

# MONTHLY BUDGET STATEMENT FOR THE MONTH ENDED ON 31 OCTOBER 2023

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## PART 1: IN-YEAR REPORT

### 1. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL PERFORMANCE OF THE MUNICIPALITY FOR THE PERIOD ENDED ON 31 OCTOBER 2023

#### 1.1 Performance summary

Table 1: Performance summary

Summary statement of Financial Performance					
Description	YTD Budget 2023/24	October 2023 Actual	YTD Actual 2023/24	Variance Favourable (Unfavourable)	YTD Variance %
Total Revenue by Source	1,468,675,018	272,692,751	1,386,239,663	(82,435,355)	-6%
Total Operating Expenditure	1,429,235,982	240,901,256	854,598,268	(574,637,714)	-40%
<b>SURPLUS/ (DEFICIT).</b>	<b>39,439,036</b>	<b>31,791,495</b>	<b>531,641,395</b>	<b>(518,140,335)</b>	

#### Revenue

The revenue for the month ending 31 October 2023 amounts to R272 million and reflects an unfavourable outcome of 6% when compared with the year-to date budget of R1, 469 billion.

The negative variance on the year date can be attributed to the following:

- **Service charges – Electricity revenue (-6%):** Less revenue billed on electricity than initially anticipated. The reduction on this line item can be attributed to the current implementation of load shedding by Eskom and the acceleration of customers converting to solar. The municipality is also enforcing the measures to reduce illegal connections and ensure that all properties consuming electricity are billed.
- **Service charges – Refuse revenue (-21%):** Less revenue billed as the anticipated increase on the refuse revenue has not materialised. Process of reconciling the valuation roll and the financial system on an ongoing basis to ensure that all properties within City of Matlosana are billed for refuse collection.
- **Service charges – Water revenue (-14%) and Sanitation revenue (-10%):** Revenue was less than projected
- **Interest earned from Current & Non-Current Assets (-7%):** Most of the interest earned is realised at the end of financial year.
- **Interest earned from receivables 7% more:** The variance is as a result of the debtors' book that is increasing due to non-payment of debtors. The increase in the debtors result in an increase interest charges.

- **Fines 3%:** The budgeted amount consists of numerous items (e.g. traffic fines, court fines, illegal connection, etc.) in this instance; revenue has increased mostly on collection of traffic fines and court fines due to current the roadblocks that the department has been conducting around KOSH area every week.
- **License and Permits (-9%):** One of the reasons for under collection is that members of the public can renew vehicle licences online using eNaTIS electronic system instead of going physically to municipality offices
- **Other Revenue (-29%):** The budgeted amount consists of numerous items (e.g. Commission: insurance, Commission: Transaction Handling fees, Plan printing and duplicate, etc.) in this instance under performance was mostly on the Sale of Property and Commission Transaction Handling fees. The reason for under collection is that there has been delays in the issuing of clearance figures for property transfers.
- Interest earned on debtors, due to the huge debtors balance, which currently amounts to R8, 3 billion.

The negative revenue is also affected by the following factors:

- The revenue enhancement strategies as reflected in the Financial Plan has not yet been fully effective;
- Illegal connections
- Debtors' book that is increasing due to non-payment of debtors

The revenue billed is expected to increase as the municipality is enforcing the revenue enhancement strategies and debt collection methods. The Credit control section together with the Executive Mayor launched Operation Patela on the 4<sup>th</sup> of August 2023. The operation seeks to implement credit control, perform electrical and water inspections, check sewer points, verify refuse removal points in order to eradicate illegal and unauthorised consumption of consumable services, the operation also seek to collect R8 billion that is owed to the Municipality. The detailed report on efforts improve revenue and to comply with the Debt Relief Conditions as per Circular 124 is outlined on page 54.

## **Expenditure**

The operating expenditure for the month ending 31 October 2023 amounts to R241 million and the year to date actual expenditure amounts to R855 million and reflects a negative deviation of 40% when compared with the year to date budget amount of R1, 429 billion. The negative deviation is because of cash flow challenges. Spending on most of the items is directly linked with cash flow. If there is improvement on cash flow, then spending will also increase.

### **The variance on the expenditure against the YTD budget is mainly on the following items:**

- **Remuneration of Councillors (-15%): less** expenditure is lower due to the Councillors upper limits for the current financial year, which have not yet been implemented.
- **Interest (-91%):** The underspending is mainly on interest paid on overdue accounts, most of the journals for interest paid on overdue accounts are done at the end of the financial year.
- **Bulk Purchases (-47%):** Expenditure is lower due to the outstanding Eskom invoices; it is difficult for the Municipality to meet the obligation due to the low cash flow challenges.
- **Inventory consumed (-47%):** Inventory consumed includes Bulk Water, expenditure is lower due to the outstanding Midvaal invoices, and the Municipality is struggling to meet the obligation due to cash flow challenges.
- **Contracted services (-41%):** Mainly on Security service, repair and maintenance of fleet, repair and maintenance of buildings and equipment and Asset Register administration. Low spending than initially planned due to cash flow challenges.
- **Debt Impairment (-100%):** Most of the Debt Impairment journals are done at the end of financial year.
- **Other Expenditure (-15%):** less spending due to cash flow challenges.

## Cash management

Bank Balances	R 3,462,206
Call Investments	R 130,380,734
<b>Cash and Cash Investments</b>	<b>R 133,842,940</b>

Investment Portfolio: 31 October 2023			
City of Matlosana			
INSTITUTION	INTEREST RATE	OCTOBER 2023	EXPLANATION
<b>Call Investment</b>			
ABSA: 3854	3,73%	39 580 176,98	WSIG
ABSA: 5047	4,70%	8 655 824,37	INEP
ABSA: 6177	6,75%	24 666 462,70	MIG
ABSA: 2264	4,70%	86 499,45	own (Eskom)
ABSA: 4682	6,65%	12 595 082,56	NDPG
ABSA: 4063	1,55%	3 768 850,21	EEDSM
ABSA: 1223	6,75%	2 548 101,03	Auction
ABSA: 5203		6 385 202,38	own (Salaries)
INVESTEC	3,30%	7 916 866,84	own
FNB		24 177 667,28	COVID
<b>TOTAL Call Investment</b>		<b>130 380 733,80</b>	

**Note:** The R113, 4 million Call investment is ring-fenced for Conditional Grants

## Collection Rate & Outstanding Debtors

<b>Total Outstanding Debtors</b>	<b>R 8,391,115,179</b>
Debtors: Government	R 91,155,145
Debtors: Business	R 644,052,415
Debtors: Household	R 7,655,908,179

**Note:** The detailed Debtors Age analysis is outlined on Table 12. The collection rate for the month ending 31 October 2023 is 76.28%.

## Creditors

<b>Total Outstanding Creditors</b>	<b>R 3 498 966 727</b>
ESKOM	R 1 920 397 017
Midvaal	R 1 503 934 050
Trade Creditors	R 71 108 783
Auditor General	R 3 526 876

**Note:** The detailed Creditors Age analysis is outlined on Table 13.

## Capital Grants Expenditure

<b>CAPITAL GRANT EXPENDITURE</b>	<b>BUDGET 2023/24</b>	<b>October Expenditure Incl VAT 2022/23</b>	<b>YTD ACTUALS Incl VAT</b>	<b>YTD BUDGET</b>	<b>YTD % Incl VAT</b>
MIG	109 945 401	4 171 618	5 822 458	18 324 234	5,30
NDPG	31 162 000	1 626 562	3 137 224	5 193 667	10,07
INEP	1 732 000		-	288 667	-
WSIG	48 630 000	5 081 810	6 623 226	8 105 000	13,62
<b>TOTAL</b>	<b>191 469 401</b>	<b>10 879 990</b>	<b>15 582 908</b>	<b>31 911 567</b>	<b>8,14</b>

Total Capital grants budget amounts to R 191, 5 million. Total expenditure for the month ending 31 October 2023 amounts to R10, 9 million, and the year-to-date actual expenditure amounts to R15, 6 million representing 8.14% of the total Capital Grants budget. Capital Grants spending is relatively low as compared to the 33% of the Year to date budget. The detailed reasons for underspending are outlined below Table 7.

## 2. IN – YEAR BUDGET STATEMENT MAIN TABLE

**2.1 Monthly budget statement summary.** The table below provides a high- level summary of the Municipal’s financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis

**TABLE 2: Monthly Budget Statement Summary**

NW403 City Of Matlosana - Table C1 Monthly Budget Statement Summary - M04 October									
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								%	
<b>Financial Performance</b>									
Property rates	456 397	561 076	561 076	37 686	204 863	187 025	17 838	10%	561 076
Service charges	1 949 608	2 305 667	2 305 667	167 773	684 227	768 556	(84 328)	-11%	2 305 667
Investment revenue	15 402	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	15 402	9 761	9 761	883	3 030	3 254	(224)	-7%	9 761
Other own revenue	1 308 912	1 338 052	1 338 052	63 495	490 627	446 017	44 610	10%	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3 745 722</b>	<b>4 214 556</b>	<b>4 214 556</b>	<b>269 838</b>	<b>1 382 748</b>	<b>1 404 852</b>	<b>(22 104)</b>	<b>-2%</b>	<b>4 214 556</b>
Employee costs	696 837	785 821	785 821	60 843	242 237	261 942	(19 704)		785 821
Remuneration of Councillors	36 912	41 586	41 586	3 044	11 946	13 862	(1 916)		41 586
Depreciation and amortisation	382 953	440 000	440 000	31 609	126 434	146 667	(20 233)		440 000
Interest	237 534	10 711	10 711	76	317	3 570	(3 253)		10 711
Inventory consumed and bulk purchases	1 430 478	1 645 412	1 645 612	91 569	291 619	548 493	(256 874)		1 645 612
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	1 930 598	1 364 177	1 363 977	53 760	182 044	454 705	(272 660)	-60%	1 363 977
<b>Total Expenditure</b>	<b>4 715 312</b>	<b>4 287 708</b>	<b>4 287 708</b>	<b>240 901</b>	<b>854 598</b>	<b>1 429 239</b>	<b>(574 641)</b>	<b>-40%</b>	<b>4 287 708</b>
<b>Surplus/(Deficit)</b>	<b>(969 590)</b>	<b>(73 152)</b>	<b>(73 152)</b>	<b>28 937</b>	<b>528 149</b>	<b>(24 387)</b>	<b>552 537</b>	<b>-2266%</b>	<b>(73 152)</b>
Transfers and subsidies - capital (monetary allocations)	107 437	191 469	191 469	2 855	3 492	–	3 492	#DIV/0!	191 469
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(862 153)</b>	<b>118 317</b>	<b>118 317</b>	<b>31 791</b>	<b>531 641</b>	<b>(24 387)</b>	<b>556 029</b>	<b>-2280%</b>	<b>118 317</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>(862 153)</b>	<b>118 317</b>	<b>118 317</b>	<b>31 791</b>	<b>531 641</b>	<b>(24 387)</b>	<b>556 029</b>	<b>-2280%</b>	<b>118 317</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>152 541</b>	<b>217 038</b>	<b>230 651</b>	<b>14 121</b>	<b>82 935</b>	<b>209 842</b>	<b>(126 908)</b>	<b>-60%</b>	<b>230 651</b>
Capital transfers recognised	77 720	191 469	191 469	1 362	1 607	31 912	(30 304)	-95%	191 469
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	6 225	40 000	40 000	8	8	6 667	(6 659)	-100%	40 000
<b>Total sources of capital funds</b>	<b>83 945</b>	<b>231 469</b>	<b>231 469</b>	<b>1 370</b>	<b>1 615</b>	<b>38 578</b>	<b>(36 963)</b>	<b>-96%</b>	<b>231 469</b>
<b>Financial position</b>									
Total current assets	1 925 914	487 454	487 454		2 711 227				487 454
Total non current assets	5 453 523	4 119 658	4 119 658		5 455 139				4 119 658
Total current liabilities	4 978 933	230 387	230 387		5 242 001				230 387
Total non current liabilities	26 576	81 274	81 274		25 958				81 274
Community wealth/Equity	<b>3 963 559</b>	<b>4 177 134</b>	<b>4 177 134</b>		<b>2 901 559</b>				<b>4 177 134</b>
<b>Cash flows</b>									
Net cash from (used) operating	1 688 039	218 461	218 461	528 768	999 047	36 409	(962 638)	-2644%	218 461
Net cash from (used) investing	(104 307)	(231 437)	(231 469)	(1 370)	(1 615)	(38 573)	(36 957)	96%	(231 437)
Net cash from (used) financing	–	(2 300)	(4 800)	(1 799)	(975)	(383)	592	-154%	(2 300)
<b>Cash/cash equivalents at the month/year end</b>	<b>1 808 653</b>	<b>197 724</b>	<b>195 192</b>	<b>–</b>	<b>1 101 230</b>	<b>210 453</b>	<b>(890 777)</b>	<b>-423%</b>	<b>(15 276)</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	283 138	194 309	174 497	7 739 172	–	–	–	–	8 391 116
<b>Creditors Age Analysis</b>									
Total Creditors	229 481	320 862	114 993	2 833 631	–	–	–	–	3 498 967



## 2.2 Monthly Budget Statement – Financial Performance (Revenue per department)

### Actual operating revenue per source

The actual operating revenue per department is set out in Table 3 below. From table 1 it is clear that year to date actual operating revenue amounts to R1,386 billion and compares unfavourably with the pro rata budgeted figure of R1,469 billion a negative variance of R82 million for the month ending 31 October 2023.

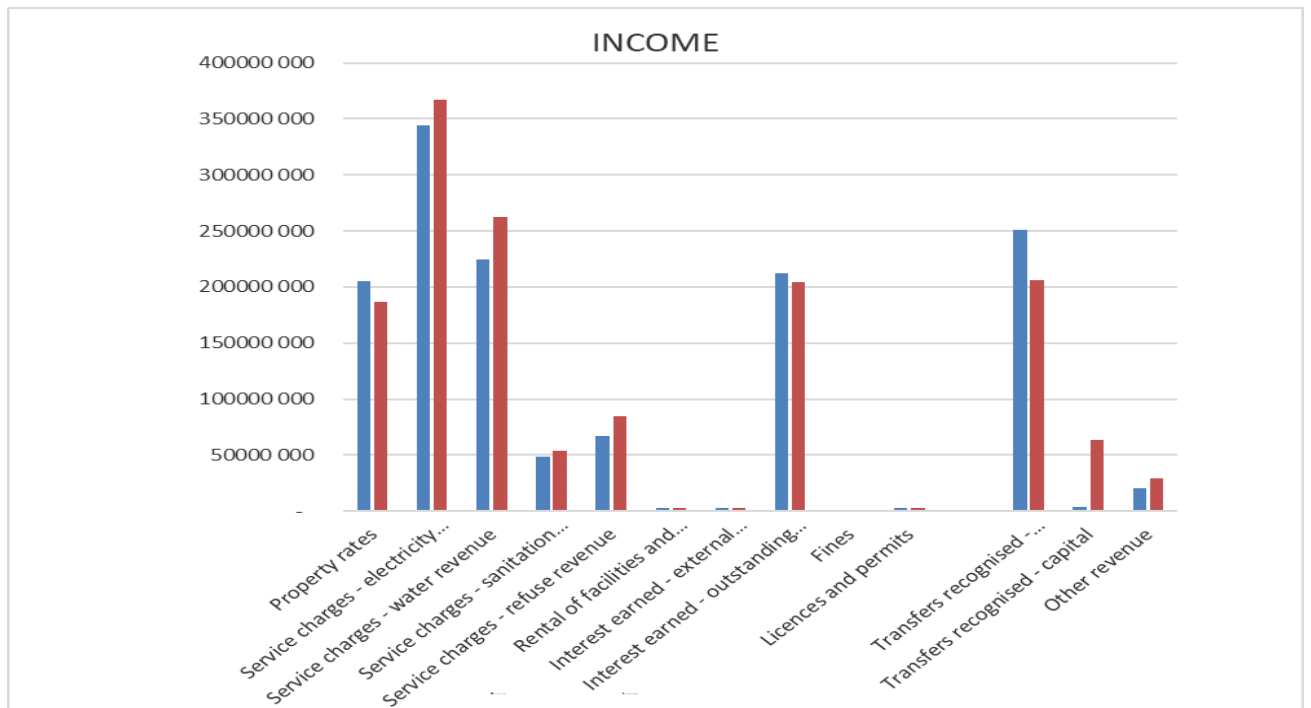
**TABLE 3: ACTUAL REVENUE PER SOURCE FOR THE PERIOD ENDING 31 OCTOBER 2023**

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October										
Description	Ref	2021/22	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										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		876 124	1 100 940	1 100 940	85 619	344 282	366 980	(22 698)	-6%	1 100 940
Service charges - Water		736 820	787 552	787 552	53 805	224 523	262 517	(37 995)	-14%	787 552
Service charges - Waste Water Management		141 373	162 319	162 319	11 929	48 623	54 106	(5 483)	-10%	162 319
Service charges - Waste management		195 291	254 856	254 856	16 420	66 799	84 952	(18 153)	-21%	254 856
Sale of Goods and Rendering of Services		6 086	8 971	8 971	1 059	2 939	2 990	(52)	-2%	8 971
Agency services		-	-	-	-	-	-	-	-	-
Interest										
Interest earned from Receivables		550 656	558 181	558 181	50 102	198 976	186 060	12 916	7%	558 181
Interest from Current and Non Current Assets		15 402	9 761	9 761	883	3 030	3 254			9 761
Dividends										
Rent on Land										
Rental from Fixed Assets		106 775	9 300	9 300	664	2 912	3 100	(188)	-6%	9 300
Licence and permits		7 528	8 909	8 909	749	2 715	2 970	(255)	-9%	8 909
Operational Revenue		49 986	77 620	77 620	7 705	17 433	25 873	(8 440)	-33%	77 620
<b>Non-Exchange Revenue</b>										
Property rates		456 397	561 076	561 076	37 686	204 863	187 025	17 838	10%	561 076
Surcharges and Taxes		14	241	241	-	-	80	(80)	-100%	241
Fines, penalties and forfeits		8 377	3 104	3 104	458	1 070	1 035	35	3%	3 104
Licence and permits		261	50	50	-	-	17	(17)	-100%	50
Transfers and subsidies - Operational		559 520	616 921	616 921	696	251 325	205 640	45 685	22%	616 921
Interest		50 406	54 756	54 756	2 063	13 257	18 252	(4 995)	-27%	54 756
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets		(16 572)	-	-	-	-	-	-	-	-
Other Gains		1 276	-	-	-	-	-	-	-	-
<b>Discontinued Operations</b>										
Total Revenue (excluding capital transfers and contributions)		3 745 722	4 214 556	4 214 556	269 838	1 382 748	1 404 852	(22 104)	-2%	4 214 556
Transfers and subsidies - capital (monetary allocations)		107 437	191 469	191 469	2 855	3 492	-	637	#DIV/0!	191 469
<b>TOTAL Revenue (including capital transfers and contributions)</b>		<b>3 853 158</b>	<b>4 406 025</b>	<b>4 406 025</b>	<b>272 693</b>	<b>1 386 240</b>	<b>1 404 852</b>	<b>(21 467)</b>		<b>4 406 025</b>

**TABLE 4: ACTUAL REVENUE PER DEPARTMENT FOR THE PERIOD ENDING 31 OCTOBER 2023**

**NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October**

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
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>1 188 283</b>	<b>1 360 784</b>	<b>1 360 784</b>	<b>52 679</b>	<b>517 667</b>	<b>453 595</b>	<b>64 072</b>	<b>14%</b>	<b>1 360 784</b>
Executive and council		(13 807)	2 661	2 661	312	883	887	(4)	0%	2 661
Finance and administration		1 202 091	1 358 123	1 358 123	52 367	516 784	452 708	64 076	14%	1 358 123
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>143 887</b>	<b>79 168</b>	<b>79 168</b>	<b>6 754</b>	<b>11 832</b>	<b>26 389</b>	<b>(14 557)</b>	<b>-55%</b>	<b>79 168</b>
Community and social services		101 091	4 679	4 679	367	887	1 560	(673)	-43%	4 679
Sport and recreation		3 783	7 710	7 710	52	(10)	2 570	(2 580)	-100%	7 710
Public safety		31 482	31 778	31 778	6 141	9 413	10 593	(1 180)	-11%	31 778
Housing		7 531	35 000	35 000	194	1 542	11 667	(10 125)	-87%	35 000
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>40 705</b>	<b>59 719</b>	<b>59 719</b>	<b>2 201</b>	<b>4 401</b>	<b>19 906</b>	<b>(15 506)</b>	<b>-78%</b>	<b>59 719</b>
Planning and development		9 987	11 846	11 846	882	2 999	3 949	(949)	-24%	11 846
Road transport		30 536	47 652	47 652	1 313	1 341	15 884	(14 543)	-92%	47 652
Environmental protection		182	221	221	6	61	74	(13)	-18%	221
<b>Trading services</b>		<b>2 451 963</b>	<b>2 883 407</b>	<b>2 883 407</b>	<b>208 264</b>	<b>841 043</b>	<b>961 136</b>	<b>(120 093)</b>	<b>-12%</b>	<b>2 883 407</b>
Energy sources		964 401	1 167 557	1 167 557	90 360	363 227	389 186	(25 958)	-7%	1 167 557
Water management		986 051	1 048 742	1 048 742	75 986	312 590	349 581	(36 991)	-11%	1 048 742
Waste water management		155 436	242 313	242 313	13 785	51 429	80 771	(29 342)	-36%	242 313
Waste management		346 074	424 794	424 794	28 132	113 796	141 598	(27 802)	-20%	424 794
<b>Other</b>	<b>4</b>	<b>28 320</b>	<b>22 947</b>	<b>22 947</b>	<b>2 796</b>	<b>11 297</b>	<b>7 649</b>	<b>3 648</b>	<b>48%</b>	<b>22 947</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>3 853 158</b>	<b>4 406 025</b>	<b>4 406 025</b>	<b>272 693</b>	<b>1 386 240</b>	<b>1 468 675</b>	<b>(82 435)</b>	<b>-6%</b>	<b>4 406 025</b>



## 2.3 Monthly Budget Statement – Financial Performance (Expenditure per category)

### Actual operating expenditure per category

The actual operating expenditure per vote is set out in Table 5 below. Year to date actual operating expenditure of R855 million compares unfavourably with the pro rata budgeted expenditure of R1,429 billion a variance of R575 million

**TABLE 5: ACTUAL OPERATIONAL EXPENDITURE PER CATEGORY FOR THE PERIOD ENDING 31 OCTOBER 2023**

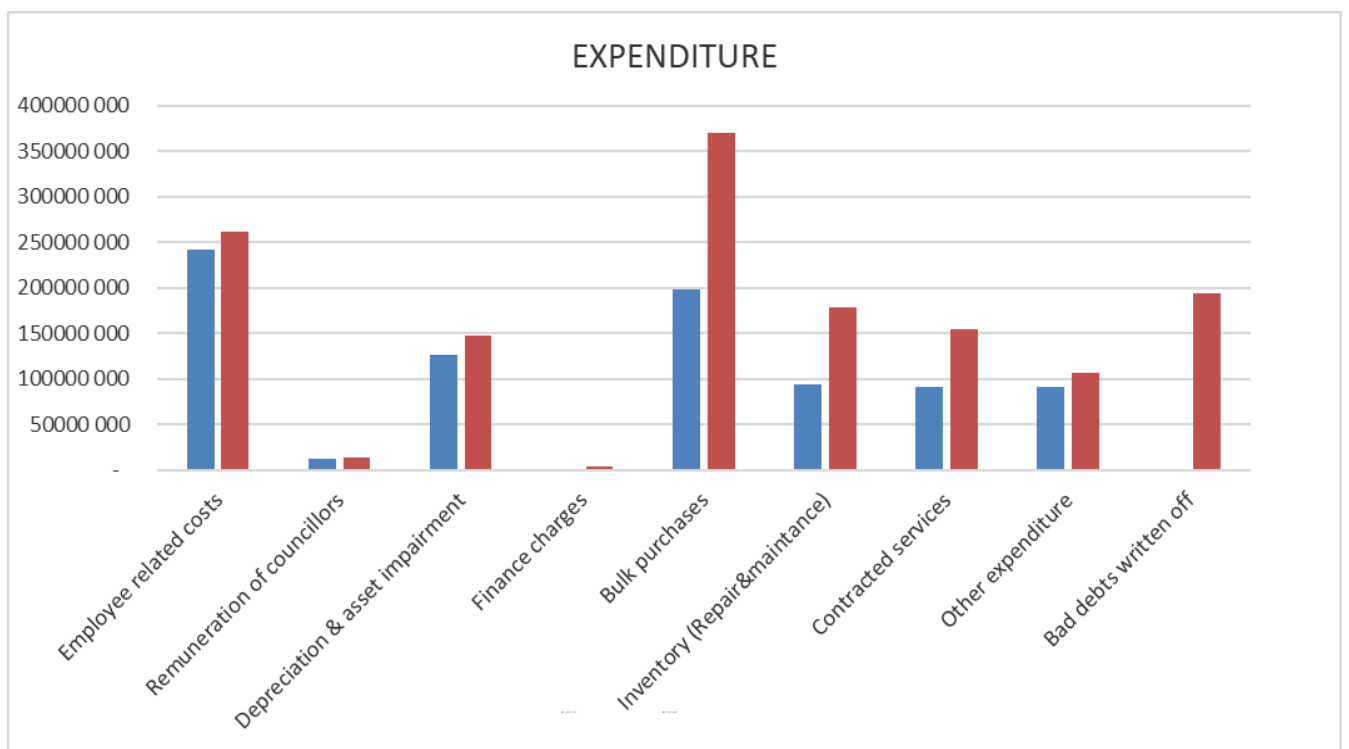
NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		696 837	785 821	785 821	60 843	242 237	261 942	(19 704)	-8%	785 821
Remuneration of councillors		36 912	41 586	41 586	3 044	11 946	13 862	(1 916)	-14%	41 586
Bulk purchases - electricity		848 230	1 109 287	1 109 287	63 493	197 383	369 762	(172 379)		1 109 287
Inventory consumed		582 248	536 125	536 325	28 076	94 236	178 731	(84 495)		536 325
Debt impairment		3 750	579 349	579 349	-	-	193 116	(193 116)	-100%	579 349
Depreciation and amortisation		382 953	440 000	440 000	31 609	126 434	146 667	(20 233)	-14%	440 000
Interest		237 534	10 711	10 711	76	317	3 570	(3 253)	-91%	10 711
Contracted services		249 463	465 092	465 092	29 081	91 398	155 031	(63 633)	-41%	465 092
Transfers and subsidies								-		
Irrecoverable debts written off		1 364 107	-	-	-	63	-	63		-
Operational costs		312 936	319 737	319 537	24 680	90 583	106 558	(15 974)	-15%	319 537
Losses on Disposal of Assets		-	-	-	-	-	-	-		-
Other Losses		342	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>4 715 312</b>	<b>4 287 708</b>	<b>4 287 708</b>	<b>240 901</b>	<b>854 598</b>	<b>1 429 239</b>	<b>(574 641)</b>	<b>-40%</b>	<b>4 287 708</b>

**TABLE 6: ACTUAL OPERATIONAL EXPENDITURE PER VOTE FOR THE PERIOD ENDING 31 OCTOBER 2023**

**NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October**

Description	Ref	2022/23	Budget Year 2023/24							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>	1									
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		868 402	772 965	772 965	43 079	179 390	257 656	(78 266)	-30%	772 965
Executive and council		556 627	423 830	423 830	25 257	122 210	141 277	(19 067)	-13%	423 830
Finance and administration		305 539	342 814	342 814	17 244	55 017	114 272	(59 255)	-52%	342 814
Internal audit		6 237	6 321	6 321	578	2 163	2 107	56	3%	6 321
<b>Community and public safety</b>		350 482	434 325	434 125	31 100	109 027	144 753	(35 726)	-25%	434 125
Community and social services		58 296	128 419	128 419	7 878	26 768	42 807	(16 039)	-37%	128 419
Sport and recreation		134 837	114 464	114 464	8 831	30 917	38 155	(7 238)	-19%	114 464
Public safety		140 762	171 880	171 880	12 411	46 505	57 294	(10 789)	-19%	171 880
Housing		16 555	19 390	19 190	1 979	4 828	6 441	(1 613)	-25%	19 190
Health		33	171	171	-	9	57	(48)	-84%	171
<b>Economic and environmental services</b>		287 347	300 926	301 126	28 459	107 610	100 331	7 279	7%	301 126
Planning and development		202 030	73 429	73 629	4 546	18 646	24 499	(5 853)	-24%	73 629
Road transport		74 239	225 168	225 168	23 788	88 496	75 056	13 440	18%	225 168
Environmental protection		11 078	2 329	2 329	125	468	776	(308)	-40%	2 329
<b>Trading services</b>		3 179 938	2 751 769	2 751 769	136 266	452 696	917 257	(464 561)	-51%	2 751 769
Energy sources		1 686 592	1 644 880	1 645 102	93 290	291 830	548 368	(256 538)	-47%	1 645 102
Water management		987 003	666 638	666 416	14 518	62 588	222 139	(159 551)	-72%	666 416
Waste water management		227 151	240 544	240 544	13 666	53 577	80 182	(26 604)	-33%	240 544
Waste management		279 193	199 707	199 707	14 792	44 701	66 569	(21 868)	-33%	199 707
<b>Other</b>		29 142	27 724	27 724	1 998	5 876	9 241	(3 366)	-36%	27 724
<b>Total Expenditure - Functional</b>	3	4 715 312	4 287 708	4 287 708	240 901	854 598	1 429 239	(574 641)	-40%	4 287 708



## 2.4 Actual capital expenditure (excluding vat) per vote and funding source

The actual capital expenditure per vote is set out in Table 7 below.

**TABLE 7: ACTUAL CAPITAL EXPENDITURE PER VOTE FOR THE PERIOD ENDING 31 OCTOBER 2023**

### NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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									
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		0	10 000	10 000	72	80	3 333	(3 253)	-98%	10 000
Executive and council		0	2 000	2 000	-	8	667	(659)	-99%	2 000
Finance and administration		-	8 000	8 000	72	72	2 667	(2 594)	-97%	8 000
Internal audit										
<b>Community and public safety</b>		2 950	7 800	7 800	-	-	2 600	(2 600)	-100%	7 800
Community and social services		-	800	800	-	-	267	(267)	-100%	800
Sport and recreation		2 950	7 000	7 000	-	-	2 333	(2 333)	-100%	7 000
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health										
<b>Economic and environmental services</b>		23 808	43 685	43 685	2 122	4 317	14 562	(10 245)	-70%	43 685
Planning and development										
Road transport		23 808	43 685	43 685	2 122	4 317	14 562	(10 245)	-70%	43 685
Environmental protection										
<b>Trading services</b>		52 849	169 985	169 985	7 339	9 234	56 662	(47 428)	-84%	169 985
Energy sources		33 033	19 406	19 406	-	-	6 469	(6 469)	-100%	19 406
Water management		9 728	56 893	56 893	3 487	3 487	18 964	(15 477)	-82%	56 893
Waste water management		6 584	53 672	53 672	1 482	2 822	17 891	(15 068)	-84%	53 672
Waste management		3 504	40 014	40 014	2 369	2 924	13 338	(10 414)	-78%	40 014
<b>Other</b>		4 345	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	3	83 952	231 469	231 469	9 533	13 631	77 157	(63 526)	-82%	231 469

**NOTE:** The total capital budget amounts to R232 million. The year-to-date expenditure as at 31 October 2023 amounts to R13, 6 million.

## CAPITAL GRANTS CHALLENGES AND MITIGATIONS

#	Challenges	Mitigation
1.	<p>NDP Grant: Jouberton Taxi Rank</p> <ul style="list-style-type: none"> <li>- Council approved amount of professional fees has been depleted and it has not been possible to make any payment to the previous consultant.</li> <li>- Not enough funds to complete all works the contractor was appointed for and also pay for additional professional fees for the construction of Jouberton Taxi Rank.</li> <li>- The construction works are behind in comparison with time elapsed and there is poor expenditure. Design reviews by new consultant are also contributing to slow progress.</li> </ul>	<ul style="list-style-type: none"> <li>- Report was prepared for council to approve the adjustment of the consultant's fees, however referred back for additional information.</li> <li>- Municipality submitted the report to National Treasury on 30 August 2023 to request the additional funds.</li> <li>- Council need to consider funding the shortfall internally. Scope re-prioritization to be evaluated.</li> <li>- Municipality to fast tract process of approving design changes as the contractor is running out of activities to do on site.</li> </ul>
2.	<p>Refurbishment of Sewer Pump Stations in KOSH:</p> <ul style="list-style-type: none"> <li>- Budget limitations in completing some of the construction scope of works due to AFA partial approval, and there is not enough budget for consultants fees.</li> </ul>	<ul style="list-style-type: none"> <li>- Consultant requested to do project cost analysis and also estimate contractor's final account to ensure we remain within budget.</li> <li>- The project is not on the 2023/2024 FY implementation plan. The rollover has been approved.</li> </ul>
3.	<p>Extension of National Fresh Produce Market in Klerksdorp Phase2:</p> <ul style="list-style-type: none"> <li>- Poor workmanship on the main building roof and side cladding.</li> </ul>	<ul style="list-style-type: none"> <li>- Poor workmanship on the main building roof and side cladding.</li> <li>- The project is not on the 2023/2024 FY implementation plan. The rollover has been approved.</li> </ul>
4.	<p>Poor performance by the contractor on the Refurbishment of Jouberton Reservoir, resulting to poor expenditure on the WSIG Grant.</p> <ul style="list-style-type: none"> <li>- Consulting engineer's contract was ended on 6 September 2023 due to contract period exceeding 3 years. New consulting engineer has been appointed on the 29 September 2023.</li> <li>- Shutdown request for the 26<sup>th</sup> of October has been postponed to the 02 November 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- Contractor to return to site to continue with the external works and finish the remaining scope of phase 1.</li> <li>- Contractor put on penalties for failure to complete external works within the stipulated time and failure to request extension of time.</li> </ul>
5.	<p>Klerksdorp West – Alabama 88kV Loop-In Loop-Out &amp; 20MVA Substation</p> <ul style="list-style-type: none"> <li>- Delays in payment of orders by the municipality has resulted in the contractor applying for extension of time.</li> <li>- Quality of workmanship done by Ultimate Dynamic is not acceptable (earth mat not done according to the designs). There are also repairs that are required as part of secondary plant.</li> <li>- Consulting engineer's contract was ended on 6 September 2023 due to contract period exceeding 3 years.</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- Consultant advised that the remedial work costs of the earth mat be taken from the retention held for Ultimate Dynamic.</li> <li>- Municipality to fast track OEM payments to aid progress on site.</li> <li>- Consulting engineer replaced and site inspection meeting conducted on the 30 October 2023 with consulting engineer to fast track progress.</li> </ul>

#	Challenges	Mitigation
6.	<p>Refurbishment of Electrical and Mechanical Equipment in the Water Pump Stations in KOSH</p> <ul style="list-style-type: none"> <li>- Slow progress by contractor.</li> <li>- Delays in arrival of soft starters from international supplier hampering with progress.</li> </ul>	<ul style="list-style-type: none"> <li>- The municipality to put the contractor on terms.</li> <li>- Electrical department to liaise with consultants' Electrical engineer to find solution to the challenge.</li> <li>- The project is not on the 2023/2024 FY implementation plan. The rollover has been approved.</li> </ul>
7.	<p>Paving of Taxi Routes and Storm Water Drainage in Khuma (Phase 9):</p> <ul style="list-style-type: none"> <li>- Delays by the households at extension 11 to relocate their household as per Surveyor's Certificate. This is delaying Eskom from relocating their infrastructure and also the contractor to be able to start working on extension 11.</li> <li>- The construction works are behind in comparison with time elapsed and there is poor expenditure. Contractor has removed some of the construction equipment from site on 30 October 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- Contractor issued with notice to correct performance and submitted catch up plan, revised programme and cash flow projections to the municipality. Performance of the contractor is being closely monitored.</li> <li>- Engagement with Contractor took place on 30 October 2023 to provide assistance with progress on site and is pending acceptance by the contractor.</li> <li>- A nominated subcontractor has been appointed through a cession to assist with the layer works on the project to expedite progress.</li> </ul>
8.	<p>Electrification of Alabama – Phase 2</p> <ul style="list-style-type: none"> <li>- Slow progress by contractor due to Material delivery delays.</li> <li>- Contractor has submitted an extension of time request.</li> <li>- The contractor is delayed with installation of prepaid meters due to double allocation on stands.</li> <li>- 190 Prepaid Meters returned to supplier due to faults. Supplier to replace meters.</li> </ul>	<ul style="list-style-type: none"> <li>- Contractor to engage suppliers to speed up material delays.</li> <li>- Municipality to evaluate extension of time to avoid further delays to the project.</li> <li>- The project is not on the 2023/2024 FY implementation plan so there is no budget to pay the service providers until the rollover outcome is received from the National Treasury. Rollover approval is received and item is prepared. Awaiting approval of the ITEM.</li> </ul>
9	<p>Projects to be advertised by SCM</p> <ul style="list-style-type: none"> <li>- Jouberton Alabama Sewer Outfall (Phase 1)</li> <li>- Waterborne Toilets in Kanana</li> </ul>	<ul style="list-style-type: none"> <li>- Memos drafted to SCM to speed up advertisement of projects.</li> </ul>
10.	<p>Youth Development Centre</p> <ul style="list-style-type: none"> <li>- Permission to proceed with procurement has not been granted by National Treasury due to slow progress of the Jouberton taxi rank.</li> </ul>	<ul style="list-style-type: none"> <li>- National Treasury to allow another presentation of the Detailed Design and allow the municipality to continue procuring the contractor</li> </ul>
11	<p>Development of Cell 3 of the Klerksdorp Landfill Site</p> <ul style="list-style-type: none"> <li>- Tender advertisement closed on 10 October 2023 In addition, the contractor has not been appointed.</li> </ul>	<ul style="list-style-type: none"> <li>- SCM to fast track processes and appoint the contractor.</li> </ul>
12	<p>Refurbishment of Chlorine Dozing Plants, Reservoirs and Pump Stations in the City of Matlosana.</p> <ul style="list-style-type: none"> <li>- Contractor has encountered a stoppage from the construction mafia at the Jouberton Reservoir. Which is resulting in a delay in the commencement of the project.</li> </ul>	<ul style="list-style-type: none"> <li>- Municipality to seek assistance from MMC and Councillors</li> </ul>

#	Challenges	Mitigation
13	Retrofitting of LED lights (Phase 4) <ul style="list-style-type: none"> <li>- Tender appeared at Bid Specification on 19 September and has not been advertised as a result the retrofitting of 470 lights will not be achieved.</li> </ul>	<ul style="list-style-type: none"> <li>- Municipality to accept proposal to procure the material through the central stores and implement using the Electrical department</li> </ul>



**TABLE 8: ACTUAL CAPITAL EXPENDITURE PER FUNDING SOURCE FOR THE PERIOD ENDING 31 OCTOBER 2023**

**NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October**

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
<b>R thousands</b>	1									
<b>Funded by:</b>										
National Government		77 727	191 469	191 469	9 461	13 550	63 823	(50 273)	-79%	191 469
Provincial Government								-		
District Municipality								-		
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		<b>77 727</b>	<b>191 469</b>	<b>191 469</b>	<b>9 461</b>	<b>13 550</b>	<b>63 823</b>	<b>(50 273)</b>	<b>-79%</b>	<b>191 469</b>
<b>Borrowing</b>	6	-	-	-	-	-	-	-		-
Internally generated funds		6 225	40 000	40 000	72	80	13 333	(13 253)	-99%	40 000
<b>Total Capital Funding</b>		<b>83 952</b>	<b>231 469</b>	<b>231 469</b>	<b>9 533</b>	<b>13 631</b>	<b>77 157</b>	<b>(63 526)</b>	<b>-82%</b>	<b>231 469</b>

**TABLE 9: FINANCIAL POSITION**

**NW403 City Of Matlosana - Table C6 Monthly Budget Statement - Financial Position - M04 October**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		104 773	197 692	197 692	326 568	197 692
Trade and other receivables from exchange transactions		(878 759)	(44 544)	(44 544)	480 484	(44 544)
Receivables from non-exchange transactions		1 378 652	47 081	47 081	44 306	47 081
Current portion of non-current receivables		0	29	29	(10)	29
Inventory		52 414	55 129	55 129	3 796	55 129
VAT		1 230 782	195 040	195 040	34 595	195 040
Other current assets		40 384	37 026	37 026	(6 158)	37 026
<b>Total current assets</b>		<b>1 928 247</b>	<b>487 454</b>	<b>487 454</b>	<b>883 580</b>	<b>487 454</b>
<b>Non current assets</b>						
Investments						
Investment property		345 682	257 100	257 100	-	257 100
Property, plant and equipment		5 724 841	3 851 286	3 851 286	(112 803)	3 851 286
Biological assets						
Living and non-living resources						
Heritage assets		(618 290)	9 941	9 941	-	9 941
Intangible assets		1 297	1 297	1 297	-	1 297
Trade and other receivables from exchange transactions		-	33	33	-	33
Non-current receivables from non-exchange transactions						
Other non-current assets						
<b>Total non current assets</b>		<b>5 453 531</b>	<b>4 119 658</b>	<b>4 119 658</b>	<b>(112 803)</b>	<b>4 119 658</b>
<b>TOTAL ASSETS</b>		<b>7 381 777</b>	<b>4 607 112</b>	<b>4 607 112</b>	<b>770 777</b>	<b>4 607 112</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		(622)	(2 800)	(2 800)	-	(2 800)
Consumer deposits		67 916	97 430	97 430	(336)	97 430
Trade and other payables from exchange transactions		3 370 254	(530 429)	(530 429)	72 629	(530 429)
Trade and other payables from non-exchange transactions		56 275	93 816	93 816	67 319	93 816
Provision		269 517	265 605	265 605	-	265 605
VAT		930 819	-	-	102 676	-
Other current liabilities		284 774	306 766	306 766	76	306 766
<b>Total current liabilities</b>		<b>4 978 933</b>	<b>230 387</b>	<b>230 387</b>	<b>242 363</b>	<b>230 387</b>
<b>Non current liabilities</b>						
Financial liabilities		26 576	81 274	81 274	(3 228)	81 274
Provision		-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
<b>Total non current liabilities</b>		<b>26 576</b>	<b>81 274</b>	<b>81 274</b>	<b>(3 228)</b>	<b>81 274</b>
<b>TOTAL LIABILITIES</b>		<b>5 005 509</b>	<b>311 661</b>	<b>311 661</b>	<b>239 135</b>	<b>311 661</b>
<b>NET ASSETS</b>	2	<b>2 376 268</b>	<b>4 295 451</b>	<b>4 295 451</b>	<b>531 641</b>	<b>4 295 451</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		3 963 559	4 177 134	4 177 134	540 092	4 177 134
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>3 963 559</b>	<b>4 177 134</b>	<b>4 177 134</b>	<b>540 092</b>	<b>4 177 134</b>

- **Note:** The year to date actual figures for the month of October do not show a true reflection due to issues with linkings on the Data Strings. The System Vendor is currently attending to the problem.

## 2.5 Monthly Budget Statement - Cash Flow Statement

**Collection rate** – collection rate for the month ending 31 October 2023 is 76.28%.

**TABLE 10: ACTUAL CASH FLOW FOR THE PERIOD ENDING 31 OCTOBER 2023**

NW403 City Of Matlosana - Table C7 Monthly Budget Statement - Cash Flow - M04 October

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	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		340 348	448 861	448 861	39 785	171 600	149 620	21 980	15%	448 861
Service charges		1 056 634	1 868 568	1 868 568	111 053	365 422	622 856	(257 433)	-41%	1 868 568
Other revenue		3 341 579	107 954	107 954	48 681	1 037 768	35 985	#####	2784%	107 954
Transfers and Subsidies - Operational		554 939	611 134	611 134	-	255 554	203 711	51 843	25%	611 134
Transfers and Subsidies - Capital		150 412	197 256	197 256	5 208	66 582	65 752	830	1%	197 256
Interest		1 067	9 761	9 761	(131)	(258)	3 254	(3 512)	-108%	9 761
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(3 753 555)	(3 025 072)	(3 025 072)	(232 569)	(791 448)	(1 008 359)	(216 911)	22%	(3 025 072)
Interest								-		
Transfers and Subsidies								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1 691 423</b>	<b>218 461</b>	<b>218 461</b>	<b>(27 974)</b>	<b>1 105 221</b>	<b>72 819</b>	<b>#####</b>	<b>-1418%</b>	<b>218 461</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	33	-	-	-	11	(11)	-100%	33
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		(83 952)	(231 469)	(231 469)	(9 533)	(13 631)	(77 156)	(63 526)	82%	(231 469)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(83 952)</b>	<b>(231 437)</b>	<b>(231 469)</b>	<b>(9 533)</b>	<b>(13 631)</b>	<b>(77 146)</b>	<b>(63 515)</b>	<b>82%</b>	<b>(231 437)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	2 500	-	(584)	(336)	833	(1 169)	-140%	2 500
<b>Payments</b>										
Repayment of borrowing		-	(4 800)	(4 800)	-	-	(1 600)	(1 600)	100%	(4 800)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(2 300)</b>	<b>(4 800)</b>	<b>(584)</b>	<b>(336)</b>	<b>(767)</b>	<b>(431)</b>	<b>56%</b>	<b>(2 300)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1 607 471</b>	<b>(15 276)</b>	<b>(17 808)</b>	<b>(38 092)</b>	<b>1 091 254</b>	<b>(5 093)</b>			<b>(15 276)</b>
Cash/cash equivalents at beginning:		224 921	213 000	213 000	(122 695)	-	213 000			-
Cash/cash equivalents at month/year end:		1 832 393	197 724	195 192		1 091 254	207 907			(15 276)

**NOTE:** The cash and call Investments for the month ending 31 October 2023 amounts to R133, 8 million that consists of the following:

- Bank balances: R3,5 million
- Call investments: R130,3 million
- During the month of October 2023 municipality received the following Grants from National Treasury:
  - NDPG: R 5,2 million
  - WSIG: R20 million

## 2.6 Actual borrowings

The municipality's position on external loans is set out in Table 11 below. The municipality started the 2023/24 financial year with borrowing debt of R9, 363,331 and after repayments R1, 248,669 were made, the total borrowings outstanding as at 31 October 2023 amounts to R8, 114,662

**TABLE 11: ACTUAL BORROWING FOR THE PERIOD ENDING 31 OCTOBER 2023**

ANNEXURE A											
OCTOBER 2023											
Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2023	Debt Repaid or Re deemed	Balance at 31/10/2023
<b>Monthly Payments</b>											
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		83 990,19	9 363 330,99	307 424,93	9 055 906,06
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		81 232,97	9 055 906,06	310 182,15	8 745 723,91
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		75 920,34	8 745 723,91	315 494,78	8 430 229,13
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		75 847,91	8 430 229,13	315 567,21	8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			8 114 661,92		8 114 661,92
<b>ANNUITY LOANS</b>											
NW103677/1	1/11/2010	1/11/2025	15	35 269 878	Development Bank of SA	Provision of Infrastructure	14,75	316 991,41	9 363 330,99	1 248 669,07	8 114 661,92
<b>TOTAL ANNUITIES</b>								<b>316 991,41</b>	<b>9 363 330,99</b>	<b>1 248 669,07</b>	<b>8 114 661,92</b>

## **PART 2: SUPPORTING DOCUMENTATION**

### **3. IN -YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATIONS**

#### **3.1 Debtor's age analysis**

##### **Debtors age analysis per service**

The municipality's total outstanding debtors amounted to R 8,391,115,739 as at 31 October 2023 compared to R 8,298,666,256 as at 30 September 2023.

Current to 30 days debt amounted to R 283,138,206 as at 31 October 2023 and has decreased with R 17,625,173 compared to R 300,763,379 as at 30 September 2023.

31 to 60 days debt decreased with R 5,065,319; 61 to 90 days decreased with R 16,931,860 and 91 days and older debt as at 31 October 2023 amounted to R 7,739,171,703 and has increased with R 132,071,834 compared to R 7,607,099,869 as at 30 September 2023.

Interest on debtors is also included in total debtors' book.

##### **Debtors age analysis per debtor type**

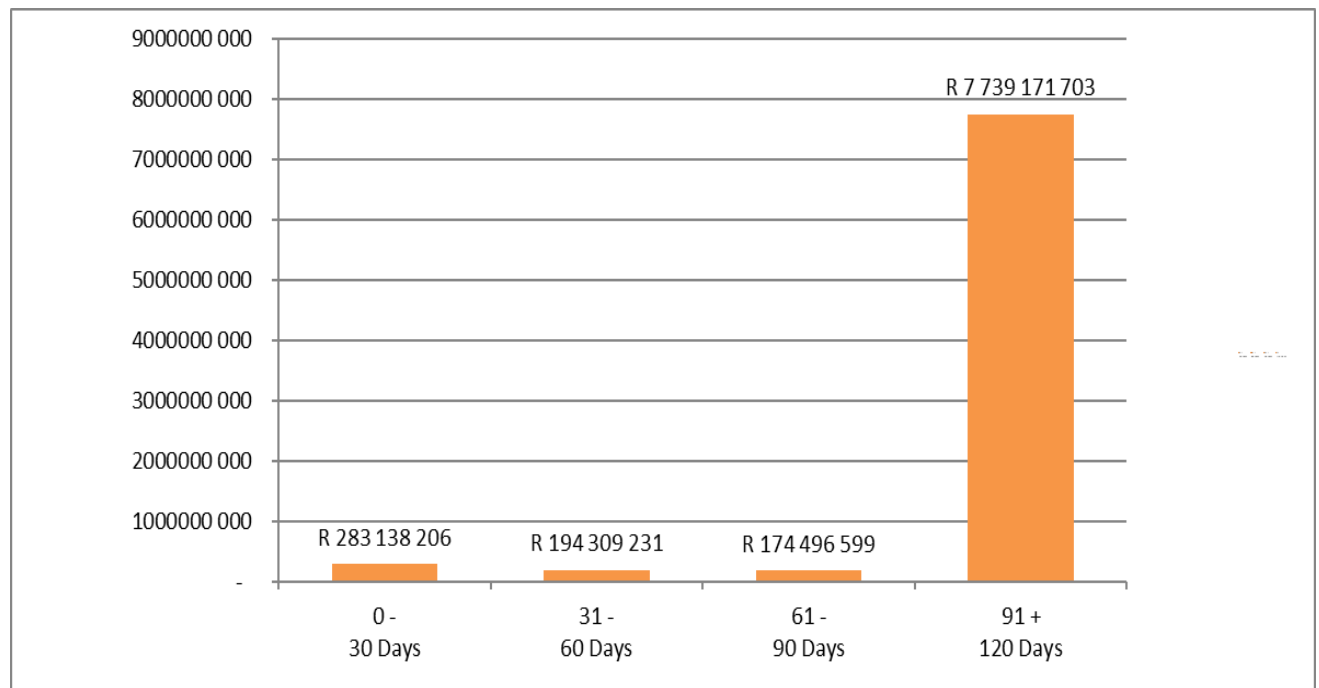
Government Debt: R 91,155,145 (1%)

Business debtors: R 644,052,415 (8%)

Domestic debtors' R 7,655,908,179 (91%)

**TABLE 12: OUTSTANDING DEBTORS AS AT 31 OCTOBER 2023**

DEBTOR'S AGE ANALYSIS - 31 October 2023					
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
<b>Debtors Age Analysis By Income Source</b>					-
Water Tariffs	77 210 191	65 763 728	53 862 364	2 827 675 479	3 024 511 762
Electricity Tariffs	77 126 168	31 777 039	22 993 079	508 791 083	640 687 369
Rates (Property Rates)	35 126 000	15 027 175	13 727 358	410 714 553	474 595 086
Sewerage/ Sanitation	9 365 802	7 027 150	6 499 975	373 319 729	396 212 656
Refuse Removal Tariffs	18 019 885	14 062 522	13 631 402	752 222 356	797 936 165
Other	66 290 160	60 651 617	63 782 421	2 866 448 503	3 057 172 701
<b>Total By Income Source</b>	<b>283 138 206</b>	<b>194 309 231</b>	<b>174 496 599</b>	<b>7 739 171 703</b>	<b>8 391 115 739</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	10 124 161	6 683 427	2 232 548	72 115 009	91 155 145
Business	67 999 985	25 216 766	19 910 192	530 925 472	644 052 415
Households	205 014 060	162 409 038	152 353 859	7 136 131 222	7 655 908 179
Other					-
<b>Total By Customer Group</b>	<b>283 138 206</b>	<b>194 309 231</b>	<b>174 496 599</b>	<b>7 739 171 703</b>	<b>8 391 115 739</b>



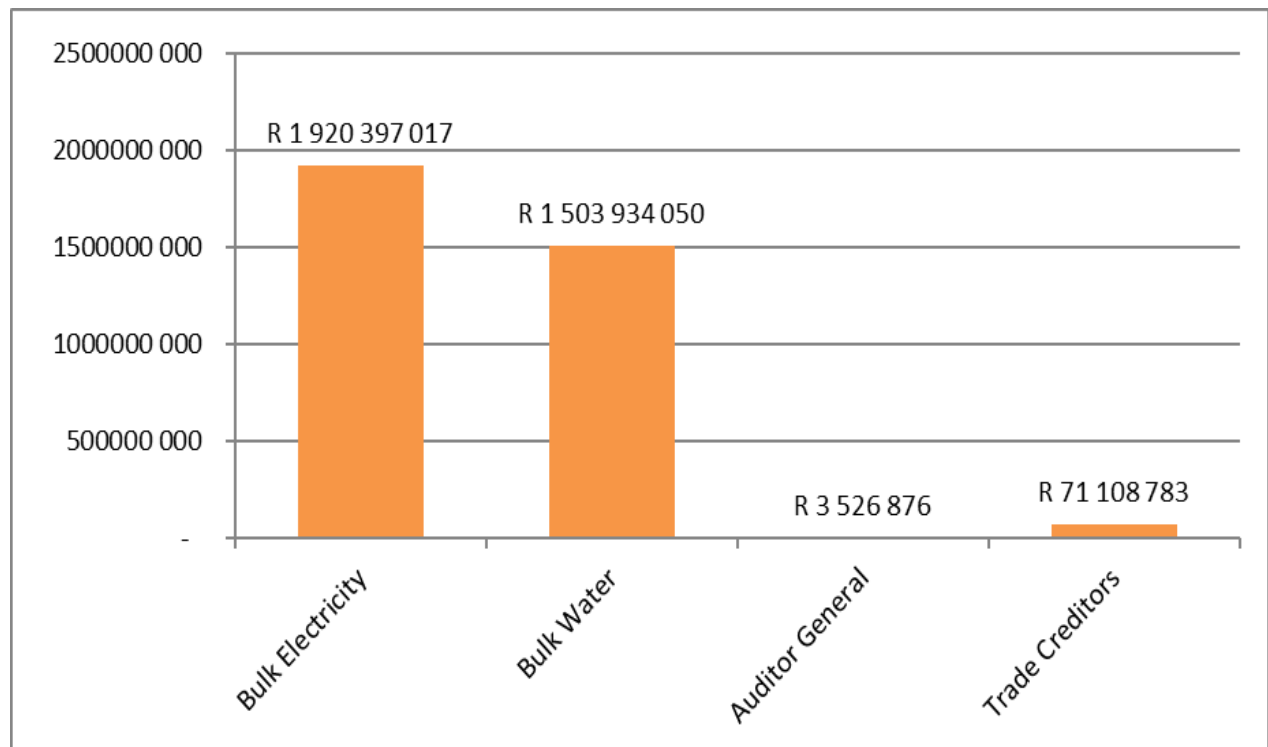
**Note:** According to the Debtors Age Analysis, it is clear that the Household owes the 91% of the total outstanding debt

### 3.2 Creditors age analysis

The municipality's total outstanding creditors amounted to R 3,498,966,727 as at 31 October 2023 compared with R 3,435,590,923 as at 30 September 2023 and has increased with R 63,375,804

**TABLE 13: CREDITOR'S AGE ANALYSIS AS AT 31 OCTOBER 2023**

CREDITORS AGE ANALYSIS - 31 OCTOBER 2023						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days/Arreas	Total
Bulk Electricity	86 757 151	248 181 580		1 585 458 286		1 920 397 017
Bulk Water	128 322 203	61 280 059	54 514 368	1 259 817 421		1 503 934 050
Auditor General	2 918 124	562 613	3 002	43 138	-	3 526 876
Trade Creditors	11 483 619	10 837 418	60 476 034	(11 688 288)	-	71 108 783
<b>Total</b>	<b>229 481 096</b>	<b>320 861 669</b>	<b>114 993 404</b>	<b>2 833 630 557</b>	<b>-</b>	<b>3 498 966 727</b>



**Note:** According to the above information, the Municipality's highest outstanding creditor is ESKOM with the total outstanding amount of R1, 920 billion followed by Midvaal with the total outstanding amount of R1, 504 billion

### 3.3 Investment

Surplus cash is invested on a daily basis depending on the commitment of funds. The municipality's investments as at 31 October 2023 is as set out in Table14 below.

**TABLE 14: INVESTMENTS AS AT 31 OCTOBER 2023**

NW403 City Of Matlosana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October											
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months									
<b>Municipality</b>											
ABSA		-	daily call	yes	Variable		78 082	1 145	(65 150)	84 208	98 286
INVESTEC		-	daily call	yes	Variable		7 863	54	-		7 917
SANLAM		2yrs	Policy	yes	Variable	2024/08/01	12 094		-		12 094
FNB		12months	Long term	yes	Variable	2023/06/30	71		-		71
FNB		-	daily call	yes	Variable		24 012	165			24 178
NEDBANK											-
<b>Municipality sub-total</b>							<b>122 123</b>	<b>1 365</b>	<b>(65 150)</b>	<b>84 208</b>	<b>142 546</b>
<b>Entities</b>											
											-
											-
											-
											-
											-
											-
											-
<b>Entities sub-total</b>							<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>						<b>122 123</b>	<b>1 365</b>	<b>(65 150)</b>	<b>84 208</b>	<b>142 546</b>

**Note:** The municipality started the beginning of the month with total investments of R122 million and after investment made of R84,2 million and withdrawals of R65,1 million closed with an investment balance of R142,6 million that includes collateral and long term investment at the five listed local banks.



### 3.4 Allocations received and Actual expenditure on allocations received

The municipality's position with regard to grant allocation received and the actual expenditure on the grant allocations received are set out in Table 15 and 16 below.

**TABLE 15: TRANSFER AND GRANT RECEIPTS**

NW403 City Of Matlosana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

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
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		558 483	615 503	615 503	489	251 118	205 168	45 951	22,4%	615 503
Energy Efficiency and Demand Side Management Grant		2 997	4 000	4 000	-	-	1 333	(1 333)	-100,0%	4 000
Equitable Share		545 270	599 104	599 104	-	249 626	199 701	49 925	25,0%	599 104
Expanded Public Works Programme Integrated Grant		2 181	3 512	3 512	-	-	1 171	(1 171)	-100,0%	3 512
Local Government Financial Management Grant		3 007	3 100	3 100	42	165	1 033	(868)	-84,0%	3 100
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	5 028	5 787	5 787	447	1 327	1 929	(602)	-31,2%	5 787
Other transfers and grants [insert description]										
<b>Provincial Government:</b>		1 037	1 418	1 418	207	207	473	(266)	-56,2%	1 418
Capacity Building and Other Grants		1 037	1 418	1 418	207	207	473	(266)	-56,2%	1 418
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	559 520	616 921	616 921	696	251 325	205 640	45 685	22,2%	616 921
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		107 437	191 469	191 469	2 855	3 492	63 823	(60 331)	-94,5%	191 469
Integrated National Electrification Programme Grant		24 633	1 732	1 732	-	-	577	(577)	-100,0%	1 732
Municipal Infrastructure Grant		62 977	109 945	109 945	1 013	1 651	36 648	(34 998)	-95,5%	109 945
Neighbourhood Development Partnership Grant		12 921	31 162	31 162	300	300	10 387	(10 088)	-97,1%	31 162
Water Services Infrastructure Grant		6 905	48 630	48 630	1 541	1 541	16 210	(14 669)	-90,5%	48 630
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
Developers Contribution		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	107 437	191 469	191 469	2 855	3 492	63 823	(60 331)	-94,5%	191 469
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	666 957	808 390	808 390	3 550	254 817	269 463	(14 646)	-5,4%	808 390

**Note:** The table reflect the YTD actual revenue amounts to R255 million, against the YTD budget of R270 million as at 31 October 2023. Revenue on Grants can only be recognized when conditions are met.

## TABLE 16: TRANSFER AND GRANT EXPENDITURE

### NW403 City Of Matlosana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		98 226	109 706	109 706	4 255	41 375	36 569	4 806	13,1%	109 706
Energy Efficiency and Demand Side Management Grant		3 186	4 000	4 000	26	(82)	1 333	(1 415)	-106,1%	4 000
Equitable Share		77 894	93 855	93 855	3 772	39 500	31 285	8 215	26,3%	93 855
Expanded Public Works Programme Integrated Grant		1 982	3 512	3 512	-	-	1 171	(1 171)	-100,0%	3 512
Local Government Financial Management Grant		9 910	3 100	3 100	93	264	1 033	(769)	-74,4%	3 100
Municipal Disaster Relief Grant		141	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		5 113	5 239	5 239	364	1 692	1 746	(54)	-3,1%	5 239
Provincial Government:		1 374	3 308	3 308	133	575	1 103	(527)	-47,8%	3 308
Capacity Building and Other Grants		1 374	3 308	3 308	133	575	1 103	(527)	-47,8%	3 308
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>99 600</b>	<b>113 014</b>	<b>113 014</b>	<b>4 388</b>	<b>41 950</b>	<b>37 671</b>	<b>4 278</b>	<b>11,4%</b>	<b>113 014</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		77 727	191 469	191 469	9 461	13 550	63 823	(50 273)	-78,8%	191 469
Integrated National Electrification Programme Grant		23 032	1 732	1 732	-	-	577	(577)	-100,0%	1 732
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		37 455	109 945	109 945	3 627	5 063	36 648	(31 585)	-86,2%	109 945
Neighbourhood Development Partnership Grant		11 236	31 162	31 162	1 414	2 728	10 387	(7 659)	-73,7%	31 162
Water Services Infrastructure Grant		6 004	48 630	48 630	4 419	5 759	16 210	(10 451)	-64,5%	48 630
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Developers Contribution		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>77 727</b>	<b>191 469</b>	<b>191 469</b>	<b>9 461</b>	<b>13 550</b>	<b>63 823</b>	<b>(50 273)</b>	<b>-78,8%</b>	<b>191 469</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>177 327</b>	<b>304 483</b>	<b>304 483</b>	<b>13 849</b>	<b>55 500</b>	<b>101 495</b>	<b>(45 995)</b>	<b>-45,3%</b>	<b>304 483</b>

**Note:** The table reflect the YTD actual expenditure incurred amounting to R55.5 million against the YTD budget of R102 million as at 31 October 2023.

### 3.5 COUNCILORS AND EMPLOYEE BENEFITS

- Employees related cost – R242 million spent as at 31 October 2023
- Council Remuneration – R12 million spent as at 31 October 2023

**TABLE 17: COUNCILORS AND EMPLOYEE BENEFIT**

NW403 City Of Matlosana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		23 751	25 884	25 884	1 888	7 551	8 628	(1 077)	-12%	25 884
Pension and UIF Contributions		1 782	2 368	2 368	140	575	789	(214)	-27%	2 368
Medical Aid Contributions		-	19	19	-	-	6	(6)	-100%	19
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 867	3 013	3 013	339	1 111	1 004	107	11%	3 013
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		8 511	10 303	10 303	676	2 709	3 434	(726)	-21%	10 303
<b>Sub Total - Councillors</b>		<b>36 912</b>	<b>41 586</b>	<b>41 586</b>	<b>3 044</b>	<b>11 946</b>	<b>13 862</b>	<b>(1 916)</b>	<b>-14%</b>	<b>41 586</b>
<b>% increase</b>	4		<b>12,7%</b>	<b>12,7%</b>						<b>12,7%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		1 914	11 387	11 387	(2 064)	(3 024)	3 796	(6 820)	-180%	11 387
Pension and UIF Contributions		5	17	17	-	1	6	(5)	-84%	17
Medical Aid Contributions		33	53	53	-	-	18	(18)	-100%	53
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		192	1 438	1 438	-	-	479	(479)	-100%	1 438
Cellphone Allowance		-	222	222	-	-	74	(74)	-100%	222
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	8	8	-	17	3	14	510%	8
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 144</b>	<b>13 124</b>	<b>13 124</b>	<b>(2 064)</b>	<b>(3 006)</b>	<b>4 375</b>	<b>(7 381)</b>	<b>-169%</b>	<b>13 124</b>
<b>% increase</b>	4		<b>512,2%</b>	<b>512,2%</b>						<b>512,2%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		439 677	486 850	486 850	38 887	154 923	162 283	(7 360)	-5%	486 850
Pension and UIF Contributions		89 792	103 620	103 620	7 844	31 373	34 540	(3 167)	-9%	103 620
Medical Aid Contributions		39 568	46 423	46 423	3 403	13 679	15 475	(1 795)	-12%	46 423
Overtime		69 475	30 224	30 224	6 139	24 150	10 075	14 075	140%	30 224
Performance Bonus		33 962	40 102	40 102	3 612	9 733	13 367	(3 635)	-27%	40 102
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		1 450	1 486	1 486	128	589	495	93	19%	1 486
Housing Allowances		6 312	8 525	8 525	524	2 092	2 842	(749)	-26%	8 525
Other benefits and allowances		18 977	40 503	41 103	1 846	6 256	13 701	(7 446)	-54%	41 103
Payments in lieu of leave		16 297	14 964	14 364	524	2 449	4 788	(2 340)	-49%	14 364
Long service awards		(1 095)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	(19 722)	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>694 693</b>	<b>772 697</b>	<b>772 697</b>	<b>62 907</b>	<b>245 244</b>	<b>257 567</b>	<b>(12 323)</b>	<b>-5%</b>	<b>772 697</b>
<b>% increase</b>	4		<b>11,2%</b>	<b>11,2%</b>						<b>11,2%</b>
<b>Total Parent Municipality</b>		<b>733 749</b>	<b>827 408</b>	<b>827 408</b>	<b>63 888</b>	<b>254 184</b>	<b>275 804</b>	<b>(21 620)</b>	<b>-8%</b>	<b>827 408</b>

## Overtime

The total overtime budget for the 2023/24 financial year amounts to R30, 224,335 million and Year to date actual expenditure on this line item at the end of October 2023 amounted to R24, 150,160 million or 80% of the total budget.

Department	Description	Budget/OpenBal	Curr Mth Expend	Total YTD Spent	Balance	YTD% of Budget Spent
Public Safety	MS: OVERTIME - NON STRUCTURED	2 992 203	501 059	1 401 964	1 590 239	46.85
Community Services	MS: OVERTIME - NON STRUCTURED	2 135 311	77 485	946 290	1 189 021	44.31
Planning & Human Settlement	MS: OVERTIME - NON STRUCTURED	25 065			25 065	
Sports Arts & Culture	MS: OVERTIME - NON STRUCTURED	787 250	131 262	667 990	119 260	84.85
Council General	MS: OVERTIME - NON STRUCTURED	290 097		65 750	224 347	22.66
Civil Engineering	MS: OVERTIME - NON STRUCTURED	904 400	137 754	419 554	484 846	46.39
Water	MS: OVERTIME - NON STRUCTURED	4 918 897	1 194 511	4 809 338	109 559	97.77
Electrical Engineering/Garage	MS: OVERTIME - NON STRUCTURED	1 078 147	156 125	576 060	502 087	53.43
Electrical	MS: OVERTIME - NON STRUCTURED	2 020 376	951 944	3 441 795	-1 421 419	170.35 *
Corporate	MS: OVERTIME - NON STRUCTURED	313 685	91 519	432 558	- 118 873	137.89
Finance	MS: OVERTIME - NON STRUCTURED	1 478 080	485 317	1 973 202	- 495 122	133.49
Cleansing	MS: OVERTIME - NON STRUCTURED	7 870 067	1 171 383	4 912 214	2 957 853	62.41
Sewerage	MS: OVERTIME - NON STRUCTURED	5 206 311	1 219 794	4 390 224	816 087	84.32
Market	MS: OVERTIME - NON STRUCTURED	183 245	18 480	110 979	72 266	60.56
LED & Marketing Tourism	MS: OVERTIME - NON STRUCTURED	21 201	2 243	2 243	18 958	10.57
<b>TOTAL</b>		<b>30 224 335</b>	<b>6 138 876</b>	<b>24 150 160</b>	<b>6 074 176</b>	<b>79.90</b>

**Note:** The cost of employment needs to be closely monitored during 2023/24 financial year specifically expenditure item like overtime to ensure that these costs remain within the allocated budget.

**TABLE: 18 MATERIAL VARIANCES**

NW403 City of Matlosana - Supporting Table SC1 Material variance explanations – M04 October 2023					
Ref	Description	Variance	%	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands				
1	<b>Revenue By Source</b>				
	Property Rates	17 837 916	10%	Property rates have realised more revenue due to the rates that have been raised for the full year in respect to Government Departments and the Farms who pay their accounts annually. The amount is raised in full during July month as opposed to monthly instalments.	The variance is expected to stabilise as the year progresses
	Service Charges: Electricity	(37 994 539)	-6%	Less revenue billed on electricity than initially anticipated. The reduction on this line item can be attributed to the current implementation of load shedding by ESKOM and the acceleration of customers converting to solar.	The municipality has to enforce measures to reduce illegal connections and ensure that all properties consuming Electricity are billed.
	Service Charges: Refuse	(18 152 996)	-21%	Less revenue billed as the anticipated increase on the refuse revenue has not materialised.	The municipality has to ensure that the process of reconciling the valuation roll and the financial system is accelerated to ensure that all properties within City of Matlosana are billed for refuse collection.
	Service Charges: Water	(37 994 539)	-14%	Revenue was less than projected	
	Service Charges: Sanitation	(5 483 173)	-10%	Revenue was less than projected	
	Interest earned from Current & Non-Current Assets	(294,114)	-7%	Most of the interest earned is realised at the end of financial year.	
	Interest earned from receivables	7 921 289	7%	The variance is as a result of the debtors' book that is increasing due to non-payment of debtors. The increase in the debtors result in an increase interest charges.	The municipality has to enforce the revenue enhancement strategies and Debt collection methods.

	License and Permits	(271 584)	-9%	One of the reasons for under collection is that members of the public can renew vehicle licences online using eNaTIS electronic system instead of going physically to municipality offices	
	Fines, penalties and forfeits	35 195	3%	The budgeted amount consists of numerous items (e.g. traffic fines, court fines, illegal connection, etc.) in this instance; revenue has increased mostly on collection of traffic fines and court fines due to current the roadblocks that the department has been conducting around KOSH area every week.	
	Other revenue	(8 491 639)	-29%	The budgeted amount consists of numerous items (e.g. Commission: insurance, Commission: Transaction Handling fees, Plan printing and duplicate, etc.) in this instance under performance was mostly on the Sale of Property and Commission Transaction Handling fees. The reason for under collection is that there has been delays in the issuing of clearance figures for property transfers.	The management has to ensure that clearance figures are issued on time and Journals are captured on a monthly basis
2	<b><u>Expenditure by Type</u></b>				
	Remuneration of Councillors	(1 915 852)	-14%	Less expenditure is lower due to the Councillors upper limits for the current financial year, which have not yet been implemented.	
	Bulk Purchases - electricity	(172 378 780)	-47%	Expenditure is lower due to the outstanding Eskom invoices; it is difficult for the Municipality to meet the obligation due to the low cash flow challenges.	Implement revenue enhancement And debt collection rate strategies.
	Contracted services	(63 632 696)	-41%	Mainly on Security service, repair and maintenance of fleet, repair and maintenance of buildings and equipment and Asset Register administration. Low spending than initially planned due to cash flow challenges.	
	Interest	(3 253 222)	-91%	The underspending is mainly on interest paid on overdue accounts, most of the journals for interest paid on overdue accounts are done at the end of the financial year	
	Debt Impairment	(193 012 524)	-100%	Most of the Debt Impairment journals are done at the end of financial year.	
	Inventory (Repair & Maintenance	(84 472 671)	-47%	Inventory consumed includes Bulk Water, expenditure is lower due to the outstanding Midvaal invoices, and the Municipality is struggling to meet the obligation due to cash flow challenges	
	Other Expenditure	(15 995 870)	-15%	Less spending due to cash flow challenges.	

## TABLE 19: FINANCIAL PERFORMANCE

NW403 City Of Matlosana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M04 October

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		5,0%	10,5%	10,5%	0,0%	1,2%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0,0%	0,0%	0,0%	0,0%	0,0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		87,1%	-8,6%	-8,6%	25,3%	-8,6%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	38,7%	211,6%	211,6%	364,6%	211,6%
Liquidity Ratio	Monetary Assets/Current Liabilities		2,1%	85,8%	85,8%	134,7%	85,8%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		14,4%	0,0%	0,0%	0,0%	0,0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	0,0%	19,0%	19,0%	0,0%	19,0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	0,0%	15,0%	15,0%	0,0%	15,0%
Employee costs	Employee costs/Total Revenue - capital revenue		18,6%	18,6%	18,6%	17,5%	18,6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		7,3%	13,2%	13,2%	12,4%	13,2%
Interest & Depreciation	I&D/Total Revenue - capital revenue		16,6%	10,7%	10,7%	0,0%	1,2%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

## TABLE: 20 CAPITAL EXPENDITURE PERFORMANCE

### NW403 City Of Matlosana - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M04 October

Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July	6 996	19 289	19 289	246	246	19 289	19 044	98,7%	0%
August	6 996	19 289	19 289	1 370	1 370	38 578	37 209	96,4%	1%
September	6 996	19 289	19 289	2 482	2 482	57 867	55 385	95,7%	1%
October	6 996	19 289	19 289	9 533	9 533	77 157	67 623	87,6%	4%
November	6 996	19 289	19 289	458	458	96 446	95 987	99,5%	0%
December	6 996	19 289	19 289	-	-	115 735	115 735	100,0%	0%
January	6 996	19 289	19 289	-	-	135 024	135 024	100,0%	0%
February	6 996	19 289	19 289	-	-	154 313	154 313	100,0%	0%
March	6 996	19 289	19 289	-	-	173 602	173 602	100,0%	0%
April	6 996	19 289	19 289	-	-	192 891	192 891	100,0%	-
May	6 996	19 289	19 289	-	-	212 180	212 180	100,0%	-
June	6 996	19 289	19 289	-	-	231 469	231 469	100,0%	-
<b>Total Capital expenditure</b>	<b>83 952</b>	<b>231 469</b>	<b>231 469</b>	<b>14 089</b>					

### 3.6 OTHER SUPPORTING DOCUMENTS

- SC13a: Capital expenditure on new assets by assets class
- SC 13b: Capital expenditure on renewal of existing assets
- SC 13c: Expenditure On repairs and maintenance by assets class
- SC 13d: Depreciation by assets class
- SC 13e: Expenditure on upgrading of existing assets by assets clas



## SUPPORTING TABLE SC13a:

NW403 City Of Matlosana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M04 October

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
<b>R thousands</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		72 053	178 183	178 183	3 153	7 243	59 394	52 152	87,8%	178 183
Roads Infrastructure		23 808	43 685	43 685	2 122	4 317	14 562	10 245	70,4%	43 685
Roads		23 808	43 685	43 685	2 122	4 317	14 562	10 245	70,4%	43 685
Electrical Infrastructure		29 978	14 200	14 200	-	-	4 733	4 733	100,0%	14 200
Power Plants										
HV Substations		6 225	14 200	14 200	-	-	4 733	4 733	100,0%	14 200
MV Networks		21 362	-	-	-	-	-	-		-
LV Networks		2 391	-	-	-	-	-	-		-
Capital Spares										
Water Supply Infrastructure		8 186	45 475	45 475	-	-	15 158	15 158	100,0%	45 475
Bulk Mains		6 660	19 000	19 000	-	-	6 333	6 333	100,0%	19 000
Distribution		1 526	26 475	26 475	-	-	8 825	8 825	100,0%	26 475
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		6 584	39 352	39 352	1 031	2 372	13 117	10 746	81,9%	39 352
Pump Station		2 799	-	-	-	-	-	-		-
Reticulation		2 688	8 935	8 935	-	-	2 978	2 978	100,0%	8 935
Waste Water Treatment Works										
Outfall Sewers		-	19 000	19 000	551	551	6 333	5 783	91,3%	19 000
Toilet Facilities		1 097	11 418	11 418	481	1 821	3 806	1 985	52,2%	11 418
Capital Spares										
Solid Waste Infrastructure		3 496	35 471	35 471	-	554	11 824	11 269	95,3%	35 471
Landfill Sites										
Waste Transfer Stations		3 496	35 471	35 471	-	554	11 824	11 269	95,3%	35 471
<b>Community Assets</b>		2 950	7 000	7 000	-	-	2 333	2 333	100,0%	7 000
Sport and Recreation Facilities		2 950	7 000	7 000	-	-	2 333	2 333	100,0%	7 000
Indoor Facilities		-	-	-	-	-	-	-		-
Outdoor Facilities		2 950	7 000	7 000	-	-	2 333	2 333	100,0%	7 000
<b>Computer Equipment</b>		-	8 000	8 000	72	72	2 667	2 594	97,3%	8 000
Computer Equipment		-	8 000	8 000	72	72	2 667	2 594	97,3%	8 000
<b>Furniture and Office Equipment</b>		0	1 800	1 800	-	-	600	600	100,0%	1 800
Furniture and Office Equipment		0	1 800	1 800	-	-	600	600	100,0%	1 800
<b>Machinery and Equipment</b>		-	1 000	1 000	-	8	333	325	97,6%	1 000
Machinery and Equipment		-	1 000	1 000	-	8	333	325	97,6%	1 000
<b>Transport Assets</b>		7	4 543	4 543	2 369	2 369	1 514	(855)	-56,5%	4 543
Transport Assets		7	4 543	4 543	2 369	2 369	1 514	(855)	-56,5%	4 543
<b>Total Capital Expenditure on new assets</b>	1	75 010	200 526	200 526	5 595	9 692	66 842	57 150	85,5%	200 526

## SUPPORTING TABLE SC13b

NW403 City Of Matlosana - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class

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	
<b>R thousands</b>	1										
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		3 055	19 526	19 526	451	451	6 509	6 058	93,1%	19 526	
Electrical Infrastructure		3 055	5 206	5 206	-	-	1 735	1 735	100,0%	5 206	
<i>Power Plants</i>								-			
<i>HV Substations</i>		1 670	1 732	1 732	-	-	577	577	100,0%	1 732	
<i>LV Networks</i>		1 385	3 474	3 474	-	-	1 158	1 158	100,0%	3 474	
Sanitation Infrastructure		-	14 320	14 320	451	451	4 773	4 322	90,6%	14 320	
<i>Pump Station</i>								-			
<i>Reticulation</i>								-			
<i>Waste Water Treatment Works</i>		-	14 320	14 320	451	451	4 773	4 322	90,6%	14 320	
<b>Total Capital Expenditure on renewal of existing assets</b>	1	<b>3 055</b>	<b>19 526</b>	<b>19 526</b>	<b>451</b>	<b>451</b>	<b>6 509</b>	<b>6 058</b>	<b>93,1%</b>	<b>19 526</b>	

# SUPPORTING TABLE SC13c

## NW403 City Of Matlosana - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M04

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
<b>R thousands</b>										
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		106 663	196 020	196 020	24 361	79 381	65 340	(14 041)	-21,5%	196 020
Roads Infrastructure		18 695	56 998	56 998	11 384	42 350	18 999	(23 350)	-122,9%	56 998
Roads		18 070	56 065	56 065	11 384	42 048	18 688	(23 359)	-125,0%	56 065
Road Structures										
Road Furniture		625	933	933	-	302	311	9	3,0%	933
Capital Spares										
Storm water Infrastructure		-	10 000	10 000	-	-	3 333	3 333	100,0%	10 000
Drainage Collection		-	10 000	10 000	-	-	3 333	3 333	100,0%	10 000
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		72 297	91 719	91 719	10 345	29 509	30 573	1 064	3,5%	91 719
MV Substations		261	823	823	-	-	274	274	100,0%	823
MV Switching Stations		165	122	122	-	-	41	41	100,0%	122
MV Networks										
LV Networks		71 871	90 774	90 774	10 345	29 509	30 258	749	2,5%	90 774
Capital Spares										
Water Supply Infrastructure		11 580	15 812	15 812	1 386	3 289	5 271	1 981	37,6%	15 812
Dams and Weirs										
Boreholes										
Reservoirs		1 044	3 697	3 697	-	25	1 232	1 207	98,0%	3 697
Distribution		10 536	12 115	12 115	1 386	3 264	4 038	774	19,2%	12 115
Sanitation Infrastructure		4 091	21 490	21 490	1 246	4 233	7 163	2 930	40,9%	21 490
Pump Station										
Reticulation		2 716	11 281	11 281	532	3 519	3 760	241	6,4%	11 281
Waste Water Treatment Works		1 375	10 210	10 210	714	714	3 403	2 689	79,0%	10 210
<b>Community Assets</b>		5 742	18 730	18 730	1 033	1 365	6 244	4 879	78,1%	18 730
Community Facilities		3 113	10 612	10 612	905	1 232	3 537	2 305	65,2%	10 612
Testing Stations										
Museums		81	1 064	1 064	-	-	355	355	100,0%	1 064
Galleries										
Theatres										
Libraries		619	1 911	1 911	657	657	637	(21)	-3,2%	1 911
Cemeteries/Crematoria		2 253	6 030	6 030	205	485	2 010	1 525	75,9%	6 030
Police										
Parks										
Public Open Space		-	130	130	-	-	43	43	100,0%	130
Nature Reserves		104	729	729	43	90	243	153	63,0%	729
Public Ablution Facilities										
Markets		55	748	748	-	-	249	249	100,0%	748
Sport and Recreation Facilities		2 630	8 119	8 119	129	132	2 706	2 574	95,1%	8 119
Indoor Facilities		1 359	2 505	2 505	11	15	835	820	98,2%	2 505
Outdoor Facilities		1 271	5 614	5 614	117	117	1 871	1 754	93,7%	5 614
Capital Spares										
<b>Heritage assets</b>		136	199	199	-	-	66	66	100,0%	199
Monuments										
Historic Buildings										
Works of Art		-	-	-	-	-	-	-		-
Conservation Areas		136	199	199	-	-	66	66	100,0%	199
<b>Other assets</b>		4 604	10 626	10 826	111	240	3 564	3 324	93,3%	10 826
Operational Buildings		4 604	10 626	10 826	111	240	3 564	3 324	93,3%	10 826
Municipal Offices		4 576	10 566	10 766	111	240	3 544	3 304	93,2%	10 766
Pay/Enquiry Points										
Building Plan Offices										
Workshops		28	51	51	-	-	17	17	100,0%	51
Yards										
Stores		-	10	10	-	-	3	3	100,0%	10

<b>Intangible Assets</b>		5 072	4 563	4 563	700	1 321	1 521	200	13,1%	4 563
Servitudes								-		
Licences and Rights		5 072	4 563	4 563	700	1 321	1 521	200	13,1%	4 563
<i>Computer Software and Applications</i>		5 072	4 563	4 563	700	1 321	1 521	200	13,1%	4 563
<i>Load Settlement Software Applications</i>								-		
<i>Unspecified</i>								-		
<b>Computer Equipment</b>		1 847	4 300	4 300	404	424	1 433	1 009	70,4%	4 300
Computer Equipment		1 847	4 300	4 300	404	424	1 433	1 009	70,4%	4 300
<b>Furniture and Office Equipment</b>		2 356	3 068	3 068	846	846	1 023	177	17,3%	3 068
Furniture and Office Equipment		2 356	3 068	3 068	846	846	1 023	177	17,3%	3 068
<b>Machinery and Equipment</b>		10 911	25 639	25 639	617	2 406	8 546	6 141	71,9%	25 639
Machinery and Equipment		10 911	25 639	25 639	617	2 406	8 546	6 141	71,9%	25 639
<b>Transport Assets</b>		194	14 390	14 390	-	31	4 797	4 765	99,3%	14 390
Transport Assets		194	14 390	14 390	-	31	4 797	4 765	99,3%	14 390
<b>Total Repairs and Maintenance Expenditure</b>	1	137 526	277 534	277 734	28 073	86 014	92 534	6 520	7,0%	277 734

## SUPPORTING TABLE SC13d

NW403 City Of Matlosana - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M04 October

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
<b>R thousands</b>	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	322 692	322 692	24 719	98 876	107 564	8 689	8,1%	322 692
Roads Infrastructure		-	96 260	96 260	7 976	31 902	32 087	184	0,6%	96 260
Roads		-	96 260	96 260	7 976	31 902	32 087	184	0,6%	96 260
Electrical Infrastructure		-	59 997	59 997	4 520	18 081	19 999	1 918	9,6%	59 997
MV Networks		-	59 997	59 997	4 520	18 081	19 999	1 918	9,6%	59 997
Water Supply Infrastructure		-	93 480	93 480	5 747	22 988	31 160	8 172	26,2%	93 480
Distribution		-	93 480	93 480	5 747	22 988	31 160	8 172	26,2%	93 480
Sanitation Infrastructure		-	72 956	72 956	6 476	25 904	24 319	(1 586)	-6,5%	72 956
Pump Station		-	72 956	72 956	6 476	25 904	24 319	(1 586)	-6,5%	72 956
Reticulation		-	72 956	72 956	6 476	25 904	24 319	(1 586)	-6,5%	72 956
<b>Other assets</b>		136 154	79 263	79 263	6 399	25 594	26 421	826	3,1%	79 263
Operational Buildings		136 154	79 263	79 263	6 399	25 594	26 421	826	3,1%	79 263
Municipal Offices		136 154	79 263	79 263	6 399	25 594	26 421	826	3,1%	79 263
<b>Computer Equipment</b>		-	1 763	1 763	109	435	588	152	25,9%	1 763
Computer Equipment		-	1 763	1 763	109	435	588	152	25,9%	1 763
<b>Furniture and Office Equipment</b>		3 651	2 617	2 617	123	493	872	379	43,4%	2 617
Furniture and Office Equipment		3 651	2 617	2 617	123	493	872	379	43,4%	2 617
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		243 149	33 666	33 666	259	1 035	11 222	10 187	90,8%	33 666
Transport Assets		243 149	33 666	33 666	259	1 035	11 222	10 187	90,8%	33 666
<b>Total Depreciation</b>	1	382 953	440 000	440 000	31 609	126 434	146 667	20 233	13,8%	440 000

## SUPPORTING TABLE SC13e

NW403 City Of Matlosana - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset

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
<b>R thousands</b>	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 542	11 418	11 418	3 487	3 487	3 806	319	8,4%	11 418
Water Supply Infrastructure		1 542	11 418	11 418	3 487	3 487	3 806	319	8,4%	11 418
Dams and Weirs								-		
Boreholes								-		
Reservoirs		1 542	11 418	11 418	3 487	3 487	3 806	319	8,4%	11 418

<b>Total Capital Expenditure on upgrading of existing assets</b>	1	5 887	11 418	11 418	3 487	3 487	3 806	319	8,4%	11 418
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### **3.7 Progress on Municipal Debt Relief**

**CITY OF MATLOSANA MONTHLY  
MONITORING PLAN 31 OCTOBER 2023**

Monthly Compliance Check List	6,3	<b>Maintaining the Eskom and bulk water current account –</b> (current account for the purpose of this exercise means the account for a single month's consumption):	Responsible Person	Monthly Progress	How are you going to ensure compliance (applicable manager to provide SOP that will be updated and monitored)
	6.3.1	- Has the municipality paid its <i>bulk water current account</i> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a> Lesego Seametso (MM) 018 487 8009 / 076 018 7668 <a href="mailto:lseametso@klerksdorp.org">lseametso@klerksdorp.org</a>	No	The municipality arranged a meeting with CEO of Midvaal to revise the current payment agreement to a more affordable one for the CoM. However, partial payments are made as per the current arrangement.
	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	J Makudubele (Accountant) – 018 487 8483 <a href="mailto:jpapers@klerksdorp.org">jpapers@klerksdorp.org</a> J Letlhoo (Assistant Director Expenditure) – 018 487 8533 <a href="mailto:gopolang@klerksdorp.org">gopolang@klerksdorp.org</a> Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a>	Yes	Both Midval and Eskom were partially paid and proof was uploaded.
	6.3.4	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	J Makudubele (Accountant) – 018 487 8483 <a href="mailto:jpapers@klerksdorp.org">jpapers@klerksdorp.org</a> J Letlhoo (Assistant Director Expenditure) – 018 487 8533 <a href="mailto:gopolang@klerksdorp.org">gopolang@klerksdorp.org</a> Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a>	Yes	
	6.3.1	- Has the municipality paid its <i>Eskom bulk current account</i> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a> Lesego Seametso (MM) 018 487 8009 / 076 018 7668 <a href="mailto:lseametso@klerksdorp.org">lseametso@klerksdorp.org</a>	No	The bill from Eskom was higher the amount billed and collected by the municipality, making it difficult for the invoice to be paid in full.
	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	J Makudubele (Accountant) – 018 487 8483 <a href="mailto:jpapers@klerksdorp.org">jpapers@klerksdorp.org</a> J Letlhoo (Assistant Director Expenditure) – 018 487 8533 <a href="mailto:gopolang@klerksdorp.org">gopolang@klerksdorp.org</a> Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a>	Yes	



6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	J Makudubele (Accountant) – 018 487 8483 <a href="mailto:jpapers@klerksdorp.org">jpapers@klerksdorp.org</a> J Letlhoo (Assistant Director Expenditure) – 018 487 8533 <a href="mailto:gopolang@klerksdorp.org">gopolang@klerksdorp.org</a> Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a>	Yes	
<b>6,4</b>	<b>Compliance with a funded MTREF –</b>			
6.4.1	- Has the municipality tabled and adopted a funded 2023/24 MTREF aligning to the National Treasury’s Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</a>	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	Attached monthly funding progress, Municipality intends to revise the current funding plan.
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	Yes	C4 attached as POE
6.4.1	- Has the municipality made adequate provision for debt impairment ( <i>considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget</i> ) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	The municipality made provision for debt impairment in line with the budgeted expected collection rate. If the collection rate is not achieved by 31 December 2023 for the first six months, it will be revised. The debt impairment will be revised during the adjustment budget.
	<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>			
6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment ( <i>considering its asset register and physical state of assets</i> ) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	Yes	The figures is based on the 2021/22 audit outcome and take into consideration the budgeted capital acquisitions for the 2023/24 year.
	<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>			

6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	J Makudubele (Accountant) – 018 487 8483 <a href="mailto:jpapers@klerksdorp.org">jpapers@klerksdorp.org</a> J Letlhoo (Assistant Director Expenditure) – 018 487 8533 <a href="mailto:gopolang@klerksdorp.org">gopolang@klerksdorp.org</a> Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a>	Yes	
<b>6,4</b>	<b>Compliance with a funded MTREF –</b>			
6.4.1	- Has the municipality tabled and adopted a funded 2023/24 MTREF aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</a>	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	Attached monthly funding progress, Municipal intends to revise the current funding plan.
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	Yes	C4 attached as POE
6.4.1	- Has the municipality made adequate provision for debt impairment ( <i>considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget</i> ) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	The municipality made provision for debt impairment in line with the budgeted expected collection rate. If the collection rate is not achieved by 31 December 2023 for the first six months, it will be revised. The debt impairment will be revised during the adjustment budget.
	<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>			
6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment ( <i>considering its asset register and physical state of assets</i> ) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	Yes	The figures is based on the 2021/22 audit outcome and take into consideration the budgeted capital acquisitions for the 2023/24 year.
	<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>			

6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	The financial plan will be revised to accommodate the activities currently being implemented, e.g "Operation Patela". Progress on the plan is not satisfying.
6.4.2	- Does the municipality's annual and monthly cash flow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	Yes	The system vendor should assist the municipality with the A1 Schedule. The A7 is currently projecting 12 equal amounts. This is not the proper projection, and will be corrected accordingly.
6,5	Cost reflective tariffs – has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	Municipality is currently finalising tariff tool with NERSA and National Treasury which is expected to completed by 30 November 2023
6,6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 <a href="mailto:nsathege@klerksdorp.org">nsathege@klerksdorp.org</a> T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a>	Yes	As per credit control policy
6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 <a href="mailto:nkegakilwe@klerksdorp.org">nkegakilwe@klerksdorp.org</a> O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 <a href="mailto:okgoete@klerksdorp.org">okgoete@klerksdorp.org</a>	Yes	
6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 <a href="mailto:nsathege@klerksdorp.org">nsathege@klerksdorp.org</a> T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a>	Yes	As per credit control policy
6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 <a href="mailto:nsathege@klerksdorp.org">nsathege@klerksdorp.org</a> T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a>	Yes	As per credit control policy

	registered as an indigent consumer with the municipality?			
	<i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>			
6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively?	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 <a href="mailto:nsathege@klerksdorp.org">nsathege@klerksdorp.org</a> T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a>	No	A workshop to councillors will be requested through the Speaker’s office to educate.
6.6	<i>Supporting evidence: The National Treasury and/ or provincial treasury’s related budget assessment confirms the municipality’s relevant MTREF’s related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i>			
<b>6,7</b>	Maintain a minimum average quarterly collection of property rates and services charges –			
6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded to the LGDRS?	N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 <a href="mailto:nkegakilwe@klerksdorp.org">nkegakilwe@klerksdorp.org</a> O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 <a href="mailto:okgoete@klerksdorp.org">okgoete@klerksdorp.org</a>	Yes	For the current month the municipality achieved a collection rate of 87%
	<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>			
6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of the National Treasury that –	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 <a href="mailto:nsathege@klerksdorp.org">nsathege@klerksdorp.org</a> T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a>	No	Municipality has targeted all areas that Municipality in servicing for electricity. Please find attached areas that disconnection and reconnection has took place for the past two weeks(18- 25-09-2023 )

6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;		Yes	
6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 <a href="mailto:nsathege@klerksdorp.org">nsathege@klerksdorp.org</a> T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a>	No	The Municipality does restrict water in Eskom supplied areas as per credit control policy, the challenge is that the community bridge and break water meters.
6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a> Lesego Seametso (MM) 018 487 8009 / 076 018 7668 <a href="mailto:lseametso@klerksdorp.org">lseametso@klerksdorp.org</a>	No	There is a proposal that was sent in the current year for Eskom to assist in areas such as Kanana, Tigane and Khuma, but no response was received from Eskom.
6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 <a href="mailto:nsathege@klerksdorp.org">nsathege@klerksdorp.org</a> T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a>	No	The municipality is in a process of installing smart-prepaid meters
6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	J Pilusa (Acting Director Technical) 018 487 8023/072 313 4253 <a href="mailto:tpelesane@klerksdorp.org">tpelesane@klerksdorp.org</a>	No	The policy is still the process of being drafted and will be tabled to council by end of November 2023. Smart meters procurement was budgeted for five million Rands in the current 2023/24 financial year.
6.7.5	-Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	Yes	C schedule
6,8	Municipality's Completeness of the revenue base –			

6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrated the steps taken to correct the variances identified?	N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 <a href="mailto:nkegakilwe@klerksdorp.org">nkegakilwe@klerksdorp.org</a> O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 <a href="mailto:okgoete@klerksdorp.org">okgoete@klerksdorp.org</a>	Yes	<ol style="list-style-type: none"> <li>1. The approved GVR was loaded into the municipal financial system (Solar).</li> <li>2. All SV's (SV01-SV02) are implemented into the financial system.</li> <li>3. SV03 Roll with 4343 entries is opened for inspection and objections until the 30<sup>th</sup> June 2023.</li> <li>4. Differences will be addressed as follows: <ul style="list-style-type: none"> <li>- Reconciliation will be done monthly and variances identified will be addressed accordingly.</li> </ul> </li> </ol> <p>Occupation certificates and Valuation certificates to be sent to the Municipal Valuer to ensure that all properties are updated and billed accurately.</p>
6.8.2	- Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a>	N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 <a href="mailto:nkegakilwe@klerksdorp.org">nkegakilwe@klerksdorp.org</a> O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 <a href="mailto:okgoete@klerksdorp.org">okgoete@klerksdorp.org</a>	Yes	
<b>6,9</b>	Monitor and report on implementation –			
6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	Municipal is in the process of adjusting the adopted Funding plan.
6.9.2	- If progress is slow in terms of paragraph 6.8.3, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	Municipality has establish MSCOA Steering Committee which seat monthly to address any MSCOA Issues
6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a> Lesego Seametso (MM) 018 487 8009 / 076 018 7668 <a href="mailto:lseametso@klerksdorp.org">lseametso@klerksdorp.org</a>	The Municipal does not have financial recovery plan yet, but they are in process	Awaiting the response from Province

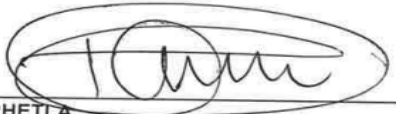
6.9.4	- If the municipality that has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress reports to the Provincial Executive, has the municipality also submitted such FRP progress reports to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a> Lesego Seametso (MM) 018 487 8009 / 076 018 7668 <a href="mailto:lseametso@klerksdorp.org">lseametso@klerksdorp.org</a>	No	PT is still in the process of drafting the FRP
	<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>			
	<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			
6,11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	No	There are currently no plans to borrow any money.
	<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme</i>			
6,12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a>	Partially	The revenue from electricity and water is not entirely ring-fenced only prepaid is ring-fenced and conventional can only be calculated when month-end processes are completed and by this time, the Eskom bill is due and money paid directly without being transferred from the primary bank account.
6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.11.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a> Lesego Seametso (MM) 018 487 8009 / 076 018 7668 <a href="mailto:lseametso@klerksdorp.org">lseametso@klerksdorp.org</a>	No	Due to cash flow issues, it is not yet possible to entirely pay Eskom and Midval in full.
	<i>Note: A request will be made to the Minister of Finance immediately succeeding the application to exempt municipalities formally from MFMA s.8(3) to facilitate this condition.</i>			

		<i>Supporting evidence:</i> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	T Sekgala (Deputy Director Budget) 018 487 8040 <a href="mailto:osekgala@klerksdorp.org">osekgala@klerksdorp.org</a> D Rossouw (Assistant Director Budget) 018 487 8518 <a href="mailto:drossouw@klerksdorp.org">drossouw@klerksdorp.org</a>	Yes	
6.13		Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 <a href="mailto:mmphetla@klerksdorp.org">mmphetla@klerksdorp.org</a> Lesego Seametso (MM) 018 487 8009 / 076 018 7668 <a href="mailto:lseametso@klerksdorp.org">lseametso@klerksdorp.org</a>	No	Not yet applicable. The write-off will only be implemented after 12 months as per NT guidelines.
6.14		'NERSA License - has the municipality during the month failed to comply with any condition if the Municipal Debt Relief?	N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 <a href="mailto:nkegakilwe@klerksdorp.org">nkegakilwe@klerksdorp.org</a> O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 <a href="mailto:okgoete@klerksdorp.org">okgoete@klerksdorp.org</a>	Yes	The current month bill was not paid in full.
		<i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 18 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006).</i>			



**Monitoring of progress to ensure compliance:** Weekly Management meetings will be held with delegated officials in order to monitor progress and the consolidated monitoring plan will be submitted to the Finance Portfolio committee held on a monthly basis and also reported to Provincial Treasury 10 days after month end.


Approval of information and of the compliance report to be submitted to PT/NT on 14 November 2023



**M PHETLA**  
CHIEF FINANCIAL OFFICER



**L SEAMETSO**  
MUNICIPAL MANAGER



**AM RAMPHELE**  
MMG: FINANCE



**SL MONDLANE**  
SPEAKER OF COUNCIL



**NJ TSOLELA**  
EXECUTIVE MAYOR

**MFMA Circular 124 - Monthly MFMA s.71 reporting (condition 6.7)**

**Average collection rate (MFMA Circular 124 condition 6.7)**

Total average collection	SEPT 2023		OCT 2023	
	Previous Month actual Collection %	Current Month actual collection %	Rand value of Current Month Billing NOT COLLECTED per ward (R)	Quarter 1 actual Collection %
1. The total average collection of all revenue excluding Equitable Share and conditional grants	66%	62%	93 306 654	56%
1A. The total average collection of all revenue in 1. above - <i>excluding the Eskom supply areas</i>	77%	76%	51 786 763	62%
2. The total average collection of municipal property rates	175%	91%	3 336 838	81%
3. The total average collection of Electricity	91%	109%	-6 353 681	76%
4. The total average collection of Water	39%	55%	23 428 490	50%
5. The total average collection of Wastewater	51%	56%	5 283 402	55%
4. The total average collection of Solid Waste	35%	40%	9 610 436	41%
4. The total average collection of VAT	65%	69%	7 150 509	64%
4. The total average collection of Interest	6%	7%	48 106 890	5%
4. The total average collection of Sundries	14%	9%	9 894 280	11%

**MFMA Circular 124 - condition 6.7.2**

**COLLECTION RATE - per ward - rates and per service - (October 2023) *\*\*Note - the municipality to add rows below to facilitate reporting on all wards within the d***

Wards / Services	Municipal supplied/ Eskom supplied/ Partial Eskom and municipal supplied	Previous Month actual Collection %	Total Movement / Billing for the Month (R)	Total Settlements / Payment for the month (R)	Current Month - actual Collection %	Rand value of Current Month Billing NOT COLLECTED per ward (R)	Quarter 1 actual Collection %
<b>Ward 1</b>		41%	4 741 850	1 995 546	42%	0	42%
Property Rates Tax		145%	361 038	535 272	148%	0	35%
Electricity	Eskom Supplied	76%	666 585	616 133	92%	0	77%
Water		48%	1 269 988	478 602	38%	0	74%
Refuse		10%	407 668	39 397	10%	0	19%
Waste Water		14%	243 415	32 287	13%	0	21%
VAT		42%	389 333	165 987	43%	0	67%
Sundries		2%	91 919	7 873	9%	0	2%
Interest		101%	1 311 904	119 995	9%	0	27%
<b>Ward 2</b>		43%	2 387 623	35 251	1%	0	11%
Property Rates Tax		2079%	39 536	1 294	3%	0	0%
Electricity	Partial Eskom and Municipal Supplied	0%	4 079	0	0%	0	0%
Water		6%	802 368	16 308	2%	0	3%
Refuse		8%	230 858	8 472	4%	0	11%
Waste Water		6%	129 965	3 064	2%	0	40%
VAT		6%	200 838	3 981	2%	0	22%
Sundries		5%	61 435	896	1%	0	0%
Interest		0%	918 544	1 235	0%	0	-5%
<b>Ward 3</b>		124%	3 216 917	1 653 323	51%	0	23%
Property Rates Tax		657%	350 044	277 896	79%	0	17%
Electricity	Municipal supplied	48%	601 960	461 228	77%	0	51%
Water		47%	838 946	484 344	58%	0	48%
Refuse		48%	176 443	102 163	58%	0	48%
Waste Water		86%	205 722	114 933	56%	0	45%
VAT		48%	323 715	156 219	48%	0	59%
Sundries		44%	169 652	15 912	9%	0	5%
Interest		53%	551 158	40 627	7%	0	2%
<b>Ward 4</b>		15%	8 436 032	1 259 035	15%	0	10%
Property Rates Tax		528%	188 991	615 762	326%	0	6%
Electricity	Municipal supplied	5%	848 816	42 207	5%	0	9%
Water		5%	2 710 062	92 360	3%	0	5%
Refuse		4%	793 056	27 262	3%	0	4%
Waste Water		4%	385 143	17 079	4%	0	4%
VAT		4%	722 868	21 686	3%	0	14%
Sundries		2%	105 591	6 775	6%	0	1%
Interest		3%	2 681 504	435 904	16%	0	0%
<b>Ward 5</b>		17%	3 329 368	130 052	4%	0	2%
Property Rates Tax		1261%	38 494	4 568	12%	0	2%
Electricity	Municipal supplied	9%	307 437	59 311	19%	0	16%
Water		3%	913 495	33 228	4%	0	5%
Refuse		4%	256 732	9 054	4%	0	7%
Waste Water		3%	134 652	3 598	3%	0	5%
VAT		4%	254 339	14 201	6%	0	3%
Sundries		0%	77 625	677	1%	0	1%
Interest		14%	1 346 595	5 415	0%	0	1%

<b>Ward 6</b>		12%	4 989 913	272 341	5%	0	4%
Property Rates Tax		350%	122 249	50 787	42%	0	16%
Electricity	Municipal supplied	4%	478 268	70 894	15%	0	17%
Water		3%	1 527 825	65 705	4%	0	5%
Refuse		3%	432 396	31 703	7%	0	5%
Waste Water		4%	205 937	21 016	10%	0	10%
VAT		3%	412 294	21 314	5%	0	6%
Sundries		0%	98 914	964	1%	0	1%
Interest		21%	1 712 032	9 958	1%	0	1%
<b>Ward 7</b>		19%	3 100 419	176 262	6%	0	6%
Property Rates Tax		331%	116 787	27 109	23%	0	8%
Electricity	Municipal supplied	16%	308 698	39 874	13%	0	10%
Water		7%	945 268	63 981	7%	0	7%
Refuse		8%	211 811	16 176	8%	0	7%
Waste Water		8%	100 905	8 492	8%	0	7%
VAT		5%	245 435	13 408	5%	0	6%
Sundries		1%	71 716	983	1%	0	1%
Interest		574%	1 099 798	6 239	1%	0	3%
<b>Ward 8</b>		56%	3 673 980	722 848	20%	0	64%
Property Rates Tax		487%	275 662	91 425	33%	0	12%
Electricity	Municipal supplied	42%	548 595	239 756	44%	0	50%
Water		19%	999 341	221 332	22%	0	28%
Refuse		22%	261 084	62 363	24%	0	32%
Waste Water		19%	168 723	27 650	16%	0	21%
VAT		23%	313 536	61 504	20%	0	68%
Sundries		2%	80 508	3 462	4%	0	8%
Interest		0%	1 026 552	15 355	1%	0	6%
<b>Ward 9</b>		5%	3 463 401	160 337	5%	0	69%
Property Rates Tax		23%	73 945	23 027	31%	0	27%
Electricity	Municipal supplied	17%	308 238	50 782	16%	0	23%
Water		3%	1 097 648	43 765	4%	0	5%
Refuse		5%	238 916	13 547	6%	0	9%
Waste Water		6%	101 751	7 421	7%	0	10%
VAT		5%	273 571	13 323	5%	0	72%
Sundries		1%	134 441	3 952	3%	0	0%
Interest		20%	1 234 892	4 520	0%	0	4%
<b>Ward 10</b>		40%	2 309 937	250 650	11%	0	73%
Property Rates Tax		475%	132 352	23 435	18%	0	7%
Electricity	Municipal supplied	25%	321 517	77 665	24%	0	37%
Water		11%	630 254	93 403	15%	0	21%
Refuse		11%	155 211	16 397	11%	0	28%
Waste Water		10%	92 943	8 524	9%	0	23%
VAT		14%	191 008	24 898	13%	0	73%
Sundries		3%	53 373	1 664	3%	0	5%
Interest		178%	733 279	4 665	1%	0	4%
<b>Ward 11</b>		78%	2 985 218	454 552	15%	0	57%
Property Rates Tax		1287%	146 478	31 033	21%	0	9%
Electricity	Municipal supplied	21%	436 775	142 893	33%	0	45%
Water		9%	847 096	154 764	18%	0	29%
Refuse		12%	195 874	31 758	16%	0	24%
Waste Water		14%	159 646	35 895	22%	0	45%
VAT		12%	260 919	50 148	19%	0	78%
Sundries		1%	59 815	1 249	2%	0	6%
Interest		24%	878 617	6 811	1%	0	5%
<b>Ward 12</b>		2%	8 080 257	872 105	11%	0	67%
Property Rates Tax		10%	83 268	493 069	592%	0	1%
Electricity	Municipal supplied	3%	703 275	16 429	2%	0	3%
Water		3%	2 554 255	48 941	2%	0	2%
Refuse		2%	672 255	11 922	2%	0	2%
Waste Water		2%	285 039	5 248	2%	0	2%
VAT		2%	659 240	10 988	2%	0	70%
Sundries		0%	181 891	2 294	1%	0	0%
Interest		0%	2 941 035	283 214	10%	0	2%

<b>Ward 23</b>								
Property Rates Tax		11%	4 718 488	113 958	2%	0		51%
Electricity	Eskom Supplied	562%	71 269	3 440	5%	0		1%
Water		0%	192	0	0%	0		0%
Refuse		1%	1 357 505	40 728	3%	0		2%
Waste Water		2%	525 326	26 984	5%	0		2%
VAT		1%	234 223	8 971	4%	0		4%
Sundries		1%	333 609	10 712	3%	0		64%
Interest		3%	1 773	7 495	423%	0		0%
		2%	2 194 592	15 626	1%	0		3%
<b>Ward 24</b>		28%	3 799 165	122 852	3%	0		19%
Property Rates Tax		1151%	86 994	4 854	6%	0		11%
Electricity	Eskom Supplied	0%	0	0	0%	0		0%
Water		1%	1 098 624	45 317	4%	0		3%
Refuse		3%	404 859	24 009	6%	0		3%
Waste Water		9%	178 858	12 391	7%	0		2%
VAT		2%	253 267	12 626	5%	0		25%
Sundries		0%	1 298	7 254	559%	0		0%
Interest		2%	1 775 267	16 401	1%	0		3%
<b>Ward 25</b>		120%	4 004 953	326 738	8%	0		43%
Property Rates Tax		409%	401 835	42 428	11%	0		35%
Electricity	Eskom Supplied	0%	0	18 322	0%	0		298%
Water		6%	1 104 128	117 697	11%	0		11%
Refuse		10%	401 058	42 161	11%	0		11%
Waste Water		14%	213 914	27 583	13%	0		21%
VAT		7%	258 093	23 150	9%	0		64%
Sundries		-3%	7 986	17 593	220%	0		2%
Interest		8%	1 617 938	37 803	2%	0		1%
<b>Ward 26</b>		1%	3 772 524	54 071	1%	0		963%
Property Rates Tax		5%	77 267	7 029	9%	0		7%
Electricity	Eskom Supplied	0%	202	0	0%	0		0%
Water		1%	1 148 525	22 059	2%	0		6%
Refuse		2%	338 444	10 424	3%	0		4%
Waste Water		2%	141 231	3 577	3%	0		6%
VAT		1%	242 292	4 965	2%	0		-82%
Sundries		0%	10 345	2 572	25%	0		1%
Interest		1%	1 814 219	3 445	0%	0		-20%
<b>Ward 27</b>		8%	5 660 711	30 374	1%	0		6%
Property Rates Tax		402%	106 448	2 426	2%	0		1%
Electricity	Eskom Supplied	0%	0	0	0%	0		22%
Water		1%	1 735 758	11 592	1%	0		1%
Refuse		1%	471 593	5 896	1%	0		2%
Waste Water		1%	212 342	2 124	1%	0		6%
VAT		1%	364 007	2 463	1%	0		14%
Sundries		0%	1 270	2 039	160%	0		0%
Interest		1%	2 769 293	3 833	0%	0		1%
<b>Ward 28</b>		90%	10 089 865	8 582 200	85%	0		35%
Property Rates Tax		142%	2 289 282	1 625 216	71%	0		60%
Electricity	Municipal supplied	86%	2 984 343	3 286 464	110%	0		80%
Water		87%	1 812 019	1 783 610	98%	0		93%
Refuse		90%	484 906	444 610	92%	0		88%
Waste Water		82%	527 447	468 309	89%	0		86%
VAT		67%	946 926	830 462	88%	0		46%
Sundries		16%	522 176	31 835	6%	0		17%
Interest		13%	522 767	111 693	21%	0		8%
<b>Ward 29</b>		90%	8 701 085	7 441 014	86%	0		43%
Property Rates Tax		139%	1 468 202	1 216 012	83%	0		86%
Electricity	Municipal supplied	81%	2 942 339	2 890 850	98%	0		83%
Water		85%	1 593 182	1 599 033	100%	0		90%
Refuse		89%	447 190	426 480	95%	0		88%
Waste Water		86%	417 885	365 683	88%	0		86%
VAT		75%	821 004	707 541	86%	0		47%
Sundries		42%	396 522	55 898	14%	0		18%
Interest		27%	614 816	179 516	29%	0		30%
<b>Ward 30</b>		76%	8 721 654	6 554 471	75%	0		38%
Property Rates Tax		102%	1 574 429	1 320 117	84%	0		87%
Electricity	Municipal supplied	72%	2 264 633	2 248 608	99%	0		83%
Water		74%	2 078 483	1 494 416	72%	0		68%
Refuse		86%	426 601	360 133	84%	0		88%
Waste Water		86%	451 572	373 609	83%	0		88%
VAT		69%	819 563	618 197	75%	0		45%
Sundries		16%	591 038	47 079	8%	0		31%
Interest		28%	517 331	92 313	18%	0		57%
<b>Ward 31</b>		60%	10 525 073	6 933 506	66%	0		51%
Property Rates Tax		378%	827 683	737 311	89%	0		21%
Electricity	Partial Eskom and Municipal Supplied	59%	1 924 672	2 884 676	150%	0		14%
Water		37%	2 606 184	1 570 499	60%	0		-3%
Refuse		36%	582 755	264 920	45%	0		17%
Waste Water		50%	472 811	285 824	60%	0		12%
VAT		40%	929 205	708 033	76%	0		37%
Sundries		3%	832 564	46 754	6%	0		2%
Interest		11%	2 349 278	435 489	19%	0		15%
<b>Ward 32</b>		7%	3 311 509	306 600	9%	0		19%
Property Rates Tax		67%	49 992	23 900	48%	0		41%
Electricity	Eskom Supplied	39%	195 825	114 925	59%	0		54%
Water		7%	771 260	75 623	10%	0		7%
Refuse		5%	294 134	13 134	4%	0		7%
Waste Water		14%	157 577	24 390	15%	0		17%
VAT		9%	210 540	35 358	17%	0		25%
Sundries		0%	93 343	17 289	19%	0		0%
Interest		2%	1 538 839	1 981	0%	0		12%

<b>Ward 33</b>								
Property Rates Tax		13%	3 225 136	220 130	7%	0	11%	
Electricity	Eskom Supplied	87%	288 575	187 525	65%	0	8%	
Water		0%	159	0	0%	0	0%	
Refuse		2%	629 434	5 563	1%	0	-58%	
Waste Water		1%	283 467	8 627	3%	0	-3%	
VAT		1%	127 118	1 163	1%	0	-3%	
Sundries		2%	208 949	2 185	1%	0	-18%	
Interest		3%	67 874	1 248	2%	0	0%	
		1%	1 619 561	13 821	1%	0	-1%	
<b>Ward 34</b>								
Property Rates Tax		30%	2 295 448	110 927	5%	0	77%	
Electricity	Eskom Supplied	468%	28 998	4 680	16%	0	1%	
Water		0%	403	0	0%	0	0%	
Refuse		6%	377 352	40 549	11%	0	2%	
Waste Water		3%	272 902	10 698	4%	0	4%	
VAT		2%	144 070	36 455	25%	0	2%	
Sundries		4%	128 501	11 887	9%	0	89%	
Interest		0%	64 639	1 414	2%	0	0%	
		1%	1 278 586	5 244	0%	0	-40%	
<b>Ward 35</b>								
Property Rates Tax		25%	3 030 313	34 858	1%	0	2%	
Electricity	Eskom Supplied	566%	104 193	3 922	4%	0	1%	
Water		0%	0	0	0%	0	-2%	
Refuse		16%	145 564	14 357	10%	0	1%	
Waste Water		2%	400 190	6 623	2%	0	2%	
VAT		5%	191 250	3 092	2%	0	6%	
Sundries		4%	127 303	2 801	2%	0	3%	
Interest		1%	94 776	1 591	2%	0	0%	
		1%	1 967 037	2 472	0%	0	0%	
<b>Ward 36</b>								
Property Rates Tax		37%	7 233 460	4 105 233	57%	0	15%	
Electricity	Partial Eskom and Municipal Supplied	75%	617 502	1 346 977	218%	0	76%	
Water		80%	1 101 335	1 159 666	105%	0	52%	
Refuse		35%	1 964 400	863 738	44%	0	33%	
Waste Water		30%	517 238	154 430	30%	0	25%	
VAT		47%	357 157	180 060	50%	0	42%	
Sundries		46%	602 004	340 398	57%	0	33%	
Interest		1%	104 543	27 204	26%	0	1%	
		15%	1 969 282	32 758	2%	0	8%	
<b>Ward 37</b>								
Property Rates Tax		21%	-1 108 127	1 524 023	-138%	0	10%	
Electricity	Municipal supplied	183%	686 374	361 459	53%	0	31%	
Water		66%	2 180 259	882 639	40%	0	59%	
Refuse		1%	-7 119 418	92 534	-1%	0	7%	
Waste Water		4%	476 667	10 115	2%	0	7%	
VAT		9%	256 427	14 662	6%	0	15%	
Sundries		12%	-310 570	146 148	-47%	0	12%	
Interest		11%	148 779	2 200	1%	0	0%	
		21758%	2 573 356	14 267	1%	0	1%	
<b>Ward 38</b>								
Property Rates Tax		89%	2 846 721	97 284	3%	0	6%	
Electricity	Eskom Supplied	1155%	110 585	13 155	12%	0	3%	
Water		0%	0	0	0%	0	0%	
Refuse		-114%	689 091	37 199	5%	0	7%	
Waste Water		17%	273 740	20 969	8%	0	13%	
VAT		21%	155 754	11 809	8%	0	17%	
Sundries		25%	178 948	9 628	5%	0	12%	
Interest		3%	67 247	2 507	4%	0	0%	
		17%	1 371 356	2 018	0%	0	-3%	
<b>Ward 39</b>								
Property Rates Tax		96%	15 763 133	20 284 465	129%	0	103%	
Electricity	Municipal supplied	121%	4 186 933	4 798 071	115%	0	122%	
Water		141%	5 124 695	8 560 469	167%	0	79%	
Refuse		123%	2 324 030	2 628 922	113%	0	479%	
Waste Water		109%	653 464	881 685	135%	0	96%	
VAT		82%	740 267	857 580	116%	0	108%	
Sundries		94%	1 562 911	1 828 083	117%	0	71%	
Interest		45%	1 270 241	154 976	12%	0	67%	
		2%	-96 701	574 679	-594%	0	6%	
<b>Ward 100</b>								
Property Rates Tax		0%	1 477	0	0%	0	22%	
Electricity	Municipal supplied	0%	0	0	0%	0	0%	
Water		0%	0	0	0%	0	0%	
Refuse		0%	0	0	0%	0	0%	
Waste Water		0%	0	0	0%	0	0%	
VAT		0%	0	0	0%	0	28%	
Sundries		0%	1 477	0	0%	0	0%	
Interest		0%	0	0	0%	0	0%	
<b>Ward 777</b>								
Property Rates Tax		73%	340 062	256 396	75%	0	6%	
Electricity	Municipal supplied	0%	0	0	0%	0	0%	
Water		0%	0	0	0%	0	0%	
Refuse		0%	0	0	0%	0	0%	
Waste Water		0%	0	0	0%	0	0%	
VAT		28%	19 550	13 476	69%	0	6%	
Sundries		9%	202 509	219 790	109%	0	75%	
Interest		106%	118 003	23 130	20%	0	206%	
<b>Ward 999</b>								
Property Rates Tax		22%	3 377	750	22%	0	28%	
Electricity	Municipal supplied	0%	0	0	0%	0	0%	
Water		0%	0	0	0%	0	0%	
Refuse		0%	0	0	0%	0	0%	
Waste Water		0%	0	0	0%	0	0%	
VAT		0%	0	0	0%	0	0%	
Sundries		0%	3 191	750	24%	0	0%	
Interest		29%	20	0	0%	0	28%	

# **REPORT ON EFFORTS TO COMPLY WITH DEBT RELIEF CONDITIONS AS PER CIRCULAR 124 OF THE MFMA BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY**

City of Matlosana local municipality tabled 2023/2024 unfunded budget and the City owes bulk services suppliers namely, Eskom and Midvaal over R3 billion collectively.

This phenomenon presented the municipality with financial difficulties which necessitated management during its strategic management session to develop and adopt a financial plan centred around two (2) Revenue Enhancement fundamental areas: Namely aggressive debt collection and alignment of general valuation roll to municipal financial system to enable accurate billing of property rates and taxes of our customers.

## **DISCUSSION**

1. Credit control section launched Operation Patela that was launched on the 4 August 2023 by the Executive Mayor. The operation seeks to collect over R8 billion that is owed to the City of Matlosana by collectively businesses, households, government properties, farms, churches and indigent households. The operation seeks to implement credit control, perform electrical and water inspections, check sewer points, verify refuse removal points and over and above that eradicate illegal and unauthorised consumption of consumable services.
2. The Operation Patela team comprises of Members of Mayoral Committees, Officials from the BTO, Electricians, Electrical Inspectors, Security Officials, Traffic Officers and Technicians from Water department. A number of unauthorised and illegal connections directly done to the municipal water grid where identified and fined were issued to the consumers. The electrical inspectors are always ready and available to issue fines and remove the infrastructure, as and when there are illegal connections.
3. Water losses for the Municipality for the financial period 2022/2023 are at 58%. In cases where there are illegal reconnections of water, the technician from Water department ought to issue a fine and ensure that the consumer`s meter is restricted again.
4. Attached to this report is schedule of all disconnection lists that were implemented from August to 28 September 2023. From the attached lists, it is evident that properties that owe the municipality R 100 166 185, 00 were disconnected, and R 4 801 424, 77 was collected. On the schedules attached under responses, where it is stated “no reaction” it means the consumers has not come to pay or arrange and yet they are disconnected. The amounts paid, are those that were paid by the consumer as a reaction to the disconnection. There are also court orders because disputes that were not resolved thus the municipality was instructed to reconnect or be litigated against.
5. Over and above the Operation Patela, the credit control section has continued with the credit control actions namely water restrictions and electricity disconnection. The report for these actions is attached to this report as (ANNEXURE A). These two reports indicate the credit control actions for September and October 2023. The debt Collection section also endeavours to collect debt through handing over of accounts to

authorised attorneys of the city, on which accounts are handed over to Oosthuizen Du Plooy attorneys. To date 165 accounts have been handed over, refer to (ANNEXURE B)

### **5.1 CREDIT CONTROL REPORT OCTOBER 2023**

#### **Electricity ACTIONS**

Notices issued	30 728
Electricity disconnections	2 318
Electricity Reconnections	319
Electricity not reconnected	1 998
<b>Reactions</b>	<b>14%</b>

#### **WATER ACTIONS**

Water Restrictions	1 379
Water unrestricting	181
Water not unrestricted	1 283
<b>Reactions</b>	<b>13%</b>

Follow ups were conducted by the credit control officials and it was noted that some households are still restricted, and some have illegally connected themselves or have tampered with the restrictors and in those cases, fines have been issued.

### **CREDIT CONTROL REPORT SEPTEMBER 2023**

#### **Electricity Actions**

Notices issued	40 497
Electricity disconnections	625
Electricity Reconnections	733
Electricity no reactions	520
<b>Reactions</b>	<b>120%</b>

More households were reconnected due to reaction from the campaign.

#### **WATER ACTIONS**

Water Restrictions	1 503
Water unrestricting	282
Water no reactions	1 379
<b>Reactions</b>	<b>19%</b>

Follow up was made on 158 properties through Operation Patela.

5.2 Analysis of internal debt collectors was conducted in conjunction with external debt collectors. Internal debt collectors are collecting more than external debt collectors.

#### **Internal debt collector's report:**

	<b>Jun - 23</b>	<b>Jul - 23</b>	<b>Aug - 23</b>
Credit Control Actions	25 017 526.15	26 218 106.78	33 821 813.64

Over 90 days Internal Credit Control Collected	13 648 945.94	14 453 496.83	18 924 901.39
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**External debt collector's report:**

<b>Collections:</b>				
Amount collected	1 182 483,50	11,5%	135 985,60	135 985,60

**6. ALIGNMENT OF GENERAL VALUATION TO MUNICIPAL FINANCIAL SYSTEM**

The following activities were undertaken to address variances between General Valuation Roll (GVR) and Municipal Financial System (MFS – SOLAR) to enable accurate billing of property rates and taxes of our customers:

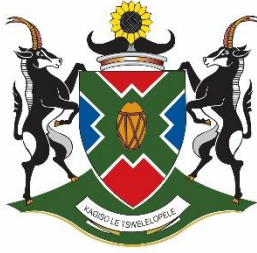
Property Rates Maintenance officials were offered training on balancing/ reconciliation of Valuation Roll on the 27<sup>th</sup> September 2023 by National Treasury (Mr Mahomed Kader) in conjunction with Municipal Support team from Provincial Treasury.

DDP Valuers (Municipal Valuer) visited the municipality on the 11<sup>th</sup> – 12<sup>th</sup> October 2023, and the following tasks were outlined to be performed:

- 6.1 With the assistance of the financial system administrators (BCX), 111 128 Survey General (SG) codes which are the unique numbers per stand were loaded into the financial system for a direct link between the General Valuation Roll (GVR) and Municipal Financial System (SOLAR).
- 6.2 DDP Professional Valuers (Municipal Valuer) updated Mass Valuation System (MVS) which was done through Schemes, Special Consents etc.
- 6.3 DDP Valuers submitted a list of 857 stands for verification by municipal staff on the municipal financial system. Only 17 stands from the list needed to be reactivated and basic fees for water, electricity and sewer be added on the municipal financial system after verification.
- 6.4 Housing and Human Settlement Department was requested to fast track the issue of residential permits to effect the change in the Municipal Financial System.
- 6.5 Land Affairs was also requested to provide Finance Department with Deeds of Sale contracts to update the Municipal Valuer and the Municipal Financial System.
- 6.6 There were properties on the report of the Municipal Valuer with a comment “Not billed” and Property Rates officials are currently investigating them.



## **3.8 FINANCIAL PLAN MONTHLY PROGRESS**



### **provincial treasury**

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**Department:**  
**Provincial Treasury**  
**North West Provincial Government**  
**Republic of South Africa**

**MONTHLY PROGRESS REPORTING**

**2023/24 ADOPTED FINANCIAL PLAN**

**CITY OF MATLOSANA LOCAL MUNICIPALITY (NW403)**

**31 OCTOBER 2023**

## Introduction

### 1. Operating Revenue

#### Revenue Enhancement Measures

Focus Area	Operating Revenue Activities	Time Frame (as disclosed on the adopted financial plan)	Achievements / Non-achievements	Reasons for Non-achievements	Remedial Actions to address non-achievements
Revenue Enhancement – Expected inflow R12m	To provide amnesty to 4500 additional customers in the entire Kosh area.	01/07/2023-30/06/2024	Not achieved	The advert was done to invite all illegal connected customers to receive amnesty. Unfortunately, there was no response from the customers/public.	The project Amnesty steering committee has been resuscitated, currently holding meetings on Fridays at 8 o'clock
Land – Expected Inflow R63,277,200	<p>Proclamation of additional 13 020 stands and to be billed</p> <p>Kanana Extention 5            Kanana Extention 16 Jouberton            Extention 31            Jouberton Extention 34            Sunny Side            Tigane Extention 7            Tigane Extention 8            (Income expected only from Basic Service Charges)</p>	01/07/2023-30/06/2024		No information received from the department.	
Land -	Proclamation of additional 6,077 stands to be billed				

Expected inflow – R29,534,220	Alabama Extension 5 Kanana extension 14 Kanana Extension 15 (Income expected only from basic services charges)	01/07/2023 – 30/06/2024			
Land – Expected Inflow R35,327,242	Disposal of 205 serviced/ subserviced Municipal owned land for Residential, Commercial & Industrial Developments	01/07/2023-30/06/2024		No information received from the department.	
DEBT COLLECTION ELECTRICITY – Expected Inflow – R55 Million	Procurement and Installation of Anti-Tampering boxes. 2023/24 FY 714	01/07/2023–30/06/2024	Not achieved	Service providers have been appointed, awaiting SLA's	Allocation of work will start by 1 December 2023
Expected Inflow – R70 Million	2024/25 FY 1500	01/07/2024 – 30/06/2025			

<p>Electricity – Electricity losses in Jouberton &amp; Alabama – Expected inflow R15 Million</p>	<ul style="list-style-type: none"> <li>• Audits on all bypassed meters</li> <li>• Energy Efficiency</li> <li>• Revenue improvement of Medium voltage Network</li> </ul> <p>Expected inflow due to implementation of credit control on those in arrears.</p>	<p>01/07/2023 – 30/06/2024</p>	<p>52% achieved on audit – R122 930.54 collected from fines issued</p> <p>60% achieved On energy efficiency target</p> <p>40% achieved on mv network improvement, 12 RMU's serviced</p>	<p>Resource constraints – fleet and community not cooperating</p> <p>Financial constraints to implement targeted programmes</p> <p>Financial constraints to implement targeted programmes</p>	<p>Leasing of required fleet and community consultation</p> <p>Investment in a form of capital budget need to be made</p> <p>Investment in a form of capital budget need to be made</p>
<p>Debt collection and Recovery Expected inflow R300 Million</p>	<p>Utilize internal debt collectors</p>	<p>01/07/2023-30/06/2024</p>	<p>81M collected by 31 October 2023 on 90 days accounts. 27% achieved of the target</p>	<p>More efforts by internal staff needs to be put and update of client's information needs to be encouraged to be able to do follow-ups by phones.</p>	<p>Follow ups are conducted by the credit control officials and it is noted that some households are still restricted, and some have illegally connected themselves or have tampered with the restrictors and in those cases, fines have been issued.</p>
<p>Market Rental Estate Expected inflow – R800 000</p>	<p>Rand value revenue collected from rental estate</p>	<p>01/07/2023 - 30/06/2024</p>	<p>Achieved as per quarterly projected target 25%. Collected 37.57% R474 739.16</p>		

Market – Ripening and Cooling rooms Expected inflow – R1 500 000	Collection of ripening and cooling revenue	01/07/2023 - 30/06/2024	Achieved as per quarterly projected target 25%. Collected 29.57% R467 041.19		
Market Dues Expected inflow – R1 500 000	Collection of market dues revenue	01/07/2023 - 30/06/2024	Achieved as per quarterly projected target 25%. Collected 30.72% R6 102 426.87		
Rental of carriages Expected inflow – R150 000	Collection of rental carriages revenue	01/07/2023- 30/06/ 2024	Not Achieved as per quarterly projected target 25%. Collected 13.12% R20 721.98	High number of damaged trolleys & pallet jacks	To procure new trolleys & pallet jacks as damaged ones are difficult to repair.
Outdoor Advertising	Revenue improves	01/07/2023 – 30/07/ 2024	R73 484.41		

## 2. Operating Expenditure

Cost Cutting Measures	Time Frame (as disclosed on the adopted financial plan)	Achievements / Non-achievements	Reasons for Non-achievements	Remedial Actions to address non-achievements
<p>Wet fuel Outsource wet fuel instead of using our own depots. This is transferring the risk of misuse and theft to external service provider. Expected Inflow – R3 Million</p>	<p>01/07/2023– 30/06/2024</p>	<p>Not achieved</p>	<p>The municipality is outsourcing wet fuel currently. However, there are no savings realized.</p>	<p>Stringent control measures should be put in place to monitor fleet management.</p>
<p><b>Repairs and maintenance – Expected Inflow – R30 Million</b></p> <p>Reduce spending on Repairs and maintenance on fleet management through procurement of new fleet, plant and equipment. BTO has provided funds to the amount of R15 million to commence with the Turn-around Strategy for the Fleet Repairs &amp; Maintenance Programme. The programme entails the re-organisation of the municipal garage, and implementation of systems of control. This will be a short to medium-term initiative.</p>	<p>01/07/2023 30/06/2024</p>	<p>Not achieved</p>	<p>Delay in development and advertisement of tender for procurement of new fleet, plant and equipment</p>	<p>Tender still at Bid Specification stage</p>

<p>Travelling and subsistence Expected Inflow – R600 000</p> <p>Cutting unnecessarily travelling and accommodation (Office of the CFO and Municipal Manager have jointly issued moratorium to suspend all non-essential travelling and accommodation for the whole financial year).</p>	<p>01/07/2023-30/06/2024</p>		<p>S &amp; T budget was reduced.</p>	
<p>Contracted Services – Expected Inflow – R289,494 on R2,605,446 p.a</p> <p>To review operational contract to scale down their services and support on the following expenditure items:</p> <ul style="list-style-type: none"> <li>• Hire charges - reduce printing and photocopy machine from 101 to 58 number of stand-alone high-volume devices and replace 34 desktop devices machines in order to decrease copy production and costs.</li> </ul>	<p>01/07/2023-30 /06/2024</p>	<p>Not achieved</p>	<p>No information received from the departments.</p>	

**3. Payment of Creditors** (*Attach Creditors age analysis for the reporting period*)

CREDITORS AGE ANALYSIS - 31 OCTOBER 2023						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days/Arreas	Total
Bulk Electricity	86 757 151	248 181 580		1 585 458 286		1 920 397 017
Bulk Water	128 322 203	61 280 059	54 514 368	1 259 817 421		1 503 934 050
Auditor General	2 918 124	562 613	3 002	43 138	-	3 526 876
Trade Creditors	11 483 619	10 837 418	60 476 034	(11 688 288)	-	71 108 783
<b>Total</b>	<b>229 481 096</b>	<b>320 861 669</b>	<b>114 993 404</b>	<b>2 833 630 557</b>	<b>-</b>	<b>3 498 966 727</b>

**3.9 RECOMMENDATIONS**

Based on the contents of this report, it is recommended that the Accounting Officer submit to the Executive Mayor this report for October 2023 as per section 71 of the MFMA.