



***MONTHLY BUDGET STATEMENT:
S71 MONTHLY REPORT: JUNE 2024
(PRELIMINARY FIGURES)***

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

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Due date: 12 July 2024

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 30 JUNE 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 May 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 R3,592,865 billion, of which 90% of the debt is owed in excess of 90 days. Of the total debt, R747,515 million is owed by government, R639,582 million by business and R2,356,253 billion by households. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. *There needs to be a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, must remember that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality, as there is a direct correlation between providing quality services and consumers' willingness to pay.

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

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

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 May 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **30 June 2024**, the ten working day reporting limit expires on **12 July 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 **12 July 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 June 2024	YTD Actual June 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,798,666	2,757,386	(41,280)	98.5%	-1.5%
Total Revenue (including capital transfers and contributions)	2,960,015	2,899,067	(60,948)	97.9%	-2.1%
Total Operational Expenditure	2,782,911	2,492,925	(289,986)	89.6%	-10.4%

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

As indicated in Table 1 above, as at 30 June 2024, the billed revenue excluding capital grants amounted to R2,757,386 billion which resulted in a satisfactory variance of minus 1.5% when compared to the YTD Budget of R2,798,666 billion. The billed revenue including capital grants amounted to R2,899,067 billion, resulting in a satisfactory variance of minus 2.1% when compared to the YTD budget of R2,960,015 billion. Capital grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reasons for the variances are articulated in Section 4.1 below. The Total Operational Expenditure amounted to R2,492,925 billion versus the YTD Budget of R2,782,911 billion, resulting in an unsatisfactory variance of minus 10.4%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Adjusted Budget					
Description R thousand	Adjusted Budget	YTD Actual June 2024	Variance Favourable (Unfavourable)	% YTD Actual vs Adjusted Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
Total Revenue (excluding capital transfers and contributions)	2,798,666	2,757,386	2,524,163	98.5%	-1.5%
Total Revenue (including capital transfers and contributions)	2,960,015	2,899,067	2,652,399	97.9%	-2.1%
Total Operational Expenditure	2,782,911	2,492,925	2,261,015	89.6%	-10.4%

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

Indicated in Table 2 above is the YTD actual compared to the Adjusted Budget. When calculating the ideal In-Year-Monitoring percentage of 100% [calculated as follow: (100/12 months x 12 months of the year)] as at the end of June 2024, the Total operational revenue excluding capital grants versus the Adjusted Budget resulted in a satisfactory variance of minus 1.5%. The Total operational revenue including capital grants versus the Adjusted Budget resulted in a satisfactory variance of minus 2.1%. The Total Operational Expenditure resulted in a fairly satisfactory variance of minus 10.4%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 12. For the Adjusted budgets, these were all divided by the remaining 5 months of the year. This is distorting some of the variances. 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 2nd Adjustments budget for 2023/24 financial year. The original budget for 2023/24 was assessed as funded with a firm recommendation from NT that the collection rate must improve. After the approval of the main adjustments budget the municipality received the final adjusted DoRA with various adjustments on capital grants. This necessitated the municipality to submit the 2nd Adjustments budget and adjusted SDBIP to Council which was approved on 31 May 2024. Articulated in the table below are the adjustments.

	23/24 Original Allocation	DoRAA Adjustments (Main Adjustments budget)	Initial Adjusted allocation	Additional Adjustments Increase (Decrease)	Total adjustments on Conditional grants	Final 23/24 Adjusted Allocation
Capital grants (R'000)						
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026	(12,189)	35,837	(8,733)	(20,922)	27,104
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	–	2,000	(2,000)	(2,000)	–
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	(11,000)	75,000	(35,000)	(46,000)	40,000
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	–	74,207	(10,812)	(10,812)	63,395
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	–	4,000	2,000	2,000	6,000
Total DoRAA capital allocations	214,233	(23,189)	191,044	(54,545)	(77,734)	136,499
EUROPEAN UNION (BEAR)		18,850	18,850			18,850
FRANCES BAARD DM		6,000	6,000			6,000
Total other capital grants	–	24,850	24,850	–	–	24,850
TOTAL	214,233	1,661	215,894	(54,545)	(77,734)	161,349

As per the tables above overall Operational revenue is performing satisfactorily, with the actual achieved versus the Adjusted budget standing at 97.9% spent versus the ideal percentage of 100%. Operational expenditure is 89.6% spent which is slightly under-spent with the contributing factors being Depreciation which is not provided for, the capturing of the June 2024 Eskom account and post retirement health benefits which is not yet accounted for. Performance on the capital has been poor for the greater part of the financial year but has shown improvement in the latter part of the year and is now standing at 78.2% spent as at the end of June 2024. This is still not a desired outcome and more effective planning, monitoring and timely remedial action is still essential to improve on the monthly and full year outcome of capital expenditure.

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

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

- The benefits of the Relief to that municipality will immediately cease;
- 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;
- Eskom Juneresume any legal proceedings (relating to the municipality's arrear debt, interest and penalties as of 31 March 2023), including attaching the municipal bank account; and
- 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;

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- 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 June also constitute financial misconduct as envisaged in the MFMA and Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. The National Treasury reserves the right to immediately invoke section 216 of the Constitution and/ or any other remedies available to government in terms of the prevailing legislative framework in such a situation (including instituting individual financial misconduct and/ or criminal proceedings).

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

Monitor and report on implementation –

As per MFMA Circular 124, section 6.9.1. **MFMA section 71 reporting** – the municipal council and senior management team must closely monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant;

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

The municipality has made significant strides to settle the monthly current accounts for Eskom and the Department of Water and Sanitation. The arrear debt owed to Waterboard has also been reduced significantly. Both ESKOM and DWS is satisfied with the progress the municipality has made and the municipality has an amicable and good working relationship with both institutions. The ring-fencing of cash received for Electricity and Water is accounted for on a daily basis. This has however put pressure on the municipality to settle order creditors. The biggest concern is the settling of the accounts for the high months for Eskom (Jun to Aug). The municipality settled an amount of R63,149 million on current account for May 2024 excluding interest amounting to R3,178 million on 25 June 2024. The total invoice amounted to R66,327 million. On the 21 June 2024, the payment arrangement instalment amounting to R6,700 million was settled and this was paid against the July 2023 account. Due to the debt agreement with DWS and the Incentive scheme initiated by the Department, the municipality has made significant strides in reducing the arrear debt owed to the Department and settled all invoices raised for the 2022/23 financial year in full. The municipality is working towards being up to date for the current year. The outstanding balance of R5,108 million on the December 2021 invoice was settled on 26 June 2024. The only account outstanding for the current year is the February 2024 account, amounting to

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R36,046 million, due to insufficient cash. Our servitude period commenced on the 1st of April, which is the free water quota allocated to the municipality. This means that no billing will be raised until our servitude is exhausted. The municipality settled an amount of R13,000 million on the outstanding February 2024 account. A bit on the downside, the municipality had insufficient cash to settle the debt instalment for Waterboard amounting to R6,000 million on or before the 5th of July 2024. This was counted by the settlement of the December 2021 account.

A cost containment memorandum has been sent out to reduce new orders, curb non-essential expenditure, reduce Overtime and manage fuel consumption of municipal vehicles. The policy for smart prepaid meters was approved on 31 May 2024 with the adopted budget for the 2024/25 MTREF. The municipality finalized the item to Council for the smart prepaid meters grant offered by National Treasury and this was resolved by Council on 31 May 2024. NT made the final award for the smart prepaid meter transversal tender and the municipality applied for consideration to partake in the transversal tender. Urgent intervention is required on the restricting or interrupting of water supply for defaulting consumers. The collection rate for Water, Sanitation and Refuse is poor and urgent intervention is required. The municipality introduced an incentive scheme to consumers from December 2023 to March 2024 with a 50% discount if the account is settled in full, with 100% write-off of interest on the account. This initiative yielded some positive results but not at the level that the municipality would have hoped. The municipality is exploring the option to have consumers blacklisted that are delinquent payers. Departments are engaged on a regularly basis to recoup outstanding debt owed by Organs of State. The 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.

Further interventions implemented in collecting outstanding debt.

- Disconnections were focused more on business and Government Departments.
- We are aiming to implement full credit control processes in the coming months in order to improve our cashflow and collection rate.
- This includes disconnection/blocking of electricity of all owing Customers groups, putting formal arrangements for Customers in place.
- Implementation of partial blocking (to take effect from Monday, 1 July 2024), where a portion of prepaid purchases is allocated against the arrear account and
- Finalization of the Provision of Debt Collection Services tender.
- We are working on an effective follow up system with regards to Customers that have made monthly arrangements on their accounts and are not honouring same.
- Customers are called on a weekly basis until they come in to make payment, this is additional to the disconnection notices and smses that are sent to the Customers on a monthly basis.
- We continue to monitor the payment habits of the Customers whose accounts were cleared during the Debt Relief Payment to ensure that they make monthly payments on their accounts.
- All Customers are encouraged to make monthly payments and make arrangements, through the public campaigns.
- Macrocomm is currently in the process of correcting the accounts of a number of our large power users, Customers are making payments on reconstructed amounts.
- We are meeting with the top 100 Debtors of the Municipality, dealing with their disputes, negotiating settlement amounts that will benefit the Municipality.
- The Provision of Debt Collection Services Tender has been advertised on 26 May 2024 and closes on 27 June 2024. The introduction of legal collections will greatly assist with the collection of the monies owed to the Municipality.
- We are receiving monthly payments from our Government Customers and are holding meetings with the Departments in order to obtain the monies that are owed to the Municipality. The receipts for June 2024 were R23,273,850.43 as compared to the R24,060,235.76 that was paid for the month of May 2024. The Department of Public Works have not made their payments as they usually do, we have followed up with them and they will make payment shortly. The Department of Transport

has been disconnected due to non-payment, we have given the Department several opportunities to make the required payment.

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - June 2024										
Description	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Budget Variance IYM % -
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	995,202	154,735	886,006	995,202	89.0%	(109,196)	-11.0%	89.0%	(109,196)	-11.0%
Service charges - Water	300,114	23,787	287,296	300,114	95.7%	(12,818)	-4.3%	95.7%	(12,818)	-4.3%
Service charges - Waste Water Managem	89,858	8,099	96,714	89,858	107.6%	6,855	7.6%	107.6%	6,855	7.6%
Service charges - Waste management	65,412	6,373	77,255	65,412	118.1%	11,843	18.1%	118.1%	11,843	18.1%
Sale of Goods and Rendering of Services	17,379	1,425	17,397	17,379	100.1%	18	0.1%	100.1%	18	0.1%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	250,400	22,527	258,041	250,400	103.1%	7,641	3.1%	103.1%	7,641	3.1%
Interest from Current and Non Current Ass	9,500	2,669	13,996	9,500	147.3%	4,496	47.3%	147.3%	4,496	47.3%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	28,130	2,480	28,851	28,130	102.6%	721	2.6%	102.6%	721	2.6%
Licence and permits	1,200	57	670	1,200	55.8%	(530)	-44.2%	55.8%	(530)	-44.2%
Operational Revenue	3,134	(1,673)	3,202	3,134	102.2%	68	2.2%	102.2%	68	2.2%
Non-Exchange Revenue										
Property rates	660,893	44,974	680,775	660,893	103.0%	19,881	3.0%	103.0%	19,881	3.0%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	37,910	15,690	45,799	37,910	120.8%	7,889	20.8%	120.8%	7,889	20.8%
Licence and permits	6,150	707	7,150	6,150	116.3%	1,000	16.3%	116.3%	1,000	16.3%
Transfers and subsidies - Operational	287,603	10,632	285,279	287,603	99.2%	(2,324)	-0.8%	99.2%	(2,324)	-0.8%
Interest	-	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	44,680	(81,635)	49,299	44,680	110.3%	4,619	10.3%	110.3%	4,619	10.3%
Gains on disposal of Assets	1,100	16,486	19,612	1,100	1782.9%	18,512	1682.9%	1782.9%	18,512	1682.9%
Other Gains	-	34	45	-	-	45	-	-	45	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,798,666	227,366	2,757,386	2,798,666	98.5%	(41,280)	-1.5%	98.5%	(41,280)	-1.5%
Transfers and subsidies - capital	161,349	29,236	141,681	161,349	87.8%	(19,668)	-12.2%	87.8%	(19,668)	-12.2%
Total Revenue (including capital transfers and contributions)	2,960,015	256,601	2,899,067	2,960,015	97.9%	(60,948)	-2.1%	97.9%	(60,948)	-2.1%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 11.0%. After an investigation, it was established that a billing error on network access charges that was credited to Non-exchange Revenue: Operational revenue was erroneously reversed against Service charges. The impact of this error was R86m, which will be corrected during June 2024. This will address the understatement of Service charges Electricity and the overstatement of Non-exchange Revenue: Operational revenue. This understatement of Service charges Electricity is also attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is showing a slight under-recovery of minus 4.3%. 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 the General Valuation Roll. The same applies to all Service charges., Sanitation and Refuse is showing an over-recovery when compared to the YTD budget.

- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 0.1%.
- ❖ Interest earned from Receivables is showing a positive variance of 3.1% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate. This was adjusted upwards, but the same applies in respect of the phase in over the last 5 months of the year for the adjusted budget figures.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 47.3%. 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 will be recognised as part of the year-end procedures.
- ❖ Licences and permits are showing a negative variance of 44.2%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated.
- ❖ Operational Revenue is showing a positive variance of 2.2%, as a result of an over-recovery on Incidental Cash Surpluses and Commission: Transaction Handling Fees. After an investigation, it was established that Incidental Cash Surpluses is overstated as a result of erroneous allocation of meter tampering fees because the tariff code was linked to the incorrect vote. The discrepancy was communicated to our financial system's manager for correction. A corrective journal will be processed to rectify the misallocation.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 3.0%.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of 20.8%, as a result on an over-recovery on Penalties: Disconnection Fees, whilst Fines: Law Enforcement is showing an under-recovery.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 0.8%.
- ❖ Operational Revenue is showing a positive variance of 10.3%. The budget was corrected during the Adjustment budget, however this is only projected for the remaining 5 months of the year, thus resulting in the distorted percentage. The YTD actual is overstated and this is a result of a billing error that was erroneously allocated to Service charges. The error of approximately R86m was journalised during June 2024.
- ❖ Gains on disposal of assets, predominantly pertains to the sale of land. The budget was corrected during the Adjustment budget however, this is only projected for the remaining 5 months of the year, thus resulting in the distorted percentage. The YTD actual is also higher than anticipated. Other Gains must be investigated.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 12.2% when compared to the YTD budget. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Comparison against Adjusted Budget

Based on the IYM percentage of 100%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Service charges for Water against the Adjusted budget is satisfactory, whilst Service charges Electricity is showing a negative variance of 11.0%. Same factors are applicable as described in the paragraph above. Service charges Wastewater management and Waste management is showing an over-recovery.

- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 0.1%.
- ❖ Interest earned from Receivables is showing a positive variance of 3.1%.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 47.3%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 44.2%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 2.2%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 3.0%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a fairly satisfactory variance of 20.8%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a negative variance of 0.8%.
- ❖ Operational Revenue is showing a positive variance of 10.3%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets, predominantly pertains to the sale of land. Other Gains are gains realised at logistics stores on store items and commodities.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 12.2%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 June 2024. The main contributors of the municipality's revenue are Service Charges (48.9%), Property Rates (24.7%) and Transfers and subsidies (10.3%). The contribution per Revenue source is still slightly distorted, as a result of the annual billing of Property rates and the receipt of the third tranche of the Equitable Share.

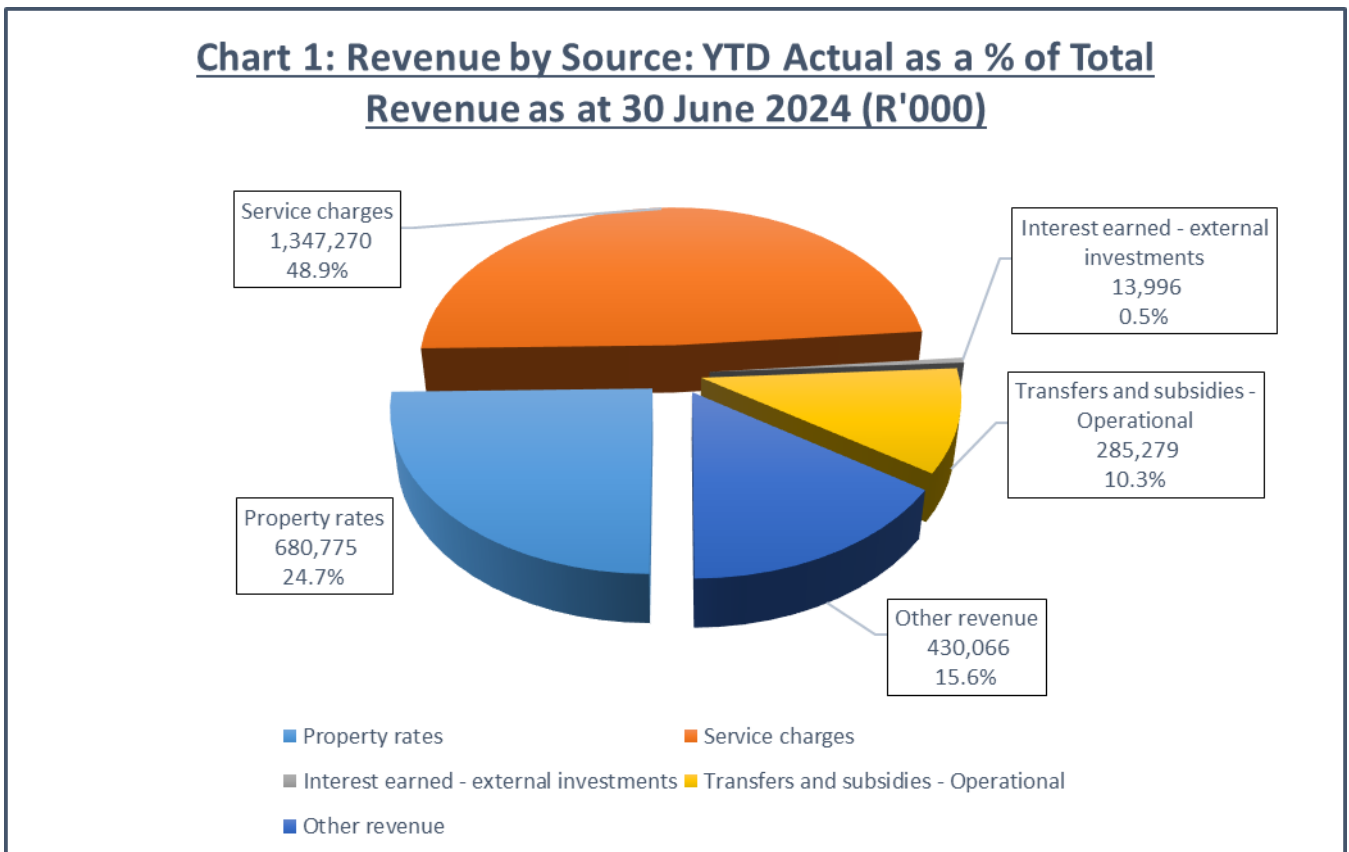


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - June 2024										
Description	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Budget Variance IYM
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	910,366	71,389	865,174	910,366	95.0%	(45,192)	-5.0%	95.0%	(45,192)	-5.0%
Remuneration of councillors	35,559	2,842	34,958	35,559	98.3%	(601)	-1.7%	98.3%	(601)	-1.7%
Bulk purchases - electricity	790,100	10,920	673,594	790,100	85.3%	(116,506)	-14.7%	85.3%	(116,506)	-14.7%
Inventory consumed	336,955	34,238	301,997	336,955	89.6%	(34,958)	-10.4%	89.6%	(34,958)	-10.4%
Debt impairment	317,500	-	317,500	317,500	100.0%	-		100.0%	-	0.0%
Depreciation and amortisation	86,650	-	-	86,650	0.0%	(86,650)	-100.0%	0.0%	(86,650)	-100.0%
Interest	20,055	480	10,488	20,055	52.3%	(9,567)	-47.7%	52.3%	(9,567)	-47.7%
Contracted services	56,913	11,275	48,776	56,913	85.7%	(8,137)	-14.3%	85.7%	(8,137)	-14.3%
Transfers and subsidies	3,560	58	2,526	3,560	71.0%	(1,034)	-29.0%	71.0%	(1,034)	-29.0%
Irrecoverable debts written off	-	1	1	-		1			1	
Operational costs	159,253	17,352	172,932	159,253	108.6%	13,679	8.6%	108.6%	13,679	8.6%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	66,000	179	64,978	66,000	98.5%	(1,022)	-1.5%	98.5%	(1,022)	-1.5%
Total Expenditure	2,782,911	148,733	2,492,925	2,782,911	89.6%	(289,986)	-10.4%	89.6%	(289,986)	-10.4%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 June 2024 current YTD expenditure shows an unsatisfactory variance of minus 10.4%. The YTD actual amounted to R2,492,925 billion against the YTD Budget of R2,782,911 million.

- ❖ Employee related costs show a satisfactory variance of minus 5.0%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 1.7%.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 14.7%. It should be noted that currently Interest on overdue accounts is included in this line item. The actual will be corrected, however the municipality did not budget for Interest on overdue accounts for bulk electricity due to municipal debt relief. An amount of R57,745 million has been reversed for the current year.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 10.4%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

Table 4.1 R&M Expenditure per Directorate per inventory type							
R&M Expenditure per Directorate per Inventory type as at 30 June 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 100%
VOTE 1 - COUNCILLORS AND ADMIN	286,000	286,000	-	116,830	40.85%	40.85%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	118,000	124,000	-	62,602	53.05%	50.49%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	166,000	160,000	-	54,228	32.67%	33.89%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	30,576,000	24,092,000	2,979,420	33,577,346	109.82%	139.37%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	670,000	770,000	152,383	704,084	105.09%	91.44%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	250,000	244,000	22,698	242,809	97.12%	99.51%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	6,000	-	5,102	-	85.03%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,656,000	23,072,000	2,804,339	32,625,351	110.01%	141.41%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	138,000	138,000	-	103,576	75.06%	75.06%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	120,000	122,000	-	91,906	76.59%	75.33%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	16,000	-	11,671	64.84%	72.94%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,645,730	2,645,730	288,562	2,186,972	20.54%	82.66%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	867,000	921,000	4,869	733,213	84.57%	79.61%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	260,000	272,000	-	254,785	97.99%	93.67%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	340,730	615,230	40,965	600,230	176.16%	97.56%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,178,000	837,500	242,728	598,744	6.52%	71.49%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	34,528,500	44,290,115	3,864,196	29,519,234	85.49%	66.65%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,008,500	1,186,800	151,196	947,631	93.96%	79.85%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	58,000	58,000	36,860	38,415	66.23%	66.23%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	195,000	225,000	15,519	209,815	107.60%	93.25%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	965,000	1,054,000	31,804	878,294	91.01%	83.33%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	7,457,000	8,463,000	546,258	8,095,564	108.56%	95.66%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	953,000	318,000	16,893	298,087	31.28%	93.74%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,892,000	32,985,315	3,065,666	19,051,428	79.74%	57.76%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,399,000	2,354,000	136,432	1,784,025	74.37%	75.79%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,270,000	1,315,100	64,353	1,060,048	83.47%	80.61%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	159,000	177,650	3,659	142,538	89.65%	80.24%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	172,000	179,000	11,289	152,760	88.81%	85.34%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	798,000	682,250	57,131	428,678	53.72%	62.83%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,430,000	8,930,000	626,385	6,844,264	106.44%	76.64%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	464,000	490,320	70,845	287,447	61.95%	58.62%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	74,000	11,119	53,208	87.23%	71.90%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	362,000	367,180	23,243	363,313	100.36%	98.95%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	6,000	25,000	1,039	12,578	209.63%	50.31%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,537,000	7,973,500	520,139	6,127,718	110.67%	76.85%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	220,896,654	254,219,654	26,343,441	227,865,144	103.15%	89.63%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	677,000	632,000	23,707	486,868	71.92%	77.04%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,660,000	26,650,000	2,292,807	19,060,311	139.53%	71.52%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	721,000	817,000	9,509	767,899	106.50%	93.99%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,650,000	9,327,000	591,759	9,201,195	138.36%	98.65%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	360,000	548,000	22,767	500,184	138.94%	91.27%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	137,626,654	151,843,654	12,480,246	116,522,283	84.67%	76.74%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	64,400,000	10,922,646	81,326,405	132.89%	126.28%	OVERSPENT
Grand Total	305,899,884	336,955,499	34,238,436	301,997,392	98.72%	89.63%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 30 June 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 100%
2480 - REFUSE	20,731,000	19,751,000	1,225,861	14,707,406	70.94%	74.46%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	71,000	111,000	36,224	85,106	119.87%	76.67%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	120,000	-	13,640	6.50%	11.37%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	5,000,000	5,750,000	421,972	5,726,663	114.53%	99.59%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	750,000	-	-	-	0.00%	-	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	13,770,000	767,665	8,881,997	60.42%	64.50%	UNSATISFACTORY
2830 - ROADS	46,038,000	42,438,000	2,957,820	42,952,665	93.30%	101.21%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	50,000	60,000	-	59,168	118.34%	98.61%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	54,000	64,000	-	59,958	111.03%	93.68%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	45,934,000	42,314,000	2,957,820	42,833,538	93.25%	101.23%	SATISFACTORY
2840 - HOUSING	3,497,000	3,497,000	143,540	2,549,445	72.90%	72.90%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	98,000	128,000	4,125	142,434	145.34%	111.28%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	125,000	125,000	-	124,211	99.37%	99.37%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	150,000	150,000	9,004	89,033	59.36%	59.36%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,123,000	3,093,000	130,411	2,193,766	70.25%	70.93%	UNSATISFACTORY
2850 - SEWERAGE	20,739,000	30,039,000	1,199,341	17,584,677	84.79%	58.54%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	45,000	45,000	2,149	28,587	63.53%	63.53%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	150,000	140,000	-	115,942	77.29%	82.82%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	239,000	284,000	2,957	274,616	114.90%	96.70%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,700,000	2,654,000	150,926	2,643,050	155.47%	99.59%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	70,000	-	65,856	65.86%	94.08%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,505,000	26,846,000	1,043,309	14,456,626	78.12%	53.85%	UNSATISFACTORY
2860 - WATER	105,314,000	130,737,000	15,146,637	132,536,778	125.85%	101.38%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	95,000	80,000	1,963	57,247	60.26%	71.56%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,510,000	26,510,000	2,292,807	18,944,369	140.22%	71.46%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	105,000	142,000	6,140	126,718	120.68%	89.24%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,600,000	2,338,000	179,439	2,327,860	145.49%	99.57%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	260,000	478,000	22,767	434,328	167.05%	90.86%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	28,544,000	36,789,000	1,720,874	29,319,851	102.72%	79.70%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	64,400,000	10,922,646	81,326,405	132.89%	126.28%	OVERSPENT
2880 - ELECTRICITY	49,461,000	50,791,000	6,585,658	31,734,523	64.16%	62.48%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	194,000	184,000	-	81,751	42.14%	44.43%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	81,000	412	79,338	111.74%	97.95%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	49,195,000	50,525,000	6,585,246	31,573,434	64.18%	62.49%	UNSATISFACTORY
Grand Total	245,780,000	277,253,000	27,258,856	242,065,493	98.49%	87.31%	UNSATISFACTORY

Table 4.2 R&M Expenditure per Service per inventory type

- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the fourth quarter was processed on the financial system during May 2024.
- ❖ Depreciation was projected for on a straight-line basis but is only be provided for, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system. A demonstration meeting was held by our service provider. This is something that will be resolved as soon as possible based on the strict recommendation from National Treasury during the 2023/24 Mid-year Engagement.
- ❖ Interest is showing an unsatisfactory variance of minus 47.7%, due to the Interest on External borrowing being paid bi-annually and the first instalment for the current financial year was paid during December 2023. The instalment due at end of June 2024 was settled. The interest on overdue accounts for the Eskom bulk account is being captured on the system under Bulk purchases electricity, as there is no provision for Interest on overdue accounts. This is attributable to the fact that the municipality could not factor this cost into the electricity tariffs and expect the community to fund this and secondly, the municipality applied for the municipal debt relief and was approved effective 1 of October 2023. Interest on overdue accounts for Eskom was not factored into the Adjustment budget, due to the municipal debt relief. A corrective journal will be processed. Minor interest charges on overdue accounts was handled through a budget virement on the system, until it was corrected during the Adjustment budget. A formal communique must be distributed to warn users on the late submission of payments which is incurring unnecessary charges and which they will be held liable for in future. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of minus 14.3%. The sub-item OS: B&A Project Management is showing an under-expenditure, possibly due to outstanding invoices. Contr: Prepaid Electricity Vendors is also showing a projected saving at year-end.
- ❖ Transfers and subsidies showing negative variance of minus 29%, due to Other grants showing minimal movement due to cash flow constraints.

- ❖ Operational cost is showing an unsatisfactory variance of 8.6% 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 R39,613 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.
 - Costs incurred of R10,827 million on OC: Ext Com Serv Prov - S/Ware Licences, for predominantly annual software license fees.
 - Cost incurred of R9,521 million on OC: Professional Bodies M/Ship & Subs, for predominantly annual SALGA membership fees.
 - OC: Audit Cost: External incurred of R7,988 million.
- ❖ Other Losses is showing a variance of minus 1.5%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and then journalized to the Income Statement and is simultaneously split between Water Inventory and Water losses. The corrective journal to recognise Water inventory and losses portion for the actuals for the year is fully provided for, as the billing from the Waterboard is from July to March each year. Our servitude (free water) commences from April each year.

Operating Expenditure by Type: Comparison against Adjusted Budget

Indicated in Table 4 above, is the YTD actual compared to the Adjusted Budget. The ideal In-Year-Monitoring percentage as at the end of June 2024 is 100%. The total operational expenditure against the Adjusted budget is 89.6% spent, resulting in an unsatisfactory variance of minus 10.4%.

- ❖ Employee related costs shows a satisfactory variance of minus 5.0%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 1.7%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 14.7%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 10.4%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a variance of 0%. Debt impairment will be provided for on a quarterly basis and the journal for the fourth quarter was processed on the system during June 2024.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Same factors are applicable as explained above.
- ❖ Interest is showing an unsatisfactory variance of minus 47.7%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 14.3%, when compared to the Adjusted budget.
- ❖ Transfers and subsidies show a satisfactory variance of minus 29.0%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 8.6%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 1.5%. Same factors are applicable as explained above.

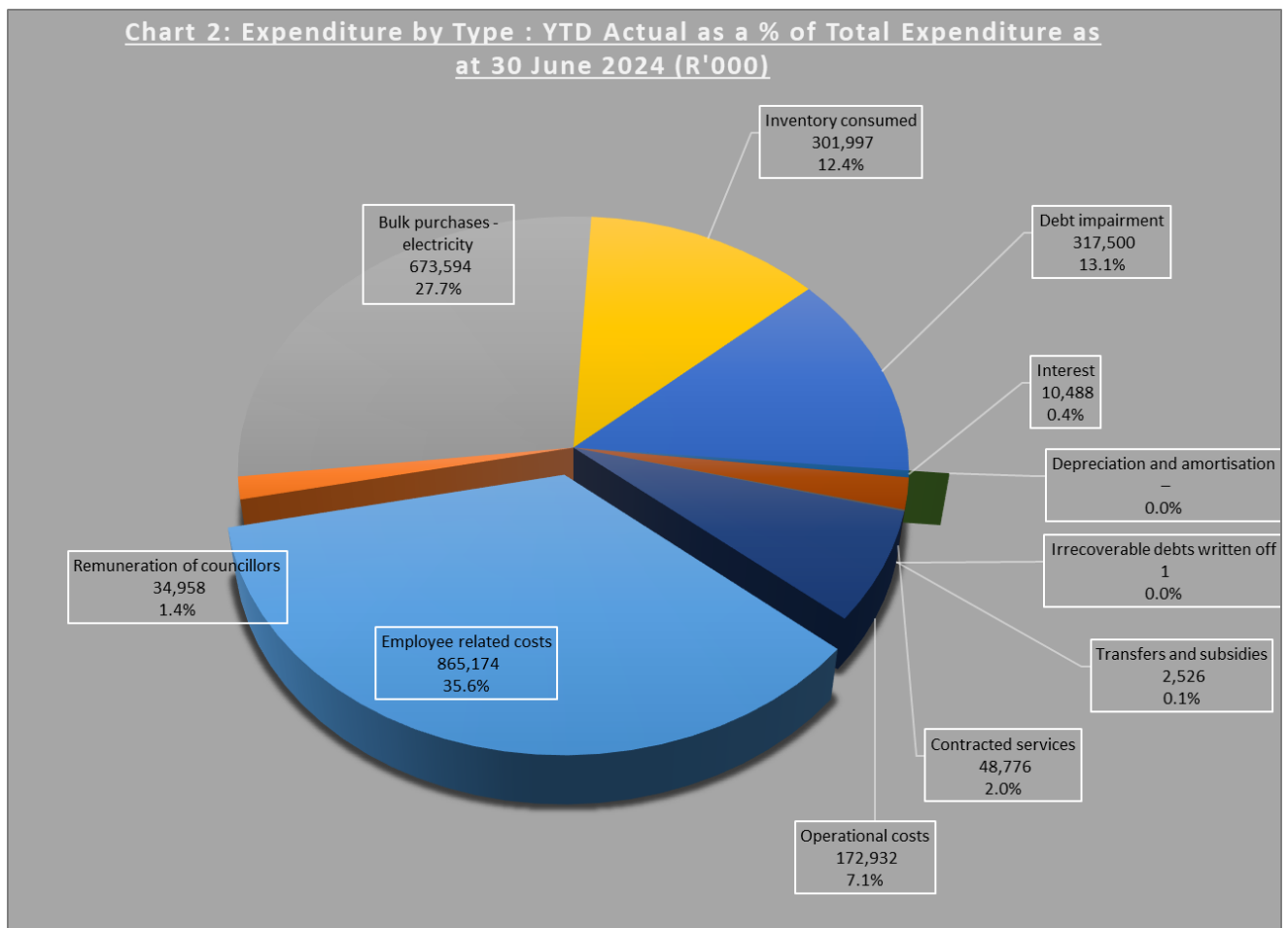


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 30 June 2024. The main cost drivers of the municipality are Employee Related Costs (35.6%), Bulk Purchases – Electricity (27.7%) and Debt Impairment (13.1%) and Inventory consumed (12.4%).

It should be noted that the weighting per Expenditure type is satisfactory. percentages are slightly distorted as a result of the following:

- ❖ Employee costs, the Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ The June 2024 account for Eskom amount to R113m, is not yet captured on the system
- ❖ 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 100% as at end of June 2024, Bulk Purchases Electricity is showing a fairly satisfactory variance of minus 14.75%. It should be noted that for the interim interest on overdue accounts is included under this line item, no provision was made for Interest on overdue accounts during the Adjustment budget, due to the municipality partaking in the municipal debt relief.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
BULK PURCHASES: ELECTRICITY	790,100,000	10,920,297	673,594,406	85.25%	-14.75%
Total	790,100,000	10,920,297	673,594,406	85.25%	-14.75%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of 12.1%, when compared to the ideal percentage of 100%. This will have to be investigated. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals pertaining to Water inventory and losses was processed on the system.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
INVENTORY - WATER	64,400,000	10,922,646	81,326,405	126.28%	26.28%
NON-REVENUE WATER LOSSES	66,000,000	-	64,787,558	98.16%	-1.84%
Total	130,400,000	10,922,646	146,113,963	112.1%	12.1%

Table 5.2: Summary of YTD Bulk Water expenditure

Outstanding debt: ESKOM and DWS

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Payments (2023/24)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2023/24
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	975,207	694,376	(57,745)	223,086	109,315	69,631
Jul-23	131,032	96,762	(8,736)	25,534	25,534	8,736
Aug-23	123,594	70,000	(10,784)	42,810	42,810	10,784
Sep-23	71,421	30,000	(10,598)	30,823	30,823	10,598
Oct-23	76,317	62,679	(13,638)	-	-	13,638
Nov-23	70,580	62,348	(8,232)	0	0	8,232
Dec-23	64,311	61,246	(3,065)	-	-	3,065
Jan-24	65,735	63,044	(2,691)	-	-	2,691
Feb-24	64,371	62,479	-	1,893	1,893	1,893
Mar-24	66,311	62,973	-	3,338	3,338	3,338
Apr-24	61,436	59,697	-	1,739	1,739	1,739
May-24	66,327	63,149	-	3,178	3,178	3,178
Jun-24	113,771	-	-	113,771	-	1,738
Grand Total ESKOM	1,888,619	797,617	(95,227)	995,775	882,004	69,631

Table 6.1: Summary of outstanding Eskom debt

Indicated in Table 6.1 above, is the total outstanding debt owed to Eskom amounting to R995,775 million. It should be noted that R95,227 million interest charges were reversed, for interest charges from March 2023 to January 2024, as part of the municipal debt relief programme. The accounting treatment of this must still be done on the system. The municipality settled an amount of R63,149 million on current account excluding interest amounting to R3,178 million on 25 June 2024. The amounts paid excludes interest charges, in line with the MFMA Circular 124, the municipality must settle billed charges including VAT. On the 21 June 2024 an instalment of the debt proposal payment agreement was paid which amounted to R6,700 million and this was allocated to the July 2023 account. The total arrear debt amounts to R882,004 million summarized as follow 2021/22 (R523,811m), 2022/23 (R248,878m) and 2023/24 (R109,315m). The total interest charged on overdue accounts from July 2023 to June 2024 amounts to R69,631 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The interest charges that were reversed for the 2023/24 financial year amounts to R57,745 million.

The total billed amount for the 2023/24 financial year amounts to R975,207 million. Total payments for the 2023/24 financial year amounts to R797,617 million of which R103,242 million relates to 2022/23 financial year and R694,376 million was paid for invoices for 2023/24 financial year. The current arrangement with Eskom is that the municipality must at least settle the monthly current account. There was no formal payment arrangement in place for 2022/23 financial year and the payment arrangement for the debt incurred after March 2023 was concluded on 12 July 2024, for 2023/24 financial year. The municipality has been doing well in settling the monthly current account and going forward will endeavour to pay over actual receipts from Electricity sales for the same period. The municipality especially struggles during the high months, when the Eskom bill is double that of the low months.

DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Payments (2023/24)	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
2022/23	82	82	–	–
WRM LEVIES JUN 2023	82	82	–	–
2023/24	151,501	127,684	23,817	23,046
202307_WRM LEVIES JUL 2023	82	82	–	–
202308_WRM LEVIES AUG 2023	82	82	–	–
202309_WRM LEVIES SEP 2023	82	82	–	–
202310_WRM LEVIES OCT 2023	82	82	–	–
202311_WRM LEVIES NOV 2023	82	82	–	–
202312_WRM LEVIES DEC 2023	82	82	–	–
202401_WRM LEVIES JAN 2024	82	82	–	–
202402_WRM LEVIES FEB 2024	82	82	–	–
202403_WRM LEVIES MAR 2024	82	82	–	–
202404_WRM LEVIES APR 2024	78	78	–	–
202405_WRM LEVIES June 2024	78	78	–	–
202406_WRM LEVIES JUN 2024	78	–	78	–
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	13,000	23,046	23,046
Mar-24	5,194	5,194	–	–
Jun-24	694	–	694	–
Grand Total	278,015	199,541	78,474	77,702

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 R78,474 million. No billing was raised for May 2024, due to the servitude (free water quota) that commences from 1 April each year. The servitude was exhausted but the excess consumption of the servitude was billed end of June 2024. The total debt also has to be concurred with the Department. The total arrear debt amounts to R77,702 million which pertains to outstanding invoices for 2021/22 financial year (R54,656m). This amount includes interest of R14,704 million which must still be written off by the Department, once all the arrear debt has been settled. All the invoices for the 2022/23 financial year, has been settled in full and for the 2023/24 financial year an amount of R23,046m is still unpaid.

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 financial year have been settled in full. The biggest concern for the municipality is to settle the outstanding invoices for November 2023 and February 2024 as a matter of urgency.
- Settling the monthly debt instalment (municipality complied, but defaulted for March to July 2024, due to insufficient cash available from operations). However the municipality successfully managed to settle the July and November 2023 accounts which were in arrears 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 payments: DWS & ESKOM: 2022/23 and 2023/24

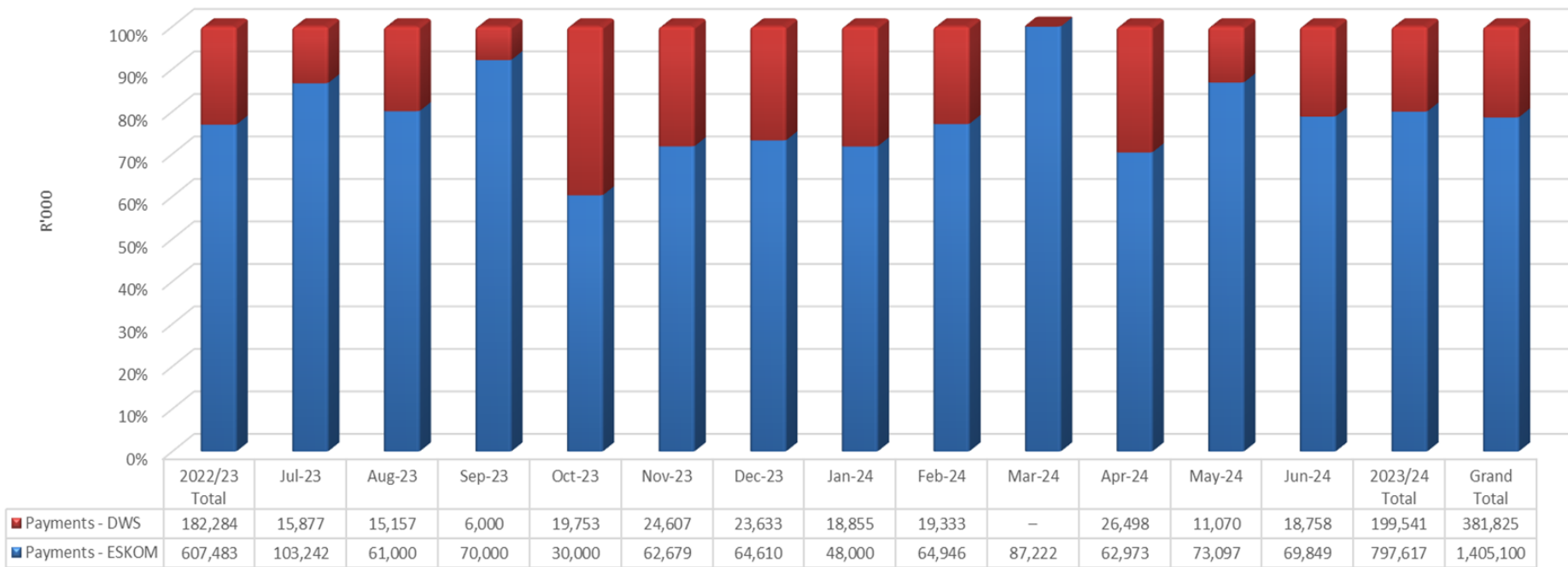


Chart 2.1: Monthly payments to DWS & ESKOM

Indicated in Chart 2.1 above, are the monthly payments made to DWS and ESKOM for 2022/23 and 2023/24 fin year as at 30 June 2024.

The total amount paid to DWS for June 2024 amounted to R18,758 million. The invoice for February 2024 was unpaid but the municipality managed to pay an amount of R13,000 million on the 26 of June 2024. Payments for 2022/23 amounts to R182,284 million and payments for 2023/24 amounts to R199,541 million. The total payments amount to R381,825 million. The municipality has shown significant improvement over the financial year in terms of payments to DWS, with the average amount paid per month amounting to approximately R18,000 million.

The municipality settled an amount of R63,149 million on May 2024 account excluding interest amounting to R3,178 million on 25 June 2024 and on the 21 June 2024, the municipality paid an instalment of the debt proposal payment agreement which amounted to R6,700 million and this was allocated to the July 2023 account. This resulted in the total paid for June 2024 amounting to R69,849 million. The total payments made for the 2022/23 financial year amounts to R607,483 million and for 2023/24 financial year the payments amount to R797,617 million, resulting in the total payments for both periods amounting to R1,405,100 billion. The municipality has been improving on payments made to Eskom from November 2023 to date. The high months remains a major concern.

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
2022/23	R 607,483,087.93
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
Grand Total ESKOM	R 1,405,100,497.45

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
2022/23	R 182,284,059.00
2023/24	R 199,541,428.90
20230727	R 82,471.24
20230712	R 15,794,682.80
20230804	R 15,074,754.70
20230830	R 82,471.24
20230914	R 6,000,000.00
20231003	R 13,588,064.81
20231005	R 82,471.24
20231027	R 82,471.24
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
20240613	R 572,538.56
20240626	R 18,107,773.22
20240627	R 77,711.12
Grand Total DWS	R 381,825,487.90

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.

Chart 2.2: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2023 to Jun 2024

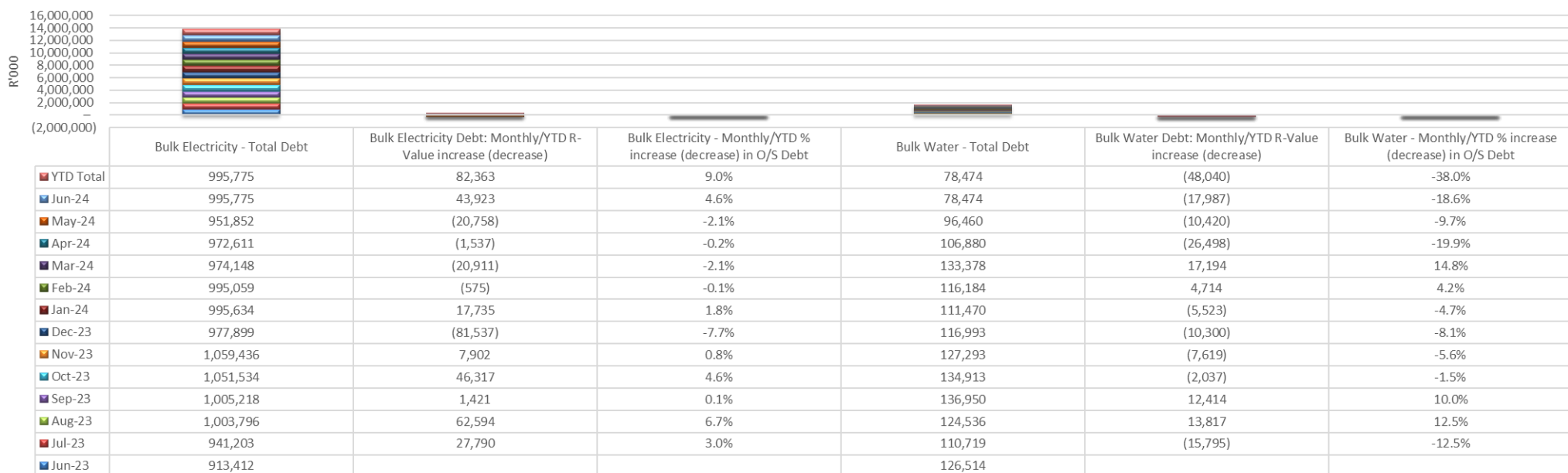


Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt

Indicated in Chart 2.1 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

ESKOM - From May to June 2024, debt owed to ESKOM increased by R43,923 million or 4.6%, from R951,852 million to R995,775 million. When comparing the total outstanding debt to June 2023, the outstanding debt increased by R82,363 million or 9.0%, from R951,852 million to R995,775 million. The total amount that was subject to the payment arrangement was R163,062 million for debt that accrued after March 2023. To date the municipality settled an amount of R35,762 million with the total current outstanding balance amounting to R127,300 million.

DWS - From May to June 2024, debt owed to DWS decreased by R17,987 million or minus 18.6%, from R96,460 million to R78,474 million. When comparing the total outstanding debt to June 2023, the outstanding debt decreased by R48,040 million or minus 38.0% from R96,460 million to R78,474 million. The municipality has made significant strides in reducing the debt owed to DWS. The total debt amounted to R174,076 million, whilst the municipality settled an amount of R119,420 million resulting in an outstanding balance of R54,656 million. An amount of R14,704 million for interest incurred must still be written-off, resulting in a net outstanding balance of R39,953 million on the payment arrangement.

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - June 2024										
Capital expenditure	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Budget Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	216,739	43,041	169,430	216,739	78.17%	(47,309)	-21.8%	78.2%	(47,309)	-21.8%
Funded by										
Capital transfers recognised	161,349	30,720	142,661	161,349	88.42%	(18,688)	-11.6%	88.4%	(18,688)	-11.6%
Internally generated funds	55,390	12,321	26,768	55,390	48.3%	(28,622)	-51.7%	48.3%	(28,622)	-51.7%
Weighting Capital transfer recognised	74.4%	71.4%	84.2%	74.4%						
Weighting Internally generated funds	25.6%	28.6%	15.8%	25.6%						

Table 7: High level summary: Capital Expenditure

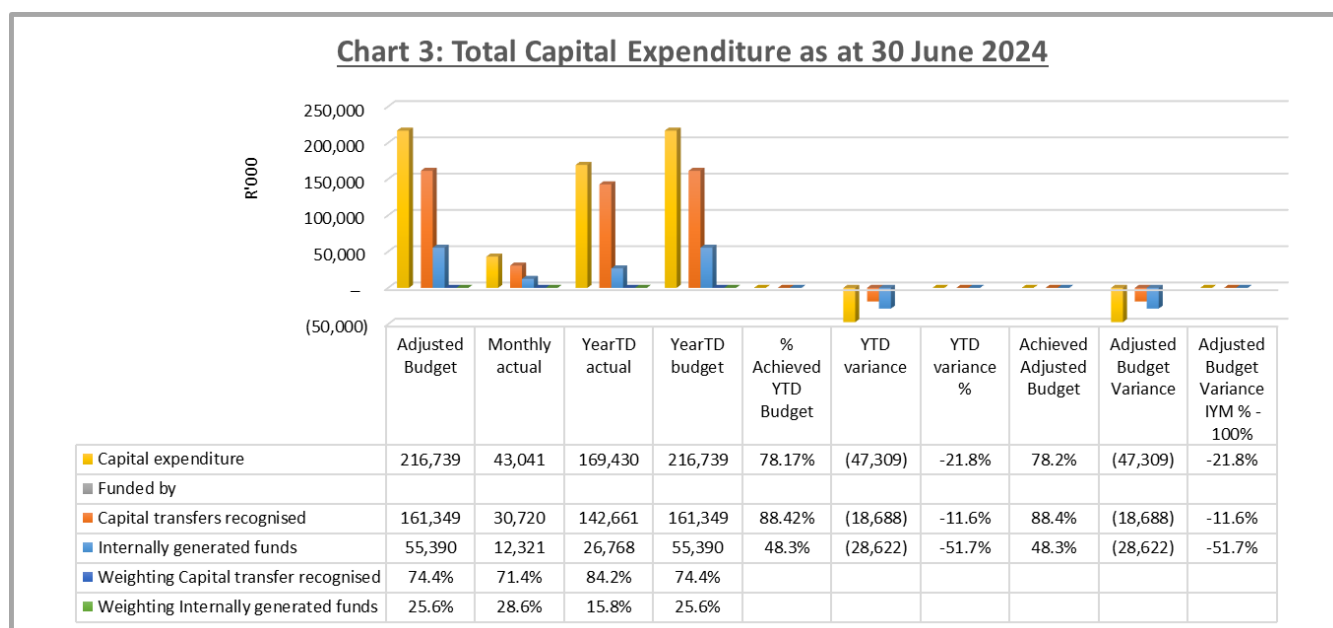


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of June 2024 amounted to R169,430 million and 78.2% spent when compared to the YTD budget of R216,739 million and 78.2% spent when compared to the Adjusted Budget of R216,739 million. The total YTD capex is funded from Capital grants R142,661 million (84.2%) and Internally generated funds R26,768 million (15.8%). 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

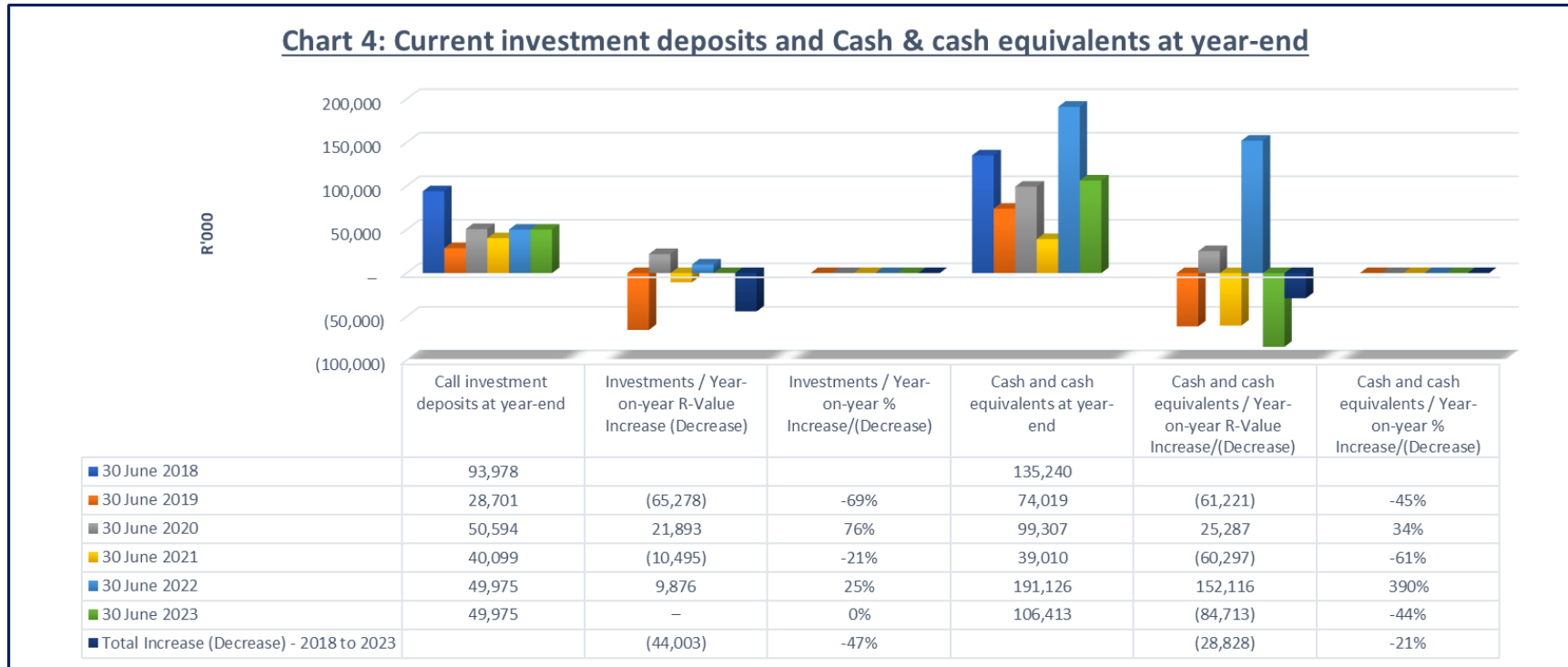


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. Investments increased by R9,876 million or 25% from 2021 to 2022. The total investment remained the same from 2022 to 2023. From 2018 to 2023, the total investments decreased by R44,003 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 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

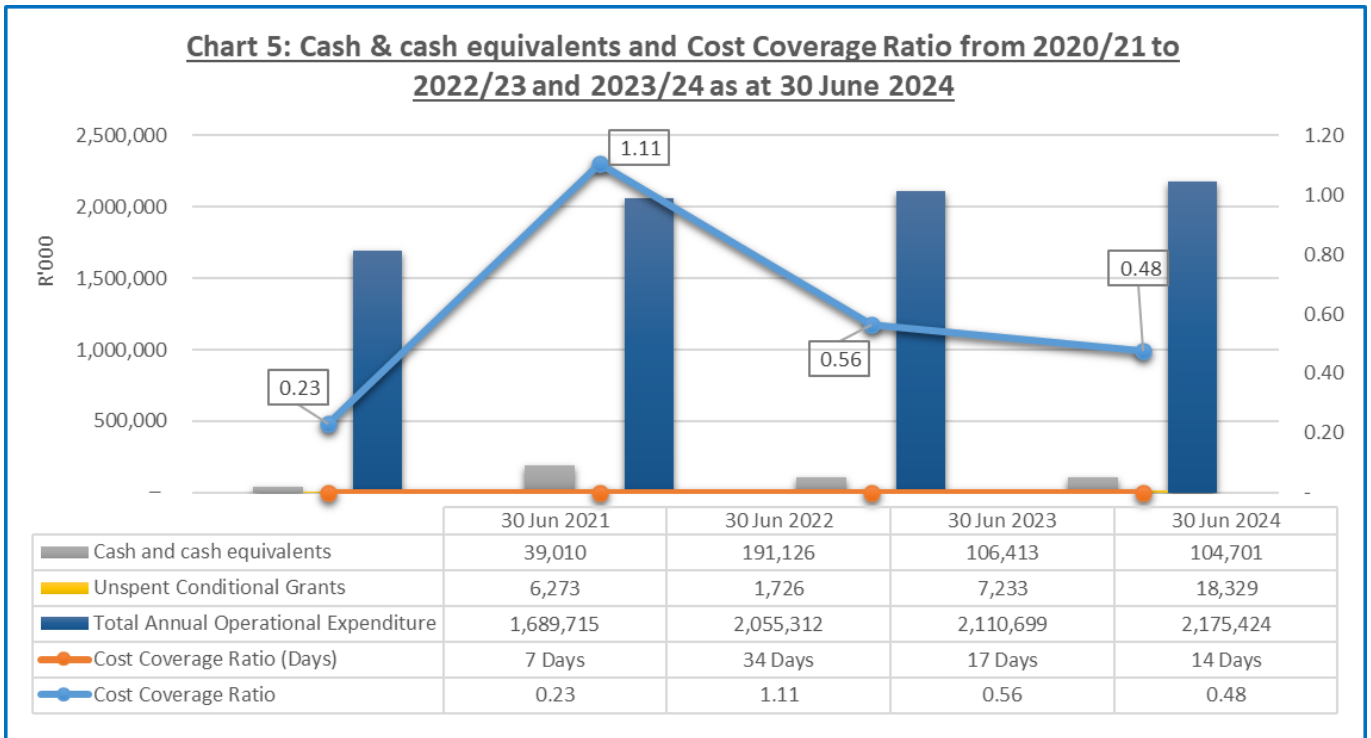


Chart 5: Cash & cash equivalents and Cost coverage ratio

Indicated in Chart 5 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the year. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2021 is (0.23; 7 days; R39,010m). There was a marginal improvement for the year ended 30 June 2022 (1.11; 34 days; R191,126m), 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 audited outcomes for the year ended 30 June 2023 is (0.56; 17 days; R106,413m). The Cost coverage ratio as at 30 June 2024 is calculated at (0.48; 14 days; R104,701m).

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

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

5. In-year budget statement tables

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

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

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2023/24										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	25,506	16,519	15,843	14,086	12,608	14,312	73,193	514,146	686,213	628,345	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	50,231	20,612	23,090	10,766	8,799	7,354	47,294	167,366	335,511	241,578	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	37,489	15,203	12,584	12,010	10,715	10,528	117,239	573,930	789,699	724,423	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	7,757	5,726	5,342	5,168	4,935	4,847	27,215	189,806	250,796	231,970	-	-	
Receivables from Exchange Transactions - Waste Management	1600	7,035	4,512	4,124	3,947	3,799	3,737	21,097	146,843	195,094	179,424	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,852	1,863	2,314	1,714	1,707	1,712	10,199	63,700	85,061	79,031	-	-	
Interest on Arrear Debtor Accounts	1810	20,083	19,703	19,768	19,154	18,839	18,794	103,473	697,179	916,994	857,439	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-	
Other	1900	18,275	11,685	4,027	5,478	40,557	2,786	28,801	221,889	333,497	299,511	-	-	
Total By Income Source	2000	168,230	95,824	87,090	72,323	101,959	64,071	428,510	2,574,858	3,592,865	3,241,721	-	-	
2022/23 - totals only		#####	80765529	95428645	73930893	69860728	61774014	#####	#####	3,381,229	3,049,094	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	21,263	18,468	12,752	10,393	8,051	7,736	102,314	566,538	747,515	695,032	-	-	
Commercial	2300	59,656	26,865	26,441	16,904	14,932	13,458	75,580	405,745	639,582	526,619	-	-	
Households	2400	84,604	48,791	46,297	43,470	76,719	41,352	241,803	1,539,401	2,122,438	1,942,745	-	-	
Other	2500	2,706	1,700	1,600	1,556	2,256	1,525	8,814	63,174	83,330	77,324	-	-	
Total By Customer Group	2600	168,230	95,824	87,090	72,323	101,959	64,071	428,510	2,574,858	3,592,865	3,241,721	-	-	

Table 8: Supporting Table SC3: Aged Debtors

Chart 6.1: Debtor's Age Analysis by Income Source as at 30 June 2024

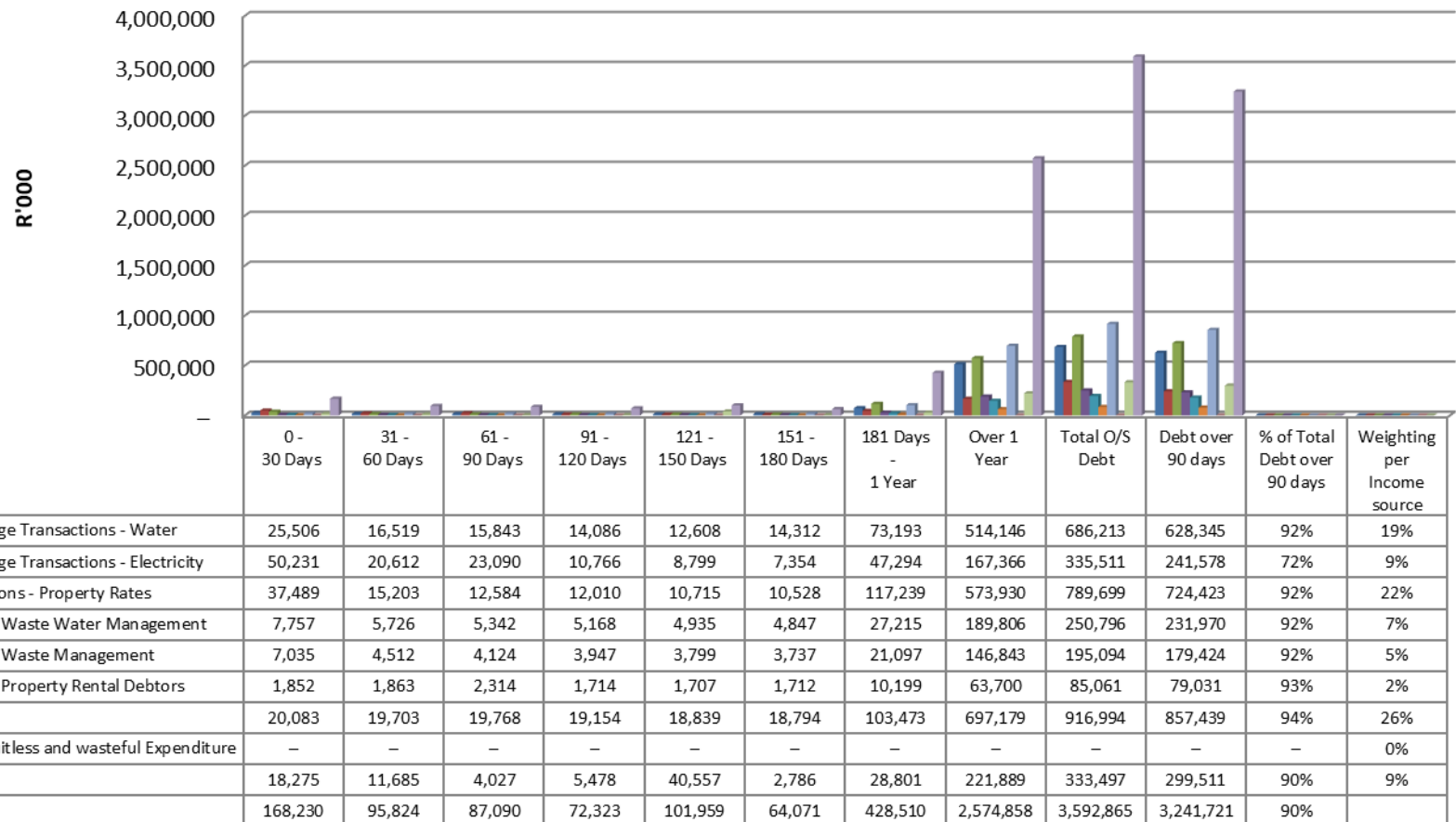


Chart 6.1: Debtor's age analysis by Income Source

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 R3,592,865 billion as at the end of June 2024 with 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 at 94%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Receivables from Non-Exchange Transactions – Property Rates at 92%
- ❖ Receivables from Exchange Transactions - Waste Water Management and Waste Management at 92%, respectively.

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 22%
- ❖ Interest on Arrear Debtor Accounts 26%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19%

Chart 6.2: Debtor's Age Analysis per Customer Group as at 30 June 2024



	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total O/S Debt	Debt over 90 days	% of Total Debt over 90 days	Weighting per Customer group
■ Organs of State	21,263	18,468	12,752	10,393	8,051	7,736	102,314	566,538	747,515	695,032	93%	21%
■ Commercial	59,656	26,865	26,441	16,904	14,932	13,458	75,580	405,745	639,582	526,619	82%	18%
■ Households	84,604	48,791	46,297	43,470	76,719	41,352	241,803	1,539,401	2,122,438	1,942,745	92%	59%
■ Other	2,706	1,700	1,600	1,556	2,256	1,525	8,814	63,174	83,330	77,324	93%	2%
■ Total By Customer Group	168,230	95,824	87,090	72,323	101,959	64,071	428,510	2,574,858	3,592,865	3,241,721	90%	
■ Weighting per age analysis	5%	3%	2%	2%	3%	2%	12%	72%	100%	90%		

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 93%; Commercial at 82%; Households at 92% and Other at 93%.

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

- ❖ Organs of state at 21%, total debt outstanding is R747,515 million
- ❖ Businesses at 18%, total debt outstanding is R639,582 million
- ❖ Households at 59%, total debt outstanding is R2,122,438 billion
- ❖ Other at 2%, total debt outstanding is R77,324 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 June 2024

We implemented full credit control processes in order to improve our cashflow and collection rate. This included serving of disconnection notices (14-day Notices) through the post office, smses communicating to Customers that are in arrears, that their electricity will be disconnected due to non-payment of accounts.

We had a mass blocking of all prepaid meters of Customers that are owing the Municipality, the exercise was quite effective as we collected R 6 million over a period of 2 days. However due to the possibility of strike action by the community members, we had to uplift the mass blocking on the meters that were still blocked. As a result, we have reverted to the blocking of meters per areas vs mass blocking, this is not as effective as money is collected in smaller amounts. Our collection efforts are also exacerbated by the tampering crisis we are currently facing as a City.

The possibility of strikes also resulted in us featuring on national and local news, having this media exposure benefited the Municipality in that, the financial plight of our Municipality was communicated through national news and therefore ultimately to the community of Kimberley at large. The community does not see the importance of paying for municipal services; and that ultimately this is a key part required for effective service delivery. With that said we did have some community members come in to make arrangement on their accounts, out of fear of having their electricity supply disconnected.

Our Cut Team and the Electricians attended to the disconnection of electricity for Government Departments and Businesses that are not paying their monthly accounts and/or are owing the Municipality a lot of money. We had a positive response as payments were received and further commitments made for month end. We are also in the process of finalizing settlements with Transnet and Eskom for payment of all their outstanding accounts. We are working through various disputes with companies such as Telkom and De Beers (they are disputing the responsibility of payment of some accounts we have made out on their entity names).

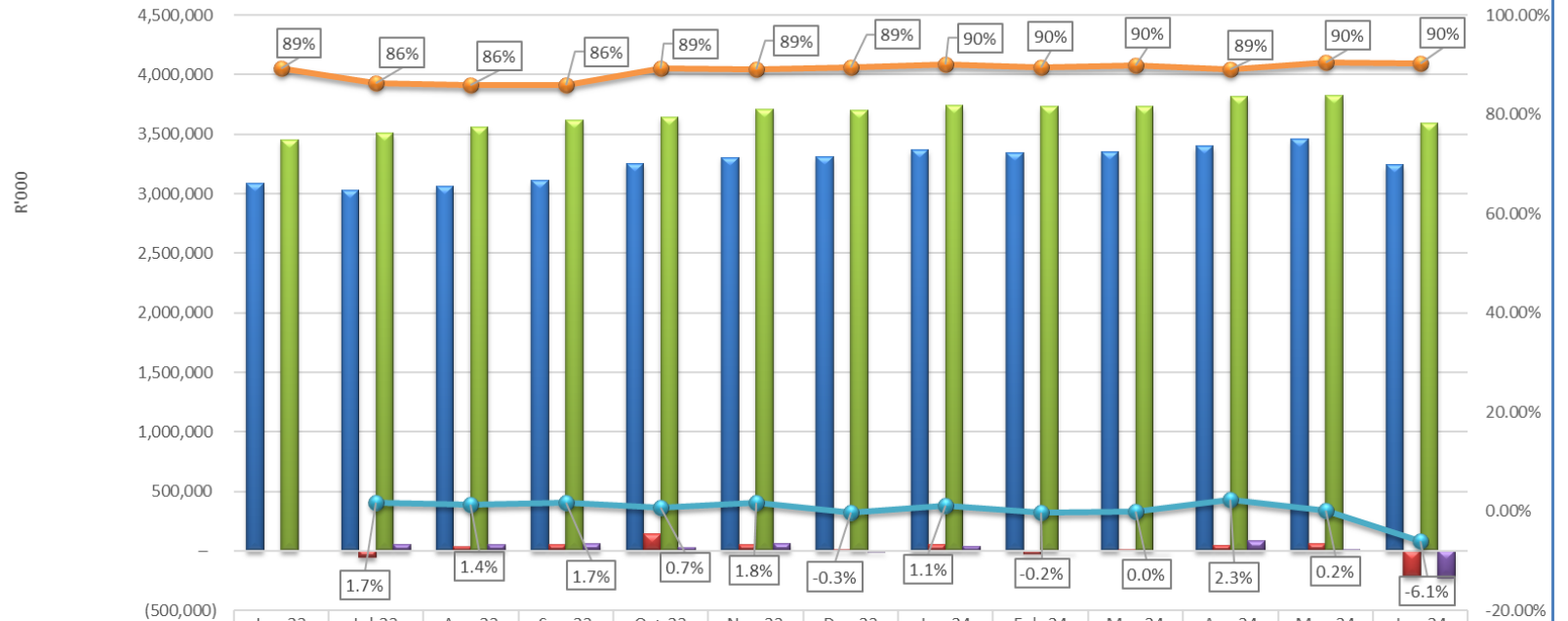
The receipts for Government Departments, Parastatals and schools were R 25,502,928.71 for the month of June 2024 as compared to the receipts of May 2024 which were R 23,273,850.43.

There is a poor payment culture within the jurisdiction of our Municipality and drastic measures need to be taken in order to get people back to the culture of paying their municipal accounts on a monthly basis without fail. As Revenue Management we are currently trying to formulate a new strategy with the resources at our disposal, in order to deal with this behavior that poses a serious threat to the sustainability of our Municipality.

GOVERNMENT DEBT	
DEPARTMENTS	RECEIPTS JUNE 2024
NATIONAL PUBLIC WORKS	R6,250,405.17
PROVINCIAL PUBLIC WORKS	R48,571.37
DEPARTMENTS OF HEALTH	R3,546,636.97
SOCIAL DEVELOPMENT	R185,769.48
ECONOMIC DEV & TOURISM	R364,643.67
COGHSTA/ HOUSING	R116,044.13
OFFICE OF THE PREMIER	R12,534.04
PROVINCIALLEGISLATURE	R102,389.36
CORRECTIONAL SERVICE	R4,016,711.95
NATIONAL DEFENCE FORCE	R2,209,626.89
AGRICULTURE	R75,788.32
EDUCATION	R891,901.72
SPORTS, ARTS & CULTURE	R230,334.24
TRANSPORT	R442,428.32
DE BEERS	R1,485,453.49
TELKOM	R725,873.70
ESKOM	
TRANSNET	R2,650,581.66
SAPS	R322,304.58
SCHOOLS	R1,824,929.65
TOTAL	R25,502,928.71

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which increased from remained unchanged at 90% for the month under review. Debt over 90 days decreased by R219,128 million in respect of the month-to-month comparison. The month-to-month decrease on Total debt amounted to R231,617 million. An amount of R270,571 was written-off as irrecoverable for the month of June 2024. It is concerning that total debt over 90 days is hovering at an average of 89 percent. During the 2023/24 MTREF Budget Benchmark exercise NT also encouraged the municipality, to explore all avenues to recoup long outstanding debt, to improve on financial liquidity and to improve the collection rate to at least 89% to be realistically funded from a cash perspective.

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2023 - Jun 2024



	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Debt over 90 days (R'000)	3,085,432	3,027,347	3,060,991	3,112,034	3,254,375	3,305,825	3,310,615	3,368,049	3,342,570	3,351,470	3,400,145	3,460,849	3,241,721
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		(58,085)	33,644	51,043	142,341	51,450	4,790	57,434	(25,479)	8,900	48,675	60,704	(219,128)
Total Debt (R'000)	3,451,760	3,509,411	3,559,727	3,621,131	3,647,378	3,711,957	3,699,364	3,740,293	3,731,931	3,730,832	3,817,484	3,824,481	3,592,865
Month-to-Month R-value Increase (Decrease) of Total debt		57,651	50,316	61,404	26,248	64,579	(12,593)	40,929	(8,363)	(1,098)	86,651	6,998	(231,617)
Month-to-Month % Increase (Decrease) on Total Debt		1.7%	1.4%	1.7%	0.7%	1.8%	-0.3%	1.1%	-0.2%	0.0%	2.3%	0.2%	-6.1%
% Weighting of Debt over 90 days	89%	86%	86%	86%	89%	89%	89%	90%	90%	90%	89%	90%	90%

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 2022/23. 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 May 2023, this will have to be confirmed with NT, if it for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2022/23 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.

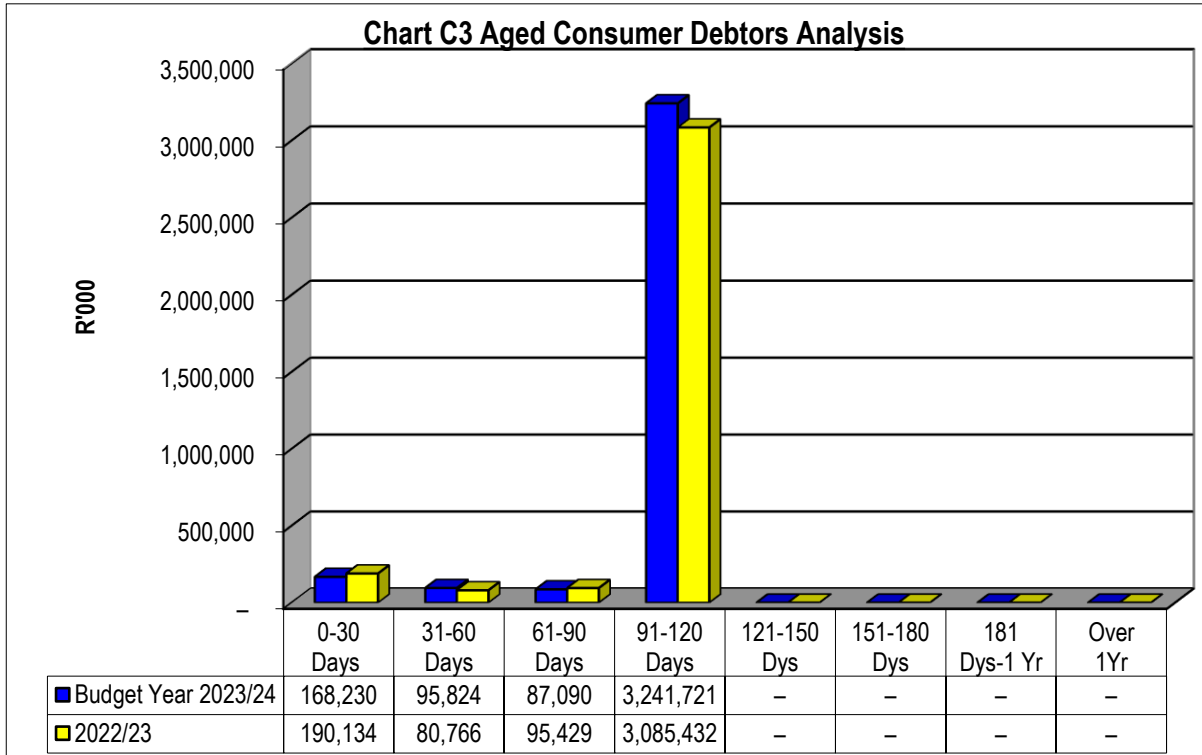


Chart 8: Aged Consumer Debtor Analysis

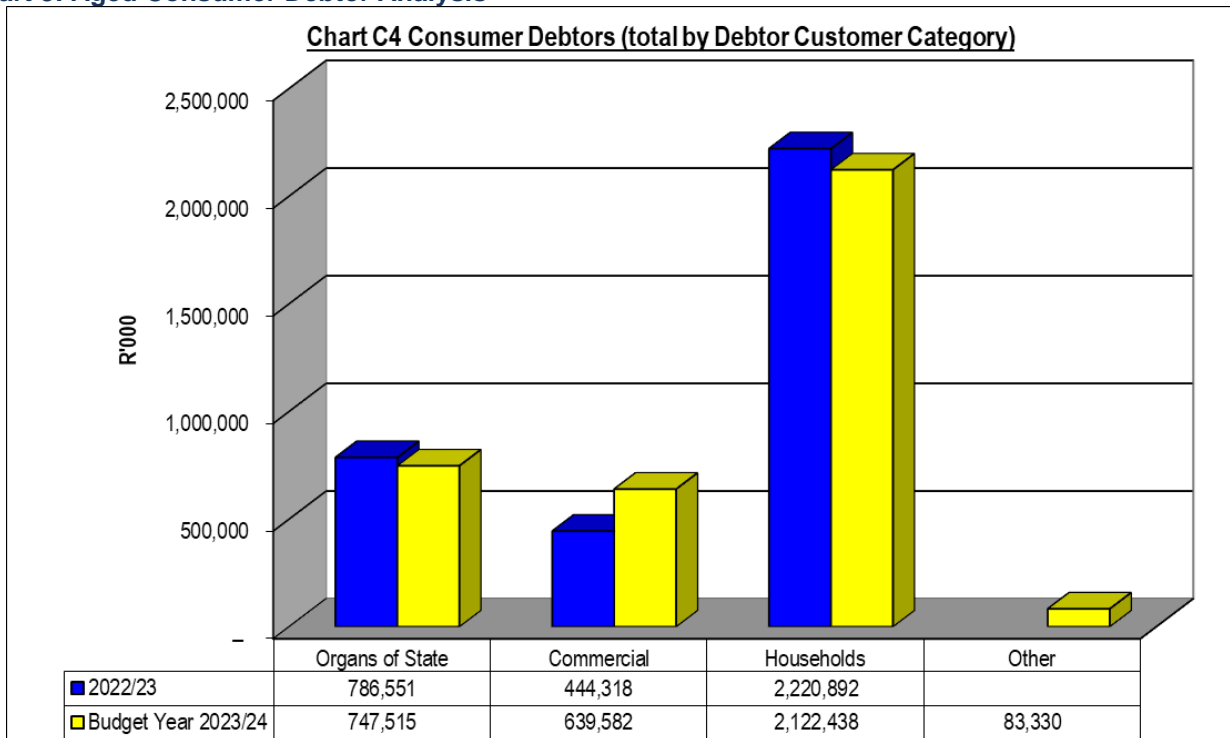


Chart 9: Consumer Debtors (total by Debtor Customer Category)

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 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 finalised
- 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 May 2024 and received in June 2024, the monthly collection rate is 75%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 83%. 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 R615 thousand and will be allocated during July 2024. Indicated in Table 10 below is the revised average collection rate of 80.2%, for Property rates and Service charges only. The average collection rate when taking into consideration on the annual billing on Property rates and Other was calculated at 74.1%. 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 June to 30 June 2024. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, had until the end of September 2023 to settle their outstanding accounts.

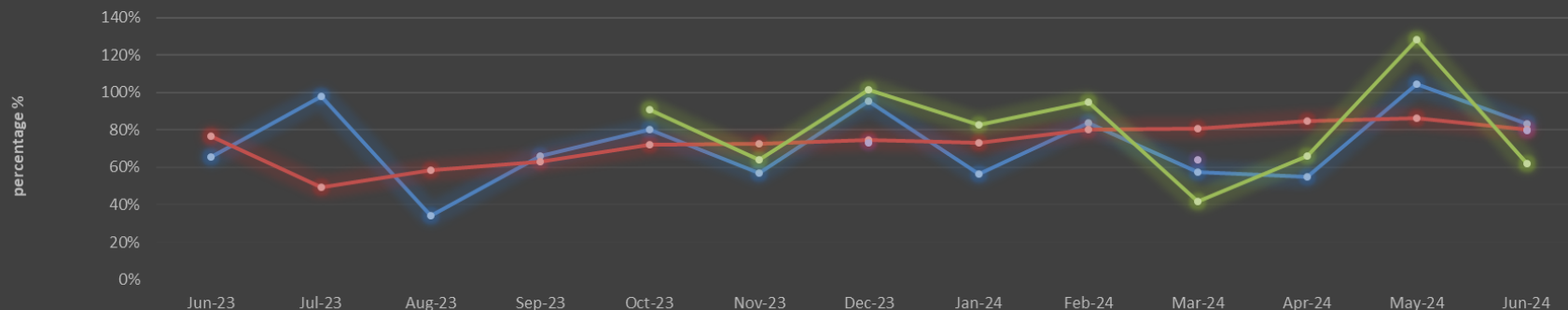
Monthly Collection Rate	Debits (Billed May 2024)	Credits (Received June 2024)	% Collected
PROPERTY RATES	45,010,074	32,214,968	72%
ELECTRICITY	45,338,897	44,870,557	99%
WATER	22,168,357	12,850,075	58%
SEWERAGE	9,774,094	4,164,792	43%
REFUSE	7,943,643	3,763,346	47%
PROPERTY RATES & SERVICES	130,235,065	97,863,738	75%
OTHER	25,798,768	32,041,285	124%
TOTAL	156,033,833	129,905,024	83%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL JUNE 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 680,774,785	R 521,330,475	76.6%
SERVICE CHARGE ELECTRICITY	R 572,766,263	R 538,435,124	94.0%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 313,239,435	R 313,239,435	100.0%
SERVICE CHARGE WATER	R 287,295,593	R 164,179,337	57.1%
SERVICE CHARGE SANITATION	R 96,713,777	R 47,958,270	49.6%
SERVICE CHARGE REFUSE	R 77,255,037	R 41,732,814	54.0%
UNALLOCATED CREDITS		R 614,280	
REVISED AVERAGE COLLECTION RATE - JUNE 2024	R 2,028,044,889	R 1,627,489,735	80.2%
REVISED AVERAGE COLLECTION RATE - JUNE 2024	2,028,044,889.16	1,627,489,734.79	80.2%
LESS ANNUAL BILLING ON PROPERTY RATES	R -141,456,341.14	-124,326,465.28	87.9%
INCLUDING OTHER	R 362,013,259	R 163,006,109	45.0%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER	R 2,248,601,806.74	R 1,666,169,378.18	74.1%

Table 10: Revised Average collection rate

Chart 10: Comparative trend: Monthly and Revised average collection rate - Jun 2023 to June 2024



	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Monthly collection rate	66%	98%	34%	66%	80%	57%	95%	56%	84%	58%	55%	105%	83%
Revised average collection rate	77%	49%	59%	63%	72%	73%	75%	73%	80%	81%	85%	86%	80%
Average collection rate per Ward (Monthly)					91%	64%	102%	83%	95%	42%	66%	128%	62%
Average collection rate per Ward (Quarterly)							73%			64%			79%

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 2023 to June 2024. The monthly collection rate for August 2023 and the revised average collection for July 2023, is low due to the annual billing of 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 from June 2023 to January 2024, Other was included in the calculation but from February 2024 onwards, 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. The monthly collection rate per ward was 62% for the month under review. The billing for Electricity, was high for the month of March 2024, due to a billing correction. However, this billing was reversed again during April and May 2024, reducing the YTD billed actual and distorting the collection rate. It should be noted that an amount of R615 thousand 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 2023 to June 2024

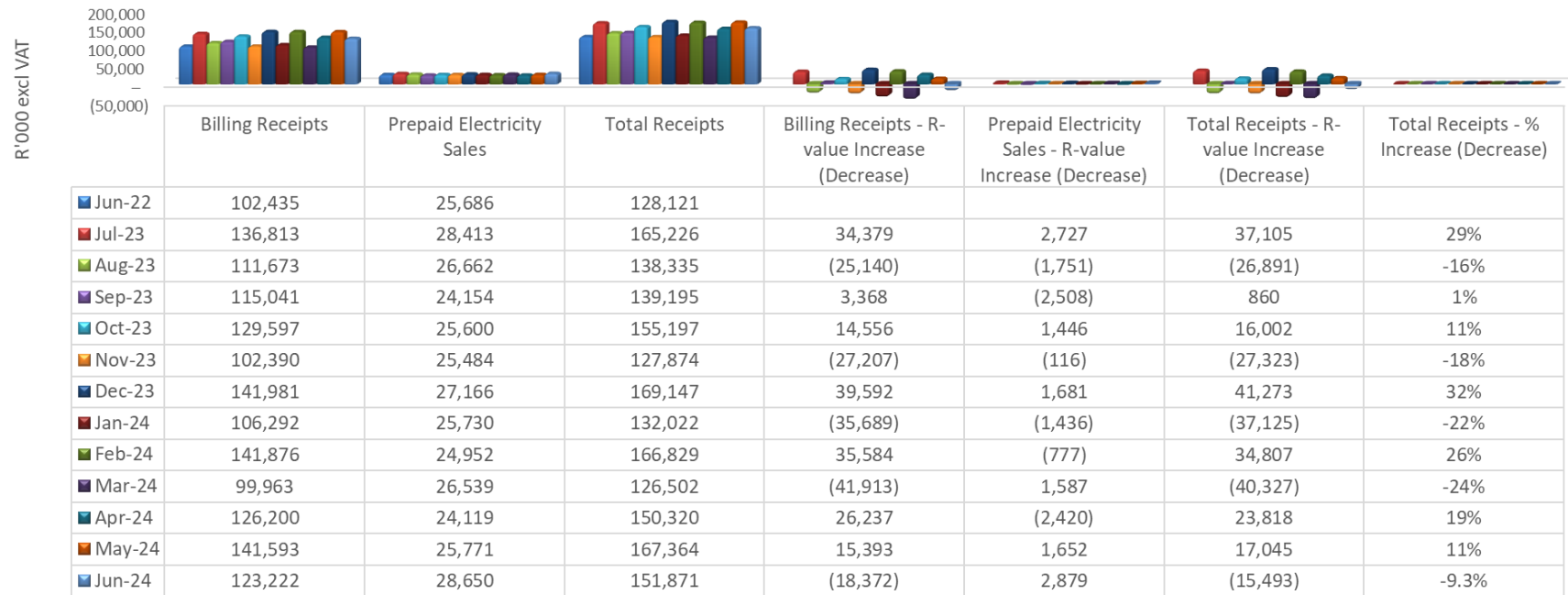


Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11.1 above, the Total Receipts amounted to R151,871 million which resulted in a decrease of R18,372 million or 9.3% in respect of the month-to-month comparison. Billing receipts decreased by R15,493 million, whilst Prepaid Electricity Sales increased by R2,879 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R615 thousand. 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 from July 2023 - June 2024

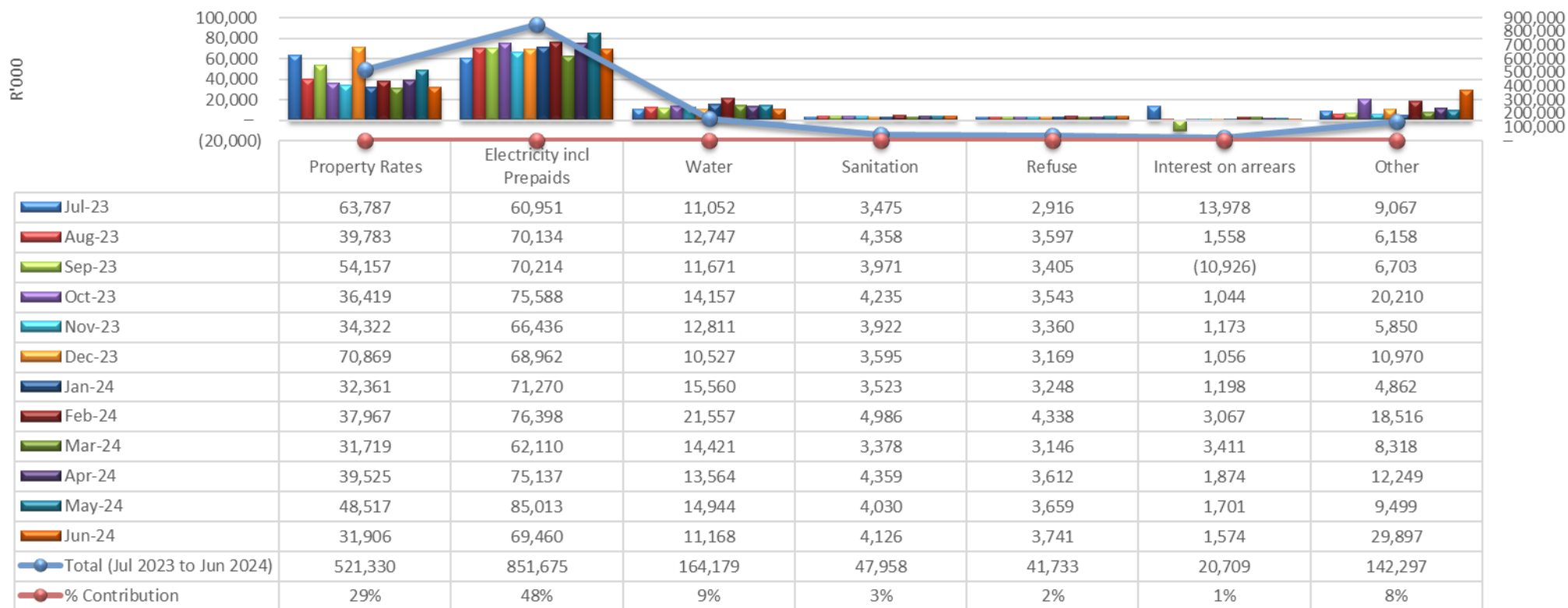


Chart 11.2: Monthly billing receipts per revenue source and % contribution

Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 30 June 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. The majority of revenue streams that are showing improvement in relation to the monthly comparison. Data from the above chart, indicates that Electricity incl Prepays at R851,675 million (48%) is the highest contributor, followed by Property rates at R521,330 million (29%) being received. This illustrates the sensitivity and vulnerability in respect of electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. Measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 9% and Other 8% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 54% 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 Junebe 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 Junebe written off if such account is settled in full over a period of two consecutive months.
- c) 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer’s most recent account will be written off if such account is settled in full over a period of three consecutive months.”

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

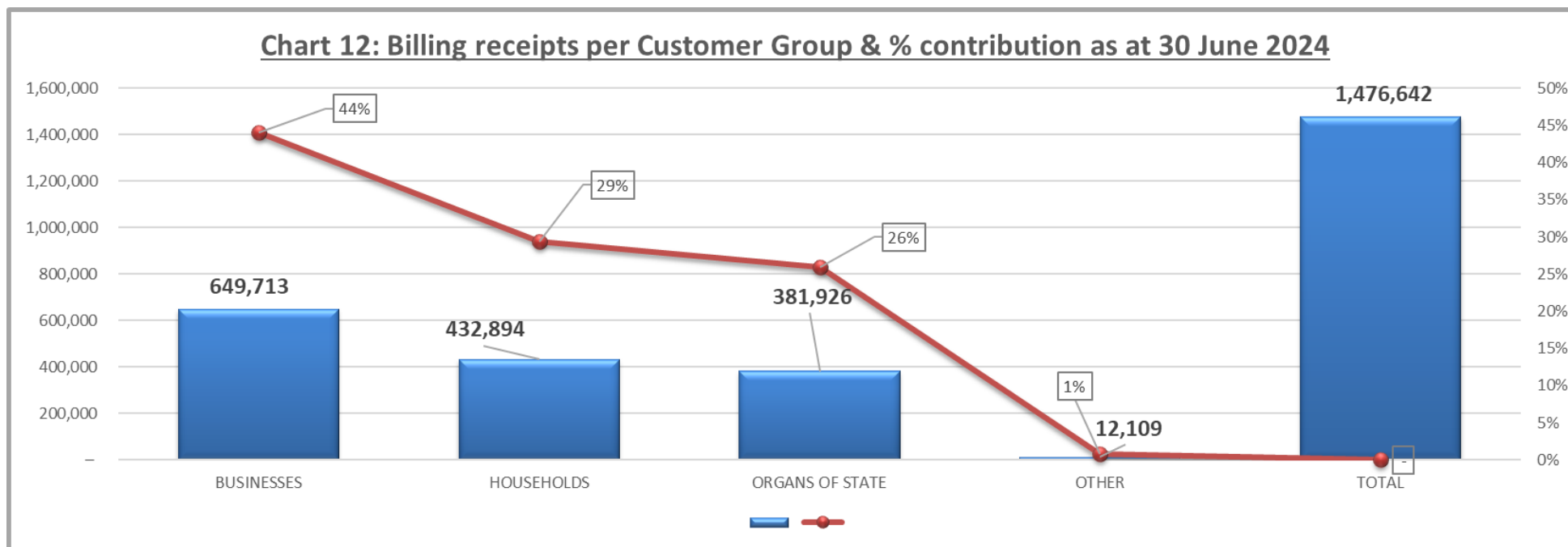


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 June 2024. The municipality received R649,713 million (43%) from Businesses, Households R432,894 million (29%), Organs of State R381,926 million (26%) and Other R12,109 million (1%).

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2023/24									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	113,771	3,178	1,739	3,338	1,893	-	99,167	772,689	995,775	913,412
Bulk Water	0200	771	-	-	-	23,046	-	-	54,656	78,474	126,514
PAYE deductions	0300	11,473	-	-	-	-	-	-	-	11,473	9,445
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	8,197	-	-	-	-	-	-	-	8,197	7,937
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	25,030	14,771	1,261	164	-	-	-	98	41,324	236
Auditor General	0800	96	-	-	-	-	-	-	-	96	12
Other	0900	20,018	13,813	1,505	1,648	55	-	8	10,586	47,634	19,763
Total By Customer Type	1000	179,356	31,762	4,505	5,150	24,994	-	99,175	838,029	1,182,972	1,077,319

Table 11: Supporting Table SC4: Aged Creditors

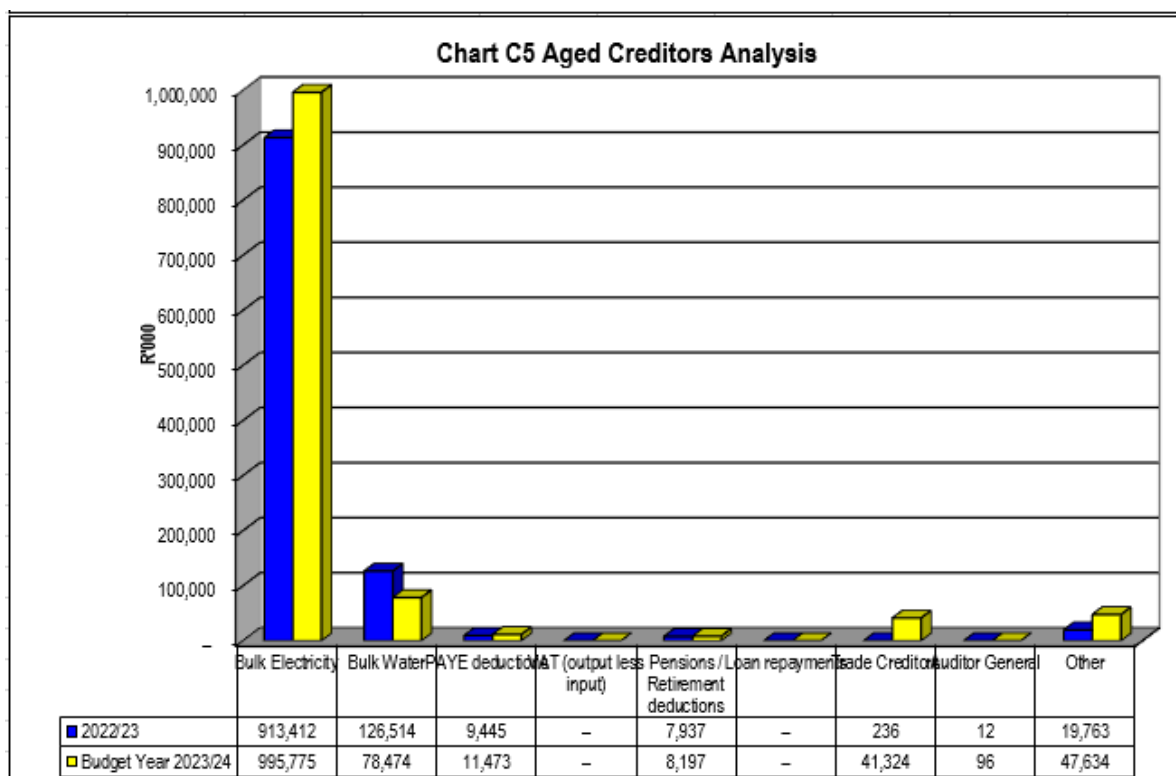


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2022/23 is based on the outstanding creditors as at 30 June 2023 (prior year totals for the same period).

Bulk Electricity – As at the 30 June 2024, the outstanding debt owed to Eskom amounted to R995,775 million. According to the June 2024 invoice, the outstanding balance is R839m, as a result of the Payment Arrangement (PA) that was loaded on our account. As per the Debt Relief approval, the municipality must honour the payment of the monthly current account. The municipality entered into a payment arrangement, concluded with Eskom on 12 June 2024, for the debt that accumulated after March 2023, amounting to R163m.

Bulk Water – As at the 30 June 2024, the outstanding debt owed to DWS amounted R78,474 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 financial year were settled in full. The debt must be concurred with the Department.

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

VAT – after the monthly VAT reconciliation, we claimed an amount of R12,998 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 R96 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 30 June 2024, of which the biggest contributor is other third party salary payments amounting to R18,190 million which was paid by 7 July 2024.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 30 June 2024, the value of total investments made was R59,684 million including interest. Partially or prematurely withdrawn investments amounted to R80,181 million. 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.	22,277
• 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.	7,407
• Unspent Capital grant receipts that was invested for the current year.	24,131
• Own funds invested - Ring-fenced Eskom income	5,869
Total	59,684

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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 ^a	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														
Absa Bank - 9382218821		Monthly	Call a/c	No	Fixed	8.90%	0	n/a		43,850	214	(44,063)	-	0
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		30,000	225	(225)	-	30,000
Standard Bank 048466271-073		6 months	Notice	Yes	Fixed	8.50%	0		2019/05/07	-	-	-	-	-
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	8,073	49	(715)	-	7,407
Standard Bank - 048466271-087		48 hours	Notice	No	Variable	0.088	0		2023/08/31	35,000	177	(35,177)	-	(0)
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	22,110	167	-	-	22,277
Municipality sub-total										139,033		(80,181)	-	59,684

Table 12: Supporting Table SC5: Investment portfolio

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

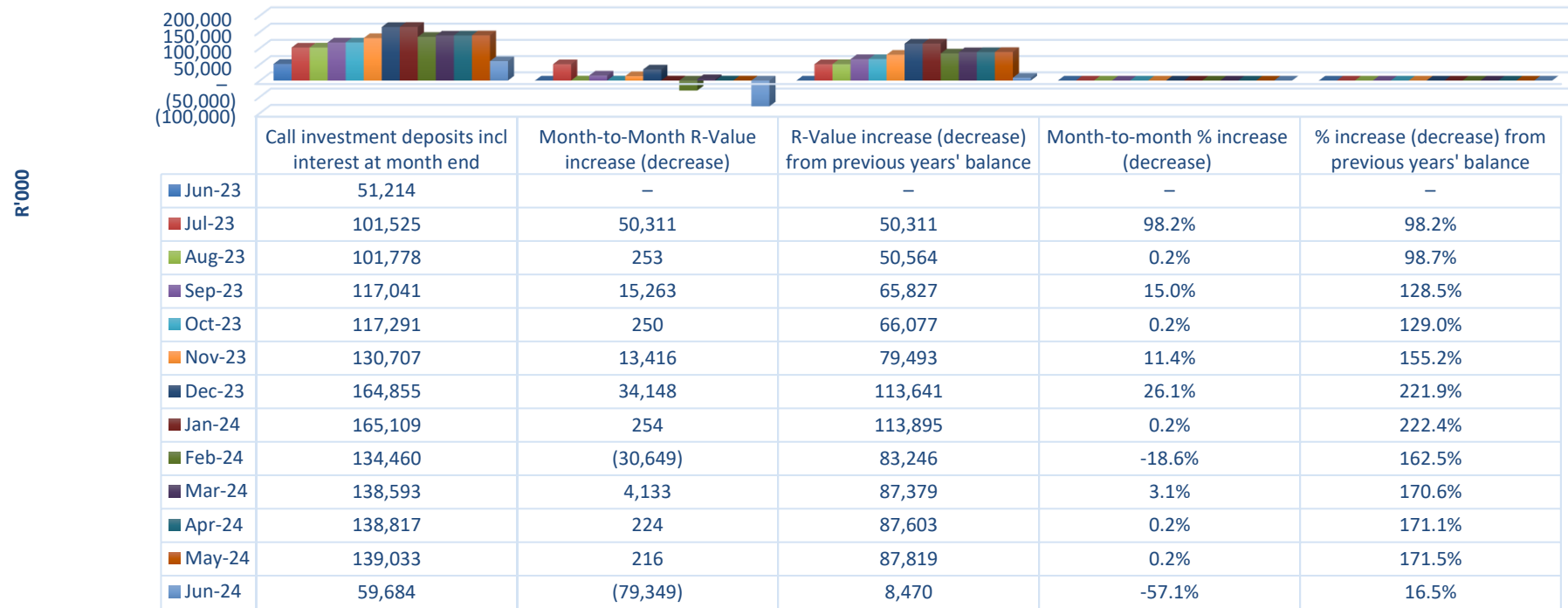


Chart 14: Call investment deposits at month-end

As indicated in the Chart 5 above from May to June 2024 investments incl interest decreased by R79,349 or 57,1%, in respect of the month-to-month comparison. Investments increased by R8,470 million or 16.5% when compared to the previous years' balance of R51,214 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 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 - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		248,673	273,621	272,937	599	270,813	272,937	(2,124)	-0.8%	272,937
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		239,158	263,135	263,135	-	263,135	263,135	0	0.0%	263,135
Expanded Public Works Programme Integrated Grant		3,959	3,286	3,102	-	3,102	3,102	-	0.0%	3,102
Infrastructure Skills Development Grant		3,856	5,500	5,000	127	2,876	5,000	(2,124)	-42.5%	5,000
Local Government Financial Management Grant		1,700	1,700	1,700	472	1,700	1,700	-	0.0%	1,700
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		15,984	8,300	14,666	10,033	14,466	14,666	(200)	-1.4%	14,666
Capacity Building and Other Grants		9,684	8,300	9,066	4,433	8,866	9,066	(200)	-2.2%	9,066
Infrastructure Grant		6,300	-	5,600	5,600	5,600	5,600	-	0.0%	5,600
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	264,657	281,921	287,603	10,632	285,279	287,603	(2,324)	-0.8%	287,603
Capital Transfers and Grants										
National Government:		108,149	214,233	136,499	21,735	118,170	136,499	(18,329)	-13.4%	136,499
Energy Efficiency and Demand Side Management Grant		4,000	4,000	6,000	1,302	5,743	6,000	(257)	-4.3%	6,000
Integrated National Electrification Programme Grant		24,400	48,026	27,104	5,406	18,083	27,104	(9,021)	-33.3%	27,104
Integrated Urban Development Grant		70,390	74,207	63,395	1,363	55,630	63,395	(7,765)	-12.2%	63,395
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	86,000	40,000	13,663	38,715	40,000	(1,285)	-3.2%	40,000
Water Services Infrastructure Grant		9,359	-	-	-	-	-	-	-	-
Provincial Government:		3,387	-	-	-	-	-	-	-	-
Infrastructure Grant		3,387	-	-	-	-	-	-	-	-
District Municipality:		-	-	6,000	523	6,437	6,000	437	7.3%	6,000
Specify (Add grant description)		-	-	6,000	523	6,437	6,000	437	7.3%	6,000
Other grant providers:		-	-	18,850	6,977	17,073	18,850	(1,777)	-9.4%	18,850
[insert description]		-	-	18,850	6,977	17,073	18,850	(1,777)	-9.4%	18,850
European Union		-	-	18,850	6,977	17,073	18,850	(1,777)	-9.4%	18,850
Total Capital Transfers and Grants	5	111,536	214,233	161,349	29,236	141,681	161,349	(19,668)	-12.2%	161,349
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	376,193	496,154	448,952	39,867	426,960	448,952	(21,992)	-4.9%	448,952

Table 13: Supporting Table SC6: Transfers and grant receipts

No Operational grant monies were received for the month under review.

No Capital grant monies received for the month under review.

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 - M12 June

Description	Ref	2022/23		Budget Year 2023/24						
		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:		123,170	141,242	233,830	24,368	239,093	233,830	5,263	2.3%	233,830
Equitable Share		112,671	130,756	224,091	23,702	230,846	224,091	6,755	3.0%	224,091
Expanded Public Works Programme Integrated Grant		4,943	3,286	3,103	-	3,426	3,103	323	10.4%	3,103
Infrastructure Skills Development Grant		3,856	5,500	4,936	372	3,121	4,936	(1,815)	-36.8%	4,936
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1,700	1,700	1,700	294	1,700	1,700	-	-	1,700
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		11,438	8,300	14,610	299	9,816	14,610	(4,794)	-32.8%	14,610
Capacity Building and Other Grants		8,500	8,300	9,060	149	7,512	9,060	(1,548)	-17.1%	9,060
Infrastructure Grant		2,938	-	5,550	150	2,304	5,550	(3,246)	-58.5%	5,550
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		134,609	149,542	248,440	24,667	248,909	248,440	469	0.2%	248,440
Capital expenditure of Transfers and Grants										
National Government:		96,392	214,233	136,499	23,656	119,588	136,499	(16,911)	-12.4%	136,499
Energy Efficiency and Demand Side Management Grant		4,000	4,000	6,000	1,615	5,999	6,000	(1)	0.0%	6,000
Integrated National Electrification Programme Grant		22,829	48,026	27,104	5,482	18,889	27,104	(8,215)	-30.3%	27,104
Integrated Urban Development Grant		61,424	74,207	63,395	1,857	54,945	63,395	(8,450)	-13.3%	63,395
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	86,000	40,000	14,702	39,754	40,000	(246)	-0.6%	40,000
Water Services Infrastructure Grant		8,138	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	6,000	86	6,000	6,000	-	-	6,000
Specify (Add grant description)		-	-	6,000	86	6,000	6,000	-	-	6,000
Other grant providers:		-	-	18,850	6,977	17,073	18,850	(1,777)	-9.4%	18,850
European Union		-	-	18,850	6,977	17,073	18,850	(1,777)	-9.4%	18,850
Total capital expenditure of Transfers and Grants		96,392	214,233	161,349	30,720	142,661	161,349	(18,688)	-11.6%	161,349
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		231,000	363,775	409,789	55,387	391,570	409,789	(18,219)	-4.4%	409,789

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 R28,968 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted adjusted allocation for the EPWP is R3,102 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Increase (Decrease)	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026	(20,922)	27,104	5,482	18,889	-	39.3%	69.7%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	(10,812)	63,395	1,857	54,945	-	74.0%	86.7%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	2,000	6,000	1,615	5,999	-	150.0%	100.0%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	(2,000)	-	-	-	-	0.0%	-
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	(46,000)	40,000	14,702	39,754	-	46.2%	99.4%
EUROPEAN UNION	-	18,850	18,850	6,977	17,073	-	-	90.6%
FRANCES BAARD DISTRICT MUNICIPALITY	-	6,000	6,000	86	6,000	-	-	100.0%
Grand Total	214,233	(52,884)	161,349	30,720	142,661	-	66.6%	88.4%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R142,661 million or 88.4% spent against the Adjusted capital grant allocation of R161,349 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments.

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

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 2022/23 financial year was declined as per the letter received from National Treasury. Below is an extract of the rollover letter.

“Your request to roll over the unspent amount of **R7.2 million** into the 2023/24 financial year by your municipality is not approved in terms of 21(2) of the 2022 Division of Revenue Amendment Act, (Act No. 15 of 2022) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (R1.6 million) (ISDG) and Water Services Infrastructure Grant (R5.6 million) (WSIG).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 123 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 reasons:

- The municipality did not submit supporting documents for the ISDG as outlined in the circular, i.e., copies of appointment letters of contractors and tender documents; and
- With regards to WSIG, the contractor left site as per your letter.

Your municipality is reminded that the Municipal Council does not have the legal authority to decide on the use of Conditional Grant transfers from National Government outside of the legal framework set out in the annual Division of Revenue Act and its various gazettes.”

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

Table 16 is not populated because the municipality’s rollover request was declined.

Stopping of allocations for 2023/24 financial year

Stopping of funds due to under-performance/non-compliance

“National Treasury hereby informs you of the intention to stop grant allocations in terms of section 18 of the 2023 DoRA. This decision will not in any way affect future allocations to your municipality.”

National Treasury has rejected the request of SPM to retain grant funding. The following grants were reduced except the EEDSM grant that was increased with R2,000 million:

Sphere	Grant	23/24 Main Allocation	Adjustment	23/24 Adjust Allocation
National	ISDG	5,500,000	- 500,000	5,000,000
National	INEP	48,026,000	- 20,922,000	27,104,000
National	IUDG	74,207,000	- 10,812,000	63,395,000
National	WSIG(<i>in-kind</i>)	17,768,000	- 9,228,000	8,540,000
National	EEDSMS	4,000,000	2,000,000	6,000,000
National	EPWP	3,286,000	- 184,000	3,102,000
National	NDPG	2,000,000	- 2,000,000	-
National	RBIG	86,000,000	- 46,000,000	40,000,000
	Total	240,787,000	- 87,646,000	153,141,000

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		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		882	-	1,098	85	1,065	1,098	(33)	-3%	1,098
Medical Aid Contributions		425	-	489	48	536	489	47	10%	489
Motor Vehicle Allowance										
Cellphone Allowance		3,040	2,938	2,954	259	2,997	2,954	44	1%	2,954
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		27,876	32,621	31,018	2,449	30,361	31,018	(657)	-2%	31,018
Sub Total - Councillors		32,224	35,559	35,559	2,842	34,958	35,559	(601)	-2%	35,559
% increase	4		10.3%	10.3%						10.3%
Senior Managers of the Municipality										
Basic Salaries and Wages		6,702	8,158	8,126	407	4,942	8,126	(3,184)	-39%	8,126
Pension and UIF Contributions		969	1,558	1,558	32	433	1,558	(1,124)	-72%	1,558
Medical Aid Contributions		233	215	215	14	192	215	(23)	-11%	215
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,534	1,985	1,985	86	1,065	1,985	(921)	-46%	1,985
Cellphone Allowance		132	202	202	8	101	202	(101)	-50%	202
Housing Allowances		28	26	26	2	22	26	(3)	-13%	26
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		44	46	46	1	14	46	(32)	-70%	46
Post-retirement benefit obligations	2									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		9,643	12,190	12,158	550	6,769	12,158	(5,389)	-44%	12,158
% increase	4		26.4%	26.1%						26.1%
Other Municipal Staff										
Basic Salaries and Wages		433,826	475,973	464,902	38,107	459,929	464,902	(4,973)	-1%	464,902
Pension and UIF Contributions		79,050	91,654	91,654	6,876	83,849	91,654	(7,805)	-9%	91,654
Medical Aid Contributions		50,925	59,955	59,955	6,054	66,014	59,955	6,059	10%	59,955
Overtime		69,383	47,280	69,467	8,245	85,248	69,467	15,781	23%	69,467
Performance Bonus		30,249	36,505	36,505	859	30,151	36,505	(6,353)	-17%	36,505
Motor Vehicle Allowance		42,089	50,649	50,649	3,724	43,757	50,649	(6,892)	-14%	50,649
Cellphone Allowance		1,456	2,054	2,054	139	1,631	2,054	(423)	-21%	2,054
Housing Allowances		2,737	2,866	2,866	221	2,855	2,866	(10)	0%	2,866
Other benefits and allowances		20,261	19,589	37,395	2,793	38,617	37,395	1,222	3%	37,395
Payments in lieu of leave		14,403	15,000	15,000	614	14,758	15,000	(242)	-2%	15,000
Long service awards		27,890	26,922	26,762	2,568	30,958	26,762	4,196	16%	26,762
Post-retirement benefit obligations	2	39,393	41,000	41,000	637	637	41,000	(40,363)	-98%	41,000
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Municipal Staff		811,663	869,447	898,208	70,839	858,405	898,208	(39,803)	-4%	898,208
% increase	4		7.1%	10.7%						10.7%
Total Parent Municipality		853,530	917,196	945,925	74,231	900,132	945,925	(45,793)	-5%	945,925
TOTAL SALARY, ALLOWANCES & BENEFITS		853,530	917,196	945,925	74,231	900,132	945,925	(45,793)	-5%	945,925
% increase	4		7.5%	10.8%						10.8%
TOTAL MANAGERS AND STAFF		821,306	881,637	910,366	71,389	865,174	910,366	(45,192)	-5%	910,366

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 5%. 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 2% when compared to the YTD Budget. The gazette on the Determination of Upper limits of

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

Management needs to do more to address the issues on Overtime which is higher than the ideal IYM percentage and is overspent for the year under review. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime.

The Overtime controls are not effective and the desired outcome to remain within budget, was not achieved for 2022/23 financial year. The same trend transpired 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 to fill vacancies as contract workers are being carried by budgeted vacancies. 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 abolished, negatively contributing to 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 June 2024.

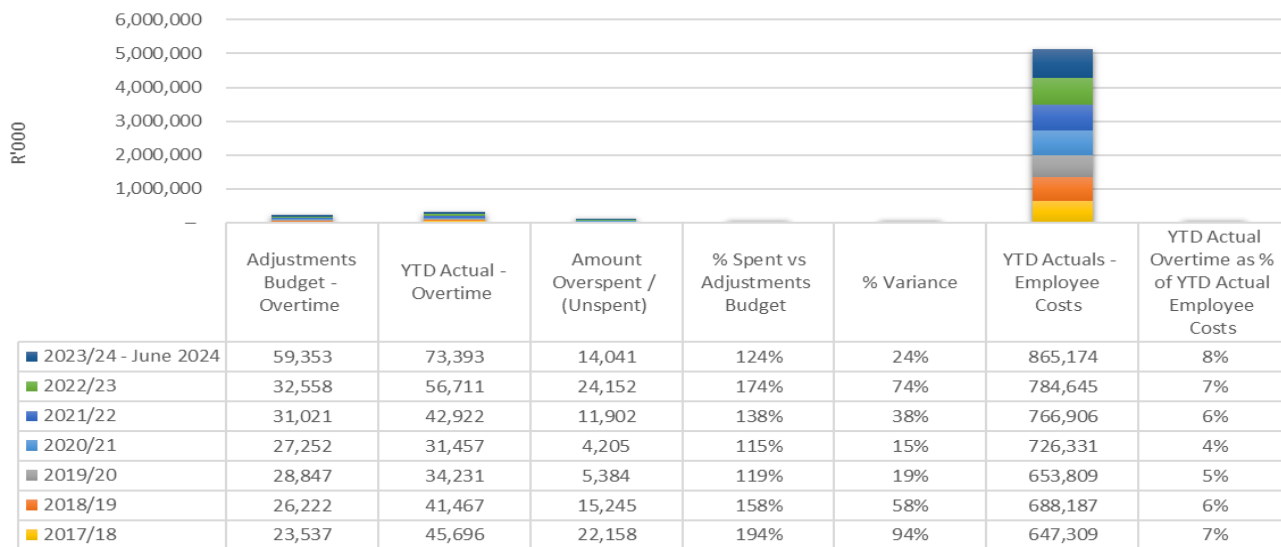
Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Adjustments Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Adjustments Budget
MS: OVERTIME - NON STRUCTURED	28,662,000	56,368,700	6,609,121	70,491,648	125%
MS: OVERTIME - STRUCTURED	8,504,033	2,984,033	428,037	2,901,721	97%
Overtime as at 30 June 2024	37,166,033	59,352,733	7,037,158	73,393,369	124%

Directorate (Amount in Rand)	Sum of Original Budget	Sum of Adjustments Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Adjustments Budget
20-EXECUTIVE AND COUNCIL	282,000	694,000	104,695	984,739	142%
21-MUNICIPAL AND GENERAL	-	-	-	-	
22-MUNICIPAL MANAGER	-	43,000	-	39,332	91%
23-CORPORATE SERVICES	1,870,000	4,552,000	320,451	3,562,805	78%
24-COMMUNITY SERVICES	14,740,033	17,799,533	2,030,886	20,641,522	116%
26-FINANCIAL SERVICES	521,000	2,569,000	444,063	3,098,001	121%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	747,000	1,530,000	220,059	1,687,606	110%
28-INFRASTRUCTURE SERVICES	19,006,000	32,165,200	3,917,004	43,379,365	135%
Overtime as at 30 June 2024	37,166,033	59,352,733	7,037,158	73,393,369	124%

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

Overtime was capped at 30 hours across most units within the municipality, but this has since been abolished. The YTD Overtime expenditure is 124% spent versus the Adjusted budget, resulting in a negative variance of 20.13% for the period under review, when compared to the ideal IYM percentage of 100%.

Chart 14.1: Overtime Actual vs Budget - 2017/18 to 2023/24



Indicated in Chart 14.1, is the actual Overtime versus Budget from 2017/18 to 2023/24 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from July 2018 to June 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 2022/23 financial year was R56,711 million. Serious remedial action will have to be implemented to reduce Overtime expenditure.

Chart 14.1: Overtime Actual vs Budget

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

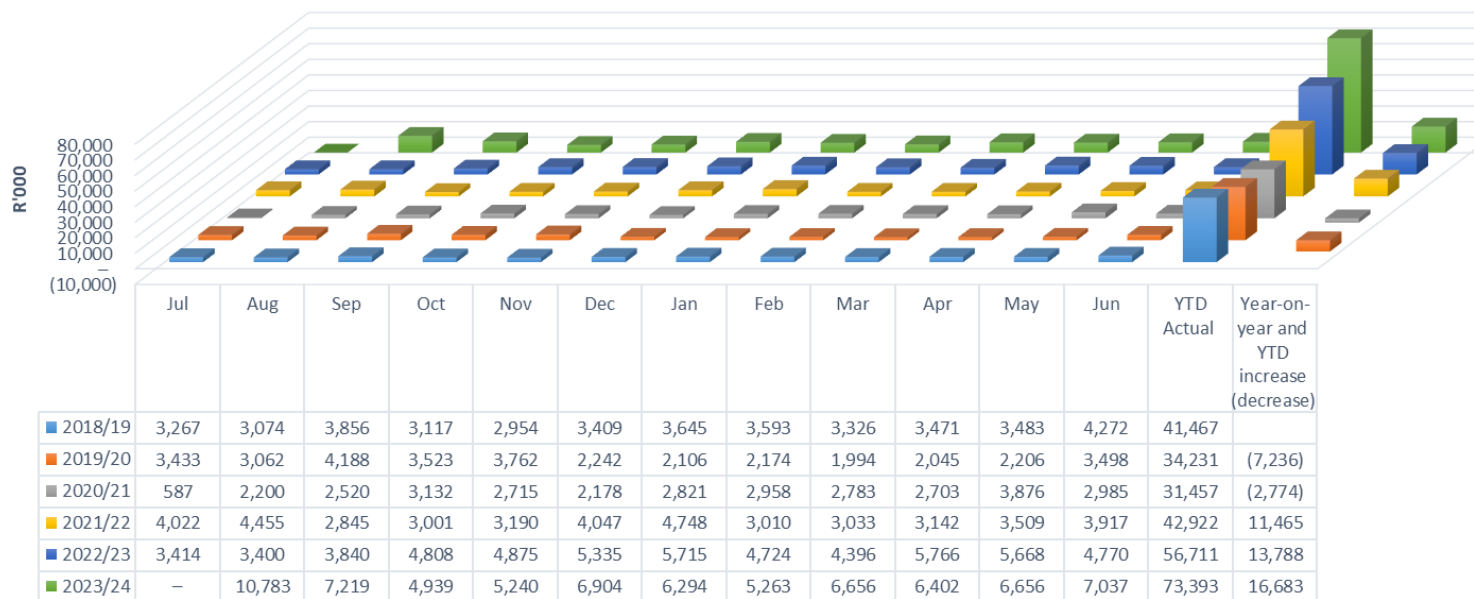


Chart 14.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

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

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

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

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

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

12. Capital programme performance

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

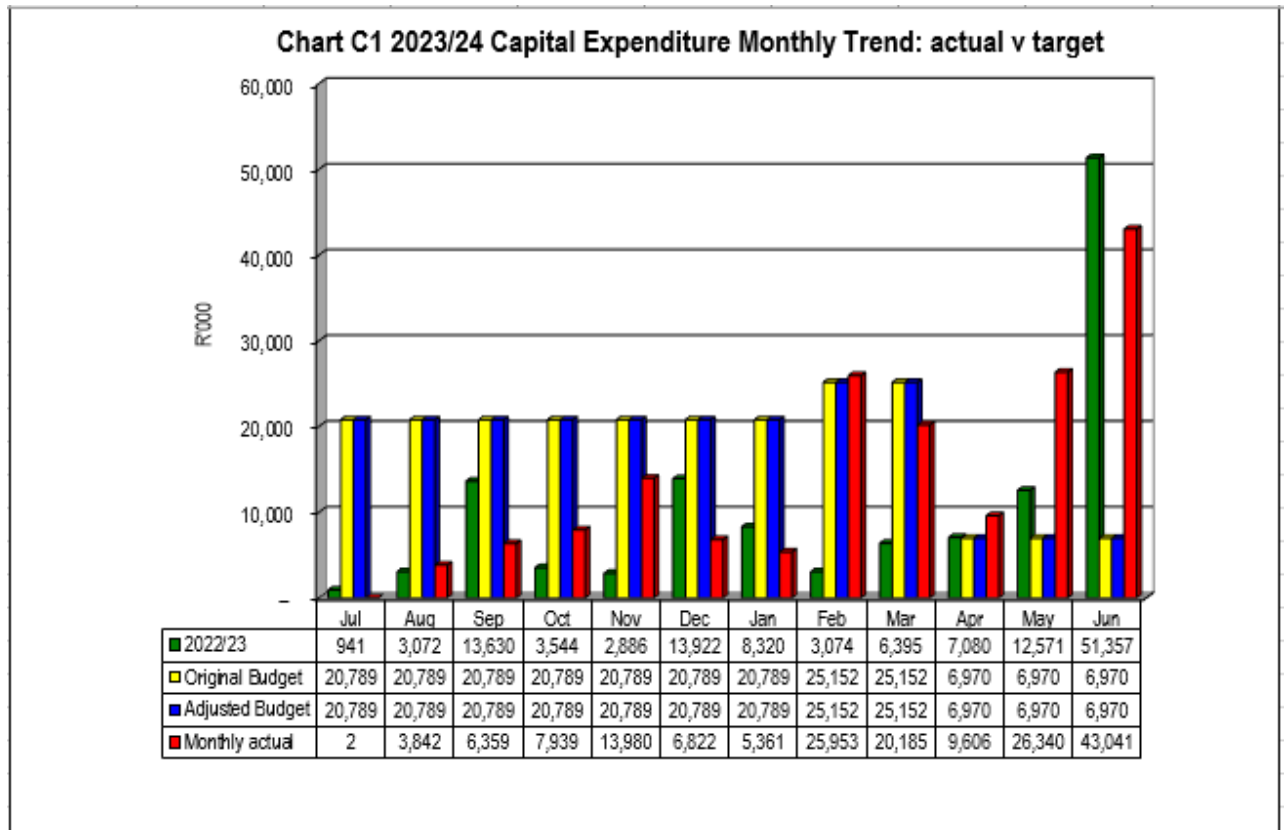


Chart 15: Capital Expenditure Monthly Trend: actual v target

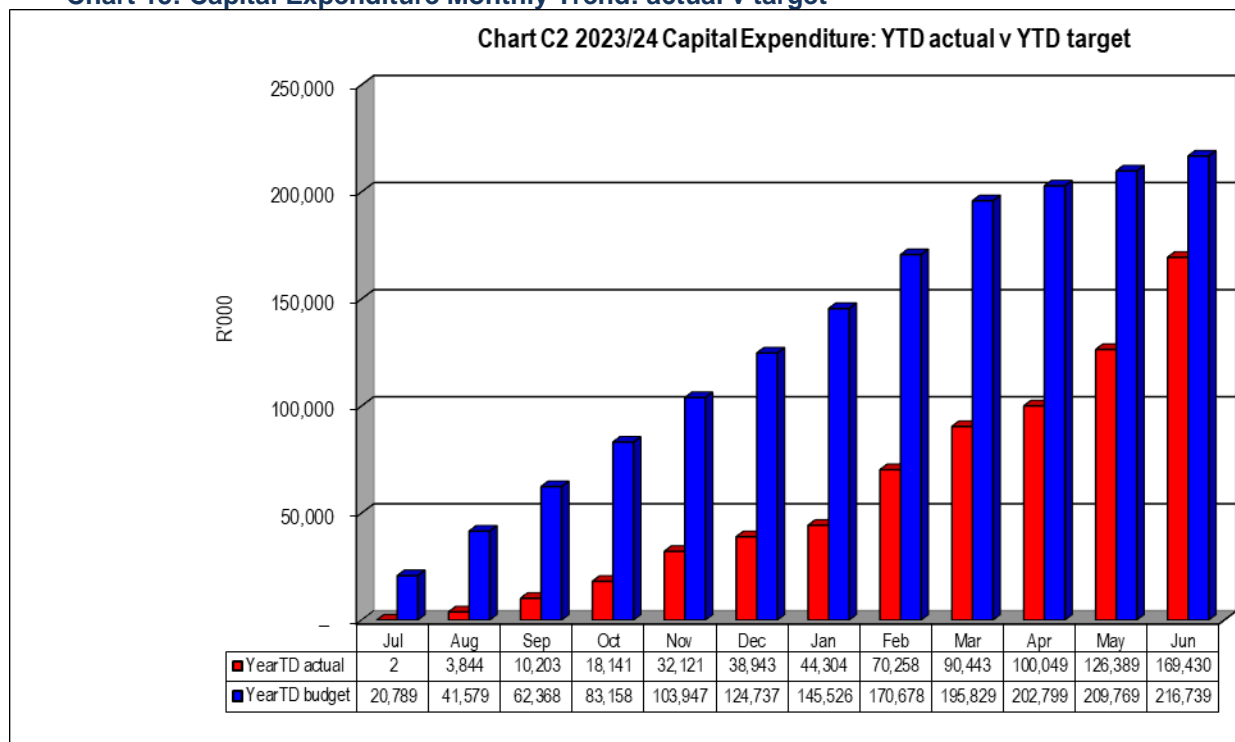


Chart 16: Capital Expenditure: YTD actual vs YTD target

Per project per funding source							
Projects per funding source (R'000)	Sum of Original Budget	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of Commitment	Sum of % Original Budget	Sum of % Adjusted Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026	27,104	5,482	18,889	-	39.33%	69.69%
ELECTRIFIC LERATO PARK LINK SERV NETWORK	7,900	7,900	1,007	3,423	-	43.33%	43.33%
ELECTRIFICATION LETABO PARK	12,680	12,680	1,176	10,268	-	80.98%	80.98%
ELECTRIFICATION WITDAM -138	900	-	-	-	-	0.00%	
RONALD'S VLEI SWITCH HOUSE NO.1	1,500	2,000	586	1,996	-	133.09%	99.82%
UPGRADE HADISON PARK 66/11 KV SUBSTATION	23,546	1,264	-	-	-	0.00%	0.00%
ASHBURNHAM/COLVILLE UPGRADES	1,500	500	448	448	-	29.88%	89.63%
ELECTRIFICATION OF COLVILLE	-	2,760	2,266	2,754	-	-	99.78%
INTERNALLY GENERATED FUNDS	35,240	55,390	12,321	26,768	-	75.96%	48.33%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	6,200	532	746	-	16.57%	12.03%
ACQ-FLEET REPLACEMENT	5,000	7,110	5,220	5,220	-	104.40%	73.42%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	3,000	3,000	-	-	-	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	2,000	2,000	-	174	-	8.69%	8.69%
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000	2,000	-	-	-	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	169	1,893	59	99	-	58.40%	
EMERGENCY METER INSTALLATIONS (PHASE 1)	6,225	14,527	6,201	14,194	-	228.01%	97.71%
MR LEAK AND SLEAK DATA SYSTEM	880	451	133	133	-	15.09%	29.45%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	1,306	-	-	-	-	0.00%	
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	502	-	-	-	-	0.00%	
OLD WTP MAJOR REFURBISH AND BUILD WORKS	468	-	-	-	-	0.00%	
PIPE CONDITION ASSESS AND CATHOD PROTECT	1,849	737	141	394	-	21.29%	53.43%
SMARTBALL LEAK DETECTION	5,848	796	21	796	-	13.62%	100.00%
WEST BYPASS LEAK REPAIRS AND REFURBISH	293	-	-	-	-	0.00%	
WSDP DEVELOPMENT	1,200	337	14	337	-	28.08%	100.00%
LERATO PARK SEWER UPGR DOWNSTREAM INFRA	-	7,800	-	4,676	-	-	59.95%
CARTERS GLEN SEWER PUMP STATION	-	8,540	-	-	-	-	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	63,395	1,857	54,945	-	74.04%	86.67%
P-CIER RDS ROADS	20,000	19,500	276	19,491	-	97.45%	99.95%
PHDA PLANNING & SURVEYING	10,000	7,882	-	5,134	-	51.34%	65.14%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	5,000	4,513	186	4,076	-	81.53%	90.33%
UPGRADE GRAVEL ROADS WARDS VARIOUS	20,000	20,000	1,395	20,010	-	100.05%	100.05%
WATER PIPES REFURB PROG VARIOUS WARDS	19,207	8,000	-	6,234	-	32.46%	77.92%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	-	3,500	-	-	-	-	
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	6,000	1,615	5,999	-	149.98%	99.99%
EEDSM PROJECTS	4,000	6,000	1,615	5,999	-	149.98%	99.99%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	-	-	-	-	0.00%	
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	2,000	-	-	-	-	0.00%	
REDEVELOPMENT OF RC ELLIOT HALL	-	-	-	-	-	-	
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	40,000	14,702	39,754	-	46.23%	99.38%
EAST BYPASS REPLACE OF CORRODE10KM LINE	5,069	-	-	-	-	0.00%	
EASTERN BYPASS REPAIR COATING AND REFURB	2,820	-	-	-	-	0.00%	
KBY BULK METERS & PRESSURE MANAGEMENT	767	3,147	1,919	3,076	-	401.04%	97.74%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	4,532	938	608	938	-	20.70%	100.00%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	4,843	890	630	795	-	16.42%	89.37%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	10,628	11,656	2,389	11,656	-	109.68%	100.00%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	-	2,857	2,845	2,845	-	-	99.61%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	4,725	911	412	858	-	18.15%	94.13%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	16,598	4,697	417	4,697	-	28.30%	100.00%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	9,487	5,702	3,435	5,689	-	59.96%	99.77%
PROJECT MANAGEMENT	3,230	-	-	-	-	0.00%	
RITCHIE SUBZONE SMART METER INSTALL	107	-	-	-	-	0.00%	
RIVERTON TO MIDSTATION BULK PIPELINE REP	3,741	-	-	-	-	0.00%	
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	12,955	7,217	1,261	7,217	-	55.71%	100.00%
WEST BYPASS REPLACE OF CORRODED SECTION	579	-	-	-	-	0.00%	
WTW OHS & SECURITY MANAGEMENT	5,920	1,593	768	1,593	-	26.92%	100.00%
RITCHIE WTW UPGRADE AND BULK PIPELINE	-	391	17	388	-	-	99.27%
EUROPEAN UNION	-	18,850	6,977	17,073	-	-	90.58%
EUROPEAN UNION BEAR PROJECT	-	18,850	6,977	17,073	-	-	90.58%
FRANCES BAARD DISTRICT MUNICIPALITY	-	6,000	86	6,000	-	-	100.00%
RESEALING OF ROADS FBDM	-	6,000	86	6,000	-	-	100.00%
Grand Total	249,473	216,739	43,041	169,430	-	67.91%	78.17%

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Adjusted budget. The total capex is normally slow during the start of the financial year. Capital expenditure for June 2024 is high, which brings the YTD expenditure relatively on par when compared to prior years for the same period. At mid-year Capex was extremely poor and this requires urgent intervention from management to remedy the situation. The actual monthly expenditure for June 2024 amounted to

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R43,051 million. The total YTD Capex amounts to R169,430 million. Please note that Commitments is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Overall spending on grants has improved. The percentage expenditure per funding source INEP (69.69%), IUDG (86.67%), EEDSM (99.99%), RBIG (99.38%), European Union (90.58%), FBDM (100%) and NDPG funding was withdrawn. Spending on Internally generated funds is also 48.33% 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 June 2024.

Please note that all figures are preliminary outcomes for the financial year.

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

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

14. Conclusion

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

Communication

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

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

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

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

The following are the budget and other financial issues:

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

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- Insufficient cash to pay salaries and creditors for goods and services rendered
 - Capex funding from internally generated funds
 - Capital expenditure and capital grant dependency.
 - Stopping of conditional capital grants.
 - Disapproval of rollover requests
 - The billed income of electricity and water in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.
 - The municipality is facing a huge financial crisis. If drastic measures are not taken immediately because the cash flow is on the verge of collapsing.
Issues pertaining to Employee related costs, Overtime expenditure, Contract appointments and EPWP Expenditure
2. These are the mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget
- The ring-fencing of cash received for Electricity and Water is accounted for on a daily basis in compliance to MFMA Circular 124. This has enabled the municipality to settle the Eskom current account in full for at least 6 consecutive months. The municipality was on par with the Water current account but defaulted on the February account, due to excessive amount due as a result of the billing error by the Department.
- Strengthening the PMU to aid in the successful implementation of capital projects to address the poor performance on grants.
- Approved the Smart Meter Policy.
- Applied for the Smart Meter Grant, awaiting feedback from National Treasury.
- Applying to partake in the Smart meter transversal tender. For the 2024/25 MTREF the municipality budgeted R80,717 million for meters.
- Exploring the avenue of blacklisting defaulting consumers.
- Introducing automated payments through EasyPay solution.
- Focusing on the top 500 debtors on a monthly basis.

15. Annexure A: C-schedules

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M12 June

Description	2022/23	Budget Year 2023/24							
	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	610,991	660,893	660,893	44,974	680,775	660,893	19,881	3%	660,893
Service charges	1,182,667	1,517,256	1,450,586	192,995	1,347,270	1,450,586	(103,315)	-7%	1,450,586
Investment revenue	8,550	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	8,550	7,000	9,500	2,669	13,996	9,500	4,496	47%	9,500
Other own revenue	612,144	534,455	677,687	(13,272)	715,345	677,687	37,658	6%	-
Total Revenue (excluding capital transfers and contributions)	2,422,901	2,719,604	2,798,666	227,366	2,757,386	2,798,666	(41,280)	-1%	2,798,666
Employee costs	821,306	881,637	910,366	71,389	865,174	910,366	(45,192)		910,366
Remuneration of Councillors	32,224	35,559	35,559	2,842	34,958	35,559	(601)		35,559
Depreciation and amortisation	71,830	86,650	86,650	-	-	86,650	(86,650)		86,650
Interest	113,955	19,495	20,055	480	10,488	20,055	(9,567)		20,055
Inventory consumed and bulk purchases	937,060	1,090,900	1,127,055	45,159	975,592	1,127,055	(151,464)		1,127,055
Transfers and subsidies	2,599	4,560	3,560	58	2,526	3,560	(1,034)	-29%	3,560
Other expenditure	617,008	572,452	599,666	28,806	604,186	599,666	4,520	1%	599,666
Total Expenditure	2,595,982	2,691,252	2,782,911	148,733	2,492,925	2,782,911	(289,986)	-10%	2,782,911
Surplus/(Deficit)	(173,081)	28,351	15,755	78,633	264,461	15,755	248,706	1579%	15,755
Transfers and subsidies - capital (monetary)	108,149	214,233	161,349	29,236	141,681	161,349	###	-12%	161,349
Transfers and subsidies - capital (in-kind)	3,387	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(61,545)	242,584	177,104	107,869	406,142	177,104	229,038	129%	177,104
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(61,545)	242,584	177,104	107,869	406,142	177,104	229,038	129%	177,104
Capital expenditure & funds sources									
Capital expenditure	126,016	249,473	216,739	43,041	169,430	216,739	(47,309)	-22%	216,739
Capital transfers recognised	96,392	214,233	161,349	30,720	142,661	161,349	(18,688)	-12%	161,349
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	29,624	35,240	55,390	12,321	26,768	55,390	(28,622)	-52%	55,390
Total sources of capital funds	126,016	249,473	216,739	43,041	169,430	216,739	(47,309)	-22%	216,739
Financial position									
Total current assets	2,304,408	3,472,014	3,449,123		2,586,243				3,449,123
Total non current assets	2,265,500	2,466,074	2,433,340		2,434,929				2,433,340
Total current liabilities	1,457,966	1,151,431	1,161,286		1,514,156				1,161,286
Total non current liabilities	416,743	443,824	443,824		403,433				443,824
Community wealth/Equity	2,694,412	4,342,835	4,331,904		3,103,583				4,331,904
Cash flows									
Net cash from (used) operating	(940,714)	238,844	158,443	(64,673)	67,120	158,443	91,322	58%	158,443
Net cash from (used) investing	(126,016)	(249,473)	(215,639)	(26,555)	(149,818)	(215,639)	(65,821)	31%	(215,639)
Net cash from (used) financing	-	(13,351)	(13,351)	-	1,569	(13,351)	(14,920)	112%	(13,351)
Cash/cash equivalents at the month/year end	(869,139)	174,327	127,759	-	28,408	127,759	99,352	78%	38,989
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	168,230	95,824	87,090	72,323	101,959	64,071	428,510	#####	3,592,865
Creditors Age Analysis									
Total Creditors	179,356	31,762	4,505	5,150	24,994	-	99,175	838,029	1,182,972

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,180,153	1,271,802	1,237,324	112,582	1,276,159	1,237,324	38,835	3%	1,237,324
Executive and council		503,511	580,455	538,477	53,305	544,979	538,477	6,502	1%	538,477
Finance and administration		676,642	691,347	698,847	59,277	731,180	698,847	32,333	5%	698,847
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		31,035	41,568	47,334	11,167	48,178	47,334	844	2%	47,334
Community and social services		11,662	11,782	12,348	4,652	12,652	12,348	304	2%	12,348
Sport and recreation		2,428	2,265	2,265	226	2,652	2,265	387	17%	2,265
Public safety		412	750	750	27	276	750	(474)	-63%	750
Housing		12,972	26,701	28,101	2,462	28,731	28,101	630	2%	28,101
Health		3,560	70	3,870	3,800	3,867	3,870	(3)	0%	3,870
<i>Economic and environmental services</i>		22,120	16,520	36,420	8,220	28,239	36,420	(8,181)	-22%	36,420
Planning and development		5,342	5,595	25,495	7,933	24,449	25,495	(1,046)	-4%	25,495
Road transport		16,779	10,925	10,925	288	3,790	10,925	(7,135)	-65%	10,925
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		1,291,009	1,594,737	1,629,727	123,839	1,536,736	1,629,727	(92,990)	-6%	1,629,727
Energy sources		773,385	1,052,252	1,056,582	74,596	952,786	1,056,582	(103,795)	-10%	1,056,582
Water management		328,261	364,714	373,694	30,603	363,604	373,694	(10,090)	-3%	373,694
Waste water management		108,190	101,358	116,048	10,569	124,093	116,048	8,044	7%	116,048
Waste management		81,173	76,413	83,403	8,070	96,254	83,403	12,851	15%	83,403
<i>Other</i>	4	10,121	9,210	9,210	793	9,754	9,210	544	6%	9,210
Total Revenue - Functional	2	2,534,437	2,933,837	2,960,015	256,601	2,899,067	2,960,015	(60,948)	-2%	2,960,015
Expenditure - Functional										
<i>Governance and administration</i>		757,821	662,700	774,233	46,726	691,857	774,233	(82,376)	-11%	774,233
Executive and council		505,059	287,301	474,688	23,151	425,623	474,688	(49,066)	-10%	474,688
Finance and administration		247,373	368,723	292,868	23,071	260,689	292,868	(32,180)	-11%	292,868
Internal audit		5,389	6,676	6,676	504	5,545	6,676	(1,131)	-17%	6,676
<i>Community and public safety</i>		186,168	195,332	211,356	19,530	201,712	211,356	(9,644)	-5%	211,356
Community and social services		45,511	49,529	55,224	5,171	48,519	55,224	(6,705)	-12%	55,224
Sport and recreation		59,539	56,350	59,297	6,660	66,826	59,297	7,529	13%	59,297
Public safety		41,055	42,115	44,440	3,940	43,762	44,440	(678)	-2%	44,440
Housing		20,980	26,752	27,448	1,967	22,102	27,448	(5,346)	-19%	27,448
Health		19,082	20,586	24,947	1,791	20,503	24,947	(4,444)	-18%	24,947
<i>Economic and environmental services</i>		138,729	256,194	176,954	13,244	167,130	176,954	(9,824)	-6%	176,954
Planning and development		42,376	132,278	53,694	3,817	46,278	53,694	(7,416)	-14%	53,694
Road transport		95,517	123,016	122,359	9,356	119,982	122,359	(2,378)	-2%	122,359
Environmental protection		836	900	900	71	870	900	(31)	-3%	900
<i>Trading services</i>		1,490,202	1,551,892	1,594,725	67,307	1,408,567	1,594,725	(186,158)	-12%	1,594,725
Energy sources		963,125	1,031,152	1,026,665	23,130	866,290	1,026,665	(160,375)	-16%	1,026,665
Water management		349,874	341,800	373,716	28,600	357,319	373,716	(16,397)	-4%	373,716
Waste water management		104,093	102,527	117,278	9,473	107,909	117,278	(9,369)	-8%	117,278
Waste management		73,110	76,413	77,066	6,105	77,049	77,066	(17)	0%	77,066
<i>Other</i>		23,062	25,135	25,644	1,925	23,660	25,644	(1,984)	-8%	25,644
Total Expenditure - Functional	3	2,595,982	2,691,252	2,782,911	148,733	2,492,925	2,782,911	(289,986)	-10%	2,782,911
Surplus/ (Deficit) for the year		(61,545)	242,584	177,104	107,869	406,142	177,104	229,038	129%	177,104

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		503,511	580,455	538,477	53,305	544,979	538,477	6,502	1.2%	538,477
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,432	6,961	7,261	131	4,491	7,261	(2,770)	-38.2%	7,261
Vote 05 - Community Services		124,394	109,495	120,851	17,775	126,666	120,851	5,815	4.8%	120,851
Vote 06 - Financial Services		670,519	683,585	690,785	59,093	726,219	690,785	35,434	5.1%	690,785
Vote 07 - Strategy Econ Development And Planning		6,867	8,015	27,915	7,994	26,595	27,915	(1,320)	-4.7%	27,915
Vote 08 - Infrastructure And Services		1,223,713	1,545,325	1,574,725	118,303	1,470,116	1,574,725	(104,609)	-6.6%	1,574,725
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,534,437	2,933,837	2,960,015	256,601	2,899,067	2,960,015	(60,948)	-2.1%	2,960,015
Expenditure by Vote	1									
Vote 01 - Executive & Council		58,395	59,173	59,628	5,019	60,752	59,628	1,125	1.9%	59,628
Vote 02 - Municipal And General		434,595	214,468	399,401	17,194	348,899	399,401	(50,502)	-12.6%	399,401
Vote 03 - Municipal Manager		22,369	26,161	28,701	2,194	27,883	28,701	(818)	-2.9%	28,701
Vote 04 - Corporate Services		68,169	81,959	77,269	6,821	70,832	77,269	(6,437)	-8.3%	77,269
Vote 05 - Community Services		299,548	312,712	329,231	28,957	319,619	329,231	(9,612)	-2.9%	329,231
Vote 06 - Financial Services		131,248	237,712	160,249	11,731	139,583	160,249	(20,666)	-12.9%	160,249
Vote 07 - Strategy Econ Development And Planning		57,573	143,730	67,477	4,667	60,231	67,477	(7,246)	-10.7%	67,477
Vote 08 - Infrastructure And Services		1,524,086	1,615,337	1,660,955	72,150	1,465,125	1,660,955	(195,830)	-11.8%	1,660,955
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,595,982	2,691,252	2,782,911	148,733	2,492,925	2,782,911	(289,986)	-10.4%	2,782,911
Surplus/ (Deficit) for the year	2	(61,545)	242,584	177,104	107,869	406,142	177,104	229,038	129.3%	177,104

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
		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		754,974	1,034,872	995,202	154,735	886,006	995,202	(109,196)	-11%	995,202
Service charges - Water		271,599	327,114	300,114	23,787	287,296	300,114	(12,818)	-4%	300,114
Service charges - Waste Water Management		89,203	89,858	89,858	8,099	96,714	89,858	6,855	8%	89,858
Service charges - Waste management		66,890	65,412	65,412	6,373	77,255	65,412	11,843	18%	65,412
Sale of Goods and Rendering of Services		13,750	15,579	17,379	1,425	17,397	17,379	18	0%	17,379
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		199,982	168,880	250,400	22,527	258,041	250,400	7,641	3%	250,400
Interest from Current and Non Current Assets		8,550	7,000	9,500	2,669	13,996	9,500	-	-	9,500
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		26,000	26,930	28,130	2,480	28,851	28,130	721	3%	28,130
Licence and permits		1,056	1,200	1,200	57	670	1,200	(530)	-44%	1,200
Operational Revenue		3,189	3,134	3,134	(1,673)	3,202	3,134	68	2%	3,134
Non-Exchange Revenue										
Property rates		610,991	660,893	660,893	44,974	680,775	660,893	19,881	3%	660,893
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		59,462	30,660	37,910	15,690	45,799	37,910	7,889	-	37,910
Licence and permits		7,965	6,150	6,150	707	7,150	6,150	1,000	-	6,150
Transfers and subsidies - Operational		264,657	281,921	287,603	10,632	285,279	287,603	(2,324)	-	287,603
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		4,037	-	44,680	(81,635)	49,299	44,680	4,619	10%	44,680
Gains on disposal of Assets		5,891	-	1,100	16,486	19,612	1,100	18,512	-	1,100
Other Gains		34,705	-	-	34	45	-	45	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2,422,901	2,719,604	2,798,666	227,366	2,757,386	2,798,666	(41,280)	-1%	2,798,666
Expenditure By Type										
Employee related costs		821,306	881,637	910,366	71,389	865,174	910,366	(45,192)	-5%	910,366
Remuneration of councillors		32,224	35,559	35,559	2,842	34,958	35,559	(601)	-2%	35,559
Bulk purchases - electricity		672,362	785,000	790,100	10,920	673,594	790,100	(116,506)	-	790,100
Inventory consumed		264,698	305,900	336,955	34,238	301,997	336,955	(34,958)	-	336,955
Debt impairment		378,747	317,500	317,500	-	317,500	317,500	-	-	317,500
Depreciation and amortisation		71,830	86,650	86,650	-	-	86,650	(86,650)	-100%	86,650
Interest		113,955	19,495	20,055	480	10,488	20,055	(9,567)	-48%	20,055
Contracted services		28,285	48,113	56,913	11,275	48,776	56,913	(8,137)	-14%	56,913
Transfers and subsidies		2,599	4,560	3,560	58	2,526	3,560	(1,034)	-29%	3,560
Irrecoverable debts written off		-	-	-	1	1	-	1	-	-
Operational costs		131,090	145,639	159,253	17,352	172,932	159,253	13,679	9%	159,253
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		78,885	61,200	66,000	179	64,978	66,000	(1,022)	-	66,000
Total Expenditure		2,595,982	2,691,252	2,782,911	148,733	2,492,925	2,782,911	(289,986)	-10%	2,782,911
Surplus/(Deficit)		(173,081)	28,351	15,755	78,633	264,461	15,755	248,706	0	15,755
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-
		108,149	214,233	161,349	29,236	141,681	161,349	(19,668)	(0)	161,349
Transfers and subsidies - capital (in-kind)		3,387	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(61,545)	242,584	177,104	107,869	406,142	177,104			177,104
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(61,545)	242,584	177,104	107,869	406,142	177,104			177,104
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(61,545)	242,584	177,104	107,869	406,142	177,104			177,104
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(61,545)	242,584	177,104	107,869	406,142	177,104			177,104

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		8,996	10,000	26,732	6,977	22,208	26,732	(4,525)	-17%	26,732
Vote 08 - Infrastructure And Services		82,240	183,117	129,859	18,965	102,736	129,859	(27,123)	-21%	129,859
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	91,236	193,117	156,591	25,942	124,944	156,591	(31,647)	-20%	156,591
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		14,586	19,500	20,823	5,943	10,042	20,823	(10,781)	-52%	20,823
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		20,194	36,856	39,325	11,156	34,444	39,325	(4,881)	-12%	39,325
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	34,780	56,356	60,148	17,099	44,486	60,148	(15,662)	-26%	60,148
Total Capital Expenditure		126,016	249,473	216,739	43,041	169,430	216,739	(47,309)	-22%	216,739
Capital Expenditure - Functional Classification										
Governance and administration		14,586	19,500	20,823	5,943	10,042	20,823	(10,781)	-52%	20,823
Executive and council		14,586	19,500	20,823	5,943	10,042	20,823	(10,781)	-52%	20,823
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		44,387	50,000	72,232	8,730	67,709	72,232	(4,523)	-6%	72,232
Planning and development		8,996	10,000	26,732	6,977	22,208	26,732	(4,525)	-17%	26,732
Road transport		35,392	40,000	45,500	1,753	45,501	45,500	1	0%	45,500
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		67,042	179,973	123,684	28,368	91,679	123,684	(32,005)	-26%	123,684
Energy sources		36,862	54,026	35,104	7,097	25,062	35,104	(10,042)	-29%	35,104
Water management		9,645	125,947	68,740	21,271	61,940	68,740	(6,800)	-10%	68,740
Waste water management		20,535	-	19,840	-	4,676	19,840	(15,164)	-76%	19,840
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	126,016	249,473	216,739	43,041	169,430	216,739	(47,309)	-22%	216,739
Funded by:										
National Government		96,392	214,233	136,499	23,656	119,588	136,499	(16,911)	-12%	136,499
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	6,000	86	6,000	6,000	-	-	6,000
Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private Enterprises,		-	-	18,850	6,977	17,073	18,850	(1,777)	-9%	18,850
Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		96,392	214,233	161,349	30,720	142,661	161,349	(18,688)	-12%	161,349
Borrowing	6									
Internally generated funds		29,624	35,240	55,390	12,321	26,768	55,390	(28,622)	-52%	55,390
Total Capital Funding		126,016	249,473	216,739	43,041	169,430	216,739	(47,309)	-22%	216,739

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		109,536	174,327	73,214	104,701	73,214
Trade and other receivables from exchange transactions		1,093,008	734,354	812,576	1,420,639	812,576
Receivables from non-exchange transactions		876,734	2,173,122	2,173,122	857,627	2,173,122
Current portion of non-current receivables		-	-	-	-	-
Inventory		82,694	27,461	27,461	62,311	27,461
VAT		142,434	362,625	362,625	140,328	362,625
Other current assets		1	126	126	637	126
Total current assets		2,304,408	3,472,014	3,449,123	2,586,243	3,449,123
Non current assets						
Investments						
Investment property		212,356	223,856	221,251	221,566	221,251
Property, plant and equipment		2,023,360	2,190,939	2,141,960	2,166,505	2,141,960
Biological assets						
Living and non-living resources						
Heritage assets		12,071	12,071	12,071	12,071	12,071
Intangible assets		17,714	3,492	22,342	34,787	22,342
Trade and other receivables from exchange transactions		-	35,716	35,716	-	35,716
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		2,265,500	2,466,074	2,433,340	2,434,929	2,433,340
TOTAL ASSETS		4,569,908	5,938,089	5,882,464	5,021,172	5,882,464
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		45,776	49,391	49,391	48,731	49,391
Trade and other payables from exchange transactions		1,293,730	937,683	947,539	1,210,994	947,539
Trade and other payables from non-exchange transactions		7,233	-	-	22,638	-
Provision		-	94,029	94,029	788	94,029
VAT		111,227	70,327	70,327	231,005	70,327
Other current liabilities		-	-	-	-	-
Total current liabilities		1,457,966	1,151,431	1,161,286	1,514,156	1,161,286
Non current liabilities						
Financial liabilities		159,430	158,166	158,166	146,120	158,166
Provision		257,313	285,658	285,658	257,313	285,658
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		416,743	443,824	443,824	403,433	443,824
TOTAL LIABILITIES		1,874,708	1,595,254	1,605,110	1,917,589	1,605,110
NET ASSETS	2	2,695,200	4,342,835	4,277,354	3,103,583	4,277,354
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,630,346	4,261,958	4,251,028	3,039,517	4,251,028
Reserves and funds		64,066	80,876	80,876	64,066	80,876
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,694,412	4,342,835	4,331,904	3,103,583	4,331,904

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M12 June


Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		453,721	543,052	543,052	33,964	507,798	543,052	(35,254)	-6%	543,052
Service charges		1,024,096	1,354,795	1,341,114	14,178	1,187,019	1,341,114	(154,095)	-11%	1,341,114
Other revenue		724,269	79,844	140,929	123,523	604,803	140,929	463,874	329%	140,929
Transfers and Subsidies - Operational		100,622	281,921	306,453	4,433	306,662	306,453	209	0%	306,453
Transfers and Subsidies - Capital		113,738	214,233	142,499	3,086	142,936	142,499	437	0%	142,499
Interest		567	-	-	-	3,412	-	3,412	#DIV/0!	-
Dividends										
Payments										
Suppliers and employees		(3,355,326)	(2,215,507)	(2,295,550)	(243,857)	(2,687,911)	(2,295,550)	392,362	-17%	(2,295,550)
Interest		(2,401)	(19,495)	(20,055)	-	2,401	(20,055)	(22,456)	112%	(20,055)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(940,714)	238,844	158,443	(64,673)	67,120	158,443	91,322	58%	158,443
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	1,100	16,486	19,612	1,100	18,512	1683%	1,100
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments										
Payments										
Capital assets		(126,016)	(249,473)	(216,739)	(43,041)	(169,430)	(216,739)	(47,309)	22%	(216,739)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(126,016)	(249,473)	(215,639)	(26,555)	(149,818)	(215,639)	(65,821)	31%	(215,639)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	-	-	-	1,569	-	1,569	#DIV/0!	-
Payments										
Repayment of borrowing		-	(13,351)	(13,351)	-	-	(13,351)	(13,351)	100%	(13,351)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(13,351)	(13,351)	-	1,569	(13,351)	(14,920)	112%	(13,351)
NET INCREASE/ (DECREASE) IN CASH HELD		(1,066,730)	(23,980)	(70,548)	(91,228)	(81,129)	(70,548)			(70,548)
Cash/cash equivalents at beginning:		197,591	198,307	198,307	(39,408)	109,536	198,307			109,536
Cash/cash equivalents at month/year end:		(869,139)	174,327	127,759		28,408	127,759			38,989

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Adjusted budget for 2023/24 financial year, by relooking at the mapping as advised by NT and BCX. However, there are some errors that must be resolved so that the monthly and YTD actuals populate correctly. The Cash and Cash equivalents on C7 is slightly overstated.

As per C6, the Cash and cash equivalents is R104,701 million as per the Cash book balance.

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

16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly			Notes/Comments
 <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		Jun'24	
National Financial Year		2023/24	
Demarcation Code of Municipality being assessed		NC091	
District	Frances Baard		
Demarcation Description	Sol Plaatje		
I, BS Matlala Municipal Manager , hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:			
Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list			
6.3 + 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	No billing was raised for Bulk Water for May 2024 due to the servitude of the municipality. The servitude is the free water quota allocated to the municipality effective from 1 April each year. Monthly billing resumes when the servitude is exhausted. Arrear debt of R18,758m was settled on 26 June 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://guploadportal.treasury.gov.za?	Yes	
3	6.12.2 - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
4	6.3.1 - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes	The municipality settled R63,149m excl interest of R3,178m on 25 June 2024 on the current ESKOM account for May 2024 amounting to R66,327m. Payment arrangement amount settled R6.7m on 21 June 2024.
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://guploadportal.treasury.gov.za?	Yes	
6	6.3.4 - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2023/24 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?	Yes	

		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	
11	6.4.2	- If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded
		<i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	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
	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.</i>	No
	6.6	Supporting evidence: The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.	
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool 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;	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 and 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 and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes

The municipality applied to Chief Procurement Officer to be approved for the RT29 transversal contract

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://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? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes	
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://uploadportal.treasury.gov.za ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP	
33	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 ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	No	Function performed by National Treasury
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. It confirms that MFMA Circular No. 124, condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>	No	
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	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? <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>	Yes	
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	Sub-account no longer required in terms of Supplementary guide to Circ 124
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>	No	Eskom reserved interest from March 2023 to January 2024, amounting to R95.2m. Interest must be corrected on the system for the prior and current year. No written instruction from National Treasury for debt write-off.
41	6.14	*NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>	Yes	

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

The table below shows the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective date of 1 October 2023:

Monthly Performance Report																																																	
Municipal Details		Part A					Part B					Part C			Part D				Part C					Part E								Part F																	
		Eskom And Bulk water current account					Compliance with a funded MTRF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges					Maximization of Revenue Base		Oversight								Compliance Status															
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status				
1.July	Complete the Search																																											0%	Non Compliance				
2.August	Complete the Search																																														0%	Non Compliance	
3.September	Complete the Search																																														0%	Non Compliance	
4.October	Complete the Search		No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	No	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	56%	Non Compliance			
5.November	Complete the Search		No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance		
6.December	Complete the Search		No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance		
7.January	Complete the Search		Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
8.February	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance
9.March	Complete the Search		No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance
10.April	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance
11.May	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
12.June	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance

The municipality's performance, especially settling the current account for ESKOM and Water has improved. It is imperative that the non-compliance issues as raised by National Treasury is addressed as matter of urgency with a decisive implementation strategy and stringent monitoring thereof. Achieving 100% compliance is possible, provided that all parties come to the table 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, Ritchie because it is a poor community and therefore will not have a significant impact on the collection rate.

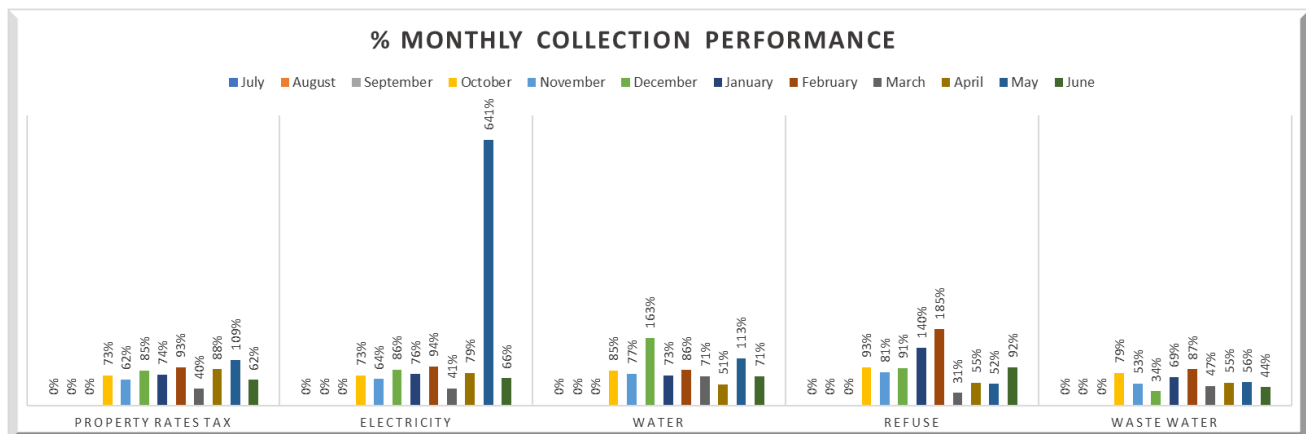
16.3 The National Treasury Debt Relief Compliance Assessment

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

- Here are the specific conditions that were not fully met in May 2024 according to the monitoring tool:
- Condition 17: Restricting the water supply;
 - Condition 18: Restricting indigent for water and electricity;
 - Condition 23: No installation of smart prepaid meters;
 - Condition 24: Smart Meter Policy not yet adopted; and
 - Condition 26: National Treasury's rates reconciliation

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



Municipal Details				
Northern Cape				
Code	District	Municipality	Period Monitored	No. Of Wards
NC091		Sol Plaatje	June	35

Collection Rate Assessment	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q1	Summary - Quarter 4				Q1
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	-	-	-	#DIV/0!		442,985,806	325,220,652	117,364,954	73%	73%	457,291,193	291,961,081	165,690,112	64%	64%	427,176,552	339,369,170	87,807,382	79%	79%
2.Collection <u>and</u> <u>Electricity supplied areas</u>	-	-	-	#DIV/0!		436,569,421	324,630,424	111,938,997	74%	74%	448,717,027	290,784,823	157,932,204	65%	65%	374,869,513	318,991,789	55,897,725	80%	80%
3.Collection: Property Rates	-	-	-	#DIV/0!		127,595,752	138,447,073	(10,941,322)	109%	109%	128,871,674	98,990,971	30,280,703	77%	77%	134,332,477	119,946,910	14,385,567	89%	89%
4.Total average collection: Electricity (Municipal supplied areas)	-	-	-	#DIV/0!		142,852,724	125,014,631	16,838,093	89%	89%	163,335,388	122,443,604	40,891,784	75%	75%	119,392,461	151,070,646	(32,678,185)	128%	128%
5.Total average collection: Water	-	-	-	#DIV/0!		70,524,978	36,378,827	34,146,151	52%	52%	62,305,829	41,509,233	20,796,596	67%	67%	65,103,082	39,676,746	25,426,336	61%	61%
6.Total average collection: Wastewater	-	-	-	#DIV/0!		22,277,270	11,457,116	10,820,156	51%	51%	22,910,084	11,677,066	10,933,019	51%	51%	23,389,799	12,514,795	10,875,004	54%	54%
7.Total average collection: Refuse	-	-	-	#DIV/0!		18,431,119	9,736,527	8,674,591	53%	53%	18,587,297	10,254,363	8,312,934	55%	55%	19,518,477	11,011,145	8,507,333	56%	56%
8.Total average collection: Interest	-	-	-	#DIV/0!	0%	60,993,964	3,166,679	57,827,286	5%	5%	61,660,922	7,189,816	54,471,107	12%	12%	66,433,256	5,148,869	61,284,387	8%	8%

Description	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Monthly collection rate	80%	57%	95%	56%	84%	58%	55%	105%	83%
Revised average collection rate	72%	73%	75%	73%	80%	81%	85%	86%	80%
Average collection rate per Ward (Monthly)	91%	64%	102%	83%	95%	42%	66%	128%	62%
Average collection rate per Ward (Quarterly)			73%			64%			79%

The monthly collection rate per ward is a major concern and is partially aligned to the average calculated by the municipality. The December 2023 and June 2024 quarterly collection rate per ward is closely aligned to the average collection rate. There is a bigger variance for March 2024 but this is in all probability linked to the billing error on Electricity sales and the subsequent correction.

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. Electricity is showing a significant collection versus billing ratio, as a result of the billing error that resulted in the revenue being overstated and then subsequently corrected. Whilst the municipality is blocking prepaid meters, the effect is not as material as the municipality would have hoped. It was suggested that a record be kept of the number of meters blocked versus the number of consumers coming in.

Complete This Section			Quarter 4 Performance Per Ward																
			10. April				11. May				12. June								Q4
Services	Electricity Supplier	Ward Name & Number	Billing For March	Collection in April	Rand Value of Billing not collected	% Collection	Billing For April	Collection in May	Rand Value of Billing not collected	% Collection	Billing For May	Collection in June	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q4
Property Rates Tax	Mum Supplied	Ward 1 - Platfontein, Smart Manor, Leging, (Lemako Park)	140,603	76,453	64,150	54%	140,603	363,254	0	258%	87,346	192,483	0	220%	368,552	632,189	(263,638)	172%	172%
Electricity			1,324,332	976,708	347,625	74%	1,839,030	1,724,470	114,560	94%	819,250	1,226,804	0	150%	3,982,612	3,927,981	54,631	99%	99%
Water			1,424,274	140,655	1,283,620	10%	799,184	1,888,973	0	236%	896,021	990,647	0	111%	3,119,479	3,020,274	99,205	97%	97%
Refuse			65,426	20,274	45,152	31%	65,426	57,280	8,146	88%	66,028	38,310	27,719	58%	196,880	115,863	81,017	59%	59%
Waste Water			75,858	10,351	65,507	14%	75,858	11,408	64,449	15%	75,858	18,593	57,265	25%	227,573	40,352	187,221	18%	18%
Interest			445,283	6,572	438,711	1%	455,419	18,196	437,223	4%	439,555	19,351	420,203	4%	1,340,256	44,119	1,296,137	3%	3%
Property Rates Tax	Mum Supplied	Ward 2 - Rooftop	931,254	428,846	502,407	46%	885,728	455,851	429,876	51%	931,611	489,493	442,117	53%	2,748,592	1,374,191	1,374,401	50%	50%
Electricity			253,290	324,073	0	128%	253,598	221,771	31,827	87%	291,960	280,626	11,335	96%	798,848	826,470	(27,622)	103%	103%
Water			638,745	255,585	383,161	40%	646,751	264,210	382,541	41%	1,231,831	254,088	977,744	21%	2,517,328	773,882	1,743,446	31%	31%
Refuse			229,426	101,787	127,639	44%	210,123	101,987	108,136	49%	227,933	124,464	103,469	55%	667,482	328,237	339,244	49%	49%
Waste Water			324,102	140,282	183,820	43%	297,187	136,450	160,737	46%	321,178	188,583	132,595	59%	942,467	465,315	477,152	49%	49%
Interest			807,816	50,575	757,241	6%	653,191	30,297	622,894	5%	829,612	38,533	791,079	5%	2,290,618	119,405	2,171,214	5%	5%
Property Rates Tax	Mum Supplied	Ward 3 - Homevale, Homevale, Homevale, Sol Plaatje, Ramora	599,432	221,012	378,419	37%	609,333	218,675	390,658	36%	610,579	247,590	362,989	41%	1,819,344	687,278	1,132,066	38%	38%
Electricity			126,580	64,937	61,643	51%	168,815	131,050	37,765	78%	116,499	223,026	0	191%	411,894	419,014	(7,119)	102%	102%
Water			453,605	118,055	335,550	26%	611,910	126,806	485,103	21%	310,326	123,516	186,810	40%	1,375,841	368,377	1,007,464	27%	27%
Refuse			141,756	89,281	52,475	63%	144,742	60,672	84,070	42%	142,489	65,296	77,193	46%	428,987	215,249	213,737	50%	50%
Waste Water			196,308	268,209	0	137%	200,483	82,600	117,882	41%	199,107	89,636	109,471	45%	595,897	440,445	155,453	74%	74%
Interest			530,378	28,283	502,094	5%	548,113	14,884	533,230	3%	554,870	69,245	485,626	12%	1,633,362	112,412	1,520,950	7%	7%
Property Rates Tax	Mum Supplied	Ward 4 - Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg 5, Vridaan	321,867	279,661	42,206	87%	322,693	241,345	81,348	75%	322,617	234,044	88,573	73%	967,177	755,050	212,127	78%	78%
Electricity			253,947	343,193	0	135%	217,223	186,880	30,343	86%	202,313	260,065	0	129%	673,484	790,138	(116,654)	117%	117%
Water			422,089	225,337	196,751	53%	356,630	130,107	226,523	36%	378,806	161,267	217,539	43%	1,157,524	516,712	640,813	45%	45%
Refuse			136,807	49,788	87,019	36%	137,054	56,992	80,062	42%	135,451	57,911	77,540	43%	409,312	164,691	244,621	40%	40%
Waste Water			190,709	64,285	126,424	34%	190,712	73,299	117,413	38%	188,497	89,869	98,628	48%	569,917	227,452	342,465	40%	40%
Interest			401,999	9,107	392,893	2%	406,721	13,715	393,006	3%	411,739	18,132	393,606	4%	1,220,459	40,954	1,179,505	3%	3%
Property Rates Tax	Mum Supplied	Ward 5 - Vergenoeg Ext 2, Redifine, Thusano	254,996	94,429	160,567	37%	258,467	455,211	0	176%	261,456	116,662	144,793	45%	774,918	666,302	108,616	86%	86%
Electricity			43,128	39,111	4,017	91%	30,779	39,122	0	127%	43,700	24,011	19,689	55%	117,607	102,245	15,362	87%	87%
Water			335,346	64,341	271,004	19%	312,077	149,550	162,527	48%	898,414	77,079	821,335	9%	1,545,837	290,970	1,254,867	19%	19%
Refuse			119,264	42,433	76,832	36%	120,692	48,787	71,904	40%	121,308	38,058	83,250	31%	361,264	129,278	231,986	36%	36%
Waste Water			161,192	59,228	101,964	37%	163,429	62,601	100,827	38%	164,289	49,858	114,430	30%	488,909	171,688	317,221	35%	35%
Interest			397,974	13,395	384,579	3%	404,667	36,134	368,532	9%	413,720	9,872	403,848	2%	1,216,360	59,401	1,156,959	5%	5%
Property Rates Tax	Mum Supplied	Ward 6 - Vergenoeg Ext 10, Babulungu, Solly Legodi, Bakkes	169,069	45,447	123,622	27%	171,595	51,509	120,086	30%	171,438	50,015	121,423	29%	512,102	146,971	365,131	29%	29%
Electricity			13,047	13,892	0	106%	12,591	24,167	0	192%	11,868	4,731	7,138	40%	37,506	42,789	(5,283)	114%	114%
Water			339,155	55,814	283,342	16%	333,655	55,048	278,608	16%	493,432	49,598	443,834	10%	1,166,243	160,460	1,005,783	14%	14%
Refuse			121,779	34,480	87,299	28%	122,578	33,611	88,967	27%	121,216	26,880	94,336	22%	365,573	94,971	270,602	26%	26%
Waste Water			170,662	43,449	127,213	25%	164,760	40,010	124,750	24%	162,888	34,003	128,885	21%	498,310	117,462	380,848	24%	24%
Interest			497,897	11,426	486,471	2%	504,041	10,108	493,933	2%	509,777	6,261	503,516	1%	1,511,716	27,795	1,483,921	2%	2%
Property Rates Tax	Mum Supplied	Ward 7 - Sol Plaatje RE, Solly Legodi square, Vergenoeg Ext 1, Vergenoeg, Obuntu Golf Course/Remmersmaak	212,741	80,814	131,927	38%	203,083	259,565	0	128%	211,448	96,508	114,941	46%	627,272	436,887	190,386	70%	70%
Electricity			(10,751)	52,275	0	-486%	111,462	91,508	19,955	82%	57,010	60,584	0	106%	157,721	204,367	(46,647)	130%	130%
Water			281,136	74,387	206,749	26%	447,543	89,943	357,600	20%	543,137	78,448	464,689	14%	1,271,815	242,778	1,029,038	19%	19%
Refuse			120,456	42,004	78,452	35%	120,210	40,746	79,464	34%	119,185	41,953	77,233	35%	359,851	124,703	235,149	35%	35%
Waste Water			171,688	60,948	110,740	35%	171,447	56,142	115,306	33%	170,932	62,593	108,339	37%	514,067	179,683	334,384	35%	35%
Interest			384,219	19,818	364,402	5%	387,655	26,077	361,579	7%	393,670	10,511	383,160	3%	1,165,545	56,405	1,109,140	5%	5%
Property Rates Tax	Mum Supplied	Ward 8 - John Mamphe 1, Mamphe Ctd, Lantini Mabisi Park, Donkerhoek	120,937	24,227	96,710	20%	124,368	22,693	101,675	18%	124,095	35,534	88,561	29%	369,400	82,454	286,946	22%	22%
Electricity			26,867	96,339	0	359%	98,484	4,112	94,372	4%	102,940	100,243	2,697	97%	228,292	200,694	27,598	88%	88%
Water			307,605	39,745	267,860	13%	204,606	41,836	162,770	20%	193,012	43,897	149,115	23%	705,223	125,478	579,746	18%	18%
Refuse			114,161	14,388	99,773	13%	122,324	18,739	103,585	15%	120,922	24,105	96,817	20%	357,407	57,231	300,176	16%	16%
Waste Water			152,149	17,084	135,065	11%	163,550	20,000	143,551	12%	61,982	25,313	36,669	41%	377,681	62,397	315,285	17%	17%
Interest			497,868	4,533	493,335	1%	498,054	3,670	494,385	1%	504,073	3,820	500,253	1%	1,499,996	12,023	1,487,973	1%	1%

Complete This Section			Quarter 4 Performance Per Ward																
			10. April				11. May				12. June								
Services	Electricity Supplier	Ward Name & Number	Billing For March	Collection in April	Rand Value of Billing not collected	% Collection	Billing For April	Collection in May	Rand Value of Billing not collected	% Collection	Billing For May	Collection in June	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q4
Property Rates Tax	Mun. Supplied	Ward 9 - Iiponeng, Retsewelle	735,461	380,435	355,026	52%	728,576	962,356	0	132%	714,273	429,447	284,827	60%	2,178,310	1,772,238	406,072	81%	81%
Electricity			87,040	162,510	0	187%	156,846	119,781	37,065	76%	119,266	129,380	0	108%	363,153	411,671	(48,518)	113%	113%
Water			475,874	228,611	247,263	48%	232,295	188,972	43,323	81%	272,010	234,089	37,921	86%	980,180	651,672	328,508	66%	66%
Refuse			152,230	81,554	70,676	54%	152,607	88,625	63,982	58%	147,919	102,192	45,727	69%	452,756	272,371	180,385	60%	60%
Waste Water			208,656	105,272	103,384	50%	209,138	115,165	93,972	55%	203,993	130,504	73,489	64%	621,787	350,941	270,845	56%	56%
Interest			429,917	24,403	405,514	6%	419,500	49,580	369,921	12%	413,995	26,587	387,407	6%	1,263,412	100,570	1,162,842	8%	8%
Property Rates Tax	Mun. Supplied	Ward 10 - Tshwaganano, Vorgenong Ext 7, Vorgenong Ext 5	286,628	305,594	0	107%	292,009	968,436	0	332%	294,525	245,153	49,372	83%	873,162	1,519,182	(646,020)	174%	174%
Electricity			372,792	844,451	0	227%	438,313	318,107	120,206	73%	438,032	376,353	61,679	86%	1,249,137	1,538,911	(289,774)	123%	123%
Water			352,931	127,846	225,085	36%	271,645	127,158	144,487	47%	374,111	125,377	248,734	34%	998,687	380,382	618,306	38%	38%
Refuse			140,916	59,817	81,099	42%	146,405	63,427	82,979	43%	144,571	73,272	71,298	51%	431,892	196,516	235,376	46%	46%
Waste Water			173,535	62,055	111,480	36%	181,164	61,944	119,220	34%	179,444	75,132	104,311	42%	534,143	199,131	335,012	37%	37%
Interest			406,505	8,486	398,019	2%	414,380	25,219	389,160	6%	419,660	20,229	399,431	5%	1,240,545	53,934	1,186,611	4%	4%
Property Rates Tax	Mun. Supplied	Ward 11 - Retsewelle, Agranang, Vorgenong Ext 8, Vorgenong Ext 6	138,712	54,956	83,757	40%	134,871	1,644,077	0	1219%	138,716	65,890	72,826	47%	412,300	1,764,923	(1,352,623)	428%	428%
Electricity			268,307	463,678	0	173%	248,372	465,144	0	187%	232,243	306,011	0	132%	748,921	1,234,834	(485,913)	165%	165%
Water			372,056	127,218	244,838	34%	381,629	106,480	275,148	28%	409,149	105,901	303,248	26%	1,162,834	339,599	823,234	29%	29%
Refuse			102,487	49,629	52,858	48%	98,638	42,351	56,287	43%	102,254	46,243	56,011	45%	303,379	138,223	165,157	46%	46%
Waste Water			163,943	90,200	73,743	55%	158,597	70,227	88,371	44%	164,669	73,559	91,110	45%	487,210	233,986	253,223	48%	48%
Interest			387,774	4,725	383,049	1%	369,378	13,137	356,241	4%	378,884	13,663	365,222	4%	1,136,035	31,524	1,104,512	3%	3%
Property Rates Tax	Mun. Supplied	Ward 12 - Kwakobantu Ext 1, Kwakobantu, Galeshewe proper, Galeshewe Ext 2	242,850	118,538	124,313	49%	281,438	134,739	146,699	48%	304,461	163,457	141,004	54%	828,570	416,734	412,016	50%	50%
Electricity			29,203	46,334	0	159%	128,944	57,490	71,454	45%	126,119	105,827	20,292	84%	284,266	209,651	74,615	74%	74%
Water			206,792	91,425	115,367	44%	236,139	113,388	122,751	48%	312,633	99,291	213,342	32%	755,564	304,104	451,460	40%	40%
Refuse			100,853	44,298	56,556	44%	123,721	51,635	72,086	42%	123,105	52,003	71,102	42%	347,679	147,936	199,744	43%	43%
Waste Water			140,195	56,892	83,303	41%	170,583	71,614	98,969	42%	169,761	77,625	92,136	46%	480,539	206,131	274,408	43%	43%
Interest			142,153	35,813	106,341	25%	398,619	14,680	383,939	4%	399,492	14,666	384,826	4%	940,265	65,158	875,107	7%	7%
Property Rates Tax	Mun. Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gemdene	241,416	159,909	81,507	66%	241,416	1,112,346	0	461%	241,419	173,147	68,272	72%	724,252	1,445,402	(721,150)	200%	200%
Electricity			443,506	461,115	0	104%	512,312	315,714	196,598	62%	483,374	496,601	0	103%	1,439,192	1,273,430	165,762	88%	88%
Water			255,358	61,157	194,201	24%	251,024	96,442	154,582	38%	314,290	112,521	201,770	36%	820,673	270,120	550,553	33%	33%
Refuse			68,939	23,440	45,499	34%	68,939	28,048	40,891	41%	67,782	29,750	38,031	44%	205,660	81,238	124,421	40%	40%
Waste Water			106,199	30,072	76,127	28%	106,237	41,097	65,139	39%	105,398	60,493	44,905	57%	317,834	131,662	186,171	41%	41%
Interest			275,665	5,287	270,378	2%	269,948	39,396	230,552	15%	274,673	19,592	255,081	7%	820,286	64,275	756,011	8%	8%
Property Rates Tax	Mun. Supplied	Ward 14 - Northview, Colville, Gemdene, Square Hill Park, Floors, UHFY, Arsburnham	1,288,267	896,964	391,303	70%	1,281,383	1,018,253	263,130	79%	1,255,684	945,471	310,212	75%	3,825,333	2,860,688	964,645	75%	75%
Electricity			1,646,468	1,411,518	234,950	86%	1,436,772	1,568,641	0	109%	1,670,026	977,091	692,935	59%	4,753,266	3,957,250	796,015	83%	83%
Water			671,163	514,905	156,258	77%	544,674	504,693	39,980	93%	902,221	428,819	473,402	48%	2,118,057	1,448,417	669,640	68%	68%
Refuse			321,548	235,105	86,443	73%	304,132	275,182	28,951	90%	320,680	263,131	57,549	82%	946,360	773,417	172,943	82%	82%
Waste Water			291,576	194,796	96,780	67%	282,402	219,715	62,687	78%	290,206	206,025	84,182	71%	864,185	620,536	243,649	72%	72%
Interest			702,119	74,608	627,511	11%	701,709	28,143	673,566	4%	699,861	101,844	598,017	15%	2,103,688	204,594	1,899,094	10%	10%
Property Rates Tax	Mun. Supplied	Ward 15 - Iiponeng, Phomoting, Phutanganang, Sol Plaatje RE	291,805	139,553	152,252	48%	288,359	1,495,011	0	518%	289,927	155,260	134,667	54%	870,091	1,789,824	(919,734)	206%	206%
Electricity			101,571	99,546	2,025	98%	110,309	87,631	22,678	79%	117,998	165,855	0	141%	329,879	353,033	(23,154)	107%	107%
Water			538,490	75,212	463,278	14%	427,665	94,943	332,722	22%	614,754	92,369	522,385	15%	1,580,909	262,524	1,318,384	17%	17%
Refuse			130,637	35,823	94,815	27%	124,705	49,087	75,623	39%	128,970	48,651	80,319	38%	384,312	133,556	250,756	35%	35%
Waste Water			181,993	57,638	124,355	32%	173,591	61,506	112,085	35%	178,844	73,023	105,821	41%	534,428	192,167	342,261	36%	36%
Interest			527,139	7,866	519,273	1%	512,651	51,102	461,550	10%	527,795	24,535	503,260	5%	1,567,586	83,503	1,484,083	5%	5%
Property Rates Tax	Mun. Supplied	Ward 16 - Phutanganang Cemetery, Promise Land, Lindelani, Snake Park, Tsweleng.	148,318	11,676	136,641	8%	148,474	17,893	130,582	12%	142,424	33,554	108,869	24%	439,216	63,124	376,092	14%	14%
Electricity			8,551	736	7,815	9%	347,079	1,106	345,974	0%	9,911	240	9,671	2%	365,542	2,082	363,460	1%	1%
Water			447,852	16,254	431,598	4%	777,691	19,562	758,129	3%	505,641	25,461	480,180	5%	1,731,184	61,277	1,669,907	4%	4%
Refuse			135,928	7,294	128,634	5%	136,421	10,245	126,176	8%	126,482	17,895	108,587	14%	398,831	35,434	363,398	9%	9%
Waste Water			190,918	11,537	179,381	6%	191,623	14,029	177,594	7%	179,093	23,044	156,049	13%	561,633	48,609	513,024	9%	9%
Interest			464,779	3,513	461,266	1%	475,481	3,228	472,252	1%	475,810	6,556	469,254	1%	1,416,070	13,298	1,402,772	1%	1%

Complete This Section
Quarter 4 Performance Per Ward
10. April, 11. May, 12. June
Services, Electricity Supplier, Ward Name & Number, Billing For March, Collection in April, Rand Value of Billing not collected, % Collection, Billing For April, Collection in May, Rand Value of Billing not collected, % Collection, Billing For May, Collection in June, Rand Value of Billing not collected, % Collection, Billing, Collection, R - Billing not collected, % Collection, Q4

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: June 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 June 2024. The municipality is experiencing challenges in the restricting/interrupting of water supply and intervention is required from the technical department. This should improve when the introduction of smart prepaid meters project. Various gaps have been identified in indigent reporting, which the municipality will attempt to address going forward. The indigent households in informal settlements cannot be loaded on the system. The municipality will engage the Housing department to assist with the number of households in informal settlements and the services available, if any. Households in informal settlement may not necessarily be qualifying indigents. There is 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, this was taken up with NT for correction and the municipality is awaiting feedback.

Description	Ref	As Per Debt Relief Application		2023/2024 - Monthly Monitoring													
		Current Year - 2023/2024															
		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																	
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 HHs receiving Minimum Service Level and Above sub-total																	
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 HHs receiving - Below Minimum Service Level sub-total																	
Total number of registered indigent households	5																
Status of Water meters :																	
Number of Indigent HHs with prepaid Water																	
Number of Indigent HHs with conventional metered Water		12,033	11,800	11,800	11,800	12,005	12,062	11,811	12,079	11,705	11,865	11,608	11,653	11,478	11,494	11,470	####
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	12,033	11,800	11,800	11,800	12,005	12,062	11,811	12,079	11,705	11,865	11,608	11,653	11,478	11,494	11,470	####
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 HHs 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 HHs 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		12,033	11,800	11,800	11,800	12,005	12,062	11,811	12,079	11,705	11,865	11,608	11,653	11,478	11,494	11,470	####
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	12,033	11,800	11,800	11,800	12,005	12,062	11,811	12,079	11,705	11,865	11,608	11,653	11,478	11,494	11,470	####
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)		12,033	11,800	11,800	11,800	12,005	12,062	11,811	12,079	11,705	11,865	11,608	11,653	11,478	11,494	11,470	####
Electricity/other energy (50kwh per household per month)		12,033	11,800	11,800	11,800	7,344	7,424	7,670	7,851	7,910	7,873	7,921	7,979	8,118	8,166	8,154	####
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)		4,392,359	#####	8,000,000	8,000,000	351,832	405,755	397,890	403,523	426,943	410,363	486,058	408,907	402,464	434,269	392,816	####
Water (6 kilolitres per household per month)		6,569,232	#####	12,000,000	12,000,000	765,092	771,026	796,804	816,324	822,689	818,021	823,432	829,585	844,649	849,635	851,014	####
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	10,961,592	#####	20,000,000	20,000,000	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	####
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
Sanitation (kilolitres per household per month)																	
Sanitation (Rand per household per month)		189	198	198	198												
Electricity (kwh per household per month)		50	50	50	50												
Refuse (average litres per week)		21	21	21	21												
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)																
PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA		33,541,684	#####	35,010,000	35,010,000	628,021	620,021	629,471	643,899	649,151	641,904	643,544	643,153	647,017	649,431	645,253	####
Water (in excess of 6 kilolitres per indigent household per month)	15	18,483,855	#####	20,500,000	20,500,000	#####	777,934	#####	812,666	862,079	954,616	821,344	846,575	835,460	836,760	801,857	####
Sanitation (in excess of free sanitation service to indigent households)	16	2,955,384	#####	3,400,000	3,400,000												
Electricity/other energy (in excess of 50 kwh per indigent household per month)		31,243,818	#####	41,000,000	41,000,000												
Refuse (in excess of one removal a week for indigent households)		3,442,166	#####	4,400,000	4,400,000		813,905	119,871	116,154	116,154	115,397	113,569	117,328	117,204	117,328	117,081	####
Municipal Housing - rental rebates																	
Housing - top structure subsidies																	
Other	6																
Total revenue cost of subsidised services provided		89,666,907	#####	104,310,000	104,310,000	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	####

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

Property Rates Reconciliation						
Province	NC					
District	Frances Baard District					
Type	LM					
Municipal Name	Sol Plaatje					
GVP Period	01/07/2023 - 30/06/2027					
Financial Year	2023/2024					
Reconciliation Period	Quarter 4					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	1. Number of Properties			2. Market Values		
	General Valuation Roll	MFS	Variance	General Valuation Roll	MFS	Variance
Residential	49755	49755	0	23,920,800,503	23,920,800,503	-
Industrial	216	216	0	807,530,000	807,530,000	-
Business and Commercial	2308	2308	0	7,476,973,001	7,476,973,001	-
Agricultural	437	437	0	2,672,386,700	2,672,386,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpo.	133	133	0	2,498,871,000	2,498,871,000	-
PSI	197	197	0	14,108,000	14,108,000	-
PBO	1346	1346	0	625,386,001	625,386,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	241	241	0	569,649,000	569,649,000	-
Municipal	5558	5558	0	1,524,941,504	1,524,941,504	-
Other	0	0	0	-	-	-
Total	60212	60212	0	40,340,311,109	40,340,311,109.00	-

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


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

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

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

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

- i) Indicated below is the Eskom Bulk current account invoice for May 2024 due and payable during the month of reporting, on or before 3 July 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: customerservice@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



TEL: 08600 37566
SMS:

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

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

YOUR ACCOUNT NO	5449407898
SECURITY HELD	29474711.42
BILLING DATE	2024-06-03
TAX INVOICE NO	544740609913
ACCOUNT MONTH	MAY 2024
CURRENT DUE DATE	2024-07-03
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: franstaden@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY		
ADMINISTRATION CHARGE	R	6,324.16
TRANSMISSION NETWORK CAPACITY	R	1,557,330.00
DIST. NETWORK CAPACITY CHARGE	R	1,137,750.00
NETWORK DEMAND CHARGE	R	1,437,726.37
URBAN LOW VOLTAGE SUBSIDY	R	2,786,100.00
ANCILLARY SERVICE (ALL)	R	241,910.13
ENERGY CHARGE (STD)	15,572,996.00	R 18,927,419.34
ENERGY CHARGE (PEAK)	5,773,447.00	R 11,963,262.09
ENERGY CHARGE (OFF)	14,870,500.00	R 11,463,668.45
ELECTRIFICATION AND RURAL SUBS (ALL)	R	5,173,155.08
SERVICE CHARGE	R	216,819.89
TOTAL CHARGES FOR BILLING PERIOD		R 64,812,086.61

ACCOUNT SUMMARY FOR MAY 2024		
BALANCE BROUGHT FORWARD	(Due Date 2024-06-01)	R 972,610,627.98
PAYMENT(S) RECEIVED	Cash - 2024-05-24	R -13,400,000.00
PAYMENT(S) RECEIVED	Cash - 2024-05-28	R -59,696,947.69
TOTAL CHARGES FOR BILLING PERIOD		R 64,912,065.51
ADJUSTMENT	Reversal of interest charged	R -13,988,431.43
ADJUSTMENT	Interest on overdue account	R 3,178,308.56
VAT RAISED ON ITEMS AT 14%		R 0.00
VAT RAISED ON ITEMS AT 15%		R 8,236,809.82

ARREARS				
>90 DAYS	61-90 DAYS	31-60 DAYS	1-30 DAYS	CURRENT
757,778,183	66,311,112.55	61,435,953.09	0.00	66,327,183.89
TOTAL DUE R				951,852,432.75


Account OVERDUE - Subject to Disconnection

ACCOUNT NO / REFERENCE NO
5449407898

NAME
SOL PLAATJE LOCAL MUNICIPALITY


FAX NUMBER
0538331005

0934 5449407898



11341 5449407898

9207 2544 9407 8987



TOTAL AMOUNT DUE
951,852,432.75

PAYMENT ARRANGEMENT

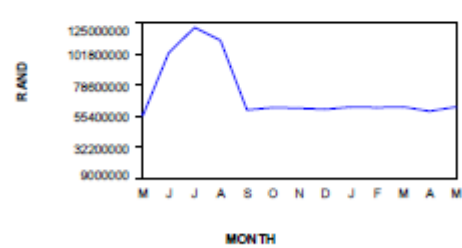
INSTALMENT 0.00

ARREARS (Due Immediately) 885,525,248.86

DUE DATE (For Current Amount) 2024-07-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



PAGE RUN NO	EE 16
BILL GROUP	
BILL PAGE	1 OF 2

Indicated below is the June 2024 account, due and payable on or before 1 August 2024.



NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

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

TEL: 08600 37566
SMS:

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

YOUR ACCOUNT NO	5449407898
SECURITY HELD	29474711.42
BILLING DATE	2024-07-02
TAX INVOICE NO	544253665868
ACCOUNT MONTH	JUNE 2024
CURRENT DUE DATE	2024-08-01
VAT REG NO	4370102313

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

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 55070067316

TAX INVOICE

E-MAIL: fvanstaden@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY			
ADMINISTRATION CHARGE	R	6,700.80	
TRANSMISSION NETWORK CAPACITY	R	1,557,330.00	
DIST. NETWORK CAPACITY CHARGE	R	1,137,750.00	
NETWORK DEMAND CHARGE	R	1,793,122.09	
URBAN LOW VOLTAGE SUBSIDY	R	2,786,100.00	
ANCILLARY SERVICE (ALL)	R	278,406.11	
ENERGY CHARGE (PEAK)	7,168,665.00 R	38,811,869.18	
ENERGY CHARGE (OFF)	18,150,507.00 R	16,164,841.53	
ENERGY CHARGE (STD)	17,512,537.00 R	28,720,560.68	
ELECTRIFICATION AND RURAL SUBS (ALL)	R	5,953,607.55	
REACTIVE ENERGY	R	0.00	
SERVICE CHARGE	R	209,825.70	
TOTAL CHARGES FOR BILLING PERIOD	R	97,420,113.64	
ACCOUNT SUMMARY FOR JUNE 2024			
BALANCE BROUGHT FORWARD	(Due Date 2024-07-03) R	951,852,432.75	
PAYMENT(S) RECEIVED	(Summary - See attachment for details) R	-98,910,875.33	
PAYMENT ADJUSTMENT(S)	R	29,062,000.00	
TOTAL CHARGES FOR BILLING PERIOD	R	97,420,113.64	
ADJUSTMENT	PAYMENT ARRANGEMENT CURRENT BALANCE ADJUSTED R	-163,062,000.00	
ADJUSTMENT	BALANCE TRANSFER - to/from account 5449407898 R	163,062,000.00	
ADJUSTMENT	BALANCE TRANSFER - to/from account 5449407898 R	-163,062,000.00	
ADJUSTMENT	Interest on overdue payment arrangement debt R	695,790.41	
ADJUSTMENT	Interest on overdue account R	1,043,505.00	
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 120,600,000.00) R	6,700,000.00	
VAT RAISED ON ITEMS AT 14%	R	0.00	
VAT RAISED ON ITEMS AT 15%	R	14,613,017.05	
AR REARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	
428,116,420.	61,435,953.09	0.00	
	16-30 DAYS	CURRENT	
	66,327,183.89	283,534,426.10	
		TOTAL DUE R	839,413,983.52
Account OVERDUE - Subject to Disconnection			

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

11341 5449407898

9207 2544 9407 8987

11341 5449407898

TOTAL AMOUNT DUE

839,413,983.50

pay@ your payment partner

EasyPay

PAYMENT ARRANGEMENT

The municipality does not fully concur with the outstanding balance of R839,413,983.52, as this also net of the balance on the payment arrangement. This matter will be taken up with Eskom. According to the municipality's record the total debt outstanding is R995,774,983.52. 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 May 2024 which was paid on 25 June 2024.

SOL PLAATJE MUNICIPALITY
 PRIVATE BAG X5030
 KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
 PRIVATE BAG X16
 WESTVILLE
 3630

25/06/2024

SUPPLIER NO: SESK01

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

FAX NO:

VOUCHER NO: DUNA008186

CHEQUE/ELE NO: 77067079

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
03/06/2024	SUN	544740609955/1	54912065.50		8236809.83	63148875.33

SUB TOTAL: 8236809.83 63148875.33

8236809.83 63148875.33

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

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

iii) Indicated below is the municipality's proof of payment of the Eskom Payment arrangement for June 2024 which was paid on 21 June 2024.

SOL PLAATJE MUNICIPALITY
 PRIVATE BAG X5030
 KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
 PRIVATE BAG X16
 WESTVILLE
 3630

21/06/2024

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: DUNA008185

CHEQUE/ELE NO: 77067062

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
01/08/2023	SUN	544917625256/6	5826086.96		873913.04	6700000.00

SUB TOTAL: 873913.04 6700000.00
 873913.04 6700000.00

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

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

- i) The municipality's reconciliation statement for electricity aligning to the MFMA S71 mSCOA data strings upload; and

Indicated in the table below is a summary of the data strings for M12 – June 2024 pertaining to electricity.

MSCOA Detail Data in Rand

Municipality: NC091 Sol Plaatje

Sign for income (IR, IL, IZ gains, LN) swapped : No

		2024	
		M12	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-98,299,025	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	10,920,297	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	143,690,951	154,611,248
Function:Energy Sources:Core Function:Electricity	Expenditure:Bulk Purchases:Electricity:ESKOM	10,920,297	

Reconciliation from the financial system using the GS630 detailed transaction report.

Recon Datastrings and Fin System - June 2024	Sum of Debit Amt	Sum of Credit Amt	Sum of Net movement	Comment
Ledger Journals	-	1,466,866.60	(1,466,866.60)	
INCORRECT VOTE ALLOCATION. ESKOM LANGLEY PAYMENTS	-	1,466,866.60	(1,466,866.60)	Erroneous expenditure journalised
Sundry Accruals	729,951,054.57	483,678,147.00	246,272,907.57	
Sundry CATA010275	230,160,381.64	177,017,638.08	53,142,743.56	
Sundry CATA010421	108,879,224.57	71,653,249.93	37,225,974.64	
Sundry CATA010493	126,972,514.10	73,364,328.70	53,608,185.40	
Sundry CATA011390	53,649,394.70	51,910,389.30	1,739,005.40	
Sundry CATA011466	127,848.75	-	127,848.75	
Sundry CATA011549	57,675,812.07	54,912,065.50	2,763,746.57	
Sundry DUNA008062	57,511,812.05	54,820,475.49	2,691,336.56	
Sundry DUNA008185	5,826,086.96	-	5,826,086.96	
Sundry DUNA008186	54,912,065.50	-	54,912,065.50	
Sundry DUNA008190	34,235,914.23	-	34,235,914.23	
Sundry Accruals Reversals	479,396,993.35	713,877,943.19	(234,480,949.84)	
Cheque No : 77066795 Bank No : 901	-	141,468.37	(141,468.37)	
Cheque No : 77067037 Bank No : 901	-	127,848.75	(127,848.75)	
Cheque No : 77067062 Bank No : 901	-	5,826,086.96	(5,826,086.96)	
Cheque No : 77067079 Bank No : 901	-	54,912,065.50	(54,912,065.50)	
Cheque No : 77067235 Bank No : 901	53,257,819.66	56,322,516.04	(3,064,696.38)	
Cheque No : 77067236 Bank No : 901	54,215,598.89	62,447,997.39	(8,232,398.50)	
Cheque No : 77067237 Bank No : 901	54,820,475.49	57,511,812.05	(2,691,336.56)	
Cheque No : 77067239 Bank No : 901	54,503,068.16	68,141,406.59	(13,638,338.43)	
Sundry CATA010275	84,140,869.57	115,080,190.82	(30,939,321.25)	
Sundry CATA010421	60,869,565.22	108,879,224.57	(48,009,659.35)	
Sundry CATA010493	62,769,120.87	126,975,514.10	(64,206,393.23)	
Sundry DUNA008062	54,820,475.49	57,511,812.05	(2,691,336.56)	
Sundry Payments	522,228,163.85	461,220,694.27	61,007,469.58	
CATA010648000128822340010ELMRCZZWM	-	54,503,068.16	(54,503,068.16)	
CATA010648000228822340010ELMRCZZWM	-	13,638,338.43	(13,638,338.43)	
CATA010648000328822340010ELMRCZZWM	54,503,068.16	-	54,503,068.16	
CATA010843000128822340010ELMRCZZWM	-	53,257,819.66	(53,257,819.66)	
CATA010843000228822340010ELMRCZZWM	-	3,064,696.38	(3,064,696.38)	
CATA010843000328822340010ELMRCZZWM	41,739,130.43	-	41,739,130.43	
CATA010843000428822340010ELMRCZZWM	11,518,689.23	-	11,518,689.23	
Cheque No : 77066795 Bank No : 901	141,468.37	-	141,468.37	Payment Langleg - Journalised
Cheque No : 77067037 Bank No : 901	127,848.75	-	127,848.75	Payment Langleg - Journalised
Cheque No : 77067062 Bank No : 901	5,826,086.96	-	5,826,086.96	Payment arrangement
Cheque No : 77067079 Bank No : 901	54,912,065.50	-	54,912,065.50	Payment current bulk account
Cheque No : 77067235 Bank No : 901	56,322,516.04	53,257,819.66	3,064,696.38	
Cheque No : 77067236 Bank No : 901	62,447,997.39	54,215,598.89	8,232,398.50	
Cheque No : 77067237 Bank No : 901	57,511,812.05	54,820,475.49	2,691,336.56	
Cheque No : 77067239 Bank No : 901	68,141,406.59	54,503,068.16	13,638,338.43	
DUNA007973000128822340010ELMRCZZWM	-	54,215,598.89	(54,215,598.89)	
DUNA007973000228822340010ELMRCZZWM	-	8,232,398.50	(8,232,398.50)	
DUNA007973000328822340010ELMRCZZWM	54,215,598.89	-	54,215,598.89	
DUNA008062000228822340010ELMRCZZWM	-	2,691,336.55	(2,691,336.55)	
DUNA008062000328822340010ELMRCZZWM	39,130,434.78	-	39,130,434.78	
DUNA008062000428822340010ELMRCZZWM	15,690,040.71	-	15,690,040.71	
DUNA008062000528822340010ELMRCZZWM	-	54,820,475.50	(54,820,475.50)	
Year End Sundry Payments	89,775,228.03	150,187,492.00	(60,412,263.97)	
CATA010006000128822340010ELMRCZZWM	-	49,389,949.68	(49,389,949.68)	
CATA010087000128822340010ELMRCZZWM	89,775,228.03	-	89,775,228.03	
CATA010087000228822340010ELMRCZZWM	-	11,022,314.29	(11,022,314.29)	
CATA010087000328822340010ELMRCZZWM	-	89,775,228.03	(89,775,228.03)	
Grand Total	1,821,351,439.80	1,810,431,143.06	10,920,296.74	

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 then authorised and then 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.
- Bulk Electricity – is showing various movement pertaining to cancelled cheques etc to try and correct the interest charges. All errors will be journalized to reflect the true cost incurred for the current financial year.
- It should be noted that the June 2024 bulk Eskom account has not been captured on the system yet.

Recon Fin system and datastrings M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Net movement	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	182,238,017.56	27,626,769.86	154,611,247.70	Actual for Bulk withdrawal tallies to datastrings M11
Sundry Payments	105,384,321.04	27,626,769.86	77,757,551.18	
Year End Sundry Payments	76,853,696.52	-	76,853,696.52	
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	300,929,415.50	399,228,440.55	(98,299,025.05)	Actual for Bulk deposits tallies to datastrings M11
Sundry Accruals	-	293,844,119.51	(293,844,119.51)	
Sundry Accruals Reversals	273,302,645.64	-	273,302,645.64	
Sundry Payments	27,626,769.86	105,384,321.04	(77,757,551.18)	
Grand Total	483,167,433.06	426,855,210.41	56,312,222.65	

Recon Fin system and datastrings M11	Sum of Debit Amt	Sum of Credit Amt	Sum of Net movement	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	182,238,017.56	27,626,769.86	154,611,247.70	
Sundry Payments	105,384,321.04	27,626,769.86	77,757,551.18	
20240604	3,482,528.48	-	3,482,528.48	Payment - Riverton Water Plant
20240607	95,605.13	-	95,605.13	Payment - Minor account
20240612	66,017.21	-	66,017.21	Payment - Minor account
20240620	232,795.06	-	232,795.06	Payment - Minor account
20240621	6,700,000.00	-	6,700,000.00	Payment Payment Arrangement
20240623	27,626,769.86	-	27,626,769.86	Cancelled ELE's - part of interest reversals
20240625	63,148,875.33	-	63,148,875.33	Payment Bulk Account - May 2024
20240627	-	27,626,769.86	(27,626,769.86)	Cancelled ELE's - part of interest reversals
20240628	4,031,729.97	-	4,031,729.97	Minor Payments from May 2024 released in June 2024
Year End Sundry Payments	76,853,696.52	-	76,853,696.52	
20240623	76,853,696.52	-	76,853,696.52	Cancelled ELE's - part of interest reversals
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	300,929,415.50	399,228,440.55	(98,299,025.05)	
Sundry Accruals	-	293,844,119.51	(293,844,119.51)	
20240604	-	3,319,839.86	(3,319,839.86)	
20240607	-	47,508.35	(47,508.35)	
20240614	-	7,052.85	(7,052.85)	
20240620	-	232,795.06	(232,795.06)	
20240621	-	6,700,000.00	(6,700,000.00)	
20240625	-	63,148,875.33	(63,148,875.33)	
20240626	-	44,304,774.72	(44,304,774.72)	
20240627	-	2,691,336.55	(2,691,336.55)	
20240628	-	142,568,955.19	(142,568,955.19)	
20240702	-	30,822,981.60	(30,822,981.60)	
Sundry Accruals Reversals	273,302,645.64	-	273,302,645.64	
20240604	3,482,528.48	-	3,482,528.48	
20240607	95,605.13	-	95,605.13	
20240612	66,017.21	-	66,017.21	
20240620	239,847.91	-	239,847.91	
20240621	6,700,000.00	-	6,700,000.00	
20240623	27,626,769.86	-	27,626,769.86	
20240625	63,148,875.33	-	63,148,875.33	
20240626	5,107,773.22	-	5,107,773.22	
20240627	2,691,336.55	-	2,691,336.55	
20240628	133,317,910.35	-	133,317,910.35	
20240702	30,825,981.60	-	30,825,981.60	
Sundry Payments	27,626,769.86	105,384,321.04	(77,757,551.18)	
20240604	-	3,482,528.48	(3,482,528.48)	
20240607	-	95,605.13	(95,605.13)	
20240612	-	66,017.21	(66,017.21)	
20240620	-	232,795.06	(232,795.06)	
20240621	-	6,700,000.00	(6,700,000.00)	
20240623	-	27,626,769.86	(27,626,769.86)	
20240625	-	63,148,875.33	(63,148,875.33)	
20240627	27,626,769.86	-	27,626,769.86	
20240628	-	4,031,729.97	(4,031,729.97)	
Grand Total	483,167,433.06	426,855,210.41	56,312,222.65	

The focus is on the Withdrawal vote – indicating the payments made for the Payment Arrangement and the bulk current account for May 2024.

Various vouchers had to be cancelled to correct the interest reversal from Eskom – all these errors must still be journalized.

- iii) No bulk water billing was raised for May 2024, as the servitude was still valid. And therefore, no payment was due and payable during the month of reporting.
- iv) The municipality's servitude was exhausted at the end of June 2024 and the balance of the servitude was billed. Indicated below, is the DWS Bulk current account invoice for June 2024 due and payable, on or before 30 July 2024.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412512976
 Document Date: 30.06.2024
 Payment Terms: 30 Days
 Due Date: 30.07.2024
 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 Beard 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: 01.06.2024 to 30.06.2024				
	Consumptive (O&M)	125,705.60	39.69	49,892.55
	Consumptive (ROA)	125,705.60	32.40	40,728.61
	Consumptive (Depr)	125,705.60	19.07	23,972.06
	TCTA (AMD)	125,705.60	9.39	11,803.76
	TCTA (LHWP)	125,705.60	372.50	468,253.36
Water Use Period: 01.04.2024 to 30.06.2024				
	Plus 15.00% VAT			89,197.55
	Subtotal			683,847.89
Water Use Period: 01.06.2024 to 30.06.2024				
	WRL	125,705.60	7.73	9,717.04
	Total Charges			693,564.93

- ii) Indicated below, is the municipality's proof of payment for the partial payment made on 26 June 2024 of R13,000 million of the Water Bulk account for February 2024.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
PRIVATE BAG X313
PRETORIA
0001

26/06/2024

SUPPLIER No: SWAT01

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

VOUCHER NO: DUNA008187

FAK NO:
CHEQUE/ELE NO: 77067088

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
29/02/2024	SUN	412419218/1	11304347.83		1695652.17	13000000.00

SUB TOTAL: 1695652.17 13000000.00

1695652.17 13000000.00

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

COMPILED BY:

CHECKED BY:

AUTHORISED BY:

Indicated below is the proof of payment of the municipality settlement of the balance of the December 2023 account amounting to R5,108 million on 26 June 2024.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
PRIVATE BAG X313
PRETORIA
0001

26/06/2024

SUPPLIER No: SWAT01

CONTACT PERSON:

VOUCHER NO: DUNA008189

TEL NO:

FAX NO:

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

CHEQUE/ELE NO: 77067089

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
31/12/2021	SUN	493834279/1	4441541.93		666231.29	5107773.22

SUB TOTAL: 666231.29 5107773.22

666231.29 5107773.22

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

COMPILED BY:

CHECKED BY:

AUTHORISED BY:

NWRI Customer Ref no: 60005150
 BUSINESS PARTNER: 25014305
 CONTRACT ACCOUNT: 100478320
 STATEMENT DATE: 30.06.2024
 PAYMENTS INCLUDED UP TO: 30.06.2024

CUSTOMER STATEMENT
 DWS VAT Reg. no 4040112361



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

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

Date	Details	Document Number	Due Date	Water Use No. /Div.	Amount R (Inc.VAT)
31.05.2024	CMA Balance brought forward				412,356.20
31.05.2024	NWRI Balance brought forward				95,786,771.22
31.05.2024	Total Balance brought forward				96,199,127.42
13.06.2024	Incoming Payment	110000528742			494,827.44
26.06.2024	Incoming Payment	110000529385			-13,000,000.00
26.06.2024	Incoming Payment	110000529387			-5,107,773.22
	Sub Total(A)				77,596,526.76
30.06.2024	Consumption billing receivable	140001470853	30.07.2024	13/NWRI	13,574.32
30.06.2024	Consumptive (OGM)	140001470853	30.07.2024	13/NWRI	57,376.44
30.06.2024	Consumptive (Depr)	140001470853	30.07.2024	13/NWRI	27,567.87
30.06.2024	Consumptive (ROA)	140001470853	30.07.2024	13/NWRI	46,837.90
30.06.2024	TCTA (LHWP)	140001470853	30.07.2024	13/NWRI	538,491.36
30.06.2024	WRL	140001470853	30.07.2024	13/NWRI	9,717.04
30.06.2024	Total Movement for the month(B)				693,564.93
30.06.2024	Total Outstanding (A+B)				78,290,091.69

CONTACT DETAILS

DWS Call Centre
 PHONE 0800 200 200
 FAX 012 336 1408
 Email: info@dws.gov.za
 For change details,
 Please complete the
 form below and forward
 to your regional office.
 View personal details
 on reverse of this page

Customer No. 25014305

NAME: _____

POSTAL ADDRESS: _____

POSTAL CODE: _____

AGE ANALYSIS					
CURRENT	30+ DAYS	60+ DAYS	90+ DAYS	120+ DAYS	TOTAL
693,564.93	0.00	0.00	41,405,252.03	36,191,274.73	78,290,091.69

Interest charges which are not reflected on this statement but which are applicable to documents will be reflected on the future statements. PLEASE USE THE CONTRACT ACCOUNT NUMBER PROVIDED ABOVE (1000000000 AS REFERENCE WHEN MAKING PAYMENTS) Email warnsdatabequests@dws.gov.za for property ownership updates, contact details (including email address for electronic receipt of invoices and statements) and VAT number updates, using your Business Partner number as reference. Email revenue@dws.gov.za for any revenue related queries. I.e. Invoices etc. Please note, as of December 2019 Invoices and statements will be available for downloading and printing from the DWS portal through following link <https://statements.dws.gov.za> Please log onto the link to REGISTER.

Indicated above is the latest DWS statement, as at 30 June 2024 which was downloaded from the DWS Portal on 12 July 2024. As per the age analysis of the Department. The current account due is R694 thousand. The allocation of the R13,000 and R5,108 million payment is also reflecting under "Incoming Payment". According to the municipality's records the total outstanding debt amounts to R78,473,747.89 compared with the department's outstanding balance of R78,290,091.89, results in a minor discrepancy of R183,656.20. The outstanding balance therefore must be concurred with the Department. On a quarterly basis, if and when the Department submits the confirmation of outstanding balance, the municipality do not agree with the totals and the reasons why. Various factors contribute to this for example, possible erroneous allocations as a result of the multiple contract accounts, unallocated payments, unpaid invoices which the municipality has not received or could not download from the DWS Portal, etc. Sometimes there is a delay in the upload of invoices and statements on the DWS portal. A manual monthly reconciliation of all invoices and payments is done.

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

MSCOA Detail Data in Rand

Municipality: NC091 Sol Plaatje

Sign for income (IR, IL, IZ gains, LN) swapped : No

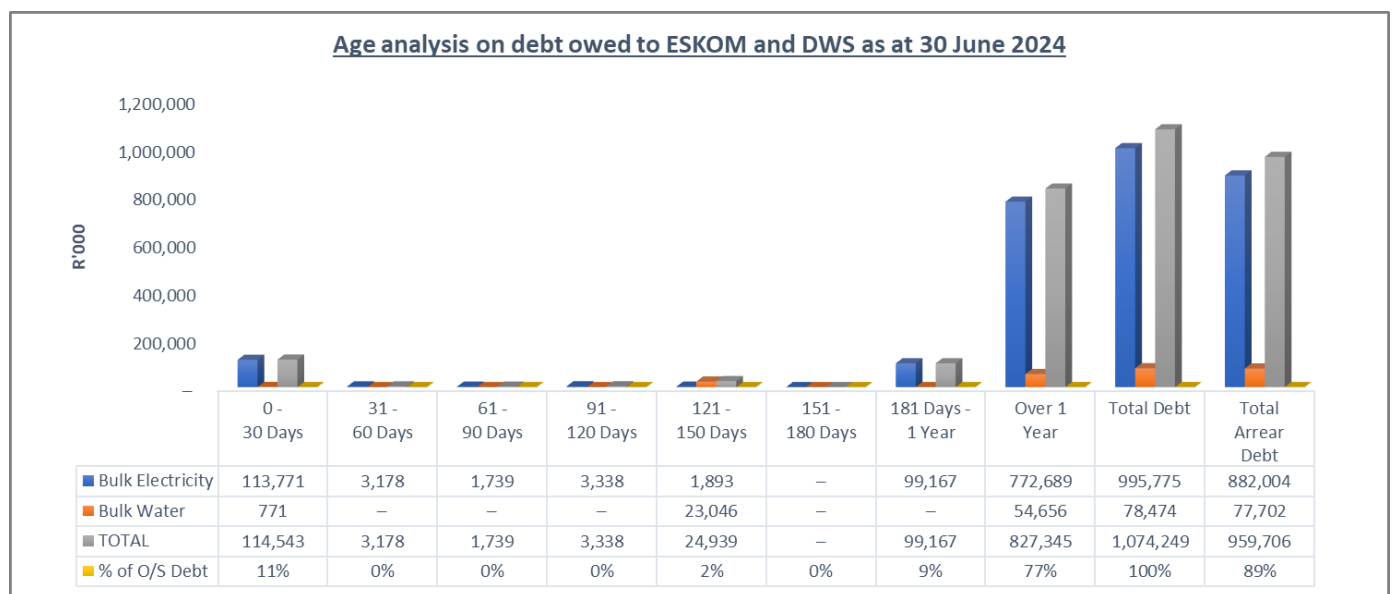
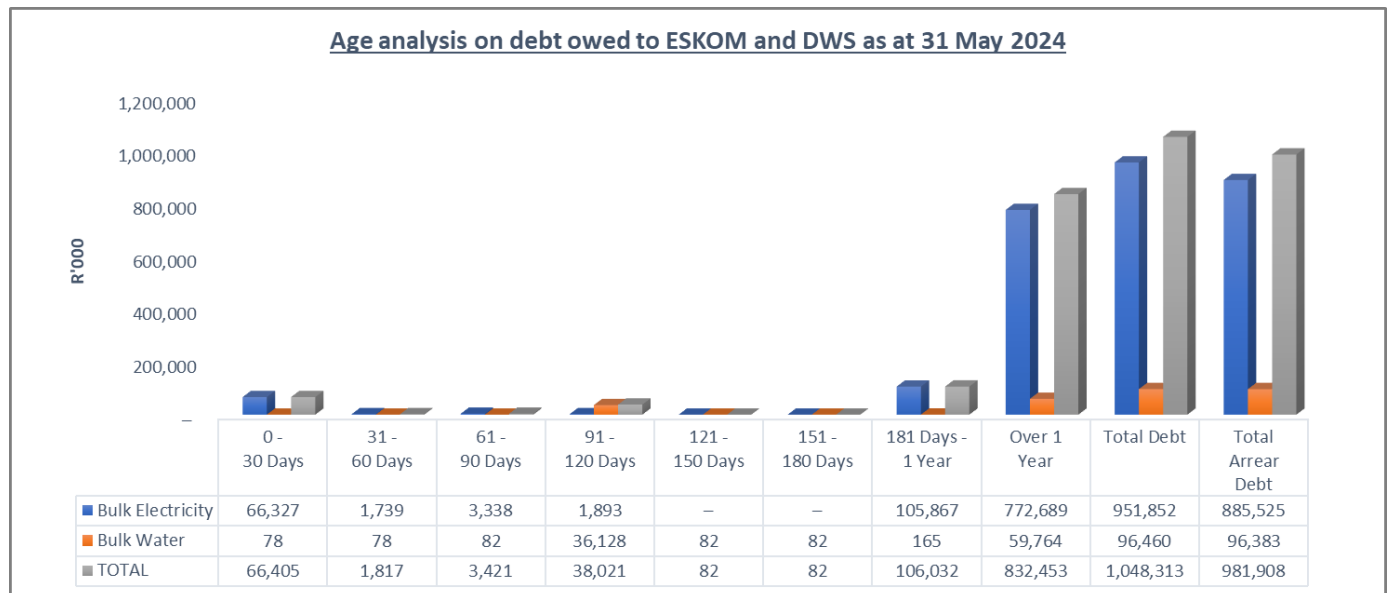
Account Name	Account Name	2024	M12
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Bulk Water:Deposits	-725,504	
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Bulk Water:Withdrawals	10,922,646	
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Bulk Water:Withdrawals	19,033,153	29,955,799
Function:Water Management:Core Function:Water Distribution	Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	-9,528,185	

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

Recon Fin system and datastrings M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Net Movement	Comment
WATER:INPUT VOL: BULK PURCHASES	53,529,641.28	63,057,826.04	(9,528,184.76)	Actual tallies to Water bulk purchases Deposits as per datastrings for M12
Sundry Accruals	42,224,189.50	11,304,347.83	30,919,841.67	
Sundry Accruals Reversals	-	42,224,189.50	(42,224,189.50)	
Sundry Payments	11,304,347.83	-	11,304,347.83	
Year End Sundry Payments	1,103.95	9,529,288.71	(9,528,184.76)	
Grand Total	53,529,641.28	63,057,826.04	(9,528,184.76)	
Row Labels	Sum of Debit Amt	Sum of Credit Amt	Sum of Net Movement	
WATER:INPUT VOL: BULK PURCHASES	53,529,641.28	63,057,826.04	(9,528,184.76)	
Sundry Accruals	42,224,189.50	11,304,347.83	30,919,841.67	
Cashed	30,918,737.72	11,304,347.83	19,614,389.89	
Not Cashed	11,304,347.83	-	11,304,347.83	Payment of R13m on the Feb 2024 account
Sundry Accruals Reversals	1,103.95	-	1,103.95	Payment Oranje Riet Water Association
Not Cashed	-	42,224,189.50	(42,224,189.50)	
Not Cashed	-	42,223,085.55	(42,223,085.55)	
Sundry Payments	-	1,103.95	(1,103.95)	
Cashed	11,304,347.83	-	11,304,347.83	
Year End Sundry Payments	11,304,347.83	-	11,304,347.83	
Cancelled	1,103.95	9,529,288.71	(9,529,288.71)	Cancelled payment of the old year
Not Cashed	-	-	1,103.95	
Grand Total	53,529,641.28	63,057,826.04	(9,528,184.76)	

Recon Fin system and datastring M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Net movement	Comment
WATER BULK PURCHASE:DEPOSITS	70,217,351.18	70,942,855.54	(725,504.36)	Actual tallies to Water bulk purchases Deposits as per datastrings for M11
Sundry Accruals	10,215,546.44	41,879,282.94	(31,663,736.50)	
SESK01:ESKOM HOLDINGS	5,107,773.22	23,046,005.36	(17,938,232.14)	
Sundry CATA011268 Creditor Control	-	-	5,107,773.22	Payment balance of Dec 2021 account
Cashed	5,107,773.22	23,046,005.36	(23,046,005.36)	Balance of Feb 2024 account
Sundry CATA011501 Creditor Control	-	18,833,277.58	(18,833,277.58)	
Sundry CATA011613 Creditor Control	-	572,538.56	(572,538.56)	Payment - WRM levies
Sundry DUNA008187 Creditor Control	-	152,965.80	(152,965.80)	Payment - WRM levies & Waste WRM charges
Sundry DUNA008189 Creditor Control	-	13,000,000.00	(13,000,000.00)	Payment - R13m on Feb 2024
SWAT01:DEPARTMENT OF WATER AND SANITATION	5,107,773.22	5,107,773.22	(5,107,773.22)	
Sundry Accruals Reversals	54,894,031.52	10,215,546.44	44,678,485.08	
Create Cheque 77066821 Voucher No CATA011457	54,894,031.52	10,215,546.44	44,678,485.08	
Create Cheque 77067001 Voucher No CATA011458	579.33	-	579.33	
Create Cheque 77067002 Voucher No CATA011501	14,169.25	-	14,169.25	
Create Cheque 77067088 Voucher No DUNA008187	572,538.56	-	572,538.56	
Create Cheque 77067089 Voucher No DUNA008189	13,000,000.00	-	13,000,000.00	
Create Cheque 77067232 Voucher No CATA011613	5,107,773.22	-	5,107,773.22	
SESK01:ESKOM HOLDINGS	152,965.80	-	152,965.80	
Sundry CATA011268 Creditor Control	-	5,107,773.22	(5,107,773.22)	
SWAT01 : DEPARTMENT OF WATER AND SANITATION	36,046,005.36	-	36,046,005.36	
Sundry Payments	5,107,773.22	18,848,026.16	(13,740,252.94)	
Cashed	5,107,773.22	18,848,026.16	(13,740,252.94)	
Create Cheque 77066821 Voucher No CATA011457	-	579.33	(579.33)	
Create Cheque 77067001 Voucher No CATA011458	-	14,169.25	(14,169.25)	
Create Cheque 77067002 Voucher No CATA011501	-	572,538.56	(572,538.56)	
Create Cheque 77067088 Voucher No DUNA008187	-	13,000,000.00	(13,000,000.00)	
Create Cheque 77067089 Voucher No DUNA008189	-	5,107,773.22	(5,107,773.22)	
Create Cheque 77067232 Voucher No CATA011613	-	152,965.80	(152,965.80)	
SWAT01 : DEPARTMENT OF WATER AND SANITATION	5,107,773.22	-	5,107,773.22	
WATER BULK PURCHASE:WITHDRAWALS	29,955,799.38	-	29,955,799.38	Actual tallies to Water bulk purchases Withdrawals as per datastrings for M11
Sundry Payments	18,848,026.16	-	18,848,026.16	
Cashed	18,848,026.16	-	18,848,026.16	
Create Cheque 77066821 Voucher No CATA011457	579.33	-	579.33	Minor payment
Create Cheque 77067001 Voucher No CATA011458	14,169.25	-	14,169.25	Minor payment
Create Cheque 77067002 Voucher No CATA011501	572,538.56	-	572,538.56	Minor payment - WRM levies
Create Cheque 77067088 Voucher No DUNA008187	13,000,000.00	-	13,000,000.00	Settlement of R13m on Feb 2024 account
Create Cheque 77067089 Voucher No DUNA008189	5,107,773.22	-	5,107,773.22	Final settlement of R13m on Dec 2021 account
Create Cheque 77067232 Voucher No CATA011613	152,965.80	-	152,965.80	Minor payment - WRM levies and Waste WRM charges
Year End Sundry Payments	11,107,773.22	-	11,107,773.22	
Cancelled	11,107,773.22	-	11,107,773.22	
Create Cheque 77067238 Voucher No CATA007788	11,107,773.22	-	11,107,773.22	Cancelled ELE's
Grand Total	100,173,150.56	70,942,855.54	29,230,295.02	

vii) Total outstanding debt owed to Eskom and DWS



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

16.7 Municipal Debt Relief Monitoring Plan – Progress report

Indicated in the table below is the monthly progress in terms of the municipal debt relief monitoring.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
<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 R63,149m excl interest of R3,178m on 25 June 2024 on the current ESKOM account for May 2024 amounting to R66,327m. Compliant - DWS No billing was raised for May 2024, due to the servitude (free water quota) allocated to the municipality</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 on 15th of each month</p>	<p>Monthly, 5th of each month</p>		<p>Non-compliant The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of July 2024, but settled R18,758m on the o/s balance of Dec 2023 acc (R5,108m) and R13,000m on the Feb 2024 acc. And paid R650k, on WRM levies. The municipality settled R6.7m on the payment arrangement of ESKOM on 21 June 2024. The due is the 15th of each month.</p>

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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	Compliant Email was sent within one day of payment to ESKOM and DWS.
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant Proof of Payments made in May 2024 was uploaded onto GoMuni on 6 June 2024. Due date is 14 June 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.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	<p>6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity</p>	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	<p>Compliant Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.</p>
	<p>6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>Prepaid disconnections = 32 351 Conventional disconnections = 338 Total = 32 689</p>
	<p>6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p>Non-compliant. Transversal Contract for smart meters has been awarded by National Treasury. Supply Chain is in the process of applying to access the transversal tender.</p>
	<p>6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	<p>Non-compliant Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
<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>	<p>Monthly (Internal) and Quarterly (Debt Relief)</p>	<p>Collect R10,000 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)</p>	<p>Non-Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 62% Quarterly collection rate per ward = 79% Municipality's average collection rate = 80% Not achieved Average daily cash collection for May 2024, was R5,889m.</p>
	<p>6.7.2 If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure</p>	<p>Quarterly</p>	<p>Monthly S71 Revenue Collection Ward Template</p>	<p>Non-Compliant Quarterly S71 Revenue Collection rate per Ward = 79% Compliant Average collection rate = 80%</p>
	<p>6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)</p>	<p>Quarterly</p>	<p>Report on the number of meters installed Annual Target: 8,000 Q1: 1,000 Q2: 2,000 Q3: 3,000 Q4: 2,000 (As per SDBIP)</p>	<p>The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters. The municipality also applied for smart meter grant, administered by National Treasury</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 8,000 Q1: 500 Q2: 3,000 Q3: 2,500 Q4: 2,000 (As per SDBIP)	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters.
	6.7.4 All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters.
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 4th quarter was completed Monday, 08 July 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 Tuesday, 9 July 2024

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
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 May 2024
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality’s monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificates for May 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	Reporting period - June 2024 Comments
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	<p>Compliant A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124</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	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	<p>Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system.</p> <p>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>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
	<p>6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.</p>	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p>Compliant The ESKOM and DWS accounts were paid directly from the Primary bank account. 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>
	<p>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</p>	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	<p>Compliant Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement is uploaded on GoMuni. Revenue received to be aligned to actual payments. Payments made directly from Primary bank account.</p>

17. Recommendations

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

1. The monthly budget statement (S71 Report) for the month of June 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 May 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
 - c. Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
 - d. Achieving the desired collection rate of 95% and application of the Credit Control Policy
 - e. Restricting or interrupting of water supply of defaulting customers and indigents. Intervention from the Engineer for Water & Sanitation is critical. The municipality envisage to partake in the transversal tender for smart prepaid meters.
 - f. Improving on indigent management, especially in light of the audit findings raised.
 - g. Installation of smart prepaid meters. The involvement of Engineers for Water and Electricity is critically needed in this regard.
 - h. Applied for the Smart Meter Grant, complying to all conditions as prescribed.
 - i. 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.
 - j. Development of the policy for smart prepaid metering solutions (The policy was developed and approved Council with the Adopted Budget on 31 May 2024)
 - k. Ring-fencing actual cash received for Electricity and Water. This is being managed by the Budget and Treasury Office.
 - l. Building up of reserves as a matter of urgency.
 - m. The last two items above, can only be realistically achieved if the collection rate improves significantly and the Credit Control Policy is adhered to.
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.**

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 **June 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: 12/07/2024



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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FROM: Mr Mandla Gilimani, Tel: 012 315 5807, Email: mandla.gilimani@treasury.gov.za

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

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

Email: BMatlala@solplaatje.org.za

Dear Mr Matlala and Mr Ramjathan

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

The National Treasury approved the debt relief application of Sol Plaatje Municipality with effect from 1 October 2023. May 2024 constitutes the eight month of the municipalities first 12-month debt relief compliance cycle. The National Treasury monitored and assessed the municipalities compliance with all the debt relief conditions during May 2024. This letter provides an overview of the National Treasury's assessment of the municipality's compliance with the programme's conditions.

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

In terms of the National Treasury (NT) approval, the municipality must comply with conditions 6.1 — 6.14 of MFMA Circular 124 read together with the additional conditions specific to the municipality set-out in its National Treasury debt relief approval letter. From the National Treasury's assessment, the municipality achieved an 85 per cent average compliance with the MFMA Circular 124 conditions during May 2024 — refer to the performance sheet in the table below that shows the municipality's overall relief compliance performance across the months of its debt relief cycle. Considering the municipality's consistent and timely payment of Eskom accounts as well as the overall debt relief performance since 1 October 2023, (noting that the scoring of conditions carry equal weighting and do not fully reflect the efforts made by the municipality to comply), the National Treasury is of the view that the municipality is not on track to qualify for the one third(1/3) debt write off at the end of its first debt relief compliance cycle on 31 October 2024 unless the outstanding non-compliance issues are urgently addressed:



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



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

Province table with Code: NC091, District: Frances Baard, Code Description: Sol Plaatje

Monthly Performance Report table with columns for Municipal Details, Part A-F, and Compliance Status. Includes rows for months from July to June.

The National Treasury will only request Eskom to write-off a municipality's arrear debt, if the municipality demonstrates to the National Treasury's satisfaction, that the municipality complied with the conditions for a consecutive period of 12 months. The municipality is encouraged to continue to make progress towards 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, which received endorsement from the council and conditional approval from National Treasury, contingent on resolving certain identified deficiencies. Following this provisional approval, the municipality took decisive action to address all specified gaps, effectively meeting the conditions set by National Treasury. This resolution of issues ensured full compliance with the requirements, enabling final approval and facilitating the municipality's progression with the debt relief programme.

Condition 6.3 – Maintaining the Eskom bulk current account

The municipality has been diligently working to fulfil its financial commitments. However, despite these efforts, there have been occasions in the past few months where it has failed to completely cover its dues. This has led to partial payments that, over time, have resulted in a growing debt book. This situation has further stressed the municipality's finances and underscored the necessity for a well-organized repayment strategy.

In response to this challenge, the municipality is currently formulating a plan aimed at resolving and eliminating these outstanding debts. The strategy includes prioritizing the allocation of financial resources and potentially restructuring current debts. The primary objective of this initiative is to



reestablish fiscal stability and prevent the recurrence of arrears, ensuring that the municipality can reliably fulfil its financial obligations on time.

- **Condition 6.4 – A funded MTREF**

The draft budget for the 2024/25 fiscal year was successfully funded, ensuring that planned expenditures and projects will proceed. This financial approval sets the stage for implementing municipal initiatives and maintaining essential services, promoting sustainable development and community well-being.

- **Conditions 6.5 – Cost reflective tariffs**

The municipality submitted its tariff setting tool into GoMuni. But due to affordability, the municipality could not build-in the full cost recovery, and only provided for it partially under Water and Electricity. This tool is crucial for ensuring that the prices set for services are not only sufficient to cover all operational and maintenance costs but also adequate for funding future infrastructure investments and improvements. Without incorporating this tool into financial planning, municipalities risk setting tariffs that do not reflect true costs, potentially leading to underfunded services and compromised sustainability.

By revisiting the budget to integrate the draft cost reflective tariff tool, municipalities can align their service pricing with actual expenses, ensuring financial stability and the ongoing reliability of essential services. This adjustment is not just about achieving short-term financial balance but is also critical for long-term planning, helping to prevent the accrual of deficits and ensuring that municipalities remain capable of meeting the needs of their communities effectively and sustainably.

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

The approved credit and debt collection policy of the municipality dictates how payments should be allocated according to specific conditions; however, this allocation isn't being followed as prescribed. This discrepancy can create inconsistencies in how debts are recorded and managed, potentially affecting the municipality's financial health. The absence of infrastructure to restrict water supply to defaulting non-indigent consumers highlights a technological gap, currently under review for potential solutions and cost implications.

Meanwhile, registered indigent consumers are assured essential services with monthly allotments of 50 kilowatt hours of electricity and 6 kilolitres of water, reflecting the municipality's commitment to support its vulnerable populations. This practice, along with other financial details, is transparently reported in the monthly MFMA s.71 statement as per National Treasury regulations, ensuring accountability and adherence to statutory guidelines.



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

The municipality has duly submitted its rates reconciliation in the format mandated by National Treasury. However, discrepancies have been identified specifically within the multi-purpose property category. This suggests that the current reconciliation tool may not be adequately tailored to handle the complexities or specifics of this property category, which can lead to inconsistencies in the reported data.

Considering these variances, there is a clear need for National Treasury to enhance the reconciliation tool to better accommodate the unique attributes of multi-purpose properties. By upgrading the tool, accurate and consistent data reporting across all categories can be ensured, minimizing discrepancies and improving overall financial management and oversight.

• **Condition 6.9 – Monitor and Report on compliance**

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

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



MFMA S71 Statement component		Compliance (Yes / No)
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 <ol style="list-style-type: none"> i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward 	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D) .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	Yes
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	Yes
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and / or Mayoral Committee meeting	Yes

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

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

National Treasury plays a critical role in overseeing the Municipal Debt Relief Programme, ensuring that municipalities adhere to the stipulated conditions designed to manage and mitigate municipal debt effectively. This letter serves as a formal submission in line with National Treasury's responsibilities, aiming to certify the compliance of the concerned municipality with the program's requirements. By doing so, National Treasury facilitates a structured and transparent process for fiscal recovery, helping municipalities to regain financial



stability and operate within their budgetary constraints. This certification process is crucial for maintaining financial discipline and accountability within the municipal framework.

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

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

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

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

The revision to the Supplementary Guide to MFMA Circular No. 124 simplifies the management of funds allocated for debt relief by requiring municipalities to integrate these funds into their general accounts while ensuring clear segregation in their monthly *m*SCOA submissions. This change not only streamlines the banking structure but also maintains accountability and transparency, as municipalities must ensure the distinct tagging and traceability of debt relief funds in their financial records.

The requirement to upload monthly bank reconciliations and detailed bank statements to the GoMuni platform underscores the emphasis on transparency. Municipalities must accurately reflect all transactions, including those related to debt relief funds, ensuring these submissions offer a true and fair view of their financial activities to comply with National Treasury standards.

Moreover, accurate accounting is crucial for debt relief received, such as interest write-offs from entities like Eskom. Municipalities need to make precise ledger adjustments to reflect these reductions accurately, ensuring financial reports comply with the guidelines and maintain transparency about the management of debt relief benefits.



• **Condition 6.14 – NERSA Licence**

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

However, the requirement to potentially revoke the electricity license only becomes applicable if the municipality's participation in the debt relief programme is terminated due to non-compliance. This condition underscores the seriousness of the commitment that municipalities make when entering the debt relief programme, ensuring that they are held accountable for adhering to its terms to maintain their operational capabilities and financial health.

Recommendations

The transversal tender, which was awarded, serves as a pivotal mechanism for procuring essential resources, such as water meters and smart pre-paid meters, that are integral to the municipality's utility management and revenue collection strategies. The successful adjudication of this tender, enables the municipality to acquire the necessary equipment and technology to enforce payment compliance, manage water resources efficiently, and modernize its utility infrastructure.

Enhance Communication and Stakeholder Engagement: Effective communication with residents and stakeholders is essential in maintaining public trust and support during periods of transition or delay. The municipality should adopt proactive communication strategies to keep stakeholders informed about challenges, progress, and proposed solutions. Engaging with community representatives, civil society organizations, and relevant authorities can foster collaboration and garner valuable insights for decision-making.

Invest in Technological Infrastructure: Investing in technological infrastructure, such as smart pre-paid meters and utility management systems, is crucial for modernizing service delivery, enhancing revenue collection, and promoting resource efficiency. The municipality should allocate resources and expedite implementation plans for essential technological upgrades, prioritizing initiatives that offer long-term benefits and align with strategic objectives.

Continued Monitoring and Evaluation: Regular monitoring and evaluation of compliance efforts are essential for tracking progress, identifying emerging issues, and adjusting strategies accordingly. The municipality should establish robust monitoring mechanisms to track performance against certificate requirements, evaluate the effectiveness of interventions, and address any deviations promptly. This iterative approach will facilitate continuous improvement and ensure sustained progress towards financial sustainability and service excellence.

Capacity Building and Skills Development: Investing in capacity building and skills development initiatives for municipal staff can enhance organizational capabilities in areas such as financial management, procurement, and technology implementation. By equipping staff with the necessary knowledge and skills, the municipality can enhance its operational efficiency, adaptability, and



resilience in navigating complex governance challenges. By implementing these recommendations, Sol Plaatje Municipality can reinforce its commitment to financial governance, strengthen its capacity for sustainable development, and enhance the well-being of its residents. Through proactive leadership, strategic decision-making, and collaborative partnerships, the municipality can overcome challenges, seize opportunities, and chart a path towards a prosperous and inclusive future.

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: 28/06/2024

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



Annexures (May 2024 Compliance Certificates)

Annexure A2 -



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: May24
National Financial Year: 2023/24
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 4 columns: Condition, Description, and Yes/No dropdown. Rows include conditions 6.12.2, 6.3.1, 6.3.2, 6.3.3, 6.3.4, 6.4, 6.4.1, and 6.4.2.



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



21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	not yet the end of a quarter
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://iguploadportal.treasury.gov.za ?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	6.9.1 = Yes



31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No FRP
<p><i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i></p>			
	6.10	<i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
<p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>			
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No
<p><i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i></p>			
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):	
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes
<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i></p>			
39		Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	No
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes
<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>			



Mandla Gilimani

PT: HOD/NT/MM Name:

Signature of HOD/NT/MM:

01/07/2024

Date:

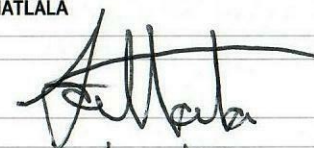
Note - If the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procurement of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.

Monthly Performance Report

Monthly Performance Report table with columns: Municipal Details, Part A (Eskom And Bulk water current account), Part B (Compliance with a funded MTRF), Part C (FRP/BFP & Tariff Assessment), Part D (Electricity and water as collection tools), Part E (Quarterly collection of property rates and services charges), Part F (Maximization of Revenue Base), Oversight, and Compliance Status. Includes a 'Month applicable' column on the right.

Monthly Performance Report

Municipal Details			Part A				Part B					Part C			Part D				Part C							Part E											Compli										
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges							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	Complete the s	Search																																													0%
2.August	Complete the s	Search																																													0%
3.September	Complete the s	Search																																												0%	
4.October	Complete the s	Search	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	No	No	No	No	Yes	No	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	56%			
5.November	Complete the s	Search	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%			
6.December	Complete the s	Search	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%			
7.January	Complete the s	Search	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%			
8.February	Complete the s	Search	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%			
9.March	Complete the s	Search	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	N/A	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%			
10.April	Complete the s	Search	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%			
11.May	Complete the s	Search	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%			
12.June	Complete the s	Search	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	78%			

	Comments/Motivation
HOD Name:	BS MATLALA
Signature of HOD:	
Date:	2024/07/12

**** 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: Jun'24
 National Financial Year: 2023/24
 Demarcation Code of Municipality being assessed: NC091
 District: Frances Baard
 Demarcation Description: Sol Plaatje

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

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6.3 + 6.12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):		
1	6.12.2	- Has the municipality paid its 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	No billing was raised for Bulk Water for May 2024 due to the servitude of the municipality. The servitude is the free water quota allocated to the municipality effective from 1 April each year. Monthly billing resumes when the servitude is exhausted. Arrear debt of R18,758m was settled on 26 June 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://guploadportal.treasury.gov.za?	Yes	
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes	
5	6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za?	Yes	
	6.3.3		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 – <i>(choose from drop down list the MTREF assessed)</i>		2023/24 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 <i>(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)</i> on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	

Notes/Comments

		<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>		
10	6.4.1	Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>		
11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded	
		<i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>		
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes	
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No	

	6.6	Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	
		Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection 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 and 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 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	The municipality applied to Chief Procurement Officer to to be approved for the RT29 transversal contract
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	

		6.8 Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes	
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://iguploadportal.treasury.gov.za ?	Yes	
		6.9 Monitor and report on implementation –		
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a timing error and must refer to 6.9.1</i>	Yes	
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://iguploadportal.treasury.gov.za ?	No FRP	
		<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>		
		6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	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://iguploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No	Function performed by National Treasury
		<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	

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.

6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):

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?

Sub-account no longer required in terms of Supplementary guide to Circ 124

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?

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).

6.13 **Supporting evidence:** Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.

Sub-account no longer required in terms of Supplementary guide to Circ 124

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?
Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.

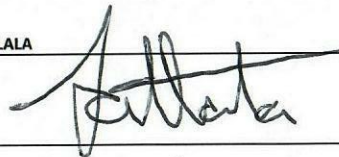
Eskom reserved interest from March 2023 to January 2024, amounting to R95.2m. Interest must be corrected on the system for the prior and current year. No written instruction from National Treasury for debt write-off.

6.14 NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?

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.

PT: HOD/ NT / MM Name:

BS MATLALA



Signature of HOD/ NT/ MM:

2024/07/12

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.