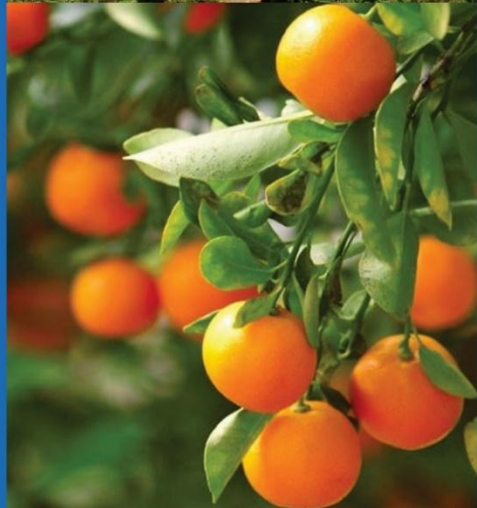




SUNDAYS RIVER VALLEY MUNICIPALITY



In- year monitoring for EC106: Sundays River Valley Municipality

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

Section 71

Monthly Budget Statement for period ending 31 July 2024

Contents

PART 1 – IN-YEAR MONITORING REPORT	3
1. LEGAL CONTEXT	3
1.1 MONTHLY BUDGET STATEMENT	3
1.2 RESPONSIBILITY OF THE MAYOR	5
2. MAYOR'S REPORT	6
2.1 IN-YEAR MONTHLY BUDGET STATEMENT REPORT	6
2.2 FINANCIAL SUSTAINABILITY	6
2.3 RECOMMENDATIONS	7
3. ACCOUNTING OFFICERS REPORT	8
3.1 INTRODUCTION	8
3.2 FINANCIAL PERFORMANCE OVERVIEW	8
3.3 FINANCIAL POSITION OVERVIEW	11
3.4 REMEDIAL OR CORRECTIVE STEPS REQUIRED	15
3.5 CONCLUSION	15
Quality certificate	Error! Bookmark not defined.
Part 2 - In-year budget statements tables	18
PART 3 - REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN POLICY	27

PART 1 – IN-YEAR MONITORING REPORT

1. LEGAL CONTEXT

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

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

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

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

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

1.1 MONTHLY BUDGET STATEMENT

Section 71 of the Municipal Finance Management Act determines that:

“(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on
 - (i) its share of the local government equitable share**

(ii) and allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) when necessary, an explanation of

(i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

(ii) any material variances from the municipality's projected revenue by source any material variances from the service delivery and budget implementation plan; and

(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

(2) The statement must include—

(a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and

(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10)

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter".

1.2 RESPONSIBILITY OF THE MAYOR

Section 54 of the MFMA determines that:

“(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

- (a) consider the statement or report;*
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;*
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;*
- (d) issue any appropriate instructions to the accounting officer to ensure—*
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and*
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget;*
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and*
- (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.*

(2) If the municipality faces any serious financial problems, the mayor must—

(a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—

- (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;*
- (ii) the tabling of an adjustments budget; or*
- (iii) steps in terms of Chapter 13; and*

(b) alert the council and the MEC for local government in the province to those problems.

(3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly”.

2. MAYOR'S REPORT

2.1 IN-YEAR MONTHLY BUDGET STATEMENT REPORT

This report represents the Section 71 MFMA monthly budget statement for the month ending 31 May 2024 and reflects the implementation of the budget and the financial situation of the Municipality.

I hereby wish to submit a report to the Finance and Administration Committee on the implementation of the budget and financial situation of the Municipality as at the end of April 2024.

Further to the above, Section 54 (1) of the MFMA determines that the Mayor must consider the Section 71 report submitted by the Accounting Officer and assess whether the Municipality's approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP), and if necessary issue appropriate instructions to the Accounting Officer.

2.2 FINANCIAL SUSTAINABILITY

The cashflow position of the municipality remains concern, as cash commitments continue to exceed cash available.

The collection of outstanding debt in the 2023/24 financial year still requires improvement to ensure financial sustainability.

Firm expenditure control in the 2023/24 financial year must be applied to ensure unauthorised expenditure is avoided and that there is no abuse of municipal funds.

An Unauthorised, Irregular, Fruitless and Wasteful Reduction Strategy has been developed but needs further attention to make it realistic to the municipality's needs.

2.3 RECOMMENDATIONS

1. That Finance and Administration Committee notes the Section 71 budget statement for July 2024.
2. That Finance and Administration Committee notes the Section 71 budget statement for July 2024 will be published in the municipal website.
3. That Finance and Administration Committee notes the Section 71 budget statement reports for July 2024 was submitted to the Mayor, National Treasury, and the Eastern Cape Provincial Treasury

3. ACCOUNTING OFFICERS REPORT

3.1 EXECUTIVE SUMMARY

The monthly Financial Monitoring Report (FMR) aims to provide a regular update on indicators critical to the organisation's viability and serve as an early warning indicator where remedial action is required. The consolidated performance is a high-level overview of the organisation's financial viability and sustainability. The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a report in a prescribed format within 10 working days after the end of each month on the state of the Municipality's budget.

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

Section 54 of the MFMA requires the Mayor to consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

The financial performance of the operating and capital budget for the 2023/24 financial year, and an overview of the municipality's financial position is provided below.

3.2 FINANCIAL PERFORMANCE OVERVIEW

- 3.2.1 The summary of Financial Statement shows the actual monthly operating revenue of R49,9 million. Year-to-date actual operating revenue of R49,9 million compared to the year-to-date budgeted operating revenue of R22,8 million results in a variance of R27 million.

Description	Budget Year 2024/25				
	Original Budget	Monthly actual- July	YearTD actual	YearTD budget	YTD variance
R thousands					
Revenue					
Exchange Revenue					
Service charges - Electricity	34 950 435	865 552	865 552	2 912 536	2 046 984
Service charges - Water	20 444 334	- 4 129	- 4 129	1 703 695	1 707 824
Service charges - Waste Water Management	3 629 816	99	99	302 485	302 386
Service charges - Waste management	7 807 426	-	-	650 619	650 619
Sale of Goods and Rendering of Services	656 017	14 407	14 407	54 668	40 261
Agency services	3 646 767	-	-	303 897	303 897
Interest earned from Receivables	13 712 539	-	-	1 142 712	1 142 712
Interest from Current and Non Current Assets	1 778 550	6 696	6 696	148 213	141 517
Rental from Fixed Assets	71 576	5 428	5 428	5 965	537
Licence and permits	1 020 231	-	-	85 019	85 019
Operational Revenue	1 383 645	25 007	25 007	115 304	90 297
Non-Exchange Revenue					
Property rates	49 057 562	- 15 064	- 15 064	4 088 130	4 103 194
Surcharges and Taxes	-	-	-	-	-
Fines, penalties and forfeits	1 848 580	12 700	12 700	154 048	141 348
Licence and permits	24 259	2 495	2 495	2 022	- 473
Transfers and subsidies - Operational	126 564 500	48 974 000	48 974 000	10 547 042	- 38 426 958
Interest	7 512 338	- 3 273	- 3 273	626 028	629 302
Gains on disposal of Assets	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	274 108 575	49 883 917	49 883 917	22 842 381	- 27 041 535

3.2.2 Monthly actual operating expenditure for 31 July 2024 amounts to R9,5 million. Year to- date actual operating expenditure of R9,5 million compared to the year-to-date budgeted operating expenditure of R19,7 million results in a variance of R10,1 million. The variance is as a result of employee costs not being updated on the system.

Description	Budget Year 2024/25				
	Original Budget	Monthly actual- July	YearTD actual	YearTD budget	YTD variance
R thousands					
Expenditure By Type					
Employee related costs	104 673 910	-	-	8 722 826	8 722 826
Remuneration of councillors	7 762 759	-	-	646 897	646 897
Bulk purchases - electricity	31 949 779	4 400 365	4 400 365	2 662 482	- 1 737 883
Inventory consumed	8 602 623	65 613	65 613	716 885	651 272
Debt impairment	- 2 955 686	-	-	246 307	- 246 307
Depreciation and amortisation	29 848 278	-	-	2 487 357	2 487 357
Interest	2 659 742	66 093	66 093	221 645	155 552
Contracted services	33 764 978	3 196 438	3 196 438	2 813 748	- 382 690
Transfers and subsidies	-	-	-	-	-
Irrecoverable debts written off	-	-	-	-	-
Operational costs	19 602 320	1 820 803	1 820 803	1 633 527	- 187 277
Losses on Disposal of Assets	-	-	-	-	-
Other Losses	-	-	-	-	-
Total Expenditure	235 908 703	9 549 313	9 549 313	19 659 059	10 109 745

3.2.3 The municipality had a surplus of R40,3 million for the month ended 31 July 2024. The year-to-date actual operating revenue compared to the actual

year to date surplus is R40,3 million against the year to date budget of R4,4 million.

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
	R	R	R	R	R	%
Total Revenue (excluding capital transfers and contributions)	274 108 575,00	49 883 916,69	49 883 916,69	22 842 381,25	(27 041 535,44)	(1,18)
Total Expenditure	235 908 703,00	9 549 313,09	9 549 313,09	19 659 058,58	10 109 745,49	0,51
Surplus/(Deficit)	38 199 872,00	40 334 603,60	40 334 603,60	3 183 322,67	(37 151 280,93)	(1,70)
Transfers and subsidies - capital (monetary allocations)	14 530 127,00	-	-	1 210 843,92	1 210 843,92	1,00
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	52 729 999,00	40 334 603,60	40 334 603,60	4 394 166,58	(35 940 437,02)	(0,70)
Surplus/ (Deficit) for the year	52 729 999,00	40 334 603,60	40 334 603,60	4 394 166,58	(35 940 437,02)	(0,70)

3.2.4 The table below reflects repairs and maintenance expenditure for the month ended 31 July 2024.

FUNCTION	PROJECT DESCRIPTION	2024 ORIG BUDGET	202407 ACTUAL	YTD ACTUAL	BUDGET YTD	VARIANCE	PERCENTAGE
		R	R	R	R	R	R
Community Halls and Facilities	Cemeteries/Crematoria	230 000,00	1 650,00	1 650,00	19 166,67	17 516,67	0,91
Community Halls and Facilities	Buildings	350 000,00		-	29 166,67	29 166,67	1,00
Community Halls and Facilities	Buildings	350 000,00	390,00	390,00	29 166,67	28 776,67	0,99
Police Forces, Traffic and Street Parking Control	Buildings	18 243,00		-	1 520,25	1 520,25	1,00
		948 243,00	2 040,00	2 040,00	79 020,25	76 980,25	3,90
Municipal Manager, Town Secretary and Chief Executive	Transport Assets	456 087,00	105 065,21	105 065,21	38 007,25	- 67 057,96	- 1,76
Community Halls and Facilities	External Facilities	250 000,00	1 285,08	1 285,08	20 833,33	19 548,25	0,94
Solid Waste Removal	Land	2 173 913,00	53 150,00	53 150,00	181 159,42	128 009,42	0,71
Solid Waste Removal	Clean-up Actions	-	19 970,00	19 970,00	-	19 970,00	-
Water Distribution	External Facilities	434 783,00	25 750,00	25 750,00	36 231,92	10 481,92	0,29
Electricity	Public Lighting	255 409,00	25 615,00	25 615,00	21 284,08	- 4 330,92	- 0,20
		3 570 192,00	230 835,29	230 835,29	297 516,00	66 680,71	#DIV/0!
		4 518 435,00	232 875,29	232 875,29	376 536,25	143 660,96	#DIV/0!

Repair and Maintenance for the month of July amounted to R233 thousand, year to date is actual spent is R233 thousand and year to date budget amounts to R377 thousand which leads to a variance of R144 thousand.

3.2.5 EXPENDITURE ON STAFF BENEFITS

Section 66 of the MFMA requires disclosure of the municipalities expenditure on staff benefits as follows:

The Accounting Officer of the municipality must, in a format and for the periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits.

Employee costs have not yet been updated for the month of July 2024 and will be reported on in August 2024.

3.3 FINANCIAL POSITION OVERVIEW

3.3.1 Ratios

RATIO	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
			" R 000 "	
B. Debtors Management				

3.3.2 Cash and cash equivalents

Cash and cash equivalents show an amount of R33,4 million for 31 July 2024 as per Trial Balance.

No long-term investments are held by the municipality.

No investments are ceded over as security.

Furthermore, it should be noted that the municipality doesn't have Capital Replacement Reserve. It is therefore critical for debt collection and the recovery of unpaid grants to receive immediate priority.

Description	24-Jul
R	
Cash at bank	33 409 556,97
Investments	-
Total cash and cash equivalent	33 409 556,97
Unspent grant	57 436 492,91
SARS	-
Payable from exchange	64 540 652,95
Total commitments	(121 977 145,86)
Surplus/Shortfall	
	- 88 567 588,89

3.3.3 Unspent Conditional Grants

Grant	Nature	Type: Conditional / Unconditional	Opening Balance	Rollover Rejected	Current year receipts	Conditions met - transferred to Revenue	Unspent as @ July 2024
Municipal Infrastructure Grant	Capital	Conditional	21 371 282,87		12 480 869,57	-	33 852 152,44
INEP	Capital	Conditional	3 242 211,59		-	-	3 242 211,59
Water Services Infrastructure Grant	Capital	Conditional	9 769 035,96		8 677 000,00	-	18 446 035,96
Small Town Revitalisation	Capital	Conditional	0,45		-	-	0,45
Financial Management Grant	Operating	Conditional	1 227 092,93		-	-	1 227 092,93
Environmental District Grant	Operating	Conditional	0,00		-	-	0,00
EPWP	Operating	Conditional	668 999,54		-	-	668 999,54
LG Seta Subsidy	Operating	Unconditional	0,00		-	-	0,00
Fire Services Subsidy	Operating	Unconditional	0,00		-	-	0,00
Equitable Share	Operating	Unconditional	0,00		48 974 000,00	48 974 000,00	0,00
Library Subsidy	Operating	Unconditional	0,00		-	-	0,00
			36 278 623,34	0,00	70 131 869,57	48 974 000,00	57 436 492,91

Unspent conditional grants in the table above reflect a total balance of R57,4 million as at July 2024. Additional funds were received for the Municipal Infrastructure Grant of R12,480 million and the Water Services Infrastructure Grant of R8,677 million. Equitable Share of R48,974 million was also received in July.

Careful attention needs to be paid by the municipality to ensure that expenditure is updated timeously on the system so that the correct revenue is recognised against the grants received.

3.3.4 Creditors Analysis

TOP 10 CREDITORS							
Supplier Number	Supplier Name	Invoiced	BALANCE	CURRENT	30 DAYS	60 DAYS	90 DAYS
306	ESKOM BULK	9 081	10 095	3 016	–	4 969	2 110
81	AUDITOR GENERAL	3 220	1 116	(154)	187	571	512
307	ESKOM HOLDINGS	1 678	977	981	–	–	(4)
1200	R-DATA	1 600	1 637	1 637	–	–	–
167	BUSINESS CONNEXION	577	215	–	–	107	108
1035	TELKOM SA	127	45	45	–	–	–
1708	WESLEY PRTORIUS AND ASSOC	92	24	24	–	–	–
568	LOWER SUNDAYS RIVER WATER	84	7	–	–	–	7
1503	SKY METRO EQUIPMENT	53	33	–	–	0	33
248	WATER AND SANITATION	–	50 392	1 901	4 122	807	43 561
Total		16 510	64 541	7 449	4 310	6 456	46 327

The total balance of the municipality's top ten creditors is R65,5 million at July 2024 with the biggest contributor being The Department of Water and Sanitation at a balance of R50,4 million. Municipality is not complying to the legislation to pay for paying creditors within 30 days.

3.3.5 Consumer Debtors

Total outstanding debtors at end June 2024, R287,1 million. The high contributor to the outstanding balance is households to the value of R225,6 million. The municipality should consider writing off debt as irrecoverable for most of customers as the possibility of collection is low due to culture of non-payment has been carried out throughout the years.

Detail Report								
Region	Department	Current	Interest	30 Days	60 Days	90 Days	120 Days +	Total
Sarah Baartman	Education	R 750 143,54	R 0,00	R 48 723,36	R 60 036,67	R 50 580,98	R 145 883,17	R 1 055 367,72
	Education (S21)	R 1 300 779,75	R 0,00	R 17 806,22	R 29 243,38	R 30 365,84	R 124 030,21	R 1 502 225,40
	Health	R 265 267,36	R 0,00	R 2 166,50	R 1 947,04	R 3 168,18	R 207 754,79	R 480 303,87
	Human Settlements	R 6 475,96	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 6 475,96
	Public Works	R 1 920 867,35	R 0,00	R 66 297,41	R 66 806,49	R 67 730,36	R 2 392 984,34	R 4 514 685,95
	Roads	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
	Residents	R 197 949 180,16	R 0,00	R 3 238 396,43	R 3 420 839,75	R 3 446 360,36	R 17 571 801,70	R 225 626 578,40
	Councillors	R 143 454,33	R 0,00	R 251 832,95	R 2 265,07	R 7 914,30	R 37 478,16	R 442 944,81
	Municipal Officials	R 1 939 516,57	R 0,00	R 37 341,13	R 24 916,79	R 68 421,49	R 118 806,84	R 2 189 002,82
	Industries	R 18 186 853,60	R 0,00	R 673 771,99	R 439 634,22	R 498 094,83	R 5 498 081,06	R 25 296 435,70
	National Departments	R 17 451 982,35	R 0,00	R 452 729,32	R 121 471,72	R 152 438,16	R 7 764 663,74	R 25 943 285,29
	Grand Total	R 239 914 520,97	R 0,00	R 4 789 065,31	R 4 167 161,13	R 4 325 074,50	R 33 861 484,01	R 287 057 305,92
Region	Debt By Type	Residents	Councillors	Municipal Officials	Industries	Nat Depts	Prov Depts	Total
Sarah Baartman	Water	R 74 013 048,24	R 80 676,90	R 972 740,47	R 2 479 162,62	R 104 768,43	R 1 951 775,76	R 79 602 172,42
	Electricity	R 4 454 342,74	R 956,41	R 69 100,08	R 11 751 851,17	R 273 742,80	R 2 195 609,07	R 18 745 602,27
	Sewerage	R 39 393 669,82	R 30 932,47	R 591 489,12	R 1 153 540,35	R 36 982,31	R 705 742,11	R 41 912 356,18
	Refuse	R 18 316 601,01	R 9 474,18	R 211 451,12	R 570 017,45	R 8 030,19	R 227 061,04	R 19 342 634,99
	Rates	R 81 031 407,94	R 70 188,23	R 235 821,31	R 14 237 149,67	R 24 670 833,69	R 4 759 696,69	R 125 005 097,53
	Other	R 8 417 508,65	R 250 716,62	R 108 400,72	R (4 895 285,56)	R 848 927,87	R (2 280 825,77)	R 2 449 442,53
	Grand Total	R 225 626 578,40	R 442 944,81	R 2 189 002,82	R 25 296 435,70	R 25 943 285,29	R 7 559 058,90	R 287 057 305,92
% on Total Debt		78,60	0,15	0,76	8,81	9,04	2,63	100,00

DEBT COLLECTION & CREDIT CONTROL

A follow up must be done on outstanding municipal accounts both councillors as well as staff members.

Below are highlights of the credit control section in attempt to improve revenue collection:

- **Indigent Registration**
 - It seems Indigent Registration is moving slowly as the customers does not provide enough documentation during registration process.
 - Challenges of getting the customers during the week due to seasonal employment.
 - It is advisable registration to be done throughout the year.

3.3.6 Capital Expenditure per asset category

FUNCTION DESCRIPTION	PROJECT DESCRIPTION	Original Budget	Monthly actual	YearTD actual	YTD BUDGET	Variance
Community Halls and Facilities	Halls	2 348 070,00	2 237 748,50	2 237 748,50	195 672,50	- 2 042 076,00
Community Halls and Facilities	Indoor Facilities	3 168 327,00	-	-	264 027,25	264 027,25
Roads	Roads	8 069 402,00	-	-	672 450,17	672 450,17
Electricity	LV Networks	495 000,00	-	-	41 250,00	41 250,00
Sewerage	Waste Water Treatment Works	6 032 129,00	2 129 252,82	2 129 252,82	502 677,42	- 1 626 575,40
Asset Management	Furniture and Office Equipment	-	-	-	-	-
Sewerage	Pump Station	10 578 664,00	-	-	881 555,33	881 555,33
Administrative and Corporate Support	Computer Equipment	-	-	-	-	-
		30 691 592,00	4 367 001,32	4 367 001,32	2 557 632,67	- 1 809 368,65

Capital acquisitions for the month ending 31 July 2024 amounts to R4,4 million. The year-to-date budget is R2,6 million which results in a negative variance of R1,8 million.

Technical Director and CFO to please ensure all projects and SCM processes are performed within required timeframes and projects implemented accordingly to safeguard not only grant allocation but the interest of the communities.

3.3.7 INVESTMENT

No investment portfolio held.

3.3.8 BORROWINGS

No borrowings budget provision made and no borrowings taken by the municipality for the month.

3.4 REMEDIAL OR CORRECTIVE STEPS REQUIRED

Revenue generation should be the agenda of the year. Strategies to improve revenue must be developed and implemented to ensure financial longevity and sustainability.

Procurement and Budgetary Control must be closely monitored to eliminate procurement of goods and services not budgeted for, suggesting redirecting of funds to unwarranted project not prioritised at planning stage.

Monitoring of contractors implementing capital projects must be done continuously by both Finance and Technical department.

Internal control adherence must be a non-negotiable for all municipal officials for efficient and effective service delivery.

3.5 CONCLUSION

Financial Recovery Plan must be developed to remedy the state of financial affairs despite great strides achieved for the reporting year.

Poor adherence to internal controls and continued expenditure incurred on unfunded projects weakens our cashflow and positions the municipality in an unfavourable posture insofar as achieving its strategic objectives for the financial year.

Municipal Manager's quality certificate.

I, T. Klaas, Municipal Manager of Sundays River Valley Municipality, hereby certify that the monthly report on the implementation of the budget and financial affairs of the month of **July 2024** of the 2024/25 financial year has been prepared in accordance with the Municipal Financial Management Act and regulations made under that Act.

T KLAAS
MUNICIPAL MANAGER

DATE: 14 July 2024

Submitted to the office of the Mayor

Received by:

Date:

Part 2 - In-year budget statements tables

1.1 Table C1: Monthly Budget Statement Summary

Choose name from list - Table C1 Monthly Budget Statement Summary - M01 July

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
R thousands									
Financial Performance									
Property rates	44 637	49 058	-	(15)	(15)	4 088	(4 103)	-100%	49 058
Service charges	65 680	66 832	-	862	862	677	185	27%	66 832
Investment revenue	1 670	1 779	-	7	7	148	(142)	-95%	1 779
Transfers and subsidies - Operational	111 996	126 565	-	48 974	48 974	10 547	38 427	0	126 565
Other own revenue	18 405	29 876	-	57	57	2 490	(2 433)	-98%	-
Total Revenue (excluding capital transfers and contributions)	242 388	274 109	-	49 884	49 884	17 950	31 934	178%	274 109
Employee costs	100 424	104 674	-	-	-	8 723	(8 723)	-100%	104 674
Remuneration of Councillors	6 952	7 763	-	-	-	647	(647)	-100%	7 763
Depreciation and amortisation	-	29 848	-	-	-	2 487	(2 487)	-100%	29 848
Interest	6 814	2 660	-	66	66	222	(156)	-70%	2 660
Inventory consumed and bulk purchases	39 373	40 552	-	4 466	4 466	(2 197)	6 663	-303%	40 557
Transfers and subsidies	52	-	-	-	-	-	-	-	-
Other expenditure	84 929	50 412	-	5 017	5 017	9 260	(4 243)	-46%	50 407
Total Expenditure	238 543	235 909	-	9 549	9 549	19 143	(9 593)	-50%	235 909
Surplus/(Deficit)	3 844	38 200	-	40 335	40 335	(1 193)	41 527	-3482%	38 200
Transfers and subsidies - capital (monetary allocations)	14 530	57 688	-	-	-	4 807	(4 807)	-100%	57 688
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	18 374	95 887	-	40 335	40 335	3 615	36 720	1016%	95 887
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	18 374	95 887	-	40 335	40 335	3 615	36 720	1016%	95 887
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	103 065	111 221	-		132 790				111 221
Total non current assets	1 052 389	891 233	-		1 032 590				891 233
Total current liabilities	201 213	84 917	-		194 974				84 917
Total non current liabilities	55 565	46 989	-		55 565				46 989
Community wealth/Equity	885 224	874 081	-		877 931				874 081
Cash flows									
Net cash from (used) operating	(82 025)	76 666	-	(9 207)	(9 207)	21 679	30 887	142%	(174 639)
Net cash from (used) investing	(47 386)	(63 043)	-	-	-	(5 254)	(5 254)	100%	-
Net cash from (used) financing	(752)	-	-	(54)	(54)	-	54	#DIV/0!	-
Cash/cash equivalents at the month/year end	(130 163)	13 623	-	(9 262)	(9 262)	16 426	25 688	156%	(174 639)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	76 085	7 758	6 700	6 284	6 093	6 713	233 870	3 829	347 332
Creditors Age Analysis									
Total Creditors	3 977	3 561	6 760	3 820	4 418	(417)	6 488	39 826	68 432

1.2 Table C2: Monthly Budget Statement – Financial Performance

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	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
R thousands	1									
Revenue - Functional										
Governance and administration		84 905	103 593	–	16 530	16 530	8 633	7 897	91%	103 593
Executive and council		8 970	12 654	–	5 273	5 273	1 055	4 218	400%	12 654
Finance and administration		75 935	90 939	–	11 257	11 257	7 578	3 679	49%	90 939
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		11 134	16 524	–	31	31	1 377	(1 346)	-98%	16 524
Community and social services		7 139	1 964	–	16	16	164	(148)	-90%	1 964
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		3 996	14 561	–	15	15	1 213	(1 198)	-99%	14 561
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		4 790	21 740	–	1	1	1 812	(1 810)	-100%	21 740
Planning and development		973	7 884	–	1	1	657	(655)	-100%	7 884
Road transport		3 817	13 856	–	–	–	1 155	(1 155)	-100%	13 856
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		156 075	189 938	–	33 321	33 321	10 936	22 386	205%	189 938
Energy sources		86 498	70 340	–	13 147	13 147	2 692	10 455	388%	70 340
Water management		36 272	69 324	–	7 266	7 266	4 054	3 212	79%	69 324
Waste water management		13 346	19 093	–	4 735	4 735	1 591	3 144	198%	19 093
Waste management		19 959	31 181	–	8 173	8 173	2 598	5 575	215%	31 181
Other	4	13	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	256 918	331 796	–	49 884	49 884	22 757	27 127	119%	331 796
Expenditure - Functional										
Governance and administration		99 322	88 669	–	2 818	2 818	6 205	(3 387)	-55%	88 669
Executive and council		25 391	22 874	–	546	546	1 328	(782)	-59%	22 874
Finance and administration		73 931	65 795	–	2 272	2 272	4 877	(2 605)	-53%	65 795
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		45 942	37 997	–	1 146	1 146	1 870	(724)	-39%	37 997
Community and social services		30 036	20 239	–	1 133	1 133	544	589	108%	20 239
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		14 000	15 499	–	13	13	1 141	(1 128)	-99%	15 499
Housing		1 906	2 258	–	–	–	185	(185)	-100%	2 258
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		9 598	13 713	–	–	–	606	(606)	-100%	13 713
Planning and development		4 889	7 757	–	–	–	358	(358)	-100%	7 757
Road transport		4 708	5 956	–	–	–	248	(248)	-100%	5 956
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		84 819	95 347	–	5 585	5 585	10 471	(4 887)	-47%	95 347
Energy sources		43 857	46 126	–	5 293	5 293	5 218	75	1%	46 126
Water management		27 717	22 829	–	69	69	2 904	(2 834)	-98%	22 829
Waste water management		6 990	14 329	–	36	36	1 952	(1 916)	-98%	14 329
Waste management		6 255	12 062	–	187	187	398	(212)	-53%	12 062
Other		361	182	–	–	–	(10)	10	-100%	182
Total Expenditure - Functional	3	240 041	235 909	–	9 549	9 549	19 143	(9 593)	-50%	235 909
Surplus/ (Deficit) for the year		16 877	95 887	–	40 335	40 335	3 615	36 720	10,158908	95 887

1.3 Table C3: Monthly Budget Statement – Financial Performance

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	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
R thousands										
Revenue by Vote	1									
Vote 1 - Executive AND Council (10: IE)		8 970	12 654	–	5 273	5 273	1 055	4 218	400,0%	12 654
Vote 2 - CORPORATE SERVICES (11: IE)		6 949	9 268	–	3 747	3 747	772	2 975	385,2%	9 268
Vote 3 - FINANCE (12: IE)		55 335	72 678	–	7 510	7 510	6 056	1 454	24,0%	72 678
Vote 4 - Community Services (13: IE)		39 062	56 698	–	8 204	8 204	4 725	3 480	73,6%	56 698
Vote 5 - Technical Services (14: IE)		110 328	111 174	–	17 884	17 884	6 095	11 789	193,4%	111 174
		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	220 645	262 472	–	42 618	42 618	18 703	23 915	127,9%	262 472
Expenditure by Vote	1									
Vote 1 - Executive AND Council (10: IE)		26 557	24 232	–	546	546	1 378	(832)	-60,3%	24 232
Vote 2 - CORPORATE SERVICES (11: IE)		25 493	28 247	–	111	111	1 469	(1 358)	-92,4%	28 247
Vote 3 - FINANCE (12: IE)		48 438	37 548	–	2 161	2 161	3 408	(1 247)	-36,6%	37 548
Vote 4 - Community Services (13: IE)		51 078	47 983	–	1 333	1 333	2 073	(740)	-35,7%	47 983
Vote 5 - Technical Services (14: IE)		88 476	97 899	–	5 398	5 398	10 815	(5 417)	-50,1%	97 899
		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	240 041	235 909	–	9 549	9 549	19 143	(9 593)	-50,1%	235 909
Surplus/ (Deficit) for the year	2	(19 396)	26 564	–	33 069	33 069	(440)	33 508	-7621,4%	26 564

1.4 Table C4: Monthly Budget Statement – Financial Performance

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		33 316	34 950	—	866	866	(257)	1 123	-437%	34 950
Service charges - Water		21 183	20 444	—	(4)	(4)	480	(484)	-101%	20 444
Service charges - Waste Water Management		4 927	3 630	—	0	0	(197)	197	-100%	3 630
Service charges - Waste management		6 254	7 807	—	—	—	651	(651)	-100%	7 807
Sale of Goods and Rendering of Services		(173)	656	—	14	14	55	(40)	-74%	656
Agency services		2 955	3 647	—	—	—	304	(304)	-100%	3 647
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		3 506	13 713	—	—	—	1 143	(1 143)	-100%	13 713
Interest from Current and Non Current Assets		1 670	1 779	—	7	7	148	(142)	-95%	1 779
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		147	72	—	5	5	6	(1)	-9%	72
Licence and permits		989	1 020	—	—	—	85	(85)	-100%	1 020
Operational Revenue		1 056	1 384	—	25	25	115	(90)	-78%	1 384
Non-Exchange Revenue										
Property rates		44 637	49 058	—	(15)	(15)	4 088	(4 103)	-100%	49 058
Surcharges and Taxes		2 424	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		83	1 849	—	13	13	154	(141)	-92%	1 849
Licence and permits		13	24	—	2	2	2	0	23%	24
Transfers and subsidies - Operational		111 996	126 565	—	48 974	48 974	10 547	38 427	364%	126 565
Interest		7 238	7 512	—	(3)	(3)	626	(629)	-101%	7 512
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		167	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		242 388	274 109	—	49 884	49 884	17 950	31 934	178%	274 109
Expenditure By Type										
Employee related costs		100 424	104 674	—	—	—	8 723	(8 723)	-100%	104 674
Remuneration of councillors		6 952	7 763	—	—	—	647	(647)	-100%	7 763
Bulk purchases - electricity		28 363	31 950	—	4 400	4 400	(1 731)	6 131	-354%	31 950
Inventory consumed		11 010	8 603	—	66	66	(466)	532	-114%	8 608
Debt impairment		—	(2 956)	—	—	—	11 012	(11 012)	-100%	(2 956)
Depreciation and amortisation		—	29 848	—	—	—	2 487	(2 487)	-100%	29 848
Interest		6 814	2 660	—	66	66	222	(156)	-70%	2 660
Contracted services		50 184	33 765	—	3 196	3 196	(1 374)	4 571	-333%	33 765
Transfers and subsidies		52	—	—	—	—	—	—	—	—
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—
Operational costs		34 744	19 602	—	1 821	1 821	(377)	2 198	-583%	19 597
Losses on Disposal of Assets		—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—
Total Expenditure		238 543	235 909	—	9 549	9 549	19 143	(9 593)	-50%	235 909
Surplus/(Deficit)		3 844	38 200	—	40 335	40 335	(1 193)	41 527	(0)	38 200
Transfers and subsidies - capital (monetary allocations)		14 530	57 688	—	—	—	4 807	(4 807)	(0)	57 688
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		18 374	95 887	—	40 335	40 335	3 615	36 720	0	95 887
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		18 374	95 887	—	40 335	40 335	3 615	36 720	0	95 887
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		18 374	95 887	—	40 335	40 335	3 615	36 720	0	95 887
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		18 374	95 887	—	40 335	40 335	3 615	36 720	0	95 887

1.5 Table C5: Monthly Budget Statement – Capital Expenditure

Choose name from list - Table C5 Monthly Budget Statement -
Capital Expenditure (municipal vote, functional classification and

Vote Description	Ref	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 6 - Technical Services (14: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 7 - Executive AND Council (30: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 8 - Community Services (36: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services (38: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 10 - Finance (39: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 11 - Corporate Services (40: CAPEX)		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 6 - Technical Services (14: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 7 - Executive AND Council (30: CAPEX)		-	1 300	-	-	-	108	(108)	-100%	600
Vote 8 - Community Services (36: CAPEX)		11 013	5 870	-	2 238	2 238	489	1 749	357%	5 870
Vote 9 - Technical Services (38: CAPEX)		36 026	55 872	-	2 129	2 129	4 656	(2 527)	-54%	55 872
Vote 10 - Finance (39: CAPEX)		1 085	-	-	-	-	-	-	-	-
Vote 11 - Corporate Services (40: CAPEX)		3	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	48 127	63 043	-	4 367	4 367	5 254	(887)	-17%	62 343
Total Capital Expenditure		48 127	63 043	-	4 367	4 367	5 254	(887)	-17%	62 343
Capital Expenditure - Functional Classification										
Governance and administration		1 088	1 300	-	-	-	108	(108)	-100%	600
Executive and council		-	1 300	-	-	-	108	(108)	-100%	600
Finance and administration		1 088	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 013	5 870	-	2 238	2 238	489	1 749	357%	5 870
Community and social services		10 845	5 870	-	2 238	2 238	489	1 749	357%	5 870
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		168	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 552	12 410	-	-	-	1 034	(1 034)	-100%	12 410
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		2 552	12 410	-	-	-	1 034	(1 034)	-100%	12 410
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		33 474	43 462	-	2 129	2 129	3 622	(1 493)	-41%	43 462
Energy sources		2 897	4 495	-	-	-	375	(375)	-100%	4 495
Water management		-	14 489	-	-	-	1 207	(1 207)	-100%	14 489
Waste water management		30 577	24 478	-	2 129	2 129	2 040	89	4%	24 478
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	48 127	63 043	-	4 367	4 367	5 254	(887)	-17%	62 343
Funded by:										
National Government		46 449	57 389	-	4 367	4 367	4 782	(415)	-9%	57 389
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		168	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		46 617	57 389	-	4 367	4 367	4 782	(415)	-9%	57 389
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		1 485	5 654	-	-	-	471	(471)	-100%	4 954
Total Capital Funding		48 102	63 043	-	4 367	4 367	5 254	(887)	-17%	62 343

1.6 Table C6: Monthly Budget Statement - Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		7 567	57 606	–	40 977	57 606
Trade and other receivables from exchange transactions		45 105	18 990	–	41 825	18 990
Receivables from non-exchange transactions		22 655	26 009	–	20 965	26 009
Current portion of non-current receivables		368	368	–	368	368
Inventory		359	299	–	359	299
VAT		26 574	7 205	–	27 859	7 205
Other current assets		438	745	–	438	745
Total current assets		103 065	111 221	–	132 790	111 221
Non current assets						
Investments						
Investment property		32 277	22 609	–	32 277	22 609
Property, plant and equipment		1 017 368	868 587	–	997 569	868 587
Biological assets						
Living and non-living resources						
Heritage assets		322	322	–	322	322
Intangible assets		2 422	(286)	–	2 422	(286)
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		1 052 389	891 233	–	1 032 590	891 233
TOTAL ASSETS		1 155 454	1 002 453	–	1 165 380	1 002 453
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		(1 036)	–	–	(1 091)	–
Consumer deposits		84	2 637	–	84	2 637
Trade and other payables from exchange transactions		134 498	63 828	–	105 148	63 828
Trade and other payables from non-exchange transactions		42 934	9 209	–	64 092	9 209
Provision		5 601	8 746	–	5 601	8 746
VAT		18 279	(256)	–	20 288	(256)
Other current liabilities		853	754	–	853	754
Total current liabilities		201 213	84 917	–	194 974	84 917
Non current liabilities						
Financial liabilities						
Provision		49 706	41 877	–	49 706	41 877
Long term portion of trade payables						
Other non-current liabilities		5 858	5 112	–	5 858	5 112
Total non current liabilities		55 565	46 989	–	55 565	46 989
TOTAL LIABILITIES		256 777	131 906	–	250 539	131 906
NET ASSETS	2	898 677	870 547	–	914 842	870 547
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		885 224	874 081	–	877 931	874 081
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	885 224	874 081	–	877 931	874 081

1.7 Table C7: Monthly Budget Statement – Cashflow

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		33 614	37 859	—	(8 811)	(8 811)	3 155	(11 966)	-379%	—
Service charges		10 351	69 119	—	(4 583)	(4 583)	10 332	(14 915)	-144%	—
Other revenue		25 692	8 651	—	(1 254)	(1 254)	721	(1 975)	-274%	—
Transfers and Subsidies - Operational		141 270	113 539	—	36 979	36 979	8 626	28 353	329%	35 550
Transfers and Subsidies - Capital		29 018	57 688	—	3 950	3 950	4 807	(857)	-18%	—
Interest		1 442	1 779	—	3	3	148	(146)	-98%	1 779
Dividends										
Payments										
Suppliers and employees		(323 412)	(209 308)	—	(35 490)	(35 490)	(5 888)	(29 602)	503%	(209 308)
Interest		—	(2 660)	—	—	—	(222)	222	-100%	(2 660)
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		(82 025)	76 666	—	(9 207)	(9 207)	21 679	30 887	142%	(174 639)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								—		
Decrease (increase) in non-current receivables								—		
Decrease (increase) in non-current investments								—		
Payments										
Capital assets		(47 386)	(63 043)	—	—	—	(5 254)	5 254	-100%	—
NET CASH FROM/(USED) INVESTING ACTIVITIES		(47 386)	(63 043)	—	—	—	(5 254)	(5 254)	100%	—
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								—		
Borrowing long term/refinancing								—		
Increase (decrease) in consumer deposits								—		
Payments										
Repayment of borrowing		(752)	—	—	(54)	(54)	—	(54)	#DIV/0!	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		(752)	—	—	(54)	(54)	—	54	#DIV/0!	—
NET INCREASE/ (DECREASE) IN CASH HELD		(130 163)	13 623	—	(9 262)	(9 262)	16 426			(174 639)
Cash/cash equivalents at beginning:										—
Cash/cash equivalents at month/year end:		(130 163)	13 623	—	(9 262)	(9 262)	16 426			(174 639)

Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	Ref	2023/24			Budget Year 2024/25					Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 619	6 353	-	-	-	529	(529)	-100%	6 353
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		670	719	-	-	-	60	(60)	-100%	719
Housing Allowances		300	312	-	-	-	26	(26)	-100%	312
Other benefits and allowances		363	379	-	-	-	32	(32)	-100%	379
Sub Total - Councillors		6 952	7 763	-	-	-	647	(647)	-100%	7 763
% increase	4		11.7%							11.7%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	4 642	4 898	-	-	-	408	(408)	-100%	4 898
Pension and UIF Contributions		11	11	-	-	-	1	(1)	-100%	11
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		805	913	-	-	-	76	(76)	-100%	913
Cellphone Allowance		120	127	-	-	-	11	(11)	-100%	127
Housing Allowances		192	203	-	-	-	17	(17)	-100%	203
Other benefits and allowances		1	1	-	-	-	0	(0)	-100%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		223	240	-	-	-	20	(20)	-100%	240
Aiding and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 994	6 394	-	-	-	533	(533)	-100%	6 394
% increase	4		6.7%							6.7%
Other Municipal Staff										
Basic Salaries and Wages		60 995	63 335	-	-	-	5 278	(5 278)	-100%	63 335
Pension and UIF Contributions		10 798	11 396	-	-	-	950	(950)	-100%	11 396
Medical Aid Contributions		4 566	4 945	-	-	-	412	(412)	-100%	4 945
Overtime		4 323	4 466	-	-	-	372	(372)	-100%	4 466
Performance Bonus		4 292	4 578	-	-	-	381	(381)	-100%	4 578
Motor Vehicle Allowance		5 996	6 244	-	-	-	520	(520)	-100%	6 244
Cellphone Allowance		778	923	-	-	-	77	(77)	-100%	923
Housing Allowances		547	550	-	-	-	46	(46)	-100%	550
Other benefits and allowances		1 183	1 209	-	-	-	101	(101)	-100%	1 209
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		276	14	-	-	-	1	(1)	-100%	14
Post-retirement benefit obligations	2	276	531	-	-	-	44	(44)	-100%	531
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Aiding and post related allowance		1 513	1 231	-	-	-	103	(103)	-100%	1 231
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		95 545	99 420	-	-	-	8 285	(8 285)	-100%	99 420
% increase	4		4.1%							4.1%
Total Parent Municipality		108 491	113 576	-	-	-	9 465	(9 465)	-100%	113 576
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Aiding and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Executive members Board		-	-	-	-	-	-	-	-	-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Aiding and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Aiding and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		108 491	113 576	-	-	-	9 465	(9 465)	-100%	113 576
% increase	4		4.7%							4.7%
TOTAL MANAGERS AND STAFF		101 538	105 814	-	-	-	8 818	(8 818)	-100%	105 814

PART 3 - REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN POLICY

SUPPLY CHAIN MANAGEMENT

In compliance with Section 32 of the MFMA, Unauthorised, irregular, fruitless and wasteful expenditure amounts to **R12 389 598.54** for the month of July 2024. The expenditure is broken down into the following categories:

- Total of Unauthorised Expenditure amounts to **R9 900.00**
- Total of Irregular Expenditure for Capital Projects amounts to **R 2 330 484.37**
- Total of Irregular Expenditure for Operational Expenditure amounts to **R3 783 833.68**
- Total of Fruitless and Wasteful Expenditure amounts to **R 6 265 380.49**
- Reasons for Irregular Expenditure is due to poor planning which leads to direct appointment of security service, legal services without following the processes. Utilizing service provider even though the contract has expired. Panel of consultants' contracts were not signed by previous accounting officer

AWARDED BIDS JULY 2024

NONE

Deviations

All procurement processes are currently met for the thresholds and deviations are approved where necessary in terms of the following:

- According to the Municipal Supply Chain Management Regulation paragraph 36, municipalities must disclose all deviations to Council. The categories for deviations to supply chain management process are:
- In an emergency
- If such goods or services are produced or available from a single provider only;
- For the acquisition of special works of art or historic objects where specifications are difficult to compile
- Acquisitions of animals for zoos;
- In any other exceptional case where it is impractical or impossible to follow the official procurement process

It should be noted that, SCM advises Councillors and officials to bear in mind that SCM processes need to be always followed therefore they need to develop a way of reporting issues within their area.

Approved deviations for July 2024 amount **R939 137.60**

