



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

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

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 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 R3,896,583 billion, of which 87% of the debt is owed in excess of 90 days. Of the total debt, R871,138 million is owed by government, R678,888 million by business and R2,229,562 billion by households. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. *There needs to be a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, must remember that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality because there is a direct correlation between providing quality services and consumers' willingness to pay.

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

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

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 June 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Juneor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **30 September 2024**, the ten working day reporting limit expires on **14 October 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 **14 October 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 September 2024	YTD Actual September 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	739,569	878,754	139,184	118.8%	18.8%
Total Revenue (including capital transfers and contributions)	882,627	915,646	33,019	103.7%	3.7%
Total Operational Expenditure	797,865	664,058	(133,806)	83.2%	-16.8%

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

As indicated in Table 1 above, as at 30 September 2024, the billed revenue excluding capital grants amounted to R878,754 million which resulted in a satisfactory variance of 18.8% when compared to the YTD Budget of R739,569 million. The billed revenue including capital grants amounted to R915,646 million, resulting in a satisfactory variance of 3.7% when compared to the YTD budget of R882,627 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 R664,058 million versus the YTD Budget of R797,865 million, resulting in an unsatisfactory variance of minus 16.8%. 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 September 2024	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25%
Total Revenue (excluding capital transfers and contributions)	2,958,278	878,754	632,230	29.7%	4.7%
Total Revenue (including capital transfers and contributions)	3,530,507	915,646	621,437	25.9%	0.9%
Total Operational Expenditure	2,928,505	664,058	420,016	22.7%	-2.3%

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 25% [calculated as follow: (100/12 months x 3 months of the year)] as at the end of September 2024, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 4.7%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 0.9%. The Total Operational Expenditure resulted in a satisfactory variance of minus 2.3%.

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

4. Budget performance overview

The municipality is implementing the Original budget for 2024/25 financial year. The original budget for 2024/25 was assessed as funded with a firm recommendation from NT that the collection rate must improve. As per the tables above, overall Operational revenue is performing satisfactorily, with the actual achieved versus the Original budget standing at 29.7% spent versus the ideal percentage of 25%. This is largely as a result of the annual billing on Property rates. Operational expenditure is 22.7% spent which is understated due to the following, the bi-annual loan repayment, with the first instalment being due at the end of December 2024 and post-retirement health benefits which is not yet accounted for. Performance on the capital is normally poor during the start of financial year. This is still not a desired outcome and more effective planning, monitoring and timely remedial action is essential to improve on the monthly and full year outcome of capital expenditure.

The municipality's Debt Relief application to National Treasury was approved, effective 1 October 2023. The municipality 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. The municipality made partial payments on the July and August 2024 accounts for the high months and is in arrears with one month of the payment arrangement. It is of paramount importance that order to be in good standing with ESKOM and National Treasury and to qualify for the recommendation for the first third debt write/off, the municipality must pay **R134,337,170.97** with immediate effect.

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

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

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

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

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

In terms of the National Treasury's local government revenue improvement programme, all municipalities that benefit from the Municipal Debt Relief will continue to receive support towards strengthening their revenue value chains. Municipalities are cautioned that the National Treasury

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considers the conditions set out in paragraph 6.1 to 6.14 as critical financial management minimum best practice and confirms that if a municipality fails to meet any and/ or a combination of the conditions set out in this Municipal Debt Relief framework, it could (over-and-above the consequences set out in 5.1 above) constitute a serious breach of its financial management fiduciary responsibilities and may also constitute financial misconduct as envisaged in the MFMA and Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. The National Treasury reserves the right to immediately invoke section 216 of the Constitution and/ or any other remedies available to government in terms of the prevailing legislative framework in such a situation (including instituting individual financial misconduct and/ or criminal proceedings).

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

Monitor and report on implementation –

As per MFMA Circular 124,

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

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

The municipality has made significant strides to settle the monthly current accounts for Eskom and the Department of Water and Sanitation. The arrear debt owed to Waterboard has also been reduced significantly by R71,775 million during the 2023/24 financial year. Both ESKOM and DWS is satisfied with the progress the municipality has made and the municipality has an amicable and good working relationship with both institutions. The ring-fencing of cash received for Electricity and Water is accounted for on a daily basis. Unfortunately, for end of September 2024, the municipality was not in a position to pay over all the receipts from Electricity, due to a shortfall on the funds required for third party salary payments. The ring-fencing of funds has put severe pressure on the municipality to settle Supply Chain and other sundry creditors. This is tarnishing the relationship with the municipality's suppliers and will have a severe impact on service delivery and the local economy. The biggest concern is the settling of the Eskom accounts for the high months (June to September). The municipality settled an amount of R67,000 million on 30 September 2024 for the August 2024 account excluding interest amounting to R155 thousand. The total invoice amount was R127,601 million. **Defaulting on the August 2024 account is a serious breach of the conditions of Circular 124 and immediate remedial action will have to be taken by management to remedy the situation and settle the balance outstanding of R60,466 million (excl interest). As reported during August 2024, the municipality defaulted on the July 2024 account, resulting in an outstanding balance of R67,191 million (excl interest). To be in good standing with ESKOM and National Treasury and to qualify for the recommendation for the first third debt write/off by National Treasury, the municipality must pay R134,337,170.97 with immediate effect. The amount due and payable comprises of R127,637,170.97 (arrears for Jul and Aug 2024) as well one month's arrear instalment of R6,700 million on the payment arrangement).** The municipality settled the instalment of R6,700 million on the payment arrangement on 30 September 2024. Due to the debt agreement with DWS and the Incentive scheme initiated by the Department, the municipality has made significant strides in reducing the arrear debt owed to the Department and have settled all invoices

raised for the 2022/23 and 2023/24 financial year in full. The current Water account for August 2024 amounting to R16,698 million was settled in full on the 30 September 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. The smart meter grant was approved by National Treasury and preparatory work for implementation with the appointed service provider is underway.

NT granted approval for the municipality to partake in the transversal tender smart prepaid metering.

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 arears, however the Executive Mayor has dealt with this in a diplomatic manner.

We are working on resolving the issues raised by Customers on their accounts, in the interim Customers are expected to make payment on services received (undisputed) 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 Municipality has been awarded a smart meter grant of R100 million for smart prepaid meters for Household Customers, this will assist with revenue enhancement. With the use of smart meters the accuracy of our Billing will be improved, metering disputes will be resolved including the billing of interims.

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

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

The receipts for Government Departments, Parastatals and schools were R57,149,949.27 for the month of September 2024 as compared to the R31 664 296.49 for the month of August 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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	80,823	273,221	274,800	99.4%	(1,579)	-0.6%	24.9%	(1,579)	-0.1%
Service charges - Water	343,685	26,602	74,699	85,921	86.9%	(11,222)	-13.1%	21.7%	(11,222)	-3.3%
Service charges - Waste Water Managem	95,890	9,279	28,396	23,972	118.5%	4,424	18.5%	29.6%	4,423	4.6%
Service charges - Waste management	72,271	6,970	21,370	18,068	118.3%	3,303	18.3%	29.6%	3,303	4.6%
Sale of Goods and Rendering of Services	15,955	458	6,626	3,989	166.1%	2,637	66.1%	41.5%	2,637	16.5%
Agency services	-	-	-	-		-			-	
Interest	-	-	-	-		-			-	
Interest earned from Receivables	120,030	13,492	39,496	30,007	131.6%	9,488	31.6%	32.9%	9,488	7.9%
Interest from Current and Non Current Ass	9,000	1,785	1,455	2,250	64.7%	(795)	-35.3%	16.2%	(795)	-8.8%
Dividends	-	-	-	-		-			-	
Rent on Land	-	-	-	-		-			-	
Rental from Fixed Assets	27,740	2,574	7,604	6,935	109.7%	669	9.7%	27.4%	669	2.4%
Licence and permits	1,200	54	181	300	60.4%	(119)	-39.6%	15.1%	(119)	-9.9%
Operational Revenue	3,773	228	682	943	72.3%	(262)	-27.7%	18.1%	(262)	-6.9%
Non-Exchange Revenue										
Property rates	687,320	50,868	259,359	171,830	150.9%	87,529	50.9%	37.7%	87,529	12.7%
Surcharges and Taxes	-	-	-	-		-			-	
Fines, penalties and forfeits	32,143	2,336	5,464	8,036	68.0%	(2,572)	-32.0%	17.0%	(2,572)	-8.0%
Licence and permits	8,000	845	2,871	2,000	143.6%	871	43.6%	35.9%	871	10.9%
Transfers and subsidies - Operational	299,271	-	117,543	74,818	157.1%	42,725	57.1%	39.3%	42,725	14.3%
Interest	91,900	8,927	24,736	22,975						
Fuel Levy	-	-	-	-						
Operational Revenue	50,900	5,049	15,043	12,725	118.2%	2,318	18.2%	29.6%	2,318	4.6%
Gains on disposal of Assets	-	-	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	210,289	878,754	739,569	118.8%	137,424	18.6%	29.7%	139,184	4.7%
Transfers and subsidies - capital	572,229	36,892	36,892	143,057	25.8%	(106,166)	-74.2%	6.4%	(106,166)	-18.6%
Total Revenue (including capital transfers and contributions)	3,530,507	247,181	915,646	882,627	103.7%	33,019	3.7%	25.9%	33,019	0.9%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing satisfactory variance of minus 0.6%. 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 13.1%. 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 and this enlarge attributable to the exercise of the Property Valuation section that did a comparative exercise of the number of properties versus the number of accounts billed for Refuse and Sewer.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 66.1%. 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 31.6% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate, prior to the recent interest rate cut.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 35.3%. 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.
- ❖ Rental from Fixed Assets, is showing a positive variance of 9.7% when compared to the YTD budget.
- ❖ Licences and permits are showing a negative variance of 39.6%, 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 27.7%, 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 50.9%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a negative variance of 32.0%, as a result on an under-recovery on Fines: Law Enforcement.
- ❖ Licence and permits is showing a positive variance of 43.6%, due to possible outstanding payments to the Department of Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 57.1%, due to the receipt of the first tranche of the Equitable Share.
- ❖ Operational Revenue is showing a positive variance of 18.2%, due to an over-recovery on water and electricity availability charges.
- ❖ Gains on disposal of assets, shows a movement of R6 thousand for the month under review, pertaining to land sales.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 74.2% when compared to the YTD budget. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Comparison against Original Budget

Based on the IYM percentage of 25%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Service charges when compared to the Original budget is performing satisfactorily.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 16.5%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 7.9%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 8.8%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 9.9%. Same factors are applicable as described in the paragraph above.

- ❖ Operational Revenue is showing a satisfactory variance of minus 6.9%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 12.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a negative variance of 8.0%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 14.3%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a positive variance of 4.6%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets shows a movement of R6 thousand. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 18.6%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 September 2024. The main contributors of the municipality's revenue are Service Charges (45.3%), Property Rates (29.5%) and Transfers and subsidies (13.4%). The contribution per Revenue source is distorted, as a result of the annual billing of Property rates and the receipt of the first tranche of the Equitable Share.

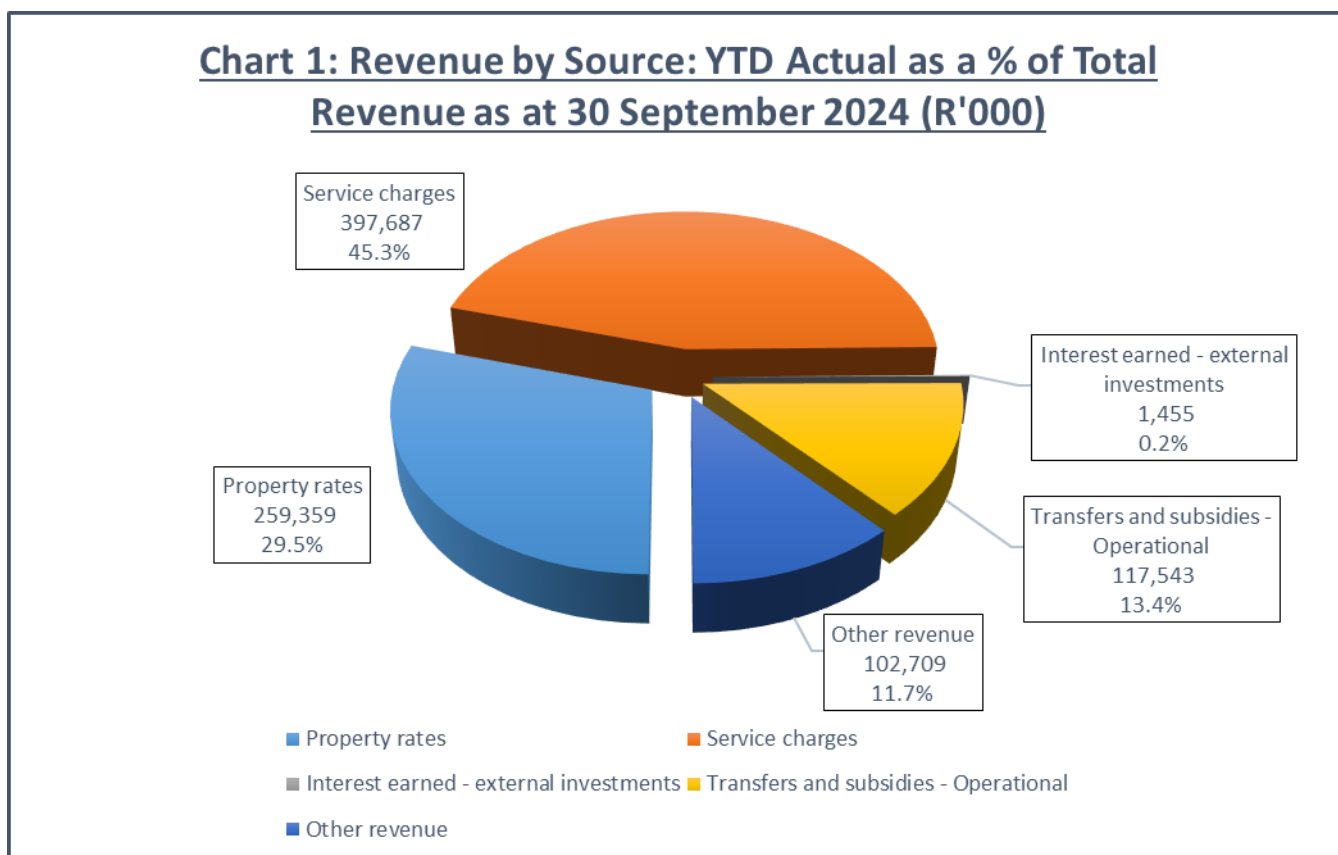


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	950,863	66,899	196,382	237,717	82.6%	(41,335)	-17.4%	20.7%	(41,334)	-4.3%
Remuneration of councillors	37,077	2,805	8,420	9,269	90.8%	(850)	-9.2%	22.7%	(850)	-2.3%
Bulk purchases - electricity	897,300	169,678	239,998	290,061	82.7%	(50,063)	-17.3%	26.7%	15,673	1.7%
Inventory consumed	319,605	22,504	53,952	79,902	67.5%	(25,949)	-32.5%	16.9%	(25,949)	-8.1%
Debt impairment	355,246	88,812	88,812	88,812	100.0%	(0)	0.0%	25.0%	-	0.0%
Depreciation and amortisation	89,700	22,425	22,425	22,425	100.0%	(0)	0.0%	25.0%	-	0.0%
Interest	17,774	0	1	4,444	0.0%	(4,443)	-100.0%	0.0%	(4,443)	-25.0%
Contracted services	40,731	5,553	11,163	10,183	109.6%	981	9.6%	27.4%	981	2.4%
Transfers and subsidies	3,660	-	-	915	0.0%	(915)	-100.0%	0.0%	(915)	-25.0%
Irrecoverable debts written off	-	0	1	-		1			1	
Operational costs	151,549	14,242	42,904	37,888	113.2%	5,016	13.2%	28.3%	5,017	3.3%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	65,000	-	-	16,250	0.0%	(16,250)	-100.0%	0.0%	(16,250)	-25.0%
Total Expenditure	2,928,505	392,919	664,058	797,865	83.2%	(133,806)	-16.8%	22.7%	(68,068)	-2.3%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 September 2024 current YTD expenditure shows an unsatisfactory variance of minus 16.8%. The YTD actual amounted to R664,058 million against the YTD Budget of R797,865 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 17.4%, due to annual salary increases not being factored in. The collective agreement for salaries and wages was finalised during September and will be implemented in October 2024. 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 9.2%. The gazette for the upper limits of political office bearers has not been issued for the current year.
- ❖ Bulk purchases – Electricity is showing a negative variance of minus 17.3%, due to the September 2024 invoice not being captured on the system which will be processed during October 2024.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 32.5%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

R&M Expenditure per Directorate per Inventory type as at 30 September 2024 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original	Sum of % Spent Adj budget	% Spent compared against ideal IYM % of 25%
VOTE 1 - COUNCILLORS AND ADMIN	202,000	202,000	1,749	42,856	21.22%	21.22%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	85,000	1,749	42,856	50.42%	50.42%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	115,000	-	-	0.00%	0.00%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	22,997,000	2,751,692	7,226,764	31.42%	31.42%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	11,200	69,255	13.32%	13.32%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	14,498	55,492	13.87%	13.87%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	2,725,994	7,102,017	32.17%	32.17%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	117,000	117,000	23,646	43,457	37.14%	37.14%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	107,000	23,646	41,457	41.88%	38.74%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	10,000	-	2,000	11.11%	20.00%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,568,000	10,568,000	236,656	525,333	4.97%	4.97%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	53,923	150,968	16.74%	17.04%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	277,000	24,406	105,362	38.74%	38.04%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	41,902	113,863	21.48%	21.48%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	8,875,000	116,425	155,140	1.75%	1.75%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	35,714,500	35,714,500	1,914,206	4,866,749	13.63%	13.63%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,016,500	50,069	155,487	15.76%	15.30%	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	1,157,000	61,745	195,967	18.03%	16.94%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,976,000	554,218	1,550,901	17.28%	17.28%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	28,931	65,439	7.92%	7.92%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	23,463,000	1,219,243	2,898,955	12.30%	12.36%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,368,000	2,368,000	123,471	607,910	25.67%	25.67%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,320,000	87,165	438,168	33.19%	33.19%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	8,186	47,396	27.08%	27.08%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	13,773	44,290	22.37%	22.37%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	675,000	14,348	78,055	11.56%	11.56%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	6,381,000	111,577	357,626	5.60%	5.60%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	416,000	16,670	74,935	17.88%	18.01%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	563	1,451	2.38%	2.27%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	418,000	20,718	80,196	19.19%	19.19%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	592	1,421	17.77%	17.77%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	5,475,000	73,035	199,622	3.65%	3.65%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	241,257,705	17,341,196	40,281,619	16.70%	16.70%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	645,000	44,501	160,471	24.88%	24.88%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,172,000	24,172,000	1,903,270	3,138,522	12.98%	12.98%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	772,000	27,075	224,692	29.49%	29.11%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,930,000	681,503	2,137,225	23.93%	23.93%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	850,000	14,611	70,808	8.23%	8.33%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	140,886,705	9,468,701	24,688,781	17.52%	17.52%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	5,201,536	9,861,122	15.17%	15.17%	UNSATISFACTORY
Grand Total	319,605,205	319,605,205	22,504,194	53,952,315	16.88%	16.88%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 30 September 2024 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 25%
2480 - REFUSE	21,500,000	21,500,000	1,077,002	2,980,811	13.86%	13.86%	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	3.60%	3.60%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	371,383	1,216,669	20.28%	20.28%	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	705,620	1,756,575	11.95%	11.95%	UNSATISFACTORY
2830 - ROADS	46,747,000	46,747,000	3,908,537	7,970,630	17.05%	17.05%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	8,691	9,240	16.80%	16.80%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	-	8,345	14.39%	14.39%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	46,634,000	3,899,845	7,953,044	17.05%	17.05%	UNSATISFACTORY
2840 - HOUSING	3,509,000	3,509,000	193,684	405,050	11.54%	11.54%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	10,778	45,954	51.63%	51.63%	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	8,378	67,428	46.50%	46.50%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	12,093	31,178	19.49%	19.49%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	162,435	260,490	8.37%	8.37%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	22,024,000	2,230,130	4,419,578	20.07%	20.07%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	30,000	2,166	12,514	41.71%	41.71%	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	1,393	23,857	9.21%	9.21%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,400,000	173,058	507,734	21.16%	21.16%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	400,000	9,404	9,404	2.35%	2.35%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	18,765,000	2,044,109	3,857,734	20.56%	20.56%	UNSATISFACTORY
2860 - WATER	121,123,000	121,123,000	8,627,911	16,922,462	13.97%	13.97%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	77,000	241	30,072	39.05%	39.05%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	24,002,000	1,903,270	3,130,187	13.04%	13.04%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	120,000	11,134	68,704	62.46%	57.25%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,300,000	153,367	535,047	23.26%	23.26%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	5,206	61,403	13.35%	13.65%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,174,000	1,353,158	3,235,926	11.09%	11.09%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	5,201,536	9,861,122	15.17%	15.17%	UNSATISFACTORY
2880 - ELECTRICITY	51,537,000	51,537,000	1,910,723	9,248,949	17.95%	17.95%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	157	15,132	7.21%	7.21%	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	600	10,809	14.22%	14.22%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	51,250,000	1,909,967	9,223,008	18.00%	18.00%	UNSATISFACTORY
Grand Total	266,440,000	266,440,000	17,947,987	41,947,479	15.74%	15.74%	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 and a quarterly journal will be processed to account for prorata depreciation. The municipality engaged our service provider to make use of the available Asset module (AM) on the financial system. This matter remains unresolved, due to the available functionality of the AM and the associated costs. Accounting for Depreciation is based on the strict recommendation from National Treasury during the 2023/24 Mid-year Engagement and issue that will have to be urgently addressed.
- ❖ Interest is showing an unsatisfactory variance of minus 100.0%, due to the Interest on External borrowing being paid bi-annually and the first instalment for the current financial year is due and payable before the 31 December 2024. The minimal movement pertains to minor interest on overdue accounts. This was addressed with a virement but will be factored into the Adjustment budget.
- ❖ Expenditure on Contracted services is showing a satisfactory variance of 9.6%.
- ❖ 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 13.2% 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 R9,997 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. The payment to SALGA 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 the actual costs incurred is then split between Water inventory and Water losses and journalised from the Balance sheet to the Income Statement. The corrective journal to recognise Water inventory and losses portion for the year-to-date actuals is not processed yet and will be resolved during October 2024.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of September 2024 is 25%. The total operational expenditure against the Original budget is 22.7% spent, resulting in an unsatisfactory variance of minus 2.3%.

- ❖ Employee related costs show a satisfactory variance of minus 4.3%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 2.3%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of 1.7%. The invoice for September 2024 will be captured during October 2024. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 8.1%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a variance of 0.0%. 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 and will be provided for, on a quarterly basis. This will be effected via a journal which is not the ideal best practice. Depreciation should be automated and calculated and integrating on a monthly basis from the Asset Management Module, which is still under review. Same factors are applicable as explained above.
- ❖ Interest is showing an unsatisfactory variance of minus 25.0%. Finance charges are paid bi-annually (December and June of each year). Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is satisfactory at 2.4%, when compared to the Original budget.
- ❖ Transfers and subsidies show a satisfactory variance of minus 25.0%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 3.3%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 25.0%. Same factors are applicable as explained above.

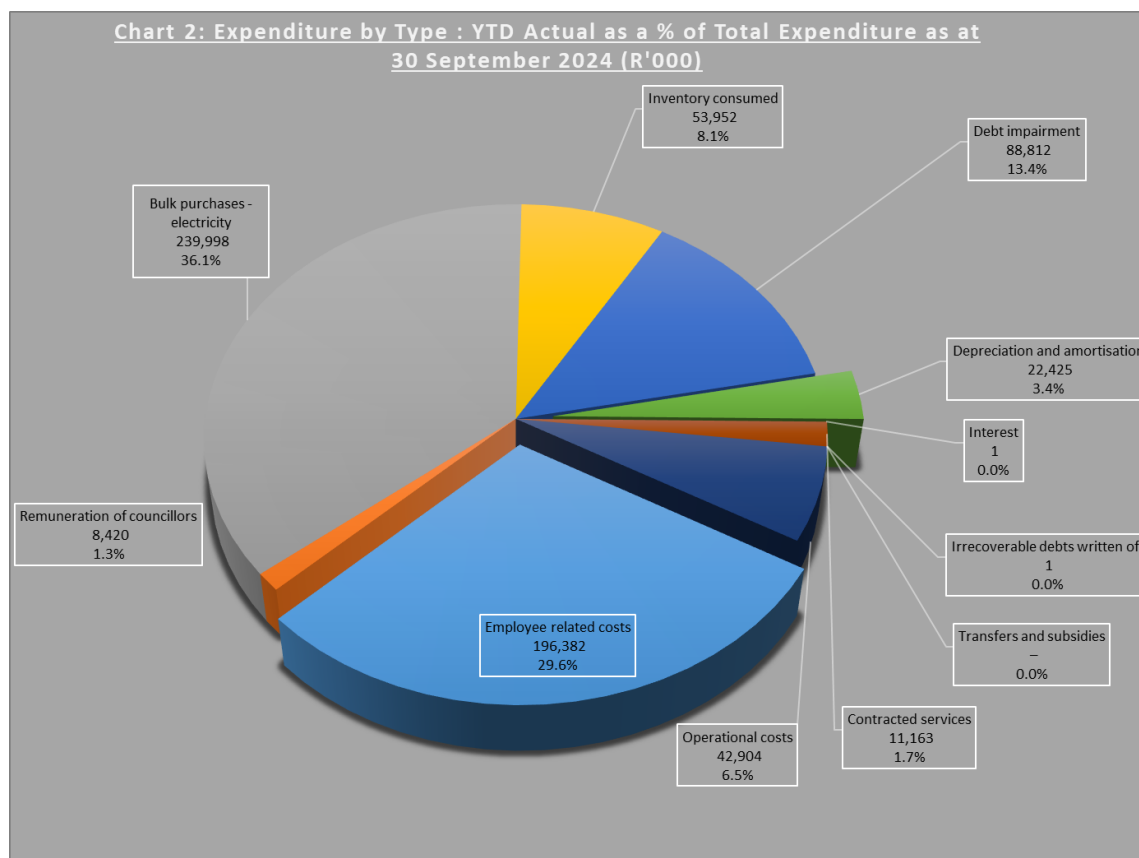


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure
Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: September 2024

Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 September 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, annual salary increases was not implemented on the system and the Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation will be provided for on a quarterly basis.
- ❖ Bulk purchases electricity, the September 2024 Eskom account amounting to R71,087m, is not yet captured on the system and will be processed during October 2024.
- ❖ Debt impairment is provided for on a quarterly. The journal for the first quarter was processed on 9 September 2024.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and June of each year.

Bulk Purchases: Electricity, Water inventory and Water losses

- ❖ Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 25% as at end of September 2024, Bulk Purchases Electricity is showing a satisfactory variance of 1.75%. The invoice for September 2024 will be captured during October 2024.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25%
BULK PURCHASES: ELECTRICITY	897,300,000	169,678,237	239,998,463	26.75%	1.75%
Total	897,300,000	169,678,237	239,998,463	26.75%	1.75%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of minus 17.4%, when compared to the ideal percentage of 25%. The invoice for September 2024 must still be captured on the system. During the Original budget for 2021/22 and advised by NT, Bulk purchases Water was split between Water Inventory and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals 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 % - 25%
INVENTORY - WATER	65,000,000	5,201,536	9,861,122	15.17%	-9.83%
NON-REVENUE WATER LOSSES	65,000,000	-	-	0.00%	-25.00%
Total	130,000,000	5,201,536	9,861,122	7.6%	-17.4%

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	819,809	(57,745)	97,654	97,654	–
Jul-23	131,032	110,162	(8,736)	12,134	12,134	–
Aug-23	123,594	70,000	(10,784)	42,810	42,810	–
Sep-23	71,421	30,000	(10,598)	30,823	30,823	–
Oct-23	76,317	62,679	(13,638)	–	–	–
Nov-23	70,580	62,348	(8,232)	0	0	–
Dec-23	64,311	61,246	(3,065)	–	–	–
Jan-24	65,735	63,044	(2,691)	–	–	–
Feb-24	64,371	62,479	–	1,893	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	347,021	147,868	–	199,153	128,066	2,178
Jul-24	148,333	80,868	–	67,465	67,465	274
Aug-24	127,601	67,000	–	60,601	60,601	155
Sep-24	71,087	–	–	71,087	–	1,749
Grand Total ESKOM	2,235,641	1,070,919	(95,227)	1,069,495	998,409	2,178

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,069,495 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 total arrear debt amounts to R998,409 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R97,654m) and 2024/25 (R128,066m). The total interest charges on overdue accounts for the current financial year amounted to R2,178 million 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	53,394	34,422	18,973	–
Jul-24	17,724	17,724	–	–
Aug-24	16,698	16,698	0	–
Sep-24	18,973	–	18,973	–
Grand Total	330,352	256,723	73,629	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 R73,629 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 May and again July to September 2024, due to insufficient cash available from operations. The municipality managed to settle a combined total of R30,869 million during July and September 2023 on the arrear debt which was just over 5 months' worth of instalments. The other major reason why the municipality defaulted, was to prioritise the payment of outstanding invoices for 2023/24 financial year. This has yielded positive results because there are no outstanding invoices for 2023/24 financial year. For the 2023/24 financial year an average of R17m was paid to the Department.)
- 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

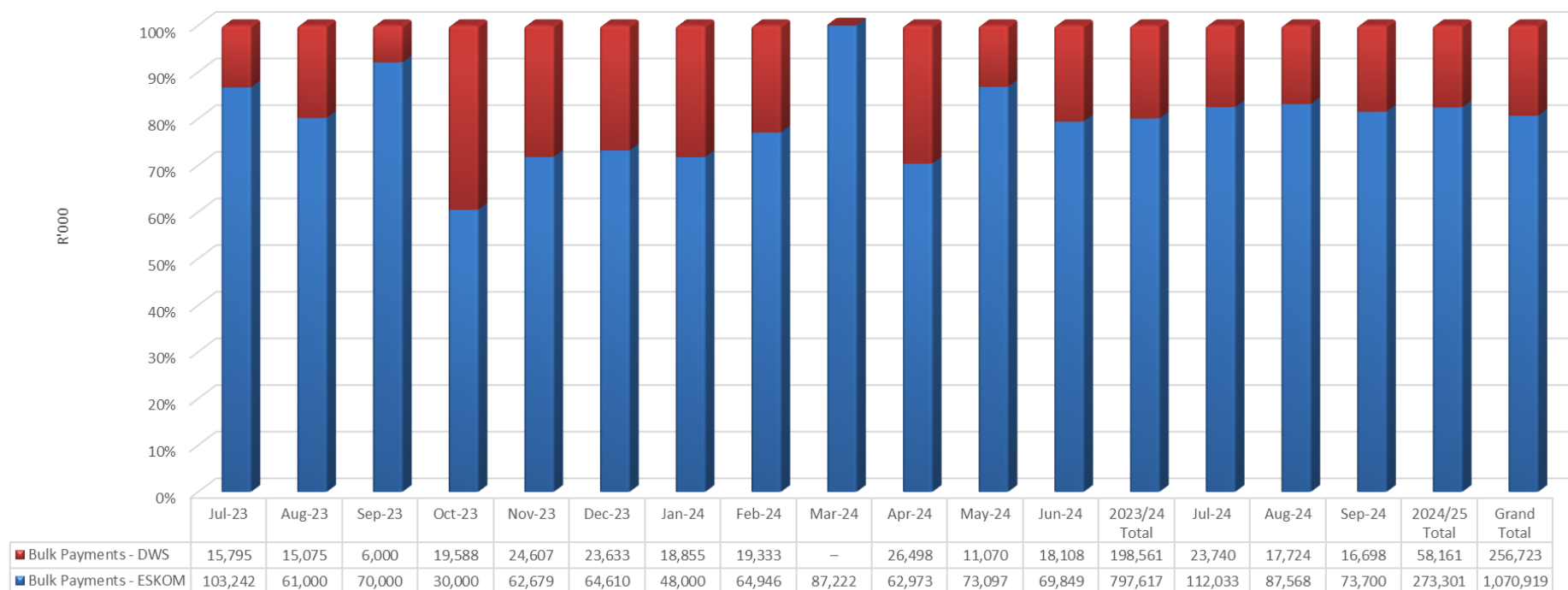


Chart 2.1: Monthly payments to DWS & ESKOM

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 30 September 2024.

DWS The total amount paid to DWS for September 2024 amounted to R16,698 million for the current account of August 2024. Payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R58,161 million. The total payments amount to R256,723 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 for the month of September 2024, due to the insufficient cash available. Debt instalment was due and payable on or before the 5th of September 2024.

ESKOM The municipality settled an amount of R73,700 million on 30 September 2024. Of the amount paid, R67,000 million was towards the current account for August 2024 amounting to R127,601 million and R6,700 million was towards the payment arrangement. 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 total payments made for the 2023/24 financial year amounts to R797,617 million and for 2024/25 financial year the payments amount to R273,301 million, resulting in the total payments for both periods amounting to R1,070,919 billion. The municipality has been improving on payments made to Eskom from October 2023 account June 2024. The high months remains a major concern. The municipality managed to settle the June 2024 account in full but defaulted on the July and August 2024 account.

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 273,301,391.29
20240730	R 112,033,130.69
20240828	R 32,868,260.60
20240829	R 54,700,000.00
20240930	R 73,700,000.00
Grand Total ESKOM	R 1,070,918,800.81

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 58,161,231.52
20240717	R 23,739,570.29
20240830	R 17,723,612.70
20240930	R 16,698,048.53
Grand Total DWS	R 256,722,525.78

Table 6.3: Summary of payments per payment date

Indicated in tables 6.3 above, are the payments to ESKOM and DWS per financial year and per payment date, which corresponds to Chart 2.1 above, with the disclosure being per financial period.

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

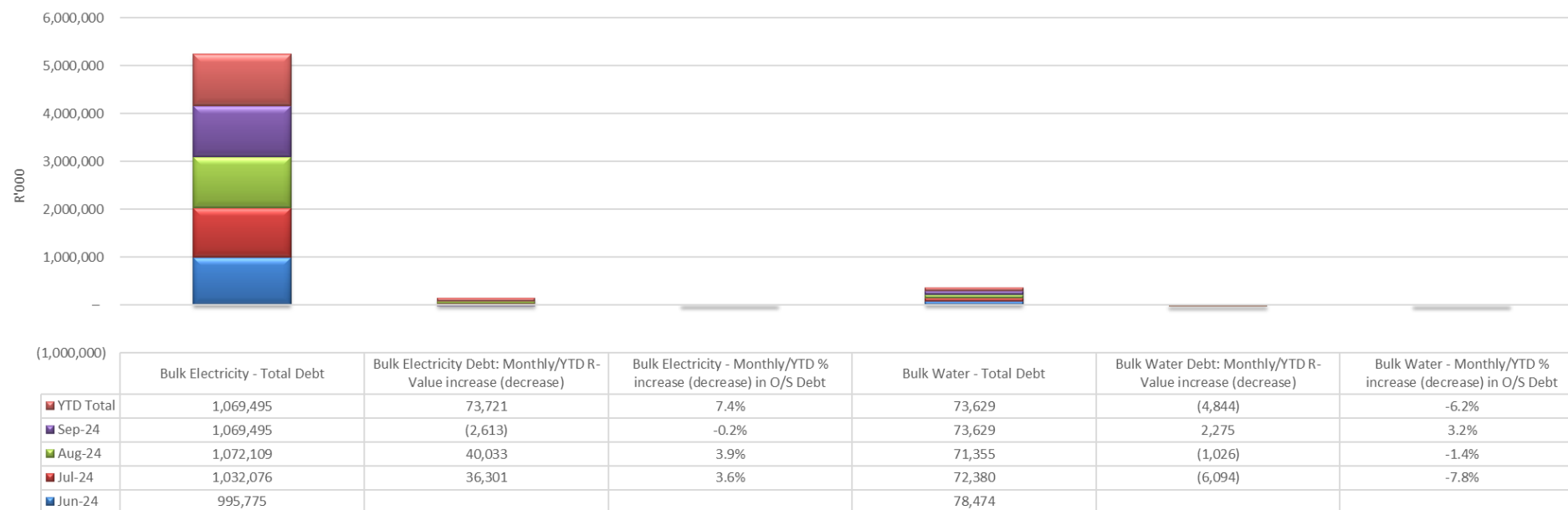


Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From August to September 2024, debt owed to ESKOM decreased by R2,613 million or minus 0.2%, from R1,072,109 billion to R1,069,495 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R73,721 million or 7.4%, from R995,775 million to R1,069,495 billion. The total amount that was subject to the payment arrangement was R163,062 million for debt that accrued after March 2023. As articulated in Table 6.4 below, to date the municipality settled an amount of R49,162 million on the payment arrangement, resulting in the total current outstanding balance amounting to R113,900 million.

DWS - From August to September 2024, debt owed to DWS increased by R2,275 million or 3.2%, from R71,355 million to R73,629 million. When comparing the total outstanding debt to June 2024, the outstanding debt decreased by R4,844 million or minus 6.2% from R78,474 million to R73,629 million. The municipality has made significant strides in reducing the debt owed to DWS. As articulated in Table 6.5 below, the total debt amounted to R174,076 million, whilst the municipality settled an amount of R119,420 million resulting in an outstanding balance of R54,656 million. An amount of R14,704 million for interest incurred must still be written-off, resulting in a net outstanding balance of R39,953 million on the payment arrangement. The municipality managed to reduce the total debt by R71,775 million for the 2023/24 financial year.

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

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

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 - M03 September										
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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	613,729	14,020	41,783	153,432	27.23%	(111,650)	-72.8%	6.8%	(111,650)	-18.2%
Funded by										
Capital transfers recognised	572,229	13,087	36,892	143,057	25.79%	(106,166)	-74.2%	6.4%	(106,166)	-18.6%
Internally generated funds	41,500	933	4,891	10,375	47.1%	(5,484)	-52.9%	11.8%	(5,484)	-13.2%
Weighting Capital transfer recognised	93.2%	93.3%	88.3%	93.2%						
Weighting Internally generated funds	6.8%	6.7%	11.7%	6.8%						

Table 7: High level summary: Capital Expenditure

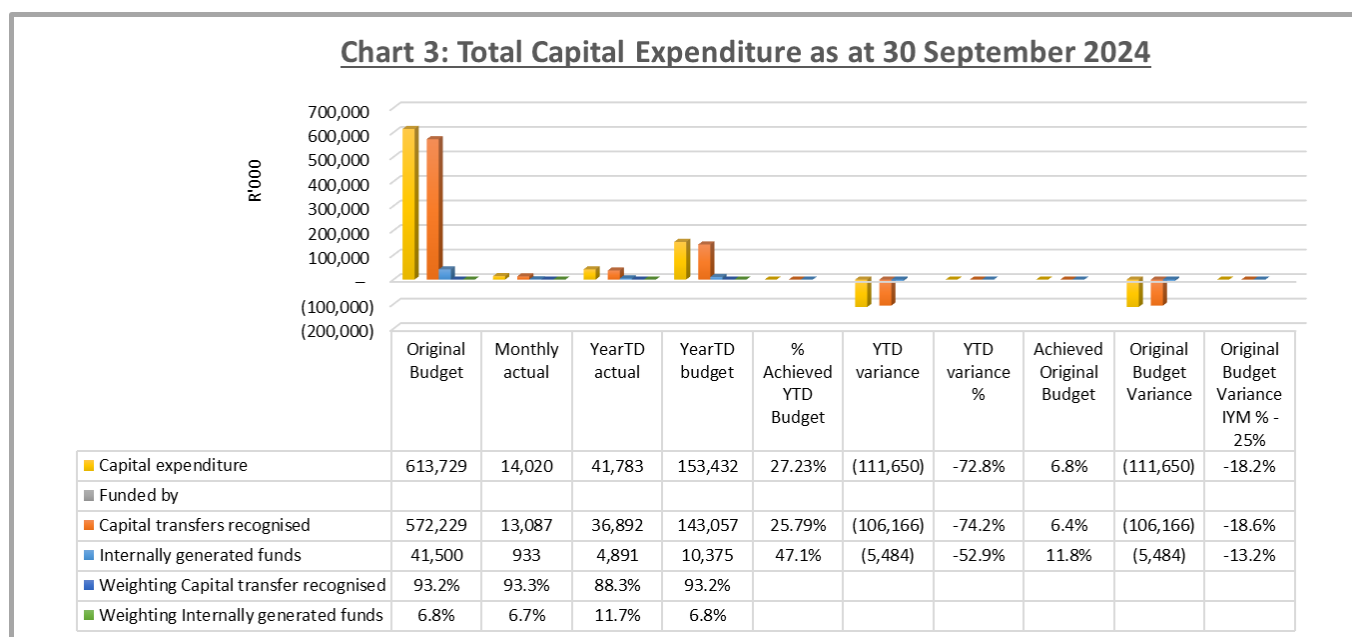


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of September 2024 amounted to R41,783 million and 27.23% spent when compared to the YTD budget of R153,432 million and 6.8% spent when compared to the Original Budget of R613,729 million. The total YTD capex is funded from Capital grants R36,892 million (88.3%) and Internally generated funds R4,891 million (11.7%). 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

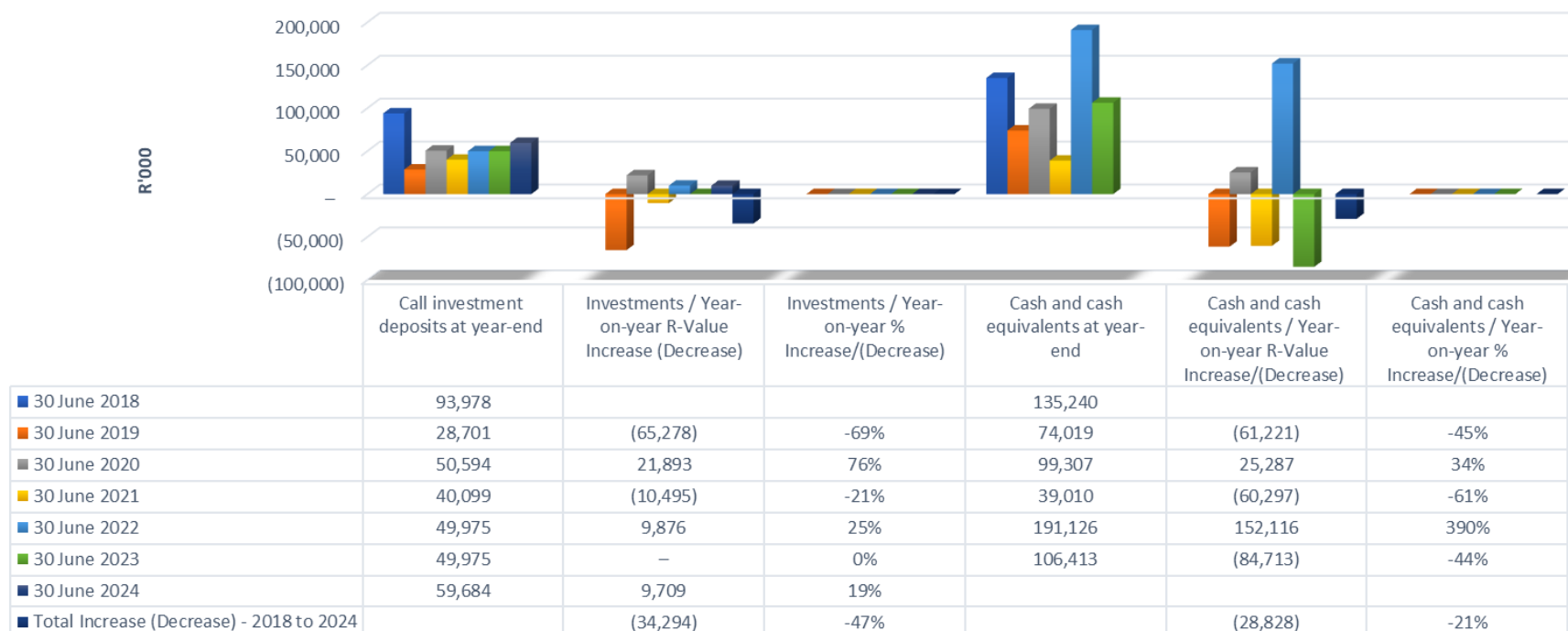


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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 August 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

Chart 5: Cash & cash equivalents and Cost Coverage Ratio from 2021/22 to 2023/24 and 2024/25 as at 30 September 2024

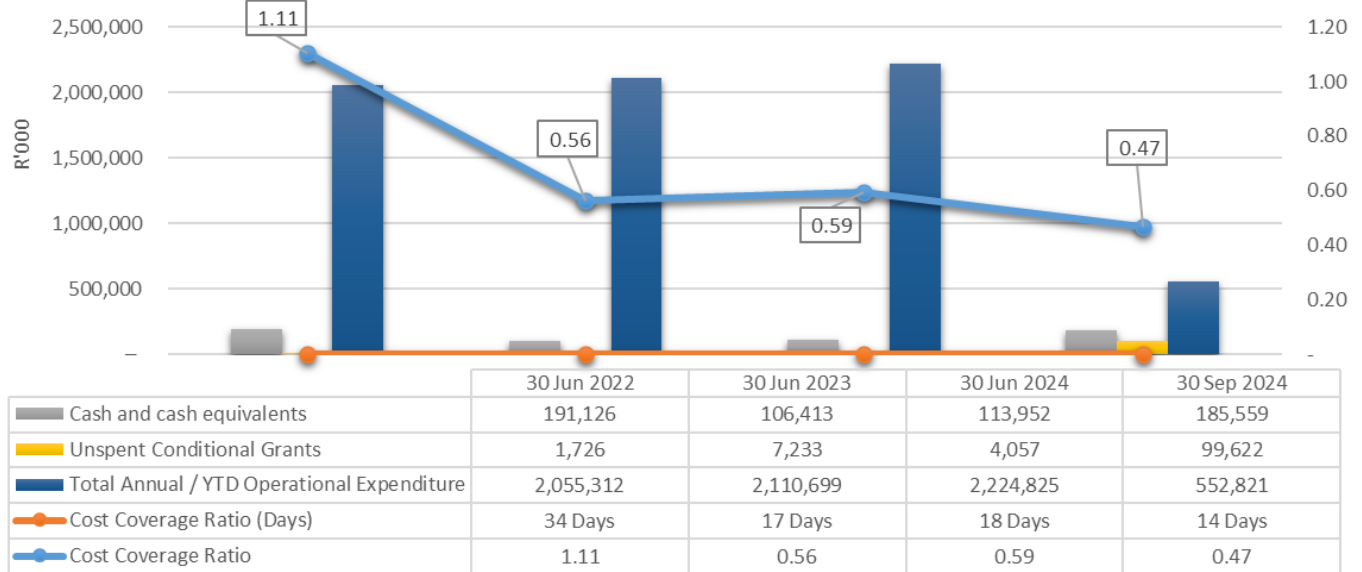


Chart 5: Cash & cash equivalents and Cost coverage ratio

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 30 September 2024 is calculated at (0.47; 14 days; R185,559m).

Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to ESKOM and DWS over the last few years. However, as a result of the debt agreement with DWS and the Incentive initiated by the Department, the municipality has made significant strides in reducing the arrear debt and managed to settle all invoices for the 2022/23 and 2023/24 financial year in full. The municipality also fared well whilst on the debt relief programme in complying to the settlement of the current Eskom account and running into trouble with the settling of the accounts for the high months. This is further exacerbated by the fact that the actual receipts for the high months is far below the actual bill.

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

5. In-year budget statement tables

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

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

PART 2: SUPPORTING DOCUMENTATION

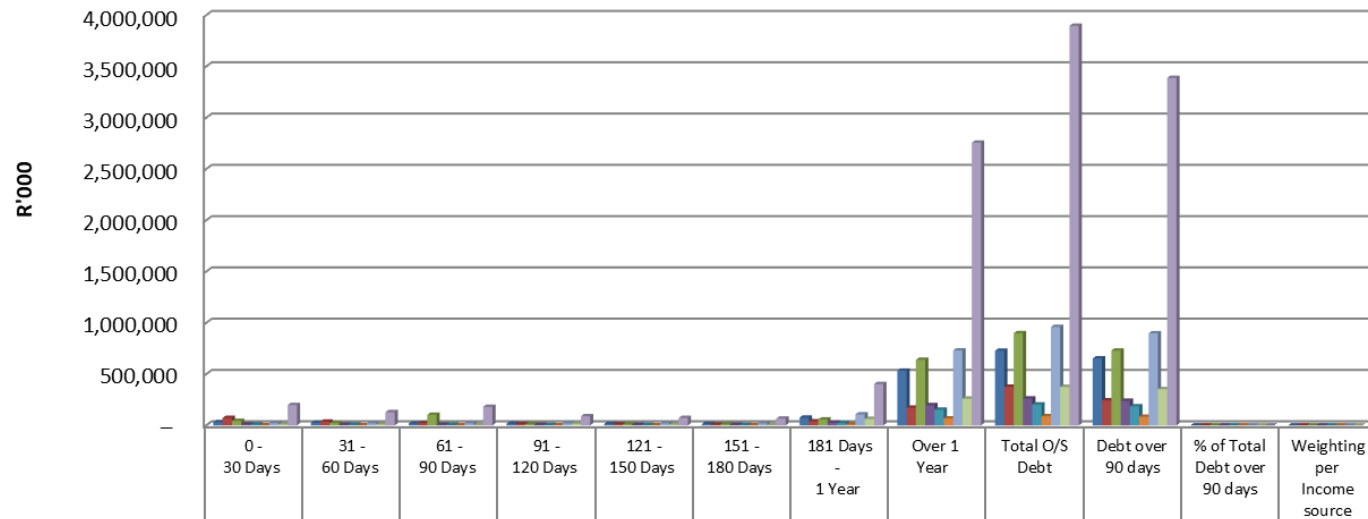
6. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

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 Exchange Transactions - Water	1200	31,469	25,775	17,526	15,712	13,527	14,154	76,275	533,540	727,977	653,207	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	73,138	37,362	22,257	14,317	10,432	7,552	39,487	172,716	377,261	244,505	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	43,938	21,427	103,687	11,758	10,974	10,423	57,294	639,365	898,866	729,814	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	9,689	7,035	6,324	5,008	4,937	4,843	27,575	197,341	262,751	239,703	–	–
Receivables from Exchange Transactions - Waste Management	1600	7,802	5,450	4,750	4,301	3,824	3,733	21,377	153,166	204,404	186,401	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,828	1,797	1,801	1,799	1,843	2,293	10,149	67,927	89,435	84,010	–	–
Interest on Arrear Debtor Accounts	1810	21,816	20,382	20,080	19,650	19,228	19,263	108,037	731,217	959,673	897,395	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	9,222	9,857	4,093	16,641	7,892	4,006	63,086	261,419	376,216	353,044	–	–
Total By Income Source	2000	198,901	129,084	180,517	89,185	72,658	66,267	403,281	2,756,690	3,896,583	3,388,081	–	–
2023/24 - totals only		#####	#####	#####	78697837	65511148	82532281	#####	#####	3,621,131	3,112,034	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	36,489	27,842	99,284	10,093	11,674	7,888	43,423	634,445	871,138	707,523	–	–
Commercial	2300	73,482	32,529	24,561	19,217	16,083	13,838	72,770	426,328	678,808	548,236	–	–
Households	2400	86,062	66,583	54,837	57,862	43,211	42,835	275,743	1,602,429	2,229,562	2,022,080	–	–
Other	2500	2,868	2,131	1,836	2,013	1,690	1,705	11,345	93,488	117,076	110,241	–	–
Total By Customer Group	2600	198,901	129,084	180,517	89,185	72,658	66,267	403,281	2,756,690	3,896,583	3,388,081	–	–

Table 8: Supporting Table SC3: Aged Debtors

Chart 6.1: Debtor's Age Analysis by Income Source as at 30 September 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	31,469	25,775	17,526	15,712	13,527	14,154	76,275	533,540	727,977	653,207	90%	19%
Trade and Other Receivables from Exchange Transactions - Electricity	73,138	37,362	22,257	14,317	10,432	7,552	39,487	172,716	377,261	244,505	65%	10%
Receivables from Non-exchange Transactions - Property Rates	43,938	21,427	103,687	11,758	10,974	10,423	57,294	639,365	898,866	729,814	81%	23%
Receivables from Exchange Transactions - Waste Water Management	9,689	7,035	6,324	5,008	4,937	4,843	27,575	197,341	262,751	239,703	91%	7%
Receivables from Exchange Transactions - Waste Management	7,802	5,450	4,750	4,301	3,824	3,733	21,377	153,166	204,404	186,401	91%	5%
Receivables from Exchange Transactions - Property Rental Debtors	1,828	1,797	1,801	1,799	1,843	2,293	10,149	67,927	89,435	84,010	94%	2%
Interest on Arrear Debtor Accounts	21,816	20,382	20,080	19,650	19,228	19,263	108,037	731,217	959,673	897,395	94%	25%
Other	9,222	9,857	4,093	16,641	7,892	4,006	63,086	261,419	376,216	353,044	94%	10%
Total By Income Source	198,901	129,084	180,517	89,185	72,658	66,267	403,281	2,756,690	3,896,583	3,388,081	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 R3,896,583 billion as at the end of 30 September 2024 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 87%.

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

- ❖ Interest on Arrear Debtor Accounts and Other at 94%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 94%
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 90%
- ❖ Receivables from Exchange Transactions - Waste Water Management (91%) 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 23%
- ❖ Interest on Arrear Debtor Accounts 25%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19%

Chart 6.2: Debtor's Age Analysis by Customer Group as at 30 September 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 Customer group
■ Organs of State	36,489	27,842	99,284	10,093	11,674	7,888	43,423	634,445	871,138	707,523	81%	22%
■ Commercial	73,482	32,529	24,561	19,217	16,083	13,838	72,770	426,328	678,808	548,236	81%	17%
■ Households	86,062	66,583	54,837	57,862	43,211	42,835	275,743	1,602,429	2,229,562	2,022,080	91%	57%
■ Other	2,868	2,131	1,836	2,013	1,690	1,705	11,345	93,488	117,076	110,241	94%	3%
■ Total By Customer Group	198,901	129,084	180,517	89,185	72,658	66,267	403,281	2,756,690	3,896,583	3,388,081	87%	
■ Weighting per age analysis	5%	3%	5%	2%	2%	2%	10%	71%	100%	87%		

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 22%, total debt outstanding is R871,138 million
- ❖ Businesses at 17%, total debt outstanding is R678,808 million
- ❖ Households at 57%, total debt outstanding is R2,229,562 billion
- ❖ Other at 3%, total debt outstanding is R117,076 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 September 2024

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

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

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

The receipts for Government Departments, Parastatals and schools were R57,149,949.27 for the month of September 2024 as compared to the R31 664 296.49 for the month of August 2024.

GOVERNMENT DEBT	
DEPARTMENTS	RECEIPTS SEPTEMBER 2024
NATIONAL PUBLIC WORKS	R20,675,788.92
PROVINCIAL PUBLIC WORKS	R2,038,693.11
DEPARTMENTS OF HEALTH	R8,906,984.66
SOCIAL DEVELOPMENT	R698,651.96
ECONOMIC DEV & TOURISM	R499,661.50

COGHSTA/ HOUSING	R305,109.68
OFFICE OF THE PREMIER	R20,245.07
PROVINCIAL LEGISLATURE	
CORRECTIONAL SERVICE	R9,023,600.61
NATIONAL DEFENCE FORCE	R5,736,344.11
AGRICULTURE	R43,610.14
EDUCATION	R563,669.03
SPORTS, ARTS & CULTURE	R469,197.88
TRANSPORT	R491,540.53
DE BEERS	R1,267,899.09
TELKOM	R792,610.32
TRANSNET	R2,599,189.07
ESKOM	R264,413.38
SAPS	R264,812.53
SCHOOLS	R2,487,927.68
TOTAL	R57,149,949.27

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 R62,951 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R62,462 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.

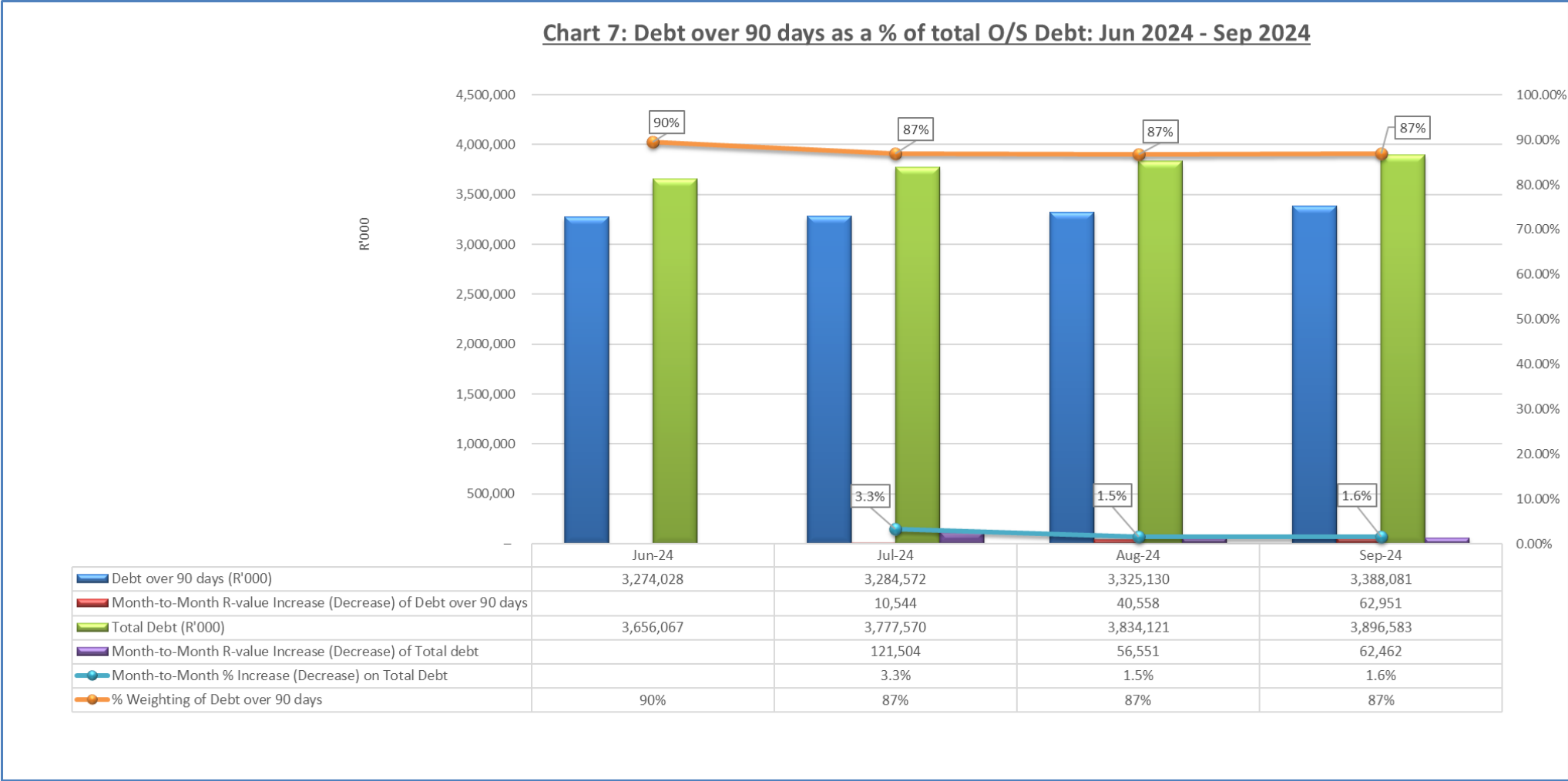


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- 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 September 2023, this will have to be confirmed with NT, if it is for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2023/24 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

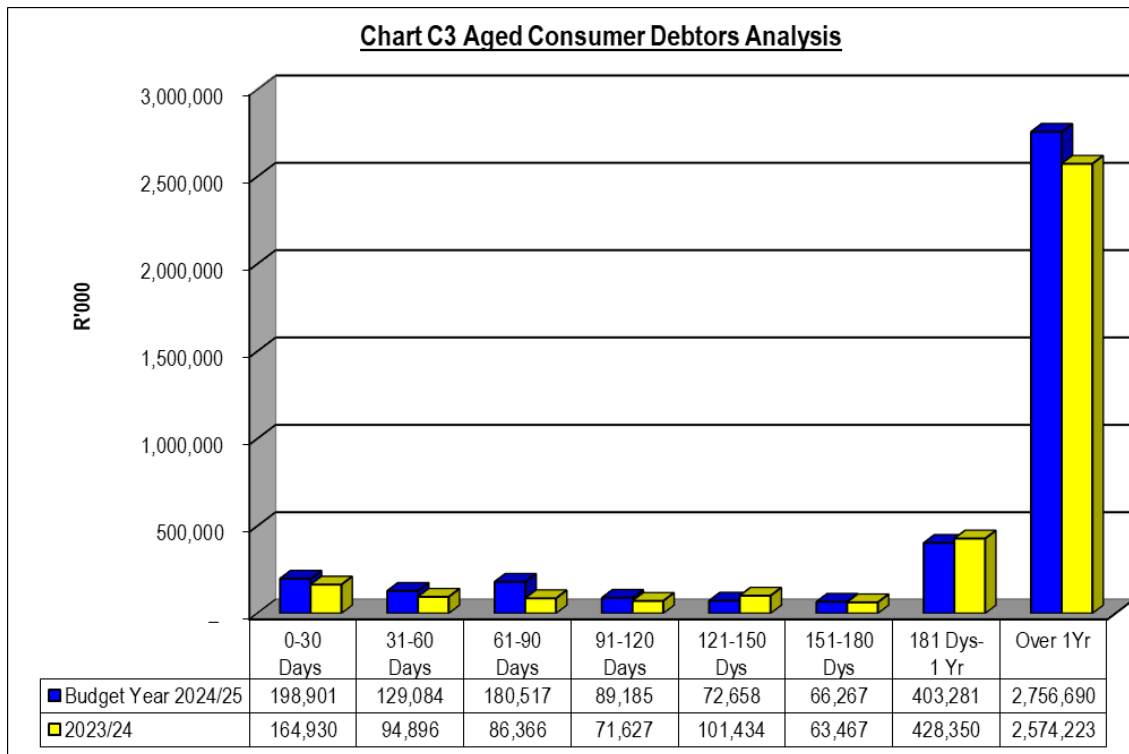


Chart 8: Aged Consumer Debtor Analysis

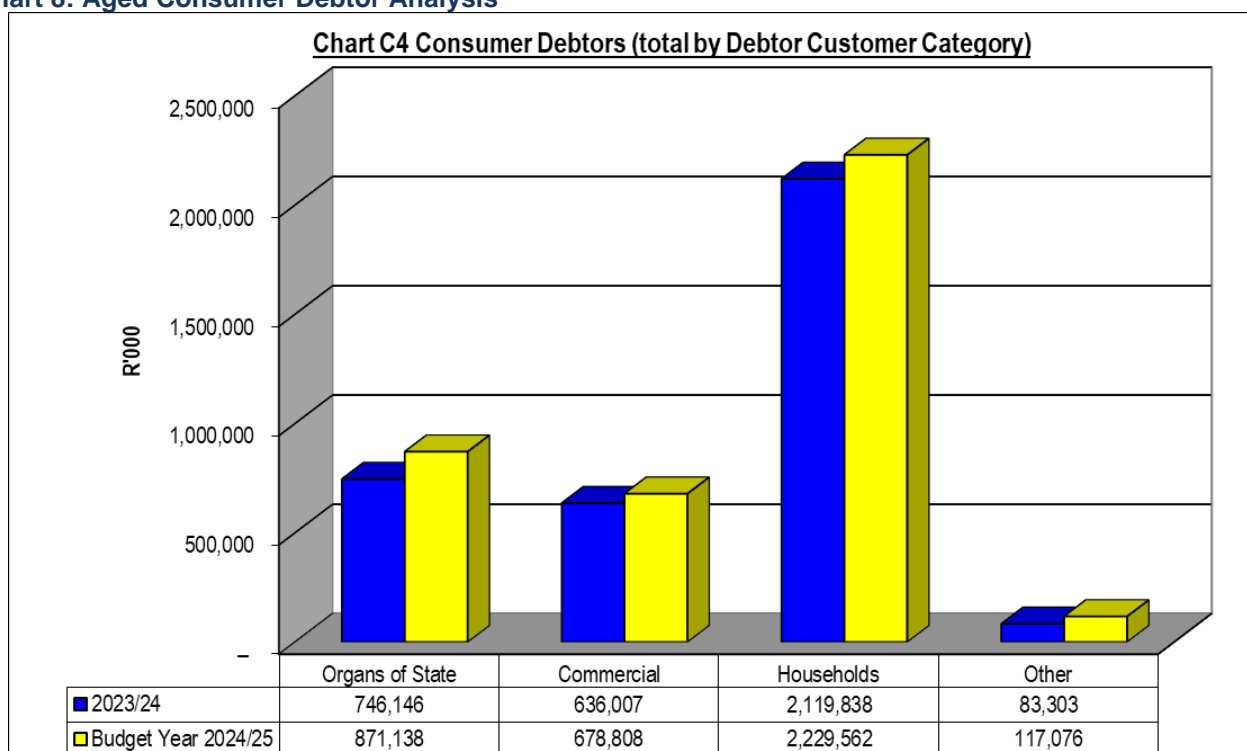


Chart 9: Consumer Debtors (total by Debtor Customer Category)

During the Mid-year Budget Assessment for the 2021/22 financial year and indicated below are the Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses

- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book
- Data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (sms) and electronic mail (e-mail).
- Improve in the accuracy of monthly billing.
- Ensure meters are read consistently and timeously.
- Significantly reduce interim readings and ultimately eliminate interim readings.
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run.
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries.
- Introduce electronic complaints management system/register for account queries.
- Ensure faulty and bypassed electricity meters are replaced.
- Ensure that stuck, leaking, faulty or damaged water meters are replaced.
- Do regular follow-ups on meter replacements.
- Accurately update the system with latest information.
- Reduce the turnaround time for installation of replacement or new meters.
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing.
- Interrogate billing and prepaid electricity reports on a monthly basis and take immediate remedial action to address anomalies or discrepancies.
- Ensure that all billable properties are billed for Property rates and services.
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system.
- Reduce Electricity and Water losses.
- Finalise the Riverton reclamation dam to reduce water losses at the Plant by at least 6%.
- Introduce automated metering for bulk consumers.
- Electricity Cost of Supply Study was finalized.
- Ensure qualifying indigents are registered on the system, immediately upon verification.
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed immediately for all approved indigents.
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay.
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures.
- Prioritisation of spending.
- Improve on routine maintenance on particularly revenue generating assets.
- Spend funds effectively with good value for money.

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in August 2024 and received in September 2024, the monthly collection rate is 74%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 70%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is not satisfactory for the month under review. Unallocated receipts amounted to R11,259 million and will be allocated during October 2024. Indicated in Table 10 below is the revised average collection rate of 65.7%, 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 and Other excluded, this results in a collection rate of 74%. 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 September to 30 September 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 August 2024)	Credits (Received September 2024)	% Collected
PROPERTY RATES	50,416,560	51,794,899	103%
ELECTRICITY	72,410,004	53,028,885	73%
WATER	27,515,934	12,443,283	45%
SEWERAGE	10,196,366	4,228,179	41%
REFUSE	8,113,294	3,545,765	44%
PROPERTY RATES & SERVICES	168,652,158	125,041,011	74%
OTHER	26,847,742	11,370,359	42%
TOTAL	195,499,900	136,411,371	70%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL SEPTEMBER 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 259,359,279	R 120,068,356	46.3%
SERVICE CHARGE ELECTRICITY	R 184,214,687	R 153,149,059	83.1%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 89,006,540	R 89,006,540	100.0%
SERVICE CHARGE WATER	R 74,699,185	R 35,193,504	47.1%
SERVICE CHARGE SANITATION	R 28,395,953	R 12,254,495	43.2%
SERVICE CHARGE REFUSE	R 21,370,417	R 10,652,161	49.8%
UNALLOCATED CREDITS		R 11,259,406	
REVISED AVERAGE COLLECTION RATE - SEPTEMBER 2024	R 657,046,061	R 431,583,521	65.7%
REVISED AVERAGE COLLECTION RATE - SEPTEMBER 2024	657,046,061	431,583,521	65.7%
LESS ANNUAL BILLING ON PROPERTY RATES	-107,769,980	-24,877,885	23.1%
OTHER	R 91,101,337	R 32,935,890	36.2%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER	R 640,377,418.53	R 439,641,525.02	68.7%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND EXCLUDING OTHER	R 549,276,081.23	R 406,705,635.43	74.0%

Table 10: Revised Average collection rate

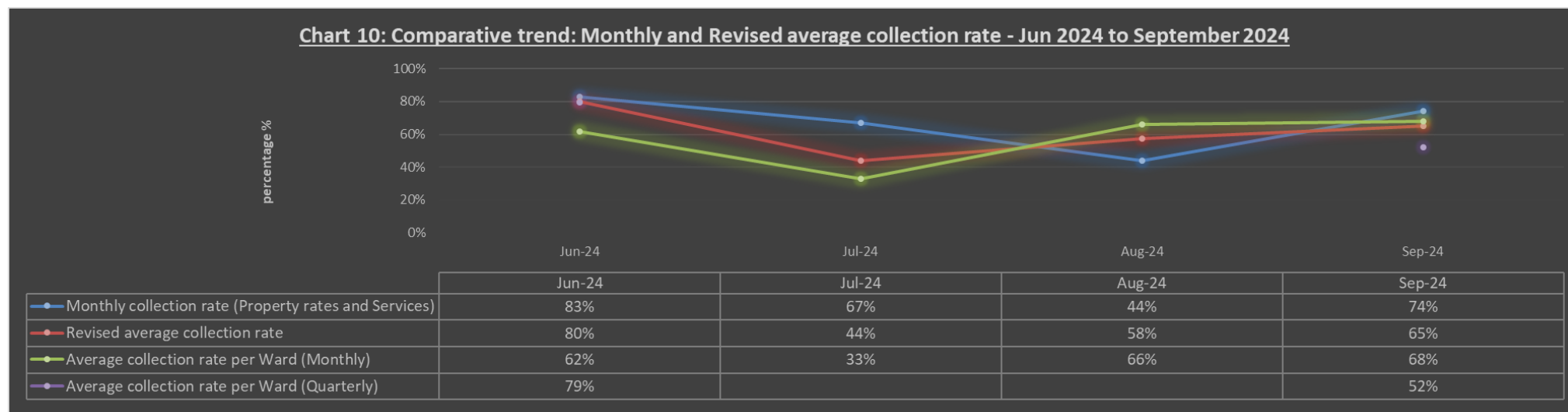


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2024 to September 2024. The monthly collection rate (Property rates & Services) for September 2024 is not at a desired level at 74%. The revised average collection for September 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 68% for the month under review and only 52% for the quarter. This is attributable to the annual billing on Property rates and Prepaid electricity sales that is also excluded from the calculation. Drastic action will have to be taken, in the municipality implementing its Credit Control Policy. It should be noted that an amount of R11,259 million was unallocated at month-end.

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

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

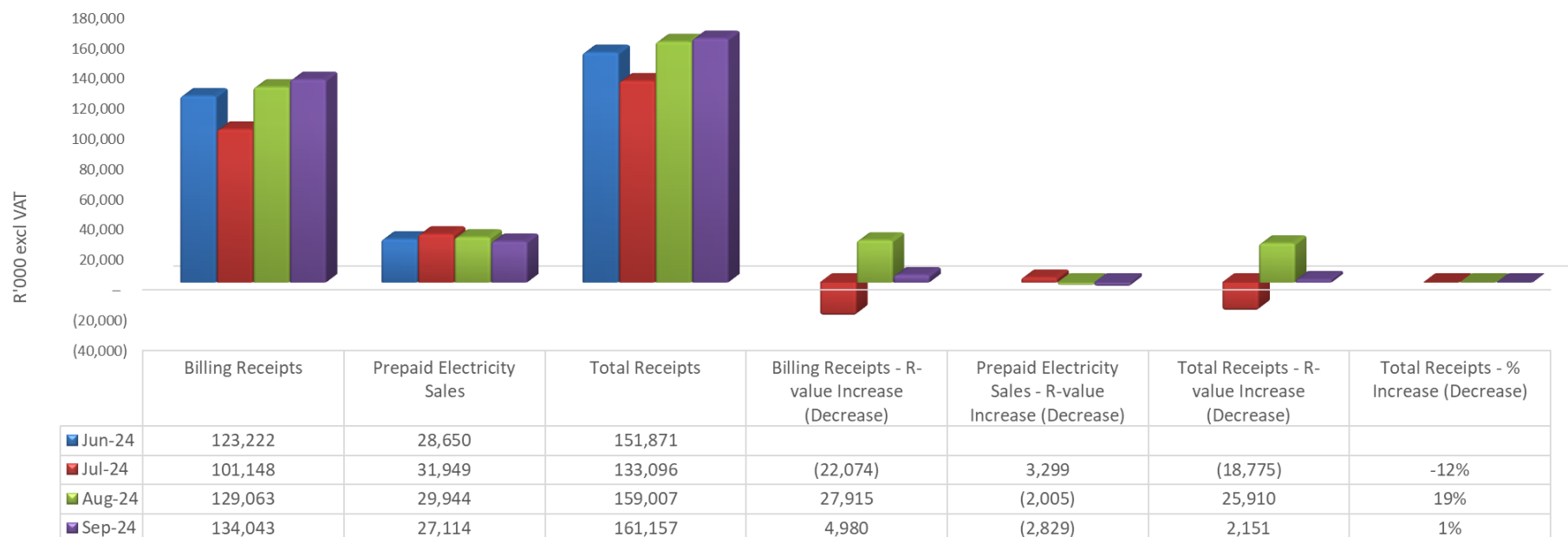


Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11.1 above, the Total Receipts for September amounted to R161,157 million which resulted in an increase of R2,151 million or 1% in respect of the month-to-month comparison. Billing receipts increased by R4,980 million, whilst Prepaid Electricity Sales decreased by R2,829 million. It should be noted that the receipts for Jul and Aug 2024 was restated, due to the municipality using the same report that did not include receipt reversals. From September, the municipality started using the new format of the same report to account for receipt reversals. The impact is not material and resulted in a minor overstatement for the month of July and August 2024. 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 R11,259 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

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

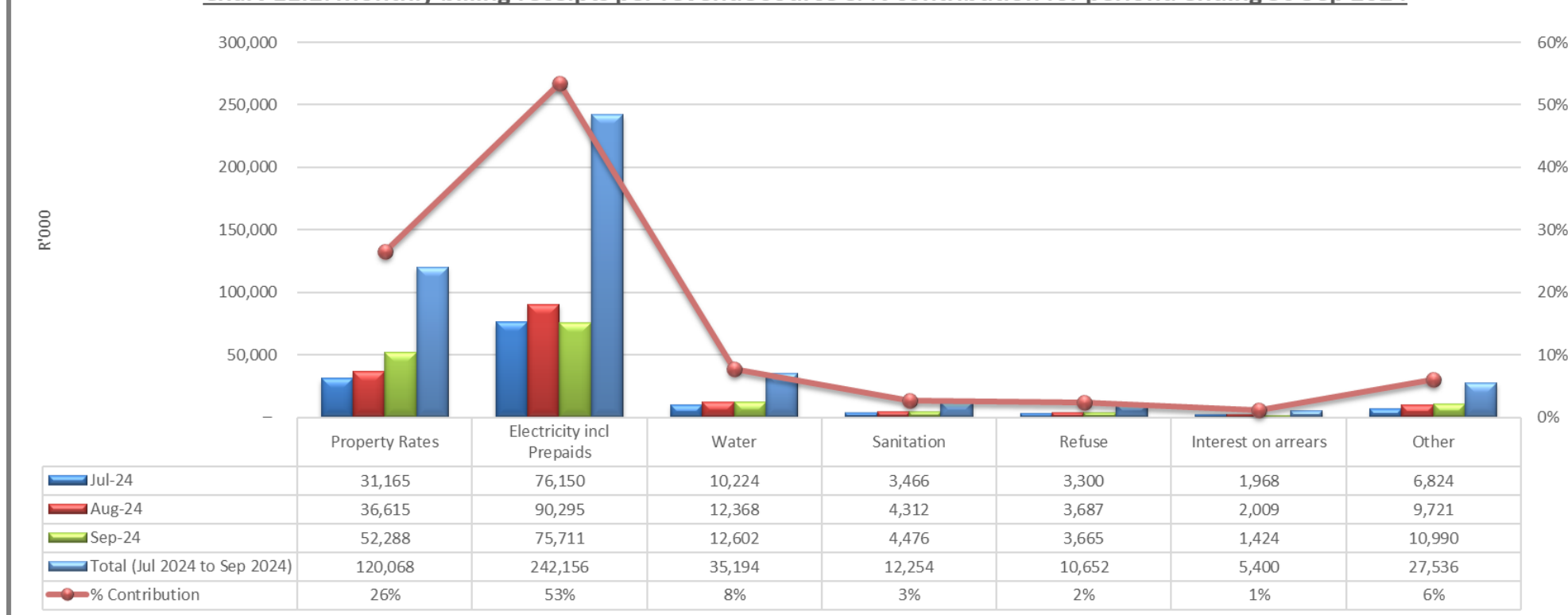


Chart 11.2: Monthly billing receipts per revenue source and % contribution

Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 30 September 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 R242,156 million (53%) is the highest contributor, followed by Property rates at R120,068 million (26%) being received. This illustrates the sensitivity and vulnerability in respect of electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. Measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 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:

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

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

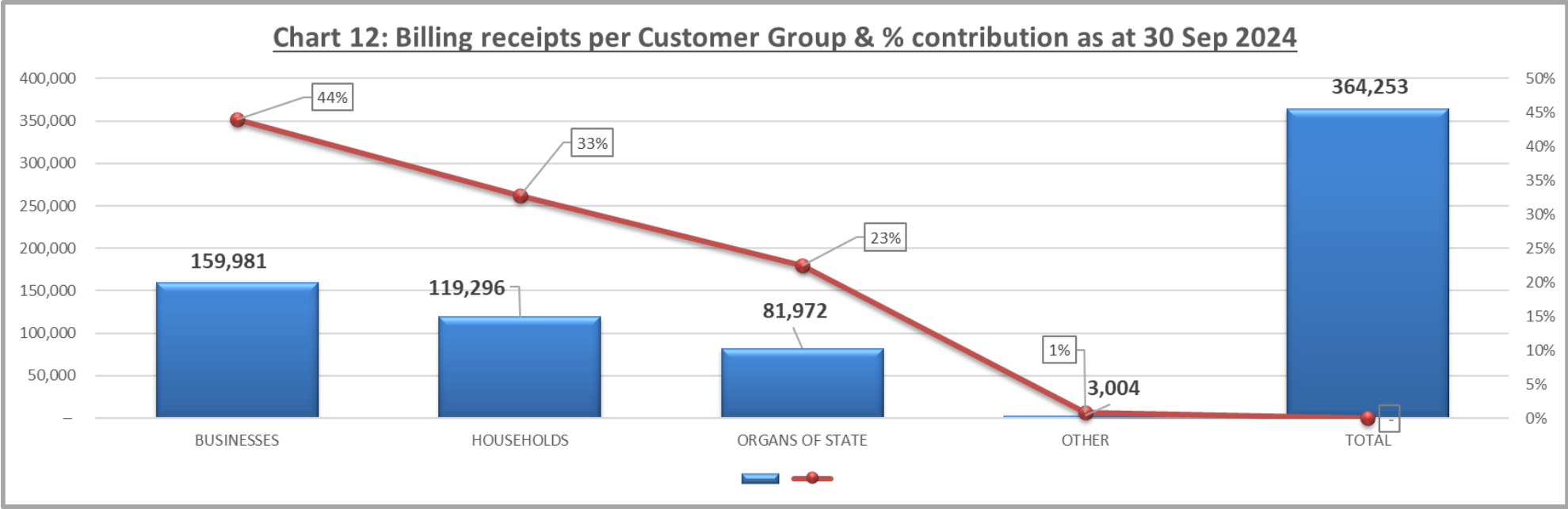


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 September 2024. The municipality received R159,981 million (44%) from Businesses, Households R119,296 million (33%), Organs of State R81,972 million (22%) and Other R3,004 million (1%).

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

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	71,087	60,601	67,465	1,739	3,178	1,739	5,231	858,455	1,069,495	1,005,218
Bulk Water	0200	18,973	–	–	–	–	–	–	54,656	73,629	136,950
PAYE deductions	0300	10,362	–	–	–	–	–	–	–	10,362	11,605
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500	8,042	–	–	–	–	–	–	–	8,042	8,388
Loan repayments	0600									–	
Trade Creditors	0700	23,590	7,232	4,839	68	–	–	–	–	35,730	10,726
Auditor General	0800	1,381	–	–	–	–	–	–	–	1,381	1,403
Other	0900	11,031	5,112	379	19,330	–	–	–	–	35,852	32,285
Medical Aid deductions		7,798	–		–	–	–	–	–	7,798	
Total By Customer Type	1000	152,265	72,944	72,683	21,138	3,178	1,739	5,231	913,112	1,242,290	1,206,575

Table 11: Supporting Table SC4: Aged Creditors

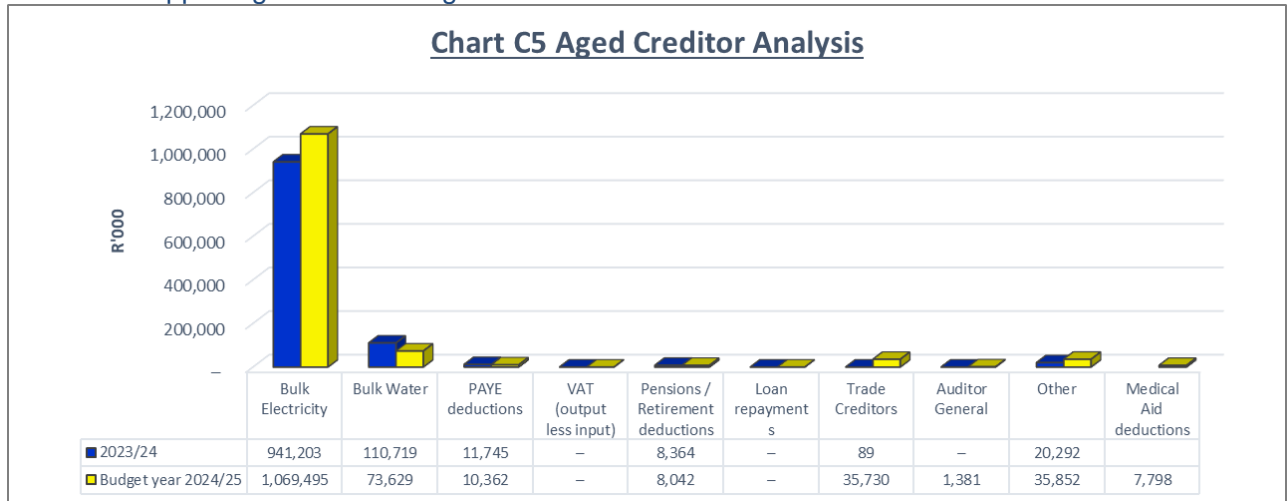


Chart 13: Aged Creditors Analysis

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

Bulk Electricity – As at the 30 September 2024, the outstanding debt owed to ESKOM amounted to R1,069,495 billion. According to the September 2024 Eskom invoice, the outstanding balance is R933m, as a result of the Payment Arrangement (PA) that was loaded on the municipality's account.

Bulk Water – As at the 30 September 2024, the outstanding debt owed to DWS amounted R73,629 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 paid an amount of R66 thousand to SARS on 23 September 2024.

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 R1,381 million.

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

Medical Aid deductions – an amount of R7,798 million for medical aid contributions was payable on or before 7 October 2024.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 30 September 2024, the value of total investments made was R170,192 million including interest. Partially or prematurely withdrawn investments amounted to R1,023 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.	22,790
• 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.	104,346
• Own funds invested - Ring-fenced Eskom income	35,655
Total	170,192

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		5,000	36	(36)	–	5,000
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		110,000	799	(799)	–	110,000
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	7	(7)	–	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	25,000	181	(181)	–	25,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	22,629	162	–	–	22,790
Municipality sub-total										170,030	1,185	(1,023)	–	170,191

Table 12: Supporting Table SC5: Investment portfolio

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

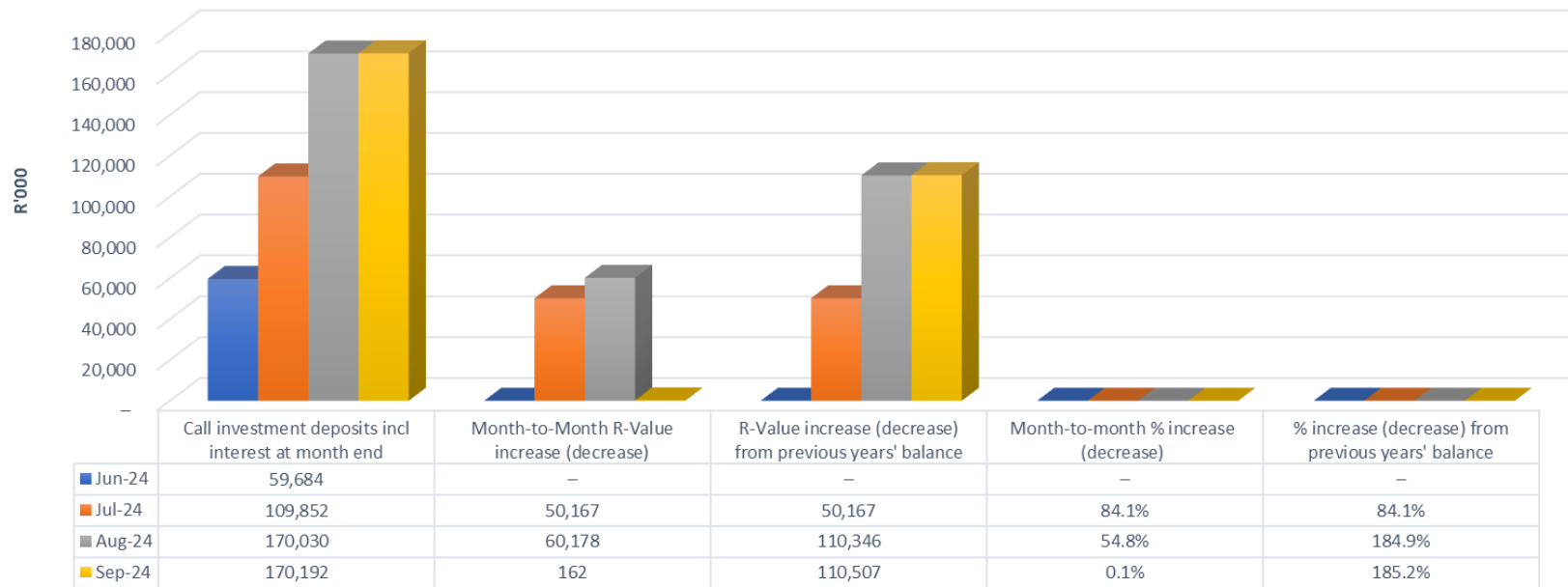


Chart 14: Call investment deposits at month-end

As indicated in the Chart 5 above from June to September 2024 investments incl interest increased by R162 thousand or 0.1%, in respect of the month-to-month comparison. Investments increased by R110,507 million or 185,2% 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 August 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 - M03 September

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	72,668	44,875	61.8%	290,671
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		263,135	282,104	282,104	–	117,543	70,526	47,017	66.7%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	–	–	567	(567)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	–	–	1,125	(1,125)	-100.0%	4,500
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		1,700	1,800	1,800	–	–	450	(450)	-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	–	–	2,150	(2,150)	-100.0%	8,600
Capacity Building and Other Grants		8,979	8,600	8,600	–	–	2,150	(2,150)	-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	74,818	42,725	57.1%	299,271
Capital Transfers and Grants										
National Government:		133,753	572,229	572,229	36,892	36,892	143,057	(106,166)	-74.2%	572,229
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	–	–	1,250	(1,250)	-100.0%	5,000
Integrated National Electrification Programme Grant		24,358	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		63,395	75,229	75,229	10,127	10,127	18,807	(8,681)	-46.2%	75,229
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	26,765	26,765	123,000	(96,235)	-78.2%	492,000
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Infrastructure Grant		–	–	–	–	–	–	–	–	–
District Municipality:		6,437	–	–	–	–	–	–	–	–
Specify (Add grant description)		6,437	–	–	–	–	–	–	–	–
Other grant providers:		18,850	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
European Union		18,850	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	159,040	572,229	572,229	36,892	36,892	143,057	(106,166)	-74.2%	572,229
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	448,920	871,500	871,500	36,892	154,435	217,875	(63,440)	-29.1%	871,500

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

None

Capital grant monies received for the month under review.

None

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 - M03 September

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	33,867	51,112	57,418	(6,306)	-11.0%	229,671
Equitable Share		229,889	221,104	221,104	33,318	49,842	55,276	(5,434)	-9.8%	221,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,267	–	–	567	(567)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	319	951	1,125	(174)	-15.5%	4,500
Integrated Urban Development Grant		–	–	–	186	186	–	186	–	–
Local Government Financial Management Grant		1,700	1,800	1,800	44	133	450	(317)	-70.5%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		9,852	8,600	11,087	173	350	2,774	(2,423)	-87.4%	11,087
Capacity Building and Other Grants		7,625	8,600	8,587	91	191	2,149	(1,958)	-91.1%	8,587
Infrastructure Grant		2,227	–	2,500	82	160	625	(465)	-74.4%	2,500
District Municipality:		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		248,642	238,271	240,758	34,040	51,462	60,192	(8,730)	-14.5%	240,758
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	572,229	13,087	36,892	143,057	(106,166)	-74.2%	572,229
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	–	–	1,250	(1,250)	-100.0%	5,000
Integrated National Electrification Programme Grant		21,181	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		57,349	75,229	75,229	6,285	10,127	18,807	(8,681)	-46.2%	75,229
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	6,803	26,765	123,000	(96,235)	-78.2%	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	13,087	36,892	143,057	(106,166)	-74.2%	572,229
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		395,998	810,500	812,987	47,128	88,354	203,249	(114,895)	-56.5%	812,987

Table 14: Supporting Table SC7(1): Transfers and grant expenditure

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is R6,882 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	6,285	10,127	12,436	13.5%	13.5%
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	6,803	26,765	—	5.4%	—
Grand Total	572,229	572,229	13,087	36,892	12,436	6.4%	6.4%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R36,892 million on or 6.4% 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 - M03 September

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	265	-	265	#DIV/0!	-
Medical Aid Contributions		536	-	-	54	163	-	163	#DIV/0!	-
Motor Vehicle Allowance									-	
Cellphone Allowance		2,997	3,055	3,055	255	764	764	0	0%	3,055
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		29,271	34,021	34,021	2,409	7,228	8,505	(1,277)	-15%	34,021
Sub Total - Councillors		33,869	37,077	37,077	2,805	8,420	9,269	(850)	-9%	37,077
% increase	4		9.5%	9.5%						9.5%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	4,942	8,791	8,791	353	1,331	2,198	(867)	-39%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	113	329	(216)	-66%	1,316
Medical Aid Contributions		192	117	117	15	46	29	17	57%	117
Overtime									-	
Performance Bonus									-	
Motor Vehicle Allowance		1,065	2,005	2,005	87	260	501	(241)	-48%	2,005
Cellphone Allowance		101	198	198	8	25	50	(24)	-49%	198
Housing Allowances	2	22	9	9	2	5	2	3	128%	9
Other benefits and allowances									-	
Payments in lieu of leave									-	
Long service awards		14	15	15	1	3	4	(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	499	1,784	3,113	(1,329)	-43%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages	2	460,448	509,499	508,837	37,095	111,551	127,249	(15,698)	-12%	508,837
Pension and UIF Contributions		83,850	96,851	96,851	6,778	20,378	24,213	(3,835)	-16%	96,851
Medical Aid Contributions		54,500	63,693	63,693	5,650	15,269	15,923	(654)	-4%	63,693
Overtime		90,602	53,982	53,982	6,092	13,111	13,496	(385)	-3%	53,982
Performance Bonus		30,591	38,317	38,317	841	3,439	9,579	(6,140)	-64%	38,317
Motor Vehicle Allowance		43,767	51,151	51,151	3,581	10,668	12,788	(2,120)	-17%	51,151
Cellphone Allowance		1,631	1,551	1,551	134	402	388	14	4%	1,551
Housing Allowances		2,856	2,887	2,887	218	655	722	(67)	-9%	2,887
Other benefits and allowances		38,029	26,598	27,260	2,759	8,080	6,775	1,305	19%	27,260
Payments in lieu of leave		7,128	20,000	20,000	545	2,071	5,000	(2,929)	-59%	20,000
Long service awards		30,958	29,981	29,981	2,475	7,407	7,495	(89)	-1%	29,981
Post-retirement benefit obligations		43,162	43,900	43,900	233	1,566	10,975	(9,409)	-86%	43,900
Entertainment									-	
Scarcity									-	
Acting and post related allowance									-	
In kind benefits									-	
Sub Total - Other Municipal Staff		887,522	938,410	938,410	66,400	194,598	234,604	(40,006)	-17%	938,410
% increase	4		5.7%	5.7%						5.7%
Total Parent Municipality		928,160	987,939	987,939	69,705	204,802	246,986	(42,184)	-17%	987,939
TOTAL SALARY, ALLOWANCES & BENEFITS		928,160	987,939	987,939	69,705	204,802	246,986	(42,184)	-17%	987,939
% increase	4		6.4%	6.4%						6.4%
TOTAL MANAGERS AND STAFF		894,291	950,863	950,863	66,899	196,382	237,717	(41,335)	-17%	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 17%. This is as a result of the annual increases not being loaded, the moratorium on the sale of leave. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors Remuneration is showing a satisfactory variance of minus 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.

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 September 2024.

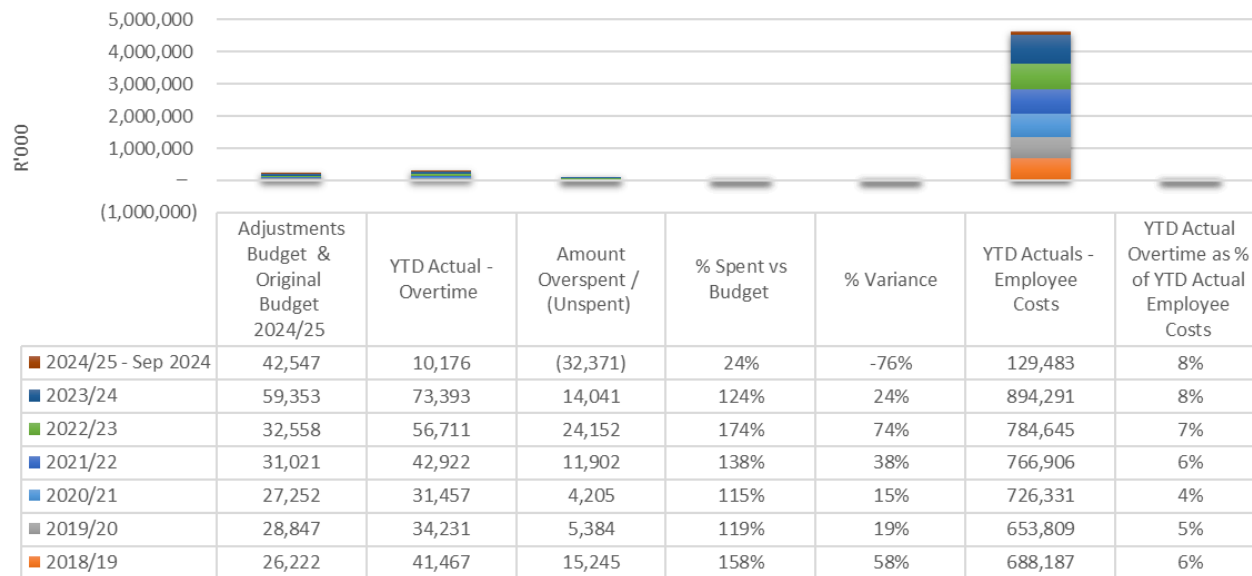
Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget
MS: OVERTIME - NON STRUCTURED	33,762,000	4,857,184	9,642,006	29%
MS: OVERTIME - STRUCTURED	8,785,180	197,359	534,167	6%
Overtime as at 30 September 2024	42,547,180	5,054,543	10,176,173	24%

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	35,310	117,700	36%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	-	-	
23-CORPORATE SERVICES	1,937,000	427,513	796,750	41%
24-COMMUNITY SERVICES	17,190,180	1,769,658	3,159,199	18%
26-FINANCIAL SERVICES	1,021,000	576,766	967,353	95%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000	83,639	212,029	24%
28-INFRASTRUCTURE SERVICES	21,192,000	2,161,655	4,923,142	23%
Overtime as at 30 September 2024	42,547,180	5,054,543	10,176,173	24%

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 24% spent versus the Original budget, resulting in a satisfactory variance of 1% for the period under review, when compared to the ideal IYM percentage of 25%.

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



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

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from August 2018 to August 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 Sep 2024

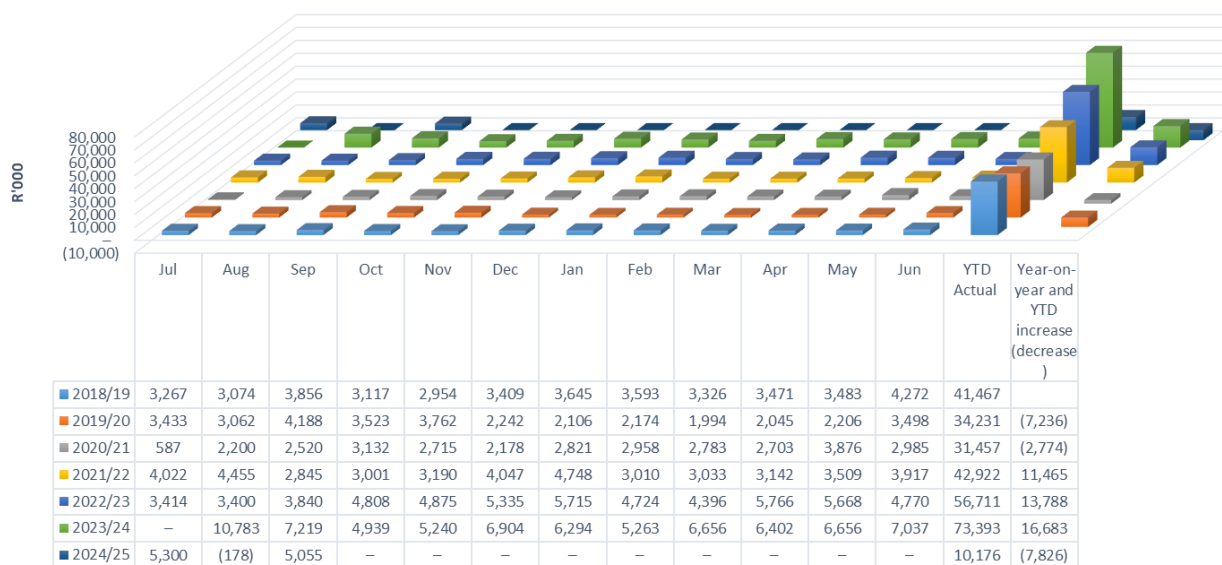


Chart 14.2: Monthly and Annual Overtime Comparison

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.

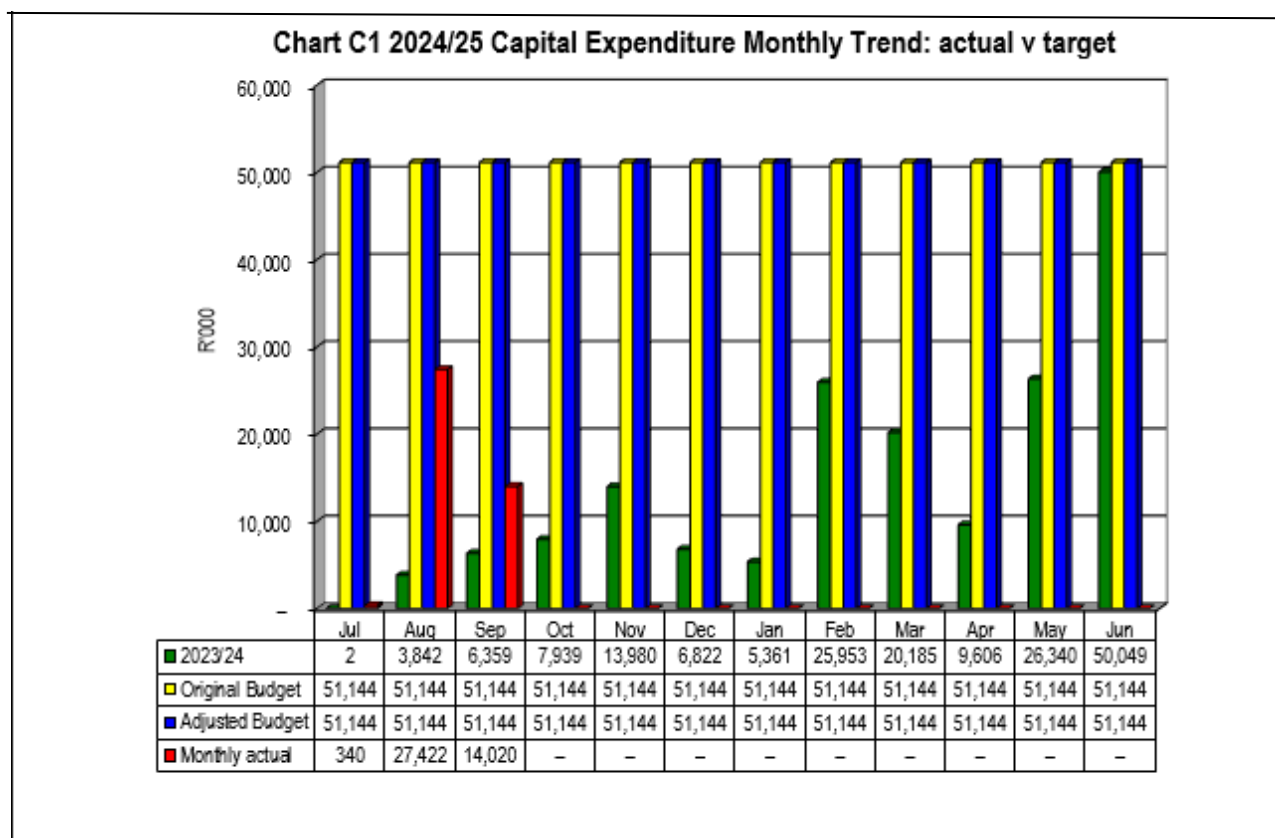


Chart 15: Capital Expenditure Monthly Trend: actual v target

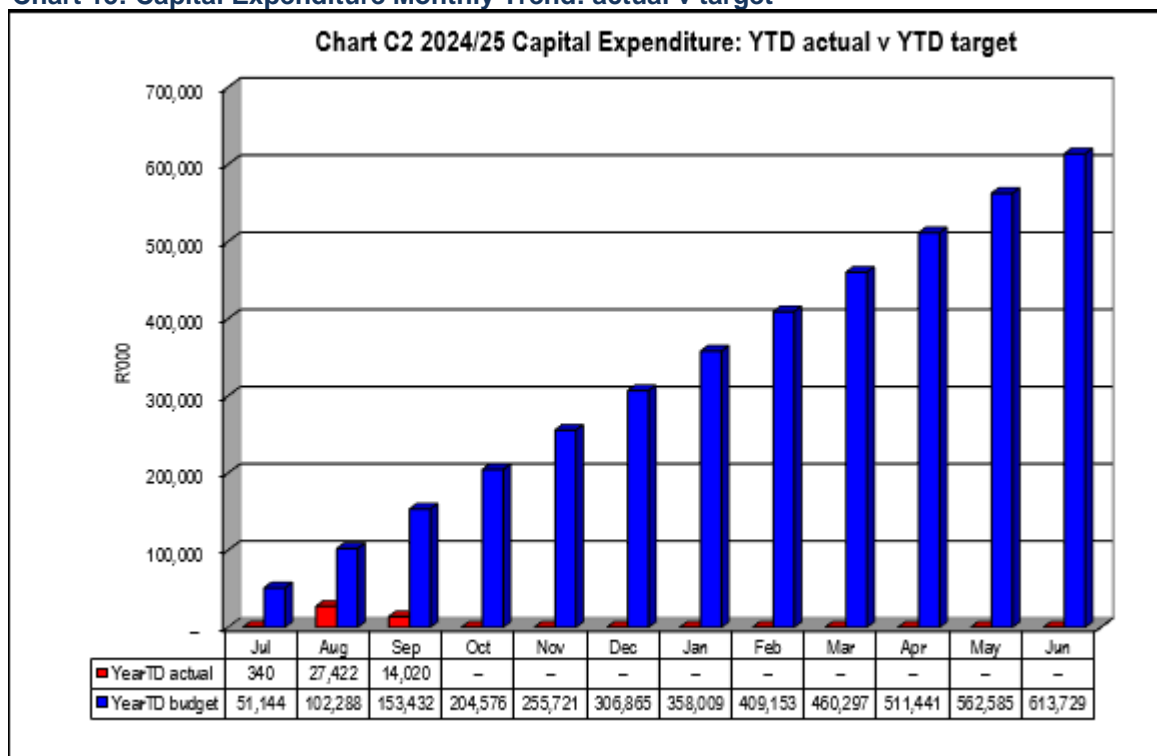


Chart 16: Capital Expenditure: YTD actual vs YTD target
Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: September 2024

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	933	4,891	197	11.79%	11.79%
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	–	–	145	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	884	4,709	–	23.01%	23.01%
MR LEAK AND SLEAK DATA SYSTEM	484	484	49	97	–	19.95%	19.95%
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	6,285	10,127	12,436	13.46%	13.46%
P-CIER RDS ROADS	17,500	17,500	4,553	7,666	6,119	43.81%	43.81%
PROJECT MANAGEMENT	2,349	2,349	25	25	102	1.05%	1.05%
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	17,500	921	1,599	292	9.14%	9.14%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	3,500	–	–	–	–	–
SPECIALISED FLEET REPLACEMENT	5,000	5,000	–	–	4,441	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	525	525	–	10.50%	10.50%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,670	–	51	42	0.67%	0.67%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	261	261	–	5.22%	5.22%
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	6,803	26,765	–	5.44%	5.44%
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	471	1,511	–	8.87%	8.87%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	20,483	35	876	–	4.28%	4.28%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	29,346	444	2,491	–	8.49%	8.49%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	27,630	82	137	–	0.50%	0.50%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	39,640	–	7,106	–	–	17.93%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	7,531	–	630	–	8.37%	8.37%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	83,369	–	29	–	0.03%	0.03%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	16,173	–	910	–	5.63%	5.63%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	37,378	1,815	2,819	–	7.54%	7.54%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	27,828	3,545	4,711	–	16.93%	–
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290	18,290	–	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	335	651	–	7.05%	7.05%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	48,296	77	1,627	–	–	3.37%
SEC3 1200NEW STEEL MIDSTATION-NEWTON RES	67,191	67,191	–	2,715	–	4.04%	4.04%
Grand Total	613,729	613,729	14,020	41,783	12,633	6.81%	6.81%

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 September 2024 is has improved but still requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for September 2024 amounted to R14,020 million. The total YTD Capex amounts to R41,783 million. Please note that Commitments amounting to R12,633 million is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Spending on grants needs improvement. The percentage expenditure per funding source IUDG (13.46%), EEDSM (0%), RBIG (5.44%). Spending on Internally generated funds is also 11.79% 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 September 2024.

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

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

14. Conclusion

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

Communication

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

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

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

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

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

- New charges (basic and capacity charges) regarding electricity must be resolved by Council – huge financial loss (possible recovery plan is needed)
 - Non-implementation of basic and capacity charges as approved by NERSA
 - Water and Electricity losses
 - Collection on arrear debtors and liquidity of the Municipality
 - The municipality not meeting the average daily cash collection target
 - Billing in general
 - Arrear debt owed to ESKOM and Dept of Water & Sanitation (DWS)
 - Defaulting on the high months and partial payments to ESKOM and DWS
 - Non-adherence to the debt agreement with DWS and the payment arrangement with ESKOM
 - Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
 - National Treasury not approving the first third of the debt to be written-off, due to consistent non-compliance
 - Notice of disconnection from ESKOM
 - Eskom taking further action in recovering outstanding debt and attaching the municipality's bank account
 - Risk of forfeiting our NERSA license and the serious implications this will have on the operations of the municipality
 - Insufficient cash to pay salaries 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 9 consecutive months. The municipality settled all invoices for 2023/24 financial year due to DWS.
 - The municipality reduced the arrear debt to DWS by R71,775 million for the 2023/24 financial year.
 - A temporary moratorium on recruitment has been instituted, where the filling of all vacant and funded positions has been suspended with immediate effect, only critical vacant and funded positions will be filled.
 - An interim moratorium has been implemented on the sale of leave. Sale of leave to settle municipal accounts will no longer be permitted.
 - Overtime has been capped to 40 hours across all sections.
 - Strengthening the PMU to aid in the successful implementation of capital projects to address the poor performance on grants.
 - Approved the Smart Meter Policy.
 - Applied for the Smart Meter Grant which the municipality was approved for. Project preparation is underway.
 - Approval has been granted by National Treasury 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.
 - Engaging government departments and monitor government debt in an aid to strengthen relationships.

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 - M03 September

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	50,868	259,359	171,830	87,529	51%	687,320
Service charges	1,331,093	1,611,046	1,611,046	123,673	397,687	402,761	(5,075)	-1%	1,611,046
Investment revenue	16,116	9,000	9,000	1,785	1,455	2,250	(795)	-35%	9,000
Transfers and subsidies - Operational	289,880	299,271	299,271	—	117,543	74,818	42,725	0	299,271
Other own revenue	421,878	351,642	351,642	33,963	102,709	87,910	14,799	17%	—
Total Revenue (excluding capital transfers and contributions)	2,715,410	2,958,278	2,958,278	210,289	878,754	739,569	139,184	19%	2,958,278
Employee costs	894,291	950,863	950,863	66,899	196,382	237,717	(41,335)	-17%	950,863
Remuneration of Councillors	33,869	37,077	37,077	2,805	8,420	9,269	(850)	-9%	37,077
Depreciation and amortisation	76,441	89,700	89,700	22,425	22,425	22,425	(0)	-0%	89,700
Interest	32,187	17,774	17,774	0	1	4,444	(4,443)	-100%	17,774
Inventory consumed and bulk purchases	1,055,889	1,216,905	1,216,905	192,182	293,951	369,963	(76,012)	-21%	1,216,905
Transfers and subsidies	2,526	3,660	3,660	—	—	915	(915)	-100%	3,660
Other expenditure	612,656	612,526	612,526	108,607	142,880	153,132	(10,252)	-7%	612,526
Total Expenditure	2,707,860	2,928,505	2,928,505	392,919	664,058	797,865	(133,806)	-17%	2,928,505
Surplus/(Deficit)	7,550	29,774	29,774	(182,630)	214,696	(58,295)	272,991	-468%	29,774
Transfers and subsidies - capital (monetary)	159,040	572,229	572,229	36,892	36,892	143,057	###	-74%	572,229
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	166,590	602,003	602,003	(145,738)	251,587	84,762	166,825	197%	602,003
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	166,590	602,003	602,003	(145,738)	251,587	84,762	166,825	197%	602,003
Capital expenditure & funds sources									
Capital expenditure	176,438	613,729	613,729	14,020	41,783	153,432	(111,650)	-73%	613,729
Capital transfers recognised	147,356	572,229	572,229	13,087	36,892	143,057	(106,166)	-74%	572,229
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	29,082	41,500	41,500	933	4,891	10,375	(5,484)	-53%	41,500
Total sources of capital funds	176,438	613,729	613,729	14,020	41,783	153,432	(111,650)	-73%	613,729
Financial position									
Total current assets	2,664,713	2,491,688	2,491,688		3,016,308				2,491,688
Total non current assets	2,360,035	2,874,231	2,874,231		2,379,393				2,874,231
Total current liabilities	1,674,520	1,523,552	1,523,552		1,767,706				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		3,151,788				3,432,159
Cash flows									
Net cash from (used) operating	137,865	598,846	598,846	81,365	126,918	149,712	22,793	15%	598,846
Net cash from (used) investing	(157,215)	(613,729)	(613,729)	(14,020)	(41,777)	(153,432)	(111,656)	73%	(613,729)
Net cash from (used) financing	(1,569)	(12,788)	(12,788)	12	63	(3,197)	(3,260)	102%	(12,788)
Cash/cash equivalents at the month/year end	(130,455)	(128,487)	(128,487)	198,931	198,931	(107,735)	(306,665)	285%	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	198,901	129,084	180,517	89,185	72,658	66,267	403,281	#####	3,896,583
Creditors Age Analysis									
Total Creditors	152,265	72,944	72,683	21,138	3,178	1,739	5,231	913,112	1,242,290

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

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	102,735	450,965	422,368	28,597	7%	1,689,473
Executive and council		550,062	972,401	972,401	49,577	185,943	243,100	(57,157)	-24%	972,401
Finance and administration		707,747	717,072	717,072	53,158	265,021	179,268	85,753	48%	717,072
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		48,267	42,989	42,989	2,614	8,786	10,747	(1,961)	-18%	42,989
Community and social services		12,642	12,138	12,138	224	794	3,034	(2,240)	-74%	12,138
Sport and recreation		2,639	2,720	2,720	136	366	680	(314)	-46%	2,720
Public safety		276	540	540	(302)	73	135	(62)	-46%	540
Housing		28,843	27,501	27,501	2,556	7,553	6,875	677	10%	27,501
Health		3,867	90	90	—	—	23	(23)	-100%	90
<i>Economic and environmental services</i>		37,710	18,976	18,976	579	5,214	4,744	470	10%	18,976
Planning and development		22,952	5,956	5,956	325	4,407	1,489	2,918	196%	5,956
Road transport		14,758	13,020	13,020	254	807	3,255	(2,448)	-75%	13,020
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		1,520,559	1,767,977	1,767,977	140,330	447,003	441,994	5,009	1%	1,767,977
Energy sources		952,872	1,164,299	1,164,299	87,176	292,039	291,075	964	0%	1,164,299
Water management		352,402	398,115	398,115	32,542	92,258	99,529	(7,271)	-7%	398,115
Waste water management		121,173	118,290	118,290	11,784	35,806	29,572	6,233	21%	118,290
Waste management		94,112	87,272	87,272	8,828	26,901	21,818	5,083	23%	87,272
<i>Other</i>	4	10,104	11,092	11,092	923	3,677	2,773	904	33%	11,092
Total Revenue - Functional	2	2,874,450	3,530,507	3,530,507	247,181	915,646	882,627	33,019	4%	3,530,507
Expenditure - Functional										
<i>Governance and administration</i>		735,809	755,594	755,594	98,977	177,462	188,900	(11,438)	-6%	755,594
Executive and council		471,647	477,043	477,043	78,656	116,679	119,261	(2,582)	-2%	477,043
Finance and administration		258,593	271,754	271,754	19,888	59,594	67,939	(8,345)	-12%	271,754
Internal audit		5,569	6,797	6,797	433	1,188	1,699	(511)	-30%	6,797
<i>Community and public safety</i>		201,954	207,313	207,313	15,012	43,935	51,829	(7,894)	-15%	207,313
Community and social services		48,586	49,027	49,027	3,610	10,456	12,257	(1,801)	-15%	49,027
Sport and recreation		66,863	63,043	63,043	4,565	14,053	15,761	(1,708)	-11%	63,043
Public safety		44,135	45,933	45,933	3,390	9,592	11,483	(1,892)	-16%	45,933
Housing		21,956	28,042	28,042	1,769	5,100	7,011	(1,910)	-27%	28,042
Health		20,412	21,267	21,267	1,678	4,733	5,317	(583)	-11%	21,267
<i>Economic and environmental services</i>		168,768	183,093	183,093	14,288	38,084	45,774	(7,690)	-17%	183,093
Planning and development		46,192	55,644	55,644	4,056	11,790	13,911	(2,121)	-15%	55,644
Road transport		121,706	126,551	126,551	10,163	26,086	31,638	(5,552)	-18%	126,551
Environmental protection		870	898	898	69	207	225	(17)	-8%	898
<i>Trading services</i>		1,577,315	1,753,665	1,753,665	262,907	399,473	504,153	(104,679)	-21%	1,753,665
Energy sources		1,010,864	1,151,651	1,151,651	202,289	293,331	353,649	(60,318)	-17%	1,151,651
Water management		365,230	395,412	395,412	37,203	60,459	98,853	(38,394)	-39%	395,412
Waste water management		122,085	119,433	119,433	14,973	27,331	29,858	(2,527)	-8%	119,433
Waste management		79,136	87,170	87,170	8,442	18,352	21,792	(3,441)	-16%	87,170
<i>Other</i>		24,014	28,839	28,839	1,735	5,105	7,210	(2,105)	-29%	28,839
Total Expenditure - Functional	3	2,707,860	2,928,505	2,928,505	392,919	664,058	797,865	(133,807)	-17%	2,928,505
Surplus/ (Deficit) for the year		166,590	602,003	602,003	(145,738)	251,587	84,762	166,825	1.968162	602,003

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

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	49,577	185,943	243,100	(57,157)	-23.5%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	4	408	1,540	(1,133)	-73.5%	6,161
Vote 05 - Community Services		134,820	124,361	124,361	9,985	31,852	31,090	762	2.5%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	53,091	264,445	177,528	86,917	49.0%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	396	5,138	2,092	3,046	145.6%	8,368
Vote 08 - Infrastructure And Services		1,456,193	1,709,105	1,709,105	134,126	427,859	427,276	583	0.1%	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	247,181	915,646	882,627	33,019	3.7%	3,530,507
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,615	60,855	60,855	4,890	14,621	15,214	(592)	-3.9%	60,855
Vote 02 - Municipal And General		396,076	403,603	403,603	71,422	97,286	100,901	(3,615)	-3.6%	403,603
Vote 03 - Municipal Manager		27,607	27,854	27,854	3,484	7,781	6,964	817	11.7%	27,854
Vote 04 - Corporate Services		71,184	82,140	82,140	5,857	16,938	20,535	(3,598)	-17.5%	82,140
Vote 05 - Community Services		321,918	337,272	337,272	26,662	72,180	84,319	(12,139)	-14.4%	337,272
Vote 06 - Financial Services		137,078	166,217	166,217	10,403	31,803	41,555	(9,751)	-23.5%	166,217
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	67,813	3,919	12,252	16,953	(4,701)	-27.7%	67,813
Vote 08 - Infrastructure And Services		1,633,709	1,782,750	1,782,750	266,281	411,197	511,424	(100,227)	-19.6%	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	392,919	664,058	797,865	(133,806)	-16.8%	2,928,505
Surplus/ (Deficit) for the year	2	166,590	602,003	602,003	(145,738)	251,587	84,762	166,825	196.8%	602,003

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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	80,823	273,221	274,800	(1,579)	-1%	1,099,199
Service charges - Water		276,094	343,685	343,685	26,602	74,699	85,921	(11,222)	-13%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,279	28,396	23,972	4,424	18%	95,890
Service charges - Waste management		75,114	72,271	72,271	6,970	21,370	18,068	3,303	18%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	15,955	458	6,626	3,989	2,637	66%	15,955
Agency services										
Interest		-	-	-	-	-	-	-		-
Interest earned from Receivables		258,041	120,030	120,030	13,492	39,496	30,007	9,488	32%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	1,785	1,455	2,250	(795)	-35%	9,000
Dividends		-	-	-	-	-	-	-		-
Rent on Land										
Rental from Fixed Assets		28,851	27,740	27,740	2,574	7,604	6,935	669	10%	27,740
Licence and permits		670	1,200	1,200	54	181	300	(119)	-40%	1,200
Operational Revenue		3,202	3,773	3,773	228	682	943	(262)	-28%	3,773
Non-Exchange Revenue										
Property rates		656,442	687,320	687,320	50,868	259,359	171,830	87,529	51%	687,320
Surcharges and Taxes										
Fines, penalties and forfeits		56,767	32,143	32,143	2,336	5,464	8,036	(2,572)	-32%	32,143
Licence and permits		6,500	8,000	8,000	845	2,871	2,000	871	44%	8,000
Transfers and subsidies - Operational		289,880	299,271	299,271	-	117,543	74,818	42,725	57%	299,271
Interest		-	91,900	91,900	8,927	24,736	22,975	1,761	8%	91,900
Fuel Levy										
Operational Revenue		49,299	50,900	50,900	5,049	15,043	12,725	2,318	18%	50,900
Gains on disposal of Assets		19,223	-	-	-	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	210,289	878,754	739,569	139,184	19%	2,958,278
Expenditure By Type										
Employee related costs		894,291	950,863	950,863	66,899	196,382	237,717	(41,335)	-17%	950,863
Remuneration of councillors		33,869	37,077	37,077	2,805	8,420	9,269	(850)	-9%	37,077
Bulk purchases - electricity		787,457	897,300	897,300	169,678	239,998	290,061	(50,063)	-17%	897,300
Inventory consumed		268,432	319,605	319,605	22,504	53,952	79,902	(25,949)	-32%	319,605
Debt impairment		333,146	355,246	355,246	88,812	88,812	88,812	(0)	0%	355,246
Depreciation and amortisation		76,441	89,700	89,700	22,425	22,425	22,425	(0)	0%	89,700
Interest		32,187	17,774	17,774	0	1	4,444	(4,443)	-100%	17,774
Contracted services		51,343	40,731	40,731	5,553	11,163	10,183	981	10%	40,731
Transfers and subsidies		2,526	3,660	3,660	-	-	915	(915)	-100%	3,660
Irrecoverable debts written off		-	-	-	0	1	-	1	#DIV/0!	-
Operational costs		138,466	151,549	151,549	14,242	42,904	37,888	5,016	13%	151,549
Losses on Disposal of Assets		1,022	-	-	-	-	-	-		-
Other Losses		88,679	65,000	65,000	-	-	16,250	(16,250)	-100%	65,000
Total Expenditure		2,707,860	2,928,505	2,928,505	392,919	664,058	797,865	(133,806)	-17%	2,928,505
Surplus/(Deficit)		7,550	29,774	29,774	(182,630)	214,696	(58,295)	272,991	(0)	29,774
Transfers and subsidies - capital (monetary allocations)										
		159,040	572,229	572,229	36,892	36,892	143,057	(106,166)	(0)	572,229
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		166,590	602,003	602,003	(145,738)	251,587	84,762	166,825	0	602,003
Income Tax								-		
Surplus/(Deficit) after income tax		166,590	602,003	602,003	(145,738)	251,587	84,762	166,825	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	(145,738)	251,587	84,762	166,825	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	(145,738)	251,587	84,762	166,825	0	602,003

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

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	-	-	375	(375)	-100%	1,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	5,000	525	525	1,250	(725)	-58%	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	-	500	(500)	-100%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	533,450	12,538	35,790	133,363	(97,572)	-73%	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	13,063	36,315	135,488	(99,172)	-73%	541,950
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,646	23,000	23,000	-	85	5,750	(5,665)	-99%	23,000
Vote 03 - Municipal Manager		-	2,349	2,349	25	25	587	(563)	-96%	2,349
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	-	-	552	(552)	-100%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	3,000	-	-	750	(750)	-100%	3,000
Vote 08 - Infrastructure And Services		34,444	41,220	41,220	933	5,357	10,305	(4,948)	-48%	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	957	5,468	17,945	(12,477)	-70%	71,779
Total Capital Expenditure		176,438	613,729	613,729	14,020	41,783	153,432	(111,650)	-73%	613,729
Capital Expenditure - Functional Classification										
Governance and administration		12,646	24,500	24,500	-	85	6,125	(6,040)	-99%	24,500
Executive and council		12,646	24,500	24,500	-	85	6,125	(6,040)	-99%	24,500
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	7,210	7,210	525	525	1,802	(1,278)	-71%	7,210
Community and social services		-	5,000	5,000	525	525	1,250	(725)	-58%	5,000
Sport and recreation		-	2,210	2,210	-	-	552	(552)	-100%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,228	48,519	48,519	5,499	9,341	12,130	(2,789)	-23%	48,519
Planning and development		24,020	5,849	5,849	25	25	1,462	(1,438)	-98%	5,849
Road transport		45,208	42,670	42,670	5,474	9,316	10,667	(1,351)	-13%	42,670
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		94,564	532,000	532,000	7,996	31,831	133,000	(101,169)	-76%	532,000
Energy sources		27,354	6,000	6,000	-	-	1,500	(1,500)	-100%	6,000
Water management		62,534	517,500	517,500	7,735	31,570	129,375	(97,805)	-76%	517,500
Waste water management		4,676	8,500	8,500	261	261	2,125	(1,864)	-88%	8,500
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,500	1,500	-	-	375	(375)	-100%	1,500
Total Capital Expenditure - Functional Classification	3	176,438	613,729	613,729	14,020	41,783	153,432	(111,650)	-73%	613,729
Funded by:										
National Government		124,283	572,229	572,229	13,087	36,892	143,057	(106,166)	-74%	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	13,087	36,892	143,057	(106,166)	-74%	572,229
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		29,082	41,500	41,500	933	4,891	10,375	(5,484)	-53%	41,500
Total Capital Funding		176,438	613,729	613,729	14,020	41,783	153,432	(111,650)	-73%	613,729

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M03 September

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	185,559	73,147
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,274,325	1,527,563	1,274,325
Receivables from non-exchange transactions		860,075	927,844	927,844	983,677	927,844
Current portion of non-current receivables		–	–	–	–	–
Inventory		112,013	60,701	60,701	133,346	60,701
VAT		155,736	155,542	155,542	185,058	155,542
Other current assets		638	129	129	1,105	129
Total current assets		2,664,713	2,491,688	2,491,688	3,016,308	2,491,688
Non current assets						
Investments						
Investment property		201,266	221,645	221,645	201,191	221,645
Property, plant and equipment		2,100,106	2,625,801	2,625,801	2,120,663	2,625,801
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,571	13,571	12,071	13,571
Intangible assets		46,592	13,214	13,214	45,467	13,214
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2,360,035	2,874,231	2,874,231	2,379,393	2,874,231
TOTAL ASSETS		5,024,748	5,365,919	5,365,919	5,395,701	5,365,919
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(14,788)	(14,788)	–	(14,788)
Consumer deposits		48,699	49,570	49,570	49,358	49,570
Trade and other payables from exchange transactions		1,388,892	1,286,802	1,286,802	1,343,371	1,286,802
Trade and other payables from non-exchange transactions		4,057	–	–	106,000	–
Provision		788	788	788	788	788
VAT		232,084	201,179	201,179	268,189	201,179
Other current liabilities		–	–	–	–	–
Total current liabilities		1,674,520	1,523,552	1,523,552	1,767,706	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	2,217,734	1,933,760
NET ASSETS	2	2,900,200	3,432,159	3,432,159	3,177,967	3,432,159
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,825,396	3,368,093	3,368,093	3,076,984	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	3,151,788	3,432,159

Net Assets is not equal to Total Community Wealth, this was reported to the financial service provider and feedback provided is that this relates to the impact of the distribution journals processing in SOLAR that needs to be resolved. A follow-up will be made, whether this correction was effected on the system.

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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	52,288	117,828	169,030	(51,202)	-30%	676,122
Service charges		1,185,680	1,513,446	1,513,446	96,971	310,834	378,362	(67,527)	-18%	1,513,446
Other revenue		605,571	92,337	92,337	34,735	366,000	23,084	342,915	1485%	92,337
Transfers and Subsidies - Operational		306,662	299,271	299,271	–	122,609	74,818	47,791	64%	299,271
Transfers and Subsidies - Capital		142,936	572,229	572,229	110,000	133,768	143,057	(9,289)	-6%	572,229
Interest		3,927	9,000	9,000	1,862	6,994	2,250	4,744	211%	9,000
Dividends								–		
Payments										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,545,784)	(214,492)	(933,235)	(636,446)	296,789	-47%	(2,545,784)
Interest		281	(17,774)	(17,774)	–	2,121	(4,444)	(6,564)	148%	(17,774)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		137,865	598,846	598,846	81,365	126,918	149,712	22,793	15%	598,846
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		19,223	–	–	–	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)	(14,020)	(41,783)	(153,432)	(111,650)	73%	(613,729)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(157,215)	(613,729)	(613,729)	(14,020)	(41,777)	(153,432)	(111,656)	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	12	63	500	(437)	-87%	2,000
Payments										
Repayment of borrowing		–	(14,788)	(14,788)	–	–	(3,697)	(3,697)	100%	(14,788)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,569)	(12,788)	(12,788)	12	63	(3,197)	(3,260)	102%	(12,788)
NET INCREASE/ (DECREASE) IN CASH HELD		(20,918)	(27,670)	(27,670)	67,357	85,204	(6,918)			(27,670)
Cash/cash equivalents at beginning:		(109,536)	(100,817)	(100,817)	131,573	113,726	(100,817)			113,726
Cash/cash equivalents at month/year end:		(130,455)	(128,487)	(128,487)	198,931	198,931	(107,735)			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 R185,559 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		Sept'24		
National Financial Year		2024/25		
Demarcation Code of Municipality being assessed		NC091		
District		Frances Baard		
Demarcation Description		Sol Plaatje		
<p>I, <u>Bartholomew Matlala Municipal Manager of Sol Plaatje Local Municipality</u>, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:</p>				
Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list				
6.3 + Condition 6.12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption).			
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12 - 2	Yes	
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://uploadportal.treasury.gov.za ?	Yes	
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application).	No	
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://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	
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 ?	Yes	
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
	Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".			
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
	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".			
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	
	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.			
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)? Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.	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?	<input type="text" value="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?	<input type="text" value="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>	<input type="text" value="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>	<input type="text" value="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?	<input type="text" value="No"/>
		<i>Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool 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?	<input type="text" value="No"/>
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	<input type="text" value="No"/>
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	<input type="text" value="No"/>
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	<input type="text" value="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?	<input type="text" value="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?	<input type="text" value="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?	<input type="text" value="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>	<input type="text" value="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 ?	<input type="text" value="Yes"/>
	6.9	Monitor and report on implementation –	
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	<input type="text" value="Yes"/>
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	<input type="text" value="Yes"/>
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	<input type="text" value="No FRP"/>
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	<input type="text" value="No FRP"/>
		<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	<input type="text" value="Yes"/>
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	<input type="text" value="Yes"/>
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	<input type="text" value="No"/>
		<i>Note – if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	

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 those municipalities that have received the benefit of the municipality's initial or subsequent benefit in terms of this municipal debt support programme. NT confirms that MERSA Circular No. 124 (section 6.11) (prohibition on municipality borrowing powers) will only be extended in certain circumstances to those municipalities that have received the effective share of debt relief approved as envisaged in MERSA section 6.11. Local MRE borrowing, including making use of an overdraft for in-year budgetary purposes are not considered within the scope 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?	No	All electricity receipts were not paid over, due to a severe shortfall in cash to pay salary third party payments
		<p><i>Note: - Only if indicated in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MERSA s.6(2).</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.73 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 arrears 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 arrears debt write-off.
		<p><i>Note: - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOM.</i></p>		
41	6.14	MERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes	
		<p><i>Note: - If applying for Municipal Debt Relief as set out in paragraph 3 of MERSA Circular No. 124, the applicant is responsible for ensuring that during the duration of the Municipal Debt Relief programme, the applicant complies with the condition of the Relief, subject to apply to MERSA 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 presented for the relevant processes for maintaining an external mechanism as envisaged in Chapter 2 of the Municipal Systems Act, 2000, including the necessary senior officers' representation aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the condition of Government's letter support to Eskom, Eskom will only apply to the relevant credit control and debt collection policies also in relation to the municipality's account that are the subject of municipal debt relief, etc.</i></p>		

PT: HOD/ NT/ MM Name:

BS Matlala

Signature of HOD/ NT/ MM:

Date:

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

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

The municipality's performance, especially settling the current account for ESKOM and Water has improved. However, the municipality defaulted and made partial payments on the July and August 2024 accounts, which are the accounts for the high months. To be in good standing with ESKOM and to qualify for the recommendation for the first third debt write/off, the municipality must pay **R134,337,170.97** with immediate effect. 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 August 2024 is attached to this S71 report.

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

Enhance revenue collection through improved billing accuracy, stricter credit control measures, and public awareness campaigns.

Strengthen expenditure management with regular monitoring and optimization of procurement processes.

Ensure compliance with debt relief conditions by submitting required reports on time and addressing non-compliance issues through action plans. It is imperative that any such action plans are implemented and monitored to ensure the desired outcome/s.

Adopt the cost-reflective tariff tool to align service tariffs with actual operational costs.

Improve financial governance by adopting best practices, strengthening internal audits, and ensuring transparent financial reporting.

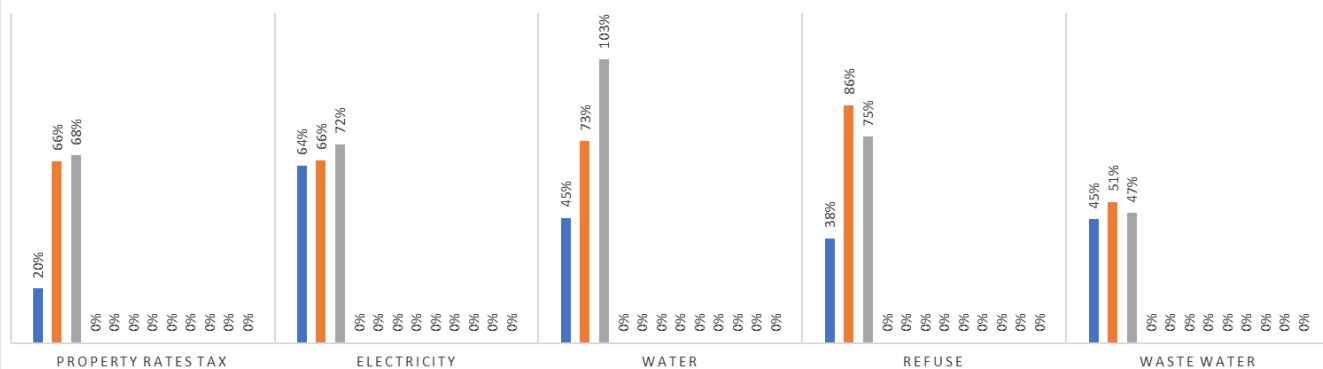
Maintain regular payments to creditors like Eskom and negotiate favourable payment terms for better debt management.

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

16.4.1 Monthly / Quarterly collection per ward

% MONTHLY COLLECTION PERFORMANCE

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



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

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

Collection Rate Assessment																			
Aggregate Collection		Summary - Quarter 1				Summary - Quarter 2				Summary - Quarter 3				Summary - Quarter 4				Q1	
		Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection		
1.Collection for whole demarcation		647,395,914	336,912,509	310,483,405	52%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI		
2.Collection excl Eskom supplied areas		555,255,631	300,589,830	254,665,801	54%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI		
3.Collection: Property Rates		258,600,294	120,105,002	138,495,292	46%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI		
4.Total average collection: Electricity (Municipal supplied areas)		203,550,128	153,411,100	50,138,028	75%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI		
5.Total average collection: Water		73,414,201	35,225,878	38,188,323	48%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI		
6.Total average collection: Wastewater		26,960,122	12,259,704	14,700,417	45%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI		
7.Total average collection: Refuse		21,989,092	10,655,712	10,943,380	49%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI		
8.Total average collection: Interest		63,272,078	5,255,113	58,016,965	8%	-	-	-	NDV/DI	-	-	-	NDV/DI	-	-	-	NDV/DI		

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

The monthly collection rate per ward is a major concern and it not at a desired level. The quarterly collection rate is distorted due to the annual billing on Property rates. The average calculated by the municipality is slightly higher due to prepaid electricity sales and unallocated credits being taken into consideration.

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

Total Aggregate Collection														1.July - Reporting for June in July				2.August - Reporting for July in August				3.September - Reporting for August in September			
		Billing For June	Collection in July	R - Billing not collected	% Collection	Billing For July	Collection in August	R - Billing not collected	% Collection	Billing For August	Collection for in September	R - Billing not collected	% Collection												
1.Collection for whole demarcation		286,098,547	94,375,817	191,722,730	33%	180,870,307	119,483,871	61,386,436	66%	180,427,060	123,052,821	58,990,472	68%												
2.Collection excl Eskom supplied areas		241,355,673	82,795,524	159,753,847	34%	157,314,681	104,585,641	56,547,576	66%	156,585,277	113,208,665	54,135,357	72%												
3.Collection: Property Rates		157,997,690	31,192,753	126,804,937	20%	49,930,348	36,623,760	13,306,588	73%	50,672,256	52,288,489	0	103%												
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%	64,808,136	48,597,005	16,211,131	75%												
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%	26,675,975	12,602,455	14,073,520	47%												
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%	8,857,573	4,476,290	4,381,283	51%												
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%	7,096,633	3,665,072	3,431,562	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%	22,316,485	1,423,509	20,892,976	6%												

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, Legang/ Lenabo Park)	166,240	43,388	122,852	26%	137,561	88,279	49,281	64%	144,065	63,509	80,556	44%	447,866	195,177	252,689	44%	44%
Electricity			2,731,910	1,187,756	1,544,154	43%	2,042,391	1,512,607	529,784	74%	1,842,256	473,619	1,368,637	26%	6,616,557	3,173,982	3,442,575	48%	48%
Water			1,236,406	706,470	529,936	57%	1,215,280	518,946	696,334	43%	1,376,738	356,933	1,019,806	26%	3,828,425	1,582,349	2,246,076	41%	41%
Refuse			98,775	33,445	65,330	34%	76,002	44,197	31,805	58%	75,240	9,956	65,284	13%	250,016	87,597	162,419	35%	35%
Waste Water			97,219	50,675	46,544	52%	89,045	141,821	0	159%	88,308	11,195	77,113	13%	274,572	203,691	70,881	74%	74%
Interest			537,859	13,094	524,766	2%	547,057	58,762	488,295	11%	553,802	8,252	545,550	1%	1,638,719	80,107	1,558,612	5%	5%
Property Rates Tax	Mun Supplied	Ward 2 - Roodepan	3,078,699	378,782	2,699,917	12%	852,279	608,156	244,122	71%	912,181	1,605,821	0	176%	4,843,159	2,592,759	2,250,399	54%	54%
Electricity			329,480	169,953	159,528	52%	462,290	350,590	111,700	76%	326,051	256,140	69,911	79%	1,117,821	776,682	341,139	69%	69%
Water			655,199	170,214	484,984	26%	754,070	315,309	438,761	42%	691,095	291,215	399,880	42%	2,100,364	776,738	1,323,626	37%	37%
Refuse			289,340	93,702	195,638	32%	229,623	147,693	81,930	64%	243,950	107,177	136,772	44%	762,913	348,573	414,340	46%	46%
Waste Water			425,191	130,896	294,295	31%	333,727	212,129	121,598	64%	353,724	169,529	184,195	48%	1,112,642	512,554	600,089	46%	46%
Interest			689,989	33,676	656,313	5%	441,653	39,593	402,060	9%	686,103	21,420	664,683	3%	1,817,746	94,690	1,723,056	5%	5%
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%	624,509	1,356,593	0	217%	3,467,105	1,835,625	1,631,480	53%	53%
Electricity			179,868	109,756	70,112	61%	224,403	81,233	143,170	36%	219,891	63,039	156,852	29%	624,163	254,028	370,135	41%	41%
Water			499,201	118,788	380,413	24%	643,917	120,318	523,599	19%	467,309	137,437	329,871	29%	1,610,427	376,544	1,233,883	23%	23%
Refuse			162,878	71,925	90,953	44%	165,399	64,900	100,499	39%	159,989	74,992	84,998	47%	488,266	211,816	276,450	43%	43%
Waste Water			232,739	95,570	137,168	41%	237,165	92,791	144,374	39%	229,549	105,188	124,361	46%	699,452	293,549	405,903	42%	42%
Interest			439,058	19,477	419,581	4%	461,014	31,945	429,069	7%	460,912	45,141	415,772	10%	1,360,985	96,563	1,264,422	7%	7%
Property Rates Tax	Mun Supplied	Ward 4 - Verengoog Ext 3, Verengoog Ext 4, Verengoog 9, Wldam	1,367,579	134,059	1,233,520	10%	408,521	163,074	245,447	40%	408,521	799,971	0	196%	2,184,620	1,097,104	1,087,516	50%	50%
Electricity			655,761	205,643	450,118	31%	463,238	268,983	194,255	58%	294,743	322,641	0	109%	1,413,742	797,267	616,475	56%	56%
Water			435,692	103,958	331,735	24%	547,484	122,632	424,852	22%	387,290	127,429	259,861	33%	1,370,466	354,019	1,016,447	26%	26%
Refuse			143,243	53,520	89,723	37%	149,795	51,424	98,371	34%	151,995	51,766	100,229	34%	445,034	156,710	288,323	35%	35%
Waste Water			204,978	79,872	125,106	39%	214,150	75,286	138,864	35%	217,253	74,903	142,350	34%	636,381	230,060	406,321	36%	36%
Interest			359,338	15,407	343,931	4%	374,012	13,692	360,320	4%	386,734	7,732	379,002	2%	1,120,084	36,831	1,083,253	3%	3%
Property Rates Tax	Mun Supplied	Ward 5 - Verengoog Ext 2, Redirie, Thusano	636,191	78,582	557,609	12%	261,090	88,353	172,737	34%	272,593	611,139	0	224%	1,169,874	778,074	391,800	67%	67%
Electricity			52,757	29,826	22,931	57%	69,953	40,029	29,925	57%	55,345	41,169	14,176	74%	178,056	111,024	67,032	62%	62%
Water			(235,760)	48,528	0	-21%	433,466	75,960	357,506	18%	393,910	72,655	321,255	18%	591,617	197,143	394,474	33%	33%
Refuse			141,238	38,474	102,764	27%	133,098	41,659	91,439	31%	143,562	43,175	100,386	30%	417,898	123,308	294,590	30%	30%
Waste Water			196,574	52,868	143,706	27%	185,389	56,833	128,556	31%	199,858	65,326	134,532	33%	581,821	175,027	406,794	30%	30%
Interest			341,337	6,499	334,838	2%	334,960	8,016	326,945	2%	353,055	7,854	345,200	2%	1,029,352	22,369	1,006,983	2%	2%
Property Rates Tax	Mun Supplied	Ward 6 - Verengoog Ext 10, Bekhuasong, Solli Legodi, Blikkies	179,370	40,284	139,086	22%	171,957	41,037	130,919	24%	179,670	46,904	132,766	26%	530,997	128,226	402,771	24%	24%
Electricity			15,095	4,623	10,471	31%	17,800	17,809	0	100%	14,588	21,071	0	144%	47,482	43,503	3,980	92%	92%
Water			513,973	36,803	477,169	7%	520,618	60,278	460,340	12%	439,447	46,281	393,166	11%	1,474,037	143,362	1,330,675	10%	10%
Refuse			139,827	28,348	111,479	20%	137,499	34,630	102,869	25%	143,516	29,475	114,041	21%	420,842	92,453	328,389	22%	22%
Waste Water			195,665	30,714	164,951	16%	192,418	42,744	149,674	22%	200,825	36,320	164,504	18%	588,908	109,779	479,130	19%	19%
Interest			422,946	3,977	418,969	1%	425,900	6,272	419,628	1%	438,779	6,079	432,699	1%	1,287,624	16,328	1,271,297	1%	1%
Property Rates Tax	Mun Supplied	Ward 7 - Soli Plaatje RE, Solli legodi square, Verengoog Ext 1, Verengoog, Ubuntu Golf Course/Riemvasmaak	1,301,704	73,748	1,227,956	6%	222,647	67,646	155,001	30%	222,647	721,907	0	324%	1,746,998	863,301	883,697	49%	49%
Electricity			96,907	26,657	70,250	28%	145,684	64,254	81,430	44%	155,565	115,496	40,069	74%	398,156	206,407	191,749	52%	52%
Water			356,545	58,033	298,512	16%	398,920	87,822	311,098	22%	445,815	82,802	363,014	19%	1,201,281	228,656	972,624	19%	19%
Refuse			143,324	42,272	101,053	29%	142,581	45,500	97,081	32%	135,182	43,925	91,256	32%	421,087	131,697	289,390	31%	31%
Waste Water			210,171	54,175	155,996	26%	209,084	65,313	143,772	31%	198,633	69,474	129,158	35%	617,888	188,961	428,927	31%	31%
Interest			334,754	6,757	327,997	2%	341,353	10,076	331,277	3%	352,863	7,170	345,693	2%	1,028,970	24,004	1,004,966	2%	2%
Property Rates Tax	Mun Supplied	Ward 8 - John Mamepe 1, Mamepe Ext, Latliri Mabio Park, Donkershoek	2,581,737	26,519	2,555,217	1%	126,264	13,353	112,910	11%	129,841	45,867	83,974	35%	2,837,842	85,740	2,752,101	3%	3%
Electricity			123,472	101,783	21,689	82%	128,481	115,963	12,519	90%	126,295	643	125,652	1%	378,248	218,388	159,860	58%	58%
Water			315,775	27,839	287,937	9%	372,698	33,955	338,743	9%	277,157	22,722	254,434	8%	965,630	84,516	881,114	9%	9%
Refuse			149,439	27,302	122,137	18%	151,887	16,830	135,057	11%	133,242	17,532	115,710	13%	434,568	61,664	372,904	14%	14%
Waste Water			203,641	33,394	170,246	16%	203,351	19,385	183,967	10%	176,751	23,070	153,681	13%	583,744	75,849	507,894	13%	13%
Interest			415,901	12,008	403,893	3%	415,077	3,635	411,442	1%	453,057	4,893	448,165	1%	1,284,035	20,535	1,263,500	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
Property Rates Tax	Mun Supplied	Ward 9 - Ipporing, Retsewille	1,569,842	384,321	1,185,522	24%	747,436	460,686	286,750	62%	740,713	431,160	309,553	58%	3,057,991	1,276,167	1,781,825	42%
Electricity			168,407	120,989	47,417	72%	204,508	132,593	71,915	65%	188,419	127,420	61,000	68%	561,334	381,002	180,332	68%
Water			357,217	163,413	193,804	46%	444,774	224,956	219,818	51%	408,476	221,325	187,151	54%	1,210,467	609,694	600,773	50%
Refuse			168,809	97,384	71,425	58%	159,033	103,505	55,527	65%	156,360	95,196	61,164	61%	484,202	296,085	188,116	61%
Waste Water			241,692	119,908	121,784	50%	225,328	147,039	78,289	65%	224,153	129,294	94,859	58%	691,173	396,241	294,932	57%
Interest			391,851	20,879	370,972	5%	365,114	24,989	340,125	7%	384,821	63,775	321,046	17%	1,141,786	109,643	1,032,143	10%
Property Rates Tax	Mun Supplied	Ward 10 - Tshwaragano, Vergenoeg Ext 7, Vergenoeg Ext 5	1,999,677	212,932	1,786,745	11%	389,503	143,193	246,310	37%	385,076	1,838,891	0	478%	2,774,255	2,195,015	579,240	79%
Electricity			535,124	360,868	174,256	67%	554,830	399,918	154,912	72%	558,570	472,964	85,606	85%	1,648,524	1,233,749	414,774	75%
Water			427,480	253,953	173,527	59%	544,206	114,239	429,967	21%	445,906	141,899	304,007	32%	1,417,592	510,092	907,500	36%
Refuse			155,621	71,586	84,035	46%	160,273	66,186	94,087	41%	160,609	80,306	80,303	50%	476,503	218,079	258,425	46%
Waste Water			199,077	86,625	112,453	44%	205,275	84,166	121,109	41%	205,754	99,853	105,901	49%	610,107	270,644	339,463	44%
Interest			373,197	73,454	299,743	20%	387,415	11,467	375,948	3%	394,397	16,078	378,319	4%	1,155,008	100,999	1,054,010	9%
Property Rates Tax	Mun Supplied	Ward 11 - Retsewille, Aqisaniang, Vergenoeg Ext 6, Ext 8, Vergenoeg Ext 5	4,445,374	48,587	4,396,787	1%	122,938	39,545	83,393	32%	141,403	1,307,638	0	925%	4,709,714	1,395,770	3,313,945	30%
Electricity			340,954	93,126	247,828	27%	460,284	344,437	115,847	75%	411,523	14,642	396,881	4%	1,212,760	452,205	760,555	37%
Water			425,063	109,803	315,260	26%	451,566	106,631	344,934	24%	357,749	78,653	279,097	22%	1,234,379	295,087	939,291	24%
Refuse			116,295	43,760	72,535	38%	102,701	36,941	65,761	36%	114,990	29,956	85,034	26%	333,985	110,656	223,329	33%
Waste Water			189,789	84,372	105,417	44%	170,756	63,819	106,937	37%	187,913	47,853	140,060	25%	548,458	196,044	352,414	36%
Interest			331,274	9,910	321,364	3%	296,197	5,127	291,070	2%	372,439	5,367	367,072	1%	999,909	20,404	979,505	2%
Property Rates Tax	Mun Supplied	Ward 12 - Kwaibobantu Ext 1, Kwaibobantu, Galeshewe proper, Galeshewe Ext 2	1,720,806	141,722	1,579,084	8%	297,805	113,091	184,714	38%	295,584	372,643	0	126%	2,314,195	627,455	1,686,739	27%
Electricity			166,865	104,358	62,507	63%	204,650	38,891	165,759	19%	179,338	83,018	96,320	46%	550,853	226,267	324,586	41%
Water			335,565	82,063	253,502	24%	409,711	108,822	300,889	27%	374,572	106,994	267,578	29%	1,119,847	297,878	821,969	27%
Refuse			133,205	52,304	80,900	39%	136,634	45,883	90,751	34%	131,960	51,852	80,108	39%	401,799	150,040	251,759	37%
Waste Water			188,758	75,367	113,391	40%	193,413	61,039	132,374	32%	186,220	74,700	111,521	40%	568,391	211,106	357,286	37%
Interest			361,715	41,747	319,968	12%	374,759	12,074	362,686	3%	386,488	12,464	374,024	3%	1,122,963	66,285	1,056,677	6%
Property Rates Tax	Mun Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gendeme	1,753,582	178,614	1,574,968	10%	232,060	171,227	60,833	74%	252,622	1,279,989	0	507%	2,238,264	1,629,829	608,434	73%
Electricity			604,783	352,625	252,158	58%	644,827	571,952	72,875	89%	596,984	601,616	0	101%	1,846,594	1,526,193	320,401	83%
Water			278,921	67,521	211,400	24%	435,722	130,873	304,849	30%	484,916	88,191	396,725	18%	1,199,559	286,585	912,974	24%
Refuse			69,606	31,185	38,422	45%	62,705	38,201	24,504	61%	75,107	44,830	40,270	48%	207,419	99,663	107,756	48%
Waste Water			111,418	46,981	64,437	42%	105,816	78,357	27,458	74%	120,611	54,269	66,342	45%	337,844	179,607	158,237	53%
Interest			231,323	6,549	224,774	3%	205,362	19,050	186,311	9%	256,530	18,189	238,341	7%	693,214	43,789	649,426	6%
Property Rates Tax	Mun Supplied	Ward 14 - Northview, Colville, Gendeme, Square Hill Park, Floors, Utility, Ashburnham	9,122,364	970,311	8,152,053	11%	1,269,386	1,070,980	198,405	84%	1,330,703	2,986,817	0	224%	11,722,452	5,028,108	6,694,344	43%
Electricity			1,851,164	1,523,868	327,295	82%	2,478,638	1,388,830	1,089,808	56%	2,222,400	2,139,177	83,224	96%	6,552,202	5,051,875	1,500,327	77%
Water			672,484	412,929	259,555	61%	806,072	448,541	357,531	56%	667,052	498,830	168,222	75%	2,145,608	1,360,299	785,308	63%
Refuse			342,787	262,859	79,928	77%	326,533	265,800	60,734	81%	331,722	217,787	113,936	66%	1,001,043	746,445	254,597	75%
Waste Water			322,953	188,940	134,013	59%	298,768	211,739	87,029	71%	307,325	203,849	103,476	66%	929,046	604,529	324,518	65%
Interest			412,088	41,778	370,310	10%	650,521	41,649	608,873	6%	755,315	60,568	694,747	8%	1,817,924	143,995	1,673,929	8%
Property Rates Tax	Mun Supplied	Ward 15 - Ipeleg, Promolung, Phuthanang, Sol Plaatje RE	1,784,029	102,062	1,681,967	6%	304,490	113,323	191,166	37%	304,490	695,709	0	228%	2,393,008	911,094	1,481,914	38%
Electricity			124,856	83,855	41,001	67%	153,084	148,059	5,025	97%	132,063	140,089	0	106%	410,003	372,003	37,999	91%
Water			375,645	51,978	323,667	14%	390,256	74,425	315,831	19%	412,699	127,376	285,323	31%	1,178,600	253,779	924,822	22%
Refuse			157,117	38,026	119,091	24%	159,479	46,832	112,647	29%	149,058	44,484	104,574	30%	465,654	129,342	336,312	28%
Waste Water			221,188	50,718	170,470	23%	226,379	75,924	150,455	34%	211,591	65,400	146,191	31%	659,158	192,043	467,115	29%
Interest			426,459	6,946	419,513	2%	433,660	23,867	409,793	6%	449,049	25,947	423,102	6%	1,309,168	56,760	1,252,408	4%
Property Rates Tax	Mun Supplied	Ward 16 - Phuthanang Cemetery, Promise Land, Lindani, Shale Park, Tswelabang	154,502	16,598	137,904	11%	150,456	13,811	136,645	9%	146,023	20,437	125,586	14%	450,982	50,846	400,135	11%
Electricity			48,717	386	48,331	1%	5,222	37	5,186	1%	2,913	37	2,876	1%	56,852	459	56,393	1%
Water			498,137	15,865	482,272	3%	458,868	23,949	434,919	5%	421,304	40,329	380,975	10%	1,378,309	80,143	1,298,166	6%
Refuse			170,551	13,091	157,461	8%	169,308	14,133	155,175	8%	147,628	21,452	126,176	15%	487,487	48,676	438,812	10%
Waste Water			245,336	19,584	225,752	8%	239,770	21,822	217,947	9%	212,496	31,823	180,673	15%	697,601	73,229	624,372	10%
Interest			425,011	3,344	421,667	1%	436,500	4,366	432,135	1%	448,104	3,474	444,631	1%	1,309,616	11,184	1,298,432	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 - Kagiso, Thlaga, John Mamepe 2, Dremling	438,207	171,166	267,041	39%	442,106	198,022	244,084	45%	426,413	184,833	241,580	43%	1,306,726	554,021	752,705	42%	42%
Electricity			47,658	24,529	23,129	51%	67,926	21,012	46,914	31%	48,292	33,751	14,541	70%	163,876	79,292	84,584	48%	48%
Water			386,583	108,074	278,509	28%	511,164	88,332	422,832	17%	371,925	91,822	280,104	25%	1,269,672	288,227	981,445	23%	23%
Refuse			189,126	58,984	130,142	31%	199,115	60,846	138,269	31%	191,099	54,129	136,969	28%	579,340	173,959	405,380	30%	30%
Waste Water			257,720	76,264	181,456	30%	269,249	85,974	183,275	32%	258,072	70,974	187,098	28%	785,041	233,212	551,829	30%	30%
Interest			475,629	12,383	463,246	3%	517,121	14,551	502,571	3%	509,790	7,888	501,902	2%	1,502,540	34,822	1,467,718	2%	2%
Property Rates Tax	Mun Supplied	Ward 18 - Kistenhof, Nomaalo Street Area, Galeshewe Ext 7, Verwoerd Park, Riviera	8,756,381	705,016	8,051,364	8%	1,109,501	746,841	362,660	67%	1,112,776	1,017,690	95,086	91%	10,978,659	2,469,548	8,509,111	22%	22%
Electricity			1,627,669	2,393,468	0	147%	1,953,881	398,141	1,555,740	20%	1,711,572	1,618,506	93,067	95%	5,293,122	4,410,115	883,008	83%	83%
Water			792,108	356,908	435,200	45%	786,162	351,102	435,060	45%	772,284	395,436	376,849	51%	2,350,555	1,103,446	1,247,109	47%	47%
Refuse			206,483	116,417	90,066	56%	204,987	125,354	79,633	61%	206,325	136,806	69,520	66%	617,795	378,577	239,219	61%	61%
Waste Water			270,699	141,457	129,242	52%	268,875	158,961	109,914	59%	270,301	165,225	105,076	61%	809,876	465,643	344,233	57%	57%
Interest			577,495	91,335	486,160	16%	581,671	57,380	524,291	10%	674,561	82,843	591,718	12%	1,833,727	231,558	1,602,169	13%	13%
Property Rates Tax	Mun Supplied	Ward 19 - Galeshewe Ext 5, Galeshewe Ext 4	609,567	93,391	516,176	15%	234,199	80,349	153,850	34%	239,987	455,870	0	190%	1,083,753	629,610	454,143	58%	58%
Electricity			58,815	23,815	35,000	40%	9,142	24,689	0	270%	71,826	24,621	47,206	34%	139,784	73,124	66,660	52%	52%
Water			490,853	76,586	414,267	16%	506,437	80,328	426,108	16%	612,807	92,510	520,298	15%	1,610,096	249,424	1,360,673	15%	15%
Refuse			146,412	39,968	106,444	27%	144,808	42,177	102,631	29%	147,795	37,200	110,595	25%	439,015	119,346	319,669	27%	27%
Waste Water			193,670	52,892	140,778	27%	191,663	54,470	137,192	28%	195,987	45,425	150,562	23%	581,320	152,788	428,532	26%	26%
Interest			474,742	14,101	460,641	3%	483,632	9,338	474,294	2%	494,389	11,883	482,506	2%	1,452,762	35,322	1,417,440	2%	2%
Property Rates Tax	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley Park, Damant Park, Albertshof, Kestelhof	26,634,418	8,492,112	18,142,306	32%	12,936,351	10,182,467	2,753,884	79%	12,846,002	11,753,835	1,092,167	91%	52,416,771	30,428,414	21,988,357	58%	58%
Electricity			14,580,863	9,822,682	4,758,181	67%	15,510,309	12,506,109	3,004,200	81%	14,681,969	12,783,578	1,898,390	87%	44,773,141	35,112,369	9,660,772	78%	78%
Water			2,641,601	1,723,692	917,909	65%	1,029,589	1,895,902	0	184%	2,743,848	2,013,930	729,918	73%	6,415,038	5,633,523	781,515	88%	88%
Refuse			1,044,102	604,663	439,439	58%	1,005,151	758,201	246,950	75%	1,011,578	868,652	142,926	86%	3,060,831	2,231,517	829,315	73%	73%
Waste Water			876,160	449,888	426,273	51%	847,261	642,695	204,565	76%	854,254	776,794	77,459	91%	2,577,674	1,869,378	708,297	73%	73%
Interest			1,971,087	324,257	1,646,831	16%	1,689,522	199,826	1,689,696	11%	2,118,870	367,998	1,750,872	17%	5,979,480	892,081	5,087,399	15%	15%
Property Rates Tax	Mun Supplied	Ward 21 - De Beers, Hull Street Area, Ernestville, Moghul Park, Heilbar, Belgavia, Turner Road Industrial area	7,321,487	2,244,115	5,077,373	31%	3,163,483	2,641,030	522,454	83%	3,170,497	3,120,580	49,918	98%	13,655,468	8,005,724	5,649,744	59%	59%
Electricity			4,466,442	2,979,911	1,486,531	67%	4,940,050	3,669,219	1,270,830	74%	4,456,397	3,210,592	1,245,805	72%	13,862,889	9,859,723	4,003,166	71%	71%
Water			967,730	331,599	336,131	65%	1,361,826	1,278,174	83,652	94%	1,258,951	914,319	344,632	73%	3,588,508	2,824,092	764,415	79%	79%
Refuse			390,822	255,245	135,577	65%	389,073	296,543	92,529	76%	391,255	288,289	102,965	74%	1,171,149	840,078	331,071	72%	72%
Waste Water			438,245	242,370	195,875	55%	435,946	338,942	97,004	78%	437,197	321,056	116,141	73%	1,311,388	902,368	409,020	69%	69%
Interest			816,491	96,750	719,741	12%	861,861	200,917	660,944	23%	907,409	257,875	649,534	28%	2,585,761	555,542	2,030,219	21%	21%
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%	1,348,653	1,949,904	0	145%	11,192,272	3,889,324	7,302,948	35%	35%
Electricity			3,130,256	1,742,385	1,387,870	56%	2,147,207	3,871,145	0	180%	2,997,594	1,442,547	1,555,047	48%	8,275,057	7,056,077	1,218,980	85%	85%
Water			652,128	259,155	392,973	40%	652,986	405,252	247,733	62%	906,608	294,536	612,072	32%	2,211,722	958,944	1,252,778	43%	43%
Refuse			232,948	83,450	149,497	36%	232,438	89,025	143,414	38%	206,792	101,077	105,715	49%	672,179	273,552	398,626	41%	41%
Waste Water			305,715	82,134	223,582	27%	305,887	93,395	212,492	31%	269,842	104,309	165,533	39%	881,444	279,838	601,607	32%	32%
Interest			491,543	26,260	465,283	5%	476,461	50,323	426,138	11%	552,989	17,585	535,404	3%	1,520,993	94,168	1,426,825	6%	6%
Property Rates Tax	Mun Supplied	Ward 23 - Civic Centre, New Park, Labram, Royleign, Royleigne, Monument Heights, El toro Park, Milnera Gardens	25,306,828	6,523,218	18,783,610	26%	8,577,946	8,106,831	471,115	95%	8,973,049	8,318,521	654,528	93%	42,857,823	22,948,570	19,909,254	54%	54%
Electricity			13,669,009	8,003,255	5,665,754	59%	16,104,622	13,621,346	2,483,276	85%	14,720,231	11,551,211	3,169,020	78%	44,493,862	33,175,812	11,318,050	75%	75%
Water			1,921,873	1,182,810	739,064	62%	1,917,351	1,457,419	459,932	76%	2,334,393	1,502,440	831,953	64%	6,173,618	4,142,669	2,030,949	67%	67%
Refuse			459,323	345,254	114,068	75%	452,101	379,371	72,729	84%	452,514	376,715	75,799	83%	1,363,937	1,101,340	262,597	81%	81%
Waste Water			590,241	333,789	256,452	57%	578,559	482,554	96,004	83%	575,687	463,253	112,433	80%	1,744,486	1,279,596	464,890	73%	73%
Interest			859,584	127,087	732,497	15%	849,476	190,882	658,595	22%	1,045,033	112,240	932,792	11%	2,754,093	430,209	2,323,884	16%	16%
Property Rates Tax	Mun Supplied	Ward 24 - Orlens Glen, Lindene, Rhodesdene, Heuwelsig, Haddon Park	7,698,809	2,660,904	5,037,905	35%	3,535,153	3,854,130	0	109%	3,540,954	2,828,578	712,376	80%	14,774,916	9,343,612	5,431,304	63%	63%
Electricity			2,554,838	1,437,395	1,117,443	56%	3,431,905	1,881,285	1,550,620	55%	2,558,903	2,589,411	0	101%	8,545,646	5,908,091	2,637,555	69%	69%
Water			976,861	749,819	227,042	77%	1,363,674	966,080	397,594	71%	1,298,901	952,663	346,238	73%	3,639,436	2,668,562	970,874	73%	73%
Refuse			309,977	231,672	78,305	75%	309,137	261,784	47,352	85%	309,525	260,528	48,997	84%	928,638	753,984	174,654	81%	81%
Waste Water			409,341	278,395	130,946	68%	460,440	350,580	109,860	76%	434,923	485,716	0	112%	1,304,704	1,114,690	190,013	85%	85%
Interest			287,862	53,567	234,295	19%	277,546	86,822	190,725	31%	312,021	56,212	255,809	18%	877,430	196,601	680,829	22%	22%
Property Rates Tax	Mun Supplied	Ward 25 - De Beers Mine, Beconsfield, Memorial Road Area, Kisseville	5,900,430	1,283,661	4,616,768	22%	1,667,248	1,209,554	457,693	73%	1,669,838	2,540,732	0	152%	9,237,515	5,033,948	4,203,568	54%	54%
Electricity			1,291,371	1,068,377	222,994	83%	1,699,739	1,215,190	484,548	71%	1,354,595	1,590,056	0	117%	4,345,704	3,873,624	472,080	89%	89%
Water			711,709	453,995	257,714	64%	(229,040)	519,101	0	-227%	812,879	579,830	233,049	71%	1,295,549	1,552,926	(257,377)	120%	120%
Ref																			

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
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 26 - Sol Plaatje RE Rietvale, Mandisa Square, Moswedimosa, Illeging, Ritchie/Diskobols, Diamond Park De	25,519,437	2,491,801	23,027,635	10%	6,428,727	2,781,633	3,647,094	43%	6,548,771	2,736,601	3,812,171	42%	38,496,935	8,010,035	30,486,900	21%
Electricity			9,245,894	6,323,083	2,922,810	68%	7,394,310	9,549,202	0	129%	6,921,652	4,198,082	2,723,570	61%	23,561,856	20,070,368	3,491,488	85%
Water			3,125,718	1,510,831	1,614,887	48%	3,258,074	1,527,093	1,730,981	47%	3,430,083	2,433,707	996,376	71%	9,813,875	5,471,631	4,342,244	56%
Refuse			432,543	136,419	296,124	32%	431,110	163,642	267,468	38%	434,397	106,613	327,784	25%	1,298,050	406,674	891,376	31%
Waste Water			459,443	114,152	345,292	25%	455,047	97,600	357,447	21%	467,556	173,271	294,285	37%	1,382,046	385,023	997,023	28%
Interest			3,569,013	765,374	2,803,638	21%	3,519,141	616,627	2,902,514	18%	3,817,494	82,418	3,735,076	2%	10,905,648	1,464,420	9,441,228	13%
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%	232,548	87,669	144,879	38%	1,124,908	422,751	702,157	38%
Electricity			7,964	669	7,295	8%	7,964	326	7,639	4%	7,964	946	7,018	12%	23,893	1,941	21,952	8%
Water			403,412	5,244	398,168	1%	496,904	4,048	492,856	1%	634,190	8,626	625,563	1%	1,534,506	17,918	1,516,588	1%
Refuse			160,044	3,707	156,337	2%	160,174	2,074	158,100	1%	159,980	5,996	153,983	4%	480,198	11,777	468,421	2%
Waste Water			254,667	5,639	249,028	2%	254,852	3,036	251,815	1%	254,504	9,349	245,156	4%	764,023	18,024	745,999	2%
Interest			904,926	35,192	869,734	4%	916,776	6,050	910,726	1%	932,643	877	931,766	0%	2,754,345	42,118	2,712,227	2%
Property Rates Tax	Mun Supplied	Ward 28 - Sol Plaatje Re, Kenilworth, Knudstna, Greenside, De Beers Mine	3,423,983	1,836,039	1,587,944	54%	2,643,559	1,820,612	822,947	69%	2,748,902	2,401,825	347,078	87%	8,816,445	6,058,475	2,757,969	69%
Electricity			9,249,677	5,552,532	3,697,145	60%	8,018,011	8,092,615	0	101%	7,406,444	4,245,961	3,160,482	57%	24,674,132	17,891,108	6,783,024	73%
Water			1,099,226	480,885	618,341	44%	1,269,873	959,530	310,343	76%	1,293,176	531,810	761,366	41%	3,662,275	1,972,225	1,690,049	54%
Refuse			293,011	162,996	130,015	56%	277,943	176,265	101,678	63%	281,605	191,788	89,817	68%	852,559	531,049	321,510	62%
Waste Water			343,368	168,548	174,821	49%	332,744	210,352	122,392	63%	336,903	222,810	114,093	66%	1,013,016	601,709	411,306	59%
Interest			1,064,129	36,109	1,028,020	3%	1,043,902	42,162	1,001,741	4%	1,119,817	42,703	1,077,114	4%	3,227,849	120,974	3,106,875	4%
Property Rates Tax	Mun Supplied	Ward 29 - Roodepan, Sol Plaatje RE, Langley and Riverton	236,560	25,491	211,069	11%	122,786	52,244	70,542	43%	120,238	32,121	88,117	27%	479,584	109,856	369,728	23%
Electricity			53,708	26,386	27,322	49%	68,565	26,527	42,039	39%	35,868	32,810	3,058	91%	158,141	85,722	72,419	54%
Water			114,468	17,680	96,788	15%	121,713	24,277	97,436	20%	108,657	22,017	86,640	20%	344,838	63,974	280,864	19%
Refuse			36,689	10,902	25,787	30%	43,461	16,748	26,713	39%	43,849	10,909	32,940	25%	123,999	38,560	85,439	31%
Waste Water			51,421	12,670	38,752	25%	60,954	20,436	40,518	34%	61,649	17,230	44,418	28%	174,024	50,336	123,688	29%
Interest			233,784	4,047	229,737	2%	256,358	4,263	252,096	2%	261,627	5,822	255,805	2%	751,770	14,132	737,638	2%
Property Rates Tax	Mun Supplied	Ward 30 - Platfontein Industrial, Lerato Park	287,220	39,575	247,645	14%	259,345	34,386	224,959	13%	297,134	61,147	235,987	21%	843,699	135,108	708,591	16%
Electricity			104,350	103,429	920	99%	105,415	1,731	103,684	2%	75,872	154,192	0	203%	285,636	259,352	26,284	91%
Water			266,593	28,928	237,665	11%	350,640	20,749	329,891	6%	397,245	73,725	323,520	19%	1,014,478	123,402	891,076	12%
Refuse			161,740	14,841	146,899	9%	156,584	15,019	141,565	10%	160,618	22,756	137,862	14%	478,943	52,616	426,327	11%
Waste Water			262,950	21,474	241,476	8%	255,501	23,575	231,926	9%	260,229	35,212	225,017	14%	778,681	80,262	698,419	10%
Interest			655,761	5,753	650,008	1%	688,933	4,712	684,221	1%	724,252	12,436	711,817	2%	2,068,947	22,901	2,046,046	1%
Property Rates Tax	Mun Supplied	Ward 31 - Kuthwanong, Sol City, Riviera, Francfarm	934,829	54,139	880,689	6%	212,089	65,051	147,038	31%	211,898	63,699	148,199	30%	1,358,816	182,889	1,175,926	13%
Electricity			24,736	1,038	23,698	4%	25,810	2,025	23,785	8%	25,191	1,589	23,602	6%	75,737	4,652	71,085	6%
Water			445,559	42,273	403,286	9%	791,909	45,372	746,538	6%	595,943	53,816	542,127	9%	1,833,411	141,460	1,691,951	8%
Refuse			230,237	34,196	196,041	15%	229,617	28,126	201,491	12%	202,641	34,095	168,546	17%	662,494	96,417	566,077	15%
Waste Water			322,856	48,205	274,651	15%	322,017	43,333	278,684	13%	283,894	48,820	235,074	17%	928,768	140,359	788,409	15%
Interest			485,425	7,723	477,702	2%	498,679	7,633	491,046	2%	518,104	10,756	507,347	2%	1,502,208	26,113	1,476,095	2%
Property Rates Tax	Mun Supplied	Ward 32 - Phutangan, Sol Plaatje RE, Platfontein	687,480	20,921	666,558	3%	104,961	24,390	80,571	23%	104,690	295,730	0	282%	897,132	341,041	556,090	38%
Electricity			57,310	12,461	44,849	22%	125,805	19,141	106,665	15%	184,707	20,875	163,833	11%	367,823	52,477	315,346	14%
Water			(104,354)	39,257	0	-38%	531,097	35,715	495,382	7%	525,098	24,878	500,221	5%	951,841	99,850	851,991	10%
Refuse			104,987	13,475	91,512	13%	105,117	17,074	88,043	16%	82,862	15,330	67,532	19%	292,966	45,878	247,087	16%
Waste Water			142,663	19,701	122,962	14%	142,888	21,924	120,963	15%	112,821	21,087	91,734	19%	398,371	62,712	335,660	16%
Interest			280,726	7,773	272,953	3%	287,245	6,852	280,393	2%	298,036	7,153	290,883	2%	866,007	21,778	844,229	3%
Property Rates Tax	Mun Supplied	Ward 33 - Chris Hani Park, Galeshewe Ext 6, Chris Hani South, China Square, West End, Thambo Square, Dument Park	868,582	250,526	618,056	29%	450,319	257,776	192,543	57%	450,319	248,467	201,853	55%	1,769,221	756,769	1,012,452	43%
Electricity			353,581	183,426	170,155	52%	235,990	202,648	33,341	86%	201,910	212,675	0	105%	791,480	598,749	192,731	76%
Water			472,240	141,525	330,715	30%	632,307	156,518	475,789	25%	511,325	172,253	339,071	34%	1,615,872	470,296	1,145,576	29%
Refuse			159,850	58,127	101,723	36%	166,458	57,192	109,266	34%	168,270	57,730	110,540	34%	494,578	173,049	321,529	35%
Waste Water			199,433	64,638	134,795	32%	210,384	64,316	146,068	31%	212,892	64,834	148,058	30%	622,709	193,787	428,922	31%
Interest			434,101	6,494	427,607	1%	470,748	20,963	449,785	4%	483,554	6,158	477,397	1%	1,388,403	33,614	1,354,789	2%
Property Rates Tax	Mun Supplied	Ward 999 Unknown	142,439	4,497	137,942	3%	138,946	84,826	54,120	61%	138,946	5,693	133,253	4%	420,332	95,016	325,316	23%
Electricity			72,474	30,091	42,383	42%	12,322	30,556	0	248%	20,206	12,823	7,383	63%	105,003	73,470	31,533	70%
Water			35,485	1,441	34,044	4%	10,592	1,914	8,678	18%	16,228	3,067	13,160	19%	62,305	6,422	55,882	10%
Refuse			5,615	935	4,680	17%	3,997	129	3,868	3%	3,997	439	3,559	11%	13,609	1,503	12,107	11%
Waste Water			10,111	2,386	7,725	24%	4,970	1,147	3,823	23%	4,970	153	4,817	3%	20,052	3,687	16,365	18%
Interest			42,741	851	41,890	2%	44,344	1,701	42,643	4%	44,127	1,356	42,770	3%	131,212	3,908	127,303	3%

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

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households

Articulated in table below, is the Indigent information for the reporting for the month of September 2024. The municipality is experiencing challenges in the restricting/interrupting of water supply and intervention is required from the technical department. Various gaps have been identified in indigent reporting, which the municipality will attempt to address going forward. The indigent households in informal settlements cannot be loaded on the system, due to the areas not being formalised. The municipality will engage the Housing department to assist with the number of households in informal settlements and the services available, if any. Households in informal settlements may not necessarily be qualifying indigents. There has always been a discrepancy in the households receiving Free Basic Electricity, as the actual that received the free 50 units is lower than the actual number of registered indigents loaded on the system. 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 HH's with piped water inside dwelling		11,478	11,800	11,800	11,800	6,576	6,653	9,268										
Indigent HH's with piped water inside yard (but not in dwelling)																		
Indigent HH's using public tap (at least min.service level)	2																	
Indigent HH's with other water supply (at least min.service level)	4																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total	3	11,478	11,800	11,800	11,800	6,576	6,653	9,268	-	-	-	-	-	-	-	-	-	
Indigent HH's using public tap (< min.service level)																		
Indigent HH's with other water supply (< min.service level)	4																	
Indigent HH's with No water supply																		
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households		11,478	11,800	11,800	11,800	6,576	6,653	9,268	-	-	-	-	-	-	-	-	-	
Status of Water meters :																		
Number of Indigent HH's with prepaid Water																		
Number of Indigent HH's with conventional metered Water		11,478	11,800	11,800	11,800	6,576	6,653	9,268										
Number of Indigent HH's NOT metered currently - Water																		
Number of Indigent HH's with NO Water supply - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households	10	11,478	11,800	11,800	11,800	6,576	6,653	9,268	-	-	-	-	-	-	-	-	-	
Status of unlimited supply of Water :																		
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																		
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																	
Energy: (Include All Indigent households also in Eskom supplied areas)																		
Indigent HH's with Electricity (at least min.service level)																		
Indigent HH's with Electricity - prepaid (min.service level)																		
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's with Electricity (< min.service level)																		
Indigent HH's with Electricity - prepaid (< min. service level)																		
Indigent HH's with other energy sources																		
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households																		
Status of Electricity meters :																		
Number of Indigent HH's with prepaid Electricity		11,478	11,800	11,800	11,800	9,422	9,486	8,800										
Number of Indigent HH's with conventional metered Electricity																		
Number of Indigent HH's NOT metered currently - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Number of indigent HH's with other energy sources - No metering																		
Total number of registered indigent households	12	11,478	11,800	11,800	11,800	9,422	9,486	8,800	-	-	-	-	-	-	-	-	-	
Status of unlimited supply of Electricity :																		
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per month																		
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of the Total Number of registered indigent households receiving unlimited supply - Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																	
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)	7																	
Water (6 kilolitres per household per month)		11,478	11,800	11,800	11,800	6,576	6,653	9,268										
Electricity/other energy (50kwh per household per month)		11,478	11,800	11,800	11,800	9,422	9,486	8,800										
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	331,900										
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	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	682,735										
Water (in excess of 6 kilolitres per indigent household per month)	15	15,462,419	*****	21,500,000	21,500,000	-	756,263	738,242										
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	118,606										
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)

GV Reconciliation Summary						
Province	NC					
District	Frances Baard District					
Type	LM					
Municipal Name	Sol Plaatje					
GV Period	01/07/2023 - 30/06/2027					
Financial Year	2024/2025					
Reconciliation Period	Quarter 1					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Propety Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	50454	50454	0	23,955,274,603	23,955,274,603	-
Industrial	214	214	0	807,010,000	807,010,000	-
Business and Commercial	2326	2326	0	7,560,646,001	7,560,646,001	-
Agricultural	422	422	0	2,612,916,700	2,612,916,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpose	133	133	0	2,498,871,000	2,498,871,000	-
PSI	464	464	0	157,379,000	157,379,000	-
PBO	196	196	0	508,041,001	508,041,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	5327	5327	0	1,512,971,503	1,512,971,503	-
Other	884	884	0	101,064,000	101,064,000	-
Total	60.680	60.680	-	40.423.988.208	40.423.988.208	-

After populating the GVR Reconciliation for the first quarter for the 2024/25 financial year, no anomalies were identified in terms of the high-level reconciliation for the number of properties per category and the market value. There was one property on the GV roll that does not have an SG code. An in-depth investigation will be done to effect a correction on the system. As alluded, the municipality require assistance from NT on how to deal with properties that gets billed on an annual basis, as this will negatively influence the monthly billing reconciliation. 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 August 2024 which was due and payable during the month of reporting, 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
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	2024-09-02
TAX INVOICE NO	544899564583
ACCOUNT MONTH	AUGUST 2024
CURRENT DUE DATE	2024-10-02
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: tmouwa@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 110,822,896.36

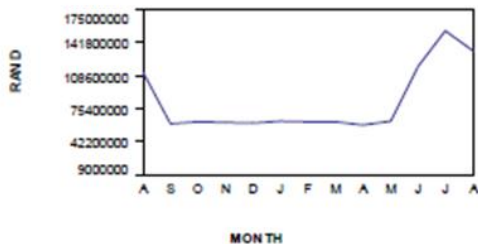
ACCOUNT SUMMARY FOR AUGUST 2024

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	CURRENT	TOTAL DUE R
356,278,166	283,534,426.10	155,033,011.78	0.00	134,300,942.44	929,146,546.45

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 30
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

Indicated below is the September 2024 account which is due and payable on or before 1 November 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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<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	2024-10-02
TAX INVOICE NO	544122054812
ACCOUNT MONTH	SEPTEMBER 2024
CURRENT DUE DATE	2024-11-01
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: tmolwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	7,553.10
TRANSMISSION NETWORK CAPACITY		R	1,754,910.00
DIST. NETWORK CAPACITY CHARGE		R	1,282,050.00
NETWORK DEMAND CHARGE		R	1,748,464.34
URBAN LOW VOLTAGE SUBSIDY		R	3,140,190.00
ANCILLARY SERVICE (ALL)		R	267,335.34
ENERGY CHARGE (STD)	14,480,303.00	R	19,838,015.11
ENERGY CHARGE (PEAK)	6,274,683.00	R	12,492,266.38
ENERGY CHARGE (OFF)	15,866,293.00	R	13,787,808.62
ELECTRIFICATION AND RURAL SUBS (ALL)		R	5,738,554.42
SERVICE CHARGE		R	236,515.50

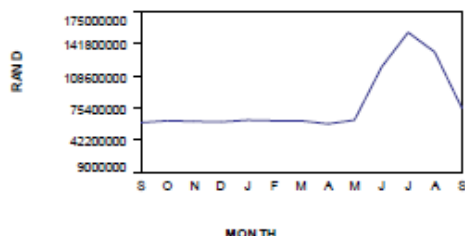
TOTAL CHARGES FOR BILLING PERIOD R 60,293,662.81

ACCOUNT SUMMARY FOR SEPTEMBER 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-10-02)	R	929,146,546.45
PAYMENT(S) RECEIVED	Cash - 2024-09-30	R	-73,700,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	60,293,662.81
ADJUSTMENT	Interest on overdue account	R	360,951.55
ADJUSTMENT	Interest on overdue account	R	1,388,278.73
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 107,200,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	9,044,049.43

ARREARS					CURRENT	TOTAL DUE R
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	0.00	77,786,942.52	933,233,488.97
566,112,592	155,033,011.78	134,300,942.44	0.00	0.00	77,786,942.52	933,233,488.97

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 35
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

933,233,488.95

PAYMENT ARRANGEMENT

INSTALMENT
6,700,000.00
ARREARS (Due immediately)
\$55,446,546.45
DUE DATE (For Current Amount)
2024-11-01
AMOUNT PAID

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

The municipality does not fully concur with the outstanding balance of R933,233,488.97, when including the outstanding balance on the PA of R107,200 million. The full outstanding balance is R1,040,433,488.97. According to the municipality's record the total debt outstanding is R1,069,495,488.97. There is thus a possible understatement of R29,062m on Eskom's side. This matter

was taken up with Eskom. 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 August 2024 which was partially paid on 30 September 2024 (R67,000,000.00).

SOL PLAAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

30/09/2024

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

FAX NO:

SUPPLIER No: SESK01
VOUCHER NO: DUNA008222
CHEQUE/ELE NO: 77068767

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/09/2024	SUN	544999564583/1	58260869.57		8739130.43	67000000.00

SUB TOTAL:

8739130.43 67000000.00

8739130.43 67000000.00

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 30 of September 2024.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

30/09/2024

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

FAX NO:

SUPPLIER No: SESK01
VOUCHER NO: DUNA008221
CHEQUE/ELE NO: 77068766

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
01/08/2023	SUN	544917625256/8	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 M03 – September 2024 pertaining to electricity.

		2025	
		M03	
Account Name	Account Name		
Function:Energy Sources:Core Function:Electricity	Expenditure:Bulk Purchases:Electricity:ESKOM	169,678,237	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-202,670,185	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	169,678,237	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	-88,531,329	81,146,908

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

Datastrings and FMS Recon M03	Sum of Debit Amt	Sum of Credit Amt	Sum of Net Movement	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	473,323,797.13	303,645,560.59	169,678,236.54	Bulk Purchases vote reconciles to datastrings
Sundry Accruals	415,062,927.56	128,581,096.17	286,481,831.39	
AATHCATA011989	110,977,507.89	-	110,977,507.89	
AATHDUNA008205	129,020,955.25	70,320,226.60	58,700,728.65	Unpaid balance of Jul 2024 account excl VAT
AATHDUNA008221	5,826,086.96	-	5,826,086.96	
AATHDUNA008222	58,260,869.57	-	58,260,869.57	
BATHCATA011989	110,977,507.89	58,260,869.57	52,716,638.32	Unpaid balance of Aug 2024 account excl VAT
Sundry Accruals Reversals	-	175,064,464.42	(175,064,464.42)	
BUTHCATA011989	-	110,977,507.89	(110,977,507.89)	
BUTHDUNA008221	-	5,826,086.96	(5,826,086.96)	
DUN90177068767	-	58,260,869.57	(58,260,869.57)	
Sundry Payments	58,260,869.57	-	58,260,869.57	
DUN90177068767	58,260,869.57	-	58,260,869.57	Payment of R67m for Aug 2024 acc excl VAT
Grand Total	473,323,797.13	303,645,560.59	169,678,236.54	

Datastrings and FMS Recon M03	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	81,146,907.17	-	81,146,907.17	Withdrawal vote reconciles to datastring
Sundry Payments	81,146,907.17	-	81,146,907.17	
CAT90177068453	7,084,170.97	-	7,084,170.97	Riverton Acc payment
CAT90177068592	18,704.38	-	18,704.38	
CAT90177068633	44,098.23	-	44,098.23	
CAT90177068634	14,772.83	-	14,772.83	
CAT90177068635	19,586.70	-	19,586.70	
CAT90177068636	1,811.74	-	1,811.74	
CAT90177068673	5,573.60	-	5,573.60	
CAT90177068674	13,288.30	-	13,288.30	
CAT90177068683	1,694.23	-	1,694.23	
CAT90177068688	15,327.19	-	15,327.19	Other minor payments
CAT90177068742	16,188.05	-	16,188.05	
CAT90177068743	16,448.86	-	16,448.86	
CAT90177068744	110,642.16	-	110,642.16	
CAT90177068745	16,097.68	-	16,097.68	
CAT90177068746	5,986.26	-	5,986.26	
CAT90177068747	4,980.42	-	4,980.42	
DUN90177068503	57,535.57	-	57,535.57	
DUN90177068766	6,700,000.00	-	6,700,000.00	Payment Arrangement
DUN90177068767	67,000,000.00	-	67,000,000.00	Short payment on Aug 2024 Bulk account
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	228,847,849.61	431,518,034.24	(202,670,184.63)	Deposits vote corresponds with datastring
Sundry Accruals	6,700,000.00	343,671,127.07	(336,971,127.07)	
AATHCATA011975	-	18,704.38	(18,704.38)	
AATHCATA011989	-	127,600,942.44	(127,600,942.44)	
AATHCATA012012	-	5,573.60	(5,573.60)	
AATHCATA012013	-	44,098.23	(44,098.23)	
AATHCATA012014	-	14,772.83	(14,772.83)	
AATHCATA012015	-	19,586.70	(19,586.70)	
AATHCATA012016	-	1,811.74	(1,811.74)	
AATHCATA012020	-	13,288.30	(13,288.30)	
AATHCATA012025	-	1,694.23	(1,694.23)	
AATHCATA012053	-	15,327.19	(15,327.19)	
AATHCATA012054	-	7,241,754.81	(7,241,754.81)	
AATHCATA012078	-	16,188.05	(16,188.05)	
AATHCATA012079	-	16,448.86	(16,448.86)	
AATHCATA012081	-	110,642.16	(110,642.16)	
AATHCATA012083	-	16,097.68	(16,097.68)	
AATHCATA012084	-	5,986.26	(5,986.26)	
AATHCATA012085	-	4,980.42	(4,980.42)	
AATHDUNA008205	-	67,464,751.18	(67,464,751.18)	Balance of Jul 2024 invoice
AATHDUNA008210	-	57,535.57	(57,535.57)	
AATHDUNA008221	-	6,700,000.00	(6,700,000.00)	Payment Arrangement
AATHDUNA008222	-	67,000,000.00	(67,000,000.00)	Short payment on Aug 2024 Bulk account
BATHCATA011989	-	60,600,942.44	(60,600,942.44)	Balance of Aug 2024 invoice
BATHDUNA008221	6,700,000.00	6,700,000.00	-	
Sundry Accruals Reversals	215,447,849.61	6,700,000.00	208,747,849.61	
BUTHCATA011989	127,600,942.44	-	127,600,942.44	
BUTHDUNA008221	6,700,000.00	-	6,700,000.00	
CAT90177068453	7,084,170.97	-	7,084,170.97	
CAT90177068592	18,704.38	-	18,704.38	
CAT90177068633	44,098.23	-	44,098.23	
CAT90177068634	14,772.83	-	14,772.83	
CAT90177068635	19,586.70	-	19,586.70	
CAT90177068636	1,811.74	-	1,811.74	
CAT90177068673	5,573.60	-	5,573.60	
CAT90177068674	13,288.30	-	13,288.30	
CAT90177068683	1,694.23	-	1,694.23	
CAT90177068688	15,327.19	-	15,327.19	
CAT90177068742	16,188.05	-	16,188.05	
CAT90177068743	16,448.86	-	16,448.86	
CAT90177068744	110,642.16	-	110,642.16	
CAT90177068745	16,097.68	-	16,097.68	
CAT90177068746	5,986.26	-	5,986.26	
CAT90177068747	4,980.42	-	4,980.42	
DUN90177068503	57,535.57	-	57,535.57	
DUN90177068766	6,700,000.00	6,700,000.00	-	
DUN90177068767	67,000,000.00	-	67,000,000.00	
Sundry Payments	6,700,000.00	81,146,907.17	(74,446,907.17)	
CAT90177068453	-	7,084,170.97	(7,084,170.97)	
CAT90177068592	-	18,704.38	(18,704.38)	
CAT90177068633	-	44,098.23	(44,098.23)	
CAT90177068634	-	14,772.83	(14,772.83)	
CAT90177068635	-	19,586.70	(19,586.70)	
CAT90177068636	-	1,811.74	(1,811.74)	
CAT90177068673	-	5,573.60	(5,573.60)	
CAT90177068674	-	13,288.30	(13,288.30)	
CAT90177068683	-	1,694.23	(1,694.23)	
CAT90177068688	-	15,327.19	(15,327.19)	
CAT90177068742	-	16,188.05	(16,188.05)	
CAT90177068743	-	16,448.86	(16,448.86)	
CAT90177068744	-	110,642.16	(110,642.16)	
CAT90177068745	-	16,097.68	(16,097.68)	
CAT90177068746	-	5,986.26	(5,986.26)	
CAT90177068747	-	4,980.42	(4,980.42)	
DUN90177068503	-	57,535.57	(57,535.57)	
DUN90177068766	6,700,000.00	6,700,000.00	-	
DUN90177068767	-	67,000,000.00	(67,000,000.00)	
Grand Total	309,994,756.78	431,518,034.24	(121,523,277.46)	

Explanatory notes

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

- i) The DWS current account for August 2024 amounted to R16,698,048.53 which was due and payable on or before the 30 September 2024.

Page 1 of 1

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

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

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412566534
 Document Date: 30.09.2024
 Payment Terms: 30 Days
 Due Date: 30.10.2024
 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: 01.09.2024 to 30.09.2024				
	Consumptive (O&M)	3438,740.00	39.69	1,364,835.91
	Consumptive (ROA)	3438,740.00	32.40	1,114,151.76
	Consumptive (Depr)	3438,740.00	19.07	655,767.72
	TCTA (AMD)	3438,740.00	9.39	322,897.69
	TCTA (LHWP)	3438,740.00	372.50	12,809,306.50
	Plus 15.00% VAT			2,440,043.94
	Subtotal			18,707,003.52
	WRL	3438,740.00	7.73	265,814.60
	Total Charges			18,972,818.12

- ii) Indicated below, is the municipality's proof of payment for the DWS current account of August 2024 that was settled on 30 September 2024 amounting to R16,698,048.53.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
PRIVATE BAG X313
PRETORIA
0001

30/09/2024

SUPPLIER No: SWAT01

CONTACT PERSON:

VOUCHER NO: CATA012052

TEL NO:

FAX NO:

E-MAIL ADDRESS: info@dws.gov.za

CHEQUE/ELE NO: 77068771

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
31/08/2024	SUN	412531880	14316612.26	2147491.84	16464104.10	
31/08/2024	SUN	412531880	233944.43		0.00	233944.43

SUB TOTAL: 2147491.84 16698048.53

2147491.84 16698048.53

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).

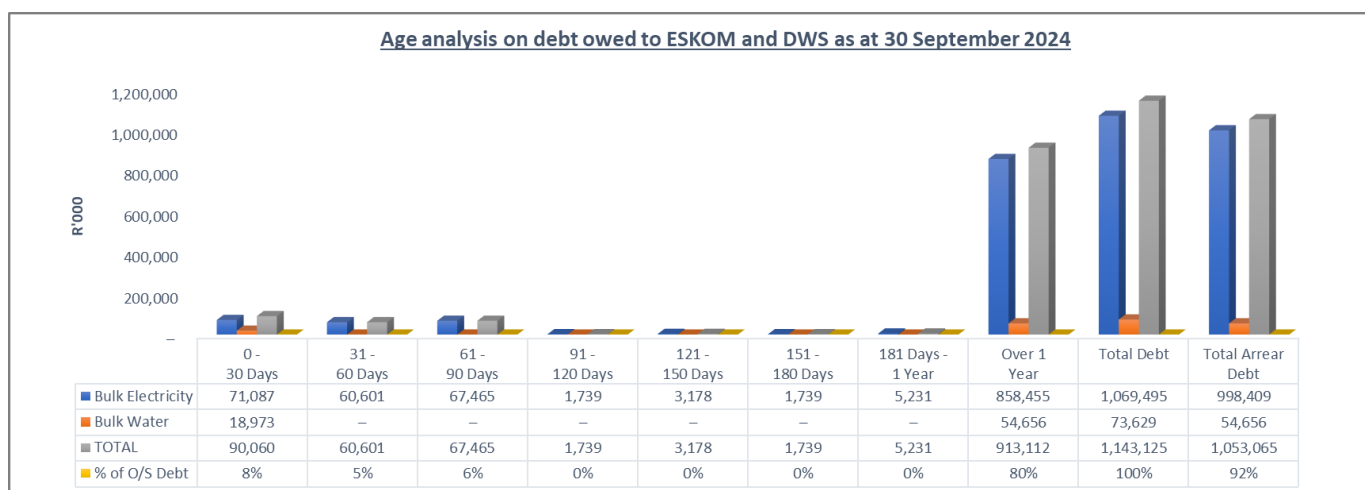
		2025	
		M03	
Account Name	Account Name		
Function:Water Management:Core Function:Water Distribution	Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	14,316,612	
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-16,837,325	
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	5,201,536	
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	11,635,789	16,837,325

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

Datastrings and FMS Recon M03	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	28,633,224.52	14,316,612.26	14,316,612.26	Water: Input vol Bulk Purchases vote reconciles to datastrings
Sundry Accruals	14,316,612.26	-	14,316,612.26	
AATHCATA012052	14,316,612.26	-	14,316,612.26	
Sundry Accruals Reversals	-	14,316,612.26	(14,316,612.26)	
CAT90177068771	-	14,316,612.26	(14,316,612.26)	
Sundry Payments	14,316,612.26	-	14,316,612.26	
CAT90177068771	14,316,612.26	-	14,316,612.26	Payment of the August 2024 account excl VAT
Grand Total	28,633,224.52	14,316,612.26	14,316,612.26	

Datastrings and FMS Recon M03	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:DEPOSITS	16,837,325.06	33,674,650.12	(16,837,325.06)	Deposits vote corresponds with datastring
Sundry Accruals	-	16,837,325.06	(16,837,325.06)	
AATHCATA012051	-	139,276.53	(139,276.53)	
AATHCATA012052	-	16,698,048.53	(16,698,048.53)	
Sundry Accruals Reversals	16,837,325.06	-	16,837,325.06	
CAT90177068690	139,276.53	-	139,276.53	
CAT90177068771	16,698,048.53	-	16,698,048.53	
Sundry Payments	-	16,837,325.06	(16,837,325.06)	
CAT90177068690	-	139,276.53	(139,276.53)	
CAT90177068771	-	16,698,048.53	(16,698,048.53)	
WATER BULK PURCHASE:WITHDRAWALS	16,837,325.06	-	16,837,325.06	Withdrawal vote reconciles to datastring
Sundry Payments	16,837,325.06	-	16,837,325.06	
CAT90177068690	139,276.53	-	139,276.53	Minor account payment
CAT90177068771	16,698,048.53	-	16,698,048.53	Bulk Water Payment August 2024 invoice
Grand Total	33,674,650.12	33,674,650.12	-	

- vii) Total outstanding debt owed to ESKOM and DWS as at 30 September 2024



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 - September 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 R67,000 million on Aug 2024 account excluding interest amounting to R155 thousand on 30 September 2024. Total invoice amount was R127,601 million Compliant - DWS The municipality settled the current account for Aug 2024 amounting to R16,698 million in full on 30 September 2024.
	6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom with the current account	Monthly, 5th of each month		Compliant ESKOM - The municipality settled R6.7m on the ESKOM payment arrangement on 30 September 2024. Non-compliant DWS - The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of September 2024.
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	Compliant Email was sent within one day of payment to ESKOM and DWS.
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant Proof of Payments made in September 2024 was uploaded onto GoMuni on 8 October 2024. Due date is 14 October 2024.

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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - September 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 corrected on the system. This is a once-off correction that the system will apply when payments are made.</p>
	<p>6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>Prepaid disconnections =1400 Conventional disconnections = 124 Total = 1524</p>
	<p>6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p>Non-compliant. Approval to partake in the Transversal Contract for smart meters was granted by National Treasury. Selection of service provider to be finalised.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - September 2024
	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.
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 = 68% Quarterly S71 Revenue Collection rate per Ward = 52% The collection is distorted due to the annual billing on Property rates Municipality's average collection rate = 66% (Prepaid sales are included) Not achieved Average daily cash collection for September 2024, was R7,450m.
	6.7.2 If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	Quarterly	Monthly S71 Revenue Collection Ward Template	Ritchie is a small poor community and will not have a significant impact on the collection rate.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - September 2024
	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	The municipality was approved for smart meter grant, administered by National Treasury
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	The municipality was approved for smart meter grant, administered by National Treasury
	6.7.4 All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	The municipality was approved for smart meter grant, administered by National Treasury
6.8 Completeness of the revenue base	6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant GVR reconciliation for the first quarter was completed Friday, 11 October 2024.
	6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury			Compliant GVR reconciliation submitted Monday, 14 October 2024

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - September 2024
6.9 Monitor and report on implementation	6.9.1 MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	Compliant Report included in the monthly S71 report for September 2024 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to 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 August 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 - September 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</p> <p>Daily process developed to identify amounts received per service.</p> <p>EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system.</p> <p>Partially Compliant</p> <p>The ESKOM and DWS current accounts were paid directly from the Primary bank account.</p> <p>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</p> <p>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 - September 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 September 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 August 2024.
3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
 - a. Monthly settle the current accounts for Waterboard and ESKOM.
 - b. Settling of the debt repayment instalment. This needs to be improved upon as the municipality defaulted and made late payments for several months and this does not count in the municipality's favour.
 - c. Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
 - d. Achieving the desired collection rate of 95% with stringent 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. The municipality applied for the Smart Meter Grant, complying to all conditions as prescribed and was granted approval by National Treasury. A service provider was appointed by National Treasury and preparatory work is underway.
 - 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 & Sanitation. This is being managed and monitored by the Budget and Treasury Office, daily.
 - 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.
4. As per recommendations above.
5. The balance of the Eskom bulk account and bulk water account and the municipality's reconciliation of these accounts as set-out in paragraph 16.6 above.
6. It is imperative that Mayoral Committee take note that due to consistent non-compliance to all the conditions of MFMA Circular 124, National Treasury will not recommend the write-off of a third of the municipality's debt after the first 12 months of the municipal debt relief programme.
7. It is imperative that Mayoral Committee take note of the serious non-compliance in respect of defaulting on the July 2024 Eskom account, where the current invoice was not settled in full. The total bill was R148,333 million, of which the municipality settled R80,868 million, resulting in a shortfall of R67,465 million. This must be remedied by management with immediate effect.
8. It is imperative that Mayoral Committee take note of the serious non-compliance in respect of defaulting on the August 2024 Eskom account, where the current invoice was not settled in full. The total bill was R127,601 million, of which the municipality settled R67,000 million, resulting in a shortfall of R60,601 million. This must be remedied by management with immediate effect.
9. To be in good standing with ESKOM and to qualify for the recommendation for the first third debt write off, the municipality must pay **R134,337,170.97** with immediate effect. The amount due pertains to the total arrears for July and August 2024 amounting to R127,637,170.97 and one instalment of R6,700 million that the municipality is in arrears with, in respect of the Eskom payment arrangement.

18. Municipal Manager's quality certification

Quality Certificate

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

☒

the Monthly Budget Statement

☐

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

☐

Mid-year Budget and Performance Assessment

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

Print name: Mr. BS Matlala

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____

Date: 15/10/2024



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

Email: BMatlala@solplaatje.org.za

Dear Mr Matlala and Mr Ramjathan

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

In August 2024, the National Treasury conducted a comprehensive evaluation of Sol Plaatje Local Municipality's compliance with the conditions of the debt relief programme, now in its eleventh month of the initial 12-month compliance cycle. This assessment is critical to ensuring the municipality remains on course to meet the requirements necessary for continued debt relief, which commenced on 1 October 2023. The evaluation focused on key areas, including budgetary controls, revenue enhancement strategies, and expenditure management, all of which are fundamental to achieving long-term fiscal sustainability.

The results of the evaluation revealed that while Sol Plaatje Local Municipality has made notable strides in implementing the required reforms, there are still areas in need of further attention. The municipality has demonstrated solid budgetary control practices and has initiated efforts to improve revenue collection. However, certain elements of expenditure management require enhancement to fully align with the programme's objectives. Addressing these issues is essential to maintaining compliance and ensuring a stable financial outlook.

Looking ahead, the National Treasury will continue to monitor the municipality's performance closely and provide the necessary support to overcome any challenges that arise. The Treasury remains committed to working collaboratively with Sol Plaatje Local Municipality to ensure the successful execution of the debt relief programme and to safeguard the municipality's long-term financial stability.



Condition 6.1 – Municipality non-compliance

In accordance with the National Treasury (NT) approval, Sol Plaatje Local Municipality is required to comply with conditions 6.1 to 6.14 of MFMA Circular 124, as well as the specific conditions outlined in the debt relief approval letter issued by the National Treasury. During August 2024, the National Treasury's assessment revealed that the municipality achieved an average compliance rate of 88% 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 National 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 August 2024 has dropped to 66%, significantly below the monthly target of 85% and a notable decline from the previous month of July. 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. The National Treasury takes cognisance of the fact that the annual billing on Property Rates distorted the collection rate, however the current status quo is unacceptable and will result in defaulting on the statutory payments to Eskom and Water board, which will further impede on the opportunity for the first third debt write-off.

NC091 Sol Plaatje Local Municipality overall relief performance from October 2023 up to and including August 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 C					Maximization of Revenue Base				Part E										Scoring and Rating									
			Eskom And Bulk water current account						Compliance with a funded MTRF				FRP/BFP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges									Oversight																			
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	Rating				
1.July	Sol Plaatje	NC091																																										0%	Not completed				
2.August	Sol Plaatje	NC091																																										0%	Not completed				
3.September	Sol Plaatje	NC091																																										0%	Not completed				
4.October	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	No	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	56%	Moderate compliance			
5.November	Sol Plaatje	NC091	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	No	No	No	No	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Above Moderate		
6.December	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Moderate compliance		
7.January	Sol Plaatje	NC091	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Above Moderate		
8.February	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%	Above Moderate	
9.March	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	73%	Moderate compliance	
10.April	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	83%	Above Moderate		
11.May	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	86%	Above Moderate
12.June	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%	Moderate compliance	
13.July24	Sol Plaatje	NC091	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Above Moderate	
14.August24	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Above Moderate



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

The municipality has been taking significant steps to manage its financial obligations, particularly with Eskom. In previous months, the municipality has shown consistent efforts to address its debt. Although the total invoice for the July 2024 account was R148,333 million, the municipality has not yet fully settled this amount. As of 28 and 29 August 2024, partial payments of R32 million and R48 million were made, respectively, totalling R80,868 million. This payment excluded interest amounting to R274 thousand, leaving a balance of R67,465 still outstanding. This short payment constitutes a serious breach of the conditions of Circular 124 and must be remedied with immediate effect.

On 30 July 2024, the municipality settled an amount of R112.033 million for the June 2024 account in full, excluding R1.739 million in interest. The total invoice amounted to R113.772 million. These



payments reflect a continued effort to stabilize their relationship with Eskom. The National Treasury takes cognisance of the fact that the July 2024 account is an account for the high-months, however the municipality will have to implement a comprehensive strategy to address the billing for the high months. As of 31 August 2024, the total outstanding debt owed to Eskom was R1,072,109 billion, which was reduced to R929,147 million through a Payment Arrangement (PA) put in place on 12 June 2024. The PA covered debt accrued after March 2023, totalling R163 million, as part of a broader Debt Relief approval process.

Additionally, the municipality made significant progress in settling its obligations with the Department of Water and Sanitation (DWS). On 30 August 2024, the municipality fully settled R17,724 million on the current account for July 2024. This payment reflects its commitment to addressing outstanding debts with DWS and highlights its proactive approach to managing both its water and electricity-related liabilities. The timely settlement with DWS aligns with the municipality's broader financial recovery strategy, ensuring the continued delivery of essential services to its residents.

While the municipality has made progress, the remaining balance on the Eskom account from July 2024, and the larger outstanding debt, still require attention. However, the municipality's strategic payment agreements and continued focus on settling debts demonstrate its commitment to maintaining financial stability and ensuring uninterrupted electricity and water supply for its residents.

Condition 6.4 – A funded MTREF

The adopted budget for the 2024/25 fiscal year has been fully funded, ensuring that all planned expenditures and projects can proceed as scheduled. This financial approval is crucial, as it enables the municipality to implement key initiatives and sustain essential services, fostering sustainable development and improving the well-being of the community.

With this secure funding, the municipality is now equipped to prioritize the execution of critical infrastructure projects, enhance public services, and invest in areas that directly impact residents' quality of life. Planned upgrades include improvements to water and sanitation systems, expansion of road networks, enhancement of public transportation, and support for local economic development initiatives. The budget also ensures the continued provision of vital services such as healthcare, education, and public safety, guaranteeing that the community's essential needs are met efficiently.

Furthermore, the successful funding of the budget highlights the municipality's commitment to fiscal responsibility and effective strategic planning. By securing the necessary financial resources, the municipality is better positioned to meet its long-term objectives, attract investment, and build a thriving, resilient community. This forward-thinking approach not only addresses immediate challenges but also lays a strong foundation for future growth and sustained prosperity.



Conditions 6.5 – Cost reflective tariffs

The adopted budget for the 2024/25 fiscal year, while initially lacking the integration of the cost reflective tariff tool, offers a strategic opportunity for municipalities to enhance their financial planning frameworks. Recognizing this omission is a crucial step toward adopting more precise and sustainable financial practices. By incorporating the draft cost reflective tariff tool, municipalities can better align service tariffs with the true operational and maintenance costs, thus reinforcing their financial stability and laying a strong foundation for future infrastructure investments.

Addressing this gap will not only bolster the municipality's financial health but also demonstrate a forward-thinking approach to governance. The introduction of the cost reflective tariff tool ensures that essential services remain both dependable and adequately funded, thereby fostering trust and confidence within the community. This adjustment signifies a proactive move toward long-term sustainability, helping to prevent financial shortfalls while enabling the municipality to respond effectively to the evolving needs of its residents. Embracing this opportunity highlights the municipality's commitment to continuous improvement and excellence in service delivery, ultimately contributing to a more resilient and prosperous 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 Local Municipality as of Quarter 4 for the 2023/24 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				Comments		
Property Categories	GV	MFS	Variance				
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 been uploading the Municipal Finance Management Act (MFMA) Section 71 report, which is crucial for assessing the municipality's monthly financial status. This report provides a detailed breakdown of revenue, expenditures, and compliance with municipal budgetary provisions, which is essential for transparency and effective financial management.

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



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

The s71 report, which provides a comprehensive overview of the municipality's financial performance for the month under review, was thoroughly assessed to ensure accuracy and completeness. In addition to examining the core financial data, a detailed review of supplementary requirements and accompanying documentation—such as notes, reconciliations, and justifications for any variances—was conducted. This careful examination plays a pivotal role in understanding the underlying reasons behind any deviations from budgeted figures, enabling the municipality to identify trends, assess risks, and implement corrective measures when necessary.

The assessment not only highlights the municipality's financial health but also serves as a critical tool for proactive management. By identifying early indicators of potential issues, it supports informed decision-making and enables timely interventions to avoid financial shortfalls or operational disruptions. Moreover, the review reinforces the importance of adherence to submission deadlines, ensuring that all documents are uploaded accurately and promptly as part of regulatory compliance.

Meeting these deadlines and maintaining comprehensive financial records enhances transparency and accountability within the municipality. It allows for more effective monitoring by stakeholders and oversight bodies, further reinforcing the municipality's commitment to good governance. Ultimately, these efforts contribute to the municipality's long-term financial sustainability and its ability to provide consistent and reliable services to the community.

Condition 6.10 – National Treasury certification of municipal compliance

National Treasury plays a pivotal role in overseeing the Municipal Debt Relief Programme, ensuring that municipalities meet the conditions set to effectively manage and reduce municipal debt. This oversight is essential for promoting financial discipline and accountability within the municipal system. This letter serves as a formal submission in accordance with National Treasury's mandate, certifying the compliance of the Sol Plaatje Local Municipality with the programme's requirements. Through rigorous monitoring and evaluation, National Treasury ensures that the municipality adheres to the prescribed guidelines, which are critical for maintaining financial health and preventing further debt accumulation.



By certifying compliance, National Treasury enables a structured and transparent path to fiscal recovery, helping municipalities restore financial stability while staying within their budgetary limits. This certification is not just a procedural step, but a crucial part of supporting municipalities in implementing sound financial management practices. The process underscores the importance of adhering to strong fiscal policies and promoting sustainable economic practices. Ultimately, this structured approach allows municipalities to efficiently deliver essential services, build community trust, and contribute to broader economic development.

Condition 6.11 – Limitation on Municipal borrowing powers

The restrictions on municipal borrowing and the prohibition of taking on new debt during designated debt relief periods form a robust regulatory framework that promotes fiscal responsibility among municipalities. This framework mandates careful scrutiny of all borrowing activities to ensure they remain within established limits and comply with the conditions of the debt relief programme. These measures are designed not only to encourage responsible debt management but also to strengthen the municipality's financial stability by preventing excessive borrowing and easing short-term financial pressures.

Since the implementation of its debt relief programme on 1 October 2023, the municipality has adhered strictly to these regulations. This compliance has been critical in preserving its creditworthiness and mitigating financial risks. By following these guidelines, the municipality protects its long-term fiscal health and demonstrates a strong commitment to sound financial governance, which is vital for maintaining fiscal resilience and earning the trust of 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 revenue collection through improved billing accuracy, stricter credit control measures, and public awareness campaigns.

Strengthen expenditure management with regular monitoring and optimization of procurement processes.

Ensure compliance with debt relief conditions by submitting required reports on time and addressing non-compliance issues through action plans. It is imperative that any such action plans are implemented and monitored to ensure the desired outcome/s.

Adopt the cost-reflective tariff tool to align service tariffs with actual operational costs.

Improve financial governance by adopting best practices, strengthening internal audits, and ensuring transparent financial reporting.

Maintain regular payments to creditors like Eskom and negotiate favourable payment terms for better debt management.

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: 26/09/2024

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



Annexures (August 2024 Compliance Certificates)

Annexure A2 - Monthly		
<div><div>National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003</div></div>		
Northern Cape Provincial Treasury		
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	
<p>I, Mandla Gilimani, hereby certify that the National 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		
Condition	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):	
1	6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	Yes
2	6.12.2 - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
3	6.12.2 - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
4	6.3.1 - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application).	No
5	6.3.2 - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
6	6.3.4 - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	No
6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2024/25 Adopted MTREF
7	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes
8	6.4.1 - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
	Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".	
10	6.4.1 - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes



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



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://iguploadportal.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?	<input type="text" value="No FRP"/>
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	<input type="text" value="No FRP"/>
<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>			
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	<input type="text" value="Yes"/>
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	<input type="text" value="Yes"/>
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	<input type="text" value="No"/>
<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			
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?	<input type="text" value="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?	<input type="text" value="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?	<input type="text" value="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.	<input type="text" value="Yes"/>
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	<input type="text" value="Yes"/>
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	<input type="text" value="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>			

Mandla Gilimani

Signature of HOD/ NT/ MM:

~~M.A.~~

Date:

26/09/2024

****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
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 D				Part C					Maximization of Revenue Base		Part E												Scoring and Rating												
			Eskom And Bulk water current account						Compliance with a funded MTRF				FR/BFPF & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges							Oversight																				
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating			
1.July	SoI Phtgse	NC091																																										0%	Not completed			
2.August	SoI Phtgse	NC091																																											0%	Not completed		
3.September	SoI Phtgse	NC091																																											0%	Not completed		
4.October	SoI Phtgse	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	56%	Moderate compliance			
5.November	SoI Phtgse	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	60%	Above Moderate
6.December	SoI Phtgse	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Moderate compliance
7.January	SoI Phtgse	NC091	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Above Moderate
8.February	SoI Phtgse	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Above Moderate
9.March	SoI Phtgse	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Above Moderate
10.April	SoI Phtgse	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Above Moderate
11.May	SoI Phtgse	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Above Moderate
12.June	SoI Phtgse	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Above Moderate
13.July24	SoI Phtgse	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	89%	Above Moderate
13.August24	SoI Phtgse	NC091	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Above Moderate



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

Sep'24

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Sol Plaatje

I, Bartholomew Matlala Municipal Manager 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

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>	Yes
2	6.12.2 - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.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 account(s) up to the date of NT approval of the application.</i>	No
5	6.3.2 - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?	Yes
6	6.3.4 - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
7	6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2024/25 Adopted MTREF
8	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes
9	6.4.1 - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
10	6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes
11	6.4.2 - If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	N/A - the MTREF is funded
12	6.4.2 - If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a
13	6.4.2 - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.7)	Yes
14	6.5 Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes

Notes/Comments

15	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:	
	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
16	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.	
17	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
	6.7.2	<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i> - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the remainder quarterly average collection set-out in paragraph 6.7.1.	No
18	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)?	No
	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?	No
19	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
	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
20	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 –	
21	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za ?	Yes
	6.9	Monitor and report on implementation –	
22	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes
	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?	No FRP
23	6.10	<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> 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:	
	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
24		<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	

36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MIMA 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 MIMA section 46. Short term borrowing, including making use of an overdraft for in-year holding 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?	No	All electricity receipts were not paid over, due to a severe shortfall in cash to pay salary third party payments
		<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 MIMA s. 9(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 - In applying for Municipal Debt Relief as set out in paragraph 3. of MIMA 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 this 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 order 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 amount 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.

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

HOD Name:

BS Matlala

Signature of HOD:



Date:

2024/10/15

Comments/Motivation

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