



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for June 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 June 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.

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 June 2024.

That the Executive Mayor takes cognisance of the Eskom Debt Relief Report for June 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 233 809	R 47 624	R 247 427	R 13 618	6%
Operating Expenditure	R 253 451	R 253 451	R 39 239	R 236 562	R (16 889)	-7%
Capital	R 17 412	R 17 412	R 5 921	R 14 486	R (2 925)	-17%

Refer to Table C4 for more detail on operating revenue & expenditure.

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 247 million. This represents 106% of total revenue to dates

Operational Expenditure

The municipality's total operational expenditure budget amounts to R253 million, with a year-to-date performance of R237 million, or 93% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R17 million with a year-to-date performance of R 14.4 million, or 83% of the total capital budget.

Operating Surplus/Deficit

The variances for operating revenue amounted to R13.6 million exceeding budget, and expenditure amounting to R 16.8 million below budget, with an operating surplus of R 5.9 million surplus for the month under review. This performance is to be noted against an unfunded budget.

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 spending of capital budget;
- (c) 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 - M12 June									
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	2 339	28 008	26 915	1 093	4%	26 915
Service charges	101 947	117 388	117 388	14 892	124 860	117 388	7 471	6%	117 388
Investment revenue	1 845	960	960	97	1 766	960	806	84%	960
Transfers and subsidies - Operational	41 576	64 252	71 715	28 947	70 878	71 715	(837)	-1%	71 715
Other own revenue	12 828	16 831	16 831	1 348	21 916	16 831	5 085	30%	16 831
Total Revenue (excluding capital transfers and contributions)	183 758	226 346	233 809	47 624	247 427	233 809	13 618	6%	233 809
Employee costs	80 917	79 933	92 465	8 322	95 959	92 465	3 494	4%	92 465
Remuneration of Councillors	3 273	3 276	3 866	308	3 956	3 866	90	2%	3 866
Depreciation and amortisation	13 957	11 762	11 885	980	11 762	11 885	(123)	-1%	11 885
Interest	6 069	8 000	1 100	(502)	(2)	1 100	(1 102)	-100%	1 100
Inventory consumed and bulk purchases	58 220	64 991	64 441	6 645	59 749	64 441	(4 692)	-7%	64 441
Transfers and subsidies	255	920	400	188	396	400	(4)	-1%	400
Other expenditure	66 566	72 573	79 294	23 297	64 744	79 294	(14 551)	-18%	79 294
Total Expenditure	229 258	241 455	253 451	39 239	236 562	253 451	(16 889)	-7%	253 451
Surplus/(Deficit)	(45 500)	(15 109)	(19 642)	8 385	10 865	(19 642)	30 507	-155%	(19 642)
Transfers and subsidies - capital (monetary allocations)	8 426	15 804	19 233	5 846	16 540	19 233	(2 694)	-14%	19 233
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(37 074)	695	(409)	14 230	27 405	(409)	27 814	-6801%	(409)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(37 074)	695	(409)	14 230	27 405	(409)	27 814	-6801%	(409)
Capital expenditure & funds sources									
Capital expenditure	3 047	13 743	17 412	5 921	14 486	17 412	(2 925)	-17%	17 412
Capital transfers recognised	17 231	13 743	16 751	5 921	14 011	16 751	(2 740)	-16%	16 751
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(21 238)	-	661	-	475	661	(186)	-28%	661
Total sources of capital funds	(4 007)	13 743	17 412	5 921	14 486	17 412	(2 925)	-17%	17 412
Financial position									
Total current assets	(11 558)	(23 714)	(17 323)		(697)				(17 323)
Total non current assets	313 240	1 981	5 527		320 382				5 527
Total current liabilities	70 652	(22 971)	(12 260)		93 098				(12 260)
Total non current liabilities	44 555	-	-		30 889				-
Community wealth/Equity	157 906	2 867	2 867		168 294				2 867
Cash flows									
Net cash from (used) operating	75 736	5 823	9 189	(3 266)	72 612	9 189	(63 423)	-690%	223 862
Net cash from (used) investing	(8 808)	(13 258)	(17 412)	(4 757)	(14 217)	17 412	31 629	182%	17 412
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	104 970	(7 435)	(8 222)	-	95 040	26 601	(68 439)	-257%	277 918
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	9 013	4 971	6 982	6 253	3 256	3 403	14 384	105 124	153 386
Creditors Age Analysis									
Total Creditors	17 019	4 093	3 406	-	-	-	-	63 463	87 981

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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June										
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										
Governance and administration		68 359	50 659	52 394	3 769	79 236	52 394	26 842	51%	52 394
Executive and council		33 573	12 961	13 261	63	35 452	13 261	22 190	167%	13 261
Finance and administration		34 786	37 698	39 133	3 707	43 784	39 133	4 651	12%	39 133
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 776	36 120	42 887	29 911	43 407	42 887	520	1%	42 887
Community and social services		11 666	15 750	16 841	2 455	15 906	16 841	(935)	-6%	16 841
Sport and recreation		0	-	-	-	46	-	46	-	-
Public safety		110	-	-	-	(0)	-	(0)	-	-
Housing		-	20 370	26 046	27 456	27 456	26 046	1 410	5%	26 046
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 239	4 604	4 904	173	2 261	4 904	(2 642)	-54%	4 904
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		2 239	4 604	4 904	173	2 261	4 904	(2 642)	-54%	4 904
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		109 810	150 767	152 857	19 533	138 980	152 857	(13 877)	-9%	152 857
Energy sources		65 268	81 032	81 103	6 095	73 564	81 103	(7 539)	-9%	81 103
Water management		23 004	37 355	39 374	11 521	41 886	39 374	2 511	6%	39 374
Waste water management		10 774	16 612	16 612	972	11 945	16 612	(4 667)	-28%	16 612
Waste management		10 764	15 769	15 769	946	11 586	15 769	(4 183)	-27%	15 769
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	192 184	242 150	253 042	53 387	263 884	253 042	10 842	4%	253 042
Expenditure - Functional										
Governance and administration		79 185	86 605	89 273	8 075	77 246	89 273	(12 027)	-13%	89 273
Executive and council		21 671	24 748	23 656	2 829	24 535	23 656	879	4%	23 656
Finance and administration		57 515	61 858	65 618	5 246	52 711	65 618	(12 906)	-20%	65 618
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		15 746	31 175	37 951	19 877	37 488	37 951	(462)	-1%	37 951
Community and social services		10 203	8 894	9 359	502	7 999	9 359	(1 359)	-15%	9 359
Sport and recreation		1 096	532	1 096	86	868	1 096	(228)	-21%	1 096
Public safety		1 342	280	280	127	1 458	280	1 179	421%	280
Housing		3 105	21 469	27 216	19 162	27 162	27 216	(54)	0%	27 216
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		16 130	17 691	20 645	1 308	14 291	20 645	(6 355)	-31%	20 645
Planning and development		5	-	-	-	-	-	-	-	-
Road transport		16 125	17 691	20 645	1 308	14 291	20 645	(6 355)	-31%	20 645
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		118 197	105 983	105 582	8 572	106 129	105 582	547	1%	105 582
Energy sources		64 317	70 336	65 580	5 544	61 263	65 580	(4 317)	-7%	65 580
Water management		24 204	14 006	17 622	1 439	22 304	17 622	4 682	27%	17 622
Waste water management		14 599	10 984	11 509	700	10 249	11 509	(1 260)	-11%	11 509
Waste management		15 077	10 657	10 871	889	12 313	10 871	1 442	13%	10 871
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	229 258	241 455	253 451	37 831	235 154	253 451	(18 297)	-7%	253 451
Surplus/ (Deficit) for the year		(37 074)	695	(409)	15 555	28 730	(409)	29 139	-7125%	(409)

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) - M12 June										
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	63	35 452	13 261	22 190	167,3%	13 261
Vote 2 - CORPORATE SERVICES		13 175	41 883	48 785	29 988	44 545	48 785	(4 240)	-8,7%	48 785
Vote 3 - FINANCIAL SERVICES		33 986	34 750	36 050	3 679	43 144	36 050	7 094	19,7%	36 050
Vote 4 - TECHNICAL SERVICES		111 450	152 556	154 946	19 657	140 743	154 946	(14 203)	-9,2%	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	253 042	53 387	263 884	253 042	10 842	4,3%	253 042
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		21 671	24 748	23 656	2 829	24 535	23 656	879	3,7%	23 656
Vote 2 - CORPORATE SERVICES		37 646	55 025	65 343	22 817	65 106	65 343	(238)	-0,4%	65 343
Vote 3 - FINANCIAL SERVICES		38 564	38 044	41 049	2 368	26 451	41 049	(14 598)	-35,6%	41 049
Vote 4 - TECHNICAL SERVICES		129 996	121 333	121 098	9 637	117 715	121 098	(3 383)	-2,8%	121 098
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		1 381	2 305	2 305	180	1 348	2 305	(957)	-41,5%	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	37 831	235 154	253 451	(18 297)	-7,2%	253 451
Surplus/ (Deficit) for the year	2	(37 074)	695	(409)	15 555	28 730	(409)	29 139	-7125,4%	(409)

2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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	15 984	138 300	127 346	10 954	9%	127 346
Service charges - Electricity			64 073	76 101	76 101	6 039	73 292	76 101	(2 809)	-4%	76 101
Service charges - Water			20 258	22 267	22 267	7 373	33 365	22 267	11 098	50%	22 267
Service charges - Waste Water Management			8 707	9 610	9 610	746	9 196	9 610	(413)	-4%	9 610
Service charges - Waste management			8 910	9 410	9 410	734	9 006	9 410	(404)	-4%	9 410
Sale of Goods and Rendering of Services			428	396	396	28	483	396	87	22%	396
Agency services			1 215	1 350	1 350	64	1 208	1 350	(142)	-10%	1 350
Interest			-	-	-	-	-	-	-	-	-
Interest earned from Receivables			6 176	5 929	5 929	794	8 623	5 929	2 695	45%	5 929
Interest earned from Current and Non Current Assets			1 845	960	960	97	1 766	960	806	84%	960
Dividends			-	-	-	-	-	-	-	-	-
Rent on Land			-	-	-	-	-	-	-	-	-
Rental from Fixed Assets			611	1 098	1 098	70	670	1 098	(428)	-39%	1 098
Licence and permits			171	159	159	20	202	159	43	27%	159
Operational Revenue			602	66	66	19	487	66	421	636%	66
Non-Exchange Revenue			70 762	99 000	106 463	31 640	109 127	106 463	2 665	3%	106 463
Property rates			25 562	26 915	26 915	2 339	28 008	26 915	1 093	4%	26 915
Surcharges and Taxes			-	-	(0)	-	6 032	(0)	6 032	#####	(0)
Fines, penalties and forfeits			395	2 501	2 501	43	285	2 501	(2 216)	-89%	2 501
Licence and permits			0	30	30	-	0	30	(30)	-100%	30
Transfer and subsidies - Operational			41 576	64 252	71 715	28 947	70 878	71 715	(837)	-1%	71 715
Interest			2 561	2 802	2 802	253	3 208	2 802	406	15%	2 802
Fuel Levy			-	-	-	-	-	-	-	-	-
Operational Revenue			667	-	-	58	716	-	716	-	-
Gains on disposal of Assets			-	2 500	2 500	-	-	2 500	(2 500)	-100%	2 500
Other Gains			-	-	-	-	-	-	-	-	-
Discontinued Operations			-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			183 758	226 346	233 809	47 624	247 427	233 809	13 618	6%	233 809
Expenditure By Type											
Employee related costs			80 917	79 933	92 465	8 322	95 959	92 465	3 494	4%	92 465
Remuneration of councillors			3 273	3 276	3 866	308	3 956	3 866	90	2%	3 866
Bulk purchases - electricity			55 313	56 045	56 045	5 381	54 318	56 045	(1 727)	-3%	56 045
Inventory consumed			2 907	8 946	8 396	1 264	5 431	8 396	(2 965)	-35%	8 396
Debt impairment			29 561	16 691	16 691	-	-	16 691	(16 691)	-100%	16 691
Depreciation and amortisation			13 957	11 762	11 885	980	11 762	11 885	(123)	-1%	11 885
Interest			6 069	8 000	1 100	(502)	(2)	1 100	(1 102)	-100%	1 100
Contracted services			19 896	33 727	40 231	21 256	34 510	40 231	(5 721)	-14%	40 231
Transfers and subsidies			255	920	400	188	396	400	(4)	-1%	400
Irrecoverable debts written off			46	-	-	79	17 622	-	17 622	-	-
Operational costs			16 806	22 156	22 373	1 962	12 611	22 373	(9 761)	-44%	22 373
Losses on Disposal of Assets			(609)	-	-	-	-	-	-	-	-
Other Losses			866	-	-	-	-	-	-	-	-
Total Expenditure			229 258	241 455	253 451	39 239	236 562	253 451	(16 889)	-7%	253 451
Surplus/(Deficit)			(45 500)	(15 109)	(19 642)	8 385	10 865	(19 642)	30 507	(0)	(19 642)
Transfers and subsidies - capital (monetary allocations)			8 426	15 804	19 233	5 846	16 540	19 233	(2 694)	(0)	19 233
Transfers and subsidies - capital (in-kind)			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			(37 074)	695	(409)	14 230	27 405	(409)			(409)
Income Tax			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax			(37 074)	695	(409)	14 230	27 405	(409)			(409)
Share of Surplus/Deficit attributable to Joint Venture			-	-	-	-	-	-			-
Share of Surplus/Deficit attributable to Minorities			-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality			(37 074)	695	(409)	14 230	27 405	(409)			(409)
Share of Surplus/Deficit attributable to Associate			-	-	-	-	-	-			-
Intercompany/Parent subsidiary transactions			-	-	-	-	-	-			-
Surplus/ (Deficit) for the year			(37 074)	695	(409)	14 230	27 405	(409)			(409)

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 6.3 million for **June 2024** and R 33 million YTD which represents positive 50% variance to the adjustment budget.
- **Sale of goods and Rendering of Services** – amounts to R 25 thousand for **June 2024** and R 480 thousand YTD which represents positive 21% 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 64 thousand for **Jun 2024** and R 1.2 million YTD which represents a negative 10% variance to the adjustment budget.
- **Interest Earned on Investments** – (positive **84%** 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 **45%** 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 70 thousand and R 670 thousand YTD which represents a negative **39%** 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 **27%** YTD variance from the adjustment budget). Amounted to R 20 thousand for the month of **June 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.

- **Interest** - amounted to R 253 thousand for the month of **June 2024**.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

2.6 OPERATING EXPENDITURE BY TYPE

- **Inventory Consumed** – amounted to R 1.2 million for **June 2024** and R 5.3 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 20.8 million in **June 2024** and R 34 million YTD. This can be contributed to the Municipalities successful attempt to implement cost containment measures.
- **Other Expenditure** - amounted to R 1.6 million in **June 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) - M12 June										
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	66	66	206	(140)	-68%	206
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		(0)	7 294	12 531	3 582	10 363	12 531	(2 168)	-17%	12 531
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	12 737	3 648	10 429	12 737	(2 308)	-18%	12 737
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		0	-	261	-	-	261	(261)	-100%	261
Vote 2 - CORPORATE SERVICES		(21 238)	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		7 054	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		17 231	6 449	4 413	2 273	4 057	4 413	(356)	-8%	4 413
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	4 674	2 273	4 057	4 674	(617)	-13%	4 674
Total Capital Expenditure	3	3 047	13 743	17 412	5 921	14 486	17 412	(2 925)	-17%	17 412
Capital Expenditure - Functional Classification										
Governance and administration		7 054	-	261	-	-	261	(261)	-100%	261
Executive and council		0	-	261	-	-	261	(261)	-100%	261
Finance and administration		7 054	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	206	66	66	206	(140)	-68%	206
Community and social services		-	-	206	66	66	206	(140)	-68%	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	16 945	5 855	14 420	16 945	(2 524)	-15%	16 945
Energy sources		873	485	62	-	-	62	(62)	-100%	62
Water management		(873)	6 449	6 473	3 087	4 871	6 473	(1 602)	-25%	6 473
Waste water management		17 231	6 809	9 246	1 638	8 419	9 246	(827)	-9%	9 246
Waste management		-	-	1 163	1 130	1 130	1 163	(33)	-3%	1 163
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	3 047	13 743	17 412	5 921	14 486	17 412	(2 925)	-17%	17 412
Funded by:										
National Government		17 231	13 743	14 031	5 006	13 096	14 031	(935)	-7%	14 031
Provincial Government		-	-	2 719	915	915	2 719	(1 805)	-66%	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	16 751	5 921	14 011	16 751	(2 740)	-16%	16 751
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		(21 238)	-	661	-	475	661	(186)	-28%	661
Total Capital Funding	7	(4 007)	13 743	17 412	5 921	14 486	17 412	(2 925)	-17%	17 412

CAPITAL EXPENDITURE

- The Municipality remains on track with its capital expenditure. It had a **R 5.8 million** expenditure in **June 2024**.

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M12 June						
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)	(9 556)	11 656	(9 556)
Trade and other receivables from exchange transactions		4 505	(9 478)	(9 478)	8 709	(9 478)
Receivables from non-exchange transactions		(323)	(1 128)	(1 128)	3 381	(1 128)
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 400	(8 946)	(8 386)	2 342	(8 386)
VAT		(37 806)	10 468	11 225	(25 651)	11 225
Other current assets		(1 063)	-	-	(1 133)	-
Total current assets		(11 558)	(23 714)	(17 323)	(697)	(17 323)
Non current assets						
Investments		-	-	-	-	-
Investment property		1 111	-	-	1 116	-
Property, plant and equipment		312 120	1 981	5 527	319 256	5 527
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	5 527	320 382	5 527
TOTAL ASSETS		301 682	(21 733)	(11 796)	319 685	(11 796)
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 364	-	-	1 446	-
Trade and other payables from exchange transactions		88 169	(19 856)	(9 145)	90 792	(9 145)
Trade and other payables from non-exchange transactions		13 792	-	-	17 096	-
Provision		7 477	-	-	8 491	-
VAT		(40 151)	(3 115)	(3 115)	(24 727)	(3 115)
Other current liabilities		-	-	-	-	-
Total current liabilities		70 652	(22 971)	(12 260)	93 098	(12 260)
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		115 207	(22 971)	(12 260)	123 986	(12 260)
NET ASSETS	2	186 475	1 238	464	195 698	464
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		157 444	2 867	2 867	167 832	2 867
Reserves and funds		462	-	-	462	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	157 906	2 867	2 867	168 294	2 867

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M12 June										
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	1 870	17 177	22 305	(5 128)	-23%	22 305
Service charges		73 390	120 923	120 373	10 139	82 221	120 373	(38 152)	-32%	120 373
Other revenue		2 794	9 067	9 067	1 365	16 053	9 067	6 986	77%	9 067
Transfers and Subsidies - Operational		43 410	64 252	71 715	6 443	73 430	71 715	1 715	2%	71 715
Transfers and Subsidies - Capital		13 170	15 804	19 233	2 440	19 652	19 233	419	2%	19 233
Interest		1	50	50	0	3	50	(47)	-95%	50
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(61 949)	(226 578)	(233 554)	(25 523)	(135 922)	(233 554)	(97 632)	42%	(18 881)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 736	5 823	9 189	(3 266)	72 612	9 189	(63 423)	-690%	223 862
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)	(17 412)	(4 757)	(14 217)	17 412	31 629	182%	17 412
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 808)	(13 258)	(17 412)	(4 757)	(14 217)	17 412	31 629	182%	17 412
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)	(8 222)	(8 024)	58 395	26 601			241 273
Cash/cash equivalents at beginning:		38 042	-	-	-	36 645	-			36 645
Cash/cash equivalents at month/year end:		104 970	(7 435)	(8 222)	-	95 040	26 601			277 918

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

- Standard Bank Main Account is **R 397 thousand**;
- The Traffic Account has **R 736 thousand**;
- Deposit Account has **R 136 thousand**;
- Call Account has **R 7 621 million**; and
- Eskom Bulk Account has **R 421 thousand**

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June													
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	7 616	903	4 195	3 957	1 218	1 387	3 575	20 276	43 126	30 412	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 038	1 766	634	286	195	162	435	912	5 429	1 990	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 825	993	808	716	656	627	3 367	22 860	31 851	28 226	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	381	360	356	349	346	357	1 974	12 497	16 622	15 525	-	-
Receivables from Exchange Transactions - Waste Management	1600	802	629	593	557	549	538	3 067	18 096	24 832	22 808	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	1	-	124	168	87	145	1 033	26 791	28 349	28 224	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(2 650)	319	272	220	206	187	933	3 692	3 177	5 237	-	-
Total By Income Source	2000	9 013	4 971	6 982	6 253	3 256	3 403	14 384	105 124	153 386	132 421	-	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(42)	442	355	222	35	34	182	102	1 331	575	-	-
Commercial	2300	181	202	201	146	187	143	907	3 838	5 804	5 221	-	-
Households	2400	9 022	4 046	6 269	5 724	2 878	3 065	12 469	90 169	133 643	114 305	-	-
Other	2500	(149)	281	157	161	156	162	825	11 016	12 608	12 319	-	-
Total By Customer Group	2600	9 013	4 971	6 982	6 253	3 256	3 403	14 384	105 124	153 386	132 421	-	-

The total amount owed to Kannaland Municipality amounted to **R 153 million** at the end of **June 2024**.

- **R105 million or 69%** of the total outstanding debtors are older than one year.
- **R132 million or 86%** 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 - M12 June											
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	7 067	228	192	-	-	-	-	39 832	47 319	-
Bulk Water	0200	62	-	-	-	-	-	-	-	62	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 307	45	46	-	-	-	-	1 165	2 562	-
Auditor General	0800	4 172	3 532	2 833	-	-	-	-	5 394	15 931	-
Other	0900	4 411	288	336	-	-	-	-	17 073	22 108	-
Total By Customer Type	1000	17 019	4 093	3 406	-	-	-	-	63 463	87 981	-

- The total outstanding creditors as at the end of **June 2024** amounts to **R 87.98 million**.

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

- ESKOM = R47 million, of which the entire amount is conditionally written off. The other R40 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R22 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 and paid 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

KANNALAND MUNICIPALITY

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance '1 JULY 2023	Original Budget	Adjustments 2023-24	Repayments	Rejected Rollover	Grants Received	Written Off	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2024
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UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS

NATIONAL GOVERNMENT GRANTS

Equitable Share Grant		R 35,348,000				R 35,348,000		R 35,348,000		R -
Municipal Infrastructure Grant Project Management Unit		R 568,650				R 568,650		R 568,650		R 0
Municipal Infrastructure Grant	R 958,000	R 10,514,350	R 11,843,350	R 958,000	R 958,000	R 11,843,350		R -	R 11,625,269	R 218,081
Financial Management Grant	R 100	R 2,932,000				R 2,932,000		R 2,931,999		R 101
Expanded Public Works Programme Grant	R 390	R 1,220,000				R 1,220,000		R 1,219,573		R 817
Integrated National Electrification Programme	R 556,879				R -					R 556,879
Water Service Infrastructure Grant	R 62,699	R 5,000,000	R 4,500,000		R -	R 4,500,000			R 3,938,331	R 624,368
Total National Government Grants	R 1,578,068	R 55,583,000	R 16,343,350	R 958,000	R 958,000	R 56,412,000	R -	R 40,068,222	R 15,563,601	R 1,400,246

PROVINCIAL GOVERNMENT GRANTS

Integrated Housing & Human Settlement Beneficiaries	R 1,007,923									R 1,007,923
WC Financial Management Capacity Building Grant	R 342,198					R -		R -		R 342,198
Library Conditional Grant - Capital	R 23,576								R -	R 23,576
Municipal Replacement Fund - Library	R -	R 3,555,000	R 3,607,000			R 3,607,000		R 3,016,097		R 590,903
Community Development Workers	R -					R 113,000		R 103,640		R 9,360
Provincial Treasury Intervention Grant - Server	R 300,000					R -				R 300,000
Provincial Treasury Intervention Grant - Testing Kits	R -		R 79,214			R -		R 39,998	R -	R 39,216
Loadshedding Relief Grant - Generators	R -		R 70,935			R -		R 70,935	R -	R -
Drought Relief	R 82,509									R 82,509
Employee Support Grant	R 886							R -		R 886
WC Financial Management Support - General	R 573,634									R 573,634
WC Financial Management Support - Capacity Building	R 239,000									R 239,000
Municipal Intervention Grant - IT Server			R 300,000			R 300,000				R 300,000
Municipal Service Delivery and Capacity Building Grant			R 300,000			R 300,000				R 300,000
Western Cape Financial Recovery Services			R 1,000,000			R 1,000,000				R 1,000,000
Human Settlement		R 20,262,000	R 24,905,000			R 23,859,720		R 26,869,440		-R 3,009,720
Human Settlement Informal Settlement Upgrading Partnership	R 108,000		R 1,141,000			R -				R -
Municipal Intervention Grant - Meters	R -		R 1,000,000			R 1,000,000		R 485,024		R 514,976
Water Resilience Grant			R 1,000,000							R -
Water Resilience Grant			R 1,440,000			R 1,440,000		R 451,162		R 988,838
Total Provincial Government Grants	R 2,569,726	R 23,925,000	R 34,843,149	R -	R -	R 31,619,720	R -	R 31,036,296	R -	R 3,303,299

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

Expenditure:

- Financial Management Grant amounts to **R 863 thousand**.
- Municipal Infrastructure Grant (MIG) amounts **R 1.6 million** capital expenditure and MIG PMU amounts to **R47 thousand**.
- Expanded Public Works Programme amounts to **R 77 thousand**.

Provincial Treasury

Expenditure:


- Libraries Grant amounts to **R 521 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 - M12 June										
Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 827	2 990	3 580	255	3 354	3 580	(227)	-6%	3 580
Pension and UIF Contributions		36	-	-	16	152	-	152		-
Medical Aid Contributions		67	-	-	10	114	-	114		-
Motor Vehicle Allowance		52	-	-	3	36	-	36		-
Cellphone Allowance		292	286	286	25	300	286	14	5%	286
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		3 273	3 276	3 866	308	3 956	3 866	90	2%	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	384	3 431	3 899	(469)	-12%	3 899
Pension and UIF Contributions		5	9	9	1	7	9	(2)	-18%	9
Medical Aid Contributions		-	-	-	-	-	-	-		-
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		80	509	439	23	323	439	(116)	-26%	439
Cellphone Allowance		50	113	113	7	86	113	(27)	-24%	113
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		98	88	88	4	22	88	(65)	-74%	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	418	3 869	4 547	(678)	-15%	4 547
% increase	4		74,4%	53,5%						53,5%
Other Municipal Staff										
Basic Salaries and Wages		52 231	52 793	62 470	5 500	61 779	62 470	(691)	-1%	62 470
Pension and UIF Contributions		7 132	8 568	8 367	598	7 616	8 367	(751)	-9%	8 367
Medical Aid Contributions		2 168	1 687	2 417	203	2 399	2 417	(18)	-1%	2 417
Overtime		6 568	4 876	5 983	889	8 756	5 983	2 773	46%	5 983
Performance Bonus		1 975	752	1 002	-	786	1 002	(216)	-22%	1 002
Motor Vehicle Allowance		2 790	2 359	3 515	311	3 640	3 515	125	4%	3 515
Cellphone Allowance		127	100	131	7	108	131	(23)	-18%	131
Housing Allowances		337	173	345	28	339	345	(6)	-2%	345
Other benefits and allowances		6 515	2 851	3 009	362	6 390	3 009	3 381	112%	3 009
Payments in lieu of leave		(1 166)	150	280	-	270	280	(10)	-4%	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	87 519	7 898	92 083	87 519	4 564	5%	87 519
% increase	4		-4,7%	12,3%						12,3%
Total Parent Municipality		84 190	82 752	95 933	8 624	99 908	95 933	3 975	4%	95 933
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	457	399	-	-	399	(399)	-100%	399
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		-	-	-	-	-	-	-		-
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	0	1	-	1		-
Board Fees	5	-	-	-	-	-	-	-		-
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	2	-	457	399	0	1	399	(398)	-100%	399
% increase	4		0,0%	0,0%						0,0%
Total Municipal Entities		-	457	399	0	1	399	(398)	-100%	399
TOTAL SALARY, ALLOWANCES & BENEFITS		84 190	83 209	96 331	8 624	99 909	96 331	3 578	4%	96 331
% increase	4		-1,2%	14,4%						14,4%
TOTAL MANAGERS AND STAFF		80 917	79 476	92 067	8 316	95 952	92 067	3 886	4%	92 067

SECTION 4 – IMPLEMENTATION OF THE BUDGET FUNDING PLAN

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

<div>  KANNALAND MUNISIPALITEIT MUNICIPALITY </div> <div>Budget Funding Implementation Schedule</div>						
14-Jun-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	Achieved	1-Jun-24	30-Apr-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	Achieved	1-Sep-24	30-Apr-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	Achieved	1-Oct-24	30-Apr-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 contact 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)	Achieved	31-Jan-24	31-Jan-24	The Municipality is in the process of establishing a budget steering committee. Budget Steering Committee was established but have not yet resumed its functions
	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 Financial Performance 2023/24

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	15,977	138,294	127,346	10,947	9%	127,346
Service charges - Electricity		64,073	76,101	76,101	6,039	73,292	76,101	(2,809)	-4%	76,101
Service charges - Water		20,258	22,267	22,267	7,371	33,363	22,267	11,096	50%	22,267
Service charges - Waste Water Management		8,707	9,610	9,610	745	9,195	9,610	(415)	-4%	9,610
Service charges - Waste management		8,910	9,410	9,410	734	9,006	9,410	(404)	-4%	9,410
Sale of Goods and Rendering of Services		428	396	396	25	480	396	84	21%	396
Agency services		1,215	1,350	1,350	64	1,208	1,350	(142)	-10%	1,350
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6,176	5,929	5,929	794	8,623	5,929	2,695	45%	5,929
Interest earned from Current and Non Current Assets		1,845	960	960	97	1,766	960	806	84%	960
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		611	1,098	1,098	70	670	1,098	(428)	-39%	1,098
Licence and permits		171	159	159	20	202	159	43	27%	159
Operational Revenue		602	66	66	19	487	66	421	636%	66
Non-Exchange Revenue		70,762	99,000	106,463	31,564	109,051	106,463	2,588	2%	106,463
Property rates		25,562	26,915	26,915	2,339	28,008	26,915	1,093	4%	26,915
Surcharges and Taxes		-	-	(0)	-	6,032	(0)	6,032	#####	(0)
Fines, penalties and forfeits		395	2,501	2,501	43	285	2,501	(2,216)	-89%	2,501
Licence and permits		0	30	30	-	0	30	(30)	-100%	30
Transfer and subsidies - Operational		41,576	64,252	71,715	28,871	70,801	71,715	(913)	-1%	71,715
Interest		2,561	2,802	2,802	253	3,208	2,802	406	15%	2,802
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		667	-	-	58	716	-	716	-	-
Gains on disposal of Assets		-	2,500	2,500	-	-	2,500	(2,500)	-100%	2,500
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		183,758	226,346	233,809	47,541	247,344	233,809	13,536	6%	233,809
Expenditure By Type										
Employee related costs		80,917	79,933	92,465	8,316	95,953	92,465	3,488	4%	92,465
Remuneration of councillors		3,273	3,276	3,866	308	3,956	3,866	90	2%	3,866
Bulk purchases - electricity		55,313	56,045	56,045	4,710	53,648	56,045	(2,397)	-4%	56,045
Inventory consumed		2,907	8,946	8,396	1,232	5,398	8,396	(2,998)	-36%	8,396
Debt impairment		29,561	16,691	16,691	-	-	16,691	(16,691)	-100%	16,691
Depreciation and amortisation		13,957	11,762	11,885	980	11,762	11,885	(123)	-1%	11,885
Interest		6,069	8,000	1,100	(515)	(15)	1,100	(1,115)	-101%	1,100
Contracted services		19,896	33,727	40,231	20,839	34,094	40,231	(6,137)	-15%	40,231
Transfers and subsidies		255	920	400	188	396	400	(4)	-1%	400
Irrecoverable debts written off		46	-	-	79	17,622	-	17,622	-	-
Operational costs		16,806	22,156	22,373	1,693	12,342	22,373	(10,031)	-45%	22,373
Losses on Disposal of Assets		(609)	-	-	-	-	-	-	-	-
Other Losses		866	-	-	-	-	-	-	-	-
Total Expenditure		229,258	241,455	253,451	37,831	235,154	253,451	(18,297)	-7%	253,451
Surplus/(Deficit)		(45,500)	(15,109)	(19,642)	9,710	12,190	(19,642)	31,833	(0)	(19,642)


SECTION 5 – SCM DEVIATIONS

JUNE 2024 VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES					
ORDER	DATE	DEPARTMENT	SUPPLIER	AMOUNT	REASON
21161	14/06/2024	ADMINISTRATIVE SUPPORT SERVICES	BIDVEST STEINER	R 24,545.62	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 finalised.
21158	14/06/2024	ADMINISTRATIVE SUPPORT SERVICES	BIDVEST STEINER	R 31,022.87	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 finalised.
21190	24/06/2024	MUNICIPAL MANAGER	MATELA SIBAYONI & ASSOCIATES	R 44,275.03	KANNALAND MUCIPALITY HAS NO PANEL OF ATTORNEYS. THE DG MURRAY CASE NEEDED TO BE HEARD ON AN URGENT BASIS..IN LIGHT OF THESE CIRCUMSTANCES AND URGENCY OF THE MATTER, THE MUNICIPALITY HAD TO DEVIATE FROM REGULATION 36(A) TO EXPEDITE THE APPOINTMENT OF LEGAL FIRM.
21193	25/06/2024	INFRASTRUCTURE DEPARTMENT	HIDRO-TECH SYSTEMS (PTY) LTD	R 246,911.06	DEVIATION- (UPGRADE AND REFUBISHMENT OF ZOAR SEWERAGE PUMPSTATION): TENDER 06/2023: PC8 COMPLETION CERTIFICATE
21194	25/06/2024	INFRASTRUCTURE DEPARTMENT	HIDRO-TECH SYSTEMS (PTY) LTD	R 70,319.22	DEVIATION- (UPGRADE AND REFUBISHMENT OF ZOAR SEWERAGE PUMPSTATION): TENDER 06/2023: PC8 COMPLETION CERTIFICATE
21196	25/06/2024	INFRASTRUCTURE DEPARTMENT	DEKLIN	R 85,645.80	THE PROCUREMENT OF A FLAT BOTTOM 5000L TANK THAT COULD BE PLACED ON ONE OF THE FLATBED TRUCKS TO RENDER THE POTABLE DRINKING WATER SERVICES.
21195	25/06/2024	INFRASTRUCTURE DEPARTMENT	GM ESSENTIAL LABOUR	R 15,352.00	THE MUNICIPAL HONEY SUCKER IS CURRENTLY OUT OF SERVICE. VARIOUS SEPTIC TANKS INCLUSIVE OF ESSENTIAL SERVICES AND BUSINESSES IN THE CBD OF CALITZDORP AT FULL CAPACITY . THE SEPTIC TANKS OF CLIENTS WERE OVERFLOWING WITH RAW SEWERAGE. THE NEED TO SERVICES THESE TANKS WERE AND EMERGENCY AS IT POSES HEALTH RISK TO THE COMMUNITY.IMMEDIATE ATTENTION WERE NEED TO RESOLVE THIS ISSUE.
21185	19/06/2024	INFRASTRUCTURE DEPARTMENT	SANITECH	R 145,238.19	Section 27 of the constitution of South Africa address the fact that every South African has the right to have access to sufficient food and water. This Act recognises that the right of access to basic water supply and to basic sanitation services is necessary to ensure sufficient water and an environment that is not harmful to health or wellbeing of people. In order to give effect to this right the South African parliament has enacted the water Service act 108 of 1997. The purpose of this Act is to provide the right to basic water supply and basic sanitation service. The provision of Chemical toilets (sanitation facilities) in the informal settlements are basic right. If these service are not provided, this could lead to the following social as well as health related problems. The spread of diseases like diarrhoea, cholera and Covid-19. People are not living a quality life and are not productive at work. Children dorp out of shcool if there are no toilet facilities. Women are at risk of being raped or kill if they are forced to use open spaces. Currently the municipality has 4 informal settlements and none of these informal settlement has proper water and sanitation facilities.
21212	28/06/2024	INFRASTRUCTURE DEPARTMENT	SANITECH	R 90,186.68	Section 27 of the constitution of South Africa address the fact that every South African has the right to have access to sufficient food and water. This Act recognises that the right of access to basic water supply and to basic sanitation services is necessary to ensure sufficient water and an environment that is not harmful to health or wellbeing of people. In order to give effect to this right the South African parliament has enacted the water Service act 108 of 1997. The purpose of this Act is to provide the right to basic water supply and basic sanitation service. The provision of Chemical toilets (sanitation facilities) in the informal settlements are basic right. If these service are not provided, this could lead to the following social as well as health related problems. The spread of diseases like diarrhoea, cholera and Covid-19. People are not living a quality life and are not productive at work. Children dorp out of shcool if there are no toilet facilities. Women are at risk of being raped or kill if they are forced to use open spaces. Currently the municipality has 4 informal settlements and none of these informal settlement has proper water and sanitation facilities.
				R 753,496.47	

SECTION 6 – 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		Province																																											
Municipal Debt Relief		Complete the search boxes above																																											
MFMA Circular No. 124		Code	District																																										
Municipal Finance Management Act No. 56 of 2003		Search	Complete the search boxes above																																										
<div>  </div>																																													
<div> <div>Complete the search boxes above</div> <div> <div>Code</div> <div>District</div> </div> <div> <div>Search</div> <div>Complete the search boxes above</div> </div> </div>																																													
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																																					
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	Compliance Status
1.July	Complete the Search																																								0%	Non Compliance			
2.August	Complete the Search		No	No	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	No	Yes	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	N/A	N/A	No	No	No	No	No	No	No	No	No	59%	Non Compliance
3.September	Complete the Search		Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	71%	Non Compliance	
4.October	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	80%	Non Compliance	
5.November	Complete the Search		Yes	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	78%	Non Compliance	
6.December	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	88%	Non Compliance			
7.January	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	88%	Non Compliance			
8.February	Complete the Search		Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	90%	Non Compliance			
9.March	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	93%	Non Compliance			
10.April	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	95%	Non Compliance			
11.May	Complete the Search		Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	93%	Non Compliance			
12.June	Complete the Search		Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	76%	Non 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

Jan'24

National Financial Year

2023/24

Demarcation Code of Municipality being assessed

WC041

District

Garden Route

Demarcation Description

Kannaland

I, name and surname of HOD, 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

6.3 + Maintaining the Eskom and bulk water current account –		
Condition 6.12 (current account for the purpose of this exercise records the account for a single month's consumption)		
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
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://uploadportal.treasury.gov.za/ ?	No
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?	Yes
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
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://uploadportal.treasury.gov.za/ ?	No
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?	Yes
6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)		
2023/24 Main Adjustment MTREF		
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://edms.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	No
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
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? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (plus 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 alignment between the provision for debt with the actual collection of revenue, the Provincial Treasury must respond to this as 'No'.</i>	Yes
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 effort to assess the provision for such with the effects of asset asset register, the Portfolio Treasury must respond to this (section 76a).</i></p>			
11	6.4.2	<p>- 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)?</p>	Yes
<p><i>Note - If the municipality has no FRP, a separate budget funding plan is not necessary. However, the PF/NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>			
12	6.4.2	<p>- 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)?</p> <p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>	N/a
13	6.4.2	<p>- 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.)?</p>	Yes
14	6.5	<p>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?</p>	Yes
<p>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:</p>			
15	6.6.1	<p>- 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?</p>	Yes
16	6.6.2	<p>- 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?</p>	Yes
17	6.6.3	<p>- 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? 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.</p>	No
18	6.6.4	<p>- 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?</p> <p><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></p>	Yes
<p>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.</p>			
<p>6.7 Maintaining a minimum average quarterly collection of property rates and services charges -</p>			
19	6.7.1	<p>- 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?</p>	No
<p><i>Note - although the norm and standard for collection (MFMA Circular No. 121) is 80 per cent for non-MSDs, municipalities under the debt relief/support may be exempted for the first two years from achieving this norm.</i></p>			
20	6.7.2	<p>- 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 :</p>	
21	6.7.2.1	<p>* 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;</p>	Yes
22	6.7.2.2	<p>* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?</p>	No
23	6.7.2.3	<p>* 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?</p>	Yes
24	6.7.3	<p>- 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?</p>	Yes

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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
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
26	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?	Yes
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>	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://uploadportal.treasury.gov.za ?	Yes
29	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?	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>	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?	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://uploadportal.treasury.gov.za ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Relief programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP
33	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:	
34	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	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://uploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	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? <i>Note - If the PT failed to address its failure with non-compliance and be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	Yes
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? <i>Note - There is a prohibition on municipal borrowing for more consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. It confirms that MFMA Circular No. 124, condition 2.2 (Limitation on municipality borrowing powers) will only be applied in relation to new loan facilities (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) in prior budgeted financial years are not considered within the ambit of this condition.</i>	Yes
37	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 to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? <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.6(1).</i>	Yes

15

30		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 type="text" value="Yes"/>
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear 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? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	<input type="text" value="Yes"/>
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	<input type="text" value="Yes"/>

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 resolve 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 mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 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 as related to the municipality in terms of the status of municipal debt relief, etc.

PT: HOD/ NT / MM Name:

Signature of HOD/ NT/ MM:

Date:

*** 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	Select Current Financial Year	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: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HH's with piped water inside dwelling						2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	
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		-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	-
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	-	-	-	-	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	-
Status of Water meters:																	
Number of Indigent HH's with prepaid Water																	
Number of Indigent HH's with conventional metered Water						2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,381	
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	2,381	-
Status of unlimited supply of Water:																	
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																	
Number of Indigent HH's NOT 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: (Include All Indigent households also in Eskom supplied areas)																	
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	2,381	
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	2,381	-
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	2,381	-
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	2,381	
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	2,381	-
Status of unlimited supply of Electricity:																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month																	
Number of Indigent HH's NOT 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	2,381	
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	2,381	
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	439,687	-
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																		
Other	6																	
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MFMA Circular 124 – Municipal Collection Rate Assessment

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

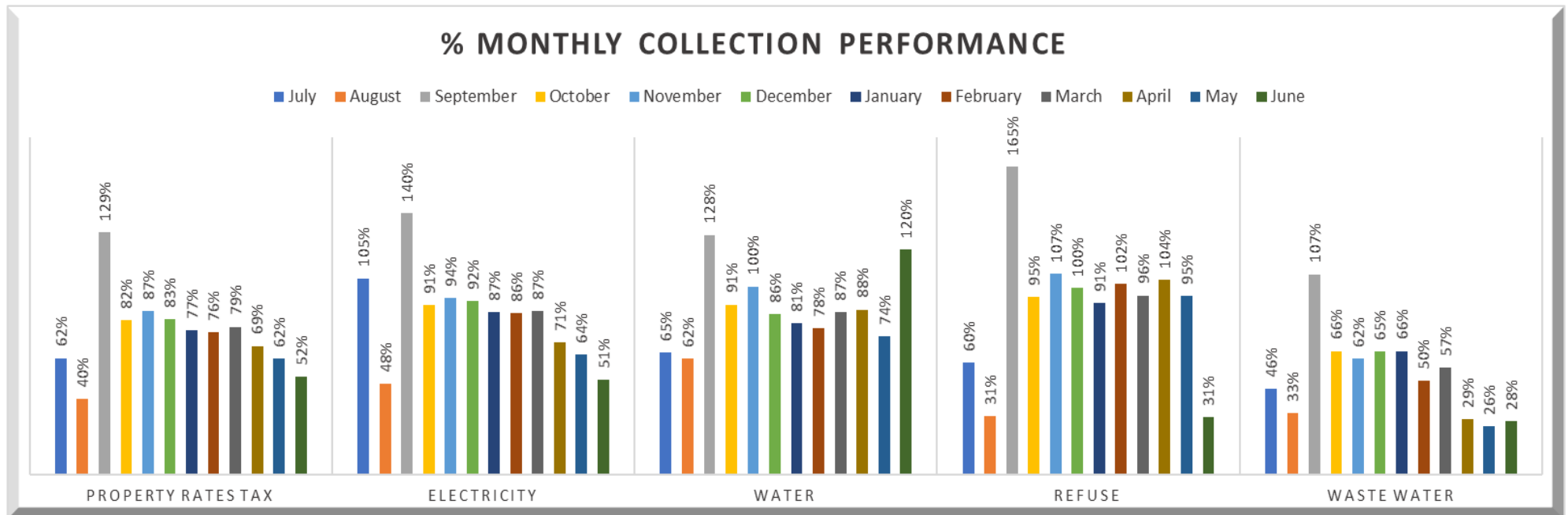
Municipal Details					
Western Cape					
Code		District		Municipality	
WC041				Kannaland	
				Period Monitored	No.Of Wards
				June	8

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q1	Summary - Quarter 4				Q1
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
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%	39,842,877	24,528,147	15,314,730	62%	62%
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%	31,227,913	19,598,293	11,629,620	63%	63%
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%	6,892,765	6,481,088	411,677	94%	94%
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%	15,292,123	11,634,655	3,657,467	76%	76%
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%	12,296,966	3,390,603	8,906,362	28%	28%
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%	2,604,346	1,525,736	1,078,610	59%	59%
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%	2,528,641	1,408,995	1,119,646	56%	56%
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%	228,037	87,070	140,967	38%	38%

NB - Collection rate principle applied (Cash collection

Collection Rate Assessment				Quarter 4 Performance Per Ward																
Notes	Total Aggregate Collection			10-April - Reporting for March in April				11-May - Reporting for April in May				12-June - Reporting for May in June				Summary - Quarter 4				Q1
				Billing For March	Collection in April	R - Billing not collected	% Collection	Billing For May	Collection in August	R - Billing not collected	% Collection	Billing For June	Collection in June	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
1. Collection for whole demarcation	Summary		13,764,084	9,447,323	4,440,044	69%	14,993,505	9,299,779	5,693,726	62%	11,085,287	5,781,045	5,769,023	52%	39,842,877	24,528,147	15,314,730	62%	62%	
2. Collection <u>excl Eskom supplied areas</u>			11,055,005	7,793,291	3,659,970	71%	11,971,700	7,661,121	4,420,435	64%	8,208,209	4,143,881	4,068,062	51%	31,227,913	19,598,293	11,629,620	63%	64%	
3. Collection: Property Rates			2,295,062	2,020,667	274,395	88%	2,295,106	1,697,042	602,064	74%	2,939,597	2,763,378	0	120%	6,892,765	6,881,088	431,677	94%	94%	
4. Total average collection: Electricity (Municipal supplied areas)			4,581,340	4,754,622	0	104%	5,571,197	5,306,295	262,902	95%	5,139,585	1,571,738	3,567,847	31%	15,292,123	11,634,655	3,657,467	76%	76%	
5. Total average collection: Water			5,095,834	1,499,029	3,596,805	29%	5,336,917	1,362,588	3,974,329	26%	1,864,215	528,987	1,335,228	28%	12,296,966	3,390,603	8,906,362	28%	28%	
6. Total average collection: Wastewater			870,945	564,718	306,228	65%	867,880	485,304	382,576	56%	865,521	475,714	389,806	55%	2,604,346	1,525,736	1,078,610	59%	59%	
7. Total average collection: Refuse			844,863	595,536	249,327	70%	842,365	404,053	438,312	48%	841,413	409,405	432,008	49%	2,528,641	1,408,995	1,119,646	56%	56%	
8. 7. Total average collection: Interest			76,040	12,751	63,289	17%	76,040	42,497	33,543	56%	75,956	31,822	44,134	42%	228,037	87,070	140,967	38%	38%	
Complete This Section																				
Services	Electricity Supplier	Ward Name & Number	10-April				11-May				12-June				Q4					
			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		
Property Rates Tax	Eskom supplied	Kusile-Ward 1	151,588	129,237	22,351	85%	151,588	123,184	28,404	81%	151,588	115,759	35,829	76%	454,763	368,180	86,583	81%	81%	
Electricity			76,149	41,118	35,031	54%	98,772	205,402	0	208%	114,101	50,044	64,057	44%	280,322	206,564	73,759	103%	103%	
Water			164,946	245,406	0	149%	177,950	97,928	80,021	55%	159,176	96,441	62,735	61%	502,072	439,776	62,296	88%	88%	
Refuse			134,512	190,606	0	142%	132,332	78,464	53,868	59%	130,427	83,648	46,779	64%	397,271	352,718	44,553	89%	89%	
Waste Water			174,191	178,124	0	102%	172,093	144,127	27,966	84%	170,566	124,420	46,146	73%	516,850	446,671	70,179	86%	86%	
Interest	2,025	-	2,025	0%	2,025	-	2,025	0%	2,025	1	2,025	0%	6,076	1	6,076	0%	0%	0%		
Property Rates Tax	Eskom supplied	Zar-Ward 2	85,054	39,650	45,403	47%	85,054	29,956	55,098	35%	85,054	42,967	42,087	51%	255,161	112,573	142,588	44%	44%	
Electricity			450,167	92,326	357,841	21%	444,323	58,224	386,099	13%	394,156	38,671	355,485	10%	1,285,646	180,921	1,096,425	14%	14%	
Water			309,109	90,948	218,161	29%	308,791	68,164	240,627	22%	308,474	37,226	271,248	12%	926,373	196,337	730,036	21%	21%	
Refuse			289,326	79,190	210,136	27%	289,326	60,574	228,752	21%	289,104	36,320	252,784	13%	867,755	176,083	691,672	20%	20%	
Waste Water			3,944	-	3,944	0%	3,944	3,285	659	83%	4,338	4,338	0	100%	12,226	7,623	4,603	62%	62%	
Interest	171,185	125,645	45,539	73%	173,402	45,881	127,520	26%	173,402	129,095	44,307	74%	517,988	300,622	217,366	58%	58%			
Property Rates Tax	Eskom supplied	Chokodana-Ward 3	95	-	95	0%	101	-	101	0%	101	-	101	0%	297	-	297	0%	0%	
Electricity			1,427	1,170	257	82%	771	119	652	15%	530	4,401	0	831%	2,727	5,600	(2,963)	209%	209%	
Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
Interest	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-		
Property Rates Tax	Eskom supplied	EngeliCollins-Ward 3	23,106	10,173	12,932	44%	23,106	12,186	10,919	53%	23,106	8,328	14,778	36%	69,317	30,688	38,629	44%	44%	
Electricity			9,304	4,866	4,437	52%	12,425	9,002	3,423	72%	12,265	20,939	0	171%	33,993	34,807	(814)	102%	102%	
Water			3,211,113	19,231	3,191,881	1%	3,362,161	32,186	3,329,975	1%	172,509	37,538	134,971	22%	6,745,783	88,956	6,656,827	1%	1%	
Refuse			83,667	24,084	59,582	29%	83,349	20,714	62,635	25%	83,349	18,989	64,360	23%	250,365	63,787	186,578	25%	25%	
Waste Water			77,485	16,579	60,905	21%	76,179	15,571	60,608	20%	75,874	15,119	60,755	20%	229,538	47,269	182,269	21%	21%	
Interest	210	-	210	0%	483	-	483	0%	1,483	-	1,483	0%	4,483	-	4,483	0%	14%	14%		
Property Rates Tax	Eskom supplied	Glenbok Town-Ward 3	431,839	374,026	57,813	87%	432,068	373,606	108,461	75%	431,954	399,274	32,680	92%	1,295,861	1,096,907	198,954	85%	85%	
Electricity			669,503	643,672	25,831	96%	680,403	536,583	143,821	79%	783,951	539,393	244,558	69%	2,133,858	1,719,647	414,210	81%	81%	
Water			249,895	185,829	64,066	74%	202,151	138,624	63,527	69%	156,213	107,190	49,023	69%	608,258	431,243	176,616	71%	71%	
Refuse			85,427	76,139	9,289	89%	85,745	64,881	20,864	76%	87,332	82,266	5,066	94%	258,504	223,285	35,219	86%	86%	
Waste Water			19,170	15,555	3,615	81%	19,203	14,229	4,974	74%	19,203	19,263	0	100%	57,576	49,046	8,530	85%	85%	
Interest	6,426	9,523	0	148%	6,426	9,653	0	150%	6,426	938	5,488	15%	19,777	20,114	(336)	104%	104%			
Property Rates Tax	Eskom supplied	Ladismith Town-Ward 4	898,137	859,889	38,249	96%	901,831	797,497	104,339	88%	901,436	825,033	76,403	91%	2,701,404	2,564,114	136,990	93%	93%	
Electricity			3,436,172	3,690,797	0	107%	4,224,126	4,050,883	173,243	96%	3,687,393	945,031	2,762,341	25%	11,347,691	8,666,732	2,680,959	76%	76%	
Water			625,983	628,029	0	100%	605,094	554,556	50,538	92%	512,745	189,979	322,766	37%	1,743,821	1,372,564	371,258	79%	79%	
Refuse			183,739	182,184	1,555	99%	183,739	158,777	24,962	86%	183,422	174,623	8,798	95%	550,899	515,585	35,315	94%	94%	
Waste Water			279,922	264,995	14,927	95%	280,227	243,513	36,714	87%	279,922	261,101	18,821	93%	840,071	769,609	70,462	92%	92%	
Interest	58,224	3,018	55,206	5%	58,224	29,560	28,665	51%	57,745	26,545	31,200	46%	174,194	59,123	115,071	34%	34%			
Property Rates Tax	Eskom supplied	Ladismith Town-Ward 4	481,594	450,014	31,580	93%	479,500	323,791	155,709	68%	479,500	1,207,549	0	252%	1,440,595	1,981,354	(540,760)	138%	138%	
Electricity			390,118	374,170	15,948	96%	555,369	506,422	48,945	96%	544,777	36,311	50,464	94%	1,487,263	945,436	541,826	63%	63%	
Water			336,378	16,973	19,405	94%	489,361	469,499	19,862	96%	424,197	43,738	380,459	10%	1,249,936	830,210	419,727	66%	66%	
Refuse			16,034	26,835	0	167%	16,034	7,872	8,162	49%	16,034	7,267	8,767	45%	48,103	41,974	6,129	87%	87%	
Waste Water			11,306	10,153	1,153	90%	11,306	7,087	4,219	63%	11,306	19,375	0	171%	33,918	36,615	(2,698)	108%	108%	
Interest	4,875	-	4,875	0%	4,875	-	4,875	0%	4,875	-	4,875	0%	14,625	-	14,625	0%	0%			
Property Rates Tax	Eskom supplied	Van Wykswaai-Ward 4	52,559	32,032	20,527	61%	52,559	40,946	11,613	78%	52,559	13,373	39,186	25%	157,678	86,351	71,326	55%	55%	
Electricity			55,925	-	-	#DIV/0!	55,107	-	-	#DIV/0!	47,690	-	-	#DIV/0!	158,723	32,544	126,179	21%	21%	
Water			32,375	4,740	27,635	15%	32,375	5,181	27,193	16%	32,375	5,387	26,988	17%	97,124	15,309	81,816	16%	16%	
Refuse			19,546	121	19,425	1%	19,546	203	19,343	1%	19,546	118	19,429	1%	58,639	442	58,197	1%	1%	
Waste Water			63	-	63	0%	63	-	63	0%	63	-	63	0%	190	-	190	0%	0%	
Interest	63	-	63	0%	63	-	63	0%	63	-	63	0%	190	-	190	0%	0%			

MFMA Circular 124 - Electricity and Water as Collection Tools



Provincial Treasury Debt Relief Compliance Assessment – May 2024



Western Cape
Government

Provincial Treasury
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6655

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Dear Ms Ngqaleni and Mr D Sereo

MFMA CIRCULAR NO. 124 - MUNICIPAL DEBT RELIEF PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC041 KANNALAND MUNICIPALITY DURING MAY 2024

The National Treasury approved the debt relief application of Kannaland Municipality with effect 1 August 2023. May 2024 constitutes the 10th month of the Municipality's first 12-month debt relief compliance cycle. The Western Cape Provincial Treasury monitored and assessed the Municipality's compliance with all the debt relief conditions during June 2024. This letter provides an overview of the Provincial Treasury's assessment of the Municipality's compliance with the programme's conditions.



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In terms of the National Treasury (NT) approval, the municipality must comply with conditions 6.1 – 6.14 of MFMA Circular 124 read together with the additional conditions specific to the municipality set-out in its National Treasury debt relief approval letter. From the Provincial Treasury's assessment, the municipality achieved an 83 per cent average compliance with the MFMA Circular 124 conditions during May 2024 – refer the performance sheet in the table below that shows the municipality's overall relief compliance performance across the months of its debt relief cycle. Considering the Municipality's consistent and timely payment of Eskom accounts as well as the overall debt relief performance since 1 August 2023, (noting that the scoring of conditions carry equal weighting and do not fully reflect the efforts made by the Municipality to comply), the Provincial Treasury is of the view that the Municipality is currently on track to qualify for the one third (1/3) debt write-off at the end of its first debt relief compliance cycle on 31 July 2024. However, it is concerning that Kannaland already slipped below the 80 per cent collection rate last quarter, and the benchmark has subsequently been raised to 85 per cent. The Municipality must ensure that credit control is strictly enforced to achieve this.



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

Province			
WC			
Code	District	de Besch	
WC041	Garden Route	Kannala	

[illegible]

- Condition 6.2 - Application-based supported by Council's resolution

- Condition 6.3 - Maintaining the Eskom bulk current account.

The Municipality has consistently paid all bulk accounts on time, including using a credit from Eskom to offset one of the bulk accounts. This payment approach is detailed in the Financial Management Report (FMR), which includes emails between the Municipality and Eskom confirming the credit amount. However, there are ongoing reconciliation challenges within the accounting processes, especially concerning the

transactions for bulk water and electricity. Notably, for water, no transactions have been recorded under bank withdrawals in the data strings, and for electricity, there is a misalignment between the amounts recorded in bank withdrawals and those documented in proofs of payment and invoices. These discrepancies arise from systemic issues that persist despite adherence to the guidance provided by MFMA Circular 124 and its supplementary guide. While the Municipality has recognized and is actively investigating these issues. The Provincial Treasury is engaging with and monitoring the Municipality to ensure full compliance in the reconciliation processes during May and June 2024 and beyond.

● **Condition 6.4 - A funded MTREF**

For purposes of the May 2024 compliance certificate, the Provincial Treasury assessed the municipality's adopted 2024/25 MTREF budget as unfunded. The Municipality will revise its Budget Funding Plan based on the outcome of the PT's assessment of the final adopted budget. In the 2024/25 draft budget discussions with Kannaland Municipality, it was made clear that the council cannot adopt a final budget funding plan immediately due to the need for further assessment and collaboration to determine the funding requirements accurately. The Municipality and PT have agreed that the revised Budget Funding Plan must be consulted on with PT before it is adopted. Meanwhile, the Municipality does have an adopted Budget Funding Plan for 2023/24 and is actively reporting on its implementation.

The Provincial Executive initiated a mandatory intervention in December 2023, following an assessment under Section 140 of the Municipal Finance Management Act (MFMA). A Financial Recovery Plan is currently being developed by the Municipal Financial Recovery Services. However, securing the necessary collaboration from Kannaland Municipality has been challenging. The intervention continues amidst objections and a lack of cooperation from the municipality. Continued non-cooperation places the municipality's finances at risk and may jeopardize the municipality's ability to continue to meet the conditions of the Municipal Debt Relief programme.

● **Condition 6.5 - Cost reflective tariffs**

As part of the Municipal Debt Relief condition, Kannaland is required to update the National Treasury Tariff Model. The Municipality is urged not to bridge any of the Municipal Debt relief conditions; hence a completed NT Tariff Model is required.

● **Condition 6.6 - Electricity and water as collection tools**

The Municipality issues a consolidated monthly bill to consumers, prioritizing payment allocations first to property rates, then water, wastewater, refuse removal, and lastly, electricity. Account holders automatically receive a breakdown of these charges, with the option for property owners to authorize tenants to open separate service accounts. In cases of non-payment, electricity services are disconnected, and prepaid electricity purchases are blocked, except for registered indigent consumers. However, the Municipality lacks the infrastructure to restrict water supply to defaulting non-indigent consumers. This limitation is under technical review to assess implementation feasibility and costs. Registered indigent consumers receive monthly limits of 50 kilowatt hours of electricity and 6 kilolitres of water. These practices are detailed in the monthly MFMA s.71 statement, which includes indigent information as specified by the National Treasury.

● **Conditions 6.7 - Maintain a minimum average quarterly collection of property rates and services charges**

Kannaland Municipality met this condition for the previous quarters; however Provincial Treasury is alarmed that the Municipality reported a collection rate of only 62 per cent for May 2024, leaving their compliance for this quarter at risk. The Municipality achieved collection rates of 83 per cent for Q1 of the municipal financial year, 84 per cent for Q2, and 77 per cent for Q3 (64 per cent when Eskom-supplied areas are excluded). The municipality has indicated that they are 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 6.8 - Completeness of the Revenue Base**

The GV reconciliation has identified ongoing issues with property classifications, transfers, and inclusion inaccuracies. The corrective actions underway involve notifying the valuer for necessary adjustments, updating the billing system, and implementing supplementary valuations. An action plan with specific deadlines is being monitored. However, the municipality has not included the action plan progress details in their submission to the Financial Management Report (FMR), although the municipality was previously advised to report on its progress in the FMR. The only document that has been reported is the property rates reconciliation.

- **Condition 6.9 - Monitor and Report on compliance** The Western Cape Provincial Treasury's assessment included confirming that the MFMA S71 narrative statement and mSCOA data strings for May 2024 was uploaded to the GoMuni portal and that the Statement fully aligns to the MFMA S71 Statement published on the Municipality's website. The MFMA S71 Statement was also assessed against the Municipal Budget- and Reporting Regulations, 2009 (MBRR) and the National Treasury MFMA S71 reporting guidance issued to debt relief municipalities on 10 May 2024 read in conjunction with paragraphs 9(i) to 9(ix) of the NT debt relief approval letter.

The assessment confirmed that the MFMA S71 narrative statement included the following information:

MFMA S71 Statement component		Compliance (Yes/No)
1.	The Budget Performance Overview (paragraph 4) of the MFMA S71 statement explicitly advised on the Municipality's progress in implementing the Municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges, and corrective actions.	Yes
2.	The conclusion (paragraph 14) of the MFMA S71 statement explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors. with the implementation of the Municipality's Budget Funding Plan and/or Funded Budget.	Yes
3.	Annexure B of the MFMA S71 statement included the following debt relief reporting components	
3.1.1	The Municipality's MFMA Circular No. 124 self-assessment.	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular No 128 (Annexure B) .	Yes
3.2	The Municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date.	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the Municipality.	Yes
3.4.1	The Municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward.	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular No. 128 (Annexure D) .	Yes

MFMA S71 Statement component		Compliance (Yes/No)
3.5.1	The indigent management information.	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular No. 128 (Annexure C) .	Yes
3.6.1	The summary of the Municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The Municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	No
3.7.1	Any Eskom and Water (if the Municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting.	Yes
3.7.2	The Municipality's proof of payment of any such Eskom and/or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The Municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	No
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and/or Mayoral Committee meeting.	Yes

The Municipality has integrated its monthly debt compliance reporting into its MFMA S71 narratives as required and demonstrated its commitment to continuous improvement and adherence to the set of conditions. The Municipality's MFMA Circular No. 124 self-assessment indicated several non-compliance issues. The remedial actions undertaken to achieve compliance and the timeframes thereof outlined in the MFMA S71 are noted and monitored by the Provincial Treasury. The progress on the implementation of the Budget Funding Plan is of concern and the Municipality needs to address the slow progress thereof.

● **Condition 6.10 - Provincial Treasury certification of municipal compliance**

Provincial Treasury closely monitors compliance with the conditions of the Municipal Debt Relief Programme, and this letter is submitted in fulfillment of the PT's role in certifying compliance of the Municipality.

● **Condition 6.11 - Limitation on Municipal borrowing powers**

The limitation on municipal borrowing powers and the prohibition of borrowing during debt relief periods form a dual regulatory framework aimed at ensuring fiscal responsibility. Compliance necessitates meticulous scrutiny of borrowing activities to ascertain adherence to authorized limits and program guidelines. These measures, while promoting sustainable debt management, also stabilize the Municipality's financial standing, prevent over-leveraging, and mitigate immediate financial strain. Adhering to these regulations is paramount for maintaining creditworthiness, mitigating financial risks, and safeguarding the Municipality's long-term financial health. Thus, robust oversight and adherence to regulatory frameworks are imperative for prudent financial governance and sustained fiscal resilience.

The Municipality has complied with this condition since its debt relief effective date of 5 September 2023, to date.

● **Condition 6.12 - Proper management of resources and Condition 6.13 - Accounting Treatment**

It is noted that during February 2024, the National Treasury: Office of the Accountant General (OAG) issued the Supplementary Guide to MFMA Circular No. 124 on 21 February 2024. According to this guidance, municipalities are no longer required to maintain separate bank accounts for debt relief purposes as previously mandated by Condition 6.12 of MFMA Circular No. 124. However, regardless of the decision to

discontinue a separate bank account, municipalities must demonstrate ring-fencing for debt relief through their monthly mSCOA data string submissions.


The Municipality has not conducted transactions through the previously established ring-fenced sub-account, which was designated for settling current obligations to Eskom and paying for bulk water accounts before using these funds for other purposes. Although the Municipality has submitted documents related to the primary account's monthly bank reconciliations to Go Muni, showing opening and closing balances, they have not provided full bank statements. For further guidance, the Municipality should refer to the Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124, issued by the National Treasury on 16 February 2024.

● **Condition 6.14 - NERSA Licence**

By having applied for Municipal Debt Relief, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agreed to make an application to NERSA to voluntarily revoke the Municipality's license in terms of section 17 of the Electricity regulation Act, 2006 (Act No. 4 of 2006). It is noted that this condition will only come into effect if the Municipality's participation in the debt relief programme is terminated.

Provincial Treasury Compliance Certification

The Provincial Treasury certifies that it monitored and assessed WC041 Kannaland Municipality's compliance against the MFMA Circular No. 124 conditions and NT debt relief approval letter as set-out below in the PT's compliance certificate for the Municipality in relation to the period 1 - 30 May 2024:

Annexure A2 - Monthly		Notes/Comments
 <div> National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003 </div>		
Western Cape Provincial Treasury		
Certificate of Compliance: Municipal Debt Relief Conditions for Application		
Period National Financial Year Demarcation Code of Municipality being assessed	<div>May'24</div> <div>2023/24</div> <div>WC041</div>	
District Demarcation Description	<div>Garden Route</div> <div>Kannaland</div>	
<p>I, Julinda Gantana, 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:</p>		
Municipal Debt Relief Conditions (Monthly reporting)		
<div>Choose from drop down list</div>		
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>		
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>	<div>Yes</div>	
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://gpmportal.treasury.gov.za ?	<div>Yes</div>	
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?	<div>No</div>	
No amounts were recorded under the water inventory in the data strings		

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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>	<div>Yes</div>	
5	6.3.2	- 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://gpmportal.treasury.gov.za ?	<div>Yes</div>	
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?	<div>No</div>	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.
7	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	<div>2024/25 Adopted MTREF</div>	
8	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 ?	<div>No</div>	
9	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?	<div>No</div>	
10	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?	<div>Yes</div>	
11	6.4.1	<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>		
12	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?	<div>Yes</div>	
13	6.4.2	<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>		
14	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)?	<div>Yes</div>	
15	6.4.2	<i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>		
16	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>	<div>N/A</div>	
17	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.)?	<div>Yes</div>	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.

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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?	<input type="text" value="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?	<input type="text" value="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 handing 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?	<input type="text" value="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? 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.	<input type="text" value="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? Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required MT format.	<input type="text" value="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?	<input type="text" value="Not yet end of quarter"/>	The municipality has reported a collection rate of 62% in May 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.
		Note - although the norm and standard for collection (MFMA Circular No. 73) 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.		
	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;	<input type="text" value="not yet the end of a quarter"/>	
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)?	<input type="text" value="not yet the end of a quarter"/>	
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?	<input type="text" value="not yet the end of a quarter"/>	

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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?	<input type="text" value="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?	<input type="text" value="Yes"/>	
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?	<input type="text" value="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
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? 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	<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://guploadportal.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? Note - condition 6.9.2 has a typing error and must refer to 6.9.1.	<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://guploadportal.treasury.gov.za ?	<input type="text" value="No FRP"/>	
		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.		

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	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?	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://uploadportal.treasury.gov.za? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	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?	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?	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 referred 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 to provide free basic electricity, water and sanitation?	Yes	
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes	
		<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.3(3).</i>		
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.	Yes	The municipality has not initiated transactions through the newly established ring-fenced sub-account, which was intended for settling current obligations to Eskom and paying for bulk water accounts before allocating these funds for other purposes. However, they have shown a degree of transparency by submitting documents related to the primary account's monthly bank reconciliations to GoMuni, indicating the opening and closing balances.
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? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with MSCOA.</i>	Yes	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 need to be implemented accordingly.
41	6.14	*NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	No	
		<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 mechanism as envisaged in Chapter 6 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's water support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's services that are the subject of municipal debt relief, etc.</i>		

The Western Cape Provincial Treasury's assessment and compliance certificate confirmed that Kannaland Municipality during April 2024 did not fully comply with all the MFMA Circular No. 124 conditions and was elaborated on above. It is also noted that the Municipality's May 2024 average compliance of 83 per cent is an improvement from the 78 per cent achieved during April 2024. Although, the Municipality has made progress it is noted that the Municipality must still address these non-compliance matters. The Provincial Treasury is of the view that the Municipality should qualify for the one third (1/3) debt write-off at the end of its first debt relief compliance cycle on 31 July 2024, if it can improve its collection rate and address other outstanding matters. The Municipality is urged to strengthen its implementation of the relief conditions to fully benefit from the relief.

The Provincial Treasury continues to appreciate the opportunity that the Municipal Debt Relief Programme provided to municipalities and is committed to supporting our municipalities to ensure that they comply with the conditions of the programme in order to derive the full benefit.

Yours sincerely

**Julinda
Gantana**

Digitally signed by Julinda Gantana
Date: 2024.07.01 14:21:37 +02'00'

**MS J GANTANA
HEAD OFFICIAL: PROVINCIAL TREASURY**

Cc: The Executive Mayor: Mr J Donson, mayor@kannaland.gov.za
Municipal CFO: Mrs R Saptoe, cfo@kannaland.gov.za
Senior Manager Revenue Management: Rehaz Abramia - AbramiR@eskom.co.za
Senior Manager Finance Cape Coastal Cluster: Atika Brey - BreyA@eskom.co.za
Middle Manager Finance Cape Coastal Cluster: Unathi Yaso - YasoUN@eskom.co.za
MFMA Coordinator: Steven Kenyon - Steven.Kenyon@westerncape.gov.za
Director-General: Department of Cooperative Governance: Mr Mbulelo Tshangana - Zandilez@coqta.gov.za
CEO: SALGA: 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						
Propety 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	-
	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	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	R2,427,637.75	R2,332,271.00	R95,366.75	2,427,637.75	2,332,271.00	95,366.75

Prepared By

Craig Opperman
Contact Details

Date

15-07-2024

Signature

Reviewed By

Mr GRISPE
Contact Details

Date

15-07-2024

Signature

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024185003
Sub Module	SSVS	Action date	20240704
Description	EST71 20240703 12:56:40.8		
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV/53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	2		
Acc No / CDI	55161636814		
Branch No	200910		
Statement Ref	7052108005		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	5,338,007.72		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC	F		
ISN/Bus Ref	1303		
Pay Alert	N		



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: customerservice@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	6940893537
SECURITY HELD	0.01
BILLING DATE	2024-06-07
TAX INVOICE NO	694414270973
ACCOUNT MONTH	JUNE 2024
CURRENT DUE DATE	2024-07-08
VAT REG NO	4540197268

E-MAIL: krediteure@kannaland.gov.za

TAX INVOICE

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	4,987.28
DIST. NETWORK CAPACITY CHARGE		R	75,304.15
NETWORK DEMAND CHARGE (C/KWH)		R	42,385.00
ANCILLARY SERVICE (ALL)		R	3,936.11
ENERGY CHARGE (PEAK)	106,067.00	R	253,648.64
ENERGY CHARGE (STD)	241,816.00	R	326,072.69
ENERGY CHARGE (OFF)	206,678.00	R	173,105.87
ELECTRIFICATION AND RURAL SUBS (ALL)		R	77,058.96
REACTIVE ENERGY	9,152.00	R	1,007.64
SERVICE CHARGE		R	11,064.52

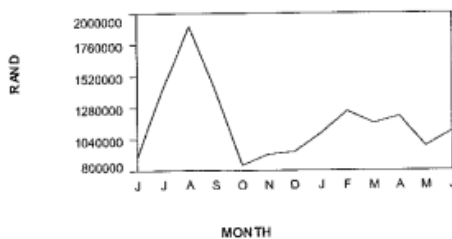
TOTAL CHARGES FOR BILLING PERIOD R 968,570.86

ACCOUNT SUMMARY FOR JUNE 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-06-06)	R	10,613,285.89
PAYMENT(S) RECEIVED	Cash - 2024-05-07	R	-523,791.25
PAYMENT(S) RECEIVED	Cash - 2024-06-05	R	-575,691.56
TOTAL CHARGES FOR BILLING PERIOD		R	968,570.86
ADJUSTMENT	BALANCE TRANSFER - to/from account	R	-422,123.03
	7052108005	R	0.00
VAT RAISED ON ITEMS AT 14%		R	145,265.63
VAT RAISED ON ITEMS AT 15%		R	

ARREARS					TOTAL DUE R	10,205,516.54
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT		
6,870,054.21	1,223,791.25	997,814.59	0.00	1,113,856.49		

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 258
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO
6940893537

NAME
KANNALAND LOCAL MUNICIPALITY
FAX NUMBER

0934 6940893537

11341 6940893537



9207 2594 0893 5379



TOTAL AMOUNT DUE

10,205,516.50

PAYMENT ARRANGEMENT

INSTALMENT	0.01
ARREARS (Due immediately)	9,091,660.0
DUE DATE (For Current Amount)	2024-07-08
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024185003
Sub Module	SSVS	Action date	20240704
Description	EST71 20240703 12:56:40.8	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	6940093537		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	1,113,856.49		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

DATE : 2024-07-10 10:06:32

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: 3
Datum: 04 June 2024

MUNISIPALE WATERVERBRUIK – CALITZDORP: Mei 2024

Sub Oorverbruik

Maand	May-24	May-24
Meterlesing einde	May-24	7520390
Meterlesing begin	May-24	7468520
Ontrek	kl	37765
Dae @ 455 kl per dag toelaag	31	14105
Sub Oorverbruik 37765- 11797= 25968	kl	37765
Min beurt teruggegee	kl	0
Oorverbruik	kl	25968
37765-11797 =25968		
0-26000 kl tarief @ 1.10	25968 R	28 564.80
26000-36000kl @ 2.21kl	0 R	-
46000 - 56000 kl tarief	0 R	-
56 000 en meer tarief	0 R	-
Sub Oorverbruik	R	28 564.80
Plus 15% BTW	R	4 284.72
Totaal verskuldig	R	32 849.52

Glyskaal met ingang 2023

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

Beurt teruggegee formule

1 cusec = 101.96 m3		101.96
Stroomsterkte cusec/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:

- Betaalbaar binne dertig (30) dae vanaf datum van rekening.
- Betalings mag nie weerhou word totdat 'n geskil besleg is nie.
- Rente teen 16% word gehef op rekeninge ouer as 30 dae.
- 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.

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REPRINT CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024184005
Sub Module	SSVS	Action date	20240702
Description	LJT64 20240702 12:47:17.9	Finalreleasingoperators	GAV53 M SCHEFFERS
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	32,849.52		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

DATE : 2024-07-10 10:11:28

Page : 1

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPAL	Statement For	20240704	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	426		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240703	15,760,232.04
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	2,087.80	20240703	15,762,319.84
	DR EFTPOS PLC 9 0003413109577					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	3,000.00	20240703	15,765,319.84
	CR EFTPOS RCB 1 0001063109682					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	3,337.60	20240703	15,768,657.44
	DR EFTPOS RCB 1 0001063109682					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	6,843.61	20240703	15,775,501.05
	CR EFTPOS EY4 U 0000553109453					
1	CREDIT CARD EFTPOS SETTLEMENT	0.00	0.00	10,752.16	20240703	15,786,253.21
	DR EFTPOS EY4 U 0000553109453					
1	FEE: CASH DEPOSIT - COINS ##	0.00	-0.01	0.00	20240703	15,786,253.20
	420543546 R11772,80 03/07					
1	FEE: CASH DEPOSIT - COINS ##	0.00	-0.04	0.00	20240703	15,786,253.16
	420543546 R6208,40 03/07					
1	FEE: CASH DEPOSIT - NOTES ##	0.00	-31.19	0.00	20240703	15,786,021.97
	420543546 R6208,40 03/07					
1	FEE: CASH DEPOSIT - NOTES ##	0.00	-59.20	0.00	20240703	15,785,962.77
	420543546 R11772,80 03/07					
1	BUSINESS ELECT BANK CHARGES ##	0.00	-8,063.33	0.00	20240703	15,779,899.44
	STNDRBANK BOL OCK31 JUN 24					
1	MAGTAPE CREDIT	0.00	0.00	15,108.00	20240704	15,795,007.44
	CBL 3426					
1	CREDIT TRANSFER	0.00	0.00	882.00	20240704	15,795,889.44
	CBL1499					
1	MAGTAPE CREDIT	0.00	0.00	534.00	20240704	15,796,423.44
	CLAIRE DESCROIZILLE					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	3,653.90	20240704	15,800,077.34
	COMOTORS 2/07/2024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	3,750.30	20240704	15,803,827.64
	CBL MOTORS 03/07/2024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	4,204.30	20240704	15,808,031.94
	COMOTORS 01/07/2024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	8,320.40	20240704	15,816,352.34
	CALITZDORP 01/07/2024					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	11,052.00	20240704	15,827,404.34
	LADISMITH					
1	CASH DEPOSIT NOTES/COINS	0.00	0.00	11,286.50	20240704	15,838,690.84
	CALITZDORP 03/07/2024					
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240704	15,838,690.84
2	CASH DEPOSIT NOTES/COINS	0.00	0.00	12,526.00	20240704	15,851,216.84
	CALITZDORP 02/07/2024					
2	ELECTRONIC BANKING TRANSFER FR	0.00	0.00	138,308.74	20240704	15,989,525.58
	DEP TRANSPORT PAYMENT					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-2,357.15	0.00	20240704	15,987,168.43
	LESCH LESCH JUSTIN RVX6809:22					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-6,624.00	0.00	20240704	15,980,544.43
	D64 DEPARTEMENT V GAV5315:23					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-8,276.90	0.00	20240704	15,972,267.53
	SIEGE SIEGELAAR WHA RVX6809:22					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-12,560.80	0.00	20240704	15,959,706.73
	SMITH SMITH BAM A RVX6809:22					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-13,334.19	0.00	20240704	15,946,372.54
	SEREO SEREO DJ RVX6809:22					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-15,750.00	0.00	20240704	15,930,622.54
	ALBI ALBI ROSSOUW RVX6809:23					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-25,057.44	0.00	20240704	15,905,565.10
	HARTN HARTNICK CHAR RVX6809:23					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-48,960.00	0.00	20240704	15,856,605.10
	OASIS OASIS GEMEENS RVX6809:23					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-72,542.00	0.00	20240704	15,784,063.10
	MOTLA MOTLA METERIN RVX6809:23					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-131,684.74	0.00	20240704	15,652,378.36
	D64 DEPARTEMENT V GAV5315:23					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-1,113,856.49	0.00	20240704	14,538,521.87
	ESKOM ESKOM HOLDING RVX6815:21					
2	ELECTRONIC BANKING PAYMENT TO	0.00	-1,253,633.64	0.00	20240704	13,284,888.23

DATE 20240716 11:53:33

Page : 1

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CURRENT ACCOUNT - STATEMENT DETAILS

Page	Details	Service Fee	Debit	Credit	Date	Balance
	SARS E-FILING RVX68 15:21					
2	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING RVX6815:21	0.00	-5,338,007.72		0.00 20240704	7,946,880.51
2	ELECTRONIC BANKING TRANSFER TO TRF DEP GTRANSPORT REC	0.00	-64,382.20		0.00 20240704	7,882,498.31
2	ELECTRONIC BANKING TRANSFER TO PREPAID TO BULK*	0.00	-87,477.38		0.00 20240704	7,795,020.93
2	ELECTRONIC BANKING TRANSFER TO TO BULK ACC *	0.00	-7,500,000.00		0.00 20240704	295,020.93

** END OF REPORT **

DATE 20240716 11:53:33

Page : 2

Standard Bank of South Africa

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543548	KANNALAND MUNICIPAL	Statement For	20240702	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	424		

Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240701	121,764.63
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS RCB 1 0001043109682	0.00	0.00	200.00	20240701	121,964.63
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS PLC 9 0003393109577	0.00	0.00	10,548.50	20240701	132,513.13
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS RCB 1 0001043109682	0.00	0.00	12,740.80	20240701	145,253.93
1	CREDIT CARD EFTPOS SETTLEMENT DR EFTPOS EY4 U 0000533109453	0.00	0.00	16,408.19	20240701	161,662.12
1	CREDIT CARD EFTPOS SETTLEMENT CR EFTPOS PLC 9 0003393109577	0.00	0.00	17,274.00	20240701	178,936.12
1	CASH DEPOSIT NOTES/COINS CBL MOTORS 01/07/2024	0.00	0.00	6,924.70	20240702	185,860.82
1	ELECTRONIC BANKING TRANSFER FR DEP TO MAIN	0.00	0.00	10,000.00	20240702	195,860.82
1	CASH DEPOSIT NOTES/COINS LADISMITH	0.00	0.00	18,141.70	20240702	214,002.52
1	ELECTRONIC BANKING PAYMENT TO THE H THE HABIT GUE RVX6812:52	0.00	-5,775.00	0.00	20240702	208,227.52
1	ELECTRONIC BANKING PAYMENT TO C19 CBL HARDEWARE RVX6810:01	0.00	-18,305.00	0.00	20240702	189,922.52
1	ELECTRONIC BANKING PAYMENT TO C19 CBL HARDEWARE GAV5310:43	0.00	-18,652.50	0.00	20240702	171,270.02
1	ELECTRONIC BANKING PAYMENT TO C2 CALITZDORP BE RVX6812:52	0.00	-32,849.52	0.00	20240702	138,420.50
1	ELECTRONIC BANKING PAYMENT TO BYTES SOLVEM CONSUL RVX6812:58	0.00	-35,437.43	0.00	20240702	102,983.07
1	ACCOUNT PAYMENT SBSA FLEET177482830000485636	5.50	-9,204.42	0.00	20240702	93,778.65
1	ELECTRONIC BANKING TRANSFER TO TRF DEP TRANSPORT REC	0.00	-94,044.00	0.00	20240702	-265.35

** END OF REPORT **

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SECTION 7 – QUALITY CERTIFICATION



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

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LADISMITH
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Tel : (028) 551 1023
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Kerkstr. 32 Church St.
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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 **JUNE 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 July 2024