

CITY OF MATLOSANA

Date: 2024/02/13

1 TO:

Author of the item: LESEGO Moleko

Attached hereto an item for you to consider in terms of the Delegation of Powers and Functions, delegated power serial number

HEAD OF DIVISION: TO SEKA ALA

SIGNED: 

DATE: 14/02/2024

CITY OF
MATLOSANA

2024-02-22 

RECEIVED BY
MUNICIPAL MANAGER

Received by Deputy Director: Administration

Date and Time: 22/02/2024

Signature: 

COMMENTS:

Director: Corporate Support

Date

Chief Financial Officer

Date

COMMENTS:

COMMENTS:

Director: Planning & Human Settlements Date

COMMENTS:

Director: Technical and Infrastructure

Date

COMMENTS:

Director: Community Development

Date

COMMENTS:

Director: Public Safety

Date

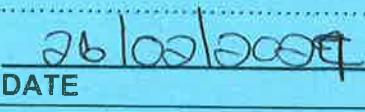
COMMENTS:

Director: Local Economic Development

Date

2 MUNICIPAL MANAGER


SIGNATURE


DATE

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Items will not be considered by the Municipal Manager unless the following signatures are reflecting: Director of Relevant department, Chief Financial Officer and Director: Corporate Services

RJ

MONTHLY BUDGET STATEMENT FOR THE MONTH ENDED ON 31 JANUARY 2024

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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 JANUARY 2024

1.1 Performance summary

Table 1: Performance summary

Summary statement of Financial Performance					
Description	YTD Budget 2023/24	January 2023/24 Actual	YTD Actual 2023/24	Variance Favourable (Unfavourable)	YTD Variance %
Total Revenue by Source	2,458,490,412	313,850,909	2,447,984,709	(10,505,703)	-3%
Total Operating Expenditure	2,501,168,096	128,374,608	1,471,157,469	(1,030,010,627)	-41%
SURPLUS/ (DEFICIT).	-42,677,684	185,476,301	976,827,240	(1,019,504,924)	

Revenue

The revenue for the month ending 31 January 2024 amounts to R314 million, and the year to date actual revenue amounts to R2,448 billion and reflects unfavourable outcome of 3% when compared with the year to date budget of R2,459 billion.

The unfavourable outcome on the year to date can be attributed to the following:

- **Service charges – Electricity revenue (-7%)**: 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 (-22%)**: 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 (-11%) and Sanitation revenue (-10%)**: Revenue was less than projected
- **Interest earned from receivables 8% 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.
- **License and Permits (-11%)**: 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 (-33%):** 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 negative revenue is also affected by the following factors:

- The revenue enhancement strategies as reflected in the budget funding plan has not yet been fully effective;
- Illegal connections
- Debtors' book that is increasing due to non-payment of debtors
- Load shedding which is negatively affecting the National economy.

The management of the municipality has started with the process of the adjustment budget, which must be finalised by February 2024. If the above year to date revenue is anything to go by, then a huge downwards adjustment on revenue is expected in February and the adjustment will have a negative impact on the budgeted expenditure, as it must also be reduced.

The enhancement of revenue and increasing of payment rate should be accelerated, as the financial stability of the municipality is dependent on them.

Expenditure

The operating expenditure for the month ending 31 January 2024 amounts to R128 million and the year to date actual expenditure amounts to R1,471 billion and reflects a negative deviation of 41% when compared with the year to date budget amount of R2,501 billion. The negative deviation is because of cash flow challenges. Spending on most of the items is directly linked with cash flow.

The deviation can be attributed to the following:

- **Interest (-92%)**: 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 (-45%)**: 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 (-37%)**: 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 (-31%)**: 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 (-23%)**: less spending due to cash flow challenges.

Cash management

Bank Balances	R 2,644,856
Call Investments	R 143,240,841
Cash and Cash Investments	R 145,885,697

Investment Portfolio: 31 January 2024

City of Matlosana

INSTITUTION	INTEREST RATE	JANUARY 2024	EXPLANATION
Call Investment			
ABSA: 3854	3,73%	31 740 337,73	WSIG
ABSA: 5047	4,70%	5 101 678,75	INEP
ABSA: 6177	6,75%	35 383 842,10	MIG
ABSA: 2264	4,70%	9 931,73	own (Eskom)
ABSA: 4682	6,65%	132 378,10	NDPG
ABSA: 4063	1,55%	4 257 310,74	EEDSM
ABSA: 1223	6,75%	2 599 828,00	Auction
ABSA: 5203		31 261 274,34	own (Salaries)
INVESTEC	3,30%	8 079 603,42	own
FNB		24 674 655,69	COVID
TOTAL Call Investment		143 240 840,60	

Note: The R101, 3 million Call investment is ring-fenced for Conditional Grants

Collection Rate & Outstanding Debtors

Total Outstanding Debtors	R 8,801,670,096
Debtors: Government	R 90,265,097
Debtors: Business	R 676,060,599
Debtors: Household	R 8,035,344,400

Note: The detailed Debtors Age analysis is outlined on Table 12. The collection rate for the month ending 31 January 2024 is 65%.

Creditors

Total Outstanding Creditors	R 3,662,983,423
ESKOM	R 1,921,617,437
Midvaal	R 1,642,855,931
Trade Creditors	R 88,553,648
Auditor General	R 4,397,523
Business Connexion	R 5,558,884

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

Debt Relief

Currently the municipality defaulting on the Debt Relief. NT has expressed their intention to revoke application for non-compliance with MFMA Circular 124.

NT permitted the Municipality to participate in the debt relief program with further instruction that an amount of R200 million should be paid to Eskom by the 29th of February 2024.

Failure to comply will result in the Municipality being excluded from the Debt Relief. The BTO, Technical Services and Housing has embarked on a stringent credit control measures and doing further follow ups on the accounts that were disconnected but did not respond. Businesses and government departments are also targeted for collection.

The Municipality will be investing daily on money received for salaries and Eskom. These will be prioritised .

Capital Grants Expenditure

GRANT DESCRIPTION	BUDGET 2023/24	January Expenditure Incl VAT 2023/24	YTD ACTUALS VAT Incl	YTD BUDGET	YTD % Incl VAT
MIG	109 945 401	6 584 850	31 438 393	64 134 817	28,59
NDPG	31 162 000	98 493	12 346 429	18 177 833	39,62
INEP	1 732 000		1 702 737	1 010 333	98,31
WSIG	48 630 000	520 978	19 331 651	28 367 500	39,75
TOTAL	191 469 401	7 204 321	64 819 210	111 690 484	33,85

Total Capital grants budget amounts to R 191, 5 million. Total expenditure for the month ending 31 January 2024 amounts to R 7, 2 million, and the year-to-date actual expenditure amounts to R 64, 8 million representing 34% of the total Capital Grants budget.

Capital Grants spending is relatively low as compared to the 58.3% of the Year to date budget. The low spending has resulted in the Municipality receiving letter from NT of its intension to stop the portion of 2023/24 allocation(s).

The detailed reasons for underspending are outlined below Table 7.

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 R2,448 billion and compares unfavourably with the pro rata budgeted figure of R2,459 billion a negative variance of R10,5 million for the month ending 31 January 2024.

TABLE 3: ACTUAL REVENUE PER SOURCE FOR THE PERIOD ENDING 31 JANUARY 2024

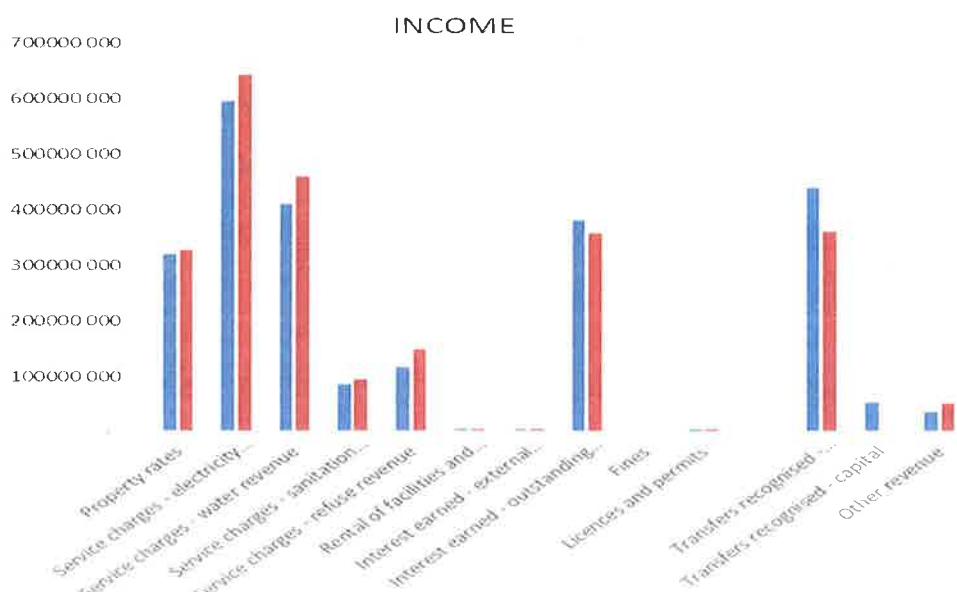
NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description R thousands	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 %	
Revenue										
Exchange Revenue										
Service charges - Electricity		876 124	1 100 940	1 100 940	89 961	594 744	642 215	(47 470)	-7%	1 100 940
Service charges - Water		736 820	787 552	787 552	52 907	409 595	459 406	(49 811)	-11%	787 552
Service charges - Waste Water Management		141 373	162 319	162 319	12 101	85 034	94 686	(9 652)	-10%	162 319
Service charges - Waste management		195 291	254 856	254 856	16 437	116 005	148 666	(32 661)	-22%	254 856
Sale of Goods and Rendering of Services		6 086	8 971	8 971	816	5 328	5 233	95	2%	8 971
Agency services		-	-	-	-	-	-	-	-	-
Interest										
Interest earned from Receivables		550 656	558 181	558 181	51 653	352 226	325 605	26 621	8%	558 181
Interest from Current and Non Current Assets		15 402	9 761	9 761	871	5 430	5 694			9 761
Dividends								-	-	
Rent on Land								-	-	
Rental from Fixed Assets		106 775	9 300	9 300	883	5 284	5 425	(141)	-3%	9 300
Licence and permits		7 528	8 909	8 909	649	4 608	5 197	(589)	-11%	8 909
Operational Revenue		49 986	77 620	77 620	6 305	30 281	45 278	(14 997)	-33%	77 620
Non-Exchange Revenue								-	-	
Property rates		456 397	561 076	561 076	37 779	318 300	327 294	(8 994)	-3%	561 076
Surcharges and Taxes		14	241	241	-	-	140	(140)	+100%	241
Fines, penalties and forfeits		8 377	3 104	3 104	234	1 678	1 810	(132)	-7%	3 104
Licence and permits		261	50	50	-	-	29	(29)	+100%	50
Transfers and subsidies - Operational		559 520	616 921	616 921	799	438 828	359 870	78 958	22%	616 921
Interest		50 406	54 756	54 756	5 170	28 247	31 941	(3 694)	-12%	54 756
Fuel Levy								-	-	
Operational Revenue								-	-	
Gains on disposal of Assets		(16 572)	-	-	-	-	-	-	-	-
Other Gains		1 276	-	-	-	3	-	3	-	-
Discontinued Operations								-	-	
Total Revenue (excluding capital transfers and contributions)		3 745 722	4 214 556	4 214 556	276 565	2 395 591	2 458 490	(62 899)	-3%	4 214 556
Transfers and subsidies - capital (monetary allocations)		107 437	191 469	191 469	37 286	52 394	-	10 362	#DIV/0!	191 469
TOTAL Revenue (including capital transfers and contributions)		3 853 158	4 406 025	4 406 025	313 851	2 447 985	2 458 490	(52 538)		4 406 025

**TABLE 4: ACTUAL REVENUE PER DEPARTMENT FOR THE PERIOD ENDING
31 JANUARY 2024**

NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description R thousands	Ref 1	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
Revenue - Functional										
Governance and administration	1 188 283	1 360 784	1 360 784	56 502	869 645	793 791	75 855	10%	1 360 784	
Executive and council	(13 807)	2 661	2 661	655	1 712	1 552	159	10%	2 661	
Finance and administration	1 202 091	1 358 123	1 358 123	55 846	867 934	792 239	75 695	10%	1 358 123	
Internal audit	-	-	-	-	-	-	-	-	-	
Community and public safety	143 887	79 168	79 168	9 334	26 134	46 181	(20 047)	-43%	79 168	
Community and social services	101 091	4 679	4 679	175	1 500	2 730	(1 229)	-45%	4 679	
Sport and recreation	3 783	7 710	7 710	4 564	5 115	4 498	617	14%	7 710	
Public safety	31 482	31 778	31 778	2 750	15 859	18 537	(2 678)	-14%	31 778	
Housing	7 531	35 000	35 000	1 845	3 660	20 417	(16 757)	-82%	35 000	
Health	-	-	-	-	-	-	-	-	-	
Economic and environmental services	40 705	59 719	59 719	17 263	28 477	34 836	(6 359)	-18%	59 719	
Planning and development	9 987	11 846	11 846	730	4 938	6 910	(1 972)	-29%	11 846	
Road transport	30 536	47 652	47 652	16 509	23 435	27 797	(4 362)	-16%	47 652	
Environmental protection	182	221	221	24	104	129	(25)	-19%	221	
Trading services	2 451 963	2 883 407	2 883 407	228 196	1 503 543	1 681 987	(178 444)	-11%	2 883 407	
Energy sources	964 401	1 167 557	1 167 557	96 764	631 097	681 075	(49 978)	-7%	1 167 557	
Water management	986 051	1 048 742	1 048 742	75 625	565 417	611 766	(46 349)	-8%	1 048 742	
Waste water management	155 436	242 313	242 313	24 613	102 693	141 349	(38 656)	-27%	242 313	
Waste management	346 074	424 794	424 794	31 195	204 335	247 797	(43 461)	-18%	424 794	
Other	4	28 320	22 947	22 947	2 555	20 185	13 386	51%	22 947	
Total Revenue - Functional	2	3 853 158	4 406 025	4 406 025	313 851	2 447 985	2 570 181	(122 196)	-5%	4 406 025



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. The operating expenditure for the month of January 2024 amounts to R128 million and the year to date actual operating expenditure amounts to R1, 471 billion. There is an unfavourable deviation of 41% when the year to date operating expenditure of R 1,471 billion is compared with year to date budget of R2, 501 billion.

TABLE 5: ACTUAL OPERATIONAL EXPENDITURE PER CATEGORY FOR THE PERIOD ENDING 31 JANUARY 2024

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

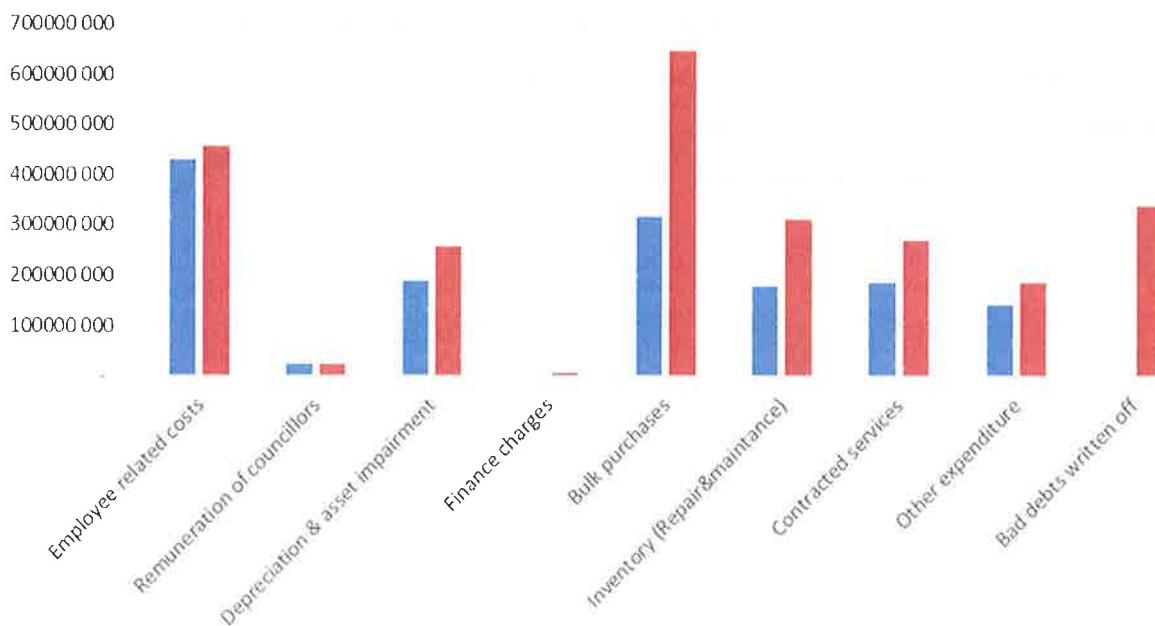
Description R thousands	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		696 837	785 821	785 821	65 158	430 323	458 398	(28 075)	-6%	785 821
Remuneration of councillors		36 912	41 586	41 586	3 233	24 027	24 259	(232)	-1%	41 586
Bulk purchases - electricity		848 230	1 109 287	1 109 287	13 043	317 363	647 084	(329 721)		1 109 287
Inventory consumed		582 248	536 125	536 315	7 831	177 673	312 828	(135 155)		536 315
Debt impairment		3 750	579 349	579 349	-	-	337 953	(337 953)	-100%	579 349
Depreciation and amortisation		382 953	440 000	440 000	-	189 651	256 667	(67 016)	-26%	440 000
Interest		237 534	10 711	10 711	67	525	6 248	(5 723)	-92%	10 711
Contracted services		249 463	465 092	464 842	28 297	187 222	271 233	(84 011)	-31%	464 842
Transfers and subsidies								-		
Irrecoverable debts written off		1 386 491	-	-	-	1 514	-	1 514		-
Operational costs		312 936	319 737	319 797	10 745	142 861	186 499	(43 638)	-23%	319 797
Losses on Disposal of Assets		-	-	-	-	-	-	-		-
Other Losses		342	-	-	-	-	-	-		-
Total Expenditure		4 737 696	4 287 708	4 287 708	128 375	1 471 157	2 501 168	(1 030 011)	-41%	4 287 708

TABLE 6: ACTUAL OPERATIONAL EXPENDITURE PER VOTE FOR THE PERIOD ENDING 31 JANUARY 2024

NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description R thousands	Ref 1	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
Expenditure - Functional										
<i>Governance and administration</i>		878 192	772 965	772 965	38 297	318 076	450 898	(132 822)	-29%	772 965
Executive and council		556 627	423 830	423 830	25 165	216 764	247 235	(30 471)	-12%	423 830
Finance and administration		315 328	342 814	342 814	12 700	97 635	199 975	(102 340)	-51%	342 814
Internal audit		6 237	6 321	6 321	432	3 677	3 687	(11)	0%	6 321
<i>Community and public safety</i>		350 482	434 325	434 125	30 657	200 110	253 268	(53 158)	-21%	434 125
Community and social services		58 296	128 419	128 419	4 988	45 584	74 912	(29 327)	-39%	128 419
Sport and recreation		134 837	114 464	114 464	10 287	56 252	66 771	(10 519)	-16%	114 464
Public safety		140 762	171 880	171 880	12 879	84 350	100 264	(15 914)	-16%	171 880
Housing		16 555	19 390	19 190	2 504	13 915	11 222	2 693	24%	19 190
Health		33	171	171	—	9	100	(90)	-91%	171
<i>Economic and environmental services</i>		287 347	300 926	301 126	9 245	162 027	175 630	(13 603)	-8%	301 126
Planning and development		202 030	73 429	73 629	4 648	32 975	42 923	(9 948)	-23%	73 629
Road transport		74 239	225 168	225 168	4 470	128 266	131 348	(3 082)	-2%	225 168
Environmental protection		11 078	2 329	2 329	127	786	1 359	(573)	-42%	2 329
<i>Trading services</i>		3 192 533	2 751 769	2 751 769	49 265	780 881	1 605 200	(824 319)	-51%	2 751 769
Energy sources		1 688 347	1 644 880	1 645 102	24 663	468 991	959 643	(490 653)	-51%	1 645 102
Water management		994 760	666 638	666 416	7 988	144 719	388 743	(244 025)	-63%	666 416
Waste water management		228 239	240 544	240 544	6 391	88 564	140 318	(51 753)	-37%	240 544
Waste management		281 187	199 707	199 707	10 224	78 608	116 496	(37 888)	-33%	199 707
<i>Other</i>		29 142	27 724	27 724	911	10 063	16 172	(6 109)	-38%	27 724
Total Expenditure - Functional	3	4 737 696	4 287 708	4 287 708	128 375	1 471 157	2 501 168	#####	-41%	4 287 708

EXPENDITURE



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 JANUARY 2024¹

NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote Description R thousands	Ref 1	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
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		0	10 000	10 000	7	371	5 833	(5 462)	-94%	10 000
Executive and council		0	2 000	2 000	36	113	1 167	(1 054)	-90%	2 000
Finance and administration		—	8 000	8 000	(29)	258	4 667	(4 408)	-94%	8 000
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		2 950	7 800	7 800	231	4 534	4 550	(16)	0%	7 800
Community and social services		—	800	800	—	—	467	(467)	-100%	800
Sport and recreation		2 950	7 000	7 000	—	4 304	4 083	220	5%	7 000
Public safety		—	—	—	231	231	—	231	#DIV/0!	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		23 808	43 685	43 685	448	20 114	25 483	(5 368)	-21%	43 685
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		23 808	43 685	43 685	448	20 114	25 483	(5 368)	-21%	43 685
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		52 849	169 985	169 985	5 816	30 884	99 158	(68 274)	-69%	169 985
Energy sources		33 033	19 406	19 406	—	1 481	11 320	(9 840)	-87%	19 406
Water management		9 728	56 893	56 893	453	15 490	33 187	(17 698)	-53%	56 893
Waste water management		6 584	53 672	53 672	—	3 262	31 309	(28 046)	-90%	53 672
Waste management		3 504	40 014	40 014	5 363	10 651	23 342	(12 690)	-54%	40 014
<i>Other</i>		4 345	—	—	—	1 063	—	1 063	#DIV/0!	—
Total Capital Expenditure - Functional Classification	3	83 952	231 469	231 469	6 503	56 966	135 024	(78 058)	-58%	231 469

NOTE: The total capital budget amounts to R232 million. The year-to-date expenditure as at 31 January 2024 amounts to R57 million.

TABLE 8: ACTUAL CAPITAL EXPENDITURE PER FUNDING SOURCE FOR THE PERIOD ENDING 31 JANUARY 2024

NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote Description R thousands	Ref 1	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<u>Funded by:</u>									
National Government		77 727	191 469	191 469	6 265	56 385	111 691	(55 326)	-50%
Provincial Government		-	-	-	231	231	-	231	#DIV/0!
District Municipality									-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deparlm									
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-
Transfers recognised - capital		77 727	191 469	191 469	6 495	56 595	111 691	(55 095)	-49%
Borrowing	6	-	-	-	-	-	-	-	-
Internally generated funds		6 225	40 000	40 000	7	371	23 333	(22 962)	-98%
Total Capital Funding		83 952	231 469	231 469	6 503	56 966	135 024	(78 058)	-58%
									231 469

31 JANUARY 2024 CAPITAL GRANTS CHALLENGES AND MITIGATIONS

#	Challenges	Mitigation
1.	<p>NDP Grant: Jouberton Taxi Rank</p> <ul style="list-style-type: none"> - Not enough budget to complete the project. - 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. 	<ul style="list-style-type: none"> - The Directorate Technical and infrastructure prepared an item to Council to request additional funding. - Council should consider funding the shortfall to complete the project.
2.	<p>Extension of National Fresh Produce Market in Klerksdorp Phase2:</p> <ul style="list-style-type: none"> - Poor workmanship on the main building roof and side cladding. - There is no enough budget to complete the Works. 	<ul style="list-style-type: none"> - The Directorate Technical and Infrastructure has requested Council for additional funding it.
3.	<p>Development of Cell 3 of the Klerksdorp Landfill Site</p> <p>Delays in commencement of construction due to Construction permit application by the Appointed safety agent. Safety agent appointed on the 24th of January 2024.</p>	<ul style="list-style-type: none"> - Municipality to fast track signing of section 37 appointment and CR5 OHS Appointment to ensure construction permit is submitted.
4.	<p>Klerksdorp West – Alabama 88kV Loop-In Loop-Out & 20MVA Substation</p> <ul style="list-style-type: none"> - Contractor has terminated the contract due to no payment from the Municipality 	<ul style="list-style-type: none"> - Municipality to fast track OEM payments to aid progress on site.
5.	<p>Refurbishment of Electrical and Mechanical Equipment in the Water Pump Stations in KOSH</p> <ul style="list-style-type: none"> - Slow progress by contractor. - Delays in arrival of soft starters from international supplier hampering with progress. 	<ul style="list-style-type: none"> - The contractor has been instructed to complete original scope by end of April 2024.
6.	<p>Paving of Taxi Routes and Storm Water Drainage in Khuma (Phase 9):</p> <ul style="list-style-type: none"> - Contractor terminated as of the 5 January 2024 due to poor performance. 	<ul style="list-style-type: none"> - Municipality has instructed the consultant to revise the Bill of Quantities and Prepare documentation for the Procurement of a New contractor by end of February 2024
7.	<p>Projects delayed for advertisement by SCM</p> <ul style="list-style-type: none"> - Jouberton Alabama Sewer Outfall (Phase 1) - Waterborne Toilets in Kanana 	<ul style="list-style-type: none"> - The Municipality has requested Consultants to assist with the evaluation of the tender documents to fast track the appointment of the Contractors.
8.	<p>Construction of Outfall sewer line in khuma.</p> <ul style="list-style-type: none"> - Delays in appointment of the contractor. 	<ul style="list-style-type: none"> - Memo sent to CFO requesting progress on projects that have not been appointed.
9.	<p>Refurbishment of Chlorine Dosing Plants, Reservoirs and Pump Stations in the City of Matlosana.</p> <ul style="list-style-type: none"> - Delays in Procurement of Chlorine cylinders by City of Matlosana is delaying practical completion of Phase 1 scope 	<ul style="list-style-type: none"> - Awaiting procurement of chlorine cylinders by municipal central stores.

TABLE 9: FINANCIAL POSITION

NW403 City Of Matlosana - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description R thousands	Ref 1	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		104 773	197 692	197 692	565 682	197 692
Trade and other receivables from exchange transactions		(900 930)	(44 544)	(44 544)	(43 502)	(44 544)
Receivables from non-exchange transactions		1 376 535	47 081	47 081	1 454 442	47 081
Current portion of non-current receivables		0	29	29	(17)	29
Inventory		52 414	55 129	55 129	68 234	55 129
VAT		1 230 782	195 040	195 040	1 288 658	195 040
Other current assets		40 384	37 026	37 026	40 436	37 026
Total current assets		1 903 959	487 454	487 454	3 373 933	487 454
Non current assets						
Investments						
Investment property		345 682	257 100	257 100	345 682	257 100
Property, plant and equipment		5 724 841	3 851 286	3 851 286	5 592 156	3 851 286
Biological assets						
Living and non-living resources						
Heritage assets		(618 290)	9 941	9 941	(618 290)	9 941
Intangible assets		1 297	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						
Total non current assets		5 453 531	4 119 658	4 119 658	5 320 846	4 119 658
TOTAL ASSETS		7 357 489	4 607 112	4 607 112	8 694 779	4 607 112
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		(622)	(2 800)	(2 800)	(622)	(2 800)
Consumer deposits		67 916	97 430	97 430	68 411	97 430
Trade and other payables from exchange transactions		3 370 254	(530 429)	(530 429)	3 478 659	(530 429)
Trade and other payables from non-exchange transactions		56 275	93 816	93 816	132 710	93 816
Provision		269 517	265 605	265 605	269 517	265 605
VAT		928 916	—	—	1 110 096	—
Other current liabilities		284 774	306 766	306 766	284 895	306 766
Total current liabilities		4 977 029	230 387	230 387	5 343 666	230 387
Non current liabilities						
Financial liabilities		26 576	81 274	81 274	20 402	81 274
Provision		—	—	—	—	—
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		26 576	81 274	81 274	20 402	81 274
TOTAL LIABILITIES		5 003 605	311 661	311 661	5 364 068	311 661
NET ASSETS	2	2 353 884	4 295 451	4 295 451	3 330 711	4 295 451
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3 963 559	4 177 134	4 177 134	3 157 329	4 177 134
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	3 963 559	4 177 134	4 177 134	3 157 329	4 177 134

Note: The financial position as indicated in Table 9 above shows that the Net Assets of the City of Matlosana as at 31 January 2024 amounts to R 3, 3 billion.

The Current Liabilities exceeds the Current Assets with R1, 9 billion. This is a serious liquidity problem.

2.5 Monthly Budget Statement - Cash Flow Statement

Collection rate – collection rate for the month ending 31 January 2024 is 65%.

TABLE 10: ACTUAL CASH FLOW FOR THE PERIOD ENDING 31 JANUARY 2024

NW403 City Of Matlosana - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description R thousands	Ref 1	2022/23 Audited Outcome	Budget Year 2023/24							Full Year Forecast			
			Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %				
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Property rates		340 348	448 861	448 861	29 732	256 912	261 836	(4 923)	-2%	448 861			
Service charges		1 056 634	1 868 568	1 868 568	95 842	646 830	1 089 998	(443 167)	-41%	1 868 568			
Other revenue		3 341 579	107 954	107 954	428 192	1 765 659	62 973	1 702 686	2704%	107 954			
Transfers and Subsidies - Operational		554 939	611 134	611 134	2 580	445 186	356 495	88 691	25%	611 134			
Transfers and Subsidies - Capital		150 412	197 256	197 256	35 157	122 471	115 066	7 405	6%	197 256			
Interest		1 067	9 761	9 761	—	(380)	5 694	(6 074)	-107%	9 761			
Dividends									—				
Payments													
Suppliers and employees		(3 753 555)	(3 025 072)	(3 025 072)	(288 312)	(1 424 289)	(1 764 628)	(340 339)	19%	(3 025 072)			
Interest									—				
Transfers and Subsidies									—				
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 691 423	218 461	218 461	303 190	1 812 390	127 433	(1 684 956)	-1322%	218 461			
CASH FLOWS FROM INVESTING ACTIVITIES													
Receipts													
Proceeds on disposal of PPE									—				
Decrease (increase) in non-current receivables		—	33	—	—	—	19	(19)	-100%	33			
Decrease (increase) in non-current investments									—				
Payments													
Capital assets		(83 952)	(231 469)	(231 469)	(6 503)	(56 966)	(135 024)	(78 058)	56%	(231 469)			
NET CASH FROM/(USED) INVESTING ACTIVITIES		(83 952)	(231 437)	(231 469)	(6 503)	(56 966)	(135 005)	(78 038)	56%	(231 437)			
CASH FLOWS FROM FINANCING ACTIVITIES													
Receipts													
Short term loans									—				
Borrowing long term/refinancing									—				
Increase (decrease) in consumer deposits		—	2 500	—	(73)	495	1 458	(963)	-66%	2 500			
Payments													
Repayment of borrowing		—	(4 800)	(4 800)	—	—	(2 800)	(2 800)	100%	(4 800)			
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	(2 300)	(4 800)	(73)	495	(1 342)	(1 837)	137%	(2 300)			
NET INCREASE/ (DECREASE) IN CASH HELD		1 607 471	(15 276)	(17 808)	296 614	1 755 919	(8 913)			(15 276)			
Cash/cash equivalents at beginning:		224 921	213 000	213 000	(82 050)	104 773	213 000			104 773			
Cash/cash equivalents at month/year end:		1 832 393	197 724	195 192		1 860 692	204 087			89 498			

NOTE: The cash and call Investments for the month ending 31 January 2024 amounts to R146 million that consists of the following:

- Bank balances: R2,6 million
- Call investments: R143,2 million

During the month of January 2024 Municipality received the following Grants from National Treasury:

- EEDSM : R1 million
- EPWP: R 1,6 million
- MIG: R35,1 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 R2, 215,303 were made, the total borrowings outstanding as at 31 January 2024 amounts to R7, 148,028.

TABLE 11: ACTUAL BORROWING FOR THE PERIOD ENDING 31 JANUARY 2024

31 JANUARY 2024

Borrowing Reference No	Start Date	End Date	Borrowing Period	Original Loan Years	Lender	Monthly Payments	Purpose	% Interest Rate (1/2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2023	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 31/01/2024
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			83 980,19	9 363 330,99	307 224,93		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 82,15		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	315 194,78		8 330 228,13
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			75 847,91	8 430 229,13	315 367,21		8 114 661,92
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			70 443,07	8 114 661,92	320 972,05		7 793 689,87
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			69 912,45	7 793 689,87	321 502,67		7 472 187,20
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			67 255,44	7 472 187,20	324 159,68		7 148 027,52
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			7 148 027,52				7 148 027,52
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			7 148 027,52				7 148 027,52
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			7 148 027,52				7 148 027,52
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			7 148 027,52				7 148 027,52
103677/1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			7 148 027,52				7 148 027,52

ANNUITY LOANS									
TOTAL ANNUITIES				Provision of Infrastructure		Development Bank of SA		ANNUITY LOANS	
				14,75		524 602,37		9 363 330,99	
				524 602,37		9 363 330,99		2 215 303,47	
								0,00	
								7 148 027,52	
								7 148 027,52	

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 8,801,670,096 as at 31 January 2024 compared to R 8,665,588,887 as at 31 December 2023.

Current to 30 days debt amounted to R 288,860,484 as at 31 January 2024 and has increased with R 8,439,408 compared to R 280,421,076 as at 31 December 2023.

31 to 60 days debt decreased with R 12,241,630; 61 to 90 days increased with R 4,527,646 and 91 days and older debt as at 31 January 2024 amounted to R 8,143,555,005 and has increased with R 135,355,786 compared to R 8,008,199,219 as at 31 December 2023.

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

Debtors age analysis per debtor type

Government Debt: R 90,265,097 (1%)

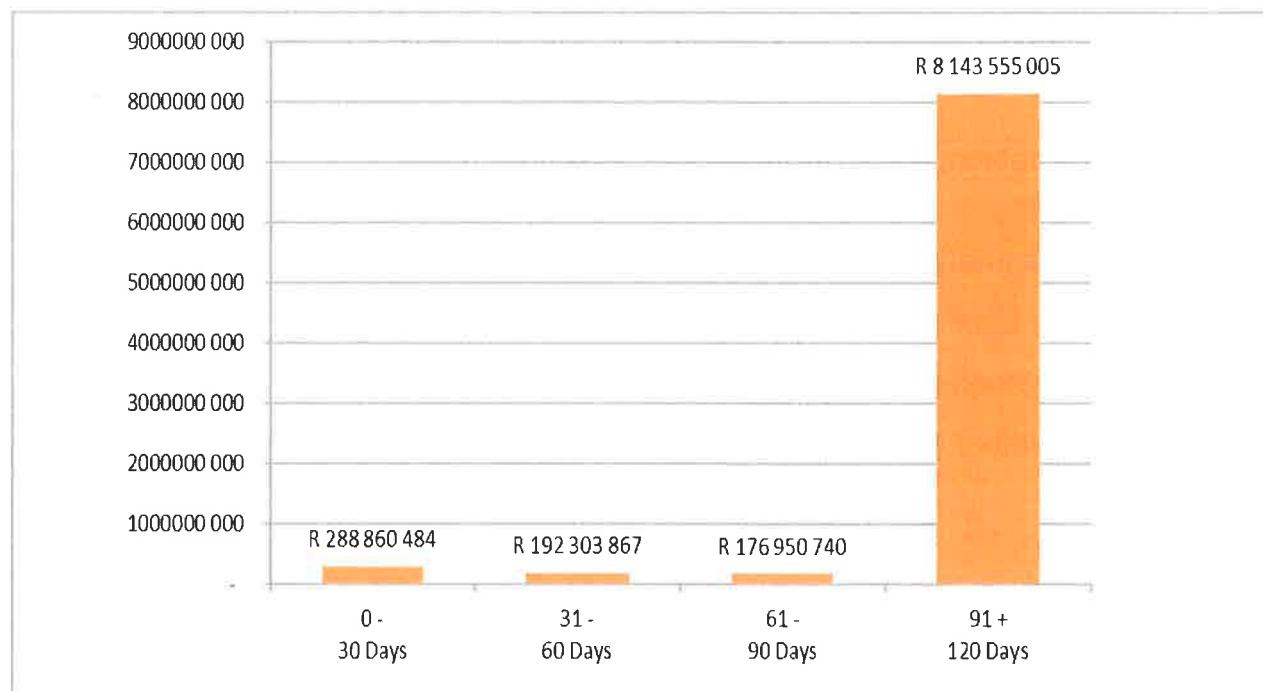
Business debtors: R 676,060,599 (8%)

Domestic debtors' R 8,035,344,400 (91%)

TABLE 12: OUTSTANDING DEBTORS AS AT 31 JANUARY 2024

DEBTOR'S AGE ANALYSIS - 31 January 2024

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	71 314 935	61 027 175	57 979 118	2 955 073 849	3 145 395 076
Electricity Tariffs	82 472 728	28 449 010	20 369 671	539 108 684	670 400 092
Rates (Property Rates)	34 970 591	15 928 965	13 141 431	430 489 068	494 530 055
Sewerage/ Sanitation	9 355 745	7 103 060	6 311 053	389 685 999	412 455 857
Refuse Removal Tariffs	17 984 724	14 095 489	13 220 942	787 945 807	833 246 962
Other	72 761 761	65 700 168	65 928 526	3 041 251 599	3 245 642 054
Total By Income Source	288 860 484	192 303 867	176 950 740	8 143 555 005	8 801 670 096
Debtors Age Analysis By Customer Group					
Government	7 312 481	3 692 772	3 064 024	76 195 820	90 265 097
Business	77 905 991	24 611 665	19 229 692	554 313 251	676 060 599
Households	203 642 012	163 999 430	154 657 024	7 513 045 934	8 035 344 400
Total By Customer Group	288 860 484	192 303 867	176 950 740	8 143 555 005	8 801 670 096



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

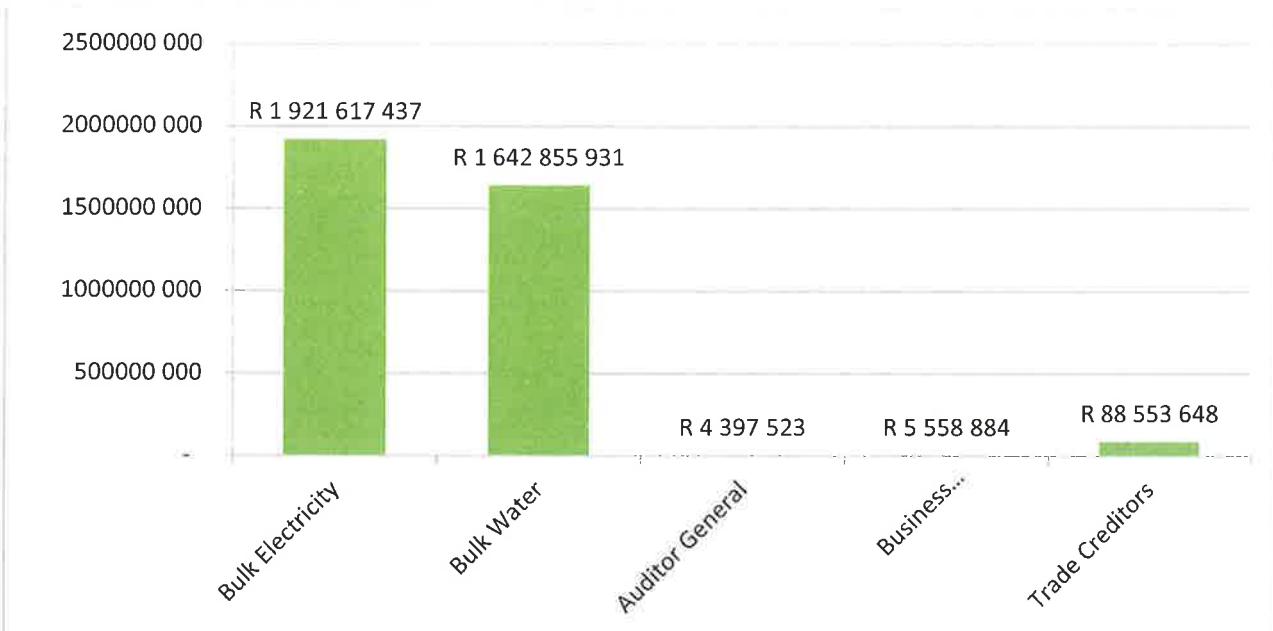
The Municipality should prioritise data cleansing to analyse the debtors on the debtors book, it is believed that some debtors might be deceased.

3.2 Creditors age analysis

The municipality's total outstanding creditors amounted to R 3,662,983,423 as at 31 January 2024 compared with R 3,508,627,900 as at 31 December 2023 and has increased with R 154,355,522

TABLE 13: CREDITOR'S AGE ANALYSIS AS AT 31 JANUARY 2024

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total -
Bulk Electricity	81 831 070	78 597 774	80 907 733	1 680 280 860	1 921 617 437
Bulk Water	131 569 118	59 352 762	68 568 748	1 383 365 302	1 642 855 931
Auditor General	1 508 670	2 838 348	6 080	44 425	4 397 523
Business Connexion	2 106 211	1 559 195	213 877	1 679 601	5 558 884
Trade Creditors	2 807 076	23 633 529	78 805 333	(16 692 289)	88 553 648
Total	219 822 144	165 981 608	228 501 771	3 048 677 899	3 662 983 423



Note: According to the above information, the Municipality's highest outstanding creditor is ESKOM with the total outstanding amount of R1, 922 billion followed by Midvaal with the total outstanding amount of R1, 643 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 January 2024 is as set out in Table14 below.

TABLE 14: INVESTMENTS AS AT 31 JANUARY 2024

NW403 City Of Matlosana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID		Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands	Yrs/Months														
Municipality															
ABSA	-		daily call	yes	Variable						47 620	415	(53 505)	115 957	110 487
INVESTEC	-		daily call	yes	Variable						8 024	55	-	-	8 080
SANLAM	2yrs		Policy	yes	Variable						12 094	-	-	-	12 094
FNB	12months		Long term	yes	Variable						71	-	-	-	71
FNB	-		daily call	yes	Variable						24 506	169	-	-	24 675
Municipality sub-total											92 315	639	(53 505)	115 957	155 406
Entities															-
Entities sub-total															-
TOTAL INVESTMENTS AND INTEREST	2										92 315	639	(53 505)	115 957	155 406

Note: The municipality started the beginning of the month with total investments of R92, 3 million and after investment made of R116 million and withdrawals of R53, 5 million closed with an investment balance of R155, 4 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 - M07 January

Description R thousands	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
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:										
Energy Efficiency and Demand Side Management Grant		558 483	615 503	615 503	778	438 467	359 043	79 424	22,1%	615 503
Equitable Share		2 997	4 000	4 000	-	26	2 333	(2 307)	-98,9%	4 000
Expanded Public Works Programme Integrated Grant		545 270	599 104	599 104	-	434 678	349 477	85 201	24,4%	599 104
Local Government Financial Management Grant		2 181	3 512	3 512	326	1 305	2 049	(744)	-36,3%	3 512
Municipal Disaster Relief Grant		3 007	3 100	3 100	61	377	1 808	(1 432)	-79,2%	3 100
Municipal Infrastructure Grant	3	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		5 028	5 787	5 787	391	2 082	3 376	(1 294)	-38,3%	5 787
Provincial Government:										
Capacity Building and Other Grants		1 037	1 418	1 418	21	361	827	(466)	-56,4%	1 418
Other transfers and grants [insert description]		1 037	1 418	1 418	21	361	827	(466)	-56,4%	1 418
District Municipality:										
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:										
[insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	559 520	616 921	616 921	799	438 828	359 870	78 958	21,9%	616 921
Capital Transfers and Grants										
National Government:										
Integrated National Electrification Programme Grant		107 437	191 469	191 469	37 286	52 394	111 690	(59 297)	-53,1%	191 469
Municipal Infrastructure Grant		24 633	1 732	1 732	730	1 703	1 010	692	68,5%	1 732
Neighbourhood Development Partnership Grant		62 977	109 945	109 945	16 021	24 854	64 135	(39 281)	-61,2%	109 945
Water Services Infrastructure Grant		12 921	31 162	31 162	8 348	11 037	18 178	(7 141)	-39,3%	31 162
Provincial Government:		6 905	48 630	48 630	12 187	14 800	28 368	(13 557)	-47,8%	48 630
Capacity Building and Other Grants		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	107 437	191 469	191 469	37 286	52 394	111 690	(59 297)	-53,1%	191 469
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	666 957	808 390	808 390	38 085	491 222	471 561	19 661	4,2%	808 390

Note: The table reflect the YTD actual revenue amounts to R491 million, against the YTD budget of R472 million as at 31 January 2024. 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 - M07 January

Description R thousands	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	
EXPENDITURE											
Operating expenditure of Transfers and Grants											
National Government:		98 226	109 706	109 706	6 038	67 465	63 995	3 470	5,4%	109 706	
Energy Efficiency and Demand Side Management Grant		3 186	4 000	4 000	32	2 256	2 333	(78)	-3,3%	4 000	
Equitable Share		77 894	93 855	93 855	5 012	60 048	54 749	5 299	9,7%	93 855	
Expanded Public Works Programme Integrated Grant		1 982	3 512	3 512	529	1 834	2 049	(214)	-10,5%	3 512	
Local Government Financial Management Grant		9 910	3 100	3 100	74	447	1 808	(1 361)	-75,3%	3 100	
Municipal Disaster Relief Grant		141	-	-	-	-	-	-	-	-	
Municipal Infrastructure Grant		5 113	5 239	5 239	390	2 880	3 056	(176)	-5,8%	5 239	
Provincial Government:		1 374	3 308	3 308	252	1 234	1 930	(696)	-36,1%	3 308	
Capacity Building and Other Grants		1 374	3 308	3 308	252	1 234	1 930	(696)	-36,1%	3 308	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Total operating expenditure of Transfers and Grants:		99 600	113 014	113 014	6 290	68 699	65 925	2 774	4,2%	113 014	
Capital expenditure of Transfers and Grants											
National Government:		77 727	191 469	191 469	6 265	56 365	111 691	(55 326)	-49,5%	191 469	
Integrated National Electrification Programme Grant		23 032	1 732	1 732	-	1 481	1 010	470	46,5%	1 732	
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-	
Municipal Infrastructure Grant		37 455	109 945	109 945	5 726	27 338	64 135	(36 797)	-57,4%	109 945	
Neighbourhood Development Partnership Grant		11 236	31 162	31 162	86	10 736	18 178	(7 442)	-40,9%	31 162	
Water Services Infrastructure Grant		6 004	48 630	48 630	453	16 810	28 368	(11 557)	-40,7%	48 630	
Provincial Government:		-	-	-	231	231	-	231	#DIV/0!	-	
Capacity Building and Other Grants		-	-	-	231	231	-	231	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Developers Contribution		-	-	-	-	-	-	-	-	-	
Total capital expenditure of Transfers and Grants		77 727	191 469	191 469	6 495	56 595	111 691	(55 095)	-49,3%	191 469	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		177 327	304 483	304 483	12 785	125 294	177 616	(52 321)	-29,5%	304 483	

Note: The table reflect the YTD actual expenditure incurred amounting to R125 million against the YTD budget of R178 million as at 31 January 2024.

Overtime

The total overtime budget for the 2023/24 financial year amounts to R30, 224,335 million. The actual expenditure for the month ending 31 January 2024 amounted to R6, 6 million and Year to date actual expenditure amounted to R40, 7 million that is 135% of the total budget.

OVERTIME 31 JANUARY 2024

Department	Description	Budget/OpenBal	Curr Mth Expend	YTD Movement	Balance	% Exp
Public Safety	MS: OVERTIME - NON STRUCTURED	2 992 203	477 273	2 858 876	133 327	95.54
Community Services	MS: OVERTIME - NON STRUCTURED	2 135 311	30 933	1 033 548	1 101 763	48.40
Planning & Human Settlement	MS: OVERTIME - NON STRUCTURED	25 065		3 860	21 205	15.40
Sports Arts & Culture	MS: OVERTIME - NON STRUCTURED	787 250	87 058	829 889	- 42 639	105.41
Council General	MS: OVERTIME - NON STRUCTURED	290 097		76 917	213 180	26.51
Civil Engineering	MS: OVERTIME - NON STRUCTURED	904 400	66 897	672 852	231 548	74.39
Water	MS: OVERTIME - NON STRUCTURED	4 918 897	1 454 021	8 566 370	- 3 647 473	174.15
Electrical Engineering/Garage & Workshop	MS: OVERTIME - NON STRUCTURED	1 078 147	167 185	900 546	177 601	83.52
Electrical	MS: OVERTIME - NON STRUCTURED	2 020 376	849 571	5 450 167	- 3 429 791	269.76
Corporate	MS: OVERTIME - NON STRUCTURED	313 685	55 260	675 350	- 361 665	215.29
Finance	MS: OVERTIME - NON STRUCTURED	1 478 080	393 435	3 157 417	- 1 679 337	213.61
Cleansing	MS: OVERTIME - NON STRUCTURED	7 870 067	1 561 640	8 596 562	- 726 495	109.23
Sewerage	MS: OVERTIME - NON STRUCTURED	5 206 311	1 440 729	7 703 815	- 2 497 504	147.97
Market	MS: OVERTIME - NON STRUCTURED	183 245	24 089	187 285	- 4 040	102.20
LED & Markentin Tourism	MS: OVERTIME - NON STRUCTURED	21 201		6 728	14 473	31.73
		30 224 335	6 608 090	40 720 183	- 10 495 848	134.73

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 – M07 January 2024			
Ref	Description	Variance	%
1	Revenue By Source		Reasons for material deviations
	Service Charges: Electricity	(4 470 359)	-7% 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.
	Service Charges: Refuse	(32 660 964)	-22% Less revenue billed as the anticipated increase on the refuse revenue has not materialised.
	Service Charges: Water	(49 810 835)	-11% Revenue was less than projected
	Service Charges: Sanitation	(9 652 476)	-10% Revenue was less than projected
	Other revenue	(14 997 423)	-33% 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.
	Licence and permits	(588 783)	-11% 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
	Interest earned from Receivables	21 483 121	8% 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 enhancement of revenue and increasing of payment rate should be accelerated, as the financial stability of the municipality is dependent on them.

2 Expenditure by Type			
Contracted services	(84 011 006)	-31%	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	(5 723 353)	-92%	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	(337 953 357)	-100%	Most of the Debt Impairment journals are done at the end of financial year.
Operational Cost	(43 638 126)	-23%	Less spending due to cash flow challenges

TABLE 19: FINANCIAL PERFORMANCE

NW403 City Of Matlosana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January

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
Borrowing Management							
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%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		87,1%	-8,6%	-8,6%	115,0%	-8,6%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	38,3%	211,6%	211,6%	63,1%	211,6%
Liquidity Ratio	Monetary Assets/Current Liabilities		2,1%	85,8%	85,8%	10,6%	85,8%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		13,8%	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%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
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%	18,0%	18,6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		7,3%	13,2%	13,2%	11,0%	13,2%
Interest & Depreciation	I&D/Total Revenue - capital revenue		16,6%	10,7%	10,7%	0,0%	1,2%
IDP regulation financial viability indicators							
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 - M07 January

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									
<u>Monthly expenditure performance trend</u>									
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	4 160	4 160	96 446	92 286	95,7%	2%
December	6 996	19 289	19 289	32 673	32 673	115 735	83 062	71,8%	14%
January	6 996	19 289	19 289	6 503	6 503	135 024	128 521	95,2%	3%
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%	—
Total Capital expenditure	83 952	231 469	231 469	56 966					

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 asset
- Progress on Municipal Debt Relief
- Progress on Financial Plan

SUPPORTING TABLE SC13b

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

Description R thousands	Ref 1	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
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		3 055	19 526	19 526	—	1 932	11 390	9 459	83,0%	19 526
Electrical Infrastructure		3 055	5 206	5 206	—	1 481	3 037	1 556	51,2%	5 206
Power Plants									—	
HV Substations		1 670	1 732	1 732	—	1 481	1 010	(470)	-46,5%	1 732
LV Networks		1 385	3 474	3 474	—	—	2 027	2 027	100,0%	3 474
Sanitation Infrastructure		—	14 320	14 320	—	451	8 353	7 902	94,6%	14 320
Pump Station									—	
Reticulation									—	
Waste Water Treatment Works		—	14 320	14 320	—	451	8 353	7 902	94,6%	14 320
Total Capital Expenditure on renewal of existing assets	1	3 055	19 526	19 526	—	1 932	11 390	9 459	83,0%	19 526

Intangible Assets									
Servitudes	5 072	4 563	4 563	–	2 202	2 662	460	17,3%	4 563
Licences and Rights	5 072	4 563	4 563	–	2 202	2 662	460	17,3%	4 563
<i>Water Rights</i>								–	–
<i>Effluent Licenses</i>								–	–
<i>Solid Waste Licenses</i>								–	–
<i>Computer Software and Applications</i>	5 072	4 563	4 563	–	2 202	2 662	460	17,3%	4 563
<i>Land Settlement Software Applications</i>								–	–
<i>Unspecified</i>								–	–
Computer Equipment	1 847	4 300	4 300	5	469	2 509	2 040	81,3%	4 300
Computer Equipment	1 847	4 300	4 300	5	469	2 509	2 040	81,3%	4 300
Furniture and Office Equipment	2 356	3 068	3 068	–	901	1 790	889	49,7%	3 068
Furniture and Office Equipment	2 356	3 068	3 068	–	901	1 790	889	49,7%	3 068
Machinery and Equipment	10 911	25 639	25 639	405	6 184	14 956	8 772	58,7%	25 639
Machinery and Equipment	10 911	25 639	25 639	405	6 184	14 956	8 772	58,7%	25 639
Transport Assets	194	14 390	14 390	–	31	8 394	8 363	99,6%	14 390
Transport Assets	194	14 390	14 390	–	31	8 394	8 363	99,6%	14 390
Total Repairs and Maintenance Expenditure	1	137 526	277 534	277 734	9 968	131 778	161 985	30 207	18,6%
									277 734

SUPPORTING TABLE SC13e

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

Description R thousands	Ref 1	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
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure	1 542	11 418	11 418	-	9 883	6 660	(3 223)	-48,4%	11 418	
Water Supply Infrastructure	1 542	11 418	11 418	-	9 883	6 660	(3 223)	-48,4%	11 418	
Dams and Weirs								-		
Boreholes								-		
Reservoirs	1 542	11 418	11 418	-	9 883	6 660	(3 223)	-48,4%	11 418	
Community Assets	4 345	-	-	-	1 063	-	(1 063)	#DIV/0!	-	
Community Facilities	4 345	-	-	-	1 063	-	(1 063)	#DIV/0!	-	
Markets	4 345	-	-	-	1 063	-	(1 063)	#DIV/0!	-	
Total Capital Expenditure on upgrading of existing assets	1	5 887	11 418	11 418	-	10 946	6 660	(4 286)	-64,3%	11 418

Progress on Municipal Debt Relief

**CITY OF MATLOSANA MONTHLY
MONITORING PLAN 31 JANUARY 2024**

Monthly Compliance Checklist					
		Responsible Person	Monthly Progress	How are you going to ensure compliance (applicable manager to provide SOP that will be updated and monitored)	
6.3	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org Lesego Seamatso (MM) 018 487 8009 / 076 018 7668 lsamatso@klerksdorp.org		The municipality arranged a meeting with CEO of Midvala to revise the current payment agreement to a more affordable one for the CoM. However, partial payments are made as per the current arrangement. Both Midval and Eskom were partially paid and proof was uploaded.	
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)?	J Makudubele (Accountant) – 018 487 8483 japers@klerksdorp.org J Lethloo (Assistant Director Expenditure) – 018 487 8533 gopolang@klerksdorp.org		Yes	
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 https://guiploadportal.treasury.gov.za?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org		J Makudubele (Accountant) – 018 487 8483 japers@klerksdorp.org J Lethloo (Assistant Director Expenditure) – 018 487 8533 gopolang@klerksdorp.org	
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 4(1)(2) MFMA statement of the Water Board and/or Water Trading Entity?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org		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 mmphetla@klerksdorp.org Lesego Seamatso (MM) 018 487 8009 / 076 018 7668 lsamatso@klerksdorp.org		No	
6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guiploadportal.treasury.gov.za?	J Makudubele (Accountant) – 018 487 8483 japers@klerksdorp.org J Lethloo (Assistant Director Expenditure) – 018 487 8533 gopolang@klerksdorp.org		Yes	

		J Makudubele (Accountant) – 018 487 8483 J Letlho (Assistant Director Expenditure) – 018 487 8533 J Gobolang@klersdorp.org Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klersdorp.org		
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 papers@klersdorp.org	Yes	
6.4	Compliance with a funded MTREF –	T Sekgala (Deputy Director Budget) 018 487 8040 D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klersdorp.org	No	Attached monthly funding progress, Municipality is currently busy with the revision the current funding plan.
6.4.1	- Has the municipality tabled and adopted a funded 2023/24 MTREF aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ? - 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 D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klersdorp.org	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? <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>	T Sekgala (Deputy Director Budget) 018 487 8040 D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klersdorp.org	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.
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	T Sekgala (Deputy Director Budget) 018 487 8040 D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klersdorp.org	Yes	The 2021/22 audited figures were utilised as a base and also took the new acquisition into consideration.

Performance) of the Municipal Budget-and Reporting Regulations?	Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provisions for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".		
6.4.2	<p>- 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)?</p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 <u>osekgala@klerksdorp.org</u> D Rossouw (Assistant Director Budget) 018 487 8518 <u>drossouw@klerksdorp.org</u></p>	<p>No</p> <p>Progress on the plan is currently not satisfying. Municipality is in the process of adjusting the adopted Funding plan. BTO has conducted the meeting with the Directors and Managers to discuss the adjustment of the Funding plan on the 15th of February 2024, the agreement was reached on the due date for the submission which is the 16th of February 2024 and that the final meeting will be held on the 19th of February 2024 to finalize the document.</p>
6.4.2	<p>- 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.?)</p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 <u>osekgala@klerksdorp.org</u> D Rossouw (Assistant Director Budget) 018 487 8518 <u>drossouw@klerksdorp.org</u></p>	<p>Yes</p> <p>The A7 is currently projecting 12 equal amounts, so this will be corrected on the next MTREF budget 2024/2025 after implementing the BMM.</p>
6.5	<p>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?</p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 <u>osekgala@klerksdorp.org</u> D Rossouw (Assistant Director Budget) 018 487 8518 <u>drossouw@klerksdorp.org</u></p>	<p>No</p> <p>BTO official attended the Tariff Tool training organised by National Treasury and Provincial Treasury.</p>
6.6	<p>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:</p>		

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 Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsatheege@klersdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klersdorp.org	Yes	The current bill allocation is not aligned to Circular 124. The Customer Care, Credit Control and Debt Collection Policy will be reviewed to correct this.
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 nsatheege@klersdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klersdorp.org	Yes	The 80/20 is applied to defaulting consumers 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 registered as an indigent consumer with the municipality?	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsatheege@klersdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klersdorp.org	Yes	As per credit control policy
6.6.4	<p>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.</p> <ul style="list-style-type: none">- 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 nsatheege@klersdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klersdorp.org	No	The municipality is planning to constantly monitor and restrict the indigents who are defaulting. A list of indigent customers who are still on conventional was sent to Electrical Department to install prepaid meters.
6.6	<i>Supporting evidence:</i> The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.			
6.7	Maintain a minimum average quarterly collection of property rates and services charges –			
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 Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsatheege@klersdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klersdorp.org	No	For the current month the municipality achieved a collection rate of 65%. The following are the reasons for non-achievement: <ul style="list-style-type: none">• Unresolved disputes• Challenges in Eskom supplied areas• Intimidations at the townships

			<ul style="list-style-type: none"> • Most of the customers are not responding after disconnection due to Solar and borehole • Data cleansing needs to be done • 1200 stolen meters in Jouberton 	
6.7.2	<p>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 percent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</p> <p>- 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 -</p> <ul style="list-style-type: none"> * 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; 	<p>N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsatheege@klersdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klersdorp.org</p>	No	Municipality has targeted all areas that Municipality in servicing for electricity. Please find attached disconnection and reconnection report for January 2024.
6.7.2.1		Yes		
6.7.2.2	<p>* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?</p>	<p>N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsatheege@klersdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klersdorp.org</p>	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	<p>* 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?</p>	<p>Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klersdorp.org Lesego Seameotsso (MM) 018 487 8009 / 076 018 7668 lseameotsso@klersdorp.org</p>	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	<p>- 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</p>	<p>N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsatheege@klersdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klersdorp.org</p>	No	Council has approved the project for the installation of smart pre-paid meters; however, the installation will start in the new financial year (2024/2025).

		the debt of its customers, within its normal credit control process?	
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 tpelesane@klersdorp.org
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 osekgala@klersdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klersdorp.org
6.8	6.8.1	Municipality's Completeness of the revenue base –	N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 nkegakilwe@klersdorp.org O Kgote (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 okgoete@klersdorp.org
			<p>The policy is still the process of being drafted and will be tabled to council. Smart meters procurement was budgeted for five million Rands in the current 2023/24 financial year.</p> <p>C schedule</p> <ol style="list-style-type: none"> 1. The approved GVR was loaded into the municipal financial system (Solar). <p>Status: Was done -Was Implemented from the 01st July 2020 until 30th June 2025.</p> <ol style="list-style-type: none"> 2. All SV's (SV01-SV02) are implemented into the financial system. <p>Status: Was done, SV01: Implemented on the 01st July 2021. SV02: Implemented on the 01st July 2022.</p> <p>SV03: Roll with 4343 entries is opened for inspection and objections until the 30th June 2023.</p> <p>Status: was done, SV03: Implemented on the 01st July 2023.</p>

-Seven (7) Objections were received and outcome was communicated to the property owners by the Municipal Valuer.
-Out of Seven (7) objections, we received two (2) Appeals that is scheduled to sit on the 05th March 2024.

3. Differences will be addressed as follows:
 - Reconciliation will be done monthly and variances identified will be addressed accordingly.

Status:

Monthly report was submitted to Budget Office (Naledi, Meiti and Lesego) for Upload on the portal.

+/- 30% variances are addressed and +/- 70% variance will be dealt with as soon as the below are addressed.

- The last report sent to Budget for December 2023 was sent January 2024 and
- January 2024 report (BP752) was sent to the Municipal Valuer; however, we noticed Solar system error, which was communicated to Farus to be checked and to be cleared. The report was re-run and will be re-sent to the Municipal Valuer.

Challenges
About 2483 stands that needs to be addressed on various townships Joubertton

	<p>Kanana Khuma Alabama Tigane Ambegeto</p> <p>IP Farms will be worked at the later stage as per Municipal Valuer advice.</p>	<p>Mainly because of the following reasons:</p> <ol style="list-style-type: none"> 1. Stands are not yet allocated to the beneficiaries 2. Stands that needs to be deactivated have meter/s installed on them (Verification of meters needs to be done and meter/s be transferred to the correct stand). 3. Duplicate stands that needs Planning and Human settlement to verify 4. Ambegeto township proclamation that is not yet registered at Deeds Office, currently not valued individually because of ownership is still under the developer's name. <p>Occupation certificates and Valuation certificates to be sent to the Municipal Valuer to ensure that all properties are updated and billed accurately.</p>	<p>Status: Done on monthly basis</p> <p>-Both lists (Occupation Certificates and Valuation Certificates) from Planning and Human settlement are received monthly until the end of December 2023. These lists are sent to the Municipal Valuer for Section 78 entries to update the GVR.</p> <p>-January 2024 is not yet received.</p>
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6.8.2	<ul style="list-style-type: none"> - Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://igupload.treasury.gov.za? 	N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 nkegakilwe@klersdorp.org O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 okgoete@klersdorp.org	Yes	
6.9	Monitor and report on implementation –	T Sekgala (Deputy Director Budget) 018 487 8040 osekala@klersdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klersdorp.org	No	Municipality is in the process of adjusting the adopted Funding plan. BTO has conducted the meeting with the Directors and Managers to discuss the adjustment of the Funding plan on the 15th of February 2024, the agreement was reached on the due date for the submission which is the 16th of February 2024 and that the final meeting will be held on the 19th of February 2024 to finalize the document.
6.9.1	<ul style="list-style-type: none"> - 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 osekala@klersdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klersdorp.org	No	Municipality has established MSCOA Steering Committee which seat monthly to address any MSCOA issues. The draft MSCOA Roadmap was presented to the committee. Training is also planned with PT.
6.9.2	<ul style="list-style-type: none"> - 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? 	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mpphetla@klersdorp.org Lesego Seametsso (MM) 018 487 8009 / 076 018 7668 lseametsso@klersdorp.org	The Municipal has the draft FRP at the current stage	PT has been engaging the Municipality for the Draft FRP. The meetings with the Creditors and the Union Reps are arranged and started on the 1st of February 2024.
6.9.3	<ul style="list-style-type: none"> - 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 mpphetla@klersdorp.org Lesego Seametsso (MM) 018 487 8009 / 076 018 7668 lseametsso@klersdorp.org		Draft FRP has been completed; PT will be conducting workshops for the Councillors, which will be starting on the 1st of March 2024.
6.9.4	<ul style="list-style-type: none"> - 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 mpphetla@klersdorp.org Lesego Seametsso (MM) 018 487 8009 / 076 018 7668 lseametsso@klersdorp.org	No	<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>

		<p>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.</p>		
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 osekgala@klersdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drrossouw@klersdorp.org	No	There are currently no plans to borrow funds.
6.12	<p>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</p> <p>For the duration of the Municipal Debt Relief (to ensure proper management of resources);</p> <ul style="list-style-type: none"> - 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/ mmphetla@klersdorp.org	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.
6.12.1	<ul style="list-style-type: none"> - 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/ mmphetla@klersdorp.org	Partially	Due to cash flow issues, it is not yet possible to entirely pay Eskom and Midval in full.
6.12.2	<ul style="list-style-type: none"> - 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/ mmphetla@klersdorp.org Lesego Seametso (MM) 018 487 8009 / 076 018 7668 Isametszo@klersdorp.org	No	<p>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.</p>

6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org Lesego Seameotsa (MM) 018 487 8009 / 076 018 7668 lseameotsa@klerksdorp.org	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) Yes 018 487 8046/083 254 6573 nkegilwe@klerksdorp.org O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 dkgoete@klerksdorp.org	The current month bill was not paid in full.

Note 2b: according to Municipal Debt Relief as setout in paragraph 3 of MfMAA Circular no. 134, 'The Council' of a Municipality must during the duration of the Municipal Debt Relief programme fail to comply with any condition of the Chief, agreed to apply to NERSA to revoke the municipality's licence in terms of section 18 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006)

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.

Financial
Committee
Meeting
14 January 2024

Approval of information and of the compliance report to be submitted to PT/NT on 14 January 2024

L SEAMEOTSA
CHIEF FINANCIAL OFFICER

A M RANDPHELE
MUNICIPAL MANAGER
AM RANDPHELE
M/M/C: FINANCE

S L MONDLANE
SPEAKER OF COUNCIL

N J 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	DEC 2023	JANUARY 2024	Rand value of Current Month Billing NOT COLLECTED per ward (R)
Previous Month actual Collection %	Current Month actual collection %		
1. The total average collection of all revenue excluding Equitable Share and conditional grants	35%	76%	118 091 786
1A. The total average collection of all revenue in 1. above - excluding the Eskom supply areas	49%	74%	51 786 763
2. The total average collection of municipal property rates	74%	76%	10 046 518
3. The total average collection of Electricity	56%	178%	42 462 750
4. The total average collection of Water	22%	233%	95 366 135
5. The total average collection of Wastewater	47%	45%	6 513 199
4. The total average collection of Solid Waste	33%	35%	11 101 590
4. The total average collection of VAT	34%	116%	24 898 038
4. The total average collection of Interest	3%	3%	53 190 135
4. The total average collection of Sundries	8%	16%	7 678 100

MFMA Circular 124 - condition 6.7.2

COLLECTION RATE - per ward - rates and per service - (January 2024) <i>**Note - the municipality to add rows below to facilitate reporting on a</i>					
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 %
Ward 1					
Property Rates Tax		40%	4 942 968,37	1 583 379,55	32%
Electricity	Eskom Supplied	85%	363 188,21	235 974,23	65%
Water		96%	715 936,20	693 536,86	97%
Refuse		40%	1 285 201,58	319 252,06	25%
Waste Water		9%	409 467,57	50 319,08	12%
VAT		15%	237 780,79	37 374,57	16%
Sundries		47%	392 257,03	161 645,33	41%
Interest		2%	44 490,19	3 966,53	9%
		3%	1 494 646,80	81 310,90	5%
			2 611 252,78	73 162,64	3%
			43 129,68	2 661,01	6%
Ward 2					
Property Rates Tax		1%			
Electricity	Partial Eskom and Municipal Supplied	2%			
Water		0%	4 139,19		0%
Refuse		1%	935 410,94	25 429,34	3%
Waste Water		1%	252 444,06	12 545,88	5%
VAT		1%	142 028,70	4 771,43	3%
Sundries		1%	199 882,80	6 601,94	3%
Interest		0%		3 153,47	0%
		29%	1 034 217,41	17 999,58	2%
		57%	3953155,04	1707247,46	43%
Property Rates Tax	Municipal supplied	54%	410 972,79	285 040,89	69%
Electricity		37%	911 604,35	395 339,58	43%
Water		29%	1203013,928	543591,8747	45%
Refuse		41%	119 765,64	109 390,25	91%
Waste Water		28%	247 559,97	125 760,78	51%
VAT		2%	372 355,77	165 027,72	44%
Sundries		5%	2 375,73	25 437,58	1071%
Interest			685 506,87	57 658,79	8%
		2%	7933457,95	391410,55	5%
		13%	191 614,01	32 466,90	17%
Property Rates Tax	Municipal supplied	11%	864 576,47	79 429,28	9%
Electricity		3%	2 234 566,98	140 569,90	6%
Water		2%	808 861,93	50 826,94	6%
Refuse		3%	394 039,51	23 560,15	6%
Waste Water		2%	649 155,04	32 491,68	5%
VAT		0%	27 683,71	17 829,00	64%
Sundries		0%	2 762 960,30	14 236,69	1%
Interest		0%			

Ward 20		0%				
Property Rates Tax		8%				
Electricity	Eskom Supplied	0%				
Water		0%				
Refuse		6%				
Waste Water		12%				
VAT		0%				
Sundries		4%				
Interest		0%				
Ward 21		3%				
Property Rates Tax		3%				
Electricity	Eskom Supplied	0%				
Water		0%				
Refuse		0%				
Waste Water		0%				
VAT		0%				
Sundries		1%				
Interest		0%				
Ward 22		0%				
Property Rates Tax		1%				
Electricity	Eskom Supplied	0%				
Water		0%				
Refuse		1%				
Waste Water		1%				
VAT		0%				
Sundries		1%				
Interest		0%				
Ward 23		0%				
Property Rates Tax		1%				
Electricity	Eskom Supplied	0%				
Water		0%				
Refuse		1%				
Waste Water		0%				
VAT		0%				
Sundries		1%				
Interest		0%				
Ward 24		0%				
Property Rates Tax		1%				
Electricity	Eskom Supplied	0%				
Water		0%				
Refuse		1%				
Waste Water		1%				
VAT		0%				
Sundries		1%				
Interest		0%				
Ward 25		20%				
Property Rates Tax		104%				
Electricity	Eskom Supplied	0%				
Water		12%				
Refuse		15%				
Waste Water		40%				
VAT		14%				
Sundries		20%				
Interest		4%				
Ward 26		1%				
Property Rates Tax		5%				
Electricity	Eskom Supplied	0%				
Water		1%				
Refuse		2%				
Waste Water		2%				
VAT		1%				
Sundries		2%				
Interest		0%				
Ward 27		0%				
Property Rates Tax		1%				
Electricity	Eskom Supplied	0%				
Water		0%				
Refuse		0%				
Waste Water		0%				
VAT		0%				
Sundries		1%				
Interest		0%				

FINANCIAL PLAN MONTHLY PROGRESS



provincial treasury

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 JANUARY 2024

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, work on the remedial action meetings not held every Friday
Land – Expected Inflow R63,277,200	Proclamation of additional 020 stands and to be billed 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)	01/07/2023- 30/06/2024	Total estimated revenue per annum for basic charges in the proposed Townships: R63,277,200 Notes: The expected revenue collection contains basic charges, however on the commercial even the basic rates/levies are not taken into consideration due	Kanana Extension 5 Proclamation – Site Permits prepared and submitted to BTO for billing purposes. Tigane Extension 7 & 8 Proclamation Finalized - Permits being compiled.	The Directorate has developed a time-bound program, to visit all the mentioned Settlements for the completion of Site Permits. The Program will be completed by the end of February 2024 A total of 3 450 Site Permits have been compiled from July-November 2023, namely:

Land – Expected inflow – R29,534,220	Proclamation of additional 6,077 stands to be billed Alabama Extension 5 Kanana extension 14 Kanana Extension 15 (Income expected only from basic services charges)	01/07/2023 – 30/06/2024	to differences in extents. The residential erven are based on the average erven size. The forecasted figures do not take electricity figures as well as any additional usage into account. The estimated amounts are calculated based the promulgation of Local Authority Notice 377 of 2023 by virtue of Provincial Gazette no. 8550 dated 1 August 2023, in terms of Section 14 (1) (2) of the Municipal Property Rates Act, 2004 (Act 6 of 2004).	Alabama Ext 5 – 305 (1412 submitted to BTO, only 1357 registered on the System – 843 outstanding) Jouberton Ext. 31 – 494 Jacaranda Ext. 10 – 1009 Kanana Ext. 15 – 660 Tigane Ext. 7 - 982	Review of the current process plan and policies (Rates and Credit Control) affecting the issuing of Clearance Figures.
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	A Total of 24 Stands have been disposed to date, resulting in revenue of R1,582,856.00 From 01/07/2023- 31/12/2023.	Delays in the issuing of zero-rated Clearance figures on Municipal Owned Land, to accelerate transfers and registration.	A list of all outstanding Clearance Figures has been submitted to CFO.

				The Directorate is awaiting an official response to the submission in this regard.
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 awaiting works order Requisitions prepared for orders to be issued out to service provider Municipality political leaders to source community buy-in to implement the project
Expected Inflow – R70 Million	2024/25	FY 1500	01/07/2024– 30/06/2025	

	Expected inflow due to implementation of credit control on those in arrears.	0% achieved on mv network improvement	Financial constraints to implement targeted programmes	management programme (EEDSM)	Investment in a form of capital budget need to be made to refurbish MV network
Debt collection and Recovery Expected inflow R300 Million	Utilize internal debt collectors	01/07/2023 - 30/06/2024	R121 million collected by 31 January 2024 on 90 days accounts. 40% achieved of the target	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. Tempered electrical meters.	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.
Market Rental Estate Expected inflow – R800 000	Rand value revenue collected from rental estate	01/07/2023 - 30/06/2024	The revenue is already budgeted for, it is not additional; therefore the plan will be revised during adjustment budget		

Market – Ripening and Cooling rooms Expected inflow – R1 500 000	Collection of ripening and cooling revenue	01/07/2023 - 30/06/2024	The revenue is already budgeted for, it is not additional, therefore the plan will be revised during adjustment budget
Market Dues Expected inflow – R1 500 000	Collection of market dues revenue	01/07/2023 - 30/06/2024	The revenue is already budgeted for, it is not additional, therefore the plan will be revised during Adjustment budget
Rental of carriages Expected inflow – R150 000	Collection of rental carriages revenue	01/07/2023 - 30/06/ 2024	
Outdoor Advertising	Revenue improves	01/07/2023 – 30/07/ 2024	

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
Wet fuel	01/07/2023 – 30/06/2024	Not achieved	The municipality is outsourcing wet fuel currently. However, there are no savings realized.	Stringent control measures should be put in place to monitor fleet management.
Repairs and maintenance – Expected Inflow – R30 Million	01/07/2023 – 30/06/2024	Not achieved	Delay in procurement of service provider for supply of equipment and tools also the refurbishment municipal garage	The Fleet section has resort to explore procurement through close quotation procurement process to speed up the process.

			S & T budget was reduced.
Travelling and subsistence Expected Inflow – R600 000	01/07/2023- 30/06/2024	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).	R289 494 pm on R2 605 446 p.a
Contracted Services – Expected Inflow – R289,494 on R2,605,446 p.a	01/07/2023- 30 /06/2024	No cost	Reducing almost excessive spending on printing/copy

To review operational contract to scale down their services and support on the following expenditure items:

- **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.

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

CREDITORS AGE ANALYSIS - 31 JANUARY 2024

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Bulk Electricity	81 831 070	78 597 774	80 907 733	1 680 280 860	1 921 617 437
Bulk Water	131 569 118	59 352 762	68 568 748	1 383 365 302	1 642 855 931
Auditor General	1 508 670	2 838 348	6 080	44 425	4 397 523
Business Connexion	2 106 211	1 559 195	213 877	1 679 601	5 558 884
Trade Creditors	2 807 076	23 633 529	78 805 333	(16 692 289)	88 553 648
Total	219 822 144	165 981 608	228 501 771	3 048 677 899	3 662 983 423

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 the month ending 31 January 2024 as per section 71 of the MFMA.

