



Umsobomvu Municipality
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SUBMISSION

To: Mayor

From: Municipal

Manager File:

Date: 25 JANUARY 2024

RE: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT AS AT 25 JANUARY 2024

1.PURPOSE.

In terms of section 72 of the MFMA, the financial performance regarding the operating and capital budgets for the first half of the 2023/2024 financial year, and the supporting documents as required by National Treasury, is submitted by the accounting officer for scrutiny and submission to council.

2.BACKGROUND and MOTIVATION

This consolidated budget statement and report covers the financial performance of the municipality for the period commencing from 1st of July 2023 and ending on 31st December 2023.

The consolidated statement assesses the in-year financial performance of the municipality against the budgeted revenue and expenditure. The assessment of the in-year financial performance will be based on the section 71 returns which include capital and operating budgets as well as debtors, creditors and cash flow that were submitted by the municipality. The focus of this assessment is on the credible implementation of municipal budgets in relation to the IDP and SDBIP.

1. In terms of Section 72 of the MFMA, the Accounting Officer of a municipality must by 25 January of each year, taking into account –
 - (i) The monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) The past year's annual report and progress on resolving problems identified in the annual report; and
 - (iv) Submit a report on such assessment to –

- i. The mayor of the municipality;
 - ii. The National Treasury; and
 - iii. The relevant provincial treasury
2. The statement referred to in section 71 (1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
 3. The accounting officer must, as part of the review –
 - a) Make recommendations as to whether an adjustments budget is necessary; and
 - b) Recommend revised projections for the revenue and expenditure to the extent that this may be necessary.

3. FINANCIAL IMPLICATIONS

Municipality’s financial viability/effective budgetary control and management.

4. LEGAL IMPLICATIONS

The legal implications are covered in the Background and Motivation.

5. PERSONNEL IMPLICATIONS

None.

6. INTERNAL CONSULTATION

Monthly financial report from financial management system.

7. EXTERNAL CONSULTATION

None.

8. RECOMMENDATION

That in compliance with section 72 of the MFMA;

- (i) The attached financial results regarding the operating and capital budget for the first half of the 2023/2024 financial year, and the supporting documents as required by National Treasury, is submitted to the mayor for scrutiny and further submission to council; and
- (ii) In order to comply to the Act, this report to be submitted to the National Treasury and relevant Provincial Treasury
- (iii) It is recommended that an adjustment budget be prepared to recommend revised projections for revenue and expenditure where necessary.

9. APPROVAL

.....
MR. T.W. MSENGANA
MUNICIPAL MANAGER

25/01/2024

DATE



This report provides in-year financial information
as
Required by the Municipal Finance Management Act,
56
Of 2003, IN-YEAR FINANCIAL REPORT:
30 DECEMBER 2023
Submitted in terms of Sections 71 & 52 (d) of the MFMA
and
Section 28 of the Municipal Budget and Reporting
Regulations, Government Gazette 32141, 17 December
2009

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PART 1 – IN-YEAR REPORT

Mayor's Report

The tables indicate the progress made on the implementation of the municipality's budget. Material variances – Monthly budget versus Monthly Actual for the first half of the financial year.

Executive summary of risks facing the municipality:

The emerging risks are as follows:

1. Collection rate for the first half of the financial year is **46 %** average, however property rates collection rate for the period is **0.18%** and the municipal services revenue collection rate **58 %**. Property Rates collection rate remained as the state departments have not settled their property rates for the current financial year.
2. Capital spending level should be monitored to ensure at least a 95% spending level is achieved to optimize service delivery. The spending on capital budget for the first half of the financial year is at 27.55% which amounts to R 8,426 million of the R 30, 579 million budgeted. As at the end of December 2023, allocation received amounts to R 18,003 million, the municipality has spent 45% of this allocation as at the end of December 2023. We have spent 46% and 44% on the MIG and WSIG allocations respectively. The capital grant funds are ring-fence and deposited on the business call account.

CAPITAL EXPENDITURE FOR THE MONTH OF SEPTEMBER 2023:

| Cost Centre | mSCOA Config | mSCOA Config Description | Budget Original | Total Budget | Total Expenditure Vat Exclusive | Total Expenditure Vat Inclusive |
|-------------|--------------|--|----------------------|----------------------|---------------------------------|---------------------------------|
| 1210 | 71210011002 | Norvalspont Community Hall Chairs | 70 000,00 | 70 000,00 | 25 000,00 | 28 750,00 |
| 1210 | 71210171002 | Fencing Of Norvalspont & Kuyasa Halls | 150 000,00 | 150 000,00 | - | - |
| 1210 | 71210181002 | Refurbishment of Municipal Offices | 250 000,00 | 250 000,00 | - | - |
| 2203 | 72203016201 | Upgrading of Kuyasa Sports Field | 5 501 850,00 | 5 501 850,00 | 2 139 938,18 | 2 460 928,91 |
| 3204 | 73204240002 | CCTV CAMERAS | 250 000,00 | 250 000,00 | - | - |
| 3205 | 73205016202 | Upgrading of Norvalspont Stormwater Drainage System | 950 000,00 | 950 000,00 | 258 786,55 | 260 745,78 |
| 3205 | 73205020004 | Upgrading of EurekaVille and Tyoksville Roads | 6 701 850,00 | 6 701 850,00 | 2 623 616,34 | 3 017 158,79 |
| 4101 | 74101050013 | Electricity-Ezimbacweni,Wimpy | 750 000,00 | 750 000,00 | - | - |
| 4101 | 74101050014 | Backup power supply Generator | 200 000,00 | 200 000,00 | - | - |
| 4101 | 74101220001 | New LVD Vehicle | 350 000,00 | 350 000,00 | - | - |
| 4202 | 74201016200 | Replacement of Asbestos Internal Main Water Pipeline | 3 081 000,00 | 3 081 000,00 | - | - |
| 4302 | 74302060003 | Upgrading of Noupoort Sewerage Network | 12 324 000,00 | 12 324 000,00 | 3 378 891,08 | 3 885 724,74 |
| | | | 30 578 700,00 | 30 578 700,00 | 8 426 232,15 | 9 653 308,22 |
| | | VAT EXCLUSIVE | | | | |
| | | VAT INCLUSIVE | | | | |
| | | FUNDING | | | | |
| | | EPWP | 950 000,00 | 950 000,00 | 258 786,55 | 260 745,78 |
| | | WSIG | 12 324 000,00 | 12 324 000,00 | 3 378 891,08 | 3 885 724,74 |
| | | MIG | 12 203 700,00 | 12 203 700,00 | 4 763 554,52 | 5 478 087,70 |
| | | OWN | 5 101 000,00 | 5 101 000,00 | 25 000,00 | 28 750,00 |
| | | | 30 578 700,00 | 30 578 700,00 | 8 426 232,15 | 9 653 308,22 |

3. Spending on Repairs and maintenance must be monitored to ensure assets of council are well maintained to avoid any serious service interruptions. The first half spending on repairs and maintenance amounts to R 1,436 million and 17% spending of the repairs and maintenance annual budget.

The repairs and maintenance for municipal's council is demonstrated in the SC13c table of the C-schedule for more details.

IN-YEAR BUDGET STATEMENT TABLES

Table C1: Quarterly Budget Summary Table

Northern Cape: Umsobomvu(NC072) - Table C1 Monthly Budget Summary for period ending (M06) 31 December 2023

| Description | 2022/23 | Budget year 2023/24 | | | | | | | | |
|--|-----------------|---------------------|-----------------|----------------|---------------|----------------|----------------|-----------------|----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | M06 Dec Actual | Q2 Dec Actual | YTD Actual | YTD Budget | YTD Variance | YTD variance % | Full Year Forecast |
| Financial Performance | | | | | | | | | | |
| Property rates | 17 771 | 18 702 | 18 702 | 1 049 | 3 151 | 11 438 | 10 830 | 608 | 5,61 | 18 702 |
| Service charges | 71 341 | 82 545 | 82 545 | 8 566 | 22 363 | 42 941 | 41 338 | 1 604 | 3,88 | 82 545 |
| Investment revenue | 1 023 | 146 | 146 | 7 | 129 | 269 | 73 | 196 | 268,85 | 146 |
| Transfer and subsidies - Operational | 69 132 | 74 744 | 74 744 | 22 536 | 22 964 | 54 941 | 53 098 | 1 842 | 3,47 | 74 744 |
| Other own revenue | 39 498 | 47 047 | 47 047 | 3 550 | 9 045 | 17 354 | 23 452 | (6 098) | (26,00) | 47 047 |
| Total Revenue (excluding capital transfers and contributions) | 198 765 | 223 184 | 223 184 | 35 708 | 57 653 | 126 943 | 128 791 | (1 848) | (1,43) | 223 184 |
| Employee costs | 52 832 | 72 523 | 72 523 | 4 809 | 14 051 | 28 022 | 35 557 | (7 535) | (21,19) | 72 523 |
| Remuneration of councillors | 5 341 | 5 746 | 5 746 | 459 | 1 378 | 2 921 | 2 873 | 48 | 1,67 | 5 746 |
| Depreciation and amortisation | 47 136 | 26 933 | 26 933 | - | 13 | 99 | 13 467 | (13 368) | (99,27) | 26 933 |
| Finance charges | 3 657 | 1 350 | 1 350 | 4 | 4 | 4 | 675 | (671) | (99,41) | 1 350 |
| Inventory consumed and bulk purchases | 38 556 | 53 474 | 53 474 | 3 694 | 7 206 | 20 000 | 26 737 | (6 737) | (25,20) | 53 474 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - | - |
| Other expenditure | 94 169 | 62 699 | 62 699 | 4 405 | 8 445 | 14 199 | 31 350 | (17 150) | (54,71) | 62 699 |
| Total Expenditure | 241 692 | 222 725 | 222 725 | 13 370 | 31 098 | 65 246 | 110 658 | (45 413) | (41,04) | 222 725 |
| Surplus/(Deficit) | (42 926) | 459 | 459 | 22 338 | 26 555 | 61 698 | 18 133 | 43 565 | 240,25 | 459 |
| Transfers and subsidies - capital (monetary allocations) | 26 287 | 27 609 | 27 609 | 3 000 | 7 000 | 18 003 | 13 804 | 4 199 | 30,42 | 27 609 |
| Transfers and subsidies - capital (in-kind) | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (16 639) | 28 068 | 28 068 | 25 338 | 33 555 | 79 701 | 31 937 | 47 763 | 149,55 | 28 068 |
| Share of Surplus/Deficit attributable to Associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | (16 639) | 28 068 | 28 068 | 25 338 | 33 555 | 79 701 | 31 937 | 47 763 | 149,55 | 28 068 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | (28 110) | 30 579 | 30 579 | 4 617 | 7 321 | 8 426 | 11 609 | (3 183) | (27,42) | 30 579 |
| Transfers recognised - capital | (32 206) | 27 609 | 27 609 | 4 506 | 7 087 | 8 142 | 10 089 | (1 947) | (19,30) | 27 609 |
| Borrowing | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 4 096 | 2 970 | 2 970 | 111 | 235 | 284 | 1 520 | (1 236) | (81,33) | 2 970 |
| Total sources of capital funds | (28 110) | 30 579 | 30 579 | 4 617 | 7 321 | 8 426 | 11 609 | (3 183) | (27,42) | 30 579 |
| Financial position | | | | | | | | | | |
| Total current assets | 134 393 | 104 713 | 104 713 | 20 053 | 29 846 | 201 559 | 113 501 | 88 058 | 77,58 | 104 713 |
| Total non current assets | 505 107 | 516 670 | 516 670 | 4 617 | 7 321 | 513 533 | 511 167 | 2 366 | 0,46 | 516 670 |
| Total current liabilities | 88 322 | 59 060 | 59 060 | (668) | 3 612 | 84 214 | 58 504 | 25 710 | 43,95 | 59 060 |
| Total non current liabilities | 8 516 | 20 283 | 20 283 | - | - | 8 516 | 20 283 | (11 767) | (58,01) | 20 283 |
| Community wealth/Equity | 542 662 | 542 039 | 542 039 | 25 338 | 33 555 | 622 362 | 545 881 | 76 481 | 14,01 | 542 039 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 144 718 | 40 215 | 40 215 | 30 014 | 29 290 | 67 728 | 38 010 | 29 718 | 78,18 | 40 215 |
| Net cash from (used) investing | (27 721) | (30 133) | (30 133) | (5 174) | (8 168) | (9 383) | (12 166) | 2 783 | (22,88) | (30 133) |
| Net cash from (used) financing | 55 | - | - | 3 | 28 | 54 | - | 54 | - | - |
| Cash/cash equivalents at the year end | 119 018 | 27 145 | 27 145 | 57 070 | 57 070 | 57 070 | 42 908 | 14 163 | 33,01 | 27 145 |
| Collection Rate | | | | | | | | | | |
| Property rates | 58,85 | 83,29 | 83,29 | 0,32 | 0,30 | 0,18 | 85,54 | - | - | 83,29 |
| Service charges | 67,18 | 77,09 | 77,09 | 53,49 | 55,65 | 57,72 | 77,00 | - | - | 77,09 |
| Service charges - electricity revenue | 100,80 | 92,81 | 92,81 | 67,53 | 75,37 | 81,07 | 92,85 | - | - | 92,81 |
| Service charges - water revenue | 38,11 | 65,78 | 65,78 | 33,83 | 33,59 | 33,73 | 66,17 | - | - | 65,78 |
| Service charges - sanitation revenue | 45,24 | 62,15 | 62,15 | 33,81 | 37,81 | 37,54 | 62,23 | - | - | 62,15 |
| Service charges - refuse revenue | 21,11 | 47,78 | 47,78 | 19,42 | 21,39 | 22,06 | 47,18 | - | - | 47,78 |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - |

Table C2 – Quarterly Budgeted Financial Performance by Functional Classification

Northern Cape: Umsobomvu (NC072) - Table C2 Monthly Budgeted Financial Performance by Functional Classification for period ending (M06) 31 December 2023

| Description | Ref | 2022/23 | Budget year 2023/24 | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|------------|------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | M06 Dec Actual | Q2 Dec Actual | YTD Actual | YTD Budget | YTD Variance | YTD variance % | Full Year Forecast |
| Revenue - Functional | | | | | | | | | | | |
| <i>Municipal governance and administration</i> | | 85 221 | 94 172 | 94 172 | 25 278 | 29 171 | 71 107 | 64 548 | 6 560 | 10,16 | 94 172 |
| Executive and council | | 64 458 | 70 165 | 70 165 | 22 540 | 22 544 | 51 549 | 50 119 | 1 431 | 2,85 | 70 165 |
| Finance and administration | | 20 763 | 24 007 | 24 007 | 2 738 | 6 627 | 19 558 | 14 429 | 5 129 | 35,55 | 24 007 |
| Internal audit | | | | | | | | | | | |
| <i>Community and public safety</i> | | 1 632 | 1 788 | 1 788 | 5 | 13 | 871 | 859 | 12 | 1,36 | 1 788 |
| Community and social services | | 1 627 | 1 706 | 1 706 | 1 | 5 | 845 | 822 | 23 | 2,82 | 1 706 |
| Sport and recreation | | 5 | 82 | 82 | 4 | 9 | 26 | 37 | (11) | (30,70) | 82 |
| Public safety | | | | | | | | | | | |
| Housing | | | | | | | | | | | |
| Health | | | | | | | | | | | |
| <i>Economic and environmental services</i> | | 32 600 | 39 164 | 39 164 | 3 185 | 8 188 | 12 872 | 19 342 | (6 470) | (33,45) | 39 164 |
| Planning and development | | | | | | | | | | | |
| Road transport | | 32 600 | 39 164 | 39 164 | 3 185 | 8 188 | 12 872 | 19 342 | (6 470) | (33,45) | 39 164 |
| Environmental protection | | | | | | | | | | | |
| <i>Trading services</i> | | 105 600 | 115 669 | 115 669 | 10 239 | 27 280 | 60 095 | 57 846 | 2 249 | 3,89 | 115 669 |
| Energy sources | | 55 896 | 45 648 | 45 648 | 7 231 | 17 784 | 33 387 | 22 401 | 10 986 | 49,04 | 45 648 |
| Water management | | 17 295 | 27 375 | 27 375 | 1 356 | 4 554 | 9 121 | 14 288 | (5 167) | (36,17) | 27 375 |
| Waste water management | | 24 192 | 31 289 | 31 289 | 1 652 | 4 941 | 17 587 | 15 683 | 1 904 | 12,14 | 31 289 |
| Waste management | | 8 217 | 11 356 | 11 356 | | | | 5 473 | (5 473) | (100,00) | 11 356 |
| <i>Other</i> | 4 | | | | | | | | | | |
| Total Revenue - Functional | 2 | 225 053 | 250 793 | 250 793 | 38 708 | 64 653 | 144 946 | 142 595 | 2 351 | 1,65 | 250 793 |
| Expenditure - Functional | | | | | | | | | | | |
| <i>Municipal governance and administration</i> | | 131 496 | 63 204 | 63 204 | 5 818 | 12 638 | 23 315 | 31 152 | (7 837) | (25,16) | 63 204 |
| Executive and council | | 19 118 | 21 952 | 21 952 | 2 211 | 5 683 | 11 569 | 10 847 | 722 | 6,65 | 21 952 |
| Finance and administration | | 112 378 | 41 252 | 41 252 | 3 606 | 6 955 | 11 746 | 20 305 | (8 559) | (42,15) | 41 252 |
| Internal audit | | | | | | | | | | | |
| <i>Community and public safety</i> | | 7 677 | 11 008 | 11 008 | 731 | 2 341 | 4 506 | 5 544 | (1 038) | (18,72) | 11 008 |
| Community and social services | | 2 625 | 4 275 | 4 275 | 308 | 962 | 1 822 | 2 089 | (266) | (12,75) | 4 275 |
| Sport and recreation | | 3 995 | 4 868 | 4 868 | 320 | 1 079 | 2 110 | 2 460 | (350) | (14,22) | 4 868 |
| Public safety | | | | | | | | | | | |
| Housing | | 1 057 | 1 865 | 1 865 | 102 | 299 | 574 | 995 | (422) | (42,38) | 1 865 |
| Health | | | | | | | | | | | |
| <i>Economic and environmental services</i> | | 26 178 | 27 978 | 27 978 | 981 | 2 832 | 5 836 | 13 916 | (8 080) | (58,06) | 27 978 |
| Planning and development | | | | | | | | | | | |
| Road transport | | 26 178 | 27 978 | 27 978 | 981 | 2 832 | 5 836 | 13 916 | (8 080) | (58,06) | 27 978 |
| Environmental protection | | | | | | | | | | | |
| <i>Trading services</i> | | 76 341 | 120 535 | 120 535 | 5 841 | 13 287 | 31 588 | 60 046 | (28 458) | (47,39) | 120 535 |
| Energy sources | | 57 333 | 63 279 | 63 279 | 3 813 | 7 764 | 20 760 | 31 631 | (10 872) | (34,37) | 63 279 |
| Water management | | 10 219 | 32 589 | 32 589 | 1 279 | 3 341 | 6 498 | 16 176 | (9 679) | (59,83) | 32 589 |
| Waste water management | | 4 934 | 14 471 | 14 471 | 405 | 1 256 | 2 550 | 7 213 | (4 663) | (64,65) | 14 471 |
| Waste management | | 3 855 | 10 197 | 10 197 | 343 | 925 | 1 781 | 5 026 | (3 245) | (64,56) | 10 197 |
| <i>Other</i> | 4 | | | | | | | | | | |
| Total Expenditure - Functional | 3 | 241 692 | 222 725 | 222 725 | 13 370 | 31 098 | 65 246 | 110 658 | (45 413) | (41,04) | 222 725 |
| | | (16 639) | 28 068 | 28 068 | 25 338 | 33 555 | 79 701 | 31 937 | 47 763 | 149,55 | 28 068 |

Table C4 – Quarterly Budget Performance All

Northern Cape: Umsobomvu (NC072) - Table C4 Monthly Budgeted Financial Performance (All) for period ending (M06) 31 December 2023

| Description | Ref | 2022/23 | Budget year 2023/24 | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|----------------|----------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | M06 Dec Actual | Q2 Dec Actual | YTD Actual | YTD Budget | YTD Variance | YTD variance % | Full Year Forecast |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | | 33 878 | 41 545 | 41 545 | 5 315 | 12 109 | 22 310 | 20 403 | 1 906 | 9,34 | 41 545 |
| Service charges - Water | | 16 671 | 20 724 | 20 724 | 1 356 | 4 554 | 9 121 | 10 962 | (1 841) | (16,80) | 20 724 |
| Service charges - Waste Water Management | | 12 574 | 12 212 | 12 212 | 1 155 | 3 472 | 7 002 | 6 145 | 857 | 13,95 | 12 212 |
| Service charges - Waste Management | | 8 217 | 8 065 | 8 065 | 740 | 2 227 | 4 509 | 3 827 | 681 | 17,80 | 8 065 |
| Sale of Goods and Rendering of Services | | 212 | 270 | 270 | 10 | 61 | 111 | 123 | (12) | (9,89) | 270 |
| Agency services | | | | | | | | | | | |
| Interest | | | | | | | | | | | |
| Interest earned from Receivables | | 21 445 | 16 986 | 16 986 | 2 091 | 6 186 | 12 131 | 8 439 | 3 692 | 43,75 | 16 986 |
| Interest earned from Current and Non Current Assets | | 1 023 | 146 | 146 | 7 | 129 | 265 | 73 | 196 | 268,85 | 146 |
| Dividends | | | | | | | | | | | |
| Rent on Land | | 12 | 28 | 28 | | 3 | 3 | 14 | (11) | (81,02) | 28 |
| Rental from Fixed Assets | | 139 | 83 | 83 | 6 | 41 | 96 | 36 | 60 | 165,47 | 83 |
| Licence and permits | | | 30 | 30 | | 4 | 18 | 15 | 3 | 23,21 | 30 |
| Operational Revenue | | 1 290 | 1 095 | 1 095 | 908 | 963 | 1 124 | 550 | 575 | 104,60 | 1 095 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | | 17 771 | 18 702 | 18 702 | 1 049 | 3 151 | 11 438 | 10 830 | 608 | 5,61 | 18 702 |
| Surcharges and Taxes | | | 1 | 1 | | | 1 | (1) | (100,00) | | 1 |
| Fines, penalties and forfeits | | 15 595 | 25 653 | 25 653 | 161 | 614 | 1 323 | 12 827 | (11 504) | (89,69) | 25 653 |
| Licences or permits | | 805 | 353 | 353 | 20 | 125 | 539 | 174 | 365 | 209,33 | 353 |
| Transfer and subsidies - Operational | | 69 132 | 74 744 | 74 744 | 22 536 | 22 964 | 54 941 | 53 098 | 1 842 | 3,47 | 74 744 |
| Interest | | | 2 547 | 2 547 | 353 | 1 049 | 2 008 | 1 273 | 735 | 57,71 | 2 547 |
| Fuel Levy | | | | | | | | | | | |
| Operational Revenue | | | | | | | | | | | |
| Gains on disposal of Assets | | | | | | | | | | | |
| Other Gains | | | | | | | | | | | |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contrib | | 198 765 | 223 184 | 223 184 | 35 708 | 57 653 | 126 943 | 128 791 | (1 848) | (1,43) | 223 184 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | | 52 832 | 72 523 | 72 523 | 4 809 | 14 051 | 28 022 | 35 557 | (7 535) | (21,19) | 72 523 |
| Remuneration of councillors | | 5 341 | 5 746 | 5 746 | 459 | 1 378 | 2 921 | 2 873 | 48 | 1,67 | 5 746 |
| Bulk purchases - electricity | | 37 845 | 49 961 | 49 961 | 3 166 | 6 131 | 17 960 | 24 981 | (7 021) | (28,11) | 49 961 |
| Inventory consumed | | 711 | 3 513 | 3 513 | 527 | 1 075 | 2 041 | 1 756 | 284 | 16,19 | 3 513 |
| Debt impairment | | | 19 282 | 19 282 | | | | 9 641 | (9 641) | (100,00) | 19 282 |
| Depreciation and amortisation | | 47 136 | 26 933 | 26 933 | | 13 | 99 | 13 467 | (13 368) | (99,27) | 26 933 |
| Interest | | 3 657 | 1 350 | 1 350 | 4 | 4 | 4 | 675 | (671) | (99,41) | 1 350 |
| Contracted services | | 10 304 | 16 134 | 16 134 | 2 258 | 3 970 | 5 264 | 8 067 | (2 802) | (34,74) | 16 134 |
| Transfers and subsidies | | | | | | | | | | | |
| Irrecoverable debts written off | | 65 707 | 2 142 | 2 142 | 5 | 198 | 421 | 1 071 | (650) | (60,68) | 2 142 |
| Operational costs | | 18 158 | 24 217 | 24 217 | 2 143 | 4 277 | 8 514 | 12 109 | (3 595) | (29,69) | 24 217 |
| Losses on disposal of Assets | | | | | | | | | | | |
| Other Losses | | | 923 | 923 | | | | 462 | (462) | (100,00) | 923 |
| Total Expenditure | | 241 692 | 222 725 | 222 725 | 13 370 | 31 098 | 65 246 | 110 658 | (45 413) | (41,04) | 222 725 |
| Surplus/(Deficit) | | (42 926) | 459 | 459 | 22 338 | 26 555 | 61 698 | 18 133 | 43 565 | 240,25 | 459 |
| Transfers and subsidies - capital (monetary allocations) | | 26 287 | 27 609 | 27 609 | 3 000 | 7 000 | 18 003 | 13 804 | 4 199 | 30,42 | 27 609 |
| Transfers and subsidies - capital (in-kind) | | | | | | | | | | | |
| Surplus/(Deficit) after capital transfers and contributions | | (16 639) | 28 068 | 28 068 | 25 338 | 33 555 | 79 701 | 31 937 | 47 763 | 149,55 | 28 068 |
| Income Tax | | | | | | | | | | | |
| Surplus/(Deficit) after income tax | | (16 639) | 28 068 | 28 068 | 25 338 | 33 555 | 79 701 | 31 937 | 47 763 | 149,55 | 28 068 |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | | |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | (16 639) | 28 068 | 28 068 | 25 338 | 33 555 | 79 701 | 31 937 | 47 763 | 149,55 | 28 068 |
| Share of Surplus/Deficit attributable to Associate | | | | | | | | | | | |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | | |
| Surplus/(Deficit) for the year | | (16 639) | 28 068 | 28 068 | 25 338 | 33 555 | 79 701 | 31 937 | 47 763 | 149,55 | 28 068 |

Table C5 – Quarterly Budget Capital Expenditure by Functional Classification

Northern Cape: Umsobomvu (NC072) - Table C5 Monthly Budgeted Capital Expenditure by Functional Classification and Funding for period ending (M06) 31 December 2023

| Description | Ref | 2022/23 | Budget year 2023/24 | | | | | | | | |
|--|----------|-----------------|---------------------|-----------------|----------------|---------------|------------|------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | M06 Dec Actual | Q2 Dec Actual | YTD Actual | YTD Budget | YTD Variance | YTD variance % | Full Year Forecast |
| Capital Expenditure - Functional | | | | | | | | | | | |
| <i>Municipal governance and administration</i> | | - | 470 | 470 | 25 | 25 | 25 | 270 | (245) | (90,74) | 470 |
| Executive and council | | | | | | | | | | | |
| Finance and administration | | | 470 | 470 | 25 | 25 | 25 | 270 | (245) | (90,74) | 470 |
| Internal audit | | | | | | | | | | | |
| <i>Community and public safety</i> | | 939 | 5 502 | 5 502 | 2 140 | 2 140 | 2 140 | 2 751 | (611) | (22,21) | 5 502 |
| Community and social services | | | | | | | | | | | |
| Sport and recreation | 939 | | 5 502 | 5 502 | 2 140 | 2 140 | 2 140 | 2 751 | (611) | (22,21) | 5 502 |
| Public safety | | | | | | | | | | | |
| Housing | | | | | | | | | | | |
| Health | | | | | | | | | | | |
| <i>Economic and environmental services</i> | | 23 193 | 7 902 | 7 902 | 400 | 2 833 | 2 882 | 3 951 | (1 069) | (27,04) | 7 902 |
| Planning and development | | | | | | | | | | | |
| Road transport | 23 193 | | 7 902 | 7 902 | 400 | 2 833 | 2 882 | 3 951 | (1 069) | (27,04) | 7 902 |
| Environmental protection | | | | | | | | | | | |
| <i>Trading services</i> | | (52 242) | 16 705 | 16 705 | 2 052 | 2 323 | 3 379 | 4 637 | (1 259) | (27,14) | 16 705 |
| Energy sources | | | 1 300 | 1 300 | | | | 650 | (650) | (100,00) | 1 300 |
| Water management | (64 168) | | 3 081 | 3 081 | | | | 1 541 | (1 541) | (100,00) | 3 081 |
| Waste water management | 11 926 | | 12 324 | 12 324 | 2 052 | 2 323 | 3 379 | 2 447 | 932 | 38,08 | 12 324 |
| Waste management | | | | | | | | | | | |
| <i>Other</i> | | | | | | | | | | | |
| Total Capital Expenditure - Functional | 3 | (28 110) | 30 579 | 30 579 | 4 617 | 7 321 | 8 426 | 11 609 | (3 183) | (27,42) | 30 579 |
| Funded by | | | | | | | | | | | |
| National Government | | (32 206) | 27 609 | 27 609 | 4 506 | 7 087 | 8 142 | 10 089 | (1 947) | (19,30) | 27 609 |
| Provincial Government | | | | | | | | | | | |
| District Municipality | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) | | | | | | | | | | | |
| Transfers recognised - capital | | (32 206) | 27 609 | 27 609 | 4 506 | 7 087 | 8 142 | 10 089 | (1 947) | (19,30) | 27 609 |
| Borrowing | 6 | | | | | | | | | | |
| Internally generated funds | | 4 096 | 2 970 | 2 970 | 111 | 235 | 284 | 1 520 | (1 236) | (81,33) | 2 970 |
| Total Capital Funding | | (28 110) | 30 579 | 30 579 | 4 617 | 7 321 | 8 426 | 11 609 | (3 183) | (27,42) | 30 579 |

Table C6 – Quarterly Budget Statement – Financial Position

Northern Cape: Umsobomvu (NC072) - Table C6 Monthly Budget Statement - Financial Position (All) for period ending (M06) 31 December 2023

| Description | Ref | Budget year 2023/24 | | | | | | | | | |
|---|-----|---------------------|-----------------|-----------------|----------------|---------------|----------------|----------------|-----------------|----------------|--------------------|
| | | 2022/23 | Original Budget | Adjusted Budget | M06 Dec Actual | Q2 Dec Actual | YTD Actual | YTD Budget | YTD Variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | Audited Outcome | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash and cash equivalents | | (1 328) | 36 980 | 36 980 | 10 344 | 6 846 | 17 304 | 50 095 | (32 791) | (65,46) | 36 980 |
| Trade and other receivables from exchange transactions | | 80 079 | 41 868 | 41 868 | 7 259 | 18 939 | 116 451 | 38 659 | 77 792 | 201,23 | 41 868 |
| Receivables from non-exchange transactions | | 22 555 | 19 293 | 19 293 | 723 | 1 878 | 31 298 | 19 715 | 11 583 | 58,75 | 19 293 |
| Current portion of non-current receivables | | (1) | (1) | (1) | | | (1) | (1) | | | (1) |
| Inventory | | 23 | 421 | 421 | | | 23 | (1 118) | 1 141 | (102,10) | 421 |
| VAT | | 30 994 | | | 1 731 | 2 211 | 34 466 | | 34 466 | | |
| Other current assets | | 2 071 | 6 152 | 6 152 | (3) | (28) | 2 017 | 6 152 | (4 134) | (67,21) | 6 152 |
| Total current assets | | 134 393 | 104 713 | 104 713 | 20 053 | 29 846 | 201 559 | 113 501 | 88 058 | 77,58 | 104 713 |
| Non current assets | | | | | | | | | | | |
| Investments | | 2 003 | 1 558 | 1 558 | | | 2 003 | 1 558 | 445 | 28,59 | 1 558 |
| Investment property | | 43 581 | 16 699 | 16 699 | | | 43 581 | 16 699 | 26 882 | 160,98 | 16 699 |
| Property, plant and equipment | | 459 496 | 498 488 | 498 488 | 4 617 | 7 321 | 467 922 | 492 975 | (25 053) | (5,08) | 498 488 |
| Biological assets | | | | | | | | | | | |
| Living and non-living resources | | | | | | | | | | | |
| Heritage assets | | | | | | | | | | | |
| Intangible assets | | 26 | (75) | (75) | | | 26 | (65) | 91 | (140,50) | (75) |
| Trade and other receivables from exchange transactions | | | | | | | | | | | |
| Non-current receivables from non-exchange transactions | | | | | | | | | | | |
| Other non-current assets | | | | | | | | | | | |
| Total non current assets | | 505 107 | 516 670 | 516 670 | 4 617 | 7 321 | 513 533 | 511 167 | 2 366 | 0,46 | 516 670 |
| TOTAL ASSETS | | 639 500 | 621 383 | 621 383 | 24 670 | 37 167 | 715 092 | 624 668 | 90 424 | 14,48 | 621 383 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | | - | | | | | | | | | |
| Financial liabilities | | 2 026 | 2 526 | 2 526 | | | 2 026 | 2 526 | (499) | (19,77) | 2 526 |
| Consumer deposits | | 705 | 733 | 733 | (1) | (20) | 678 | 733 | (55) | (7,44) | 733 |
| Trade and other payables from exchange transactions | | 33 508 | 42 296 | 42 296 | (2 097) | 251 | 22 547 | 42 296 | (19 749) | (46,69) | 42 296 |
| Trade and other payables from non-exchange transactions | | (12 832) | | | | | (12 832) | | (12 832) | | |
| Provision | | 13 530 | 5 134 | 5 134 | | | 13 530 | 4 578 | 8 952 | 195,54 | 5 134 |
| VAT | | 51 384 | 8 372 | 8 372 | 1 430 | 3 381 | 58 264 | 8 372 | 49 892 | 595,94 | 8 372 |
| Other current liabilities | | | | | | | | | | | |
| Total current liabilities | | 88 322 | 59 060 | 59 060 | (668) | 3 612 | 84 214 | 58 504 | 25 710 | 43,95 | 59 060 |
| Non current liabilities | | | | | | | | | | | |
| Financial liabilities | | | | | | | | | | | |
| Provision | | | 4 672 | 4 672 | | | | 4 672 | (4 672) | (100,00) | 4 672 |
| Long term portion of trade payables | | | 1 241 | 1 241 | | | | 1 241 | (1 241) | (100,00) | 1 241 |
| Other non-current liabilities | | 8 516 | 14 371 | 14 371 | | | 8 516 | 14 371 | (5 855) | (40,74) | 14 371 |
| Total non current liabilities | | 8 516 | 20 283 | 20 283 | - | - | 8 516 | 20 283 | (11 767) | (58,01) | 20 283 |
| TOTAL LIABILITIES | 2 | 96 838 | 79 343 | 79 343 | (668) | 3 612 | 92 730 | 78 788 | 13 943 | 17,70 | 79 343 |
| NET ASSETS | | 542 662 | 542 039 | 542 039 | 25 338 | 33 555 | 622 362 | 545 881 | 76 481 | 14,01 | 542 039 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated surplus/(deficit) | | 508 138 | 546 090 | 546 090 | 25 338 | 33 555 | 587 838 | 549 932 | 37 906 | 0 | 546 090 |
| Reserves and funds | | 34 524 | (4 051) | (4 051) | | | 34 524 | (4 051) | 38 575 | (1) | (4 051) |
| Other | | | | | | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 542 662 | 542 039 | 542 039 | 25 338 | 33 555 | 622 362 | 545 881 | 76 481 | 0 | 542 039 |

Table C7 – Quarterly Budgeted Statement – Cash Flow

Northern Cape: Umsobomvu (NC072) - Table C7 Monthly Budgeted Cash Flows (All) for period ending (M06) 31 December 2023

| Description | Ref | 2022/23 | Budget year 2023/24 | | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|----------------|----------------|-----------------|---------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | M06 Dec Actual | Q2 Dec Actual | YTD Actual | YTD Budget | YTD Variance | YTD variance % | Full Year Forecast |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | 10 458 | 15 577 | 15 577 | 3 | 10 | 21 | 9 263 | (9 242) | (99,77) | 15 577 |
| Service charges | | 47 925 | 63 631 | 63 631 | 4 582 | 12 445 | 24 787 | 31 829 | (7 042) | (22,13) | 63 631 |
| Other revenue | | 64 321 | 27 514 | 27 514 | 3 132 | 10 942 | 20 669 | 13 739 | 6 930 | 50,44 | 27 514 |
| Transfers and Subsidies - Operational | 1 | 68 279 | 74 744 | 74 744 | 22 536 | 22 964 | 54 941 | 53 098 | 1 842 | 3,47 | 74 744 |
| Transfers and Subsidies - Capital | 1 | 26 988 | 27 609 | 27 609 | 3 000 | 7 000 | 18 003 | 13 804 | 4 199 | 30,42 | 27 609 |
| Interest | | 528 | 146 | 146 | | 113 | 176 | 73 | 103 | 140,97 | 146 |
| Dividends | | | | | | | | | | | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (73 781) | (167 655) | (167 655) | (3 239) | (24 184) | (50 868) | (83 122) | 32 254 | (38,80) | (167 655) |
| Finance charges | | | (1 350) | (1 350) | | | | (675) | 675 | (100,00) | (1 350) |
| Transfers and Subsidies | 1 | | | | | | | | | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 144 718 | 40 215 | 40 215 | 30 014 | 29 290 | 67 728 | 38 010 | 29 718 | 78,18 | 40 215 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | | | | | | | | | |
| Decrease (Increase) in non-current debtors (not used) | | | | | | | | | | | |
| Decrease (increase) in non-current receivables | | | | | | | | | | | |
| Decrease (increase) in non-current investments | | (445) | 445 | 445 | | | | (556) | 556 | (100,00) | 445 |
| Payments | | | | | | | | | | | |
| Capital assets | | (27 275) | (30 579) | (30 579) | (5 174) | (8 168) | (9 383) | (11 609) | 2 227 | (19,18) | (30 579) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (27 271) | (30 133) | (30 133) | (5 174) | (8 168) | (9 383) | (12 166) | 2 783 | (22,88) | (30 133) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | | | | | | | | | |
| Borrowing long term/refinancing | | | | | | | | | | | |
| Increase (decrease) in consumer deposits | | 55 | | | 3 | 28 | 54 | | 54 | | |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | | | | | | | | | | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 55 | - | - | 3 | 28 | 54 | - | 54 | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 117 051 | 10 082 | 10 082 | 24 843 | 21 150 | 58 399 | 25 845 | 32 554 | 125,96 | 10 082 |
| Cash/cash equivalents at the year begin: | | 1 966 | 17 063 | 17 063 | 32 227 | 35 921 | (1 328) | 17 063 | (18 391) | (107,78) | 17 063 |
| Cash/cash equivalents at the year end: | 2 | 119 018 | 27 145 | 27 145 | 57 070 | 57 070 | 57 070 | 42 908 | 14 163 | 33,01 | 27 145 |

MUNICIPALITY FINANCIAL PERFORMANCE

Section 71 and Section 52(d) of the MFMA requires that the Accounting Officer of the municipality by no later than 10 working days after the end of each month and quarter, submit to the mayor of the municipality a report on municipality's budget and the implementation thereof.

1. Operating Revenue

Operating revenue for the first half of the financial year amounts to R 126,943 million, which represent 57% of the annual budgeted operating revenue of R223 184 million. The norm for the first quarter should be at 50%. An adjustment budget will be necessary for some revenue items which will be explained in detail below.

2. Grants Funds

Total operating grants for the first half of the financial year amounts to R 54,941 million which equates to 74% of the budget R 74,744 million. Total capital grants received for the first half is R 18,003 million which is 65% of the budgeted amount. It must be noted that capital grants received are shown as creditors until the grant has been spent then it will be shown as a transfer to revenue.

3. Operating Expenditure

Operating expenditure for first half of the financial year is R 65,246 million and the budgeted operating expenditure is R222 725 million. This equates to 29% of the annual budgeted operating expenditure. The norm for the first quarter should be at 25%. Debt impairment and Depreciation are not monthly accounted for hence there is a variance of 25%. We will start recording the monthly provisions for debt impairment and depreciation during the second half of the financial year.

4. Employee related costs

Employee related costs for the first half of the financial year is R 28,022 million and the budgeted amount is R 72,523 million. This equates to 39% of the annual budgeted employee related costs. The norm for the first quarter should be 25%. The variance we see is due to the budgeted vacancies that are not filled to date, especially the vacant senior management positions.

5. Remuneration of councilors

Remuneration of councilors for the first half of the financial year is R 2,921 million and the budgeted amount is R 5,746 million. This equates to 51% of the annual budgeted remuneration of councilors. The norm for the first quarter should be 25%. An adjustment budget will be required due to the implementation of the upper limits.

6. Debt impairment

Debt impairment to date is R 0 and the budgeted is R 19 282 million this amount to 0% accounted so far. The reason for the variance is that the debts and assets impairments are accounted for at the end of the financial year, but we will start processing the monthly provisions during the second half of the financial year.

7. Bulk purchases

Electricity Bulk Purchases for the first quarter are at R 17,960 million which is equal to 36% of the budget amount of R 49 961 million. The norm for the first quarter is 25%. This is not the true reflection of invoices received, we will start accounting for invoices into the financial system as we receive them in the second half of the financial year. The municipality's debt relief application has also been approved. We have also submitted a revised payment arrangement to Eskom for the September 2023 invoice amounting to R 6,933, which we will be paying over a period of 24 months.

8. Other expenditure

Other expenditure year to date amounts to R 8,514 million and the budgeted amount is R24 217 million. This equates to 35% of the annual budgeted amount. The reason for the variance is due to the fact that the municipality has cash flow challenges and expenditure is prioritized mainly to service delivery related issues.

9. Contracted Services

The expenditure on contracted services is R5,264 million Year-to-date (YTD) and the budgeted amount is R16,134 million. This equates to 33% of the annual budget.

The reason for the variance is due to cash flow challenges as we are paying some of the service providers late.

10. Finance Charges:

Budgeted finance cost is R 1,350 million consisting of interest on overdue accounts of creditors. Year to date the municipality incurred finance cost of R 4 million. We are still finding it difficult to pay creditors within 30 days due to cash flow challenges. We are implementing credit control in municipal supplied areas in efforts to improve our situation.

11. Service Charges – Electricity:

Electricity services charges for the first half of the financial year are in line with the budgeted amount as the variance is just less than 10%. As at the end of December 2023, Electricity service charges billed amount to R 22,310 which is 54% of the budgeted amount. We are still performing monthly surprise inspections to try and mitigate the increasing electricity losses.

12. Service Charges – Water:

Water services charges are slightly below the norm as they are at 44% of the budgeted amount. As at the end of December 2023, water service charges billed amount to R 9,121 million. We might need to adjust this revenue item downwards.

13. Service charges-Waste Water Management:

The Year-to-date service charges for Waste water management is R7,002 million and the budgeted amount is R12,212 million which is 57% of the budget. The variance is due to the implementation of the revenue enhancement recommendations, we will definitely need to adjust this service upwards.

14. Service charges- Waste Management:

The Year-to-date service charges for Waste management is R4,509 million and the budgeted is R 8,065 million which is 56% of budgeted. The variance is due to the implementation of the revenue enhancement recommendations, we will need to adjust this service upwards.

15. Interest earned from receivable

The Year-to-date Interest Earned on Receivable is R12,131 million and budgeted is R16 986 million which is 71% of the budget. The reason for the variance is due to non-payment of accounts as a result of poor credit control implementation as well as non-payment from Eskom supplied areas. We will need to adjust this revenue item upwards as it is way above the year to date budget.

PART 2: SUPPORTING DOCUMENTATION

❖ Debtors Analyses

| <i>OUTSTANDING DEBTORS</i> | <i>01/10/2023</i> | <i>31/12/2023</i> | <i>INCREASE/(DECREASE)</i> | <i>%</i> |
|--|-------------------|-------------------|----------------------------|----------|
| DEBTOR'S GROWTH | 362 892 000.00 | 382 822 000.00 | 19 930 000.00 | 5.49% |
| Comment- The increase in trade debtors is due to the poor implementation of strict credit control measures as well as the non-payment from Eskom supplied areas. | | | | |

❖ Creditors Analyses

| <i>OUTSTANDING CREDITORS</i> | <i>01/10/2023</i> | <i>31/12/2023</i> | <i>INCREASE/(DECREASE)</i> | <i>%</i> |
|--|-------------------|-------------------|----------------------------|----------|
| CREDITOR'S GROWTH | 18 554 093.85 | 20 767 224.84 | R 2 213 130.99 | 11.93% |
| Comment- The municipality is trying to meet its commitments even though it is difficult to collect as customers in the Eskom supplied areas are not paying for their services. | | | | |

❖ Investment Portfolio

| <u>SUMMARY</u> | | | | | | | | | | | |
|------------------|-----------------|----------------------------|-----------------------|--------------------|-----------------|-----------------------|----------------|----------------------|-------------------|--------------------|----------------------------------|
| <u>2023/2024</u> | | | | | | | | | | | |
| System Vote | ACCOUNT NUMBER | FINANCIAL SERVICE PROVIDER | DESCRIPTION | BALANCE 01/07/2023 | DEPOSITS | WITHDRAWALS/TRANSFERS | BANK CHARGES | INTEREST TRANSFERRED | INTEREST RECEIVED | BALANCE 30/09/2023 | BALANCE AS PER SYSTEM 30/09/2023 |
| 031026213001 | 2889-016-06-001 | STANDARD | CAPITAL REPLACEMENT 1 | 83 637,39 | R - | R - | R - | R 2 935,32 | R 2 935,32 | R 83 637,39 | R 83 637,39 |
| 031026218001 | 2889-015-41-001 | STANDARD | HOUSING DEVELOPMENT | 151 485,21 | R - | R - | R - | R 6 151,98 | R 6 151,98 | R 151 485,21 | R 151 485,21 |
| 031026220001 | 74107-295-062 | FNB | HOUSING DEVELOPMENT | 24 355,88 | R - | R - | R - | R 911,45 | R 911,45 | R 24 355,88 | R 24 355,88 |
| 031051525001 | 93-5522-7534 | ABSA | INVEST TRACKER | 474 190,15 | R 24 000 000,00 | R 3 500 000,00 | R 8 530 000,00 | R - | R 188 563,10 | R 12 632 753,25 | R 12 632 753,25 |
| | | | | 733 668,63 | R 24 000 000,00 | R 3 500 000,00 | R 8 530 000,00 | R 9 998,75 | R 198 561,85 | R 12 892 231,73 | R 12 892 231,73 |

❖ Actual Receipts / Cashflow

Northern Cape: Umsobomvu (NC072) - Table SC30 Actual Monthly Cash Flows (All) for period ending (M03) 30 September 2023

Northern Cape: Umsobomvu (NC072) - Table SC30 Actual Monthly Cash Flows (All) for 2nd Quarter ended 31 December 2023

| Description | 2022/23 | | Budget year 2023/24 | | | | | | | | | | | | |
|--|----------------------|----------------------|----------------------|--------------------|---------------------|--------------------|---------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | M01 July Actual | M02 Aug Actual | M03 Sept Actual | M04 Oct Actual | M05 Nov Actual | M06 Dec Actual | M07 Jan Actual | M08 Feb Actual | M09 Mar Actual | M10 Apr Actual | M11 May Actual | M12 June Actual |
| Cash Receipts By Source | | | | | | | | | | | | | | | |
| Property rates | 10 458 105 | 15 576 610 | 15 576 610 | - | 3 100 | 8 300 | 5 300 | 900 | 3 400 | - | - | - | - | - | - |
| Service charges - electricity revenue | 34 148 807 | 38 555 670 | 38 555 670 | 2 936 437 | 2 292 118 | 3 731 952 | 3 061 674 | 2 475 686 | 3 589 163 | - | - | - | - | - | - |
| Service charges - water revenue | 6 353 565 | 13 631 230 | 13 631 230 | 538 601 | 548 345 | 459 656 | 535 225 | 535 490 | 458 848 | - | - | - | - | - | - |
| Service charges - sanitation revenue | 5 688 178 | 7 590 040 | 7 590 040 | 451 719 | 527 369 | 337 099 | 420 949 | 501 314 | 390 416 | - | - | - | - | - | - |
| Service charges - refuse revenue | 1 734 276 | 3 853 900 | 3 853 900 | 164 571 | 193 055 | 160 450 | 156 486 | 176 269 | 143 763 | - | - | - | - | - | - |
| Rental of facilities and equipment | 165 788 | 111 250 | 111 250 | 4 841 | 22 000 | 20 599 | 18 884 | 15 353 | 12 985 | - | - | - | - | - | - |
| Interest earned - external investments | 527 510 | 146 100 | 146 100 | - | - | 63 385 | - | 112 643 | - | - | - | - | - | - | - |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 3 049 135 | 25 653 400 | 25 653 400 | 149 500 | 362 350 | 185 520 | 250 450 | 195 650 | 158 050 | - | - | - | - | - | - |
| Licences and permits | 805 414 | 382 800 | 382 800 | 17 073 | 105 671 | 306 223 | 71 644 | 37 639 | 20 240 | - | - | - | - | - | - |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and Subsidies - Operational | 68 279 000 | 74 744 300 | 74 744 300 | - | 31 142 000 | 834 500 | - | 428 000 | 22 536 000 | - | - | - | - | - | - |
| Other revenue | 60 301 040 | 1 366 200 | 1 366 200 | 5 616 416 | 1 421 705 | 1 514 460 | 5 816 595 | 1 404 070 | 2 940 827 | - | - | - | - | - | - |
| Cash Receipts by Source | 191 510 816 | 181 611 500 | 181 611 500 | 9 879 158 | 36 617 913 | 7 622 144 | 10 337 207 | 5 883 014 | 30 253 692 | - | - | - | - | - | - |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (| 26 988 000 | 27 608 700 | 27 608 700 | - | 3 300 000 | 7 703 000 | - | 4 000 000 | 3 000 000 | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds on Disposal of Fixed and Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | 54 589 | - | - | 8 590 | 7 073 | 9 987 | 16 801 | 8 005 | 3 073 | - | - | - | - | - | - |
| Decrease (Increase) in non-current debtors (not used) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | (445 352) | 445 352 | 445 352 | (1 557 795) | 1 112 443 | 445 352 | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | 218 108 055 | 209 665 552 | 209 665 552 | 8 329 953 | 41 037 429 | 15 780 483 | 10 354 008 | 9 891 019 | 33 256 765 | - | - | - | - | - | - |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 130 320 | (70 238 841) | (70 238 841) | - | - | - | (18 610 744) | 4 552 625 | 4 697 461 | - | - | - | - | - | - |
| Remuneration of councillors | - | (5 746 400) | (5 746 400) | - | - | - | - | - | 487 931 | - | - | - | - | - | - |
| Finance charges | - | (1 350 000) | (1 350 000) | - | - | - | - | - | - | - | - | - | - | - | - |
| Bulk purchases - Electricity | - | (49 961 300) | (49 961 300) | - | - | - | - | - | - | - | - | - | - | - | - |
| Acquisition inventory - water and other inventory | - | (1 357 800) | (1 357 800) | - | - | - | - | - | - | - | - | - | - | - | - |
| Contracted services | - | (16 133 800) | (16 133 800) | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expenditure | (73 696 714) | (24 217 123) | (24 217 123) | (8 008 824) | (10 742 117) | (7 933 837) | (5 557 166) | (1 328 960) | (8 424 651) | - | - | - | - | - | - |
| Cash Payments by Type | (73 566 394) | (169 005 264) | (169 005 264) | (8 008 824) | (10 742 117) | (7 933 837) | (24 167 910) | 3 223 665 | (3 239 259) | - | - | - | - | - | - |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | (27 275 283) | (30 578 700) | (30 578 700) | - | (204 240) | (1 009 943) | (1 229 725) | (1 764 387) | (5 174 315) | - | - | - | - | - | - |
| Repayment of borrowing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Cash Flows/Payments | (214 892) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | (101 056 569) | (199 583 964) | (199 583 964) | (8 008 824) | (10 946 357) | (8 943 780) | (25 397 635) | 1 459 278 | (8 413 574) | - | - | - | - | - | - |
| NET INCREASE/(DECREASE) IN CASH HELD | 117 051 486 | 10 081 588 | 10 081 588 | 321 129 | 30 091 072 | 6 836 703 | (15 043 627) | 11 350 297 | 24 843 191 | - | - | - | - | - | - |
| Cash/cash equivalents at the month/year begin: | 1 966 491 | 17 062 969 | 17 062 969 | (1 328 341) | (1 007 212) | 29 083 860 | 35 920 563 | 20 876 936 | 32 227 233 | 57 070 424 | 57 070 424 | 57 070 424 | 57 070 424 | 57 070 424 | 57 070 424 |
| Cash/cash equivalents at the month/year end: | 119 017 977 | 27 144 557 | 27 144 557 | (1 007 212) | 29 083 860 | 35 920 563 | 20 876 936 | 32 227 233 | 57 070 424 | 57 070 424 | 57 070 424 | 57 070 424 | 57 070 424 | 57 070 424 | 57 070 424 |

❖ Summary of Indigent Households

SUMMARY OF INDIGENT HOUSEHOLDS' BENEFICIARIES AS AT 30 SEPTEMBER 2023

| PERIOD | NUMBER OF INDIGENT HOUSEHOLDS REGISTERED & CAPTURED INTO THE FINANCIAL MANAGEMENT SYSTEM |
|----------------|---|
| JULY 2023 | 1179 |
| AUGUST 2023 | 1179 |
| SEPTEMBER 2023 | 1232 |
| OCTOBER 2023 | 1223 |
| NOVEMBER 2023 | 1253 |
| DECEMBER 2023 | 1261 |

❖ **SUPPLY-CHAIN REPORT**

SUPPLY CHAIN MANAGEMENT REPORT AS PER REGULATION 6 (Oversight role of council of municipality):

- 1) The council of a municipality must maintain oversight over the implementation of its supply chain management policy.
- 2) **Written or verbal quotations**
A supply chain management policy must stipulate the conditions for the procurement of goods or services through written or quotations, which must include conditions stating:
 - (i) That if it not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer
- 3) **THE BID COMMITTEE SYSTEM- The following committees have been established:**
 - The Bid Specification Committee
 - The Bid Evaluation Committee
 - The Bid Adjudication Committee

The Bid Committee system for competitive bids has been actively applied within the Municipality over the past financial year. Officials are still being invited on an ad-hoc basis to participate in the committees as and when required, but with written delegations. Officials are required to declare any possible conflict of interest at the meetings and recuse themselves in the event of a possible conflict.

4) MUNICIPAL SUPPLY CHAIN MANAGEMENT UNIT ORGANISATIONAL STRUCTURE & PERSONNEL:

In terms of paragraph 7 of the Municipal Supply Chain Management Regulations (MSCMR) the municipality must establish a Supply chain Management Unit (SCMU) to implement its supply chain management policy. The SCMU must operate under the direct supervision of the Chief Financial Officer or may be delegated to an official in terms of Section 82 of the MFMA.

During the reporting period the staff complement that performed the duties and functions in terms of the SCM policy were as follows:

| | |
|---|--|
| <p>Section Head: Supply Chain Management: Vacant</p> | <ul style="list-style-type: none"> ○ Oversees the co-ordination and controlling of the implementation of the SCM policy ○ Manages bid committees; ○ Oversees the management and implementation of SCM supplier database; ○ Oversees the management of the bid processes and contracts; ○ Oversees all relevant reportin |
|---|--|

| | |
|--|---|
| | <ul style="list-style-type: none"> ○ Implements the SCM policy for purchases between R30 000 and R200 000; ○ Prepares bid committee agendas and minutes ○ Bid processes including bid opening and placement of advertisements |
| Senior SCM Clerk: Mrs. N. Dyantyi | <ul style="list-style-type: none"> ○ Implements the SCM Policy for the purchases between R30 000 and R200 000; ○ Prepares bid committees agendas and minutes ○ Bid processes including bid opening and placement of advertisements ○ Monthly reports on all procurements of goods and services; |
| SCM Clerk: Mr. S.G. Mlenzana | <ul style="list-style-type: none"> ○ Receiving of orders requests and sundry payments; ○ Validating vendor registration; ○ Validating budget and cost centers; ○ Processing of orders ○ Requesting quotations; ○ Filling of documents; ○ Other administrative Supply chain management functions; ○ Monthly reporting ○ Public assistance ○ Updating of SCM supplier database ○ Accepting a new vendor form ○ Upkeep of tax clearance certificate, B-BBEE certificates, ○ Rates and taxes and other changes to service providers as and when required; ○ Contract management |

8. COMPETENCY LEVELS OF THE SUPPLY CHAIN MANAGEMENT UNIT:

As per Government Gazette No. 29967 issued on the 15 June 2007- The Municipal Regulations on Minimum Competency levels, 2007 (Effective from 1 July 2007). Regulation in terms of section 168 of the Finance management Act, 2003 (Act No. 56 of 2003) officials appointed in the SCM unit should attain the following:

- (a) Higher education qualification
- (b) Work related experience
- (c) Core managerial and/or occupational competencies
- (d) Competency in the prescribed unit standards

The following officials have been exposed to Supply Chain Management (SCM) training and workshops in order to comply with the Regulations:

| Supply Chain Managers | | | Unit Standards completed | | |
|---------------------------|------------------|----------------|---|---|-------------------------------|
| Designation | Name of Official | Qualifications | Units' standards required as per regulations | Unit standards completed to date | Unit standards still required |
| SCM: Section Head | Vacant | N/A | N/A | N/A | N/A |
| SCM: Senior Clerk | N. Dyantyi | NQF 6 | 116345,119352, 119341,119331, 116364,116343, 116339,119343, 119334,116353 | 116345,119352, 119341,119331, 116364,116343, 116339,119343, 119334,116353, 116348,119350, 116362,119351, 116351,116341 | Completed |
| SCM: Procurement Clerk | S Mlenzana | Matric- NQF 4 | 116345,119352, 119341,119331, 116364,116343, 116339,119343, 119334,116353 | Not yet enrolled | Not yet enrolled |

9. APPLICATION OF SECTION 217 OF THE CONSTITUTION

The municipality contracts goods or services in accordance with a system which is:

- Fair
- Equitable
- Transparent
- Competitive, and
- Cost-effective

10. IMPLEMENTATION OF PREFERENTIAL PROCUREMENT REGULATIONS 2017

The PPPFA regulations became effective on the 1 April 2017.

These Regulations are implemented on a continuous basis by Umsobomvu Local Municipality thus awarding the bids to the highest procurement points scoring bidder.

11. SUPPLY CHAIN MANAGEMENT ACQUISITION PROCESSES

The following thresholds are currently being adhered to in order to support the strategic and operational commitments of the municipality:

- (a) Petty cash purchases- goods are purchased by way of one written quote, up to a transaction value of R2000.00 (VAT included)
- (b) Written or verbal quotations – goods and services are procured by a way of written quotations for a transaction value of R2001 up to R30 000 (VAT included);
- (c) Formal written quotation (7 days bidding process)- goods and services must be procured by way of 7 days bidding process for procurement of a transaction value of R30 001 up to R200 000 (VAT included);
- (d) A competitive bidding process- goods and services are procured by way of a competitive bidding process for-
 - o Procurement above a transaction value of R200 000 (VAT included): and
 - o The procurement of long-term contracts.

12. DEMAND MANAGEMENT- SUPPLIER DATABASE

Suppliers are continuously encouraged to register on the municipality's database as well as on the Central Supplier Database (CSD). Service providers may register on the database at any stage as there is no closing date for registration.

13. REPORTING TO NATIONAL TREASURY

Reports of awards made above R100 000.00 are updated on National Treasury's contract database in terms of MFMA circular no 19 of 2008.

"Approval of tenders not recommended"

- (1) If a tender other than the one recommended in the normal course of implementing the SCM policy of a municipality is approved, the accounting officer of the municipality must, in writing, notify the Auditor-General, the relevant provincial treasury and National Treasury and, in the case of a municipality entity, also the parent municipality, of the reasons for deviating from such recommendation.
- (2) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

14. DATABASE OF RESTRICTED SUPPLIERS

Prior to awards, a CSD and National Treasury verification is carried out to ensure that the recommended bidder is not restricted supplier or tender defaulter.

15. SUPPLY CHAIN MANAGEMENT INFORMATION ON WEBSITE

Bid invitation notices are also available on the municipality's website.

16. BIDS AWARDED BY THE BID ADJUDICATION COMMITTEE (ABOVE R200 000) AND WHERE APPLICABLE, RECOMMENDED TO THE ACCOUNTING OFFICER (ABOVE 10 MILLION):

Attached find the bids that were awarded by the bid Adjudication Committee and where applicable, recommended to the Accounting Officer (above R10 million) in terms of the SCM Policy and preferential procurement policy for the 2023/2024 financial year.

| TENDER DESCRIPTION | TENDER NO.: | CONTRACTING PARTY | BID TERMS: | DATE OF APPOINTMENT | DEPARTMENT | VALUE |
|--------------------|-------------|-------------------|------------|---------------------|------------|-------|
| N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A |

..

17. BIDS AWARDED BY THE MUNICIPAL MANAGER- FORMAL WRITTEN PRICE QUOTATIONS (R10 001 – TO R30 000):

Attached find the bids that were awarded by the Municipal Manager- formal written quotations in terms of the SCM policy and the preferential Procurement Policy for the 2022/2023 financial period.

| TENDER DESCRIPTION | TENDER NO. / DATE | CONTRACTING PARTY | DEPARTMENT | VALUE |
|--|-------------------|-----------------------|---------------------------------|---------------------|
| TLB CKZ125NC | 02/10/2023 | BELL EQUIPMENT | TECHNICAL SERVICES | R 17 366,40 |
| MATERIALS | 02/10/2023 | OVK | TECHNICAL SERVICES | R 10 444,17 |
| POLISHER | 04/10/2023 | C & S SUPPLIES | CORPORATE SERVICES | R 12 351,00 |
| OVERALLS/BOOTS EPWP | 11/10/2023 | NGUGODOLA TRADING | TECHNICAL SERVICES | R 25 840,00 |
| ACCOMMODATION | 13/10/2023 | PROTEA HOTEL | OFFICE OF THE MUNICIPAL MANAGER | R 24 480,00 |
| MATERIALS NPT OFFICE/WORKSHOP | 17/10/2023 | C & C HARDWARE | CORPORATE SERVICES | R 29 985,20 |
| ACCOMMODATION | 24/10/2023 | GARDEN COURT | TECHNICAL SERVICES | R 12 240,00 |
| VEHICLES CCG760NC/CK45ZRG/PCJO3LPGP/BSF238NC | 26/10/2023 | LBBM TRADING | TECHNICAL SERVICES | R 27 491,34 |
| A4 PAPER | 01/11/2023 | C & S SUPPLIES | FINANCE | R 10 580,00 |
| CASCADE CLAMPS | 06/11/2023 | PRAYSA TRADE | TECHNICAL SERVICES | R 23 916,55 |
| PPC CEMENT | 08/11/2023 | BKB | TECHNICAL SERVICES | R 19 926,65 |
| ACCOMMODATION | 09/11/2023 | BIRCHWOOD HOTEL | OFFICE OF THE MUNICIPAL MANAGER | R 20 400,00 |
| BSF229NC REPAIR | 15/11/2023 | STATUS TOYOTA/KELSTON | TECHNICAL SERVICES | R 12 353,14 |
| WATER MATERIAL | 01/12/2023 | OVK | TECHNICAL SERVICES | R 21 236,50 |
| BLACK CHAIRS | 04/12/2023 | DESLEY MEUBELS | CORPORATE SERVICES | R 25 000,00 |
| BSF233NC STARTER | 04/12/2023 | STATUS TOYOTA/KELSTON | TECHNICAL SERVICES | R 10 250,97 |
| EPWP TOOLS | 04/12/2023 | OVK | TECHNICAL SERVICES | R 15 020,80 |
| ELECTRIFICATION KUYASA HALL | 05/12/2023 | IEEIS GENERAL TRADING | CORPORATE SERVICES | R 30 000,00 |
| 6,7MM STONE | 12/12/2023 | DE AAR STONE CRUSHERS | TECHNICAL SERVICES | R 24 315,55 |
| PPE/BOOTS EPWP | 12/12/2023 | SENKOSI JOSHUA | TECHNICAL SERVICES | R 23 970,00 |
| SS60 DRUMS/KMS 65 | 18/12/2023 | UVUKOLWAM ENTERPRISE | TECHNICAL SERVICES | R 28 669,50 |
| ADVERT FOR IT | 18/12/2023 | MEDIA 24 | FINANCE | R 11 271,15 |
| | | | | R 437 108,92 |

18. BIDS AWARDED BY THE MUNICIPAL MANAGER- FORMAL WRITTEN PRICE QUOTATIONS (R30 001 – TO R200 000):

Attached find the bids that were awarded by the Municipal Manager- formal written quotations in terms of the SCM policy and the preferential Procurement Policy for the 2023/2024 financial period.

| N | CLOSING DATE | TENDER NUMBER / QUOTATION | AWARDED BIDDER | AMOUNT | DESCRIPTION OF AWARD |
|----|--------------|---------------------------------|----------------------------------|--------------|---|
| 1 | 04/08/2023 | UMS/BATTERIES/04/07/2023 | PHECRON GROUP | R 54 420,30 | |
| 2 | 04/08/2023 | UMS/ELEC/27/07/2023 | KUKHANYE FACILITIES SOLUTIONS | R 42 908,80 | SERVICE OF OIL CIRCUIT BREAKER (O.C.B) |
| 3 | 15/08/2023 | UMS/ELEC/04/08/2023 | KUKHANYE FACILITIES SOLUTIONS | R 66 442,40 | CONSTRUCT AND COMMISSION OF LV BUNDLE CONDUCTOR LINE |
| 4 | 18/08/2023 | UMS/ELEC/16/2023 | UBER TECHNOLOGIES | R 84 500,00 | SUPPLY AND DELIVERY OF ELECTRICAL WORKING TOOLS |
| 5 | 25/08/2023 | UMS/ELEC/MAINTENANCE/17/08/2023 | SPECTRUM COMMUNICATION | R 148 060,14 | COLESBERG RESEVOIR TELEMTRY REPLACEMENT MAINTENANCE |
| 6 | 25/08/2023 | TS/WS/2023 | JICAMA 167 (PTY)LTD | R 199 985,00 | SUPPLY AND DELIVERY OF WATER AND WASTE WATER CHEMICALS |
| 7 | 25/08/2023 | UMS/KUYASA/17/08/2023 | KUKHANYE FACILITIES SOLUTIONS | R 51 958,28 | SUPPLY AND DELIVERY OF KUYASA HALL MATERIAL |
| 8 | 31/08/2023 | UMS/MEDALS/23/08/2023 | SENKOSI JOSHUA HOLDINGS (PTY)LTD | R 50 135,00 | SUPPLY AND DELIVERY OF TROPHIES AND MEDALS FOR THE 10TH ANNUAL OLIVER TAMBO GAMES |
| 9 | 31/08/2023 | UMS/CATERING/23/08/2023 | SENKOSI JOSHUA HOLDINGS (PTY)LTD | R 97 000,00 | SUPPLY AND DELIVERY OF CATERING AND MOBILE TOILETS FOR THE 10TH ANNUAL OLIVER TAMBO GAMES |
| 10 | 31/08/2023 | UMS/TRANSPORT/23/08/2023 | MAKHATHINI LEGACY (PTY)LTD | R 29 920,00 | TRANSPORT OF REFEREES FOR THE 10TH ANNUAL OLIVER TAMBO GAMES |
| 11 | 05/09/2023 | FIN/IT/08/2023 | UBER TECHNOLOGIES | R 31 736,32 | KASPERSKY ENDPOINT SECURITY RENEWAL |
| 12 | 20/10/2023 | UMS/TOWNHALL/10/10/2023 | MPEMBENI HOLDINGS | R 98 817,61 | SUPPLY AND DELIVERY OF TOWN HALL MATERIAL |

19. PROCUREMENT OF GOODS OR SERVICES THROUGH DEVIATION- FOR THE FIRST QUARTER OF THE 2023-2024 FINANCIAL YEAR:

Deviations for October 2023:

| Object Ref | Req Num | Description of Work | Date Created | Deviation Type | Motivation for Deviation | Department | CSD Registration | Order Number | Recommended Supplier | Supplier Price (R) |
|---------------|---------|---------------------|--------------|----------------------------------|--|--|------------------|--------------|-----------------------|--------------------|
| 100896 | 6447 | ADVERT FOR TENDER | 2023-10-17 | 1. Sole Supplier 36 (1) (a) (ii) | THIS IS THE ONLY SERVICE PROVIDER THAT CAN OFFER THESE SERVICES. | Community and Social Services - Community Halls and Facilities | MAAA0056069 | G0000109 | GROUP EDITORS COMPANY | 2 630,29 |
| TOTAL: | | | | | | | | | | 2 630,29 |

Deviations for November 2023:

| Object Ref | Req Num | Description of Work | Date Created | Deviation Type | Motivation for Deviation | Department | CSD Registration | Order Number | Recommended Supplier | Supplier Price (R) |
|---------------|---------|---------------------|--------------|----------------------------------|--|--|------------------|--------------|------------------------------|--------------------|
| 114383 | 6527 | TENDER ADVERT | 2023-11-17 | 1. Sole Supplier 36 (1) (a) (ii) | THIS IS THE ONLY SERVICE PROVIDER THAT CAN OFFER THESE SERVICES. | Community and Social Services - Community Halls and Facilities | MAAA0405124 | G0000140 | THE GRAAFF-REINET ADVERTISER | 2 207,78 |
| 114385 | 6529 | TENDER ADVERT | 2023-11-17 | 1. Sole Supplier 36 (1) (a) (ii) | THIS IS THE ONLY SERVICE PROVIDER THAT CAN OFFER THESE SERVICES. | Community and Social Services - Community Halls and Facilities | MAAA0405124 | G0000139 | THE GRAAFF-REINET ADVERTISER | 1 147,42 |
| TOTAL: | | | | | | | | | | 3 355,20 |

Deviations for December 2023

| Object Ref | Req Num | Description of Work | Date Created | Deviation Type | Motivation for Deviation | Department | CSD Registration | Order Number | Recommended Supplier | Supplier Price (R) |
|---------------|---------|---------------------------|--------------|--|---|--|------------------|--------------|-------------------------|--------------------|
| 127939 | 6609 | ADVERT FOR IT | 2023-12-08 | 9. Written Quotations awarded without obtaining three quotations (SCM Regulations 16 (c) & 17 (c)) | THIS IS THE ONLY SERVICE PROVIDER THAT CAN OFFER THESE SERVICES THAT ARE REGISTERED ON CSD, AND FOR ATTRACTING MORE SERVICE PROVIDER IN THE PROVINCE. | Community and Social Services - Community Halls and Facilities | MAAA0023907 | G0000168 | MEDIA24 | R 11 271,15 |
| 127999 | 6647 | Maintenance for the Dozer | 2023-12-20 | 3. Acquisition of special works of art or historical objects where specifications are difficult to compile. 36 (1) (a) (iii) | Barloworld are the only who deals with service and maintenance for CAT Machinery. | Road Transport - Roads | MAAA0240994 | G0000185 | BARLOWORLD SOUTH AFRICA | R 113 560,95 |
| TOTAL: | | | | | | | | | | 124 832,10 |

20. PROCUREMENT OF GOODS OR SERVICES THROUGH VARIATION ORDER OR MONTH TO MONTH EXTENSION.

| DATE | DESCRIPTION OF GOODS | CONTRACTING PARTY | REASON FOR EXTENSION | DEPARTMENT | VALUE |
|---------------|----------------------|--------------------------|---|--------------------|---------------------|
| 31/12/2023 | Indigent Support | KarooBeverages (Pty) Ltd | New Service provider not appointed yet. | Finance | R 70 065,00 |
| 31/12/2023 | Security Services | Sinegugu (Pty) Ltd | New Service provider not appointed yet. | Corporate Services | R 31 103,36 |
| 31/12/2023 | ICT Support Services | Ubertech | New Service provider not appointed yet. | Finance | R 59 332,53 |
| TOTAL: | | | | | R 160 500,89 |

21. CAPITAL PROJECTS THAT WERE DECLARED IRREGULAR DUE TO NON-COMPLIANCE OF THE SCM POLICY & REGULATIONS: AS AT 31 DECEMBER 2023

| DATE | DESCRIPTION OF GOODS | CONTRACTING PARTY | REASON FOR IRREGULAR EXPENDITURE | DEPARTMENT | VALUE |
|------|----------------------|-------------------|----------------------------------|------------|-------|
| N/A | N/A | N/A | N/A | N/A | N/A |

22. CAPITAL PROJECTS THAT DEFERRED TO BE CLASSIFIED AS FRUITLESS AND WASTEFUL EXPENDITURE: AS AT 31 DECEMBER 2023

| DATE | DESCRIPTION OF GOODS | CONTRACTING PARTY | REASON FOR IRREGULAR EXPENDITURE | DEPARTMENT | VALUE |
|------|----------------------|-------------------|----------------------------------|------------|-------|
| N/A | N/A | N/A | N/A | N/A | N/A |
| | | | | | |

23. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFULL EXPENDITURE FROM JULY 2023 TO DECEMBER 2023.

July 2023:

| Transaction Details | | | | Person Liable (Official or Political Office Bearer) | Type of Prohibited Expenditure | Status | | | | | | |
|---------------------|----------------|-------------------|---|---|--------------------------------|--------|----|----|----|---|----|---|
| Date of Payment | Payment Number | Amount R | Description of Incident | | | UI | DP | CC | TR | p | WO | General Comments |
| 04/07/2023 | 53620 | R 730,00 | Mr Nkcithiso procured material for BSF 233 NC | TECHNICAL MANAGER: S NKCITHISO | Irregular | | | | | | | SCM PROCESS NOT FOLLOWED CONTRAVENTION OF REGULATION 15 |
| 27/07/2023 | 54081 | R 2 976,00 | Payment for accommodation for councillors to service provider that is non compliant on tax status | ACTING CHIEF FINANCIAL OFFICER: N THISO | Irregular | | | | | | | SCM NOT FOLLOWED |
| | | R 3 706,00 | | | | | | | | | | |

August 2023:

| Date of Discovery | Date reported to Accounting Officer | Transaction Details | | | | Person Liable (Official or Political Office Bearer) | Type of Prohibited Expenditure | Status | | | | | | |
|-------------------|-------------------------------------|---------------------|----------------|-------------------|---|---|--------------------------------|--------|----|----|----|---|----|---|
| | | Date of Payment | Payment Number | Amount R | Description of Incident | | | UI | DP | CC | TR | p | WO | General Comments |
| 01/08/2023 | 01/08/2023 | 01/08/2023 | 54150 | R 4 587,99 | Mr T Msengana procured batteries for BSF 218 NC | MUNICIPAL MANAGER: T MSENGANA | Irregular | | | | | | | SCM PROCESS NOT FOLLOWED CONTRAVENTION OF REGULATION 16 |
| 02/08/2023 | 02/08/2023 | 02/08/2023 | 54152 | 1552,02 | Mr Nkcithiso procured material for water | TECHNICAL MANAGER: S NKCITHISO | Irregular | | | | | | | SCM PROCESS NOT FOLLOWED CONTRAVENTION OF REGULATION 16 |
| | | | | R 6 140,01 | | | | | | | | | | |

October 2023:

| Date of Discovery | Date reported to Accounting Officer | Transaction Details | | | | Person Liable (Official or Political Office Bearer) | Type of Prohibited Expenditure | Status | | | | | | General Comments |
|-------------------|-------------------------------------|---------------------|---------------------|--|--------------------------------|---|--------------------------------|--------|----|----|----|---|----|---|
| | | Date of Payment | Payment Number | Amount R | Description of Incident | | | UI | DP | CC | TR | p | WO | |
| 02/08/2023 | 02/08/2023 | 54151 | R 10 667,43 | PAYMENT TO ESKOM(FOR INTEREST CHARGES) | ACFO: N THISO | UNAUTHORISED | | | | | | | | |
| 21/08/2023 | 21/08/2023 | 54236 | R 55 736,36 | PAYMENT TO CONLOG(CONTRACT EXPIRED 30/12/2019) | ACFO: N THISO | IRREGULAR | | | | | | | | |
| 03/10/2023 | 03/10/2023 | 55090 | R 277 374,35 | PAYMENT TO MJILA & PARTNERS THEIR CSD REPORT IS NON-COMPLIANT | MUNICIPAL MANAGER: TW MSENGANA | IRREGULAR | | | | | | | | CONTRAVENTION OF REGULATION 43 |
| 05/10/2023 | 05/10/2023 | 55140 | R 900,00 | PAYMENT TO MR A KHALANKOM FOR REPAIRS OF CAR SEATS(CK 452R GP) | ASMCS: A KHALANKOMO | IRREGULAR | | | | | | | | SCM PROCESS NOT FOLLOWED CONTRAVENTION OF REGULATION 16 |
| 16/10/2023 | 16/10/2023 | 55198 | R 2 671,85 | PAYMENT TO ESKOM(FOR INTEREST CHARGES) | ACFO: N THISO | UNAUTHORISED | | | | | | | | |
| | | | R 347 349,99 | | | | | | | | | | | |

November 2023:

| No. | Date of Discovery | Date reported to Accounting Officer | Transaction Details | | | | Person Liable (Official or Political Office Bearer) | Type of Prohibited Expenditure | Status | | | | | | General Comments |
|-----|-------------------|-------------------------------------|---------------------|--------------------|---|-------------------------|---|--------------------------------|--------|----|----|----|---|--------------------------------|------------------|
| | | | Date of Payment | Payment Number | Amount R | Description of Incident | | | UI | DP | CC | TR | p | WO | |
| 1 | 14/11/2024 | 14/11/2024 | 49925 | R 42 676,50 | AUTO ASSIST COLESBERG(PAYMENT TO AUTO ASSIST FOR CWM188NC THE COMPANY IS NOT REGISTERED ON CSD) | | | | | | | | | CONTRAVENTION OF REGULATION 14 | |
| | | | | R 42 676,50 | | | | | | | | | | | |

December 2023:

| No. | Date of Discovery | Date reported to Accounting Officer | Transaction Details | | | | Person Liable (Official or Political Office Bearer) | Type of Prohibited Expenditure | Status | | | | | | General Comments |
|-----|-------------------|-------------------------------------|---------------------|---------------------|---|-------------------------|---|--------------------------------|--------|----|----|----|---|--------------------------------|------------------|
| | | | Date of Payment | Payment Number | Amount R | Description of Incident | | | UI | DP | CC | TR | p | WO | |
| 1 | 08/12/2023 | 08/12/2023 | 08/12/2023 | R 199 101,11 | CONLOG(CONTRACT EXPIRED) | ACFO | IRREGULAR | | | | | | | | |
| 2 | 11/12/2023 | 11/12/2023 | 11/12/2023 | R 308 312,00 | MJILA&PARTNERS(CSD REPORT IS NON-TAX COMPLIANT) | MM | IRREGULAR | | | | | | | CONTRAVENTION OF REGULATION 43 | |
| | | | | R 507 413,11 | | | | | | | | | | | |

Municipal manager's quality certificate

I, **Thembisile Weekly Msengana**, municipal manager of Umsobomvu Municipality, hereby certify that the quarterly report for the quarter ending at 30 September 2023, has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the quarterly reports are consistent with the Integrated Development Plan of the municipality.

Print Name **Thembisile Weekly Msengana**

Municipal manager of Umsobomvu Municipality (NC072)

Signature

Date **25/01/2024**