



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for April 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 -Year Report – Monthly Budget Statement

The monthly budget statement for April 2024, 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 achieving 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 April 2024.

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	Amended Budget	YTD Budget	Monthly Actual	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 233 809	R 201 519	R 16 866	R 185 737	R (15 782)	-8%
Operating Expenditure	R 253 451	R 211 122	R 24 358	R 184 683	R (26 439)	-13%
Capital	R 17 433	R 14 528	R 1 275	R 8 827	R (5 701)	-37%

Operational Revenue

The municipality's total operational revenue budget amounts to R234 million and the year-to-date revenue on the budget accrued to R 186 million. This represents 79% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R253 million, with a year-to-date performance of R185 million, or 72% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R16 million with a year-to-date performance of R 8.8 million, or 50% of the total capital budget.

Operating Surplus/Deficit

Operating revenue amounted to R15.7 million, with expenditure amounting to R26 million, with an operating deficit of R 10 million 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 - M10 April									
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	2 299	23 370	22 429	941	4%	26 915
Service charges	101 947	117 388	117 388	12 440	100 766	97 824	2 943	3%	117 388
Investment revenue	1 845	960	960	357	1 548	800	748	94%	960
Transfers and subsidies - Operational	41 576	64 252	71 715	509	40 767	66 440	(25 673)	-39%	71 715
Other own revenue	12 828	16 831	16 831	1 261	19 285	14 026	5 259	37%	16 831
Total Revenue (excluding capital transfers and contributions)	183 758	226 346	233 809	16 866	185 737	201 519	(15 782)	-8%	233 809
Employee costs	80 917	79 933	92 491	7 887	80 058	77 050	3 009	4%	92 491
Remuneration of Councillors	3 273	3 276	3 866	383	3 350	3 222	128	4%	3 866
Depreciation and amortisation	13 957	11 762	11 885	980	9 801	9 904	(103)	-1%	11 885
Interest	6 069	8 000	1 100	(0)	499	917	(418)	-46%	1 100
Inventory consumed and bulk purchases	58 220	64 991	64 191	5 487	51 217	53 492	(2 275)	-4%	64 191
Transfers and subsidies	255	920	400	80	208	333	(126)	-38%	400
Other expenditure	66 566	72 573	79 518	9 541	39 550	66 204	(26 654)	-40%	79 518
Total Expenditure	229 258	241 455	253 451	24 358	184 683	211 122	(26 439)	-13%	253 451
Surplus/(Deficit)	(45 500)	(15 109)	(19 642)	(7 492)	1 054	(9 603)	10 657	-111%	(19 642)
Transfers and subsidies - capital (monetary allocations)	8 426	15 804	17 433	1 275	8 827	14 528	(5 701)	-39%	17 433
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(37 074)	695	(2 209)	(6 216)	9 880	4 925	4 956	101%	(2 209)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(37 074)	695	(2 209)	(6 216)	9 880	4 925	4 956	101%	(2 209)
Capital expenditure & funds sources									
Capital expenditure	3 047	13 743	16 026	-	8 349	13 355	(5 007)	-37%	16 026
Capital transfers recognised	17 231	13 743	15 366	-	8 349	12 805	(4 456)	-35%	15 366
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(21 238)	-	661	-	-	551	(551)	-100%	661
Total sources of capital funds	(4 007)	13 743	16 026	-	8 349	13 355	(5 007)	-37%	16 026
Financial position									
Total current assets	(11 559)	(23 714)	(18 010)		6 215				(18 010)
Total non current assets	313 240	1 981	4 141		316 204				4 141
Total current liabilities	70 651	(22 971)	(12 533)		113 357				(12 533)
Total non current liabilities	44 555	-	-		30 889				-
Community wealth/Equity	157 906	2 867	2 867		168 293				2 867
Cash flows									
Net cash from (used) operating	75 736	5 823	7 339	(9 717)	77 787	12 007	(65 780)	-548%	222 012
Net cash from (used) investing	(8 808)	(13 258)	(16 026)	-	(7 593)	13 355	20 948	157%	16 026
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	104 970	(7 435)	(8 687)	-	106 839	25 363	(81 477)	-321%	274 683
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	12 633	3 605	3 564	2 684	2 717	2 371	12 599	98 747	138 920
Creditors Age Analysis									
Total Creditors	10 482	650	321	62 604	-	-	-	-	74 058

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M10 April										
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	52 394	3 188	71 827	46 292	25 535	55%	52 394
Executive and council		33 573	12 961	13 261	–	35 389	13 192	22 196	168%	13 261
Finance and administration		34 786	37 698	39 133	3 188	36 438	33 099	3 339	10%	39 133
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		11 776	36 120	41 087	1 579	12 235	34 443	(22 207)	-64%	41 087
Community and social services		11 666	15 750	15 041	1 576	12 189	12 738	(548)	-4%	15 041
Sport and recreation		0	–	–	3	46	–	46	–	–
Public safety		110	–	–	–	(0)	–	(0)	–	–
Housing		–	20 370	26 046	–	–	21 705	(21 705)	-100%	26 046
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 239	4 604	4 904	177	1 939	4 181	(2 243)	-54%	4 904
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		2 239	4 604	4 904	177	1 939	4 181	(2 243)	-54%	4 904
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		109 810	150 767	152 857	13 197	108 563	131 131	(22 568)	-17%	152 857
Energy sources		65 268	81 032	81 103	6 327	61 342	68 407	(7 066)	-10%	81 103
Water management		23 004	37 355	39 374	4 945	27 538	34 103	(6 566)	-19%	39 374
Waste water management		10 774	16 612	16 612	984	9 990	14 733	(4 743)	-32%	16 612
Waste management		10 764	15 769	15 769	942	9 694	13 887	(4 193)	-30%	15 769
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	192 184	242 150	251 242	18 141	194 564	216 047	(21 483)	-10%	251 242
Expenditure - Functional										
<i>Governance and administration</i>		79 185	86 605	89 273	7 640	63 174	74 372	(11 199)	-15%	89 273
Executive and council		21 671	24 748	23 656	2 654	19 807	19 713	94	0%	23 656
Finance and administration		57 515	61 858	65 618	4 985	43 366	54 660	(11 293)	-21%	65 618
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		15 746	31 175	37 951	7 353	16 376	31 561	(15 185)	-48%	37 951
Community and social services		10 203	8 894	9 359	570	6 949	7 755	(806)	-10%	9 359
Sport and recreation		1 096	532	1 096	63	712	893	(182)	-20%	1 096
Public safety		1 342	280	280	119	1 226	233	993	426%	280
Housing		3 105	21 469	27 216	6 601	7 490	22 680	(15 190)	-67%	27 216
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		16 130	17 691	20 645	1 129	11 901	17 204	(5 303)	-31%	20 645
Planning and development		5	–	–	–	–	–	–	–	–
Road transport		16 125	17 691	20 645	1 129	11 901	17 204	(5 303)	-31%	20 645
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		118 197	105 983	105 582	8 237	93 232	87 984	5 248	6%	105 582
Energy sources		64 317	70 336	65 580	5 771	53 659	54 650	(991)	-2%	65 580
Water management		24 204	14 006	17 622	1 059	19 889	14 685	5 204	35%	17 622
Waste water management		14 599	10 984	11 509	672	8 956	9 591	(635)	-7%	11 509
Waste management		15 077	10 657	10 871	735	10 729	9 059	1 670	18%	10 871
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	229 258	241 455	253 451	24 358	184 683	211 122	(26 439)	-13%	253 451
Surplus/ (Deficit) for the year		(37 074)	695	(2 209)	(6 216)	9 880	4 925	4 956	101%	(2 209)

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) - M10 April										
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	13 261	–	35 389	13 192	22 196	168,3%	13 261
Vote 2 - CORPORATE SERVICES		13 175	41 883	46 985	1 809	13 222	39 154	(25 933)	-66,2%	46 985
Vote 3 - FINANCIAL SERVICES		33 986	34 750	36 050	3 028	35 856	30 530	5 326	17,4%	36 050
Vote 4 - TECHNICAL SERVICES		111 450	152 556	154 946	13 304	110 097	133 169	(23 073)	-17,3%	154 946
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	251 242	18 141	194 564	216 047	(21 483)	-9,9%	251 242
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		21 671	24 748	23 656	2 654	19 807	19 713	94	0,5%	23 656
Vote 2 - CORPORATE SERVICES		37 646	55 025	65 343	9 623	38 793	54 388	(15 595)	-28,7%	65 343
Vote 3 - FINANCIAL SERVICES		38 564	38 044	41 049	2 900	22 232	34 186	(11 954)	-35,0%	41 049
Vote 4 - TECHNICAL SERVICES		129 996	121 333	121 098	9 105	102 897	100 915	1 982	2,0%	121 098
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–		–
Vote 6 - CORPORATE SERVICES (Continued)		1 381	2 305	2 305	75	954	1 921	(967)	-50,3%	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	229 258	241 455	253 451	24 358	184 683	211 122	(26 439)	-12,5%	253 451
Surplus/ (Deficit) for the year	2	(37 074)	695	(2 209)	(6 216)	9 880	4 925	4 956	100,6%	(2 209)

2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

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	13 701	112 044	106 122	5 922	6%	127 346
Service charges - Electricity		64 073	76 101	76 101	6 309	61 149	63 417	(2 269)	-4%	76 101
Service charges - Water		20 258	22 267	22 267	4 640	24 382	18 556	5 826	31%	22 267
Service charges - Waste Water Management		8 707	9 610	9 610	759	7 696	8 008	(312)	-4%	9 610
Service charges - Waste management		8 910	9 410	9 410	732	7 540	7 842	(302)	-4%	9 410
Sale of Goods and Rendering of Services		428	396	396	43	424	330	94	29%	396
Agency services		1 215	1 350	1 350	68	1 074	1 125	(51)	-5%	1 350
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 176	5 929	5 929	709	7 070	4 941	2 130	43%	5 929
Interest earned from Current and Non Current Assets		1 845	960	960	357	1 548	800	748	94%	960
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		611	1 098	1 098	52	542	915	(373)	-41%	1 098
Licence and permits		171	159	159	16	165	132	32	24%	159
Operational Revenue		602	66	66	15	454	55	399	723%	66
Non-Exchange Revenue		70 762	99 000	106 463	3 166	73 693	95 397	(21 704)	-23%	106 463
Property rates		25 562	26 915	26 915	2 299	23 370	22 429	941	4%	26 915
Surcharges and Taxes		-	-	(0)	-	6 032	-	6 032	-	(0)
Fines, penalties and forfeits		395	2 501	2 501	46	228	2 084	(1 856)	-89%	2 501
Licence and permits		0	30	30	-	0	25	(25)	-100%	30
Transfer and subsidies - Operational		41 576	64 252	71 715	509	40 767	66 440	(25 673)	-39%	71 715
Interest		2 561	2 802	2 802	252	2 697	2 335	362	15%	2 802
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		667	-	-	59	600	-	600	-	-
Gains on disposal of Assets		-	2 500	2 500	-	-	2 083	(2 083)	-100%	2 500
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		183 758	226 346	233 809	16 866	185 737	201 519	(15 782)	-8%	233 809
Expenditure By Type										
Employee related costs		80 917	79 933	92 491	7 887	80 058	77 050	3 009	4%	92 491
Remuneration of councillors		3 273	3 276	3 866	383	3 350	3 222	128	4%	3 866
Bulk purchases - electricity		55 313	56 045	56 045	5 131	47 416	46 704	712	2%	56 045
Inventory consumed		2 907	8 946	8 146	356	3 801	6 788	(2 987)	-44%	8 146
Debt impairment		29 561	16 691	16 691	-	-	13 909	(13 909)	-100%	16 691
Depreciation and amortisation		13 957	11 762	11 885	980	9 801	9 904	(103)	-1%	11 885
Interest		6 069	8 000	1 100	(0)	499	917	(418)	-46%	1 100
Contracted services		19 896	33 727	40 011	8 251	12 505	33 334	(20 829)	-62%	40 011
Transfers and subsidies		255	920	400	80	208	333	(126)	-38%	400
Irrecoverable debts written off		46	-	-	552	17 317	-	17 317	-	-
Operational costs		16 806	22 156	22 817	738	9 728	18 962	(9 234)	-49%	22 817
Losses on Disposal of Assets		(609)	-	-	-	-	-	-	-	-
Other Losses		866	-	-	-	-	-	-	-	-
Total Expenditure		229 258	241 455	253 451	24 358	184 683	211 122	(26 439)	-13%	253 451
Surplus/(Deficit)		(45 500)	(15 109)	(19 642)	(7 492)	1 054	(9 603)	10 657	(0)	(19 642)
Transfers and subsidies - capital (monetary allocations)		8 426	15 804	17 433	1 275	8 827	14 528	(5 701)	(0)	17 433
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(37 074)	695	(2 209)	(6 216)	9 880	4 925			(2 209)
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(37 074)	695	(2 209)	(6 216)	9 880	4 925			(2 209)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(37 074)	695	(2 209)	(6 216)	9 880	4 925			(2 209)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(37 074)	695	(2 209)	(6 216)	9 880	4 925			(2 209)

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** – Water amounts to R 4.6 million for **April 2024** and R 24.3 million YTD which represents positive 31% variance to the adjustment budget.
- **Sale of goods and Rendering of Services** – amounts to R 43 thousand for **April 2024** and R 424 thousand YTD which represents positive 29% variance to the adjustment budget. 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 R 68 thousand for **April 2024** and R 1 million YTD which represents a negative 5% variance to the adjustment budget.
- **Interest Earned on Investments** – (positive **94%** YTD variance from the adjustment 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 allocations 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** – (positive **43%** YTD variance from the adjustment 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 R 52 thousand and R 542 thousand YTD which represents a negative **41%** variance to the adjustment budget. 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** - (positive **24%** YTD variance from the adjustment budget). Amounted to R 16 thousand for the month of **April 2024**. This is due to an increase in the number of learner license applications.
- **Fines, Penalties & Forfeits** – Almost no activity, with a negative **89%** YTD variance, 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.
- **Transfers and Subsidies** – amounted to R 509 thousand for the month of **April 2024**. The under-performance can be attributed to the housing project, which is yet to be invoiced.

- **Interest** - amounted to R 252 thousand for the month of April 2024.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

2.6 OPERATING EXPENDITURE BY TYPE

- **Inventory Consumed** – amounted to R 356 thousand for **April 2024** and R 3.8 million YTD, this includes direct purchases for the store and inventory issued out for the reporting period. The Municipality is not currently utilising the inventory system for procurement. Stock is purchased from contracted services.
- **Contracted Services** – amounted to R 8 million in **April 2024** and R 12.5 million YTD. The expenditure is expected to pick up in the next reporting periods. This can be contributed to the Municipalities attempt to implement cost containment measures.
- **Transfers and subsidies** – (negative **38%** YTD variance from the adjustment budget). 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 R 738 thousand in **April 2024**.

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) - M10 April										
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		-	-	206	-	-	172	(172)	-100%	206
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		(0)	7 294	11 130	-	7 440	9 275	(1 835)	-20%	11 130
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	11 136	-	7 440	9 447	(2 006)	-21%	11 336
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		0	-	261	-	-	217	(217)	-100%	261
Vote 2 - CORPORATE SERVICES		(21 238)	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		7 054	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		17 231	6 449	4 429	-	908	3 691	(2 783)	-75%	4 429
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	4 690	-	908	3 909	(3 000)	-77%	4 690
Total Capital Expenditure	3	3 047	13 743	16 026	-	8 349	13 355	(5 007)	-37%	16 026
Capital Expenditure - Functional Classification										
Governance and administration		7 054	-	261	-	-	217	(217)	-100%	261
Executive and council		0	-	261	-	-	217	(217)	-100%	261
Finance and administration		7 054	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	206	-	-	172	(172)	-100%	206
Community and social services		-	-	206	-	-	172	(172)	-100%	206
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(21 238)	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(21 238)	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		17 231	13 743	15 559	-	8 349	12 966	(4 618)	-36%	15 559
Energy sources		873	485	62	-	1 171	51	1 120	2179%	62
Water management		(873)	6 449	6 490	-	908	5 408	(4 500)	-83%	6 490
Waste water management		17 231	6 809	9 008	-	6 269	7 507	(1 238)	-16%	9 008
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	3 047	13 743	16 026	-	8 349	13 355	(5 007)	-37%	16 026
Funded by:										
National Government		17 231	13 743	12 646	-	8 349	10 539	(2 190)	-21%	12 646
Provincial Government		-	-	2 719	-	-	2 266	(2 266)	-100%	2 719
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		17 231	13 743	15 366	-	8 349	12 805	(4 456)	-35%	15 366
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		(21 238)	-	661	-	-	551	(551)	-100%	661
Total Capital Funding	7	(4 007)	13 743	16 026	-	8 349	13 355	(5 007)	-37%	16 026

CAPITAL EXPENDITURE

- The Municipality remains on track with its capital expenditure. It had a **R 1.275 million** expenditure in **April 2024**.

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M10 April						
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)	(10 079)	32 974	(10 079)
Trade and other receivables from exchange transactions		4 505	(9 478)	(9 478)	(1 732)	(9 478)
Receivables from non-exchange transactions		(323)	(1 128)	(1 128)	2 041	(1 128)
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 400	(8 946)	(8 136)	2 342	(8 136)
VAT		(37 806)	10 468	10 811	(28 251)	10 811
Other current assets		(1 063)	-	-	(1 159)	-
Total current assets		(11 559)	(23 714)	(18 010)	6 215	(18 010)
Non current assets						
Investments		-	-	-	-	-
Investment property		1 111	-	-	1 116	-
Property, plant and equipment		312 120	1 981	4 141	315 079	4 141
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		313 240	1 981	4 141	316 204	4 141
TOTAL ASSETS		301 681	(21 733)	(13 869)	322 419	(13 869)
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 364	-	-	1 430	-
Trade and other payables from exchange transactions		88 168	(19 856)	(9 418)	83 053	(9 418)
Trade and other payables from non-exchange transactions		13 792	-	-	48 467	-
Provision		7 477	-	-	8 491	-
VAT		(40 151)	(3 115)	(3 115)	(28 084)	(3 115)
Other current liabilities		-	-	-	-	-
Total current liabilities		70 651	(22 971)	(12 533)	113 357	(12 533)
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		33 738	-	-	19 349	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		10 817	-	-	11 540	-
Total non current liabilities		44 555	-	-	30 889	-
TOTAL LIABILITIES		115 206	(22 971)	(12 533)	144 246	(12 533)
NET ASSETS	2	186 475	1 238	(1 336)	178 173	(1 336)
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		157 444	2 867	2 867	167 831	2 867
Reserves and funds		462	-	-	462	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	157 906	2 867	2 867	168 293	2 867

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M10 April										
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	1 556	14 256	18 587	(4 331)	-23%	22 305
Service charges		73 390	120 923	120 323	7 761	69 981	100 269	(30 288)	-30%	120 323
Other revenue		2 794	9 067	9 067	355	14 459	7 556	6 904	91%	9 067
Transfers and Subsidies - Operational		43 410	64 252	71 715	1 115	66 986	65 654	1 333	2%	71 715
Transfers and Subsidies - Capital		13 170	15 804	17 433	-	17 212	14 528	2 684	18%	17 433
Interest		1	50	50	-	3	42	(39)	-94%	50
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(61 949)	(226 578)	(233 554)	(20 503)	(105 110)	(194 628)	(89 518)	46%	(18 881)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 736	5 823	7 339	(9 717)	77 787	12 007	(65 780)	-548%	222 012
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)	(16 026)	-	(7 593)	13 355	20 948	157%	16 026
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 808)	(13 258)	(16 026)	-	(7 593)	13 355	20 948	157%	16 026
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)	(8 687)	(9 717)	70 195	25 363			238 038
Cash/cash equivalents at beginning:		38 042	-	-	-	36 645	-			36 645
Cash/cash equivalents at month/year end:		104 970	(7 435)	(8 687)	-	106 839	25 363			274 683

The total bank balance ending of **April 2024** were as follow;

- Standard Bank Main Account is **R 709 thousand**;
- The Traffic Account has **R 698 thousand**;
- Deposit Account has **R 539 thousand**; and
- Call Account has **R 24 million**

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April													
Description	NT Code	Budget Year 2023/24											
		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	8 530	1 278	1 443	800	874	552	2 834	18 986	35 297	24 046	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 278	323	209	101	99	75	341	784	3 209	1 400	–	–
Receivables from Non-ex change Transactions - Property Rates	1400	2 617	774	699	635	582	593	3 008	21 865	30 773	26 684	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	739	354	341	355	333	332	1 817	11 725	15 996	14 562	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 420	582	560	541	534	526	2 781	16 967	23 912	21 350	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	0	0	0	–	–
Interest on Arrear Debtor Accounts	1810	60	33	93	74	122	126	1 027	24 994	26 529	26 343	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(2 010)	261	220	179	171	167	791	3 426	3 204	4 734	–	–
Total By Income Source	2000	12 633	3 605	3 564	2 684	2 717	2 371	12 599	98 747	138 920	119 118	–	–
2022/23 - totals only													
										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(284)	173	83	57	34	33	115	96	306	334	–	–
Commercial	2300	383	216	159	141	146	181	829	3 581	5 637	4 878	–	–
Households	2400	12 629	3 057	3 159	2 332	2 404	2 028	10 914	84 480	121 002	102 158	–	–
Other	2500	(94)	159	162	154	134	130	741	10 590	11 975	11 748	–	–
Total By Customer Group	2600	12 633	3 605	3 564	2 684	2 717	2 371	12 599	98 747	138 920	119 118	–	–

The total amount owed to Kannaland Municipality amounted to **R 138 million at the end of April 2024**.

- **R99 million or 71%** of the total outstanding debtors are older than one year.
- **R119 million or 85%** 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 - M10 April											
Description R thousands	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	6 172	24	–	39 837	–	–	–	–	46 033	–
Bulk Water	0200	105	–	–	–	–	–	–	–	105	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	1 705	356	141	8 046	–	–	–	–	10 250	–
Auditor General	0800	2 425	195	85	4 157	–	–	–	–	6 863	–
Other	0900	75	75	94	10 563	–	–	–	–	10 808	–
Total By Customer Type	1000	10 482	650	321	62 604	–	–	–	–	74 058	–

- The total outstanding creditors as at the end of **April 2024** amounts to **R 74 058 million**.

The old debt, +90days, consist mainly of the following:

- ESKOM = R46 033 million, of which the entire amount is conditionally written off. The other R28 025 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R24 849 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R3.2 million.
- All other creditors 0-90 days are managed on a month-to-month payment plan, for finalisation in the 2023-2024 FY.

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						
	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	Rejected Rollover Repayment
National Government Grants						
Financial Management Grant (FMG)	R2,932,000		R2,932,000	R1,214,198	R1,717,802	
Equitable Share	R35,348,000		R35,348,000	R35,348,000		
Municipal Infrastructure Grant (Operational)	R568,650		R568,650	R473,875	R94,775	
Municipal Infrastructure Grant (Capital)	R10,804,350	R10,043,350	R11,843,350	R8,591,744	R3,251,606	R958,940
Water Service Infrastructure Grant	R5,000,000	R4,500,000	R5,000,000	R234,984	R4,765,016	
EPWP Incentive Grant	R1,220,000		R1,220,000	R1,080,660	R139,340	
	R55,873,000	R14,543,350	R56,912,000	R46,943,461	R9,968,539	
Provincial Government						
Human Settlements	R20,262,000	R24,905,000	R23,859,720	R23,859,720	R0	
Human Settlement Informal Settlement Upgrading Partnership Grant	R108,000	R1,141,000				
MRF (Municipal Replacement Fund)	R3,555,000	R3,607,000	R3,607,000	R2,494,688	R1,112,312	
Municipal Intervention Grant		R300,000				
Municipal Service Delivery and Capacity Building Grant		R300,000				
Western Cape Financial Recovery Services		R1,000,000				
CDW Grant	R113,000		R113,000	R55,900	R57,100	
Departmental Agencies						
Public Sector Seta	R145,000.00		R49,664.75		R49,664.75	
Total	R24,183,000.00	R31,253,000.00	R27,629,384.75	R26,410,308.26	R1,219,076.49	
	R80,056,000.00	R45,796,350.00	R84,541,384.75	R73,353,768.86	R11,187,615.89	

The following indicates expenditure on each respective grant received (Operational) and (Capital) for April 2024 -

Expenditure:

- Financial Management Grant amounts to **R 40 thousand**.
- Municipal Infrastructure Grant (MIG) amounts **R 1.275 million** capital expenditure and MIG PMU amounts to **R47 thousand**.
- Expanded Public Works Programme amounts to **R 56 thousand**.

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R 222 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 - M10 April										
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	3 580	329	2 855	2 984	(129)	-4%	3 580
Pension and UIF Contributions		36	-	-	16	121	-	121	-	-
Medical Aid Contributions		67	-	-	10	95	-	95	-	-
Motor Vehicle Allowance		52	-	-	3	30	-	30	-	-
Cellphone Allowance		292	286	286	25	250	238	12	5%	286
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 273	3 276	3 866	383	3 350	3 222	128	4%	3 866
% increase	4		0,1%	18,1%						18,1%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 729	4 449	3 899	310	2 735	3 249	(515)	-16%	3 899
Pension and UIF Contributions		5	9	9	1	6	7	(1)	-16%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		80	509	439	23	277	366	(89)	-24%	439
Cellphone Allowance		50	113	113	7	73	94	(21)	-22%	113
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		98	88	88	4	13	73	(60)	-82%	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	4 547	344	3 104	3 789	(685)	-18%	4 547
% increase	4		74,4%	53,5%						53,5%
Other Municipal Staff										
Basic Salaries and Wages		52 231	52 793	62 438	5 285	51 316	52 031	(716)	-1%	62 438
Pension and UIF Contributions		7 132	8 568	8 367	621	6 407	6 973	(566)	-8%	8 367
Medical Aid Contributions		2 168	1 687	2 417	198	1 996	2 014	(18)	-1%	2 417
Overtime		6 568	4 876	5 983	743	7 076	4 969	2 107	42%	5 983
Performance Bonus		1 975	752	1 002	11	782	835	(53)	-6%	1 002
Motor Vehicle Allowance		2 790	2 359	3 515	305	3 037	2 929	108	4%	3 515
Cellphone Allowance		127	100	131	8	93	109	(16)	-15%	131
Housing Allowances		337	173	345	28	282	287	(5)	-2%	345
Other benefits and allowances		6 515	2 851	3 009	331	5 695	2 499	3 196	128%	3 009
Payments in lieu of leave		(1 166)	150	280	13	270	233	36	16%	280
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	87 487	7 543	76 953	72 880	4 073	6%	87 487
% increase	4		-4,7%	12,2%						12,2%
Total Parent Municipality		84 190	82 752	95 901	8 270	83 408	79 891	3 517	4%	95 901
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	457	457	-	-	380	(380)	-100%	457
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	0	1	-	1	-	-
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	1	380	(380)	-100%	457
% increase	4		0,0%	0,0%						0,0%
Total Municipal Entities		-	457	457	0	1	380	(380)	-100%	457
TOTAL SALARY, ALLOWANCES & BENEFITS		84 190	83 209	96 357	8 270	83 408	80 271	3 137	4%	96 357
% increase	4		-1,2%	14,5%						14,5%
TOTAL MANAGERS AND STAFF		80 917	79 476	92 035	7 887	80 058	76 669	3 389	4%	92 035

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.



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Budget Funding Implementation Schedule

15-May-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	Achieved	1-Feb-24	30-Apr-24	The tender was advertised, only one application was received. The tender expired and will be re-advertised. The Municipality is engaging the service current service provider to roll-out this services. The Municipality managed to resolve this with the current service provider.
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Achieved	1-Apr-24	30-Apr-24	The tender was not awarded. Depending on the outcome of the engagement with the current service provider will the tender be re-advertised. The Municipality managed to resolve this with the current service provider.
	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. The Municipality managed to resolve this with the current service provider.
	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	Achieved	31-Jan-24	30-Apr-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-advertised. 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	VWD - (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)	Target Missed	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.
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	Target Missed	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-utilized.
	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 prioritized 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	Target Missed	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	Target Missed	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. The credit with Eskom has been utilized to strengthen the Municipalities cash position.
	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)	Target Missed	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	Target Missed	31-Mar-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	Target Missed	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. The Municipality is in the process of evaluating the tender for a fleet management system.
	Asset Management	Develop a R&M plan / strategy	Target Missed	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

12.1 Funding 2023/24

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref		2023/24 Medium Term Revenue & Expenditure			Funding Plan '2023/24		REVISED MTREF BUDGET			
R thousand	1	Audited Outcome	Budget Year 2023/24	Budget Year +1 2023/24	Budget Year +2 2024/25	Funding Plan '2023/24	Funding Plan '2024/25	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	25,891	26,915	28,268	29,567	941		27,856	28,268	29,567	
Service charges - electricity revenue	2	64,750	76,101	88,175	104,766	(2,269)		73,832	88,175	104,766	
Service charges - water revenue	2	20,355	22,267	23,359	24,456	5,826		28,093	23,359	24,456	
Service charges - sanitation revenue	2	8,706	9,610	10,081	10,554	(312)		9,297	10,081	10,554	
Service charges - refuse revenue	2	8,583	9,410	9,871	10,335	(302)		9,108	9,871	10,335	
Service charges - other			-	-	-						
Rental of facilities and equipment		552	1,098	653	685			1,098	653	685	
Interest earned - external investments		1,577	3,762	3,039	3,075	748		4,510	3,039	3,075	
Interest earned - outstanding debtors		4,639	5,929	6,167	6,457	2,130		8,058	6,167	6,457	
Dividends received			-	-	-						
Fines, penalties and forfeits		39	2,501	3,751	5,626			2,501	3,751	5,626	
Licences and permits		159	189	167	176			189	167	176	
Agency services		1,098	1,350	1,418	1,488			1,350	1,418	1,488	
Transfers and subsidies		60,590	71,715	44,668	61,777			71,715	44,668	61,777	
Other revenue	2	241	66	104	109	399		465	104	109	
Gains		307	2,896	198	207			2,896	198	207	
Total Revenue (excluding capital transfers and contributions)		197,488	233,809	219,917	259,280	7,161		240,969	219,917	259,280	
Expenditure By Type											
Employee related costs	2	71,598	92,852	81,065	83,743			92,852	81,065	83,743	
Remuneration of councillors		3,148	3,866	3,437	3,598			3,866	3,437	3,598	
Debt impairment	3	29,203	16,691	16,138	15,722			16,691	16,138	15,722	
Depreciation & asset impairment	2	13,717	11,885	14,168	14,771			11,885	14,168	14,771	
Finance charges		4,244	8,113	2,098	2,197			8,113	2,098	2,197	
Bulk purchases	2	50,752	56,045	60,529	65,371			56,045	60,529	65,371	
Other materials	8	3,536	1,100	9,371	9,811			1,100	9,371	9,811	
Contracted services		13,677	40,017	15,328	32,017	(20,829)		19,188	15,328	32,017	
Transfers and subsidies		240	400	965	1,010			400	965	1,010	
Other expenditure	4, 5	16,573	22,914	25,102	26,253	(9,234)		13,680	25,102	26,253	
Losses		4,806	-	-	-						
Total Expenditure		211,495	253,882	228,201	254,493	(30,063)		223,819	228,201	254,493	
Surplus/(Deficit)		(14,006)	(20,073)	(8,284)	4,786	37,223		17,151	(8,284)	4,786	

Section 13 – SCM Deviations

April 2024					
SUPPLY CHAIN MANAGEMENT DEVIATIONS: ART 36- SCM REGULATIONS					
ORDER NUMBER	DATE	DEPARTMENT	SUPPLIER	AMOUNT	REASON
20901	02/04/2024	Administrative Services	Blyth and Coetzee	R 9 858,00	THE ORIGINAL AGREEMENT WITH THE SUPPLIER TO RENT THIS BUILDING EXPIRED AND IT THEREFORE RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THIS SUPPLIER ON A MONTH TO MONTH BASIS. KANNALAND MUNICIPALITY HAS CHALLENGE WITH OFFICE SPACE, THE TECHNICAL DEPARTMENT CURRENTLY OCCUPIES THE BUILDING. THIS BUILDING IS SITUATED WITHIN A 200m RADIUS FROM MAIN MUNICIPALITY OFFICES.
20916	04/04/2024	Administrative Services	Telkom SA	R 33 034,03	THE MUNICIPALITY DURING THE PREVIOUS AND CURRENT FINANCIAL YEAR STARTED ENGAGEMENT WITH THE BUSINESS SIDE OF TELKOM, BUT COULD NOT FINALIZE THE PROCESS DUE TO A LACK OF CONTINUITY IN NEGOTIATIONS AND PERSONNEL. MR RUDI FORTUIN IS STILL IN EVENTUAL PROCUREMENT. TELKOM ARE A GOVERNMENT PARASTATAL. THE CONTRACTS THAT LAPSED MAKES PROVISION FOR A MONTH- TO-MONTH AGREEMENT THAT SHALL BE TERMINATED UPON PRIOR NOTICE BY ANY OF THE PARTIES.
20914	05/04/2024	IT Services	Wise Business and Risk Solution	R 62 561,96	Due to security service was rendered for the month of February 2024 due to concerns for the security of the Executive Mayor, Municipal Manager, CFO and Director Corporate and Community Services.
20912	05/04/2024	Administrative Services	Philips Employment Law Specialists (PTY) Ltd	R 8 082,00	Kannaland Municipality have various cases lost at the Barbaining Council for conciliation and arbitration. The chairpersons in that cases was political appointed and on that basis the municipal look for other companies who specialise in disciplinary hearings for chairpersons and initiators. The municipal appointed the company Philips Employment Law Specialists(PTY) Ltd for the role as chairperson.
20915	08/04/2024	Administrative Services	Valley Containers	R 10 522,50	The Original agreements with the service provider to provide these services has lapsed and thus resulted in the municipality having to retain these services on a month-to-month basis. The need for office and storage has been a challenge in Kannaland Municipality for a number of years now and has necessitated the municipality to use containers to address this need as an interim measure. The municipality has no other choice but to appoint the current service provider up until a procurement and tender process for a more permanent service provider has been finalized.
20921	09/04/2024	Technical Services	ACTOM	R 67 620,00	Two single phase transformers are located on the farms of Pretorius Vlake and the Hannes Nel Farm. Pretorius Vlake have been out of service from 24th March 2024 and the Hannes Nel farm from the 30th March 2024. As a result of the transformers that have been out of service for an extended period of time, electrical supply to those communities are impossible. These two single phase transformers does not form part of shared services to swing load to accommodate the affected users.
20925	10/04/2024	Community Services	Klein Karoo Koorperasie Beperk	R 28 744,00	The current status of the Municipal building need urgent attention. The condition of the house has deteriorated due to damaging weather condition over the years. The house has not been renovated and maintained for the past few years. The house needs urgent renovations and reparations have to be made in order to comply with OHS standards. No urgent attention to this matter will impact the efficiency which might lead to non-compliance and poor service delivery by the officials using this property.
20927	11/04/2024	Financial Services	SA Postal Services	R 44 922,50	SAPO IS CURRENTLY THE SOLE SERVICE PROVIDER FOR THE POSTING OF THE MUNICIPALITY'S MONTHLY SERVICE ACCOUNTS. IN THE EVENT THAT THE SERVICE ACCOUNTS ARE NOT DELIVERED TO THE CONSUMERS, THE MUNICIPALITY CANNOT GENERATE REVENUE FOR SERVICE DELIVERED.
20962	18/04/2024	Community Services	Klein Karoo Koorperasie Beperk	R 2 697,00	The current status of the Municipal building need urgent attention. The condition of the house has deteriorated due to damaging weather condition over the years. The house has not been renovated and maintained for the past few years. The house needs urgent renovations and reparations have to be made in order to comply with OHS standards. No urgent attention to this matter will impact the efficiency which might lead to non-compliance and poor service delivery by the officials using this property.

SCM Deviations (Continued)

20966	22/04/2024	Administrative Services	Bidvest Steiner	R	12 826,78	The Original agreements with the service provider to provide these services has lapsed and thus resulted in the municipality having to retain these services on a month-to-month basis. The need for external specified cleansing services/products are a challenge in Kannaland Municipality as we have limited resources. The municipality has no other choice but to appoint the current service provider up until a procurement and tender process for a more permanent service provider has been finalized.
20979	23/04/2024	TECHNICAL SERVICES	SANITECH	R	90 186,68	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 R90186,68 BE PAID FOR THE SERVICES RENDERED BY SANITECH.
20980	23/04/2024	Technical Services	SANITECH	R	90 186,68	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 R90186,68 BE PAID FOR THE SERVICES RENDERED BY SANITECH.
20981	23/04/2024	Technical Services	SANITECH	R	87 864,60	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 R87864,60 BE PAID FOR THE SERVICES RENDERED BY SANITECH.
20985	24/04/2024	Administrative Services	Blyth and Coetzee	R	9 858,00	THE ORIGINAL AGREEMENT WITH THE SUPPLIER TO RENT THIS BUILDING EXPIRED AND IT THEREFORE RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THIS SUPPLIER ON A MONTH TO MONTH BASIS. KANNALAND MUNICIPALITY HAS CHALLENGE WITH OFFICE SPACE, THE TECHNICAL DEPARTMENT CURRENTLY OCCUPIES THE BUILDING. THIS BUILDING IS SITUATED WITHIN A 200m RADIUS FROM MAIN MUNICIPALITY OFFICES.
20992	30/04/2024	Administrative Services	Valley Containers	R	10 522,50	The Original agreements with the service provider to provide these services has lapsed and thus resulted in the municipality having to retain these services on a month-to-month basis. The need for office and storage has been a challenge in Kannaland Municipality for a number of years now and has necessitated the municipality to use containers to address this need as an interim measure. The municipality has no other choice but to appoint the current service provider up until a procurement and tender process for a more permanent service provider has been finalized.
20991	30/04/2024	Administrative Services	Konica Minolta South Africa	R	33 105,93	The agreements with the services providers to provide, install and maintain the current medium volume multifunction copiers at the municipality on a rental basis has lapsed and thus resulted in the municipality starting the procurement process for the appointment of a new service provider on a 36 months contract. The specifications and scope of works has been signed off by the Municipal Manager, but the availability of the copiers plays an important role in the effective and efficient administration of the municipality. The municipality has no other choice but to appoint the current service providers up until the procurement and tender process for a service provider has been finalized. The contracts that lapsed makes provision for a month-to-month agreement that shall be terminated upon prior notice by any of the parties, but to ensure continuity its requested that a contract appointment for the rest of the current financial year to be done.
				R	602 593,16	

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.

MFMA Circular 124 – Municipality Compliance Self-Assessment



National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Province		
WC		
Code	District	ode Descripti
WC041	Garden Route	Kannaland

Monthly Performance Report																																														
Municipal Details			Part A						Part B						Part C				Part D				Part E								Part F															
			Eskom And Bulk water current account						Compliance with a funded MTREF						FRP/BFP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges								Maximization of Revenue Base				Oversight								Compliance Status			
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score		
1.July	Kannaland	WC041																																									0%	Non Compliance		
2.August	Kannaland	WC041	No	No	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	N/A	Yes	N/A	N/A	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance
3.September	Kannaland	WC041	Yes	No	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	N/A	Yes	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance
4.October	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	N/A	Yes	No	Yes	No	No	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance
5.November	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	N/A	Yes	No	Yes	No	No	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance
6.December	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	N/A	Yes	No	Yes	No	Yes	No	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Non Compliance
7.January	Kannaland	WC041	No	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance
8.February	Kannaland	WC041	Yes	No	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance
9.March	Kannaland	WC041	Yes	No	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance
10.April	Kannaland	WC041	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance
11.May	Kannaland	WC041																																											0%	Non Compliance
12.June	Kannaland	WC041																																											0%	Non Compliance


HOD Name: _____

Signature of HOD: _____

Date: _____

Comments/Motivation

** Note – If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procuration of the HOD must be attached as an Annexure to this Certificate of Compliance.



Annexure A2 - Monthly

National Treasury
Municipal Debt Relief
 MFMA Circular No. 124
 Municipal Finance Management Act No. 56 of 2003

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period: Apr'24

National Financial Year: 2023/24

Demarcation Code of Municipality being assessed: WC041

District: Garden Route

Demarcation Description: Kannaland

I, Isac Smith, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in **MFMA Circular No. 124** and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list

Condition	6.3 + 6.12	Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise means the account for a single month's consumption):</small>	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Yes
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	No
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	No

Notes/Comments

No amounts were recorded under the water inventory in the data strings

The amount recorded in the data strings does not reconcile with the amount recorded on the bank statements or the proof of payments submitted by the Municipality—the amount in the strings is less than what has been paid to ESKOM.

6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)		2024/25 Tabled MTREF	
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	No	
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	No	
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		<p><i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i></p>		
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		<p><i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i></p>		
11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF Budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes	
		<p><i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>		
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes	The municipality's cashflow projections are detailed in Table A7 and Supporting Table SA30, they represent the monthly projections using a straight-line method, not accounting for seasonal variations. Furthermore, they were not reflected in the Budget Funding Plan strategy.
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	

	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	The Municipality provide the owners with a breakdown of the consolidated account , however, it not send in the form of a consolidated account as each account holder are send their account automatically. The consolidation is done separately. Owners can give tenants permission to open a account with the Municipality for services, therefore these service accounts is send separate to the owners account. The Municipality is currently doing research on how other Municipalities is handling this.
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No	The Municipality does not currently have the infrastructure i.e. restriction valves to install on defaulting customer networks. The Municipality through its technical department is exploring how this can be done, and to determine the costs implication for such equipment. The Municipality will report on the progress hereof in future reports.
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	Yes	
	6.6	Supporting evidence : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter	The municipality has reported a collection rate of 69% in April 2024. However, they have been reported collection rate in Q1: 83% , Q2: 84% , Q3 77%: , since it is not the end of the quarter, the collection rate is for April 2024 is for the month not the quarter.
		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	Yes	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	No	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	No	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No	The municipality is focusing on the smart prepaid meters project and is examining the costs required to implement the smart meter system. The Provincial Treasury has allocated funds to assist the municipality with smart meter installation.
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	The Municipality is exploring the financial implication of installing smart meters. This is a priority but the Municipality restricted to its financial position. The Municipality will use the proposed funding from PT to fund the installation of smart-meters. The delay in PT transferring the funds has a negative impact on the implementation of this project.
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	

6.8		Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	<input type="text" value="No"/>	The GV recon identified various issues across different property categories, involving misclassifications, property transfers, and missed property inclusion. These discrepancies have prompted a series of corrective actions, including notifying the valuer, correcting classifications in the billing system, conducting supplementary valuations, and addressing
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	<input type="text" value="Yes"/>	
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ?	<input type="text" value="Yes"/>	
6.9		Monitor and report on implementation –		
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	<input type="text" value="Yes"/>	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	<input type="text" value="Yes"/>	
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	<input type="text" value="No FRP"/>	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	<input type="text" value="No FRP"/>	
<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>				
6.10		Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	<input type="text" value="Yes"/>	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	<input type="text" value="Yes"/>	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	<input type="text" value="No"/>	
<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>				
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	<input type="text" value="No"/>	
<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>				
6.12		For the duration of the Municipal Debt Relief (to ensure proper management of resources):		

37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked for water and sanitation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.1) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(2).</i></p>			
39		Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrears debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury, Office of the Accountant General issued for Municipal Debt Relief to date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	
41	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mediator as envisaged in Chapter 8 of the Municipal Systems Act, 2002, including the necessary service delivery agreement ongoing with the Municipal Systems Act, 2002 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>			

PT: HOD/ NT / MM Name:

ADV. DILLO SERCO

Signature of HOD/ NT/ MM:



Date:

2024/05/15

*** Note – If the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procurement of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.*

MFMA Circular 124 - Municipal Indigent Household Information



National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))

Instruction - complete only with information of the current households registered as indigent with the municipality (**Do NOT** include the information of all households *unless* explicitly stated otherwise)

Description	Ref	As Per Debt Relief Application	Current Year - 2023/2024				Select Year Monitored											
			Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																	
Water: (<i>Include All Indigent households also in Eskom supplied areas</i>)																		
Indigent HH's with piped water inside dwelling																		
Indigent HH's with piped water inside yard (but not in dwelling)																		
Indigent HH's using public tap (at least min.service level)	2																	
Indigent HH's with other water supply (at least min.service level)	4																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's using public tap (< min.service level)	3																	
Indigent HH's with other water supply (< min.service level)	4																	
Indigent HH's with No water supply																		
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Water meters :																		
Number of Indigent HH's with prepaid Water							2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377		
Number of Indigent HH's with conventional metered Water																		
Number of Indigent HH's NOT metered currently - Water																		
Number of Indigent HH's with NO Water supply - No metering			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	10		-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	-	-
Status of unlimited supply of Water :																		
Number of Indigent HH's with conventional metered Water - where the municipality is <i>NOT</i> physically restricting Water to the national free basic limit of 6 kilolitres per household per month																		
Number of Indigent HH's <i>NOT</i> metered currently receiving unlimited supply - Water			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Water			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																	
Energy: (<i>Include All Indigent households also in Eskom supplied areas</i>)																		
Indigent HH's with Electricity (at least min.service level)																		
Indigent HH's with Electricity - prepaid (min.service level)							2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377		
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total			-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	-	-
Indigent HH's with Electricity (< min.service level)																		
Indigent HH's with Electricity - prepaid (< min. service level)																		
Indigent HH's with other energy sources																		
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5		-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	-	-
Status of Electricity meters :																		
Number of Indigent HH's with prepaid Electricity							2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377		
Number of Indigent HH's with conventional metered Electricity																		
Number of Indigent HH's NOT metered currently - Electricity																		
Number of Indigent HH's with other energy sources - No metering			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	12		-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	-	-
Status of unlimited supply of Electricity:																		
Number of Indigent HH's with conventional metered Electricity - where the municipality is <i>NOT</i> physically restricting Electricity to the national free basic limit of 50kwh per household per month																		
Number of Indigent HH's <i>NOT</i> metered currently receiving unlimited supply - Electricity			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																	

Number of ALL Households receiving Free Basic Service (including registered Indigent Households)	7																	
Water (6 kilolitres per household per month)						2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	
Electricity/other energy (50kwh per household per month)						2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																		
Water (6 kilolitres per household per month)						#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	
Electricity/other energy (50kwh per household per month)						#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																		
Water (6 kilolitres per household per month)																		
Electricity/other energy (50kwh per household per month)																		
Total cost of FBS Water and Electricity provided to ALL Households	8	-	-	-	-	438,949	438,949	438,949	438,949	438,949	438,949	438,949	438,949	438,949	438,949	438,949	-	-
Highest level of free service provided per household (ALL Households)																		
Property rates (R value threshold)																		
Water (kilolitres per household per month)																		
Sanitation (kilolitres per household per month)																		
Sanitation (Rand per household per month)																		
Electricity (kwh per household per month)																		
Refuse (average litres per week)																		
Revenue cost of subsidised services provided for ALL Households (R'000)	9																	
Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)																	
PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)																	
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA)																		
Water (in excess of 6 kilolitres per indigent household per month)	15																	
Sanitation (in excess of free sanitation service to indigent households)	16																	
Electricity/other energy (in excess of 50 kwh per indigent household per month)																		
Refuse (in excess of one removal a week for indigent households)																		
Municipal Housing - rental rebates																		
Housing - top structure subsidies	6																	
Other																		
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of **registered indigent households** in municipal area (formal and informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (formal and informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service (Water and Electricity) to **ALL Households**
9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share
10. The total number of registered HH's reported on rows 19 & 24 must be the same
11. Of the Total number of registered indigents HH's receiving unlimited supply of Water reported on row 27, provide number of these Indigent HH's that are issued with a monthly bill for the consumption above the 6 kilolitres FBS water
12. The total number of registered HH's reported on rows 39 & 44 must be the same
13. Of the Total number of registered indigents HH's receiving unlimited supply of Electricity reported on row 51, provide number of these Indigent HH's that are issued with a monthly bill for consumption above 50 kwh FBS electricity
- 14.(a) Impermissibles on Residential Properties - (15000 * Number of Residential properties) - *Provide the actual rand value not to be billed*
- 14.(b) Impermissibles on Public Service Infrastructure (PSI) - (30% * Property Market Value * Number of PSI Properties) - *Provide the actual rand value not to be billed*
- 15.(a) Free Water to Indigent HH's exceeding the 6 kilolitres FBS water
- 15.(b) Free Water to any HH's *that is not Indigent*
16. If the Municipality provides unlimited free basic water to any indigent and / or any other household , it must also account for the related unlimited sanitation

MFMA Circular 124 – Municipal Collection Rate Assessment

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipal Details					
Western Cape					
Code		District		Municipality	
WC041				Kannaland	
				Period Monitored	No.Of Wards
				April	8

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1					Summary - Quarter 2					Summary - Quarter 3					Summary - Quarter 4				
	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q1
1.Collection for whole demarcation	32,164,443	26,844,694	5,319,748	83%	83%	35,024,568	29,430,056	5,594,512	84%	84%	35,680,786	27,572,086	8,108,700	77%	77%	13,764,084	9,447,323	4,316,762	69%	69%
2.Collection <u>excl Eskom supplied areas</u>	23,808,354	22,190,852	1,617,502	93%	93%	26,102,238	24,077,286	2,024,952	92%	92%	26,374,783	22,880,588	3,494,195	87%	87%	11,053,005	7,793,291	3,259,714	71%	71%
3.Collection: Property Rates	6,666,527	5,654,090	1,012,437	85%	85%	6,890,012	6,360,150	529,862	92%	92%	6,882,817	5,628,363	1,254,453	82%	82%	2,295,062	2,020,667	274,395	88%	88%
4.Total average collection: Electricity (Municipal supplied areas)	14,747,492	14,921,257	(173,765)	101%	101%	16,017,418	15,982,860	34,558	100%	100%	15,654,261	15,061,033	593,228	96%	96%	4,581,340	4,754,622	(173,282)	104%	104%
5.Total average collection: Water	5,231,329	3,571,022	1,660,307	68%	68%	6,611,390	4,256,106	2,355,284	64%	64%	7,719,769	4,384,911	3,334,857	57%	57%	5,095,834	1,499,029	3,596,805	29%	29%
6.Total average collection: Wastewater	2,647,017	1,373,655	1,273,363	52%	52%	2,657,381	1,412,844	1,244,537	53%	53%	2,637,773	1,204,237	1,433,536	46%	46%	870,945	564,718	306,228	65%	65%
7.Total average collection: Refuse	2,645,119	1,204,032	1,441,086	46%	46%	2,620,482	1,318,141	1,302,341	50%	50%	2,558,045	1,079,704	1,478,341	42%	42%	844,863	595,536	249,327	70%	70%
8.Total average collection: Interest	226,958	120,637	106,321	53%	0%	227,885	99,955	127,930	44%	44%	228,121	213,836	14,286	94%	94%	76,040	12,751	63,289	17%	17%

MFMA Circular 124 – Monthly Revenue Collection Reporting

Municipal Debt Relief - Monthly Revenue Collection Reporting (condition 6.7)

Province

Western Cape

WC041

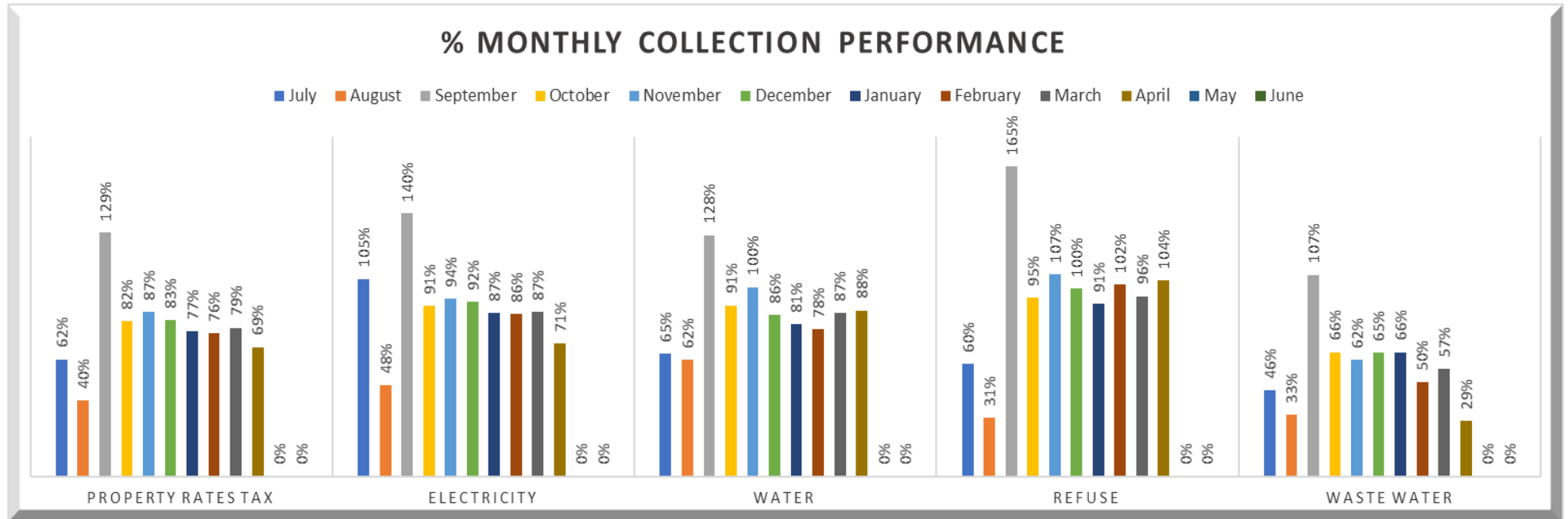
April

Average collection rate (MFMA Circular 124 condition 6.7)

NB - Collection rate principle applied (Cash collection)

Collection Rate Assessment				10-April - Reporting for March in April				11-May - Reporting for April in May				12-June - Reporting for May in June				Click to view full month	Summary - Quarter 4				Q1	
Total Aggregate Collection			Q1	Billing For March	Collection in April	R - Billing not collected	% Collection	Billing For April	Collection in August	R - Billing not collected	% Collection	Billing For May	Collection in June	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		
1.	1.Collection for whole demarcation			83%	13,764,084	9,447,323	4,490,044	69%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	13,764,084	9,447,323	4,316,762	69%	69%	
2.	2.Collection <u>excl</u> Elskom supplied areas			93%	11,053,005	7,793,291	3,659,970	71%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	11,053,005	7,793,291	3,259,714	71%	71%	
3.	3.Collection: Property Rates			85%	2,295,062	2,020,667	274,395	88%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	2,295,062	2,020,667	274,395	88%	88%	
4.	4.Total average collection: Electricity (Municipal supplied areas)			101%	4,581,340	4,754,622	0	104%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	4,581,340	4,754,622	(173,282)	104%	104%	
5.	5.Total average collection: Water			68%	5,095,834	1,499,029	3,596,805	29%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	5,095,834	1,499,029	3,596,805	29%	29%	
6.	6.Total average collection: Wastewater			52%	870,945	564,718	306,228	65%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	870,945	564,718	306,228	65%	65%	
7.	7.Total average collection: Refuse			46%	844,863	595,536	249,327	70%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	844,863	595,536	249,327	70%	70%	
8.	8. 7.Total average collection: Interest				76,040	12,751	63,289	17%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	76,040	12,751	63,289	17%	17%	
Quarter 4 Performance Per Ward																						
Complete This Section				Quarter 4	10-April				11-May				12-June									Q4
Services	Electricity Supplier	Ward Name & Number	Q1	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q4		
Property Rates Tax	Non-Supplied	Nonville Ward 1	82%	151,588	129,237	22,351	85%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	151,588	129,237	22,351	85%	85%		
Electricity			139%	76,149	41,118	35,031	54%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	76,149	41,118	35,031	54%	54%		
Water			48%	164,946	245,406	0	149%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	164,946	245,406	(80,460)	149%	149%		
Refuse			47%	134,512	190,606	0	142%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	134,512	190,606	(56,094)	142%	142%		
Waste Water			62%	174,191	178,124	0	102%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	174,191	178,124	(3,933)	102%	102%		
Interest	-165%	2,025	-	2,025	0%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	2,025	-	2,025	0%	0%	0%	0%		
Property Rates Tax	Extram-supplied	Zoar Ward 2	40%	85,054	39,650	45,403	47%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	85,054	39,650	45,403	47%	47%		
Electricity			#DIV/0!	-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	
Water			8%	450,167	92,326	357,841	21%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	450,167	92,326	357,841	21%	21%		
Refuse			10%	309,109	90,948	218,161	29%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	309,109	90,948	218,161	29%	29%		
Waste Water			11%	289,326	79,190	210,136	27%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	289,326	79,190	210,136	27%	27%		
Interest	105%	3,944	-	3,944	0%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	3,944	-	3,944	0%	0%	0%	0%		
Property Rates Tax	Extram-supplied	Calabon Farm - Ward 3	40%	171,185	125,645	45,539	73%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	171,185	125,645	45,539	73%	73%		
Electricity			0%	95	-	95	0%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	95	-	95	0%	0%	0%	
Water			61%	1,427	1,170	257	82%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	1,427	1,170	257	82%	82%	82%	
Refuse			#DIV/0!	-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	
Waste Water			#DIV/0!	-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	
Interest	-	-	-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!		
Property Rates Tax	Non-Supplied	Beleg Calabon - Ward 3	61%	23,106	10,173	12,932	44%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	23,106	10,173	12,932	44%	44%		
Electricity			80%	9,304	4,866	4,437	52%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	9,304	4,866	4,437	52%	52%	52%	
Water			19%	3,211,113	19,231	3,191,881	1%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	3,211,113	19,231	3,191,881	1%	1%	1%	
Refuse			27%	83,667	24,084	59,582	29%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	83,667	24,084	59,582	29%	29%	29%	
Waste Water			21%	77,485	16,579	60,905	21%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	77,485	16,579	60,905	21%	21%	21%	
Interest	10%	483	210	273	43%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	483	210	273	43%	43%	43%	43%		
Property Rates Tax	Non-Supplied	Calabon Town - Ward 3	91%	431,839	374,026	57,813	87%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	431,839	374,026	57,813	87%	87%	87%	
Electricity			107%	669,503	643,672	25,831	96%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	669,503	643,672	25,831	96%	96%	96%	
Water			102%	249,895	185,829	64,066	74%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	249,895	185,829	64,066	74%	74%	74%	
Refuse			91%	85,427	76,139	9,289	89%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	85,427	76,139	9,289	89%	89%	89%	
Waste Water			95%	19,170	15,555	3,615	81%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	19,170	15,555	3,615	81%	81%	81%	
Interest	163%	6,426	9,523	0	148%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	6,426	9,523	(3,098)	148%	148%	148%	148%		
Property Rates Tax	Non-Supplied	Ladismith Town - Ward 4	100%	898,137	859,889	38,249	96%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	898,137	859,889	38,249	96%	96%	96%	
Electricity			100%	3,436,172	3,690,797	0	107%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	3,436,172	3,690,797	(254,625)	107%	107%	107%	
Water			100%	625,983	628,029	0	100%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	625,983	628,029	(2,047)	100%	100%	100%	
Refuse			96%	183,739	182,184	1,555	99%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	183,739	182,184	1,555	99%	99%	99%	
Waste Water			94%	279,922	264,995	14,927	95%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	279,922	264,995	14,927	95%	95%	95%	
Interest	48%	58,224	3,018	55,206	5%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	58,224	3,018	55,206	5%	5%	5%	5%		
Property Rates Tax	Extram-supplied	Ladismith Farm - Ward 4	75%	481,594	450,014	31,580	93%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	481,594	450,014	31,580	93%	93%	93%	
Electricity			99%	390,118	374,170	15,948	96%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	390,118	374,170	15,948	96%	96%	96%	
Water			99%	336,378	316,973	19,405	94%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	336,378	316,973	19,405	94%	94%	94%	
Refuse			49%	16,034	26,835	0	167%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	16,034	26,835	(10,801)	167%	167%	167%	
Waste Water			83%	11,306	10,153	1,153	90%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	11,306	10,153	1,153	90%	90%	90%	
Interest	7%	4,875	-	4,875	0%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	4,875	-	4,875	0%	0%	0%	0%		
Property Rates Tax	Extram-supplied	Van Wykswep - Ward 4	67%	52,559	32,032	20,527	61%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	52,559	32,032	20,527	61%	61%	61%	
Electricity			#DIV/0!	-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	
Water			24%	55,925	10,064	45,862	18%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	55,925	10,064	45,862	18%	18%	18%	
Refuse			18%	32,375	4,740	27,635	15%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	32,375	4,740	27,635	15%	15%	15%	
Waste Water			4%	19,546	121	19,425	1%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	19,546	121	19,425	1%	1%	1%	1%
Interest	0%	63	-	63	0%	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	63	-	63	0%	0%	0%	0%	0%	

MFMA Circular 124 - Electricity and Water as Collection Tools



Provincial Treasury Debt Relief Compliance Assessment – March 2024



Provincial Treasury
Western Cape
Government

Julinda.Gantana@westerncape.gov.za | Tel: 021 483 3749/6204/6267

Provincial Treasury
Julinda Gantana
Head official

Reference No.: PTR 16/1/20

Private Bag X9165
CAPE TOWN
8000

Enquiries: Steven Kenyon

Ms M Ngqaleni
Deputy Director-General
Intergovernmental Relations
National Treasury
40 Church Square
PRETORIA
0001



DEPT.	CP/16/1/20/Kannaland
BEAMPT	
TER INLIGTING	VIR KOMMENTAAR / AANBEVELING
VIR AANDAG / DIREKTE AFHANDELING	
VERDERE OPDRAG	Vir u aasidig
	28/05/2024

Per email: Malieng.Ngqaleni@treasury.gov.za; RevenueManagement@treasury.gov.za;
Jan.Hattingh@treasury.gov.za; mati@mfip.gov.za

Dear Malieng Ngqaleni

MUNICIPAL DEBT RELIEF COMPLIANCE CERTIFICATE FOR KANNALAND MUNICIPALITY – MARCH 2024

Kannaland Municipality received their approval letter on 5 September 2023; therefore, this is the eighth month (March 2024) to implement the Municipal Debt Relief conditions as per MFMA Circular No. 124. The Municipality has been able to implement most of the conditions. The areas in which the Municipality is still in the process of fully implementing the conditions are clearly described in the notes' column of the compliance certificate (electronic version). The Provincial Treasury therefore provides certification of the Municipality's compliance in principle, subject to the Municipality fully complying with these conditions in future:

Conditions 2 - 3: The Municipality failed to upload the proof of the water board payment within the required one-day timeframe. Instead, the documentation was submitted to the GoMuni portal five working days after the payment and is currently pending approval on the National Treasury LG payment Database. Additionally, there is a persistent issue with bulk water payments not reconciling to the data strings, as no amount has been recorded under the bank withdrawals for the water payment. Despite the issuance of a MFMA Circular 124 supplementary guide, the Municipality has not complied with the accounting treatment guideline.

Conditions 7 - 8: The February 2024 adjusted budget for the 2023/24 Medium-Term Revenue and Expenditure Framework (MTREF) remains unfunded, resulting in a deficit operating budget. Despite a Budget Funding Plan for fiscal year 2023/24, it does not fully meet the MTREF's financial requirements. Following an assessment under Section 140 of the Municipal Finance Management Act (MFMA), a Financial Remedatory Intervention was initiated in December 2023. A Financial Recovery Plan (FRP) is currently



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being developed by the Municipal Financial Recovery Services. Despite these efforts, achieving the necessary collaboration from Kannaland Municipality remains a challenge. A meeting on April 17, 2024, underscored the importance of cooperation for the success of the Financial Recovery Plan. Strategies are currently being developed to encourage a more collaborative relationship with Kannaland officials.

● **Condition 17:** The municipality currently lacks the necessary infrastructure, such as restriction valves, to enforce these measures on the networks for defaulting customers. The technical department is actively investigating how to implement these valves and is assessing the financial implications of such equipment. Updates on the progress of this initiative will be included in future reports.

● **Condition 19:** The municipality achieved a collection rate of 76.9 percent for property rates and service charges, falling short of the 80 per cent minimum average quarterly collection target set for the 3rd quarter. This review is based on MFMA Section 71 monthly reports, as well as mSCOA data strings uploaded via the GoMuni Upload Portal. Excluding the Eskom areas, the municipality would have an average collection rate of 83 per cent. The shortfall from the overall established target highlights significant challenges in revenue collection.

● **Condition 24:** The municipality is focusing on the smart prepaid meters project and is examining the costs required to implement the smart meter system. The Provincial Treasury has allocated funds to assist the municipality with smart meter installation.

● **Condition 26:** The GV reconciliation revealed issues with property classifications, transfers, and inclusions. Corrective steps include notifying the valuer, updating the billing system, and supplementary valuations. An action plan with deadlines is in place, and the municipality reports monthly on the reconciliation progress between the valuation roll and the billing system.

● **Conditions 37 - 40:** The municipality has not initiated transactions through the established ring-fenced sub-account, which was intended for settling current obligations to Eskom and paying for bulk water services, accounts before allocating these funds for other purposes. However, they have shown a limited degree of transparency by submitting documents related to the primary account's monthly bank reconciliations to GoMuni, indicating the opening and closing balances (but have not provided a full bank statement). The Municipality is referred to Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124 that was issued by NT on 16 February 2024, which must be implemented.

The Provincial Treasury recognizes Kannaland Municipality's ongoing compliance with the conditions specified in paragraphs 9(i) to 9(ix) of the approval letter. The municipality has addressed condition 9(vii) but their Budget Funding Plan (BFP) requires more specific and measurable targets. Kannaland Municipality is actively revising their budget funding plan to include these specific performance indicators, which will improve transparency and strategic focus in its budgeting processes.

The Municipality remains non-compliant with some of the conditions. The PT compliance certificate score for March 2024 are reported at 76 per cent compared to 78 per cent in February 2024. This is mainly due to the municipality not achieving the average quarterly collection rate required.

4.2.2. **4.2.2.1. Compliance with the conditions of the approval letter:** The Provincial Treasury has issued a compliance certificate to the municipality, which is a positive step towards ensuring the municipality's financial health and transparency.

4.2.2.2. **4.2.2.2. Compliance with the conditions of the approval letter:** The Provincial Treasury has issued a compliance certificate to the municipality, which is a positive step towards ensuring the municipality's financial health and transparency.

4.2.2.3. **4.2.2.3. Compliance with the conditions of the approval letter:** The Provincial Treasury has issued a compliance certificate to the municipality, which is a positive step towards ensuring the municipality's financial health and transparency.

The Western Cape Provincial Treasury is determined to make the most of this opportunity to enable municipalities to improve their financial sustainability.

Yours sincerely

**Julinda
Gantana**

Digitally signed by
Julinda Gantana
Date: 2024.04.26
14:43:47 +02'00'

MS J GANTANA

HEAD OFFICIAL: PROVINCIAL TREASURY

Cc: The Executive Mayor, Mr J Donson, mayor@kannaland.gov.za/leandro@kannaland.gov.za
Municipal Manager, Mr D Sereo, mm@kannaland.gov.za/wilmie@kannaland.gov.za
CFO, Mrs. R Saptoe, cfo@kannaland.gov.za
The Interim Group CEO – Eskom Holdings, Mr Calib Cassim, naidoogo@eskom.co.za
MFMA Coordinator, Mr Steven Kenyon, steven.kenyon@westerncape.gov.za
Local Government Public Finance, Mr, Isaac Tsie, isaac.tsie@westerncape.gov.za
The Director General: Department of Cooperative Governance, Mr Mbulelo Tshangana, zandilez@cogta.gov.za
The CEO: SALGA, Mr Sithole Mbanga, hmazibuko@salga.org.za


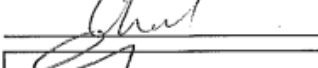
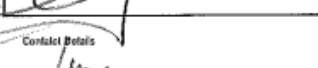

MFMA Circular 124 – Property Rates Reconciliation

Property Rates Reconciliation						
Province	WC					
District	Garden Route District					
Type	LM					
Municipal Name	Kannaland Municipality					
GV Period	01/07/2021- 30/06/2026					
Financial Year	2023/2024					
Reconciliation Period	Quarter 4					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	4435	4435	0	786,614,000.00	786,387,000.00	227,000.00
Industrial	21	21	0	54,309,000.00	54,309,000.00	-
Business and Commercial	188	190	-2	136,987,000.00	137,637,000.00	- 650,000.00
Agricultural	3006	3008	-2	1,699,368,000.00	1,700,233,956.00	- 865,956.00
Mining	0	0	0	-	-	-
State Owned for Public Purpose	55	55	0	132,924,000.00	132,924,000.00	-
PSI	158	159	-1	3,838,000.00	3,858,000.00	- 20,000.00
PBO	7	6	1	11,377,000.00	10,510,000.00	867,000.00
Multi Use	0	0	0	-	-	-
Vacant	302	299	3	8,513,000.00	7,737,000.00	776,000.00
POW	56	56	0	48,060,000.00	47,860,000.00	200,000.00
Municipal	1211	1213	-2	104,776,000.00	107,078,000.00	- 2,302,000.00
Other	63	63	0	75,522,000.00	75,522,000.00	-
	<u>9502</u>	<u>9505</u>	<u>-3</u>	<u>3,062,288,000.00</u>	<u>3,064,055,956.00</u>	<u>- 1,767,956.00</u>
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	945,711	849,175	96,536	945,711.00	849,174.63	96,536.38
Industrial	176,504	176,504	-	176,504.25	176,504.25	-
Business and Commercial	445,208	447,320	- 2,113	445,207.75	447,320.25	- 2,112.50
Agricultural	410,681	411,280	- 600	410,680.60	411,280.50	- 599.90
Mining	-	-	-	-	-	-
State Owned for Public Purpose	432,003	432,003	-	432,003.00	432,003.00	-
PSI	-	-	-	-	-	-
PBO	3,698	3,416	282	3,697.53	3,415.75	281.78
Multi Use	-	-	-	-	-	-
Vacant	13,834	12,573	1,261	13,833.63	12,572.63	1,261.00
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	<u>R2,427,637.75</u>	<u>R2,332,271.00</u>	<u>R95,366.75</u>	<u>2,427,637.75</u>	2,332,271.00	95,366.75

Prepared By	<div></div>	Date	<div></div>
	Contact Details		
Signature	<div></div>		
Reviewed By	<div></div>	Date	<div></div>
	Contact Details		
Signature	<div></div>		

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Property Rates Reconciliation						
Province	WC					
District	Garden Route District					
Type	LM					
Municipal Name	Kannaland Municipality					
GV Period	01/01/2024 - 30/06/2024					
Financial Year	2023/2024					
Reconciliation Period	Quarter 4					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	4435	4435	0	786,614,000.00	786,387,000.00	227,000.00
Industrial	21	21	0	54,309,000.00	54,309,000.00	-
Business and Commercial	188	190	-2	136,987,000.00	137,637,000.00	-650,000.00
Agricultural	3006	3008	-2	1,699,368,000.00	1,700,233,956.00	-865,956.00
Mining	0	0	0	-	-	-
State Owned for Public Purpose	55	55	0	132,924,000.00	132,924,000.00	-
PSI	158	159	-1	3,838,000.00	3,858,000.00	-20,000.00
PBD	7	6	1	11,377,000.00	10,510,000.00	867,000.00
Multi Use	0	0	0	-	-	-
Vacant	302	299	3	8,513,000.00	7,737,000.00	776,000.00
PCW	56	56	0	48,060,000.00	47,860,000.00	200,000.00
Municipal	1211	1213	-2	104,776,000.00	107,078,000.00	-2,302,000.00
Other	63	63	0	75,522,000.00	75,522,000.00	-
	9502	9505	-3	3,062,288,000.00	3,064,055,956.00	-1,767,956.00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	845,711	849,175	96,536	845,711.00	849,174.63	96,536.38
Industrial	176,594	176,594	-	176,594.25	176,594.25	-
Business and Commercial	445,238	447,320	2,113	445,207.75	447,320.25	2,112.50
Agricultural	410,681	411,280	600	410,600.00	411,280.50	680.50
Mining	-	-	-	-	-	-
State Owned for Public Purpose	432,003	432,003	-	432,003.00	432,003.00	-
PSI	-	-	-	-	-	-
PBD	3,689	3,416	282	3,697.53	3,415.75	281.78
Multi Use	-	-	-	-	-	-
Vacant	13,834	12,573	1,261	13,833.83	12,572.63	1,261.00
PCW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R2,427,637.75	R2,332,271.00	R95,366.75	2,427,637.75	2,332,271.00	95,366.75

Prepared By		Date	2024/05/13
Signature			
Reviewed By		Date	2024-05-13
Signature			

MFMA Circular 124 – Maintain Eskom & Water Bulk Accounts

Standard Bank of South Africa

Computer Generated Copy

The Standard Bank of South Africa Limited (Registered Bank Reg. No. 1952/000738/06)

REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024124001
Sub Module	SSVS	Action date	20240503
Description	EST71 20240503 12:21:31.8		
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	1		
Acc No / CDI	280110022		
Branch No	50014		
Statement Ref	KANNALAND MUN		
Account Name	CALITZDORP BESPROEINGSRAAD		
Creditor Code	C2		
Amount	67,327.33		
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	20240503	VAT Registration	4540197260
Branch	000113	LADISMITH CAPE	Statement No	375		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240502	396,503.34
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	1,000.00	20240502	397,503.34
	CR EFTPOS RCB 1 0000643109682					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	1,000.00	20240502	400,503.34
	CR EFTPOS PLC 9 0003063109577					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	2,000.00	20240502	402,503.34
	CR EFTPOS EY4 U 0000143109453					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	6,428.00	20240502	408,931.34
	DR EFTPOS RCB 1 0000643109682					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	8,119.40	20240502	417,050.74
	DR EFTPOS PLC 9 0003063109577					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	15,661.44	20240502	432,712.18
	DR EFTPOS EY4 U 0000143109453					
1	FEE: CASH DEPOSIT - COINS	0.00	-0.03	0.00	20240502	432,712.15
	420543546 R18625.00 02/05					
1	FEE: CASH DEPOSIT - COINS	0.00	-0.03	0.00	20240502	432,712.12
	420543546 R3515.70 02/05					
1	FEE: CASH DEPOSIT - NOTES	0.00	-7.75	0.00	20240502	432,704.37
	420543546 R1540.00 02/05					
1	FEE: CASH DEPOSIT - NOTES	0.00	-17.86	0.00	20240502	432,686.51
	420543546 R3515.70 02/05					
1	FEE: CASH DEPOSIT - NOTES	0.00	-94.86	0.00	20240502	432,591.65
	420543546 R18625.00 02/05					
1	MAGTAPE CREDIT	0.00	0.00	500.00	20240503	433,091.65
	POENAMA 213025757					
1	CREDIT TRANSFER	0.00	0.00	60,792.00	20240503	493,883.65
	ABSA BANK Dr Vender					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	174.00	20240503	494,057.65
	CBL393 REPRINT					
1	ELECTRONIC BANKING PAYMENT FR	0.00	0.00	1,134.00	20240503	495,191.65
	CBL790WP+CBLS930					
1	CASH DEPOSIT: NOTES	0.00	0.00	700.00	20240503	495,891.65
	COMOTORS 30042024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	1,967.80	20240503	497,859.45
	COMOTORS 29042024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	2,655.80	20240503	500,515.25
	CALITZDORP 29042024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	2,700.50	20240503	503,215.75
	COMOTORS 02052024					
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240503	503,215.75
2	CASH DEPOSIT NOTES/COINS	0.00	0.00	3,068.80	20240503	506,284.55
	CBL MOTORS 30042024					
2	CASH DEPOSIT NOTES/COINS	0.00	0.00	3,461.90	20240503	509,746.45
	ZOAR					
2	CASH DEPOSIT NOTES/COINS	0.00	0.00	6,716.90	20240503	516,463.35
	CALITZDORP					
2	CASH DEPOSIT NOTES/COINS	0.00	0.00	10,714.80	20240503	527,178.15
	CALITZDORP					
2	CASH DEPOSIT NOTES/COINS	0.00	0.00	17,344.50	20240503	544,522.65
	LADISMITH					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-3,333.33	0.00	20240503	541,189.32
	JACOB JP JACOBS GAV5313:11					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-2,714.09	0.00	20240503	538,475.23
	BEECH BEECH JUANITA GAV5313:11					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-38,020.00	0.00	20240503	500,455.23
	BBD S BBD SERVING RVX0813:14					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-67,327.33	0.00	20240503	433,127.90
	C2 CALITZDORP BE GAV5313:11					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-45,813.20	0.00	20240503	387,314.70
	DEKLI DEKLI GAV5313:11					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-270,882.77	0.00	20240503	116,431.93
	MATEL MATELA SIBANY RVX0813:14					

** END OF REPORT **

DATE 20240507 15:17:19

Page : 1

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: 1
Datum: Wednesday, 03 April 2024

MUNISIPALE WATERVERBRUIK – CALITZDORP: Februarie 2024

Sub Oorverbruik

Maand	Mar-24	Mar-24
Meterlesing einde	Mar-24	7420780
Meterlesing begin	Mar-24	7350560
Ontrek	kl	70220
Dae @ 455 kl per dag toelaag	29	14105
Sub Oorverbruik 50028- 17667= 32361	kl	56115
Min beurt teruggegee	kl	0
Oorverbruik	kl	56115
0-26000 kl tarief @ 1.10	26000 R	28 600,00
26000-36000kl @ 2.21kl	13550 R	29 945,50
46000 - 56000 kl tarief	0 R	-
56 000 en meer tarief	0 R	-
Sub Oorverbruik	R	58 545,50
Plus 15% BTW	R	8 781,83
Totaal verskuldig	R	67 327,33

56115 - 165656 = 39550

Glykskaal met ingang 2023

Dae		31
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

Terme:

1. Betaalbaar binne dertig (30) dae vanaf datum van rekening.
2. Betalings mag nie weerhou word totdat 'n geskil besleg is nie.
3. Rente teen 16% word gehef op rekeninge ouer as 30 dae.
4. Versuim om huidige faktuur binne dertig dae vanaf datum van faktuur te betaal sal meebring dat watervoorsiening 2 dae na sperdatum outomaties verminder word tot slegs die toegelate gratis 455kl water per dag tot volle vereffening van faktuur.

Standard Bank of South Africa

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

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024127002
Sub Module	SSVS	Action date	20240506
Description	LJT64 20240506 14:47:31.4		
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)
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	KANNALAND MUN		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	4,431,253.96		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

DATE : 2024-05-06 15:28:50

Page : 1

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	20240506	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	377		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240504	114,528.57
1	BUSINESS ELECT BANK CHARGES ## STNDRDBANK BOL OCK31 APR 24	0.00	-5,303.10	0.00	20240504	109,225.47
1	CREDIT TRANSFER KANNA 3000021402	0.00	0.00	66.70	20240506	109,292.17
1	IB PAYMENT FROM KANNA 1013680025	0.00	0.00	1,536.00	20240506	110,828.17
1	CASH DEPOSIT NOTES/COINS LADISMITH	0.00	0.00	25,453.20	20240506	136,281.37
1	ELECTRONIC BANKING TRANSFER FR TRF IRO ESKOM BULK ACC	0.00	0.00	5,100,000.00	20240506	5,236,281.37
1	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING GAV/5314:51	0.00	-700,000.00	0.00	20240506	4,536,281.37
1	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING GAV/5314:51	0.00	-4,431,253.96	0.00	20240506	105,027.41
1	DEBIT TRANSFER RENTAL COM-2600/196-274/1E	19.00	-5,216.77	0.00	20240506	99,810.64

** END OF REPORT **



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

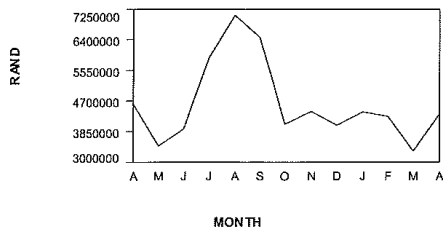
DIRECT DEPOSIT DETAIL
BANK: ABSA
BRANCH CODE: 334111
BANK ACC NO: 340167431

YOUR ACCOUNT NO	7052108005
SECURITY HELD	0.01
BILLING DATE	2024-04-08
TAX INVOICE NO	705595159230
ACCOUNT MONTH	APRIL 2024
CURRENT DUE DATE	2024-05-08
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY			
FIXED CHARGE	R		25,465.00
ADMINISTRATION CHARGE	R		4,987.28
TRANSMISSION NETWORK CAPACITY	R		142,400.00
DIST. NETWORK CAPACITY CHARGE	R		102,500.00
NETWORK DEMAND CHARGE	R		99,329.54
URBAN LOW VOLTAGE SUBSIDY	R		251,000.00
ANCILLARY SERVICE (ALL)	R		16,506.83
ENERGY CHARGE (STD)	922,968.00	R	1,144,480.32
ENERGY CHARGE (PEAK)	359,472.00	R	647,768.54
ENERGY CHARGE (OFF)	1,257,074.00	R	988,814.41
ELECTRIFICATION AND RURAL SUBS (ALL)		R	352,992.31
SERVICE CHARGE		R	11,064.52
TOTAL CHARGES FOR BILLING PERIOD		R	3,787,308.75
ACCOUNT SUMMARY FOR APRIL 2024			
BALANCE BROUGHT FORWARD	(Due Date 2024-04-06)	R	34,857,263.81
PAYMENT(S) RECEIVED	Cash - 2024-04-05	R	-4,082,283.97
TOTAL CHARGES FOR BILLING PERIOD		R	3,787,308.75
ADJUSTMENT	BALANCE TRANSFER - to/from account 7052108005	R	-29,284.75
ADJUSTMENT	BALANCE TRANSFER - to/from account 7052108005	R	29,284.75
ADJUSTMENT	BALANCE TRANSFER - to/from account 9148061461	R	46,564.15
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	568,096.31
11020200050000			
ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
22,334,210.4	0.00	8,411,484.63	0.00
			CURRENT
			4,431,253.96
TOTAL DUE R			35,176,949.05
Account OVERDUE - Subject to Disconnection			



PAGE RUN NO	EE 261
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO
7052108005
NAME
KANNALAND LOCAL MUNICIPALITY
FAX NUMBER
0866160914

0934 7052108005

11341 7052108005



8207 2705 2108 0051



TOTAL AMOUNT DUE
35,176,949.05

PAYMENT ARRANGEMENT
INSTALMENT
0.00
ARREARS (Due Immediately)
30,745,695.0
DUE DATE (For Current Amount)
2024-05-08
AMOUNT PAID

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

Standard Bank of South Africa

The Standard Bank of South Africa Limited Registered Bank Reg. No. 1962/000739/06

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024127002
Sub Module	SSVS	Action date	20240506
Description	LJT64 20240506 14:47:31.4		
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)
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	700,000.00		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

Standard Bank of South Africa

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024128002
Sub Module	SSVS	Action date	20240507
Description	LJT64 20240507 07:56:41.1	Finalreleasingoperators	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	6940893537		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	523,791.25		
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	20240506	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	377		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240504	114,528.57
1	BUSINESS ELECT BANK CHARGES ##	0.00	-5,303.10	0.00	20240504	109,225.47
	STNDRDBANK BOL OCK31 APR 24					
1	CREDIT TRANSFER	0.00	0.00	66.70	20240506	109,292.17
	KANNA 3000021402					
1	IB PAYMENT FROM	0.00	0.00	1,536.00	20240506	110,828.17
	KANNA 1013680025					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	25,453.20	20240506	136,281.37
	LADISMITH					
1	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	5,100,000.00	20240506	5,236,281.37
	TRF IRO ESKOM BULK ACC					
1	ELECTRONIC BANKING PAYMENT TO	0.00	-700,000.00	0.00	20240506	4,536,281.37
	ESKOM ESKOM HOLDING GAV5314:51					
1	ELECTRONIC BANKING PAYMENT TO	0.00	-4,431,253.96	0.00	20240506	105,027.41
	ESKOM ESKOM HOLDING GAV5314:51					
1	DEBIT TRANSFER	19.00	-5,216.77	0.00	20240506	99,810.64
	RENTAL COM-2600/196-274/1E					

** END OF REPORT **

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	000420543546	KANNALAND MUNICIPAL	Statement For	20240507	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	378		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240506	99,810.64
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	228.00	20240506	100,038.64
	CR EFTPOS PLC 9 0003113106577					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	3,106.00	20240506	103,146.64
	CR EFTPOS RCB 1 0000663109682					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	3,836.30	20240506	106,982.94
	DR EFTPOS PLC 9 0003113106577					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	11,051.60	20240506	118,034.54
	DR EFTPOS RCB 1 0000663109682					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	12,589.00	20240506	130,623.54
	DR EFTPOS EY4 U 0000163109453					
1	FEE: CASH DEPOSIT - COINS #	0.00	-0.02	0.00	20240506	130,623.52
	420543546 R25453.20 06/05					
1	FEE: CASH DEPOSIT - NOTES #	0.00	-128.01	0.00	20240506	130,495.51
	420543546 R25453.20 06/05					
1	MAGTAPE CREDIT	0.00	0.00	8,228.45	20240507	138,723.96
	ROSENHOF 1014360005					
1	MAGTAPE CREDIT	0.00	0.00	767.27	20240507	139,491.23
	ROSENHOF 1013910009					
1	MAGTAPE CREDIT	0.00	0.00	1,402.82	20240507	140,894.05
	ROSENHOF 1003620013					
1	CREDIT TRANSFER	0.00	0.00	3,705.44	20240507	144,599.49
	ABSA BANK KANNA1007390024					
1	IB PAYMENT FROM	0.00	0.00	694.00	20240507	145,293.49
	WITHOEK BOERDERY					
1	IB PAYMENT FROM	0.00	0.00	1,356.57	20240507	146,640.06
	WITHOEK BOERDERY					
1	IB PAYMENT FROM	0.00	0.00	1,618.54	20240507	148,258.60
	WITHOEK BOERDERY					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	2,727.60	20240507	150,986.20
	CBL MOTORS 02/05/2024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	3,012.60	20240507	153,998.80
	CBL MOTORS 03/05/2024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	42,277.10	20240507	196,275.90
	LADISMITH					
1	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	80,000.00	20240507	276,275.90
	TRF TOURISM TO MAIN					
1	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	650,000.00	20240507	926,275.90
	OWN TO MAIN					
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240507	926,275.90
2	ELECTRONIC BANKING PAYMENT TO	0.00	-3,743.40	0.00	20240507	922,532.50
	AFRIK AFRIKANER LEE GAV5314.58					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-4,022.77	0.00	20240507	918,509.73
	ABRAH ABRAHAMS AC GAV5314.58					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-4,585.51	0.00	20240507	913,924.22
	SEREO SEREO DJ GAV5314.58					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-12,012.00	0.00	20240507	901,912.22
	MUN K KANNALAND MUN GAV5314.58					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-40,000.00	0.00	20240507	861,912.22
	C16 CALITZDORP TO GAV5314.58					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-40,000.00	0.00	20240507	821,912.22
	L36 LADISMITH TOE GAV5314.58					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-523,791.25	0.00	20240507	298,120.97
	ESKOM ESKOM HOLDING RVX8808.01					
2	ACCOUNT PAYMENT	5.50	-34,570.74	0.00	20240507	263,550.23
	SBSA FLEET17746280000439906					
2	ELECTRONIC BANKING TRANSFER TO	0.00	-117,591.60	0.00	20240507	145,958.63
	DEP TRANSPORT REC					

** END OF REPORT **



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 WEBSI
<https://csonline.eskom.co.za>

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL

BANK: ABSA
BRANCH CODE: 334111
BANK ACC NO: 340167431

YOUR ACCOUNT NO	6940893537
SECURITY HELD	0.01
BILLING DATE	2024-04-08
TAX INVOICE NO	694929243252
ACCOUNT MONTH	APRIL 2024
CURRENT DUE DATE	2024-05-08
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	4,987.28
DIST. NETWORK CAPACITY CHARGE	R	75,304.15
DX EXCESS NETWORK CAPACITY CHA	R	26,038.02
NETWORK DEMAND CHARGE (C/KWH)	R	45,481.74
ANCILLARY SERVICE (ALL)	R	4,912.62
ENERGY CHARGE (PEAK)	109,471.00	R 203,681.74
ENERGY CHARGE (STD)	263,636.00	R 337,612.26
ENERGY CHARGE (OFF)	318,812.00	R 258,907.23
ELECTRIFICATION AND RURAL SUBS (ALL)		R 96,176.74
SERVICE CHARGE	R	11,064.52

TOTAL CHARGES FOR BILLING PERIOD	R	1,064,166.30
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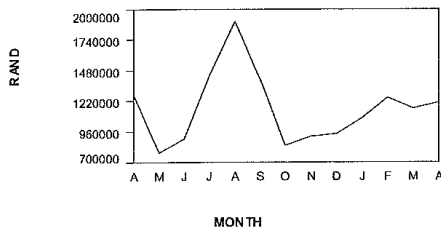
ACCOUNT SUMMARY FOR APRIL 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-04-06)	R	10,264,136.43
PAYMENT(S) RECEIVED	Cash - 2024-04-05	R	-1,172,476.38
TOTAL CHARGES FOR BILLING PERIOD		R	1,064,166.30
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	159,624.95

11020200050000

ARREARS				CURRENT	TOTAL DUE	R	10,315,451.30
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS				
6,653,390.98	1,265,792.69	1,172,476.38	0.00	1,223,791.25			

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 247
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

6940893537

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

0934 6940893537

6940893537

11341



9207 2694 0893 5379



TOTAL AMOUNT DUE

10,315,451.30

PAYMENT ARRANGEMENT

INSTALMENT

0.01

ARREARS (Due Immediately)

9,091,660.0

DUE DATE (For Current Amount)

2024-05-08

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

SECTION 15 – QUALITY CERTIFICATION



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, Dillo Sereo Acting Accounting Officer of **Kannaland Municipality WC041**,
(name of municipality), hereby certify that –

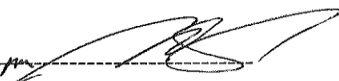
(mark as appropriate)

- ☒ 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 **April 2024** (month/year) has been prepared in accordance with
the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Acting Municipal Manager of **Kannaland Municipality WC041**

Signature 

Date :08 May 2024