






**SOL PLAATJE
MUNICIPALITY**
Local Municipality / Plaaslike Munisipaliteit
Masepala wa selegae

Monthly Budget Statement S71 Monthly Report April 2025

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

 Due Date: 15 May 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 30 APRIL 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 R4,158,226 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R783,377 million is owed by government, R701,758 million by business and R2,544,272 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

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

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **30 April 2025**, the ten working day reporting limit expires on **15 May 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 **15 May 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 April 2025	YTD Actual April 2025	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,472,887	2,483,894	11,007	100.4%	0.4%
Total Revenue (including capital transfers and contributions)	2,949,965	2,868,887	(81,078)	97.3%	-2.7%
Total Operational Expenditure	2,570,034	2,322,284	(247,750)	90.4%	-9.6%

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

As indicated in Table 1.1 above, as at 30 April 2025, the billed revenue excluding capital grants amounted to R2,483,894 billion which resulted in a satisfactory variance of 0.4% when compared to the YTD Budget of R2,472,887 billion. The billed revenue including capital grants amounted to R2,868,887 billion, resulting in a satisfactory variance of minus 2.7% when compared to the YTD budget of R2,949,965 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 R2,322,284 billion versus the YTD Budget of R2,570,034 billion, resulting in an unsatisfactory variance of minus 9.6%. 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 April 2025	Variance Favourable (Unfavourable)	% YTD Actual vs Adjustment Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75%
Total Revenue (excluding capital transfers and contributions)	2,972,361	2,483,894	2,236,197	83.6%	0.2%
Total Revenue (including capital transfers and contributions)	3,546,958	2,868,887	2,573,307	80.9%	-2.45%
Total Operational Expenditure	3,197,789	2,322,284	2,055,802	72.6%	-10.7%

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 83.33% [calculated as follow: (100/12 months x 10 months of the year)] as at the end of April 2025, the Total operational revenue excluding capital grants versus the Adjustment Budget resulted in a satisfactory variance of 0.2%. The Total operational revenue including capital grants versus the Adjustment Budget resulted in a satisfactory variance of minus 2.45%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 10.7%.

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

4. Budget performance overview

The municipality is implementing the Adjustment budget for 2024/25 financial year. The Original budget for 2024/25 was assessed as funded with a firm recommendation from NT that the collection rate must improve.

Operating Revenue and Expenditure

Part1: Operating Revenue and Expenditure											
	2024/25										
	Budget Main appropriation	Adjusted Budget	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date
			Actual	1st Q as % of Main appropriation	Actual	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of Adjusted budget	Actual Expenditure	4th Q as % of Adjusted budget	Actual 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%	687,017	23.1%	208,083	7.0%	2,483,894 83.6%
Operating Expenditure	2,928,505	3,196,465	664,058	22.7%	694,331	23.7%	774,374	24.2%	189,521	5.9%	2,322,284 72.7%
Transfers and subsidies - capital (monetary allocations)	572,229	570,097	36,892	6.4%	220,548	38.5%	113,660	19.9%	13,894	2.4%	384,993 67.5%
Total Revenue	3,530,507	3,541,134	915,646	25.9%	930,588	26.4%	800,677	22.6%	221,977	6.3%	2,868,887 81.0%

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 83.6% versus the ideal percentage of 83.33%. 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 third and final tranche of the Equitable Share. Operational expenditure is 72.7% spent. It should be noted that Post-retirement health benefits is not yet accounted for. The Eskom bulk invoice for April 2025 will be captured and authorised during May 2025. Transfers and subsidies – capital transferred to revenue amounts to 67.5% of the Adjusted budget.

Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure												
R thousands	2024/25											
	Budget	First Quarter			Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	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	4th Q as % of Adjusted budget	Actual Expenditure	Total Expenditure as % of Adjusted budget
Capital Revenue and Expenditure												
Source of Finance	613,729	621,518	41,783	6.8%	186,907	30.5%	109,834	17.7%	30,016	4.8%	368,540	59.3%
Transfers recognised - capital	572,229	570,097	36,892	6.4%	186,789	32.6%	97,655	17.1%	28,828	5.1%	350,163	61.4%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	41,500	51,421	4,891	11.8%	118	.3%	12,180	23.7%	1,188	2.3%	18,377	35.7%

Table 1.4: Part 2: Capital Revenue and Expenditure

Performance on the capital is normally poor during the start of the financial year. As indicated in Table 1.4 above, total capital expenditure stands at 59.3% spent versus the Adjusted budget, whilst conditional grants spent amount to 61.4% and internally generated funds at 35.7% 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

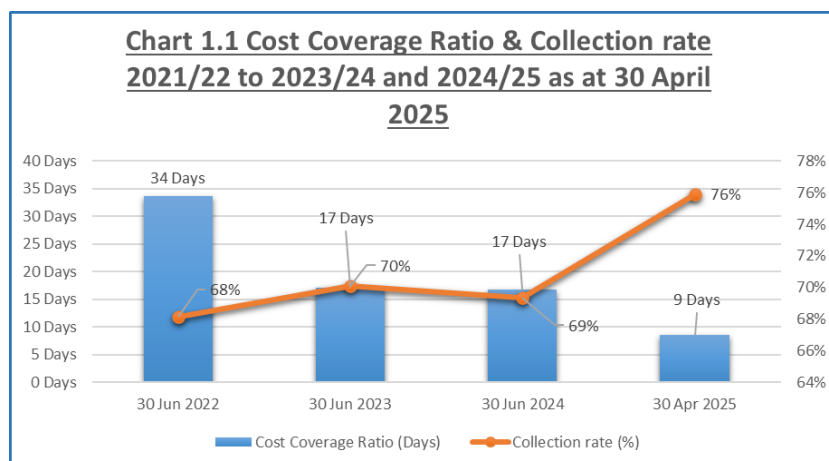


Chart 1.2 Growth in Outstanding debtors



- 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 30 April 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 April 2025 is critically low, standing at 9 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 R502,160m (14%) from 30 June 2024 to 30 April 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 R13,511 million, as at end of March 2025. On the 8 May 2025, interest was settled for July, September, October and December 2024. 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 **R162,572,116.07**, 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 eight instalments, amounting to R53,600,000.00.

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
Sep-24	R 71,086,942.52	R 69,337,712.24	R 1,749,230.28	R 6,700,000.00	R 8,449,230.28	R 1,749,230.28
Oct-24	R 73,507,839.50	R 70,741,905.79	R 2,765,933.71	R 6,700,000.00	R 9,465,933.71	R 2,765,933.71
Nov-24	R 69,973,808.12	R 25,000,000.00	R 44,973,808.12	R 6,700,000.00	R 51,673,808.12	R 2,159,642.32
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
Feb-25	R 68,070,392.81	R 68,070,392.81	-	R 6,700,000.00	R 6,700,000.00	R 1,066,048.41
Mar-25	R 72,107,023.50	R 72,107,023.50	-	R 6,700,000.00	R 6,700,000.00	R 1,733,370.12
TOTAL ESKOM	R 778,270,703.51	R 669,298,587.44	R 108,972,116.07	R 53,600,000.00	R 162,572,116.07	R 13,511,037.28

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 17,098,078.18	R 37,558,388.30	-R 14,703,680.46	R 22,854,707.84	R -
Oct-24	R 17,504,048.73	-	R 17,504,048.73	-	R 17,504,048.73	R -
Nov-24	R 17,504,048.73	-	R 17,504,048.73	-	R 17,504,048.73	R -
Dec-24	R 15,680,672.19	-	R 15,680,672.19	-	R 15,680,672.19	R -
Jan-25	R 20,395,986.37	-	R 20,395,986.37	-	R 20,395,986.37	R -
Feb-25	R 18,327,914.21	R 18,327,914.21	-R 0.00	-	-R 0.00	R -
Mar-25	R 16,769,310.95	-	R 16,769,310.95	-	R 16,769,310.95	R -
TOTAL WATER	R 160,838,447.64	R 35,425,992.39	R 125,412,455.25	-R 14,703,680.46	R 110,708,774.79	R -
Current Year arrears			R 87,854,066.95			

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 October, November, December 2024, January 2025 and March 2025 account for Water amounting to **R87,854,066.95**. 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 eight months. However during March 2025, the municipality managed to pay R17,098 million on the arrear debt, resulting in an amount outstanding on the debt

agreement of **R22,854,707.84**. This is 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 **R110,708,774.79** to remain on the Department's Debt Incentive Programme. If the municipality fails to pay the outstanding arrear debt before end of April 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 5 months' invoices (October, November, December 2024, January and March 2025) have not been paid. The municipality managed to settle the February 2025 account. 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 14th 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

On 28 April 2025 we had a television interview with SABC News with regards to debt owed to the Municipality, by the different Customer Groups. The interview was to also inform our Customers of the collection initiatives we have set in place for the year i.e. collection through Debt Collection Agencies.

We have commenced with our campaigning in the community, to make us more visible to our Customers. Providing information relating to the importance of paying of the municipal account on a monthly basis, arrangements, disconnections/blocking of electricity due to non-payment and the social package offered by the Municipality (indigent assistance).

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 % - 83.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	74,024	787,920	915,999	86.0%	(128,079)	-14.0%	71.7%	(128,079)	-11.7%
Service charges - Water	343,685	27,558	280,228	286,404	97.8%	(6,177)	-2.2%	81.5%	(6,177)	-1.8%
Service charges - Waste Water Management	95,890	9,570	94,698	79,908	118.5%	14,790	18.5%	98.8%	14,790	15.4%
Service charges - Waste management	72,271	7,191	71,106	60,226	118.1%	10,879	18.1%	98.4%	10,879	15.1%
Sale of Goods and Rendering of Services	16,455	1,828	15,251	13,596	112.2%	1,655	12.2%	92.7%	1,538	9.3%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	120,030	14,199	135,140	100,025	135.1%	35,115	35.1%	112.6%	35,115	29.3%
Interest from Current and Non Current Assets	9,000	1,568	15,986	7,500	213.2%	8,486	113.2%	177.6%	8,486	94.3%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	27,740	2,628	26,260	23,117	113.6%	3,143	13.6%	94.7%	3,143	11.3%
Licence and permits	1,200	48	559	1,000	55.9%	(441)	-44.1%	46.6%	(441)	-36.7%
Operational Revenue	3,773	242	2,554	3,144	81.2%	(590)	-18.8%	67.7%	(590)	-15.6%
Non-Exchange Revenue	-	-	-	-	-	-	-	-	-	-
Property rates	687,320	50,626	611,471	572,766	106.8%	38,704	6.8%	89.0%	38,704	5.6%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	32,143	882	23,336	26,786	87.1%	(3,450)	-12.9%	72.6%	(3,450)	-10.7%
Licence and permits	8,000	1,034	7,937	6,667	119.1%	1,270	19.1%	99.2%	1,270	15.9%
Transfers and subsidies - Operational	312,854	7,166	294,676	256,748	114.8%	37,928	14.8%	94.2%	33,964	10.9%
Interest	91,900	8,634	86,250	76,583	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	50,900	884	25,301	42,417	59.6%	(17,116)	-40.4%	49.7%	(17,116)	-33.6%
Gains on disposal of Assets	-	-	5,071	-	#DIV/0!	5,071	#DIV/0!	#DIV/0!	5,071	#DIV/0!
Other Gains	-	-	151	-	-	151	-	-	151	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,972,361	208,083	2,483,894	2,472,887	100.4%	1,340	0.1%	83.6%	6,926	0.2%
Transfers and subsidies - capital	574,597	13,894	384,993	477,078	80.7%	(92,085)	-19.3%	67.0%	(93,838)	-16.3%
Total Revenue (including capital transfers and contributions)	3,546,958	221,977	2,868,887	2,949,965	97.3%	(81,078)	-2.7%	80.9%	(86,912)	-2.5%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 14.0%. This understatement of Service charges Electricity is largely attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is satisfactory with a variance of minus 2.2%. 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.

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- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 12.2%. 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 35.1% 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 113.2%. 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 13.6% 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 44.1%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 46.62% achievement versus a budget of R1,200 million.
- ❖ Operational Revenue is showing a negative variance of 18.8%, 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 6.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 12.9%, due to an under-recovery on Fines: Law Enforcement that is standing at 16.51% achieved versus a target of R12,000 million.
- ❖ Licence and permits are showing a positive variance of 19.1%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 14.8%, due to the receipt of the third and final tranche of the Equitable share during March 2025.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 40.4%. 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 R5,071 million pertaining to land sales.
- ❖ Other Gains, pertains to gains realised from Stores.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 19.3% 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 83.33%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Overall, Service charges when compared to the Adjustment budget is performing satisfactorily, with the exception of Electricity sales. Same factors are applicable as described in the paragraph above.
- ❖ Sale of Goods and Rendering of Services is showing a satisfactory variance of 9.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 29.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 94.3%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a positive variance of 11.3%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 36.7%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 15.6%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 5.6%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of 5.1%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a positive variance of 15.9%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 10.9%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 33.6%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets shows a movement of R5,071 million. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 16.3%. 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 30 April 2025. The main contributors of the municipality's revenue are Service Charges (49.7%), Property Rates (24.6%) and Other Revenue (13.2%). The contribution per Revenue source is still slightly distorted, as a result of the annual billing of Property rates and the receipt of the third and final tranche of the Equitable Share.

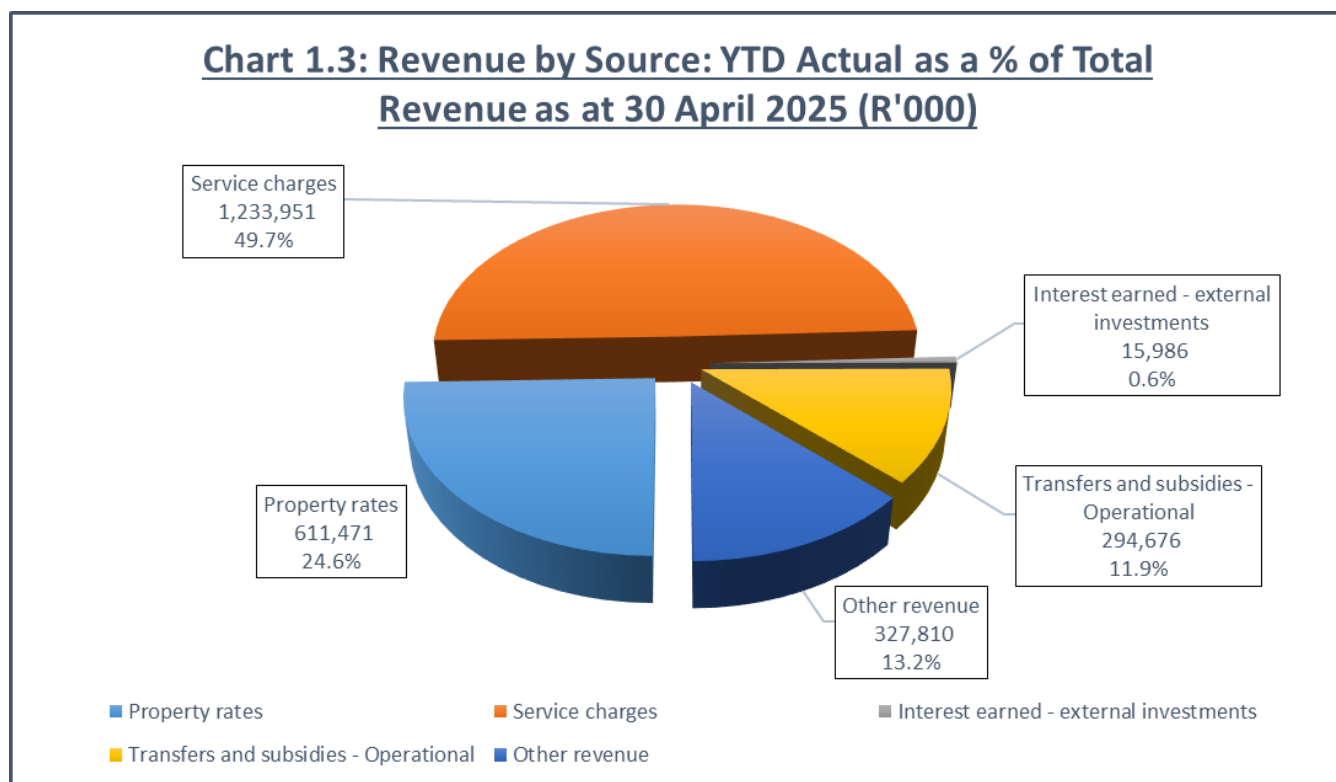


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

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 % - 83.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	952,667	68,961	702,415	793,472	88.5%	(91,057)	-11.5%	73.7%	(91,475)	-9.6%
Remuneration of councillors	37,077	2,778	29,046	30,897	94.0%	(1,851)	-6.0%	78.3%	(1,851)	-5.0%
Bulk purchases - electricity	910,118	59,461	661,397	724,270	91.3%	(62,873)	-8.7%	72.7%	(97,035)	-10.7%
Inventory consumed	320,161	9,053	225,006	265,878	84.6%	(40,873)	-15.4%	70.3%	(41,795)	-13.1%
Debt impairment	475,246	-	356,435	368,039	96.8%	(11,604)	-3.2%	75.0%	(39,604)	-8.3%
Depreciation and amortisation	89,700	11,102	55,952	74,750	74.9%	(18,798)	-25.1%	62.4%	(18,798)	-21.0%
Interest	78,195	3,472	26,508	51,064	51.9%	(24,556)	-48.1%	33.9%	(38,654)	-49.4%
Contracted services	66,516	2,840	42,364	49,414	85.7%	(7,050)	-14.3%	63.7%	(13,066)	-19.6%
Transfers and subsidies	3,660	625	2,517	3,050	82.5%	(533)	-17.5%	68.8%	(533)	-14.6%
Irrecoverable debts written off	-	0	1	-		1			1	
Operational costs	172,511	13,658	143,461	138,871	103.3%	4,590	3.3%	83.2%	(298)	-0.2%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	91,938	17,571	77,183	70,329	109.7%	6,854	9.7%	84.0%	568	0.6%
Total Expenditure	3,197,789	189,521	2,322,284	2,570,034	90.4%	(247,750)	-9.6%	72.6%	(342,540)	-10.7%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 April 2025 current YTD expenditure shows a satisfactory variance of minus 9.6%. The YTD actual amounted to R2,322,284 billion against the YTD Budget of R2,570,034 billion.

- ❖ Employee related costs show an unsatisfactory variance of minus 11.5%, 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 6.0%. 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 8.7%, due to the April 2025 account that will be captured and authorised during May 2025.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 15.4%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage 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 30 April 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 83.33%
VOTE 1 - COUNCILLORS AND ADMIN	202,000	222,000	6,052	132,053	65.37%	59.48%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	110,000	6,052	66,953	78.77%	60.87%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	110,000	-	65,100	56.61%	59.18%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	22,997,000	2,020,286	25,885,925	112.56%	112.56%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	16,549	190,483	36.63%	36.63%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-SR/FUEL FLEET)	400,000	400,000	13,416	166,394	41.60%	41.60%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	1,990,321	25,529,048	115.64%	115.64%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	117,000	177,000	-	112,183	95.88%	63.38%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	170,600	-	110,183	111.30%	64.59%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	6,400	-	2,000	11.11%	31.25%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,568,000	3,618,000	188,522	1,656,668	15.68%	45.79%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	856,000	84,630	474,593	52.62%	55.44%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	357,000	23,611	255,371	93.89%	71.53%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	480,000	43,300	377,757	71.27%	78.70%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	1,925,000	36,981	548,946	6.19%	28.52%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	35,714,500	41,919,500	2,004,940	16,557,219	46.36%	39.50%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,063,500	27,501	480,144	48.67%	45.15%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	52,000	-	758	1.40%	1.46%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	287,000	1,553	269,924	121.59%	94.05%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,148,000	71,862	731,740	67.32%	63.74%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,971,000	411,993	4,807,742	53.56%	53.59%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	15,135	254,081	30.76%	30.76%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	29,572,000	1,476,897	10,012,830	42.49%	33.86%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,368,000	3,833,000	124,351	1,543,703	65.19%	40.27%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,382,000	61,618	968,611	73.38%	70.09%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	168,000	21,421	125,668	71.81%	74.80%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	178,000	9,159	106,151	53.61%	59.64%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	2,105,000	32,153	343,274	50.86%	16.31%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	8,301,000	426,382	2,701,355	42.33%	32.54%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	435,100	16,203	188,107	44.89%	43.23%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	54,000	7,012	28,337	46.45%	52.48%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	430,900	16,788	210,997	50.48%	48.97%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	383	5,017	62.71%	62.71%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	7,373,000	385,997	2,268,897	41.44%	30.77%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	237,769,705	4,282,011	176,416,604	73.12%	74.20%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	729,000	21,920	345,437	53.56%	47.39%	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	2,878,099	15,143,741	62.65%	63.70%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	822,000	37,526	522,768	68.60%	63.60%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,580,000	606,702	6,180,219	69.21%	72.03%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	600,000	10,784	139,922	16.27%	23.32%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	155,902,705	13,856,201	106,723,722	75.75%	68.46%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	47,362,000	-13,129,220	47,360,795	72.86%	100.00%	OVERSPENT
Grand Total	319,605,205	318,837,205	9,052,545	225,005,710	70.40%	70.57%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 30 April 2025 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 83.33%
2480 - REFUSE	21,500,000	21,460,000	1,201,656	9,582,486	44.57%	44.65%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	-	14,343	15.94%	15.94%	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	309,968	3,877,233	64.62%	64.62%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	1,924	6,205	1.24%	1.24%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	889,764	5,674,689	38.60%	38.60%	UNSATISFACTORY
2830 - ROADS	46,747,000	50,997,000	6,598,737	45,533,358	97.40%	89.29%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	5,061	15,532	28.24%	28.24%	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	6,593,676	45,506,677	97.58%	89.43%	OVERSPENT
2840 - HOUSING	3,509,000	3,509,000	194,601	1,849,925	52.72%	52.72%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	9,528	68,285	76.72%	76.72%	UNSATISFACTORY
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	1,960	127,328	87.81%	87.81%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	11,235	85,234	53.27%	53.27%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	171,878	1,569,079	50.39%	50.39%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	30,774,000	976,195	11,154,106	50.65%	36.25%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	44,000	758	24,111	80.37%	54.80%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	-	14,544	8.56%	8.56%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	259,000	247,000	15,668	121,629	46.96%	49.24%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,180,000	161,215	1,651,172	68.80%	75.74%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	150,000	-	10,186	2.55%	6.79%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	27,983,000	798,555	9,332,465	49.73%	33.35%	UNSATISFACTORY
2860 - WATER	121,123,000	103,485,000	-6,500,001	88,125,697	72.76%	85.16%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	177,000	-	64,225	83.41%	36.29%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	23,602,000	2,878,099	15,129,197	63.03%	64.10%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	152,000	7,541	103,300	93.91%	67.96%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,170,000	132,769	1,524,604	66.29%	70.26%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	10,784	129,736	28.20%	28.83%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,572,000	3,600,027	23,813,840	81.63%	80.53%	SATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	47,362,000	-13,129,220	47,360,795	72.86%	100.00%	OVERSPENT
2880 - ELECTRICITY	51,537,000	52,677,000	3,514,139	30,288,419	58.77%	57.50%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	6,574	81,854	38.98%	38.98%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	76,000	76,000	8,819	37,631	49.51%	49.51%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	52,390,000	3,498,746	30,168,934	58.87%	57.59%	UNSATISFACTORY
Grand Total	266,440,000	262,902,000	5,985,326	186,533,990	70.01%	70.95%	UNSATISFACTORY

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 fourth quarter must still be processed, hence the lower variance of 3.2% when compared to the YTD budget.
- ❖ Depreciation was projected for on a straight-line basis and a quarterly journal was processed to account for pro-rata depreciation for the first and second quarter. The municipality implemented the Asset module (AM) on the financial system. This will resolve the automation of accounting for depreciation monthly.
- ❖ Interest is showing an unsatisfactory variance of minus 48.1%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year was settled before the 31 December 2024. The total interest charges on overdue accounts on the Eskom bulk account, for the current financial year amounts to R15,320 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 unsatisfactory variance of 14.3%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 17.5%. Due to cash constraints the municipality will be paying the allocation of R2,500 million, due to the SPCA over four instalments, as and when sufficient cash is available. All instalments has settled for the SPCA.
- ❖ Operational cost is showing a satisfactory variance of 3.3% as a result of the following line items under Operational Cost (OC)
 - The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of R34,383 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 R8,870 for predominantly annual SALGA membership fees. Partial payments have been made to SALGA amounting to R1,536 million, against a total invoice amount of R8,782 million.
- ❖ Other Losses is showing an unsatisfactory variance of 9.7%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and 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 to March 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 April 2025 is 83.3%. The total operational expenditure against the Adjustment budget is 72.6% spent, resulting in a satisfactory variance of minus 8.3%.

- ❖ Employee related costs show a satisfactory variance of minus 9.6%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 5.0%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 10.7%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 13.1%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 8.3%. Same factors are applicable as explained above.
- ❖ Depreciation is showing an unsatisfactory variance of minus 21.0%. Same factors are applicable as explained above.
- ❖ Interest is showing a negative variance of minus 49.4%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 19.6%, when compared to the Adjustment budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 14.6%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of minus 0.2%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of 0.6%. Same factors are applicable as explained above.

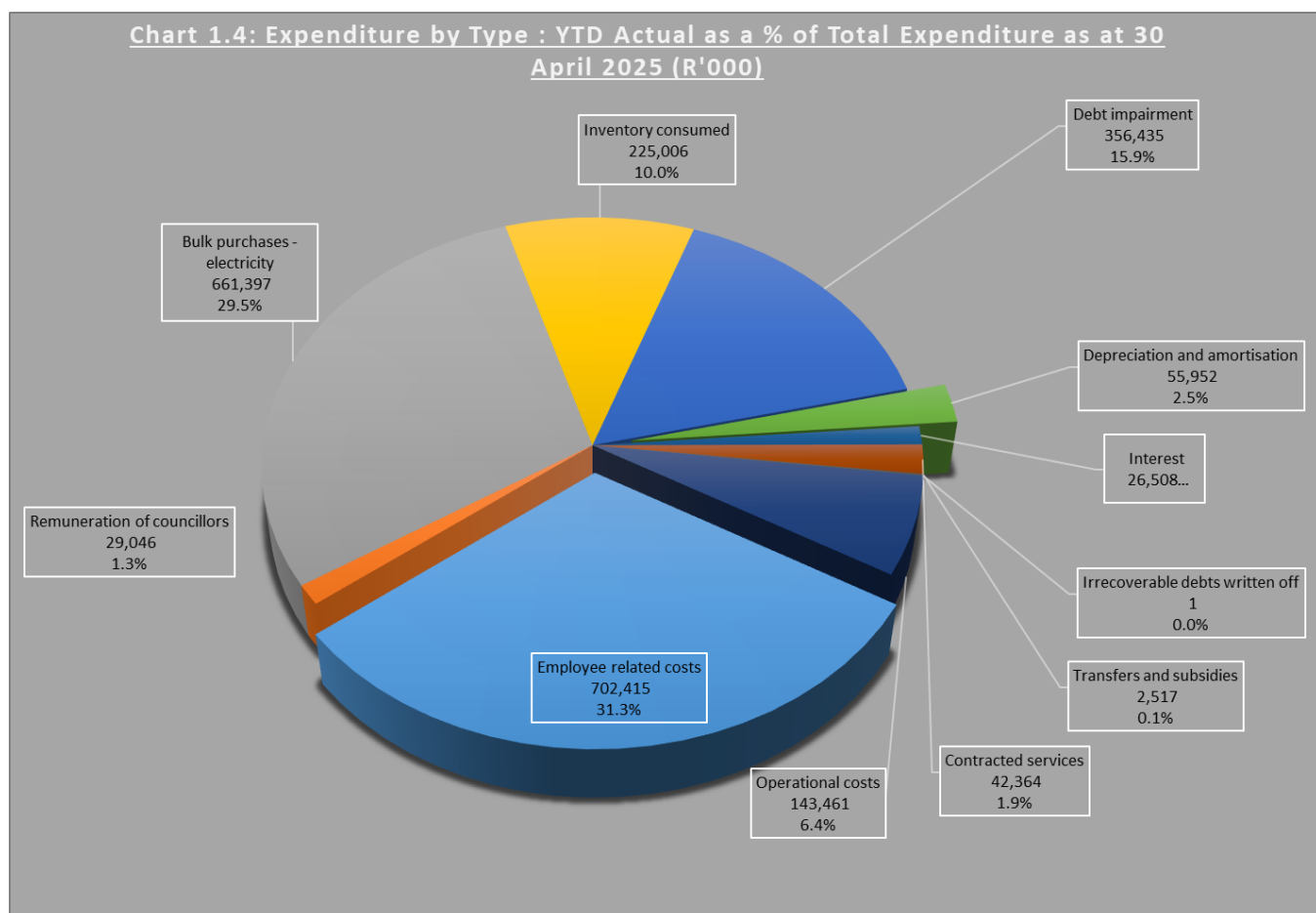


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 30 April 2025. The main cost drivers of the municipality are Employee Related Costs (31.3%), Bulk Purchases – Electricity (29.5%), Debt Impairment (15.9%) and Inventory consumed (10.0%).

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 monthly basis.
- ❖ Bulk purchases electricity, the April 2025 Eskom account will be authorised on the system during May 2025.
- ❖ Debt impairment is provided for on a quarterly basis. The journal for the fourth quarter must still be processed.
- ❖ 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 83.33% as at end of April 2025, Bulk Purchases Electricity is showing a satisfactory variance minus of 10.66%. The account for April 2025 will be captured and authorised in May 2025.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 83.33%
BULK PURCHASES: ELECTRICITY	910,118,000	59,461,111	661,396,505	72.67%	-10.66%
Total	910,118,000	59,461,111	661,396,505	72.67%	-10.66%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing a satisfactory variance of 6%, when compared to the ideal percentage of 83.33%. 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 March 2025 for the recognition of Water inventory and losses must still be processed on the system. The variance is attributed to the interface of water consumption (transacted against Water Inventory) from the billing module. This overstatement will be corrected with the journal for the 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.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 83.33%
INVENTORY - WATER	47,362,000	-13,129,220	47,360,795	100.00%	16.66%
NON-REVENUE WATER LOSSES	91,938,000	17,571,466	77,032,588	83.79%	0.45%
Total	139,300,000	4,442,245	124,393,384	89.3%	6.0%

Table 5.2: Summary of YTD Bulk Water expenditure

Outstanding debt: ESKOM

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2024/25
2021/22	523,811	–		523,811	523,811	–
Oct-21	51,028	–		51,028	51,028	–
Nov-21	50,813	–		50,813	50,813	–
Dec-21	51,379	–		51,379	51,379	–
Jan-22	53,401	–		53,401	53,401	–
Feb-22	51,445	–		51,445	51,445	–
Mar-22	54,652	–		54,652	54,652	–
Apr-22	51,835	–		51,835	51,835	–
May-22	57,826	–		57,826	57,826	–
Jun-22	101,431	–		101,431	101,431	–
2022/23	389,602	103,242	(37,482)	248,878	248,878	–
Dec-22	48,088	–		48,088	48,088	–
Jan-23	59,491	–		59,491	59,491	–
Feb-23	56,821	–	(9,504)	47,317	47,317	–
Apr-23	45,106	–	(7,923)	37,183	37,183	–
May-23	65,831	–	(9,033)	56,798	56,798	–
Jun-23	114,264	103,242	(11,022)	–	–	–
2023/24	975,208	819,809	(69,632)	85,767	85,767	–
Jul-23	131,032	110,162	(8,736)	12,134	12,134	–
Aug-23	123,594	70,000	(10,784)	42,810	42,810	–
Sep-23	71,421	30,000	(10,598)	30,823	30,823	–
Oct-23	76,317	62,679	(13,638)	–	–	–
Nov-23	70,580	62,348	(8,232)	0	0	–
Dec-23	64,311	61,246	(3,065)	–	–	–
Jan-24	65,735	63,044	(2,691)	–	–	–
Feb-24	64,371	62,479	(1,893)	–	–	–
Mar-24	66,311	62,973	(3,338)	–	–	–
Apr-24	61,436	59,697	(1,739)	–	–	–
May-24	66,327	63,149	(3,178)	–	–	–
Jun-24	113,772	112,033	(1,739)	–	–	–
2024/25	846,329	669,299	–	177,030	108,972	15,320
Jul-24	148,333	148,059	–	274	274	274
Aug-24	127,601	72,000	–	55,601	55,601	155
Sep-24	71,087	69,338	–	1,749	1,749	1,749
Oct-24	73,508	70,742	–	2,766	2,766	2,766
Nov-24	69,974	25,000	–	44,974	44,974	2,160
Dec-24	71,859	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
Mar-25	72,107	72,107	–	–	0	1,733
Apr-25	68,058	–	–	68,058	0	1,809
Grand Total ESKOM	2,734,949	1,592,349	(107,114)	1,035,486	967,427	15,320

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,035,486 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 R15,320 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 was corrected during the Adjustments budget.

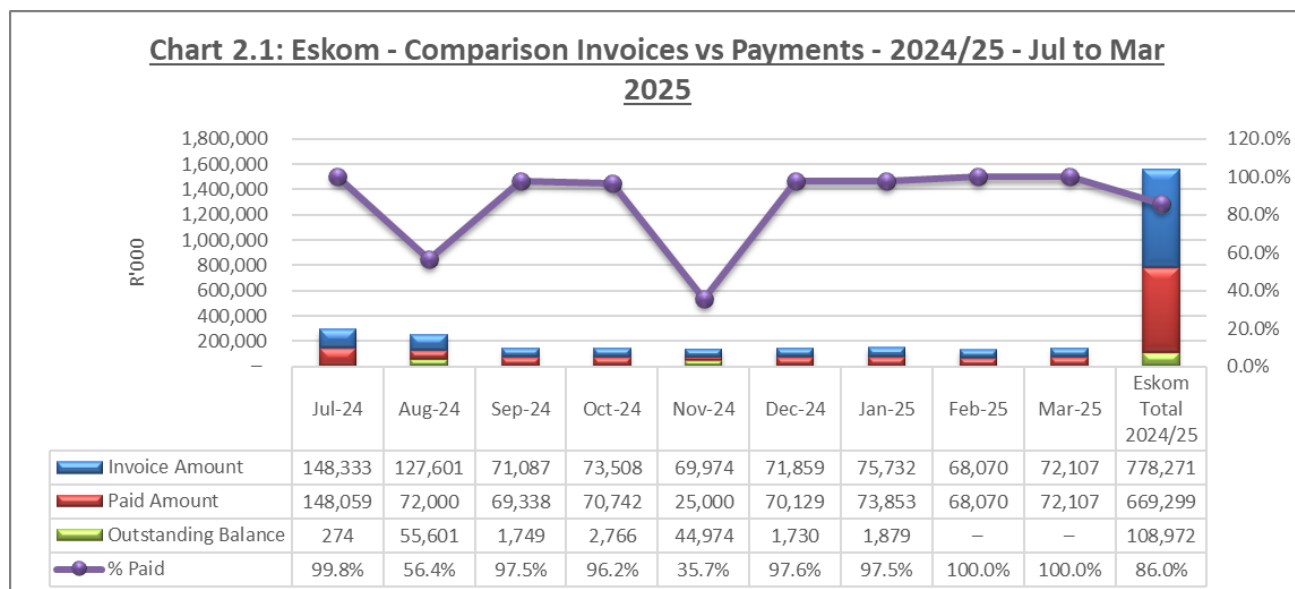


Chart 2.1: Eskom - Comparison Invoices vs Payments

Indicated in Chart 2.1 above, is the comparison of Eskom invoices versus payments for the 2024/25 financial year, from July 2024 to March 2025. The current account for April 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until March 2025 show that 86% of invoices were settled, based on invoices raised of R778,271 million versus payments of R669,299 million. The interest charges for the invoices for July, September, October, December 2024, was paid on 8 May 2025. It will be factored in the reporting for May 2025. January 2025 remain unpaid. 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
2021/22	126,431	88,873	37,558	37,558
INTEREST (APR-JUN 2022)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sep-21	15,795	15,795	–	–
Oct-21	15,275	15,275	–	–
Nov-21	14,523	14,523	–	–
Dec-21	11,108	11,108	–	–
Jan-22	17,098	17,098	–	–
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
2023/24	150,526	150,526	–	–
Jul-23	15,303	15,303	–	–
Aug-23	13,588	13,588	–	–
Sep-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
Nov-23	17,070	17,070	–	–
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	36,046	–	–
Mar-24	5,194	5,194	–	–
Jun-24	694	694	–	–
2024/25	159,576	71,722	87,854	87,854
Jul-24	17,724	17,724	–	–
Aug-24	16,698	16,698	–	–
Sep-24	18,973	18,973	–	–
Oct-24	17,504	–	17,504	17,504
Nov-24	17,504	–	17,504	17,504
Dec-24	15,681	–	15,681	15,681
Jan-25	20,396	–	20,396	20,396
Feb-25	18,328	18,328	(0)	(0)
Mar-25	16,769	–	16,769	16,769
Grand Total	436,534	311,121	125,412	125,412

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 R125,412 million. The total debt must be concurred with the Department. The total arrear debt amounts to R125,412 million which pertains to outstanding invoices for 2021/22 (R37,558m) and 2024/25 (R87,854m). 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 R87,854 million. The municipality defaulted on the October, November, December 2024 and January and March 2025 account. There is no current account for April 2025, due to the servitude (free water) period that commenced from 1 April 2025. Due to the servitude the municipality does not get billed for about three months from April 2025 to June 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, December 2024 and January and March 2025 invoice and incurred accumulative arrear debt for the current year of R87,854 million. The invoice for March 2025 account of R18,328 million was settled in full on 26 April 2025. A major cause of concern is the fact that the municipality is in arrears with R22 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.

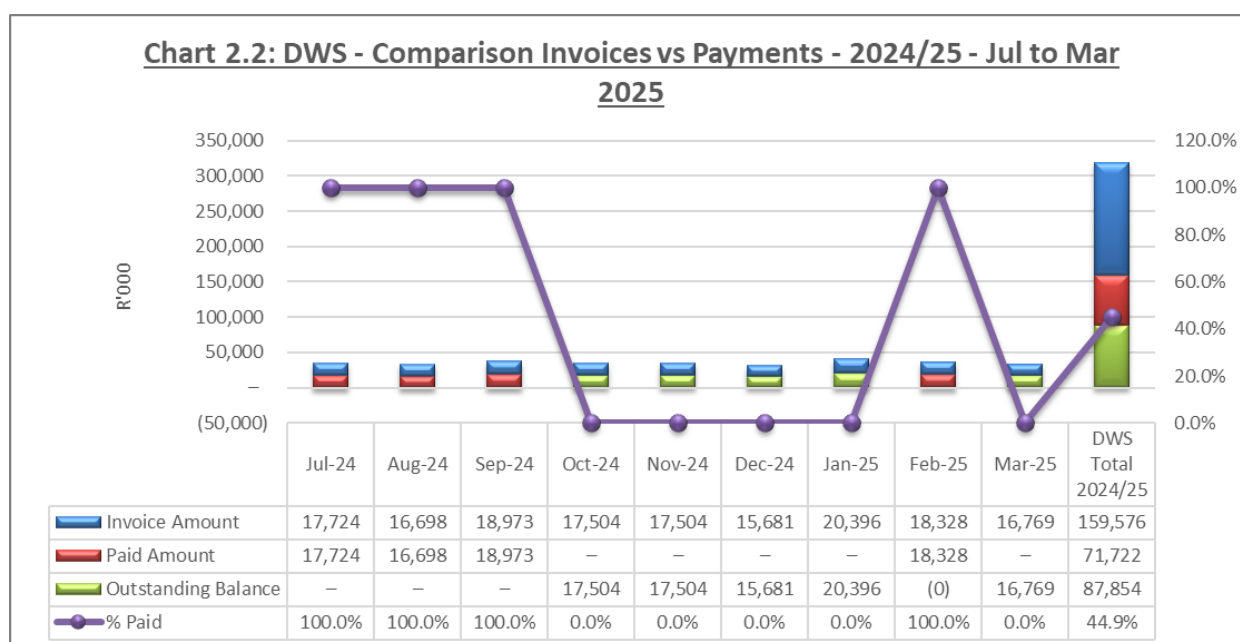


Chart 2.2: DWS - Comparison Invoices vs Payments

Indicated in Chart 2.2 is the comparison of DWS invoices versus payments for the 2024/25 financial year from July 2024 to March 2025. There is no current account for April 2025 because it falls within our servitude period. The YTD actual until March 2025 show that 44.9% of invoices were settled, based on invoices raised of R159,576 million versus payments of R71,722 million. Invoices for July to September 2024 were settled in full, whilst the invoices for October 2024 to January 2025 remain unpaid. The invoice for February 2025 account of R18,328 million was settled in full on 26 April 2025. The March 2025 invoices remain unpaid, at the end of April there was not sufficient cash available to settle the account. The total arrear outstanding balance amounts to R87,854 million.

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

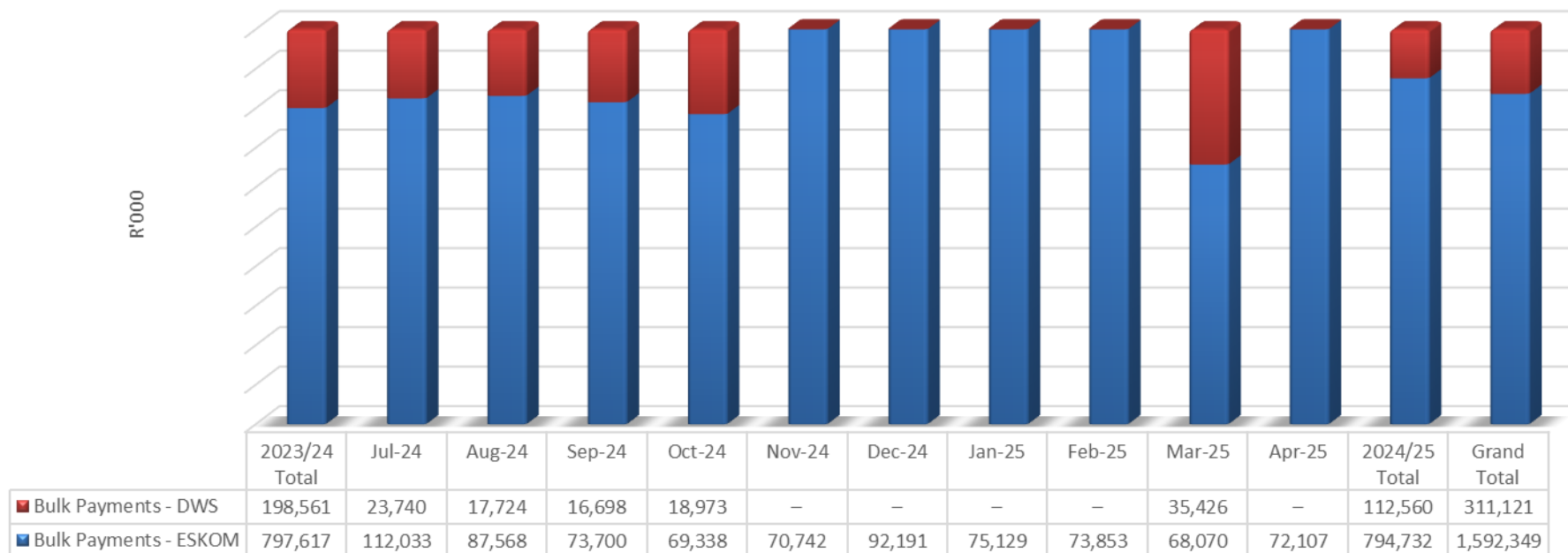


Chart 2.3: Monthly payments to DWS & ESKOM

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 30 April 2025.

DWS The municipality had insufficient cash to settle the current account for March 2025 amounting to R16,579 million. The invoice Payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R112,560 million. The total payments amount to R311,121 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 five months (October 2024 to January 2025 and March 2025) 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 R72,107 million during April 2025 on the March 2025 account. The amounts paid includes interest charges of R1,733 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 amounted to R797,617 million and for 2024/25 financial year the payments amount to R794,732 million, resulting in the total payments for both periods amounting to R1,592,349 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
2023/24	R 797,617,409.52	2023/24	R 198,561,294.26
20230801	R 103,241,512.23	20230712	R 15,794,682.80
20230830	R 61,000,000.00	20230804	R 15,074,754.70
20230928	R 35,000,000.00	20230914	R 6,000,000.00
20230929	R 35,000,000.00	20231003	R 13,588,064.81
20231031	R 30,000,000.00	20231018	R 6,000,000.00
20231130	R 62,678,528.38	20231106	R 6,275,086.61
20231220	R 2,262,000.00	20231114	R 18,331,770.78
20231228	R 62,347,938.72	20231208	R 6,000,000.00
20240130	R 48,000,000.00	20231212	R 17,633,270.36
20240209	R 13,246,492.61	20240105	R 5,522,530.48
20240219	R 6,700,000.00	20240130	R 13,332,894.88
20240228	R 45,000,000.00	20240212	R 6,000,000.00
20240304	R 18,043,546.82	20240301	R 13,332,894.88
20240319	R 6,700,000.00	20240412	R 21,303,350.74
20240328	R 62,478,598.42	20240429	R 5,194,304.19
20240426	R 62,972,969.32	20240514	R 11,069,915.81
20240524	R 13,400,000.00	20240626	R 18,107,773.22
20240528	R 59,696,947.69	2024/25	R 77,134,049.64
20240621	R 6,700,000.00	20240717	R 23,739,570.29
20240625	R 63,148,875.33	20240830	R 17,723,612.70
2024/25	R 654,554,301.82	20240930	R 16,698,048.53
20240730	R 112,033,130.69	20241031	R 18,972,818.12
20240828	R 32,868,260.60	20250314	R 17,098,078.18
20240829	R 54,700,000.00	20250326	R 18,327,914.21
20240930	R 73,700,000.00	Grand Total DWS	R 311,121,336.29
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		
20250325	R 68,070,392.81		
20250425	R 42,107,023.50		
20250429	R 30,000,000.00		
Grand Total ESKOM	R 1,592,349,127.65		

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 Apr 2025

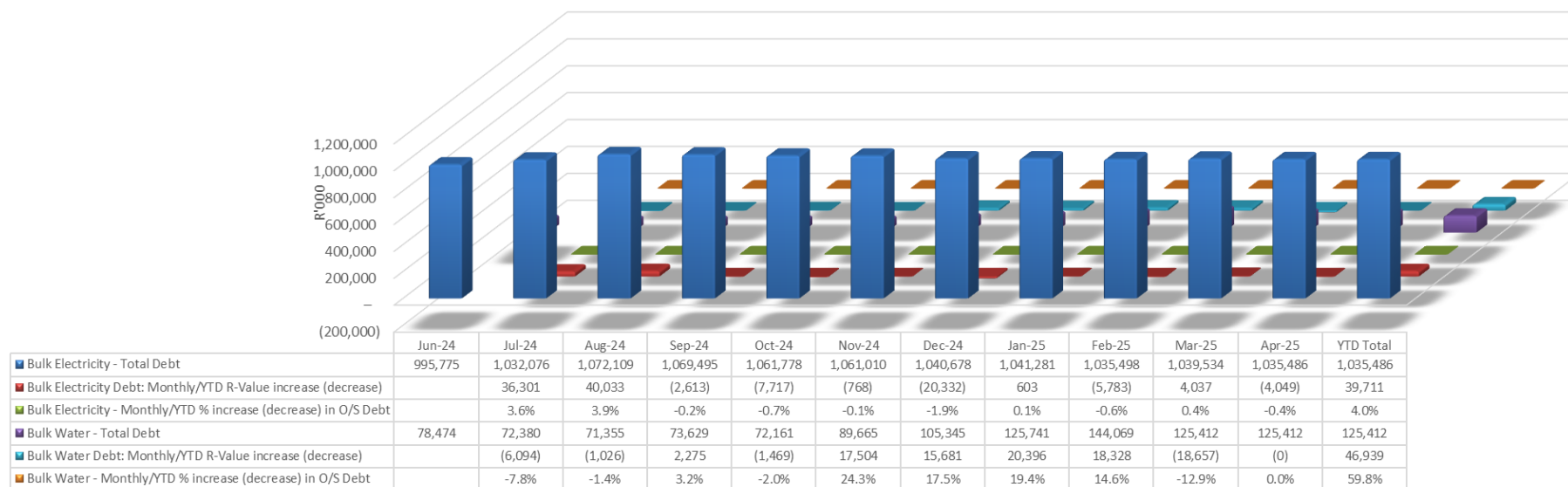


Chart 2.4: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From March 2025 to April 2025, debt owed to ESKOM decreased by R4,049 million or 0.4%, from R1,039,534 billion to R1,035,498 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R39,711 million or 4%, from R995,775 million to R1,035,498 billion.

DWS - From March 2025 to April 2025, debt owed to DWS remained the same at R125,412 million. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R46,939 million or 59.8% from R78,474 million to R125,412 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 and March 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
14	2025/03/31								R 6,700,000.00
15	2025/04/30								R 6,700,000.00
TOTAL					R 49,162,000.00		R 113,900,000.00		R 53,600,000.00

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 eight instalments amounting to R53,600 million.

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 17,098,078.18	R -
FEB 2022 BULK ACCOUNT	R 16,436,776.66	R 16,436,776.66		R -	R 16,436,776.66
MAR 2022 BULK ACCOUNT	R 14,930,212.48	R 14,930,212.48		R -	R 14,930,212.48
JUL 2022 BULK ACCOUNT	R 13,793,141.72	R 13,793,141.72		R 13,793,141.72	-
AUG 2022 BULK ACCOUNT	R 17,460,136.80	R 17,460,136.80		R 17,460,136.80	-
SEP 2022 BULK ACCOUNT	R 16,309,287.82		16,309,287.82	R 16,309,287.82	-
WRM LEVIES SEP 2022	R 82,471.24		82,471.24	R 82,471.24	-
Total Debt as per SPM	R 174,076,331.87	R 157,684,572.81	R 16,391,759.06	R 136,517,943.57	R 37,558,388.30
INTEREST CHARGES - APR TO JUN 2022	-R 6,191,399.16				-R 6,191,399.16
INTEREST PAID	-R 8,512,281.30				-R 8,512,281.30
TOTAL INTEREST CHARGES	-R 14,703,680.46				-R 14,703,680.46
NET OUTSTANDING	R 159,372,651.41			R 136,517,943.57	R 22,854,707.84

As articulated in the adjacent Table 6.5, the total debt amounted to R174,076 million, whilst the municipality settled an amount of R136,518 million resulting in an outstanding balance of R37,558 million. An amount of R14,704 million for interest incurred must still be written-off, resulting in a net outstanding balance of R22,855 million on the payment arrangement, which should have been settled in full already, if the municipality did not default on any payments.

Table 6.5: Reconciliation DWS Debt Agreement

4.3 Capital expenditure

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 % - 83.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	628,137	30,016	368,540	518,321	71.10%	(149,780)	-28.9%	58.7%	(154,907)	-24.7%
Funded by										
Capital transfers recognised	574,597	28,828	350,163	477,078	73.40%	(126,915)	-26.6%	60.9%	(128,667)	-22.4%
Internally generated funds	53,540	1,188	18,377	41,242	44.6%	(22,865)	-55.4%	34.3%	(26,240)	-49.0%
Weighting Capital transfer recognised	91.5%	96.0%	95.0%	92.0%						
Weighting Internally generated funds	8.5%	4.0%	5.0%	8.0%						

Table 7: High level summary: Capital Expenditure

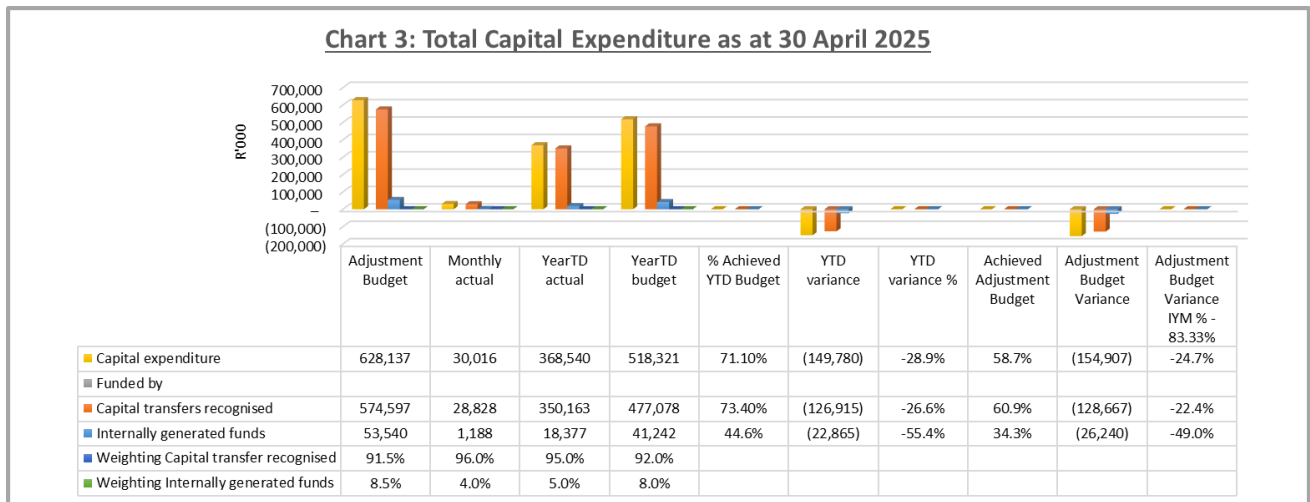


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of April 2025 amounted to R368,540 million and 71.10% spent when compared to the YTD budget of R518,321 million and 58.7% spent when compared to the Adjustment Budget of R628,137 million. The total YTD capex is funded from Capital grants R350,163 million (95%) and Internally generated funds R18,377 million (5%). 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

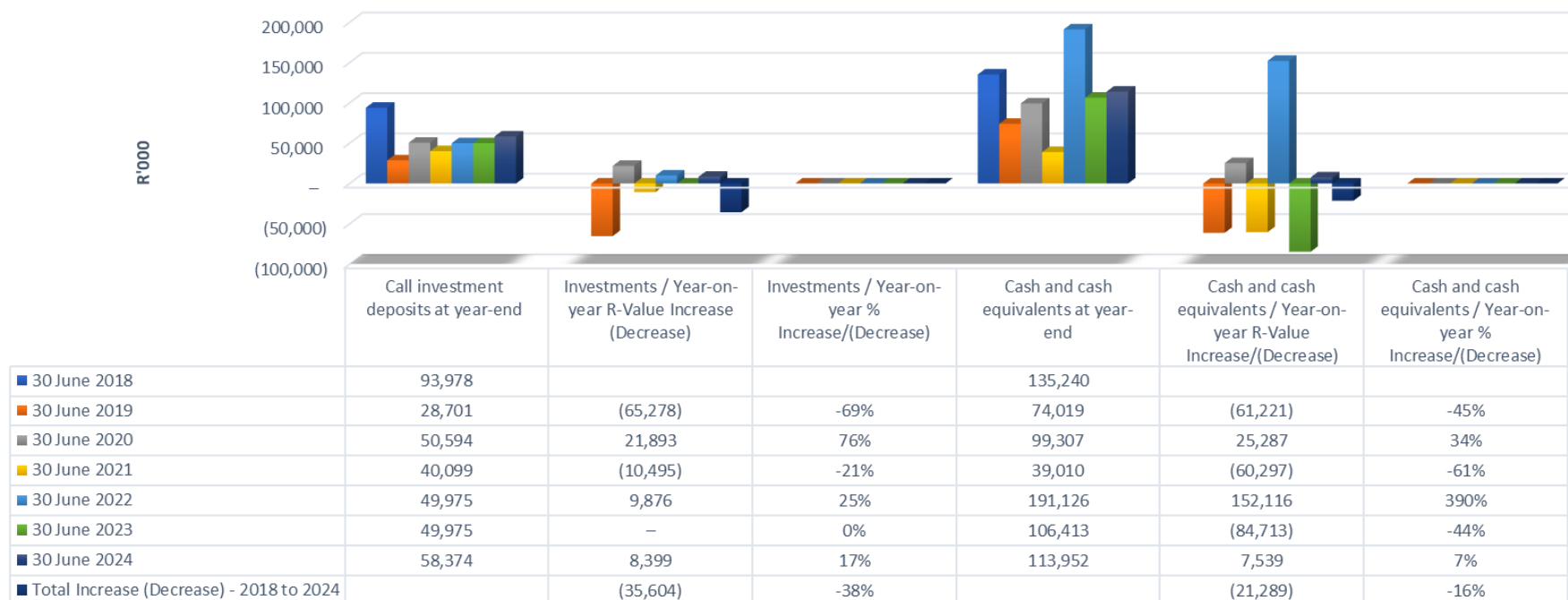


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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 from 2021/22 to 2023/24 and 2024/25 as at 30 April 2025

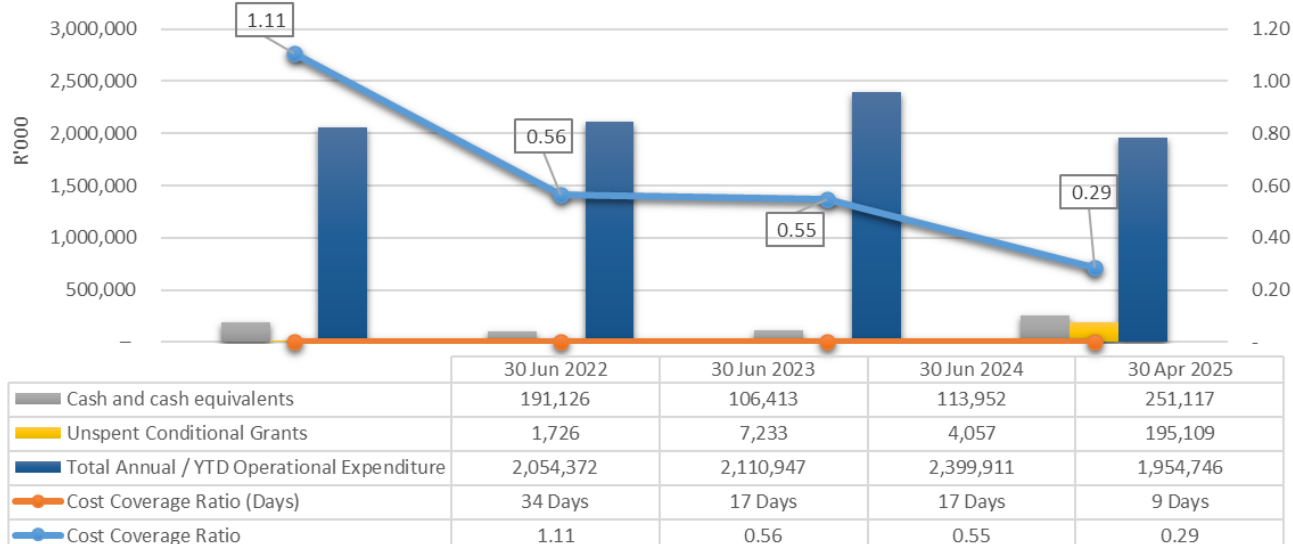


Chart 5: Cash & cash equivalents and Cost coverage ratio

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 30 April 2025 is calculated at (0.29; 9 days; R251,117m). Unspent conditional grants amounted to R195,109 million, which is netted off against the Cash and cash equivalents (cashbook), resulting in the critically low-Cost coverage. 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.

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 - M10 April

2023/24 - Supporting Table 200 monthly Budget Statement - aged debtors - 1st April													
Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	35,756	28,043	24,041	23,849	20,299	20,596	92,140	578,551	823,275	735,435	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	55,322	24,116	17,233	13,380	9,108	7,419	40,762	167,011	334,353	237,682	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	43,459	21,449	15,249	14,430	13,415	12,723	117,689	648,921	887,335	807,178	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	10,137	7,113	6,611	6,347	6,157	5,920	31,299	220,539	294,123	270,262	-	-
Receivables from Exchange Transactions - Waste Management	1600	8,101	5,481	4,975	4,685	4,522	4,351	23,367	171,205	226,686	208,130	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,991	1,916	1,896	1,898	1,903	2,574	10,662	79,218	102,057	96,255	-	-
Interest on Arrear Debtor Accounts	1810	22,040	21,742	21,947	21,432	22,129	20,436	115,249	830,890	1,075,863	1,010,135	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-
Other	1900	5,271	9,932	7,792	3,960	7,875	14,955	45,281	319,469	414,534	391,540	-	-
Total By Income Source	2000	182,077	119,791	99,743	89,981	85,408	88,974	476,449	3,015,804	4,158,226	3,756,615	-	-
2023/24 - totals only		184256155	104272874	128809797	75894108	73399777	74875638	470987833	2704987621	3,817,484	3,400,145	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	26,418	20,317	11,928	10,012	9,596	8,094	85,044	611,967	783,377	724,714	-	-
Commercial	2300	65,885	29,680	21,772	18,793	16,587	15,492	78,479	455,070	701,758	584,420	-	-
Households	2400	87,039	67,482	63,765	58,965	56,505	63,386	302,112	1,845,018	2,544,272	2,325,986	-	-
Other	2500	2,734	2,312	2,277	2,211	2,719	2,002	10,814	103,749	128,819	121,495	-	-
Total By Customer Group	2600	182,077	119,791	99,743	89,981	85,408	88,974	476,449	3,015,804	4,158,226	3,756,615	-	-

Table 8.1: Supporting Table SC3: Aged Debtors

Part 4: Debtor Age Analysis														
Rand	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Actual Bad Debts Written Off to Debtors		Impairment -Bad Debts i.to Council Policy	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	35,756	4.3%	28,043	3.4%	24,041	2.9%	735,435	89.3%	823,275	19.8%	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	55,322	16.5%	24,116	7.2%	17,233	5.2%	237,682	71.1%	334,353	8.0%	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	43,459	4.9%	21,449	2.4%	15,249	1.7%	807,178	91.0%	887,335	21.3%	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	10,137	3.4%	7,113	2.4%	6,611	2.2%	270,262	91.9%	294,123	7.1%	-	-	-	-
Receivables from Exchange Transactions - Waste Management	8,101	3.6%	5,481	2.4%	4,975	2.2%	208,130	91.8%	226,686	5.5%	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1,991	2.0%	1,916	1.9%	1,896	1.9%	96,255	94.3%	102,057	2.5%	-	-	-	-
Interest on Arrear Debtor Accounts	22,040	2.0%	21,742	2.0%	21,947	2.0%	1,010,135	93.9%	1,075,863	25.9%	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	5,271	1.3%	9,932	2.4%	7,792	1.9%	391,540	94.5%	414,534	10.0%	-	-	-	-
Total By Income Source	182,077	4.4%	119,791	2.9%	99,743	2.4%	3,756,615	90.3%	4,158,226	100.0%	-	-	-	-
Debtors Age Analysis By Customer Group														
Organs of State	26,418	3.4%	20,317	2.6%	11,928	1.5%	724,714	92.5%	783,377	18.8%	-	-	-	-
Commercial	65,885	9.4%	29,680	4.2%	21,772	3.1%	584,420	83.3%	701,758	16.9%	-	-	-	-
Households	87,039	3.4%	67,482	2.7%	63,765	2.5%	2,325,986	91.4%	2,544,272	61.2%	-	-	-	-
Other	2,734	2.1%	2,312	1.8%	2,277	1.8%	121,495	94.3%	128,819	3.1%	-	-	-	-
Total By Customer Group	182,077	4.4%	119,791	2.9%	99,743	2.4%	3,756,615	90.3%	4,158,226	100.0%	-	-	-	-

Table 8.2: Part 4: Debtors Age Analysis

Chart 6.1: Debtor's Age Analysis by Income Source as at 30 April 2025

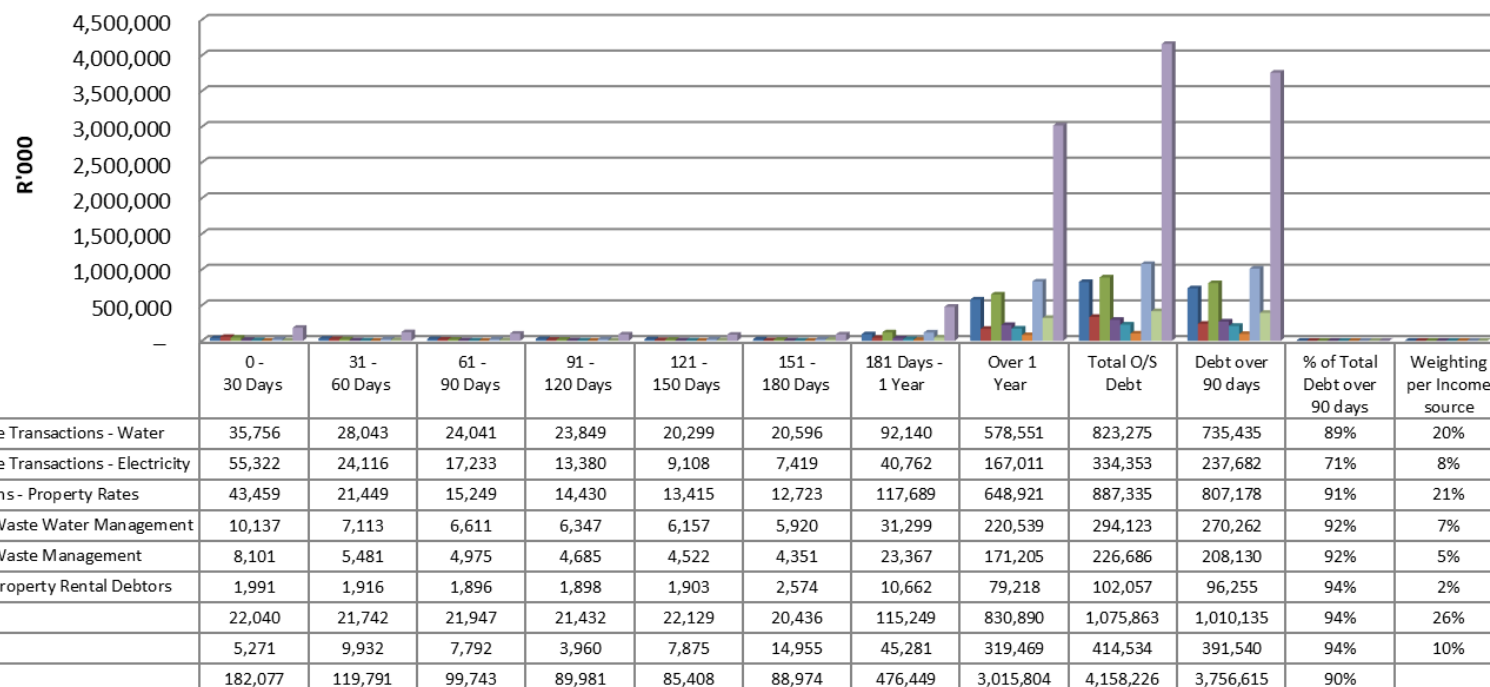


Chart 6.1: Debtor's age analysis by Income Source

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 R4,158,226 billion as at the end of April 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 21%
- ❖ 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 30 April 2025

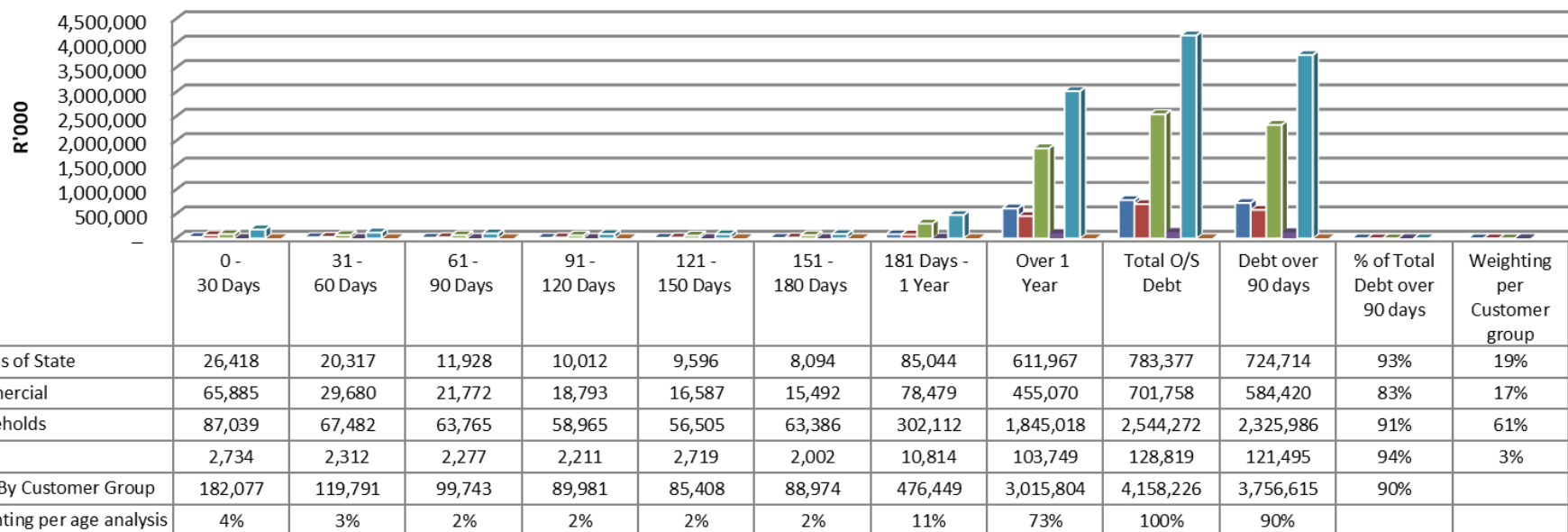


Chart 6.2: Debtor's age analysis by Customer Group

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 93%; Commercial at 83%; Households at 91% and Other at 94%.

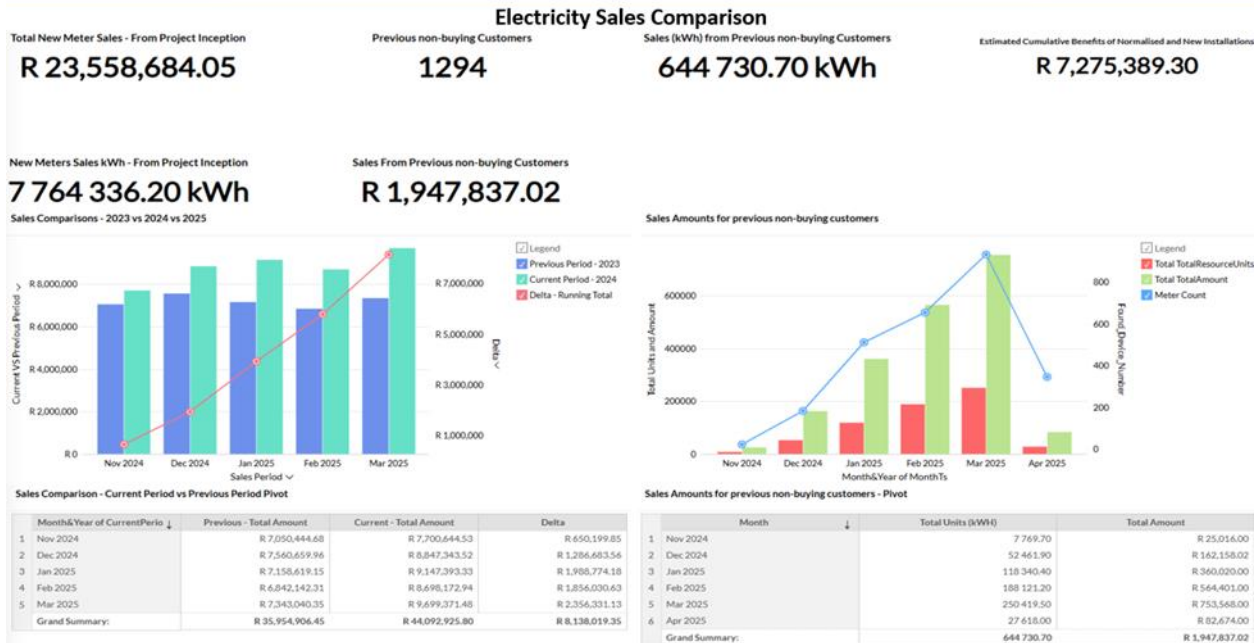
The percentage weighting of debt owed by Customer Group is attributable to:

- ❖ Organs of state at 19%, total debt outstanding is R783,377 million
- ❖ Businesses at 17%, total debt outstanding is R701,758 million
- ❖ Households at 61%, total debt outstanding is R2,544,272 billion
- ❖ Other at 3%, total debt outstanding is R128,819 million.

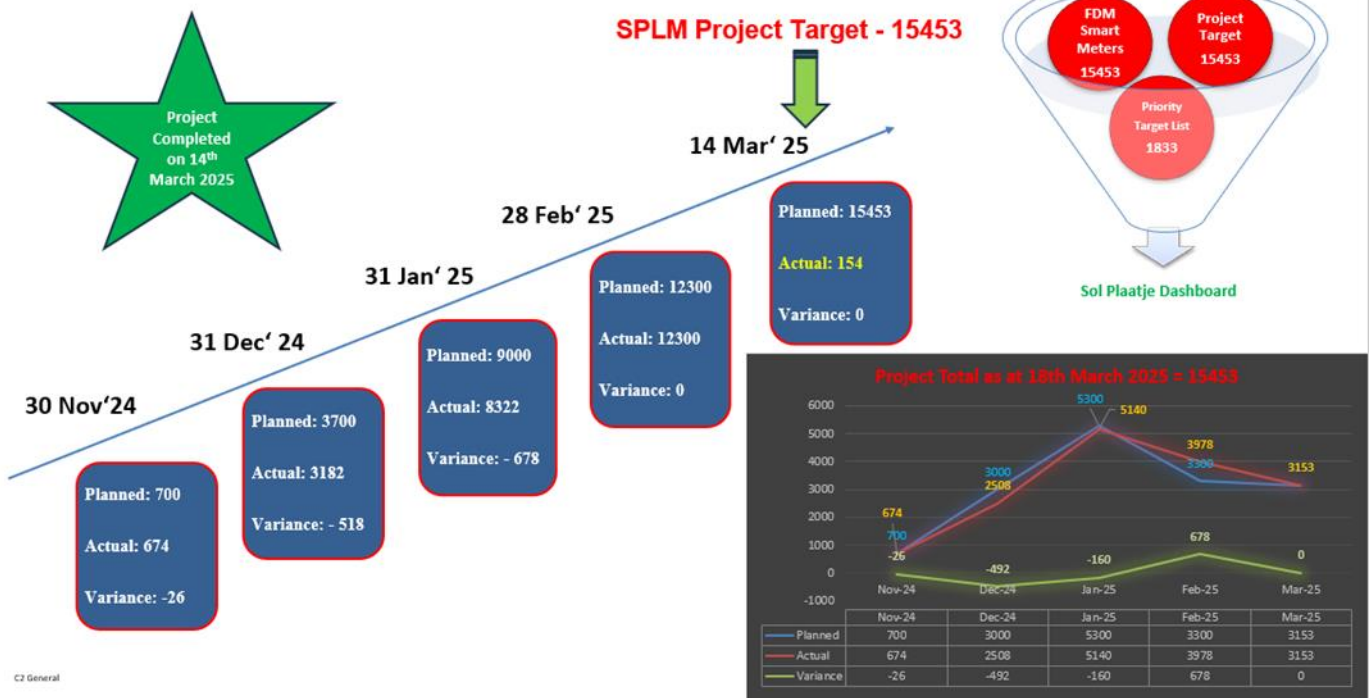
Revenue Management

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 02/04/2025



Smart Electrical Meter Project Implementation Plan



Risks, Issues and Challenges

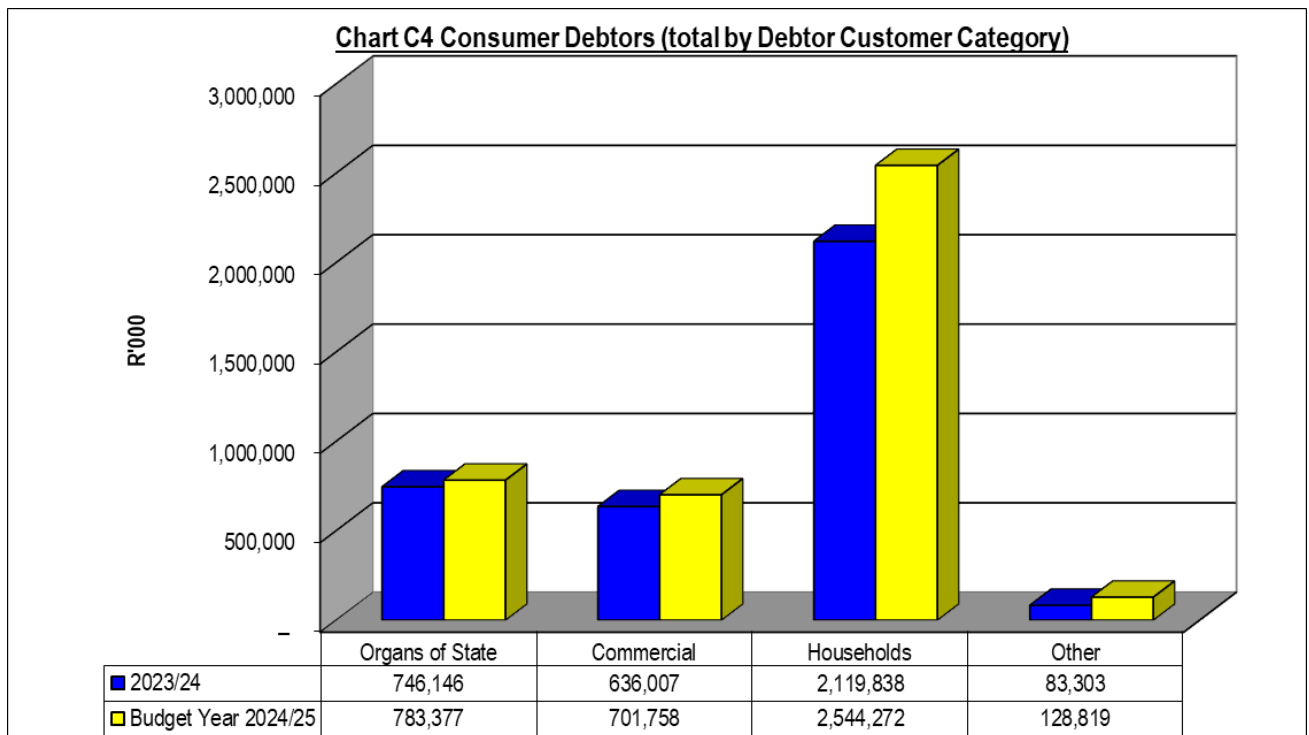
#	Challenges	Mitigations
1	Access Issues to Premises, Difficulty accessing customer premises due to locked gates, absence, or refusal	Schedule and confirm appointments, offer flexible scheduling, provide identification
2	Ramping-Up Installation teams to Meet Targets	Opening up other areas
3	Bypassed 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.

The handing over of Debtors to the 4 (four) appointed Debt Collection Agencies, for the collection of revenue on overdue accounts, owed by Household and Business Customers has been successfully effected. The Debt Collection Agencies are working on the debtors' book analysis and profiling of debtors per collection risk categories and per area. Weekly meetings are held with the Debt Collection Agencies to ensure that project needs and requirements are addressed without delay, to ensure that the project objectives are achieved.

Currently our Debtors' book is summarized as follows:

Chart C4 Consumer Debtors (total by Debtor Customer Category)

	2023/24	Budget Year 2024/25
Organs of State	746 146	783 377
Commercial	636 007	701 758
Households	2 119 838	2 544 272
Other	83 303	128 819
TOTAL	3 585 294	4 158 226



We shall continue to engage the public on the above debt collection initiative, especially when it comes to information as to how the collection process works. This will prevent our Customers from being scammed by scammers who claim to be Debt Collection Agencies collecting on behalf of the Municipality. These scammers try and coerce Customers into making payments into accounts not linked to the Municipality. The payment platforms of the Municipality remain the same and our banking details are already available on banking apps, as a registered beneficiary. Customers shall be encouraged to verify any unsettling information with the Municipality.

We continue to deliver 14 Day Disconnection Notices and smses to Customers who are owing the Municipality. Customers who fail to make payment are disconnected remotely (by disabling the prepaid meter) or physically: conventional or credit meters are disconnected by disconnecting the supply to the kVA meter or residential conventional meter. This is done by the Credit Control Cut Team and Electrical Department Electricians.

We have seen the positive impact that the smart meters have had to our revenue. There is an improvement with regards to the issue relating to underbilling due to old meters and we have seen an increase in Customers who were not buying electricity, now buying electricity. We have been able to also effectively block some Customers whose meters were previously faulty due to tampering.

The receipts for Government Departments, Parastatals and schools were R29 849 362.40 for the month of April 2025 as compared to the R20 586 393 received for the month of March 2025. Although there is an improvement in the payments made: in the amount of R 9 million, we believe that there is room for improvement. We have commenced once more with the disconnection of administration buildings owned by Government Departments (**minimizing the impact on service delivery**) this will ensure that large payments are paid towards government accounts.

SOL PLAATJE MUNICIPALITY

GOVERNMENT AND PARASTATALS DEBT

DEPARTMENTS	RECEIPTS APRIL 2025
NATIONAL PUBLIC WORKS	R5 415 826.84
PROVINCIAL PUBLIC WORKS	R38 470.69
DEPARTMENTS OF HEALTH	R5 977 368.38
SOCIAL DEVELOPMENT	R375 328.37
ECONOMIC DEV & TOURISM	R358 839.42
CORRECTIONAL SERVICE	R1 944 197.45
AGRICULTURE	R97 988.15
SANDF	R9 803 498.15
COGHSTA/ HOUSING	R157 852.66
PROVINCIAL LEGISLATURE	R115 893.09
EDUCATION	R0.00
SPORTS, ARTS & CULTURE	R260 682.41
TRANSNET	R1 893 304.10
DE BEERS	R1 120 281.07
TELKOM	R700 555.78
ESKOM	R392 791.49
SCHOOLS	R1 196 484.35
TOTAL	R29 849 362.40

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 R46,410 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R51,526 million. It is concerning that total debt over 90 days is hovering at an average of 90 percent. During the 2025/26 MTREF Budget Benchmark exercise NT advised that the municipality needs to increase the collection rate to 82% to breakeven and have a positive cash flow.

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2024 - Apr 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.

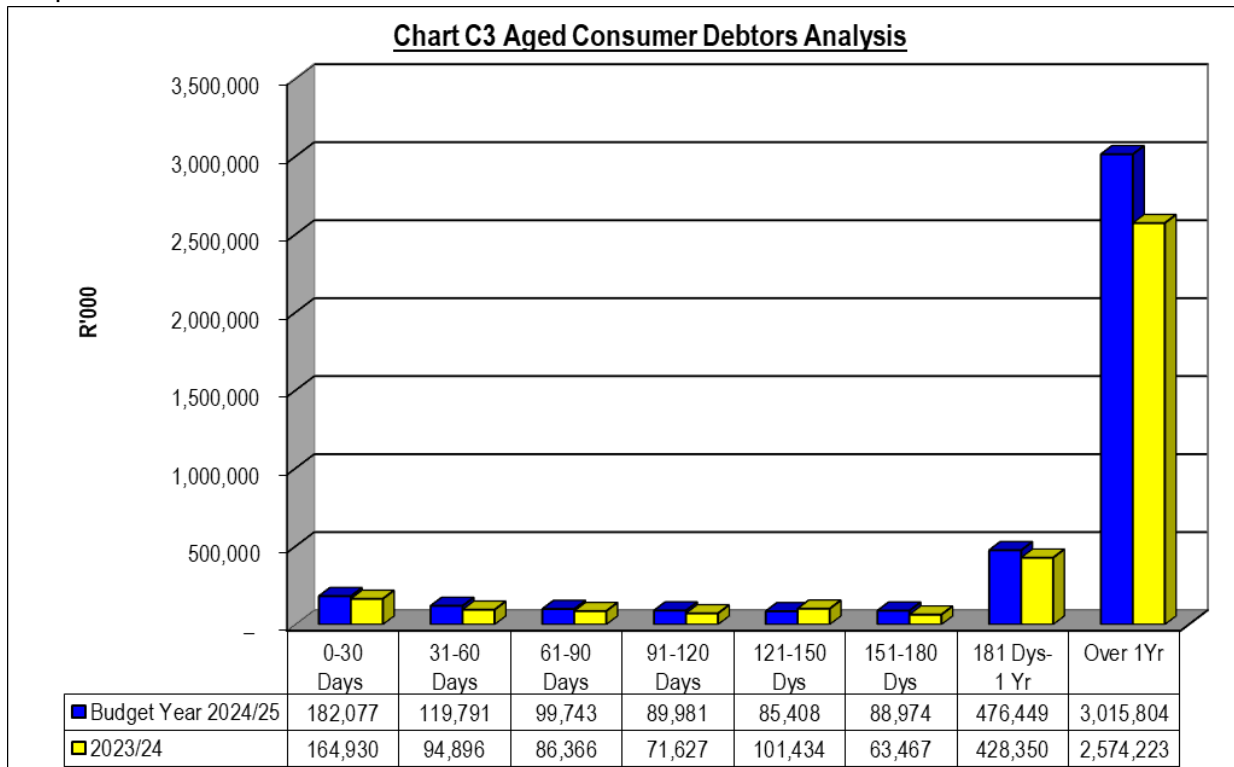


Chart 8: Aged Consumer Debtor Analysis

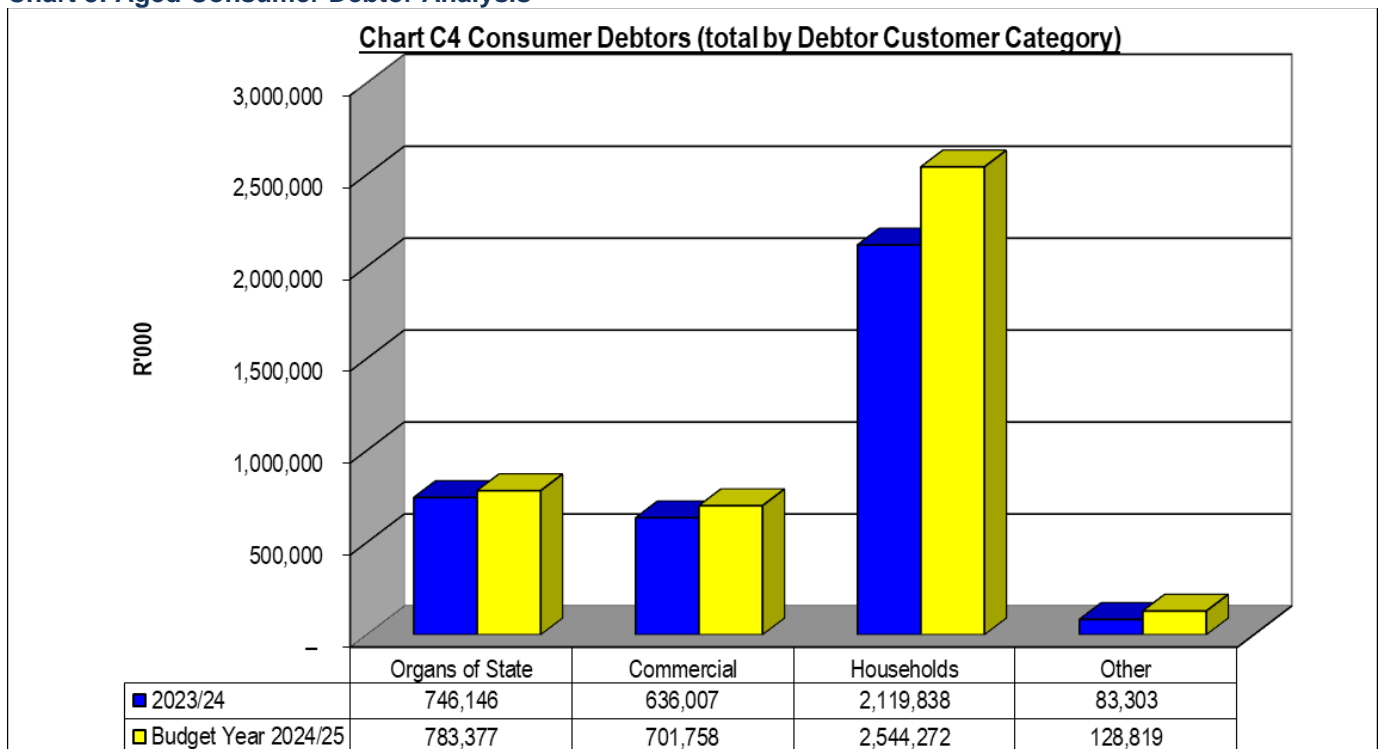


Chart 9: Consumer Debtors (total by Debtor Customer Category)

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 March 2025 and received in April 2025, the monthly collection rate is 75%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 70%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R3,531 million and will be allocated during April 2025. Indicated in Table 10 below is the revised average collection rate of 75.9%, 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 April to 30 April 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.

Monthly Collection Rate	Debits (Billed March 2025)	Credits (Received April 2025)	% Collected
PROPERTY RATES	50,617,549	41,127,440	81%
ELECTRICITY	46,916,393	43,346,860	92%
WATER	26,411,421	14,975,842	57%
SEWERAGE	10,198,091	4,195,981	41%
REFUSE	8,118,269	3,664,433	45%
PROPERTY RATES & SERVICES	142,261,722	107,310,557	75%
OTHER	27,947,713	11,575,460	41%
TOTAL	170,209,435	118,886,017	70%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL APRIL 2025		YTD RECEIPTS	Rate
PROPERTY RATES	R	611,470,634	R 393,936,205	64.4%
SERVICE CHARGE ELECTRICITY	R	498,598,926	R 482,248,707	96.7%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R	289,321,215	R 289,321,215	100.0%
SERVICE CHARGE WATER	R	280,227,554	R 150,644,082	53.8%
SERVICE CHARGE SANITATION	R	94,697,724	R 43,454,962	45.9%
SERVICE CHARGE REFUSE	R	71,105,581	R 37,682,779	53.0%
UNALLOCATED CREDITS			R 3,530,914	
REVISED AVERAGE COLLECTION RATE - APRIL 2025	R	1,845,421,633	R 1,400,818,864	75.9%

Table 10: Revised Average collection rate

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

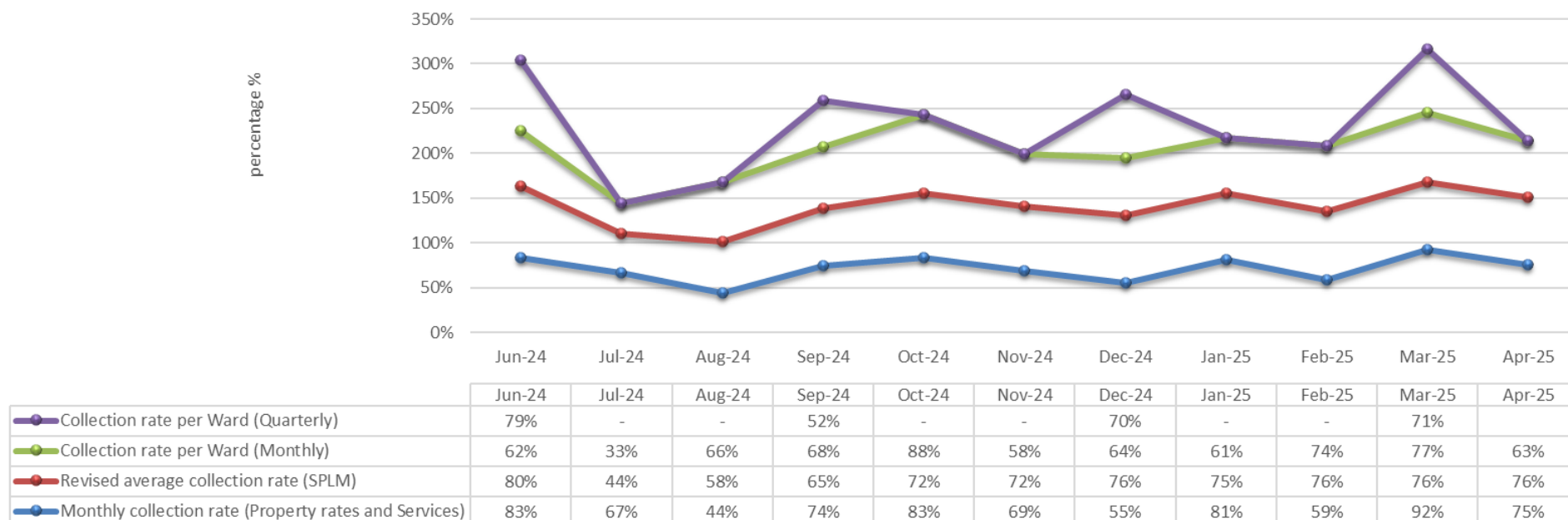


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2024 to April 2025. The monthly collection rate (Property rates & Services) for April 2025 is not satisfactory at 75%. The revised average collection for April 2025, remain the same 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 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report 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 63% for the month under review, whilst the average quarterly collection rate is 71% for January to March 2025. 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 R3,531 million was unallocated at month-end.

Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2024 to Apr 2025

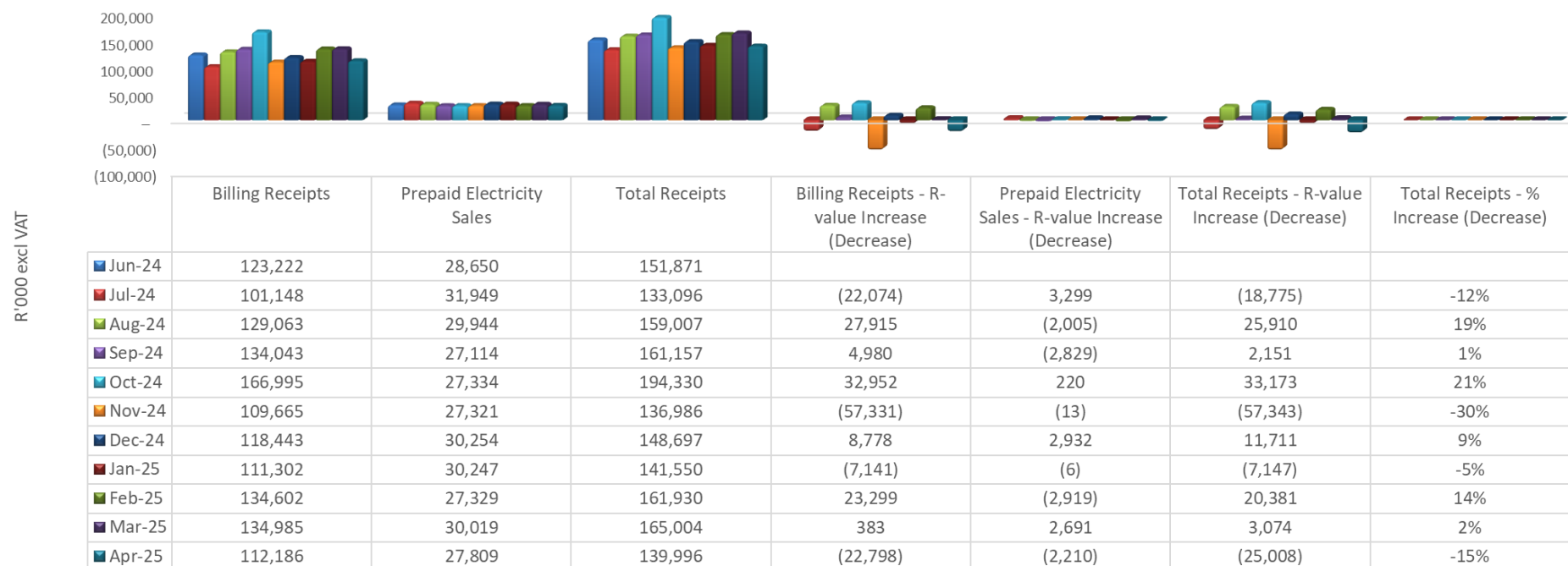


Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11.1 above, the Total Receipts for April 2025 amounted to R139,996 million which resulted in a decrease of R25,008 million or reduction of 15% in respect of the month-to-month comparison. Billing receipts decreased by R22,798, whilst Prepaid Electricity Sales decreased by R2,210 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 R3,531 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.

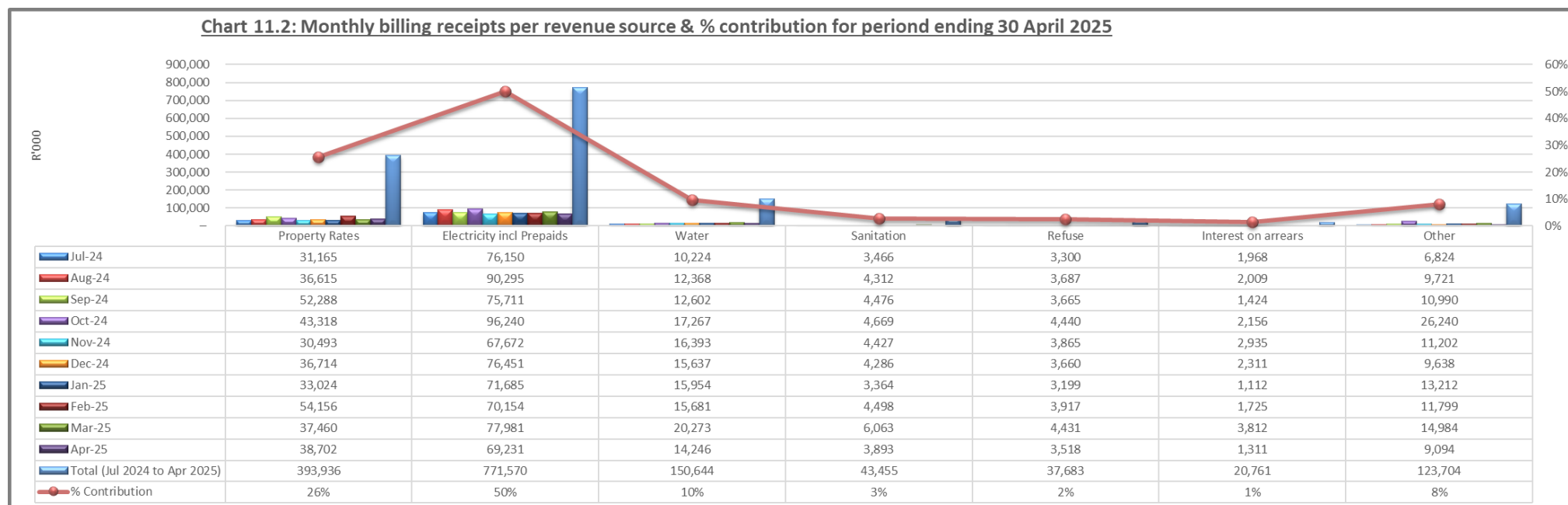


Chart 11.2: Monthly billing receipts per revenue source and % contribution

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 30 April 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 R771,570 million (50%) is the highest contributor, followed by Property rates at R393,936 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 10% 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.

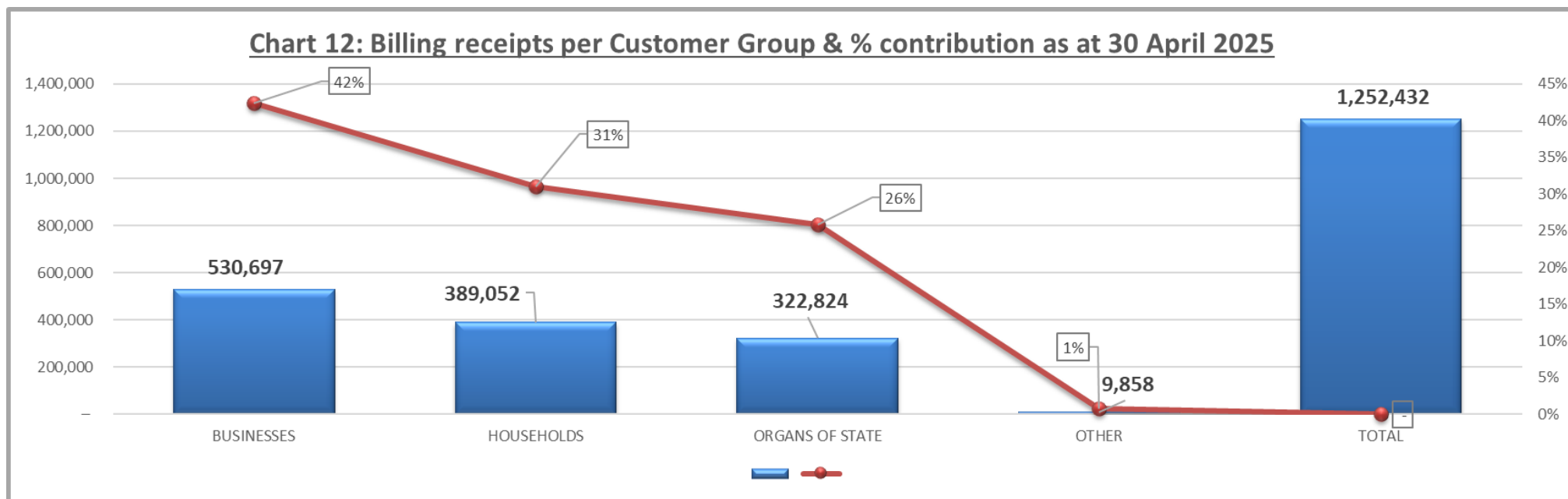


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 April 2025. The municipality received R530,697 million (42%) from Businesses, Households R389,052 million (31%), Organs of State R322,824 million (26%) and Other R9,858 million (1%).

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

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	68,058	–	–	1,879	1,730	44,974	60,390	858,455	1,035,486	972,611
Bulk Water	0200	–	16,769	–	20,396	15,681	17,504	17,504	37,558	125,412	106,880
PAYE deductions	0300	10,788	–	–	–	–	–	–	–	10,788	10,894
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	8,370	–	–	–	–	–	–	–	8,370	8,250
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	11,540	10,689	173	9	–	–	–	5	22,416	13,176
Auditor General	0800	39	253	–	–	–	–	–	–	292	116
Other	0900	655	–	10,554	9	3	–	625	10,699	22,544	29,278
Medical Aid deductions		8,338	–	–	–	–	–	–	–	8,338	–
Total By Customer Type	1000	107,788	27,712	10,727	22,293	17,413	62,478	78,519	906,718	1,233,647	1,141,205

Table 11.1: Supporting Table SC4: Aged Creditors

Part 5: Creditor Age Analysis										
	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
Rand	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	68,058	6.6%	-	-	-	-	967,427	93.4%	1,035,486	83.9%
Bulk Water	-	-	16,769	13.4%	-	-	108,643	86.6%	125,412	10.2%
PAYE deductions	10,788	100.0%	-	-	-	-	-	-	10,788	.9%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	8,370	100.0%	-	-	-	-	-	-	8,370	.7%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	11,540	51.5%	10,689	47.7%	173	.8%	14	.1%	22,416	1.8%
Auditor-General	39	13.2%	253	86.8%	-	-	-	-	292	-
Other	655	2.9%	-	-	10,554	46.8%	11,336	50.3%	22,544	1.8%
Medical Aid deductions	8,338	100.0%	-	-	-	-	-	-	8,338	.7%
Total	107,788	8.7%	27,712	2.2%	10,727	.9%	1,087,421	88.1%	1,233,647	100.0%

Table 11.2: Part 5: Creditors Age Analysis

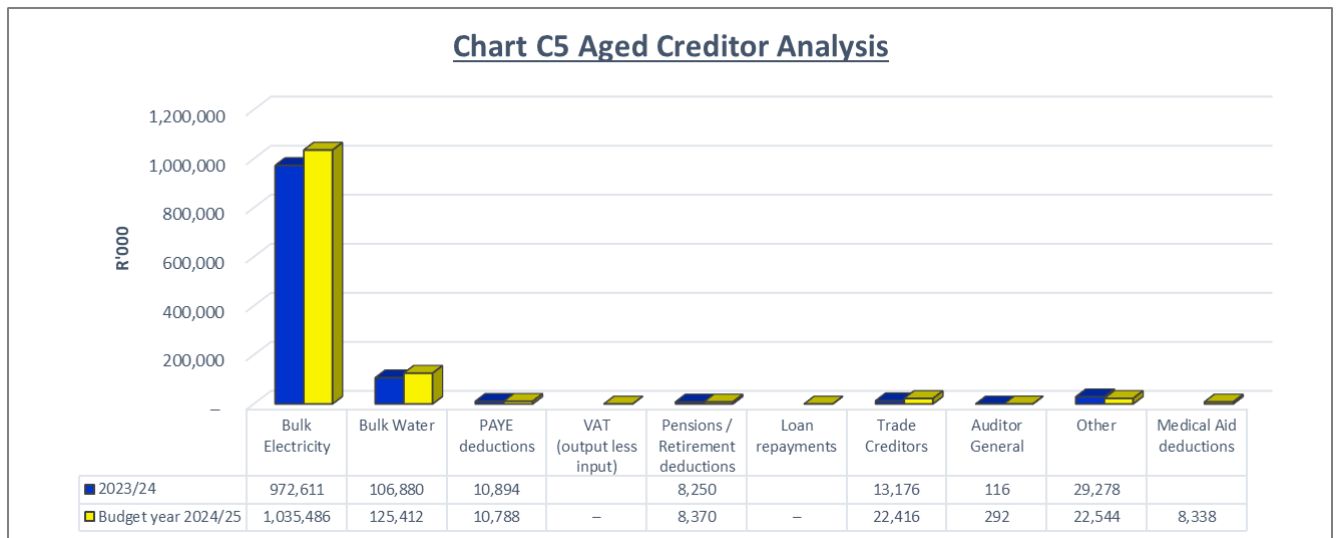


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2023/24 in Table 11.1 and Chart 13 is based on the outstanding creditors as at 30 April 2024 (prior year totals for the same period). Articulated in Table 11.2 above, is the age creditors analysis, which is standing at R1,233,647 billion owed to creditors. The analysis shows that 8.7% of creditors is owed between 0 to 30 days, whilst 88.1% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 83.9%.

Bulk Electricity – As at the 30 April 2025, the outstanding debt owed to ESKOM amounted to R1,035,486 billion.

Bulk Water – As at the 30 April 2025, the outstanding debt owed to DWS amounted R125,412 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 April 2025.

VAT – after the monthly VAT reconciliation, we claimed an amount of R6,750 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 R39 thousand. The March account amounting to R253 thousand was settled on 2 May 2025.

Other creditors – includes Sundry creditors which were unpaid as at 30 April 2025.

Medical Aid deductions –medical aid contributions were settled on or before 7 May 2025 for the month under review.

8. Investment portfolio analysis

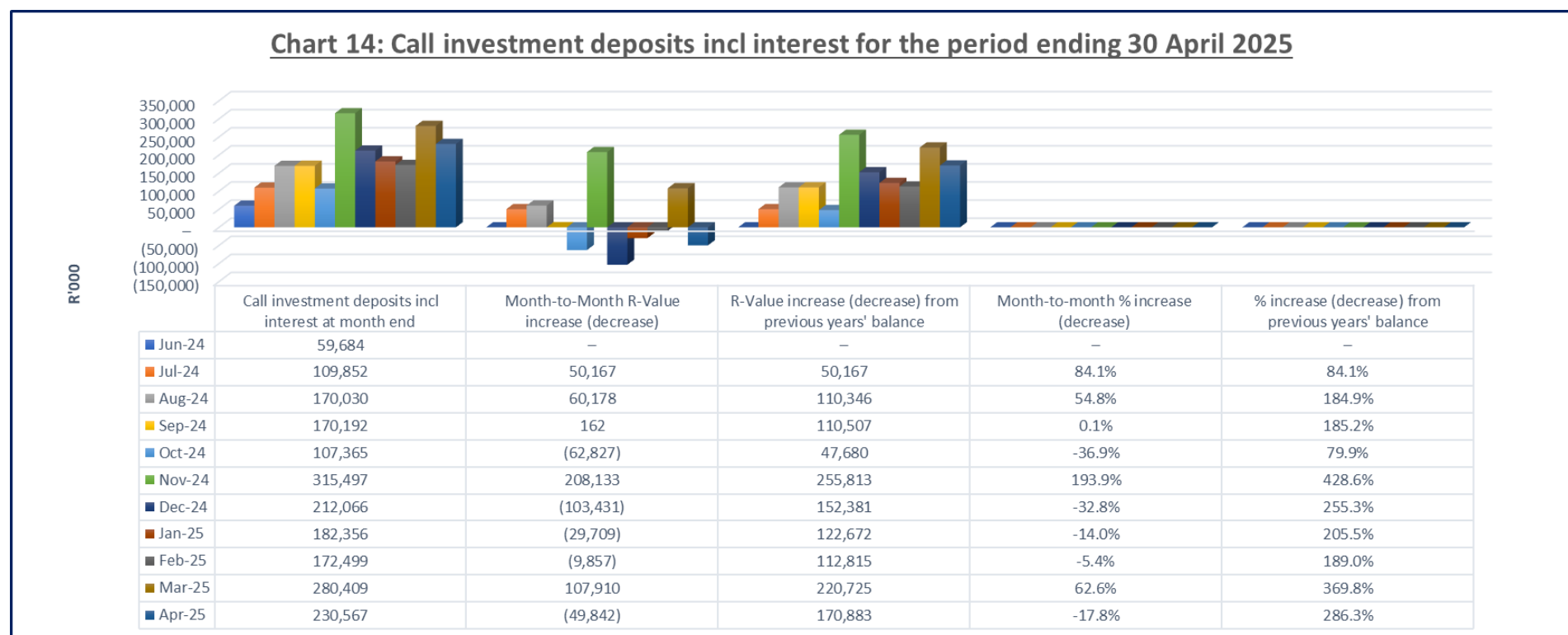
The market value of the investment portfolio has been utilized and for the period ending 30 April 2025, the value of total investments made was R230,567 million. Partially or prematurely withdrawn investments amounted to R51,596 million. The investment top-up was zero rand for the month under review. 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.	21,845
• 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.	177,700
• Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there is Grant funds in the main account	23,621
Total	230,567

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			-	-	-	-	-
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		246,321	1,507	(51,507)	-	196,321
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	33	(33)	-	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	21,687	158	-	-	21,845
Municipality sub-total										280,409	1,754	(51,596)	-	230,567
Entities														
														-
														-
														-
														-
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									280,409	1,754	(51,596)	-	230,567

Table 12: Supporting Table SC5: Investment portfolio

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

As indicated in the Chart 5 above from March 2025 to April 2025 investments incl interest decreased by R49,842 million or 17.8%, in respect of the month-to-month comparison. Investments increased by R170,883 million or 286.3% when compared to the previous years' balance of R59,684 million. The significant decrease relates to grant funds that were withdrawn to pay service providers. 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 - M10 April

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	294,090	282	286,031	243,881	42,150	17.3%	294,090
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		263,135	282,104	282,104	–	278,134	235,087	43,047	18.3%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,927	–	2,267	1,889	378	20.0%	2,927
Infrastructure Skills Development Grant		3,776	4,500	4,500	282	3,622	3,750	(128)	-3.4%	4,500
Integrated Urban Development Grant		–	–	2,759	–	–	1,655	(1,655)	-100.0%	2,759
Local Government Financial Management Grant	3	1,700	1,800	1,800	–	2,008	1,500	508	33.9%	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	18,764	6,884	8,645	12,867	(4,222)	-32.8%	18,764
Capacity Building and Other Grants		8,979	8,600	9,264	6,884	7,715	7,167	548	7.6%	9,264
Infrastructure Grant		5,808	–	9,500	–	930	5,700	(4,770)	-83.7%	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	312,854	7,166	294,676	256,748	37,928	14.8%	312,854
Capital Transfers and Grants										
National Government:		133,753	572,229	574,597	13,894	384,993	477,078	(92,085)	-19.3%	574,597
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	2	4,246	4,167	80	1.9%	5,000
Integrated National Electrification Programme Grant		24,358	–	4,500	–	–	1,500	(1,500)	-100.0%	4,500
Integrated Urban Development Grant		63,395	75,229	73,097	6,623	44,935	61,412	(16,477)	-26.8%	73,097
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	7,269	335,812	410,000	(74,188)	-18.1%	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	574,597	13,894	384,993	477,078	(92,085)	-19.3%	574,597
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	660,747	871,500	887,451	21,060	679,669	733,826	(54,157)	-7.4%	887,451

Operational and Capital Grants: Receipts

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

FBDM – R2,685 million

Capital grant monies received for the month under review.

INEP – R4,500 million

There are some mapping errors pertaining to operational and capital grants, in respect of receipts. Capital grants specifically, is allocated to the Statement of Financial Position as receipts and is not mapped to the C-schedule. However, on a monthly basis journals are processed to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met. The figure disclosed in the Statement of Financial Performance is mapped to supporting schedule SC6.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M10 April

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	275,090	8,123	206,480	218,249	(11,769)	-5.4%	275,090
Equitable Share		228,294	221,104	263,104	7,642	198,641	209,454	(10,813)	-5.2%	263,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,927	37	2,407	1,889	518	27.4%	2,927
Infrastructure Skills Development Grant		3,776	4,500	4,500	290	3,194	3,750	(556)	-14.8%	4,500
Integrated Urban Development Grant		–	–	2,759	113	1,243	1,655	(412)	-24.9%	2,759
Local Government Financial Management Grant		1,700	1,800	1,800	41	995	1,500	(505)	-33.7%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		9,852	8,600	18,601	7,059	10,547	13,090	(2,542)	-19.4%	18,601
Capacity Building and Other Grants		7,625	8,600	9,251	6,992	7,720	7,156	564	7.9%	9,251
Infrastructure Grant		2,227	–	9,350	67	2,827	5,933	(3,106)	-52.3%	9,350
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		247,048	238,271	293,691	15,182	217,027	231,338	(14,311)	-6.2%	293,691
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	574,597	28,828	350,163	477,078	(126,915)	-26.6%	574,597
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	2	3,692	4,167	(474)	-11.4%	5,000
Integrated National Electrification Programme Grant		21,181	–	4,500	–	–	1,500	(1,500)	-100.0%	4,500
Integrated Urban Development Grant		57,349	75,229	73,097	6,342	38,297	61,412	(23,115)	-37.6%	73,097
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	22,484	308,174	410,000	(101,826)	-24.8%	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	574,597	28,828	350,163	477,078	(126,915)	-26.6%	574,597
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		394,404	810,500	868,288	44,010	567,190	708,417	(141,226)	-19.9%	868,288

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 R24,792 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted adjusted allocation for the EPWP is R2,927 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	6,342	38,297	8,604	50.9%	52.4%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	2	3,692	–	73.8%	73.8%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	22,484	308,174	–	62.6%	62.6%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	–	4,500	–	–	–	–	0.0%
Grand Total	572,229	574,597	28,828	350,163	8,604	61.2%	60.9%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R350,163 million or 60.9% spent against the Adjusted capital grant allocation of R574,597 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 - M10 April

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		—	—	—	—	—	—	—		—
Pension and UIF Contributions		1,065	—	1,055	73	840	633	207	33%	1,055
Medical Aid Contributions		536	—	623	52	525	374	151	40%	623
Motor Vehicle Allowance		—	—	—	—	—	—	—		—
Cellphone Allowance		2,997	3,055	3,055	255	2,544	2,546	(2)	0%	3,055
Housing Allowances		—	—	—	—	—	—	—		—
Other benefits and allowances		29,271	34,021	32,343	2,399	25,137	27,344	(2,207)	-8%	32,343
Sub Total - Councillors		33,869	37,077	37,077	2,778	29,046	30,897	(1,851)	-6%	37,077
% increase	4		9.5%	9.5%						9.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,942	8,791	8,791	353	3,886	7,326	(3,440)	-47%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	342	1,097	(755)	-69%	1,316
Medical Aid Contributions		192	117	117	16	155	98	57	58%	117
Overtime		—	—	—	—	—	—	—		—
Performance Bonus		—	—	—	—	—	—	—		—
Motor Vehicle Allowance		1,065	2,005	2,005	87	868	1,671	(803)	-48%	2,005
Cellphone Allowance		101	198	198	8	84	165	(81)	-49%	198
Housing Allowances		22	9	9	2	18	8	10	128%	9
Other benefits and allowances		—	—	—	—	—	—	—		—
Payments in lieu of leave		—	—	—	—	—	—	—		—
Long service awards		14	15	15	1	12	12	(0)	-2%	15
Post-retirement benefit obligations	2	—	—	—	—	—	—	—		—
Entertainment		—	—	—	—	—	—	—		—
Scarcity		—	—	—	—	—	—	—		—
Acting and post related allowance		—	—	—	—	—	—	—		—
In kind benefits		—	—	—	—	—	—	—		—
Sub Total - Senior Managers of Municipality		6,769	12,452	12,452	500	5,365	10,377	(5,013)	-48%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages		460,448	509,499	505,611	38,416	385,978	421,802	(35,824)	-8%	505,611
Pension and UIF Contributions		83,850	96,851	96,851	7,055	70,308	80,710	(10,403)	-13%	96,851
Medical Aid Contributions		54,500	63,693	63,693	5,635	52,468	53,078	(610)	-1%	63,693
Overtime		90,602	53,982	54,982	6,156	56,387	45,585	10,802	24%	54,982
Performance Bonus		30,591	38,317	38,317	1,264	28,811	31,931	(3,120)	-10%	38,317
Motor Vehicle Allowance		43,767	51,151	51,332	3,415	34,842	42,734	(7,892)	-18%	51,332
Cellphone Allowance		1,631	1,551	1,631	128	1,335	1,341	(6)	0%	1,631
Housing Allowances		2,856	2,887	2,887	233	3,692	2,406	1,286	53%	2,887
Other benefits and allowances		38,029	26,598	31,030	2,617	26,833	25,273	1,559	6%	31,030
Payments in lieu of leave		7,128	20,000	20,000	112	4,443	16,667	(12,224)	-73%	20,000
Long service awards		30,958	29,981	29,981	2,501	25,682	24,985	698	3%	29,981
Post-retirement benefit obligations	2	43,162	43,900	43,900	930	6,272	36,583	(30,312)	-83%	43,900
Entertainment		—	—	—	—	—	—	—		—
Scarcity		—	—	—	—	—	—	—		—
Acting and post related allowance		—	—	—	—	—	—	—		—
In kind benefits		—	—	—	—	—	—	—		—
Sub Total - Other Municipal Staff		887,522	938,410	940,215	68,462	697,050	783,095	(86,044)	-11%	940,215
% increase	4		5.7%	5.9%						5.9%
Total Parent Municipality		928,160	987,939	989,744	71,739	731,461	824,369	(92,908)	-11%	989,744
TOTAL SALARY, ALLOWANCES & BENEFITS		928,160	987,939	989,744	71,739	731,461	824,369	(92,908)	-11%	989,744
% increase	4		6.4%	6.6%						6.6%
TOTAL MANAGERS AND STAFF		894,291	950,863	952,667	68,961	702,415	793,472	(91,057)	-11%	952,667

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is satisfactory and showing a variance of minus 11%. There is currently a moratorium on the filling of non-critical vacancies and on the sale of leave. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors' Remuneration is showing a satisfactory variance of minus 6% 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 April 2025.

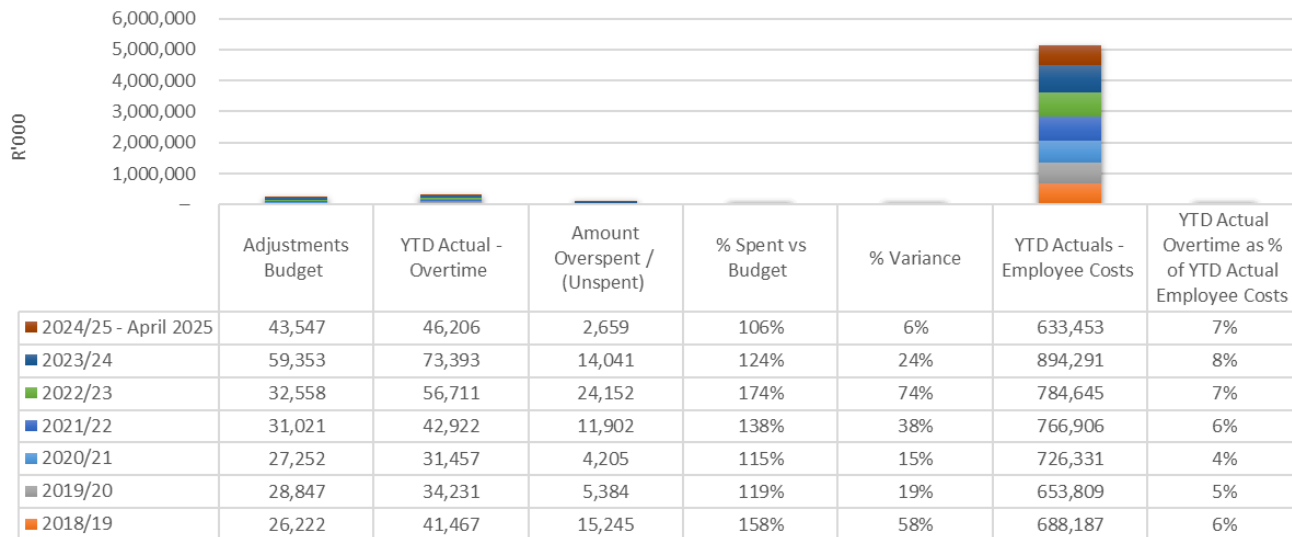
Description per line item (Amount in Rand)	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
MS: OVERTIME - NON STRUCTURED	33,762,000	34,362,000	4,920,698	42,926,821	127%	125%
MS: OVERTIME - STRUCTURED	8,785,180	9,185,180	249,357	3,279,525	37%	36%
Overtime as at 30 April 2025	42,547,180	43,547,180	5,170,055	46,206,347	109%	106%

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	24,611	602,791	183%	183%
21-MUNICIPAL AND GENERAL	-	-	-	-		
22-MUNICIPAL MANAGER	-	-	3,898	14,132		
23-CORPORATE SERVICES	1,937,000	1,937,000	537,450	3,763,423	194%	194%
24-COMMUNITY SERVICES	17,190,180	17,190,180	1,625,878	14,861,893	86%	86%
26-FINANCIAL SERVICES	1,021,000	1,021,000	253,180	2,866,746	281%	281%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000	877,000	157,152	1,175,777	134%	134%
28-INFRASTRUCTURE SERVICES	21,192,000	22,192,000	2,567,885	22,921,585	108%	103%
Grand Total	42,547,180	43,547,180	5,170,055	46,206,347	109%	106%

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 106% spent versus the Adjustment budget, resulting in an unsatisfactory variance of 22.8% for the period under review, when compared to the ideal IYM percentage of 83.33%. 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 July 2018 to April 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 April 2025

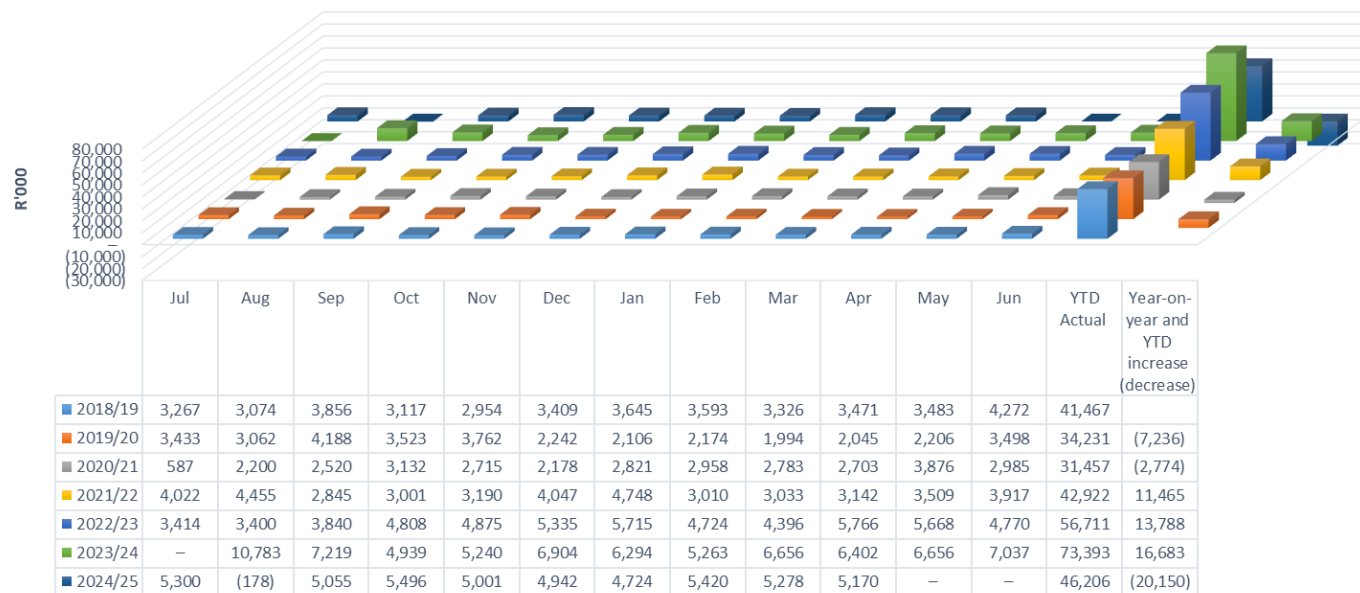


Chart 15.2: Monthly and Annual Overtime Comparison

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 30 April 2025.

12. Capital programme performance

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

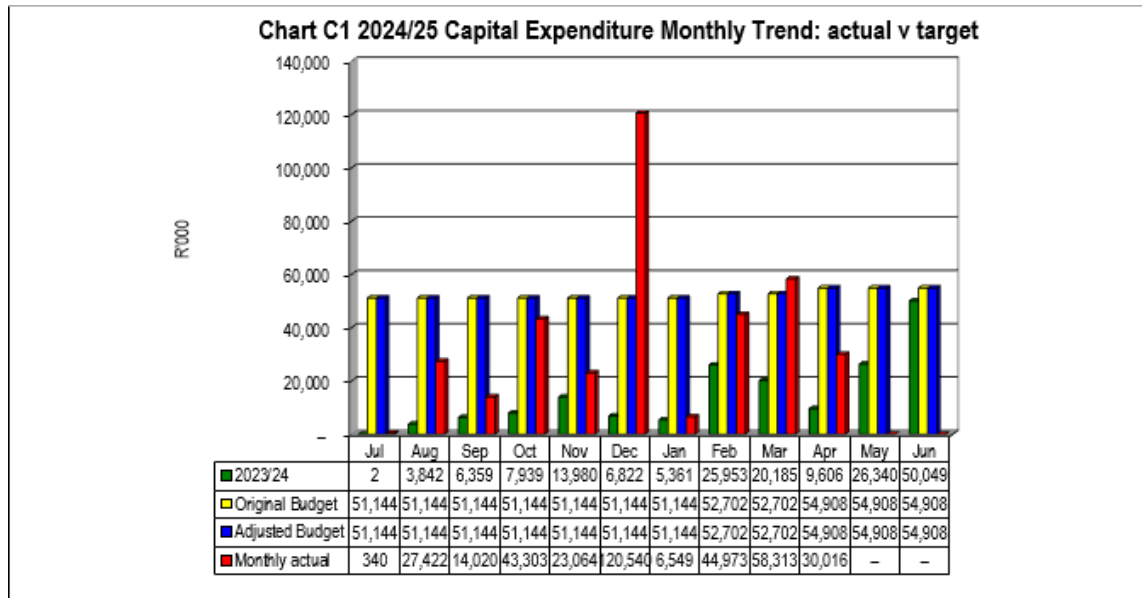


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

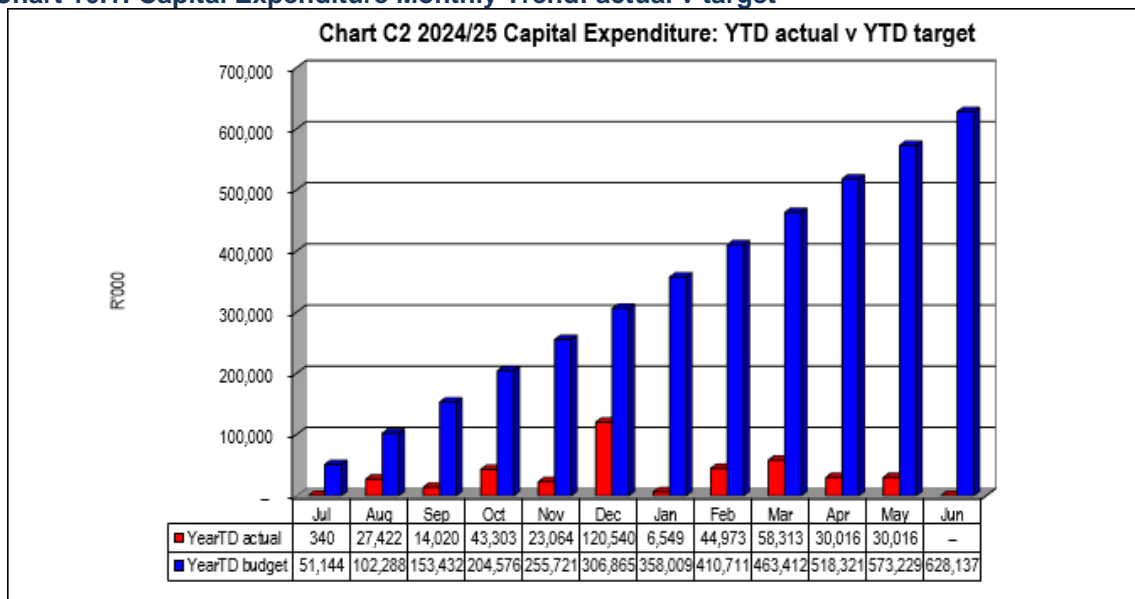


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

Projects per funding source (R'000)	Original Budget	Adjusted Budget	Monthly Actuals	YTD Actuals	Commitments	% Original Bud	% Adjusted Bud
INTERNALLY GENERATED FUNDS	41,500	53,540	1,188	18,377	2,950	44.28%	34.32%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	280	591	1,929	13.14%	13.14%
ACQ-FLEET REPLACEMENT	3,000	6,000	–	–	–	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	500	500	–	145	–	28.90%	28.90%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	–	–	–	0.00%	0.00%
DSITRIBUTION-ACQ-WAT METER REPLACEMENT	500	500	–	–	–	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	–	3,260	–	–	–	–	–
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	–	–	–	–	0.00%	–
MR LEAK AND SLEAK DATA SYSTEM	484	324	5	238	–	49.05%	73.29%
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	872	–	538	264	112.24%	61.72%
RITCHIE SUBZONE SMART METER INSTALL	1,417	–	–	–	–	0.00%	#DIV/0!
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	–	13,538	553	7,645	–	–	56.47%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	3,500	–	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	–	1,035	–	–	–	–	0.00%
SWIMMING POOLS	–	2,500	350	350	141	#DIV/0!	14.01%
CARTERS GLEN SEWER PUMP STATION	–	7,500	–	7,403	–	#DIV/0!	98.70%
REFURBISHMENT SEWER & WATER LINES	–	4,000	–	–	–	#DIV/0!	0.00%
WSDP DEVELOPMENT	–	–	–	–	–	#DIV/0!	#DIV/0!
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	73,097	6,342	38,297	8,604	50.91%	52.39%
P-CIER RDS ROADS	17,500	17,500	291	15,217	607	86.95%	86.95%
PROJECT MANAGEMENT	2,349	–	–	–	82	0.00%	#DIV/0!
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	15,886	3,128	11,101	1,948	63.43%	69.88%
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	8	1,008	625	50.42%	50.42%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	–	1,581	372	71.53%	71.53%
REFURBISHMENT OF HALLS	5,000	3,500	–	525	–	10.50%	15.00%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,260	201	1,448	941	18.88%	19.95%
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	2,715	2,715	–	–	27.15%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	2	3,692	–	73.85%	73.85%
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	2	3,692	–	73.85%	73.85%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	22,484	308,174	–	62.64%	62.64%
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)	–	24,519	988	15,919	–	–	64.93%
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	20,613	1,865	13,508	–	79.34%	65.53%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	6,852	1,922	3,691	–	18.02%	53.87%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	4,267	–	3,243	–	11.05%	75.99%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	26,222	–	11,584	–	41.92%	44.18%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	–	5,226	–	1,526	–	–	29.20%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	18,056	2,508	11,662	–	–	64.59%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	11,027	2,964	4,848	–	64.38%	43.97%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	44,359	5,104	24,457	–	29.34%	55.13%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	4,477	–	2,279	–	14.09%	50.91%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	37,686	4,662	24,905	–	66.63%	66.09%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	21,475	–	12,888	–	46.31%	–
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	8,941	106	1,207	–	13.08%	13.50%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	7,915	8	6,440	–	–	81.37%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	–	1,290	–	888	–	–	68.86%
SEC3 1200NEW STEEL MIDSTATION-NEWTOWN RES	67,191	27,038	2,007	18,652	–	27.76%	68.99%
BULK 1200 ND STEEL PIPELINE MAT: MBSC1/6	–	220,432	–	149,734	–	–	67.93%
NEWTOWN RESERVOIR COMPLEX OHS & SECURITY	–	1,160	265	657	–	–	56.65%
OHS & SECURITY MNGMNT (NEWTOWN) ELECTRIC	–	445	85	85	–	#DIV/0!	19.04%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	–	4,500	–	–	–	#DIV/0!	0.00%
ELECTRIFICATION OF JACKSONVILLE	–	4,500	–	–	–	#DIV/0!	0.00%
Grand Total	613,729	628,137	30,016	368,540	11,554	60.05%	58.67%

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 April 2025 is not at a desired level and requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for April 2025 amounted to R30,016 million. The total YTD Capex amounts to R368,540 million. Please note that Commitments amounting to R11,554 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 (52.39%), EEDSM (73.85%), RBIG (62.64%), INEP (0%). Funds for INEP was recently received. Spending on Internally generated funds is also 34.32% 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 April 2025.

- Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for March 2025.
- The municipality's self-assessment for the month of April 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 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
- Eskom's proposed intervention which includes entering into Distribution Agency Agreements, that would give the utility direct control over metering, billing and revenue collection. This would allow Eskom to deduct its share for bulk electricity purchases upfront and return the balance to municipalities.
- 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 from October 2024 to date, with the exception of the November 2024 account with a partial payment being made in December 2024. 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 now completed.
 - 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 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 - M10 April

Description	2023/24		Budget Year 2024/25						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	656,442	687,320	687,320	50,626	611,471	572,766	38,704	7%	687,320
Service charges	1,331,093	1,611,046	1,611,046	118,344	1,233,951	1,342,538	(108,587)	-8%	1,611,046
Investment revenue	16,116	9,000	9,000	1,568	15,986	7,500	8,486	113%	9,000
Transfers and subsidies - Operational	501,707	299,271	312,854	7,166	294,676	256,748	37,928	0	312,854
Other own revenue	419,726	351,642	352,142	30,379	327,810	293,335	34,475	12%	-
Total Revenue (excluding capital transfers and contributions)	2,925,084	2,958,278	2,972,361	208,083	2,483,894	2,472,887	11,007	0%	2,972,361
Employee costs	894,291	950,863	952,667	68,961	702,415	793,472	(91,057)	-11%	952,667
Remuneration of Councillors	33,869	37,077	37,077	2,778	29,046	30,897	(1,851)	-6%	37,077
Depreciation and amortisation	76,441	89,700	89,700	11,102	55,952	74,750	(18,798)	-25%	89,700
Interest	122,651	17,774	78,195	3,472	26,508	51,064	(24,556)	-48%	78,195
Inventory consumed and bulk purchases	1,057,341	1,216,905	1,230,279	68,514	886,402	990,148	(103,746)	-10%	1,230,279
Transfers and subsidies	2,526	3,660	3,660	625	2,517	3,060	(533)	-17%	3,660
Other expenditure	610,300	612,526	806,211	34,070	619,444	626,653	(7,209)	-1%	806,211
Total Expenditure	2,797,419	2,928,505	3,197,789	189,521	2,322,284	2,570,034	(247,750)	-10%	3,197,789
Surplus/(Deficit)	127,665	29,774	(225,428)	18,562	161,610	(97,147)	258,757	-266%	(225,428)
Transfers and subsidies - capital (monetary)	159,040	572,229	574,597	13,894	384,993	477,078	(92,085)	-19%	574,597
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	286,705	602,003	349,169	32,456	546,603	379,931	166,671	44%	349,169
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	286,705	602,003	349,169	32,456	546,603	379,931	166,671	44%	349,169
Capital expenditure & funds sources									
Capital expenditure	176,438	613,729	628,137	30,016	368,540	518,321	(149,780)	-29%	628,137
Capital transfers recognised	147,356	572,229	574,597	28,828	350,163	477,078	(126,915)	-27%	574,597
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	29,082	41,500	53,540	1,188	18,377	41,242	(22,865)	-55%	53,540
Total sources of capital funds	176,438	613,729	628,137	30,016	368,540	518,321	(149,780)	-29%	628,137
Financial position									
Total current assets	2,664,713	2,491,688	2,272,867		3,111,628				2,272,867
Total non current assets	2,360,035	2,874,231	2,888,639		2,672,623				2,888,639
Total current liabilities	929,932	1,523,552	1,523,552		1,152,407				1,523,552
Total non current liabilities	1,111,963	410,208	458,628		1,104,882				458,628
Community wealth/Equity	2,982,833	3,432,159	3,174,826		3,526,965				3,174,826
Cash flows									
Net cash from (used) operating	(521,938)	598,846	493,313	-	569,130	411,094	(158,035)	-38%	493,313
Net cash from (used) investing	(159,367)	(613,729)	(621,518)	-	(333,453)	(517,931)	(184,478)	36%	(621,518)
Net cash from (used) financing	660,387	(12,788)	(12,788)	-	229	(10,656)	(10,886)	102%	(12,788)
Cash/cash equivalents at the month/year end	88,618	73,147	(40,175)	349,632	349,632	(16,676)	(366,309)	2197%	(27,266)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	182,077	119,791	99,743	89,981	85,408	88,974	476,449	3,015,804	4,158,226
Creditors Age Analysis									
Total Creditors	107,788	27,712	10,727	22,293	17,413	62,478	78,519	906,718	1,233,647

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M10 April

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,257,109	1,689,473	1,698,001	78,893	1,433,392	1,411,415	21,977	2%	1,698,001
Executive and council		549,361	972,401	980,929	26,200	791,746	813,855	(22,109)	-3%	980,929
Finance and administration		707,747	717,072	717,072	52,694	641,646	597,560	44,086	7%	717,072
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		48,267	42,989	47,653	9,989	39,733	38,224	1,509	4%	47,653
Community and social services		12,642	12,138	12,802	7,064	10,312	10,115	197	2%	12,802
Sport and recreation		2,639	2,720	2,720	200	2,502	2,267	235	10%	2,720
Public safety		276	540	540	119	770	450	320	71%	540
Housing		28,843	27,501	27,501	2,607	26,150	22,917	3,233	14%	27,501
Health		3,867	90	4,090	-	-	2,475	(2,475)	-100%	4,090
<i>Economic and environmental services</i>		37,710	18,976	22,235	547	9,463	17,769	(8,306)	-47%	22,235
Planning and development		22,952	5,956	9,215	308	6,687	6,919	(232)	-3%	9,215
Road transport		14,758	13,020	13,020	239	2,776	10,850	(8,074)	-74%	13,020
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,730,934	1,767,977	1,767,977	131,423	1,376,947	1,473,314	(96,367)	-7%	1,767,977
Energy sources		1,163,247	1,164,299	1,164,299	75,950	825,221	970,249	(145,028)	-15%	1,164,299
Water management		352,402	398,115	398,115	34,005	341,310	331,763	9,547	3%	398,115
Waste water management		121,173	118,290	118,290	12,266	120,211	98,575	21,636	22%	118,290
Waste management		94,112	87,272	87,272	9,201	90,205	72,727	17,478	24%	87,272
<i>Other</i>	4	10,104	11,092	11,092	1,124	9,352	9,243	109	1%	11,092
Total Revenue - Functional	2	3,084,125	3,530,507	3,546,958	221,977	2,868,887	2,949,965	(81,078)	-3%	3,546,958
Expenditure - Functional										
<i>Governance and administration</i>		734,453	755,594	865,627	45,117	639,462	695,291	(55,830)	-8%	865,627
Executive and council		472,647	477,043	584,053	23,381	425,548	461,346	(35,799)	-8%	584,053
Finance and administration		256,237	271,754	274,747	21,372	210,164	228,262	(18,098)	-8%	274,747
Internal audit		5,569	6,797	6,827	364	3,750	5,682	(1,932)	-34%	6,827
<i>Community and public safety</i>		201,954	207,313	214,494	15,778	159,564	176,671	(17,106)	-10%	214,494
Community and social services		48,586	49,027	51,863	3,875	38,545	42,157	(3,613)	-9%	51,863
Sport and recreation		66,863	63,043	63,143	5,226	52,561	52,596	(36)	0%	63,143
Public safety		44,135	45,933	46,033	3,514	34,355	38,338	(3,983)	-10%	46,033
Housing		21,956	28,042	28,042	1,717	18,469	23,369	(4,899)	-21%	28,042
Health		20,412	21,267	25,412	1,447	15,634	20,210	(4,576)	-23%	25,412
<i>Economic and environmental services</i>		170,731	183,093	192,175	16,901	150,372	158,028	(7,657)	-5%	192,175
Planning and development		46,192	55,644	60,476	4,059	40,199	49,270	(9,071)	-18%	60,476
Road transport		123,669	126,551	130,801	12,770	109,412	108,010	1,403	1%	130,801
Environmental protection		870	898	898	73	760	748	12	2%	898
<i>Trading services</i>		1,666,267	1,753,665	1,896,203	109,689	1,352,157	1,515,741	(163,584)	-11%	1,896,203
Energy sources		1,101,328	1,151,651	1,246,140	74,796	869,257	985,232	(115,975)	-12%	1,246,140
Water management		363,718	395,412	434,712	20,958	330,937	353,090	(22,153)	-6%	434,712
Waste water management		122,085	119,433	128,183	8,720	87,843	104,778	(16,935)	-16%	128,183
Waste management		79,136	87,170	87,170	5,216	64,120	72,641	(8,522)	-12%	87,170
<i>Other</i>		24,014	28,839	29,289	2,035	20,729	24,303	(3,574)	-15%	29,289
Total Expenditure - Functional	3	2,797,419	2,928,505	3,197,789	189,521	2,322,284	2,570,034	(247,750)	-10%	3,197,789
Surplus/ (Deficit) for the year		286,705	602,003	349,169	32,456	546,603	379,931	166,672	0.43868921	349,169

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

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	980,929	26,200	791,746	813,855	(22,109)	-2.7%	980,929
Vote 03 - Municipal Manager			-	-	2,759	-	-	1,655	(1,655)	-100.0%	2,759
Vote 04 - Corporate Services			5,391	6,161	6,161	1,212	5,376	5,135	241	4.7%	6,161
Vote 05 - Community Services			134,820	124,361	129,025	17,871	114,580	106,034	8,546	8.1%	129,025
Vote 06 - Financial Services			701,887	710,111	710,111	51,426	635,578	591,759	43,819	7.4%	710,111
Vote 07 - Strategy Econ Development And Planning			26,098	8,368	8,868	372	8,002	7,273	728	10.0%	8,868
Vote 08 - Infrastructure And Services			1,666,568	1,709,105	1,709,105	124,896	1,313,606	1,424,254	(110,649)	-7.8%	1,709,105
Vote 09 -			-	-	-	-	-	-	-	-	-
Vote 10 -			-	-	-	-	-	-	-	-	-
Vote 11 -			-	-	-	-	-	-	-	-	-
Vote 12 -			-	-	-	-	-	-	-	-	-
Vote 13 -			-	-	-	-	-	-	-	-	-
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 - Other			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	3,084,125	3,530,507	3,546,958	221,977	2,868,887	2,949,965	(81,078)	-2.7%	3,546,958
Expenditure by Vote		1									
Vote 01 - Executive & Council			59,615	60,855	60,895	4,502	48,435	50,737	(2,302)	-4.5%	60,895
Vote 02 - Municipal And General			400,410	403,603	508,523	17,985	363,743	398,892	(35,149)	-8.8%	508,523
Vote 03 - Municipal Manager			24,274	27,854	32,626	1,874	23,771	26,076	(2,305)	-8.8%	32,626
Vote 04 - Corporate Services			71,184	82,140	75,818	6,226	59,328	64,660	(5,332)	-8.2%	75,818
Vote 05 - Community Services			321,918	337,272	344,453	24,426	258,858	284,970	(26,112)	-9.2%	344,453
Vote 06 - Financial Services			134,722	166,217	174,232	12,062	114,777	143,325	(28,547)	-19.9%	174,232
Vote 07 - Strategy Econ Development And Planning			60,672	67,813	71,703	4,569	45,177	58,846	(13,669)	-23.2%	71,703
Vote 08 - Infrastructure And Services			1,724,624	1,782,750	1,929,538	117,876	1,408,195	1,542,529	(134,334)	-8.7%	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	3,197,789	189,521	2,322,284	2,570,034	(247,750)	-9.6%	3,197,789
Surplus/ (Deficit) for the year		2	286,705	602,003	349,169	32,456	546,603	379,931	166,671	43.9%	349,169

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

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	74,024	787,920	915,999	(128,079)	-14%	1,099,199
Service charges - Water			276,094	343,685	343,685	27,558	280,228	286,404	(6,177)	-2%	343,685
Service charges - Waste Water Management			93,794	95,890	95,890	9,570	94,698	79,908	14,790	19%	95,890
Service charges - Waste management			75,114	72,271	72,271	7,191	71,106	60,226	10,879	18%	72,271
Sale of Goods and Rendering of Services			15,100	15,955	16,455	1,828	15,251	13,596	1,655	12%	16,455
Agency services			—	—	—	—	—	—	—	—	—
Interest			—	—	—	—	—	—	—	—	—
Interest earned from Receivables			258,041	120,030	120,030	14,199	135,140	100,025	35,115	35%	120,030
Interest from Current and Non Current Assets			16,116	9,000	9,000	1,568	15,986	7,500	8,486	113%	9,000
Dividends			—	—	—	—	—	—	—	—	—
Rent on Land			—	—	—	—	—	—	—	—	—
Rental from Fixed Assets			28,851	27,740	27,740	2,628	26,260	23,117	3,143	14%	27,740
Licence and permits			670	1,200	1,200	48	559	1,000	(441)	-44%	1,200
Operational Revenue			3,202	3,773	3,773	242	2,554	3,144	(590)	-19%	3,773
Non-Exchange Revenue											
Property rates			656,442	687,320	687,320	50,626	611,471	572,766	38,704	7%	687,320
Surcharges and Taxes			—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits			56,767	32,143	32,143	882	23,336	26,786	(3,450)	-13%	32,143
Licence and permits			6,500	8,000	8,000	1,034	7,937	6,667	1,270	19%	8,000
Transfers and subsidies - Operational			501,707	299,271	312,854	7,166	294,676	256,748	37,928	15%	312,854
Interest			—	91,900	91,900	8,634	86,250	76,583	9,666	13%	91,900
Fuel Levy			—	—	—	—	—	—	—	—	—
Operational Revenue			49,299	50,900	50,900	884	25,301	42,417	(17,116)	-40%	50,900
Gains on disposal of Assets			17,071	—	—	—	5,071	—	5,071	#DIV/0!	—
Other Gains			(15,774)	—	—	—	151	—	151	#DIV/0!	—
Discontinued Operations			—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)			2,925,084	2,958,278	2,972,361	208,083	2,483,894	2,472,887	11,007	0%	2,972,361
Expenditure By Type											
Employee related costs			894,291	950,863	952,667	68,961	702,415	793,472	(91,057)	-11%	952,667
Remuneration of councillors			33,869	37,077	37,077	2,778	29,046	30,897	(1,851)	-6%	37,077
Bulk purchases - electricity			787,457	897,300	910,118	59,461	661,397	724,270	(62,873)	-9%	910,118
Inventory consumed			269,884	319,605	320,161	9,053	225,006	265,878	(40,873)	-15%	320,161
Debt impairment			333,146	355,246	475,246	—	356,435	368,039	(11,604)	-3%	475,246
Depreciation and amortisation			76,441	89,700	89,700	11,102	55,952	74,750	(18,798)	-25%	89,700
Interest			122,651	17,774	78,195	3,472	26,508	51,064	(24,556)	-48%	78,195
Contracted services			45,090	40,731	66,516	2,840	42,364	49,414	(7,050)	-14%	66,516
Transfers and subsidies			2,526	3,660	3,660	625	2,517	3,050	(533)	-17%	3,660
Irrecoverable debts written off			—	—	—	0	1	—	1	#DIV/0!	—
Operational costs			142,363	151,549	172,511	13,658	143,461	138,871	4,590	3%	172,511
Losses on Disposal of Assets			1,022	—	—	—	—	—	—	—	—
Other Losses			88,679	65,000	91,938	17,571	77,183	70,329	6,854	10%	91,938
Total Expenditure			2,797,419	2,928,505	3,197,789	189,521	2,322,284	2,570,034	(247,750)	-10%	3,197,789
Surplus/(Deficit)			127,665	29,774	(225,428)	18,562	161,610	(97,147)	258,757	(0)	(225,428)
Transfers and subsidies - capital (monetary allocations)			159,040	572,229	574,597	13,894	384,993	477,078	(92,085)	(0)	574,597
Transfers and subsidies - capital (in-kind)			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions			286,705	602,003	349,169	32,456	546,603	379,931	166,671	0	349,169
Income Tax			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax			286,705	602,003	349,169	32,456	546,603	379,931	166,671	0	349,169
Share of Surplus/Deficit attributable to Joint Venture			—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality			286,705	602,003	349,169	32,456	546,603	379,931	166,671	0	349,169
Share of Surplus/Deficit attributable to Associate			—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions			—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year			286,705	602,003	349,169	32,456	546,603	379,931	166,671	0	349,169

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 April

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	350	350	1,625	(1,275)	-78%	2,500
Vote 03 - Municipal Manager				-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services				-	-	-	-	-	-	-	-	-
Vote 05 - Community Services				-	5,000	3,500	-	525	3,267	(2,742)	-84%	3,500
Vote 06 - Financial Services				-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning				24,020	2,000	2,000	-	143	1,667	(1,524)	-91%	2,000
Vote 08 - Infrastructure And Services				105,329	533,450	576,500	29,288	357,571	476,417	(118,846)	-25%	576,500
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	584,500	29,639	358,589	482,975	(124,386)	-26%	584,500
Single Year expenditure appropriation			2									
Vote 01 - Executive & Council				-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General				12,646	23,000	26,241	288	7,265	19,511	(12,246)	-63%	26,241
Vote 03 - Municipal Manager				-	2,349	-	-	-	610	(610)	-100%	-
Vote 04 - Corporate Services				-	-	-	-	-	-	-	-	-
Vote 05 - Community Services				-	2,210	2,210	-	1,581	1,842	(261)	-14%	2,210
Vote 06 - Financial Services				-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning				-	3,000	2,511	-	246	2,207	(1,961)	-89%	2,511
Vote 08 - Infrastructure And Services				34,444	41,220	12,676	90	860	11,177	(10,317)	-92%	12,676
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	43,637	378	9,952	35,346	(25,394)	-72%	43,637
Total Capital Expenditure				176,438	613,729	628,137	30,016	368,540	518,321	(149,780)	-29%	628,137
Capital Expenditure - Functional Classification												
Governance and administration				12,646	24,500	28,741	638	7,615	21,136	(13,521)	-64%	28,741
Executive and council				12,646	24,500	28,741	638	7,615	21,136	(13,521)	-64%	28,741
Finance and administration				-	-	-	-	-	-	-	-	-
Internal audit				-	-	-	-	-	-	-	-	-
Community and public safety				-	7,210	5,710	-	2,106	5,108	(3,003)	-59%	5,710
Community and social services				-	5,000	3,500	-	525	3,267	(2,742)	-84%	3,500
Sport and recreation				-	2,210	2,210	-	1,581	1,842	(261)	-14%	2,210
Public safety				-	-	-	-	-	-	-	-	-
Housing				-	-	-	-	-	-	-	-	-
Health				-	-	-	-	-	-	-	-	-
Economic and environmental services				69,228	48,519	44,407	3,620	27,908	36,691	(8,782)	-24%	44,407
Planning and development				24,020	5,849	3,761	-	143	3,683	(3,540)	-96%	3,761
Road transport				45,208	42,670	40,646	3,620	27,766	33,008	(5,242)	-16%	40,646
Environmental protection				-	-	-	-	-	-	-	-	-
Trading services				94,564	532,000	548,529	25,758	330,665	454,586	(123,921)	-27%	548,529
Energy sources				27,354	6,000	10,500	2	3,692	6,500	(2,808)	-43%	10,500
Water management				62,534	517,500	511,529	23,042	316,595	428,702	(112,108)	-26%	511,529
Waste water management				4,676	8,500	26,500	2,715	10,378	19,383	(9,005)	-46%	26,500
Waste management				-	-	-	-	-	-	-	-	-
Other				-	1,500	750	-	246	800	(554)	-69%	750
Total Capital Expenditure - Functional Classification			3	176,438	613,729	628,137	30,016	368,540	518,321	(149,780)	-29%	628,137
Funded by:												
National Government				124,283	572,229	574,597	28,828	350,163	477,078	(126,915)	-27%	574,597
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			6	147,356	572,229	574,597	28,828	350,163	477,078	(126,915)	-27%	574,597
Borrowing				-	-	-	-	-	-	-	-	-
Internally generated funds				29,082	41,500	53,540	1,188	18,377	41,242	(22,865)	-55%	53,540
Total Capital Funding				176,438	613,729	628,137	30,016	368,540	518,321	(149,780)	-29%	628,137

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M10 April

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		113,726	73,147	4,126	251,117	4,126
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,154,525	1,577,517	1,154,525
Receivables from non-exchange transactions		860,075	927,844	897,844	978,072	897,844
Current portion of non-current receivables		–	–	–	–	–
Inventory		112,013	60,701	60,701	118,145	60,701
VAT		155,736	155,542	155,542	186,078	155,542
Other current assets		638	129	129	699	129
Total current assets		2,664,713	2,491,688	2,272,867	3,111,628	2,272,867
Non current assets						
Investments						
Investment property		201,266	221,645	223,406	202,320	223,406
Property, plant and equipment		2,100,106	2,625,801	2,639,198	2,415,987	2,639,198
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	42,000	13,214
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2,360,035	2,874,231	2,888,639	2,672,623	2,888,639
TOTAL ASSETS		5,024,748	5,365,919	5,161,506	5,784,251	5,161,506
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(14,788)	(14,788)	–	(14,788)
Consumer deposits		48,699	49,570	49,570	50,190	49,570
Trade and other payables from exchange transactions		642,151	1,286,802	1,286,802	582,640	1,286,802
Trade and other payables from non-exchange transactions		4,057	–	–	205,984	–
Provision		788	788	788	788	788
VAT		234,236	201,179	201,179	312,806	201,179
Other current liabilities		–	–	–	–	–
Total current liabilities		929,932	1,523,552	1,523,552	1,152,407	1,523,552
Non current liabilities						
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		–	–	–	–	–
Total non current liabilities		1,111,983	410,208	458,628	1,104,882	458,628
TOTAL LIABILITIES		2,041,915	1,933,760	1,982,180	2,257,289	1,982,180
NET ASSETS	2	2,982,833	3,432,159	3,179,326	3,526,962	3,179,326
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,908,029	3,368,093	3,110,760	3,452,161	3,110,760
Reserves and funds		74,804	64,066	64,066	74,804	64,066
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2,982,833	3,432,159	3,174,826	3,526,965	3,174,826

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M10 April


Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		507,798	676,122	676,122	38,702	391,696	563,435	(171,739)	-30%	676,122
Service charges		1,185,680	1,513,446	1,543,246	93,751	1,045,338	1,286,039	(240,701)	-19%	1,543,246
Other revenue		(54,233)	92,337	94,837	31,998	999,684	79,031	920,654	1165%	94,837
Transfers and Subsidies - Operational		306,662	299,271	311,530	2,685	303,310	259,608	43,702	17%	311,530
Transfers and Subsidies - Capital		142,936	572,229	570,097	4,500	577,356	475,081	102,275	22%	570,097
Interest		3,927	9,000	9,000	1,829	25,906	7,500	18,406	245%	9,000
Dividends								-		
Payments										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,633,324)	(215,019)	(2,817,836)	(2,194,437)	623,399	-28%	(2,633,324)
Interest		281	(17,774)	(78,195)	-	2,121	(65,162)	(67,283)	103%	(78,195)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(521,938)	598,846	493,313	(41,555)	527,575	411,094	(116,480)	-28%	493,313
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		17,071	-	-	-	5,071	-	5,071	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(176,438)	(613,729)	(621,518)	(30,016)	(368,540)	(517,931)	(149,391)	29%	(621,518)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(159,367)	(613,729)	(621,518)	(30,016)	(363,469)	(517,931)	(154,462)	30%	(621,518)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		661,955	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(1,569)	2,000	2,000	82	311	1,667	(1,356)	-81%	2,000
Payments										
Repayment of borrowing		-	(14,788)	(14,788)	-	-	(12,323)	(12,323)	100%	(14,788)
NET CASH FROM/(USED) FINANCING ACTIVITIES		660,387	(12,788)	(12,788)	82	311	(10,656)	(10,967)	103%	(12,788)
NET INCREASE/ (DECREASE) IN CASH HELD		(20,918)	(27,670)	(140,992)	(71,490)	164,416	(117,493)			(140,992)
Cash/cash equivalents at beginning:		109,536	100,817	100,817	349,632	113,726	100,817			113,726
Cash/cash equivalents at month/year end:		88,618	73,147	(40,175)	278,142	278,142	(16,676)			(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 R251,117 million as per the Cash book balance.**

16. Annexure B: Compliance with the conditions for Municipal Debt Relief

16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly				Notes/Comments
 <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		<div>Apr'25</div>		
National Financial Year		<div>2024/25</div>		
Demarcation Code of Municipality being assessed		<div>NC091</div>		
District		<div>Frances Baard</div>		
Demarcation Description		<div>Sol Plaatje</div>		
<p>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:</p>				
Municipal Debt Relief Conditions (Monthly reporting) <div>Choose from drop down list</div>				
Condition	6.3 + 6.12	Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise means the account for a single month's consumption):</small>		
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	<div>No</div>	The municipality did not have sufficient cash available to settle the current account for March 2025 amounting to R16,769 million
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ?	<div>No</div>	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?	<div>No</div>	No payment was made and the invoice for March 2025 could not be finalised timeously on the system.
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	<div>Yes</div>	The municipality settled the March 2025 invoice in full, amounting to R72,107 million account including interest amounting to R1,733 million (R42,107 million on 25/04/2025 and R30,000 million on 29/04/2025). Total invoice amount was R72,107 million.
5	6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ?	<div>Yes</div>	
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?	<div>Yes</div>	
6.4 Compliance with a funded MTREF – <i>(choose from drop down list the MTREF assessed)</i>				<div>2024/25 Adopted MTREF</div>
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	<div>Yes</div>	
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?	<div>Yes</div>	
9	6.4.1	- Has the municipality made adequate provision for debt impairment <i>(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)</i> on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	<div>Yes</div>	
<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 68 per cent of its revenues (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 <i>(considering its asset register and physical state of assets)</i> on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	<div>Yes</div>	
<i>Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>				
11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	<div>N/A - the MTREF is funded</div>	
<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>				
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>	<div>N/a</div>	
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 <i>(For example higher winter Eskom tariffs, lower January collection rates, etc.)</i> ?	<div>Yes</div>	
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?	<div>Yes</div>	

	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No	
	6.6	Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter	
		<i>Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <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)?	Does not have function	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	not yet the end of a quarter	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No	Smart meter project is completed. YTD installations till end of 31 March 2025 = 15,284
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes	
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://luploadportal.treasury.gov.za ?	Yes	

6.9		Monitor and report on implementation –	
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	<input type="text" value="Yes"/>
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	<input type="text" value="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?	<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 https://guploadportal.treasury.gov.za ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	<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 conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	<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 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>	<input type="text" value="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 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 45. Short term borrowings, 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="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?	<input type="text" value="No"/> Payment was made towards the Eskom account but no payment for Water.
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?	<input type="text" value="No"/> Payment was made towards the Eskom account but no payment for Water.
		<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>	
39		Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	<input type="text" value="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>	<input type="text" value="Yes"/> No letter of instruction has been received from National Treasury
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>	<input type="text" value="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 30 April 2025.

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 MTRF				FRP/BFP & Tariff Assessment		Electricity and water as collection tools				Quarterly collection of property rates and services charges												Maximization of Revenue Base				Oversight														
Month	Code 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.Jul 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	76%	Non Compliance	
4.Oct 2023	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	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	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
6.Dec 2023	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance
7.Jan 2024	Sol Plaatje	NC091	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance
8.Feb 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	No	N/A	N/A	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	Non Compliance

Monthly Performance Report																																																				
Municipal Details			Part A						Part B					Part C		Part D				Part 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	Compliance Status							
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance			
5.November '24	Sol Plaatje	NC091	No	No	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	68%	Non Compliance	
7.January	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
9.March	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance
10.April	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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 78% 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 had insufficient cash to settle the March 2025 invoice of R16 million and proof of payment for this reason could not be submitted.
- ❖ The municipality could not settle the payment arrangement instalment of R6.7 million which was due at the end of April 2025. The municipality should have settled the arrear debt due to DWS by the end of March 2025.
- ❖ Revenue collection must remain a key focus point. The average collection rate calculated by the municipality is standing at 76% for the month of April 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 63%, 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.

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 March 2025 is attached to this S71 report.

Here are the specific high-level recommendations for March 2025 according to the monitoring tool:

1. Prioritise Immediate Settlement of Outstanding Eskom Arrears

Urgent settlement of the R112 million Eskom debt must be prioritised to retain eligibility for the debt write-off. Senior management should develop a short-term cash flow intervention plan, ensuring that all available fiscal resources are strategically directed towards settling the arrears, safeguarding the municipality's financial recovery and compliance status.

2. Strengthen Revenue Collection and Credit Control Enforcement

The municipality must reinforce the strict and consistent implementation of its Credit Control and Debt Collection Policy. Special attention should be given to high-risk, Eskom-supplied areas, improving billing accuracy, tightening debt recovery processes, and conducting targeted community engagement campaigns to enhance payment compliance ahead of the 2025/26 budget cycle.

3. Integrate the Cost-Reflective Tariff Tool into the 2025/26 Budget

The municipality should urgently adopt and apply the draft cost-reflective tariff tool during the preparation of the 2025/26 budget. This integration will ensure that tariffs are aligned with actual service delivery costs, improve revenue sustainability, reduce reliance on cross-subsidies, and support the long-term financial viability of municipal services.

4. Improve Indigent Register Integrity and Billing Controls

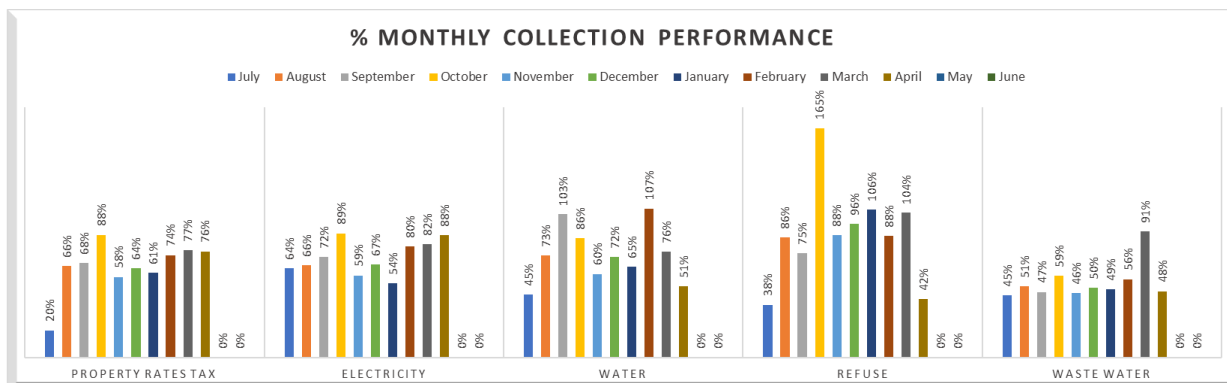
The municipality must address current weaknesses in indigent management, including incomplete indigent registers, inaccuracies in consolidated billing, and excessive consumption by registered indigents. Immediate corrective action is needed to ensure fair allocation of benefits, protect municipal revenue, and fully comply with National Treasury guidelines on indigent support.

5. Enhance Cash Flow Management and Financial Reporting Controls

While data uploads and MFMA Section 71 reporting are compliant, internal cash flow management remains weak. Strengthening liquidity management practices, tightening expenditure controls, and improving the timeliness of invoice approvals and payments will be critical. Regular financial risk assessments and council-level reporting must be institutionalised to prevent arrear growth and improve decision-making transparency..

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



Collection Rate Assessment																				
Summary - Quarter 1					Summary - Quarter 2					Summary - Quarter 3					Summary - Quarter 4					
Aggregate Collection	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q3	Billing	Collection	R - Billing not collected	% Collection	Q4
1.Collection for whole demarcation	647,386,914	338,912,939	310,483,405	52%	52%	489,386,541	348,725,058	150,661,443	71%	70%	483,224,348	341,352,880	141,832,188	71%	71%	164,827,327	103,092,428	61,734,899	63%	63%
2.Collection excl Eskom supplied areas	655,625,631	300,589,830	294,862,801	54%	54%	429,694,286	307,022,063	122,672,222	71%	71%	427,316,444	305,557,114	121,839,331	71%	71%	143,746,345	90,289,240	53,457,105	63%	63%
3.Collection Property Rates	268,600,294	120,105,002	138,495,292	46%	46%	151,680,484	110,666,185	41,094,299	73%	73%	150,302,548	124,735,102	25,467,446	83%	83%	50,648,678	38,701,971	11,946,707	76%	76%
4.Total average collection: Electricity (Municipal supplied areas)	203,550,128	102,411,100	90,138,028	75%	75%	135,929,363	155,987,365	(20,157,802)	115%	115%	134,003,202	132,514,761	1,488,442	99%	99%	47,052,442	41,422,113	5,630,329	88%	88%
5.Total average collection: Water	73,414,201	35,225,878	38,188,323	48%	48%	55,813,358	45,310,692	45,922,656	81%	81%	82,782,077	51,986,051	30,796,026	63%	63%	27,680,749	14,245,914	13,434,834	51%	51%
6.Total average collection: Wastewater	26,960,122	12,268,704	14,700,417	45%	45%	27,047,194	13,390,208	13,696,986	50%	50%	27,638,618	13,940,485	13,698,131	50%	50%	9,253,062	3,893,352	5,359,710	42%	42%
7.Total average collection: Refuse	21,595,092	10,655,712	10,943,380	49%	49%	21,540,395	11,969,409	9,570,986	56%	56%	21,839,017	11,963,100	10,375,917	55%	55%	7,370,658	3,518,136	3,852,523	48%	48%
8.Total average collection: Interest	63,272,078	5,785,113	58,016,365	8%	8%	67,395,545	7,402,238	59,993,308	11%	11%	66,658,796	6,802,980	60,006,226	10%	10%	22,821,737	1,310,941	21,510,796	6%	6%

Description	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%	55%	81%	59%	92%	75%
Revised average collection rate (SPLM)	80%	44%	58%	65%	72%	72%	76%	75%	76%	76%	76%
Collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%	64%	61%	74%	77%	63%
Collection rate per Ward (Quarterly)	79%	-	-	52%	-	-	70%	-	-	71%	

The monthly collection rate per ward is a major concern and it not at a desired level. This has deteriorated for the month under review from 77% to 63%. 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 April 2025 is 76%, 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	Q3	10-April - Reporting for March in April				Summary - Quarter 4				Q1
					Billing For March	Collection in April	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	Summary	52%	70%	71%	164,827,327	103,092,428	61,734,899	63%	164,827,327	103,092,428	61,734,899	63%	63%
2.Collection <u>excl Eskom supplied areas</u>		54%	71%	71%	143,746,345	90,289,240	57,096,422	63%	143,746,345	90,289,240	53,457,105	63%	63%
3.Collection: Property Rates		46%	73%	83%	50,648,678	38,701,971	11,946,707	76%	50,648,678	38,701,971	11,946,707	76%	76%
4.Total average collection: Electricity (Municipal supplied areas)		75%	115%	99%	47,052,442	41,422,113	5,630,329	88%	47,052,442	41,422,113	5,630,329	88%	88%
5.Total average collection: Water		48%	51%	63%	27,680,749	14,245,914	13,434,834	51%	27,680,749	14,245,914	13,434,834	51%	51%
6.Total average collection: Wastewater		45%	50%	50%	9,253,062	3,893,352	5,359,710	42%	9,253,062	3,893,352	5,359,710	42%	42%
7.Total average collection: Refuse		49%	56%	53%	7,370,658	3,518,136	3,852,523	48%	7,370,658	3,518,136	3,852,523	48%	48%
8. 7.Total average collection: Interest			11%	10%	22,821,737	1,310,941	21,510,796	6%	22,821,737	1,310,941	21,510,796	6%	6%

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 April 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		Current Year - 2024/2025														2024/2025 - Monthly Monitoring													
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12														
Indigent Household service targets	1																														
Water: (Include All Indigent households also in Eskom supplied areas)																															
Indigent HH's 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	7,883	7,727																
Indigent HH's with piped water inside yard (but not in dwelling)																															
Indigent HH's using public tap (at least min.service level)	2																														
Indigent HH's with other water supply (at least min.service level)	4																														
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	7,883	7,727	-	-														
Indigent HH's using public tap (< min.service level)	3																														
Indigent HH's with other water supply (< min.service level)	4																														
Indigent HH's with No water supply																															
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Total number of registered indigent households	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	7,883	7,727	-	-	-													
Status of Water meters :																															
Number of Indigent HH's with prepaid 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	7,883	7,727																
Number of Indigent HH's with conventional metered Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Number of Indigent HH's NOT metered currently - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Number of Indigent HH's with NO Water supply - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Total number of registered indigent households	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	7,883	7,727	-	-	-													
Status of unlimited supply of Water :																															
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																															
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																														
Energy: (Include All Indigent households also in Eskom supplied areas)																															
Indigent HH's with Electricity (at least min.service level)																															
Indigent HH's with Electricity - prepaid (min.service level)																															
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Indigent HH's with Electricity (< min.service level)																															
Indigent HH's with Electricity - prepaid (< min. service level)																															
Indigent HH's with other energy sources																															
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Status of Electricity meters :																															
Number of Indigent HH's 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	7,454	7,453																
Number of Indigent HH's with conventional metered Electricity																															
Number of Indigent HH's NOT metered currently - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Number of indigent HH's with other energy sources - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Total number of registered indigent households	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	7,454	7,453	-	-	-													
Status of unlimited supply of Electricity :																															
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month																															
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																														
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)	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	7,883	7,727																
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	7,454	7,453																
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																															
Water (6 kilolitres per household per month)		4,932,658	10,000,000	10,000,000	10,000,000	211,512	272,876	331,900	283,154	304,540	269,201	314,578	261,628	243,662	281,138																
Electricity/other energy (50kwh per household per month)		9,967,435	12,000,000	12,000,000	12,000,000	16,265	1,101,129	1,110,419	1,029,756	993,027	1,985,639	15,842	1,001,806	1,012,386	1,728,451																
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																															
Water (6 kilolitres per household per month)																															
Electricity/other energy (50kwh per household per month)																															
Total cost of FBS Water and Electricity provided to ALL Households	8	14,900,093	22,000,000	22,000,000	22,000,000	227,777	1,374,005	1,442,318	1,312,910	1,297,566	2,254,840	330,420	1,263,434	1,256,048	2,009,590	-	-	-													
Highest level of free service provided per household (ALL Households)																															
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	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																										
Revenue cost of subsidised services provided for ALL Households (R'000)	9																														
Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)																														
PSI Category : 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)		32,021,525	37,240,000	37,240,000	37,240,000	729,193	682,775	682,735	684,373	683,930	684,861	685,191	685,616	688,242	687,009																
Water (in excess of 6 kilolitres per indigent household per month)	15	15,462,419	21,500,000	21,500,000	21,500,000	-	756,263	738,242	753,729	830,525	838,731	777,565	813,737	807,048	795,731																
Sanitation (in excess of free sanitation service to indigent households)	16	2,919,895	3,400,000	3,400,000	3,400,000	-	-	-	-	-	-	-	-	-	-																
Electricity/other energy (in excess of 50 kwh per indigent household per month)		33,957,925	41,000,000	41,000,000	41,000,000	-	1,655,854	1,772,113	1,697,552	1,092,838	1,106,651	1,204,800	1,254,269	1,187,022	1,155,890																
Refuse (in excess of one removal a week for indigent households)		4,235,540	4,400,000	4,400,000	4,400,000	-	118,735	118,606	118,476	118,735	118,865	118,735	123,305	122,294	121,532																
Municipal Housing - rental rebates																															
Housing - top structure subsidies	6																														
Other																															
Total revenue cost of subsidised services provided		88,597,304	#####	107,540,000	107,540,000	729,193	3,213,627	3,311,696	3,254,130	2,776,028	2,749,108	2,786,291	2,876,927	2,804,606	2,760,162	-	-	-													

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

GV Reconciliation Summary						
Province	NC					
District	SolPlaatje					
Type	LM					
Municipal Name	SolPlaatje					
GV Period	01/07/2022 - 30/06/2027					
Financial Year	2024/2025					
Reconciliation Period	Quarter 3					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Property Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	51026	51026	0	24,151,733,603	24,151,733,603	-
Industrial	203	203	0	804,240,000	804,240,000	-
Business and Commercial	2326	2326	0	7,566,692,001	7,566,692,001	-
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	451	451	0	149,996,000	149,996,000	-
PBO	198	198	0	510,111,001	510,111,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	9300	9300	0	1,579,173,503	1,579,173,503	-
Other	0	0	0	-	-	-
Total	64,319	64,319	-	40,583,548,208	40,583,548,208	-
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	24,411,365	22,952,881	1,458,484	24,411,365	22,996,667	1,414,698
Industrial	2,438,657	2,379,802	58,855	2,438,657	2,383,112	55,544
Business and Commercial	22,944,102	20,976,087	1,968,014	22,944,102	20,987,342	1,956,759
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	-	115,276	- 115,276	-	-	-
PBO	-	2,395	- 2,395	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	7,790	- 7,790	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	61,432,329	50,677,262	10,755,067	61,432,329	50,613,410	10,818,919

Properties reconciliation

After populating the GVR Reconciliation for the third 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.

For the third quarter an investigation was done and noted the Land Reform Properties was allocated against Other. For the third quarter this property category was allocated to Residential. This was also done to correct the billing error shown on the GVR reconciliation for the third 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 Residential.

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.

i) Indicated below is the Eskom Bulk invoice for March 2025 which was due and payable during the month of reporting, on or before 2 May 2025.

Indicated below is the April 2025 account which is due and payable on or before 2 June 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) 037566Shazaca
FAX NO: 0862 437 566
E-MAIL: NorthernCape@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



CUSTOMER SELF SERVICE WEBSITE
<https://csonline.co.za>

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

DIRECT DEPOSIT DETAIL

BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 66070087318

YOUR ACCOUNT NO	5449407898
SECURITY HELD	31243194.11
BILLING DATE	2025-05-02
TAX INVOICE NO	344365387569
ACCOUNT MONTH	APRIL 2025
CURRENT DUE DATE	2025-06-02
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: tmolwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	7,553.10
TRANSMISSION NETWORK CAPACITY		R	1,754,910.00
DIST. NETWORK CAPACITY CHARGE		R	1,282,050.00
NETWORK DEMAND CHARGE		R	1,539,761.71
URBAN LOW VOLTAGE SUBSIDY		R	3,140,190.00
ANCILLARY SERVICE (ALL)		R	254,158.32
ENERGY CHARGE (STD)	14,219,553.00	R	19,480,787.61
ENERGY CHARGE (PEAK)	5,845,408.00	R	11,637,622.79
ENERGY CHARGE (OFF)	14,751,247.00	R	12,818,833.64
ELECTRIFICATION AND RURAL SUBS (ALL)		R	5,455,699.79
SERVICE CHARGE		R	236,515.50

TOTAL CHARGES FOR BILLING PERIOD R 57,608,082.46

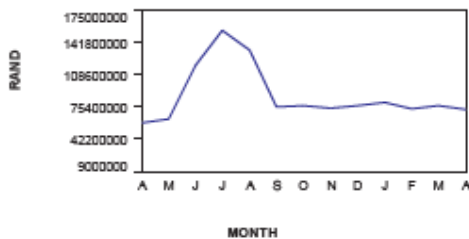
ACCOUNT SUMMARY FOR APRIL 2025

BALANCE BROUGHT FORWARD	(Due Date 2025-05-02)	R	943,472,496.89
PAYMENT(S) RECEIVED	Cash - 2025-04-25	R	-42,107,023.50
PAYMENT(S) RECEIVED	Cash - 2025-04-29	R	-30,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	57,608,082.46
ADJUSTMENT	Interest on overdue account	R	1,809,020.57
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 96,062,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	8,541,212.37

CURRENT	TOTAL DUE	R	946,123,788.79
74,758,315.40			

ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
635,356,218.72	157,202,231.17	78,807,023.50	0.00

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



PAGE RUN NO	EE 15
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

5449407898

NAME

SOL PLAATJE LOCAL MUNICIPALITY

FAX NUMBER

0538331005

7100 10 0010

272157001 5449407898 4



9207 2544 9407 8987



TOTAL AMOUNT DUE

946,123,788.79

PAYMENT ARRANGEMENT

INSTALMENT

6,700,000.00

ARREARS (Due immediately)

871,365,473.39

DUE DATE (For Current Amount)

2025-06-02

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 account invoice for March 2025 (including interest) with a payment of R72,107,023.50 (25 April 2025 of R42,107,023.50 and 29 April 2025 of R30,000,000.00).

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

25/04/2025

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: DUNA008414

CHEQUE/ELE NO: 77071870

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/04/2025	SUN	544712270689/1	35107524.68		5266128.70	40373653.38
02/04/2025	SUN	544712270689/2	1733370.12		0.00	1733370.12

SUB TOTAL: 5266128.70 42107023.50

5266128.70 42107023.50

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

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

29/04/2025

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: CATA012857

CHEQUE/ELE NO: 77071902

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/04/2025	SUN	544712270689	61194481.20		9179172.18	70373653.38
02/04/2025	SUN	544712270689	1733370.12		0.00	1733370.12
02/04/2025	SUN	544712270689/3	-35107524.68		-5266128.70	-40373653.38
02/04/2025	SUN	544712270689/3	-1733370.12		0.00	-1733370.12

SUB TOTAL: 3913043.48 30000000.00
3913043.48 30000000.00

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

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

The payment arrangement of R6,700,000.00 was not paid for the month 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 M10 – April 2025 pertaining to electricity.

	2025	
	M10	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-77,064,053	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	59,461,111	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	22,101,211	81,562,322
Expenditure:Bulk Purchases:Electricity:ESKOM	59,461,111	

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

Datastrings & FMS Recon - April 2025 M10	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	290,639,387.76	231,178,276.68	59,461,111.08	Bulk Purchases vote reconciles to datastrings
Sundry Accruals	157,496,487.08	36,840,894.80	120,655,592.28	
Sundry CATA012857	122,388,962.40	36,840,894.80	85,548,067.60	
Sundry DUNA008414	35,107,524.68	-	35,107,524.68	
Sundry Accruals Reversals	36,840,894.80	157,496,487.08	(120,655,592.28)	
Cheque No : 77071870 Bank No : 901	-	35,107,524.68	(35,107,524.68)	
Cheque No : 77071902 Bank No : 901	36,840,894.80	61,194,481.20	(24,353,586.40)	
Sundry CATA012857	-	61,194,481.20	(61,194,481.20)	
Sundry Payments	96,302,005.88	36,840,894.80	59,461,111.08	
Cheque No : 77071870 Bank No : 901	35,107,524.68	-	35,107,524.68	Payment excl VAT of R42,107m on March account
Cheque No : 77071902 Bank No : 901	61,194,481.20	36,840,894.80	24,353,586.40	Payment excl VAT of R30,000m on Mar account
Grand Total	290,639,387.76	231,178,276.68	59,461,111.08	

Datastrings & FMS Recon - April 2025 M10	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	81,562,322.36	-	81,562,322.36	Withdrawal vote reconciles to datastrings
	4,629.18	-	4,629.18	
Cheque No : 77071542 Bank No : 901	192.26	-	192.26	
Cheque No : 77071543 Bank No : 901	15,227.21	-	15,227.21	
Cheque No : 77071544 Bank No : 901	10,424.43	-	10,424.43	
Cheque No : 77071545 Bank No : 901	76,668.58	-	76,668.58	Minor Eskom Payment
Cheque No : 77071546 Bank No : 901	5,237.97	-	5,237.97	
Cheque No : 77071547 Bank No : 901	4,158.57	-	4,158.57	
Cheque No : 77071548 Bank No : 901	18,596.60	-	18,596.60	
Cheque No : 77071549 Bank No : 901	12,552.03	-	12,552.03	
Cheque No : 77071587 Bank No : 901	4,350,582.72	-	4,350,582.72	Payment of Riverton Water Plant
Cheque No : 77071588 Bank No : 901	144,980.82	-	144,980.82	
Cheque No : 77071604 Bank No : 901	37,056.23	-	37,056.23	
Cheque No : 77071775 Bank No : 901	42,113.31	-	42,113.31	
Cheque No : 77071776 Bank No : 901	13,844.05	-	13,844.05	Minor Eskom Payment
Cheque No : 77071777 Bank No : 901	84,221.46	-	84,221.46	
Cheque No : 77071778 Bank No : 901	13,107.12	-	13,107.12	
Cheque No : 77071854 Bank No : 901	14,136.04	-	14,136.04	
Cheque No : 77071868 Bank No : 901	4,594,461.29	-	4,594,461.29	Payment of Riverton Water Plant
Cheque No : 77071869 Bank No : 901	13,108.99	-	13,108.99	Minor Eskom Payment
Cheque No : 77071870 Bank No : 901	42,107,023.50	-	42,107,023.50	Payment on the March 2025 account
Cheque No : 77071902 Bank No : 901	30,000,000.00	-	30,000,000.00	Payment on the March 2025 account
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	153,669,345.86	230,733,398.67	(77,064,052.81)	Deposits vote reconciles to datastrings
	-	4,629.18	(4,629.18)	
	4,629.18	-	4,629.18	
Cheque No : 77071541 Bank No : 901	4,629.18	-	-	
Cheque No : 77071542 Bank No : 901	192.26	192.26	-	
Cheque No : 77071543 Bank No : 901	15,227.21	15,227.21	-	
Cheque No : 77071544 Bank No : 901	10,424.43	10,424.43	-	
Cheque No : 77071545 Bank No : 901	76,668.58	76,668.58	-	
Cheque No : 77071546 Bank No : 901	5,237.97	5,237.97	-	
Cheque No : 77071547 Bank No : 901	4,158.57	4,158.57	-	
Cheque No : 77071548 Bank No : 901	18,596.60	18,596.60	-	
Cheque No : 77071549 Bank No : 901	12,552.03	12,552.03	-	
Cheque No : 77071587 Bank No : 901	4,350,582.72	4,350,582.72	-	
Cheque No : 77071588 Bank No : 901	144,980.82	144,980.82	-	
Cheque No : 77071604 Bank No : 901	37,056.23	37,056.23	-	
Cheque No : 77071775 Bank No : 901	42,113.31	42,113.31	-	
Cheque No : 77071776 Bank No : 901	13,844.05	13,844.05	-	
Cheque No : 77071777 Bank No : 901	84,221.46	84,221.46	-	
Cheque No : 77071778 Bank No : 901	13,107.12	13,107.12	-	
Cheque No : 77071854 Bank No : 901	14,136.04	14,136.04	-	
Cheque No : 77071868 Bank No : 901	4,594,461.29	4,594,461.29	-	
Cheque No : 77071869 Bank No : 901	13,108.99	13,108.99	-	
Cheque No : 77071870 Bank No : 901	42,107,023.50	42,107,023.50	-	
Cheque No : 77071902 Bank No : 901	30,000,000.00	30,000,000.00	-	
Sundry CATA012810	-	37,056.23	(37,056.23)	
Sundry CATA012811	-	144,980.82	(144,980.82)	
Sundry CATA012857	72,107,023.50	102,107,023.50	(30,000,000.00)	
Sundry CATA012869	-	42,113.31	(42,113.31)	
Sundry CATA012870	-	13,844.05	(13,844.05)	
Sundry CATA012871	-	4,594,461.29	(4,594,461.29)	
Sundry CATA012872	-	84,221.46	(84,221.46)	
Sundry CATA012873	-	13,107.12	(13,107.12)	
Sundry CATA012895	-	13,108.99	(13,108.99)	
Sundry DUNA008395	-	14,136.04	(14,136.04)	
Sundry DUNA008414	-	42,107,023.50	(42,107,023.50)	
Grand Total	235,231,668.22	230,733,398.67	4,498,269.55	

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 March 2025 amounted to R16,769 million which was due and payable on or before the 30 April 2025. The municipality had insufficient cash to settle the account.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412671391
 Document Date: 31.03.2025
 Payment Terms: 30 Days
 Due Date: 30.04.2025
 Customer VAT Reg. No: 4370102313

Bill To:

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

TAX INVOICE
 DWS VAT Reg. no 4040112361



water & sanitation

Department:
 Water and Sanitation
 REPUBLIC OF SOUTH AFRICA

YOUR CONTACT OFFICE:

Department: Water and Sanitation
 Private Bag X313
 Pretoria
 0001

R535 Waterbyron 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: T16761/1911 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: 38173,239.00 Water Use Period: 01.03.2025 to 31.03.2025				
	Consumptive (O&M)	3,039,364.00	39.69	1,206,323.57
	Consumptive (ROA)	3,039,364.00	32.40	984,753.94
	Consumptive (Depr)	3,039,364.00	19.07	579,606.71
	TCTA (AMD)	3,039,364.00	9.39	285,396.28
	TCTA (LHWP)	3,039,364.00	372.50	11,321,630.90
	Plus 15.00% VAT			2,156,656.71
	Subtotal			16,534,368.11
	WRL(0%VAT)	3,039,364.000	7.73	234,942.84
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			16,769,310.95

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) There is no current account for April 2025, due to the servitude (free water quota) which commenced from 1 April 2025.
- iii) There is no proof of payment as the municipality had insufficient cash available to settle the March 2025 account at the end of April 2025.

Payment arrangement instalment of R6 million was not settled due to insufficient cash available from operations. This should have been settled at the end of January 2025, but due to severe cash flow challenges this did not materialise.

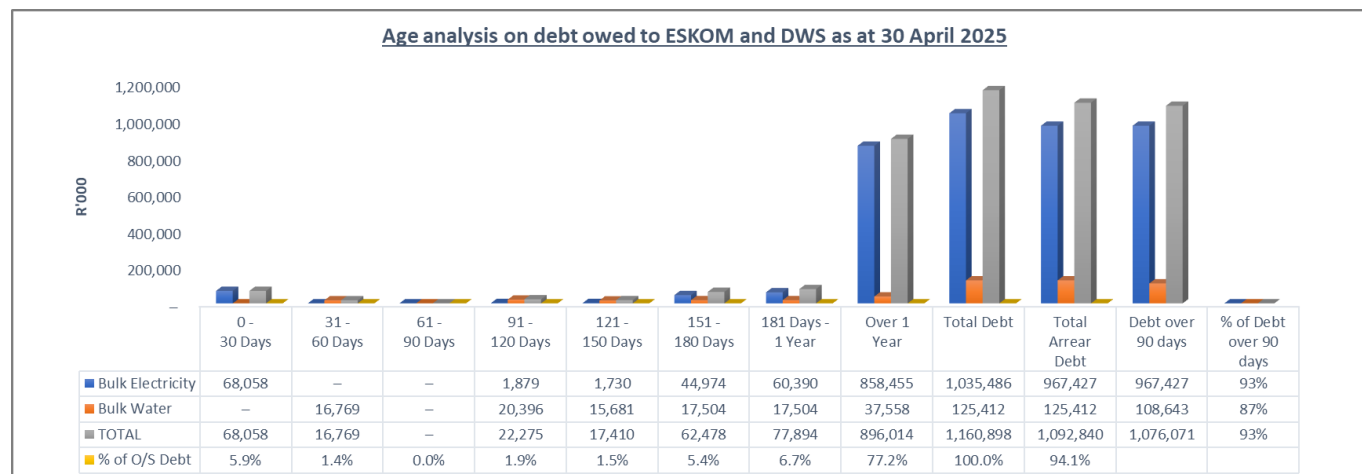
The municipality's water reconciliation statement (aligning to the mSCOA data string upload for M10 – April 2025).

	2025
	M10
Account Name	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-140,597
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	72,759

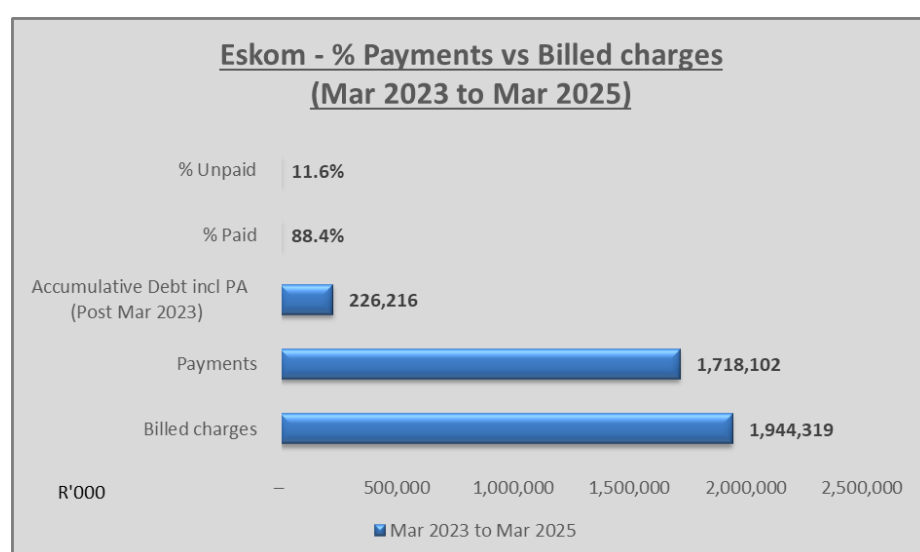
Reconciliation of Bulk purchases water input volumes, deposits and withdrawals as per the Financial system. The invoice for March 2025 could not be authorised timeously on the system.

Datastrings & FMS Recon - April 2025 M10	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:DEPOSITS	281,193.06	421,789.59	(140,596.53)	Deposits vote reconciles to datastrings
Sundry Accruals	-	421,789.59	(421,789.59)	
Sundry CATA012922 Creditor Control	-	421,789.59	(421,789.59)	
Sundry Accruals Reversals	281,193.06	-	281,193.06	
Sundry CATA012922 Creditor Control	281,193.06	-	281,193.06	
WATER:INPUT VOL: BULK PURCHASES	72,758.89	-	72,758.89	Water: Input vol Bulk Purchases vote reconciles to datastrings
Sundry Accruals	72,758.89	-	72,758.89	
SORA01:ORANJE RIET WATER USERS ASSOCIATION	72,758.89	-	72,758.89	
Grand Total	353,951.95	421,789.59	(67,837.64)	

vii) Total outstanding debt owed to ESKOM and DWS as at 30 April 2025



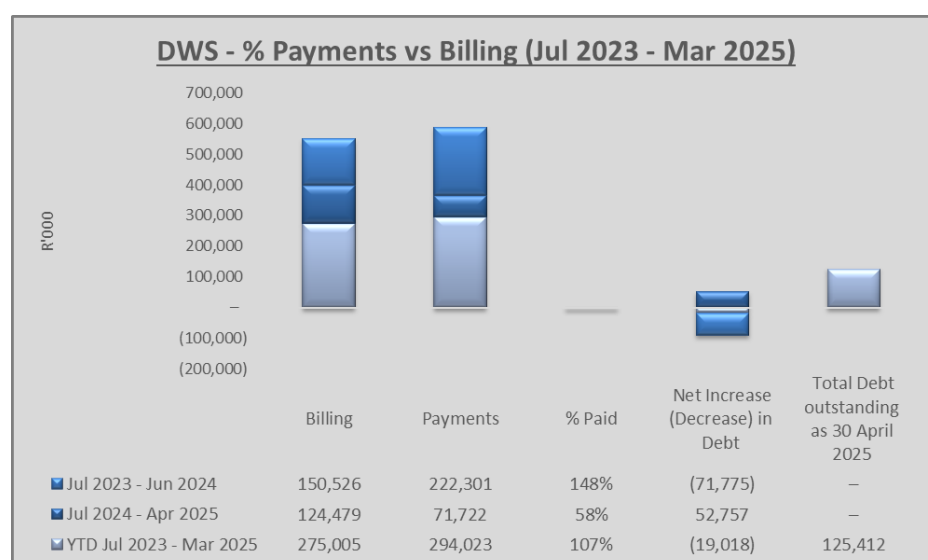
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



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

The total billed charges for the period amounted to R1,944,319 billion, and payments made amounted to R1,718,102 billion. For the period the municipality managed to settle 88.4% 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 March 2025.

The total billing for the period amounted to R275,005m, and payments made amounted to R294,023m. 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 and March 2025. This resulted in an escalation of outstanding debt of R52,757m for the current year. The net debt reduction amounts to R19,018m.

The debt outstanding as at 30 April 2025 amounts to R125,412m, 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 - April 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 Eskom bulk current account and bulk water current account - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	Compliant - ESKOM The municipality settled the March 2025 invoice in full, amounting to R72,107 million account including interest amounting to R1,733 million (R42,107 million on 25 April 2025 and R30,000 million on 29 April 2025). Total invoice amount was R72,107 million. Non-Compliant - DWS The municipality did not have sufficient cash available to settle the current account for March 2025 amounting to R16,769 million
	6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom with the current account	Monthly, 5th of each month		Non-Compliant - ESKOM The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement on 30 April 2025. Non-compliant - DWS The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of May 2025.
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	Partially Compliant Email was sent within one day of making payment to ESKOM. DWS current account was paid at month-end.
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant Proof of Payments made in April 2025 was uploaded onto GoMuni on 5 May 2025.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - April 2025
	<p>6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS</p>	Monthly, within 10 working days after month end	Monthly financial data strings	<p>Compliant</p> <p>Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.</p>
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	<p>6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity</p>	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	<p>Compliant</p> <p>Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.</p>
	<p>6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>Prepaid disconnections = 1540 Conventional disconnections = 118 Total = 1658</p>
	<p>6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p>Due to the fact that our watermeters are too old to be blocked and the cost to replace we currently only partially compliant as SPLM can block electricity if water is not paid (combined account).</p>
	<p>6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	<p>Partially compliant</p> <p>Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality. Partially compliant as all indigents have prepaid electricity meters and therefore cannot build up debt on electricity.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - April 2025
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.1 The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm	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)	Non-Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 63%. Quarterly S71 Revenue Collection rate per Ward outcome Q4 = not yet end of quarter Municipality's average collection rate = 76% (Prepaid electricity sales are included) Not achieved Average daily cash collection for April 2025, was R6,129m
	6.7.2 If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	Quarterly	Monthly S71 Revenue Collection Ward Template	Ritchie is a small poor community and will not have a significant impact on the collection rate.
	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)	Smart meter project is completed. YTD installations until 31 March 2025 = 15,284
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. The municipality is in the process its own smart meters on the RT29 transversal contract.
	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	Smart meter project is completed. YTD installations until 31 March 2025 = 15,284
6.8 Completeness of the revenue base	6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant GVR reconciliation for the third quarter was completed Tuesday, 8 April 2025.
	6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury			Compliant GVR reconciliation submitted 16 April 2025.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - April 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	Compliant Report included in the monthly S71 report for April 2025 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to be performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificate for March 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	Compliant A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account is no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124
	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 (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. Partially Compliant The ESKOM current account was paid directly from the Primary bank account. DWS March 2025 invoice was not settled. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - April 2025
	6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	Partially Compliant The ESKOM current account was paid directly from the Primary bank account. DWS March 2025 invoice was not paid, due to cash flow 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	Compliant Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement was uploaded onto GoMuni. Payments made directly from Primary bank account

17. Recommendations

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

1. The monthly budget statement (S71 Report) for the month of April 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 March 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 R53,600 million and DWS amounts to R22,855 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. The project is now complete.
 - 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 few 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 fact that Sol Plaatje may be affected with Eskom's proposed intervention which includes entering into Distribution Agency Agreements, that would give the utility direct control over metering, billing and revenue collection. This would allow Eskom to deduct its share for bulk electricity purchases upfront and return the balance to municipalities
9. That the Mayoral committee take note of the Fruitless and Wasteful expenditure incurred on interest on overdue accounts amounting to R15,320 million for bulk electricity for the period Jul 2024 to April 2025.
10. 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 **R162,572,116.07**, 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 R53,600,000.00.

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
Sep-24	R 71,086,942.52	R 69,337,712.24	R 1,749,230.28	R 6,700,000.00	R 8,449,230.28	R 1,749,230.28
Oct-24	R 73,507,839.50	R 70,741,905.79	R 2,765,933.71	R 6,700,000.00	R 9,465,933.71	R 2,765,933.71
Nov-24	R 69,973,808.12	R 25,000,000.00	R 44,973,808.12	R 6,700,000.00	R 51,673,808.12	R 2,159,642.32
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
Feb-25	R 68,070,392.81	R 68,070,392.81	R -	R 6,700,000.00	R 6,700,000.00	R 1,066,048.41
Mar-25	R 72,107,023.50	R 72,107,023.50	R -	R 6,700,000.00	R 6,700,000.00	R 1,733,370.12
TOTAL ESKOM	R 778,270,703.51	R 669,298,587.44	R 108,972,116.07	R 53,600,000.00	R 162,572,116.07	R 13,511,037.28

11. 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, January 2025 and March 2025 amounting to a combined total of **R87,854,066.95** and the arrears on the debt agreement amounts to **R22,854,707.84**. 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 **R110,708,774.79**, 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 17,098,078.18	R 37,558,388.30	-R 14,703,680.46	R 22,854,707.84	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 -
Feb-25	R 18,327,914.21	R 18,327,914.21	-R 0.00	R -	-R 0.00	R -
Mar-25	R 16,769,310.95	R -	R 16,769,310.95	R -	R 16,769,310.95	R -
TOTAL WATER	R 160,838,447.64	R 35,425,992.39	R 125,412,455.25	-R 14,703,680.46	R 110,708,774.79	R -
Current Year arrears			R 87,854,066.95			

12. 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 **April 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 /05/2025



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

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

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 MARCH 2025

In March 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. The municipality has indicated that the annual billing on Property rates distorts the collection rate. While the rate improved to 70% in the second quarter, it declined again to 61% in January 2025, before recovering to 74% in February 2025 and further to 77% in March 2025. These fluctuations underscore the need for a more robust and consistently applied revenue collection strategy.



The ineffective implementation of the council-approved credit control and debt collection policy continues to undermine revenue stability. Weak enforcement has allowed debtor balances to rise, eroding the municipality's financial position.

A pressing concern remains the substantial outstanding Eskom debt, which poses a serious threat to the municipality's compliance status. As of 7 April 2025, the Eskom reconciliation reflected an amount of R112 million owed. To remain eligible for the first tranche of the one-third debt write-off, the municipality must urgently settle this balance. Failure to do so would result in forfeiture of the benefit, placing further strain on the municipality's already fragile finances.

Municipality	Debt Relief Approval Date	Ring-Fenced Debt At 31 Mar'23 Net Write-Offs	Residual New Arrear Debt	Capital & Interest Due 31-Jul-24	Capital & Interest Due 31-Aug-24	Capital & Interest Due 30-Sep-24	Capital & Interest Due 31-Oct-24	Capital & Interest Due 30-Nov-24	Capital & Interest Due 31-Dec-24	Capital & Interest Due 31-Jan-25	Capital & Interest Due 28-Feb-25	Capital & Interest Due 31-Mar-25	Capital & Interest Due Current	Status of Municipal Debt Relief Compliance	Total Post Approval Growth Inception To Date
		R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm		R'm
SOL PLAATJE LOCAL MUNICIPALITY	30-Oct-23	744	96	0	0	0	29	82	0	0	0	0	92	Overdue	112

Moving forward, prioritising the settlement of the Eskom account is essential. Without immediate and decisive intervention, the municipality risks losing the gains achieved under the debt relief programme and deepening its financial distress.

The National Treasury remains committed to supporting Sol Plaatje Municipality in addressing these issues. Strengthening revenue management and ensuring strict enforcement of credit control policies will be critical to restoring financial stability and ensuring full compliance with the programme's conditions. However, the municipality must take urgent steps to improve its collection rate and settle its Eskom arrears to safeguard its eligibility for continued debt relief support.

Condition 6.1 – Municipality non-compliance

The following performance summary provides a detailed overview of Sol Plaatje Local Municipality's compliance during the second cycle of the municipal debt relief programme. This cycle forms part of the municipality's ongoing efforts to meet the mandatory conditions set out in MFMA Circular No. 124 and the National Treasury's debt relief approval letter.

An assessment conducted by the National Treasury in December 2024 found that the municipality had achieved an average compliance rate of 70%, reflecting moderate adherence to the programme requirements. While this indicated notable progress in several key areas, it also highlighted the need for sustained efforts to fully meet the debt relief objectives.

Importantly, in the months following the December assessment, the municipality demonstrated significant improvement, reaching a 90% compliance rate. This upward trajectory signals stronger alignment with the programme's conditions and a growing commitment to achieving long-term financial stability.

**NC091 Sol Plaatje Local Municipality overall relief performance from June 2024 up to and including March 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 E				Part F				Compliance Status																					
			Eskom And Bulk water current account				Compliance with a funded MTRF				FRPBFP & Tariff Assessment		Electricity and water as collection tools		Quarterly collection of property rates and services charges		Maximization of Revenue Base		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		
2 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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	
3 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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance
4 September	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	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	78%	Non Compliance
5 October	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	No	N/A	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
6 November	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	No	N/A	N/A	N/A	N/A	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance
7 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	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	73%	Non Compliance
8 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	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	80%	Non Compliance	
9 February	Sol Plaatje	NC091	No	No	Yes	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
10 March	Sol Plaatje	NC091	Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
11 April	Sol Plaatje	NC091													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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0%	Non Compliance
12 May	Sol Plaatje	NC091																																										0%	Non Compliance	
1 June	Sol Plaatje	NC091																																										0%	Non Compliance	

Sol Plaatje Local Municipality is strongly urged to sustain and accelerate its efforts toward achieving full compliance with the conditions of the municipal debt relief programme. While progress has been made, the continued failure to fully settle outstanding Eskom payments during the second compliance cycle remains a serious concern. This shortfall places the municipality's eligibility for the debt write-off at significant risk and undermines the broader objectives of restoring financial stability and ensuring long-term sustainability.

To fully realise the benefits of the debt relief initiative, immediate and decisive action is required. The municipality must prioritise the settlement of all outstanding Eskom debt in line with programme requirements. A critical enabler of this objective is the effective reduction of debtor balances. Strengthening credit control measures, rigorously enforcing the council-approved debt collection policy, and intensifying arrears recovery efforts are essential to improving revenue inflows and creating the fiscal space necessary to meet Eskom obligations.

Meeting these financial commitments is not only a programme compliance requirement but also a strategic imperative for reinforcing the municipality's financial health, restoring stakeholder confidence, and safeguarding the continuity of essential service delivery.

Failure to act decisively may result in the forfeiture of debt relief benefits and the exacerbation of financial pressures, significantly limiting the municipality's capacity to invest in infrastructure and operational needs. A strong, visible commitment to financial discipline—evidenced by reducing debtor balances and consistently honouring key financial obligations—is critical to achieving long-term fiscal sustainability and strengthening confidence in the municipality's governance and financial management practices. It is of critical importance that the municipality drafts a decisive action plan to deal with the billing during the high winter months.

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



Sol Plaatje Local Municipality successfully obtained conditional approval to participate in the Municipal Debt Relief Programme, following formal endorsement by the municipal council and subsequent approval by the National Treasury. This approval was granted on the condition that the municipality address key deficiencies in its financial and administrative systems.

Acknowledging the strategic significance of this opportunity, the municipal leadership—bolstered by strong political support—embarked on a comprehensive institutional review to identify and prioritise critical areas for reform. This review informed the development of a focused action plan aimed at strengthening financial controls, enhancing revenue collection, optimising expenditure management, and improving governance practices.

In alignment with the National Treasury's conditions, the municipality implemented a wide-ranging set of reforms. These included the introduction of enhanced financial oversight mechanisms, disciplined and transparent budgeting processes, and the institutionalisation of governance best practices to promote accountability and transparency. To support these reforms, the municipality established robust monitoring and reporting frameworks to facilitate continuous performance assessment and ensure institutional accountability.

As a result of these targeted interventions, the municipality successfully met the prescribed conditions and secured final approval for participation in the debt relief programme. This achievement marks a significant milestone in the municipality's financial recovery journey and reflects a clear commitment to reform and sound fiscal management.

With these foundational reforms now in place, Sol Plaatje Local Municipality is better positioned to achieve long-term fiscal sustainability, stabilise its revenue base, and enhance service delivery. These improvements not only address immediate financial challenges but also lay the groundwork for sustained progress, institutional resilience, and a financially secure future for the community it serves.

Condition 6.3 – Maintaining the Eskom bulk current account

As of March 2025, Sol Plaatje Local Municipality continues to demonstrate a concerted effort to manage its financial obligations to both Eskom and the Department of Water and Sanitation (DWS). While current account payments are being honoured, significant legacy arrears—particularly the outstanding balance of R112 million owed to Eskom—remain unresolved. These persistent arrears pose a serious risk to the municipality's continued compliance with the conditions of the Municipal Debt Relief Programme.

To retain eligibility for the programme's benefits, it is imperative that the municipality accelerates efforts to improve its payment performance, with a particular focus on settling long-standing arrears to Eskom and DWS. Strengthening cash flow management and ensuring more strategic allocation of available resources will be critical to achieving this goal. In addition, improving internal processes—such as the timely approval of invoices and prompt processing of payments—will help prevent further accumulation of arrears and reinforce financial discipline.



Strict adherence to the compliance conditions set out in MFMA Circular No. 124 and the National Treasury's debt relief approval letter remains a non-negotiable requirement. Failure to address the outstanding debt—despite improved current payments—may result in the forfeiture of key debt write-off benefits and derail the municipality's path toward long-term financial sustainability.

Senior management is therefore urged to prioritise the resolution of historical arrears and implement the necessary financial and operational reforms to support this objective. Doing so will not only strengthen the municipality's fiscal position but also contribute to more reliable service delivery and restored stakeholder confidence.

Condition 6.4 – A funded MTREF

Sol Plaatje Local Municipality has successfully secured full funding for its 2024/25 fiscal year budget, ensuring that all planned programmes, capital projects, and operational commitments can proceed as scheduled. This significant financial milestone provides a stable platform for implementing strategic initiatives, maintaining uninterrupted service delivery, and advancing the municipality's long-term development agenda.

With the approved budget fully funded, the municipality is well-positioned to prioritise critical infrastructure development, expand essential public services, and invest in community-driven initiatives. Key projects earmarked for this fiscal year include the upgrading of water infrastructure and expansion of road networks. In parallel, the budget also safeguards the continuous delivery of core municipal services such as public safety, basic healthcare, waste management, and other services that are vital to residents' quality of life.

This achievement reflects the municipality's ongoing commitment to sound financial management, effective resource mobilisation, and strategic planning. By securing the necessary funding upfront, the municipality can not only meet its immediate operational and developmental obligations but also create the conditions necessary for sustainable economic growth and improved social outcomes.

Furthermore, this proactive approach strengthens the municipality's capacity to attract external investment, build public confidence, and reinforce institutional credibility. The fully funded budget is a testament to forward-looking governance that balances fiscal responsibility with developmental ambition—ensuring that progress is inclusive, resilient, and responsive to the evolving needs of the community.

Conditions 6.5 – Cost reflective tariffs

The 2024/25 budget, while fully funded, was developed without the incorporation of a cost-reflective tariff tool—a critical component for enhancing the municipality's financial planning and long-term sustainability. Acknowledging this gap is an important step toward adopting more responsible and data-driven fiscal practices. By integrating the draft cost-reflective tariff tool into future budgeting processes, the municipality can better align service tariffs with the actual cost of operations and maintenance. This alignment will not only improve financial stability but also support more strategic infrastructure investments, laying the foundation for a more resilient and sustainable fiscal outlook.

As the municipality begins preparations for the 2025/26 draft budget, there is a clear and timely opportunity to improve the current tariff-setting environment. Strengthening this aspect of financial planning will ensure that tariffs are equitable, transparent, and reflective of service delivery costs—thereby supporting the municipality's ability to sustainably fund essential services.

Addressing this shortcoming now will significantly bolster the municipality's financial position and demonstrate a proactive and forward-looking governance approach. Once implemented, the cost-reflective tariff tool will improve the municipality's ability to recover costs more efficiently, reduce reliance on unsustainable subsidies, and ensure that service delivery is both reliable and financially viable. It also reinforces the principles of fiscal accountability and transparency, fostering greater trust and confidence among residents and stakeholders.

A transition toward a cost-based pricing model not only supports revenue stability but also ensures that services remain accessible and of high quality. Establishing a dependable and predictable revenue stream will mitigate the risk of financial shortfalls, enhance operational efficiency, and improve the overall quality of municipal services.

Incorporating the cost-reflective tariff tool into the 2025/26 budget process is a critical step toward modernizing the municipality's financial framework. This commitment to continuous improvement and sound financial governance aligns with broader objectives of building a resilient, responsive, and prosperous community. It further positions the municipality as a responsible steward of public resources—capable of delivering high-quality services 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 Control and Debt Collection Policy sets out clear guidelines for the allocation of payments. However, these guidelines are not consistently applied, leading to discrepancies in the recording and management of municipal debt. This inconsistency poses a risk to the municipality's overall financial health and stability. Further compounding the challenge is a technological gap: the municipality currently lacks the infrastructure to restrict water supply to non-



indigent consumers who default on their payments. Addressing this deficiency is a priority, with potential technological solutions and associated costs to be investigated.

Despite these operational challenges, the municipality remains committed to supporting vulnerable populations. Registered indigent households continue to receive essential services, including a monthly allocation of 50 kilowatt-hours of electricity and 6 kilolitres of water. This ongoing support highlights the municipality's dedication to promoting equitable access to basic services for its most vulnerable residents.

All financial information, including support provided to indigent consumers, is reported transparently through the monthly MFMA Section 71 statements, as required by National Treasury regulations. This consistent reporting reflects the municipality's commitment to responsible governance, financial transparency, and adherence to statutory obligations. Through open communication of both challenges and progress, the municipality continues to build public trust and maintain stakeholder confidence in its financial and operational management.

Additional Observations on Indigent Consumer Management

However, a recent review of the indigent consumer management process has revealed several shortcomings. The indigent register is not fully completed, and consolidated billing practices are not aligned with programme conditions. Furthermore, some indigent consumers are receiving excess volumes of water beyond the approved allocation. In addition, inaccuracies have been identified in the completion of the indigent application forms, undermining the integrity of the support programme. Addressing these deficiencies is critical to ensuring that indigent benefits are allocated fairly, that municipal resources are properly managed, and that compliance with National Treasury guidelines is maintained.

Condition 6.7: Maintain a Minimum Average Quarterly Collection Rate

In January 2025, Sol Plaatje Local Municipality recorded a collection rate of 61%, well below the 85% target set under the Municipal Debt Relief Programme. Although performance improved modestly to 67% in February, persistent collection challenges—particularly in Eskom-supplied areas—continue to place pressure on cash flow and compromise budget stability. These ongoing issues pose a significant risk to the municipality's financial sustainability and continued compliance with the programme requirements.

Notably, the municipality recorded a marked improvement in March 2025, achieving a collection rate of 94%. Despite this progress, the average for the third quarter remained at 71%, still short of the required benchmark. To reach and maintain targeted collection levels, the municipality must urgently reinforce its credit control framework and improve billing accuracy across all service areas.



Strengthening debt recovery efforts, particularly in high-risk zones, will require targeted interventions and active community engagement. A top priority must be the consistent and rigorous enforcement of the Credit Control and Debt Collection Policy. Simultaneously, inefficiencies within billing and revenue management systems must be addressed to restore public confidence in the municipality's ability to bill correctly and collect payments on time.

Senior management's active leadership and oversight are essential to drive these reforms. Operational teams must be empowered to execute improved collection strategies effectively, ensuring that revenue enhancement remains a core focus ahead of the 2025/26 budget cycle.

Improving the collection rate is not only vital for compliance—it is a strategic necessity for achieving financial resilience and securing the municipality's ability to deliver reliable, sustainable services to the community.

Conditions 6.8 – Completeness of the Revenue Base

GV Reconciliation Summary						
Province	NC					
District	Sol Plaatje					
Type	LM					
Municipal Name	Sol Plaatje					
GV Period	01/07/2022 - 30/06/2027					
Financial Year	2024/2025					
Reconciliation Period	Quarter 3					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Propert Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	51026	51026	0	24,151,733,603	24,151,733,603	-
Industrial	203	203	0	804,240,000	804,240,000	-
Business and Commercial	2326	2326	0	7,566,692,001	7,566,692,001	-
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	451	451	0	149,996,000	149,996,000	-
PBO	198	198	0	510,111,001	510,111,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	9300	9300	0	1,579,173,503	1,579,173,503	-
Other	0	0	0	-	-	-
Total	64,319	64,319	-	40,583,548,208	40,583,548,208	-
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Propert Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	24,411,365	22,952,881	1,458,484	24,411,365	22,996,667	1,414,698
Industrial	2,438,657	2,379,802	58,855	2,438,657	2,383,112	55,544
Business and Commercial	22,944,102	20,976,087	1,968,014	22,944,102	20,987,342	1,956,759
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	-	115,276	- 115,276	-	-	-
PBO	-	2,395	- 2,395	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	7,790	- 7,790	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	61,432,329	50,677,262	10,755,067	61,432,329	50,613,410	10,818,919



The General Valuation (GV) Reconciliation Summary for Sol Plaatje Local Municipality confirms full alignment between the Valuation Roll and the Municipal Financial System (MFS), both in terms of property counts and market values. A total of 64,319 properties are accurately recorded across both systems, with no discrepancies identified in any property category. These include Residential, Business and Commercial, Industrial, Agricultural, State-Owned, Public Service Infrastructure, Public Benefit Organisations, and Municipal properties. The consolidated and reconciled total market value amounts to R40.5 billion, with Residential properties representing the largest share.

This complete alignment reflects the municipality's strong property data management practices and sound administrative oversight. Such accuracy is critical to ensuring reliable billing, supporting transparent financial reporting, and maintaining the integrity of the municipality's revenue base.

However, while this alignment marks a major achievement in data accuracy and system integration, challenges remain downstream in the revenue value chain—particularly in billing efficiency and revenue collection. Accurate property and valuation data provide the foundation for effective billing, but without corresponding improvements in collection strategies and credit control enforcement, the municipality's ability to convert potential revenue into actual income is constrained.

To achieve long-term financial sustainability, it is essential that the municipality builds on this data integrity by strengthening revenue management processes. This includes improving billing accuracy, enhancing collection efficiency, and enforcing credit control measures to ensure that the full revenue potential of the property base is realised. Only by addressing these downstream gaps can the municipality translate sound valuation practices into meaningful financial gains and improved service delivery outcomes.

Condition 6.9 – Monitor and Report on compliance

The data strings have been successfully uploaded to the GoMuni system, the designated online platform for municipalities to submit operational and financial information. As part of this process, Sol Plaatje Local Municipality has consistently submitted its Municipal Finance Management Act (MFMA) Section 71 reports. These monthly submissions are essential for tracking and evaluating the municipality's financial performance, providing a detailed view of revenue collection, expenditure trends, and budget adherence. The Section 71 report remains a key instrument in promoting financial transparency, ensuring accountability to stakeholders, and enabling informed decision-making for effective financial governance.

MFMA S71 Statement component		Compliance (Yes / No)
1.	<i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i> explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes



MFMA S71 Statement component		Compliance (Yes / No)
2.	<i>The conclusion (paragraph 14) of the MFMA S71 statement</i> explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - 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.	<i>Annexure B of the MFMA S71 statement included the following debt relief reporting components-</i>	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D) .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	Yes
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	Yes
3.8	Recommendations noting explicitly the debt relief reporting to the Mayor and / or Mayoral Committee meeting	Yes

A key concern remains the municipality's ongoing inability to fully settle its monthly current accounts with Eskom and the Department of Water and Sanitation (DWS). This persistent shortfall is placing



continued strain on the municipality's cash flow, leading to the accumulation of arrears and compromising compliance with the conditions of the Municipal Debt Relief Programme.

Failure to make consistent and full payments not only endangers the municipality's eligibility for key debt relief benefits but also increases exposure to stricter credit control measures from service providers—thereby further weakening financial stability. To mitigate these risks, immediate focus is required on addressing underlying cash flow constraints and strengthening revenue collection mechanisms. Timely and complete settlement of current obligations is essential to safeguard service continuity, maintain compliance, and ensure long-term financial sustainability.

In light of the escalating risk profile, the Risk Manager is requested to prepare a comprehensive report detailing this issue and other related financial and operational risks. The report should include a clear assessment of the potential impacts, proposed mitigation measures, and be submitted together with a draft council resolution for consideration. This proactive approach will support informed decision-making at council level and reinforce the municipality's commitment to sound financial governance and risk management.

Condition 6.10 – National Treasury certification of municipal compliance

The National Treasury plays a pivotal role in overseeing the Municipal Debt Relief Programme, ensuring that participating municipalities meet the stringent conditions required for effective debt management and financial recovery. This oversight promotes financial discipline, accountability, and stability across the local government sector.

Through its certification process, the National Treasury formally acknowledges that Sol Plaatje Local Municipality has successfully met the programme's requirements—demonstrating a clear commitment to sound financial governance and regulatory compliance. Certification is not a mere administrative formality; it is a critical milestone that validates responsible financial management and supports long-term fiscal sustainability.

The Treasury's rigorous monitoring and evaluation framework ensures municipalities adhere to financial best practices designed to maintain stability, prevent renewed debt accumulation, and foster prudent budgeting. A structured and transparent approach to fiscal recovery enables municipalities to enhance service delivery, rebuild public trust, and stimulate local economic development within realistic financial parameters.

Continued support from the National Treasury strengthens municipal financial resilience, directly benefiting the communities served. This partnership fosters a more accountable, effective, and sustainable local government system—ensuring that municipalities meet their service delivery obligations while contributing meaningfully to broader economic growth and social progress.



Condition 6.11 – Limitation on Municipal borrowing powers

The restrictions on municipal borrowing—and the prohibition on incurring new debt during the designated debt relief period—form a critical pillar of the regulatory framework supporting the Municipal Debt Relief Programme. These controls are specifically designed to enforce fiscal discipline, requiring a thorough review of all borrowing activities to ensure strict alignment with programme conditions and statutory borrowing limits. By curbing excessive debt accumulation and alleviating short-term fiscal pressures, the framework directly supports the long-term financial sustainability of municipalities.

Since the implementation of the Debt Relief Programme on 1 October 2023, Sol Plaatje Local Municipality has maintained full compliance with these borrowing restrictions. This disciplined approach has been instrumental in protecting the municipality's creditworthiness, reducing financial exposure, and reaffirming its commitment to sound and responsible financial governance.

Adherence to these borrowing controls enhances the municipality's financial resilience and strengthens the confidence of key stakeholders, including residents, creditors, oversight bodies, and potential investors. By limiting new debt obligations and prioritising responsible fiscal management, the municipality is better equipped to maintain financial stability while honouring its service delivery commitments.

This steadfast commitment to prudent debt management reflects a forward-looking governance philosophy—one that promotes sustainable development, ensures regulatory compliance, and reinforces the municipality's capacity to meet the evolving needs of its community both now and into the future.

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

The updated Supplementary Guide to MFMA Circular No. 124 introduces critical enhancements aimed at strengthening the management, oversight, and reporting of debt relief funds by municipalities. These improvements are designed to reinforce accountability, transparency, and financial discipline—ensuring that municipalities utilise allocated resources efficiently and in full compliance with the conditions of the Municipal Debt Relief Programme.

A key update requires municipalities to integrate debt relief funds into their general accounts while maintaining clear segregation through monthly *m*SCOA reporting. This dual approach balances operational efficiency with the need for transparent, traceable debt relief transactions for monitoring and audit purposes. To further enhance financial transparency, municipalities must now upload monthly bank reconciliations and corresponding detailed bank statements onto the GoMuni platform. This centralised submission process consolidates oversight, strengthens



financial reporting practices, and aligns municipalities with the National Treasury's standards for financial integrity.

The guide also emphasises the accurate accounting of debt relief benefits—such as interest write-offs from creditors like Eskom. Municipalities must ensure that all ledger entries correctly reflect these adjustments to maintain the credibility and accuracy of their financial statements. Proper documentation of these transactions supports audit readiness and fosters greater confidence in municipal financial governance.

Structured reporting and rigorous record-keeping are central to the updated requirements. Municipalities must maintain detailed, verifiable records of all debt relief-related transactions and perform regular reconciliations to minimise the risk of future debt accumulation. Enhanced monitoring and evaluation provisions are intended to safeguard funds, prevent misuse, and ensure sustained compliance with programme objectives—ultimately promoting long-term fiscal resilience.

Finally, the guide underscores the importance of transparency and stakeholder engagement. By submitting financial data, reconciliations, and accounting adjustments through standardised platforms like GoMuni, municipalities not only meet compliance obligations but also demonstrate a strong commitment to transparent and responsible financial governance. Collectively, these enhancements equip municipalities with the tools needed to manage debt relief funds effectively, strengthen fiscal health, and contribute to the broader goal of sustainable, accountable public financial management.

Condition 6.14 – NERSA Licence

Participation in the Municipal Debt Relief Programme is subject to stringent compliance conditions, highlighting the municipality's serious commitment to financial recovery and responsible governance. One of the most significant provisions stipulates that, in cases of sustained non-compliance, a municipality must voluntarily apply to the National Energy Regulator of South Africa (NERSA) for the revocation of its electricity distribution license, in accordance with Section 17 of the Electricity Regulation Act, 2006. This requirement serves as a powerful enforcement mechanism, directly linking programme participation to a municipality's ability to continue delivering electricity services.

Importantly, this provision is only activated if a municipality is formally removed from the Debt Relief Programme for sustained non-compliance. Its inclusion underscores the critical importance of maintaining financial discipline, adhering to programme obligations, and operating within the established regulatory framework. The potential loss of an electricity distribution license highlights the serious consequences of non-compliance and acts as a strong deterrent against regulatory breaches.

This measure reflects the National Treasury's firm commitment to accountability and meaningful reform in municipal financial management. Municipalities are expected not only to meet the technical



requirements of the programme but also to consistently demonstrate operational discipline, effective governance, and sound financial stewardship. Maintaining eligibility for the programme—and safeguarding the ability to deliver essential services—depends on upholding these high standards.

Ultimately, this enforcement condition supports the broader objectives of the Debt Relief Programme: promoting long-term financial sustainability, restoring institutional credibility, and protecting the reliable delivery of essential services to communities. By setting clear, enforceable consequences for non-compliance, the National Treasury ensures that municipalities remain focused on recovery, accountability, and service delivery excellence.

High-Level Recommendations

1. Prioritise Immediate Settlement of Outstanding Eskom Arrears

Urgent settlement of the R112 million Eskom debt must be prioritised to retain eligibility for the debt write-off. Senior management should develop a short-term cash flow intervention plan, ensuring that all available fiscal resources are strategically directed towards settling the arrears, safeguarding the municipality's financial recovery and compliance status.

2. Strengthen Revenue Collection and Credit Control Enforcement

The municipality must reinforce the strict and consistent implementation of its Credit Control and Debt Collection Policy. Special attention should be given to high-risk, Eskom-supplied areas, improving billing accuracy, tightening debt recovery processes, and conducting targeted community engagement campaigns to enhance payment compliance ahead of the 2025/26 budget cycle.

3. Integrate the Cost-Reflective Tariff Tool into the 2025/26 Budget

The municipality should urgently adopt and apply the draft cost-reflective tariff tool during the preparation of the 2025/26 budget. This integration will ensure that tariffs are aligned with actual service delivery costs, improve revenue sustainability, reduce reliance on cross-subsidies, and support the long-term financial viability of municipal services.

4. Improve Indigent Register Integrity and Billing Controls

The municipality must address current weaknesses in indigent management, including incomplete indigent registers, inaccuracies in consolidated billing, and excessive consumption by registered indigents. Immediate corrective action is needed to ensure fair allocation of benefits, protect municipal revenue, and fully comply with National Treasury guidelines on indigent support.

5. Enhance Cash Flow Management and Financial Reporting Controls

While data uploads and MFMA Section 71 reporting are compliant, internal cash flow management remains weak. Strengthening liquidity management practices, tightening expenditure controls, and improving the timeliness of invoice approvals and payments will be critical. Regular financial risk assessments and council-level reporting must be institutionalised to prevent arrear growth and improve decision-making transparency.



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

Kind regards

MANDLA GILIMANI

DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS

DATE: 06/05/2025

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



Annexures (March 2025 Compliance Certificates)

Annexure A2 - Monthly



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

National Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Mar'25

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Soi 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

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 bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	Yes
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? 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.	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 https://lguploadportal.treasury.gov.za ?	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 - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
		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".	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes



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



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)?	Yes
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
	6.8	Municipality's Completeness of the revenue base –	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ?	Yes
	6.9	Monitor and report on implementation –	
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	6.9.1 = Yes



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



PT: HOD/ NT/ MM Name:

Mandla Gilimani

Signature of HOD/ NT/ MM:

Date:

06/05/2025

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	Sol Plaatje

Monthly Performance Report																																																	
Municipal Details			Part A				Part B				Part C		Part D				Part C				Part E								Part F																				
			Eskom And Bulk water current account				Compliance with a funded MTREF				FRP/BFPF & 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	Compliance Status				
2.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	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance			
3.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	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance		
4.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	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	78%	Non Compliance	
5.October	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance	
6.November	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance	
7.December	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	No	73%	Non Compliance	
8.January	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	80%	Non Compliance	
9.February	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance
10.March	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance	
11.April	Sol Plaatje	NC091																																											0%	Non Compliance			
12.May	Sol Plaatje	NC091																																											0%	Non Compliance			
1.June	Sol Plaatje	NC091																																											0%	Non Compliance			
			Comments/Motivation																																														
NT Name:			Mandla Gilimani																																														
Signature of NT:																																																	
Date:			06/05/2025																																														
Note – If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procurement of the HOD must be attached as an Annexure to this Certificate of Compliance.																																																	

Monthly Performance Report																																														
Municipal Details					Part A										Part B					Part C			Part D				Part E					Part F				Part G										
					Eskom And Bulk water current account					Compliance with a funded MTRF					FRP/BRP & Tariff Assessment		Electricity and water as collection tools				Quarterly collection of property rates and services charges					Maximization of Revenue Base				Oversight				Compl												
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%	
2.August	Sol Plaatje	NC091																																											0%	
3.September	Sol Plaatje	NC091																																											0%	
4.October '24	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	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	No	Yes	Yes	No	88%	
5.November '24	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	88%
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	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	88%	
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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	83%	
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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	83%	
9.March	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	80%	
10.April	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	78%	
11.May	Sol Plaatje	NC091																																											0%	
12.June	Sol Plaatje	NC091																																											0%	



Annexure A2 - Monthly

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

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Apr'25

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Soi Plaatje

I, **Bethlehem Mahala 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

Condition	6.3 + 6.12 Maintaining the Eskom and bulk water current account – (current account for the period if this was approved by the municipality's budget (2024/25 assessment))		
6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note – refer condition 6.12.2</i>	No	The municipality did not have sufficient cash available to settle the current account for March 2025 amounting to R16,769 million
6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://uploadaccount.natres.gov.za/ ?	No	No payment was made hence no POP could be submitted to the Department
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	No payment was made and the invoice for March 2025 could not be finalised timeously on the system
6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note – current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New areas" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes	The municipality settled the March 2025 invoice in full, amounting to R72,107 million account including interest amounting to R1,733 million (R42,107 million on 25/04/2025 and R30,000 million on 28/04/2025). Total invoice amount was R72,107 million
6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://uploadaccount.natres.gov.za/ ?	Yes	
6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2024/25 Adopted MTREF	
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines – http://natres.gov.za/SiteAssets/Pages/Funding.aspx ?	Yes	
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
6.4.2	- 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 is not an FRP, it regularly cannot justify any FRP. However, the FRP must include whether the existing FRP is updated, or will give effect to a funded MTREF. If not, the FRP implies non-compliance.</i>	N/A – the MTREF is funded	
6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) – aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note – only if the municipality does not have an FRP may "N/A" be selected from the dropdown list</i>	N/A	
6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 – Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations align with and give effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher winter Eskom tariffs, lower January collection rates, etc.)?	Yes	
6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabling and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of this condition, the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No	

Notes/Comments

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 narrative the indigent information in the required NT format.</i>	No	
19	6.7	Supporting evidence: The relevant tertiary entity or provincial treasury's related budget assessment confirms the municipality's relevance of REF's related budget pattern and follows its monthly compliance with paragraph 6.6.		
20	6.7.1	Maintain a minimum average quarterly collection of property rates and service charges – 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	
21	6.7.2	<i>Note – although the national standard for collection (MFMA Circular No. 124) is 85 per cent, municipalities under the 2014 MTRF are required to maintain the 80 per cent threshold during this term.</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:		
22	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarter	
23	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	
24	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarter	
25	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?	No	Smart meter project is completed. YTD installations till end of 31 March 2025 = 15,284
26	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTRF with a smart pre-paid meter?	Yes	
27	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	
28	6.8	Municipality's Completeness of the revenue base –		
29	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	
30	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 is included as part of the municipality's self-review compliance reporting to the MFMA s.71 statement</i>	Yes	
31	6.8.2	- For the latest ending Quarter – Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circular no. 93, 98, 107 and 108) to the upload portal on https://governorportal.treasury.gov.za ?	Yes	
32	6.9	Monitor and report on implementation –		
33	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	
34	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	
35	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	
36	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://governorportal.treasury.gov.za ?	No FRP	
37	6.10	<i>Note – municipalities with financial recovery plans must submit their progress reports to the Provincial Executive and the National Treasury.</i> Provincial Treasury Note – Provincial Treasury certification of compliance – in terms of section 124 of the MFMA, with effect from 01 April 2023, delegated municipalities may now report from Municipal Debt Relief, where:		
38	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	
39	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://governorportal.treasury.gov.za ? <i>Note – in the case of a non-delegated municipality the National Treasury to issue the compliance certificate</i>	Yes	
40	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	
41	6.11	<i>Note – if the FRP is not in place, no follow up is required and the municipality is not compliant in terms of paragraph 6.9.1.</i> Limitation on municipality borrowing powers – has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
42	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
43	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	Payment was made towards the Eskom account but no payment for Water
44	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	No	Payment was made towards the Eskom account but no payment for Water
45		<i>Note – once it is confirmed in the specific instructions, will be issued to the Municipality to ensure the municipality's compliance with the MFMA s.71.</i>		
46	6.13	Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue. 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 relevant benefit (e.g. interest suppression, etc.) and alignment with mSCOA</i>	Yes	No letter of instruction has been received from National Treasury

PT: HOD/ NT / MM Name: BS Matlala

Signature of HOD/ NT/ MM: 

Date: 2025/05/14

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