



Nama Khoi Municipality

16 August 2023

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 July 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 July 2023

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 July 2023

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

The financial results for the period ended 31 July 2023 are summarised as follows:

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

The summary report indicates the following:

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Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue						
Service charges - Electricity	149 047 037	9 607 332	9 607 332	12 420 587	- 2 813 255	77
Service charges - Water	57 175 742	3 205 299	3 205 299	4 764 645	- 1 559 346	67
Service charges - Waste Water Management	22 427 989	1 344 534	1 344 534	1 869 000	- 524 466	72
Service charges - Waste management	26 639 689	1 550 430	1 550 430	2 219 973	- 669 543	70
Sale of Goods and Rendering of Services	791 655	82 381	82 381	65 972	16 409	125
Agency services	399 827	-	-	33 319	- 33 319	-
Interest earned from Receivables	15 342 307	1 836 618	1 836 618	1 278 525	558 093	144
Interest from Current and Non Current Assets	2 084 695	460 358	460 358	173 724		265
Rent on Land	1 194 450	94 452	94 452	99 538	- 5 086	95
Rental from Fixed Assets	3 240 262	207 775	207 775	270 023	- 62 248	77
Licence and permits	1 586 366	218 517	218 517	132 197	86 320	165
Operational Revenue	339 897	31 412	31 412	28 325	3 087	111
Property rates	57 427 711	50 820 082	50 820 082	4 785 640	46 034 442	1 062
Fines, penalties and forfeits	574 854	12 715	12 715	47 905	- 35 190	27
Transfers and subsidies - Operational	69 179 000	26 421 000	26 421 000	5 764 917	20 656 083	458
Interest	4 186 773	483 875	483 875	348 898	134 977	139
Total Revenue (excluding capital transfers and contributions)	411 638 254	96 376 780	96 376 780	34 303 188	62 073 592	281
Expenditure By Type						
Employee related costs	102 966 854	8 369 755	8 369 755	8 580 581	- 210 826	98
Remuneration of councillors	6 758 975	563 747	563 747	563 247	500	100
Bulk purchases - electricity	138 000 000	12 371 790	12 371 790	11 500 000	871 790	108
Inventory consumed	65 596 037	1 670 021	1 670 021	5 466 341	- 3 796 320	31
Depreciation and amortisation	81 663 419	-	-	6 805 285	- 6 805 285	-
Interest	2 702 525	1 489 635	1 489 635	225 210	1 264 425	661
Contracted services	42 469 709	534 652	534 652	3 539 151	- 3 004 499	15
Irrecoverable debts written off	21 985 649	-	-	1 832 139	- 1 832 139	-
Operational costs	33 559 641	1 576 778	1 576 778	2 796 634	- 1 219 856	56
Other Losses	8 420 552	-	-	701 713	- 701 713	-
Total Expenditure	504 123 361	26 576 378	26 576 378	42 010 301	- 15 433 923	63
Surplus/(Deficit)	- 92 485 107	69 800 402	69 800 402	- 7 707 113	77 507 515	

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue						
Service charges - Electricity	149 047 037	9 607 332	9 607 332	12 420 587	- 2 813 255	77
Service charges - Water	57 175 742	3 205 299	3 205 299	4 764 645	- 1 559 346	67
Service charges - Waste Water Management	22 427 989	1 344 534	1 344 534	1 869 000	- 524 466	72
Service charges - Waste management	26 639 689	1 550 430	1 550 430	2 219 973	- 669 543	70
Sale of Goods and Rendering of Services	791 655	82 381	82 381	65 972	16 409	125
Agency services	399 827	-	-	33 319	- 33 319	-
Interest earned from Receivables	15 342 307	1 836 618	1 836 618	1 278 525	558 093	144
Interest from Current and Non Current Assets	2 084 695	460 358	460 358	173 724		265
Rent on Land	1 194 450	94 452	94 452	99 538	- 5 086	95
Rental from Fixed Assets	3 240 262	207 775	207 775	270 023	- 62 248	77
Licence and permits	1 586 366	218 517	218 517	132 197	86 320	165
Operational Revenue	339 897	31 412	31 412	28 325	3 087	111
Property rates	57 427 711	50 820 082	50 820 082	4 785 640	46 034 442	1 062
Fines, penalties and forfeits	574 854	12 715	12 715	47 905	- 35 190	27
Transfers and subsidies - Operational	69 179 000	26 421 000	26 421 000	5 764 917	20 656 083	458
Interest	4 186 773	483 875	483 875	348 898	134 977	139
Total Revenue (excluding capital transfers and contributions)	411 638 254	96 376 780	96 376 780	34 303 188	62 073 592	281

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 also not be confuse with the collection rate as variances relates 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 note being used as budgeted mostly as result of by-passing.

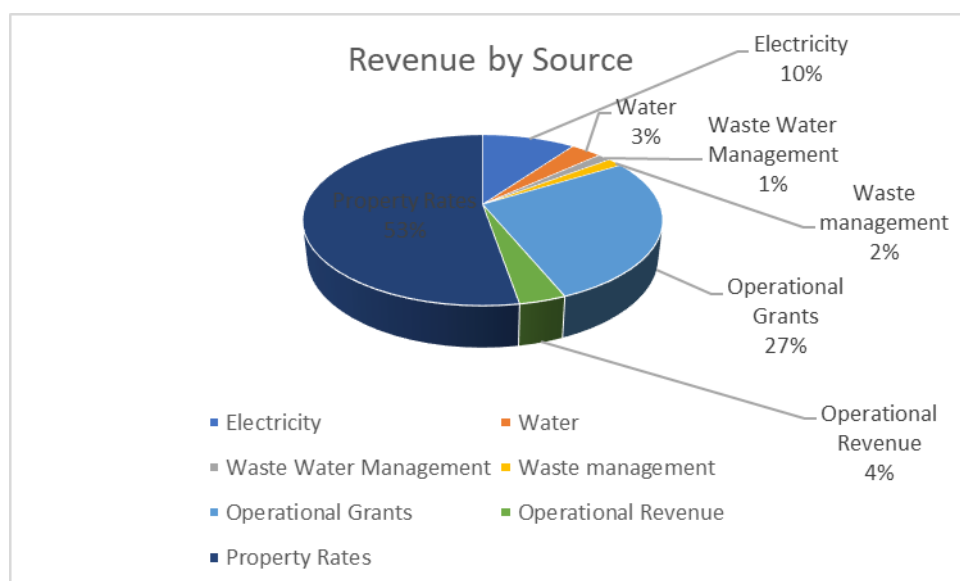
Fines, licenses, & permits vary from month to month and are difficult to budget.

Property rates was billed as a ones off 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 July 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	8 369 755	8 369 755	8 580 581	- 210 826	98
Remuneration of councillors	6 758 975	563 747	563 747	563 247	500	100
Bulk purchases - electricity	138 000 000	12 371 790	12 371 790	11 500 000	871 790	108
Inventory consumed	65 596 037	1 670 021	1 670 021	5 466 341	- 3 796 320	31
Depreciation and amortisation	81 663 419	-	-	6 805 285	- 6 805 285	-
Interest	2 702 525	1 489 635	1 489 635	225 210	1 264 425	661
Contracted services	42 469 709	534 652	534 652	3 539 151	- 3 004 499	15
Irrecoverable debts written off	21 985 649	-	-	1 832 139	- 1 832 139	-
Operational costs	33 559 641	1 576 778	1 576 778	2 796 634	- 1 219 856	56
Other Losses	8 420 552	-	-	701 713	- 701 713	-
Total Expenditure	504 123 361	26 576 378	26 576 378	42 010 301	- 15 433 923	63

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.

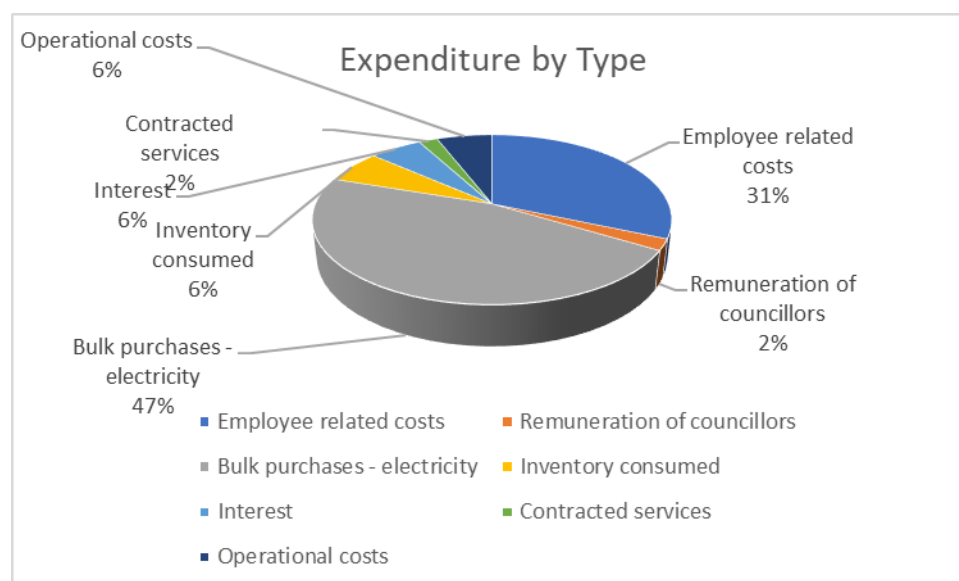
Debt impairment and Depreciation - the municipality asset register is not linked to the financial systems and journals are only passed at year-end

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 received 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) - M01 July						
	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	31 405	31 405	26 486	4 919	119
Vote 2 - MUNICIPAL MANAGER (11: IE)	1 490 993	44 534	44 534	124 249	- 79 715	36
Vote 3 - CORPORATE SERVICES (13: IE)	3 073 746	111 979	111 979	256 147	- 144 168	44
Vote 4 - FINANCIAL SERVICES (15: IE)	145 696 631	80 029 624	80 029 624	12 141 383	67 888 241	659
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	30 134 440	1 912 688	1 912 688	2 511 205	- 598 517	76
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE)	2 066 610	89 385	89 385	172 217	- 82 832	52
Vote 7 - INFRASTRUCTURE,ENG AND TECHNICAL (18: IE)	265 456 999	14 157 165	14 157 165	22 121 418	- 7 964 253	64
Total Revenue by Vote	448 237 254	96 376 780	96 376 780	37 353 105	59 023 675	258
Expenditure by Vote						
Vote 1 - EXECUTIVE MAYOR AND COUNCIL (10: IE)	10 100 816	653 831	653 831	841 733	- 187 902	78
Vote 2 - MUNICIPAL MANAGER (11: IE)	14 728 580	1 121 247	1 121 247	1 227 383	- 106 136	91
Vote 3 - CORPORATE SERVICES (13: IE)	33 853 494	1 870 198	1 870 198	2 821 129	- 950 931	66
Vote 4 - FINANCIAL SERVICES (15: IE)	37 437 975	3 517 986	3 517 986	3 119 831	398 155	113
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	63 746 744	1 248 601	1 248 601	5 312 233	- 4 063 632	24
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE)	11 667 561	758 453	758 453	972 297	- 213 844	78
Vote 7 - INFRASTRUCTURE,ENG AND TECHNICAL (18: IE)	332 588 191	17 406 062	17 406 062	27 715 695	- 10 309 633	63
Total Expenditure by Vote	504 123 361	26 576 378	26 576 378	42 010 301	- 15 433 923	63
Surplus/ (Deficit) for the year	- 55 886 107	69 800 402	69 800 402	- 4 657 196	74 457 598	

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 July 2023

	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	31 405	31 405	26 486	4 919	119
Vote 2 - MUNICIPAL MANAGER (11: IE)	1 490 993	44 534	44 534	124 249	- 79 715	36
Vote 3 - CORPORATE SERVICES (13: IE)	3 073 746	111 979	111 979	256 147	- 144 168	44
Vote 4 - FINANCIAL SERVICES (15: IE)	145 696 631	80 029 624	80 029 624	12 141 383	67 888 241	659
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	30 134 440	1 912 688	1 912 688	2 511 205	- 598 517	76
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE)	2 066 610	89 385	89 385	172 217	- 82 832	52
Vote 7 - INFRASTRUCTURE,ENG AND TECHNICAL (18: IE)	265 456 999	14 157 165	14 157 165	22 121 418	- 7 964 253	64
Total Revenue by Vote	448 237 254	96 376 780	96 376 780	37 353 105	59 023 675	258

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.

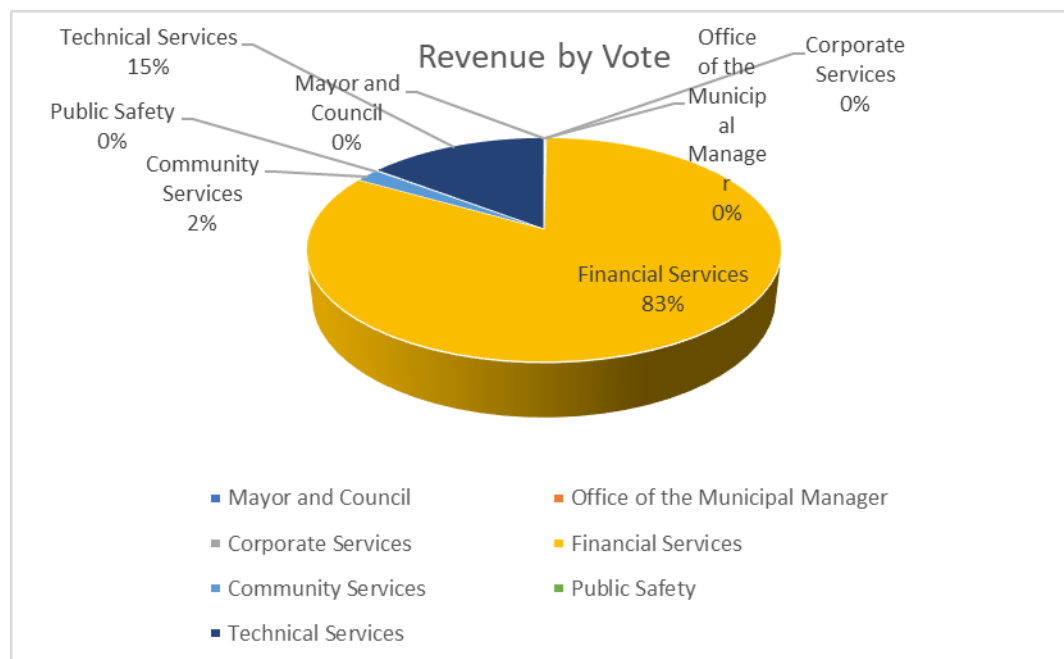
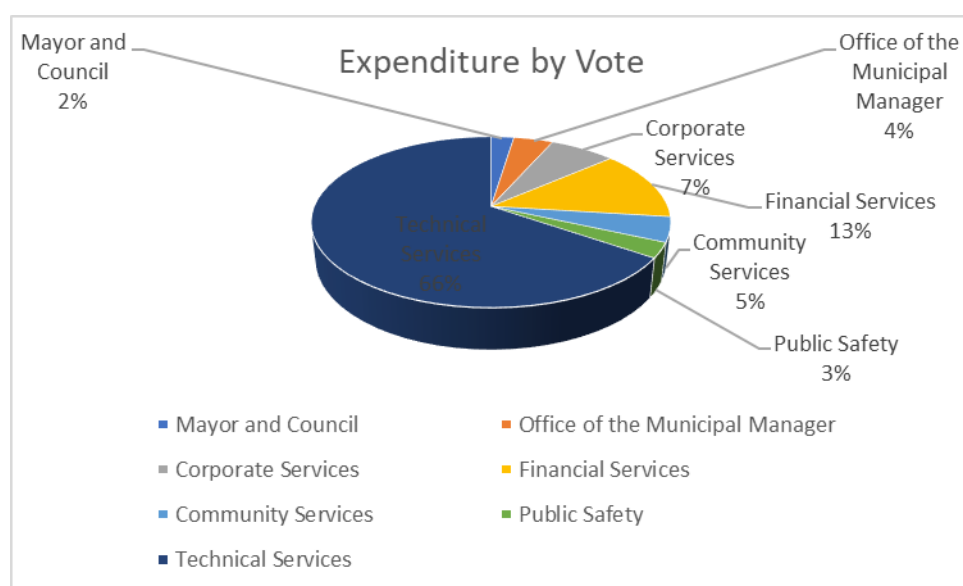


CHART 4

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	653 831	653 831	841 733	- 187 902	78
Vote 2 - MUNICIPAL MANAGER (11: IE)	14 728 580	1 121 247	1 121 247	1 227 383	- 106 136	91
Vote 3 - CORPORATE SERVICES (13: IE)	33 853 494	1 870 198	1 870 198	2 821 129	- 950 931	66
Vote 4 - FINANCIAL SERVICES (15: IE)	37 437 975	3 517 986	3 517 986	3 119 831	398 155	113
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	63 746 744	1 248 601	1 248 601	5 312 233	- 4 063 632	24
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE)	11 667 561	758 453	758 453	972 297	- 213 844	78
Vote 7 - INFRASTRUCTURE,ENG AND TECHNICAL (18: IE)	332 588 191	17 406 062	17 406 062	27 715 695	- 10 309 633	63
Total Expenditure by Vote	504 123 361	26 576 378	26 576 378	42 010 301	- 15 433 923	63

The following chart shows the expenditure by vote for 31 July 2023



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 July 2023						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
Executive and council	17 100 000	17 100 000	-	-	1 425 000	- 1 425 000
Energy sources	1 600 000	1 600 000	-	-	133 333	- 133 333
Water management	600 000	600 000	-	-	50 000	- 50 000
Waste water management	36 599 000	36 599 000	-	-	3 049 917	- 3 049 917
Total Capital Expenditure - Functional Class	55 899 000	55 899 000	-	-	4 658 250	- 4 658 250
Funded by:						
National Government	36 599 000	36 599 000	-	-	3 049 917	- 3 049 917
Borrowing	-	-	-	-	-	-
Internally generated funds	19 300 000	19 300 000	-	-	1 608 333	- 1 608 333
Total Capital Funding	55 899 000	55 899 000	-	-	4 658 250	- 4 658 250

No Capital Expenditure for the first month

CASH FLOW STATEMENT AT 31 July 2023

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	#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	–	3 264	3 264	–	3 264	#DIV/0!	–
Service charges		170 098	306 391	–	3 780	3 780	–	3 780	#DIV/0!	–
Other revenue		42 029	7 876	–	28 034	28 034	35 531	(7 497)	-21%	426 372
Transfers and Subsidies - Operational		59 387	14 029	–	45 159	45 159	–	45 159	#DIV/0!	–
Transfers and Subsidies - Capital		9 375	36 599	–	5	5	–	5	#DIV/0!	–
Interest		–	2 085	–	–	–	174	(174)	-100%	2 085
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		(290 632)	(389 100)	–	(18 520)	(18 520)	(32 425)	(13 905)	43%	(389 100)
Interest		(2 275)	(2 703)	–	(886)	(886)	(225)	661	-294%	(2 703)
Transfers and Subsidies		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		31 754	36 654	–	60 835	60 835	3 055	(57 781)	-1892%	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	–	(94)	#DIV/0!	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5 070)	(55 899)	–	94	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		51 244	(19 245)	–	60 929	60 929	3 055			36 654
Cash/cash equivalents at beginning:		(4 473)	24 517	–	8 212	8 212	24 517			8 212
Cash/cash equivalents at month/year end:		46 770	5 272	–	69 142	69 142	22 913			–

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 loan that was transferred to the interest bearing account and incorrectly shows under operational grants.

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 July 2023.

Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July						
	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
Debtors Age Analysis By Customer Group						
Organs of State	4 991 632	720 981	737 728	395 408	9 066 460	15 912 209
Commercial	8 436 363	2 723 533	2 368 313	1 839 319	103 415 050	118 782 578
Households	9 198 282	4 261 003	3 851 341	3 696 844	213 434 617	234 442 087
Total By Customer Group	22 626 277	7 705 517	6 957 382	5 931 571	325 916 127	369 136 874

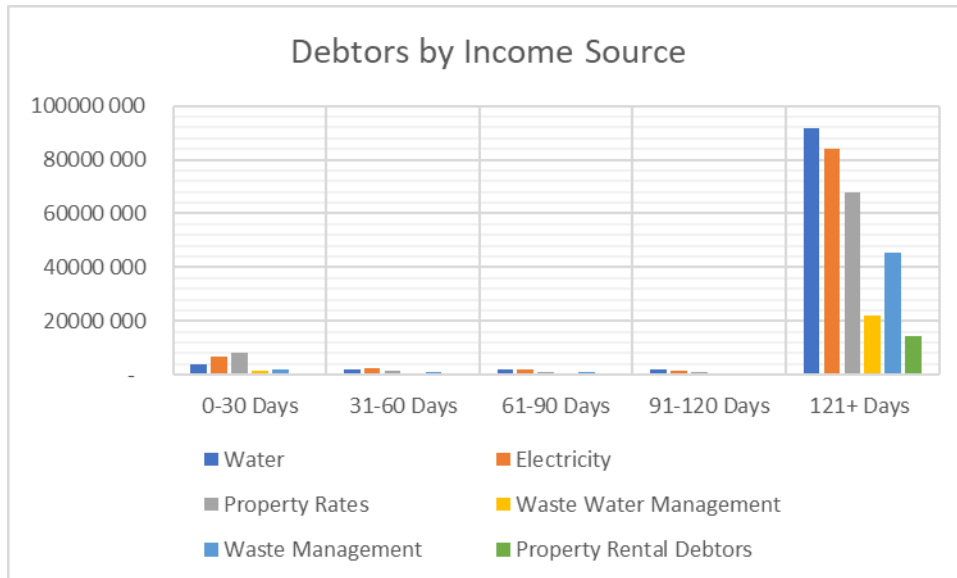
The debtor's outstanding for more than 121 days amounts to R325 916 127.

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.

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

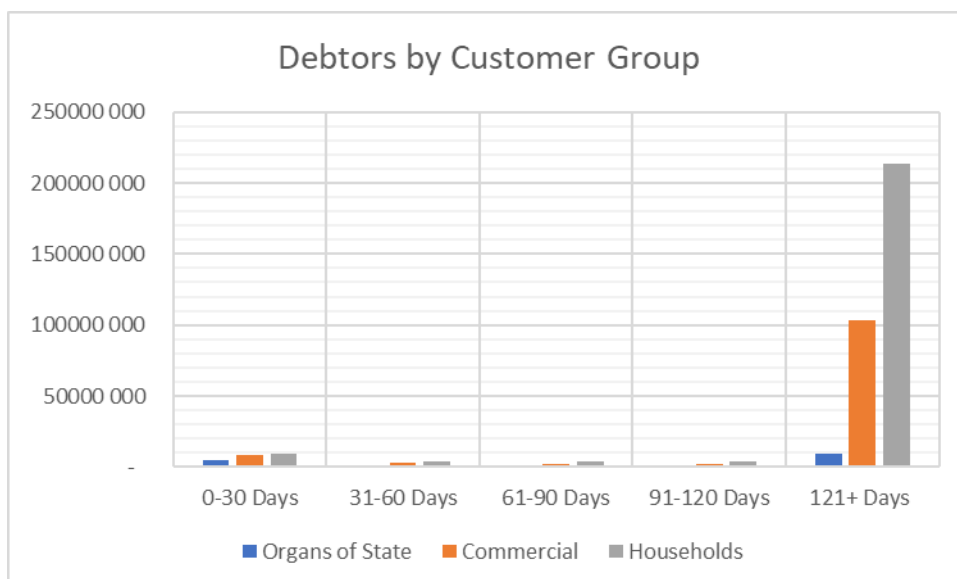


Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	4 991 632	720 981	737 728	395 408	9 066 460	15 912 209
Commercial	8 436 363	2 723 533	2 368 313	1 839 319	103 415 050	118 782 578
Households	9 198 282	4 261 003	3 851 341	3 696 844	213 434 617	234 442 087
Total By Customer Group	22 626 277	7 705 517	6 957 382	5 931 571	325 916 127	369 136 874

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 July 2023.

Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July						
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total
Creditors Age Analysis By Customer Type						
Bulk Electricity	2 343 508	6 274 735	6 978 228	1 744 436	210 884 879	228 225 786
Bulk Water	1 658 302	4 124 044	3 797 426	4 088 816	206 808 873	220 477 461
Trade Creditors	- 2 205 814	1 435 600	435 486	186 477	650 215	501 964
Auditor General	-	-	-	-	810 816	810 816
Other	- 307 795	- 192 205	-	-	1 095 202	595 202
Total By Customer Type	1 488 201	11 642 174	11 211 140	6 019 729	420 249 985	450 611 229

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 correction must be made in terms of Bulk electricity and Auditor General, discussion were held and payments was match between the parties, payments to ESKOM was made from November 2022 and should not show outstanding for 0 to 120 days. Auditor General also confirmed that the municipality in fact does not owe them and that Treasury had made a payment on behalf of the municipality resulting in the municipality having a credit balance, these correction should reflect on the next report.

The municipality applied for the Debt Write off as previously indicated and was conditionally approved with the Council to only to approve 6.14 of the Circular 124 requirements.

The municipality received letter from Bloem Water for non-payment of account the municipality duly responded to notify them that they also in default in relation to electricity payments, payments was then receive and the payments from the municipality to Bloem Water will reflect in August 2023 report.

The municipality have all other creditors in control with the exception of Department Safety and Liaison where the municipality lodge a dispute on the outstanding amount, monthly payment however, is made.

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July						
Summary of Employee and Councillor remuneration	Budget Year 2023/24					
	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	478 680	478 680	470 678	8 002	102
Cellphone Allowance	693 600	57 800	57 800	57 800	-	100
Other benefits and allowances	417 229	27 267	27 267	34 769	- 7 502	78
Sub Total - Councillors	6 758 975	563 747	563 747	563 247	500	100
Senior Managers of the Municipality						
Basic Salaries and Wages	3 530 398	360 139	360 139	294 200	65 939	122
Pension and UIF Contributions	10 855	354	354	905	- 551	39
Performance Bonus	443 740	-	-	36 979	- 36 979	-
Motor Vehicle Allowance	1 546 588	25 764	25 764	128 883	- 103 119	20
Cellphone Allowance	80 864	2 637	2 637	6 739	- 4 102	39
Housing Allowances	190 770	11 809	11 809	15 897	- 4 088	74
Other benefits and allowances	664	16 375	16 375	55	16 320	29 773
Long service awards	35 835	-	-	2 986	- 2 986	-
Sub Total - Senior Managers of Municipality	5 839 714	417 078	417 078	486 644	- 69 566	86
Other Municipal Staff						
Basic Salaries and Wages	61 062 509	5 231 825	5 231 825	5 088 544	143 281	103
Pension and UIF Contributions	9 697 618	819 663	819 663	808 135	11 528	101
Medical Aid Contributions	4 328 448	263 496	263 496	360 704	- 97 208	73
Overtime	10 153 914	916 629	916 629	846 162	70 467	108
Performance Bonus	4 621 059	387 838	387 838	385 088	2 750	101
Motor Vehicle Allowance	3 109 403	4 692	4 692	259 118	- 254 426	2
Cellphone Allowance	213 156	17 762	17 762	17 762	-	100
Housing Allowances	1 045 372	76 963	76 963	87 115	- 10 152	88
Sub Total - Other Municipal Staff	94 231 479	7 718 868	7 718 868	7 852 628	- 133 760	98
Total Parent Municipality	106 830 168	8 699 693	8 699 693	8 902 519	- 202 826	98
Total Employee Cost	100 071 193	8 135 946	8 135 946	8 339 272		
Expenditure	504 123 361	26 576 378	26 576 378	42 010 301		
Revenue	411 638 254	96 376 780	96 376 780	34 303 188		
% Employee Cost to Revenue	20	31	31	20		
%Employee cost to Expenditure	24	8	8	24		

Employee-related cost to total expenditure – Please note employee cost against expenditure amounts to 31%

5. 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 July be 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 July be 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 July be prescribed; and (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques July be 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 July 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 July apply 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 July in terms of subsection (1)(b) approves 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

Revenue billed 281% of the anticipated budget, this is mostly a result property rates, all service charges however is billed less than the anticipated budget.

Expenditure is only billed at 63% of the anticipated budget, this is mostly as a result of non-cash items not journalized and also as a result of available cash flow. Bloem Water is also not paid due to a dispute.

Capital expenditure is underspent in relation to Capital grants

The municipality have started the process of acquire additional fleet by requesting and receiving approval of the transversal government tender for vehicles.

Capital expenditure from own revenue in terms of bulk meters should commence shortly after conclusion of specification is reached.

Debtors outstanding have been increasing on a month-to-month basis and this is mostly a result of old outstanding disputes and the municipality's inability to collect cash due to limitations on credit control, Debt Write-off team has been established where old outstanding matters.

The municipality appointed a Revenue Protection Team within finance consisting of electricians and plumbers that will focus on the replacements and installment of meters as well as focusing on water leakages.

100 Prepaid electricity meters ordered with 50 already installed, additional 4 prepaid water meters to be installed as part of the pilot study on prepaid water meters.

TID rollover process to start

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 July 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