

ANNEXURE A

**FINANCE: IN YEAR MONITORING AND REPORTING: 4th QUARTER: 2022/2023 FINANCIAL YEAR (MONTH ENDING 30 JUNE 2023)
(6/1/1(2022/23))**

1. QUARTER FOUR SDBIP 30 JUNE 2023

MUNICIPAL FINANCIAL MAMAGEMENT AND VIABILITY			
Summary of third quarter SDBIP (April, May and June 2023) Municipal financial management and viability			
Key Performance Indicators	Third-quarter Performance Remarks	fourth-quarter Target	Actual achieved Third-quarter
Number of Household earning less than per month with access to free electricity	Not Achieved	4 250	3841
Approved 2022/23 Budget by 31 May 2023	Achieved	The budget to be approved by council on 31 March 2023	Final annual budget was approved by council on the 31 May 2023
Developed and Submitted 2022/23 Interim Financial Statement by 30 April 2023	Achieved	To Develop and Submit 2022/23 Interim Financial Statement by 30 April 2023	The Interim Financial statements was developed and submitted to internal audit and other relevant stakeholders
Number of section 71 reports submitted to Treasury within 10 days after the end of the month of fourth quarter ending 30 June 2023	Achieved	3	3
Percentage Expenditure of Financial Management Grant by the end of fourth quarter ending 30 June 2023	Achieved	100%	100%
Percentage of Tenders processed within 90 days by second quarter ending 30 June 2023 (From closing date in the advert)	Not Achieved	95%	90%
Percentage of Electricity Distribution loss by fourth quarter ending	Achieved	10%	5%

30 June 2023			
Percentage of Invoices Paid within 30 days of receipt by fourth quarter ending 30 June 2023	Achieved	100%	100%
INEP Percentage spending for the fourth quarter 30 June 2023	Achieved	100%	100%
MIG Percentage spending for fourth quarter 30 June 2023	Achieved	100%	100%
Percentage of Billed revenue collected per month during 2022/23(fourth quarter ending by 30 June 2023 Financial Year	Achieved	90%	91%

Figure 1: Summary of 4TH quarter ending 30 JUNE 2023 SDBIP

2. ANALYSIS OF SECOND QUARTER SDBIP KEY PERFORMANCE INDICATORS AND ACHIEVMENT ENDING 30 JUNE 2023.

1. Number of Household earning less than per month with access to free electricity

- The target was for the municipality to register 4250 by the end of fourth-quarter. The municipality did not achieve the target by registering only 3841 by the end of fourth- quarter ending 30 June 2023.

2. Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 30 June 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 fourth quarter.

3. Percentage Expenditure of Financial Management Grant by 30 June 2023.

- The target was to spend 100% of financial management grant by 30 June 2022 .The municipality achieved by this target by spending 100% of the budget.

4. Percentage of Tenders processed within 90 days by 30 June 2023 (From closing date in the advert). The target was not achieved 95% and only 90% was achieved. The reasons for the delay in processing of bids.

5. Percentage of Electricity Distribution loss by 30 June 2023.

The target for the municipality was to achieve less than 10% on distribution loss by 5% at the end of the quarter ending 30 June 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 30 June 2022 Financial Year.

- The target was for the municipality to achieved 90% collection rate at the end of the quarter ending 30 June 2023. The target was achieved by 91% .

**3. ANALYSIS FROM REPORTS FROM INCOME AND EXPENDITURE QUARTER THREE ENDING 30 JUNE 2023
SUMMARY: INCOME AND EXPENDITURE REPORT PERFORMANCE**

The actual operational income for fourth quarter is R 220 134 million and actual to date is R 1 174 192 billion. The operational expenditure for the same period is R 267 371 million and actual to date is R 1 164 627 billion.

Summary overall budgeted and actual expenditure

Types of Budget	Approved Adjusted Budget	Budget Spent	Balance	% Spent
Operational	R 1 266 billion	R 1 164 billion	R 102 million	92%
Capital	R 436 million	R 310 million	R 126 million	71%
Total	R 1.702 billion	R 1 474 billion	R 228 million	87%

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 436 million and the amount of R 1 164 million and R 310 million was spent respectively. This represents 92% spending on operational budget as well as 71% spending on capital budget.

Overall spending is R 1 474 billion against the approved adjusted budget of R 1.702 billion and this represent 87% spending of the budget

4. APPROVED CONDITIONAL GRANT AS AT 30 JUNE 2023

Details of Grants allocated ,Grants Performance as at 30 June 2023														
Description	Budget Year 2022/23													
	APPROVED BUDGET	Grants Received YTD R '000	Actual Received Q1 R '000	Actual Received Q2 R '000	Actual Received Q3 R '000	Actual Received Q4 R '000	Actual Q1 Expenditure R'000	Actual Q2 Expenditure R'000	Actual Q3 Expenditure R'000	Actual Q4 Expenditure R'000	Actual to date Expenditure R'000	% Spent on received	BUDGET VS ACTUAL %	Full Year Forecast
APPROVED CONDITIONAL GRANT														
Funded by:														
MIG	102,597	102,597	61,160	29,510	11,927	-	13,898	36,461	11,550	40,688	102,597	100%	100%	102,597
INEP	20,120	20,120	-	5,000	15,120	-	729	9,721	1,823	7,847	20,120	100%	100%	20,120
FMG	1,950	1,950	1,950	-			525	508	508	409	1,950	100%	100%	1,950
EPWP	3,289	3,289	815	1,467	1,007	-	815	815	837	822	3,289	100%	100%	3,289
Total Grants	127,956	127,956	63,925	35,977	28,054	-	15,967	47,505	14,718	49,766	127,956	100%	100%	127,956

1. Municipal infrastructure Grant (MIG)

The actual amount received for the fourth quarter is R 0 million and to date is R 102 597 million and actual expenditure for the fourth quarter is R 40 688 million and to date is R 102 597 million that represent 100% of expenditure against approved allocation of R 102 597 million.

2. Integrated National Electricity Programme (INEP)

The actual amount received for the fourth quarter is R 0 million and to date R 20 120 million and actual expenditure for the fourth quarter is R 7 847 million and to date R 20 120 million that represents 100% of expenditure against approved allocation of R 20 120 million.

3. Financial Management Grant (FMG)

The actual amount received for the fourth quarter is zero and to date is R 1 950 million and actual expenditure for the fourth quarter is R 409 thousands and to date is R 1 950 million that represents 100% against the approved allocation of R 1 950 million.

4. Expanded Public Works Programme (EPWP)

The actual amount received for the fourth quarter is R0 thousands and to date is R 3 289 million and actual expenditure for the fourth quarter is R 822 thousands and to date is R 3 289 million that represent 100% against the approved allocation of R 3 289 million.

5. SUMMARY OF PERFORMANCE OF INCOME AND EXPENDITURE 30 JUNE 2023

Description	Budget Year 2022/23											
	Adjusted Original Budget	Fourth Quarter 2023 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Third Quarter 2023	Fourth 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	116,094,000.00	26,768,915.87	29,278,588.03	32,123,090.90	33,678,090.00	121,848,684.80	5,754,684.80	5%	105%	105%	116,094,000.00
Service charges - electricity revenue	528,726,000.00	528,726,000.00	120,013,345.90	89,317,654.10	106,242,990.65	152,890,900.00	468,464,890.65	-60,261,109.35	-13%	89%	89%	528,726,000.00
Service charges - refuse revenue	14,249,000.00	14,249,000.00	3,561,855.35	3,562,847.17	3,678,909.00	1,353,321.48	12,156,933.00	-2,092,067.00	-17%	85%	85%	14,249,000.00
Rental of facilities and equipment	315,000.00	315,000.00	40,532.62	57,801.28	71,950.80	53,628.46	223,913.16	-91,086.84	-41%	71%	71%	315,000.00
Interest earned - external investments	9,056,000.00	9,056,000.00	2,544,745.15	1,983,561.28	2,363,693.68	2,306,336.79	9,198,336.90	142,336.90	2%	102%	102%	9,056,000.00
Interest earned - outstanding debtors	39,318,000.00	39,318,000.00	8,960,183.18	9,199,256.32	10,543,725.37	19,082,070.48	47,785,235.35	8,467,235.35	18%	122%	122%	39,318,000.00
Fines, penalties and forfeits	4,802,000.00	4,802,000.00	635,139.60	1,766,771.00	1,611,751.70	696,744.60	4,710,406.90	-91,593.10	-2%	98%	98%	4,802,000.00
Licences and permits	3,908,000.00	3,908,000.00	899,400.25	1,055,183.24	1,187,710.18	364,581.67	3,506,875.34	-401,124.66	-11%	90%	90%	3,908,000.00
Transfers and subsidies	466,925,000.00	466,925,000.00	173,235,748.91	169,689,251.09	124,000,000.00	-	466,925,000.00	-	0%	100%	100%	466,925,000.00
Other revenue	83,455,000.00	83,455,000.00	8,577,367.37	10,786,550.06	10,299,091.56	9,708,897.01	39,371,906.00	-44,083,094.00	-112%	47%	47%	83,455,000.00
Total Revenue	1,266,848,000.00	1,266,848,000.00	345,237,234.20	316,697,463.57	292,122,913.84	220,134,570.49	1,174,192,182.10	-92,655,817.90	-7%	93%	93%	1,266,848,000.00

Description	Budget Year 2022/23											
	Adjusted Original Budget	Fourth Quarter 2023 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Third Quarter 2023	Fourth 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	320,501,000.00	70,290,857.41	83,775,853.69	92,803,234.47	66,889,724.53	313,759,670.10	-6,741,329.90	-2%	98%	98%	320,501,000.00
Remuneration of councillors	29,443,000.00	29,443,000.00	7,098,646.74	7,273,880.16	7,077,151.70	6,810,369.81	28,260,048.41	-1,182,951.59	-4%	96%	96%	29,443,000.00
Debt impairment	60,715,000.00	60,715,000.00	15,244,446.74	31,477,404.19	8,877,041.58	4,764,891.41	60,363,783.92	-351,216.08	-1%	99%	99%	60,715,000.00
Depreciation & asset impairment	140,000,000.00	140,000,000.00	28,978,276.04	34,316,776.56	33,020,640.09	38,575,198.21	134,890,890.90	-5,109,109.10	-4%	96%	96%	140,000,000.00
Finance charges	12,120,000.00	12,120,000.00	926,275.89	5,135,584.01	3,022,110.06	-1,039,728.57	8,044,241.39	-4,075,758.61	-34%	66%	66%	12,120,000.00
Bulk purchases	345,562,000.00	345,562,000.00	71,464,963.24	81,595,925.24	74,090,705.83	103,858,442.59	331,010,036.90	-14,551,963.10	-4%	96%	96%	345,562,000.00
Other materials	34,841,000.00	34,841,000.00	12,309,330.19	8,968,519.84	6,789,089.78	3,198,120.75	31,265,060.56	-3,575,939.44	-10%	90%	90%	34,841,000.00
Contracted services	253,327,000.00	253,327,000.00	84,657,898.33	49,147,337.21	30,287,542.59	43,149,223.65	207,242,001.78	-46,084,998.22	-18%	82%	82%	253,327,000.00
Other expenditure	69,243,000.00	69,243,000.00	25,042,200.14	9,830,496.42	13,754,212.67	1,164,830.42	49,791,739.65	-19,451,260.35	-28%	72%	72%	69,243,000.00
Total Expenditure	1,265,752,000.00	1,265,752,000.00	316,012,894.72	311,521,777.32	269,721,728.77	267,371,072.80	1,164,627,473.61	-101,124,526.39	-8%	92%	92%	1,265,752,000.00

6. SIGNIFICANT VARIANCES ANALYSIS OF REVENUE AND EXPENDITURE PERFORMANCE

1. Revenue

1.1.1 Electricity Revenue

- The actual billing for Electricity revenue for the Fourth quarter is R 152 890 million and to date is R 468 465 million compared with the R 528 million projections which results to under billing by 11%.

Expenditure

2.1.1 Debt Impairment

This is non- cash item and expenditure for the fourth quarter is R 4 764 million and to date is R 60 364 million compared to the projection of R 60 715 million .Debtors were assessed for impairment during the fourth quarter.

2.1. 2 Depreciation & asset impairment

This is non- cash item and expenditure for the fourth quarter is R 38 575 million and to date is R 134 891 million compared to the projection of R 140 000 million .

7. **CAPITAL EXPENDITURE.**

The Actual Capital expenditure for the fourth quarter 2023 is R 37 623 million and to date is R 310 896 million which result to 71% 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 290 293 305.44	R 108 124 228.44	73%
Community Services	INCOME	R 21 144 376.00	R 11 750 804.05	R 9 393 571,95	56%
Budget and Treasury	INCOME	R 7 400 000.00	R 5 302 241.67	R 2 097 758.33	72%
Corporate Services	INCOME	R 8 274 733.00	R 3 266 553.15	R 5 008 179.85	40%
Regional Offices	INCOME	R 629 000.00	R 283 465.03	R 345 535.97	45%
TOTAL		R 435 865 642.88	R 310 896 369.34	R 124 969 273.54	71%

1. Technical Services Department

- The actual expenditure for the fourth quarter is R 30.552 million and to date is R 290 293 million compared with the projection of R 398 417 million which result to a negative variance of 27%. The expenditure incurred for the third half represent 73% 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 have progressed well.

The department has carried forward the amount of R 108 million which will cater the project funded by own income e.g High mast lighs in all 38 wards and other income funded that are on the implementation stage.

2. Department of Community services

The actual expenditure for the fourth quarter is R 5 547 million and to date is R 11 751 million compared with the projection of R 21 144 million which result to a negative variance of 44%. The expenditure incurred for the fourth quarter represent 56% of approved budget for 2022/23 financial year 2023. The department had carried forward R 6 000 million to next financial year since the procured goods had not delivered at the end of the financial year. (The installation of Cameras and 1000 x 240L wheelie bins).

3. Department of Budget and Treasury office

The actual expenditure for the fourth quarter is R 1 091 million and to date is R 5 302 compared with the projection of R 7 400 million which result to a negative variance of 28%.The expenditure incurred for the fourth quarter represent 72% of approved budget for 2022/23 financial year. The amount of R 2 million has been carried forward to next financial to procure office furniture.

4. Department of Corporate Services

The actual expenditure for the fourth quarter is R 679 thousands and to date is R 3 266 compared with the projection of R 8 275 million. The under spending represent negative 60% of the fourth projection. The expenditure incurred for the as at fourth quarter represents 40% of approved budget for 2022/23 financial year. The amount of R 5 million has been carried forward to cater projects that has been procured but not yet delivered.(Luvuvhu Mobile office , Installation of sound and recording system of council chamber and other Software e.g AD Manager, Backup Firewall, Patch Manager Software, Conclusion of Voip Phase 2 etc.All these projects that were rolled-over will be concluded in quarter one 2023/2024.

5. Regional Offices

The actual expenditure for the fourth quarter is R 0 and to date is R 283 thousands compared with the projection of R 629 thousands which result to a negative variance of 55%.The expenditure incurred for the fourth quarter represent 45% of approved budget for 2022/23 financial year.

8. DEBTORS AGE ANALYSIS

The amount outstanding from debtors as at 30 June 2023 is R 440 664 176.72

LIM344 Makhado-Supporting Table SC3 Monthly Budget Statement- Aged Debtors _M12 June 2023

Description	BUDGET 2022/2023							Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	Total	
R thousands								
Debtors Age Analysis By Income Source								
Trade and Other Receivables from Exchange Transactions - Electricity	19 064	3 188	1 684	1 629	1 203	50 976	77 744	53 808
Receivables from Non-exchange Transactions - Property Rates	9 749	3 257	3 073	2 952	2 890	146 745	168 667	152 588
Receivables from Exchange Transactions - Waste Management	1 445	489	468	456	447	26 565	29 869	27 468
Interest on Arrear Debtor Accounts	6 431	3 121	3 061	3 035	2 977	120 569	139 194	126 581
Other	3 040	923	498	556	574	19 597	25 189	20 728
Total By Income Source	39 729	10 978	8 784	8 629	8 092	364 453	440 664	381 173
Debtors Age Analysis By Customer Group								
Organs of State	2 733	1 290	1 433	1 331	1 292	50 026	58 105	52 649
Commercial	17 802	2 957	1 528	1 501	1 371	43 938	69 097	46 810
Households	10 343	3 774	3 513	3 509	3 464	186 178	210 781	193 151
Other	8 851	2 957	2 310	2 289	1 964	84 311	102 681	88 564
Total By Customer Group	39 729	10 978	8 784	8 629	8 092	364 453	440 664	381 173

MAKHADO LOCAL MUNICIPALITY

Quarte 4 Debt Breakdown Analysis - 30 June 2023

Account Type	Total Amount	Towns							
		Farm	Ha-Tshikota (Vleifonte in)	Louis Trichardt	Makha do A (Dzana ni)	Tshikota	Villages	Vuwani	Waterval
Agriculture	96 114 186.38	94 144 442.05	-	115 288.81	34.65	768.87	1 853 652.00	-	-
Businesses/ Industrial	69 096 877.28	28 893 739.47	1 059 353.29	30 411 249.70	5 241 395.73	575 330.75	1 011 919.91	-	1 903 888.43
Churches	655 940.17	83 553.90	78 316.05	199 159.09	33 370.39	26 581.91	124 889.06	-	110 069.77
Government (SOP)	63 062 708.25	46 622 091.53	1 674 444.67	497 870.32	2 245 063.85	349 689.13	6 119 419.33	-	5 554 129.42
Municipal	600 552.58	(20 559.54)	64 827.70	490 353.98	(5 552.00)	9 314.32	13 164.26	-	49 003.86
Public Benefit Organisation (PBO)	4 549.67	4 549.67	-	-	-	-	-	-	-
Public Service Infrastructure (PSI)	348 436.98	228 253.01	127.80	120 056.17	-	-	-	-	-
Residential	210 780 925.41	2 772 568.92	38 411 239.02	45 517 790.35	17 786 829.29	9 687 850.21	22 672 900.95	(1 800.00)	73 933 546.67
GRAND - TOTAL	440 664 176.72	172 728 639.01	41 288 308.53	77 351 768.42	25 301 141.91	10 649 535.19	945.51	(1 800.00)	81 550 638.15

- The municipality is currently implementing internal credit control in above debtors by cut-off the electricity in the accounts that are in arrears ,where the municipality is not supplying the electricity the accounts have been handed over to Debt collectors to assist in collection.

- Quarterly Debt Breakdown - June 2023

Customer Group	Dec-22		Jun-23	
	Amount	Action Plan	Amount	Action Plan
ORGANS OF STATE	19 158 321.49		17 983 789.33	
Agriculture	(183 145.37)	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings	(214 318.61)	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings
Arts	4 232.47	Normal Monthly debt	585.50	Normal Monthly debt
Education	423 189.66	The department will also be engaged through the IGR meetings	255 934.94	The department will also be engaged through the IGR meetings
Health	245 036.64	Normal Monthly debt	19 377.88	Normal Monthly debt

Public Works - National	2 867 318.38	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings	2 346 801.98	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings
Public Works - Provincial	120 930.47	Normal Monthly Account	82 931.28	Normal Monthly Account

Rural Development	13 895 720.54	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.	14 237 997.89	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.
DWARF	346 797.13	Cut-offs will be executed for the accounts in arrear.	358 241.89	Cut-offs will be executed for the accounts in arrear.
SASSA	64 437.84	Cut-offs will be executed for the accounts in arrear.	61 411.35	Cut-offs will be executed for the accounts in arrear.

Vhembe District Municipality	1 373 803.73	VDM accounts have been normalised	834 825.23	VDM accounts have been normalised
COMMERCIAL		65 946 235.25	69 096 877.28	
Business	65 946 235.25	Cut-offs will be executed for the accounts in arrear	69 096 877.28	Cut-offs will be executed for the accounts in arrear
RESIDENTIAL		199 853 719.74	210 312 380.11	
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.	73 933 546.67	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.		17 786 829.29	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.		38 411 239.02	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.	9 687 850.21	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.	45 440 436.81	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.	22 430 834.67	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.	2 623 443.44	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors will assist with collection.
Vuwani	(69 543.25)	These accounts will be paid over to Collins Chavane Local Municipality	(1 800.00)	These accounts will be paid over to Collins Chavane Local Municipality
OTHER	138 054 756.68		143 271 130.00	

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	96 114 186.38	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
Churches	605 194.91	Cut-offs will be executed for the accounts in arrear	655 940.17	Cut-offs will be executed for the accounts in arrear
Public Service Purpose (PSP)	5 205 523.09	Cut-offs will be executed for the accounts in arrear	5 558 338.14	Cut-offs will be executed for the accounts in arrear

Public Service Infrastructure (PSI)	711 158.55	Cut-offs will be executed for the accounts in arrear	348 436.98	Cut-offs will be executed for the accounts in arrear
Public Benefit Organisation (PBO)	(483.53)	Accounts paid in advance	4 549.67	Accounts paid in advance
State Owned Property (SOP)	39 065 257.24	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	40 589 678.66	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		440 664 176.72	

The table below reflects both the collection rate and the distribution loss per quarter until the 30 June 2023

Collection Rate Table							
Quarter - 1		Quarter - 2		Quarter - 3		Quarter 4	
Month	Percentage	Month	Percentage	Month	Percentage	Month	Percentage
July – 2022	106%	October - 2022	89%	January – 2023	96%	April	75%
August – 2022	82%	November - 2022	96%	Feb -2023	102%	May	93%
September - 2022	90%	December - 2022	83%	March 2023	93%	June	105%
Total	278%		268%		291%		273%
Average percentage for the Quarter - 1	93%	Average percentage for the Quarter - 2	89%	Average percentage for the Quarter - 3	97%	Average Percentage for Fourth quarter	91%

The 4TH quarter average collection rate is 91%

Distribution Rate Table							
Quarter - 1		Quarter - 2		Quarter - 3		Quarter 4	
Month	Percentage	Month	Percentage	Month	Percentage	Month	Percentage
July – 2022	<u>6%</u>	October - 2022	15%	January - 2023	1%	April 2023	-2%
<u>August – 2022</u>	<u>10%</u>	November - 2022	-13%	February - 2023	-12%	May 2023	10%

September - 2022	<u>0%</u>	December - 2022	-3%	March - 2023	17%	June 2023	7%
<u>Total</u>	<u>16%</u>		-1%	Total	6%	Total	20%
Average percentage for Quarter - 1	5.3%	Average percentage for Quarter - 2	0.3%	Average percentage for Quarter - 3	2%	Average percentage for Quarter - 4	5%

The fourth QUARTER average Distribution Loss is 5%

- 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 that is older and which cannot be collected using internal credit control measures 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 9 million

- Installation of prepaid meter.

**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		05	
3rd Quarter	25	27	27	27		02	
4th Quarter	31	24	23	23		04	
TOTAL	116	86	86	86		11	
ANNEXURE	A	B	C	D	E	F	F

All requests for adverts were processed. As at 30 June 2023, the following 19 bids were not awarded:

NO	BID NO	DESCRIPTION	CLOSING DATE	COMMENTS
01	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
02	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	In Evaluation

03	44 OF 2023	Supply and delivery, SS60 and CAT 65 Bituminous Emulsion for the period of three (03) years	26-May-23	In Evaluation
04	45 OF 2023	Supply and delivery of Hot mix asphalt for period of three (03) years	26-May-23	In Evaluation
05	47 OF 2023	Supply and Delivery of Road signs	08-May-23	In Evaluation
06	49 of 2023	Provision of single Automated Performance Management System for the period of three (03) Years	05-Jun-23	In Evaluation
07	50 of 2023	Panel for provision of security services for the period of three (03) years	05-Jun-23	In Evaluation
08	51 of 2023	Provision of short-term insurance for the period of three (03) years	05-Jun-23	In Evaluation
09	52 of 2023	Appointment for a panel of contractors for road maintenance and related services in Makhado Local municipality for the period of three (03) Years	12-Jun-23	In Evaluation
10	55 of 2023	Re-Advertisement: Supply and Delivery of Office Furniture for The Whole Municipality	09-Jun-23	In Evaluation
11	57 of 2023	Supply, Delivery of Material, Labour and Construction of Khomele Paypoint Office, Guardroom Office And Septic Tank	12-Jun-23	In Evaluation
12	58 of 2023	Supply, Delivery of Material, Labour And Construction of Tshiozwi Paypoint Office, Guardroom Office And Septic Tank	12-Jun-23	In Evaluation
13	59 of 2023	Supply, Delivery of Material, Labour and Construction of Pavement at Electrical Workshop Phase 3	12-Jun-23	In Evaluation
14	56 of 2023	Re-Advertisement: Auctioneering services on municipal assets for the period of three years	26-Jun-23	In evaluation
15	60 of 2023	Supply and Delivery of Geographical	09-Jun-23	In Evaluation

		Positioning System (GIS)		
16	62 of 2023	Upgrading of Midoroni Clinic Ring Road	03-Jul-23	On advert
17	63 of 2023	Construction of Tshuvhuyuni Sport Facility	03-Jul-23	On advert
18	64 of 2023	Upgrading of Access Roads in Tsianda (Marundu)	03-Jul-23	On advert
19	65 of 2023	Upgrading of Luvhalani to Dzananwa access road	03-Jul-23	On advert

FORMAL WRITTEN QUOTATION AS AT 30 June 2023

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded
4 th Quarter	45	33	33

PROCUREMENT DEVIATION FOURTH QUARTER REPORT

1. The number of awards made in terms of SCM regulation 36
= **22**
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
= **R503 869.23**

Closing balance as at 30 June 2023 R 146 328 419.42

Description	Budget Year 2022/23												
	R thousands	Adjusted Original Budget	Fourth Quarter 2023 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Third Quarter 2023	Fourth 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	116,094,000.00	26,768,915.87	29,278,588.03	32,123,090.90	33,678,090.00	121,848,684.80	5,754,684.80	5%	105%	105%	116,094,000.00	
Service charges - electricity revenue	528,726,000.00	528,726,000.00	120,013,345.90	89,317,654.10	106,242,990.65	152,890,900.00	468,464,890.65	-60,261,109.35	-13%	89%	89%	528,726,000.00	
Service charges - refuse revenue	14,249,000.00	14,249,000.00	3,561,855.35	3,562,847.17	3,678,909.00	1,353,321.48	12,156,933.00	-2,092,067.00	-17%	85%	85%	14,249,000.00	
Rental of facilities and equipment	315,000.00	315,000.00	40,532.62	57,801.28	71,950.80	53,628.46	223,913.16	-91,086.84	-41%	71%	71%	315,000.00	
Interest earned - external investments	9,056,000.00	9,056,000.00	2,544,745.15	1,983,561.28	2,363,693.68	2,306,336.79	9,198,336.90	142,336.90	2%	102%	102%	9,056,000.00	
Interest earned - outstanding debtors	39,318,000.00	39,318,000.00	8,960,183.18	9,199,256.32	10,543,725.37	19,082,070.48	47,785,235.35	8,467,235.35	18%	122%	122%	39,318,000.00	
Fines, penalties and forfeits	4,802,000.00	4,802,000.00	635,139.60	1,766,771.00	1,611,751.70	696,744.60	4,710,406.90	-91,593.10	-2%	98%	98%	4,802,000.00	
Licences and permits	3,908,000.00	3,908,000.00	899,400.25	1,055,183.24	1,187,710.18	364,581.67	3,506,875.34	-401,124.66	-11%	90%	90%	3,908,000.00	
Transfers and subsidies	466,925,000.00	466,925,000.00	173,235,748.91	169,689,251.09	124,000,000.00	-	466,925,000.00	-	0%	100%	100%	466,925,000.00	
Other revenue	83,455,000.00	83,455,000.00	8,577,367.37	10,786,550.06	10,299,091.56	9,708,897.01	39,371,906.00	-44,083,094.00	-112%	47%	47%	83,455,000.00	
Total Revenue	1,266,848,000.00	1,266,848,000.00	345,237,234.20	316,697,463.57	292,122,913.84	220,134,570.49	1,174,192,182.10	-92,655,817.90	-7%	93%	93%	1,266,848,000.00	

Description	Budget Year 2022/23											
	Adjusted Original Budget	Fourth Quarter 2023 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Third Quarter 2023	Fourth 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	320,501,000.00	70,290,857.41	83,775,853.69	92,803,234.47	66,889,724.53	313,759,670.10	-6,741,329.90	-2%	98%	98%	320,501,000.00
Remuneration of councillors	29,443,000.00	29,443,000.00	7,098,646.74	7,273,880.16	7,077,151.70	6,810,369.81	28,260,048.41	-1,182,951.59	-4%	96%	96%	29,443,000.00
Debt impairment	60,715,000.00	60,715,000.00	15,244,446.74	31,477,404.19	8,877,041.58	4,764,891.41	60,363,783.92	-351,216.08	-1%	99%	99%	60,715,000.00
Depreciation & asset impairment	140,000,000.00	140,000,000.00	28,978,276.04	34,316,776.56	33,020,640.09	38,575,198.21	134,890,890.90	-5,109,109.10	-4%	96%	96%	140,000,000.00
Finance charges	12,120,000.00	12,120,000.00	926,275.89	5,135,584.01	3,022,110.06	-1,039,728.57	8,044,241.39	-4,075,758.61	-34%	66%	66%	12,120,000.00
Bulk purchases	345,562,000.00	345,562,000.00	71,464,963.24	81,595,925.24	74,090,705.83	103,858,442.59	331,010,036.90	-14,551,963.10	-4%	96%	96%	345,562,000.00
Other materials	34,841,000.00	34,841,000.00	12,309,330.19	8,968,519.84	6,789,089.78	3,198,120.75	31,265,060.56	-3,575,939.44	-10%	90%	90%	34,841,000.00
Contracted services	253,327,000.00	253,327,000.00	84,657,898.33	49,147,337.21	30,287,542.59	43,149,223.65	207,242,001.78	-46,084,998.22	-18%	82%	82%	253,327,000.00
Other expenditure	69,243,000.00	69,243,000.00	25,042,200.14	9,830,496.42	13,754,212.67	1,164,830.42	49,791,739.65	-19,451,260.35	-28%	72%	72%	69,243,000.00
Total Expenditure	1,265,752,000.00	1,265,752,000.00	316,012,894.72	311,521,777.32	269,721,728.77	267,371,072.80	1,164,627,473.61	-101,124,526.39	-8%	92%	92%	1,265,752,000.00