



## COUNCIL

### REPORT TO COUNCIL ON SECTION 52(d) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA)

**Date:** 30 January 2025

**Levels:** 1<sup>st</sup> Level: Council

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## GLOSSARY

**Annual Budget** – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

**Adjustment Budget** – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revised its annual budget during the year.

**Allocations (Transfers – see DORA)** – Money received from Provincial or National Government.

**Budget Related Policy (ies)** – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

**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 and must be included in the asset register.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and Wasteful Expenditure** – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

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

**GRAP** – Generally Recognized Accounting Practice. The new 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 dated April 2009.

**MFMA** – The Municipal Finance Management Act – Act No. 56 of 2003. The principal piece of legislation relating to municipal financial management.

**MSCOA** – Municipal Standard Chart of Accounts

**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 years' budget allocations.

Also includes details of the previous and current years' financial position.

## INTRODUCTION

Report to Finance Committee on Section 52(d) of the Municipal Finance Management Act (MFMA) for 2024/2025 First Quarter. The purpose of this report is firstly to comply with Section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report to the Finance Committee on the implementation of the budget. The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Finance Committee on the non-finance indicators which is part of the Service Delivery and Budget Implementation Plan. The report's strategic objective is to ensure good governance, provide a monitor tool for financial viability as well as to provide Finance Committee with the necessary information to make informed decisions.

## LEGISLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation: The Municipal Finance Management Act - Act No. 56 of 2003 - Section 52: Quarterly budget statements Local Government: Municipal Finance Management Act (56/2003): Municipal and reporting regulations

## EXECUTIVE SUMMARY

To inform Council of the financial status of the municipality for Quarter 2 of the 2024/25 financial year in accordance with section 52(d) of the Municipal Finance Management Act 56 of 2003 which states "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".

## BUDGET REPORTS

### 1. TABLE C4 BUDGETED FINANCIAL PERFORMANCE FOR 2nd QUARTER ENDED 31 December 2024

#### Operational Revenue

2. The actual revenue received or billed is in line with the anticipated projected revenue of 50%. The main contributors to this performance are significant spending on Grants, Especially the WSIG Grant and the MIG Grant
3. Data discrepancies on our 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.
4. 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.
5. Mid-year accumulated year to date revenue performance is as follows:

| Description                                 | 2023/24         | Budget Year 2024/25 |                 |                |               |               |              |                |                    |
|---|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|   | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| <b>R thousands</b>                          |                 |                     |                 |                |               |               |              |                |                    |
| <b>Revenue</b>                              |                 |                     |                 |                |               |               |              |                |                    |
| <b>Exchange Revenue</b>                     |                 |                     |                 |                |               |               |              |                |                    |
| Service charges - Electricity               | 14,174          | 29,628              | -               | 2,996          | 17,469        | 14,814        | 2,655        | 18%            | 29,628             |
| Service charges - Water                     | 8,344           | 12,036              | -               | 871            | 5,232         | 6,018         | -786         | -13%           | 12,036             |
| Service charges - Waste Water M             | 4,460           | 6,890               | -               | 440            | 2,749         | 3,445         | -697         | -20%           | 6,890              |
| Service charges - Waste manager             | 7,873           | 14,715              | -               | 677            | 4,230         | 7,358         | -3,128       | -43%           | 14,715             |
| Sale of Goods and Rendering of S            | 106             | 126                 | -               | 4              | 19            | 63            | -44          | -70%           | 126                |
| Agency services                             | -               | 50                  | -               | -              | -             | 25            | -25          | -100%          | 50                 |
| Interest                                    | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Interest earned from Receivables            | 1,507           | 1,701               | -               | -              | 465           | 851           | -386         | -45%           | 1,701              |
| Interest from Current and Non Cur           | 3,444           | 3,888               | -               | -              | 469           | 1,944         | -            | -              | 3,888              |
| Dividends                                   | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Rent on Land                                | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Rental from Fixed Assets                    | 135             | 214                 | -               | 19             | 190           | 107           | 82           | 77%            | 214                |
| Licence and permits                         | 383             | 1,049               | -               | 33             | 349           | 525           | -176         | -34%           | 1,049              |
| Operational Revenue                         | -               | 20                  | -               | 2              | 2             | 10            | -8           | -79%           | 20                 |
| <b>Non-Exchange Revenue</b>                 |                 |                     |                 |                |               |               |              |                |                    |
| Property rates                              | 15,742          | 21,910              | -               | 1,592          | 9,832         | 10,955        | -1,123       | -10%           | 21,910             |
| Surcharges and Taxes                        | -               | 9,000               | -               | -              | -             | 4,500         | -4,500       | -              | 9,000              |
| Fines, penalties and forfeits               | -               | 66                  | -               | -              | -             | 33            | -33          | -              | 66                 |
| Licence and permits                         | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Transfers and subsidies - Operati           | 38,448          | 40,635              | -               | 13,708         | 30,407        | 20,318        | 10,090       | -              | 40,635             |
| Interest                                    | 559             | 670                 | -               | -              | 176           | 335           | -159         | -              | 670                |
| Fuel Levy                                   | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Operational Revenue                         | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Gains on disposal of Assets                 | -760            | -                   | -               | -              | -291          | -             | -291         | -              | -                  |
| Other Gains                                 | -76             | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Discontinued Operations                     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>capital transfers and contributions)</b> | <b>94,339</b>   | <b>142,600</b>      | <b>-</b>        | <b>20,342</b>  | <b>71,298</b> | <b>71,300</b> | <b>-2</b>    | <b>0%</b>      | <b>142,600</b>     |

## OPERATING EXPENDITURE

The following table is indicative of year-to-date expenditure compared to the approved budget for the period ended 31<sup>st</sup> December 2024

| <u>Expenditure By Type</u>      | <u>Audited Outcome</u> | <u>Original Budget</u> | <u>Adjusted Budget</u> | <u>Monthly actual</u> | <u>YearTD actual</u> | <u>YearTD budget</u> | <u>YTD variance</u> | <u>YTD variance</u> | <u>Actual % of total expenditure</u> | <u>Full Year Forecast</u> |
|---------------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|----------------------|---------------------|---------------------|--------------------------------------|---------------------------|
| Employee related costs          | 43,543                 | 49,994                 | -                      | 4,127                 | 25,418               | 24,997               | 421                 | 2%                  | 37%                                  | 49,994                    |
| Remuneration of councillors     | 5,030                  | 4,811                  | -                      | 623                   | 2,690                | 2,406                | 284                 | 12%                 | 4%                                   | 4,811                     |
| Bulk purchases - electricity    | 28,874                 | 28,886                 | -                      | 2,350                 | 18,349               | 14,443               | 3,906               | 27%                 | 27%                                  | 28,886                    |
| Inventory consumed              | 1,736                  | 1,353                  | -                      | 3                     | 580                  | 677                  | (96)                | -14%                | 1%                                   | 1,353                     |
| Debt impairment                 | -                      | 4,350                  | -                      | -                     | -                    | 2,175                | (2,175)             | -100%               | 0%                                   | 4,350                     |
| Depreciation and amortisation   | 24,611                 | 14,991                 | -                      | -                     | -                    | 7,496                | (7,496)             | -100%               | 0%                                   | 14,991                    |
| Interest                        | 3,388                  | 1,209                  | -                      | 288                   | 2,373                | 605                  | 1,768               | 292%                | 3%                                   | 1,209                     |
| Contracted services             | 16,056                 | 17,910                 | -                      | 1,494                 | 9,922                | 8,955                | 967                 | 11%                 | 15%                                  | 17,910                    |
| Transfers and subsidies         | -                      | -                      | -                      | -                     | -                    | -                    | -                   | -                   | 0%                                   | -                         |
| Irrecoverable debts written off | 4,154                  | -                      | -                      | -                     | (331)                | -                    | (331)               | -                   | 0%                                   | -                         |
| Operational costs               | 14,021                 | 13,411                 | -                      | 1,842                 | 9,035                | 6,705                | 2,330               | 35%                 | 13%                                  | 13,411                    |
| Losses on Disposal of Assets    | -                      | -                      | -                      | -                     | -                    | -                    | -                   | -                   | 0%                                   | -                         |
| Other Losses                    | -                      | -                      | -                      | -                     | -                    | -                    | -                   | -                   | 0%                                   | -                         |
| <b>Total Expenditure</b>        | <b>141,413</b>         | <b>136,916</b>         | <b>-</b>               | <b>10,727</b>         | <b>68,036</b>        | <b>68,458</b>        | <b>(422)</b>        | <b>-1%</b>          |                                      | <b>136,916</b>            |

### Employee relates cost

Employee cost have an unfavourable variance of R 3,522 Million (14%). The management of overtime, including curbing it to 40 hours, played a significant role in curbing the employee related cost.

### Remuneration of councillors

The remuneration of councillors has an unfavourable variance of R 339 thousand 14%. This was largely due to the double increase in salaries and backpay caused by the implementation of Gazette No 51407 of 17 October 2024 and Government Gazette No 51419 of 21 October 2024 which was made in the Second Quarter.

### 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 - Electricity

The expected budgeted spending for bulk electricity is R18.3 million, but the municipality spent more than the expected figure, which is R14.4 million, having a variance of 27%. The distribution loss is often the key contributing factor, but the budget was also understated, consideration will be given during adjustment.

### Contracted Services

Contracted services have a variance of R 593 000. This is in line with the expected Norm of 5 - 10%.

### 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.



## Grant performance:

### Comments:

- ❖ Operational received R **30 866 500** for Second quarter, the municipality received equitable share of R **11 745** million on the 4 December 2024, EPWP R **540 000** on the 20 December 2024,
- ❖ Capital received R **30 510 000** for Second quarter. The municipality received R **3 710** million for MIG on the 6 December 2024

| Allocations                        | Final Budget<br>2024-2025 | Allocations<br>Received for<br>First Quarter | Actuals<br>Expenditure -<br>Quarter Two<br>2024-2025 | Unspent<br>YTD  | Expenditure<br>Percentage |
|------------------------------------|---------------------------|--|--|-----------------|---------------------------|
| Financial Management Grant         | R3,000,000                | R3,000,000                                   | R2,259,845   | R740,155        | 75%                       |
| Library Grant                      | R1,147,000                | R599,500                                     | R453,461   | R146,039        | 76%                       |
| Expanded Public Works Programme    | R960,000                  | R840,000                                     | R660,470   | R179,530        | 79%                       |
| Municipal Infrastructure Grant     | R8,610,000                | R6,510,000                                   | R6,510,000   | R0              | 100%                      |
| Water Service Infrastructure Grant | R30,000,000               | R24,000,000                                  | R24,313,902  | -R313,902       | 101%                      |
| <b>Total</b>                       | <b>R43,717,000</b>        | <b>R34,949,500</b>                           | <b>R34,197,677</b>                                   | <b>R751,823</b> |                           |

### Investment Portfolio Quarter Report ended 31 December 2024

| DAY TO DAY                         |                |                                |                                  |                                     |                                   |                                    |                                    |                   |
|------------------------------------|----------------|--------------------------------|----------------------------------|-------------------------------------|-----------------------------------|------------------------------------|------------------------------------|-------------------|
| ACCOUNT NAME                       | ACCOUNT NUMBER | INTEREST EARNED _<br>JULY 2024 | INTEREST EARNED _<br>AUGUST 2024 | INTEREST EARNED _<br>SEPTEMBER 2024 | INTEREST EARNED _<br>OCTOBER 2024 | INTEREST EARNED _<br>NOVEMBER 2024 | INTEREST EARNED _<br>DECEMBER 2024 | TOTAL TO DATE     |
| CHEQUE ACCOUNT                     | 52003878794    | 48,839.76                      | 31,357.86                        | 23,481.71                           | 12,999.96                         | 7,868.84                           | 15,096.75                          | 139,644.88        |
| <b>TOTAL</b>                       |                | <b>48,839.76</b>               | <b>31,357.86</b>                 | <b>23,481.71</b>                    | <b>12,999.96</b>                  | <b>7,868.84</b>                    | <b>15,096.75</b>                   | <b>139,644.88</b> |
| SAVINGS AND INVESTMENT             |                |                                |                                  |                                     |                                   |                                    |                                    |                   |
| ACCOUNT NAME                       |                |                                |                                  |                                     |                                   |                                    |                                    |                   |
| WSIG                               | 62714846500    | 14,392.74                      | 41,498.46                        | 14,442.15                           | 1,456.58                          | 29,174.27                          | 5,225.41                           | 106,189.61        |
| DISASTER MANAGEMENT                | 62822654530    | 28.24                          | 21.77                            | 7.75                                | 7.82                              | 7.48                               | 7.50                               | 80.56             |
| EPWP                               | 62627396915    | 156.23                         | 1,202.46                         | 1,682.19                            | 1,425.78                          | 641.26                             | 477.17                             | 5,585.09          |
| FMG                                | 62627396155    | 20.54                          | 568.06                           | 13,846.89                           | 11,128.53                         | 7,492.56                           | 3,491.11                           | 36,547.69         |
| ENERGY                             | 62289233547    | 20.55                          | 21.27                            | 20.48                               | 20.27                             | 19.53                              | 19.20                              | 121.30            |
| LIBRARY                            | 62627394498    | 58.57                          | 21.31                            | 21.02                               | 19.54                             | 1,530.18                           | 1,116.28                           | 2,766.90          |
| MIG                                | 62021476313    | 71,478.98                      | 26,573.99                        | 45,582.60                           | 59,184.48                         | 54,789.39                          | 40,840.40                          | 298,449.84        |
| EQUITABLE SHARE                    | 62627395347    | 4,739.74                       | 4,562.56                         | -                                   | -                                 | -                                  | -                                  | 9,302.30          |
| 7 DAYS INVESTMENT                  | 76200036773    | 13,241.31                      | 9,667.14                         | 7,087.38                            | -                                 | 6,705.79                           | -                                  | 36,701.62         |
| RETENTION                          | 76203316875    | 12,255.04                      | 14,775.70                        | 11,820.56                           | -                                 | -                                  | -                                  | 38,851.30         |
| <b>TOTAL</b>                       |                | <b>116,391.94</b>              | <b>98,912.72</b>                 | <b>94,511.02</b>                    | <b>73,243.00</b>                  | <b>108,229.30</b>                  | <b>51,177.07</b>                   | <b>542,465.05</b> |
| <b>DAY TO DAY &amp; INVESTMENT</b> |                | <b>165,231.70</b>              | <b>130,270.58</b>                | <b>117,992.73</b>                   | <b>86,242.96</b>                  | <b>116,098.14</b>                  | <b>66,273.82</b>                   | <b>682,109.93</b> |

**Comment:**

❖ The municipality's financial records show that the interest earned from call accounts of **R 682 109.93** for the second quarter.

## DEBTORS REPORT

### Debtors outstanding balances per service as at 31 December 2024

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

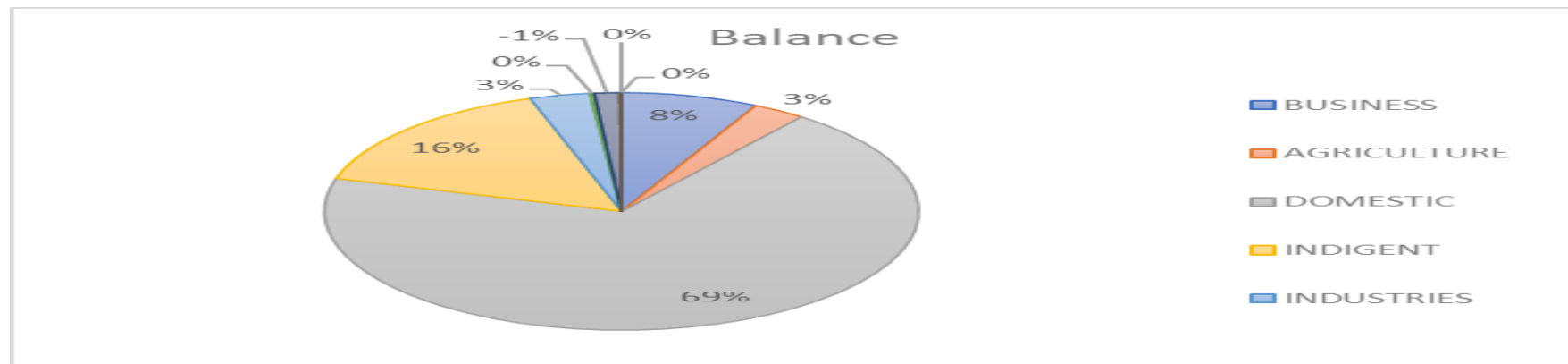
| Description   | NT Code     | Budget Year 2024/25 |              |              |              |              |              |               |               |                | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
|---|-------------|---------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|----------------|--------------------|--|---|
|   |             | 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          |                    |  |   |
| <b>R thousands</b>  |             |                     |              |              |              |              |              |               |               |                |                    |  |   |
| <b>Debtors Age Analysis By Income Source</b>                            |             |                     |              |              |              |              |              |               |               |                |                    |  |   |
| Trade and Other Receivables from Exchange Transactions - Water          | 1200        | 1,001               | 926          | 916          | 712          | 916          | 985          | 5,955         | 19,115        | 30,526         | 27,683             | -  | -   |
| Trade and Other Receivables from Exchange Transactions - Electricity    | 1300        | 1,135               | 862          | 1,007        | 680          | 497          | 299          | (4,071)       | 4,432         | 4,841          | 1,836              | -  | -   |
| Receivables from Non-exchange Transactions - Property Rates             | 1400        | 1,592               | 1,328        | 1,202        | 895          | 699          | 629          | 2,880         | 10,564        | 19,788         | 15,666             | -  | -   |
| Receivables from Exchange Transactions - Waste Water Management         | 1500        | 506                 | 392          | 358          | 344          | 273          | 249          | 1,458         | 8,692         | 12,270         | 11,015             | -  | -   |
| Receivables from Exchange Transactions - Waste Management               | 1600        | 778                 | 675          | 634          | 337          | 343          | 294          | 1,751         | 8,232         | 13,045         | 10,958             | -  | -   |
| Receivables from Exchange Transactions - Property Rental Debtors        | 1700        | 22                  | 18           | 15           | 14           | 13           | 10           | 108           | 58            | 257            | 203                | -  | -   |
| Interest on Arrear Debtor Accounts                                      | 1810        | -                   | 233          | -            | -            | 194          | 187          | 1,049         | 8,402         | 10,065         | 9,832              | -  | -   |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820        | -                   | -            | -            | -            | -            | -            | -             | -             | -              | -                  | -  | -   |
| Other   | 1900        | (148)               | (159)        | (76)         | (207)        | (74)         | (35)         | 8,454         | 6,578         | 14,334         | 14,716             | -  | -   |
| <b>Total By Income Source</b>   | <b>2000</b> | <b>4,885</b>        | <b>4,275</b> | <b>4,057</b> | <b>2,775</b> | <b>2,860</b> | <b>2,619</b> | <b>17,584</b> | <b>66,071</b> | <b>105,126</b> | <b>91,909</b>      | <b>-</b>                                     | <b>-</b>                                    |
| <b>2023/24 - totals only</b>  |             |                     |              |              |              |              |              |               |               | -              | -                  |  |   |
| <b>Debtors Age Analysis By Customer Group</b>                           |             |                     |              |              |              |              |              |               |               |                |                    |  |   |
| Organs of State   | 2200        | 163                 | 104          | 81           | 74           | 98           | 65           | (5,095)       | 102           | (4,409)        | (4,756)            | -  | -   |
| Commercial  | 2300        | 1,319               | 1,165        | 1,061        | 465          | 311          | 223          | 797           | 3,584         | 8,925          | 5,381              | -  | -   |
| Households  | 2400        | 2,806               | 2,487        | 2,443        | 1,796        | 2,112        | 2,026        | 20,399        | 50,305        | 84,372         | 76,637             | -  | -   |
| Other   | 2500        | 598                 | 520          | 473          | 440          | 339          | 304          | 1,483         | 12,080        | 16,238         | 14,647             | -  | -   |
| <b>Total By Customer Group</b>  | <b>2600</b> | <b>4,885</b>        | <b>4,275</b> | <b>4,057</b> | <b>2,775</b> | <b>2,860</b> | <b>2,619</b> | <b>17,584</b> | <b>66,071</b> | <b>105,126</b> | <b>91,909</b>      | <b>-</b>                                     | <b>-</b>                                    |

The table above shows the total owed to the municipality as at 31 December 2024 per service. The total debt by customers is sitting at R96,180,987.44. This is a 6% increase from R90,915,006.72 at 30 June 2024.

| Service                 | 180 Days             | 150 Days            | 120 days            | 90 Days             | 60 Days              | 30 Days             | Current             | Balance              |
|-------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
| BUSINESS                | 3,882,849.73         | (3,214.90)          | 105,981.91          | 182,552.09          | 915,922.64           | 1,103,650.18        | 1,191,468.60        | 7,379,210.25         |
| AGRICULTURE             | 2,075,452.98         | 132,866.85          | 92,329.16           | 121,488.44          | 165,176.91           | 136,074.33          | 125,612.05          | 2,849,000.72         |
| DOMESTIC                | 48,674,717.98        | 1,621,908.72        | 1,783,912.98        | 1,662,363.21        | 9,323,736.81         | 2,484,196.04        | 2,863,264.71        | 68,414,100.46        |
| INDIGENT                | 9,669,911.06         | 878,411.77          | 391,106.30          | 305,422.18          | 3,590,408.86         | 401,023.20          | 146,537.15          | 15,382,820.52        |
| INDUSTRIES              | 2,265,277.92         | 78,224.74           | 81,401.57           | 84,755.49           | 231,049.85           | 237,215.30          | 262,316.26          | 3,240,241.14         |
| CHURCH                  | 169,432.36           | 3,698.91            | 5,132.25            | 6,390.25            | 17,694.87            | 10,045.30           | 11,252.41           | 223,646.35           |
| GOVERNMENT              | (2,590,953.44)       | 194,970.26          | 115,827.18          | 181,367.23          | 211,525.29           | 256,877.67          | 248,492.62          | (1,381,893.20)       |
| LIME ACRES              | 16,513.35            | 44.27               | .                   | 43.81               | 9,865.23             | 9,865.23            | 9,820.96            | 46,197.12            |
| PUBLIC SERVICE INFRASTR | 25,066.74            | 64.45               | 64.45               | 64.45               | 829.27               | 819.58              | 755.14              | 27,664.08            |
| <b>Grand Total</b>      | <b>64,188,268.68</b> | <b>2,906,975.07</b> | <b>2,575,755.80</b> | <b>2,544,447.16</b> | <b>14,466,209.73</b> | <b>4,639,766.83</b> | <b>4,859,519.90</b> | <b>96,180,987.44</b> |

The table above shows the outstanding debt per customer group. Non-indigent households account for the greater share of outstanding debt.

Businesses owe the municipality a combined total of about R10,000,000.00

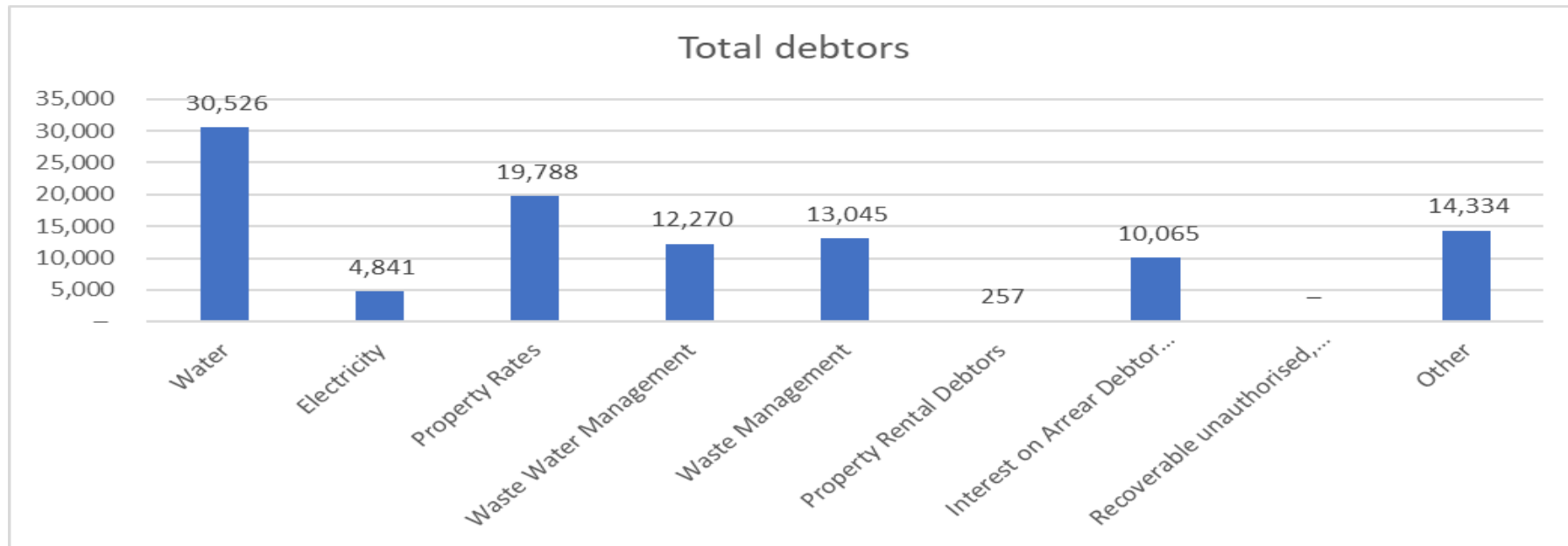


Above is a graphic representation of the outstanding debt by the different customer categories.

**The following recommendations are proposed:**

- Write off the total debt owed by indigent households of R18,043,516.83 which represents 20% of the total debt over a period of three years at about R6,000,000.00 a year.
- For the municipality to source funds and roll out prepaid water metering specifically for households that apply for indigency. This will assist in stopping such accounts from falling into arrear.
- The indigent debt has increased by about R3,000,000 over the financial year. This should not be the case as there are 100% rebates offered, meaning that indigents are consuming more water than it is allocated at 6 kilolitres per month.

### Debtors Ageing by Source



Water and Property rates fees is the highest component over the total debt with weighted per cent of 29% or R30.5 million. 18% of property rates or R 19,7million.

## Credit Control - Billing Vs Collection

### Collection % and total outstanding debt

For the quarter, the municipality managed to collect an average of 73% of what has been billed. This is still below the expected 85% National Treasury guidelines.

The low collection can be attributed to the general economic conditions in the country. However, this cannot be the only driver of low collection. The municipality's credit control processes are currently weak.

### The following recommendations are proposed:

- Include in the credit control policy a discount for customers who pay their account before a certain date and those who pay a certain percentage of their outstanding arrears.
- Have a zero-tolerance approach on businesses whose accounts are in arrears.
- The above will improve the payment culture of the municipal customers.
- 

The below tables depict a summary of the billing vs collections per month for the second quarter

### October

| Service Description        | Amount (Excl)       | Tax Amount        | Amount (Incl)       | Receipts Totals     |
|----------------------------|---------------------|-------------------|---------------------|---------------------|
| Electricity Basic          | 105,983.92          | 15,904.35         | 121,888.27          | 30,531.24           |
| Property Rates             | 1,592,011.43        | -                 | 1,592,011.43        | 1,006,698.56        |
| Water Basic<br>(blank)     | 411,437.01          | 61,717.00         | 473,154.01          | 91,261.07           |
| Elec Cons - KVA            | 180,076.26          | 27,011.44         | 207,087.71          | 152,116.31          |
| Refuse Removal             | 634,767.25          | 95,209.09         | 729,976.34          | 533,029.97          |
| Water Cons                 | 559,767.51          | 83,961.26         | 643,728.90          | 253,084.68          |
| Electricity Availability   | 45,740.76           | 6,861.21          | 52,601.97           | 9,979.16            |
| Interest                   | -                   | -                 | -                   | 1,283.63            |
| Elec Cons - KWH            | 1,049,201.64        | 157,380.27        | 1,206,581.91        | 482,211.71          |
| Sewerage Basic             | 432,746.48          | 64,904.93         | 497,651.44          | 177,402.78          |
| Refuse Availability        | 46,408.58           | 6,961.00          | 53,369.58           | 7,441.07            |
| Rent                       | 16,785.01           | 2,512.08          | 19,297.10           | 1,208.84            |
| Collection Fees\Legal fees | -                   | -                 | -                   | 2,500.00            |
| Pre-Paid Electricity       | -                   | -                 | -                   | -                   |
| <b>Grand Total</b>         | <b>5,074,925.85</b> | <b>522,422.63</b> | <b>5,597,348.66</b> | <b>2,748,749.02</b> |

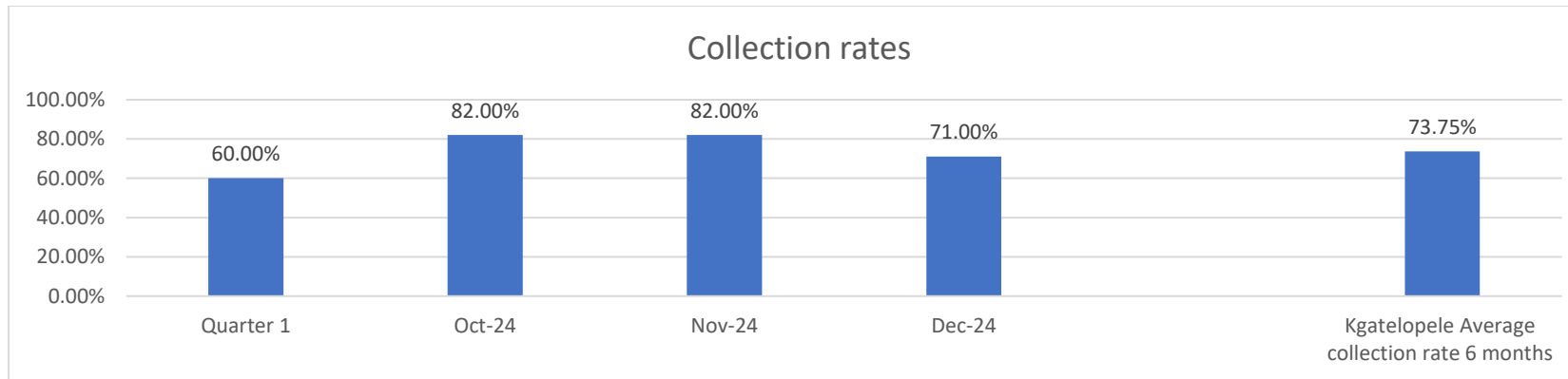
**November**

| <b>Service Description</b> | <b>Amount (Excl)</b> | <b>Tax Amount</b> | <b>Amount (Incl)</b> | <b>Receipts Totals</b> |
|----------------------------|----------------------|-------------------|----------------------|------------------------|
| Electricity Basic          | 104,874.07           | 15,737.75         | 120,611.82           | 29,545.38              |
| Property Rates             | 1,591,860.06         | -                 | 1,591,860.06         | 892,610.90             |
| Water Basic<br>(blank)     | 397,579.72           | 59,638.41         | 457,218.13           | 103,795.81             |
| Elec Cons - KVA            | 198,670.84           | 29,800.63         | 228,471.48           | 164,968.17             |
| Refuse Removal             | 631,397.73           | 94,703.75         | 726,101.48           | 520,648.75             |
| Water Cons                 | 562,039.46           | 84,302.37         | 646,341.94           | 214,509.73             |
| Electricity Availabilty    | 45,606.80            | 6,841.11          | 52,447.91            | 10,634.03              |
| Interest                   | 233,939.20           | -                 | 233,939.20           | 2,063.91               |
| Elec Cons - KWH            | 704,603.81           | 105,690.54        | 810,294.37           | 531,091.15             |
| Sewerage Basic             | 439,926.20           | 65,982.04         | 505,908.25           | 173,262.22             |
| Refuse Availability        | 46,408.58            | 6,961.00          | 53,369.58            | 16,596.17              |
| Rent                       | 17,437.18            | 2,609.91          | 20,047.10            | 4,304.82               |
| Pre-Paid Electricity       | -                    | -                 | -                    | -                      |
| Collection Fees\Legal fees | -                    | -                 | -                    | 1,500.00               |
| <b>Grand Total</b>         | <b>4,974,343.65</b>  | <b>472,267.51</b> | <b>5,446,611.32</b>  | <b>2,665,531.04</b>    |

**December**

| <b>Service Description</b> | <b>Amount (Excl)</b> | <b>Tax Amount</b> | <b>Amount (Incl)</b> | <b>Receipts Totals</b> |
|----------------------------|----------------------|-------------------|----------------------|------------------------|
| Electricity Basic          | 104,556.97           | 15,690.15         | 120,247.12           | 18,728.58              |
| Property Rates             | 1,591,821.36         | -                 | 1,591,821.36         | 753,355.18             |
| Water Basic<br>(blank)     | 396,565.78           | 59,486.31         | 456,052.09           | 77,075.05              |
| Elec Cons - KVA            | 137,111.52           | 20,566.72         | 157,678.24           | 12,149.87              |
| Refuse Removal             | 630,325.59           | 94,542.95         | 724,868.54           | 176,400.31             |
| Water Cons                 | 473,487.36           | 71,019.82         | 544,507.29           | 217,173.93             |
| Electricity Availabilty    | 45,606.80            | 6,841.11          | 52,447.91            | 2,961.71               |
| Interest                   | -                    | -                 | -                    | 659.01                 |
| Elec Cons - KWH            | 699,858.18           | 104,978.69        | 804,836.91           | 219,664.55             |
| Sewerage Basic             | 439,160.72           | 65,867.25         | 505,027.99           | 129,927.38             |
| Refuse Availability        | 46,408.58            | 6,961.00          | 53,369.58            | 3,323.80               |
| Rent                       | 18,741.52            | 2,805.57          | 21,547.10            | 500.00                 |
| Pre-Paid Electricity       | -                    | -                 | -                    | -                      |
| <b>Grand Total</b>         | <b>4,583,644.38</b>  | <b>448,759.57</b> | <b>5,032,404.13</b>  | <b>1,611,919.37</b>    |





The above tables indicate a increased of collection rate from 60.00 per cent by the end of September 2024 to 71 per cent by 31 December 2024 and was at 71% per cent by the end of first quarter for the 3 months of the budget year. The average collection rate for the period was 73%


### Pre-paid Sales

| Service     | October             | November            | December            | Total Q2            |
|-------------|---------------------|---------------------|---------------------|---------------------|
| Electricity | 1,841,066.70        | 1,818,132.00        | 1,980,523.00        | 5,639,721.70        |
| Water       | 1,483.00            | 1,190.00            | 1,090.00            | 3,763.00            |
|             | <u>1,842,549.70</u> | <u>1,819,322.00</u> | <u>1,981,613.00</u> | <u>5,643,484.70</u> |

Total sales for the quarter equalled R5,643,484.70, the bulk of which was from electricity. Water sales for the month equalled R 3,763.00.

## EXPENDITURE AND CREDITORS REPORT

The outstanding balances for creditors at 31 December 2024 are as follows:

|  <b>Accounts Payable Age Analysis</b><br>Kgatelopele Local Municipality<br>31-Dec-24 |                      |                     |                   |                     |                     |                     |                     |                      |
|---|----------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Supplier  | 180 Days             | 150 Days            | 120 Days          | 90 Days             | 60 Days             | 30 Days             | Current             | Balance              |
| AUD0003 (AUDITOR GENERAL OF SA)   | 4,005,728.40         |                     |                   | 1,246,568.00        | 323,640.48          | 103,935.63          | 1,727,916.17        | 7,407,788.68         |
| BES0002 (BEST ENOUGH TRADING AND PROJECTS 412)  | - 13,755.15          |                     |                   |                     |                     |                     |                     | - 13,755.15          |
| BUC0003 (BUCCO KATHU HARDWARE)  | - 4,478.00           | - 4,478.00          |                   |                     |                     |                     |                     | - 8,956.00           |
| CCG0001 (CCG SYSTEMS)   | 450,802.50           | 994,325.05          | 116,587.00        | 133,880.50          | 216,187.00          | 125,434.50          |                     | 2,037,216.55         |
| CIG0002 (CIGI CELL)   | 260,995.90           |                     |                   |                     |                     | 60,255.63           | 66,686.95           | 387,938.48           |
| DEP0004 (DEPARTMENT OF SAFETY & LAISON)   | 7,145,278.09         |                     |                   |                     |                     |                     |                     | 7,145,278.09         |
| ESK0001 (ESKOM HOLDINGS)  | 5,216,443.37         | 5,563,068.99        |                   |                     | 3,130,956.56        | 2,953,024.67        |                     | 16,863,493.59        |
| ESK0002 (ESKOM HOLDINGS)  | 6,439,214.51         |                     |                   |                     |                     |                     |                     | 6,439,214.51         |
| GAR0009 (GARDEN COURT KIMBERLEY)  |                      |                     |                   |                     | 3,930.00            |                     |                     | 3,930.00             |
| SPA0001 (GERHARD JOHANNES SPANGENBERG)  |                      |                     |                   |                     |                     |                     | 32,602.50           | 32,602.50            |
| HAA0002 (HAAI E)  |                      |                     |                   | - 11,557.66         | - 10,321.11         |                     |                     | - 21,878.77          |
| INF0002 (INFRA TEC ADVISORY)  |                      |                     |                   |                     |                     |                     | 605,599.20          | 605,599.20           |
| KGA0001 (KGATELOPELE MUNICIPALITY)  | 320.00               |                     |                   |                     |                     |                     |                     | 320.00               |
| LEU0001 (LEUTLWETSE M G)  |                      |                     | - 4,792.31        |                     |                     |                     |                     | - 4,792.31           |
| MAI0003 (MAINE MANAGEMENT & CHARTERED ACCOUNTAN   | 67,914.47            |                     |                   |                     |                     |                     |                     | 67,914.47            |
| MAK0010 (MAKHONATSOTLHE TRADING )   |                      |                     | 149,500.00        |                     |                     |                     |                     | 149,500.00           |
| MOS0009 (MOSALAKAE C)   | 1,495.00             |                     |                   |                     |                     |                     |                     | 1,495.00             |
| MVD0002 (MVD KALAHARI)  | 618,671.85           |                     |                   |                     |                     |                     |                     | 618,671.85           |
| NOR0013 (NORTHERN CAPE BUSINESS FACILITIES)   |                      |                     |                   |                     |                     |                     | 4,000.00            | 4,000.00             |
| OKF0003 (OK FOODS DANIELSKUI)   |                      |                     | 1,641.57          |                     | 569.92              |                     |                     | 2,211.49             |
| STE0006 (STERLIN SECURITY SERVICES)   | 46,588.50            |                     |                   |                     |                     |                     |                     | 46,588.50            |
| SUM0004 (SUMMAT TRAINING INSTITUTE)   |                      | 174,800.00          |                   |                     |                     |                     |                     | 174,800.00           |
| THE0019 (THE OASIS)   |                      |                     |                   |                     | 2,620.00            |                     |                     | 2,620.00             |
| TOT0001 (TOTAL GEO-SPATIAL INFORMATION SOLUTIONS)   |                      |                     |                   |                     |                     |                     | 26,386.11           | 26,386.11            |
| TRA0007 (TRAVELSTART ONLINE TRAVEL OPERATIONS)  | - 720.00             |                     |                   |                     |                     |                     |                     | - 720.00             |
| <b>Totals:</b>  | <b>24,234,499.44</b> | <b>6,727,716.04</b> | <b>262,936.26</b> | <b>1,368,890.84</b> | <b>3,667,582.85</b> | <b>3,242,650.43</b> | <b>2,463,190.93</b> | <b>41,967,466.79</b> |

The above table present individual and consolidated amount of money we owe our creditors starting at the time goods and services were procured and capture in the system to date.

Note:

The total money owed to our creditors is R41 967 466.79 for the month of December 2024. The previous month total was R45 533 041.03. A decrease of R3 565 574.24.

The main creditors for the quarter amounted to:

| <b>Creditor</b>      | <b>October</b>       | <b>November</b>      | <b>December</b>      |
|----------------------|----------------------|----------------------|----------------------|
| Department of Safety | 7 104 950.59         | 7 395 658.59         | 7 145 278.09         |
| AG                   | 7 414 569.15         | 4 293 435.57         | 7 407 788.68         |
| Eskom                | 21 310 682.32        | 30 655 978.90        | 23 302 708.10        |
|                      | <u>35 830 202.14</u> | <u>35 830 202.14</u> | <u>37 855 774.87</u> |

#### **Fruitless and wasteful expenditure**

**December 2024**



**Register of Unauthorised, Irregular, Fruitless and Wasteful Expenditure**

**Name of Municipality: Kgatelopele Municipality**

**Date: October - December 2024**

| Date of Discovery | Date reported to Accounting Officer | Transaction Details |                             |                     | Description of Incident            | Type of Prohibited Expenditure   | Status               |
|-------------------|-------------------------------------|---------------------|-----------------------------|---------------------|------------------------------------|----------------------------------|----------------------|
|                   |                                     | Date of Payment     | Payment Number              | Amount R            |                                    |                                  |                      |
| 04/11/2024        | 04/11/2024                          | Not yet paid        | Not yet paid (72884933684)  | 286,506.48          | Interest on overdue (Eskom)        | Fruitless & wasteful Expenditure | Cashflow constraints |
| 04/11/2024        | 04/11/2024                          | Not yet paid        | Not yet paid (72884933684)  | 24,048.24           | Interest on overdue (Eskom)        | Fruitless & wasteful Expenditure | Cashflow constraints |
| 04/11/2024        | 04/11/2024                          | Not yet paid        | FC-86557                    | 94,514.34           | Interest on overdue account (AGSA) | Fruitless & wasteful Expenditure | Cashflow constraints |
| 03/12/2024        | 03/12/2024                          | Not yet paid        | Not yet paid (728542077379) | 218,122.17          | Interest on overdue (Eskom)        | Fruitless & wasteful Expenditure | Cashflow constraints |
| 03/12/2024        | 03/12/2024                          | Not yet paid        | Not yet paid (728542077379) | 102,783.45          | Interest on overdue (Eskom)        | Fruitless & wasteful Expenditure | Cashflow constraints |
| 03/12/2024        | 03/12/2024                          | Not yet paid        | Not yet paid (FC-87025)     | 103,935.63          | Interest on overdue (AGSA)         | Fruitless & wasteful Expenditure | Cashflow constraints |
| 06/01/2025        | 06/01/2025                          | Not yet paid        | Not yet paid (728800044249) | 269,677.58          | Interest on overdue (Eskom)        | Fruitless & wasteful Expenditure | Cashflow constraints |
| 06/01/2025        | 06/01/2025                          | Not yet paid        | Not yet paid (728800044249) | 18,013.72           | Interest on overdue (Eskom)        | Fruitless & wasteful Expenditure | Cashflow constraints |
| 06/01/2025        | 06/01/2025                          | Not yet paid        | Not yet paid (FC-87501)     | 110,267.38          | Interest on overdue (AG)           | Fruitless & wasteful Expenditure | Cashflow constraints |
|                   |                                     |                     |                             | <b>1,227,868.99</b> |                                    |                                  |                      |

**Table analysis:**

Table analysis:


This is interest charged on overdue accounts:

- There are two creditors that make up the above presented figure. Interest on overdue accounts for ESKOM and AG that amounts to R1 227 868.99 for the second quarter.


**Section 66: Councillors and employees' remuneration and employee benefits**

The table below indicates amounts paid to employees and councillors as at 31 December 2024


## October 2024

|  <b>MFMA SECTION 66 REPORT: EXPENDITURE ON STAFF BENEFITS</b> |                            |                   |                   |                    |                     |                  |                   |                    |                    |                   |                   |                   |                   |                   |                  |                     |
|--|----------------------------|-------------------|-------------------|--------------------|---------------------|------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| OCT 2024   |                            |                   |                   |                    |                     |                  |                   |                    |                    |                   |                   |                   |                   |                   |                  |                     |
| ITEM NO.   | DESCRIPTION                | COUNCIL           | MUN. MAN          | CORPORATE SERVICES | FINANCE             | HUMAN RESOURCE   | REFUSE            | PARKS & RECREATION | TECHNICAL SERVICES | PUBLIC SERVICE    | ELECTRICITY       | SEWERAGE          | WATER             | VEHICLE REG.      | LIBRARY SERVICES | TOTAL               |
| 209960000  | SALARIES & WAGES           | 569,059.47        | 294,598.43        | 250,601.15         | 885,543.75          | 74,716.80        | 257,564.02        | 68,167.10          | 195,215.98         | 120,748.91        | 130,367.11        | 129,714.95        | 178,901.99        | 81,735.84         | 50,917.14        | 3,287,852.64        |
| 210290000  | OVERTIME                   | 9,092.59          | -                 | 4,841.20           | 7,936.15            | -                | 33,199.29         | 7,604.08           | -                  | 7,652.30          | 27,504.88         | 22,094.33         | 49,498.24         | -                 | -                | 169,423.06          |
| 210230000  | STANDBY                    | -                 | -                 | -                  | -                   | -                | 1,454.91          | -                  | -                  | 1,810.90          | 12,025.82         | 905.46            | 24,702.48         | -                 | -                | 40,899.57           |
| 210170000  | ACTING ALLOWANCE           | -                 | 21,596.67         | -                  | 13,581.20           | -                | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | 35,177.87           |
| 210180000  | BONUS                      | -                 | 81,393.99         | -                  | 104,400.85          | -                | -                 | 11,214.83          | 61,541.08          | 33,644.49         | -                 | -                 | 24,404.25         | 17,930.37         | 17,509.25        | 352,039.11          |
| 210650000  | LONG SERVICE               | -                 | -                 | -                  | 7,290.09            | -5,192.00        | -                 | -                  | -                  | -                 | -                 | -                 | 11,714.04         | -                 | -                | 13,812.13           |
| 210330000  | LEAVE PAYOUT/DEDUCTION     | -                 | -                 | -1,807.70          | -                   | -                | -                 | -                  | -                  | -4,217.97         | -                 | -7,961.23         | -                 | -                 | -                | -13,986.90          |
| 210120000  | TRAVEL ALLOWANCE           | -                 | -                 | -                  | -                   | -                | -                 | -                  | -                  | -                 | -                 | -                 | -                 | 7,021.35          | -                | 7,021.35            |
| 210080000  | HOUSING ALLOWANCE          | -                 | -                 | -                  | 1,066.41            | -                | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | 1,066.41            |
|  | HOUSING SUBSIDY            | -                 | -                 | -                  | -                   | -                | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | -                   |
| 210030000  | STAFF:CELLULAR & TELEPHONE | 39,600.00         | 400.00            | 800.00             | 400.00              | -                | 400.00            | -                  | -                  | -                 | -                 | -                 | -                 | 400.00            | -                | 42,000.00           |
|  | SUBSISTANCE                | 19,002.54         | 1,050.00          | 2,800.00           | 11,887.73           | -                | -                 | -                  | 3,016.20           | 700.00            | 1,050.00          | -                 | 1,050.00          | -                 | -                | 40,556.47           |
| 210410000  | MEDICAL AID                | -                 | 10,615.80         | 16,689.00          | 61,540.80           | 7,420.80         | 11,144.40         | 11,018.40          | 2,123.40           | 9,922.80          | 15,095.52         | 9,121.20          | 6,580.20          | 2,886.00          | 5,833.20         | 169,991.52          |
| 210420000  | PENSION FUND               | -                 | 32,626.94         | 37,006.78          | 118,238.73          | 13,449.02        | 36,962.88         | 12,222.57          | 18,656.61          | 21,592.28         | 23,466.09         | 23,348.69         | 26,563.16         | 7,517.22          | 9,165.09         | 380,816.06          |
| 210430000  | UIF                        | 1,729.57          | 1,239.84          | 2,062.31           | 5,607.48            | 354.24           | 2,863.70          | 856.25             | 531.36             | 1,651.62          | 885.60            | 1,404.25          | 1,770.39          | 702.35            | 531.36           | 22,190.32           |
| 210400000  | GROUP INSURANCE            | -                 | -                 | -                  | 827.97              | -                | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | 827.97              |
| 210390000  | BARGAINING COUNCIL         | 119.30            | 71.70             | 143.40             | 393.78              | 23.90            | 155.35            | 59.75              | 23.90              | 119.50            | 59.75             | 95.60             | 107.55            | 35.85             | 35.85            | 1,445.18            |
| 222530000  | SKILLS DEVELOPMENT LEVY    | 6,055.35          | 3,922.91          | 2,173.24           | 10,226.43           | 702.21           | 2,852.82          | 918.92             | 2,495.52           | 1,587.65          | 1,732.60          | 1,422.00          | 2,825.20          | 1,048.11          | 696.77           | 38,659.73           |
|  | <b>TOTAL</b>               | <b>644,658.82</b> | <b>447,516.28</b> | <b>315,309.38</b>  | <b>1,228,941.37</b> | <b>91,474.97</b> | <b>346,597.37</b> | <b>112,061.90</b>  | <b>283,604.05</b>  | <b>195,212.48</b> | <b>212,187.37</b> | <b>180,145.25</b> | <b>328,117.50</b> | <b>119,277.09</b> | <b>84,688.66</b> | <b>4,589,792.49</b> |

## November 2024

|  <b>MFMA SECTION 66 REPORT: EXPENDITURE ON STAFF BENEFITS</b> |                            |                   |                   |                    |                     |                   |                   |                    |                    |                   |                   |                   |                   |                   |                  |                     |
|---|----------------------------|-------------------|-------------------|--------------------|---------------------|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| NOV 2024  |                            |                   |                   |                    |                     |                   |                   |                    |                    |                   |                   |                   |                   |                   |                  |                     |
| ITEM NO.  | DESCRIPTION                | COUNCIL           | MUN. MAN          | CORPORATE SERVICES | FINANCE             | HUMAN RESOURCE    | REFUSE            | PARKS & RECREATION | TECHNICAL SERVICES | PUBLIC SERVICE    | ELECTRICITY       | SEWERAGE          | WATER             | VEHICLE REG.      | LIBRARY SERVICES | TOTAL               |
| 209960000   | SALARIES & WAGES           | 569,059.47        | 296,016.06        | 285,701.07         | 919,078.82          | 75,425.41         | 268,480.17        | 68,167.10          | 195,215.98         | 120,748.91        | 131,188.44        | 129,714.95        | 179,593.28        | 81,735.84         | 51,325.99        | 3,371,451.49        |
| 210290000   | OVERTIME                   | 5,936.48          | -                 | 6,723.89           | -                   | -                 | 41,286.24         | -                  | -                  | 7,194.05          | 34,333.71         | 19,403.12         | 29,080.78         | 1,885.25          | -                | 145,843.52          |
| 210230000   | STANDBY                    | -                 | -                 | -                  | -                   | -                 | -                 | -                  | -                  | 1,810.90          | 16,341.85         | 770.69            | 15,618.27         | -                 | -                | 34,541.71           |
| 210170000   | ACTING ALLOWANCE           | -                 | 30,189.58         | -                  | -                   | -                 | -                 | -                  | -                  | -                 | -                 | 11,563.00         | -                 | -                 | -                | 41,752.58           |
| 210180000   | BONUS                      | -                 | 247,675.75        | 17,100.42          | 24,404.25           | 30,211.83         | 20,187.42         | -                  | -                  | 12,269.00         | 49,712.92         | -                 | 29,503.25         | -                 | 17,509.25        | 448,574.09          |
| 210650000   | LONG SERVICE               | -                 | -                 | -                  | -                   | 18,127.10         | -                 | -                  | -                  | -                 | -                 | -                 | 17,701.95         | -                 | -                | 35,829.05           |
| 210330000   | LEAVE PAYOUT/DEDUCTION     | -770.60           | -                 | -                  | -1,401.72           | -                 | -                 | -5,488.92          | -                  | -602.57           | -                 | -2,780.58         | -                 | -                 | -                | -11,044.39          |
| 210120000   | TRAVEL ALLOWANCE           | -                 | -                 | -                  | -                   | -                 | -                 | -                  | -                  | -                 | -                 | -                 | -                 | 7,021.35          | -                | 7,021.35            |
| 210080000   | HOUSING ALLOWANCE          | -                 | -                 | -                  | 1,066.41            | -                 | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | 1,066.41            |
|   | HOUSING SUBSIDY            | -                 | -                 | -                  | -                   | -                 | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | -                   |
| 210030000   | STAFF:CELLULAR & TELEPHONE | 39,600.00         | 400.00            | 800.00             | 400.00              | -                 | 400.00            | -                  | -                  | -                 | -                 | -                 | -                 | 400.00            | -                | 42,000.00           |
|   | SUBSISTANCE                | 10,584.36         | 9,664.64          | -                  | 3,235.04            | -                 | 350.00            | -                  | -                  | -                 | -                 | -                 | 350.00            | -                 | -                | 24,184.04           |
| 210410000   | MEDICAL AID                | -                 | 10,615.80         | 16,689.00          | 61,540.80           | 7,420.80          | 11,144.40         | 11,018.40          | 2,123.40           | 9,922.80          | 15,095.52         | 9,121.20          | 6,580.20          | 2,886.00          | 5,833.20         | 169,991.52          |
| 210420000   | PENSION FUND               | -                 | 33,058.66         | 37,079.05          | 118,341.75          | 13,576.57         | 37,048.07         | 12,317.59          | 18,656.61          | 21,829.83         | 23,613.93         | 23,348.69         | 26,687.60         | 7,517.22          | 9,238.69         | 382,314.26          |
| 210430000   | UIF                        | 1,719.44          | 1,239.84          | 2,427.37           | 5,735.14            | 354.24            | 2,962.80          | 775.12             | 531.36             | 1,554.38          | 885.60            | 1,416.96          | 1,724.13          | 702.35            | 531.36           | 22,560.09           |
| 210400000   | GROUP INSURANCE            | -                 | -                 | -                  | 827.97              | -                 | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | 827.97              |
| 210390000   | BARGAINING COUNCIL         | 119.50            | 71.70             | 143.40             | 394.35              | 23.90             | 167.30            | 59.75              | 23.90              | 119.50            | 59.75             | 95.60             | 107.55            | 35.85             | 35.85            | 1,457.90            |
| 222530000   | SKILLS DEVELOPMENT LEVY    | 6,016.08          | 4,821.17          | 2,731.80           | 9,459.21            | 1,243.97          | 3,229.71          | 675.37             | 1,880.11           | 1,404.29          | 2,348.66          | 1,561.18          | 2,647.32          | 887.66            | 700.49           | 39,607.02           |
|   | <b>TOTAL</b>               | <b>632,264.73</b> | <b>633,753.20</b> | <b>369,396.00</b>  | <b>1,143,082.02</b> | <b>146,383.82</b> | <b>385,256.11</b> | <b>87,524.41</b>   | <b>218,431.36</b>  | <b>176,251.09</b> | <b>273,580.38</b> | <b>194,214.81</b> | <b>309,594.33</b> | <b>103,071.52</b> | <b>85,174.83</b> | <b>4,757,978.61</b> |

## December 2024

|  |                            |                   |                   |                    |                     |                   |                   |                    |                    |                   |                   |                   |                   |                   |                  |                     |
|---|----------------------------|-------------------|-------------------|--------------------|---------------------|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| MFMA SECTION 66 REPORT: EXPENDITURE ON STAFF BENEFITS                             |                            |                   |                   |                    |                     |                   |                   |                    |                    |                   |                   |                   |                   |                   |                  |                     |
| DEC 2024  |                            |                   |                   |                    |                     |                   |                   |                    |                    |                   |                   |                   |                   |                   |                  |                     |
| ITEM NO.  | DESCRIPTION                | COUNCIL           | MUN. MAN          | CORPORATE SERVICES | FINANCE             | HUMAN RESOURCE    | REFUSE            | PARKS & RECREATION | TECHNICAL SERVICES | PUBLIC SERVICE    | ELECTRICITY       | SEWERAGE          | WATER             | VEHICLE REG.      | LIBRARY SERVICES | TOTAL               |
| 209960000   | SALARIES & WAGES           | 782,921.52        | 296,016.06        | 296,143.99         | 919,078.82          | 67,943.08         | 238,597.11        | 68,167.10          | 160,984.92         | 120,748.91        | 130,367.25        | 130,156.02        | 148,264.43        | 81,735.84         | 51,717.50        | 3,492,842.55        |
| 210290000   | OVERTIME                   | 8,867.15          | -                 | 7,208.01           | 19,031.76           | -                 | 69,273.23         | 1,192.75           | -                  | 7,340.88          | 30,905.70         | 28,791.41         | 36,220.09         | 4,380.91          | -                | 213,211.89          |
| 210230000   | STANDBY                    | -                 | -                 | -                  | -                   | -                 | -                 | -                  | -                  | 905.45            | 26,458.62         | -                 | 2,716.36          | -                 | -                | 49,582.53           |
| 210170000   | ACTING ALLOWANCE           | -                 | 30,189.49         | -                  | -                   | -                 | -                 | -                  | -                  | -                 | -                 | -                 | 11,563.00         | -                 | -                | 41,752.49           |
| 210180000   | BONUS                      | -                 | -                 | -                  | -                   | 22,606.79         | -                 | -                  | -                  | -                 | -                 | -                 | 18,802.50         | -                 | 16,699.00        | 82,646.29           |
| 210650000   | LONG SERVICE               | -                 | -                 | -                  | -                   | -5,191.97         | -945.61           | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | -6,137.58           |
| 210330000   | LEAVE PAYOUT/DEDUCTION     | -                 | -                 | -1,205.13          | -700.86             | 30,383.53         | -                 | -1,205.13          | 4,107.73           | -3,012.83         | -                 | -                 | -                 | -                 | -                | 28,367.31           |
| 210120000   | TRAVEL ALLOWANCE           | -                 | -                 | -                  | -                   | -                 | -                 | -                  | 17,115.53          | -                 | -                 | -                 | -                 | 7,021.35          | -                | 24,136.88           |
| 210080000   | HOUSING ALLOWANCE          | -                 | -                 | -                  | 1,066.41            | -                 | -                 | -                  | 17,115.53          | -                 | -                 | -                 | -                 | -                 | -                | 18,181.94           |
|   | HOUSING SUBSIDY            | -                 | -                 | -                  | -                   | -                 | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | -                   |
| 210030000   | STAFF:CELLULAR & TELEPHONE | 39,600.00         | 400.00            | 800.00             | 400.00              | -                 | 400.00            | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | 41,600.00           |
|   | SUBSISTANCE                | 10,550.00         | -                 | -                  | 1,050.00            | -                 | 1,050.00          | -                  | 1,050.00           | -                 | -                 | -                 | -                 | -                 | -                | 13,700.00           |
| 210410000   | MEDICAL AID                | -                 | 10,615.80         | 18,116.76          | 62,245.20           | 3,601.20          | 13,290.00         | 11,018.40          | 2,123.40           | 9,922.80          | 15,096.00         | 9,121.20          | 8,716.20          | 2,886.00          | 5,833.20         | 172,586.16          |
| 210420000   | PENSION FUND               | -                 | 32,842.80         | 37,079.05          | 118,341.75          | 4,091.31          | 37,048.07         | 12,270.08          | 18,656.61          | 21,734.81         | 23,466.11         | 23,428.08         | 26,687.60         | 7,517.22          | 9,309.16         | 372,472.65          |
| 210430000   | UIF                        | 1,729.57          | 1,239.84          | 2,519.75           | 5,873.35            | 354.24            | 2,753.87          | 823.69             | 531.36             | 1,553.13          | 885.60            | 1,416.96          | 1,415.03          | 698.35            | 531.36           | 22,326.10           |
| 210400000   | GROUP INSURANCE            | -                 | -                 | -                  | 827.97              | -                 | -                 | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                | 827.97              |
| 210390000   | BARGAINING COUNCIL         | 119.50            | 71.70             | 155.35             | 394.35              | 11.95             | 155.35            | 59.75              | 23.90              | 119.50            | 59.75             | 95.60             | 95.60             | 35.85             | 35.85            | 1,434.00            |
| 222530000   | SKILLS DEVELOPMENT LEVY    | 8,191.73          | 3,207.99          | 2,658.02           | 9,419.52            | 1,172.97          | 3,020.90          | 730.38             | 1,886.96           | 1,250.38          | 1,910.95          | 1,894.36          | 2,238.98          | 908.62            | 695.95           | 39,187.71           |
|   | <b>TOTAL</b>               | <b>851,979.47</b> | <b>374,583.68</b> | <b>363,475.80</b>  | <b>1,137,028.27</b> | <b>124,973.10</b> | <b>364,642.92</b> | <b>93,057.02</b>   | <b>223,595.94</b>  | <b>160,563.03</b> | <b>229,149.98</b> | <b>227,985.49</b> | <b>267,678.03</b> | <b>105,184.14</b> | <b>84,822.02</b> | <b>4,608,718.89</b> |

### Table Analysis:

The above table gives an overview of both salaries and third-party expenditure incurred covering the period ending December 2024.

The following is a summarized total:

- October 2024           **R 4 589 792.49**
- November 2024       **R 4 757 978.61**
- December 2024       **R 4 608 718.89**

**Total                           R13 956 489.99**

The differences will mostly be payment of Bonuses, Overtime worked, Stand-by, acting allowances and Long Service Bonuses paid that will vary from month-to-month.

### Overtime as a Percentage of Total Staff Cost

| DEPARTMENT         | SALARIES & WAGES | OVERTIME  | PERCENTAGE | SALARIES & WAGES | OVERTIME  | PERCENTAGE | SALARIES & WAGES | OVERTIME  | PERCENTAGE |
|--------------------|------------------|-----------|------------|------------------|-----------|------------|------------------|-----------|------------|
| COUNCIL            | 569,059.47       | 9,092.59  | 2%         | 569,059.47       | 5,936.48  | 1%         | 782,921.52       | 8,867.15  | 1%         |
| CORPORATE SERVICES | 250,601.15       | 4,841.20  | 2%         | 285,701.07       | 6,723.89  | 2%         | 296,143.99       | 7,208.01  | 2%         |
| FINANCE            | 250,601.15       | 7,936.15  | 3%         | 919,078.82       | 0.00      | 0%         | 919,078.82       | 19,031.76 | 2%         |
| REFUSE             | 257,564.02       | 33,199.29 | 13%        | 268,480.17       | 41,286.24 | 15%        | 238,597.11       | 69,273.23 | 29%        |
| PARKS & RECREATION | 68,167.10        | 7,604.08  | 11%        | 68,167.10        |           | 0%         | 68,167.10        | 1,192.75  | 2%         |
| VEHICLE REG        | 81,735.84        | -         | 0%         | 81,735.84        | 1,885.25  | 2%         | 81,735.84        | 4,380.91  | 5%         |
| PUBLIC SERVICE     | 120,748.91       | 7,652.30  | 6%         | 120,748.91       | 7,194.05  | 6%         | 120,748.91       | 7,340.88  | 6%         |
| ELECTRICITY        | 130,367.11       | 27,504.88 | 21%        | 131,188.44       | 34,333.71 | 26%        | 130,367.25       | 30,905.70 | 24%        |
| SEWERAGE           | 129,714.95       | 22,094.33 | 17%        | 129,714.95       | 19,403.12 | 15%        | 130,156.02       | 28,791.41 | 22%        |
| WATER              | 178,901.99       | 49,498.24 | 28%        | 179,593.28       | 29,080.78 | 16%        | 148,264.43       | 36,220.09 | 24%        |

Table Analysis: The above table gives an added figure of Overtime and Standby per month for different departments.

- Department of electricity service reached – 21%, 26% and 24% respectively for the for the three months ended December 2024
- The sewerage department reached 17%, 15% and 22% respectively for the three months ended December 2024
- Department of water service reached 28%, 16% and 24% respectively for the three months ended December 2024

Except for the month of October, the electricity department has consistently been the highest on overtime and standby allowances for the quarter.

### Subsistence and travelling per directorate

| DEPARTMENT  | October   | November  | December  | Total     |
|-------------|-----------|-----------|-----------|-----------|
| COUNCIL     | 19,200.54 | 10,584.36 | 10,550.00 | 40,334.90 |
| MUN.MANAGER | 1,050.00  | 9,664.64  |           | 10,714.64 |
| CORPORATE   | 2,800.00  |           |           | 2,800.00  |

|                |                  |                  |                  |                  |
|----------------|------------------|------------------|------------------|------------------|
| FINANCE        | 11,887.73        | 3 235.04         | 1,050.00         | 16,172.77        |
| TECHNICAL      | 3,016.20         | 350              | 2,100.00         | 5,466.20         |
| PULIC SERVICES | 700              |                  |                  | 700.00           |
| ELECTRICITY    | 1,050.00         |                  |                  | 1,050.00         |
| WATER          | 1,050.00         | 350              |                  | 1,400.00         |
| <b>TOTAL</b>   | <b>40,754.47</b> | <b>24 184.04</b> | <b>13,700.00</b> | <b>78,638.51</b> |

**Table Analysis:**

- The above table depicts the spending on travelling per directorate for the three months. Total spending on travelling and subsistence for the quarter was R 78 638.51



## SCM Report

### Procurement Plan

The 2024/25 procurement plan has been delayed after treasury advised us to halt the implementation of the procurement plans because of possible discrepancies in our preferential procurement policy. The Preferential procurement policy has been updated and are ready for tabling to council. Measure has been put in plan to catch up with the backlog caused by the delay.

| No | Project   | Procurement Method           | Progress         | Date of Advert                   |
|----|---|------------------------------|------------------|----------------------------------|
| 1  | Supply, Delivery and Installation of Prepaid water Meters | 14 days tender advertisement | To be advertised | Still waiting for specifications |
| 2  | Provision of Security Services                            | 30 days tender advertisement | To be advertised | 20 January 2025                  |
| 3  | Provision of Landfill Site Management Services            | Appointed                    | Appointed        | 29 October 2024                  |
| 4  | Compilation of Grap Assets Register                       | 30 days tender advertisement | To be advertised | 12 February 2025                 |
| 5  | Supply and Delivery of Cleaning Materials                 | 30 days tender advertisement | To be advertised | 20 January 2025                  |
| 6  | Supply and Delivery of Furniture and Office Equipment     | 30 days tender advertisement | To be advertised | 20 January 2025                  |
| 7  | Refurbishment of Municipal Properties                     | 14 days tender advertisement | Appointed        | 20 August 2024                   |
| 8  | Provision of Short-Term insurance                         | 30 days tender advertisement | To be advertised | 20 January 2024                  |
| 9  | Supply and Delivery of Protective Clothing                | 30 days tender advertisement | To be advertised | 12 February 2025                 |

|           |   |                              |                  |                  |
|-----------|---|------------------------------|------------------|------------------|
| <b>10</b> | Review of expression of interest on appointment of panel of contractors to assist with construction                   | 30 days tender advertisement | Appointed        | 18 October 2024  |
| <b>11</b> | Review of expression of interest on appointment of panel of consultants for professional engineering related services | 30 days tender advertisement | Evaluation stage | 18 October 2024  |
| <b>12</b> | Supply and Delivery of information and Communication technology Equipment   | 30 days tender advertisement | To be advertised | 20 January 2025  |
| <b>13</b> | Refurbishment of Bulk water Infrastructure  | 30 days tender advertisement | Appointed        | 04 December 2024 |
| <b>14</b> | Supply and Delivery of 25kg Pothole mix bags and SS60% anistable Drums  | 30 days tender advertisement | To be advertised | 10 March 2025    |
| <b>15</b> | Panel of Repairs of Municipal Vehicles  | 14 days advertisement        | To be advertised | 10 January 2025  |
| <b>16</b> | Review of Spatial Development Framework, Land use skill and Land use bylaw  | 14 days advertisement        | To be advertised | 12 February 2025 |

### **Irregular Expenditure**

There was no irregular expenditure incurred for the identified by the SCM unit for the for the quarter ended 31 December 2024.

### **Deviations register**

| DEVIATION REGISTER |            |                |                         |   |  |                 |                           |
|--------------------|------------|----------------|-------------------------|---|--|-----------------|---------------------------|
|                    |            |                |                         |   |  | DECEMBER        | 2024                      |
|                    | DATE       | SUPPLIER       | DESCRIPTION             | REASON  | REGULATION 36  | PAYMENT VOUCHER | AMOUNT<br>(VAT INCLUSIVE) |
| 01                 | 03/12/2024 | TFC Operations | Petrol and diesel       | Exemption from 3 quotes:<br>Fuel and oil                                      | In any other exceptional case where it is impractical or impossible to follow the official procurement processes | 50044051        | R 83 011,75               |
| 03                 | 24/12/2024 | TFC Operations | Petrol and diesel       | Exemption from 3 quotes:<br>Fuel and oil                                      | In any other exceptional case where it is impractical or impossible to follow the official procurement processes | 50044140        | R 70 608,32               |
| 04                 | 24/12/2024 | UD Truck       | Repairs and Maintenance | Exemption from 3 quotes:<br>General repairs and maintenance of agent products | In any other exceptional case where it is impractical or impossible to follow the official procurement processes | 50044141        | R 17 904,05               |
|                    |            |                |                         |   |  |                 | R 171 524,12              |

The above register depicts the deviations from SCM processes in term of the SCM regulations as at 31 December 2024. Total deviation from supply chain policy was R 174 524.12. The SCM unit strive by all means to avoid deviations from SCM processes and only deviate in exceptional circumstance such as emergencies or where the goods or services are only available from a sole supplier.

### Expenditure on local SMMEs

The table below illustrates the percentage of expenditure incurred on local SMME's and other businesses in comparison to total purchases in the Quarter.

#### Quarter 2

|         | LOCAL SMME'S      |                   | Average |
|---------|-------------------|-------------------|---------|
| Month   | Total Expenditure | Local Expenditure |         |
| October | R 671 233,42      | R 597 406,32      | 88.85%  |

|          |                |                |        |
|----------|----------------|----------------|--------|
| November | R 6 628 263,20 | R 6 471 565,15 | 97.64% |
| December | R 1 191 206,87 | R 923 490,69   | 77.53% |

Main objectives of local SMME'S are:

- to increase local government support for SMME development in Kgatelopele.
- to achieve a greater contribution by SMMEs in local economies; and
- the creation of job opportunities to reduce unemployment and poverty.

## ASSETS REPORT

### SUMMARY OF ASSETS TO DATE

#### 7.1.1 MOVABLE ASSETS

| Row Labels                            | Sum of Cost Closing  | Sum of Depreciation Financial YTD | Sum of Accumulated Depreciation Closing | Sum of Carrying Value Closing |
|---------------------------------------|----------------------|-----------------------------------|---|-------------------------------|
| <b>Heritage Assets</b>                | <b>265 000.00</b>    | -                                 | -                                       | <b>265 000.00</b>             |
| Heritage Assets                       | 265 000.00           | -                                 | -                                       | 265 000.00                    |
| <b>Intangible assets</b>              | <b>2 053 851.33</b>  | <b>(318 840.18)</b>               | <b>(1 467 348.31)</b>                   | <b>586 503.02</b>             |
| Computer Software                     | 2 053 851.33         | (318 840.18)                      | (1 467 348.31)                          | 586 503.02                    |
| <b>Property Plant &amp; Equipment</b> | <b>16 358 159.84</b> | <b>(1 263 486.61)</b>             | <b>(13 431 707.39)</b>                  | <b>2 926 452.45</b>           |
| Computer Equipment                    | 2 841 967.84         | (291 271.52)                      | (2 299 349.73)                          | 542 618.11                    |
| Furniture & Office Equipment          | 2 162 338.21         | (169 129.79)                      | (1 596 683.92)                          | 565 654.29                    |
| Machinery & Equipment                 | 2 401 039.03         | (231 286.13)                      | (2 154 147.17)                          | 246 891.85                    |
| Transport Assets                      | 8 952 814.76         | (571 799.17)                      | (7 381 526.56)                          | 1 571 288.21                  |
| <b>Grand Total</b>                    | <b>18 677 011.17</b> | <b>(1 582 326.80)</b>             | <b>(14 899 055.69)</b>                  | <b>3 777 955.48</b>           |

#### Table Analysis:

- The above table presents information (In value terms) of the municipal assets from the time of acquiring such assets to the Carrying value (Closing Balance) after the offsetting the impact of depreciation.
- The Sum of Cost Closing is R18 677 011.17 minus the Sum of Accumulated Depreciation of R14 899 055.69 gives the remaining value of all municipal Assets at R3 777 955.48)
- This in simplest terms imply that most our assets are old looking at an initial value of around R9 million to the current value of R1.5 million.

In terms of the asset verifications that must be performed quarterly, the unit will communication the appropriate date for the first quarter verification.

This we anticipate soon after the audit process concludes. We give priority to the audit process.

**IMMOVABLE ASSETS**

| <b>Asset Class</b>              | <b>Sum of Cost Opening</b> | <b>Sum of Depreciation Financial YTD</b> | <b>Sum of Accumulated Depreciation Opening</b> | <b>Sum of Carrying Value Closing</b> |
|---------------------------------|----------------------------|--|--|--------------------------------------|
| Community facilities            | 6,312,833.29               | (122,400.26)                             | (4,527,930.31)                                 | 1,052,275.17                         |
| Conservation area               | 25,000.00                  | -  | -  | 25,000.00                            |
| Electrical Infrastructure       | 113,429,477.87             | (3,365,494.54)                           | (68,676,004.04)                                | 40,608,516.35                        |
| Historic buildings              | 861,057.64                 | -  | -  | 861,057.64                           |
| Housing                         | 4,814,334.44               | (104,285.44)                             | (3,417,098.63)                                 | 1,265,315.40                         |
| Investment Property             | 28,767,419.68              | -  | -  | 29,055,093.88                        |
| Land                            | 35,993,897.69              | -  | -  | 13,069,962.04                        |
| Operational Buildings           | 12,272,945.14              | (497,637.81)                             | (6,047,162.52)                                 | 5,905,644.19                         |
| Roads Infrastructure            | 175,080,178.02             | (2,968,383.79)                           | (99,096,798.15)                                | 72,774,387.81                        |
| Sanitation Infrastructure       | 145,023,815.04             | (6,938,323.78)                           | (36,291,837.97)                                | 114,981,200.72                       |
| Solid Waste Infrastructure      | 5,572,807.33               | (141,088.34)                             | (4,846,296.67)                                 | 461,910.97                           |
| Sport and recreation facilities | 5,217,102.60               | (6,323.45)                               | (3,475,671.95)                                 | 53,749.34                            |

|                             |                       |                        |                         |                       |
|-----------------------------|-----------------------|------------------------|-------------------------|-----------------------|
| Storm water Infrastructure  | 22,403,106.16         | (579,096.38)           | (9,359,942.55)          | 12,454,959.83         |
| Water Supply Infrastructure | 77,206,830.65         | (1,779,855.93)         | (31,694,861.14)         | 43,660,449.86         |
| <b>Grand Total</b>          | <b>632,980,805.56</b> | <b>(16,502,889.73)</b> | <b>(267,433,603.94)</b> | <b>336,229,523.20</b> |

- The annual Immovable Assets verification was done June 2024. Immovable Assets verification has to be done once in a financial year.
- The Immovable Assets Register Close Out Report has been concluded and is available for review or assessment.
- No major issues have been encountered with the immovable asset verification in the 2023/24 audit process
- Vandalism of immovable assets remains a major challenge, as could be witness throughout the verification process

**INVENTORY VERIFICATION PLAN**

| MOVABLE ASSETS VERIFICATION | PLANNED DATE                  |                      |
|-----------------------------|-------------------------------|----------------------|
| Inventory Stock Count       | After the 2024 Audit process. | From 15 January 2025 |
| Asset Verification          | After the 2024 Audit process. | From 15 January 2025 |

**LOST ASSETS**

There were no assets that was reported as lost during this quarter.



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Adv Willie Blundin  
Municipal Manager