



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for December 2023/24



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GLOSSARY

Adjustment's budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

Approved budget - means an annual budget—

- a) approved by a municipal council; or
- b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include the Tariff Policy, Property Rates Policy, Customer Care, Credit Control and Debt Collection Policy etc.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – summarizes the amount of cash and cash equivalents entering and leaving the municipality. The cash flow statement measures how well the municipality manages its cash position. It should be noted that there could be a difference between the timing of the actual cash flow compared to the recognition of expenditure. For example, when an invoice is received by the Municipality it is recognised as expenditure in the month it is dated, even though it may not be paid within the same month.

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general unconditional grant paid to municipalities. It is predominantly targeted to subsidise the delivery of free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - Local Government: Municipal Finance Management Act (56/2003). The principal piece of legislation relating to municipal financial management. From here on to be referred to as the Act.

MTREF - Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two outer year budget allocations. Also includes details of the previous and current year's financial position.

Operating expenditure - Spending on the day-to-day expenses of the Municipality such as salaries and wages. It provides a short-term benefit, normally less than a year.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - in relation to a municipality, means any expenditure

incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- a) overspending of the total amount appropriated in the municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
Unauthorised expenditure refers to expenditure that municipalities incurred without provision having been made for it in the budget approved by the council or which does not meet the conditions of a grant.

Virement - A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

LEGISLATIVE FRAMEWORK

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Sections 71 & 52,
- and The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

28. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

Report of the Executive Mayor

In -Year Report – Monthly Budget Statement

The monthly budget statement for December 2023, has been prepared in terms of the Municipal Budget and Reporting Regulations (2009) and the Municipal Finance Management Act 56 of 2003.

- a) The budget of the municipality has been implemented in terms of the Service Delivery Budget Implementation Plan (SDBIP). Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.
- b) Financial problems or risks facing the municipality are numerous.

Cash flow has and will for the foreseeable future be a problem. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as employee related cost and meeting service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Budget Funding Plan has been approved and will be implemented to mitigate risk.

Executive Mayor

Recommendations

That the Executive Mayor takes cognisance of the monthly budget statement for December 2023.

SECTION 1 – EXECUTIVE SUMMARY

1.1 INTRODUCTION

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a monthly report in a prescribed format to the mayor, within 10 working days after the end of each month, on the implementation of the Municipality's budget. The format and contents of the monthly budget report comply with the requirements as set out within the Municipal Budget and Reporting Regulations of 2009.

The report will be made available to the public on the municipal website at www.kannaland.gov.za

1.2 CONSOLIDATED PERFORMANCE

The performance against the budget can be summarized as follow:

Amount in thousands	Original Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 226 346	R 124 714	R 111 101	R (13 613)	-11%
Operating Expenditure	R 241 455	R 120 757	R 127 813	R 7 056	6%
Capital	R 13 743	R 6 871	R 7 295	R 424	6%

Operational Revenue

The municipality's total operational revenue budget amounts to R226 million and the year-to-date revenue on the budget accrued to R 124 million. This represents 55% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R241 million, with a year-to-date performance of R120 million, or 50% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R14 million with a year-to-date performance of R 6 million, or 50% of the total capital budget.

Operating Surplus/Deficit

Operating revenue amounted to R25.8 million, with expenditure amounting to R25.1 million, with an operating surplus of R732 thousand for the month under review.

1.3 MATERIAL DIFFERENCES TO THE SDBIP

Material differences to the SDBIP will be discussed under section 10 and in more detail within Appendix C.

1.4 REMEDIAL ACTIONS

- (a) Directorates are to ensure that the budget is being implemented in accordance with the Service Delivery and Budget Implementation Plan of the Municipality;
- (b) That, strategic decisions / resolutions to improve the capital expenditure, be implemented; communicating with the technical department on slow spending on capital budget;
- (c) That monthly monitoring of the implementation of the Budget Funding Plan;
- (d) That measures on debt collection are implemented and applied effectively;
- (e) A procurement plan be developed and approved as a matter of urgency;
- (f) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an always changing environment.

SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES

2.1 TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M06 December

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	25 562	26 915	26 915	2 294	14 188	13 457	730	5%	26 915
Service charges	101 947	117 388	117 388	9 225	56 805	58 694	(1 889)	-3%	117 388
Investment revenue	1 845	960	960	3	821	480	341	71%	960
Transfers and subsidies - Operational	41 576	64 252	64 252	12 339	30 057	43 667	(13 610)	-31%	64 252
Other own revenue	13 958	16 831	16 831	1 996	9 230	8 415	815	10%	16 831
Total Revenue (excluding capital transfers and contributions)	184 888	226 346	226 346	25 857	111 101	124 714	(13 613)	-11%	226 346
Employee costs	80 917	79 933	79 933	7 925	48 590	39 966	8 624	22%	79 933
Remuneration of Councillors	3 273	3 276	3 276	310	2 042	1 638	404	25%	3 276
Depreciation and amortisation	13 957	11 762	11 762	980	5 881	5 881	0	0%	11 762
Interest	6 069	8 000	8 000	1	496	4 000	(3 504)	-88%	8 000
Inventory consumed and bulk purchases	58 220	64 991	64 741	14 595	44 950	32 371	12 580	39%	64 741
Transfers and subsidies	255	920	920	80	123	460	(337)	-73%	920
Other expenditure	92 958	72 573	72 823	1 235	25 730	36 441	(10 711)	-29%	72 823
Total Expenditure	255 649	241 455	241 455	25 125	127 813	120 757	7 056	6%	241 455
Surplus/(Deficit)	(70 761)	(15 109)	(15 109)	732	(16 712)	3 957	(20 669)	-522%	(15 109)
Transfers and subsidies - capital (monetary allocations)	8 426	15 804	15 804	1 759	7 183	11 853	(4 670)	-39%	15 804
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(62 335)	695	695	2 491	(9 529)	15 810	(25 340)	-160%	695
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(62 335)	695	695	2 491	(9 529)	15 810	(25 340)	-160%	695
Capital expenditure & funds sources									
Capital expenditure	3 047	13 743	13 743	1 567	7 295	6 871	424	6%	13 743
Capital transfers recognised	17 429	13 743	13 743	1 567	7 295	6 871	424	6%	13 743
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(21 435)	-	-	-	-	-	-	-	-
Total sources of capital funds	(4 007)	13 743	13 743	1 567	7 295	6 871	424	6%	13 743
Financial position									
Total current assets	(39 883)	(23 714)	(23 464)		(36 774)				(23 464)
Total non current assets	317 657	1 981	1 981		319 072				1 981
Total current liabilities	70 651	(22 971)	(22 721)		92 655				(22 721)
Total non current liabilities	30 166	-	-		30 889				-
Community wealth/Equity	173 649	2 867	2 867		168 283				2 867
Cash flows									
Net cash from (used) operating	75 736	5 823	5 823	2 360	30 333	11 749	(18 585)	-158%	213 520
Net cash from (used) investing	(8 808)	(13 258)	(13 258)	(1 759)	(6 382)	6 629	13 011	196%	13 258
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	104 970	(7 435)	(7 435)	-	60 596	18 378	(42 219)	-230%	263 423
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	4 912	2 687	2 476	2 641	2 149	1 983	12 100	89 760	118 708
Creditors Age Analysis									
Total Creditors	6 316	1 929	10 851	451	57 265	-	-	-	76 812

2.2 TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE (Functional Classification)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		68 359	50 659	50 659	14 754	45 776	30 064	15 712	52%	50 659
Executive and council		33 573	12 961	12 961	11 783	26 552	9 749	16 803	172%	12 961
Finance and administration		34 786	37 698	37 698	2 971	19 224	20 315	(1 091)	-5%	37 698
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11 776	36 120	36 120	2 174	9 337	21 659	(12 322)	-57%	36 120
Community and social services		11 666	15 750	15 750	2 174	9 337	11 474	(2 137)	-19%	15 750
Sport and recreation		0	-	-	-	-	-	-	-	-
Public safety		110	-	-	-	(0)	-	(0)	-	-
Housing		-	20 370	20 370	-	-	10 185	(10 185)	-100%	20 370
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3 369	4 604	4 604	187	1 232	2 586	(1 354)	-52%	4 604
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		3 369	4 604	4 604	187	1 232	2 586	(1 354)	-52%	4 604
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		109 810	150 767	150 767	10 500	61 939	82 258	(20 319)	-25%	150 767
Energy sources		65 268	81 032	81 032	5 860	37 152	41 749	(4 597)	-11%	81 032
Water management		23 004	37 355	37 355	2 360	12 687	21 865	(9 178)	-42%	37 355
Waste water management		10 774	16 612	16 612	1 149	6 111	9 641	(3 530)	-37%	16 612
Waste management		10 764	15 769	15 769	1 132	5 989	9 004	(3 015)	-33%	15 769
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	193 314	242 150	242 150	27 616	118 284	136 567	(18 283)	-13%	242 150
Expenditure - Functional										
<i>Governance and administration</i>		84 321	86 605	86 605	5 757	37 726	43 302	(5 576)	-13%	86 605
Executive and council		21 671	24 748	24 748	1 980	11 535	12 374	(839)	-7%	24 748
Finance and administration		62 650	61 858	61 858	3 777	26 191	30 929	(4 738)	-15%	61 858
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 746	31 175	31 175	965	6 488	15 618	(9 130)	-58%	31 175
Community and social services		10 203	8 894	8 894	716	4 634	4 477	157	3%	8 894
Sport and recreation		1 096	532	532	50	452	266	186	70%	532
Public safety		1 342	280	280	110	786	140	646	462%	280
Housing		3 105	21 469	21 469	89	616	10 735	(10 119)	-94%	21 469
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		16 130	17 691	17 691	1 093	7 096	8 845	(1 750)	-20%	17 691
Planning and development		5	-	-	-	-	-	-	-	-
Road transport		16 125	17 691	17 691	1 093	7 096	8 845	(1 750)	-20%	17 691
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		139 453	105 983	105 983	17 310	76 504	52 991	23 513	44%	105 983
Energy sources		64 460	70 336	70 336	14 634	46 550	35 168	11 382	32%	70 336
Water management		35 304	14 006	14 006	1 318	15 618	7 003	8 615	123%	14 006
Waste water management		20 940	10 984	10 984	712	6 730	5 492	1 238	23%	10 984
Waste management		18 749	10 657	10 657	645	7 607	5 328	2 278	43%	10 657
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	255 649	241 455	241 455	25 125	127 813	120 757	7 056	6%	241 455
Surplus/ (Deficit) for the year		(62 335)	695	695	2 491	(9 529)	15 810	(25 340)	-160%	695

2.3 TABLE C3 – MONTHLY BUDGETED FINANCIAL PERFORMANCE (Revenue & Expenditure by Municipal Vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33 573	12 961	12 961	11 783	26 552	9 749	16 803	172,4%	12 961
Vote 2 - CORPORATE SERVICES		14 305	41 883	41 883	2 204	9 845	24 235	(14 391)	-59,4%	41 883
Vote 3 - FINANCIAL SERVICES		33 986	34 750	34 750	2 949	18 894	18 841	53	0,3%	34 750
Vote 4 - TECHNICAL SERVICES		111 450	152 556	152 556	10 680	62 994	83 742	(20 748)	-24,8%	152 556
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	193 314	242 150	242 150	27 616	118 284	136 567	(18 283)	-13,4%	242 150
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		21 671	24 748	24 748	1 980	11 535	12 374	(839)	-6,8%	24 748
Vote 2 - CORPORATE SERVICES		37 646	55 025	55 025	3 202	19 246	27 512	(8 266)	-30,0%	55 025
Vote 3 - FINANCIAL SERVICES		43 700	38 044	38 044	1 559	14 035	19 022	(4 986)	-26,2%	38 044
Vote 4 - TECHNICAL SERVICES		151 252	121 333	121 333	18 255	82 441	60 697	21 744	35,8%	121 333
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		1 381	2 305	2 305	128	556	1 153	(596)	-51,7%	2 305
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	255 649	241 455	241 455	25 125	127 813	120 757	7 056	5,8%	241 455
Surplus/ (Deficit) for the year	2	(62 335)	695	695	2 491	(9 529)	15 810	(25 340)	-160,3%	695

2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue		112 995	127 346	127 346	10 674	64 040	63 673	367	1%	127 346
Service charges - Electricity		64 073	76 101	76 101	5 827	37 031	38 050	(1 020)	-3%	76 101
Service charges - Water		20 258	22 267	22 267	1 897	10 544	11 134	(590)	-5%	22 267
Service charges - Waste Water Management		8 707	9 610	9 610	755	4 640	4 805	(164)	-3%	9 610
Service charges - Waste management		8 910	9 410	9 410	746	4 590	4 705	(115)	-2%	9 410
Sale of Goods and Rendering of Services		428	396	396	18	272	198	74	37%	396
Agency services		1 215	1 350	1 350	121	725	675	50	7%	1 350
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		6 176	5 929	5 929	1 223	4 603	2 964	1 638	55%	5 929
Interest earned from Current and Non Current Assets		1 845	960	960	3	821	480	341	71%	960
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		611	1 098	1 098	54	336	549	(213)	-39%	1 098
Licence and permits		171	159	159	14	96	79	16	21%	159
Operational Revenue		602	66	66	17	382	33	349	1055%	66
Non-Exchange Revenue		71 893	99 000	99 000	15 183	47 062	61 041	(13 979)	-23%	99 000
Property rates		25 562	26 915	26 915	2 294	14 188	13 457	730	5%	26 915
Surcharges and Taxes		–	–	0	–	583	–	583	–	0
Fines, penalties and forfeits		1 525	2 501	2 501	5	128	1 250	(1 122)	-90%	2 501
Licence and permits		0	30	30	–	0	15	(15)	-100%	30
Transfer and subsidies - Operational		41 576	64 252	64 252	12 339	30 057	43 667	(13 610)	-31%	64 252
Interest		2 561	2 802	2 802	472	1 741	1 401	340	24%	2 802
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		667	–	–	73	365	–	365	–	–
Gains on disposal of Assets		–	2 500	2 500	–	–	1 250	(1 250)	-100%	2 500
Other Gains		–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		184 888	226 346	226 346	25 857	111 101	124 714	(13 613)	-11%	226 346
Expenditure By Type										
Employee related costs		80 917	79 933	79 933	7 925	48 590	39 966	8 624	22%	79 933
Remuneration of councillors		3 273	3 276	3 276	310	2 042	1 638	404	25%	3 276
Bulk purchases - electricity		55 313	56 045	56 045	13 887	42 635	28 023	14 613	52%	56 045
Inventory consumed		2 907	8 946	8 696	707	2 315	4 348	(2 033)	-47%	8 696
Debt impairment		59 016	16 691	16 691	–	–	8 345	(8 345)	-100%	16 691
Depreciation and amortisation		13 957	11 762	11 762	980	5 881	5 881	0	0%	11 762
Interest		6 069	8 000	8 000	1	496	4 000	(3 504)	-88%	8 000
Contracted services		19 896	33 727	33 927	476	3 210	16 963	(13 754)	-81%	33 927
Transfers and subsidies		255	920	920	80	123	460	(337)	-73%	920
Irrecoverable debts written off		46	–	–	–	16 765	–	16 765	–	–
Operational costs		13 743	22 156	22 206	759	5 755	11 133	(5 378)	-48%	22 206
Losses on Disposal of Assets		(609)	–	–	–	–	–	–	–	–
Other Losses		866	–	–	–	–	–	–	–	–
Total Expenditure		255 649	241 455	241 455	25 125	127 813	120 757	7 056	6%	241 455
Surplus/(Deficit)		(70 761)	(15 109)	(15 109)	732	(16 712)	3 957	(20 669)	(0)	(15 109)
Transfers and subsidies - capital (monetary allocations)		8 426	15 804	15 804	1 759	7 183	11 853	(4 670)	(0)	15 804
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(62 335)	695	695	2 491	(9 529)	15 810			695
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		(62 335)	695	695	2 491	(9 529)	15 810			695
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		(62 335)	695	695	2 491	(9 529)	15 810			695
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		(62 335)	695	695	2 491	(9 529)	15 810			695

Due to the cyclical nature of the economy and the current straight-line approach to budgeting, all deviations in excess of 5% will be treated as material unless otherwise stated. Material deviations will be explained, and recommendations will be made if the extent and nature of the deviation may necessitate action.

It should be noted that the straight-line budget approach will be addressed and adjusted to reflect the cyclical nature of the economy as soon as possible. It should be noted that grants to be received, are accounted for correctly. A costly seamlessly integrated financial accounting system, as required in terms of mSCOA, will take time to implement due to financial constraints.

2.5 OPERATING REVENUE BY SOURCES:

The performance against the revenue budget can be explained as follow:

- **Service Charges Waste Water Management Revenue** - amounted to **R1.8 million** in **December 2023** which represents a -5% variance of the YTD.
- **Sale of goods and Rendering of Services** – amounts to 18 thousand for **December 2023** and represents 4% of the original budget. The deviation from the year-to-date budget amounts to **37%**. This is higher due to the number of building plans approved which include the new shopping centre being constructed on Van Riebeeck Street in Ladismith.
- **Agency Services** – amounted to 121 thousand for **December 2023** which represents a 7% variance from the YTD figures. This can be attributed to the more fines being collected.
- **Interest Earned on Investments** – (**71%** deviation from the year-to-date budget). The budget did not take into account the timing of the grants to be received (interest on call account - cash backed grants) when the monthly budget split was done. It can also be attributed to an under-budgeted position. The Municipality also collected more revenue which attract more interest.
- **Interest on outstanding debtors** – (**55%** deviation from the year-to-date budget). The Municipality has delayed the write-offs of prescribed debt, it also has not written off the outstanding debt of indigent households. Due to these reasons the total debtor's debt attracting interest in significantly higher.
- **Rental from fixed Assets** – amounted to 54 thousand and a deviation of **39%**. The Municipality collected significantly less rent YTD than budgeted. The Municipality has not implemented all rental contracted with market-related rental amounts. This process is to be finalized during the next quarter or as and when existing contracts expire.
- **Licence and permits** - (**21%** deviation from the year-to-date budget). Amounted to 14 thousand. This is due to an increase in the number of learner license applications.
- **Property Rates** – amounted to **R2.2 million** in **December 2023** which represents a 5% variance from the YTD figures. This is a result of property owners making annual payments. This will be inline with the budget at year-end.
- **Fines, Penalties & Forfeits** – Almost no activity, with a **-90%** deviation, with no vendor appointed to provide cameras and administrative support on speed fines. The Municipality is currently reviewing the fines process and it has not been able to utilize this service effectively. An audit must be conducted to determine how much the service is unprofitable when it has the potential of generating much higher revenue. Cost containment measures must be considered if this does not improve.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

2.6 OPERATING EXPENDITURE BY TYPE

- **Employee Related Costs** – The employee related costs amounted to **R7.9 million for December 2023**, exceeding the YTD budget with 19%. It can be attributed to the number of temporary workers employed that was not in line with the budget and organogram. Management has realigned the need for additional workers to be in line with the budget by utilising savings through unfilled vacancies. It is expected for this to stay within the budget by year-end.
- **Remuneration of Councillors**- The total remuneration for Councillors amounted to **R310 thousand in December 2023**, exceeding the year-to-date budget with 19%. This will be corrected in January 2024.
- **Bulk Purchases Electricity** – The total amounted to R13.8 million in **December 2023**, exceeding the year-to-date budget with 50%. The Eskom bulk accounts has not been reconciled, there is also misallocation as interest charges is not separated from the bulk electricity expense. The expenses are processed inclusive of VAT, this is overstating the expenditure.
- **Inventory Consumed** – The total was **R 707 thousand**, this includes direct purchases for the store and inventory issued out for the reporting period.
- **Interest** – The total amounted to **1 thousand** for the month of **December 2023**. This is due to the incorrect allocations of interest charged on the Eskom accounts which was recorded under bulk purchases. This will be corrected.
- **Contracted Services** – amounted to **R 476 thousand in December 2023**. The expenditure is expected to pick up in the next reporting periods. This can be attributed to misallocations that will be investigated and corrected where applicable.
- **Transfers and subsidies** – The total amounted to **80 thousand** for the month of **December 2023**. The Municipality has not paid us subsidies yet, this will be concluded in the next quarter. The Municipality makes quarterly transfers as and when the institutions submit the relevant documentation.
- **Other Expenditure** - amounted to **R759 thousand in December 2023**.

Most expenditure items were less than forecasted and this is due to the lack of recognition of expenditure once incurred, in addition to cash flow issues that results in the municipality only spending in terms of available revenue. The Municipality is still busy implementing expenditure on the accrual basis, expenses has been recognized when paid. This process will be corrected in the next view months.

2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-		-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		(0)	7 294	7 294	1 567	6 387	3 647	2 740	75%	7 294
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	(0)	7 294	7 294	1 567	6 387	3 647	2 740	75%	7 294
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		0	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		(21 238)	-	-	-	-	-	-		-
Vote 3 - FINANCIAL SERVICES		6 856	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		17 429	6 449	6 449	-	908	3 225	(2 316)	-72%	6 449
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	3 047	6 449	6 449	-	908	3 225	(2 316)	-72%	6 449
Total Capital Expenditure	3	3 047	13 743	13 743	1 567	7 295	6 871	424	6%	13 743
Capital Expenditure - Functional Classification										
Governance and administration		6 856	-	-	-	-	-	-		-
Executive and council		0	-	-	-	-	-	-		-
Finance and administration		6 856	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		(21 238)	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		(21 238)	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		17 429	13 743	13 743	1 567	7 295	6 871	424	6%	13 743
Energy sources		873	485	485	1 171	1 171	242	929	383%	485
Water management		(676)	6 449	6 449	-	908	3 225	(2 316)	-72%	6 449
Waste water management		17 231	6 809	6 809	396	5 216	3 404	1 811	53%	6 809
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	3 047	13 743	13 743	1 567	7 295	6 871	424	6%	13 743
Funded by:										
National Government		17 231	13 743	13 743	1 567	7 295	6 871	424	6%	13 743
Provincial Government		197	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		17 429	13 743	13 743	1 567	7 295	6 871	424	6%	13 743
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		(21 435)	-	-	-	-	-	-		-
Total Capital Funding	7	(4 007)	13 743	13 743	1 567	7 295	6 871	424	6%	13 743

CAPITAL EXPENDITURE

- The capital expenditure for **December** was **R 1.5 million** which amounts to **11%** of the total budget.

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		20 729	(14 630)	(14 630)	15 063	(14 630)
Trade and other receivables from exchange transactions		(19 814)	(9 478)	(9 478)	(18 676)	(9 478)
Receivables from non-exchange transactions		(4 328)	(1 128)	(1 128)	(718)	(1 128)
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 400	(8 946)	(8 696)	2 344	(8 696)
VAT		(37 806)	10 468	10 468	(31 381)	10 468
Other current assets		(1 063)	-	-	(1 168)	-
Total current assets		(39 883)	(23 714)	(23 464)	(34 535)	(23 464)
Non current assets						
Investments		-	-	-	-	-
Investment property		1 116	-	-	1 116	-
Property, plant and equipment		316 531	1 981	1 981	318 926	1 981
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		9	-	-	9	-
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		317 657	1 981	1 981	320 052	1 981
TOTAL ASSETS		277 774	(21 733)	(21 483)	285 516	(21 483)
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 364	-	-	1 416	-
Trade and other payables from exchange transactions		88 168	(19 856)	(19 606)	96 524	(19 606)
Trade and other payables from non-exchange transactions		13 792	-	-	22 920	-
Provision		7 477	-	-	8 491	-
VAT		(40 151)	(3 115)	(3 115)	(34 779)	(3 115)
Other current liabilities		-	-	-	-	-
Total current liabilities		70 651	(22 971)	(22 721)	94 572	(22 721)
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		19 349	-	-	19 349	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		10 817	-	-	11 540	-
Total non current liabilities		30 166	-	-	30 889	-
TOTAL LIABILITIES		100 817	(22 971)	(22 721)	125 461	(22 721)
NET ASSETS	2	176 957	1 238	1 238	160 055	1 238
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		173 188	2 867	2 867	167 821	2 867
Reserves and funds		462	-	-	462	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	173 649	2 867	2 867	168 283	2 867

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		4 921	22 305	22 305	1 246	8 522	11 152	(2 630)	-24%	22 305
Service charges		73 390	120 923	120 923	6 502	40 739	60 461	(19 722)	-33%	120 923
Other revenue		2 794	9 067	9 067	271	7 220	4 534	2 686	59%	9 067
Transfers and Subsidies - Operational		43 410	64 252	64 252	12 332	32 807	40 963	(8 156)	-20%	64 252
Transfers and Subsidies - Capital		13 170	15 804	15 804	-	11 174	7 902	3 272	41%	15 804
Interest		1	50	50	-	0	25	(25)	-100%	50
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(61 949)	(226 578)	(226 578)	(12 685)	(64 824)	(113 289)	(48 465)	43%	(18 881)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 736	5 823	5 823	7 665	35 639	11 749	(23 890)	-203%	213 520
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(8 808)	(13 258)	(13 258)	(1 759)	(6 382)	6 629	13 011	196%	13 258
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 808)	(13 258)	(13 258)	(1 759)	(6 382)	6 629	13 011	196%	13 258
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		66 928	(7 435)	(7 435)	5 906	29 257	18 378			226 778
Cash/cash equivalents at beginning:		38 042	-	-	-	36 645	-			36 645
Cash/cash equivalents at month/year end:		104 970	(7 435)	(7 435)	-	65 902	18 378			263 423

The total bank balance ending of **December 2023** were as follow;

- Standard Bank Main Account is **R 1.4 million**;
- The Traffic Account has **R 299 thousand**;
- Deposit Account has **R 551 thousand**; and
- Call Account has **R11 million**.

The lack of revenue streams has left the municipality to be heavily dependent on grant funding to run its daily operations. The current national economic situation in addition having an adverse effect on an already difficult situation.

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December													
Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2 239	607	603	490	417	476	3 215	17 055	25 103	21 652	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 283	196	119	105	76	73	321	673	2 845	1 248	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 553	700	598	882	512	476	2 593	20 706	29 020	25 169	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	737	340	336	334	334	278	1 661	10 702	14 721	13 309	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 434	570	545	535	527	435	2 544	15 536	22 126	19 578	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	64	73	91	120	117	124	1 087	21 929	23 604	23 376	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(3 398)	202	184	176	166	120	680	3 159	1 289	4 301	-	-
Total By Income Source	2000	4 912	2 687	2 476	2 641	2 149	1 983	12 100	89 760	118 708	108 633	-	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(1 630)	121	51	99	14	13	72	401	(860)	599	-	-
Commercial	2300	700	248	168	281	152	139	730	3 672	6 089	4 973	-	-
Households	2400	6 015	2 155	2 100	2 068	1 837	1 691	10 473	74 550	100 889	90 619	-	-
Other	2500	(173)	163	157	194	145	140	825	11 138	12 590	12 443	-	-
Total By Customer Group	2600	4 912	2 687	2 476	2 641	2 149	1 983	12 100	89 760	118 708	108 633	-	-

The total amount owed to Kannaland Municipality amounted to **R118 million at the end of December 2023**.

- **R89 million or 75%** of the total outstanding debtors are older than one year.
- **R108 million or 91%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality. Pre-paid electricity remains the most effective form of credit control.

3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description	NT Code	Budget Year 2023/24									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	5 190	1 079	9 777	–	29 287	–	–	–	45 332	–
Bulk Water	0200	130	–	–	–	–	–	–	–	130	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	580	403	371	140	3 560	–	–	–	5 054	–
Auditor General	0800	195	85	84	83	7 950	–	–	–	8 398	–
Other	0900	221	361	619	227	16 468	–	–	–	17 897	–
Total By Customer Type	1000	6 316	1 929	10 851	451	57 265	–	–	–	76 812	–

- The total outstanding creditors as at the end of December 2023 amounts to **R 76 812 million**.
- The biggest outstanding creditors are Eskom (**R45 332 million**), the Auditor-General of South Africa (**R8 398 million**). Combined, the before mentioned, represents **70%** of all outstanding creditors.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply with supply chain management regulations. Creditors are owed money for extended periods of time, and this is causing a reluctance to quote and take part in competitive bidding processes. Pressure on cash flow is increasing, due to long outstanding creditors demanding settlement.

3.4 INVESTMENT PORTFOLIO ANALYSIS

- The municipality has no long-term debt obligations and any investments other than call account investments.

3.5 GRANT RECEIPTS AND EXPENDITURE

Transfers and Grant Receipts 2023/ 2024						Rejected Rollover Repayment
	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
National Government Grants						
Financial Management Grant (FMG)	R2 932 000,00		R2 932 000,00	R754 348,82	R2 177 651,18	
Equitable Share	R35 348 000,00		R14 728 000,00	R14 728 000,00		
Municipal Infrastructure Grant (Operational)	568 650,00		R568 650,00	R236 937,48	R331 712,52	
Municipal Infrastructure Grant (Capital)	R10 804 350,00		R10 105 350,00	R5 188 667,56	R4 916 682,44	R958 939,65
Water Service Infrastructure Grant	R5 000 000,00		R500 000,00	R234 984,13	R265 015,87	
EPWP Incentive Grant	R1 220 000,00		R305 000,00	R641 428,80	-R336 428,80	
	R55 873 000,00		R29 139 000,00	R21 784 366,79	R7 354 633,21	
Provincial Government						
Human Settlements	R20 370 000,00		R0,00			
MRF (Municipal Replacement Fund)	R3 555 000,00		R2 370 000,00	R1 290 057,52	R1 079 942,48	
CDW Grant	R113 000,00		R113 000,00	R40 811,00	R72 189,00	
Departmental Agencies	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
Public Sector Seta	R145 000,00		R16 482,62		R16 482,62	
Total	R24 183 000,00		R2 499 482,62	R1 330 868,52	R1 168 614,10	
	R80 056 000,00		R31 638 482,62	R23 115 235,31	R8 523 247,31	

The following indicates expenditure on each respective grant received (Operational) and (Capital) for December 2023 -

Expenditure:

- Financial Management Grant amounts to **R97 thousand**.
- Municipal Infrastructure Grant (MIG) amounts **R 1.8 million** capital expenditure and **MIG PMU** amounts to **R47 thousand**.
- Expanded Public Works Programme amounts to **R 133 thousand**.

Provincial Treasury

Expenditure:


- Libraries Grant amounts to **R280 thousand**.

3.6 TABLE SC8 – EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 827	2 990	2 990	256	1 760	1 495	265	18%	2 990
Pension and UIF Contributions		36	-	-	16	57	-	57		-
Medical Aid Contributions		67	-	-	9	57	-	57		-
Motor Vehicle Allowance		52	-	-	3	18	-	18		-
Cellphone Allowance		292	286	286	25	150	143	7	5%	286
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		3 273	3 276	3 276	310	2 042	1 638	404	25%	3 276
% increase	4		0,1%	0,1%						0,1%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 729	4 449	4 449	301	1 353	2 225	(872)	-39%	4 449
Pension and UIF Contributions		5	9	9	1	3	4	(1)	-25%	9
Medical Aid Contributions		-	-	-	-	-	-	-		-
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		80	509	509	35	161	254	(94)	-37%	509
Cellphone Allowance		50	113	113	10	40	56	(17)	-30%	113
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		98	88	88	0	0	44	(44)	-100%	88
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		2 963	5 167	5 167	347	1 557	2 584	(1 027)	-40%	5 167
% increase	4		74,4%	74,4%						74,4%
Other Municipal Staff										
Basic Salaries and Wages		52 231	52 793	52 793	5 165	30 712	26 396	4 315	16%	52 793
Pension and UIF Contributions		7 132	8 568	8 568	647	3 883	4 284	(401)	-9%	8 568
Medical Aid Contributions		2 168	1 687	1 687	200	1 164	843	320	38%	1 687
Overtime		6 568	4 876	4 876	791	3 850	2 438	1 412	58%	4 876
Performance Bonus		1 975	752	752	-	761	376	385	102%	752
Motor Vehicle Allowance		2 790	2 359	2 359	331	1 791	1 179	612	52%	2 359
Cellphone Allowance		127	100	100	11	62	50	12	23%	100
Housing Allowances		337	173	173	33	174	86	88	102%	173
Other benefits and allowances		6 515	2 851	2 851	358	4 380	1 425	2 954	207%	2 851
Payments in lieu of leave		(1 166)	150	150	40	257	75	182	243%	150
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		(723)	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		77 954	74 309	74 309	7 578	47 033	37 154	9 879	27%	74 309
% increase	4		-4,7%	-4,7%						-4,7%
Total Parent Municipality		84 190	82 752	82 752	8 234	50 632	41 376	9 256	22%	82 752
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	457	457	-	-	228	(228)	-100%	457
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		-	-	-	-	-	-	-		-
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	0	0	-	0		-
Board Fees		-	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Executive members Board		-	457	457	0	0	228	(228)	-100%	457
% increase	4		0,0%	0,0%						0,0%
Total Municipal Entities		-	457	457	0	0	228	(228)	-100%	457
TOTAL SALARY, ALLOWANCES & BENEFITS		84 190	83 209	83 209	8 235	50 632	41 604	9 028	22%	83 209
% increase	4		-1,2%	-1,2%						-1,2%
TOTAL MANAGERS AND STAFF		80 917	79 476	79 476	7 925	48 590	39 738	8 852	22%	79 476

Section 12 – Implementation of the budget funding plan

The implementation of the funding plan is taking place on monthly basis and will be reported on a monthly basis for any material issues that may arise and that will need attention.

<div>  KANNALAND MUNISIPALITEIT MUNICIPALITY </div> <div>Budget Funding Implementation Schedule</div>						
15-Jan-24	Activity	Activity Detail	Status	Due Date	Date Achieved	Comments / Reasons / remedial action
Improved Monthly Collection Rate	Meter verification, TID & data collection project	Start processes for meter verification, TID & data collection project - Specs for tender	Not Due	1-Feb-24		The tender was advertised, only one application was received. The tender expired and will be re-advertised. This process will commence shortly. The Municipality will re-assess the process and attempt to re-advertise the tender.
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Not Due	1-Apr-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase I - To be specified during specs evaluation/assessment	Not Due	1-Jun-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase II - To be specified during specs evaluation/assessment	Not Due	1-Sep-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase III - To be specified during specs evaluation/assessment	Not Due	1-Oct-24		The tender was not awarded, it will be re-advertised.
	Tender for issuing of summonses to be awarded	Referred back to evaluation for clarity on pricing	Not Due	31-Jan-24		The Municipality is currently busy with an intensive debt collection drive. The focus is on the top 50 debtors. Numerous communication has been circulated with some success. A further drive will ensue and none paying debtors will be handed over. The Municipality advertised a tender for legal and professional services. None of the bidders were able to assist with Debt Collection. The Municipality opted to re-advertise. The Municipality is in the process of enlisting the services of a debt collection agency and all overdue debtors will be handed-over systematically.
	Bulk SMS's - Credit Control / Check with SAMRAS credit control module	SMS's can be done internally (part of FMG support Plan)	Achieved	31-Aug-23	31-Aug-23	The Municipality managed to procure bulk messages and it forms part of the debt collection process. The Municipality appointed a Accountant Debt Collection to ensure a dedicated focus on overdue accounts
	SAMRAS - Credit Control Module activate and support	Dependent availability of SAMRAS (part of FMG support Plan)	Achieved	30-Sep-23	1-Nov-23	The Municipality opted to appoint a Accountant responsible for Debt Collection. The Credit Control Module implementation will be investigated and detailed recommendations will be considered.
	Exception reporting - Improved	System in place to ensure technical department address issues escalated	Achieved	1-Aug-23	1-Oct-23	The Municipality are making use of the services of a Seconded Technical Director. This will allow management to implement cross departmental actioned. The technical department in conjunction with the meter reading department will ensure all faulty meters are replaced.
	Action against biggest Debtors	Dependent on summons processes (can start with notices to be issued & addressing disputes)	Achieved	31-Aug-23	31-Aug-23	The debt collection team is busy prioritising the highest debtors per month.
	Strengthen internal capacity	Appointment Customer Care Clerk	Achieved	31-Jul-23	31-Aug-23	The Municipality opted to appoint a Accountant responsible for Debt Collection. It also appointed a clerk within the department.
	Strengthen internal capacity	Appointment Accountant - Debtors	Achieved	31-Jul-23	1-Dec-23	The Municipality advertised for this position and is busy with the recruitment process. An appointment will be made once the process has been concluded. The appointment has been made and the candidate will start on 01 December 2023.
	Adding additional pay-points / Indigent registration	WVD - (tools of trade to be issued)	Achieved	31-Jul-23	1-Aug-23	The Municipality are busy exploring the options to increase the pay-points. It was concluded that a possible relief cashier be used on selected days.
	Adding additional pay-points / Indigent registration	Thusong Centre - (tools of trade to be issued)	Not Due	31-Mar-24		The Municipality are busy exploring the options to increase the pay-points. A site visit was conducted and a particular office was identified. The Municipality must identify savings to make the necessary adjustments, safety proof the office.
	Adding additional - Indigent registration (temporarily - Maxi Hall)	Zoar (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.
	Adding additional - Indigent registration (temporarily - Bergsig Library)	Czd (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.
Improved Accuracy in Billing	Reconciliations	Rates / billing recon - quarterly (being done to ensure billing completeness) -Addressing Reconciliation differences (in place)	Achieved	31-Aug-23	31-Oct-23	The valuation roll is being reconciled and all variances reported on monthly. A action plan has been drawn up to address outstanding matters.
	Water & Electricity Meters to be recorded correctly on the system	Uniformity in capturing and data cleansing through verification project - SOP's to be put in place and actual corrections to correlate with verification process	Achieved	31-Oct-23	30-Sep-23	The debtors and metering department is busy with a meter audit. A number of faulty meters has been identified for repairs and replacement. The Municipality has established a operating team consisting of the technical and finance department to perform a detailed analysis throughout the Municipality. The process already started and will be completed by end of January 2024.
	Stakeholder Communication	System in place to communicate and follow progress on replacement and installing of meters. Connecting of new services to a property. (Role clarification building control, technical & billing)	Achieved	31-Aug-23	30-Sep-23	An interdepartmental working group will be established and the finance department will be in charge of the data of each meter
	Stakeholder Communication	Communication campaign - methods of payment, accounts to be emailed, accounts available online - communicate to the public	Achieved	30-Sep-23	31-Dec-23	Accounts is being emailed to debtors monthly. The council resolved that the CFO can engage outstanding debtors on a payment plan or settlement arrangement.
	Management of Bulk Services	Calibrate and monitor bulk meters (Control meters and annual calibration part of technical maintenance plan)	Achieved	30-Nov-23	31-Dec-23	Bulk meters are being monitored monthly. The Municipality is currently in the processes of going out on tender for the reading of all bulk meters.



Budget Funding Implementation Schedule

15-Jan-24	Activity	Activity Detail	Status	Due Date	Date Achieved	Comments / Reasons / remedial action
Other Revenue	Rental Contracts	Ensure that there are rental contracts for all properties on the rent-register	Target Missed	31-Aug-23		The Municipality is busy collating the outstanding contracts. The deadline was extended to 31 December 2023 from 31 August 2023. The user department is currently busy with finalising these contracts.
	Rental Income	Enhance rental income for municipal properties like community facilities & equipment	Target Missed	31-Dec-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Rental Income	Rental income all municipal properties and market related where applicable	Target Missed	31-Jul-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Traffic Department	Procurement process- vendor to be appointed for speed cameras	Not Due	31-Jan-24		The Municipality has rented a traffic camera which is currently in use. The Municipality is currently in the process of auditing the traffic fine system. The progress is not satisfactory and management will review the operations, as the service is under-utilised.
	Traffic Department	Address traffic department leadership and structuring - Head of department to be appointed	Target Missed	31-Oct-23		This is currently in process, the position has been advertised, HR is yet to make the appointment
	Traffic Department	Address traffic department revenue shortfall - increased spot fines, licenses, roadworthy etc. - address inefficiencies - report progress	Target Missed	30-Sep-23		Due to a lack in leadership the department does not have a clear action plan. The targets must be revised to end of December 2023. It seems unlikely that the projected revenue target for this will be achieved.
Cost Containment Measures	Human Resources	Implement a performance management system for all managers (consequence management + improvement discipline)	Target Missed	31-Oct-23		This is still outstanding, a draft performance plan and contracts have been implemented for directors. The Municipality must enlist the get access to a performance management system to effectively implement a PMS.
	Human Resources	Phased in approach to cost cutting measures - address allowances, standby, overtime etc.	Target Missed	31-Aug-23		The Municipality is busy with budget vs actual workshops for each department. Costs containment measures will be implemented once the directors have a better understanding of their budgets. Various cash flow meetings was held with line managers during November 2023. A budget vs actual workshop was also held, budgeted vacant positions were highlighted for the employment of temporary workers, limited until Feb 2024.
	Human Resources	Completeness HR records (leave, sick leave and employee Masterfile information)	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Human Resources	Compliance with Staff regulations and address structure inefficiencies + organogram payroll recon. Appointments to be prioritised and "need" justified	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Contract Management	Approve a Contract Management Policy & Checklist for vendor performance management and need analysis before appointing	Not Due	31-Jan-24		The Municipality is currently busy with the implementation of controls and the development of a compliant contract register. Various expired contracts will be reviewed to implement cost-containment measures.
Liability Management	Creditors	Compliance with section 65 of the MFMA. Recognition of expenditure when incurred. Sub-system to be used and reconciled	Not Due	29-Feb-24		The Municipality circulated numerous communication with suppliers regarding payment dates, processes and payment terms. As cash flow allow it will attempt to ensure compliance with the section. The Eskom debt relief application has allowed the Municipality to decrease its total liabilities. The final adjustments for the Eskom balance has been received and the Municipality has over R8million credit which will impact the municipalities cash balance positively.
	Budgeting	Weekly cash flow monitoring	Achieved	31-Aug-23	7-Nov-23	Cash flow meetings is scheduled weekly
	Budgeting	Establish Budget Steering Committee (budget implementation & grant management monitoring)	Not Due	31-Jan-24		The Municipality is in the process of establishing a budget steering committee
	Liabilities	Clearing and dealing with old grants on grant register	Not Due	31-Jan-24		The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system. The financial system will be aligned to the grant register. All historical grants will be reported on as historical expenditure might be off-set against these expense conditions.
	Liabilities	Improved grant & retention management - address PMU inefficiencies and administrative responsibilities clarified	Achieved	31-Aug-23	31-Aug-23	The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system
Other Measures	Water & Electricity Losses	Isolating high loss and fix (water) / exception reporting & monitoring of use	Target Missed	31-Jul-23		The Technical department is in the process of implementing a system in which they will address water losses.
	Water & Electricity Losses	Pre-Paid water meters first Indigent households as policy dictate - linked to verification project	Not Due	31-Jan-24		The Municipality is in the process of embarking on a internal meter audit verification process, by establishing a multi-departmental team to verify meter data of all meters within the Municipality. Through this process all water & electricity meters will be audited and replaced if found to be faulty.
	Water & Electricity Losses	Identify and consolidate Eskom service points (reduce monthly account)	Target Missed	31-Dec-23		The Municipality has started exploring this through the technical department.
	Asset Management	Improved fleet management - Policy implementation, monitoring of fuel use & monthly reporting	Target Missed	31-Jul-23		Fleet management is challenging in the Municipality due to the lack of vehicle management.
	Asset Management	Develop a R&M plan / strategy	Not Due	31-Mar-24		
	Employee Related Costs	Fill critical vacancies - "justifiable needs assessment" first. Revenue generating / protecting in nature - prioritise	Target Missed	31-Oct-23		The organogram is still in development phase

Section 13 – SCM Deviations

Desember 2023					
VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES					
NOMMER	DATUM	DEPARTEMENT	VERSKAFFER	BEDRAG	REDE
8/1/4/R	17/11/2023	FINANCE/MUNICIPAL MANAGER	MEDIA 24 BEPERK	R 95 358,00	COUNCIL RESOLVE ON 6 NOVEMBER TO ADVERTISE THE POST OF THE MUNICIPAL MANAGER AND DIRECTOR TECHNICAL SERVICES, IN LINE WITH THE REGULATIONS ON THE REGULATIONS ON THE APPOINTMENT AND CONDITIONS OF SENIOR MANAGEMENT, 2014 THE ADVERTISEMENT CAN ONLY BE PLACED AFTER THE APPOINTMENT OF THE INDEPENDENT CONSULTANT, WHICH WILL ASSIST COUNCIL WITH RECRUITMENT AND SELECTION PROCESS.
8/1/4/R	01/12/2023	TECHNICAL SERVICES	DEKLIN	R 74 257,80	THE MUNICIPALITY IS CURRENTLY EXPERIENCING PROBLEMS WITH SUSTAINABLE WATER PROVISIONING, ESPECIALLY WITH THE WATER DELIVERY TO RURAL AREAS WITHIN THE KANNALAND MUNICIPALITY, LADISMITH, CALITZDORP AND ZOAR
8/1/4/R	01/12/2023	TECHNICAL SERVICES	PHAMBILI CIVILS CC	R 442 042,47	PHAMBILI CIVILS WAS APPOINTED FOR THE REBURBISHMENT AND UPGRADING OF VAN WYKSDORP WTW ON TENDER 04/2023. PARTIAL CLOMPECTION HAS TAKEN PLACE ON THE PROJECT. FINAL INSPECTION WAS DONE ON THE PARTIALPRACTICAL COMPLETION AND NO DEFECTS WERE FOUND.
8/1/4/R	01/12/2023	TECHNICAL SERVICES	HIDROTECH SYSTEMS (PTY) LTD	R 1 026 548,66	PAYMENT CERTIFICATE 2: UPGRADE AND REFURBISHMENT OF ZOAR PUMP STATION
8/1/4/R	01/12/2023	TECHNICAL SERVICES	IMBRIOLO CONSTRUCTION	R 546 549,18	REFURBISHMENT OF THE WASTE WATER TREATMENT WORKS KANNA 03/2023
8/1/4/R	08/12/2023	COUNCIL	AYSLIE ENTERPRISES (PTY) LTD	R 149 770,25	KANNALAND MUNICIPALITY SHOW THEIR GRATITUDE TO THEIR SENIOR CITIZENS EACH YEAR DURING THE CHRISTMAS SEASON. FOR THE CURRENT YEAR IT WAS DECIDED TO PROVIDE CATERING AND TRANSPORTATION FOR ELDERLY IN ALL FOUR TOWNS WITHIN KANNALAND.
8/1/4/R	11/12/2023	TECHNICAL SERVICES	VALSTA'S SPECIALIZED CLEANING	R 55 437,00	THE SEWERAGE TRUCK OF KANNALAND MUNICIPALITY IS CURRENTLY NOT OPERATIONAL DUE TO THE PUMP THAT HAS BROKEN AND REMOVED FOR REPAIRS. THE REPAIR TIME IS UNKNOWN AT THIS STAGE. THE MUNICIPALITY IS CURRENTLY SEVICING SEPTIC TANKS ALL OVER KANNALAND TO AVOID THE SEWERAGE TO OVERFLOW AND CREATE ENVIRONMENTAL SPILL WE URGENTLY NEED TO RENT A SEWERAGE TRUCK FOR 7DAYS TO RENDER THIS ESSENTIAL SERVIC TO THE COMMUNITY.
8/1/4/R	12/12/2023	FINANCE	BERNARD MOSES BRAAF	R 31 028,73	KANNALAND MUNISIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR TE KORT AAN KANTOOR SPASOE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT MEER PERSONEEL AANGESTEL MOES WORD OM DIE MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	12/12/2023	FINANCE	BERNARD MOSES BRAAF	R 31 028,73	KANNALAND MUNISIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR TE KORT AAN KANTOOR SPASOE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT MEER PERSONEEL AANGESTEL MOES WORD OM DIE MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	14/12/2023	TECHNICAL SERVICES	ULTRA WATER CC	R 60 260,00	THE TREATMENT WORKS MAKE USE OF ULTRA FLOC U3500 for coagulation purposes. THE SUPPLY CHAIN MANAGEMENT PROCESS WAS STARTED BUT IT SEEMS SERVICE PROVIDERS WILL BE CLOSED WITHOUT THE PLANTS HAVING THE REQUIRED CHEMICALS. THE PROCESS WAS STARTED BUT A DEVIATION IS NECESSARY TO ENSURE CHEMICALS ARE RECEIVED BEFORE CLOSING TIME.
8/1/4/R	19/12/2023	TECHNICAL SERVICES	HIDROTECH SYSTEMS (PTY) LTD	R 1 679 255,35	PAYMENT CERTIFICATE 2: UPGRADE AND REFURBISHMENT OF ZOAR PUMP STATION
8/1/4/R	20/12/2023	TECHNICAL SERVICES	SANITECH	R 225 491,43	THE SERVICE HAS ALREADY BEEN RENDERED AND PAYMENT MUST BEAFFECTED. IF THIS IS NOT DONE RESIDENCE IN THE INFORMAL SETTLEMENTS IN KANNALAND WILL BE WITHOUT SANITATION SERVICES. HEREWITH I REQUEST THAT THE OUTSTANDING AMOUNT OF R225 491,43 BE PAID FOR THE SERVICES RENDERED BY SANITECH.
8/1/4/R	20/12/2023	TECHNICAL SERVICES	SANITECH	R 2 049,30	THE SERVICE HAS ALREADY BEEN RENDERED AND PAYMENT MUST BEAFFECTED. IF THIS IS NOT DONE RESIDENCE IN THE INFORMAL SETTLEMENTS IN KANNALAND WILL BE WITHOUT SANITATION SERVICES. HEREWITH I REQUEST THAT THE OUTSTANDING AMOUNT OF R225 491,43 BE PAID FOR THE SERVICES RENDERED BY SANITECH.
8/1/4/R	21/12/2023	TECHNICAL SERVICES	VALSTA'S SPECIALIZED CLEANING	R 32 205,00	THE SEWERAGE TRUCK OF KANNALAND MUNICIPALITY IS CURRENTLY NOT OPERATIONAL DUE TO THE PUMP THAT HAS BROKEN AND REMOVED FOR REPAIRS. THE REPAIR TIME IS UNKNOWN AT THIS STAGE. THE MUNICIPALITY IS CURRENTLY SEVICING SEPTIC TANKS ALL OVER KANNALAND TO AVOID THE SEWERAGE TO OVERFLOW AND CREATE ENVIRONMENTAL SPILL WE URGENTLY NEED TO RENT A SEWERAGE TRUCK FOR 7DAYS TO RENDER THIS ESSENTIAL SERVIC TO THE COMMUNITY.
				R 4 451 281,90	

Section 14- Progress on Municipal Debt Relief

- Municipality's self-assessment in the format of the compliance certificate issued in MFMA Circular No. 124: Annexure A (signed by the Municipal Manager / (Acting); Attached as Annexure A
- Supporting information substantiating its compliance with conditions 6.1 – 6.14 in MFMA Circular No. 124.



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

KANNALAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 30
LADISMITH
6655

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



TEL: 08600 37566
SMS:

CUSTOMER SELF SERVICE WEBSITE:
<https://csonline.eskom.co.za>

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL
BANK: ABSA
BRANCH CODE: 334110
BANK ACC NO: 340167430

YOUR ACCOUNT NO	6940893537
SECURITY HELD	0.01
BILLING DATE	2023-12-12
TAX INVOICE NO	694248274562
ACCOUNT MONTH	DECEMBER 2023
CURRENT DUE DATE	2024-01-11
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	4,826.40
DIST. NETWORK CAPACITY CHARGE	R	76,512.80
NETWORK DEMAND CHARGE (C/KWH)	R	38,830.03
ANCILLARY SERVICE (ALL)	R	3,695.54
ENERGY CHARGE (PEAK)	88,534.00	R 164,726.36
ENERGY CHARGE (STD)	230,005.00	R 294,544.40
ENERGY CHARGE (OFF)	201,959.00	R 164,010.90
ELECTRIFICATION AND RURAL SUBS (ALL)	R	72,349.36
SERVICE CHARGE	R	10,707.60

TOTAL CHARGES FOR BILLING PERIOD R 830,203.39

ACCOUNT SUMMARY FOR DECEMBER 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-12-07)	R	9,270,139.50
PAYMENT(S) RECEIVED	Cash - 2023-12-07	R	-178,479.45
PAYMENT(S) RECEIVED	Cash - 2023-12-11	R	-757,806.47
TOTAL CHARGES FOR BILLING PERIOD		R	830,203.39
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	124,530.51

AR REARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE R
6,442,456.87	955,110.79	936,285.92	0.00	954,733.90	9,288,587.48

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 191
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

6940893537

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

0934 6940893537



TOTAL AMOUNT DUE

9,288,587.45

PAYMENT ARRANGEMENT

INSTALMENT	0.00
ARREARS (Due Immediately)	8,333,853.58
DUE DATE (For Current Amount)	2024-01-11
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

KANNALAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 30
LADISMITH
6655

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
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TEL: 08600 37566
SMS:

CUSTOMER SELF SERVICE WEBSITE:
<https://csonline.eskom.co.za>

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL
BANK: ABSA
BRANCH CODE: 334110
BANK AC C NO: 340167430

YOUR ACCOUNT NO	7052108005
SECURITY HELD	0.01
BILLING DATE	2023-12-07
TAX INVOICE NO	705963637689
ACCOUNT MONTH	DECEMBER 2023
CURRENT DUE DATE	2024-01-06
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

FIXED CHARGE	R	25,465.00
ADMINISTRATION CHARGE	R	4,826.40
TRANSMISSION NETWORK CAPACITY	R	142,400.00
DIST. NETWORK CAPACITY CHARGE	R	102,500.00
NETWORK DEMAND CHARGE	R	103,969.62
URBAN LOW VOLTAGE SUBSIDY	R	251,000.00
ANCILLARY SERVICE (ALL)	R	14,446.94
ENERGY CHARGE (STD)	882,047.00 R	1,093,738.28
ENERGY CHARGE (PEAK)	395,398.00 R	712,507.20
ENERGY CHARGE (OFF)	945,162.00 R	743,464.43
ELECTRIFICATION AND RURAL SUBS (ALL)	R	308,942.23
SERVICE CHARGE	R	10,707.60

TOTAL CHARGES FOR BILLING PERIOD R **3,513,967.70**

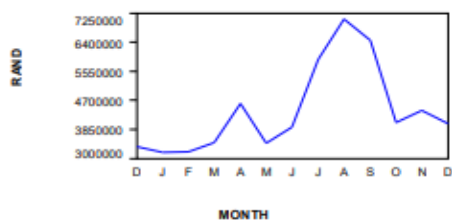
ACCOUNT SUMMARY FOR DECEMBER 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-12-07)	R	31,654,328.82
TOTAL CHARGES FOR BILLING PERIOD		R	3,513,967.70
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	527,095.16

AR REARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	TOTAL DUE R
22,844,133.3	0.00	8,810,195.46	0.00	4,041,062.86	35,695,391.68

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 188
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

7052108005
NAME
KANNALAND LOCAL MUNICIPALITY
FAX NUMBER
0866160914

0934 7052108005

11341 7052108005



9207 270 5 2108 0051



TOTAL AMOUNT DUE

35,695,391.65

PAYMENT ARRANGEMENT

INSTALLMENT	0.00
ARREARS (Due immediately)	31,654,328.82
DUE DATE (For Current Amount)	2024-01-06
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

Standard Bank of South Africa

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	User Name	KANNALAND MUNICIPALITY
Sub Module	SSVS	Reference	2024008005
Description	LJT64 20240108 15:49:47.2	Action date	20240108
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	2		
Acc No / CDI	55161636814		
Branch No	200910		
Statement Ref	6940893537		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	954,733.90		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

Standard Bank of South Africa

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The Standard Bank of South Africa Limited Registered Bank Reg. No. 1962/000738/06

CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546		
User ID	OCK31	User Name	KANNALAND MUNICIPALITY
Sub Module	SSVS	Reference	2024008005
Description	LJT64 20240108 15:49:47.2	Action date	20240108
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	1		
Acc No / CDI	55161636814		
Branch No	200910		
Statement Ref	7052108005		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	4,041,062.86		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

Calitzdorp Besproeiingsraad

Posbus/P O Box 197, Calitzdorp, 6660
Tel: 044 213 3802 / 084 589 7776 Email: calitzdorpwater@telkomsa.net
BTW/VAT Reg: 4260157971

BELASTINGFAKTUUR

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655
BTW Nr 4540197268

Faktuur Nr: 308
Datum: 04 Desember 2023

MUNISIPALE WATERVERBRUIK – CALITZDORP: November 2023

Sub Oorverbruik

Maand	Nov-23	
Meterlesing einde	Nov-23	7128450
Meterlesing begin	Nov-23	7059910
Ontrek	kl	68540
Dae @ 455 kl per dag toelaag	30	13650
Sub Oorverbruik 54890 - 13963= 40927	kl	40927
Min beurt teruggegee	kl	0
Oorverbruik	kl	40927
0-26000 kl tarief @ 1.10	26000	R 28 600.00
26000-36000kl @ 2.21kl	14927	R 32 988.67
46000 - 56000 kl tarief	0	R -
56 000 en meer tarief	0	R -
Sub Oorverbruik		R 61 588.67
Plus 15% BTW		R 9 238.30
Totaal verskuldig		R 70 826.97

Glyskaal met ingang 2023

Dae		30
Toegelaat per dag - kl		455
0 - 26000 kl tarief	R	1.10
26000 - 36000 kl tarief	R	2.21
36000 - 46000 kl tarief	R	3.69
46000 - 56000 kl tarief	R	7.37
56 000 kl en meer tarief	R	14.74

Beurt teruggegee formule

1 cusec = 101.96 m3		101.96
Stroomsterkte cusek/uur		6.18
Ure teruggegee		0
Kl = Ure teruggegee x 101.96m3 x stroomsterkte	kl	0

Bankbesonderhede:

Naam: Calitzdorp Besproeiingsraad
Bank: Standard Bank
Tak: Calitzdorp 050014
Rek Nr: 280110022

Standard Bank of South Africa

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The Standard Bank of South Africa Limited Registered Bank Reg. No. 1962/000738/06

REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024008005
Sub Module	SSVS	Action date	20240108
Description	LJT64 20240108 15:49:47.2		
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	3		
Acc No / CDI	280110022		
Branch No	50014		
Statement Ref	KANNALAND MUN		
Account Name	CALITZDORP BESPROEINGSRAAD		
Creditor Code	C2		
Amount	70,826.97		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

Standard Bank of South Africa

The Standard Bank of South Africa Limited Registered Bank Reg. No. 1962/000738/06

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CURRENT ACCOUNT - STATEMENT DETAILS

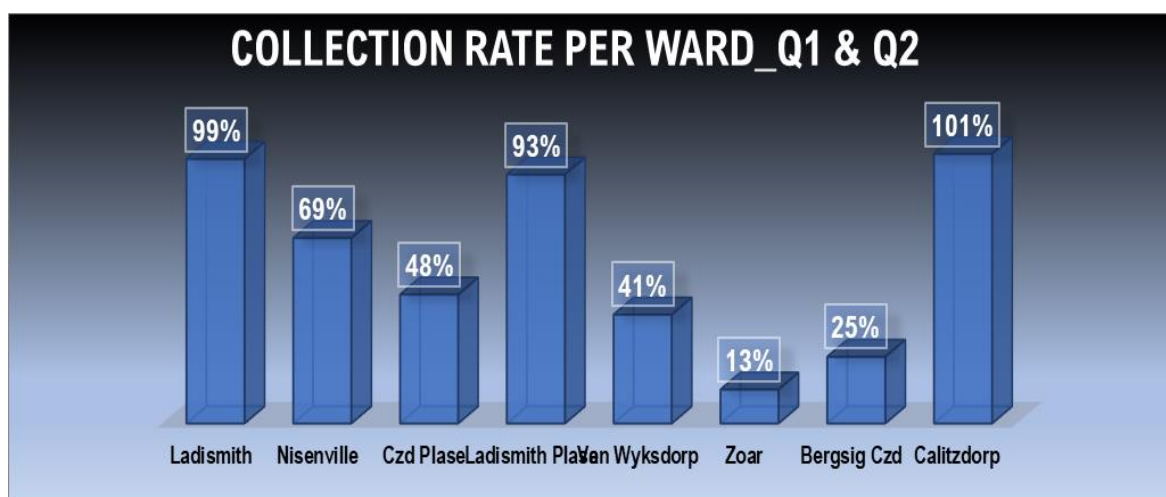
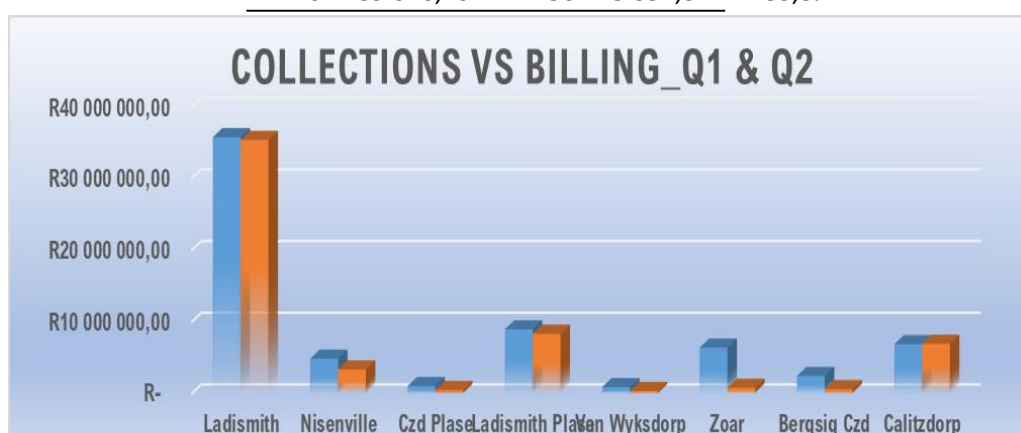
Account	0000420543546	KANNALAND MUNICIPAL	Statement For	20240108	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	280		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240108	3,444,880.20
1	CREDIT TRANSFER	0.00	0.00	6,099.70	20240108	3,450,979.90
	ABSA BANK KANNA1007390024					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	46,383.05	20240108	3,497,362.95
	PREPAID UTILITIES WORLD					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	47,738.86	20240108	3,545,101.81
	PREPAID UTILITIES WORLD					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	56,414.66	20240108	3,601,516.47
	PREPAID UTILITIES WORLD					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	57,916.67	20240108	3,659,433.14
	PREPAID UTILITIES WORLD					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	59,058.05	20240108	3,718,491.19
	PREPAID UTILITIES WORLD					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	60,817.38	20240108	3,779,308.57
	PREPAID UTILITIES WORLD					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	61,086.40	20240108	3,840,394.97
	PREPAID UTILITIES WORLD					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	70,078.30	20240108	3,910,473.27
	PREPAID UTILITIES WORLD					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	293.00	20240108	3,910,766.27
	CBL MOTORS 2023/12/21					
1	CASH DEPOSIT: NOTES	0.00	0.00	1,500.00	20240108	3,912,266.27
	CBL MOTORS 2023.12.22					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	2,706.00	20240108	3,914,972.27
	CBL MOTORS 2023/12/20					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	3,159.00	20240108	3,918,131.27
	LADISMITH					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	4,836.00	20240108	3,922,967.27
	CBL MOTORS 2023/12/19					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	9,109.00	20240108	3,932,076.27
	CBL MOTORS 2023-12-18					
1	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	600,000.00	20240108	4,532,076.27
	OWN TO MAIN					
1	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	1,100,000.00	20240108	5,632,076.27
	DEP TO MAIN					
1	ELECTRONIC BANKING PAYMENT TO	0.00	-70,826.97	0.00	20240108	5,561,249.30
	C2 CALITZDORP BE RVX6816:10					
1	ELECTRONIC BANKING PAYMENT TO	0.00	-954,733.90	0.00	20240108	4,606,515.40
	ESKOM ESKOM HOLDING RVX6816:10					
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240108	4,606,515.40
2	ELECTRONIC BANKING PAYMENT TO	0.00	-4,041,062.86	0.00	20240108	565,452.54
	ESKOM ESKOM HOLDING RVX6816:10					
2	ELECTRONIC BANKING TRANSFER TO	0.00	-33,182.13	0.00	20240108	532,270.41
	LG SETA DEP *					
2	ELECTRONIC BANKING TRANSFER TO	0.00	-234,577.49	0.00	20240108	297,692.92
	DEP TRANSPORT REC					

** END OF REPORT **

- The monthly MFMA s.71 narratives must explicitly reflect the municipality's progress towards restricting free basic services (condition 6.6) and achieving a minimum average quarterly collection of 80 per cent (condition 6.7);

	Billing		Collections		
Ladismith	R	35 741 488,57	R	35 364 260,72	99%
Nisenville	R	4 848 259,37	R	3 360 246,75	69%
Czd Plase	R	1 032 744,23	R	497 699,98	48%
Ladismith Plase	R	8 949 953,43	R	8 332 622,92	93%
Van Wyksdorp	R	905 241,66	R	368 516,89	41%
Zoar	R	6 390 478,71	R	808 594,00	13%
Bergsig Czd	R	2 443 485,17	R	608 754,05	25%
Calitzdorp	R	6 877 359,12	R	6 935 162,51	101%
	R	67 189 010,26	R	56 275 857,82	83,8%



- If the municipality has a budget funding plan, the MFMA s.71 monthly statement must include progress against the budget funding plan as part of the narrative component required for the MFMA s.71 statement as well as demonstrate progress (as per mSCOA data string) against the budget funding plan.
- If the municipality has a Financial Recovery Plan, such must monthly be submitted to the Provincial Executive and NT: MFRS.

The Municipality does not have a Financial Recovery Plan.

- The monthly MFMA s.71 statement to track the municipality's progress against the planned corrective action to address any variances evident from the property rates reconciliation.

SECTION 15 – QUALITY CERTIFICATION

I, Hendrik Barnard, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **December 2023**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Hendrik Barnard

Signature:

Date:



KANNALAND

MUNISIPALITEIT | MUNICIPALITY

Posbus 30 P.O. Box
LADISMITH
6655

info@kannaland.co.za
Tel : (028) 551 1023
Fax : (028) 551 1766

Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, Hendrik Barnard Acting Accounting Officer of **Kannaland Municipality WC041**, (name of municipality), hereby certify that –

(mark as appropriate)

- ☒ The monthly budget statement
- ☐ Quality report on the implementation of the budget and financial state affairs of the municipality
- ☐ Mid- year budget and performance assessment

For the month of **December 2023** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Hendrik Barnard

Acting Municipal Manager of **Kannaland Municipality WC041**

Signature

Date :15 January 2024