



**MAKHADO LOCAL MUNICIPALITY
[LIM: 344]**

MID-YEAR BUDGET ASSESSMENT

2023/24 FINANCIAL YEAR

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1. INTRODUCTION

FINANCE : MID-YEAR BUDGET ASSESSMENT – 2023/24 FINANCIAL YEAR REPORT OF THE MUNICIPAL MANAGER

In terms of section 72 of the Municipal Finance Management Act (MFMA), Act no 56 of 2003 the Accounting Officer of the municipality must by 25 January each year-

- 1.1** Assess the performance of the municipality during the first half of the financial year, taking into account-
 - a) The monthly budget statement referred to as section 71 for the first half of the financial year
 - b) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
 - c) The past years annual report, and progress on resolving problems identified in the annual report.

 - 1.2** The Accounting Officer of the municipality must submit a report on such assessment to –
 - 1.2.1 The mayor of the municipality,
 - 1.2.2 The National and the relevant provincial treasury.

 - 1.3** The Accounting Officer must, as part of the review:
 - Make recommendations as to whether an adjustment budget is necessary, and
 - Recommend revised projections for revenue and expenditure to the extent that this may be necessary
-

**2. HALF-YEAR BUDGET STATEMENT: 31 DECEMBER 2023
(JULY 2023 – DECEMBER 2023 YEAR TO DATE PERFORMANCE)**

MUNICIPAL FINANCIAL MAMAGEMENT AND VIABILITY			
Summary of first half quarter SDBIP (July to December 2023) Municipal financial management and viability			
Key Performance Indicators	Mid-Term Performance Remarks	Mid-term Target	Actual achieved Mid-term
Number of Household earning less than per month with access to free electricity	Achieved	4650	4764
Prepared and Submitted Annual financial statements for 2022/2023 Financial year	Achieved	2022/23 AFS Prepared and submitted by 31 August 2023	AFS Submitted on 01 September 2023, due to system error on the fixed assets module.(Asset register and Trial balance were not balancing.
Approved budget process plan by 31 August 2023	Achieved	Process plan approved by Council 31 August 2023	Process plan approved by Council on before 31 August 2023
Approved 2024/25 Budget by 31 May 2024	Achieved	Send request to departments for proposed budget by 31 December 2023	The request to departments for proposed budget was sent on the 12th December 2023
Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 30 September 2023 and by 31 December 2023	Achieved	6	6

Percentage Expenditure of Financial Management Grant by 30 September 2023 and by 31 December 2023	Achieved	50%	66%
Percentage of Tenders processed within 90 days by 30 September 2023 and 31 December 2023 (From closing date in the advert)	Achieved	95%	100%
Percentage of Electricity Distribution loss by 30 Sept 2023 and 31 December 2023	Not Achieved	5%	11%
To achieve improved Unqualified audit opinion by 30 November 2023	Achieved	Improved Unqualified audit Opinion	Improved Unqualified audit Opinion, performance information it moved from qualified to unqualified
Percentage of Invoices Paid within 30 days of receipt by 30 September 2023 and 31 December 2023	Achieved	100%	100%
Percentage of INEP Grant spending by 31 December 2023	Achieved	45%	61%
Percentage of MIG Grant spending by 30 September 2023 and 31 December 2023	Achieved	45%	67%
Percentage of Billed revenue collected per month during 2023/24(as at 30 September 2023 and by 31 December 2023 Financial Year	Not Achieved	90%	81%

3. ANALYSIS OF MID TERM SDBIP KEY PERFORMANCE INDICATORS AND ACHIEVEMENT ENDING 31 DECEMBER 2023

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

- The target was for the municipality to register 4650 by mid-term. The municipality achieved the target by registering 4764 by mid-term.

3.2 Prepared and submitted Annual Financial Statements for the year ended 30 June 2023.

- The target was for the municipality to prepare and submit AFS for the 2022/23 financial year on or before 31 August 2023 during mid- term. The target was not achieved. Due to system error on the Assets module, the Asset register and Trial balance were not balancing.

3.3 Approved budget process plan by 31 August 2023.

- The target was for the municipality to approve the budget process plan by 31 August 2023 during the mid-term. The municipality achieved the target.

3.4 Approved 2024/25 budget by 31 May 2024.

- The target was for finance department to issue a circular notifying other departments about the deadline for submission of the budget input for the preparation of 2024/25 financial year Budget. The notice was issued on 12 December 2023 and the target was achieved.

3.5 Number of section 71 reports submitted to Treasury within 10 days after the end of the mid -term (six months)

- 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 during mid-term. The target was achieved and six section 71 reports were submitted to both national and provincial Treasury during mid-term.

3.6 Percentage Expenditure of Financial Management Grant by mid-term.

- The target was to spend 50% of financial management grant by mid-term. The municipality achieved this target by spending 66% of the budget.

3.7 Percentage of Tenders processed within 90 days by mid-term (From closing date in the advert).

- The target was for the municipality to process advertised Tenders within 90 days from the closing date in the advert by mid-term. The municipality did achieve this target and 96% of the tenders were awarded within 90 days validity period from the closing date during mid-term.

3.8 Percentage of Electricity Distribution loss by mid-term.

- The target for the municipality was to achieve less than 5% on distribution loss for the mid-term ending 31 December 2023. The target was not achieved and the municipality's distribution losses was 11% for the mid-term

3.9 Percentage of Billed revenue collected per month during 2023/24 for mid-term Financial Year.

The target was for the municipality to achieve 90% collection rate for the mid-term. The target was not achieved and the municipality's collection rate was 81% for the mid-term

4. ANALYSIS OF INCOME AND EXPENDITURE FOR THE MID TERM ENDING 31 DECEMBER 2023

The municipality's Operating Revenue budget amounts to R 1 395 877 000.00, Expenditure (Operating Budget) amounts to R 1 368 446 000.00 , and Capital expenditure amounts to R 503 877 424.19

Summary overall budgeted and actual expenditure

Types of Budget	Approved Budget	Budget Spent	Balance	% Spent
Operational	R 1 368 billion	R 637 million	R 731 million	47%
Capital	R 503 million	R 188 million	R 315 million	37%
Total	R 1.871 billion	R 825 million	R 1 046 billion	44%

4.1 Summary Budget and overall current expenditure

The municipality had operational expenditure budget of R 1 368 billion and capital budget of R 503 million and the amount of R 637 million and R 188 million was spent respectively. This represents 47% spending on operational budget as well as 37% spending on capital budget. Overall spending is R825million against the approved budget of R 1.871 billion and this represent 44% spending of the approved budget.

5. OPERATING REVENUE

Total Operating revenue during first half of 2023/24 was R 789 513 641.92 compared to the related budget of R 697 938 500.00 resulting in a positive variance 13% .The revenue received already constitute 50% of the approved original budget.

Description	Budget Year 2023/24									
	R thousands	Original Budget	Mid-year Projections	Q1 Sept 2023	Q2 Dec 2023	YTD todate	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%
Revenue By Source										
Property rates	122,247,000.00	61,123,500.00	29,719,569.27	32,819,569.27	62,539,138.54	1,415,638.54	2%	51%	102%	122,247,000.00
Service charges - electricity revenue	608,564,000.00	304,282,000.00	108,394,212.25	119,067,090.98	227,461,303.23	-76,820,696.77	-34%	37%	75%	608,564,000.00
Service charges - refuse revenue	15,064,000.00	7,532,000.00	3,590,728.05	3,622,656.01	7,670,186.81	138,186.81	2%	51%	102%	15,064,000.00
Rental of facilities and equipment	332,000.00	166,000.00	76,899.00	84,052.09	160,951.09	-5,048.91	-3%	48%	97%	332,000.00
Interest earned - external investments	9,536,000.00	4,768,000.00	2,805,156.37	1,268,699.93	4,073,856.30	-694,143.70	-17%	43%	85%	9,536,000.00
Interest earned - outstanding debtors	45,402,000.00	22,701,000.00	10,323,742.10	13,966,483.73	24,290,225.83	1,589,225.83	7%	54%	107%	45,402,000.00
Fines, penalties and forfeits	5,056,000.00	2,528,000.00	280,655.20	1,999,485.50	2,280,140.70	-247,859.30	-11%	45%	90%	5,056,000.00
Licences and permits	4,115,000.00	2,057,500.00	922,871.45	879,295.20	1,802,166.65	-255,333.35	-14%	44%	88%	4,115,000.00
Transfers and subsidies	493,825,000.00	246,912,500.00	239,237,793.08	210,357,633.53	449,595,426.61	202,682,926.61	45%	91%	182%	493,825,000.00
Operational Revenue	91,736,000.00	45,868,000.00	4,176,329.46	5,463,916.70	9,640,246.16	-36,227,753.84	-376%	11%	21%	91,736,000.00
Total Revenue	1,395,877,000.00	697,938,500.00	399,527,956.23	389,528,882.94	789,513,641.92	91,575,141.92	13%	57%	113%	1,395,877,000.00

5.1 ANALYSIS OF REVENUE

5.1.1 Property Rates

The Actual billing on property rates for mid-term is R 62.539 million compared to the projections R 61.123 million which results to 2% positive variance between actual collected and projections. There is a need to adjust property rate upward by 2% during budget adjustment based on the six months performance.

5.1.2 Service charges Electricity revenue

The actual Billing on Electricity revenue for mid-term is R 227.461 million compared to the Mid-term projections of R 304.282 million. There is a need to adjust the service charges downward by 34% based on the six-month performance.

5.1.3 Service charges Refuse removal

The actual revenue billed on Refuse removal revenue for mid-term is R 7 .670 million compared to the projections of R 7.532 million. There is a need to adjust service charges refuse removal upwards by 2% based on six-month performance.

5.1.4 Rental

The actual rental revenue collected for mid-term 2023 is R 161 thousand and projected Rental income was R 166 thousands that indicate under collection of 3% against the projections.

5.1.5 Interest earned from financial institutions

The actual billing for interest earned from financial institutions as at 31 December 2023 is R 4.074 million compared to the projections of R 4.768 million which results in an under collection by 17%. There is a need to adjust Interest earned on investment and primary account downwards based on the six-month performance.

5.1.6 Fines, Penalties and forfeits

Fines, penalties and forfeits for the mid-term is R 2.280 million compared with R 2.528 millions projections which results to under collection by 11%. There is a need to adjust this revenue based on the six months performance this revenue should be adjusted downwards by 11%.

5.1.7 Licenses and Permits

The actual licenses and permits collected in the midterm is R 1.802 million compared with the R 2.057 million projections which results to under collection by 14% .The revenue is collected on a cash basis and there's a need to adjust downwards by 14% this revenue based on the six month performance.

5.1.8 Other Revenue

The actual collection as at 31 December 2023 is R 9.640 million compared with the projected

revenue of R 45 million. The results is the under collection by 65% with regard to this service. The projected revenue include the amount projected to be received from sales of stands. The auction was completed and the municipality will receive the money after the transfer from conveyances is completed.

The revenue is collected on a cash basis and there's a need to adjust downwards this revenue and remain with actual amount to be received from Conveyance with regard sales of south Pretorius.

Description	Budget Year 2023/24									
	Original Budget	Mid-year Projections	Q1 Sept 2023	Q2 Dec 2023	YTD todate	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
Expenditure By Source										
Employee related costs	349,488,000.00	174,744,000.00	81,436,673.81	95,679,897.63	177,116,571.44	2,372,571.44	1%	51%	101%	349,488,000.00
Remuneration of councillors	31,000,400.00	15,500,200.00	8,462,621.69	7,232,123.00	15,694,744.69	194,544.69	1%	51%	101%	31,000,400.00
Debt impairment	83,677,000.00	41,838,500.00	18,981,326.16	14,438,315.96	33,419,642.12	-8,418,857.88	-20%	40%	80%	83,677,000.00
Depreciation & asset impairment	147,420,000.00	73,710,000.00	33,900,779.93	39,934,698.90	73,835,478.83	125,478.83	0%	50%	100%	147,420,000.00
Finance charges	12,762,000.00	6,381,000.00	3,780,602.75	1,610,837.21	5,391,439.96	-989,560.04	-16%	42%	84%	12,762,000.00
Bulk purchases	397,742,000.00	198,871,000.00	97,916,157.80	89,504,868.45	187,421,026.25	-11,449,973.75	-6%	47%	94%	397,742,000.00
Other materials	36,688,000.00	18,344,000.00	9,603,177.70	13,736,601.04	23,339,778.74	4,995,778.74	27%	64%	127%	36,688,000.00
Contracted services	236,753,000.00	118,376,500.00	47,273,373.85	48,273,487.79	95,546,861.64	-22,829,638.36	-19%	40%	81%	236,753,000.00
Operational costs	72,915,600.00	36,457,800.00	14,163,027.30	11,049,763.34	25,212,790.64	-11,245,009.36	-31%	35%	69%	72,915,600.00
Total Expenditure	1,368,446,000.00	684,223,000.00	315,517,740.99	321,460,593.32	636,978,334.31	-47,244,665.69	-7%	47%	93%	1,368,446,000.00

6. OPERATING EXPENDITURE

Total actual expenditure incurred during the first half of 2023/24 is **R 636 978 334.31** compared to the projected amount of R 684 223 000.00 .The expenditure incurred to date is amounting R 636 978 334.31 908.00 or 47 % of the original approved budget.

6.1.1 Property Rates

The Actual billing on property rate for mid-term is R 62.539 million compared to the projections R 61.123 million which results to 2% positive variance between actual collected and projections. There is a need to adjust property rate upward by 2% during budget adjustment based on the six months performance.

6.1.2 Service charges Electricity revenue

The actual Billing on Electricity revenue for mid-term is R 227.461 million compared to the Mid-term projections of R 304.282 million. There is a need to adjust the service charges downward by 34% based on the six-month performance.

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The actual revenue billed on Refuse removal revenue for mid-term is R 7 .670 million compared to the projections of R 7.532 million. There is a need to adjust service charges refuse removal downwards by 2% based on six-month performance.

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Remuneration of councillors	31,000,400.00	15,500,200.00	8,462,621.69	7,232,123.00	15,694,744.69	194,544.69	1%	51%	101%	31,000,400.00
Debt impairment	83,677,000.00	41,838,500.00	18,981,326.16	14,438,315.96	33,419,642.12	-8,418,857.88	-20%	40%	80%	83,677,000.00
Depreciation & asset impairment	147,420,000.00	73,710,000.00	33,900,779.93	39,934,698.90	73,835,478.83	125,478.83	0%	50%	100%	147,420,000.00
Finance charges	12,762,000.00	6,381,000.00	3,780,602.75	1,610,837.21	5,391,439.96	-989,560.04	-16%	42%	84%	12,762,000.00
Bulk purchases	397,742,000.00	198,871,000.00	97,916,157.80	89,504,868.45	187,421,026.25	-11,449,973.75	-6%	47%	94%	397,742,000.00
Other materials	36,688,000.00	18,344,000.00	9,603,177.70	13,736,601.04	23,339,778.74	4,995,778.74	27%	64%	127%	36,688,000.00
Contracted services	236,753,000.00	118,376,500.00	47,273,373.85	48,273,487.79	95,546,861.64	-22,829,638.36	-19%	40%	81%	236,753,000.00
Operational costs	72,915,600.00	36,457,800.00	14,163,027.30	11,049,763.34	25,212,790.64	-11,245,009.36	-31%	35%	69%	72,915,600.00
Total Expenditure	1,368,446,000.00	684,223,000.00	315,517,740.99	321,460,593.32	636,978,334.31	-47,244,665.69	-7%	47%	93%	1,368,446,000.00

6.2 EXPENDITURE ANALYSIS

6.2.1 Employee related Cost

The actual expenditure as at 31 December 2023 is sitting at R177.116 million compared to the projections of R 174.744 million which results in over spending by 1%

There is a need to adjust employee cost upwards by 1%, however it must be emphasized that departments should try by all means to reduce overtime.

6.2.2 Councillors Remuneration

The actual expenditure as at 31 December 2023 is sitting at R15.695 million compared to the projections of R 15.505 million which results over spending by 1%

6.2.3 Debt Impairment

This is non- cash item and expenditure is R 33.419 million compared to the projection of R 41.838 million. This is mainly because debtors are normally assessed for impairment during each quarter .There is a need to improve the collection rate so that the municipality remain within the allocated budget.

6.2.4 Depreciation & asset impairment

This is non- cash item and expenditure is R 73.835 million compared to the projection of R 73.710 million. There is a need to adjust the budget upwards to cover the whole year depreciation.

6.2.5 Bulk purchases

The bulk purchases expenditure for the first half is R 187.421 million and compared to projected expenditure of R 198.871 million which results to underspending of 6%. There is a need to adjust the budget downwards during budget adjustment based on the six-month performance.

6.2.6 Finance charges

The actual expenditure for finance charge is R 5.391 million compared to projected expenditure of R 6.381 million which result to underspending by 16%. There is a need to adjust finance charges during the adjustment budget by 16 % to cover the whole year especially year end journals for leases and employee benefit accruals.

6.2.7 Contracted Services

The contracted services expenditure is R 95.546 million compared to projected expenditure of R 118.376 million which results to underspending by variance of 19%. There is a need to adjust the budget downwards during budget adjustment based on the six month performance, however repairs and maintenance of roads and electricity infrastructure need to be prioritised, for example, Patching of potholes , roads storm water , and electricity maintenance in the municipal area.

6.2.8 General Expenditure

The other expenditure is R 36.458 million compared to the projected expenditure of R25.213 million which results to under spending by 31% on the general expenditure for the six months

7. ANALYSIS OF CAPITAL BUDGET EXPENDITURE PER DEPARTMENT

7.1 CAPITAL EXPENDITURE.

The Capital Budget expenditure is R 188.227 million of the full budgeted figure of R 503.877 million which is equal to 37 % spending. Total actual expenditure incurred for Capital budget during the first half of 2023/24 is R 188.227 million compared to the projected amount of R 251.938 million which result to a negative variance of negative 30%. The expenditure incurred to date represents 37% of the approved capital budget

CODE	DEPARTMENT	BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Technical Services	R 468 535 119.19	R 169 014 422.50	R 299 520 696.69	36%
SC	Community Services	R 9 430 000.00	R 7 977 473.78	R 1 452 526.22	85%
SC	Budget and Treasury	R 9 200 000.00	R 5 870 001.27	R 3 329 998.73	64%
SC	Corporate Services	R 11 862 305.00	R 5 315 498.27	R 6 546 806.73	45%
SC	Regional Offices	R 4 850 000.00	R 49 398.99	R 4 800 601.01	1%
	TOTAL	R 503 877 424.19	R 188 226 794.81	R 315 650 629.38	37%

7.2

PLANS TO IMPROVE SPENDING TO THE NEXT TWO QUARTERS

- All departments are committing that, all projects that were due for completion during second quarter will be completed during 3rd quarter as per the revised approved extension of time.
- All other projects that are under construction planned to be completed by end of financial year will be completed.
- All Projects that are on evaluation stage will be adjudicated by end of January 2024 and those that are pending specification, the specification will also be submitted by end of January 2024.
- The procurement plan will be a standing item in a monthly management meeting to monitor the progress from each department.
- All departments are committing that there will be improvement in expenditure in third quarter and fourth quarter so that at the end of financial year the municipality achieve 90% to 100% spending of its capital projects.

7.2.1 Technical Services Department

The expenditure incurred for the first half represents 36% of approved budget for 2023/2024 financial year. The major spending of the department is mainly derived from MIG, INEP and own funding projects that are progressing well.

**CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2023
TECHNICAL SERVICES DEPARTMENT**

ELECTRICAL ENGINEERING										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING OR	VARIANCE	PERCENT	COMMENT
SC	supply and install in all	INCOME	200,000.00	-	200,000.00			200,000.00	0%	To be issued from stores
SC	CT VT Units:3x11kv & Mini Subs	INCOME	250,000.00		250,000.00	250,000.00		-	100%	issued from stores
SC	(3x315KVA, MV Cable	INCOME	2,500,000.00	-	2,500,000.00	2,500,000.00		-	100%	issued from stores
SC	70mm ² 22kV -	INCOME	600,000.00	-	600,000.00	600,000.00		-	100%	issued from stores
SC	Installation for So	INCOME	3,500,000.00	-	3,500,000.00	-		3,500,000.00	0%	In specification
SC	Upgrade Roodew	INCOME	1,400,000.00	-	1,400,000.00			1,400,000.00	0%	In specification
SC	Ring Main Units 11kV	INCOME	3,500,000.00	-	3,500,000.00	3,500,000.00		-	100%	issued from stores
SC	Upgrade Levubu 1 - wooden poles	INCOME	13,475,000.00					13,475,000.00	0%	Appointed
SC	Upgrade Cricket	INCOME	400,000.00	-	400,000.00	-		400,000.00	0%	Appointed
SC	Upgrade 66kv in	INCOME	800,000.00	-	800,000.00	-		800,000.00	0%	Appointed
SC	Auto Reclosers -	INCOME	1,600,000.00	-	1,600,000.00	1,600,000.00		-	100%	issued from stores
SC	Fibre glass 6m ste	INCOME	100,000.00	-	100,000.00			100,000.00	0%	In Evaluation
SC	MV/HV Earthing	INCOME	160,000.00	-	160,000.00	-		160,000.00	0%	In Evaluation
SC	Link sticks replac	INCOME	60,000.00	-	60,000.00			60,000.00	0%	In Evaluation
SC	New substation -I	INCOME	250,000.00	-	250,000.00	250,000.00		-	100%	Appointed
SC	Upgrade Pretorius	INCOME	10,000,000.00	(150,000.00)	9,850,000.00	-		9,850,000.00	0%	Appointed
SC	Credit meter repla	INCOME	600,000.00	150,000.00	750,000.00	611,353.39	-	138,646.61	82%	Appointed
SC	Electricians, Gen	INCOME	250,000.00	-	250,000.00	-		250,000.00	0%	In Evaluation
SC	Voltage regulators	INCOME	1,000,000.00	-	1,000,000.00	-		1,000,000.00	0%	Appointed and decline ,To be re-adverted
SC	High masts instal	INCOME	3,050,000.00		3,050,000.00	2,740,603.00		309,397.00	90%	Appointed
SC	55x Hand held rad	INCOME	100,000.00	450,000.00	550,000.00	453,372.00		96,628.00	82%	Appointed
SC	Apolo light x 4(INCOME	2,050,000.00	-	2,050,000.00	-		2,050,000.00	0%	Allocated
SC	Electrification : M	INCOME	800,000.00	-	800,000.00	-		800,000.00	0%	Appointed
SC	Main Substation u	INCOME	3,800,000.00	-	3,800,000.00	2,763,143.24		1,036,856.76	73%	Appointed
SC	Hand and Car Rad	INCOME	350,000.00	-	350,000.00	-		350,000.00	0%	appinted

SC	Post connections	INCOME	600,000.00	-	600,000.00	207,899.99		392,100.01	35%	Appointed
SC	Mara- Makhitha r	INCOME	500,000.00	-	500,000.00	444,749.85		55,250.15	89%	Appointed
SC	Upgrade secondar	INCOME	4,000,000.00	-	4,000,000.00	2,018,250.00		1,981,750.00	50%	Appointed
SC	Upgrade 66kv and	INCOME	730,250.00	-	730,250.00	-		730,250.00	0%	appointed
SC	55x Hand held rad	INCOME	330,000.00	-	330,000.00			330,000.00	0%	appointed
SC	High Voltage line	INCOME	100,000.00	-	100,000.00	-		100,000.00	0%	In Evaluation
SC	Main Substation u	INCOME	11,000,000.00	-	11,000,000.00	-		11,000,000.00	0%	appointed
SC	Transformers 1x1	INCOME	9,200,000.00	-	9,200,000.00	-		9,200,000.00	0%	appointed
SC	Electrification Tshikota 164	INCOME	5,600,000.00	-	5,600,000.00	5,057,810.47		542,189.53	90%	Appointed
SC	Standby (backup)Electrici	INCOME	500,000.00	-	500,000.00	359,145.00		140,855.00	72%	Appointed
SC	Electricity Preventutive	INCOME	16,475,000.00	-	16,475,000.00	11,534,000.37	-	4,940,999.63	70%	Appointed
TOTAL			99,830,250.00	450,000.00	86,805,250.00	34,890,327.31	-	65,389,922.69	40%	

High masts installation in villages (Ward 1 to ward 38) in 2023/2024 Financial Year

CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	
SC	Mbavala,Njhakan	INCOME	16,000,000.00	-	16,000,000.00	10,418,540.00	5,581,460.00	65%	Appointed
SC	Muduluni,Magau	INCOME	1,306,400.00		1,306,400.00		1,306,400.00	0%	Appointed
TOTAL			17,306,400.00	-	17,306,400.00	10,418,540.00	6,887,860.00	60%	

CIVIL ENGINEERING SECTION										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE		VARIANCE	PERCENT	COMMENT
SC	Lutanandwa Bridge and Access road (Phase2)	MIG	6,551,277.60	-	6,551,277.60	2,794,897.88		3,756,379.72	43%	Appointed
SC	Kutama Sinthumule Sports Facility	MIG	20,769,774.31	(6,000,000.00)	14,769,774.31	9,290,980.23		5,478,794.08	63%	Appointed
SC	Landfill site makhado + recycling centre (Additional mega cell and storm water)	MIG	5,000,000.00	-	5,000,000.00	4,627,654.31		372,345.69	93%	Appointed
SC	Makatu to Tshikota Road	MIG	20,707,883.19	-	20,707,883.19	15,318,713.05		5,389,170.14	74%	Appointed
SC	Upgrading of Tsianda Marundu to Military Base	MIG	16,830,413.42	-	16,830,413.42	5,624,111.02		11,206,302.40	33%	Appointed
SC	Upgrading of Midoroni Clinic ring road	MIG	8,617,601.85	6,000,000.00	14,617,601.85	14,153,560.11		464,041.74	97%	Appointed
SC	Upgrading of Luvhalani to Dzanawa Access Road	MIG	15,000,000.00	-	15,000,000.00	11,176,957.75		3,823,042.25	75%	Appointed
SC	Tshivhuyuni Sports Facility	MIG	8,500,000.00		8,500,000.00	7,876,929.21		623,070.79	93%	Appointed
TOTAL			101,976,950.37	-	101,976,950.37	70,863,803.56		31,113,146.81	69%	

INCOME FUNDED CIVIL PROJECTS										
CODE	DESCRIPTION	SOURCE	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE		VARIANCE	PERCENT	COMMENT
SC	N1 Tourism Park Inclusive of Arts and Craft Centre (Phase 2)	INCOME	1,000,000.00	-	1,000,000.00			1,000,000.00	0%	Consulted appointed
SC	Upgrading of Park View street at Biaba Township (Netshituni streets, Nngweni str	INCOME	7,000,000.00	-	7,000,000.00	-		7,000,000.00	0%	Consulted appointed
SC	Development of Potgieter Park	INCOME	4,000,000.00	-	4,000,000.00	928,708.33		3,071,291.67	23%	Appointed
SC	Upgrading of Madombidzha (50/50) ,Ramantsha to Ravele access road	INCOME	800,000.00	-	800,000.00	-		800,000.00	0%	Consulted appointed
SC	Upgrading of road leading to Mavhoyi FET College	INCOME	1,000,000.00	-	1,000,000.00	-		1,000,000.00	0%	Consulted appointed
SC	Upgrading of Tshino access road	INCOME	1,000,000.00	-	1,000,000.00	-		1,000,000.00	0%	Consulted appointed
SC	Tshivhuyuni Sports Facility	INCOME	4,500,000.00	-	4,500,000.00	210,066.67		4,289,933.33	5%	Appointed
SC	Dzanani Taxi Rank and Market stalls	INCOME	28,844,463.00	(4,667,634.93)	24,176,828.07	3,653,158.96		20,523,669.11	15%	Appointed
SC	Upgrading of Road to Vleifontein Clinic	INCOME	6,400,000.00	4,521,406.83	10,921,406.83	9,684,012.93		1,237,393.90	89%	Appointed
SC	Upgrading of Road from Vleifontein Clinic to Chris Hani via Pentecostal Church	INCOME	1,200,000.00	-	1,200,000.00	-	-	1,200,000.00	0%	Consulted appointed
SC	Development of roads and stormwater at South of Pretorius for 700 new stands and Tshikota 164 new stands	INCOME	13,980,000.00	(3,000,000.00)	10,980,000.00			10,980,000.00	0%	Appointed
SC	Rehabilitation of Breda street	INCOME	5,000,000.00	3,000,000.00	8,000,000.00	5,171,709.86		2,828,290.14	65%	Appointed
SC	Mbavala Bridge	INCOME	5,600,000.00	-	5,600,000.00	-		5,600,000.00	0%	Consulted appointed
SC	Construction of Bronne street	INCOME	1,200,000.00	-	1,200,000.00	-		1,200,000.00	0%	Consulted appointed
SC	Upgrading of road to Vleifontein Cemetery	INCOME	1,000,000.00	-	1,000,000.00	-		1,000,000.00	0%	Consulted appointed
SC	Upgrading of Tshivhuyuni Access road	INCOME	1,000,000.00	-	1,000,000.00	-		1,000,000.00	0%	Consulted appointed
SC	Waterval Sports Facility Phase 2	INCOME	2,000,000.00	-	2,000,000.00	-		2,000,000.00	0%	In evaluation

SC	Upgrading of Rabali to Divhani Access Road	INCOME	1,200,000.00	-	1,200,000.00	-		1,200,000.00	0%	Consulted appointed
SC	Road from Tshiozwi Mufhandani to T-Junction at Madombidzha Ravele internal Road	INCOME	800,000.00		800,000.00	-		800,000.00	0%	Consulted appointed
SC	Upgrading of Rathidili ring road	INCOME	800,000.00		800,000.00	-		800,000.00	0%	Consulted appointed
SC	Upgrading of Madombidzha livhoneni to Masimuni Access Roads	INCOME	800,000.00		800,000.00	790,949.30		9,050.70	99%	Consulted appointed
SC	Ring road from Nwaxinyamai to Tshivhade , Mavhina to Bungeni	INCOME	1,200,000.00	-	1,200,000.00	-		1,200,000.00	0%	Consulted appointed
SC	Lutanandwa Bridge & Access Road Phase 2	INCOME	5,500,000.00	-	5,500,000.00	-		5,500,000.00	0%	Appointed
SC	Upgrading of Dambuwo to Mathugana access Road	INCOME	1,200,000.00	-	1,200,000.00	-		1,200,000.00	0%	Consulted appointed
SC	Makatu to Tshikota Road	INCOME	5,897,055.82	-	5,897,055.82	-		5,897,055.82	0%	Appointed
SC	Construction of Verreyne street	INCOME	1,200,000.00	-	1,200,000.00	-		1,200,000.00	0%	Consulted appointed
SC	Admin Block for Traffic station at Waterval Region	INCOME	1,100,000.00	-	1,100,000.00	-		1,100,000.00	0%	Consulted appointed
SC	Upgrading of Ring road from Nwaxinyamai to Tshivhade , Mavhina to Bungeni	INCOME	1,100,000.00	-	1,100,000.00	-		1,100,000.00	0%	Consulted appointed
SC	Upgrade of Access Roads to New Rugby stadium	INCOME	5,000,000.00	-	5,000,000.00	470,833.00		4,529,167.00	9%	Appointed
SC	Upgrading of Sivananda street	INCOME	5,000,000.00	-	5,000,000.00	561,937.08		4,438,062.92	11%	Appointed
SC	Admin block and traffic station - Luvuvhu	INCOME	1,300,000.00		1,300,000.00			1,300,000.00	0%	Consulted appointed
SC	Refurbishment of Rabali Stadium change rooms, grand stand ablution facilities	INCOME	2,200,000.00		2,200,000.00	1,341,495.70		858,504.30	61%	Appointed
SC	Construction of Admin Block at Testing Ground	INCOME	1,000,000.00		1,000,000.00			1,000,000.00	0%	Appointed
SC	Upgrading of Waterval Clinic ring road	INCOME	9,800,000.00	1,696,228.10	11,496,228.10	10,065,474.33		1,430,753.77	88%	Appointed
SC	State of the Art Hall in Town	INCOME	500,000.00		500,000.00			500,000.00	0%	Consulted appointed
SC	Rehabilitation of old landfill site (Vondeling) Phase 2 (Construction of evaporation pond, ablution facilities, planting vegetation, drainage and storm water	INCOME	5,000,000.00		5,000,000.00	4,568,835.88		431,164.12	91%	Appointed

ROADS AND STORM WATER										
CODI	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE		VARIANCE	PERCENTAGE	
SC	Four ways stop paving at Subbs and Krogh street	INCOME	6,000,000.00	-	6,000,000.00	1,478,450.65		4,521,549.35	25%	allocated
SC	3x Pedestrian Roller Double Drum	INCOME	1,500,000.00	-	1,500,000.00	-		1,500,000.00	0%	In evaluation
SC	Culvert Pipes	INCOME	1,500,000.00	(100,000.00)	1,400,000.00	-		1,400,000.00	0%	advert
SC	Workshop steel structure	INCOME	200,000.00	100,000.00	300,000.00	-		300,000.00	0%	allocated for design
SC	Rehabilitation of Rissik Street	INCOME	5,000,000.00	-	5,000,000.00	572,698.08		4,427,301.92	11%	allocated
SC	Rehabilitation of Songozwi street	INCOME	6,000,000.00	-	6,000,000.00			6,000,000.00	0%	allocated , site establishme
SC	Rehabilitation of Unica street	INCOME	8,000,000.00	-	8,000,000.00	4,084,857.62		3,915,142.38	51%	appointed
SC	Rehabilitation of Hospital and 100 metres Ruh Street	INCOME	6,000,000.00	-	6,000,000.00	-		6,000,000.00	0%	Consultated appointed
SC	Rehabilitation of Malva Street	INCOME	6,000,000.00		6,000,000.00			6,000,000.00		Consultated appointed
SC	Rehabilitation of Barnard street	INCOME	7,000,000.00		7,000,000.00	4,508,556.11		2,491,443.89		allocated
SC	Rehabilitation of grobler street	INCOME	2,500,000.00		2,500,000.00			2,500,000.00		Operation maintance used
SC	Pavement Civic Centre	INCOME	3,000,000.00	(2,000,000.00)	1,000,000.00	904,590.00		95,410.00		appointed
SC	Construction of paving block at Waterval stadium	INCOME	2,000,000.00		2,000,000.00			2,000,000.00		on advert
SC	Rehabilitation of Synman Street	INCOME	5,500,000.00		5,500,000.00			5,500,000.00		Consultated appointed
TOTAL			60,200,000.00	(2,000,000.00)	58,200,000.00	11,549,152.46		46,650,847.54	20%	

BUILDING MAINTANANCE										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	Construction of admin block Civil Enginnering Workshop	INCOME	3,000,000.00	-	3,000,000.00			3,000,000.00	0%	advert
SC	Refurbishment of Vleifontein Satelite office	INCOME	1,500,000.00	-	1,500,000.00	-		1,500,000.00	0%	advert
SC	Fencing Musekwa Multi purpose	INCOME	1,500,000.00		1,500,000.00			1,500,000.00	0%	in specification
SC	Refurbishment of Dzanani Community hall	INCOME	1,500,000.00	-	1,500,000.00	-		1,500,000.00	0%	in specification
SC	Civic Centre steel carpot	INCOME	1,200,000.00	-	1,200,000.00	-		1,200,000.00	0%	in specification
SC	Paint mixer	INCOME	1,200,000.00	-	1,200,000.00	-		1,200,000.00	0%	To be adjusted
SC	Refurbishment of Ha-Mutsha community hall	INCOME	1,500,000.00	-	1,500,000.00	-		1,500,000.00	0%	advert
SC	Refurbishment of Wateval community hall	INCOME	1,500,000.00	-	1,500,000.00	-		1,500,000.00	0%	advert
SC	5 Guard room (,Matshavhawe,Tshiozwi and Khomele	INCOME	1,000,000.00	-	1,000,000.00	-	128,125.00	1,000,000.00	0%	Completed
SC	Refurbishment of Muduluni community hall and concrete palesade	INCOME	1,000,000.00	-	1,000,000.00	-		1,000,000.00	0%	advert
SC	Extension of Library Building	INCOME	700,000.00	-	700,000.00	-		700,000.00	0%	To be allocated consulted
SC	Electrical Workshop- trucks parking paving & standby quarters	INCOME	750,000.00	-	750,000.00	-	-	750,000.00	0%	specification
SC	Additional 4 rooms - Standby Quarters	INCOME	450,000.00	-	450,000.00	-		450,000.00	0%	in specification
SC	Erection of Filing Shelves for Licensing	INCOME	800,000.00	-	800,000.00	131,190.05		668,809.95	16%	appointed
SC	Ablution Block / changing room at Waterval Stores Office	INCOME	1,000,000.00	-	1,000,000.00	434,705.00		565,295.00	43%	appointed
SC	Refurbishment of Muwaweni community hall	INCOME	1,400,000.00	-	1,400,000.00	449,251.07		950,748.93	32%	appointed
SC	Fencing of Muwaweni community hall	INCOME	1,300,000.00	-	1,300,000.00	-		1,300,000.00	0%	in specification
SC	Palisade Fence for Waterval Stores Office	INCOME	1,000,000.00	-	1,000,000.00			1,000,000.00	0%	advert
SC	10 boreholes at pay point and community halls	INCOME	500,000.00	-	500,000.00	271,400.00		228,600.00	54%	appointed
SC	6x Construction of pay point office and guard rooms	INCOME	2,500,000.00		2,500,000.00	1,301,370.68		1,198,629.32	52%	appointed
SC	Refurbishment of Muduluni community hall and concrete palisade	INCOME	1,500,000.00		1,500,000.00			1,500,000.00	0%	advert
SC	Fencing of extended Tshikota and LTT Cemeteries	INCOME	1,500,000.00		1,500,000.00	794,380.67		705,619.33	53%	appointed
SC	Refurbishment of Town swimming pool	INCOME	2,000,000.00		2,000,000.00			2,000,000.00	0%	To be allocated consulted
TOTAL			30,300,000.00	-	30,300,000.00	3,382,297.47	128,125.00	26,917,702.53	11%	
TOTAL TECHNICAL SERVICES BUDGET			468,535,119.19	0.00	468,535,119.19	168,886,297.50		299,648,821.69	36%	

169,014,422.50

36%

7.2.2 Department of Community services

The actual expenditure for the midterm is R 7.977 million compared to the projection of R 4.715 million which result in a positive variance of 41%. The expenditure incurred for the first half represent 85% of approved budget for 2023/24 financial year. The department performed well during the mid-term. A major projectse.g of CCTV Camera is progress well in the department

CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2023										
COMMUNITY SERVICES DEPARTMENT										
LIBRARY SERVICES										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PENDING	PERCENTAGE	COMMENT
SC	Musekwa 3M Machine	INCOME	800,000.00	(550,000.00)	250,000.00	-	250,000.00		0%	
SC	Papyrus Membership Cards Camera - Musekwa	INCOME	20,000.00	-	20,000.00	12,000.00	8,000.00		60%	Deliverd
SC	Establishment of Luvuvhu Region Satelite Library	INCOME	250,000.00	(200,000.00)	50,000.00		50,000.00		0%	
TOTAL			1,070,000.00	(750,000.00)	320,000.00	12,000.00	308,000.00		4%	
PARKS AND RECREATION SECTION										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE		PERCENTAGE	
SC	Purchasing of 10 x Heavy Duty Lawn mower machine,20 Brush Cutters and Nylon	INCOME	700,000.00	850,000.00	1,550,000.00	1,531,754.00	18,246.00		99%	Delivered
SC	4x Chainsaw	INCOME	60,000.00	-	60,000.00		60,000.00		0%	
	3x Extended Chainsaw Machine	INCOME	30,000.00		30,000.00		30,000.00	17,780.00	0%	waiting for delivery
TOTAL			790,000.00	850,000.00	1,640,000.00	1,531,754.00	108,246.00		93%	

MAKHADO REGION WASTE MANAGEMENT

CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	40 Skip Bins	INCOME	1,500,000.00	(818,096.02)	681,903.98		681,903.98	0%
	1000 x 240l wheel bins			1,300,000.00	1,300,000.00	1,300,000.00	-	100% delivered
SC	Development of Animal Carcasses Decomposing Facility	INCOME	1,500,000.00	(1,400,000.00)	100,000.00	-	100,000.00	0%
SC	Paving of 50 Refuse Skip Bin dropping areas	INCOME		818,096.02	818,096.02	818,096.02	-	100% appointed
TOTAL			3,000,000.00	(100,000.00)	2,900,000.00	2,118,096.02	781,903.98	73%

MAKHADO POUND SECTION									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE		PERCENTAGE
SC	1x step ladder for pound	INCOME	10,000.00	-	10,000.00	-	10,000.00	2,899.00	0%
TOTAL			10,000.00	-	10,000.00	-	10,000.00		0%

MAKHADO TRAFFIC STATION									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PENDING	PERCENTAGE
SC	Purchase of 2x Speed Measuring Machines (Dzanani and Waterval)	INCOME	460,000.00	(300,000.00)	160,000.00	-	160,000.00		0%
SC	4x Moving violation recorder (MVR) prolaser 4 eye witness fitted with in a high speed performance vehicle together with siren, radio &	INCOME	1,500,000.00	(1,400,000.00)	100,000.00	-	100,000.00		0%
SC	4x Digital Laser Cam 4(to be erected on strategic positions / hot spots)	INCOME	600,000.00	(500,000.00)	100,000.00	199,500.00	(99,500.00)		200%
TOTAL			2,560,000.00	(2,200,000.00)	360,000.00	199,500.00	160,500.00		55%

MAKHADO (REGISTERING AUTHORITY) LICENSING									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PENDING ORDER	PERCENTAGE
SC	CCTV Cameras	INCOME	2,000,000.00	2,200,000.00	4,200,000.00	823,372.52	3,376,627.48	3,292,751.24	20%
TOTAL			2,000,000.00	2,200,000.00	4,200,000.00	823,372.52	3,376,627.48	3,292,751.24	20%

TOTAL COMMUNITY SERVICES BUDGET			9,430,000.00		9,430,000.00	4,684,722.54	4,745,277.46	3,292,751.24	85%
								7,977,473.78	85%

7.2.3 Department of Budget and Treasury Office

The actual expenditure for the first half is R 5.870 million compared with the projection of R 4.600 million which result to a positive variance of 22%.The expenditure incurred for the first half represent 64% of approved budget for 2023/24 financial year

ASSETS MANAGEMENT SECTION										COMMENT
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING ORDER	VARIANCE	PERCENTAGE	COMMENT
SC	1x Caterpillar @ Luvuvhu Regional office	INCOME	3,000,000.00	-	3,000,000.00		2,697,071.27	3,000,000.00	0%	Appointed
SC	1x TLB @ Luvuvhu Regional office	INCOME	1,200,000.00	-	1,200,000.00			1,200,000.00	0%	Order issued
SC	10 Cubic Truck at Luvuvhu Regional office	INCOME	1,500,000.00	-	1,500,000.00			1,500,000.00	0%	Order issued
SC	Office Furniture - including New Building Makhado Traffic Station	INCOME	3,500,000.00	-	3,500,000.00	3,163,430.00	9,500.00	336,570.00	90%	Appointed and delivered
TOTAL BUDGET AND TREASURY BUDGET			9,200,000.00	-	9,200,000.00	3,163,430.00	2,706,571.27	6,036,570.00	64%	
							5,870,001.27			

7.2.4 Department of Corporate Services

The actual expenditure for the first half is R 5.315 million compared with the projection of R 5.931 million. The under spending represent negative 10% of the Mid-term projection. The expenditure incurred for the first half represent 45% of approved budget for 2023/24 financial year.

**CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2023
CORPORATE SERVICES DEPARTMENT**

UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	Phase 3 VOIP - Regional Offices & Dzanani Traffic Station	INCOME	403,305.00	-	403,305.00	264,000.00		139,305.00	65%	procured
SC	LAN cabling new Traffic & Licensing Admin Block, Kort street, LTT	INCOME	829,000.00	-	829,000.00	747,500.00		81,500.00	90%	procured
SC	New LAN cabling Waterval Regional Office	INCOME	300,000.00	-	300,000.00	-		300,000.00	0%	in Evaluation
SC	Microsoft Office 365 Business Standard License 350	INCOME	800,000.00	(250,000.00)	550,000.00	-		550,000.00	0%	in Evaluation
SC	Mimecast Email Gateway 350 License	INCOME	500,000.00	-	500,000.00	-		500,000.00	0%	in Evaluation
SC	Renew 4 Servers' Warrantee	INCOME	500,000.00	-	500,000.00	-		500,000.00	0%	in Evaluation
SC	iFMS server & Technology upgrade & Software	INCOME	550,000.00	-	550,000.00	-		550,000.00	0%	appointed waiting for payment
SC	Dedicated DR Internet Line	INCOME	160,000.00	-	160,000.00			160,000.00	0%	in Evaluation
SC	AD Manager Audit Plus software for domain monitoring & reporting	INCOME	250,000.00	250,000.00	500,000.00	453,064.35		46,935.65	91%	procured
SC	Architecture for DR Replicate solution (Ph2 - 2022/23 & Ph3 - 2023/24)	INCOME	500,000.00		500,000.00	241,269.09		258,730.91	48%	procured
SC	Server Room Environmental management system	INCOME	200,000.00	-	200,000.00			200,000.00	0%	in Evaluation
SC	VOIP Devices & Programming - New Block TEL	INCOME	600,000.00		600,000.00	-		600,000.00	0%	WAITING FOR ORDER
SC	Connectivity proposed Levubu Regional Office	INCOME	150,000.00	-	150,000.00	-	127,308.00	150,000.00	0%	procured
SC	Network Refresher	INCOME	500,000.00	61,000.00	561,000.00	561,000.00		-	100%	procured
SC	Extend existing wireless connectivity from chambers to Offices	INCOME	300,000.00	(61,000.00)	239,000.00			239,000.00	0%	in Evaluation
TOTAL			6,542,305.00	-	6,542,305.00	2,266,833.44	127,308.00	4,275,471.56	35%	

ICT EQUIPMENT FOR ALL DEPARTMENT										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	ICT equipment for all departments - laptops, desktops, printer/scanners	INCOME	1,000,000.00	-	1,000,000.00	955,734.00		44,266.00	96%	delivered
TOTAL			1,000,000.00	-	1,000,000.00	955,734.00		44,266.00	0%	
HUMAN RESOURCES DIVISION										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	Levubu regional mobile offices	INCOME	500,000.00		500,000.00	457,195.73		42,804.27	91%	delivered
SC	Fire Extinguisher cabinets	INCOME	400,000.00	-	400,000.00	-		400,000.00	0%	Appointed awaiting for order
SC	Office equipment - shredding machine	INCOME	20,000.00	-	20,000.00	-		20,000.00	0%	procured through stores
SC	PMDS Software	INCOME	500,000.00	-	500,000.00	-		500,000.00	0%	In evaluation
SC	Add Organogram and Budgeting on current HR & Payroll System	INCOME	150,000.00	150,000.00	300,000.00	281,927.10		18,072.90	94%	
TOTAL			1,570,000.00	150,000.00	1,720,000.00	739,122.83		980,877.17	43%	
RECORDS AND AUXILIARY SERVICES										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	Electronic Records Management File Plan update	INCOME-ROLLOVER	500,000.00	(150,000.00)	350,000.00	-		350,000.00	0%	Memo approved
SC	Electronic Signature Business Process and System	INCOME	250,000.00	-	250,000.00	-	50,000.00	250,000.00	0%	order issued
TOTAL			750,000.00	(150,000.00)	600,000.00	-	50,000.00	600,000.00	0%	
COUNCIL SUPPORT										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	Sound and Recording System for Exco Chamber	INCOME	500,000.00	-	500,000.00	-		500,000.00	0%	spec
SC	Sound and Recording System for - Cuncil chamber	INCOME	1,500,000.00		1,500,000.00	1,176,500.00		323,500.00	78%	delivered
TOTAL			2,000,000.00	-	2,000,000.00	1,176,500.00		823,500.00	59%	
TOTAL CORPORATE SERVICES BUDGET			11,862,305.00	-	11,862,305.00	5,138,190.27	177,308.00	6,724,114.73	45%	5,315,498.27

7.2.5 Regional Offices

The actual expenditure for the first half is R 49 thousand compared with the projection of R 2.425 million which result to a negative variance of 98%.The expenditure incurred for the first half represent 1% of approved budget for 2023/24 financial year. The major part of the capital budget for this department is in Dzanani regional office , Waterval Regional office and Luvuvhu regional office with an approved budget of R 2.170 Million ,R 2.030 million and R 650 thousands respectively. Spending is expected to be accelerated in the second midterm.

CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2023
REGIONAL OFFICES

WATERVAL REGIONAL OFFICE										Comment
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	Brush Cutter & Lawnmowers Machines	INCOME	250,000.00	-	250,000.00	-		250,000.00	0%	inevaluation
SC	Chainsaw	INCOME	35,000.00	-	35,000.00	-		35,000.00	0%	inevaluation
SC	Padestrian Roller	INCOME	600,000.00	-	600,000.00	-		600,000.00	0%	inevaluation
SC	Jump Compactor	INCOME	45,000.00		45,000.00			45,000.00	0%	inevaluation
SC	Tar Cutter	INCOME	50,000.00		50,000.00			50,000.00	0%	inevaluation
SC	Carport for Waterval Regional Office	INCOME	650,000.00		650,000.00			650,000.00	0%	inevaluation
SC	Carport for Vleifontein Satellite Office	INCOME	400,000.00		400,000.00			400,000.00	0%	inevaluation
TOTAL			2,030,000.00	-	2,030,000.00	-		2,030,000.00	0%	
DZANANI REGIONAL OFFICE										COMMENT
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	Installaton of clear view fence at Dzanani Park	INCOME	600,000.00	-	600,000.00			600,000.00	0%	inspecification
SC	Tar cutter machine	INCOME	250,000.00		250,000.00		28,999.99	250,000.00	0%	procured
SC	5X brush cutter machines	INCOME	40,000.00	-	40,000.00	-		40,000.00	0%	inevaluation
SC	1x Walk behind grass cutting machine (Heavy duty lawnmower)	INCOME	50,000.00		50,000.00			50,000.00	0%	inevaluation
SC	2 x chainsaws	INCOME	30,000.00		30,000.00			30,000.00	0%	inevaluation
SC	Refurbishment of Dzanani Regional offices building	INCOME	1,200,000.00		1,200,000.00			1,200,000.00	0%	In specification
TOTAL			2,170,000.00	-	2,170,000.00	-	28,999.99	2,170,000.00	0%	

LUVUVHU REGIONAL OFFICE

CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	
SC	Guard room	INCOME	200,000.00		200,000.00			200,000.00	0%	appointed
SC	1x Jump stumper	INCOME	25,000.00		25,000.00			25,000.00	0%	inevaluation
SC	Extention of fence(clear view fence)	INCOME	300,000.00		300,000.00			300,000.00	0%	inspecification
SC	30x heavy duty brush cutter	INCOME	80,000.00		80,000.00			80,000.00	0%	inevaluation
SC	1x air compresor	INCOME	30,000.00		30,000.00	13,500.00		16,500.00	45%	procured
SC	3x heavy duty chain saw	INCOME	15,000.00		15,000.00		6,899.00	15,000.00	0%	procured
TOTAL			650,000.00		650,000.00	13,500.00	6,899.00	636,500.00	45%	
TOTAL REGIONAL OFFICES BUDGET			4,850,000.00	-	4,850,000.00	13,500.00	35,898.99	4,836,500.00	1%	

8. SOURCES OF FINANCE - CAPITAL REVENUE

It should be noted that Capital Revenue represents the sources of finances of capital expenditure Section 71 Report in terms of the MFMA.

SUMMARISED MID YEAR CAPITAL EXPENDITURE FUNDING AS 31 DECEMBER 2023	
DEPARTMENT	Amount
Technical Services	169 014 422.50
Community Services	7 977 473.78
Budget and Treasury	5 870 001.27
Corporate Services	5 315 498.27
Regional Office	49 398.99
TOTAL	188 226 794.81
FUNDING	Amount
INCOME	117 362 991.25
MIG	70 863 803.56
TOTAL	188 226 794.81

9. CONDITIONAL GRANT SUMMARY

The grant funding gazetted by both National and Provincial Treasury and approved in Makhado Municipality's 2023/24 budget. (Excludes equitable share as it is not conditional).

	Budget Year 2023/24									
Description	APPROVED BUDGET	Grants Received YTD R '000	Actual Received Q1 R '000	Actual Received Q2 R '000	Actual Q1 Expenditure R'000	Actual Q2 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	115,757	95,458	84,878	10,580	34,201	43,408	77,609	81%	67%	115,757
INEP	7,000	5,500	2,500	3,000	260	4,014	4,274	78%	61%	7,000
FMG	1,950	1,950	1,950	–	527	762	1,289	66%	66%	1,950
EPWP	2,932	2,052	733	1,319	733	733	1,466	71%	50%	2,932
Disaster Grants	3,500	3,500	3,500	–	2,644	856	3,500	100%	100%	3,500
Total Grants	131,139	108,460	93,561	14,899	38,365	49,773	88,137	81%	67%	131,139

9.1 Municipal infrastructure Grant (MIG)

The actual amount received for the first half is R 95.458 million and actual expenditure is R 77.609 million representing 67% of expenditure against approved allocation of R 115.757 million.

The spending pattern of MIG is commendable and 100% spending of the grant by the end of the financial year will be achieved.

9.2 Integrated National Electricity Programme (INEP)

The actual amount received for the first half is R 5.500 million and actual expenditure is R 4.274 million which represent 61% of expenditure against approved allocation of R 7 000 million. The spending pattern of INEP grant is commendable and 100% spending of the grant by the end of the financial year will be achieved.

9.3 Financial Management Grant (FMG)

The actual amount received as at 31 December 2023 Mid-term is R 1 950 Million and actual expenditure incurred is R 1289 million that represents 66% against the approved allocation of R 1 950 million.

9.4 Expanded Public Works Programme (EPWP)

The actual amount received as at 31 December 2023 Med-Term is R 2 052 and actual expenditure incurred is R 1 466 million that represent 50% against the approved allocation of R 2 932 million.

10. DEBTORS AGE ANALYSIS

The amount outstanding from debtors as at 31 December 2023 is R 490 086 455.70

Aged Debtors - DECEMBER 2023

Description	Budget Year 2023/24							Total	Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	180 Days and Over			
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	26,117	1,875	1,397	1,234	1,307	55,122	87,052	57,663	
Receivables from Non-exchange Transactions - Property Rates	12,449	4,071	3,980	3,591	3,470	157,761	185,322	164,822	
Receivables from Exchange Transactions - Waste Water Management	–	–	–	–	–	–	–	–	
Receivables from Exchange Transactions - Waste Management	1,689	530	524	493	483	28,555	32,273	29,530	
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	
Interest on Arrear Debtor Accounts	6,908	3,358	3,309	3,235	3,171	136,154	156,136	142,560	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	
Other	5,004	472	(201)	823	903	22,303	29,304	24,029	
Total By Income Source	52,167	10,305	9,010	9,375	9,335	399,895	490,086	418,605	
Debtors Age Analysis By Customer Group									
Organs of State	4,982	1,166	339	1,134	1,075	49,112	57,808	51,321	
Commercial	21,866	1,787	1,411	1,497	1,562	49,424	77,547	52,483	
Households	12,473	4,476	4,524	4,140	4,256	202,527	232,397	210,924	
Other	12,847	2,876	2,735	2,604	2,441	98,831	122,335	103,876	
Total By Customer Group	52,167	10,305	9,010	9,375	9,335	399,895	490,086	418,605	

SECTION 71 – DECEMBER 2023

Debt Impairment Summary

December - 2023 Impairment

(407 409)

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	57 808	(48 056)	9 752
Commercial	77 547	(64 464)	13 082
Households	232 397	(193 191)	39 205
Other	122 335	(101 697)	20 638
Totals	490 086	(407 409)	82 678

Summary of Debt Impairment Narration

Allowance for debt impairment for the second quarter ending 31 December 2023 equals R407.4 million.

The Total Consumer Debtors as at the 31st December 2023 equals R490.1 million.

The Net Debt Collectible as at 31st of December 2023 equals R82.7 million.

MAKHADO LOCAL MUNICIPALITY

Quarte 4 Debt Breakdown Analysis - 31 December 2023

Towns									
Account Type	Total Amount	Farm	Ha-Tshikota (Vleifontein)	Louis Trichardt	Makhado A (Dzanani)	Tshikota	Villages	Vuwani	Waterval
Agriculture	113 112 614.00	74 403 677.56	-	38 581 152.63	126 985.90	797.91	-	-	-
Businesses/ Industrial	77 546 596.40	8 689 310.12	275 080.61	66 578 433.21	1 117 190.78	309 099.14	116.44	-	577 366.10
Churches	707 470.56	114 478.01	84 863.92	198 528.03	35 466.45	28 286.94	127 358.03	-	118 489.18
Government (SOP)	61 947 339.24	41 281 622.38	-	9 024 294.67	25 890.82	401 063.23	10 084 166.93	-	1 130 301.21
Municipal	1 172 992.49	378 177.92	64.08	791 660.33	-	3 090.16	-	-	-
Public Benefit Organisation (PBO)	24 396.11	21 660.09	-	2 736.02	-	-	-	-	-
Public Service Infrastructure (PSI)	3 178 237.58	2 909 509.31	-	268 728.27	-	-	-	-	-
Residential	232 396 809.32	1 844 189.96	41 522 834.91	41 836 491.20	18 598 847.51	10 727 065.03	38 629 555.75	-	9 237 824.96
GRAND - TOTAL	490 086 455.70	129 642 625.35	41 882 843.52	157 282 024.36	19 904 381.46	11 469 402.41	48 841 197.15	-	81 063 981.45

The table below reflects both the collection rate and the distribution loss for the second quarter ending 31 December 2023

Collection Rate Table							
Quarter - 1		Quarter - 2		Quarter – 3		Quarter 4	
Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>
July – 2023	59%	October - 2023	96%	January – 2024		April - 2024	
August – 2023	96%	November - 2023	74%	Feb -2024		May - 2024	
September - 2023	84%	December - 2023	79%	March 2024		June - 2024	
Total	239%		249%				
Average percentage for the Quarter - 1	80%	Average percentage for the Quarter - 2	83%	Average percentage for the Quarter - 3		Average Percentage for Fourth quarter	

The second quarter average collection rate is 83%.

The mid-year average collection rate is 81%.

Distribution Rate Table							
Quarter - 1		Quarter – 2		Quarter - 3		Quarter 4	
Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>	<u>Month</u>	<u>Percentage</u>
July – 2023	6%	October - 2023	22%	January - 2024		April 2023	
<u>August – 2023</u>	19%	November - 2023	8%	February - 2024		May 2023	
September - 2023	3%	December - 2023	9%	March - 2024		June 2023	
<u>Total</u>	28%		39%	Total		Total	
Average percentage for Quarter - 1	9%	Average percentage for Quarter - 2	13%	Average percentage for Quarter - 3		Average percentage for Quarter - 4	

The 2nd Quarter average Distribution Loss is 13%, while the mid-year average Distribution Loss is 11%.

CHALLENGES

- 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 3 million
- Installation of prepaid meter.
- Organs of government are addressed through the IGR meeting conducted within the province, coordinated by CoGHSTA.

11. TRADE PAYABLES

11.1 CREDITORS AGE ANALYSIS

In terms of MFMA all creditors should be paid within 30 days of receiving the invoice or statement, as at the end of December 2023. 100 % of operational and capital creditors were paid within 30 days of receiving the relevant invoice or statement as prescribed in terms of Section 65(e) of the MFMA.

12. STATEMENT OF CASH FLOW POSITION

This statement indicates the financial position as at 31 December 2023 is R 76 372 401.07. The municipality continues to keep a favorable balance on a monthly basis and this cash flow statement reflects a positive balance of R 76 372 401.07 as at 31 December 2023.

Primary Account R76 372 401.07
Closing balance as at 31 December 2022 R 76 372 401.07

13. SCM PROCESS

13.1 COMPETITIVE BIDDING PROCESSES ACTIVITY

ACTIVITY	Bids Advertised	Evaluated	Adjudicated	Awarded	BBB-EE	Cancelled
Balance B/F	17	-	-	-	-	-
1 st Quarter	08	16	16	16		
2 nd Quarter	34	11	11	11		
TOTAL	59	27	27	27		
ANNEXURE	A	B	C	D	E	F

All requests for adverts were processed. As at 31 December 2023, the following 32 bids were not awarded:

NO	BID NO	DESCRIPTION	CLOSING DATE	COMMENTS
01	72 of 2023	Re-advertisement: provision of single automated performance management system for the period of three (03) years	21 August 2023	In Evaluation
02	74 of 2023	Re-advertisement: appointment of panel of service providers to provide media buying services (radio advertisement) for period of three (03) years	02 October 2023	In Evaluation
03	79 OF 2023	Lease of portion of erf 3403 in louis trihardt extension 12 township for agricultural purposes	23-Oct-23	In Evaluation
04	78 OF 2023	Supply and delivery of pedestrian roller	23-Oct-23	In Evaluation
05	82 OF 2023	Appointment of electrical contractor for upgrading of 66kv breakers at levubu and beaufort substation	23-Oct-23	In Evaluation
06	80 OF 2023	Provision of legal services for the period of three years	23-Oct-23	In Evaluation
07	85 OF 2023	Supply ,delivery and installation and commissioning of local area network	04-Dec-23	In Evaluation
08	97 OF 2023	Supply and delivery of skip bins and cover nets	04-Dec-23	In Evaluation
09	96 OF 2023	Supply and delivery of heavy duty brush cutter machines	04-Dec-23	In Evaluation
10	87 OF 2023	Supply,delivery,installation and commissioning of serverroom environmental management system	11-Dec-23	In Evaluation
11	84 OF 2023	Supply,delivery,installation and configuration of electronic signature	11-Dec-23	In Evaluation

12	90 OF 2023	Mimecast email gateway licence for 400 users for the period of three years	11-Dec-23	In Evaluation
13	89 OF 2023	Renew four server warrenty	11-Dec-23	In Evaluation
14	88 OF 2023	Office 365 e3 licence for 400 users renewable for three years	11-Dec-23	In Evaluation
15	86 OF 2023	Supply,delivery,installation and commissioning of a desaster recovery internet connection and private network for three years	11-Dec-23	In Evaluation
16	93 OF 2023	naming of street names,supply and delivery and installation of street names in makhado municipal area	28-Dec-23	In Evaluation
17	95 OF 2023	Air travel and accomodation for the period of three years	21-Dec-23	In Evaluation
18	91 OF 2023	Waterval Sport facility	06 -Dec-2023	In evaluation
19	98 OF 2023	Construction of concrete palisade fence at waterval stores	22-Jan-24	On advert
20	99 OF 2023	Construction of concrete palisade fence at muduluni village cementry	22-Jan-24	On advert
21	100 OF 2023	Construction of concrete palisade fence at maguvhuni village cementry	22-Jan-24	On advert
22	101 OF 2023	Construction of concrete palisade fence at ramantsha village cementry	22-Jan-24	On advert
23	102 OF 2023	Construction of concrete palisade fence at tshituni ha ratombo village cementry	22-Jan-24	On advert
24	103 OF 2023	Supply,delivery of materials and labour for paving block at waterval stadium	26-Jan-24	On advert
25	105 OF 2023	Supply and delivery of round pipes and culvert pipes	26-Jan-24	On advert
26	111 OF 2023	Construction of guard room,septic tank,steel water tank stand at east bergview stadium	26-Jan-24	On advert

27	110 OF 2023	Construction of new offices at civil workshop	26-Jan-24	On advert
28	108 OF 2023	Refurbishment of waterval community hall	26-Jan-24	On advert
29	109 OF 2023	Refurbishment of vleifontein setelite officewaterval community hall	26-Jan-24	On advert
30	107 OF 2023	Refurbishment of vleifontein setelite office muduluni community hall	26-Jan-24	On advert
31	106 OF 2023	Refurbishment of vleifontein setelite office ha-mantsha community hall	26-Jan-24	On advert
32	114 OF 2023	Supply and delivery of digital laser cam 4	31-Jan-24	On advert

FORMAL WRITTEN QUOTATION AS AT 31 DECEMBER 2023

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded
^{1st} QUARTER	19	17	17
^{2nd} QUARTER	48	33	33

PROCUREMENT DEVIATION MID-YEAR REPORT

1. The number of awards made in terms of SCM regulation 36

$$13 + 19 = 32$$

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
= **R 302 617.49 + R 400 575 equal to R 703 192.49**
4. Total value of deviations over R200 000
= **R0**
5. Total number of deviations under R 200 000 is 32
6. Total number of deviation over R 200 000 is 0

7. Total value of deviations awarded through SCM Regulation 36
= **R703 192.49**

14. REASONS FOR THE ADJUSTMENT BUDGET

- Possible upward rates, and other revenue adjustment on budgeted income
- Possible upward/down wards on the bulk purchases expenditure, finance charges, debt impairment and depreciation and other expenditure.

15. RECOMMENDATION

- That the mid-year budget and performance assessment as tabled be considered by Council.
- That the 2023/24 annual budget be adjusted in February 2024 in terms of Section 28 of the MFMA
- That the mid-year budget and performance assessment report be submitted to the Honourable Mayor and the National and Provincial Treasuries.

- That the mid-year budget and performance report be placed on the municipal website within five working days after it is tabled to the Honourable Mayor and approved.

15.1 Recommendations by Administrative Management

- That the Council note that the adjustment budget for the income and expenditure projections for the financial year ending 30 June 2024 will be made in terms of the section 28 of the Municipal Finance Management Act no 56 of 2003.

