

SOL PLAATJE LOCAL MUNICIPALITY



PRELIMINARY 4th QUARTER PERFORMANCE REPORT

1 APRIL TO 30 JUNE 2024

MFMA SECTION 52(d)

JULY 2024

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List of Abbreviations and Acronyms used in the MBS

AGSA	- Auditor-General 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
DWA	- Department of Water Affairs
ED	- Executive Director
EEDG	- Energy Efficiency and Demand Side Management Grant
EPWP	- Expanded Public Works Programme
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
IUDG	- Integrated Urban Development Grant
IT	- Information Technology
KPA	- Key Performance Area
KPI	- Key Performance Indicator
MBRR	- Municipal Budget and Reporting Regulations (GG 32141 of 17 April 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
PPE	- Property, Plant and Equipment
R&M	- Repairs and Maintenance
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
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

1. SUMMARY

The Municipal Finance Management Act requires that the Mayor of a municipality must within 30 days after the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of the municipality.

The purpose of this report is to comply with the Municipal Finance Management Act, Act 56 of 2003, Section 52(d) and to submit the financial and non-financial performance results for the fourth and final quarter of the 2023/24 financial year.

This quarter of the financial year was characterised, as always, by a number of key activities and projects.

As the financial year drew to a close on 30 June, the task of preparing and submitting the Annual Financial Statements and the Annual Performance Report to the Auditor General by 31 August lies ahead. Year-end procedures have already commenced and are progressing in terms of the AFS preparation plan.

It is also worth mentioning that the requirements of mSCOA are becoming increasingly important and complex. The 2023/24 annual budget was successfully prepared on version 6.8 of the chart. The required submission of data strings to National Treasury was also done successfully. Legislative dates for submission of all monthly reports and returns were adhered to, as always.

Also added to this report is the quarterly performance report as per the Service Delivery and Budget Implementation Plan for the fourth quarter of 2023/24 financial year.

We wish to emphasize that our vision is to bring change to the lives of our people, ensure quality of service, monitor the execution of the programmes of the municipality, create platforms for people to interact and create a conducive environment for the workers to perform with excellence, thus creating pride and loyalty.

2. BUDGET IMPLEMENTATION

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

The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on quality service being rendered.

Currently, the total debtor's book is standing at R3,592,865 billion, of which 90% of the debt is owed in excess of 90 days. Of the total debt, R747,515 million is owed by government, R639,582 million by business and R2,356,253 billion by households. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality.

The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. *There needs to be a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, must remember that no municipality will remain sustainable and functional if it expected to provide "services for free".

Section 52(d) report for Preliminary 4th quarter of 2023/24

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.

2.1 Operating Budget Overview

This report summarizes the budget performance for the 4th Quarter of 2023/24 financial year. The detailed Statement of Financial Performance shown in Annexure A, Table C4 is detailing revenue by source and expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand	YTD Budget June 2024	YTD Actual June 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,798,666	2,757,386	(41,280)	98.5%	-1.5%
Total Revenue (including capital transfers and contributions)	2,960,015	2,899,067	(60,948)	97.9%	-2.1%
Total Operational Expenditure	2,782,911	2,492,925	(289,986)	89.6%	-10.4%

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

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

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

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

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

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

2.2 Capital Budget Overview

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

The capital expenditure is slow and overall capital expenditure remains a major concern. It should be noted that capital expenditure excludes VAT and commitments. Planning of project amnagers also need to improve going forward.

The flagship projects for 2023/24 financial year (the 2nd year of the five-year term of the IDP for 2022/23 to 2026/27) is the

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - June 2024

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

Table 3: High level summary: Capital Expenditure

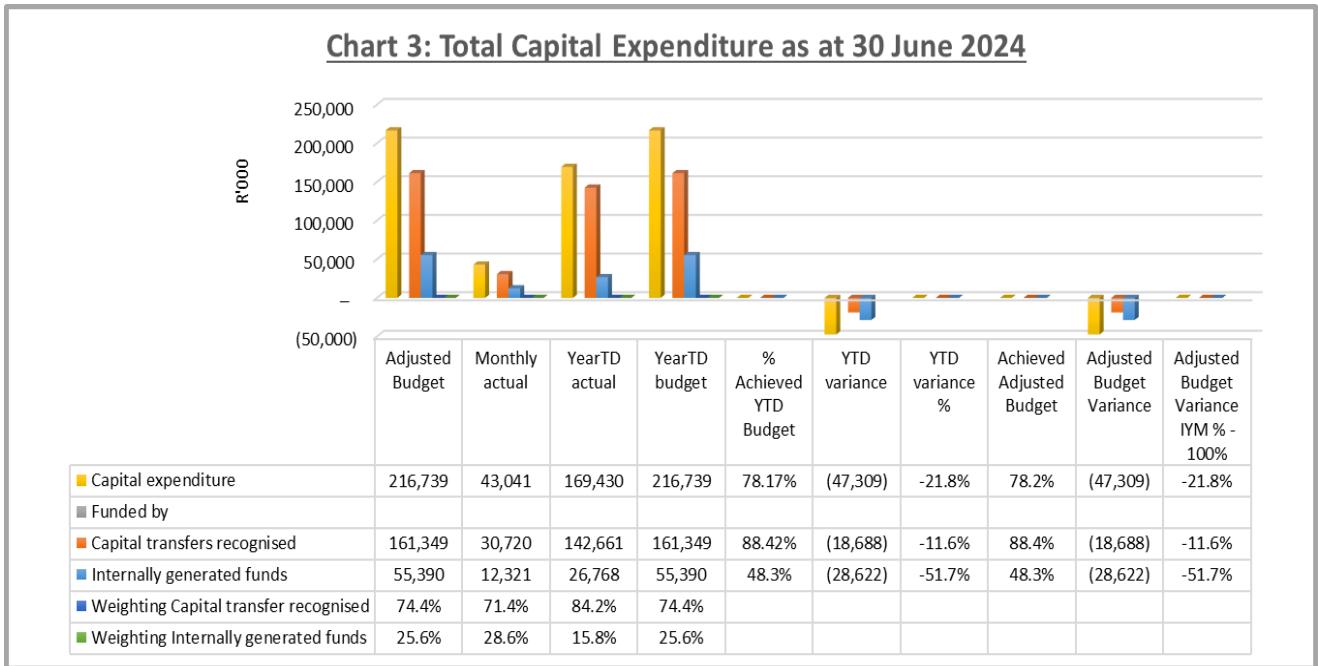


Chart 1: High Level Summary: Capital Expenditure

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

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

Table 4: Monthly Budget statement

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.

3. BUDGET PERFORMANCE OVERVIEW

The municipality is implementing the 2nd Adjustments budget for 2023/24 financial year. The original budget for 2023/24 was assessed as funded with a firm recommendation from NT that the collection rate must improve. After the approval of the main adjustments budget the municipality received the final adjusted DoRA with various adjustments on capital grants. This necessitated the municipality to submit the 2nd Adjustments budget and adjusted SDBIP to Council which was approved on 31 May 2024.

Articulated in the table below are the adjustments.

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

Table 5: 2nd Adjustments Budget

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

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

Section 52(d) report for Preliminary 4th quarter of 2023/24

“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 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 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 –

Section 52(d) report for Preliminary 4th quarter of 2023/24

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

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

The municipality has made significant strides to settle the monthly current accounts for Eskom and the Department of Water and Sanitation. The arrear debt owed to Waterboard has also been reduced significantly. Both ESKOM and DWS is satisfied with the progress the municipality has made and the municipality has an amicable and good working relationship with both institutions. The ring-fencing of cash received for Electricity and Water is accounted for on a daily basis. This has however put pressure on the municipality to settle order creditors. The biggest concern is the settling of the accounts for the high months for Eskom (Jun to Aug). The municipality settled an amount of R63,149 million on current account for May 2024 excluding interest amounting to R3,178 million on 25 June 2024. The total invoice amounted to R66,327 million. On the 21 June 2024, the payment arrangement instalment amounting to R6,700 million was settled and this was paid against the July 2023 account. Due to the debt agreement with DWS and the Incentive scheme initiated by the Department, the municipality has made significant strides in reducing the arrear debt owed to the Department and settled all invoices raised for the 2022/23 financial year in full. The municipality is working towards being up to date for the current year. The outstanding balance of R5,108 million on the December 2021 invoice was settled on 26 June 2024. The only account outstanding for the current year is the February 2024 account, amounting to R36,046 million, due to insufficient cash. Our servitude period commenced on the 1st of April, which is the free water quota allocated to the municipality. This means that no billing will be raised until our servitude is exhausted. The municipality settled an amount of R13,000 million on the outstanding February 2024 account. A bit on the downside, the municipality had insufficient cash to settle the debt instalment for Waterboard amounting to R6,000 million on or before the 5th of July 2024. This was counted by the settlement of the December 2021 account.

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

Further interventions implemented in collecting outstanding debt.

- Disconnections were focused more on business and Government Departments.
- We are aiming to implement full credit control processes in the coming months in order to improve our cashflow and collection rate.

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

4. REVENUE FRAMEWORK

The municipality budgeted for total revenue of R2 960 015 billion for 2023/24 raised from various revenue sources which include service charges for water, electricity, refuse removal and sanitation, as well as revenue from property rates and taxes, and other revenue sources from exchange and non-exchange transactions.

The municipality reads water and electricity meters monthly and the Billing Section is responsible for all the duties, functions and responsibilities associated with this function. The municipality also encourages own reading by customers especially households where all members are not available during office hours to give access to the reading teams.

Further to this, it is the responsibility of each household to ensure access to the meters at all times, this including cleaning the meter as well as reporting leaks to the municipality for their attention and assistance.

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - June 2024

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

Table 6: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 11.0%. After an investigation, it was established that a billing error on network access charges that was credited to Non-exchange Revenue: Operational revenue was erroneously reversed against Service charges. The impact of this error was R86m, which will be corrected during June 2024. This will address the understatement of Service charges Electricity and the overstatement of Non-exchange Revenue: Operational revenue. This understatement of Service charges Electricity is also attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is showing a slight under-recovery of minus 4.3%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering the General Valuation Roll. The same applies to all Service charges., Sanitation and Refuse is showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 0.1%.
- ❖ Interest earned from Receivables is showing a positive variance of 3.1% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate. This

was adjusted upwards, but the same applies in respect of the phase in over the last 5 months of the year for the adjusted budget figures.

- ❖ Interest from Current and Non-current Assets shows a positive variance of 47.3%. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality is also investing capital grants already received, whilst keeping the unspent portion in the investment account. If the cash position allows, grant funds already spent remain within the investment account until such time that it is needed for operational requirements. The bulk of the interest earned will be recognised as part of the year-end procedures.
- ❖ Licences and permits are showing a negative variance of 44.2%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated.
- ❖ Operational Revenue is showing a positive variance of 2.2%, as a result of an over-recovery on Incidental Cash Surpluses and Commission: Transaction Handling Fees. After an investigation, it was established that Incidental Cash Surpluses is overstated as a result of erroneous allocation of meter tampering fees because the tariff code was linked to the incorrect vote. The discrepancy was communicated to our financial system's manager for correction. A corrective journal will be processed to rectify the misallocation.

Non-Exchange Revenue

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

Comparison against Adjusted Budget

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

Exchange Revenue

- ❖ Service charges for Water against the Adjusted budget is satisfactory, whilst Service charges Electricity is showing a negative variance of 11.0%.
Same factors are applicable as described in the paragraph above. Service charges Wastewater management and Waste management is showing an over-recovery.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 0.1%.
- ❖ Interest earned from Receivables is showing a positive variance of 3.1%.

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

Non-Exchange Revenue

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

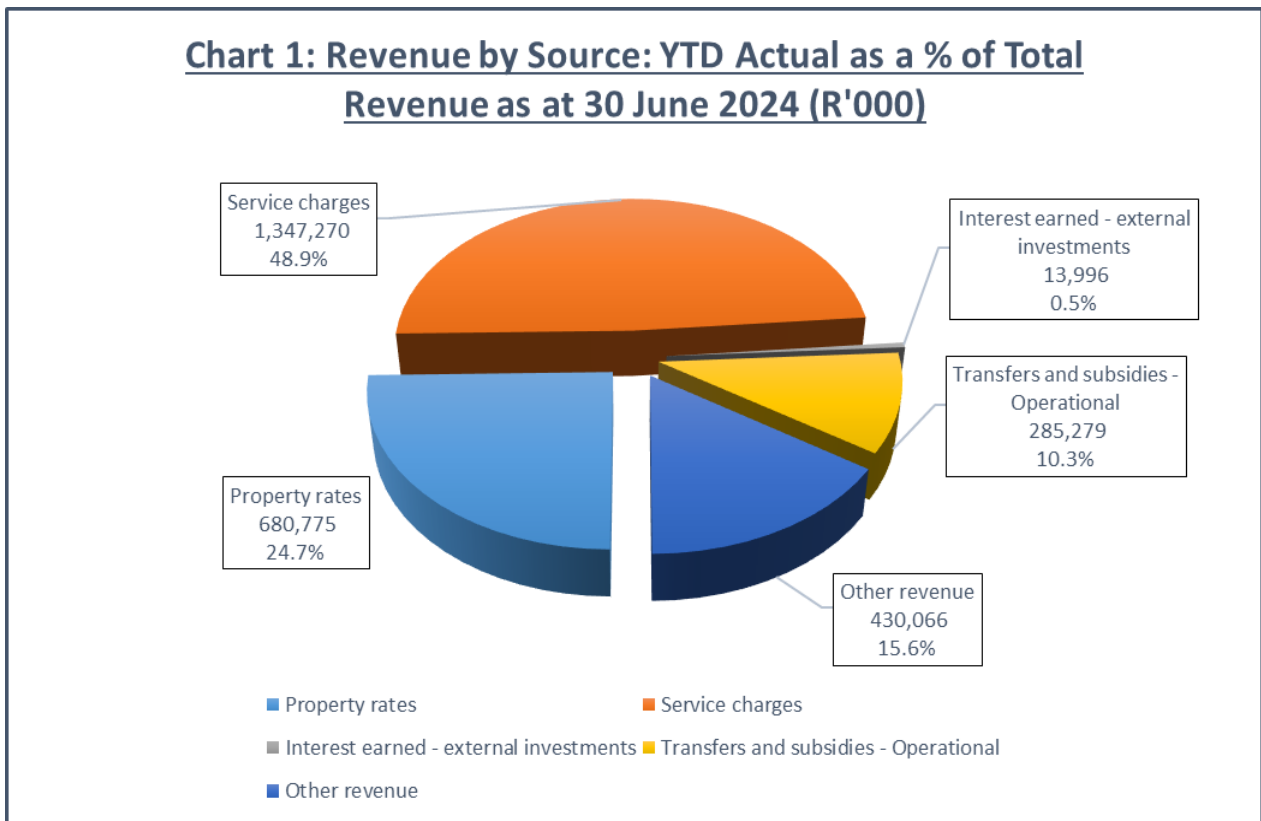


Chart 2: Revenue by Source - YTD Actual as a percentage of Total Revenue

Indicated in Chart 2 above is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 June 2024. The main contributors of the municipality’s revenue are Service Charges (48.9%), Property Rates (24.7%) and Transfers and subsidies (10.3%).

The contribution per Revenue source is still slightly distorted, as a result of the annual billing of Property rates and the receipt of the third tranche of the Equitable Share.

4.2 Revenue by Vote

The responsibility of billing and enhancing revenue is delegated to all directorates as per their budgets and functions. The financial services however, carries the bigger task of ensuring correct billing, to the correct customer and that the bill reaches the customer within 5 days from date of billing.

The municipality generates revenue primarily from service charges and property rates. Infrastructure is therefore the main revenue generating vote. The Municipal and General vote consists mostly of grants received by the municipality. Refuse revenue resorts under Community Services and this vote also generates income from renting out municipal facilities e.g. halls and recreation facilities.

In Table 7 below represents revenue for the quarter generated from various votes as per the functions of assigned to the vote.

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

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

Table 7 : Revenue by Vote

4.3 Revenue by Major Service

4.3.1 Housing

The municipality holds rental stock and the letting of this stock is managed by the Housing Section within the Infrastructure and Services Directorate. It is expected that the cost of administering this function including general maintenance of these units should be recovered from the rental service charges as determined by Council in its tariffs.

The table below indicates annual estimated rental income of R27 901 000 and year to date billed rental income is R28 730 770 which shows a satisfactory variance of 2.24% for the year. The billed revenue is based on the number of flats at 100% occupancy rate at all times. The total expenditure for the year amounted to R22 102 127 million which is 19.48% below the projected R27 447 870 million for the 2023/24 financial years.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
28400000010000000000	HOUSING							
28401000000000000000	REVENUE							
28401389900000000000	SUB TOTAL : OPERATIONAL REVENUE	-1 000,00	-1 000,00	-1 170,00	-	-93 759,56	92 759,56	999,99
28401409900000000000	SUB TOTAL : RENTAL FROM FIXED ASSETS	-26 700 000,00	-27 900 000,00	-2 461 049,42	-	-28 637 010,85	737 010,85	102,64
28401499920000000000	SUB TOTAL : EXCHANGE REVENUE	-26 701 000,00	-27 901 000,00	-2 462 219,42	-	-28 730 770,41	829 770,41	102,97
28401999980000000000	TOTAL : INCOME	-26 701 000,00	-28 101 000,00	-2 462 219,42	-	-28 730 770,41	629 770,41	102,24
28402000000000000000	EXPENDITURE							
28402119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	16 750 955,00	17 246 355,00	1 327 479,94	-	15 147 302,84	2 099 052,16	87,82
28402139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	3 968 625,00	3 968 625,00	315 357,81	-	3 831 141,68	137 483,32	96,53
28402159920000000000	SUB TOTAL : MUNICIPAL STAFF	20 719 580,00	21 214 980,00	1 642 837,75	-	18 978 444,52	2 236 535,48	89,45
28402159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	20 719 580,00	21 214 980,00	1 642 837,75	-	18 978 444,52	2 236 535,48	89,45
28402269900000000000	SUB TOTAL : OUTSOURCE SERVICES	2 000 000,00	2 000 000,00	-	-	167 286,00	1 832 714,00	8,36
28402279900000000000	SUB TOTAL : CONSULTANT AND PROF SERVICES	10 000,00	10 000,00	-	-	-	10 000,00	-
28402289920000000000	SUB TOTAL : CONTRACTED SERVICES	2 010 000,00	2 010 000,00	-	-	167 286,00	1 842 714,00	8,32
28402309900000000000	SUB TOTAL : OPERATIONAL COST	525 890,00	725 890,00	181 021,15	-	406 952,25	318 937,75	56,06
28402329900000000000	SUB TOTAL - INVENTORY	3 497 000,00	3 497 000,00	143 539,51	-	2 549 444,50	947 555,50	72,90
28402999980000000000	TOTAL : EXPENDITURE	26 752 470,00	27 447 870,00	1 967 398,41	-	22 102 127,27	5 345 742,73	80,52
28402999990000000000	TOTAL : SURPLUS/DEFICIT	51 470,00	-653 130,00	-494 821,01	-	-6 628 643,14	5 975 513,14	999,99

4.3.2 Electricity

Revenue from sale of electricity is the major revenue source of the municipality. Sale of electricity is done through a conventional meter or prepaid electricity meter. Most of residential and small businesses are on prepaid electricity whilst large customers are on conventional/ credit meter. Prepaid meter has far reaching benefits compared to the conventional metering system. These benefits include controlling demand and usage of electricity within budget, no surprise accounts at month as in the case with conventional meter, easy to monitor as balances can be checked on the meter device at any given point in time. It was identified that there are prepaid meters that show no activity. The municipality is of the view that this significantly contributes to the revenue losses and electricity losses.

An Active Revenue Enhancement Committee is in place, and is working on strategies to improve collection. Credit Control Section and Call Centre are also actively working on revenue collection initiatives.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
288000001000000000	ELECTRICITY							
288010000000000000	REVENUE							
288013299000000000	SUB TOTAL : SERVICE CHARGES	-1 034 871 624,00	-995 201 624,00	-154 734 767,46	-	-886 005 697,33	-109 195 926,67	89,02
288013499000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-17 380 000,00	-21 710 000,00	-1 931 624,03	-	-22 505 722,62	795 722,62	103,66
288014999200000000	SUB TOTAL : EXCHANGE REVENUE	-1 052 251 624,00	-1 016 911 624,00	-156 666 391,49	-	-908 511 419,95	-108 400 204,05	89,34
288019999800000000	TOTAL : INCOME	-1 052 251 624,00	-1 056 581 624,00	-74 596 344,21	-	-952 786 204,91	-103 795 419,09	90,17
288020000000000000	EXPENDITURE							
288021199000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	50 274 187,00	51 836 787,00	3 880 288,94	-	48 950 004,49	2 886 782,51	94,43
288021399000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	10 865 257,00	10 865 257,00	870 230,14	-	10 461 705,41	403 551,59	96,28
288021599200000000	SUB TOTAL : MUNICIPAL STAFF	61 139 444,00	62 702 044,00	4 750 519,08	-	59 411 709,90	3 290 334,10	94,75
288021599400000000	SUB TOTAL : EMPLOYEE RELATED COST	61 139 444,00	62 702 044,00	4 750 519,08	-	59 411 709,90	3 290 334,10	94,75
288022699000000000	SUB TOTAL : OUTSOURCE SERVICES	190 000,00	690 000,00	731,15	-	425 178,21	264 821,79	61,62
288022799000000000	SUB TOTAL : CONSULTANT AND PROF SERVICES	1 000 000,00	-	-	-	-	-	-
288022899000000000	SUB TOTAL : CONTRACTORS	28 400 000,00	16 400 000,00	2 411 751,70	-	13 105 667,89	3 294 332,11	79,91
288022899200000000	SUB TOTAL : CONTRACTED SERVICES	29 590 000,00	17 090 000,00	2 412 482,85	-	13 530 846,10	3 559 153,90	79,17
288023099000000000	SUB TOTAL : OPERATIONAL COST	2 760 189,00	2 760 189,00	899 748,59	-	2 521 965,03	238 223,97	91,36
288023299000000000	SUB TOTAL - INVENTORY	49 461 000,00	50 811 000,00	6 586 918,54	-	31 741 659,66	19 069 340,34	62,47
288023499000000000	SUB TOTAL : BULK PURCHASES	785 000 000,00	790 100 000,00	10 920 296,74	-	673 594 406,12	116 505 593,88	85,25
288023699000000000	SUB TOTAL - INTEREST DIVID & RENT - LAND	13 701 622,00	13 701 622,00	-2 439 652,59	-	4 489 313,20	9 212 308,80	32,76
288024099000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF							
288027299000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	8 500 000,00	8 500 000,00	-	-	-	8 500 000,00	-
288029999800000000	TOTAL : EXPENDITURE	950 152 255,00	945 664 855,00	23 130 313,21	-	785 289 900,01	160 374 954,99	83,04
288029999900000000	TOTAL : SURPLUS/DEFICIT	-102 099 369,00	-110 916 769,00	-51 466 031,00	-	-167 496 304,90	56 579 535,90	151,01

The table above indicates that annual estimated revenue for electricity is R1 056 581 624 billion with R952 billed up to June (9.83% lower than projected). The total expenditure for the year amounted to R785 million – which is 16.96% below the projected R945 million for the 2023/24 financial year. Depreciation also still needs to be provided for as part of year-end procedures. The factoring in of these two items will have a significant impact on the total operational expenditure.

4.3.3 Water

Water is life. Availability, certainty and safety of water is of paramount importance to the municipality as the Water Services Authority. Infrastructure that is in good quality provides assurance of availability and certainty of water whilst operations and controls become very critical in as far as safety is concerned. All properties within the municipal jurisdiction has access to water, from free basic water to water used for industrial purposes.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
286000001000000000	WATER							
286010000000000000	REVENUE							
286010599000000000	SUB TOTAL : SERV CHG NON-EXCHANGE	-	-1 450 000,00	-119 718,06	-	-1 446 057,49	-3 942,51	99,72
286012599400000000	SUB TOTAL : NON - EXCHANGE REVENUE	-	-1 450 000,00	-119 718,06	-	-1 446 057,49	-3 942,51	99,72
286013299000000000	SUB TOTAL : SERVICE CHARGES	-327 113 993,00	-300 113 993,00	-23 787 252,46	-	-287 295 593,19	-12 818 399,81	95,72
286013499000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-37 000 000,00	-71 530 000,00	-6 705 610,81	-	-74 862 165,33	3 332 165,33	104,65
286014299000000000	SUB TOTAL : SALES & RENDERING OF SERV	-600 000,00	-600 000,00	9 549,34	-	-	-600 000,00	-
286014999200000000	SUB TOTAL : EXCHANGE REVENUE	-364 713 993,00	-372 243 993,00	-30 483 313,93	-	-362 157 758,52	-10 086 234,48	97,29
286019999800000000	TOTAL : INCOME	-364 713 993,00	-373 693 993,00	-30 603 031,99	-	-363 603 816,01	-10 090 176,99	97,29
286020000000000000	EXPENDITURE							
286021199000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	48 130 167,00	51 823 067,00	4 132 890,00	-	50 859 811,73	963 255,27	98,14
286021399000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	9 542 373,00	9 542 373,00	691 809,38	-	8 047 487,53	1 494 885,47	84,33
286021599200000000	SUB TOTAL : MUNICIPAL STAFF	57 672 540,00	61 365 440,00	4 824 699,38	-	58 907 299,26	2 458 140,74	95,99
286021599400000000	SUB TOTAL : EMPLOYEE RELATED COST	57 672 540,00	61 365 440,00	4 824 699,38	-	58 907 299,26	2 458 140,74	95,99
286022699000000000	SUB TOTAL : OUTSOURCE SERVICES							
286022899000000000	SUB TOTAL : CONTRACTORS	2 020 000,00	20 000,00	1 057,39	-	2 698,06	17 301,94	13,49
286022899200000000	SUB TOTAL : CONTRACTED SERVICES	2 020 000,00	20 000,00	1 057,39	-	2 698,06	17 301,94	13,49
286023099000000000	SUB TOTAL : OPERATIONAL COST	46 841 201,00	46 841 201,00	7 022 047,59	-	41 532 046,98	5 309 154,02	88,66
286023299000000000	SUB TOTAL - INVENTORY	105 314 000,00	130 737 000,00	15 146 636,59	-	132 536 777,52	-1 799 777,52	101,37
286023699000000000	SUB TOTAL - INTEREST DIVID & RENT - LAND	3 552 503,00	3 552 503,00	1 605 115,49	-	3 552 503,00	-	100,00
286024099000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF							
286027299000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	9 200 000,00	9 200 000,00	-	-	-	9 200 000,00	-
286029999800000000	TOTAL : EXPENDITURE	224 600 244,00	251 716 144,00	28 599 556,44	-	236 531 324,82	15 184 819,18	93,96
286029999900000000	TOTAL : SURPLUS/DEFICIT	-140 113 749,00	-121 977 849,00	-2 003 475,55	-	-127 072 491,19	5 094 642,19	104,17

Water is billed on a step tariff, with free basic water and first tariff being provided at the same price tag. However, free basic water revenue is recouped from Equitable share allocated against grants and subsidies made by the municipality.

Total water revenue for the 2023/24 financial year amounted to R374 million. The actual amounted to R364 million which shows an unsatisfactory variance of minus 2.71%. The actual expenditure incurred in this service as at end of June 2024 amounted R236 million which is 6.04% less than the projected figure of R252 million.

4.3.4 Sewerage

Sewer and sanitation tariffs recovers the costs of managing, operating and maintenance of treatment plants and the reticulation network. Other costs recovered from the tariffs are costs associated with any long term borrowing that would have financed infrastructure investments.

Sewer and sanitation fees are billed on a monthly flat rate for all customers. As such, the table below indicates the amount billed as at end of quarter four against the year to date budget as estimated during the budget assumptions.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitme	YTD Movement	Unspend Bud	Perc
2850000001000000000	SEWERAGE							
2850100000000000000	REVENUE							
2850132990000000000	SUB TOTAL : SERVICE CHARGES	-89 858 309,00	-89 858 309,00	-8 099 219,67	-	-96 713 777,18	6 855 468,18	107,62
2850134990000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-11 500 000,00	-23 000 000,00	-2 190 863,39	-	-24 190 502,28	1 190 502,28	105,17
2850149992000000000	SUB TOTAL : EXCHANGE REVENUE	-101 358 309,00	-112 858 309,00	-10 290 083,06	-	-120 904 279,46	8 045 970,46	107,12
2850199998000000000	TOTAL : INCOME	-101 358 309,00	-116 048 309,00	-10 569 411,49	-	-124 092 517,24	8 044 208,24	106,93
2850200000000000000	EXPENDITURE							
2850211990000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	39 997 206,00	44 680 106,00	5 843 184,96	-	63 274 255,30	-18 594 149,30	141,61
2850213990000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	7 800 788,00	7 800 788,00	753 549,17	-	8 793 991,35	-993 203,35	112,73
2850215992000000000	SUB TOTAL : MUNICIPAL STAFF	47 797 994,00	52 480 894,00	6 596 734,13	-	72 068 246,65	-19 587 352,65	137,32
2850215994000000000	SUB TOTAL : EMPLOYEE RELATED COST	47 797 994,00	52 480 894,00	6 596 734,13	-	72 068 246,65	-19 587 352,65	137,32
2850226990000000000	SUB TOTAL : OUTSOURCE SERVICES	-	-	-	-	-	-	-
2850228990000000000	SUB TOTAL : CONTRACTORS	30 000,00	30 000,00	-	-	3 482,41	26 517,59	11,60
2850228992000000000	SUB TOTAL : CONTRACTED SERVICES	30 000,00	30 000,00	-	-	3 482,41	26 517,59	11,60
2850230990000000000	SUB TOTAL : OPERATIONAL COST	2 492 295,00	2 492 295,00	300 606,06	-	2 352 231,91	140 063,09	94,38
2850232990000000000	SUB TOTAL - INVENTORY	20 739 000,00	30 039 000,00	1 199 341,12	-	17 584 677,17	12 454 322,83	58,53
2850236990000000000	SUB TOTAL - INTEREST DIVID & RENT - LAND	1 973 561,00	2 523 561,00	1 208 650,52	-	2 220 612,54	302 948,46	87,99
2850240990000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	-	-	-	-	-	-	-
2850272990000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	15 500 000,00	15 500 000,00	-	-	-	15 500 000,00	-
2850299998000000000	TOTAL : EXPENDITURE	88 532 850,00	103 065 750,00	9 305 331,83	-	94 229 250,68	8 836 499,32	91,42
2850299999000000000	TOTAL : SURPLUS/DEFICIT	-12 825 459,00	-12 982 559,00	-1 264 079,66	-	-29 863 266,56	16 880 707,56	230,02

The total revenue for the year is R124 million against a projected revenue of R116 million, an extremely satisfactory variance of 6.93%. Actual expenditure incurred in this service amounted to R94 million which is 8.58% less than the projected R103 million.

4.3.5 Refuse Removal

As with sewer and sanitation, tariff charges for refuse collecting are billed on flat rate monthly as per the tariff book. All residential customers receive a door-to-door collection service at least once a week. The service is rendered by the municipality using its own fleet and staff.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
24820000010000000000	REFUSE - POLUTION CONTROL/COLLECTION							
24821329900000000000	SUB TOTAL : SERVICE CHARGES	- 65 411 609,00	- 65 411 609,00	- 6 373 443,13	-	- 77 255 036,52	11 843 427,52	118,10
24821349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	- 11 000 000,00	- 17 620 000,00	- 1 661 275,17	-	- 18 609 157,30	989 157,30	105,61
24821429900000000000	SUB TOTAL : SALES & RENDERING OF SERV	- 1 000,00	- 1 000,00	-	-	-	1 000,00	-
24821499920000000000	SUB TOTAL : EXCHANGE REVENUE	- 76 412 609,00	- 83 032 609,00	- 8 034 718,30	-	- 95 864 193,82	12 831 584,82	115,45
24821999980000000000	TOTAL : INCOME	- 76 412 609,00	- 83 402 609,00	- 8 070 334,66	-	- 96 253 749,30	12 851 140,30	115,40
24822000000000000000	EXPENDITURE							
24822119900000000000	SUB TOTAL : MS - SAL ALLOW & SERV BENEF	36 990 900,00	38 232 000,00	3 658 820,16	-	44 271 334,56	- 6 039 334,56	115,79
24822139900000000000	SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	7 370 438,00	7 370 438,00	650 726,90	-	7 569 729,34	- 199 291,34	102,70
24822159920000000000	SUB TOTAL : MUNICIPAL STAFF	44 361 338,00	45 602 438,00	4 309 547,06	-	51 841 063,90	- 6 238 625,90	113,68
24822159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	44 361 338,00	45 602 438,00	4 309 547,06	-	51 841 063,90	- 6 238 625,90	113,68
24822269900000000000	SUB TOTAL : OUTSOURCE SERVICES	-	-	-	-	-	-	-
24822289920000000000	SUB TOTAL : CONTRACTED SERVICES	-	-	-	-	-	-	-
24822309900000000000	SUB TOTAL : OPERATIONAL COST	930 091,00	1 166 091,00	111 832,70	-	816 058,43	350 032,57	69,98
24822329900000000000	SUB TOTAL - INVENTORY	506 000,00	506 000,00	48 749,95	-	396 040,08	109 959,92	78,26
24822409900000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	-	-	-	-	-	-	-
24822729900000000000	SUB TOTAL : DEPRECIATION & AMORTISATION	-	-	-	-	-	-	-
24822999980000000000	TOTAL : EXPENDITURE	45 797 429,00	47 274 529,00	4 470 129,71	-	53 053 162,41	- 5 778 633,41	112,22

The total revenue including service charges of refuse collection is R96 253 million with a satisfactory variance of 5.40% when compared to budget of R83 402 million. The expenditure incurred of R53 053 million which is 2.22% more than the budgeted amount of R47 274 million.

4.4 Debtors Management

Indicated in Table 8 below, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R3,381,229 billion as at the end of June 2023. The Credit control office implemented the following contingencies. In the light of current cash flow and very low cashier collection at points, disconnection and blocking of institutions, businesses and Government Departments without valid arrangements or not in discussions with the municipality, should be done with immediate effect. The municipality will be embarking on Credit Control And Indigent Assistance Awareness Campaign. Through this campaign we seek to educate Consumers on the importance of the payment of accounts and the detrimental effect non-payment has on service delivery. We aim to have our Customers (from all our Customer Groups) that are in arrears and are able to pay their accounts, to make payment or make a payment arrangement on their account. The campaign will also inform and create an awareness to Customers as to the assistance provided by the Municipality in relation to the payment of accounts (our social package, discounts and incentives).

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

Description	NT Code	Budget Year 2023/24									Total over 90 days	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			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	25,506	16,519	15,843	14,086	12,608	14,312	73,193	514,146	686,213	628,345	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	50,231	20,612	23,090	10,766	8,799	7,354	47,294	167,366	335,511	241,578	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	37,489	15,203	12,584	12,010	10,715	10,528	117,239	573,930	789,699	724,423	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	7,757	5,726	5,342	5,168	4,935	4,847	27,215	189,806	250,796	231,970	-	-
Receivables from Exchange Transactions - Waste Management	1600	7,035	4,512	4,124	3,947	3,799	3,737	21,097	146,843	195,094	179,424	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,852	1,863	2,314	1,714	1,707	1,712	10,199	63,700	85,061	79,031	-	-
Interest on Arrear Debtor Accounts	1810	20,083	19,703	19,768	19,154	18,839	18,794	103,473	697,179	916,994	857,439	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-
Other	1900	18,275	11,685	4,027	5,478	40,557	2,786	28,801	221,889	333,497	299,511	-	-
Total By Income Source	2000	168,230	95,824	87,090	72,323	101,959	64,071	428,510	2,574,858	3,592,865	3,241,721	-	-
2022/23 - totals only		#####	80765529	95428645	73930893	69860728	61774014	#####	#####	3,381,229	3,049,094	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	21,263	18,468	12,752	10,393	8,051	7,736	102,314	566,538	747,515	695,032	-	-
Commercial	2300	59,656	26,865	26,441	16,904	14,932	13,458	75,580	405,745	639,582	526,619	-	-
Households	2400	84,604	48,791	46,297	43,470	76,719	41,352	241,803	1,539,401	2,122,438	1,942,745	-	-
Other	2500	2,706	1,700	1,600	1,556	2,256	1,525	8,814	63,174	83,330	77,324	-	-
Total By Customer Group	2600	168,230	95,824	87,090	72,323	101,959	64,071	428,510	2,574,858	3,592,865	3,241,721	-	-

Table 8: Supporting Table SC3: Aged Debtors

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

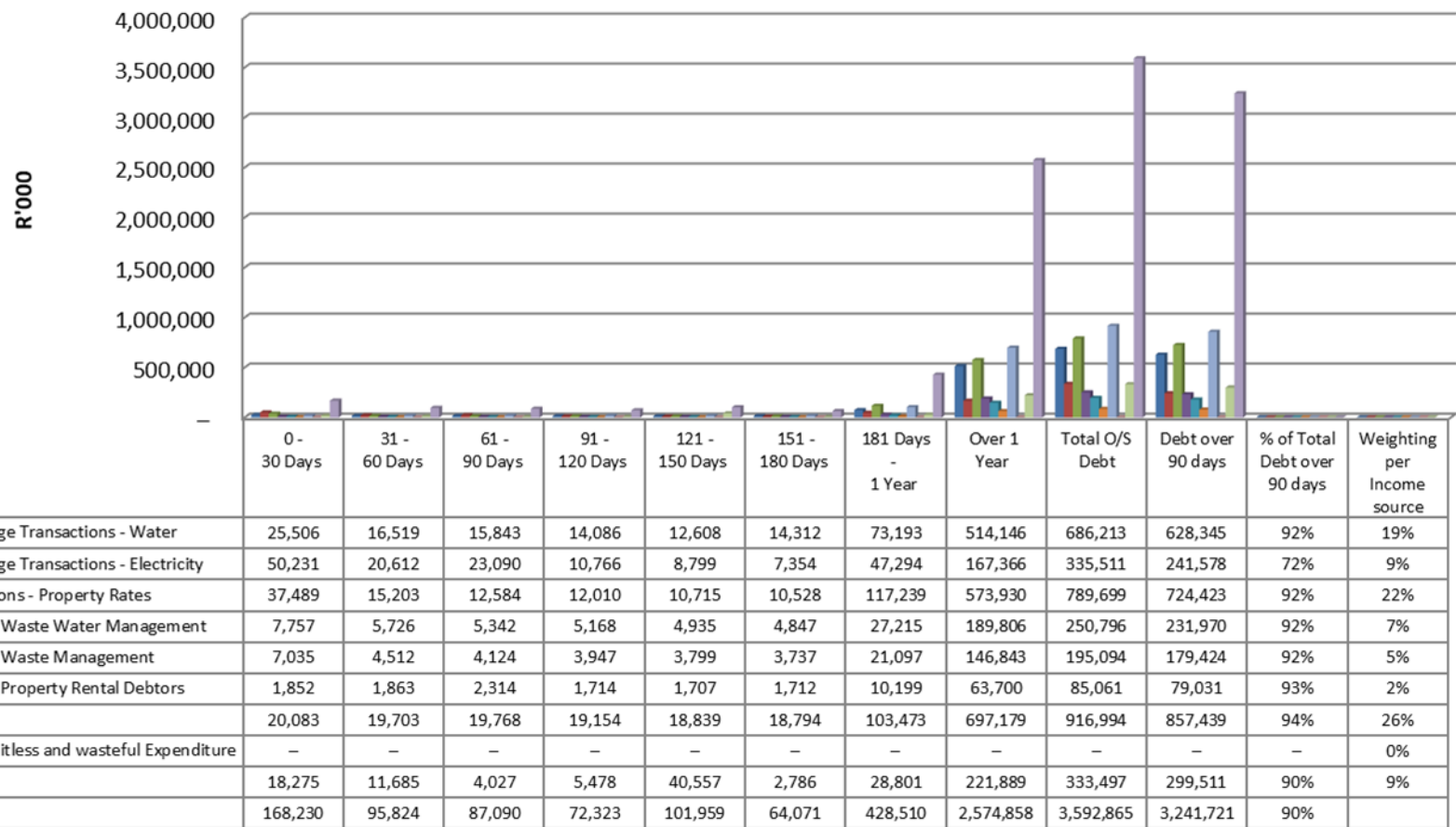


Chart 3.1: Debtor's age analysis by Income Source

Indicated in Table 8 and Chart 3.1 above is the total outstanding debt by Income Source, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R3,592,865 billion as at the end of June 2024 with the bulk of SPM's debt is aged over 90 days with an overall weighting of 90%.

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

- ❖ Interest on Arrear Debtor Accounts at 94%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Receivables from Non-Exchange Transactions – Property Rates at 92%
- ❖ Receivables from Exchange Transactions - Waste Water Management and Waste Management at 92%, respectively.

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

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

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

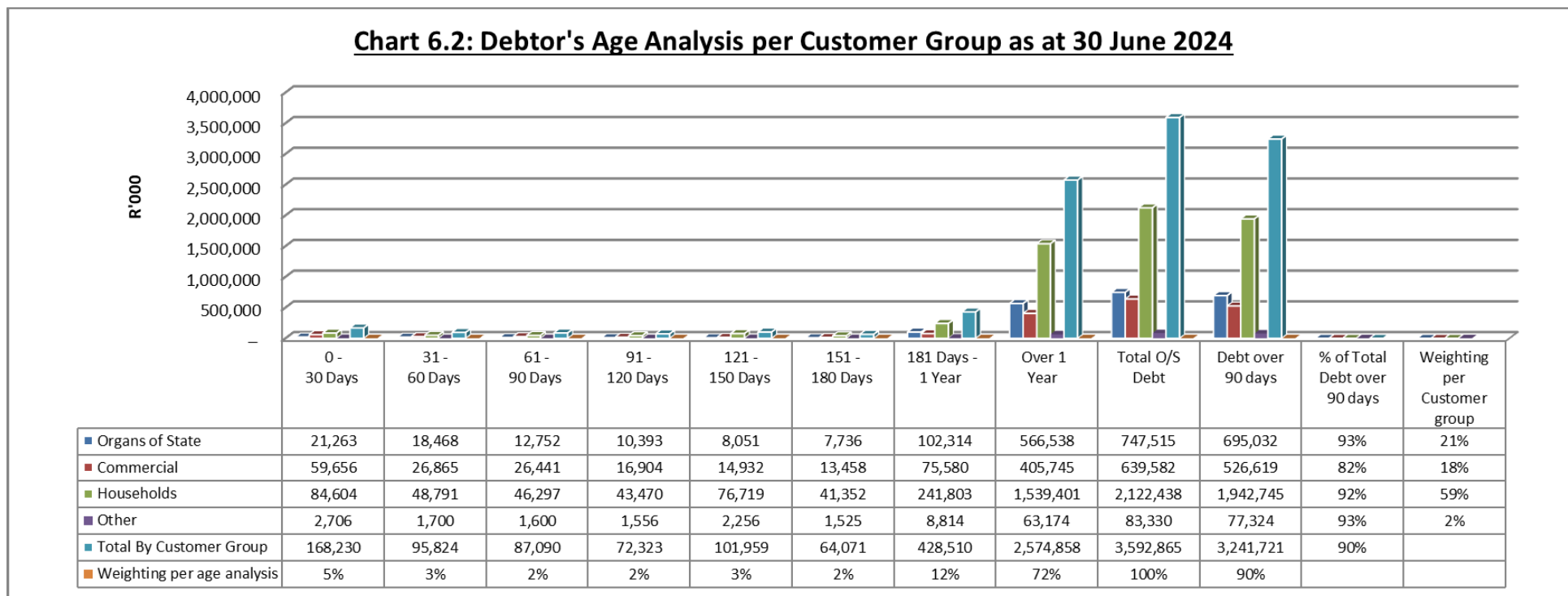


Chart 3.2: Debtor's Age Analysis per Customer Group

Indicated in Table 8 and Chart 3.2 above is the total outstanding debt by Customer Group, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting.

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

- ❖ Organs of State at 93%; Commercial at 82%; Households at 92% and Other at 93%.

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

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

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

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

Revenue Management: Activities for the month of June 2024

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

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

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

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

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

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

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

Chart 4 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which increased from remained unchanged at 90% for the month under review. Debt over 90 days decreased by R219,128 million in respect of the month-to-month comparison. The month-to-month decrease on Total debt amounted to R231,617 million. An amount of R270,571 was written-off as irrecoverable for the month of June 2024. It is concerning that total debt over 90 days is hovering at an average of 89 percent. During the 2023/24 MTREF Budget Benchmark exercise NT also encouraged the municipality, to explore all avenues to recoup long outstanding debt, to improve on financial liquidity and to improve the collection rate to at least 89% to be realistically funded from a cash perspective.

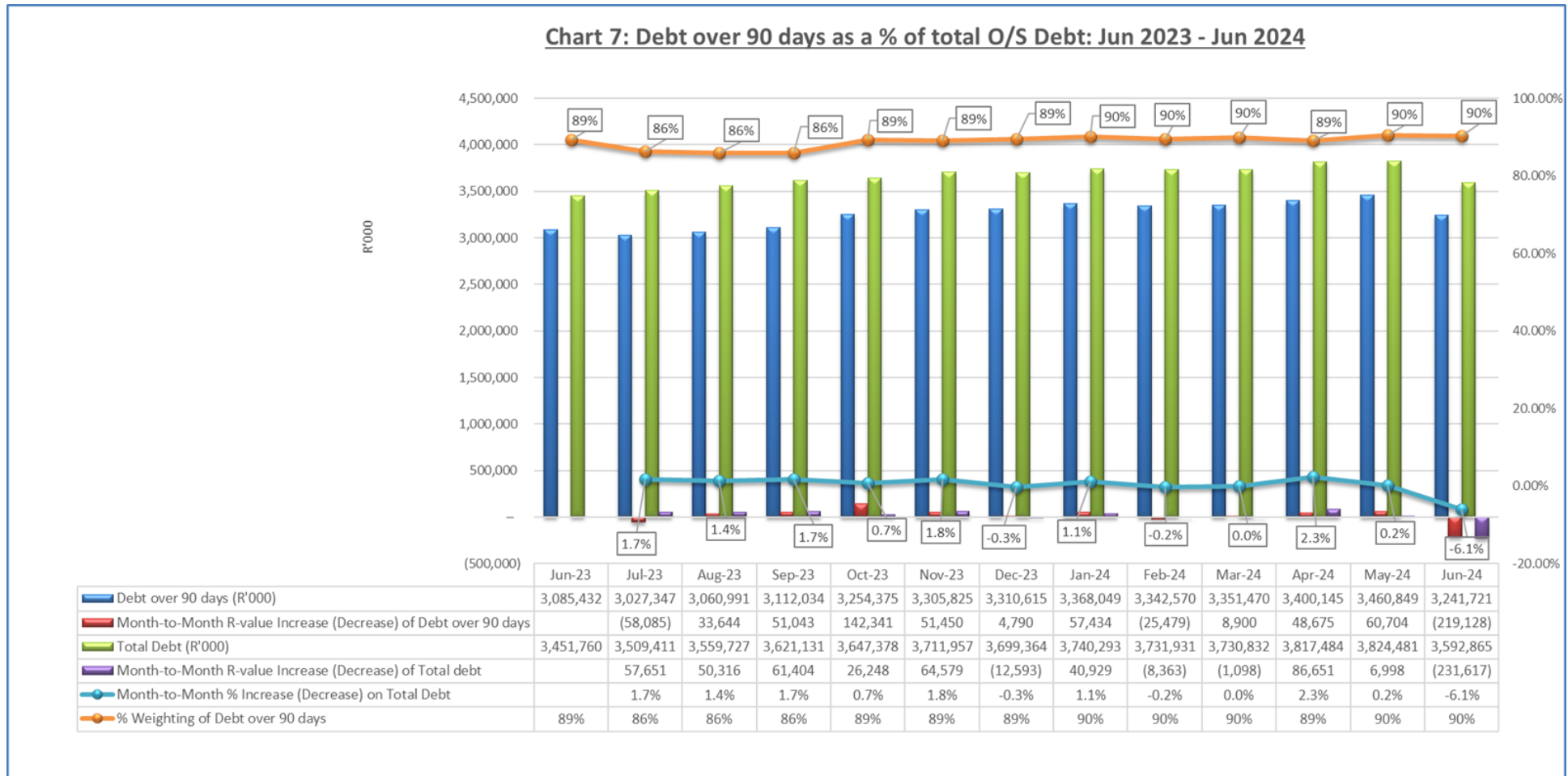


Chart 4: Debt over 90 days as a percentage of Total O/S Debt

Chart 4 above, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which increased from remained unchanged at 90% for the month under review. Debt over 90 days decreased by R219,128 million in respect of the month-to-month comparison. The month-to-month decrease on Total debt amounted to R231,617 million. An amount of R270,571 was written-off as irrecoverable for the month of June 2024. It is concerning that total debt over 90 days is hovering at an average of 89 percent. During the 2023/24 MTREF Budget Benchmark exercise NT also encouraged the municipality, to explore all avenues to recoup long outstanding debt, to improve on financial liquidity and to improve the collection rate to at least 89% to be realistically funded from a cash perspective.

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2022/23. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for May 2023, this will have to confirmed with NT, if it for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2022/23 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

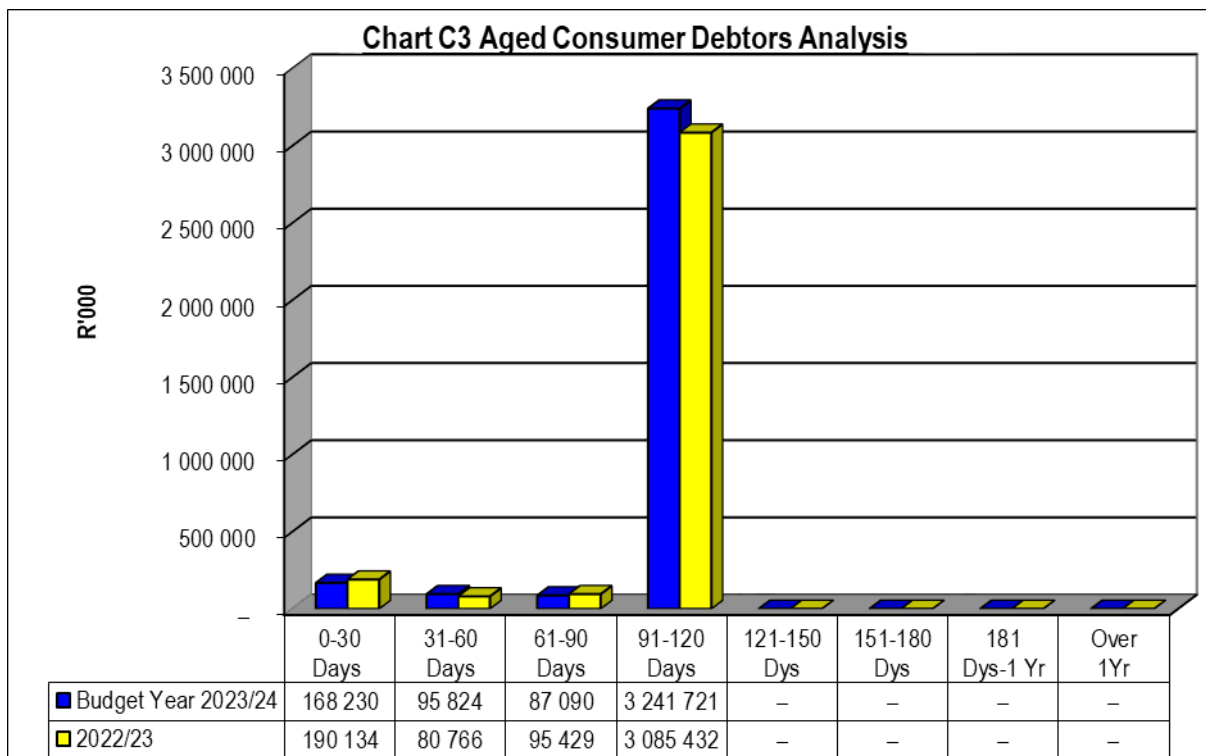


Chart 5.1: Aged Consumer Debtor Analysis

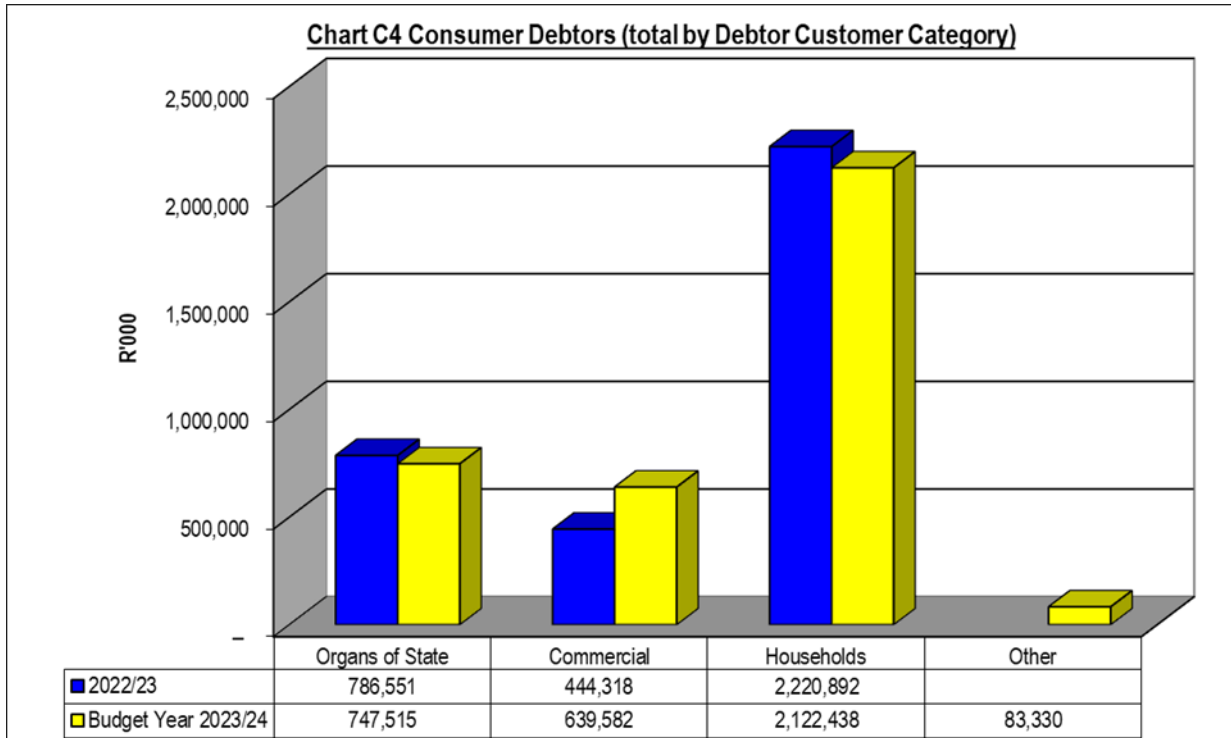


Chart 5.2: Consumer Debtors (total by Debtor Consumer Category)

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.

4.5 Revised Collection Rate

As per Table 9 below, when taking into consideration what was billed in May 2024 and received in June 2024, the monthly collection rate is 75%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 83%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R615 thousand and will be allocated during July 2024. Indicated in Table 10 below is the revised average collection rate of 80.2%, for Property rates and Service charges only. The average collection rate when taking into consideration on the annual billing on Property rates and Other was calculated at 74.1%. The lower collection rate is not an ideal situation and is having a dire impact on the cash flow of the municipality. The current status quo cannot continue, and drastic action will have to be taken to address this critical issue.

When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 June to 30 June 2024. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, had until the end of September 2023 to settle their outstanding accounts.

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

Table 9: Monthly Collection Rate

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

Table 10: Revised Average collection rate

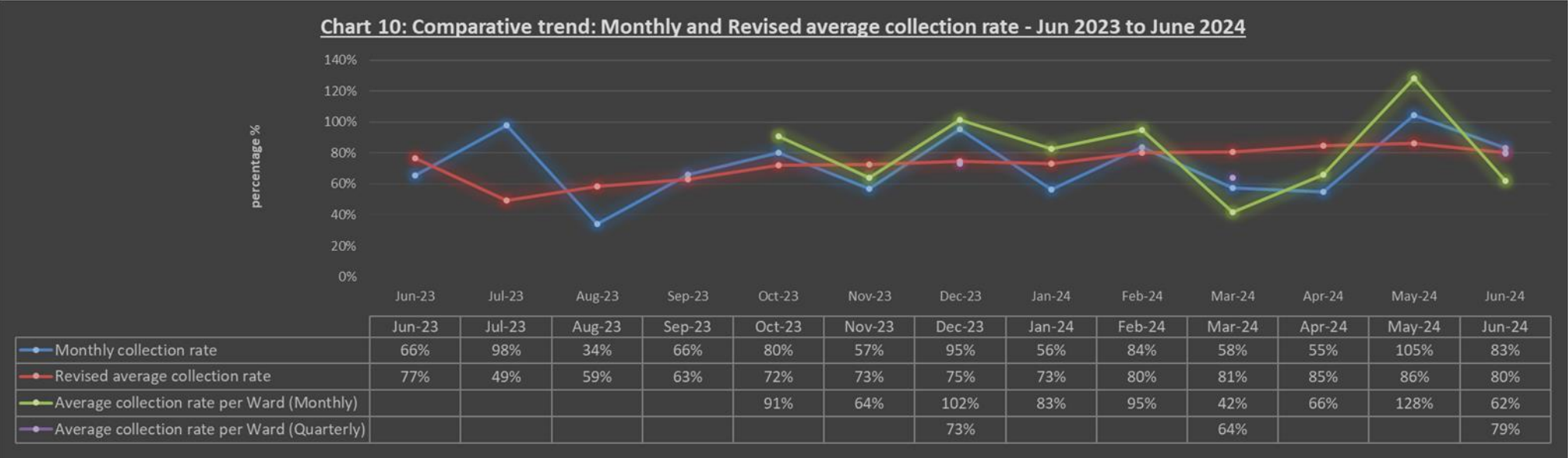


Chart 5: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 5 above, is the comparative trend between the monthly and average collection rate from June 2023 to June 2024. The monthly collection rate for August 2023 and the revised average collection for July 2023, is low due to the annual billing of Property rates. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted from June 2023 to January 2024, Other was included in the calculation but from February 2024 onwards, the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report the average collection rate per ward which includes receipts from Property Rates, Services and Interest. The monthly collection rate per ward was 62% for the month under review. The billing for Electricity, was high for the month of March 2024, due to a billing correction. However, this billing was reversed again during April and May 2024, reducing the YTD billed actual and distorting the collection rate. It should be noted that an amount of R615 thousand was unallocated at month-end.

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

4.6 Prepaid Electricity

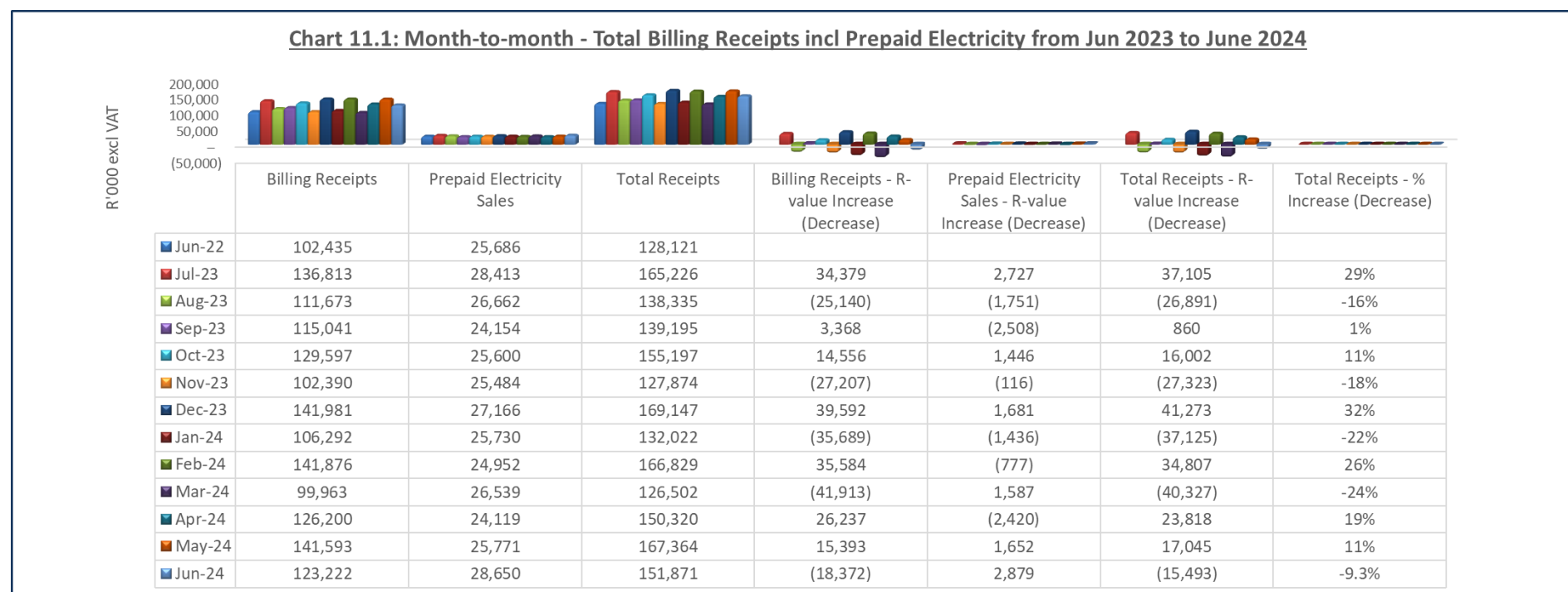


Chart 6.1: Total billing receipts incl Prepaid Electricity

As indicated in Chart 6.1 above, the Total Receipts amounted to R151,871 million which resulted in a decrease of R18,372 million or 9.3% in respect of the month-to-month comparison. Billing receipts decreased by R15,493 million, whilst Prepaid Electricity Sales increased by R2,879 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R615 thousand. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

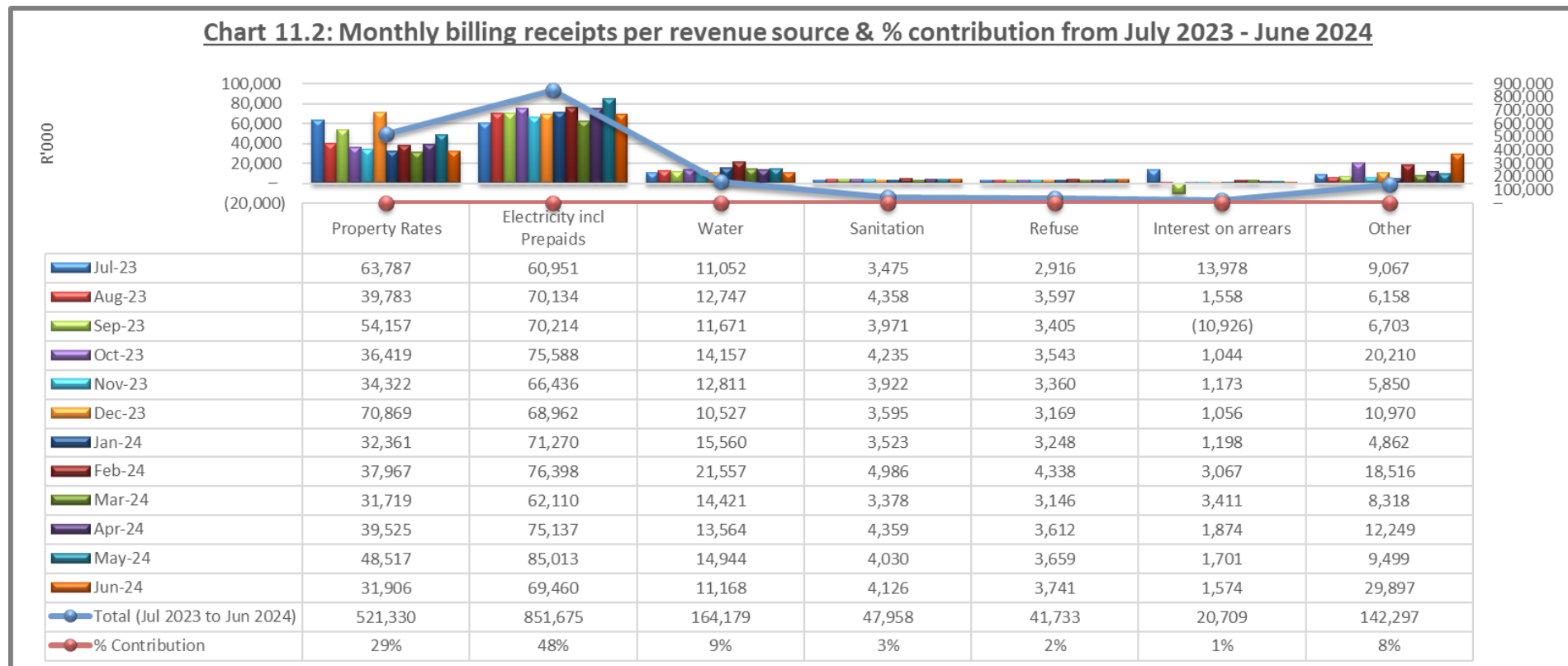


Chart 6.2: Monthly billing receipts per revenue source and % contribution

Indicated in Chart 6.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 30 June 2024. Receipts are relatively constant based on the month-to-month comparison. The actual cash collected remains a serious concern and positive results can be achieved, provided that the Credit Control and Debt Collection Policy is strictly, consistently, and fairly applied. The majority of revenue streams that are showing improvement in relation to the monthly comparison. Data from the above chart, indicates that Electricity incl Prepays at R851,675 million (48%) is the highest contributor, followed by Property rates at R521,330 million (29%) being received. This illustrates the sensitivity and vulnerability in respect of electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. Measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 9% and Other 8% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 54% from these revenue sources. The lowest contributor in respect of actual receipts, has always been Interest on arrears. This demonstrates the fact that the municipality is facing challenges in collecting long outstanding debt. It should be noted that in terms of the approved Customer Care, Credit Control and Debt Collection Policy, it outlines that "the municipality shall implement an incentive for settlement of arrears accounts as illustrated below:

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

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

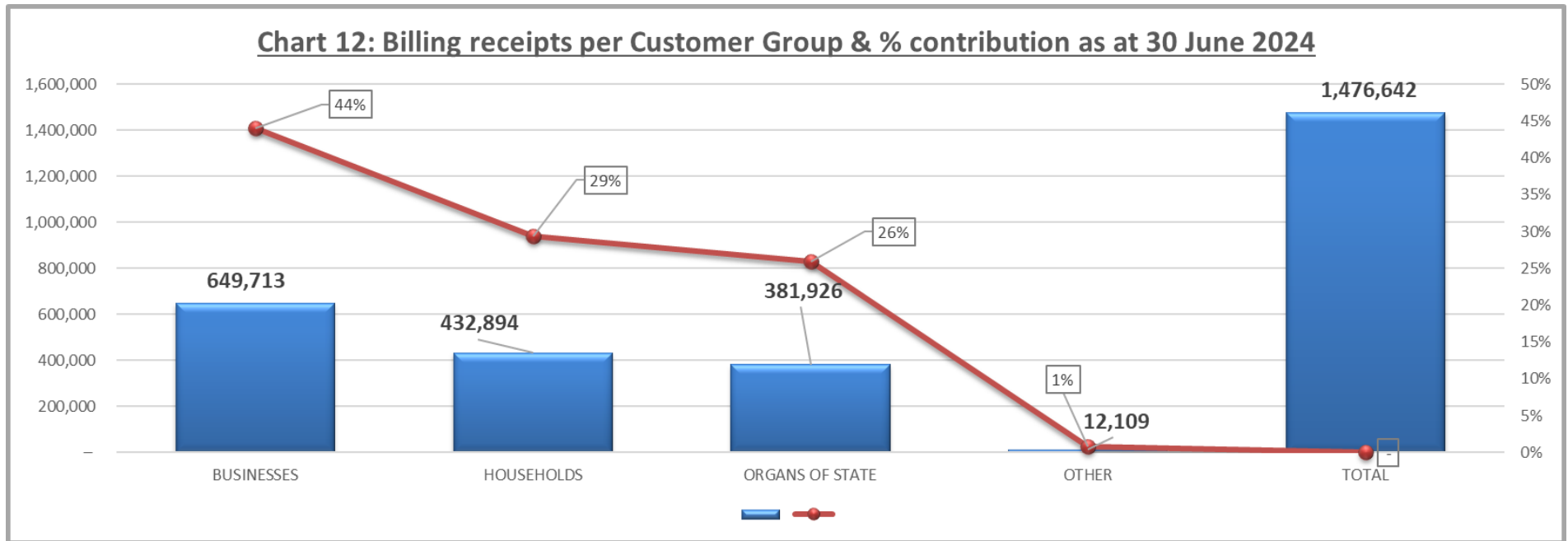


Chart 6.3: Monthly billing receipts per Customer Group

Indicated in Chart 6.3 above, is the billing receipts and percentage contribution per major Customer group as at 30 June 2024. The municipality received R649,713 million (43%) from Businesses, Households R432,894 million (29%), Organs of State R381,926 million (26%) and Other R12,109 million (1%).

4.7 Unconditional grants

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

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

There are some mapping errors pertaining to operational and capital grants. This was brought under attention of our financial system vendor and the matter is being investigated to find a solution. 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.

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

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

Table 11: Transfers and Grants receipts

4.8 Cash and Cash Equivalents

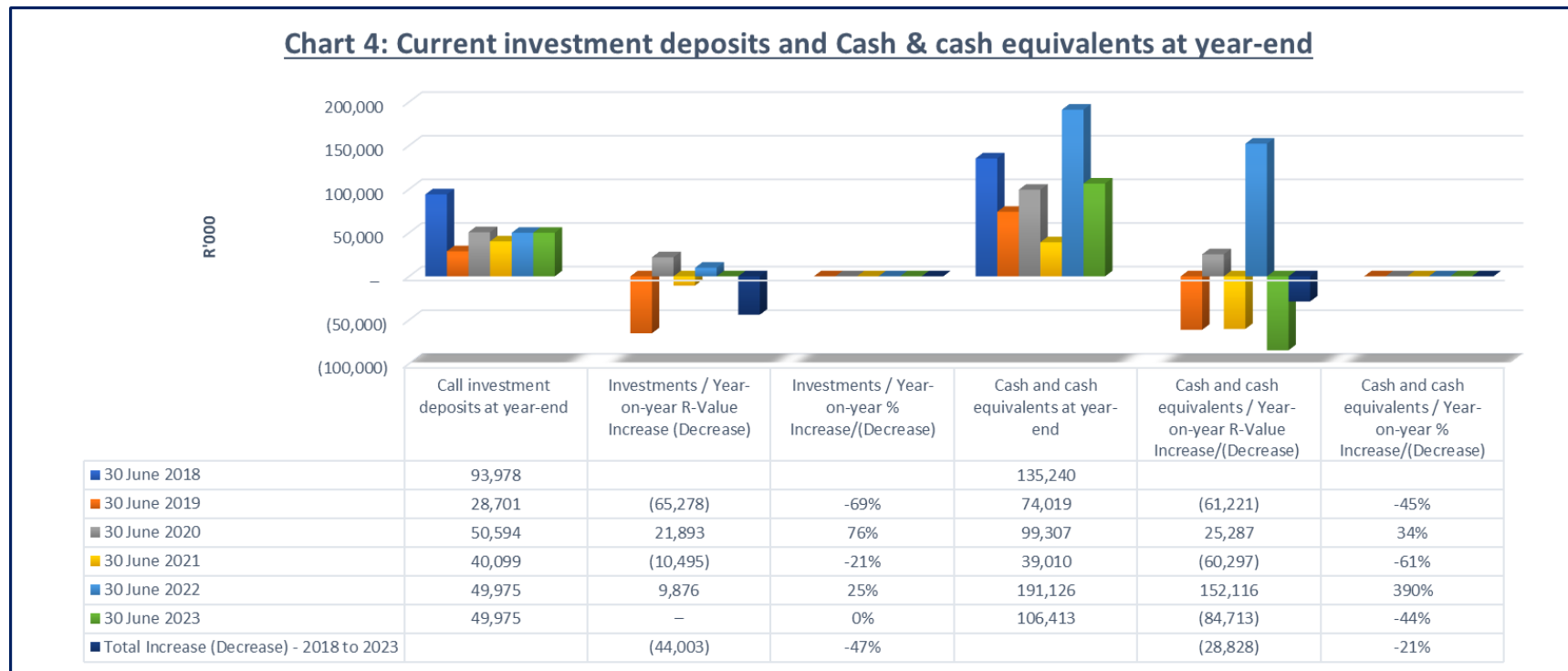


Chart 6: Call investment deposits and Cash & cash equivalents at year-end

Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. Investments increased by R9,876 million or 25% from 2021 to 2022. The total investment remained the same from 2022 to 2023. From 2018 to 2023, the total investments decreased by R44,003 million or 47%. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

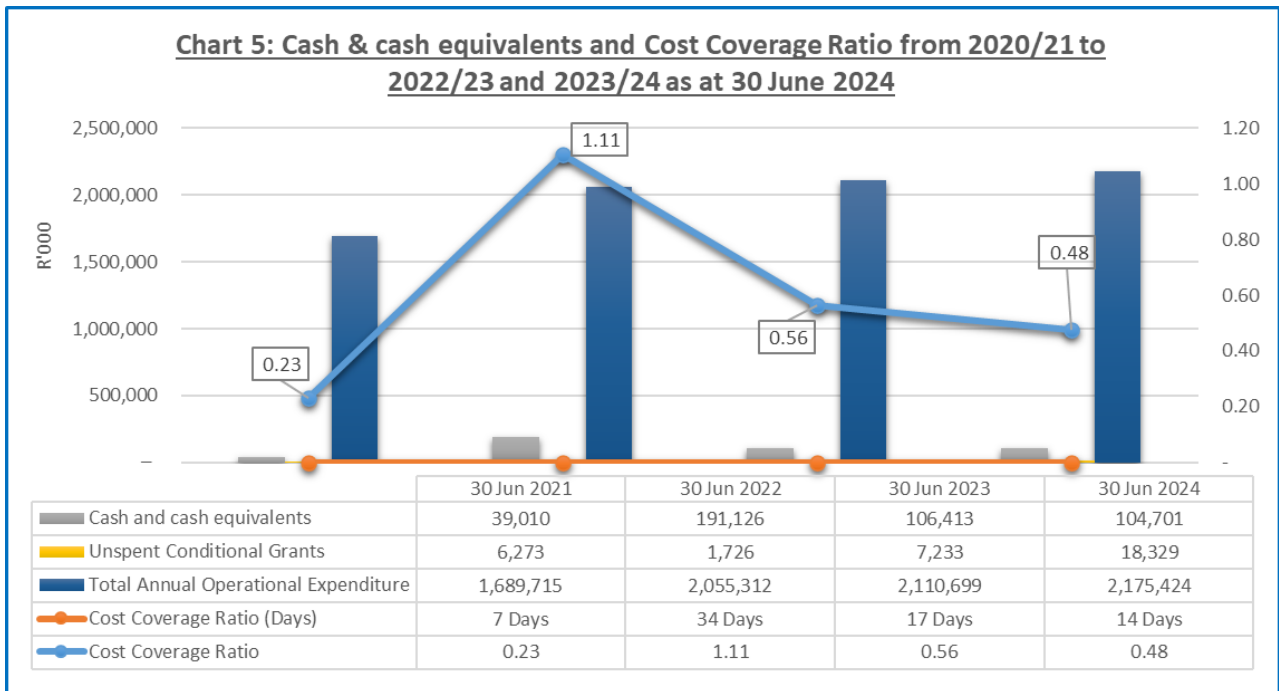


Chart 7: Cash & Cash Equivalents and Cost Coverage Ratio

Indicated in Chart 7 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the year. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2021 is (0.23; 7 days; R39,010m). There was a marginal improvement for the year ended 30 June 2022 (1.11; 34 days; R191,126m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The audited outcomes for the year ended 30 June 2023 is (0.56; 17 days; R106,413m). The Cost coverage ratio as at 30 June 2024 is calculated at (0.48; 14 days; R104,701m).

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

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

5. EXPENDITURE FRAMEWORK

The expenditure covers all the assumptions made to estimate operational and capital expenditure as per the approved budget of the municipality. It was assumed that spending as at fourth quarter will be 90% average on operational expenditure and 85% for capital expenditure.

Expenditure framework deals with all payments made to staff and creditors of the municipality as well as non-cash flow items such as depreciation and the provision for bad debts.

The municipality categorises its expenditure by type and by vote and both reports will be dealt with hereunder. On the capital budget, expenditure is reported per vote and by project. This allows Council to be able to identify slow spending projects and how these affect performance of the directorates and assist with early warning signs and informs intervention that must be put in place. Expenditure means provision of service. Expenditure must be incurred only when necessary and not because budget has been allocated.

5.1 Operating Expenditure by Type

In terms of the Budget Schedules, expenditure is categorised by nature and type. This allows management to analyse budget allocation and spending accordingly with the view to ensure that critical expenses for service delivery are adequately funded. These include budgeting for employee costs as without people, service delivery is impossible, the follows budget for operation and maintenance of infrastructure critical service delivery and revenue generation, this is then followed by budget for bulk costs of water and electricity and other expenditure follows accordingly.

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

Table 12: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 12 above, as at 30 June 2024 current YTD expenditure shows an unsatisfactory variance of minus 10.4%. The YTD actual amounted to R2,492,925 billion against the YTD Budget of R2,782,911 million.

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

R&M Expenditure per Directorate per Inventory type as at 30 June 2024 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original	Sum of % Spent Adj budget	% Spent compared against ideal IYM % of 100%
VOTE 1 - COUNCILLORS AND ADMIN	286,000	286,000	-	116,830	40.85%	40.85%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	118,000	124,000	-	62,602	53.05%	50.49%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	166,000	160,000	-	54,228	32.67%	33.89%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	30,576,000	24,092,000	2,979,420	33,577,346	109.82%	139.37%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	670,000	770,000	152,383	704,084	105.09%	91.44%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	250,000	244,000	22,698	242,809	97.12%	99.51%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	6,000	-	5,102	-	85.03%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,656,000	23,072,000	2,804,339	32,625,351	110.01%	141.41%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	138,000	138,000	-	103,576	75.06%	75.06%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	120,000	122,000	-	91,906	76.59%	75.33%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	16,000	-	11,671	64.84%	72.94%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,645,730	2,645,730	288,562	2,186,972	20.54%	82.66%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	867,000	921,000	4,869	733,213	84.57%	79.61%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	260,000	272,000	-	254,785	97.99%	93.67%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	340,730	615,230	40,965	600,230	176.16%	97.56%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,178,000	837,500	242,728	598,744	6.52%	71.49%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	34,528,500	44,290,115	3,864,196	29,519,234	85.49%	66.65%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,008,500	1,186,800	151,196	947,631	93.96%	79.85%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	58,000	58,000	36,860	38,415	66.23%	66.23%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	195,000	225,000	15,519	209,815	107.60%	93.25%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	965,000	1,054,000	31,804	878,294	91.01%	83.33%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	7,457,000	8,463,000	546,258	8,095,564	108.56%	95.66%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	953,000	318,000	16,893	298,087	31.28%	93.74%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,892,000	32,985,315	3,065,666	19,051,428	79.74%	57.76%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,399,000	2,354,000	136,432	1,784,025	74.37%	75.79%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,270,000	1,315,100	64,353	1,060,048	83.47%	80.61%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	159,000	177,650	3,659	142,538	89.65%	80.24%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	172,000	179,000	11,289	152,760	88.81%	85.34%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	798,000	682,250	57,131	428,678	53.72%	62.83%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,430,000	8,930,000	626,385	6,844,264	106.44%	76.64%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	464,000	490,320	70,845	287,447	61.95%	58.62%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	74,000	11,119	53,208	87.23%	71.90%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	362,000	367,180	23,243	363,313	100.36%	98.95%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	6,000	25,000	1,039	12,578	209.63%	50.31%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,537,000	7,973,500	520,139	6,127,718	110.67%	76.85%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	220,896,654	254,219,654	26,343,441	227,865,144	103.15%	89.63%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	677,000	632,000	23,707	486,868	71.92%	77.04%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,660,000	26,650,000	2,292,807	19,060,311	139.53%	71.52%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	721,000	817,000	9,509	767,899	106.50%	93.99%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,650,000	9,327,000	591,759	9,201,195	138.36%	98.65%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	360,000	548,000	22,767	500,184	138.94%	91.27%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	137,626,654	151,843,654	12,480,246	116,522,283	84.67%	76.74%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	64,400,000	10,922,646	81,326,405	132.89%	126.28%	OVERSPENT
Grand Total	305,899,884	336,955,499	34,238,436	301,997,392	98.72%	89.63%	UNSATISFACTORY

Table 13.1: R&M Expenditure per Directorate Per Inventory Type

Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 30 June 2024 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 100%
2480 - REFUSE	20,731,000	19,751,000	1,225,861	14,707,406	70.94%	74.46%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	71,000	111,000	36,224	85,106	119.87%	76.67%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	120,000	-	13,640	6.50%	11.37%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	5,000,000	5,750,000	421,972	5,726,663	114.53%	99.59%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	750,000	-	-	-	0.00%	-	-
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	13,770,000	767,665	8,881,997	60.42%	64.50%	UNSATISFACTORY
2830 - ROADS	46,038,000	42,438,000	2,957,820	42,952,665	93.30%	101.21%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	50,000	60,000	-	59,168	118.34%	98.61%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	54,000	64,000	-	59,958	111.03%	93.68%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	45,934,000	42,314,000	2,957,820	42,833,538	93.25%	101.23%	SATISFACTORY
2840 - HOUSING	3,497,000	3,497,000	143,540	2,549,445	72.90%	72.90%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	98,000	128,000	4,125	142,434	145.34%	111.28%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	125,000	125,000	-	124,211	99.37%	99.37%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	150,000	150,000	9,004	89,033	59.36%	59.36%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,123,000	3,093,000	130,411	2,193,766	70.25%	70.93%	UNSATISFACTORY
2850 - SEWERAGE	20,739,000	30,039,000	1,199,341	17,584,677	84.79%	58.54%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	45,000	45,000	2,149	28,587	63.53%	63.53%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	150,000	140,000	-	115,942	77.29%	82.82%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	239,000	284,000	2,957	274,616	114.90%	96.70%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,700,000	2,654,000	150,926	2,643,050	155.47%	99.59%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	70,000	-	65,856	65.86%	94.08%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,505,000	26,846,000	1,043,309	14,456,626	78.12%	53.85%	UNSATISFACTORY
2860 - WATER	105,314,000	130,737,000	15,146,637	132,536,778	125.85%	101.38%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	95,000	80,000	1,963	57,247	60.26%	71.56%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,510,000	26,510,000	2,292,807	18,944,369	140.22%	71.46%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	105,000	142,000	6,140	126,718	120.68%	89.24%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,600,000	2,338,000	179,439	2,327,860	145.49%	99.57%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	260,000	478,000	22,767	434,328	167.05%	90.86%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	28,544,000	36,789,000	1,720,874	29,319,851	102.72%	79.70%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	64,400,000	10,922,646	81,326,405	132.89%	126.28%	OVERSPENT
2880 - ELECTRICITY	49,461,000	50,791,000	6,585,658	31,734,523	64.16%	62.48%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	194,000	184,000	-	81,751	42.14%	44.43%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	81,000	412	79,338	111.74%	97.95%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	49,195,000	50,525,000	6,585,246	31,573,434	64.18%	62.49%	UNSATISFACTORY
Grand Total	245,780,000	277,253,000	27,258,856	242,065,493	98.49%	87.31%	UNSATISFACTORY

Table 13.2: R&M Expenditure per Service Per Inventory Type

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

- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of minus 14.3%. The sub-item OS: B&A Project Management is showing an under-expenditure, possibly due to outstanding invoices. Contr: Prepaid Electricity Vendors is also showing a projected saving at year-end.
- ❖ Transfers and subsidies showing negative variance of minus 29%, due to Other grants showing minimal movement due to cash flow constraints.
- ❖ Operational cost is showing an unsatisfactory variance of 8.6% as a result of the following line items under Operational Cost (OC)
 - The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of R39,613 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.
 - Costs incurred of R10,827 million on OC: Ext Com Serv Prov - S/Ware Licences, for predominantly annual software license fees.
 - Cost incurred of R9,521 million on OC: Professional Bodies M/Ship & Subs, for predominantly annual SALGA membership fees.
 - OC: Audit Cost: External incurred of R7,988 million.
- ❖ Other Losses is showing a variance of minus 1.5%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and then journalized to the Income Statement and is simultaneously split between Water Inventory and Water losses. The corrective journal to recognise Water inventory and losses portion for the actuals for the year is fully provided for, as the billing from the Waterboard is from July to March each year. Our servitude (free water) commences from April each year.

Operating Expenditure by Type: Comparison against Adjusted Budget

Indicated in Table 13 above, is the YTD actual compared to the Adjusted Budget. The ideal In-Year-Monitoring percentage as at the end of June 2024 is 100%. The total operational expenditure against the Adjusted budget is 89.6% spent, resulting in an unsatisfactory variance of minus 10.4%.

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

- ❖ Operational cost is showing a satisfactory variance of 8.6%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 1.5%. Same factors are applicable as explained above.

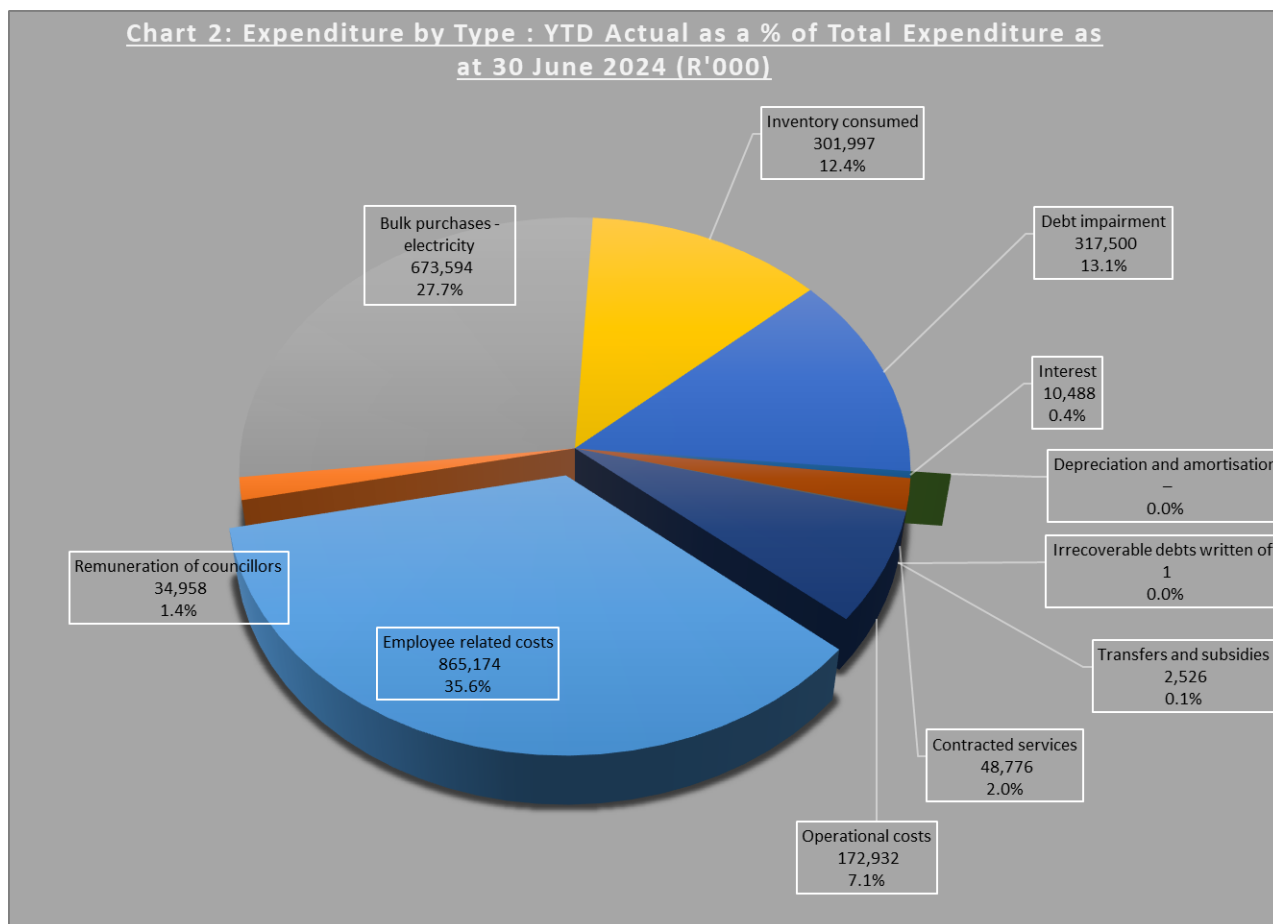


Chart 8: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 8 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 June 2024. The main cost drivers of the municipality are Employee Related Costs (35.6%), Bulk Purchases – Electricity (27.7%) and Debt Impairment (13.1%) and Inventory consumed (12.4%).

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

- ❖ Employee costs, the Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ The June 2024 account for Eskom amount to R113m, is not yet captured on the system
- ❖ Interest on the long-term borrowing is paid bi-annually in December and June of each year.

5.2 Expenditure by Vote

The vote structure of the municipality is represented by various directorates. Expenditure for the quarter ended 30 June 2024 is represented as per Table 14 below:

The largest vote is Infrastructure and services directorate. This vote is responsible for planning, operations and maintenance of infrastructure, service delivery on the ground and project implementation. Community services directorate is also service delivery driven with municipal parks and recreation facilities, public facilities and amenities, environmental health and refuse collection, policing and emergency services as well as primary health services. Most employees of the municipality work in this vote as the scope of work is labour intensive and requires unskilled to semi-skilled labour force to perform duties.

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

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

Table 15: Table C3 Expenditure by Vote

5.3 Councillor and board member allowances and employee benefits

Municipal Staff is categorised in terms of levels of authority from the Executive Management Team which comprises of the Municipal Manager, the Chief Financial Officer and the Executive Directors appointed, Senior Managers which covers those that report directly to Municipal Manager and staff reporting to the CFO and to other Executive Directors. All other staff below this level form part of other staff.

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

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

Table 15: Councillor and staff benefits

As depicted in Table 15 above, Employee related costs is satisfactory and showing a variance of minus 5%. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors Remuneration is showing a satisfactory variance of minus 2% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils was issued and implemented accordingly.

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

The Overtime controls are not effective and the desired outcome to remain within budget, was not achieved for 2022/23 financial year. The same trend transpired for the current year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. The historic contract appointments and continuous appointment of contract workers is negatively affecting the salary expenditure and hampering the municipality's to fill vacancies as contract workers are being carried by budgeted vacancies. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours were limited to 30 hours per month within most departments, but this control has since been abolished, negatively contributing to the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 16 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of June 2024.

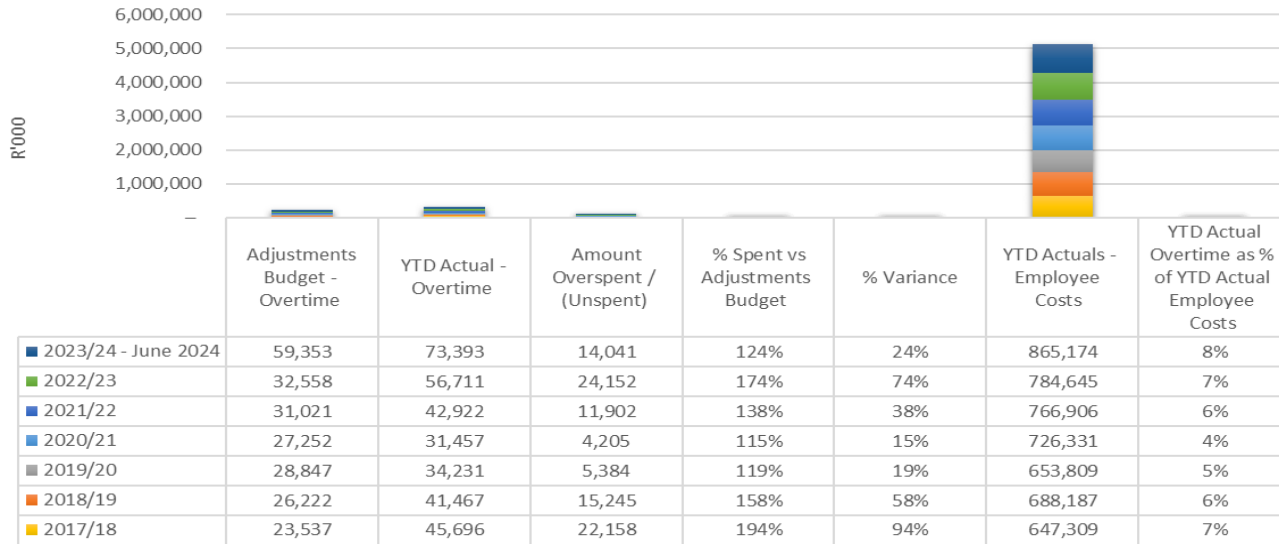
Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Adjustments Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Adjustments Budget
MS: OVERTIME - NON STRUCTURED	28,662,000	56,368,700	6,609,121	70,491,648	125%
MS: OVERTIME - STRUCTURED	8,504,033	2,984,033	428,037	2,901,721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

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

Table 16: Current YTD Overtime expenditure excl Night-shift allowance

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

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



Indicated in Chart 9.1, is the actual Overtime versus Budget from 2017/18 to 2023/24 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from July 2018 to June 2024. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, controls to curb Overtime is no longer in effect and the YTD actual for 2022/23 financial year was R56,711 million. Serious remedial action will have to be implemented to reduce Overtime expenditure.

Chart 9.1: Overtime Actual vs Budget

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

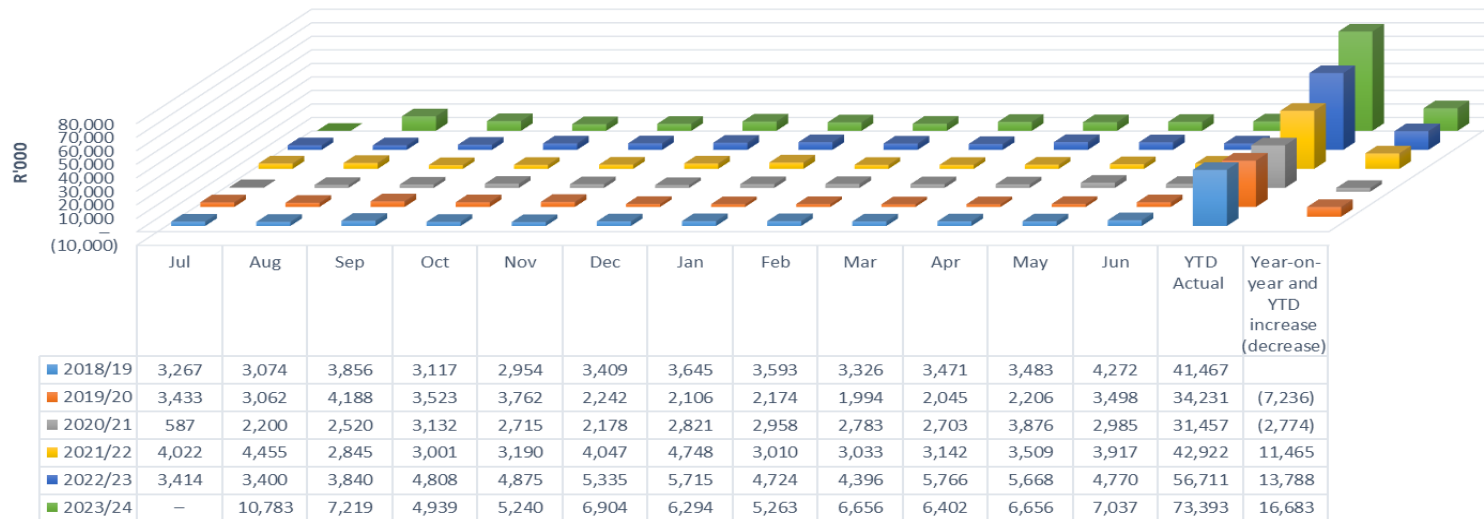


Chart 9.2: Monthly and Annual Overtime Comparison

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

4.4 Bulk Purchases

Bulk Purchases Electricity, Water Inventory and Water Losses

Indicated in Table 17.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 100% as at end of June 2024, Bulk Purchases Electricity is showing a fairly satisfactory variance of minus 14.75%. It should be noted that for the interim interest on overdue accounts is included under this line item, no provision was made for Interest on overdue accounts during the Adjustment budget, due to the municipality partaking in the municipal debt relief.

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

Table 17.1: Summary of YTD Bulk Electricity Expenditure

Indicated in Table 17.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of 12.1%, when compared to the ideal percentage of 100%. This will have to be investigated. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals pertaining to Water inventory and losses was processed on the system.

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

Table 17.2: Summary of YTD Bulk Water Expenditure

Outstanding debt: ESKOM and DWS

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Payments (2023/24)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2023/24
2021/22	523,811	-		523,811	523,811	-
Oct-21	51,028	-		51,028	51,028	-
Nov-21	50,813	-		50,813	50,813	-
Dec-21	51,379	-		51,379	51,379	-
Jan-22	53,401	-		53,401	53,401	-
Feb-22	51,445	-		51,445	51,445	-
Mar-22	54,652	-		54,652	54,652	-
Apr-22	51,835	-		51,835	51,835	-
May-22	57,826	-		57,826	57,826	-
Jun-22	101,431	-		101,431	101,431	-
2022/23	389,602	103,242	(37,482)	248,878	248,878	-
Dec-22	48,088	-		48,088	48,088	-
Jan-23	59,491	-		59,491	59,491	-
Feb-23	56,821	-	(9,504)	47,317	47,317	-
Apr-23	45,106	-	(7,923)	37,183	37,183	-
May-23	65,831	-	(9,033)	56,798	56,798	-
Jun-23	114,264	103,242	(11,022)	-	-	-
2023/24	975,207	694,376	(57,745)	223,086	109,315	69,631
Jul-23	131,032	96,762	(8,736)	25,534	25,534	8,736
Aug-23	123,594	70,000	(10,784)	42,810	42,810	10,784
Sep-23	71,421	30,000	(10,598)	30,823	30,823	10,598
Oct-23	76,317	62,679	(13,638)	-	-	13,638
Nov-23	70,580	62,348	(8,232)	0	0	8,232
Dec-23	64,311	61,246	(3,065)	-	-	3,065
Jan-24	65,735	63,044	(2,691)	-	-	2,691
Feb-24	64,371	62,479	-	1,893	1,893	1,893
Mar-24	66,311	62,973	-	3,338	3,338	3,338
Apr-24	61,436	59,697	-	1,739	1,739	1,739
May-24	66,327	63,149	-	3,178	3,178	3,178
Jun-24	113,771	-	-	113,771	-	1,738
Grand Total ESKOM	1,888,619	797,617	(95,227)	995,775	882,004	69,631

Table 18.1: Summary of outstanding ESKOM debt

Indicated in Table 18.1 above, is the total outstanding debt owed to ESKOM amounting to R995,775 million. It should be noted that R95,227 million interest charges were reversed, for interest charges from March 2023 to January 2024, as part of the municipal debt relief programme. The accounting treatment of this must still be done on the system. The municipality settled an amount of R63,149 million on current account excluding interest amounting to R3,178 million on 25 June 2024. The amounts paid excludes interest charges, in line with the MFMA Circular 124, the municipality must settle billed charges including VAT. On the 21 June 2024 an instalment of the debt proposal payment agreement was paid which amounted to R6,700 million and this was allocated to the July 2023 account. The total arrear debt amounts to R882,004 million summarized as follow 2021/22 (R523,811m), 2022/23 (R248,878m) and 2023/24 (R109,315m). The total interest charged on overdue accounts from July 2023 to June 2024 amounts to R69,631 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The interest charges that were reversed for the 2023/24 financial year amounts to R57,745 million. The total billed amount for the 2023/24 financial year amounts to R975,207 million.

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

DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Payments (2023/24)	Sum of Outstanding Balance	Sum of Arrear Debt
2021/22	126,431	71,775	54,656	54,656
INTEREST (APR-JUN 2022)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sep-21	15,795	15,795	–	–
Oct-21	15,275	15,275	–	–
Nov-21	14,523	14,523	–	–
Dec-21	11,108	11,108	–	–
Jan-22	17,098	–	17,098	17,098
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
2022/23	82	82	–	–
WRM LEVIES JUN 2023	82	82	–	–
2023/24	151,501	127,684	23,817	23,046
202307_WRM LEVIES JUL 2023	82	82	–	–
202308_WRM LEVIES AUG 2023	82	82	–	–
202309_WRM LEVIES SEP 2023	82	82	–	–
202310_WRM LEVIES OCT 2023	82	82	–	–
202311_WRM LEVIES NOV 2023	82	82	–	–
202312_WRM LEVIES DEC 2023	82	82	–	–
202401_WRM LEVIES JAN 2024	82	82	–	–
202402_WRM LEVIES FEB 2024	82	82	–	–
202403_WRM LEVIES MAR 2024	82	82	–	–
202404_WRM LEVIES APR 2024	78	78	–	–
202405_WRM LEVIES June 2024	78	78	–	–
202406_WRM LEVIES JUN 2024	78	–	78	–
Jul-23	15,303	15,303	–	–
Aug-23	13,588	13,588	–	–
Sep-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
Nov-23	17,070	17,070	–	–
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	13,000	23,046	23,046
Mar-24	5,194	5,194	–	–
Jun-24	694	–	694	–
Grand Total	278,015	199,541	78,474	77,702

Table 18.2: Summary of outstanding DWS debt

Indicated in Table 18.2 above, is the total outstanding debt owed to DWS which amounts to R78,474 million. No billing was raised for May 2024, due to the servitude (free water quota) that commences from 1 April each year. The servitude was exhausted but the excess consumption of the servitude was billed end of June 2024. The total debt also has to be concurred with the Department. The total arrear debt amounts to R77,702 million which pertains to outstanding invoices for 2021/22 financial year (R54,656m). This amount includes interest of R14,704 million which must still be written off by the Department, once all the arrear debt has been settled. All the invoices for the 2022/23 financial year, has been settled in full and for the 2023/24 financial year an amount of R23,046m is still unpaid.

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

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but has defaulted on some months. All invoices for 2022/23 financial year have been settled in full. The biggest concern for the municipality is to settle the outstanding invoices for November 2023 and February 2024 as a matter of urgency.
- Settling the monthly debt instalment (municipality complied, but defaulted for March to July 2024, due to insufficient cash available from operations). However the municipality successfully managed to settle the July and November 2023 accounts which were in arrears for the current year.
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.

Indicated in Chart 10.1 below, are the monthly payments made to DWS and ESKOM for 2022/23 and 2023/24 fin year as at 30 June 2024.

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

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

Chart 2.1: Monthly payments: DWS & ESKOM: 2022/23 and 2023/24

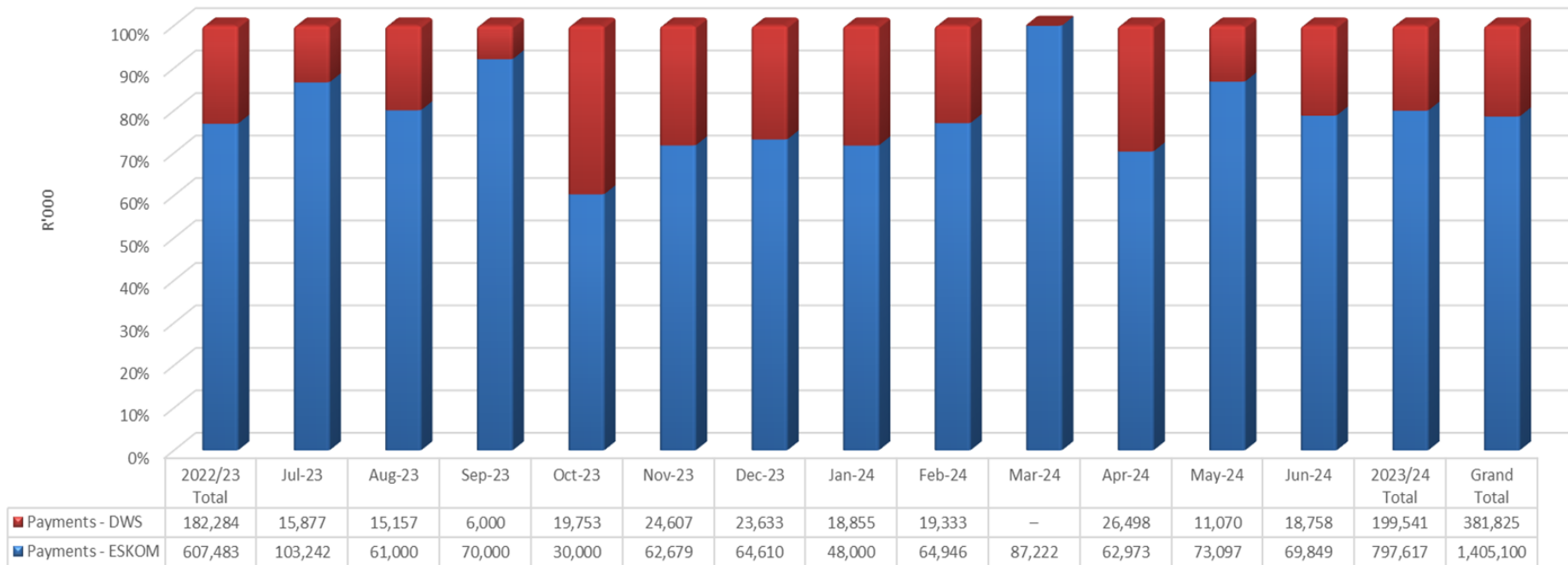


Chart 10.1: Monthly payments to DWS and ESKOM

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
2022/23	R 607,483,087.93
2023/24	R 797,617,409.52
20230801	R 103,241,512.23
20230830	R 61,000,000.00
20230928	R 35,000,000.00
20230929	R 35,000,000.00
20231031	R 30,000,000.00
20231130	R 62,678,528.38
20231220	R 2,262,000.00
20231228	R 62,347,938.72
20240130	R 48,000,000.00
20240209	R 13,246,492.61
20240219	R 6,700,000.00
20240228	R 45,000,000.00
20240304	R 18,043,546.82
20240319	R 6,700,000.00
20240328	R 62,478,598.42
20240426	R 62,972,969.32
20240524	R 13,400,000.00
20240528	R 59,696,947.69
20240621	R 6,700,000.00
20240625	R 63,148,875.33
Grand Total ESKOM	R 1,405,100,497.45

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
2022/23	R 182,284,059.00
2023/24	R 199,541,428.90
20230727	R 82,471.24
20230712	R 15,794,682.80
20230804	R 15,074,754.70
20230830	R 82,471.24
20230914	R 6,000,000.00
20231003	R 13,588,064.81
20231005	R 82,471.24
20231027	R 82,471.24
20231018	R 6,000,000.00
20231106	R 6,275,086.61
20231114	R 18,331,770.78
20231208	R 6,000,000.00
20231212	R 17,633,270.36
20240105	R 5,522,530.48
20240130	R 13,332,894.88
20240212	R 6,000,000.00
20240301	R 13,332,894.88
20240412	R 21,303,350.74
20240429	R 5,194,304.19
20240514	R 11,069,915.81
20240613	R 572,538.56
20240626	R 18,107,773.22
20240627	R 77,711.12
Grand Total DWS	R 381,825,487.90

Table 18.3: Summary of payments per payment date

Indicated in table 18.3 above, are the payments to ESKOM and DWS per financial year and per payment date, which corresponds to Chart 10.1 above.

Indicated in Chart 10.2 below, is the monthly and YTD comparison of Bulk electricity and Water debt.

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

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

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

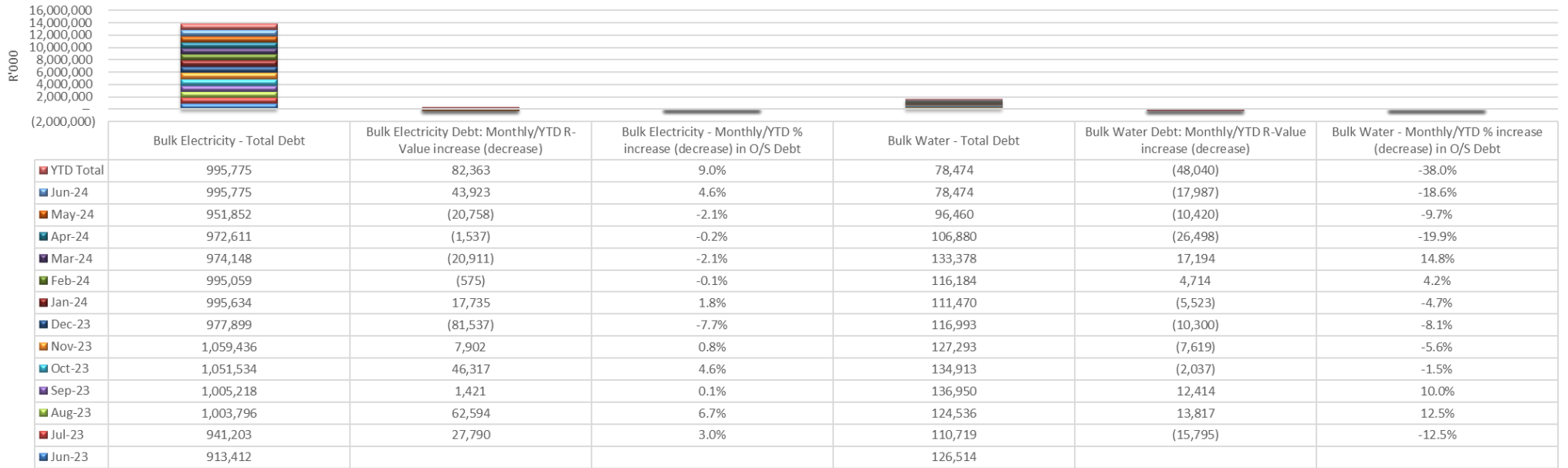


Chart 10.2: Monthly & YTD comparison – Bulk Electricity & Water Debt

5.5 Aged Creditors

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

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	113,771	3,178	1,739	3,338	1,893	-	99,167	772,689	995,775	913,412
Bulk Water	0200	771	-	-	-	23,046	-	-	54,656	78,474	126,514
PAYE deductions	0300	11,473	-	-	-	-	-	-	-	11,473	9,445
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	8,197	-	-	-	-	-	-	-	8,197	7,937
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	25,030	14,771	1,261	164	-	-	-	98	41,324	236
Auditor General	0800	96	-	-	-	-	-	-	-	96	12
Other	0900	20,018	13,813	1,505	1,648	55	-	8	10,586	47,634	19,763
Total By Customer Type	1000	179,356	31,762	4,505	5,150	24,994	-	99,175	838,029	1,182,972	1,077,319

Table19: Supporting Table SC4: Aged Creditors

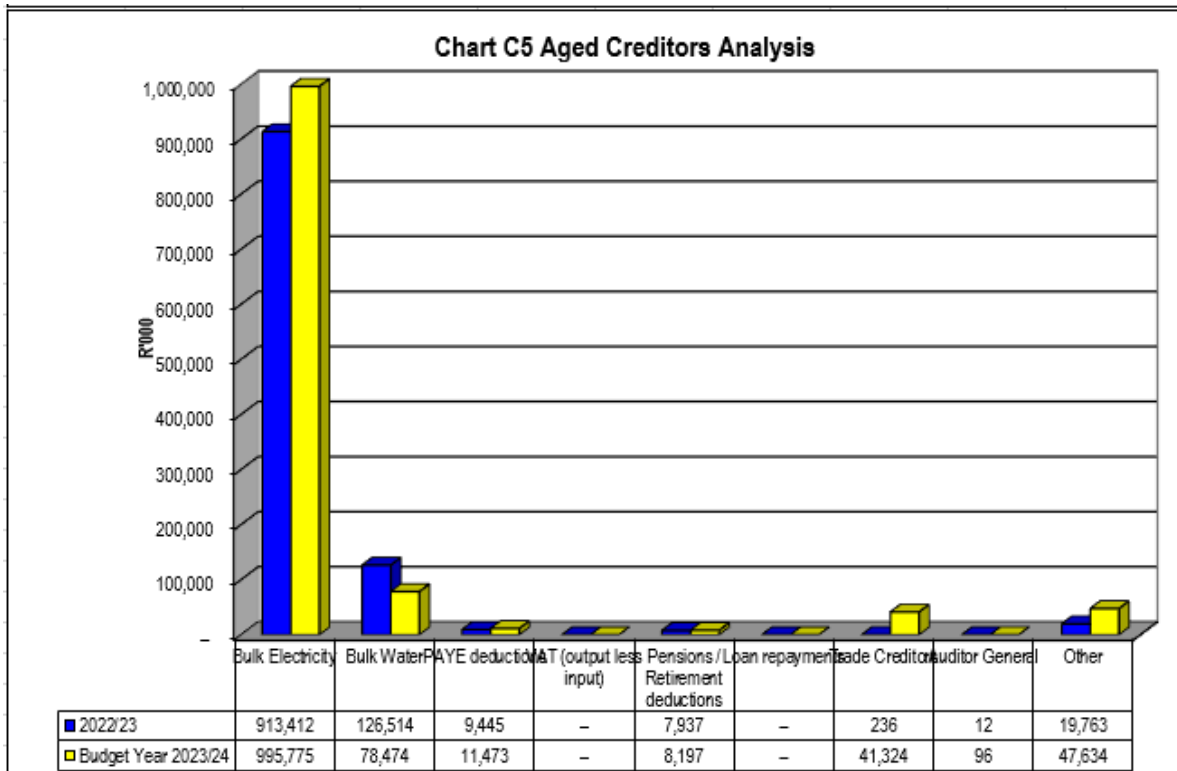


Chart 11: Aged Creditors Analysis

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

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

Bulk Water – As at the 30 June 2024, the outstanding debt owed to DWS amounted R78,474 million. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months and the municipality is participating in the Incentive scheme that the Department is providing to municipalities. All invoices for 2022/23 financial year were settled in full. The debt must be concurred with the Department.

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

VAT – after the monthly VAT reconciliation, we claimed an amount of R12,998 million from SARS.

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

Auditor General – the current account due to the AGSA is R96 thousand.

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

5.6 Repairs and maintenance

Repairs and maintenance enables the municipality to deliver much needed services to the people. Infrastructure requires continuous maintenance to perform effectively.

The report below gives further breakdown of maintenance budget as allocated to various votes and the spending to date. Maintenance expenditure varies year on year as it is influenced by various factors such as seasons, temperatures and unforeseen circumstances that happens randomly such as aged network resulting in network failures. The lack of maintenance plans has a negative influence on budgeting and expenditure on R&M.

R&M Expenditure per Directorate as at 30 June 2024 (Amounts in Rand) ▾	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original	Sum of % Spent Adj budget
VOTE 1 - COUNCILLORS AND ADMIN	286 000	286 000	-	116 830	40,85%	40,85%
VOTE 2 - MUNICIPAL AND GENERAL	30 576 000	24 092 000	2 979 420	33 577 346	109,82%	139,37%
VOTE 3 - MUNICIPAL MANAGER	138 000	138 000	-	103 576	75,06%	75,06%
VOTE 4 - CORPORATE SERVICES	10 645 730	2 645 730	288 562	2 186 972	20,54%	82,66%
VOTE 5 - COMMUNITY SERVICES	34 528 500	44 290 115	3 864 196	29 519 234	85,49%	66,65%
VOTE 6 - FINANCIAL SERVICES	2 399 000	2 354 000	136 432	1 784 025	74,37%	75,79%
VOTE 8 - INFRASTRUCTURE SERVICES	220 896 654	254 219 654	26 343 441	227 865 144	103,15%	89,63%
Grand Total	305 899 884	336 955 499	34 238 436	301 997 392	98,72%	89,63%

Table 21 : Budget per vote

R&M Expenditure per Service as at 30 June 2024 (Amounts in Rand) ▾	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget
2480 - REFUSE	20 731 000	19 751 000	1 225 861	14 707 406	70,94%	74,46%
2830 - ROADS	46 038 000	42 438 000	2 957 820	42 952 665	93,30%	101,21%
2840 - HOUSING	3 497 000	3 497 000	143 540	2 549 445	72,90%	72,90%
2850 - SEWERAGE	20 739 000	30 039 000	1 199 341	17 584 677	84,79%	58,54%
2860 - WATER	105 314 000	130 737 000	15 146 637	132 536 778	125,85%	101,38%
2880 - ELECTRICITY	49 461 000	50 791 000	6 585 658	31 734 523	64,16%	62,48%
Grand Total	245 780 000	277 253 000	27 258 856	242 065 493	98,49%	87,31%

Table 22 : Budget per service

Infrastructure and Services has been allocated just over 69% of the council maintenance budget for obvious reasons that all infrastructure is operated and maintained in this vote. The preliminary variance shows an under-expenditure of 11%, with Infrastructure services showing a variance of minus 8%.

6. CAPITAL EXPENDITURE

As indicated in the Charts 12 and 13 below, the YTD Actual on capital expenditure as at end of June 2024 amounted to R169,430 million which shows an unsatisfactory variance of 11.8% when compared to the YTD budgeted SDBIP target of R216,739 million and 78.17% spent. When compared to the Adjustment Budget of R216,739 million the target on capital expenditure percentage spent as contained in the SDBIP was set at 90% as at the end of the 4th Quarter.

When taking this into consideration, the total expenditure shows a negative variance of 21.83% and 78.17% spent for the period under review.

The total YTD capex is funded from Capital grants R161,349 million (74.44%) and Internally generated funds R55 390 million (25.56%).

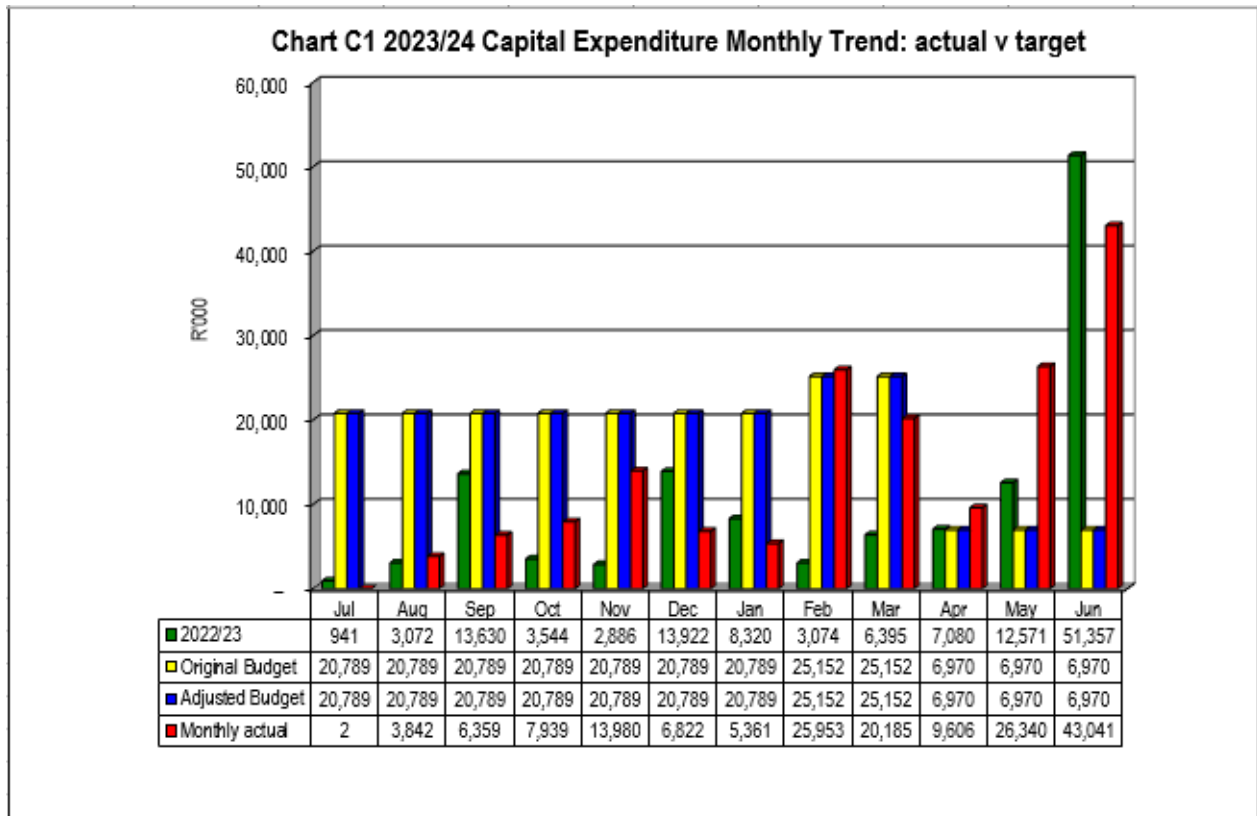


Chart 12: Capital Expenditure Monthly Trend: actual v target

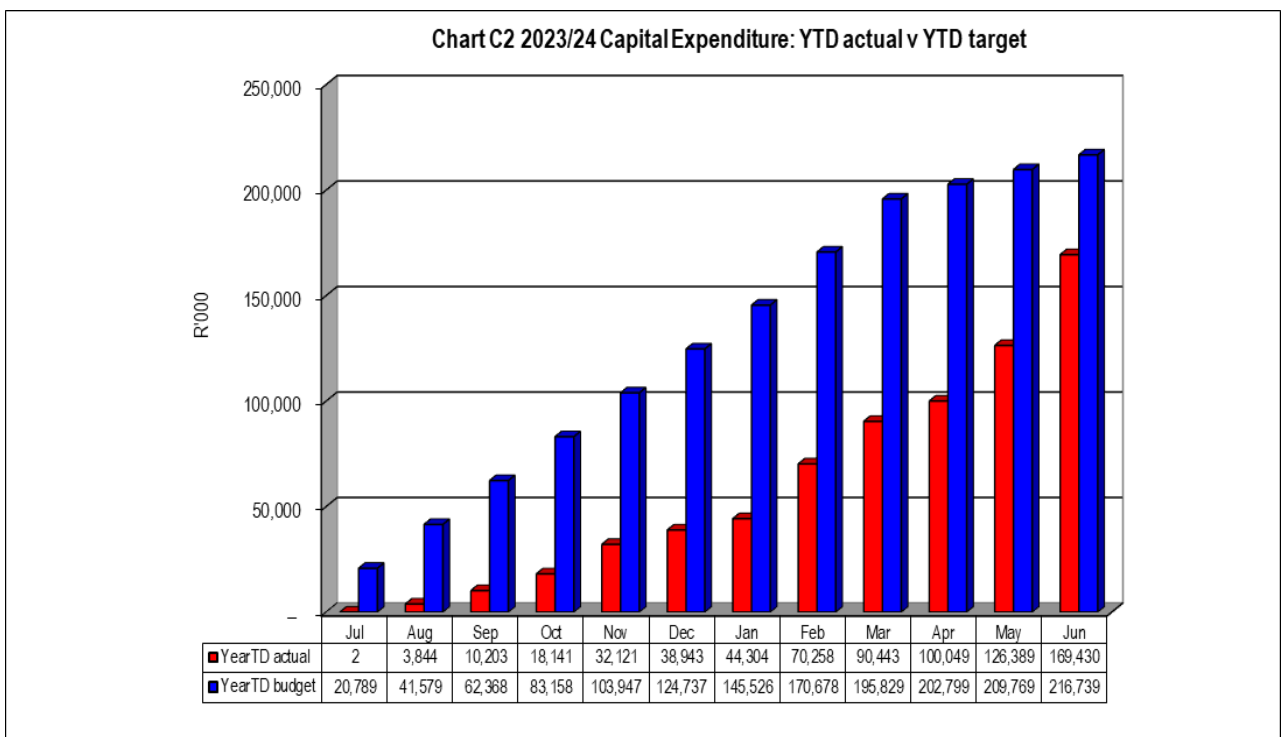


Chart 13: Capital Expenditure: YTD actual vs YTD target

6.1 Capital expenditure by project

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

Table 20: Detailed capital expenditure report

Indicated in Table 20 above, is a list of projects with the applicable funding source compared to the Adjusted budget. The total capex is normally slow during the start of the financial year. Capital expenditure for June 2024 is high, which brings the YTD expenditure relatively on par when compared to prior years for the same period. At mid-year Capex was extremely poor and this requires urgent intervention from management to remedy the situation. The actual monthly expenditure for June 2024 amounted to R43,051 million. The total YTD Capex amounts to R169,430 million. Please note that Commitments is excluded from the YTD actual. Capital expenditure is also exclusive of VAT.

The percentage expenditure per funding source INEP (69.69%), IUDG (86.67%), EEDSM (99.99%), RBIG (99.38%), European Union (90.58%), FBDM (100%) and NDPG funding was withdrawn. Spending on Internally generated funds is also 48.33% spent. Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

6.2 Capital Expenditure by Vote

Capital projects are analyzed by vote to ensure that the performance contracts of the executive management team include these projects. Further to this and as compelled by multi-year planning, projects may span over one year. The table below indicates single year and multi-year projects by vote.

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

Table 21 : Capital expenditure per vote

7. INVESTMENT PORTFOLIO ANALYSIS

The market value of the investment portfolio has been utilized and for the period ending 30 June 2024, the value of total investments made was R59,684 million including interest. Partially or prematurely withdrawn investments amounted to R80,181 million. The current status quo does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom and DWS and even other creditors. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the investments are committed and/or held for the following reasons:

Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	22,277
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,407
• Unspent Capital grant receipts that was invested for the current year.	24,131
• Own funds invested - Ring-fenced Eskom income	5,869
Total	59,684

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
Absa Bank - 9382218821		Monthly	Call a/c	No	Fixed	8.90%	0	n/a		43,850	214	(44,063)	-	0
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			0	-	-	-	0
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		30,000	225	(225)	-	30,000
Standard Bank 048466271-073		6 months	Notice	Yes	Fixed	8.50%	0		2019/05/07	-	-	-	-	-
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	8,073	49	(715)	-	7,407
Standard Bank - 048466271-087		48 hours	Notice	No	Variable	0.088	0		2023/08/31	35,000	177	(35,177)	-	(0)
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	22,110	167	-	-	22,277
Municipality sub-total										139,033		(80,181)	-	59,684

Table 22: Supporting Table SC5: Investment portfolio

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

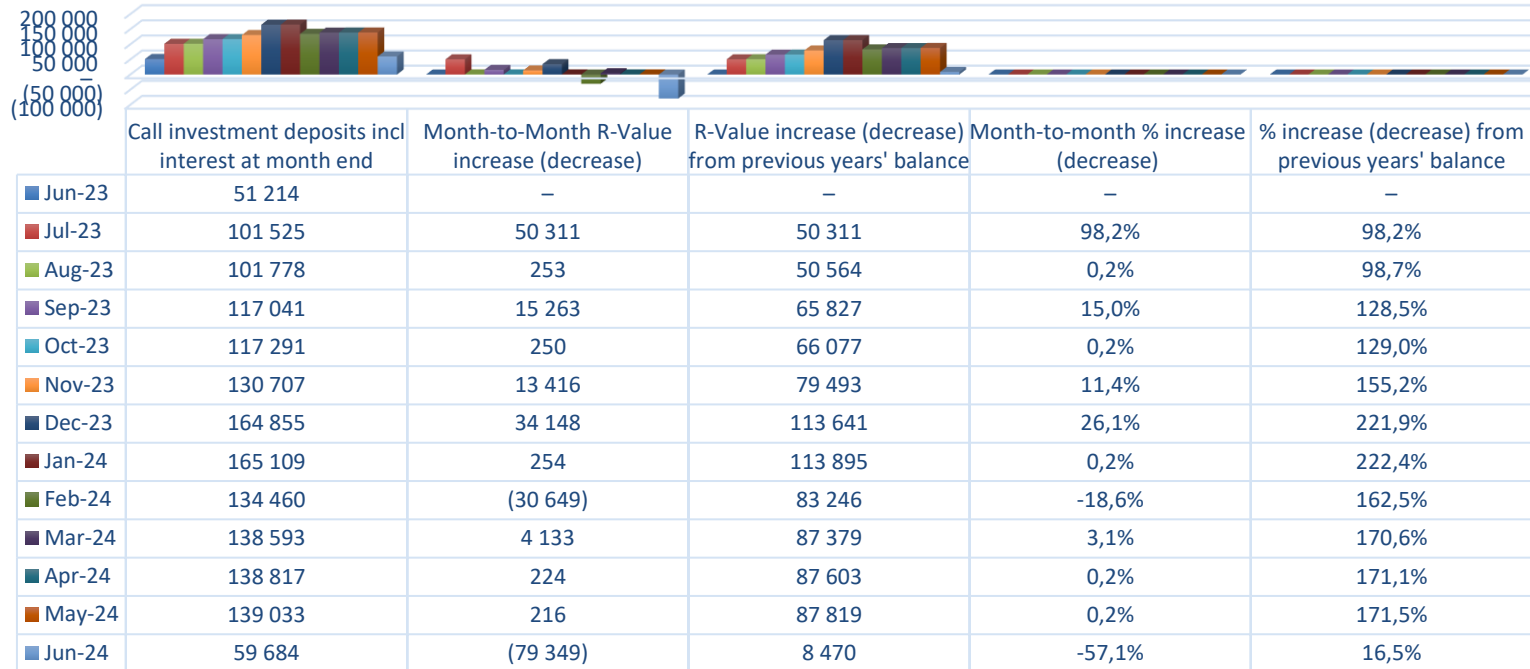


Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from May to June 2024 investments incl interest decreased by R79,349 or 57,1%, in respect of the month-to-month comparison. Investments increased by R8,470 million or 16.5% when compared to the previous years' balance of R51,214 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments, in December and June of each year. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

8. GRANTS AND SUBSIDIES RECEIVED

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

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

Table 23: Supporting Table SC6 Transfers and Grants Receipts

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

No Capital grant monies received for the month under review.

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

9. EXPENDITURE ON GRANTS AND SUBSIDIES RECEIVED

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is R28,968 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted adjusted allocation for the EPWP is R3,102 million. In addition to this, the municipality budgeted R15,000 million for this programme

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

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

Table 24: Supporting Table SC7(1) Transfers and Grants Expenditure

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

Table 25: Summary of expenditure per Grant

As indicated in Table 25 above, the YTD grant expenditure amounts to R142,661 million or 88.4% spent against the Adjusted capital grant allocation of R161,349 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

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

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

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 123 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

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

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

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

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

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

Stopping of allocations for 2023/24 financial year

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

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

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

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

10. FINANCIAL MANAGEMENT AND REPORTING

MFMA Section 52 (d) to require that the Executive Mayor reports on the financial state of affairs of the municipality. As such, financial ratios have been used to analyse the municipality's performance as at 30 June 2023. The municipality has used the financial ratios as published in MFMA Circular 71 that are aimed at replacing those that were promulgated in the Performance Regulations of 2001. The following is a summary of the outcomes of the analysis.

10.1 Assets Management

1. FINANCIAL POSITION					
A. Asset Management/Utilisation					
					Jun-23
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	7%
					Total Operating Expenditure 2 559 256
					Taxation Expense -
					Total Capital Expenditure 169 430
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	0%
					PPE, Investment Property and Intangible Impairment -
					PPE at carrying value 2 166 505
					Investment property at carrying value 221 566
					Intangible Assets at carrying value 34 787
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	11%
					Total Repairs and Maintenance Expenditure 258 094
					PPE at carrying value 2 166 505
					Investment Property at Carrying value 221 566

10.2 Debtors Management

B. Debtors Management					
					TOTAL DEBTORS
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	75%
					Gross Debtors closing balance 3 592 865
					Gross Debtors opening balance 3 451 871
					Bad debts written Off 422 847
					Billed Revenue 2 286 086
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	29%
					Consumer Debtors Bad debts written off 422 847
					Consumer Debtors Current bad debt Provision 1 474 636
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	282 days
					Gross debtors (90+ days) 3 241 721
					Bad debts Provision 1 474 636
					Billed Revenue 2 286 086

10.3 Liquidity management

C. Liquidity Management						
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		0.48 Month
					Cash and cash equivalents	106 413
					Unspent Conditional Grants	22 638
					Overdraft	-
					Short Term Investments	-
	Total Annual Operational Expenditure	2 107 920				
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.71
					Current Assets	2 586 243
					Current Liabilities	1 514 156

10.4 Liability management

D. Liability Management						
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		0.91%
					Interest Paid	10 488
					Redemption	12 088
					Total Operating Expenditure	2 492 925
					Taxation Expense	-
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		6%
					Total Debt	146 120
					Total Operating Revenue	2 757 386
					Operational Conditional Grants	287 603

10.5 Sustainability

E. Sustainability						
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%		131%
					Cash and cash Equivalents	106 413
					Bank Overdraft	-
					Short Term Investment	-
					Long Term Investment	-
					Unspent Grants	22 638
					Net Assets	3 103 583
					Share Premium	-
					Share Capital	-
					Revaluation Reserve	64 066
					Fair Value Adjustment Reserve	-
					Accumulated Surplus	2 975 452

10.6 Efficiency

2. FINANCIAL PERFORMANCE						
A. Efficiency						
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		10%
					Total Operating Revenue	2 757 386
					Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)	
					Total Operating Expenditure	2 492 925
					Taxation Expense	-
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		9%
					Total Electricity Revenue	952 786
					Total Electricity Expenditure	866 290
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		2%
					Total Water Revenue	363 604
					Total Water Expenditure	357 319
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		20%
					Total Refuse Revenue	96 254
					Total Refuse Expenditure	77 049
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		13%
					Total Sanitation and Water Waste Revenue	124 093
					Total Sanitation and Water Waste Expenditure	107 909

10.7 Distribution losses and Revenue

B. Distribution Losses						
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		29.38%
					Number of units purchased and/or generated	465 021
					Number of units sold	328 419
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		63.99%
					Number of kilolitres purchased and/or purified	35 658
					Number of kilolitres sold	12 839
C. Revenue Management						
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		1%
					Number of Active Debtors Accounts (Previous)	70 139
					Number of Active Debtors Accounts (Current)	70 957
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		16%
					CPI	5.4%
					Total Revenue (Previous)	2 499 842
	Total Revenue (Current)	2 899 067				
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI		21%
					CPI	5.4%
					Total Revenue Exl.Capital (Previous)	2 280 157
	Total Revenue Exl.Capital (Current)	2 757 386				

10.8 Expenditure Management

D. Expenditure Management						
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		294 days
					Trade Creditors	1 151 458
					Contracted Services	48 776
					Repairs and Maintenance	301 997
					General expenses	172 932
					Bulk Purchases	738 572
					Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	169 430
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%		3%
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	72 886
					Total Operating Expenditure	2 492 925
					Taxation Expense	-
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		36.11%
					Employee/personnel related cost	865 174
					Councillors Remuneration	34 958
					Total Operating Expenditure	2 492 925
					Taxation Expense	-
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		2%
					Contracted Services	48 776
					Total Operating Expenditure	2 492 925
					Taxation Expense	-

10.9 Grant Dependency

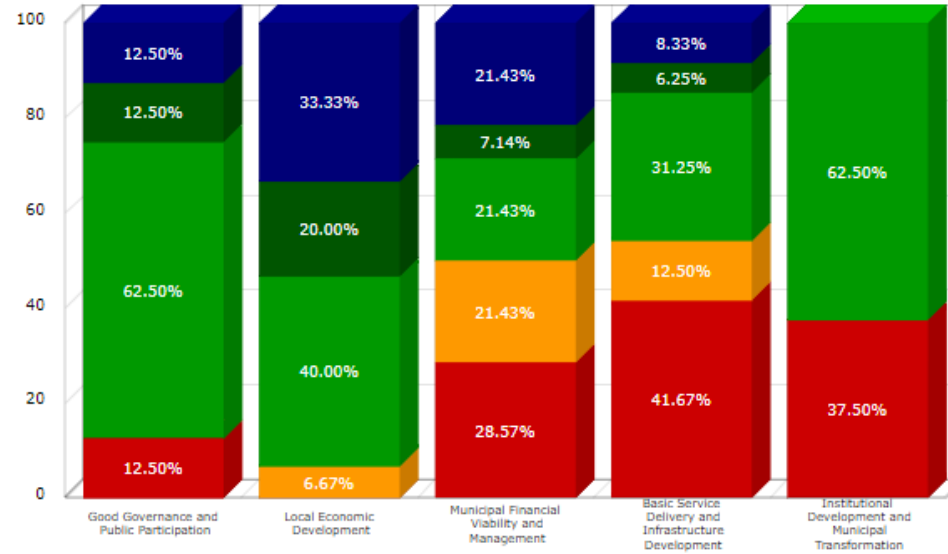
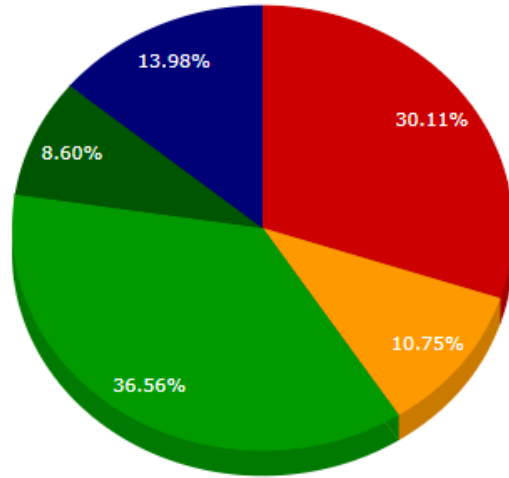
E. Grant Dependency						
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		16%
					Internally generated funds	26 768
					Borrowings	-
					Total Capital Expenditure	169 430
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		16%
					Internally generated funds	26 768
					Total Capital Expenditure	169 430
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		95%
					Total Revenue	2 899 067
					Government grant and subsidies	285 279
					Public contributions and Donations	-
					Capital Grants	141 681

10.10 Budget Implementation

3. BUDGET IMPLEMENTATION					
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	<div style="text-align: right;">78%</div> <div style="text-align: right;">Actual Capital Expenditure 169 430</div> <div style="text-align: right;">Budget Capital Expenditure 216 739</div>
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	<div style="text-align: right;">91.96%</div> <div style="text-align: right;">Actual Operating Expenditure 2 559 084</div> <div style="text-align: right;">Budget Operating Expenditure 2 782 911</div>
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	<div style="text-align: right;">106.60%</div> <div style="text-align: right;">Actual Operating Revenue 2 899 067</div> <div style="text-align: right;">Budget Operating Revenue 2 719 604</div>
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	<div style="text-align: right;">90%</div> <div style="text-align: right;">Actual Service Charges and Property Rates Revenue 1 797 695</div> <div style="text-align: right;">Budget Service Charges and Property Rates Revenue 2 000 857</div>

11. PRELIMINARY SDBIP PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

SUMMARY OF PERFORMANCE PER KEY PERFORMANCE AREA



	Sol Plaatje Municipality	National KPA				
		Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Basic Service Delivery and Infrastructure Development	Institutional Development and Municipal Transformation
■ Not Yet Applicable	-	-	-	-	-	-
■ Not Met	28 (30.11%)	1 (12.50%)	-	4 (28.57%)	20 (41.67%)	3 (37.50%)
■ Almost Met	10 (10.75%)	-	1 (6.67%)	3 (21.43%)	6 (12.50%)	-
■ Met	34 (36.56%)	5 (62.50%)	6 (40.00%)	3 (21.43%)	15 (31.25%)	5 (62.50%)
■ Well Met	8 (8.60%)	1 (12.50%)	3 (20.00%)	1 (7.14%)	3 (6.25%)	-
■ Extremely Well Met	13 (13.98%)	1 (12.50%)	5 (33.33%)	3 (21.43%)	4 (8.33%)	-
Total:	93	8	15	14	48	8
	100%	8.60%	16.13%	15.05%	51.61%	8.60%

11.1 Basic Service Delivery and Infrastructure Development

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL11	Improved Service Delivery	The percentage of the municipal capital budget actually spent on capital projects by 30 June (Total actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of Capital budget spent by 30 June {Actual amount spent on capital projects /Total amount budgeted for capital projects) X100}	90%	78.20%	O	Report submitted	Line Managers must submit procurement plans timeously. And tender committee meetings should run smoothly without delay.	TL11202406.xlsx	90%	78.20%	O
TL12	Improved Service Delivery	The percentage of the total municipal operational budget spent by 30 June ((Actual amount spent on total operational budget/Total operational budget) X100)	% of the total municipal operational budget spent by 30 June	90%	90%	G			TL12202406.xlsx	90%	90%	G
TL13	Improved Service Delivery	Number of reading outreach programmes conducted at all libraries	Number of outreach programmes held	15	19	G2			KPLHPOreachDisplaysFotosJunie2024.pdf; KPLHPOreachDisplaysStatsJunie2024.xlsx; OUTREACHDISPLAYSK PLHPMAY2024.xlsx; OUTREACHBCFAPRTOJ UNE24.docx; OUTREACHJAN24BCF.docx	60	88	G2
TL14	Improved Service Delivery	Limit unaccounted for electricity to less than 15% by 30 June {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) Å- 100}	% unaccounted for electricity by 30 June	15%	24.42%	R	Electricity losses for June 31.35%. Average losses for the year = 24.42%	By-passed prepaid meters to be replaced. Credit meter to be read on a monthly basis to avoid interim amounts	EleclossesJune2024.xlsx	15%	24.42%	R

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL15	Improved Service Delivery	Number of households in Lethabo Park to be connected to the electricity network (Phase 2)	Number of households to be connected to the electricity network	134	197	G 2			TL158828.pdf	634	555	O
TL16	Improved Service Delivery	Review of the WSDP	1 Adopted WSDP	0	0	N / A	The final Draft WSDP has been completed and requires tabling at various Portfolio Committees prior to submission to Council. The final Draft WSDP has been presented to the Utility and Mayco Portfolio Committees.	The final Draft WSDP will be tabled to council in the 2024/25 financial year.	RevisedAnnexWSDPJul24Jun29.pdf	1	0	R
TL17	Improved Service Delivery	% progress on the completion of the technical assessment of the bulk water supply pipeline	% Progress as per the annual project plan	0%	0%	N / A			Physical file available	100%	100%	G
TL18	Improved Service Delivery	% Progress on the refurbishment of the filters and backwash system for the new Waste Water Treatment Works (WWTW) , Phase 1	% Progress as per the annual project plan	100%	50%	R	Tender had to be re-advertised due to non-responsive bids. The conceptual design has been completed. Contractor has been appointed and on site. Guarantees and Works Insurance documents have been submitted.	Project to be completed in the 2024/25 financial year.	Physical file available	100%	50%	R
TL19	Improved Service Delivery	% progress on the repair of emergency leakages at the Newton reservoir	% Progress as per the annual project plan	100%	20%	R	Project was under-budgeted for and has since been put on hold.	Item to be tabled to Council for ratification of the adjustment.		100%	20%	R

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL20	Improved Service Delivery	% Progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware	% Progress as per annual project plan	100%	60%	R	The late procurement processes contributed to the delay of the project. The Service Provider has since been appointed and on site.	Project schedule has been revised. Project to be completed in the 2024/25 financial year.	Letterofcontractaward.pdf	100%	60%	R
TL21	Improved Service Delivery	% Progress on the completion of the Emergency Bulk leak repairs and Corrosion Protection	% progress as per annual project plan	100%	0%	R	Project was suspended due to budget cuts by National Treasury and could not be completed in this financial year	Project has been scheduled for implementation in the 2026/27 financial year.	StoppingLetter23-24NC091SolPlaatjeFeb2024.pdf	100%	10%	R
TL22	Improved Service Delivery	% progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant - Riverton) Ph 1	% Progress as per annual project plan	100%	60%	R	Contractor has been appointed and on site. Guarantees and Works Insurance documents have been submitted. The Service Provider appointed did not perform according to the schedule which caused a delay on the completion of the project.	The Service Provider has been issued with a notice to improve on Performance.	TenderAcceptanceLetter-AyamaJVLetsogo.pdf	100%	60%	R
TL23	Improved Service Delivery	% Completion on the design work for Ph 1 of the Kimberley network leak detection and repair	% Progress as per annual project plan	30%	30%	G				30%	30%	G
TL25	Improved Service Delivery	% replacement of internal water pipes in Main Rd, Reservoir Rd, Dalham Rd, Carrington Rd, Central Rd and Broadway	Percentage replacement of internal water pipes	100%	52%	R	Pipe installation project was delayed due to budget cut from NT. The required material has been procured.	The scope was revised and project to be implemented internally.	Physical file available	100%	52%	R
TL26	Improved Service Delivery	Completion of a substation for Lerato park link services	% completion	50%	50%	G			TL26LeratoParklinkservices.pdf; Deliverynote.pdf; Deliverynote1.pdf; LeratoParkLinkServTL26.pdf; LeratoParkLinkServ2.pdf	50%	50%	G

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024							Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R	
TL27	Improved Service Delivery	Construction of a Ring Main Unit (RMU) in Colville	% completion of construction	100%	30%	R	[D419] City Engineer: Electricity: The procurement processes of the project has been completed. There was a delay in the manufacturing of the Ring Main Unit which stalled completion of the project. (June 2024)	[D419] City Engineer: Electricity: The Ring Main Unit has been delivered and will be installed in the 2024/25 FY. (June 2024)		100%	30%	R	
TL28	Improved Service Delivery	Construction of a 11 KV line in Ronald's Vlei	% completion of construction	100%	60%	R	Service provider has been appointed to construct the MV and LV lines. Construction of Ph 1 has been completed.	To continue with the process for re-routing the cable to supply the new constructed line. Old line has to be removed and new line to be supplied before communities can be connected to the electricity network.	TL158828.pdf	100%	60%	R	
TL30	Improved Service Delivery	Limit unaccounted for water (Non-Revenue Water) to less than 40% annually {(Number of Kilotres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre's Water Purified x 100}	% unaccounted for water (Non-Revenue Water) annually	40%	66.04%	R	Installation and replacement of water meters has been a challenge due to unavailability of water meters.	Tenders have been awarded for projects to enable achievement of the target, included a tender for water meters.	CopyofWATERLOSSES2023-24.xlsx	40%	66.04%	R	
TL31	Improved Service Delivery	99% water quality level achieved as per SANS 241 annually	% water quality level achieved as per SANS 241 criteria annually	99%	90%	O	The upgrading of the infrastructure for water provision (BFI projects) are in progress that will improve the quality of drinking water.	With the refurbishment and upgrading in progress, improvement will be realised in the coming assessment year.	TL31BlueDGreaterKby.pdf; TL31BlueDRitchie.pdf; TL31BlueDropRiveron.pdf	99%	90%	O	
TL32	Improved Service Delivery	80% waste water effluent quality level achieved as per National Effluent Quality Standards annually	% waste water effluent quality level achieved as per National Effluent Quality Standards, annually	80%	66%	O	The WWTW are being upgraded through the BFI project implementation.	he three (3) WWTW need major repairs, which will result in improved performance and achievement of better effluent quality.	TL32GreenDrop.pdf	80%	66%	O	

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL33	Improved Service Delivery	Number of square meters of roads to be resealed	Square metres of road to be resealed	0	68 000	B			CloseOutReport.docx	150 000	150 000	G
TL34	Improved Service Delivery	Distance of kilometres of residential roads upgraded from gravel to a paved surface (Finch, Weaver, Seeduif, Parakiet, Chrysanthemum Roads, Baracuda 22nd Str, Zenzeleni, Otto, Jerry Matlhoma, Tlhabanelo, Soapberry, Sesing Streets, Barkly Road (behind Shoprite))	Number of kilometres paved	5	7.50	B			CloseupreportendJuneofpavedroads2024.docx	5	7.50	B
TL35	Improved Service Delivery	100% procurement of identified fleet as per the fleet replacement plan (number of vehicles delivered out of the number of vehicles identified for purchase x100)	Percentage of identified fleet delivered	100%	100%	G			FleetMay24.pdf FleetJune2024.pdf	100%	100%	G
TL36	Improved Service Delivery	Upgrade water infrastructure (replace 2 000 water meters)	Number of water meters replaced by 30 June	2 000	2 000	G			Physical file available	2 000	2 000	G
TL37	Improved Service Delivery	Upgrade electricity infrastructure (replace 2 000 prepaid electricity meters)	Number of electricity meters replaced by 30 June	2 000	630	R				2 000	630	R

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL39	Improved Service Delivery	Plan and conduct road blocks	Number of roadblocks conducted	2	7	B			Roadblocks.pdf	8	33	B
TL40	Improved Service Delivery	Development of a Strategy for the safeguarding of municipal assets to restrict vandalism of municipal infrastructure	Developed Strategy	1	0	R	Centralisation of Security Services referred back to the Safety and Security Committee by Council	Discussion by Safety and Security Committee and clear recommendations should be provided for the implementation of centralisation of security services.	TL40MunAssets.pdf; TL40Minutes.pdf; TL40safeguardingofmunassets.pdf	1	0	R
TL41	Improved Service Delivery	Plan and conduct stop and check points to improve road safety	Number of stop and check points conducted	1 500	3 271	B			StopChecks.pdf	6 000	13 583	B
TL42	Improved Service Delivery	Conduct monthly inspections of food premises	Number of Inspections	450	757	B			June2024Summaryreport.xlsx	1 800	2 739	B
TL43	Improved Service Delivery	Conduct monthly inspections of non-food premises to ensure compliance to legislation	Number of Inspections	300	208	R	Due to the 3 vacancies in the unit the target set could not be met.	EHP's instructed to improve on inspections to meet the monthly targets. The recruitment and selection process to be expedited.	June2024Summaryreport.xlsx	1 200	1 122	O
TL44	Improved Service Delivery	Number of water samples collected and tested	Number of water samples collected and tested	240	200	O	Due to the 3 vacancies in the unit the target set could not be achieved.	EHP's instructed to improve on inspections to meet the monthly targets. The recruitment and selection process to be expedited.	June2024Summaryreport.xlsx	960	695	R
TL73	Improved Service Delivery	% Progress on the upgrade of the security at the Riverton water treatment works	% Progress as per the annual project plan	100%	0%	R	Presentation was made to the Bid Specification Committee. Project was under budgeted for and been put on hold for the financial year 2023/24 due to budget cuts by National Treasury.	Project will be completed in the 2024/25 financial year.	GovernmentGazetteNo-5031820-320March2024-StoppingandRe-allocationintermsofsection18and19ofDoRA.pdf	100%	15%	R

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL76	Improved Service Delivery	% Completion on the repairs of Smart ball survey priority leaks	% Progress as per the annual project plan	50%	50%	G			LetterofTenderAward.pdf	50%	50%	G
TL77	Improved Service Delivery	% Development of a data system for the identification and repairs of leakages	% Progress as per the annual project plan	0%	0%	N / A			DN900Riverton-Midstation-NewtonInspectionReport Sept23.pdf; RivertontoMidstation600mmInspectionReport.pdf	100%	100%	G
TL78	Improved Service Delivery	% Progress on the installation of bulk water meters and pressure regulating valves	% Progress as per annual project plan	50%	50%	G				50%	50%	G
TL79	Improved Service Delivery	% Progress on the upgrade of the old Water Treatment Plant (WTP) chlorine and dosing works	% Progress as per annual project plan	50%	0%	R	Project was halted due to a dispute that was lodged by a bidder.	Legal opinion was sought and appointment of a service provider will proceed in the 2024/25 financial year.	BFI01-23-E2SC2-RIVERTON-WTW-REFURBISHMENT-OF-OLD-PLANT-FILTERS-CHLORINE-AND-CHEMICALS-DOSING-SYSTEMS-RE-ADVERT.pdf; BFI01-23-E2SC-RIVERTON-WTW-REFURBISHMENT-OF-OLD-PLANT-FILTERS-CHLORINE-AND-CHEMICALS-DOSING-SYSTEMS.pdf	50%	0%	R
TL80	Improved Service Delivery	% Progress on the upgrade of the new Water Treatment Plant (WTP) chlorine and dosing works	% Progress as per annual project plan	50%	0%	R	Contractor has been appointed and on site. Guarantees and Works Insurance documents have been submitted. The Service Provider appointed did not perform according to the schedule which caused a delay on the completion of the project.	The Service Provider has been issued with a notice to improve on performance.		50%	25%	R

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL81	Improved Service Delivery	% Completion on the design work for Ph 2 of the Kimberley network leak detection and repair	% Progress as per annual project plan	30%	30%	G				30%	30%	G
TL82	Improved Service Delivery	% Completion on the design work for the upgrade of the Ritchie Water Treatment Works (WTW) and Bulk pipeline	% Progress as per the annual project plan	30%	30%	G				30%	30%	G
TL83	Improved Service Delivery	Replace 250W HPS luminaires with 100W LED luminaires	Number of luminaires replaced	262	311	G2			GAPElectrical-EEDSMPProject.xlsx	262	311	G2
TL84	Improved Service Delivery	Replace 70W MV luminaires with 36W LED luminaires	Number of luminaires replaced	200	293	G2			GAPElectrical-EEDSMPProject.xlsx	200	293	G2
TL85	Improved Service Delivery	Replace 400W MV luminaires with 276W LED luminaires	Number of luminaires replaced	315	262	O	Report submitted.		EEDSMPProjectHiMasts20232024.xlsx	315	262	O
TL86	Improved Service Delivery	% Progress on the construction phase for the Carters Ridge sewer pump station building with all electrical and mechanical equipment as per the Project Plan by 30 June 2024	Percentage progress on construction as per project plan	100%	47.60%	R	The Construction of Carters Ridge Sewer Outfall Mains project showed zero progress this quarter due to previous contractual disputes between the contractor and the municipality. The project was re-implemented in February, with the new appointment expedited and signed in July 2024. This delay has impacted the overall project timeline, necessitating close monitoring to ensure future milestones are met.	To address the delays caused by the previous contractual disputes, we will establish a detailed and revised project schedule with clear milestones and deadlines. We will also conduct regular progress reviews to ensure we stay on track with the new timeline. Additionally, we will maintain open communication with the contractor to quickly resolve any issues that may arise, preventing further delays.	CatersRidgePDCT2023.pdf; CartersRidgeQuarter3ProgressReport.pdf; CartersRidgeQuarter4ProgressReport.pdf	100%	47.60%	R

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL87	Improved Service Delivery	% Completion for the installation of electrical and mechanical components in Lerato Park Sewer pump Station as per the project plan by 30 June 2024	Percentage completion as per project plan	100%	62.80%	R	Progress was made on the Lerato Park project during the Quarters however due to slow progress in Quarter 4 the termination of the contract with Kapa Koni by the municipality. However, the MCC was paid in December, which pushed the overall project progress from 52% to 62,8%	To address the lack of progress, it is crucial to expedite the procurement process for appointing a new contractor. A thorough assessment of the project timeline should be conducted to adjust milestones accordingly and mitigate further delays. Additionally, enhanced monitoring and regular site inspections will be implement to ensure the new contractor adheres to the revised schedule and project requirements,	LeratoParkPDCT2023.pdf ; LeratoparkSEPT2023.pdf ; LeratoParkDec2023.pdf; LeratoParkMarch2024.pdf; LeratoParkJune2024.pdf	100%	62.80%	R
TL88	Improved Service Delivery	Number of households in Colville to be connected to the electricity network	Number of households to be connected to the electricity network	138	0	R	Infrastructure for Phases 1 and 2 of the MV and LV Line have been completed, but could not be energized due to the delay in the delivery of the Ring Main Unit.	Connections will commence in the 2024/25 FY.	TL158828.pdf	138	0	R
TL95	Improved Service Delivery	Number of households in Lerato Park to be connected to the electricity network, Phase 6	Number of households to be connected to the electricity network	411	411	G			TL95LeratoParkPh6.pdf	411	411	G
TL96	Improved Service Delivery	Number of households in Lerato Park to be connected to the electricity network, Phase 7	Number of households to be connected to the electricity network	214	214	G			TL96LeratoParkPh7.pdf	214	214	G
TL97	Improved Service Delivery	Number of households in Lethabo Park to be connected to the electricity network, Phase 1	Number of households to be connected to the electricity network	1 166	1 166	G			TL97LethaboParkPh1June24.pdf	1 166	1 166	G

Summary of Results: Basic Service Delivery and Infrastructure Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	20
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	6
G	KPI Met	Actual meets Target (Actual/Target = 100%)	15
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	3
B	KPI Extremely Well Met	150.000% <= Actual/Target	4
Total KPIs:			48

11.2 Municipal Financial Viability and Management

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL53	Establishment of healthy financial management	Number of indigent households earning less than R4 500 provided with free basic services (water, electricity, refuse and sanitation)	Number of indigent households provided with free basic services (water, electricity, refuse and sanitation)	11 800	11 478	O	Number of indigent households earning less than R4500 provided with free basic services (water, electricity, refuse and sanitation) target not met Target could not be reached as there has not been an increase in indigent registrations.	Indigent number can be improved through verification. Indigent number can be improved through campaigning and getting support from ward Councillors to identify Customers in need (on ground information advantage)	BP956MARCH24.xlsx BP956JUNE24.xlsx	11 800	11 478	O

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024							Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R	
TL54	Establishment of healthy financial management	Financial viability measured in terms of the municipality's ability to meet its debt obligations by 30 June (Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Debt to revenue by 30 June	10%	6%	B				TL54-Qtr4Jun2023-24Prelim.xlsx	10%	6%	B
TL55	Establishment of healthy financial management	Maintain the current ratio of 2:1 against current assets of the municipality by 30 June (Current Assets / Current Liabilities)	Current ratio	02:01	1.71:1	O	Addressing billing challenges in order to increase revenue.	Increased collection efforts in order to settle long outstanding Creditors.		TL55-Qtr4Jun2023-24Prelim.xlsx	02:01	1.71:1	O
TL56	Establishment of healthy financial management	Reduce net debtor days to 300 days by 30 June ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365	Net debtor days	300	282	B				TL56-Qtr4Jun2023-24Prelim.xlsx	300	282	B
TL57	Establishment of healthy financial management	Financial viability measured in terms of the available cash to cover fixed operating expenditure (Cost coverage ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Cost coverage ratio by 30 June	01:01	0.48:1	R	Target not met due to not having sufficient build up of cash reserves.	Revenue enhancement and collection strategies to increase cash reserves.		TL57-Qtr4Jun2023-24Prelim.xlsx	01:01	0.48:1	R

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL58	Establishment of healthy financial management	Number of planned BSC meetings conducted to process bids	Number of meetings conducted	6	8	G2			SCMJune24.pdf (June 2024)	24	31	G2
TL59	Establishment of healthy financial management	95% collection rate and ensure payment based on correct account (receipts/billingx100)	95% collection rate achieved	95%	80%	O	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.	TL59202406.xlsx (June 2024)	95%	81%	O
TL60	Establishment of healthy financial management	Perform an annual cost analysis for each trading services for the new budget by 31 March	Cost analysis reports	0	0	N/A			CostAnalysisReport-Services-2024-25finyear.xlsx	1	1	G
TL61	Establishment of healthy financial management	75% reduction of irregular expenditure by 30 June	% reduction of Irregular expenditure after condonement (Current year - Prior year) / Prior year)	75%	50%	R	No investigative meetings taking place by MPAC. [D176] Manager: Expenditure: Irregular expenditure has increased by 13% in FY 202. (June 2024)	Management not adhering to policies. This needs to be changed drastic action required. Strict enforcement of UIFWE strategy & S32 MFMA processes to be undertaken by MPAC. Consequence management has become paramount.	REMPACCommitteeMembers.msg UIFWREGISTERJUNE2024.xlsx	75%	50%	R
TL62	Establishment of healthy financial management	100% elimination of Fruitless & wasteful expenditure by 30 June	% elimination of Fruitless and Wasteful expenditure after condonement (Current year - Prior year) / Prior year)	100%	50%	R	F&WE has increased by 34%.	Council to strictly enforce its reduction strategy. Strict enforcement of UIFWE strategy & S32 MFMA processes to be undertaken by MPAC.	REMPACCommitteeMembers.msg UIFWREGISTERJUNE2024.xlsx	100%	50%	R
TL63	Establishment of healthy financial management	Elimination of Unauthorised expenditure by 30 June	% of Unauthorised expenditure after condonement against total operational expenditure x100	100%	100%	G			REMPACCommitteeMembers.msg	100%	100%	G

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL64	Establishment of healthy financial management	% Submission of financial, non-financial mSCOA data strings and documents on the Go Muni web-based application by the set deadlines provided by National Treasury. (All reports to be uploaded within 10 working days after the month-end)	% of reports loaded on the Go Muni application	100%	100%	G			eyalhFinancialandnon-financialyear2324.xlsx; js2u8Revenuedocumentsyear2324.xlsx; z40z4Documentsyear2324.xlsx	100%	100%	G
TL75	Establishment of healthy financial management	Reduce Trade Creditors Payment Period to 300 days by 30 June (Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Creditors Payment Period (Trade Creditors)	300	125	B			creditorageanalysisJune2024report.xlsx	300	125	B
TL93	Establishment of healthy financial management	Percentage of all identified assets registered in the Asset Register (GRAP) by 30 June 2024	Percentage of all identified assets on the register	100%	0%	R	To be updated by Asset	To be updated by asset	SUMMARYASSETREGISTER20232024.xlsx	100%	0%	R

Summary of Results: Municipal Financial Viability and Management

R	KPI Not Met	0% <= Actual/Target <= 74.999%	4
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	3
G	KPI Met	Actual meets Target (Actual/Target = 100%)	3
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	3
Total KPIs:			14

11.3 Local Economic Development

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL1	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Create full-time equivalents through EPWP initiatives by 30 June	Number of full-time equivalents created by 30 June	173	225.81	G2			EPWPJune2024.xlsx	553	869.40	B
TL10	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of erven planned and surveyed	Number of erven planned and surveyed	5 500	5 528	G2			UrbanPlanningIDPProjectProgressReport.docx	5 500	5 528	G2
TL2	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Development of the Draft Local Economic Development Strategy by 30 June	Draft Local Economic Development Strategy completed by 30 June	1	1	G			LEDLEDsolPlaatjeLEDStrategyReviewApril2021.docx	1	1	G
TL3	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Development of the Draft Investment Promotion Strategy by 30 June	Draft Investment Promotion Strategy completed by 30 June	1	1	G			InvestmentIncentivePolicyfinaldraft.pdf	1	1	G
TL4	Economic growth through promoting Sol Plaatje Municipality as an economic hub	To process 80% category 1 land-use applications received until 30 April through Municipal Planning Tribunal by 30 June	% of category 1 land use applications processed	80%	92%	G2			CATEGORY01LANDUSEAPPLICATIONS01MAY2023-30APRIL2024.doc	80%	92%	G2

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL5	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of processed building plans received before 1 July	Number of building plans processed	50	62	G2			MonthlyBacklogApprovals.xlsx CopyofFY23-24Backlog.xlsx	200	206	G2
TL6	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings less than 500m2 (number of plans received / divided by number of weeks to process	Average response time in weeks to process building plans	11	9.71	B			KPIProcessedApplications23-24FY.xlsx FinalTL67SEDP.xlsx	11	9.71	B
TL7	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings greater than 500m2 (number of plans received / divided by number of weeks to process	Average response time in weeks to process building plans	11	6.50	B			KPIProcessedApplications23-24FY.xlsx : FinalTL67SEDP.xlsx	11	6.50	B

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL8	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of SMMEs supported through the implementation of the business incubation developmental programme	Number of SMMEs supported	2	3	B			GSVProgressUpdateReport 30April2024.pdf GSVProgressUpdateReport 31March20241.pdf GSVProgressUpdateReport 30June2023.pdf; GSVProgressUpdateReport 30June2024.pdf; CEUAttendanceRegister.PDF; CEUAttendaceRegister2.PDF; ComputerEndUserAttendanceRegister.PDF; sportscoachingattendanceregister.PDF; AttendanceFINALRenewableEnergyTechnologyWorkshopReport27June2024.pdf; AttendanceJUNE2024KIMBERLEY.pdf; Attendanceregister2024Jan toJune.PDF)	10	222	B
TL89	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Conduct an assessment on the status of the Tram by 30 June 2024	Completed assessment on status of Tram	1	1	G			TramReport.PDF	1	1	G
TL9	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Review of Capital Expenditure Framework (CEF)	Approved Review of CEF	1	1	G			CEF-OrdinaryCouncil26JuneAG NMIN.docx	1	1	G

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL90	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Hosting of a Christmas Family Fun Day by 30 June 2024	Pictures and advert of Christmas Family Fun Day	1	1	G			CloseReportChristmasFamilyFundDay08December2023.pdf; Dkamo.JPG; Councillors.JPG; Fatherchris.JPG; Children.JPG; Leaders.JPG; Mayor.JPG	1	1	G
TL91	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of SPM Tourist Signage Boards maintained by 30 June 2024	Number of Tourist Signage Boards maintained	1	9	B			Tourismandheritagereport.docx	1	9	B
TL92	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Percentage Completion for the N12 Tourism Promotion project by 30 June 2024	% Completion of N12 Tourism Promotion Project	100%	100%	G			N12REPORTFINAL23.pdf	100%	100%	G
TL94	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Percentage Implementation of the ease of doing business project as per the annual implementation plan by 30 June 2024	% Progress as per the annual project plan	100%	80%	O	The project is incomplete due to: 1. Some of the IT equipment that had not been delivered on time. 2. The on-line platforms have not yet been demonstrated live to Executive Management and launched . Items to be delivered in 2024/25 financial year. The on line models will be launched after a live demonstration to Executive Management.	Items to be delivered in 2024/25 financial year. The on line models will be launched after a live demonstration to Executive Management.		100%	80%	O

Summary of Results: Local Economic Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	-
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	6
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	3
B	KPI Extremely Well Met	150.000% <= Actual/Target	5
Total KPIs:			15

11.4 Municipal Institutional Development and Transformation

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL65	Improved Institutional Management	Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure (employee related costs and councillors remuneration/total operating expenditure x100	Employee cost as a percentage of total operating cost	33%	36%	R	Spending unsatisfactory	Employee costs must be monitored monthly, compliance and adherence to recruitment policies and regulations.	TL65202406.xlsx	33%	36%	R
TL66	Improved Institutional Management	Limit vacancy rate to 20% of funded post by 30 June 2024 ((Number of funder posts vacant divided by budgeted funded posts) x 100)	Number of funded posts vacant divided by budgeted funded posts x 100	20%	20%	G			SPLMOrganogramme-draft32023.docx; SolPlaatjeLM-Prototype-alignedOrganisationalStructureVersion2dd27May2024.pdf	20%	20%	G

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL67	Improved Institutional Management	Review the Workplace Skills Plan and submit plan to LGSETA by 30 April	Workplace Skill Plan submitted to LGSETA by 30 June	1	1	G			AcknowledgementLetter.pdf; SSPApplicationReport202425.pdf; SSPBeneficiaryReport202425.pdf	1	1	G
TL68	Improved Institutional Management	Review organogram to be aligned with strategy and comply with R890 by 30 June 2024	Organogram reviewed by 30 June 2024	0	0	N/A	Engagements with Lekoko Consulting have taken place, however three sections still have to be finalised in August 2024.	The planned engagements are set for finalising the validation of the Prototype on 5 August 2024.	e-mailPaulofLekokoConsulting.pdf	1	0	R
TL69	Improved Institutional Management	Document and distribute standard operating procedures to every municipal directorate by 30 June 2024	Standard Operating Procedures documented and provided to municipal directorates by 30 June 2024	0	0	N/A			StandardOperatingProceduresCS07092020.docx	1	1	G
TL70	Improved Institutional Management	Co-ordinate bi-annual performance assessments of the MM and managers reporting directly to the MM	Performance assessments conducted twice per year	0	0	N/A			AgendaPerformanceEvaluations6March2024.doc; AttendanceRegisterPerformanceAssessments.msg	2	2	G
TL71	Improved Institutional Management	Develop, submit and publicise the performance agreements of the MM and managers reporting directly to the MM (the number of performance agreements is dependant on the filled positions)	Number of performance agreements signed, submitted and publicised	0	0	N/A	Performance Agreements for appointed ED's have been signed and completed.	The outstanding under performance is due to vacant ED positions.	EDCommunityServices202324.pdf; EDSEDP202324.pdf; PerformanceAgreementMunicipalManager.pdf	6	3	R
TL72	Improved Institutional Management	Perform a post-audit review of ICT frameworks, methodologies, policies, plans and strategies and update in accordance with recommendations made by the Auditor-General	ICT Frameworks, methodologies, policies, plans and strategies updated as per audit action plan by the latest 31 March 2024	0%	100%	B			Minutes-ICTSteeringCommitteemeeting30May.docx	100%	100%	G

Summary of Results: Institutional Development and Municipal Transformation

R	KPI Not Met	0% <= Actual/Target <= 74.999%	3
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	-
G	KPI Met	Actual meets Target (Actual/Target = 100%)	5
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	-
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
Total KPIs:			8

11,5 Good Governance and Public Participation

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024						Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R
TL45	Good, clean and transparent governance and public participation	Compile the final Annual Report for submission to council by 31 March	Final Annual Report submitted to council by 31 March	0	1	B			AppOversightreportAR202021202122202223.pdf	1	1	G
TL46	Good, clean and transparent governance and public participation	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June	Risk Based Audit Plan developed and submitted to the audit committee by 30 June	0	1	B			15.6SolPlaatjeMunicipality\APlan20242506May2024Notes2.docx	1	1	G
TL47	Good, clean and transparent governance and public participation	Report quarterly on the progress of risk mitigation to the MM and EMT	Quarterly reports on strategic risk register	1	1	G			RiskJune24.docx	4	4	G

KPI Ref	Strategic Objective	KPI Name	Unit of Measurement	Quarter ending June 2024									Overall Preliminary Performance for Quarters ending September 2023 to June 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	Target	Actual	R			
TL48	Good, clean and transparent governance and public participation	Number of audits conducted as per the internal audit plan	Number of internal audits conducted	3	3	G			PMS--3rdQuarter--FinalReport--Finalized--25-06-2024.pdf; IAFollowupFinalAuditReportV01.docx; 18.2FinalReportonSkillsDevStrategyV01a.pdf	10	14	G2			
TL49	Good, clean and transparent governance and public participation	Number of audit committee meetings conducted annually	Number of audit committee meetings conducted	1	1	G			1.ACMinutes06.05.24ReviewedKDK.docx	4	6	B			
TL50	Good, clean and transparent governance and public participation	Develop and submit an audit action plan to the MM to address matters raised by the auditor general within 60 days after the end of the audit	Developed and submitted audit action plan	0	0	N/A			AuditSteeringMeeting-2022-23AuditActionPlanProgress-26April2024.xlsx; AuditActionPlanPresentation05-02-24.pptx	1	1	G			
TL51	Good, clean and transparent governance and public participation	Compile the final IDP and submit to council by 31 May annually	Final IDP submitted to Council by 31 May	1	1	G			SPMIDP202425adopted.pdf; OCMAApprovalSPMIDP202425.pdf	1	1	G			
TL52	Good, clean and transparent governance and public participation	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Monthly distribution	3	0	R	Concept of official external newspaper "The Resident" presented to Municipal Manager. Content Strategy is being developed. The old A4 double-sided newsletter was discontinued in the wake of the COVID-19 outbreak	The Resident upon adoption and once in production will be disseminated in print and electronically.	TheResidentNewsLetter.pdf	12	1	R			

Summary of Results: Good Governance and Public Participation

R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	-
G	KPI Met	Actual meets Target (Actual/Target = 100%)	5
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
Total KPIs:			8

12. OTHER SUPPORTING DOCUMENTS

No additional information for June 2021 is applicable. Please be advised that all figures are preliminary figures as the municipality is still busy with year-end procedures.

13. CONCLUSION

This report meets the Section 52(d) requirement of the MFMA (Act 56 of 2003) that the Executive Mayor must submit a report to council within 30 days of the end of each quarter on the implementation of the budget and the financial state of affairs of the municipality.

Communication

In compliance to legislative requirements Section 52(d) of the MFMA, (Act 56 of 2003) 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/CityManagement/Reporting/Pages/SDBIP.aspx>

14. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Quality Certificate

I, **SB Matlala**, the Municipal Manager of Sol Plaatje Municipality, hereby certify that –
(mark as appropriate)

the monthly budget statement

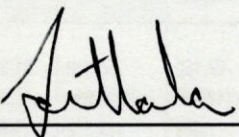
quarterly report on the implementation of the budget and financial state affairs of the municipality

mid-year budget and performance assessment

For the quarter ended **30 JUNE 2024** has been prepared in accordance with the Municipal Finance Management Act, Act 56 of 2003 and regulations made under that Act.

Print name: MR SB MATLALA

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: 

Date: 27/08/2024

ANNEXURE A – SCHEDULE C – TABLES

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

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	610,991	660,893	660,893	44,974	680,775	660,893	19,881	3%	660,893
Service charges	1,182,667	1,517,256	1,450,586	192,995	1,347,270	1,450,586	(103,315)	-7%	1,450,586
Investment revenue	8,550	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	8,550	7,000	9,500	2,669	13,996	9,500	4,496	47%	9,500
Other own revenue	612,144	534,455	677,687	(13,272)	715,345	677,687	37,658	6%	-
Total Revenue (excluding capital transfers and contributions)	2,422,901	2,719,604	2,798,666	227,366	2,757,386	2,798,666	(41,280)	-1%	2,798,666
Employee costs	821,306	881,637	910,366	71,389	865,174	910,366	(45,192)		910,366
Remuneration of Councillors	32,224	35,559	35,559	2,842	34,958	35,559	(601)		35,559
Depreciation and amortisation	71,830	86,650	86,650	-	-	86,650	(86,650)		86,650
Interest	113,955	19,495	20,055	480	10,488	20,055	(9,567)		20,055
Inventory consumed and bulk purchases	937,060	1,090,900	1,127,055	45,159	975,592	1,127,055	(151,464)		1,127,055
Transfers and subsidies	2,599	4,560	3,560	58	2,526	3,560	(1,034)	-29%	3,560
Other expenditure	617,008	572,452	599,666	28,806	604,186	599,666	4,520	1%	599,666
Total Expenditure	2,595,982	2,691,252	2,782,911	148,733	2,492,925	2,782,911	(289,986)	-10%	2,782,911
Surplus/(Deficit)	(173,081)	28,351	15,755	78,633	264,461	15,755	248,706	1579%	15,755
Transfers and subsidies - capital (monetary)	108,149	214,233	161,349	29,236	141,681	161,349	##	-12%	161,349
Transfers and subsidies - capital (in-kind)	3,387	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(61,545)	242,584	177,104	107,869	406,142	177,104	229,038	129%	177,104
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(61,545)	242,584	177,104	107,869	406,142	177,104	229,038	129%	177,104
Capital expenditure & funds sources									
Capital expenditure	126,016	249,473	216,739	43,041	169,430	216,739	(47,309)	-22%	216,739
Capital transfers recognised	96,392	214,233	161,349	30,720	142,661	161,349	(18,688)	-12%	161,349
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	29,624	35,240	55,390	12,321	26,768	55,390	(28,622)	-52%	55,390
Total sources of capital funds	126,016	249,473	216,739	43,041	169,430	216,739	(47,309)	-22%	216,739
Financial position									
Total current assets	2,304,408	3,472,014	3,449,123		2,586,243				3,449,123
Total non current assets	2,265,500	2,466,074	2,433,340		2,434,929				2,433,340
Total current liabilities	1,457,966	1,151,431	1,161,286		1,514,156				1,161,286
Total non current liabilities	416,743	443,824	443,824		403,433				443,824
Community wealth/Equity	2,694,412	4,342,835	4,331,904		3,103,583				4,331,904
Cash flows									
Net cash from (used) operating	(940,714)	238,844	158,443	(64,673)	67,120	158,443	91,322	58%	158,443
Net cash from (used) investing	(126,016)	(249,473)	(215,639)	(26,555)	(149,818)	(215,639)	(65,821)	31%	(215,639)
Net cash from (used) financing	-	(13,351)	(13,351)	-	1,569	(13,351)	(14,920)	112%	(13,351)
Cash/cash equivalents at the month/year end	(869,139)	174,327	127,759	-	28,408	127,759	99,352	78%	38,989
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	168,230	95,824	87,090	72,323	101,959	64,071	428,510	#####	3,592,865
Creditors Age Analysis									
Total Creditors	179,356	31,762	4,505	5,150	24,994	-	99,175	838,029	1,182,972

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

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

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

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

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

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

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

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

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

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

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

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

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Adjusted budget for 2023/24 financial year, by relooking at the mapping as advised by NT and BCX. However, there are some errors that must be resolved so that the monthly and YTD actuals populate correctly. The Cash and Cash equivalents on C7 is slightly overstated. As per C6, the Cash and cash equivalents is R104,701 million as per the Cash book balance.