



Nama Khoi Municipality

13 November 2023

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

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

The financial results for the period ended 31 October 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) - M04 October						
Description	2023-24					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue						
Service charges - Electricity	149 047 037	8 778 655	37 362 083	49 682 348	- 12 320 265	75
Service charges - Water	57 175 742	3 248 757	13 272 133	19 058 580	- 5 786 447	70
Service charges - Waste Water Management	22 427 989	1 275 096	5 116 039	7 476 000	- 2 359 961	68
Service charges - Waste management	26 639 689	1 447 867	5 905 749	8 879 892	- 2 974 143	67
Sale of Goods and Rendering of Services	791 655	1 475 019	1 731 239	263 888	1 467 351	656
Agency services	399 827	30 776	44 703	133 276	- 88 573	34
Interest earned from Receivables	15 342 307	1 769 644	7 096 921	5 114 100	1 982 821	139
Interest from Current and Non Current Assets	2 084 695	388 683	1 641 433	694 896	-	236
Rent on Land	1 194 450	94 155	377 728	398 152	- 20 424	95
Rental from Fixed Assets	3 240 262	81 438	656 843	1 080 092	- 423 249	61
Licence and permits	1 586 366	122 715	541 614	528 788	12 826	102
Operational Revenue	339 897	32 425	131 633	113 300	18 333	116
Property rates	57 427 711	21 066	50 812 008	19 142 560	31 669 448	265
Fines, penalties and forfeits	574 854	68 686	91 784	191 620	- 99 836	48
Transfers and subsidies - Operational	69 179 000	350 047	28 513 574	23 059 668	5 453 906	124
Interest	4 186 773	469 729	1 886 975	1 395 592	491 383	135
Total Revenue (excluding capital transfers and contributions)	411 638 254	19 654 758	155 182 459	137 212 752	17 969 707	113
Expenditure By Type						
Employee related costs	102 966 854	7 982 632	32 453 835	34 322 324	- 1 868 489	95
Remuneration of councillors	6 758 975	1 264 066	2 954 307	2 252 988	701 319	131
Bulk purchases - electricity	138 000 000	7 518 266	45 010 432	46 000 000	- 989 568	98
Inventory consumed	65 596 037	361 928	9 959 573	21 865 364	- 11 905 791	46
Depreciation and amortisation	81 663 419	-	-	27 221 140	-	-
Interest	2 702 525	634 329	8 391 472	900 840	7 490 632	932
Contracted services	42 469 709	1 899 118	5 592 091	14 156 604	- 8 564 513	40
Irrecoverable debts written off	21 985 649	-	-	7 328 556	- 7 328 556	-
Operational costs	33 559 641	2 072 519	7 359 823	11 186 536	- 3 826 713	66
Other Losses	8 420 552	-	-	2 806 852	- 2 806 852	-
Total Expenditure	504 123 361	21 732 858	111 721 533	168 041 204	- 56 319 671	66
Surplus/(Deficit)	- 92 485 107	- 2 078 100	43 460 926	- 30 828 452	74 289 378	

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October						
Description	2023-24					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue						
Service charges - Electricity	149 047 037	8 778 655	37 362 083	49 682 348	- 12 320 265	75
Service charges - Water	57 175 742	3 248 757	13 272 133	19 058 580	- 5 786 447	70
Service charges - Waste Water Management	22 427 989	1 275 096	5 116 039	7 476 000	- 2 359 961	68
Service charges - Waste management	26 639 689	1 447 867	5 905 749	8 879 892	- 2 974 143	67
Sale of Goods and Rendering of Services	791 655	1 475 019	1 731 239	263 888	1 467 351	656
Agency services	399 827	30 776	44 703	133 276	- 88 573	34
Interest earned from Receivables	15 342 307	1 769 644	7 096 921	5 114 100	1 982 821	139
Interest from Current and Non Current Assets	2 084 695	388 683	1 641 433	694 896	-	236
Rent on Land	1 194 450	94 155	377 728	398 152	- 20 424	95
Rental from Fixed Assets	3 240 262	81 438	656 843	1 080 092	- 423 249	61
Licence and permits	1 586 366	122 715	541 614	528 788	12 826	102
Operational Revenue	339 897	32 425	131 633	113 300	18 333	116
Property rates	57 427 711	21 066	50 812 008	19 142 560	31 669 448	265
Fines, penalties and forfeits	574 854	68 686	91 784	191 620	- 99 836	48
Transfers and subsidies - Operational	69 179 000	350 047	28 513 574	23 059 668	5 453 906	124
Interest	4 186 773	469 729	1 886 975	1 395 592	491 383	135
Total Revenue (excluding capital transfers and contributions)	411 638 254	19 654 758	155 182 459	137 212 752	17 969 707	113

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 because of by-passing.

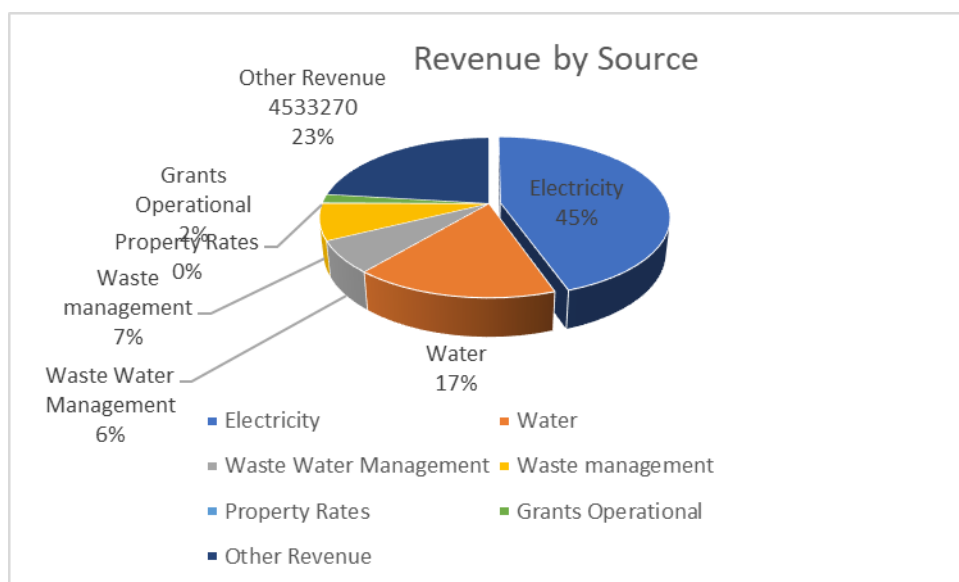
Fines, licenses, & permits vary from month to month and are difficult to budget.

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 October 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	7 982 632	32 453 835	34 322 324	- 1 868 489	95
Remuneration of councillors	6 758 975	1 264 066	2 954 307	2 252 988	701 319	131
Bulk purchases - electricity	138 000 000	7 518 266	45 010 432	46 000 000	- 989 568	98
Inventory consumed	65 596 037	361 928	9 959 573	21 865 364	- 11 905 791	46
Depreciation and amortisation	81 663 419	-	-	27 221 140	- 27 221 140	-
Interest	2 702 525	634 329	8 391 472	900 840	7 490 632	932
Contracted services	42 469 709	1 899 118	5 592 091	14 156 604	- 8 564 513	40
Irrecoverable debts written off	21 985 649	-	-	7 328 556	- 7 328 556	-
Operational costs	33 559 641	2 072 519	7 359 823	11 186 536	- 3 826 713	66
Other Losses	8 420 552	-	-	2 806 852	- 2 806 852	-
Total Expenditure	504 123 361	21 732 858	111 721 533	168 041 204	- 56 319 671	66

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)

Remuneration – Councillors received back pay in relation to the previous financial year and the monthly adjustments will be done with and Adjustment Budget.

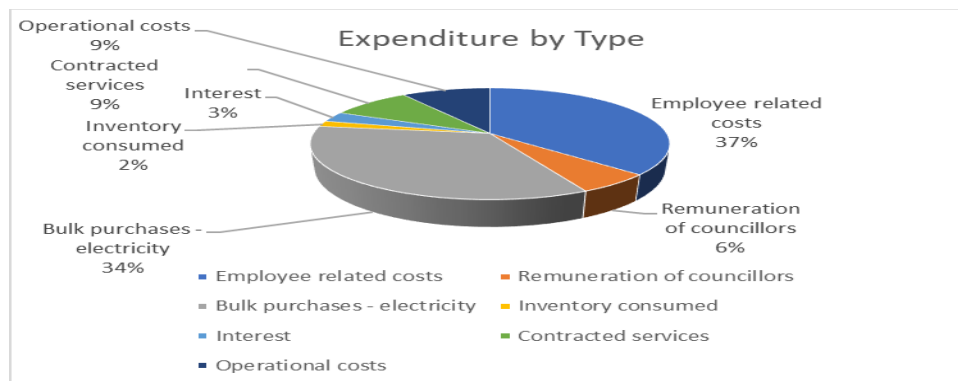
Water Inventory – Municipality is struggling to adhere to the monthly invoices as result of cash flow constraints.

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.

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) - M04 October						
Vote Description	2023-24					
	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	31 227	125 793	105 944	19 849	119
Vote 2 - MUNICIPAL MANAGER (11: IE)	1 490 993	23 845	435 869	496 996	- 61 127	88
Vote 3 - CORPORATE SERVICES (13: IE)	3 073 746	64 502	503 610	1 024 588	- 520 978	49
Vote 4 - FINANCIAL SERVICES (15: IE)	145 696 631	4 324 324	90 685 574	48 565 532	42 120 042	187
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	30 134 440	1 685 276	7 144 506	10 044 820	- 2 900 314	71
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE)	2 066 610	162 969	476 745	688 868	- 212 123	69
Vote 7 - INFRASTRUCTURE,ENG AND TECHNICAL (18: IE)	265 456 999	13 362 615	55 810 362	88 485 672	- 32 675 310	63
Total Revenue by Vote	448 237 254	19 654 758	155 182 459	149 412 420	5 770 039	104
Expenditure by Vote						
Vote 1 - EXECUTIVE MAYOR AND COUNCIL (10: IE)	10 100 816	1 390 678	3 478 957	3 366 932	112 025	103
Vote 2 - MUNICIPAL MANAGER (11: IE)	14 728 580	1 239 204	4 619 006	4 909 532	- 290 526	94
Vote 3 - CORPORATE SERVICES (13: IE)	33 853 494	2 384 833	7 885 898	11 284 516	- 3 398 618	70
Vote 4 - FINANCIAL SERVICES (15: IE)	37 437 975	3 135 699	18 280 866	12 479 324	5 801 542	146
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	63 746 744	1 361 809	5 260 893	21 248 932	- 15 988 039	25
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE)	11 667 561	732 127	3 163 260	3 889 188	- 725 928	81
Vote 7 - INFRASTRUCTURE,ENG AND TECHNICAL (18: IE)	332 588 191	11 488 508	69 032 653	110 862 780	- 41 830 127	62
Total Expenditure by Vote	504 123 361	21 732 858	111 721 533	168 041 204	- 56 319 671	66
Surplus/ (Deficit) for the year	- 55 886 107	- 2 078 100	43 460 926	- 18 628 784	62 089 710	

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 October 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	31 227	125 793	105 944	19 849	119
Vote 2 - MUNICIPAL MANAGER (11: IE)	1 490 993	23 845	435 869	496 996	- 61 127	88
Vote 3 - CORPORATE SERVICES (13: IE)	3 073 746	64 502	503 610	1 024 588	- 520 978	49
Vote 4 - FINANCIAL SERVICES (15: IE)	145 696 631	4 324 324	90 685 574	48 565 532	42 120 042	187
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	30 134 440	1 685 276	7 144 506	10 044 820	- 2 900 314	71
Vote 6 - COMMUNITY SERVICES: PUBSAFETY (17: IE)	2 066 610	162 969	476 745	688 868	- 212 123	69
Vote 7 - INFRASTRUCTURE,ENG AND TECHNICAL (18: IE)	265 456 999	13 362 615	55 810 362	88 485 672	- 32 675 310	63
Total Revenue by Vote	448 237 254	19 654 758	155 182 459	149 412 420	5 770 039	104

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.

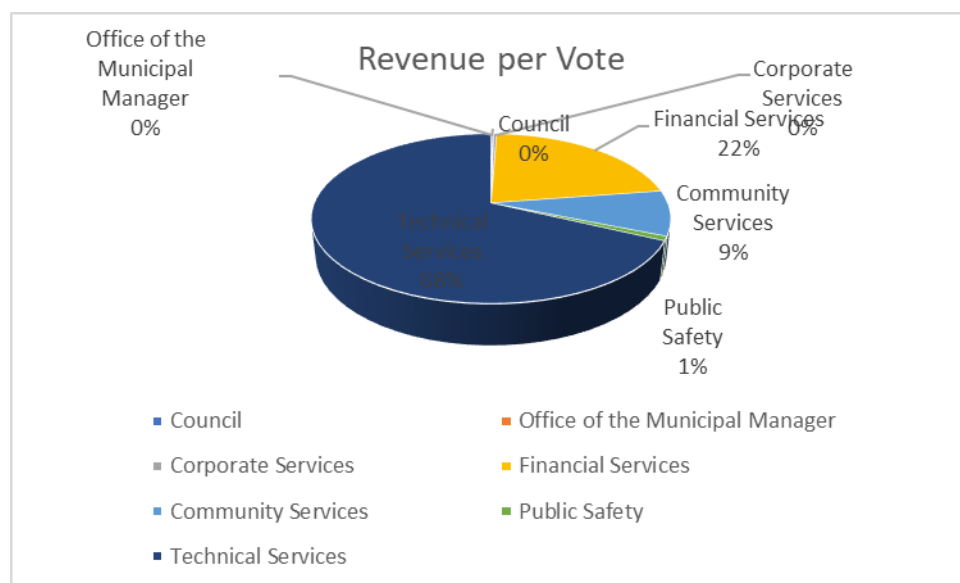
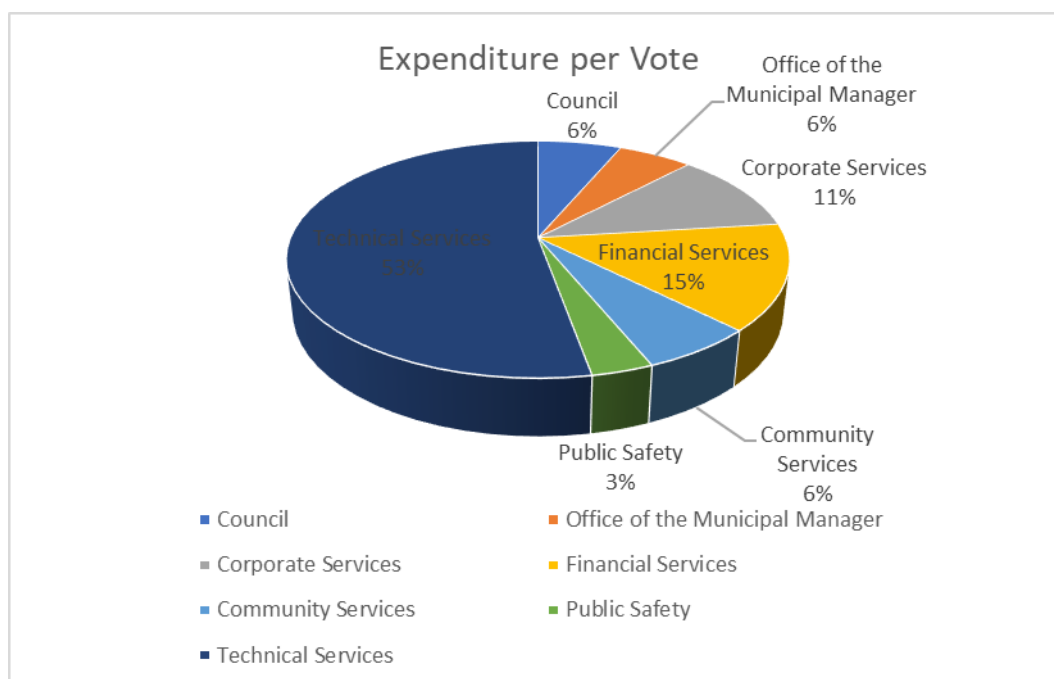


CHART 4

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	1 390 678	3 478 957	3 366 932	112 025	103
Vote 2 - MUNICIPAL MANAGER (11: IE)	14 728 580	1 239 204	4 619 006	4 909 532	- 290 526	94
Vote 3 - CORPORATE SERVICES (13: IE)	33 853 494	2 384 833	7 885 898	11 284 516	- 3 398 618	70
Vote 4 - FINANCIAL SERVICES (15: IE)	37 437 975	3 135 699	18 280 866	12 479 324	5 801 542	146
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	63 746 744	1 361 809	5 260 893	21 248 932	- 15 988 039	25
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY (17: IE)	11 667 561	732 127	3 163 260	3 889 188	- 725 928	81
Vote 7 - INFRASTRUCTURE,ENG AND TECHNICAL (18: IE)	332 588 191	11 488 508	69 032 653	110 862 780	- 41 830 127	62
Total Expenditure by Vote	504 123 361	21 732 858	111 721 533	168 041 204	- 56 319 671	66

The following chart shows the expenditure by vote for 31 October 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 August 2023					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
Capital Expenditure - Functional Classification					
Executive and council	17 100 000	-	-	5 700 000	- 5 700 000
Planning and development	-	51 177	79 733	-	79 733
Energy sources	1 600 000	-	-	533 332	- 533 332
Water management	600 000	-	-	200 000	- 200 000
Waste water management	36 599 000	-	-	12 199 668	- 12 199 668
Total Capital Expenditure - Functional Classification	55 899 000	51 177	79 733	18 633 000	- 18 553 267
Funded by:					
National Government	36 599 000	-	-	12 199 668	- 12 199 668
Internally generated funds	19 300 000	51 177	79 733	6 433 332	- 6 353 599
Total Capital Funding	55 899 000	51 177	79 733	18 633 000	- 18 553 267

Capital expenditure and projects are discussed in the Infrastructure Committee meeting.

CASH FLOW STATEMENT AT 31 October 2023

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Choose name from list - Table C7: Monthly Budget Statement - Cash Flow - Mo4 October										
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		3 240	16 984	–	16 984	#DIV/0!	–
Service charges		170 063	306 391		15 436	34 018	–	34 018	#DIV/0!	–
Other revenue		42 029	7 876		29 288	65 759	142 124	(76 365)	-54%	426 372
Transfers and Subsidies - Operational		59 387	14 029		2 605	71 647	–	71 647	#DIV/0!	–
Transfers and Subsidies - Capital		9 375	36 599		17	2 050	–	2 050	#DIV/0!	–
Interest		–	2 085		–	–	695	(695)	-100%	2 085
Dividends		–	–		–	–	–	–		–
Payments										
Suppliers and employees		(290 632)	(389 100)		(22 362)	(87 152)	(129 700)	(42 548)	33%	(389 100)
Interest		(2 275)	(2 703)		(3)	(3 580)	(901)	2 679	-297%	(2 703)
Transfers and Subsidies		–	–		–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		31 718	36 654	–	28 221	99 725	12 218	(87 507)	-716%	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	–		(7 274)	(7 274)	–	(7 274)	#DIV/0!	–
Increase (decrease) in consumer deposits		–	–		–	–	–	–		–
Payments										
Repayment of borrowing		(440)	–		–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		24 560	–	–	(7 274)	(7 274)	–	7 274	#DIV/0!	–
NET INCREASE/ (DECREASE) IN CASH HELD										
		51 208	(19 245)	–	20 947	92 545	12 218			36 654
Cash/cash equivalents at beginning:		(4 438)	24 517		(29 509)	(36 517)	24 517			(36 517)
Cash/cash equivalents at month/year end:		46 770	5 272	–	(8 562)	56 029	18 102			

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 30 September 2023.

Debtors Age Analysis 31 October 2023						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	3 957 968	2 300 785	2 124 911	1 948 181	95 563 782	105 895 627
Electricity	5 688 156	2 221 745	1 974 698	1 531 476	82 230 873	93 646 948
Property Rates	3 599 025	3 161 383	1 306 647	1 262 093	68 658 481	77 987 629
Waste Water Management	1 282 619	710 959	591 896	545 652	22 924 726	26 055 852
Waste Management	1 810 547	1 120 001	968 735	939 095	47 346 214	52 184 592
Receivables from Exchange Transactions - Property Rental Debtors	368 756	292 297	300 299	235 407	14 938 471	16 135 230
Total By Income Source	16 707 071	9 807 170	7 267 186	6 461 904	331 662 547	371 905 878
Debtors Age Analysis By Customer Group						
Organs of State	1 186 056	2 239 002	729 937	421 456	8 441 605	13 018 056
Commercial	7 072 825	2 604 444	2 479 619	1 946 871	102 209 427	116 313 186
Households	8 448 190	4 963 724	4 057 630	4 093 577	221 011 515	242 574 636
Total By Customer Group	16 707 071	9 807 170	7 267 186	6 461 904	331 662 547	371 905 878

The debtor's outstanding for more than 121 days amounts to R331 662 547.

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 – 9492 and via e-mail - 3293

DISCONNECTIONS NOTICES:

CUT OF LIST:

FINAL DEMANDS:

Water team:

Repair water pipe - 0

Meter Replacement – 10

Inspections - 0

ELECTRICITY Team:

Bypass Repair – 10(nuwe meters)

Inspections - 2

Cut off - 0

Meter Replacement - 7

Disconnection on Pole - 0

Indigents

For the month ended 31 October 2023 Nama Khoi - 5332 indigents

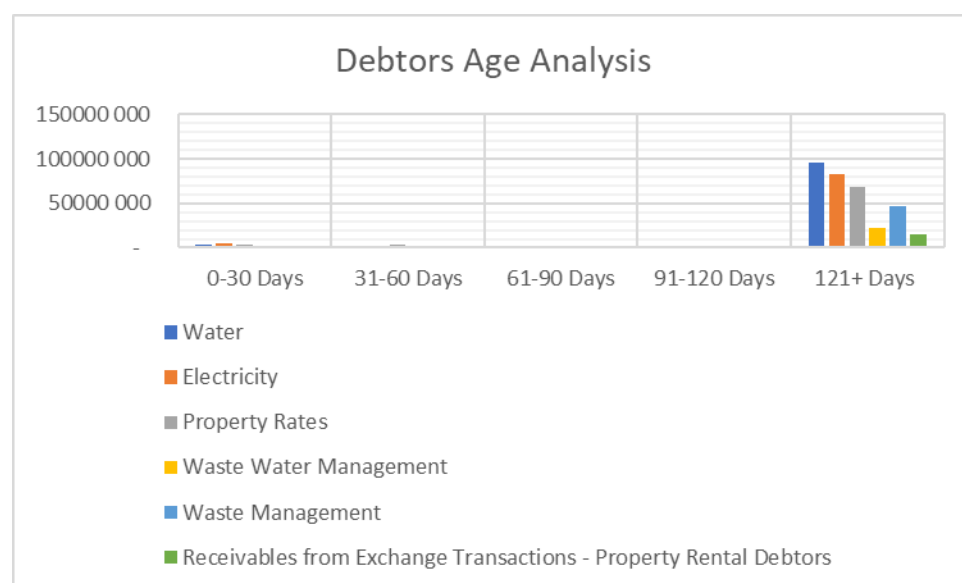
Increase: 189 from the previous month, Consumers can apply throughout the financial year

ons done by the Income Department

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	3 957 968	2 300 785	2 124 911	1 948 181	95 563 782	105 895 627
Electricity	5 688 156	2 221 745	1 974 698	1 531 476	82 230 873	93 646 948
Property Rates	3 599 025	3 161 383	1 306 647	1 262 093	68 658 481	77 987 629
Waste Water Management	1 282 619	710 959	591 896	545 652	22 924 726	26 055 852
Waste Management	1 810 547	1 120 001	968 735	939 095	47 346 214	52 184 592
Receivables from Exchange Transactions - Property Rental Debtors	368 756	292 297	300 299	235 407	14 938 471	16 135 230
Total By Income Source	16 707 071	9 807 170	7 267 186	6 461 904	331 662 547	371 905 878

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

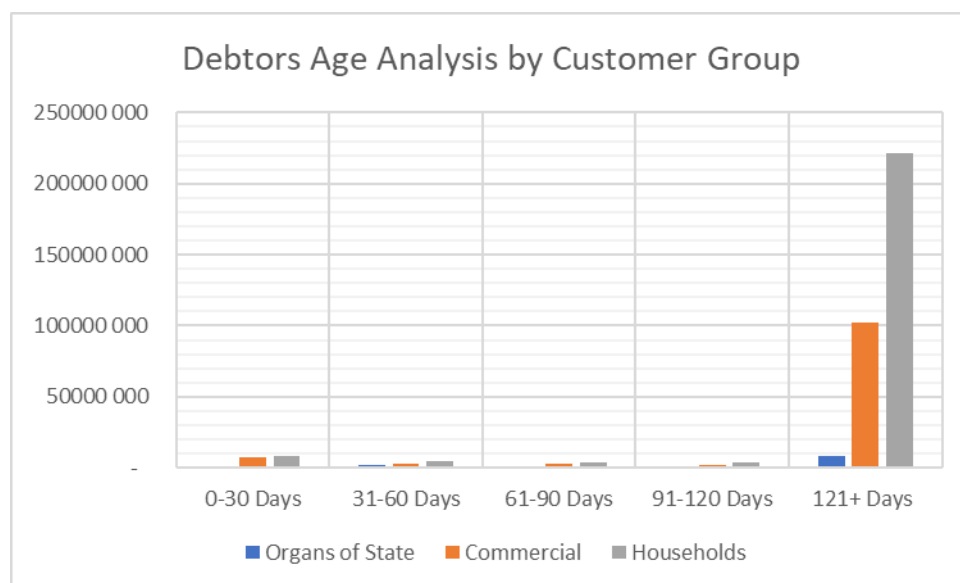


Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	1 186 056	2 239 002	729 937	421 456	8 441 605	13 018 056
Commercial	7 072 825	2 604 444	2 479 619	1 946 871	102 209 427	116 313 186
Households	8 448 190	4 963 724	4 057 630	4 093 577	221 011 515	242 574 636
Total By Customer Group	16 707 071	9 807 170	7 267 186	6 461 904	331 662 547	371 905 878

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 October 2023.

Creditors Age Analysis 31 October 2023						
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total
Creditors Age Analysis By Customer Type						
Bulk Electricity	3 484 070	9 218 529	- 1 702 725	2 343 508	225 764 266	239 107 648
Bulk Water	-	2 607 207	2 307 192	2 552 317	205 720 852	213 187 568
Trade Creditors	- 969 193	- 549 852	1 589 460	482 913	639 716	1 193 044
Auditor General	-	804 528	413 050	-	810 816	2 028 394
Other	13 484	- 182 623	- 225 966	- 250 000	845 202	200 097
Total By Customer Type	2 528 361	11 897 789	2 381 011	5 128 738	433 780 852	455 716 751

Creditors Analysis

Please note creditors' report is subject to correction

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

The municipality applied for the Debt Relief Program and was successful in the application, furthermore payments thus has been made in consultation with ESKOM.

The municipality have a National Dispute with Sedibeng Water now Central Vaal Water

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

SEDIBENG WATER / Bloem Water/Central Vaal Water							
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	-	- 13 098 308	11 440 006	3 652 286	2 667 316	1 993 984
AUG	4 913 224	2 552 317	- 1 658 302	5 807 239	3 880 457	3 250 073	- 1 032 768
SEPT	3 607 207	-	- 2 606 033	1 001 174	4 030 935	2 527 288	423 728
OCT	5 020 252	-	- 1 000 000	4 020 252	3 816 489	3 010 326	- 1 203 763
	15 198 985	2 552 317	- 18 362 643	611 341	15 380 166	11 455 003	181 181

ESKOM							
2023-2024 BULK ELECTRICITY							
	ESKOM BILLING	AMOUNT PAID	SHORTFALL IN ESKOM PAYMENT	Nama Khoi Billing	Actual Cash Received	Difference in Billing	Notes
JUL	15 478 457 -	14 227 558	1 250 899	9 551 456	8 651 062 -	5 927 001	Please note there is R4.6 million difference between Eskom billing and Nama Khoi billing to the community, this is as result of losses but also as result of difference between winter tariffs. The municipality also made the payment for July in August as payment due as per invoice date, the amount paid exclude interest/penalties
AUG	17 386 895	-	17 386 895	9 932 838	14 952 712 -	7 454 057	
SEPT	14 979 895 -	4 862 061	10 117 834	8 932 490	8 608 114 -	6 047 405	
OCT	8 825 041 -	10 970 931 -	2 145 890	8 729 752	9 257 251 -	95 289	Payment made as per arrangement with Eskom
	56 670 288 -	30 060 550	26 609 738	37 146 536	41 469 139 -	19 523 752	

Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October						
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	1 097 237	2 520 277	1 882 712	637 565	134
Cellphone Allowance	693 600	112 200	285 600	231 200	54 400	124
Other benefits and allowances	417 229	54 629	148 430	139 076	9 354	107
Sub Total - Councillors	6 758 975	1 264 066	2 954 307	2 252 988	701 319	131
Senior Managers of the Municipality						
Basic Salaries and Wages	3 530 398	291 826	1 212 194	1 176 800	35 394	103
Pension and UIF Contributions	10 855	354	1 416	3 620	- 2 204	39
Performance Bonus	443 740	-	-	147 916	- 147 916	-
Motor Vehicle Allowance	1 546 588	25 764	103 056	515 532	- 412 476	20
Cellphone Allowance	80 864	2 637	10 548	26 956	- 16 408	39
Housing Allowances	190 770	11 809	47 236	63 588	- 16 352	74
Other benefits and allowances	664	22	88	220	- 132	40
Long service awards	35 835	-	-	11 944	- 11 944	-
Sub Total - Senior Managers of Municipality	5 839 714	332 412	1 374 538	1 946 576	- 572 038	71
Other Municipal Staff						
Basic Salaries and Wages	61 062 509	5 048 728	20 356 806	20 354 176	2 630	100
Pension and UIF Contributions	9 700 260	797 137	3 209 101	3 233 420	- 24 319	99
Medical Aid Contributions	4 328 448	325 678	1 250 775	1 442 816	- 192 041	87
Overtime	6 962 609	519 718	2 515 801	2 320 872	194 929	108
Performance Bonus	4 621 059	365 176	1 665 498	1 540 352	125 146	108
Motor Vehicle Allowance	3 109 403	4 820	18 527	1 036 472	- 1 017 945	2
Cellphone Allowance	213 156	17 319	70 605	71 048	- 443	99
Housing Allowances	1 045 372	63 919	285 843	348 460	- 62 617	82
Sub Total - Other Municipal Staff	91 042 816	7 142 495	29 372 956	30 347 616	- 974 660	97
Total Parent Municipality	103 641 505	8 738 973	33 701 801	34 547 180	- 845 379	98
Total Employee Cost	96 882 530	7 474 907	30 747 494	32 294 192		
Revenue	411 638 254	19 654 758	155 182 459	137 212 752		
Expenditure	504 123 361	21 732 858	111 721 533	168 041 204		
%Employee Cost to Revenue	24	38	20	24		
%Employee Cost to Expenditure	19	34	28	19		

Employee-related cost to total expenditure – Please note employee cost against expenditure amounts to 34

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 July 2023 - October 2023) (quarter preceding the application)

1. The total average quarterly collection of all revenue excluding Equitable
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

104%
155%
121%
75%
58%
68%

88%
100%
109%
76%
62%
61%

MFMA Circular 124 - paragraphs 3.7.4 and 3.7.5

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

Wards / Services	Municipal supplied/ Eskom supplied/ Partial Eskom and municipal supplied	Quarter 1 Billed	Quarter 1 Collected	Quarter 1 Collection Rate	October billed	October collected	Collection %	Quarter 2 Billed	Quarter 2 collected	Quarter 1 Collection Rate
Total September 2023		58 525 337	60 656 325	104	18 688 254	16 450 489	88%	18 688 254	16 450 489	88%
Ward/Service point - Komaggas										
Property Rates Tax		424 419	316 866	75	139 758	33 216	14%	-	-	14%
Electricity	Eskom supplied	-	-				24%	139 758	33 216	24%
Water		824 140	230 065	28	336 807	43 715	13%	336 807	43 715	13%
Refuse		660 968	139 871	21	220 430	21 010	10%	220 430	21 010	10%
Sewerage		109 575	79 704	73	36 525	7 742	21%	36 525	7 742	21%
Total		2 019 102	766 507	38	733 520	105 684		733 520	105 684	
Interest		-	-					-	-	
Ward/Service point - Steinkopf										
Property Rates Tax		888 862	474 094	53	295 565	142 604	34%	-	-	34%
Electricity	Eskom supplied	-	-				48%	295 565	142 604	48%
Water		1 964 509	787 672	40	618 699	214 543	35%	618 699	214 543	35%
Refuse		1 111 335	339 459	31	370 822	90 647	24%	370 822	90 647	24%
Sewerage		872 114	436 881	50	290 844	80 434	28%	290 844	80 434	28%
Total		4 836 820	2 038 105	42	1 575 930	528 227		1 575 930	528 227	
Interest		-	-					-	-	
Ward/Service point - Springbok										
Property Rates Tax		7 512 522	12 956 620	172	2 471 072	2 604 712	102%	-	-	102%
Electricity	Municipal supplied	16 381 841	16 352 227	100	4 804 399	5 360 683	112%	4 804 399	5 360 683	112%
Water		6 403 327	5 952 299	93	2 203 870	2 171 309	99%	2 203 870	2 171 309	99%
Refuse		3 015 676	2 488 700	83	1 005 042	817 419	81%	1 005 042	817 419	81%
Sewerage		2 983 347	2 251 460	75	994 057	732 946	74%	994 057	732 946	74%
Total		36 296 713	40 001 307	110	11 478 440	11 687 069		11 478 440	11 687 069	
Interest		-	-					-	-	
Ward/Service point - Okiep										
Property Rates Tax		891 603	1 214 833	136	294 649	363 459	86%	-	-	86%
Electricity	Municipal supplied	1 860 692	5 924 533	318	570 330	551 517	123%	294 649	363 459	123%
Water		1 631 114	1 322 445	81	586 316	483 443	97%	570 330	551 517	97%
Refuse		987 339	517 090	52	329 113	177 737	82%	586 316	483 443	82%
Sewerage		728 078	473 632	65	242 693	158 460	54%	329 113	177 737	54%
Total		6 098 825	9 452 534	155	2 023 101	1 734 617	65%	242 693	158 460	65%
Interest		-	-					-	-	
Ward/Service point - Nababeep										
Property Rates Tax		913 133	1 628 010	178	300 907	323 269	66%	-	-	66%
Electricity	Municipal supplied	1 177 651	1 443 854	123	270 518	186 758	107%	300 907	323 269	107%
Water		1 548 972	886 797	57	371 526	230 033	69%	270 518	186 758	69%
Refuse		806 183	407 120	50	268 836	106 501	62%	371 526	230 033	62%
Sewerage		679 577	397 537	58	226 526	108 977	40%	268 836	106 501	40%
Total		5 125 516	4 763 317	93	1 438 312	955 538	48%	226 526	108 977	48%
Interest		-	-					-	-	
Ward/Service point - Concordia										
Property Rates Tax		798 718	1 094 859	137	261 095	277 604	100%	-	-	100%
Electricity	Municipal supplied	1 082 278	1 079 294	100	382 424	479 496	106%	261 095	277 604	106%
Water		1 113 405	881 794	79	410 455	289 276	125%	382 424	479 496	125%
Refuse		940 637	439 977	47	313 869	341 225	70%	410 455	289 276	70%
Sewerage		213 324	138 631	65	71 108	51 754	109%	313 869	341 225	109%
Total		4 148 363	3 634 555	88	1 438 950	1 439 354	73%	71 108	51 754	73%
Interest		-	-					-	-	
Prepaid electricity			10 557 300			3 486 970			3 486 970	

Notes on Collection Rate Above

The municipality managed an average collection rate of 88% for October.

Municipality collection rate dropped from the previous quarter.

Municipality included pre-paid electricity to show the full amount of electricity received from the community so it can be compared to the ESKOM account, it is evident that there is still a lot of by-passed meters and other energy losses.

It is also clear that the municipality collection rate in ESKOM areas is hampering the municipality, and the option to implement the pre-paid meters in that areas should be prioritized.

<p style="text-align: center;">NAMA KHOI LOCAL MUNICIPALITY</p> <p style="text-align: center;">Financial Year: 2023/2024</p> <p style="text-align: center;">Consolidated Report on Various Deposits</p> <p style="text-align: center;">Period: All Periods Ended 31 October 2023</p> <p style="text-align: center;">Nedbank: Various Own Funding Accounts</p>					
Description	Loan (Fleet)	Equitable Share	Car Allowance	Interest	Total
<u>Opening Balance: 01 July 2023</u>	17 725 632,85	0,00	0,00	7 056 921,29	24 782 554,14
Security Against Loan Balance : 01 July 2023	17 725 632,85			5 000 000,00 2 056 921,29	5 000 000,00 19 782 554,14
<u>Receipts</u>	0,00	26 421 000,00	829 990,68	3 071 898,09	30 322 888,77
Deposits July		26 421 000,00		410 041,16	26 831 041,16
Deposits August			553 327,12		553 327,12
Deposits September				357 158,91	357 158,91
Deposits September				1 638 577,50	1 638 577,50
Deposits September				320 904,90	320 904,90
Deposits October			276 663,56	345 215,62	621 879,18
<u>Withdrawal</u>	-2 762 509,01	-24 546 591,91	0,00	-641 138,24	-27 950 239,16
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
Monthly operational needs	-2 762 509,01			-188 670,74	-2 951 179,75
				0,00	0,00
				-452 467,50	-452 467,50
				0,00	0,00
				0,00	0,00
<u>Closing Balance: 30 September 2023</u>	14 963 123,84	1 874 408,09	829 990,68	9 487 681,14	27 155 203,75

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 : OCTOBER 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	
	2	VAT AUGUST		20 537 357,57	2 678 785,77	10 366 712,19	2 625 132,07		2 678 785,77	
	3	VAT SEPTEMBER		15 723 634,44	2 050 908,84	9 608 805,88	2 601 669,68		2 050 908,84	
Total Amount				R 14 568 868,46	R 1 900 287,19	R 30 332 514,86	R 2 793 564,72		6 629 981,80	
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
	2	VAT AUGUST			31 453 886,48	4 102 680,84			4 102 680,84	-1 423 895,07
	3	VAT SEPTEMBER			9 323 552,49	1 216 115,54			1 216 115,54	834 793,30
Total Amount			R -	R -	R 14 060 119,06	R 1 833 928,57	R -	R -	7 152 724,96	-522 743,16
VAT Reconciliation										
OPENING BALANCE 01/07/23										210 284,92
MINUS CORRECTIONS										
MINUS CORRECTIONS (PREVIOUS YEAR BALANCE NOT YET CORRECTED)										
TAX DEDUCTED FROM VAT CREDIT (REFERENCE STATEMENT OF ACCOUNT - JOURNAL DEBT EQUALISATION AUTOMATED PROC) Late payment issue - in relation to Mr Magerman- co authorised payment signee										
MINUS PAYMENT										
TOTAL OUTPUT TAX										-6 629 981,80
TOTAL INPUT TAX										7 152 724,96
REFUNDS -DURING THE YEAR										-1 423 895,07
PAYMENTS DURING THE YEAR										66 358,62
VAT PAYABLE/ REFUNDABLE										-210 284,92
CLOSING BALANCE 30/09/23										-834 793,30

. Notes on VAT Summary

It must be noted that municipality can either receive or liable to pay VAT depending on the amount of money received or payment made as indicated above, from the table above the municipality had to make payment to SARS for the month of September.

It is advisable that that the improve spending on conditional grants that will increase the likelihood of the municipality being able to claim VAT on a monthly basis from SARS.

Nama Khoi Audit process				RFI information provided			
Document number	Information required	Responsible Person	Due Date of RFI / COMAF	Date send to municipal official	Date follow-up with official	Date Information provided to Auditors	
RFI 50	Remaining Expenditure	Romano	2023/10/18	2023/10/16		2023/10/18	Completed
RFI 51	Indigent Register	William/Petrozaan/Anne	2023/10/18	2023/10/16	2023/10/18	2023/10/24	Completed
RFI 52	SCM PPR Sample	Candice	2023/10/18	2023/10/16		2023/10/17	Completed
RFI 53	Water Distributions Losses	William/Petrozaan/Anne	2023/10/18	2023/10/16		2023/10/18	Completed
RFI 54	Expenditure (Top-up Sample)	Romano/Idean	2023/10/23	2023/10/18		2023/10/20	Completed
RFI 55	Account Payables	Romano/Idean	2023/10/23	2023/10/18	2023/10/20	2023/10/24	Completed
RFI 56	Property rates	William/Petrozaan/Anne	2023/10/23	2023/10/18		2023/10/20	Completed
RFI 57	Interest Charged on outstanding debtors	William/Petrozaan/Anne	2023/10/24	2023/10/19		2023/10/23	Completed
RFI 58	Assets - Opening Balance	Chris	2023/10/25	2023/10/20	2023/10/24	2023/10/30	
RFI 59	Capital Commitments	Ruzan	2023/10/25	2023/10/20		2023/10/25	Completed
RFI 60	Revenue from exchange	William/Petrozaan/Anne	2023/10/26	2023/10/23			Completed
RFI 61	Verifications	John-Pete	2023/10/26	2023/10/23	2023/10/25		
RFI 62	Assets (Existence)	Chris	2023/10/27	2023/10/25	2023/10/25		
RFI 63	Assets (Disposals)	Chris	2023/10/27	2023/10/25		2023/10/26	Completed
RFI 64	Inventory Consumed	Ruzan	2023/10/30	2023/10/25		2023/10/30	Completed
RFI 65	Remaining Expenditure	Romano	2023/10/31	2023/10/26		2023/10/31	Completed
RFI 66	Receivables	William/Petrozaan/Anne	2023/10/31	2023/10/27		2023/10/30	Completed
RFI 67	Finance Charges	Romano/Terence	2023/11/01	2023/10/30		2023/11/01	Completed
RFI 68	Payables	Romano	2023/11/01	2023/10/30		2023/11/01	Thina confi
RFI 69	Revenue	William/Petrozaan/Anne	2023/11/02	2023/10/30		2023/11/02	Completed
RFI 70	Journals - HR	William/Petrozaan/Anne	2023/11/02	2023/10/30		2023/11/02	Completed
RFI 71	Journals - Revenue	William/Petrozaan/Anne	2023/11/02	2023/10/30		2023/11/02	Completed
RFI 72	Prior Year Adjustments	Denver/William	2023/11/02	2023/10/30		2023/11/02	Completed
RFI 73	Other Income	William/Petrozaan/Anne/Regina	2023/11/03	2023/11/01		2023/11/03	Completed
RFI 74	Creditors Statement	Romano/Idean	2023/11/03	2023/11/01		2023/11/02	Completed
RFI 75	Consumer Deposits	William/Petrozaan/Anne	2023/11/06	2023/11/01		2023/11/06	Completed
RFI 76	Revenue	William/Petrozaan/Anne	2023/11/06	2023/11/01		2023/11/06	Completed
RFI 77	Payables	Romano/Idean	2023/11/08	2023/11/06		2023/11/08	Completed
RFI 78	Compliance - Grants Information	Denver/Idean	2023/11/09	2023/11/06		2023/11/09	Completed
RFI 79	Prepaid Electricity	William/Petrozaan/Anne	2023/11/09	2023/11/06		2023/11/07	Completed
RFI 80	Revenue_Land and Fixed Assets Rentals	William/Petrozaan/Anne/Hazeline	2023/11/10	2023/11/07		2023/11/10	Completed
RFI 81	Leave Provision	Regina	2023/11/10	2023/11/07	2023/11/10		
RFI 82	Employee Related Costs - Journals	Regina/John-Pete	2023/11/10	2023/11/07		2023/11/09	Completed
RFI 83	Consequence Management	Terence/Romano/Ruzan	2023/11/10	2023/11/08		2023/11/10	Completed
RFI 84	Other Income - top up	William/Petrozaan/Anne	2023/11/13	2023/11/08		2023/11/13	
RFI 85	Human Resource Compliance	John-Pete	2023/11/15	2023/11/13			
RFI 86	VAT Receivables	Denver	2023/11/15	2023/11/13			

Nama Khoi Audit process						
Document number	Information required	Responsible Person	Due Date of RFI / COMAF	Date send to municipal official	Date follow-up with official	Date Information provided to Auditors
COMAF 1 - Limitation of Scope	Misstatement 1 (Issue 65) - Distribution losses: Electricity losses not accurate	William/Anne	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 1 (Issue 66) - Allowances not as per Collective agreements	Heinri	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 1 (Issue 96) - Receivables from exchange and non-exchange: Accuracy, valuation and allocation could not be confirmed	William/Anne	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 1 (Issue 68) - Unauthorised expenditure: Schedule does not agree to the AFS	Terence	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 1 (Issue 78) - Unauthorised expenditure: Material differences noted	Terence	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 1 (Issue 90) - Unauthorised expenditure: Actual and budget expenditure differences	Terence	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 2 (Issue 20) - Assets could not be traced to the Deeds search	Chris	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 2 (Issue 46) - Misstatement of accruals	Romano	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 2 (Issue 54) - Payables listing is not complete	Romano	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 2 (Issue 70) - Journals for suspense account		2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 2 (Issue 77) - Limitation of scope on fines		2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 1 (Issue 32) - SCM - Deviation from SCM processes not disclosed in the AFS	Ruzan	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 1 (Issue 35) - SCM - Overspending on contracts	Ruzan	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 1 (Issue 57) - SCM - Invalid deviations from quotation process	Ruzan	2023/10/09	2023/10/03	2023/10/06	2023/10/09
COMAF 1 - Disagreements	Misstatement 2 (Issue 81) - Amount/transaction was written off by council as irregular expenditure that is not recoverable however, it was not recorded in the 21/22 irregular expenditure.	Ruzan	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 3 (Issue 86) - Debtors that don't have contracts/SLA with the municipality	William	2023/10/09	2023/10/03	2023/10/06	2023/10/09
	Misstatement 4 (Issue 52) - Information was received relating to the accessory ratio	Chris	2023/10/09	2023/10/03	2023/10/06	2023/10/09
COMAF 2	1 - The Municipality did not perform external quality assurance review/assessment in the last 5-year period.	Heinri	2023/10/20	2023/10/16		2023/10/20
	2 - Key Management Declarations: Limitation Issue	Heinri	2023/10/20	2023/10/16		2023/10/20
COMAF 3	ISS.15: Completeness of contingent liabilities	Heinri	2023/10/27	2023/10/20		2023/10/27
	ISS.6 Completeness of fruitless and wasteful expenditure	Romano	2023/10/27	2023/10/20		2023/10/27
	ISS.3 [We need confirmation of the application of the circular]AOPO: Indicators and targets not Consistent	Quentis/Judith/William	2023/10/27	2023/10/20		2023/10/27
	ISS.4: AOPO: AoPO: Underlying reports and schedules/reports do not agree to the APR	Quentis/Judith/William	2023/10/27	2023/10/20		2023/10/27
	ISS.14: AOPO: Achieve 95% microbiological quality compliance rate (SANS 241) of drinking water quality: Captured results are incomplete	Quentis/Judith/William	2023/10/27	2023/10/20		2023/10/27
COMAF 4	ISS.20: Bid documents not signed	Ruzan	2023/11/08	2023/11/02	2023/11/07	2023/11/08
	ISS.16: The bids were not signed by the supplier (MDB forms)	Ruzan	2023/11/08	2023/11/02	2023/11/07	2023/11/08
	ISS.17: Contributed Assets: Differences Identified between the Amounts as per the Fixed Assets Register and The Annual Financial Statements	Chris	2023/11/08	2023/11/02		2023/11/08
COMAF 5	ISS.2: Unauthorised, irregular and fruitless and wasteful expenditure not prevented	Terence/Ruzan/Romano	2023/11/15	2023/11/09		
	ISS.23: Execution: Inventory Consumed and write-off	William	2023/11/15	2023/11/09		
	ISS.9 Revenue forgone limitation /AOPO validity could not be confirmed	William/Judy	2023/11/15	2023/11/09		
COMAF 6	Bidding process not followed	Ruzan	2023/11/15	2023/11/09		
	ISS.26: Employee Related Costs: Completeness of Overtime	Regina/John-Pete	2023/11/15	2023/11/09		
	ISS.12 Invoice amount different from the GL amount	Denver/Romano	2023/11/15	2023/11/09		
	ISS.18 Incorrect classification	Romano	2023/11/15	2023/11/09		
	ISS.19 Issue: Cut off	Ruzan	2023/11/15	2023/11/09		
	ISS.21 Issue: Differences on interest recorded	Romano	2023/11/15	2023/11/09		
	ISS.24 Creditors listing does not agree to the AFS amount for trade payables	Romano	2023/11/15	2023/11/09		
COMAF 7	ISS.10 Irregular expenditure opening balance	Ruzan	2023/10/16	2023/11/09		
COMAF 8	ISS.22 Differences Identified in the recalculated depreciation amounts	Jackquin	2023/10/15	2023/11/13		
	Consequence Management- Irregular expenditure not investigated	Ruzan	2023/10/15	2023/11/13		
	ISS.27 AOPO : Completeness of indicators	Judy	2023/10/15	2023/11/13		
	ISS.29 AOPO- Limitation : Achieve 95% microbiological quality compliance rate	Judy	2023/10/15	2023/11/13		
	ISS.30 Revenue forgone Limitation/AOPO validity could not be confirmed	William/Anne/Petrozaan	2023/10/15	2023/11/13		
COMAF 9	Consequence Management- Irregular expenditure not investigated	Ruzan	2023/10/15	2023/11/13		
	Iss.32 Use of consultants	Ruzan	2023/10/15	2023/11/13		
	Execution: Expenditure: Non-compliance with 30 days payment of creditors	Romano/Denver	2023/10/15	2023/11/13		

Notes on the table above

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

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 30 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 30 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 Augustspend 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 Septemberapplies 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 Augustin 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

The municipality received letters from National Treasury regarding the unfunded budget status, the municipality are advised to adhere to Cost Containment measures and are advised to do the necessary corrections to ensure that Adjustment Budget of February 2024 will be funded. Thus far the municipality has implemented Cost Containment, does have a Funded Budget Plan and are reporting on the progress on the Debt Relief monitoring plan. It must be noted that several disciplinary cases are currently underway, and the outcomes of these case has resulted in the municipality paying settlement amounts or paying the last benefits due to these officials. Revenue enhancement initiatives as per the Funded Budget Plan are underway and progress on these initiatives are highlighted in the Funded Budget Plan.

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.

Notes on Fuded Budget Plan

The positive on the funded budget plan are illustrated on the weekly Syntell Progress reports as well as the DBSA/Jika non-revenue progress reports.

Cost of Supply studies is due in November

Additional fleet for Service delivery is due late December 2023

Notes on the Cost Containment Report

Expenditure for Consultants shows that it is overspent this is as result of commitments, however, this expenditure relates to previous year audit queries that had to be corrected prior to the start of the new audit.

Expenditure for legal fees are overspent at this stage this is as result of the number of disciplinary cases that has been referred to legal action, it must be noted that a number of officials has been dismiss as result of the legal expertise used.

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 October 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 30 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