



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

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

SOL PLAATJE LOCAL MUNICIPALITY

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Due date: 13 September 2024

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

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

1. Purpose

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

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

Currently, the total debtor's book is standing at R3,834,121 million, of which 87% of the debt is owed in excess of 90 days. Of the total debt, R876,407 million is owed by government, R660,580 million by business and R2,179,701 billion by households. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. *There needs to be a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, must remember that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality, as there is a direct correlation between providing quality services and consumers' willingness to pay.

Tough decisions have to be taken to have a meaningful impact and produce positive results. This action is long overdue, especially in light of the municipality's financial crisis and major threat to its financial viability and sustainability. In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken. Ensure that acts, regulations and policies are adhered to diligently, consistently and fairly. Enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money. Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed, we have noted an increase in emergency maintenance which seems excessive as no competitive bidding is taking as a result of the impact of asset failure on service delivery. We are striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure.

Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 June 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Juneor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **31 August 2024**, the ten working day reporting limit expires on **13 September 2024**. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings" which must be submitted before or on **13 September 2024**, (ten working day limit).

3. Executive summary

The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand	YTD Budget August 2024	YTD Actual August 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	493,046	668,465	175,419	135.6%	35.6%
Total Revenue (including capital transfers and contributions)	588,418	668,465	80,047	113.6%	13.6%
Total Operational Expenditure	568,980	271,139	(297,841)	47.7%	-52.3%

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

As indicated in Table 1 above, as at 31 August 2024, the billed revenue excluding capital grants amounted to R668,465 million which resulted in a satisfactory variance of 35.6% when compared to the YTD Budget of R493,046 million. The billed revenue including capital grants amounted to R668,465 million, resulting in a satisfactory variance of 13.6% when compared to the YTD budget of R588,418 million. 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 R271,139 million versus the YTD Budget of R568,980 million, resulting in an unsatisfactory variance of minus 52.3%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual August 2024	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%
Total Revenue (excluding capital transfers and contributions)	2,958,278	668,465	421,942	22.6%	5.9%
Total Revenue (including capital transfers and contributions)	3,530,507	668,465	374,256	18.9%	2.3%
Total Operational Expenditure	2,928,505	271,139	27,097	9.3%	-7.4%

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

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 16.67% [calculated as follow: (100/12 months x 2 months of the year)] as at the end of August 2024, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 5.9%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 2.3%. The Total Operational Expenditure resulted in a fairly satisfactory variance of minus 7.4%.

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

4. Budget performance overview

The municipality is implementing the Original budget for 2024/25 financial year. The original budget for 2024/25 was assessed as funded with a firm recommendation from NT that the collection rate must improve. As per the tables above overall Operational revenue is performing satisfactorily, with the actual achieved versus the Original budget standing at 22.6% spent versus the ideal percentage of 16.67%. This is as a result of the annual billing on Property rates. Operational expenditure is 9.3% spent which is understated due to the following, Depreciation which is not provided for, Debt Impairment is provided for on a quarterly basis, the bi-annual loan repayment and post-retirement health benefits which is not yet accounted for. Performance on the capital is normally poor during the start of financial year. This is still not a desired outcome and more effective planning, monitoring and timely remedial action is essential to improve on the monthly and full year outcome of capital expenditure.

The municipality's Debt Relief application to National Treasury was approved, effective 1 October 2023. The municipality had an engagement with ESKOM on 29 November 2023, to settle the debt accrued after March 2023, amounting to R163 million. A repayment proposal was submitted to ESKOM for approval. The municipality received the payment arrangement agreement and duly submitted the signed agreement on 12 June 2024. It is imperative that the municipality abides with the conditions as non-compliance have serious repercussions for the municipality and its electricity business. As per MFMA Circular 124, Section 5, articulated below are the consequence for failure to comply with the conditions of the Municipal Debt Relief and related initiatives:

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

- a. The benefits of the Relief to that municipality will immediately cease;
- b. This means that Eskom will be obliged to implement its credit control and debt management policy on the defaulting municipality and the municipality must immediately start repaying its Eskom arrears, interest and penalties;
- c. Eskom may resume any legal proceedings (relating to the municipality's arrear debt, interest and penalties as of 31 March 2023), including attaching the municipal bank account; and
- d. The normal penalties applicable to the wider local government will also apply.

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

- A take-over of a defaulting municipality's electricity business;
- NERSA strengthening of license conditions;
- A National Treasury dispute resolution process;
- Strengthening and adding consequences and related consequence management processes as part of the ongoing review of the MFMA, including to facilitate the upfront resolve of budget issues and to 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;

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

The municipality has made significant strides to settle the monthly current accounts for Eskom and the Department of Water and Sanitation. The arrear debt owed to Waterboard has also been reduced significantly. Both ESKOM and DWS is satisfied with the progress the municipality has made and the municipality has an amicable and good working relationship with both institutions. The ring-fencing of cash received for Electricity and Water is accounted for on a daily basis. This has however put pressure on the municipality to settle other creditors. The biggest concern is the settling of the Eskom accounts for the high months (June to August). The municipality settled an amount of R32,868 million on 28 August 2024 and R48,000 million on 29 August 2025 for the July 2024 account excluding interest amounting to R274 thousand. Total invoice amount was R148,333 million. **Defaulting on the July 2024 account is a serious breach of the conditions of Circular and immediate remedial action will have to be taken by management to remedy the situation and settle the balance outstanding of R67 million.** The municipality settle the instalment of R6,700 million on the payment arrangement on 29 August 2024. Due to the debt agreement with DWS and the Incentive scheme initiated by the Department, the municipality has made significant strides in reducing the arrear debt owed to the Department and settled all invoices raised for the 2022/23 and 2023/24 financial year in full. The current Water account for July 2024 amounting to R17,723 million was settled in full on the 30 August 2024.

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.

NT granted approval for the municipality to partake in the transversal tender smart prepaid metering. The municipality must start the process of selecting a suitable service provider.

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.

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, as indicated in our previous report. 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) vs 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 receipts for Government Departments, Parastatals and schools were R31 664 296.49 for the month of August 2024 for the month of as compared to the R27 752 820.78 for the month of July 2024.

4.1 Operating Revenue by Source

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	94,939	192,398	183,200	105.0%	9,198	5.0%	17.5%	9,198	0.8%
Service charges - Water	343,685	24,637	48,097	57,281	84.0%	(9,184)	-16.0%	14.0%	(9,184)	-2.7%
Service charges - Waste Water Managem	95,890	9,497	19,117	15,982	119.6%	3,136	19.6%	19.9%	3,136	3.3%
Service charges - Waste management	72,271	7,136	14,401	12,045	119.6%	2,356	19.6%	19.9%	2,356	3.3%
Sale of Goods and Rendering of Services	15,955	3,049	6,168	2,659	231.9%	3,508	131.9%	38.7%	3,508	22.0%
Agency services	-	-	-	-		-			-	
Interest	-	-	-	-		-			-	
Interest earned from Receivables	120,030	13,210	26,004	20,005	130.0%	5,999	30.0%	21.7%	5,999	5.0%
Interest from Current and Non Current Ass	9,000	1,383	(330)	1,500	-22.0%	(1,830)	-122.0%	-3.7%	(1,830)	-20.3%
Dividends	-	-	-	-		-			-	
Rent on Land	-	-	-	-		-			-	
Rental from Fixed Assets	27,740	2,524	5,031	4,623	108.8%	407	8.8%	18.1%	407	1.5%
Licence and permits	1,200	67	128	200	63.9%	(72)	-36.1%	10.6%	(72)	-6.0%
Operational Revenue	3,773	238	454	629	72.2%	(175)	-27.8%	12.0%	(175)	-4.6%
Non-Exchange Revenue										
Property rates	687,320	50,336	208,492	114,553	182.0%	93,938	82.0%	30.3%	93,938	13.7%
Surcharges and Taxes	-	-	-	-		-			-	
Fines, penalties and forfeits	32,143	1,668	3,128	5,357	58.4%	(2,230)	-41.6%	9.7%	(2,230)	-6.9%
Licence and permits	8,000	1,150	2,027	1,333	152.0%	693	52.0%	25.3%	693	8.7%
Transfers and subsidies - Operational	299,271	-	117,543	49,878	235.7%	67,665	135.7%	39.3%	67,665	22.6%
Interest	91,900	7,929	15,808	15,317						
Fuel Levy	-	-	-	-						
Operational Revenue	50,900	5,006	9,994	8,483	117.8%	1,511	17.8%	19.6%	1,511	3.0%
Gains on disposal of Assets	-	6	6	-	#DIV/0!	6	#DIV/0!	#DIV/0!	6	#DIV/0!
Other Gains	-	-	-	-		-			-	
Discontinued Operations	-	-	-	-						
Total Revenue (excluding capital transfers and contributions)	2,958,278	222,775	668,465	493,046	135.6%	174,927	35.5%	22.6%	175,419	5.9%
Transfers and subsidies - capital	572,229	-	-	95,371	0.0%	(95,371)	-100.0%	0.0%	(95,372)	-16.7%
Total Revenue (including capital transfers and contributions)	3,530,507	222,775	668,465	588,418	113.6%	80,047	13.6%	18.9%	80,047	2.3%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing a satisfactory variance of 5.0%. This understatement of Service charges Electricity is attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is showing an under-recovery of minus 16.0%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 131.9%. This is attributable to the advance receipts of R3,274 million for building plan approvals that was carried over from the prior financial year.
- ❖ Interest earned from Receivables is showing a positive variance of 30.0% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate.

- ❖ Interest from Current and Non-current Assets shows a negative variance of 122.0%. The net negative movement is as a result of the recognition of accrued interest of R2,121 million for the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality is also investing capital grants already received, whilst keeping the unspent portion in the investment account. If the cash position allows, grant funds already spent remain within the investment account until such time that it is needed for operational requirements. The bulk of the interest earned gets recognised at year-end.
- ❖ Licences and permits are showing a negative variance of 36.1%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated.
- ❖ Operational Revenue is showing a negative variance of 27.8%, as a result of an under-recovery on Incidental Cash Surpluses and Commission: Transaction Handling Fees.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 82.0%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a negative variance of 41.6%, as a result on an under-recovery on Fines: Law Enforcement.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 135.7%, due to the receipt of the first tranche of the Equitable Share.
- ❖ Operational Revenue is showing a positive variance of 17.8%, due to an over-recovery on electricity availability charges.
- ❖ Gains on disposal of assets, shows no movement for the month under review.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 100% when compared to the YTD budget. The journal for the recognition of capital grants could not be processed timeously. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Comparison against Original Budget

Based on the IYM percentage of 16.67%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Service charges when compared to the Original budget is performing satisfactorily. Same factors are applicable as described in the paragraph above. Service charges Waste water management and Waste management is showing an over-recovery.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 22.0%.
- ❖ Interest earned from Receivables is showing a positive variance of 5.0%.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 20.3%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 6.0%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of minus 4.6%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 13.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a negative variance of 6.9%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 22.6%. Same factors are applicable as described in the paragraph above.

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- ❖ Operational Revenue is showing a positive variance of 3.0%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets, shows no movement.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 16.7%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 August 2024. The main contributors of the municipality's revenue are Service Charges (41.0%), Property Rates (31.2%) and Transfers and subsidies (17.6%). The contribution per Revenue source is distorted, as a result of the annual billing of Property rates and the receipt of the first tranche of the Equitable Share.

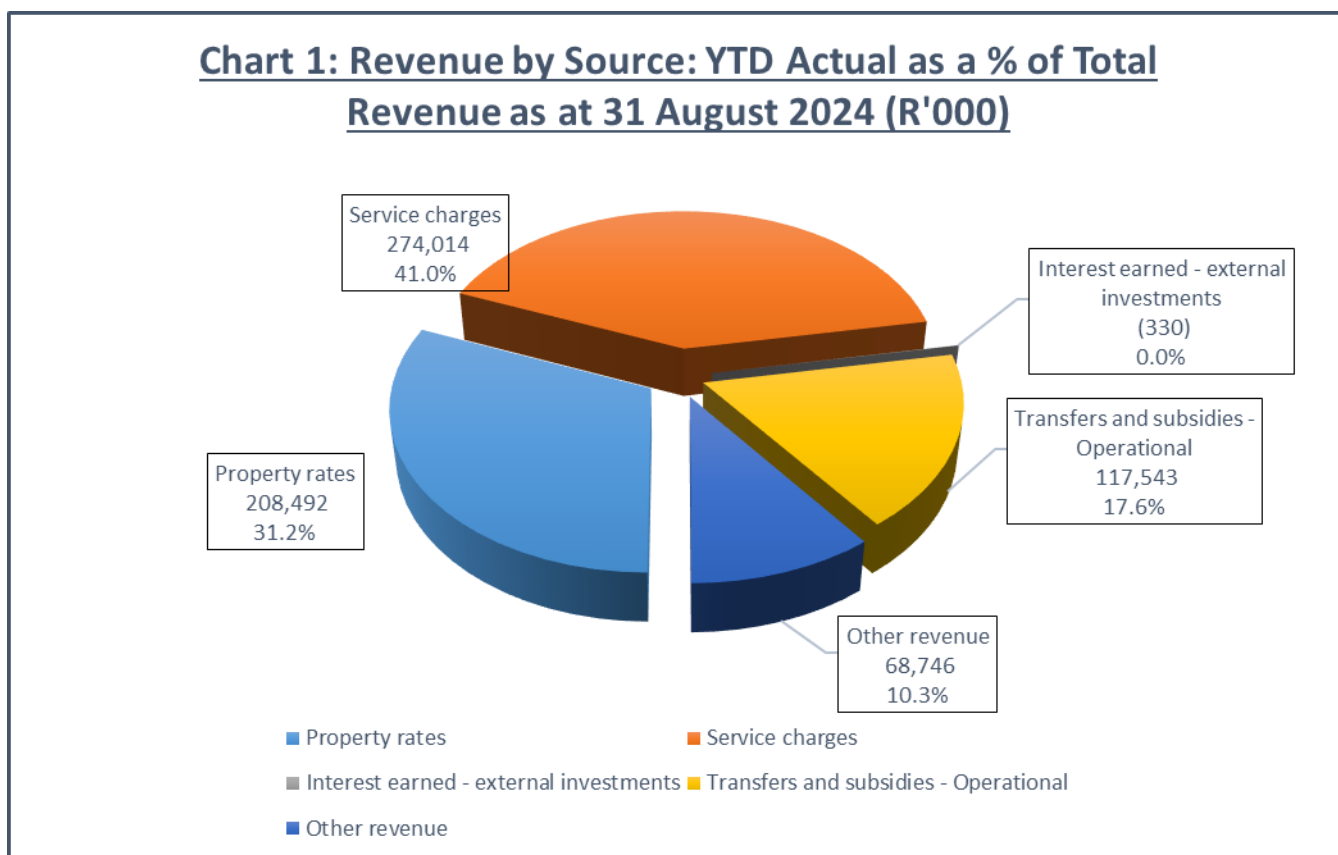


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	950,863	61,907	129,483	158,478	81.7%	(28,995)	-18.3%	13.6%	(28,995)	-3.0%
Remuneration of councillors	37,077	2,805	5,614	6,179	90.9%	(565)	-9.1%	15.1%	(565)	-1.5%
Bulk purchases - electricity	897,300	70,320	70,320	230,444	30.5%	(160,124)	-69.5%	7.8%	(79,230)	-8.8%
Inventory consumed	319,605	22,804	31,448	53,268	59.0%	(21,820)	-41.0%	9.8%	(21,819)	-6.8%
Debt impairment	355,246	-	-	59,208	0.0%	(59,208)	-100.0%	0.0%	(59,208)	-16.7%
Depreciation and amortisation	89,700	-	-	14,950	0.0%	(14,950)	-100.0%	0.0%	(14,950)	-16.7%
Interest	17,774	1	1	2,962	0.0%	(2,962)	-100.0%	0.0%	(2,962)	-16.7%
Contracted services	40,731	5,502	5,610	6,789	82.6%	(1,178)	-17.4%	13.8%	(1,178)	-2.9%
Transfers and subsidies	3,660	-	-	610	0.0%	(610)	-100.0%	0.0%	(610)	-16.7%
Irrecoverable debts written off	-	0	1	-		1			1	
Operational costs	151,549	23,091	28,662	25,259	113.5%	3,404	13.5%	18.9%	3,404	2.2%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	65,000	-	-	10,833	0.0%	(10,833)	-100.0%	0.0%	(10,833)	-16.7%
Total Expenditure	2,928,505	186,431	271,139	568,980	47.7%	(297,841)	-52.3%	9.3%	(216,945)	-7.4%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 August 2024 current YTD expenditure shows an unsatisfactory variance of minus 52.3%. The YTD actual amounted to R271,139 million against the YTD Budget of R568,980 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 18.3%, due to the YTD actual being slightly lower than projected. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 9.1%. The gazette for the upper limits of political office bearers has not been issued for the current year.
- ❖ Bulk purchases – Electricity is showing a variance of minus 69.5% because the unpaid balance of the July 2024 invoice was not authorised on the system. Awaiting feedback from the Payment Section, why this was not done before month-end closure. The August 2024 invoice is not captured on the system and will be processed during September 2024.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 41.0%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

Table 4.1 R&M Expenditure per Directorate per inventory type							
R&M Expenditure per Directorate per inventory type as at 31 August (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 16.67%
VOTE 1 - COUNCILLORS AND ADMIN	202,000	202,000	14,840	41,107	20.35%	20.35%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	85,000	14,840	41,107	48.36%	48.36%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	115,000	-	-	0.00%	0.00%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	22,997,000	2,309,489	4,475,072	19.46%	19.46%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	35,055	58,055	11.16%	11.16%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	18,421	40,994	10.25%	10.25%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	2,256,014	4,376,023	19.82%	19.82%	SATISFACTORY
VOTE 3 - MUNICIPAL MANAGER	117,000	117,000	18,287	19,811	16.93%	16.93%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	99,000	16,287	17,811	17.99%	17.99%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	18,000	2,000	2,000	11.11%	11.11%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,568,000	10,568,000	196,413	288,678	2.73%	2.73%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	81,508	97,046	10.76%	10.95%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	272,000	59,382	80,956	29.76%	29.76%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	22,096	71,961	13.58%	13.58%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	8,880,000	33,427	38,715	0.44%	0.44%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	35,714,500	35,714,500	1,890,041	2,952,543	8.27%	8.27%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	986,500	73,675	105,418	10.69%	10.69%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	54,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	222,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,107,000	95,212	134,223	12.35%	12.12%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,976,000	434,188	996,683	11.10%	11.10%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	19,755	36,508	4.42%	4.42%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	23,543,000	1,267,212	1,679,712	7.13%	7.13%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,368,000	2,368,000	298,213	484,438	20.46%	20.46%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,320,000	211,267	351,003	26.59%	26.59%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	17,491	39,211	22.41%	22.41%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	10,897	30,518	15.41%	15.41%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	675,000	58,558	63,707	9.44%	9.44%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	6,381,000	183,998	246,048	3.86%	3.86%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	416,000	58,265	58,265	13.91%	14.01%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	235	888	1.46%	1.39%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	418,000	21,998	59,477	14.23%	14.23%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	414	830	10.37%	10.37%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	5,475,000	103,086	126,587	2.31%	2.31%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	241,257,705	17,892,366	22,940,423	9.51%	9.51%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	645,000	83,604	115,970	17.98%	17.98%	SATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,172,000	24,172,000	1,233,844	1,235,252	5.11%	5.11%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	772,000	152,077	197,618	25.93%	25.60%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,930,000	664,881	1,455,722	16.30%	16.30%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	850,000	9,026	56,197	6.53%	6.61%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	140,886,705	11,089,348	15,220,079	10.80%	10.80%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	4,659,586	4,659,586	7.17%	7.17%	UNSATISFACTORY
Grand Total	319,605,205	319,605,205	22,803,647	31,448,120	9.84%	9.84%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 31 August (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 16.67%
2480 - REFUSE	21,500,000	21,500,000	1,197,250	1,903,809	8.85%	8.85%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	210,000	7,567	7,567	3.60%	3.60%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	359,857	845,287	14.09%	14.09%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	829,826	1,050,955	7.15%	7.15%	UNSATISFACTORY
2830 - ROADS	46,747,000	46,747,000	3,552,062	4,062,093	8.69%	8.69%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	-	549	1.00%	1.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	8,345	8,345	14.39%	14.39%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	46,634,000	3,543,717	4,053,199	8.69%	8.69%	UNSATISFACTORY
2840 - HOUSING	3,509,000	3,509,000	178,814	211,366	6.02%	6.02%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	25,347	35,177	39.52%	39.52%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	145,000	145,000	59,050	59,050	40.72%	40.72%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	9,857	19,085	11.93%	11.93%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	84,560	98,054	3.15%	3.15%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	22,024,000	1,623,715	2,189,448	9.94%	9.94%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	30,000	9,816	10,348	34.49%	34.49%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	-	8,334	4.90%	4.90%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	259,000	259,000	18,576	22,464	8.67%	8.67%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,400,000	135,738	334,676	13.94%	13.94%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	400,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	18,765,000	1,459,585	1,813,625	9.66%	9.66%	UNSATISFACTORY
2860 - WATER	121,123,000	121,123,000	7,381,246	8,294,551	6.85%	6.85%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	77,000	23,992	29,831	38.74%	38.74%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	24,002,000	1,233,844	1,226,918	5.11%	5.11%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	120,000	43,630	57,571	52.34%	47.98%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,300,000	159,295	381,680	16.59%	16.59%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	9,026	56,197	12.22%	12.49%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,174,000	1,251,873	1,882,768	6.45%	6.45%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	4,659,586	4,659,586	7.17%	7.17%	UNSATISFACTORY
2880 - ELECTRICITY	51,537,000	51,537,000	4,743,340	7,338,226	14.24%	14.24%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	4,420	14,976	7.13%	7.13%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	76,000	76,000	2,502	10,209	13.43%	13.43%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	51,250,000	4,736,419	7,313,041	14.27%	14.27%	UNSATISFACTORY
Grand Total	266,440,000	266,440,000	18,676,428	23,999,492	9.01%	9.01%	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 first quarter was processed on the financial system on 9 September 2024.
- ❖ Depreciation was projected for on a straight-line basis but is only be provided for, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system. A demonstration meeting was held by our service provider. This matter is still resolved and based on the strict recommendation from National Treasury during the 2023/24 Mid-year Engagement., this is an issue that will have to be urgently addressed.
- ❖ Interest is showing an unsatisfactory variance of minus 100.0%, due to the Interest on External borrowing being paid bi-annually and the first instalment for the current financial year is due and payable before the 31 December 2024.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of minus 17.4%. The sub-item OS: B&A Project Management is showing an under-expenditure, possibly due to outstanding invoices. Contr: Prepaid Electricity Vendors is lower due the outstanding Ontec invoice for August 2024 which should be captured during September 2024.
- ❖ Transfers and subsidies showing negative variance of minus 100.0%, this is due to the grant for the SPCA that has not been settled yet and due to Other grants showing no movement as a result of cash flow constraints.
- ❖ Operational cost is showing an unsatisfactory variance of 13.5% 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 R6,631 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source.

- Cost incurred of R8,786 million on OC: Professional Bodies M/Ship & Subs, for predominantly annual SALGA membership fees. This payment is still unpaid, due to cash flow constraints.
- ❖ Other Losses is showing a variance of minus 100.0%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and then journalized to the Income Statement and is simultaneously split between Water Inventory and Water losses. The corrective journal to recognise Water inventory and losses portion for the year-to-date actuals for the year is not processed yet.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of August 2024 is 16.67%. The total operational expenditure against the Original budget is 9.3% spent, resulting in an unsatisfactory variance of minus 7.4%.

- ❖ Employee related costs show a satisfactory variance of minus 3.0%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 1.5%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 8.8%. The invoice for August 2024 will be captured during September 2024. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 6.0%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a variance of minus 16.7%. Debt impairment will be provided for on a quarterly basis and the journal for the first quarter was processed on the system on 9 September 2024.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Same factors are applicable as explained above.
- ❖ Interest is showing an unsatisfactory variance of minus 16.7%. Finance charges are paid bi-annually (December and June of each year). Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 2.9%, when compared to the Original budget.
- ❖ Transfers and subsidies show a satisfactory variance of minus 16.7%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 2.2%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 16.7%. Same factors are applicable as explained above.

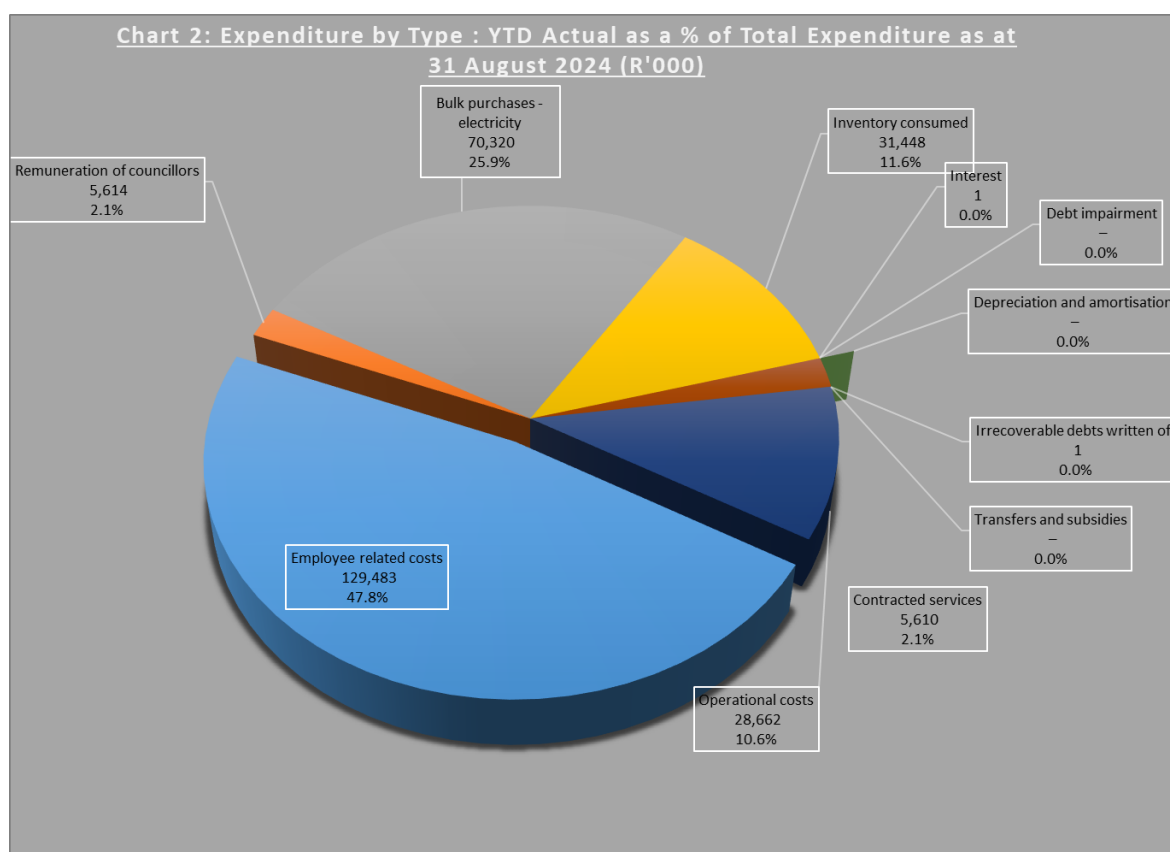


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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

It should be noted that the weighting per Expenditure type is distorted as a result of the following:

- ❖ Employee costs, the Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ The August 2024 account for Eskom amount to R127m, is not yet captured on the system.
- ❖ Debt impairment is not yet provided for. The journal was processed on 9 September 2024.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and July 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 16.67% as at end of August 2024, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 8.83%. Bulk purchases is understated, due to the unpaid balance of the July 2024 invoice that was not timeously authorised on the system, as a result of an oversight by the Payment section. Stricter internal controls will have to be implemented to ensure that this does not re-occur in future. The invoice for August 2024 will be captured during September 2024.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%
BULK PURCHASES: ELECTRICITY	897,300,000	70,320,227	70,320,227	7.84%	-8.83%
❖ Total	897,300,000	70,320,227	70,320,227	7.84%	-8.83%

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 an unsatisfactory variance of minus 13.1%, when compared to the ideal percentage of 16.67%. The invoice for August 2024 must still be captured on the system. During the Original budget for 2021/22 and advised by NT, Bulk purchases Water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals pertaining to Water inventory and losses will be processed on the system, to account for the YTD actuals. The movement under Inventory Water is the water consumed which is accounted for and which interfaces from billing.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%
INVENTORY - WATER	65,000,000	4,659,586	4,659,586	7.17%	-9.50%
NON-REVENUE WATER LOSSES	65,000,000	-	-	0.00%	-16.67%
Total	130,000,000	4,659,586	4,659,586	3.6%	-13.1%

Table 5.2: Summary of YTD Bulk Water expenditure

Outstanding debt: ESKOM and DWS

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2024/25
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	813,109	(57,745)	104,354	104,354	-
Jul-23	131,032	103,462	(8,736)	18,834	18,834	-
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	1,893	-
Mar-24	66,311	62,973	-	3,338	3,338	-
Apr-24	61,436	59,697	-	1,739	1,739	-
May-24	66,327	63,149	-	3,178	3,178	-
Jun-24	113,772	112,033	-	1,739	1,739	-
2024/25	275,934	80,868	-	195,066	67,465	429
Jul-24	148,333	80,868	-	67,465	67,465	274
Aug-24	127,601	-	-	127,601	-	155
Grand Total ESKOM	2,164,554	997,219	(95,227)	1,072,109	944,508	429

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,072,109 billion. It should be noted that R95,227 million interest charges were reversed, for interest charges from March 2023 to January 2024, as part of the municipal debt relief programme. The accounting treatment of this was done on the system. The municipality settled an amount of R80,868 million on current account for July 2024, amounting to R148,333 million, resulting in a shortfall of R67,465 million for the month under review. The amounts paid excludes interest charges, in line with the MFMA Circular 124. As per the Circular, the municipality must settle billed charges including VAT. The debt instalment of R6,700 million on the payment arrangement which was due on 15 August 2024 was settled on 30 August 2024. The total arrear debt amounts to R944,508 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R104,354m) and 2024/25 (R67,465m). The total interest charges on overdue accounts for the current financial year amounted to R429 thousand which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
2021/22	126,431	71,775	54,656	54,656
INTEREST (APR-JUN 2022)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sep-21	15,795	15,795	–	–
Oct-21	15,275	15,275	–	–
Nov-21	14,523	14,523	–	–
Dec-21	11,108	11,108	–	–
Jan-22	17,098	–	17,098	17,098
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
2023/24	150,526	150,526	–	–
Jul-23	15,303	15,303	–	–
Aug-23	13,588	13,588	–	–
Sep-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
Nov-23	17,070	17,070	–	–
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	36,046	–	–
Mar-24	5,194	5,194	–	–
Jun-24	694	694	–	–
2024/25	34,422	17,724	16,698	–
Jul-24	17,724	17,724	–	–
Aug-24	16,698	–	16,698	–
Grand Total	311,379	240,024	71,355	54,656

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 R71,355 million. The total debt also has to be concurred with the Department. The total arrear debt amounts to R54,656 million which pertains to outstanding invoices for 2021/22 financial year (R54,656m). This amount includes interest of R14,704 million which must still be written off by the Department, once all the arrear debt has been settled. All the invoices for the 2022/23 and the 2023/24 financial year, has been settled in full. For 2024/25 financial year, it is only the current account outstanding.

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 been settled in full.
- Settling the monthly debt instalment (municipality complied, but defaulted for March to August 2024, due to insufficient cash available from operations). The municipality does attempt to pay as much as it can and for the 2023/24 financial year an average of R17m was paid to the Department.
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.

Chart 2.1: Monthly Bulk Payments: DWS & ESKOM: 2023/24 and 2024/25

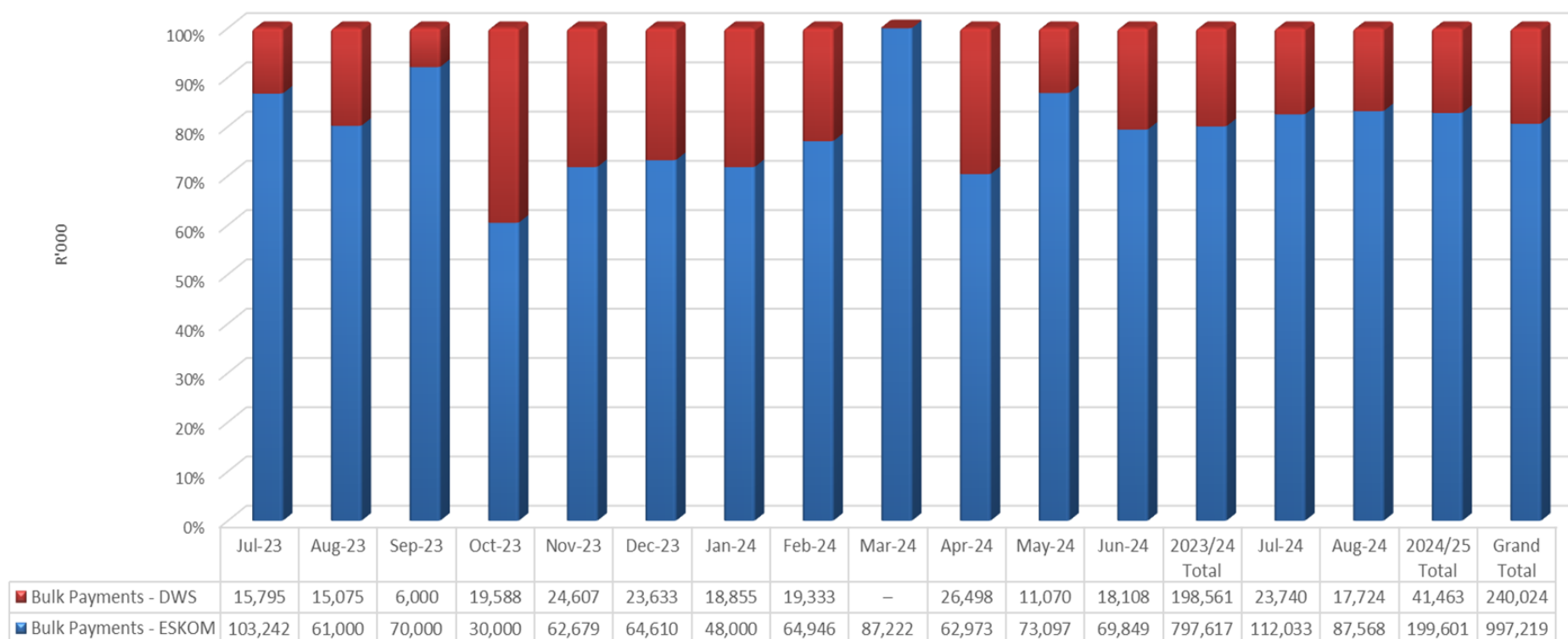


Chart 2.1: Monthly payments to DWS & ESKOM

Indicated in Chart 2.1 above, are the monthly payments made to DWS and ESKOM for 2023/24 and 2024/25 fin year as at 31 August 2024.

DWS The total amount paid to DWS for August 2024 amounted to R17,724 million. Payments for 2023/24 amounts to R198,561 million and payments for 2024/25 amounts to R41,563 million. The total payments amount to R240,024 million. The municipality has shown significant improvement over the financial year in terms of payments to DWS, with the average amount paid per month amounting to approximately R17 million. We could not settle the instalment of R6m on the debt agreement with DWS, due to the fact that we did not sufficient cash available. Debt instalment was due and payable on 5th of August 2024.

ESKOM The municipality settled an amount of R87,568 million for August 2024 account excluding interest amounting to R155 thousand. Total invoice amount for July 2024 was R148,333 million. The repayment amount is R6.7m and is due on the 15th of each month for 24 months. The municipality settled the repayment instalment of R6,700 million on 30 August 2024. The total payments made for the 2023/24 financial year amounts to R797,617 million and for 2024/25 financial year the payments amount to R199,601 million, resulting in the total payments for both periods amounting to R997,219 million. The municipality has been improving on payments made to Eskom from November 2023 to date. The high months remains a major concern. The municipality managed to settle the June 2024 account in full but defaulted on the July 2024 account.

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

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
2023/24	R 797,617,409.52
20230801	R 103,241,512.23
20230830	R 61,000,000.00
20230928	R 35,000,000.00
20230929	R 35,000,000.00
20231031	R 30,000,000.00
20231130	R 62,678,528.38
20231220	R 2,262,000.00
20231228	R 62,347,938.72
20240130	R 48,000,000.00
20240209	R 13,246,492.61
20240219	R 6,700,000.00
20240228	R 45,000,000.00
20240304	R 18,043,546.82
20240319	R 6,700,000.00
20240328	R 62,478,598.42
20240426	R 62,972,969.32
20240524	R 13,400,000.00
20240528	R 59,696,947.69
20240621	R 6,700,000.00
20240625	R 63,148,875.33
2024/25	R 199,601,391.29
20240730	R 112,033,130.69
20240828	R 32,868,260.60
20240829	R 54,700,000.00
Grand Total ESKOM	R 997,218,800.81

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
2023/24	R 198,561,294.26
20230712	R 15,794,682.80
20230804	R 15,074,754.70
20230914	R 6,000,000.00
20231003	R 13,588,064.81
20231018	R 6,000,000.00
20231106	R 6,275,086.61
20231114	R 18,331,770.78
20231208	R 6,000,000.00
20231212	R 17,633,270.36
20240105	R 5,522,530.48
20240130	R 13,332,894.88
20240212	R 6,000,000.00
20240301	R 13,332,894.88
20240412	R 21,303,350.74
20240429	R 5,194,304.19
20240514	R 11,069,915.81
20240626	R 18,107,773.22
2024/25	R 41,463,182.99
20240717	R 23,739,570.29
20240830	R 17,723,612.70
Grand Total DWS	R 240,024,477.25

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.

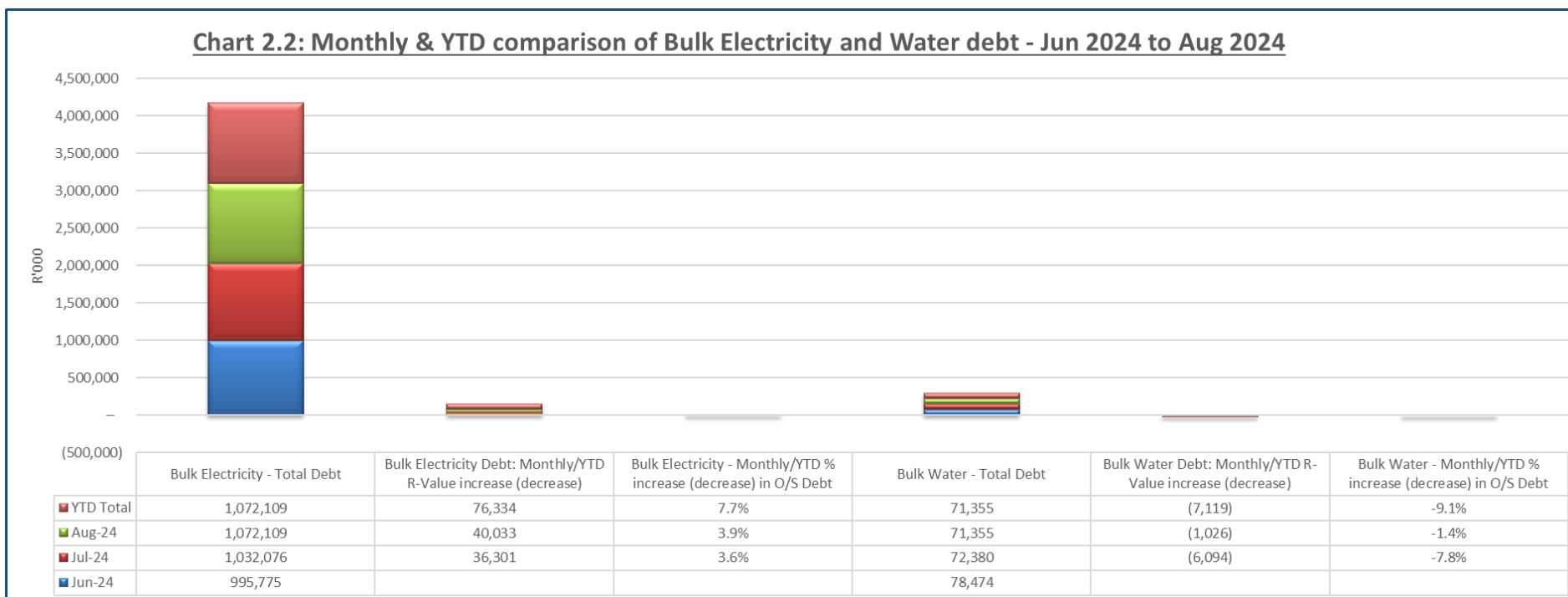


Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From June to August 2024, debt owed to ESKOM increased by R40,033 million or 3.9%, from R995,775 million to R1,072,109 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R76,334 million or 7.7%, from R1,032,076 billion to R1,072,109 billion. The total amount that was subject to the payment arrangement was R163,062 million for debt that accrued after March 2023. To date the municipality settled an amount of R42,462 million with the total current outstanding balance amounting to R120,600 million.

DWS - From July to August 2024, debt owed to DWS decreased by R1,026 million or minus 1.4%, from R72,380 million to R71,355 million. When comparing the total outstanding debt to June 2024, the outstanding debt decreased by R7,119 million or minus 9.1% from R78,474 million to R71,355 million. The municipality has made significant strides in reducing the debt owed to DWS. The total debt amounted to R174,076 million, whilst the municipality settled an amount of R119,420 million resulting in an outstanding balance of R54,656 million. An amount of R14,704 million for interest incurred must still be written-off, resulting in a net outstanding balance of R39,953 million on the payment arrangement.

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

ESKOM Amount subject to Payment arrangement Instalment of R6,700 million							R 163,062,000	
Period	Settlement Date	ELE No	Payment date	Invoice no	Monthly Instalment / Amount paid	Progressive Payments	Outstanding Balance	% Paid
	2024/01/02	77064505	2023/12/20	544917625256 - Jul 2023	R 2,262,000.00	R 2,262,000.00	R 160,800,000.00	1.39%
1	2024/02/15	77065112	2024/02/19	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	2024/06/24	544917625256 - Jul 2023	R 6,700,000.00	R 35,762,000.00	R 127,300,000.00	21.93%
6	2024/07/15						R 163,062,000.00	0.00%
7	2024/08/15	77068429	2024/08/29	544917625256 - Jul 2023	R 6,700,000.00	R 42,462,000.00	R 120,600,000.00	26.04%

Table 6.4: Reconciliation Eskom Payment Arrangement

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

Table 6.5: Reconciliation DWS Debt Agreement

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M02 August										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	613,729	27,422	27,762	102,288	27.14%	(74,526)	-72.9%	4.5%	(74,526)	-12.1%
Funded by										
Capital transfers recognised	572,229	23,549	23,804	95,372	24.96%	(71,567)	-75.0%	4.2%	(71,567)	-12.5%
Internally generated funds	41,500	3,873	3,958	6,917	57.2%	(2,958)	-42.8%	9.5%	(2,958)	-7.1%
Weighting Capital transfer recognised	93.2%	85.9%	85.7%	93.2%						
Weighting Internally generated funds	6.8%	14.1%	14.3%	6.8%						

Table 7: High level summary: Capital Expenditure

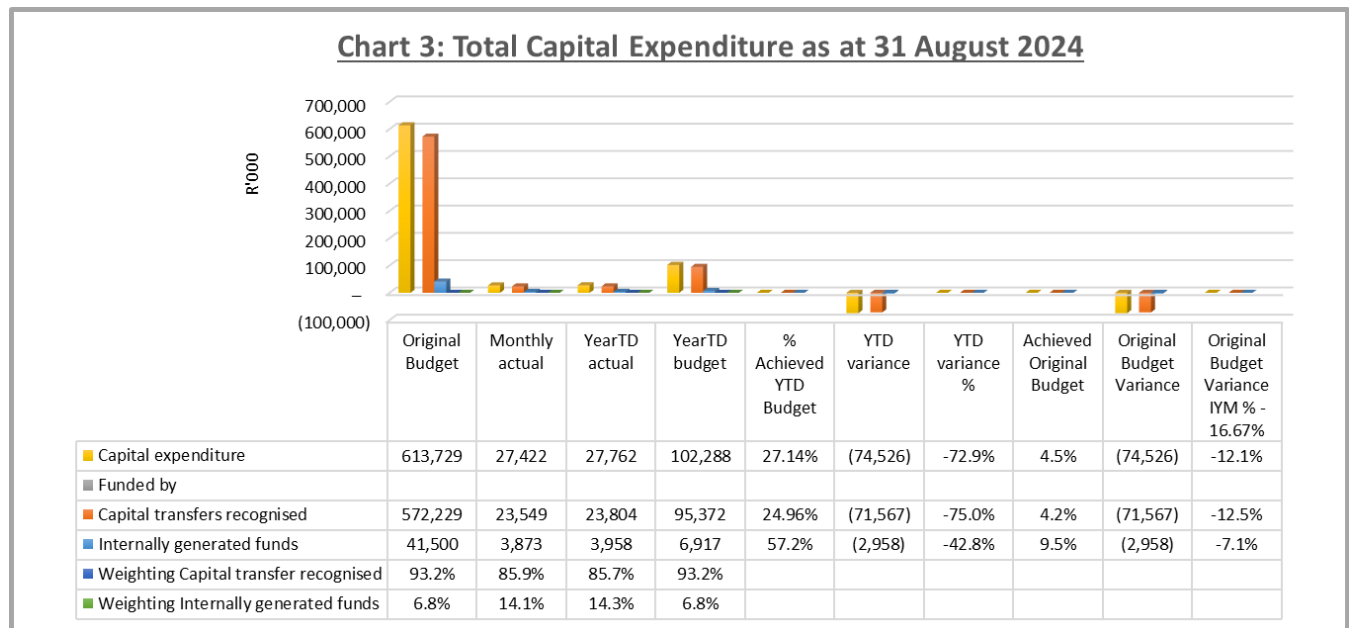


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of August 2024 amounted to R27,762 million and 72.9% spent when compared to the YTD budget of R102,288 million and 27.14% spent when compared to the Original Budget of R613,729 million. The total YTD capex is funded from Capital grants R23,804 million (85.7%) and Internally generated funds R3,958 million (14.3%). Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

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

4.4 Cash flows

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

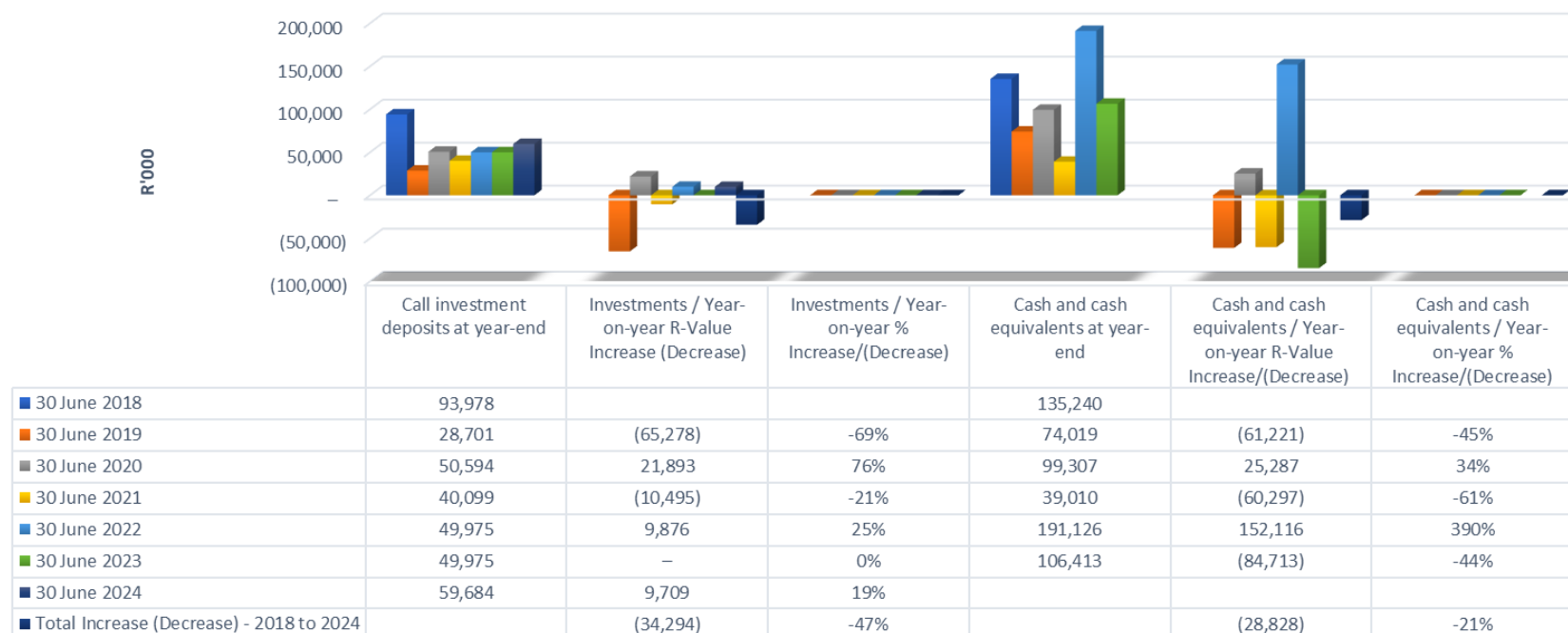


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. Investments increased by R9,876 million or 25% from 2021 to 2022. The total investment remained the same from 2022 to 2023 and increased to R9,709 million or 19% in 2024. From 2018 to 2024, the total investments decreased by R34,294 million or 47%. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 July 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 31 August 2024

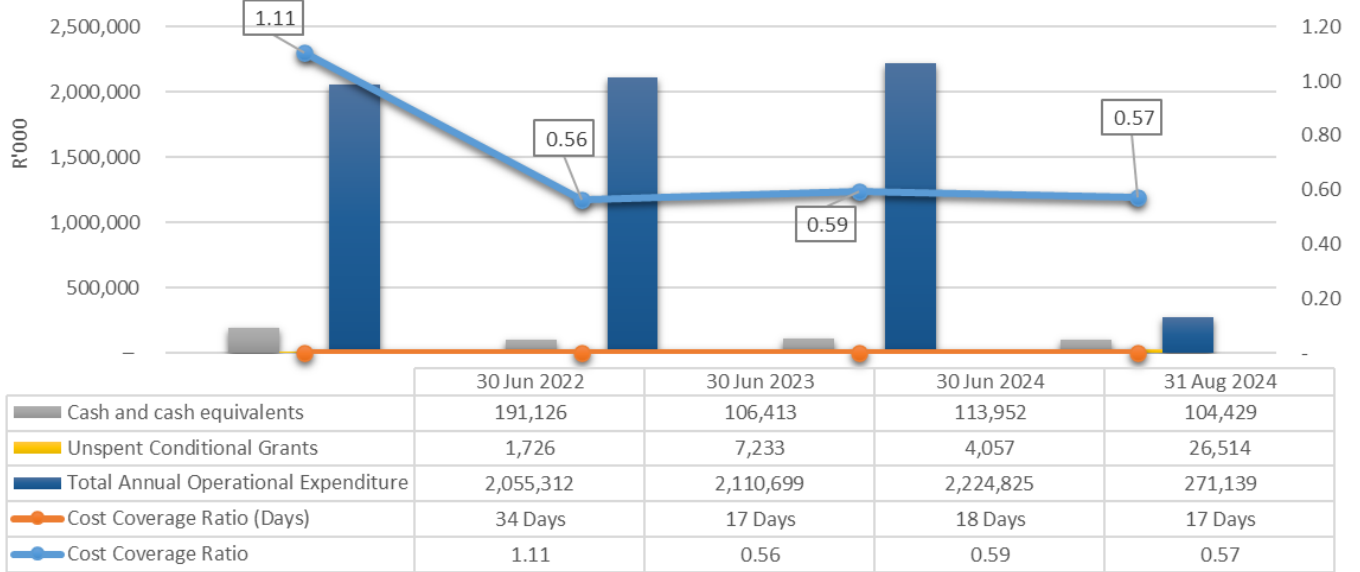


Chart 5: Cash & cash equivalents and Cost coverage ratio

Indicated in Chart 5 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the period. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2022 is (1.11; 34 days; R191,126m). There was a marginal improvement for the year ended 30 June 2023 (0.56; 17 days; R106,413m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The pre-audit outcome for the year ended 30 June 2024 is (0.59; 18 days; R113,952m). The Cost coverage ratio as at 31 August 2024 is calculated at (0.57; 17 days; R104,429m).

Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to ESKOM and DWS. However, as a result of the debt agreement with DWS and the Incentive initiated by the Department, the municipality has made significant strides in reducing the arrear debt and settling all invoices for the 2022/23 and 2023/24 financial year in full.

The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. Therefore, the municipality must apply the Credit Control Policy diligently, consistently and fairly to ensure the credibility of the municipality. During the 2022/23 Mid-year engagement, National Treasury recommended that the Credit Control and Debt Collection Policy must be 100% applied. Generally, the payment culture of all consumers and stakeholders must improve. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

5. In-year budget statement tables

The financial results for the period under review is included in Annexure A, consisting of the following C-schedule tables.

- (a) Table C1: Summary
- (b) Table C2: Financial Performance (Functional Classification)
- (c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Financial Performance (Revenue and Expenditure)
- (e) Table C5: Capital Expenditure by vote, functional classification and funding
- (f) Table C6: Statement of Financial Position
- (g) Table C7: Cash Flow

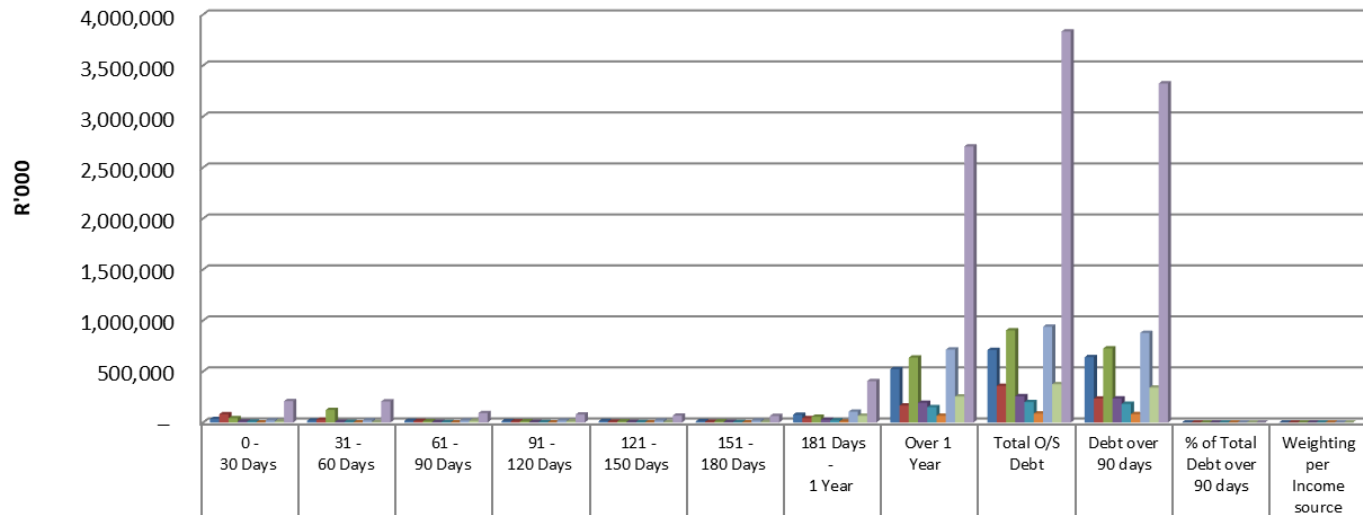
PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August													
Description	NT Code	Budget Year 2024/25											
		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Ex change Transactions - Water	1200	34,867	19,247	16,185	13,827	14,450	12,998	76,459	523,110	711,142	640,843	–	–
Trade and Other Receivables from Ex change Transactions - Electricity	1300	80,972	27,310	15,429	11,477	7,987	6,872	42,532	166,465	359,044	235,334	–	–
Receivables from Non-ex change Transactions - Property Rates	1400	42,489	122,620	12,604	11,677	10,836	10,972	56,299	636,270	903,766	726,054	–	–
Receivables from Ex change Transactions - Waste Water Management	1500	9,727	6,744	5,186	5,061	4,935	4,861	27,351	193,650	257,515	235,858	–	–
Receivables from Ex change Transactions - Waste Management	1600	7,832	5,133	4,461	3,908	3,786	3,694	21,170	150,353	200,336	182,911	–	–
Receivables from Ex change Transactions - Property Rental Debtors	1700	1,827	1,805	1,804	1,848	2,293	1,693	10,150	66,356	87,776	82,340	–	–
Interest on Arrear Debtor Accounts	1810	20,413	20,103	19,688	19,254	19,290	18,700	106,505	715,239	939,192	878,988	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	11,207	4,473	16,867	11,584	4,099	5,622	66,149	255,347	375,349	342,802	–	–
Total By Income Source	2000	209,335	207,434	92,222	78,637	67,676	65,412	406,615	2,706,791	3,834,121	3,325,130	–	–
2023/24 - totals only		#####	#####	82522913	67712691	84484705	66535241	#####	#####	3,559,727	3,060,991	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	39,184	119,376	10,719	15,928	8,272	8,875	43,448	630,606	876,407	707,129	–	–
Commercial	2300	77,339	27,844	20,281	17,007	14,246	13,456	73,024	417,384	660,580	535,117	–	–
Households	2400	89,873	58,054	59,103	43,941	43,375	41,323	278,363	1,565,668	2,179,701	1,972,671	–	–
Other	2500	2,939	2,160	2,120	1,760	1,784	1,758	11,779	93,133	117,434	110,213	–	–
Total By Customer Group	2600	209,335	207,434	92,222	78,637	67,676	65,412	406,615	2,706,791	3,834,121	3,325,130	–	–

Table 8: Supporting Table SC3: Aged Debtors

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



	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total O/S Debt	Debt over 90 days	% of Total Debt over 90 days	Weighting per Income source
Trade and Other Receivables from Exchange Transactions - Water	34,867	19,247	16,185	13,827	14,450	12,998	76,459	523,110	711,142	640,843	90%	19%
Trade and Other Receivables from Exchange Transactions - Electricity	80,972	27,310	15,429	11,477	7,987	6,872	42,532	166,465	359,044	235,334	66%	9%
Receivables from Non-exchange Transactions - Property Rates	42,489	122,620	12,604	11,677	10,836	10,972	56,299	636,270	903,766	726,054	80%	24%
Receivables from Exchange Transactions - Waste Water Management	9,727	6,744	5,186	5,061	4,935	4,861	27,351	193,650	257,515	235,858	92%	7%
Receivables from Exchange Transactions - Waste Management	7,832	5,133	4,461	3,908	3,786	3,694	21,170	150,353	200,336	182,911	91%	5%
Receivables from Exchange Transactions - Property Rental Debtors	1,827	1,805	1,804	1,848	2,293	1,693	10,150	66,356	87,776	82,340	94%	2%
Interest on Arrear Debtor Accounts	20,413	20,103	19,688	19,254	19,290	18,700	106,505	715,239	939,192	878,988	94%	24%
Other	11,207	4,473	16,867	11,584	4,099	5,622	66,149	255,347	375,349	342,802	91%	10%
Total By Income Source	209,335	207,434	92,222	78,637	67,676	65,412	406,615	2,706,791	3,834,121	3,325,130	87%	

Chart 6.1: Debtor's age analysis by Income Source

Indicated in Table 8 and Chart 6.1 above is the total outstanding debt by Income Source, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R3,834,121 million as at the end of 3 September 2024 with the bulk of SPM's debt is aged over 90 days with an overall weighting of 87%.

It should be noted that the total debt is understated by R6,351 million or 0.2% and should be R3,840,472 billion, due to a system error the debtor's extraction report, requested at month-end, did not populate correctly and was subsequently rerun on 3 September 2024, resulting in receipts for this period being taken into account when the report was generated. The matter was discussed with the service provider to fix the debtors balances at month-end, similar to the normal ledger month-end closure. A formal request must still be submitted to the service provider, to investigate if the system has this capability or functionality.

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

- ❖ Interest on Arrear Debtor Accounts at 94%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 94%
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 90%
- ❖ Receivables from Exchange Transactions - Waste Water Management (92%) and Waste Management at 91%.

The highest percentage weighting of debt owed by Income Source is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 24%
- ❖ Interest on Arrear Debtor Accounts 24%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19%

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

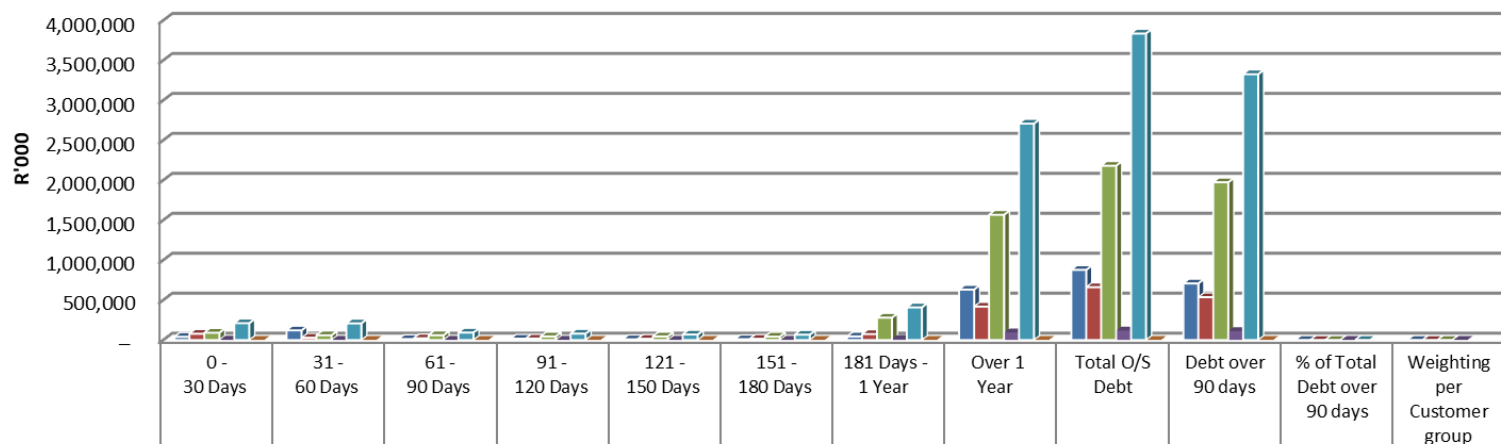


Chart 6.2: Debtor's age analysis by Customer Group

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

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

- ❖ Organs of State at 81%; Commercial at 81%; Households at 91% and Other at 94%.

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

- ❖ Organs of state at 23%, total debt outstanding is R876,407 million
- ❖ Businesses at 17%, total debt outstanding is R660,580 million
- ❖ Households at 57%, total debt outstanding is R2,179,701 billion
- ❖ Other at 3%, total debt outstanding is R117,434 million.

An analysis revealed that the catalysts for this condition are the sheer volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. There is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. We have a backlog of processing this debt and submitting this to Council for approval to write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts.

We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality. The payment culture of consumers needs to improve across all areas. Articulated in the paragraph below under "Revenue Management" is a detailed plan with interventions and improvements.

Revenue Management: Activities for the month of August 2024

We are currently attending to the blocking of prepaid meters throughout the month in order for us to ensure that Customers are paying their municipal accounts on a monthly basis. Our Credit Control Section is also facilitating payment arrangements on a daily basis. Our disconnection team is focusing on the top debtors in the various Customer groups which include Households, Government Departments and Businesses.

During the month of August 2024, we 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.

We had protest action in some areas due to the blocking of prepaid meters. We have thus focused on these areas in terms of Credit Control Community outreaches. This enables us to engage the community members on an individual basis, providing them with the information below:

Sol Plaatje Municipality

The Municipality has adopted a Customer Care, Credit Control and Debt Collection Policy together with the Budget. The policy acknowledges the financial difficulties experienced by business and residential customers and has made various provisions to manage consumer debt.

INDIGENT REGISTRATION

The Municipality has an Indigent Household Policy that is aimed at reaching all households in our jurisdiction.

QUALIFICATION CRITERIA
INSTALLATION OF ELECTRICITY PREPAID METER

DECEASED ESTATES ACCOUNTS

Deceased estates beneficiaries qualify for indigent subsidy, however the following conditions must be met:

- Letter of authority obtained from the Master of High Court.
- The nominated beneficiary as per the letter of authority may apply by bringing proof of income, proof of address and copy of ID.

TAKE CHARGE.
THIS IS YOUR MUNICIPALITY, IT NEEDS YOU.
PAY YOUR ACCOUNT FOR IT TO PROVIDE SERVICES.

Sol Plaatje Municipality

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QUALIFICATION CRITERIA
INSTALLATION OF ELECTRICITY PREPAID METER

CHILD HEADED HOUSEHOLDS

- Copies of IDs of all the children living in the household.
- A letter from ward councillor confirming that the children do not have parents or a guardian looking after them.
- A letter from social services confirming that children are supported through other means.
- A councillor or the eldest of the household can submit documents to Indigent Offices for capturing and verification will take place immediately.

TAKE CHARGE.
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PAY YOUR ACCOUNT FOR IT TO PROVIDE SERVICES.

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INDIGENT REGISTRATION

The Municipality has an Indigent Household Policy that is aimed at reaching all households in our jurisdiction.

QUALIFICATION CRITERIA
INSTALLATION OF ELECTRICITY PREPAID METER

HOUSEHOLD INCOME

Households qualify for Indigent Subsidy once they meet the following criteria:

- Total household income of less than R4 500.00.
- Household is dependent on old age grant received by 3 or less.
- NB: Child Support Grant is not included in the determination of household income.
- ID Copy of the applicant.
- Proof of income.
- Proof of address.

TAKE CHARGE.
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THE INDIGENT SUBSIDY COMPRISES OF THE FOLLOWING:

- 50 units of electricity
- 6kl of subsidized water per month
- Fully subsidized sanitation charges
- Fully subsidized refuse removal charges

INDIGENT REGISTRATION

The Municipality has an Indigent Household Policy that is aimed at reaching all households in our jurisdiction.

QUALIFICATION CRITERIA
INSTALLATION OF ELECTRICITY PREPAID METER

TAKE CHARGE.
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PAY YOUR ACCOUNT FOR IT TO PROVIDE SERVICES.

Sol Plaatje Municipality

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PAYMENT OF DEBT ARRANGEMENT

You can pay your municipal services through bank transfer.

Make sure that the amount you pay is the debt arrangement amount plus the current account balance as reflected in the statement.

The system will automatically allocate the amount to your account.

Use your account number as it appears on the statement as reference number or ID number as registered on the billing system.

VALIDITY OF PAYMENT ARRANGEMENT

- A payment arrangement is valid immediately upon signing.
- It remains valid for as long as it is honored.
- A default will be recorded once you miss the payment date as per the arrangement agreement.
- One default nullifies the debt arrangement agreement.
- Your electricity meter will be blocked immediately.
- You will be required to enter into a new debt arrangement at a higher amount as your risk profile will be adjusted.

TAKE CHARGE.
THIS IS YOUR MUNICIPALITY, IT NEEDS YOU.
PAY YOUR ACCOUNT FOR IT TO PROVIDE SERVICES.

Sol Plaatje Municipality

The Municipality has adopted a Customer Care, Credit Control and Debt Collection Policy together with the Budget. The policy acknowledges the financial difficulties experienced by business and residential customers and has made various provisions to manage consumer debt.

SETTLEMENT OF ACCOUNTS

Municipal policy allows for debt settlement for all customer groups. The policy allows for discounts when the customer proposes a full and final settlement of their account. The following is extended to all customer groups:

- 100% write off of interest charged on arrears.
- 100% write off of all penalties charged on the account.
- 10-30% discount on rates, refuse removal and sanitation fees in arrears as per approval by the MM.

DID YOU KNOW?

You get early payment discount of 10% every time you pay your account in full.

In a cycle of 12 months, the early payment discount equals one-month's account bill, and that saves you cash in the bank.

You can opt for the holding of 10 to 30% of your prepaid electricity purchases and have this paid towards your arrear debt, thus saving yourself time from having to make payment arrangements, SMSes reminding you of payment arrangement that is falling due and will save you from the risk of having your services disconnected.

The Municipality collects over R12 million in 3 days when services are lawfully disconnected due to non-payment. This money assists the Municipality in the providing of services and paying of essential service providers such as Eskom.

The Municipality is in arrears with its Eskom and Bulk Water Accounts as a result of non-payment by customers. We are facing a risk of Eskom lodging a dispute on the unpaid account and may be compelled to implement a stringent collection plan, which may include a total blackout of electricity supply.

TAKE CHARGE.
THIS IS YOUR MUNICIPALITY, IT NEEDS YOU.
PAY YOUR ACCOUNT FOR IT TO PROVIDE SERVICES.

The above exercise assists with collecting from our Household Customers.

The receipts for Government Departments, Parastatals and schools were R31 664 296.49 for the month of August 2024 for the month of as compared to the R27 752 820.78 for the month of July 2024.

GOVERNMENT DEBT	
DEPARTMENTS	RECEIPTS AUGUST 2024
NATIONAL PUBLIC WORKS	R2 999 623.00
PROVINCIAL PUBLIC WORKS	R570 222.05
DEPARTMENTS OF HEALTH	R6 905 305.12
SOCIAL DEVELOPMENT	R816 756.99
ECONOMIC DEV & TOURISM	R410 697.19
COGHSTA/ HOUSING	R231 478.96
OFFICE OF THE PREMIER	R3 601.00
PROVINCIAL LEGISLATURE	R121 146.93
CORRECTIONAL SERVICE	R2 360 614.23
NATIONAL DEFENCE FORCE	R7 653 633.54
AGRICULTURE	R66 091.93
EDUCATION	R565 669.03
SPORTS, ARTS & CULTURE	R55 893.84
TRANSPORT	R584 274.77
DE BEERS	R891 002.85
TELKOM	R972 269.85
TRANSNET	R2 378 543.26
ESKOM	R133 992.56
SAPS	R199 471.67
SCHOOLS	R3 744 007.72
TOTAL	R31 664 296.49

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which remained constant at 87% for the month under review. Debt over 90 days increased by R40,558 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R56,551 million. It is concerning that total debt over 90 days is hovering at an average of 87 percent. During the 2023/24 MTREF Budget Benchmark exercise NT also encouraged the municipality, to explore all avenues to recoup long outstanding debt, to improve on financial liquidity and to improve the collection rate to at least 89% to be realistically funded from a cash perspective.

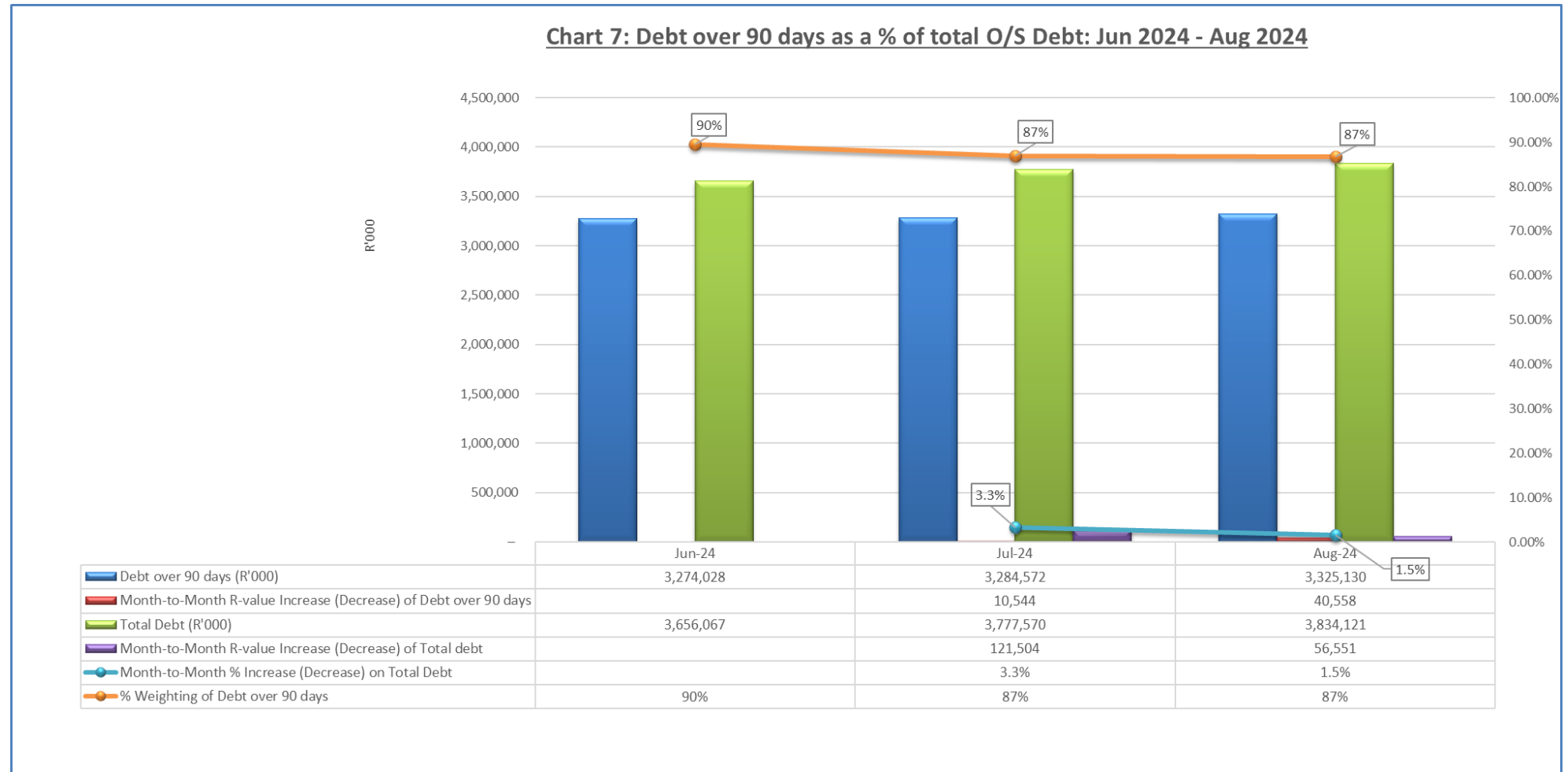


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2023/24. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for August 2024, this will have to confirmed with NT, if it 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.

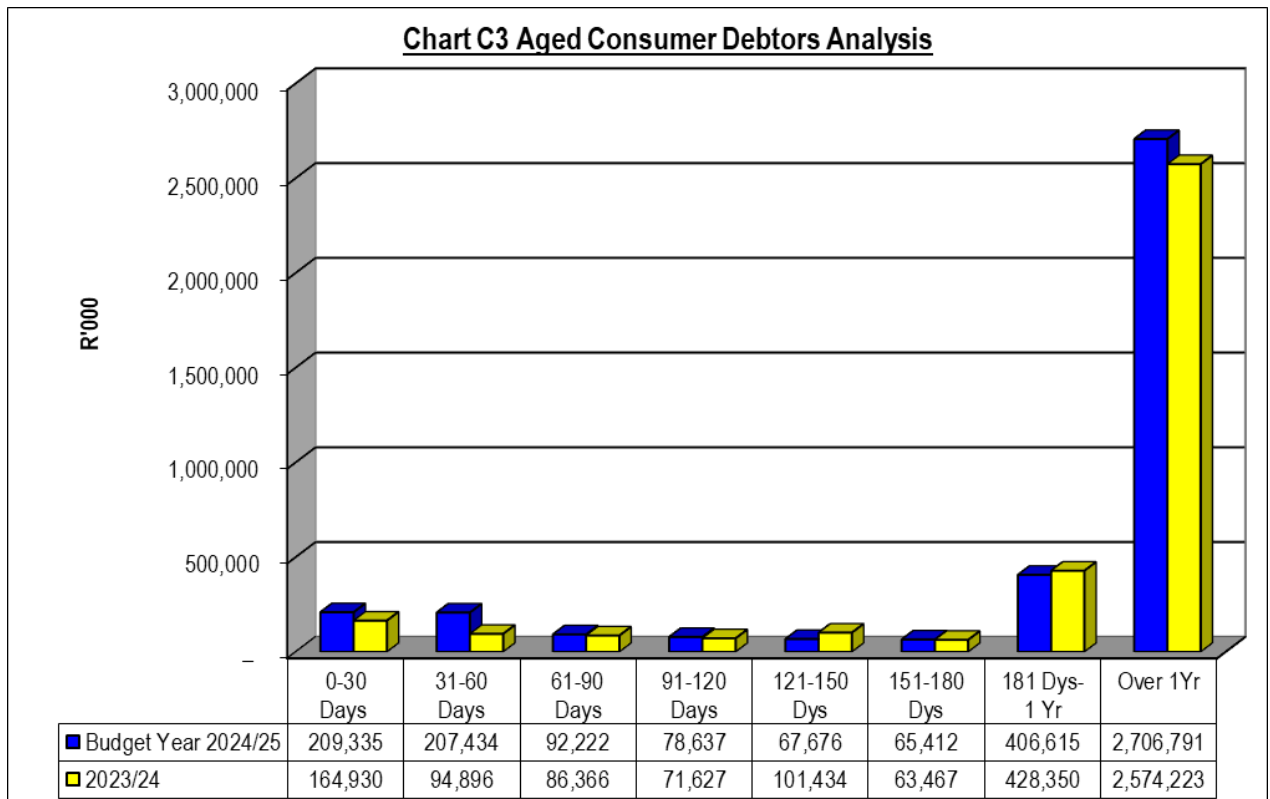


Chart 8: Aged Consumer Debtor Analysis

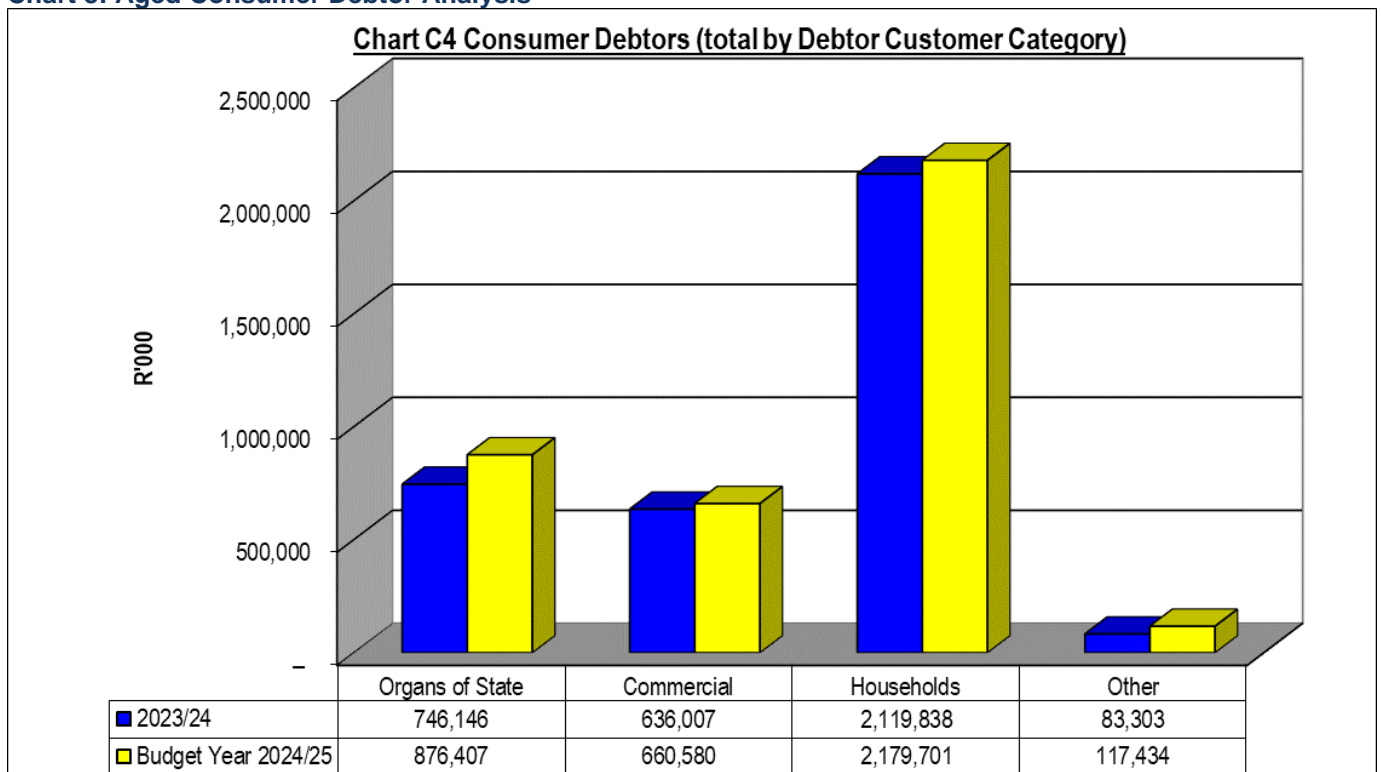


Chart 9: Consumer Debtors (total by Debtor Customer Category)

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

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 July 2024 and received in August 2024, the monthly collection rate is 44%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 43%. 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 not satisfactory for the month under review. Unallocated receipts amounted to R6,026 million and will be allocated during September 2024. Indicated in Table 10 below is the revised average collection rate of 57.6%, for Property rates and Service charges only. The average collection rate is distorted due to the annual billing on Property rates. When the annual billing is netted off, this results in a collection rate of 68%. The lower collection rate is not an ideal situation and is having a dire impact on the cash flow of the municipality. The current status quo cannot continue, and drastic action will have to be taken to address this critical issue.

When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 August to 31 August 2024. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September 2024 to settle their outstanding accounts.

Monthly Collection Rate	Debits (Billed July 2024)	Credits (Received August 2024)	% Collected
PROPERTY RATES	158,177,849	36,931,959	23%
ELECTRICITY	62,101,204	59,045,298	95%
WATER	24,409,258	11,210,764	46%
SEWERAGE	10,173,621	4,399,339	43%
REFUSE	8,113,927	3,745,020	46%
PROPERTY RATES	262,975,859	115,332,380	44%
OTHER	25,365,143	9,871,508	39%
TOTAL	288,341,001	125,203,888	43%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL AUGUST 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 208,491,538	R 67,816,813	32.5%
SERVICE CHARGE ELECTRICITY	R 130,505,911	R 104,772,836	80.3%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 61,892,415	R 61,892,415	100.0%
SERVICE CHARGE WATER	R 48,097,257	R 22,589,422	47.0%
SERVICE CHARGE SANITATION	R 19,117,233	R 7,702,441	40.3%
SERVICE CHARGE REFUSE	R 14,400,874	R 6,956,746	48.3%
UNALLOCATED CREDITS		R 6,026,331	
REVISED AVERAGE COLLECTION RATE - AUGUST 2024	R 482,505,229	R 277,757,003	57.6%
REVISED AVERAGE COLLECTION RATE - AUGUST 2024	482,505,228.55	277,757,002.96	57.6%
LESS ANNUAL BILLING ON PROPERTY RATES	R -107,769,980.08	-108,625.63	0.1%
INCLUDING OTHER	R 64,253,596	R 20,713,738	32.2%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER	R 438,988,844.22	R 298,362,114.95	68.0%

Table 10: Revised Average collection rate

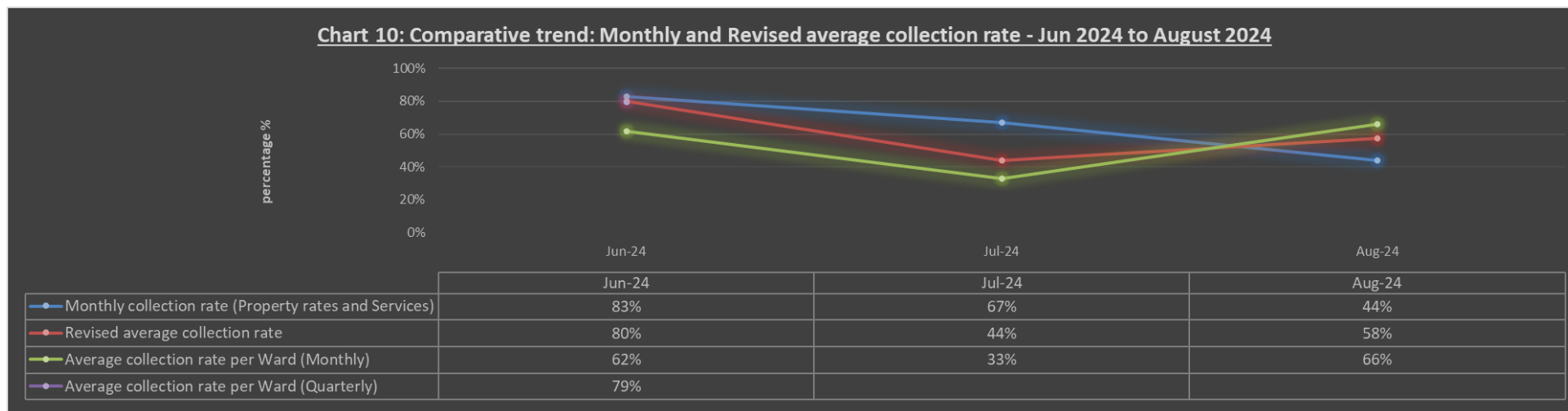


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2024 to August 2024. The monthly collection rate for August 2024 is not at a desired level at 44%. The revised average collection for August 2024, is distorted due to the annual billing on Property rates. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report the average collection rate per ward which includes receipts from Property Rates, Services and Interest, but excludes Prepaid Electricity sales. The monthly collection rate per ward was 66% for the month under review. It should be noted that an amount of R6,026 million was unallocated at month-end.

During the 2023/24 MTREF Benchmark engagement, NT advised that the municipality, “must make an effort to collect long outstanding debtors and strive to push collection rate beyond 89% so that we are able to make a surplus on the cash flow which will enable the municipality to cover all the proposed expenditures including bulk purchases for Eskom and Water Board. As things stand, if you look at the cash flow, it shows that the municipality will collect less revenue than the proposed expenditure, however, the budget on A8 remains funded because of huge outstanding debtors that the municipality is still anticipating to collect, hence our plea for the municipality to collect those long outstanding debtors not written off.”

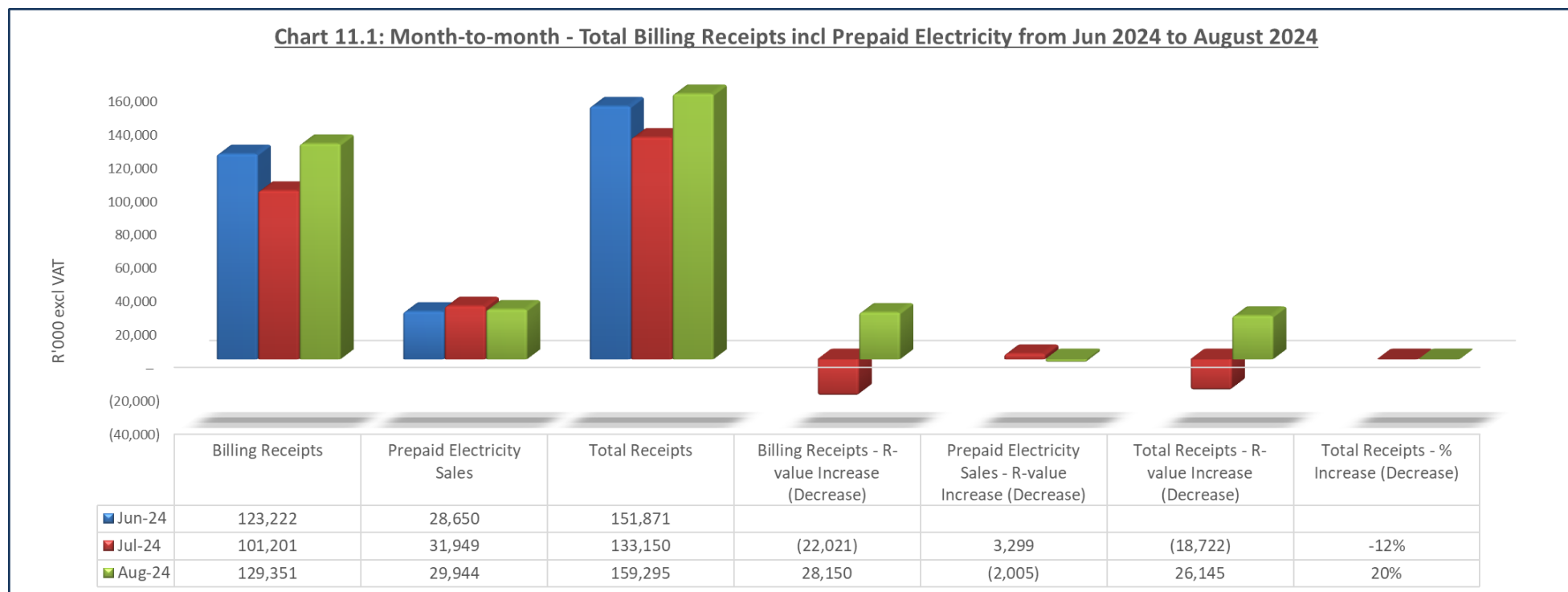


Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11.1 above, the Total Receipts amounted to R159,295 million which resulted in a increase of R26,145 million or 20% in respect of the month-to-month comparison. Billing receipts increased by R28,150 million, whilst Prepaid Electricity Sales decreased by R2,005 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 R6,026 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

Chart 11.2: Monthly billing receipts per revenue source & % contribution for - August 2024

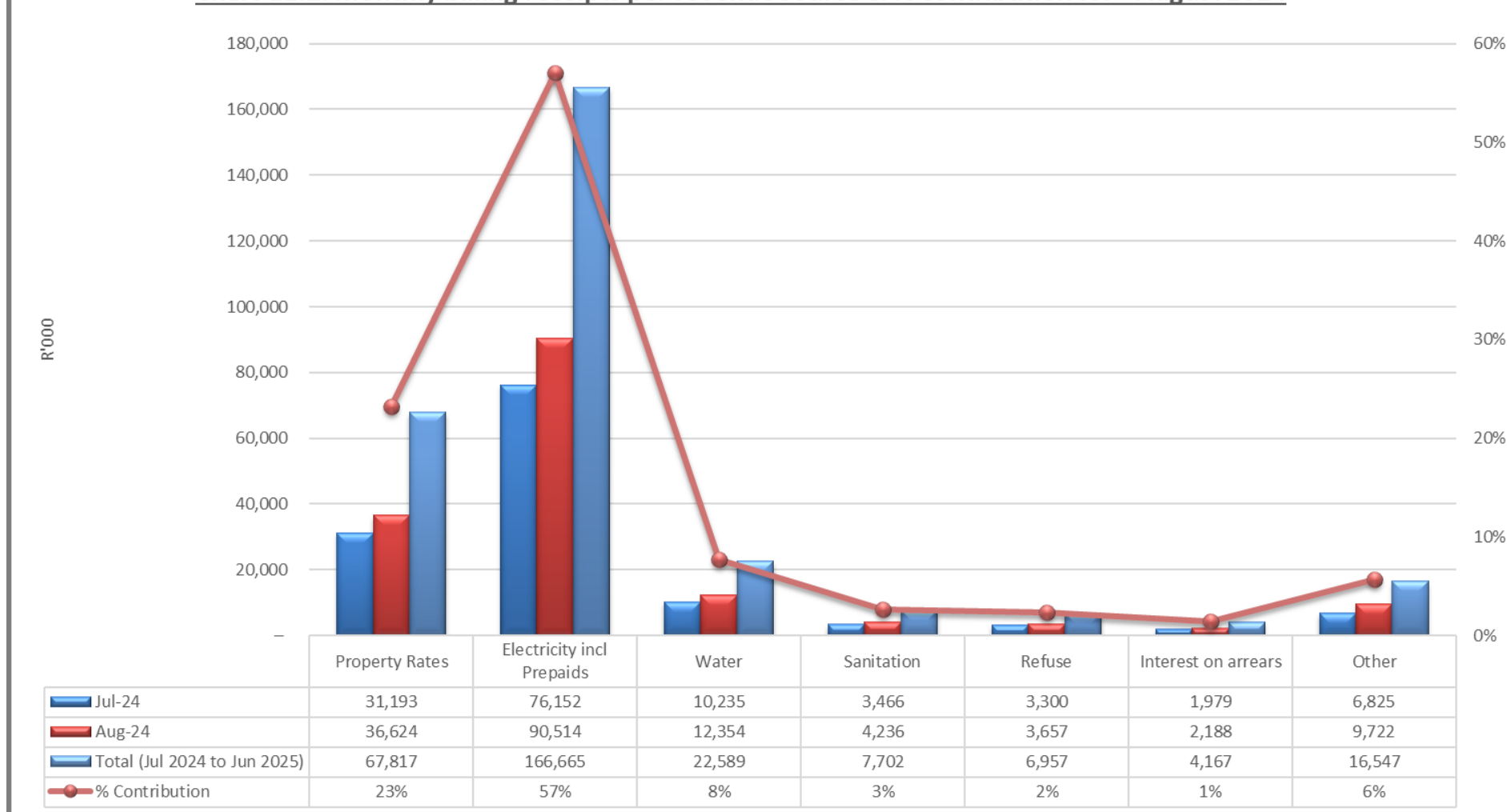


Chart 11.2: Monthly billing receipts per revenue source and % contribution

Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 August 2024. Receipts are relatively constant based on the month-to-month comparison. The actual cash collected remains a serious concern and positive results can be achieved, provided that the Credit Control and Debt Collection Policy is strictly, consistently, and fairly applied. Data from the above chart, indicates that Electricity incl Prepays at R166,665 million (57%) is the highest contributor, followed by Property rates at R67,817 million (23%) 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 8% and Other 6% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 3% 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:

- 100 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account August be written off if such account is settled in full prior to the next billing run of such account.
- 85 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account August be written off if such account is settled in full over a period of two consecutive months.
- 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account will be written off if such account is settled in full over a period of three consecutive months.”

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

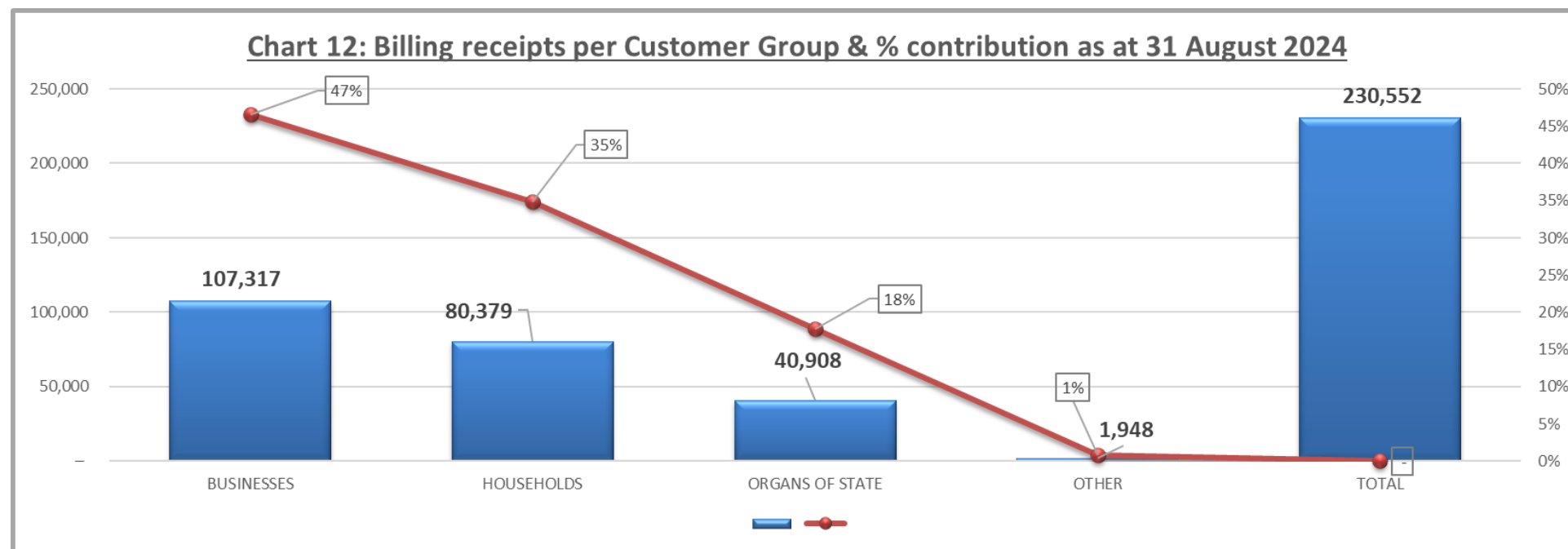


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 August 2024. The municipality received R107,317 million (47%) from Businessess, Households R80,379 million (35%), Organs of State R40,908 million (18%) and Other R1,948 million (1%).

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2024/25									Prior year
		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	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	127,601	67,465	1,739	3,178	1,739	3,338	32,716	834,332	1,072,109	1,003,796
Bulk Water	0200	16,698	–	–	–	–	–	–	54,656	71,355	124,536
PAYE deductions	0300	10,490	–	–	–	–	–	–	–	10,490	11,428
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500	8,149	–	–	–	–	–	–	–	8,149	8,338
Loan repayments	0600									–	
Trade Creditors	0700	9,558	13,579	1	–	–	–	–	–	23,138	12,575
Auditor General	0800	964	–	–	–	–	–	–	–	964	894
Other	0900	11,814	4,588	1,438	–	–	8,782	–	10,548	37,170	32,857
Medical Aid deductions		7,869	–	–	–	–	–	–	–	7,869	
Total By Customer Type	1000	193,143	85,632	3,178	3,178	1,739	12,120	32,716	899,537	1,231,243	1,194,424

Table 11: Supporting Table SC4: Aged Creditors

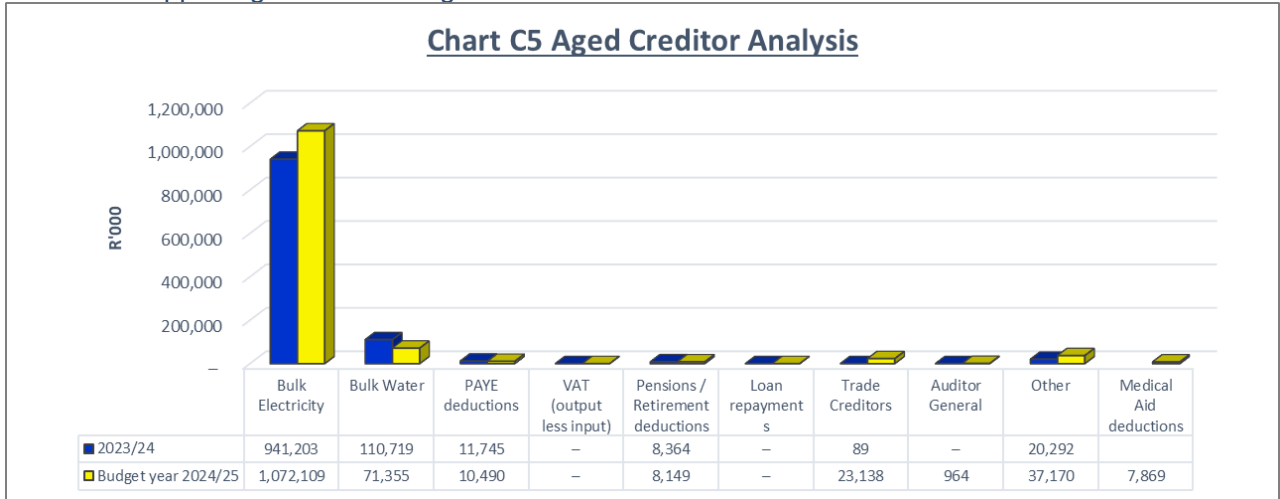


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2023/24 is based on the outstanding creditors as at 30 June 2024 (prior year totals for the same period).

Bulk Electricity – As at the 31 August 2024, the outstanding debt owed to ESKOM amounted to R1,072,109 billion. According to the August 2024 invoice, the outstanding balance is R929m, as a result of the Payment Arrangement (PA) that was loaded on the municipality's account. As per the Debt Relief approval, the municipality must honour the payment of the monthly current account. The municipality entered into a payment arrangement, concluded with ESKOM on 12 June 2024, for the debt that accumulated after March 2023, amounting to R163m.

Bulk Water – As at the 31 August 2024, the outstanding debt owed to DWS amounted R71,355 million. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months and the municipality is participating in the Incentive scheme that the Department is providing to municipalities. All invoices for 2022/23 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before seventh of the new month.

VAT – after the monthly VAT reconciliation, we claimed an amount of R12,871 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 R964 thousand.

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

Medical Aid deductions – an amount of R7,869 million for medical aid contributions was payable on or before 7 September 2024.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 August 2024, the value of total investments made was R170,030 million including interest. Partially or prematurely withdrawn investments amounted to R51,346 million. No Investment top-up was made. The current status quo does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom and DWS and even other creditors. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the investments are committed and/or held for the following reasons:

Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	22,629
• 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.	118,071
• Own funds invested - Ring-fenced Eskom income	21,929
Total	170,030

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		30,000	219	(25,219)	–	5,000
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		110,000	699	(699)	–	110,000
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	56	(56)	–	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	50,000	372	(25,372)	–	25,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	22,450	178	–	–	22,629
Municipality sub-total										219,851	1,525	(51,346)	–	170,030

Table 12: Supporting Table SC5: Investment portfolio

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

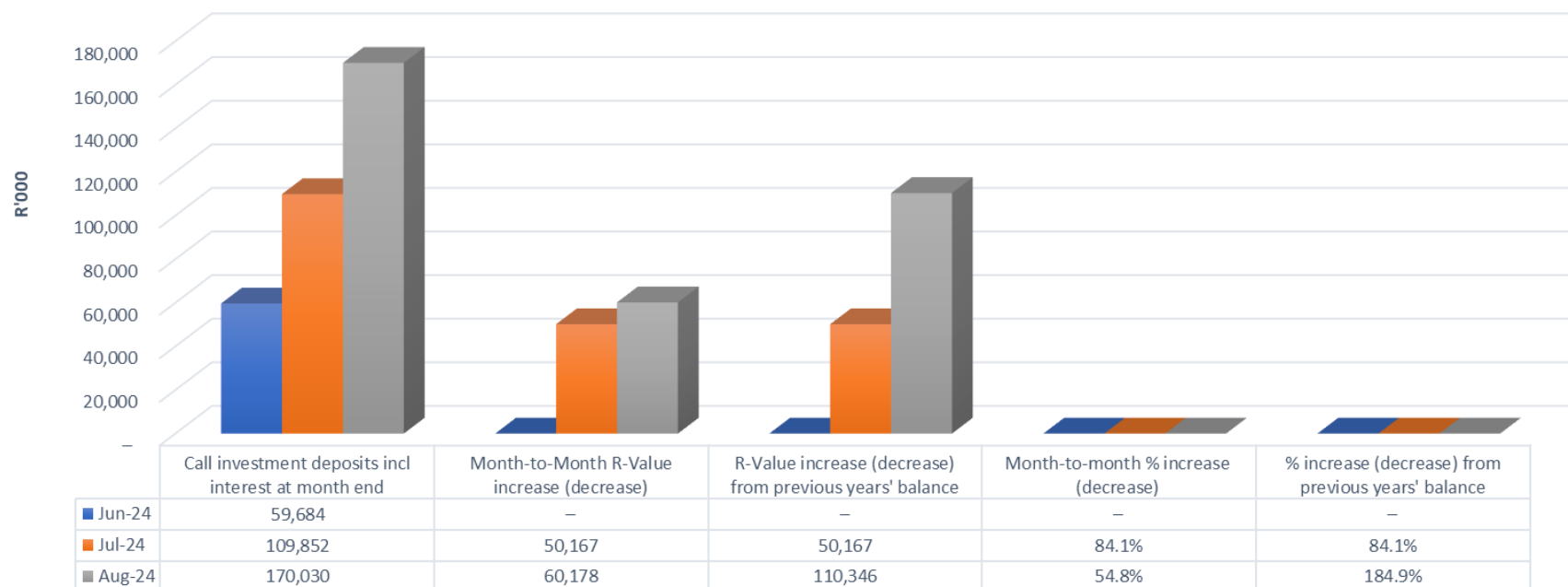


Chart 14: Call investment deposits at month-end

As indicated in the Chart 5 above from June to August 2024 investments incl interest increased by R60,178 or 54,8%, in respect of the month-to-month comparison. Investments increased by R110,346 million or 184.9% when compared to the previous years' balance of R59,684 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments, in December and July of each year. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

9. Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		271,713	290,671	290,671	–	117,543	48,445	69,098	142.6%	290,671
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		263,135	282,104	282,104	–	117,543	47,017	70,526	150.0%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	–	–	378	(378)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	–	–	750	(750)	-100.0%	4,500
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant	3	1,700	1,800	1,800	–	–	300	(300)	-100.0%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		14,787	8,600	8,600	–	–	1,433	(1,433)	-100.0%	8,600
Capacity Building and Other Grants		8,979	8,600	8,600	–	–	1,433	(1,433)	-100.0%	8,600
Infrastructure Grant		5,808	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		3,380	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Higher Education SA (HESA)		–	–	–	–	–	–	–	–	–
Unspecified		3,380	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	289,880	299,271	299,271	–	117,543	49,878	67,665	135.7%	299,271
Capital Transfers and Grants										
National Government:		133,753	572,229	572,229	–	–	95,371	(95,371)	-100.0%	572,229
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	–	–	833	(833)	-100.0%	5,000
Integrated National Electrification Programme Grant		24,358	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		63,395	75,229	75,229	–	–	12,538	(12,538)	-100.0%	75,229
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	–	–	82,000	(82,000)	-100.0%	492,000
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Infrastructure Grant		–	–	–	–	–	–	–	–	–
District Municipality:		6,437	–	–	–	–	–	–	–	–
Specify (Add grant description)		6,437	–	–	–	–	–	–	–	–
Other grant providers:		18,850	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
European Union		18,850	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	159,040	572,229	572,229	–	–	95,371	(95,371)	-100.0%	572,229
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	448,920	871,500	871,500	–	117,543	145,250	(27,707)	-19.1%	871,500

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

EPWP – R566 thousand

FMG – R1,800 million

Capital grant monies received for the month under review.

RBIG – R110,000 million

EEDSM – R1,200 million

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

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August										
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:		238,791	229,671	229,671	9,416	17,245	38,279	(21,034)	-54.9%	229,671
Equitable Share		229,889	221,104	221,104	9,060	16,524	36,851	(20,327)	-55.2%	221,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,267	–	–	378	(378)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	312	632	750	(118)	-15.7%	4,500
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		1,700	1,800	1,800	44	89	300	(211)	-70.5%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		9,852	8,600	11,100	127	177	1,850	(1,673)	-90.4%	11,100
Capacity Building and Other Grants		7,625	8,600	8,600	70	100	1,433	(1,334)	-93.1%	8,600
Infrastructure Grant		2,227	–	2,500	57	78	417	(339)	-81.4%	2,500
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		248,642	238,271	240,771	9,543	17,422	40,129	(22,707)	-56.6%	240,771
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	572,229	23,549	23,804	95,372	(71,567)	-75.0%	572,229
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	–	–	833	(833)	-100.0%	5,000
Integrated National Electrification Programme Grant		21,181	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		57,349	75,229	75,229	3,587	3,842	12,538	(8,696)	-69.4%	75,229
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	19,962	19,962	82,000	(62,038)	-75.7%	492,000
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		6,000	–	–	–	–	–	–	–	–
Specify (Add grant description)		6,000	–	–	–	–	–	–	–	–
Other grant providers:		17,073	–	–	–	–	–	–	–	–
European Union		17,073	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		147,356	572,229	572,229	23,549	23,804	95,372	(71,567)	-75.0%	572,229
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		395,998	810,500	813,000	33,093	41,226	135,500	(94,274)	-69.6%	813,000

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 R4,208 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted Original allocation for the EPWP is R2,267 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	3,587	3,842	16,824	5.1%	5.1%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	-	-	-	0.0%	0.0%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	19,962	19,962	-	4.1%	-
Grand Total	572,229	572,229	23,549	23,804	16,824	4.2%	4.2%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R23,804 million on or 4.2% spent against the Original capital grant allocation of R572,229 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

The rollover request for the 2023/24 financial year was submitted to National Treasury. The municipality is awaiting the outcome.

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 - M02 August										
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	-	-	88	177	-	177	#DIV/0!	-
Medical Aid Contributions		536	-	-	54	108	-	108	#DIV/0!	-
Motor Vehicle Allowance								-		
Cellphone Allowance		2,997	3,055	3,055	255	510	509	0	0%	3,055
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		29,271	34,021	34,021	2,408	4,819	5,670	(851)	-15%	34,021
Sub Total - Councillors		33,869	37,077	37,077	2,805	5,614	6,179	(565)	-9%	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	440	978	1,465	(487)	-33%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	80	219	(139)	-63%	1,316
Medical Aid Contributions		192	117	117	15	31	20	11	57%	117
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance		1,065	2,005	2,005	87	174	334	(161)	-48%	2,005
Cellphone Allowance		101	198	198	8	17	33	(16)	-49%	198
Housing Allowances		22	9	9	2	4	2	2	128%	9
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards		14	15	15	1	2	2	(0)	-5%	15
Post-retirement benefit obligations								-		
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
Sub Total - Senior Managers of Municipality		6,769	12,452	12,452	586	1,285	2,075	(790)	-38%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages		460,448	509,499	508,947	36,802	74,456	84,851	(10,394)	-12%	508,947
Pension and UIF Contributions		83,850	96,851	96,851	6,787	13,601	16,142	(2,541)	-16%	96,851
Medical Aid Contributions		54,500	63,693	63,693	4,945	9,620	10,616	(996)	-9%	63,693
Overtime		90,602	53,982	53,982	839	7,019	8,997	(1,978)	-22%	53,982
Performance Bonus		30,591	38,317	38,317	1,585	2,598	6,386	(3,788)	-59%	38,317
Motor Vehicle Allowance		43,767	51,151	51,151	3,511	7,086	8,525	(1,439)	-17%	51,151
Cellphone Allowance		1,631	1,551	1,551	133	268	259	9	4%	1,551
Housing Allowances		2,856	2,887	2,887	218	437	481	(44)	-9%	2,887
Other benefits and allowances		38,029	26,598	27,150	2,651	5,322	4,499	823	18%	27,150
Payments in lieu of leave		7,128	20,000	20,000	722	1,526	3,333	(1,807)	-54%	20,000
Long service awards		30,958	29,981	29,981	2,441	4,932	4,997	(65)	-1%	29,981
Post-retirement benefit obligations		43,162	43,900	43,900	687	1,333	7,317	(5,984)	-82%	43,900
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
Sub Total - Other Municipal Staff		887,522	938,410	938,410	61,322	128,197	156,402	(28,205)	-18%	938,410
% increase	4		5.7%	5.7%						5.7%
Total Parent Municipality		928,160	987,939	987,939	64,713	135,097	164,657	(29,561)	-18%	987,939
TOTAL SALARY, ALLOWANCES & BENEFITS		928,160	987,939	987,939	64,713	135,097	164,657	(29,561)	-18%	987,939
% increase	4		6.4%	6.4%						6.4%
TOTAL MANAGERS AND STAFF		894,291	950,863	950,863	61,907	129,483	158,478	(28,995)	-18%	950,863

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is satisfactory and showing a variance of minus 18%. 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 9% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is not yet issued.

Management needs to do more to address the issues on Overtime which is higher than the ideal IYM percentage and is overspent for the year under review. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime. The Overtime controls are not effective and the desired outcome to remain within budget, was not achieved for 2023/24 financial year. The same trend is transpiring for the current year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. The historic contract appointments and continuous appointment of contract workers is negatively affecting the salary expenditure and hampering the municipality's ability to fill vacancies as contract workers are being funded by budgeted vacancies. The moratorium placed on recruitment should curb this going forward. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours were limited to 30 hours per month within most departments, but this control has since been revised to 40 hours, hopefully this will have a positive impact on the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

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

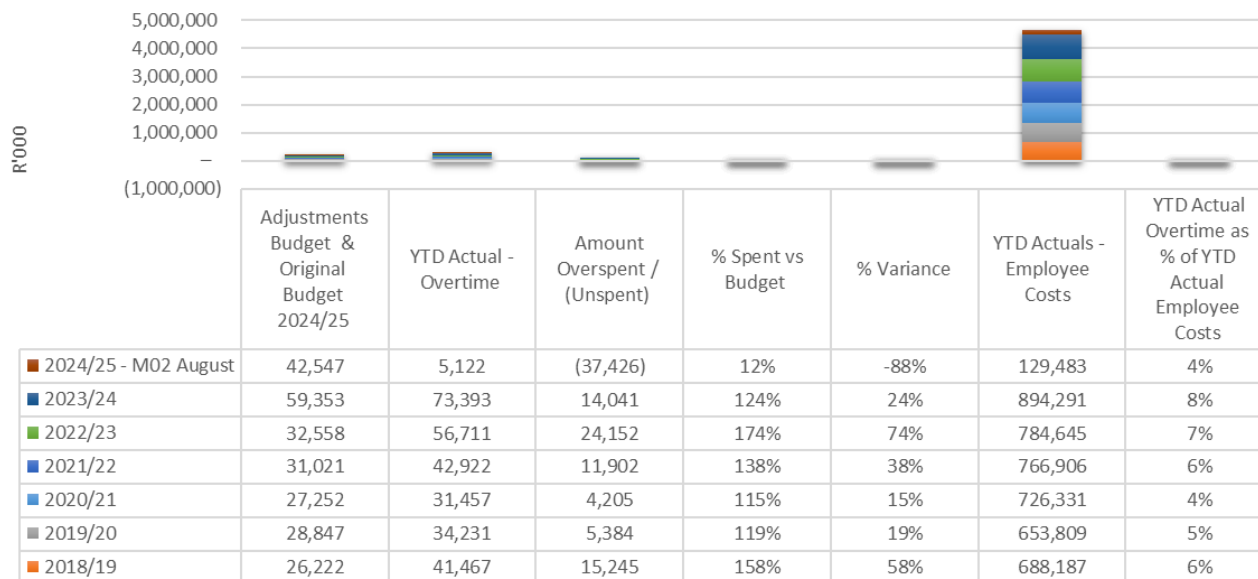
Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget
MS: OVERTIME - NON STRUCTURED	33,762,000	-339,965	4,784,822	14%
MS: OVERTIME - STRUCTURED	8,785,180	161,729	336,808	4%
Overtime as at 31 M02 August	42,547,180	-178,236	5,121,630	12%
Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget
20-EXECUTIVE AND COUNCIL	330,000	60,126	82,390	25%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	-	-	
23-CORPORATE SERVICES	1,937,000	117,731	369,237	19%
24-COMMUNITY SERVICES	17,190,180	-166,297	1,389,540	8%
26-FINANCIAL SERVICES	1,021,000	-182,864	390,587	38%
27-STRATEGY, ECONOMIC DEVELOPMENT & P	877,000	-691	128,390	15%
28-INFRASTRUCTURE SERVICES	21,192,000	-6,241	2,761,487	13%
Overtime as at 31 M02 August	42,547,180	-178,236	5,121,630	12%

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 12% spent versus the Original budget, resulting in a satisfactory variance of 4.6% for the period under review, when compared to the ideal IYM percentage of 16.67%. The negative movement for August 2024 is as a result of the Overtime for June 2024 that was paid in July 2024 which was journalised to the prior financial during August 2024.

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

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



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

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from July 2018 to July 2024. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, controls to curb Overtime is no longer in effect and the YTD actual for 2023/24 financial year was R73,393 million. A 40-hour cap on Overtime has been instituted across all sections.

Chart 14.1: Overtime Actual vs Budget

Chart 14.2: Monthly and Annual Overtime Comparison - Jul 2018 to Aug 2024

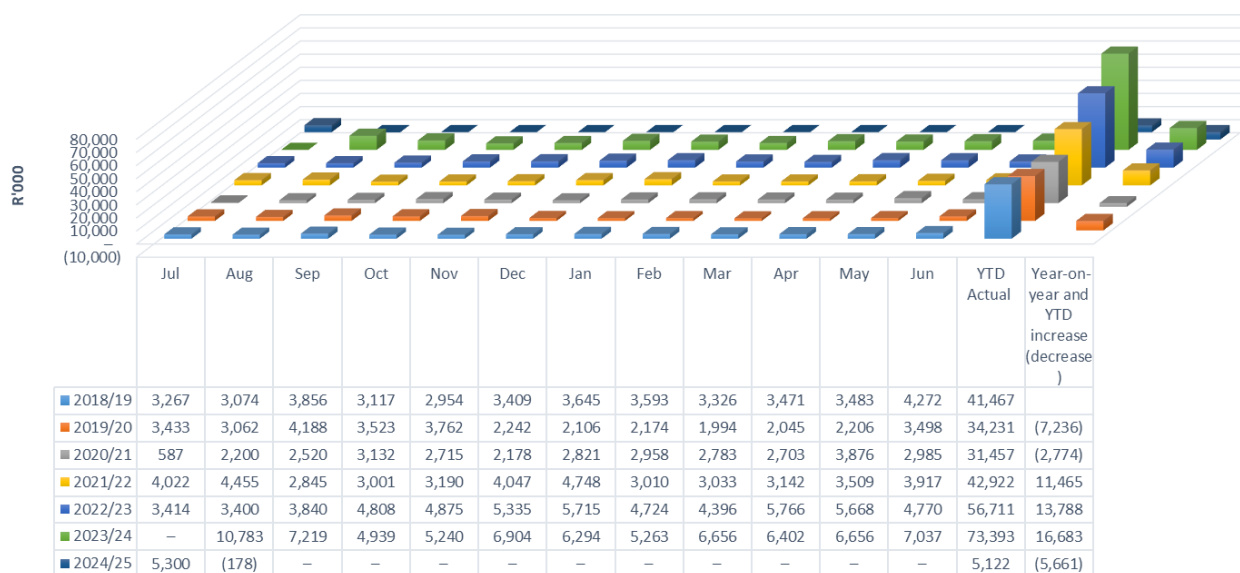


Chart 14.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

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

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

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

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

Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 30 September 2024.

12. Capital programme performance

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

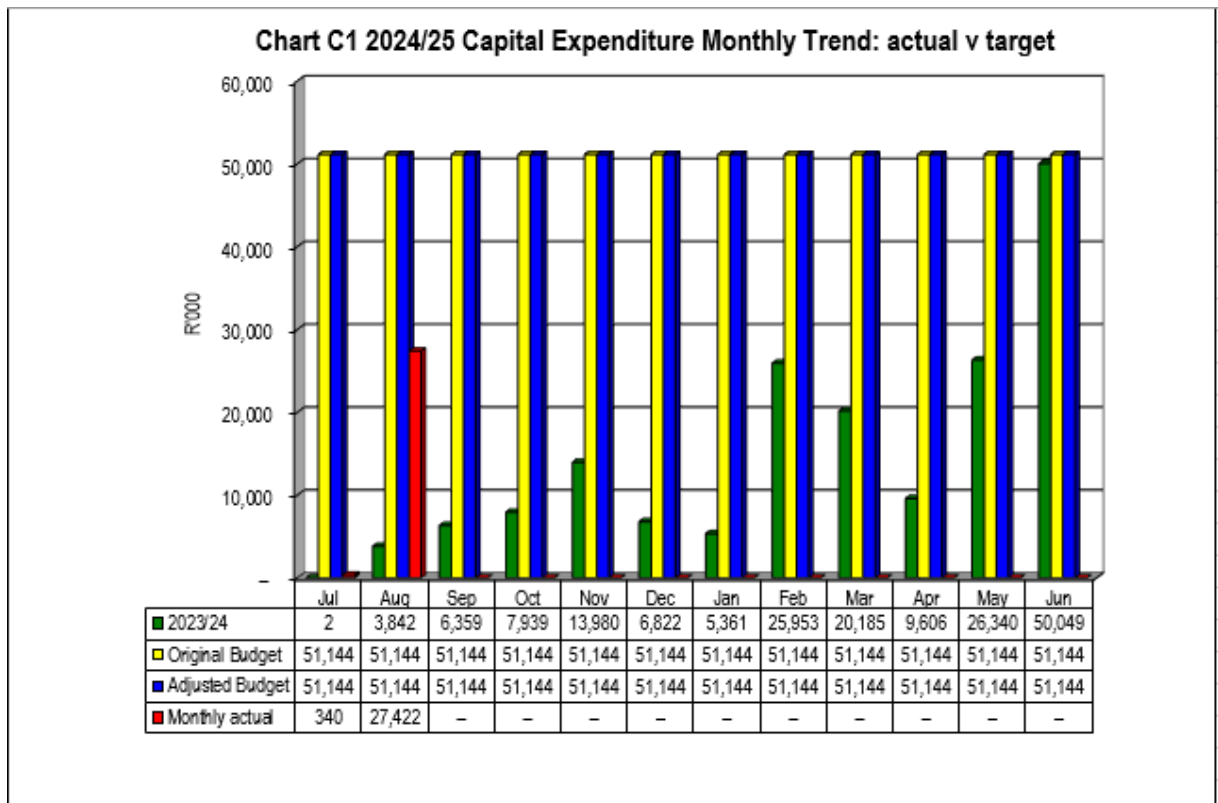


Chart 15: Capital Expenditure Monthly Trend: actual v target

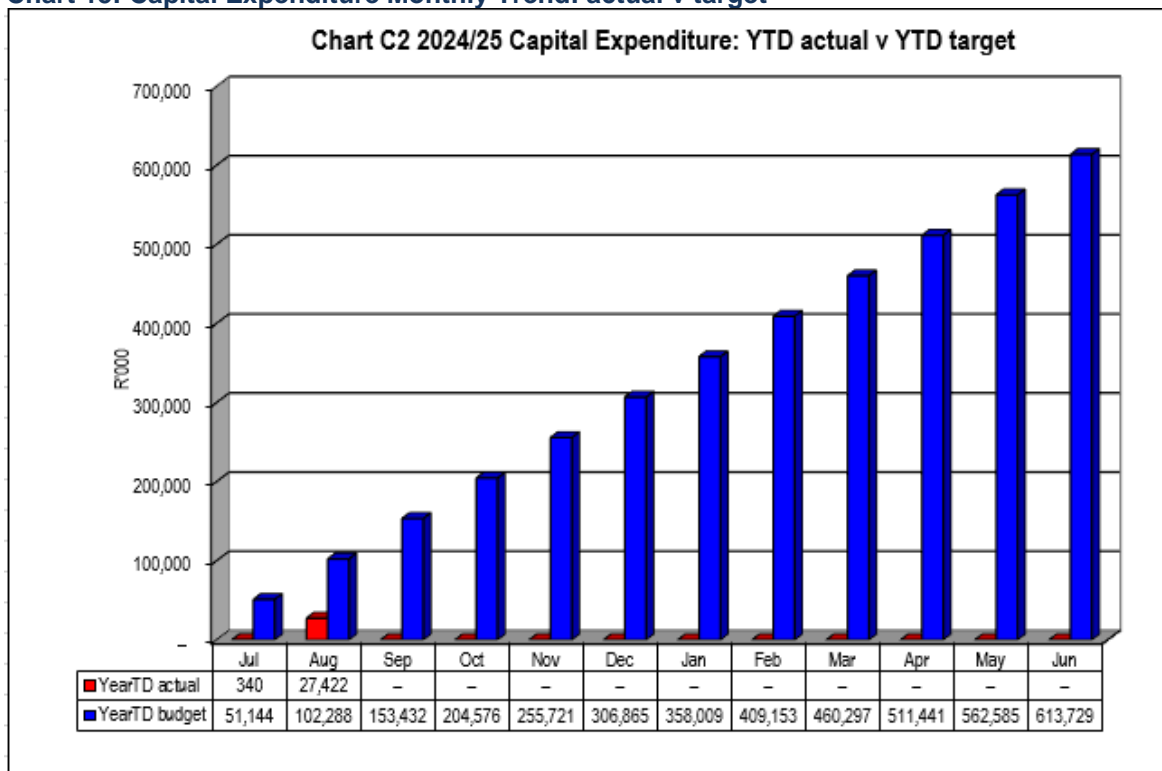


Chart 16: Capital Expenditure: YTD actual vs YTD target

Per project per funding source							
Projects per funding source (R'000)	Sum of Original Budget	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of Commitment	Sum of % Original Budget	Sum of % Adjusted Budget
INTERNALLY GENERATED FUNDS	41,500	41,500	3,873	3,958	53	9.54%	9.54%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	–	85	53	1.90%	1.90%
ACQ-FLEET REPLACEMENT	3,000	3,000	–	–	–	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	500	500	–	–	–	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	–	–	–	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	500	500	–	–	–	0.00%	0.00%
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	20,466	3,825	3,825	–	18.69%	18.69%
MR LEAK AND SLEAK DATA SYSTEM	484	484	48	48	–	9.85%	9.85%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811	811	–	–	–	0.00%	
PHDA PLANNING & SURVEYING	2,000	2,000	–	–	–	0.00%	0.00%
PIPE CONDITION ASSESS AND CATHOD PROTECT	479	479	–	–	–	0.00%	0.00%
RITCHIE SUBZONE SMART METER INSTALL	1,417	1,417	–	–	–	0.00%	0.00%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	2,000	–	–	–	0.00%	0.00%
RUFURBISHMENT OF THE VINTAGE TRAM	1,500	1,500	–	–	–	0.00%	0.00%
PLANNING & DEVELOPMENT	1,500	1,500	–	–	–	0.00%	0.00%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	1,342	1,342	–	–	–	0.00%	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	3,587	3,842	16,824	5.11%	5.11%
P-CIER RDS ROADS	17,500	17,500	3,113	3,113	10,219	17.79%	17.79%
PROJECT MANAGEMENT	2,349	2,349	–	–	20	0.00%	0.00%
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	17,500	423	678	1,010	3.87%	3.87%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	3,500	–	–	–		
SPECIALISED FLEET REPLACEMENT	5,000	5,000	–	–	3,139	0.00%	0.00%
P-CNIN COM F FIRE/AMBUL	1,500	1,500	–	–	–	0.00%	0.00%
UPGRADING OF SWIMMING POOLS	6,000	6,000	–	–	–	0.00%	0.00%
ABLUTIONS KENILWORTH&PHUTANANG CEMETERY	2,000	2,000	–	–	–	0.00%	0.00%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	–	–	1,440	0.00%	0.00%
REFURBISHMENT OF HALLS	5,000	5,000	–	–	514	0.00%	0.00%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,670	51	51	222	0.67%	0.67%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	–	–	261	0.00%	0.00%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	–	–	–	0.00%	0.00%
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	–	–	–	0.00%	0.00%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	19,962	19,962	–	4.06%	4.06%
EAST BYPASS REPLACE OF CORRODE10KM LINE	15,126	15,126	–	–	–	0.00%	
EASTERN BYPASS REPAIR COATING AND REFURB	11,521	11,521	–	–	–	0.00%	
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	17,026	1,040	1,040	–	6.11%	6.11%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	20,483	841	841	–	4.11%	4.11%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	29,346	2,046	2,046	–	6.97%	6.97%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	27,630	55	55	–	0.20%	0.20%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	39,640	7,106	7,106	–		17.93%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	7,531	630	630	–	8.37%	8.37%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	83,369	29	29	–	0.03%	0.03%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	16,173	910	910	–	5.63%	5.63%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	37,378	1,005	1,005	–	2.69%	2.69%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	27,828	1,166	1,166	–	4.19%	
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290	18,290	552	552	–	3.02%	3.02%
WEST BYPASS LEAK REPAIRS AND REFURBISH	10,574	10,574	–	–	–	0.00%	0.00%
WEST BYPASS REPLACE OF CORRODED SECTION	5,368	5,368	–	–	–	0.00%	
WTW OHS & SECURITY MANAGEMENT	9,230	9,230	316	316	–	3.42%	3.42%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	48,296	1,551	1,551	–		3.21%
SEC3 1200NEW STEEL MIDSTATION-NEWTON RES	67,191	67,191	2,715	2,715	–	4.04%	4.04%
Grand Total	613,729	613,729	27,422	27,762	16,877	4.52%	4.52%

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Original budget. The total capex is normally slow during the start of the financial year. Capital expenditure for August 2024 is has improved but still requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for August 2024 amounted to R27,422 million. The total YTD Capex amounts to R27,762 million. Please note that Commitments amounting to R16,877 million is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Spending on grants needs

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improvement. The percentage expenditure per funding source IUDG (5.11%), EEDSM (0%), RBIG (4.06%). Spending on Internally generated funds is also 9.54% 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 August 2024.

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

The municipality's self-assessment for the month of August 2024.

14. Conclusion

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

Communication

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

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

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

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

The following are the budget and other financial issues:

- New charges (basic and capacity charges) regarding electricity must be resolved by Council – huge financial loss (possible recovery plan is needed)
- Non-implementation of basic and capacity charges as approved by NERSA
- Water and Electricity losses
- Collection on arrear debtors and liquidity of the Municipality
- The municipality not meeting the average daily cash collection target
- Billing in general
- Arrear debt owed to ESKOM and Dept of Water & Sanitation (DWS)
- Defaulting on the high months and partial payments to ESKOM and DWS
- Non-adherence to the debt agreement with DWS and the payment arrangement with ESKOM
- Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
- National Treasury not approving our debt write-off, due to consistent non-compliance
- Notice of disconnection from ESKOM
- Risk of forfeiting our NERSA license and the serious implications this will have on the operations of the municipality
- Eskom taking further action in recovering outstanding debt
- Insufficient cash to pay salaries and creditors for goods and services rendered
- Capex funding from internally generated funds
- Capital expenditure and capital grant dependency.
- Stopping of conditional capital grants.

- Disapproval of rollover requests
 - The billed income of electricity and water in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.
 - The municipality is facing a huge financial crisis. If drastic measures are not taken immediately because the cash flow is on the verge of collapsing.
- Issues pertaining to Employee related costs, Overtime expenditure, Contract appointments and EPWP Expenditure
2. These are the mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget
- The ring-fencing of cash received for Electricity and Water is accounted for on a daily basis in compliance to MFMA Circular 124. This has enabled the municipality to settle the Eskom current account in full for at least 6 consecutive months.
- The municipality settled all invoices for 2023/24 financial year due to DWS.
- Strengthening the PMU to aid in the successful implementation of capital projects to address the poor performance on grants.
- Approved the Smart Meter Policy.
- Applied for the Smart Meter Grant, awaiting feedback from National Treasury.
- Approval has been granted to partake in the Smart meter transversal tender. The municipality budgeted R80,717 million for meters over the 2024/25 MTREF.
- Exploring the avenue of blacklisting defaulting consumers.
- Introducing automated payments through EasyPay solution.
- Focusing on the top 500 debtors on a monthly basis.
- COGTA assigned a designated person to assist the municipality with the Municipal Debt Relief monitoring and implementation.

15. Annexure A: C-schedules

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M02 August

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	50,336	208,492	114,553	93,938	82%	687,320
Service charges	1,331,093	1,611,046	1,611,046	136,209	274,014	268,508	5,506	2%	1,611,046
Investment revenue	16,116	9,000	9,000	1,383	(330)	1,500	(1,830)	-122%	9,000
Transfers and subsidies - Operational	289,880	299,271	299,271	—	117,543	49,878	67,665	0	299,271
Other own revenue	421,878	351,642	351,642	34,847	68,746	58,607	10,139	17%	—
Total Revenue (excluding capital transfers and contributions)	2,715,410	2,958,278	2,958,278	222,775	668,465	493,046	175,419	36%	2,958,278
Employee costs	894,291	950,863	950,863	61,907	129,483	158,478	(28,995)	-18%	950,863
Remuneration of Councillors	33,869	37,077	37,077	2,805	5,614	6,179	(565)	-9%	37,077
Depreciation and amortisation	76,441	89,700	89,700	—	—	14,950	(14,950)	-100%	89,700
Interest	32,187	17,774	17,774	1	1	2,962	(2,962)	-100%	17,774
Inventory consumed and bulk purchases	1,055,889	1,216,905	1,216,905	93,124	101,768	283,712	(181,943)	-64%	1,216,905
Transfers and subsidies	2,526	3,660	3,660	—	—	610	(610)	-100%	3,660
Other expenditure	612,656	612,526	612,526	28,594	34,273	102,088	(67,815)	-66%	612,526
Total Expenditure	2,707,860	2,928,505	2,928,505	186,431	271,139	568,980	(297,841)	-52%	2,928,505
Surplus/(Deficit)	7,550	29,774	29,774	36,344	397,326	(75,933)	473,259	-623%	29,774
Transfers and subsidies - capital (monetary)	159,040	572,229	572,229	—	—	95,371	###	-100%	572,229
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	166,590	602,003	602,003	36,344	397,326	19,438	377,888	1944%	602,003
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	166,590	602,003	602,003	36,344	397,326	19,438	377,888	1944%	602,003
Capital expenditure & funds sources									
Capital expenditure	176,438	613,729	613,729	27,422	27,762	102,288	(74,526)	-73%	613,729
Capital transfers recognised	147,356	572,229	572,229	23,549	23,804	95,372	(71,567)	-75%	572,229
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	29,082	41,500	41,500	3,873	3,958	6,917	(2,958)	-43%	41,500
Total sources of capital funds	176,438	613,729	613,729	27,422	27,762	102,288	(74,526)	-73%	613,729
Financial position									
Total current assets	2,664,713	2,491,688	2,491,688		2,944,375				2,491,688
Total non current assets	2,360,035	2,874,231	2,874,231		2,387,798				2,874,231
Total current liabilities	1,674,520	1,523,552	1,523,552		1,571,310				1,523,552
Total non current liabilities	450,028	410,208	410,208		450,028				410,208
Community wealth/Equity	2,900,200	3,432,159	3,432,159		3,297,526				3,432,159
Cash flows									
Net cash from (used) operating	137,865	598,846	598,846	29,526	45,553	99,808	54,255	54%	598,846
Net cash from (used) investing	(157,215)	(613,729)	(613,729)	(27,416)	(27,756)	(102,288)	(74,532)	73%	(613,729)
Net cash from (used) financing	(1,569)	(12,788)	(12,788)	23	51	(2,131)	(2,182)	102%	(12,788)
Cash/cash equivalents at the month/year end	(130,455)	(128,487)	(128,487)	131,573	131,573	(105,429)	(237,002)	225%	86,056
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	209,335	207,434	92,222	78,637	67,676	65,412	406,615	#####	3,834,121
Creditors Age Analysis									
Total Creditors	193,143	85,632	3,178	3,178	1,739	12,120	32,716	899,537	1,231,243

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

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>		1,257,809	1,689,473	1,689,473	63,535	348,230	281,579	66,651	24%	1,689,473
Executive and council		550,062	972,401	972,401	11,185	136,366	162,067	(25,701)	-16%	972,401
Finance and administration		707,747	717,072	717,072	52,349	211,864	119,512	92,352	77%	717,072
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		48,267	42,989	42,989	3,176	6,172	7,165	(993)	-14%	42,989
Community and social services		12,642	12,138	12,138	226	570	2,023	(1,453)	-72%	12,138
Sport and recreation		2,639	2,720	2,720	95	230	453	(223)	-49%	2,720
Public safety		276	540	540	346	375	90	285	317%	540
Housing		28,843	27,501	27,501	2,509	4,997	4,583	413	9%	27,501
Health		3,867	90	90	-	-	15	(15)	-100%	90
<i>Economic and environmental services</i>		37,710	18,976	18,976	719	4,635	3,163	1,472	47%	18,976
Planning and development		22,952	5,956	5,956	455	4,082	993	3,089	311%	5,956
Road transport		14,758	13,020	13,020	264	553	2,170	(1,617)	-75%	13,020
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		1,520,559	1,767,977	1,767,977	152,558	306,673	294,663	12,011	4%	1,767,977
Energy sources		952,872	1,164,299	1,164,299	101,133	204,863	194,050	10,813	6%	1,164,299
Water management		352,402	398,115	398,115	30,478	59,716	66,353	(6,637)	-10%	398,115
Waste water management		121,173	118,290	118,290	11,962	24,022	19,715	4,307	22%	118,290
Waste management		94,112	87,272	87,272	8,985	18,073	14,545	3,528	24%	87,272
<i>Other</i>	4	10,104	11,092	11,092	2,786	2,754	1,849	905	49%	11,092
Total Revenue - Functional	2	2,874,450	3,530,507	3,530,507	222,775	668,465	588,418	80,047	14%	3,530,507
Expenditure - Functional										
<i>Governance and administration</i>		735,809	755,594	755,594	43,988	78,484	125,933	(47,449)	-38%	755,594
Executive and council		471,647	477,043	477,043	24,219	38,023	79,507	(41,484)	-52%	477,043
Finance and administration		258,593	271,754	271,754	19,415	39,706	45,293	(5,587)	-12%	271,754
Internal audit		5,569	6,797	6,797	354	755	1,133	(378)	-33%	6,797
<i>Community and public safety</i>		201,954	207,313	207,313	14,587	28,923	34,553	(5,629)	-16%	207,313
Community and social services		48,586	49,027	49,027	3,404	6,846	8,171	(1,325)	-16%	49,027
Sport and recreation		66,863	63,043	63,043	4,993	9,488	10,507	(1,019)	-10%	63,043
Public safety		44,135	45,933	45,933	2,934	6,202	7,656	(1,454)	-19%	45,933
Housing		21,956	28,042	28,042	1,737	3,332	4,674	(1,342)	-29%	28,042
Health		20,412	21,267	21,267	1,520	3,055	3,545	(490)	-14%	21,267
<i>Economic and environmental services</i>		168,768	183,093	183,093	13,546	23,795	30,516	(6,720)	-22%	183,093
Planning and development		46,192	55,644	55,644	3,861	7,734	9,274	(1,540)	-17%	55,644
Road transport		121,706	126,551	126,551	9,615	15,923	21,092	(5,169)	-25%	126,551
Environmental protection		870	898	898	69	138	150	(12)	-8%	898
<i>Trading services</i>		1,577,315	1,753,665	1,753,665	112,620	136,567	373,172	(236,605)	-63%	1,753,665
Energy sources		1,010,864	1,151,651	1,151,651	83,950	91,042	272,836	(181,794)	-67%	1,151,651
Water management		365,230	395,412	395,412	17,862	23,256	65,902	(42,646)	-65%	395,412
Waste water management		122,085	119,433	119,433	6,117	12,358	19,906	(7,547)	-38%	119,433
Waste management		79,136	87,170	87,170	4,691	9,910	14,528	(4,618)	-32%	87,170
<i>Other</i>		24,014	28,839	28,839	1,690	3,370	4,807	(1,437)	-30%	28,839
Total Expenditure - Functional	3	2,707,860	2,928,505	2,928,505	186,431	271,139	568,980	(297,841)	-52%	2,928,505
Surplus/ (Deficit) for the year		166,590	602,003	602,003	36,344	397,326	19,438	377,888	19.44068	602,003

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

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		550,062	972,401	972,401	11,185	136,366	162,067	(25,701)	-15.9%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	399	403	1,027	(624)	-60.7%	6,161
Vote 05 - Community Services		134,820	124,361	124,361	11,087	21,867	20,727	1,140	5.5%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	51,896	211,354	118,352	93,002	78.6%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	2,054	4,742	1,395	3,347	240.0%	8,368
Vote 08 - Infrastructure And Services		1,456,193	1,709,105	1,709,105	146,154	293,733	284,851	8,882	3.1%	1,709,105
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,874,450	3,530,507	3,530,507	222,775	668,465	588,418	80,047	13.6%	3,530,507
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,615	60,855	60,855	4,864	9,731	10,143	(411)	-4.1%	60,855
Vote 02 - Municipal And General		396,076	403,603	403,603	17,863	25,864	67,267	(41,404)	-61.6%	403,603
Vote 03 - Municipal Manager		27,607	27,854	27,854	2,373	4,296	4,642	(346)	-7.5%	27,854
Vote 04 - Corporate Services		71,184	82,140	82,140	5,834	11,080	13,690	(2,610)	-19.1%	82,140
Vote 05 - Community Services		321,918	337,272	337,272	22,597	45,518	56,212	(10,695)	-19.0%	337,272
Vote 06 - Financial Services		137,078	166,217	166,217	10,174	21,400	27,703	(6,303)	-22.8%	166,217
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	67,813	4,169	8,333	11,302	(2,969)	-26.3%	67,813
Vote 08 - Infrastructure And Services		1,633,709	1,782,750	1,782,750	118,556	144,917	378,019	(233,103)	-61.7%	1,782,750
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,707,860	2,928,505	2,928,505	186,431	271,139	568,980	(297,841)	-52.3%	2,928,505
Surplus/ (Deficit) for the year	2	166,590	602,003	602,003	36,344	397,326	19,438	377,888	1944.1%	602,003

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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	94,939	192,398	183,200	9,198	5%	1,099,199
Service charges - Water		276,094	343,685	343,685	24,637	48,097	57,281	(9,184)	-16%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,497	19,117	15,982	3,136	20%	95,890
Service charges - Waste management		75,114	72,271	72,271	7,136	14,401	12,045	2,356	20%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	15,955	3,049	6,168	2,659	3,508	132%	15,955
Agency services		—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		258,041	120,030	120,030	13,210	26,004	20,005	5,999	30%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	1,383	(330)	1,500	(1,830)	-122%	9,000
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		28,851	27,740	27,740	2,524	5,031	4,623	407	9%	27,740
Licence and permits		670	1,200	1,200	67	128	200	(72)	-36%	1,200
Operational Revenue		3,202	3,773	3,773	238	454	629	(175)	-28%	3,773
Non-Exchange Revenue										
Property rates		656,442	687,320	687,320	50,336	208,492	114,553	93,938	82%	687,320
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		56,767	32,143	32,143	1,668	3,128	5,357	(2,230)	-42%	32,143
Licence and permits		6,500	8,000	8,000	1,150	2,027	1,333	693	52%	8,000
Transfers and subsidies - Operational		289,880	299,271	299,271	—	117,543	49,878	67,665	136%	299,271
Interest		—	91,900	91,900	7,929	15,808	15,317	492	3%	91,900
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		49,299	50,900	50,900	5,006	9,994	8,483	1,511	18%	50,900
Gains on disposal of Assets		19,223	—	—	6	6	—	6	#DIV/0!	—
Other Gains		(15,774)	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		2,715,410	2,958,278	2,958,278	222,775	668,465	493,046	175,419	36%	2,958,278
Expenditure By Type										
Employee related costs		894,291	950,863	950,863	61,907	129,483	158,478	(28,995)	-18%	950,863
Remuneration of councillors		33,869	37,077	37,077	2,805	5,614	6,179	(565)	-9%	37,077
Bulk purchases - electricity		787,457	897,300	897,300	70,320	70,320	230,444	(160,124)	-69%	897,300
Inventory consumed		268,432	319,605	319,605	22,804	31,448	53,268	(21,820)	-41%	319,605
Debt impairment		333,146	355,246	355,246	—	—	59,208	(59,208)	-100%	355,246
Depreciation and amortisation		76,441	89,700	89,700	—	—	14,950	(14,950)	-100%	89,700
Interest		32,187	17,774	17,774	1	1	2,962	(2,962)	-100%	17,774
Contracted services		51,343	40,731	40,731	5,502	5,610	6,789	(1,178)	-17%	40,731
Transfers and subsidies		2,526	3,660	3,660	—	—	610	(610)	-100%	3,660
Irrecoverable debts written off		—	—	—	0	1	—	1	#DIV/0!	—
Operational costs		138,466	151,549	151,549	23,091	28,662	25,259	3,404	13%	151,549
Losses on Disposal of Assets		1,022	—	—	—	—	—	—	—	—
Other Losses		88,679	65,000	65,000	—	—	10,833	(10,833)	-100%	65,000
Total Expenditure		2,707,860	2,928,505	2,928,505	186,431	271,139	568,980	(297,841)	-52%	2,928,505
Surplus/(Deficit)		7,550	29,774	29,774	36,344	397,326	(75,933)	473,259	(0)	29,774
Transfers and subsidies - capital (monetary allocations)		159,040	572,229	572,229	—	—	95,371	(95,371)	(0)	572,229
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		166,590	602,003	602,003	36,344	397,326	19,438	377,888	0	602,003
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		166,590	602,003	602,003	36,344	397,326	19,438	377,888	0	602,003
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		166,590	602,003	602,003	36,344	397,326	19,438	377,888	0	602,003
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		166,590	602,003	602,003	36,344	397,326	19,438	377,888	0	602,003

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

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	1,500	-	-	250	(250)	-100%	1,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	5,000	-	-	833	(833)	-100%	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	-	333	(333)	-100%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	533,450	22,997	23,252	88,908	(65,656)	-74%	533,450
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	541,950	22,997	23,252	90,325	(67,073)	-74%	541,950
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,646	23,000	23,000	-	85	3,833	(3,748)	-98%	23,000
Vote 03 - Municipal Manager		-	2,349	2,349	-	-	392	(392)	-100%	2,349
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	-	-	368	(368)	-100%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	3,000	-	-	500	(500)	-100%	3,000
Vote 08 - Infrastructure And Services		34,444	41,220	41,220	4,425	4,425	6,870	(2,445)	-36%	41,220
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	71,779	4,425	4,510	11,963	(7,453)	-62%	71,779
Total Capital Expenditure		176,438	613,729	613,729	27,422	27,762	102,288	(74,526)	-73%	613,729
Capital Expenditure - Functional Classification										
Governance and administration		12,646	24,500	24,500	-	85	4,083	(3,998)	-98%	24,500
Executive and council		12,646	24,500	24,500	-	85	4,083	(3,998)	-98%	24,500
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	7,210	7,210	-	-	1,202	(1,202)	-100%	7,210
Community and social services		-	5,000	5,000	-	-	833	(833)	-100%	5,000
Sport and recreation		-	2,210	2,210	-	-	368	(368)	-100%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,228	48,519	48,519	3,587	3,842	8,087	(4,244)	-52%	48,519
Planning and development		24,020	5,849	5,849	-	-	975	(975)	-100%	5,849
Road transport		45,208	42,670	42,670	3,587	3,842	7,112	(3,270)	-46%	42,670
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		94,564	532,000	532,000	23,835	23,835	88,667	(64,832)	-73%	532,000
Energy sources		27,354	6,000	6,000	-	-	1,000	(1,000)	-100%	6,000
Water management		62,534	517,500	517,500	23,835	23,835	86,250	(62,415)	-72%	517,500
Waste water management		4,676	8,500	8,500	-	-	1,417	(1,417)	-100%	8,500
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,500	1,500	-	-	250	(250)	-100%	1,500
Total Capital Expenditure - Functional Classification	3	176,438	613,729	613,729	27,422	27,762	102,288	(74,526)	-73%	613,729
Funded by:										
National Government		124,283	572,229	572,229	23,549	23,804	95,372	(71,567)	-75%	572,229
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		6,000	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private Enterprises,		-	-	-	-	-	-	-	-	-
Public Corporations, Higher Educ Institutions)		17,073	-	-	-	-	-	-	-	-
Transfers recognised - capital		147,356	572,229	572,229	23,549	23,804	95,372	(71,567)	-75%	572,229
Borrowing	6									
Internally generated funds		29,082	41,500	41,500	3,873	3,958	6,917	(2,958)	-43%	41,500
Total Capital Funding		176,438	613,729	613,729	27,422	27,762	102,288	(74,526)	-73%	613,729

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

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		113,726	73,147	73,147	104,429	73,147
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,274,325	1,554,680	1,274,325
Receivables from non-exchange transactions		860,075	927,844	927,844	989,895	927,844
Current portion of non-current receivables		–	–	–	–	–
Inventory		112,013	60,701	60,701	123,031	60,701
VAT		155,736	155,542	155,542	171,713	155,542
Other current assets		638	129	129	627	129
Total current assets		2,664,713	2,491,688	2,491,688	2,944,375	2,491,688
Non current assets						
Investments						
Investment property		201,266	221,645	221,645	201,266	221,645
Property, plant and equipment		2,100,106	2,625,801	2,625,801	2,127,868	2,625,801
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,571	13,571	12,071	13,571
Intangible assets		46,592	13,214	13,214	46,592	13,214
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2,360,035	2,874,231	2,874,231	2,387,798	2,874,231
TOTAL ASSETS		5,024,748	5,365,919	5,365,919	5,332,173	5,365,919
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(14,788)	(14,788)	–	(14,788)
Consumer deposits		48,699	49,570	49,570	49,117	49,570
Trade and other payables from exchange transactions		1,388,892	1,286,802	1,286,802	1,219,966	1,286,802
Trade and other payables from non-exchange transactions		4,057	–	–	32,891	–
Provision		788	788	788	788	788
VAT		232,084	201,179	201,179	268,548	201,179
Other current liabilities		–	–	–	–	–
Total current liabilities		1,674,520	1,523,552	1,523,552	1,571,310	1,523,552
Non current liabilities						
Financial liabilities		146,120	152,895	152,895	146,120	152,895
Provision		303,908	257,313	257,313	303,908	257,313
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		450,028	410,208	410,208	450,028	410,208
TOTAL LIABILITIES		2,124,548	1,933,760	1,933,760	2,021,338	1,933,760
NET ASSETS	2	2,900,200	3,432,159	3,432,159	3,310,835	3,432,159
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,825,396	3,368,093	3,368,093	3,222,722	3,368,093
Reserves and funds		74,804	64,066	64,066	74,804	64,066
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2,900,200	3,432,159	3,432,159	3,297,526	3,432,159

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		507,798	676,122	676,122	36,615	65,540	112,687	(47,147)	-42%	676,122
Service charges		1,185,680	1,513,446	1,513,446	117,288	213,863	252,241	(38,378)	-15%	1,513,446
Other revenue		605,571	92,337	92,337	136,334	331,264	15,389	315,875	2053%	92,337
Transfers and Subsidies - Operational		306,662	299,271	299,271	2,366	122,609	49,879	72,730	146%	299,271
Transfers and Subsidies - Capital		142,936	572,229	572,229	1,200	23,768	95,372	(71,604)	-75%	572,229
Interest		3,927	9,000	9,000	2,936	5,132	1,500	3,632	242%	9,000
Dividends								-		
Payments										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,545,784)	(267,213)	(718,743)	(424,297)	294,446	-69%	(2,545,784)
Interest		281	(17,774)	(17,774)	-	2,121	(2,962)	(5,083)	172%	(17,774)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		137,865	598,846	598,846	29,526	45,553	99,808	54,255	54%	598,846
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		19,223	-	-	6	6	-	6	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(176,438)	(613,729)	(613,729)	(27,422)	(27,762)	(102,288)	(74,526)	73%	(613,729)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(157,215)	(613,729)	(613,729)	(27,416)	(27,756)	(102,288)	(74,532)	73%	(613,729)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		(1,569)	2,000	2,000	23	51	333	(283)	-85%	2,000
Payments										
Repayment of borrowing		-	(14,788)	(14,788)	-	-	(2,465)	(2,465)	100%	(14,788)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,569)	(12,788)	(12,788)	23	51	(2,131)	(2,182)	102%	(12,788)
NET INCREASE/ (DECREASE) IN CASH HELD		(20,918)	(27,670)	(27,670)	2,133	17,847	(4,612)			(27,670)
Cash/cash equivalents at beginning:		(109,536)	(100,817)	(100,817)	129,441	113,726	(100,817)			113,726
Cash/cash equivalents at month/year end:		(130,455)	(128,487)	(128,487)	131,573	131,573	(105,429)			86,056


The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Original budget for 2024/25 financial year, by relooking at the mapping as advised by NT and BCX.

However, there are some errors that must be resolved so that the monthly and YTD actuals populate correctly. The Cash and Cash equivalents on C7 is slightly overstated.

As per C6, the Cash and cash equivalents is R104,429 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		Aug'24		
National Financial Year		2024/25		
Demarcation Code of Municipality being assessed				
District		Frances Baard		
Demarcation Description		Sol Plaatje		
<p>I, Batholomeus Matlala Municipal Manager of Sol Plaatje Local Municipality, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:</p>				
Municipal Debt Relief Conditions (Monthly reporting)				
<p>6.3 + Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption)</p>				
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>	Yes	The municipality settled R17,724 million in full, on the current account for July 2024 on 30 August 2024.
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://newuploadportal.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)? <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 accounts) up to the date of NT approval of the application.</i>	No	
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://uploadportal.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	
<p>6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)</p>				
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	2024/25 Adopted MTREF
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	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note – If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as "No".</i>	Yes	
11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note – If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	NA - the MTREF is funded	
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note – only if the municipality does not have an FRP may "N/A" be selected from the drop-down list.</i>	Na	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.)?	Yes	
14	6.5	- Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
<p>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:</p>				
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water or any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of water to the consumer.</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
		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.	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	- the "underperformance" directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection	not yet the end of a quarter
21	6.7.2.2	- the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
22	6.7.2.3	- the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed	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
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
	6.8	Municipality's Completeness of the revenue base –	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified?	Yes
		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	
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://guploadportal.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?	Yes
		Note - condition 6.9.2 has a system error and must refer to 6.9.1	
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?	No FRP
		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.	
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?	Yes
		Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate	
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
		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.	

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

PT: HOD/ NT / MM Name: BS Matlala

Signature of HOD/ NT/ MM: _____

Date: _____

****Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procurator 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 table below shows the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective date of 1 October 2023:

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/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			
1.July	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance			
2.August	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance		
3.September	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0%	Non Compliance	
4.October	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	56%	Non Compliance	
5.November	Sol Plaatje	NC091	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
6.December	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance	
7.January	Sol Plaatje	NC091	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
8.February	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance	
9.March	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance	
10.April	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance	
11.May	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	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.June	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance	

The municipality's performance, especially settling the current account for ESKOM and Water has improved. It is imperative that the non-compliance issues as raised by National Treasury is addressed as matter of urgency with a decisive implementation strategy and stringent monitoring thereof. Achieving 100% compliance is possible, provided that all responsible municipal officials are committed and work as a collective to achieve this. Revenue collection must remain a key focus point, whilst a tangible solution must be sought for the interrupting or restricting of water supply. 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.

16.3 The National Treasury Debt Relief Compliance Assessment

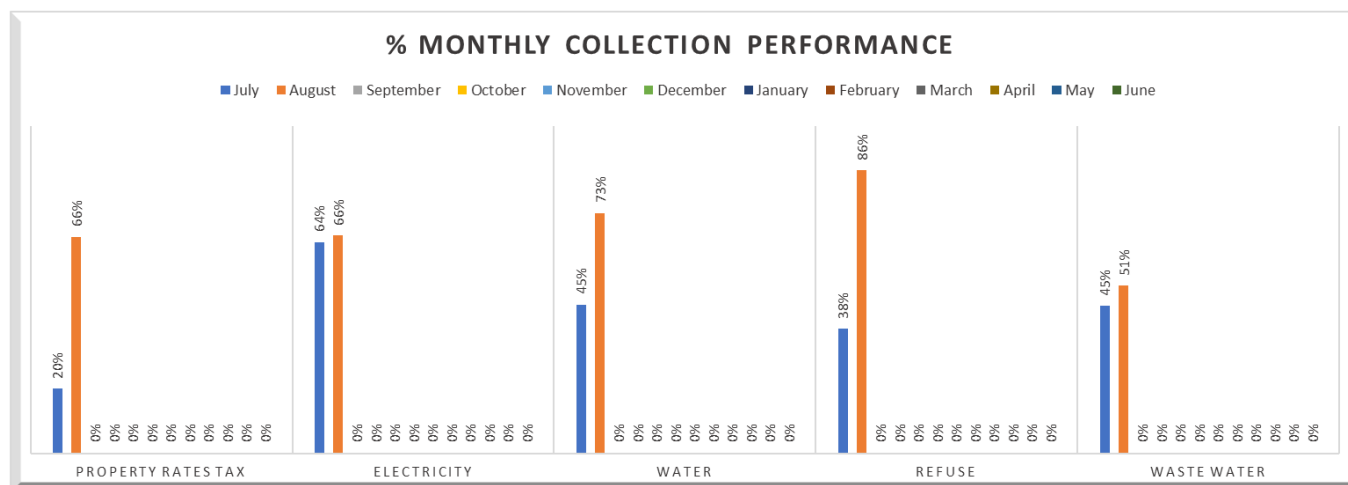
The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of July 2024 is attached to this S71 report.

Here are the specific recommendation for July 2024 according to the monitoring tool:

- Enhance Financial Oversight Mechanisms: Strengthen financial oversight by implementing more robust internal controls and conducting regular audits. This approach will ensure greater accountability and accuracy in financial reporting, thereby reducing the risk of discrepancies and non-compliance.
- Integrate Cost Reflective Tariff Tools: Incorporate cost reflective tariff tools into the financial planning process to align service tariffs with actual operational and maintenance costs. This integration will support financial sustainability and facilitate future infrastructure investments.
- Improve Debt Management Strategies: Develop and implement comprehensive debt management strategies that include clear guidelines for debt reduction, ongoing monitoring of debt levels, and proactive engagement with creditors to negotiate more favourable terms.
- Strengthen Revenue Collection: Enhance revenue collection by adopting advanced technological solutions for billing and collection, improving customer service, and regularly reviewing revenue streams to identify and address any gaps.
- Promote Transparency and Accountability: Foster transparency and accountability by consistently uploading all required financial documents and reports to relevant platforms, such as the GoMuni system. This practice will build trust with stakeholders and ensure compliance with National Treasury regulations.

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

16.4.1 Monthly / Quarterly collection per ward



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

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

Collection Rate Assessment																					
Aggregate Collection		Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q3	Summary - Quarter 4				Q4
		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation		466,968,854	213,859,688	253,109,166	46%	46%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI			
2.Collection <u>excl Eskom supplied areas</u>		398,670,354	187,381,164	211,289,190	47%	47%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI			
3.Collection: Property Rates		207,928,038	67,816,513	140,111,525	33%	33%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI			
4.Total average collection: Electricity (Municipal supplied areas)		138,741,991	104,814,095	33,927,897	76%	76%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI			
5.Total average collection: Water		46,738,226	22,623,423	24,114,803	48%	48%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI			
6.Total average collection: Wastewater		18,102,548	7,783,414	10,319,134	43%	43%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI			
7.Total average collection: Refuse		14,502,458	6,990,640	7,511,818	48%	48%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI			
8.Total average collection: Interest		40,955,993	3,831,603	37,123,390	9%	9%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI			

Description	Aug-24
Monthly collection rate (Property rates and Services)	44%
Revised average collection rate	58%
Average collection rate per Ward (Monthly)	66%
Average collection rate per Ward (Quarterly)	

The monthly collection rate per ward is a major concern and is not aligned to the average calculated by the municipality. There is a significant variance for August 2024 between the monthly collection rate and the collection rate per ward. This is attributable to the annual billing on Property rates.

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 was suggested that a record be kept of the number of meters blocked versus the number of consumers coming in. Please refer to section 6 pertaining to Revenue Management challenges.

Total Aggregate Collection		1.July - Reporting for June in July				2.August - Reporting for July in August			
		Billing For June	Collection in July	R - Billing not collected	% Collection	Billing For July	Collection in August	R - Billing not collected	% Collection
1.Collection for whole demarcation	Summary	286,098,547	94,375,817	191,722,730	33%	180,870,307	119,483,871	61,386,436	66%
2.Collection <u>excl Eskom supplied areas</u>		241,355,673	82,795,524	159,753,847	34%	157,314,681	104,585,641	56,547,576	66%
3.Collection: Property Rates		157,997,690	31,192,753	126,804,937	20%	49,930,348	36,623,760	13,306,588	73%
4.Total average collection: Electricity (Municipal supplied areas)		68,622,734	44,205,006	24,417,728	64%	70,119,257	60,609,089	9,510,168	86%
5.Total average collection: Water		22,547,339	10,238,860	12,308,479	45%	24,190,886	12,384,563	11,806,323	51%
6.Total average collection: Wastewater		9,130,932	3,469,463	5,661,469	38%	8,971,617	4,313,951	4,657,666	48%
7.Total average collection: Refuse		7,340,849	3,301,452	4,039,397	45%	7,161,609	3,689,188	3,472,421	52%
8. 7.Total average collection: Interest		20,459,002	1,968,283	18,490,719	10%	20,496,590	1,863,320	18,633,270	9%

Complete This Section			Quarter 1 Performance Per Ward																
Services	Electricity Supplier	Ward Name & Number	1.July				2.August				3.September				Billing	Collection	R - Billing not collected	% Collection	Q1
			Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection					
Property Rates Tax	Mun Supplied	Ward 1 - Platfontein, Sunset Manor, Legaeng/ Lethabo Park)	166,240	43,388	122,852	26%	137,561	88,279	49,281	64%			-	#DIV/0!	303,801	131,667	172,134	43%	43%
Electricity			2,731,910	1,187,756	1,544,154	43%	2,042,391	1,512,607	529,784	74%			-	#DIV/0!	4,774,301	2,700,363	2,073,938	57%	57%
Water			1,236,406	706,470	529,936	57%	1,215,280	518,946	696,334	43%			-	#DIV/0!	2,451,686	1,225,416	1,226,270	50%	50%
Refuse			98,775	33,445	65,330	34%	76,002	44,197	31,805	58%			-	#DIV/0!	174,776	77,641	97,135	44%	44%
Waste Water			97,219	50,675	46,544	52%	89,045	141,821	0	159%			-	#DIV/0!	186,264	192,496	(6,232)	103%	103%
Interest			537,859	13,094	524,766	2%	547,057	58,762	488,295	11%			-	#DIV/0!	1,084,917	71,855	1,013,061	7%	7%
Property Rates Tax	Mun Supplied	Ward 2 - Roodepan	3,078,699	378,782	2,699,917	12%	852,279	608,156	244,122	71%			-	#DIV/0!	3,930,978	986,938	2,944,039	25%	25%
Electricity			329,480	169,953	159,528	52%	462,290	350,590	111,700	76%			-	#DIV/0!	791,771	520,543	271,228	66%	66%
Water			655,199	170,214	484,984	26%	754,070	315,309	438,761	42%			-	#DIV/0!	1,409,269	485,523	923,746	34%	34%
Refuse			289,340	93,702	195,638	32%	229,623	147,693	81,930	64%			-	#DIV/0!	518,964	241,396	277,568	47%	47%
Waste Water			425,191	130,896	294,295	31%	333,727	212,129	121,598	64%			-	#DIV/0!	758,918	343,025	415,893	45%	45%
Interest			689,989	33,676	656,313	5%	441,653	39,593	402,060	9%			-	#DIV/0!	1,131,643	73,270	1,058,373	6%	6%
Property Rates Tax	Mun Supplied	Ward 3 - Homevale, Homelito, Homestead, Soli plaatje RE, Ramona	2,204,940	259,440	1,945,501	12%	637,656	219,593	418,063	34%			-	#DIV/0!	2,842,596	479,032	2,363,564	17%	17%
Electricity			179,868	109,756	70,112	61%	224,403	81,233	143,170	36%			-	#DIV/0!	404,272	190,989	213,282	47%	47%
Water			499,201	118,788	380,413	24%	643,917	120,318	523,599	19%			-	#DIV/0!	1,143,118	239,107	904,012	21%	21%
Refuse			162,878	71,925	90,953	44%	165,399	64,900	100,499	39%			-	#DIV/0!	328,277	136,825	191,452	42%	42%
Waste Water			232,739	95,570	137,168	41%	237,165	92,791	144,374	39%			-	#DIV/0!	469,904	188,361	281,542	40%	40%
Interest			439,058	19,477	419,581	4%	461,014	31,945	429,069	7%			-	#DIV/0!	900,072	51,423	848,650	6%	6%
Property Rates Tax	Mun Supplied	Ward 4 - Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg 9, Witdam	1,367,579	134,059	1,233,520	10%	408,521	163,074	245,447	40%			-	#DIV/0!	1,776,100	297,133	1,478,966	17%	17%
Electricity			655,761	205,643	450,118	31%	463,238	268,983	194,255	58%			-	#DIV/0!	1,118,999	474,626	644,373	42%	42%
Water			435,692	103,958	331,735	24%	547,484	122,632	424,852	22%			-	#DIV/0!	983,176	226,590	756,586	23%	23%
Refuse			143,243	53,520	89,723	37%	149,795	51,424	98,371	34%			-	#DIV/0!	293,038	104,944	188,095	36%	36%
Waste Water			204,978	79,872	125,106	39%	214,150	75,286	138,864	35%			-	#DIV/0!	419,128	155,157	263,971	37%	37%
Interest			359,338	15,407	343,931	4%	374,012	13,692	360,320	4%			-	#DIV/0!	733,350	29,098	704,251	4%	4%
Property Rates Tax	Mun Supplied	Ward 5 - Vergenoeg Ext 2, Redifile, Thusano	636,191	78,582	557,609	12%	261,090	88,353	172,737	34%			-	#DIV/0!	897,280	166,935	730,345	19%	19%
Electricity			52,757	29,826	22,931	57%	69,953	40,029	29,925	57%			-	#DIV/0!	122,711	69,855	52,856	57%	57%
Water			(235,760)	48,528	0	-21%	433,466	75,960	357,506	18%			-	#DIV/0!	197,706	124,487	73,219	63%	63%
Refuse			141,238	38,474	102,764	27%	133,098	41,659	91,439	31%			-	#DIV/0!	274,337	80,133	194,204	29%	29%
Waste Water			196,574	52,868	143,706	27%	185,389	56,833	128,556	31%			-	#DIV/0!	381,963	109,701	272,262	29%	29%
Interest			341,337	6,499	334,838	2%	334,960	8,016	326,945	2%			-	#DIV/0!	676,297	14,515	661,783	2%	2%
Property Rates Tax	Mun Supplied	Ward 6 - Vergenoeg Ext 10, Bokkhusong, Solli Legodi, Blikkies	179,370	40,284	139,086	22%	171,957	41,037	130,919	24%			-	#DIV/0!	351,327	81,322	270,005	23%	23%
Electricity			15,095	4,623	10,471	31%	17,800	17,809	0	100%			-	#DIV/0!	32,895	22,432	10,463	68%	68%
Water			513,973	36,803	477,169	7%	520,618	60,278	460,340	12%			-	#DIV/0!	1,034,591	97,082	937,509	9%	9%
Refuse			139,827	28,348	111,479	20%	137,499	34,630	102,869	25%			-	#DIV/0!	277,326	62,978	214,348	23%	23%
Waste Water			195,665	30,714	164,951	16%	192,418	42,744	149,674	22%			-	#DIV/0!	388,084	73,458	314,625	19%	19%
Interest			422,946	3,977	418,969	1%	425,900	6,272	419,628	1%			-	#DIV/0!	848,846	10,249	838,597	1%	1%
Property Rates Tax	Mun Supplied	Ward 7 - Soli Plaatje RE, Solli Legodi square, Vergenoeg Ext 1, Vergenoeg, Ubuntu Gdf Course/Riemsmasak	1,301,704	73,748	1,227,956	6%	222,647	67,646	155,001	30%			-	#DIV/0!	1,524,351	141,394	1,382,957	9%	9%
Electricity			96,907	26,657	70,250	28%	145,684	64,254	81,430	44%			-	#DIV/0!	242,591	90,911	151,680	37%	37%
Water			356,545	58,033	298,512	16%	398,920	87,822	311,098	22%			-	#DIV/0!	755,465	145,854	609,611	19%	19%
Refuse			143,324	42,272	101,053	29%	142,581	45,500	97,081	32%			-	#DIV/0!	285,905	87,772	198,134	31%	31%
Waste Water			210,171	54,175	155,996	26%	209,084	65,313	143,772	31%			-	#DIV/0!	419,255	119,487	299,768	28%	28%
Interest			334,754	6,757	327,997	2%	341,353	10,076	331,277	3%			-	#DIV/0!	676,107	16,834	659,273	2%	2%
Property Rates Tax	Mun Supplied	Ward 8 - John Mamepe 1, Mamepe Ext, Lathli Mabolo Park, Donkerhoek	2,581,737	26,519	2,555,217	1%	126,264	13,353	112,910	11%			-	#DIV/0!	2,708,000	39,873	2,668,128	1%	1%
Electricity			123,472	101,783	21,689	82%	128,481	115,963	12,519	90%			-	#DIV/0!	251,953	217,745	34,208	86%	86%
Water			315,775	27,839	287,937	9%	372,698	33,955	338,743	9%			-	#DIV/0!	688,474	61,794	626,680	9%	9%
Refuse			149,439	27,302	122,137	18%	151,887	16,830	135,057	11%			-	#DIV/0!	301,326	44,132	257,194	15%	15%
Waste Water			203,641	33,394	170,246	16%	203,351	19,385	183,967	10%			-	#DIV/0!	406,992	52,779	354,213	13%	13%
Interest			415,901	12,008	403,893	3%	415,077	3,635	411,442	1%			-	#DIV/0!	830,978	15,643	815,335	2%	2%

Complete This Section			Quarter 1 Performance Per Ward																
			1.July				2.August				3.September								
Services	Electricity Supplier	Ward Name & Number	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q1
Property Rates Tax	Mun Supplied	Ward 9 - Ipporing, Retsewelle	1,569,842	384,321	1,185,522	24%	747,436	460,686	286,750	62%			-	#DIV/0!	2,317,278	845,006	1,472,272	36%	36%
Electricity			168,407	120,989	47,417	72%	204,508	132,593	71,915	65%			-	#DIV/0!	372,915	253,583	119,333	68%	68%
Water			357,217	163,413	193,804	46%	444,774	224,956	219,818	51%			-	#DIV/0!	801,991	388,370	413,622	48%	48%
Refuse			168,809	97,384	71,425	58%	159,033	103,505	55,527	65%			-	#DIV/0!	327,841	200,889	126,952	61%	61%
Waste Water			241,692	119,908	121,784	50%	225,328	147,039	78,289	65%			-	#DIV/0!	467,020	266,947	200,073	57%	57%
Interest			391,851	20,879	370,972	5%	365,114	24,989	340,125	7%			-	#DIV/0!	756,965	45,868	711,097	6%	6%
Property Rates Tax	Mun Supplied	Ward 10 - Tshwarano, Vergenoeg Ext 7, Vergenoeg Ext 5	1,999,677	212,932	1,786,745	11%	389,503	143,193	246,310	37%			-	#DIV/0!	2,389,179	356,124	2,033,055	15%	15%
Electricity			535,124	360,868	174,256	67%	554,830	399,918	154,912	72%			-	#DIV/0!	1,089,954	760,786	329,168	70%	70%
Water			427,480	253,953	173,527	59%	544,206	114,239	429,967	21%			-	#DIV/0!	971,686	368,193	603,494	38%	38%
Refuse			155,621	71,586	84,035	46%	160,273	66,186	94,087	41%			-	#DIV/0!	315,894	137,772	178,122	44%	44%
Waste Water			199,077	86,625	112,453	44%	205,275	84,166	121,109	41%			-	#DIV/0!	404,352	170,791	233,561	42%	42%
Interest			373,197	73,454	299,743	20%	387,415	11,467	375,948	3%			-	#DIV/0!	760,612	84,921	675,691	11%	11%
Property Rates Tax	Mun Supplied	Ward 11 - Retsewelle, Agisanang, Vergenoeg Ext 8, Vergenoeg Ext 6	4,445,374	48,587	4,396,787	1%	122,938	39,545	83,393	32%			-	#DIV/0!	4,568,312	88,132	4,480,180	2%	2%
Electricity			340,954	93,126	247,828	27%	460,284	344,437	115,847	75%			-	#DIV/0!	801,237	437,563	363,674	55%	55%
Water			425,063	109,803	315,260	26%	451,566	106,631	344,934	24%			-	#DIV/0!	876,629	216,435	660,195	25%	25%
Refuse			116,295	43,760	72,535	38%	102,701	36,941	65,761	36%			-	#DIV/0!	218,996	80,700	138,295	37%	37%
Waste Water			189,789	84,372	105,417	44%	170,756	63,819	106,937	37%			-	#DIV/0!	360,545	148,191	212,354	41%	41%
Interest			331,274	9,910	321,364	3%	296,197	5,127	291,070	2%			-	#DIV/0!	627,470	15,037	612,433	2%	2%
Property Rates Tax	Mun Supplied	Ward 12 - KwaNobantu Ext 1, KwaNobantu, Galeshewe proper, Galeshewe Ext 2	1,720,806	141,722	1,579,084	8%	297,805	113,091	184,714	38%			-	#DIV/0!	2,018,611	254,813	1,763,798	13%	13%
Electricity			166,865	104,358	62,507	63%	204,650	38,891	165,759	19%			-	#DIV/0!	371,515	143,249	228,266	39%	39%
Water			335,565	82,063	253,502	24%	409,711	108,822	300,889	27%			-	#DIV/0!	745,276	190,885	554,391	26%	26%
Refuse			133,205	52,304	80,900	39%	136,634	45,883	90,751	34%			-	#DIV/0!	269,839	98,188	171,651	36%	36%
Waste Water			188,758	75,367	113,391	40%	193,413	61,039	132,374	32%			-	#DIV/0!	382,171	136,406	245,765	36%	36%
Interest			361,715	41,747	319,968	12%	374,759	12,074	362,686	3%			-	#DIV/0!	736,474	53,821	682,653	7%	7%
Property Rates Tax	Mun Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gendene	1,753,582	178,614	1,574,968	10%	232,060	171,227	60,833	74%			-	#DIV/0!	1,985,642	349,840	1,635,802	18%	18%
Electricity			604,783	352,625	252,158	58%	644,827	571,952	72,875	89%			-	#DIV/0!	1,249,610	924,577	325,033	74%	74%
Water			278,921	67,521	211,400	24%	435,722	130,873	304,849	30%			-	#DIV/0!	714,643	198,394	516,249	28%	28%
Refuse			69,606	31,185	38,422	45%	62,705	38,201	24,504	61%			-	#DIV/0!	132,312	69,386	62,926	52%	52%
Waste Water			111,418	46,981	64,437	42%	105,816	78,357	27,458	74%			-	#DIV/0!	217,234	125,338	91,895	58%	58%
Interest			231,323	6,549	224,774	3%	205,362	19,050	186,311	9%			-	#DIV/0!	436,684	25,599	411,085	6%	6%
Property Rates Tax	Mun Supplied	Ward 14 - Northview, Colville, Gendene, Square Hill Park, Utility, Arburnham	9,122,364	970,311	8,152,053	11%	1,269,386	1,070,980	198,405	84%			-	#DIV/0!	10,391,749	2,041,291	8,350,458	20%	20%
Electricity			1,851,164	1,523,868	327,295	82%	2,478,638	1,388,830	1,089,808	56%			-	#DIV/0!	4,329,802	2,912,698	1,417,103	67%	67%
Water			672,484	412,929	259,555	61%	806,072	448,541	357,531	56%			-	#DIV/0!	1,478,556	861,470	617,086	58%	58%
Refuse			342,787	262,859	79,928	77%	326,533	265,800	60,734	81%			-	#DIV/0!	669,320	528,659	140,661	79%	79%
Waste Water			322,953	188,940	134,013	59%	298,768	211,739	87,029	71%			-	#DIV/0!	621,722	400,680	221,042	64%	64%
Interest			412,088	41,778	370,310	10%	650,521	41,649	608,873	6%			-	#DIV/0!	1,062,609	83,427	979,183	8%	8%
Property Rates Tax	Mun Supplied	Ward 15 - Ipeleg, Promodong, Phuthanang, Sol Plaatje RE	1,784,029	102,062	1,681,967	6%	304,490	113,323	191,166	37%			-	#DIV/0!	2,088,519	215,385	1,873,134	10%	10%
Electricity			124,856	83,855	41,001	67%	153,084	148,059	5,025	97%			-	#DIV/0!	277,940	231,914	46,026	83%	83%
Water			375,645	51,978	323,667	14%	390,256	74,425	315,831	19%			-	#DIV/0!	765,901	126,403	639,498	17%	17%
Refuse			157,117	38,026	119,091	24%	159,479	46,832	112,647	29%			-	#DIV/0!	316,596	84,858	231,738	27%	27%
Waste Water			221,188	50,718	170,470	23%	226,379	75,924	150,455	34%			-	#DIV/0!	447,567	126,642	320,924	28%	28%
Interest			426,459	6,946	419,513	2%	433,660	23,867	409,793	6%			-	#DIV/0!	860,119	30,813	829,306	4%	4%
Property Rates Tax	Mun Supplied	Ward 16 - Phuthanang Cemetery, Promise Land, Lindelani, Snake Park, Tsweilang	154,502	16,598	137,904	11%	150,456	13,811	136,645	9%			-	#DIV/0!	304,958	30,409	274,549	10%	10%
Electricity			48,717	386	48,331	1%	5,222	37	5,186	1%			-	#DIV/0!	53,939	422	53,517	1%	1%
Water			498,137	15,865	482,272	3%	458,868	23,949	434,919	5%			-	#DIV/0!	957,005	39,814	917,191	4%	4%
Refuse			170,551	13,091	157,461	8%	169,308	14,133	155,175	8%			-	#DIV/0!	339,859	27,224	312,636	8%	8%
Waste Water			245,336	19,584	225,752	8%	239,770	21,822	217,947	9%			-	#DIV/0!	485,106	41,406	443,700	9%	9%
Interest			425,011	3,344	421,667	1%	436,500	4,366	432,135	1%			-	#DIV/0!	861,511	7,710	853,801	1%	1%

Complete This Section			Quarter 1 Performance Per Ward																
			1.July				2.August				3.September								
Services	Electricity Supplier	Ward Name & Number	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q1
Property Rates Tax	Mun Supplied	Ward 17 - Kgalega, Thibeng, John Mampa 2, Dindlang	438,207	171,166	267,041	39%	442,106	198,022	244,084	45%			-	#DIV/0!	880,313	369,188	511,125	42%	42%
Electricity			47,658	24,529	23,129	51%	67,926	21,012	46,914	31%			-	#DIV/0!	115,584	45,541	70,043	39%	39%
Water			386,583	108,074	278,509	28%	511,164	88,332	422,832	17%			-	#DIV/0!	897,746	196,405	701,341	22%	22%
Refuse			189,126	58,984	130,142	31%	199,115	60,846	138,269	31%			-	#DIV/0!	388,241	119,830	268,411	31%	31%
Waste Water			257,720	76,264	181,456	30%	269,249	85,974	183,275	32%			-	#DIV/0!	526,969	162,238	364,731	31%	31%
Interest			475,629	12,383	463,246	3%	517,121	14,551	502,571	3%			-	#DIV/0!	992,750	26,934	965,816	3%	3%
Property Rates Tax	Mun Supplied	Ward 18 - Kistenhof, Numalo Street Area, Galehewe Est 7, Verwoerd Park, Riviera	8,756,381	705,016	8,051,364	8%	1,109,501	746,841	362,660	67%			-	#DIV/0!	9,865,882	1,451,857	8,414,025	15%	15%
Electricity			1,627,669	2,393,468	0	147%	1,953,881	398,141	1,555,740	20%			-	#DIV/0!	3,581,550	2,791,609	789,941	78%	78%
Water			792,108	356,908	435,200	45%	786,162	351,102	435,060	45%			-	#DIV/0!	1,578,271	708,011	870,260	45%	45%
Refuse			206,483	116,417	90,066	56%	204,987	125,354	79,633	61%			-	#DIV/0!	411,470	241,771	169,699	59%	59%
Waste Water			270,699	141,457	129,242	52%	268,875	158,961	109,914	59%			-	#DIV/0!	539,575	300,418	239,157	56%	56%
Interest			577,495	91,335	486,160	16%	581,671	57,380	524,291	10%			-	#DIV/0!	1,159,166	148,715	1,010,451	13%	13%
Property Rates Tax	Mun Supplied	Ward 19 - Galehewe Est 3, Galehewe Est 5, Galehewe Est 4	609,567	93,391	516,176	15%	234,199	80,349	153,850	34%			-	#DIV/0!	843,766	173,740	670,026	21%	21%
Electricity			58,815	23,815	35,000	40%	9,142	24,689	0	270%			-	#DIV/0!	67,957	48,503	19,454	71%	71%
Water			490,853	76,586	414,267	16%	506,437	80,328	426,108	16%			-	#DIV/0!	997,289	156,914	840,375	16%	16%
Refuse			146,412	39,968	106,444	27%	144,808	42,177	102,631	29%			-	#DIV/0!	291,220	82,146	209,074	28%	28%
Waste Water			193,670	52,892	140,778	27%	191,663	54,470	137,192	28%			-	#DIV/0!	385,333	107,363	277,970	28%	28%
Interest			474,742	14,101	460,641	3%	483,632	9,338	474,294	2%			-	#DIV/0!	958,373	23,439	934,934	2%	2%
Property Rates Tax	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley South, Diamond Park, Albertshof, Kestelhof	26,634,418	8,492,112	18,142,306	32%	12,936,351	10,182,467	2,753,884	79%			-	#DIV/0!	39,570,769	18,674,579	20,896,190	47%	47%
Electricity			14,580,863	9,822,682	4,758,181	67%	15,510,309	12,506,109	3,004,200	81%			-	#DIV/0!	30,091,172	22,328,791	7,762,381	74%	74%
Water			2,641,601	1,723,692	917,909	65%	1,029,589	1,895,902	0	184%			-	#DIV/0!	3,671,190	3,619,594	51,597	99%	99%
Refuse			1,044,102	604,663	439,439	58%	1,005,151	758,201	246,950	75%			-	#DIV/0!	2,049,253	1,362,865	686,389	67%	67%
Waste Water			876,160	449,888	426,273	51%	847,261	642,695	204,565	76%			-	#DIV/0!	1,723,421	1,092,583	630,838	63%	63%
Interest			1,971,087	324,257	1,646,831	16%	1,889,522	199,826	1,689,696	11%			-	#DIV/0!	3,860,609	524,083	3,336,526	14%	14%
Property Rates Tax	Mun Supplied	Ward 21 - De Beers, Hull Street Area, Ernestville, Mogali Park, Heilfar, Blegavia, Turner Road Industrial area	7,321,487	2,244,115	5,077,373	31%	3,163,483	2,641,030	522,454	83%			-	#DIV/0!	10,484,970	4,885,144	5,599,826	47%	47%
Electricity			4,466,442	2,979,911	1,486,531	67%	4,940,050	3,669,219	1,270,830	74%			-	#DIV/0!	9,406,492	6,649,130	2,757,361	71%	71%
Water			967,730	631,599	336,131	65%	1,361,826	1,278,174	83,652	94%			-	#DIV/0!	2,329,557	1,909,773	419,784	82%	82%
Refuse			390,822	255,245	135,577	65%	389,073	296,543	92,529	76%			-	#DIV/0!	779,894	551,788	228,106	71%	71%
Waste Water			438,245	242,370	195,875	55%	435,946	338,942	97,004	78%			-	#DIV/0!	874,191	581,312	292,879	66%	66%
Interest			816,491	96,750	719,741	12%	861,861	200,917	660,944	23%			-	#DIV/0!	1,678,352	297,667	1,380,685	18%	18%
Property Rates Tax	Mun Supplied	Ward 22 - South Ridge, Green Point, Fabricia	8,504,585	1,018,049	7,486,535	12%	1,339,035	921,371	417,664	69%			-	#DIV/0!	9,843,619	1,939,420	7,904,199	20%	20%
Electricity			3,130,256	1,742,385	1,387,870	56%	2,147,207	3,871,145	0	180%			-	#DIV/0!	5,277,463	5,613,530	(336,068)	106%	106%
Water			652,128	259,155	392,973	40%	652,986	405,252	247,733	62%			-	#DIV/0!	1,305,114	664,408	640,706	51%	51%
Refuse			232,948	83,450	149,497	36%	232,438	89,025	143,414	38%			-	#DIV/0!	465,386	172,475	292,911	37%	37%
Waste Water			305,715	82,134	223,582	27%	305,887	93,395	212,492	31%			-	#DIV/0!	611,603	175,529	436,073	29%	29%
Interest			491,543	26,260	465,283	5%	476,461	50,323	426,138	11%			-	#DIV/0!	968,004	76,583	891,422	8%	8%
Property Rates Tax	Mun Supplied	Ward 23 - Civic Centre, New Park, Labram, Roylglen, Royldene, Monument Heights, El bro Park, Minerva Gardens	25,306,828	6,523,218	18,783,610	26%	8,577,946	8,106,831	471,115	95%			-	#DIV/0!	33,884,775	14,630,049	19,254,725	43%	43%
Electricity			13,669,009	8,003,255	5,665,754	59%	16,104,622	13,621,346	2,483,276	85%			-	#DIV/0!	29,773,631	21,624,601	8,149,030	73%	73%
Water			1,921,873	1,182,810	739,064	62%	1,917,351	1,457,419	459,932	76%			-	#DIV/0!	3,839,225	2,640,228	1,198,996	69%	69%
Refuse			459,323	345,254	114,068	75%	452,101	379,371	72,729	84%			-	#DIV/0!	911,423	724,625	186,798	80%	80%
Waste Water			590,241	333,789	256,452	57%	578,559	482,554	96,004	83%			-	#DIV/0!	1,168,799	816,343	352,456	70%	70%
Interest			859,584	127,087	732,497	15%	849,476	190,882	658,595	22%			-	#DIV/0!	1,709,060	317,969	1,391,092	19%	19%
Property Rates Tax	Mun Supplied	Ward 24 - Canters Glen, Lindene, Rhodesdene, Heuwelgig, Hadison Park	7,698,809	2,660,904	5,037,905	35%	3,535,153	3,854,130	0	109%			-	#DIV/0!	11,233,962	6,515,034	4,718,928	58%	58%
Electricity			2,554,838	1,437,395	1,117,443	56%	3,431,905	1,881,285	1,550,620	55%			-	#DIV/0!	5,986,743	3,318,680	2,668,063	55%	55%
Water			976,861	749,819	227,042	77%	1,363,674	966,080	397,594	71%			-	#DIV/0!	2,340,535	1,715,899	624,637	73%	73%
Refuse			309,977	231,672	78,305	75%	309,137	261,784	47,352	85%			-	#DIV/0!	619,113	493,456	125,657	80%	80%
Waste Water			409,341	278,395	130,946	68%	460,440	350,580	109,860	76%			-	#DIV/0!	869,781	628,975	240,806	72%	72%
Interest			287,862	53,567	234,295	19%	277,546	86,822	190,725	31%			-	#DIV/0!	565,409	140,389	425,020	25%	25%
Property Rates Tax	Mun Supplied	Ward 25 - De Beers Mine, Beaconsfield, Memorial Road Area, Riserville	5,900,430	1,283,661	4,616,768	22%	1,667,248	1,209,554	457,693	73%			-	#DIV/0!	7,567,677	2,493,216	5,074,462	33%	33%
Electricity			1,291,371	1,068,377	222,994	83%	1,699,739	1,215,190	484,548	71%			-	#DIV/0!	2,991,110	2,283,568	707,542	76%	76%
Water			711,709	453,995	257,714	64%	(229,040)	519,101	0	-227%			-	#DIV/0!	482,669	973,096	(490,427)	202%	202%
Refuse			194,884	131,016	63,868	67%	187,790	135,304	52,486	72%			-	#DIV/0!	382,674	266,320	116,354	70%	70%
Waste Water			255,839	154,205	101,634	60%	244,545	170,452	74,093	70%			-	#DIV/0!	500,384	324,657	175,727	65%	65%
Interest			339,862	37,723	302,139	11%	342,619	27,741	314,877	8%			-	#DIV/0!	682,481	65,464	617,016	10%	10%

Complete This Section			Quarter 1 Performance Per Ward																	
			1.July				2.August				3.September									
Services	Electricity Supplier	Ward Name & Number	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q1	
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 26 - Sol Plaatje RE, Rietvale, Mandela Square, Monwabisi, Kageng, Ritchie Daksboks, Diamond Park, De	25,519,437	2,491,801	23,027,635	10%	6,428,727	2,781,633	3,647,094	43%			-	#DIV/0!	31,948,164	5,273,434	26,674,730	17%	17%	
Electricity			9,245,894	6,323,083	2,922,810	68%	7,394,310	9,549,202	0	129%			-	#DIV/0!	16,640,203	15,872,285	767,918	95%	95%	
Water			3,125,718	1,510,831	1,614,887	48%	3,258,074	1,527,093	1,730,981	47%			-	#DIV/0!	6,383,792	3,037,924	3,345,868	48%	48%	
Refuse			432,543	136,419	296,124	32%	431,110	163,642	267,468	38%			-	#DIV/0!	863,653	300,061	563,592	35%	35%	
Waste Water Interest			459,443	114,152	345,292	25%	455,047	97,600	357,447	21%			-	#DIV/0!	914,490	211,752	702,738	23%	23%	
			3,569,013	765,374	2,803,638	21%	3,519,141	616,627	2,902,514	18%			-	#DIV/0!	7,088,154	1,382,001	5,706,152	19%	19%	
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 27 - Rietvale, Sol Plaatje RE	659,813	188,182	471,631	29%	232,548	146,900	85,648	63%			-	#DIV/0!	892,361	335,082	557,278	38%	38%	
Electricity			7,964	669	7,295	8%	7,964	326	7,639	4%			-	#DIV/0!	15,929	995	14,934	6%	6%	
Water			403,412	5,244	398,168	1%	496,904	4,048	492,856	1%			-	#DIV/0!	900,316	9,292	891,024	1%	1%	
Refuse			160,044	3,707	156,337	2%	160,174	2,074	158,100	1%			-	#DIV/0!	320,218	5,781	314,437	2%	2%	
Waste Water Interest			254,667	5,639	249,028	2%	254,852	3,036	251,815	1%			-	#DIV/0!	509,518	8,675	500,843	2%	2%	
			904,926	35,192	869,734	4%	916,776	6,050	910,726	1%			-	#DIV/0!	1,821,702	41,241	1,780,461	2%	2%	
Property Rates Tax	Mun Supplied	Ward 28 - Sol Plaatje Re, Kenilworth, Kimdustria, Greenside, De Beers Mine	3,423,983	1,836,039	1,587,944	54%	2,643,559	1,820,612	822,947	69%			-	#DIV/0!	6,067,542	3,656,651	2,410,891	60%	60%	
Electricity			9,249,677	5,552,532	3,697,145	60%	8,018,011	8,092,615	0	101%			-	#DIV/0!	17,267,688	13,645,147	3,622,541	79%	79%	
Water			1,099,226	480,885	618,341	44%	1,269,873	959,530	310,343	76%			-	#DIV/0!	2,369,099	1,440,415	928,684	61%	61%	
Refuse			293,011	162,996	130,015	56%	277,943	176,265	101,678	63%			-	#DIV/0!	570,954	339,261	231,693	59%	59%	
Waste Water Interest			343,368	168,548	174,821	49%	332,744	210,352	122,392	63%			-	#DIV/0!	676,112	378,899	297,213	56%	56%	
			1,064,129	36,109	1,028,020	3%	1,043,902	42,162	1,001,741	4%			-	#DIV/0!	2,108,032	78,271	2,029,761	4%	4%	
Property Rates Tax	Mun Supplied	Ward 29 - Roodagan, Sol Plaatje RE, Langling and Election	236,560	25,491	211,069	11%	122,786	52,244	70,542	43%			-	#DIV/0!	359,346	77,735	281,611	22%	22%	
Electricity			53,708	26,386	27,322	49%	68,565	26,527	42,039	39%			-	#DIV/0!	122,273	52,912	69,361	43%	43%	
Water			114,468	17,680	96,788	15%	121,713	24,277	97,436	20%			-	#DIV/0!	236,181	41,957	194,224	18%	18%	
Refuse			36,689	10,902	25,787	30%	43,461	16,748	26,713	39%			-	#DIV/0!	80,150	27,651	52,499	34%	34%	
Waste Water Interest			51,421	12,670	38,752	25%	60,954	20,436	40,518	34%			-	#DIV/0!	112,375	33,106	79,270	29%	29%	
			233,784	4,047	229,737	2%	256,358	4,263	252,096	2%			-	#DIV/0!	490,143	8,310	481,832	2%	2%	
Property Rates Tax	Mun Supplied	Ward 30 - Platfontein Industrial, Jacksonville, Urato Park	287,220	39,575	247,645	14%	259,345	34,386	224,959	13%			-	#DIV/0!	546,565	73,961	472,604	14%	14%	
Electricity			104,350	103,429	920	99%	105,415	1,731	103,684	2%			-	#DIV/0!	209,765	105,161	104,604	50%	50%	
Water			266,593	28,928	237,665	11%	350,640	20,749	329,891	6%			-	#DIV/0!	617,233	49,677	567,556	8%	8%	
Refuse			161,740	14,841	146,899	9%	156,584	15,019	141,565	10%			-	#DIV/0!	318,324	29,860	288,465	9%	9%	
Waste Water Interest			262,950	21,474	241,476	8%	255,501	23,575	231,926	9%			-	#DIV/0!	518,452	45,050	473,402	9%	9%	
			655,761	5,753	650,008	1%	688,933	4,712	684,221	1%			-	#DIV/0!	1,344,694	10,465	1,334,229	1%	1%	
Property Rates Tax	Mun Supplied	Ward 31 - Kullasong, Sol City, Rivers, Frankfarm	934,829	54,139	880,689	6%	212,089	65,051	147,038	31%			-	#DIV/0!	1,146,918	119,190	1,027,727	10%	10%	
Electricity			24,736	1,038	23,698	4%	25,810	2,025	23,785	8%			-	#DIV/0!	50,546	3,063	47,483	6%	6%	
Water			445,559	42,273	403,286	9%	791,909	45,372	746,538	6%			-	#DIV/0!	1,237,468	87,644	1,149,824	7%	7%	
Refuse			230,237	34,196	196,041	15%	229,617	28,126	201,491	12%			-	#DIV/0!	459,853	62,322	397,531	14%	14%	
Waste Water Interest			322,856	48,205	274,651	15%	322,017	43,333	278,684	13%			-	#DIV/0!	644,873	91,539	553,335	14%	14%	
			485,425	7,723	477,702	2%	498,679	7,633	491,046	2%			-	#DIV/0!	984,104	15,357	968,748	2%	2%	
Property Rates Tax	Mun Supplied	Ward 32 - Roodagan, Sol Plaatje RE, Platfontein	687,480	20,921	666,558	3%	104,961	24,390	80,571	23%			-	#DIV/0!	792,441	45,311	747,130	6%	6%	
Electricity			57,310	12,461	44,849	22%	125,805	19,141	106,665	15%			-	#DIV/0!	183,116	31,602	151,514	17%	17%	
Water			(104,354)	39,257	0	-38%	531,097	35,715	495,382	7%			-	#DIV/0!	426,742	74,972	351,770	18%	18%	
Refuse			104,987	13,475	91,512	13%	105,117	17,074	88,043	16%			-	#DIV/0!	210,104	30,549	179,555	15%	15%	
Waste Water Interest			142,663	19,701	122,962	14%	142,888	21,924	120,963	15%			-	#DIV/0!	285,550	41,625	243,925	15%	15%	
			280,726	7,773	272,953	3%	287,245	6,852	280,393	2%			-	#DIV/0!	567,971	14,625	553,346	3%	3%	
Property Rates Tax	Mun Supplied	Ward 33 - Chris Hani Park, Galeshewe Ext 6, Chris Hani South, China Square, West End, Thabano Square, Diamond Park	868,582	250,526	618,056	29%	450,319	257,776	192,543	57%			-	#DIV/0!	1,318,901	508,302	810,599	39%	39%	
Electricity			353,581	183,426	170,155	52%	235,990	202,648	33,341	86%			-	#DIV/0!	589,571	386,075	203,496	65%	65%	
Water			472,240	141,525	330,715	30%	632,307	156,518	475,789	25%			-	#DIV/0!	1,104,547	298,043	806,504	27%	27%	
Refuse			159,850	58,127	101,723	36%	166,458	57,192	109,266	34%			-	#DIV/0!	326,308	115,319	210,989	35%	35%	
Waste Water Interest			199,433	64,638	134,795	32%	210,384	64,316	146,068	31%			-	#DIV/0!	409,817	128,954	280,863	31%	31%	
			434,101	6,494	427,607	1%	470,748	20,963	449,785	4%			-	#DIV/0!	904,849	27,457	877,392	3%	3%	
Property Rates Tax	Mun Supplied	Ward 999 Unknown	142,439	4,497	137,942	3%	138,946	84,826	54,120	61%			-	#DIV/0!	281,386	89,324	192,062	32%	32%	
Electricity			72,474	30,091	42,383	42%	12,322	30,556	0	248%			-	#DIV/0!	84,796	60,647	24,149	72%	72%	
Water			35,485	1,441	34,044	4%	10,592	1,914	8,678	18%			-	#DIV/0!	46,077	3,355	42,722	7%	7%	
Refuse			5,615	935	4,680	17%	3,997	129	3,868	3%			-	#DIV/0!	9,612	1,064	8,548	11%	11%	
Waste Water Interest			10,111	2,386	7,725	24%	4,970	1,147	3,823	23%			-	#DIV/0!	15,081	3,533	11,548	23%	23%	
			42,741	851	41,890	2%	44,344	1,701	42,643	4%			-	#DIV/0!	87,085	2,552	84,533	3%	3%	

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 August 2024. The municipality is experiencing challenges in the restricting/interrupting of water supply and intervention is required from the technical department. Various gaps have been identified in indigent reporting, which the municipality will attempt to address going forward. The indigent households in informal settlements cannot be loaded on the system. 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. For the month under review various area-based indigents were cancelled on the system, resulting in a lower number of registered indigents. The decision was taken to have those indigents re-instated, until they can be verified and classified as income indigents. The R-values are not showing correctly on the annexure, 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 HHs with piped water inside dwelling		11,478	11,800	11,800	11,800	6,576	6,653										
Indigent HHs with piped water inside yard (but not in dwelling)																	
Indigent HHs using public tap (at least min.service level)																	
Indigent HHs with other water supply (at least min.service level)																	
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										
Indigent HHs using public tap (< min.service level)																	
Indigent HHs with other water supply (< min.service level)																	
Indigent HHs with No water supply																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total																	
Total number of registered indigent households		11,478	11,800	11,800	11,800	6,576	6,653										
Status of Water meters :																	
Number of Indigent HHs with prepaid Water																	
Number of Indigent HHs with conventional metered Water		11,478	11,800	11,800	11,800	6,576	6,653										
Number of Indigent HHs NOT metered currently - Water																	
Number of Indigent HHs with NO Water supply - No metering																	
Total number of registered indigent households		11,478	11,800	11,800	11,800	6,576	6,653										
Status of unlimited supply of Water :																	
Number of Indigent HHs with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Water																	
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 HHs billed for consumption above the 6 kilolitres																	
Energy: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HHs with Electricity (at least min.service level)																	
Indigent HHs with Electricity - prepaid (min.service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total																	
Indigent HHs with Electricity (< min.service level)																	
Indigent HHs with Electricity - prepaid (< min. service level)																	
Indigent HHs with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total																	
Total number of registered indigent households																	
Status of Electricity meters :																	
Number of Indigent HHs with prepaid Electricity		11,478	11,800	11,800	11,800	9,422	9,486										
Number of Indigent HHs with conventional metered Electricity																	
Number of Indigent HHs NOT metered currently - Electricity																	
Number of indigent HHs with other energy sources - No metering																	
Total number of registered indigent households		11,478	11,800	11,800	11,800	9,422	9,486										
Status of unlimited supply of Electricity :																	
Number of Indigent HHs with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Electricity																	
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 HHs billed for consumption above the 50 kwh																	
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										
Electricity/other energy (50kwh per household per month)		11,478	11,800	11,800	11,800	9,422	9,486										
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	211,512	272,876										
Electricity/other energy (50kwh per household per month)		9,967,435	*****	12,000,000	12,000,000	16,265	*****										
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	227,777	*****										
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										
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	729,193	682,775										
Water (in excess of 6 kilolitres per indigent household per month)	15	15,462,419	*****	21,500,000	21,500,000	-	756,263										
Sanitation (in excess of free sanitation service to indigent households)	16	2,919,895	*****	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	-	*****										
Refuse (in excess of one removal a week for indigent households)		4,235,540	*****	4,400,000	4,400,000	-	118,735										
Municipal Housing - rental rebates																	
Housing - top structure subsidies																	
Other	6																
Total revenue cost of subsidised services provided		88,597,304	*****	107,540,000	107,540,000	729,193	*****										

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

Property Rates Reconciliation							
Province	NC						
District	Frances Baard District						
Type	LM						
Municipal Name	Sol Plaatje						
GVP Period	01/07/2023 - 30/06/2027						
Financial Year	2023/2024						
Reconciliation Period	Quarter 4						
Reconciliation Overview							
High Level Reconciliation							
Property Categories	1.Number of Properties				2.Market Values		
	General Valuation Roll	MFS	Variance		General Valuation Roll	MFS	Variance
Residential	49755	49755	0		23,920,800,503	23,920,800,503	-
Industrial	216	216	0		807,530,000	807,530,000	-
Business and Commercial	2308	2308	0		7,476,973,001	7,476,973,001	-
Agricultural	437	437	0		2,672,386,700	2,672,386,700	-
Mining	21	21	0		102,685,400	102,685,400	-
State Owned for Public Purposes	133	133	0		2,498,871,000	2,498,871,000	-
PSI	197	197	0		141,088,000	141,088,000	-
PBO	1346	1346	0		625,386,001	625,386,001	-
Multi Use	0	0	0		-	-	-
Vacant	0	0	0		-	-	-
POW	241	241	0		569,649,000	569,649,000	-
Municipal	5558	5558	0		1,524,941,504	1,524,941,504	-
Other	0	0	0		-	-	-
Total	60212	60212	0		40,340,311,109	40,340,311,109.00	-

After populating the GVR Reconciliation for the fourth quarter for the 2023/24 financial year, no anomalies were identified in terms of the high-level reconciliation for the number of properties per category and the market value.

Ref	Action Plan -													
	Focus Area	Item	Details	Responibl e Official		Targeted Date	Renedial Action		Status	Comments	POE	POEStatus	Today's Date	Period remaining
1	Billing	Account not on GVR	Two properties are reflecting on the GVR with no SG codes	Manager Valuations		2024/08/15	There are still some challenge to correct this .		In Progress	Analysis of the gaps has been performed, solution to be determined	Analysis of Financial System and GVR report	In Place and Archived	2024/07/09	1 months;6 days
2	Billing	Indigents	Indigent not on the billing report	Manager Valuations		2024/08/15	Investigate anomalies, possibly due to outstanding transfer of ownership		In Progress	Report has been generated. Manager Valuations will investigate	Indigent register (BP956 report)	In Place and Archived	2024/07/09	1 months;6 days
3	Market value	GVR vs Financial system	Compare market value on GVR vs market value on the system. Category affected for Q3 was Residential properties	Manager Valuations			Investigate anomalies		Completed	Errors have been addressed	GVR and Billing report	In Place and Archived		0 months;0 days
Intervention /Assistance Required														
	Focus Area	Item	Details of Assitance Required	Responibl e Official		Targeted Date	Details of Assitance Provided		Status	Comments	POE	POEStatus	Today's Date	Period remaining
1	Billing	Monthly billing	There is a discrepancy in the monthly billed amount based on the GV and the MFS. NT to provide guidance on how the municipality must deal with properties that gets billed annually	Manager Valuations		2024/08/15	Meeting to be scheduled with NT to address the discrepancy on the monthly billing		Not Yet Started	Meeting to be scheduled with NT to address the discrepancy on the monthly billing	Monthly billing report	Completed	2024/07/09	1 months;6 days
2	GVR	Multi-purpose properties	NT to provide guidance on how to deal with multi-purpose properties	Manager Valuations		2024/08/15	Meeting to be scheduled with NT to address the discrepancy		Ongoing Activity	Meeting to be scheduled with NT to address the discrepancy	GVR and Billing report	Not Yet Started	2024/07/09	1 months;6 days

During the third quarter reconciliation, the municipality established that there were five properties on the GV roll that does not have SG codes. An in-depth investigation was done to effect a correction on the system. Three properties were resolved, whilst two are still being investigated. There are also a number of indigent accounts that are not reflecting on the GV, this will have to be thoroughly investigated to determine the root cause. A file with the discrepancies has been prepared for investigation.

As alluded the municipality require assistance from NT on how to deal with properties that gets billed on an annual basis, as this will negatively influence the monthly billing reconciliation. After some consultation with NT, the municipality also requires assistance on how to deal with Multi-use properties.

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

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



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

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

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

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



TEL: 08600 37566
SMS:

CUSTOMER SELF SERVICE WEBSITE:
<https://csonline.eskom.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	29474711.42
BILLING DATE	2024-08-02
TAX INVOICE NO	544457232585
ACCOUNT MONTH	JULY 2024
CURRENT DUE DATE	2024-09-02
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: mtolwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	7,804.87
TRANSMISSION NETWORK CAPACITY		R	1,754,910.00
DIST. NETWORK CAPACITY CHARGE		R	1,282,050.00
NETWORK DEMAND CHARGE		R	2,224,137.88
URBAN LOW VOLTAGE SUBSIDY		R	3,140,190.00
ANCILLARY SERVICE (ALL)		R	348,003.40
ENERGY CHARGE (OFF)	17,980,698.00	R	18,050,822.72
ENERGY CHARGE (PEAK)	9,246,812.00	R	56,431,444.27
ENERGY CHARGE (STD)	20,444,188.00	R	37,793,125.94
ELECTRIFICATION AND RURAL SUBS (ALL)		R	7,470,155.08
REACTIVE ENERGY		R	0.00
SERVICE CHARGE		R	244,399.35

TOTAL CHARGES FOR BILLING PERIOD R 128,747,043.51

ACCOUNT SUMMARY FOR JULY 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-08-01)	R	839,413,983.52
PAYMENT(S) RECEIVED	Cash - 2024-07-30	R	-112,033,130.69
TOTAL CHARGES FOR BILLING PERIOD		R	128,747,043.51
ADJUSTMENT	Interest on overdue account	R	273,911.75
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 120,600,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	19,312,056.52

ACCOUNT NO / REFERENCE NO

5449407898

NAME

SOL PLAATJE LOCAL MUNICIPALITY

FAX NUMBER

0538331005

0934 5449407898



TOTAL AMOUNT DUE

882,413,864.60

ARREARS					TOTAL DUE R	882,413,864.61
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT		
377,519,242	66,327,183.89	283,534,426.10	0.00	155,033,011.78		

Account OVERDUE - Subject to Disconnection

Indicated below is the August 2024 account, due and payable on or before 2 October 2024.



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

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

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 037566
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TEL: 08600 37566
SMS:

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

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

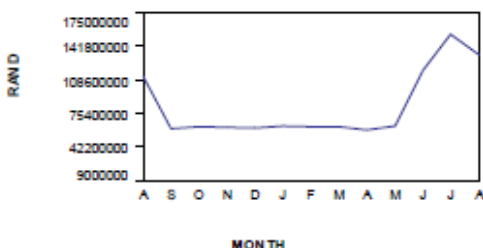
DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 66070087318

YOUR ACCOUNT NO	5449407898
SECURITY HELD	29474711.42
BILLING DATE	2024-09-02
TAX INVOICE NO	544999564583
ACCOUNT MONTH	AUGUST 2024
CURRENT DUE DATE	2024-10-02
VAT REG NO	4370100313

TAX INVOICE

E-MAIL: tmolwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY			
ADMINISTRATION CHARGE	R	7,804.87	
TRANSMISSION NETWORK CAPACITY	R	1,754,910.00	
DIST. NETWORK CAPACITY CHARGE	R	1,282,050.00	
NETWORK DEMAND CHARGE	R	1,959,254.60	
URBAN LOW VOLTAGE SUBSIDY	R	3,140,190.00	
ANCILLARY SERVICE (ALL)	R	306,953.70	
ENERGY CHARGE (OFF)	17,171,377.00	R	17,238,345.37
ENERGY CHARGE (PEAK)	7,595,373.00	R	46,353,042.34
ENERGY CHARGE (STD)	17,281,702.00	R	31,946,954.32
ELECTRIFICATION AND RURAL SUBS (ALL)		R	6,588,992.43
REACTIVE ENERGY		R	0.00
SERVICE CHARGE		R	244,399.35
TOTAL CHARGES FOR BILLING PERIOD		R	110,822,896.98
ACCOUNT SUMMARY FOR AUGUST 2024			
BALANCE BROUGHT FORWARD	(Due Date 2024-09-02)	R	882,413,864.61
PAYMENT(S) RECEIVED	Cash - 2024-07-30	R	-112,033,130.69
PAYMENT(S) RECEIVED	Cash - 2024-08-28	R	-32,868,260.60
PAYMENT(S) RECEIVED	Cash - 2024-08-29	R	-54,700,000.00
PAYMENT ADJUSTMENT(S)	Cash 2024-07-30	R	112,033,130.69
TOTAL CHARGES FOR BILLING PERIOD		R	110,822,896.98
ADJUSTMENT	Interest on overdue account	R	154,610.92
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 113,900,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	16,623,434.54
ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
356,278,166	283,534,426.10	155,033,011.78	0.00
TOTAL DUE		R	929,146,546.45
Account OVERDUE - Subject to Disconnection			



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BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO	5449407898
NAME	SOL PLAATJE LOCAL MUNICIPALITY
FAX NUMBER	0538331005
0934 5449407898	



TOTAL AMOUNT DUE
929,146,546.45

PAYMENT ARRANGEMENT	
INSTALMENT	6,700,000.00
ARREARS (Due Immediately)	794,845,604.01
DUE DATE (For Current Amount)	2024-10-02
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

The municipality does not fully concur with the outstanding balance of R929,146,546.45, as the payment arrangement is netted off from the full balance, whilst possibly being understated by R26m. This matter will be taken up with Eskom. According to the municipality's record the total debt

outstanding is R1,072,108,546.45. A manual monthly reconciliation is also done between invoices received and payments made.

ii) Indicated below is the municipality’s proof of payment of the Eskom Bulk current account invoice for July 2024 which was partially paid on 28 August 2024 (R32,868,260.60) and 29 August 2024 (R48,000,000.00).

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

28/08/2024

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

FAX NO:

SUPPLIER NO: SRSK01
VOUCHER NO: CATA011955
CHEQUE/ELE NO: 77068428

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/08/2024	SUN	544457232585/1	28581096.17		4287164.43	32868260.60

SUB TOTAL:

4287164.43 32868260.60

4287164.43 32868260.60

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

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

SOL PLAAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

29/08/2024

SUPPLIER No: SRSK01

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

FAX NO:

VOUCHER NO: CATA011957

CHEQUE/ELE NO: 77068430

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/08/2024	SUN	544457232585/2	41739130.43		6260869.57	48000000.00

SUB TOTAL: 6260869.57 48000000.00
6260869.57 48000000.00

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 settled on the 29 of August 2024.

SOL PLAAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

29/08/2024

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

FAX NO:

SUPPLIER No: ESK01
VOUCHER NO: CATA011953
CHEQUE/ELE NO: 77068429

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
01/08/2023	SUN	544917625256/7	5826086.96		873913.04	6700000.00

SUB TOTAL:

873913.04 6700000.00

873913.04 6700000.00

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

COMPILED BY...

CHECKED BY...

AUTHORISED BY:

- 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 M02 – August 2024 pertaining to electricity.

		2025	
		M02	
Account Name	Account Name		
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-88,725,820	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	70,320,227	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	23,775,014	94,095,241
Function:Energy Sources:Core Function:Electricity	Expenditure:Bulk Purchases:Electricity:ESKOM	70,320,227	

- Reconciliation from the financial system using the GS630 detailed transaction report. Reconciliation of Bulk purchases electricity, deposits and withdrawals. It should be noted that the July 2024 bulk Eskom account was captured on the system, payment were made against the invoice but the unpaid balance was not authorised prior to month-end. This was an oversight from the Payment section, however stricter internal controls will have to implemented to ensure that this does not happen in future. Bulk purchases electricity shows the movement of the two payments for the month under review.

Summary - Recon FMS and Datastrings Aug M02	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	298,584,136.12	228,263,909.52	70,320,226.60	Actual for Bulk Purchases corresponds to datastrings - M02
Ledger Journals	-	170,815.75	(170,815.75)	
20240815	-	170,815.75	(170,815.75)	Incorrect allocation journalised
Sundry Accruals	199,511,997.60	28,581,096.17	170,930,901.43	
20240805	170,815.75	-	170,815.75	
20240828	157,602,051.42	28,581,096.17	129,020,955.25	
20240829	41,739,130.43	-	41,739,130.43	
Sundry Accruals Reversals	28,581,096.17	199,511,997.60	(170,930,901.43)	
20240805	-	170,815.75	(170,815.75)	
20240828	-	28,581,096.17	(28,581,096.17)	
20240829	28,581,096.17	170,760,085.68	(142,178,989.51)	
Sundry Payments	70,491,042.35	-	70,491,042.35	
20240805	170,815.75	-	170,815.75	Erroneous minor payment
20240828	28,581,096.17	-	28,581,096.17	Payment of R32m excl VAT on Jul 2024 invoice
20240829	41,739,130.43	-	41,739,130.43	Payment of R48m excl VAT on Jul 2024 invoice
Grand Total	298,584,136.12	228,263,909.52	70,320,226.60	

Summary - Recon FMS and Datastrings Aug M02	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	94,095,240.99	-	94,095,240.99	Withdrawal corresponds to datastrings - M02
CAT90177067892	5,753,591.57	-	5,753,591.57	Payment Riverton
CAT90177067893	140.49	-	140.49	
CAT90177067894	1,456.97	-	1,456.97	
CAT90177067895	2,986.72	-	2,986.72	
CAT90177067896	21,342.00	-	21,342.00	
CAT90177067897	5,189.84	-	5,189.84	
CAT90177067898	13,905.52	-	13,905.52	
CAT90177067957	5,895.67	-	5,895.67	
CAT90177068131	43,603.45	-	43,603.45	
CAT90177068264	12,017.51	-	12,017.51	
CAT90177068360	14,721.85	-	14,721.85	Other minor Eskom payments
CAT90177068361	127,444.03	-	127,444.03	
CAT90177068362	14,451.69	-	14,451.69	
CAT90177068363	5,425.04	-	5,425.04	
CAT90177068364	14,906.78	-	14,906.78	
CAT90177068365	43,110.43	-	43,110.43	
CAT90177068375	34,907.94	-	34,907.94	
CAT90177068415	229.23	-	229.23	
CAT90177068416	5,052.10	-	5,052.10	
CAT90177068428	32,868,260.60	-	32,868,260.60	Bulk payment - Jul 2024 invoice
CAT90177068429	6,700,000.00	-	6,700,000.00	Settlement Payment arrangement
CAT90177068430	48,000,000.00	-	48,000,000.00	Bulk payment - Jul 2024 invoice
CAT90177068439	210,163.45	-	210,163.45	Other minor Eskom payments
DUN90177067958	196,438.11	-	196,438.11	
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	217,206,400.60	305,932,220.99	(88,725,820.39)	Deposits corresponds to datastrings - M02
AATHCATA011779	-	140.49	(140.49)	
AATHCATA011802	-	5,895.67	(5,895.67)	
AATHCATA011816	-	1,456.97	(1,456.97)	
AATHCATA011818	-	2,986.72	(2,986.72)	
AATHCATA011819	-	21,342.00	(21,342.00)	
AATHCATA011820	-	5,189.84	(5,189.84)	
AATHCATA011821	-	13,905.52	(13,905.52)	
AATHCATA011848	-	43,603.45	(43,603.45)	
AATHCATA011869	-	12,017.51	(12,017.51)	
AATHCATA011898	-	14,721.85	(14,721.85)	Other minor Eskom payments
AATHCATA011899	-	127,444.03	(127,444.03)	
AATHCATA011900	-	14,451.69	(14,451.69)	
AATHCATA011901	-	5,425.04	(5,425.04)	
AATHCATA011902	-	14,906.78	(14,906.78)	
AATHCATA011903	-	43,110.43	(43,110.43)	
AATHCATA011910	-	34,907.94	(34,907.94)	
AATHCATA011921	-	229.23	(229.23)	
AATHCATA011922	-	5,052.10	(5,052.10)	
AATHCATA011925	-	7,084,170.97	(7,084,170.97)	Payment Riverton
AATHCATA011946	-	210,163.45	(210,163.45)	Other minor Eskom payments
AATHCATA011953	6,700,000.00	6,700,000.00	-	Settlement Payment arrangement
AATHCATA011955	-	32,868,260.60	(32,868,260.60)	Bulk payment - Jul 2024 invoice
AATHCATA011957	-	48,000,000.00	(48,000,000.00)	Bulk payment - Jul 2024 invoice
AATHDUNA008197	-	196,438.11	(196,438.11)	Other minor Eskom payments
AATHDUNA008205	-	115,464,751.18	(115,464,751.18)	
BUTHDUNA008205	115,464,751.18	-	115,464,751.18	
CAT90177067893	140.49	140.49	-	
CAT90177067894	1,456.97	1,456.97	-	
CAT90177067895	2,986.72	2,986.72	-	
CAT90177067896	21,342.00	21,342.00	-	
CAT90177067897	5,189.84	5,189.84	-	
CAT90177067898	13,905.52	13,905.52	-	
CAT90177067957	5,895.67	5,895.67	-	
CAT90177068131	43,603.45	43,603.45	-	
CAT90177068264	12,017.51	12,017.51	-	
CAT90177068360	14,721.85	14,721.85	-	
CAT90177068361	127,444.03	127,444.03	-	
CAT90177068362	14,451.69	14,451.69	-	
CAT90177068363	5,425.04	5,425.04	-	
CAT90177068364	14,906.78	14,906.78	-	
CAT90177068365	43,110.43	43,110.43	-	
CAT90177068375	34,907.94	34,907.94	-	
CAT90177068415	229.23	229.23	-	
CAT90177068416	5,052.10	5,052.10	-	
CAT90177068428	32,868,260.60	32,868,260.60	-	
CAT90177068429	13,400,000.00	13,400,000.00	-	
CAT90177068430	48,000,000.00	48,000,000.00	-	
CAT90177068439	210,163.45	210,163.45	-	
DUN90177067958	196,438.11	196,438.11	-	
Grand Total	311,301,641.59	305,932,220.99	5,369,420.60	

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

- i) The DWS current account for July 2024 amounted to R17,723,612.70 which was settled in full on the 30 August 2024.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412526319
 Document Date: 31.07.2024
 Payment Terms: 30 Days
 Due Date: 30.08.2024
 Customer VAT Reg. No: 4370102313

TAX INVOICE

DWS VAT Reg. no 4040112361



water & sanitation

Department:
 Water and Sanitation
 REPUBLIC OF SOUTH AFRICA

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

YOUR CONTACT OFFICE:

Department: Water and Sanitation
 Private Bag X313
 Pretoria
 0001

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

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price(c/m3/HA)	Amount(Rand)
Property Details: Property Name: DROOGFONTEIN Property Number: 6866 Registration Division: KIMBERLEY RD ; Portion Number: 1 Title Deed: T16761/1921 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: D&I WATER SUPPLY SERVICE Water Source Type: SCHEME;				
Contract No: 10087405 (25014305/13)				
Water Use Period: 01.07.2024 to 31.07.2024				
	Consumptive (O&M)	3212,327.00	39.69	1,274,972.59
	Consumptive (ROA)	3212,327.00	32.40	1,040,793.95
	Consumptive (Depr)	3212,327.00	19.07	612,590.76
	TCTA (AMD)	3212,327.00	9.39	301,637.51
	TCTA (LHWP)	3212,327.00	372.50	11,965,918.08
	Plus 15.00% VAT			2,279,386.93
	Subtotal			17,475,299.82
	WRL	3212,327.00	7.73	248,312.88
	Total Charges			17,723,612.70

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

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412531880
 Document Date: 31.08.2024
 Payment Terms: 30 Days
 Due Date: 30.09.2024
 Customer VAT Reg. No: 4370102313

TAX INVOICE

DWS VAT Reg. no 4040112361

**water & sanitation**

Department:
 Water and Sanitation
 REPUBLIC OF SOUTH AFRICA

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

YOUR CONTACT OFFICE:

Department: Water and Sanitation
 Private Bag X313
 Pretoria
 0001

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

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price(c/m3/HA)	Amount(Rand)
Property Details: Property Name: DROOGFONTEIN Property Number: 6866 Registration Division: KIMBERLEY RD ; Portion Number: 1 Title Deed: T16761/1921 Water Use Details: WMA: VAAL Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: D&I WATER SUPPLY SERVICE Water Source Type: SCHEME;				
Contract No: 10087405 (25014305/13)				
Water Use Period: 01.08.2024 to 31.08.2024				
	Consumptive (O&M)	3026,448.00	39.69	1,201,197.21
	Consumptive (ROA)	3026,448.00	32.40	980,569.15
	Consumptive (Depr)	3026,448.00	19.07	577,143.63
	TCTA (AMD)	3026,448.00	9.39	284,183.47
	TCTA (LHWP)	3026,448.00	372.50	11,273,518.80
	Plus 15.00% VAT			2,147,491.84
	Subtotal			16,464,104.10
	WRL	3026,448.00	7.73	233,944.43
	Total Charges			16,698,048.53

- ii) Indicated below, is the municipality's proof of payment for the DWS current account of July 2024 that was settled on 30 August 2024 amounting to R17,723,612.70.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
PRIVATE BAG X313
PRETORIA
0001

30/08/2024

SUPPLIER No: SWAT01

CONTACT PERSON:
TEL NO: FAX NO:
E-MAIL ADDRESS: info@dws.gov.za

VOUCHER NO: CATA011952

CHEQUE/ELE NO: 77068446

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
31/07/2024	SUN	412526319	15195912.89		2279386.93	17475299.82
31/07/2024	SUN	412526319	248312.88		0.00	248312.88

SUB TOTAL: 2279386.93 17723612.70

2279386.93 17723612.70

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

COMPILED BY..:

CHECKED BY...:

AUTHORISED BY:

- i) The municipality's water reconciliation statement (aligning to the mSCOA data string upload for the period).

		2025	
		M02	
Account Name	Account Name		
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-17,876,579	
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	4,659,586	
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	13,369,959	18,029,545
Function:Water Management:Core Function:Water Distribution	Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	15,195,913	

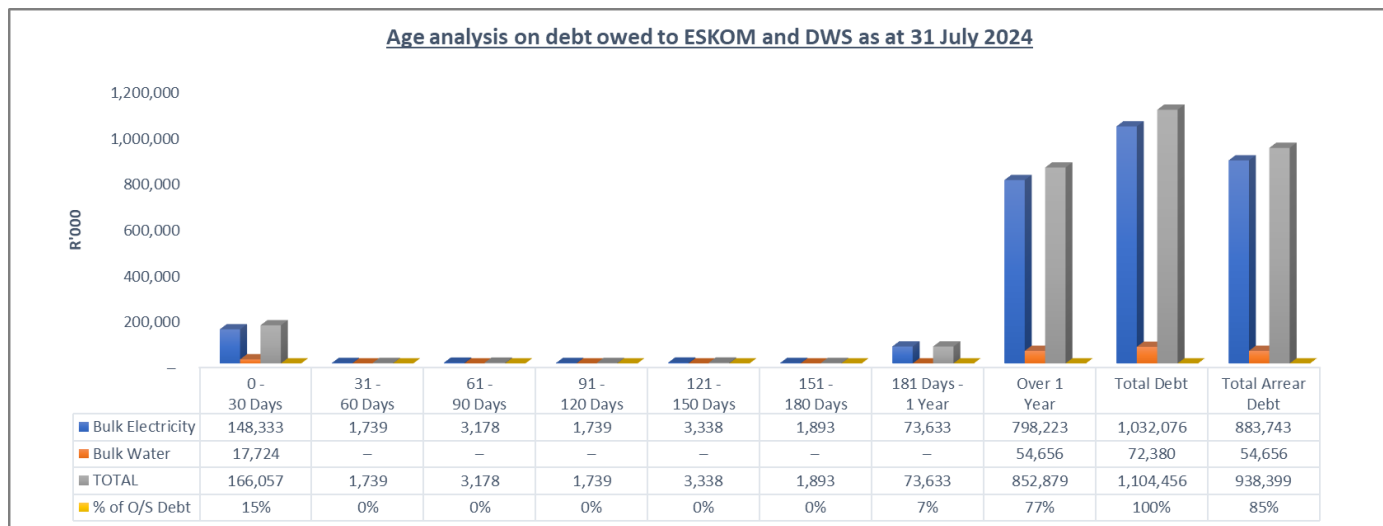
Reconciliation of Bulk purchases water input volumes, deposits and withdrawals.

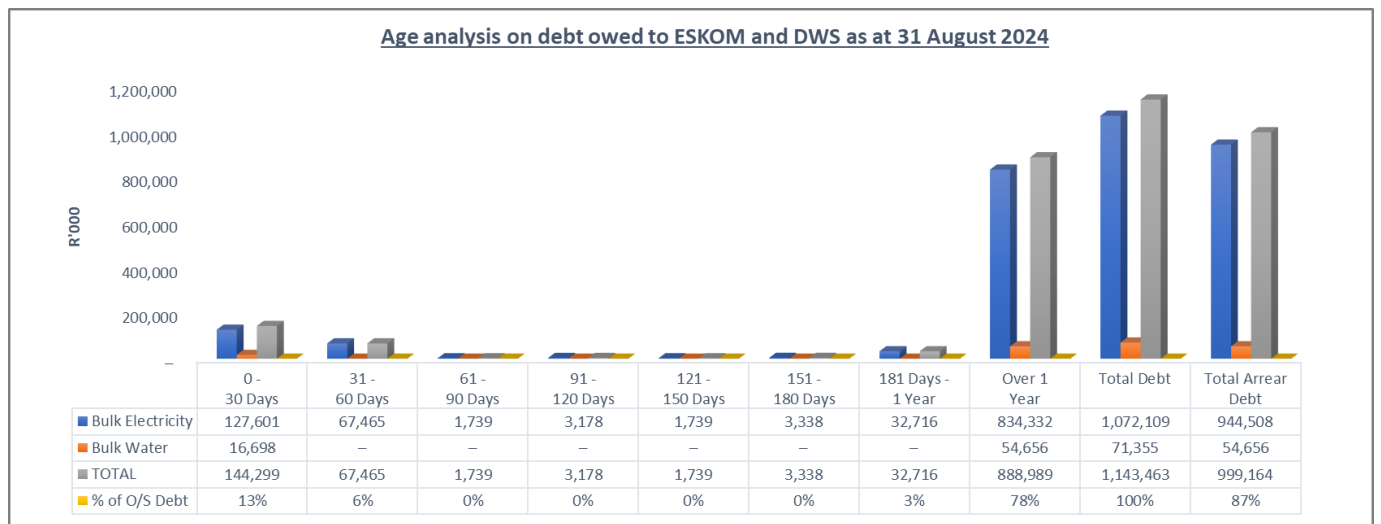
The movement on Bulk purchases water input volumes pertains to the invoice captured for July 2024.

Summary - Recon FMS and Datastrings Aug M02	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	30,391,825.78	15,195,912.89	15,195,912.89	
20240830	30,391,825.78	15,195,912.89	15,195,912.89	Payment Jul 2024 invoice excl VAT
Grand Total	30,391,825.78	15,195,912.89	15,195,912.89	

Summary - Recon FMS and Datastrings Aug M02	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comments
WATER BULK PURCHASE:DEPOSITS	17,876,578.50	35,753,157.00	(17,876,578.50)	Deposits corresponds to datastrings - M02
Sundry Accruals	-	17,876,578.50	(17,876,578.50)	
AATHCATA011951	-	152,965.80	(152,965.80)	
AATHCATA011952	-	17,723,612.70	(17,723,612.70)	
Sundry Accruals Reversals	17,876,578.50	-	17,876,578.50	
CAT90177068445	152,965.80	-	152,965.80	
CAT90177068446	17,723,612.70	-	17,723,612.70	
Sundry Payments	-	17,876,578.50	(17,876,578.50)	
CAT90177068445	-	152,965.80	(152,965.80)	
CAT90177068446	-	17,723,612.70	(17,723,612.70)	
WATER BULK PURCHASE:WITHDRAWALS	18,029,544.30	-	18,029,544.30	Withdrawal corresponds to datastrings - M02
Sundry Payments	17,876,578.50	-	17,876,578.50	
CAT90177068445	152,965.80	-	152,965.80	Payment of other minor accounts
CAT90177068446	17,723,612.70	-	17,723,612.70	Payment of July 2024 invoice
Year End Sundry Payments	152,965.80	-	152,965.80	
CAT90177067905	152,965.80	-	152,965.80	Payment of minor accounts from the prior year
Grand Total	35,906,122.80	35,753,157.00	152,965.80	

- vii) Total outstanding debt owed to ESKOM and DWS





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

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 - August 2024
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	6.3.1 The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	Non-Compliant - ESKOM The municipality settled an amount of R80,868 million on July 2024 account excluding interest amounting to R274 thousand on 28 August 2024 (R32m) and 29 August 2024 (R48m). Total invoice amount was R148,333 million Compliant - DWS The municipality settled the current account for July 2024 amounting to R17,724 million in full on 30 August 2024.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - August 2024
	<p>6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS.</p> <p>(b) Pay the monthly debt instalment of R6,700m to Eskom on 15th of each month</p>	Monthly, 5th of each month		<p>Non-compliant</p> <p>DWS - The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of August 2024.</p> <p>ESKOM - The municipality settled R6.7m on the ESKOM payment arrangement on 29 August 2024. The due is the 15th of each month.</p>
	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	<p>Compliant</p> <p>Email was sent within one day of payment to ESKOM and DWS.</p>
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	<p>Compliant</p> <p>Proof of Payments made in August 2024 was uploaded onto GoMuni on 6 September 2024. Due date is 14 September 2024.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - August 2024
	<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 Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.</p>
<p>6.6 Electricity and Water Collection <i>(Demonstration through by-laws and budget related policies)</i></p>	<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 Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - August 2024
	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 1685 Conventional disconnections = 270 Total = 1955
	6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	Non-compliant. Approval to partake in the Transversal Contract for smart meters was granted by National Treasury. Selection of service provider to be finalised.
	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.	Monthly	No of indigent consumers	Non-compliant Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - August 2024
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 80% (Monthly S71 Revenue Collection Ward Template)	Non-Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 66% Quarterly S71 Revenue Collection rate per Ward = Not yet end of the quarter Municipality's average collection rate = 58% The collection is distorted due to the annual billing on Property rates Not achieved Average daily cash collection for August 2024, was R6,770m.
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 August 2024 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - August 2024
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificate for July 2024. Management must take remedial actions as per the recommendations made by National Treasury
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	Compliant A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account is no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - August 2024
	<p>6.12.1 must apportion and ring-fence in a sub-account to its primary bank account –</p> <p>(a) all electricity, water and sanitation revenue the municipality collects in any month; and</p> <p>(b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	<p>Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system.</p> <p>Partially Compliant The ESKOM and DWS current accounts were paid directly from the Primary bank account. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124</p>
	<p>6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.</p>	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p>Partially Compliant The ESKOM and DWS accounts were paid directly from the Primary bank account. ESKOM was not settled in full. Municipality has a backlog in terms of built-up reserves. Salaries and third-party salary payments including commitments to other creditors make this requirement difficult to maintain.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - August 2024
	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	Partially Compliant Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement is uploaded on GoMuni. Revenue received to be aligned to actual payments. Payments made directly from Primary bank account.

17. Recommendations

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

1. The monthly budget statement (S71 Report) for the month of August 2024.
2. The non-compliance emanating from the municipality's debt relief self-assessment and overall performance since 1 October 2023, as well as the National Treasury's independent assessment set-out in paragraph 16 above. Please refer to the Non-compliance report and compliance certificate for July 2024.
3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
 - a. Monthly settle the current accounts for Waterboard and ESKOM.
 - b. Settling of the debt repayment instalment. This needs to be improved upon as the municipality defaulted on several months and this does not count in the municipality's favour.
 - c. Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
 - d. Achieving the desired collection rate of 95% and application of the Credit Control Policy.
 - e. Restricting or interrupting of water supply of defaulting customers and indigents. Intervention from the Engineer for Water & Sanitation is critical.
 - f. The municipality was granted approval by National Treasury to partake in the transversal tender for smart prepaid meters.
 - g. Improving on indigent management, especially in light of the audit findings raised.
 - h. Installation of smart prepaid meters. The involvement of Engineers for Water and Electricity is critically needed in this regard.
 - i. Applied for the Smart Meter Grant, complying to all conditions as prescribed.
 - j. 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.
 - k. Development of the policy for smart prepaid metering solutions (The policy was developed and approved Council with the Adopted Budget on 31 May 2024)
 - l. Ring-fencing actual cash received for Electricity and Water. This is being managed by the Budget and Treasury Office.
 - m. Building up of reserves as a matter of urgency.
 - n. The last two items above, can only be realistically achieved if the collection rate improves significantly and the Credit Control Policy is adhered to.
 - o. Developing of a collection strategy that is strictly enforced.
 - p. Assistance from COGTA National Department.
4. As per recommendations above.
5. The balance of the Eskom bulk account and bulk water account and the municipality's reconciliation of these accounts as set-out in paragraph 16.6 above.
6. **It is imperative that Mayoral Committee take note that due to consistent non-compliance to all the conditions of MFMA Circular 124, National Treasury will not recommend the write-off of a third of the municipality's debt after the first 12 months of the municipal debt relief programme.**
7. **It is imperative that Mayoral Committee take note of the serious non-compliance in respect of defaulting on the July 2024 Eskom account, where the current invoice was not settled in full. The total bill was R148,333 million, of which the municipality settled R80,868 million, resulting in a shortfall of R67,465 million. This must be remedied by management with immediate effect.**

18. Municipal Manager's quality certification

Quality Certificate

I, D Lang, the acting 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

☐

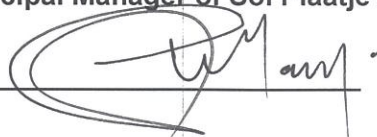
Mid-year Budget and Performance Assessment

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

Print name: Mr. D Lang

Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature:



Date: 13 /09/2024



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 Sadeshe 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 MUNICIPALITY
DURING JULY 2024**

In July 2024, the National Treasury conducted a thorough evaluation of Sol Plaatje Municipality's adherence to the conditions of the debt relief programme, now entering its tenth month of the first 12-month compliance cycle. This assessment is crucial as it ensures that the municipality remains on track to meet the requirements necessary for continued debt relief, granted effective 1 October 2023. The evaluation focused on critical areas such as budgetary controls, revenue enhancement measures, and expenditure management, all of which are essential to achieving long-term fiscal sustainability.

The results of this assessment indicate that while Sol Plaatje Municipality has made commendable progress in implementing the necessary reforms, there are still areas that require further attention. The municipality has demonstrated effective budgetary controls and has taken steps to enhance revenue collection. However, certain aspects of expenditure management need improvement to align with the programme's objectives fully. Addressing these concerns is vital to ensure that the municipality remains compliant and on a stable financial trajectory.

Moving forward, the National Treasury will continue to monitor Sol Plaatje Municipality's performance closely and provide the necessary support to address any emerging challenges. Our commitment is to work collaboratively with the municipality to ensure the successful implementation of the debt relief programme and to secure the financial health of the municipality in the long term.

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

In accordance with the National Treasury (NT) approval, Sol Plaatje Municipality is required to comply with conditions 6.1 to 6.14 of MFMA Circular 124, as well as the specific conditions outlined



in the debt relief approval letter issued by the National Treasury. During June 2024, the National Treasury's assessment revealed that the municipality achieved an average compliance rate of 83% with the MFMA Circular 124 conditions. The performance sheet below illustrates the municipality's overall compliance performance throughout its debt relief cycle.

Although the municipality has consistently made timely payments to Eskom and shown commendable performance in its debt relief efforts since 1 October 2023, the National Treasury is concerned that the equal weighting of condition scores may not fully capture the municipality's commitment to compliance. Despite these efforts, the Treasury notes with concern that the municipality is not currently on track to qualify for the one-third debt write-off at the end of its first debt relief compliance cycle on 31 October 2024. It is crucial that the municipality urgently addresses the outstanding non-compliance issues to meet this objective.

Moreover, the collection rate for July 2024 has dropped to 67 per cent, significantly below the monthly target of 85 per cent and a notable decline from the previous month of June. This shortfall further jeopardizes the municipality's standing and highlights the urgent need for corrective measures. To qualify for the debt write-off, it is imperative that the municipality not only improves its compliance but also takes immediate steps to enhance its revenue collection efforts.

NC091 Sol Plaatje Local Municipality overall relief performance from October 2023 up to and including July 2024:



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

Province		
NW		
Code	District	Code Description
NC091	Frances Baard	Sol Plaatje

Monthly Performance Report																																															
Municipal Details			Part A						Part B					Part C		Part D				Part E								Part F																			
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment		Electricity and water as collection tools				Quarterly collection of property rates and services charges								Maximization of Revenue Base							Oversight							Compliance Status					
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score			
1.July	Sol Plaatje	NC091	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	
2.August	Sol Plaatje	NC091																																												0%	Non Compliance
3.September	Sol Plaatje	NC091																																												0%	Non Compliance
4.October	Sol Plaatje	NC091																																												0%	Non Compliance
5.November	Sol Plaatje	NC091																																												0%	Non Compliance
6.December	Sol Plaatje	NC091																																												0%	Non Compliance
7.January	Sol Plaatje	NC091																																												0%	Non Compliance
8.February	Sol Plaatje	NC091																																												0%	Non Compliance
9.March	Sol Plaatje	NC091																																												0%	Non Compliance
10.April	Sol Plaatje	NC091																																												0%	Non Compliance
11.May	Sol Plaatje	NC091																																												0%	Non Compliance
12.June	Sol Plaatje	NC091																																												0%	Non Compliance

The National Treasury will request Eskom to write off a municipality's arrear debt only if the municipality demonstrates full compliance with the conditions for a consecutive period of 12 months to the satisfaction of the National Treasury. The municipality is strongly encouraged to continue making progress toward full compliance with all conditions of the Municipal Debt Relief programme.



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

The municipality applied for the debt relief programme, receiving conditional approval from the National Treasury following the council's endorsement. This approval was contingent upon addressing specific deficiencies in the municipality's financial and administrative processes. Recognizing the critical importance of this opportunity, the municipality's leadership and management team conducted a comprehensive review to identify areas requiring improvement. The council's backing provided the necessary political support, enabling the development of a strategic action plan aimed at strengthening financial controls, enhancing revenue collection, streamlining expenditures, and implementing robust governance practices.

In response to the provisional approval, the municipality undertook decisive actions to address the identified deficiencies. Key reforms were introduced, including the reinforcement of financial oversight mechanisms, the implementation of more efficient budgeting processes, and the adoption of best practices in municipal governance. These measures were coupled with regular monitoring and reporting to ensure transparency and accountability throughout the reform process. The municipality's commitment to these reforms resulted in significant progress toward meeting the conditions outlined by the National Treasury.

As a result of these efforts, the municipality successfully met the required conditions, leading to the final approval of its debt relief application. This approval marks a crucial milestone, enabling the municipality to move forward with the debt relief programme. With these reforms in place, the municipality is now better positioned to achieve long-term financial sustainability and enhance service delivery for its residents.

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

On 30 July 2024, the municipality settled an amount of R112.033 million for the June 2024 account, excluding interest of R1.739 million, bringing the total invoice to R113.772 million. As of 30 June 2024, the outstanding debt owed to Eskom was R995.775 million, but this was reduced to R839 million due to a Payment Arrangement (PA) applied to the account. In line with the Debt Relief approval conditions, the municipality entered a payment arrangement with Eskom on 12 June 2024, covering debt accrued after March 2023, totalling R163 million. This agreement is a crucial step towards stabilizing the municipality's financial obligations and ensuring a reliable electricity supply.

In addition to managing its debt with Eskom, the municipality also addressed its obligations to the Department of Water and Sanitation (DWS), where the outstanding debt as of 30 June 2024 stood at R78.474 million. To manage this debt, a payment agreement was previously established for the 2022/23 financial year, extending over 24 months. The municipality's proactive approach is further reflected in its participation in the Incentive Scheme offered by DWS, which provides financial relief and support to municipalities. All invoices for the 2022/23 financial year have been settled in full, demonstrating the municipality's commitment to financial transparency and accountability.



To further demonstrate its dedication to resolving outstanding liabilities, the municipality settled R693 thousand on the June 2024 current account and paid R23.046 million on the arrear February 2024 account on 17 July 2024. This resulted in all invoices for the 2023/24 financial year being settled in full. These efforts underscore the municipality's commitment to maintaining good financial standing with both Eskom and DWS, ensuring the sustainability of essential services for its residents and strengthening its overall financial health.

- **Condition 6.4 – A funded MTREF**

The adopted budget for the 2024/2025 fiscal year has been successfully funded, guaranteeing that all planned expenditures and projects can move forward as intended. This financial approval is pivotal, as it enables the municipality to implement various initiatives and maintain essential services, thereby promoting sustainable development and enhancing community well-being.

With a secure budget in place, the municipality can focus on executing key infrastructure projects, improving public services, and investing in areas critical to residents' quality of life. This includes upgrading water and sanitation systems, expanding road networks, enhancing public transportation, and supporting local economic development initiatives. Additionally, the budget allocation allows for the continued provision of vital services such as healthcare, education, and public safety, ensuring that the community's needs are met effectively.

Moreover, the successful funding of the budget underscores the municipality's commitment to fiscal responsibility and strategic planning. By securing the necessary financial resources, the municipality is better positioned to achieve its long-term goals, attract investments, and foster a thriving, resilient community. This proactive approach not only addresses current challenges but also lays a strong foundation for future growth and prosperity.

- **Conditions 6.5 – Cost reflective tariffs**

The adopted budget for the 2024/2025 fiscal year, while initially overlooking the inclusion of the cost reflective tariff tool, presents a valuable opportunity for municipalities to refine their financial planning strategies. Acknowledging this gap is a critical first step towards adopting more accurate and sustainable financial practices. By integrating the draft cost reflective tariff tool, municipalities can align service tariffs with actual operational and maintenance costs, thereby strengthening their financial health and creating a solid foundation for future infrastructure investments.

Addressing this oversight will not only enhance the municipality's financial stability but also reflect a forward-thinking approach to governance. The implementation of the cost reflective tariff tool will ensure that essential services remain both reliable and sufficiently funded, which, in turn, will build trust and confidence within the community. This adjustment represents a significant move towards long-term sustainability by preventing financial shortfalls and enabling the municipality to meet the evolving needs of its residents. Seizing this opportunity underscores the municipality's dedication



to continuous improvement and effective service delivery, ultimately fostering a more resilient and thriving community.

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

The municipality's approved credit and debt collection policy outlines specific conditions for how payments should be allocated. However, these prescribed allocations are not being consistently followed, leading to discrepancies in how debts are recorded and managed, which could potentially impact the municipality's financial health. Furthermore, the lack of infrastructure to restrict water supply to defaulting non-indigent consumers highlights a significant technological gap. This issue is currently under review, with potential solutions and their cost implications being considered.

Despite these challenges, the municipality remains committed to supporting its vulnerable populations. Registered indigent consumers receive essential services, including monthly allotments of 50 kilowatt-hours of electricity and 6 kilolitres of water. This practice demonstrates the municipality's dedication to ensuring that basic needs are met for those in need. Additionally, all financial details, including these provisions, are transparently reported in the monthly MFMA s.71 statement in accordance with National Treasury regulations. This ensures accountability and adherence to statutory guidelines, reinforcing the municipality's commitment to responsible governance and financial transparency.

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

The Property Rates Reconciliation for Sol Plaatje Municipality as of Quarter 4 for the 2023/2024 financial year showcases a commendable alignment between the General Valuation Roll (GV) and the Municipal Financial System (MFS) across various property categories. This alignment reflects the municipality's dedication to maintaining accurate and consistent property records. Ensuring that both the number of properties and their market values are consistently recorded in these systems is essential for effective financial management. This consistency not only facilitates accurate billing and collection but also strengthens the reliability of property rate reporting, thereby contributing to the municipality's overall financial stability.

By achieving such meticulous alignment in property reconciliation, the municipality underscores its dedication to transparency, accountability, and continuous improvement in financial oversight. The careful reconciliation process highlights the municipality's proactive approach to financial governance, ensuring that property valuations are both accurate and reliable. This diligent effort in maintaining aligned records between the GV and MFS systems reflects the municipality's broader commitment to sound financial practices and responsible management, ultimately benefiting the community it serves.



Property Rates Reconciliation							
Province	NC						
District	Frances Baard District						
Type	LM						
Municipal Name	Sol Plaatje						
GV Period	01/07/2023 - 30/06/2027						
Financial Year	2023/2024						
Reconciliation Period	Quarter 4						
Reconciliation Overview							
High Level Reconciliation							
Propety Categories	1.Number of Properties				2.Market Values		
	General Valuation Roll	MFS	Variance		General Valuation Roll	MFS	Variance
Residential	49755	49755	0		23 920 800 503	23 920 800 503	-
Industrial	216	216	0		807 530 000	807 530 000	-
Business and Commercial	2308	2308	0		7 476 973 001	7 476 973 001	-
Agricultural	437	437	0		2 672 386 700	2 672 386 700	-
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	197	197	0		141 088 000	141 088 000	-
PBO	1346	1346	0		625 386 001	625 386 001	-
Multi Use	0	0	0		-	-	-
Vacant	0	0	0		-	-	-
POW	241	241	0		569 649 000	569 649 000	-
Municipal	5558	5558	0		1 524 941 504	1 524 941 504	-
Other	0	0	0		-	-	-
Total	60212	60212	0		40 340 311 109	40 340 311 109.00	-
Detailed Reconciliation							
Property Categories	Monthly Billing						
Property Categories	GV	MFS	Variance		Comments		
Residential	11501097	22745919	-11244822				
Industrial	2340020	2290796	49224				
Business and Commercial	21666399	20403318	1263081				
Agricultural	645381	799815	-154434				
Mining	595105	595105	0				
State Owned for Public Purpose	9896154	0	9896154				
PSI	0	0	0				
PBO	0	0	0				
Multi Use	0	0	0				
Vacant	0	0	0				
POW	0	0	0				
Municipal	0	0	0				
Other	0	0	0				
Total	46 644 155,82	46 834 953,51	190 797,69				

Condition 6.9 – Monitor and Report on compliance

The data strings have been successfully uploaded to the GoMuni system, an online platform used by municipalities to submit various operational and financial data. The Municipality has uploaded their Municipal Finance Management Act (MFMA) Section 71 report, which is crucial for assessing the municipality's monthly financial status. This report provides a detailed breakdown of revenue, expenditures, and compliance with municipal budgetary provisions, which is essential for transparency and effective financial management.

MFMA S71 Statement component		Compliance (Yes / No)
1.	<i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i> explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	<i>The conclusion (paragraph 14) of the MFMA S71 statement</i> explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting -	Yes



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

The s71 report was thoroughly assessed pertaining to the municipality's financial performance for the month under review. The review of additional requirements and documentation that accompany the s71 report, such as supplementary notes and justifications for variances was verified. This assessment supports the ability to monitor financial health and address potential issues proactively, stressing the importance of adhering to submission deadlines and ensuring all relevant documents are uploaded accurately and timely.



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

National Treasury plays a crucial role in overseeing the Municipal Debt Relief Programme, ensuring that municipalities comply with the stipulated conditions designed to effectively manage and mitigate municipal debt. This oversight is vital for promoting financial discipline and accountability within the municipal framework. This letter serves as a formal submission in line with National Treasury's mandate, certifying the compliance of the concerned municipality with the program's requirements. Through rigorous monitoring and evaluation, National Treasury ensures that Sol Plaatje Municipality adheres to the prescribed guidelines, which are essential for maintaining financial health and preventing future debt accumulation.

By certifying compliance, National Treasury facilitates a structured and transparent process for fiscal recovery, aiding municipalities in regaining financial stability and operating within their budgetary constraints. This certification is not merely a procedural formality but a critical step in supporting municipalities to implement sound financial management practices. The process emphasizes the importance of adhering to robust fiscal policies and promotes sustainable economic practices. Ultimately, this structured approach enables municipalities to deliver essential services efficiently, fostering community trust and contributing to overall economic development.

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

The restriction on municipal borrowing and the prohibition of taking on new debt during periods designated for debt relief form a comprehensive regulatory framework that enforces fiscal prudence among municipalities. This framework requires rigorous examination of all municipal borrowing activities to ensure they fall within set limits and adhere to the stipulated conditions of the debt relief program. These constraints are designed not only to foster responsible debt management but also to enhance the municipality's financial stability by preventing excessive leveraging and alleviating short-term financial pressures.

Since the effective date of its debt relief on 1 October 2023, the Municipality has remained in strict compliance with these regulations. This adherence has been crucial in maintaining its creditworthiness and managing financial risks effectively. By following these guidelines, the Municipality safeguards its long-term fiscal health and demonstrates a commitment to sound financial governance, which is essential for sustained fiscal resilience and the trust of its stakeholders.

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

The revision to the Supplementary Guide to MFMA Circular No. 124 significantly enhances the management of funds allocated for debt relief by mandating that municipalities integrate these funds into their general accounts. However, it also requires municipalities to ensure clear segregation of these funds in their monthly *mSCOA* submissions. This approach simplifies the banking structure,



reducing administrative complexity while maintaining strict accountability and transparency. Municipalities must distinctly tag and trace debt relief funds within their financial records, ensuring that these funds are used appropriately and can be easily tracked and audited.

A key component of this revised guide is the requirement for municipalities to upload monthly bank reconciliations and detailed bank statements to the GoMuni platform. This requirement emphasizes the importance of transparency and accurate financial reporting. By reflecting all transactions, including those related to debt relief funds, municipalities provide a true and fair view of their financial activities. This compliance with National Treasury standards ensures that the use of debt relief funds is transparent and accountable, fostering trust in the financial management practices of municipalities.

Moreover, the guide underscores the necessity of accurate accounting for debt relief received, such as interest write-offs from entities like Eskom. Municipalities are required to make precise ledger adjustments to accurately reflect these reductions. This accuracy is crucial for ensuring that financial reports are compliant with guidelines and transparent about the management of debt relief benefits. Such meticulous accounting practices help municipalities demonstrate their financial integrity and adherence to the prescribed standards, ultimately supporting their efforts to achieve fiscal stability and sustainable financial management.

- **Condition 6.14 – NERSA Licence**

By participating in the Municipal Debt Relief Programme, a municipality commits to adhering to specific conditions outlined in the programme. One significant condition is that, should a municipality fail to comply with the terms of the Debt Relief Programme during its duration, it must voluntarily apply to the National Energy Regulator of South Africa (NERSA) to revoke its electricity supply license under section 17 of the Electricity Regulation Act of 2006. This drastic measure serves as a compelling incentive for municipalities to maintain compliance with the programme's requirements.

However, the requirement to potentially revoke the electricity license is only triggered if the municipality's participation in the debt relief programme is terminated due to non-compliance. This condition underscores the gravity of the commitment municipalities make when entering the debt relief programme. It ensures that municipalities are held accountable for adhering to its terms, thereby maintaining their operational capabilities and financial health. This stringent requirement highlights the importance of compliance and the serious consequences of failing to meet the programme's standards.

- **Recommendations:**

Enhance Financial Oversight Mechanisms: Strengthen financial oversight by implementing more robust internal controls and conducting regular audits. This approach will ensure greater accountability and accuracy in financial reporting, thereby reducing the risk of discrepancies and non-compliance.



Integrate Cost Reflective Tariff Tools: Incorporate cost reflective tariff tools into the financial planning process to align service tariffs with actual operational and maintenance costs. This integration will support financial sustainability and facilitate future infrastructure investments.

Improve Debt Management Strategies: Develop and implement comprehensive debt management strategies that include clear guidelines for debt reduction, ongoing monitoring of debt levels, and proactive engagement with creditors to negotiate more favourable terms.

Strengthen Revenue Collection: Enhance revenue collection by adopting advanced technological solutions for billing and collection, improving customer service, and regularly reviewing revenue streams to identify and address any gaps.

Promote Transparency and Accountability: Foster transparency and accountability by consistently uploading all required financial documents and reports to relevant platforms, such as the GoMuni system. This practice will build trust with stakeholders and ensure compliance with National Treasury regulations.

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: 30/08/2024

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



Annexures (July 2024 Compliance Certificates)

Annexure A2 - Monthly

	National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003
National Treasury	
Certificate of Compliance: Municipal Debt Relief Conditions for Application	
Period	Jul'24
National Financial Year	2024/25
Demarcation Code of Municipality being assessed	NC091
District	Frances Baard
Demarcation Description	Sol Plaatje
<p>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:</p>	
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)? <i>Note - refer condition 6.12.2</i>
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 ?
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?
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>
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://lguploadportal.treasury.gov.za ?
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?
6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)
7	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?
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?
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?
10	6.4.1 - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?
<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	



		<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?	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)?	not yet the end of a quarter
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	not yet the end of a quarter
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes



31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://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>			
<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:</p>			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the 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 ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
<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>			
<p>6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):</p>			
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? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	No



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

15 of 15

PT: HOD/ NT / MM Name:

Mandla Gilimani

Signature of HOD/ NT/ MM:

Date:

30/08/2024

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		Province																																											
Municipal Debt Relief		NW																																											
MFMA Circular No. 124		Code	District																																										
Municipal Finance Management Act No. 56 of 2003		NC091	Frances Baard																																										
		Sol Plaatje																																											
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				FRPBFP & 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	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	
2.August	Sol Plaatje	NC091																																										0%	Non Compliance
3.September	Sol Plaatje	NC091																																										0%	Non Compliance
4.October	Sol Plaatje	NC091																																										0%	Non Compliance
5.November	Sol Plaatje	NC091																																										0%	Non Compliance
6.December	Sol Plaatje	NC091																																										0%	Non Compliance
7.January	Sol Plaatje	NC091																																										0%	Non Compliance
8.February	Sol Plaatje	NC091																																										0%	Non Compliance
9.March	Sol Plaatje	NC091																																										0%	Non Compliance
10.April	Sol Plaatje	NC091																																										0%	Non Compliance
11.May	Sol Plaatje	NC091																																										0%	Non Compliance
12.June	Sol Plaatje	NC091																																										0%	Non Compliance
NT Name:			Mandla Gilimani																																					Comments/Motivation					
Signature of NT:																																													
Date:			30/08/2024																																										

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.

Nkwama wa Tiko • Gwama la Muvhuso • Nasionale Tesourie • Lefapha la Bosetshaba la Matlotlo • uMnyango wezezimali • Litiko leTetimali taVelonkhe • Tirelo ya Matlotlo a Bosetshahaba Tshebeletso ya Matlotlo a Naha • UMnyango weziMali • Isebe leNgxowa Mali yeLizwe



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

Aug 24

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Sol Plaatje

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

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6.3+	Maintaining the Eskom and bulk water current account – 6.12 (current account for the purpose of the 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)? <i>Note - refer condition 6.12.2</i>	<div>Yes</div>	The municipality settled R17,724 million in full, on the current account for July 2024 on 30 August 2024.
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://goportal.treasury.gov.za ?	<div>Yes</div>	
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>Yes</div>	
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>No</div>	The municipality settled an amount of R80,868 million on July 2024 account excluding interest amounting to R274 thousand on 28 August 2024 (R32m) and 29 August 2024 (R48m). Total invoice amount was R148,333 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://goportal.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>	
7	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	<div>2024/25 Adopted MTREF</div>	
8	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>	
9	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	<div>Yes</div>	
10	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example: If the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to "balance" the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this concern as "No".</i>	<div>Yes</div>	
11	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this concern as "No".</i>	<div>Yes</div>	
12	6.4.2	- If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - If the municipality has an FRP, a separate Budget funding plan is not necessary. However, the FRP / NT must assess whether the existing FRP arrangements / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	<div>N/A - the MTREF is funded</div>	
13	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>	
14	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.)?	<div>Yes</div>	
15	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>	
16	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:		
17	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?	<div>Yes</div>	
18	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?	<div>Yes</div>	
19	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>	<div>No</div>	
20	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>	<div>No</div>	

Notes/Comments

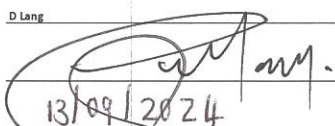
19	6.6	Supporting evidence – The National Treasury and/or provincial treasury's related budget assessment confirm the municipality's relevant MTRRF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.	
20	6.7	Maintain a minimum average quarterly collection of property rates and service charges –	
21	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 a quarter
22		<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>	
23	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:	
24	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarter
25	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
26	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarter
27	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
28	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect from the 2023/24 MTRF with a smart pre-paid meter?	Yes
29	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
30	6.8	Municipality's Completeness of the revenue base –	
31	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
32	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified?	Yes
33		<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>	
34	6.8.2	- For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za ?	Yes
35	6.9	Monitor and report on implementation –	
36	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
37	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?	Yes
38		<i>Note: condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	
39	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
40	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?	No FRP
41		<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>	
42	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:	
43	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
44	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?	Yes
45		<i>Note: in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	
46	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
47		<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 6.1.3.</i>	

36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		<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. It confirms that MFMA Circular No. 124 (condition 6.11 (Limitation on municipality borrowing powers)) will only be selected 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 investor 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	Sub-account no longer required in terms of supplementary guide to Circ 124
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	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(1).</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	NT has not issued any written instruction for arrear debt write-offs
		<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 8. 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 procedures for reporting on general performance as envisaged in Chapter 9 of the Municipal Systems Act, 2000 including the necessary service delivery agreement, signing 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:

D Lang

Signature of HOD/NT/MM:


13/09/2024

Date:

***Note - if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procurator 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*

