



**MUNISIPALITEIT – MUNICIPALITY – UMASIPALA-WASE
BEAUFORT-WES/BEAUFORT WEST/BHOBHOFOLO**

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Datum

Date 06 November 2024

6970

*EXTRACT FROM THE 7th MONTHLY COUNCIL MEETING OF THE LOCAL MUNICIPAL COUNCIL
HELD ON TUESDAY 29 OCTOBER 2024.*

**8.36 REPORT ON THE IMPLEMENTATION OF THE BUDGET AND FINANCIAL STATE OF
THE BEAUFORT WEST MUNICIPALITY- SECTION 52(d) AND SECTION 54 OF THE
MFMA -FIRST QUARTER OF 2024/2025 FINANCIAL YEAR.**

5/1/2/1

RESOLVED

dcs

That the Report on the Implementation of the Budget and Financial State of the Beaufort West Municipality- Section 52(d) and Section 54 of the MFMA – First Quarter of 2024/2025 Financial year attached as **Annexure 419** to **490** be approved and accepted.

**CERTIFIED AS A TRUE REFLECTION AND EXTRACT FROM THE MINUTES OF THE 7TH
MONTHLY COUNCIL MEETING HELD ON TUESDAY 29 OCTOBER 2024.**

AC Makendlana

Director: Corporate Services

/pm

BEAUFORT WEST MUNICIPALITY



Quarterly Budget Monitoring report July – September 2024

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Legislative Framework

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Sections 71 & 52,
- and The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements. 28. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act. The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

Report of the Executive Mayor

I hereby wish to submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality for the first quarter as required by section 52(d) of the MFMA.

In terms of section 54 of the MFMA, the Mayor must consider the section 71 report and check whether the Municipality's approved budget is implemented in accordance with the SDBIP and issue appropriate instructions to the Accounting Officer. Furthermore section 54(2) of the MFMA states that if the Municipality faces serious financial problems, the Mayor must promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems.

The submission of this report is part of my general responsibilities as the Mayor of the Beaufort West Municipality. This report is intended to inform the Council on the financial affairs of the Municipality to enable Council to exercise its oversight responsibility.



CLR. J.D. Reynolds

EXECUTIVE MAYOR

Mayor report and Resolutions

1.1 In-Year Report – Monthly Budget Statement

1.1.1 Implementation of the budget in accordance with the SDBIP

Tables and graphs on budget implementation in accordance with the SDBIP are contained in **part 3** of the report.

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

This report contains the pre-audit figures relating to the 2023/24 financial year that was submitted to the Auditor General for audit purposes at the end of August 2024.

2. Resolutions

IN-YEAR REPORT 2024/2025

This is the resolution that will be presented to Council when the In-Year-Report is tabled:

RECOMMENDATION:

- a) That the Council notes the quarterly report (July – September 2024) on the implementation of the budget and the financial affairs of Beaufort West Municipality referred to in section 52(d) of the MFMA.

PART 1 : Executive Summary

1.1 Consolidated Performance

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP). Furthermore, it compares the quarterly projections for service delivery targets and performance indicators contained in the SDBIP, against the actual outcomes of the municipality's performance in service delivery for the 1st quarter of 2024/25.

The following table summarizes the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

Rand thousands	Capital Expenditure	Operating Income	Operating Expenditure
Original Budget	25,575	499,429	449,398
Adjusted Budget	-	-	-
Actual	12,875	111,268	107,279
% of original budget 2024/2025	50%	22%	24%
% of adjusted budget 2024/2025	-	-	-

Performance against annual budget (reasons for variances), material variances from SDBIP and remedial or corrective steps:

Operating Revenue by Source

<u>Rand thousands</u> <u>Revenue by Source</u>	<u>Original Budget</u>	<u>Actual Income to date</u>	<u>Budgeted Income to date</u>	<u>Variance</u>	<u>% Variance</u>
<u>Service charges - Electricity</u>	120,473	29,310	30,118	-808	-3%
	<u>Reason for Variance:</u> The 3% variance is attributed to the conversion of conventional electricity meters to prepaid electricity. The extended application period for qualifying Indigent consumers gave effect to customers with conventional meters rebated for the benefit, the conversion of these consumers will be completed after RT29 procurement is completed. Electricity tariffs are seasonally driven, electricity consumption are expected to increase in the last four months of the last part of the 2024/25 financial year.				
<u>Service charges - Water</u>	20,853	2,410	5,213	-2,803	-54%
	<u>Reason for Variance:</u> The high number of unmetered households attributed to the 54% variance, as a remedial Council approved the water flat rate levy at 6kl for each of these households. New water meters are in the process of being procured through the National Treasury's RT29-2024 Transversal Contract – Smart Meter Solution offering, once these meters are installed and monitored revenue billed will increase.				
<u>Service charges - Waste Water Management</u>	24,740	5,507	6,185	-678	-11%
	<u>Reason for Variance:</u> Revenue are expected to increase as the year progress.				

<u>Service charges - Waste management</u>	16,399	3,056	4,100	-1,044	-25%
	<u>Reason for Variance:</u> Revenue are expected to increase as the year progress, a possible adjustment will have to be considered with the adjustment budget of February.				
<u>Sale of Goods and Rendering of Services</u>	942	137	236	-98	-42%
	<u>Reason for Variance:</u> n/a, variance not material. Given that it is only the end of the first quarter of the financial year, revenue is expected to increase as the year progress.				
<u>Agency services</u>	1,766	347	442	-95	-22%
	<u>Reason for Variance:</u> n/a, revenue recognized above target. Given that it is only the end of the first quarter of the financial year, revenue is expected to increase as the year progress.				
<u>Interest earned from Receivables</u>	11,992	2,344	2,998	-654	-22%
	<u>Reason for Variance:</u> There have been an improvement in the collection rate during the first quarter of the financial year hence the billing of Interest earned from Receivables were lower than anticipated. Household and Business consumers have been entering into repayment plans to settle arrear debt over an approved period, the repayment plans are exempted for levying interest. This revenue source will be monitored going forward to see the trend and if an adjustment will have to be made during the adjustment budget in February.				

<u>Interest from Current and Non Current Assets</u>	2,221	856	555	301	54%
	<u>Reason for Variance:</u> n/a, revenue recognized above target.				
<u>Rental from Fixed Assets</u>	2,022	415	506	-90	-18%
	<u>Reason for Variance:</u> Rental levies were corrected during the quarter where no occupation of property was taken-up. The overall correction for the period under review resulted in a lower billing due the cancellation of these contracts.				
<u>Licence and permits</u>	316	52	79	-27	35%
	<u>Reason for Variance:</u> n/a, variance not material. Given that it is only the end of the first quarter of the financial year, revenue is expected to increase as the year progress.				
<u>Operational Revenue</u>	1,351	422	338	85	25%
	<u>Reason for Variance:</u> n/a, revenue recognized above target.				
<u>Property rates</u>	55,152	12,432	13,788	-1,356	-10%
	<u>Reason for Variance:</u> The Beaufort West Municipality implemented a new valuation roll as from the 1 July 2024. Objections were lodged with the implementation of the new roll and the finalization thereof. A supplementary valuation roll was implemented in cases where there was a decrease in property valuation and this resulted in a lower billing on property rates. Hence the variance.				

<u>Fines, penalties and forfeits</u>	73,189	4,393	18,297	-13,905	-76%
	<u>Reason for Variance:</u>				
	The variance is mainly attributable to the traffic fines debtor and the iGRAP1 treatment thereof.				
<u>Licence and permits</u>	203	46	51	-5	-10%
	<u>Reason for Variance:</u>				
	n/a, variance not material. Given that it is only the end of the first quarter of the financial year, revenue is expected to increase as the year progress.				
<u>Transfers and subsidies - Operational</u>	102,942	40,121	25,736	14,386	56%
	<u>Reason for Variance:</u>				
	n/a. Overperformance was due to the first equitable share allocation that was received by the municipality during the first quarter of the 2024/2025 financial year.				
<u>Interest</u>	3,449	674	862	-188	-22%
	<u>Reason for Variance:</u>				
	n/a, variance not material. Given that it is only the end of the first quarter of the financial year, revenue is expected to increase as the year progress.				
<u>Operational Revenue</u>	35,832	8,745	8,958	-213	-2%
	<u>Reason for Variance:</u>				
	n/a, Given that it is only the end of the first quarter of the financial year, revenue is expected to increase as the year progress.				

Other Gains	25,587	-	6,397	-6,397	-100%
	<u>Reason for Variance:</u>				
	n/a. The municipality is currently participating in the municipal debt relief programme of National Treasury. The 25,587 million relate to the first third write-off over a three year period. The municipality is currently awaiting the outcome / approval of the first write-off.				
Transfers and subsidies - capital (monetary allocations)	26,171	12,239	6,543	5,697	87%
	<u>Reason for Variance:</u>				
	n/a. Overperformance was due to the high expenditure at the end of the first quarter on the Municipal Infrastructure Grant (MIG).				
<u>Total Revenue</u>	525,600	123,507	131,400	-7,893	-6%

Operating Expenditure by type:

<u>Rand thousands</u> <u>Expenditure type:</u>	<u>Original Budget</u>	<u>Actual Expenditure</u> <u>to date</u>	<u>Budgeted</u> <u>Expenditure to date</u>	<u>Variance</u>	<u>% Variance</u>
<u>Employee related costs</u>	138,817	30,122	34,704	-4,582	-13%
	<u>Reason for Variance:</u> n/a, expenditure are still within the year to date budget.				
<u>Remuneration of councillors</u>	7,133	1,598	1,783	-185	-10%
	<u>Reason for Variance:</u> n/a, expenditure are still within the year to date budget.				
<u>Bulk purchases - electricity</u>	105,318	26,749	26,330	419	2%
	<u>Reason for Variance:</u> n/a, variance not material.				
<u>Inventory consumed</u>	25,503	2,850	6,376	-3,526	-55%
	<u>Reason for Variance:</u> n/a, expenditure within the budget and are expected to increase as the year progress.				
<u>Debt impairment</u>	75,382	19,278	18,846	433	2%
	<u>Reason for Variance:</u> n/a, variance not material.				

<u>Depreciation and amortisation</u>	29,266	7,316	7,316	-	-
	<u>Reason for Variance:</u> n/a, expenditure within the budget.				
<u>Interest</u>	1,847	238	462	-223	-48%
	<u>Reason for Variance:</u> n/a, expenditure within the budget.				
<u>Contracted services</u>	27,528	6,270	6,882	-612	-9%
	<u>Reason for Variance:</u> n/a, expenditure within the budget.				
<u>Irrecoverable debts written off</u>	-	-	-	-	-
	<u>Reason for Variance:</u> n/a				
<u>Operational costs</u>	38,604	12,857	9,651	3,206	33%
	<u>Reason for Variance:</u> The over expenditure on other expenditure is due to internal departmental consumption changes amounting to R 4,442 million as well as annual expenditure invoices that was raised in July.				
<u>Total Expenditure</u>	449,398	107,279	112,350	-5,070	-5%

Capital Expenditure:

<u>Rand thousands</u>	<u>Original Budget</u>	<u>Actual Expenditure to date</u>	<u>Budgeted Expenditure to date</u>	<u>Variance</u>	<u>Variance %</u>
<u>Directorate:</u>					
<u>Municipal Manager</u>	-	-	-	-	-
	<u>Reason for Variance:</u> n/a, no budget allocated for the 2024/25 financial year.				
<u>Infrastructure Services</u>	8,654	-	2,163	-2,163	-100%
	<u>Reason for Variance:</u> There is currently three projects that will be implemented by the department namely 20MVA 22/11 kV Upgrading of Main Substation (Phase VI); Upgrade of Telemetry system and Upgrade of Vandalised Boreholes. These projects are all financed by national and provincial grants. The SCM processes are currently in the process to be concluded and the contractors are expected to be on site in the second quarter of the 2024/25 financial year.				
<u>Corporate Services</u>	1,804	-	451	-451	-100%
	<u>Reason for Variance:</u> There is two projects that will be implemented by the department namely the acquisition of Computer Equipment and the Upgrade of the Kwa-Mandlenkosi Library. The funding relating to the Kwa-Mandlenkosi Library has not yet been received from the Department Cultural Affairs & Sport: Library Service, hence no expenditure at the end of September. SCM processes are currently underway with the acquisition of Computer Equipment.				
<u>Financial Services</u>	-	-	-	-	-

	Reason for Variance:				
	n/a, no budget allocated for the 2024/25 financial year.				
Community Services	15,117	12,875	3,779	9,096	241%
	Reason for Variance:				
	There is two projects that will be implemented by the department namely the Supply and Delivery of Yellow Fleet at the Landfill Site in Beaufort West and Upgrade Sportsgrounds in Nelspoort. The Yellow Fleet / Landfill Compactor were delivered and the invoice was paid, project were completed in the 1 st quarter. The Upgrade of the Nelspoort Sportsground is an ongoing project during the 2024/25 financial year.				
Total Capital Expenditure	25,575	12,875	6,394	6,481	101%

PART 2 : In-year Budget Statement Tables

2.1. Table C1: Monthly Budget Statement Summary

WC053 Beaufort West - Table C1 Monthly Budget Statement Summary - Q1 First Quarter									
Description	2023/24	Budget Year 2024/25							
	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	46,614	55,152	-	4,087	12,432	13,788	(1,356)	-10%	55,152
Service charges	107,695	182,465	-	11,894	40,283	45,816	(5,533)	-12%	182,465
Investment revenue	2,684	2,221	-	758	856	555	301	54%	2,221
Transfers and subsidies - Operational	115,122	102,842	-	929	40,121	25,736	14,385	0	102,842
Other own revenue	134,252	156,649	-	5,768	17,575	39,162	(21,587)	-55%	-
Total Revenue (excluding capital transfers and contributions)	406,366	489,429	-	23,437	111,268	124,857	(13,590)	-11%	489,429
Employee costs	124,332	138,817	-	10,623	30,122	34,704	(4,582)	-13%	138,817
Remuneration of Councillors	6,018	7,133	-	528	1,598	1,783	(185)	-10%	7,133
Depreciation and amortisation	26,483	29,266	-	7,316	7,316	7,316	-	-	29,266
Interest	4,464	1,847	-	118	238	462	(223)	-48%	1,847
Inventory consumed and bulk purchases	107,263	130,621	-	14,258	29,599	32,705	(3,107)	-9%	130,621
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	136,701	141,513	-	26,106	38,405	35,378	3,027	9%	141,513
Total Expenditure	403,290	449,388	-	58,949	107,279	112,350	(5,070)	-5%	449,388
Surplus/(Deficit)	1,076	50,031	-	(35,513)	3,988	12,508	(8,519)	-88%	50,031
Transfers and subsidies - capital (monetary allocations)	15,945	26,171	-	988	12,239	6,543	5,697	87%	26,171
Transfers and subsidies - capital (in-kind)	285	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	17,306	76,202	-	(34,544)	16,228	19,050	(2,823)	-15%	76,202
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	17,306	76,202	-	(34,544)	16,228	19,050	(2,823)	-15%	76,202
Capital expenditure & funds sources									
Capital expenditure	15,307	25,575	-	11,244	12,033	4,263	7,770	182%	25,575
Capital transfers recognised	14,117	22,757	-	842	10,643	5,889	4,854	87%	22,757
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1,190	2,818	-	-	2,232	704	1,528	217%	2,818
Total sources of capital funds	15,307	25,575	-	842	12,875	8,394	6,481	101%	25,575
Financial position									
Total current assets	84,297	202,574	-	-	135,976	-	-	-	202,574
Total non current assets	456,936	452,782	-	-	459,435	-	-	-	452,782
Total current liabilities	134,472	148,918	-	-	172,449	-	-	-	148,918
Total non current liabilities	81,266	86,953	-	-	81,266	-	-	-	86,953
Community wealth/Equity	325,805	419,485	-	-	341,705	-	-	-	419,485
Cash flows									
Net cash from (used) operating	18,228	62,645	-	(2,670)	23,266	15,661	(7,604)	-49%	62,645
Net cash from (used) investing	(16,018)	(25,575)	-	(744)	(12,755)	(6,394)	6,361	-99%	(25,575)
Net cash from (used) financing	(1,182)	(1,102)	-	13	31	(275)	(307)	111%	(1,102)
Cash/cash equivalents at the month/year end	15,890	55,906	-	(3,401)	28,718	28,930	212	1%	55,906
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dye	151-180 Dye	181 Dye-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	23,813	5,312	4,436	4,971	3,981	3,439	3,685	164,988	214,624
Creditors Age Analysis									
Total Creditors	875	752	1,310	272	618	832	139	112,530	117,429

2.2. 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 organisational 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) - Q1 First Quarter										
Description	Ref	2023/24			Budget Year 2024/25					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance, %	Full Year Forecast
R thousands										
Revenue - Functional										
<i>Governance and administration</i>		183,526	131,492	--	6,979	87,096	31,373	(6,270)	-19%	133,492
Executive and council		11,846	18,170	--	21	5,085	4,542	543	12%	18,170
Finance and administration		141,580	115,323	--	6,958	27,010	26,831	(8,821)	-24%	115,323
Internal audit		--	--	--	--	--	--	--	--	--
<i>Community and public safety</i>		40,048	91,729	--	3,908	9,821	22,832	(14,311)	-62%	91,729
Community and social services		8,495	9,820	--	868	1,855	2,455	(480)	-20%	9,820
Sport and recreation		2,530	5,812	--	908	2,683	1,403	1,180	64%	5,812
Public safety		27,952	74,770	--	1,230	4,073	10,592	(14,020)	-78%	74,770
Housing		1,071	1,527	--	--	--	382	(382)	-100%	1,527
Health		--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		3,086	1,411	--	109	302	358	(90)	-14%	1,411
Planning and development		1,859	1,411	--	100	302	358	(90)	-14%	1,411
Road transport		6,207	--	--	--	--	--	--	--	--
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		220,957	299,956	--	14,714	87,489	74,742	12,747	17%	299,956
Energy sources		128,585	162,852	--	10,808	41,818	40,719	1,203	3%	162,852
Water management		39,021	54,162	--	601	14,339	13,018	793	9%	54,162
Waste water management		32,556	43,353	--	2,058	12,564	10,538	1,728	16%	43,353
Waste management		24,895	39,591	--	1,240	10,670	9,040	9,024	94%	39,591
Other	4	--	--	--	--	--	--	--	--	--
Total Revenue - Functional	2	422,597	626,600	--	24,405	123,507	131,400	(7,893)	-6%	626,600
Expenditure - Functional										
<i>Governance and administration</i>		182,794	108,416	--	19,278	93,816	27,104	8,716	23%	108,416
Executive and council		18,879	22,910	--	2,480	7,387	5,727	2,260	39%	22,910
Finance and administration		112,806	84,056	--	13,585	25,542	21,014	4,528	22%	84,056
Internal audit		1,302	1,449	--	110	368	382	(74)	-20%	1,449
<i>Community and public safety</i>		84,104	102,144	--	4,698	10,912	28,836	(14,824)	-67%	102,144
Community and social services		12,558	13,163	--	1,184	2,051	3,281	(840)	-19%	13,163
Sport and recreation		9,544	9,527	--	775	1,977	2,382	(405)	-17%	9,527
Public safety		39,567	78,519	--	2,307	8,858	19,130	(13,172)	-68%	78,519
Housing		2,124	2,936	--	122	327	734	(407)	-65%	2,936
Health		--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		29,994	21,886	--	3,344	9,917	7,814	(907)	-13%	21,886
Planning and development		11,797	9,850	--	1,063	2,201	2,492	(281)	-11%	9,850
Road transport		18,207	21,807	--	2,751	4,716	5,452	(735)	-14%	21,807
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		178,409	207,188	--	34,136	65,839	81,799	3,841	7%	207,188
Energy sources		109,909	126,229	--	19,029	31,925	33,307	1,118	3%	126,229
Water management		30,661	37,002	--	8,433	9,183	9,265	(103)	-1%	37,002
Waste water management		15,550	16,697	--	5,078	6,248	4,174	2,071	50%	16,697
Waste management		18,089	18,186	--	3,560	5,303	4,949	754	17%	18,186
Other		--	--	--	--	--	--	--	--	--
Total Expenditure - Functional	3	406,290	448,358	--	59,263	107,283	112,250	(5,067)	-5%	448,358
Surplus/ (Deficit) for the year		17,308	78,242	--	(34,858)	16,224	19,150	(2,626)	-0.14637	78,242

2.3. 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 organisational structure of the municipality which is made up of the following directorates: Municipal Manager; Corporate Services; Financial Services; Infrastructure Services and Community Services.

WC033 Beaufort West - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	8,725	9,073	-	16	3,738	2,268	1,468	64.7%	9,073
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES		204,212	262,795	-	13,683	69,121	65,699	3,423	5.2%	262,795
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES		14,489	19,144	-	693	3,495	4,785	(1,291)	-27.0%	19,144
Vote 5 - DIRECTORATE: FINANCIAL SERVICES		127,205	102,362	-	6,649	17,098	25,690	(8,492)	-33.2%	102,362
Vote 6 - DIRECTORATE: COMMUNITY SERVICES		67,957	132,225	-	3,483	30,066	33,056	(3,000)	-9.1%	132,225
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	422,597	525,600	-	24,405	123,507	131,400	(7,893)	-6.0%	525,600
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	8,335	7,544	-	1,856	5,860	1,886	3,964	210.2%	7,544
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES		232,888	230,051	-	35,290	59,036	57,513	1,524	2.6%	230,051
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES		43,412	49,555	-	2,955	9,635	12,389	(2,853)	-23.0%	49,555
Vote 5 - DIRECTORATE: FINANCIAL SERVICES		42,989	48,007	-	10,884	17,699	12,002	5,697	47.1%	48,007
Vote 6 - DIRECTORATE: COMMUNITY SERVICES		77,668	114,241	-	7,988	15,202	28,560	(13,368)	-46.8%	114,241
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	405,290	449,398	-	58,953	107,283	112,390	(5,067)	-4.8%	449,398
Surplus/ (Deficit) for the year	2	17,308	76,202	-	(34,548)	16,224	19,050	(2,826)	-14.8%	76,202

2.4. Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

WC053 Beaufort West - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		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		56 275	120 473	--	8 681	29 310	30 118	(808)	-3%	120 473
Service charges - Water		10 977	20 863	--	434	2 410	5 213	(2 803)	-54%	20 863
Service charges - Waste Water Management		19 854	24 740	--	1 782	5 807	6 186	(378)	-11%	24 740
Service charges - Waste management		10 788	16 309	--	987	3 056	4 100	(1 044)	-25%	16 309
Sale of Goods and Rendering of Services		675	942	--	38	137	208	(98)	-42%	942
Agency services		1 358	1 786	--	121	347	442	(95)	-22%	1 786
Interest		--	--	--	--	--	--	--	--	--
Interest earned from Receivables		9 075	11 992	--	740	2 344	2 988	(654)	-22%	11 992
Interest from Current and Non Current Assets		2 684	2 221	--	758	898	556	301	54%	2 221
Dividends		--	--	--	--	--	--	--	--	--
Renton Land		--	--	--	--	--	--	--	--	--
Rental from Fixed Assets		1 715	2 022	--	125	416	506	(90)	-18%	2 022
License and permits		219	316	--	59	52	79	(27)	-35%	316
Operational Revenue		2 437	1 351	--	134	427	338	85	25%	1 351
Non-Exchange Revenue										
Property rates		48 614	55 152	--	4 087	12 432	13 788	(1 356)	-10%	55 152
Burcharges and Taxes		--	--	--	--	--	--	--	--	--
Fines, penalties and forfeits		75 592	73 189	--	1 318	4 383	18 297	(13 905)	-76%	73 189
License and permits		170	203	--	15	46	51	(5)	-10%	203
Transfers and subsidies - Operational		115 122	102 942	--	929	40 121	25 736	14 386	56%	102 942
Interest		3 211	3 448	--	221	674	852	(188)	-22%	3 448
Fuel Levy		--	--	--	--	--	--	--	--	--
Operational Revenue		39 467	35 832	--	3 698	8 745	8 958	(213)	-2%	35 832
Gain on disposal of Assets		--	--	--	--	--	--	--	--	--
Other Gains		234	25 587	--	--	--	6 397	(6 397)	-100%	25 587
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		408 388	499 429	--	23 437	111 288	124 857	(13 569)	-11%	499 429
Expenditure By Type										
Employee related costs		124 332	138 817	--	10 623	30 122	34 704	(4 582)	-13%	138 817
Remuneration of councillors		6 018	7 133	--	528	1 588	1 783	(185)	-10%	7 133
Bulk purchases - electricity		90 529	106 318	--	12 845	26 749	26 330	419	2%	106 318
Inventory consumed		16 754	25 503	--	1 412	2 460	6 376	(3 928)	-56%	25 503
Debt impairment		23 055	75 362	--	19 278	19 278	18 646	433	2%	75 362
Depreciation and amortisation		26 493	29 266	--	7 316	7 316	7 316	--	--	29 266
Interest		4 464	1 847	--	118	238	462	(223)	-46%	1 847
Contracted services		28 247	27 528	--	2 705	6 270	6 682	(412)	-9%	27 528
Transfers and subsidies		--	--	--	--	--	--	--	--	--
Irrecoverable debt written off		52 276	--	--	--	--	--	--	--	--
Operational costs		32 888	38 604	--	4 127	12 861	9 651	3 210	33%	38 604
Losses on Disposal of Assets		1 317	--	--	--	--	--	--	--	--
Other Losses		958	--	--	--	--	--	--	--	--
Total Expenditure		405 290	448 398	--	58 953	107 283	112 350	(5 067)	-5%	448 398
Surplus/(Deficit)										
Surplus/(Deficit)		1 076	50 031	--	(35 517)	5 984	12 508	(6 523)	(0)	50 031
Transfers and subsidies - capital (monetary allocations)		15 945	26 171	--	968	12 206	6 543	5 697	0	26 171
Transfers and subsidies - capital (in-kind)		285	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital transfers & contributions		17 306	76 202	--	(34 548)	18 224	19 050	(2 826)	(0)	76 202
Income Tax										
Surplus/(Deficit) after income tax		17 306	76 202	--	(34 548)	18 224	19 050	(2 826)	(0)	76 202
Share of Surplus/Deficit attributable to Joint Venture		--	--	--	--	--	--	--	--	--
Share of Surplus/Deficit attributable to Minorities		--	--	--	--	--	--	--	--	--
Surplus/(Deficit) attributable to municipality		17 306	76 202	--	(34 548)	18 224	19 050	(2 826)	(0)	76 202
Share of Surplus/Deficit attributable to Associates		--	--	--	--	--	--	--	--	--
Intercompany/Parent subsidiary transactions		--	--	--	--	--	--	--	--	--
Surplus/(Deficit) for the year		17 306	76 202	--	(34 548)	18 224	19 050	(2 826)	(0)	76 202

2.5. 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) - Q1 First Quarter										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		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		5,667	6,480	-	-	-	1,620	(1,620)	-100%	6,480
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - DIRECTORATE: FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - DIRECTORATE: COMMUNITY SERVICES		6,663	4,666	-	842	2,246	1,167	1,080	93%	4,666
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	12,590	11,146	-	842	2,246	2,787	(540)	-19%	11,146
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - DIRECTORATE: INFRASTRUCTURE SERVICES		1,694	2,174	-	-	-	543	(543)	-100%	2,174
Vote 3 - DIRECTORATE: ELECTRO-TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: CORPORATE SERVICES		710	1,804	-	-	-	451	(451)	-100%	1,804
Vote 5 - DIRECTORATE: FINANCIAL SERVICES		13	-	-	-	-	-	-	-	-
Vote 6 - DIRECTORATE: COMMUNITY SERVICES		361	10,451	-	-	10,629	2,613	8,016	307%	10,451
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	2,778	14,429	-	-	10,629	3,607	7,822	198%	14,429
Total Capital Expenditure		15,307	25,575	-	842	12,875	6,394	6,481	101%	25,575
Capital Expenditure - Functional Classification										
Governance and administration		985	500	-	-	-	125	(125)	-100%	500
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		985	500	-	-	-	125	(125)	-100%	500
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2,473	5,971	-	842	2,346	1,493	753	50%	5,971
Community and social services		35	1,304	-	-	-	326	(326)	-100%	1,304
Sport and recreation		2,438	4,666	-	842	2,246	1,167	1,080	93%	4,666
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		5,787	-	-	-	-	-	-	-	-
Planning and development		151	-	-	-	-	-	-	-	-
Road transport		5,606	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		6,092	19,104	-	-	10,629	4,776	5,853	123%	19,104
Energy services		16	6,480	-	-	-	1,620	(1,620)	-100%	6,480
Water management		1,086	2,174	-	-	-	543	(543)	-100%	2,174
Waste water management		435	-	-	-	-	-	-	-	-
Waste management		4,566	10,451	-	-	10,629	2,513	8,016	307%	10,451
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	15,307	25,575	-	842	12,875	6,384	6,481	101%	25,575
Funded by:										
National Government		12,116	19,279	-	842	10,643	4,820	5,823	121%	19,279
Provincial Government		1,753	3,478	-	-	-	870	(870)	-100%	3,478
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		248	-	-	-	-	-	-	-	-
Transfers recognised - capital		14,117	22,757	-	842	10,643	5,689	4,954	87%	22,757
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		1,190	2,818	-	-	2,232	704	1,528	217%	2,818
Total Capital Funding		15,307	25,575	-	842	12,875	6,394	6,481	101%	25,575

2.6. Table C6: Monthly Budget Statement - Financial Position

WC053 Beaufort West - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		15,890	55,906	–	30,736	55,906
Trade and other receivables from exchange transactions		24,700	14,932	–	14,113	14,932
Receivables from non-exchange transactions		33,531	62,436	–	26,479	62,436
Current portion of non-current receivables		186	1,154	–	1,599	1,154
Inventory		3,058	4,491	–	3,787	4,491
VAT		5,332	54,150	–	49,141	54,150
Other current assets		1,599	9,505	–	10,121	9,505
Total current assets		84,297	202,574	–	135,978	202,574
Non current assets						
Investments		–	–	–	(2,319)	–
Investment property		5,963	6,739	–	5,907	5,739
Property, plant and equipment		445,969	439,474	–	451,576	439,474
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		3,340	3,340	–	3,340	3,340
Intangible assets		1,362	1,705	–	1,360	1,705
Trade and other receivables from exchange transactions		229	2,030	–	(511)	2,030
Non-current receivables from non-exchange transactions		83	495	–	83	495
Other non-current assets		–	–	–	–	–
Total non current assets		456,936	452,782	–	459,435	452,782
TOTAL ASSETS		541,233	655,357	–	595,411	655,357
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		1,181	1,084	–	1,181	1,084
Consumer deposits		2,682	2,490	–	2,893	2,490
Trade and other payables from exchange transactions		75,879	83,552	–	58,834	83,552
Trade and other payables from non-exchange transactions		(4,011)	1	–	51,219	1
Provision		15,172	15,136	–	14,399	15,136
VAT		43,568	46,655	–	44,123	46,655
Other current liabilities		–	–	–	–	–
Total current liabilities		134,472	148,918	–	172,449	148,918
Non current liabilities						
Financial liabilities		3,741	2,558	–	3,741	2,558
Provision		21,300	22,735	–	28,264	22,735
Long term portion of trade payables		22,470	36,085	–	22,470	36,085
Other non-current liabilities		33,744	25,575	–	28,780	25,575
Total non current liabilities		81,256	86,953	–	81,256	86,953
TOTAL LIABILITIES		215,728	235,872	–	253,705	235,872
NET ASSETS	2	325,505	419,485	–	341,706	419,485
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		321,401	415,381	–	337,602	415,381
Reserves and funds		4,104	4,104	–	4,104	4,104
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	325,505	419,485	–	341,706	419,485

2.7. Table C7: Monthly Budget Statement - Cash Flow

WC053 Beaufort West - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		60,489	52,741	-	3,948	9,187	13,165	(3,999)	-30%	52,741
Service charges		124,247	210,414	-	13,056	39,830	52,604	(12,773)	-24%	210,414
Other revenue		22,183	17,912	-	11,610	16,295	4,478	11,817	264%	17,912
Transfers and Subsidies - Operational		101,214	102,942	-	226	44,611	25,736	18,876	73%	102,942
Transfers and Subsidies - Capital		16,124	26,171	-	2,500	16,692	6,543	12,149	186%	26,171
Interest		14,970	2,221	-	-	190	555	(365)	-66%	2,221
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(315,544)	(347,909)	-	(33,893)	(105,416)	(86,977)	18,438	-21%	(347,909)
Interest		(1,796)	(1,847)	-	(117)	(122)	(462)	(336)	74%	(1,847)
Transfers and Subsidies		(3,659)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		18,228	62,645	-	(2,670)	23,266	15,661	(7,604)	-49%	62,645
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		(16,016)	(26,575)	-	(744)	(12,755)	(6,384)	6,361	-96%	(26,575)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(16,016)	(26,575)	-	(744)	(12,755)	(6,384)	6,361	-98%	(26,575)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	13	31	-	31	#DIV/0!	-
Payments										
Repayment of borrowing		(1,182)	(1,102)	-	-	-	(275)	(275)	100%	(1,102)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,182)	(1,102)	-	13	31	(275)	(307)	111%	(1,102)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		14,860	19,938	-	-	16,176	19,938	-	-	19,938
Cash/cash equivalents at month/year end:		15,890	55,906	-	(3,401)	28,718	28,930	-	-	55,906

The table below indicate the bank statement and investment balances movement for September 2024.

Bank and Investment Balances Movement - September 2024							
	Opening Balance	Revenue	Expenditure	Investment Deposits	Interest Earned	Investment Withdrawals	Closing Balance
Nedbank Account	100,409.24	40,491,205.92	38,254,996.35	-	-	-	2,135,801.33
ABSA Account	143,065.29	2,842,254.99	2,628,216.62	-	-	-	357,103.66
Investment Balances	31,163,838.91	-	-	2,726,000.00	707,928.23	8,902,930.56	25,694,836.58
Balance	31,206,494.96	43,333,461.91	40,883,212.97	2,726,000.00	707,928.23	8,902,930.56	28,187,741.57

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

2.8. SUPPORTING DOCUMENTATION

2.8.1. Table SC3: Debtors Age Analysis

WC053 Beaufort West - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter											
Description	NT Code	Budget Year 2024/25								Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr		
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	4,176	1,288	738	1,210	1,223	847	934	23,006	33,422	27,221
Trade and Other Receivables from Exchange Transactions - Electricity	1300	7,199	582	1,088	293	280	283	487	3,981	14,758	5,268
Receivables from Exchange Transactions - Property Rates	1400	5,808	1,516	938	1,035	794	752	726	38,438	50,065	41,743
Receivables from Exchange Transactions - Waste Water Management	1500	3,493	1,100	949	1,479	898	880	981	37,888	47,028	41,984
Receivables from Exchange Transactions - Waste Management	1600	1,971	837	585	823	582	585	556	23,351	29,080	25,887
Receivables from Exchange Transactions - Property Rental Debtors	1700	3	1	1	1	1	1	1	53	62	56
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	1,058	1,058	1,068
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	584	185	134	120	198	131	125	37,256	38,050	37,826
Total By Income Source	2000	23,813	5,312	4,438	4,971	3,881	3,439	3,885	164,985	214,624	181,064
2022/23 - totals only											
Debtors Age Analysis By Customer Group											
Organic of State	2200	3,659	523	561	348	284	273	200	9,479	15,301	10,594
Commercial	2300	5,034	769	592	336	382	368	577	18,038	26,077	19,882
Households	2400	14,586	3,928	3,228	4,204	3,248	2,731	2,848	135,981	180,814	148,690
Other	2500	580	80	53	82	107	87	81	2,869	3,452	2,728
Total By Customer Group	2600	23,813	5,312	4,438	4,971	3,881	3,439	3,885	164,985	214,624	181,064

Apart from the normally credit control and debt collection measures applied, the following measures will also be implemented to increase the current collection rate to 88% at the end of September 2024 and to reduce the outstanding debtors book:

- Systemize Invoicing - ensuring that all consumers receive their monthly account, this would enable consumers to be prepared to pay accounts before the due date.
- Billing accuracy - capturing of accurate readings for all electricity and water consumption on consumer accounts
- Customer Relation Management - one of the key strategies that the Revenue Management section is embarking on is communication with Debtors and control of Debtor book. The Department is actively communicating with consumers through SMS messaging, additional communication by means of flyers and monthly notices.
- Segmenting of Consumers - the municipality will embark on a strategy of getting to know your consumers, in addition this strategy will ensure that the municipality is able to apply a collection strategy for each segment based on their payment behavior.

2.8.2. Table SC4: Creditors Age Analysis

WC053 Beaufort West - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter										
Description	NT Code	Budget Year 2024/25								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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	395	88	-	-	-	-	1	75,078	75,570
Bulk Water	0200	-	-	-	-	-	-	-	10,439	10,439
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	474	97	1,194	159	499	716	15	16,384	19,538
Auditor General	0800	108	558	118	114	119	116	123	10,831	11,881
Other	0900	-	-	-	-	-	-	-	0	0
Medical Aid deductions										
Total By Customer Type	1000	975	752	1,310	272	618	832	139	112,530	117,429

The total outstanding creditors at the end of September 2024 amounted to R 117,429 million. The biggest outstanding creditor being Eskom. The municipality applied for the Municipal Debt Relief in terms of MFMA Circular 124 and the application was approved for the amount of R 76,761,669.05.

If the municipality complies with the conditions of the debt relief a 3rd will be written off each year. The current bulk Eskom accounts are up to date. See attached under section 2.8.13. the municipal debt relief report at the end of September 2024.

The municipality negotiated repayment plans for the outstanding debt relating to the Auditor General, SALGA and Provincial Department of Transport. The payments on these arrangements are update as per the agreements at the end of September 2024. The municipality must still enter into a payment arrangement with the Department of Sanitation and the Department of Employment and Labour for the Workman's Compensation (COIDA).

There is an improvement in the payment of outstanding creditors given the past payment performance, however progress are being made to payment amounts owed to suppliers within the stipulated 30 days as required by MFMA (65) (2) (e).

2.8.3 Table C5: Investment Portfolio

WC053 Beaufort West - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter					
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	2,568	85	-	-	2,651
ABSA Bank	26,398	578	(8,903)	2,726	20,800
Nedbank	903	19	-	-	921
Investec	1,297	26	-	-	1,323
					-
					-
Municipality sub-total	31,164	708	(8,903)	2,726	25,695
Entities					
					-
					-
Entities sub-total	-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	31,164	708	(8,903)	2,726	25,695

The total investment balance of the Municipality at the end of September 2024 amounted to R 25,695 million.

The table below provides a summary of the movements that occurred during the first quarter of the financial year (July 2024 – September 2024).

Investment Balances July 2024 - September 2024		
M01 - July 2024	Investment Opening Balance - 1 July 2024	12,105,558.60
M01 - July 2024	Investment Top Up	33,422,674.00
M01 - July 2024	Investment Withdrawals	- 5,859,359.91
M01 - July 2024	Interest Capitalised	-
Balance - 31 July 2024		39,668,872.69
M02 - August 2024	Investment Top Up	6,074,316.19
M02 - August 2024	Investment Withdrawals	- 14,579,349.97
M02 - August 2024	Interest Capitalised	-
Balance - 31 August 2024		31,163,838.91
M03 - September 2024	Investment Top Up	2,726,000.00
M03 - September 2024	Investment Withdrawals	- 8,902,330.56
M03 - September 2024	Interest Capitalised	707,928.23
M03 - September 2024	Administration / Service Fees	- 600.00
Balance - 30 September 2024		25,694,836.58

Interest earned on investments are capitalized on a quarterly basis by the municipality. The total interest earned on investments for the first quarter (July – September 2024) amounted to R 707,928.23.

Included in the balance of R 25,694,836.58 million is the unspent conditional grants amounting to R 13,241,448.88 million that are cash backed on investment.

2.8.4. Table SC6: Transfers and grant receipts

WC053 Beaufort West - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter										
Description	Ref	2024/25		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:										
Operating Transfers and Grants										
National Government:		87,870	92,657	-	-	36,973	23,214	18,759	72.2%	92,857
Equitable share		63,574	88,848	-	-	37,020	22,212	14,868	65.7%	88,849
Municipal Infrastructure Grant (MIG)		738	787	-	-	648	198	451	230.6%	757
Local Government Financial Management Grant (FMG)		2,185	2,000	-	-	2,000	500	1,500	300.0%	2,000
Expanded Public Works Programme Integrated Grant (EPWP)		1,372	1,228	-	-	307	307	1	0.2%	1,226
Other transfers and grants (insert description)		-	-	-	-	-	-	-	-	-
Provincial Government:		10,815	8,413	-	228	4,680	2,353	2,327	98.9%	8,413
Provincial Treasury - Western Cape Financial Management/Capsule Building Grant		-	800	-	-	800	158	450	300.0%	800
Provincial Treasury - Western Cape Municipal Financial Recovery Services Grant		1,600	-	-	-	-	-	-	-	-
Department of Infrastructure - Title Deeds Registration Grant		-	90	-	-	-	23	(23)	-100.0%	90
Department of Infrastructure - Human Settlements Development Grant (Beneficiaries)		1,071	1,407	-	-	-	359	(359)	-100.0%	1,407
Department of Cultural Affairs & Sport- Replacement Funding for most vulnerable B3 Municipalities		7,118	7,060	-	-	3,854	1,785	2,069	118.4%	7,060
Department of Local Government - Community Development Workers (CDW) Operational Support Grant	4	226	226	-	226	226	57	170	300.0%	226
Department of Local Government - Western Cape Municipal Interventions Grant		803	-	-	-	-	-	-	-	-
Department of Local Government - Municipal Energy Resilience Grant		600	-	-	-	-	-	-	-	-
Other transfers and grants (insert description)		-	-	-	-	-	-	-	-	-
District Municipality:		86	-	-	-	100	-	100	#DIV/0!	-
Central Karoo District Municipality		86	-	-	-	100	-	100	#DIV/0!	-
Other grant providers:		2,443	672	-	-	403	168	235	130.9%	672
Chemical Industries Education & Training Authority		2,128	672	-	-	386	168	218	135.7%	672
Local Government Sector Education and Training Authority		315	-	-	-	7	-	7	#DIV/0!	-
Total Operating Transfers and Grants	5	101,214	102,942	-	228	45,156	25,738	19,417	79.9%	102,942
Capital Transfers and Grants										
National Government:		14,050	22,171	-	-	15,392	5,543	10,049	181.3%	22,171
Municipal Infrastructure Grant (MIG)		14,050	14,861	-	-	12,262	3,715	8,566	230.6%	14,861
Integrated National Electrification Programme (Municipal) Grant		-	7,310	-	-	3,310	1,828	1,483	61.1%	7,310
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
Provincial Government:		2,076	4,000	-	2,500	2,500	1,000	1,500	150.0%	4,000
Department of Cultural Affairs & Sport-Community Library Services Grant		-	1,500	-	-	-	375	(375)	-100.0%	1,500
Department of Local Government - Municipal Water Resilience Grant		-	2,500	-	2,500	2,500	625	1,875	300.0%	2,500
Department of Local Government - Western Cape Municipal Interventions Grant		835	-	-	-	-	-	-	-	-
Department of Local Government - Municipal Water Resilience Grant		1,200	-	-	-	-	-	-	-	-
Department of Cultural Affairs & Sport- Replacement Funding for most vulnerable B3 Municipalities		40	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	16,126	26,171	-	2,500	18,692	6,543	11,846	178.5%	26,171
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	117,340	129,113	-	2,728	63,848	32,281	30,970	93.9%	129,113

2.8.5. Table SC7 (1): – Transfers and grant expenditure

WC053 Beaufort West - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter										
Description	Rf	2023/24		Budget Year 2024/25						
		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:		87,796	92,857	-	345	36,384	23,214	15,170	65.3%	92,857
Equitable share		83,574	88,849	-	-	37,020	22,242	14,808	66.7%	88,849
Municipal Infrastructure Grant (MIG)		720	782	-	67	192	198	(3)	-1.6%	782
Local Government Financial Management Grant (FMG)		2,185	2,000	-	156	640	500	340	68.1%	2,000
Expanded Public Works Programme Integrated Grant (EPWP)		1,305	1,226	-	120	239	307	25	8.3%	1,226
Other transfers and grants (insert description)		-	-	-	-	-	-	-	-	-
Provincial Government:		9,819	9,413	-	575	1,515	2,353	(838)	-35.8%	9,413
Provincial Treasury - Western Cape Financial Management Capacity Building Grant		-	600	-	-	-	150	(150)	-100.0%	600
Provincial Treasury - Western Cape Municipal Financial Recovery Services Grant		200	-	-	-	-	-	-	-	-
Department of Infrastructure - The Deeds Restoration Grant		-	90	-	-	-	23	(23)	-100.0%	90
Department of Infrastructure - Human Settlements Development Grant (Beneficiaries)		1,071	1,437	-	-	-	358	(368)	-100.0%	1,437
Department of Cultural Affairs & Sport - Replacement Funding for most vulnerable B3 Municipalities		6,743	7,060	-	556	1,465	1,765	(300)	-17.0%	7,060
Department of Local Government - Community Development Workers (CDW) Operational Support Grant		218	226	-	16	90	57	(6)	-11.4%	226
Department of Local Government - Western Cape Municipal Intervention Grant		767	-	-	-	-	-	-	-	-
Department of Local Government - Municipal Energy Resilience Grant		690	-	-	-	-	-	-	-	-
Other transfers and grants (insert description)		-	-	-	-	-	-	-	-	-
District Municipality:		78	-	-	8	17	-	17	#DIV/0!	-
Central Karoo District Municipality		76	-	-	8	17	-	17	#DIV/0!	-
Other grant providers:		2,571	672	-	-	204	168	37	22.0%	672
Chemical Industries Education & Training Authority		2,179	672	-	-	198	168	30	17.9%	672
Local Government Sector Education and Training Authority		315	-	-	-	7	-	7	#DIV/0!	-
Services SETA		83	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		100,066	102,942	-	929	40,121	25,736	14,385	55.9%	102,642
Capital expenditure of Transfers and Grants										
National Government:		13,929	22,171	-	968	12,239	5,543	6,697	120.0%	22,171
Municipal Infrastructure Grant (MIG)		13,929	14,861	-	968	12,239	3,715	8,524	229.4%	14,861
Integrated National Electrification Programme (Municipal) Grant		-	7,310	-	-	-	1,828	(1,828)	-100.0%	7,310
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
Provincial Government:		2,016	4,000	-	-	-	1,000	(1,000)	-100.0%	4,000
Department of Cultural Affairs & Sport - Community Library Services Grant		-	1,500	-	-	-	375	(375)	-100.0%	1,500
Department of Cultural Affairs & Sport - Replacement Funding for most vulnerable B3 Municipalities		40	-	-	-	-	-	-	-	-
Department of Local Government - Municipal Water Resilience Grant		1,200	2,500	-	-	-	625	(625)	-100.0%	2,500
Department of Local Government - Western Cape Municipal Intervention Grant		777	-	-	-	-	-	-	-	-
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
Other grant providers:		285	-	-	-	-	-	-	-	-
Services SETA		285	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		16,230	26,171	-	968	12,239	6,543	5,897	87.1%	26,171
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		116,296	129,113	-	1,897	52,361	32,279	20,282	62.2%	128,813

2.8.6. Summary of Monthly Movements on Conditional Grants

The table below provide a summary of the movements on the conditional grants for the 1st quarter (July 2024 – September 2024):

Summary of Unspent Conditional Grants - July till September 2024	
Conditional Grants - Opening Balance 1 July 2024	2,354,143.00
Grants Received During July 2024	46,925,000.00
Less : Grant Expenditure During July 2024	- 38,599,223.72
Closing Balance - 31 July 2024	10,679,919.28
Grants Received During August 2024	13,597,012.00
Less : Grant Expenditure During August 2024	- 11,864,404.00
Closing Balance - 31 August 2024	12,412,527.28
Grants Received During September 2024	2,726,000.00
Less : Grant Expenditure During September 2024	- 1,897,078.40
Closing Balance - 30 September 2024	13,241,448.88

The unspent conditional grant balance at the end of September amounted to R 13,241,448.88 million.

All unspent conditional grants were cash backed and on investment as at the end of September 2024.

2.8.7. Table SC8: Councillor and staff benefits

WC053 Beaufort West - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter										
Summary of Employee and Councillor remuneration	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5,206	6,158	-	468	1,407	1,509	(132)	-9%	6,158
Pension and UIF Contributions		99	182	-	-	-	46	(48)	-100%	182
Medical Aid Contributions		5	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		138	155	-	11	34	39	(5)	-12%	155
Cellphone Allowance		525	586	-	47	144	146	(2)	-2%	586
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		46	52	-	4	13	13	(0)	-2%	52
Sub Total - Councillors		6,018	7,133	-	528	1,998	1,783	(185)	-10%	7,133
Senior Managers of the Municipality										
Basic Salaries and Wages	3	2,734	3,358	-	265	704	839	(45)	-5%	3,358
Pension and UIF Contributions		422	801	-	48	144	200	(57)	-28%	801
Medical Aid Contributions		184	390	-	25	75	98	(22)	-23%	390
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		57	455	-	-	58	114	(58)	-51%	455
Motor Vehicle Allowance		200	261	-	25	75	65	10	15%	261
Cellphone Allowance		63	72	-	8	18	18	-	-	72
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		71	0	-	7	20	0	20	18833%	0
Payments in lieu of leave		68	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		249	330	-	25	76	83	(7)	-8%	330
Acting and post related allowance		83	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,112	5,668	-	401	1,259	1,417	(158)	-11%	5,668
Other Municipal Staff										
Basic Salaries and Wages		80,237	95,736	-	7,591	20,988	23,934	(2,945)	-12%	95,736
Pension and UIF Contributions		13,789	16,583	-	1,266	3,480	4,146	(666)	-16%	16,583
Medical Aid Contributions		2,176	2,274	-	212	616	569	48	8%	2,274
Overtime		4,118	3,344	-	435	1,119	639	293	34%	3,344
Performance Bonus		5,973	6,902	-	31	54	1,725	(1,571)	-97%	6,902
Motor Vehicle Allowance		169	162	-	20	61	41	20	50%	162
Cellphone Allowance		148	180	-	12	36	40	(4)	-11%	180
Housing Allowances		405	420	-	38	102	105	(3)	-3%	420
Other benefits and allowances		5,328	5,055	-	449	1,414	1,264	150	12%	5,055
Payments in lieu of leave		1,068	-	-	36	172	-	172	#DIV/0!	-
Long service awards		455	598	-	-	52	150	(97)	-65%	598
Post-retirement benefit obligations		4,191	1,630	-	12	237	407	(171)	-42%	1,630
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		2,166	285	-	180	533	71	481	847%	285
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		120,220	133,150	-	10,222	28,664	32,288	(4,424)	-14%	133,150
TOTAL SALARY, ALLOWANCES & BENEFITS		130,350	145,950	-	11,151	31,721	34,486	(4,767)	-13%	145,950
TOTAL MANAGERS AND STAFF		124,332	136,817	-	10,623	30,122	34,704	(4,582)	-13%	138,817

2.8.8. Overtime table per department

The original approved overtime budget for 2024/25 financial year amounts to R 3,343,960.

The actual year to date overtime expenditure at the end of quarter 1 are set out in the table below:

Directorate	Original Budget	Month actual (July 2024)	Month actual (August 2024)	Month actual (September 2024)	YearTD actual (July 2024 - September 2024)	% spend of Original Budget
Office of the Municipal Manager	-	1,304	-	-	1,304	#DIV/0!
Corporate Services	40,000	-	-	3,187	3,187	8%
Financial Services	304,555	23,479	34,936	23,427	81,842	27%
Infrastructure Services	2,097,265	207,370	215,361	279,754	702,486	33%
Community Services	902,140	109,629	91,706	128,413	329,748	37%
Total	3,343,960	341,782	342,003	434,781	1,118,567	33%

The cost of employment should be closely monitored during the 2024/25 financial year specifically expenditure on overtime cost to ensure that this cost remain within the budget allocated.

2.8.9. Deviations

The Supply Chain Management (SCM) Implementation report for the 1st quarter (July – September 2024) indicate that there were four deviations that were approved by the Accounting Officer during the 1st quarter. The total amount of these deviations was R 126,699.62 see attached **Annexure A**, the SCM Implementation report for the 1st quarter of the 2024/25 financial year.

2.8.10. Withdrawals from municipal bank account

This part provides an overview of the withdrawals from municipal bank accounts in accordance with section 11, subsection 1(b) to (j).

See attached **Annexure B**.

2.8.11. Loans and borrowing for 1st quarter

The table below provides a summary of the outstanding loan balances as at the of the first quarter, September 2024.

BEAUFORT WEST MUNICIPALITY : LOAN REGISTER AS AT 30 SEPTEMBER 2024											
Loan No.	Contract nr	External loans	Institution	Rate	Term	Balance	Received	Interest	Capital Redemption	Balance	Maturity
						2024/07/01	2024/2025	2024/2025	2024/2025	2024/09/30	Date
103464/2	61000923	Sewerage Farm Merweville	DBSA	6.75	15	143,001.91	-	-	-	143,001.91	31/12/2029
103464/1	61000922	20MVA Transformer - Sub Station	DBSA	10.90	20	2,212,986.75	-	-	-	2,212,986.75	31/12/2029
103464/1	61000922	Farm Hansrivier	DBSA	10.90	20	1,111,962.04	-	-	-	1,111,962.04	31/12/2029
103464/1	61000922	Pressure Control System	DBSA	10.90	20	320,828.39	-	-	-	320,828.39	31/12/2029
						3,788,779.09	-	-	-	3,788,779.09	

Repayments are made bi-annually, in December and June of each financial year. The next installment is due and payable in December 2024.

2.8.12. Section 66 Report

The table below provides all the expenditure incurred by the municipality on staff salaries, wages, allowances and benefits as at the end of the 1st quarter of the 2024/25 financial year.

MFMA Section 66 Monthly Report																
EXPENDITURE ON STAFF BENEFITS for the PERIOD JULY 2024 - JUNE 2025																
TYPE OF EXPENDITURE	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL Jul-24	ACTUAL Aug-24	ACTUAL Sep-24	ACTUAL Oct-24	ACTUAL Nov-24	ACTUAL Dec-24	ACTUAL Jan-25	ACTUAL Feb-25	ACTUAL Mar-25	ACTUAL Apr-25	ACTUAL May-25	ACTUAL Jun-25	YTD ACTUAL TOTAL	%
Basic Salaries and Wages	R 90,094,165	R -	R 8,910,790	R 7,019,900	R 7,855,298	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 21,792,993	22%
Pension and UIF Contributions	R 17,357,913	R -	R 1,175,104	R 1,190,021	R 1,291,940	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 3,616,165	21%
Medical Aid Contributions	R 2,864,947	R -	R 223,728	R 239,957	R 237,277	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 691,962	28%
Overtime	R 3,343,989	R -	R 341,702	R 342,003	R 434,791	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 1,118,697	33%
Performance Bonuses	R 484,664	R -	R 95,858	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 95,858	12%
Bonuses	R 4,961,853	R -	R 0,129	R 14,000	R 31,316	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 45,445	1%
Motor Vehicle Allowance	R 423,042	R -	R 45,353	R 45,353	R 45,353	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 136,059	32%
Anting Allowance	R 285,308	R -	R 173,230	R 179,249	R 180,258	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 532,738	187%
Cellphone Allowance	R 232,200	R -	R 17,980	R 17,900	R 17,900	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 53,700	23%
Housing Allowances	R 480,440	R -	R 38,992	R 31,259	R 37,519	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 102,171	24%
Other benefits and allowances	R 5,082,258	R -	R 426,262	R 599,957	R 498,672	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 1,441,591	28%
Security	R 300,421	R -	R 25,345	R 25,346	R 25,346	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 76,037	23%
Payments In Lieu of leave	R -	R -	R 99,208	R 42,670	R 35,624	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 171,712	83176%
Long service awards	R 680,042	R -	R -	R 52,093	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 52,093	9%
Post-retirement benefit obligations	R 1,526,937	R -	R 94,445	R 130,033	R 12,987	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 238,464	16%
TOTAL	R 124,817,467	R -	R 9,435,333	R 9,874,340	R 10,872,989	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 30,122,442	22%

Note: on Other benefits and allowances

Group Insurance	R 26,086	R -	R 2,144	R 2,144	R 2,065	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 7,273	27%
Non-Pensionable Allowance	R -	R -	R 6,760	R 6,760	R 6,760	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 20,340	89176%
Uniform Allowances	R 183,000	R -	R -	R 102,000	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 102,000	54%
Standby Allowances	R 1,987,228	R -	R 202,889	R 225,575	R 221,391	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 648,763	35%
Essential Users	R 2,933,829	R -	R 210,555	R 215,023	R 223,154	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 648,092	22%
Organizing Council Levies	R 66,024	R -	R 4,390	R 4,463	R 4,421	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 13,312	20%
Total	R 5,082,258	R -	R 426,262	R 599,957	R 498,672	R -	R -	R -	R -	R -	R -	R -	R -	R -	R 1,441,591	28%

2.8.13. Municipal Debt Relief

This section provide a report by Provincial Treasury on the progress made by the municipality on the implementation of the Municipal Debt Relief conditions as per MFMA Circular No.124 as at the end of the August for the 2024/25 financial year.

See attached **Annexure C**.

2.8.14. Cost Containment Report

BEAUFORT WEST MUNICIPALITY (WC053) - COST CONTAINEMENT REPORT QUARTER 1 - JULY TO SEPTEMBER 2024				
Line Items	Original Budget 2024-25	Q1: Year-to Date Budget	Q1: Year-to Date Actual	Savings
000 or thousands				
Use of consultants	8,800,291	2,200,073	2,556,646	(356,574)
Vehicles used for political office -- bearers	-	-	-	-
Travel and subsistence	571,440	142,860	63,647	79,213
Domestic accommodation	427,724	106,931	130,823	(23,892)
Credit cards	-	-	-	-
Sponsorships, events and catering	85,000	21,250	18,220	3,030
Communication	2,637,455	659,364	276,633	382,731
Conferences, meetings and study tours; and Other related expenditure items.	-	-	-	-
Overtime	3,343,960	835,990	1,118,567	(282,577)
Standby	1,867,220	466,805	649,763	(182,958)
Acting Allowance	-	-	-	-
Furniture & Office Equipment	-	-	-	-
Other	-	-	-	-
TOTAL COST CONTAINMENT	17,733,090	4,433,273	4,814,299	(381,026)

PART 3 : Top Level SDBIP Report Quarter 1

The Top Level Service Delivery and Budget Implementation Plan (SDBIP) report provides an overview on the progress made by each directorate on the implementation of the 2024/25 SBIP and the corrective measures that will be taken at the end of the first quarter.

See attached **Annexure D**.

Municipal manager's quality certification**QUALITY CERTIFICATE**

I, Derick E Welgemoed, the municipal manager of Beaufort West Municipality, hereby certify that –

(mark as appropriate)

the monthly budget statement

the quarterly report on the implementation of the budget and financial state of affairs of the municipality

The mid-year budget and performance assessment

For the month of September 2024 of 2024/2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: DERICK WELGEMOED

Municipal Manager of Beaufort West Municipality (WC053)

Signature: _____

Date: 28/10/2024

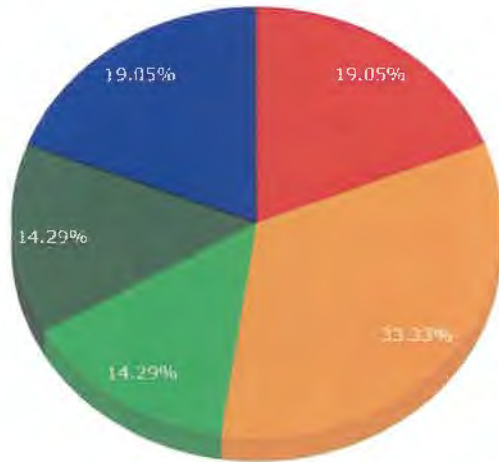
Annexure A
Supply Chain Management Implementation Report Quarter
1 (Deviations)

Top Layer KPI Report

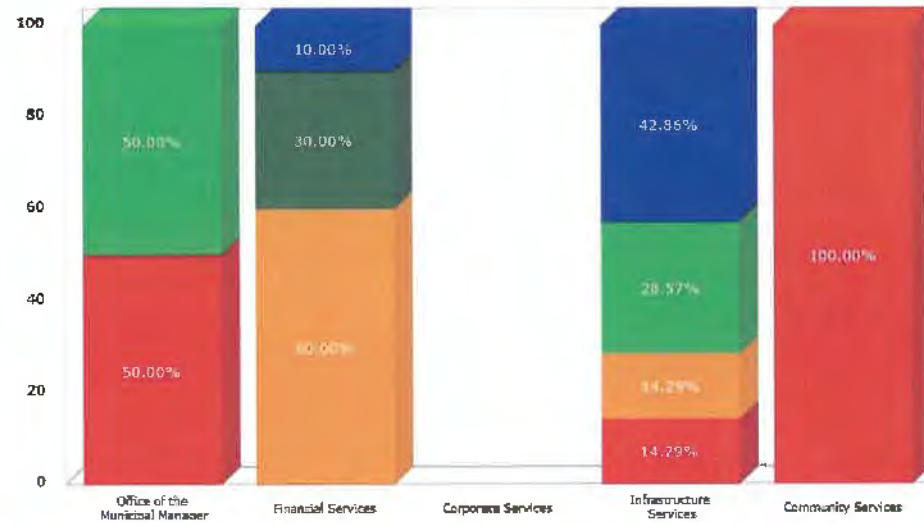
Report drawn on 28 October 2024 at 14:53

for the months of Quarter ending September 2024 to Quarter ending September 2024.

Beaufort West Municipality



Responsible Directorate



	Beaufort West Municipality	Responsible Directorate				
		Office of the Municipal Manager	Financial Services	Corporate Services	Infrastructure Services	Community Services
Not Met	4 (19.05%)	1 (50.00%)	-	-	1 (14.29%)	2 (100.00%)
Almost Met	7 (33.33%)	-	6 (60.00%)	-	1 (14.29%)	-
Met	3 (14.29%)	1 (50.00%)	-	-	2 (28.57%)	-
Well Met	3 (14.29%)	-	3 (30.00%)	-	-	-
Extremely Well Met	4 (19.05%)	-	1 (10.00%)	-	3 (42.86%)	-
Total:	21*	2	10	0	7	2
	100%	9.52%	47.62%	0.00%	33.33%	9.52%

Beaufort West Municipality
2024-2025: Top Layer KPI Report Q1 July to September

Office of the Municipal Manager

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Quarter ending September 2024					Overall Performance for Quarter ending September 2024 to Quarter ending September 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R
TL1	Compile the Risk based audit plan for 2025/26 and submit to Audit committee for consideration by 30 June 2025	Risk based audit plan submitted to Audit committee by 30 June 2025	SO4: Maintain an ethical, accountable and transparent administration	0	0	N/A			0	0	N/A
TL2	70% of the Risk based audit plan for 2024/25 implemented by 30 June 2025 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan implemented by 30 June 2025	SO4: Maintain an ethical, accountable and transparent administration	10%	5,26%	R	(D258) Municipal Manager: 1 audit completed - cash management (September 2024)	(D258) Municipal Manager: 1 audit completed - cash management (September 2024)	10%	5,26%	R
TL3	Review the Integrated Development Plan 2022-2027 and submit to Council by 31 May 2025	Review IDP submitted	SO4: Maintain an ethical, accountable and transparent administration	0	0	N/A			0	0	N/A
TL4	Submit the Annual Performance Report to the Auditor-General by 31 August 2024	Annual Performance Report submitted	SO4: Maintain an ethical, accountable and transparent administration	1	1	G	(D260) Municipal Manager: Report submitted as per Mr Makendane (August 2024)		1	1	G

Summary of Results: Office of the Municipal Manager

Rating	Description	Count
N/A	KPI Not Yet Applicable	2
R	KPI Not Met	1
O	KPI Almost Met	0
G	KPI Met	1
G2	KPI Well Met	0
B	KPI Extremely Well Met	0
	Total KPIs:	4

Financial Services

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Quarter ending September 2024					Overall Performance for Quarter ending September 2024 to Quarter ending September 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R
TL5	Number of formal residential properties that receive piped water (credit and pre-paid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre-paid meters as at 30 June 2025	Number of residential properties which are billed for water or have pre-paid meters as at 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	8 000	7 404	O	[D261] Director: Financial Services: Target almost met. (September 2024)	[D261] Director: Financial Services: Maintain and install faulty meters. (September 2024)	8 000	7 404	O
TL6	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and pre-paid electrical metering) (Excluding Eskom areas) and which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2025	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	11 350	11 209	O	[D262] Director: Financial Services: Target almost met. (September 2024)	[D262] Director: Financial Services: Maintain faulty meters. (September 2024)	11 350	11 209	O
TL7	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (to let) which are billed for sewerage as at 30 June 2025	Number of residential properties which are billed for sewerage as at 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	11 900	12 304	G2	[D263] Director: Financial Services: Target met. (September 2024)	[D263] Director: Financial Services: None (September 2024)	11 900	12 304	G2
TL8	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2025	Number of residential properties which are billed for refuse removal as at 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	11 700	11 786	G2	[D264] Director: Financial Services: Target met. (September 2024)	[D264] Director: Financial Services: None (September 2024)	11 700	11 786	G2
TL9	Provide free basic water to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025	Number of active indigent households receiving free basic water as at 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	4 500	3 643	O	[D265] Director: Financial Services: Target almost met. (September 2024)	[D265] Director: Financial Services: Maintain and install faulty meters. (September 2024)	4 500	3 643	O
TL10	Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025	Number of active indigent households receiving free basic electricity as at 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	6 000	5 996	O	[D266] Director: Financial Services: Target almost met. (September 2024)	[D266] Director: Financial Services: Maintain faulty meters. (September 2024)	6 000	5 996	O
TL11	Provide free basic sanitation to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025	Number of active indigent households receiving free basic sanitation as at 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	5 380	5 151	O	[D267] Director: Financial Services: Target almost met. (September 2024)	[D267] Director: Financial Services: Registration period was open till end of October 2024. (September 2024)	5 380	5 151	O
TL12	Provide free basic refuse removal to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2025	Number of active indigent households receiving free basic refuse removal as at 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	5 380	5 155	O	[D268] Director: Financial Services: Target almost met. (September 2024)	[D268] Director: Financial Services: Registration period was open till end of October 2024. (September 2024)	5 380	5 155	O
TL13	The percentage of the municipal capital budget spent by 30 June 2025 (Actual amount spent / Total amount budgeted for capital projects) x 100	% of capital budget spent by 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	10%	50%	B	[D269] Director: Financial Services: Target met. (September 2024)	[D269] Director: Financial Services: None (September 2024)	10%	50%	B

TL14	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2025 (Short Term Borrowing + Bank Overdraft + Short Term Loans + Long Term Borrowing + Long Term Leases) / (Total Operating Revenue - Operating Conditions Grant) x 100	Debt to Revenue as at 30 June 2025	0%	0%	0%	0%	0%	0%
TL15	Financial viability measured in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2025 [(Total outstanding service debtors/annual revenue received for services) x 100]	Service debtors to revenue as at 30 June 2025	0%	0%	0%	0%	0%	0%
TL16	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2025 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) - Short Term Investments / Monthly Fixed Operational Expenditure excluding Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets]	Cost coverage as at 30 June 2025	0	0	0	0	0	0
TL17	Achieve a payment percentage of 88% by 30 June 2025 (Gross Debtors/Opening Balance + Rilled Revenue - Cross Debitors/ Closing Balance - Bad Debt Written Off) / Billed Revenue x 100	Payment % achieved by 30 June 2025	85%	85%	82%	82%	85%	85%

Summary of Results: Financial Services

A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period	3
B	KPI Not Met	0% <= Actual/Target <= 74.99%	0
C	KPI Almost Met	75.000% <= Actual/Target <= 95.99%	0
D	KPI Met	Actual meets Target/Actual/Target = 100%	0
E2	KPI Well Met	100.000% <= Actual/Target <= 140.999%	3
B	KPI Exceeded Well Met	150.000% <= Actual/Target	1
	Total KPIs:		13

[D27] Director: Financial Services: Target met. (September 2024)

[D27] Director: Financial Services: Target

[D27] Director: Financial Services: Improve per execution rate. Implement (web and credit control policy. (September 2024)

85%

85%

82%

85%

85%

82%

85%

85%

Corporate Services

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Quarter ending September 2024					Overall Performance for Quarter ending September 2024 to Quarter ending September 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R
TL18	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	SO4: Maintain an ethical, accountable and transparent administration	0	0	N/A			0	0	N/A
TL19	0.5% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2025 [(Actual amount spent on training/total personnel budget) x100]	% of the municipality's personnel budget spent on implementing its workplace skills plan	SO4: Maintain an ethical, accountable and transparent administration	0%	0%	N/A			0%	0%	N/A
TL20	Spend 100% of the library grant by 30 June 2025 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2025	SO6: Uphold sound financial management principles and practices	0%	0%	N/A			0%	0%	N/A
TL21	Submit the Portfolio of Evidence Policy to Council by 30 June 2025	Portfolio of Evidence Policy submitted to Council by 30 June 2025	SO4: Maintain an ethical, accountable and transparent administration	0	0	N/A			0	0	N/A
TL22	Establish the Municipal Moderation Committee by 30 June 2025	Municipal Moderation Committee established by 30 June 2025	SO4: Maintain an ethical, accountable and transparent administration	0	0	N/A			0	0	N/A
TL23	Complete the upgrade of Kwa-Mandlenkosi Library by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	Upgrade completed by 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	0	0	N/A			0	0	N/A
TL24	95% of the approved project budget spent on computer equipment by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	% of project budget spent	SO5: Enabling a diverse and capacitated workforce	0%	0%	N/A			0%	0%	N/A

Summary of Results: Corporate Services

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	7
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
E	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		7

Infrastructure Services

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Quarter ending September 2024						Overall Performance for Quarter ending September 2024 to Quarter ending September 2024		
				Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	
TL25	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2025	Number of temporary jobs opportunities created by 30 June 2025	SO5: Promote broad-based growth and development	0	0	N/A			0	0	N/A	
TL26	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	SO2: Sustainable, safe and healthy environment	95%	90%	B	[D282] Director: Infrastructure Services: Quality Assurance from other towns is also required to meet the approved standards (September 2024)	[D282] Director: Infrastructure Services: Corrective measures need to be adopted and implemented. (September 2024)	95%	90%	B	
TL27	95% of the project budget spent on the upgrade of vanallsod boreholes in the Beaufort West Municipal Area by 30 June 2025	% project budget spent	SO1: Provide, maintain and expand basic services to all people in the municipal area	10%	10%	G	[D283] Director: Infrastructure Services: Site verification visit meeting has been done with service provider. (September 2024)	[D283] Director: Infrastructure Services: Monthly Progress report (September 2024)	10%	10%	G	
TL28	95% of the project budget spent on the upgrade of telemetry system in the Beaufort West Municipal Area by 30 June 2025	% project budget spent	SO1: Provide, maintain and expand basic services to all people in the municipal area	10%	10%	G	[D284] Director: Infrastructure Services: Site visit with the appointed service provider has been done (September 2024)	[D284] Director: Infrastructure Services: n/a (September 2024)	10%	10%	G	
TL29	95% of the approved project budget spent on the upgrade of sports grounds in Meispaort by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2025	SO2: Sustainable, safe and healthy environment	10%	35%	B	[D285] Director: Infrastructure Services: Progress is fair (September 2024)	[D285] Director: Infrastructure Services: not applicable (September 2024)	10%	35%	B	
TL30	95% of the project budget spent on the Phase 1 (90 km 22kV In Murrayburg) in the Beaufort West Municipal Area by 30 June 2025	% project budget spent	SO1: Provide, maintain and expand basic services to all people in the municipal area	10%	0%	R	[D286] Director: Infrastructure Services: NO Progress yet due to budget constraints (September 2024)	[D286] Director: Infrastructure Services: n/a (September 2024)	10%	0%	R	
TL31	95% of the project budget spent on the Phase 6 Main Substation Beaufort West by 30 June 2025	% project budget spent	SO1: Provide, maintain and expand basic services to all people in the municipal area	10%	40%	B	[D287] Director: Infrastructure Services: Currently under Technical Evaluation Stage (September 2024)	[D287] Director: Infrastructure Services: still in target but SCM processes need to be fast tracked (September 2024)	10%	40%	B	
TL32	95% of the approved project budget spent on the supply and delivery of a Yellow Plant (Landfill Site) in Beaufort West by 30 June 2025 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2025	SO1: Provide, maintain and expand basic services to all people in the municipal area	10%	95%	B	[D288] Director: Infrastructure Services: The Land fill compactor was delivered 14 August 2024. Followed by Expenditure payment in September 2024. The expenditure now is at 95% (September 2024)	[D288] Director: Infrastructure Services: Not Applicable (September 2024)	10%	95%	B	
TL33	Review the Water Services Development Plan and submit to Council by 31 October 2024	Reviewed Water Services Development Plan submitted to Council by 31 October 2024	SO1: Provide, maintain and expand basic services to all people in the municipal area	0	0	N/A			0	0	N/A	
TL34	Limit unaccounted for water quarterly to less than 25% during 2024/25 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (including free basic water) / Number of Kilolitres Water Purchased or Purified x 100]	% unaccounted water	SO8: Uphold sound financial management principles and practices	0%	0%	N/A			0%	0%	N/A	
TL35	Limit unaccounted for electricity to less than 10% quarterly during the 2024/25 financial year [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased x 100]	% unaccounted electricity	SO8: Uphold sound financial management principles and practices	0%	0%	N/A			0%	0%	N/A	

Summary of Results: Infrastructure Services

NA	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	4
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	3
	Total KPIs:		11

Community Services

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Quarter ending September 2024				Overall Performance for Quarter ending September 2024 to Quarter ending September 2024			
				Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R
TL36	Hold roadblocks in conjunction with the Provincial Traffic Department quarterly	Number of roadblocks held	SO2: Sustainable, safe and healthy environment	1	0	R			1	0	R
TL37	Submit a quarterly report on the Illegal Dumping Project (Department of Environmental Affairs) to Council	Number of reports submitted	SO1: Provide, maintain and expand basic services to all people in the municipal area	1	0	R			1	0	R
TL38	Submit a Housing Pipeline Report to Council by 30 June 2025	Number of reports submitted	SO1: Provide, maintain and expand basic services to all people in the municipal area	0	0	T/A			0	0	T/A
TL39	Draft the Waste By-Law and submit to Council for approval by 30 September 2024	Number of by-laws submitted for approval	SO1: Provide, maintain and expand basic services to all people in the municipal area	0	0	T/A			0	0	T/A
TL40	Revise the Human Settlements Plan and submit to Council by 31 March 2025	Number of plans submitted	SO1: Provide, maintain and expand basic services to all people in the municipal area	0	0	T/A			0	0	T/A
TL41	Develop an Air Quality Management By-Law and submit to Council by 31 March 2025	Number of by-laws submitted	SO2: Sustainable, safe and healthy environment	0	0	T/A			0	0	T/A
TL42	Compile a Traffic Services Strategy and submit draft to Council by 30 April 2025	Draft Strategy submitted to Council by 30 April 2025	SO2: Sustainable, safe and healthy environment	0	0	T/A			0	0	T/A

Summary of Results: Community Services

NA	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	5
R	KPI Not Met	0% <= Actual/Target <= 74.999%	2
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	Total KPIs:		7

Overall Summary of Results

NA	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	21
R	KPI Not Met	0% <= Actual/Target <= 74.999%	4
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	7
G	KPI Met	Actual meets Target (Actual/Target = 100%)	3
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	3

11	KPI: Extremisly Viel Met	150.000%	← Actual / Target	4
	Total KPIs:			42

Report generated on 28 October 2024 at 14:26



**MUNISIPALITEIT - MUNICIPALITY - UMASIPALA-WASE
BEAUFORT-WES/BEAUFORT WEST/BHOBHOFOLO**

KANTOOR VAN DIE DIREKTEUR: FINANSIËLE DIENSTE

OFFICE OF THE DIRECTOR: FINANCIAL SERVICES

Rig seebilaf alle korrespondensie aan die Munisipale Bestuurder/Kindly address all correspondence to the Municipal Manager/Yonke imbalelwano mayithunyelwe kuMlawuli kaMasipala

Verwysing Reference Isalathiso	6/1/1/1	Privaatsak / Private Bag 582 Faks/Fax: (023) 4148105 Tel. (023) 4148100
Navrae Enquiries Imibuzo	S.A Pothberg	e-pos / e-mail: senel@beaufortwestmun.co.za Kerkstraat 15 Church Street BEAUFORT-WES BEAUFORT WEST BHOBHOFOLO 6970
Datum Date Umhla	2024.10.15	

MEMORANDUM TO THE MUNICIPAL MANAGER

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 1ST QUARTER- 01 JULY TILL 31 SEPTEMBER 2024

1. EXECUTIVE SUMMARY

In terms of paragraph 6.3 of Council's Supply Chain Management Policy, the Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.

2. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members or persons in the service of the state, above R2 000, should be disclosed in the notes to the Annual Financial Statements. During the 1st quarter of 2024/2025 financial year awards amounting to **R 223 129,95** were made by the municipality to people whose close family members are in the service of the state, see **Annexure A** for details.

3. MONTHLY REPORT ON DEVIATIONS AND MINOR BREACHES

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (d) Any other exceptional case where it is impractical or impossible to follow the official procurement processes, including:
 - (d)(v) the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time
 - (d)(ii) Any contract with an organ of state, a local authority or a public utility corporation or company

There were 4 deviations approved by the Accounting Officer during the 1st quarter. The total amount of these deviations was **R 126 699,62** see **Annexure B** for details.

4. AWARDS OF COMPETITIVE BIDS AND FORMAL QUOTATIONS IN TERMS OF SUB-DELEGATIONS

In terms of Section 5(3), an official or bid adjudication committee to which the power to make final awards has been sub-delegated must within five days of the end of each month submit to the accounting officer a written report containing particulars of each final award made by such official or committee during that month.

The Municipal Manager has sub-delegated the power to award Competitive Bids to the Bid Adjudication Committee and Formal Written Price Quotations to the Heads of Departments. There were 2 awards made in terms of these sub-delegations which amount to R 12 223 296,31 and the details of these awards are attached as Annexure C.

5. CONTRACT MANAGEMENT

In terms of National Treasury Circular 62, contracts may be varied or expanded by not more than 20% for construction-related goods or services and no more than 15% for all other goods and or services. SCM 22/2021: Professional Services: Short Term Insurance Portfolio For Period Of 3 Years expiry date was 30 June 2024 and we extended the contract until 30 October 2024 while procurement process is followed for the appointment of new service provider:

#	Amendment	Actual Value
1.	Total Contract expenditure for 1 st year-2021/2022	R 863 342.44
2.	Total Contract expenditure for 2 nd year-2022/2023	R 3 959 992.38
3.	Total Contract expenditure for 3 rd year-2023/2024	R2 185 466.37
4.	Total Contract expenditure for 3 years	R 7 008 801.19
5.	15% of total contract value	R 1 051 320.18
6.	Estimated expenditure until October 2024 excluding disbursements	R365 363.56

6. IRREGULAR EXPENDITURE

In terms of section 1 of the MFMA Circular No 68, Irregular expenditure is defined in section 1 of the MFMA as follows:

"Irregular expenditure", in relation to a municipality or municipal entity, means—

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or


- (e) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure".

During the quarter under review the municipality incurred irregular expenditure amounting to **R 4 527 820,88** as a result of contracts that were used though they have already expired, see **Annexure D** for details.

7. PUBLICATION OF SCM REPORT

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.


.....
Prepared by: Mrs. S.A Pothberg
Accountant: Supply Chain Management


.....
Reviewed: Mr. M Nhlengetwa
Director: Financial Services

BEAUFORT WEST MUNICIPALITY				
Annexure A- Awards to close family members of persons in the service of the state 1st Quarter - 01 July- 31 September 2024				
Business	Date	Reference	Amount	Interest
Anne's Deli	24/07/2024	15-2024/08-67843	R 6.000,00	Husband, Mr A Stoffels, Is currently employed by the Department of Education
	8/8/2024	15-2024/08-68514	R 7.350,00	
B Chalmers	10/07/2024	15-2024/07-66152	R 6.000,00	Spouse, M Chalmers are employed at Department of Correctional Services and Son, G Bowers at Emergency Services and daughter in law at the Beaufort West Municipality.
Q&K Projects	20/08/2024	15-2024/08-68087	R 23.440,75	Spouse, Mrs Y De Wee, currently employed at Transnet
	20/08/2024	15-2024/08-68087	R 35.061,50	
TSCH International Holdings	23/07/2024	ORD-11119-15-2024/09-69551	R 9.786,96	Spouse, Mr E Hlongwane, currently employed at City of Capc Town
	31/07/2024	ORD-11156-15-2024/09-69551	R 22.195,00	
	23/08/2024	ORD-11264	R 9.786,96	
	17/09/2024	ORD-11361	R 15.831,02	
	19/09/2024	ORD-11371/INV000488	R 2.638,56	
RWS Cleaning Services	18/07/2024	ORD-11109-15-2024/08-68616	R 12.539,20	Son is employed at the Department of Agri Cultural Affairs and daughter at Department of Social Development
	18/07/2024	ORD-11111-15-2024/08-68616	R 26.800,00	
	14/08/2024	ORD-11214	R 26.800,00	
	29/08/2024	ORD-11294/INV03-15-2024/09-70000	R 6.900,00	
L & E Projects		ORD-11233	R 6.000,00	Brothers, Mr Bevan and Ashley Mitchell, Is currently employed at the Beaufort West Municipality and brother, Elroy Mitchell employed at the Department of Education
	10/9/2024	ORD-11333	R 6.000,00	
TOTAL QUANTITY			R 223.129,95	
TOTAL AMOUNT			15	

BEAUFORT WEST MUNICIPALITY						
Annexure B - Deviations awarded for the 1st Quarter - 01 July- 31 September 2024						
Applicable Paragraph in SCM Policy	Supplier	Amount	Date	Reference	Directorate	Reason for Deviation
(d)(vi) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work of the required in order to call for bids	Coastal Armature Winders & Suppliers CC	R 20.279,22	10/7/2024	ORD-11096-15-2024/08-68521	L Nqotola	The compressor is currently the only one in use in the municipality and the Electrical Department need it to replace broken poles. As a result of the storms in the past few months, there is urgent work that need to be done and the compressor and jackhammer combination is needed to do this.CZ 4860 (compressor) is the only compressor still working condition in the municipality. After it was serviced locally, it kept breaking down and it was decided to send it to the agent for inspection, repairs and certification.Approval was requested from the Cash flow Committee on the 26 of April 2024 and it was approved that we can go ahead with a Deviation as it will be strip quote.
		R 7.290,40	10/7/2024	ORD-11093-15-2024/08-68521		The compressor and jackhammer is currently the only one in use in the municipality and the Electrical Department need it to replace broken poles. As a result of the storms in the past few months, there is urgent work that need to be done and the compressor and jackhammer combination is needed to do this. The Pneumatic jackhammer used with the compressor CZ 4860 also need to be repaired. It was sent with the compressor for a strip quote. <u>Approval was requested from the cash flow committee on the 26 April 2024 and it was approved that we can go ahead with a deviation as it will be a strip quote.</u>
	Swartberg Motors	R 35.880,00	02/09/2024	ORD-11297-15-2024/09-69970		Tata tipper truck CZ 7593 has been standing for 15 months due to defective gearbox. It was removed and sent to George for a strip quote, but after 4 months it was returned as unrepairable due to lack of parts available. It has since been sent to Cape Town and limited parts were found to do the repairs. It can be deemed that this is the only repair option to fix this gearbox of the truck. it is struggling to meet their service delivery demand because of this. Repairing the truck will go a long way to assist the construction department.
	Garden Route Compressed Air (PTY) LTD	R 63.250,00	02/09/2024	ORD-11315		CZ 4860 (compressor) is the only compressor still working condition in the municipality.It was noticed that the separator tank was damaged during the safety and pressure test. As it can't be repaired due to safety protocol, it has to be replaced by specialists and pressure tested again. Due to high pressure equipment being used, safety has to be prioritised.
TOTAL QUANTITY DEVIATION		R 126,699,62				
TOTAL AMOUNT OF DEVIATIONS		4				

BEAUFORT WEST MUNICIPALITY						
Annexure D-Formal quotations and tenders awarded awarded for the 1st Quarter - 01 July- 31 September 2024						
Bid #	Item	Awarded to	Bid Amount	BBBEE Level	Award date	Award by
SCM 32/2024	Tyre Mart (Pty) Ltd and 2. WLC Tyre & Fleet Solutions (Pty) Ltd	Supply And Delivery Of Tyres, Tubes, Wheel Alignment, Tyre Repair Services And Batteries For a Three (3) Year Period	Rate based tender	4	17/07/2024	Bid Adjudication Committee
RT57-2021	Key Spirit Trading	Transversal Contract RT57-2021: Supply And Delivery Of Sedan, Light, And Heavy Commercial Vehicles, Busses, Motors Cycles, Agricultural Tractors, Construction Plant And Equipment To The State For a Period Of 36 Months. Mig From Id: 519423: Beaufort West: Specialised Waste Management Fleet: Landfill Compactor	R12.223.298,31	3	24/05/2024	
TOTAL			R		12.223.298,31	

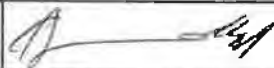
BEAUFORT WEST MUNICIPALITY										
Annexure E - Expenditure of Irregular Contracts for 1st Quarter - 01 July- 31 September 2024										
SCM number	Bid description	Bidder	Amount	Payment reference	Payment date	Start date	Completion date	Contract Manager	Comment	
SCM 15/2016	Full maintenance fleet: Vehicles	Eqstra fleet	R 16.720,14	15-2024/08-67370	02/08/2024	01/06/2021	01/05/2019	Director: Infrastructure Services	Contract extended beyond contract period	
			R 74.598,25	15-2024/08-68519	29/08/2024					
			R 5.877,54	15-2024/09-69961	30/09/2024					
		Nedfleet	R 165.084,11	15-2024/08-67376	02/08/2024					
			R 166.021,08	15-2024/09-68761	02/09/2024					
			R 166.021,08	15-2024/09-68875	04/09/2024					
			R 162.419,87	15-2024/10-70075	01/10/2024					
			R 653,86	15-2024/07-66220	11/07/2024					
			R 11.619,13	15-2024/07-66220	11/07/2024					
			R 653,86	15-2024/08-68508	29/08/2024					
Different cellphones contracts	Cellphone Contracts for Councillors and personnel	MTN	R 11.619,24	15-2024/08-68508	29/08/2024				No SCM Process followed	
			R 11.619,25	15-2024/08-68508	29/08/2024					
			R 1.486,10	15-2024/07-65924	05/07/2024					Contract expired.
			R 1.730,14	15-2024/07-66152	10/07/2024					
			R 13.687,72	15-2024/07-66542	19/07/2024					
R 96.727,37	15-2024/07-66542	19/07/2024								
R 3.354,35	15-2024/07-67183	31/07/2024								
R 1.486,88	15-2024/08-67486	05/08/2024								
R 1.819,27	15-2024/08-67733	12/08/2024								
R 96.778,31	15-2024/08-67993	19/08/2024								
R 12.094,18	15-2024/08-67993	19/08/2024								
R 3.329,14	15-2024/08-68508	29/08/2024								
R 1.488,35	15-2024/09-68862	04/09/2024								
R 1.700,65	15-2024/09-69052	09/09/2024								
R 9.418,30	15-2024/09-69540	19/09/2024								
R 95.499,69	15-2024/09-69540	19/09/2024								
R 3.597,55	15-2024/09-69970	30/09/2024								
R 1.488,36	15-2024/09-69990	30/09/2024								
SCM 33/2022	Provision of Security Services for a 3 year period	M S MATLA Security Services	R 549.196,56	15-2024/07-67217	31/07/2024					
			R 184.161,84	15-2024/08-67492	05/08/2024					
			R 184.161,84	15-2024/08-68510	29/08/2024					
			R 549.196,56	15-2024/08-68510	29/08/2024					
			R 184.161,84	15-2024/09-69961	30/09/2024					
			R 549.196,56	15-2024/10-70073	01/10/2024					
SCM 13/2023	SCM 26/2023 -Request for Proposals: Service Providers for Implementing Skills Development Programme for Training: Chemical Operation Level 2, 3 And 4 For Three Year Period	BAB Developers (Pty) Ltd	R 90.000,00	15-2024/08-68206	23/08/2024					
SCM 62/2023	Supply, Maintenance, Repairs and Calibration of Digital Speed Cameras and the Administration of a Back Office for a Period of Three Years	Total Computer Services	R 192.875,01	15-2024/07-66813	26/07/2024					
			R 212.434,90	15-2024/08-68294	26/08/2024					
			R 268.837,57	15-2024/09-69779	26/09/2024					
SCM 66/2023	Provision of Comprehensive Banking Services	Nedbank	R 59.427,33	Bank charges-01 Jul 2024-31 September						
			R 27.416,62	15-2024/07-65821	01/07/2024					
		Merch D-Bank card machine charges-01 Jul 2023-31 June 2024	R 34.320,52	15-2024/08-67315	01/08/2024					
			R 35.469,90	15-2024/09-68875	04/09/2024					
			R 32.964,33	15-2024/10-70075	01/10/2024					
R 540,87	15-2024/08-67933	16/08/2024								

Identified as irregular previously by AG. Advertisement not shorter than prescribed period advertised

			R	10.466,45	15-2024/07-66152	10/07/2024				
			R	116.420,28	15-2024/07-66152	10/07/2024				
			R	2.059,14	15-2024/08-68616	30/08/2024				
SCM 13/2021	Supply and delivery of personal protective clothing for 3 year period	Aludar	R	7.153,99	15-2024/09-68975	06/09/2024				
None	The Municipality posted municipal accounts using the Post Office, the delay of consumers receiving	Postnet	R	49.392,50	15-2024/07-65948	05/07/2024	M Niengethwa			
			R	49.392,50	15-2024/07-67183	31/07/2024				
			R	4.527.820,88						

Annexure B**Section 11 : - Quarterly withdrawals from municipal bank
account**

PROVINCIAL TREASURY
Withdrawals from Municipal Bank Accounts
In accordance with Section 11, Sub-section 1 (b) to (j)

NAME OF MUNICIPALITY:	Beaufort West Municipality	
MUNICIPAL DEMARCATION CODE:	WC053	
QUARTER ENDED:	30/09/2024	
MFMA section 11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer may withdraw money or authorise the withdrawal	Amount	Reason for withdrawal
	R -	
(b) to defray expenditure authorised in terms of section 26(4);	R -	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	R -	
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	R -	
(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including -	R -	
(i) money collected by the municipality on behalf of that person or organ of state by agreement; or	R 2,554,137.87	Agency Service: Licensing Fees and RMTC
(ii) any insurance or other payments received by the municipality for that person or organ of state;	R -	
(f) to refund money incorrectly paid into a bank account;	R -	Refund of funds incorrectly deposited into the municipality's account
(g) to refund guarantees, sureties and security deposits;	R 515,941.24	Refund retention fees.
(h) for cash management and investment purposes in accordance with section 13;	R 29,341,040.44	Investments withdrawn
(l) to defray increased expenditure in terms of section 31; or	R -	
(j) for such other purposes as may be prescribed.	R -	
(4) The accounting officer must within 30 days after the end of each quarter -	Name and Surname:	Mr K Kymdell
(a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and	Rank/Position:	Deputy Chief Financial Officer
(b) submit a copy of the report to the relevant provincial treasury and the Auditor-General.	Signature:	
Tel number	Fax number	Email Address
0234148133	0234148105	treasury@beaufortwestmun.co.za

Investment Balances July 2024 - September 2024		
M01 - July 2024	Investment Opening Balance - 1 July 2024	12,105,558.60
M01 - July 2024	Investment Top Up	33,422,674.00
M01 - July 2024	Investment Withdrawals	- 5,859,359.91
M01 - July 2024	Interest Capitalised	-
Balance - 31 July 2024		39,668,872.69
M02 - August 2024	Investment Top Up	6,074,316.19
M02 - August 2024	Investment Withdrawals	- 14,579,349.97
M02 - August 2024	Interest Capitalised	-
Balance - 31 August 2024		31,163,838.91
M03 - September 2024	Investment Top Up	2,726,000.00
M03 - September 2024	Investment Withdrawals	- 8,902,330.56
M03 - September 2024	Interest Capitalised	707,928.23
M03 - September 2024	Administration / Service Fees	- 600.00
Balance - 30 September 2024		25,694,836.58

Prepared

Senior Manager Financial Administration

R.A Eland

Signature



Date

04/10/2024

Reviewed

Deputy CFO

C.J Kymdell

Signature



Date

4/10/2024

Annexure C
Municipal Debt Relief



Western Cape
Government

Provincial Treasury
Julinda Gantana
Head of Department
Julinda.Gantana@westerncape.gov.za | Tel: 021 483 3749/6204/6267

Reference No.: PTR 16/1/3
Enquiries: Steven Kenyon

Private Bag X9165
CAPE TOWN
8000

Ms O Gaarekwe
Acting Deputy Director-General
Intergovernmental Relations
National Treasury
40 Church Square
PRETORIA
0001

AND

Mr D Welgemoed
Municipal Manager
Beaufort West Municipality
Private Bag X582
BEAUFORT WEST
6970

Per email: Ogaleletseng.Gaarekwe.gov.za; RevenueManagement@treasury.gov.za;
paul@mfp.gov.za; Jan.Hattingh@treasury.gov.za; marli@mfp.gov.za;
derickw@beaufortwestmun.co.za; valenciaa@beaufortwestmun.co.za

Dear Ms Gaarekwe and Municipal Manager

MFMA CIRCULAR NO. 124 - PROVINCIAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF WC053 BEAUFORT WEST MUNICIPALITY DURING AUGUST 2024

The National Treasury approved the debt relief application of Beaufort West Municipality with effect 1 July 2023. August 2024 constitutes the 2nd month of the Municipality's second 12-month debt relief compliance cycle. The Western Cape Provincial Treasury monitored and assessed the Municipality's compliance with all the debt relief conditions during August 2024. This letter provides an overview of the Provincial Treasury's assessment of the Municipality's compliance with the programme's conditions.


● **Condition 6.1 - Municipality non-compliance**

In terms of the National Treasury (NT) approval, the Municipality must comply with conditions 6.1 - 6.14 of MFMA Circular No. 124 read together with the additional conditions specific to the Municipality set-out in its National Treasury debt relief approval letter. From the Provincial Treasury's assessment, the Municipality achieved 95 per cent average compliance with the MFMA Circular No. 124 conditions during August 2024. Refer to the performance sheet in the table below that shows the Municipality's overall relief compliance



performance across the first two months of its second debt relief cycle. Considering the Municipality's consistent and timely payment of Eskom accounts as well as the overall debt relief performance since 1 July 2023. The Provincial Treasury is of the view that the Municipality is currently on track with debt relief compliance.

WC053 Beaufort West Municipality overall relief performance from 1 July 2024 up to and including August 2024:



Province		
WC		
Code	District	Code Description
WC053	Central Karoo	Beaufort West

Monthly Performance Report																															
Municipal Details			Part A				Part B				Part C				Part D				Part E				Part F								
Month	Code Descr	Code	Eskom And Bulk water current account				Compliance with a Funded MTREF				FARMPFP 8 Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges				Distribution of Revenue Base				Oversight				Compliance Status
			C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	Score
1 July	Beaufort West	WC053	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%
2 August	Beaufort West	WC053	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%

As we enter the second month of the second cycle of the Municipal Debt Relief programme, it is crucial for Beaufort West Municipality to build on the progress made during the initial 12-month period. The National Treasury has emphasized that Eskom will only consider writing off arrear debt if the Municipality demonstrates consistent compliance with all conditions for a consecutive 12-month period. Therefore, the Municipality is encouraged to maintain and improve its compliance across all performance areas to ensure continued eligibility for debt relief.

● **Condition 6.2 - Application-based supported by Council's resolution**

The Municipality's application was endorsed by the Council and approved by National Treasury, subject to addressing specified gaps. All of these have subsequently been addressed.

● **Condition 6.3 - Maintaining the Eskom bulk current account.**

The Municipality has made all bulk account payments timeously. **However, alignment of data strings to proof of payments and invoices is still a challenge for the Municipality as discrepancies were identified between the two sources for electricity payments.** The Provincial Treasury has been closely engaging and monitoring the Municipality in this regard to facilitate full compliance going forward. The Municipality indicated that the differences identified between the deposits and withdrawals will be corrected in next month's reporting.

● **Condition 6.4 - A funded MTREF**

For purposes of the August 2024 compliance certificate, the Provincial Treasury assessed the compliance of the Municipality's tabled 2024/25 MTREF. The PT confirms its communication and related engagement with Beaufort West Municipality on 7 May 2024, to the effect that the 2024/25 MTREF tabled to council is **not** funded. The Municipality has a Financial Recovery Plan in place, and therefore does not need to adopt a separate Budget Funding Plan.

● **Condition 6.5 - Cost reflective tariffs**

The Municipality submitted its completed NT Tariff Tool for the 2024/25 MTREF.

● **Condition 6.6 - Electricity and water as collection tools**

The Municipality met the requirements for this condition except for the restriction and or interruption of water supply to defaulting consumers or property owner. The Municipality indicated that the majority of their meters are still conventional credit meters, capacity and financial constraints at the Municipality contribute to the low execution of this condition. PT will continue to engage them to ensure that they align to the requirements of MFMA Circular No. 124. The Municipality indicated that NT has not responded to the RT29 transversal tender clarification Issue on smart pre-paid water meters as per debt relief conditions vs the conventional meters as stipulated in the tender.

● **Conditions 6.7 - Maintain a minimum average quarterly collection of property rates and services charges**

It is not end of quarter yet; however, the Municipality has achieved a collection rate of 86 per cent in August a 2 per cent drop when compared to the 88 per cent achieved in July 2024.

● **Condition 6.8 - Completeness of the Revenue Base**

The Municipality did not submit the property rates reconciliation tool.

● **Condition 6.9 - Monitor and Report on compliance** The Western Cape Provincial Treasury's assessment included confirming that the MFMA S71 narrative statement and mSCOA data strings for July 2024 was uploaded to the GoMuni portal and that the Statement fully aligns to the MFMA S71 Statement published on the Municipality's website. The MFMA S71 Statement was also assessed against the Municipal Budget and Reporting Regulations, 2009 (MBRR) and the National Treasury MFMA S71 reporting guidance issued to debt relief municipalities on 10 May 2024 read in conjunction with paragraphs 9(i) to 9(ix) of the NT debt relief approval letter.

The assessment confirmed that the MFMA S71 narrative statement included the following information:

MFMA S71 Statement component		Compliance (Yes/No)
1.	The Budget Performance Overview (paragraph 4) of the MFMA S71 statement explicitly advised on the Municipality's progress in implementing the Municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	The conclusion (paragraph 14) of the MFMA S71 statement explicitly advised as part of the MFMA Circular No. 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors. with the implementation of the Municipality's Budget Funding Plan and/or Funded Budget.	Yes
3.	Annexure B of the MFMA S71 statement included the following debt relief reporting components	
3.1.1	The Municipality's MFMA Circular No. 124 self-assessment.	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular No. 128 (Annexure B) .	Yes
3.2	The Municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the Municipality.	Yes

MFMA 571 Statement component		Compliance (Yes/No)
3.4.1	The Municipality's revenue collection performance: <ol style="list-style-type: none"> i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward 	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular No. 128 (Annexure D) .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular No. 128 (Annexure C) .	Yes
3.6.1	The summary of the Municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The Municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	Yes
3.7.1	Any Eskom and Water (if the Municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The Municipality's proof of payment of any such Eskom and/or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The Municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA 571 mSCOA data strings upload.	No
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and/or Mayoral Committee meeting	Yes

The Municipality has integrated its monthly debt compliance reporting into its MFMA 571 narratives as required and demonstrated its commitment to continuous improvement and adherence to the set of conditions. The Municipality's MFMA Circular No. 124 self-assessment indicated several non-compliance issues. The remedial actions undertaken to achieve compliance and the timeframes thereof outlined in the MFMA 571 report are noted and monitored by the Provincial Treasury.

● **Condition 6.10 - Provincial Treasury certification of municipal compliance**

Provincial Treasury closely monitors compliance with the conditions of the Municipal Debt Relief Programme, and this letter is submitted in fulfillment of the PT's role in certifying compliance of the Municipality.

● **Condition 6.11 - Limitation on Municipal borrowing powers**

The limitation on Municipality borrowing powers and the prohibition of borrowing during debt relief periods form a dual regulatory framework aimed at ensuring fiscal responsibility. Compliance necessitates meticulous scrutiny of borrowing activities to ascertain adherence to authorized limits and program guidelines. These measures, while promoting sustainable debt management, also stabilize the Municipality's financial standing, prevent over-leveraging, and mitigate immediate financial strain. Adhering to these regulations is paramount for maintaining creditworthiness, mitigating financial risks, and safeguarding the Municipality's long-term financial health. Thus, robust oversight and adherence to regulatory frameworks are imperative for prudent financial governance and sustained fiscal resilience.

The Municipality has complied with this condition since its debt relief effective date of 1 August 2023, to date.

- **Condition 6.12 - Proper management of resources and Condition 6.13 - Accounting Treatment**


It is noted that during February 2024, the National Treasury: Office of the Accountant General (OAG) issued the Supplementary Guide to MFMA Circular No. 124 on 21 February 2024. In terms of the guidance, the Municipality no longer has to maintain a separate bank account for debt relief purposes as envisaged in MFMA Circular No. 124 (Condition 6.12), however, irrespective of whether a Municipality decides to discontinue a separate bank account, ring-fencing for debt relief purposes must be enabled and demonstrated through the Municipality's monthly mSCOA data string submissions.

- **Condition 6.14 - NERSA License**

By having applied for Municipal Debt Relief, the council of a Municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agreed to make an application to NERSA to voluntarily revoke the Municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act No. 4 of 2006). It is noted that this condition will only come into effect if the Municipality's participation in the debt relief programme is terminated.

● Provincial Treasury Compliance Certification

The Provincial Treasury certifies that it monitored and assessed WC053 Beaufort West Municipality's compliance against the MFMA Circular No. 124 conditions and NT debt relief approval letter as set-out below in the PT's compliance certificate for the Municipality in relation to the period 1 - 31 August 2024:

Annexure A2 - Monthly		Notes/Comments
 <p>National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003</p>		
Western Cape Provincial Treasury		
Certificate of Compliance: Municipal Debt Relief Conditions for Application		
Period	Aug24	
National Financial Year	2024/25	
Demarcation Code of Municipality being assessed	WC053	
District	CENTRAL KAROO	
Demarcation Description	BEAUFORT WEST	
<p>I, Judith Gumbane, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below.</p>		
<p>Municipal Debt Relief Conditions (Monthly reporting) Choose from drop-downs here</p>		
<p>6.2 - Maintaining the Eskom and Bulk Water current account</p>		
6.2.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer section 6.2.2</i>	Yes
6.2.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://go.muni.gov.za/ ?	Yes
6.2.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the MSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
6.3	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT less any payment that may be due in terms of a payment arrangement of "New owners" (March 2023 and / or subsequent current accounts) up to the date of NT approval of the application.</i>	Yes
6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://go.muni.gov.za/ ?	Yes
6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the MSCOA data string and the section 41(2) MFMA statement of Eskom?	No
<p>6.4 - Compliance with a funded MTRF - (Choose from drop-down for the MTRF approval)</p>		
6.4.1	- Is the municipality's MTRF funded and aligning to the National Treasury's Budget Funding Guidelines - https://mfma.treasury.gov.za/804/links/pegs/2024/2024.pdf ?	No
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes
6.4.1	- Has the municipality made adequate provision for debt impairment (adequacy of the actual collection of revenue and treasury rates during the 12 months immediately preceding the making of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes

04	6.4.1	Has the Municipality made adequate provision for depreciation and asset impairment (comparing its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
04	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	There is an FRP	
04	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	Yes	
04	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher water taken to high, lower sanitary collection rates, etc.?)	Yes	
04	6.5	Cost reflective tariffs - (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
04	6.5	Electricity and water as collection tools - Has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated through its by-laws and budget related policies that:		
04	6.5.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
04	6.5.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
04	6.5.3	- the municipality is restricting any or interrupting the supply of water to any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: in terms of this condition the municipality must undertake such restriction/interruption of water together with the municipal engineer(s) to ensure a minimum supply of water.	No	The Municipality has indicated that only 20% of the water meters are pre-paid meters the rest is conventional meters and it doesn't have the capacity to restrict water. The Municipality also indicated that Smart pre-paid water meters is the solution however the RT29 transversal tender issue has not been responded to by NT.
04	6.5.4	- if the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 kilowatt electricity and 6 Kilolitres water, respectively? <i>Note - the municipality's monthly ASMA s.71 statement must include as part of the narrative the indigent information in the required MT terms.</i>	Yes	

6.9 Monitor and report on implementation –		
6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCDA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1</i>	Yes
6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Yes
6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal – https://www.gov.za/infocentre/submitting-frp ?	Yes
<i>Note - the municipality with a FRP must also submit the monthly FRP progress report to the relevant Provincial Executive and MFRS.</i>		
6.10 Provincial Treasury (or Provincial Treasury (delegated) / Municipal Treasury) – in terms of sections 11 and 14 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Mutual Default unless:		
6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.3 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://gpmunicipal.messtry.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
6.10.3	- has the Provincial Treasury failed to rectify any provincial Treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note - The National Treasury may issue a compliance certificate with a suspension of non-compliance by the municipal treasuries as per paragraph 4.1.</i>	No
6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No

<p><i>Note - there is a prohibition on the local government for three consecutive municipal financial years from the ability of the municipality's revenue to be used for the benefit of the municipal debt relief programme. It confirms that MFMA Circular No. 224 (dated 01/12/2016) on municipality debt relief programs will only be enforced in relation to new and term loans introduced after the effective date of debt relief program as envisaged in MFMA Circular 24. Sanctions concerning including mainly use of its assets for its the trading purposes are not considered within the ambit of the 1996/2016.</i></p>		
<p>6.12 For the duration of the Municipal Debt Relief to ensure proper management of resources):</p>		
37	<p>6.12.1 - has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?</p>	<p>Yes</p>
38	<p>6.12.2 - has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?</p>	<p>Yes</p>
<p><i>Note - Only if relevant in the specific circumstances will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s. 21(1).</i></p>		
39	<p>Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.</p>	<p>Yes</p>
40	<p>6.13 Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with MSCOA.</i></p>	<p>Yes</p>
41	<p>6.14 NERSA license - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	<p>No</p>
<p><i>Note: In applying for the debt relief as provided in paragraph 3 of MFMA Circular No. 224, the council of a municipality has during the duration of the Municipal Debt Relief programme failed to comply with any condition of the Relief, subject to any to NERSA to make the municipality's access in terms of section 77 of the Electricity Regulation Act, 2006 (Act No. 4 of 2006). Any such application must be considered as the relevant procedure for applying an internal mechanism to manage in Chapter 8 of the Municipal Finance Act, 2003, including the Amalgamated Service Providers along with the Alternative Dispute Act, 2002 and the South African Act, 2006, in terms of the conditions of government's write-off debt to Eskom. It does not give rise to a failure to comply with the debt relief program as also determined to the municipality's credit status are the subject of suspended debt relief.</i></p>		

The Western Cape Provincial Treasury's assessment and compliance certificate confirm that Beaufort West Municipality during August 2024 did not fully comply with all the MFMA Circular No. 124 conditions as elaborated on above. The Municipality is commended for improving its overall compliance average to 95 per cent but must still address the remaining non-compliance matters. The Municipality is urged to strengthen its implementation of the relief conditions to fully benefit from the relief.

The Provincial Treasury continues to appreciate the opportunity that the Municipal Debt Relief Programme provided to municipalities and is committed to supporting our municipalities to ensure that they comply with the conditions of the programme in order to derive the full benefit.

Yours sincerely



MS J GANTANA
HEAD OFFICIAL: PROVINCIAL TREASURY

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