



Nama Khoi Municipality

11 September 2023

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 August 2023 (MONTHLY BUDGET STATEMENT) – 2023/2024 FINANCIAL YEAR.**

1. PURPOSE

71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the financial affairs for that month and the financial year up to the end of that month:

2. STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability, and optimal institutional transformation with the capacity to execute its mandate.

For the reporting period ended 31 August

3. QUERIES AND SUGGESTIONS

***The financial services division will appreciate it if all queries and suggestions can be addressed to the Chief Financial Officer in writing.**

Please note that the municipality wishes to notify the reader that information is subject to correction.

4. REPORT FOR THE PERIOD ENDING 31 August

This report is based on financial information, as of 31 August 2023, and is available at the time of preparation.

The financial results for the period ended 31 August are summarised as follows:

Statement of Financial Performance (SFP) (Annexure B – TABLE C4)

The summary report indicates the following:

Table of Contents

| | |
|---------|--|
| Page 3 | Table C4-Financial Performance |
| Page 4 | CHART 1- Revenue by source |
| Page 5 | CHART 2 – Expenditure by type |
| Page 6 | Table C3 – Revenue and Expenditure by Vote |
| Page 8 | CHART 3 – Revenue by Vote & Variances |
| Page 8 | CHART 4 – Expenditure by Vote & Variances |
| Page 9 | Capital Expenditure |
| Page 10 | Cash Flow Statement |
| Page 11 | Debtors Age Analysis |
| Page 14 | Creditors age analysis |
| Page 16 | Employee Related Cost |
| Page 17 | Other Financial Information |
| Page 21 | Financial Implications/Recommendations |
| Page 24 | Interdepartmental and Cluster Impact |
| Page 25 | Quality Certificate |
| Page 26 | Annexure A |
| Page 28 | C-Schedule Table of contents |

| Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August | | | | | | |
|--|---------------------|---------------------|--------------------|---------------------|---------------------|----------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
| Revenue | | | | | | |
| Service charges - Electricity | 149 047 037 | 9 980 527 | 19 587 859 | 24 841 174 | - 5 253 315 | 79 |
| Service charges - Water | 57 175 742 | 3 344 895 | 6 550 194 | 9 529 290 | - 2 979 096 | 69 |
| Service charges - Waste Water Management | 22 427 989 | 1 241 749 | 2 586 283 | 3 738 000 | - 1 151 717 | 69 |
| Service charges - Waste management | 26 639 689 | 1 454 392 | 3 004 822 | 4 439 946 | - 1 435 124 | 68 |
| Sale of Goods and Rendering of Services | 791 655 | 88 467 | 170 848 | 131 944 | 38 904 | 129 |
| Agency services | 399 827 | 13 927 | 13 927 | 66 638 | - 52 711 | 21 |
| Interest earned from Receivables | 15 342 307 | 1 738 484 | 3 575 102 | 2 557 050 | 1 018 052 | 140 |
| Interest from Current and Non Current Assets | 2 084 695 | 417 617 | 877 975 | 347 448 | | 253 |
| Rent on Land | 1 194 450 | 94 822 | 189 274 | 199 076 | - 9 802 | 95 |
| Rental from Fixed Assets | 3 240 262 | 129 530 | 337 305 | 540 046 | - 202 741 | 62 |
| Licence and permits | 1 586 366 | 116 363 | 334 880 | 264 394 | 70 486 | 127 |
| Operational Revenue | 339 897 | 31 939 | 63 351 | 56 650 | 6 701 | 112 |
| Property rates | 57 427 711 | - 63 014 | 50 757 068 | 9 571 280 | 41 185 788 | 530 |
| Fines, penalties and forfeits | 574 854 | 400 | 13 115 | 95 810 | - 82 695 | 14 |
| Transfers and subsidies - Operational | 69 179 000 | 267 614 | 26 891 032 | 11 529 834 | 15 361 198 | 233 |
| Interest | 4 186 773 | 468 632 | 952 507 | 697 796 | 254 711 | 137 |
| Total Revenue (excluding capital transfers and contr | 411 638 254 | 19 326 344 | 115 905 542 | 68 606 376 | 47 299 166 | 169 |
| Expenditure By Type | | | | | | |
| Employee related costs | 102 966 854 | 8 172 282 | 16 343 966 | 17 161 162 | - 817 196 | 95 |
| Remuneration of councillors | 6 758 975 | 563 247 | 1 126 994 | 1 126 494 | 500 | 100 |
| Bulk purchases - electricity | 138 000 000 | 13 739 372 | 26 111 162 | 23 000 000 | 3 111 162 | 114 |
| Inventory consumed | 65 596 037 | 4 319 144 | 5 989 165 | 10 932 682 | - 4 943 517 | 55 |
| Depreciation and amortisation | 81 663 419 | - | - | 13 610 570 | - 13 610 570 | - |
| Interest | 2 702 525 | 4 372 218 | 5 861 853 | 450 420 | 5 411 433 | 1 301 |
| Contracted services | 42 469 709 | 1 253 176 | 1 872 574 | 7 078 302 | - 5 205 728 | 26 |
| Irrecoverable debts written off | 21 985 649 | - | - | 3 664 278 | - 3 664 278 | - |
| Operational costs | 33 559 641 | 2 536 631 | 4 226 733 | 5 593 268 | - 1 366 535 | 76 |
| Other Losses | 8 420 552 | - | - | 1 403 426 | - 1 403 426 | - |
| Total Expenditure | 504 123 361 | 34 956 070 | 61 532 447 | 84 020 602 | - 22 488 155 | 73 |
| Surplus/(Deficit) | - 92 485 107 | - 15 629 726 | 54 373 095 | - 15 414 226 | 69 787 321 | |

| Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August | | | | | | |
|--|--------------------|-------------------|--------------------|-------------------|-------------------|----------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
| Revenue | | | | | | |
| Service charges - Electricity | 149 047 037 | 9 980 527 | 19 587 859 | 24 841 174 | - 5 253 315 | 79 |
| Service charges - Water | 57 175 742 | 3 344 895 | 6 550 194 | 9 529 290 | - 2 979 096 | 69 |
| Service charges - Waste Water Management | 22 427 989 | 1 241 749 | 2 586 283 | 3 738 000 | - 1 151 717 | 69 |
| Service charges - Waste management | 26 639 689 | 1 454 392 | 3 004 822 | 4 439 946 | - 1 435 124 | 68 |
| Sale of Goods and Rendering of Services | 791 655 | 88 467 | 170 848 | 131 944 | 38 904 | 129 |
| Agency services | 399 827 | 13 927 | 13 927 | 66 638 | - 52 711 | 21 |
| Interest earned from Receivables | 15 342 307 | 1 738 484 | 3 575 102 | 2 557 050 | 1 018 052 | 140 |
| Interest from Current and Non Current Assets | 2 084 695 | 417 617 | 877 975 | 347 448 | | 253 |
| Rent on Land | 1 194 450 | 94 822 | 189 274 | 199 076 | - 9 802 | 95 |
| Rental from Fixed Assets | 3 240 262 | 129 530 | 337 305 | 540 046 | - 202 741 | 62 |
| Licence and permits | 1 586 366 | 116 363 | 334 880 | 264 394 | 70 486 | 127 |
| Operational Revenue | 339 897 | 31 939 | 63 351 | 56 650 | 6 701 | 112 |
| Property rates | 57 427 711 | - 63 014 | 50 757 068 | 9 571 280 | 41 185 788 | 530 |
| Fines, penalties and forfeits | 574 854 | 400 | 13 115 | 95 810 | - 82 695 | 14 |
| Transfers and subsidies - Operational | 69 179 000 | 267 614 | 26 891 032 | 11 529 834 | 15 361 198 | 233 |
| Interest | 4 186 773 | 468 632 | 952 507 | 697 796 | 254 711 | 137 |
| Total Revenue (excluding capital transfers and contr | 411 638 254 | 19 326 344 | 115 905 542 | 68 606 376 | 47 299 166 | 169 |

Explanation on YTD variance % - e.g. 104% means that the municipality billed 4% more than what was budgeted and 98% means the municipality billed 2% less than what was budgeted.

Variances to be discussed in the Institutional and Finance Committee

Matters of Concern

Revenue billed should not be seen as actual cash received, The Statement of Financial Performance sometimes gives the reader the idea that the municipality already collected the billed revenue; additionally, it should not be confused with the collection rate as variances relate to the expected budgeted versus the actual billing.

The municipality is struggling to bill for all services as required meaning that services such as water and electricity are not being used as budgeted mostly as a result of by-passing.

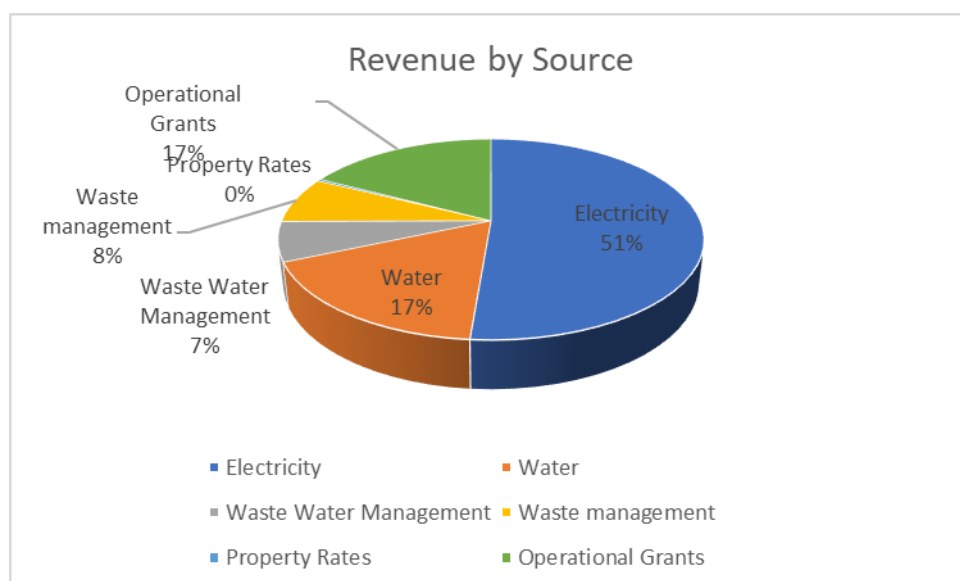
Fines, licenses, & permits vary from month to month and are difficult to budget.

Property rates were billed as ones but it is also indicated as a monthly bill on the customer statement as per the budgeted amount.

Equitable share is received in three phases although the usage is spread over several months.

CHART 1

The following chart shows the revenue by source for the month of 31 August 2023 in terms of revenue as a percentage of total revenue.



| Expenditure By Type | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
|---------------------------------|--------------------|-------------------|-------------------|-------------------|---------------------|----------------|
| Employee related costs | 102 966 854 | 8 172 282 | 16 343 966 | 17 161 162 | - 817 196 | 95 |
| Remuneration of councillors | 6 758 975 | 563 247 | 1 126 994 | 1 126 494 | 500 | 100 |
| Bulk purchases - electricity | 138 000 000 | 13 739 372 | 26 111 162 | 23 000 000 | 3 111 162 | 114 |
| Inventory consumed | 65 596 037 | 4 319 144 | 5 989 165 | 10 932 682 | - 4 943 517 | 55 |
| Depreciation and amortisation | 81 663 419 | - | - | 13 610 570 | - 13 610 570 | - |
| Interest | 2 702 525 | 4 372 218 | 5 861 853 | 450 420 | 5 411 433 | 1 301 |
| Contracted services | 42 469 709 | 1 253 176 | 1 872 574 | 7 078 302 | - 5 205 728 | 26 |
| Irrecoverable debts written off | 21 985 649 | - | - | 3 664 278 | - 3 664 278 | - |
| Operational costs | 33 559 641 | 2 536 631 | 4 226 733 | 5 593 268 | - 1 366 535 | 76 |
| Other Losses | 8 420 552 | - | - | 1 403 426 | - 1 403 426 | - |
| Total Expenditure | 504 123 361 | 34 956 070 | 61 532 447 | 84 020 602 | - 22 488 155 | 73 |

Notes on variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

Matter of Concern

Finance Charges - These relate to the expenses incurred on the ESKOM account which is a fruitless and wasteful expenditure, The municipality cannot budget for such expenditures although the municipality anticipates that they might be incurred in the financial year. The municipality also received interest on an outstanding account from Vaal Central Water (Bloem Water)

Bulk Electricity and Water Inventory – Please see invoices and payments below under creditors analysis.

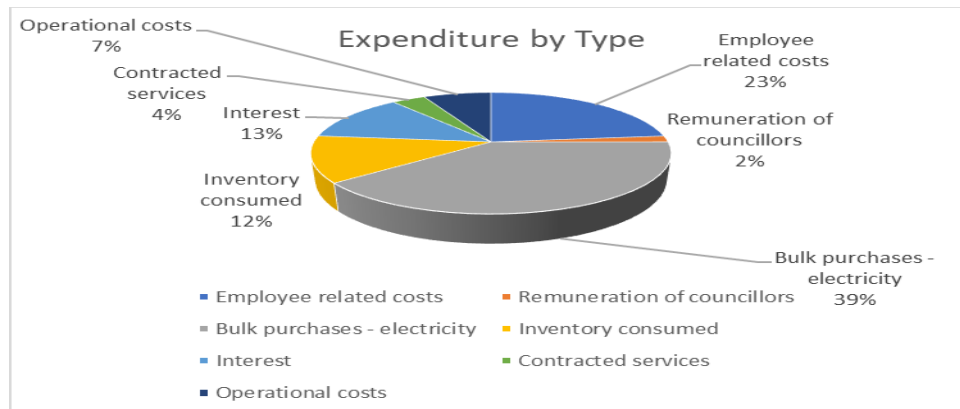
Debt impairment and Depreciation - the municipality asset register is not linked to the financial systems and journals are only passed at year-end

Contracted services and other expenditures – related to the day-to-day operations are mostly dependent on a positive cash flow, if the municipality does not have the necessary funds available expenditures are only incurred for the most important expenditure items.

Inventory consumed – The municipality did not make any payments towards Bloem Water as it did not receive payments from Bloem Water towards the electricity account.

CHART 2

The following chart shows the expenditure by type in terms of expenditure at a percentage of total expenditure, Chart as per the information above



The table below indicates revenue and expenditure by vote

Annexure B – Table C3

| Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August | | | | | | |
|--|---------------------|---------------------|--------------------|--------------------|---------------------|----------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
| Revenue by Vote | | | | | | |
| Vote 1 - EXECUTIVE MAYOR AND COUNCIL (10: IE) | 317 835 | 31 934 | 63 339 | 52 972 | 10 367 | 120 |
| Vote 2 - MUNICIPAL MANAGER (11: IE) | 1 490 993 | 104 628 | 149 162 | 248 498 | - 99 336 | 60 |
| Vote 3 - CORPORATE SERVICES (13: IE) | 3 073 746 | 103 599 | 215 578 | 512 294 | - 296 716 | 42 |
| Vote 4 - FINANCIAL SERVICES (15: IE) | 145 696 631 | 2 673 505 | 82 787 875 | 24 282 766 | 58 505 109 | 341 |
| Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE) | 30 134 440 | 1 718 067 | 3 748 427 | 5 022 410 | - 1 273 983 | 75 |
| Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE) | 2 066 610 | 127 440 | 216 825 | 344 434 | - 127 609 | 63 |
| Vote 7 - INFRASTRUCTURE;ENG AND TECHNICAL (18: IE) | 265 456 999 | 14 567 171 | 28 724 336 | 44 242 836 | - 15 518 500 | 65 |
| Total Revenue by Vote | 448 237 254 | 19 326 344 | 115 905 542 | 74 706 210 | 41 199 332 | 155 |
| Expenditure by Vote | | | | | | |
| Vote 1 - EXECUTIVE MAYOR AND COUNCIL (10: IE) | 10 100 816 | 702 510 | 1 356 341 | 1 683 466 | - 327 125 | 81 |
| Vote 2 - MUNICIPAL MANAGER (11: IE) | 14 728 580 | 1 148 788 | 2 260 531 | 2 454 766 | - 194 235 | 92 |
| Vote 3 - CORPORATE SERVICES (13: IE) | 33 853 494 | 1 652 259 | 3 522 457 | 5 642 258 | - 2 119 801 | 62 |
| Vote 4 - FINANCIAL SERVICES (15: IE) | 37 437 975 | 7 628 700 | 11 156 189 | 6 239 662 | 4 916 527 | 179 |
| Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE) | 63 746 744 | 1 335 309 | 2 583 910 | 10 624 466 | - 8 040 556 | 24 |
| Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE) | 11 667 561 | 896 105 | 1 654 558 | 1 944 594 | - 290 036 | 85 |
| Vote 7 - INFRASTRUCTURE;ENG AND TECHNICAL (18: IE) | 332 588 191 | 21 592 399 | 38 998 461 | 55 431 390 | - 16 432 929 | 70 |
| Total Expenditure by Vote | 504 123 361 | 34 956 070 | 61 532 447 | 84 020 602 | - 22 488 155 | 73 |
| Surplus/ (Deficit) for the year | - 55 886 107 | - 15 629 726 | 54 373 095 | - 9 314 392 | 63 687 487 | |

Reasons for variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

CHART 3

The following chart shows the revenue by vote for 31 August

| Revenue by Vote | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
|--|--------------------|-------------------|--------------------|-------------------|-------------------|----------------|
| Vote 1 - EXECUTIVE MAYOR AND COUNCIL (10: IE) | 317 835 | 31 934 | 63 339 | 52 972 | 10 367 | 120 |
| Vote 2 - MUNICIPAL MANAGER (11: IE) | 1 490 993 | 104 628 | 149 162 | 248 498 | - 99 336 | 60 |
| Vote 3 - CORPORATE SERVICES (13: IE) | 3 073 746 | 103 599 | 215 578 | 512 294 | - 296 716 | 42 |
| Vote 4 - FINANCIAL SERVICES (15: IE) | 145 696 631 | 2 673 505 | 82 787 875 | 24 282 766 | 58 505 109 | 341 |
| Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE) | 30 134 440 | 1 718 067 | 3 748 427 | 5 022 410 | - 1 273 983 | 75 |
| Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE) | 2 066 610 | 127 440 | 216 825 | 344 434 | - 127 609 | 63 |
| Vote 7 - INFRASTRUCTURE;ENG AND TECHNICAL (18: IE) | 265 456 999 | 14 567 171 | 28 724 336 | 44 242 836 | - 15 518 500 | 65 |
| Total Revenue by Vote | 448 237 254 | 19 326 344 | 115 905 542 | 74 706 210 | 41 199 332 | 155 |

Notes on Table Above

Revenue billed does not necessarily mean the monies have collected the actual cash

It must be noted Revenue by function includes capital revenue recognized resulting in the difference when compared to revenue by source.

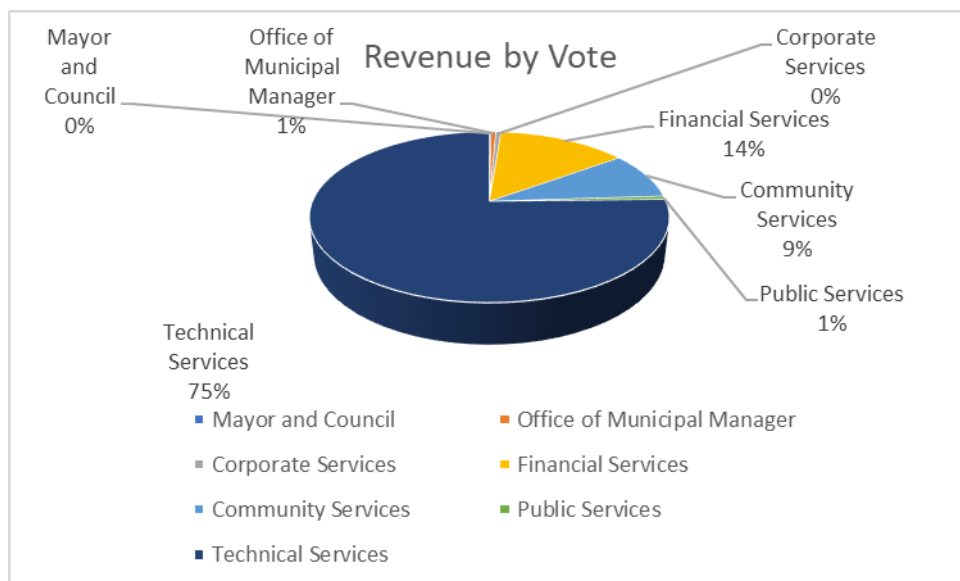
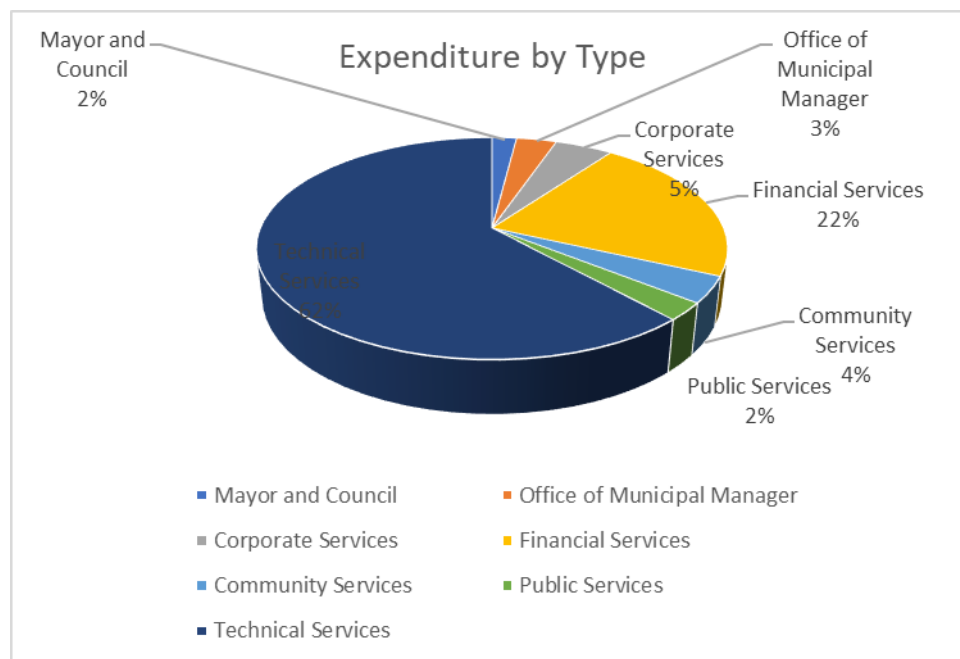


CHART 4

| Expenditure by Vote | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
|--|--------------------|-------------------|-------------------|-------------------|---------------------|----------------|
| Vote 1 - EXECUTIVE MAYOR AND COUNCIL (10: IE) | 10 100 816 | 702 510 | 1 356 341 | 1 683 466 | - 327 125 | 81 |
| Vote 2 - MUNICIPAL MANAGER (11: IE) | 14 728 580 | 1 148 788 | 2 260 531 | 2 454 766 | - 194 235 | 92 |
| Vote 3 - CORPORATE SERVICES (13: IE) | 33 853 494 | 1 652 259 | 3 522 457 | 5 642 258 | - 2 119 801 | 62 |
| Vote 4 - FINANCIAL SERVICES (15: IE) | 37 437 975 | 7 628 700 | 11 156 189 | 6 239 662 | 4 916 527 | 179 |
| Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE) | 63 746 744 | 1 335 309 | 2 583 910 | 10 624 466 | - 8 040 556 | 24 |
| Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE) | 11 667 561 | 896 105 | 1 654 558 | 1 944 594 | - 290 036 | 85 |
| Vote 7 - INFRASTRUCTURE;ENG AND TECHNICAL (18: IE) | 332 588 191 | 21 592 399 | 38 998 461 | 55 431 390 | - 16 432 929 | 70 |
| Total Expenditure by Vote | 504 123 361 | 34 956 070 | 61 532 447 | 84 020 602 | - 22 488 155 | 73 |

The following chart shows the expenditure by vote for 31 August



Reasons for variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

Capital expenditure report (Annexure B – Table C5)

The Capital expenditure report shown in Annexure B has been prepared based on the format required by the National Treasury.

Please note Capital Expenditure is subject to correction

| Capital Expenditure 31 August 2023 | | | | | |
|--|-------------------|----------------|---------------|------------------|--------------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance |
| Capital Expenditure - Functional Classification | | | | | |
| Executive and council | 17 100 000 | - | - | 2 850 000 | - 2 850 000 |
| Energy sources | 1 600 000 | - | - | 266 666 | - 266 666 |
| Water management | 600 000 | - | - | 100 000 | - 100 000 |
| Waste water management | 36 599 000 | - | - | 6 099 834 | - 6 099 834 |
| Waste management | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 55 899 000 | - | - | 9 316 500 | - 9 316 500 |
| Funded by: | | | | | |
| National Government | 36 599 000 | - | - | 6 099 834 | - 6 099 834 |
| Borrowing | - | - | - | - | - |
| Internally generated funds | 19 300 000 | - | - | 3 216 666 | - 3 216 666 |
| Total Capital Funding | 55 899 000 | - | - | 9 316 500 | - 9 316 500 |

No Capital Expenditure for the first month

CASH FLOW STATEMENT AT 31 August 2023

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M02 August

| Description | Ref | #REF! | #REF! | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------|---------------|---------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 43 771 | 61 477 | | 6 315 | 9 579 | - | 9 579 | #DIV/0! | - |
| Service charges | | 170 063 | 306 391 | | 4 234 | 8 013 | - | 8 013 | #DIV/0! | - |
| Other revenue | | 42 029 | 7 876 | | 2 244 | 30 278 | 71 062 | (40 784) | -57% | 426 372 |
| Transfers and Subsidies - Operational | | 59 387 | 14 029 | | 21 177 | 66 336 | - | 66 336 | #DIV/0! | - |
| Transfers and Subsidies - Capital | | 9 375 | 36 599 | | 7 | 12 | - | 12 | #DIV/0! | - |
| Interest | | - | 2 085 | | - | - | 347 | (347) | -100% | 2 085 |
| Dividends | | - | - | | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (290 632) | (389 100) | | (28 615) | (47 136) | (64 850) | (17 715) | 27% | (389 100) |
| Interest | | (2 275) | (2 703) | | (2 691) | (3 577) | (450) | 3 127 | -694% | (2 703) |
| Transfers and Subsidies | | - | - | | - | - | - | - | | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 31 718 | 36 654 | - | 2 670 | 63 505 | 6 109 | (57 396) | -940% | 36 654 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | 11 | - | | - | - | - | - | | - |
| Decrease (increase) in non-current receivables | | - | - | | - | - | - | - | | - |
| Decrease (increase) in non-current investments | | - | - | | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Capital assets | | (5 081) | (55 899) | | - | 94 | - | (94) | #DIV/0! | - |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (5 070) | (55 899) | - | - | 94 | - | (94) | #DIV/0! | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | | - | - | - | - | | - |
| Borrowing long term/refinancing | | 25 000 | - | | - | - | - | - | | - |
| Increase (decrease) in consumer deposits | | - | - | | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | (440) | - | | - | - | - | - | | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 24 560 | - | - | - | - | - | - | | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 51 208 | (19 245) | - | 2 670 | 63 599 | 6 109 | | | 36 654 |
| Cash/cash equivalents at beginning: | | (4 438) | 24 517 | | (12 770) | (4 558) | 24 517 | | | (4 558) |
| Cash/cash equivalents at month/year end: | | 46 770 | 5 272 | - | (10 100) | 59 042 | 21 309 | | | - |

Notes on the Cash Flow Statement

Please note that opening and closing balances are subject to correction and include conditional grants.

Balance in condition grants also includes a loan that was transferred to the interest-bearing account and incorrectly shows under operational grants.

Municipality Council has approved the upgrade from Promun 2 to Promun 3 where the Cash Flow Statement amongst other issues on the C-Schedule will be dealt with.

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared based on the format required by the National Treasury. The following report shows the debtor's outstanding on 31 August 2023.

| Debtors Age Analysis 31 August 2023 | | | | | | |
|--|-------------------|------------------|------------------|------------------|--------------------|--------------------|
| | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121+ Days | Total |
| Debtors Age Analysis By Income Source | | | | | | |
| Water | 4 151 442 | 2 517 660 | 1 739 547 | 1 916 029 | 92 999 968 | 103 324 646 |
| Electricity | 7 152 417 | 2 673 262 | 1 775 646 | 1 506 143 | 80 543 495 | 93 650 963 |
| Property Rates | 6 038 140 | 1 792 995 | 1 263 059 | 1 166 126 | 68 226 789 | 78 487 109 |
| Waste Water Management | 1 338 187 | 758 089 | 526 094 | 475 801 | 22 230 024 | 25 328 195 |
| Waste Management | 1 885 649 | 1 220 114 | 876 506 | 802 920 | 46 150 330 | 50 935 519 |
| Receivables from Exchange Transactions - Property Rental Debtors | 366 558 | 285 209 | 248 624 | 262 576 | 14 671 198 | 15 834 165 |
| Total By Income Source | 20 932 393 | 9 247 329 | 6 429 476 | 6 129 595 | 324 821 804 | 367 560 597 |
| Debtors Age Analysis By Customer Group | | | | | | |
| Organs of State | 3 061 559 | 633 120 | 351 151 | 368 930 | 8 238 219 | 12 652 979 |
| Commercial | 8 839 997 | 3 223 927 | 2 312 044 | 2 048 044 | 100 069 854 | 116 493 866 |
| Households | 9 030 837 | 5 390 282 | 3 766 281 | 3 712 621 | 216 513 731 | 238 413 752 |
| Total By Customer Group | 20 932 393 | 9 247 329 | 6 429 476 | 6 129 595 | 324 821 804 | 367 560 597 |

The debtor's outstanding for more than 121 days amounts to R324 821 804.

Debtors are increasing every month if the period is more than 60 days and 90 days are checked it is clear there is a constant increase, on the debtor's books there are many disputes which result in no or low payments on accounts. Several past action plans and debt collection procedures have been introduced but have not been successful. Debt control reports will be submitted to show the success and challenges of recovering debt.

Actions done by the Income Department

Month statements were sent to consumers via SMS – 9371 and via e-mail 3199

The block is run on a monthly basis the average number of customers that get block is about 4800 consumers.

After the block was run for the month of August 2023: 51 Agreements were done.

The following work was done by the revenue team for the month of August 2023:

Water team:

Repair water pipe - 5

Meter Replacement – 11

Inspections - 6

ELECTRICITY Team:

Bypass Repair – 5

Inspections - 35

Cut off - 3

Bypasses - 54

Indigents

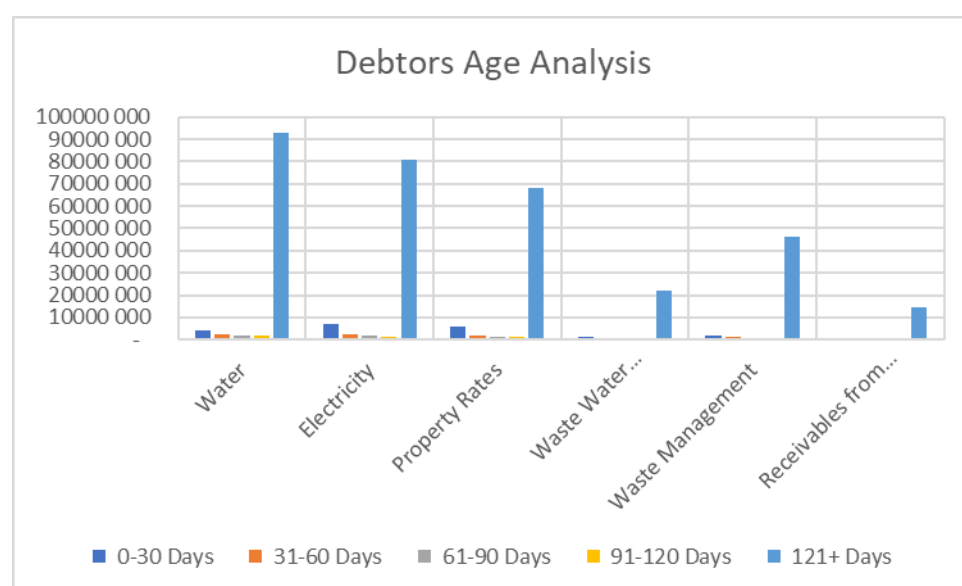
For the month ended 31 August 2023 Nama Khoi - 5127 indigents

Increase: 526 from the previous month, Consumers can apply throughout the financial year

Chart 8 – Debtors per revenue source

| | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121+ Days | Total |
|--|-------------------|------------------|------------------|------------------|--------------------|--------------------|
| Debtors Age Analysis By Income Source | | | | | | |
| Water | 3 974 944 | 2 069 798 | 2 028 413 | 1 877 834 | 91 592 957 | 101 543 946 |
| Electricity | 6 602 699 | 2 274 294 | 1 865 010 | 1 387 309 | 84 306 282 | 96 435 594 |
| Property Rates | 8 437 280 | 1 508 936 | 1 264 662 | 1 168 407 | 67 764 903 | 80 144 188 |
| Waste Water Management | 1 339 510 | 616 213 | 532 131 | 488 304 | 22 185 233 | 25 161 391 |
| Waste Management | 1 903 703 | 982 545 | 845 963 | 798 358 | 45 584 249 | 50 114 818 |
| Property Rental Debtors | 368 141 | 253 731 | 421 203 | 211 359 | 14 482 503 | 15 736 937 |
| Total By Income Source | 22 626 277 | 7 705 517 | 6 957 382 | 5 931 571 | 325 916 127 | 369 136 874 |

The following chart shows the debtors outstanding per revenue source, Chart as per the information above

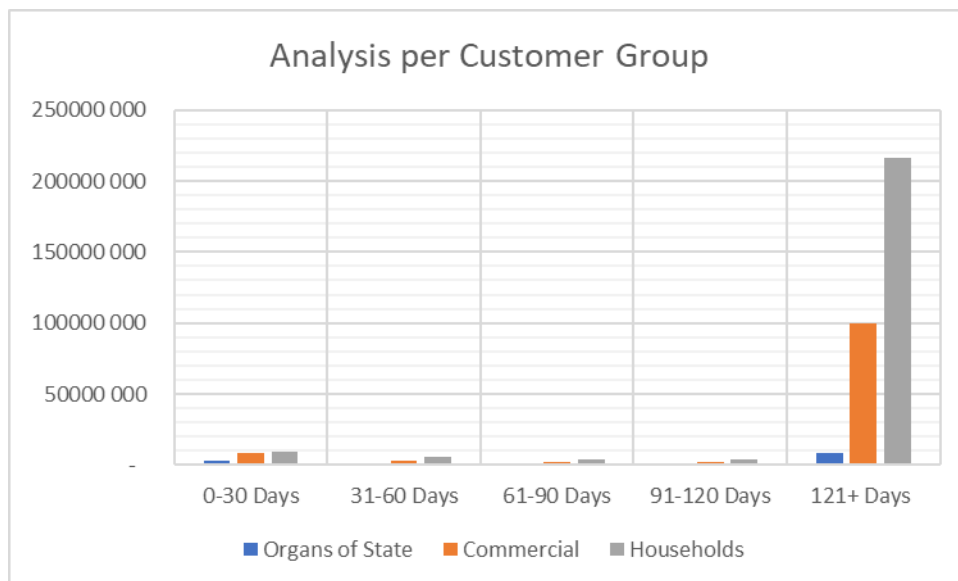


Debtor Age Analysis by Category

| Debtors Age Analysis By Customer Group | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121+ Days | Total |
|--|-------------------|------------------|------------------|------------------|--------------------|--------------------|
| Organs of State | 3 061 559 | 633 120 | 351 151 | 368 930 | 8 238 219 | 12 652 979 |
| Commercial | 8 839 997 | 3 223 927 | 2 312 044 | 2 048 044 | 100 069 854 | 116 493 866 |
| Households | 9 030 837 | 5 390 282 | 3 766 281 | 3 712 621 | 216 513 731 | 238 413 752 |
| Total By Customer Group | 20 932 393 | 9 247 329 | 6 429 476 | 6 129 595 | 324 821 804 | 367 560 597 |

CHART 9

The following chart shows the outstanding debtors per category, as per the information above.



CREDITORS Age Analysis - Annexure B -Table SC4

The creditor's age analysis report shown in Annexure B has been prepared based on the format required by the National Treasury.

The following report shows the creditor's outstanding on 31 August 2023.

| Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August | | | | | | |
|---|--------------------|------------------|-------------------|-------------------|--------------------|--------------------|
| Creditors Age Analysis By Customer Type | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121+ Days | Total |
| Bulk Electricity | 3 159 337 | 2 343 508 | 6 156 722 | 6 978 228 | 212 629 316 | 231 267 111 |
| Bulk Water | - 9 843 386 | 4 210 619 | 4 124 044 | 3 797 426 | 210 897 689 | 213 186 392 |
| Trade Creditors | - 466 664 | - 797 725 | 1 444 884 | 117 822 | 470 896 | 769 213 |
| Auditor General | 413 050 | - | - | - | 810 816 | 1 223 866 |
| Other | - 397 318 | - 78 942 | - 250 000 | - | 1 095 202 | 368 942 |
| Total By Customer Type | - 7 134 981 | 5 677 460 | 11 475 650 | 10 893 476 | 425 903 919 | 446 815 524 |

Creditors Analysis

Please note creditors' report is subject to correction

From the creditors' age analysis, it is clear that the municipality has two main creditors: ESKOM and Sedibeng.

Please note corrections must be made in terms of Bulk Electricity and Auditor General and Department Safety & Liaison, Discussion was held and payments were matched between the parties, payments to ESKOM were made from November 2022 and should not show outstanding for 0 to 120 days.

The municipality applied for the Debt Write as previously indicated and was conditionally approved. The municipality awaits final approval from the Treasury, the only outstanding item is the Property Rates Reconciliation which is done by the National Treasury advisor.

Payments were received from Central Vaal Water and the municipality was able to make payments towards Bulk Water.

The municipality has all other creditors in control with the municipality either having verbal agreements or payment arrangements.

| Bloem Water /Central Vaal Water Summary | | | | | | | | |
|---|---------------------|---------------------|-------------|----------------------------------|-------------------|----------------------|-----------------------|---|
| 2023 - 2024 BULK WATER | | | | | | | | |
| | BLOEM WATER BILLING | INTEREST ON ACCOUNT | AMOUNT PAID | SHORTFALL IN BLOEM WATER PAYMENT | Nama Khoi Billing | Actual Cash Received | Difference in Billing | Comments |
| JUL | 1 658 302 | - | - | 1 658 302 | 3 652 286 | 2 667 316 | 1 993 984 | No payment was made during July 2023 |
| AUG | 4 913 224 | 2 552 317 | 14 756 611 | 7 291 070 | 3 880 457 | 3 250 073 | 1 032 768 | Payments was made relating to the months where no payments was made to the Water Board. |
| SEPT | - | - | 2 606 033 | 2 606 033 | | | - | Partial payment made on account. Account for September not yet received. |
| OCT | | | | - | | | - | |
| NOV | | | | - | | | - | |
| DES | | | | - | | | - | |
| JAN | | | | - | | | - | |
| FEB | | | | - | | | - | |
| MARCH | | | | - | | | - | |
| APRIL | | | | - | | | - | |
| MAY | | | | - | | | - | |
| JUN | | | | - | | | - | |
| | 6 571 527 | 2 552 317 | 17 362 644 | 8 238 800 | 7 532 743 | 5 917 389 | 961 216 | |

| ESKOM | | | | | | | |
|----------------------------|---------------|-------------|----------------------------|-------------------|----------------------|-----------------------|---|
| 2022-2023 BULK ELECTRICITY | | | | | | | |
| | ESKOM BILLING | AMOUNT PAID | SHORTFALL IN ESKOM PAYMENT | Nama Khoi Billing | Actual Cash Received | Difference in Billing | Notes |
| JUL | 15 478 457 | 13 134 950 | 1 250 899 | 9 551 456 | 8 651 062 | 5 927 001 | Payment made in July is for the total invoices of June 2023 |
| AUG | 17 386 895 | 14 227 558 | 12 524 833 | 9 932 838 | 14 952 712 | 7 454 057 | Payment made in August is for the total invoices of July 2023 except for the interest of July 2023 |
| SEPT | - | 4 862 061 | - | | | - | Partial payment for the September 2023 account as not all of the amounts are due yet. Due date for this account is 30 September 2023. Invoices for the month of September not yet received. |
| OCT | | | - | | | - | |
| NOV | | | - | | | - | |
| DES | | | - | | | - | |
| JAN | | | - | | | - | |
| FEB | | | - | | | - | |
| MARCH | | | - | | | - | |
| APRIL | | | - | | | - | |
| MAY | | | - | | | - | |
| JUN | | | - | | | - | |
| | 32 865 352 | 19 089 619 | 13 775 733 | 19 484 294 | 23 603 774 | 13 381 058 | |

| Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August | | | | | | |
|--|--------------------|-------------------|--------------------|-------------------|------------------|----------------|
| Summary of Employee and Councillor remuneration | | | | | | |
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
| Councillors (Political Office Bearers plus Other) | | | | | | |
| Basic Salaries and Wages | 5 648 146 | 478 180 | 956 860 | 941 356 | 15 504 | 102 |
| Cellphone Allowance | 693 600 | 57 800 | 115 600 | 115 600 | - | 100 |
| Other benefits and allowances | 417 229 | 27 267 | 54 534 | 69 538 | - 15 004 | 78 |
| Sub Total - Councillors | 6 758 975 | 563 247 | 1 126 994 | 1 126 494 | 500 | 100 |
| | | | | | | |
| Senior Managers of the Municipality | | | | | | |
| Basic Salaries and Wages | 3 530 398 | 294 656 | 654 795 | 588 400 | 66 395 | 111 |
| Pension and UIF Contributions | 10 855 | 354 | 708 | 1 810 | - 1 102 | 39 |
| Performance Bonus | 443 740 | - | - | 73 958 | - 73 958 | - |
| Motor Vehicle Allowance | 1 546 588 | 25 764 | 51 528 | 257 766 | - 206 238 | 20 |
| Cellphone Allowance | 80 864 | 2 637 | 5 274 | 13 478 | - 8 204 | 39 |
| Housing Allowances | 190 770 | 11 809 | 23 618 | 31 794 | - 8 176 | 74 |
| Other benefits and allowances | 664 | 22 | 44 | 110 | - 66 | 40 |
| Long service awards | 35 835 | - | - | 5 972 | - 5 972 | - |
| Sub Total - Senior Managers of Municipality | 5 839 714 | 335 242 | 735 967 | 973 288 | - 237 321 | 76 |
| | | | | | | |
| Other Municipal Staff | | | | | | |
| Basic Salaries and Wages | 61 062 509 | 5 115 492 | 10 182 229 | 10 177 088 | 5 141 | 100 |
| Pension and UIF Contributions | 9 700 260 | 803 644 | 1 608 479 | 1 616 710 | - 8 231 | 99 |
| Medical Aid Contributions | 4 328 448 | 333 825 | 593 137 | 721 408 | - 128 271 | 82 |
| Overtime | 6 962 609 | 703 076 | 1 371 771 | 1 160 436 | 211 335 | 118 |
| 13th month Bonus | 4 621 059 | 399 164 | 774 524 | 770 176 | 4 348 | 101 |
| Motor Vehicle Allowance | 3 109 403 | 4 752 | 9 444 | 518 236 | - 508 792 | 2 |
| Cellphone Allowance | 213 156 | 17 762 | 35 524 | 35 524 | - | 100 |
| Housing Allowances | 1 045 372 | 73 014 | 148 910 | 174 230 | - 25 320 | 85 |
| Sub Total - Other Municipal Staff | 91 042 816 | 7 450 729 | 14 724 018 | 15 173 808 | - 449 790 | 97 |
| | | | | | | |
| Total Parent Municipality | 103 641 505 | 8 349 218 | 16 586 979 | 17 273 590 | - 686 611 | 96 |
| | | | | | | |
| Total Employee Cost | 96 882 530 | 7 785 971 | 15 459 985 | 16 147 096 | | |
| | | | | | | |
| Revenue | 411 638 254 | 19 326 344 | 115 905 542 | 68 606 376 | | |
| | | | | | | |
| Expenditure | 504 123 361 | 34 956 070 | 61 532 447 | 84 020 602 | | |
| | | | | | | |
| %Employee Cost to Revenue | 24 | 40 | 13 | 24 | | |
| | | | | | | |
| %Employee Cost to Expenditure | 19 | 22 | 25 | 19 | | |

Employee-related cost to total expenditure – Please note employee cost against expenditure amounts to 22%

Example MFMA Circular 124 (paragraphs 3.7.)

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

Total average collection for August 2023) (quarter preceding the application)

1. The total average quarterly collection of all revenue excluding Equitable Share and conditional grants
2. The total average quarterly collection of municipal property rates
3. The total average quarterly collection of Electricity
4. The total average quarterly collection of Water
5. The total average quarterly collection of Wastewater
4. The total average quarterly collection of Solid Waste

| |
|------|
| 107% |
| 141% |
| 132% |
| 80% |
| 60% |
| 73% |

MFMA Circular 124 - paragraphs 3.7.4 and 3.7.5

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

| Wards / Services | August billed | August Collected | Collection % | Quarter 1 Billed | Quarter 1 collected | Collection % |
|---------------------------------------|---------------|------------------|--------------|------------------|---------------------|--------------|
| Ward/Service point - Komaggas | | | 59% | | | 36% |
| Property Rates Tax | 142 105 | 61 121 | 43% | 284 210 | 92 467 | 33% |
| Electricity | | | | | | |
| Water | 201 240 | 142 930 | 71% | 546 029 | 193 059 | 35% |
| Refuse | 220 269 | 87 673 | 40% | 440 538 | 121 054 | 27% |
| Sewerage | 36 525 | 63 489 | 174% | 73 050 | 71 159 | 97% |
| VAT | | | | | | |
| Interest | | | | | | |
| Ward/Service point - Steinkopf | | | 63% | | | 47% |
| Property Rates Tax | 299 245 | 167 607 | 56% | 598 490 | 312 031 | 52% |
| Electricity | | | | - | - | |
| Water | 586 091 | 339 568 | 58% | 1 257 061 | 565 266 | 45% |
| Refuse | 370 337 | 177 121 | 48% | 740 674 | 253 376 | 34% |
| Sewerage | 290 843 | 292 810 | 101% | 581 686 | 364 954 | 63% |
| VAT | | | | | | |
| Interest | | | | | | |
| Ward/Service point - Springbok | | | 125% | | | 109% |
| Property Rates Tax | 2 526 552 | 5 169 265 | 205% | 5 053 104 | 8 053 573 | 159% |
| Electricity | 5 634 059 | 6 240 394 | 111% | 11 209 667 | 11 223 191 | 100% |
| Water | 2 035 384 | 2 101 232 | 103% | 4 051 936 | 4 007 825 | 99% |
| Refuse | 1 005 204 | 888 869 | 88% | 2 010 408 | 1 705 016 | 85% |
| Sewerage | 994 332 | 850 664 | 86% | 1 988 664 | 1 558 125 | 78% |
| VAT | | | | | | |
| Interest | | | | | | |
| Ward/Service point - Okiep | | | 313% | | | 195% |
| Property Rates Tax | 301 094 | 420 691 | 140% | 598 277 | 741 442 | 124% |
| Electricity | 640 378 | 5 122 951 | 800% | 1 311 611 | 5 681 882 | 433% |
| Water | 546 769 | 546 288 | 100% | 1 075 738 | 962 029 | 89% |
| Refuse | 329 113 | 183 231 | 56% | 658 226 | 356 075 | 54% |
| Sewerage | 242 693 | 169 859 | 70% | 485 386 | 327 798 | 68% |
| VAT | | | | | | |
| Interest | | | | | | |
| Ward/Service point - Nababeep | | | 102% | | | 92% |
| Property Rates Tax | 305 735 | 711 547 | 233% | 611 470 | 1 021 084 | 167% |
| Electricity | 456 578 | 575 676 | 126% | 895 295 | 1 118 011 | 125% |
| Water | 645 360 | 328 720 | 51% | 1 075 004 | 631 788 | 59% |
| Refuse | 268 674 | 128 054 | 48% | 537 348 | 243 772 | 45% |
| Sewerage | 226 526 | 188 276 | 83% | 453 052 | 285 763 | 63% |
| VAT | | | | | | |
| Interest | | | | | | |
| Ward/Service point - Concordia | | | 85% | | | 82% |
| Property Rates Tax | 267 946 | 437 865 | 163% | 535 892 | 638 378 | 119% |
| Electricity | 446 585 | 316 822 | 71% | 707 228 | 624 332 | 88% |
| Water | 468 047 | 362 202 | 77% | 782 645 | 634 629 | 81% |
| Refuse | 313 384 | 165 028 | 53% | 626 768 | 304 279 | 49% |
| Sewerage | 71 108 | 55 250 | 78% | 142 216 | 98 737 | 69% |

Notes on Collection Rate Above

The municipality managed an average collection rate of 107% for August.

Bloem Water now Central Vaal Water made on payment on the outstanding account This boosted Okiep service collection rate for the period.

Property rates payments boosted the collection rates overall

The department made payments towards school services in Komaggas which boosted the collection rate.

| Nama Khoi Local Municipality Financial Year: 2023/2024 Consolidated Report on Various Deposits Period: All Periods Ended 31 August 2023 Nedbank: Interest Account: 037881154675 | | | | | |
|---|----------------------|---------------------|-------------------|----------------------|----------------------|
| DESCRIPTION | LOAN (FLEET) | EQUITABLE SHARE | CAR ALLOWANCE | INTEREST | TOTAL |
| Opening Balance: 01 July 2023 | 17 725 632,85 | 0,00 | 0,00 | 7 055 946,29 | 24 781 579,14 |
| Security against loan | | | | -5 000 000,00 | -5 000 000,00 |
| RECEIPT | 0,00 | 26 421 000,00 | 553 327,12 | 410 041,16 | 27 384 368,28 |
| Deposits July | | 26 421 000,00 | | 410 041,16 | 26 831 041,16 |
| Deposits August | | | 553 327,12 | | 553 327,12 |
| | | | | | 0,00 |
| WITHDRAWAL | 0,00 | -24 546 591,91 | 0,00 | 0,00 | -24 546 591,91 |
| Monthly operational needs | | -9 000 000,00 | | | -9 000 000,00 |
| Monthly operational needs | | -11 101 536,00 | | 0,00 | -11 101 536,00 |
| Monthly operational needs | | -4 445 055,91 | | | -4 445 055,91 |
| | | | | | 0,00 |
| Opening Balance: 31 August 2023 | 17 725 632,85 | 1 874 408,09 | 553 327,12 | 2 465 987,45 | 22 619 355,51 |

Notes on the Table above

The municipality has call accounts where Grants are kept while there are unspent, These call accounts generate interest, and the interest generated is transferred to an interest-bearing account.

The municipality uses the interest-bearing account for various transfers as illustrated above, the nature of the transactions above will be discussed at the Financial Economic Institutional Committee.

| NAMA KHOI MUNICIPALITY VAT 201 VAT REG. 4890198585 VAT CATEGORY: C ACCOUNTING BASE : PAYMENT BASE VAT RECONCILIATION Financial Year : 2023/2024 PERIOD : AUGUST 2023 | | | | | | | | | | |
|---|--------|-------------|--|--|--|---------------------------------------|-----------------------|-----------|--------------|---------------------|
| Output | | | | | | | | | | |
| Date Submit | | Description | | Standard rate (Excluding capital goods and/or services and accomodation) | Standard rate (Excluding capital goods and/or services and accomodation) | Zero rate (excluding goods exported) | Exempt & non supplies | | VAT Value | Control |
| | 1 | VAT JUL | | 14 568 868,46 | 1 900 287,19 | 30 332 514,86 | 2 793 564,72 | | 1 900 287,19 | |
| Total Amount | | | | R 14 568 868,46 | R 1 900 287,19 | R 30 332 514,86 | R 2 793 564,72 | | 1 900 287,19 | |
| Input Tax | | | | | | | | | | |
| Date Submit | Period | Description | Capital goods and/or service supplied to you | VAT Value | Other Goods and/or service supplied to you (not capital goods) | VAT Value | Other | VAT Value | VAT Value | Paid (+) Refund (-) |
| | 1 | VAT JUL | | | 14 060 119,06 | 1 833 928,57 | | | 1 833 928,57 | 66 358,62 |
| Total Amount | | | R - | R - | R 14 060 119,06 | R 1 833 928,57 | R - | R - | 1 833 928,57 | 66 358,62 |
| VAT Reconciliation | | | | | | | | | | |
| OPENING BALANCE 01/07/23 | | | | | | | | | | 210 284,92 |
| MINUS CORRECTIONS | | | | | | | | | | |
| MINUS CORRECTIONS (PREVIOUS YEAR BALANCE NOT YET CORRECTED) | | | | | | | | | | |
| INTEREST PAYROLL RELATED TAX DEDUCTED FROM VAT CREDIT (REFERENCE STATEMENT OF ACCOUNT - JOURNAL DEBT EQUALISATION AUTOMATED PROC | | | | | | | | | | |
| MINUS PAYMENT | | | | | | | | | | |
| TOTAL OUTPUT TAX | | | | | | | | | | -1 900 287,19 |
| TOTAL INPUT TAX | | | | | | | | | | 1 833 928,57 |
| REFUNDS :DURING THE YEAR | | | | | | | | | | |
| PAYMENTS DURING THE YEAR | | | | | | | | | | 66 358,62 |
| VAT PAYABLE/ REFUNDABLE | | | | | | | | | | |
| CLOSING BALANCE 31/06/23 | | | | | | | | | | 210 284,92 |

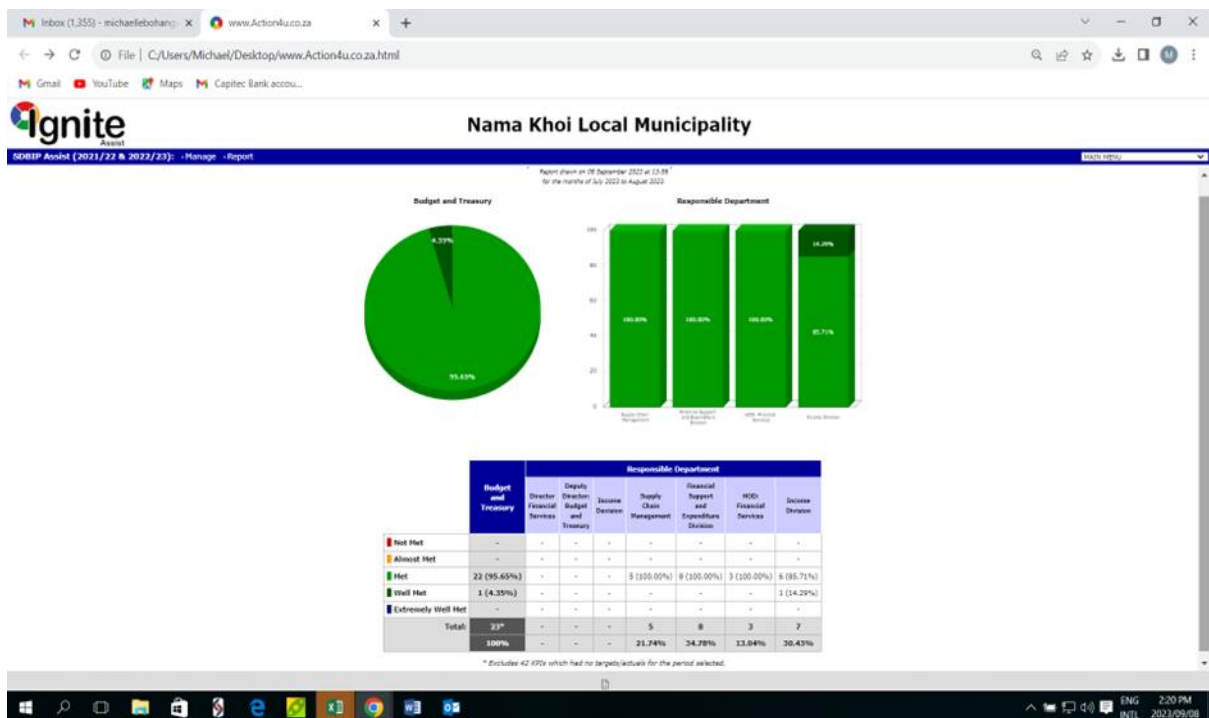
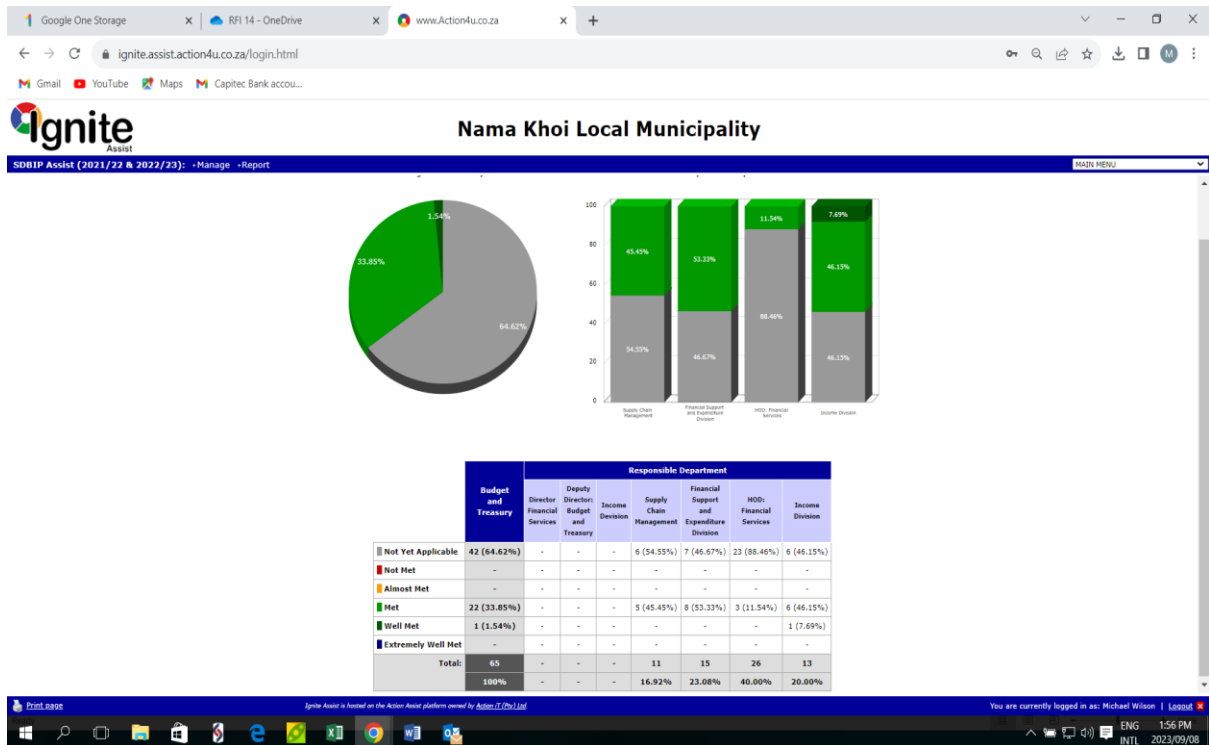
Notes on the above table

The net result of the input and output tax for the month of July was R66 358.62 to be paid by the municipality in the month of August 2023

| RFI TRACKER AFS/AUDIT 2022-23 | | | | |
|-------------------------------|------------|-----------|----------------|-------------|
| RFI | ISSUE DATE | DUE DATE | SUBMITTED DATE | SUBMITTED |
| 1 | 08-Aug-23 | 11-Aug-23 | 11-Aug-23 | YES |
| 2 | 21-Aug-23 | 23-Aug-23 | 23-Aug-23 | YES |
| 3 | 21-Aug-23 | 23-Aug-23 | 23-Aug-23 | YES |
| 4 | 22-Aug-23 | 24-Aug-23 | 23-Aug-23 | YES |
| 5 | 28-Aug-23 | 31-Aug-23 | 31-Aug-23 | YES |
| 6 | 29-Aug-23 | 01-Sep-23 | 31-Aug-23 | YES |
| 7 | 29-Aug-23 | 01-Sep-23 | 31-Aug-23 | YES |
| 8 | 29-Aug-23 | 01-Sep-23 | 01-Sep-23 | YES |
| 9 | 29-Aug-23 | 01-Sep-23 | 31-Aug-23 | YES |
| 10 | 30-Aug-23 | 04-Sep-23 | 04-Sep-23 | YES |
| 11 | 30-Aug-23 | 04-Sep-23 | 04-Sep-23 | YES |
| 12 | 30-Aug-23 | 04-Sep-23 | 04-Sep-23 | YES |
| 13 | 31-Aug-23 | 05-Sep-23 | 06-Sep-23 | YES |
| 14 | 31-Aug-23 | 05-Sep-23 | 07-Sep-23 | (PARTIALLY) |
| 15 | 31-Aug-23 | 05-Sep-23 | 07-Sep-23 | YES |
| 16 | 04-Sep-23 | 07-Sep-23 | 07-Sep-23 | YES |
| 17 | 05-Sep-23 | 07-Sep-23 | 07-Sep-23 | YES |
| 18 | 08-Sep-23 | 12-Sep-23 | | |

Notes on the table above

The Municipality managed to keep up to date with the RFI's requested thus far



Notes on Tabled Above

Please note the Finance department has submitted all applicable information to the SDBIP/Performance Management as required.

Financial Implications /Recommendations

Revenue by Type:

64. (1) A municipality's accounting officer is responsible for managing the municipality's revenue. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure— (a) that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy; (b) that revenue due to the municipality is calculated on a monthly basis; (c) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as Augustbe prescribed where monthly accounts are uneconomical; (d) that all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts; (e) that the municipality has and maintains a management, accounting and information system which— (i) recognises revenue when it is earned; (ii) accounts for debtors; and (iii) accounts for receipts of revenue; (f) that the municipality has and maintains a system of internal control in respect of debtors and revenue, as Augustbe prescribed; (g) that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and (h) that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis. (3) The accounting officer must immediately inform the National Treasury of any payments due by an organ of state to the municipality regarding municipal tax or for municipal services if such payments are regularly in arrears for more than 31 days. (4) The accounting officer must take all reasonable steps to ensure— (a) that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least every week; and

(b) that such funds are not used for purposes of the municipality

Expenditure by type:

65. (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality. (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure— (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds; (b) that the municipality has and maintains a management, accounting and information system which— (i) recognises expenditure when it is incurred; (ii) accounts for creditors of the municipality; and (iii) accounts for payments made by the municipality; (c) that the municipality has and maintains a system of internal control in respect of creditors and payments; (d) that payments by the municipality are made— (i) directly to the person to whom it is due unless agreed otherwise for reasons as Augustbe prescribed; and (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques Augustbe made for exceptional reasons only, and only up to a prescribed limit; (e) that all money owing by the municipality be paid within 31 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure; (f) that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments; (g) that any dispute concerning payments due by the

municipality to another organ of state is disposed of in terms of legislation regulating disputes between organs of state; (h) that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework; (i) that the municipality's supply chain management policy referred to in section 111 is implemented in a way that is fair, equitable, transparent, competitive and cost-effective; and (j) that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

Capital Expenditure:

19. (1) A municipality must spend money on a capital project only if— (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2); (b) the project, including the total cost, has been approved by the council; (c) section 33 has been complied with, to the extent that that section applies to the project; and (d) the sources of funding have been considered, are available and have not been committed for other purposes. (2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider— (a) the projected cost covering all financial years until the project is operational; and (b) the future operational costs and revenue on the project, including municipal tax and tariff implications. (3) A municipal council must in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital program.

Cash Flow Statement:

Expenditure should be linked to the cash flow budget, once cash is less than budget corrections must be done to avoid the municipality running into cash flow problems. The municipality should strive to use the cash received wisely and for the intended purpose as planned. The municipality should strive to spend less cash than it has received to avoid going into a negative cash balance. Revenue/Cash recovery must be structured so that the old outstanding funds received will be used to either settle outstanding creditors or fund projects that can enhance revenue recovery.

Debtors Analysis

The municipality needs to ensure better distribution of information to the community as well as Councillors. The distribution of monthly accounts should be 100% correct and all methods of distributing accounts should be explored with the best methods being introduced for the different wards. The municipality must also establish a better workflow between departments to ensure the community won't end up with unnecessary accounts.

Creditors Analysis

The municipality must adhere to paying monthly creditors on time, and old outstanding debt must be prioritized and linked to the Funded Budget Plan. Intervention is needed regarding the outstanding debt of bulk services. The municipality should strive to receive accounts that can be serviced every month; therefore, communication between all relevant parties is vital. The municipality needs to finalize the action plans against the two biggest creditors.

General Note

Annual Financial Statements, Audit Action Plans, and FMCMM

AFS submitted on 31 August 2023 with the necessary documents as required

Audit action plans final documents to be provided during the audit cycle

FMCMM responsible officials identified modules are being completed.

Circular 124 Debt Relief

Monthly monitoring tool to be submitted

Funded Budget Plan and Cost Containment Report

Progress on the Funded Budget completed as required, report will be submitted as required

Progress on the Cost Containment Report is completed as required, report it will be submitted as required.

6. Interdepartmental and cluster impact

This report is prepared to achieve MFMA compliance.

7. Comments of the Head: Legal Services

The above-mentioned report as such does not call for legal clarification

8. Conclusion

This report was compiled in accordance compliance with section 71 of the MFMA, by providing a statement to the Council containing certain financial particulars

Prepared By:

Heinri Cloete

Chief Financial Officer

NAMAKHOI MUNICIPALITY QUALITY CERTIFICATE

I,, the Municipal Manager of Nama Khoi Municipality, hereby certify that
—

- The monthly report on the implementation of the municipal budget and financial state affairs for the month ending 31 August 2023 has been prepared by the Municipal Finance Management Act 71 and regulations made under that Act.

Print Name: J I Swartz

Municipal Manager of Nama Khoi Municipality

Signature:.....

Date:

Annexure A

Reports and reportable matters

Monthly reports statements – Section 71 MFMA

- (1) The accounting officer of a municipality must no later than 10 working days after the end of each month submit to the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and the financial year up to the end of that month:
 - (a) Actual revenue, per revenue source
 - (b) Actual borrowings
 - (c) Actual expenditure per vote
 - (d) Actual capital expenditure per vote
 - (e) The amount of any allocations received
 - (f) Actual expenditure on those allocations, excluding expenditure on –
 - (i) Its share of the local government equitable share, and
 - (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
 - (g) When necessary, an explanation of –
 - (i) Any material variances from the municipality projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) Any material variances from the service delivery and budget implementation plan; and
 - (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget
- (2) The statement must include –
 - (a) A projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
 - (b) The prescribed information relating to the state of the budget of each municipal entity the municipality in terms of section 87 (10)
- (3) The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget

- (4) The statement to the provincial treasury must be in the format of a signed document and the electronic format.
- (5) The accounting officer of a municipality that has received an allocation referred to in subsection (1) (e) during any particular month must by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and municipal entity
- (7) The provincial treasury must, within 31 days after the end of each quarter, make public as prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and municipal entity. The MEC for finance must submit such consolidated statements to the provincial legislature no later than 45 days after the end of each quarter.

| NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT | |
|---|--|
| General information and contact information | |
| Main tables | Consolidated Monthly Statements |
| Table C1-SUM | Summary |
| Table C2-FinPer SC | Financial Performance (standard classification) |
| Table C2C | Financial Performance (standard classification) |
| Table C3-Fin Per V | Financial Performance (revenue and expenditure by municipal vote) |
| Table C3C | Financial Performance (revenue and expenditure by municipal vote) |
| Table C4-FinPerRE | Financial Performance (revenue and expenditure) |
| Table C5-CAPEX | Capital Expenditure (municipal vote, standard classification) |
| Table C5C | Capital Expenditure (municipal vote, standard classification) |
| Table C6-FinPos | Financial Position |
| Table C7-Cflow | Cash Flow |
| | |
| Supporting Tables | |
| Table SC1 | Material variance explanations |
| Table SC2 | Monthly Budget Statement – Performance Indicators |
| Table SC3 | Monthly Budget Statement – Aged debtors |
| Table SC4 | Monthly Budget Statement – Aged creditors |
| Table S5 | Monthly Budget Statement – Investment portfolio |
| Table SC6 | Monthly Budget Statement – Transfer and grant receipts |
| Table SC7 | Monthly Budget Statement – Transfer and grant expenditure |
| Table SC8 | Monthly Budget Statement – Councillor and staff benefits |
| Table SC9 | Monthly Budget Statement – Actual and revised targets for cash receipts |
| Table SC10 | Monthly Budget Statement – Parent Municipality Financial Performance |
| Table SC11 | Monthly Budget Statement – Summary of municipal entities |
| Table SC 12 | Consolidated Monthly Budget Statement – Capital expenditure trend |
| Table SC13 a | Consolidated Monthly Budget Statement – Capital expenditure on new assets by asset class |
| Table SC b | Consolidated Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class |
| Table SC c | Consolidated Monthly Budget Statement – Expenditure on repairs and maintenance by asset class |
| Table SC d | Consolidated Monthly Budget Statement – depreciation by asset class |
| Table SC71 | Charts |