

CITY OF MATLOSANA

Attached hereto an item to be submitted to the _____ Committee to be held on _____ Author of the item: Lesego Mokohe

HEAD OF DIVISION: <u>H.S. Rossouw</u> SIGNED: <u>[Signature]</u> DATE: <u>2023/10/24</u>	DELEGATED TO: _____ NUMBER: _____
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Received by Deputy Director: Administration

Date and Time: _____
 Signature: _____

<u>[Signature]</u> <u>26/10/2023</u> Member of the Mayoral Committee Date	COMMENTS: _____ _____
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Director: Corporate Services Date	COMMENTS: _____ _____
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<u>[Signature]</u> <u>25/10/2023</u> Chief Financial Officer Date	COMMENTS: <u>for submission</u> _____ _____
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Director: Planning and Human Settlements Date	COMMENTS: _____ _____
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Director: Technical & Infrastructure Date	COMMENTS: _____ _____
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Director: Community Development Date	COMMENTS: _____ _____
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Director: Public Safety Date	COMMENTS: _____ _____
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Director: Local Economic Development Date	COMMENTS: _____ _____
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<u>[Signature]</u> <u>25/10/2023</u> Municipal Manager Date	COMMENTS: _____ _____
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DEPUTY DIRECTOR: CORPORATE SERVICES
DATE

ALL MANAGERS: Ensure that your report contains comments of relevant Departments implied in your report for inclusion in the agenda, failing which same report will be excluded from the agenda.

QUARTELY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2023

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): QUARTERLY FINANCIAL REPORT FOR THE PERION 31 JULY 2023 – 30 SEPTEMBER 2023

1. PURPOSE

To comply with section 52(d) of the MFMA, by the provision of a statement to the Executive Mayor containing certain financial particulars, as legislated.

2. BACKGROUND

Section 52(d) of the MFMA requires that:

The Mayor of a Municipality must within **30 days** after the end of each quarter submit a report to the **Council** on the implementation of the budget and the financial state of affairs.

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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 1st QUARTER ENDED ON 30 SEPTEMBER 2023

1.1 Performance summary

Table 1: Performance summary

Summary statement of Financial Performance					
Description	YTD Budget 2023/24	1st Quarter Actuals 2023/24	YTD Actual 2023/24	Variance Favourable (Unfavourable)	Variance %
Total Revenue by Source	1,053,638,748	1,113,546,911	1,113,546,911	59,908,163	6%
Total Operating Expenditure	1,071,929,184	613,697,012	613,697,012	(458,232,172)	-43%
SURPLUS/ (DEFICIT).	(18,290,436)	499,849.899	499,849,899	(518,140,335)	

Revenue

The revenue for the Quarter ending 30 September 2023 amounts to R1, 114 billion and reflects a favourable outcome of 6% when compared with the year-to date budget of R1, 053 billion.

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

- Transfers received in the First Quarter from the following Grants:
 - Equitable Share: R250 million
 - INEP: R1 million
 - NDPG: R10 million
 - WSIG: R20 million
 - EEDSM: R1 million
 - FMG: R3,1 million
 - MIG: R30,3 million
 - Library Grant: R950 000
 - EPWP: R878 000

- Interest earned on debtors, due to the huge debtors balance, which currently amounts to R8, 3 billion.

When assessing performance on service charges and property rates, there is an unfavourable deviation of 6% when the year to date actual billed on service charges is compared with the year to date on budget. This indicates that the municipality has started on a negative note when considering the projected or budgeted billed revenue. The negative deviation on service charges can be attributed to the following:

- 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

The revenue billed is expected to increase as the municipality is enforcing the revenue enhancement strategies and debt collection methods. The detailed reasons for the variances are outlined on table 18.

Expenditure

The operating expenditure for the first quarter ended on 30 September 2023 amounts to R614 million and reflects a negative deviation of 43% when compared with the year to date budget amount of R1, 072 billion. The negative deviation is because of cash flow challenges. Spending on most of the items is directly linked with cash flow. If there is improvement on cash flow, then spending will also increase. The detailed reasons for the variances are outlined on table 18.

Cash management

Bank Balances	R 14,460,303
Call Investments	R 109,957,471
Cash and Cash Investments	R 124,417,774

Investment Portfolio: 30 September 2023

City of Matlosana

INSTITUTION	INTEREST RATE	SEPTEMBER 2023	EXPLANATION
Call Investment			
ABSA: 3854	3,73%	24 232 125,21	WSIG
ABSA: 5047	4,70%	8 554 734,04	INEP
ABSA: 6177	6,75%	28 418 451,79	MIG
ABSA: 2264	4,70%	86 001,08	own (Eskom)
ABSA: 4682	6,65%	8 708 042,95	NDPG
ABSA: 4063	1,55%	3 747 329,38	EEDSM
ABSA: 1223	6,75%	4 271 254,06	Auction
ABSA: 5203		64 282,59	own (Salaries)
INVESTEC	3,30%	7 862 775,25	own
FNB		24 012 474,61	COVID
TOTAL Call Investment		109 957 470,96	

Note: The R102 million Call investment is ring-fenced for Conditional Grant.

Collection Rate & Outstanding Debtors

Total Outstanding Debtors	R 8,298,666,256
Debtors: Government	R 101,576,742
Debtors: Business	R 649,775,988
Debtors: Household	R 7,547,313,526

Note: The detailed Debtors Age analysis is outlined on Table 12. The collection rate for the month ending 30 September 2023 is 86.62%.

Creditors

Total Outstanding Creditors	R 3,435,590,923
ESKOM	R 1,904,878,310
Midvaal	R 1,438,365,303
Trade Creditors	R 90,519,067
Auditor General	R 1,827,243

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

Capital Grants Expenditure

CAPITAL GRANT EXPENDITURE	BUDGET 2023/24	1st Quarter Expenditure	YTD ACTUALS Incl VAT	YTD BUDGET	YTD % Incl VAT
MIG	109 945 401	1 650 840	1 650 840	18 324 234	1,50
NDPG	31 162 000	1 510 662	1 510 662	5 193 667	4,85
INEP	1 732 000	-	-	288 667	-
WSIG	48 630 000	1 541 416	1 541 416	8 105 000	3,17
TOTAL	191 469 401	4 702 918	4 702 918	31 911 567	2,46

Note: The total Capital grants budget amounts to R 191, 5 million. The total expenditure for first quarter ending 30 September 2023 amounts to R4, 7 million representing 2.5% of the total Capital Grants budget. Capital Grants spending is relatively low as compared to the 25% of the Year to date budget. The detailed reasons for underspending are outlined below Table 7.

2. IN – YEAR BUDGET STATEMENT MAIN TABLE

2.1 Quarterly Report summary

Table 2 C1: The table below provides a high- level summary of the Municipal's financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis.

NW403 City Of Matlosana - Table C1 Monthly Budget Statement Summary - M03 September

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	456 397	561 076	561 076	37 396	167 177	140 269	26 908	19%	561 076
Service charges	1 246 608	2 205 667	2 205 667	178 625	615 454	576 417	(59 063)	-10%	2 205 667
Investment revenue	15 402	-	-	-	-	-	-	-	-
Transfers and subsidies	15 492	9 751	9 751	1 084	2 146	2 440	(264)	-12%	9 751
Other own revenue	1 308 912	1 338 052	1 338 052	59 265	427 132	334 513	92 619	28%	-
	3 746 722	4 214 556	4 214 556	276 379	1 112 909	1 053 639	59 271	6%	2 876 504
Total Revenue (excluding capital transfers and contributions)									
Employee costs	686 837	735 821	735 821	60 308	181 354	166 456	(15 062)	-8%	735 821
Remuneration of Councillors	36 912	41 585	41 585	2 921	8 902	10 397	(1 495)	-3%	41 585
Depreciation & asset impairment	382 953	440 000	440 000	34 826	94 826	110 000	(15 174)	-4%	440 000
Interest	237 534	10 711	10 711	76	76	241	(241)	-43%	10 711
Inventory consumed and bulk purchases	1 430 478	1 645 412	1 645 412	99 517	200 051	411 353	(211 303)	-13%	1 645 412
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	1 930 598	1 364 177	1 364 177	41 657	128 284	341 045	(212 761)	-62%	1 364 177
Total Expenditure	4 715 312	4 287 708	4 287 708	299 305	613 697	1 071 929	(458 232)	-43%	4 287 708
Surplus/(Deficit)	(968 590)	(73 152)	(73 152)	(22 925)	499 212	(18 290)	517 503	-282%	(1 411 204)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	107 437	191 459	191 459	637	637	-	637	#DIV/0!	191 459
Transfers and subsidies - capital (monetary allocations) (National / Provincial / Departmental Agencies, Households, Non-profit institutions)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(862 153)	118 317	118 317	(22 288)	499 850	(18 290)	518 140	-283%	(1 219 735)
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(862 153)	118 317	118 317	(22 288)	499 850	(18 290)	518 140	-283%	(1 219 735)
Capital expenditure & funds sources									
Capital expenditure	152 541	217 038	230 651	14 121	82 935	209 842	(126 908)	-60%	230 651
Capital transfers recognised	77 727	191 459	191 459	2 482	4 039	47 367	(43 778)	-91%	191 459
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	6 225	40 000	40 000	-	8	10 000	(9 992)	-100%	40 000
Total sources of capital funds	83 952	231 469	231 469	2 482	4 098	57 867	(53 770)	-93%	231 469
Financial position									
Total current assets	1 928 247	487 454	487 454	-	2 828 252	-	-	-	487 454
Total non-current assets	5 453 531	4 119 658	4 119 658	-	5 352 303	-	-	-	4 119 658
Total current liabilities	4 578 933	230 387	230 387	-	5 291 272	-	-	-	230 387
Total non-current liabilities	26 576	81 274	81 274	-	23 663	-	-	-	81 274
Community wealth/Equity	3 963 559	4 177 134	4 177 134	-	2 879 570	-	-	-	4 177 134
Cash flows									
Net cash from/(used) operating	1 691 423	218 461	218 461	140 221	1 136 172	54 614	(1 081 557)	-1980%	218 461
Net cash from/(used) investing	(83 952)	(231 437)	(231 459)	(2 482)	(4 098)	(57 859)	(53 762)	93%	(231 437)
Net cash from/(used) financing	-	(2 300)	(4 600)	385	(348)	(575)	373	-65%	(2 300)
Cash/cash equivalents at the month/year end	1 832 393	197 724	195 192	-	1 235 898	209 180	(1 026 718)	-491%	89 498
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	300 763	199 375	191 428	7 607 100	-	-	-	-	8 298 666
Creditors Age Analysis									
Total Creditors	301 370	233 200	263 085	2 650 938	-	-	-	-	3 435 593

2.2 Quarterly Report – Financial Performance (Revenue by source)

Actual operating revenue per revenue source

The actual operating revenue per department is set out in Table 3 below. From table 1 it is clear that year to date actual operating revenue amounts to R1,114 billion and compares favourably with the pro rata budgeted figure of R1,054 billion a positive variance of R59,9 million for the quarter ending 30 September 2023.

TABLE 3: ACTUAL REVENUE PER SOURCE FOR SEPTEMBER 2023

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	1st Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		876 124	1 100 940	1 100 940	258 664	258 664	275 235	(16 571)	-6%	1 100 940
Service charges - Water		736 820	787 552	787 552	170 718	170 718	196 888	(26 170)	-13%	787 552
Service charges - Waste Water Management		141 373	162 319	162 319	36 694	36 694	40 580	(3 886)	-10%	162 319
Service charges - Waste management		195 291	254 856	254 856	50 379	50 379	63 714	(13 335)	-21%	254 856
Sale of Goods and Rendering of Services		6 086	8 971	8 971	1 880	1 880	2 243	(363)	-16%	8 971
Agency services		-	-	-	-	-	-	-		-
Interest		-	-	-	-	-	-	-		-
Interest earned from Receivables		550 656	558 181	558 181	148 874	148 874	139 545	9 329	7%	558 181
Interest from Current and Non Current Assets		15 402	9 761	9 761	2 146	2 146	2 440			9 761
Dividends		-	-	-	-	-	-	-		-
Rent on Land		-	-	-	-	-	-	-		-
Rental from Fixed Assets		106 775	9 300	9 300	2 249	2 249	2 325	(76)	-3%	9 300
Licence and permits		7 528	8 909	8 909	1 966	1 966	2 227	(261)	-12%	8 909
Operational Revenue		49 986	77 620	77 620	9 728	9 728	19 405	(9 677)	-50%	77 620
Non-Exchange Revenue										
Property rates		456 397	561 076	561 076	167 177	167 177	140 269	26 908	19%	561 076
Surcharges and Taxes		14	241	241	-	-	60	(60)		241
Fines, penalties and forfeits		8 377	3 104	3 104	612	612	776	(164)		3 104
Licence and permits		261	50	50	-	-	12	(12)		50
Transfers and subsidies - Operational		559 520	616 921	616 921	250 629	250 629	154 230	96 399		616 921
Interest		50 406	54 756	54 756	11 194	11 194	13 689	(2 495)		54 756
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue		-	-	-	-	-	-	-		-
Gains on disposal of Assets		(16 572)	-	-	-	-	-	-		-
Other Gains		1 276	-	-	-	-	-	-		-
Discontinued Operations		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		3 745 722	4 214 556	4 214 556	1 112 909	1 112 909	1 053 639	59 271	6%	4 214 556
Transfers and subsidies - capital (monetary allocations)		107 437	191 469	191 469	637	637	-	637	#DIV/0!	191 469
Total Revenue (including capital transfers and contributions)		3 853 158	4 406 025	4 406 025	1 113 547	1 113 547	1 053 639	59 908	#DIV/0!	4 406 025

The YTD variance on revenue is mainly due to the following items:

- **Property Rates 19% more:** Property rates have realised more revenue due to the rates that have been raised for the full year in respect to Government Departments and the Farms who pay their accounts annually. The amount is raised in full during July month as opposed to monthly instalments. The variance is expected to stabilise as the year progresses.
- **Service charges – Electricity revenue 6% less:** Less revenue billed on electricity than initially anticipated. The reduction on this line item can be attributed to the current implementation of load shedding by ESKOM and the acceleration of customers converting to solar. The municipality is also enforcing the measures to reduce illegal connections and ensure that all properties consuming electricity are billed.
- **Service charges – Refuse revenue 21% less:** Revenue was less than projected
- **Service charges – Sanitation revenue 10% less:** Revenue was less than projected
- **Service charges – Water revenue 13% less:** Revenue was less than projected
- **Interest earned from Current & Non–Current Assets 12% less:** Most of the interest earned is realised at the end of financial year.
- **Interest earned from receivables 5% more:** The variance is as a result of the debtors' book that is increasing due to non-payment of debtors. The increase in the debtors result in an increase interest charges.
- **Fines 21% less:** The budgeted amount consists of numerous items (e.g. traffic fines, court fines, illegal connection, etc.) in this instance under performance was mostly on non-collection of traffic fines. Currently the department is busy conducting roadblocks around KOSH area every week, hopefully there will be an increase in traffic fines collection rate in the next coming months.
- **License and Permits 12% less:** 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 46% less:** 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 July to September journals for Commission: Transaction Handling Fees were not done due to the delay in the issuing of the vote number for the new financial year. The transactions for the previous months will appear in the October report.

TABLE 4: ACTUAL REVENUE PER REVENUE DEPARTMENT FOR THE PERIOD ENDING 30 SEPTEMBER 2023

NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - July-September 1st QUARTER

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	1st QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1 188 283	1 360 784	1 360 784	464 988	464 988	340 196	124 792	37%	1 360 784
Executive and council		(13 807)	2 661	2 661	571	571	665	(94)	-14%	2 661
Finance and administration		1 202 091	1 358 123	1 358 123	464 417	464 417	339 531	124 887	37%	1 358 123
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		143 887	79 168	79 168	5 078	5 078	19 792	(14 714)	-74%	79 168
Community and social services		101 091	4 679	4 679	520	520	1 170	(650)	-56%	4 679
Sport and recreation		3 783	7 710	7 710	(62)	(62)	1 928	(1 989)	-103%	7 710
Public safety		31 482	31 778	31 778	3 272	3 272	7 944	(4 672)	-59%	31 778
Housing		7 531	35 000	35 000	1 348	1 348	8 750	(7 402)	-85%	35 000
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		40 705	59 719	59 719	2 200	2 200	14 930	(12 730)	-85%	59 719
Planning and development		9 987	11 846	11 846	2 117	2 117	2 961	(844)	-29%	11 846
Road transport		30 536	47 652	47 652	28	28	11 913	(11 885)	-100%	47 652
Environmental protection		182	221	221	55	55	55	(0)	0%	221
<i>Trading services</i>		2 451 963	2 883 407	2 883 407	632 779	632 779	720 852	(88 072)	-12%	2 883 407
Energy sources		964 401	1 167 557	1 167 557	272 867	272 867	291 889	(19 022)	-7%	1 167 557
Water management		986 051	1 048 742	1 048 742	236 604	236 604	262 186	(25 581)	-10%	1 048 742
Waste water management		155 436	242 313	242 313	37 644	37 644	60 578	(22 934)	-38%	242 313
Waste management		346 074	424 794	424 794	85 664	85 664	106 199	(20 535)	-19%	424 794
<i>Other</i>	4	28 320	22 947	22 947	8 501	8 501	5 737	2 765	48%	22 947
Total Revenue - Functional	2	3 853 158	4 406 025	4 406 025	1 113 547	1 113 547	1 101 506	12 041	1%	4 406 025

2.3 Quarterly Report – Financial Performance (Expenditure per category)

1. Actual operating expenditure per category

The actual operating expenditure per vote is set out in Table 5 below. Year to date actual operating expenditure of R 614 million compares unfavourably with the pro rata budgeted expenditure of R 1,072 billion a variance of R458 million

TABLE 5: ACTUAL OPERATIONAL EXPENDITURE PER CATEGORY FOR THE PERIOD ENDING 30 SEPTEMBER 2023

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	1st Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		696 837	785 821	785 821	181 394	181 394	196 456	(15 062)	-8%	785 821
Remuneration of councillors		36 912	41 586	41 586	8 902	8 902	10 397	(1 495)	-14%	41 586
Bulk purchases - electricity		848 230	1 109 287	1 109 287	133 891	133 891	277 322	(143 431)		1 109 287
Inventory consumed		582 248	536 125	536 125	66 160	66 160	134 032	(67 872)		536 125
Debt impairment		3 750	579 349	579 349	-	-	144 837	(144 837)	-100%	579 349
Depreciation and amortisation		382 953	440 000	440 000	94 826	94 826	110 000	(15 174)	-14%	440 000
Interest		237 534	10 711	10 711	241	241	2 678	(2 437)	-91%	10 711
Contracted services		249 463	465 092	465 092	62 317	62 317	116 273	(53 956)	-46%	465 092
Transfers and subsidies										
Irrecoverable debts written off		1 364 107	-	-	63	63	-	63		-
Operational costs		312 936	319 737	319 737	65 903	65 903	79 935	(14 031)	-18%	319 737
Losses on Disposal of Assets		-	-	-	-	-	-	-		-
Other Losses		342	-	-	-	-	-	-		-
Total Expenditure		4 715 312	4 287 708	4 287 708	613 697	613 697	1 071 929	(458 232)	-43%	4 287 708

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

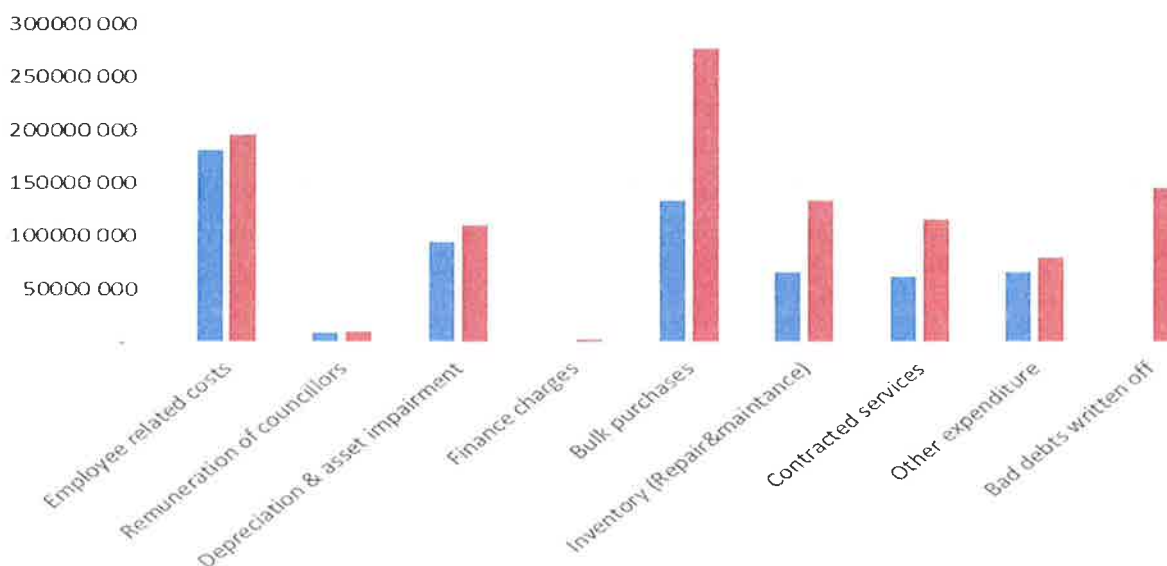
- **Remuneration of Councillors 15% less:** Expenditure is lower due to the resignations of other Councillors and Councillors upper limits for the current financial year, which have not yet been implemented.
- **Interest 91% less:** The underspending is mainly on interest paid on overdue accounts, most of the journals for interest paid on overdue accounts are done at the end of the financial year.
- **Bulk Purchases 70% less:** Expenditure is lower due to the outstanding Eskom invoices; it is difficult for the Municipality to meet the obligation due to the low collection rate.
- **Inventory consumed 51% less:** Inventory consumed includes Bulk Water, expenditure is lower due to the outstanding Midvaal invoices, the Municipality is struggling to meet the obligation due to cash flow challenges.
- **Contracted services 46% less:** Mainly on Security service, repair and maintenance of fleet, repair and maintenance of buildings and equipment and Asset Register administration. Under performance is due to cash flow challenges.
- **Irrecoverable debts written off 100% less:** Most of the Debt Impairment journals are done at the end of financial year.
- **Other Expenditure 18% less:** The negative deviation is because of cash flow challenges. Spending on most of the items is directly linked with cash flow. If there is improvement on cash flow, then spending will also increase.

TABLE 6: ACTUAL OPERATIONAL EXPENDITURE PER VOTE FOR THE PERIOD ENDING 30 SEPTEMBER 2023

NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - July-September 1st QUARTER

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	1st QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Expenditure - Functional										
Governance and administration		868 402	772 965	772 965	136 311	136 311	193 242	(56 931)	-29%	772 965
Executive and council		556 627	423 830	423 830	96 953	96 953	105 958	(9 005)	-8%	423 830
Finance and administration		305 539	342 814	342 814	37 773	37 773	85 704	(47 931)	-56%	342 814
Internal audit		6 237	6 321	6 321	1 585	1 585	1 580	5	0%	6 321
Community and public safety		350 482	434 325	434 325	77 927	77 927	108 582	(30 654)	-28%	434 325
Community and social services		58 296	128 419	128 419	18 890	18 890	32 105	(13 215)	-41%	128 419
Sport and recreation		134 837	114 464	114 464	22 085	22 085	28 616	(6 531)	-23%	114 464
Public safety		140 762	171 880	171 880	34 094	34 094	42 970	(8 876)	-21%	171 880
Housing		16 555	19 390	19 390	2 849	2 849	4 848	(1 999)	-41%	19 390
Health		33	171	171	9	9	43	(33)	-78%	171
Economic and environmental services		287 347	300 926	300 926	79 151	79 151	75 232	3 919	5%	300 926
Planning and development		202 030	73 429	73 429	14 100	14 100	18 357	(4 258)	-23%	73 429
Road transport		74 239	225 168	225 168	64 708	64 708	56 292	8 416	15%	225 168
Environmental protection		11 078	2 329	2 329	344	344	582	(239)	-41%	2 329
Trading services		3 179 938	2 751 769	2 751 769	316 430	316 430	687 943	(371 513)	-54%	2 751 769
Energy sources		1 686 592	1 644 880	1 645 102	198 540	198 540	411 276	(212 735)	-52%	1 645 102
Water management		987 003	666 638	666 416	48 070	48 070	166 604	(118 535)	-71%	666 416
Waste water management		227 151	240 544	240 544	39 911	39 911	60 136	(20 225)	-34%	240 544
Waste management		279 193	199 707	199 707	29 910	29 910	49 927	(20 017)	-40%	199 707
Other		29 142	27 724	27 724	3 878	3 878	6 931	(3 053)	-44%	27 724
Total Expenditure - Functional	3	4 715 312	4 287 708	4 287 708	613 697	613 697	1 071 929	(458 232)	-43%	4 287 708
Surplus/ (Deficit) for the year		(862 153)	118 317	118 317	499 850	499 850	29 577	470 273	1590%	118 317

EXPENDITURE



2.4 Actual capital expenditure per vote and funding source

The actual capital expenditure per vote is set out in Table7 below.

TABLE 7: ACTUAL CAPITAL EXPENDITURE PER VOTE FOR THE PERIOD ENDING 30 SEPTEMBER 2023

NW403 City Of Matlosana -Table C5 Monthly Budget Statement -Capital Expenditure (municipal vote, functional classification and funding) -1st QUARTER

Vote Description	Ref	2022/23			Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	1st QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		0	10 000	10 000	8	8	2 500	(2 492)	-100%	10 000
Executive and council		0	2 000	2 000	8	8	500	(492)	-98%	2 000
Finance and administration		-	8 000	8 000	-	-	2 000	(2 000)	-100%	8 000
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 950	7 800	7 800	-	-	1 950	(1 950)	-100%	7 800
Community and social services		-	800	800	-	-	200	(200)	-100%	800
Sport and recreation		2 950	7 000	7 000	-	-	1 750	(1 750)	-100%	7 000
Public safety		-	-	-	-	-	-	-	0%	-
Housing		-	-	-	-	-	-	-	0%	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		23 808	43 685	43 685	2 195	2 195	10 921	(8 726)	-80%	43 685
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		23 808	43 685	43 685	2 195	2 195	10 921	(8 726)	-80%	43 685
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		52 849	169 985	169 985	1 895	1 895	42 496	(40 602)	-96%	169 985
Energy sources		33 033	19 406	19 406	-	-	4 852	(4 852)	-100%	19 406
Water management		9 728	56 893	56 893	-	-	14 223	(14 223)	-100%	56 893
Waste water management		6 584	53 672	53 672	1 340	1 340	13 418	(12 078)	-90%	53 672
Waste management		3 504	40 014	40 014	554	554	10 004	(9 449)	-94%	40 014
<i>Other</i>		4 345	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	83 952	231 469	231 469	4 098	4 098	57 867	(53 770)	-93%	231 469

NOTE: The total capital budget amounts to R231, 5 million. The expenditure for the quarter ending 30 September 2023 amounts to R4, 1 million and reflects a negative deviation of 93% when compared with the year to date budget amount of R58million. The detailed reasons for the variances are outlined below table 8.

TABLE 8: ACTUAL CAPITAL EXPENDITURE PER FUNDING SOURCE FOR THE PERIOD ENDING 30 SEPTEMBER 2023

NW403 City Of Matlosana -Table C5 Monthly Budget Statement -Capital Expenditure (municipal vote, functional classification and funding) -1st QUARTER

Vote Description	Ref	2022/23			Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	1st QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Funded by:										
National Government		77 727	191 469	191 469	4 089	4 089	47 867	(43 778)	-91%	191 469
Provincial Government								-		
District Municipality								-		
R thousands		-	-	-	-	-	-	-		-
Transfers recognised - capital		77 727	191 469	191 469	4 089	4 089	47 867	(43 778)	-91%	191 469
Borrowing	6									
Internally generated funds		6 225	40 000	40 000	8	8	10 000	(9 992)	-100%	40 000
Total Capital Funding		83 952	231 469	231 469	4 098	4 098	57 867	(53 770)	-93%	231 469

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

NDPG

Jouberton Taxi Rank

- Council approved amount of professional fees has been depleted and it has not been possible to make any payment to the previous Consultant.
- Not enough funds to complete all the Works that the Contractor was appointed for and also pay for additional professional fees for the Construction of Jouberton Taxi Rank.
- 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.

MIG

Refurbishment of Sewer Pump Stations in KOSH

- Budget limitations in completing some of the construction scope of works due to AFA partial approval, and there is not enough budget for consultants' fees.

Extension of National Fresh Produce Market in Klerksdorp Phase2

- Poor workmanship on the main building roof and side cladding.

Refurbishment of Electrical and Mechanical Equipment in the Water Pump Stations in KOSH

- Slow progress by contractor.
- Delays in arrival of soft starters from international supplier hampering with progress.

Paving of Taxi Routes and Storm Water Drainage in Khuma (Phase 9):

- Contractor is behind programme of works due to rain delays, poor performance and partially suspension and removal of construction equipment from site from 28 February 2023.
- Delays by the households at extension 11 to relocate their household as per Surveyor's Certificate. This is delaying Eskom from relocating their infrastructure and also the Contractor to be able to start working on extension 11.
- Contractor has discovered hard rock in Skhosana Street.
- Non collection of waste because of limited access to streets due to the excavations has resulted in the community dumping their waste in open excavations.

Projects to be advertised by SCM

- Jouberton / Kanana bulk water supply
- Jouberton Alabama sewer outfall (Phase 1)

WSIG

Projects to be advertised by SCM

- Pavement sewer outfall in Khuma

Refurbishment of Jouberton Reservoir

- Poor performance by contractor resulting in Valves and bends being returned to manufacture due to incorrect flanges.
- Notice to terminate contractor and Consulted drafted and submitted to Municipal manager for review.
- Poor performance by contractor resulting in poor expenditure on the grant.

TABLE 9: FINANCIAL POSITION

NW403 City Of Matlosana - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		104 773	197 692	197 692	554 036	197 692
Trade and other receivables from exchange transactions		(878 759)	(44 544)	(44 544)	(487 436)	(44 544)
Receivables from non-exchange transactions		1 378 652	47 081	47 081	1 419 605	47 081
Current portion of non-current receivables		0	29	29	(8)	29
Inventory		52 414	55 129	55 129	56 527	55 129
VAT		1 230 782	195 040	195 040	1 247 222	195 040
Other current assets		40 384	37 026	37 026	38 304	37 026
Total current assets		1 928 247	487 454	487 454	2 828 252	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	5 634 113	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	5 362 803	4 119 658
TOTAL ASSETS		7 381 777	4 607 112	4 607 112	8 191 054	4 607 112
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Trade and other payables from exchange transactions		(622)	(2 800)	(2 800)	(622)	(2 800)
Consumer deposits		67 916	97 430	97 430	66 968	97 430
Trade and other payables from exchange transactions		3 370 254	(530 429)	(530 429)	3 540 353	(530 429)
Trade and other payables from non-exchange transactions		56 275	93 816	93 816	121 936	93 816
Provision		269 517	265 605	265 605	269 517	265 605
VAT		930 819	-	-	1 008 287	-
Other current liabilities		284 774	306 766	306 766	284 835	306 766
Total current liabilities		4 978 933	230 387	230 387	5 291 272	230 387
Non current liabilities						
Financial liabilities		26 576	81 274	81 274	23 663	81 274
Provision		-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		26 576	81 274	81 274	23 663	81 274
TOTAL LIABILITIES		5 005 509	311 661	311 661	5 314 936	311 661
NET ASSETS	2	2 376 268	4 295 451	4 295 451	2 876 118	4 295 451
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3 963 559	4 177 134	4 177 134	2 879 570	4 177 134
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	3 963 559	4 177 134	4 177 134	2 879 570	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 30 September 2023 amounts to R2, 9 billion

2.5 Quarterly Budget Statement - Cash Flow Statement (Annexure B)

TABLE 10: ACTUAL CASH FLOW FOR THE PERIOD ENDING 30 SEPTEMBER 2023

NW403 City Of Matlosana - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2022/23				Budget Year 2023/24				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		340 348	448 861	448 861	65 483	131 815	112 215	19 600	17%	448 861
Service charges		1 056 634	1 868 558	1 868 558	98 362	264 370	467 142	(212 772)	-46%	1 868 558
Other revenue		3 341 579	107 954	107 954	187 032	989 087	26 968	962 099	3555%	107 954
Transfers and Subsidies - Operational		554 939	611 134	611 134	1 950	255 554	152 783	102 771	67%	611 134
Transfers and Subsidies - Capital		150 412	197 256	197 256	-	61 374	49 314	12 060	24%	197 256
Interest		1 067	9 761	9 761	(126)	(126)	2 440	(2 567)	-105%	9 761
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(3 753 555)	(3 025 072)	(3 025 072)	(212 449)	(555 902)	(756 209)	(200 307)	-26%	(3 025 072)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 691 423	218 461	218 461	140 221	1 136 172	54 614	(1 081 561)	-1980%	218 461
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	33	-	-	-	8	(8)	-100%	33
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(83 952)	(231 469)	(231 469)	(2 482)	(4 098)	(57 867)	(53 770)	93%	(231 469)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(83 952)	(231 437)	(231 469)	(2 482)	(4 098)	(57 869)	(53 762)	93%	(231 437)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	2 500	-	385	(948)	625	(1 573)	-252%	2 500
Payments										
Repayment of borrowing		-	(4 800)	(4 800)	-	-	(1 200)	(1 200)	100%	(4 800)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(2 300)	(4 800)	385	(948)	(575)	373	-65%	(2 300)
NET INCREASE/(DECREASE) IN CASH HELD		1 607 471	(15 276)	(17 808)	138 123	1 131 126	(3 820)			(15 276)
Cash/cash equivalents at beginning		224 921	213 000	213 000	19 319	104 773	213 000			104 773
Cash/cash equivalents at month/year end		1 832 393	197 724	195 192		1 235 899	209 180			89 498

NOTE: Collection rate – The collection rate for the quarter ending 30 September 2023 is 86.62%. The cash and call Investments for the quarter ending 30 September 2023 amounts to R124,5 million which consists of the following:

- Bank balances: R14,5 million
- Call investments: R110 million

Actual income received in the 1st quarter includes the grant monies received for following grants:

- Equitable Share: R250 million
- INEP: R1 million
- NDPG: R10 million
- WSIG: R20 million
- EEDSM: R1 million
- FMG: R3,1 million

- MIG: R30,3 million
- Library Grant: R950 000
- EPWP: R878 000

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 R933 102 were made, the total borrowings outstanding as at 30 September 2023 amounts to R8, 430,229

TABLE 11: ACTUAL BORROWING FOR THE PERIOD ENDING 30 SEPTEMBER 2023

BM : EXTERNAL DEBT CREATED, REPAID OR REDEEMED AND EXPECTED BORROWING
Quarter 1)

Municipality	Year End	Quarter	Loans	Principal	Council	Interest	Balance	Debt Repaid	Principal	Balance					
Loan	Municipality	Planned	Term	Debt raised	Resolution	Loan	Loan	Type of	Timing of	% Interest	Paid	at Begin	or redeemed	Accrued	at End
Instrument	Loan	Start Date	End Date	Value	at the Inception Date	Type	Institution	interest	Interest	Rate (2 dec)	This Quarter	of Quarter	This Quarter	This Quarter	of Quarter
No	Reference No	(ccyy/mm/dd)	(ccyy/mm/dd)	(no)	(Rand)	(ccyy/mm/dd)	(max 40 chars)		payment	Per Annum	(Rand)	(Rand)	(Rand)	(Rand)	(Rand)
1				0											0
2	nw138741	2001/10/01	2019/09/30	18	10 000 000	2001/10/01	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Quarterly (03)	14.75	0	0	0	0
3	nw138742	2001/07/01	2019/09/30	18	14 998 125	2001/07/01	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Quarterly (03)	14.75	0	0	0	0
4	nw1012971	2004/07/01	2019/06/30	15	28 070 000	2004/07/01	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Quarterly (03)	11.20	0	0	0	0
5	nw1012972	2004/07/01	2019/06/30	15	37 000 000	2004/07/01	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Quarterly (03)	11.20	0	0	0	0
6	nw103677	2010/11/01	2025/11/01	15	35 269 878	2010/11/01	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Quarterly (03)	14.75	241 144	9 363 331	933 102	8 430 229
7	10906	1999/09/30	2019/09/30	20	5 587 000	1999/09/30	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Semi-annually (02)	15.25	0	0	0	0
8	10912	1999/09/30	2019/09/30	20	7 477 000	1999/09/30	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Semi-annually (02)	15.25	0	0	0	0
9	10913	1999/09/30	2019/09/30	20	5 780 000	1999/09/30	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Semi-annually (02)	15.25	0	0	0	0
10	nw13637	2000/10/01	2020/09/30	20	3 951 600	2000/10/01	LT - Long-Term Loans (07)	DBSA	Fixed (01)	Quarterly (03)	15.60	0	0	0	0
11				0							241 144	9 363 331	933 102	0	8 430 229

PART 2 SUPPORTING DOCUMENTS

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 8,298,666,256 as at 30 September 2023 compared to R 7,866,447,813 as at 30 June 2023 and has increased with R432, 218,444.

Current to 30 days debt amounted to R 300,763,379 as at 30 September 2023 and has increased with R 20,465,755 compared to R 280,297,624 as at 30 June 2023.

31 to 60 days debt decreased with R 8,455,592; 61 to 90 days increased with R 21,012,809 and 91 days and older debt as at 30 September 2023 amounted to R 7,607,099,869 and has increased with R 399,195,472 compared to R 7,207,904,397 as at 30 June 2023.

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

Debtors age analysis per debtor type

Government Debt R 101,576,742 (1.2%)

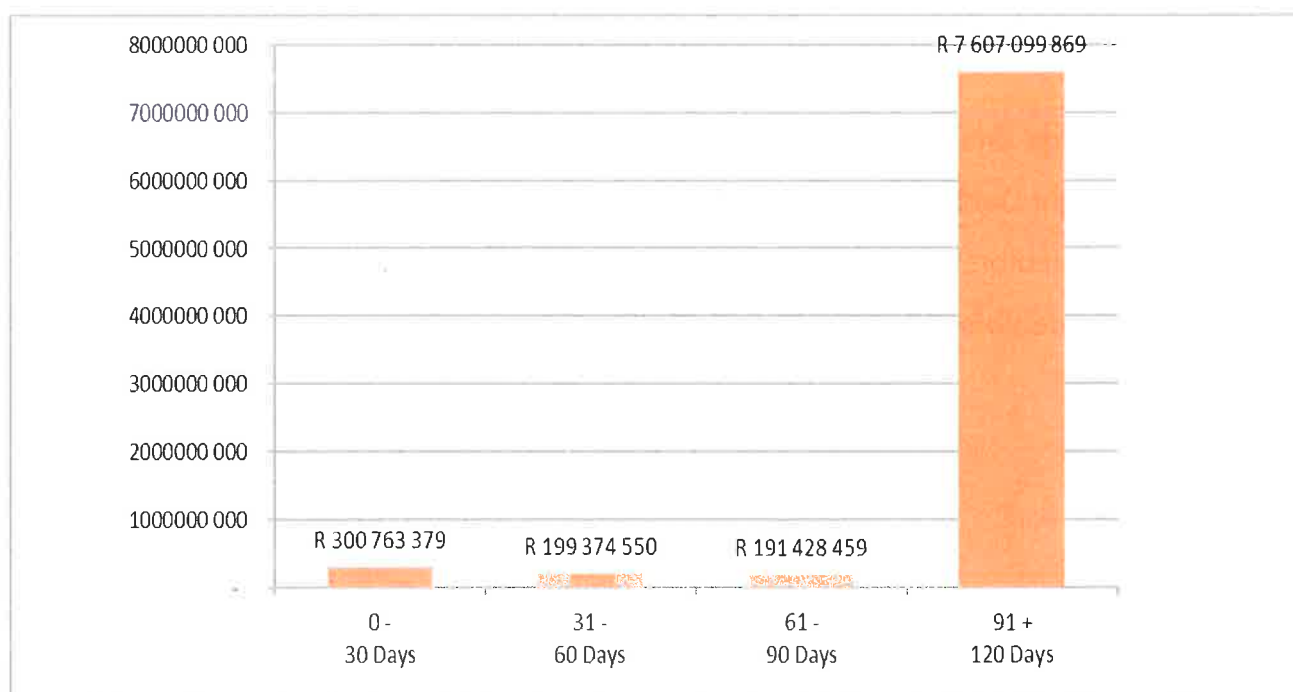
Business debtors' R 649,775,989 (7.8%)

Domestic debtors' R7, 547,313,526 (91%)

TABLE 12: OUTSTANDING DEBTORS AS AT 30 SEPTEMBER 2023

DEBTOR'S AGE ANALYSIS - 30 SEPTEMBER 2023

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total
Debtors Age Analysis By Income Source					
Water Tariffs	87 912 909	59 232 062	53 501 853	2 794 821 358	2 995 468 182
Electricity Tariffs	87 706 996	36 526 633	22 251 944	502 881 125	649 366 698
Rates (Property Rates)	33 342 437	17 002 814	37 700 730	384 336 231	472 382 212
Sewerage/ Sanitation	9 448 609	7 205 313	6 504 536	368 010 336	391 168 794
Refuse Removal Tariffs	18 160 870	14 502 955	13 835 825	740 449 274	786 948 924
Other	64 191 558	64 904 773	57 633 571	2 816 601 545	3 003 331 447
Total By Income Source	300 763 379	199 374 550	191 428 459	7 607 099 869	8 298 666 257
Debtors Age Analysis By Customer Group					
Government	10 540 290	9 243 301	18 280 282	63 512 869	101 576 742
Business	75 537 356	28 134 099	21 610 791	524 493 743	649 775 989
Households	214 685 733	161 997 150	151 537 386	7 019 093 257	7 547 313 526
Other					-
Total By Customer Group	300 763 379	199 374 550	191 428 459	7 607 099 869	8 298 666 257



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

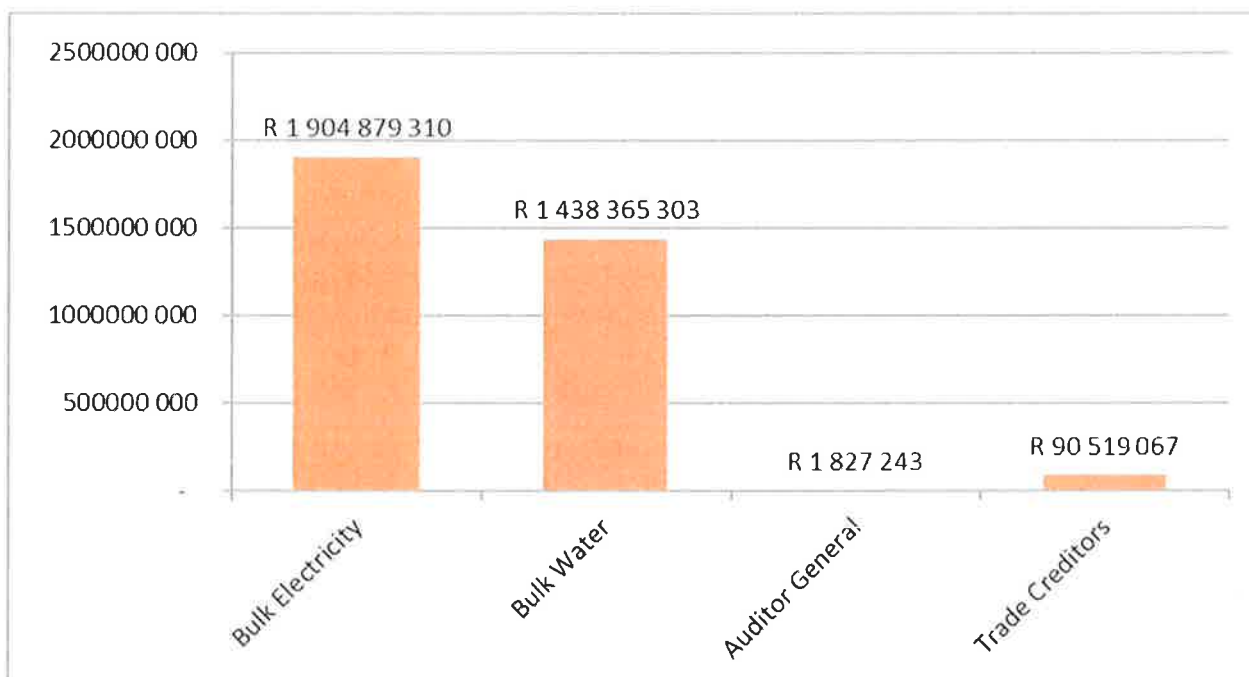
3.2 Creditors age analysis

The municipality's total outstanding creditors amounted to R 3,436 billion as at 30 September 2023 compared with the R 3,211 billion as at 30 June 2023 and increased with R 224,9 million

An amount of R93 million and R222, 2 million was paid to **Midvaal** and **Eskom** respectively in the first quarter ending 30 September 2023.

TABLE 13: CREDITOR'S AGE ANALYSIS AS AT 30 SEPTEMBER 2023

CREDITORS AGE ANALYSIS - 30 SEPTEMBER 2023						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days/Arreas	Total
Bulk Electricity	168 181 580	164 035 359	141 747 314	1 430 915 057		1 904 879 310
Bulk Water	121 515 320	61 280 059	54 514 368	1 201 055 556		1 438 365 303
Auditor General	1 781 103	3 002	2 942	40 196		1 827 243
Trade Creditors	9 892 340	7 881 178	53 820 683	18 924 866		90 519 067
Total	301 370 343	233 199 598	250 085 307	2 650 935 675		3 435 590 923



Note: According to the above information, the Municipality's highest outstanding creditor is **ESKOM** with the total outstanding amount of R1, 905 billion followed by **Midvaal** with the total outstanding amount of R1, 438 billion

3.3 Investment

Surplus cash is invested on a daily basis depending on the commitment of funds. The municipality's investments as at 30 September 2023 is as set out in Table 14 below.

TABLE 14: INVESTMENTS AS AT 30 SEPTEMBER 2023

: INVESTMENT MONITORING

Save File as : Munode_M_ccyy_Qn.XLS (e.g.: GT421_IM_2014_Q1)

Change Year End (ccyy) to Financial Year End (e.g.: 2014 for year 2013/2014) and Quarter (Qn) to Quarter End (e.g.: Q1 for Quarter 1)

Change Muncode to your own municipal code (e.g.: GT421)

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Municipality	Year End	Quarter	Investments																					
NW403	2024	Q1 July-Sept	Yes																					
				Accrued	Balance	Partial/Premature		Investment	Balance															
				Interest	at Begin	Withdrawals	Top Up	at End																
				Rate (2 dec)	This Quarter	This Quarter	This Quarter	This Quarter	of Quarter															
				Per Annum	(Rand)	(Rand)	(Rand)	(Rand)	(Rand)															
No	Reference No	(ccyy/mm/dd)	(ccyy/mm/dd)	(no)	Yes/No	Investment	Institution	Timing of Interest	% Interest	Interest	at Begin	Withdrawals	Top Up	at End										
Investment	Investment	Start Date	End Date	Value	Capital Guarantee	Committed	Type	Interest	Rate (2 dec)	This Quarter	This Quarter	This Quarter	This Quarter	of Quarter										
No	Reference No	(ccyy/mm/dd)	(ccyy/mm/dd)	(no)	Yes/No	Committed	Type	(max 40 chars)	Per Annum	(Rand)	(Rand)	(Rand)	(Rand)	(Rand)										
1	4073033854	2019/07/01	2024/06/30	5	Yes	Legally Committed (Deposits - Bank (03)	ABSA	Monthly (04)	4,15	85 108	9 528 574	-5 429 843	20 048 286	24 232 125										
2	9058829047	2019/07/01	2024/06/30	5	Yes	Legally Committed (Deposits - Bank (03)	ABSA	Monthly (04)	7,05	49 571	7 692 752	-234 619	1 047 030	8 554 734										
3	4078286177	2019/07/01	2024/06/30	5	Yes	Legally Committed (Deposits - Bank (03)	ABSA	Monthly (04)	8,00	192 199	184 280	-2 382 275	30 424 248	28 418 452										
4	9090072284	2019/07/01	2024/06/30	5	Yes	Not Committed (03) Deposits - Bank (03)	ABSA	Monthly (04)	7,03		1 034	-270 127 109	270 212 076	86 001										
5	9074204063	2019/07/01	2024/06/30	5	Yes	Legally Committed (Deposits - Bank (03)	ABSA	Monthly (04)	7,05		2 699 082		1 048 247	3 747 329										
6	14000674525	2019/07/01	2024/06/30	5	Yes	Not Committed (03) Deposits - Bank (03)	INVESTEC	Monthly (04)	8,10	52 001	7 704 406		106 368	7 862 775										
7	040644725X0	2014/12/01	2023/12/01	9	Yes	Not Committed (03) Deposits - Public Investment Commissioners (04)	SANLAM	Annually (01)			11 337 609			11 337 609										
8	040710408X0	2014/08/01	2024/08/01	10	Yes	Not Committed (03) Deposits - Public Investment Commissioners (04)	SANLAM	Annually (01)			756 775			756 775										
9	37881151374	2019/06/11	2024/06/30	5	Yes	Legally Committed (Deposits - Bank (03)	NEDBANK	Monthly (04)			0			0										
10	71037411689	2015/04/20	2024/06/30	9	Yes	Self Imposed Commi Deposits - Bank (03)	FNB	Annually (01)			57 003			57 003										
11	70379020873	2015/11/22	2024/06/30	9	Yes	Self Imposed Commi Deposits - Bank (03)	FNB	Quarterly (03)			14 000			14 000										
12	4086111223	2019/07/01	2024/06/30	5	Yes	Self Imposed Commi Deposits - Bank (03)	ABSA	Monthly (04)	8,00	35 401	5 389 952	-1 192 191	38 092	4 271 254										
13	4081484682	2019/07/01	2024/06/30	5	Yes	Legally Committed (Deposits - Bank (03)	ABSA	Monthly (04)	7,90	52 321	43 764	-1 410 934	10 022 892	8 708 043										
14	62879341700	2020/12/10	2024/06/30	4	Yes	Legally Committed (Deposits - Bank (03)	FNB	Monthly (04)	8,10	158 807	23 529 053		324 614	24 012 474										
15	9377066203	2023/02/15	2024/06/30	1	Yes	Self Imposed Commi Deposits - Bank (03)	ABSA	Monthly (04)	8,09	213 241	17 807 666	-297 449 000	279 492 175	64 282										
16				0						838 649	86 746 150	-578 225 971	612 764 028	122 122 856										

Note: The municipality started the beginning of the Quarter with total investments of R86,7 million and after investment made of R612,8 million and withdrawals of R578,2 million closed with an investment balance of R122, 1 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 - 1st Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	1st Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		558 483	615 503	615 503	250 629	250 629	153 876	96 754	62,9%	615 503
Energy Efficiency and Demand Side Management Grant		2 997	4 000	4 000	-	-	1 000	(1 000)	-100,0%	4 000
Equitable Share		545 270	599 104	599 104	249 626	249 626	149 776	99 850	66,7%	599 104
Expanded Public Works Programme Integrated Grant		2 181	3 512	3 512	-	-	878	(878)	-100,0%	3 512
Local Government Financial Management Grant		3 007	3 100	3 100	123	123	775	(652)	-84,1%	3 100
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	5 028	5 787	5 787	880	880	1 447	(566)	-39,1%	5 787
Other transfers and grants [insert description]										
Provincial Government:		1 037	1 418	1 418	-	-	354	(354)	-100,0%	1 418
Capacity Building and Other Grants		1 037	1 418	1 418	-	-	354	(354)	-100,0%	1 418
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	559 520	616 921	616 921	250 629	250 629	154 230	96 399	62,5%	616 921
Capital Transfers and Grants										
National Government:		107 437	191 469	191 469	637	637	47 867	(47 230)	-98,7%	191 469
Integrated National Electrification Programme Grant		24 633	1 732	1 732	-	-	433	(433)	-100,0%	1 732
Municipal Infrastructure Grant		62 977	109 945	109 945	637	637	27 486	(26 849)	-97,7%	109 945
Neighbourhood Development Partnership Grant		12 921	31 162	31 162	-	-	7 790	(7 790)	-100,0%	31 162
Water Services Infrastructure Grant		6 905	48 630	48 630	-	-	12 158	(12 158)	-100,0%	48 630
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Developers Contribution		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	107 437	191 469	191 469	637	637	47 867	(47 230)	-98,7%	191 469
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	666 957	808 390	808 390	251 267	251 267	202 097	49 169	24,3%	808 390

Note: The table reflect the YTD actual revenue amounts to R251 million, against the YTD budget of R202 million as at 30 September 2023. Revenue on Grants can only be recognized when conditions are met.

TABLE 16: TRANSFER AND GRANT EXPENDITURE

NW403 City Of Matlosana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - 1st Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	1st QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		98 226	109 706	109 706	37 119	37 119	27 427	9 693	35,3%	109 706
Energy Efficiency and Demand Side Management Grant		3 186	4 000	4 000	(108)	(108)	1 000	(1 108)	-110,8%	4 000
Equitable Share		77 894	93 855	93 855	35 727	35 727	23 464	12 264	52,3%	93 855
Expanded Public Works Programme Integrated Grant		1 982	3 512	3 512	-	-	878	(878)	-100,0%	3 512
Local Government Financial Management Grant		9 910	3 100	3 100	171	171	775	(604)	-77,9%	3 100
Municipal Disaster Relief Grant		141	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		5 113	5 239	5 239	1 329	1 329	1 310	19	1,4%	5 239
Provincial Government:		1 374	3 308	3 308	443	443	827	(384)	-46,5%	3 308
Capacity Building and Other Grants		1 374	3 308	3 308	443	443	827	(384)	-46,5%	3 308
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		99 600	113 014	113 014	37 562	37 562	28 254	9 308	32,9%	113 014
Capital expenditure of Transfers and Grants										
National Government:		77 727	191 469	191 469	4 089	4 089	47 867	(43 778)	-91,5%	191 469
Integrated National Electrification Programme Grant		23 032	1 732	1 732	-	-	433	(433)	-100,0%	1 732
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		37 455	109 945	109 945	1 436	1 436	27 486	(26 051)	-94,8%	109 945
Neighbourhood Development Partnership Grant		11 236	31 162	31 162	1 314	1 314	7 791	(6 477)	-83,1%	31 162
Water Services Infrastructure Grant		6 004	48 630	48 630	1 340	1 340	12 158	(10 817)	-89,0%	48 630
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Developers Contribution		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		77 727	191 469	191 469	4 089	4 089	47 867	(43 778)	-91,5%	191 469
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		177 327	304 483	304 483	41 651	41 651	76 121	(34 470)	-45,3%	304 483

Note: The table reflect the YTD actual expenditure incurred amounting to R41, 6 million, against the YTD budget of R76,1 million as at 30 September 2023.

TABLE: 17

3.5 Council and Employee benefits

NW403 City Of Matlosana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - 1st QUARTER September

Summary of Employee and Councillor remuneration	Ref	2022/23			Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	1st QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		23 751	25 884	25 884	5 663	5 663	6 471	(808)	-12%	25 884
Pension and UIF Contributions		1 782	2 368	2 368	435	435	592	(157)	-26%	2 368
Medical Aid Contributions		-	19	19	-	-	5	(5)	-100%	19
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 867	3 013	3 013	772	772	753	19	2%	3 013
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		8 511	10 303	10 303	2 033	2 033	2 576	(543)	-21%	10 303
Sub Total - Councillors		36 912	41 586	41 586	8 902	8 902	10 397	(1 495)	-14%	41 586
% increase	4		12,7%	12,7%						12,7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 914	11 387	11 387	(961)	(961)	2 847	(3 807)	-134%	11 387
Pension and UIF Contributions		5	17	17	1	1	4	(3)	-79%	17
Medical Aid Contributions		33	53	53	-	-	13	(13)	-100%	53
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		192	1 438	1 438	-	-	359	(359)	-100%	1 438
Cellphone Allowance		-	222	222	-	-	56	(56)	-100%	222
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	8	8	17	17	2	15	713%	8
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post-related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2 144	13 124	13 124	(943)	(943)	3 281	(4 224)	-129%	13 124
% increase	4		512,2%	512,2%						512,2%
Other Municipal Staff										
Basic Salaries and Wages		439 677	486 850	486 850	116 036	116 036	121 713	(5 677)	-5%	486 850
Pension and UIF Contributions		89 792	103 620	103 620	23 529	23 529	25 905	(2 376)	-9%	103 620
Medical Aid Contributions		39 568	46 423	46 423	10 276	10 276	11 606	(1 330)	-11%	46 423
Overtime		69 475	30 224	30 224	18 011	18 011	7 556	10 455	138%	30 224
Performance Bonus		33 962	40 102	40 102	6 121	6 121	10 026	(3 905)	-39%	40 102
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		1 450	1 486	1 486	461	461	372	90	24%	1 486
Housing Allowances		6 312	8 525	8 525	1 568	1 568	2 131	(563)	-26%	8 525
Other benefits and allowances		18 977	40 503	41 103	4 409	4 409	10 276	(5 867)	-57%	41 103
Payments in lieu of leave		16 297	14 964	14 364	1 924	1 924	3 591	(1 667)	-46%	14 364
Long service awards		(1 095)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	(19 722)	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post-related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		694 693	772 697	772 697	182 336	182 336	193 175	(10 839)	-6%	772 697
% increase	4		11,2%	11,2%						11,2%
Total Parent Municipality		733 749	827 408	827 408	190 296	190 296	206 853	(16 557)	-8%	827 408

NOTE: The Employee related cost for the quarter ending 30 September 2023 amounts to R182 million and Council Remuneration amounts to R 9 million.

TABLE: 18 MATERIAL VARIANCES

NW403 City of Matlosana - Supporting Table SC1 Material variance explanations – 1 st QUARTER					
Ref	Description	Variance	%	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands				
1	Revenue By Source				
	Property Rates	26,908,435	19%	Property rates have realised more revenue due to the rates that have been raised for the full year in respect to Government Departments and the Farms who pay their accounts annually. The amount is raised in full during July month as opposed to monthly instalments.	The variance is expected to stabilise as the year progresses
	Service Charges: Electricity	(16,571,366)	-6%	Less revenue billed on electricity than initially anticipated. The reduction on this line item can be attributed to the current implementation of load shedding by ESKOM and the acceleration of customers converting to solar.	The municipality has to enforce measures to reduce illegal connections and ensure that all properties consuming Electricity are billed.
	Service Charges: Refuse	(13,335,171)	-21%	Revenue was less than projected	
	Service Charges: Water	(26,170,354)	-13%	Revenue was less than projected	
	Service Charges: Sanitation	(3,885,997)	-10%	Revenue was less than projected	
	Interest earned from Current & Non-Current Assets	(294,114)	-12%	Most of the interest earned is realised at the end of financial year.	
	Interest earned from receivables	6,834,326	5%	The variance is as a result of the debtors' book that is increasing due to non-payment of debtors. The increase in the debtors result in an increase interest charges.	The municipality has to enforce the revenue enhancement strategies and Debt collection methods.
	License and Permits	(273,675)	-12%	One of the reasons for under collection is that members of the public can renew vehicle licences online using eNaTIS electronic system instead of going physically to municipality offices	
	Fines, penalties and forfeits	(164,117)	-21%	The budgeted amount consists of numerous items (e.g. traffic fines, court fines, illegal connection, etc.) in this instance under performance was mostly on non-collection of traffic fines.	Currently the department is busy conducting roadblocks around KOSH are every week, hopefully there will be an increase in traffic fines collection rate in the next coming months.
	Other revenue	(10,040,047)	-46%	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	The management has to ensure that clearance figures are issued on time and Journals are captured on a monthly basi

				Handling fees. The reason for under collection is that there has been delays in the issuing of clearance figures for property transfers and also the July, August and September Journals for Commission: Transaction Handling fees were not done on time due to the issue of the vote number for the new financial year	
2	Expenditure by Type				
	Remuneration of Councillors	(1,494,715)	-15%	Expenditure is lower due to the resignations of other Councillors and also the Councillors upper limits for the current financial year, which have not yet been implemented	
	Bulk Purchases - electricity	(143,430,922)	-70%	Expenditure is lower due to the outstanding Eskom invoices; it is difficult for the Municipality to meet the obligation due to the low collection rate.	Implement revenue enhancement and debt collection rate strategies.
	Contracted services	(53,955,678)	-46%	Mainly on Security service, repair and maintenance of fleet, repair and maintenance of buildings and equipment and Asset Register administration. Under performance is due to cash flow challenges.	
	Interest	(2,436,517)	-91%	The underspending is mainly on interest paid on overdue accounts, most of the journals for interest paid on overdue accounts are done at the end of the financial year	
	Debt Impairment	(144,733,475)	-100%	Most of the Debt Impairment journals are done at the end of financial year.	
	Inventory (Repair & Maintenance)	(143,430,922)	-70%	Inventory consumed includes Bulk Water, expenditure is lower due to the outstanding Midvaal invoices, the Municipality is struggling to meet the obligation due to cash flow challenges.	
	Other Expenditure	(14,030,759)	-18%	Negative deviation is because of Cash Flow challenges. Spending on most of the items is directly linked with Cash Flow. If there is improvement on Cash Flow then expenditure will increase.	

TABLE 19: FINANCIAL PERFORMANCE

NW403 City Of Matlosana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M03 September

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
<u>Borrowing Management</u>							
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%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provisions/ Funds & Reserves		87,1%	-8,6%	-8,6%	128,0%	-8,6%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	38,7%	211,6%	211,6%	53,5%	211,6%
Liquidity Ratio	Monetary Assets/Current Liabilities		2,1%	85,8%	85,8%	10,5%	85,8%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		14,4%	0,0%	0,0%	0,0%	0,0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
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%	16,3%	18,6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		7,3%	13,2%	13,2%	10,4%	13,2%
Interest & Depreciation	I&D/Total Revenue - capital revenue		16,6%	10,7%	10,7%	0,0%	1,2%
<u>IDP regulation financial viability indicators</u>							
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 - M03 September

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	5 000	5 000	77 157	72 157	93.5%	2%
November	6 996	19 289	19 289	-	-	96 446	98 446	100.0%	0%
December	6 996	19 289	19 289	-	-	115 735	115 735	100.0%	0%
January	6 996	19 289	19 289	-	-	135 024	135 024	100.0%	0%
February	6 996	19 289	19 289	-	-	154 313	154 313	100.0%	0%
March	6 996	19 289	19 289	-	-	173 602	173 602	100.0%	0%
April	6 996	19 289	19 289	-	-	192 891	192 891	100.0%	-
May	6 996	19 289	19 289	-	-	212 180	212 180	100.0%	-
June	6 996	19 289	19 289	-	-	231 469	231 469	100.0%	-
Total Capital expenditure	83 952	231 469	231 469	9 097					

3.6 OTHER SUPPORTING DOCUMENTS

- SC13a: Capital expenditure on new assets by assets class
- SC 13b: Capital expenditure on renewal of existing assets
- SC 13c: Expenditure On repairs and maintenance by assets class
- SC 13d: Depreciation by assets class
- SC 13e: Expenditure on upgrading of existing assets by assets class
- Annexure A: Progress on Municipal Debt Relief

SUPPORTING TABLE SC13a:

NW403 City Of Matlosana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thouseands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		72 053	178 183	178 183	2 482	4 089	44 546	40 456	90.8%	178 183
Roads Infrastructure		23 808	43 685	43 685	1 142	2 195	10 921	8 726	79.9%	43 685
Roads		23 808	43 685	43 685	1 142	2 195	10 921	8 726	79.9%	43 685
Electrical Infrastructure		28 978	14 200	14 200	-	-	3 550	3 550	100.0%	14 200
Power Plants										
HV Substations		6 225	14 200	14 200	-	-	3 550	3 550	100.0%	14 200
MV Networks		21 362	-	-	-	-	-	-		-
LV Networks		2 391	-	-	-	-	-	-		-
Capital Spares										
Water Supply Infrastructure		8 186	45 475	45 475	-	-	11 369	11 369	100.0%	45 475
Bulk Mains		6 660	19 000	19 000	-	-	4 750	4 750	100.0%	19 000
Distribution		1 526	26 475	26 475	-	-	6 619	6 619	100.0%	26 475
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		6 584	39 352	39 352	1 340	1 340	9 838	8 498	86.4%	39 352
Pump Station		2 799	-	-	-	-	-	-		-
Reticulation		2 688	8 935	8 935	-	-	2 234	2 234	100.0%	8 935
Waste Water Treatment Works										
Outfall Sewers		-	19 000	19 000	-	-	4 750	4 750	100.0%	19 000
Toilet Facilities		1 097	11 418	11 418	1 340	1 340	2 854	1 514	53.0%	11 418
Capital Spares										
Solid Waste Infrastructure		3 496	35 471	35 471	-	554	8 868	8 314	93.7%	35 471
Landfill Sites										
Waste Transfer Stations		3 496	35 471	35 471	-	554	8 868	8 314	93.7%	35 471
Community Assets		2 950	7 000	7 000	-	-	1 750	1 750	100.0%	7 000
Sport and Recreation Facilities		2 950	7 000	7 000	-	-	1 750	1 750	100.0%	7 000
Indoor Facilities		-	-	-	-	-	-	-		-
Outdoor Facilities		2 950	7 000	7 000	-	-	1 750	1 750	100.0%	7 000
Computer Equipment		-	8 000	8 000	-	-	2 000	2 000	100.0%	8 000
Computer Equipment		-	8 000	8 000	-	-	2 000	2 000	100.0%	8 000
Furniture and Office Equipment		0	1 800	1 800	-	-	450	450	100.0%	1 800
Furniture and Office Equipment		0	1 800	1 800	-	-	450	450	100.0%	1 800
Machinery and Equipment		-	1 000	1 000	-	8	250	242	96.8%	1 000
Machinery and Equipment		-	1 000	1 000	-	8	250	242	96.8%	1 000
Transport Assets		7	4 543	4 543	-	-	1 136	1 136	100.0%	4 543
Transport Assets		7	4 543	4 543	-	-	1 136	1 136	100.0%	4 543
Total Capital Expenditure on new assets	1	75 010	200 526	200 526	2 482	4 098	50 131	46 034	91.8%	200 526

SUPPORTING TABLE SC13b

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		3 055	19 526	19 526	-	-	4 881	4 881	100,0%	19 526
Electrical Infrastructure		3 055	5 206	5 206	-	-	1 302	1 302	100,0%	5 206
Power Plants										
HV Substations		1 670	1 732	1 732	-	-	433	433	100,0%	1 732
LV Networks		1 385	3 474	3 474	-	-	869	869	100,0%	3 474
Sanitation Infrastructure		-	14 320	14 320	-	-	3 580	3 580	100,0%	14 320
Pump Station										
Reticulation										
Waste Water Treatment Works		-	14 320	14 320	-	-	3 580	3 580	100,0%	14 320
Total Capital Expenditure on renewal of existing assets	1	3 055	19 526	19 526	-	-	4 881	4 881	100,0%	19 526

SUPPORTING TABLE SC13c

NW403 City Of Matlosana - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		106 663	196 020	196 020	8 190	55 020	49 005	(6 015)	-12.3%	196 020
Roads Infrastructure		18 695	56 998	56 998	25	30 966	14 250	(16 716)	-117.3%	56 998
Roads		18 070	56 065	55 065	25	30 664	14 016	(16 543)	-118.8%	56 065
Road Structures										
Road Furniture		625	933	933	-	302	233	(66)	-29.3%	933
Capital Spares										
Stormwater Infrastructure		-	10 000	10 000	-	-	2 500	2 500	100.0%	10 000
Drainage Collecton		-	10 000	10 000	-	-	2 500	2 500	100.0%	10 000
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		72 297	91 719	91 719	7 561	19 165	22 930	3 765	16.4%	91 719
MV Substations		261	823	823	-	-	206	206	100.0%	823
MV Switching Stations		165	122	122	-	-	30	30	100.0%	122
MV Networks										
LV Networks		71 871	90 774	90 774	7 561	19 165	22 694	3 529	15.5%	90 774
Capital Spares										
Water Supply Infrastructure		11 580	15 812	15 812	604	1 903	3 953	2 050	51.9%	15 812
Dams and Weirs										
Boreholes										
Reservoirs		1 044	3 697	3 697	-	25	924	899	97.3%	3 697
Distribution		10 536	12 115	12 115	604	1 878	3 029	1 151	38.0%	12 115
Sanitation Infrastructure		4 091	21 490	21 490	-	2 987	5 373	2 386	44.4%	21 490
Pump Station										
Rehabilitation		2 716	11 281	11 281	-	2 987	2 820	(167)	-5.9%	11 281
Waste Water Treatment Works		1 375	10 210	10 210	-	-	2 552	2 552	100.0%	10 210
Community Assets		5 742	18 730	18 730	157	331	4 683	4 352	92.9%	18 730
Community Facilities		3 113	10 612	10 612	157	327	2 653	2 326	87.7%	10 612
Community Assets		5 742	18 730	18 730	157	331	4 683	4 352	92.9%	18 730
Community Facilities		3 113	10 612	10 612	157	327	2 653	2 326	87.7%	10 612
Museums		81	1 064	1 064	-	-	266	266	100.0%	1 064
Galleries										
Theatres										
Libraries		619	1 911	1 911	-	-	478	478	100.0%	1 911
Cemeteries/Crematoria		2 253	6 030	6 030	140	280	1 508	1 228	81.4%	6 030
Police										
Parks										
Public Open Space		-	130	130	-	-	33	33	100.0%	130
Nature Reserves		104	729	729	17	47	182	135	74.1%	729
Public Ablution Facilities										
Markets		55	748	748	-	-	187	187	100.0%	748
Sport and Recreation Facilities		2 630	8 119	8 119	-	4	2 030	2 025	99.8%	8 119
Indoor Facilities		1 359	2 505	2 505	-	4	626	622	99.4%	2 505
Outdoor Facilities		1 271	5 614	5 614	-	-	1 404	1 404	100.0%	5 614
Capital Spares										
Heritage assets		136	199	199	-	-	50	50	100.0%	199
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas		136	199	199	-	-	50	50	100.0%	199
Other assets		4 604	10 626	10 626	47	129	2 657	2 528	95.1%	10 626
Operational Buildings		4 604	10 626	10 626	47	129	2 657	2 528	95.1%	10 626
Municipal Offices		4 576	10 566	10 566	47	129	2 642	2 513	95.1%	10 566
Pay/Enquiry Points										
Booking Plan Offices										
Workshops		28	60	60	-	-	15	13	100.0%	60
Yards										
Stores		-	10	10	-	-	2	2	100.0%	10

Intangible Assets	5 072	4 563	4 563	612	621	1 141	520	45.6%	4 563
Services							-		
Licences and Rights	5 072	4 563	4 563	612	621	1 141	520	45.6%	4 563
Water Rights							-		
Effluent Licences							-		
Solid Waste Licences							-		
Computer Software and Applications	5 072	4 563	4 563	612	621	1 141	520	45.6%	4 563
Land Settlement Software Applications							-		
Unspecified							-		
Computer Equipment	1 847	4 300	4 300	20	20	1 075	1 055	98.2%	4 300
Computer Equipment	1 847	4 300	4 300	20	20	1 075	1 055	98.2%	4 300
Furniture and Office Equipment	2 356	3 068	3 068	-	-	767	767	100.0%	3 068
Furniture and Office Equipment	2 356	3 068	3 068	-	-	767	767	100.0%	3 068
Machinery and Equipment	10 911	25 639	25 639	1 243	1 788	6 410	4 622	72.1%	25 639
Machinery and Equipment	10 911	25 639	25 639	1 243	1 788	6 410	4 622	72.1%	25 639
Transport Assets	194	14 390	14 390	2	31	3 597	3 566	99.1%	14 390
Transport Assets	194	14 390	14 390	2	31	3 597	3 566	99.1%	14 390
Total Repairs and Maintenance Expenditure	137 526	277 534	277 534	10 272	57 941	69 384	11 443	16.5%	277 534

SUPPORTING TABLE SC13d

NW403 City Of Matlosana - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M03 September

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Depreciation by Asset Class/Sub-class										
Infrastructure		-	322 692	322 692	74 157	74 157	80 673	5 516	8.1%	322 692
Roads Infrastructure		-	96 260	96 260	23 927	23 927	24 065	138	0.6%	96 260
Roads		-	96 260	96 260	23 927	23 927	24 065	138	0.6%	96 260
Electrical Infrastructure		-	59 997	59 997	13 561	13 561	14 999	1 438	9.6%	59 997
MV Networks		-	59 997	59 997	13 561	13 561	14 999	1 438	9.6%	59 997
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	93 480	93 480	17 241	17 241	23 370	6 129	26.2%	93 480
Distribution		-	93 480	93 480	17 241	17 241	23 370	6 129	26.2%	93 480
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	72 956	72 956	19 428	19 428	18 239	(1 189)	-6.5%	72 956
Pump Station		-	72 956	72 956	19 428	19 428	18 239	(1 189)	-6.5%	72 956
Retoulation		-	-	-	-	-	-	-	-	-
Other assets		136 154	79 263	79 263	19 196	19 196	19 816	620	3.1%	79 263
Operational Buildings		136 154	79 263	79 263	19 196	19 196	19 816	620	3.1%	79 263
Municipal Offices		136 154	79 263	79 263	19 196	19 196	19 816	620	3.1%	79 263
Computer Equipment		-	1 763	1 763	327	327	441	114	25.9%	1 763
Computer Equipment		-	1 763	1 763	327	327	441	114	25.9%	1 763
Furniture and Office Equipment		3 651	2 617	2 617	370	370	654	284	43.4%	2 617
Furniture and Office Equipment		3 651	2 617	2 617	370	370	654	284	43.4%	2 617
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		243 149	33 666	33 666	776	776	8 416	7 640	90.8%	33 666
Transport Assets		243 149	33 666	33 666	776	776	8 416	7 640	90.8%	33 666
Total Depreciation	1	382 953	440 000	440 000	94 826	94 826	110 000	15 174	13.8%	440 000

SUPPORTING TABLE SC13e

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<i>R thousands</i>										
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		1 542	11 418	11 418	-	-	2 854	2 854	100,0%	11 418
<i>Water Supply Infrastructure</i>		1 542	11 418	11 418	-	-	2 854	2 854	100,0%	11 418
<i>Dams and Weirs</i>										
<i>Boreholes</i>										
<i>Reservoirs</i>		1 542	11 418	11 418	-	-	2 854	2 854	100,0%	11 418
Total Capital Expenditure on upgrading of existing assets	1	5 887	11 418	11 418	-	-	2 854	2 854	100,0%	11 418

3.7 Progress on Municipal Debt Relief

CITY OF MATLOSANA
MONTHLY MONITORING PLAN

Monthly Compliance Check List		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):			
6.3.1	- Has the municipality paid its bulk water current account 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 Seametso (MM) 018 487 8009 / 076 018 7668 lseametso@klerksdorp.org	No	The municipality arranged a meeting with CEO of Midvaal to revise the current payment agreement to a more affordable one for the CoM.
6.3.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za/ ?	J Makudubele (Accountant) – 018 487 8483 jpapers@klerksdorp.org	Yes	
6.3.3	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/or Water Trading Entity?	J Letlhoo (Assistant Director Expenditure) – 018 487 8533 gopolang@klerksdorp.org Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org	Yes	
6.3.4	- Has the municipality paid its Eskom bulk current account 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 Seametso (MM) 018 487 8009 / 076 018 7668 lseametso@klerksdorp.org	Yes	
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://lguploadportal.treasury.gov.za/ ?	J Makudubele (Accountant) – 018 487 8483 jpapers@klerksdorp.org J Letlhoo (Assistant Director Expenditure) – 018 487 8533 gopolang@klerksdorp.org Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org	Yes	

6.3.4	<p>- 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?</p>	<p>J Makudubele (Accountant) – 018 487 8483 jpapers@klerksdorp.org</p> <p>J Lethoo (Assistant Director Expenditure) – 018 487 8533 gopolang@klerksdorp.org</p> <p>Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org</p>	<p>8483</p> <p>8533</p> <p>4045</p>	<p>Yes</p>	
6.4	<p>Compliance with a funded MTREF –</p>				
6.4.1	<p>- 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?</p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org</p> <p>D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	<p>8040</p> <p>8518</p>	<p>No</p>	<p>Attached monthly funding progress. Municipal intends to revise the current funding plan.</p>
6.4.1	<p>- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org</p> <p>D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	<p>8040</p> <p>8518</p>	<p>Yes</p>	<p>C4 attached as POE</p>
6.4.1	<p>- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p> <p><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></p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org</p> <p>D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	<p>8040</p> <p>8518</p>	<p>No</p>	<p>The debt impairment will be revised during the adjustment budget.</p>
6.4.1	<p>- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p> <p><i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i></p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org</p> <p>D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	<p>8040</p> <p>8518</p>	<p>Yes</p>	

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>- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy 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 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p> <p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	No	The financial plan will be revised to accommodate the activities currently being implemented, e.g "Operation Patela".
6.4.2	<p>- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy 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 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	Yes	The system vendor should assist the municipality with the A1 Schedule. The A7 is currently projecting 12 equal amounts. This is not the proper projection, and will be corrected accordingly.
6.5	<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 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	No	Municipality is currently finalising tariff tool with NERSA and National Treasury which is expected to completed by 30 November 2023
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>	<p>N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsathege@klerksdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org</p>		
6.6.1	<p>- 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?</p>	<p>N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 nkegakilwe@klerksdorp.org O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 okgoete@klerksdorp.org</p>	Yes	
6.6.2	<p>- 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?</p>	<p>N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsathege@klerksdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org</p>	Yes	As per credit control policy
6.6.3	<p>- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already</p>	<p>N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsathege@klerksdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org</p>	Yes	As per credit control policy

	registered as an indigent consumer with the municipality?				
	<i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>				
6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively?	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsathege@klerksdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org	No	A workshop to councillors will be requested through the Speaker's office to educate.	
6.6	Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MITREF'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 Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 nkegakilwe@klerksdorp.org O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 olkgoete@klerksdorp.org	No	Municipality is currently embarked on Operation Patela which aggressively collect both debt and monthly billing which translate in to 75% collection rate. The collection efforts will be intensified during the third quarter (January-March 2024) whereby operation restore our town will be launched to focus on collection of all municipal amenities or services.	
6.7.2	<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i> - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of the National Treasury that –	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsathege@klerksdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org	No	Municipality has targeted all areas that Municipality in servicing for electricity. Please find attached areas that disconnection and reconnection has took place for the past two weeks(18- 25-09-2023)	

			Yes	
6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;			
6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsathege@klerksdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org	No	The Municipality does restrict water in Eskom supplied areas as per credit control policy, the challenge is that the community bridge and break water meters.
6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org Lesego Seametso (MM) 018 487 8009 / 076 018 7668 lseametso@klerksdorp.org	No	Municipality attempted in 2019 to take over the license unfortunately ESKOM did not agree with our proposal
6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	N Gouwe – Assistant Director Debt Management 018 487 8044/082 956 9537 nsathege@klerksdorp.org T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org	No	The municipality is in a process of installing smart-prepaid meters
6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	J Pilusa (Acting Director Technical) 018 487 8023/072 313 4253 tpelesane@klerksdorp.org	No	The policy is still the process of being drafted and will be tabled to council by end of November 2023. Smart meters procurement was budgeted for five million Rands in the current 2023/24 financial year.
6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org	Yes	C schedule
6.8	Municipality's Completeness of the revenue base –			

6.8.1	<p>- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrated the steps taken to correct the variances identified?</p>	<p>N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 nkegakilwe@klerksdorp.org O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 okgoete@klerksdorp.org</p>	Yes	<p>1. The approved GVR was loaded into the municipal financial system (Solar). 2. All SV's (SV01-SV02) are implemented into the financial system. 3. SV03 Roll with 4343 entries is opened for inspection and objections until the 30th June 2023. 4. Differences will be addressed as follows: - Reconciliation will be done monthly and variances identified will be addressed accordingly. Occupation certificates and Valuation certificates to be sent to the Municipal Valuer to ensure that all properties are updated and billed accurately.</p>
6.8.2	<p>- Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://iguploadportal.treasury.gov.za?</p>	<p>N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 nkegakilwe@klerksdorp.org O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 okgoete@klerksdorp.org</p>	Yes	
6.9	<p>Monitor and report on implementation –</p>			
6.9.1	<p>- 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?</p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	No	<p>Municipal is in the process of adjusting the adopted Funding plan.</p>
6.9.2	<p>- 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?</p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	No	<p>Municipality has establish MSCOA Steering Committee which seat monthly to address any MSCOA Issues</p>

6.9.3	<p>- Municipalities with financial recovery plans (FRP)</p> <p>– 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?</p> <p>– 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?</p> <p><i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i></p> <p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>	<p>Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmpphetla@klerksdorp.org Lesego Seametso (MM) 018 487 8009 / 076 018 7668 lseametso@klerksdorp.org</p> <p>Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmpphetla@klerksdorp.org Lesego Seametso (MM) 018 487 8009 / 076 018 7668 lseametso@klerksdorp.org</p>	<p>The Municipal does not have financial recovery plan yet, but they are in process</p> <p>No</p>	<p>Awaiting the response from Province</p> <p>PT is still in the process of drafting the FRP</p>
6.9.4				
6.11	<p>Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?</p> <p><i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme</i></p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org</p>	<p>No</p>	<p>There are currently no plans to borrow any money.</p>
6.12	<p>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</p>			
6.12.1	<p>- 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?</p>	<p>Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmpphetla@klerksdorp.org</p>	<p>Partially</p>	<p>The revenue from electricity and water is not entirely ring-fenced. However, the municipality prioritises salaries, Eskom & Midvaal.</p>
6.12.2	<p>- 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?</p>	<p>Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmpphetla@klerksdorp.org Lesego Seametso (MM) 018 487 8009 / 076 018 7668 lseametso@klerksdorp.org</p>	<p>Yes</p>	


	<p><i>Note: A request will be made to the Minister of Finance immediately succeeding the application to exempt municipalities formally from MFMA s.8(3) to facilitate this condition.</i></p>	
<p>6,13</p>	<p>Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.</p> <p>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?</p>	<p>T Sekgala (Deputy Director Budget) 018 487 8040 osekgala@klerksdorp.org D Rossouw (Assistant Director Budget) 018 487 8518 drossouw@klerksdorp.org Mercy Phetla (CFO) 018 487 8016/ 083 427 4045 mmphetla@klerksdorp.org Lesego Seametso (MM) 018 487 8009 / 076 018 7668 lseametso@klerksdorp.org N Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 nkegakilwe@klerksdorp.org O Kgoete (Deputy Director Income and Expenditure) 018 487 8043/072 781 2082 okgoete@klerksdorp.org</p> <p>Yes</p> <p>No</p> <p>Not yet applicable. The write-off will only be implemented after 12 months as per NT guidelines.</p>
<p>6,14</p>	<p>'NERSA License - has the municipality during the month failed to comply with any condition if the Municipal Debt Relief?</p>	<p>No</p>
	<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief Programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 18 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006).</i></p>	


6.13	<p>treasury aligning to its MFMA s.71 statement collected revenue.</p> <p>Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrears 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?</p>	<p>Meroy Pheta: ICFO; 018 487 8015 / 018 427 4045 mimpheta@klerksdorp.org Lusepo Seametso (MVA) 018 487 2009 / 075 018 7658 lusepo@klerksdorp.org</p>	<p>No</p> <p>Not yet applicable. The write-off will only be implemented after 12 months as per NT Guidelines</p>
6.14	<p>MERSA License - has the municipality during the month failed to comply with any condition if the Municipal Debt Relief?</p> <p><small>When the Municipality fails to comply with any condition of the MERSA License, the National Treasury Office of the Accountant General may, in terms of section 71(1)(b) of the MFMA, suspend the Municipality's license to collect municipal revenue. The National Treasury Office of the Accountant General may also, in terms of section 71(1)(c) of the MFMA, suspend the Municipality's license to collect municipal revenue.</small></p>	<p>N. Kegakilwe (Assistant Director Revenue Management) 018 487 8046/083 254 6573 nkegakilwe@klerksdorp.org O. Kgorete (Deputy Director Income and Expenditure) 018 487 8043/072 781 3082 okgorete@klerksdorp.org</p>	<p>No</p>

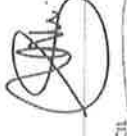
Monitoring of progress to ensure compliance: Weekly Management meetings will be held with delegated officials in order to monitor progress and the consolidated monitoring plan will be submitted to the Finance Portfolio committee held on a monthly basis and also reported to Provincial Treasury 10 days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

Approval of information and of the compliance report to be submitted to PT/M1 on the 14th of October, 2023


M. PHEBE
CHIEF FINANCIAL OFFICER


L. SEAMETSO
MUNICIPAL MANAGER


A.M. RAMPHELE
MMC: FINANCE


S.L. MONDLANE
SPEAKER OF COUNCIL


N.J. TSOLELA
EXECUTIVE MAYOR

NW403 City of Matlosana
MFMA Circular 124 (paragraphs 3.7.)

Quarterly average collection rate (MFMA Circular 124 paragraphs 3.7.1 - 3.7.3)

Total average collection for July 2023 - September 2023) (quarter preceding the application)

1. The total average quarterly collection of all revenue excluding Equitable Share and conditional grants	56%
2. The total average quarterly collection of all revenue excluding Equitable Share and conditional grants (excluding Eskom supplied areas)	62%
3. The total average quarterly collection of municipal property rates	81%
4. The total average quarterly collection of Electricity	76%
5. The total average quarterly collection of Water	50%
6. The total average quarterly collection of Wastewater	55%
7. The total average quarterly collection of Solid Waste	41%

MFMA Circular 124 - paragraphs 3.7.4 and 3.7.5

COLLECTION RATE - per ward - rates and per service - (July 2023 - September 2023) (quarter preceding the application)

Wards / Services	Municipal supplied/ Eskom supplied/ Partial Eskom and municipal supplied	Total Movement (R)	Total Settlements (R)	Collection %
Ward 1		4 839 252	1 987 882	42%
Property Rates Tax	Eskom supplied	345 135	501 561	35%
Electricity		831 530	627 947	77%
Water		1 537 176	740 010	74%
Refuse		410 099	40 549	19%
Sewerage		241 709	34 893	21%
VAT		442 341	186 879	67%
Interest		11 148	11 219	27%
Ward 2		2 422 848	1 032 977	11%
Property Rates Tax	Partial Eskom and Municipal Supplied	43 130	896 756	0%
Electricity		4 808	-	0%
Water		983 105	58 620	3%
Refuse		253 242	20 383	11%
Sewerage		142 374	9 080	40%
VAT		207 309	13 275	22%
Interest		-	3 087	-5%
Ward 3		3 338 133	4 144 114	23%
Property Rates Tax	Municipal supplied	406 850	2 674 164	17%
Electricity		838 388	402 355	51%
Water		979 855	461 733	48%
Refuse		200 503	96 130	48%
Sewerage		238 196	205 303	45%
VAT		350 770	167 178	59%
Interest		92 741	49 214	2%
Ward 4		7 249 338	1 114 445	10%
Property Rates Tax	Municipal supplied	164 838	869 697	6%
Electricity		850 907	40 489	9%
Water		2 193 265	103 342	5%
Refuse		831 985	37 395	4%
Sewerage		405 541	17 314	4%
VAT		660 670	25 003	14%
Interest		141 382	4 712	0%
Ward 5		3 235 360	546 498	2%
Property Rates Tax	Municipal supplied	37 416	471 926	2%
Electricity		327 439	29 644	16%
Water		1 129 535	29 463	5%
Refuse		254 889	9 255	7%
Sewerage		134 010	3 570	5%
VAT		277 632	10 563	3%
Interest		5 331	726	1%

Ward 6		4 453 945	524 975	4%
Property Rates Tax		123 981	434 354	16%
Electricity	Municipal supplied	494 613	22 157	17%
Water		1 457 327	40 112	5%
Refuse		448 766	14 100	5%
Sewerage		213 056	8 733	10%
VAT		393 669	11 408	6%
Interest		11 592	2 441	1%
Ward 7		2 871 912	545 041	6%
Property Rates Tax		114 981	380 427	8%
Electricity	Municipal supplied	337 774	52 545	10%
Water		1 017 437	72 961	7%
Refuse		211 587	17 201	7%
Sewerage		100 978	7 858	7%
VAT		250 089	13 122	6%
Interest		302	1 734	3%
Ward 8		3 578 174	2 002 817	64%
Property Rates Tax		284 317	1 385 484	12%
Electricity	Municipal supplied	691 383	287 151	50%
Water		1 105 964	209 996	28%
Refuse		276 419	60 497	32%
Sewerage		176 809	34 413	21%
VAT		337 582	76 195	68%
Interest		-	5 145	6%
Ward 9		3 054 257	143 554	69%
Property Rates Tax		73 835	16 801	27%
Electricity	Municipal supplied	331 051	55 676	23%
Water		1 030 076	32 237	5%
Refuse		239 088	11 447	9%
Sewerage		101 833	5 719	10%
VAT		255 569	12 853	72%
Interest		59 153	11 928	4%
Ward 10		2 189 322	865 530	73%
Property Rates Tax		136 131	647 228	7%
Electricity	Municipal supplied	375 355	93 302	37%
Water		635 399	66 993	21%
Refuse		162 930	18 622	28%
Sewerage		95 537	9 603	23%
VAT		190 524	27 325	73%
Interest		2 073	3 683	4%
Ward 11		2 839 918	2 210 280	57%
Property Rates Tax		153 044	1 969 813	9%
Electricity	Municipal supplied	477 912	102 243	45%
Water		928 811	82 339	29%
Refuse		201 668	24 116	24%
Sewerage		164 150	23 417	45%
VAT		266 778	32 662	78%
Interest		8 753	2 081	5%
Ward 12		6 979 168	120 331	67%
Property Rates Tax		78 738	7 555	1%
Electricity	Municipal supplied	693 198	18 992	3%
Water		2 354 098	63 264	2%
Refuse		664 271	14 356	2%
Sewerage		278 914	6 939	2%
VAT		598 562	12 449	70%
Interest		-	1 522	2%
Ward 13		3 166 023	678 343	6%
Property Rates Tax		77 201	565 295	2%
Electricity	Municipal supplied	311 443	45 309	25%
Water		1 037 069	44 156	8%
Refuse		254 932	11 737	8%
Sewerage		134 040	5 070	9%
VAT		260 734	15 562	11%
Interest		764	1 008	2%

Ward 14		3 590 753	538 679	4%
Property Rates Tax		60 307	467 580	7%
Electricity	Municipal supplied	337 325	11 338	4%
Water		1 289 099	39 310	7%
Refuse		293 518	10 487	4%
Sewerage		148 121	4 816	10%
VAT		310 212	4 692	5%
Interest		739	692	7%
Ward 15		6 824 567	8 967 326	70%
Property Rates Tax		1 837 310	2 831 592	72%
Electricity	Municipal supplied	1 539 839	3 351 967	74%
Water		1 849 155	1 649 000	88%
Refuse		437 024	362 750	79%
Sewerage		470 226	405 719	80%
VAT		672 385	794 045	68%
Interest		233 999	58 092	15%
Ward 16		9 016 817	7 605 366	28%
Property Rates Tax		2 275 785	2 439 163	86%
Electricity	Municipal supplied	2 640 968	2 138 267	82%
Water		2 214 396	1 936 298	90%
Refuse		484 764	459 465	85%
Sewerage		492 037	479 215	80%
VAT		924 196	649 768	32%
Interest		414 833	60 086	21%
Ward 17		23 431 613	21 862 391	54%
Property Rates Tax		7 293 684	8 089 348	82%
Electricity	Municipal supplied	8 600 959	7 275 188	73%
Water		4 087 770	4 104 356	98%
Refuse		829 515	710 692	84%
Sewerage		926 015	843 683	84%
VAT		2 250 816	1 795 210	58%
Interest		681 117	415 398	29%
Ward 18		1 781 240	2 682 290	12%
Property Rates Tax		140 698	1 457 181	32%
Electricity	Municipal supplied	865 540	680 447	76%
Water		190 013	232 882	105%
Refuse		55 777	46 341	85%
Sewerage		69 987	65 209	69%
VAT		188 513	145 008	20%
Interest		84 498	17 973	22%
Ward 19		55 994 608	62 075 868	49%
Property Rates Tax		9 570 034	16 344 326	79%
Electricity	Municipal supplied	34 916 354	36 510 181	71%
Water		6 627 210	5 608 982	81%
Refuse		1 678 907	1 365 749	81%
Sewerage		2 131 973	1 693 908	69%
VAT		6 471 568	6 081 586	62%
Interest		454 934	78 982	31%
Ward 20		2 659 715	944 852	3%
Property Rates Tax		152 088	889 635	4%
Electricity	Eskom Supplied	408	-	0%
Water		861 731	25 049	6%
Refuse		272 740	16 821	7%
Sewerage		148 907	5 735	10%
VAT		202 523	7 241	5%
Interest		67 222	2 191	5%

Ward 21		406 034	333 304	3%
Property Rates Tax	Eskom Supplied	395 576	332 443	88%
Electricity		-	-	0%
Water		-	-	0%
Refuse		-	-	0%
Sewerage		-	-	0%
VAT		-	-	1%
Interest		-	-	0%
Ward 22		7 349 188	41 966	57%
Property Rates Tax	Eskom Supplied	138 242	2 279	2%
Electricity		807	215	26%
Water		2 306 912	18 745	2%
Refuse		781 502	10 187	2%
Sewerage		323 339	2 865	2%
VAT		540 147	4 701	70%
Interest		188 462	2 952	-16%
Ward 23		4 971 704	534 564	51%
Property Rates Tax	Eskom Supplied	78 655	442 192	1%
Electricity		201	-	0%
Water		1 643 157	13 776	2%
Refuse		561 516	9 440	2%
Sewerage		251 912	2 957	4%
VAT		389 050	4 116	64%
Interest		138 443	2 802	3%
Ward 24		3 734 811	1 033 530	19%
Property Rates Tax	Eskom Supplied	86 058	990 588	11%
Electricity		-	-	0%
Water		1 150 997	11 978	3%
Refuse		417 620	10 725	3%
Sewerage		185 782	16 293	2%
VAT		278 872	5 453	25%
Interest		105 070	2 508	3%
Ward 25		1 521 687	1 824 030	43%
Property Rates Tax	Eskom Supplied	400 980	1 639 040	35%
Electricity		-	-	298%
Water		1 320 580	77 755	11%
Refuse		398 227	38 462	11%
Sewerage		211 915	30 129	21%
VAT		304 590	21 797	64%
Interest		93 813	7 532	1%
Ward 26		3 848 161	33 518	963%
Property Rates Tax	Eskom Supplied	134 910	6 568	7%
Electricity		202	-	0%
Water		1 321 947	13 933	6%
Refuse		342 708	5 849	4%
Sewerage		142 991	2 638	6%
VAT		282 915	3 285	-82%
Interest		98 766	1 108	-20%
Ward 27		5 556 359	441 375	6%
Property Rates Tax	Eskom Supplied	104 889	421 496	1%
Electricity		-	-	22%
Water		1 884 258	10 256	1%
Refuse		471 564	5 234	2%
Sewerage		212 377	1 673	6%
VAT		403 761	2 583	14%
Interest		123 567	1 463	1%
Ward 28		9 474 181	8 493 372	35%
Property Rates Tax	Municipal supplied	1 862 780	2 645 358	60%
Electricity		3 627 473	3 113 131	80%
Water		1 893 380	1 647 420	93%
Refuse		513 288	459 470	88%
Sewerage		580 209	476 990	86%
VAT		1 005 022	669 311	46%
Interest		327 223	42 690	8%

Ward 29		7 685 105	6 899 856	43%
Property Rates Tax	Municipal supplied	1 495 088	2 085 024	86%
Electricity		3 225 301	2 603 372	83%
Water		1 387 330	1 175 056	90%
Refuse		454 181	405 272	88%
Sewerage		426 216	365 039	86%
VAT		837 989	628 978	47%
Interest		176 758	48 390	30%
Ward 30		7 925 062	5 991 896	38%
Property Rates Tax	Municipal supplied	1 595 698	1 621 883	87%
Electricity		2 795 300	2 001 436	83%
Water		2 020 875	1 491 414	68%
Refuse		433 798	373 809	88%
Sewerage		451 314	389 944	88%
VAT		818 951	568 272	45%
Interest		125 319	34 789	57%
Ward 31		9 103 276	5 448 488	51%
Property Rates Tax	Partial Eskom and Municipal Supplied	710 165	2 685 056	21%
Electricity		2 103 241	1 243 382	14%
Water		2 588 638	969 880	-3%
Refuse		593 931	215 475	17%
Sewerage		480 562	240 039	12%
VAT		882 529	356 965	37%
Interest		255 064	29 325	15%
Ward 32		3 739 173	251 847	19%
Property Rates Tax	Eskom Supplied	50 993	34 305	41%
Electricity		211 633	82 315	54%
Water		1 407 297	93 929	7%
Refuse		299 338	14 699	7%
Sewerage		160 429	21 947	17%
VAT		306 927	28 181	25%
Interest		70 642	1 475	-12%
Ward 33		3 605 541	457 008	11%
Property Rates Tax	Eskom Supplied	422 650	368 009	8%
Electricity		203	-	0%
Water		500 248	11 848	-58%
Refuse		360 093	4 894	-7%
Sewerage		161 267	984	-3%
VAT		166 092	2 560	-18%
Interest		89 386	1 066	-1%
Ward 34		2 212 656	668 285	77%
Property Rates Tax	Eskom Supplied	135 148	631 931	1%
Electricity		404	-	0%
Water		300 596	18 034	2%
Refuse		273 830	8 423	4%
Sewerage		144 387	3 375	2%
VAT		117 049	4 397	89%
Interest		63 401	902	-40%
Ward 35		2 957 876	733 080	2%
Property Rates Tax	Eskom Supplied	119 579	676 308	1%
Electricity		-	-	-2%
Water		94 953	15 465	1%
Refuse		409 893	6 599	2%
Sewerage		195 561	9 389	6%
VAT		119 855	4 710	3%
Interest		98 662	834	0%
Ward 36		6 805 164	2 502 296	15%
Property Rates Tax	Partial Eskom and Municipal Supplied	569 351	429 581	76%
Electricity		1 243 881	1 000 738	52%
Water		2 045 514	713 345	33%
Refuse		508 796	151 967	25%
Sewerage		351 009	165 720	42%
VAT		642 864	294 979	33%
Interest		141 739	21 463	8%

Ward 37		9 122 294	1 896 529	10%
Property Rates Tax		353 179	645 883	31%
Electricity	Municipal supplied	1 224 720	812 472	59%
Water		5 827 363	83 050	7%
Refuse		250 563	10 215	7%
Sewerage		133 944	11 694	15%
VAT		1 115 563	135 218	12%
Interest		859	186 876	1%
Ward 38		1 911 244	1 692 363	6%
Property Rates Tax		126 641	1 462 444	3%
Electricity	Eskom Supplied	(4 467)	-	0%
Water		(89 347)	102 060	7%
Refuse		272 067	46 598	13%
Sewerage		158 311	33 498	17%
VAT		60 009	14 861	12%
Interest		71 662	12 384	-3%
Ward 39		16 414 669	15 821 953	103%
Property Rates Tax		3 612 067	4 356 091	122%
Electricity	Municipal supplied	5 297 272	7 494 682	79%
Water		2 066 335	2 549 257	479%
Refuse		587 106	637 962	96%
Sewerage		657 938	539 076	108%
VAT		1 687 114	1 588 160	71%
Interest		3 809 440	73 778	6%
Ward 100		1 477	-	22%
Property Rates Tax		-	-	0%
Electricity	Municipal supplied	-	-	0%
Water		-	-	0%
Refuse		-	-	0%
Sewerage		-	-	0%
VAT		-	-	28%
Interest		-	-	0%
Ward 777		319 907	232 369	6%
Property Rates Tax		-	-	0%
Electricity	Municipal supplied	-	-	0%
Water		-	-	0%
Refuse		-	-	0%
Sewerage		-	-	0%
VAT		19 264	5 318	6%
Interest		210 225	222 537	206%
Ward 999		3 388	750	28%
Property Rates Tax		-	-	0%
Electricity	Municipal supplied	-	-	0%
Water		-	-	0%
Refuse		-	-	0%
Sewerage		-	-	0%
VAT		-	-	0%
Interest		2 622	750	28%

3.8 Progress on Financial Plan



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

30 SEPTEMBER 2023

1. Introduction

2. 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	No progress		
Land – Expected Inflow R63,277,200	Proclamation of additional 13 020 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	No progress		
Land - Expected inflow – R29,534,220	Proclamation of additional 6,077 stands to be billed Alabama Extention 5	01/07/2023 – 30/06/2024			

	Kanana extension 14 Kanana Extension 15 (Income expected only from basic services charges)				
Land – Expected Inflow R35,327,242	Disposal of 205 serviced/ subserved Municipal owned land for Residential, Commercial & Industrial Developments	01/07/2022- 30/06/2023	No progress		
DEBT COLLECTION ELECTRICITY – Expected Inflow – R55 Million Expected Inflow – R70 Million	Procurement and Installation of Anti-Tampering boxes. 2023/24 FY 714 2024/25 FY 1500	01/07/2023– 30/06/2024 01/07/2024 – 30/06/2025	Not achieved	Appointment of service providers delayed	Appointment to be finalized by 18 th of October 2023
Electricity – Electricity losses in Jouberton & Alabama – Expected inflow R15 Million	<ul style="list-style-type: none"> Audits on all bypassed meters Energy Efficiency 	01/07/2023 30/06/2024	45% achieved on audit – R363 650 collected from fines issued 60% achieved On energy efficiency target	Resource constraints – fleet and community not cooperating Financial constraints to implement	Leasing of required fleet and community consultation Investment in a form of capital budget need to be made

	<ul style="list-style-type: none"> Revenue improvement of Medium voltage Network <p>Expected inflow due to implementation of credit control on those in arrears.</p>		20% achieved on mv network improvement, 16 RMU's serviced	targeted programmes Financial constraints to implement targeted programmes	Investment in a form of capital budget need to be made
Debt collection and Recovery Expected inflow R400 Million	Utilize internal debt collectors	01/10/2023-30/06/2024	No progress		
Market Rental Estate Expected inflow – R800 000	Rand value revenue collected from rental estate	01/07/2023 - 30/06/2024	No progress		

Market – Ripening and Cooling rooms Expected inflow – R1 500 000	Collection of ripening and cooling revenue	01/07/2023 - 30/06/2024			
Market Dues Expected inflow – R1 500 000	Collection of market dues revenue	01/07/2023 - 30/06/2024			
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			

3. Operating Expenditure

Cost Cutting Measures	Time Frame (as disclosed on the adopted financial plan)	Achievements / Non-achievements	Reasons for Non-achievements	Remedial Actions to address non-achievements
<p>Wet fuel Outsource wet fuel instead of using our own depos. This is transferring the risk of misuse and theft to external service provider. Expected Inflow – R3 Million</p>	<p>01/07/2023– 30/06/2024</p>	<p>No progress</p>		
<p>Repairs and maintenance – Expected Inflow – R30 Million</p> <p>Reduce spending on Repairs and maintenance on fleet management through procurement of new fleet, plant and equipment. BTO has provided funds to the amount of R15 million to commence with the Turn-around Strategy for the Fleet Repairs & Maintenance Programme. The programme entails the re-organisation of the municipal garage, and implementation of systems of control. This will be a short to medium-term initiative.</p>	<p>01/07/2023 30/06/2024</p>	<p>Not achieved</p>	<p>Delay in development and advertisement of tender for procurement of new fleet, plant and equipment</p>	<p>Tender to be finalized in October 2023</p>

<p>Travelling and subsistence Expected Inflow – R600 000</p> <p>Cutting unnecessarily travelling and accommodation (Office of the CFO and Municipal Manager have jointly issued moratorium to suspend all non-essential travelling and accommodation for the whole financial year).</p>	<p>01/07/2023-30/06/2024</p>	<p>No progress</p>		
<p>Contracted Services – Expected Inflow – R289,494 on R2,605,446 p.a</p> <p>To review operational contract to scale down their services and support on the</p>	<p>01/07/2023-30 /06/2024</p>	<p>No progress</p>		

following expenditure items:

- Hire charges - reduce printing and photocopier 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.

4. Payment of Creditors

CREDITORS AGE ANALYSIS - 30 SEPTEMBER 2023

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days/Arreas	Total
Bulk Electricity	168 181 580	164 035 359	141 747 314	1 430 915 057		1 904 879 310
Bulk Water	121 515 320	61 280 059	54 514 368	1 201 055 556	-	1 438 365 303
Auditor General	1 781 103	3 002	2 942	40 196	-	1 827 243
Trade Creditors	9 892 340	7 881 178	53 820 683	18 924 866	-	90 519 067
Total	301 370 343	233 199 598	250 085 307	2 650 935 675	-	3 435 590 923

3.9 Supply Chain Management Report

ORDERS AWARDED (THREE QUOTATIONS)

ORDERS AWARDED BY CITY OF MATLOSANA FOR THE 2023/2024 FINANCIAL YEAR						
PERIOD 1 JULY 2023 TO 30 SEPTEMBER 2023						
NO.	SUPPLIER NUMBER	SUPPLIER NAME	ORDER DATE	ORDER NUMBER	DESCRIPTION	AMOUNT
1.	400263	@ OFFICE WORLD	20230811	1022877	MOUSE	345,39
2.	80998	AMOSCHOCHÉ ENTERPRISE (PTY) LTD	20230811	1022860	CHAIN LUBE 1LTR	30 000,00
3.	400759	APPELKIÉ MOKGOSI & DAUGHTERS PROJECT MANAGEMENT	20230811	1022891	SUPPLY AND DELIVERY OF SETS OF POLES X4	30 000,00
4.	200778	EM'N M MARKETING	20230725	1022724	PRINTED WALLPAPER X1 (3800X17000)3130X2300 1840X1700 2500X1500 INCLUDES CLEANING OF MDF BOARD AND INSTALLATION OF WALLPAPER	10 964,10
5.	200778	EM'N M MARKETING	20230725	1022725	PRINTED WALL PAPER & INSTALLATION & CLEANING OF MDF BOARD	5 175,00
6.	200778	EM'N M MARKETING	20230725	1022726	PRINT & SUPPLY ROLLER BANNER	5 175,00
7.	200136	GAMES & PC SOUND CC	20230811	1022865	5 FLASH DRIVE 16GB	352,19
8.	200136	GAMES & PC SOUND CC	20230830	1023047	RESOLVE NETWORK POINT AT MUSEUM KITCHEN LINKBASIC CAT5E SINGLE SURFACE MOUNT BOX X1 CONSUMABLE EQUIPMENT-DRILL BITS, CABLE TIES X1 LINK BASIC CAT5E UTP CABLE PER METER 30 LABOUR STANDARD,NORMAL BUSINESS HOURS X2.5	1 998,75
9.	200136	GAMES & PC SOUND CC	20230904	1023061	NETWORK CABLE	20 834,55
10.	200136	GAMES & PC SOUND CC	20230918	1023201	NETWORK CABLE	1 988,06
11.	402164	GIZABO HOLDINGS (PTY) LTD	20230904	1023069	SUPPLY AND DELIVERY OF BOTTLE OF WATER	29 950,00
12.	812157	IYEZEE OF MUCH CONSTRUCTION	20230906	1023120	SUPPLY AND DELIVERY OF SLASHER	29 988,00
13.	80008	KKM ENTERTAINMENT AND MUSIC	20230928	1023298	TRADITIONAL DANCE	28 800,00
14.	47232	LESEGO DIUTLWILENG TRADING ENTERPRISE (PTY) LTD	20230928	1023301	CULTURAL ENTERTAINMENT	6 000,00
15.	254889	LIGHTS & SIRENS TECHNOLOGY	20230920	1023226	SERVICE AND PURCHASE OF SIREN	29 994,30
16.	854824	MACHWISA AND SONS BUSINESS PROJECT (PTY) LTD	20230816	1022909	TRANSPORTATION OF BUSES FOR 180 PEOPLE X3 MAYORAL IMBIZO AT BUFFELDORN	9 380,00

17.	812160	MASSTORES PTY LTD T/A GAME STORES	20230830	1023045	CATERING SINGLE CUP AND SAUCER X100 12PCE ELOFF TEASPOONS X200 SELATI WHITE SUGAR 10KG X20 FRESHPAK ROOIBOS 80S X20 FIVE ROSES 1025 X20 EVERFRESH FULL CREAM X80, NESCAFE X20 AS PER QUOTE	20 281,80
18.	401376	MEEPONG TECHNICAL CONSULTING (PTY) LTD	20230804	1022805	SUPER SRIXON SLEEVE BALLS SOUND SYSTEM X1 BACK UP GENERATOR X1 ROVING MICS X2 BASE BINS X2	25 000,00
19.	890053	MPESO PROJECT MANAGEMENT	20230829	1023032	TRANSPORTATION(MAYORAL IMBIZO)	22 000,00
20.	89100	NOMAFU TRANSPORT & PROJECTS	20230816	1022908	TRANSPORTATION TO KHUMA 65 SEATER X2 TRIPS (POINT A TO POINT B & BACK X3 MAYORAL IMBIZO	8 886,00
21.	810103	NTSAE MEDIA	20230904	1023068	ADVERT CENTRE SPREAD(TWO FULL PAGES)FULL COLOUR ADVERT	16 800,00
22.	830056	RULAGANYANG TRADING ENTERPRISE	20230905	1023077	BRANDING BRANDERING OF REFUSAL TRUCK REG NO:KFZ 959NW	10 500,00
23.	820089	S A MOTSIRI TRADING (PTY) LTD	20230906	1023113	SUPPLY AND DELIVERY OF BRAKE FLUID 500ML	29 900,00
24.	890052	SIYATHABO ENTERPRISE	20230829	1023031	CATERING CATERING(WOMENS MONTH)	22 440,00
25.	107832	TRUVELO MANUFACTURERS (PTY) LTD	20230920	1023228	CALIBRATION AND ADMISSION TICKETS NUMBERED	18 464,40
26.	47231	TUMCASH PRODUCTION AND TRADING	20230928	1023300	SOUND SYSTEM SOUND SYSTEM FOR 29/09/2023-HERITAGE CELEBRATION	29 000,00
27.	658425	SBNNL HOLDINGS	20230922	1023244	150LT GEYSER(SABS)(1) 22mm PRESSURE CONTROL VALVE(1) 22mm VACUUM BRAKE(2) 22mm UNITWIST TEE(2) 22mm UNITWIST ELBOW(6) 22mm unitwist coupler(2) 22MM x3/4 UNITWIST COUPLER(3) 15mm BALL-O-STOP(2) 22mmx6m UNITWIST PIPE(2) 22mm COMPRESSION COUPLER (1)	10487,09
28.	9003	NTEMI TRADING ENTERPRISE	20230922	1023241	BRANDING 1 X REFUSE TRUCK BRANDING 1 X NEW BULL DOZER BRANDING 1 X NEW TLB	28 900,00

29.	200692	FRIEDENTHAL EN SEUNS TA CHAMPION WHEEL & TYRE	20230914	1023162	REPAIRS TYRES	5 790,23
30.	200692	FRIEDENTHAL EN SEUNS TA CHAMPION WHEEL & TYRE	20230814	1022895	3 TYRES	12 870,51
31.	200692	FRIEDENTHAL EN SEUNS TA CHAMPION WHEEL & TYRE	20230814	1022894	4 TYRES	18 300,73
32.	200692	FRIEDENTHAL EN SEUNS TA CHAMPION WHEEL & TYRE	20230814	1022893	6 TYRES	18 510,73
33.	102652	KLERKSDORP RECORD	20230907	1023131	PROMOTIONAL MATERIAL BAGS FULL PAGE CENTRE SPREAD FOR PROMOTION OF MUNICIPAL ACTIVITIES	30 000,00
34.	102652	KLERKSDORP RECORD	20230906	1023119	NOTICE PLACEMENT OF NOTICE 41/2023 BUILDING CONTROL BY-LAWS MATLOSANA	6 851,70
35.	102652	KLERKSDORP RECORD	20230904	1023071	ADVERT MATLOSANA ENTERPRENEURAL FLEA MARKET DAY DOMESTIC WORKERS WOMENS MONTH CELEBRATION, COLLECTIVE PRAYER FOR MATLOSANA WOMEN	15 584,80
36.	102652	KLERKSDORP RECORD	20230724	1022714	NOTICE 39/2023 APPROVAL OF THE SDBIP AND PERFORMANCE AGREEMENTS FOR THE 2023/24 FINANCIAL YEAR	6 090,40
37.	102652	KLERKSDORP RECORD	20230825	1023109	NOTICE PUBLICATION OF NOTICE 35/2023 LENTSWE/RECORD	9 135,60
38.	7633	VARIPRINT SYSTEMS CC	20230906	1023081	SUPPLY AND DELIVERY BOOKS	11 794,86
39.	400017	BIG 2 CIVILS TA UD TRU CKS GBS	20230830	1023049	SERVICE OF KTG 375 - Q 22878 CLEANSING	13 784,85
40.	400017	BIG 2 CIVILS TA UD TRU CKS GBS	20230829	1023044	SERVICE KTG 374 - Q 33551 CLEANSING	14 752,10
41.	820024	T PONYA ENTERPRISE CONSULTING (PTY) LTD	20230824	1023013	CATERING PRIMER'S OFFICE	29 800,00
42.	820024	T PONYA ENTERPRISE CONSULTING (PTY) LTD	20230816	1022907	HIRING OF TENT X2 HIRING OF CHAIRS X300 MAYORAL IMBIZO KHUMIA	9 900,00
43.	812189	WORKWEAR DEPOT	20230824	1022997	SUPPLY AND DELIVERY OF CLOTHES	29 425,57
44.	150151	ZEMBELETHU	20230823	1022972	SUPPLY AND DELIVERY OF 150L GEYSER 600KPA X2 GEYSER PRESSURE CONTROL VALVE 22MM X2 22MM VACUUM BREAKER X4 FIRE STATION/KLERKSDORP	23 990,00
45.	877775	REALTIGILEOWARONA PROJECTS	20230822	1022966	SUPPLY AND DELIVERY OF 90060)FAAN MENTHIES NATURE RESERVE 110MM UNDERGROUND EARTHENWARE ADAPTOR X4 110MM UNDERGROUND KIMBERLEY SOCKET X4 SUPPLY & INSTALL GLAZING FOR WINDOWS	17 200,00

46.	860092								CONSERVATION OFFICERS HOUSE(ALUMINIUM) X1			13 000,00
47.	250166								SUPPLY AND DELIVERY OF VIP TOILETS MALE & FEMALE X2 STANDALONE TOILETS WITH BASIN & FLASHING SYSTEM X4	1022906	20230815	27 900,00
48.	812155								SUPPLY AND DELIVERY OF SOCCER NETS X15 SOCCER CORNER FLAGS X4	1022905	20230815	29 995,00
49.	890097								GRADER BLADES	1022863	20230811	30 000,00
50.	890097								CEMENT PORTLAND 42.5N	1022861	20230811	29 800,00
51.	802023								OIL-HYDRAULIC RANDO HD 68 OIL-HYDRAULIC RANDO HD 68	1022782 1022859	20230802 20230811	29 991,90

1. AWARDED CLOSED QUOTATIONS

AWARDED CLOSED QUOTATIONS BY CITY OF MATLOSANA FOR THE 2023/2024 FINANCIAL YEAR

PERIOD 1 JULY 2023 TO 30 SEPTEMBER 2023

NO.	RFQ NO	DATE ADVERTISED	REQUESTING DEPT	CLOSING DATE	SCM RESOLUTION	DESCRIPTION	CSD NUMBER	AWARDED BIDDER	AWARDED AMOUNT	AWARD DATE	COMMENTS
1.	COM/SCM/Q/1/2023/24	11-07-2023	HUMAN SETTLEMENT	19-07-2023	SCM 01:2023/24	APPOINTMENT OF A SERVICE PROVIDER FOR TRANSPORT AND CATERING FOR INFORMAL SETTLEMENT DIALOGUE	MAAA0619712	NTUFULINI TRANSPORT (PTY) LTD	R 189 900.00	24-07-2023	AWARDED
2.	COM/SCM/Q/2/2023/24	04-08-2023	SEWER	14-08-2023	SCM 02:2023/24	APPOINTMENT OF A SERVICE PROVIDER FOR A SEWER LINE 6890 JOUBERTON	MAAA1027647	PJ JABULANE ENTERPRISE	R 120 670.00	23-08-2023	AWARDED
3.	COM/SCM/Q/3/2022/23	04-08-2023	SEWER	06-09-2022	SCM 03:2023/24	APPOINTMENT OF A SERVICE PROVIDER FOR A SEWER LINE ERF 41 SIMON STILFONTEIN	MAAA1328167	PONO YA BASHA	R 185 900.00	23-08-2024	AWARDED

2. AWARDED TENDERS

TENDERS AWARDED BY CITY OF MATLOSANA FOR THE 2022/2023 FINANCIAL YEAR

PERIOD 1 JULY 2022 TO 30 JUNE 2023

NO.	MM RESOLUTION	TENDER NUMBER	DESCRIPTION	NAME OF THE SUPPLIER	DATE OF AWARD	APPOINTMENT AMOUNT	DEPARTMENT
1.	57:2022/2023	COM/T/25/2022/23	INVITATION TO BID FOR OPERATION AND MAINTENANCE OF THE KLERKSDORP LANDFILL SITE, ORKNEY TRANSFER STATION AND ALSO THE MANAGEMENT OF THE RE-CYCLERS AT KLERKSDORP LANDFILL SITE AND ORKNEY LANDFILL SITE TRANSFER STATION FOR THE PERIOD OF THIRTY-SIX (36) MONTHS.	KHABOKEDI WASTE MANAGEMENT	12/06/2023	R 41 769 833.00	CLEANSING
2.	05:2023/2024	COM/T/29/2022/23	CONSTRUCTION OF NEW SPORT COMPLEX PHASE 2 IN KHUMA.	KIS WEALTH CREATIONS PTY LTD & MASIZA SECURITY AND TRAINING JV	31/07/2023	R 6 834 546.53	PMU

3. REGULATION 36 APPOINTMENTS

REGULATION 36 APPOINTMENTS FOR CITY OF MATLOSANA FOR THE 2022/2023 FINANCIAL YEAR							
PERIOD 1 JULY 2023 TO 30 SEPTEMBER 2023							
NO.	MM RESOLUTION	DEPARTMENT	DESCRIPTION	NAME OF THE SUPPLIER	VALUE OF THE PROJECT	DATE APPROVED	REASON FOR DEVIATION AS PER SCM POLICY
1.	MM 03:2023/24	INFRASTRUCTURE	REQUEST FOR DEVIATION FOR THE INSTALLATION OF A PIPELINE (2.1 KM) TO SUPPLY WATER TO SUPREME BIRD TIGANE	RAUCO TRADING	R3 653 721.01 (Vat Inclusive).	31/07/2023	(i) In an emergency.
2.	MM 04:2023/24	PUBLIC SAFETY	REQUEST FOR DEVIATION FROM SUPPLY CHAIN MANAGEMENT PROCESSES FOR THE APPOINTMENT OF SERVICE PROVIDER FOR SUPPLY AND DELIVERY OF UNIFORM FOR TRAFFIC OFFICER, TRAFFIC WARDENS, BUSINESS LOCENSE INSPECTORS AND SECURITY GUARDS	SUPPLY COR	R 890 196.26 (Vat Inclusive).	02/08/2023	(i) In an emergency.
3.	MM 06:2022/23	PUBLIC SAFETY	REQUEST TO DEVIATION FROM SUPPLY CHAIN MANAGEMENT PROCESSES FOR THE APPOINTMENT OF SERVICE PROVIDER FOR LEASING OF ARMORED SECURITY VEHICLES ON AS AND REQUIRED BASIS	DEPHETHOGO CLEANING & SECURITY	R 290 000.00 (Vat Inclusive).	08/08/2023	(i) In an emergency.

Regulation 36 of MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS, 2022 and Section 12.23 of SUPPLY CHAIN MANAGEMENT POLICY OF CITY OF MATLOSANA. Deviation from, and ratification of minor breaches of, procurement processes

(1) A supply chain management policy may allow the Accounting Officer

- (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (b) To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

4. EXTENSION OF CONTRACTS

EXTENSION OF CONTRACTS OF CITY OF MATLOSANA FOR THE 2023/2024 FINANCIAL YEAR

PERIOD 1 JULY 2023 TO 30 SEPTEMBER 2023

NO.	MM RESOLUTION	DEPARTMENT	DESCRIPTION	NAME OF THE SUPPLIER	VALUE OF THE PROJECT	DATE APPROVED
1.	02:2023/2024	FINANCE	REQUEST FOR EXTENSION OF A CONTRACT ON A MONTH TO MONTH BASIS TENDER: COM/SCM/T/32/2018/2019: APPOINTMENT OF SERVICE PROVIDER FOR FINANCIAL MANAGEMENT SUPPORT FOR A PERIOD OF THIRTY-SIX (36) MONTHS	RUSHREEDS	RATES	11/07/2023
2.	09:2023/2024	FINANCE	REQUEST FOR PRICE ADJUSTMENT FOR REFUSE REMOVAL COMPACTOR TRUCK ON TENDER COM/SCM/T/36/2019/2020: APPOINTMENT OF MULTIPLE SERVICE PROVIDERS FOR HIRE OF PLANT AND EQUIPMENT ON AS AND WHEN REQUIRED BASIS FOR PERIOD OF THIRTY-SIX (36) MONTHS	SPECTRUM UTILITY MANAGEMENT	R 800 000.00 (Vat Inclusive)	29/09/2023

5. IRREGULAR EXPENDITURE IDENTIFIED FOR 2022/2023 FINANCIAL YEAR (Others will be identified by AG during audit then they will be reported thereafter)

	2023
47. Irregular expenditure	
Opening balance	3 966 427 579,19
Prior period error	(16 669 433,09)
Restated opening balance	3 949 758 146,11
Add: Irregular expenditure - Current year	273 995 873,54
Irregular expenditure identified in the current year relating to prior periods	2 940 250,33
Irregular expenditure written off as irrecoverable - not condoned - CC102/2023	(1 230 322 747,77)
Closing balance	2 996 371 522,20

Details of irregular expenditure - Current & Prior period

Bid composition not constituted	344 445,34
Order splitting	268 608,08
No 3 written price quotation	114 164,21
Non disclosure of interest	47 176 939,27
No seven days advertisement	-
Regulation 32 appointment	-
Contravention of SCM Regulation 36	35 483 182,74
Contravention of SCM Policy - Other	54 412 753,04
Contracts expired	38 802 750,18
Tenders not advertised for the minimum period required	100 333 281,00
	276 936 123,86

47. Irregular expenditure (continued)

The following contracts were identified that was placed under review for potential non-compliance to procurements laws, regulations and supply chain management policy. The contracts relates to the fc

Tender number	Description	Value of the project
COM/SCM/T/36/2019/2020	APPOINTMENT OF MULTIPLE SERVICE PROVIDERS FOR HIRE OF PLANT AND EQUIPMENT ON AS APPLICABLE FOR SERVICE PROVIDERS FOR VAT REVIEW AND RECOVERY IN THE CITY OF	36 585 310,50 27 899 582,98
COM/SCM/T/31/2019/2020	LINE FOR ALABAMA SUBSTATION EXTENSION 4 & 5 EFFECTIVE	2 433 628,96
COM/SCM/T/18/2019/2020	ELECTRICAL EQUIPMENT IN KANANA PHASE 1 EFFECTIVE	6 922 084,60
COM/SCM/T/33/2020/2021	CONSTRUCTION OF VIP LATRINES I	15 710 637,74
COM/SCM/T/31/2020/2021	REFURBISHMENT OF WATER PUMP	35 997 618,35
COM/SCM/T/40/2020/2021	APPOINTMENT OF SERVICE PROVIDER FOR RISK	18 552 038,00
COM/SCM/T/51/2020/2021	SUPPLY AND ERECTION OF 358 MES APPOINTMENT OF PHYSICAL SECURITY SERVICE PROVIDERS FOR THE SAFE GUARDING OF THE CITY OF MATLOSANA MUNICIPAL	480 000,00 117 235 665,85
COM/08/2021/22		<u>261 816 564,00</u>

Note

Irregular expenditure is calculated inclusive of VAT while the figures disclosed above have been presented in this set of AFS exclusive of VAT

RECOMMENDATIONS

Based on the contents of this report it is recommended that the Executive Mayor submit to the Council the report for the first quarter of 2023/2024 as per section 52(d) of the MFMA.