

BEAUFORT WEST MUNICIPALITY



Monthly Budget Statement FOR THE MONTH ENDING AUGUST 2023

TABLE OF CONTENTS

PART 1 – IN-YEAR REPORT

1. Mayor’s Report	2
2. Resolutions	2
3. Executive Summary	3 - 5
4. In-year budget statement tables	6 - 12

PART 2 – SUPPORTING DOCUMENTATION

5. Debtors analysis	13
6. Creditors analysis	13
7. Investment portfolio analysis	14 - 15
8. Allocation and grant receipts and expenditure	16 - 17
9. Expenditure on councillor and board members allowances and employee benefits	18-20
10. Capital programme performance	20 - 27
11. Material variances to the SDBIP	28

PART 1 – IN-YEAR REPORT

1. Mayor's Report

1.1 In-Year Report – Monthly Budget Statement

1.1.1 Implementation of the budget in accordance with the SDBIP

No comments for August 2023.

1.1.2 Financial problems or risks facing the municipality

The current financial position of the municipality remains under pressure. The Western Cape Provincial Government approved an intervention in Beaufort West Municipality in terms of section 139(5) of the Constitution. A mandatory Financial Recovery Plan (FRP) was approved and are now being implemented. Directors are urged to identify and promote effectiveness and efficiencies within their respective directorates and to keep their expenditure within the approved budget.

1.1.3 Other relevant information

None.

2. Resolutions

IN-YEAR REPORT 2023/2024

This is the report will be presented to Council at their next meeting:

RECOMMENDATION:

- a) That Council notes the monthly budget statement and any supporting documentation for August 2023.

3. Executive Summary

3.1 Introduction

Section 71 of the MFMA states that the Accounting Officer of a Municipality must by no later than 10 working days after the end of each month submit to the mayor of the Municipality and the relevant Provincial Treasury in the prescribe format on the state of the Municipality's budget.

This report presents the current state of the budget implementation and reasons for variances and possible action to be taken.

3.2 Consolidated performance

3.2.1 Against annual budget

Total Revenue

The total revenue (excluding capital transfers and contributions) year-to-date accrued amounted to R 89,698 million at the end of August 2023. This was R 19,829 million above the year-to-date budget of R 69,868 million. The main reason for the over performance was due to the annual billing of property rates and sanitation was well as the first equitable share tranche of R 34,8 million that was received during the month of July. Another revenue item that affected the performance of August is the fines, penalties and forfeits that were R 9,230 million below the year-to-date target R 11,089 million. This relate specifically to the traffic fines and the iGRAP 1 treatment thereof.

The transfers and subsidies - capital (monetary allocations) year-to-date amounted to R 961 thousand for August. This is R 1,548 million below the year-to-date target (R 2,509 million) for the month. Capital revenue are expected to increase as the year progress.

Refer to Table C4 for more detail on revenue by source.

Operating expenditure by type

The total operational expenditure at the end of August 2023 amounted to R 42,931 million. This is R 25,771 million or 38% below year-to-date budget projections for August 2023. The bulk electricity accounts are due and payable in September 2023, hence the variance. The over expenditure on other expenditure is due to internal departmental consumption changes

amounting to R 5,947 million at the end of August. Although year-to-date the expenditure is lower than expected, expenditure is expected to increase as the year progress. Depreciation and amortization as well as debt impairment will only be accounted for on a quarterly basis for the financial year, hence the variance reflected on these two expenditure items. The variance in debt impairment relate to traffic fines and the treatment in terms of iGRAP 1.

Refer to Table C4 for further details on expenditure by type.

Capital expenditure

The approved capital budget for the 2023/2024 financial year amounts to R 13,977 million. The capital expenditure for the month of August 2023 amounted to R 608,729.72. The year to date expenditure amounted to R 990,673.02 or 7% of the total budget. The capital budget is mostly funded from national grant allocations, hence the expenditure is driven by the timing when the funding are received by the municipality. During July 2023 the municipality received its first MIG allocation. With supply chain process that are currently under way, expenditure is expected to increase as the year progress.

Refer to Table C5 and SC12 for more detail on capital expenditure.

Cash flows

The municipality started the month of August with a positive net cash position of R 7,009,085.42 and an investment balance of R 32,761,406.59 million. The net cash position at the end of August 2023 amounted to R 10,338,639.09 as per bank statement and the investment balance amounted to R 28,998,054.44.

Refer to Table C7 for more detail on cash flows.

3.3 Material variances from SDBIP

No comments for August 2023.

3.4 Remedial or corrective steps

- Revenue should be improved by fully implementing the adopted credit control and debt collection policies of the municipality as well as the revenue improvement initiatives outlined in the Financial Recovery Plan;

- Limit non-priority spending and implement stringent cost-containment measures;
- Reducing budget spent on cost of employment, specifically overtime and standby cost.

3.5 Progress on Municipal Debt Relief

See attached **Annexure A** on progress / report of the municipal debt relief conditions.

4. In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1 s71 Monthly Budget Statement Summary

WC053 Beaufort West - Table C1 Monthly Budget Statement Summary - M02 August									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	50,821	-	3,229	14,397	8,470	5,927	70%	50,821
Service charges	-	151,922	-	11,312	29,794	25,320	4,474	18%	151,922
Investment revenue	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	-	750	-	106	126	125	1	1%	750
Other own revenue	-	215,718	-	5,329	45,380	35,953	9,427	26%	-
Total Revenue (excluding capital transfers and contributions)	-	419,211	-	19,975	89,698	69,868	19,829	28%	419,211
Employee costs	-	133,488	-	9,562	18,982	22,248	(3,266)	-15%	133,488
Remuneration of Councillors	-	6,806	-	524	1,048	1,134	(87)	-8%	6,806
Depreciation and amortisation	-	26,248	-	-	-	4,375	(4,375)	-100%	26,248
Interest	-	2,091	-	(48)	(47)	348	(396)	-114%	2,091
Inventory consumed and bulk purchases	-	118,933	-	11,142	11,740	19,822	(8,082)	-41%	118,933
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	124,645	-	5,323	11,208	20,774	(9,567)	-46%	124,645
Total Expenditure	-	412,211	-	26,501	42,931	68,702	(25,771)	-38%	412,211
Surplus/(Deficit)	-	7,000	-	(6,526)	46,767	1,166	45,601	3909%	7,000
Transfers and subsidies - capital (monetary allocations)	-	15,057	-	522	961	2,509	(1,548)	-62%	15,057
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	22,056	-	(6,004)	47,728	3,676	44,052	1198%	22,056
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	22,056	-	(6,004)	47,728	3,676	44,052	1198%	22,056
Capital expenditure & funds sources									
Capital expenditure	-	13,977	-	609	991	2,329	(1,339)	-57%	13,977
Capital transfers recognised	-	13,093	-	454	836	2,182	(1,346)	-62%	13,093
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	884	-	155	155	147	7	5%	884
Total sources of capital funds	-	13,977	-	609	991	2,329	(1,339)	-57%	13,977
Financial position									
Total current assets	-	151,161	-	-	41,311	-	-	-	151,161
Total non current assets	-	450,127	-	-	973	-	-	-	450,127
Total current liabilities	-	127,245	-	-	(5,376)	-	-	-	127,245
Total non current liabilities	-	108,509	-	-	-	-	-	-	108,509
Community wealth/Equity	-	387,591	-	-	47,659	-	-	-	387,591
Cash flows									
Net cash from (used) operating	-	33,060	-	7,546	40,721	27,835	(12,886)	-46%	33,060
Net cash from (used) investing	-	(13,977)	-	(589)	(1,838)	(2,181)	(343)	16%	(13,977)
Net cash from (used) financing	-	(877)	-	6	23	-	(23)	#DIV/0!	(877)
Cash/cash equivalents at the month/year end	-	151,634	-	-	38,906	24,255	(14,651)	-60%	153,033
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	27,768	5,296	4,264	4,094	3,843	3,413	2,553	155,356	206,586
Creditors Age Analysis									
Total Creditors	434	11,236	3,186	1,058	1,693	613	16,360	85,581	120,162

4.1.2 Table C2 Monthly Budget Statement - Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organizational structures used by the different institutions.

The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services. It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

WC053 Beaufort West - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August										
Description	Ref	2022/23			Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration			104,405		4,521	16,576	17,401	(825)	-5%	104,405
Executive and council			11,932		22	30	1,989	(1,958)	-98%	11,932
Finance and administration			92,473		4,499	16,548	15,412	1,133	7%	92,473
Internal audit										
Community and public safety			80,775		1,503	3,810	13,463	(9,652)	-72%	80,775
Community and social services			8,223		626	1,276	1,370	(95)	-7%	8,223
Sport and recreation			4,039			439	673	(234)	-35%	4,039
Public safety			67,582		878	2,085	11,264	(9,188)	-81%	67,582
Housing			932				155	(155)	-100%	932
Health										
Economic and environmental services			4,399		145	223	733	(510)	-70%	4,399
Planning and development			1,466		125	204	244	(41)	-17%	1,466
Road transport			2,934		19	19	489	(470)	-96%	2,934
Environmental protection										
Trading services			244,688		14,328	70,050	40,781	29,269	72%	244,688
Energy sources			135,232		10,445	21,912	22,539	(627)	-3%	135,232
Water management			42,427		679	38,872	7,071	31,801	450%	42,427
Waste water management			38,758		1,924	5,854	6,480	(606)	-9%	38,758
Waste management			28,272		1,280	3,412	4,712	(1,300)	-28%	28,272
Other	4									
Total Revenue - Functional	2		434,267		20,497	90,659	72,378	18,281	25%	434,267
Expenditure - Functional										
Governance and administration			94,319		6,741	15,403	15,720	(317)	-2%	94,319
Executive and council			15,932		2,158	6,164	2,655	3,509	132%	15,932
Finance and administration			77,168		4,495	9,069	12,861	(3,792)	-29%	77,168
Internal audit			1,219		88	170	203	(33)	-16%	1,219
Community and public safety			95,339		3,269	6,019	15,890	(9,870)	-62%	95,339
Community and social services			11,931		928	1,689	1,988	(299)	-15%	11,931
Sport and recreation			7,203		488	938	1,201	(262)	-22%	7,203
Public safety			73,683		1,764	3,179	12,281	(9,102)	-74%	73,683
Housing			2,522		89	213	420	(207)	-49%	2,522
Health										
Economic and environmental services			30,834		1,367	2,655	5,139	(2,484)	-48%	30,834
Planning and development			11,333		404	807	1,889	(1,082)	-57%	11,333
Road transport			19,502		964	1,848	3,250	(1,402)	-43%	19,502
Environmental protection										
Trading services			191,719		15,125	18,854	31,953	(13,099)	-41%	191,719
Energy sources			126,224		12,133	13,379	21,037	(7,658)	-36%	126,224
Water management			30,614		1,490	2,424	5,102	(2,679)	-52%	30,614
Waste water management			17,770		555	1,181	2,962	(1,800)	-61%	17,770
Waste management			17,111		947	1,890	2,852	(962)	-34%	17,111
Other										
Total Expenditure - Functional	3		412,211		26,501	42,931	68,702	(25,771)	-38%	412,211
Surplus/ (Deficit) for the year			22,056		(6,004)	47,728	3,676	44,052	1198%	22,056

4.1.3 Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organizational structure of the municipality which is made up of the following directorates: Municipal Manager; Corporate Services; Financial Services; Infrastructure Services and Community Services.

WC053 Beaufort West - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		-	8,732	-	19	19	1,455	(1,436)	-98.7%	8,732
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES		-	276,267	-	13,193	66,861	46,044	20,816	45.2%	276,267
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES		-	11,852	-	1,146	1,777	1,975	(199)	-10.1%	11,852
Vote 5 - DIRECTORATE: FINANCIAL SERVICES		-	25,292	-	3,946	15,992	4,215	11,777	279.4%	25,292
Vote 6 - DIRECTORATE: COMMUNITY SERVICES		-	112,124	-	2,194	6,010	18,687	(12,677)	-67.8%	112,124
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	434,267	-	20,497	90,659	72,378	18,281	25.3%	434,267
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		-	7,615	-	1,484	4,850	1,269	3,581	282.2%	7,615
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES		-	215,960	-	15,941	20,308	35,993	(15,686)	-43.6%	215,960
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES		-	39,457	-	2,856	6,680	6,576	103	1.6%	39,457
Vote 5 - DIRECTORATE: FINANCIAL SERVICES		-	40,570	-	2,483	4,125	6,762	(2,637)	-39.0%	40,570
Vote 6 - DIRECTORATE: COMMUNITY SERVICES		-	108,608	-	3,738	6,968	18,101	(11,133)	-61.5%	108,608
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	412,211	-	26,501	42,931	68,702	(25,771)	-37.5%	412,211
Surplus/ (Deficit) for the year	2	-	22,056	-	(6,004)	47,728	3,676	44,052	1198.4%	22,056

4.1.4 Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)

WC053 Beaufort West - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	99,386	-	9,651	20,290	16,564	3,725	22%	99,386
Service charges - Water		-	15,525	-	(897)	1,380	2,587	(1,207)	-47%	15,525
Service charges - Waste Water Management		-	23,478	-	1,631	5,261	3,913	1,348	34%	23,478
Service charges - Waste management		-	13,533	-	926	2,863	2,255	608	27%	13,533
Sale of Goods and Rendering of Services		-	795	-	51	96	133	(36)	-28%	795
Agency services		-	1,320	-	152	240	220	20	9%	1,320
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	10,639	-	739	1,505	1,773	(268)	-15%	10,639
Interest from Current and Non Current Assets		-	750	-	106	126	125	-	-	750
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	1,838	-	93	229	306	(78)	-25%	1,838
Licence and permits		-	298	-	21	43	50	(7)	-14%	298
Operational Revenue		-	1,182	-	155	601	197	404	205%	1,182
Non-Exchange Revenue										
Property rates		-	50,821	-	3,229	14,397	8,470	5,927	70%	50,821
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	66,536	-	718	1,860	11,089	(9,230)	-	66,536
Licence and permits		-	192	-	17	31	32	(0)	-	192
Transfers and subsidies - Operational		-	96,971	-	1,415	36,858	16,162	20,696	-	96,971
Interest		-	3,284	-	284	520	547	(28)	-	3,284
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	32,663	-	1,684	3,398	5,444	(2,046)	-38%	32,663
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	419,211	-	19,975	89,698	69,868	19,829	28%	419,211
Expenditure By Type										
Employee related costs		-	133,488	-	9,562	18,982	22,248	(3,266)	-15%	133,488
Remuneration of councillors		-	6,806	-	524	1,048	1,134	(87)	-8%	6,806
Bulk purchases - electricity		-	97,370	-	10,209	10,482	16,228	(5,746)	-	97,370
Inventory consumed		-	21,564	-	933	1,258	3,594	(2,336)	-	21,564
Debt impairment		-	74,412	-	-	-	12,402	(12,402)	-100%	74,412
Depreciation and amortisation		-	26,248	-	-	-	4,375	(4,375)	-100%	26,248
Interest		-	2,091	-	(46)	(47)	348	(396)	-114%	2,091
Contracted services		-	14,966	-	1,209	1,377	2,494	(1,117)	-45%	14,966
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	817	817	-	817	-	-
Operational costs		-	35,267	-	3,296	9,013	5,878	3,136	53%	35,267
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		-	412,211	-	26,501	42,931	68,702	(25,771)	-38%	412,211
Surplus/(Deficit)		-	7,000	-	(6,526)	46,767	1,166	45,601	0	7,000
Transfers and subsidies - capital (monetary allocations)		-	15,057	-	522	961	2,509	(1,548)	(0)	15,057
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	22,056	-	(6,004)	47,728	3,676			22,056
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		-	22,056	-	(6,004)	47,728	3,676			22,056
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	22,056	-	(6,004)	47,728	3,676			22,056
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	22,056	-	(6,004)	47,728	3,676			22,056

4.1.5 Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

WC053 Beaufort West - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August										
Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES		-	6,150	-	17	17	1,026	(1,008)	-98%	6,150
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - DIRECTORATE: FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - DIRECTORATE: COMMUNITY SERVICES		-	7,488	-	-	-	1,248	(1,248)	-100%	7,488
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	13,638	-	17	17	2,273	(2,256)	-99%	13,638
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES		-	339	-	592	974	57	917	1623%	339
Vote 5 - DIRECTORATE: FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - DIRECTORATE: COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	339	-	592	974	57	917	1623%	339
Total Capital Expenditure		-	13,977	-	609	991	2,329	(1,339)	-57%	13,977
Capital Expenditure - Functional Classification										
Governance and administration		-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	3,653	-	592	974	609	365	60%	3,653
Community and social services		-	-	-	-	-	-	-	-	-
Sport/land recreation		-	3,653	-	592	974	609	365	60%	3,653
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	3,096	-	17	17	516	(499)	-97%	3,096
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	3,096	-	17	17	516	(499)	-97%	3,096
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	7,228	-	-	-	1,205	(1,205)	-100%	7,228
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	3,054	-	-	-	509	(509)	-100%	3,054
Waste management		-	4,174	-	-	-	696	(696)	-100%	4,174
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	13,977	-	609	991	2,329	(1,339)	-57%	13,977
Funded by:										
National Government		-	13,093	-	454	836	2,182	(1,346)	-62%	13,093
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	13,093	-	454	836	2,182	(1,346)	-62%	13,093
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	884	-	155	155	147	7	5%	884
Total Capital Funding		-	13,977	-	609	991	2,329	(1,339)	-57%	13,977

4.1.6 Table C6 Monthly Budget Statement - Financial Position

WC053 Beaufort West - Table C6 Monthly Budget Statement - Financial Position - M02 August						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		–	16,807	–	25,757	16,807
Trade and other receivables from exchange transactions		–	7,692	–	6,807	7,692
Receivables from non-exchange transactions		–	71,879	–	6,761	71,879
Current portion of non-current receivables		–	2,405	–	–	2,405
Inventory		–	3,424	–	(401)	3,424
VAT		–	40,626	–	2,394	40,626
Other current assets		–	8,328	–	(7)	8,328
Total current assets		–	151,161	–	41,311	151,161
Non current assets						
Investments		–	630	–	–	630
Investment property		–	5,963	–	–	5,963
Property, plant and equipment		–	437,177	–	973	437,177
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	5,225	–	–	5,225
Intangible assets		–	19	–	–	19
Trade and other receivables from exchange transactions		–	850	–	–	850
Non-current receivables from non-exchange transactions		–	262	–	–	262
Other non-current assets		–	–	–	–	–
Total non current assets		–	450,127	–	973	450,127
TOTAL ASSETS		–	601,288	–	42,284	601,288
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	515	–	–	515
Consumer deposits		–	3,842	–	18	3,842
Trade and other payables from exchange transactions		–	76,198	–	(11,056)	76,198
Trade and other payables from non-exchange transactions		–	–	–	1,661	–
Provision		–	13,822	–	–	13,822
VAT		–	31,475	–	4,001	31,475
Other current liabilities		–	1,394	–	–	1,394
Total current liabilities		–	127,245	–	(5,376)	127,245
Non current liabilities						
Financial liabilities		–	3,132	–	–	3,132
Provision		–	20,708	–	–	20,708
Long term portion of trade payables		–	58,254	–	–	58,254
Other non-current liabilities		–	26,415	–	–	26,415
Total non current liabilities		–	108,509	–	–	108,509
TOTAL LIABILITIES		–	235,754	–	(5,376)	235,754
NET ASSETS	2	–	365,535	–	47,659	365,535
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		–	361,430	–	47,659	361,430
Reserves and funds		–	4,104	–	–	4,104
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	365,535	–	47,659	365,535

4.1.7 Table C7 Monthly Budget Statement - Cash Flow

WC053 Beaufort West - Table C7 Monthly Budget Statement - Cash Flow - M02 August										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	47,613	-	5,836	7,882	7,935	(53)	-1%	47,613
Service charges		-	176,258	-	14,513	24,818	29,376	(4,559)	-16%	176,258
Other revenue		-	20,520	-	-	-	3,420	(3,420)	-100%	20,520
Transfers and Subsidies - Operational		-	96,971	-	2,528	38,279	16,162	22,117	137%	96,971
Transfers and Subsidies - Capital		-	15,057	-	-	1,202	2,509	(1,308)	-52%	15,057
Interest		-	750	-	-	-	125	(125)	-100%	750
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		-	(322,018)	-	(15,331)	(31,459)	(53,670)	(22,210)	41%	(322,018)
Interest		-	(2,091)	-	-	-	(348)	(348)	100%	(2,091)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM(USED) OPERATING ACTIVITIES		-	33,060	-	7,546	40,721	5,510	(35,211)	-638%	33,060
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	(13,977)	-	(589)	(1,838)	(2,329)	(492)	21%	(13,977)
NET CASH FROM(USED) INVESTING ACTIVITIES		-	(13,977)	-	(589)	(1,838)	(2,329)	(492)	21%	(13,977)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	6	23	-	23	#DIV/0!	-
Payments										
Repayment of borrowing		-	(877)	-	-	-	(146)	(146)	100%	(877)
NET CASH FROM(USED) FINANCING ACTIVITIES		-	(877)	-	6	23	(146)	(170)	116%	(877)
NET INCREASE/ (DECREASE) IN CASH HELD		-	18,206	-	6,963	38,906	3,034			18,206
Cash/cash equivalents at beginning:		-	1,399	-	-	-	1,399	-	-	1,399
Cash/cash equivalents at month/year end:		-	19,606	-	-	38,906	4,434	-	-	19,606

The table below indicate the bank statement and investment balances movement for August 2023.

Bank and Investment Balances Movement - August 2023						
	Opening Balance	Revenue	Expenditure	Investment Deposits	Investment Withdrawals	Closing Balance
Nedbank Account	4,016,494.79	38,347,877.98	- 32,239,411.23	-	-	10,124,961.54
ABSA Account	2,992,590.63	2,706,154.14	- 5,485,067.22	-	-	213,677.55
Investment Balances	32,761,406.59	-	-	2,185,000.00	- 5,948,352.15	28,998,054.44
Balance	39,770,492.01	41,054,032.12	- 37,724,478.45	2,185,000.00	- 5,948,352.15	39,336,693.53

Table C7 includes the balance of the Cashbook and Current Investment Deposits.

PART 2 – SUPPORTING DOCUMENTATION

5. Debtors' analysis

5.1 Supporting Table SC3

Debtors' age analysis

WC053 Beaufort West - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August													
Description	NT Code	Budget Year 2023/24								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L1.0 Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	3,622	1,726	947	1,125	1,017	670	636	20,498	30,241	23,948		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	7,204	447	305	258	249	309	(267)	3,502	11,977	4,021		
Receivables from Non-exchange Transactions - Property Rates	1400	10,033	1,140	1,114	887	796	736	596	34,560	49,862	37,575		
Receivables from Exchange Transactions - Waste Water Management	1500	4,220	1,097	1,077	1,061	1,016	981	941	35,002	45,395	39,001		
Receivables from Exchange Transactions - Waste Management	1600	2,344	699	678	673	653	633	605	21,538	27,824	24,103		
Receivables from Exchange Transactions - Property Rental Debtors	1700	3	1	1	1	1	1	1	45	55	50		
Interest on Arrear Debtor Accounts	1810								1,178	1,178	1,178		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820												
Other	1900	342	184	142	89	109	83	69	39,034	40,053	39,384		
Total By Income Source	2000	27,768	5,298	4,264	4,094	3,843	3,413	2,553	168,356	206,868	169,258		
2022/23 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2000	3,631	739	567	368	325	229	(267)	16,923	22,544	17,607		
Commercial	2300	8,594	429	384	382	344	332	244	17,241	28,051	18,644		
Households	2400	15,543	4,128	3,313	3,324	3,174	2,851	2,565	121,092	165,980	133,007		
Other	2500												
Total By Customer Group	2600	27,768	5,298	4,264	4,094	3,843	3,413	2,553	168,356	206,868	169,258		

6. Creditors analysis

6.1 Supporting Table SC4

Creditors' age analysis

WC053 Beaufort West - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August										
Description	NT Code	Budget Year 2023/24								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	280	10,923	0					62,783	73,987
Bulk Water	0200			195	551	1,070		3,989	4,675	10,480
PAYE deductions	0300									
VAT (output less input)	0400									
Pensions / Retirement deductions	0500									
Loan repayments	0600									
Trade Creditors	0700	99	313	2,867	373	476	456	3,209	14,575	22,369
Auditor General	0800	54		123	134	147	157	9,162	3,548	13,326
Other	0900			1		0			0	1
Total By Customer Type	1000	434	11,236	3,186	1,058	1,693	613	16,360	85,581	120,162

7. Investment portfolio analysis

7.1 Supporting Table SC5

WC053 Beaufort West - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August					
Investments by maturity Name of institution & investment ID	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands					
Municipality					
Standard Bank	27,788	-	(5,948)	-	21,839
ABSA Bank	2,946	-	-	2,185	5,131
Nedbank	832	-	-	-	832
Investec	1,196	-	-	-	1,196
					-
					-
Municipality sub-total	32,761		(5,948)	2,185	28,998
Entities					
					-
					-
Entities sub-total	-		-	-	-
TOTAL INVESTMENTS AND INTEREST	32,761		(5,948)	2,185	28,998

The total investment balance of the Municipality at the end of August 2023 amounted to R 28,998,054.44. The table below provides a summary of the movements that occurred during the month of August 2023.

Investment Balances July 2023 - June 2024		
M01 - July 2023	Investment Opening Balance - 1 July 2023	12,318,109.93
M01 - July 2023	Investment Top Up	22,027,750.00
M01 - July 2023	Investment Withdrawals	- 1,584,453.34
M01 - July 2023	Interest Capitalised	-
Balance - 31 July 2023		32,761,406.59
M02 - August 2023	Investment Top Up	2,185,000.00
M02 - August 2023	Investment Withdrawals	- 5,948,352.15
M02 - August 2023	Interest Capitalised	-
Balance - 31 August 2023		28,998,054.44

The following investments we made during August 2023:

- R 2,185,000 – Local Government Financial Management Grant (FMG) allocation received for the 2023/24 financial year;

The investment withdrawals relate to the following:

- R 496,852.15 from MIG investment to pay a service providers on a MIG capital project of the 2023/24 capital budget;
- R 5 million from the R 20 million investment made in July;
- R 451,500 withdrawal from the Chemical Industries Education & Training Authority Grant to fund the payment of the learners stipends and the payment of the contractors.

Interest earned on investments are capitalized on a quarterly basis by the municipality.

Included in the balance of R 28,998 million is the unspent conditional grants amounting to R 6,634 million that are cash backed on investment.

8. Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grant receipts

WC053 Beaufort West - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August										
Description	Ref	2022/23			Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	87,923	-	2,528	37,414	14,654	22,760	155.3%	87,923
Equitable share		-	83,574	-	-	34,823	13,929	20,894	150.0%	83,574
Municipal Infrastructure Grant (MIG)		-	792	-	-	63	132	(69)	-52.1%	792
Local Government Financial Management Grant (FMG)		-	2,185	-	2,185	2,185	364	1,821	500.0%	2,185
Expanded Public Works Programme Integrated Grant (EPWP)		-	1,372	-	343	343	229	114	50.0%	1,372
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	8,211	-	-	-	1,369	(1,369)	-100.0%	8,211
Human Settlements Development Grant (Beneficiaries)		-	932	-	-	-	155	(155)	-100.0%	932
Cultural Affairs & Sport Library Service - Replacement Funding for most vulnerable 83 Municipalities		-	7,053	-	-	-	1,176	(1,176)	-100.0%	7,053
Department of Local Government - Community Development Workers (CDW) Operational Support Grant		-	226	-	-	-	38	(38)	-100.0%	226
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	836	-	-	864	139	725	520.3%	836
Chemical Industries Education & Training Authority		-	836	-	-	864	139	725	520.3%	836
Total Operating Transfers and Grants	5	-	96,971	-	2,528	38,279	16,162	22,117	136.8%	96,971
Capital Transfers and Grants										
National Government:		-	15,057	-	-	1,202	2,509	(1,308)	-52.1%	15,057
Municipal Infrastructure Grant		-	15,057	-	-	1,202	2,509	(1,308)	-52.1%	15,057
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	15,057	-	-	1,202	2,509	(1,308)	-52.1%	15,057
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	112,027	-	2,528	39,480	18,671	20,809	111.5%	112,027

The unspent conditional grant balance at the end of August 2023 amounts to R 6,634,150.59. It should be noted that the opening balance is provisional. The table below provide a summary for the month of August 2023:

Summary of Unspent Conditional Grants - July 2023 till August 2023	
Conditional Grants - Opening Balance 1 July 2023	4,973,179.55
Grants Received During July 2023	36,952,450.00
Less : Grant Expenditure During July 2023	- 35,885,921.92
Conditional Grants - Opening Balance 31 July 2023	6,039,707.63
Grants Received During August 2023	2,528,000.00
Less : Grant Expenditure During August 2023	- 1,933,557.04
Conditional Grants - Closing Balance 31 August 2023	6,634,150.59

All unspent conditional grants were cash backed and on investment at the end of August 2023.

8.2 Supporting Table SC7 (1) – Grant expenditure

WC053 Beaufort West - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	87,923	-	345	35,296	14,654	20,642	140.9%	87,923
Equitable share		-	83,574	-	-	34,823	13,929	20,894	150.0%	83,574
Municipal Infrastructure Grant (MIG)		-	792	-	62	118	132	(14)	-10.8%	792
Local Government Financial Management Grant (FMG)		-	2,185	-	52	104	364	(260)	-71.4%	2,185
Expanded Public Works Programme Integrated Grant (EPWP)		-	1,372	-	230	251	229	22	9.7%	1,372
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	8,211	-	517	1,009	1,369	(359)	-26.3%	8,211
Human Settlements Development Grant (Beneficiaries)		-	932	-	-	-	155	(155)	-100.0%	932
Cultural Affairs & Sport Library Service - Replacement Funding for most vulnerable B3 Municipalities		-	7,053	-	498	990	1,176	(185)	-15.8%	7,053
Department of Local Government: Community Development Workers (CDW) Operational Support Grant		-	226	-	19	19	38	(18)	-49.0%	226
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	836	-	553	553	139	414	296.9%	836
Chemical Industries Education & Training Authority		-	836	-	553	553	139	414	296.9%	836
Total operating expenditure of Transfers and Grants:		-	96,971	-	1,415	36,858	16,162	20,696	128.1%	96,971
Capital expenditure of Transfers and Grants										
National Government:		-	15,057	-	522	961	2,509	(1,548)	-61.7%	15,057
Municipal Infrastructure Grant		-	15,057	-	522	961	2,509	(1,548)	-61.7%	15,057
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	15,057	-	522	961	2,509	(1,548)	-61.7%	15,057
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	112,027	-	1,937	37,819	18,671	19,148	102.6%	112,027

9. Expenditure on councillor and board members allowances and employee benefits

9.1 Supporting Table SC8

WC053 Beaufort West - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August										
Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	5,876	-	448	897	979	(83)	-8%	5,876
Pension and UIF Contributions		-	174	-	13	27	29	(2)	-8%	174
Medical Aid Contributions		-	-	-	3	5	-	5	#DIV/0!	-
Motor Vehicle Allowance		-	148	-	11	23	25	(2)	-8%	148
Cellphone Allowance		-	559	-	44	88	93	(5)	-5%	559
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	49	-	4	8	8	(0)	-5%	49
Sub Total - Councillors		-	6,806	-	524	1,048	1,134	(87)	-8%	6,806
Senior Managers of the Municipality										
Basic Salaries and Wages	3	-	4,438	-	202	270	740	(469)	-63%	4,438
Pension and UIF Contributions		-	205	-	17	33	34	(1)	-3%	205
Medical Aid Contributions		-	-	-	6	11	-	11	#DIV/0!	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	107	-	-	-	18	(18)	-100%	107
Motor Vehicle Allowance		-	60	-	27	49	10	39	387%	60
Cellphone Allowance		-	72	-	5	7	12	(5)	-42%	72
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	0	-	0	0	0	0	5%	0
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	329	-	7	14	55	-	-	329
Acting and post related allowance		-	-	-	46	89	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	5,211	-	310	474	869	(395)	-45%	5,211
Other Municipal Staff										
Basic Salaries and Wages		-	92,657	-	6,828	13,567	15,443	(1,876)	-12%	92,657
Pension and UIF Contributions		-	15,971	-	1,162	2,331	2,662	(331)	-12%	15,971
Medical Aid Contributions		-	2,045	-	166	332	341	(9)	-3%	2,045
Overtime		-	2,587	-	254	557	431	126	29%	2,587
Performance Bonus		-	6,552	-	(58)	75	1,092	(1,016)	-93%	6,552
Motor Vehicle Allowance		-	224	-	25	42	37	4	11%	224
Cellphone Allowance		-	167	-	13	27	28	(1)	-4%	167
Housing Allowances		-	403	-	33	67	67	(0)	-1%	403
Other benefits and allowances		-	5,233	-	567	931	872	58	7%	5,233
Payments in lieu of leave		-	-	-	11	77	-	77	#DIV/0!	-
Long service awards		-	962	-	(0)	-	160	(160)	-100%	962
Post-retirement benefit obligations	2	-	1,476	-	121	241	246	(5)	-2%	1,476
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	130	262	-	262	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		-	128,277	-	9,252	18,508	21,380	(2,871)	-13%	128,277
TOTAL SALARY, ALLOWANCES & BENEFITS		-	140,294	-	10,085	20,030	23,382	(3,352)	-14%	140,294
TOTAL MANAGERS AND STAFF		-	133,488	-	9,562	18,982	22,248	(3,266)	-15%	133,488

The total overtime and standby budget for the 2023/24 financial year amounts to R 4,587,194 and total expenditure on these two items at the end of August 2023 amounted to R 901,552.36.

	Budget	Jul-23	Aug-23	Total YTD	Variance
Overtime	2,587,194	269,777.45	216,895.94	486,673.39	2,100,520.61
Standby Allowances	2,000,000	200,605.55	214,273.42	414,878.97	1,585,121.03
Total	4,587,194	470,383.00	431,169.36	901,552.36	3,685,641.64

The cost of employment needs to be closely monitored during the 2023/24 financial year specifically expenditure items like overtime and standby cost to ensure that these costs remain within the budget allocated.

10. Capital programme performance

10.1 Supporting Table SC12

WC053 Beaufort West - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August									
Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
Monthly expenditure performance trend									
July	-	1,165	-	382	382	1,165	783	67.2%	3%
August	-	1,165	-	609	991	2,329	1,339	57.5%	7%
September	-	1,165	-	-	-	3,494	-		
October	-	1,165	-	-	-	4,659	-		
November	-	1,165	-	-	-	5,824	-		
December	-	1,165	-	-	-	6,988	-		
January	-	1,165	-	-	-	8,153	-		
February	-	1,165	-	-	-	9,318	-		
March	-	1,165	-	-	-	10,483	-		
April	-	1,165	-	-	-	11,647	-		
May	-	1,165	-	-	-	12,812	-		
June	-	1,165	-	-	-	13,977	-		
Total Capital expenditure	-	13,977	-	991					

Council approved a capital budget amounting to R 13,976,999 for the 2023/24 financial year. The 2023/24 capital budget is mainly funded by the Municipal Infrastructure Grant. The capital expenditure programme is dependent on the timing of the MIG transfers from national government. The total year-to-date capital expenditure at the end of August 2023 amounted to R 990,673.02 (excluding VAT) or 7% of the approved capital budget.

Chart C1 2023/24 Capital Expenditure Monthly Trend: actual v target

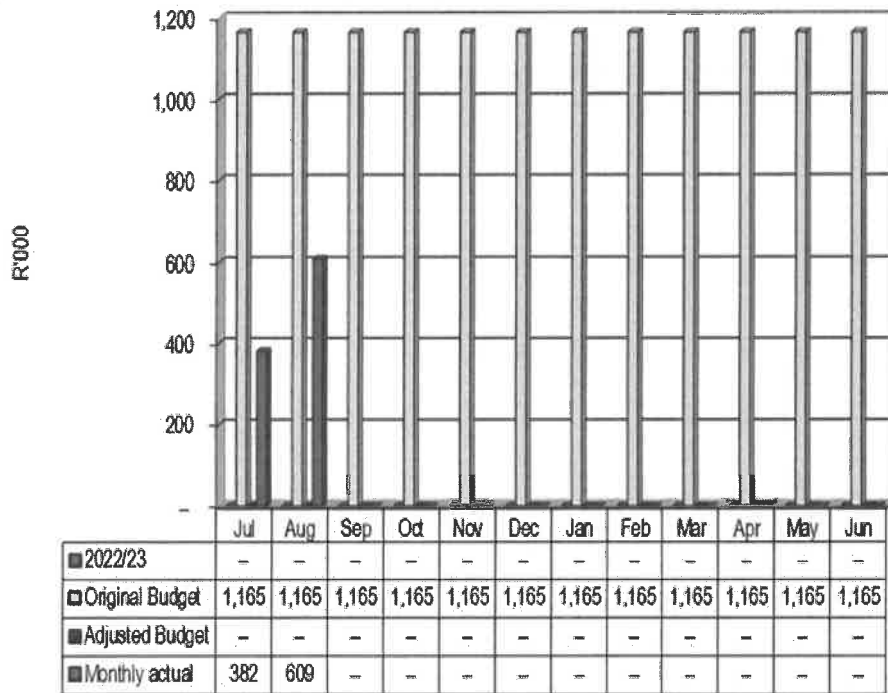
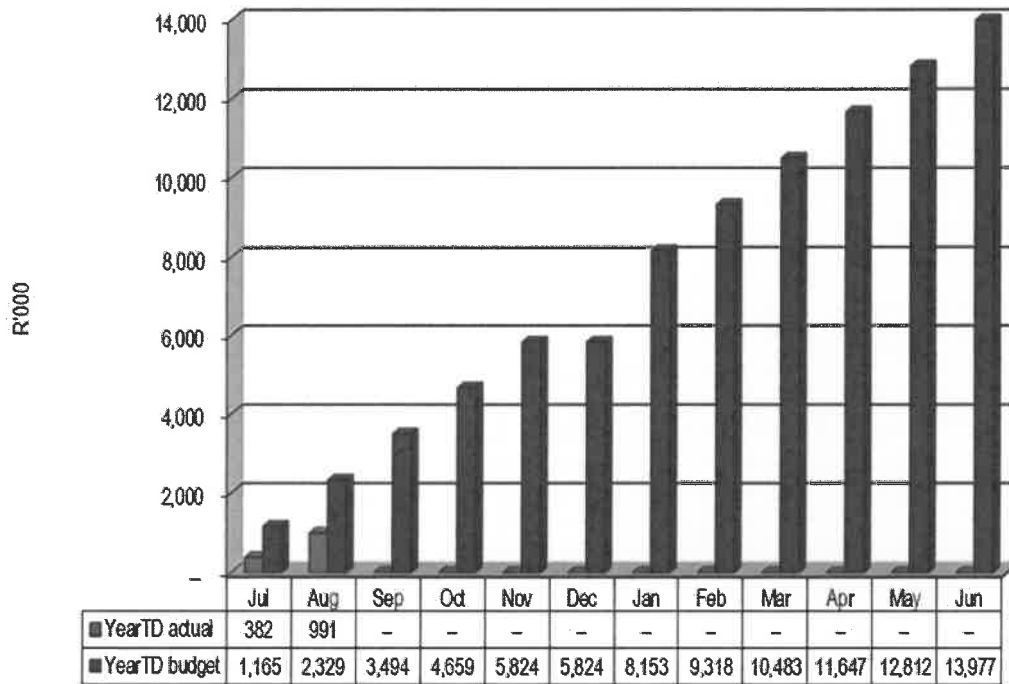


Chart C2 2023/24 Capital Expenditure: YTD actual v YTD target



10.2 Supporting Table SC13

10.2.1 Supporting Table SC13a

WC053 Beaufort West - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M02 August										
Description	Ref	2022/23				Budget Year 2023/24				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure			5,091				849	849	100.0%	5,091
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure			917				153	153	100.0%	917
Drainage Collection										
Storm water Conveyance			917				153	153	100.0%	917
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure			4,174				696	696	100.0%	4,174
Landfill Sites			4,174				696	696	100.0%	4,174
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

WC053 Beaufort West - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M02 August

Description	Ref	2022/23	Budget Year 2023/24							
		Actualised Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Community Assets										
Community Facilities										
Halls										
Centres										
Crèches										
Clinic/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Abolition Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage Assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment Properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other Assets										
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications										
Lead Settlement Software Applications										
Unspecified										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Machinery and Equipment										
Transport Assets										
Transport Assets										
Land										
Land										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Living resources										
Mature										
Policing and Protection										
Zoological plants and animals										
Immature										
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on new assets	1		5,091				849	849	100.0%	5,091

10.2.2 Supporting Table SC13b

WC053 Beaufort West - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M02 August										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	5,233	-	17	17	872	855	98.1%	5,233
Roads Infrastructure		-	3,096	-	17	17	516	499	96.7%	3,096
Roads		-	3,096	-	17	17	516	499	96.7%	3,096
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	2,137	-	-	-	356	356	100.0%	2,137
Pump Station		-	2,137	-	-	-	356	356	100.0%	2,137
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

WC053 Beaufort West - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M02 August

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance 100.0%	Full Year Forecast
Community Assets		-	3,314	-	-	-	552	552	100.0%	3,314
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Ports										
Public Open Space										
Nature Reserves										
Public Abolition Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities			3,314				552	552	100.0%	3,314
Indoor Facilities										
Outdoor Facilities			3,314				552	552	100.0%	3,314
Capital Spares										
Heritage assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets										
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications										
Local Settlement Software Applications										
Unspecified										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Machinery and Equipment										
Transport Assets										
Transport Assets										
Land										
Land										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Living resources										
Mature										
Polking and Protection										
Zoological plants and animals										
Immature										
Polking and Protection										
Zoological plants and animals										
Total Capital Expenditure on renewal of existing assets	1		5,547		17	17	1,424	1,408	98.8%	5,547

10.2.3 Supporting Table SC13e

WC053 Beaufort West - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M02 August										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

WC053 Beaufort West - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M02 August										
Description	Ref	2022/23			Budget Year 2023/24			YTD variance	YTD variance	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
Community Assets			339		692	974	67	(917)	-1823.0%	339
Community Facilities										
Halls										
Centres										
Crèches										
Clubs/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities			339		692	974	67	(917)	-1823.0%	339
Indoor Facilities										
Outdoor Facilities			339		692	974	67	(917)	-1823.0%	339
Capital Spares										
Heritage assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets										
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Local Settlement Software Applications										
Unspecified										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Machinery and Equipment										
Transport Assets										
Transport Assets										
Land										
Land										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Living resources										
Makuru										
Polking and Protection										
Zoological plants and animals										
Imakuru										
Polking and Protection										
Zoological plants and animals										
Total Capital Expenditure on upgrading of existing assets	1		339		692	974	67	(917)	-1823.0%	339

11. Material variances to the SDBIP

11.1 Over view

SDBIP reports are compiled on a quarterly basis at this time.

ANNEXURE A

PROGRESS ON MUNICIPAL DEBT RELIEF

Re: Condition 6.6 Debt Relief Conditions and Item 9 vii of the approval letter.

The municipality complies with the condition in question. Please see below and find the complete policy and by-law attached.

- vii. The municipality does not comply with MFMA Circular No. 124: Condition 6.6 (Electricity and water as collection tools), the municipality must update / strengthen all relevant bylaws and budget policies to give effect to this conditions and submit proof to the National Treasury and relevant Provincial Treasury with 45 days of this letter;

The by-law makes provision for the condition:

10. **Bevoegdheid om die voorsiening van dienste te beperk of af te sny**

Die munisipale bestuurder kan die voorsiening van water, gas of elektrisiteit beperk of afsny, of die voorsiening van enige ander diens aan die perseel van 'n gebruiker staak, ingevolge die voorwaardes soos uiteengesit in die beleid.

The policy addresses the condition:

- 7.5.1 The municipality shall disconnect/restrict services to consumers whose consolidated accounts remain unpaid after the due date.

- 7.5.4 Arrears, is not received by close of business on due date, the electricity supply and thereafter the water supply may be disconnected/restricted, unless a formal

arrangement for an extension of payment, in terms of section 6.7.3 has been approved by the Chief Financial Officer or his authorised representative.

- 7.5.5 The municipality reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges.

Beaufort West Municipality



BUDGET RELATED POLICY NO. 3

CUSTOMER CARE, CREDIT CONTROL & DEBT COLLECTION POLICY

DOCUMENT AND VERSION CONTROL

Version: Revision 5

Date: 06 June 2023

Summary:

This document describes the Customer Care, Credit control & Debt collection policy, that will be applicable with effect from **1 July 2023**.

Copies of this document can be viewed at the offices of the Municipality, all the public libraries in the municipality and the municipal website.

Table of Contents

PREAMBLE	4
DEFINITIONS	6
1. INTRODUCTION	11
2. OBJECTIVES	12
3. DUTIES AND FUNCTIONS	12
3.1 DUTIES AND FUNCTIONS OF COUNCIL	12
3.2 DUTIES AND FUNCTIONS OF THE MAYOR	13
3.3 DUTIES AND FUNCTIONS OF MUNICIPAL MANAGER	13
3.4 DUTIES AND FUNCTIONS OF COUNCILLORS	14
3.5 DUTIES AND FUNCTIONS OF WARD COUNCILLORS	15
3.6 DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS	15
3.7 DUTIES AND FUNCTIONS OF MUNICIPAL STAFF	16
4. PERFORMANCE AND EVALUATION	16
4.1 INCOME COLLECTION TARGETS	16
4.2 CUSTOMER SERVICE TARGETS	16
4.3 ADMINISTRATIVE PERFORMANCE	17
5. REPORTING	17
6. CUSTOMER CARE	18
6.1 OBJECTIVES	18
6.2 COMMUNICATION AND FEEDBACK	18
6.3 HANDLING OF COMPLAINTS	18
6.4 ENQUIRIES, SERVICE COMPLAINTS AND APPEALS	18
6.5 METERING	20
6.6 ACCOUNTS, BILLING AND PAYMENT	20
6.7 CUSTOMER ASSISTANCE PROGRAMMES	22
6.8 INDIGENT SUBSIDY	24
6.9 FREE BASIC SERVICES	24
7. CREDIT CONTROL	24

ASD

24

7.1	OBJECTIVES	24
7.2	APPLICATIONS FOR SERVICES AND SERVICE AGREEMENTS	24
7.3	CUSTOMER SCREENING AND SECURITIES	26
7.4	RIGHT OF ACCESS TO PREMISES	27
7.5	DISCONNECTIONS/RESTRICTIONS OF SERVICE	28
7.6	RECONNECTION/REINSTATEMENT OF TERMINATED/RESTRICTED SERVICES	29
7.7	PERIOD FOR RECONNECTION OR REINSTATEMENT	30
7.8	CLEARANCE CERTIFICATES	30
7.9	THE PRE-PAYMENT SYSTEM	31
7.10	INCENTIVES FOR PROMPT PAYMENT	31
7.11	INTEREST ON ARREARS AND OTHER PENALTY CHARGES	31
7.12	ILLEGAL TAMPERING AND/OR THEFT OF SERVICES	31
8.	DEBT COLLECTION	32
8.1	OBJECTIVE	33
8.2	INITIAL COLLECTION PHASE	33
8.3	FINAL COLLECTION PHASE	34
8.4	COLLECTION CONTROLS AND GENERAL MATTERS	35
8.5	COST OF COLLECTION	35
8.6	ABANDONMENT OF CLAIMS	36
8.7	CREDIT BUREAUS	36
9.	REPORTING AND PERFORMANCE MEASUREMENT	36
10.	PUBLICATION OF THE POLICY	37
11.	ADOPTION OF A BY-LAW	37
12.	COMMENCEMENT	37
13.	SHORT TITLE	37

PREAMBLE

WHEREAS Section 152 (1) (b) of the Constitution of the Republic of South Africa Act (Act 108 of 1996) ('the Constitution') provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

AND WHEREAS Section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

AND WHEREAS Section 195(1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including-

- i) The promotion of the efficient, economic, and effective use of resources;
- ii) The provision of services impartially, fairly, equitably and without bias; and the fact that people's needs must be responded to.

AND WHEREAS Section 4(1)(c) of the Local Government: Municipal Systems Act (Act 33 of 2000) ('the Systems Act') provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties;

AND WHEREAS Section 5(1)(g), read with subsection (2)(b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS Section 6(2)(c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Section 95 of the Systems Act provides for Customer Care Management;

AND WHEREAS Section 96 of the Systems Act provides that a municipality must collect all monies that is due and payable to it, subject to this Act and any other applicable legislation and for this purpose, must adopt, maintain, and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of this Act.



AND WHEREAS Section 99 of the Systems Act provides that a municipality's executive mayor, as the supervisory authority, must oversee and monitor the implementation and enforcement of the municipality's credit control and debt collection policy and any by-laws enacted in terms of section 98 and the performance of the municipal manager in implementing the policy and any by-laws;

AND WHEREAS Section 100 of the Systems Act provides that the municipal manager or service provider must - implement and enforce the municipality's credit control and debt collection policy and any by-laws enacted in terms of section 98, must establish effective administrative mechanisms, processes, and procedures to collect money that is due and payable to the municipality and must report the prescribed particulars to a meeting of the supervisory authority;

AND WHEREAS Section 64(2)(a) the Local Government: Municipal Finance Management Act (Act 56 of 2003) provides that the municipality has effective revenue collection systems in place;

NOW THEREFORE the Beaufort West Municipality Council adopted this policy to be known as "The Beaufort West Municipality Customer Care, Credit Control and Debt Collection Policy" and will replace all previous Customer Care, Credit Control and Debt Collection Policies.



DEFINITIONS

In this policy, unless the context indicates otherwise, the word or expression has the following meaning:

"Accounting Officer" The Municipal Manager appointed in terms of Section 82 of the Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Act" The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time;

"Actual consumption" means the measured consumption of a consumer of a municipal service during a specified period;

"Arrangements" means a formal agreement entered into between the Council and a debtor where specific repayment parameters are agreed to;

"Arrears" means any amount due, owing, and payable by a customer in respect of a municipal account not paid on the due date;

"Authorized Representative" refers to the person or institution legally appointed by the Council to act or to fulfil a duty on its behalf;

"Average consumption" means the deemed consumption of a customer of a municipal service during a specific period, which consumption is calculated by adding the recorded monthly average consumption and the current actual consumption and dividing the total by 2;

"Bank guarantee" refers to an undertaking by a registered financial institution whereby it guarantees a specified maximum amount to be paid if the principal debtor ("the consumer") fails to pay;

"Calculated amounts" refers to the amounts calculated by the Chief Financial Officer, in consultation with the relevant technical departments, to be due to the Council by a consumer in respect of the supply of the applicable municipal services for any period during which the exact quantity of the supply cannot be determined accurately for reasons beyond the control of the Chief Financial Officer. This shall normally be based on the average consumption figures, if available, for the service rendered to the customer or, failing the availability of such data, on the average consumption figures applicable to one or more properties of similar size and nature in the area in which the customer resides or carries on business;

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"Chief Financial Officer" refers to the person so designated in terms of Section 80(2)(a) of the Municipal Finance Management Act (Act No. 56 of 2003) to administer its finances.;

"Consolidated account" refers to one combined account for all municipal services, housing rents and instalments, rates, and basic charges payable, and "consolidated bill" has a corresponding meaning;

"Consumer" means a customer;

"Conventional electricity and water meters" mean electricity and/or water meters which are used to determine the supply of electricity and water, and which are normally read on a monthly or other fixed interval basis;

"Council" refers to The Beaufort West Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to this policy;

"Councillor" refers to any member of a municipal council;

"Credit Control" refers to all functions relating to the collection of monies owed by customers and users of municipal services;

"Customer" refers to any occupier of any premises to which Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;

"Debtors" A person who owes the municipality money for services consumed;

"Defaulter" a person who owes money to the Municipality after the due date has expired;

"Deposit" refers to a minimum sum of money specified by the Chief Financial Officer and payable by the consumer to the Municipality prior to occupation of the property or prior to the date on which services to the property are required;

"Due date" in the absence of any express agreement in relation thereto between the Council and the customer, refers to the date stipulated on the account and determined from time to time as the last date on which the account must be paid;

"Employer" Means an employer as defined in paragraph 1 of the seventh schedule of the Income tax act, act no 58 of 1962;



“Equipment” refers to any building or other structure, pipe, pump, wire, cable, meter, engine, or any accessories;

“Estimated consumption” arises when no actual reading can be taken and is equivalent to the existing average consumption;

“Existing customers” refers to the customers who have already entered into an agreement for the supply of municipal services;

“Financial year” refers to the period starting from 1 July in a year to 30 June the next year;

“Household” - People who are jointly living on a stand or site on a permanent basis and who receive water and/or electricity from one meter.

“Illegal tampering” It is the unauthorized handling of municipal infrastructural services, with the intention to distort information that can be accessed from such machinery or with the intention to consumer services in a fraudulent manner;

“Implementing Authority” means the Municipal Manager or his nominee, acting in terms of Section 100 of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000);

“Indigent” A person who is needy and furthermore who generates no income or generates income which is so minimal that he can't make a worthwhile contribution towards the payment of municipal services and as defined within the municipality's indigent policy;

“Interest” is a charge levied with the same legal priority as service fees and calculated at a rate determined by Council from time to time on all arrear monies;

“Meter audits” refers to an investigation to verify the correctness of the consumption and supply of electricity and water;

“Municipality” when referred to as:

- a) a corporate body, means a municipality as described in Section 2 of the Municipal Systems Act, 2000 (Act No. 32 of 2000);
- b) a geographic area means a municipal area determined in terms of the Local Government Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

“Municipal Account” An account rendered specifying charges for services provided by the municipality, or any authorised and contracted service provider, and/or assessment rates levies;



"Municipal Manager" means the person appointed as Municipal Manager in terms of Section 82 of the Local Government Municipal Structures Act, 1998, (Act No. 117 of 1998) and includes any person acting in that position or to whom authority has been delegated;

"Municipal services" refers to any services provided by the municipality or any authorised and contracted service provider, available or applied for, or provision made for any service, for which it is entitled to charge a fee or formulate a tariff, payable by a customer or user, thereof;

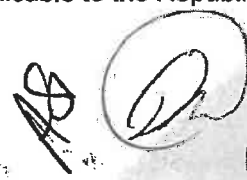
"Normal office hours" means the hours when the Chief Financial Officer's offices are open to the public from Mondays to Fridays, excluding public holidays, Saturdays, and Sundays;

"Official" refers to an employee of The Beaufort West Municipality;

"Occupier" means any person who occupies any property or part thereof, without regard to the title under which he or she occupies the property;

"Owner" means:

- a) The person in whom from time to time is vested the legal title to premises, which title is registered at the Deeds Office;
- b) In a case where the person in whom the legal title is vested is insolvent or deceased, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator, or other legal representative;
- c) In a case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises with a building thereon;
- d) In the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof;
- e) In relation to-
 - i) A piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property; or
 - ii) A section, as defined in such Act, the person in whose name such a section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;
- f) Any legal person including but not limited to-
 - i) A company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a Trust, a Closed Corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984) and a voluntary association;
 - ii) Any department of State;
 - iii) Any Council or Board established in terms of any legislation applicable to the Republic of South Africa;
 - iv) Any Embassy or other foreign entity;



"Person" Means any natural person, local government body or similar authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body public utility body, voluntary association, or trust;

"Property" any portion of land, of which the boundaries are determined, within the jurisdiction of the Municipality;

"Rates" refers to property rates on property situated in the municipal area, any other tax, duty, or levy imposed by the municipality;

"Service agreement" refers to an agreement for the consumption of electricity and/or water and other services as determined from time to time;

"Supervisory Authority" Means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Systems Act;

"Terminated account" refers to:

- a) the final account for services after the customer has left the premises, whether or not the customer has given notice to terminate the supply of service; OR
- b) the final account for services if the customer has contravened the service provisions of this policy and attendant municipal bylaws;

"Unreliable customer" includes an account holder, who according to his or her payment record fails to settle his or her Municipal account by the due date or who is in arrears with payment due to the Municipality or who tampers or interferes with metering equipment, seals or the supply of Municipal services;

"Variable flow-restricting device" refers to a device that is coupled to the water connection that allows the water supply to be restricted or closed;

"Visitation fee" refers to the fee charged for attendance and/or disconnection/reconnection of an electricity/water supply when the supply has been disconnected due to non-payment and/or tampering, or where access to disconnect/restrict has not been gained, which fee shall be charged as in terms of the tariffs applicable to the approved budget; and

"Voluntary garnishee order/emoluments order" refers to a court order for the deduction of an amount of money from the salary or other income of a customer.



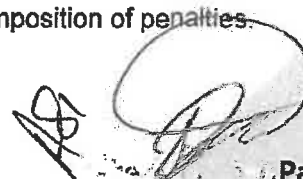
1. INTRODUCTION

The primary objective of sound municipal debtor's management, or credit control, is to ensure that all monies owed to the municipality are collected in a reasonable period and all debtors owing money to the municipality are treated in a fair and equitable manner.

The Customer Care, Credit control and Debt Collection Policy is part of the mechanisms designed to assist the municipality in collecting outstanding debts from the consumers and improve the municipality's cash flow.

The purpose is to ensure that credit control and debt collection forms an integral part of the revenue collection process of the municipality and to provide a framework to link the municipal budget to:

- a) Indigent Support;
- b) Tariff Policy – In relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity;
- c) Establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for payments and the municipality, and where applicable, a service provider;
- d) Establish an effective accounting system that produces timeous, clear, and understandable account for consumers;
- e) Establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service providers regarding the quality of the services and the performance of the municipality;
- f) Take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which monies raised from services are utilised;
- g) Where the consumption of services, have to be measured, to take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems;
- h) Ensure that persons liable for payments, receive regular and accurate accounts that indicate the basis for calculating the amounts due;
- i) Provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt action in correcting inaccurate accounts;
- j) Provide accessible mechanisms for dealing with complaints from the community (ratepayers), together with prompt replies and corrective action by the municipality;
- k) Provide mechanisms to monitor the response time and efficiency;
- l) Provide accessible pay points and other mechanisms for settling accounts or for paying for pre-paid services; and
- m) Reasonable terms for collection, payment of arrears and the imposition of penalties.



2. OBJECTIVES

This policy will aim to assist council in the implementation of relevant legislation regarding credit control and debt control in the municipal sphere by:

- a) Providing a framework within which the municipal council can exercise its executive and legislative authority regarding credit control and debt collection;
- b) Ensuring that all money due and payable to the municipality is collected and used to deliver municipal services in a financially sustainable manner;
- c) Setting realistic targets for debt collection;
- d) Outlining Customer Care, Credit Control and Debt Collection Policy procedures and mechanisms; and
- e) Providing a framework to link the municipal budget to indigent support and tariff policies.

3. DUTIES AND FUNCTIONS

The following duties and functions are assigned to the under mentioned role-players relating to the management, control and implementation of customer care, credit collection and debt collection.

3.1 DUTIES AND FUNCTIONS OF COUNCIL

- 3.1.1 To approve budgets consistent with the needs of communities, ratepayers, and residents;
- 3.1.2 To impose rates and taxes and to determine service charges, fees, and penalties to finance the budget;
- 3.1.3 To facilitate sufficient funds to give access to basic services for the poor;
- 3.1.4 To provide for a bad debt provision, in line with the payment rate of the community in terms of section 18 of the MFMA (Funded budget);
- 3.1.5 To together with the Chief Financial Officer, set an annual improvement target for debt collection (refer Section 5), in line with the acceptable industry norm and performance requirements of any appointed external service providers;
- 3.1.6 To approve a reporting framework for customer care, credit control and debt collection;
- 3.1.7 To consider and approve by-laws to give effect to the council's policy;
- 3.1.8 To revise the budget should council's targets for credit control and debt collection not be met;
- 3.1.9 To take disciplinary and/or legal action against councillors, officials and agents who do not execute council policies and by-laws, or act improperly in terms of such policies;
- 3.1.10 To approve a list of suitably qualified service providers that will act on behalf of council in all collection and legal matters relating to debt collection;
- 3.1.11 To provide sufficient capacity in the municipality's budget and treasury office for customer care, credit control and debt collection or, alternatively, to appoint service

providers or debt collection agents to assist with the credit control and debt collection function;

- 3.1.12 To assist the Municipal Manager in the execution of his duties, if and when required;
- 3.1.13 To provide funds for the training of staff in connection with credit control and debt collection;
- 3.1.14 In terms of Section 99 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Executive Committee, is to monitor and supervise the application of this policy, and is to report to council on the extent and success of the municipality's credit control actions;
- 3.1.15 In order to maintain the credibility of the municipality in the implementation of the present policy, Councillors, by adopting this policy, pledge that their own accounts will at no stage fall into arrear.

3.2 DUTIES AND FUNCTIONS OF THE MAYOR

- 3.2.1 To ensure that the budget, cash flow and targets for customer care, credit control and debt collection are met;
- 3.2.2 To monitor the performance of the Municipal Manager in implementing the policy and by-law;
- 3.2.3 To review and evaluate the policy and by-laws in order to improve the efficiency of customer care, credit control and debt collection procedures, mechanisms and processes; and
- 3.2.4 Report to Council.

3.3 DUTIES AND FUNCTIONS OF MUNICIPAL MANAGER

In terms of Section 100 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Municipal Manager is responsible for implementing the Customer Care, Credit Control and Debt Collection Policy. In line with this, the Municipal Manager needs to perform the following:

- 3.3.1 Install and maintain an appropriate accounting system;
- 3.3.2 Implement a customer care management system;
- 3.3.3 Bill customers;
- 3.3.4 Demand payment on due dates;
- 3.3.5 Raise penalties and interest for defaulters;
- 3.3.6 Appropriate payments received;
- 3.3.7 Collect outstanding debt;
- 3.3.8 Provide different/alternate payment methods;
- 3.3.9 Determine credit control and debt collection measures;
- 3.3.10 Determine all relevant work procedures for, inter alia, public relations, arrangements, disconnection/reconnection of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors, and legal processes;

- 3.3.11 Instruct attorneys to proceed with the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders, etc.);
- 3.3.12 Appoint staff to execute council's policy and by-laws;
- 3.3.13 Set performance targets for staff;
- 3.3.14 Determine internal control procedures;
- 3.3.15 Monitor contracts with service providers in connection with credit control and debt collection.

The Municipal Manager may delegate these responsibilities to the Chief Financial Officer. However, this delegation does not absolve the Municipal Manager from being held accountable for the implementation of this policy.

Although the Municipal Manager is held accountable for implementing this policy, it is the responsibility of all officials of the municipality to promote and support this Customer Care, Credit Control and Debt Collection Policy.

3.4 DUTIES AND FUNCTIONS OF COUNCILLORS

The duties and functions of councillors will include the following:

- 3.4.1 To hold regular ward meetings;
- 3.4.2 To adhere to and convey the policy and by-law to customers, residents, and ratepayers; and
- 3.4.3 Adhere to the Code of Conduct for Councillors.
- 3.4.4 Approve budgets in accordance with the needs of the communities, ratepayers, and residents;
- 3.4.5 Determine rates, service tariffs, levies, fees, fines, and interest in order to finance the budget;
- 3.4.6 Allocate sufficient funds to give poor households access to basic services;
- 3.4.7 Provide for uncollectable debt that is in proportion to the recovery percentage of money payable and owing to Council;
- 3.4.8 Approve the format of reporting on credit control and debt collection to Council;
- 3.4.9 Set realistic goals for debt collection every year in consultation with the Chief Financial Officer;
- 3.4.10 Consider and approve by-laws to give effect to Council policy;
- 3.4.11 Review and adjust the budget if collection objectives are not met;
- 3.4.12 Approve a list of suitably qualified service-providers who can act on behalf of Council in the collection of debt and the legal aspects arising from it;

- 3.4.13 Make available sufficient capacity for credit control and debt collection in the Municipality's Financial Directorate, or alternatively appoint service-providers for this purpose;
- 3.4.14 Assist the Municipal Manager in the performance of his duties when requested to;
- 3.4.15 If not outsourced, allocate sufficient funds for the appointment and training of credit control personnel;
- 3.4.16 Monitor the implementation and enforcement of the Policy in terms of section 99 of the Municipal Systems Act, 2000 (Act 32 of 2000).
- 3.4.17 To ensure the credibility of the Municipality in the enforcement of this Policy, Councillors shall on approval of this Policy undertake not to allow their own municipal accounts to become overdue.

3.5 DUTIES AND FUNCTIONS OF WARD COUNCILLORS

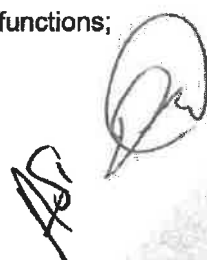
The duties and functions of ward councillors will include the following:

- 3.5.1 To adhere to and convey council policies to residents and ratepayers;
- 3.5.2 To adhere to the Code of Conduct for Councillors;
- 3.5.3 The ward committees will act in terms of roles and functions as approved by council;
- 3.5.4 The ward committees are encouraged to actively promote this policy, and to ensure, at the same time, that the municipality's customer service is of a standard acceptable to the community.

3.6 DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS

The duties and functions of communities, ratepayers and residents will include the following:

- 3.6.1 To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services;
- 3.6.2 To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality on or before the due date for payment;
- 3.6.3 To observe the mechanisms and processes of the municipality in exercising their rights;
- 3.6.4 To allow municipal officials access to their property to execute municipal functions;
- 3.6.5 To comply with the by-laws and other legislation of the municipality;
- 3.6.6 To refrain from tampering with municipal services and property.

Handwritten initials 'AS' and a signature.

3.7 DUTIES AND FUNCTIONS OF MUNICIPAL STAFF

The duties and functions of municipal staff members will include the following:

- 3.7.1 To always pay amounts that are owed in respect of rates, taxes and services and not to default on payments;
- 3.7.2 The Municipality may deduct any outstanding amounts from a staff member, if the member has not paid amounts that are due to the municipality for more than three (3) months;
- 3.7.3 The normal credit control procedures shall also apply to any amount in arrears of a councillor or a municipal staff member;
- 3.7.4 Where the municipality provides temporary employment to members of the community who are in arrears with payment for municipal rates and services, they will be required to enter an agreement to pay at least 20% of their gross remuneration towards any amount in arrears.
- 3.7.5 No accountholder or representative of an accountholder that are in arrears more than ninety days, may serve on any municipal committee.

4. PERFORMANCE AND EVALUATION

Council will create a mechanism wherein the under mentioned targets can be assessed, evaluated and whereby remedial steps can be taken.

4.1 INCOME COLLECTION TARGETS

Council will create income collection targets that will include the reduction in the monthly increase of debt in line with the performance agreements for officials. Actions to be taken to prevent prescription and budget in terms of Section 18 of the MFMA.

4.2 CUSTOMER SERVICE TARGETS

Council will create targets that will include:

- 4.2.1 Response time to customer queries;
- 4.2.2 Date of first account delivery to new customers;
- 4.2.3 Reconnection time lapse; and
- 4.2.4 Meter reading cycle.



4.3 ADMINISTRATIVE PERFORMANCE

Council will create targets that will include:

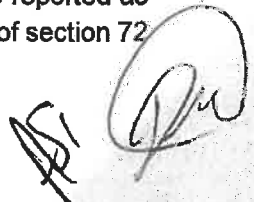
- 4.3.1 Cost efficiency of debt collection;
- 4.3.2 Query and appeal periods;
- 4.3.3 Enforcement a mechanism of ratios.

5. REPORTING

The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable him/her to report to the Executive Mayor as supervisory authority in terms of Section 99 of the Systems Act, to be read in conjunction with Section 100(c).

- a) This report will include:
 - i) The total debt analysis as at month end;
 - ii) Month- end balances after debit raising;
 - iii) Brought forward balances at month end;
 - iv) Number of fully recovered accounts;
 - v) Indigents progressive growth;
 - vi) Rand value indigent growth;
 - vii) Number of indigent applications;
 - viii) Cash flow improvement;
 - ix) Net effect on arrears;
 - x) Collections of arrangements;
 - xi) Cash receipts;
 - xii) Cash received versus debits raised;
 - xiii) Cash received exceeding debits raised;
 - xiv) Attorneys brought forward balances;
 - xv) Meter readings functioning & performance;
 - xvi) Arrangements made;
 - xvii) Number hand delivered final demands;
 - xviii) Number of posted final demands;
 - xix) Electricity cuts versus reconnections;
 - xx) Water restrictions versus reconnections;
 - xxi) Electricity and water revisits; and
 - xxii) Total accounts handed over to council's attorneys.

- b) The Executive Mayor as supervisory authority shall, at intervals of three (3) months, report to council as contemplated in Section 99(c) of the Systems Act. This will be reported as part of the quarterly section 52 of the MFMA report and bi-annually in terms of section 72 of the MFMA.



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6. CUSTOMER CARE

6.1 OBJECTIVES

To focus on the client's needs in a responsible and pro-active way to create a positive and cooperative relationship between customers responsible for the payment of services received, and the municipality, and where applicable, any service provider to facilitate financial assistance and basic services to the community's poor.

6.2 COMMUNICATION AND FEEDBACK

The municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include revised targets for customer care and service standards.

The Customer Care, Credit Control and Debt Collection Policy, or relevant extracts thereof, will be available at the municipal office, the official website and on special request. Council will endeavour to distribute a regular newsletter, which will give prominence to customer care and related issues. Ward councillors will be required to hold regular ward meetings, at which customer care and related issues will be given prominence. The media will also be encouraged to give prominence to customer care and related issues and will be invited to Council or Committee meetings where these matters are discussed.

6.3 HANDLING OF COMPLAINTS

Within its financial and administrative capacity, the municipality will -

- a) Establish a central complaints/feedback office;
- b) A centralized complaints database to enhance co-ordination of complaints, a speedy resolution and effective communication with customers;
- c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and
- d) A communication mechanism to give feedback on service, debt and customer care and related issues.

6.4 ENQUIRIES, SERVICE COMPLAINTS AND APPEALS

The enquiries counters at the municipality's service centres can be contacted for all account queries. An enquiry clerk stationed at the municipality's service centres shall be available to assist consumers with account balance queries as well as the opening and closing of accounts.

Any resident or consumer who may feel aggrieved concerning his/her account may address a dispute to the Chief Financial Officer. Any dispute in respect of the amount due and payable on the consolidated bill must be lodged -

- a) In writing;
- b) In the prescribed format; and
- c) With valid reasons and all supporting documents / information attached, at the municipality or via email for further investigation.

The municipality endeavours to investigate any query and give feedback within fourteen working days of the receipt of a **valid dispute**. A query is enquiry about an account with a dispute being a formal proses. It should be noted that an "my account is incorrect" without being able to substantiate why will not be regarded as a valid dispute and process dictate that a dispute will follow an enquiry or query lodged first. There is a sequence of remedial process before we get to a dispute.

A customer who has lodged a dispute is not relieved of the responsibility to maintain regular payment on his account. In the event of an accountholder reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder provided the accountholder has paid, by due date, an amount equal to the monthly average monetary value of the three most recent un-queried accounts in respect of the service under investigation, as well as all un-queried balances on such account, and, provided further that, such query is made in writing by the accountholder or is recorded in writing by the Chief Financial Officer or his designate on behalf of the accountholder.

If a customer has received a response to a query but is still not convinced that the account is correct, the customer will still be liable for the full outstanding amount and will be subject to credit control action.

A customer may appeal to the Municipal Manager against the finding of the municipality or its authorised agent.

Such an appeal must be made and lodged with the municipality within 21 (twenty-one) days after the notification of such finding has been received and must set out the reasons for the appeal and be accompanied by a deposit, as determined in the approved tariffs, for the testing of a measuring device, if applicable.

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6.5 METERING

Within practical and financial limits, the municipality will endeavour to provide meters for every consumable service. All meters will be read monthly on approximately the same date, if possible;

If it is not possible to read all meters monthly the consumption will be estimated. Customers are entitled to request verification of meter readings and accuracy within reason but may be held liable for the cost thereof. Customers will be informed of meter replacements.

If a service is metered but it cannot be read due to constraints or circumstances out of the control of the municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

6.6 ACCOUNTS, BILLING AND PAYMENT

- 6.6.1 The municipality shall produce and mail one consolidated monthly bill to consumers for *services supplied or available* (inter alia, electricity, water, refuse and sewerage charges) and for *rates levied* on property within the municipal area unless, for whatever reason, the rates account has not been consolidated with the services account in which case separate monthly accounts will be mailed. These accounts will be produced in accordance with meter reading cycles at regular intervals or as prescribed by law.
- 6.6.2 The municipality shall undertake to mail the consolidated account to the customer address, in South Africa, as specified by each customer. However, non-receipt of an account does not negate the responsibility of the customer to pay the amount owing by due date nor prevent interest charges and debt collection procedures. In the event of non-receipt of an account, the onus rests on the account holder to obtain a free copy of the most recent account, before the due date.
- 6.6.3 The consumer shall, in writing, notify the municipality of any change of address, including an e-mail address, and contact details. Notwithstanding the fact that a consumer has not received an account as a result of his failing to notify the municipality of his change of address or due to delays on the part of external service providers, the customer is nevertheless liable for payment of such account. Any change of address only becomes effective when the notification of the change is received and acknowledged by the municipality.



- 6.6.4 Accounts must be paid in full on or before the due date as indicated on the account. Failure to comply with this section shall result in debt collection action being instituted against the customer. Interest on arrears, at prime plus one percent (Prime+1%), in the absence of any determination, as prescribed by law, will accrue after due date if the account remains unpaid irrespective of the reason for non-payment.
- 6.6.5 Bulk consumers may at the discretion of the municipality be notified of their unpaid accounts prior to the commencement of the debt collection process.
- 6.6.6. Payments for accounts must be received at a municipal pay-point by close of business on or before the due date. In the case of any electronic payments, the money must be received in the municipal bank account no later than the close of business on the due date. In the case of monies paid to agents, the money must be deposited with the agent prior to the close of business on due date and proof thereof may be required to validate any claims.

The following methods of payment and payment points can be used:

- a) Electronic banking payments (EFT) directly into the municipality's account. EFT's must be made at least 48 hours before the applicable due date where it is made from banks other than the official bank of the municipality.
 - b) At any municipal office during office hours (Cash & Card payments)
- 6.6.7 The consumer acknowledges that any agent used for transmitting payments to the municipality is at the risk and cost of the consumer. In addition, the consumer must take into account the transfer time of the particular agent.
- 6.6.8 Receipt of the total outstanding monies will be allocated to the credit of the account in full. If a debtor pays only part of any amount due, the Chief Financial Officer shall allocate such payment as follows:
- a) firstly, to any unpaid interest raised on the account;
 - b) secondly, to any other sundry debtors (miscellaneous);
 - c) thirdly, to housing rents and instalments;
 - d) fourthly, to any unpaid property rates collection charges;
 - e) fifthly, to any unpaid water charges;
 - f) sixthly, to any unpaid wastewater (sewerage) charges;
 - g) seventhly, to unpaid refuse; and
 - h) lastly, to any unpaid electricity charges.
- 6.6.9 A customer shall not be entitled to allocate any payment made to any portion of the total debt due to the municipality.



6.6.10 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.

6.6.11 The municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request, at a cost as determined by Council.

6.6.12 Where incorrect debits were raised or omitted levies regarding services, the accounts queried will be rectified for the year, in which the error was found or reported, and two preceding years.

6.7 CUSTOMER ASSISTANCE PROGRAMMES

6.7.1 Water leakages

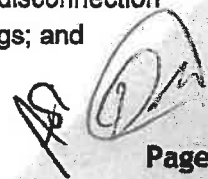
- a) If the leakage is on the customer's side of the meter, the customer will be responsible for the payment of all water supplied to the property;
- b) Where suitable proof of repair costs is provided, the Municipality may, at its sole discretion, provide relief on the charge raised above the average consumption at the cost price of the service. The responsibility to control and monitor his/her water consumption rests with the consumer.

6.7.2 Rate rebates

Categories of property or owners may qualify for exemptions, rebates and reductions of rates as determined in the municipality's property rates policy.

6.7.3 Arrangements for settlement of arrear accounts

- a) If a customer cannot pay his/her account with the municipality then the municipality may enter into an agreement with the customer for an extended term of payment according to the applicable category of the customer, in terms of the official Guidelines for the Payment of Arrears adopted by Council resolution. The customer must -
 - i) on the official agreement form, adopted by Council for that purpose, sign an acknowledgement of debt;
 - ii) sign a consent to judgement;
 - iii) provide a garnishee order/emolument order/stop order (if he/she is employed);
 - iv) acknowledge that interest could be charged at the prescribed rate;
 - v) pay the current portion of the account;
 - vi) sign an acknowledgement that, if the arrangements being negotiated are later defaulted on, that no further arrangements will be possible, and that disconnection of water and electricity will follow immediately, as will legal proceedings; and
 - vii) acknowledge liability of all costs incurred.



- b) The municipality reserves the right to raise the deposit requirement of debtors who seek arrangements;
- c) Where an arrangement is made outside of the stipulations of the official Guidelines for the Payment of Arrears adopted by Council, such payments will be accepted, subject to the normal credit control and debt collection procedures.
- d) The municipality reserves the right to convert the conventional electricity service of a customer with consumption in arrears, to a pre-pay electricity meter, with the same applicable to water meters (conventional to be replaced by pre-paid where applicable);

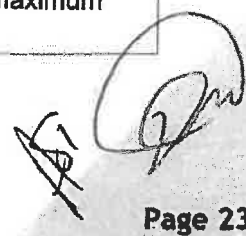
CATEGORIES OF CUSTOMERS

OLD AGE, DISABILITY PENSIONERS& INDIGENT CUSTOMERS

DEBT	PAYMENT OF ARREARS
R1000 – R 2500	5% of outstanding debt plus the cost of credit control. The balance over maximum period 18 months.
R2501 – R5000	5% of the first outstanding R2500 3% over R2500 plus the cost of credit control actions. The balance of the outstanding amount over maximum period of 24 months.
R5001 and above	5% of the first outstanding R2500 3%above R2500 plus the cost of credit control actions. The balance of this outstanding amount over a maximum period of 36 months.

DOMESTIC CUSTOMERS

DEBT	PAYMENT OF ARREARS
R1000 – R 2500	10%of outstanding debt plus the cost of credit control. The balance over maximum period of 12 months.
R2501 – R5000	10 % of the first outstanding R2500 3%over R2500 plus the cost of credit control actions. The balance of the outstanding amount over maximum period of 18 months.
R5001 and above	10% of the first outstanding R2500 5% above the second R2500 outstanding plus the cost of credit control actions. The balance of this outstanding amount over a maximum period of 24 months.



BUSINESS

1. No arrangements for businesses.

GOVERNMENT DEPARTMENTS

1. No arrangements for government departments.

Arrangements will be free of interest, should the payment arrangement be maintained regularly.

In all instances of arrears on service accounts where the customer is on the prepaid electricity system, amount in arrears is added as a surcharge to the prepaid electricity cost, and be repaid by allocating fifty percent of each purchase amount of electricity until the debt is liquidated;

6.8 INDIGENT SUBSIDY

Customers may apply for an indigent subsidy on the conditions as stipulated in the municipality's Indigent Policy.

6.9 FREE BASIC SERVICES

Council may provide, free of charge to a customer, certain basic levels of services, as determined from time to time.

7. CREDIT CONTROL

7.1 OBJECTIVES

The objectives of the credit control section are to:

- a) Implement procedures that will ensure the prevention of an escalation in debt;
- b) Limit risk by employing effective management tools; and
- c) Prevent prescribed debt from accumulating.

7.2 APPLICATIONS FOR SERVICES AND SERVICE AGREEMENTS

AS


- 7.2.1 All consumers wishing to utilise municipal services must apply to enter into a service agreement.
- 7.2.2 The service agreement, on the prescribed form, will be entered into prior to the provision of services and prior to the consumer taking occupation of the premises.
- 7.2.3 Before being provided with electricity, water and/or other customer services, and prior to taking occupation of premises, every customer shall enter into a service agreement with the municipality in which, inter alia, the municipality may require the customer to agree that the electricity, water and/or other services, supplied by prepaid meter systems, may be used for credit control purposes to collect arrears in respect of all outstanding debt.
- 7.2.4 Owners may allow tenants to sign separate agreements with the municipality, which the municipality may at its own discretion accept or reject;
- 7.2.5 On default by a tenant, the owner will be the debtor of last resort;
- 7.2.6 A new service agreement will only be entered into once all amounts owed by a consumer on other debtor accounts are settled in full.
- 7.2.7 Where municipal services are used/consumed or made use of, and the owner, tenant, or occupants of a property, have not entered into nor completed an agreement for such services, the owner responsible for the payment of rates on the property will be billed for the metered consumption and all municipal service charges applicable to the property.
- 7.2.8 The service agreement shall indicate that transfer of a property may not be registered until the municipality issues a clearance certificate which reflects that all amounts due in connection with that property for municipal service fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate, have been fully paid.
- 7.2.9 Application forms are available at the municipal offices and the application process must occur at least ten (10) working days prior to taking occupation of the premises. This will ensure that services are available when occupation is taken. Failure to adhere to the timeframe may result in customers not having the services available when occupation is taken. Once the application has been approved, a service agreement will be entered into, and services will commence.
- 7.2.10 The Municipality will render the first account after the first meter reading cycle following the date of signing the service agreement or as soon as is administratively possible.
- 7.2.11 Consumers who illegally consume services without a valid service agreement will be subject to disconnection and/or removal of the service and may have charges laid against them for theft and fraud.

7.2.12 The service agreement shall set out the conditions under which the services are provided and shall require the signatories thereto to accept the contents of the municipality's credit control and debt collection policy, as well as the provisions of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

7.2.13 Where a signatory is not the owner of the property to which the services are to be provided, a letter from the owner indicating that the signatory is the lawful occupant of the property and where a lesser/lessee arrangement exists between the parties, a copy of such agreement shall be attached to the service agreement.

7.2.14 Where a consumer has failed to enter into a service agreement with the municipality, water and/or electricity shall be restricted or disconnected, as the circumstances may require, until such time as a service agreement has been entered into and the applicable deposits have been paid. In such circumstances, the consumer will be held liable for any calculated amounts.

7.2.15 Prior to signing these agreements, customers will be entitled to receive the policy document of the municipality on request.

7.2.16 On the signing of the agreement, customers will receive a copy of the agreement for their records.

7.2.17 Existing customers of services will be required to sign new agreements as determined by the Municipal Manager from time to time.

7.3 CUSTOMER SCREENING AND SECURITIES

7.3.1 Every customer, other than those who are the registered owners of the property, is to pay a deposit on application for the provision of municipal services before the municipality renders any service to the property. Deposits are payable when new customers sign service agreements and when existing customers move to a new supply address. All deposits shall be paid at least 10 (ten) days prior to occupation of the property or prior to the date on which the services are required, if not required on date of occupation. Failure to comply with this clause may result in a delay in the connection of services and the Council shall not be liable for any loss or prejudice suffered by a customer as a result thereof.

7.3.2 All applicants for municipal services may be checked for creditworthiness including checking information from banks, credit bureau, other local authorities, trade creditors and employers.

a) Consumers may be grouped into high, medium, or low risk consumers.

b) A consumer could then be granted a low-risk status if he/she/it has not defaulted on any payment to the municipality, medium risk for defaults on payments and high risk if any legal action and judgements were taken.

7.3.3 Based on any risk assessment, non-payment of services, default on existing payment arrangement, tampering with the service or theft of water/electricity, the level of deposits may be set or increased.

7.3.4 Deposits can be increased at the discretion of the municipality to a maximum of three months average consumption.

7.3.5 The outcome of any review contemplated shall be communicated to the customer in the event of any variation in the deposit arrangements being required.

7.3.6 The municipality will not pay any interest on deposits.

7.3.7 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the municipality, will be refunded to the consumer.

7.3.8 Bank guarantees are only permitted for businesses and only under circumstances as determined by the municipality from time to time.

7.3.9 Deposits are not transferable when existing customers move to a new address.

7.4 RIGHT OF ACCESS TO PREMISES

7.4.1 The owner and or occupier of property must allow an authorised representative of the municipality access at reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service. The representative must have proper authorisation and can only request access during reasonable hours.

7.4.2 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.

7.4.3 If a person fails to comply with 7.4.1 the municipality or its authorised representative may -

- a) by written notice require such person to restore access at his/her own expense within a specified period; and
- b) as a matter of urgency, without prior notice restore access and recover the cost from such person.

7.4.4 If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible, the municipality shall estimate the consumption of the service concerned and thereafter bill the accountholder for the monetary value of such estimated consumption.

7.4.5 In the event that the municipality continues to be unsuccessful in obtaining access to the property and, therefore, is unable to obtain an accurate meter reading, the Chief Financial Officer or his authorised representative may disconnect the supply.

7.4.6 Voluntary readings -

These will be permitted provided the municipality obtains any final reading should the consumer move to another supply address.

Consumers may be liable for a fee to cover the costs of obtaining a reading if no advance warning is given and special arrangements are required to obtain a reading.

The municipality is entitled to make suitable adjustments to the readings should a consumer fail to ensure that a final reading is obtained.

An audit reading during the normal reading cycles must be obtained at least once every 12 months. If a special audit reading becomes necessary, this will be done at the cost of the consumer.

The consumer may elect to supply voluntary readings subject to compliance with these rules. The Chief Financial Officer may, however, cancel the voluntary reading convenience if the consumer fails to render readings on two or more consecutive occasions.

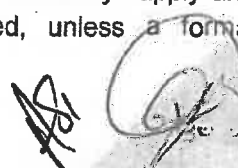
7.5 DISCONNECTIONS/RESTRICTIONS OF SERVICE

7.5.1 The municipality shall disconnect/restrict services to consumers whose consolidated accounts remain unpaid after the due date.

7.5.2 The municipality shall, prior to disconnection and/or restriction of services, not be obliged to issue any final demand notices or other reminders to customers whose accounts are unpaid after the due date.

7.5.3 The municipal account shall reflect a warning message that shall be deemed to be proper and sufficient notice to the customer that his services may be disconnected or restricted unless payment is received on or before due date.

7.5.4 Arrears, is not received by close of business on due date, the electricity supply and thereafter the water supply may be disconnected/restricted, unless a formal

 Page 28

arrangement for an extension of payment, in terms of section 6.7.3 has been approved by the Chief Financial Officer or his authorised representative.

7.5.5 The municipality reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or other municipal charges.

7.5.6 Even though a customer may have concluded satisfactory credit arrangements in terms of section 6.7.3 the municipality is not obliged to affect a reconnection of services on the day that payment is received, or the agreement has been signed, but will, unless unable to do so because of circumstances beyond the control of the municipality, endeavour to do so within three (3) working days in terms of section 7.7 read in conjunction with section 7.6.

7.5.7 Where a customer's services, are disconnected or where access to a disconnected service has not been obtained, the customer shall be charged a visitation fee, as determined by council, which shall be paid prior to the services being reconnected.

7.5.8 Where a customer's account and/or service agreement has been terminated or is in arrears and no credit arrangement has been entered into, council may, at the customer's cost, proceed to collect such amount as is outstanding and due in terms of the procedures for debt collection contained in section 9 of this policy.

7.5.9 Where a customer or owner's account is in arrears and no credit arrangement for the settlement of any outstanding debt has been entered into, and, whether the services to the property have been disconnected / restricted or not, council may, regardless of whether the service agreement is terminated or not, implement the procedures for debt collection as set out in Section 8 of this policy, if such action is deemed by the Chief Financial Officer to be in the best interests of council.

7.5.10 Should the Chief Financial Officer be of the opinion that the termination of services, in respect of the account is in arrears, could result in the endangerment of the life of any person, the Chief Financial Officer may appropriately restrict rather than terminate the services in question.

7.5.11 All costs related to notices, the restrictions or dis- and reconnections, will be determined by tariffs approved by the municipal Council, and will be payable by the customer.

7.6 RECONNECTION/REINSTATEMENT OF TERMINATED/RESTRICTED SERVICES

7.6.1 Services which have been terminated or restricted shall be reconnected or reinstated by the municipality only when all the following conditions have been met:

- a) The arrear account has been paid in full, including the interest raised on such account; or
- b) An acceptable arrangement has been entered into with the municipality for the payment of the arrear account, including the cost of dis- and reconnections, the interest raised on such account; or a query, as contemplated in section 7.4 has been resolved and arrangements for payment as approved by the Chief Financial Officer have been concluded;
- c) A revised/existing service agreement, where required, has been entered into/reinstated with the municipality, as contemplated in Section 7.2 of this policy; and
- d) A suitable cash deposit, where required and as determined by the Chief Financial Officer in terms of Section 8.3, has been paid to the municipality.

7.6.2 Where consumers using prepaid meters are in arrears, in respect of other services rendered by the municipality, the municipality shall allocate fifty (50) percent of any future prepaid purchases to amounts in arrears, until such time as the arrears have been brought up to date.

7.7 PERIOD FOR RECONNECTION OR REINSTATEMENT

The municipality shall endeavour to reconnect or reinstate terminated or restricted services as soon as conveniently possible but not later than within 3 (three) working days after the date on which the conditions set out in section 8.6 of this policy have been met, unless unable to do so because of circumstances beyond the control of the municipality.

7.8 CLEARANCE CERTIFICATES

7.8.1 On the sale of any property in the municipal jurisdiction, the municipality will withhold the transfer until all rates, services and consumption charges are paid by withholding a rates clearance certificate as contemplated in section 118 of the Systems Act, No 32 of 2000

7.8.2 The Municipality shall, wherever possible, issue a clearance certificate within ten working days of such request once all outstanding debts and administration fees have been paid in full.

7.8.3 The above provisions do not apply in the case of transfers from National Government, Provincial Government, or another municipality of residential property where the provisions of Section 118 of the Municipal Systems Act are applicable.

7.8.4. The Municipality shall collect two (2) months service charges in advance to cover the period for the transfer to be registered at the Deeds Office.

7.9 THE PRE-PAYMENT SYSTEM

The municipality may use its pre-payment system to recover arrears in respect of accrued municipal taxes and other municipal levies, tariffs, and duties in respect of services such as water, refuse removal, sanitation, and sewerage.

7.10 INCENTIVES FOR PROMPT PAYMENT

7.10.1 To encourage prompt payment and/or to reward regular payers the municipality may consider incentives for the prompt payment of accounts or payment by debit or stop orders.

7.10.2 Council can from time to time consider incentives like a customer rehabilitation incentive to collect arrears in combination of debt write-offs.

7.11 INTEREST ON ARREARS AND OTHER PENALTY CHARGES

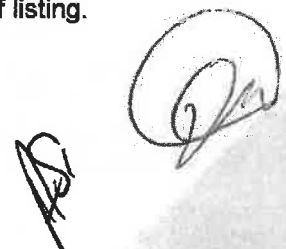
7.11.1 Interest shall be charged for a full month on all arrear amounts at the percentage determined by council irrespective of when payment is made.

7.11.2 For purposes of determining arrear amounts, all amounts that are unpaid after due date, excluding interest, penalty charges previously raised including collection charges and Value-Added Tax, shall be taken into account.

7.11.3 The Chief Financial Officer will be entitled to raise the following charges in addition to the interest charge contemplated in clause 7.11.1: charges for disconnection or restriction of services charges for reconnection or reinstatement of services charges for notices of default and other correspondence penalty charges for illegal reconnections.

7.11.4 Other than those penalty charges prescribed by legislation, the value of each of these charges will be determined on an annual basis by council when considering its annual budget and shall be contained in the Beaufort West Municipality tariff listing.

7.12 ILLEGAL TAMPERING AND/OR THEFT OF SERVICES



Valuation Roll Reconciliation Action Plan September 2023

BEAUFORT WEST DEBT RELIEF APPLICATION: OBJECTIVE

The high-level property rates reconciliation submitted as part of the application indicates differences - the municipality must submit the approved action plan to address these variances to the National Treasury within 30 days of the letter of approval. The monthly MFMA s.71 statement to track the municipality's progress against this planned corrective action.

STATUS UPDATE

The difference identified between the valuation roll and EMS during the application was at R7081,990 and was reduced to R4.6 million (below)

WC053_Q4_2022/23_High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GR	MFR	Variance	GV Market Values	MFR Market Values	VF Error
Residential	10637	11174	-537	1 221 273 010.00	1 321 951 500.00	99 678 490.00
Industrial		4h	9	35 013 000.00	28 989 000.00	6 024 000.00
Business and Commercial	339	371	18	367 009 000.00	346 831 000.00	20 178 000.00
Agriculture	1222	1217	5	2 889 021 500.00	2 874 958 000.00	14 063 500.00
Mining	0	0	0			
State Owned or Public Property	68	97	-29	164 944 000.00	162 702 000.00	2 242 000.00
PSA	196	170	26	751 000.00	2 306 000.00	1 555 000.00
MSO	7	0	7	24 511 000.00		24 511 000.00
Municipal	0	0	0			
Valued	819	826	-19	29 787 000.00	43 397 000.00	13 610 000.00
Other	82	0	82	65 843 000.00		65 843 000.00
Municipal	1114	856	256	165 451 000.00	137 430 000.00	28 021 000.00
Other	46	50	-4	101 780 000.00	116 480 000.00	14 700 000.00
	14505	14552	-47	\$ 100 487 510.00	\$ 975 022 500.00	1 405 890.00

ACTION / IMPLEMENTATION (To be reported upon as part of the monthly Section 71 of the MFMA reporting requirement)	Target Date	Achieved
• Appoint a municipal valuer to address category differences as in terms of (Cogta Circular 10) MPRA section 78 & 74 (DDP)	07-Sep-23	Not Due
• Appoint Vendor to address system data to address billing completeness & accuracy and alignment deeds office (EMS Enzako)	07-Sep-23	Not Due
• Reconcile all SG coding and identify / explain difference in number of properties	30-Sep-23	Not Due
• Reconcile difference in value of properties and correct	30-Sep-23	Not Due
• Reconcile difference in categories of properties	30-Sep-23	Not Due
• All correction that can be made will be made with a SV to follow	30-Sep-23	Not Due
• Quarterly reporting to NT as i.to Circular 93 & debt relief requirements	31-Oct-23	Not Due
• Identify whether properties are accurately billed in accordance with the land use and the rating categor _ assistance Valuer	31-Oct-23	Not Due
• SV & Corrections and complete alignment between valuation roll & the accounting system	15-Nov-23	Not Due
• Monthly maintenance and reconciliation between the valuation roll and EMS	30-Nov-23	Not Due
• Monthly reconciliation Dec 2023	15-Jan-24	Not Due
• Quarterly reporting to NT as i.to Circular 93 & debt relief requirements	31-Jan-24	Not Due
• Monthly reconciliation Jan 2024	14-Feb-24	Not Due
• Monthly reconciliation Feb 2024	14-Mar-24	Not Due
• Monthly reconciliation Mar 2024	15-Apr-24	Not Due
• Quarterly reporting to NT as i.to Circular 93 & debt relief requirements	30-Apr-24	Not Due
• Monthly reconciliation Apr 2024	15-May-24	Not Due
• Monthly reconciliation May 2024	14-Jun-24	Not Due
• Monthly reconciliation Jun 2024	12-Jul-24	Not Due
• Quarterly reporting to NT as i.to Circular 93 & debt relief requirements	31-Jul-24	Not Due

Signatures

Acting Municipal Manager

Derick E Welgemoed

Date: 07.09.2023

Signatures

Acting Chief Financial Officer

Mehluli Nhlengothwa

Date: