25,000m on 26/02/2025 and R48,853 on 27/02/2025). Total invoice amount was R75,732 million The outstanding balance is R1,879 million.



15	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
	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 95 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 :		
	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarte	
	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	
	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarte	
	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 February 2025 = 3,608 YTD installations = 11,995
	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	
	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 –			
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		
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		
6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	Yes		
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? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes		
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		
6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	No FRP		
6.10	<i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>			
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 <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes		
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 its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			



