

**FINANCE: IN YEAR MONITORING AND REPORTING: 3rd QUARTER: 2022/2023 FINANCIAL YEAR (MONTH ENDING 31 MARCH 2023)
(6/1/1(2022/23))**

• **QUARTER THREE SDBIP 31 MARCH 2023**

MUNICIPAL FINANCIAL MAMAGEMENT AND VIABILITY			
Summary of third quarter SDBIP (Jan, Feb and March 2023) Municipal financial management and viability			
Key Performance Indicators	Third-quarter Performance Remarks	Third-quarter Target	Actual achieved Third-quarter
Number of Household earning less than per month with access to free electricity	Not Achieved	3 935	2 147
Approved 2023/24 Budget by 31 May 2023	Achieved	Draft budget to be tabled to council by 31 March 2023	Draft budget was tabled in council by 30 March 2023
Percentage of MIG Spending	Not Achieved	75%	60%
Percentage of INEP Spending	Not Achieved	75%	61%
Number of section 71 reports submitted to Treasury within 10 days after the end of the month of third quarter ending 31 March 2023	Achieved	3	3
Percentage Expenditure of Financial Management Grant by the end of Third quarter ending 31 March 2023	Achieved	75%	79%
Percentage of Tenders processed within 90 days by second quarter ending 31 March 2023 (From closing date in the advert)	Not Achieved	95%	81%
Percentage of Electricity Distribution loss by third quarter ending 31 March 2023	Achieved	10%	2%
Percentage of Invoices Paid within 30 days of receipt by second quarter ending 31 March 2023	Achieved	100%	100%
Percentage of Billed revenue collected per month during 2022/23(third quarter ending by 31 March 2023 Financial Year	Achieved	90%	97%

Figure 1: Summary of 3rd quarter ending 31 March 2023 SDBIP

- **ANALYSIS OF SECOND QUARTER SDBIP KEY PERFORMANCE INDICATORS AND ACHIEVEMENT ENDING 31 MARCH 2023.**

1. Number of Household earning less than per month with access to free electricity
 - The target was for the municipality to register 3935 by the end of third-quarter. The municipality did not achieve the target by registering only 2 147 by the end of third-quarter ending 31 March 2023.
2. Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 31 March 2023
 - The target was for the municipality to submit section 71 reports to provincial and national treasury within ten working days after the end of each month. The target was achieved and three section 71 reports were submitted to both national and provincial Treasury during third quarter.
3. Percentage Expenditure of Financial Management Grant by 31 March 2023.
 - The target was to spend 75% of financial management grant by 31 March 2023 .The municipality achieved by this target by spending 79% of the budget.
4. Percentage of Tenders processed within 90 days by 31 March 2023 (From closing date in the advert). The target was not achieved 95% and only 81% was achieved. The reasons for the delay in processing of bids.
5. Percentage of Electricity Distribution loss by 31 March 2023.

The target for the municipality was to achieve less than 10% on distribution loss by 2% at the end of the quarter ending 31 March 2023.
6. Percentage of invoice processed within 30 days from the date of receipts of the invoice. The target was achieved and 100% of the invoice was paid within 30 days from the date of receipt of the invoice.
7. Percentage of Billed revenue collected per month during 2022/23 as at 31 March 2023 Financial Year.
 - The target was for the municipality to achieved 90% collection rate at the end of the quarter ending 31 March 2023. The target was achieved by 97% .

- ANALYSIS FROM REPORTS FROM INCOME AND EXPENDITURE QUARTER THREE ENDING 31 MARCH 2023**
SUMMARY: INCOME AND EXPENDITURE REPORT PERFORMANCE

The actual operational income for third quarter is R 292 113 million and actual to date is R 954 048 million. The operational expenditure for the same period is R 269 722 million and actual to date is R 897 256 million.

Summary overall budgeted and actual expenditure

Types of Budget	Approved Adjusted Budget	Budget Spent	Balance	% Spent
Operational	R 1 266 billion	R 897 million	R 369 million	71%
Capital	R 436 million	R 273 million	R 163 million	63%
Total	R 1.702 billion	R 1 170 billion	R 532 million	69%

Summary Budget and overall current expenditure

The municipality had approved adjusted operational expenditure budget of R 1 266 billion and adjusted capital budget of R 346 million and the amount of R 897 million and R 273 million was spent respectively. This represents 71% spending on operational budget as well as 63% spending on capital budget. Overall spending is R 1 170 billion against the approved adjusted budget of R 1.702 billion and this represent 69% spending of the budget

- **APPROVED CONDITIONAL GRANT AS AT 31 MARCH 2023**

Details of Grants allocated ,Grants Performance as at 31 MARCH 2023												
Budget Year 2022/23												
Description	APPROVED BUDGET	Grants Received YTD R '000	Actual Received Q1 R '000	Actual Received Q2 R '000	Actual Received Q3 R '000	Actual Q1 Expenditure R'000	Actual Q2 Expenditure R'000	Actual Q3 Expenditure R'000	Actual to date Expenditure R'000	% Spent on received	BUDGET VS ACTUAL %	Full Year Forecast
APPROVED CONDITIONAL GRANT												
<u>Funded by:</u>												
MIG	102,597	102,597	61,160	29,510	11,927	13,898	36,461	11,550	61,909	60%	60%	102,597
INEP	20,120	20,120	-	5,000	15,120	729	9,721	1,823	12,273	61%	61%	20,120
FMG	1,950	1,950	1,950	-	-	525	508	508	1,541	79%	79%	1,950
EPWP	3,289	3,289	815	1,467	1,007	815	815	837	2,467	75%	75%	3,289
Total Grants	127,956	127,956	63,925	35,977	28,054	15,967	47,505	14,717	78,189	61%	61%	127,956

1. Municipal infrastructure Grant (MIG)

The actual amount received for the third quarter is R 11 927 million and to date is R 102 597 million and actual expenditure for the third quarter is R 11 550 million and to date is R 61 909 million that represent 60% of expenditure against approved allocation of R 102 597 million.

2. Integrated National Electricity Programme (INEP)

The actual amount received for the third quarter is R 15 120 million and to date R 20 120 million and actual expenditure for the third quarter is R 1 823 million and to date R 12 273 million that represents 61% of expenditure against approved allocation of R 20 120 million.

3. Financial Management Grant (FMG)

The actual amount received for the third quarter is zero and to date is R 1 950 million and actual expenditure for the third quarter is R 508 thousands and to date is R 1 541 million that represents 79% against the approved allocation of R 1 950 million.

4. Expanded Public Works Programme (EPWP)

The actual amount received for the third quarter is R 1 007 million and to date is R 3 289 million and actual expenditure for the third quarter is R 837 thousands and to date is R 2 467 million that represent 75% against the approved allocation of R 3 289 million.

• **SUMMARY OF PERFORMANCE OF INCOME AND EXPENDITURE 31 MARCH 2023**

Description	Budget Year 2022/23										
	Adjusted Original Budget	Third Quarter 2023 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Third Quarter 2023	Actual to date	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
R thousands											
Revenue By Source											
Property rates	116,094,000.00	87,070,500.00	26,768,915.87	29,278,588.03	32,123,090.90	88,170,594.80	1,100,094.80	1%	76%	101%	116,094,000.00
Service charges - electricity revenue	528,726,000.00	396,544,500.00	120,013,345.90	89,317,654.10	106,242,990.65	315,573,990.65	-80,970,509.35	-20%	60%	80%	528,726,000.00
Service charges - refuse revenue	14,249,000.00	10,686,750.00	3,561,855.35	3,562,847.17	3,678,909.00	10,803,611.52	116,861.52	1%	76%	101%	14,249,000.00
Rental of facilities and equipment	315,000.00	236,250.00	40,532.62	57,801.28	71,950.80	170,284.70	-65,965.30	-28%	54%	72%	315,000.00
Interest earned - external investments	9,056,000.00	6,792,000.00	2,544,745.15	1,983,561.28	2,363,693.68	6,892,000.11	100,000.11	1%	76%	101%	9,056,000.00
Interest earned - outstanding debtors	39,318,000.00	29,488,500.00	8,960,183.18	9,199,256.32	10,543,725.37	28,703,164.87	-785,335.13	-3%	73%	97%	39,318,000.00
Fines, penalties and forfeits	4,802,000.00	3,601,500.00	635,139.60	1,766,771.00	1,611,751.70	4,013,662.30	412,162.30	11%	84%	111%	4,802,000.00
Licences and permits	3,908,000.00	2,931,000.00	899,400.25	1,055,183.24	1,187,710.18	3,142,293.67	211,293.67	7%	80%	107%	3,908,000.00
Transfers and subsidies	466,925,000.00	350,193,750.00	173,235,748.91	169,689,251.09	124,000,000.00	466,925,000.00	116,731,250.00	33%	100%	133%	466,925,000.00
Other revenue	83,455,000.00	62,591,250.00	8,577,367.37	10,786,550.06	10,289,091.56	29,653,008.99	-32,938,241.01	-53%	36%	47%	83,455,000.00
Total Revenue	1,266,848,000.00	950,136,000.00	345,237,234.20	316,697,463.57	292,112,913.84	954,047,611.61	3,911,611.61	0%	75%	100%	1,266,848,000.00

Description	Budget Year 2022/23										
	Adjusted Original Budget	Second Quarter 2022 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Third Quarter 2023	ACTUAL TO DATE	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
Expenditure By Source											
Employee related costs	320,501,000.00	240,375,750.00	70,290,857.41	83,775,853.69	92,803,234.47	246,869,945.57	6,494,195.57	3%	77%	103%	320,501,000.00
Remuneration of councillors	29,443,000.00	22,082,250.00	7,098,646.74	7,273,880.16	7,077,151.70	21,449,678.60	-632,571.40	-3%	73%	97%	29,443,000.00
Debt impairment	60,715,000.00	45,536,250.00	15,244,446.74	31,477,404.19	8,877,041.58	55,598,892.51	10,062,642.51	22%	92%	122%	60,715,000.00
Depreciation & asset impairment	140,000,000.00	105,000,000.00	28,978,276.04	34,316,776.56	33,020,640.09	96,315,692.69	-8,684,307.31	-8%	69%	92%	140,000,000.00
Finance charges	12,120,000.00	9,090,000.00	926,275.89	5,135,584.01	3,022,110.06	9,083,969.96	-6,030.04	0%	75%	100%	12,120,000.00
Bulk purchases	345,562,000.00	259,171,500.00	71,464,963.24	81,595,925.24	74,090,705.83	227,151,594.31	-32,019,905.69	-12%	66%	88%	345,562,000.00
Other materials	34,841,000.00	26,130,750.00	12,309,330.19	8,968,519.84	6,789,089.78	28,066,939.81	1,936,189.81	7%	81%	107%	34,841,000.00
Contracted services	253,327,000.00	189,995,250.00	84,657,898.33	49,147,337.21	30,287,542.59	164,092,778.13	-25,902,471.87	-14%	65%	86%	253,327,000.00
Other expenditure	69,243,000.00	51,932,250.00	25,042,200.14	9,830,496.42	13,754,212.67	48,626,909.23	-3,305,340.77	-6%	70%	94%	69,243,000.00
Total Expenditure	1,265,752,000.00	949,314,000.00	316,012,894.72	311,521,777.32	269,721,728.77	897,256,400.81	-52,057,599.19	-5%	71%	95%	1,265,752,000.00

- **SIGNIFICANT VARIANCES ANALYSIS OF REVENUE AND EXPENDITURE PERFORMANCE**

1. Revenue

1.1.1 Electricity Revenue

- The actual billing for Electricity revenue for the third quarter is R 106 243 million and to date is R 315 573 million compared with the R 396 544 million projections which results to under billing by 20%.

1.1.2 Other Revenue

The actual collection for the third quarter R 10 289 million and to date is R 29 653 compared with the projected revenue of R 62 591 million.

Expenditure

2.1.1 Debt Impairment

This is non- cash item and expenditure for the third quarter is R 8 877 million and to date is R 55 599 million compared to the projection of R 45 536 million .Debtors were assessed for impairment during the third quarter.

2.1. 2 Depreciation & asset impairment

This is non- cash item and expenditure for the third quarter is R 33 020 million and to date is R 96 315 million compared to the projection of R 105 000 million .

- **CAPITAL EXPENDITURE.**

The Actual Capital expenditure for the third quarter 2023 is R 30 .432 million and to date is R 273.028 million which result to 63% spending against the approved adjusted budget of R 435 866 million.

DEPARTMENT	SOURCES	APPROVED ADJUSTED BUDGET	EXPENDITURE	BALANCE	PERCENTAGE
Technical Services	INCOME & GRANT	R 398 417 533.88	R 259 741 726.11	R 138 675 807.77	65%
Community Services	INCOME	R 21 144 376.00	R 6 204 377.65	R 14 939 998.35	29%
Budget and Treasury	INCOME	R 7 400 000.00	R 4 211 625.35	R 3 188 374.65	57%
Corporate Services	INCOME	R 8 274 733.00	R 2 586 940.07	R 5 687 792.94	31%
Regional Offices	INCOME	R 629 000.00	R 283 465.03	R 345 535.97	45%
TOTAL		R 435 865 642.88	R 273 028 134.20	R 162 837 508.68	63%

i. Technical Services Department

The actual expenditure as at third quarter is R 259 741 million compared with the projection of R 298 813 million which result to a negative variance of 13%. The expenditure incurred for the third quarter represent 65% of approved budget for 2022/2023 financial year. The major spending of the department is mainly derived from MIG, INEP and own funding projects that are progressing well.

ii. Department of Community services

The actual expenditure as at third quarter is R 6 204 million compared with the projection of R 15 858 million which result to a negative variance of 61%. The expenditure incurred for the Third quarter represents 29% of approved budget for 2022/23 financial year

iii. Department of Budget and Treasury office

The actual expenditure as at third quarter is R 4 211 million compared with the projection of R 5 550 million which result to a negative variance of 24%.The expenditure incurred for the third quarter represent 57% of approved budget for 2022/23 financial year.

iv. Department of Corporate Services

The actual expenditure as at third quarter is R 2 586 million compared with the projection of R 6 205 million. The under spending represent negative 58% of the third quarter projection. The expenditure incurred for the third quarter represents 31% of approved budget for 2022/23 financial year.

v. Regional Offices

The actual expenditure as at third quarter is R 283 thousands compared with the projection of R 472 million which result to a negative variance of 40%.The expenditure incurred for the third quarter represent 45% of approved budget for 2022/23 financial year.

- **DEBTORS AGE ANALYSIS**

The amount outstanding from debtors as at 31 March 2023 is R 426 575 516.51

LIM344 Makhado-Supporting Table SC3 Monthly Budget Statement- Aged Debtors _M09 MARCH 2023									
Description	BUDGET 2022/2023							Total	Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys			
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Electricity	18 331	2 189	1 785	2 165	9 904	41 045	75 419	53 114	
Receivables from Non-exchange Transactions - Property Rates	9 746	3 464	3 355	3 314	17 576	127 883	165 339	148 773	
Receivables from Exchange Transactions - Waste Management	1 451	499	482	470	2 695	23 878	29 475	27 042	
Interest on Arrear Debtor Accounts	6 335	3 083	3 013	2 970	16 480	100 271	132 152	119 721	
Other	2 588	847	526	582	2 822	16 825	24 190	20 229	
Total By Income Source	38 450	10 084	9 162	9 501	49 477	309 901	426 576	368 879	
							-	-	
Debtors Age Analysis By Customer Group									
Organs of State	2 362	1 405	1 590	1 418	7 386	45 484	59 645	54 288	
Commercial	17 312	1 808	1 749	1 439	7 685	36 792	66 785	45 916	
Households	10 288	3 835	3 609	3 500	19 881	164 723	205 835	188 104	
Other	8 488	3 036	2 215	3 144	14 526	62 902	94 311	80 572	
Total By Customer Group	38 450	10 084	9 162	9 501	49 477	309 901	426 576	368 879	

SECTION 71 – MARCH 2023

Debt Impairment Summary

MARCH- 2023
Impairment
(357 946)

**Debt
Impairment
Debtors Age Analysis By Customer Group**

Customer Group	Total Debt per Customer Group	Impairment Provided	Net Debt per Customer Group
Organs of State	59 645	(50 049)	11 933
Commercial	66 785	(56 040)	12 269
Households	205 835	(172 719)	37 182
Other	94 311	(79 137)	17 316
Totals	426 576	(357 946)	78 700

MAKHADO LOCAL MUNICIPALITY

Quarterly Debt Breakdown - March 2023

Customer Group	Dec-22			Mar-23	
	Amount	Action Plan		Amount	Action Plan
ORGANS OF STATE	19 158			15 353	
	321.49			861.18	
Agriculture	145.37 (183)	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings		071.65 (201)	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings
Arts	232.47 4	Normal Monthly debt		314.00	Normal Monthly debt
Education	189.66 423	The department will also be engaged through the IGR meetings		160.13 (160)	Improved

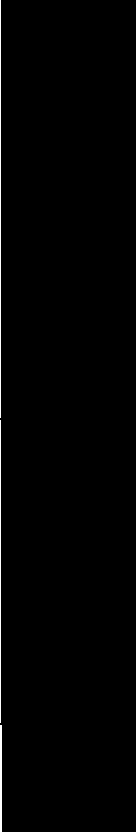
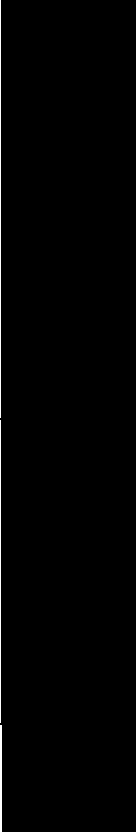
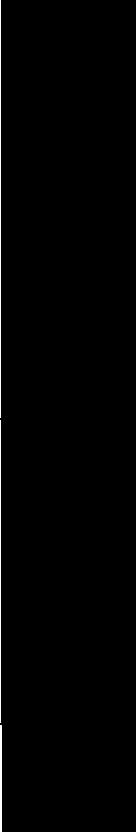
Health	036.64	245	Normal Monthly debt		341.47	60	Normal Monthly debt
Public Works - National	318.38	2 867	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings		2 011 022.64		Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings
Public Works - Provincial	930.47	120	Normal Monthly Account		581.77	68	Normal Monthly Account

Rural Development	720.54	13 895	Statements were sent to the Department and Invoices to be hand delivered to the Department's office. A date of the meeting to be secured when the invoices are hand delivered.	832.26	13 991	Statements were sent to the Department and Invoices to be hand delivered to the Department's office. A date of the meeting to be secured when the invoices are hand delivered. (No responses so far)
DWARF	797.13	346	Cut-offs will be executed for the accounts in arrear.	552.85	352	Cut-offs will be executed for the accounts in arrear.
SASSA	437.84	64	Cut-offs will be executed for the accounts in arrear.	391.49	57	Cut-offs will be executed for the accounts in arrear.

Vhembe District Municipality	803.73	1 373 VDM accounts have been normalised		943.52)	(826 VDM accounts have been normalised
COMMERCIAL	65 946 235.25			66 784 520.29	
Business	65 946 235.25	Cut-offs will be executed for the accounts in arrear		66 784 520.29	Cut-offs will be executed for the accounts in arrear
RESIDENTIAL	199 853 719.74			205 835 306.95	
Waterval	68 409 470.49	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.		71 682 651.39	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.

Dzanani	16 717 082.33	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.		17 309 188.29	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.
Vleifontein	35 137 732.35	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.		36 780 495.70	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.

Tshikota	9 432 898.45	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors will assist with collection.		9 881 575.67	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors will assist with collection.
Makhado (Louis Trichardt)	45 750 640.82	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors will assist with collection.		44 216 150.86	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors will assist with collection.
Villages	21 683 180.53	Data cleansing will assist in maintaining actual debts collectable.		23 277 696.00	Data cleansing will assist in maintaining actual debts collectable.

Farms	2 792 258.02	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors will assist with collection.		2 688 449.04	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors will assist with collection.
Vuwani	543.25) (69	These accounts will be paid over to Collins Chavane Local Municipality		(900.00)	These account will be paid over to Collins Chavane Local Municipality
OTHER	138 054 756.68			138 601 828.09	

Agriculture	92 468 106.42	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms. Appointment of debt collectors could also assist with collection		93 758 571.61	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms. Appointment of debt collectors could also assist with collection
Other Government Accounts	2 733 558.89	Cut-offs will be executed for the accounts in arrear		2 478 520.06	Cut-offs will be executed for the accounts in arrear
Churches	194.91 605	Cut-offs will be executed for the accounts in arrear		962.61 551	551 962.61

Public Service Purpose (PSP)	5 205 523.09	Cut-offs will be executed for the accounts in arrear		-	Moved to State Owned Properties
Public Service Infrastructure (PSI)	158.55 711	Cut-offs will be executed for the accounts in arrear		203.99 784	Cut-offs will be executed for the accounts in arrear
Public Benefit Organisation (PBO)	(483.53)	Accounts paid in advance		017.00 2	
State Owned Property (SOP)	36 331 698.35	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms. Appointment of debt collectors could also assist with collection		41 026 552.82	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms. Appointment of debt collectors could also assist with collection
	423 013 033.16			426 575 516.51	

Summary of Debt Impairment Narration

Allowance for debt impairment for the quarter ending March 2023 equals R358 million.

The Total Consumer Debtors as at the 31st of March 2023 equals R427 million.

The Net Debt Collectible equals 79 million.

The table below reflects both the collection rate and the distribution loss per quarter until the 31 March 2023

Collection Rate Table					
Quarter - 1		Quarter - 2		Quarter - 3	
Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>
July – 2022	106%	October - 2022	89%	January - 2023	96%
August – 2022	82%	November - 2022	96%		102%
September - 2022	90%	December - 2022	83%		93%
Total	278%		268%		291%
Average percentage for the Quarter - 1	93%	Average percentage for the Quarter - 2	89%	Average percentage for the Quarter - 3	97%

The 3rd quarter average collection rate is 97%

Distribution Rate Table					
Quarter - 1		Quarter - 2		Quarter - 3	
Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>
July – 2022	<u>6%</u>	October - 2022	15%	January - 2023	1%
<u>August – 2022</u>	<u>10%</u>	November - 2022	-13%	February - 2023	-12%
September - 2022	<u>0%</u>	December - 2022	-3%	March - 2023	17%

<u>Total</u>	<u>16%</u>		-1%		
Average percentage for Quarter - 1	5.3%	Average percentage for Quarter - 2	0.3%	Average percentage for Quarter - 3	2%

The THIRD QUARTER average Distribution Loss is 2%

CHALLENGES OF COLLECTION

- The non-existent of electricity in R293 Towns such as Dzanani, Waterval, Vleifontein, excluding Tshikota still exists as a challenge towards collection.
- Illegal connections

STRATEGIES TO IMPROVE COLLECTION

- The meters are physically checked to the those customers that are not buying or buying electricity that is unreasonably too low because they raise a suspicion of illegal connection by Technical and finance.
- Credit Control will be applied to Government and business to be implemented without compromise.
- Municipality has Handed over debts older than 90 days to appointed debt collectors who are currently working on the data provided and are monitored on the monthly basis.
- The municipality is currently monitoring the payment arrangement with VDM with on 96 million outstanding for water debt which currently is sitting at R 21 million
- Installation of prepaid meter.

PROGRESS REPORT ON DEBT COLLECTION

Makhado Municipality appointed two service providers, Ramatshila Mugeri Incorporated and Kamohelo Entle Trading, for debt collection services. The mentioned service providers have been appointed for a period of three (03) years.

A total of **8841** accounts were handed over to the mentioned debt collectors with a value of **R287,099,129.20**. These accounts were owing more than R1000.00 for ninety (90) days or more when they were handed over to debt collectors on the 13th January 2023. Ramatshila Mugeri Attorneys were handed **4212** accounts with a value of **R142,760,079.90** and Kamohelo Entle Trading were handed over **4629** accounts with a value of **R144,339,049.30**.

Since the handover of the debt books to the appointed debt collectors, payments were received as follows from accounts handed over:

Ramatshila Mugeri Attorneys

January 2023 – R2,373,346.95

February 2023 – R3,819,170.13

Kamohelo Entle Trading

January 2023 – R1,817,678.26

February 2023 – R2,942,237.89

Total amount of R 10 952 433.23 Collected and R 276 146 695.97 still to be collected with the effort of Debt collectors.

We have verified all payments per individual account, however we are still awaiting proof from the debt collectors that the handed over clients were indeed contacted by debt collectors. The reason for that is that we want to ensure that the commission is paid for efforts of debt collection and not for credit control.

SCM PROCESS

COMPETITIVE BIDDING PROCESSES ACTIVITY

ACTIVITY	Bids Advertised	Evaluated	Adjudicated	Awarded	BBB-EE	Re-Advertised	Cancelled
Balance B/F	05	-	-	-	-	-	-
1st Quarter	27	17	17	17			
2nd Quarter	28	18	18	18			
3rd Quarter	25	27	27	27		07	
TOTAL	85	62	62	62		07	
ANNEXURE	A	B	C	D	E	F	F

All requests for adverts were processed. As at 31 March 2023, the following 16 bids were not awarded

NO	BID NO	DESCRIPTION	CLOSING DATE	COMMENTS
01	82 of 2022	Supply and Delivery of Office Furniture for The Whole Municipality	09-Dec-22	In Evaluation
02	89 of 2022	Manage engine patch manager plus enterprise (PMPE) software	03-Feb-23	In Evaluation
03	90 of 2022	Supply,delivery,installation ,commission and licencing for security firewall back up product	30-Jan-23	In Evaluation
04	91 of 2022	Replace local area network cabling at Dzanani traffic office	30-Jan-23	In Evaluation
05	92 of 2022	Replace local area network cabling at Dzanani regional office	30-Jan-23	In Evaluation
06	93 of 2022	Supply ,delivery and commissioning of sound and recording system for council chamber	30-Jan-23	In Evaluation
07	77 of 2022	Upgrade Pretorius Substation 2x 2mva Transformers (22000//11000v) And Housing	05-May-23	On advert
08	03 of 2023	Supply, delivery, installation and maintenance	26-May-23	On advert

		of closed-circuit television (CCTV) / Video Surveillance cameras (security management system) for all municipal building for the period of three (03) years		
09	05 of 2023	Supply, Delivery, and Installation of street names within proclaimed areas in Makhado Local Municipality for a period of Three (03) Years (as and when required)	13-Mar-23	In Evaluation
10	07 of 2023	Active Directory Audit Plus Software to Monitor and Report on Municipal Computer Domain	28-Feb-23	In Evaluation
11	09 of 2023	Supply, Delivery and Installation of Mobile Offices at Luvuvhu Regional Office	28-Feb-23	In Evaluation
12	17 of 2023	Appointment of a service provider to provide administration of the Traffic Contravention Management System for a period of Three (03) Years	17-Mar-23	In Evaluation
13	30 of 2023	Re-Advertisement: Refurbishment of Rabali Stadium Change Rooms and Grandstand	31-Mar-23	In Evaluation
14	31 of 2023	Re-advertisement: Supply, delivery, installation and repairs of mobile radio and portable radio for the period of three years as and when required	11-Apr-23	On advert
15	32 of 2023	Appointment Of a Service Provider to Extend Existing Civic Centre Wireless Connectivity from Chambers To Offices For the Period Of Three (03) Years	11-Apr-23	On advert

16	33 of 2023	Supply; Delivery; Refill and Service of Council Fire Extinguisher cabinets for the period of Three (03) Years	31-Mar-23	In Evaluation
----	------------	---	-----------	---------------

FORMAL WRITTEN QUOTATION AS AT 31 MARCH 2023

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded
3 rd Quarter	50	30	30

PROCUREMENT DEVIATION ANNUAL REPORT

1. The number of awards made in terms of SCM regulation 36
= **19**
2. Reason(s) for deviation in terms of SCM Regulations 36
Reason: Sole service providers and impractical to follow normal SCM process
3. Total value of deviations under R200 000.00
= **R386 836.03**
4. Total value of deviations over R200 000
= **R0**
5. Total number of deviations under R 200 000 is 19

6. Total number of deviation over R 200 000 is 0

7. Total value of deviations awarded through SCM Regulation 36
= R 386 836.03

STATUS OF RECONCILIATIONS AS AT 31 MARCH 2023

Bank reconciliations is up to date
Grant Reconciliation is up to date
Investment Reconciliations is up to date
Assets Reconciliation is up to date
Petty Cash reconciliation is up to date
Retention reconciliation is up to date
Inventory Reconciliation is up to date
Debtors Reconciliations is up to date
Salary Reconciliation is up to date
Vat Reconciliation is done up to Month of Feb 2023

10 A CASH FLOW POSITION

This statement indicates the financial position as at 31 March 2023 is R R 218 788 169.46 .The municipality continue to keep a favorable balance on the monthly basis and this cash flow statement reflect positive balance of R 218 788 169.46 at the end third quarter 31 March 2023.

Primary Account R 218 788 169.46

Closing balance as at 31 MARCH 2023 R 218 788 169.46

Description	Budget Year 2022/23											
	R thousands	Adjusted Original Budget	Third Quarter 2023 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Third Quarter 2023	Actual to date	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
Revenue By Source												
Property rates	116,094,000.00	87,070,500.00	26,768,915.87	29,278,588.03	32,123,090.90	88,170,594.80	1,100,094.80	1%	76%	101%	116,094,000.00	
Service charges - electricity revenue	528,726,000.00	396,544,500.00	120,013,345.90	89,317,654.10	106,242,990.65	315,573,990.65	-80,970,509.35	-20%	60%	80%	528,726,000.00	
Service charges - refuse revenue	14,249,000.00	10,686,750.00	3,561,855.35	3,562,847.17	3,678,909.00	10,803,611.52	116,861.52	1%	76%	101%	14,249,000.00	
Rental of facilities and equipment	315,000.00	236,250.00	40,532.62	57,801.28	71,950.80	170,284.70	-65,965.30	-28%	54%	72%	315,000.00	
Interest earned - external investments	9,056,000.00	6,792,000.00	2,544,745.15	1,983,561.28	2,363,693.68	6,892,000.11	100,000.11	1%	76%	101%	9,056,000.00	
Interest earned - outstanding debtors	39,318,000.00	29,488,500.00	8,960,183.18	9,199,256.32	10,543,725.37	28,703,164.87	-785,335.13	-3%	73%	97%	39,318,000.00	
Fines, penalties and forfeits	4,802,000.00	3,601,500.00	635,139.60	1,766,771.00	1,611,751.70	4,013,662.30	412,162.30	11%	84%	111%	4,802,000.00	
Licences and permits	3,908,000.00	2,931,000.00	899,400.25	1,055,183.24	1,187,710.18	3,142,293.67	211,293.67	7%	80%	107%	3,908,000.00	
Transfers and subsidies	466,925,000.00	350,193,750.00	173,235,748.91	169,689,251.09	124,000,000.00	466,925,000.00	116,731,250.00	33%	100%	133%	466,925,000.00	
Other revenue	83,455,000.00	62,591,250.00	8,577,367.37	10,786,550.06	10,289,091.56	29,653,008.99	-32,938,241.01	-53%	36%	47%	83,455,000.00	
Total Revenue	1,266,848,000.00	950,136,000.00	345,237,234.20	316,697,463.57	292,112,913.84	954,047,611.61	3,911,611.61	0%	75%	100%	1,266,848,000.00	

Description	Budget Year 2022/23										
	Adjusted Original Budget	Second Quarter 2022 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Third Quarter 2023	ACTUAL TO DATE	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
Expenditure By Source											
Employee related costs	320,501,000.00	240,375,750.00	70,290,857.41	83,775,853.69	92,803,234.47	246,869,945.57	6,494,195.57	3%	77%	103%	320,501,000.00
Remuneration of councillors	29,443,000.00	22,082,250.00	7,098,646.74	7,273,880.16	7,077,151.70	21,449,678.60	-632,571.40	-3%	73%	97%	29,443,000.00
Debt impairment	60,715,000.00	45,536,250.00	15,244,446.74	31,477,404.19	8,877,041.58	55,598,892.51	10,062,642.51	22%	92%	122%	60,715,000.00
Depreciation & asset impairment	140,000,000.00	105,000,000.00	28,978,276.04	34,316,776.56	33,020,640.09	96,315,692.69	-8,684,307.31	-8%	69%	92%	140,000,000.00
Finance charges	12,120,000.00	9,090,000.00	926,275.89	5,135,584.01	3,022,110.06	9,083,969.96	-6,030.04	0%	75%	100%	12,120,000.00
Bulk purchases	345,562,000.00	259,171,500.00	71,464,963.24	81,595,925.24	74,090,705.83	227,151,594.31	-32,019,905.69	-12%	66%	88%	345,562,000.00
Other materials	34,841,000.00	26,130,750.00	12,309,330.19	8,968,519.84	6,789,089.78	28,066,939.81	1,936,189.81	7%	81%	107%	34,841,000.00
Contracted services	253,327,000.00	189,995,250.00	84,657,898.33	49,147,337.21	30,287,542.59	164,092,778.13	-25,902,471.87	-14%	65%	86%	253,327,000.00
Other expenditure	69,243,000.00	51,932,250.00	25,042,200.14	9,830,496.42	13,754,212.67	48,626,909.23	-3,305,340.77	-6%	70%	94%	69,243,000.00
Total Expenditure	1,265,752,000.00	949,314,000.00	316,012,894.72	311,521,777.32	269,721,728.77	897,256,400.81	-52,057,599.19	-5%	71%	95%	1,265,752,000.00

LIM344 - Table C1 Monthly Budget Statement Summary - M09 March

Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	Full Year Forecast
R thousands							
Financial Performance							
Property rates	96 261	100 453	116 094	8 075	88170	81 596	116 094
Service charges	402 489	511 136	542 975	50 517	326 376	396 088	542 975
Investment revenue	6 914	6 731	9 056	876	6 839	5 978	9 056
Transfers and subsidies	431 877	466 925	466 925	126 094	449 879	350 194	466 925
Other own revenue	70 459	148 984	131798	5 812	52 261	104 863	131798
Total Revenue (excluding capital transfers and contributions)	1 008 000	1 234 229	1 266 848	191 375	954 047	950 136	1 266 848
Employee costs	293 786	355 501	320 501	69 156	246 870	252 626	320 501
Remuneration of Councillors	28 071	29 444	29 444	2 317	21300	22 083	29 444
Depreciation & asset impairment	137 431	120 000	140 000	13 567	96 316	98 000	140 000
Finance charges	3 264	9 707	12 120	-	2 409	8 246	12 120
Inventory consumed and bulk purchases	337 829	360 671	380 403	57 315	240 350	269 208	380 403
Transfers and subsidies	-	-	-	-	-	-	-
Other expenditure	314 432	330 016	383 284	36 240	290 011	278 007	383 284
Total Expenditure	1 114 814	1 205 339	1 265 752	110 548	897 256	949 314	1 265 752
Surplus/(Deficit)	(106 814)	28 889	1 096	80 827	56 791	21 666	1 096

Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	125 064	106 890	106 890	13 260	74 249	80 168	106 890
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit)	4 205	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	22 455	135 779	107 986	94 086	131 040	90 717	107 986
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	22 455	135 779	107 986	94 086	131 040	90 717	107 986
Capital expenditure & funds sources							
Capital expenditure	306 605	449 888	435 866	26 383	273 028	331 807	435 866
Capital transfers recognised	94 541	106 890	113 569	51 500	103 148	82 839	113 569
Borrowing	-	-	-	-	-	-	-
Internally generated funds	72 536	342 998	288 867	4 164	169 880	235 596	288 867
Total sources of capital funds	167 077	449 888	402 436	55 664	273 028	318 435	402 436
Financial position							
Total current assets	722 580	442 673	432 627		699 816		432 627
Total non current assets	1 729 788	2 736 852	2 702 830		1 797 263		2 702 830
Total current liabilities	570 234	160 040	143 766		552 826		143 766
Total non current liabilities	99 257	121 789	121 789		101 775		121 789
Community wealth/Equity	1 782 877	2 897 696	2 869 903		1 842 478		2 869 903
Cash flows							
Net cash from (used) operating	99 900	457 796	432 354	119 561	396 096	333 170	432 354
Net cash from (used) investing	(217 475)	(449 888)	(435 765)	(19 059)	(177 148)	(331 767)	(435 765)
Net cash from (used) financing	(71)	-	-	(73)	(160)	(10 458)	-
Cash/cash equivalents at the month/year end	88 141	151 560	140 241	-	218 788	134 597	197 914
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	Total
Debtors Age Analysis							
Total By Income Source	38 450	10 084	9 162	9 501	49 471	309 908	426 576
Creditors Age Analysis							
Total Creditors	0	-	-	-	-	0	0