

TSWELOPELE LOCAL MUNICIPALITY (FS 183)
CIVIC CENTRE, BOSMAN STREET
BULTFONTEIN, 9670
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2023-2024

MID-YEAR ASSESSMENT REPORT

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1. Introduction

The mid-year assessment report is prepared in terms of section 72 Municipal Finance Management Act, 56 of 2003, which states that the accounting officer must assess the performance of the municipality during the first half of the financial year. In this report, the municipal performance for the past six months has been incorporated together in order to determine where the municipality is standing with regard to the budget implementation as at the mid-financial year.

National Treasury issued government gazette: 37577 (Regulations on Municipal Standard Chart of Accounts [MSCOA]), this government gazette was issued in 2014. The main purpose of this regulation was to standardize the way municipalities transact and report. Prior to the introduction of MSCOA, municipalities across the country had different chart of accounts and this was problematic to National Treasury and the users of municipal financial information (i.e. potential investors) as it made the task of comparing and reporting on municipal data to be cumbersome.

The municipal financial reforms started in 2009, with the introduction of Municipal Budget and Reporting Regulations (MBRR), same as the mSCOA regulations, this Budget regulations standardized how municipalities prepares their budget. As per government gazette 37577, all Municipalities needed to fully comply by the 01 July 2017. This meant that, all transactions needed to be captured using MSCOA seven (7) segments.

National Treasury has a reporting portal called GoMuni, where all municipalities are expected to upload MFMA (and other related legislations) compliance reports consisting of monthly, quarterly, bio-annual and annual reports. These reports are uploaded in different formats. Financial performance reports are mainly reported in the form of data strings extracted directly from the municipal financial system. This reporting is in line with the mSCOA regulations. Tswelopele municipality has maintained compliance with the mSCOA regulations by submitting credible data strings timeously.

This report is prepared in accordance with Section 72 of the Municipal Finance Management Act (MFMA), and the summary of monthly performance is presented together with budget comparison to give indication of the municipality's current financial state.

2. Revenue Analysis

The section below highlights revenue analysis of the municipality for the first half of the financial year, with special focus on the following:

2.1. Budgeting

Tswelopele Local Municipality's budget was approved on the 31st of May 2023 and thus the budget was implemented with effect from the 1st of July 2023. The total budgeted operational revenue amount to R214.9 million comprising mainly of the grants and subsidies, service charges and property rates and a total budgeted amount of R 37.8 million for capital revenue.

The approved budget of the municipality was assessed by the National Treasury to determine its credibility and funding. Whilst the budget of the municipality was found to be credible, its funding remained a concern, due to issues such as, amongst others the ESKOM long outstanding debt. For this reason, the municipality with the assistance of the National Treasury revised the funding plan/strategy of the municipality that was adopted by council on the 28th of November 2023

The funding plan/strategy is a strategy that will try to progressively improve the financial position and funding of the budget over the 2023/24 MTREF.

Additionally, to try and address the current funding status of the municipality, Tswelopele Local Municipality made an application to the National Treasury for participation in the municipal debt relief programme, to which the municipality is still awaiting its results.

Subsequent to the approval of the annual budget by the municipality, the National Treasury assessed the municipality's budget implementation and provided feedback on the credibility and accuracy of the data submitted (budget). Therefore, this suggests that the mid-year assessment must be undertaken with the view to address issues already highlighted by National Treasury on the approved budget and its implementation.

2.2. Tariff setting

The municipality is experiencing challenges in terms of developing tariffs that are cost reflective. Most of the trading services are operating at a deficit thereby unable to subsidize non-trading services.

For electricity services, the municipality increased the tariffs with an average of 15.10 percent increase as per the guidelines by the National Electricity Regulator of South Africa.

Furthermore, the municipality also applies seasonal tariff on business properties. It is the municipality's long-term goal to also introduce Time-Of-Use tariff structure in order to bridge the gap between the municipality and Eskom tariffs.

Other service charges tariffs (water, waste water and waste) were increased with 6.0 percent. These tariffs are not yet cost reflective and processes are in place to address the backlog. An average of 6.0 percent was also approved for all other services.

2.3. Billing

Property Rates (Valuation Roll)

The valuation roll in terms of Municipal Property Rates Act, act 6 of 2004 as amended, was implemented on the 1st July 2022, this valuation roll will be effective for five (5) years, and every financial year after the implementation date, the municipality will prepare a supplementary roll in line with Section 78 of the Municipal Property rates act, act 6 of 2004. The current year is the second year of implementation and a supplementary roll will be finalized by February 2024.

With the guidance of National Treasury, a valuation roll recon will be performed by the municipality on a quarterly basis. This reconciliation will verify and assist in cleansing the municipality's data to ensure the completeness and accuracy of the municipality's billing and therefore, enhances revenue collection.

Water

It is the municipality's long-term goal to implement a consumption-based billing across all households within the municipality with access to water service. However, the municipality is experiencing financial challenges and is unable to procure and install infrastructure that allows for

the accurate reading of water service consumed by debtors. This means, there is a delay in implementing a consumption-based billing in the township (and such will be implemented only in the towns: Bultfontein and Hoopstad, Phahameng and Tikwana will continue to be billed at a flat rate).

Electricity

The municipality is currently in a process of installing pre-paid meters in Bultfontein and Hoopstad. Installation of pre-paid meters will aid municipality as follows:

- Managing electricity losses (resulting from bypassing);
- Ensuring accurate billing, no manual capturing of meter readings.
- Ensuring improved revenue collection.

The project of installing pre-paid meters is currently on an estimated 90% progress implementation.

The following table depicts the overview of the billing on property rates and service charges against the budget for first half of the current financial year:

Billing status as at 31 December 2023

PROPERTY RATES AND SERVICE CHARGES											
Revenue Source	Approved Budget	July 23	Aug 23	Sep 23	Total Billing 1st Quarter	Oct 23	Nov 23	Dec 23	Total Billing Midyear	Total Billing	%
		Billing	Billing	Billing		Billing	Billing	Billing			
Property rates	29 557 000	2 051 979	3 589 731	4 035 170	9 676 880	4 317 799	4 347 044	3 827 759	22 169 482	22 169 482	75%
Service charges: electricity	62 262 000	4 683 915	4 315 138	4 004 541	13 003 595	4 117 753	3 509 068	3 810 512	24 440 928	24 440 928	39%
Service charges: water	5 760 000	542 650	490 820	600 319	1 633 790	535 002	644 532	597 726	3 411 050	3 411 050	59%
Service charges: waste water	7 011 000	495 804	496 084	529 230	1 521 118	601 039	601 023	604 748	3 327 928	3 327 928	47%
Service charges: waste	4 048 000	335 079	335 654	336 318	1 007 051	333 968	336 772	336 378	2 014 169	2 014 169	50%
Total	108 638 000	8 109 427	9 227 428	9 505 578	26 842 433	9 905 561	9 438 439	9 177 123	55 363 556	55 363 556	51%

It is evident on the table above that a budget of R 108.6 million was approved for service charges and property rates. This constitutes the major revenue source from municipal own funds. As at the end of December 2023, a total billing of R 55.3 million was realized. This is approximately 51 percent of the budget. As much as billing is reasonable at 50 percent at mid-year, it should be noted that billing does not necessarily translate into actual cash. As such, the municipality needs take this into consideration when adjusting the budget.

2.4. Revenue enhancement strategy

A funding plan/strategy has been developed and adopted by council to try to progressively improve the financial position of the municipality.

2.5. Revenue collection

Total revenue collected from service charges and property rates amount to R36.2 million whilst total billing was R 55 million. This means approximately 33 percent of the budget has been collected and this translates to a 65 percent collection rate (actual billing vs actual collection).

Based on the above analysis, it is clear that prudent revenue collection strategies (implementation and regular monitoring of the funding plan) need to be implemented to ensure that sufficient revenue is collected so that such revenue can finance operations of the municipality.

Revenue Collection as at 31 December 2023

PROPERTY RATES AND SERVICE CHARGES											
Revenue Source	Approved Budget	Total Collection 1st Quarter	Oct Actual Receipts	Nov Actual Receipts	Dec Actual Receipts	Total Collection Midyear	Total Billing		Total Actual		Collection rate
							R	%	R	%	%
Property rates	29 557 000	7 887 298	2 918 096	1 254 544	2 012 793	14 072 731	22 169 482	75%	14 072 731	48%	63%
Service charges: electricity	62 262 000	9 128 588	3 392 716	2 630 422	2 811 618	17 963 344	24 440 928	39%	17 963 344	29%	73%
Service charges: water	5 760 000	871 300	410 512	294 838	283 368	1 860 018	3 411 050	59%	1 860 018	32%	55%
Service charges: waste water	7 011 000	729 496	463 969	161 126	122 777	1 477 368	3 327 928	47%	1 477 368	21%	44%
Service charges: waste	4 048 000	518 333	181 455	101 756	79 144	880 688	2 014 169	50%	880 688	22%	44%
Total	108 638 000	19 135 016	7 366 749	4 442 685	5 309 700	36 254 150	55 363 556	51%	36 254 150	33%	65%
Average for Collection rate (Billing vs Actual collection)										65%	

The collection rates on billing per service are as low as 44 percent for solid waste and waste management respectively, while the highest percentage of 73 is realized in electricity.

This suggests that for collection on service charges, the municipality is over-reliant on the electricity service. This is informed by the fact that the municipality is licensed to supply electricity only the town areas (Bultfontein and Hoopstad) and when implementing credit control measures,

the municipality is able to perform cut-offs on electricity for both Bultfontein and Hoopstad for non-payment. Eskom is licensed to supply electricity for the rest of other areas within the municipality (i.e. Phahameng and Tikwana). The installation of pre-paid meters is also proving to increase the collection of the municipality.

Collection rate on property rates is also higher due to the fact that the municipality has introduced an incentive policy on property rates where consumers benefit 5 percent rebate on early settlement.

2.6. Other revenue

In addition to the service charges and property rates, the municipality has also budgeted R 144 million for other revenue. The major source of other revenue is from grants and subsidies of R 100.2 million and R 37.8 million for operating and capital grants allocation respectively.

OTHER INCOME											
Revenue Source	Budget	Jul '23	Aug '23	Sep '23	Total 1st Quarter	Oct '23	Nov '23	Dec '23	Total Midyear	Total	%
Rent of facilities and equipment	1 140 000	3 558	5 539	9 522	18 619	8 870	15 101	20 101	62 691	62 691	5%
Interest earned - external investments	1 300 000	10 697	19 633	17 937	48 267	17 936	1 337 540	86 260	1 490 003	1 490 003	115%
Interest earned - outstanding debtors	1 390 000	480 528	609 051	594 345	1 683 924	563 888	574 701	574 699	3 397 212	3 397 212	244%
Dividends received	130 000	-	88 302	-	88 302	-	-	52 712	141 014	141 014	108%
Fines	666 000	2 400	-	-	2 400	68 050	44 300	-	114 750	114 750	17%
Licenses and permits	80 000	13 137	12 008	10 882	36 027	20 559	65 685	985	123 256	123 256	154%
Grants and subsidies received - operating	100 292 000	40 517 000	2 337 000	-	42 854 000	-	428 000	32 414 000	75 696 000	75 696 000	75%
Grants and subsidies received - capital	37 868 000	10 647 000	2 000 000	-	12 647 000	3 714 000	5 289 000	6 534 000	28 184 000	28 184 000	74%
Other revenue	1 350 000	150 705	109 616	50 244	310 565	87 833	122 061	169 228	689 687	689 687	51%
Total	144 216 000	51 825 025	5 181 149	682 930	57 689 104	4 481 136	7 876 388	39 851 985	109 898 613	109 898 613	76%

For the period under review, the municipality collected/received R 109 million which translate to 76 percent of the budgeted operating revenue (Other Income). Operating grants to the value of R75.6 million has been received and R 28.1 million for capital grants was received.

It should be noted that services such as interest earned from outstanding debtors is interest that was billed on overdue accounts and not necessarily actual cash that was collected.

3. Debtors

Total Debtors outstanding as at 31 December 2023 were R 191.5 million. This is a huge figure for municipality of our size. Economic factors such as unemployment rate within the municipal area

as well as inability to implement effective credit control measures are also contributing towards the inclining debtor's book.

DEBTORS AGE ANALYSIS AS AT 31 DECEMBER 2023									
DEBTORS AGE ANALYSIS BY SERVICE									
SERVICE	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	121 - 150 DAYS	151 - 180 DAYS	181 - 365 DAYS	>365	TOTAL
Water	566 524	444 763	330 729	381 997	306 533	295 787	275 672	13 798 351	16 400 356
Electricity	2 784 518	1 087 710	960 605	922 164	849 781	901 116	816 946	8 834 255	17 157 095
Property rates	1 275 728	863 336	766 928	835 782	724 060	19 427 402	386 262	59 350 098	83 629 596
Sewerage	578 181	515 091	500 834	608 605	373 470	362 139	366 909	20 872 760	24 177 989
Refuse	342 299	305 643	300 175	290 967	291 843	278 314	232 700	13 995 884	16 037 825
Other	1 127 438	-465 732	1 418 940	933 876	874 800	1 123 992	868 900	28 269 843	34 152 057
TOTAL	6 674 688	2 750 811	4 278 211	3 973 391	3 420 487	22 388 750	2 947 389	145 121 191	191 554 918

Property rates debtors comprise 44 percent of the outstanding debtors. This could be attributed to the drought that was experienced in the last four years and the excessive rains experienced since the start of the 2021/2022 financial year, perhaps farmers are unable to recover financially. However, note should be taken that some farmers are not willing to take advantage of rebates (such as early settlement discount) offered by the municipality. Stringent controls should be enforced to collect the outstanding debtors on electricity and water given that such bulk accounts are not serviced on a monthly basis.

DEBTORS AGE ANALYSIS BY GROUP									
CUSTOMER	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	121 - 150 DAYS	151 - 180 DAYS	181 - 365 DAYS	>365	TOTAL
Government	899 026	-487 624	790 939	975 600	695 961	2 877 688	404 438	3 254 403	9 410 431
Business	3 380 564	1 529 187	1 579 615	1 445 916	1 400 205	18 354 292	1 464 188	80 317 896	109 471 863
Households	2 376 946	1 697 965	1 560 681	1 489 762	1 307 046	1 124 114	1 068 253	58 808 157	69 432 924
Other	18 152	11 283	346 976	62 113	17 275	32 656	10 510	2 740 735	3 239 700
TOTAL	6 674 688	2 750 811	4 278 211	3 973 391	3 420 487	22 388 750	2 947 389	145 121 191	191 554 918

Majority of debtors are in businesses, followed by households and then government. The biggest challenge is that 60 percent of the outstanding debtors is over a year. Such debt is likely to be uncollectable and debtors may need to be impaired leading to revenue loss.

4. Expenditure analysis

Tswelopele Local Municipality adopted a cost containment Circular 82 as issued by National Treasury as its cost containment document. The Circular was adopted in terms of MFMA section

23 (4) to make it binding to both officials and Councillors. However, compliance to the Circular has proved to be a challenge, with major deviations on the contents thereof.

Post promulgation of the Municipal Cost Containment Regulations, the Municipal Manager developed a policy as directed by the regulations. Such was submitted to Council and Council took a resolution not to approve / adopt such a policy. In this regard, the municipality places reliance of the regulations to ensure that cost containment objectives are realized within the municipality (despite the policy not being approved).

OPERATING EXPENDITURE								
Expenditure by type	Budget	Total 1st Quarter	Oct 2023	Nov 2023	Dec 2023	Total Midyear	Total	
							R	%
Employee related costs- wages & salaries	88 639 000	21 975 386	7 376 890	7 430 304	7 381 434	44 164 015	44 164 015	50%
Remuneration of councillors	6 226 000	2 036 578	869 170	559 946	559 981	4 025 675	4 025 675	65%
Finance charges (Interest Paid)	2 500 000	-				-	-	0%
Bulk purchases	49 948 000	13 744 513	5 569 946	5 338 131	5 755 438	30 408 028	30 408 028	61%
Other Materials (R&M)	8 801 000	2 829 939	348 500	2 179 329	1 026 029	6 383 796	6 383 796	73%
Other expenditure/ Contracted services	55 804 000	15 063 456	4 013 407	5 122 115	4 543 682	28 742 660	28 742 660	52%
Total	211 918 000	55 649 872	18 177 912	20 629 825	19 266 564	113 724 174	113 724 174	54%

The municipality has spent R 113 million by the end of December 2023 out of the budget of R 211.9 million. This suggest that almost 54 percent was spent. This percent is acceptable given that the municipality is aiming to spend on essential services only and that there is still a need to reduce expenditure to ensure that the budget is funded in line with the MFMA.

The line item for Bulk purchases includes the expenditure incurred at Eskom and Sandvet. Due to the financial constraints of the municipality, no payments have been towards ESKOM and partial payments have been made to Sandvet.

The line item for contracted services includes payments made to the Auditor General, Munsoft and payments for chemicals. Whilst the line item for other expenditure/contracted services is for expenditure relating to the monthly accounts to service providers contracted to ensure the smooth running of municipal operations such as procurement of petrol and diesel.

4.1. Employee costs

Salaries and wages were budgeted at R 95 million and R 48 million was spent as at the end of December 2023. This translates to 50 percent of the budget.

Strict measures need to continue being practiced to curb expenditure on overtime.

4.2. Project workers

The municipality is allocated R 950 000 from the Expanded Public Works Program. The funds are meant to create job opportunities for unemployed people within the municipal area. As at the end of December 2023, the municipality had spent R 1.4 million and this amount exceeds the allocated grant. This suggests that a grant meant to be utilized for 12 months has been exhausted within the first six months of the financial year. This could be attributed to either a high number of beneficiaries which might be informed by high level of unemployment within the municipality. Corrective measures need to be taken, as this results in payment of project workers from the municipal funds to which such were not budgeted.

4.3. Capital projects

The municipality has been allocated capital grants of R 37.8 million for the 2023/2024 financial year. As at the end of December 2023, R 28.1 million was transferred to the municipality and a roll-over of R 6.7 million has been approved for the Municipal Infrastructure Grant (MIG).

Capital expenditure for the first six months of the 2023/2024 financial year is R 37.4 million. Approximately, R 8 million of municipal funds has been utilised to fund capital projects.

The municipality has budgeted R 3.9 million to acquire capital assets from its internally generated funds, of which smaller operational immovable assets such as office furniture, welding machines and laptops have been bought.

However, due to aged assets the municipality still incurs a lot of expenditure on repairs and maintenance of the existing assets.

The above scenario is depicted on the table below:

Capital Expenditure - Standard Classification								
Details	Budget	Jul' 23	Aug '23	Sep '23	Oct '23	Nov '23	Dec '23	Total
Executive and council	130 000		13 650	59 900				73 550
Budget and treasury office	620 000	148 472			40 796	33 204		222 472
Corporate services								-
Community and social services	100 000						62 241	62 241
Sport and recreation	5 376 000							-
Road transport	2 500 000	41 398	1 807 979	52 636	6 438 515	2 156 993	5 026 615	15 524 136
Electricity	7 000 000		2 423 606		150 000		1 800 000	4 373 606
Water	16 662 000	1 986 454	4 953 818	6 637 893	768 869	1 027 530	1 776 592	17 151 157
Waste management	8 400 000							-
Waste water management	50 000							-
TOTAL	40 838 000	2 176 324	9 199 053	6 750 430	7 398 180	3 217 727	8 665 448	37 407 161
Funding								
Funded by:	Budget	Jul' 23	Aug '23	Sep '23	Oct '23	Nov '23	Dec '23	Total
National Government	33 868 000	2 027 852	7 547 397	6 690 530	7 357 384	4 984 523	6 803 207	35 410 893
Provincial Government	3 000 000		1 638 006					1 638 006
Borrowing								-
Internally generated funds	3 970 000	148 472	13 650	59 900	40 796	33 204	62 241	358 263
	40 838 000	2 176 324	9 199 053	6 750 430	7 398 180	5 017 727	6 865 448	37 407 162

4.4. Loans repayment

Tswelopele Local Municipality has a loan of R15 million with DBSA. The loan was taken in 2005 for Phahameng bucket eradication project. The loan currently has an outstanding balance of R 6 246 517.

4.5. Audit fees

A total of R 6.8 million was billed to the municipality by the Auditor General for the audit relating to the 2022/2023 financial year.

The municipality currently has an outstanding balance of R 3.8 million to the Auditor General for audit fees relating to the above- mentioned audit.

4.6. Creditors

REPORT FOR THE CREDITORS AS AT 31 DECEMBER 2023									
	0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total
Detail	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year	-
Bulk Electricity	-	-	-	140 233 941	-	-	-	-	140 233 941
Bulk Water	-	-	-	18 608 943	-	-	-	-	18 608 943
DBSA	-	-	-	-	-	-	-	6 246 517	6 246 517
PAYE deductions	-	-	-	-	-	-	-	-	0
Trade Creditors	-	-	-	-	-	-	-	-	0
Auditor General	-	-	3 864 280	-	-	-	-	-	3 864 280
Other	-	5 627 895	-	-	-	-	-	-	5 627 895
Total	0	5 627 895	3 864 280	158 842 884	-	0	-	6 246 517	174 581 576

The municipality's unpaid credit is to the value of R 174 million. The major contributors to this debt are R 140.2 million which is owed to Eskom and R 18.6 million to Sandvet.

Due to financial constraints the municipality is currently struggling to keep up with the payments required by both Eskom and Sandvet.

5. Cash flow

As at 31 December 2022, the municipality had R 1 359 102.01 in its current account while other investment accounts had R 20 million which includes the unspent portion of the conditional grants. It also needs to be noted that the municipality has been experiencing cash flow challenges.

6. Grant performance

The municipality received grants as depicted in the table below and performance in terms of spending is shown in each grant.

PERFORMANCE ON CONDITIONAL GRANTS													
GRANT NAME	GAZETTED:		YTD TRANSFER	%	ACTUAL SPENDING						YEAR TO DATE		UNSPENT TRANSFER
	DoRA	Rollover			Jul	Aug	Sep	Oct	Nov	Dec	Spending	%	
Finance Management Grant	2 100 000	-	2 100 000	100	95 005	845 690	110 519	97 243	108 929	131 929	1 389 315	66%	710 685
Municipal Infrastructure Grant	18 889 000	6 700 000	16 439 000	87	41 398	1 807 979	52 636	6 438 515	2 156 993	5 026 615	15 524 136	94%	7 614 864
DMRE - Electricity	4 000 000	-	3 000 000	75	-	785 600	-	150 000	-	1 800 000	2 735 600	91%	264 400
Water Services Grant	11 979 000	-	8 745 000	73	1 986 454	4 953 818	6 637 893	768 869	1 027 530	1 776 592	17 151 157	196%	-8 406 157
Expanded Public Works Programme Grant	950 000	-	665 000	70	227 090	225 139	232 093	266 589	260 551	212 612	1 424 074	214%	-759 074
Refurbishment of Electricity infrastructure Grant	3 000 000	581 732	-	-	-	1 638 006	-	-	-	-	1 638 006	#DIV/0!	-1 056 274
TOTAL GRANTS	40 918 000	7 281 732	30 949 000	76%	2 349 948	10 256 232	7 033 142	7 721 216	3 554 002	8 947 747	39 862 287	129%	-1 631 555

The table indicates that R 30.9 million was received as conditional grants to date, 129% percent of the received conditional grants has been spent. This suggest that municipal funds have been utilised to fund some capital projects.

7. Conclusion

Based on the mid-year assessment performed, it is recommended that note should be taken that adjustments to the 2023-2024 MTREF will be necessary.

8. C-Schedule Tables

In terms of Municipal Budget and Reporting Regulations as per government gazette No. 32141 of 2009, the municipality is required to report on the following Tables:

- Table C1 MFMA s 71 Monthly budget statement summaries
- Table C2 Monthly budget statement – Financial performance (revenue and expenditure by municipal vote)
- Table C3 Monthly budget statement – Financial Performance (Revenue and expenditure by municipal vote)
- Table C4 Monthly budget statement – Financial Performance (Revenue and expenditure)
- Table C5 Monthly budget statement – Capital Expenditure (Municipal Vote, standard classification and funding)

- Table C6 Monthly budget statement – Financial Position
- Table C7 Monthly budget statement – Cash Flow

In the following pages the above tables are disclosed

8.1. Table C1 – Budget Summary

FS183 Tswelopele - Table C1 Monthly Budget Statement Summary - M06 December

Description	2019/20	Budget Year 2020/21							
	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	-	29 557	-	3 828	22 858	14 779	8 079	55%	-
Service charges	-	79 081	-	5 349	32 654	39 541	(6 886)	-17%	-
Investment revenue	-	1 300	-	86	1 483	650	833	128%	-
Transfers and subsidies	-	100 292	-	32 414	75 696	75 696	-	-	-
Other own revenue	-	4 756	-	818	4 461	2 378	2 083	88%	-
Total Revenue (excluding capital transfers and contributions)	-	214 986	-	42 495	137 151	133 043	4 108	3%	-
Employee costs	-	88 639	-	7 381	44 164	44 320	(155)	-0%	-
Remuneration of Councillors	-	6 226	-	560	4 026	3 113	913	29%	-
Depreciation & asset impairment	-	20 000	-	-	-	10 000	(10 000)	-100%	-
Finance charges	-	2 500	-	-	483	1 250	(767)	-61%	-
Materials and bulk purchases	-	67 550	-	4 427	36 792	33 775	3 017	9%	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	60 003	-	4 544	28 743	30 002	(1 259)	-4%	-
Total Expenditure	-	244 918	-	16 912	114 207	122 459	(8 252)	-7%	-
Surplus/(Deficit)	-	(29 932)	-	25 583	22 944	10 584	12 360	117%	-
Transfers and subsidies - capital (monetary allocations)	-	37 968	-	6 534	28 184	28 184	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	8 036	-	32 117	51 128	38 768	12 360	32%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	8 036	-	32 117	51 128	38 768	12 360	32%	-
Capital expenditure & funds sources									
Capital expenditure	-	40 837	-	8 665	37 407	20 419	16 989	83%	-
Capital transfers recognised	-	36 868	-	8 603	37 049	18 434	18 615	101%	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	3 970	-	62	358	1 985	(1 627)	-82%	-
Total sources of capital funds	-	40 838	-	8 665	37 407	20 419	16 988	83%	-
Financial position									
Total current assets	-	134 177	-	-	74 863	-	-	-	134 177
Total non current assets	-	702 739	-	-	723 165	-	-	-	702 739
Total current liabilities	-	128 531	-	-	61 249	-	-	-	128 531
Total non current liabilities	-	54 455	-	-	46 821	-	-	-	54 455
Community wealth/Equity	-	653 930	-	-	689 958	-	-	-	653 930
Cash flows									
Net cash from (used) operating	-	37 649	-	31 589	54 060	53 575	(485)	-1%	-
Net cash from (used) investing	-	(40 338)	-	(8 665)	(37 407)	(20 169)	17 238	-85%	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	(1 393)	-	-	16 653	34 701	18 048	52%	-
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	4 105	4 389	4 048	3 445	22 449	2 954	2 508	142 776	186 673
Creditors Age Analysis									
Total Creditors	1 151	824	-	150 770	-	-	-	6 247	158 991

8.2. Table C2 – Fin Performance (STD Classification)

FS183 Tswelopele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	136 699	-	43 602	132 139	68 350	63 790	93%	-
Executive and council		-	27 647	-	-	-	13 824	(13 824)	-100%	-
Finance and administration		-	109 052	-	43 602	132 139	54 526	77 613	142%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	1 580	-	75	469	790	(321)	-41%	-
Community and social services		-	430	-	67	454	215	239	111%	-
Sport and recreation		-	1 150	-	8	15	575	(560)	-97%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	19 249	-	-	1	9 625	(9 623)	-100%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	19 249	-	-	1	9 625	(9 623)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	95 426	-	5 352	32 714	47 713	(14 999)	-31%	-
Energy sources		-	66 628	-	3 812	23 972	33 314	(9 342)	-28%	-
Water management		-	17 739	-	599	3 352	8 870	(5 518)	-62%	-
Waste water management		-	7 011	-	605	3 395	3 506	(110)	-3%	-
Waste management		-	4 048	-	336	1 995	2 024	(29)	-1%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	252 954	-	49 029	165 324	126 477	38 847	31%	-
Expenditure - Functional										
<i>Governance and administration</i>		-	105 750	-	10 317	65 623	52 875	12 748	24%	-
Executive and council		-	31 785	-	725	5 510	15 893	(10 383)	-65%	-
Finance and administration		-	73 965	-	9 592	60 113	36 983	23 131	63%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	18 256	-	72	198	9 128	(8 930)	-98%	-
Community and social services		-	12 717	-	70	186	6 359	(6 173)	-97%	-
Sport and recreation		-	5 539	-	2	12	2 770	(2 758)	-100%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	18 470	-	165	3 154	9 235	(6 081)	-66%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	18 470	-	165	3 154	9 235	(6 081)	-66%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	102 443	-	6 358	52 836	51 222	1 614	3%	-
Energy sources		-	57 062	-	4 065	35 446	28 531	6 915	24%	-
Water management		-	22 978	-	1 990	15 154	11 489	3 665	32%	-
Waste water management		-	12 663	-	283	1 809	6 332	(4 522)	-71%	-
Waste management		-	9 740	-	21	426	4 870	(4 444)	-91%	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	244 919	-	16 912	121 811	122 460	(649)	-1%	-
Surplus/ (Deficit) for the year		-	8 035	-	32 117	43 513	4 018	39 496	983%	-

8.3. Table C3 – Fin Performance (Rev and Exp – Municipal Vote)

FS183 Tswelopele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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		-	7 890	-	-	-	3 945	(3 945)	-100.0%	-
Vote 2 - Budget and Treasury Office		-	99 302	-	43 522	132 034	49 651	82 383	165.9%	-
Vote 3 - Community and Social Services		-	1 280	-	67	454	640	(186)	-29.1%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	50	-	8	15	25	(10)	-38.4%	-
Vote 6 - Waste Management		-	4 048	-	336	1 995	2 024	(29)	-1.4%	-
Vote 7 - Waste Water Management		-	7 011	-	605	3 395	3 506	(110)	-3.1%	-
Vote 8 - Road Transport		-	19 249	-	-	1	9 625	(9 623)	-100.0%	-
Vote 9 - Water		-	17 739	-	599	3 352	8 870	(5 518)	-62.2%	-
Vote 10 - Electricity		-	66 628	-	3 812	23 972	33 314	(9 342)	-28.0%	-
Vote 11 - Corporate Services		-	29 757	-	80	105	14 879	(14 774)	-99.3%	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	252 954	-	49 029	165 324	126 477	38 847	30.7%	-
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	45 426	-	725	5 510	22 713	(17 203)	-75.7%	-
Vote 2 - Budget and Treasury Office		-	49 690	-	9 007	55 934	24 845	31 089	125.1%	-
Vote 3 - Community and Social Services		-	10 284	-	70	186	5 142	(4 956)	-96.4%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	67	-	2	12	34	(22)	-64.7%	-
Vote 6 - Waste Management		-	9 740	-	21	426	4 870	(4 444)	-91.2%	-
Vote 7 - Waste Water Management		-	12 663	-	283	1 809	6 332	(4 522)	-71.4%	-
Vote 8 - Road Transport		-	18 470	-	165	3 154	9 235	(6 081)	-65.8%	-
Vote 9 - Water		-	22 978	-	1 990	15 154	11 489	3 665	31.9%	-
Vote 10 - Electricity		-	57 062	-	4 065	35 446	28 531	6 915	24.2%	-
Vote 11 - Corporate Services		-	18 539	-	585	4 180	9 270	(5 090)	-54.9%	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	244 919	-	16 912	121 811	122 460	(649)	-0.5%	-
Surplus/ (Deficit) for the year	2	-	8 035	-	32 117	43 513	4 018	39 496	983.1%	-

8.4. Table C4 – (Rev& Exp)

FS183 Tswelopele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2019/20	Budget Year 2020/21								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
Revenue By Source											
Property rates			29 557			3 828	22 858	14 779	8 079	55%	
Service charges - electricity revenue			62 262			3 811	23 921	31 131	(7 210)	-23%	
Service charges - water revenue			5 760			598	3 342	2 880	462	16%	
Service charges - sanitation revenue			7 011			605	3 395	3 506	(110)	-3%	
Service charges - refuse revenue			4 048			336	1 995	2 024	(29)	-1%	
Rental of facilities and equipment			1 140			20	63	570	(507)	-89%	
Interest earned - external investments			1 300			86	1 483	650	833	128%	
Interest earned - outstanding debtors			300			575	3 397	150	3 247	2165%	
Dividends received			180			53	141	90	51	57%	
Fines, penalties and forfeits			666			-	47	333	(286)	-86%	
Licences and permits			80			1	123	40	83	208%	
Agency services			-			-	-	-	-		
Transfers and subsidies			100 292			32 414	75 696	75 696	-		
Other revenue			2 390			169	690	1 195	(505)	-42%	
Gains on disposal of PPE									-		
Total Revenue (excluding capital transfers and contributions)			-			42 495	137 151	133 043	4 108	3%	-
Expenditure By Type											
Employee related costs			88 639			7 381	44 164	44 320	(155)	0%	
Remuneration of councillors			6 226			560	4 026	3 113	913	29%	
Debt impairment			13 000					6 500	(6 500)	-100%	
Depreciation & asset impairment			20 000					10 000	(10 000)	-100%	
Finance charges			2 500			-	483	1 250	(767)	-61%	
Bulk purchases			58 734			3 401	30 408	29 367	1 041	4%	
Other materials			8 816			1 026	6 384	4 408	1 976	45%	
Contracted services			34 373					17 187	(17 187)	-100%	
Transfers and subsidies								-	-		
Other expenditure			12 630			4 544	28 743	6 315	22 428	355%	
Loss on disposal of PPE									-		
Total Expenditure			-			16 912	114 207	122 459	(8 252)	-7%	-
Surplus/(Deficit)			-			25 583	22 944	10 584	12 360	0	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			37 968			6 534	28 184	28 184	-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)									-		
Transfers and subsidies - capital (in-kind - all)									-		
Surplus/(Deficit) after capital transfers & contributions			-			32 117	51 128	38 768			-
Taxation									-		
Surplus/(Deficit) after taxation			-			32 117	51 128	38 768			-
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			-			32 117	51 128	38 768			-
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			-			32 117	51 128	38 768			-

8.5. Table – C5 – Capital Expenditure (Mun Vote)

FS183 Tswelopele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06
December

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		–	130	–	–	74	65	9	13%	–
Vote 2 - Budget and Treasury Office		–	510	–	–	222	255	(33)	-13%	–
Vote 3 - Community and Social Services		–	100	–	62	62	50	12	24%	–
Vote 4 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	5 375	–	–	–	2 688	(2 688)	-100%	–
Vote 6 - Waste Management		–	50	–	–	–	25	(25)	-100%	–
Vote 7 - Waste Water Management		–	8 400	–	–	–	4 200	(4 200)	-100%	–
Vote 8 - Road Transport		–	2 500	–	5 027	15 524	1 250	14 274	1142%	–
Vote 9 - Water		–	16 662	–	1 777	17 151	8 331	8 820	106%	–
Vote 10 - Electricity		–	7 000	–	1 800	4 374	3 500	874	25%	–
Vote 11 - Corporate Services		–	110	–	–	–	55	(55)	-100%	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital Multi-year expenditure	4,7	–	40 837	–	8 665	37 407	20 419	16 989	83%	–
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Budget and Treasury Office		–	–	–	–	–	–	–	–	–
Vote 3 - Community and Social Services		–	–	–	–	–	–	–	–	–
Vote 4 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–	–
Vote 6 - Waste Management		–	–	–	–	–	–	–	–	–
Vote 7 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 8 - Road Transport		–	–	–	–	–	–	–	–	–
Vote 9 - Water		–	–	–	–	–	–	–	–	–
Vote 10 - Electricity		–	–	–	–	–	–	–	–	–
Vote 11 - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	–	–	–	–	–	–	–	–	–
Total Capital Expenditure		–	40 837	–	8 665	37 407	20 419	16 989	83%	–
Capital Expenditure - Functional Classification										
Governance and administration		–	750	–	–	296	375	(79)	-21%	–
Executive and council		–	130	–	–	74	65	9	13%	–
Finance and administration		–	620	–	–	222	310	(88)	-28%	–
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		–	5 376	–	62	62	2 688	(2 626)	-98%	–
Community and social services		–	–	–	62	62	–	62	#DIV/0!	–
Sport and recreation		–	5 376	–	–	–	2 688	(2 688)	-100%	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	2 600	–	5 027	15 524	1 300	14 224	1094%	–
Planning and development		–	100	–	–	–	50	(50)	-100%	–
Road transport		–	2 500	–	5 027	15 524	1 250	14 274	1142%	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	32 112	–	3 577	21 525	16 056	5 469	34%	–
Energy sources		–	7 000	–	1 800	4 374	3 500	874	25%	–
Water management		–	16 662	–	1 777	17 151	8 331	8 820	106%	–
Waste water management		–	8 400	–	–	–	4 200	(4 200)	-100%	–
Waste management		–	50	–	–	–	25	(25)	-100%	–
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	–	40 838	–	8 665	37 407	20 419	16 988	83%	–
Funded by:										
National Government		–	33 868	–	8 603	35 411	16 934	18 477	109%	–
Provincial Government		–	3 000	–	–	1 638	1 500	138	9%	–
District Municipality		–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		–	36 868	–	8 603	37 049	18 434	18 615	101%	–
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		–	3 970	–	62	358	1 985	(1 627)	-82%	–
Total Capital Funding		–	40 838	–	8 665	37 407	20 419	16 988	83%	–

8.6. Table – C6 – Financial Position

FS183 Tswelopele - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2019/20	Budget Year 2020/21				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands	1						
ASSETS							
Current assets							
Cash			20 897		2 804	20 897	
Call investment deposits			1 505		22 184	1 505	
Consumer debtors			105 691		49 874	105 691	
Other debtors			5 331			5 331	
Current portion of long-term receivables							
Inventory			753			753	
Total current assets			-	134 177	-	74 863	134 177
Non current assets							
Long-term receivables			-		90 527		
Investments			-		1 052		
Investment property			110 039		104 999	110 039	
Investments in Associate							
Property, plant and equipment			591 327		525 276	591 327	
Biological			1 373		1 310	1 373	
Intangible							
Other non-current assets							
Total non current assets			-	702 739	-	723 165	702 739
TOTAL ASSETS			-	836 916	-	798 028	836 916
LIABILITIES							
Current liabilities							
Bank overdraft			-				
Borrowing			2 637		713	2 637	
Consumer deposits			1 512		60 536	1 512	
Trade and other payables			123 560			123 560	
Provisions			822			822	
Total current liabilities			-	128 531	-	61 249	128 531
Non current liabilities							
Borrowing			13 378		7 625	13 378	
Provisions			41 077		39 195	41 077	
Total non current liabilities			-	54 455	-	46 821	54 455
TOTAL LIABILITIES			-	182 986	-	108 070	182 986
NET ASSETS	2		-	653 930	-	689 958	653 930
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)			653 930		689 958	653 930	
Reserves							
TOTAL COMMUNITY WEALTH/EQUITY	2		-	653 930	-	689 958	653 930

8.7. Table – C7 – Cash Flow

FS183 Tswelopele - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2019/20	Budget Year 2020/21								
		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			28 079		2 013	14 287	14 040	247	2%		
Service charges			75 126		3 810	24 679	37 563	(12 884)	-34%		
Other revenue			3 146		190	883	1 573	(690)	-44%		
Government - operating			100 292		32 414	75 696	75 696	-			
Government - capital			37 968		6 534	28 184	28 184	-			
Interest			1 200		86	1 482	600	882	147%		
Dividends			100		53	141	50	91	182%		
Payments											
Suppliers and employees			(205 762)		(13 511)	(91 292)	(102 881)	(11 589)	11%		
Finance charges			(2 500)				(1 250)	(1 250)	100%		
Transfers and Grants								-			
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	37 649	-	31 589	54 060	53 575	(485)	-1%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			500				250	(250)	-100%		
Decrease (Increase) in non-current debtors								-			
Decrease (increase) other non-current receivables								-			
Decrease (increase) in non-current investments								-			
Payments											
Capital assets			(40 838)		(8 665)	(37 407)	(20 419)	16 988	-83%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(40 338)	-	(8 665)	(37 407)	(20 169)	17 238	-85%	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans								-			
Borrowing long term/refinancing								-			
Increase (decrease) in consumer deposits								-			
Payments											
Repayment of borrowing								-			
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD			-	(2 689)	-	22 923	16 653	33 406		-	
Cash/cash equivalents at beginning:			1 296				1 296			-	
Cash/cash equivalents at month/year end:			(1 393)			16 653	34 701			-	

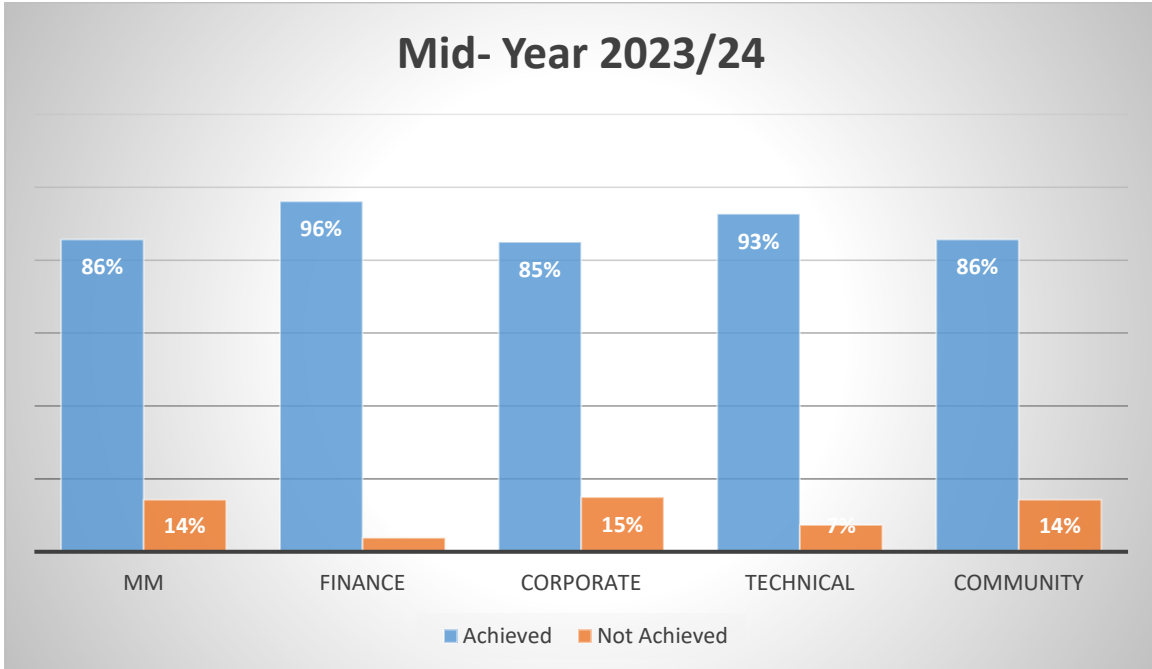
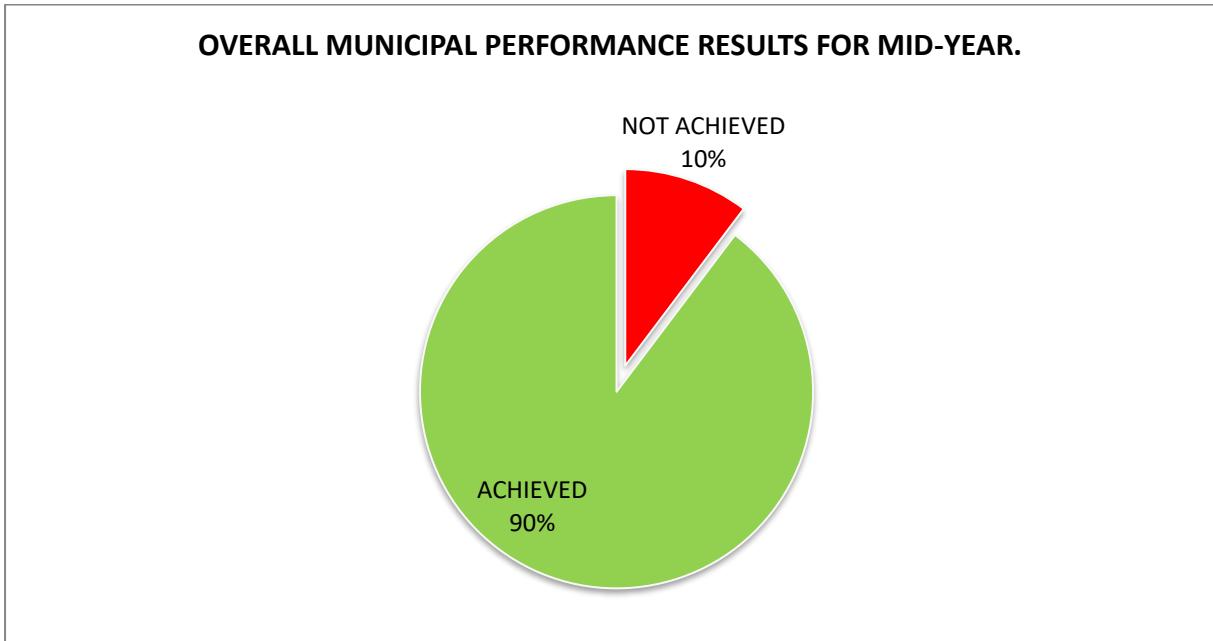
9. NON-FINANCIAL PERFORMANCE

Performance management is prescribed by chapter 6 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Regulation of August 2001. Section 7 of the aforementioned regulation states that "A municipality's performance management systems entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players" This framework should reflect the linkage between the IDP, Budget and SDBIP.

This report serves to provide feedback regarding the half-yearly departmental performance of Tswelopele Local Municipality as required through the Municipal Systems Act No 32 of 2000. The information included in this report is based on the IDP Budget and SDBIP as developed for the financial year 2023/24. The performance plans/agreements were aligned to the IDP and SDBIP, thus this report reflect the performance progress as at end 31 December 2023. This report is based on the assessment of key service delivery quarterly targets. Actual quarterly performance obtained through a process whereby Key Performance Indicators and targets are compared to the initial planned as contained in the 2023/24 SDBIP.

This report serves as a summary of performance results. The detailed performance information with KPI's and targets is contained in a separate addendum document. This report seeks to provide feedback on the performance level achieved to date against the targets as laid out in the IDP and SDBIP. Where underperformance or zero achievement of indicators have been experienced the respective concerns or mitigating reasons are highlighted and detailed pertaining to the relevant measures being implemented or those that need to be implemented and are included thereto.

9.1 Level of attainment of objectives and targets



Municipal managers office

The Municipal Manager's Office had [28] half yearly targets set as per the key performance indicators, Attained [24] and not achieved [4].

Finance

The Finance Department had [26] half yearly targets set as per the key performance indicators, Attained [25] and not achieved [1].

Corporate services

The Corporate Services had [20] half yearly targets set as per the key performance indicators, Attained [17] and not achieved [3].

Technical services

The Technical Services had [41] half yearly targets set as per the key performance indicators, Attained [38] and not achieved [3].

Community services

The Community Services had [21] half yearly targets set as per the key performance indicators, Attained [18] and not achieved [3].

9.2 Details of non-achievements

DEPARTMENT: MUNICIPAL MANAGER

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	44,26% (R1 657 035,00/ R3 744 187,02) of the budget for the construction of 9 High Mast Lights (Ext 7, 8 and 10) in Bultfontein/Phahameng	The construction of 9 High Mast Lights (Ext 7, 8 and 10) in Bultfontein/ Phahameng had to go for budget maintenance application processes which was approved on the 27 of October 2023 causing the delay to commence amounting to R1 657 035.	The targets will be amended in the revised SDBIP in line with the approval of the budget maintenance new timelines	N/A
2.	79,71% (5 224 683,01/6 555 000,00) of the budget for the Refurbishment of electricity infrastructure in Bultfontein and Hoopstad	The delay was caused by the supplier of Cigicell Electrical pre-paid meters, the installation of meters by Cigicell supplier was very slow with the amount of R5 224 683,01.	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A
3.	60,12% (R19 631 911,75/R27 651 275,82) of the budget spent in the upgrading of bulk water supply in Bultfontein (Phase 4).	Delay in the progress due to Electrical specialist was busy manufacturing all switchgears for the pumpstations with the amount of R19 631 991,75	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A
4.	1 LLF meeting held for mid-year	LLF meeting to be held on the 24th January 2024.	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A

DEPARTMENT: FINANCIAL SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	1 Funding Plan submitted to EXCO.	National Treasury introduced a newly developed template for Funding Plan during month of November 2023, the Funding Plan was revised and aligned with the new Treasury template and subsequently submitted to Municipal Council for approval.	The funding plan will be a standing item in all departmental meetings.	Monthly WEF 31 January 2024

DEPARTMENT: TECHNICAL SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	44,26% (R1 657 035,00/ R3 744 187,02) of the budget for the construction of 9 High Mast Lights (Ext 7, 8 and 10) in Bultfontein/Phahameng	The construction of 9 High Mast Lights (Ext 7, 8 and 10) in Bultfontein/ Phahameng had to go for budget maintenance application processes which was approved on the 27 of October 2023 causing the delay to commence amounting to R1 657 035.	The targets will be amended in the revised SDBIP in line with the approval of the budget maintenance new timelines	N/A
2.	79,71% (5 224 683,01/6 555 000,00) of the budget for the Refurbishment of electricity infrastructure in Bultfontein and Hoopstad	The delay was caused by the supplier of Cigicell Electrical pre-paid meters, the installation of meters by Cigicell supplier was very slow with the amount of R5 224 683,01.	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A
3.	60,12% (R19 631 911,75/R27 651 275,82) of the budget spent in the upgrading of bulk water	Delay in the progress due to Electrical specialist was busy manufacturing all	The target will be reviewed in February in accordance with the	N/A

	supply in Bultfontein (Phase 4).	switchgears for the pumpstations with the amount of R19 631 991,75	adjustment budget and revised SDBIP processes.	
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DEPARTMENT: CORPORATE SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	1 OHSWA awareness campaign conducted.	No reasons were provided	N/A	N/A
2.	No evidence was submitted for health and safety meetings held	No reasons were provided	N/A	N/A
3.	1 LLF was held in the first quarter	Schedule of LLF meetings caters for second quarter meeting after performance for mi-year has been finalised.	Second quarter LLF meeting to be held on the 24th January 2024.	N/A

DEPARTMENT: COMMUNITY SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	No evidence submitted for sub-division and rezoning of ERF 5229 park Phahameng Ext. 5.	The department of Human Settlement has not appointed a service provider.	N/A	N/A
2.	30% (R68 482,50 / R228 275,00) of the budget spent on the sub-division and rezoning of ERF 704 Phahameng	The contractor was terminated on the August 2023 and the new service provider was appointed on 22 November 2023	N/A	N/A
3.	Appointed of the service provider for expansion of 2 old municipal cemeteries in Bultfontein and Hoopstad could not be done	The advert was issued however could not find the suitable provider; the new advertisement will be made.	Advertise and appoint a service provider for expansion of 2 old municipal cemeteries in Bultfontein and Hoopstad	30 June 2024

9.3 Conclusion

The municipality is facing some challenges with regard to budget implementation as well as achieving the targets set in the integrated development plan due to amongst others the following reasons, cash flow problems and shortage of municipal equipment and personnel in service delivery areas.

The municipality welcomes the additional funding received and commits that it will be used to fast track the implementation of projects aimed at addressing identified community needs. Lastly, management will ensure that the project targets in the revised SDBIP are aligned to the approved project implementation plans for 2023/24.

More efforts should be placed at ensuring that all non-achievement targets are amended and addressed in last period of the financial year.