



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

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

SOL PLAATJE LOCAL MUNICIPALITY

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Due date: 14 November 2024

Table of Contents

PART 1: IN-YEAR REPORT

1. Purpose.....	2
2. Background.....	3
3. Executive summary.....	4
4. Budget performance overview.....	5
4.1 Operating Revenue by Source.....	9
4.2 Operating Expenditure by Type.....	12
4.3 Capital expenditure.....	26
4.4 Cash flows.....	27
5. In-year budget statement tables.....	29

PART 2 - SUPPORTING DOCUMENTATION

6. Debtors' Analysis.....	30
7. Creditors' Analysis.....	45
8. Investment portfolio analysis.....	46
9. Allocation and grant receipts and expenditure.....	48
10. Councillor and board member allowances and employee benefits.....	51
11. Material variances to the service delivery and budget implementation plan.....	55
12. Capital programme performance.....	55
13. Other supporting documents.....	57
14. Conclusion.....	57
15. Annexure A: C-schedules.....	59
16. Annexure B: Compliance with the conditions for Municipal Debt Relief.....	66
16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment.....	66
16.2 Municipal Debt Relief Performance across the period of debt relief participation.....	69
16.3 The National Treasury Debt Relief Compliance Assessment.....	69
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). 70	
16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base).....	76
16.6 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources).....	79
16.7 Municipal Debt Relief Monitoring Plan – Progress report.....	89
17. Recommendations.....	95
18. Municipal Manager's quality certification.....	96

List of Tables

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget.....	4
Table 2: Consolidated summary: Statement of Financial Performance: Original Budget	4
Table 3: Table C4 Financial Performance (Revenue)	9
Table 4: Table C4 Financial Performance (Expenditure)	12
Table 4.1 R&M Expenditure per Directorate per inventory type	13
Table 4.2 R&M Expenditure per Service per inventory type.....	14
Table 5.1: Summary of YTD Bulk Electricity expenditure.....	18
Table 5.2: Summary of YTD Bulk Water expenditure	18
Table 6.1: Summary of outstanding Eskom debt	19
Table 6.2: Summary of outstanding DWS debt.....	20
Table 6.3: Summary of payments per payment date	23
Table 6.4: Reconciliation Eskom Payment Arrangement	25
Table 6.5: Reconciliation DWS Debt Agreement	25
Table 7: High level summary: Capital Expenditure	26
Table 8: Supporting Table SC3: Aged Debtors	30
Table 9: Monthly collection rate	40
Table 10: Revised Average collection rate	40
Table 11: Supporting Table SC4: Aged Creditors	45
Table 12: Supporting Table SC5: Investment portfolio.....	46
Table 13: Supporting Table SC6: Transfers and grant receipts	48
Table 14: Supporting Table SC7(1): Transfers and grant expenditure	49
Table 15: Summary of expenditure per grant.....	49
Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers.....	50
Table 17: Supporting Table SC8: Councillor and staff benefits.....	51
Table 18: Current YTD Overtime expenditure excl Night-shift allowance	52
Table 19: Detailed capital expenditure report	56

List of Charts

Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue	11
Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure	17
Chart 2.1: Monthly payments to DWS & Eskom	22
Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt	24
Chart 3: Total Capital expenditure	26
Chart 4: Call investment deposits and Cash & cash equivalents at year-end.....	27
Chart 5: Cash & cash equivalents and Cost coverage ratio	28
Chart 6.1: Debtor's age analysis by Income Source	31
Chart 6.2: Debtor's age analysis by Customer Group.....	32
Chart 7: Debt over 90 days as a percentage of Total O/S Debt	37
Chart 8: Aged Consumer Debtor Analysis	38
Chart 9: Consumer Debtors (total by Debtor Customer Category)	38
Chart 10: Comparative trend: Monthly and Revised average collection rate	41
Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity	42
Chart 11.2: Monthly billing receipts per revenue source and % contribution	43
Chart 12: Billing receipts per Customer Group	44
Chart 13: Aged Creditors Analysis.....	45
Chart 14: Call investment deposits at month-end	47
Chart 14.1: Overtime Actual vs Budget.....	53
Chart 14.2: Monthly and Annual Overtime Comparison.....	53
Chart 15: Capital Expenditure Monthly Trend: actual v target.....	55
Chart 16: Capital Expenditure: YTD actual vs YTD target.....	55

List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 31 OCTOBER 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 R3,896,365 billion, of which 90% of the debt is owed in excess of 90 days. Of the total debt, R842,516 million is owed by government, R657,685 million by business and R2,278,507 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 **31 October 2024**, the ten working day reporting limit expires on **14 November 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 November 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 October 2024	YTD Actual October 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	986,093	1,092,565	106,473	110.8%	10.8%
Total Revenue (including capital transfers and contributions)	1,176,836	1,184,063	7,227	100.6%	0.6%
Total Operational Expenditure	1,028,569	887,567	(141,001)	86.3%	-13.7%

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

As indicated in Table 1 above, as at 31 October 2024, the billed revenue excluding capital grants amounted to R1,092,565 billion which resulted in a satisfactory variance of 10.8% when compared to the YTD Budget of R986,093 million. The billed revenue including capital grants amounted to R1,184,063 billion, resulting in a satisfactory variance of 0.6% when compared to the YTD budget of R1,176,836 billion. Capital grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reasons for the variances are articulated in Section 4.1 below. The Total Operational Expenditure amounted to R887,567 million versus the YTD Budget of R1,028,569 billion, resulting in an unsatisfactory variance of minus 13.7%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual October 2024	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
Total Revenue (excluding capital transfers and contributions)	2,958,278	1,092,565	846,042	36.9%	3.6%
Total Revenue (including capital transfers and contributions)	3,530,507	1,184,063	889,854	33.5%	0.2%
Total Operational Expenditure	2,928,505	887,567	643,525	30.3%	-3.0%

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 33.33% [calculated as follow: (100/12 months x 4 months of the year)] as at the end of October 2024, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 3.6%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 0.2%. The Total Operational Expenditure resulted in a satisfactory variance of minus 3.0%.

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 36.9% spent versus the ideal percentage of 33.33%. This is largely as a result of the annual billing on Property rates. Operational expenditure is 30.3% 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 of Circular 124, 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 now with two months instalment 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 million** with immediate effect. This amount escalated to **R141,037 million**, as at end of October 2024 which includes the non-payment of the payment arrangement at the end of October 2024. Eskom granted the municipality a grace period until 11 December 2024 to settle the current year arrears.

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

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

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

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

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

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

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

Monitor and report on implementation –

As per MFMA Circular 124,

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

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

The municipality has made significant strides to settle the monthly current accounts for Eskom and the Department of Water and Sanitation. The arrear debt owed to Waterboard has also been reduced significantly by R71,775 million during the 2023/24 financial year. Both ESKOM and DWS is satisfied with the progress the municipality has made and the municipality has an amicable and good working relationship with both institutions. The ring-fencing of cash received for Electricity and Water & Sanitation is accounted for on a daily basis. The ring-fencing of funds has put severe pressure on the municipality to settle Supply Chain and other sundry creditors. This is tarnishing the relationship with the municipality's suppliers and will have a severe impact on service delivery and the local economy. The biggest concern is the settling of the Eskom accounts for the high months (June to August). The municipality settled an amount of R69,338 million on 30 October 2024 for the September 2024 account excluding interest amounting to R1,749 million. The total invoice amount was R71,087 million. **The partial payments on the July and August 2024 account are 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 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).** Eskom granted the municipality a grace period until 11 December 2024 to settle the current year arrears. To this end, National Treasury intervened and facilitated a meeting between the municipality, Provincial Treasury and Department of Public works to ascertain if Public works can partially settle its outstanding debt in order for the municipality to recoup the amount required to pay Eskom. The municipality is still awaiting official feedback from Provincial Treasury and Public Works. The municipality did not have sufficient cash to settle the instalment of

R6,700 million for October 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 September 2024 amounting to R18,973 million was settled in full on the 31 October 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 for smart prepaid meters.

The non-buying prepaid consumers must be urgently addressed, and the municipality is confident that the smart prepaid metering solution will assist the municipality tremendously in improving on its billing accuracy and ensuring cash inflows from prepaid sales.

Urgent intervention is required on the restricting or interrupting of water supply for defaulting consumers. The collection rate for Water, Sanitation and Refuse is poor and urgent intervention is required.

The municipality introduced an incentive scheme to consumers from December 2023 to March 2024 with a 50% discount if the account is settled in full, with 100% write-off of interest on the account. This initiative yielded some positive results but not at the level that the municipality would have hoped.

The municipality is exploring the option to have consumers blacklisted that are delinquent payers. Departments are engaged on a regularly basis to recoup outstanding debt owed by Organs of State.

Through the office the General Manager (Revenue) a Revenue Enhancement Strategy has been developed in order to deal with the financial crisis currently faced by SPM, as indicated in our previous report. SPM faces several revenue challenges that impact its ability to deliver services effectively. Some of the key challenges include:

a. **Inaccurate Billing Systems:**

Inefficient or inaccurate billing systems can lead to under-billing or over-billing of residents, which can cause disputes and further reduce the collection rates. Improving the accuracy and efficiency of billing is crucial for improving revenue collection.

b. **Non-payment for Services:**

A significant challenge is the high rate of non-payment for municipal services such as water, electricity, and property rates. Many residents struggle to pay their bills due to economic hardships, leading to a shortfall in expected revenue.

c. **Illegal Connections and Theft:**

Illegal connections to water and electricity services, as well as theft, lead to significant losses in potential revenue. The municipality faces challenges in detecting and curbing these illegal activities.

d. **Debt Collection Issues:**

The Municipality often encounters difficulties in collecting outstanding debts (poor payment culture). Inefficient debt collection processes (Customers are no longer bothered when disconnected/blocked: they pay the required amount, get unblocked then wait for the next round of disconnections/blocking).

Addressing these challenges requires a multifaceted approach, including improving economic conditions, enhancing billing and collection systems and enforcing payment for services.

In addressing some of the above challenges a revenue enhancement project will be implemented and split into three phases due to the availability of funds; which are:

- a. Phase 1 – Replacement of non-functional meters for electricity
- b. Phase 2 – Replacement of non-functional water meters
- c. Phase 3 – Conversion of conventional meters for highest owing customers to prepaid meters.

We are on ground with our Cut Team and the Electricians, attending to the disconnection of electricity for Households, Government Departments and Businesses that are owing the Municipality substantial amounts of money. Prepaid meters of Customers situated in various areas have also been blocked.

We have seen the Customers coming in to make payments and arrangements once they discover that they have been blocked. We have community members strike in some areas, however the Executive Mayor has dealt with this in a diplomatic manner.

We are working on resolving the issues raised by Customers on their accounts, in the interim Customers are expected to make payment on services received (undisputed) vs the false premise that payment can be withheld until such time that the dispute is resolved.

During the month of August 2024, the municipality successfully launched the MeterMo meter reading system to enhance and improve the metered utility data of Sol Plaatje Municipality. This is aimed at ultimately improving our billing. In resolving billing queries, we are in a better position to collect on outstanding Customer Accounts. The plus in using this meter reading system is that it provides field captured data which includes GPS, time and date as well as photographic evidence of meter readings.

The 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 R51,295,142.70 for the month of October 2024 as compared to the R57,149,949.27 for the month of September 2024.

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - M04 October										
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 % - 33.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	71,015	344,236	366,400	94.0%	(22,163)	-6.0%	31.3%	(22,163)	-2.0%
Service charges - Water	343,685	29,062	103,761	114,562	90.6%	(10,800)	-9.4%	30.2%	(10,800)	-3.1%
Service charges - Waste Water Management	95,890	9,306	37,702	31,963	118.0%	5,739	18.0%	39.3%	5,739	6.0%
Service charges - Waste management	72,271	7,003	28,373	24,090	117.8%	4,283	17.8%	39.3%	4,283	5.9%
Sale of Goods and Rendering of Services	15,955	1,435	8,061	5,318	151.6%	2,742	51.6%	50.5%	2,742	17.2%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	120,030	13,331	52,827	40,010	132.0%	12,817	32.0%	44.0%	12,817	10.7%
Interest from Current and Non Current Ass	9,000	1,514	2,969	3,000	99.0%	(31)	-1.0%	33.0%	(31)	-0.3%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	27,740	2,073	9,677	9,247	104.7%	430	4.7%	34.9%	430	1.6%
Licence and permits	1,200	85	267	400	66.7%	(133)	-33.3%	22.2%	(133)	-11.1%
Operational Revenue	3,773	238	919	1,258	73.1%	(338)	-26.9%	24.4%	(338)	-9.0%
Non-Exchange Revenue										
Property rates	687,320	50,347	309,706	229,107	135.2%	80,600	35.2%	45.1%	80,600	11.7%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	32,143	9,029	14,492	10,714	135.3%	3,778	35.3%	45.1%	3,778	11.8%
Licence and permits	8,000	1,012	3,883	2,667	145.6%	1,217	45.6%	48.5%	1,217	15.2%
Transfers and subsidies - Operational	299,271	3,197	120,740	99,757	121.0%	20,983	21.0%	40.3%	20,983	7.0%
Interest	91,900	8,718	33,454	30,633	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	50,900	5,034	20,077	16,967	118.3%	3,111	18.3%	39.4%	3,111	6.1%
Gains on disposal of Assets	-	1,279	1,285	-	#DIV/0!	1,285	#DIV/0!	#DIV/0!	1,285	#DIV/0!
Other Gains	-	133	133	-	-	133	-	-	133	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,958,278	213,811	1,092,565	986,093	110.8%	103,652	10.5%	36.9%	106,472	3.6%
Transfers and subsidies - capital	572,229	54,606	91,498	190,743	48.0%	(99,245)	-52.0%	16.0%	(99,245)	-17.3%
Total Revenue (including capital transfers and contributions)	3,530,507	268,417	1,184,063	1,176,836	100.6%	7,227	0.6%	33.5%	7,227	0.2%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing satisfactory variance of minus 6.0%. This understatement of Service charges Electricity is attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is showing an under-recovery of minus 9.4%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is showing an over-recovery when compared to the YTD budget. This is largely attributable to the exercise of the Property Valuation section, where they did a comparative exercise of the number of properties versus the number of accounts billed for Refuse and Sewerage.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 51.6%. 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 32.0% 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 1.0%. Accrued interest of R2,121 million was recognised for the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality is also investing capital grants already received, whilst keeping the unspent portion in the investment account. 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 4.7% when compared to the YTD budget.
- ❖ Licences and permits are showing a negative variance of 33.3%, 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 26.9%, 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 35.2%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 35.3%, as a result on an under-recovery on Fines: Law Enforcement.
- ❖ Licence and permits is showing a positive variance of 45.6%, due to possible outstanding payments to the Department of Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 21.0%, due to the receipt of the first tranche of the Equitable Share.
- ❖ Operational Revenue is showing a positive variance of 18.3%, due to an over-recovery on water and electricity availability charges.
- ❖ Gains on disposal of assets, shows a movement of R1,285 million for the month under review, pertaining to land sales.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 52.0% 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 33.33%, 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 17.2%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 10.7%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 0.3%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 11.1%. Same factors are applicable as described in the paragraph above.

- ❖ Operational Revenue is showing a satisfactory variance of minus 9.0%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 11.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 11.8%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 7.0%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a positive variance of 6.1%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets shows a movement of R1,285 million. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 17.3%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 October 2024. The main contributors of the municipality's revenue are Service Charges (47.1%), Property Rates (28.3%) and Transfers and subsidies (11.1%). 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.

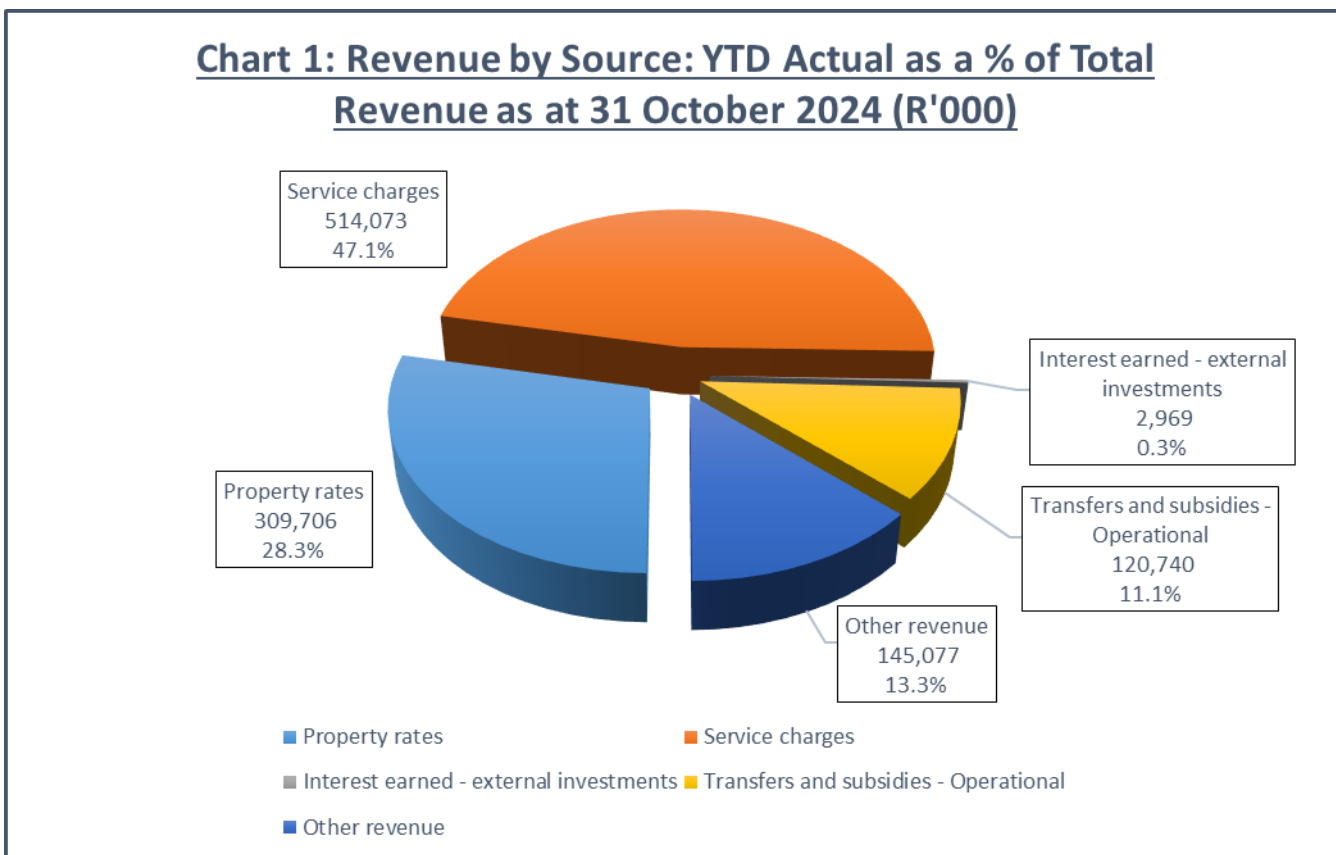


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - M04 October										
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
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	% - 33.33%
Expenditure By Type										
Employee related costs	950,863	75,705	272,087	316,956	85.8%	(44,868)	-14.2%	28.6%	(44,867)	-4.7%
Remuneration of councillors	37,077	2,805	11,225	12,359	90.8%	(1,134)	-9.2%	30.3%	(1,134)	-3.1%
Bulk purchases - electricity	897,300	62,043	302,041	351,497	85.9%	(49,456)	-14.1%	33.7%	2,941	0.3%
Inventory consumed	319,605	35,042	88,994	106,536	83.5%	(17,542)	-16.5%	27.8%	(17,541)	-5.5%
Debt impairment	355,246	-	88,812	118,415	75.0%	(29,604)	-25.0%	25.0%	(29,604)	-8.3%
Depreciation and amortisation	89,700	-	22,425	29,900	75.0%	(7,475)	-25.0%	25.0%	(7,475)	-8.3%
Interest	17,774	0	1	5,925	0.0%	(5,924)	-100.0%	0.0%	(5,924)	-33.3%
Contracted services	40,731	9,825	20,989	13,577	154.6%	7,411	54.6%	51.5%	7,412	18.2%
Transfers and subsidies	3,660	628	628	1,220	51.5%	(592)	-48.5%	17.2%	(592)	-16.2%
Irrecoverable debts written off	-	1	1	-		1			1	
Operational costs	151,549	14,433	57,337	50,517	113.5%	6,820	13.5%	37.8%	6,821	4.5%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	65,000	23,027	23,027	21,667	106.3%	1,360	6.3%	35.4%	1,360	2.1%
Total Expenditure	2,928,505	223,509	887,567	1,028,569	86.3%	(141,001)	-13.7%	30.3%	(88,601)	-3.0%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 October 2024 current YTD expenditure shows an unsatisfactory variance of minus 13.7%. The YTD actual amounted to R887,567 million against the YTD Budget of R1,028,569 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 14.2%, due to Post-retirement benefit obligations that 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 14.1%, due to the October 2024 invoice not being captured on the system. It will be processed during November 2024.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 16.5%. 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.

Table 4.1 R&M Expenditure per Directorate per inventory type							
R&M Expenditure per Directorate per Inventory type as at 31 October 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 33.33%
VOTE 1 - COUNCILLORS AND ADMIN	202,000	202,000	-	42,856	21.22%	21.22%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	85,000	-	42,856	50.42%	50.42%	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	3,043,404	10,270,168	44.66%	44.66%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	20,128	89,383	17.19%	17.19%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	17,273	72,765	18.19%	18.19%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	3,006,003	10,108,020	45.79%	45.79%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	117,000	117,000	3,015	46,472	39.72%	39.72%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	107,000	3,015	44,472	44.92%	41.56%	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	109,078	634,411	6.00%	6.00%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	31,980	182,949	20.28%	20.65%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	277,000	20,856	126,218	46.40%	45.57%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	33,484	147,347	27.80%	27.80%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	8,875,000	22,757	177,897	2.01%	2.00%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	35,714,500	35,714,500	2,121,640	6,988,389	19.57%	19.57%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,016,500	68,814	224,301	22.74%	22.07%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	54,000	758	758	1.40%	1.40%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	222,000	21,550	21,550	9.71%	9.71%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,157,000	91,622	287,589	26.46%	24.86%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,976,000	515,916	2,066,817	23.03%	23.03%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	26,572	92,011	11.14%	11.14%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	23,463,000	1,396,407	4,295,363	18.23%	18.31%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,368,000	2,368,000	170,901	778,810	32.89%	32.89%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,315,000	130,639	568,807	43.09%	43.26%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	7,967	55,364	31.64%	31.64%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	12,977	57,267	28.92%	28.92%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	680,000	19,318	97,373	14.43%	14.32%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	6,381,000	210,733	568,359	8.91%	8.91%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	416,000	19,102	94,037	22.44%	22.61%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	10,791	12,242	20.07%	19.13%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	418,000	18,213	98,408	23.54%	23.54%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	419	1,840	23.00%	23.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	5,475,000	162,209	361,831	6.61%	6.61%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	241,257,705	29,383,081	69,664,700	28.88%	28.88%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	647,000	26,958	187,429	29.06%	28.97%	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	2,264,159	5,402,680	22.35%	22.35%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	774,000	83,225	307,918	40.41%	39.78%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,930,000	677,320	2,814,545	31.52%	31.52%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	850,000	3,045	73,853	8.59%	8.69%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	140,882,705	13,295,989	37,984,770	26.96%	26.96%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	13,032,385	22,893,506	35.22%	35.22%	SATISFACTORY
Grand Total	319,605,205	319,605,205	35,041,851	88,994,166	27.85%	27.85%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 31 October 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 33.33%
2480 - REFUSE	21,500,000	21,500,000	1,042,687	4,023,498	18.71%	18.71%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	12,003	12,003	13.34%	13.34%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	210,000	487	8,054	3.84%	3.84%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	416,219	1,632,889	27.21%	27.21%	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	613,977	2,370,552	16.13%	16.13%	UNSATISFACTORY
2830 - ROADS	46,747,000	46,747,000	5,098,945	13,069,574	27.96%	27.96%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	-	9,240	16.80%	16.80%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	113	8,458	14.58%	14.58%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	46,634,000	5,098,832	13,051,876	27.99%	27.99%	UNSATISFACTORY
2840 - HOUSING	3,509,000	3,509,000	445,435	850,485	24.24%	24.24%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	4,575	50,529	56.77%	56.77%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-ZR/FUEL CLEAN MATERIALS)	145,000	145,000	24,234	91,662	63.22%	63.22%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	11,559	42,737	26.71%	26.71%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	405,067	665,557	21.37%	21.37%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	22,024,000	5,507,312	9,926,890	45.07%	45.07%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	32,000	3,654	16,168	53.89%	50.53%	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	16,292	40,149	15.50%	15.50%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,400,000	176,905	684,639	28.53%	28.53%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	400,000	383	9,787	2.45%	2.45%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	18,763,000	5,310,079	9,167,813	48.86%	48.86%	OVERSPENT
2860 - WATER	121,123,000	121,123,000	16,695,144	33,617,606	27.75%	27.75%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	77,000	2,857	32,929	42.76%	42.76%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	24,002,000	2,264,159	5,394,346	22.47%	22.47%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	122,000	14,394	83,099	75.54%	68.11%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,300,000	155,807	690,853	30.04%	30.04%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	2,662	64,065	13.93%	14.24%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,172,000	1,222,880	4,458,807	15.28%	15.28%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	13,032,385	22,893,506	35.22%	35.22%	SATISFACTORY
2880 - ELECTRICITY	51,537,000	51,537,000	3,266,010	12,514,959	24.28%	24.28%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	11,366	26,499	12.62%	12.62%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	76,000	76,000	3,113	13,921	18.32%	18.32%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	51,250,000	3,251,531	12,474,539	24.34%	24.34%	UNSATISFACTORY
Grand Total	266,440,000	266,440,000	32,055,533	74,003,012	27.77%	27.77%	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 second quarter will be processed on the financial system before the end of December 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 an unsatisfactory variance of 54.6%. As a result of increased legal fees incurred and erroneous allocation under Contr: Prepaid Electricity Vendors which will be journalised.
- ❖ Transfers and subsidies showing negative variance of minus 48.5%. Due to cash constraints the municipality will be paying the allocation of R2,500 million, due to the SPCA over four instalments, as and when sufficient cash is available. The first instalment of R625 thousand was settled during the month under review.
- ❖ Operational cost is showing an unsatisfactory variance of 13.5% as a result of the following line items under Operational Cost (OC)
 - The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of

R13,400 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The pro-rata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source.

- Cost incurred of R8,789 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 positive variance of 6.3%. 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 Water losses for the year-to-date actuals as at end of September 2024 was processed 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 October 2024 is 33.33%. The total operational expenditure against the Original budget is 30.3% spent, resulting in an unsatisfactory variance of minus 3.0%.

- ❖ Employee related costs show a satisfactory variance of minus 4.7%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 3.1%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of 0.3%. The invoice for October 2024 will be captured during November 2024. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 5.5%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a variance of minus 8.3%. Debt impairment will be provided for on a quarterly basis and the journal for the second quarter will be processed before the end of December 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 33.3%. Finance charges are paid bi-annually (December and June of each year). Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at 18.2%, when compared to the Original budget.
- ❖ Transfers and subsidies show a satisfactory variance of minus 16.2%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 4.5%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of 2.1%. Same factors are applicable as explained above.

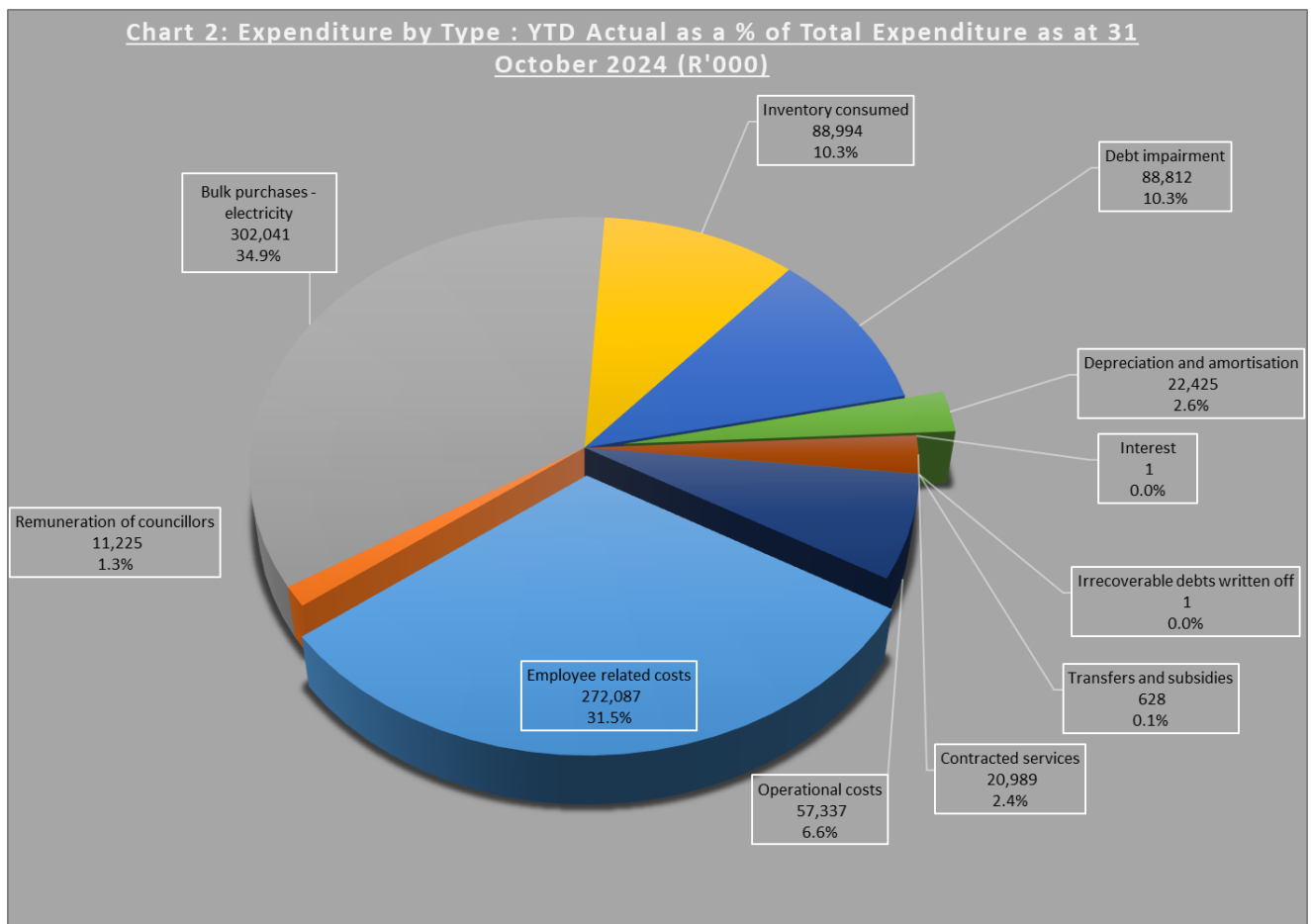


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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

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

- ❖ Employee costs, the Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation will be provided for on a quarterly basis.
- ❖ Bulk purchases electricity, the October 2024 Eskom account amounting to R73,508 million, is not yet captured on the system and will be processed during November 2024.
- ❖ Debt impairment is provided for on a quarterly. The journal for the second quarter will be processed before the end of December 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 33.33% as at end of October 2024, Bulk Purchases Electricity is showing a satisfactory variance of 0.33%. The invoice for October 2024 will be captured during November 2024.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
BULK PURCHASES: ELECTRICITY	897,300,000	62,042,893	302,041,356	33.66%	0.33%
Total	897,300,000	62,042,893	302,041,356	33.66%	0.33%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing a satisfactory variance of 1.9%, when compared to the ideal percentage of 33.33%. The invoice for October 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, as at 30 September 2024 for the recognition of Water inventory and losses was processed on the system during October 2024.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 33.33%
INVENTORY - WATER	65,000,000	13,032,385	22,893,506	35.22%	1.89%
NON-REVENUE WATER LOSSES	65,000,000	22,893,506	22,893,506	35.22%	1.89%
Total	130,000,000	35,925,891	45,787,013	35.2%	1.9%

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	(69,632)	85,767	85,767	-
Jul-23	131,032	110,162	(8,736)	12,134	12,134	-
Aug-23	123,594	70,000	(10,784)	42,810	42,810	-
Sep-23	71,421	30,000	(10,598)	30,823	30,823	-
Oct-23	76,317	62,679	(13,638)	-	-	-
Nov-23	70,580	62,348	(8,232)	0	0	-
Dec-23	64,311	61,246	(3,065)	-	-	-
Jan-24	65,735	63,044	(2,691)	-	-	-
Feb-24	64,371	62,479	(1,893)	-	-	-
Mar-24	66,311	62,973	(3,338)	-	-	-
Apr-24	61,436	59,697	(1,739)	-	-	-
May-24	66,327	63,149	(3,178)	-	-	-
Jun-24	113,772	112,033	(1,739)	-	-	-
2024/25	420,529	217,206	-	203,323	129,815	4,944
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	69,338	-	1,749	1,749	1,749
Oct-24	73,508	-	-	73,508	-	2,766
Grand Total ESKOM	2,309,149	1,140,257	(107,114)	1,061,778	988,270	4,944

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,061,778 billion. It should be noted that R107,114 million interest charges were reversed, for interest charges from March 2023 to June 2024, as part of the municipal debt relief programme. The accounting treatment of this was done on the system until January 2024. Interest reversed on the Eskom invoice for October 2024, for the period February to June 2024 must still be effected on the system. The total arrear debt amounts to R988,270 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m) and 2024/25 (R129,815m). The total interest charges on overdue accounts for the current financial year amounted to R4,944 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	70,899	53,394	17,504	–
Jul-24	17,724	17,724	–	–
Aug-24	16,698	16,698	–	–
Sep-24	18,973	18,973	–	–
Oct-24	17,504	–	17,504	–
Grand Total	347,856	275,695	72,161	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 R72,161 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. 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 for October 2024, that is payable before 2 December 2024.

The municipality opted to partake in the Department's Debt Incentive Scheme which constitutes of the following conditions:

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but has defaulted on some months. All invoices for 2022/23 and 2023/24 financial year has since been settled in full.
- Settling the monthly debt instalment (municipality complied but defaulted for March to May and again July to October 2024, due to insufficient cash available from operations. The other major reason why the municipality defaulted, was to prioritise the payment of outstanding invoices for 2023/24 financial year. This has yielded positive results because there are no outstanding invoices for 2023/24 financial year. For the 2023/24 financial year an average of R17m was paid to the

Department. The municipality also managed to keep the 2024/25 account current and did not incur any accumulative arrear debt for the current year.

- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.

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

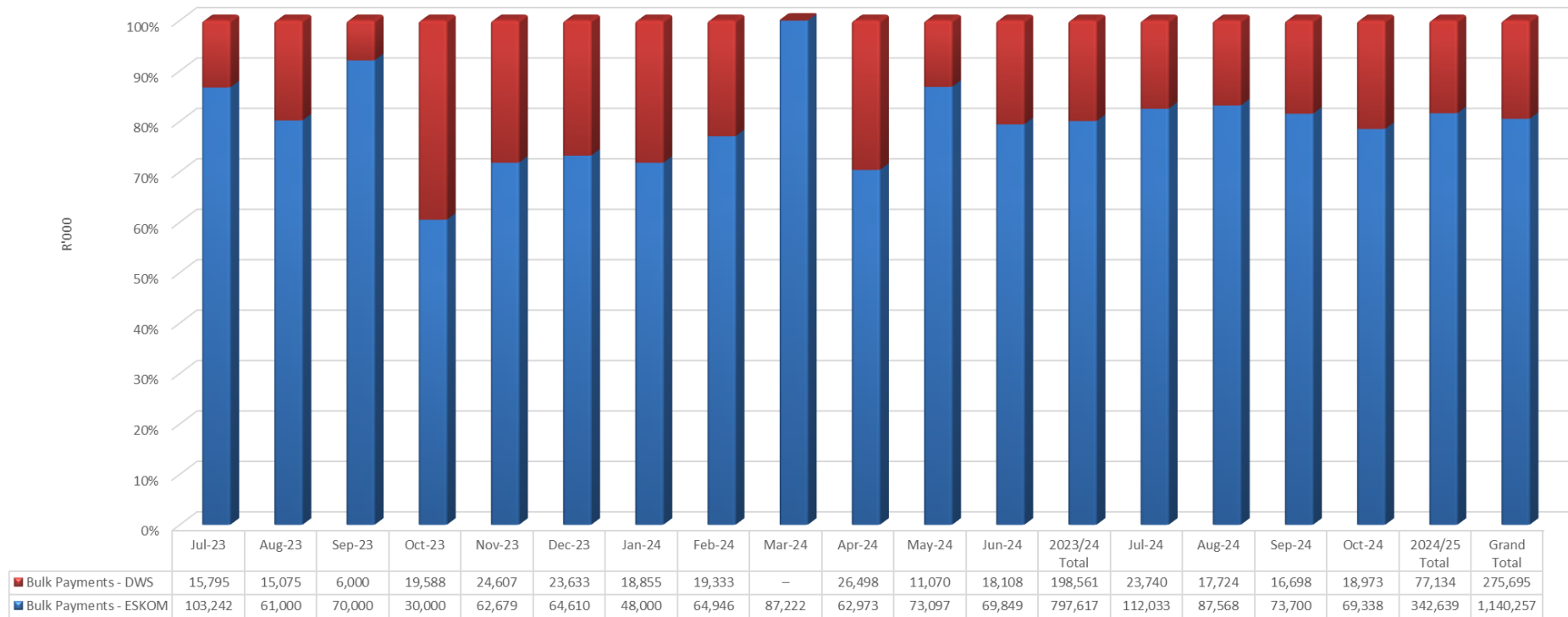


Chart 2.1: Monthly payments to DWS & ESKOM

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

DWS The total amount paid to DWS for October 2024 amounted to R18,973 million for the current account of September 2024. Payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R77,134 million. The total payments amount to R275,695 million. The municipality has shown significant improvement over the last two financial years and the current year in terms of payments to DWS, with the average amount paid per month amounting to approximately R17 million for 2023/24 financial year. We could not settle the instalment of R6m on the debt agreement with DWS for the month of October 2024, due to the insufficient cash available. Debt instalment was due and payable on or before the 5th of November 2024.

ESKOM The municipality settled an amount of R69,338 million on 30 October 2024, on the current account for September 2024 amounting to R71,087 million. The amounts paid excludes interest charges of R1,749 million, in line with the MFMA Circular 124. As per the Circular, the municipality must settle billed charges including VAT. The municipality had insufficient cash available from operations to settle the payment arrangement of R6,700 million. The total payments made for the 2023/24 financial year amounts to R797,617 million and for 2024/25 financial year the payments amount to R342,639 million, resulting in the total payments for both periods amounting to R1,140,257 billion. The municipality has been improving on payments made to Eskom from October 2023 account to June 2024. The high months remains a major concern. The municipality made partial payments on the July and August 2024 accounts.

FIN YEAR PER PAYMENT DATE	AMOUNT IN R
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 342,639,103.53
20240730	R 112,033,130.69
20240828	R 32,868,260.60
20240829	R 54,700,000.00
20240930	R 73,700,000.00
20241030	R 69,337,712.24
Grand Total ESKOM	R 1,140,256,513.05

FIN YEAR PER PAYMENT DATE	AMOUNT IN R
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 77,134,049.64
20240717	R 23,739,570.29
20240830	R 17,723,612.70
20240930	R 16,698,048.53
20241031	R 18,972,818.12
Grand Total DWS	R 275,695,343.90

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 Oct 2024

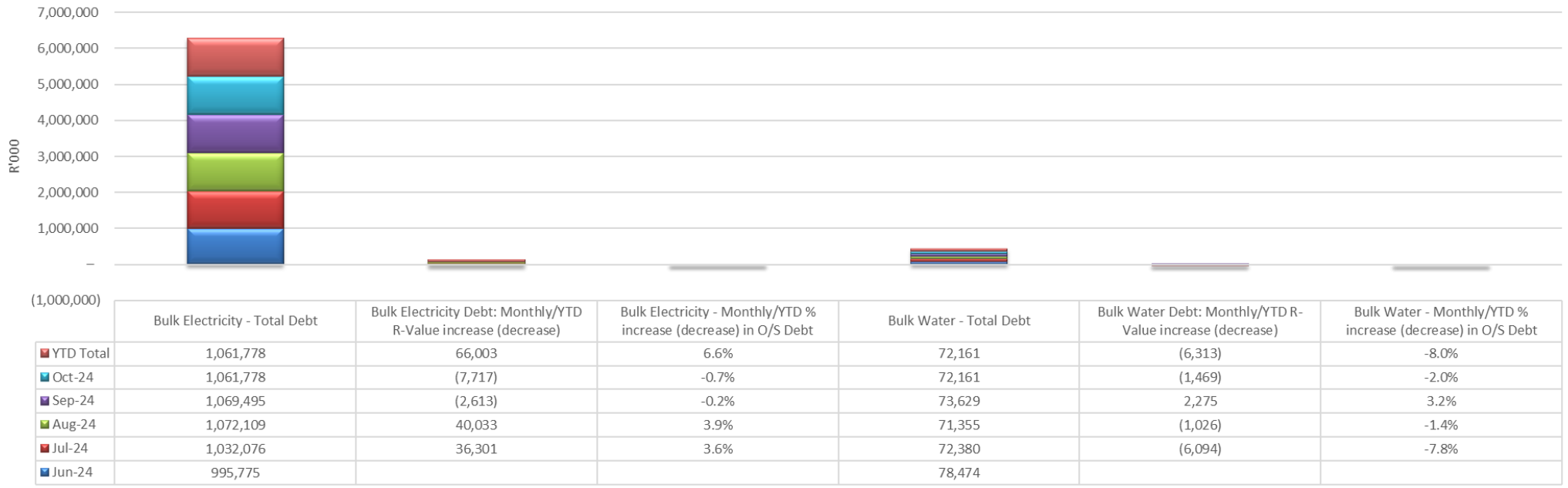


Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From September to October 2024, debt owed to ESKOM decreased by R7,717 million or 0.7%, from R1,069,495 billion to R1,061,778 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R66,003 million or 6.6%, from R995,775 million to R1,061,778 billion. The total amount that was subject to the payment arrangement was R163,062 million for debt that accrued after March 2023. As articulated in Table 6.4 below, to date the municipality settled an amount of R49,162 million on the payment arrangement, resulting in the total current balance outstanding of R113,900 million.

DWS - From September to October 2024, debt owed to DWS decreased by R1,469 million or minus 2.0%, from R73,629 million to R72,161 million. When comparing the total outstanding debt to June 2024, the outstanding debt decreased by R6,313 million or minus 8.0% from R78,474 million to R72,161 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 - M04 October

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 % - 33.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	613,729	43,303	85,086	204,576	41.59%	(119,491)	-58.4%	13.9%	(119,491)	-19.5%
Funded by										
Capital transfers recognised	572,229	36,908	73,799	190,743	38.69%	(116,944)	-61.3%	12.9%	(116,944)	-20.4%
Internally generated funds	41,500	6,395	11,286	13,833	81.6%	(2,547)	-18.4%	27.2%	(2,547)	-6.1%
Weighting Capital transfer recognised	93.2%	85.2%	86.7%	93.2%						
Weighting Internally generated funds	6.8%	14.8%	13.3%	6.8%						

Table 7: High level summary: Capital Expenditure

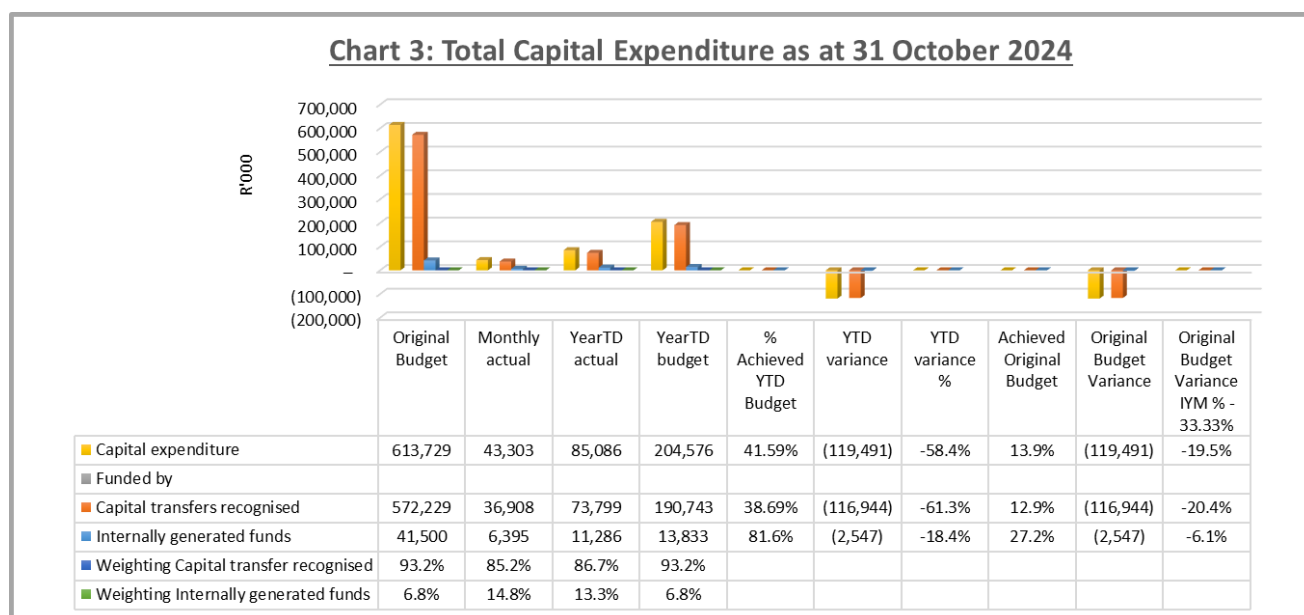


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of October 2024 amounted to R85,086 million and 41.59% spent when compared to the YTD budget of R204,576 million and 13.9% spent when compared to the Original Budget of R613,729 million. The total YTD capex is funded from Capital grants R73,799 million (86.7%) and Internally generated funds R11,286 million (13.3%). Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

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

4.4 Cash flows

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

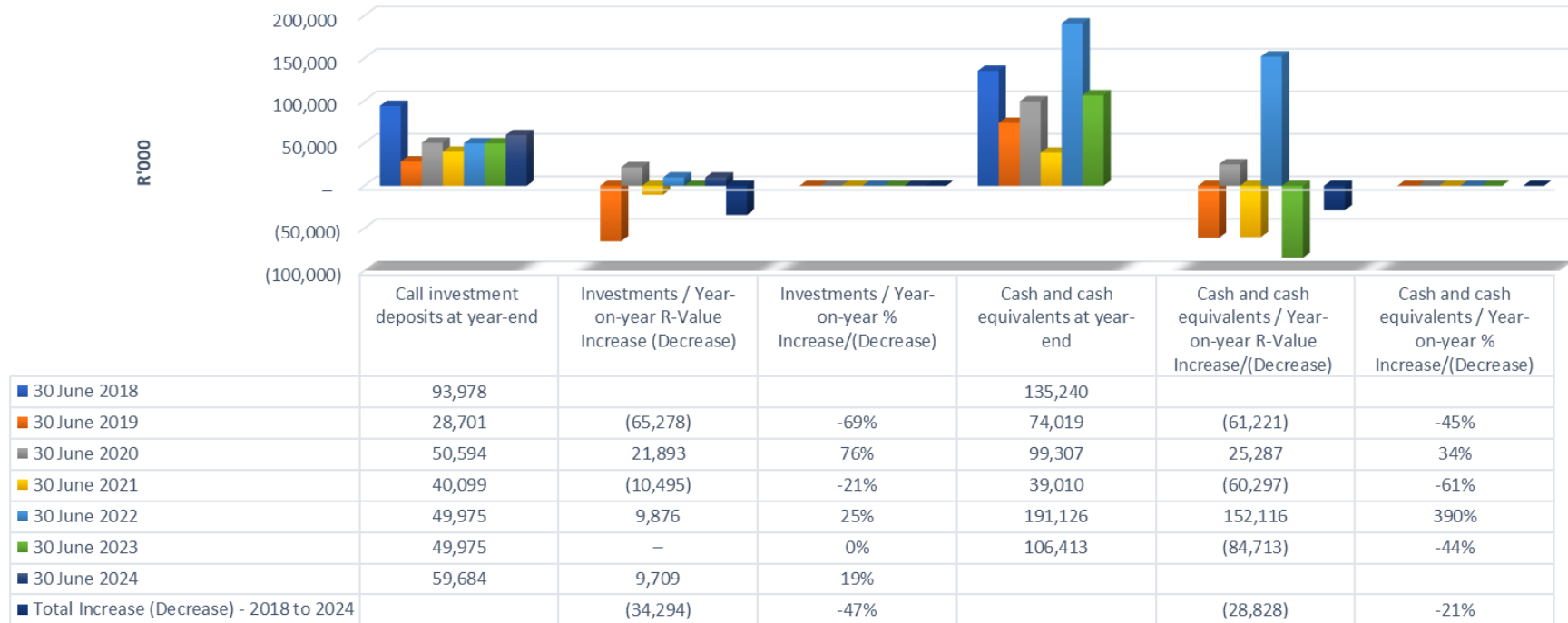


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. Investments increased by R9,876 million or 33.33% from 2021 to 2022. The total investment remained the same from 2022 to 2023 and increased to R9,709 million or 19% in 2024. From 2018 to 2024, the total investments decreased by R34,294 million or 47%. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 August 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

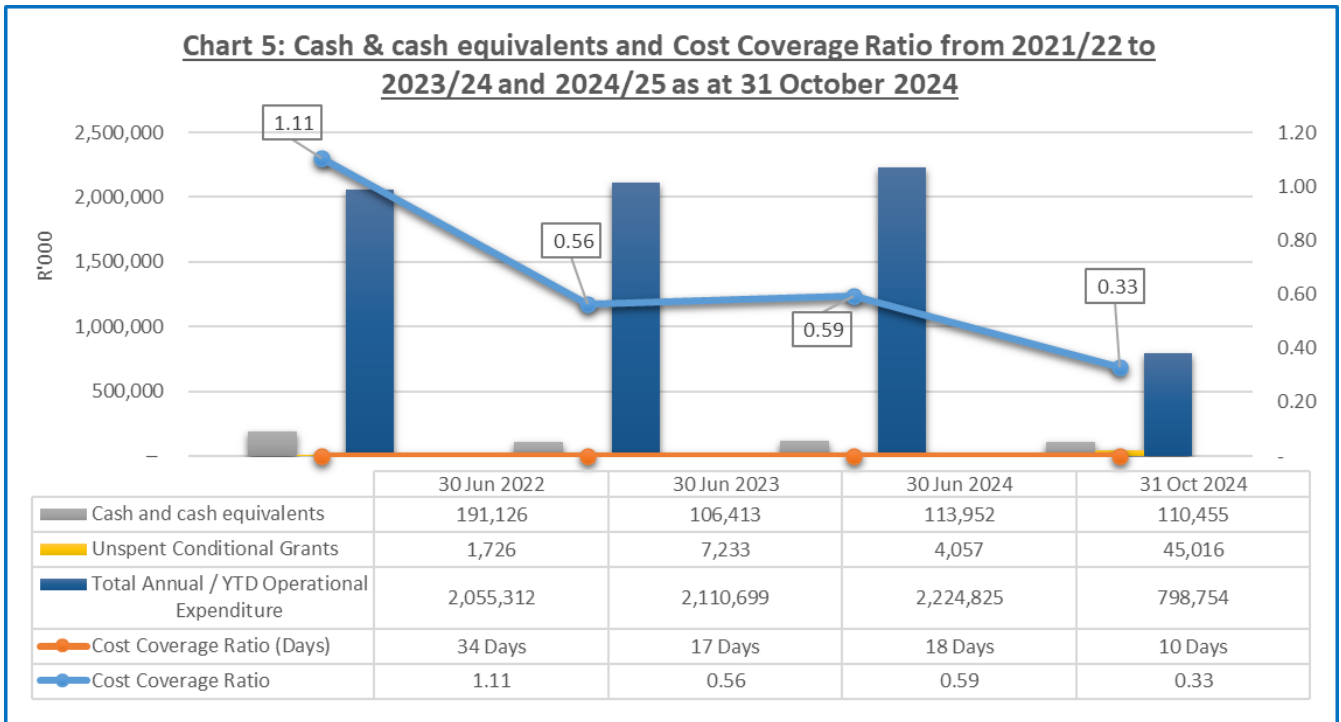


Chart 5: Cash & cash equivalents and Cost coverage ratio

Indicated in Chart 5 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the period. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2022 is (1.11; 34 days; R191,126m). There was a marginal improvement for the year ended 30 June 2023 (0.56; 17 days; R106,413m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The pre-audit outcome for the year ended 30 June 2024 is (0.59; 18 days; R113,952m). The Cost coverage ratio as at 31 October 2024 is calculated at (0.33; 10 days; R110,455m).

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

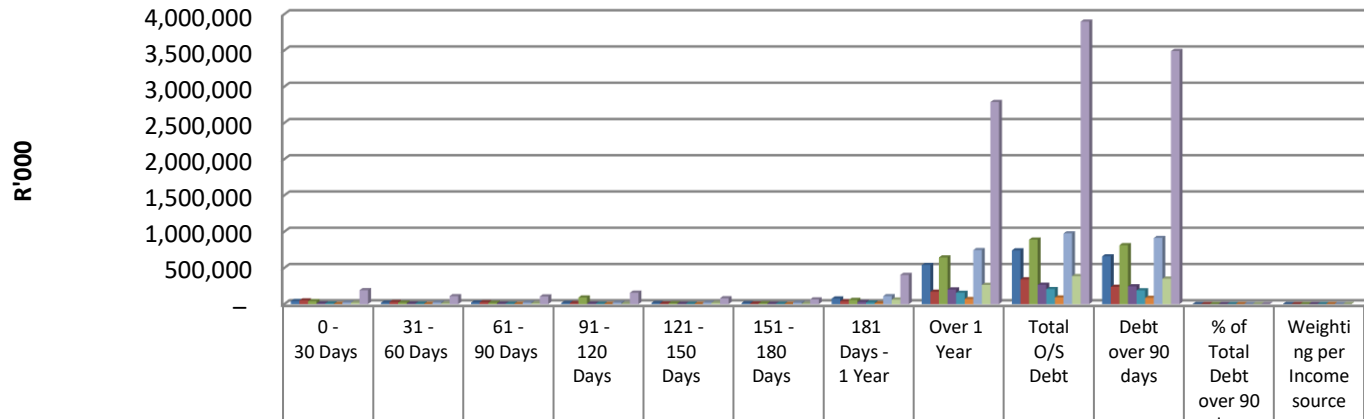
6. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	42,178	18,872	21,116	15,403	14,552	13,080	76,302	539,015	740,519	658,352	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	50,721	27,915	24,613	14,253	7,932	7,005	38,445	169,881	340,765	237,516	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	40,077	19,753	17,121	90,784	11,010	10,519	57,011	642,781	889,057	812,106	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	9,487	6,682	6,417	6,070	4,890	4,835	27,719	200,882	266,982	244,395	-	-
Receivables from Exchange Transactions - Waste Management	1600	7,659	5,086	4,849	4,502	3,788	3,727	21,477	155,913	207,000	189,407	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,798	1,794	1,793	1,800	1,778	1,821	10,716	69,438	90,939	85,554	-	-
Interest on Arrear Debtor Accounts	1810	21,498	21,523	20,208	19,823	19,354	19,089	109,116	744,760	975,371	912,143	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	18,003	7,638	9,220	3,976	16,462	4,460	61,678	264,294	385,732	350,870	-	-
Total By Income Source	2000	191,422	109,264	105,336	156,611	79,766	64,537	402,463	2,786,965	3,896,365	3,490,343	-	-
2023/24 - totals only		#####	#####	92406004	#####	75607037	63565812	#####	#####	3,647,378	3,254,375	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	28,490	19,529	17,106	85,101	7,507	6,967	43,706	634,110	842,516	777,391	-	-
Commercial	2300	59,691	28,003	25,487	17,434	13,662	13,564	72,708	427,137	657,685	544,504	-	-
Households	2400	100,335	59,694	60,900	52,290	56,635	42,346	275,013	1,631,293	2,278,507	2,057,577	-	-
Other	2500	2,905	2,038	1,843	1,786	1,962	1,661	11,037	94,425	117,657	110,871	-	-
Total By Customer Group	2600	191,422	109,264	105,336	156,611	79,766	64,537	402,463	2,786,965	3,896,365	3,490,343	-	-

Table 8: Supporting Table SC3: Aged Debtors

Chart 6.1: Debtor's Age Analysis by Income Source as at 31 October 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	42,178	18,872	21,116	15,403	14,552	13,080	76,302	539,015	740,519	658,352	89%	19%
Trade and Other Receivables from Exchange Transactions - Electricity	50,721	27,915	24,613	14,253	7,932	7,005	38,445	169,881	340,765	237,516	70%	9%
Receivables from Non-exchange Transactions - Property Rates	40,077	19,753	17,121	90,784	11,010	10,519	57,011	642,781	889,057	812,106	91%	23%
Receivables from Exchange Transactions - Waste Water Management	9,487	6,682	6,417	6,070	4,890	4,835	27,719	200,882	266,982	244,395	92%	7%
Receivables from Exchange Transactions - Waste Management	7,659	5,086	4,849	4,502	3,788	3,727	21,477	155,913	207,000	189,407	92%	5%
Receivables from Exchange Transactions - Property Rental Debtors	1,798	1,794	1,793	1,800	1,778	1,821	10,716	69,438	90,939	85,554	94%	2%
Interest on Arrear Debtor Accounts	21,498	21,523	20,208	19,823	19,354	19,089	109,116	744,760	975,371	912,143	94%	25%
Other	18,003	7,638	9,220	3,976	16,462	4,460	61,678	264,294	385,732	350,870	91%	10%
Total By Income Source	191,422	109,264	105,336	156,611	79,766	64,537	402,463	2,786,965	3,896,365	3,490,343	90%	

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 R3,896,365 billion as at the end of October 2024 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90%.

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

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

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 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 31 October 2024

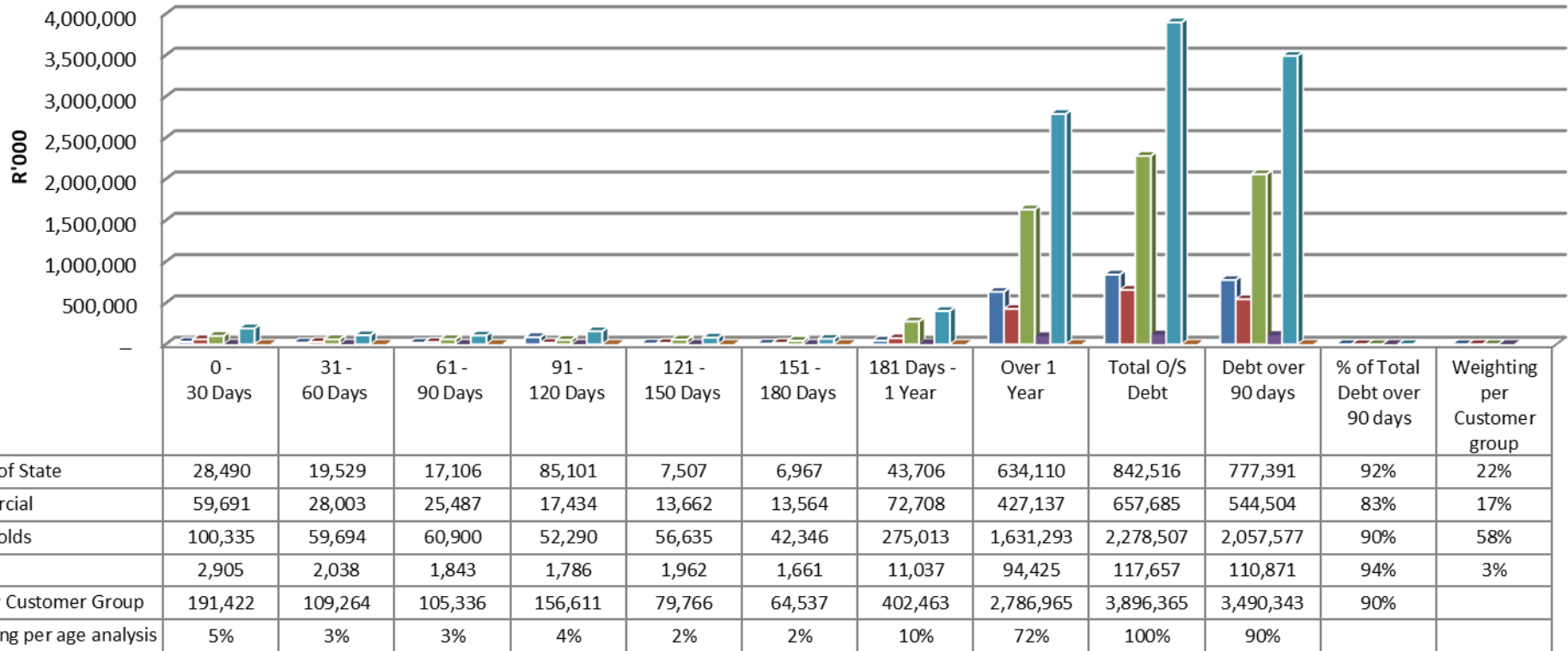


Chart 6.2: Debtor's age analysis by Customer Group

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

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

- ❖ Organs of State at 92%; Commercial at 83%; Households at 90% and Other at 94%.

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

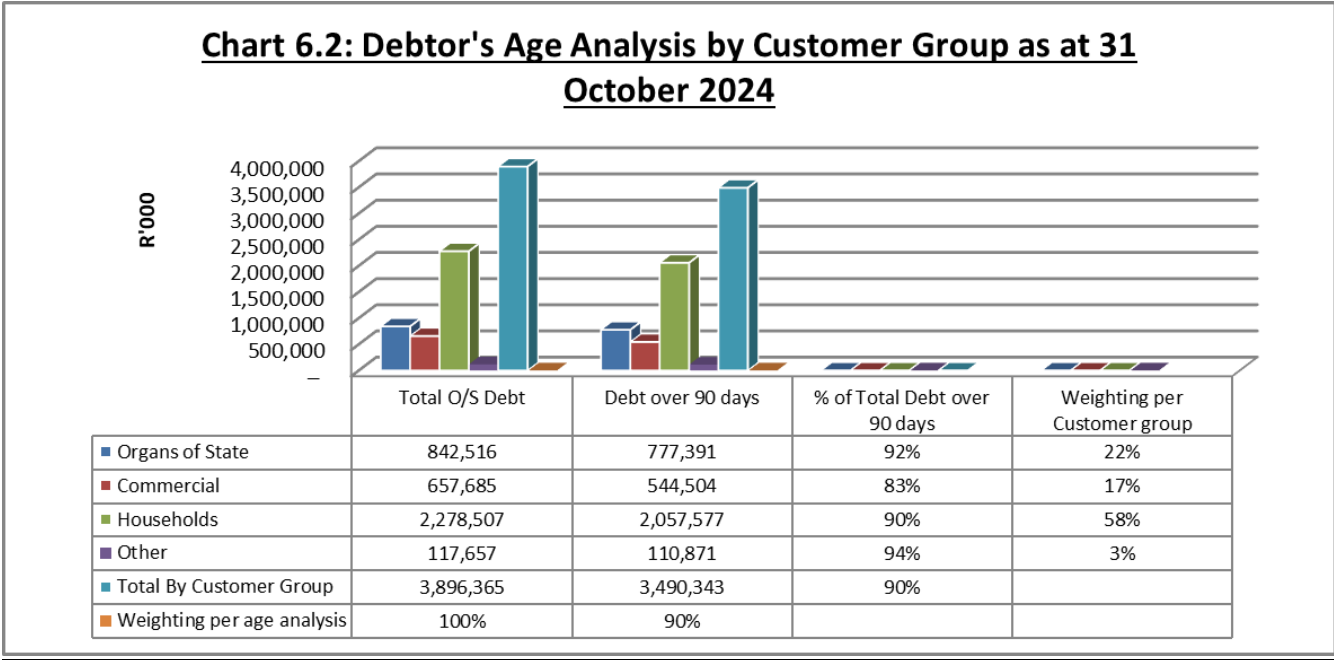
- ❖ Organs of state at 22%, total debt outstanding is R842,516 million
- ❖ Businesses at 17%, total debt outstanding is R657,685 million
- ❖ Households at 58%, total debt outstanding is R2,278,507 billion
- ❖ Other at 3%, total debt outstanding is R117,657 million.

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 October 2024

THE STATUS OF THE DEBTORS BOOK



COLLECTION CHALLENGES

- Inaccurate billing caused by inefficient reading
- Incomplete billing *Billing is the most important element in collections (accurate and timeous Billing).
- Theft through tampering (Illegal collections).
- Uncoordinated meter replacements.
- High levels of non-revenue water.
- 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). Low rates of revenue collection.

RESOLUTION OF DISPUTES

Examples:

1. Mediation (NERSA)
2. Amicable Settlement Agreements

THE DEBT COLLECTION ACTION

Our intention is to collect from all customer groups who are in arrears, able to pay but unwilling, and have no valid arrangements in place in as far as the debt outstanding is concerned.

We shall observe the protection afforded to the Indigent Households though the policy provision. Partial blocking implementation (finalization 15 November 2024).

Formal Arrangements on Easy Pay (Meeting held Thursday, 24 October 2024).

Appointment of Contractor to deal with tampering (Mr. Aysen)

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. (MM requesting hold – SMART meter project to be used as vehicle).

Appointment of Debt Collection Company/Companies (Project) (1 December 2024) – meeting with appointed companies must be held, finalize SLA.

Sol Plaatje Municipality will appoint a panel consisting of 4 (four) Debt Collection agencies on an as and when required basis, for a period of 36 (thirty-six) months with effect from date of acceptance. The services for the collection of revenue on overdue accounts to be handed over to the Collection agencies on a commission basis “**no success no fee**”, shall include the following:

- 1.1 Debtors Book analysis and profiling of debtors per collection risk categories and per area.
- 1.2 Tracing of all handed-over debtors.
- 1.3 Negotiate and manage repayments plans (valid arrangements; payments received on a monthly basis).
- 1.4 To conduct a recovery services by collecting and revering all outstanding monies by means of telephonic (soft collection) as well as written communication (letters of demand).
- 1.5 Issuing of Summons.
- 1.6 Obtaining of Judgements.
- 1.7 Listing and delisting of debtors (Blacklisting).
- 1.8 Obtaining of warrants of execution.

MOTIVATION FOR OUTSOURCING

Outsourcing revenue collection can enhance the amounts of revenue collected. Outsourcing is advantageous in that it can expose the Municipality to skills and capabilities not available internally (technology and legal backing).

Achievement of efficiencies.

SMART METERS

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.

INTERNAL INTERVENTION TO SUPPORT DEBT COLLECTION ACTION

Improve customer relations management

More innovative collection strategies

Effective metering and a billing

Disconnection of electricity supply (continue)

Improve engagements with Government customers and other stakeholders such as NT where necessary.

Indigents verification project and campaigning (competent companies that are going to deliver must be appointed)

The receipts for Government Departments, Parastatals and schools were R51,295,142.70 for the month of October 2024 as compared to the R57,149,949.27 for the month of September 2024.

GOVERNMENT DEBT	
DEPARTMENTS	RECEIPTS OCTOBER 2024
NATIONAL PUBLIC WORKS	R21,881,317.10
PROVINCIAL PUBLIC WORKS	R803,568.56
DEPARTMENTS OF HEALTH	R5,127,829.74
SOCIAL DEVELOPMENT	R82,655.50
ECONOMIC DEV & TOURISM	R1,205,278.46
COGHSTA/ HOUSING	R248,582.01
OFFICE OF THE PREMIER	R7,299.72
PROVINCIAL LEGISLATURE	R254,251.74
CORRECTIONAL SERVICE	R6,301,301.11
NATIONAL DEFENCE FORCE	R6,131,444.66
AGRICULTURE	R158,494.69
EDUCATION	
SPORTS, ARTS & CULTURE	R369,048.13
TRANSPORT	R762,093.85
DE BEERS	R906,011.01
TELKOM	R960,441.17
TRANSNET	R2,453,808.40
ESKOM	R366,065.79
SAPS	R927,230.33
SCHOOLS	R2,348,420.73
TOTAL	R51,295,142.70

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt increased from 87% to 90% for the month under review. Debt over 90 days increased by R102,262 million in respect of the month-to-month comparison. The month-to-month decrease, on total debt amounted to R219 thousand. 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.

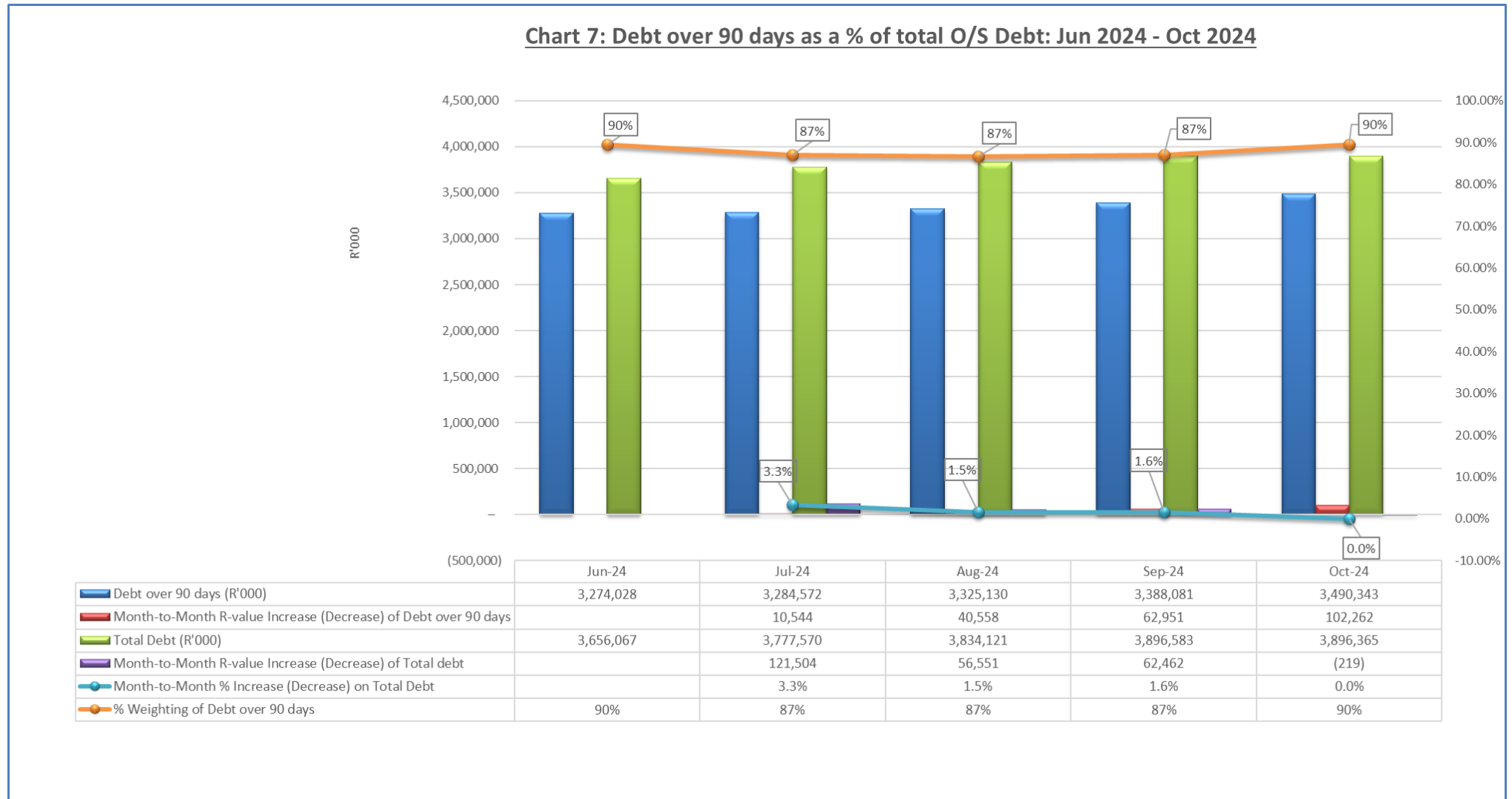


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- 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 October 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.

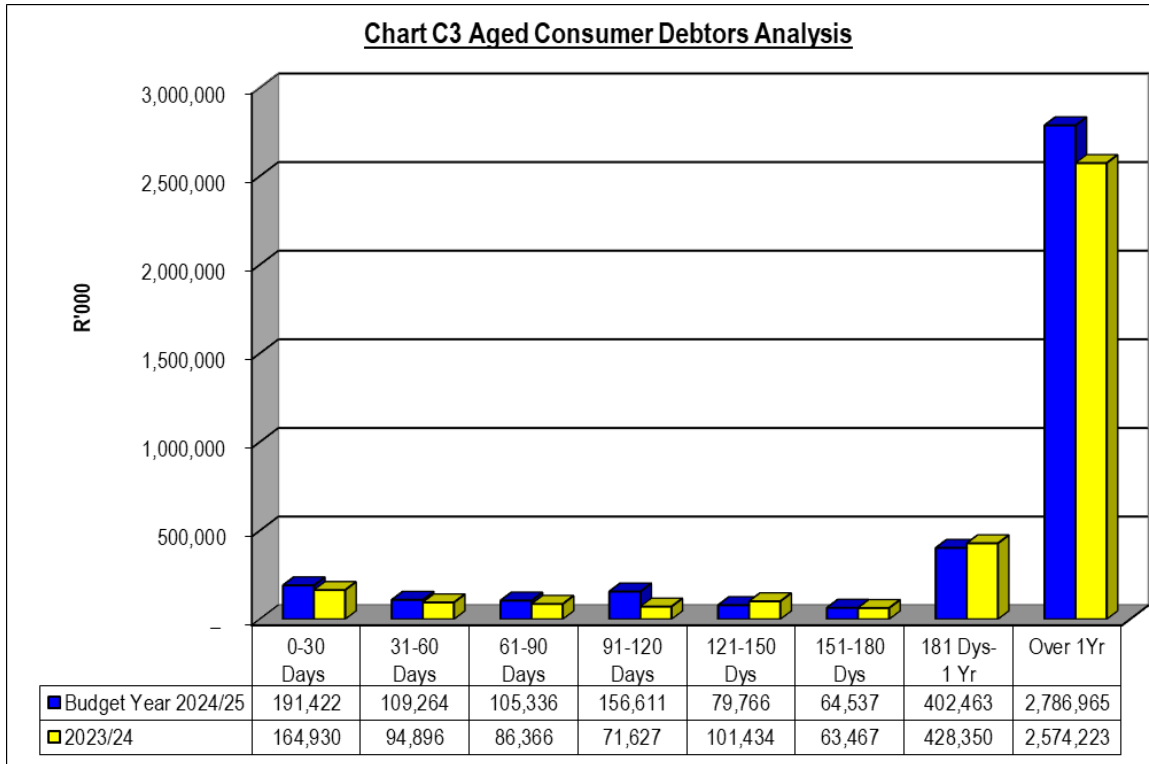


Chart 8: Aged Consumer Debtor Analysis

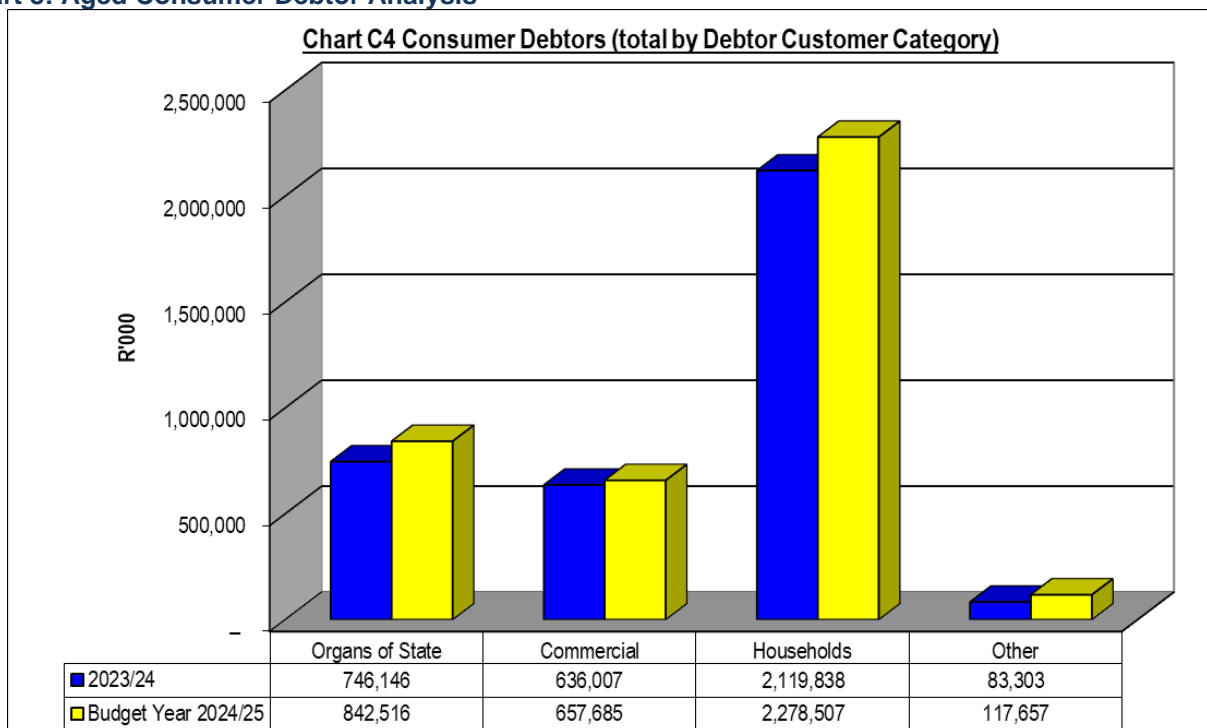


Chart 9: Consumer Debtors (total by Debtor Customer Category)

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 September 2024 and received in October 2024, the monthly collection rate is 83%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 86%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R8,617 million and will be allocated during November 2024. Indicated in Table 10 below is the revised average collection rate of 72.2%, for Property rates and Service charges only. The average collection rate is showing improvement and is still slightly distorted due to the annual billing on Property rates. When the annual billing is netted off and Other billing excluded, this results in a collection rate of 79,3%. 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 October to 31 October 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.

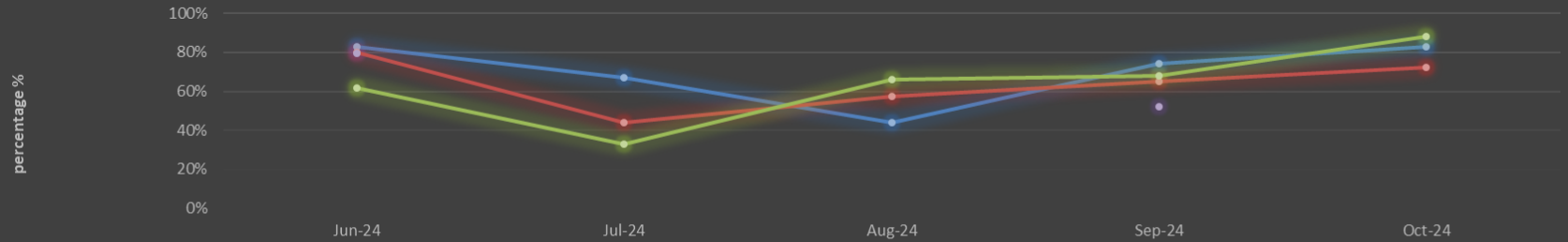
Monthly Collection Rate	Debits (Billed September 2024)	Credits (Received October 2024)	% Collected
PROPERTY RATES	50,489,288	40,957,104	81%
ELECTRICITY	66,397,085	68,455,252	103%
WATER	27,986,014	17,673,703	63%
SEWERAGE	10,194,256	4,315,163	42%
REFUSE	8,114,974	4,179,524	52%
PROPERTY RATES & SERVICES	163,181,617	135,580,747	83%
OTHER	27,324,825	28,545,746	104%
TOTAL	190,506,442	164,126,493	86%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL OCTOBER 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 309,706,181	R 163,386,753	52.8%
SERVICE CHARGE ELECTRICITY	R 227,895,412	R 222,054,552	97.4%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 116,340,912	R 116,340,912	100.0%
SERVICE CHARGE WATER	R 103,761,332	R 52,460,546	50.6%
SERVICE CHARGE SANITATION	R 37,702,270	R 16,923,049	44.9%
SERVICE CHARGE REFUSE	R 28,373,461	R 15,091,911	53.2%
UNALLOCATED CREDITS		R 8,617,040	
REVISED AVERAGE COLLECTION RATE - OCTOBER 2024	R 823,779,568	R 594,874,762	72.2%
REVISED AVERAGE COLLECTION RATE - OCTOBER 2024	823,779,568	594,874,762	72.2%
LESS ANNUAL BILLING ON PROPERTY RATES	-108,333,781	-27,408,774	25.3%
OTHER	R 118,426,162	R 61,332,023	51.8%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER	R 833,871,949.56	R 628,798,011.52	75.4%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND EXCLUDING OTHER	R 715,445,787.15	R 567,465,988.71	79.3%

Table 10: Revised Average collection rate

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



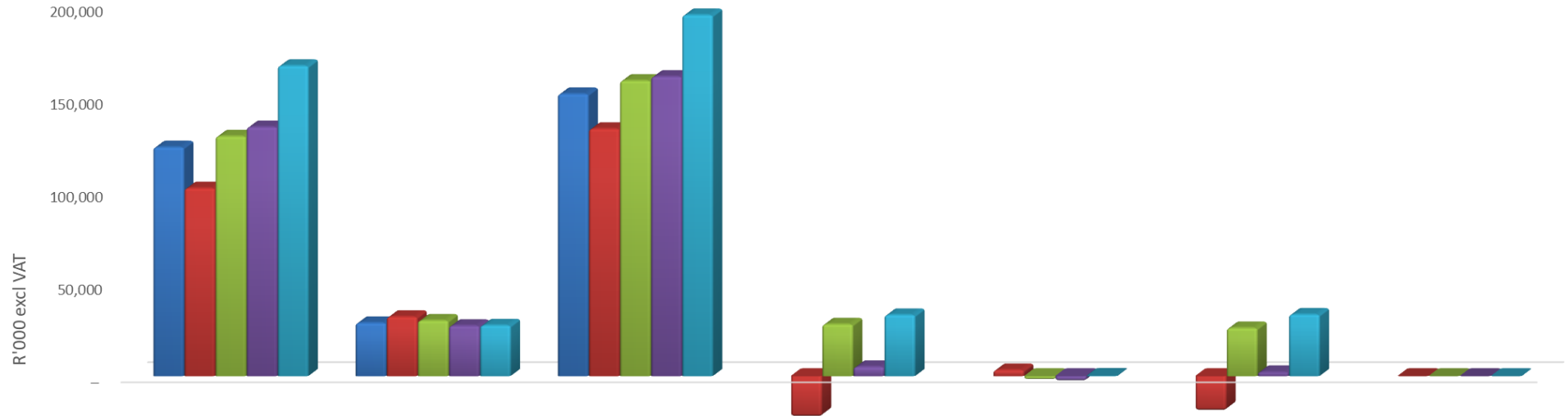
	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%
Revised average collection rate	80%	44%	58%	65%	72%
Average collection rate per Ward (Monthly)	62%	33%	66%	68%	88%
Average collection rate per Ward (Quarterly)	79%			52%	

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 October 2024. The monthly collection rate (Property rates & Services) for October 2024 is satisfactory at 83%. The revised average collection for October 2024, is showing improvement but is still slightly 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 88% for the month under review. It should be noted that Prepaid electricity sales that is excluded from the collection rate per ward. Drastic action will have to be taken, in the municipality implementing its Credit Control Policy. It should be noted that an amount of R8,617 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 Oct 2024



	Billing Receipts	Prepaid Electricity Sales	Total Receipts	Billing Receipts - R-value Increase (Decrease)	Prepaid Electricity Sales - R-value Increase (Decrease)	Total Receipts - R-value Increase (Decrease)	Total Receipts - % Increase (Decrease)
Jun-24	123,222	28,650	151,871				
Jul-24	101,148	31,949	133,096	(22,074)	3,299	(18,775)	-12%
Aug-24	129,063	29,944	159,007	27,915	(2,005)	25,910	19%
Sep-24	134,043	27,114	161,157	4,980	(2,829)	2,151	1%
Oct-24	166,995	27,334	194,330	32,952	220	33,173	21%

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

As indicated in Chart 11.1 above, the Total Receipts for October amounted to R194,330 million which resulted in an increase of R33,173 million or 21% in respect of the month-to-month comparison. Billing receipts increased by R32,952 million, whilst Prepaid Electricity Sales increased by R220 thousand. 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 2024, 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 R8,617 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 31 Oct 2024

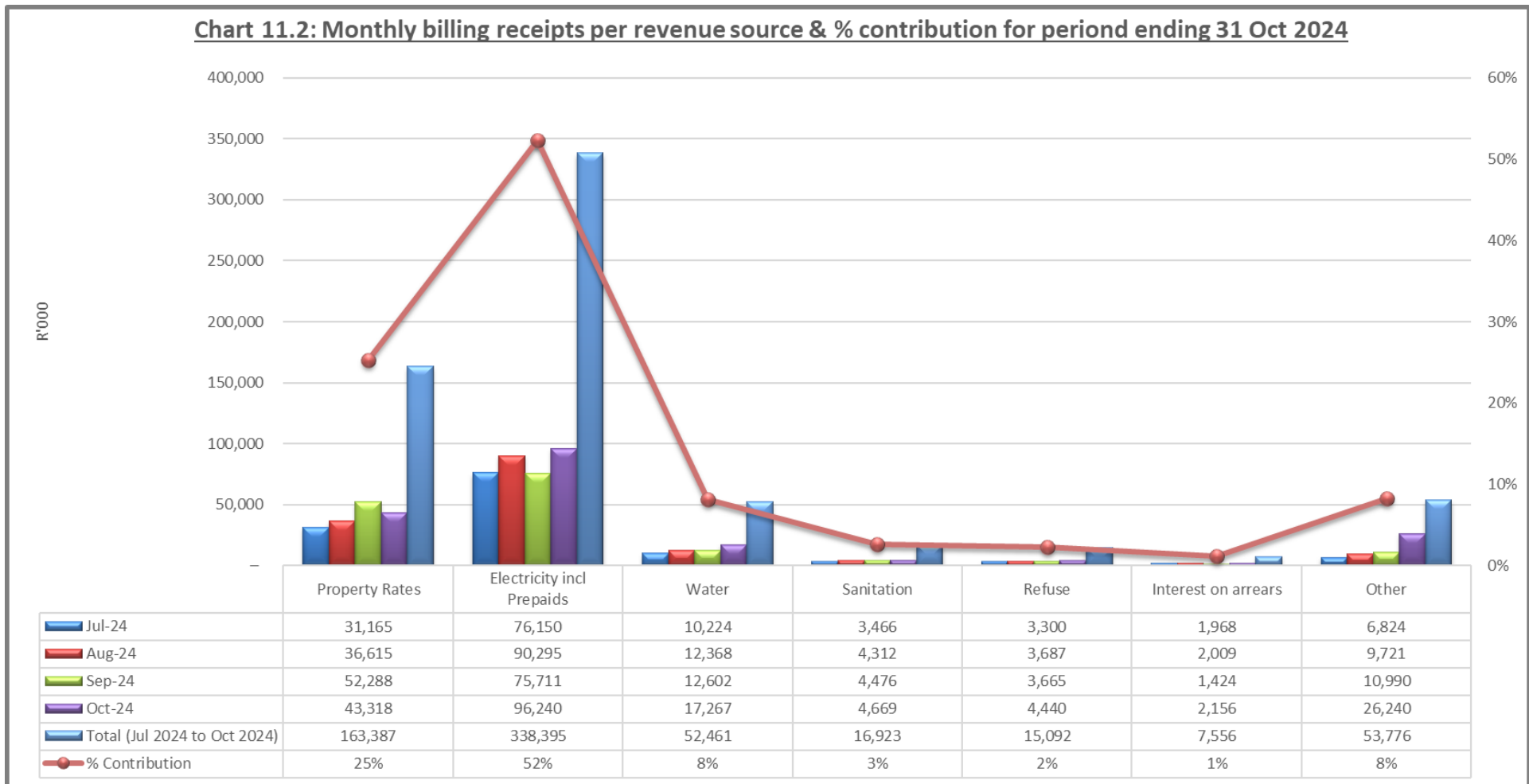


Chart 11.2: Monthly billing receipts per revenue source and % contribution

Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 October 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 R338,395 million (52%) is the highest contributor, followed by Property rates at R163,387 million (25%) being received. This illustrates the sensitivity and vulnerability in respect of electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. Measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 8% and Other 8% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 50% from these revenue sources. The lowest contributor in respect of actual receipts, has always been Interest on arrears. This demonstrates the fact that the municipality is facing challenges in collecting long outstanding debt. It should be noted that in terms of the approved Customer Care, Credit Control and Debt Collection Policy, it outlines that “the municipality shall implement an incentive for settlement of arrears accounts as illustrated below:

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

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

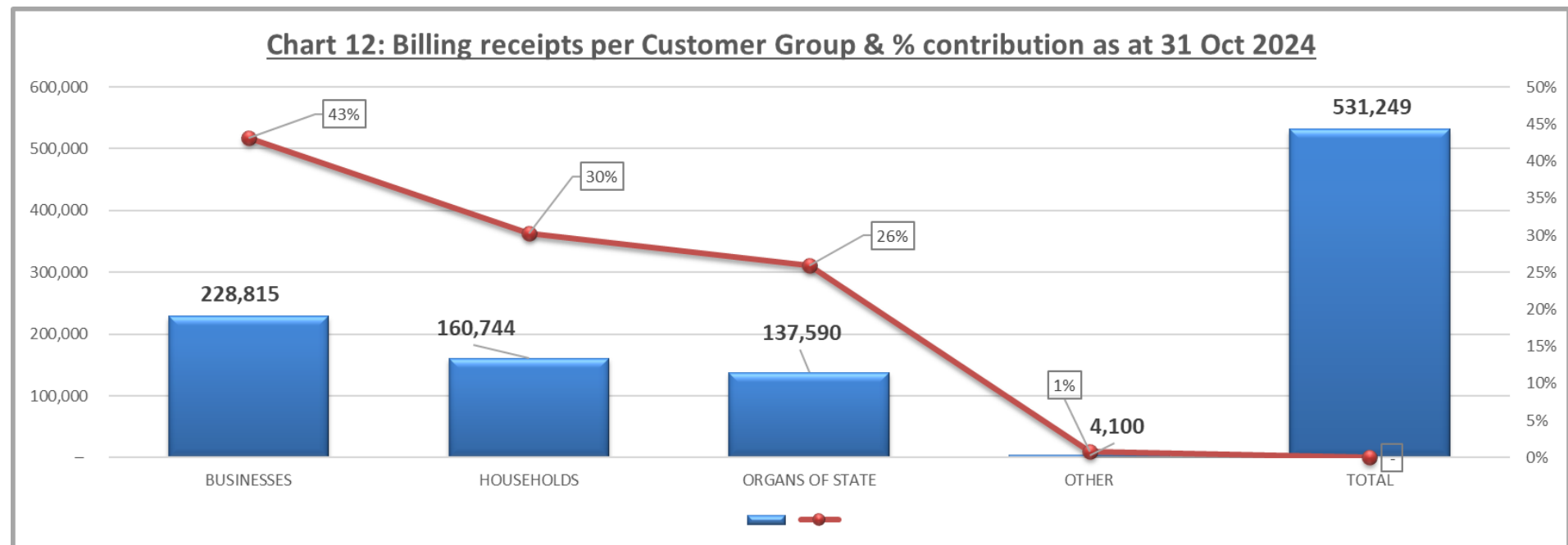


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 October 2024. The municipality received R228,815 million (43%) from Businesses, Households R160,744 million (30%), Organs of State R137,590 million (26%) and Other R4,100 million (1%).

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	73,508	1,749	60,601	67,465	-	-	-	858,455	1,061,778	1,051,534
Bulk Water	0200	17,504	-	-	-	-	-	-	54,656	72,161	134,913
PAYE deductions	0300	12,696	-	-	-	-	-	-	-	12,696	10,714
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	9,552	-	-	-	-	-	-	-	9,552	8,377
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	10,652	10,931	790	2,141	-	-	-	-	24,514	22,346
Auditor General	0800	2,539	1,381	-	-	-	-	-	-	3,921	3,930
Other	0900	17,133	3,619	1,334	2	180	10	18	16,697	38,994	34,733
Medical Aid deductions		7,785	-	-	-	-	-	-	-	7,785	-
Total By Customer Type	1000	151,370	17,681	62,725	69,607	180	10	18	929,809	1,231,400	1,266,546

Table 11: Supporting Table SC4: Aged Creditors

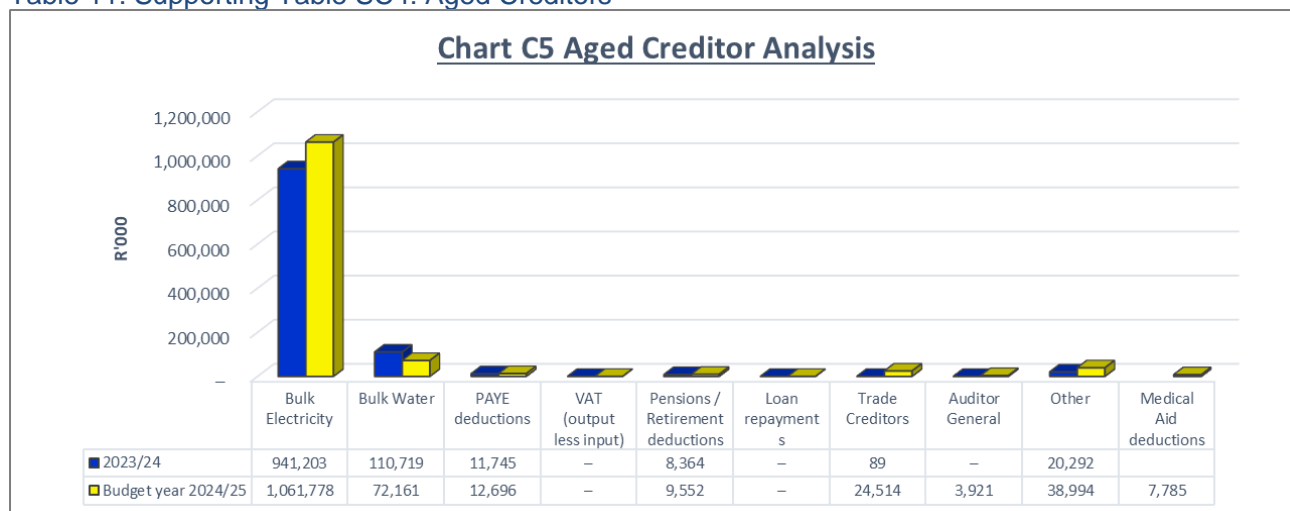


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2023/24 is based on the outstanding creditors as at 31 October 2023 (prior year totals for the same period).

Bulk Electricity – As at the 31 October 2024, the outstanding debt owed to Eskom amounted to R1,061,778 billion. According to the October 2024 Eskom invoice, the outstanding balance is R932,216 million, as a result of the Payment Arrangement (PA) that was loaded on the municipality's account. Balance on the PA is R107,200 million.

Bulk Water – As at the 31 October 2024, the outstanding debt owed to DWS amounted R72,161 million. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months and the municipality is participating in the Incentive scheme that the Department is providing to municipalities. All invoices for 2022/23 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department.

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

VAT – after the monthly VAT reconciliation, we claimed an amount of R1,807 million from SARS.

Trade creditors are all suppliers registered on the municipality's database and it is a prerequisite for these suppliers to be registered on the Central Supplier Database (CSD).

Auditor General – the current account due to the AGSA is R2,539 million whilst the account for August 2024 remains unpaid due to cash flow constraints. The total amount due to AGSA is R3,921 million.

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

Medical Aid deductions – an amount of R7,785 million for medical aid contributions was payable on or before 7 November 2024.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 October 2024, the value of total investments made was R107,365 million including interest. Partially or prematurely withdrawn investments amounted to R63,785 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.	22,963
• 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.	66,963
• Own funds invested - Ring-fenced Eskom income	10,038
Total	107,365

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

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
		Yrs/Months												
R thousands														
Municipality														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			0	-	-	-	0
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		5,000	4	(5,004)	-	-
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		110,000	676	(38,676)	-	72,000
Absa Bank 20-6295-4443i		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	54	(54)	-	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	25,000	51	(20,051)	-	5,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	22,790	173	-	-	22,963
Municipality sub-total										170,192	957	(63,785)	-	107,365
Entities														
														-
														-
														-
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									170,192	957	(63,785)	-	107,365

Table 12: Supporting Table SC5: Investment portfolio

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

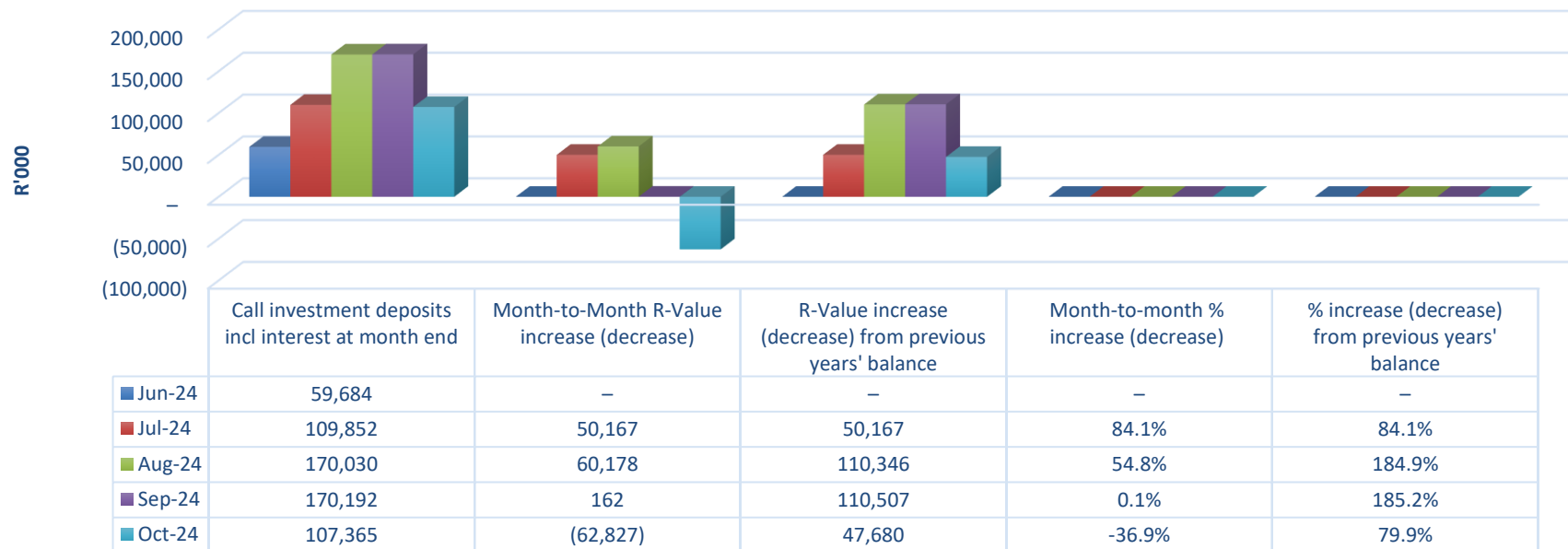


Chart 14: Call investment deposits at month-end

As indicated in the Chart 5 above from June to October 2024 investments incl interest decreased by R62,827 or minus 36.9%, in respect of the month-to-month comparison. Investments increased by R47,680 million or 79.9% when compared to the previous years' balance of R59,684 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments, in December and June of each year. The non-charging of the basic charge for the 2018/19, 2023/24 and 2024/25 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

9. Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		271,713	290,671	290,671	3,000	120,543	96,890	23,652	24.4%	290,671
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		263,135	282,104	282,104	-	117,543	94,035	23,508	25.0%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	1,586	1,586	756	830	109.9%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	1,243	1,243	1,500	(257)	-17.2%	4,500
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	3	1,700	1,800	1,800	171	171	600	(429)	-71.5%	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	197	197	2,867	(2,669)	-93.1%	8,600
Capacity Building and Other Grants		8,979	8,600	8,600	197	197	2,867	(2,669)	-93.1%	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	3,197	120,740	99,757	20,983	21.0%	299,271
Capital Transfers and Grants										
National Government:		133,753	572,229	572,229	54,606	91,498	190,743	(99,245)	-52.0%	572,229
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	290	290	1,667	(1,376)	-82.6%	5,000
Integrated National Electrification Programme Grant		24,358	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		63,395	75,229	75,229	7,046	17,173	25,076	(7,903)	-31.5%	75,229
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	47,269	74,034	164,000	(89,966)	-54.9%	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	54,606	91,498	190,743	(99,245)	-52.0%	572,229
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	448,920	871,500	871,500	57,803	212,238	290,500	(78,262)	-26.9%	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 - M04 October

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	12,744	63,856	76,557	(12,701)	-16.6%	229,671
Equitable Share		229,889	221,104	221,104	12,038	61,880	73,702	(11,821)	-16.0%	221,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,267	-	-	756	(756)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	616	1,567	1,500	67	4.4%	4,500
Integrated Urban Development Grant		-	-	-	-	186	-	186	-	-
Local Government Financial Management Grant		1,700	1,800	1,800	91	223	600	(377)	-62.8%	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		9,852	8,600	11,087	143	493	3,697	(3,204)	-86.7%	11,087
Capacity Building and Other Grants		7,625	8,600	8,587	61	252	2,864	(2,612)	-91.2%	8,587
Infrastructure Grant		2,227	-	2,500	82	241	833	(592)	-71.0%	2,500
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		248,642	238,271	240,758	12,887	64,349	80,255	(15,906)	-19.8%	240,758
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	572,229	36,908	73,799	190,743	(116,944)	-61.3%	572,229
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	37	37	1,667	(1,630)	-97.8%	5,000
Integrated National Electrification Programme Grant		21,181	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		57,349	75,229	75,229	4,259	14,385	25,076	(10,691)	-42.6%	75,229
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	32,612	59,377	164,000	(104,623)	-63.8%	492,000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		6,000	-	-	-	-	-	-	-	-
Specify (Add grant description)		6,000	-	-	-	-	-	-	-	-
Other grant providers:		17,073	-	-	-	-	-	-	-	-
European Union		17,073	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		147,356	572,229	572,229	36,908	73,799	190,743	(116,944)	-61.3%	572,229
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		395,998	810,500	812,987	49,795	138,149	270,998	(132,849)	-49.0%	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 R9,856 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted Original allocation for the EPWP is R2,267 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	4,259	14,385	10,338	19.1%	19.1%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	37	37	-	0.7%	0.7%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	32,612	59,377	-	12.1%	-
Grand Total	572,229	572,229	36,908	73,799	10,338	12.9%	12.9%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R73,799 million on or 12.9% spent against the Original capital grant allocation of R572,229 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low. It should be noted that grant expenditure excludes VAT which will be recognized in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

The rollover request for the 2023/24 financial year was submitted to National Treasury. The rollover request was rejected by National Treasury. Indicated below is an extract of the reasons for the rejection.

“Your request to roll over the unspent amount of **R3.9 million** into the 2023/24 financial year by your municipality is not approved in terms of 21(2) of the 2023 Division of Revenue Act, (Act No. 5 of 2023) (DoRA), as amended by the Division of Revenue Amendment Act, (Act No. 24 of 2023) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (ISDG) (R1.2 million) and the Integrated National Electrification Programme (Municipal) Grant (R2.7 million) (INEP).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 128 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

The decision to reject your roll over request is based on the following reason:

- Non submission of supporting documents as outlined in Circular No.128, i.e. copies of appointment letters of service providers and/ or tender documents for both ISDG and INEP. “

Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 16 is not required.

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages										
Pension and UIF Contributions		1,065	-	-	88	352	-	352	#DIV/0!	-
Medical Aid Contributions		536	-	-	55	217	-	217	#DIV/0!	-
Motor Vehicle Allowance										
Cellphone Allowance		2,997	3,055	3,055	254	1,018	1,018	0	0%	3,055
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		29,271	34,021	34,021	2,408	9,636	11,340	(1,704)	-15%	34,021
Sub Total - Councillors		33,869	37,077	37,077	2,805	11,225	12,359	(1,134)	-9%	37,077
% increase	4		9.5%	9.5%						9.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		4,942	8,791	8,791	436	1,767	2,930	(1,164)	-40%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	146	439	(293)	-67%	1,316
Medical Aid Contributions		192	117	117	16	61	39	22	57%	117
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,065	2,005	2,005	87	347	668	(321)	-48%	2,005
Cellphone Allowance		101	198	198	8	34	66	(32)	-49%	198
Housing Allowances		22	9	9	2	7	3	4	128%	9
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		14	15	15	1	5	5	(0)	-4%	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	582	2,367	4,151	(1,784)	-43%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages		460,448	509,499	507,037	43,788	155,339	169,448	(14,109)	-8%	507,037
Pension and UIF Contributions		83,850	96,851	96,851	7,804	28,182	32,284	(4,102)	-13%	96,851
Medical Aid Contributions		54,500	63,693	63,693	5,050	20,319	21,231	(912)	-4%	63,693
Overtime		90,602	53,982	53,982	6,416	19,527	17,994	1,533	9%	53,982
Performance Bonus		30,591	38,317	38,317	1,520	4,959	12,772	(7,813)	-61%	38,317
Motor Vehicle Allowance		43,767	51,151	51,151	3,642	14,310	17,050	(2,740)	-16%	51,151
Cellphone Allowance		1,631	1,551	1,551	136	538	517	21	4%	1,551
Housing Allowances		2,856	2,887	2,887	249	904	962	(58)	-6%	2,887
Other benefits and allowances		38,029	26,598	29,060	2,742	10,822	9,251	1,571	17%	29,060
Payments in lieu of leave		7,128	20,000	20,000	152	2,223	6,667	(4,444)	-67%	20,000
Long service awards		30,958	29,981	29,981	2,794	10,200	9,994	207	2%	29,981
Post-retirement benefit obligations		43,162	43,900	43,900	830	2,397	14,633	(12,237)	-84%	43,900
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Municipal Staff		887,522	938,410	938,410	75,123	269,720	312,805	(43,084)	-14%	938,410
% increase	4		5.7%	5.7%						5.7%
Total Parent Municipality		928,160	987,939	987,939	78,510	283,312	329,314	(46,003)	-14%	987,939
TOTAL SALARY, ALLOWANCES & BENEFITS		928,160	987,939	987,939	78,510	283,312	329,314	(46,003)	-14%	987,939
% increase	4		6.4%	6.4%						6.4%
TOTAL MANAGERS AND STAFF		894,291	950,863	950,863	75,705	272,087	316,956	(44,868)	-14%	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 14%. There is currently a moratorium on the filling of non-critical vacancies and on the sale of leave. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors Remuneration is showing a satisfactory variance of minus 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 October 2024.

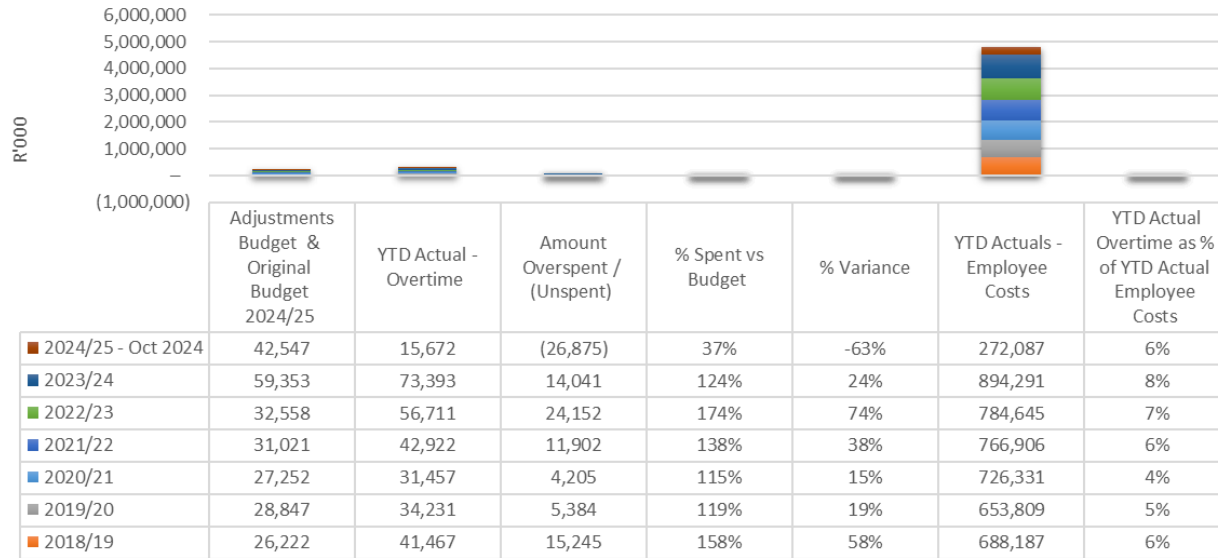
Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget
MS: OVERTIME - NON STRUCTURED	33,762,000	4,493,333	14,135,339	42%
MS: OVERTIME - STRUCTURED	8,785,180	1,002,808	1,536,975	17%
Overtime as at 31 October 2024	42,547,180	5,496,141	15,672,314	37%

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	28,883	146,583	44%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	-	-	
23-CORPORATE SERVICES	1,937,000	370,795	1,167,545	60%
24-COMMUNITY SERVICES	17,190,180	1,759,616	4,918,815	29%
26-FINANCIAL SERVICES	1,021,000	562,116	1,529,469	150%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000	116,062	328,091	37%
28-INFRASTRUCTURE SERVICES	21,192,000	2,658,668	7,581,810	36%
Overtime as at 31 October 2024	42,547,180	5,496,141	15,672,314	37%

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 37% spent versus the Original budget, resulting in a unsatisfactory variance of 3.67% for the period under review, when compared to the ideal IYM percentage of 33.33%.

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 October 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 Oct 2024

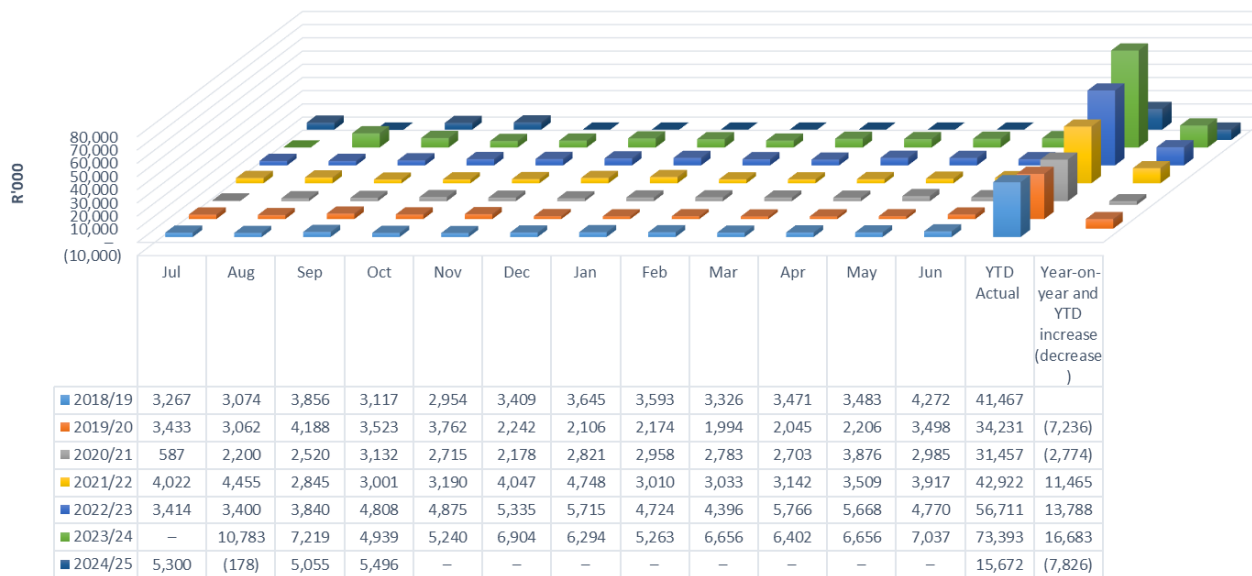


Chart 14.2: Monthly and Annual Overtime Comparison

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 31 December 2024.

12. Capital programme performance

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

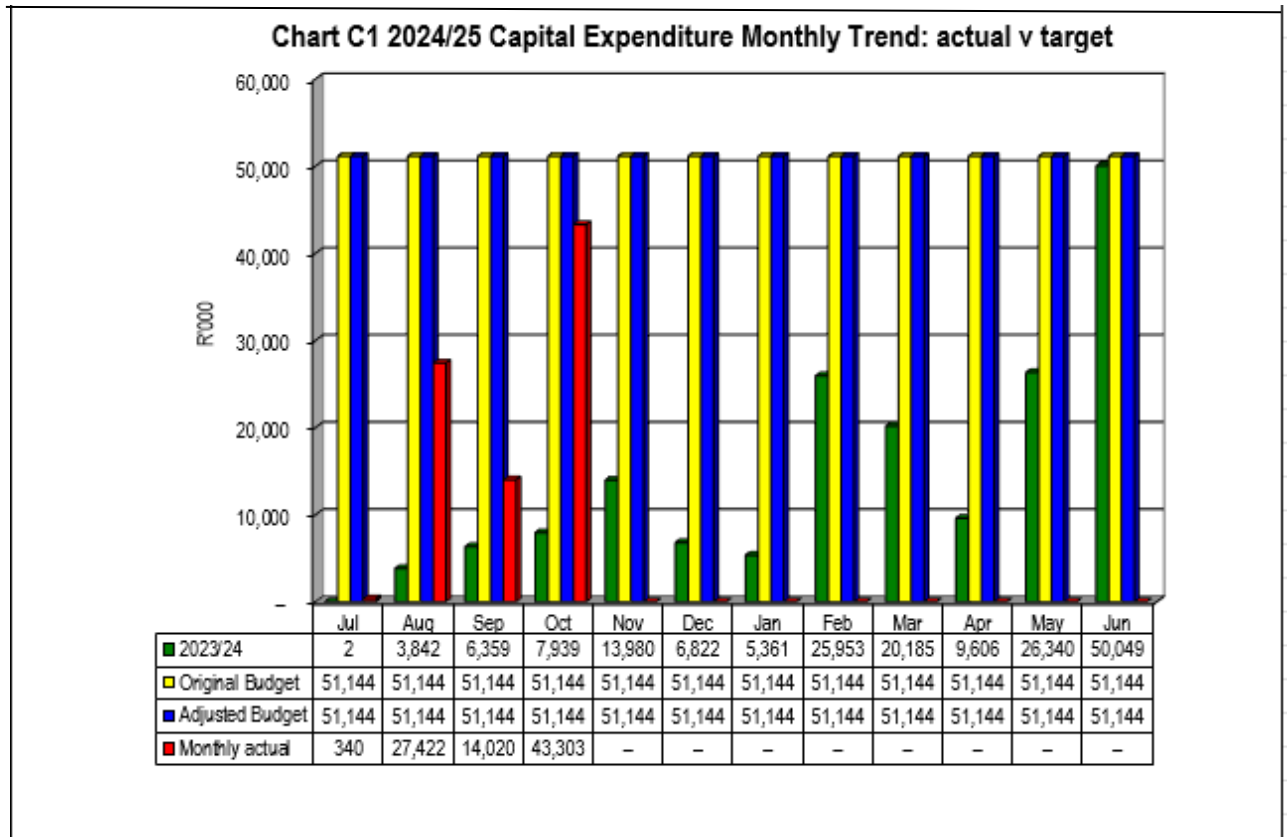


Chart 15: Capital Expenditure Monthly Trend: actual v target

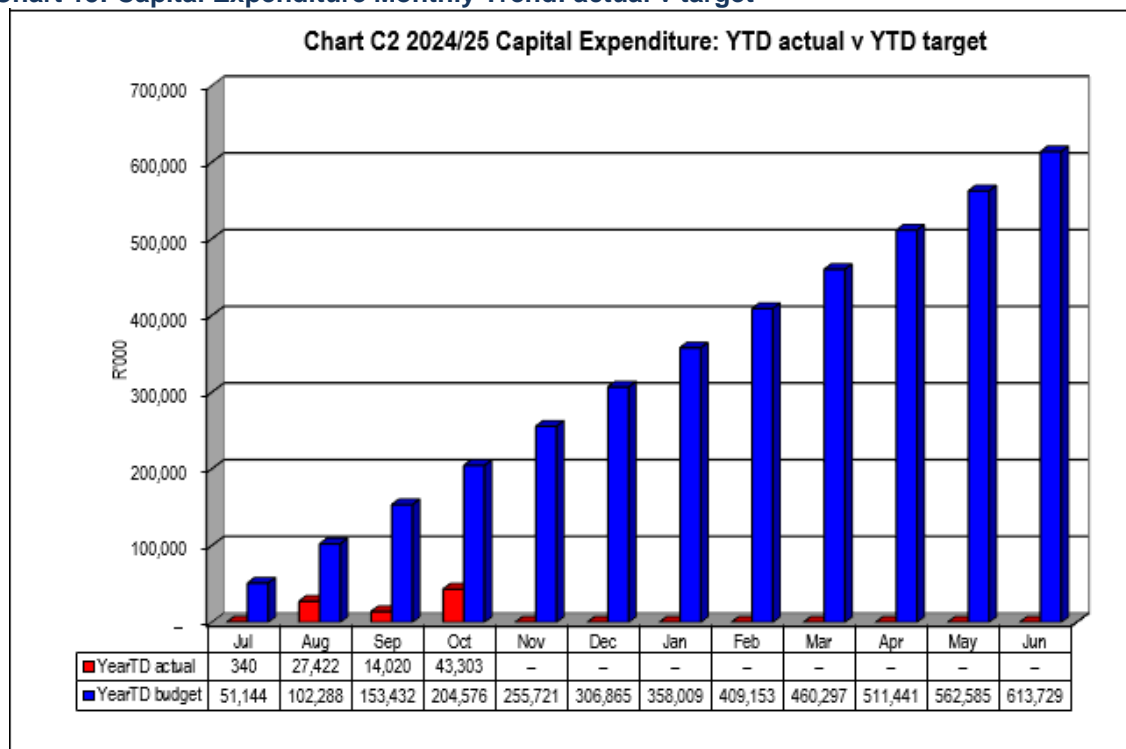


Chart 16: Capital Expenditure: YTD actual vs YTD target
Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: October 2024

Projects per funding source (R'000)	Original Bud	Adjusted Bud	Monthly Actuals	YTD Actuals	Commitments	% Original Bud	% Adjusted Bud
INTERNALLY GENERATED FUNDS	41,500	41,500	6,395	11,286	319	27.20%	27.20%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	–	85	73	1.90%	1.90%
ACQ-FLEET REPLACEMENT	3,000	3,000	–	–	–	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	500	500	145	145	–	28.90%	28.90%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	–	–	–	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	500	500	–	–	–	0.00%	0.00%
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	20,466	5,401	10,110	–	49.40%	49.40%
MR LEAK AND SLEAK DATA SYSTEM	484	484	70	166	–	34.31%	34.31%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811	811	322	322	–	39.76%	39.76%
PHDA PLANNING & SURVEYING	2,000	2,000	–	–	–	0.00%	0.00%
PIPE CONDITION ASSESS AND CATHOD PROTECT	479	479	373	373	–	77.82%	77.82%
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	–	–	246	0.00%	0.00%
PLANNING & DEVELOPMENT	1,500	1,500	–	–	–	0.00%	0.00%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	1,342	1,342	84	84	–	6.28%	6.28%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	4,259	14,385	10,338	19.12%	19.12%
P-CIER RDS ROADS	17,500	17,500	1,588	9,254	1,055	52.88%	52.88%
PROJECT MANAGEMENT	2,349	2,349	12	36	225	1.55%	1.55%
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	17,500	981	2,580	5,923	14.74%	14.74%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	3,500	–	–	–	–	–
SPECIALISED FLEET REPLACEMENT	5,000	5,000	–	–	3,102	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	26	26	33	1.29%	1.29%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	1,469	1,469	–	66.48%	66.48%
REFURBISHMENT OF HALLS	5,000	5,000	–	525	–	10.50%	10.50%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,670	183	235	–	3.06%	3.06%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	–	261	–	5.22%	5.22%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	37	37	–	0.74%	0.74%
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	37	37	–	0.74%	0.74%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	32,612	59,377	–	12.07%	12.07%
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	2,195	3,706	–	21.77%	21.77%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	20,483	113	989	–	4.83%	4.83%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	29,346	160	2,650	–	9.03%	9.03%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	27,630	6,740	6,878	–	24.89%	24.89%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	39,640	–	7,106	–	–	17.93%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	7,531	118	748	–	9.94%	9.94%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	83,369	3,100	3,129	–	3.75%	3.75%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	16,173	–	910	–	5.63%	5.63%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	37,378	7,369	10,188	–	27.26%	27.26%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	27,828	2,624	7,335	–	26.36%	–
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290	18,290	1,379	1,930	–	10.55%	10.55%
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	–	651	–	7.05%	7.05%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	48,296	1,434	3,062	–	–	6.34%
SEC3 1200NEW STEEL MIDSTATION-NEWTON RES	67,191	67,191	7,379	10,094	–	15.02%	15.02%
Grand Total	613,729	613,729	43,303	85,086	10,657	13.86%	13.86%

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 October 2024 is has improved but still requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for October 2024 amounted to R43,303 million. The total YTD Capex amounts to R85,086 million. Please note that Commitments amounting to R10,657 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 (19.12%), EEDSM (0.74%), RBIG (12.07%). Spending on Internally generated funds is also 27.20% 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 October 2024.

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

The municipality's self-assessment for the month of October 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 and Sanitation is accounted for on a daily basis in compliance to MFMA Circular 124. This has enabled the municipality to settle the Eskom current account in full for 9 consecutive months. The municipality settled all invoices for 2023/24 financial year due to DWS.
 - The municipality reduced the arrear debt to DWS by R71,775 million for the 2023/24 financial year.
 - A temporary moratorium on recruitment has been instituted, where the filling of all vacant and funded positions has been suspended with immediate effect, only critical vacant and funded positions will be filled.
 - An interim moratorium has been implemented on the sale of leave. Sale of leave to settle municipal accounts will no longer be permitted.
 - Overtime has been capped to 40 hours across all sections.
 - Strengthening the PMU to aid in the successful implementation of capital projects to address the poor performance on grants.
 - Approved the Smart Meter Policy.
 - Applied for the Smart Meter Grant which the municipality was approved for. Project 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.
 - Assistance from National Treasury, who facilitated a meeting between the municipality, Department of Public works and Provincial Treasury.

15. Annexure A: C-schedules

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M04 October

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	50,347	309,706	229,107	80,600	35%	687,320
Service charges	1,331,093	1,611,046	1,611,046	116,387	514,073	537,015	(22,942)	-4%	1,611,046
Investment revenue	16,116	9,000	9,000	1,514	2,969	3,000	(31)	-1%	9,000
Transfers and subsidies - Operational	289,880	299,271	299,271	3,197	120,740	99,757	20,983	0	299,271
Other own revenue	421,878	351,642	351,642	42,367	145,077	117,214	27,863	24%	-
Total Revenue (excluding capital transfers and contributions)	2,715,410	2,958,278	2,958,278	213,811	1,092,565	986,093	106,473	11%	2,958,278
Employee costs	894,291	950,863	950,863	75,705	272,087	316,956	(44,868)	-14%	950,863
Remuneration of Councillors	33,869	37,077	37,077	2,805	11,225	12,359	(1,134)	-9%	37,077
Depreciation and amortisation	76,441	89,700	89,700	-	22,425	29,900	(7,475)	-25%	89,700
Interest	32,187	17,774	17,774	0	1	5,925	(5,924)	-100%	17,774
Inventory consumed and bulk purchases	1,055,889	1,216,905	1,216,905	97,085	391,036	458,033	(66,997)	-15%	1,216,905
Transfers and subsidies	2,526	3,660	3,660	628	628	1,220	(592)	-48%	3,660
Other expenditure	612,656	612,526	612,526	47,285	190,165	204,177	(14,011)	-7%	612,526
Total Expenditure	2,707,860	2,928,505	2,928,505	223,509	887,567	1,028,569	(141,001)	-14%	2,928,505
Surplus/(Deficit)	7,550	29,774	29,774	(9,698)	204,998	(42,476)	247,474	-583%	29,774
Transfers and subsidies - capital (monetary)	159,040	572,229	572,229	54,606	91,498	190,743	###	-52%	572,229
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	166,590	602,003	602,003	44,909	296,496	148,267	148,229	100%	602,003
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	166,590	602,003	602,003	44,909	296,496	148,267	148,229	100%	602,003
Capital expenditure & funds sources									
Capital expenditure	176,438	613,729	613,729	43,303	85,086	204,576	(119,491)	-58%	613,729
Capital transfers recognised	147,356	572,229	572,229	36,908	73,799	190,743	(116,944)	-61%	572,229
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	29,082	41,500	41,500	6,395	11,286	13,833	(2,547)	-18%	41,500
Total sources of capital funds	176,438	613,729	613,729	43,303	85,086	204,576	(119,491)	-58%	613,729
Financial position									
Total current assets	2,664,713	2,491,688	2,491,688		2,962,613				2,491,688
Total non current assets	2,360,035	2,874,231	2,874,231		2,422,696				2,874,231
Total current liabilities	1,674,520	1,523,552	1,523,552		1,712,405				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		3,196,696				3,432,159
Cash flows									
Net cash from (used) operating	137,865	598,846	598,846	(17,742)	109,176	199,615	90,439	45%	598,846
Net cash from (used) investing	(157,215)	(613,729)	(613,729)	(42,024)	(83,800)	(204,576)	(120,776)	59%	(613,729)
Net cash from (used) financing	(1,569)	(12,788)	(12,788)	9	72	(4,263)	(4,334)	102%	(12,788)
Cash/cash equivalents at the month/year end	(130,455)	(128,487)	(128,487)	139,174	139,174	(110,041)	(249,215)	226%	86,056
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	191,422	109,264	105,336	156,611	79,766	64,537	402,463	#####	3,896,365
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

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										
Governance and administration		1,257,809	1,689,473	1,689,473	130,627	581,591	563,158	18,434	3%	1,689,473
Executive and council		550,062	972,401	972,401	69,740	255,684	324,134	(68,450)	-21%	972,401
Finance and administration		707,747	717,072	717,072	60,886	325,907	239,024	86,883	36%	717,072
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		48,267	42,989	42,989	2,905	11,691	14,330	(2,639)	-18%	42,989
Community and social services		12,642	12,138	12,138	671	1,465	4,046	(2,581)	-64%	12,138
Sport and recreation		2,639	2,720	2,720	162	528	907	(378)	-42%	2,720
Public safety		276	540	540	21	94	180	(86)	-48%	540
Housing		28,843	27,501	27,501	2,050	9,603	9,167	436	5%	27,501
Health		3,867	90	90	-	-	30	(30)	-100%	90
Economic and environmental services		37,710	18,976	18,976	771	5,985	6,325	(340)	-5%	18,976
Planning and development		22,952	5,956	5,956	399	4,806	1,985	2,821	142%	5,956
Road transport		14,758	13,020	13,020	372	1,179	4,340	(3,161)	-73%	13,020
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,520,559	1,767,977	1,767,977	132,982	579,985	589,326	(9,341)	-2%	1,767,977
Energy sources		952,872	1,164,299	1,164,299	77,254	369,292	388,100	(18,807)	-5%	1,164,299
Water management		352,402	398,115	398,115	35,018	127,276	132,705	(5,429)	-4%	398,115
Waste water management		121,173	118,290	118,290	11,816	47,621	39,430	8,191	21%	118,290
Waste management		94,112	87,272	87,272	8,894	35,795	29,091	6,704	23%	87,272
Other	4	10,104	11,092	11,092	1,134	4,811	3,697	1,113	30%	11,092
Total Revenue - Functional	2	2,874,450	3,530,507	3,530,507	268,417	1,184,063	1,176,836	7,227	1%	3,530,507
Expenditure - Functional										
Governance and administration		735,809	755,594	755,594	43,893	221,354	251,866	(30,512)	-12%	755,594
Executive and council		471,647	477,043	477,043	21,164	137,843	159,015	(21,172)	-13%	477,043
Finance and administration		258,593	271,754	271,754	22,312	81,906	90,586	(8,680)	-10%	271,754
Internal audit		5,569	6,797	6,797	418	1,606	2,266	(660)	-29%	6,797
Community and public safety		201,954	207,313	207,313	17,737	61,672	69,105	(7,433)	-11%	207,313
Community and social services		48,586	49,027	49,027	4,071	14,528	16,343	(1,815)	-11%	49,027
Sport and recreation		66,863	63,043	63,043	6,089	20,142	21,015	(872)	-4%	63,043
Public safety		44,135	45,933	45,933	3,650	13,242	15,311	(2,069)	-14%	45,933
Housing		21,956	28,042	28,042	2,233	7,333	9,348	(2,014)	-22%	28,042
Health		20,412	21,267	21,267	1,694	6,427	7,089	(662)	-9%	21,267
Economic and environmental services		168,768	183,093	183,093	15,982	54,066	61,032	(6,966)	-11%	183,093
Planning and development		46,192	55,644	55,644	3,900	15,690	18,548	(2,859)	-15%	55,644
Road transport		121,706	126,551	126,551	12,005	38,091	42,184	(4,093)	-10%	126,551
Environmental protection		870	898	898	78	285	299	(14)	-5%	898
Trading services		1,577,315	1,753,665	1,753,665	143,449	542,922	636,953	(94,030)	-15%	1,753,665
Energy sources		1,010,864	1,151,651	1,151,651	76,643	369,974	436,281	(66,307)	-15%	1,151,651
Water management		365,230	395,412	395,412	48,771	109,230	131,804	(22,574)	-17%	395,412
Waste water management		122,085	119,433	119,433	11,498	38,829	39,811	(982)	-2%	119,433
Waste management		79,136	87,170	87,170	6,538	24,889	29,057	(4,167)	-14%	87,170
Other		24,014	28,839	28,839	2,448	7,552	9,613	(2,061)	-21%	28,839
Total Expenditure - Functional	3	2,707,860	2,928,505	2,928,505	223,509	887,567	1,028,569	(141,001)	-14%	2,928,505
Surplus/ (Deficit) for the year		166,590	602,003	602,003	44,909	296,496	148,267	148,229	0.999743	602,003

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

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	69,740	255,684	324,134	(68,450)	-21.1%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	1,505	1,912	2,054	(141)	-6.9%	6,161
Vote 05 - Community Services		134,820	124,361	124,361	11,174	43,027	41,454	1,573	3.8%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	59,324	323,769	236,704	87,065	36.8%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	465	5,603	2,789	2,814	100.9%	8,368
Vote 08 - Infrastructure And Services		1,456,193	1,709,105	1,709,105	126,209	554,068	569,702	(15,634)	-2.7%	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	268,417	1,184,063	1,176,836	7,227	0.6%	3,530,507
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,615	60,855	60,855	4,740	19,362	20,285	(924)	-4.6%	60,855
Vote 02 - Municipal And General		396,076	403,603	403,603	13,965	111,251	134,535	(23,283)	-17.3%	403,603
Vote 03 - Municipal Manager		27,607	27,854	27,854	3,460	11,240	9,285	1,956	21.1%	27,854
Vote 04 - Corporate Services		71,184	82,140	82,140	6,719	23,657	27,380	(3,723)	-13.6%	82,140
Vote 05 - Community Services		321,918	337,272	337,272	27,732	99,912	112,425	(12,513)	-11.1%	337,272
Vote 06 - Financial Services		137,078	166,217	166,217	13,344	45,148	55,406	(10,259)	-18.5%	166,217
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	67,813	4,973	17,225	22,605	(5,379)	-23.8%	67,813
Vote 08 - Infrastructure And Services		1,633,709	1,782,750	1,782,750	148,575	559,772	646,648	(86,875)	-13.4%	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	223,509	887,567	1,028,569	(141,001)	-13.7%	2,928,505
Surplus/ (Deficit) for the year	2	166,590	602,003	602,003	44,909	296,496	148,267	148,229	100.0%	602,003

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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	71,015	344,236	366,400	(22,163)	-6%	1,099,199
Service charges - Water		276,094	343,685	343,685	29,062	103,761	114,562	(10,800)	-9%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,306	37,702	31,963	5,739	18%	95,890
Service charges - Waste management		75,114	72,271	72,271	7,003	28,373	24,090	4,283	18%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	15,955	1,435	8,061	5,318	2,742	52%	15,955
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		258,041	120,030	120,030	13,331	52,827	40,010	12,817	32%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	1,514	2,969	3,000	(31)	-1%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		28,851	27,740	27,740	2,073	9,677	9,247	430	5%	27,740
Licence and permits		670	1,200	1,200	85	267	400	(133)	-33%	1,200
Operational Revenue		3,202	3,773	3,773	238	919	1,258	(338)	-27%	3,773
Non-Exchange Revenue										
Property rates		656,442	687,320	687,320	50,347	309,706	229,107	80,600	35%	687,320
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		56,767	32,143	32,143	9,029	14,492	10,714	3,778	35%	32,143
Licence and permits		6,500	8,000	8,000	1,012	3,883	2,667	1,217	46%	8,000
Transfers and subsidies - Operational		289,880	299,271	299,271	3,197	120,740	99,757	20,983	21%	299,271
Interest		-	91,900	91,900	8,718	33,454	30,633	2,821	9%	91,900
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		49,299	50,900	50,900	5,034	20,077	16,967	3,111	18%	50,900
Gains on disposal of Assets		19,223	-	-	1,279	1,285	-	1,285	#DIV/0!	-
Other Gains		(15,774)	-	-	133	133	-	133	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		2,715,410	2,958,278	2,958,278	213,811	1,092,565	986,093	106,473	11%	2,958,278
Expenditure By Type										
Employee related costs		894,291	950,863	950,863	75,705	272,087	316,956	(44,868)	-14%	950,863
Remuneration of councillors		33,869	37,077	37,077	2,805	11,225	12,359	(1,134)	-9%	37,077
Bulk purchases - electricity		787,457	897,300	897,300	62,043	302,041	351,497	(49,456)	-14%	897,300
Inventory consumed		268,432	319,605	319,605	35,042	88,994	106,536	(17,542)	-16%	319,605
Debt impairment		333,146	355,246	355,246	-	88,812	118,415	(29,604)	-25%	355,246
Depreciation and amortisation		76,441	89,700	89,700	-	22,425	29,900	(7,475)	-25%	89,700
Interest		32,187	17,774	17,774	0	1	5,925	(5,924)	-100%	17,774
Contracted services		51,343	40,731	40,731	9,825	20,989	13,577	7,411	55%	40,731
Transfers and subsidies		2,526	3,660	3,660	628	628	1,220	(592)	-48%	3,660
Irrecoverable debts written off		-	-	-	1	1	-	1	#DIV/0!	-
Operational costs		138,466	151,549	151,549	14,433	57,337	50,517	6,820	13%	151,549
Losses on Disposal of Assets		1,022	-	-	-	-	-	-	-	-
Other Losses		88,679	65,000	65,000	23,027	23,027	21,667	1,360	6%	65,000
Total Expenditure		2,707,860	2,928,505	2,928,505	223,509	887,567	1,028,569	(141,001)	-14%	2,928,505
Surplus/(Deficit)		7,550	29,774	29,774	(9,698)	204,998	(42,476)	247,474	(0)	29,774
Transfers and subsidies - capital (monetary allocations)		159,040	572,229	572,229	54,606	91,498	190,743	(99,245)	(0)	572,229
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		166,590	602,003	602,003	44,909	296,496	148,267	148,229	0	602,003
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		166,590	602,003	602,003	44,909	296,496	148,267	148,229	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	44,909	296,496	148,267	148,229	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	44,909	296,496	148,267	148,229	0	602,003

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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	-	-	500	(500)	-100%	1,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	5,000	-	525	1,667	(1,142)	-69%	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	-	667	(667)	-100%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	533,450	34,430	70,220	177,817	(107,597)	-61%	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	34,430	70,745	180,650	(109,905)	-61%	541,950
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,646	23,000	23,000	170	256	7,667	(7,411)	-97%	23,000
Vote 03 - Municipal Manager		-	2,349	2,349	12	36	783	(747)	-95%	2,349
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	1,469	1,469	737	732	99%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	3,000	-	-	1,000	(1,000)	-100%	3,000
Vote 08 - Infrastructure And Services		34,444	41,220	41,220	7,223	12,580	13,740	(1,160)	-8%	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	8,874	14,341	23,926	(9,585)	-40%	71,779
Total Capital Expenditure		176,438	613,729	613,729	43,303	85,086	204,576	(119,491)	-58%	613,729
Capital Expenditure - Functional Classification										
Governance and administration		12,646	24,500	24,500	170	256	8,167	(7,911)	-97%	24,500
Executive and council		12,646	24,500	24,500	170	256	8,167	(7,911)	-97%	24,500
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	7,210	7,210	1,469	1,994	2,403	(409)	-17%	7,210
Community and social services		-	5,000	5,000	-	525	1,667	(1,142)	-69%	5,000
Sport and recreation		-	2,210	2,210	1,469	1,469	737	732	99%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,228	48,519	48,519	2,764	12,105	16,173	(4,068)	-25%	48,519
Planning and development		24,020	5,849	5,849	12	36	1,950	(1,913)	-98%	5,849
Road transport		45,208	42,670	42,670	2,752	12,068	14,223	(2,155)	-15%	42,670
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		94,564	532,000	532,000	38,900	70,731	177,333	(106,602)	-60%	532,000
Energy sources		27,354	6,000	6,000	37	37	2,000	(1,963)	-98%	6,000
Water management		62,534	517,500	517,500	38,863	70,434	172,500	(102,066)	-59%	517,500
Waste water management		4,676	8,500	8,500	-	261	2,833	(2,572)	-91%	8,500
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,500	1,500	-	-	500	(500)	-100%	1,500
Total Capital Expenditure - Functional Classification	3	176,438	613,729	613,729	43,303	85,086	204,576	(119,491)	-58%	613,729
Funded by:										
National Government		124,283	572,229	572,229	36,908	73,799	190,743	(116,944)	-61%	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 Corporatons, Higher Educ Institutions)		17,073	-	-	-	-	-	-	-	-
Transfers recognised - capital		147,356	572,229	572,229	36,908	73,799	190,743	(116,944)	-61%	572,229
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		29,082	41,500	41,500	6,395	11,286	13,833	(2,547)	-18%	41,500
Total Capital Funding		176,438	613,729	613,729	43,303	85,086	204,576	(119,491)	-58%	613,729

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M04 October

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	110,455	73,147
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,274,325	1,549,084	1,274,325
Receivables from non-exchange transactions		860,075	927,844	927,844	974,876	927,844
Current portion of non-current receivables		-	-	-	-	-
Inventory		112,013	60,701	60,701	114,285	60,701
VAT		155,736	155,542	155,542	213,184	155,542
Other current assets		638	129	129	730	129
Total current assets		2,664,713	2,491,688	2,491,688	2,962,613	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	2,163,966	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	2,422,696	2,874,231
TOTAL ASSETS		5,024,748	5,365,919	5,365,919	5,385,309	5,365,919
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	(14,788)	(14,788)	-	(14,788)
Consumer deposits		48,699	49,570	49,570	49,912	49,570
Trade and other payables from exchange transactions		1,388,892	1,286,802	1,286,802	1,319,466	1,286,802
Trade and other payables from non-exchange transactions		4,057	-	-	48,196	-
Provision		788	788	788	788	788
VAT		232,084	201,179	201,179	294,043	201,179
Other current liabilities		-	-	-	-	-
Total current liabilities		1,674,520	1,523,552	1,523,552	1,712,405	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	2,162,433	1,933,760
NET ASSETS	2	2,900,200	3,432,159	3,432,159	3,222,875	3,432,159
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,825,396	3,368,093	3,368,093	3,121,892	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	3,196,696	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 - M04 October


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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		507,798	676,122	676,122	43,318	161,147	225,374	(64,227)	-28%	676,122
Service charges		1,185,680	1,513,446	1,513,446	136,999	447,833	504,482	(56,649)	-11%	1,513,446
Other revenue		605,571	92,337	92,337	43,995	409,995	30,779	379,216	1232%	92,337
Transfers and Subsidies - Operational		306,662	299,271	299,271	-	122,609	99,757	22,852	23%	299,271
Transfers and Subsidies - Capital		142,936	572,229	572,229	-	133,768	190,743	(56,975)	-30%	572,229
Interest		3,927	9,000	9,000	2,597	9,591	3,000	6,591	220%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,545,784)	(244,652)	(1,177,887)	(848,595)	329,293	-39%	(2,545,784)
Interest		281	(17,774)	(17,774)	-	2,121	(5,925)	(8,045)	136%	(17,774)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		137,865	598,846	598,846	(17,742)	109,176	199,615	90,439	45%	598,846
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		19,223	-	-	1,279	1,285	-	1,285	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(176,438)	(613,729)	(613,729)	(43,303)	(85,086)	(204,576)	(119,491)	58%	(613,729)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(157,215)	(613,729)	(613,729)	(42,024)	(83,800)	(204,576)	(120,776)	59%	(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	9	72	667	(595)	-89%	2,000
Payments										
Repayment of borrowing		-	(14,788)	(14,788)	-	-	(4,929)	(4,929)	100%	(14,788)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,569)	(12,788)	(12,788)	9	72	(4,263)	(4,334)	102%	(12,788)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		(109,536)	(100,817)	(100,817)	198,931	113,726	(100,817)			113,726
Cash/cash equivalents at month/year end:		(130,455)	(128,487)	(128,487)	139,174	139,174	(110,041)			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 R110,455 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			
 <p>National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003</p>			
Municipality Self-Assessment			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period		Oct'24	
National Financial Year		2024/25	
Demarcation Code of Municipality being assessed		NC091	
District	Frances Baard		
Demarcation Description	Sol Plaatje		
<p>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:</p>			
Municipal Debt Relief Conditions (Monthly reporting)		Choose from drop down list	
6.3 + 6.12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption)		
1	6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Yes	The municipality settled the current of September 2024 invoice in full, amounting to R18,973 million, on 31 October 2024.
2	6.12.2 - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://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)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes	The municipality settled an amount of R69,338 million on September 2024 account excluding interest amounting to R1,749 million on 30 October 2024. Total invoice amount was R71,087 million.
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)	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? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes	
10	6.4.1 - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	Yes	
11	6.4.2 - If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	NA - the MTREF is funded	
12	6.4.2 - If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	Na	
13	6.4.2 - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.)?	Yes	
14	6.5 - Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and Item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	

Notes/Comments

6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:	
15	6.6.1 - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2 - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3 - the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/interruption of water together with the municipal engineer(s) to ensure a minimum supply of water.	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? Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.	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.	
5.7	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? 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.	Not yet end of quarter
6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:	
20	6.7.2.1 - the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection	not yet the end of a quarter
21	6.7.2.2 - the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
22	6.7.2.3 - the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reasons for the failure?	not yet the end of a quarter
23	6.7.3 - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4 - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect from the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5 - Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8	Municipality's Completeness of the revenue base –	
26	6.8.1 - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered	Yes
27	6.8.1 - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? 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.	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://uploadportal.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? Note - condition 6.9.2 has a brown error and must refer to 6.9.1.	Yes
31	6.9.3 - Municipalities with financial recovery plans (FRP) – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4 - If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://uploadportal.treasury.gov.za ? 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.	No FRP
6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	
33	6.10.1 - has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2 - has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://uploadportal.treasury.gov.za ? Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.	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? 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.	No

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

PT: HOD/ NT / MM Name:

BS Matlala

Signature of HOD/ NT/ MM:

Date:

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

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

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

The tables below 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 to 31 October 2024.

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	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	90%	Non Compliance		
2.Aug 2024	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance	
3.Sep 2024	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance	
4.Oct 2023	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	56%	Non Compliance		
5.Nov 2023	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
6.Dec 2023	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance	
7.Jan 2024	Sol Plaatje	NC091	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
8.Feb 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	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	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	73%	Non Compliance	
10.Mar 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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance	
11.May 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
12.Jun 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance

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.July	Sol Plaatje	NC091																																												0%	Non Compliance		
2.August	Sol Plaatje	NC091																																														0%	Non Compliance
3.September	Sol Plaatje	NC091																																														0%	Non Compliance
4.October	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance		
5.November	Sol Plaatje	NC091																																														0%	Non Compliance
6.December	Sol Plaatje	NC091																																														0%	Non Compliance
7.January	Sol Plaatje	NC091																																														0%	Non Compliance
8.February	Sol Plaatje	NC091																																														0%	Non Compliance
9.March	Sol Plaatje	NC091																																														0%	Non Compliance
10.April	Sol Plaatje	NC091																																														0%	Non Compliance
11.May	Sol Plaatje	NC091																																														0%	Non Compliance
12.June	Sol Plaatje	NC091																																														0%	Non Compliance

The 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 has until the 11 December 2024 to pay **R134,337,170.97**. The municipality could not settle the payment arrangement instalment of R6.7 million which was due at the end of October 2024. 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 September 2024 is attached to this S71 report.

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

Strict Enforcement of Credit Control and Debt Collection Policies: Sol Plaatje Local Municipality must enforce its credit control and debt collection policy without exception. The current laxity in applying these policies is unacceptable and is directly contributing to rising debt balances and poor collection rates. Immediate corrective action is required to prevent further erosion of revenue streams, which jeopardizes the municipality's financial stability and eligibility for debt relief benefits.

Immediate Resolution of Eskom Payment Shortfalls: The arrear debt for the current financial year of R134 million to Eskom is a severe liability that threatens the municipality's compliance status and future access to debt relief. The municipality must implement a robust payment strategy to address this debt, including strategic planning to manage peak billing periods. Failure to meet Eskom obligations will result in dire financial consequences and further damage the municipality's creditworthiness.

Effective Utilization of R100 Million Grant for Smart Meter Rollout: The National Treasury has approved R100 million in grant funding for the rollout of smart meters. This funding presents a critical opportunity for Sol Plaatje Local Municipality to improve revenue collection and reduce technical losses. The municipality must ensure the effective implementation of the smart meter rollout, focusing on project efficiency, accountability, and prompt execution.

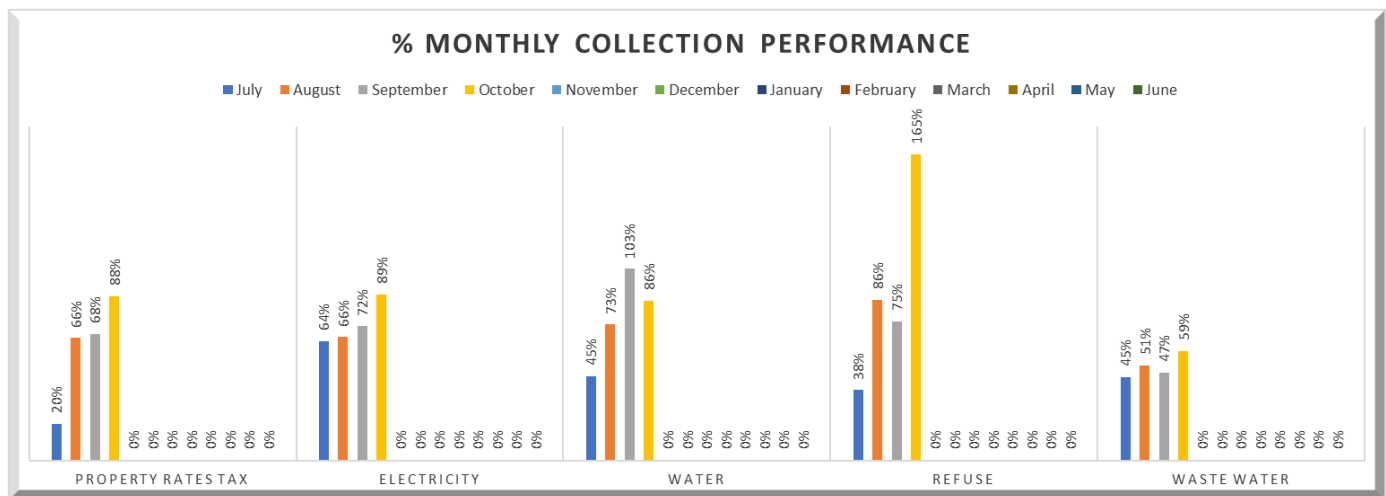
Enhanced Accountability in Debt Relief Fund Management: Debt relief funds must be strictly segregated, accurately tagged, and accounted for, to prevent misuse and ensure easy tracking. Any deviation from this practice will be viewed as a failure in fiduciary responsibility. The municipality must prioritize transparency and accountability in the use of debt relief funds or face potential sanctions.

Alignment with National Treasury Compliance Standards: Sol Plaatje Local Municipality's performance on MFMA Circular No. 124 conditions is subpar, with only a 71% compliance rate. This is insufficient and requires immediate action to close compliance gaps. The National Treasury will not tolerate non-compliance with the debt relief programme's stringent conditions. The municipality must treat this programme as an urgent priority, dedicating resources to meet every stipulated requirement fully.

Active Monitoring of Utility Management: The municipality's inability to restrict water supply to defaulting non-indigent consumers is a glaring weakness in its credit control mechanisms. Immediate technological upgrades must be pursued to enable this capability, ensuring better control over service delivery and revenue collection.

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

16.4.1 Monthly / Quarterly collection per ward



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

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

Collection Rate Assessment	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q3	Summary - Quarter 4				Q4
	Billing	Collection	R-Billing not collected	% Collection		Billing	Collection	R-Billing not collected	% Collection		Billing	Collection	R-Billing not collected	% Collection		Billing	Collection	R-Billing not collected	% Collection	
1. Collection for whole demarcation	647,395,914	338,912,509	310,483,405	52%	52%	160,048,070	141,434,483	18,613,587	88%	88%	-	-	-	-	-	-	-	-	-	
2. Collection <u>and</u> <u>from</u> <u>supplied</u> <u>areas</u>	555,255,631	300,989,830	254,665,801	54%	54%	137,580,327	123,007,196	14,573,131	89%	89%	-	-	-	-	-	-	-	-	-	
3. Collection: Property Rates	258,600,294	120,105,002	138,456,292	46%	46%	50,383,929	43,388,200	7,025,729	86%	86%	-	-	-	-	-	-	-	-	-	
4. Total average collection: Electricity (Municipal supplied areas)	203,550,128	153,411,100	50,138,028	75%	75%	42,144,894	69,517,801	(27,372,807)	165%	165%	-	-	-	-	-	-	-	-	-	
5. Total average collection: Water	73,414,201	35,225,878	38,188,323	48%	48%	29,335,414	17,281,445	12,053,969	59%	59%	-	-	-	-	-	-	-	-	-	
6. Total average collection: Wastewater	26,960,122	12,259,704	14,700,417	45%	45%	8,985,297	4,676,130	4,309,136	52%	52%	-	-	-	-	-	-	-	-	-	
7. Total average collection: Refuse	21,989,092	10,655,712	10,943,380	49%	49%	7,161,412	4,444,231	2,717,181	62%	62%	-	-	-	-	-	-	-	-	-	
8. Total average collection: Interest	63,272,078	5,255,113	58,016,965	8%	8%	22,035,055	2,156,676	19,878,380	10%	10%	-	-	-	-	-	-	-	-	-	

Description	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%
Revised average collection rate	80%	44%	58%	65%	72%
Average collection rate per Ward (Monthly)	62%	33%	66%	68%	88%
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, although this has improved for the month under review. The quarterly collection rate for the first quarter, is distorted due to the annual billing on Property rates. The average calculated by the municipality is slightly higher due to prepaid electricity sales and unallocated credits being taken into consideration.

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		Summary - Quarter 1				Q1	4.October - Reporting for September in October			
		Billing	Collection	R - Billing not collected	% Collection		Billing For September	Collection in October	R - Billing not collected	% Collection
1.Collection for whole demarcation	Summary	647,395,914	336,912,509	310,483,405	52%	52%	160,046,070	141,434,483	45,984,394	88%
2.Collection <u>excl Eskom supplied areas</u>		555,255,631	300,589,830	254,665,801	54%	54%	137,580,327	123,007,196	39,432,200	89%
3.Collection: Property Rates		258,600,294	120,105,002	138,495,292	46%	46%	50,383,929	43,358,200	7,025,729	86%
4.Total average collection: Electricity (Municipal supplied areas)		203,550,128	153,411,100	50,139,028	75%	75%	42,144,994	69,517,801	0	165%
5.Total average collection: Water		73,414,201	35,225,878	38,188,323	48%	48%	29,335,414	17,281,445	12,053,969	59%
6.Total average collection: Wastewater		26,960,122	12,259,704	14,700,417	45%	45%	8,985,267	4,676,130	4,309,136	52%
7.Total average collection: Refuse		21,599,092	10,655,712	10,943,380	49%	49%	7,161,412	4,444,231	2,717,181	62%
8. 7.Total average collection: Interest		63,272,078	5,255,113	58,016,965	8%		22,035,055	2,156,676	19,878,380	10%

Complete This Section			Quarter 1 Performance Per Ward					Quarter 2 Performance Per Ward								
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	4.October				Q2				
								Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
Property Rates Tax	Mun Supplied	Ward 1 - Platfontein, Sunset Manor, Legeng / (Lethabo Park)	447,866	195,177	252,689	44%	44%	2,694	26,458	0	982%	2,694	26,458	(23,764)	982%	982%
Electricity			6,616,557	3,173,982	3,442,575	48%	48%	1,804,998	2,806,908	0	156%	1,804,998	2,806,908	(1,001,911)	156%	156%
Water			3,828,425	1,582,349	2,246,076	41%	41%	1,866,099	1,607,777	258,322	86%	1,866,099	1,607,777	258,322	86%	86%
Refuse			250,016	87,597	162,419	35%	35%	73,465	61,665	11,800	84%	73,465	61,665	11,800	84%	84%
Waste Water			274,572	203,691	70,881	74%	74%	83,994	10,894	73,099	13%	83,994	10,894	73,099	13%	13%
Interest			1,638,719	80,107	1,558,612	5%	5%	503,581	14,495	489,086	3%	503,581	14,495	489,086	3%	3%
Property Rates Tax	Mun Supplied	Ward 2 - Roodoepan	4,843,159	2,592,759	2,250,399	54%	54%	974,515	536,117	438,398	55%	974,515	536,117	438,398	55%	55%
Electricity			1,117,821	776,682	341,139	69%	69%	261,665	300,168	0	115%	261,665	300,168	(38,502)	115%	115%
Water			2,100,364	776,738	1,323,626	37%	37%	672,342	267,345	404,997	40%	672,342	267,345	404,997	40%	40%
Refuse			762,913	348,573	414,340	46%	46%	257,946	132,703	125,243	51%	257,946	132,703	125,243	51%	51%
Waste Water			1,112,642	512,554	600,089	46%	46%	373,559	181,550	192,009	49%	373,559	181,550	192,009	49%	49%
Interest			1,817,746	94,690	1,723,056	5%	5%	714,742	48,812	665,930	7%	714,742	48,812	665,930	7%	7%
Property Rates Tax	Mun Supplied	Ward 3 - Homevale, Homelife, Homestead, Sol plaatje RE, Ramora	3,467,105	1,835,625	1,631,480	53%	53%	642,545	280,514	362,031	44%	642,545	280,514	362,031	44%	44%
Electricity			624,163	254,028	370,135	41%	41%	136,115	80,456	55,659	59%	136,115	80,456	55,659	59%	59%
Water			1,610,427	376,544	1,233,883	23%	23%	506,365	131,732	374,633	26%	506,365	131,732	374,633	26%	26%
Refuse			488,266	211,816	276,450	43%	43%	168,465	74,154	94,311	44%	168,465	74,154	94,311	44%	44%
Waste Water			699,452	293,549	405,903	42%	42%	241,522	110,246	131,276	46%	241,522	110,246	131,276	46%	46%
Interest			1,360,985	96,563	1,264,422	7%	7%	467,190	40,057	427,132	9%	467,190	40,057	427,132	9%	9%
Property Rates Tax	Mun Supplied	Ward 4 - Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg 9, Witdam	2,184,620	1,097,104	1,087,516	50%	50%	407,394	380,536	26,858	93%	407,394	380,536	26,858	93%	93%
Electricity			1,413,742	797,267	616,475	56%	56%	130,476	304,894	0	234%	130,476	304,894	(174,418)	234%	234%
Water			1,370,466	354,019	1,016,447	26%	26%	638,505	147,685	490,820	23%	638,505	147,685	490,820	23%	23%
Refuse			445,034	156,710	288,323	35%	35%	153,419	61,993	91,425	40%	153,419	61,993	91,425	40%	40%
Waste Water			636,381	230,060	406,321	36%	36%	219,287	88,777	130,510	40%	219,287	88,777	130,510	40%	40%
Interest			1,120,084	36,831	1,083,253	3%	3%	388,001	17,240	370,761	4%	388,001	17,240	370,761	4%	4%
Property Rates Tax	Mun Supplied	Ward 5 - Vergenoeg Ext 2, Redirie, Thusano	1,169,874	778,074	391,800	67%	67%	275,097	130,154	144,943	47%	275,097	130,154	144,943	47%	47%
Electricity			178,056	111,024	67,032	62%	62%	36,765	43,790	0	119%	36,765	43,790	(7,025)	119%	119%
Water			591,617	197,143	394,474	33%	33%	383,950	89,433	294,518	23%	383,950	89,433	294,518	23%	23%
Refuse			417,898	123,308	294,590	30%	30%	144,079	50,062	94,018	35%	144,079	50,062	94,018	35%	35%
Waste Water			581,821	175,027	406,794	30%	30%	200,598	68,127	132,470	34%	200,598	68,127	132,470	34%	34%
Interest			1,029,352	22,369	1,006,983	2%	2%	349,505	7,003	342,502	2%	349,505	7,003	342,502	2%	2%
Property Rates Tax	Mun Supplied	Ward 6 - Vergenoeg Ext 10, Boikotsong, Solly Legodi, Blikkies	530,997	128,226	402,771	24%	24%	179,370	45,943	133,427	26%	179,370	45,943	133,427	26%	26%
Electricity			47,482	43,503	3,980	92%	92%	10,474	5,147	5,327	49%	10,474	5,147	5,327	49%	49%
Water			1,474,037	143,362	1,330,675	10%	10%	611,543	48,275	563,269	8%	611,543	48,275	563,269	8%	8%
Refuse			420,842	92,453	328,389	22%	22%	143,774	25,394	118,380	18%	143,774	25,394	118,380	18%	18%
Waste Water			588,908	109,779	479,130	19%	19%	201,294	35,408	165,886	18%	201,294	35,408	165,886	18%	18%
Interest			1,287,624	16,328	1,271,297	1%	1%	441,162	6,592	434,569	1%	441,162	6,592	434,569	1%	1%
Property Rates Tax	Mun Supplied	Ward 7 - Sol Plaatje RE, Solly Legodi square, Vergenoeg Ext 1, Vergenoeg, Uburu Golf Course/Kiemvamaak	1,746,998	863,301	883,697	49%	49%	222,647	77,786	144,861	35%	222,647	77,786	144,861	35%	35%
Electricity			398,156	206,407	191,749	52%	52%	64,160	66,984	0	104%	64,160	66,984	(2,824)	104%	104%
Water			1,201,281	228,656	972,624	19%	19%	507,809	75,381	432,428	15%	507,809	75,381	432,428	15%	15%
Refuse			421,087	131,697	289,390	31%	31%	135,699	45,256	90,443	33%	135,699	45,256	90,443	33%	33%
Waste Water			617,888	188,961	428,927	31%	31%	199,372	62,867	136,506	32%	199,372	62,867	136,506	32%	32%
Interest			1,028,970	24,004	1,004,966	2%	2%	350,724	7,239	343,486	2%	350,724	7,239	343,486	2%	2%
Property Rates Tax	Mun Supplied	Ward 8 - John Mamphe 1, Mamphe Ext, Lathi Mabilo Park, Donkerhoek	2,837,842	85,740	2,752,101	3%	3%	130,001	21,934	108,067	17%	130,001	21,934	108,067	17%	17%
Electricity			378,248	218,388	159,860	58%	58%	224,415	261,199	0	116%	224,415	261,199	(36,784)	116%	116%
Water			965,630	84,516	881,114	9%	9%	260,204	50,751	209,453	20%	260,204	50,751	209,453	20%	20%
Refuse			434,568	61,664	372,904	14%	14%	121,822	22,159	99,663	18%	121,822	22,159	99,663	18%	18%
Waste Water			583,744	75,849	507,894	13%	13%	178,816	21,328	157,488	12%	178,816	21,328	157,488	12%	12%
Interest			1,284,035	20,535	1,263,500	2%	2%	451,343	2,635	448,708	1%	451,343	2,635	448,708	1%	1%

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

Complete This Section			Quarter 1 Performance Per Ward					Quarter 2 Performance Per Ward								
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	4.October				Q2				
								Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
Property Rates Tax	Mun Supplied	Ward 9 - Ipopeng, Retsewelle	3,057,991	1,276,167	1,781,825	42%	42%	781,886	423,015	358,871	54%	781,886	423,015	358,871	54%	54%
Electricity			561,334	381,002	180,332	68%	68%	149,177	151,637	0	102%	149,177	151,637	(2,460)	102%	102%
Water			1,210,467	609,694	600,773	50%	50%	396,336	237,776	158,560	60%	396,336	237,776	158,560	60%	60%
Refuse			484,202	296,085	188,116	61%	61%	166,470	112,080	54,390	67%	166,470	112,080	54,390	67%	67%
Waste Water			691,173	396,241	294,932	57%	57%	238,219	137,021	101,198	58%	238,219	137,021	101,198	58%	58%
Interest			1,141,786	109,643	1,032,143	10%	10%	401,183	18,405	382,778	5%	401,183	18,405	382,778	5%	5%
Property Rates Tax	Mun Supplied	Ward 10 - Tshwaragano, Vergenoeg Ext 7, Vergenoeg Ext 5	2,774,255	2,195,015	579,240	79%	79%	389,503	417,271	0	107%	389,503	417,271	(27,768)	107%	107%
Electricity			1,648,524	1,233,749	414,774	75%	75%	428,290	376,099	52,190	88%	428,290	376,099	52,190	88%	88%
Water			1,417,592	510,092	907,500	36%	36%	401,267	143,417	257,850	36%	401,267	143,417	257,850	36%	36%
Refuse			476,503	218,079	258,425	46%	46%	160,997	84,901	76,097	53%	160,997	84,901	76,097	53%	53%
Waste Water			610,107	270,644	339,463	44%	44%	206,309	98,442	107,867	48%	206,309	98,442	107,867	48%	48%
Interest			1,155,008	100,999	1,054,010	9%	9%	387,797	30,511	357,286	8%	387,797	30,511	357,286	8%	8%
Property Rates Tax	Mun Supplied	Ward 11 - Retsewelle, Agisaanang, Vergenoeg Ext 8, Vergenoeg Ext 6	4,709,714	1,395,770	3,313,945	30%	30%	145,151	60,116	85,035	41%	145,151	60,116	85,035	41%	41%
Electricity			1,212,760	452,205	760,555	37%	37%	257,161	463,623	0	180%	257,161	463,623	(206,462)	180%	180%
Water			1,234,379	295,087	939,291	24%	24%	465,283	81,738	383,545	18%	465,283	81,738	383,545	18%	18%
Refuse			333,985	110,656	223,329	33%	33%	116,683	39,738	76,945	34%	116,683	39,738	76,945	34%	34%
Waste Water			548,458	196,044	352,414	36%	36%	190,343	60,632	129,711	32%	190,343	60,632	129,711	32%	32%
Interest			999,909	20,404	979,505	2%	2%	369,668	6,560	363,107	2%	369,668	6,560	363,107	2%	2%
Property Rates Tax	Mun Supplied	Ward 12 - kwaNobantu Ext 1, kwaNobantu, Galeshewe proper, Galeshewe Ext 2	2,314,195	627,455	1,686,739	27%	27%	298,136	141,680	156,456	48%	298,136	141,680	156,456	48%	48%
Electricity			550,853	226,267	324,586	41%	41%	129,072	104,052	25,020	81%	129,072	104,052	25,020	81%	81%
Water			1,119,847	297,878	821,969	27%	27%	291,014	137,783	153,230	47%	291,014	137,783	153,230	47%	47%
Refuse			401,799	150,040	251,759	37%	37%	138,149	59,318	78,831	43%	138,149	59,318	78,831	43%	43%
Waste Water			568,391	211,106	357,286	37%	37%	194,881	75,368	119,514	39%	194,881	75,368	119,514	39%	39%
Interest			1,122,963	66,285	1,056,677	6%	6%	392,158	27,898	364,260	7%	392,158	27,898	364,260	7%	7%
Property Rates Tax	Mun Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gemdene	2,238,264	1,629,829	608,434	73%	73%	227,237	167,201	60,036	74%	227,237	167,201	60,036	74%	74%
Electricity			1,846,594	1,526,193	320,401	83%	83%	463,587	519,196	0	112%	463,587	519,196	(55,609)	112%	112%
Water			1,199,559	286,585	912,974	24%	24%	356,051	94,631	261,420	27%	356,051	94,631	261,420	27%	27%
Refuse			207,419	99,663	107,756	48%	48%	77,322	27,392	49,930	35%	77,322	27,392	49,930	35%	35%
Waste Water			337,844	179,607	158,237	53%	53%	123,770	48,208	75,563	39%	123,770	48,208	75,563	39%	39%
Interest			693,214	43,789	649,426	6%	6%	238,843	9,341	229,501	4%	238,843	9,341	229,501	4%	4%
Property Rates Tax	Mun Supplied	Ward 14 - Northview, Cobille, Gemdene, Square Hill Park, Floors, Utility, Arshburham	11,722,452	5,028,108	6,694,344	43%	43%	1,346,871	934,754	412,117	69%	1,346,871	934,754	412,117	69%	69%
Electricity			6,552,202	5,051,875	1,500,327	77%	77%	1,591,552	1,585,022	6,530	100%	1,591,552	1,585,022	6,530	100%	100%
Water			2,145,608	1,360,299	785,308	63%	63%	899,683	502,983	396,701	56%	899,683	502,983	396,701	56%	56%
Refuse			1,001,043	746,445	254,597	75%	75%	340,596	312,158	28,438	92%	340,596	312,158	28,438	92%	92%
Waste Water			929,046	604,529	324,518	65%	65%	319,758	214,110	105,649	67%	319,758	214,110	105,649	67%	67%
Interest			1,817,924	143,995	1,673,929	8%	8%	764,774	33,156	731,618	4%	764,774	33,156	731,618	4%	4%
Property Rates Tax	Mun Supplied	Ward 15 - Ipeleg, Phomolong, Phuthanang, Sol Plaatje RE	2,393,008	911,094	1,481,914	38%	38%	304,490	111,308	193,182	37%	304,490	111,308	193,182	37%	37%
Electricity			410,003	372,003	37,999	91%	91%	105,090	129,090	0	123%	105,090	129,090	(24,000)	123%	123%
Water			1,178,600	253,779	924,822	22%	22%	538,852	64,093	474,759	12%	538,852	64,093	474,759	12%	12%
Refuse			465,654	129,342	336,312	28%	28%	149,447	35,930	113,517	24%	149,447	35,930	113,517	24%	24%
Waste Water			659,158	192,043	467,115	29%	29%	212,146	55,127	157,019	26%	212,146	55,127	157,019	26%	26%
Interest			1,309,168	56,760	1,252,408	4%	4%	448,641	7,118	441,523	2%	448,641	7,118	441,523	2%	2%
Property Rates Tax	Mun Supplied	Ward 16 - Phuthanang Cemetery, Promise Land, Lindelani, Snake Park, Tsweliling,	450,982	50,846	400,135	11%	11%	155,470	26,282	129,188	17%	155,470	26,282	129,188	17%	17%
Electricity			56,852	459	56,393	1%	1%	(8,323)	30	0	0%	(8,323)	30	(8,353)	0%	0%
Water			1,378,309	80,143	1,298,166	6%	6%	636,497	38,515	597,981	6%	636,497	38,515	597,981	6%	6%
Refuse			487,487	48,676	438,812	10%	10%	153,288	26,750	126,538	17%	153,288	26,750	126,538	17%	17%
Waste Water			697,601	73,229	624,372	10%	10%	220,438	38,054	182,384	17%	220,438	38,054	182,384	17%	17%
Interest			1,309,616	11,184	1,298,432	1%	1%	456,577	2,458	454,119	1%	456,577	2,458	454,119	1%	1%

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

Complete This Section			Quarter 1 Performance Per Ward				Quarter 2 Performance Per Ward					
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	4.October				Q2
								Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	
Property Rates Tax	Mun Supplied	Ward 17 - Kagiso, Thlagingo, John Mamppe 2, Dircelanang	1,306,726	554,021	752,705	42%	42%	442,106	205,200	236,906	46%	46%
Electricity			163,876	79,292	84,584	48%	48%	39,567	34,435	5,132	87%	87%
Water			1,269,672	288,227	981,445	23%	23%	417,519	112,142	305,376	27%	27%
Refuse			579,340	173,959	405,380	30%	30%	201,833	60,445	141,388	30%	30%
Waste Water			785,041	233,212	551,829	30%	30%	273,132	75,632	197,500	28%	28%
Interest	1,502,540	34,822	1,467,718	2%	2%	524,811	21,130	503,681	4%	4%		
Property Rates Tax	Mun Supplied	Ward 18 - Kristenhof, Numalo Street Area, Galesheve Ext 7, Verwoerd Park, Riviera	10,978,659	2,469,548	8,509,111	22%	22%	1,111,904	2,115,212	0	190%	190%
Electricity			5,293,122	4,410,115	883,008	83%	83%	1,167,460	2,130,899	(963,440)	183%	183%
Water			2,350,555	1,104,446	1,247,109	47%	47%	826,013	407,656	418,357	49%	49%
Refuse			617,795	378,577	239,219	61%	61%	205,592	137,828	67,764	67%	67%
Waste Water			809,876	465,643	344,233	57%	57%	269,472	167,869	101,603	62%	62%
Interest	1,833,727	231,558	1,602,169	13%	13%	643,157	39,621	603,536	6%	6%		
Property Rates Tax	Mun Supplied	Ward 19 - Galesheve Ext 5, Galesheve Ext 4	1,083,753	629,610	454,143	58%	58%	239,787	99,729	140,058	42%	42%
Electricity			139,784	73,124	66,660	52%	52%	(842)	31,843	0	-3784%	-3784%
Water			1,610,096	249,424	1,360,673	15%	15%	446,884	94,517	352,368	21%	21%
Refuse			439,015	119,346	319,669	27%	27%	149,243	39,785	109,458	27%	27%
Waste Water			581,320	152,788	428,532	26%	26%	195,987	52,633	143,354	27%	27%
Interest	1,452,762	35,322	1,417,440	2%	2%	490,726	14,281	476,445	3%	3%		
Property Rates Tax	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley North, Diamond Park, Albertshof, Kestelhof	52,416,771	30,428,414	21,988,357	58%	58%	12,895,071	13,859,805	0	107%	107%
Electricity			44,773,141	35,112,369	9,660,772	78%	78%	9,618,083	13,941,019	0	145%	145%
Water			6,415,038	5,633,523	781,515	88%	88%	2,673,590	2,083,452	590,138	78%	78%
Refuse			3,060,831	2,231,517	829,315	73%	73%	1,011,449	825,436	186,013	82%	82%
Waste Water			2,577,674	1,869,378	708,297	73%	73%	854,254	852,363	1,890	100%	100%
Interest	5,979,480	892,081	5,087,399	15%	15%	2,095,589	751,405	1,344,184	36%	36%		
Property Rates Tax	Mun Supplied	Ward 21 - De Beers, Hull Street Area, Ernestville, Moghul Park, Herbar, Belgravia, Turner Road Industrial area	13,655,468	8,005,724	5,649,744	59%	59%	3,178,850	2,847,262	331,588	90%	90%
Electricity			13,862,889	9,859,723	4,003,166	71%	71%	2,944,498	4,561,717	0	155%	155%
Water			3,588,508	2,824,092	764,415	79%	79%	1,052,607	1,292,211	0	123%	123%
Refuse			1,171,149	840,078	331,071	72%	72%	390,543	636,905	0	163%	163%
Waste Water			1,311,388	902,368	409,020	69%	69%	436,575	368,129	68,445	84%	84%
Interest	2,585,761	555,542	2,030,219	21%	21%	896,949	265,458	631,492	30%	30%		
Property Rates Tax	Mun Supplied	Ward 22 - South Ridge, Green Point, Fabricia	11,192,272	3,889,324	7,302,948	35%	35%	1,348,653	1,536,150	0	114%	114%
Electricity			8,275,057	7,056,077	1,218,980	85%	85%	2,101,045	3,621,053	0	172%	172%
Water			2,211,722	958,944	1,252,778	43%	43%	1,082,454	407,650	674,804	38%	38%
Refuse			672,179	273,552	398,626	41%	41%	206,663	86,794	119,869	42%	42%
Waste Water			881,444	279,838	601,607	32%	32%	269,657	97,485	172,172	36%	36%
Interest	1,520,993	94,168	1,426,825	6%	6%	536,582	166,708	369,875	31%	31%		
Property Rates Tax	Mun Supplied	Ward 23 - Civic Centre, New Park, Labram, Royleigh, Rhododend, Monument Heights, El toro Park, Minerva Gardens	42,857,823	22,948,570	19,909,254	54%	54%	8,655,860	7,686,194	969,666	89%	89%
Electricity			44,493,862	33,175,812	11,318,050	75%	75%	9,734,553	13,265,113	0	136%	136%
Water			6,173,618	4,142,669	2,030,949	67%	67%	2,249,472	1,881,475	367,997	84%	84%
Refuse			1,363,937	1,101,340	262,597	81%	81%	452,899	435,185	17,714	96%	96%
Waste Water			1,744,486	1,279,596	464,890	73%	73%	580,065	544,575	35,491	94%	94%
Interest	2,754,093	430,209	2,323,884	16%	16%	991,983	81,073	910,910	8%	8%		
Property Rates Tax	Mun Supplied	Ward 24 - Carters Glen, Lindene, Rhododend, Heuwelsig, Hadison park	14,774,916	9,343,612	5,431,304	63%	63%	3,558,662	3,033,091	525,571	85%	85%
Electricity			8,545,646	5,908,091	2,637,555	69%	69%	1,967,837	2,250,797	0	114%	114%
Water			3,639,436	2,668,562	970,874	73%	73%	1,557,981	1,169,806	388,174	75%	75%
Refuse			928,638	753,984	174,654	81%	81%	309,525	296,191	13,334	96%	96%
Waste Water			1,304,704	1,114,690	190,013	85%	85%	435,108	407,163	27,945	94%	94%
Interest	877,430	196,601	680,829	22%	22%	343,930	44,068	299,862	13%	13%		
Property Rates Tax	Mun Supplied	Ward 25 - De Beers Mine, Beaconfield, Memorial Road Area, Klisserville	9,237,515	5,033,948	4,203,568	54%	54%	1,672,132	1,330,777	341,355	80%	80%
Electricity			4,345,704	3,873,624	472,080	89%	89%	979,685	1,332,992	0	136%	136%
Water			1,295,549	1,552,926	(257,377)	120%	120%	771,459	682,762	88,698	89%	89%
Refuse			570,096	413,032	157,064	72%	72%	186,531	152,621	33,910	82%	82%
Waste Water			745,313	513,381	231,931	69%	69%	245,163	205,197	39,965	84%	84%
Interest	1,051,803	90,367	961,435	9%	9%	363,575	15,465	348,110	4%	4%		

Soi Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: October 2024

Complete This Section			Quarter 1 Performance Per Ward				Quarter 2 Performance Per Ward									
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	4.October				Q2				
								Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q2
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 26 - Sol Plaatje R.E. Rietvale, Mandela Square, Moswedimos, Ilegeng, Ritchie-DeKobolob, DiamondPark, De	38,496,935	8,010,035	30,486,900	21%	21%	6,546,021	3,600,370	2,945,651	55%	6,546,021	3,600,370	2,945,651	55%	55%
Electricity			23,561,856	20,070,368	3,491,488	85%	85%	4,208,850	10,080,460	0	240%	4,208,850	10,080,460	(5,871,610)	240%	240%
Water			9,813,875	5,471,631	4,342,244	56%	56%	4,087,515	3,349,970	737,545	82%	4,087,515	3,349,970	737,545	82%	82%
Refuse			1,298,050	406,674	891,376	31%	31%	456,974	234,236	222,737	51%	456,974	234,236	222,737	51%	51%
Waste Water			1,382,046	385,023	997,023	28%	28%	468,691	156,735	311,956	33%	468,691	156,735	311,956	33%	33%
Interest	10,905,648	1,464,420	9,441,228	13%	13%	3,691,192	249,758	3,441,434	7%	3,691,192	249,758	3,441,434	7%	7%		
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 27 - Rietvale, Sol Plaatje RE	1,124,908	422,751	702,157	38%	38%	232,548	556,818	0	239%	232,548	556,818	(324,271)	239%	239%
Electricity			23,893	1,941	21,952	8%	8%	(14,105)	636	0	-5%	(14,105)	636	(14,741)	-5%	-5%
Water			1,534,506	17,918	1,516,588	1%	1%	1,454,067	73,456	1,380,611	5%	1,454,067	73,456	1,380,611	5%	5%
Refuse			480,198	11,777	468,421	2%	2%	160,691	21,533	139,159	13%	160,691	21,533	139,159	13%	13%
Waste Water			764,023	18,024	745,999	2%	2%	254,874	14,805	240,069	6%	254,874	14,805	240,069	6%	6%
Interest	2,754,345	42,118	2,712,227	2%	2%	918,426	88,509	829,917	10%	918,426	88,509	829,917	10%	10%		
Property Rates Tax	Mun Supplied	Ward 28 - Sol Plaatje Re, Kenilworth, Kimdustria, Greenside, De Beers Mine	8,816,445	6,058,475	2,757,969	69%	69%	2,688,978	2,037,742	651,236	76%	2,688,978	2,037,742	651,236	76%	76%
Electricity			24,674,132	17,891,108	6,783,024	73%	73%	3,320,647	10,711,709	0	323%	3,320,647	10,711,709	(7,391,062)	323%	323%
Water			3,662,275	1,972,225	1,690,049	54%	54%	1,279,247	1,686,730	0	132%	1,279,247	1,686,730	(407,483)	132%	132%
Refuse			852,559	531,049	321,510	62%	62%	252,866	195,771	57,095	77%	252,866	195,771	57,095	77%	77%
Waste Water			1,013,016	601,709	411,306	59%	59%	343,741	232,098	111,643	68%	343,741	232,098	111,643	68%	68%
Interest	3,227,849	120,974	3,106,875	4%	4%	1,050,494	108,925	941,569	10%	1,050,494	108,925	941,569	10%	10%		
Property Rates Tax	Mun Supplied	Ward 29 - Roodpan, Sol Plaatje RE, Langrig and Riverton	479,584	109,856	369,728	23%	23%	120,143	37,817	82,326	31%	120,143	37,817	82,326	31%	31%
Electricity			158,141	85,722	72,419	54%	54%	21,248	28,718	0	135%	21,248	28,718	(7,469)	135%	135%
Water			344,838	63,974	280,864	19%	19%	105,925	21,056	84,869	20%	105,925	21,056	84,869	20%	20%
Refuse			123,999	38,560	85,439	31%	31%	44,237	10,276	33,961	23%	44,237	10,276	33,961	23%	23%
Waste Water			174,024	50,336	123,688	29%	29%	62,204	14,257	47,946	23%	62,204	14,257	47,946	23%	23%
Interest	751,770	14,132	737,638	2%	2%	262,048	3,735	258,313	1%	262,048	3,735	258,313	1%	1%		
Property Rates Tax	Mun Supplied	Ward 30 - Platfontein Industrial, Jacksonville, Lerato Park	843,699	135,108	708,591	16%	16%	303,558	39,569	263,989	13%	303,558	39,569	263,989	13%	13%
Electricity			285,636	259,352	26,284	91%	91%	61,874	55,197	6,678	89%	61,874	55,197	6,678	89%	89%
Water			1,014,478	123,402	891,076	12%	12%	298,385	36,508	261,877	12%	298,385	36,508	261,877	12%	12%
Refuse			478,943	52,616	426,327	11%	11%	169,834	17,058	152,777	10%	169,834	17,058	152,777	10%	10%
Waste Water			778,681	80,262	698,419	10%	10%	272,958	27,406	245,552	10%	272,958	27,406	245,552	10%	10%
Interest	2,068,947	22,901	2,046,046	1%	1%	750,447	3,648	746,799	0%	750,447	3,648	746,799	0%	0%		
Property Rates Tax	Mun Supplied	Ward 31 - Kutwanong, Sol City, Riviera, Fransfarm	1,358,816	182,889	1,175,926	13%	13%	212,519	67,786	144,732	32%	212,519	67,786	144,732	32%	32%
Electricity			75,737	4,652	71,085	6%	6%	16,773	2,784	13,989	17%	16,773	2,784	13,989	17%	17%
Water			1,833,411	141,460	1,691,951	8%	8%	614,414	58,005	556,409	9%	614,414	58,005	556,409	9%	9%
Refuse			662,494	96,417	566,077	15%	15%	204,359	43,833	160,526	21%	204,359	43,833	160,526	21%	21%
Waste Water			928,768	140,359	788,409	15%	15%	286,387	65,475	220,911	23%	286,387	65,475	220,911	23%	23%
Interest	1,502,208	26,113	1,476,095	2%	2%	521,231	7,084	514,147	1%	521,231	7,084	514,147	1%	1%		
Property Rates Tax	Mun Supplied	Ward 32 - Phutangan, Sol Plaatje RE, Platfontein	897,132	341,041	556,090	38%	38%	104,868	20,673	84,195	20%	104,868	20,673	84,195	20%	20%
Electricity			367,823	52,477	315,346	14%	14%	19,213	17,357	1,856	90%	19,213	17,357	1,856	90%	90%
Water			951,841	99,850	851,991	10%	10%	434,202	20,996	413,206	5%	434,202	20,996	413,206	5%	5%
Refuse			292,966	45,878	247,087	16%	16%	83,121	10,208	72,912	12%	83,121	10,208	72,912	12%	12%
Waste Water			398,371	62,712	335,660	16%	16%	113,250	15,116	98,134	13%	113,250	15,116	98,134	13%	13%
Interest	866,007	21,778	844,229	3%	3%	300,641	7,240	293,401	2%	300,641	7,240	293,401	2%	2%		
Property Rates Tax	Mun Supplied	Ward 33 - Chris Hani Park, Galeshewe Ext 6, Chris Hani South, China Square, West End, Thambo Square, Diamant Park	1,769,221	756,769	1,012,452	43%	43%	450,319	264,279	186,040	59%	450,319	264,279	186,040	59%	59%
Electricity			791,480	598,749	192,731	76%	76%	179,479	241,464	0	135%	179,479	241,464	(61,985)	135%	135%
Water			1,615,872	470,296	1,145,576	29%	29%	536,281	179,440	356,841	33%	536,281	179,440	356,841	33%	33%
Refuse			494,578	173,049	321,529	35%	35%	169,434	67,673	101,761	40%	169,434	67,673	101,761	40%	40%
Waste Water			622,709	193,787	428,922	31%	31%	214,475	71,653	142,822	33%	214,475	71,653	142,822	33%	33%
Interest	1,388,403	33,614	1,354,789	2%	2%	483,564	8,326	475,238	2%	483,564	8,326	475,238	2%	2%		
Property Rates Tax	Mun Supplied	Ward 999 Unknown	420,332	95,016	325,316	23%	23%	138,946	238,657	0	172%	138,946	238,657	(99,711)	172%	172%
Electricity			105,003	73,470	31,533	70%	70%	(5,546)	11,315	0	-204%	(5,546)	11,315	(16,861)	-204%	-204%
Water			62,305	6,422	55,882	10%	10%	15,597	4,297	11,299	28%	15,597	4,297	11,299	28%	28%
Refuse			13,609	1,503	12,107	11%	11%	3,997	800	3,197	20%	3,997	800	3,197	20%	20%
Waste Water			20,052	3,687	16,365	18%	18%	4,970	1,381	3,589	28%	4,970	1,381	3,589	28%	28%
Interest	131,212	3,908	127,303	3%	3%	43,823	721	43,102	2%	43,823	721	43,102	2%	2%		

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: October 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 October 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		2024/2025 - Monthly Monitoring													
		Current Year - 2024/2025															
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																
Water: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HHs with piped water inside dwelling		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186								
Indigent HHs with piped water inside yard (but not in dwelling)																	
Indigent HHs using public tap (at least min.service level)	2																
Indigent HHs with other water supply (at least min.service level)	4																
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	-	-	-	-	-	-	-	-
Indigent HHs using public tap (< min.service level)	3																
Indigent HHs with other water supply (< min.service level)	4																
Indigent HHs with No water supply																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	-	-	-	-	-	-	-	-
Status of Water meters :																	
Number of Indigent HHs with prepaid Water																	
Number of Indigent HHs with conventional metered Water		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186								
Number of Indigent HHs NOT metered currently - Water																	
Number of Indigent HHs with NO Water supply - No metering																	
Total number of registered indigent households	10	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	-	-	-	-	-	-	-	-
Status of unlimited supply of Water :																	
Number of Indigent HHs with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Water																	
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HHs billed for consumption above the 6 kilolitres	11																
Energy: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HHs with Electricity (at least min.service level)																	
Indigent HHs with Electricity - prepaid (min.service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HHs with Electricity (< min.service level)																	
Indigent HHs with Electricity - prepaid (< min. service level)																	
Indigent HHs with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Electricity meters :																	
Number of Indigent HHs with prepaid Electricity																	
Number of Indigent HHs with conventional metered Electricity		11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485								
Number of Indigent HHs NOT metered currently - Electricity																	
Number of indigent HHs with other energy sources - No metering																	
Total number of registered indigent households	12	11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	-	-	-	-	-	-	-	-
Status of unlimited supply of Electricity :																	
Number of Indigent HHs with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per ...																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Electricity																	
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the total number of registered indigent households receiving unlimited supply of Electricity - State the Number of HHs billed for consumption above the 50 kwh	13																
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)	7																
Water (6 kilolitres per household per month)		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186								
Electricity/other energy (50kwh per household per month)		11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485								
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)		4,932,658	#####	10,000,000	10,000,000	211,512	272,876	331,900	283,154								
Water (6 kilolitres per household per month)		9,967,435	#####	12,000,000	12,000,000	16,265	#####	#####	#####								
Electricity/other energy (50kwh per household per month)																	
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	15,000								
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6								
Sanitation (kilolitres per household per month)		213	213	213	213	213	213	213	213								
Sanitation (Rand per household per month)		189	198	198	198	198	198	198	198								
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50								
Refuse (average litres per week)		21	21	21	21	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	684,373								
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	753,729								
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	118,476								
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						
Property Categories	Number of Properties			Market Values		
	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 September 2024 which was due and payable during the month of reporting, on or before 1 November 2024.




ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4740101508

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:
<http://csonline.eskom.co.za>

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

YOUR ACCOUNT NO	5449407898
SECURITY HELD	2947471143
BILLING DATE	2024-10-02
TAX INVOICE NO	544122054813
ACCOUNT MONTH	SEPTEMBER 2024
CURRENT DUE DATE	2024-11-01
VAT REG NO	4370102313

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

TAX INVOICE

E-MAIL: tmouwa@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 of 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

ACCOUNT NO / REFERENCE NO
5449407898

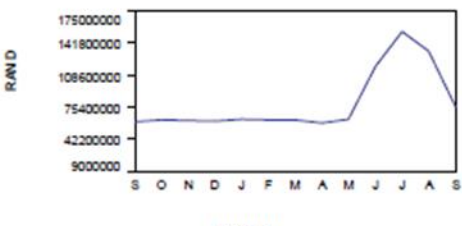
NAME
SOL PLAATJE LOCAL MUNICIPALITY

FAX NUMBER
0138331005

0934 5449407898

ARREARS						
>90 DAYS	81-90 DAYS	31-90 DAYS	16-30 DAYS	CURRENT		
566,112,592	155,033,011.78	134,300,942.44	0.00	77,786,942.52	TOTAL DUE R	933,233,488.97

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 35
BILL GROUP	
BILL PAGE	1 OF 2

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

Indicated below is the October 2024 account which is due and payable on or before 2 December 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



CUSTOMER SELF SERVICE WEBSITE
Provincial email listed below

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

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

YOUR ACCOUNT NO	5449407898
SECURITY HELD	29474711.42
BILLING DATE	2024-11-01
TAX INVOICE NO	544375261576
ACCOUNT MONTH	OCTOBER 2024
CURRENT DUE DATE	2024-12-02
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: tmoilwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY			
ADMINISTRATION CHARGE	R		7,804.87
TRANSMISSION NETWORK CAPACITY	R		1,754,910.00
DIST. NETWORK CAPACITY CHARGE	R		1,282,050.00
NETWORK DEMAND CHARGE	R		1,681,835.24
URBAN LOW VOLTAGE SUBSIDY	R		3,140,190.00
ANCILLARY SERVICE (ALL)	R		268,910.01
ENERGY CHARGE (STD)	15,495,340.00	R	21,228,615.80
ENERGY CHARGE (PEAK)	6,763,292.00	R	13,465,038.04
ENERGY CHARGE (OFF)	14,578,356.00	R	12,668,591.36
ELECTRIFICATION AND RURAL SUBS (ALL)		R	5,772,356.02
SERVICE CHARGE		R	244,399.35
TOTAL CHARGES FOR BILLING PERIOD			R 61,514,700.69
ACCOUNT SUMMARY FOR OCTOBER 2024			
BALANCE BROUGHT FORWARD	(Due Date 2024-11-01)	R	933,233,488.97
PAYMENT(S) RECEIVED	Cash - 2024-10-30	R	-69,337,712.24
TOTAL CHARGES FOR BILLING PERIOD		R	61,514,700.69
ADJUSTMENT	Reversal of interest charged	R	-11,887,495.52
ADJUSTMENT	Interest on overdue account	R	2,168,132.03
ADJUSTMENT	Interest on overdue account	R	597,801.68
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	9,227,205.10
CURRENT		TOTAL DUE	R 932,216,120.71
80,207,839.50			
ARREARS			
>90 DAYS	61-90 DAYS	31-90 DAYS	18-30 DAYS
639,920,396.25	134,300,942.44	77,786,942.52	0.00
Account OVERDUE - Subject to Disconnection			

ACCOUNT NO / REFERENCE NO	5449407898
NAME	SOL PLAATJE LOCAL MUNICIPALITY
FAX NUMBER	0538331005
unipay	7100 1544 9407 8982

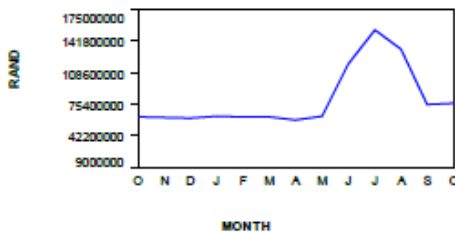
272157001 54494078984



9207 2544 9407 8987



TOTAL AMOUNT DUE
932,216,120.71



PAGE RUN NO	EE 7
BILL GROUP	
BILL PAGE	1 OF 2

PAYMENT ARRANGEMENT	
INSTALMENT	6,700,000.00
ARREARS (Due immediately)	852,008,281.21
DUE DATE (For Current Amount)	2024-12-02
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

The municipality does not fully concur with the outstanding balance of R932,216,120.71 when including the outstanding balance on the payment arrangement of R107,200 million. The full outstanding balance is R1,039,416,120.71. According to the municipality's record the total debt outstanding is R1,061,778,120.71. There is thus a possible understatement of R22,362m on Eskom's side. This matter was taken up with Eskom and the municipality is awaiting feedback. A manual monthly reconciliation is also done between invoices received and payments made.

ii) Indicated below is the municipality's proof of payment of the Eskom Bulk current account invoice for September 2024 (excl interest) which was paid on 30 October 2024 (R69,337,712.24).

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

30/10/2024

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: CATA012223

CHEQUE/ELE NO: 77069151

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/10/2024	SUN	544122054812/01	60293662.82		9044049.42	69337712.24

SUB TOTAL: 9044049.42 69337712.24

9044049.42 69337712.24

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

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

The payment arrangement of R6,700,000.00 was not paid for the month, due to insufficient cash available.

iii) The municipality's reconciliation statement for electricity aligning to the MFMA S71 mSCOA data strings upload.

Indicated in the table below is a summary of the data strings for M04 – October 2024 pertaining to electricity.

		2025	
		M04	
Account Name	Account Name		
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-75,995,086	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdraw	62,042,893	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdraw	15,242,865	77,285,758
Function:Energy Sources:Core Function:Electricity	Expenditure:Bulk Purchases:Electricity:ESKOM	62,042,893	

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

datastrings and FMS Recon M04	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
<input checked="" type="checkbox"/> BULK PURCHASES:ELECTRICITY:ESKOM	244,673,111.84	182,630,218.74	62,042,893.10	Bulk Purchases vote reconciles to datastrings
<input checked="" type="checkbox"/> Sundry Accruals	184,379,449.02	60,293,662.82	124,085,786.20	
AATHCATA012187	62,042,893.10	-	62,042,893.10	
AATHCATA012223	60,293,662.82	-	60,293,662.82	
BATHCATA012187	62,042,893.10	60,293,662.82	1,749,230.28	
<input checked="" type="checkbox"/> Sundry Accruals Reversals	-	122,336,555.92	(122,336,555.92)	
BUTHCATA012187	-	62,042,893.10	(62,042,893.10)	
CAT90177069151	-	60,293,662.82	(60,293,662.82)	
<input checked="" type="checkbox"/> Sundry Payments	60,293,662.82	-	60,293,662.82	
CAT90177069151	60,293,662.82	-	60,293,662.82	Payment of R69,338m for Sep 2024 acc excl VAT & interest
Grand Total	244,673,111.84	182,630,218.74	62,042,893.10	

datastrings and FMS Recon M04	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAW	77,285,757.79	-	77,285,757.79	Withdrawal vote reconciles to datastrings
Sundry Payments	77,285,757.79	-	77,285,757.79	
CAT90177068774	7,241,754.81	-	7,241,754.81	Payment of Riverton Acc
CAT90177068778	199,605.10	-	199,605.10	
CAT90177068855	37,369.15	-	37,369.15	
CAT90177068922	229.20	-	229.20	
CAT90177068949	14,772.83	-	14,772.83	
CAT90177068950	44,098.23	-	44,098.23	
CAT90177068951	15,327.19	-	15,327.19	
CAT90177068952	16,562.53	-	16,562.53	
CAT90177069096	82,211.27	-	82,211.27	Minor Eskom acc payments
CAT90177069097	19,571.82	-	19,571.82	
CAT90177069098	3,400.41	-	3,400.41	
CAT90177069099	8,924.75	-	8,924.75	
CAT90177069100	6,360.40	-	6,360.40	
CAT90177069114	35,253.62	-	35,253.62	
CAT90177069135	213,029.25	-	213,029.25	
CAT90177069136	9,574.99	-	9,574.99	
CAT90177069151	69,337,712.24	-	69,337,712.24	Bulk acc payment Sep 2024 invoice
ELECTRICITY BULK PURCHASE ACC 01:DEPOS	148,372,700.31	224,367,785.87	(75,995,085.56)	Deposits vote reconciles to datastrings
Sundry Accruals	-	147,082,028.08	(147,082,028.08)	
AATHCATA012094	-	199,605.10	(199,605.10)	
AATHCATA012103	-	37,369.15	(37,369.15)	
AATHCATA012109	-	229.20	(229.20)	
AATHCATA012121	-	14,772.83	(14,772.83)	
AATHCATA012122	-	44,098.23	(44,098.23)	
AATHCATA012123	-	15,327.19	(15,327.19)	
AATHCATA012124	-	16,562.53	(16,562.53)	
AATHCATA012177	-	82,211.27	(82,211.27)	
AATHCATA012178	-	19,571.82	(19,571.82)	
AATHCATA012179	-	3,400.41	(3,400.41)	
AATHCATA012180	-	8,924.75	(8,924.75)	
AATHCATA012181	-	4,201,852.30	(4,201,852.30)	
AATHCATA012182	-	6,360.40	(6,360.40)	
AATHCATA012187	-	71,086,942.52	(71,086,942.52)	
AATHCATA012190	-	35,253.62	(35,253.62)	
AATHCATA012208	-	213,029.25	(213,029.25)	
AATHCATA012209	-	9,574.99	(9,574.99)	
AATHCATA012223	-	69,337,712.24	(69,337,712.24)	
BATHCATA012187	-	1,749,230.28	(1,749,230.28)	
Sundry Accruals Reversals	148,372,700.31	-	148,372,700.31	
BUTHCATA012187	71,086,942.52	-	71,086,942.52	
CAT90177068774	7,241,754.81	-	7,241,754.81	
CAT90177068778	199,605.10	-	199,605.10	
CAT90177068855	37,369.15	-	37,369.15	
CAT90177068922	229.20	-	229.20	
CAT90177068949	14,772.83	-	14,772.83	
CAT90177068950	44,098.23	-	44,098.23	
CAT90177068951	15,327.19	-	15,327.19	
CAT90177068952	16,562.53	-	16,562.53	
CAT90177069096	82,211.27	-	82,211.27	
CAT90177069097	19,571.82	-	19,571.82	
CAT90177069098	3,400.41	-	3,400.41	
CAT90177069099	8,924.75	-	8,924.75	
CAT90177069100	6,360.40	-	6,360.40	
CAT90177069114	35,253.62	-	35,253.62	
CAT90177069135	213,029.25	-	213,029.25	
CAT90177069136	9,574.99	-	9,574.99	
CAT90177069151	69,337,712.24	-	69,337,712.24	
Sundry Payments	-	77,285,757.79	(77,285,757.79)	
CAT90177068774	-	7,241,754.81	(7,241,754.81)	
CAT90177068778	-	199,605.10	(199,605.10)	
CAT90177068855	-	37,369.15	(37,369.15)	
CAT90177068922	-	229.20	(229.20)	
CAT90177068949	-	14,772.83	(14,772.83)	
CAT90177068950	-	44,098.23	(44,098.23)	
CAT90177068951	-	15,327.19	(15,327.19)	
CAT90177068952	-	16,562.53	(16,562.53)	
CAT90177069096	-	82,211.27	(82,211.27)	
CAT90177069097	-	19,571.82	(19,571.82)	
CAT90177069098	-	3,400.41	(3,400.41)	
CAT90177069099	-	8,924.75	(8,924.75)	
CAT90177069100	-	6,360.40	(6,360.40)	
CAT90177069114	-	35,253.62	(35,253.62)	
CAT90177069135	-	213,029.25	(213,029.25)	
CAT90177069136	-	9,574.99	(9,574.99)	
CAT90177069151	-	69,337,712.24	(69,337,712.24)	
Grand Total	225,658,458.10	224,367,785.87	1,290,672.23	

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 October 2024.

- i) The DWS current account for September 2024 amounted to R18,972,818.12 which was due and payable on or before the 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

- i) Indicated below, is the DWS Bulk current account invoice for October 2024, which is due and payable, on or before 2 December 2024.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412586507
 Document Date: 31.10.2024
 Payment Terms: 30 Days
 Due Date: 02.12.2024
 Customer VAT Reg. No: 4370102313

TAX INVOICE
 DWS VAT Reg. no 4040112361



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

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

YOUR CONTACT OFFICE:

Department: Water and Sanitation
 Private Bag X313
 Pretoria
 0001

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

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price(c/m3/HA)	Amount(Rand)
Property Details: Property Name: DROOGPONTEIN 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: 01.10.2024 to 31.10.2024				
	Consumptive (O&M)	3172,532.00	39.69	1,259,177.95
	Consumptive (ROA)	3172,532.00	32.40	1,027,900.37
	Consumptive (Depr)	3172,532.00	19.07	605,001.85
	TCTA (AMD)	3172,532.00	9.39	297,900.75
	TCTA (LHWP)	3172,532.00	372.50	11,817,681.70
	Plus 15.00% VAT			2,251,149.39
	Subtotal			17,258,812.01
	WRL	3172,532.00	7.73	245,236.72
	Total Charges			17,504,048.73

- ii) Indicated below, is the municipality's proof of payment for the DWS current account of September 2024 that was settled on 31 October 2024 amounting to R18,972,818.12.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
PRIVATE BAG X313
PRETORIA
0001

31/10/2024

SUPPLIER No: SWAT01

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

FAX NO:

VOUCHER NO: CATA012184

CHEQUE/ELE NO: 77069155

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
30/09/2024	SUN	412566534	16266959.58		2440043.94	18707003.52
30/09/2024	SUN	412566534	265814.60		0.00	265814.60

SUB TOTAL: 2440043.94 18972818.12

2440043.94 18972818.12

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

COMPILED BY...:

CHECKED BY....:

AUTHORISED BY:

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

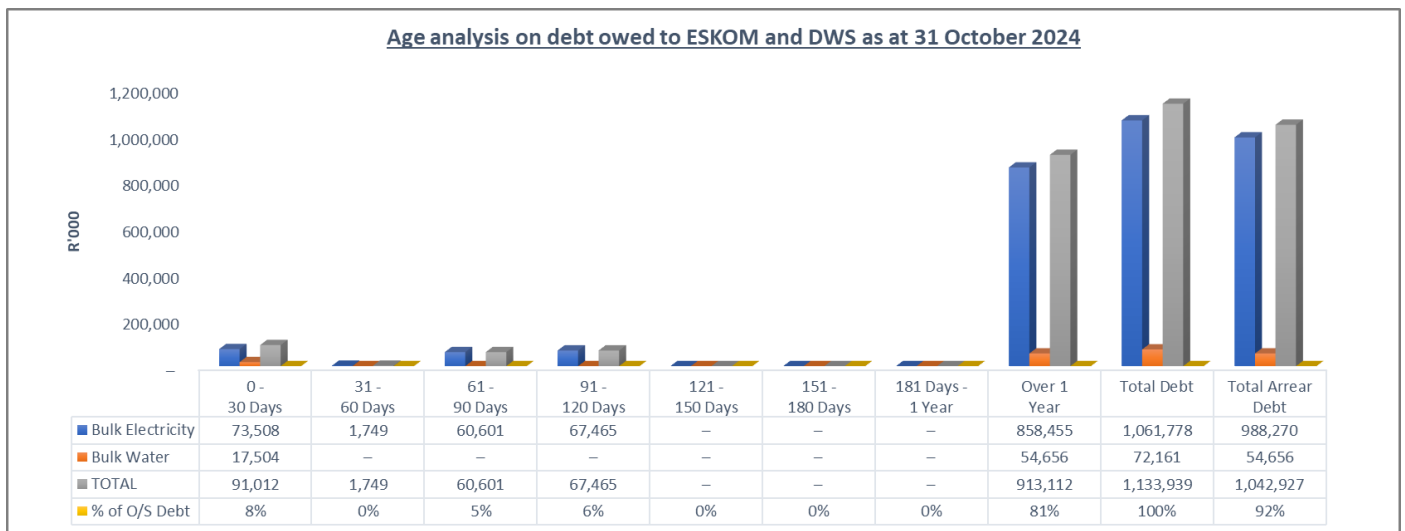
The municipality's water reconciliation statement (aligning to the mSCOA data string upload for the period).

		2025
		M04
Account Name	Account Name	
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Execu	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-19,118,826
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Execu	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdraw	13,032,385
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Execu	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdraw	6,079,710
Function:Water Management:Core Function:Water Distribution	Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	16,266,960
		19,112,095

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

datastringss and FMS Recon M04	Sum of Debit Amt	Sum of Credit Amt	Sum of Monthly Actual	Comment
WATER BULK PURCHASE:DEPOSITS	19,112,094.65	38,230,920.50	(19,118,825.85)	Deposits vote reconciles to datastringss
Sundry Accruals	-	19,118,825.85	(19,118,825.85)	
AATHCATA012183	-	139,276.53	(139,276.53)	
AATHCATA012184	-	18,972,818.12	(18,972,818.12)	
AATHCATA012210	-	6,731.20	(6,731.20)	
Sundry Accruals Reversals	19,112,094.65	-	19,112,094.65	
CAT90177069103	139,276.53	-	139,276.53	
CAT90177069155	18,972,818.12	-	18,972,818.12	
Sundry Payments	-	19,112,094.65	(19,112,094.65)	
CAT90177069103	-	139,276.53	(139,276.53)	
CAT90177069155	-	18,972,818.12	(18,972,818.12)	
WATER BULK PURCHASE:WITHDRAWALS	19,112,094.65	-	19,112,094.65	Withdrawal vote reconciles to datastringss
Sundry Payments	19,112,094.65	-	19,112,094.65	
CAT90177069103	139,276.53	-	139,276.53	Minor account payment
CAT90177069155	18,972,818.12	-	18,972,818.12	Bulk Water Payment September 2024 invoice
WATER:INPUT VOL: BULK PURCHASES	32,533,919.16	16,266,959.58	16,266,959.58	Water: Input vol Bulk Purchases vote reconciles to datastringss
Sundry Accruals	16,266,959.58	-	16,266,959.58	
AATHCATA012184	16,266,959.58	-	16,266,959.58	
Sundry Accruals Reversals	-	16,266,959.58	(16,266,959.58)	
CAT90177069155	-	16,266,959.58	(16,266,959.58)	
Sundry Payments	16,266,959.58	-	16,266,959.58	
CAT90177069155	16,266,959.58	-	16,266,959.58	Payment of the September 2024 account excl VAT
Grand Total	70,758,108.46	54,497,880.08	16,260,228.38	

vii) Total outstanding debt owed to ESKOM and DWS as at 31 October 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 - October 2024
<p>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)</p>	<p>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</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p>Compliant - ESKOM The municipality settled an amount of R69,338m on Sep 2024 current account excluding interest amounting to R1,749m on 30 October 2024. Total invoice amount was R71,087m. Compliant - DWS The municipality settled the current account for Sep 2024 amounting to R18,973m in full on 31 October 2024.</p>
	<p>6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom with the current account</p>	<p>Monthly, 5th of each month</p>		<p>Non-Compliant ESKOM - The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement. 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 October 2024.</p>
	<p>6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment</p>	<p>Within 1 day after making payment</p>	<p>Proof of payment and proof of email submission</p>	<p>Compliant Email was sent within one day of payment to ESKOM and DWS.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant Proof of Payments made in October 2024 was uploaded onto GoMuni on 6 November 2024. Due date is 14 November 2024.
	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	Compliant Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	Compliant Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.
	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections =1,632 Conventional disconnections = 255 Total = 1,887

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
	<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	Due to the fact that our water meters are too old to be blocked and the cost to replace we currently only partially compliant as SPLM can block electricity if water is not paid (combined account).
	<p>6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	<p>Partially compliant Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality. Partially compliant as all indigents have prepaid electricity meters and therefore cannot build up debt on electricity.</p>
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges</p>	<p>6.7.1 The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm</p>	Monthly (Internal) and Quarterly (Debt Relief)	Collect R11,112 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)	<p>Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 88% Quarterly S71 Revenue Collection rate per Ward = not end of quarter Municipality's average collection rate = 72.2% (Prepaid electricity sales are included) The collection is distorted due to the annual billing on Property rates Not achieved Average daily cash collection for September 2024, was R8,122m.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
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
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 October 2024 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to be performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificate for September 2024. Management must take remedial actions as per the recommendations made by National Treasury

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 2024
<p>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</p>	<p>6.12.1 Open a separate investment account to serve as a sub-account</p>	<p>Once-off</p>	<p>Investment account confirmation</p>	<p>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</p>
	<p>6.12.1 must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	<p>Funds ito be invested weekly and withdrawn monthly</p>	<p>Investment account and primary bank statement</p>	<p>Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. Compliant The ESKOM and DWS current accounts were paid directly from the Primary bank account. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124</p>
	<p>6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.</p>	<p>Monthly</p>	<p>Investment account and bank statement and proof of payment aligned to actual receipts</p>	<p>Compliant The ESKOM and DWS accounts were paid directly from the Primary bank account. This has improved through improved cash flow management. Municipality has a backlog in terms of built-up reserves. Salaries and third-party salary payments including commitments to other creditors make this requirement difficult to maintain.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - October 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	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. 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 October 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 September 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. Eskom granted the municipality a grace period until 11 December 2024 to settle the arrears.
10. It is imperative that Mayoral Committee take note of the serious non-compliance in respect of defaulting on the payment arrangement for end of October 2024.

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

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 **October 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: 14 /11/2024

Monthly Performance Report

Municipal Details			Part A				Part B					Part C			Part D				Part C						Part E											Compl																
			Eskom And Bulk water current account				Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges						Maximization of Revenue Base			Oversight																								
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score								
1.July	Sol Plaatje	NC091																																																0%		
2.August	Sol Plaatje	NC091																																																		0%
3.September	Sol Plaatje	NC091																																																	0%	
4.October	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No					88%				
5.November	Sol Plaatje	NC091																																																	0%	
6.December	Sol Plaatje	NC091																																																	0%	
7.January	Sol Plaatje	NC091																																																	0%	
8.February	Sol Plaatje	NC091																																																	0%	
9.March	Sol Plaatje	NC091																																																	0%	
10.April	Sol Plaatje	NC091																																																	0%	
11.May	Sol Plaatje	NC091																																																	0%	
12.June	Sol Plaatje	NC091																																																		0%

	Comments/Motivation
HOD Name:	BS Matlala
Signature of HOD:	
Date:	14/11/2024

** 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.



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: Oct'24
National Financial Year: 2024/25
Demarcation Code of Municipality being assessed: NC091
District: Frances Baard
Demarcation Description: Sol Plaatje

Notes/Comments

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

Table with 4 columns: Condition, Description, Response, and Comments. Rows include conditions 6.3.1, 6.3.2, 6.3.3, 6.3.4, 6.4, 6.4.1, 6.4.2, and 6.5 regarding Eskom and bulk water current accounts, MTREF compliance, and cost reflective tariffs.

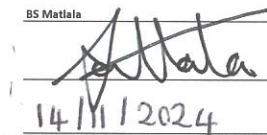
15	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:	
16	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority; firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
17	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
18	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? 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.	No
19	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.</i>	No
20	6.6	Supporting evidence: The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.	
21	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
22	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter
23	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following : <i>Note - although the norm and standard for collection (MFMA Circular No. 71) is 95 per cent threshold, municipalities under the debt relief support will be assessed on the first five years from adhering to this norm.</i>	
24	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarter
25	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
26	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarter
27	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
28	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
29	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
30	6.8	Municipality's Completeness of the revenue base –	
31	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
32	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
33	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za ?	Yes
34	6.9	Monitor and report on implementation –	
35	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
36	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
37	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
38	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
39	6.10	<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Relief programme if the FRP progress report has been submitted to both the Provincial Executive and MFRS.</i> Provincial Treasury Note – Provincial Treasury certification of municipal compliance – in terms of section 5 and 24 of the MFMA with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	
40	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
41	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
42	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
43		<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 MFMA Circular No. 24 (paragraph 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 NERSA section 4c. Short term borrowing, including making use of an overdraft for revenue bridging purposes are not considered within the ambit of this condition.</i>		
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes	Sub-account no longer required in terms of supplementary guide to Circ 124
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	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 MFMA s.42(1).</i>		
39		Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes	
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc) and alignment with MSCOA.</i>	Yes	NT has not issued any written instruction for arrear debt write-offs.
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note: By applying for Municipal Debt Relief as set out in paragraph 3 of MFMA Circular no. 24, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the license, agrees to apply to NERSA to revoke the municipality's license in terms of section 27 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 agreements aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's tender support to Eskom Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>	Yes	

PT: HOD/ NT / MM Name:

BS Matlala

Signature of HOD/ NT/ MM:



Date:

14/11/2024

****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**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • 40 Church Square, PRETORIA, 0002 • Tel: +27 12 315 5111, Fax: +27 12 406 9055 • www.treasury.gov.za

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 SEPTEMBER 2024

In September 2024, the National Treasury conducted a comprehensive evaluation of Sol Plaatje Local Municipality's compliance with the conditions of its debt relief programme, marking the twelfth month of its initial 12-month cycle that began on October 1, 2023. This assessment is essential to ensure the municipality is on track to meet the required conditions for sustained debt relief and long-term financial stability. The evaluation identified several achievements, including effective budgetary controls, improved financial reporting, and some progress in governance practices, underscoring the municipality's commitment to reform. However, it also highlighted areas requiring improvement, particularly in expenditure management, which still needs refinement to fully align with the programme's objectives. Addressing these areas is crucial to bolstering financial resilience and meeting the overall goals of the debt relief initiative.

A major concern in the evaluation was the municipality's poor collection rate and rising debtor balances, which indicate significant revenue management challenges. The collection rate per ward report reveals that in July 2024, the rate stood at 33%, improved to 66% in August, and reached 68% in September and the quarterly collection stood at 52%, which is unacceptable and far below the target of 85%. The municipality has alluded that the annual billing on Property rates distorts the collection rate. The municipality should make a concerted effort, to collect revenue from annual rates, as consumers had until the end of September 2024 to settle their account. The rising debtors suggest that the council-approved credit control and debt collection policy is not being enforced effectively, putting the municipality's revenue base at risk and jeopardizing its ability to fulfill financial obligations. Without rigorous application of these policies, Sol Plaatje Local Municipality faces potential setbacks in achieving the financial targets required for compliance with the debt relief programme.




As the municipality completes its first compliance cycle, it stands to benefit from a one-third debt write-off, provided it meets all programme conditions, including those outlined in MFMA Circular 124 (Conditions 6.1 to 6.14) and specific requirements in the debt relief approval letter. Moving forward, National Treasury will continue to monitor the municipality's performance and offer necessary support to address remaining challenges. Immediate corrective action, particularly in enforcing credit control and debt collection, is imperative to help Sol Plaatje Local Municipality secure the anticipated debt write-off and achieve long-term financial stability. The Treasury remains committed to working collaboratively with the municipality to ensure the programme's success and the municipality's financial sustainability.

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 September 2024, the National Treasury's assessment revealed that the municipality achieved an average compliance rate of 71 per cent with the MFMA Circular 124 conditions. The performance sheet below illustrates the municipality's overall compliance performance throughout its debt relief cycle.

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

National Treasury		Province		
 Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003		NW		
		Code	District	Sub-Description
		NC091	Frances Baard	Sol Plaatje

Municipal Details			Part A					Part B					Part C				Part D				Part E				Part F																				
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status
1.July	Sol Plaatje	NC091	Yes	Yes	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	N/A	Yes	No	No	Yes	Yes	Yes	No	85%	Non Compliance	
2.August	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	N/A	Yes	No	No	Yes	Yes	Yes	No	83%	Non Compliance	
3.September	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	No	No	Yes	Yes	Yes	No	71%	Non Compliance	
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	N/A	N/A	N/A	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	No	No	No	56%	Non 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	N/A	N/A	No	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	80%	Non Compliance		
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	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	76%	Non 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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	80%	Non Compliance		
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	85%	Non Compliance		
9.March	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	73%	Non 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	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	83%	Non Compliance		
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance		
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	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	78%	Non Compliance		

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



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

The municipality applied for the debt relief programme and received conditional approval from the National Treasury following council endorsement. This approval hinged on addressing specific deficiencies in the municipality's financial and administrative processes. Recognizing the importance of this opportunity, the municipality's leadership and management conducted a comprehensive review to pinpoint areas for improvement. With the council's backing, providing essential political support, the municipality developed a strategic action plan focused on strengthening financial controls, enhancing revenue collection, streamlining expenditures, and implementing robust governance practices.

In response to this provisional approval, the municipality implemented decisive actions to tackle the identified deficiencies. Key reforms included strengthening financial oversight, establishing more efficient budgeting processes, and adopting best practices in municipal governance. These initiatives were supported by regular monitoring and reporting to uphold transparency and accountability throughout the reform process. The municipality's commitment to these reforms resulted in significant progress toward meeting the conditions set forth by the National Treasury.

Through these concerted efforts, the municipality successfully fulfilled the required conditions, ultimately securing final approval for its debt relief application. This approval represents a pivotal milestone, empowering the municipality to proceed with the debt relief programme. With these reforms now in place, the municipality is well-positioned to achieve long-term financial sustainability and enhance service delivery for its residents.

Condition 6.3 – Maintaining the Eskom bulk current account

Based on the September 2024 results, Sol Plaatje Local Municipality continues to make concerted efforts to manage its debt obligations with Eskom and the Department of Water and Sanitation (DWS), yet challenges remain. On 30 September 2024, the municipality made a payment of R16,698 million to fully settle its August 2024 current Water account. Additionally, it paid R67 million toward the August 2024 Eskom invoice, excluding R154,000 in interest charges. Despite these payments, the total invoice for August stood at R127,601 million, leaving an outstanding balance of R60,601 million that needs to be addressed as a matter of urgency.

During August 2024, the municipality made partial payments by 29 August 2024, amounting to R80,868 million on its July 2024 Eskom account, leaving a remaining balance of R67,465 million, excluding R274,000 in interest. The municipality's shortfall on the July and August account represents a breach of the compliance requirements outlined in MFMA Circular 124 and requires immediate corrective action. National Treasury acknowledges the financial strain associated with high-demand billing periods, like those in July, but emphasizes the necessity of a strategic approach to manage these peak expenses.

Despite these payments, the municipality's total outstanding debt to Eskom remains significant at **R1,069,495** billion. This debt level poses a risk to the anticipated debt write-off under the debt relief



programme, as full compliance with payment obligations is essential for eligibility. In contrast, the municipality has shown proactive management of its water-related liabilities. On 30 September 2024, it fully settled the August 2024 DWS current account with a payment of R16,698 million, demonstrating its commitment to essential services. The total debt due to DWS amounted to R73,629 million as at 30 September 2024.

In summary, while Sol Plaatje Local Municipality has made strides in addressing its utility debts, the remaining Eskom balance of R134 million threatens its ability to qualify for the anticipated debt write-off. Continued focus on financial controls, adherence to payment agreements, and enhanced revenue management will be critical to achieving long-term financial stability and ensuring uninterrupted service delivery 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 move forward as scheduled. This financial backing is pivotal, enabling the municipality to implement key initiatives, maintain essential services, and support sustainable development to enhance the community's quality of life.

With secured funding, the municipality can now focus on executing critical infrastructure projects, expanding public services, and investing in areas that directly impact residents. Planned improvements include upgrades to water and sanitation systems, expansion of road networks, enhancement of public transportation, and support for local economic development. The budget also ensures the continuation of vital services like healthcare, education, and public safety, meeting the community's essential needs effectively.

The successful funding of this budget underscores the municipality's commitment to fiscal responsibility and strategic planning. By securing the required financial resources, the municipality is well-positioned to achieve its long-term goals, attract investment, and cultivate a vibrant, resilient community. This proactive approach addresses current challenges while establishing a solid foundation for future growth and sustained prosperity.

Conditions 6.5 – Cost reflective tariffs

The 2024/25 budget, although initially missing the integration of a cost-reflective tariff tool, provides a strategic opportunity for municipalities to refine their financial planning. Recognizing this gap is a critical step toward adopting more precise and sustainable financial practices. By incorporating the draft cost-reflective tariff tool, municipalities can adjust service tariffs to more accurately reflect the true operational and maintenance costs. This alignment not only enhances financial stability but also establishes a solid base for future infrastructure investments, setting the municipality on a more sustainable path.



Filling this gap in the budget strengthens the municipality's financial health and demonstrates a forward-thinking approach to governance. With the cost-reflective tariff tool in place, essential services can be funded in a way that ensures both reliability and efficiency, fostering trust and confidence among residents. This move toward transparent, cost-based pricing shows a commitment to financial accountability and positions the municipality to respond more effectively to the community's needs, securing a dependable revenue stream to support essential services.

By addressing this need, the municipality underscores its dedication to continuous improvement and excellence in service delivery. Embracing the cost-reflective tariff tool not only prepares the municipality to prevent potential financial shortfalls but also supports a proactive, sustainable financial model. This approach aligns with the broader goal of fostering a resilient and prosperous community, reinforcing the municipality's role as a responsible steward of resources and a leader in delivering quality services.

Condition 6.6 – Electricity and water as collection tools

The municipality's approved credit and debt collection policy specifies clear guidelines for the allocation of payments; however, these guidelines are not being consistently adhered to. This inconsistency in payment allocation is leading to discrepancies in debt recording and management, potentially affecting the municipality's overall financial health. Additionally, a significant technological gap exists due to the absence of infrastructure to restrict water supply for non-indigent consumers who default on payments. This issue is under active review, with potential solutions and associated costs being assessed to address the challenge.

Despite these hurdles, the municipality remains committed to supporting its vulnerable populations. Registered indigent consumers are provided with essential services, including a monthly allocation of 50 kilowatt-hours of electricity and 6 kilolitres of water. This initiative reflects the municipality's dedication to meeting basic needs for those most in need, ensuring equitable access to essential resources for indigent households.

All financial information, including support for indigent consumers, is reported transparently in the monthly MFMA Section 71 statement, as required by National Treasury regulations. This commitment to transparency and accountability reinforces the municipality's dedication to responsible governance and adherence to statutory guidelines, ensuring that both challenges and achievements are openly communicated to stakeholders.

Conditions 6.8 – Completeness of the Revenue Base

The Property Rates Reconciliation Summary for Sol Plaatje Local Municipality, as of Quarter 1 for the 2024/25 financial year, demonstrates a strong alignment between the General Valuation Roll (GV) and the Municipal Financial System (MFS) across various property categories. This reconciliation, displayed in the table, highlights the municipality's commitment to accurate and



consistent property record-keeping, which is essential for effective financial management and revenue collection. The alignment in property counts and market values across systems underlines the municipality's dedication to transparency and reliability in property rate reporting.

In Part A - Reconciliation Summary, the table details the Number of Properties and Market Values for various property categories, such as Residential, Industrial, Business and Commercial, Agricultural, and Municipal, among others. For each category, the valuation roll matches the municipal system, resulting in zero variance, meaning that both systems are synchronized. The total number of properties and their total market value are 60,680 and R40,423,988,208, respectively. This consistency in data between the GV and MFS is crucial for accurate billing and reinforces financial stability by ensuring a reliable basis for property tax calculations.

Part B - Detailed Reconciliation provides a more granular view of the Monthly Billing figures. This section splits the data into Mapped Accounts and Unmapped Accounts for each property category, listing the amounts in both the GV and MFS systems, as well as the variances. For instance, in the Residential category, the GV reflects R24,079,921 for mapped accounts, while the MFS records R22,796,241, resulting in a variance of R1,283,679. Similarly, the State-Owned for Public Purpose category shows a significant variance of R7,043,574 between the GV and MFS, underscoring areas that may need additional review. It was reported by the municipality that the annual billing on Property rates, for specifically government will hamper full alignment. The total for the Mapped Accounts section is R50,236,052, while the Unmapped Accounts total R50,486,544, demonstrating discrepancies that may require further reconciliation efforts.

Through this detailed reconciliation, Sol Plaatje Local Municipality illustrates its proactive approach to financial oversight, aiming to maintain accuracy and reliability in property records and billing. This diligence in aligning the GV and MFS systems is part of the municipality's broader commitment to sound financial practices and responsible governance, ultimately benefiting the community by ensuring that resources are managed effectively.



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						
Propety Categories	Number of Properties			Market Values		
	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	50454	50454	0	23,955,274,603	23,955,274,603	-
Industrial	214	214	0	807,010,000	807,010,000	-
Business and Commercial	2326	2326	0	7,560,646,001	7,560,646,001	-
Agricultural	422	422	0	2,612,916,700	2,612,916,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpose	133	133	0	2,498,871,000	2,498,871,000	-
PSI	464	464	0	157,379,000	157,379,000	-
PBO	196	196	0	508,041,001	508,041,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	5327	5327	0	1,512,971,503	1,512,971,503	-
Other	884	884	0	101,064,000	101,064,000	-
Total	60,680	60,680	-	40,423,988,208	40,423,988,208	-
Part B - Detailed Reconciliation						
Propety Categories	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
	GV	MFS	Variance	GV	MFS	Variance
Residential	24,079,921	22,796,241	1,283,679	24,079,921	22,890,379	1,189,542
Industrial	2,447,056	2,325,687	121,370	2,447,056	2,392,699	54,357
Business and Commercial	22,925,769	20,850,181	2,075,587	22,925,769	20,957,177	1,968,591
Agricultural	660,197	345,051	315,146	660,197	338,912	321,285
Mining	622,479	595,421	27,058	622,479	595,421	27,058
State Owned for Public Purpose	10,355,530	3,311,956	7,043,574	10,355,530	3,311,956	7,043,574
PSI	-	-	-	-	-	-
PBO	-	2,395	- 2,395	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	9,119	- 9,119	-	-	-
Municipal	-	-	-	-	-	-
Other	#VALUE!	-	#VALUE!	#VALUE!	0	#VALUE!
Total	#VALUE!	50,236,052	#VALUE!	#VALUE!	50,486,544	#VALUE!

Condition 6.9 – Monitor and Report on compliance

The data strings have been successfully uploaded to the GoMuni system, an online platform 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. The municipality need to improve on the timeous uploading of the s71 reports. 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	Yes



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

The National Treasury plays a crucial role in overseeing the Municipal Debt Relief Programme, ensuring that municipalities fulfill the conditions necessary for effective debt management and reduction. This oversight is vital for fostering financial discipline and accountability across the municipal system. This letter formally certifies that Sol Plaatje Local Municipality has met the program's requirements, aligning with the National Treasury's mandate to promote compliance. Through comprehensive monitoring and evaluation, National Treasury ensures that the municipality adheres to the established guidelines, which are essential for maintaining financial stability and preventing further debt accumulation.

Certification of compliance by the National Treasury provides a structured and transparent pathway to fiscal recovery, enabling municipalities to restore financial health while staying within their budgetary constraints. This certification is more than a procedural formality; it is a key element in supporting municipalities to adopt sound financial management practices. By emphasizing adherence to robust fiscal policies, the process promotes sustainable economic practices that are foundational to long-term stability.

This structured approach empowers municipalities to deliver essential services more effectively, build trust within their communities, and contribute positively to broader economic development. In doing so, the National Treasury not only supports municipal recovery but also strengthens the foundation for future growth and resilience, benefiting both the municipality and the communities it serves.



Condition 6.11 – Limitation on Municipal borrowing powers

The restrictions on municipal borrowing and the prohibition of incurring new debt during designated debt relief periods establish a strong regulatory framework that promotes fiscal responsibility within municipalities. This framework requires thorough scrutiny of all borrowing activities, ensuring they stay within set limits and align with the conditions of the debt relief program. These measures are designed not only to foster responsible debt management but also to strengthen the financial stability of municipalities by curbing excessive borrowing and alleviating short-term financial pressures.

Since the initiation of its debt relief program on October 1, 2023, the municipality has strictly adhered to these regulations. This compliance has been instrumental in preserving its creditworthiness and reducing financial risks. By consistently following these guidelines, the municipality safeguards its long-term fiscal health and demonstrates a steadfast commitment to sound financial governance. This approach is essential for maintaining fiscal resilience and earning the confidence of its stakeholders, ensuring a stable financial future for the municipality and the community it serves.

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

The updated Supplementary Guide to MFMA Circular No. 124 introduces important enhancements to how municipalities manage debt relief funds. Under the revised guidelines, municipalities are required to integrate these funds into their general accounts, but with clear segregation in their monthly mSCOA submissions. This dual approach streamlines the banking structure, making fund management more efficient while maintaining strict oversight. By mandating this separation, the National Treasury ensures that debt relief funds are accounted for distinctly, enabling easy tracking and auditing to confirm proper utilization.

One of the key elements of this revised guide is the requirement for municipalities to upload monthly bank reconciliations and detailed bank statements to the GoMuni platform. This step emphasizes the importance of transparency and accurate financial reporting, particularly concerning debt relief funds. By reflecting all transactions in a centralized platform, municipalities can provide a comprehensive view of their financial activities, allowing stakeholders to assess the management of debt relief resources effectively. Compliance with this requirement aligns municipal financial practices with National Treasury standards, reinforcing public trust in the municipality's financial integrity.

The revised guidelines also highlight the need for precise accounting adjustments for debt relief benefits, such as interest write-offs granted by entities like Eskom. Municipalities are expected to make accurate ledger entries to reflect these reductions in their financial statements. This accuracy is critical for compliance and ensures that financial reports present a clear picture of the municipality's debt relief benefits. By accurately recording these adjustments, municipalities demonstrate their commitment to transparent and accountable financial management, assuring stakeholders that debt relief benefits are properly documented.



Overall, the updated Supplementary Guide strengthens municipalities' efforts toward fiscal stability and sustainable financial management. Through more structured reporting, enhanced transparency, and a focus on accurate record-keeping, municipalities are better positioned to achieve financial stability and maintain stakeholder trust. These guidelines support municipalities in responsibly managing debt relief resources, not only to prevent debt accumulation but also to build a foundation for long-term financial resilience and effective service delivery to their communities.

Condition 6.14 – NERSA Licence

Participation in the Municipal Debt Relief Programme requires municipalities to commit to a set of stringent conditions. A key condition stipulates that if a municipality fails to comply with the programme's requirements during its term, it must voluntarily apply to the National Energy Regulator of South Africa (NERSA) to revoke its electricity supply license under section 17 of the Electricity Regulation Act of 2006. This provision acts as a powerful incentive, underscoring the importance of compliance for continued participation in the programme.

The requirement to surrender the electricity license is only enacted if the municipality's involvement in the debt relief programme is terminated due to non-compliance. This condition reflects the serious commitment municipalities undertake when joining the programme, as it holds them accountable to maintain operational and financial discipline. By reinforcing the consequences of non-compliance, this measure emphasizes the programme's goal of promoting sustainable financial health and responsible governance.

This provision further highlights the critical role that compliance plays in the success of the Municipal Debt Relief Programme. Municipalities are not only tasked with adhering to programme guidelines but are also held to the highest standards of accountability to retain their operational capabilities. The potential revocation of an electricity license serves as a stark reminder of the consequences of failing to meet the programme's conditions, motivating municipalities to stay aligned with its objectives.

Ultimately, this rigorous requirement reflects the National Treasury's commitment to fostering fiscal discipline within municipalities. By setting a high standard for compliance, the Debt Relief Programme supports municipalities in their efforts to achieve financial stability and deliver essential services, ensuring they remain on a sustainable path for the benefit of their communities.



Recommendations

Strict Enforcement of Credit Control and Debt Collection Policies: Sol Plaatje Local Municipality must enforce its credit control and debt collection policy without exception. The current laxity in applying these policies is unacceptable and is directly contributing to rising debt balances and poor collection rates. Immediate corrective action is required to prevent further erosion of revenue streams, which jeopardizes the municipality's financial stability and eligibility for debt relief benefits.

Immediate Resolution of Eskom Payment Shortfalls: The arrear debt for the current financial year of R134 million to Eskom is a severe liability that threatens the municipality's compliance status and future access to debt relief. The municipality must implement a robust payment strategy to address this debt, including strategic planning to manage peak billing periods. Failure to meet Eskom obligations will result in dire financial consequences and further damage the municipality's creditworthiness.

Effective Utilization of R100 Million Grant for Smart Meter Rollout: The National Treasury has approved R100 million in grant funding for the rollout of smart meters. This funding presents a critical opportunity for Sol Plaatje Local Municipality to improve revenue collection and reduce technical losses. The municipality must ensure the effective implementation of the smart meter rollout, focusing on project efficiency, accountability, and prompt execution.

Enhanced Accountability in Debt Relief Fund Management: Debt relief funds must be strictly segregated, accurately tagged, and accounted for, to prevent misuse and ensure easy tracking. Any deviation from this practice will be viewed as a failure in fiduciary responsibility. The municipality must prioritize transparency and accountability in the use of debt relief funds or face potential sanctions.

Alignment with National Treasury Compliance Standards: Sol Plaatje Local Municipality's performance on MFMA Circular No. 124 conditions is subpar, with only a 71% compliance rate. This is insufficient and requires immediate action to close compliance gaps. The National Treasury will not tolerate non-compliance with the debt relief programme's stringent conditions. The municipality must treat this programme as an urgent priority, dedicating resources to meet every stipulated requirement fully.

Active Monitoring of Utility Management: The municipality's inability to restrict water supply to defaulting non-indigent consumers is a glaring weakness in its credit control mechanisms. Immediate technological upgrades must be pursued to enable this capability, ensuring better control over service delivery and revenue collection.

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: 29/10/2024

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



Annexures (September 2024 Compliance Certificates)

Annexure A2 - Monthly



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

National Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period: Sept'24
National Financial Year: 2024/25
Demarcation Code of Municipality being assessed: NC091
District: Frances Baard
Demarcation Description: Sol Plaatje

I, Mandla Gilimani, Director, LGBA, 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

Table with 10 rows of conditions for Eskom and bulk water current account, compliance with funded MTREF, and debt impairment. Includes dropdown menus for 'Yes', 'No', and '2024/25 Adopted MTREF'.



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)?	NA - the MTREF is funded
<p><i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>			
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)?	Na
<p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>			
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 align with and give effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
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
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:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No
<p>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.</p>			
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges –</p>			
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
<p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>			
20	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1:	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)?	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 <u>and</u> the reason(s) for the failure?	No
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	6.9.1 = Yes



31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	<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"/>
<p><i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i></p>			
<p>6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</p>			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	<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="Yes"/>
<p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>			
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	<input type="text" value="Yes"/>
<p><i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i></p>			
<p>6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):</p>			
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	<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="No"/>
<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i></p>			
39		Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	<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"/>
<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>			



Mandla Gilimani

PT: HOD/ NT / MM Name:

[Signature]

Signature of HOD/ NT/ MM:

29/10/2024

Date:

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

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

Monthly Performance Report



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

Province: NW, District: Frances Baard, Sol Plaatje

Monthly Performance Report table with columns for Municipal Details, Part A-E, and Part F (Compliance Status). Includes a signature block for Mandla Gilimani dated 29/10/2024.