



1/25/2024

**SECTION 72 MID YEAR BUDGET AND
PERFORMANCE ASSESSMENT REPORT
2023-2024**

**Special Council
meeting
KLM-22-/01/2024**

Compiled By
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ACCOUNTANT BUDGET AND TREASURY

SUBMISSION OF MID-YEAR ASSESSMENT REPORT IN COMPLIANCE WITH SECTION 72 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, ACT 56 OF 2003 (MFMA) AS WELL AS SECTION 23 OF THE LOCAL GOVERNMENT MUNICIPAL BUDGET AND REPORTING REGULATIONS (MBRR)
(ACCOUNTANT BUDGET & TREASURY)

1. STRATEGIC THRUST

The Kgatelopele Local Municipality has adopted the following Strategic Thrust:

- To ensure sustainable municipal financial viability and management
- Upholding good governance and public participation co-principles

2. PURPOSE OF THE REPORT

The purpose of the report is to submit to Council the mid-year Budget Assessment Report in compliance with Section 72 of the Municipal Finance Management Act No. 56 of 2003 (MFMA) as well as Section 23 of the Local Government: Municipal Budget and Reporting Regulations (MBRR).

3. EXECUTIVE SUMMARY

3.1 BACKGROUND

Section 72(1) of the Municipal Finance Management Act (MFMA), Act 56 of 2003, states that the accounting officer of a municipality must by 25 January of each year –

- (a) assess the performance of the municipality during the first half of the financial year taking into account -
 - (i) the monthly statements referred to in section 71 (of the MFMA) for the first half of the financial year.
 - (ii) The municipality's services delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set in the service delivery and budget implementation plan.
 - (iii) The past years annual report and progress on resolving the problems identified in the annual report.
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account the report in terms of section 88 from any entities.
- b) submit a report on such assessments to
 - (i) the mayor of the municipality
 - (ii) the National Treasury; and
 - (iii) the relevant Provincial Treasury

Section 72 (3) further stipulates that as part of the assessment, recommendation must be made whether an adjustment budget is necessary, taking into consideration the revised

projections for revenue and expenditure's extent.

The mid-term budget and performance must be consistent with the monthly budget statements on the implementation of the annual budget in accordance with the Service Delivery Budget and Implementation Plan (SDBIP) for the first half of the financial year and be submitted to the Executive Mayor, National Treasury and relevant Provincial Treasury

The report is in line with the Municipal Budget and Reporting Regulation under Schedule C and includes all the required tables, charts and explanatory information. The Regulation further prescribes the report must be public by placing it on the municipal website within 5 working days.

The accounting officer must also, in terms of section 72 (3) of the MFMA, make recommendations as to whether an adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that it might be necessary.

4. DISCUSSION

The operating revenue realised for the first six months ending 31st December 2023 is R 53, 564 million. Revenue generated is below the projected, weekly targets are set in terms of collection.

The operating expenditure incurred for the first six months ending 31st December 2023 is at R 55 346 million.

Annexure 'A' (Table C4) to the report is a monthly budget statement (Financial Performance Expenditure) for the first six months ending the 31st December 2023. The actual results are compared to the budget and contain the percentage for year-to-date budget revenue and revenue received (billed) as at 31st December 2023. The annexure also has the projected figures for the full year forecast. contains the list of Capital Budget per standard classification

and trend. The Capital Expenditure for the first six months of the 2023/2024 financial year is which ended at the 31st December 2023 is standing 58%, the report is a monthly budget statement (Aged Debtors) for the first six months ending the 31st December 2023.

5. OPERATING BUDGET RESULTS

5.1 OPERATIONAL REVENUE

The actual revenue received or billed is below the anticipated projected revenue by 38%. The main contributors to this underperformance are services charges and other revenue (Fines, Licensing, Agency Fees, Gains on Disposal of PPE, etc).

Implementation of the new financial system resulted in various challenges on the revenue management cycle, billing discrepancies due to an unreconciled valuation roll uploaded on the financial system, failure to take on prior customer balances, failure to issue clearance certificates, challenges with meter information and customer accounts balances which led to various impediments in implementation of credit control in debt collection processes.

Furthermore, the system generated financial reports are still a challenge to reconcile, thus subsidiary ledgers and registers were used to incorporate some of the data.

Mid-year accumulated year to date revenue performance is as follows:

NC086 Kgatelopele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

| Description | Ref | Budget Year 2023/24 | | | | | | | | |
|--|-----|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | 2022/23 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | |
| Service charges - Electricity | | 24 653 | 25 468 | - | 2 182 | 14 074 | 12 734 | 1 340 | 11% | 25 468 |
| Service charges - Water | | 10 988 | 14 518 | - | 793 | 2 156 | 7 259 | (5 103) | -70% | 14 518 |
| Service charges - Waste Water Management | | 4 466 | 7 226 | - | 383 | 2 217 | 3 613 | (1 396) | -39% | 7 226 |
| Service charges - Waste management | | 7 617 | 11 542 | - | 642 | 4 077 | 5 771 | (1 693) | -29% | 11 542 |
| Sale of Goods and Rendering of Services | | 90 | 56 | - | 4 | 38 | 28 | 10 | 36% | 56 |
| Agency services | | - | 100 | - | - | - | 50 | (50) | -100% | 100 |
| Interest | | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 3 427 | 4 101 | - | - | 808 | 2 050 | (1 243) | -61% | 4 101 |
| Interest from Current and Non Current Assets | | 5 605 | 3 570 | - | 0 | 1 851 | 1 785 | - | - | 3 570 |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 149 | 189 | - | 22 | 89 | 94 | (5) | -5% | 189 |
| Licence and permits | | 428 | 1 000 | - | 58 | 512 | 500 | 12 | 2% | 1 000 |
| Operational Revenue | | 41 | 20 | - | - | - | 10 | (10) | -100% | 20 |
| Non-Exchange Revenue | | | | | | | | | | |
| Property rates | | 14 766 | 16 776 | - | 1 335 | 7 967 | 9 830 | (1 863) | -19% | 16 776 |
| Surcharges and Taxes | | - | 9 146 | - | - | - | 4 573 | (4 573) | - | 9 146 |
| Fines, penalties and forfeits | | 5 | 80 | - | - | 4 | 40 | (36) | - | 80 |
| Licence and permits | | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - Operational | | 35 663 | 38 448 | - | - | 14 031 | 19 224 | (5 193) | - | 38 448 |
| Interest | | 1 086 | 1 116 | - | - | 319 | 558 | (239) | - | 1 116 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | (1 338) | - | - | - | - | - | - | - | - |
| Other Gains | | 284 | - | - | - | - | - | - | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 107 932 | 133 354 | - | 5 420 | 48 144 | 68 119 | (19 975) | -29% | 133 354 |

Property rates

Property rates is favourable by R1, 863 million (19%), no adjustments will be done for property rates.

Services Charges

Electricity charges: Actual year to date billed electricity revenue is at R 16, 265 million. It is more projected revenue by R 1, 340 million 11%. As these factors are progressively addressed, performance is expected to improve and hoping that will remain stable. No adjustments will be done on electricity charges.

Water revenue is unfavourable by R 5, 103 million (70%) to the projected revenue for the period. This is indicative on incomplete billing and water losses. This revenue source is seasonal as the usage for the first 2 months of the financial period is less. No adjustments will be done for water.

Water losses and incomplete billing are addressed through water meter audits and water conservations and demand management programmes.

Sanitation charges is unfavourable by R 1, 396 million (39%) to the projected revenue for the period.

Refuse revenue are unfavourable by R 1, 693 million (29%) mainly on waste removal services. The projected revenue needs to be assessed and possibly revised based on number of households that are serviced or incompleteness of billing addressed. No adjustments will be done.

Other Revenue

Rental of Facilities

Revenue realised from Rental of Facilities as at 31st December 2023 is below projected revenue by R 5 thousand (5%). Performance is with the budget projected for the period to date.

Interest on Long Outstanding Debtors

The performance to date is below the anticipated revenue to date by R 1, 243 million (61%). No adjustments will be done.

Fines, Penalties and Licence and Permits

The two items (Fines, Penalties and Licence and Permits) are unfavourable by R1, 442 million (117%). These revenue sources need to be reassessed during budget adjustment for possible adjustment to projections.

Agency Fees Services

Agency fees variance is R50 thousand (100%). We must also note that 80% portion of what the municipality collects is paid to the Provincial Government for and licenses

and the municipality only keep 20%, but the municipality is paying the 20% back to the department due to the outstanding balance that is owned to them.

Transfers and Subsidies

Operating grants and subsidies are performing accordingly. The equitable share is split between the respective service departments based on the provision for doubtful debts. To this date, two tranches (in July and December 2023) have been received by the municipality. Also, the Financial Management Grant has been received and the Extended Public Works Programme allocation are also been allocated accordingly as per the payment schedule.

The variance is mainly due anticipated allocation spread over 12 months while actual receipt is in 3 tranches.

Other Revenue

Operational Revenue is performing below the anticipated revenue, with the year-to-date unfavourable variance of R 10 thousand (100%). The sundry income is expected to improve as operations pick up in the last half of the financial period.

Gain on disposal of PPE

There was no budget on the final budget

OPERATING EXPENDITURE

The following table is indicative of year-to-date expenditure compared to the approved budget for the period ended 31st December 2023

| NC086 Kgatelopele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|----------------|---------------|-----------------|----------------|--------------------|
| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 42 346 | 50 164 | - | 3 497 | 22 046 | 24 680 | (2 634) | -11% | 50 164 |
| Remuneration of councillors | | 4 714 | 3 885 | - | 420 | 2 680 | 1 942 | 737 | 38% | 3 885 |
| Bulk purchases - electricity | | 24 352 | 25 622 | - | - | 11 517 | 12 811 | (1 294) | | 25 622 |
| Inventory consumed | | 3 438 | 2 100 | - | 27 | 397 | 1 050 | (653) | | 2 100 |
| Debt impairment | | - | 4 687 | - | - | - | 2 343 | (2 343) | -100% | 4 687 |
| Depreciation and amortisation | | 14 949 | 15 463 | - | - | - | 7 732 | (7 732) | -100% | 15 463 |
| Interest | | 2 607 | 1 200 | - | - | 447 | 600 | (153) | -26% | 1 200 |
| Contracted services | | 17 542 | 13 951 | - | 990 | 7 889 | 6 976 | 913 | 13% | 13 951 |
| Transfers and subsidies | | - | - | - | - | - | - | - | | - |
| Irrecoverable debts written off | | 9 349 | - | - | - | - | - | - | | - |
| Operational costs | | 12 377 | 15 827 | - | 295 | 5 141 | 7 913 | (2 772) | -35% | 15 827 |
| Losses on Disposal of Assets | | - | - | - | - | - | - | - | | - |
| Other Losses | | - | - | - | - | - | - | - | | - |
| Total Expenditure | | 131 675 | 132 898 | - | 5 230 | 50 116 | 66 047 | (15 931) | -24% | 132 898 |
| Surplus/(Deficit) | | (23 743) | 456 | - | 190 | (1 972) | 2 072 | (4 044) | (0) | 456 |

Employee relates cost

Wages and Salaries have favourable variance of R2, 634 million (11%), due to the vacancy of the senior position (Technical Manager) it should also be noted that some of the officials also resigned, the sufficient management of overtime and vacant positions budgeted for also affects the budget. adjustment due to salary increase rate should be considered in budget adjustment.

Remuneration of councillors

The remuneration of councillors has favourable variance of R 737 thousand 38%, no adjustments will be done.

Debt Impairment

Debt impairment budget has been prorated over 12 months on actual figures, thus no variance. The final calculation of debt impairment usually happens at the end of the financial year during Annual Financial Statement preparation process.

Depreciation

Depreciation is calculated on a yearly basis. The final calculation of depreciation usually happens at the end of the financial year during Annual Financial Statement preparation process.

Repairs and Maintenance

Repairs and maintenance and contracted services spending remains a concern. The spending is not as anticipated/projected. lower spending has positive impact on commitments. It is advised that the municipality should source 3 quotations to save costs and avoid deviations.

Bulk Purchases

Bulk Purchases the municipality is unable to pay monthly amount due to cashflow related issues, but is having a variance of R 1, 294 million.

Contracted Services

Commitment on this line item will be monitored to reduce spending in line with current cash flow or revenue collection.

Transfer and subsidies

The municipality is unable to subsidies due to cashflow related issues.

General Expenditure

General expenditure exceeds the projected expenditure for the period by R 5, 437 million, is having a variance of R 2, 772 million (35%). Expenditure on this line item need to be monitored closely to avoid unauthorised expenditure. Commitment on this line item will be monitored to reduce spending in line with current cash flow or revenue collection.

6. CAPITAL EXPENDITURE

Detail results per unit are contained in Statement Capital Expenditure). The expenditure of Capital budget is at R 14, 598 2555, 67%. The municipality is having a variance of R 332 745.09. A capital budget to the amount of R 21 652 million was approved by Council for the 2023-2024 financial year.

Attached below is the Capital Expenditure by municipal vote, function and classification:

| Description | 2023/2024 | | |
|---------------|-------------------|----------------------|-------------------|
| | Original budget | Expenditure | Balance |
| GRANTS | | | |
| WSIG | 12 975 000 | 10 048 254.92 | 332 745.09 |
| MIG | 8 677 000 | 4 550 000 | - |
| Total | 21 652 000 | 14 598 254.92 | 332 745.09 |

The current capital budget projected projects are funded from Grant (National Treasury).

Focus and pressure need to be put on all the Directorates to start putting more efforts in terms of the new capital acquisition. The results of this under-spending are hampering on the main objectives and core business of the municipality which is to provide service to the communities around Kgatelopele Local municipality. Directorates must put proper plans as to how they are going to start spending and implementing their capital budget requirements to deliver in order to can be able to deliver the expected municipal services. For projects that are funded by Grants, Directorates are encouraged to spend on capital projects in order to avoid applying for roll-over next financial year.

National Treasury has approved the 2022-2023 Conditional Grants Roll Over application and that will have to be incorporated into the budget through an Adjustment Budget.

| Description | ROLL OVER 2022-2023 |
|---------------|---------------------|
| GRANTS | |
| RBIG | 46 372 372 |
| MIG | 31 957 717 |
| Total | 78 330 089 |

7. DEBTORS AGING FOR DECEMBER 2023

Debtor's age analysis indicates the extent to which income accrued is not received in cash, the success or effectiveness of the credit control, rating, and tariffs policy, the possibility of viability problem being encountered when analysing the imbalance between actual revenue received and actual expenditure.

Annexure "A" (Table SC3 Monthly Budget Statement – Aged Debtors) is debtor's age analysis as at the end of December 2023 for the 2023/2024 financial year. The outstanding consumer debtors as at 31st December 2023 is R 80, 460 million.

As at the end of December 2023, Organ of States owed municipality R1, 158 million, Households owed R 63, 347 million, Business/Commercial owed R 6, 816 million while other is at R 9, 139 million.

NC086 Kgatelopele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

| Description | NT Code | Budget Year 2023/24 | | | | | | | | Total | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.Lo 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 | | | | |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transadcons - Water | 1200 | 1 098 | 679 | 826 | 922 | 790 | 599 | 3 454 | 15 632 | 24 001 | 21 398 | -- | -- |
| Trade and Other Receivables from Exchange Transadcons - Electricity | 1300 | 1 047 | 443 | 267 | 200 | 184 | 144 | 622 | 3 639 | 6 547 | 4 789 | -- | -- |
| Receivables from Non-exchange Transadcons - Property Rates | 1400 | 1 274 | 773 | 622 | 594 | 574 | 472 | 2 927 | 8 556 | 15 791 | 13 122 | -- | -- |
| Receivables from Exchange Transadcons - Waste Water Management | 1500 | 420 | 316 | 287 | 280 | 278 | 397 | 1 407 | 7 645 | 11 030 | 10 008 | -- | -- |
| Receivables from Exchange Transadcons - Waste Management | 1600 | 763 | 670 | 641 | 593 | 348 | 463 | 1 409 | 7 164 | 12 050 | 9 976 | -- | -- |
| Receivables from Exchange Transadcons - Property Rental Debtors | 1700 | 8 | 6 | 5 | 3 | 3 | 8 | 42 | 79 | 60 | 60 | -- | -- |
| Interest on Arrear Debtbr Accounts | 1810 | -- | 184 | 183 | 363 | 505 | 23 | 2 345 | 6 467 | 10 071 | 9 704 | -- | -- |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other | 1900 | (164) | (9) | (14) | (10) | (5) | (11) | (25) | 1 125 | 890 | 1 077 | -- | -- |
| Total By Income Source | 2000 | 4 446 | 3 063 | 2 818 | 2 945 | 2 678 | 2 090 | 12 146 | 50 274 | 80 460 | 70 133 | -- | -- |
| 2022/23 - totals only | | | | | | | | | | | | -- | -- |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 102 | 91 | 69 | 48 | 31 | 8 | 299 | 511 | 1 158 | 896 | -- | -- |
| Commercial | 2300 | 1 190 | 645 | 515 | 437 | 186 | 144 | 775 | 2 925 | 6 816 | 4 467 | -- | -- |
| Households | 2400 | 2 631 | 1 903 | 1 888 | 2 089 | 2 093 | 1 654 | 9 902 | 41 187 | 63 347 | 56 925 | -- | -- |
| Other | 2500 | 523 | 425 | 347 | 371 | 368 | 285 | 1 170 | 5 651 | 9 139 | 7 844 | -- | -- |
| Total By Customer Group | 2600 | 4 446 | 3 063 | 2 818 | 2 945 | 2 678 | 2 090 | 12 146 | 50 274 | 80 460 | 70 133 | -- | -- |

Debt collection and credit control measure need to be intensified to collect all collectable debt and all identified uncollectable debt should be submitted to council for write off consideration.

8. CREDITORS AGING FOR DECEMBER 2023

Annexure "A" (Table SC4 Monthly Budget Statement) Creditors age analysis for the municipality as at the end of December 2022

The below table depicts creditors analysis for the period

NC086 Kgatelopele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

| Description | NT Code | Budget Year 2023/24 | | | | | | | | | Total | Prior year totals for chart (same period) |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|---------------|---------------|---------------|---|
| | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | | | |
| R thousands | | | | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | | | |
| Bulk Electricity | 0100 | - | 4 856 | - | - | 4 434 | - | 6 003 | 2 295 | 17 588 | 17 588 | |
| Bulk Water | 0200 | - | - | - | - | - | - | - | - | - | - | |
| PAYE deductions | 0300 | - | - | - | - | - | - | - | - | - | - | |
| VAT (output less input) | 0400 | - | - | - | - | - | - | - | - | - | - | |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | - | - | - | |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - | - | |
| Trade Creditors | 0700 | 35 | 111 | 63 | 1 | - | 68 | 1 480 | 8 426 | 10 184 | 10 184 | |
| Auditor General | 0800 | - | 253 | - | - | 8 | - | 832 | 9 881 | 10 975 | 10 975 | |
| Other | 0900 | 3 | - | (9) | - | 32 | 2 | 526 | 244 | 798 | 798 | |
| Total By Customer Type | 1000 | 38 | 5 220 | 54 | 1 | 4 474 | 71 | 8 841 | 20 846 | 39 545 | 39 545 | |

Creditors should be paid within 30 days as stipulated by the MFMA except where there are disputes between the municipality and the creditor. Outstanding sundry creditors as at 31st December 2023 is at R 39, 545 million.

9. Main Account & Call Accounts Interest received for Mid-Year 2023-2024

| DAY TO DAY | | | | | | | | |
|------------------------------------|----------------|-----------------------------|-------------------------------|-------------------------|-----------------------|------------------------|---------------------------------|---------------------|
| ACCOUNT NAME | ACCOUNT NUMBER | INTEREST EARNED _ JULY 2023 | INTEREST EARNED _ AUGUST 2023 | EARNED _ SEPTEMBER 2023 | EARNED _ OCTOBER 2023 | EARNED _ NOVEMBER 2023 | INTEREST EARNED _ DECEMBER 2023 | Mid Year Total |
| CHEQUE ACCOUNT | 52003878794 | 41 839.17 | 26 327.31 | 8 585.36 | 8 585.36 | 8 741.01 | 28 500.23 | 122 578.44 |
| CORPORATE (TRAFFIC) | 62798890630 | 12.74 | 11.57 | - | - | - | - | 24.31 |
| TOTAL | | 41 851.91 | 26 338.88 | 8 585.36 | 8 585.36 | 8 741.01 | 28 500.23 | 122 602.75 |
| SAVINGS AND INVESTMENT | | | | | | | | |
| ACCOUNT NAME | | | | | | | | |
| WSIG | 62714846500 | 7.19 | 33 097.68 | 21 186.48 | 21 186.48 | 1 762.15 | 41.51 | 77 281.49 |
| DISASTER MANAGEMENT | 62822654530 | 8.12 | 8.11 | 7.85 | 7.85 | 7.84 | 8.12 | 47.89 |
| EPWP | 62627396915 | 277.10 | - | 1 136.88 | 1 136.88 | 148.85 | 262.46 | 2 962.17 |
| FMG | 62627396155 | 7.28 | 1 654.19 | 14 660.09 | 14 660.09 | 5 645.88 | 3 300.98 | 39 928.51 |
| ENERGY | 62289233547 | 58.07 | 21.32 | 20.56 | 20.56 | 21.25 | 19.90 | 161.66 |
| LIBRARY | 62627394498 | 99.34 | - | - | - | 1 746.67 | 1 404.42 | 3 250.43 |
| MIG | 62021476313 | 107 663.93 | 157 609.59 | 159 117.57 | 159 117.57 | 152 252.90 | 29 354.88 | 765 116.44 |
| EQUITABLE SHARE | 62627395347 | 20.54 | 21.26 | 21.32 | 21.32 | 20.56 | 19.21 | 124.21 |
| 7 DAYS INVESTMENT | 76200036773 | 281 347.00 | 288 278.01 | 177 385.82 | 177 385.82 | 154 503.68 | 85 738.92 | 1 164 639.25 |
| RETENTION | 76200036773 | 4 580.60 | 9 130.85 | 17 551.16 | 20 385.68 | 29 447.22 | 24 364.73 | 105 460.24 |
| TOTAL | | 394 069.17 | 489 821.01 | 391 087.73 | 393 922.25 | 345 557.00 | 144 515.13 | 2 158 972.29 |
| DAY TO DAY & INVESTMENT | | 435 921.08 | 516 159.89 | 399 673.09 | 402 507.61 | 354 298.01 | 173 015.36 | 2 281 575.04 |

The municipality's budget on Original Budget was R 3 569 736, interest received R 2 281 972.29 for Mid – year performance interest main account and call accounts no Adjustment for interest.

11. CONCLUSION

In light of the above financial assessment and forecasting figures on the annual budget on the first six month ended 31st December 2023 of the 2023/2024 financial year, it is recommended that an adjustment budget for 2023/2024 is required to cater for the shift of funds between votes. The adjusted budget will be submitted to Council by the end of January 2024.

RECOMMENDED:

ACTION

- | | |
|---|-----|
| 1. This Report on the submission of the Mid-Year Budget Assessment in compliance with Section 72 of the Municipal Finance Management Act No. 56 of 2003, as well as Section 23 of the Local Government: Municipal Budget and Reporting Regulations (MBRR) be noted; | ALL |
| 2. That an adjustments budget is necessary to address all the mentioned issues in the report; | ALL |
| 3. That the Mid-Year report submitted to both National Treasury and Provincial Treasury; | BTO |
| 4. That the Mid-Year report be made public in line with requirements of Section 21(A) of Municipal Systems Act of 2000 within five (5) days of approval by Council. | BTO |
