



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52 **1st Quarter of 2023/24**



Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009

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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 accordance with Section 52(d) of the Municipal Finance Management Act, I submit a report to the council within 30 days after the end of the first quarter of 2023/24, on the implementation of the budget and the financial state of affairs of the Kannaland Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a Municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

Executive Mayor

Recommendations

That the council takes cognisance of the Quarterly budget statement of the **First Quarter of the 2023/24 MTREF (Q1)**.

SECTION 1 – EXECUTIVE SUMMARY

1.1 INTRODUCTION

In terms of section 52(d) of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality. The format and content of in-year reporting are set out in the Municipal Budget and Reporting Regulations of 2009, that was published in terms of section 168 of the MFMA (2003).

1.2 CONSOLIDATED PERFORMANCE

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

It also compares the quarterly projections for service delivery targets and performance indicators contained in the SDBIP, against the actual; outcomes of the municipality's performance in service delivery for the 1st quarter of 2023/24.

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 60 482	R 57 027	R (3 455)	-6%
Operating Expenditure	R 240 912	R 60 273	R 37 514	R (22 760)	-38%
Capital	R 13 743	R 3 436	R 530	R (2 906)	-85%

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 57 million. This represents 25% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R240 million, with a year-to-date performance of R38 million, or 16% 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 530 thousand, or 4% of the total capital budget.

Operating Surplus/Deficit

First quarter operating revenue amounted to R57 million, with expenditure amounting to R38 million, with an operating surplus of R22 million for the quarter 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 BDUEGT STATEMENT TABLES

2.1 TABLE C1 – QUARTERLY BUDGET SUMMARY

Western Cape: Kannaland (WC041) - Table C1 Quarterly Budget Summary for 1st Quarter ended 30 September 2023

Description	2022/23	Budget year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	25 562	26 915	26 915	7 119	7 119	6 729	390	5,80	26 915
Service charges	101 947	117 388	117 388	29 382	29 382	29 347	34	0,12	117 388
Investment revenue	1 845	960	960	562	562	240	322	134,00	960
Transfer and subsidies - Operational	41 576	64 252	64 252	16 219	16 219	19 958	(3 739)	(18,73)	64 252
Other own revenue	12 828	16 831	16 831	3 746	3 746	4 208	(462)	(10,98)	16 831
Total Revenue (excluding capital transfers and contributions)	183 758	226 346	226 346	57 027	57 027	60 482	(3 455)	(5,71)	226 346
Employee costs	81 640	79 390	79 390	23 097	23 097	19 847	3 250	16,38	79 390
Remuneration of councillors	4 746	3 276	3 276	1 090	1 090	819	271	33,07	3 276
Depreciation and amortisation	13 957	11 762	11 762	2 940	2 940	2 940	0	0,00	11 762
Finance charges	6 069	8 000	8 000	1	1	2 000	(1 999)	(99,94)	8 000
Inventory consumed and bulk purchases	58 220	64 991	64 991	7 254	7 254	16 248	(8 994)	(55,35)	64 991
Transfers and subsidies	255	920	920	10	10	230	(220)	(95,87)	920
Other expenditure	97 034	72 573	72 573	3 121	3 121	18 189	(15 068)	(82,84)	72 573
Total Expenditure	261 921	240 912	240 912	37 514	37 514	60 273	(22 760)	(37,76)	240 912
Surplus/(Deficit)	(78 163)	(14 566)	(14 566)	19 513	19 513	209	19 305	9 257,00	(14 566)
Transfers and subsidies - capital (monetary allocations)	8 426	15 804	15 804	2 112	2 112	6 585	(4 473)	(67,92)	15 804
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(69 737)	1 238	1 238	21 626	21 626	6 794	14 832	218,32	1 238
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(69 737)	1 238	1 238	21 626	21 626	6 794	14 832	218,32	1 238
Capital expenditure & funds sources									
Capital expenditure	3 047	13 743	13 743	530	530	3 436	(2 906)	(84,57)	13 743
Transfers recognised - capital	17 429	13 743	13 743	530	530	3 436	(2 906)	(84,57)	13 743
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(21 435)	-	-	-	-	-	-	-	-
Total sources of capital funds	(4 007)	13 743	13 743	530	530	3 436	(2 906)	(84,57)	13 743
Financial position									
Total current assets	(36 163)	(23 714)	(23 714)	39 604	39 604	(37)	39 641	(106 714,47)	(23 714)
Total non current assets	317 657	1 981	1 981	(2 410)	(2 410)	495	(2 906)	(586,70)	1 981
Total current liabilities	82 292	(22 971)	(22 971)	15 583	15 583	(6 336)	21 918	(345,95)	(22 971)
Total non current liabilities	30 889	-	-	-	-	-	-	-	-
Community wealth/Equity	251 141	2 867	2 867	(14)	(14)	-	(14)	-	2 867
Cash flows									
Net cash from (used) operating	75 736	5 213	5 213	47 361	47 361	7 195	40 167	558,29	5 213
Net cash from (used) investing	(8 808)	(13 258)	(13 258)	(577)	(577)	(3 315)	2 737	(82,59)	(13 258)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	97 862	(8 045)	(8 045)	46 784	46 784	3 880	42 904	1 105,76	(8 045)
Collection Rate	56,71	93,01	93,01	65,91	65,91	93,01	-	-	93,01
Property rates	19,25	82,87	82,87	56,37	56,37	82,87	-	-	82,87
Service charges	71,99	103,01	103,01	75,84	75,84	103,01	-	-	103,01
Service charges - electricity revenue	79,73	109,68	109,68	83,01	83,01	109,68	-	-	109,68
Service charges - water revenue	64,83	89,61	89,61	71,74	71,74	89,61	-	-	89,61
Service charges - sanitation revenue	56,88	92,00	92,00	53,20	53,20	92,00	-	-	92,00
Service charges - refuse revenue	47,35	92,00	92,00	46,04	46,04	92,00	-	-	92,00
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-

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

Western Cape: Kannaland (WC041) - Table C2 Quarterly Budgeted Financial Performance by Functional Classification for 1st Quarter ended 30 September 2023

Description		Ref	2022/23	Budget year 2023/24							
R thousands			Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Revenue - Functional											
<i>Municipal governance and administration</i>			68 359	50 659	50 659	23 760	23 760	16 977	6 783	39,95	50 659
Executive and council			33 573	12 961	12 961	14 728	14 728	5 353	9 375	175,11	12 961
Finance and administration			34 786	37 698	37 698	9 032	9 032	11 623	(2 592)	(22,30)	37 698
Internal audit											
<i>Community and public safety</i>			11 776	36 120	36 120	3 195	3 195	6 238	(3 043)	(48,78)	36 120
Community and social services			11 666	15 750	15 750	3 195	3 195	6 238	(3 043)	(48,78)	15 750
Sport and recreation			0								
Public safety			110			(0)	(0)		(0)		
Housing				20 370	20 370						20 370
Health											
<i>Economic and environmental services</i>			2 239	4 604	4 604	594	594	1 577	(983)	(62,34)	4 604
Planning and development											
Road transport			2 239	4 604	4 604	594	594	1 577	(983)	(62,34)	4 604
Environmental protection											
<i>Trading services</i>			109 810	150 767	150 767	31 591	31 591	42 275	(10 684)	(25,27)	150 767
Energy sources			65 268	81 032	81 032	19 922	19 922	21 080	(1 157)	(5,49)	81 032
Water management			23 004	37 355	37 355	5 731	5 731	11 464	(5 732)	(50,00)	37 355
Waste water management			10 774	16 612	16 612	2 983	2 983	5 043	(2 060)	(40,85)	16 612
Waste management			10 764	15 769	15 769	2 954	2 954	4 688	(1 734)	(36,99)	15 769
<i>Other</i>		4									
Total Revenue - Functional		2	192 184	242 150	242 150	59 139	59 139	67 067	(7 928)	(11,82)	242 150
Expenditure - Functional											
<i>Municipal governance and administration</i>			89 810	86 062	86 062	15 998	15 998	21 515	(5 517)	(25,64)	86 062
Executive and council			23 144	24 205	24 205	5 065	5 065	6 051	(987)	(16,30)	24 205
Finance and administration			66 666	61 858	61 858	10 934	10 934	15 464	(4 530)	(29,30)	61 858
Internal audit											
<i>Community and public safety</i>			15 601	31 175	31 175	3 176	3 176	7 839	(4 663)	(59,48)	31 175
Community and social services			10 203	8 894	8 894	2 285	2 285	2 269	16	0,70	8 894
Sport and recreation			1 096	532	532	248	248	133	115	86,33	532
Public safety			1 197	280	280	369	369	70	299	427,52	280
Housing			3 105	21 469	21 469	275	275	5 367	(5 093)	(94,88)	21 469
Health											
<i>Economic and environmental services</i>			17 058	17 691	17 691	3 452	3 452	4 423	(971)	(21,95)	17 691
Planning and development			5								
Road transport			17 053	17 691	17 691	3 452	3 452	4 423	(971)	(21,95)	17 691
Environmental protection											
<i>Trading services</i>			139 453	105 983	105 983	14 887	14 887	26 496	(11 609)	(43,81)	105 983
Energy sources			64 460	70 336	70 336	8 271	8 271	17 584	(9 313)	(52,96)	70 336
Water management			35 304	14 006	14 006	2 923	2 923	3 501	(578)	(16,52)	14 006
Waste water management			20 940	10 984	10 984	1 542	1 542	2 746	(1 204)	(43,84)	10 984
Waste management			18 749	10 657	10 657	2 151	2 151	2 664	(514)	(19,27)	10 657
<i>Other</i>		4									
Total Expenditure - Functional		3	261 921	240 912	240 912	37 514	37 514	60 273	(22 760)	(37,76)	240 912
			(69 737)	1 238	1 238	21 626	21 626	6 794	14 832	218,32	1 238

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

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter										
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	–	14 728	5 353	9 375	175,1%	12 961
Vote 2 - CORPORATE SERVICES		13 175	41 883	41 883	426	3 398	7 475	(4 077)	-54,5%	41 883
Vote 3 - FINANCIAL SERVICES		33 986	34 750	34 750	3 013	8 952	10 887	(1 934)	-17,8%	34 750
Vote 4 - TECHNICAL SERVICES		111 450	152 556	152 556	11 379	32 061	43 352	(11 291)	-26,0%	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	192 184	242 150	242 150	14 818	59 139	67 067	(7 928)	-11,8%	242 150
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		23 144	24 748	24 748	1 853	5 064	6 187	(1 122)	-18,1%	24 748
Vote 2 - CORPORATE SERVICES		37 994	55 025	55 025	2 924	9 075	13 756	(4 681)	-34,0%	55 025
Vote 3 - FINANCIAL SERVICES		47 368	38 044	38 044	1 934	5 390	9 511	(4 121)	-43,3%	38 044
Vote 4 - TECHNICAL SERVICES		152 035	121 333	121 333	3 892	17 880	30 379	(12 499)	-41,1%	121 333
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		1 381	2 305	2 305	19	105	576	(472)	-81,8%	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	261 921	241 455	241 455	10 623	37 514	60 409	(22 895)	-37,9%	241 455
Surplus/ (Deficit) for the year	2	(69 737)	695	695	4 195	21 626	6 658	14 968	224,8%	695

2.4 TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

Western Cape: Kannaland (WC041) - Table C4 Quarterly Budgeted Financial Performance (All) for 1st Quarter ended 30 September 2023

Western Cape: Randburg (W0041) - Table 04 Quarterly Budgeted Financial Performance (A/R) for 1st quarter ended 30 September 2023										
Description	Ref	2022/23	Budget year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		64 073	76 101	76 101	19 869	19 869	19 025	843	4,43	76 101
Service charges - Water		20 258	22 267	22 267	4 834	4 834	5 567	(733)	(13,16)	22 267
Service charges - Waste Water Management		8 707	9 610	9 610	2 336	2 336	2 402	(66)	(2,77)	9 610
Service charges - Waste Management		8 910	9 410	9 410	2 343	2 343	2 353	(10)	(0,41)	9 410
Sale of Goods and Rendering of Services		428	396	396	61	61	99	(38)	(37,97)	396
Agency services		1 215	1 350	1 350	317	317	338	(20)	(5,93)	1 350
Interest										
Interest earned from Receivables		6 176	5 929	5 929	2 065	2 065	1 482	582	39,29	5 929
Interest earned from Current and Non Current Assets		1 845	960	960	562	562	240	322	134,00	960
Dividends										
Rent on Land										
Rental from Fixed Assets		611	1 098	1 098	176	176	274	(98)	(35,82)	1 098
Licence and permits		171	159	159	52	52	40	13	32,05	159
Operational Revenue		602	66	66	49	49	17	33	197,15	66
Non-Exchange Revenue										
Property rates		25 562	26 915	26 915	7 119	7 119	6 729	390	5,80	26 915
Surcharges and Taxes										
Fines, penalties and forfeits		395	2 501	2 501	83	83	625	(543)	(86,77)	2 501
Licences or permits		0	30	30	0	0	8	(7)	(99,27)	30
Transfer and subsidies - Operational		41 576	64 252	64 252	16 219	16 219	19 958	(3 739)	(18,73)	64 252
Interest		2 561	2 802	2 802	767	767	700	66	9,43	2 802
Fuel Levy										
Operational Revenue		667			175	175		175		
Gains on disposal of Assets			2 500	2 500			625	(625)	(100,00)	2 500
Other Gains										
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		183 758	226 346	226 346	57 027	57 027	60 482	(3 455)	(5,71)	226 346
Expenditure										
Employee related costs		81 640	79 390	79 390	23 097	23 097	19 847	3 250	16,38	79 390
Remuneration of councillors		4 746	3 276	3 276	1 090	1 090	819	271	33,07	3 276
Bulk purchases - electricity		55 313	56 045	56 045	6 573	6 573	14 011	(7 438)	(53,08)	56 045
Inventory consumed		2 907	8 946	8 946	681	681	2 236	(1 556)	(69,57)	8 946
Debt impairment		59 016	16 691	16 691			4 173	(4 173)	(100,00)	16 691
Depreciation and amortisation		13 957	11 762	11 762	2 940	2 940	2 940	0		11 762
Interest		6 069	8 000	8 000	1	1	2 000	(1 999)	(99,94)	8 000
Contracted services		22 841	33 727	33 727	613	613	8 432	(7 819)	(92,73)	33 727
Transfers and subsidies		255	920	920	10	10	230	(220)	(95,87)	920
Irrecoverable debts written off		46			70	70		70		
Operational costs		14 873	22 156	22 156	2 438	2 438	5 584	(3 146)	(56,34)	22 156
Losses on disposal of Assets		(609)								
Other Losses		866								
Total Expenditure		261 921	240 912	240 912	37 514	37 514	60 273	(22 760)	(37,76)	240 912
Surplus/(Deficit)		(78 163)	(14 566)	(14 566)	19 513	19 513	209	19 305	9 257,00	(14 566)
Transfers and subsidies - capital (monetary allocations)		8 426	15 804	15 804	2 112	2 112	6 585	(4 473)	(67,92)	15 804
Transfers and subsidies - capital (in-kind)										
Surplus/(Deficit) after capital transfers and contributions		(69 737)	1 238	1 238	21 626	21 626	6 794	14 832	218,32	1 238
Income Tax										
Surplus/(Deficit) after income tax		(69 737)	1 238	1 238	21 626	21 626	6 794	14 832	218,32	1 238
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(69 737)	1 238	1 238	21 626	21 626	6 794	14 832	218,32	1 238
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/(Deficit) for the year		(69 737)	1 238	1 238	21 626	21 626	6 794	14 832	218,32	1 238

2.5 OPERATING REVENUE BY SOURCES:

- **Q1 Electricity Revenue – R19.87 million (26% of the Electricity Budget)**

Electricity billing during the **first quarter** amounted to **R19.87 million** a **26%** of the total budget.

- **Q1 Water Revenue – R4.83 million (22% of the Water Budget)**

Water billing during the first quarter amounted to **R4.83 million** a **22%** of the total budget

- **Q1 Sewerage Revenue – R2.34 million (24% of the Sewerage Budget)**

Sewerage billing during the first quarter amounted to **2.34 million** a **24%** of the total budget.

- **Q1 Refuse Removal Revenue – R2.34 million (25% of the Solid Waste Budget)**

Refuse billing during the first quarter amounted to **2.34 million** a **25%** of the total budget

- **Interest on Outstanding Debtors**

Interest charges on outstanding debtors is currently **2.07 million**.

- **Rental of facilities and equipment**

Rental of facilities and equipment amounted to **R176 thousand** and **16%** of the total budget

- **Q1 Interest on external investments – R767 thousand (27% of the interest Budget)**

- **Fines Penalties and forfeits**

Fines Penalties and forfeits for Quarter 1 amounted to **83 thousand**.

- **Other revenue, Agency services, licences and permits**

Other Revenue, Agency Services and Licences and permits amounts to **R366 thousand**.

2.6 OPERATING EXPENDITURE BY TYPE

- **Q1 Employee Related Costs – R23.10 million (29% of Annual Employee Budget) with Councillors at R1.09 million (33 % of the Annual Councillors Remuneration Budget)**
- **Q1 Bulk Purchases**
Bulk purchases are severely understated as expenditure are only recognised once paid and not in terms of GRAP. The actual expenditure on bulk purchases was in reality in line with the full year budget with the amount of **R6.6 million** a **12%**.
- **Q1 Finance Charges R1 thousand (0.01% of the Finance Charges Budget)**
Expenditure on “Finance charges” is well below the year-to-date forecast.
- **Q1 Other materials – R681 thousand (7% of the budget)**
Expenditure on “Other Materials” is well below the year-to-date forecast.
- **Q1 Contracted Services – R613 thousand (1% of Budget)**
The expenditure on Contracted Services will be well below the actual forecast.
- **Q1 Other Expenditure – R2.44 thousand (11 % of Budget)**
Other expenditure is much lower than forecasted. Expenditure can only be incurred in terms of available revenue.

2.7 TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

Western Cape: Kannaland (WC041) - Table C5 Quarterly Budgeted Capital Expenditure by Functional Classification and Funding for 1st Quarter ended 30 September

Description	Ref	2022/23	Budget year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands										
Capital Expenditure - Functional										
Municipal governance and administration		6 856	-	-	-	-	-	-	✓	-
Executive and council										
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	530	530	3 436	(2 906)	✓	(84,57)
Energy sources		873	485	485			121	(121)		(100,00)
Water management		(676)	6 449	6 449	530	530	1 612	(1 082)		(67,12)
Waste water management		17 231	6 809	6 809			1 702	(1 702)		(100,00)
Waste management										
Other										
Total Capital Expenditure - Functional	3	3 047	13 743	13 743	530	530	3 436	(2 906)	✓	(84,57)
Funded by										
National Government	-	17 231	13 743	13 743	530	530	3 436	(2 906)		(84,57)
Provincial Government		197								
District Municipality										
Transfers and subsidies - capital (monetary allocations) (Nat/										
Transfers recognised - capital		17 429	13 743	13 743	530	530	3 436	(2 906)	✓	(84,57)
Borrowing	6									
Internally generated funds		(21 435)								
Total Capital Funding		(4 007)	13 743	13 743	530	530	3 436	(2 906)	✓	(84,57)

CAPITAL EXPENDITURE

- The capital expenditure for **quarter 1** was **R 530 thousand** which amounts to **4%** of the total budget. The expenditure for the Quarter is severely understated as expenditure are only recognised once paid and not in terms of GRAP.

2.8 TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

Western Cape: Kannaland (WC041) - Table C6 Quarterly Budget Statement - Financial Position (All) for 1st Quarter ended 30 September 2023

Western Cape: Kannaland (WC041) - Table C6 Quarterly Budget Statement - Financial Position (All) for 1st Quarter ended 30 September 2023										
Description	Ref	2022/23	Budget year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
ASSETS										
Current assets										
Cash and cash equivalents		20 729	(14 630)	(14 630)	29 468	29 468	2 234	27 235	1 219,15	(14 630)
Trade and other receivables from exchange transactions		(19 814)	(9 478)	(9 478)	7 018	7 018	(2 370)	9 388	(396,18)	(9 478)
Receivables from non-exchange transactions		(1 219)	(1 128)	(1 128)	2 093	2 093	(282)	2 375	(842,19)	(1 128)
Current portion of non-current receivables										
Inventory		2 400	(8 946)	(8 946)	(73)	(73)	(2 236)	2 164	(96,75)	(8 946)
VAT		(37 195)	10 468	10 468	1 170	1 170	2 617	(1 447)	(55,29)	10 468
Other current assets		(1 063)			(73)	(73)		(73)		
Total current assets		(36 163)	(23 714)	(23 714)	39 604	39 604	(37)	39 641	(106 714,47)	(23 714)
Non current assets										
Investments										
Investment property		1 116								
Property, plant and equipment		316 531	1 981	1 981	(2 410)	(2 410)	495	(2 906)	(586,70)	1 981
Biological assets										
Living and non-living resources										
Heritage assets										
Intangible assets		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	(2 410)	(2 410)	495	(2 906)	(586,70)	1 981
TOTAL ASSETS		281 494	(21 733)	(21 733)	37 194	37 194	458	36 736	8 018,92	(21 733)
LIABILITIES										
Current liabilities										
Bank overdraft	-									
Financial liabilities		0								
Consumer deposits	-	1 364			23	23		23		
Trade and other payables from exchange transactions		99 664	(19 856)	(19 856)	2 335	2 335	(4 919)	7 253	(147,46)	(19 856)
Trade and other payables from non-exchange transactions		13 937			8 828	8 828	(638)	9 466	(1 483,60)	
Provision		8 491								
VAT		(41 164)	(3 115)	(3 115)	4 397	4 397	(779)	5 176	(664,61)	(3 115)
Other current liabilities										
Total current liabilities		82 292	(22 971)	(22 971)	15 583	15 583	(6 336)	21 918	(345,95)	(22 971)
Non current liabilities										
Financial liabilities										
Provision		19 349								
Long term portion of trade payables										
Other non-current liabilities		11 540								
Total non current liabilities		30 889	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	2	113 181	(22 971)	(22 971)	15 583	15 583	(6 336)	21 918	(345,95)	(22 971)
NET ASSETS		168 314	1 238	1 238	21 611	21 611	6 794	14 817	218,11	1 238
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)		250 680	2 867	2 867	(14)	(14)		(14)		2 867
Reserves and funds		462								
Other										
TOTAL COMMUNITY WEALTH/EQUITY	2	251 141	2 867	2 867	(14)	(14)	-	(14)	-	2 867

2.9 TABLE C7 – QUARTERLY BUDGETED CASH FLOW

Western Cape: Kannaland (WC041) - Table C7 Quarterly Budgeted Cash Flows (All) for 1st Quarter ended 30 September 2023

Description	Ref	2022/23	Budget year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD 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	4 013	4 013	5 576	(1 563)	(28,03)	22 305
Service charges		73 390	120 923	120 923	22 282	22 282	30 231	(7 949)	(26,29)	120 923
Other revenue		2 794	9 067	9 067	5 122	5 122	2 267	2 856	125,98	9 067
Transfers and Subsidies - Operational	1	43 410	64 252	64 252	19 176	19 176	21 954	(2 778)	(12,65)	64 252
Transfers and Subsidies - Capital	1	13 170	15 804	15 804	8 056	8 056	3 951	4 105	103,89	15 804
Interest										
Dividends										
Payments										
Suppliers and employees		(61 949)	(227 138)	(227 138)	(11 288)	(11 288)	(56 784)	45 496	(80,12)	(227 138)
Finance charges										
Transfers and Subsidies	1									
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 736	5 213	5 213	47 361	47 361	7 195	40 167	558,29	5 213
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (Increase) in non-current debtors (not used)										
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
Payments										
Capital assets		(8 808)	(13 258)	(13 258)	(577)	(577)	(3 315)	2 737	(82,59)	(13 258)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 808)	(13 258)	(13 258)	(577)	(577)	(3 315)	2 737	(82,59)	(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	(8 045)	(8 045)	46 784	46 784	3 880	42 904	1 105,76	(8 045)
Cash/cash equivalents at the year begin:		30 934			-	-		-	-	
Cash/cash equivalents at the year end:	2	97 862	(8 045)	(8 045)	46 784	46 784	3 880	42 904	1 105,76	(8 045)

The total bank balances of **Quarter 1** were as follow;

- Standard Bank Main Account Balance **R 966 thousand**;
- The Traffic Account Balance **R 559 thousand**;
- Deposit Account Balance **R 2.855 million**; and
- The call account contains a balance of **R15 million**.

The lack of revenue streams has left the municipality to be heavily dependent on grant funding to run its daily operations. The current local economic circumstances are in addition having an adverse effect on an already difficult situation. Insufficient funding is available to fund reserves and provisions and the liquidity of the municipality remains fragile.

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

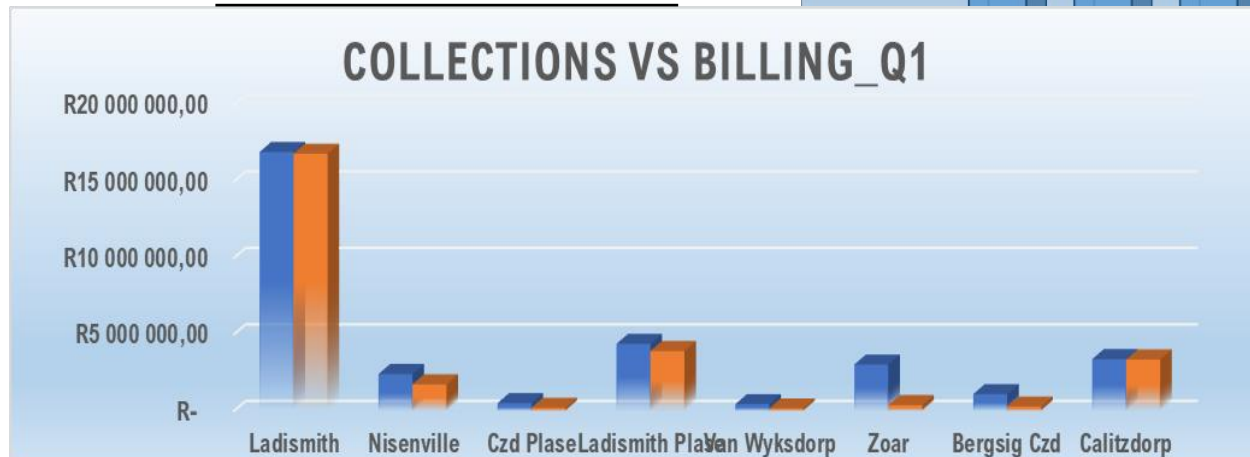
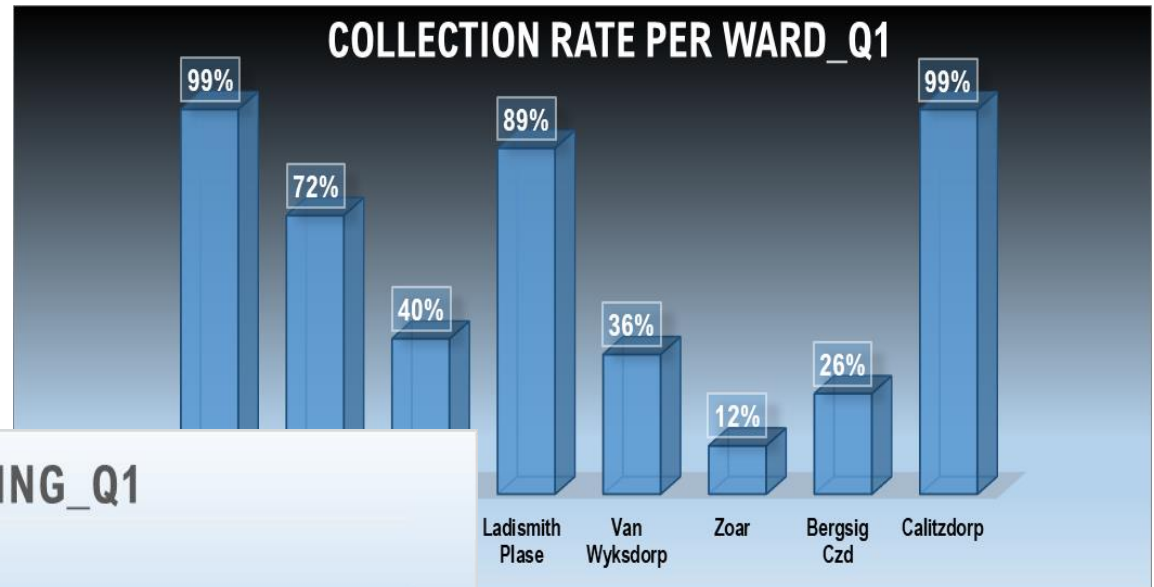
WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter													
Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 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	2 102	631	779	709	835	829	5 287	20 691	31 864	28 351	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 411	234	125	78	80	77	370	694	3 068	1 299	-	-
Receivables from Non-ex change Transactions - Property Rates	1400	3 115	736	637	596	535	517	2 798	20 818	29 753	25 265	-	-
Receivables from Ex change Transactions - Waste Water Management	1500	736	357	321	318	317	317	1 914	11 220	15 500	14 086	-	-
Receivables from Ex change Transactions - Waste Management	1600	1 476	607	532	521	515	516	3 050	16 637	23 856	21 240	-	-
Receivables from Ex change Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	36	52	73	91	115	135	1 216	21 102	22 821	22 659	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(4 627)	217	164	156	155	153	837	3 450	505	4 750	-	-
Total By Income Source	2000	4 250	2 834	2 632	2 470	2 551	2 545	15 471	94 613	127 367	117 650	-	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(2 744)	88	57	48	20	14	53	474	(1 989)	610	-	-
Commercial	2300	1 341	336	226	187	188	186	982	4 459	7 905	6 003	-	-
Households	2400	5 818	2 211	2 147	2 048	2 157	2 153	13 332	76 709	106 575	96 399	-	-
Other	2500	(165)	200	202	186	186	191	1 105	12 971	14 876	14 639	-	-
Total By Customer Group	2600	4 250	2 834	2 632	2 470	2 551	2 545	15 471	94 613	127 367	117 650	-	-

- The total amount owed to Kannaland Municipality amounted to **R127 million during the end of the First Quarter**.
- **R94 million or 74%** of the total outstanding debtors are older than one year.
- **R117 million or 92%** 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.

3.2 DEBTORS PAYMENT PERCENTAGES

	Billing		Collections		
Ladismith	R	16 922 194,84	R	16 814 518,40	99%
Nisenville	R	2 409 444,80	R	1 734 004,18	72%
Czd Plase	R	506 247,70	R	203 025,88	40%
Ladismith Plase	R	4 379 771,78	R	3 913 586,44	89%
Van Wyksdorp	R	440 643,44	R	158 934,48	36%
Zoar	R	3 029 425,33	R	378 295,02	12%
Bergsig Czd	R	1 095 336,41	R	284 436,05	26%
Calitzdorp	R	3 381 378,22	R	3 357 893,59	99%
	R	32 164 442,52	R	26 844 694,04	83,5%



3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Description		NT Code	Budget Year 2023/24								Total
			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	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	7 901	-	-	-	39 323	-	-	-	47 224	
Bulk Water	0200	55	-	-	-	-	-	-	-	55	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	545	250	276	195	1 639	-	-	-	2 905	
Auditor General	0800	180	80	73	76	7 849	-	-	-	8 259	
Other	0900	139	114	47	192	15 450	-	-	-	15 942	
Total By Customer Type	1000	8 819	445	397	463	64 260	-	-	-	74 384	

- The total outstanding creditors as at the end of the **First Quarter** amounts to **R 74384**.
- The biggest outstanding creditors are Eskom (**R47 224 million**), the Auditor-General of South Africa (**R8 259 million**). Combined, the before mentioned, represents **74%** 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

GRANT RECEIPTS AND EXPENDITURE 2023/2024					
National Government Grants	Original Budget	Adjustment Budget	Total Received	Total Spent	Total Unspent
Financial Management Grant (FMG)	2,932,000.00		2,932,000.00	277,090.00	2,654,910.00
Equitable Share	35,348,000.00		14,728,000.00	14,728,000.00	-
Municipal Infrastructure Grant (Operational)	568,650.00		568,650.00	142,162.50	426,487.50
Municipal Infrastructure Grant (Capital)	10,804,350.00		6,987,350.00	2,558,083.29	4,429,266.71
Water Service Infrastructure Grant	5,000,000.00		500,000.00	131,340.17	368,659.83
EPWP Incentive Grant	1,220,000.00		305,000.00	329,400.00	(24,400.00)
	55,873,000.00	-	26,021,000.00	18,166,075.96	7,854,924.04

Provincial Government Grants	Original Budget	Adjustment Budget	Total Received	Total Spent	Total Unspent
Human Settlements	20,370,000.00		-	-	-
Municipal Replacement Fund (MRF)	3,555,000.00		1,185,000.00	714,568.50	470,431.50
CDW Grant	113,000.00		-	36,563.92	(36,563.92)
	24,038,000.00	-	1,185,000.00	751,132.42	433,867.58

Departmental Agencies	Original Budget	Adjustment Budget	Total Received	Total Spent	Total Unspent
Public Sector Seta	145,000.00		16,482.62	-	16,482.62
	145,000.00	-	16,482.62	-	16,482.62

The following indicates expenditure on each respective grant received (Operational) and (Capital) for Quarter 1 of 2023/24 -

Received:

- Equitable Share amounts to **R14 728 million**.
- Financial Management Grant amounts to **R2.932 million**.
- Expanded Public Works Programme amounts to **R305 thousand**.
- Municipal Infrastructure Grant amounts to **R7.556 million**.
- Water Services Infrastructure Grant amounts to **R500 thousand**.

Expenditure:

- Financial Management Grant amounts to **R277 thousand**.
- Municipal Infrastructure Grant (MIG) amounts R 2 558 thousand capital expenditure and MIG PMU amounts to **R142 thousand**.
- Expanded Public Works Programme amounts to **R 329 thousand**.
- Water Services Infrastructure Grant amounts to **R131 thousand**.

Provincial Treasury

Received:

- Library Grant amounts to **R1.185 million**.

Expenditure:

- Libraries Grant amounts to **R715 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 - Q1 First Quarter										
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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 300	2 990	2 990	429	968	748	220	29%	2 990
Pension and UIF Contributions		36	-	-	3	10	-	10		-
Medical Aid Contributions		67	-	-	9	28	-	28		-
Motor Vehicle Allowance		52	-	-	3	9	-	9		-
Cellphone Allowance		292	286	286	25	75	71	4	5%	286
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		4 746	3 276	3 276	470	1 090	819	271	33%	3 276
% increase	4		-31,0%	-31,0%						-31,0%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 729	4 449	4 449	278	396	1 112	(716)	-64%	4 449
Pension and UIF Contributions		5	9	9	1	1	2	(1)	-43%	9
Medical Aid Contributions		-	-	-	-	-	-	-		-
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		80	509	509	35	55	127	(72)	-56%	509
Cellphone Allowance		50	113	113	9	10	28	(18)	-65%	113
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		98	88	88	0	0	22	(22)	-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	323	462	1 292	(829)	-64%	5 167
% increase	4		74,4%	74,4%						74,4%
Other Municipal Staff										
Basic Salaries and Wages		52 231	52 793	52 793	5 272	16 010	13 198	2 812	21%	52 793
Pension and UIF Contributions		7 132	8 568	8 568	650	1 979	2 142	(162)	-8%	8 568
Medical Aid Contributions		2 168	1 687	1 687	187	565	422	143	34%	1 687
Overtime		6 568	4 876	4 876	548	1 853	1 219	634	52%	4 876
Performance Bonus		1 975	752	752	-	12	188	(176)	-94%	752
Motor Vehicle Allowance		2 790	2 359	2 359	281	893	590	304	51%	2 359
Cellphone Allowance		127	100	100	12	35	25	10	39%	100
Housing Allowances		337	173	173	29	87	43	44	101%	173
Other benefits and allowances		6 515	2 851	2 851	398	1 028	713	315	44%	2 851
Payments in lieu of leave		(1 166)	150	150	43	172	38	135	359%	150
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		78 677	74 309	74 309	7 420	22 635	18 577	4 058	22%	74 309
% increase	4		-5,6%	-5,6%						-5,6%
Total Parent Municipality		86 386	82 752	82 752	8 214	24 187	20 688	3 499	17%	82 752
Unpaid salary, allowances & benefits in arrears:										
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	-	-	-	-	-	-		-
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		-	-	-	-	-	-	-		-
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
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 Entities		-	-	-	-	-	-	-		-
% increase	4									
Total Municipal Entities		-	457	457	0	0	114	(114)	-100%	457
TOTAL SALARY, ALLOWANCES & BENEFITS		86 386	83 209	83 209	8 214	24 187	20 802	3 385	16%	83 209
% increase	4		-3,7%	-3,7%						-3,7%
TOTAL MANAGERS AND STAFF		81 640	79 476	79 476	7 744	23 097	19 869	3 228	16%	79 476

3.7 MATERIAL VARIANCES TO THE SDBIP

FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2023/24 includes the following KPA's to be discussed in more detail in Appendix C.

KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens

KPA 2: To Provide adequate Services and improve our public relations

KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks

KPA 4: To Facilitate Economic Growth and Social and Community development

KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation

KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy

KPA 7: To Strive towards a financially sustainable municipality

3.8 CAPITAL PROGRAMME PERFORMANCE

CAPITAL EXPENDITURE STATUS 2023/2024								
NO	GRANT	PROJECT NO	PROJECT NAME	ORIGINAL BUDGET	TOTAL EXPENDITURE	TOTAL UNSPENT	% SPENT	STATUS/PROGRESS/COMMENT
1	MIG	458,789.00	REFURBISMENT & UPGRADE OF VAN WYKSDORP WTW	443,753.20	407,767.03	35,986.17	92%	CONTRACTOR APPOINTED, WORK ALMOST COMPLETED
2	MIG	458,828.00	REFURBISMENT & UPGRADE OF VAN WYKSDORP GREENHILLS WWTW	2,196,660.71	1,423,199.24	773,461.47	65%	CONTRACTOR APPOINTED, WORK ALMOST COMPLETED
3	MIG	458,834.00	REFURBISMENT & UPGRADE OF ZOAR WWTW	7,606,456.47	727,117.02	6,879,339.45	10%	CONTRACTOR APPOINTED, AWAIT NEXT PAYMENT CERTIFICATE
4	MIG	470,476.00	ZOAR SPORTFIELD LIGHTING	557,430.62	-	557,430.62	0%	
5	WSIG			5,000,000.00	131,340.17	4,868,659.83	3%	
8	MIG	PMU/041	PMU 2023/24	568,650.00	142,162.47	426,487.53	25%	
				16,372,951.00	2,831,585.93	13,541,365.07	17%	

SECTION 4 – QUALITY CERTIFICATION

I, Hendrik Barnard, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter 1**, ending **30 September 2023**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Hendrik Barnard


Signature:

Date:

SECTION 4 – QUALITY CERTIFICATION

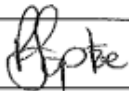
I, Hendrik Barnard, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter 1**, ending **30 September 2023**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Hendrik Barnard

Signature: 

Date: 31/10/2023

APPENDIX A: Bank Withdrawals MFMA Section 11(4)

PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts In accordance with Section 11, Sub-section 1 (b) to (j)		
NAME OF MUNICIPALITY:	KANNALAND MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	WC041	
QUARTER ENDED:	Sep-23	
MFMA section 11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, and may do so only -	Amount	Reason for withdrawal
	R 0,00	
(b) to defray expenditure authorised in terms of section 26(4);	R 0,00	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	R 0,00	
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	R 0,00	
(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including -	R 2 405 546,17	Motor Registration and RTMC transaction fees
(i) money collected by the municipality on behalf of that person or organ of state by agreement; or	R 0,00	
(ii) any insurance or other payments received by the municipality for that person or organ of state;	R 0,00	
(f) to refund money incorrectly paid into a bank account;	R 0,00	
(g) to refund guarantees, sureties and security deposits;	R 0,00	
(h) for cash management and investment purposes in accordance with section 13;	R 0,00	
(i) to defray increased expenditure in terms of section 31; or	R 0,00	
(j) for such other purposes as may be prescribed.	R 0,00	
(4) The accounting officer must within 30 days after the end of each quarter -	Name and Surname: R SAPTOE	
(a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and	Rank/Position: CFO	
(b) submit a copy of the report to the relevant provincial treasury and the Auditor-General.	Signature: 	
Tel number	Fax number	Email Address
(028) 551 8000	(028) 551 1766	jodene@kannaland.gov.za
The completed form must reach Mr Wesley Baatjies at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 5007, Fax 021 483 8623, Email: wbaatjie@pgwc.gov.za on or before the 15th of the month following the end of each quarter.		

