

A52 QUARTERLY BUDGET STATEMENT REPORT FOR THE THIRD QUARTER ENDING MARCH 2023 6/1/1- (2022/2023)

Report: Executive Mayor: 2023-04-13

1. PURPOSE

The report is submitted to ensure that the Executive Mayor is able to exercise his oversight responsibility over the financial management of the municipality.

2. BACKGROUND

Section 52 of the MFMA requires that:

(1) The mayor of a municipality—

(a) Must provide general political guidance over the fiscal and financial affairs of the municipality;

(b) In providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;

(c) Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;

(d) Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and

(e) Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

3. DISCUSSION

The content and format of this report for the quarter ended 31 March 2023 is based upon the monthly electronic reports submitted to the Provincial and National Treasury. The statement contains the following statements:

- Statement of Operating Revenue & Expenditure – Part 1;
- Actual Capital Acquisition –Part 2;
- Cash Flow Statement – Part 3;
- Age Analysis of Debtors & Debtors Payment Statistics – Part 4;
- Age Analysis of Creditors – Part 5;
- External Investments – Part 6;
- Supply Chain Report (Deviations) – Part 7; and
- Grants & Subsidies – Part 8.

Statement of Operating Revenue & Expenditure – Part 1

The statement is assessed by summarizing how the municipality incurs its revenues and expenses through both operating and non-operating activities. It also shows the net profit or loss incurred over a specific accounting period.

A Profit & Loss statement provides information on the operation of the municipality. These include service charges and the various expenses incurred during the processing as well as the rendering the services

The statement is prepared on a similar basis to the prescribed budget format which details revenue by source type and expenditure by category and/or input type.

The total operating revenue for the reporting quarter amounts to R237 024 278, this amount shows a increase of R9 742 533 comparing to prior third quarter that amounted to R227 281 745. The amount includes revenue generated from property rates R36 470 644, electricity R74 790 867, water R35 833 906, sanitation services R9 820 870, refuse removal R7 118 444, rental income R410 551, interest earned R29 320 761 fines R257 746 transfer recognized – operational R42 680 000 and other revenue R320 489.

The total operating expenditure for the reporting quarter amounts to R270 709 228, this amount shows an increase of R12 805 556 comparing to the prior third quarter that amounted to R283 514 784. The amount of operating expenditure consists of employee related costs (employees and councillors) respectively amounting to R67 741 985 and R3 411 198, bulk purchases (water and electricity) respectively R12 715 348 and R73 152 699 , depreciation R21 419 820, finance costs R30 213 649, debt impairment R17 589 975 other materials R2 994 106, contracted services R31 157 855 and operating expenditure amounting R10 312 593 .

The operating deficit for the period amounts to (R33 684 950).

	2021/22 Audited Outcome	Adjustment Budget 2022 - 2023 MTREF	Prior Year Third Quarter Movement	Third Quarter Movement	Quarterly Variance	YTD Actual	YTD Budget	YTD variance	YTD variance
R thousands									%
Revenue By Source									
Property rates	171 406 855	190 052 450	43 705 490	36 470 644	(7 234 846)	121 060 811	142 539 337.50	(21 479)	-15%
Service charges - electricity revenue	383 292 018	552 150 856	89 907 409	74 790 867	(15 116 542)	250 958 990	414 113 142.00	(163 154)	-39%
Service charges - water revenue	78 080 666	96 756 370	22 107 314	35 833 906	13 726 592	82 544 664	72 567 277.50	9 977	14%
Service charges - sanitation revenue	42 911 636	77 607 312	10 146 088	9 820 870	(325 218)	29 538 366	58 205 484.00	(28 667)	-49%
Service charges - refuse revenue	27 749 371	30 464 699	7 029 369	7 118 444	89 075	21 417 106	22 848 524.25	(1 431)	-6%
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 720 384	1 846 466	436 581	410 551	(26 030)	1 064 444	1 384 849.50	(320)	-23%
Interest earned - external investments	575 871	700 000	289 889	334 373	44 484	697 102	525 000.00	172	33%
Interest earned - outstanding debtors	65 440 029	57 693 464	18 124 898	28 986 388	10 861 490	78 382 366	43 270 098.00	35 112	81%
Fines	1 483 464	4 500 000	191 966	257 746	65 780	544 317	3 375 000.00	(2 831)	-84%
Transfers recognised - operational	140 933 350	158 753 700	34 475 000	42 680 000	8 205 000	158 753 700	119 065 275.00	39 688	33%
Other revenue	2 460 425	3 233 616	867 741	320 489	(547 252)	488 177	2 425 212.00	(1 937)	-80%
Total Revenue (excluding capital transfers and contributions)	916 054	1 173 758 933	227 281 745	237 024 278	9 742 533	745 450 043	880 319 200	(134 869)	-15%
Expenditure By Type									
Employee related costs	250 098 548	304 710 975	61 257 244	67 741 985	6 484 741	203 522 851	228 533 231.25	(25 010)	-11%
Remuneration of councillors	8 410 860	12 375 454	3 468 058	3 411 198	56 860	10 323 206	9 281 590.50	1 042	11%
Debt impairment	201 588 641	70 359 900	34 613 945	17 589 975	17 023 970	52 769 925	52 769 925.00	-	-
Depreciation & asset impairment	85 563 373	85 679 276	21 390 843	21 419 820	28 977	64 259 460	64 259 457.00	0	0%
Finance charges	6 053 417	44 305 900	19 831 924	30 213 649	10 381 725	62 273 995	33 229 425.00	29 045	87%
Bulk purchases Electricity	53 384 345	469 965 100	92 241 347	73 152 699	19 088 648	279 794 299	352 473 825.00	(72 680)	-21%
Bulk purchases Water	-	63 104 112	9 571 374	12 715 348	3 143 974	997 356	47 328 084.00	(46 331)	-98%
Other materials	510 268	79 988 270	2 116 565	2 994 106	877 541	9 059 146	59 991 202.50	(50 932)	-85%
Contracted services	2 160 156	59 427 829	21 501 623	31 157 855	9 656 232	38 405 832	44 570 871.75	(6 165)	-14%
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	5 294 337	62 094 477	17 521 861	10 312 593	7 209 268	20 132 740	46 570 857.75	(26 438)	-57%
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	613 063 945	1 252 011 293	283 514 784	270 709 228	(12 805 556)	741 538 810	939 008 470	(197 470)	-21%
Surplus/(Deficit)	302 990 124	(78 252 360)	(56 233 039)	(33 684 950)	22 548 089	3 911 233	(58 689 270)	62 601	(0)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	302 990	(78 252 360)	(56 233 039)	(33 684 950)	-	3 911 233	(58 689 270)		

Trading Services

Revenue Levied	Revenue YTD Actual July 2022 - March 2023	Expenditure YTD Actual July 2022 - March 2023	Surplus(Deficit) Actual July 2022 - March 2023
Electricity	250 958 990.17	R 444 390 122.00	R -193 431 131.83
Water	82 544 664.36	R 38 510 089.00	R 44 034 575.36
Refuse	21 417 106.03	R 10 686 966.00	R 10 730 140.03
Sewerage	29 538 366.06	R 7 483 364.00	R 22 055 002.06
	384 459 126.62	R 501 070 541.00	R -116 611 414.38
Revenue Collected	Revenue YTD Actual July 2022 - March 2023	Expenditure YTD Actual July 2022 - March 2023	Surplus(Deficit) Actual July 2022 - March 2023
Electricity	R 211 900 357.84	R 444 390 122.00	R -232 489 764.16
Water	R 30 867 011.34	R 38 510 089.00	R -7 643 077.66
Refuse	R 8 508 432.62	R 10 686 966.00	R -2 178 533.38
Sewerage	R 13 759 348.54	R 7 483 364.00	R 6 275 984.54
	R 265 035 150.34	R 501 070 541.00	R -236 035 390.66

<i>Electricity</i>				
Date	Energy consumption		Total invoice charges in R	TOTAL CONSUMPTION
	STD	Demand consumption		
	kWh	kWh		
Jul-22	25 728 200.00	56 263.10	44 368 003.26	25 784 463.10
Aug-22	27 996 358.00	55 151.43	49 702 048.14	28 051 509.43
Sep-22	30 667 327.00	57 537.77	49 641 805.72	30 724 864.77
Oct-22	20 611 348.00	56 467.42	20 509 000.91	20 667 815.42
Nov-22	22 812 774.00	52 134.47	24 581 574.32	22 864 908.47
Dec-22	21 165 401.00	53 779.49	20 892 125.29	21 219 180.49
Jan-23	16 328 177.00	51 612.63	16 597 037.42	16 379 789.63
Feb-23	18 712 434.00	53 305.23	18 715 800.29	18 765 739.23
Mar-23	16 372 700.00	51 041.33	16 608 557.31	16 423 741.33
Apr-23	-	-	-	-
May-23	-	-	-	-
Jun-23	-	-	-	-
	200 394 719.00	487 292.87	261 615 952.66	200 882 011.87

Actual Capital Acquisition

The actual expenditure on capital projects for the reporting quarter amounts to R17 677 386 and R6 737 379,13 retention was to-date paid back. The accumulated expenditure on capital projects amounts to R49 473 655 for the current financial year. This reflects an increase of R28 165 198,95 when compared to the expenditure of the third quarter ending in March 2022 whereby the expenditure was R21 308 456,05.

Retention as at 31 March 2023

CONTRACTOR	PROJECT	CONTRACT AMOUNT	RETENTION WITHHELD	RETENTION PD BACK	RETENSION OWED
Soyamba	Installation of Sanitation Services in Rural Areas	R 1 189 732.00	R 91 546.05	R 45 773.03	R 45 773.03
Tsoga Moephatutsi	Construction and Upgrade of Stormwater Network Phase 3	R 3 400 000.00	R 292 035.82	R 153 659.75	R 138 376.07
ML Sakhile	Standerton Water Works & bulk water Supply Refurbishment	R 1 900 562.00	R 190 056.18	R 95 028.09	R 95 028.09
ZMG	Installation of Bulk Water Infrastructure and Replacement of AC pipes Lekwa Local Municipality	R 15 000 000.00	R 1 099 212.78	R 598 786.01	R 500 426.77
Ngani JV TK Vuwani	Upgrade of Standerton Sewer treatment works	R 24 609 498.00	R 1 797 900.90	R 654 978.77	R 1 142 922.13
Workman Construction and Projects(Turn Key Service Provider)	Installation of water services to informal settlements	R 1 961 400.00	R 196 137.00	R 98 068.50	R 98 068.50
Three 1 Developments (PTY) LTD	Supply & Installation of Electricity Network for 350 Households Extension 8	R 5 075 000.00	R 194 866.66	R -	R 194 866.66
Wanga Projects	Reconstruction of the Rooikopen Sewer Network - Refurbishment of the Rooikopen Pump Station and Construction of the Booster Pump Station within a Pumping Main (Sakhile Extension 4)	R 11 922 814.94	R 1 116 799.00	R -	R 1 116 799.00
ERMSA	Electrification of 35 Houses	R 1 925 000.00	R 189 600.99	R -	R 189 600.99
Thapiwe	Refurbishment and upgrading of combined recycling system at Standertom waste	R 11 810 400.00	R 1 291 268.62	R 1 365 119.16	R -73 850.54
Mbako Projects	Upgrade of Rooikopen sewer	R 6 999 687.75	R 898 855.81	R 349 982.83	R 548 872.98
Workman Construction and Projects	Refurbishment and upgrade of portions of Standerton water treatment plant	R 2 288 201.58	R 228 177.25	R 114 088.63	R 114 088.62
Zedek	Refurbishment and/or upgrade of the Standerton Waste Water Treatment Works	R 12 751 117.89	R 1 275 111.69	R 1 275 111.78	R -0.09
TM Consortium	Refurbishment and/or upgrade of Morgenzon & Sivukile Water Treatment Works	R 2 036 397.00	R 156 176.53	R -	R 156 176.53
Mavutha Electrical	Contractor For The Provision of Energy Efficiency Solution For High Masts; Streets	R 5 340 000.00	R 531 892.25	R 265 946.13	R 265 946.12
ASDU Trading and Projects.	Maintenance of existing windmills and hand pumps on an as and when required basis	R 1 000 000.00	R 100 050.69	R 99 543.79	R 506.90
Ngcebo Holdings	Maintenance of existing windmills and hand pumps on an as and when required basis	R 1 000 000.00	R 100 002.97	R 99 913.26	R 89.71
Hlahlathela	Installation of security systems for vulnerable Water, Sanitation and Electricity Infrastructure	R 1 576 126.75	R 157 612.39	R 157 612.75	R -0.36

Zedek	Refurbishment & Upgrade of Morgenzon Sports Facility	R 6 455 757.23	R 645 575.72	R -	R 645 575.72
Capital Power Projects	Electrification of 30 rural Houses	R 3 850 273.34	R 470 775.45	R -	R 470 775.45
ASDU Trading and Projects.	drilling and installation of boreholes	R 1 718 790.00	R 171 879.00	R 85 939.50	R 85 939.50
ASDU Trading and Projects.	The supply deliver and install precast concrete palisade fencing to the morgenzon cemetery	R 1 647 143.85	R 155 657.10	R 164 714.39	R -9 057.29
Mrazane	Construction of o booster Pumping System for the Sivukile Low Pressure Supply Area for Morgenzon	R 2 432 380.10	R 130 308.70	R 93 821.04	R 36 487.66
Mrazane	Installation of Water Services to informal settlements within Lekwa LM	R 860 000.00	R 86 499.07	R -	R 86 499.07
Asgn Africa (Pty)LTD	Rehabilitation of roads in Lekwa LM	R 7 735 960.56	R 698 048.06	R -	R 698 048.06
Totobela Rloutona	DRILLING OF BOREHOLES AND INSTALLATION OF WINDMILLS WITHIN LEKWA	R 1 312 981.38	R 131 298.04	R 65 649.02	R 65 649.02
Pulefuhla	Refurbishment and Upgrading of Standerton Bulk Water Supply System	R 7 411 766.10	R 328 893.92	R -	R 328 893.92
Ntlemo	Refurbishment of Muller, Johan, TLC and Vaal Sewer Pump Stations.	R 6 967 326.01	R 516 357.73	R -	R 516 357.73
Vuxaka Consulting	Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply.	R 5 216 421.74	R 317 877.55	R 521 512.64	R -203 635.09
Ermsa	Electrification of 128 RDP in Standerton Extension 8	R 2 038 307.15	R 203 656.84	R -	R 203 656.84
Ermsa	Construction of switching station at Standerton Extension 8	R 10 236 618.00	R 8 886 959.92	R -	R 8 886 959.92
Big Family	Refurbishment and upgrade of Mahala Park Soccerfield	R 1 425 136.35	R 102 373.00	R -	R 102 373.00
Big Family	The supply and installation of high security clear view fencing at the standerton square reservoir	R 2 149 476.00	R 211 194.52	R 247 994.63	R -36 800.11
Hlahlathela	The supply , delivery & Installation of High Security Clear View Fencing	R 1 775 737.42	R 177 572.70	R 88 786.34	R 88 786.36
Zedek	Supply, delivery & Install Precast concrete palisade	R 1 906 982.00	R 190 698.15	R 95 349.09	R 95 349.06
TM & S Construction	UPGRADING OF THE STANDERTON BULK WATER SUPPLY SYSTEM PHASE 2 CONSTRUCTION OF KIESIER PRESSURE TOWER	R 35 462 276.62	R 487 210.35	R -	R 487 210.35
TM & S Construction	Coligny Sewer Line Upgrade	R 21 105 982.32	R 1 893 157.56	R -	R 1 893 157.56
TCM Developments	Refurbishments of Rural VIP Toilets	R 961 515.00	R -	R -	R -
MIZANA ENGINEERING SERVICE	Refurbishment of Standerton Wastewater Treatment Works Phase 2:	R 15 250 437.37	R 495 011.52	R -	R 495 011.52
Ngcebo Holdings	Supply & installation of VIP toilets rural /farm areas	R 842 774.62	R 8 620.00	R -	R 8 620.00
			R 26 216 928.49	R 6 737 379.13	R 19 479 549.36

Total retention owed from all projects for current and prior years amounts to R19 479 549,36.

2021/2022 Financial Year Rollover Projects

PROJECT DESCRIPTION	APPROVED BUDGET CAPITALS 2022/2023	ADJUSTED BUDGET CAPITALS 2022/2023	23-Jan	23-Feb	23-Mar	YTD ACTUAL EXPENDITURE IN THE 2022/23 FY	REMAINING BUDGET	RETENTION WITHHELD VAT INCL	RETENTION PD BACK	RETENSION OWED
Refurbishment of Standerton Wastewater Treatment Works Phase 2:	R 15 250 437.73	R 20 000 000.00			R 4 455 103.68	R 4 503 748.68	R 15 001 239.80	R 495 011.52	R -	R 495 011.52
Installation/Refurbishment/Desludging or rural VIP toilets and provision of chemicals	R 48 545.00	R 48 545.00				R 48 645.00	-R 100.00	R -	R -	R -
Upgrade of roads within Lekwa LM	R 992 323.87	R 992 323.87				R 1 204 719.50	-R 346 253.35	R 133 857.72	R -	R 133 857.72
Rehabilitation of tarred roads - Hlongwane Drive	R 11 685 897.52	R 11 685 897.52		R 1 363 967.52		R 11 685 897.52	R -	R -	R -	R -
Purchase of refuse truck	R2 640 000.00	R2 640 000.00				R 2 640 000.00	R -			R -
	R 30 617 204.12	R 35 366 766.39	R -	R 1 363 967.52	R 4 455 103.68	R 20 083 010.70	R 14 654 886.45	R 628 869.24	R -	R 628 869.24

Capital Projects for 2022 – 23 Financial Year

Project Description	Source of Funding	Approved Budget Capital Projects 2022/2023	Adjusted Budget Capital Projects 2022/2023	Jan-23	Feb-23	Mar-23	Retention Withheld VAT incl	Retention paid back	Retention owed	YTD
Refurbishment and upgrade of sewer pump stations and coligny sewer line	MIG	R 13 000 000.00	R 21 948 524.00	R 2 247 082.12	R -	R 1 474 469.02	R 1 893 157.56		R 1 893 157.56	R 19 724 893.22
Refurbishment of Standerton Waste Water Treatment Works (Phase 2)	MIG	R 13 248 300.00	R 7 949 726.00		R 5 653 832.33	R 1 549 222.66	R 487 210.35		R 487 210.35	R 8 535 515.35
Construction of booster pump station and pressure tower for sakhile	MIG	R 500 000.00	R -						R -	R -
Installation of VIP toilets	MIG	R 1 000 000.00	R 1 000 000.00			R 89 217.00	R 8 620.00		R 8 620.00	R 97 837.00
Upgrade of Standerton Substation A phase 1	INEP	R 7 000 000.00	R 7 000 000.00			R 854 490.25			R -	R 854 490.25
Fencing of reservoirs	Funding	R 2 000 000.00	R 2 000 000.00						R -	R -
Installation of telemetry system to monitor reservoir water levels	Internal Funding	R 2 000 000.00	R 2 000 000.00						R -	R -
Procurement of Vehicles(new)	Funding	R -	R 10 000 000.00						R -	R -
Computer software acquisition	Funding	R 500 000.00	R 500 000.00						R -	R -
Computer & IT Services	Funding	R 2 000 000.00	R 2 300 000.00						R -	R -
Rehabilitation of roads at Lekwa	Funding	R 10 000 000.00	R 10 000 000.00		R 177 908.81				R -	R 177 908.81
Furniture and equipment	Funding	R 500 000.00	R 500 000.00						R -	R -
		R 51 748 300.00	R 65 198 250.00	R 2 247 082.12	R 5 831 741.14	R 3 967 398.93	R 2 388 987.91	R -	R 2 388 987.91	R 29 390 644.63

Disclosure Property Plant & Equipment (Repairs & Maintenance)

Description	Approved Budget 2022 - 23	Monthly Movement Febraury 2022	YTD Actual	% R & M
Building & Structure	R 1 869 873.00	R 181 380.00	R 569 848.33	30%
Plant & Machinery	R 1 721 800.00	R 964.70	R 222 482.41	13%
Furniture & Fixtures	R -	R -	R -	0%
Motor Vehicle	R 3 094 880.00	R278 222.61	R 2 048 164.67	66%
IT Equipments	R 300 000.00	R -	R -	0%
Roads	R 6 504 000.00	R 887 340.00	R 4 525 696.80	70%
Electricity Network	R 33 907 000.00	R3 577 130.62	R 24 133 424.43	71%
Landfill Sites (solid waste removal)	R 2 164 000.00			
Waste Water Network	R 3 787 000.00	R 17 528.67	R 362 438.24	10%
Water Network	R 11 582 100.00	R169 000.00	R 1 242 225.49	11%
Other, Property Plant & Equipment	R 406 200.00	R 88 181.00	R 294 201.41	72%
	R 65 336 853.00	R 5 199 747.60	R 33 398 481.78	51%
Total Budget Expenditure	R 1 272 167 994.00			
R & M YTD Expenditure	R 33 398 481.78			

The Municipality has to date spent 51% of the total allocated budget towards repairs and maintainance. There expenditure was incurred mainly towards the repairs and maintenance of electricity network, roads, motor vehicls repair, Water network, waster waste network and Building and Structure repairs.

Cash Flow Statement – Part 3

The purpose of this statement is to keep an account of the different activities of Council. It also provides information on the mode of generation of funds required for repayment. The cash flow statement also helps to analyze the amount of cash that would be required to meet the operating costs.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

The actual receipt (cash) received for the reporting period amounted to R214 452 878. This reflects an increase in the revenue collected of R20 262 644 when compared to the Revenue collected of R194 190 234 for the third quarter ended in March 2022. The amount includes revenue collected from Property Rates R20 198 979, Electricity R78 739 002, Water R10 314 122, sanitation R4 557 212, Refuse R2 952 099 inter accounts transfers R51 615 813, grants and subsidies: operational R42 680 000 and grants and subsidies: capital R11 514 000.

The actual payments made for the reporting period amounts to R186 634 782. This shows a decrease of R13 546 581 when compared to the payment made third quarter ended March 2022 which amounted to R200 181 363. The amount includes payment for employee related costs (employees and councilors) respectively of R67 741 984 and R3 411 198, bulk purchases (water and electricity) respectively R 500 000 and R17 583 189, contracted services amounting to R31 157 855 as well as inter account transfers amounting to R23 962 879 Capital expenditure amounted to R17 677 386 and general expenses amounted to R18 587 321.

The Municipality's cash flow status for all bank accounts reflects a favorable bank balance of R12 086 284,19 including a favorable closing balance on primary account of R12 056 171,86. It should be noted that though the municipality has a favorable bank balance at the end of the reporting month there were still outstanding creditors of R3,1 billion as disclosed on the creditors age analysis below.

MONTHLY CASH FLOWS	Budget Year 2022/2023											
	July Actual	August Actual	Sept. Actual	October Actual	November Actuals	December Actuals	January Actuals	February Actuals	March Actuals	April Budget	May Budget	June Budget
Rands												
Cash Receipts By Source												
Property rates	5 656 009	9 473 867	12 150 117	13 353 738	7 825 500	4 553 790	6 810 325	6 749 332	6 639 322	12 775 517	12 775 517	12 775 517
Service charges - electricity revenue	24 564 079	24 034 619	23 786 175	25 725 198	24 900 672	9 975 906	37 091 412	20 542 944	21 104 646	39 183 724	39 183 724	39 183 724
Service charges - water revenue	2 088 555	3 629 745	5 548 971	5 470 378	3 775 537	1 095 996	4 533 339	2 457 359	3 323 425	3 323 425	3 323 425	3 323 425
Service charges - sanitation revenue	1 321 502	1 906 576	3 050 292	2 696 082	1 773 149	889 319	1 569 398	1 294 274	1 693 539	5 173 821	5 173 821	5 173 821
Service charges - refuse revenue	873 540	930 355	2 365 863	1 081 287	994 508	522 043	1 112 442	837 716	1 001 941	1 997 647	1 997 647	1 997 647
Rental of facilities and equipment	122 553	134 921	136 099	128 139	129 237	118 754	126 981	137 982	145 587	140 000	140 000	140 000
Interest earned - external investments	57 145	124 160	108 864	100 580	136 165	123 871	188 365	117 985	25 034	58 333	58 333	58 333
Interest earned - outstanding debtors	490 122	1 165 279	1 054 220	1 204 430	754 428	250 726	734 256	707 235	560 459	3 846 231	3 846 231	3 846 231
Fines, penalties and forfeits	-	-	114 500	-	-	-	-	51 154	206 592	433 333	433 333	433 333
Transfer receipts - operational	59 444 000	3 314 000	-	-	-	50 299 000	-	-	42 680 000	13 229 475	13 229 475	13 229 475
Inter Accounts Transfers	-	2 542 725	5 364 362	13 869 304	570 157	-	845 250	15 273 270	35 497 293	13 869 304	13 869 304	13 869 304
Other revenue	128 571	110 179	587 782	2 782 781	327 561	9 510 179	46 903	40 985	306 133	2 782 781	2 782 781	2 782 781
Cash Receipts by Source	94 746 076	47 366 426	54 267 245	66 411 917	41 186 914	77 339 584	53 058 671	48 210 236	113 183 971	96 813 591	96 813 591	96 813 591
Other Cash Flows by Source												
Transfer receipts - capital	7 000 000	-	7 000 000	-	3 000 000	7 000 000	-	-	11 514 000	3 157 358	3 157 358	3 157 358
Total Cash Receipts by Source	101 746 076	47 366 426	61 267 245	66 411 917	44 186 914	84 339 584	53 058 671	48 210 236	124 697 971	99 970 949	99 970 949	99 970 949
Cash Payments by Type												
Employee related costs	22 436 817	22 334 955	21 514 392	22 211 568	23 037 162	23 593 952	22 082 965	23 001 918	22 657 101	25 456 550	25 456 550	25 456 550
Remuneration of councillors	1 084 522	1 102 572	1 156 875	1 106 813	1 227 824	1 137 066	1 137 066	1 137 066	1 137 066	1 085 345	1 085 345	1 085 345
Bulk purchases - Electricity	12 590 922	5 041 964	3 836 050	6 195 682	6 315 140	19 382 386	7 085 095	3 243 677	7 254 417	39 163 758	39 163 758	39 163 758
Bulk purchases - Water	500 000	-	500 000	1 500 000	500 000	1 500 000	500 000	-	-	5 258 676	5 258 676	5 258 676
Other materials	510 268	502 244	996 543	1 473 078	1 656 704	359 907	997 831	1 860 726	135 549	3 264 591	3 264 591	3 264 591
Contracted services	12 207 033	8 168 673	9 873 244	6 276 758	8 152 132	3 960 997	12 792 592	9 200 636	14 945 534	10 032 732	10 032 732	10 032 732
Inter Accounts Transfers	37 979 156	-	3 000 000	7 764 000	-	-	-	953 936	23 008 943	-	-	-
Other expenditure	9 365 852	7 376 721	8 334 765	7 642 021	3 044 350	18 354 410	2 131 326	-	19 395 947	5 077 765	5 077 765	5 077 765
Cash Payments by Type	96 674 570	44 527 129	49 211 869	54 169 920	43 933 312	68 288 718	46 726 875	39 397 959	88 534 557	89 339 417	89 339 417	89 339 417
Other Cash Flows/Payments by Type												
Capital assets	7 540 369	5 974 418	4 110 537	3 241 250	3 241 249	1 079 367	2 247 083	7 195 709	8 412 503	4 574 000	4 574 000	4 574 000
Total Cash Payments by Type	104 214 939	50 501 547	53 322 406	57 411 170	47 174 561	69 368 085	48 973 958	46 593 668	96 947 060	93 913 417	93 913 417	93 913 417
NET INCREASE/(DECREASE) IN CASH HELD	- 2 468 863	- 3 135 121	7 944 839	9 000 747	- 2 987 647	14 971 499	4 084 713	1 616 568	27 750 911	6 057 532	6 057 532	6 057 532
Cash/cash equivalents at the month/year	6 412 604	3 943 741	808 620	8 753 459	17 754 206	14 766 559	29 738 058	33 822 771	35 439 340	63 190 251	69 247 783	75 305 315
Cash/cash equivalents at the month/year	3 943 741	808 620	8 753 459	17 754 206	14 766 559	29 738 058	33 822 771	35 439 340	63 190 251	69 247 783	75 305 315	81 362 847

Debtors Age Analysis & Debtors Payment Statistics – Part 4 a & b

The debtor's age analysis analyses amounts owed by customers for services rendered by the municipality according to the length of time that those amounts have remained unpaid.

The debtors' balance has increased by R 253 million from R1,553 billion to R1,806 billion when compared to the third quarter ending March 2022. Outstanding Debtors that are older than 90 days amounts to R1,675 billion of the total outstanding debts.

The debtors balance for the reporting month amount to R1,806 billion.

The debt from households amounts to R 1,075 billion, government to R19 million while business owed R170 million, and other customers owed an amount of R 148 million. Electricity contributes R223 million of the outstanding debt, Property assessment rates R 384 million, Water R 335million, Waste water R161 million, refuse R122 million the income from other sources R121 million while interest on arrears amounts to R 458 million.

MP305 Lekwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March													
Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	5 493	5 105	6 931	4 657	2 391	5 001	4 807	300 889	335 273	335 273		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	21 746	8 664	7 467	7 489	6 461	4 854	5 044	161 657	223 382	185 505		
Receivables from Non-exchange Transactions - Property Rates	1400	12 190	8 168	7 512	7 123	7 006	8 354	8 156	325 634	384 144	356 274		
Receivables from Exchange Transactions - Waste Water Management	1500	3 365	2 528	2 554	2 384	2 257	2 274	2 134	144 466	161 963	161 963		
Receivables from Exchange Transactions - Waste Management	1600	2 391	1 881	1 787	1 742	1 720	1 693	1 669	109 592	122 477	122 477		
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-		
Interest on Arrear Debtor Accounts	1810	9 960	9 749	9 504	9 098	8 707	8 177	8 081	394 805	458 079	428 867		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	2 745	(522)	2 486	1 073	677	(4 700)	1 641	118 135	121 535	116 826		
Total By Income Source	2000	57 891	35 571	38 242	33 565	29 219	25 653	31 532	1 555 179	1 806 852	1 675 148	-	-
2019/20 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	880	1 511	1 491	22	(265)	(4 230)	1 997	27 640	19 859	25 157		
Commercial	2300	28 360	9 874	11 083	10 437	9 291	7 728	7 827	203 270	170 644	238 553		
Households	2400	24 432	20 378	21 992	19 177	16 633	18 205	17 877	1 156 605	1 075 039	1 228 498		
Other	2500	4 219	3 807	3 676	3 928	3 560	3 958	3 831	167 664	148 480	182 941		
Total By Customer Group	2600	57 891	35 570	38 242	33 565	29 219	25 653	31 532	1 555 179	1 806 851	1 675 148	-	-

WARD	202303 (Curre	202302 (30 D	202301 (60 Days	202212 (90 D	202211 (120 D	202210 (150 C	202209 (180 C	202208-202204	202203+ (Over 1	Total
	30034999.74	16443037.3	15847432.8	14285714.2	13385725.5	10278504.24	12884106.52	55422859.48	522029378.4	690611758.2
WARD 1	1395836.77	1348947.73	1331099.86	1294303.89	1137150.76	1250372.46	1254333.59	5776839.11	76375990.64	91164874.81
WARD 2	1377702.59	1311513.87	1343971.52	1313619.17	1169802.1	891116.35	1244303.17	5843172.79	67151387.25	81646588.81
WARD 3	1072255.52	1133739.14	1157201.22	1040818.95	518978.69	-1186081.61	1063803.16	5116055.76	58988504.26	68905275.09
WARD 4	8058768.4	2426219.42	4224852.4	3352272.37	2142959.15	3110166.68	2937810.71	15004057.38	55577536.81	96834643.32
WARD 5	1798033.06	1818933.18	1816454.66	1769903.47	1584075.73	1706301.12	1710169.49	7846406.43	104892036.9	124942314.1
WARD 6	1032726.49	976125.99	953990.75	937946.26	834228.62	903814.11	894962.48	4137077.32	62958887.87	73629759.89
WARD 7	523949.55	539747.48	554668.67	529795.33	475792.49	508195.76	506426.76	2359473.02	33239070.63	39237119.69
WARD 8	5018044.33	2931120.9	2619729.87	2450047.36	2137614.19	1706049.6	2269115.73	9410269.97	37704710.98	66246702.93
WARD 9	50124.81	49984.51	49847.05	48936.58	48029.82	346869.72	344269.63	1639347.45	1592361.02	4169770.59
WARD 10	1883839.83	658603.26	1332784.27	819224.6	679342.67	467274.36	967769.3	3287030.8	12989998.85	23085867.94
WARD 11	1792271.84	1794227.63	2476377.36	1728504.95	1539308.36	1720981.54	1624031.28	7567736.59	108914797.8	129158237.3
WARD 12	119981.5	113932.67	114712.48	112578.58	107276.04	108784.34	108585.09	500085.44	4828727.79	6114663.93
WARD 13	1839.08	1826.88	1814.68	1440.21	1338.25	630.38	629.9	2950	51825.02	64294.4
WARD 14	1875291.57	1882808.84	1882133.43	1820713.85	1652249.54	1819526.74	1784160.97	8145558.8	134297404	155159847.7
WARD 15	1855511.21	2140405.59	2534500.24	2059042.67	1805512.53	2020207.17	1937684.83	9097586.03	132431474.5	155881924.7
	0	0	0	0	0	0	0	0	-1348.21	-1348.21
TOTAL	57891176.29	35571174.4	38241571.26	33564862.5	29219384.44	25652712.96	31532162.61	141156506.4	1414022744	1806852295

Debtors Payment Statistics – Part 4 (b)

The table shows the amount collected by the municipality for service rendered against the service charges billing.

A collection rate of 58% for the third quarter ending 31 March 2023 and it's a decrease when compared to the third quarter ending March 2022, considering the levied amount of R553 521 947,58 and the actual payments amounting to R318 562 720,07, this indicates revenue loss amounting to R234 959 227,51.

The table shows the amount collected by the municipality for service rendered against the service charges billing.

Reporting Month	Levied Amount	Revenue Collected	Collection Rate
Jul-22	R 59 576 966.74	R 36 094 415.33	61%
Aug-22	R 77 899 201.60	R 40 001 489.23	51%
Sep-22	R 64 542 497.79	R 43 343 874.69	67%
Oct-22	R 64 315 596.24	R 47 758 097.56	74%
Nov-22	R 31 380 240.47	R 15 123 122.22	48%
Dec-22	R 62 786 326.56	R 17 478 354.82	28%
Jan-23	R 81 324 105.66	R 51 851 171.73	64%
Feb-23	R 58 202 489.64	R 32 588 862.33	56%
Mar-23	R 53 494 522.88	R 34 323 332.16	64%
Total	R 553 521 947.58	R 318 562 720.07	58%

Payment Statistics Revenue Streams

July 2022 - June 2023			
Revenue Stream	Revenue Collected	Revenue Levied	Collection Rate
Electricity	R 211 900 357.84	R 250 958 990.17	84%
Water	R 30 867 011.34	R 82 544 664.36	37%
Refuse	R 8 508 432.62	R 21 417 106.03	40%
Sewerage	R 13 759 348.54	R 29 538 366.06	47%
Rates	R 73 263 106.67	R 121 060 811.37	61%
Interest	R 6 922 283.04	R 78 382 002.27	9%
	R 345 220 540.05	R 583 901 940.26	

It has been noted that due to inadequate service delivery or continuous service delivery interruptions, there has been in decline in the payment of services as a result of consumers withholding payments to the Municipality. It was further noted that there are organised groups that charges the community a fee in order to render services on behalf of the Municipality. E.g. (Refuse removal, water supply and pruning of trees amongst others). This practice left unattended will erode the already low revenue that is due to the Municipality.

Creditors Age Analysis– Part 5

The creditors age analysis indicates an analysis of unpaid received invoices, aged by due date. The creditors are broken down into eight ageing periods.

The Creditors Age Analysis shows an outstanding amount of R3 194 141 337 of which R1,9 billion is owed to Eskom. The municipality has taken several initiatives to ensure that the arrears amount owed to Eskom is paid. The Mpumalanga Department community safety, security and liaison has an outstanding amount of R.75 508 057 The latest outstanding amount for Department of Water and Sanitation is R1.1 billion.

The Municipality had numerous engagements with the Department of Water & Sanitation during the year of 2023, where the Department has conceded that they have incorrectly billed the Municipality. The Department has committed to correcting the account and passing the necessary correcting adjustments. In a meeting facilitated by provincial treasury on 09 March 2023 at Gert Sibande District Municipality DWS yet again committed to correcting the municipality's account. This will see the amount owed to DWS going down by R682 143 204.50

The Municipality's outstanding trade creditors amounts to R11 892 071. The Municipality has an outstanding of R3 356 354 owed to the Auditor General for the reporting period. The Municipality has retention withheld amounting to R19 479 549.

The Municipality owes R0 relating to VAT. The Municipality does not maintain sufficient working capital thus resulting in statutory payments and some other creditors not being paid timeously. The outstanding creditors are continuously increasing thus indicating that the Municipality is entering into obligations that it's unable to service. Unless all interventions are implemented (Revenue enhancement strategy, financial recovery, cost curtailments & installation of smart meters) the Municipality will face a severe financial sustainability issues & distress, that might require the Municipality to consider interventions as entrenched within the Municipal Finance Management Act.

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Bulk Electricity	35 665 117	38 083 358	36 608 712	1 805 223				1 803 418 646	1 915 581 056
Bulk Water	5 214 862	22 230 372	11 146 031	10 586 236				1 119 146 749	1 168 324 250
PAYE deductions	0								0
VAT(Output less input)									0
Retirement deductions									0
Loan repayments									0
Trade Creditors	2 511 213	1 907 016	44 987	52 000				7 376 855	11 892 071
Auditor General	277 399	11 128	4 140					3 063 687	3 356 354
Retention Withheld	422 948	326 017	400 851	161 886	116 471	349 656	315 057	17 386 663	19 479 549
Mpumalanga Dept Transp	0	0	0				0	75 508 057	75 508 057
Total	44 091 539	62 557 891	48 204 721	12 605 345	116 471	349 656	315 057	3 025 900 657	3 194 141 337

External Investment (Call accounts) – Part 6

The table indicates the investments and movements on the municipality's grants call accounts.

Closing balance on all call accounts as at 31 March 2023 amounts to R30 112,33. Municipality for the reporting quarter has accrued interest of R331 384 on all call accounts. The amount of R792 626,15 is the total interest accrued on all call accounts to date for the reporting year 2022/2023.

REF Sheet	Name of Institution	Account Description	Type of Investment	Opening Balance	YTD Interest Earned	Movement	Closing Balance per Statement 31/03/2023
#003-37881152036MIG NEDBANK'IA1	Nedbank	MIG	Short Term Deposit	4 605 282.08	647 363.37	- 5 252 645.16	0.29
#005-037881152095 FMG NEDB'IA1	Nedbank	FMG	Short Term Deposit	1 024.32	43.59	- 1 067.91	-
#006-037881153059-INEP NEDB'IA1	Nedbank	INEP	Short Term Deposit	3 594 427.60	64 920.76	- 3 629 236.36	30 112.00
#007-037881152060-WSG NEDB'IA1	Nedbank	WSIG	Short Term Deposit	1 269.58	53.91	-	-
#008-037887752079-SETA NEDB'IA1	Nedbank	SETA	Short Term Deposit	124 067.29	5 285.13	- 129 352.42	-
#009-037881152028-EPWP NEDB'IA1	Nedbank	EPWP	Short Term Deposit	97 319.03	14 199.30	- 111 518.33	-
#010-37881152001- Ring Elec NEDB'IA1	Nedbank	Ring Elec	Short Term Deposit	8 239.49	16 138.47	- 24 377.96	-
#011-37881152087- Electr Gra NED'IA1	Nedbank	Electricity Grant	Short Term Deposit	72 050.13	3 068.86	- 75 118.99	-
#012-37881151994- Retent NED'IA1	Nedbank	Retention	Short Term Deposit	3 849.89	15 976.74	- 19 826.59	0.04
#013-37881152109 - Inter Pro NED'IA1	Nedbank	Internally Funded Projects	Short Term Deposit	11 450.58	25 576.02	- 37 026.60	-
Total				8 518 979.99	792 626.15	- 9 280 170.32	30 112.33

Supply Chain Report (Deviations) – Part 7

The report indicates instances where the municipality did not adhere fully to the requirements of the Supply Chain Management policy when procuring certain goods or services. Deviations approved by the Accounting Officer, do not result in the municipality over spending on the appropriated budget, neither does it reflect any fruitless, wasteful nor unauthorized expenditure. In most cases the deviations are as a result of urgent nature, sometimes limited supplies and or strip and quote situations.

For the reporting period, the Municipality did incur deviations.

Deviations

Jan-22					
ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
none					

Feb-23					
ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
NONE					

Mar-23					
ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
42686	2023/03/23	RICHTRAU TRADING 22 CC	69 575.00	HIRING OF JETTING VACUUM TRUCK FOR 05 DAYS WET RATE	Sewer Spillages into peoples houses
42655	2023/03/14	FACILITATORS CONSTRUCTION SERV	240 120.00	HIRING OF 2 TIPPER TRUCKS FOR 20 DAYS WET RATE	Disaster declared and there was an urgent need to repair roads damaged by the floods
42626	2023/03/02	ORATHU CONSTRUCTION AND PROJEC	371 565.00	HIRE OF GRADER FOR 20 DAYS	Disaster declared and there was an urgent need to repair roads damaged by the floods

Grants & Subsidies – Part 8 Received & Expenditure

The municipality has to date received R 192 642 000 on the grants and subsidies as allocated.

	Approved Budget 2022/2023	YTD Allocation Received July - March 2023	Allocation Transferred	Outstanding Allocation
Municipal Infrastructure Grant	R 32 514 000.00	R 32 514 000.00		R -
Local Government Financial Management Grant	R 2 850 000.00	R 2 850 000.00		R -
Expanded Public Works Programme Integrated Grant for Municipalities	R 1 855 000.00	R 1 855 000.00		R -
Equitable shares	R 152 423 000.00	R 152 423 000.00		R -
Integrated National Electrification Programme Grant	R 7 000 000.00	R 3 000 000.00		R 4 000 000.00
	R 196 642 000.00	R 192 642 000.00	R -	R 4 000 000.00

The Municipality has to date spent an amount of R49 574 965,89 on conditional grants received.

Type of Grant	Unspent Grant 2022 - 23 Financial Year	YTD Allocation Received July - March 2023	YTD Expenditure July - March 2023	Remaining Balance
Municipal Infrastructure Grant	R 35 373 863.97	R 32 514 000.00	R 46 653 265.00	R 21 234 598.97
Local Government Financial Management Grant		R 2 850 000.00	R 1 332 982.89	R 1 517 017.11
Expanded Public Works Programme Integrated Grant for Municipalities		R 1 855 000.00	R 734 227.75	R 1 120 772.25
Integrated National Electrification Programme (Municipal) Grant		R 3 000 000.00	R 854 490.25	R 2 145 509.75
	R 35 373 863.97	R 40 219 000.00	R 49 574 965.89	R 26 017 898.08

Transfer & Grants Subsidies (Indigent support) 2

To date 1515 households are active on registered households for indigent support compared to a total of 1037 for the quarter ended March 2022. The current outstanding debts balances of the registered indigent households amounted to R71 000 809,13 as at 31 March 2023 while subsidies for the current month amounted to R830 315,48. The Municipality is currently running a program for indigent registration which is performed per Ward. During the month of March there was a total turn-up of 1585 applicants, applications received were 1258 and 90 were already active in the system.

During the capturing of the indigents application on the system we encountered the following problems

- About **219** households have faulty electricity meter.
- **A lot of houses are still registered under deceased account holders.**

Wards No.	Number of Active Indigents	Number of Active Indigents
	March 2023	March 2022
Ward 1	104	132
Ward 2	81	75
Ward 3	166	204
Ward 4	71	51
Ward 5	187	91
Ward 6	48	103
Ward 7	131	34
Ward 8	49	31
Ward 10	31	15
Ward 11	201	76
Ward 12	0	2
Ward 13	0	1
Ward 14	228	112
Ward 15	218	110
Total Indigents	1515	1037

Fruitless and wasteful expenditure 3

The Municipality was unable to pay its creditors on time resulting to interest and penalties as per the breakdown.

		2023/06/30
Opening Balance		566 354 734.03
Current Year Fruitless Wasteful Expenditure	R	79 257 453.81
Interest on Arrear Eskom accounts		77566898.67
Interest on Arrear Water accounts		0
Interest on Arrear Telkom, AGSA, SARS, Pension and Munsoft accounts		
Interest on Arrear Telkom Account	R	6 715.51
Interest on Arrear A.G SA Account		
Interest on Arrear PAYE Account		
Interest on Arrear VAT Account	R	3 161.53
Penalties VAT		48940.16
Penalties PAYE		1623565.55
Interest on Arrear Nashua Account		3795.55
Interest on Pension Fund		4376.84
Interest on Sanlam Account		
Interest on Munsoft Account		

Contracted Services 4

	Approved Budget 2022-23	YTD Actual	YTD Budget	YTD Variance	YTD Variance %
		Mar-23	Mar-23	Mar-23	Mar-23
HIRE OF MACHINES	R 3 582 000.00	493 116.00	R 2 686 500.00	R 2 193 384.00	82%
LEGAL COST	R 12 492 000.00	R 5 484 524.18	R 9 369 000.00	R 3 884 475.82	41%
VALUATION ROLL	R 300 000.00	R 399 067.15	R 225 000.00	R (174 067.15)	-77%
PREPARATION:AFS	R 3 600 000.00	R 874 795.48	R 2 700 000.00	R 1 825 204.52	68%
VENDING DEBT COLLEC 4.5% OF PRE PAID	R -	R -	R -	R -	
SECURITY SERVICES	R 39 600 000.00	R 24 315 982.00	R 29 700 000.00	R 5 384 018.00	18%
HIRE OF WATER TANKERS	R 700 000.00	R 2 247 736.96	R 525 000.00	R (1 722 736.96)	-328%
Accounting Printing and Posting	R 3 123 000.00	R -	R 2 342 250.00	R 2 342 250.00	100%
VENDING MANAGE 4% OF PRE PAID	R 4 575 100.00		R 3 431 325.00	R 3 431 325.00	100%
IT Service Programming	R 12 000 000.00	R -	R 9 000 000.00	R 9 000 000.00	100%
Insurance Contract	R 2 800 000.00	R 148 834.96	R 2 100 000.00	R 1 951 165.04	93%
Risk Management software	R 104 100.00	59 870.00	R 60 725.00	R 855.00	1%
Mscoa Conversion	R -		R -	R -	
PMS	R 700 000.00	R -	R 408 333.33	R 408 333.33	100%
Software License	R 260 300.00	R -	R 151 841.67	R 151 841.67	100%
Feasibility Study Renewal Energy	R -	R -	R -	R -	
	<i>R 83 836 500.00</i>	<i>R 34 023 926.73</i>	<i>R 62 699 975.00</i>	<i>R 28 676 048.27</i>	

Debt Collection 5

In an effort to ensure that there is a continuous implementation of debt collection, a plan should be developed that will focus on the various categories of customers (business, residential, government, farms etc) with a clear time frames and clear activities to be embarked on. The plan should also include the various resources required (human resources, vehicles, machinery & equipment, etc.) to enable the implementation of debt collection.

An area of concern is the high litigation and court interdict against the Municipality for illegally disconnecting customers. A procedure manual should be developed in line with credit control & debt collection policy that will outline activities that needs to be performed prior a customer is disconnected or handed over to the attorneys for collection. These activities may include amongst others issuing of notice, correcting accounts where there is an objection, addressing issues of the prescribed debt in line with the Prescription Act as well as the Municipal Systems Act.

Whilst the Municipality is implementing debt collection, it is imperative that a Customer Care Unit be established to address customer queries as well as building the consumer confidence.

RECOMMENDATION BY THE EXECUTIVE MAYOR

- (1) That the report of the Executive Mayor Budget regarding the quarterly budget statement for the third quarter ending March 2023 BE NOTED.

Acknowledgement of receipt of Quarter Budget Statements (Section 52 Report) for the third quarter ending March 2023.

Municipal Manager of Lekwa Local Municipality MP305

Name: MJ Lamola

Signature: _____

Date: _____

Mayor of Lekwa Local Municipality MP305

Name: DL Thabethe

Signature: _____

Date: _____