



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

## **Quarterly Budget Report – Section 52** **4<sup>th</sup> Quarter of 2023/24**



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

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## GLOSSARY

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

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

**Approved budget** - means an annual budget—

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

**Budget** - The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Virement** - A transfer of budget.

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

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

## LEGISLATIVE FRAMEWORK

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

## Report of the Executive Mayor

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

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

## Executive Mayor

## Recommendations

That the council takes cognisance of the Quarterly budget statement of the **Fourth Quarter of the 2023/24 MTREF (Q4)**.

## SECTION 1 – EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

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

### 1.2 CONSOLIDATED PERFORMANCE

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

It also compares the quarterly projections for service delivery targets and performance indicators contained in the SDBIP, against the actual; outcomes of the municipality's performance in service delivery for the 4<sup>th</sup> quarter of 2023/24.

The performance against the budget can be summarized as follow:

Amount in thousands	Amended Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 233 809	R 233 809	R 247 427	R 13 618	6%
Operating Expenditure	R 252 579	R 252 579	R 236 562	R (16 889)	-7%
Capital	R 19 233	R 19 233	R 16 540	R (2 694)	-14%

#### 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 100% of total revenue to date. This presents a 15% over collection for total revenue for the full year.

#### 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. This presents a 7% under-spent for total expenditure for the full year.

### **Capital Expenditure**

The total capital budget for the municipality amounts to R19 million with a year-to-date performance of R 17 million, or 76% of the total capital budget. The Municipality will submit a roll-over application where funds remain unspent for the year.

### **1.3 MATERIAL DIFFERENCES TO THE SDBIP**

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

### **1.4 REMEDIAL ACTIONS**

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

## SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES

### 2.1 TABLE C1 – QUARTERLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter									
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
<b>R thousands</b>									
<b>Financial Performance</b>									
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
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>183 758</b>	<b>226 346</b>	<b>233 809</b>	<b>47 624</b>	<b>247 427</b>	<b>233 809</b>	<b>13 618</b>	<b>6%</b>	<b>233 809</b>
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
<b>Total Expenditure</b>	<b>229 258</b>	<b>241 455</b>	<b>253 451</b>	<b>39 239</b>	<b>236 562</b>	<b>253 451</b>	<b>(16 889)</b>	<b>-7%</b>	<b>253 451</b>
<b>Surplus/(Deficit)</b>	<b>(45 500)</b>	<b>(15 109)</b>	<b>(19 642)</b>	<b>8 385</b>	<b>10 865</b>	<b>(19 642)</b>	<b>30 507</b>	<b>-155%</b>	<b>(19 642)</b>
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)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(37 074)</b>	<b>695</b>	<b>(409)</b>	<b>14 230</b>	<b>27 405</b>	<b>(409)</b>	<b>27 814</b>	<b>-6801%</b>	<b>(409)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(37 074)</b>	<b>695</b>	<b>(409)</b>	<b>14 230</b>	<b>27 405</b>	<b>(409)</b>	<b>27 814</b>	<b>-6801%</b>	<b>(409)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>3 047</b>	<b>13 743</b>	<b>17 412</b>	<b>5 921</b>	<b>14 486</b>	<b>17 412</b>	<b>(2 925)</b>	<b>-17%</b>	<b>17 412</b>
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
<b>Total sources of capital funds</b>	<b>(4 007)</b>	<b>13 743</b>	<b>17 412</b>	<b>5 921</b>	<b>14 486</b>	<b>17 412</b>	<b>(2 925)</b>	<b>-17%</b>	<b>17 412</b>
<b>Financial position</b>									
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				-
<b>Community wealth/Equity</b>	<b>157 906</b>	<b>2 867</b>	<b>2 867</b>		<b>168 294</b>				<b>2 867</b>
<b>Cash flows</b>									
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	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>104 970</b>	<b>(7 435)</b>	<b>(8 222)</b>	<b>-</b>	<b>95 040</b>	<b>26 601</b>	<b>(68 439)</b>	<b>-257%</b>	<b>277 918</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	9 013	4 971	6 982	6 253	3 256	3 403	14 384	105 124	153 386
<b>Creditors Age Analysis</b>									
Total Creditors	17 019	4 093	3 406	-	-	-	-	63 463	87 981



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

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth Quarter										
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									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		68 359	50 659	52 394	3 849	79 315	52 394	26 921	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	3 786	43 863	39 133	4 730	12%	39 133
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11 776	36 120	42 887	29 910	43 406	42 887	519	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	-	-	(1)	(1)	-	(1)	-	-
Housing		-	20 370	26 046	27 456	27 456	26 046	1 410	5%	26 046
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2 239	4 604	4 904	174	2 262	4 904	(2 642)	-54%	4 904
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		2 239	4 604	4 904	174	2 262	4 904	(2 642)	-54%	4 904
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		109 810	150 767	152 857	19 537	138 983	152 857	(13 874)	-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	11 523	41 888	39 374	2 513	6%	39 374
Waste water management		10 774	16 612	16 612	973	11 946	16 612	(4 665)	-28%	16 612
Waste management		10 764	15 769	15 769	946	11 586	15 769	(4 183)	-27%	15 769
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	192 184	242 150	253 042	53 469	263 967	253 042	10 925	4%	253 042
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		79 185	86 605	89 273	8 773	77 944	89 273	(11 329)	-13%	89 273
Executive and council		21 671	24 748	23 656	2 987	24 693	23 656	1 037	4%	23 656
Finance and administration		57 515	61 858	65 618	5 786	53 251	65 618	(12 366)	-19%	65 618
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 746	31 175	37 951	19 733	37 343	37 951	(607)	-2%	37 951
Community and social services		10 203	8 894	9 359	360	7 857	9 359	(1 502)	-16%	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	19 160	27 161	27 216	(55)	0%	27 216
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		16 130	17 691	20 645	1 409	14 392	20 645	(6 253)	-30%	20 645
Planning and development		5	-	-	-	-	-	-	-	-
Road transport		16 125	17 691	20 645	1 409	14 392	20 645	(6 253)	-30%	20 645
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		118 197	105 983	105 582	9 325	106 882	105 582	1 300	1%	105 582
Energy sources		64 317	70 336	65 580	6 236	61 955	65 580	(3 625)	-6%	65 580
Water management		24 204	14 006	17 622	1 374	22 239	17 622	4 617	26%	17 622
Waste water management		14 599	10 984	11 509	744	10 293	11 509	(1 216)	-11%	11 509
Waste management		15 077	10 657	10 871	971	12 396	10 871	1 524	14%	10 871
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	229 258	241 455	253 451	39 239	236 562	253 451	(16 889)	-7%	253 451
<b>Surplus/ (Deficit) for the year</b>		(37 074)	695	(409)	14 230	27 405	(409)	27 814	-6801%	(409)

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

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33 573	12 961	13 261	63	35 452	13 261	22 190	167,3%	13 261
Vote 2 - CORPORATE SERVICES		13 175	41 883	48 785	30 065	44 622	48 785	(4 164)	-8,5%	48 785
Vote 3 - FINANCIAL SERVICES		33 986	34 750	36 050	3 682	43 147	36 050	7 097	19,7%	36 050
Vote 4 - TECHNICAL SERVICES		111 450	152 556	154 946	19 660	140 746	154 946	(14 200)	-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	53 469	263 967	253 042	10 925	4,3%	253 042
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		21 671	24 748	23 656	2 987	24 693	23 656	1 037	4,4%	23 656
Vote 2 - CORPORATE SERVICES		37 646	55 025	65 343	22 834	65 123	65 343	(220)	-0,3%	65 343
Vote 3 - FINANCIAL SERVICES		38 564	38 044	41 049	2 864	26 947	41 049	(14 102)	-34,4%	41 049
Vote 4 - TECHNICAL SERVICES		129 996	121 333	121 098	10 366	118 444	121 098	(2 655)	-2,2%	121 098
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		1 381	2 305	2 305	188	1 356	2 305	(949)	-41,2%	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	39 239	236 562	253 451	(16 889)	-6,7%	253 451
Surplus/ (Deficit) for the year	2	(37 074)	695	(409)	14 230	27 405	(409)	27 814	-6801,3%	(409)

## 2.4 TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

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)

## 2.5 OPERATING REVENUE BY SOURCES:

- YTD Electricity Revenue – R 73 million (96% of the Electricity Budget)**

Electricity billing during the end of the **quarter four** amounted to **R6 million** a **7%** of the total budget.

- YTD Water Revenue – R 33 million (150% of the Water Budget)**

Water billing during the end of **quarter four** amounted to **R 7.3 million** a **33%** of the budget

- YTD Sewerage Revenue – R 9.2 million (96% of the Sewerage Budget)**

Sewerage billing during the end of **quarter four** amounted to **R 746 thousand** an **8%** of the total budget.

- **YTD Refuse Removal Revenue – R 9 million (96% of the Solid Waste Budget)**

Refuse billing during the end of **quarter four** amounted to **R 754 million** an **8%** of the total budget

- **Interest on Outstanding Debtors**

Interest charges on outstanding debtors for the year-to-date is **R 8.6 million** and **R 794 thousand** for the end of the quarter.

- **Rental of facilities and equipment**

Rental of facilities and equipment amounted to **R 70 thousand** and **6%** of the total budget for the end of **quarter four**.

- **Interest on external investments – R 97 thousand (10% of the interest Budget)**

- **Fines Penalties and forfeits**

Fines Penalties and forfeits for the end of **quarter four** amounted to **R 43 thousand** this represents **2%** of the YTD budget.

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

Other Revenue, Agency Services and Licences and permits amounts to **R 161 thousand**.

## **2.6 OPERATING EXPENDITURE BY TYPE**

- **Employee Related Costs for the year amounts to R 96 million representing 104% the budget Councillors amounts to R 3.9 million or 102% of the annual budget**

The fourth quarter amounts to **R 8.3 million** (8% of Annual Employee Budget) with Councillors at **R 308 thousand** (8% of the Annual Councillors Remuneration Budget)

- **Bulk Purchases amounts to R54 million or 97% of the annual budget**

Bulk purchases for the end of quarter four amounts of **R 5.4 million** representing **10%** of the YTD budget.

- **Finance Charges amount to R 499 thousand or 45% of the annual budget**

- **Other materials – R 1.3 million (15% of the budget)**

Expenditure on “Other Materials” is well below the year-to-date forecast.

- **Contracted Services amount to R 35 million or 86% of the annual budget**

The expenditure at the end of quarter four amounts to **R 21 million** or **53%** of the budget.

- **Other Expenditure – R 12 million (56 % of Budget)**

Other expenditure is much lower than forecasted. Expenditure can only be incurred in terms of available revenue.

## 2.7 TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4 Fourth Quarter

<b>Total Capital Expenditure</b>	<b>3</b>	<b>3 047</b>	<b>13 743</b>	<b>17 412</b>	<b>5 921</b>	<b>14 486</b>	<b>17 412</b>	<b>(2 925)</b>	<b>-17%</b>	<b>17 412</b>
<b>Capital Expenditure - Functional Classification</b>										
<i><b>Governance and administration</b></i>		<b>7 054</b>	<b>—</b>	<b>261</b>	<b>—</b>	<b>—</b>	<b>261</b>	<b>(261)</b>	<b>-100%</b>	<b>261</b>
Executive and council		0	—	261	—	—	261	(261)	-100%	261
Finance and administration		7 054	—	—	—	—	—	—	—	—
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		<b>—</b>	<b>—</b>	<b>206</b>	<b>66</b>	<b>66</b>	<b>206</b>	<b>(140)</b>	<b>-68%</b>	<b>206</b>
Community and social services		—	—	206	66	66	206	(140)	-68%	206
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		<b>(21 238)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		(21 238)	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		<b>17 231</b>	<b>13 743</b>	<b>16 945</b>	<b>5 855</b>	<b>14 420</b>	<b>16 945</b>	<b>(2 524)</b>	<b>-15%</b>	<b>16 945</b>
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
<i><b>Other</b></i>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>3 047</b>	<b>13 743</b>	<b>17 412</b>	<b>5 921</b>	<b>14 486</b>	<b>17 412</b>	<b>(2 925)</b>	<b>-17%</b>	<b>17 412</b>
<b>Funded by:</b>										
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)		—	—	—	—	—	—	—	—	—
<b>Transfers recognised - capital</b>		<b>17 231</b>	<b>13 743</b>	<b>16 751</b>	<b>5 921</b>	<b>14 011</b>	<b>16 751</b>	<b>(2 740)</b>	<b>-16%</b>	<b>16 751</b>
<b>Borrowing</b>	<b>6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Internally generated funds</b>		<b>(21 238)</b>	<b>—</b>	<b>661</b>	<b>—</b>	<b>475</b>	<b>661</b>	<b>(186)</b>	<b>-28%</b>	<b>661</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>(4 007)</b>	<b>13 743</b>	<b>17 412</b>	<b>5 921</b>	<b>14 486</b>	<b>17 412</b>	<b>(2 925)</b>	<b>-17%</b>	<b>17 412</b>

### CAPITAL EXPENDITURE

- The YTD capital expenditure at the end of **quarter four** was **R 15 million** which amounts to **83%** of the total budget.

## 2.8 TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
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)	-
<b>Total current assets</b>		<b>(11 558)</b>	<b>(23 714)</b>	<b>(17 323)</b>	<b>(697)</b>	<b>(17 323)</b>
<b>Non current assets</b>						
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		-	-	-	-	-
<b>Total non current assets</b>		<b>313 240</b>	<b>1 981</b>	<b>5 527</b>	<b>320 382</b>	<b>5 527</b>
<b>TOTAL ASSETS</b>		<b>301 682</b>	<b>(21 733)</b>	<b>(11 796)</b>	<b>319 685</b>	<b>(11 796)</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
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		-	-	-	-	-
<b>Total current liabilities</b>		<b>70 652</b>	<b>(22 971)</b>	<b>(12 260)</b>	<b>93 098</b>	<b>(12 260)</b>
<b>Non current liabilities</b>						
Financial liabilities		-	-	-	-	-
Provision		33 738	-	-	19 349	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		10 817	-	-	11 540	-
<b>Total non current liabilities</b>		<b>44 555</b>	<b>-</b>	<b>-</b>	<b>30 889</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>115 207</b>	<b>(22 971)</b>	<b>(12 260)</b>	<b>123 986</b>	<b>(12 260)</b>
<b>NET ASSETS</b>	<b>2</b>	<b>186 475</b>	<b>1 238</b>	<b>464</b>	<b>195 698</b>	<b>464</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		157 444	2 867	2 867	167 832	2 867
Reserves and funds		462	-	-	462	-
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>157 906</b>	<b>2 867</b>	<b>2 867</b>	<b>168 294</b>	<b>2 867</b>

## 2.9 TABLE C7 – QUARTERLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter										
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
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
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		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(61 949)	(226 578)	(233 554)	(25 523)	(135 922)	(233 554)	(97 632)	42%	(18 881)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>75 736</b>	<b>5 823</b>	<b>9 189</b>	<b>(3 266)</b>	<b>72 612</b>	<b>9 189</b>	<b>(63 423)</b>	<b>-690%</b>	<b>223 862</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(8 808)	(13 258)	(17 412)	(4 757)	(14 217)	17 412	31 629	182%	17 412
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(8 808)</b>	<b>(13 258)</b>	<b>(17 412)</b>	<b>(4 757)</b>	<b>(14 217)</b>	<b>17 412</b>	<b>31 629</b>	<b>182%</b>	<b>17 412</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>66 928</b>	<b>(7 435)</b>	<b>(8 222)</b>	<b>(8 024)</b>	<b>58 395</b>	<b>26 601</b>			<b>241 273</b>
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 balances of **Quarter four** were as follow;

- Standard Bank Main Account is **R 397 thousand**;
- The Traffic Account has **R 736 thousand**;
- Deposit Account has and **R 136 thousand**;
- Call Account has **R 6 709 million**.

## SECTION 3 SUPPORTING DOCUMENTATION

### 3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter													
Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	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**.

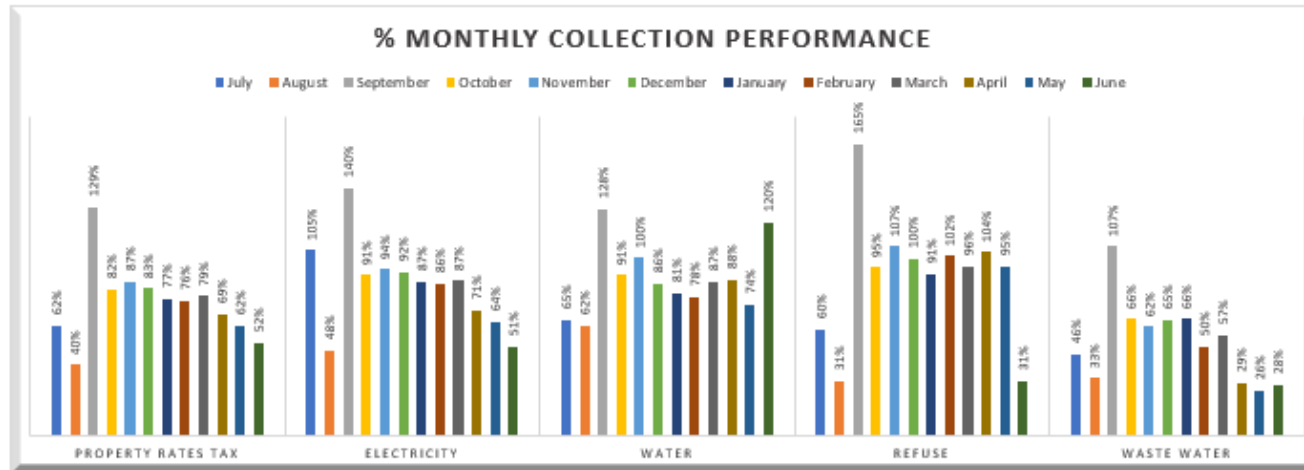
- **R105 million or 69%** of the total outstanding debtors are older than one year.
- **R132 million or 86%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

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.



### 3.2 DEBTORS PAYMENT PERCENTAGES

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



Complete This Section			Quarter 4 Performance Per Ward																
Services	Electricity Supplier	Ward Name & Number	10.April				11.May				12.June				Billing	Collection	R - Billing not collected	% Collection	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					
<b>Property Rates Tax</b>	Mun Supplied	Nisensville - 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%	289 022	296 564	(7 542)	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%
<b>Property Rates Tax</b>	Eskom supplied	Zaar - 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			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			450 167	92 326	357 841	21%	444 323	58 224	386 099	13%	391 156	38 671	352 485	10%	1 285 646	189 221	1 096 425	15%	15%
Refuse			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%
Waste Water			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%
Interest			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%
<b>Property Rates Tax</b>	Eskom supplied	Gallitzdorp Farms - Ward 3	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%
Electricity			95	-	95	0%	101	-	101	0%	101	-	101	0%	297	-	297	0%	0%
Water			1 427	1 170	257	82%	771	119	652	15%	530	4 401	0	831%	2 727	5 690	(2 963)	209%	209%
Refuse			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Waste Water			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Interest			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
<b>Property Rates Tax</b>	Mun Supplied	Bergag Gallitzdorp - 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			483	210	273	43%	483	-	483	0%	483	-	483	0%	1 449	210	1 239	14%	14%
<b>Property Rates Tax</b>	Mun Supplied	Gallitzdorp Town - Ward 3	431 839	374 026	57 813	87%	432 068	323 606	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	431 643	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%	19 277	20 114	(836)	104%	104%
<b>Property Rates Tax</b>	Mun Supplied	Ladsmith Town - Ward 4	898 137	859 889	38 249	96%	901 831	797 492	104 339	88%	901 436	847 033	54 403	94%	2 701 404	2 504 414	196 990	93%	93%
Electricity			3 436 172	3 690 797	0	107%	4 224 126	4 050 883	173 243	96%	3 687 393	925 052	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%
<b>Property Rates Tax</b>	Eskom supplied	Ladsmith Farms - 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	506 424	48 945	91%	541 775	36 311	505 464	7%	1 487 263	916 905	570 358	62%	62%
Water			336 378	316 973	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%
<b>Property Rates Tax</b>	Eskom supplied	Van Wyksdorp - 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			-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!
Water			55 925	10 064	45 862	18%	55 107	11 452	43 654	21%	47 690	11 028	36 662	23%	158 722	32 544	126 178	21%	21%
Refuse			32 375	4 740	27 635	15%	32 375	5 182	27 193	16%	32 375	5 387	26 988	17%	97 124	15 309	81 816	16%	16%
Waste Water			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%
Interest			63	-	63	0%	63	-	63	0%	63	-	63	0%	190	-	190	0%	0%

### 3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter											
Description	NT Code	Budget Year 2023/24									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	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
<b>UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS</b>										
<b>NATIONAL GOVERNMENT GRANTS</b>										
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
<b>Total National Government Grants</b>	<b>R 1,578,068</b>	<b>R 55,583,000</b>	<b>R 16,343,350</b>	<b>R 958,000</b>	<b>R 958,000</b>	<b>R 56,412,000</b>	<b>R -</b>	<b>R 40,068,222</b>	<b>R 15,563,601</b>	<b>R 1,400,246</b>
<b>PROVINCIAL GOVERNMENT GRANTS</b>										
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
<b>Total Provincial Government Grants</b>	<b>R 2,569,726</b>	<b>R 23,925,000</b>	<b>R 34,843,149</b>	<b>R -</b>	<b>R -</b>	<b>R 31,619,720</b>	<b>R -</b>	<b>R 31,036,296</b>	<b>R -</b>	<b>R 3,303,299</b>

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

#### Expenditure:

- Financial Management Grant amounts to **R1 766 million**.
- Municipal Infrastructure Grant (MIG) amounts **R 3 176 million** capital expenditure and **MIG PMU** amounts to **R 142 thousand**.
- Expanded Public Works Programme amounts to **R 198 thousand**.
- Human Settlements amounts to **R 13 605 million**.
- Municipal Replacement Fund (MRF) amounts to **R 535 thousand**.
- Community Development Workers (CDW) amounts to **R 48 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 - Q4 Fourth Quarter										
Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
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		-	-	-	-	-	-	-		-
<b>Sub Total - Councillors</b>		<b>3 273</b>	<b>3 276</b>	<b>3 866</b>	<b>308</b>	<b>3 956</b>	<b>3 866</b>	<b>90</b>	<b>2%</b>	<b>3 866</b>
<b>% increase</b>	4		<b>0,1%</b>	<b>18,1%</b>						<b>18,1%</b>
<b>Senior Managers of the Municipality</b>										
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		-	-	-	-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 963</b>	<b>5 167</b>	<b>4 547</b>	<b>418</b>	<b>3 869</b>	<b>4 547</b>	<b>(678)</b>	<b>-15%</b>	<b>4 547</b>
<b>% increase</b>	4		<b>74,4%</b>	<b>53,5%</b>						<b>53,5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		52 231	52 793	62 470	5 490	61 770	62 470	(700)	-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	904	8 772	5 983	2 789	47%	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		-	-	-	-	-	-	-		-
Entertainment		(723)	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>		<b>77 954</b>	<b>74 309</b>	<b>87 519</b>	<b>7 904</b>	<b>92 089</b>	<b>87 519</b>	<b>4 570</b>	<b>5%</b>	<b>87 519</b>
<b>% increase</b>	4		<b>-4,7%</b>	<b>12,3%</b>						<b>12,3%</b>
<b>Total Parent Municipality</b>		<b>84 190</b>	<b>82 752</b>	<b>95 933</b>	<b>8 630</b>	<b>99 914</b>	<b>95 933</b>	<b>3 982</b>	<b>4%</b>	<b>95 933</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Board Members of Entities</b>										
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		-	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
<b>Sub Total - Executive members Board</b>		<b>-</b>	<b>457</b>	<b>399</b>	<b>0</b>	<b>1</b>	<b>399</b>	<b>(398)</b>	<b>-100%</b>	<b>399</b>
<b>% increase</b>	4		<b>0,0%</b>	<b>0,0%</b>						<b>0,0%</b>
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		<b>-</b>	<b>457</b>	<b>399</b>	<b>0</b>	<b>1</b>	<b>399</b>	<b>(398)</b>	<b>-100%</b>	<b>399</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>84 190</b>	<b>83 209</b>	<b>96 331</b>	<b>8 630</b>	<b>99 915</b>	<b>96 331</b>	<b>3 584</b>	<b>4%</b>	<b>96 331</b>
<b>% increase</b>	4		<b>-1,2%</b>	<b>14,4%</b>						<b>14,4%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>80 917</b>	<b>79 476</b>	<b>92 067</b>	<b>8 322</b>	<b>95 958</b>	<b>92 067</b>	<b>3 892</b>	<b>4%</b>	<b>92 067</b>

### **3.7 MATERIAL VARIANCES TO THE SDBIP**

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

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

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

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

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

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

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

KPA 7: To Strive towards a financially sustainable municipality

**DETAILED CAPITAL PROJECTS FOR 2024/25**

Type	Grant Name	Allocation 2024	Allocation 2025	Allocation 2026
National	Municipal Infrastructure Grant	R 11 217 000	R 11 542 000	R 12 147 000
National	Water Services Infrastructure Grant	R 9 000 000	R 10 000 000	R 35 000 000
National	Integrated National Electrification Grant		R 600 000	R 700 000
Provincial	Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	-	R 50 000	R 52 000
Provincial	Human Settlements Development Grant (Beneficiaries)	R 14 167 000	R 8 000 000	R 29 000 000
Provincial	Title Deeds Restoration Grant	R 403 000	R 403 000	-
Provincial	Informal Settlements Upgrading Partnership Grant	R 500 000	R 5 200 000	-
Provincial	Municipal Energy Resilience Grant	R 522 000	-	-
Provincial	Municipal Water Resilience Grant	R 2 000 000	-	-
Total Capital Projects Grant		<b>R 37 809 000</b>	<b>R 35 795 000</b>	<b>R 76 899 000</b>

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## MONTHLY PROJECTIONS OF CASH FLOW 2024/25

## ANNEXURE II

WC041 Kannaland - Supporting Table SA30 Budgeted monthly cash flow																Medium Term Revenue and Expenditure Framework		
MONTHLY CASH FLOWS																		
R thousand	Budget Year 2024/25																	
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27			
<b>Cash Receipts By Source</b>																		
Property rates	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	25 160	26 318	27 502			
Service charges - electricity revenue	7 168	7 168	7 168	7 168	7 168	7 168	7 168	7 168	7 168	7 168	7 168	7 168	86 021	99 435	117 019			
Service charges - water revenue	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	20 437	22 481	23 718			
Service charges - sanitation revenue	738	738	738	738	738	738	738	738	738	738	738	738	8 853	9 331	9 844			
Service charges - refuse revenue	714	714	714	714	714	714	714	714	714	714	714	714	8 566	9 029	9 525			
Rental of facilities and equipment	81	81	81	81	81	81	81	81	81	81	81	81	976	1 028	1 085			
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Interest earned - outstanding debtors	555	555	555	555	555	555	555	555	555	555	555	555	6 657	7 017	7 403			
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Fines, penalties and forfeits	318	318	318	318	318	318	318	318	318	318	318	318	3 817	3 993	4 172			
Licences and permits	41	41	41	41	41	41	41	41	41	41	41	41	493	4	4			
Agency services	121	121	121	121	121	121	121	121	121	121	121	121	1 450	1 517	1 585			
Transfers and Subsidies - Operational	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	62 488	57 007	73 645			
Other revenue	165	165	165	165	165	165	165	165	165	165	165	165	1 980	2 069	2 160			
<b>Cash Receipts by Source</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>18 908</b>	<b>226 899</b>	<b>239 227</b>	<b>277 682</b>			
<b>Other Cash Flows by Source</b>																		
Transfers and subsidies - capital (n-kind)	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	19 760	22 919	47 240			
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Total Cash Receipts by Source</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>20 555</b>	<b>246 659</b>	<b>262 146</b>	<b>324 901</b>			
<b>Cash Payments by Type</b>																		
Employee related costs	(6 349)	(6 349)	(6 349)	(6 349)	(6 349)	(6 349)	(6 349)	(6 349)	(6 349)	(6 349)	(6 349)	(6 349)	(76 186)	(76 857)	(80 241)			
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Bulk purchases - Electricity	(5 044)	(5 044)	(5 044)	(5 044)	(5 044)	(5 044)	(5 044)	(5 044)	(5 044)	(5 044)	(5 044)	(5 044)	(60 529)	(63 313)	(66 162)			
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other materials	(472)	(472)	(472)	(472)	(472)	(472)	(472)	(472)	(472)	(472)	(472)	(472)	(5 665)	(5 927)	(6 193)			
Contracted services	(4 567)	(4 567)	(4 567)	(4 567)	(4 567)	(4 567)	(4 567)	(4 567)	(4 567)	(4 567)	(4 567)	(4 567)	(54 802)	(42 063)	(73 269)			
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other expenditure	(1 712)	(1 712)	(1 712)	(1 712)	(1 712)	(1 712)	(1 712)	(1 712)	(1 712)	(1 712)	(1 712)	(1 712)	(2 108)	(22 349)	(46 012)			
<b>Cash Payments by Type</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(218 291)</b>	<b>(210 616)</b>	<b>(271 873)</b>			
<b>Other Cash Flows/Payments by Type</b>																		
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	(22 282)	(22 282)	(22 919)			
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(47 240)			
<b>Other Cash Flows/Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>Total Cash Payments by Type</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(18 144)</b>	<b>(40 987)</b>	<b>(240 673)</b>	<b>(319 113)</b>			
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>2 411</b>	<b>(20 431)</b>	<b>6 086</b>	<b>28 717</b>			
Cash/cash equivalents at the month/year begin	30 188	32 599	35 010	37 421	39 832	42 243	44 654	47 065	49 476	51 887	54 298	56 709	59 120	61 531	63 942			
Cash/cash equivalents at the month/year end	32 599	35 010	37 421	39 832	42 243	44 654	47 065	49 476	51 887	54 298	56 709	59 120	59 189	94 274	124 991			



**2024/2025 FINAL SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN ANNEXURE 1V**

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
KANNALAND OBJECTIVE To Provide an Efficient Workforce by Aligning our Institutional Arrangements to our Overall Strategy								
DISTRICT STRATEGIC OBJECTIVE 1: A Skilled Workforce and Communities								
PROVINCIAL OUTCOME VIP 3: Empowering People								
NDP OUTCOMES OUTCOME 13: Building a Capable and Developmental State								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPARTMENT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
KPI 1	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by end June 2025	Corporate Services	4 of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by end June 2025	None	2 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by end December 2024	None	2 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by end June 2025	Report
KPI 2	Percentage of a municipality's budget actually spent on implementing its workplace skills plan by end June 2025	Corporate Services	100% of a municipality's budget actually spent on implementing its workplace skills plan by end June 2025	25% of a municipality's budget actually spent on implementing its workplace skills plan by end September 2024	25% of a municipality's budget actually spent on implementing its workplace skills plan by end December 2024	25% of a municipality's budget actually spent on implementing its workplace skills plan by end March 2025	25% of a municipality's budget actually spent on implementing its workplace skills plan by end June 2025	Signed off Quality certificates and grant spending reports

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
KANNALAND OBJECTIVE								
To Provide Access to Reliable Infrastructure That Will Contribute to a Higher Quality of Life for Kannaland Citizens								
To Provide Adequate Services and Improve our Public Relations								
DISTRICT STRATEGIC								
STRATEGIC OBJECTIVE 2: Bulk Infrastructure Co-Ordination								
STRATEGIC OBJECTIVE 7: Sustainable Environmental Management and Public Safety								
PROVINCIAL OUTCOME								
VIP 2: Growth and Jobs								
NDP OUTCOMES								
OUTCOME 6: Efficient, Competitive and Responsive Economic Infrastructure Network								
OUTCOME 2: Improve Health and Life Expectancy								
OUTCOME 10: Protection and Enhancement of Environmental Assets and Natural Resources								
OUTCOME 11: A Better South Africa, A Better and Safer Africa and World								
OUTCOME 12: Building Safer Communities								
KPI NO	KEY PERFORMANCE INDICATOR	DEPARTMENT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
KPI 3	Number of formal residential households with access to basic level of water by end June 2025	Infrastructure Services	4665 of formal residential households with access to basic level of water by end June 2025	4635 of formal residential households with access to basic level of water by end September 2024	4642 of formal residential households with access to basic level of water by end December 2024	4656 of formal residential households with access to basic level of water by end March 2025	4665 of formal residential households with access to basic level of water by end June 2025	Report
KPI 4	Number of formal residential households with access to basic level of sanitation by end June 2025	Infrastructure Services	4350 formal residential households with access to basic level of sanitation by end June 2025	4330 formal residential households with access to basic level of sanitation by end September 2024	4340 formal residential households with access to basic level of sanitation by end December 2024	4350 formal residential households with access to basic level of sanitation by end March 2025	4350 formal residential households with access to basic level of sanitation by end June 2025	Report
KPI 5	Number of formal residential households with access to basic	Infrastructure Services	3541 formal residential households with access to basic	3520 formal residential households with access to basic	3520 formal residential households with access to basic	3520 formal residential households with access to basic	3541 formal residential households with access to basic	Report

	level of electricity by end June 2025		level of electricity by end June 2025	level of electricity by end September 2024	level of electricity by end December 2024	basic level of electricity by end March 2025	level of electricity by end June 2025	
KPI 6	Number of formal residential households with access to basic level of solid waste removal by end June 2025	Infrastructure Services	4550 formal residential households with access to basic level of solid waste removal by end June 2025	4540 formal residential households with access to basic level of solid waste removal by end September 2024	4546 of formal residential households with access to basic level of solid waste removal by end December 2024	4550 formal residential households with access to basic level of solid waste removal by end March 2025	4550 formal residential households with access to basic level of solid waste removal by end June 2025	Report
KPI 7	Number of municipal registered indigent households with access to free basic services by end June 2025	Infrastructure Services	2252 municipal registered indigent households with access to free basic services by end June 2025	2230 municipal registered indigent households with access to free basic services by end September 2024	2240 municipal registered indigent households with access to free basic services by end December 2024	2252 municipal registered indigent households with access to free basic services by end March 2025	indigent households with access to free basic services by end June 2025	Report
KPI 8	Percentage of a municipality's MIG actually spent on projects identified for 2024/25 financial year by end June 2025	Infrastructure Services	100% of a municipality's MIG actually spent on projects identified for 2024/25 financial year by end June 2025	25% of a municipality's MIG actually spent on projects identified for 2024/25 financial year by end September 2024	25% of a municipality's MIG actually spent on projects identified for 2024/25 financial year by end December 2024	25% of a municipality's MIG actually spent on projects identified for 2024/25 financial year by end March 2025	25% of a municipality's MIG actually spent on projects identified for 2024/25 financial year by end June 2025	Signed off Quality certificates and grant spending reports
KPI 9	Percentage of a municipality's WSIG actually spent on projects identified for 2024/25 financial year by end June 2025	Infrastructure Services	100% of a municipality's WSIG actually spent on projects identified for 2024/25 financial year by end June 2025	25% of a municipality's WSIG actually spent on projects identified for 2024/25 financial year by end September 2024	25% of a municipality's WSIG actually spent on projects identified for 2024/25 financial year by end December 2024	25% of a municipality's WSIG actually spent on projects identified for 2024/25 financial year by end March 2025	25% of a municipality's WSIG actually spent on projects identified for 2024/25 financial year by end June 2025	Signed off Quality certificates and grant spending reports
KPI 10	Percentage of a municipality's Human Settlements Development Grant	Corporate and Community Services	100% of a municipality's Human Settlements Development Grant	25% of a municipality's Human Settlements Development	25% of a municipality's Human Settlements Development	25% of a municipality's Human Settlements Development	25% of a municipality's Human Settlements Development Grant	Signed off Quality certificates and grant

	(Beneficiaries) actually spent on projects identified for 2024/25 financial year by end June 2025		(Beneficiaries) actually spent on projects identified for 2024/25 financial year by end June 2025	Grant (Beneficiaries) actually spent on projects identified for 2024/25 financial year by end September 2024	Grant (Beneficiaries) actually spent on projects identified for 2024/25 financial year by end December 2024	Grant (Beneficiaries) actually spent on projects identified for 2024/25 financial year by end March 2025	(Beneficiaries) actually spent on projects identified for 2024/25 financial year by end June 2025	spending reports
KPI 11	Percentage of municipality's Title Deeds Restoration Grant actually spent for 2024/25 financial year by end June 2025	Corporate and Community Services	100% of municipality's Title Deeds Restoration Grant actually spent for 2024/25 financial year by end June 2025	25% of municipality's Title Deeds Restoration Grant actually spent for 2024/25 financial year by end September 2024	25% of municipality's Title Deeds Restoration Grant actually spent for 2024/25 financial year by end December 2024	25% of municipality's Title Deeds Restoration Grant actually spent for 2024/25 financial year by end March 2025	25% of municipality's Title Deeds Restoration Grant actually spent for 2024/25 financial year by end June 2025	Signed off Quality certificates and grant spending reports
KPI 12	Percentage of municipality's Informal Settlements Upgrading Partnership Grant actually spent on projects identified for a 2024/25 financial year by end June 2025	Infrastructure Services	100% of municipality's Informal Settlements Upgrading Partnership Grant actually spent on projects identified for a 2024/25 financial year by end June 2025	25% of a municipality's Informal Settlements Upgrading Partnership Grant actually spent on projects identified for a 2024/25 financial year by end September 2024	25% of municipality's Informal Settlements Upgrading Partnership Grant actually spent on projects identified for a 2024/25 financial year by end December 2024	25% of municipality's Informal Settlements Upgrading Partnership Grant actually spent on projects identified for a 2024/25 financial year by end March 2025	25% of municipality's Informal Settlements Upgrading Partnership Grant actually spent on projects identified for a 2024/25 financial year by end June 2025	Signed off Quality certificates and grant spending reports
KPI 13	Percentage of municipality's Municipal Energy Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025	Infrastructure Services	100% of municipality's Municipal Energy Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025	25% of municipality's Municipal Energy Resilience Grant actually spent on projects identified for 2024/25 financial year by end September 2024	25% of municipality's Municipal Energy Resilience Grant actually spent on projects identified for 2024/25 financial year by end December 2024	25% of municipality's Municipal Energy Resilience Grant actually spent on projects identified for 2024/25 financial year by end March 2025	25% of municipality's Municipal Energy Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025	Signed off Quality certificates and grant spending reports



<b>KPI 14</b>	Percentage of a municipality's Municipal Water Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025	Infrastructure Services	100% of a municipality's Municipal Water Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025	25% of a municipality's Municipal Water Resilience Grant actually spent on projects identified for 2024/25 financial year by end September 2024	25% of a municipality's Municipal Water Resilience Grant actually spent on projects identified for 2024/25 financial year by end December 2024	25% of a municipality's Municipal Water Resilience Grant actually spent on projects identified for 2024/25 financial year by end March 2025	25% of a municipality's Municipal Water Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025	Signed off Quality certificates and grant spending reports
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### KPA 3: LOCAL ECONOMIC DEVELOPMENT

**OBJECTIVE:** To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks  
To facilitate Economic Growth and Social and Community development

DISTRICT STRATEGIC  
STRATEGIC OBJECTIVE 5: Growing an Inclusive District Economy  
STRATEGIC OBJECTIVE 6: Healthy and Socially Stable Community

PROVINCIAL OUTCOME  
VIP 4: Mobility and Spatial Transformation

NDP OUTCOMES  
OUTCOME 2: Improve Health and Life Expectancy  
OUTCOME 3: All People In South Africa Protected and Feel Safe  
OUTCOME 4: Decent Employment  
OUTCOME 7: Vibrant, Equitable and Sustainable Rural Communities and Food Security

KPI NO.	KEY PERFORMANCE INDICATOR	DEPARTMENT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
<b>KPI 15</b>	Number of jobs created through municipality's local, economic development initiatives by end June 2025	Corporate and Community Services	8 jobs created through municipality's local, economic development initiatives by end June 2025	2 jobs created through municipality's local, economic	2 jobs created through municipality's local, economic	2 jobs created through municipality's local, economic	2 jobs created through municipality's local, economic	Report

KPA 3: LOCAL ECONOMIC DEVELOPMENT								
<b>OBJECTIVE:</b> To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks To facilitate Economic Growth and Social and Community development								
DISTRICT STRATEGIC STRATEGIC OBJECTIVE 5: Growing an Inclusive District Economy STRATEGIC OBJECTIVE 6: Healthy and Socially Stable Community								
PROVINCIAL OUTCOME VIP 4: Mobility and Spatial Transformation								
NDP OUTCOMES OUTCOME 2: Improve Health and Life Expectancy OUTCOME 3: All People In South Africa Protected and Feel Safe OUTCOME 4: Decent Employment OUTCOME 7: Vibrant, Equitable and Sustainable Rural Communities and Food Security								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPARTMENT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
				development initiatives by end September 2024	development initiatives by end December 2024	development initiatives by end March 2025	development initiatives by end June 2025	
KPI	Number of jobs created through municipality's capital projects by end June 2025	Corporate and Community Services	15 jobs created through municipality's capital projects by end June 2025	15 jobs created through municipality's capital projects by end June 2025	15 jobs created through municipality's capital projects by end June 2025	15 jobs created through municipality's capital projects by end June 2025	15 jobs created through municipality's capital projects by end June 2025	Report
KPI 16	number of jobs created through municipality's EPWP by end June 2025	Corporate and Community Services	30 number of jobs created through municipality's EPWP by end June 2025	30 number of jobs created through municipality's EPWP by end June 2025	30 number of jobs created through municipality's EPWP by end June 2025	30 number of jobs created through municipality's EPWP by end June 2025	30 number of jobs created through municipality's EPWP by end June 2025	Report
KPI 17	number of SMMEs training workshops held by end June 2025	Corporate and Community Services	4 SMMEs training workshops held by end June 2025	1 SMMEs training workshop held by end September 2024	1 SMMEs training workshop held by end December 2024	1 SMMEs training workshop held by end March 2024	1 SMMEs training workshop held by end June 2025	Report

KPA 3: LOCAL ECONOMIC DEVELOPMENT								
<p>OBJECTIVE: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks</p> <p>To facilitate Economic Growth and Social and Community development</p>								
<p>DISTRICT STRATEGIC</p> <p>STRATEGIC OBJECTIVE 5: Growing an Inclusive District Economy</p> <p>STRATEGIC OBJECTIVE 6: Healthy and Socially Stable Community</p>								
<p>PROVINCIAL OUTCOME</p> <p>VIP 4: Mobility and Spatial Transformation</p>								
<p>NDP OUTCOMES</p> <p>OUTCOME 2: Improve Health and Life Expectancy</p> <p>OUTCOME 3: All People In South Africa Protected and Feel Safe</p> <p>OUTCOME 4: Decent Employment</p> <p>OUTCOME 7: Vibrant, Equitable and Sustainable Rural Communities and Food Security</p>								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPARTMENT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
KPI 18	number of Youth programs held by end June 2025	Corporate and Community Services	2 Youth programs held by end June 2025	None	1 Youth program held by end December 2024	None	1 Youth program held by end June 2025	Report

  
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KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
OBJECTIVE: To strive towards a financially sustainable municipality								
DISTRICT STRATEGIC Strategic Objective 3: Financial Viability								
PROVINCIAL OUTCOME VIP 3: Innovation and culture								
NDP OUTCOMES Outcome 3: Building a capable and developmental state								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
KPI 19	Percentage of financial viability measured in terms of debt coverage ratio by end June 2025	Financial Services	45% of financial viability measured in terms of debt coverage ratio by end June 2025	25% of financial viability measured in terms of debt coverage ratio by end September 2024	25% of financial viability measured in terms of debt coverage ratio by end December 2024	35% of financial viability measured in terms of debt coverage ratio by end March 2025	45% of financial viability measured in terms of debt coverage ratio by end June 2025	Report
KPI 20	Percentage of financial viability measured in terms of outstanding service debtors to revenue ratio end June 2025	Financial Services	95% of financial viability measured in terms of outstanding service debtors to revenue ratio end June 2025	80% of financial viability measured in terms of outstanding service debtors to revenue ratio end September 2024	80% of financial viability measured in terms of outstanding service debtors to revenue ratio end December 2024	95% of financial viability measured in terms of outstanding service debtors to revenue ratio end March 2025	95% of financial viability measured in terms of outstanding service debtors to revenue ratio end June 2025	Report
KPI 21	Months of financial viability measured in terms of cost coverage ratio by end June 2025	Financial Services	2 months of financial viability measured in terms of cost coverage ratio by end June 2025	1 month of financial viability measured in terms of cost coverage ratio by end September 2024	1 month of financial viability measured in terms of cost coverage ratio by end December 2024	1 month of financial viability measured in terms of cost coverage ratio by end March 2025	2 months of financial viability measured in terms of cost coverage ratio by end June 2025	Report
KPI 22	Percentage of a municipality's operational National grants allocated	Office of the Municipal Manager Financial Services	100% municipality's operational National	25% municipality's operational National grants allocated actually	25% municipality's operational National grants allocated actually	25% municipality's operational National grants allocated actually	25% municipality's operational National grants allocated actually	Signed off Quality certificates and grant



KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
OBJECTIVE: To strive towards a financially sustainable municipality								
DISTRICT STRATEGIC								
Strategic Objective 3: Financial Viability								
PROVINCIAL OUTCOME								
VIP 3: Innovation and culture								
NDP OUTCOMES								
Outcome 3: Building a capable and developmental state								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
	actually spent on projects/programs identified for 2024/25 financial year by end June 2025	Corporate and Community Services Infrastructure Services	grants allocated actually spent on projects/programs identified for 2024/25 financial year by end June 2025	spent on projects/programs identified for 2024/25 financial year by end September 2024	spent on projects/programs identified for 2024/25 financial year by end December 2024	spent on projects/programs identified for 2024/25 financial year by end March 2025	spent on projects/programs identified for 2024/25 financial year by end June 2025	spending reports
KPI 23	Percentage of a municipality's operational Provincial grants allocated actually spent on projects/programs identified for 2024/25 financial year by end June 2025	Office of the Municipal Manager Financial Services Corporate and Community Services Infrastructure Services	100% municipality's operational Provincial grants allocated actually spent on projects/programs identified for 2024/25 financial year by end June 2025	25% municipality's operational Provincial grants allocated actually spent on projects/programs identified for 2024/25 financial year by end September 2024	25% municipality's operational Provincial grants allocated actually spent on projects/programs identified for 2024/25 financial year by end December 2024	25% municipality's operational Provincial grants allocated actually spent on projects/programs identified for 2024/25 financial year by end March 2025	25% municipality's operational Provincial grants allocated actually spent on projects/programs identified for 2024/25 financial year by end June 2025	Signed off Quality certificates and grant spending reports

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
OBJECTIVE: Promote effective and efficient governance with high levels of stakeholder participation								
DISTRICT STRATEGIC Strategic Objective 4: Good governance								
PROVINCIAL OUTCOME VIP 5: Innovation and culture								
NDP OUTCOMES Outcome 3. Building a capable and developmental state Outcome 15. Transforming society and uniting the country								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
KPI 24	Number of Annual Financial Statements submitted to the Auditor-General by 31 August 2024	Financial Services	1 Annual Financial Statements submitted to the Auditor-General by 31 August 2024	1 Annual Financial Statements submitted to the Auditor-General by 31 August 2024	None	None	None	Annual Financial Statements
KPI 25	Number of Annual Performance Report submitted to the Auditor-General by 31 August 2024	Corporate and Community Services	1 Annual Performance Report submitted to the Auditor-General by 31 August 2024	1 Annual Performance Report submitted to the Auditor-General by 31 August 2024	None	None	None	Annual Performance Report
KPI 26	Number of Draft Annual Report submitted to the Auditor-General by 31 August 2024	Corporate and Community Services	1 Draft Annual Report submitted to the Auditor-General by 31 August 2024	1 Draft Annual Report submitted to the Auditor-General by 31 August 2024	None	None	None	Draft Annual Report
KPI 27	Number of time schedule outlining key deadlines submitted to council for adoption by end August 2024	Corporate and Community Services	1 time schedule outlining key deadlines submitted to council for adoption by end August 2024	1 time schedule outlining key deadlines submitted to council for adoption by end August 2024	None	None	None	Council Resolution and Report
KPI 28	Number of Oversight Reports tabled to Council by end June 2025	Corporate and Community Services	2 Oversight Reports tabled to Council by end June 2025	1 2022/23 Oversight Report tabled to Council by	None	1 2023/24 Oversight Report tabled to Council by	None	Council Resolution and 2022/23 Oversight Report

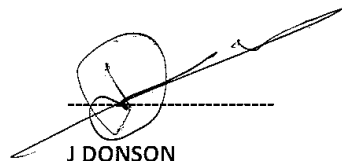
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
OBJECTIVE: Promote effective and efficient governance with high levels of stakeholder participation								
DISTRICT STRATEGIC Strategic Objective 4: Good governance								
PROVINCIAL OUTCOME VIP 5: Innovation and culture								
NDP OUTCOMES Outcome 3. Building a capable and developmental state Outcome 15. Transforming society and uniting the country								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
				end September 2024		end March 2025		Council Resolution and 2023/24 Oversight Report
KPI 29	Number of Mid-year budget and performance assessment report tabled to council by end January 2025	Financial Services Corporate and Community Services	1 Mid-year budget and performance assessment report tabled to council by end January 2025	None	None	1 Mid-year budget and performance assessment report tabled to council by end January 2025	None	Council Resolution and Mid-year budget and performance assessment
KPI 30	Number of adjustment budget approved by end February 2025	Financial Services	1 adjustment budget approved by end February 2025	None	None	1 adjustment budget approved by end February 2025	None	Council Resolution and Adjustment Budget
KPI 31	Number of Draft Revised/Amended IDP submitted to council by end March 2025	Corporate and Community Services	1 Draft Revised/Amended IDP submitted to council by end March 2025	None	None	1 Draft Revised/Amended IDP submitted to council by end March 2025	None	Council Resolution and Draft Revised/Amended IDP
KPI 32	Number of Draft MTREF with budget related policies submitted to council by end March 2025	Financial Services	1 Draft MTREF with budget related policies submitted to council by end March 2025	None	None	1 Draft MTREF with budget related policies submitted to council by end March 2025	None	Council Resolution and Draft MTREF with budget related policies

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KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
OBJECTIVE: Promote effective and efficient governance with high levels of stakeholder participation								
DISTRICT STRATEGIC								
Strategic Objective 4: Good governance								
PROVINCIAL OUTCOME								
VIP 5: Innovation and culture								
NDP OUTCOMES								
Outcome 3. Building a capable and developmental state								
Outcome 15. Transforming society and uniting the country								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
KPI 33	Number of Final Revised/Amended IDP submitted to council by end May 2025	Corporate and Community Services	1 Final Revised/Amended IDP submitted to council by end May 2025	None	None	None	1 Final Revised/Amended IDP submitted to council by end May 2025	Council Resolution and Final Revised/Amended IDP
KPI 34	Number of Final MTREF with budget related policies submitted to council by end May 2025	Financial Services	1 Final MTREF with budget related policies submitted to council by end May 2025	None	None	None	1 Final MTREF with budget related policies submitted to council by end May 2025	Council Resolution and Final MTREF with budget related policies
KPI 35	Number of Work Skills Plan submitted to LGSETA by end April 2025	Corporate and Community Services	1 Work Skills Plan submitted to LGSETA by end April 2025	None	None	None	1 Work Skills Plan submitted to LGSETA by end April 2025	Work Skills Plan
KPI 36	Number of Revised Employment Equity Plan tabled to council by end April 2025	Corporate and Community Services	1 Revised Employment Equity Plan tabled to council by end April 2025	None	None	None	1 Revised Employment Equity Plan tabled to council by end April 2025	Council Resolution and approved Revised Employment Equity Plan
KPI 37	Number of Internal Audit risk-based audit plan approved by audit committee by end July 2024	Office of the Municipal Manager	1 Internal Audit risk-based audit plan approved by audit committee by end July 2024	1 Internal Audit risk-based audit plan approved by audit committee by end July 2024	None	None	None	Approved Internal Audit risk-based audit plan

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
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DISTRICT STRATEGIC Strategic Objective 4: Good governance								
PROVINCIAL OUTCOME VIP 5: Innovation and culture								
NDP OUTCOMES Outcome 3. Building a capable and developmental state Outcome 15. Transforming society and uniting the country								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
KPI 38	Number of MFMA Section 71 monthly reports submitted to the Accounting Officer by end June 2025	Financial Services	12 MFMA Section 71 monthly reports submitted to the Accounting Officer by end June 2025	3 MFMA Section 71 monthly reports submitted to the Accounting Officer by end September 2024	3 MFMA Section 71 monthly reports submitted to the Accounting Officer by end December 2024	3 MFMA Section 71 monthly reports submitted to the Accounting Officer by end March 2025	3 MFMA Section 71 monthly reports submitted to the Accounting Officer by end June 2025	Signed off Quality certificates and MFMA Section 71 monthly reports
KPI 40	Number of MFMA Section 52 quarterly reports submitted to council by end June 2025	Financial Services	4 MFMA Section 52 quarterly reports submitted to council by end June 2025	1 MFMA Section 52 quarterly report submitted to council by end September 2024	1 MFMA Section 52 quarterly report submitted to council by end December 2024	1 MFMA Section 52 quarterly report submitted to council by end March 2025	1 MFMA Section 52 quarterly report submitted to council by end June 2025	Council resolution Signed off Quality certificates and MFMA Section 52 quarterly reports
		Corporate and Community Services						
KPI 41	Number of Local Labor Forum meetings held by end June 2025	Corporate and Community Services	4 Local Labor Forum meetings held by end June 2025	1 Local Labor Forum meeting held by end September 2024	1 Local Labor Forum meeting held by end December 2024	1 Local Labor Forum meeting held by end March 2025	1 Local Labor Forum meeting held by end June 2025	Agenda; attendance register and Minutes
KPI 42	No of Audit Committee meetings held by end June 2025	Corporate and Community Services	4 Audit Committee meetings held by end June 2025	1 Audit Committee meeting held by end September 2024	1 Audit Committee meeting held by end December 2024	1 Audit Committee meeting held by end March 2025	1 Audit Committee meeting held by end June 2025	Agenda; attendance register and Minutes

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
OBJECTIVE: Promote effective and efficient governance with high levels of stakeholder participation								
DISTRICT STRATEGIC Strategic Objective 4: Good governance								
PROVINCIAL OUTCOME VIP 5: Innovation and culture								
NDP OUTCOMES Outcome 3. Building a capable and developmental state Outcome 15. Transforming society and uniting the country								
KPI NO.	KEY PERFORMANCE INDICATOR	DEPT	2024/25 TARGETS					POE
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
KPI 43	Number of Council meetings held by end June 2025	Corporate and Community Services	12 Council meetings held by end June 2025	3 Council meetings held by end September 2024	3 Council meetings held by end December 2024	3 Council meetings held by end March 2024	3 Council meetings held by end June 2025	Agenda; attendance register and Council Resolution
KPI 44	Number of IDP Rep Forum meetings held by end June 2025	Corporate and Community Services	2 IDP Rep Forum meetings held by end April 2025	None	None	1 IDP Rep Forum meetings held by end February 2025	1 IDP Rep Forum meetings held by end June 2025	Agenda; attendance register and minutes



J DONSON

EXECUTIVE MAYOR

26 June 2024

### 3.8 CAPITAL PROGRAMME PERFORMANCE

## EXPENDITURE STATUS 2023/2024

No.	Grant	Project No	Project Name	Original Budget	Adjustment Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG	458789	Refurbishment & Upgrade of Van Wyksdorp WTW	R 443 753,20	R 424 753,20	R 424 753,20	R -	100%	
2	MIG	458828	Upgrading & Refurbishment of Van Wyksdorp Greenhills WWTW	R 2 196 660,71	R 2 156 661,39	R 2 118 301,33	R 38 360,06	98%	
3	MIG	458834	Refurbishment & Upgrading of Zoar WWTW	R 7 606 456,47	R 7 893 537,41	R 7 835 138,58	R 58 398,83	99%	
4	MIG	470476	Zoar Sportfield Lighting	R 557 479,62	R -		R -	0%	
5	WSIG		UPGRADE AND REFURBISH LADISMITH WASTE WATER TREATMENT WORKS PH2	R 5 000 000,00	R 4 500 000,00	R 4 074 912,65	R 425 087,35	91%	
6	Water Resilience Grant		Zoar Water Treatment Works Upgrade		R 1 440 000,00	R 451 162,25	R 988 837,75	31%	
7	Water Resilience Grant		New Booster Pump Station Karoolande Reservoir		R 1 000 000,00	R 485 024,00	R 514 976,00	49%	
8	MIG	PMU/041	PMU 2022/23	R 568 650,00		R 568 650,00	R -	100%	Registered
	MIG		Yellow Fleet		R 1 368 398,00	R 1 299 589,71	R 68 808,29	95%	
		TOTALS		R 16 373 000,00	R 19 543 241,00	R 17 257 531,72	R 2 854 359,28	88%	EXPENDITURE FOR 2023/2024 FY

## SECTION 4 – QUALITY CERTIFICATION

I, Dillo Sereo, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter four**, ending **30 June 2024**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

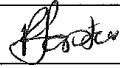
**Print name: Dillo Sereo**

**Signature:** .....

**Date:** .....



## ANNEXURE A - Bank Withdrawals MFMA Section 11(4)

<b>PROVINCIAL TREASURY</b> <b>Withdrawals from Municipal Bank Accounts</b> <b>In accordance with Section 11, Sub-section 1 (b) to (j)</b>		
<b>NAME OF MUNICIPALITY:</b>	KANNALAND MUNICIPALITY	
<b>MUNICIPAL DEMARCATION CODE:</b>	WC041	
<b>QUARTER ENDED:</b>	Jun-24	
	<b>Amount</b>	<b>Reason for withdrawal</b>
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only -	R 0,00	
(b) to defray expenditure authorised in terms of section 26(4);	R 0,00	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	R 0,00	
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	R 0,00	
(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -	R 1 087 586,18	Motor Registration and RTMC transaction fees
(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or	R 0,00	
(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;	R 0,00	
(f) to refund money incorrectly paid into a bank account;	R 0,00	
(g) to refund guarantees, sureties and <i>security</i> deposits;	R 0,00	
(h) for cash management and <i>investment</i> purposes in accordance with section 13;	R 0,00	
(i) to defray increased expenditure in terms of section 31; or	R 0,00	
(j) for such other purposes as may be <i>prescribed</i> .	R 0,00	
(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -	<b>Name and Surname: R SAPTOE</b>	
(a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and	<b>Rank/Position:</b> CFO	
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	<b>Signature:</b> 	
<b>Tel number</b>	<b>Fax number</b>	<b>Email Address</b>
(028) 551 8000	(028) 551 1766	jodene@kannaland.gov.za
<b>The completed form must reach Mr Wesley Baatjies at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 5007, Fax 021 483 8623, Email: wbaatjie@pgwc.gov.za on or before the 15th of the month following the end of each quarter.</b>		

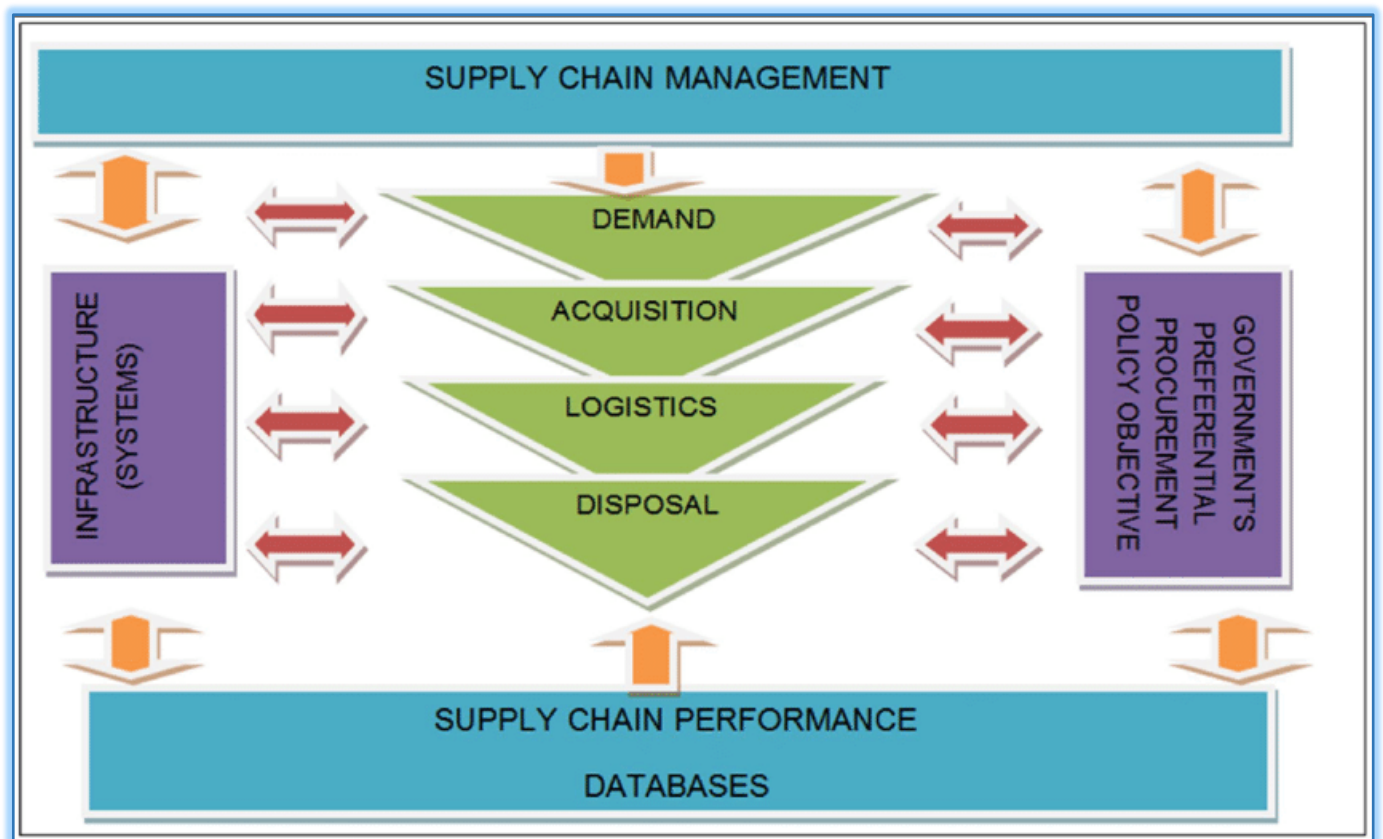
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## ANNEXURE B – SCM POLICY IMPLEMENTATION PLAN – Q4



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

# Supply Chain Management Policy Implementation Report Fourth Quarter 2023/24



Quarterly Report in terms of Section 6(3) of the Municipal SCM Policy

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## 1. INTRODUCTION

In terms of clauses 6(1) & 6(3) of Kannaland Municipality's Supply Chain Management Policy, the following responsibilities were allocated:

- 1) The council of a municipality must maintain oversight over the implementation of its supply chain management policy.
- 3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.

## 2. BACKGROUND

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy, specifically regarding the following:

- a) Awards made through the bid committee system for the Quarter under review;
- b) Deviations in terms of Clause 36 of the Supply Chain Management Policy;
- c) Minor breaches approved by the Accounting Officer in terms of Clause 36(2) of the Supply Chain Management Policy;
- d) The status of objections, complaints and appeals lodged;
- e) Deviations in terms of section 114 of the MFMA, pertaining to the approval of a tender other than the one recommended through normal procurement processes;
- f) Clause 32 of the SCM Policy disclosure, procurement of goods or services under a contract secured by another organ of state;
- g) Status update on the implementation of the Council approved procurement plan as year-to-date; and
- h) Report of and progress made with incidences of non-compliance and irregular expenditure identified and currently undergoing investigation.

### 3. SCM POLICY & PROCEDURES

#### 3.1 Adoption of a S

#### 3.2 CM Policy by Council

- Adopted.

#### 3.2 SCM Procedures

- SCM procedures manual and relevant SOP's.

It should however be noted that implementation has been hampered due to the delay in the staff placement process.

#### 3.3 Delegations

- All delegations have not been delegated, are not in writing and accepted.  
The above will be address as a matter of urgency.

#### 3.4 Infrastructure Procurement

- The Standard for Infrastructure Procurement and Delivery Management Policy has been adopted.

### 4. FUNCTIONING OF THE SCM UNIT

#### 4.1 SCM Structure:

- The approved SCM Structure is in place but not in full operation to date.

It is important to note that there are numerous critical vacancies within the SCM department that needs to be filled as a matter of urgency. There are only three positions filled and all are assuming acting positions for more than nine months that is in contravention with the Collective agreement.

Please see below the latest approved organogram:

<b>SCM &amp; Asset Management</b>	Manager: SCM & Contract Management	T15
Demand & Acquisition Management	Senior SCM Practitioner: Demand & Acquisition Management	T11
	Senior Clerk: Procurement	T7
	Senior Clerk: Procurement	T7
Logistics, Compliance & Contract Management	Senior SCM Practitioner: Logistics, Compliance & Contract Management	T11
	Assistant: Inventory Control	T4
	Assistant: Inventory Control	T4
Fleet, Asset & Insurance Management	Accountant: Fleet, Asset & Insurance Management	T12
	Clerk: Assets, Fleet & Insurance	T6

#### 4.2 Declaration of Interest:

- All SCM Practitioners Have declared their interests.

#### 4.3 Code of Conduct for SCM Practitioners:

- All SCM Practitioners have signed the Code of Conduct.

#### 4.4 Training of SCM Personnel:

- Training schedule to be made available.

## 4. FUNCTIONING OF BID COMMITTEES

- 4.1 All Bid Committees are constituted in line with Clauses 27, 28 and 29 of the SCM Policy of Kannaland Municipality.
- 4.2 All Infrastructure Committees are aligned with the Infrastructure Delivery Management System (IDMS)
- 4.3 Bid Committee Terms of Reference are in place.

## 5. REPORTING

### 5.1 Total Bids Awarded

Bids are awarded in terms of Kannaland Municipality's Supply Chain Management Policy.

Total value of bids awarded for the quarter under review:

Bids are awarded in terms of Kannaland Municipality's Supply Chain Management Policy and the preferential points system prescribed in the Preferential Procurement Policy.

Procurement transactions have been processed through the bid committee system and formal written price quotations in excess of R30 000 within the following timeframes:

A schedule of these awards for the 4<sup>TH</sup> Quarter of 2023/24 is attached as **Annexure A**.

	2023/24 4 <sup>th</sup> Quarter	2023/24 YTD	2023/2024
Bids Processed	10	10	
Bids processed - Average per Quarter	3	3	
Average days from final evaluation to Bid Adjudication Committee	N/A	N/A	N/A
Average days from initiation to Bid Specification Committee	N/A	N/A	N/A
<b>Estimated Value of Awards (Rand)</b>	N/A	N/A	N/A

#### a) Value of all Awards

The total value of tenders and formal written price quotations in excess of R30 000 awarded by the Supply Chain Management Unit for the 4<sup>th</sup> Quarter of 2023/24:



	Operational Amount (Including VAT, where applicable)	Capital Amount (Including VAT, where applicable)	VAT @ 15%	Value of Awards (Including VAT, where applicable) for Q4
<b>Bid Awards (xxx)</b>	<b>R 1 828 467,07</b>		<b>R 74 270,06</b>	<b>R 1 828 467,07</b>

#### **b) Deviations – Clause 36(1)(a)**

Clause 36(1)(a) of Kannaland Municipality's Supply Chain Management Policy allows circumstances for deviations from the procurement processes. Furthermore, the policy requires in Clause 36(2), that the reasons for any deviations from the procurement processes must be recorded and be reported to Council.

Deviations approved by the Accounting Officer or by the delegated officials were motivated in terms of the following categories for applications approved for the 2023/24 year to date is compared to the 2022/2023 financial year as per the following schedule:

SCM Policy	Description	2023/24 4 <sup>th</sup> Quarter	2023/24 to date	2022/2023
Clause 36(1)(a)(i)	Emergency	12	35	11
Clause 36(1)(a)(ii)	Sole Provider	2	9	9
Clause 36(1)(a)(iii)	Special works of Art	0	0	0
Clause 36(1)(a)(iv)	Animals for zoos	0	0	0
Clause 36(1)(a)(v)	Impractical Impossible	<b>22</b>	73	29
<b>Total</b>		<b>36</b>	<b>117</b>	<b>49</b>

A schedule of Deviations approved in terms of Clauses 36(1)(a) is attached as **Annexure B**.

### Value of all Deviations Awarded

The total value of deviations processed via the Supply Chain Management Unit for the 4<sup>th</sup> Quarter of 2023/24, are as follows:

	Operational Amount (Excluding VAT, where applicable)	Capital Amount (Excluding VAT, where applicable)	VAT @ 15%	Value of Awards (Including VAT, where applicable) for Q4
Deviations (xxx)	R 3 948 393,78	R0.00	R 592 259,07	R 3 948 393,78

### c) Minor Breaches

The Supply Chain Management Policy states in Clause 36(1)(b) that the Accounting Officer may consider ratifying any minor breach of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

The Accounting Officer approved no (0) minor breaches of the Supply Chain Management Policy in the 4<sup>th</sup> Quarter of the 2023/2024 financial year:

SCMMB #	Date approved	Description
N/A		

### d) Objections, Complaints and Appeals

In terms of Clause 49 of the SCM Policy, persons aggrieved by decisions or actions taken in the implementation of the supply chain management system, may lodge a written objection against the decision or action within 10 business days of the decision or action.

These objections must be dealt with and resolved in terms of Clause 50(1) of the SCM Policy. In terms of this, the Accounting Officer has appointed an 'appeals authority' which must strive to resolve all objections within 46 business days of receipt and report to the Accounting Officer on a monthly basis on the objections received, attended to and resolved in terms of Clause 50(3) of the Policy.

In terms of Section 62 of the Local Government: Municipal Systems Act, No. 32 of 2000, a person whose rights are affected by a decision taken by a staff member of a municipality, may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.

#### **e) Incidences of Non-compliance and Irregular Expenditure**

In terms of Section 32(4) of the Local Government: Municipal Finance Management, Act No. 56 of 2003, the Executive Mayor, inter alia, must be made aware of all possible irregular expenditure incurred by the municipality.

A register of all incidences of irregular expenditure identified and currently undergoing investigation will be attached when compiled.

#### **f) Awards above R2000 to spouses, child, parent of a person in service of the state**

Section 45 of the Supply Management Policy – Nothing to declare

### **6. FINANCIAL IMPLICATIONS**

Nothing to be reported.

### **7. STAFF IMPLICATIONS**

Nothing to be reported.

### **8. COMMENTS FROM OTHER DEPARTMENTS, DIVISIONS AND ADMINISTRATIONS**

Nothing to be reported.

### **9. ANNEXURES**

Annexure A: Schedule of Awards made through the Bid Committee system and all formal written price quotations in excess of R30 000;

Annexure B: Schedule of Deviations from the procurement processes;

Annexure C: Schedule of disputes, objections, queries, complaints and appeals received

### **RECOMMENDATION TO THE COUNCIL:**

That the activities undertaken, and outcomes achieved in the implementation of the Kannaland Municipality's Supply Chain Management Policy for the 4<sup>th</sup> Quarter of 2023/24 **be noted**, including the schedules pertaining to -

- Awards made through the Bid Committee system and all formal written price quotations in excess of R30 000;
- Deviations from the procurement processes;
- Disputes, objections, queries, complaints and appeals received; and
- Irregular Expenditure report will be available for the 4<sup>th</sup> Quarter of 2023/2024.

### **APPENDIX A**

Attached

### **APPENDIX B**

Attached

### **APPENDIX C**

Attached (There was no disputes, objections, queries, complaints and appeals received)

## APPENDIX A – DEVIATION REGISTER [APR 2024 – JUN 2024]

APRIL 2024 VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES					
ORDER NUMBER	DATE	DEPARTMENT	SUPPLIER	AMOUNT	REASON
20916	8/4/2024	ADMINISTRATIVE SUPPORT SERVICES	TELKOM SA	R 33,034.03	The original agreements with the service provider to provide telecommunication services has lapsed and thus resulted in the municipality having to start the procurement process for the appointment of a new service provider on a long term basis. The municipality during the previous and current financial year started engagement with the business side of Telkom, but could not finalize the process due to a lack of continuity in negotiations and personnel. Mr Rudi Fortuin is still in talks with our current service provider, Telkom with regards to the finalisation and eventual procurement processes. Telkom are a government parastatal. The contracts that lapsed makes provision for a month-to-month agreement that shall be terminated upon prior notice by any of the parties. The municipality has no other choice but to appoint the current service provider up until the procurement and tender process for a service provider has been finalized.
20915	8/4/2024	ADMINISTRATIVE SUPPORT SERVICES	VALLEY CONTAINERS	R 10,552.50	The original agreements with the service provider to provide these services has lapsed and thus resulted in the municipality having to retain these services on a month-to-month basis. The need for office and storage has been a challenge in Kannaland Municipality for a number of years now and has necessitated the municipality to use containers to address this need as an interim measure.
20991	30/04/2024	ADMINISTRATIVE SUPPORT SERVICES	KONICA MINOLTA	R 33,105.93	The agreements with the services providers to provide, install and maintain the current medium volume multifunction copiers at the municipality on a 36 months contract. The specifications and scope of works has been signed off by the Municipal Manager, but the availability of copiers plays an important role in the effective and efficient administration of the municipality. The municipality has no other choice but to appoint the current service providers up until the procurement and tender process for a service provider has been finalised. The contracts that lapsed makes provision for a month-to-month agreement that shall be terminated upon prior notice by any of the parties, but to ensure continuity its requested that a contract appointment for the rest of the current financial year to be done.
20992	30/04/2024	ADMINISTRATIVE SUPPORT SERVICES	VALLEY CONTAINERS	R 10,552.50	The original agreements with the service provider to provide these services has lapsed and thus resulted in the municipality having to retain these services on a month-to-month basis. The need for office and storage has been a challenge in Kannaland Municipality for a number of years now and has necessitated the municipality to use containers to address this need as an interim measure.
20981	23/04/2024	INFRASTRUCTURE	SANITECH	R 87,864.60	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 drop out of school 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.
20980	23/04/2024	INFRASTRUCTURE	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 drop out of school 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.
20912	5/4/2024	HR DEPARTMENT	EMPLOYMENT LAW SPECIALISTS (PTY) LTD	R 8,082.00	Kannaland Municipality have various cases lost at the Bargaining Council for conciliation and arbitration. The chairpersons in that cases was political appointed and on that basis the municipal look for other companies who specialise in disciplinary hearings for chairpersons and initiators. The municipal appointed the company above for the role as chairperson.
20979	23/04/2024	INFRASTRUCTURE	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 drop out of school 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.
20985	24/04/2024	ADMINISTRATIVE SUPPORT SERVICES	BLYTH & COETZEE	R 9,858.00	The original agreement with the supplier to rent this building expired and it therefore resulted in the municipality having to retain this supplier on a month to month basis. Kannaland Municipality has a challenge with office space, the technical department currently occupies the building. This building is situated within a 200m radius from main municipality offices.
20925	10/4/2024	COMMUNITY SERVICES	KLEIN KAROO KOOPERASIE BEPERK	R 28,744.00	The current status of the Municipal building need urgent attention in the house due to the damage that the rain caused. We urgently have to renovate the house of Council and reparations have to be made in order to comply with OHS standards. None urgent attention to this matter will impact on the efficiency which might lead to none compliance and poor service delivery by the service delivery by the officials using the property. We do not have enough time to follow the supply chain management procedures and we have to deviate from the regular processes.
20921	9/4/2024	INFRASTRUCTURE	ACTOM	R 67,620.00	Two single phase transformers are located on the farms of Pretorius Vlake and the Hannes Nel Farm. Pretorius Vlake have been out of service from the 24th March 2024 and the Hannes Nel Farm from the 30th March 2024. As a result of the transformers that has been out of service for an extended period of time, electrical supply to those communities are impossible. These two single phase transformers does not form part of shared services to swing load to accommodate the affected users. Various requests have been made by contacting local service providers such as MDL Electrical, VE Reticulation and Riversdale Electrical, but without success. Further attempts have been followed to contact municipalities within the Garden Route for loan units, including Eskom, but this specific transformer sizes could be offered. As such, two single quotes have been obtained to follow the emergency route for the procurement of these transformers as the users are without electricity. It is important to purchase these two transformers as it may also have a negative impact to the Kannaland Municipality due to the unavailability of electricity to these customers
20927	11/4/2024	INCOME DEPARTMENT	SA POSKANTOOR	R 44,922.50 R 514,709.42	SAPO is currently the sole service provider for the posting of the municipality's Notices. In the event that the service accounts are not delivered to the customers, the municipality cannot generate revenue for services delivered. Reasons for the deviation as prescribed in Article 36(a)(ii). Due to the urgency of this service that must be delivered. No revenue i.r.o. services rendered can be generated if the monthly service accounts are not delivered to the municipality's clients. In light to the above reasons and background I seeks the approval of this deviations, in terms regulation 36(a)(ii).

MAY 2024					
VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES					
ORDER NUMBER	DATE	DEPARTMENT	SUPPLIER	AMOUNT	REASON
21006	5/3/2024	TECHNICAL SERVICES	DEKLIN SERVICES	R 85,813.20	The Kannaland Municipality forms part of water scarce area and are experiencing challenges in potable drinking water services delivery in the Greater Kannaland region for sustainable water services. The main cause of this phenomenon is based on three main aspects which are as follows: Age infrastructure, unavailability of sufficient potable water tankers and inadequate competent staff for rendering the services. The municipality is in process of procuring the services of a mobile water tanker service provider on a three year tender of which will be closing on 2 May 2024. The engineering department is also investigating opportunities to review the following: 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, install water pipes in areas where the water reticulation network allows for reducing the mobile water tanker services.
21029	5/21/2024	TECHNICAL SERVICES	URHWEBO TRANSAND	R 174,864.00	Deviation was done on the appointment of Urwhebo, no deviation memo is attached to explain the reason why the deviation on tender 05/2023 was done. The only document attached to order is the request for payment memo.
21037	45425	ADMINISTRATION	LEWIS STORES (PTY) LTD	R 89,199.99	A municipal council property is currently been allocated to the Acting Municipal Manager whose contract has been extended with 3 months until the position is filled. It is therefore, requested that the furniture be procured to be used in the municipal council property. The municipal council property is currently in use by council official(s) and addresses the proactive measures to contain costs mainly by reducing the costs of procuring the Bed and Breakfast for services but rather using the municipal council property for the Acting Accounting Officer currently appointed. This process benefits both council and administration for the providing comfort and stability of the Acting Accounting Officer during his tenure. Cognisance should be taken that any amendments in the contract of the current Acting Municipal Manager, the municipal council property will be readily available for occupancy of an incoming personnel as an Accounting Officer, Chief Financial Officer or as resolved by council. The fully furnishing of the municipal council house will afterwards be maintained by ensuring all goods bought are registered in the asset register of the municipality and will only be replaced within the reasonable time of normal SCM processes.
21028	45421	INFRASTRUCTURE SERVICES	HIDRO-TECH SYSTEMS (PTY)	R 250,168.94	Deviation was done on the appointment of Hidro-Tech Systems (Pty) Ltd. No Deviation memo is attached to explain reason for deviation
21040	45426	ADMINISTRATION	BRAAFF	R 31,028.73	No deviation Memo is attached to explain reason why the deviation was done
21002	45414	INFORMATION, COMMUNICATION AND TECHNOLOGY	ICT WIZE GROUP (PTY) LTD	R 28,319.00	Currently, ICT Wyse Corp has no contract with Kannaland Municipality and connectivity for all offices can be terminated. This means that the remote offices would not be able to log into the servers situated at the main building of Kannaland Municipality. This will create problems for the municipality as all offices will not have any internet connectivity for these remote offices. This deviation is until Kannaland tender process for the WAN has concluded. As it is almost impossible to appoint a new service provider for the Wide Area Network.
21030	5/10/2024	INFRASTRUCTURE SERVICES	SYSTEMS (PTY) LTD	R 609,617.63	APPOINTMENT REFERENCE IS KANNA 06/2023. only payment certificate is attached to order document. Appointment was done through deviation yet there is no deviation memo attached
21027	45421	Municipal Manager Office	Karoowater Gasteplaas	R 16,000.00	The Community Development Workers (CDW) regional meeting is set to take place at the Karoowater Guest Farm from 15th-17th May 2024. This gathering will bring together community development professionals from various regions to discuss strategies, share best practices, and collaborate on initiatives aimed at improving the quality of life in their communities. The CDW's regional meeting is an opportunity for stakeholders to engage in meaningful dialogue and to forge partnerships that will empower communities and drive sustainable development in the region. We do not have enough time to follow Supply Chain Management Procedures and we have to deviate from the regular processes.
21023	45054	REVENUE	SA POST OFFICE	R 44,922.50	SAPO is currently the sole service provider for the posting of the municipality's monthly service accounts. In the event that the service accounts are not delivered to the consumers, the municipality cannot generate revenue for services delivered. Due to the urgency of this service that must be delivered.
21019	5/8/2024	ADMINISTRATION	TELKOM SOUTH AFRICA	R 33,106.99	The original agreements with the service provider to provide telecommunication services has lapsed and thus resulted in the municipality having to start the procurement process for the appointment of a new service provider on a long-term basis. The municipality during the previous and current financial year started engagement with the business side of Telkom, but could not finalize the process due to a lack of continuity in negotiations and personnel. Mr Rudi Fortuin is still in talks with our current service provider, Telkom with regards to the finalisation and eventual procurement processes. Telkom are a government parastatal. The contracts that lapsed makes provision for a month-to-month agreement that shall be terminated upon prior notice by any of the parties. The municipality has no other choice but to appoint the current service provider up until the procurement and tender process for a service provider has been finalized.
21022	5/8/2024	REVENUE	SA POST OFFICE	R 44,922.50	SAPO is currently the sole service provider for the posting of the municipality's monthly service accounts. In the event that the service accounts are not delivered to the consumers, the municipality cannot generate revenue for services delivered. Due to the urgency of this service that must be delivered.
21020	5/8/2024	ADMINISTRATION	BIDVEST STEINER	R 12,826.78	No deviation Memo is attached to explain reason why the deviation was done
21026	45421	ADMINISTRATION	Karoowater Gasteplaas	R 31,540.00	The Community Development Workers (CDW) regional meeting is set to take place at the Karoowater Guest Farm from 15th-17th May 2024. This gathering will bring together community development professionals from various regions to discuss strategies, share best practices, and collaborate on initiatives aimed at improving the quality of life in their communities. The CDW's regional meeting is an opportunity for stakeholders to engage in meaningful dialogue and to forge partnerships that will empower communities and drive sustainable development in the region. We do not have enough time to follow Supply Chain Management Procedures and we have to deviate from the regular processes.
21031	45422	CORPORATE AND COMMUNITY SERVICES	AJ OOSTHUIZEN T/A CYBERTEL	R 17,105.50	Ladismith camera system installation is currently in process to monitor crime activities as well as our council properties it has come to our attention that there are materials that are still needed to completed the installation process. Having the cameras not being used for the intended purpose leads to fruitless and wasteful expenditure and does not assist the municipality in achieving the goal of reducing and/or curbing illegal/criminal activities currently ongoing.
21004	45414	HUMAN RESOURCES	MEDIA 24 BEPERK	R 58,098.00	The item for the advertisement of the vacant post of the Municipal Manager serve at council 24 April 2024. Council took decision to advertise the post, in line with the regulations and the Appointment and Conditions of Senior Manager, 2014. As part of resolution, the administration must appointed an independent Consultant which will assist council with the process. Regulation 11(1) of regulations of the Appointment and Conditions of Senior Manager 2014, States that the advert must be placed 14 days of approval by council. This results in the normal SCM process not being able to realise the following timeline. Council resolution: 24 April 2024 Advertisement (latest date): 04 May 2024
				R 1,527,533.76	

JUNE 2024					
VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES					
ORDER NUMBER	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 Municipality 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 Refurbishment Of Zoar Sewerage Pumpstation): Tender 06/2023: Pc8 Completion Certificate
21194	25/06/2024	INFRASTRUCTURE DEPARTMENT	HIDRO-TECH SYSTEMS (PTY)	R 70,319.22	Deviation- (Upgrade And Refurbishment 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	

# APPENDIX B – TENDER REGISTER

## TENDER PROCESS REPORT

Project Description	CURRENT PROCESS				NEW PROCESS				
	Service Provider	Emergency Procurement	Responsible official	Method of procurement	Bid Specification	Advert	Bid closing	Bid Evaluation	Bid award
ICT	ICT Iwize	NO	R Meyers	Tender	14/08/2023	22/09/2023	23/10/2023	06-8/11/2023	21/11/2023
Banking services	Please check	Please check	C. Claasens/J Booyesen	Tender	27/10/2023	04/11/2023	04/12/2023		
Chemical Toilet Supplies/ Ablition Services	Sanitech	NO	M. Mackier/ R. Timmie	Tender	14/03/2024				
Bulk meter readings	Lucrumsoft	Yes	R. Nel/ I Grispe	Tender	23/10/2023	4/11/2023	4/12/2023		
Printers	Konica Minolta	NO	H. Constable	Tender	6/11/2023	8/11/2023	8/12/2023	6/3/2024	14/03/2024
Telecoms	Telkom	NO	R.Meyers/H. Constable	Tender	26/10/2023		27/11/2023		
Hygienic services	Bidvest Steiner	NO	H. Constable/Ivor	Tender	30/10/2023	27/10/2023	27/11/2023		
Tyres for vehicles	Tyers & Treads	NO	M.Scheffers	Tender	31/10/2023	4/11/2023	4/12/2023		
Vehicle Maintenance	Arthurs workshop and towing	NO	M.Scheffers	Tender	15/11/2023	4/11/2023	4/12/2023	6/3/2024	
Equipment Maintenance				Tender	6/11/2023				
Upgrading and Refurbishment of Ladismith Waste Water Treatment Works Phase 2	New project		M. Mackier/ N. Paskwali	Tender	20/09/2023	28/09/2023	30/10/2023	16/11/2023	21/11/2023
Water supply	Deklin	NO We have been informed that the water supply services started as a disaster measure, and was therefore an emergency for months, ending in February. This situation is however still ongoing as an emergency	R Timmie/ C Willemse N.Paskwali	Tender	6/3/2024				
Debt Collections	No previous activity		C. Hartnick/R Nel	Tender	30/10/2023	27/10/2023			
Container rentals	Valley containers	NO	H. Constable/Ivor	Tender					
Sewerage services	Various service providers, the latest provider Valsta	YES, however, a deviation cannot be justified for year on end	N.Paskwali	Tender	6/3/2024	ADVERTISING			
Fleet Management System	No service provider	No	M.Scheffers	Tender	15/11/2023	27/11/2023	15/01/2024		
Transactional and advisory services	No service provider	No	M. Makier	Tender	14/03/2024	19/03/2024	22/04/2024		
Sanitech (Chemical toilets)	Sanitech	Deviation	M.Makier	Tender	14/03/2024				
Consulting Engineers	SMEC	Emergency Procurement	M. Makier	Tender	14/03/2024	26/03/2024	26/04/2024		
Water truck	Deklin	Deviation	Makier	Tender	14/03/2024				
Sewerage truck	Valstas	Deviation	Makier	Tender	14/03/2024				
Sampling and Testing of potable water and waterway	No service provider		Makier	Tender	14/03/2024				
Forensic Services	No service provider	No	T. Mveli	Tender	13/03/2024	21/03/2023	22/04/2024		
Legal services	No service provider	No	F. Stemmnet	Tender	14/03/2024	20/03/2024	22/04/2024		
Programme Implementation Support	No service provider	No	M. Makier	Tender	19/03/2024	26/03/2024	26/04/2024		
Panel of Presiding Officers	No service provider	No	T Roodtman	Tender					
Panel of Contractors	No service provider	No	J Lesch	Tender	22/04/2024	26/04/2024	28/05/2024		
Panel of Consultants( Accounting Support, Advisory Services)	No service provider	No	CFO	Tender					
Expression of Interest	No service provider	No	M. Makier	Tender	09/04/2024	11/04/2024	13/05/2024		



## ANNEXURE D – MATERIAL LOSSES

Material Electricity and Water Losses were as follows and are not recoverable: Q3

						Kannaland	Ward Loss	Ward Loss
Electricity Losses:		Lost Units	Tariff	Value	% Loss	Czd	Lds	
January 2024 to March 202	Q3	1,298,267	R 1.56	2,025,297	12.7%	20.3%	10.9%	
SDBIP	Q3	-1%	Quarterly Target Missed		12%			

Electricity Losses occur due to *inter alia*, technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

				Kannaland	Czd	VWD	LDS	Zoar
Water Losses:		Lost Units	% Loss	% Loss	% Loss	% Loss	% Loss	% Loss
January 2024 to March 2024	Q3	82,105	22.1%	17.2%	17.5%	24.5%	21.3%	
SDBIP	Q3	7%	Quarterly Target Achieved		29%			

Water Losses occur due to *inter alia*, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported. Water Losses only to be quantified at year-end

## ANNEXURE E – 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.

11-Apr-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	Target Missed	1-Feb-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.
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Target Missed	1-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.
	Meter verification, TID & data collection project	Phase I - To be specified during specs evaluation/assessment	Not Due	1-Jun-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase II - To be specified during specs evaluation/assessment	Not Due	1-Sep-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase III - To be specified during specs evaluation/assessment	Not Due	1-Oct-24		The tender was not awarded, it will be re-advertised.
	Tender for issuing of summonses to be awarded	Referred back to evaluation for clarity on pricing	Target Missed	31-Jan-24		The Municipality is currently busy with an intensive debt collection drive. The focus is on the top 50 debtors. Numerous communication has been circulated with some success. A further drive will ensue and none paying debtors will be handed over. The Municipality advertised a tender for legal and professional services. None of the bidders were able to assist with Debt Collection. The Municipality opted to re-advertised. The Municipality is in the process of enlisting the services of a debt collection agency and all overdue debtors will be handed-over systematically.
	Bulk SMS's - Credit Control / Check with SAMRAS credit control module	SMS's can be done internally (part of FMG support Plan)	Achieved	31-Aug-23	31-Aug-23	The Municipality managed to procure bulk messages and it forms part of the debt collection process. The Municipality appointed a Accountant Debt Collection to ensure a dedicated focus on overdue accounts
	SAMRAS - Credit Control Module activate and support	Dependent availability of SAMRAS (part of FMG support Plan)	Achieved	30-Sep-23	1-Nov-23	The Municipality opted to appoint a Accountant responsible for Debt Collection. The Credit Control Module implementation will be investigated and detailed recommendations will be considered.
	Exception reporting - Improved	System in place to ensure technical department address issues escalated	Achieved	1-Aug-23	1-Oct-23	The Municipality are making use of the services of a Seconded Technical Director. This will allow management to implement cross departmental actioned. The technical department in conjunction with the meter reading department will ensure all faulty meters are replaced.
	Action against biggest Debtors	Dependent on summons processes (can start with notices to be issued & addressing disputes)	Achieved	31-Aug-23	31-Aug-23	The debt collection team is busy prioritising the highest debtors per month.
	Strengthen internal capacity	Appointment Customer Care Clerk	Achieved	31-Jul-23	31-Aug-23	The Municipality opted to appoint a Accountant responsible for Debt Collection. It also appointed a clerk within the department.
	Strengthen internal capacity	Appointment Accountant - Debtors	Achieved	31-Jul-23	1-Dec-23	The Municipality advertised for this position and is busy with the recruitment process. An appointment will be made once the process has been concluded. The appointment has been made and the candidate will start on 01 December 2023.
	Adding additional pay-points / Indigent registration	VWD - (tools of trade to be issued)	Achieved	31-Jul-23	1-Aug-23	The Municipality are busy exploring the options to increase the pay-points. It was concluded that a possible relief cashier be used on selected days.
	Adding additional pay-points / Indigent registration	Thusong Centre - (tools of trade to be issued)	Target Missed	31-Mar-24		The Municipality are busy exploring the options to increase the pay-points. A site visit was conducted and a particular office was identified. The Municipality must identify savings to make the necessary adjustments, safety proof the office.
	Adding additional - Indigent registration (temporarily - Maxi Hall)	Zoar (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.
	Adding additional - Indigent registration (temporarily - Bergsig Library)	Czd (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.


Improved Accuracy in Billing	Reconciliations	Rates / billing recon - quarterly (being done to ensure billing completeness) -Addressing Reconciliation differences (in place)	Achieved	31-Aug-23	31-Oct-23	The valuation roll is being reconciled and all variances reported on monthly. A action plan has been drawn up to address outstanding matters.
	Water & Electricity Meters to be recorded correctly on the system	Uniformity in capturing and data cleansing through verification project - SOP's to be put in place and actual corrections to correlate with verification process	Achieved	31-Oct-23	30-Sep-23	The debtors and metering department is busy with a meter audit. A number of faulty meters has been identified for repairs and replacement. The Municipality has established a operating team consisting of the technical and finance department to perform a detailed analysis throughout the Municipality. The process already started and will be completed by end of January 2024.
	Stakeholder Communication	System in place to communicate and follow progress on replacement and installing of meters. Connecting of new services to a property. (Role clarification building control, technical & billing)	Achieved	31-Aug-23	30-Sep-23	An interdepartmental working group will be established and the finance department will be in charge of the data of each meter
	Stakeholder Communication	Communication campaign - methods of payment, accounts to be emailed, accounts available online - communicate to the public	Achieved	30-Sep-23	31-Dec-23	Accounts is being emailed to debtors monthly. The council resolved that the CFO can engage outstanding debtors on a payment plan or settlement arrangement.
	Management of Bulk Services	Calibrate and monitor bulk meters (Control meters and annual calibration part of technical maintenance plan)	Achieved	30-Nov-23	31-Dec-23	Bulk meters are being monitored monthly. The Municipality is currently in the processes of going out on tender for the reading of all bulk meters.
Other Revenue	Rental Contracts	Ensure that there are rental contracts for all properties on the rent-register	Target Missed	31-Aug-23		The Municipality is busy collating the outstanding contracts. The deadline was extended to 31 December 2023 from 31 August 2023. The user department is currently busy with finalising these contracts.
	Rental Income	Enhance rental income for municipal properties like community facilities & equipment	Target Missed	31-Dec-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Rental Income	Rental income all municipal properties and market related where applicable	Target Missed	31-Jul-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Traffic Department	Procurement process- vendor to be appointed for speed cameras	Target Missed	31-Jan-24		The Municipality has rented a traffic camera which is currently in use. The Municipality is currently in the process of auditing the traffic fine system. The progress is not satisfactory and management will review the operations, as the service is under-utilized.
	Traffic Department	Address traffic department leadership and structuring - Head of department to be appointed	Target Missed	31-Oct-23		This is currently in process, the position has been advertised, HR is yet to make the appointment
	Traffic Department	Address traffic department revenue shortfall - increased spot fines, licenses, roadworthy etc. - address inefficiencies - report progress	Target Missed	30-Sep-23		Due to a lack in leadership the department does not have a clear action plan. The targets must be revised to end of December 2023. It seems unlikely that the projected revenue target for this will be achieved.

Cost Containment Measures	Human Resources	Implement a performance management system for all managers (consequence management + improvement discipline)	Target Missed	31-Oct-23		This is still outstanding, a draft performance plan and contracts have been implemented for directors. The Municipality must enlist the get access to a performance management system to effectively implement a PMS.
	Human Resources	Phased in approach to cost cutting measures - address allowances, standby, overtime etc.	Target Missed	31-Aug-23		The Municipality is busy with budget vs actual workshops for each department. Costs containment measures will be implemented once the directors have a better understanding of their budgets. Various cash flow meetings was held with line managers during November 2023. A budget vs actual workshop was also held, budgeted vacant positions were highlighted for the employment of temporary workers, limited until Feb 2024.
	Human Resources	Completeness HR records (leave, sick leave and employee Masterfile information)	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Human Resources	Compliance with Staff regulations and address structure inefficiencies + organogram payroll recon. Appointments to be prioritized and "need" justified	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Contract Management	Approve a Contract Management Policy & Checklist for vendor performance management and need analysis before appointing	Target Missed	31-Jan-24		The Municipality is currently busy with the implementation of controls and the development of a compliant contract register. Various expired contracts will be reviewed to implement cost-containment measures.
Liability Management	Creditors	Compliance with section 65 of the MFMA. Recognition of expenditure when incurred. Sub-system to be used and reconciled	Target Missed	29-Feb-24		The Municipality circulated numerous communication with suppliers regarding payment dates, processes and payment terms. As cash flow allow it will attempt to ensure compliance with the section. The Eskom debt relief application has allowed the Municipality to decrease its total liabilities. The final adjustments for the Eskom balance has been received and the Municipality has over R8million credit which will impact the municipalities cash balance positively. The credit with Eskom has been utilized to strengthen the Municipalities cash position.
	Budgeting	Weekly cash flow monitoring	Achieved	31-Aug-23	7-Nov-23	Cash flow meetings is scheduled weekly
	Budgeting	Establish Budget Steering Committee (budget implementation & grant management monitoring)	Target Missed	31-Jan-24		The Municipality is in the process of establishing a budget steering committee
	Liabilities	Clearing and dealing with old grants on grant register	Target Missed	31-Mar-24		The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system. The financial system will be aligned to the grant register. All historical grants will be reported on as historical expenditure might be off-set against these expense conditions.
	Liabilities	Improved grant & retention management - address PMU inefficiencies and administrative responsibilities clarified	Achieved	31-Aug-23	31-Aug-23	The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system
Other Measures	Water & Electricity Losses	Isolating high loss and fix (water) / exception reporting & monitoring of use	Target Missed	31-Jul-23		The Technical department is in the process of implementing a system in which they will address water losses.
	Water & Electricity Losses	Pre-Paid water meters first Indigent households as policy dictate - linked to verification project	Target Missed	31-Jan-24		The Municipality is in the process of embarking on a internal meter audit verification process, by establishing a multi-departmental team to verify meter data of all meters within the Municipality. Through this process all water & electricity meters will be audited and replaced if found to be faulty.
	Water & Electricity Losses	Identify and consolidate Eskom service points (reduce monthly account)	Target Missed	31-Dec-23		The Municipality has started exploring this through the technical department.
	Asset Management	Improved fleet management - Policy implementation, monitoring of fuel use & monthly reporting	Target Missed	31-Jul-23		Fleet management is challenging in the Municipality due to the lack of vehicle management. The Municipality is in the process of evaluating the tender for a fleet management system.
	Asset Management	Develop a R&M plan / strategy	Target Missed	31-Mar-24		
	Employee Related Costs	Fill critical vacancies - "justifiable needs assessment" first. Revenue generating / protecting in nature - prioritise	Target Missed	31-Oct-23		The organogram is still in development phase

## SECTION 4 – QUALITY CERTIFICATION

I, Dillo Sereo, the Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter four**, ending **30 June 2024**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Signature:  .....

Date: 31/07/2024 .....