

## O. R. TAMBO DISTRICT MUNICIPALITY

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District  
Municipality



O.R. TAMBO  
DISTRICT MUNICIPALITY

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### **MONTHLY REPORTING (S71) EXECUTIVE SUMMARY FOR MAY 2024**

#### **PURPOSE**

The purpose of this report is to submit monthly budget statement of the municipal council, to the honourable executive mayor, as contemplated in section 71 of the Municipal Finance Management Act, Act 56 of 2003, for the month of May 2024.

#### **BACKGROUND**

The Local Government Municipal Finance Management Act, Act 56 of 2003 requires the accounting officer of a municipality to submit, to the mayor, provincial treasury, national treasury (non-delegated), by no later than 10 working days after the end of each month, on the state of the municipality's budget reflecting **inter alia** the following particulars.

- Actual revenue, per revenue source;
- Actual borrowings;
- Actual expenditure per vote;
- Actual capital expenditure;
- The amount of any allocations received.

The monthly section 71 has been prepared in terms of the Municipal Budget and Reporting Regulations.

## **DELIBERATIONS**

An explanation is required of any material variances from the municipality's projected revenue by source and from the municipality's expenditure projections by vote. Any material variances from the SDBIP, and any remedial or corrective steps taken to ensure that projected revenue and expenditure remain within the municipalities approved budget.

## **RECOMMENDATIONS**

It is recommended that the executive mayor acknowledges receipt of the report and deal with it in accordance with the relevant prescripts of the legislation.

## **Mayor's Report**

The mayor's report accompanying an in-year monthly budget statement must provide –

- a) A summary of whether the municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;
- b) A summary of any financial problems or risks facing the municipality or any such entity: and
- c) Any other information considered relevant by the mayor.

## **Implementation of the budget in terms of the SDBIP**

There are no deviations from the service Delivery and Budget Implementation Plan and the budget is implemented according to the plan. The municipality is not facing any financial risk at the present moment.

## **REVENUE**

### **Revenue by Source**

Discription	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Service Charges	411,141,658	411,141,658	277,212,630	229,642,204	29,512,687	49,147,316	19,634,629	66.53%
Interest on Investment	30,000,000	40,500,000	37,125,000	57,987,093	2,500,000	5,216,940	2,716,940	108.68%
Interest on Outstanding Debtors	21,730,000	21,730,000	19,919,166	39,077,239	1,810,833	4,542,184	2,731,351	150.83%
Grants : Operating	1,133,119,001	1,131,577,000	1,131,577,000	1,018,889,210	231,598	-	(231,598)	-100.00%
Grants : Capital	1,190,908,557	1,091,610,557	1,091,610,557	982,133,392	15,179,379	22,193,326	7,013,947	46.21%
Other revenue	128,776,490	128,776,490	118,285,676	148,365,102	6,806,980	11,868,885	5,061,905	74.36%
<b>Total</b>	<b>2,915,675,706</b>	<b>2,825,335,705</b>	<b>2,675,730,029</b>	<b>2,476,094,240</b>	<b>56,041,477</b>	<b>92,968,651</b>	<b>36,927,174</b>	<b>65.89%</b>

**Service charges (water and sanitation)** – Projected collections amounted to R29.5 million whilst actual collections amounted to R49.1 million resulting in a positive variance of 66.53%, caused by over collection from households and government departments. The following has been introduced to encourage payment of services:

- Incentive scheme for households and businesses; and
- Introduction of Easy Pay – this assist the consumers to easily assess their accounts.

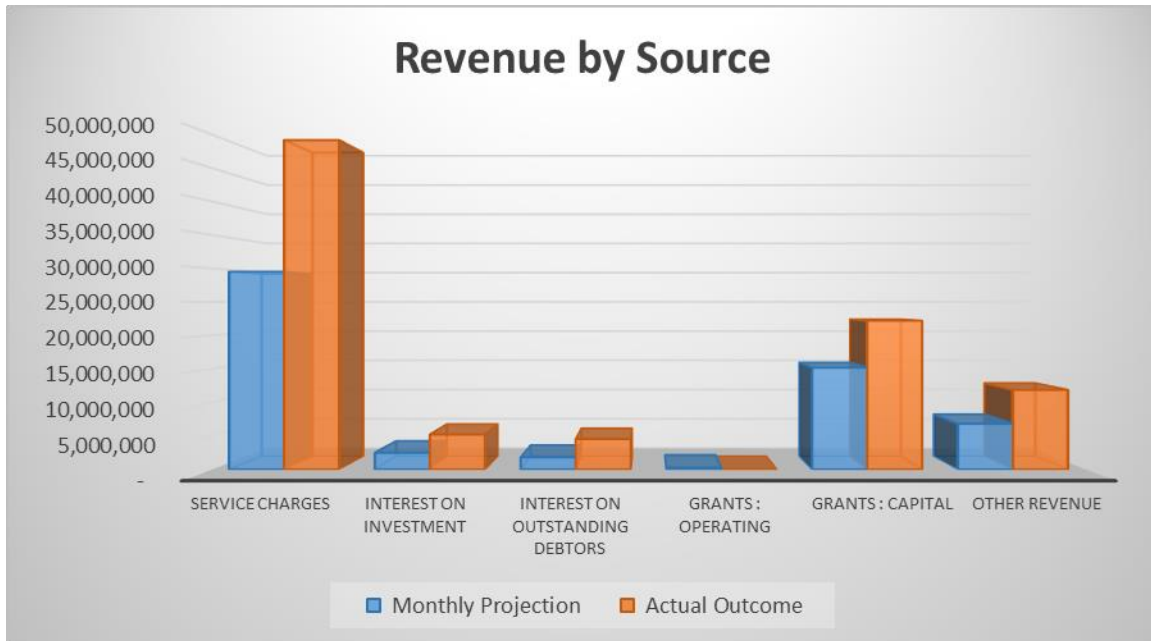
**Interest on Investment** – Projection is R2.5 million whilst the actual interest is R5.2 million resulting in R2.7 million positive variance. This is caused by the fact that the municipality invested on high earning investments.

**Interest on Outstanding Debtors** – Projected at R1.8 million whilst actual interest on debtors is R4.5 million resulting in R 2.7 million positive variance.

**Grants Transfers – Operating** – Projection is R231 598 and received R0.

**Grants Transfers – Capital** – R15.1 million is projected and received R22.1 million for the Human Settlement Grant.

**Other Revenue** - Projection amounted to R6.8 million whilst actual revenue amounted to R11.8 million resulting in a positive variance of R5 million. The variance is caused mainly by VAT refunds received in the current month.



## EXPENDITURE

### Operating Expenditure by type

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	726,912,294	726,912,294	666,338,233.00	619,389,793	60,576,203.00	54,737,869	5,838,334	9.64%
Councillor Remuneration	25,513,521	25,513,521	23,387,452.00	19,665,206	2,126,132	1,803,747	322,385	15.16%
Inventory consumed	81,146,395	81,146,395	76,000,000.00	76,364,700	7,500,000	6,535,584	964,416	12.86%
Contracted Services	153,426,537	153,979,451	138,818,334.00	119,069,082	7,501,886	14,145,812	-6,643,926	-88.56%
Grants and Subsidies	67,113,215	68,706,041	60,458,785.00	57,528,865	4,609,435	-441,487	5,050,922	109.58%
Other Expenditure	499,977,438	502,072,953	462,320,696.00	191,729,637	37,583,758	9,251,778	28,331,980	75.38%
<b>Total</b>	<b>1,554,089,400.00</b>	<b>1,558,330,655.00</b>	<b>1,427,323,500</b>	<b>1,083,747,282</b>	<b>119,897,414</b>	<b>86,033,303</b>	<b>33,864,111</b>	<b>28.24%</b>

**Employee costs** - Projection amounts to R60.5 million whilst actual outcome amounts to R54.7 million result in the positive variance of R5.8 million. The variance is caused by savings on overtime, non-payment of the non-pensionable allowance on the bonus and travelling costs.

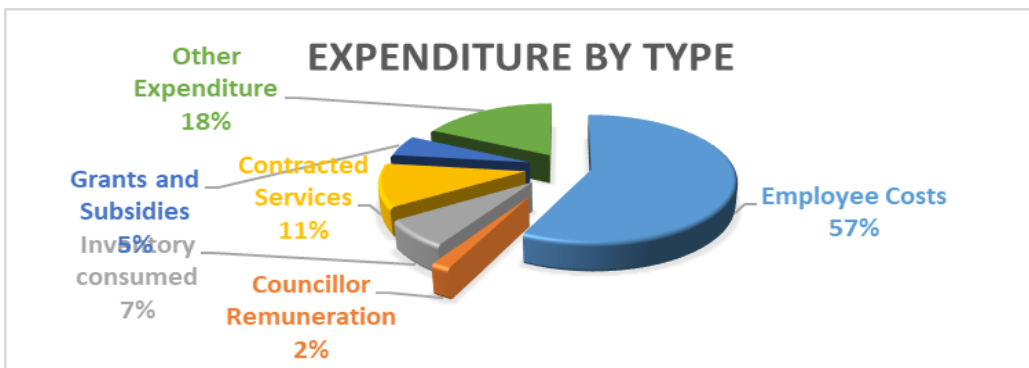
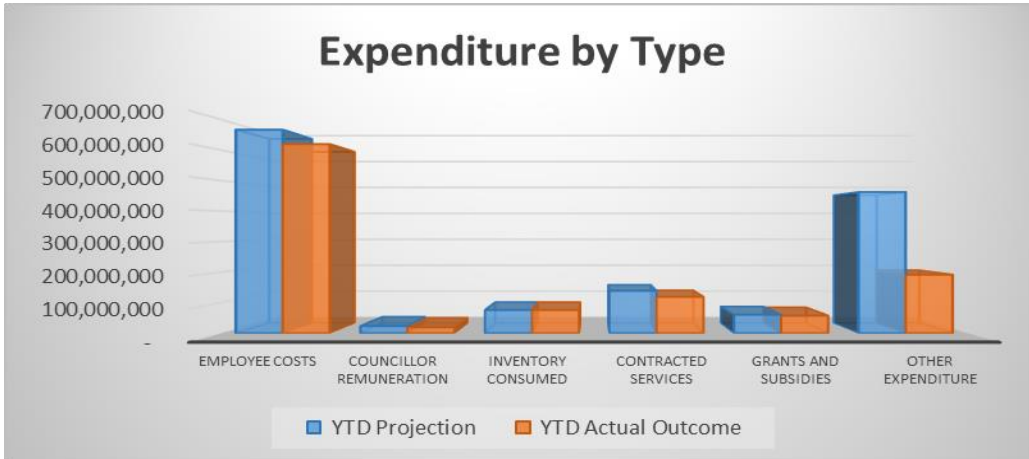
**Council remuneration** – Projection amounts to R2.1 million whilst actual outcome amounts to R1.8 million results in the positive variance of R322 385..

**Bulk Purchases/Inventory consumed** – This line item is dependent on the invoices DWA has submitted. Projections amounted to R7.5 million whilst the actual amounted to R6.5 million resulting in a R964 416 “positive variance”.

**Contracted Services** – Projected at R7.5 million and actual outcome amounted to R14.1 million resulting in a negative variance of R6.6 million.

**Grants and Subsidies** – Projection amounts to R4.6 million whilst actual amounted to (R441 487) resulting in negative variance of R4.6 million.

**Other Expenditure** - Projection amounts to R37.5 million whilst actual amounted to R9.2 million results in a positive variance of R28.3 million. This caused by the fact that some invoices have not yet been received.



## Repairs and Maintenance

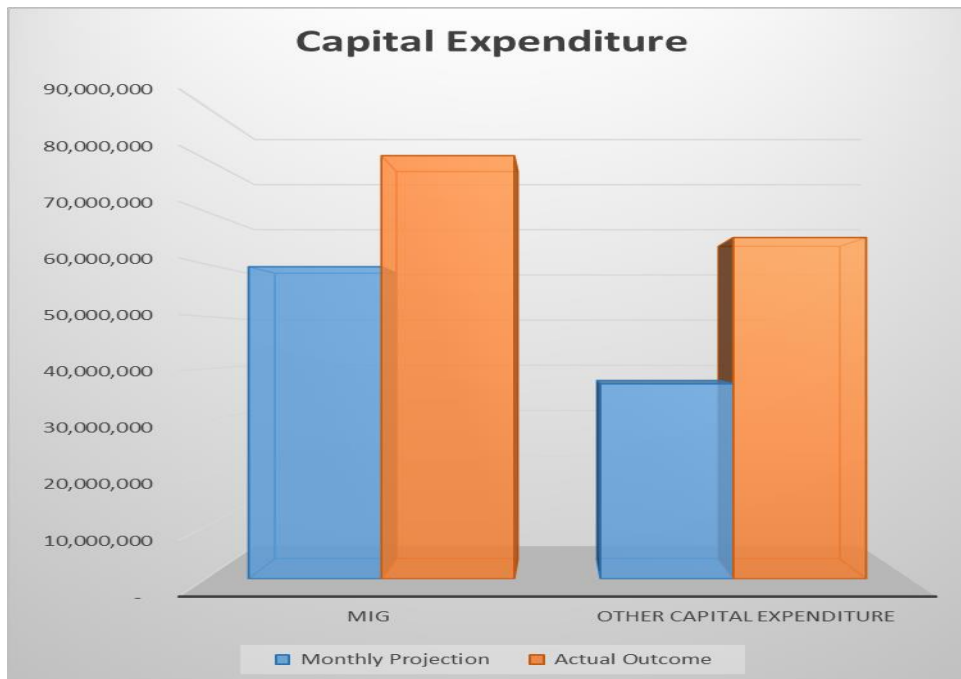
Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Repairs and maintenance Buildings	2,500,000	3,110,000	2,850,833.33	2,712,778	259,167	269,224	-10,058	-3.88%
Repairs and maintenance Support to Strategic Roads	2,000,000	1,500,000	1,375,000.00	902,359	125,000	-	125,000	100.00%
Repairs and maintenance Motor Vehicles	2,400,000	4,400,000	4,033,333.33	3,309,968	366,667	301,945	64,722	17.65%
Bulk water meter - r&m	1,300,000	-	-	-	-	-	0	0.00%
Vip sludge sucking	5,000,000	5,000,000	4,583,333.33	4,853,129	416,667	-	416,667	100.00%
Maintenance of pipe leaks	5,000,000	-	-	-	-	-	0	0.00%
Water pump stations	3,000,000	669,597	613,797.25	513,197	55,800	216,190	-160,390	-287.44%
Spring protection	2,000,000	2,000,000	1,833,333.33	477,964	166,667	-	166,667	100.00%
Sewerage pump stations	3,000,000	174,057	159,552.25	174,058	14,505	-	14,505	100.00%
Sewerage treatment works	3,000,000	-	-	-	-	-	0	0.00%
Materials and stores	10,000,000	18,630,403	17,077,869.42	15,221,280	1,552,534	1,561,233	-8,700	-0.56%
Sealing of reservoirs	1,000,000	1,000,000	916,666.67	-	83,333	-	83,333	100.00%
Repair of elements on treatment works	30,342,000	8,342,000	7,646,833.33	4,382,996	695,167	-	695,167	100.00%
Surveillance equipment maintenance	150,000	150,000	137,500.00	-	12,500	-	12,500	100.00%
<b>Total</b>	<b>70,692,000</b>	<b>44,976,057</b>	<b>41,228,052</b>	<b>32,547,728</b>	<b>3,748,005</b>	<b>2,348,593</b>	<b>1,399,412</b>	<b>37.34%</b>

The amount spent on repairs and maintenance in the current month is R2.3 million which is less by R1.4 million which is 37.34%.

## Capital Expenditure

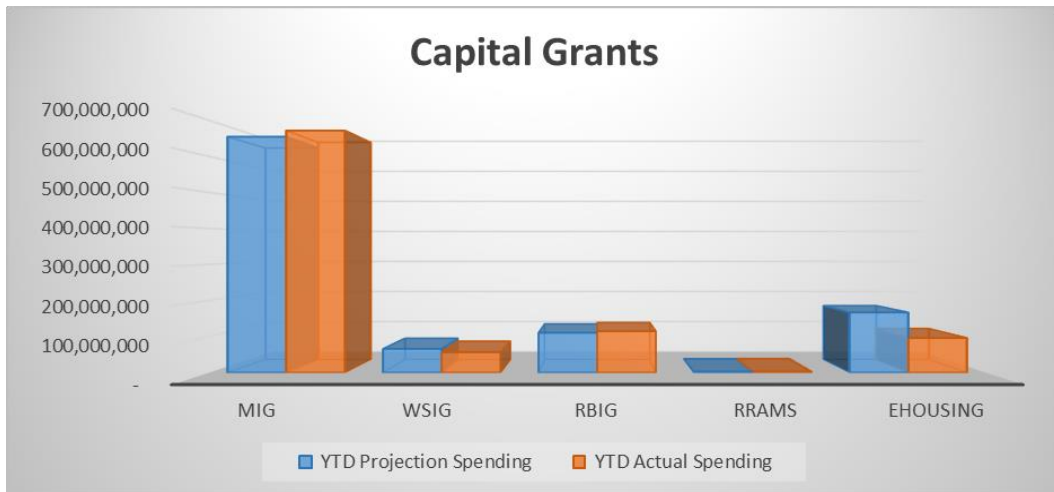
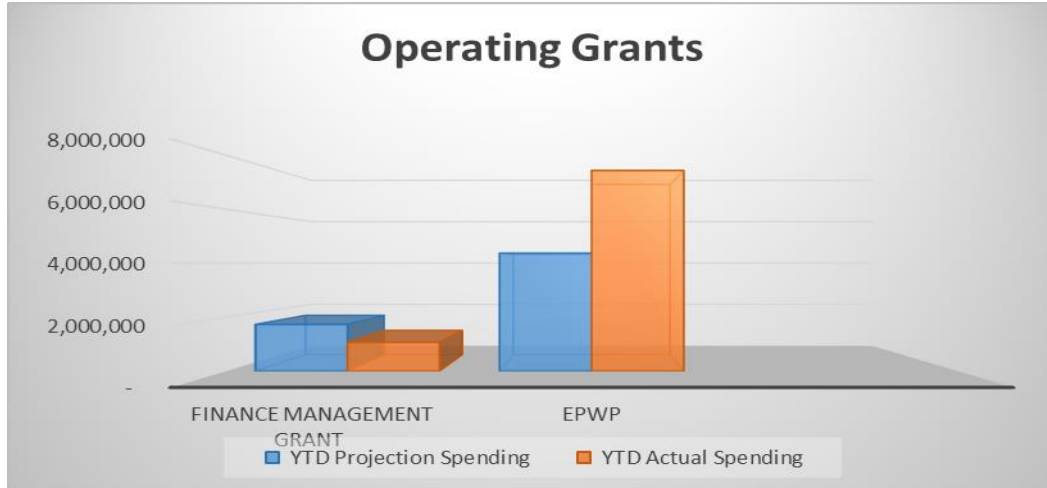
Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
MIG	764,752,000	713,603,000	654,136,083.33	671,281,845	59,466,917	80,626,897	-21,159,981	-35.58%
Other Capital Expenditure	426,156,557	472,155,017	432,808,765.27	305,789,981	37,156,476	65,046,163	-27,889,687	-75.06%
<b>Total</b>	<b>1,190,908,557</b>	<b>1,185,758,017</b>	<b>1,086,944,849</b>	<b>977,071,826</b>	<b>96,623,393</b>	<b>145,673,061</b>	<b>-49,049,668</b>	<b>-50.76%</b>

Overspending on the capital expenditure is mainly due to overspending on conditional grants.



## CONDITIONAL GRANTS

Grant Name	Grant Allocation	Grants Received	YTD Projection Spending	YTD Actual Spending	Variance	% Variance
<b>Operating Grants</b>						
Finance Management Grant	2,000,000	2,000,000	1,728,375	1,070,529	657,846	38.06%
EPWP	4,767,000	4,767,000	4,369,750.07	7,427,298	(3,057,548)	-69.97%
<b>Capital Grants</b>						
Municipal Infrastructure Grant	713,603,000	713,603,000	654,136,083.33	671,281,845	(17,145,762)	-2.62%
Water Services Infrastructure Grant	72,000,000	72,000,000	66,000,000.00	56,843,087	9,156,913	13.87%
Regional Bulk Infrastructure Grant	120,700,000	120,700,000	110,641,666.67	114,733,259	(4,091,592)	-3.70%
Rural Roads Management System	3,155,000	3,155,000	2,892,083.33	3,130,128	(238,044)	-8.23%
Emergency Municipal Housing Grant	182,152,557	72,675,392	166,973,176.89	96,212,569	70,760,607	42.38%
<b>TOTAL</b>	<b>1,098,377,556.69</b>	<b>988,900,391.60</b>	<b>1,006,741,135.30</b>	<b>950,698,715.12</b>	<b>56,042,420.18</b>	



### **Legislative Services**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs and Councillor remuneration	64,882,689	64,882,689	59,475,798.11	27,673,877	5,406,890.74	2,353,315	3,053,576	56%
Other operating Expenditure	11,939,521	11,939,521	10,944,561.19	28,823,722	994,960	2,984,021	(1,989,061)	-200%

The table above indicates that the Legislative Services department has spent R2.9 million on operating expenditure and R2.3 million on salaries (including remuneration of councilors).

### **Office of Executive Mayor and Executive Mayoral Services**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	54,415,168	54,415,168	49,880,570.50	58,153,411	4,534,597	4,894,287	(359,690)	-8%
Other operating Expenditure	10,798,544	10,736,097	9,841,422	11,853,006	899,879	1,383,068	(483,190)	-54%

The table above indicates that the Office of Executive Mayor has spent R1.3 million on operating expenditure and R4.9 million on salaries.

### **Office of the Municipal Manager**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	43,049,004	43,049,004	39,461,587.20	25,885,147	3,587,417	2,316,020	1,271,397	35%
Other operating Expenditure	25,478,765	31,447,878	28,827,222	22,784,979	2,123,230	1,227,185	896,045	42%

The table above indicates that the Office of Municipal Manager has spent R1.2 million on operating expenditure and R2.3 million on salaries



### **Corporate Services**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	131,213,801	131,213,801	120,279,317.93	80,291,784	10,934,483	6,643,646	4,290,837	39%
Other operating Expenditure	64,430,000	94,750,000	86,854,167	75,492,924	5,369,167	4,716,552	652,615	12%
Capital Expenditure	22,250,000	17,250,000	15,812,500.00	5,710,858	1,854,166.67	1,863,796	(9,630)	-1%

The table above indicates that the Corporate Services has spent R4.7 million on operating expenditure and R6.6 million on salaries.

Overspent by R9 630 or 1% on capital expenditure during the month.

### **Budget and Treasury Office**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	82,311,310	82,311,310	75,452,034.56	75,593,704	6,859,276	6,788,056	71,220	1%
Other operating Expenditure	58,429,314	63,029,314	57,776,871	58,299,697	4,869,110	4,493,736	375,374	8%
Capital Expenditure	5,000,000.00	4,000,000	3,666,666.67	3,032,912	416,667	199,500	217,167	52%

The table above indicates that the Budget and Treasury Office has spent R4.4 million on operating expenditure and R6.7 million on salaries.

Capital Expenditure is underspent by R217 167 or 52% during the month.

### **Rural Economic and Developmental Planning**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	27,223,431	27,223,431	24,954,811.44	20,997,666	2,268,619	1,868,548	400,072	18%
Other operating Expenditure	67,101,643	67,394,034	61,777,864.68	61,048,551	5,591,803.57	(23,275)	5,615,079	100%

The table above indicates that the Rural Economic and Developmental Planning has spent (R23 275) on operating expenditure and R1.8 million on salaries.

### **Community Services**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	103,194,339	103,194,339	94,594,810.73	74,344,235	8,599,528	6,500,031	2,099,497	24%
Other operating Expenditure	9,542,236	9,542,236	8,747,049	3,811,283	795,186.29	375,875	419,311	53%
Capital Expenditure	17,000,000	14,800,000	11,628,571.43	8,064,317	1,233,333.33	-	1,233,333	100%

The table above indicates that the Community and Social Services has spent R375 875 on operating expenditure and R6.5 million on salaries.

Underspent by R1.2 million or 100% on expenditure on capital budget.

### **Human Settlements**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	14,559,194	14,559,194	13,345,928.09	6,215,432	1,213,266	555,448	657,818	54%
Other operating Expenditure	5,327,015	5,677,015	5,203,930.74	1,327,568	443,918	667,754	(223,836)	-50%
Capital Expenditure	182,502,557	182,152,557	166,973,176.89	96,212,569	15,208,546	16,601,566	(1,393,020)	-9%

The table above indicates that the Human Settlements has spent R667 754 on operating expenditure and R555 448 on salaries.

Overspent by R1.4 million or 9% on capital expenditure.

### **Water and Sanitation Services**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	232,562,742	232,562,742	213,182,513.85	249,465,287	19,380,228.53	22,750,431	(3,370,203)	-17%
Other operating Expenditure	406,642,000	505,808,567	463,657,853	197,269,225	42,150,713.90	15,189,867	26,960,847	64%
Capital Expenditure	1,024,703,645	932,905,644	855,163,506.95	844,603,273	77,742,137.00	123,125,460	(45,383,323)	-58%

The table above indicates that the Water Services has spent R15.1 million on operating expenditure and R22.7 million on salaries.

Overspent by R45.3 million on capital budget which constitutes 58%.

## **Technical Services**

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Employee Costs	6,419,665	6,419,665	5,884,693.07	769,250	534,972.10	68,087	466,885	87%
Other operating Expenditure	4,715,000	4,715,000	4,322,083.33	3,646,536	392,916.67	280,651	112,265	29%
Capital Expenditure	14,649,816	14,649,816	13,428,998.09	14,279,059	1,220,818.01	3,882,738	(2,661,920)	-218%

The table above indicates that the Technical Services has spent R280 651 on operating expenditure and R68 087 on salaries.

Capital expenditure is overspent by R2.6 million which constitutes 218%.

## **Cash and Cash Equivalent**

For the main account, balance as at 31<sup>st</sup> May 2024 amounted to R14.6 million. Call and short term investment accounts amounted to R678.8 million invested in:

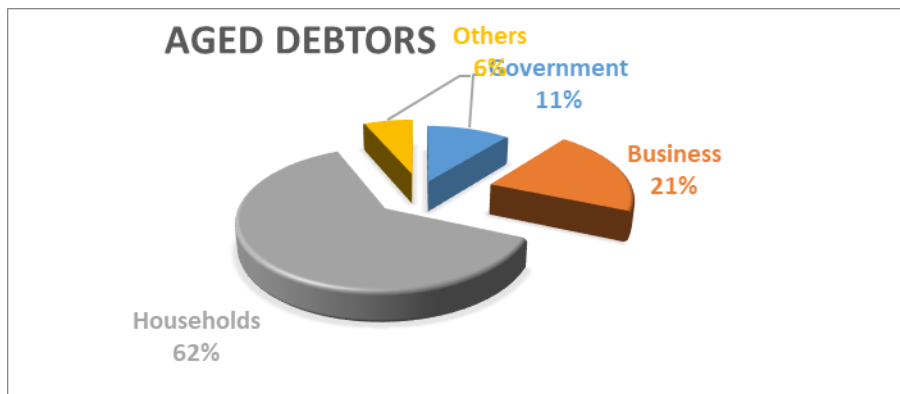
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First National Bank – R678.8 million

## **Debtors**

Category	0 – 30 Days	31 -60 Days	61 -90 Days	91 -120 Days	121 -150 Days	151 - 180 Days	181 - 1 Year	Over 1 Year	Total
Government	18,339,671	3,883,665	3,634,376	5,182,341	2,973,167	2,488,371	26,046,233	34,799,060	97,346,884
Business	13,321,751	5,600,407	4,293,173	5,794,407	3,932,959	3,520,544	51,513,208	98,459,449	186,435,898
Households	24,468,282	11,253,503	10,534,414	14,555,301	10,510,006	10,284,701	161,867,643	315,037,767	558,511,617
Others	11,915,221	1,357,983	1,086,172	1,719,575	1,331,636	1,624,091	15,420,138	23,928,943	58,383,759
<b>Total</b>	<b>68,044,925</b>	<b>22,095,558</b>	<b>19,548,135</b>	<b>27,251,624</b>	<b>18,747,768</b>	<b>17,917,707</b>	<b>254,847,222</b>	<b>472,225,219</b>	<b>900,678,158</b>

Debtors for May 2024 amount to R900.6 million which decreased marginally by 0.01% as compared to April 2024 debtors of R914.1 million.



## Detailed Debtors

Sector	MONTHS	-	1.00	2.00	3.00	4.00	5.00	6.00	12.00	17.00	TOTAL (Rands)
	DAYS	CURRENT	30.00	60.00	90.00	120.00	150.00	180.00	360.00	credit	
	Debtors Balance as at 31st May 2024										
Domestic		11,840,948.56	11,089,028.46	10,576,045.95	9,904,426.02	13,432,554.06	9,864,894.27	9,718,071.85	105,301,582.12	-8,723,265.37	538,046,236.09
Government		10,094,241.72	5,958,282.40	2,789,591.45	1,981,377.42	3,910,625.74	1,958,686.22	1,584,704.83	8,235,906.60	-853,926.38	62,665,580.78
Business		7,865,921.20	5,455,829.98	5,600,406.76	4,293,173.47	5,794,406.68	3,932,958.53	3,520,544.46	35,228,460.05	-3,479,203.63	186,435,897.74
Municipality		1,140,288.17	1,146,858.44	1,094,073.77	1,652,998.88	1,271,715.46	1,014,480.82	903,666.37	6,457,009.46	-2,392,776.42	34,681,303.62
School		6,123,920.12	5,321,160.06	1,111,711.28	904,090.87	1,433,928.14	1,131,287.29	1,424,192.17	8,737,837.36	-582,963.05	46,466,506.27
Church		262,696.71	207,443.65	246,271.84	182,080.25	285,647.51	200,348.55	199,898.07	1,491,982.73	-120,327.94	11,917,252.29
Indigent		623,252.88	770,581.31	641,151.89	601,278.72	1,079,633.39	612,039.33	539,834.81	2,848,752.81	-349,143.27	18,981,028.99
Councillor		2,139.89	1,903.63	9,110.49	3,777.23	10,609.29	5,119.15	3,841.39	0.00	-814.77	46,584.76
Staff Members		109,135.01	31,293.03	27,194.79	24,932.37	32,503.82	27,953.46	22,953.09	175,465.94	-10,137.00	1,437,767.20
GRAND TOTAL		38,062,544.26	29,982,380.96	22,095,558.22	19,548,135.23	27,251,624.09	18,747,767.62	17,917,707.04	168,476,997.07	-16,512,557.83	900,678,157.74

## Creditors

Creditors for May 2024 amounted to R98.2 million. For more details, please refer to the summarised creditor's age analysis sheet as at 31<sup>st</sup> May 2024 below:

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
0100 BULK ELECTRICITY	-	-	-	-	-	-	-	-	-
0200 BULK WATER	2,109,051.61	-	-	-	-	-	-	55,647,837.11	57,756,888.72
0300 PAYE DEDUCTIONS	-	-	-	-	-	-	-	-	-
0400 VAT (OUTPUT LESS INPUT)	-	-	-	-	-	-	-	-	-
0500 PENSIONS / RETIREMENT DEDUCTI	-	-	-	-	-	-	-	-	-
0600 LOAN REPAYMENTS	-	-	-	-	-	-	-	-	-
0700 TRADE CREDITORS	3,355,064.55	11,052,190.04	3,365,563.79	6,368,315.52	6,420,643.30	-	8,076,564.84	1,003,423.91	39,641,765.95
0800 AUDITOR GENERAL	275,623.69	-	-	-	-	-	-	-	275,623.69
0900 OTHER	-	-	-	-	-	159,204.00	-	461,776.00	620,980.00
	5,739,739.85	11,052,190.04	3,365,563.79	6,368,315.52	6,420,643.30	159,204.00	8,076,564.84	57,113,037.02	98,295,258.36
	6%		94%						

The municipality has an arrangement with the Department of water and sanitation of paying R2 688 916,26 in respect of the old debt and settle the current invoices in full on the due date.

The top five creditors in this month are Department of Water Affairs R57.7 million, KSD Municipality R17 million, Lavender Moon Trading R2.4 million, Vava Multi Service R2.3 million and Lugaju Innovations R2.2 million.

The biggest creditors are Department of Water Affairs for bulk water and KSD municipality for electricity.

## mSCOA Compliance

The municipality has complied in May 2024 with the submission of monthly mSCOA data strings. The actuals, aged debtors and aged creditors were successfully uploaded on the 12<sup>th</sup> June 2024. The PRAD and ORGB data strings for 2024-2025 were successfully uploaded on the 23<sup>rd</sup> May 2024.

### Progress on the audit.

The municipality received an unqualified audit opinion which is a great improvement from receiving a qualified audit opinion in the previous financial years. The municipality has developed an audit action to address the issues raised by the Auditor General in 2022-2023 financial year. The Audit action plan was tabled in council on the 31<sup>st</sup> January 2024. It is updated on a monthly basis. The team from the Auditor General was on site in April 2024 doing planning for the 2023-2024 audit.

### Debtors and Indigent

Debtors for May 2024 amounts to R900.6 million.

### Indigent Report:

After financial year end write off, our Indigent Register has **211** certified indigents thus far - starting from 01 July to 31<sup>st</sup> May 2024. The section has embarked on an exercise to reconcile the Indigent Registers of Local Municipalities with the one from the District.

The challenge, however, is that the District has received the registers from the LMs but there are no supporting documents for the district to populate its register accordingly.

The IGR section will be key in ensuring that the outstanding documents are sourced from the external stakeholders in order for the process to be complete.

Subsequent to the Quarter 2 verification, 3 beneficiaries have been removed from the register as they did not fully meet the requirements of the policy. Currently the number of beneficiaries stands at 208. The 3403 beneficiaries identified in the Mthatha area of jurisdiction will only be certified as indigents upon submission of supporting documentation as per provisions of the Indigent Support Policy.

### Cost benefit

The municipality has collected R92.9 million in the month of May 2024 and R66.2 million when excluding interest from debtors and capital and operating grants. The total operating expenditure for May 2024 is R86 million of which R66.2 million is funded from own revenue and the remainder of R19.8 million is funded by equitable share. The municipality has an approved cost containment policy which was approved by council in September 2023.

### Financial Recovery Plan

The financial recovery plan was signed and approved by the MEC of Finance Hon M Mvoko on the 9<sup>th</sup> October 2023. The FRP implementation has started on the 01 November 2023. It is updated on a monthly basis. The municipality is reporting monthly to the Provincial and National Treasury on the implementation of the FRP. The Finance work stream had a virtual meeting on the 12<sup>th</sup> April 2024 for the presentation of the updated financial recovery plan with POE. The Provincial Treasury was part of the extended management meeting on the 2<sup>nd</sup> May 2024 where the FRP was presented and an assessment report on the FRP was subsequently sent to the municipality. There was also a combined FRP meeting on the 12<sup>th</sup> June 2024 where all the work streams presented to the provincial treasury.

### Unauthorized Expenditure

The Municipality has incurred no unauthorized expenditure during the month of May 2024 including in the current financial year.

### Cost Containment

<b>Measures</b>	<b>Budget</b>	<b>May 2024</b>	<b>Savings</b>	
Use of consultants	R5 480 000.00	R371 852.50	R84 814.17	
Vehicle used for political office bearers.	R0	R0	R0	
Travel and Subsistence	R2 115 940.00	R333 309.69	R0	
Domestic Accommodation	R9 382 447.00	R273 317.07	R508 553.51	
Sponsorships, Events and catering	R7 711 375.00	R1 280 584.35	R0	
Communication	R4 108 000.00	R1653.50	R340 679.83	
Other related expenditure items	R0	R0	R0	
<b><u>Total</u></b>	<b>R28 797 762.00</b>	<b>R2 260 717.11</b>	<b>R934 047.51</b>	