

O. R. TAMBO DISTRICT MUNICIPALITY

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District
Municipality



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DISTRICT MUNICIPALITY

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MONTHLY REPORTING (S71) EXECUTIVE SUMMARY FOR APRIL 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 April 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	247,699,943	180,494,889	21,853,195	13,700,122	(8,153,073)	-37.31%
Interest on Investment	30,000,000	40,500,000	33,750,000	52,770,153	2,500,000	5,783,539	3,283,539	131.34%
Interest on Outstanding Debtors	21,730,000	21,730,000	18,108,333	34,535,055	1,810,833	4,773,220	2,962,387	163.59%
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	959,940,065	15,179,379	-	(15,179,379)	-100.00%
Other revenue	128,776,490	128,776,490	111,478,696	136,496,216	6,611,839	13,062,853	6,451,014	97.57%
Total	2,915,675,706	2,825,335,705	2,634,224,529	2,383,125,589	48,186,844	37,319,733	(10,867,111)	-22.55%

Service charges (water and sanitation) – Projected collections amounted to R21.8 million whilst actual collections amounted to R13.7 million resulting in a negative variance of 37.31%, caused by regressed 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.

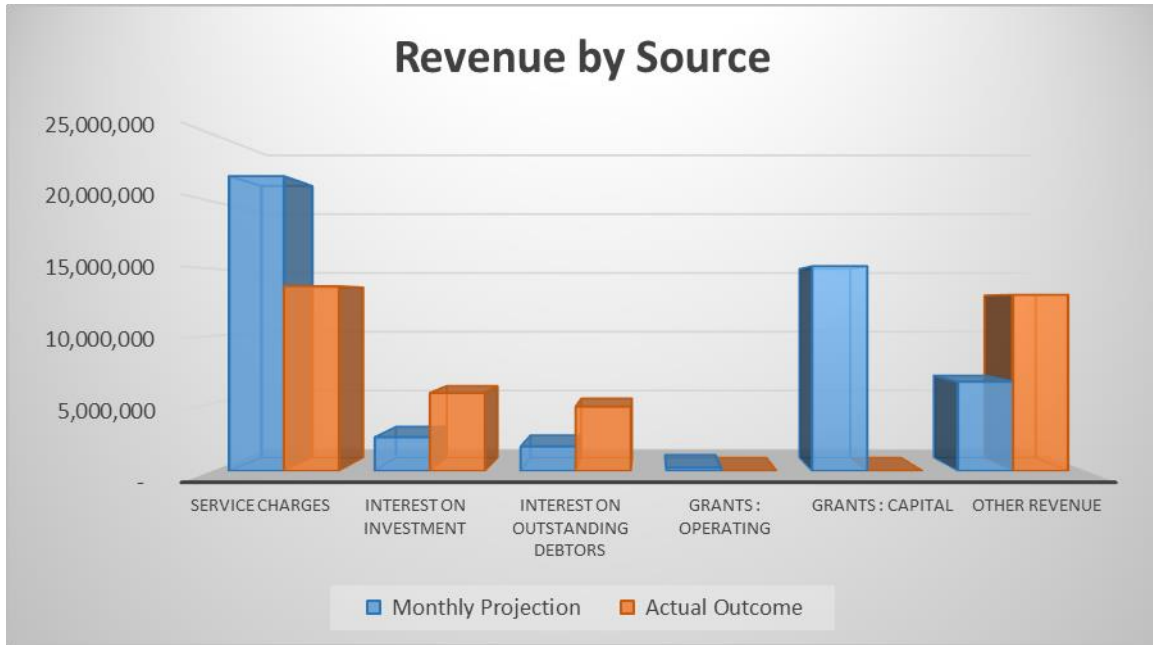
Interest on Investment – Projection is R2.5 million whilst the actual interest is R5.7 million resulting in R3.2 million positive variance. This is caused by the fact that the municipality invested on high earning investments.

Interest on Outstanding Debtors – Projected at R1.8 million whilst actual interest on debtors is R4.7 million resulting in R 2.9 million positive variance.

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

Grants Transfers – Capital – R6.6 million is projected and and not received no amount.

Other Revenue - Projection amounted to R6.6 million whilst actual revenue amounted to R13 million resulting in a positive variance of R6.4 million. The variance is caused mainly by VAT refunds for previous months 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	605,762,030.00	564,651,924	60,576,203.00	56,387,394	4,188,809	6.91%
Councillor Remuneration	25,513,521	25,513,521	21,261,320.00	17,861,458	2,126,132	1,846,982	279,150	13.13%
Inventory consumed	81,146,395	81,146,395	68,500,000.00	69,829,116	7,150,000	15,195,045	-8,045,045	-112.52%
Contracted Services	153,426,537	153,979,451	131,316,448.00	104,923,270	16,976,046	18,045,641	-1,069,595	-6.30%
Grants and Subsidies	67,113,215	68,706,041	55,849,350.00	57,970,352	4,819,435	11,084,219	-6,264,784	-129.99%
Other Expenditure	499,977,438	502,072,953	424,736,938.00	182,477,859	43,248,301	26,095,132	17,153,169	39.66%
Total	1,554,089,400.00	1,558,330,655.00	1,307,426,086	997,713,979	134,896,117	128,654,413	6,241,704	4.63%

Employee costs - Projection amounts to R60.5 million whilst actual outcome amounts to R56.3 million result in the positive variance of R4.1 million. The variance is caused by savings on overtime, non-payment of the non-pensionable allowance on the bonus and travelling costs.

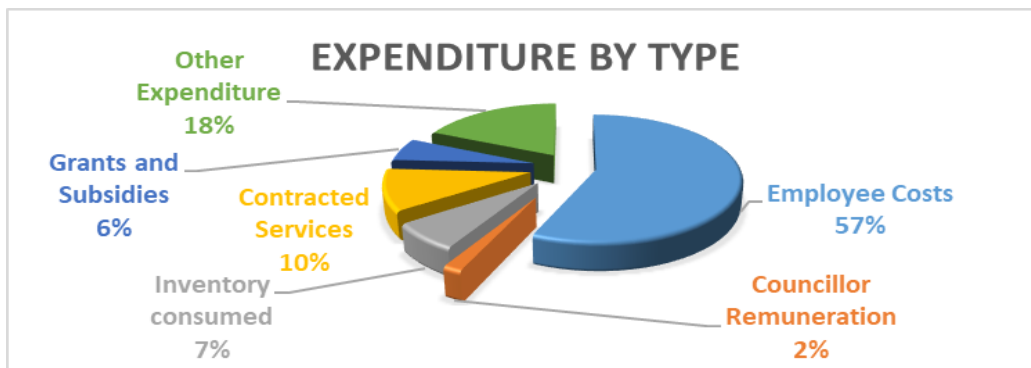
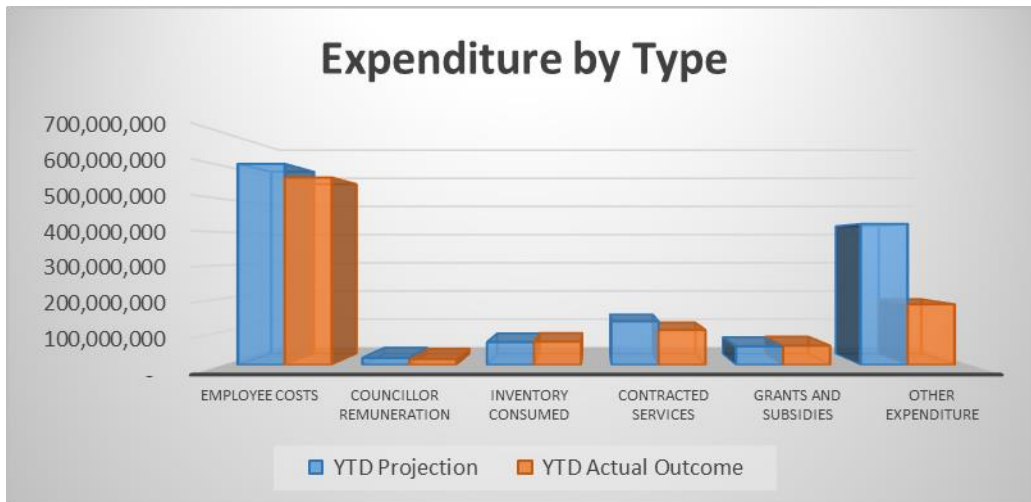
Council remuneration – Projection amounts to R2.1 million whilst actual outcome amounts to R1.8 million results in the positive variance of R279 150..

Bulk Purchases/Inventory consumed – This line item is dependent on the invoices DWA has submitted. Projections amounted to R7.1 million whilst the actual amounted to R15.1 million resulting in a R8 million “negative variance”.

Contracted Services – Projected at R16.9 million and actual outcome amounted to R18 million resulting in a negative variance of R1.1 million.

Grants and Subsidies – Projection amounts to R4.8 million whilst actual amounted to R11 million resulting in negative variance of R6.2 million.

Other Expenditure - Projection amounts to R43.2 million whilst actual amounted to R26 million results in a positive variance of R17.2 million. This caused by the fact that some invoices have not yet been received.



Repairs and Maintenance

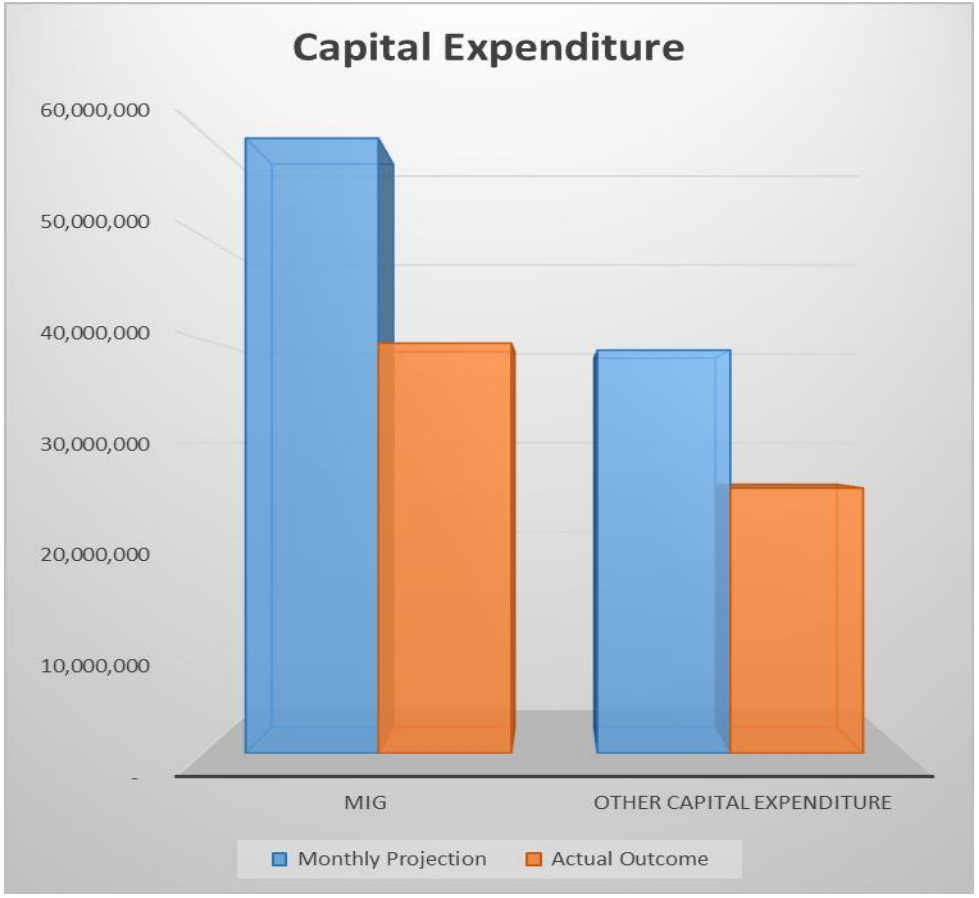
Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
Repairs and maintenance Buildings	2,500,000	3,110,000	2,591,666.67	2,443,554	259,167	-	259,167	100.00%
Repairs and maintenance Support to Strategic Roads	2,000,000	1,500,000	1,666,666.67	902,359	125,000	-	125,000	100.00%
Repairs and maintenance Motor Vehicles	2,400,000	4,400,000	3,666,666.67	3,008,023	366,667	115,483	251,184	68.50%
Bulk water meter - r&m	1,300,000	-	-	-	-	-	0	0.00%
Vip sludge sucking	5,000,000	5,000,000	4,166,666.67	4,853,129	416,667	2,280,000	-1,863,333	-447.20%
Maintenance of pipe leaks	5,000,000	-	-	-	-	-	0	0.00%
Water pump stations	3,000,000	669,597	557,997.50	297,007	55,800	-	55,800	100.00%
Spring protection	2,000,000	2,000,000	1,666,666.67	477,964	166,667	-	166,667	100.00%
Sewerage pump stations	3,000,000	174,057	145,047.50	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	15,525,335.83	13,660,046	1,552,534	3,134,059	-1,581,526	-101.87%
Sealing of reservoirs	1,000,000	1,000,000	833,333.33	-	83,333	-	83,333	100.00%
Repair of elements on treatment works	30,342,000	8,342,000	6,951,666.67	4,382,996	695,167	-	695,167	100.00%
Surveillance equipment maintenance	150,000	150,000	125,000.00	-	12,500	-	12,500	100.00%
Total	70,692,000	44,976,057	37,896,714	30,199,135	3,748,005	5,529,542	-1,781,537	-47.53%

The amount spent on repairs and maintenance in the current month is R5.5 million which is more by R1.7 million which is 47.53%.

Capital Expenditure

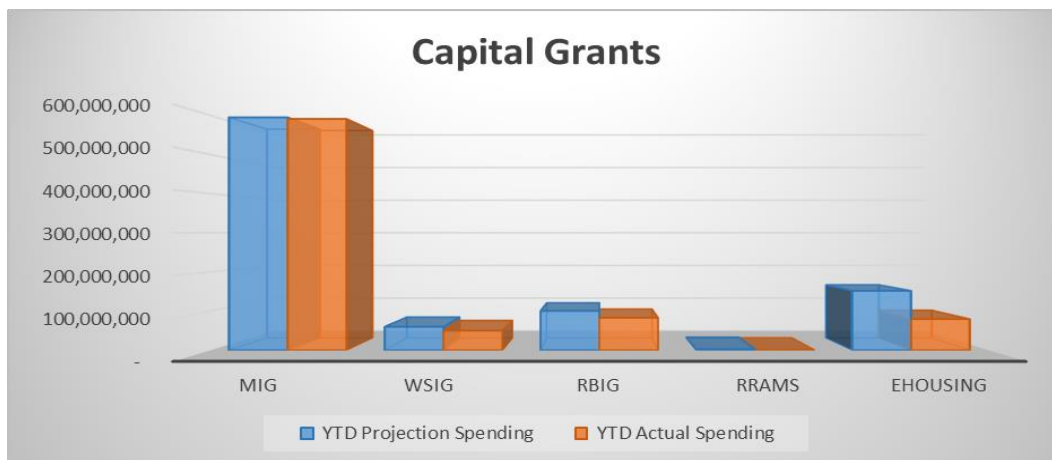
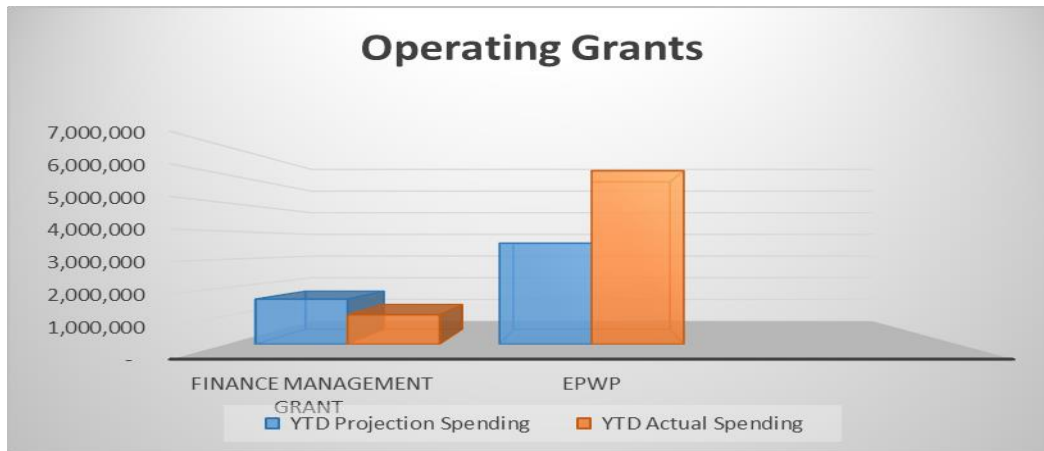
Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Monthly Projection	Actual Outcome	Monthly Variance	Monthly Variance %
MIG	764,752,000	713,603,000	666,434,094.00	590,654,948	59,466,917	39,650,293	19,816,624	33.32%
Other Capital Expenditure	426,156,557	472,155,017	404,604,635	240,743,818	38,976,979	25,635,354	13,341,626	34.23%
Total	1,190,908,557	1,185,758,017	1,071,038,729	831,398,766	98,443,896	65,285,647	33,158,249	33.68%

Underspending in 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
Operating Grants						
Finance Management Grant	2,000,000	2,000,000	1,594,500	1,041,977	552,523	34.65%
EPWP	4,767,000	4,767,000	3,575,250.06	6,133,532	(2,558,282)	-71.56%
Capital Grants						
Municipal Infrastructure Grant	713,603,000	713,603,000	594,669,166.67	590,654,948	4,014,219	0.68%
Water Services Infrastructure Grant	72,000,000	72,000,000	60,000,000.00	50,213,583	9,786,417	16.31%
Regional Bulk Infrastructure Grant	120,700,000	120,700,000	100,583,333.33	82,911,400	17,671,934	17.57%
Rural Roads Management System	3,155,000	3,155,000	2,629,166.67	973,878	1,655,289	62.96%
Emergency Municipal Housing Grant	182,152,557	50,482,065	151,793,797.18	79,611,003	72,182,794	47.55%
TOTAL	1,098,377,556.69	966,707,065.43	914,845,213.90	811,540,320.88	103,304,893.02	



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	54,068,907.38	25,320,562	5,406,890.74	2,382,440	3,024,451	56%
Other operating Expenditure	11,939,521	11,939,521	9,949,601.08	25,839,701	994,960	3,287,540	(2,292,580)	-230%

The table above indicates that the Legislative Services department has spent R3.2 million on operating expenditure and R2.4 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	45,345,973.18	53,259,124	4,534,597	4,920,160	(385,562)	-9%
Other operating Expenditure	10,798,544	10,736,097	8,946,748	10,469,938	899,879	821,922	77,956	9%

The table above indicates that the Office of Executive Mayor has spent R821 922 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	35,874,170.18	23,569,127	3,587,417	2,280,353	1,307,064	36%
Other operating Expenditure	25,478,765	31,447,878	26,206,565	21,557,794	2,123,230	880,891	1,242,339	59%

The table above indicates that the Office of Municipal Manager has spent R880 891 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	109,344,834.48	73,648,138	10,934,483	7,046,547	3,887,936	36%
Other operating Expenditure	64,430,000	94,750,000	78,958,333	70,776,372	5,369,167	13,387,455	(8,018,288)	-149%
Capital Expenditure	22,250,000	17,250,000	14,375,000.00	3,847,062	1,854,166.67	73,021	1,781,146	96%

The table above indicates that the Corporate Services has spent R13.3 million on operating expenditure and R7 million on salaries.

Underspent by R1.7 million or 96% 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	61,733,482.82	68,805,649	6,859,276	7,022,959	(163,683)	-2%
Other operating Expenditure	58,429,314	63,029,314	52,524,428	53,805,961	4,869,110	13,229,863	(8,360,754)	-172%
Capital Expenditure	5,000,000.00	4,000,000	3,333,333.33	2,833,412	416,667	2,473,412	(2,056,746)	-494%

The table above indicates that the Budget and Treasury Office has spent R13.2 million on operating expenditure and R7 million on salaries.

Capital Expenditure is overspent by R2 million or 494% 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	22,686,192.22	19,129,118	2,268,619	1,905,437	363,182	16%
Other operating Expenditure	67,101,643	67,394,034	56,161,695.17	61,071,826	5,591,803.57	11,823,766	(6,231,963)	-111%

The table above indicates that the Rural Economic and Developmental Planning has spent R11.8 million on operating expenditure and R1.9 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	85,995,282.49	67,844,204	8,599,528	6,731,817	1,867,711	22%
Other operating Expenditure	9,542,236	9,542,236	7,951,863	3,435,407	795,186.29	1,043,702	(248,516)	-31%
Capital Expenditure	17,000,000	14,800,000	10,571,428.57	8,064,317	1,233,333.33	-	1,233,333	100%

The table above indicates that the Community and Social Services has spent R1 million on operating expenditure and R6.7 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	10,919,395.71	5,659,983	1,213,266	679,281	533,986	44%
Other operating Expenditure	5,327,015	5,677,015	3,995,261.51	659,814	443,918	29,656	414,262	93%
Capital Expenditure	182,502,557	182,152,557	136,876,917.46	79,611,003	15,208,546	-	15,208,546	100%

The table above indicates that the Human Settlements has spent R29 656 on operating expenditure and R679 281 on salaries.

Underspent by R15.2 million or 100% 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	174,422,056.78	226,714,856	19,380,228.53	23,350,313	(3,970,084)	-20%
Other operating Expenditure	406,642,000	505,808,567	304,981,500	182,079,358	42,150,713.90	27,766,759	14,383,955	34%
Capital Expenditure	1,024,703,645	932,905,644	768,527,733.71	721,477,813	77,742,137.00	62,739,214	15,002,923	19%

The table above indicates that the Water Services has spent R27.7 million on operating expenditure and R23.3 million on salaries.

Underspent by R15 million on capital budget which constitutes 19%.

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	4,814,748.87	701,163	534,972.10	68,087	466,885	87%
Other operating Expenditure	4,715,000	4,715,000	3,536,250.00	3,365,884	392,916.67	(4,536)	397,453	101%
Capital Expenditure	14,649,816	14,649,816	10,987,362.08	10,396,321	1,220,818.01	-	1,220,818	100%

The table above indicates that the Technical Services has spent (R4536) on operating expenditure and R68 087 on salaries.

Capital expenditure is underspent by R1.2 million which constitutes 100%.

Cash and Cash Equivalent

For the main account, balance as at 30th April 2024 amounted to R60.8 million. Call and short term investment accounts amounted to R778.5 million invested in:

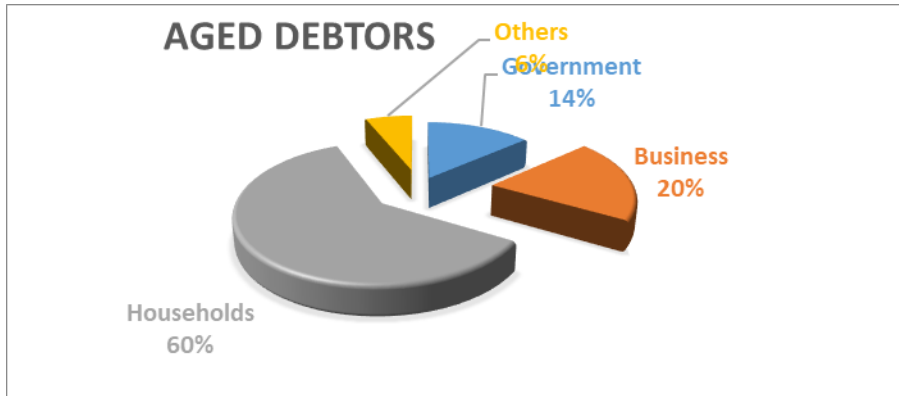
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First National Bank – R778.5 million

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	18,726,238	6,901,034	12,650,723	7,187,468	6,511,310	6,314,345	32,380,069	33,851,531	124,522,718
Business	13,638,244	4,639,040	6,088,726	4,285,195	3,678,028	2,925,616	51,683,275	94,387,340	181,325,464
Households	23,902,508	10,807,015	14,869,172	10,701,086	10,398,924	8,405,033	161,249,557	311,559,308	551,892,603
Others	8,528,919	1,976,863	2,676,056	1,658,692	1,737,249	1,003,016	15,443,434	23,384,983	56,409,212
Total	64,795,909	24,323,952	36,284,677	23,832,441	22,325,511	18,648,010	260,756,335	463,183,162	914,149,997

Debtors for April 2024 amount to R914.1 million which increased marginally by 0.02% as compared to March 2024 debtors of R894.6 million.



Detailed Debtors

Sector	MONTHS																	TOTAL (Rands)
	DAYS	CURRENT	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	17.00	credit		
	Debtors Balance as at 31st March 2024																	
Domestic	11,410,354.24	10,577,724.02	14,199,356.88	10,398,193.41	10,133,200.34	8,136,991.78	8,355,351.75	10,839,077.38	13,552,916.59	11,691,067.13	24,809,127.43	7,882,586.65	88,377,254.78	-8,240,375.28			533,199,305.34	
Government	8,929,021.64	5,687,522.17	12,072,543.28	6,509,732.14	5,635,599.72	5,617,246.46	5,081,050.42	5,430,753.46	2,368,224.92	938,790.38	960,866.19	709,487.46	7,589,276.53	-852,777.14			85,075,540.82	
Business	8,267,430.97	5,699,055.38	6,347,724.14	4,428,896.19	4,058,519.25	3,039,525.72	3,107,880.24	3,591,912.10	4,405,863.34	3,084,604.45	4,213,187.46	2,958,189.49	33,933,123.95	-5,856,760.36			179,464,778.95	
Municipality	1,146,687.20	1,715,787.33	1,368,611.92	1,058,595.13	946,707.02	758,996.57	722,863.27	841,637.84	903,788.64	493,165.45	606,985.36	486,343.76	6,078,955.40	-2,775,267.34			32,593,574.05	
School	5,422,789.02	2,001,076.27	2,405,469.18	1,477,729.97	1,548,522.08	857,946.91	808,003.20	970,805.58	1,236,372.85	764,093.88	1,241,008.25	754,309.72	8,106,489.03	-798,066.20			42,384,379.53	
Church	272,077.45	203,520.19	302,354.33	207,670.00	202,826.57	145,463.98	122,020.28	150,839.42	128,702.63	96,048.56	146,491.92	100,981.47	1,430,623.07	-125,209.65			11,547,112.54	
Indigent	514,740.91	476,931.77	911,913.04	463,425.73	425,052.97	426,225.41	480,493.01	489,298.59	683,965.62	97,814.31	326,813.43	105,782.41	948,719.09	-373,177.97			9,016,022.33	
Councillor	9,328.14	3,983.01	10,940.78	5,340.94	4,025.28	6,264.61	3,893.20	740.65	0.00	0.00	0.00	0.00	0.00	0.00			44,516.61	
Staff Members	28,443.04	26,158.25	37,020.91	30,899.52	24,982.54	18,609.82	24,897.04	19,662.45	15,545.93	13,194.42	50,437.25	12,893.58	141,257.62	-8,502.57			1,333,610.28	
GRAND TOTAL	36,000,872.60	26,391,758.39	37,655,944.44	24,580,493.03	22,969,435.79	19,007,271.26	18,716,452.41	22,335,228.45	23,295,280.32	17,178,778.54	32,364,917.29	13,010,574.54	146,605,799.47	-19,130,136.51			894,658,840.45	

Creditors

Creditors for April 2024 amounted to R97.5 million. For more details, please refer to the summarised creditor's age analysis sheet as at 30th April 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	-	-	-	-	-	-	-	55,647,837.11	55,647,837.11
0300 PAYE DEDUCTIONS	-	-	-	-	-	-	-	-	-
0400 VAT (OUTPUT LESS INPUT)	-	-	-	-	-	-	-	-	-
0500 PENSIONS / RETIREMENT DEDUCTI	-	-	-	-	-	-	-	-	-
0600 LOAN REPAYMENTS	-	-	-	-	-	-	-	-	-
0700 TRADE CREDITORS	13,171,621.98	3,431,493.00	6,346,777.77	7,457,251.90	29,700.00	3,361,202.60	5,596,472.15	122,314.00	39,516,833.40
0800 AUDITOR GENERAL	1,717,445.87	-	-	-	-	-	-	-	1,717,445.87
0900 OTHER	-	-	-	-	159,204.00	-	-	461,776.00	620,980.00
	14,889,067.85	3,431,493.00	6,346,777.77	7,457,251.90	188,904.00	3,361,202.60	5,596,472.15	56,231,927.11	97,503,096.38
	15%		85%						

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 R55.6 million, KSD Municipality R17 million, Lavender Moon Trading R2.4 million, Vava Multi Service R2.3 million and Auditor General R1.7 million.

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

Summary Section 66

Expenditure on staff benefits: -

The Actual expenditure on salaries and staff benefits for the period ending 30 April 2024 is as follows:

- Monthly staff benefit expenditure as at 31 March 2024 is R 59 122 239.02

EXPENDITURE	EXPENDITURE APRIL 2024	MONTHLY BUDGET	% OF BUDGET SPENT
Salaries and wages	40,412,959.57	43,839,764	92%
Contributions for pensions & medical aid	7,289,986.48	8,329,588	88%
Travel, motor car allowances	3,222,262.63	4,146,396.73	78%
Housing benefits and allowances	1,813,601.51	2,107,396	86%
Overtime payments	2,029,497.76	1,816,460	112%
Cellphone	468,820.93	483,524	97%
UIF	207,141.35	239,791	86%
SALGBC	32,347.12	14,271	227%
Skills Development Levy	495,736.71	616,882.78	80%
Group Life insurance	2,331,554.85	981,692.07	238%
Leave Pay	501,439.75	1,847,988	27%
Post Retirement Benefit	50,250.80	201,617	25%
Long Service	281,692.95	20,232	116%
Acting Allowance	35,197.41	28,715	8%
Total expenditure	59,172,489.82	63,471,091.14	93%

[4.2] EXPENDITURE ON STAFF BENEFITS

4.2.1 PERSONNEL COSTS AS AT 30 APRIL 2024

The personnel costs for the month ending 30 April 2024 were categorized as follows:

- Salaries and wages consist of basic salaries and annual bonuses. 92% of the budget for 30 April 2024 for basic salaries and Bonus has been spent.
- Travel, motor car, allowances consist of travelling allowance 78% of the budget has been spent.

- Contribution to pensions and medical aid is the municipal contribution to these funds, 88% of the budget has been spent.
- Housing allowance is paid to every permanent employee of the district. 86% of the budget has been spent.
- Overtime 112% of the budget has been spent. We over spent 12% of the overtime budget for the month of April 2024.
- Leave pay consist of the leave gratuity. On leave pay we have spent 27% of the budget has been spent.
- Skills levy is the amount that is contributed by the municipality to SARS on behalf of SETA. Municipality contributes 1% of employee taxable income.
- UIF, we spent 86%
- Cellphone 97% was spent.

mSCOA Compliance

The municipality has complied in April 2024 with the submission of monthly mSCOA data strings. The actuals, aged debtors and aged creditors were successfully uploaded on the 10th 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 31st January 2024. It is updated on a monthly basis. The team from the Auditor General is on site to doing planning for the 2023-2024 audit.

Debtors and Indigent

Debtors for April 2024 amounts to R914.1 million.

Indigent Report:

After financial year end write off, our Indigent Register has **211** certified indigents thus far - starting from 01 July to 30th April 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 R37.3 million in the month of April 2024 and R32.5 million when excluding interest from debtors and capital and operating grants. The total operating expenditure for April 2024 is R128.6 million of which R32.5 is funded from own revenue and the remainder of R96.1 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 9th 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 on the 12th 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

2nd May 2024 where the FRP was presented and an assessment report on the FRP was subsequently sent to the municipality.

Unauthorized Expenditure

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

Cost Containment

Measures	Budget	April 2024	Savings
Use of consultants	R5 480 000.00	R460 916.64	R0
Vehicle used for political office bearers.	R0	R0	R0
Travel and Subsistence	R2 115 940.00	R0	R176 328.33
Domestic Accommodation	R9 382 447.00	R696 651.85	R85 218.73
Sponsorships, Events and catering	R7 711 375.00	R909 970.16	R0
Communication	R4 108 000.00	R44 246.50	R298 086.83
Other related expenditure items	R0	R0	R0
<u>Total</u>	R28 797 762.00	R2 111 785.15	R559 633.89