



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

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

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE JUNEOR

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

1. Purpose

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 June 2009 by the submission of a monthly budget statement to the Executive Juneor, 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 R3,777,570 million, of which 87% of the debt is owed in excess of 90 days. Of the total debt, R865,034 million is owed by government, R655,940 million by business and R2,140,745 billion by households. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. *There needs to be a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, must remember that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality, as there is a direct correlation between providing quality services and consumers' willingness to pay.

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

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

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 June 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Juneor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **31 July 2024**, the ten working day reporting limit expires on **15 August 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 **15 August 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 July 2024	YTD Actual July 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	246,523	445,690	199,167	180.8%	80.8%
Total Revenue (including capital transfers and contributions)	294,209	445,690	151,481	151.5%	51.5%
Total Operational Expenditure	289,139	84,708	(204,431)	29.3%	-70.7%

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

As indicated in Table 1 above, as at 31 July 2024, the billed revenue excluding capital grants amounted to R445,690 million which resulted in a satisfactory variance of 80.8% when compared to the YTD Budget of R246,523 million. The billed revenue including capital grants amounted to R445,690 million, resulting in a satisfactory variance of 51.5% when compared to the YTD budget of R294,209 million. Capital grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reasons for the variances are articulated in Section 4.1 below. The Total Operational Expenditure amounted to R84,708 million versus the YTD Budget of R289,139 million, resulting in an unsatisfactory variance of minus 70.7%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual July 2024	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
Total Revenue (excluding capital transfers and contributions)	2,958,278	445,690	199,167	15.1%	6.7%
Total Revenue (including capital transfers and contributions)	3,530,507	445,690	151,481	12.6%	4.3%
Total Operational Expenditure	2,928,505	84,708	(159,334)	2.9%	-5.4%

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

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 8.33% [calculated as follow: (100/12 months x 1 month of the year)] as at the end of July 2024, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 6.7%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 4.3%. The Total Operational Expenditure resulted in a fairly satisfactory variance of minus 5.4%.

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

4. Budget performance overview

The municipality is implementing the Original budget for 2024/25 financial year. The original budget for 2024/25 was assessed as funded with a firm recommendation from NT that the collection rate must improve. As per the tables above overall Operational revenue is performing satisfactorily, with the actual achieved versus the Original budget standing at 15.1% spent versus the ideal percentage of 8.33%. This is as a result of the annual billing on Property rates. Operational expenditure is 2.9% spent which is understated due to the following, the Eskom bulk account for July 2024 is not yet captured on the system, Depreciation which is not provided for, Debt Impairment is provided for on a quarterly basis, the bi-annual loan repayment and post-retirement health benefits which is not yet accounted for. Performance on the capital is normally poor during the start of financial year. This is still not a desired outcome and more effective planning, monitoring and timely remedial action is essential to improve on the monthly and full year outcome of capital expenditure.

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

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

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

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

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

In terms of the National Treasury's local government revenue improvement programme, all municipalities that benefit from the Municipal Debt Relief will continue to receive support towards strengthening their revenue value chains. Municipalities are cautioned that the National Treasury considers the conditions set out in paragraph 6.1 to 6.14 as critical financial management minimum best practice and confirms that if a municipality fails to meet any and/ or a combination of the conditions set out in this Municipal Debt Relief framework, it could (over-and-above the

consequences set out in 5.1 above) constitute a serious breach of its financial management fiduciary responsibilities and may also constitute financial misconduct as envisaged in the MFMA and Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. The National Treasury reserves the right to immediately invoke section 216 of the Constitution and/ or any other remedies available to government in terms of the prevailing legislative framework in such a situation (including instituting individual financial misconduct and/ or criminal proceedings).

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

Monitor and report on implementation –

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

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

The municipality has made significant strides to settle the monthly current accounts for Eskom and the Department of Water and Sanitation. The arrear debt owed to Waterboard has also been reduced significantly. Both ESKOM and DWS is satisfied with the progress the municipality has made and the municipality has an amicable and good working relationship with both institutions. The ring-fencing of cash received for Electricity and Water is accounted for on a daily basis. This has however put pressure on the municipality to settle other creditors. The biggest concern is the settling of the Eskom accounts for the high months (June to August). The municipality settled an amount of R112,033 million on June 2024 account excluding interest amounting to R1,739 million on 30 July 2024. Total invoice amount was R113,772 million. The municipality had insufficient cash and could not settle the instalment of R6,700 million on 15 July 2024. Due to the debt agreement with DWS and the Incentive scheme initiated by the Department, the municipality has made significant strides in reducing the arrear debt owed to the Department and settled all invoices raised for the 2022/23 and 2023/24 financial year in full. The current account for June 2024 amounting to R693 thousand was settled on the 17 July 2024 as well as the balance of R23,046 million on the February 2024 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. The municipality is still awaiting approval from National Treasury. 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.

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

- a. **Inaccurate Billing Systems:**
Inefficient or inaccurate billing systems can lead to under-billing or over-billing of residents, which can cause disputes and further reduce the collection rates. Improving the accuracy and efficiency of billing is crucial for improving revenue collection.
- b. **Non-payment for Services:**
A significant challenge is the high rate of non-payment for municipal services such as water, electricity, and property rates. Many residents struggle to pay their bills due to economic hardships, leading to a shortfall in expected revenue.
- c. **Illegal Connections and Theft:**
Illegal connections to water and electricity services, as well as theft, lead to significant losses in potential revenue. The municipality faces challenges in detecting and curbing these illegal activities.
- d. **Debt Collection Issues:**
The Municipality often encounters difficulties in collecting outstanding debts (poor payment culture). Inefficient debt collection processes (Customers are no longer bothered when disconnected/blocked: they pay the required amount, get unblocked then wait for the next round of disconnections/blocking).

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

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

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

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

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

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

The receipts for Government Departments, Parastatals and schools were R27,752,820.78 for the month of July 2024 as compared to the R 25,502,928.71 for the month of June 2024.

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - July 2024										
Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	97,459	97,459	91,600	106.4%	5,859	6.4%	8.9%	5,859	0.5%
Service charges - Water	343,685	23,461	23,461	28,640	81.9%	(5,180)	-18.1%	6.8%	(5,180)	-1.5%
Service charges - Waste Water Management	95,890	9,621	9,621	7,991	120.4%	1,630	20.4%	10.0%	1,630	1.7%
Service charges - Waste management	72,271	7,265	7,265	6,023	120.6%	1,242	20.6%	10.1%	1,242	1.7%
Sale of Goods and Rendering of Services	15,955	3,119	3,119	1,330	234.6%	1,790	134.6%	19.5%	1,790	11.2%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	120,030	12,794	12,794	10,002	127.9%	2,791	27.9%	10.7%	2,791	2.3%
Interest from Current and Non Current Ass	9,000	(1,713)	(1,713)	750	-228.4%	(2,463)	-328.4%	-19.0%	(2,463)	-27.4%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	27,740	2,507	2,507	2,312	108.4%	195	8.4%	9.0%	195	0.7%
Licence and permits	1,200	60	60	100	60.4%	(40)	-39.6%	5.0%	(40)	-3.3%
Operational Revenue	3,773	215	215	314	68.5%	(99)	-31.5%	5.7%	(99)	-2.6%
Non-Exchange Revenue										
Property rates	687,320	158,155	158,155	57,277	276.1%	100,879	176.1%	23.0%	100,879	14.7%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	32,143	1,460	1,460	2,679	54.5%	(1,219)	-45.5%	4.5%	(1,219)	-3.8%
Licence and permits	8,000	877	877	667	131.5%	210	31.5%	11.0%	210	2.6%
Transfers and subsidies - Operational	299,271	117,543	117,543	24,939	471.3%	92,604	371.3%	39.3%	92,604	30.9%
Interest	91,900	7,879	7,879	7,658	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	50,900	4,988	4,988	4,242	117.6%	746	17.6%	9.8%	746	1.5%
Gains on disposal of Assets	-	-	-	-	#DIV/0!	-	-	#DIV/0!	-	#DIV/0!
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,958,278	445,690	445,690	246,523	180.8%	198,946	80.7%	15.1%	199,167	6.7%
Transfers and subsidies - capital	572,229	-	-	47,686	0.0%	(47,686)	-100.0%	0.0%	(47,686)	-8.3%
Total Revenue (including capital transfers and contributions)	3,530,507	445,690	445,690	294,209	151.5%	151,481	51.5%	12.6%	151,481	4.3%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing a satisfactory variance of 6.4%. This understatement of Service charges Electricity is attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is showing an under-recovery of minus 18.1%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 134.6%. This is attributable to the advance receipts of R3,274 million for building plan approvals that was carried over from the prior financial year.
- ❖ Interest earned from Receivables is showing a positive variance of 27.9% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate.

- ❖ Interest from Current and Non-current Assets shows a negative variance of 328.4%. The net negative movement is as a result of the recognition of accrued interest of R2,121 million for the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality is also investing capital grants already received, whilst keeping the unspent portion in the investment account. If the cash position allows, grant funds already spent remain within the investment account until such time that it is needed for operational requirements. The bulk of the interest earned gets recognised at year-end.
- ❖ Licences and permits are showing a negative variance of 39.6%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated.
- ❖ Operational Revenue is showing a negative variance of 31.5%, as a result of an under-recovery on Incidental Cash Surpluses and Commission: Transaction Handling Fees.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 176.1%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a negative variance of 45.5%, as a result on an under-recovery on Fines: Law Enforcement.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 371.3%, due to the receipt of the first tranche of the Equitable Share.
- ❖ Operational Revenue is showing a positive variance of 17.6%, due to an over-recovery on electricity availability charges.
- ❖ Gains on disposal of assets, shows no movement for the month under review.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 100% when compared to the YTD budget. The journal for the recognition of capital grants could not be processed timeously. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Comparison against Original Budget

Based on the IYM percentage of 8.33%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Service charges when compared to the Original budget is performing satisfactorily. Same factors are applicable as described in the paragraph above. Service charges Waste water management and Waste management is showing an over-recovery.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 11.2%.
- ❖ Interest earned from Receivables is showing a positive variance of 2.3%.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 27.9%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 3.3%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of minus 2.6%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 14.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a negative variance of 3.8%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 30.9%. Same factors are applicable as described in the paragraph above.

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- ❖ Operational Revenue is showing a positive variance of 1.5%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets, shows no movement.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 8.3%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 July 2024. The main contributors of the municipality's revenue are Service Charges (30.7%), Property Rates (35.2%) and Transfers and subsidies (26.2%). The contribution per Revenue source is distorted, as a result of the annual billing of Property rates and the receipt of the first tranche of the Equitable Share.

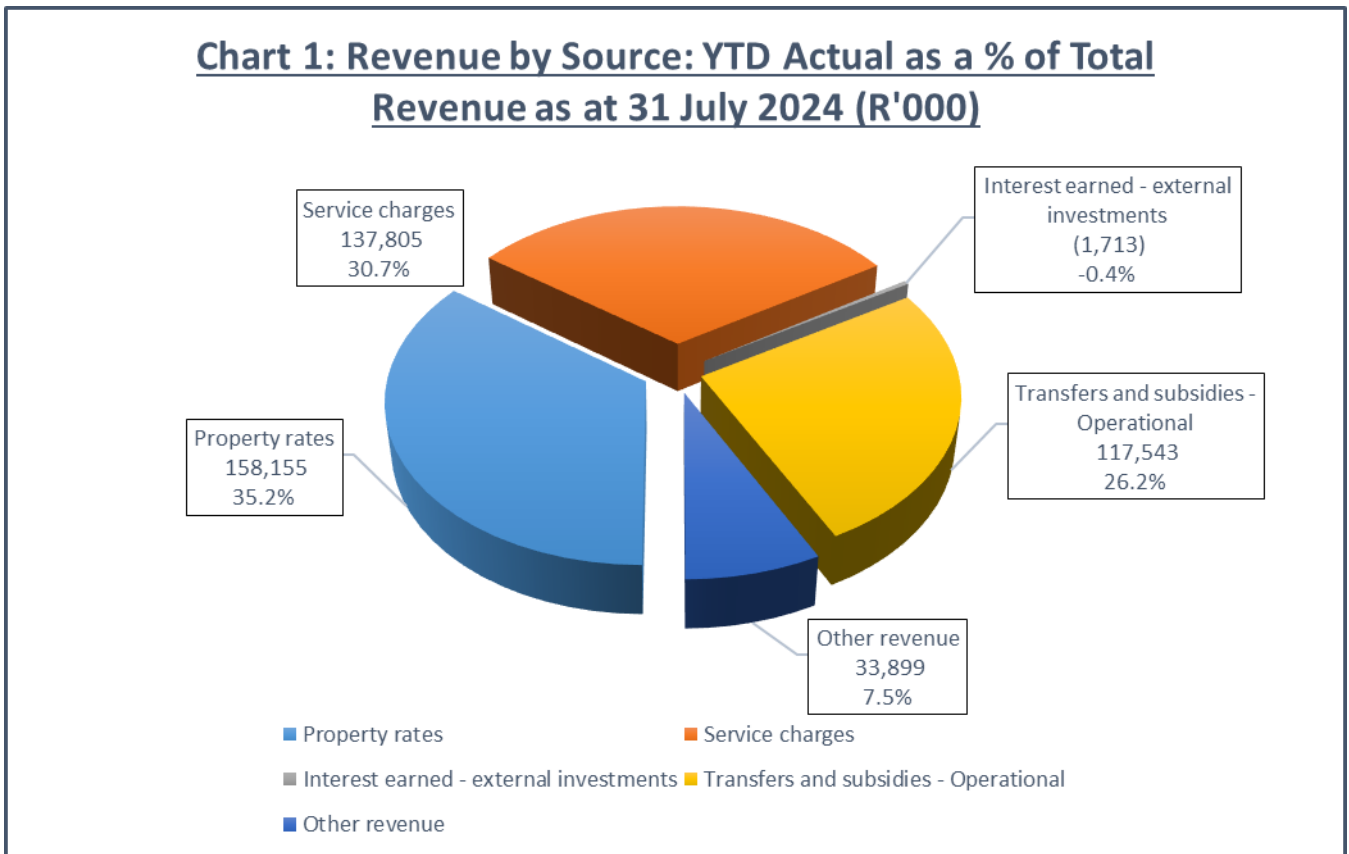


Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - July 2024										
Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	950,863	67,575	67,575	79,239	85.3%	(11,664)	-14.7%	7.1%	(11,663)	-1.2%
Remuneration of councillors	37,077	2,809	2,809	3,090	90.9%	(281)	-9.1%	7.6%	(281)	-0.8%
Bulk purchases - electricity	897,300	-	-	119,871	0.0%	(119,871)	-100.0%	0.0%	(74,775)	-8.3%
Inventory consumed	319,605	8,644	8,644	26,634	32.5%	(17,989)	-67.5%	2.7%	(17,989)	-5.6%
Debt impairment	355,246	-	-	29,604	0.0%	(29,604)	-100.0%	0.0%	(29,604)	-8.3%
Depreciation and amortisation	89,700	-	-	7,475	0.0%	(7,475)	-100.0%	0.0%	(7,475)	-8.3%
Interest	17,774	-	-	1,481	0.0%	(1,481)	-100.0%	0.0%	(1,481)	-8.3%
Contracted services	40,731	108	108	3,394	3.2%	(3,286)	-96.8%	0.3%	(3,286)	-8.1%
Transfers and subsidies	3,660	-	-	305	0.0%	(305)	-100.0%	0.0%	(305)	-8.3%
Irrecoverable debts written off	-	0	0	-		0			0	
Operational costs	151,549	5,571	5,571	12,629	44.1%	(7,058)	-55.9%	3.7%	(7,058)	-4.7%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	65,000	-	-	5,417	0.0%	(5,417)	-100.0%	0.0%	(5,417)	-8.3%
Total Expenditure	2,928,505	84,708	84,708	289,139	29.3%	(204,431)	-70.7%	2.9%	(159,334)	-5.4%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 July 2024 current YTD expenditure shows an unsatisfactory variance of minus 70.7%. The YTD actual amounted to R84,708 million against the YTD Budget of R289,139 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 14.7%, due to the YTD actual being slightly lower than projected. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 9.1%. The gazette for the upper limits of political office bearers has not been issued for the current year.
- ❖ Bulk purchases – Electricity is showing a variance of minus 100.0% because the invoice for July 2024 is not captured on the system and will be processed during August 2024.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 67.5%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

Table 4.1 R&M Expenditure per Directorate per inventory type							
R&M Expenditure per Directorate per Inventory type as at 31 July 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 8.33%
VOTE 1 - COUNCILLORS AND ADMIN	202,000	202,000	26,268	26,268	13.00%	13.00%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	85,000	26,268	26,268	30.90%	30.90%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	115,000	-	-	0.00%	0.00%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	22,997,000	2,165,582	2,165,582	9.42%	9.42%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	23,000	23,000	4.42%	4.42%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	22,573	22,573	5.64%	5.64%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	2,120,010	2,120,010	9.60%	9.60%	SATISFACTORY
VOTE 3 - MUNICIPAL MANAGER	117,000	117,000	1,524	1,524	1.30%	1.30%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	99,000	1,524	1,524	1.54%	1.54%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	18,000	-	-	0.00%	0.00%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,568,000	10,568,000	92,265	92,265	0.87%	0.87%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	890,000	15,538	15,538	1.72%	1.75%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	272,000	21,574	21,574	7.93%	7.93%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	49,865	49,865	9.41%	9.41%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	8,876,000	5,288	5,288	0.06%	0.06%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	35,714,500	35,714,500	1,062,502	1,062,502	2.97%	2.97%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	986,500	31,743	31,743	3.22%	3.22%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	54,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	222,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,087,000	39,011	39,011	3.59%	3.59%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,976,000	562,495	562,495	6.27%	6.27%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	16,753	16,753	2.03%	2.03%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	23,563,000	412,500	412,500	1.75%	1.75%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,368,000	2,368,000	186,225	186,225	7.86%	7.86%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,320,000	139,735	139,735	10.59%	10.59%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	21,720	21,720	12.41%	12.41%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	19,620	19,620	9.91%	9.91%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	675,000	5,150	5,150	0.76%	0.76%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	6,381,000	62,050	62,050	0.97%	0.97%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	416,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	654	654	1.07%	1.02%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	418,000	37,480	37,480	8.97%	8.97%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	415	415	5.19%	5.19%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	5,475,000	23,501	23,501	0.43%	0.43%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	241,257,705	5,048,057	5,048,057	2.09%	2.09%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	645,000	32,366	32,366	5.02%	5.02%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,172,000	24,172,000	1,407	1,407	0.01%	0.01%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	762,000	45,540	45,540	5.98%	5.98%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,930,000	790,841	790,841	8.86%	8.86%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	860,000	47,171	47,171	5.48%	5.48%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	140,886,705	4,130,732	4,130,732	2.93%	2.93%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	-	-	0.00%	0.00%	UNSATISFACTORY
Grand Total	319,605,205	319,605,205	8,644,473	8,644,473	2.70%	2.70%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 31 July 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 IVM % of 8.33%
2480 - REFUSE	21,500,000	21,500,000	706,559	706,559	3.29%	3.29%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	210,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	485,430	485,430	8.09%	8.09%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	221,129	221,129	1.50%	1.50%	UNSATISFACTORY
2830 - ROADS	46,747,000	46,747,000	510,031	510,031	1.09%	1.09%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	549	549	1.00%	1.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	46,634,000	509,482	509,482	1.09%	1.09%	UNSATISFACTORY
2840 - HOUSING	3,509,000	3,509,000	32,552	32,552	0.93%	0.93%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	9,830	9,830	11.04%	11.04%	SATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	145,000	145,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	9,228	9,228	5.77%	5.77%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	13,494	13,494	0.43%	0.43%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	22,024,000	565,732	565,732	2.57%	2.57%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	30,000	532	532	1.77%	1.77%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	8,334	8,334	4.90%	4.90%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	259,000	259,000	3,888	3,888	1.50%	1.50%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,400,000	198,938	198,938	8.29%	8.29%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	400,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	18,765,000	354,041	354,041	1.89%	1.89%	UNSATISFACTORY
2860 - WATER	121,123,000	121,123,000	913,304	913,304	0.75%	0.75%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	77,000	5,839	5,839	7.58%	7.58%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	24,002,000	-6,927	-6,927	-0.03%	-0.03%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	110,000	13,940	13,940	12.67%	12.67%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,300,000	222,385	222,385	9.67%	9.67%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	460,000	47,171	47,171	10.25%	10.25%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,174,000	630,896	630,896	2.16%	2.16%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	-	-	0.00%	0.00%	UNSATISFACTORY
2880 - ELECTRICITY	51,537,000	51,537,000	2,594,885	2,594,885	5.03%	5.03%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	10,556	10,556	5.03%	5.03%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	76,000	76,000	7,707	7,707	10.14%	10.14%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	51,250,000	2,576,622	2,576,622	5.03%	5.03%	UNSATISFACTORY
Grand Total	266,440,000	266,440,000	5,323,064	5,323,064	2.00%	2.00%	UNSATISFACTORY

Table 4.2 R&M Expenditure per Service per inventory type

- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the first quarter will be processed on the financial system before the end of September 2024.
- ❖ Depreciation was projected for on a straight-line basis but is only be provided for, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system. A demonstration meeting was held by our service provider. This 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 100.0%, due to the Interest on External borrowing being paid bi-annually and the first instalment for the current financial year is due and payable before the 31 December 2024.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of minus 96.8%. The sub-item OS: B&A Project Management is showing an under-expenditure, possibly due to outstanding invoices. Contr: Prepaid Electricity Vendors is lower due the outstanding Ontec invoice for July 2024 which should be captured during August 2024.
- ❖ Transfers and subsidies showing negative variance of minus 100.0%, this is due to the grant for the SPCA that has not been settled yet and due to Other grants showing no movement as a result of cash flow constraints.
- ❖ Operational cost is showing an unsatisfactory variance of 55.9% as a result various line items under Operational Cost (OC) being underspent.
- ❖ Other Losses is showing a variance of minus 100.0%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and then journalized to the Income Statement and is simultaneously split between Water Inventory and Water losses. The corrective journal to recognise Water inventory and losses portion for the actuals for the year is not processed yet.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of July 2024 is 8.33%. The total operational expenditure against the Original budget is 2.9% spent, resulting in an unsatisfactory variance of minus 5.4%.

- ❖ Employee related costs show a satisfactory variance of minus 1.2%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 0.8%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 8.3%. The invoice for July 2024 will be captured during August 2024. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 5.6%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a variance of minus 8.3%. Debt impairment will be provided for on a quarterly basis and the journal for the first quarter must be processed on the system before the end of September 2024.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Same factors are applicable as explained above.
- ❖ Interest is showing an unsatisfactory variance of minus 8.3%. Finance charges are paid bi-annually (December and June of each year). Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 8.1%, when compared to the Original budget.
- ❖ Transfers and subsidies show a satisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of minus 4.7%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.

Chart 2: Expenditure by Type : YTD Actual as a % of Total Expenditure as at 31 July 2024 (R'000)

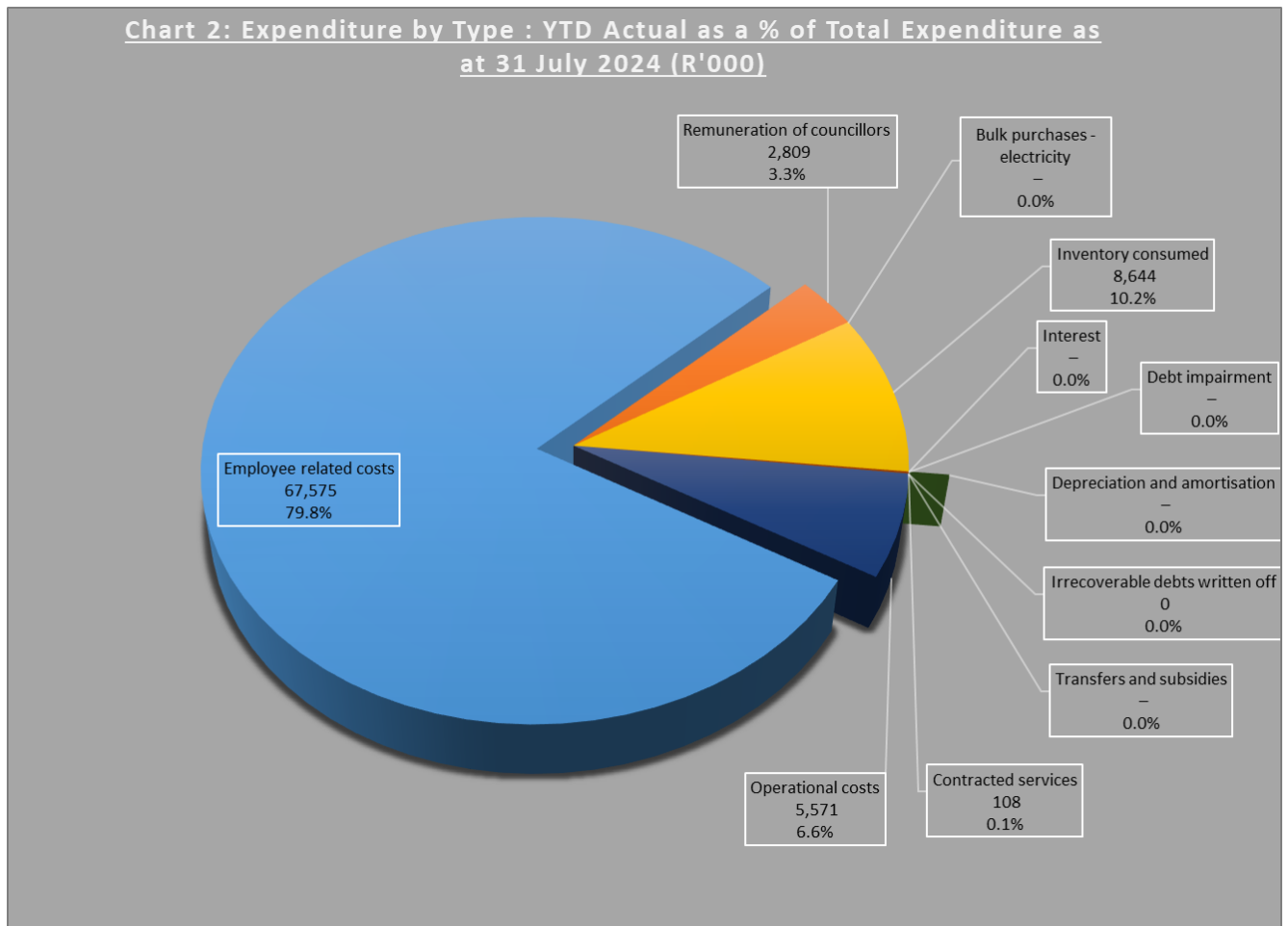


Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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

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

- ❖ Employee costs, the Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ The July 2024 account for Eskom amount to R148m, is not yet captured on the system.
- ❖ Debt impairment is not provided for.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and July of each year.

Bulk Purchases: Electricity, Water inventory and Water losses

❖ Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 8.33% as at end of July 2024, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 8.33%. The invoice for July 2024 will be captured during August 2024.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
BULK PURCHASES: ELECTRICITY	897,300,000	-	-	0.00%	-8.33%
Total	897,300,000	-	-	0.00%	-8.33%

Table 5.1: Summary of YTD Bulk Electricity expenditure

❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of minus 8.33%, when compared to the ideal percentage of 8.33%. The invoice for July 2024 must still be captured on the system. During the Original budget for 2021/22 and advised by NT, Bulk purchases Water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals pertaining to Water inventory and losses will be processed on the system.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
INVENTORY - WATER	65,000,000	-	-	0.00%	-8.33%
NON-REVENUE WATER LOSSES	65,000,000	-	-	0.00%	-8.33%
Total	130,000,000	-	-	0.0%	-8.3%

Table 5.2: Summary of YTD Bulk Water expenditure

Outstanding debt: ESKOM and DWS

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2024/25
2021/22	523,811	-		523,811	523,811	-
Oct-21	51,028	-		51,028	51,028	-
Nov-21	50,813	-		50,813	50,813	-
Dec-21	51,379	-		51,379	51,379	-
Jan-22	53,401	-		53,401	53,401	-
Feb-22	51,445	-		51,445	51,445	-
Mar-22	54,652	-		54,652	54,652	-
Apr-22	51,835	-		51,835	51,835	-
May-22	57,826	-		57,826	57,826	-
Jun-22	101,431	-		101,431	101,431	-
2022/23	389,602	103,242	(37,482)	248,878	248,878	-
Dec-22	48,088	-		48,088	48,088	-
Jan-23	59,491	-		59,491	59,491	-
Feb-23	56,821	-	(9,504)	47,317	47,317	-
Apr-23	45,106	-	(7,923)	37,183	37,183	-
May-23	65,831	-	(9,033)	56,798	56,798	-
Jun-23	114,264	103,242	(11,022)	-	-	-
2023/24	975,208	806,409	(57,745)	111,054	111,054	-
Jul-23	131,032	96,762	(8,736)	25,534	25,534	-
Aug-23	123,594	70,000	(10,784)	42,810	42,810	-
Sep-23	71,421	30,000	(10,598)	30,823	30,823	-
Oct-23	76,317	62,679	(13,638)	-	-	-
Nov-23	70,580	62,348	(8,232)	0	0	-
Dec-23	64,311	61,246	(3,065)	-	-	-
Jan-24	65,735	63,044	(2,691)	-	-	-
Feb-24	64,371	62,479	-	1,893	1,893	-
Mar-24	66,311	62,973	-	3,338	3,338	-
Apr-24	61,436	59,697	-	1,739	1,739	-
May-24	66,327	63,149	-	3,178	3,178	-
Jun-24	113,772	112,033	-	1,739	1,739	-
2024/25	148,333	-	-	148,333	-	274
Jul-24	148,333	-	-	148,333	-	274
Grand Total ESKOM	2,036,953	909,651	(95,227)	1,032,076	883,743	274

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to Eskom amounting to R1,032,076 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 was done on the system. The municipality settled an amount of R112,033 million on current account excluding interest amounting to R1,739 million on 30 July 2024. The amounts paid excludes interest charges, in line with the MFMA Circular 124, the municipality must settle billed charges including VAT. The debt instalment of R6,700 million for July 2024 on payment arrangement was not paid, due to insufficient cash available. The total arrear debt amounts to R883,743 million summarized as follow 2021/22 (R523,811m), 2022/23 (R248,878m) and 2023/24 (R111,054m). The interest charged on overdue accounts for July 2024 amounted to R274 thousand which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.

DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
2021/22	126,431	71,775	54,656	54,656
INTEREST (APR-JUN 2022)	6,191	-	6,191	6,191
Aug-21	15,075	15,075	-	-
Sep-21	15,795	15,795	-	-
Oct-21	15,275	15,275	-	-
Nov-21	14,523	14,523	-	-
Dec-21	11,108	11,108	-	-
Jan-22	17,098	-	17,098	17,098
Feb-22	16,437	-	16,437	16,437
Mar-22	14,930	-	14,930	14,930
2023/24	150,526	150,526	-	-
Jul-23	15,303	15,303	-	-
Aug-23	13,588	13,588	-	-
Sep-23	18,332	18,332	-	-
Oct-23	17,633	17,633	-	-
Nov-23	17,070	17,070	-	-
Dec-23	13,333	13,333	-	-
Jan-24	13,333	13,333	-	-
Feb-24	36,046	36,046	-	-
Mar-24	5,194	5,194	-	-
Jun-24	694	694	-	-
2024/25	17,724	-	17,724	-
Jul-24	17,724	-	17,724	-
Grand Total	294,681	222,301	72,380	54,656

Table 6.2: Summary of outstanding DWS debt

Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R72,380 million. The total debt also has to be concurred with the Department. The total arrear debt amounts to R54,656 million which pertains to outstanding invoices for 2021/22 financial year (R54,656m). This amount includes interest of R14,704 million which must still be written off by the Department, once all the arrear debt has been settled. All the invoices for the 2022/23 and the 2023/24 financial year, has been settled in full.

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

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but has defaulted on some months. All invoices for 2022/23 and 2023/24 financial year have been settled in full.
- Settling the monthly debt instalment (municipality complied, but defaulted for March to July 2024, due to insufficient cash available from operations). The municipality does attempt to pay as much as it can and for the 2023/24 financial year an average of R17m was paid to the Department.
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.

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

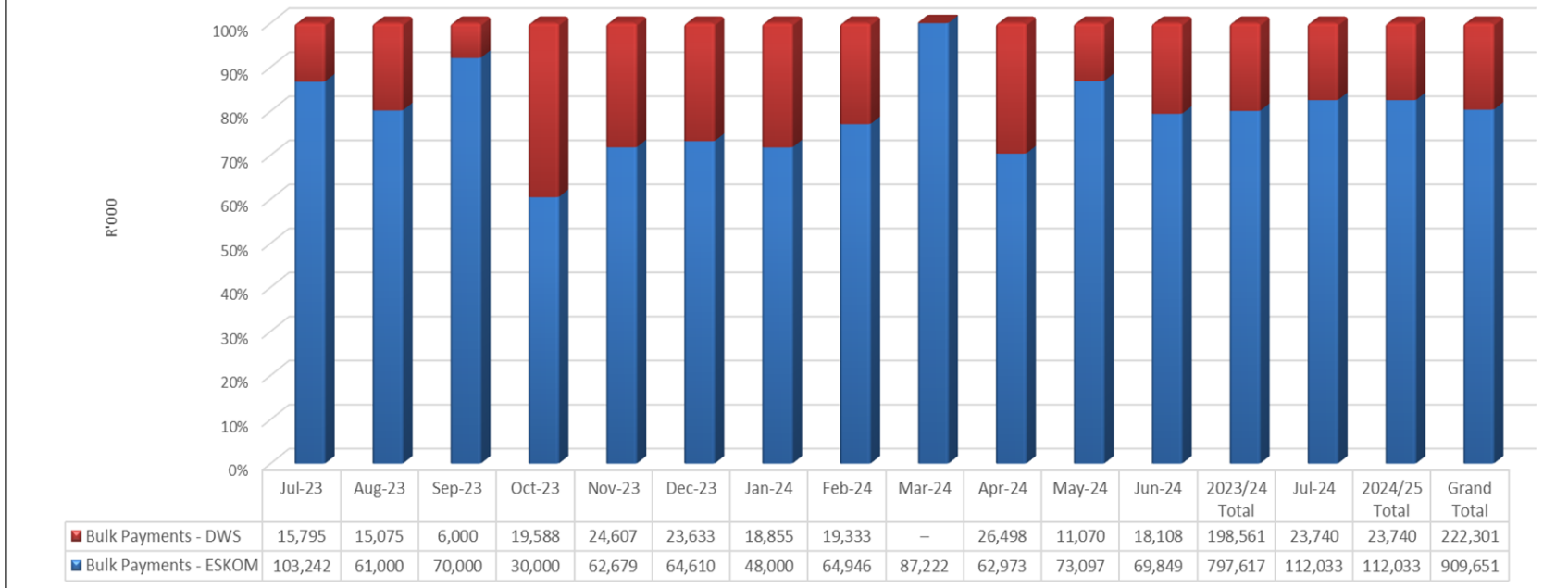


Chart 2.1: Monthly payments to DWS & ESKOM

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

DWS The total amount paid to DWS for July 2024 amounted to R23,740 million. The municipality settled R693 thousand on the current account for June 2024 and settled an amount of R23,046 million on the arrear February 2024 account on 17 July 2024. Payments for 2023/24 amounts to R198,561 million and payments for 2024/25 amounts to R23,740 million. The total payments amount to R222,301 million. The municipality has shown significant improvement over the financial year in terms of payments to DWS, with the average amount paid per month amounting to approximately R17,100 million. We could not settle the instalment of R6m on the debt agreement with DWS, due to the fact that we did not sufficient cash available. Debt instalment was due and payable on 5th of July 2024.

ESKOM The municipality settled an amount of R112,033 million on June 2024 account excluding interest amounting to R1,739 million on 30 July 2024. Total invoice amount was R113,772 million. The repayment amount is R6.7m and is due on the 15th of each month for 24 months. The municipality had insufficient cash and could not settle the instalment of R6,700 million on 15 July 2024. The total payments made for the 2023/24 financial year amounts to R797,617 million and for 2024/25 financial year the payments amount to R112,033 million, resulting in the total payments for both periods amounting to R909,651 million. 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
2023/24	R 797,617,409.52
20230801	R 103,241,512.23
20230830	R 61,000,000.00
20230928	R 35,000,000.00
20230929	R 35,000,000.00
20231031	R 30,000,000.00
20231130	R 62,678,528.38
20231220	R 2,262,000.00
20231228	R 62,347,938.72
20240130	R 48,000,000.00
20240209	R 13,246,492.61
20240219	R 6,700,000.00
20240228	R 45,000,000.00
20240304	R 18,043,546.82
20240319	R 6,700,000.00
20240328	R 62,478,598.42
20240426	R 62,972,969.32
20240524	R 13,400,000.00
20240528	R 59,696,947.69
20240621	R 6,700,000.00
20240625	R 63,148,875.33
2024/25	R 112,033,130.69
20240730	R 112,033,130.69
Grand Total ESKOM	R 909,650,540.21

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
2023/24	R 198,561,294.26
20230712	R 15,794,682.80
20230804	R 15,074,754.70
20230914	R 6,000,000.00
20231003	R 13,588,064.81
20231018	R 6,000,000.00
20231106	R 6,275,086.61
20231114	R 18,331,770.78
20231208	R 6,000,000.00
20231212	R 17,633,270.36
20240105	R 5,522,530.48
20240130	R 13,332,894.88
20240212	R 6,000,000.00
20240301	R 13,332,894.88
20240412	R 21,303,350.74
20240429	R 5,194,304.19
20240514	R 11,069,915.81
20240626	R 18,107,773.22
2024/25	R 23,739,570.29
20240717	R 23,739,570.29
Grand Total DWS	R 222,300,864.55

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 2024 to Jul 2024

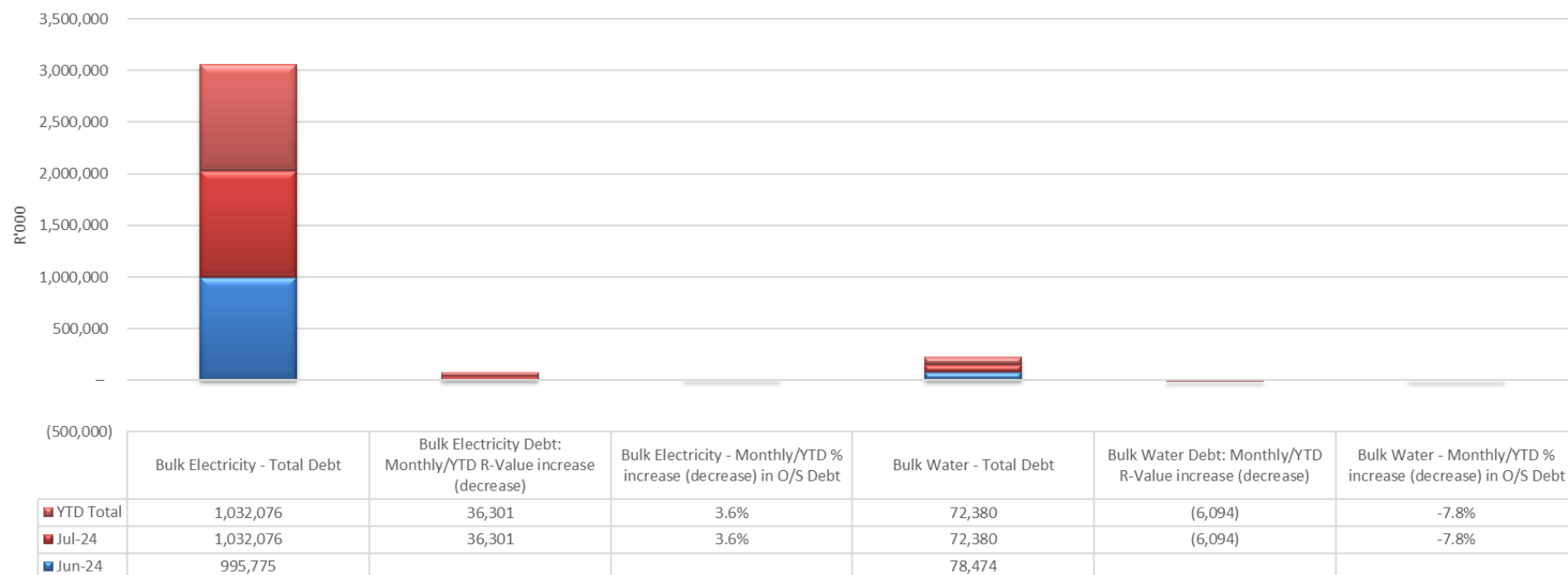


Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From June to July 2024, debt owed to ESKOM increased by R36,301 million or 3.6%, from R995,775 million to R1,032,076 million. When comparing the total outstanding debt to July 2024, the outstanding debt increased by R36,301 million or 3.6%, from R995,775 million to R1,032,076 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 June to July 2024, debt owed to DWS decreased by R6,094 million or minus 7.8%, from R78,474 million to R72,380 million. When comparing the total outstanding debt to July 2024, the outstanding debt decreased by R6,094 million or minus 7.8% from R78,474 million to R72,380 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 - July 2024										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	613,729	340	340	51,144	0.67%	(50,804)	-99.3%	0.1%	(50,804)	-8.3%
Funded by										
Capital transfers recognised	572,229	255	255	47,686	0.53%	(47,431)	-99.5%	0.0%	(47,431)	-8.3%
Internally generated funds	41,500	85	85	3,458	2.5%	(3,373)	-97.5%	0.2%	(3,373)	-8.1%
Weighting Capital transfer recognised	93.2%	74.9%	74.9%	93.2%						
Weighting Internally generated funds	6.8%	25.1%	25.1%	6.8%						

Table 7: High level summary: Capital Expenditure

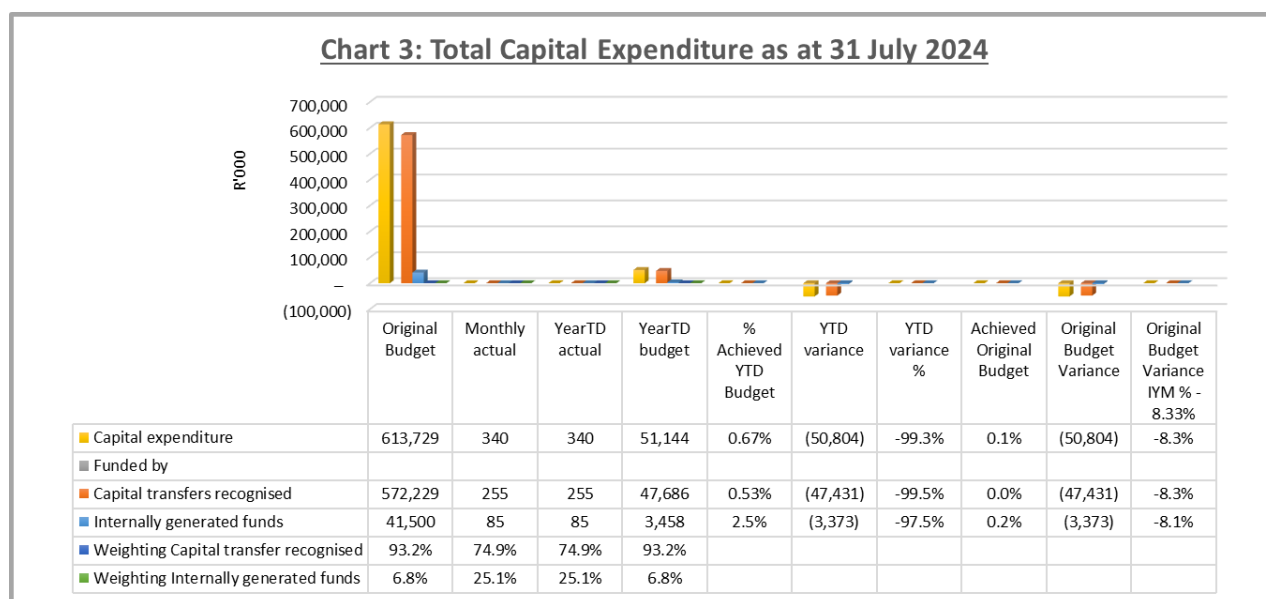


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of July 2024 amounted to R340 thousand and 99.3% spent when compared to the YTD budget of R51,144 million and 0.67% spent when compared to the Original Budget of R613,729 million. The total YTD capex is funded from Capital grants R255 thousand (74.9%) and Internally generated funds R85 thousand (25.1%). 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

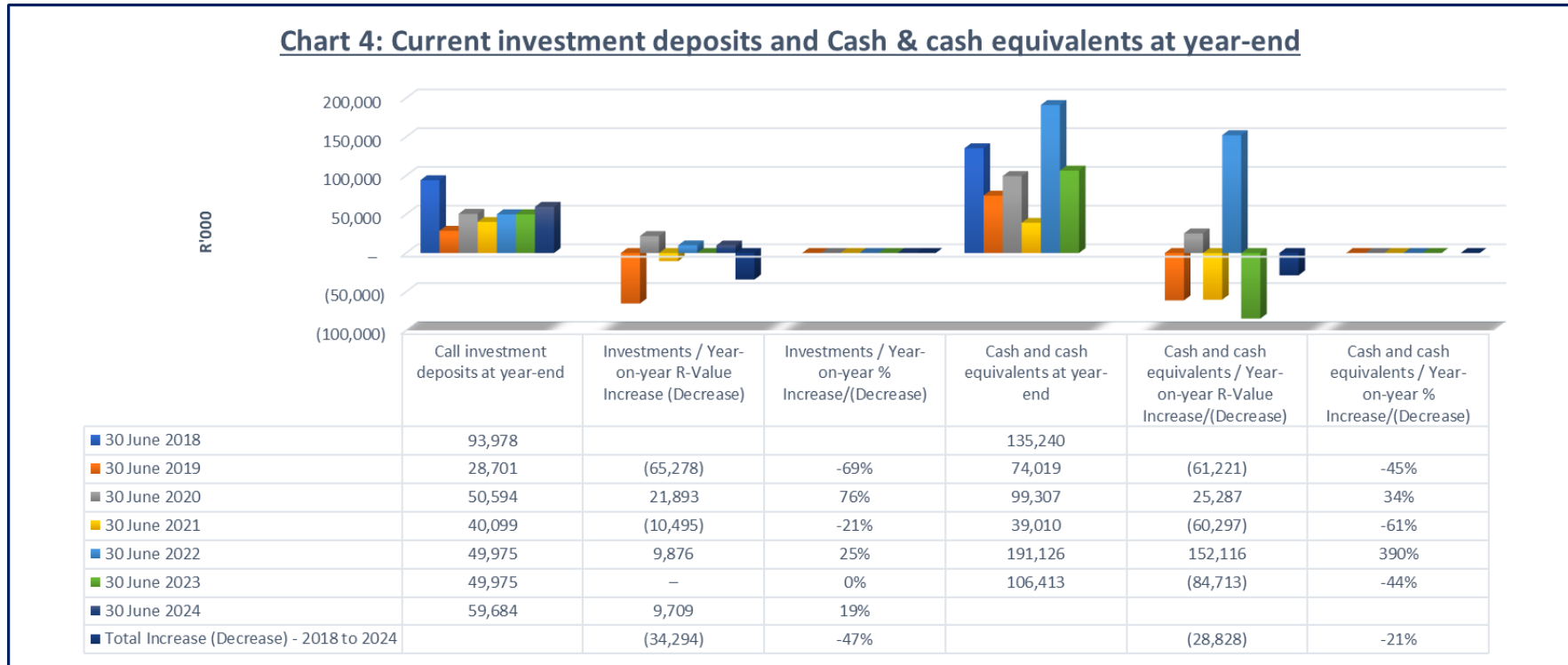


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

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

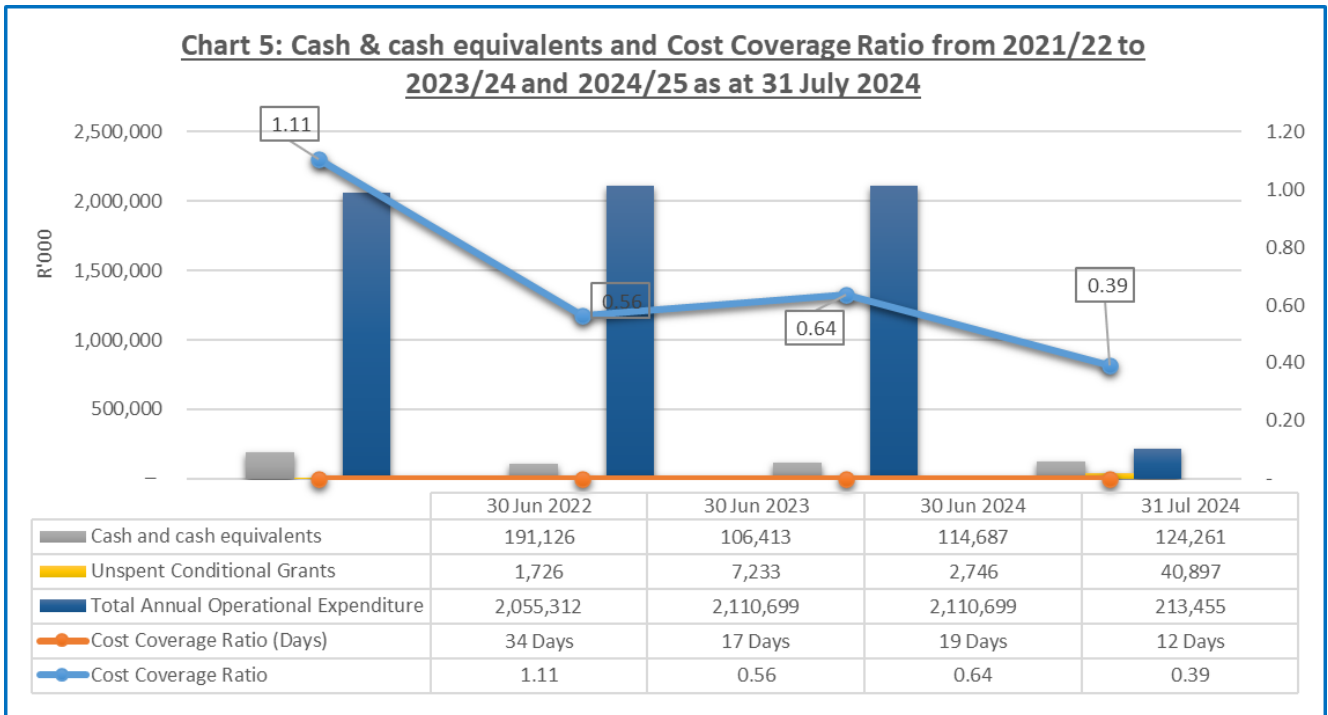


Chart 5: Cash & cash equivalents and Cost coverage ratio

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 2022 is (1.11; 34 days; R191,126m). There was a marginal improvement for the year ended 30 June 2023 (0.56; 17 days; R106,413m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The preliminary outcomes for the year ended 30 June 2024 is (0.64; 19 days; R114,687m). The Cost coverage ratio as at 31 July 2024 is calculated at (0.39; 12 days; R124,261m).

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

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

5. In-year budget statement tables

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

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

PART 2: SUPPORTING DOCUMENTATION

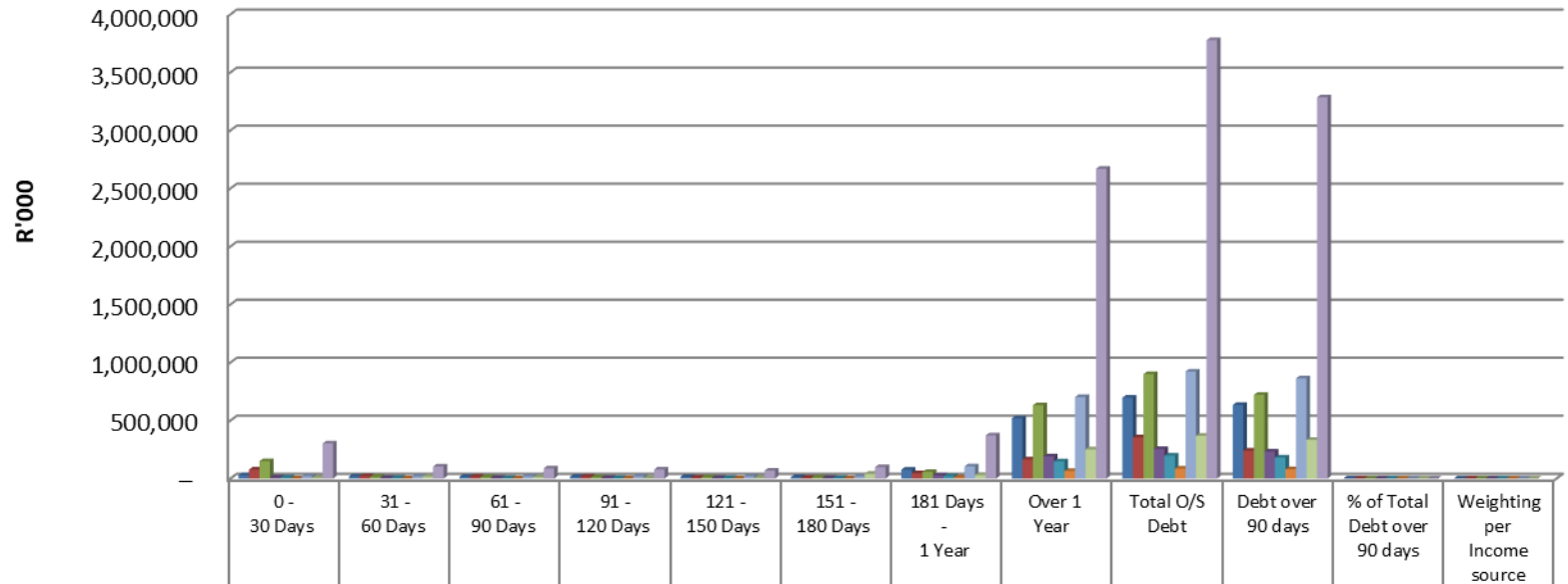
6. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	29,241	17,829	15,238	15,107	13,510	12,226	75,758	517,681	696,590	634,282	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	76,617	20,537	16,669	16,290	7,988	6,489	45,327	164,339	354,254	240,432	-	-
Receivables from Non-ex change Transactions - Property Rates	1400	149,685	15,755	12,981	11,432	11,435	10,249	56,123	631,411	899,071	720,650	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	9,873	5,704	5,311	5,127	4,974	4,820	27,276	190,433	253,518	232,630	-	-
Receivables from Exchange Transactions - Waste Management	1600	7,956	4,888	4,102	3,940	3,803	3,705	21,129	147,835	197,358	180,412	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,841	1,809	1,853	2,301	1,699	1,695	10,155	64,787	86,140	80,636	-	-
Interest on Arrear Debtor Accounts	1810	20,210	19,787	19,387	19,447	18,765	18,450	104,452	701,623	922,121	862,737	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-
Other	1900	6,623	17,416	11,686	4,164	5,659	40,581	30,834	251,554	368,518	332,792	-	-
Total By Income Source	2000	302,047	103,725	87,227	77,808	67,833	98,214	371,054	2,669,664	3,777,570	3,284,572	-	-
2023/24 - totals only		#####	#####	73972014	90512875	70917253	67985031	#####	#####	3,509,411	3,027,347	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	136,058	12,067	17,043	11,509	9,173	7,093	44,085	628,005	865,034	699,866	-	-
Commercial	2300	76,120	26,316	22,836	20,057	14,776	13,055	73,678	409,102	655,940	530,668	-	-
Households	2400	86,978	62,976	45,578	44,447	42,114	75,859	242,038	1,540,757	2,140,745	1,945,214	-	-
Other	2500	2,890	2,366	1,770	1,796	1,769	2,207	11,253	91,799	115,851	108,824	-	-
Total By Customer Group	2600	302,047	103,725	87,227	77,808	67,833	98,214	371,054	2,669,664	3,777,570	3,284,572	-	-

Table 8: Supporting Table SC3: Aged Debtors

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



	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total O/S Debt	Debt over 90 days	% of Total Debt over 90 days	Weighting per Income source
Trade and Other Receivables from Exchange Transactions - Water	29,241	17,829	15,238	15,107	13,510	12,226	75,758	517,681	696,590	634,282	91%	18%
Trade and Other Receivables from Exchange Transactions - Electricity	76,617	20,537	16,669	16,290	7,988	6,489	45,327	164,339	354,254	240,432	68%	9%
Receivables from Non-exchange Transactions - Property Rates	149,685	15,755	12,981	11,432	11,435	10,249	56,123	631,411	899,071	720,650	80%	24%
Receivables from Exchange Transactions - Waste Water Management	9,873	5,704	5,311	5,127	4,974	4,820	27,276	190,433	253,518	232,630	92%	7%
Receivables from Exchange Transactions - Waste Management	7,956	4,888	4,102	3,940	3,803	3,705	21,129	147,835	197,358	180,412	91%	5%
Receivables from Exchange Transactions - Property Rental Debtors	1,841	1,809	1,853	2,301	1,699	1,695	10,155	64,787	86,140	80,636	94%	2%
Interest on Arrear Debtor Accounts	20,210	19,787	19,387	19,447	18,765	18,450	104,452	701,623	922,121	862,737	94%	24%
Other	6,623	17,416	11,686	4,164	5,659	40,581	30,834	251,554	368,518	332,792	90%	10%
Total By Income Source	302,047	103,725	87,227	77,808	67,833	98,214	371,054	2,669,664	3,777,570	3,284,572	87%	

Chart 6.1: Debtor's age analysis by Income Source

Indicated in Table 8 and Chart 6.1 above is the total outstanding debt by Income Source, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R3,777,570 million as at the end of July 2024 with the bulk of SPM's debt is aged over 90 days with an overall weighting of 87%.

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

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

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 24%
- ❖ Interest on Arrear Debtor Accounts 24%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 18%

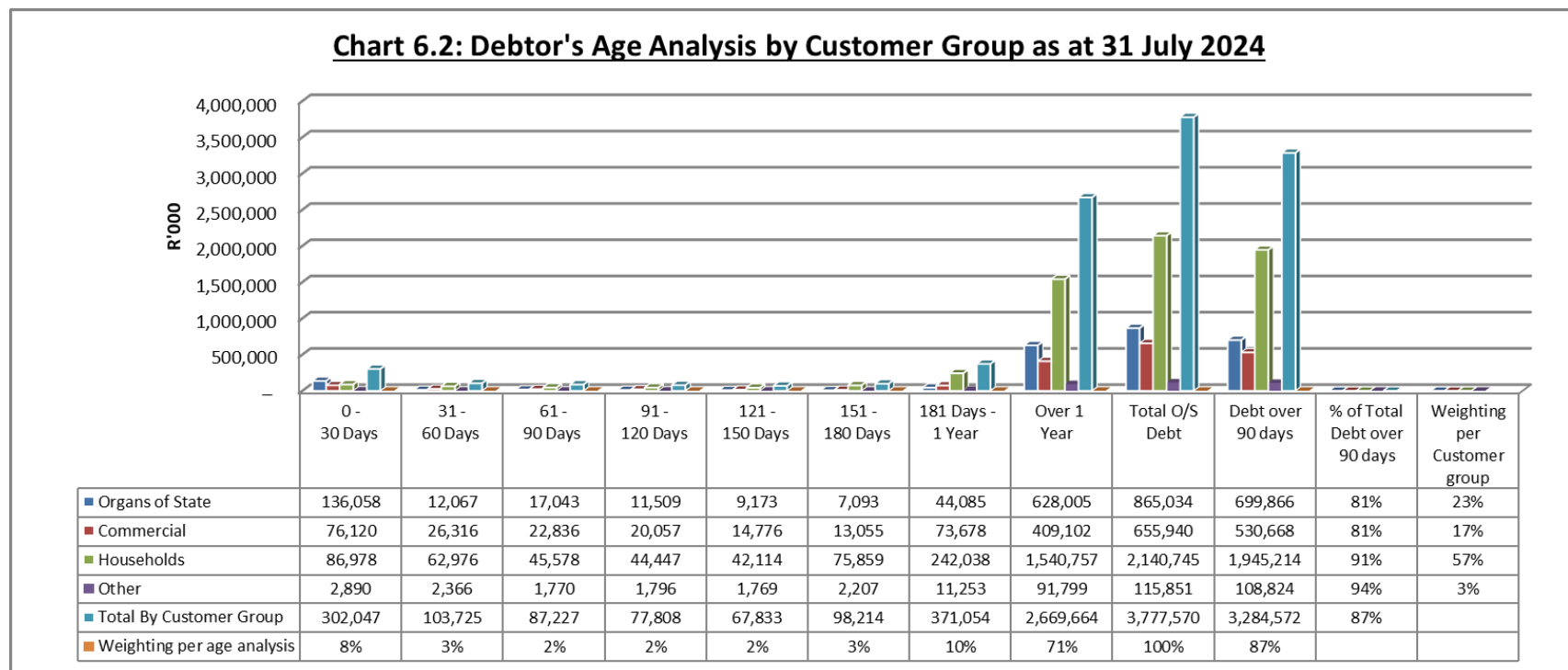


Chart 6.2: Debtor's age analysis by Customer Group

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

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

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

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

- ❖ Organs of state at 23%, total debt outstanding is R865,034 million
- ❖ Businesses at 17%, total debt outstanding is R655,940 million
- ❖ Households at 57%, total debt outstanding is R2,140,745 billion
- ❖ Other at 3%, total debt outstanding is R115,851 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 July 2024

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

- a. **Inaccurate Billing Systems:**
Inefficient or inaccurate billing systems can lead to under-billing or over-billing of residents, which can cause disputes and further reduce the collection rates. Improving the accuracy and efficiency of billing is crucial for improving revenue collection.
- b. **Non-payment for Services:**
A significant challenge is the high rate of non-payment for municipal services such as water, electricity, and property rates. Many residents struggle to pay their bills due to economic hardships, leading to a shortfall in expected revenue.
- c. **Illegal Connections and Theft:**
Illegal connections to water and electricity services, as well as theft, lead to significant losses in potential revenue. The municipality faces challenges in detecting and curbing these illegal activities.
- d. **Debt Collection Issues:**
The Municipality often encounters difficulties in collecting outstanding debts (poor payment culture). Inefficient debt collection processes (Customers are no longer bothered when disconnected/blocked: they pay the required amount, get unblocked then wait for the next round of disconnections/blocking).

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

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

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

We are on ground with our Cut Team and the Electricians, attending to the disconnection of electricity for Households, Government Departments and Businesses that are owing the Municipality substantial amounts of money. Prepaid meters of Customers situated in various areas have also been blocked. We have seen the Customers coming in to make payments and arrangements once they discover that they have been blocked. We have community members strike in some arears, however the Executive Mayor has dealt with this in a diplomatic manner. We are working on resolving the issues raised by Customers on their accounts, in the interim Customers are expected to make payment on services received (undisputed) vs the false premise that payment can be withheld until such time that the dispute is resolved.

The receipts for Government Departments, Parastatals and schools were R27,752,820.78 for the month of July 2024 as compared to the R 25,502,928.71 for the month of June 2024.

GOVERNMENT DEBT	
DEPARTMENTS	RECEIPTS JULY 2024
NATIONAL PUBLIC WORKS	R1,819,906.21
PROVINCIAL PUBLIC WORKS	R68,252.36
DEPARTMENTS OF HEALTH	R10,285,804.52
SOCIAL DEVELOPMENT	R68,512.38
ECONOMIC DEV & TOURISM	R400,872.06
COGHSTA/ HOUSING	R125,979.90
OFFICE OF THE PREMIER	R6,573.43
PROVINCIAL LEGISLATURE	R103,009.01
CORRECTIONAL SERVICE	R3,903,389.60
NATIONAL DEFENCE FORCE	R2,326,422.54
AGRICULTURE	R134,689.57
EDUCATION	R426,178.58
SPORTS, ARTS & CULTURE	R200,582.31
TRANSPORT	R92,734.24
DE BEERS	R2,583,202.11
TELKOM	R723,458.42
TRANSNET	R2,650,581.66
ESKOM	R214,386.22
SAPS	R141,658.23
SCHOOLS	R1,476,627.43
TOTAL	R27,752,820.78

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which decreased from 90% to 87% for the month under review. Debt over 90 days increased by R42,851 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R184,705 million. It is concerning that total debt over 90 days is hovering at an average of 87 percent. During the 2023/24 MTREF Budget Benchmark exercise NT also encouraged the municipality, to explore all avenues to recoup long outstanding debt, to improve on financial liquidity and to improve the collection rate to at least 89% to be realistically funded from a cash perspective.

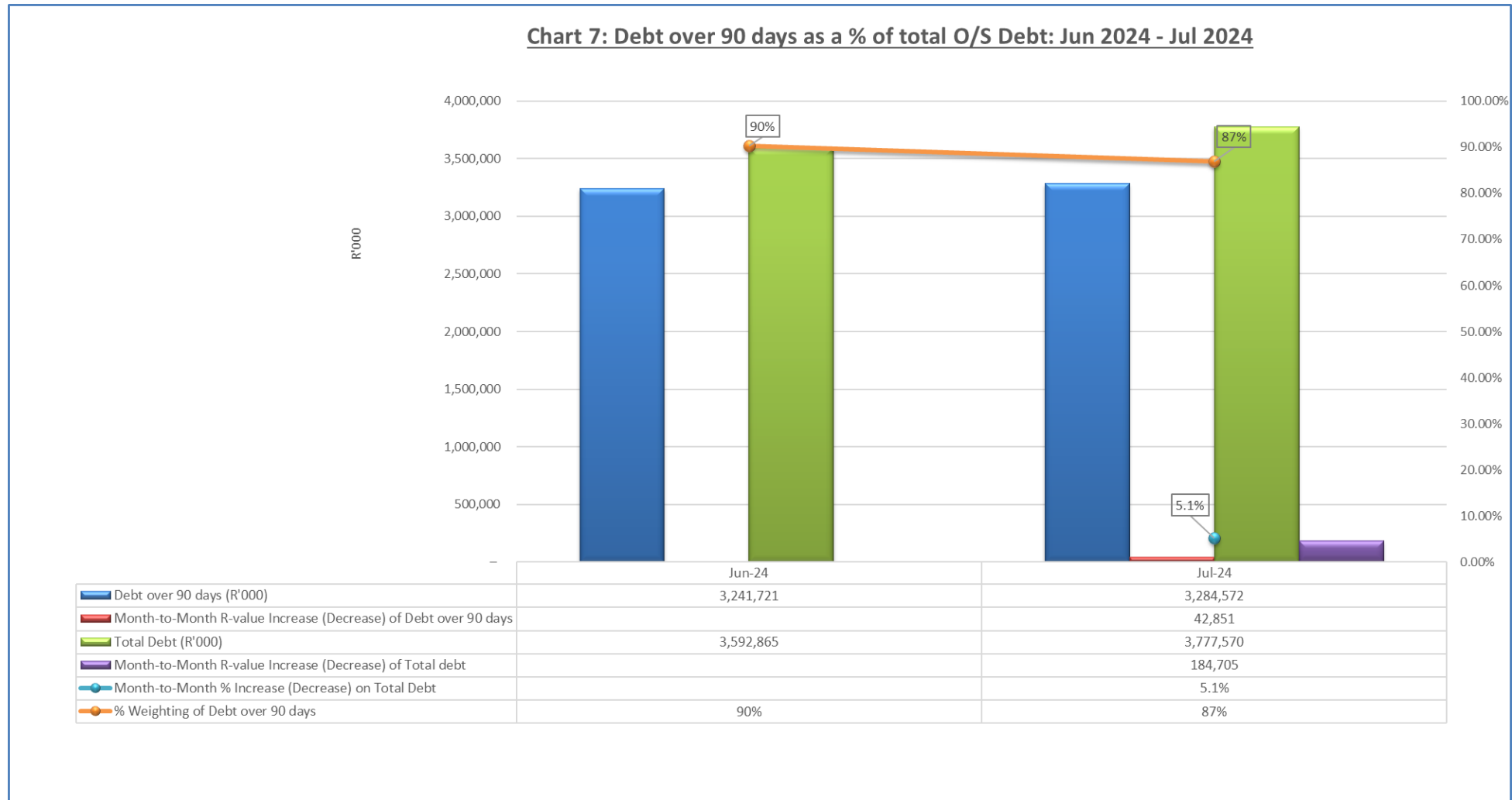


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2023/24. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for July 2024, 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 2023/24 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

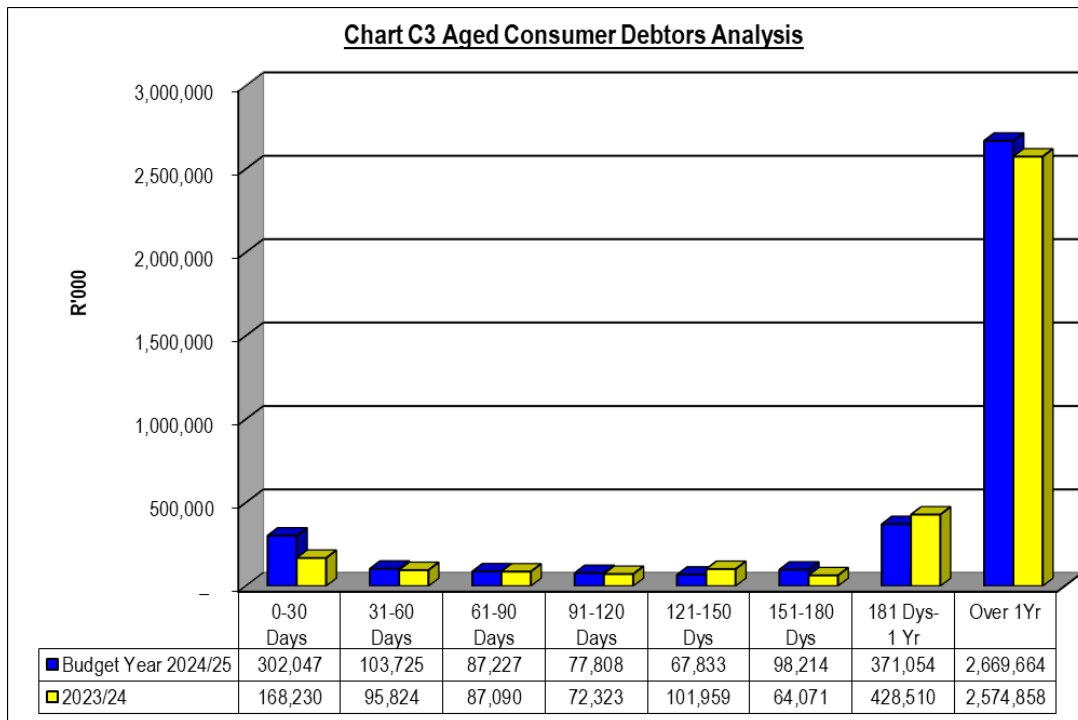


Chart 8: Aged Consumer Debtor Analysis

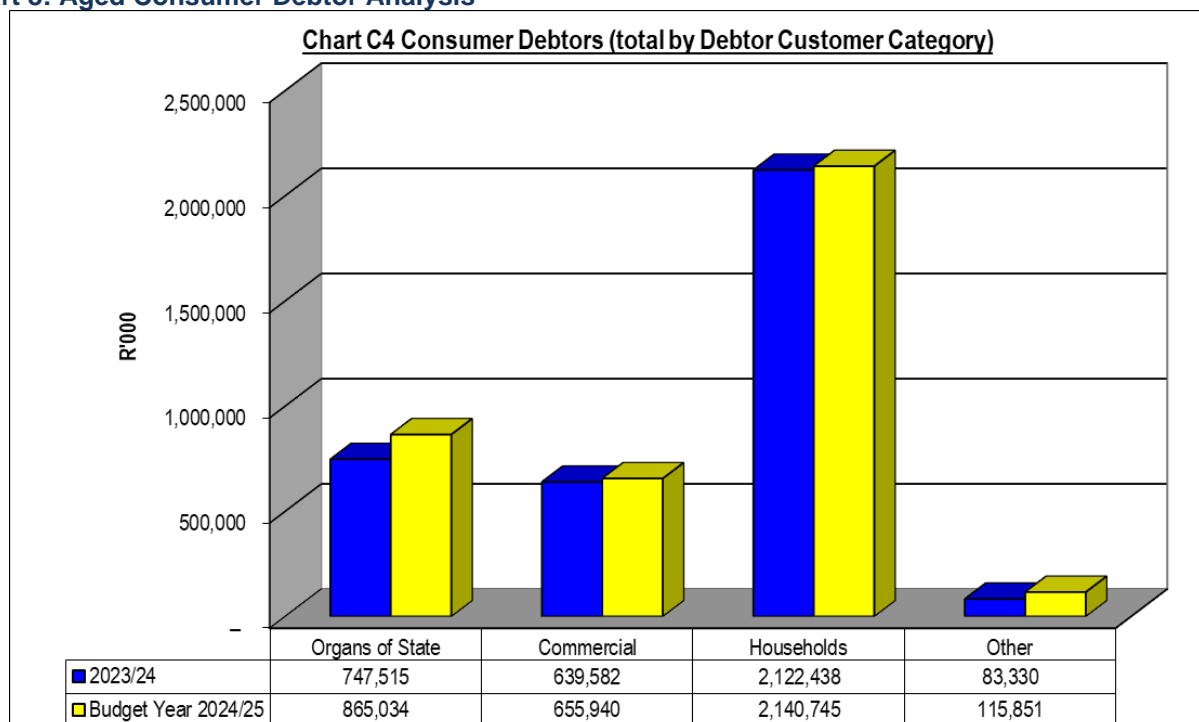


Chart 9: Consumer Debtors (total by Debtor Customer Category)

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

- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book
- Data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (sms) and 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 June 2024 and received in July 2024, the monthly collection rate is 67%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 57%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is not satisfactory for the month under review. Unallocated receipts amounted to R5,999 million and will be allocated during August 2024. Indicated in Table 10 below is the revised average collection rate of 44.0%, for Property rates and Service charges only. The average collection rate is distorted due to the annual billing on Property rates. 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 July to 31 July 2024. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September 2024 to settle their outstanding accounts.

Monthly Collection Rate	Debits (Billed June 2024)	Credits (Received July 2024)	% Collected
PROPERTY RATES	45,000,270	34,028,051	76%
ELECTRICITY	46,708,115	40,800,658	87%
WATER	29,289,097	10,641,406	36%
SEWERAGE	9,774,029	3,727,076	38%
REFUSE	7,963,811	3,550,952	45%
PROPERTY RATES & SERVICES	138,735,321	92,748,142	67%
OTHER	38,888,453	8,392,691	22%
TOTAL	177,623,774	101,140,833	57%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL JULY 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 158,155,404	R 31,192,753	19.7%
SERVICE CHARGE ELECTRICITY	R 65,510,049	R 44,202,745	67.5%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 31,948,798	R 31,948,798	100.0%
SERVICE CHARGE WATER	R 23,460,714	R 10,235,262	43.6%
SERVICE CHARGE SANITATION	R 9,620,646	R 3,466,311	36.0%
SERVICE CHARGE REFUSE	R 7,264,889	R 3,299,677	45.4%
UNALLOCATED CREDITS		R 5,999,416	
REVISED AVERAGE COLLECTION RATE - JULY 2024	R 295,960,500	R 130,344,961	44.0%
REVISED AVERAGE COLLECTION RATE - JULY 2024	295,960,499.64	130,344,960.88	44.0%
LESS ANNUAL BILLING ON PROPERTY RATES	R -107,769,980.08	-108,625.63	0.1%
INCLUDING OTHER	R 38,888,453	R 8,804,133	22.6%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER	R 227,078,972.54	R 139,040,468.02	61.2%

Table 10: Revised Average collection rate

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

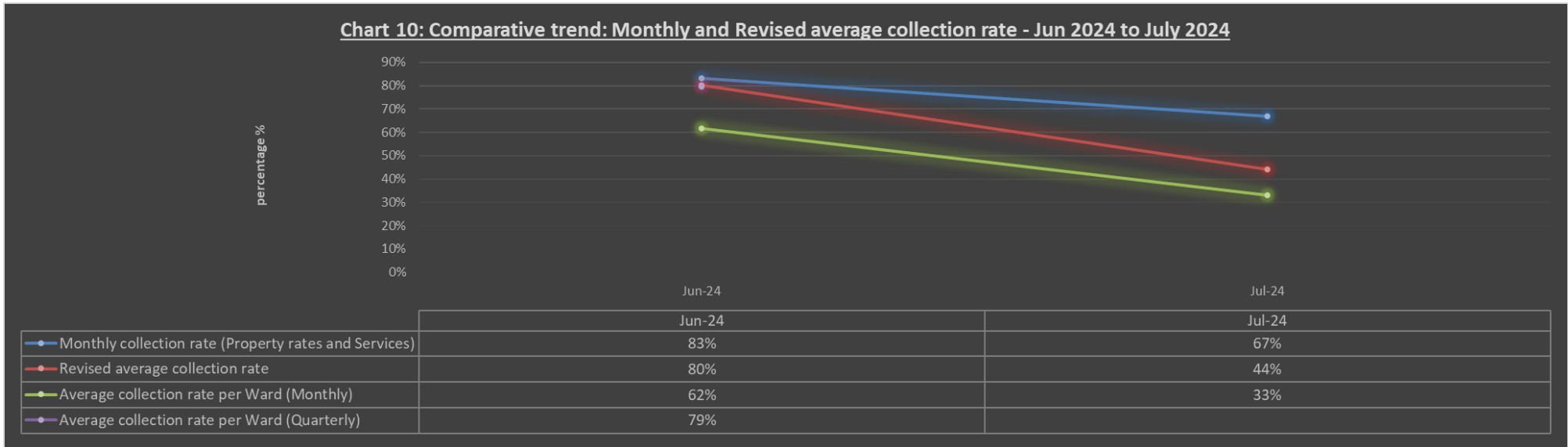


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2024 to July 2024. The monthly collection rate for July 2024 is not at a desired level at 67%. The revised average collection for July 2024, is distorted due to the annual billing on Property rates. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report the average collection rate per ward which includes receipts from Property Rates, Services and Interest, but excludes Prepaid Electricity sales. The monthly collection rate per ward was 33% for the month under review. The billing on the report per ward is for July 2024 and should be for June 2024. This was taken up with our service provider. It should be noted that an amount of R5,999 million was unallocated at month-end.

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

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

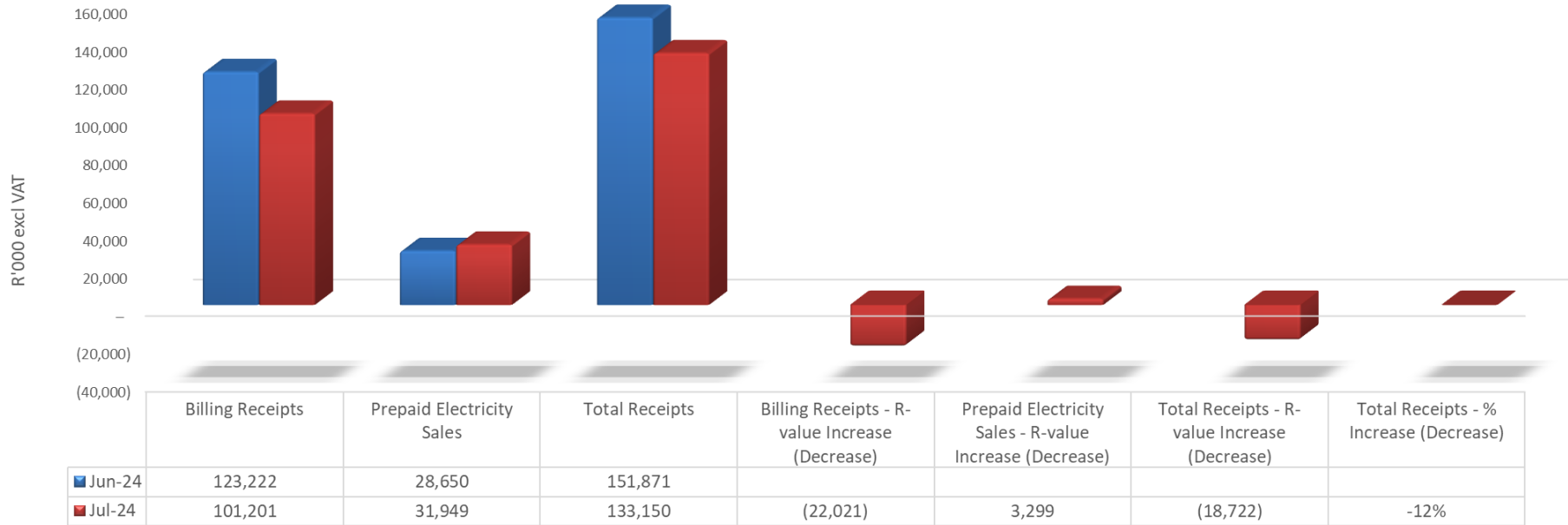


Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11.1 above, the Total Receipts amounted to R133,150 million which resulted in a decrease of R18,722 million or 12% in respect of the month-to-month comparison. Billing receipts decreased by R22,021 million, whilst Prepaid Electricity Sales increased by R3,299 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 R5,999 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

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

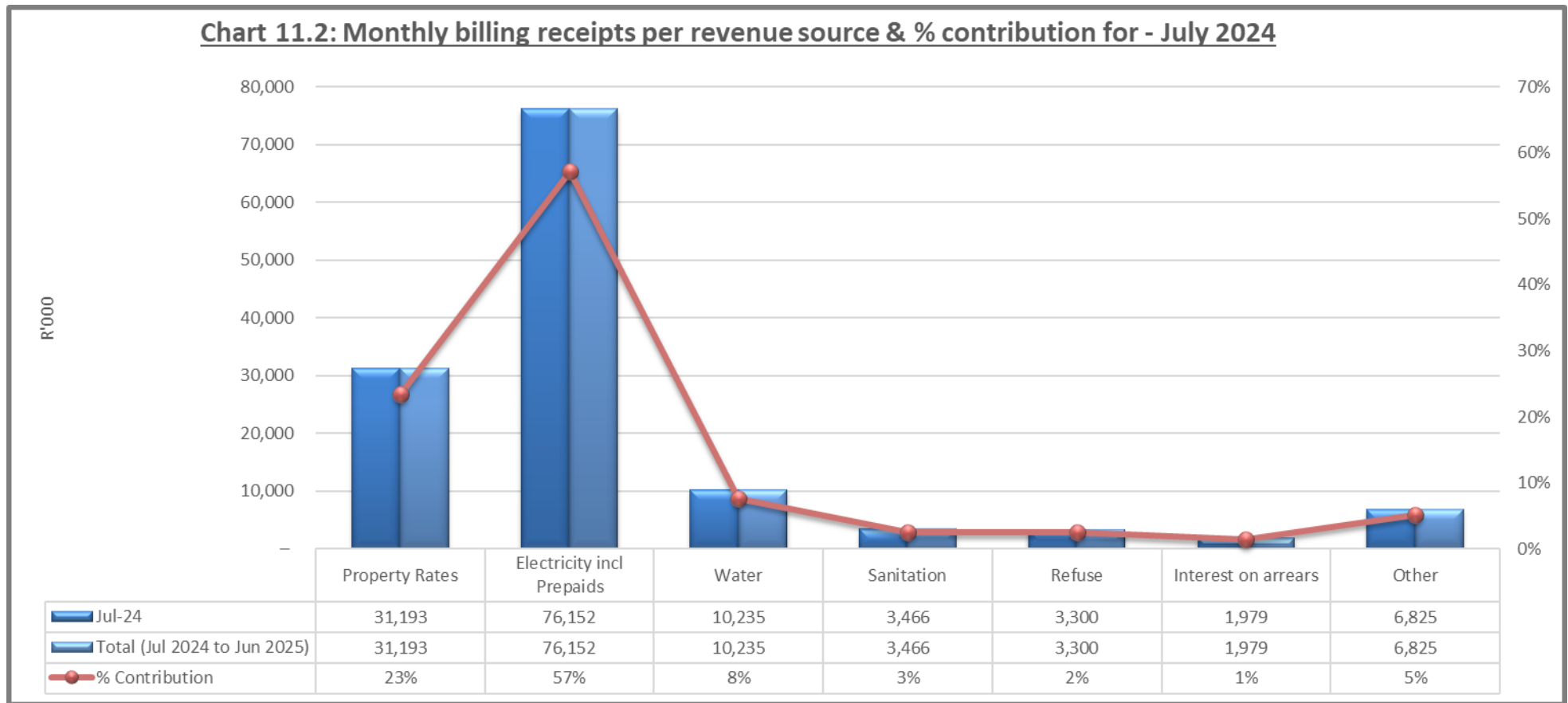


Chart 11.2: Monthly billing receipts per revenue source and % contribution

Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 July 2024. Receipts are relatively constant based on the month-to-month comparison. The actual cash collected remains a serious concern and positive results can be achieved, provided that the Credit Control and Debt Collection Policy is strictly, consistently, and fairly applied. Data from the above chart, indicates that Electricity incl Prepays at R76,152 million (57%) is the highest contributor, followed by Property rates at R31,193 million (23%) being received. This illustrates the sensitivity and vulnerability in respect of electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. Measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 8% and Other 5% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 3% from these revenue sources. The lowest contributor in respect of actual receipts, has always been Interest on arrears. This demonstrates the fact that the municipality is facing challenges in

collecting long outstanding debt. It should be noted that in terms of the approved Customer Care, Credit Control and Debt Collection Policy, it outlines that “the municipality shall implement an incentive for settlement of arrears accounts as illustrated below:

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

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

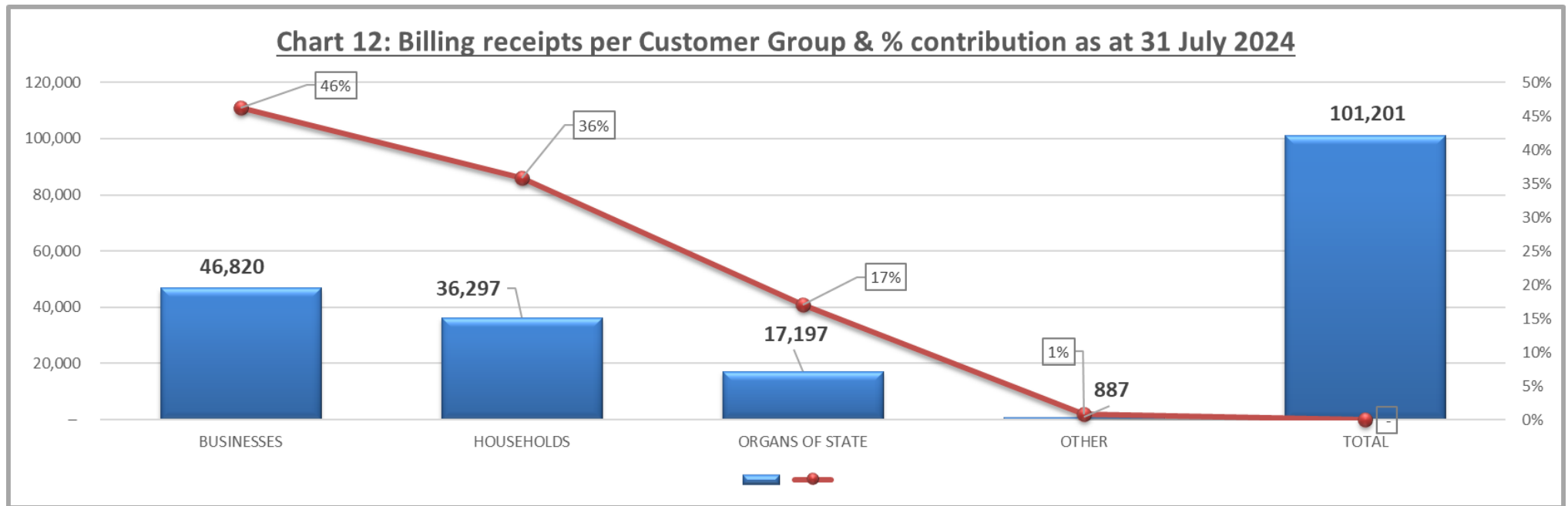


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 July 2024. The municipality received R46,820 million (46%) from Businesses, Households R36,297 million (36%), Organs of State R17,197 million (17%) and Other R887 thousand (1%).

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	148,333	1,739	3,178	1,739	3,338	1,893	73,633	798,223	1,032,076	941,203
Bulk Water	0200	17,724	-	-	-	-	-	-	54,656	72,380	110,719
PAYE deductions	0300	10,909	-	-	-	-	-	-	-	10,909	11,745
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	8,199	-	-	-	-	-	-	-	8,199	8,364
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	8,178	10,876	632	7	-	2	-	62	19,757	89
Auditor General	0800	4	-	-	-	-	-	-	-	4	4
Other	0900	1,294	2,726	1,810	51	30	46	-	2,833	8,790	20,292
Medical Aid deductions		7,941	-	-	-	-	-	-	-	7,941	7,941
Total By Customer Type	1000	202,583	15,341	5,621	1,797	3,368	1,941	73,633	855,775	1,160,058	1,092,412

Table 11: Supporting Table SC4: Aged Creditors

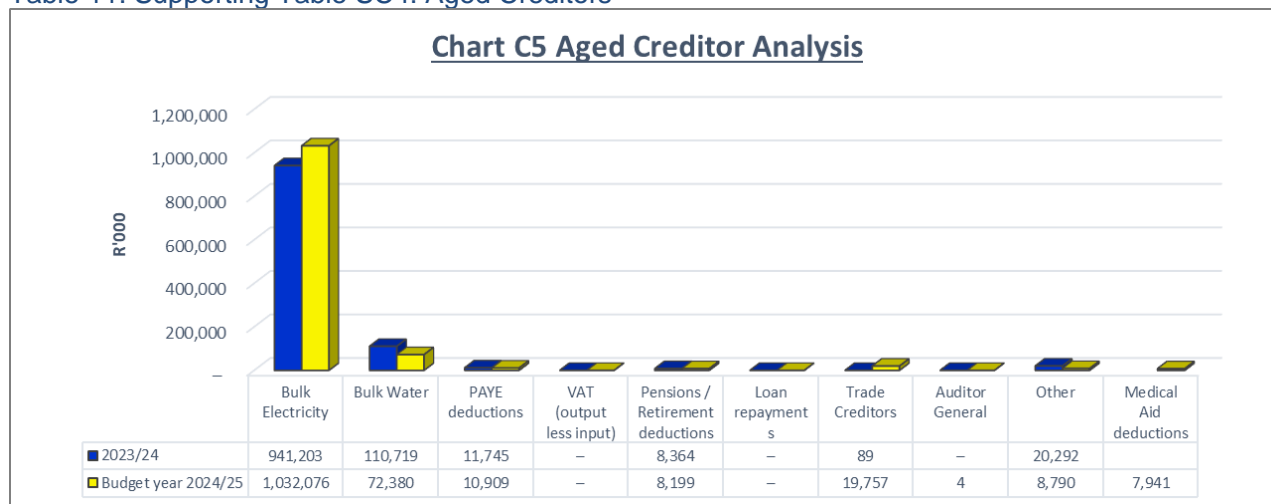


Chart 13: Aged Creditors Analysis

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

Bulk Electricity – As at the 31 July 2024, the outstanding debt owed to Eskom amounted to R1,032,076 billion. According to the July 2024 invoice, the outstanding balance is R882m, as a result of the Payment Arrangement (PA) that was loaded on the municipality's account. As per the Debt Relief approval, the municipality must honour the payment of the monthly current account. The municipality entered into a payment arrangement, concluded with Eskom on 12 June 2024, for the debt that accumulated after March 2023, amounting to R163m.

Bulk Water – As at the 31 July 2024, the outstanding debt owed to DWS amounted R72,380 million. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months and the municipality is participating in the Incentive scheme that the Department is providing to municipalities. All invoices for 2022/23 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department.

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

VAT – after the monthly VAT reconciliation, we claimed an amount of R13,309 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 R4 thousand.

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

Medical Aid deductions – an amount of R7,941 million for medical aid contributions was payable on or before 7 August 2024.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 July 2024, the value of total investments made was R109,852 million including interest. Partially or prematurely withdrawn investments amounted to R455 thousand. An Investment top-up of R50 million was made. The current status quo does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom and DWS and even other creditors. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the investments are committed and/or held for the following reasons:

Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	22,450
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,401
• Unspent Capital grant receipts that was invested for the current year.	24,131
• Own funds invested - Ring-fenced Eskom income	55,869
Total	109,852

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		30,000	218	(218)	-	30,000
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,407	49	(54)	-	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	-	183	(183)	50,000	50,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	22,277	173	-	-	22,450
Municipality sub-total										59,684	623	(455)	50,000	109,851

Table 12: Supporting Table SC5: Investment portfolio

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

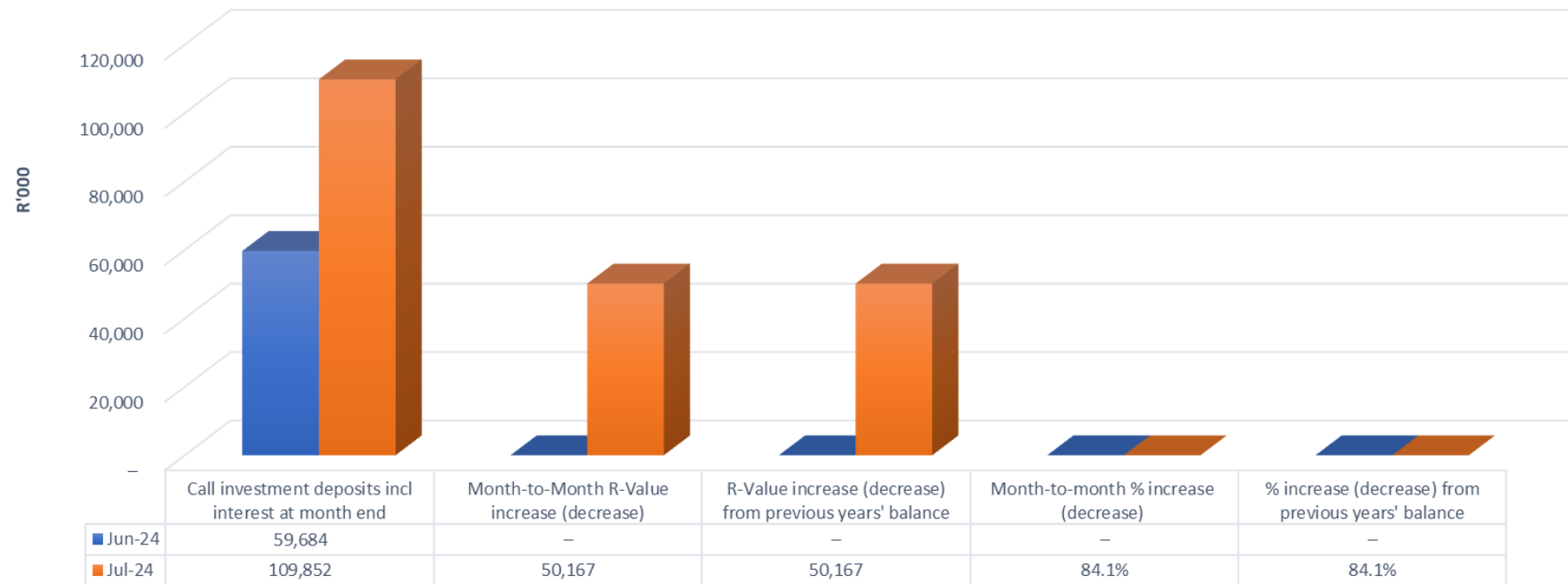


Chart 14: Call investment deposits at month-end

As indicated in the Chart 5 above from June to July 2024 investments incl interest increased by R50,167 or 84,1%, in respect of the month-to-month comparison. Investments increased by R50,167 million or 84.1% when compared to the previous years' balance of R59,684 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments, in December and July of each year. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

9. Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		271,713	290,671	290,671	117,543	117,543	24,223	93,320	385.3%	290,671
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		263,135	282,104	282,104	117,543	117,543	23,509	94,034	400.0%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	-	-	189	(189)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	-	-	375	(375)	-100.0%	4,500
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	3	1,700	1,800	1,800	-	-	150	(150)	-100.0%	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		14,787	8,600	8,600	-	-	717	(717)	-100.0%	8,600
Capacity Building and Other Grants		8,979	8,600	8,600	-	-	717	(717)	-100.0%	8,600
Infrastructure Grant		5,808	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		1,345	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Unspecified		1,345	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	287,845	299,271	299,271	117,543	117,543	24,939	92,604	371.3%	299,271
Capital Transfers and Grants										
National Government:		133,753	572,229	572,229	-	-	47,686	(47,686)	-100.0%	572,229
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	-	-	417	(417)	-100.0%	5,000
Integrated National Electrification Programme Grant		24,358	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		63,395	75,229	75,229	-	-	6,269	(6,269)	-100.0%	75,229
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	-	-	41,000	(41,000)	-100.0%	492,000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
District Municipality:		6,437	-	-	-	-	-	-	-	-
Specify (Add grant description)		6,437	-	-	-	-	-	-	-	-
Other grant providers:		18,850	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		18,850	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	159,040	572,229	572,229	-	-	47,686	(47,686)	-100.0%	572,229
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	446,885	871,500	871,500	117,543	117,543	72,625	44,918	61.8%	871,500

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Equitable Share – R117,543 million

ISDG – R2,700 million

Capital grant monies received for the month under review.

IUDG – R22,568 million

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

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		239,934	229,671	229,671	7,829	7,829	19,139	(11,311)	-59.1%	229,671
Equitable Share		231,032	221,104	221,104	7,465	7,465	18,425	(10,961)	-59.5%	221,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,267	-	-	189	(189)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	320	320	375	(55)	-14.7%	4,500
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1,700	1,800	1,800	44	44	150	(106)	-70.5%	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		9,852	8,600	11,100	50	50	925	(875)	-94.6%	11,100
Capacity Building and Other Grants		7,625	8,600	8,600	29	29	717	(688)	-95.9%	8,600
Infrastructure Grant		2,227	-	2,500	21	21	208	(188)	-90.1%	2,500
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		249,785	238,271	240,771	7,879	7,879	20,064	(12,186)	-60.7%	240,771
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	572,229	255	255	47,686	(47,431)	-99.5%	572,229
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	-	-	417	(417)	-100.0%	5,000
Integrated National Electrification Programme Grant		21,181	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		57,349	75,229	75,229	255	255	6,269	(6,014)	-95.9%	75,229
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	-	-	41,000	(41,000)	-100.0%	492,000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		6,000	-	-	-	-	-	-	-	-
Specify (Add grant description)		6,000	-	-	-	-	-	-	-	-
Other grant providers:		17,073	-	-	-	-	-	-	-	-
European Union		17,073	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		147,356	572,229	572,229	255	255	47,686	(47,431)	-99.5%	572,229
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		397,141	810,500	813,000	8,133	8,133	67,750	(59,617)	-88.0%	813,000

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

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is R1,955 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted Original allocation for the EPWP is R2,267 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	255	255	7,078	0.3%	0.3%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	-	-	-	0.0%	0.0%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	-	-	-	0.0%	-
Grand Total	572,229	572,229	255	255	7,078	0.0%	0.0%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R255 thousand on or 0.04% spent against the Original capital grant allocation of R572,229 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

The rollover request for the 2023/24 financial year must still be submitted to National Treasury.

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

Table 16 is not required.

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages										
Pension and UIF Contributions		1,065	-	-	88	88	-	88	#DIV/0!	-
Medical Aid Contributions		536	-	-	54	54	-	54	#DIV/0!	-
Motor Vehicle Allowance										
Cellphone Allowance		2,997	3,055	3,055	255	255	255	0	0%	3,055
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		30,361	34,021	34,021	2,411	2,411	2,835	(424)	-15%	34,021
Sub Total - Councillors		34,958	37,077	37,077	2,809	2,809	3,090	(281)	-9%	37,077
% increase	4		6.1%	6.1%						6.1%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,942	8,791	8,791	538	538	733	(194)	-27%	8,791
Pension and UIF Contributions		433	1,316	1,316	48	48	110	(62)	-56%	1,316
Medical Aid Contributions		192	117	117	15	15	10	6	57%	117
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,065	2,005	2,005	87	87	167	(80)	-48%	2,005
Cellphone Allowance		101	198	198	8	8	17	(8)	-49%	198
Housing Allowances		22	9	9	2	2	1	1	128%	9
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		14	15	15	1	1	1	(0)	-5%	15
Post-retirement benefit obligations	2									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		6,769	12,452	12,452	699	699	1,038	(338)	-33%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages		460,058	509,499	509,289	37,654	37,654	42,441	(4,787)	-11%	509,289
Pension and UIF Contributions		83,850	96,851	96,851	6,813	6,813	8,071	(1,258)	-16%	96,851
Medical Aid Contributions		67,060	63,693	63,693	4,675	4,675	5,308	(633)	-12%	63,693
Overtime		85,269	53,982	53,982	6,181	6,181	4,499	1,682	37%	53,982
Performance Bonus		30,591	38,317	38,317	1,014	1,014	3,193	(2,179)	-68%	38,317
Motor Vehicle Allowance		43,767	51,151	51,151	3,575	3,575	4,263	(687)	-16%	51,151
Cellphone Allowance		1,631	1,551	1,551	135	135	129	6	4%	1,551
Housing Allowances		2,856	2,887	2,887	218	218	241	(22)	-9%	2,887
Other benefits and allowances		38,628	26,598	26,808	2,671	2,671	2,234	437	20%	26,808
Payments in lieu of leave		14,758	20,000	20,000	803	803	1,667	(863)	-52%	20,000
Long service awards		30,958	29,981	29,981	2,491	2,491	2,498	(8)	0%	29,981
Post-retirement benefit obligations	2	-	43,900	43,900	646	646	3,658	(3,013)	-82%	43,900
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Municipal Staff		859,426	938,410	938,410	66,876	66,876	78,201	(11,326)	-14%	938,410
% increase	4		9.2%	9.2%						9.2%
Total Parent Municipality		901,153	987,939	987,939	70,384	70,384	82,329	(11,945)	-15%	987,939
TOTAL SALARY, ALLOWANCES & BENEFITS		901,153	987,939	987,939	70,384	70,384	82,329	(11,945)	-15%	987,939
% increase	4		9.6%	9.6%						9.6%
TOTAL MANAGERS AND STAFF		866,195	950,863	950,863	67,575	67,575	79,239	(11,664)	-15%	950,863

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is satisfactory and showing a variance of minus 15%. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors Remuneration is showing a satisfactory variance of minus 9% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is not yet issued.

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

The Overtime controls are not effective and the desired outcome to remain within budget, was not achieved for 2023/24 financial year. The same trend is transpiring for the current year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. The historic contract appointments and continuous appointment of contract workers is negatively affecting the salary expenditure and hampering the municipality’s ability to fill vacancies as contract workers are being funded by budgeted vacancies. The 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.

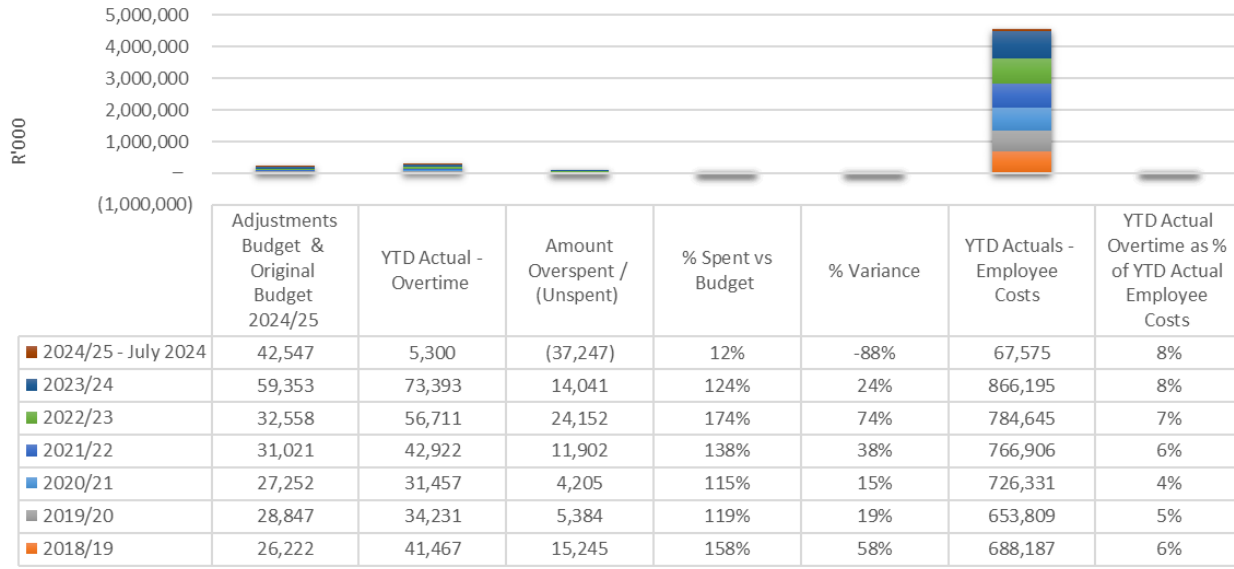
And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of July 2024.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget
MS: OVERTIME - NON STRUCTURED	33,762,000	5,124,787	5,124,787	15%
MS: OVERTIME - STRUCTURED	8,785,180	175,080	175,080	2%
Overtime as at 31 July 2024	42,547,180	5,299,867	5,299,867	12%
Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget
20-EXECUTIVE AND COUNCIL	330,000	22,264	22,264	7%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	-	-	
23-CORPORATE SERVICES	1,937,000	251,506	251,506	13%
24-COMMUNITY SERVICES	17,190,180	1,555,838	1,555,838	9%
26-FINANCIAL SERVICES	1,021,000	573,451	573,451	56%
27-STRATEGY, ECONOMIC DEVELOPMENT & P	877,000	129,080	129,080	15%
28-INFRASTRUCTURE SERVICES	21,192,000	2,767,728	2,767,728	13%
Overtime as at 31 July 2024	42,547,180	5,299,867	5,299,867	12%

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 12% spent versus the Original budget, resulting in a negative variance of 4.1% for the period under review, when compared to the ideal IYM percentage of 8.33%.

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



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

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

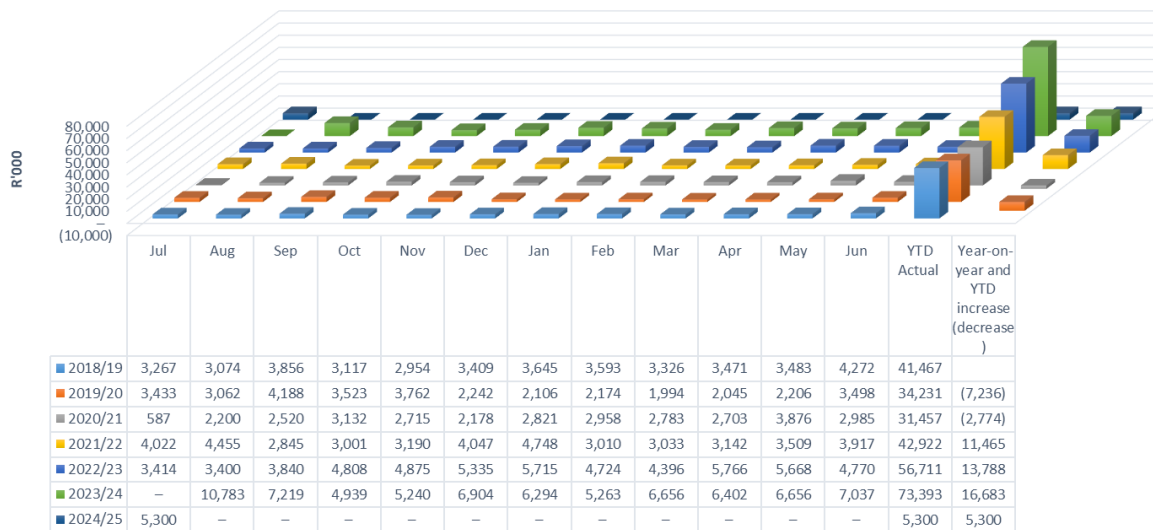


Chart 14.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

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

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

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

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

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

12. Capital programme performance

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

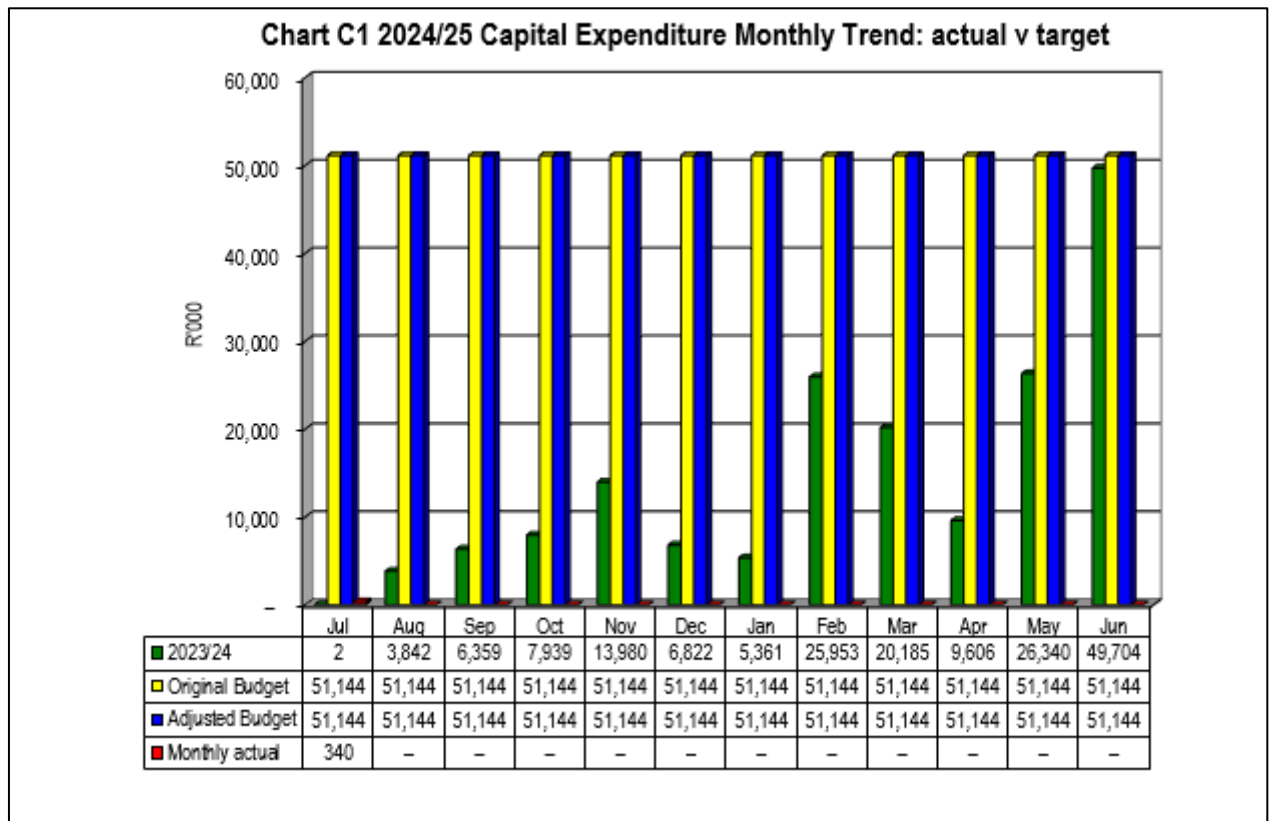


Chart 15: Capital Expenditure Monthly Trend: actual v target

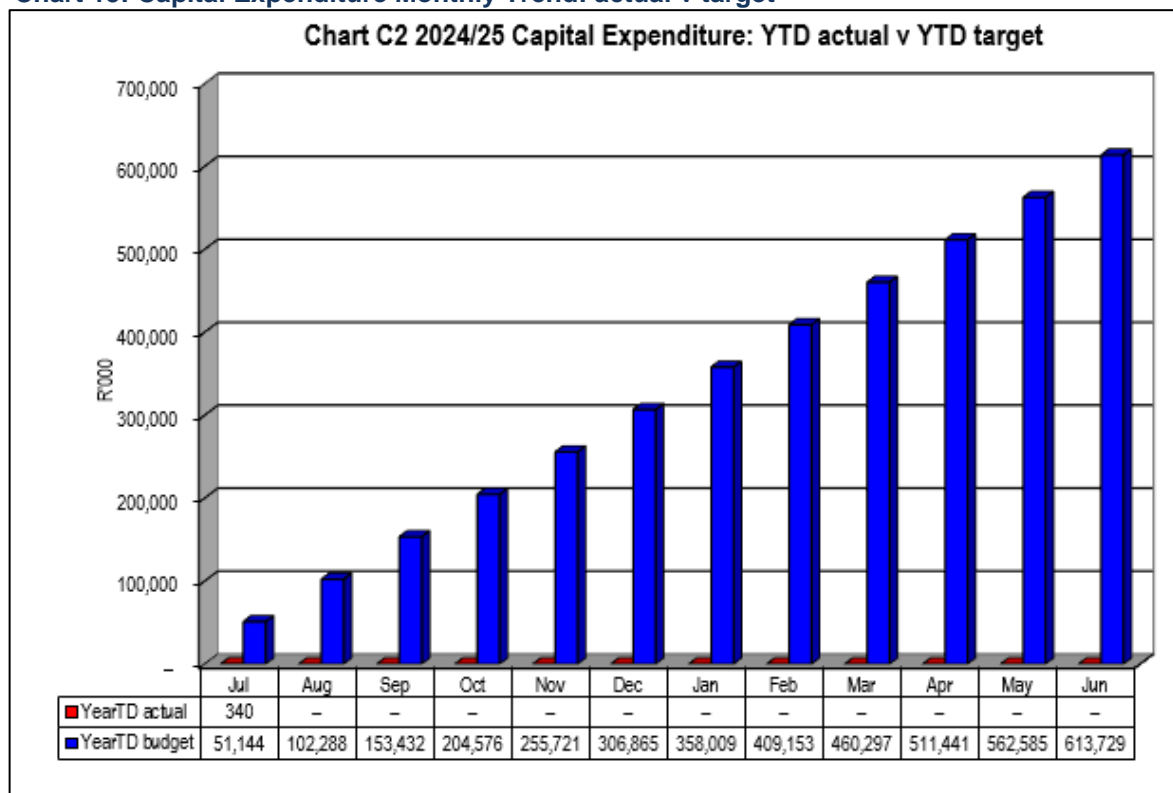


Chart 16: Capital Expenditure: YTD actual vs YTD target

Per project per funding source							
Projects per funding source (R'000)	Sum of Original Budget	Sum of Adjusted Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of Commitment	Sum of % Original Budget	Sum of % Adjusted Budget
INTERNALLY GENERATED FUNDS	41,500	41,500	85	85	590	0.21%	0.21%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	85	85	53	1.90%	1.90%
ACQ-FLEET REPLACEMENT	3,000	3,000	-	-	537	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	500	500	-	-	-	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	-	-	-	0.00%	0.00%
DSITRIBUTION-ACQ-WAT METER REPLACEMENT	500	500	-	-	-	0.00%	0.00%
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	20,466	-	-	-	0.00%	0.00%
MR LEAK AND SLEAK DATA SYSTEM	484	484	-	-	-	0.00%	0.00%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811	811	-	-	-	0.00%	
PHDA PLANNING & SURVEYING	2,000	2,000	-	-	-	0.00%	0.00%
PIPE CONDITION ASSESS AND CATHOD PROTECT	479	479	-	-	-	0.00%	0.00%
RITCHIE SUBZONE SMART METER INSTALL	1,417	1,417	-	-	-	0.00%	0.00%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	2,000	-	-	-	0.00%	0.00%
RUFURBISHMENT OF THE VINTAGE TRAM	1,500	1,500	-	-	-	0.00%	0.00%
PLANNING & DEVELOPMENT	1,500	1,500	-	-	-	0.00%	0.00%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	1,342	1,342	-	-	-	0.00%	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	255	255	7,078	0.34%	0.34%
P-CIER RDS ROADS	17,500	17,500	-	-	590	0.00%	0.00%
PROJECT MANAGEMENT	2,349	2,349	-	-	-	0.00%	0.00%
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	17,500	255	255	832	1.46%	1.46%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	3,500	-	-	-		
SPECIALISED FLEET REPLACEMENT	5,000	5,000	-	-	3,139	0.00%	0.00%
P-CNIN COM F FIRE/AMBUL	1,500	1,500	-	-	-	0.00%	0.00%
UPGRADING OF SWIMMING POOLS	6,000	6,000	-	-	-	0.00%	0.00%
ABLUTIONS KENILWORTH&PHUTANANG CEMETERY	2,000	2,000	-	-	-	0.00%	0.00%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	-	-	1,469	0.00%	0.00%
REFURBISHMENT OF HALLS	5,000	5,000	-	-	514	0.00%	0.00%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,670	-	-	272	0.00%	0.00%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	-	-	261	0.00%	0.00%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	-	-	-	0.00%	0.00%
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	-	-	-	0.00%	0.00%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	-	-	-	0.00%	0.00%
EAST BYPASS REPLACE OF CORRODED 10KM LINE	15,126	15,126	-	-	-	0.00%	
EASTERN BYPASS REPAIR COATING AND REFURB	11,521	11,521	-	-	-	0.00%	
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	17,026	-	-	-	0.00%	0.00%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	20,483	-	-	-	0.00%	0.00%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	29,346	-	-	-	0.00%	0.00%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	27,630	-	-	-	0.00%	0.00%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	39,640	-	-	-		0.00%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	7,531	-	-	-	0.00%	0.00%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	83,369	-	-	-	0.00%	0.00%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	16,173	-	-	-	0.00%	0.00%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	37,378	-	-	-	0.00%	0.00%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	27,828	-	-	-	0.00%	
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290	18,290	-	-	-	0.00%	0.00%
WEST BYPASS LEAK REPAIRS AND REFURBISH	10,574	10,574	-	-	-	0.00%	0.00%
WEST BYPASS REPLACE OF CORRODED SECTION	5,368	5,368	-	-	-	0.00%	
WTW OHS & SECURITY MANAGEMENT	9,230	9,230	-	-	-	0.00%	0.00%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	48,296	-	-	-		0.00%
SEC3 1200NEW STEEL MIDSTATION-NEWTON RES	67,191	67,191	-	-	-	0.00%	0.00%
Grand Total	613,729	613,729	340	340	7,667	0.06%	0.06%

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Original budget. The total capex is normally slow during the start of the financial year. Capital expenditure for July 2024 is extremely low and this requires urgent intervention from management to remedy the situation. The actual monthly expenditure for July 2024 amounted to R340 thousand. The total YTD Capex amounts to R340 thousand. Please note that Commitments amounting to R7,667 million 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 IUDG (0.34%), EEDSM (0%), RBIG (0%). Spending on Internally generated funds is also 0.21% 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 July 2024.

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

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

Please note that all figures are preliminary outcomes for the year ended 30 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
- Insufficient cash to pay salaries and creditors for goods and services rendered
- Capex funding from internally generated funds
- Capital expenditure and capital grant dependency.
- Stopping of conditional capital grants.
- Disapproval of rollover requests
- The billed income of electricity and water in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.

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

15. Annexure A: C-schedules

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

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M01 July

Description	2023/24		Budget Year 2024/25						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	656,442	687,320	687,320	158,155	158,155	57,277	100,879	176%	687,320
Service charges	1,331,093	1,611,046	1,611,046	137,805	137,805	134,254	3,551	3%	1,611,046
Investment revenue	16,116	9,000	9,000	(1,713)	(1,713)	750	(2,463)	-328%	9,000
Transfers and subsidies - Operational	287,845	299,271	299,271	117,543	117,543	24,939	92,604	0	299,271
Other own revenue	427,118	351,642	351,642	33,899	33,899	29,303	4,596	16%	-
Total Revenue (excluding capital transfers and contributions)	2,718,615	2,958,278	2,958,278	445,690	445,690	246,523	199,167	81%	2,958,278
Employee costs	866,195	950,863	950,863	67,575	67,575	79,239	(11,664)	-15%	950,863
Remuneration of Councillors	34,958	37,077	37,077	2,809	2,809	3,090	(281)	-9%	37,077
Depreciation and amortisation	60,334	89,700	89,700	-	-	7,475	(7,475)	-100%	89,700
Interest	32,187	17,774	17,774	-	-	1,481	(1,481)	-100%	17,774
Inventory consumed and bulk purchases	926,845	1,216,905	1,216,905	8,644	8,644	146,505	(137,860)	-94%	1,216,905
Transfers and subsidies	2,526	3,660	3,660	-	-	305	(305)	-100%	3,660
Other expenditure	596,301	612,526	612,526	5,680	5,680	51,044	(45,364)	-89%	612,526
Total Expenditure	2,519,347	2,928,505	2,928,505	84,708	84,708	289,139	(204,431)	-71%	2,928,505
Surplus/(Deficit)	199,268	29,774	29,774	360,982	360,982	(42,616)	403,598	-947%	29,774
Transfers and subsidies - capital (monetary)	159,040	572,229	572,229	-	-	47,686	###	-100%	572,229
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	358,309	602,003	602,003	360,982	360,982	5,070	355,912	7020%	602,003
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	358,309	602,003	602,003	360,982	360,982	5,070	355,912	7020%	602,003
Capital expenditure & funds sources									
Capital expenditure	176,092	613,729	613,729	340	340	51,144	(50,804)	-99%	613,729
Capital transfers recognised	147,356	572,229	572,229	255	255	47,686	(47,431)	-99%	572,229
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28,736	41,500	41,500	85	85	3,458	(3,373)	-98%	41,500
Total sources of capital funds	176,092	613,729	613,729	340	340	51,144	(50,804)	-99%	613,729
Financial position									
Total current assets	2,622,286	2,491,688	2,491,688	-	2,850,282	-	-	-	2,491,688
Total non current assets	2,398,784	2,874,231	2,874,231	-	2,455,310	-	-	-	2,874,231
Total current liabilities	1,524,306	1,523,552	1,523,552	-	1,521,699	-	-	-	1,523,552
Total non current liabilities	403,772	410,208	410,208	-	403,433	-	-	-	410,208
Community wealth/Equity	3,092,992	3,432,159	3,432,159	-	3,367,152	-	-	-	3,432,159
Cash flows									
Net cash from (used) operating	81,258	598,846	598,846	16,027	16,027	49,904	33,877	68%	598,846
Net cash from (used) investing	(156,480)	(613,729)	(613,729)	(340)	(340)	(51,144)	(50,804)	99%	(613,729)
Net cash from (used) financing	(1,569)	(12,788)	(12,788)	28	28	(1,066)	(1,094)	103%	(12,788)
Cash/cash equivalents at the month/year end	(186,328)	(128,487)	(128,487)	130,401	130,401	(103,123)	(233,524)	226%	87,017
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	302,047	103,725	87,227	77,808	67,833	98,214	371,054	#####	3,777,570
Creditors Age Analysis									
Total Creditors	202,583	15,341	5,621	1,797	3,368	1,941	73,633	855,775	1,160,058

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,271,983	1,689,473	1,689,473	284,695	284,695	140,789	143,906	102%	1,689,473
Executive and council		564,235	972,401	972,401	125,181	125,181	81,033	44,147	54%	972,401
Finance and administration		707,747	717,072	717,072	159,514	159,514	59,756	99,758	167%	717,072
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		48,267	42,989	42,989	2,996	2,996	3,582	(587)	-16%	42,989
Community and social services		12,642	12,138	12,138	344	344	1,011	(668)	-66%	12,138
Sport and recreation		2,639	2,720	2,720	135	135	227	(92)	-40%	2,720
Public safety		276	540	540	29	29	45	(16)	-34%	540
Housing		28,843	27,501	27,501	2,487	2,487	2,292	196	9%	27,501
Health		3,867	90	90	-	-	8	(8)	-100%	90
<i>Economic and environmental services</i>		26,742	18,976	18,976	3,916	3,916	1,581	2,335	148%	18,976
Planning and development		22,952	5,956	5,956	3,627	3,627	496	3,131	631%	5,956
Road transport		3,789	13,020	13,020	289	289	1,085	(796)	-73%	13,020
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,520,559	1,767,977	1,767,977	154,115	154,115	147,331	6,784	5%	1,767,977
Energy sources		952,872	1,164,299	1,164,299	103,730	103,730	97,025	6,705	7%	1,164,299
Water management		352,402	398,115	398,115	29,237	29,237	33,176	(3,939)	-12%	398,115
Waste water management		121,173	118,290	118,290	12,059	12,059	9,857	2,202	22%	118,290
Waste management		94,112	87,272	87,272	9,089	9,089	7,273	1,816	25%	87,272
<i>Other</i>	4	10,104	11,092	11,092	(32)	(32)	924	(957)	-103%	11,092
Total Revenue - Functional	2	2,877,655	3,530,507	3,530,507	445,690	445,690	294,209	151,481	51%	3,530,507
Expenditure - Functional										
<i>Governance and administration</i>		704,028	755,594	755,594	34,496	34,496	62,967	(28,471)	-45%	755,594
Executive and council		441,083	477,043	477,043	13,804	13,804	39,754	(25,950)	-65%	477,043
Finance and administration		257,376	271,754	271,754	20,291	20,291	22,646	(2,355)	-10%	271,754
Internal audit		5,569	6,797	6,797	401	401	566	(166)	-29%	6,797
<i>Community and public safety</i>		201,113	207,313	207,313	14,336	14,336	17,276	(2,940)	-17%	207,313
Community and social services		48,371	49,027	49,027	3,442	3,442	4,086	(643)	-16%	49,027
Sport and recreation		66,678	63,043	63,043	4,495	4,495	5,254	(758)	-14%	63,043
Public safety		43,746	45,933	45,933	3,268	3,268	3,828	(560)	-15%	45,933
Housing		21,904	28,042	28,042	1,595	1,595	2,337	(742)	-32%	28,042
Health		20,412	21,267	21,267	1,535	1,535	1,772	(237)	-13%	21,267
<i>Economic and environmental services</i>		168,649	183,093	183,093	10,250	10,250	15,258	(5,008)	-33%	183,093
Planning and development		46,114	55,644	55,644	3,873	3,873	4,637	(765)	-16%	55,644
Road transport		121,665	126,551	126,551	6,308	6,308	10,546	(4,238)	-40%	126,551
Environmental protection		870	898	898	69	69	75	(6)	-8%	898
<i>Trading services</i>		1,421,556	1,753,665	1,753,665	23,947	23,947	191,235	(167,288)	-87%	1,753,665
Energy sources		875,830	1,151,651	1,151,651	7,092	7,092	141,067	(133,975)	-95%	1,151,651
Water management		346,884	395,412	395,412	5,394	5,394	32,951	(27,557)	-84%	395,412
Waste water management		120,676	119,433	119,433	6,241	6,241	9,953	(3,711)	-37%	119,433
Waste management		78,167	87,170	87,170	5,219	5,219	7,264	(2,045)	-28%	87,170
<i>Other</i>		24,002	28,839	28,839	1,680	1,680	2,403	(724)	-30%	28,839
Total Expenditure - Functional	3	2,519,347	2,928,505	2,928,505	84,708	84,708	289,139	(204,431)	-71%	2,928,505
Surplus/ (Deficit) for the year		358,309	602,003	602,003	360,982	360,982	5,070	355,912	70.19964	602,003

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		564,235	972,401	972,401	125,181	125,181	81,033	44,147	54.5%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	4	4	513	(509)	-99.1%	6,161
Vote 05 - Community Services		123,851	124,361	124,361	10,780	10,780	10,363	417	4.0%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	159,458	159,458	59,176	100,282	169.5%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	2,688	2,688	697	1,990	285.4%	8,368
Vote 08 - Infrastructure And Services		1,456,193	1,709,105	1,709,105	147,579	147,579	142,425	5,153	3.6%	1,709,105
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,877,655	3,530,507	3,530,507	445,690	445,690	294,209	151,481	51.5%	3,530,507
Expenditure by Vote	1									
Vote 01 - Executive & Council		60,758	60,855	60,855	4,867	4,867	5,071	(204)	-4.0%	60,855
Vote 02 - Municipal And General		364,369	403,603	403,603	8,001	8,001	33,634	(25,633)	-76.2%	403,603
Vote 03 - Municipal Manager		27,607	27,854	27,854	1,923	1,923	2,321	(398)	-17.2%	27,854
Vote 04 - Corporate Services		70,918	82,140	82,140	5,246	5,246	6,845	(1,599)	-23.4%	82,140
Vote 05 - Community Services		320,160	337,272	337,272	22,920	22,920	28,106	(5,186)	-18.5%	337,272
Vote 06 - Financial Services		136,429	166,217	166,217	11,227	11,227	13,852	(2,625)	-18.9%	166,217
Vote 07 - Strategy Econ Development And Planning		60,543	67,813	67,813	4,164	4,164	5,651	(1,488)	-26.3%	67,813
Vote 08 - Infrastructure And Services		1,478,562	1,782,750	1,782,750	26,360	26,360	193,659	(167,298)	-86.4%	1,782,750
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,519,347	2,928,505	2,928,505	84,708	84,708	289,139	(204,431)	-70.7%	2,928,505
Surplus/ (Deficit) for the year	2	358,309	602,003	602,003	360,982	360,982	5,070	355,912	7019.9%	602,003

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		886,092	1,099,199	1,099,199	97,459	97,459	91,600	5,859	6%	1,099,199
Service charges - Water		276,094	343,685	343,685	23,461	23,461	28,640	(5,180)	-18%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,621	9,621	7,991	1,630	20%	95,890
Service charges - Waste management		75,114	72,271	72,271	7,265	7,265	6,023	1,242	21%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	15,955	3,119	3,119	1,330	1,790	135%	15,955
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		258,041	120,030	120,030	12,794	12,794	10,002	2,791	28%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	(1,713)	(1,713)	750	(2,463)	-328%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		28,851	27,740	27,740	2,507	2,507	2,312	195	8%	27,740
Licence and permits		670	1,200	1,200	60	60	100	(40)	-40%	1,200
Operational Revenue		3,202	3,773	3,773	215	215	314	(99)	-31%	3,773
Non-Exchange Revenue										
Property rates		656,442	687,320	687,320	158,155	158,155	57,277	100,879	176%	687,320
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		45,798	32,143	32,143	1,460	1,460	2,679	(1,219)	-45%	32,143
Licence and permits		6,500	8,000	8,000	877	877	667	210	31%	8,000
Transfers and subsidies - Operational		287,845	299,271	299,271	117,543	117,543	24,939	92,604	371%	299,271
Interest		-	91,900	91,900	7,879	7,879	7,658	221	3%	91,900
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		49,299	50,900	50,900	4,988	4,988	4,242	746	18%	50,900
Gains on disposal of Assets		19,612	-	-	-	-	-	-	-	-
Other Gains		45	-	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		2,718,615	2,958,278	2,958,278	445,690	445,690	246,523	199,167	81%	2,958,278
Expenditure By Type										
Employee related costs		866,195	950,863	950,863	67,575	67,575	79,239	(11,664)	-15%	950,863
Remuneration of councillors		34,958	37,077	37,077	2,809	2,809	3,090	(281)	-9%	37,077
Bulk purchases - electricity		660,019	897,300	897,300	-	-	119,871	(119,871)	-100%	897,300
Inventory consumed		266,826	319,605	319,605	8,644	8,644	26,634	(17,989)	-68%	319,605
Debt impairment		317,500	355,246	355,246	-	-	29,604	(29,604)	-100%	355,246
Depreciation and amortisation		60,334	89,700	89,700	-	-	7,475	(7,475)	-100%	89,700
Interest		32,187	17,774	17,774	-	-	1,481	(1,481)	-100%	17,774
Contracted services		51,343	40,731	40,731	108	108	3,394	(3,286)	-97%	40,731
Transfers and subsidies		2,526	3,660	3,660	-	-	305	(305)	-100%	3,660
Irrecoverable debts written off		1	-	-	0	0	-	0	#DIV/0!	-
Operational costs		139,212	151,549	151,549	5,571	5,571	12,629	(7,058)	-56%	151,549
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		88,245	65,000	65,000	-	-	5,417	(5,417)	-100%	65,000
Total Expenditure		2,519,347	2,928,505	2,928,505	84,708	84,708	289,139	(204,431)	-71%	2,928,505
Surplus/(Deficit)		199,268	29,774	29,774	360,982	360,982	(42,616)	403,598	(0)	29,774
Transfers and subsidies - capital (monetary allocations)		159,040	572,229	572,229	-	-	47,686	(47,686)	(0)	572,229
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		358,309	602,003	602,003	360,982	360,982	5,070	355,912	0	602,003
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		358,309	602,003	602,003	360,982	360,982	5,070	355,912	0	602,003
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		358,309	602,003	602,003	360,982	360,982	5,070	355,912	0	602,003
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		358,309	602,003	602,003	360,982	360,982	5,070	355,912	0	602,003

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	1,500	1,500	-	-	125	(125)	-100%	1,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	5,000	-	-	417	(417)	-100%	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	-	167	(167)	-100%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	533,450	255	255	44,454	(44,199)	-99%	533,450
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	129,348	541,950	541,950	255	255	45,163	(44,908)	-99%	541,950
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,300	23,000	23,000	85	85	1,917	(1,831)	-96%	23,000
Vote 03 - Municipal Manager		-	2,349	2,349	-	-	196	(196)	-100%	2,349
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	-	-	184	(184)	-100%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	3,000	-	-	250	(250)	-100%	3,000
Vote 08 - Infrastructure And Services		34,444	41,220	41,220	-	-	3,435	(3,435)	-100%	41,220
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	46,744	71,779	71,779	85	85	5,982	(5,896)	-99%	71,779
Total Capital Expenditure		176,092	613,729	613,729	340	340	51,144	(50,804)	-99%	613,729
Capital Expenditure - Functional Classification										
Governance and administration		12,300	24,500	24,500	85	85	2,042	(1,956)	-96%	24,500
Executive and council		12,300	24,500	24,500	85	85	2,042	(1,956)	-96%	24,500
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	7,210	7,210	-	-	601	(601)	-100%	7,210
Community and social services		-	5,000	5,000	-	-	417	(417)	-100%	5,000
Sport and recreation		-	2,210	2,210	-	-	184	(184)	-100%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,228	48,519	48,519	255	255	4,043	(3,788)	-94%	48,519
Planning and development		24,020	5,849	5,849	-	-	487	(487)	-100%	5,849
Road transport		45,208	42,670	42,670	255	255	3,556	(3,301)	-93%	42,670
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		94,564	532,000	532,000	-	-	44,333	(44,333)	-100%	532,000
Energy sources		27,354	6,000	6,000	-	-	500	(500)	-100%	6,000
Water management		62,534	517,500	517,500	-	-	43,125	(43,125)	-100%	517,500
Waste water management		4,676	8,500	8,500	-	-	708	(708)	-100%	8,500
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,500	1,500	-	-	125	(125)	-100%	1,500
Total Capital Expenditure - Functional Classification	3	176,092	613,729	613,729	340	340	51,144	(50,804)	-99%	613,729
Funded by:										
National Government		124,283	572,229	572,229	255	255	47,686	(47,431)	-99%	572,229
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		6,000	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		17,073	-	-	-	-	-	-	-	-
Transfers recognised - capital		147,356	572,229	572,229	255	255	47,686	(47,431)	-99%	572,229
Borrowing	6									
Internally generated funds		28,736	41,500	41,500	85	85	3,458	(3,373)	-98%	41,500
Total Capital Funding		176,092	613,729	613,729	340	340	51,144	(50,804)	-99%	613,729

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		114,687	73,147	73,147	124,261	73,147
Trade and other receivables from exchange transactions		1,420,629	1,274,325	1,274,325	1,497,823	1,274,325
Receivables from non-exchange transactions		859,058	927,844	927,844	981,980	927,844
Current portion of non-current receivables		-	-	-	-	-
Inventory		89,608	60,701	60,701	89,389	60,701
VAT		137,666	155,542	155,542	156,210	155,542
Other current assets		638	129	129	620	129
Total current assets		2,622,286	2,491,688	2,491,688	2,850,282	2,491,688
Non current assets						
Investments						
Investment property		223,467	221,645	221,645	223,669	221,645
Property, plant and equipment		2,116,654	2,625,801	2,625,801	2,171,639	2,625,801
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,571	13,571	12,071	13,571
Intangible assets		46,592	13,214	13,214	47,931	13,214
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		2,398,784	2,874,231	2,874,231	2,455,310	2,874,231
TOTAL ASSETS		5,021,070	5,365,919	5,365,919	5,305,592	5,365,919
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	(14,788)	(14,788)	-	(14,788)
Consumer deposits		48,699	49,570	49,570	48,912	49,570
Trade and other payables from exchange transactions		1,245,115	1,286,802	1,286,802	1,177,927	1,286,802
Trade and other payables from non-exchange transactions		4,057	-	-	47,585	-
Provision		788	788	788	788	788
VAT		225,647	201,179	201,179	246,487	201,179
Other current liabilities		-	-	-	-	-
Total current liabilities		1,524,306	1,523,552	1,523,552	1,521,699	1,523,552
Non current liabilities						
Financial liabilities		146,120	152,895	152,895	146,120	152,895
Provision		257,652	257,313	257,313	257,313	257,313
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		403,772	410,208	410,208	403,433	410,208
TOTAL LIABILITIES		1,928,078	1,933,760	1,933,760	1,925,132	1,933,760
NET ASSETS	2	3,092,992	3,432,159	3,432,159	3,380,460	3,432,159
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3,018,188	3,368,093	3,368,093	3,303,086	3,368,093
Reserves and funds		74,804	64,066	64,066	64,066	64,066
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	3,092,992	3,432,159	3,432,159	3,367,152	3,432,159

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		507,798	676,122	676,122	28,925	28,925	56,343	(27,419)	-49%	676,122
Service charges		1,185,671	1,513,446	1,513,446	96,575	96,575	126,121	(29,545)	-23%	1,513,446
Other revenue		606,151	92,337	92,337	194,930	194,930	7,695	187,235	2433%	92,337
Transfers and Subsidies - Operational		306,662	299,271	299,271	120,243	120,243	24,939	95,304	382%	299,271
Transfers and Subsidies - Capital		142,936	572,229	572,229	22,568	22,568	47,686	(25,118)	-53%	572,229
Interest		3,412	9,000	9,000	2,195	2,195	750	1,445	193%	9,000
Dividends										
Payments										
Suppliers and employees		(2,671,654)	(2,545,784)	(2,545,784)	(451,530)	(451,530)	(212,149)	239,381	-113%	(2,545,784)
Interest		281	(17,774)	(17,774)	2,121	2,121	(1,481)	(3,602)	243%	(17,774)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		81,258	598,846	598,846	16,027	16,027	49,904	33,877	68%	598,846
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		19,612	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments										
Payments										
Capital assets		(176,092)	(613,729)	(613,729)	(340)	(340)	(51,144)	(50,804)	99%	(613,729)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(156,480)	(613,729)	(613,729)	(340)	(340)	(51,144)	(50,804)	99%	(613,729)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		(1,569)	2,000	2,000	28	28	167	(139)	-83%	2,000
Payments										
Repayment of borrowing		-	(14,788)	(14,788)	-	-	(1,232)	(1,232)	100%	(14,788)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,569)	(12,788)	(12,788)	28	28	(1,066)	(1,094)	103%	(12,788)
NET INCREASE/ (DECREASE) IN CASH HELD		(76,791)	(27,670)	(27,670)	15,714	15,714	(2,306)			(27,670)
Cash/cash equivalents at beginning:		(109,536)	(100,817)	(100,817)	114,687	114,687	(100,817)			114,687
Cash/cash equivalents at month/year end:		(186,328)	(128,487)	(128,487)	130,401	130,401	(103,123)			87,017

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

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

As per C6, the Cash and cash equivalents is R124,261 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
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	Jul'24		
National Financial Year	2024/25		
Demarcation Code of Municipality being assessed	NC091		
District	Frances Baard		
Demarcation Description	Sol Plaatje		
I, Bartholomew Matlala Municipal Manager of Sol Plaatje Local Municipality, hereby certify that the National treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the National 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 6.12	6.3+ Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):		
1	6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Yes	The municipality settled R693 thousand on the current account for June 2024 and settled an amount of R23,046 million on the arrear February 2024 account on 17 July 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://go.muniuploadportal.treasury.gov.za/ ?	Yes	
3	6.12.2 - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
4	6.3.1 - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes	The municipality settled an amount of R112,033 million on June 2024 account excluding interest amounting to R1,739 million on 30 July 2024. Total invoice amount was R113,772 million
5	6.3.2 - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://go.muniuploadportal.treasury.gov.za/ ?	Yes	
6	6.3.3 - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
7	6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2024/25 Adopted MTREF	
8	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes	
9	6.4.1 - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
10	6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example: if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to "balance" the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as "No".</i>	Yes	
11	6.4.1 - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as "No".</i>	Yes	
12	6.4.2 - If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	N/A - the MTREF is funded	
13	6.4.2 - If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/A	
14	6.4.2 - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher winter Eskom tariffs, lower January collection rates, etc.)?	Yes	
15	6.5 Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2024/25 MTREF?	Yes	
16	6.6 Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
17	6.6.1 - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
18	6.6.2 - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
19	6.6.3 - the municipality is restricting and/or interrupting the supply of water or any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: in terms of this condition the municipality must undertake such restriction/interruption of water together with the municipal engineer(s) to ensure a minimum supply of water.	No	
20	6.6.4 - if the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note - the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	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	not yet the end of a quarter
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
22	6.7.2.3	the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed	not yet the end of a quarter
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect from the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
	6.8	Municipality's Completeness of the revenue base –	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified?	Yes
		<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>	
28	6.8.2	- For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za/ ?	Yes
	6.9	Monitor and report on implementation –	
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?	Yes
		<i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	
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
		<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://lguploadportal.treasury.gov.za/ ?	Yes
		<i>Note - in the case of a non-delegated municipality, the National Treasury issues the compliance certificate.</i>	
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
		<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	

36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
<p><i>Note - there is a prohibition on municipal borrowing for 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	Sub-account no longer required in terms of supplementary guide to Circ 124
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes	
<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i></p>				
39		Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes	
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes	NT has not issued any written instruction for arrear debt write-offs.
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes	
<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 47 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>				
PT: HOD/ NT / MM Name:		BS Matlala		
Signature of HOD/ NT/ MM:				
Date:				
<p>** Note – If the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procurator of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.</p> <p>***Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incorporated into the related PT report</p>				

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

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

Monthly Performance Report																																															
Municipal Details		Part A						Part B				Part C		Part D				Part C						Part E				Part F																			
		Eskom And Bulk water current account						Compliance with a funded MTREF				FRP/BFP & Tariff Assessment		Electricity and water as collection tools				Quarterly collection of property rates and services charges						Maximization of Revenue Base				Oversight				Compliance Status															
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status		
1.July	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance		
2.August	Sol Plaatje	NC091																																											0%	Non Compliance	
3.September	Sol Plaatje	NC091																																												0%	Non Compliance
4.October	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	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	Sol Plaatje	NC091	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	Non Compliance
6.December	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%	Non Compliance
7.January	Sol Plaatje	NC091	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	Non Compliance
8.February	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance
9.March	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%	Non Compliance
10.April	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%	Non Compliance
11.May	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance
12.June	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	Non Compliance

The municipality's performance, especially settling the current account for ESKOM and Water has improved. It is imperative that the non-compliance issues as raised by National Treasury is addressed as matter of urgency with a decisive implementation strategy and stringent monitoring thereof. Achieving 100% compliance is possible, provided that all responsible municipal officials are committed and work as a collective to achieve this. Revenue collection must remain a key focus point, whilst a tangible solution must be sought for the interrupting or restricting of water supply. The municipality cannot prove that the poorer collection rate is attributable to the non-collection of the ESKOM supplied area in Ritchie because it is a poor community and will therefore not have a significant impact on the collection rate.

16.3 The National Treasury Debt Relief Compliance Assessment

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

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

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

Integrate Cost Reflective Tariff Tools: Ensure the integration of cost reflective tariff tools into the financial planning process. This will help align service tariffs with actual operational and maintenance costs, promoting financial sustainability and enabling future infrastructure investments.

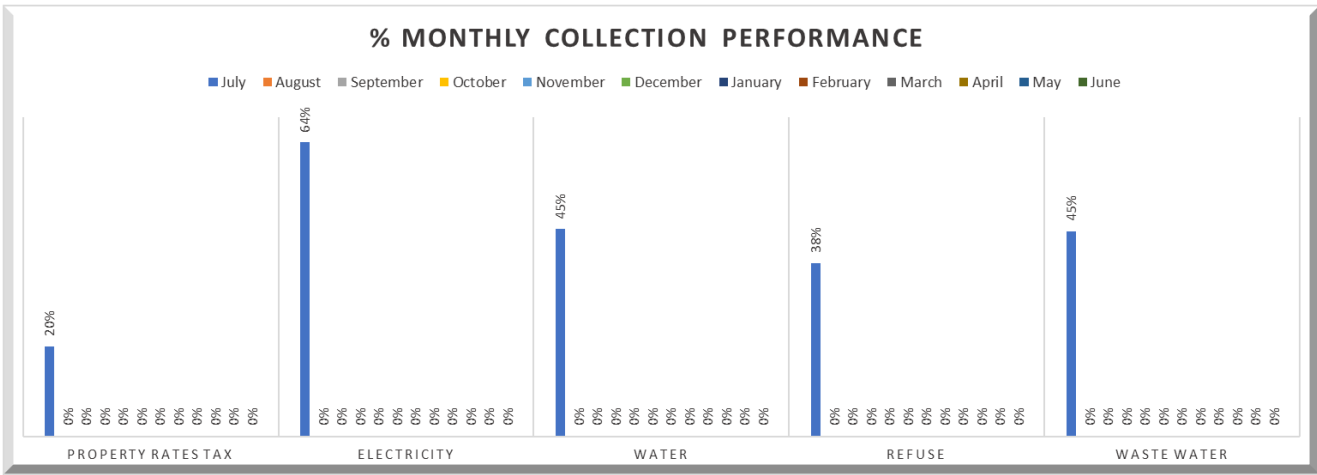
Improve Debt Management Strategies: Develop and implement comprehensive debt management strategies that include clear guidelines for debt reduction, regular monitoring of debt levels, and proactive engagement with creditors to negotiate favourable terms.

Strengthen Revenue Collection: Enhance revenue collection mechanisms by adopting advanced technology solutions for billing and collection, improving customer service, and conducting regular reviews of revenue streams to identify and address gaps.

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

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

16.4.1 Monthly / Quarterly collection per ward



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

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

Collection Rate Assessment	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q3	Summary - Quarter 4				Q4	
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		
1. Collection for whole demarcation	286,098,547	94,375,817	191,722,730	33%	33%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
2. Collection excl Eskom supplied areas	241,355,673	82,795,524	158,560,150	34%	34%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
3. Collection: Property Rates	157,997,690	31,192,753	126,804,937	20%	20%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
4. Total average collection: Electricity (Municipal supplied areas)	68,622,734	44,205,006	24,417,728	64%	64%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
5. Total average collection: Water	22,547,339	10,238,860	12,308,479	45%	45%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
6. Total average collection: Wastewater	9,130,932	3,469,463	5,661,469	38%	38%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
7. Total average collection: Refuse	7,340,849	3,301,452	4,039,397	45%	45%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!
8. Total average collection: Interest	20,459,002	1,968,283	18,490,719	10%	0%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!

Description	Jul-24
Monthly collection rate (Property rates and Services)	67%
Revised average collection rate	44%
Average collection rate per Ward (Monthly)	33%
Average collection rate per Ward (Quarterly)	

The monthly collection rate per ward is a major concern and is not aligned to the average calculated by the municipality. There is a significant variance for July 2024 between the monthly collection rate and the collection rate per ward. This is most probably due to the fact that the billing disclosed in the collection rate per ward is for July and not June 2024, whilst for the monthly collection rate the June billing was utilized. This was taken up with the service provider, the municipality is awaiting feedback.

There are unidentified wards which the municipality will investigate and correct on the system. A request was submitted to Property valuation to assist in this process, still awaiting feedback. Whilst the municipality is blocking prepaid meters, the effect is not as material as the municipality would have hoped. It was suggested that a record be kept of the number of meters blocked versus the number of consumers coming in. Please refer to section 6 pertaining to Revenue Management challenges.

Complete This Section			Quarter 1 Performance Per Ward														
Services	Electricity Supplier	Ward Name & Number	1 July				2 August				3 September				Q1		
			Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection			
Property Rates Tax	Mun Supplied	Ward 1 - Platfontein, Sunset Manor, Legaeng/ Lentsabo Park	166,240	43,388	122,852	26%											
Electricity			2,731,910	1,187,756	1,544,154	43%											
Water			1,236,406	706,470	529,936	57%											
Refuse			98,775	33,445	65,330	34%											
Waste Water			97,219	50,675	46,544	52%											
Interest			537,859	13,094	524,766	2%											
Property Rates Tax	Mun Supplied	Ward 2 - Roodepan	3,078,699	378,782	2,699,917	12%											
Electricity			329,480	169,953	159,528	52%											
Water			655,199	170,214	484,984	26%											
Refuse			289,340	93,702	195,638	32%											
Waste Water			425,191	130,896	294,295	31%											
Interest			689,989	33,676	656,313	5%											
Property Rates Tax	Mun Supplied	Ward 3 - Homevale, Homelette, Homestead, Sol plaatje RE, Hamora	2,204,940	259,440	1,945,501	12%											
Electricity			179,868	109,756	70,112	61%											
Water			499,201	118,788	380,413	24%											
Refuse			162,878	71,925	90,953	44%											
Waste Water			232,739	95,570	137,168	41%											
Interest			439,058	19,477	419,581	4%											
Property Rates Tax	Mun Supplied	Ward 4 - Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg 9, W/Idam	1,367,579	134,059	1,233,520	10%											
Electricity			655,761	205,643	450,118	31%											
Water			435,692	103,958	331,735	24%											
Refuse			143,243	53,520	89,723	37%											
Waste Water			204,978	79,872	125,106	39%											
Interest			359,338	15,407	343,931	4%											
Property Rates Tax	Mun Supplied	Ward 5 - Vergenoeg Ext 2, Redirie, Thusano	636,191	78,582	557,609	12%											
Electricity			52,757	29,826	22,931	57%											
Water			(235,760)	48,528	0	-21%											
Refuse			141,238	38,474	102,764	27%											
Waste Water			196,574	52,868	143,706	27%											
Interest			341,337	6,499	334,838	2%											
Property Rates Tax	Mun Supplied	Ward 6 - Vergenoeg Ext 10, Bokhutsoeng, Solly Legodi, Binkies	179,370	40,284	139,086	22%											
Electricity			15,095	4,623	10,471	31%											
Water			513,973	36,803	477,169	7%											
Refuse			139,827	28,348	111,479	20%											
Waste Water			195,665	30,714	164,951	16%											
Interest			422,946	3,977	418,969	1%											
Property Rates Tax	Mun Supplied	Ward 7 - Sol Plaatje RE, Solly Legodi Square, Vergenoeg Ext 1, Vergenoeg, Uburu Golf Course/Rumvosmaak	1,301,704	73,748	1,227,956	6%											
Electricity			96,907	26,657	70,250	28%											
Water			356,545	58,033	298,512	16%											
Refuse			143,324	42,272	101,053	29%											
Waste Water			210,171	54,175	155,996	26%											
Interest			334,754	6,757	327,997	2%											
Property Rates Tax	Mun Supplied	Ward 8 - John Mamphe 1, Mamphe EXC, Latthi Mobile Park, Donlenook	2,581,737	26,519	2,555,217	1%											
Electricity			123,472	101,783	21,689	82%											
Water			315,775	27,839	287,937	9%											
Refuse			149,439	27,302	122,137	18%											
Waste Water			203,641	33,394	170,246	16%											
Interest			415,901	12,008	403,893	3%											

Complete This Section			Quarter 1 Performance Per Ward																
Services	Electricity Supplier	Ward Name & Number	1 July				2 August				3 September				Q1				
			Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection					
Property Rates Tax	Mun Supplied	Ward 9 - Ippongi, Retsewelle	1,569,842	384,321	1,185,522	24%													
Electricity			168,407	120,989	47,417	72%													
Water			357,217	163,413	193,804	46%													
Refuse			168,809	97,384	71,425	58%													
Waste Water			241,692	119,908	121,784	50%													
Interest			391,851	20,879	370,972	5%													
Property Rates Tax	Mun Supplied	Ward 10 - Tshwarano, Vergenoeg Ext 7, Vergenoeg Ext 5	1,999,677	212,932	1,786,745	11%													
Electricity			535,124	360,868	174,256	67%													
Water			427,480	253,953	173,527	59%													
Refuse			155,621	71,586	84,035	46%													
Waste Water			199,077	86,625	112,453	44%													
Interest			373,197	73,454	299,743	20%													
Property Rates Tax	Mun Supplied	Ward 11 - Retsewelle, Agisanang, Vergenoeg Ext 8, Vergenoeg Ext 6	4,445,374	48,587	4,396,787	1%													
Electricity			340,954	93,126	247,828	27%													
Water			425,063	109,803	315,260	26%													
Refuse			116,295	43,760	72,535	38%													
Waste Water			189,789	84,372	105,417	44%													
Interest			331,274	9,910	321,364	3%													
Property Rates Tax	Mun Supplied	Ward 12 - Kwakobantu Ext 1, Kwakobantu, Galeshewe proper, Galeshewe Ext 2	1,720,806	141,722	1,579,084	8%													
Electricity			166,865	104,358	62,507	63%													
Water			335,565	82,063	253,502	24%													
Refuse			133,205	52,304	80,900	39%													
Waste Water			188,758	75,367	113,391	40%													
Interest			361,715	41,747	319,968	12%													
Property Rates Tax	Mun Supplied	Ward 13 - Senta Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gendeme	1,753,582	178,614	1,574,968	10%													
Electricity			604,783	352,625	252,158	58%													
Water			278,921	67,521	211,400	24%													
Refuse			69,606	31,185	38,422	45%													
Waste Water			111,418	46,981	64,437	42%													
Interest			231,323	6,549	224,774	3%													
Property Rates Tax	Mun Supplied	Ward 14 - Northview, Colville, Gendeme, Square Hill Park, Floors, Utility, Archbishop	9,122,364	970,311	8,152,053	11%													
Electricity			1,851,164	1,523,868	327,295	82%													
Water			672,484	412,929	259,555	61%													
Refuse			342,787	262,859	79,928	77%													
Waste Water			322,953	188,940	134,013	59%													
Interest			412,088	41,778	370,310	10%													
Property Rates Tax	Mun Supplied	Ward 15 - Ipeleg, Phomdong, Phutanang, Soli Phashe RE	1,784,029	102,062	1,681,967	6%													
Electricity			124,856	83,855	41,001	67%													
Water			375,645	51,978	323,667	14%													
Refuse			157,117	38,026	119,091	24%													
Waste Water			221,188	50,718	170,470	23%													
Interest			426,459	6,946	419,513	2%													
Property Rates Tax	Mun Supplied	Ward 16 - Phutanang Cemetery, Promise Land, Lumlalani, Snake Park, Tswelilang.	154,502	16,598	137,904	11%													
Electricity			48,717	386	48,331	1%													
Water			498,137	15,865	482,272	3%													
Refuse			170,551	13,091	157,461	8%													
Waste Water			245,336	19,584	225,752	8%													
Interest			425,011	3,344	421,667	1%													

Complete This Section			Quarter 1 Performance Per Ward																
Services	Electricity Supplier	Ward Name & Number	1 July				2 August				3 September				Billing	Collection	R - Billing not collected	% Collection	Q1
			Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection					
Property Rates Tax	Mun Supplied	Ward 17 - Kagiso, Thlalegeng, John Mamppe 2, Drebrabang	438,207	171,166	267,041	39%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	438,207	171,166	267,041	39%	39%
Electricity			47,658	24,529	23,129	51%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	47,658	24,529	23,129	51%	51%
Water			386,583	108,074	278,509	28%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	386,583	108,074	278,509	28%	28%
Refuse			189,126	58,984	130,142	31%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	189,126	58,984	130,142	31%	31%
Waste Water			257,720	76,264	181,456	30%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	257,720	76,264	181,456	30%	30%
Interest			475,629	12,383	463,246	3%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	475,629	12,383	463,246	3%	3%
Property Rates Tax	Mun Supplied	Ward 38 - Kristienhof, Nuumalo Street Area, Galeshewe Ext 7, Verwoerd Park, Riviera	8,756,381	705,016	8,051,364	8%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	8,756,381	705,016	8,051,364	8%	8%
Electricity			1,627,669	2,393,468	0	147%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	1,627,669	2,393,468	(765,799)	147%	147%
Water			792,108	356,908	435,200	45%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	792,108	356,908	435,200	45%	45%
Refuse			206,483	116,417	90,066	56%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	206,483	116,417	90,066	56%	56%
Waste Water			270,699	141,457	129,242	52%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	270,699	141,457	129,242	52%	52%
Interest			577,495	91,335	486,160	16%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	577,495	91,335	486,160	16%	16%
Property Rates Tax	Mun Supplied	Ward 19 - Galeshewe Ext 3, Galeshewe Ext 5, Galeshewe Ext 4	609,567	93,391	516,176	15%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	609,567	93,391	516,176	15%	15%
Electricity			58,815	23,815	35,000	40%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	58,815	23,815	35,000	40%	40%
Water			490,853	76,586	414,267	16%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	490,853	76,586	414,267	16%	16%
Refuse			146,412	39,968	106,444	27%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	146,412	39,968	106,444	27%	27%
Waste Water			193,670	52,892	140,778	27%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	193,670	52,892	140,778	27%	27%
Interest			474,742	14,101	460,641	3%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	474,742	14,101	460,641	3%	3%
Property Rates Tax	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley North, Damant Park, Albertshof, Kestelhof	26,634,418	8,492,112	18,142,306	32%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	26,634,418	8,492,112	18,142,306	32%	32%
Electricity			14,580,863	9,822,682	4,758,181	67%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	14,580,863	9,822,682	4,758,181	67%	67%
Water			2,641,601	1,723,692	917,909	65%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	2,641,601	1,723,692	917,909	65%	65%
Refuse			1,044,102	604,663	439,439	58%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	1,044,102	604,663	439,439	58%	58%
Waste Water			876,160	449,888	426,273	51%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	876,160	449,888	426,273	51%	51%
Interest			1,971,087	324,257	1,646,831	16%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	1,971,087	324,257	1,646,831	16%	16%
Property Rates Tax	Mun Supplied	Ward 21 - De Beers, Hill Street Area, Ernestville, Moghul Park, Heilbar, Belgavia, Turner Road Industrial area	7,321,487	2,244,115	5,077,373	31%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	7,321,487	2,244,115	5,077,373	31%	31%
Electricity			4,466,442	2,979,911	1,486,531	67%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	4,466,442	2,979,911	1,486,531	67%	67%
Water			967,730	631,599	336,131	65%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	967,730	631,599	336,131	65%	65%
Refuse			390,822	255,245	135,577	65%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	390,822	255,245	135,577	65%	65%
Waste Water			438,245	242,370	195,875	55%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	438,245	242,370	195,875	55%	55%
Interest			816,491	96,750	719,741	12%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	816,491	96,750	719,741	12%	12%
Property Rates Tax	Mun Supplied	Ward 22 - South Ridge, Green Point, Fabricia	8,504,585	1,018,049	7,486,535	12%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	8,504,585	1,018,049	7,486,535	12%	12%
Electricity			3,130,256	1,742,385	1,387,870	56%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	3,130,256	1,742,385	1,387,870	56%	56%
Water			652,128	259,155	392,973	40%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	652,128	259,155	392,973	40%	40%
Refuse			232,948	83,450	149,497	36%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	232,948	83,450	149,497	36%	36%
Waste Water			305,715	82,134	223,582	27%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	305,715	82,134	223,582	27%	27%
Interest			491,543	26,260	465,283	5%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	491,543	26,260	465,283	5%	5%
Property Rates Tax	Mun Supplied	Ward 23 - Civic Centre, New Park, Labram, Roylglen, Rhodesdene, Monument Heights, El toro Park, Milnera Gardens	25,306,828	6,523,218	18,783,610	26%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	25,306,828	6,523,218	18,783,610	26%	26%
Electricity			13,669,009	8,003,255	5,665,754	59%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	13,669,009	8,003,255	5,665,754	59%	59%
Water			1,921,873	1,182,810	739,064	62%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	1,921,873	1,182,810	739,064	62%	62%
Refuse			459,323	345,254	114,068	75%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	459,323	345,254	114,068	75%	75%
Waste Water			590,241	333,789	256,452	57%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	590,241	333,789	256,452	57%	57%
Interest			859,584	127,087	732,497	15%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	859,584	127,087	732,497	15%	15%
Property Rates Tax	Mun Supplied	Ward 24 - Ginters Glen, Lindene, Rhodesdene, Heuwelste, Haddon Park	7,698,809	2,660,904	5,037,905	35%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	7,698,809	2,660,904	5,037,905	35%	35%
Electricity			2,554,838	1,437,395	1,117,443	56%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	2,554,838	1,437,395	1,117,443	56%	56%
Water			976,861	749,819	227,042	77%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	976,861	749,819	227,042	77%	77%
Refuse			309,977	231,672	78,305	75%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	309,977	231,672	78,305	75%	75%
Waste Water			409,341	278,395	130,946	68%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	409,341	278,395	130,946	68%	68%
Interest			287,862	53,567	234,295	19%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	287,862	53,567	234,295	19%	19%
Property Rates Tax	Mun Supplied	Ward 25 - De Beers Mine, Beconsfield, Memorial Road Area, Klisserville	5,900,430	1,283,661	4,616,768	22%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	5,900,430	1,283,661	4,616,768	22%	22%
Electricity			1,291,371	1,068,377	222,994	83%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	1,291,371	1,068,377	222,994	83%	83%
Water			711,709	453,995	257,714	64%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	711,709	453,995	257,714	64%	64%
Refuse			194,884	131,016	63,868	67%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	194,884	131,016	63,868	67%	67%
Waste Water			255,839	154,205	101,634	60%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	255,839	154,205	101,634	60%	60%
Interest			339,862	37,723	302,139	11%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	339,862	37,723	302,139	11%	11%

Complete This Section			Quarter 1 Performance Per Ward																
			1 July				2 August				3 September								
Services	Electricity Supplier	Ward Name & Number	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q1
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 26 - Sol Plaatje RE, Rietvale, Mandla Square, Moswedima, Ikegeng, Ritche/Diskobolos, Diamond Park, De	25,519,437	2,491,801	23,027,635	10%			-	#DIV/0!			-	#DIV/0!	25,519,437	2,491,801	23,027,635	10%	10%
Electricity			9,245,894	6,323,083	2,922,810	68%			-	#DIV/0!			-	#DIV/0!	9,245,894	6,323,083	2,922,810	68%	68%
Water			3,125,718	1,510,831	1,614,887	48%			-	#DIV/0!			-	#DIV/0!	3,125,718	1,510,831	1,614,887	48%	48%
Refuse			432,543	136,419	296,124	32%			-	#DIV/0!			-	#DIV/0!	432,543	136,419	296,124	32%	32%
Waste Water			459,443	114,152	345,292	25%			-	#DIV/0!			-	#DIV/0!	459,443	114,152	345,292	25%	25%
Interest			3,569,013	765,374	2,803,638	21%			-	#DIV/0!			-	#DIV/0!	3,569,013	765,374	2,803,638	21%	21%
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 27 - Rietvale, Sol Plaatje RE	659,813	188,182	471,631	29%			-	#DIV/0!			-	#DIV/0!	659,813	188,182	471,631	29%	29%
Electricity			7,964	669	7,295	8%			-	#DIV/0!			-	#DIV/0!	7,964	669	7,295	8%	8%
Water			403,412	5,244	398,168	1%			-	#DIV/0!			-	#DIV/0!	403,412	5,244	398,168	1%	1%
Refuse			160,044	3,707	156,337	2%			-	#DIV/0!			-	#DIV/0!	160,044	3,707	156,337	2%	2%
Waste Water			254,667	5,639	249,028	2%			-	#DIV/0!			-	#DIV/0!	254,667	5,639	249,028	2%	2%
Interest			904,926	35,192	869,734	4%			-	#DIV/0!			-	#DIV/0!	904,926	35,192	869,734	4%	4%
Property Rates Tax	Mun Supplied	Ward 28 - Sol Plaatje RE, Nienowth, Kromdins, Greenside, De Beers Mine	3,423,983	1,836,039	1,587,944	54%			-	#DIV/0!			-	#DIV/0!	3,423,983	1,836,039	1,587,944	54%	54%
Electricity			9,249,677	5,552,532	3,697,145	60%			-	#DIV/0!			-	#DIV/0!	9,249,677	5,552,532	3,697,145	60%	60%
Water			1,099,226	480,885	618,341	44%			-	#DIV/0!			-	#DIV/0!	1,099,226	480,885	618,341	44%	44%
Refuse			293,011	162,996	130,015	56%			-	#DIV/0!			-	#DIV/0!	293,011	162,996	130,015	56%	56%
Waste Water			343,368	168,548	174,821	49%			-	#DIV/0!			-	#DIV/0!	343,368	168,548	174,821	49%	49%
Interest			1,064,129	36,109	1,028,020	3%			-	#DIV/0!			-	#DIV/0!	1,064,129	36,109	1,028,020	3%	3%
Property Rates Tax	Mun Supplied	Ward 29 - Roodpan, Sol Plaatje RE, Langlig and Riverton	236,560	25,491	211,069	11%			-	#DIV/0!			-	#DIV/0!	236,560	25,491	211,069	11%	11%
Electricity			53,708	26,386	27,322	49%			-	#DIV/0!			-	#DIV/0!	53,708	26,386	27,322	49%	49%
Water			114,468	17,680	96,788	15%			-	#DIV/0!			-	#DIV/0!	114,468	17,680	96,788	15%	15%
Refuse			36,689	10,902	25,787	30%			-	#DIV/0!			-	#DIV/0!	36,689	10,902	25,787	30%	30%
Waste Water			51,421	12,670	38,752	25%			-	#DIV/0!			-	#DIV/0!	51,421	12,670	38,752	25%	25%
Interest			233,784	4,047	229,737	2%			-	#DIV/0!			-	#DIV/0!	233,784	4,047	229,737	2%	2%
Property Rates Tax	Mun Supplied	Ward 30 - Platfontein Industrial, Lerato Park	287,220	39,575	247,645	14%			-	#DIV/0!			-	#DIV/0!	287,220	39,575	247,645	14%	14%
Electricity			104,350	103,429	920	99%			-	#DIV/0!			-	#DIV/0!	104,350	103,429	920	99%	99%
Water			266,593	28,928	237,665	11%			-	#DIV/0!			-	#DIV/0!	266,593	28,928	237,665	11%	11%
Refuse			161,740	14,841	146,899	9%			-	#DIV/0!			-	#DIV/0!	161,740	14,841	146,899	9%	9%
Waste Water			262,950	21,474	241,476	8%			-	#DIV/0!			-	#DIV/0!	262,950	21,474	241,476	8%	8%
Interest			655,761	5,753	650,008	1%			-	#DIV/0!			-	#DIV/0!	655,761	5,753	650,008	1%	1%
Property Rates Tax	Mun Supplied	Ward 31 - Kubwanong, Soul City, Riviera, Fransfarm	934,829	54,139	880,689	6%			-	#DIV/0!			-	#DIV/0!	934,829	54,139	880,689	6%	6%
Electricity			24,736	1,038	23,698	4%			-	#DIV/0!			-	#DIV/0!	24,736	1,038	23,698	4%	4%
Water			445,559	42,273	403,286	9%			-	#DIV/0!			-	#DIV/0!	445,559	42,273	403,286	9%	9%
Refuse			230,237	34,196	196,041	15%			-	#DIV/0!			-	#DIV/0!	230,237	34,196	196,041	15%	15%
Waste Water			322,856	48,205	274,651	15%			-	#DIV/0!			-	#DIV/0!	322,856	48,205	274,651	15%	15%
Interest			485,425	7,723	477,702	2%			-	#DIV/0!			-	#DIV/0!	485,425	7,723	477,702	2%	2%
Property Rates Tax	Mun Supplied	Ward 32 - Phutangan, Sol Plaatje RE, Platfontein	687,480	20,921	666,558	3%			-	#DIV/0!			-	#DIV/0!	687,480	20,921	666,558	3%	3%
Electricity			57,310	12,461	44,849	22%			-	#DIV/0!			-	#DIV/0!	57,310	12,461	44,849	22%	22%
Water			(104,354)	39,257	0	-38%			-	#DIV/0!			-	#DIV/0!	(104,354)	39,257	(143,611)	-38%	-38%
Refuse			104,987	13,475	91,512	13%			-	#DIV/0!			-	#DIV/0!	104,987	13,475	91,512	13%	13%
Waste Water			142,663	19,701	122,962	14%			-	#DIV/0!			-	#DIV/0!	142,663	19,701	122,962	14%	14%
Interest			280,726	7,773	272,953	3%			-	#DIV/0!			-	#DIV/0!	280,726	7,773	272,953	3%	3%
Property Rates Tax	Mun Supplied	Ward 33 - Chris Hani Park, Galeshewe Ext 6, Chris Hani South, China Square, West End, Thambo Square, Dumbant Park	868,582	250,526	618,056	29%			-	#DIV/0!			-	#DIV/0!	868,582	250,526	618,056	29%	29%
Electricity			353,581	183,426	170,155	52%			-	#DIV/0!			-	#DIV/0!	353,581	183,426	170,155	52%	52%
Water			472,240	141,525	330,715	30%			-	#DIV/0!			-	#DIV/0!	472,240	141,525	330,715	30%	30%
Refuse			159,850	58,127	101,723	36%			-	#DIV/0!			-	#DIV/0!	159,850	58,127	101,723	36%	36%
Waste Water			199,433	64,638	134,795	32%			-	#DIV/0!			-	#DIV/0!	199,433	64,638	134,795	32%	32%
Interest			434,101	6,494	427,607	1%			-	#DIV/0!			-	#DIV/0!	434,101	6,494	427,607	1%	1%
Property Rates Tax	Mun Supplied	Ward 999 Unknown	142,439	4,497	137,942	3%			-	#DIV/0!			-	#DIV/0!	142,439	4,497	137,942	3%	3%
Electricity			72,474	30,091	42,383	42%			-	#DIV/0!			-	#DIV/0!	72,474	30,091	42,383	42%	42%
Water			35,485	1,441	34,044	4%			-	#DIV/0!			-	#DIV/0!	35,485	1,441	34,044	4%	4%
Refuse			5,615	935	4,680	17%			-	#DIV/0!			-	#DIV/0!	5,615	935	4,680	17%	17%
Waste Water			10,111	2,386	7,725	24%			-	#DIV/0!			-	#DIV/0!	10,111	2,386	7,725	24%	24%
Interest			42,741	851	41,890	2%			-	#DIV/0!			-	#DIV/0!	42,741	851	41,890	2%	2%

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 July 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 settlements may not necessarily be qualifying indigents. There has always been a discrepancy in the households receiving Free Basic Electricity, as the actual that received the free 50 units is lower than the actual number of registered indigents loaded on the system. For the month under review various area-based indigents were cancelled on the system, resulting in a lower number of registered indigents. The decision was taken to have those indigents re-instated, until they can be verified and classified as income indigents. The R-values are not showing correctly on the annexure, this was taken up with NT for correction and the municipality is awaiting feedback.

Description	Ref	As Per Debt Relief Application		2024/2025 - Monthly Monitoring													
		Current Year - 2024/2025															
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																
Water: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HHs with piped water inside dwelling		11,478	11,800	11,800	11,800	6,576											
Indigent HHs with piped water inside yard (but not in dwelling)																	
Indigent HHs using public tap (at least min.service level)	2																
Indigent HHs with other water supply (at least min.service level)	4																
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		11,478	11,800	11,800	11,800	6,576	-	-	-	-	-	-	-	-	-	-	-
Indigent HHs using public tap (< min.service level)	3																
Indigent HHs with other water supply (< min.service level)	4																
Indigent HHs with No water supply																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	11,478	11,800	11,800	11,800	6,576	-	-	-	-	-	-	-	-	-	-	-
Status of Water meters :																	
Number of Indigent HHs with prepaid Water																	
Number of Indigent HHs with conventional metered Water		11,478	11,800	11,800	11,800	6,576											
Number of Indigent HHs NOT metered currently - Water																	
Number of Indigent HHs with NO Water supply - No metering																	
Total number of registered indigent households	10	11,478	11,800	11,800	11,800	6,576	-	-	-	-	-	-	-	-	-	-	-
Status of unlimited supply of Water :																	
Number of Indigent HHs with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Water																	
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HHs billed for consumption above the 6 kilolitres	11																
Energy: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HHs with Electricity (at least min.service level)																	
Indigent HHs with Electricity - prepaid (min.service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HHs with Electricity (< min.service level)																	
Indigent HHs with Electricity - prepaid (< min. service level)																	
Indigent HHs with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Electricity meters :																	
Number of Indigent HHs with prepaid Electricity																	
Number of Indigent HHs with conventional metered Electricity		11,478	11,800	11,800	11,800	9,422											
Number of Indigent HHs NOT metered currently - Electricity																	
Number of indigent HHs with other energy sources - No metering																	
Total number of registered indigent households	12	11,478	11,800	11,800	11,800	9,422	-	-	-	-	-	-	-	-	-	-	-
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 household per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Electricity																	
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HHs billed for consumption above the 50 kwh	13																
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)	7																
Water (6 kilolitres per household per month)		11,478	11,800	11,800	11,800	6,576											
Electricity/other energy (50kwh per household per month)		11,478	11,800	11,800	11,800	9,422											
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)		4,932,658	#####	10,000,000	10,000,000	211,512											
Water (6 kilolitres per household per month)		9,967,435	#####	12,000,000	12,000,000	16,265											
Electricity/other energy (50kwh per household per month)																	
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
Total cost of FBS Water and Electricity provided to ALL Households	8	14,900,093	#####	22,000,000	22,000,000	227,777	-	-	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000											
Water (kilolitres per household per month)		6	6	6	6	6											
Sanitation (kilolitres per household per month)		213	213	213	213	213											
Sanitation (Rand per household per month)		189	198	198	198	198											
Electricity (kwh per household per month)		50	50	50	50	50											
Refuse (average litres per week)		21	21	21	21	21											
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)																
PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA		32,021,525	#####	37,240,000	37,240,000	729,193											
Water (in excess of 6 kilolitres per indigent household per month)	15	15,462,419	#####	21,500,000	21,500,000	-											
Sanitation (in excess of free sanitation service to indigent households)	16	2,919,895	#####	3,400,000	3,400,000	-											
Electricity/other energy (in excess of 50 kwh per indigent household per month)		33,957,925	#####	41,000,000	41,000,000	-											
Refuse (in excess of one removal a week for indigent households)		4,235,540	#####	4,400,000	4,400,000	-											
Municipal Housing - rental rebates																	
Housing - top structure subsidies																	
Other	6																
Total revenue cost of subsidised services provided		88,597,304	#####	107,540,000	107,540,000	729,193	-	-	-	-	-	-	-	-	-	-	-

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

Property Rates Reconciliation						
Province	NC					
District	Frances Baard District					
Type	LM					
Municipal Name	Sol Plaatje					
GVP Period	01/07/2023 - 30/06/2027					
Financial Year	2023/2024					
Reconciliation Period	Quarter 4					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	1.Number of Properties			2.Market Values		
	General Valuation Roll	MFS	Variance	General Valuation Roll	MFS	Variance
Residential	49755	49755	0	23,920,800,503	23,920,800,503	-
Industrial	216	216	0	807,530,000	807,530,000	-
Business and Commercial	2308	2308	0	7,476,973,001	7,476,973,001	-
Agricultural	437	437	0	2,672,386,700	2,672,386,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpos	133	133	0	2,498,871,000	2,498,871,000	-
PSI	197	197	0	41,088,000	41,088,000	-
PBO	1346	1346	0	625,386,001	625,386,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	241	241	0	569,649,000	569,649,000	-
Municipal	5558	5558	0	1,524,941,504	1,524,941,504	-
Other	0	0	0	-	-	-
Total	<u>60212</u>	<u>60212</u>	<u>0</u>	<u>40,340,311,109</u>	<u>40,340,311,109.00</u>	<u>-</u>

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 were resolved, whilst two are still being investigated. There are also a number of indigent accounts that are not reflecting on the GV, this will have to be thoroughly investigated to determine the root cause. A file with the discrepancies has been prepared for investigation.

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

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

i) Indicated below is the Eskom Bulk current account invoice for June 2024 due and payable during the month of reporting, on or before 1 August 2024.



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

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

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

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



TEL: 08600 37566
SMS:

CUSTOMER SELF SERVICE WEBSITE:
<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

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

TAX INVOICE

E-MAIL: franstaden@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
ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
428,116,420.00	61,435,953.09	0.00	66,327,183.89
			CURRENT
			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

9207 2544 9407 8987

TOTAL AMOUNT DUE
839,413,983.50

PAYMENT ARRANGEMENT

Indicated below is the July 2024 account, due and payable on or before 2 September 2024.



NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630



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

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	2024-08-02
TAX INVOICE NO	544457232585
ACCOUNT MONTH	JULY 2024
CURRENT DUE DATE	2024-09-02
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:	66070087818

TAX INVOICE

E-MAIL: tmotiwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY			
ADMINISTRATION CHARGE		R	7,804.87
TRANSMISSION NETWORK CAPACITY		R	1,754,910.00
DIST. NETWORK CAPACITY CHARGE		R	1,282,050.00
NETWORK DEMAND CHARGE		R	2,224,137.88
URBAN LOW VOLTAGE SUBSIDY		R	3,140,190.00
ANCILLARY SERVICE (ALL)		R	348,003.40
ENERGY CHARGE (OFF)	17,980,698.00	R	18,050,822.72
ENERGY CHARGE (PEAK)	9,246,812.00	R	56,431,444.27
ENERGY CHARGE (STD)	20,444,188.00	R	37,793,125.94
ELECTRIFICATION AND RURAL SUBS (ALL)		R	7,470,155.08
REACTIVE ENERGY		R	0.00
SERVICE CHARGE		R	244,399.35
TOTAL CHARGES FOR BILLING PERIOD		R	128,747,043.51
ACCOUNT SUMMARY FOR JULY 2024			
BALANCE BROUGHT FORWARD	(Due Date 2024-08-01)	R	839,413,983.52
PAYMENT(S) RECEIVED	Cash - 2024-07-30	R	-112,033,130.69
TOTAL CHARGES FOR BILLING PERIOD		R	128,747,043.51
ADJUSTMENT	Interest on overdue account	R	273,911.75
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 120,600,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	19,312,056.52
ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
377,519,242	66,327,183.89	283,534,426.10	0.00
			CURRENT
			155,033,011.78
			TOTAL DUE R
			882,413,864.61
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

pay@ first payment partner

EasyPay

TOTAL AMOUNT DUE
882,413,864.60

The municipality does not fully concur with the outstanding balance of R882,413,864.61, 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 R1,032,075,864.61. 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 June 2024 which was paid on 30 July 2024. **The remittance is not reflecting the correct total paid amount. This is possibly due to the amount being more than 100 million and the parameters does not cater for this, but this was reported to our service provider for correction.**

SOL PLAATJE MUNICIPALITY		REMITTANCE ADVICE			
PRIVATE BAG X5030		-----			
KIMBERLEY 8300					
ESKOM HOLDINGS				29/07/2024	
PRIVATE BAG X16					
WESTVILLE					
3630					
		SUPPLIER No: SESK01			
CONTACT PERSON:		VOUCHER NO: DUNA008195			
TEL NO: 0829413707		FAX NO:			
E-MAIL ADDRESS:		CHEQUE/ELE NO: 77067857			
DATE	TYPE REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/07/2024	SUN 544253665868/1	97420113.64		7.05	0.69

SUB TOTAL:	14613017.05	0.69
	14613017.05	0.69
THIS IS TO CERTIFY THAT THIS ACCOUNT HAS NOT BEEN PREVIOUSLY PAID.		
COMPILED BY...:	
CHECKED BY...:	
AUTHORISED BY:	

The was no payment made on the payment arrangement due to insufficient cash available.

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

Indicated in the table below is a summary of the data strings for M01 – July 2024 pertaining to electricity.

MSCOA Detail Data in Rand

Municipality: NC091 Sol Plaatje

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

		2025
		M01
Account Name	Account Name	
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-26,607
Function:Energy Sources:Core Function:Electricity	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	112,465,061
		112,438,454

- Reconciliation from the financial system using the GS630 detailed transaction report. Reconciliation of Bulk purchases electricity, deposits and withdrawals. It should be noted that the July 2024 bulk Eskom account has not been captured on the system yet. The June 2024 invoice was posted against the prior year. Bulk purchases electricity had zero movement for the month under review.

Detail - Recon FMS and Datastrings July M01	Sum of Debit Amt	Sum of Credit Amt	Sum of Movement Jul 2024 M01	Comment
<input checked="" type="checkbox"/> ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	112,465,060.67	-	112,465,060.67	Withdrawal vote correlates to datastrings - M01
CAT90177067299	39,122.55	-	39,122.55	Payment minor accounts
CAT90177067439	4,387.89	-	4,387.89	
CAT90177067440	310.57	-	310.57	
CAT90177067663	7,043.51	-	7,043.51	
CAT90177067664	13,106.25	-	13,106.25	
CAT90177067730	164,827.94	-	164,827.94	
CAT90177067731	7,285.25	-	7,285.25	
CAT90177067732	44,646.25	-	44,646.25	
CAT90177067733	15,893.92	-	15,893.92	
CAT90177067737	110,994.73	-	110,994.73	
CAT90177067791	13,597.93	-	13,597.93	
CAT90177067792	10,713.19	-	10,713.19	
DUN90177067857	112,033,130.69	-	112,033,130.69	
<input checked="" type="checkbox"/> ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	26,607.11	53,214.22	(26,607.11)	Deposits vote correlates to datastrings - M01
AATHCATA011744	-	15,893.92	(15,893.92)	
AATHCATA011765	-	10,713.19	(10,713.19)	
CAT90177067733	15,893.92	15,893.92	-	
CAT90177067792	10,713.19	10,713.19	-	
Grand Total	112,491,667.78	53,214.22	112,438,453.56	

Explanatory notes

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

- i) The DWS current account for June 2024 amounted to R693 thousand which was settled on the 17 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 Baard Street
 Pretoria
 PHONE 0800 200 200
 FAX 012 336 1408
 EMAIL:revenue@dws.gov.za

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price(c/m3/HA)	Amount(Rand)
Property Details: Property Name: DROOGFONTEIN Property Number: 6866 Registration Division: KIMBERLEY RD ; Portion Number: 1 Title Deed: T16761/1921 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: D&I WATER SUPPLY SERVICE Water Source Type: SCHEME;				
Contract No: 10087405 (25014305/13)				
Water Use Period: 01.06.2024 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

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

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

TAX INVOICE

DWS VAT Reg. no 4040112361



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

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

YOUR CONTACT OFFICE:

Department: Water and Sanitation
Private Bag X313
Pretoria
0001

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

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

- ii) Indicated below, is the municipality's proof of payment for the DWS current account of June 2024 that was settled on 17 July 2024 of R693 thousand.

SOL PLAATJE MUNICIPALITY
 PRIVATE BAG X5030
 KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
 PRIVATE BAG X313
 PRETORIA
 0001

17/07/2024

SUPPLIER No: SWAT01

CONTACT PERSON:
 TEL NO: FAX NO: VOUCHER NO: CATA011723
 E-MAIL ADDRESS: info@dws.gov.za

CHEQUE/ELE NO: 77067445

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
30/06/2024	SUN	412512976	594650.34		89197.55	683847.89
30/06/2024	SUN	412512976	9717.04		0.00	9717.04

SUB TOTAL: 89197.55 693564.93

89197.55 693564.93

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

COMPILED BY:

CHECKED BY:

AUTHORISED BY:

Indicated below, is the municipality's proof of payment for the final payment of the Water Bulk account for February 2024, made on 17 July 2024 amounting to R23,046 million.

SOL PLAATJE MUNICIPALITY
 PRIVATE BAG X5030
 KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
 PRIVATE BAG X313
 PRETORIA
 0001

17/07/2024

SUPPLIER No: SWAT01

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

VOUCHER NO: CATA011268

CHEQUE/ELE NO: 77067444

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
29/02/2024	SUN	412419218	30918737.72		4637810.66	35556548.38
29/02/2024	SUN	412419218	489456.98		0.00	489456.98
29/02/2024	SUN	412419218	-11304347.83		-1695652.17	-13000000.00

SUB TOTAL: 2942158.49 23046005.36

2942158.49 23046005.36

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

COMPILED BY:

CHECKED BY:

AUTHORISED BY:

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

MSCOA Detail Data in Rand
 Municipality: NC091 Sol Plaatje
 Sign for income (IR, IL, IZ gains, LN) swapped : No

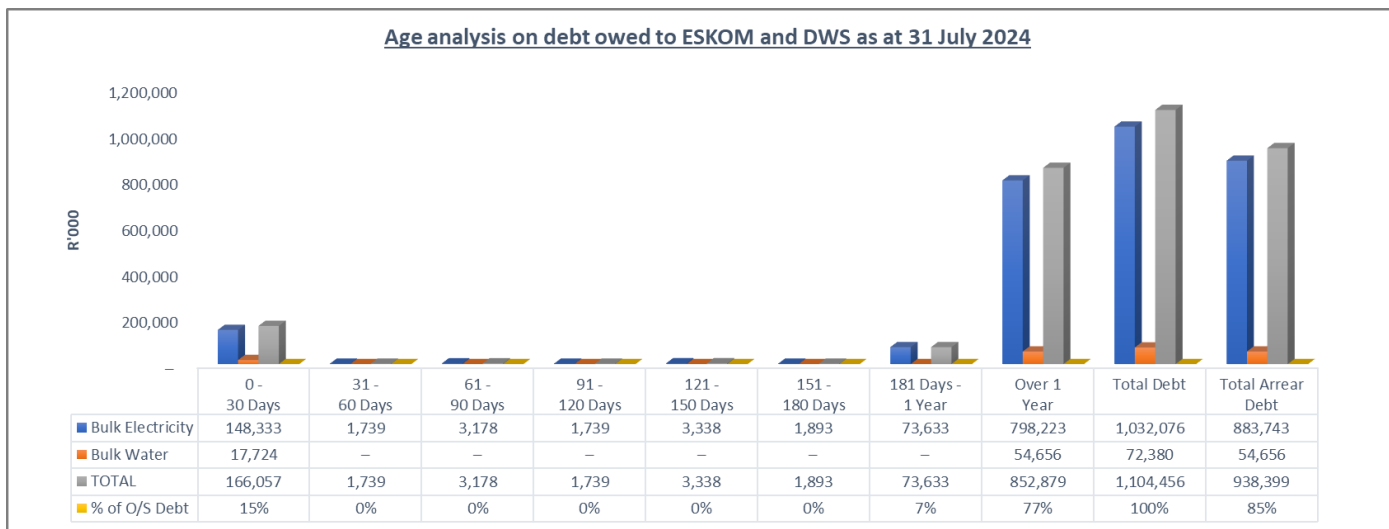
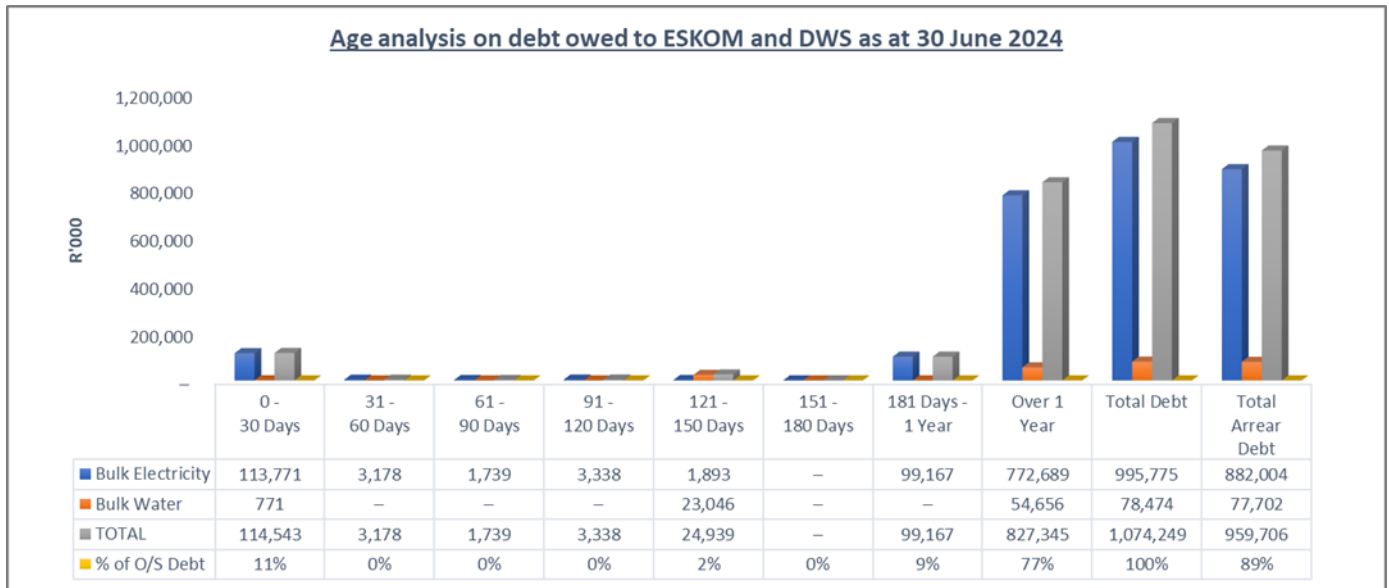
Account Name	Account Name	2025 M01
Function:Executive and Council:Core Function:Municipal Manager, Town Secretary and Chief Executive	Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	23,844,396

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

Please note that there is no movement on Bulk purchases water input volumes because the invoice for July 2024, will be captured during August 2024.

Detail - Recon FMS and Datastrings July M01	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual M01	Comment
WATER BULK PURCHASE:WITHDRAWALS	23,844,395.64	-	23,844,395.64	Withdrawal vote correlates to datastrings - M01
CAT90177067444	23,046,005.36	-	23,046,005.36	Payment of Feb 2024 invoice
CAT90177067445	693,564.93	-	693,564.93	Payment of Jun 2024 invoice
CAT90177067813	104,825.35	-	104,825.35	Minor payment to DWS
Grand Total	23,844,395.64	-	23,844,395.64	

- vii) Total outstanding debt owed to Eskom and DWS



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

16.7 Municipal Debt Relief Monitoring Plan – Progress report

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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2024
<p>6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month’s consumption)</p>	<p>6.3.1 The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p>Compliant - ESKOM The municipality settled an amount of R112,033 million on June 2024 account excluding interest amounting to R1,739 million on 30 July 2024. Total invoice amount was R113,772 million.</p> <p>Compliant - DWS The municipality settled R693 thousand on the current account for June 2024 and settled an amount of R23,046 million on the arrear February 2024 account on 17 July 2024.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2024
	<p>6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS.</p> <p>(b) Pay the monthly debt instalment of R6,700m to Eskom on 15th of each month</p>	Monthly, 5th of each month		<p>Non-compliant</p> <p>DWS - The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of July 2024, but settled R23,046m on the o/s balance of the Feb 2024 acc.</p> <p>ESKOM - The municipality had insufficient cash to settle the R6.7m on the ESKOM payment arrangement on 15 July 2024. The due is the 15th of each month.</p>
	<p>6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment</p>	Within 1 day after making payment	Proof of payment and proof of email submission	<p>Compliant</p> <p>Email was sent within one day of payment to ESKOM and DWS.</p>
	<p>6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.</p>	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	<p>Compliant</p> <p>Proof of Payments made in July 2024 was uploaded onto GoMuni on 1 August 2024. Due date is 14 August 2024.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2024
	<p>6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS</p>	<p>Monthly, within 10 working days after month end</p>	<p>Monthly financial data strings</p>	<p>Compliant Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.</p>
<p>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</p>	<p>6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity</p>	<p>Monthly</p>	<p>Monthly billing reconciliation / Financial system generated hierarchy allocation report</p>	<p>Compliant Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2024
	<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	Prepaid disconnections = 2084 Conventional disconnections = 404 Total = 2488
	<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	Progress Reporting period - July 2024
<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 R11,112 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 = 33% Quarterly S71 Revenue Collection rate per Ward = Not yet end of the quarter Municipality's average collection rate = 44% The collection is distorted due to the annual billing on Property rates Not achieved Average daily cash collection for July 2024, was R5,188m.</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>Ritchie is a small poor community and will not have a significant impact on the collection rate.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2024
	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	The municipality 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
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	The municipality 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-prepaid 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.
6.9 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 July 2024

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 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 certificate for June 2024. Management must take remedial actions as per the recommendations made by National Treasury

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2024
<p style="text-align: center;">6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</p>	<p>6.12.1 Open a separate investment account to serve as a sub-account</p>	<p>Once-off</p>	<p>Investment account confirmation</p>	<p>Compliant A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account is no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124</p>
	<p>6.12.1 must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	<p>Funds to be invested weekly and withdrawn monthly</p>	<p>Investment account and primary bank statement</p>	<p>Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. Compliant The ESKOM and DWS current accounts were paid directly from the Primary bank account. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2024
	<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 July 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 June 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 June 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.**

18. Municipal Manager's quality certification

Quality Certificate

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

the Monthly Budget Statement

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

Mid-year Budget and Performance Assessment

For the month of **July 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)

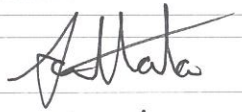
Signature: _____



Date: 16 /08/2024

Monthly Performance Report

Municipal Details			Part A						Part B					Part C			Part D				Part C						Part E			Part F																
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges						Maximization of Revenue Base			Oversight											Compliance Status					
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score		
1.July	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance	
2.August	Sol Plaatje	NC091																																											0%	Non Compliance
3.September	Sol Plaatje	NC091																																											0%	Non Compliance
4.October	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	No	No	No	No	No	Yes	No	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	56%	Non Compliance	
5.November	Sol Plaatje	NC091	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	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%	Non Compliance	
6.December	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	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%	Non Compliance	
7.January	Sol Plaatje	NC091	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	Non Compliance	
8.February	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance	
9.March	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	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%	Non Compliance	
10.April	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	No	Yes	No	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%	Non Compliance	
11.May	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance	
12.June	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	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%	Non Compliance	

		Comments/Motivation
HOD Name:	BS MATLALA	
Signature of HOD:		
Date:	16/08/2024	

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

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

Jul24

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Sol Plaatje

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

Notes/Comments

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

6.3 + Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):			
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Yes
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ?	Yes
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	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	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)			2024/25 Adopted MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (aka 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 project rates). If the municipality merely used the debt impairment to "balance" the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	Yes
11	6.4.2	- If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	N/A - the MTREF is funded
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	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.			

The municipality settled R693 thousand on the current account for June 2024 and settled an amount of R23,046 million on the arrear February 2024 account on 17 July 2024.

The municipality settled an amount of R112,033 million on June 2024 account excluding interest amounting to R1,739 million on 30 July 2024. Total invoice amount was R113,772 million

19	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter – demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	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 and the reason(s) for the failure?	not yet the end of a quarter
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
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://guploadportal.treasury.gov.za ?	Yes
	6.9	Monitor and report on implementation –	
29	6.9.1	- MFMA section 71 reporting - has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <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://guploadportal.treasury.gov.za ?	No FRP
	6.10	<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i> Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <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
		<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>	

6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefits in terms of this municipal debt support programme?	No	
<p>Note: There is an available and approved borrowing limit that should have been used since the start of the municipality's initial or any subsequent borrowing. If a municipality has borrowed since its initial or any subsequent borrowing, it must have done so in accordance with the approved limit. If a municipality has borrowed since its initial or any subsequent borrowing, it must have done so in accordance with the approved limit. If a municipality has borrowed since its initial or any subsequent borrowing, it must have done so in accordance with the approved limit.</p>			
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?	Yes	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?	Yes	
<p>Note: Only if the municipality has 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.</p>			
6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury; Office of the Accountant General issued for Municipal Debt Relief to date?	Yes	NT has not issued any written instruction for arrear debt write-offs.
<p>Note: to include accounting for city-related benefit (e.g. interest suspension etc.) and alignment with mCOA</p>			
6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes	
<p>Note: In relation to the Municipal Debt Relief programme, the municipality must ensure that it complies with the conditions of the Municipal Debt Relief programme. The municipality must ensure that it complies with the conditions of the Municipal Debt Relief programme. The municipality must ensure that it complies with the conditions of the Municipal Debt Relief programme.</p>			

PT: HOD/ NT / MM Name:

BS Matlala

Signature of HOD/ NT/ MM:



Date:

16/08/2024

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

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





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 JUNE 2024

The National Treasury approved the debt relief application of Sol Plaatje Municipality, effective from 1 October 2023. June 2024 represents the ninth month of the municipality's first 12-month debt relief compliance cycle. During June 2024, the National Treasury conducted a thorough monitoring and assessment of the municipality's adherence to all debt relief conditions. This letter provides a comprehensive overview of the National Treasury's assessment of the municipality's compliance with the programme's conditions.

The assessment aimed to ensure that Sol Plaatje Municipality is meeting all the stipulated requirements for continued debt relief. The National Treasury evaluated various compliance aspects, including financial management practices, implementation of necessary reforms, and progress towards sustainable fiscal health. Key areas of focus included budgetary controls, revenue enhancement measures, and expenditure management.

The findings of this assessment will inform any necessary interventions or support measures to assist Sol Plaatje Municipality in maintaining its compliance trajectory and achieving long-term financial stability. This letter outlines the results of the assessment, highlighting areas of compliance, potential concerns, and recommendations for improvement. The National Treasury remains committed to working collaboratively with Sol Plaatje Municipality to ensure the success of the debt relief programme and the municipality's overall financial health.

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

In accordance with the National Treasury (NT) approval, Sol Plaatje Municipality is required to comply with conditions 6.1 to 6.14 of MFMA Circular 124, in addition to the specific conditions outlined in its debt relief approval letter from the National Treasury. Based on the National Treasury's



assessment, the municipality achieved an average compliance rate of 83 per cent with the MFMA Circular 124 conditions during June 2024. The performance sheet below details the municipality's overall compliance performance throughout its debt relief cycle.

Despite the municipality's consistent and timely payments to Eskom and its overall debt relief performance since 1 October 2023, the National Treasury notes that the scoring of conditions carries equal weighting and may not fully capture the municipality's efforts to comply. Consequently, the National Treasury is concerned that the municipality is not on track to qualify for the one-third debt write-off at the end of its first debt relief compliance cycle on 31 October 2024. To qualify, it is imperative that the municipality urgently addresses the outstanding non-compliance issues.

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



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

Province		
Complete the search boxes above		
Code	District	Sub-District
NC091	Frances Baard	Sol Plaatje

Municipal Details		Monthly Performance Report																																								Compliance Status			
		Part A					Part B					Part C				Part D				Part C				Part E				Part F																	
Month	Code Descr	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance	
1.July	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	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	No	No	No	No	Yes	No	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	No	No	No	56%	Non Compliance			
5.November	Complete the Search	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	No	No	Yes	No	Yes	Yes	Yes	No	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	Non Compliance		
6.December	Complete the Search	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance		
7.January	Complete the Search	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	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	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%	Non Compliance		
9.March	Complete the Search	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	No	NA	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	73%	Non Compliance		
10.April	Complete the Search	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	No	Yes	No	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	83%	Non Compliance		
11.May	Complete the Search	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance		
12.June	Complete the Search	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	Non Compliance		

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. This conditional approval was contingent on the resolution of certain identified deficiencies within the municipality's financial and administrative



processes. Recognizing the importance of this opportunity, the municipality's leadership and management team undertook a comprehensive review to identify the areas requiring improvement. The council's endorsement provided the necessary political support, and a strategic action plan was developed to address the deficiencies outlined by the National Treasury. This plan included measures to enhance financial controls, improve revenue collection, streamline expenditure, and implement robust governance practices.

Following this provisional approval, the municipality took decisive and concerted action to address all specified gaps. Key reforms were implemented, including the strengthening of financial oversight mechanisms, the introduction of more efficient budgeting processes, and the adoption of best practices in municipal governance. Regular monitoring and reporting ensured transparency and accountability in the implementation of these reforms. As a result of these efforts, the municipality effectively met the conditions set by the National Treasury, ensuring full compliance with the programme's requirements. This successful resolution of issues led to the final approval of the debt relief application, enabling the municipality to progress with the debt relief programme and focus on achieving long-term financial sustainability and improved service delivery for its residents.

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

As of 30 June 2024, the outstanding debt owed to Eskom amounted to R995.775 million. However, according to the June 2024 invoice, the outstanding balance has been reduced to R839 million, due to a Payment Arrangement (PA) that was applied to the municipality's account. Under the terms of the Debt Relief approval, the municipality is required to honour the payment of the monthly current account. To address the accumulated debt, the municipality entered into a payment arrangement with Eskom on 12 June 2024. This arrangement covers the debt that accrued after March 2023, amounting to R163 million. The agreement with Eskom is a critical step towards stabilizing the municipality's financial obligations and ensuring a consistent electricity supply for the community. By adhering to this payment plan, the municipality demonstrates its commitment to resolving outstanding debts and maintaining a good standing with Eskom.

As of 30 June 2024, the outstanding debt owed to the Department of Water and Sanitation (DWS) amounted to R78.474 million. To manage this debt, the municipality concluded a payment agreement with DWS for the 2022/23 financial year, extending over a period of 24 months. Additionally, the municipality is participating in the Incentive Scheme provided by the Department, which offers financial relief and support to municipalities. All invoices for the 2022/23 financial year have been settled in full, reflecting the municipality's proactive approach to managing its financial commitments. The debt must be concurred with the Department to ensure transparency and accountability. This collaboration with DWS underscores the municipality's dedication to fulfilling its financial obligations while benefiting from available incentives to enhance its fiscal stability. By engaging in these agreements, the municipality aims to secure a sustainable water supply for its residents and strengthen its overall financial health.



- **Condition 6.4 – A funded MTREF**

The adopted budget for the 2024/25 fiscal year has been successfully funded, guaranteeing that all planned expenditures and projects can move forward as intended. This financial approval is pivotal, as it enables the municipality to implement various initiatives and maintain essential services, thereby promoting sustainable development and enhancing community well-being.

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

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

- **Conditions 6.5 – Cost reflective tariffs**

The 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 municipality's approved credit and debt collection policy outlines specific conditions for how payments should be allocated. However, these prescribed allocations are not being consistently followed, leading to discrepancies in how debts are recorded and managed, which could potentially impact the municipality's financial health. Furthermore, the lack of infrastructure to restrict water



supply to defaulting non-indigent consumers highlights a significant technological gap. This issue is currently under review, with potential solutions and their cost implications being considered.

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

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

The Property Rates Reconciliation for Sol Plaatje Municipality as of Quarter 4 for the financial year 2023/24 demonstrates a commendable alignment between the General Valuation Roll (GV) and the Municipal Financial System (MFS) across various property categories. This alignment is a testament to the municipality's commitment to maintaining accurate and consistent property records. Ensuring that the number of properties and their market values are consistently recorded in both systems is crucial for effective financial management. This consistency not only supports accurate billing and collection but also enhances the reliability of property rate reporting, contributing to the municipality's financial stability.

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



Property Rates Reconciliation						
Province	NC					
District	Frances Baard District					
Type	LM					
Municipal Name	Sol Plaatje					
GV Period	01/07/2023 - 30/06/2027					
Financial Year	2023/2024					
Reconciliation Period	Quarter 4					
Reconciliation Overview						
High Level Reconciliation						
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 Purpose	133	133	0	2 498 871 000	2 498 871 000	-
PSI	197	197	0	141 088 000	141 088 000	-
PBO	1346	1346	0	625 386 001	625 386 001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	241	241	0	569 649 000	569 649 000	-
Municipal	5558	5558	0	1 524 941 504	1 524 941 504	-
Other	0	0	0	-	-	-
Total	60212	60212	0	40 340 311 109	40 340 311 109,00	-
Detailed Reconciliation						
Property Categories	Monthly Billing			Comments		
	GV	MFS	Variance			
Residential	11501097	22745919	-11244822			
Industrial	2340020	2290796	49224			
Business and Commercial	21666399	20403318	1263081			
Agricultural	645381	799815	-154434			
Mining	595105	595105	0			
State Owned for Public Purpose	9896154	0	9896154			
PSI	0	0	0			
PBO	0	0	0			
Multi Use	0	0	0			
Vacant	0	0	0			
POW	0	0	0			
Municipal	0	0	0			
Other	0	0	0			
Total	46 644 155,82	46 834 953,51	- 190 797,69			

Condition 6.9 – Monitor and Report on compliance

The data strings have been successfully uploaded to the GoMuni system, an online platform used by municipalities to submit various operational and financial data. The Municipality has 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	Yes



MFMA S71 Statement component		Compliance (Yes / No)
	ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	
3.	Annexure B of the MFMA S71 statement included the following debt relief reporting components-	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance <ul 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 pivotal 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 oversight is essential for fostering financial discipline and accountability within the municipal framework. This letter serves as a formal submission aligned with National Treasury's responsibilities, certifying the compliance of the concerned municipality with the program's requirements. Through rigorous monitoring and evaluation, National Treasury ensures that Sol Plaatje Municipality follow the prescribed guidelines, which are crucial for maintaining financial health and preventing future debt accumulation.

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

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

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

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

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

The revision to the Supplementary Guide to MFMA Circular No. 124 significantly enhances the management of funds allocated for debt relief by mandating that municipalities integrate these funds into their general accounts. However, it also requires municipalities to ensure clear segregation of



these funds in their monthly *mSCOA* submissions. This approach simplifies the banking structure, reducing administrative complexity while maintaining strict accountability and transparency. Municipalities must distinctly tag and trace debt relief funds within their financial records, ensuring that these funds are used appropriately and can be easily tracked and audited.

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

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

- **Condition 6.14 – NERSA Licence**

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

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

- **Recommendations:**

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



Integrate Cost Reflective Tariff Tools: Ensure the integration of cost reflective tariff tools into the financial planning process. This will help align service tariffs with actual operational and maintenance costs, promoting financial sustainability and enabling future infrastructure investments.

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

Strengthen Revenue Collection: Enhance revenue collection mechanisms by adopting advanced technology solutions for billing and collection, improving customer service, and conducting regular reviews of revenue streams to identify and address gaps.

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

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

Kind regards,

MANDLA GILIMANI
DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
DATE: 30/07/2024

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



Annexures (June 2024 Compliance Certificates)

Annexure A2 - Monthly



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

National Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Jun'24

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 6.3+ (Maintaining the Eskom and bulk water current account), 6.4 (Compliance with a funded MTREF), and 6.4.1 (Municipality's MTREF funded and aligning to guidelines).



		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	
11	6.4.2	- If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded
		<i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No
	6.6	Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.	
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool 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 <u>and</u> the reason(s) for the failure?	No
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	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
<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://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
<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No
<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>			
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes
<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>			
39		Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <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
<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>			

